

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 | <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 benefits

| | | | |
|-----------------------|--|--|--|
| Customization | <ul style="list-style-type: none"> Ability to customize to specific 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 tax-loss harvest individual securities Potential for capital gains due to portfolio manager changes | <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 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 | <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"> Intraday Individual securities can be bought or sold based on specific investor needs | <ul style="list-style-type: none"> End of day transactions at NAV Allows for direct reinvestment of dividend income | <ul style="list-style-type: none"> Intraday Trades at premium or discount to NAV |

= Potential benefit relative to other vehicles.

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