

Which one is right for you?

Understand the differences that matter to you

SMA, mutual funds and ETFs each have distinguishing features. Compare and contrast the differences to determine which vehicle structure could benefit you the most.

	Separately Managed Account (SMA)	Mutual Fund	Exchange-Traded Fund (ETF)
Investment structure	<ul style="list-style-type: none"> Investors own the individual underlying securities 	<ul style="list-style-type: none"> Investors own a pool of securities 	<ul style="list-style-type: none"> Investors own a pool of securities
Minimum investment	<ul style="list-style-type: none"> Higher minimums, varying by asset class Generally \$100,000+ for equity and \$250,000+ for fixed income 	<ul style="list-style-type: none"> Varies by share class Generally \$1,500+ 	<ul style="list-style-type: none"> Share price of ETF at time of purchase
Fees	<ul style="list-style-type: none"> Tiered, asset-based fee Generally billed quarterly 	<ul style="list-style-type: none"> Expense ratio, varies by share class Typically automatically deducted Depending on the fund and broker-dealer, additional fees, i.e., 12b-1, brokerage and load fees 	<ul style="list-style-type: none"> Flat expense ratio Typically automatically deducted Depending on the broker-dealer, additional fees, i.e., trading commission fees

Compare and contrast the attributes

Personalization	<ul style="list-style-type: none"> Flexibility to address unique investor needs 	<ul style="list-style-type: none"> Not available 	<ul style="list-style-type: none"> Not available
Tax efficiency	<ul style="list-style-type: none"> Potential to manage for capital gains and losses 	<ul style="list-style-type: none"> Potential yearly capital gain distributions Investor redemptions create tax implications across all investors 	<ul style="list-style-type: none"> Capital gains distributions potentially kept at a minimum In-kind transactions can reduce tax implications of portfolio manager changes or other investors' redemptions
Transparency	<ul style="list-style-type: none"> Daily holdings transparency for account holders 	<ul style="list-style-type: none"> Quarterly, sometimes monthly holdings reporting 	<ul style="list-style-type: none"> Daily holdings transparency
Transactions	<ul style="list-style-type: none"> Transaction guidelines generally determined at the time of account setup 	<ul style="list-style-type: none"> End of day executions at NAV Direct reinvestment of dividend income at end of day NAV 	<ul style="list-style-type: none"> ETFs can be purchased and sold throughout the day

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