



	Spoke Fund	Mutual Fund	Hedge Fund	Partnership
Transparency How transparent is the investment process and actual investments of the portfolio manager?	High Investors have access to their individual account and can see their exact holdings anytime.	Low Investors can see changes to their top holdings only once every quarter.	Low Investors can see changes to their top holdings only once every quarter or as the manager decides.	Low Investors can see changes to their top holdings only once every quarter or as the manager decides.
Alignment of interest How aligned is the interest of the portfolio manager with that of the investor?	High Portfolio manager invests most/ all of his/her net worth in the same investments as his investors. So, the interests are perfectly aligned.	Low Portfolio manager usually does not invest in the fund.	Low Portfolio manager may not have substantial personal asset invested in the fund. Additionally, 2-20 fee structure is inherently biased towards the portfolio manager's interest.	High In partnerships, the interests of all partners are aligned.
Eligibility Is all interested investors eligible to invest in the fund?	High There is no legal restriction on who can invest.	High There is no legal restriction on who can invest.	Low Only affluent/"qualified" investors can invest in a hedge funds. Small investors are excluded.	Medium Depends on the terms of the partnership.
Manager accessibility How accessible is the portfolio manager to individual investors?	High Portfolio manager is accessible all the time.	Low There is no easy way to directly correspond with the portfolio manager. Investors have access only to customer service department.	Medium Depends on the portfolio manager's style. Most famous managers write a quarterly report to investors.	Medium Depends on the terms of the partnership. Most famous managers write a quarterly report to investors.
Liquidity How liquid is the account?	High Investors have full control of the account. So, they have full liquidity to the extent of liquidity of assets held in the account.	High Investors can sell the units at a days notice	Low Most hedgefunds require a lock in period and 30-60 days notice for withdrawals	Medium Depends on the terms of the partnership. Most partnerships have some restrictions or waiting periods.
Control of account How much direct control the investor has over his/her account?	High The investor has the direct ownership of the account held at an independent broker-dealer (similar to any other self-directed brokerage account).	Low Investors do not have direct access to their account because they don't have separate accounts. Investors hold only units in a large pool of investments.	Low Investors do not have direct control over their account.	Low The investors control over the account is not as direct as a brokerage account. The level of access is determined by the terms of the partnership.
Cost / Fee What are the costs/fees associated with the fund?	Low Due to the use of latest technology platform, cost of operation is lower compared to other structures	High Old technology and large back office operation leads to a high cost/fee structure. In addition, there are many hidden fees that investors don't see on their statement.	High The typical 2% management fee and 20% performance fee is expensive for investors. In down years, portfolio manager doesn't lose anything !	Low Depends on the terms of the partnership.
Source of fund restrictions What kind of funds can be invested in the fund? IRA?	Low Any legal source of fund is acceptable.	Low Any legal source of fund is acceptable.	High Can not invest IRAs in hedge fund.	Medium Depends on the terms of the partnership.