

# Which Investment is Right for You?

There are many types of investment product or services that investors can use to gain access to capital markets. Common types include mutual funds, exchange-traded funds, separately managed accounts, unit investment trusts and individual securities. Each investment product or service has its own set of features, and the “best” option(s) may be different for each investor, based on their individual circumstances, risk tolerances, investable assets and objectives. The below table itemizes select characteristics of these products or services. This is by no means an exhaustive list. Investors and their financial professionals should work together to determine which type of investment product or services is right for them after careful consideration of their particular circumstances and the details of the products and services.

|  | Self-Directed Investment in Individual Securities  | Separately Managed Account  | Mutual Fund   | Exchange-Traded Fund (ETF)  | Unit Investment Trust (UIT)  |
|--|--|---|---|---|--|
| <b>Diversification</b>                         | Level decided upon by investor; more difficult to achieve for those without significant investable assets. | Separately managed account strategies can be diversified by security type, sector and/or style.   | Investors buy shares of a mutual fund which represent an interest in a portfolio of securities in a single trade. Mutual funds can be diversified by security type, sector, and/or style.   | Investors buy shares of an ETF which represent an interest in a portfolio of securities in a single trade. ETFs can be diversified by security type, sector and/or style.   | Investors buy units of a UIT which represent an interest in a portfolio of securities in a single trade. UITs can be diversified by security type, sector and/or style.  |
| <b>Ownership</b>                               | Investors own individual securities.   | Investors retain ownership of the securities.   | Investors own shares of the fund, which owns the individual securities.   | Investors own shares of the ETF, which owns the individual securities.  | Investors own units of the UIT, which owns the individual securities.  |
| <b>Customization for individual investors?</b> | Investors select individual securities to buy/sell.  | Investors are typically able to place restrictions on specific securities or industries.  | None  | None  | None   |
| <b>Active management?</b>                      | Self-directed by individual.   | Generally actively managed by a financial professional.   | Many are actively managed by a financial professional while others track indices.   | Most track indices but some are actively managed.   | Generally, the portfolio is set on date of deposit and remains relatively fixed during the life of the UIT.  |
| <b>Typical minimum investment</b>              | N/A, although minimums may exist at the firm where securities are executed and/or custodied.               | Generally around \$50,000 to \$250,000 but varies by financial professional and strategy.   | Generally \$500 to \$5,000 but varies by fund and share class purchased.  | N/A, although minimums may exist at the firm where securities are executed and/or custodied.  | Generally \$1,000, but varies by firm.   |
| <b>Typical Fees<sup>1</sup></b>                | Trading and custodial fees among other fees.   | Separately managed accounts charge advisory fees that are generally charged as a percentage of assets under management. Investors will also generally bear certain trading and custodial fees among other fees where their securities are held. | Funds generally include advisory fees that are assessed as a percentage of assets under management. Mutual funds also include other fees and expenses such as custodial and/or administrative fees. Investors may also pay sales fees and/or redemption fees on select share classes. Investors may also bear certain transactional and custodial fees among other fees where the fund shares are held. | ETFs generally include advisory fees that are assessed as a percentage of assets under management. ETFs also include fees and expenses such as custodial and/or administrative fees. Investors may also pay sales fees and/or redemption fees on select share classes. Investors may also bear certain trading and custodial fees among other fees where the ETF shares are held. | UITs generally charge sales fees consisting of an up-front, deferred and/or creation & development fee. UITs also include organization costs and annual operating expenses including a trustee fee, supervisory fee and evaluator fee. Investors will pay up-front and/or deferred sales fees when purchased for many account types. Investors may also bear certain transactional and custodial fees among other fees where the units are held. |
| <b>Liquidity</b>                               | Securities can be sold at the then prevailing price of the security.                                       | Financial professional can sell any account securities at the then prevailing price of the security.  | Shares redeemable at the day's closing net asset value (NAV) minus the applicable redemption fee, if any.   | Shares traded intraday at the quoted price on an exchange.  | Units redeemable at the day's closing net asset value (NAV) minus the remaining deferred sales charge, if any.   |
| <b>Transparency of holdings</b>                | Available to account holders on a daily basis.   | Available to account holders on a daily basis.  | Typically available on a quarterly basis.   | Typically available on a daily basis, but varies by ETF.  | Typically available on a daily basis.  |

All investing involves risk, loss of principal is possible. See reverse for additional important information.

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|------------------|----------------|---------------------|
| Not FDIC Insured | May Lose Value | Not Bank Guaranteed |
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<sup>1</sup>Fees listed are typical of the investment product or service, however there may be additional fees including those assessed by third-party firms, vendors, ticket/transactional fees and/or custodial/brokerage fees to name a few. You may be subject to additional fees at the firm where your shares or units are held. For investors in ETFs, mutual funds and UITs, consult the applicable prospectus for a full description of all fees and expenses. For separately managed accounts consult the applicable investment advisory agreement for a full description of the applicable fees.

**All investing involves risk; principal loss is possible. Diversification does not assure a profit or protect against loss. Market risk** is the possibility of an investor experiencing losses due to factors that affect the overall performance of the financial markets and include recessions, political turmoil, changes in interest rates, natural disasters and terrorist attacks to name a few.

The information contained herein is not intended to be a complete description of the terms, risks, and benefits associated with any of the products or services shown. This report is for informational purposes only, does not pertain to any particular security product or service, and is not an offer or solicitation of an offer to buy or sell any product or service. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her financial professional. For products that are sold by prospectus, carefully review the applicable prospectus prior to making any investment decision.

**Definitions:** Self-Directed Investment in Individual Securities refers to direct holdings in individual securities where holdings are self-directed by the investor and not managed by an investment adviser. Separately managed accounts refer to direct holdings in a portfolios of individual securities where holdings are managed by a financial professional. A unit investment trust (UIT) is a type of registered investment company where unitholders own interests in an unmanaged, relatively fixed portfolio of securities that are redeemable on a daily basis. A mutual fund generally refers to an open-end registered investment company where shareholders own interests in a portfolio of securities with shares that are redeemable on a daily basis. An exchange-traded fund (ETF) generally refers to a type of registered investment company where shareholders own interests in a portfolio of securities is a type of security with shares that are listed and tradeable on a securities exchange.

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