INVESTING IN UNIT TRUSTS

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This brochure provides useful background information on investing in unit trusts. When considering a unit trust, you must always read the prospectus for specific information. Bear in mind that the suitability of any unit trust will depend on the individual investor's risk and return preferences. Inexperienced investors in particular are encouraged to consult a licensed investment adviser or broker for specific investment advice. A list of licensed investment advisers and brokers can be obtained from the CMDA.

Investing for Your Future

Everyone wants financial security so that they can enjoy a comfortable standard of living or a secure retirement. For a fortunate few, financial security comes from an inheritance or owning a successful business. For most people however, the only way to achieve financial security is to save and invest wisely.

While many people regard saving and investment as the same thing, there is a difference. Saving is the money you set aside for future spending. Investment is the money you use to buy assets that generate an income stream for you in future. These assets, or "investments", may include shares, bonds or property.

Successful investment usually requires a good amount of time and skill. Market conditions change over time, sometimes very rapidly, hence the risks and returns for any investment will tend to change too. Regular and careful analysis of your investments is important to ensure that they are appropriate to your financial goals.

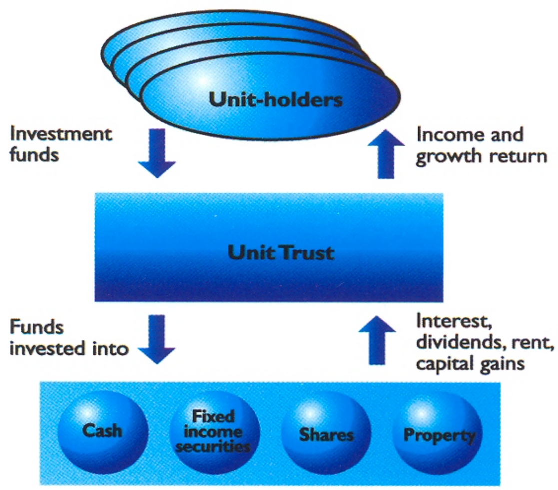
Some people buy and manage their investments directly. For others with limited time, money and investment expertise, a good way to invest is to put their money in a managed fund such as a unit trust.

What is a Unit Trust?

Unit trusts have one thing in common - they involve you and other investors giving your money to a team of professionals to invest it for you. Hence unit trusts are often called "managed funds". Lets look at some basic concepts.

Pooling - A unit trust puts the money of its many investors together and invests this in different asset classes for example cash, shares, bonds and property, with the intention of making money from them.

Unit - A unit represents a share in the unit trust, hence reflects the value of the investments held by the unit trust. Over the period you invest, the value or price of a unit will move up and down as the value of the investments rises or falls.



Unit-holder - Investors in a unit trust are called unit-holders and are allocated a number of units depending on how much they invest and the price of the units at the time of investment.

Entry and Exit Prices - The entry price is what you pay for one unit. The exit price is what you get when you sell back one unit, i.e. when you withdraw your funds.

Income and Capital Gains - The unit trust makes money from its investments in two ways:

- The investments earn interest, dividends, rent and/or other income.
- The investments may rise in value. This is commonly referred to as "capital growth". This allows the unit trust to sell the investments at a profit and to make a "capital gain".

Investment Return - As a unit-holder, you are entitled to a share in the income and capital gains made by the unit trust, in proportion to the number of units you own. This is referred to as your investment return. For example, the unit trust may pay you a dividend of $0.05. In addition, if you buy a unit today at $1.00 and after twelve months the price of one unit rises to $1.05 per unit, then the capital gain on a unit is $0.05.

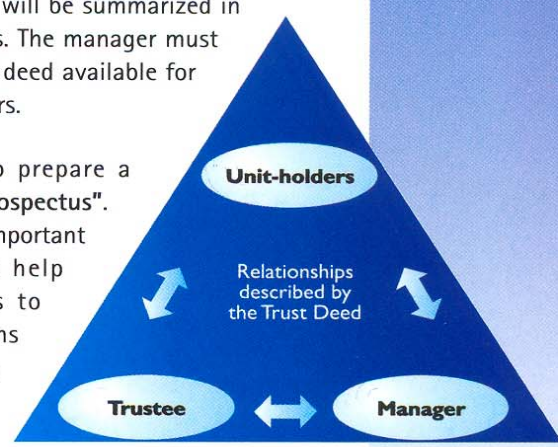
How are Unit Trusts Structured?

The laws that govern unit trusts in Fiji include the Unit Trust Act, the Capital Markets Development Authority Act and the Companies Act.

A unit trust must have a manager and a trustee:

- **The manager** is responsible for investing the unit trust's pooled funds and managing the investments on a daily basis. This includes monitoring investments to ensure that risks and returns are appropriate for the unit trust, keeping records and processing the buying and selling of units by unit-holders. Managers are generally companies set up specifically to manage the unit trust.
- **The trustee** legally owns all unit trust assets (i.e. the investments) on behalf of the unit-holders and has the function of ensuring that the unit trust is managed in the interests of the unit-holders. Trustees are generally companies, banks or trustee corporations.

The trustee and the manager enter into a formal agreement for the benefit of unit-holders, called a **"Trust Deed"**. This important document sets out in detail the conditions under which the unit trust operates and the rights and duties of the manager, trustee and unit-holders. The trust deed must be approved and registered by the Registrar of Companies. Unit-holders can read the trust deed to fully understand their rights, although the important points of the trust deed will be summarized in the unit trust prospectus. The manager must have a copy of the trust deed available for inspection by unit-holders.



A unit trust must also prepare a document called the **"prospectus"**. The prospectus sets out important information that will help potential unit-holders to make informed decisions when deciding on whether to invest in the unit trust, for example:

- Details of the manager and trustee
- How the unit trust will invest unit-holders' funds
- The risks that apply to the unit trust
- The unit trust's investment objectives and strategies
- The costs or fees that apply
- How to buy and sell units
- Administrative matters

Regulatory Mechanism

The prospectus offering the units to the public, must be authorised by the CMDA. It must also be approved and registered by the Registrar of Companies.

All unit trusts must be approved by the Finance Minister and licensed by the CMDA. In addition, unit trusts have "representatives", the individuals who market the unit trust and advise unit-holders. These representatives must also be licensed by the CMDA.

The CMDA ensures that all licensees meet specific academic and professional standards and adhere at all times to relevant legislation, regulations and codes of conduct. Unit trusts are regularly inspected. Regulation by the CMDA helps to ensure that the rights of unit-holders are protected.

What are the Types of Unit Trusts?

Unit trusts can be classified according to the type of investments they make. There are generally two basic types of unit trusts - "diversified" and "specialised".

Diversified Unit Trusts

Diversified unit trusts invest across different assets classes: for example cash, fixed income securities (e.g. bonds), shares and property. Diversified unit trusts can be further identified according to the particular asset class(s) that they emphasise:

- Growth unit trusts invest mainly in shares;
- Income unit trusts invest mainly in cash and fixed income securities; and
- Balanced unit trusts invest in a balance of asset classes. Balanced unit trusts generally hold about 30% - 60% of their investments in shares. While returns may not be as high as those that can be achieved in a pure share unit trust, they tend to be more consistent.

Diversified unit trusts can provide a reliable income stream due to diversification. They also have the potential for capital growth, particularly from their share and property investments.

Specialised Unit Trusts

A specialised unit trust invests only in a particular class of asset. For example, a unit trust may invest only in property while another may invest only in shares. Although they are limited to one asset class only, specialised unit trusts can achieve the benefits of diversification by investing across a range of industries, and countries within that class. For example, a unit trust specialising in shares may invest in companies from the manufacturing, food, tourism, real estate and mining industries.

Investments and Classes

Unit trusts can invest in a range of investments. For simplicity, these can be grouped into four asset classes: cash, fixed interest securities, shares and property.

1. **Cash** - This includes bank savings accounts, bank term deposits, treasury bills, bills of exchange and certificates of deposit. Cash involves the investor lending money to the issuer for an agreed period at an agreed interest rate. At the end of this period, the investor is repaid in full plus the agreed interest. Cash investments are short-term (less than 1 year). In general, cash investments tend to be low risk and have low returns.

2. **Fixed Income Securities** - This covers bonds issued by Government and other bodies. They all involve the investor lending money to the issuer for an agreed period and at an agreed interest rate. Interest is paid in installments (e.g. six-monthly) and the borrowed amount is repaid in full at the end of the period. Fixed income securities are medium to long-term (more than 1 year). In general, fixed income investments are less risky than shares and property and have lower returns.

3. **Shares** - Shares represent ownership of part of a company. The shareholder may benefit by receiving part of the profits (in the form of dividends) and by sharing in any growth in the value of the company (through an increase in the value of the shares). Shares in well-managed companies tend to perform well over long periods, i.e. years. Since the return on shares is dependent on the individual company's performance, shares are generally riskier than fixed-income investments. However, they do offer the chance of much higher rates of return.

4. **Property** - Investment property, such as office buildings, apartment blocks or residential houses earn rent and can appreciate in value over time. Returns can be high but so can risks. Mistakes can be very expensive since property investments typically involve large sums of money, are less liquid than other investments and have high transaction costs.

What are the Benefits of Investing in a Unit Trust?

Convenience – Once you put your money in a unit trust, everything is done for you. The manager invests your funds, monitors and manages the portfolio of investments on a day-to-day basis and maintains records. This saves you considerable time and effort.

Affordability – Your initial investment can be as little as around $100. Typically, minimum investments range from around $100 to $5,000. For further investments, some unit trusts allow you to purchase any number of units, small or large.

Tax-Free Dividends - The dividends paid to unit-holders by the unit trusts in Fiji are currently tax-free. There is also no capital gains tax on any capital gains you make when you sell your units.

Professional Expertise - A team of professionals manages your funds for you. These professionals have the time, expertise, access to information and industry knowledge, which many individual investors lack.

Diversification - Unit trusts generally invest in a diverse range of asset classes. This diversification reduces the risk that your investment will be adversely affected if one asset class or product encounters problems. It means that you can usually achieve more consistent returns and reduce your risk.

Market Access - By pooling unit-holders' funds, the unit trust is able to invest in a broader range of investments, including those in overseas markets. Many individual investors cannot afford to invest in such a broad range of investments. Imagine trying to invest in property (which may cost thousands of dollars), shares and bonds, both in Fiji and overseas, at the same time! In other words, for many small investors, unit trusts provide more opportunities to diversify their investments.

Choice – A range of unit trusts are available for you to match your investments with your risk and return objectives. The CMDA can inform you of the unit trusts available to invest in and their contact details.

Regulatory Protection – Unit trusts must comply with the Unit Trusts Act and the Capital Markets

Development Authority Act, which seek to ensure that they are managed prudently and fairly and that the interests of investors are protected.

Liquidity - As a unit-holder, you can easily withdraw your funds simply by selling back units. The notice period for withdrawals will vary between unit trusts but some can repay your investments immediately over the counter.

What are the Costs?

Like any investment product, there are costs or fees associated with investing in a unit trust. As a unit-holder, you would typically be required to pay for the following:

- **A portion of the unit trust's net assets** - Each unit represents a share in the unit trust's net assets (total assets minus total liabilities). Units therefore have value because they give the unit -holder the right to income and growth from the underlying assets. This value is reflected in the price you pay to buy units. The manager must value the unit trust's portfolio of assets regularly. Some do this fortnightly, while other value them daily.

- **A portion of the accrued income** - Accrued income is the dividend due to unit-holders but not yet paid out. This dividend is paid out on a regular basis (typically every 3 or 6 months) from income earned by the unit trust. The dividend can be regarded as a reward for unit-holders who invested their money over the dividend period (the period since the last dividend). It would therefore be unfair, for an investor who invested for less than the dividend period to receive the full dividend. To be fair on the other unit-holders, the new unit-holder should only receive income for the period he or she invested for.

  One way of resolving this problem is to include a "payment equalisation" portion in the unit entry price equal to the income accrued per unit. In effect, the unit price is increased in order to cancel the part of the dividend that a new unit-holder should not be receiving for free. The following simplified example illustrates how this works for unit-holder XYZ who buys units halfway through a 6-monthly dividend period.

Halfway through Dividend Period	
Total number of units on issue:	9 million
Accrued income	$300,000
Income equalisation portion paid by Unit-holder XYZ * (300,000/9,000,000):	$0.033

***This is the accrued income per unit**

At the End of Dividend Period	
Total number of units on issue:	10 million
Accrued income:	$650,000
Accrued income per unit ($650,000/10,000,000):	$0.065
Net income per unit received by Unit-holder XYZ (0.065-0.033**)	$0.032

****$0.033/unit was paid by XYZ when the units were initially purchased**

  In this example, unit-holder XYZ receives a net income payment at the payment date of 3.2 cents per unit. In effect, this rewards XYZ only for investing its funds for 3 months rather than 6. Without income equalisation, XYZ would have received 6.5 cents per unit.

  Note that immediately after a payment date, the income equalisation portion will be zero. This will grow until, at the next payment date, the equalisation portion will equal the income per unit. In this way, an investor who buys units at the start of a payment period receives the full income at the next payment date. In contrast, an investor who buys units on the payment date receives no income since the equalisation portion completely cancels out the income paid on his units.

- **The services of the manager and trustee** - Unit-holders benefit from the time and expertise of the manager and trustee in looking after your investment, hence it would be expected to pay for this service. Related expenses such as fees for audit, taxation advice, legal advice, printing and stationery, postage, record keeping and bank charges, which the manager and trustee may incur in carrying out their duties, are generally included in this cost. Typically, this cost is a percentage of the unit trust's Net Asset Value (NAV), for e.g. 2% management fee, 0.125%

trustee fee and 2% ongoing fees and expenses.

- **Transaction costs** - Transaction costs are incurred when the unit trust invests your funds or repays you when you decide to withdraw your funds. The unit trust uses your money to buy shares, bonds, property and other investments. When you decide to withdraw your money, the unit trust may have to sell some of its investments to free up the cash to repay you. Buying or selling investments incur fees such as brokerage fees, stamp duty and stock exchange levies.

Note that other fees and charges may also be levied. Fees and charges may either be reflected in the unit prices directly or charged separately. The actual cost structure will vary between unit trusts. Always ensure you fully understand all the fees and charges that you will incur before investing in a unit trust.

The following is a simplified example of a cost structure where all costs are reflected in the unit prices.

Entry Price	$	$
Net Asset Value (NAV)		20,000,000
Fees: Transaction costs	20,000	
Manager's/trustee's fees and other fees and charges	100,000	120,000
NAV plus Fees		20,120,000
Total number of units		10,000,000
Entry price per unit $20,120,000/10,000,000 units		**$2.012**
Exit Price	**$**	**$**
NAV		20,000,000
Fees: Transaction costs	20,000	
Manager's/trustee's fees and other fees and charges	100,000	120,000
NAV minus Fees		19, 880,000
Total number of units		10,000,000
Exit price per unit $19,880,000/10,000,000 units		**$1.988**

Note the following:

- The entry price is the price you pay when you buy a unit. This price reflects the unit trust's NAV plus fees and charges. Hence you pay all costs upfront.
- The exit price is the price you receive when you sell back one unit (i.e. withdraw your funds). This price reflects the unit trust's NAV minus fees and charges. Hence you are paid after fees and charges are deducted.
- The calculation of the entry and exit prices results in the entry price always being higher than the exit price.

What are the Risks?

Like any other investment, there are risks associated with investing in a unit trust. To assess whether a unit trust is suitable for your investment objectives, you need to understand these risks and how they may impact on your investment return.

What is Risk?

In investing terms, risk indicates the potential gain or loss associated with investing over time. For an investment, the higher its risk the greater the chance that its return will fluctuate over time. As a rule, higher returns mean greater risk. Another way to look at it is that for a given level of return, it is human nature to prefer less risk to more risk. Therefore the higher the risk of an investment, the higher its returns have to be to attract investors.

Specific Risks

All investments involve varying degrees of risk. While there are many factors which may impact the performance of share, property, fixed interest or cash investments, below is a summary of the major risks that exist when investing in unit trusts.

Some of the key risks that unit-holders are exposed to and which could affect investment returns are outlined below. Most of these risks affect the return that the unit trust would make from its investments, which in turn would affect the return that unit-holders receive from the unit trust. These risks also apply to investments in general.

- **Market risk** - This is the risk that unexpected economic, political or other conditions could have a negative impact on the investment returns that can be made in a particular market. For example, generally speaking high interest rates, increases the likelihood that the returns that can be made by investing in shares, would fall.

- **Currency risk** - for those portfolios which invest in international markets, currency risk is the chance that foreign currencies may fall in value relative to the Fiji dollar. This can negatively impact investment returns.

- **Security risk** - The return on a particular investment, such as a share or bond, is affected by the performance of the issuer. For example, a profitable company will have a better chance of paying dividends on its shares or interest on its bonds than a loss-making company. Hence a unit trust is exposed to the performance of the issuers of its investments which in turn, is affected by the quality of the particular issuer's management, processes, workers and other resources.

- **Management risk** - Unit-holders rely on the unit trust's manager and trustee to make appropriate investment decisions and manage the trust in the unit-holders' interests. The returns made by unit-holders are therefore subject to the skills, experience and efficiency of the manager and trustee.

Managing Risk

One way for unit trusts to reduce risk is to invest its unit-holders' funds in a range of investments (or asset classes). This is commonly referred to as "diversification". Or as the saying goes, "don't put all your eggs in one basket".

Why? Because different investments (cash/shares/bonds/property) tend to experience good performance at different times. By not having all its funds in one investment, poor performance by any one investment will tend to be compensated by the better performance of other investments. In this way, the unit trust improves its chances of making consistent returns from its investments. Bear in mind however that as a general rule, risk cannot be completely eliminated, even through diversification.

Remember that the lower the risk, the lower the return is likely to be. Conversely, the higher the return, the higher the risk. Different unit trusts will offer different risk and return combinations depending on the type of investments they make (refer to the section on "What Are the Types of Unit Trusts?").

The appropriate risk-return combination will depend on your financial objectives. Some people prefer a low-risk, steady income stream while others don't mind taking on more risk for the chance of making higher returns. For inexperienced investors, it is highly advisable to seek professional advice from a licensed investment adviser or broker.

How Do I Invest?

The specific procedure for investing in a unit trust will vary between unit trusts. Always read the prospectus for these details. Some general features of investing in a unit trust are provided below.

Applying

You can buy units at the prevailing entry price by completing and lodging the official application form, which is always provided with the prospectus. Unit trusts provide various methods for lodging an application. Typically, applications can be mailed to the unit trust's office or lodged at the unit trust's front desk. Some unit trusts also have authorised agents who can also process your application. Please ensure that you are dealing with an authorized agent or a licensed representative of the unit trust when applying to buy units.

Entry prices are set regularly and may range from daily to fortnightly, depending on the unit trust. Prices are usually published in the newspapers. Remember that in addition to the entry price, other fees and charges may apply. Furthermore, unit trusts usually set a minimum initial investment, which generally ranges from $100 to several thousand dollars. Some unit trusts may also set a minimum amount for additional purchases of units.

Payment

The range of payment options will vary between unit trusts. Most unit trusts will allow payment by cash or cheque.

Reinvestment

Unit trusts usually give you the choice of having your dividends (the income received from the units) paid to you or reinvested in the unit trust.

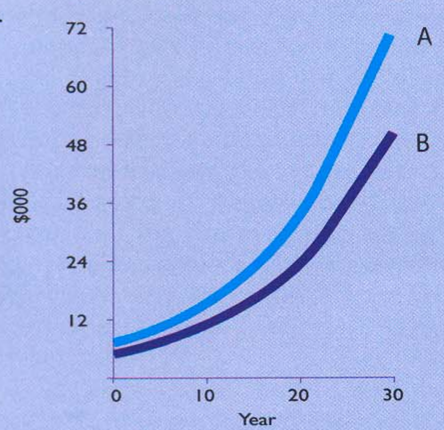
Having the income paid to you provides an income stream which you can spend, save or invest elsewhere. If you choose reinvestment, it means your investment in the unit trust, and hence the number of units you own, grows over time. The income is reinvested at the entry price prevailing at the time the dividends are to be paid to you.

Reinvestment will allow you to harness the power of compounding. Compounding can, over a long period of time, have a phenomenal effect on the wealth that you accumulate as the following simplified example illustrates.

The Phenomenon of Compounding

Compounding refers to the process when an investor earns interest on the interest as well as on the initial investment. The effect can be phenomenal. For example, say you invest $5,000 at 8% interest per year. If you reinvest all the interest received from your investment, you would have $7,347 after 5 years, $10,795 after 10 years and $23,305 after 20 years. If you waited another 10 years, your investment would grow to $50,313. If instead of investing $5,000 initially, you invest just $2,000 more, you would accumulate $70,439 in 30 years!

As the figures show, the secret to harnessing the power of compounding is to invest for a long period of time.



A - Accummulated value if interest is reinvested.
B - Accummulated value if interest is paid out.

Withdrawal

If you decide to withdraw part or all of your investment, you can sell back units to the unit trust at the prevailing exit price. Typically, withdrawals can be mailed to the unit trust's office or lodged at the unit trust's front desk. Some unit trusts also have authorised agents who can also process your withdrawal.

Exit prices are set regularly and may range from daily to fortnightly, depending on the unit trust. Prices are usually published in the newspapers. Note that in addition to the exit price, other fees and charges may apply. Furthermore, some unit trusts may set a minimum investment that you must maintain in order to receive income payments or remain a unit-holder.

How Do I Choose a Unit Trust?

The suitability of any unit trust depends on your personal investment objectives. Important questions are:

- What do you want to achieve from your investment? A secure retirement, funding your children's education or some other goal?
- How much do you have to invest? Different unit trusts have different minimum investment levels.
- How long do you want to invest?
- How much risk are you prepared to take?
- What returns are you looking for?

Based on your answers to these questions, a thorough analysis of the various unit trust options should be made to match your choice of unit trust(s) with your investment objectives. A useful checklist of what to look for in a unit trust is provided in the box at right.

Checklist

1. What is the unit trust's goal and investment strategy?
2. What are the unit trust's most significant risks?
3. What are the unit trust's fees and expenses?
4. Who is the unit trust's manager?
5. How do I buy and sell units?
6. How are distributions made and taxed?
7. What other services will the unit trust provide?
8. How has the unit trust been performing relative to other unit trusts and other investment options?

Importantly, <u>you must always read the prospectus</u>. The unit trust's prospectus sets out pertinent information on the unit trust that an investor needs to make an informed decision. The prospectus will cover the information in the checklist. In fact, a unit trust is not allowed to solicit funds from investors without providing a copy of its approved prospectus. Always ask for a copy of the prospectus from a unit trust you are considering investing in.

How Do I Measure A Unit Trust's Performance?

An important part of investing in a unit trust, as for any other investment, is to measure its performance. This involves assessing the risk and return of the investment and helps you to decide which unit trust is suitable for your investment objectives. Performance analysis should be ongoing - even after you invest, you need to monitor your investment to ensure that it remains appropriate to your investment objectives. Where the risk-return characteristics of the investment change or your own investment objectives change, you may need to shift your money to other more suitable investments.

You need to compare a unit trust's performance with other unit trusts. The problem is that different unit trusts may have different fees and charges and may report their performance in different ways. You therefore need to look at raw data for each of the unit trusts being analysed and calculate performance using a consistent method.

Presented below is a simplified method for measuring the performance of unit trusts. This method can be used to measure performance over any period of time.

Types of Return

As a start, there are two general components of investment return - distribution return and growth return.

- **Distribution return** - this is made up of the payments (often called dividends) you receive at the end of each payment period (usually 6 months). These payments consist of the income the unit trust has earned over the period. In some cases, the payments may also include realised capital gains (profit on the sale of assets) and a return of capital (where the unit trust decides to pay back part of the funds invested by unit-holders).

- **Growth return** - this occurs when the value (price) of your units grows. As mentioned earlier, unit prices will rise and fall with the value of the underlying investments of the unit trust. You will only realise a positive growth return when you sell your units for more than you bought them for, i.e. when the exit price at which you sell exceeds the entry price you paid.

Formulae

How well a unit trust has performed over a particular period of time is generally reported as a percentage **"total return"**, which is the combination of the percentage growth return and the percentage distribution return over that period.

Note that entry fees (generally a fee charged for the privilege of being a unit-holder, as opposed to the entry price which is the charge for owning an interest in the unit trust's net assets) are not factored into the performance calculation method suggested here. This is because entry fees can be discretionary and therefore may differ between unit trusts and between unit-holders. For example, a particular unit-holder may get a discount on the entry fee. Elimination of entry fees from the calculation means it is focused on the most common elements of performance, i.e. entry and exit prices and their growth, and the distribution paid out.

Basic Formulae

Distribution return	$= \text{Distribution received}_{\text{during period}} \div \text{Entry price}_{\text{start of period}}$
Growth return*	$= (\text{Exit price}_{\text{end of period}} - \text{Entry price}_{\text{start of period}}) \div \text{Entry price}_{\text{start of period}}$
Total return	$= \text{Distribution return} + \text{Growth return}$

Note:

- For simplicity, distributions are assumed to be paid out and not reinvested.
- No allowance is made for the effects of tax and inflation.

An Example

Total Return on Unit Trust XYZ for the year			
Entry price	(Start of year)	:	\$1.20
	(End of year)	:	\$1.24
Exit price	(Start of year)	:	\$1.18
	(End of year)	:	\$1.22
Distribution received per unit		:	\$0.08

1. Distribution return = \$0.08/\$1.20 = 0.0667 = **6.67%**
2. Growth return = (\$1.22-\$1.20) / \$1.20 = 0.0167 = **1.67%**
3. Total return = 0.0667+0.0167 = 0.0834= **8.34%**

Disclosure of Performance

When reporting on performance, the manager should disclose, for the benefit of unit-holders, the distribution return, growth return and total return for the unit trust, after all expenses including management and trustee fees and other costs have been deducted. Returns can be expressed in cents per unit or as a percentage of the purchase price of the units at the start of the reporting period.

Other General Points to Remember About Unit Trust Performance

- Ensure that you understand the type of return being reported by the manager. Typically the manager should only report the distribution, growth and total returns that investors make. However, the manager may also report the returns made on the investments in the unit trust's portfolio of assets. The two sets of returns are not the same. The returns to unit-holders will generally be lower because fees and charges, such as management fees and trustee fees, are payable out of the income, and in some cases, the capital, of the unit trust.

- Exercise care when interpreting returns that have been annualized, particularly for short period returns. Annualization refers to how a return over a short period, say 3 months, is projected into an annual (12-month) return. Short period returns can vary considerably; hence annualization may overstate or understate performance and lead to unrealistic expectations by investors.

- Short period returns may not tell the whole story. The performance over a longer period (e.g. 3 years or more) can give a better picture of how the unit trust has performed during market fluctuations.

- Past performance is not necessarily a good indicator of future performance.

- When comparing the performance of different unit trusts, make sure you compare "apples with apples". Unit trusts may have different investment objectives and hence different risk and return characteristics. Therefore, only unit trusts with similar investment objectives should be compared.

- Be clear as to whether the reported performance is before or after entry and exit fees. As these fees may differ between unit-holders, it may be appropriate to look at performance before entry and exit fees, as this reflects the "pure" performance of the manager.

- You should regularly review the performance of your unit trust to ensure that it is meeting your investment objectives.

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