

| Attribute | REIT | Private Equity | Tokens |
|---|--|---|---|
| Low minimum investment | Yes, can be less than \$1,000 | Typically, millions. Crowdfunding has reduced this to \$100k in some cases less than that | Hopefully tokens can reduce the minimum investment size but the regulator will most likely still require qualified investors. Tokens may assist Intermediaries to play a part in aggregating investment |
| Public able to invest | Yes, open to anyone who can invest in the stock market | No. Limited to qualified investors only | Tokens may create the opportunity for intermediate aggregation of funds |
| Liquidity | Very high. Large number of shares, assets and potential buyers | Limited due to minimum investment size and investor qualification requirements | Subject to market size and regulation |
| Professional management | Definitely. Subject to public scrutiny and regulation | Up to the investor to determine the skills of the manager. Limited regulation in this area | Up to the investor to determine the skills of the manager. Limited regulation in this area |
| Risk diversification | Regulation often restricts what type of assets can be included. Setup costs demand a large portfolio. Diversification is often achieved by different asset classes and markets | Fund size is often limited and single assets often the focus. Investors need to diversify with multiple investments | Fund size is often limited and single assets often the focus. Investors need to diversify with multiple investments |
| Impacted by stock market volatility | Low correlation to similar sized stocks – typically REIT values are more impacted by the nature of the underlying asset | The value and use of the underlying asset typically determines price | The value and use of the underlying asset typically determines price |
| Listing cost | Regulatory requirements for a public listing a quite high. It's a trade off for access to a public register | Setting up a compliant, tax effective structure is not cheap but much less than the listing cost of a REIT | Setting up a compliant, tax effective structure is not cheap but much less than the listing cost of a REIT. Remains to be seen if its any cheaper than a PE Fund |
| Private Equity style returns | Not possible given the risk constraints that a publicly listed entity must work within | Yes | Should be possible |
| Instant transaction settlement | Depends on market – Singapore 3 days, Hong Kong 1-2 days. Australia 2 days | Weeks | TBA...but should be faster than Private Equity. May be faster than REITS |
| Low transaction fee structure | Many intermediaries take a fee in this process | No | Possibly |
| Able to undertake development projects | Depends on regulation. Can be done in some markets | Always | Subject to final regulation, who the investors are and the investment mandate |
| Tax benefits | Significant. Typically, no tax is paid | Tax effective structures help but taxes typically payable | TBA – it's doubtful regulators would view this any different to a PE investment at best |
| Protection of real property law | Yes | Yes | Unclear. Needs to be addressed |