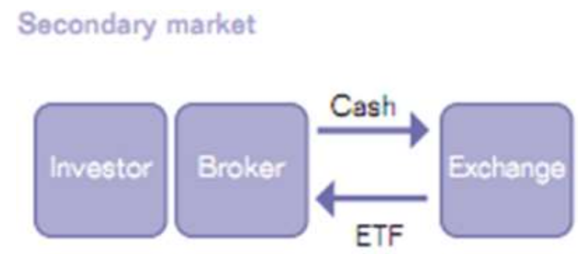
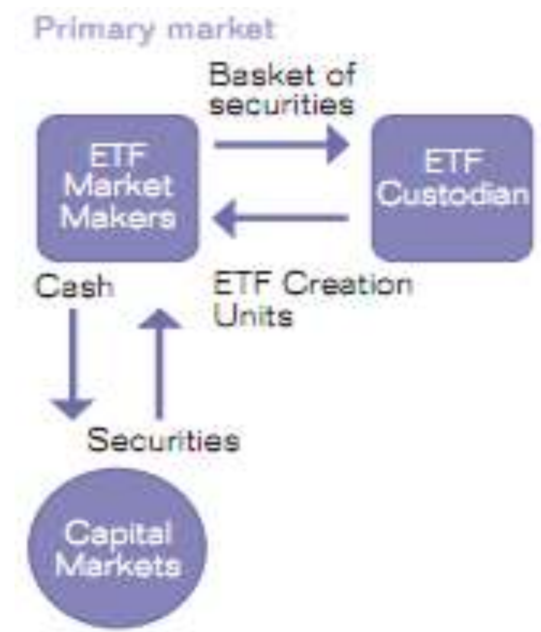
Trading ETFs

Because ETFs are traded like ordinary shares, they provide much greater flexibility when it comes to buying and selling.

- ETFs are **listed on the stock exchange** and bought through stockbrokers
  - While unit trusts are priced once a day, shares in ETFs are traded on the stock exchange, so the **prices move throughout the day.**



- ETFs are **open-ended**
  - Investors **do not have the problem of shares trading at big discounts or premiums to NAV** (which often occurs with closed-end funds, such an investment trusts)



Managing transactions and Fees

Most hedge funds appoint a prime broker to handle their transactions.

A prime broker is **usually an investment bank.**

The prime broker is who the hedge fund will buy and sell investments from, borrow from and, often, entrust the safekeeping of their assets to.

Hedge funds charge their investors performance-related fees, in addition to the usual management fees charged by most growth funds.

Performance fees can be substantial, **with 20% of the performance above certain levels** (often termed 'net new highs' or the 'high water mark') being common.