

## KOREA INVESTMENT DECISION – GROUP PROJECT

A married couple, a client of your advisory firm, has \$10,000 to invest, and to aid in their overall portfolio diversification, wishes to invest it all in the South Korea equity market. They will be investing for a 20-year period. They are in the 35% overall (state and federal) income tax bracket. After reviewing the couple's portfolio, you agree that this allocation makes sense. *Note: See page 206 of your textbook for the name of the main Korean index, KOSPI.*

1. Your client does not wish to buy individual stocks. Do some research on investment vehicles for making this Korean equity investment, including at least the following three vehicle types in your research:
  - a. Mutual funds (non-indexed)
  - b. Exchange-traded funds (ETFs)
  - c. Index mutual funds

Use appropriate websites, including Yahoo Finance, Morningstar, Reuters, MSNBC, CBSMarketwatch, CNNfn, Bloomberg, Google, etc., to find relevant information. Include references to each source actually used.

2. What specific investment choice (e.g., Korea Fund, within group (a) ) would be the best of each of these categories, *a*, *b*, and *c*, and why? Base your reasoning on fundamental analysis (3-phase), technical analysis, or both fundamental and technical analysis, as well as relevant expenses and transaction costs, risks, liquidity, and other concerns. If there are no South Korean alternatives in *a*, *b*, or *c*, specify this (but make sure you have done careful research).
3. Of the “best of breed” recommendations you made for *a*, *b*, and *c* in #2, what is your final single-best recommendation to the client. In other words, where should they invest the \$10,000, and why?

Minimum paper length, not including exhibits: 3 pages, double-spaced. Maximum paper length, not including exhibits: 5 pages, double-spaced. Submit one report per group.

**Due: Wednesday, 4/12**, beginning of class.