T.RowePrice®
INVEST WITH CONFIDENCE

Investment Vehicle Comparison Guide

Exploring the features, benefits, and trade-offs between mutual funds, exchange-traded funds, and separately managed accounts.

Investing involves many personal decisions that are unique to each investor. After determining their individual risk tolerance and specific investment objectives, many investors rely on professionally managed portfolios in the form of mutual funds, exchange-traded funds (ETFs), and/or separately managed accounts (SMAs). These investment vehicles have similarities and differences that could make them more or less appealing to investors for a variety of reasons. The table below illustrates some common considerations for each vehicle.

	Mutual Funds	ETFs	SMAs
Professionally Managed	Combined assets and holdings professionally managed on behalf of all shareholders	Combined assets and holdings professionally managed on behalf of all shareholders	Professionally managed portfolios, but each investor directly owns the individual securities and can customize the holdings
Minimum Investment	Relatively low minimum investment for some share classes (minimums vary by share class)	No minimums; can own as few as one share	Generally higher minimum platform requirements and to fully implement the individual investments within the portfolio
Product Fees	Aside from management fees, expenses often include additional shareholder servicing costs, and total expenses vary by different share class	Expense ratios tend to have fewer layers of fees, no share classes, and typically without shareholder servicing costs	Tiered expenses often based on the amount of assets invested individually but may include additional platform expenses
Trading	Purchased and redeemed once per day at market close (generally 4 p.m. ET); Short-term and/or excessive trading restrictions may apply	Continuous trading throughout the day on exchanges; No short-term and/or excessive trading restrictions	Underlying holdings purchased during the day for exchange-listed securities and once per day for mutual fund holdings; Short-term and/or excessive trading policies vary by holding type
Tax Efficiency	Portfolio turnover may cause taxable gains in order to meet daily shareholder cash redemptions—capital gain distributions from manager transactions can also occur from manager activity within the portfolio	Shareholder activity generally has no role in capital gains because shares are typically created or redeemed through security delivery (rather than cash), but capital gains from manager transactions can still occur	Investors can customize the timing of individual security transactions based on their own tax situation or implement “tax loss harvesting” strategies
Distributions and Reinvestment	Distributions are typically reinvested automatically on the ex-date at net asset value (NAV), including the purchase of partial/fractional shares	Distribution reinvestment and fractional share purchases generally require separate brokerage services bought at market prices (not NAV)—services are not always available and may not occur on the ex-date	Distributions only come directly from the underlying securities, often paid as cash, with reinvestments done through new purchase allocations to specific holdings
Variety of Investment Strategies	Wide variety of investment strategies with greater allowances for underlying holdings variability and breadth within portfolios	Wide variety of investment strategies, but with more limitations on underlying holdings, which currently prevent some strategies from being offered as ETFs	Platform limitations, minimum investment requirements, and holdings tradability can lead to fewer strategies available for investors
How Do I Buy?	Can buy direct through a brokerage, a fund service, or a financial advisor/intermediary—also, often available in retirement accounts like 401(k) plans	Bought on an exchange through a brokerage account, similar to stocks. Generally not used in 401(k)s unless an “in plan” brokerage service is available	Typically accessed through a financial advisor/ intermediary using a dedicated platform designed for account management and extensive recordkeeping

For educational purposes only, not intended as investment or tax advice. The table above is not a comprehensive list of investment vehicle features, benefits, or risks. Vehicle structures, portfolio strategies, investment objectives, and risks will vary. Consult your financial advisor or tax professional for more information.

Investment solutions guided by our strategic investing approach.

Strategic investing has guided us since 1937 and is driven by independent thinking and rigorous research. Our investment professionals are located around the world and systematically share firsthand perspectives with one another to generate critical investing insights for our clients. These unique insights help us spot and manage risk while identifying long-term opportunities. Investors can expect direct access to our knowledge, experience, and insights through a variety of investment solutions—all designed with their needs in mind.

At T. Rowe Price, we recognize that investors have different needs across a range of objectives and investment vehicles. We believe investors should have choices in the way they access the investment strategies that meet those needs—whether they prefer mutual funds, ETFs, or SMAs. Regardless of an investor's preference, our time-tested expertise is at the core of our strategies.

INVEST WITH CONFIDENCE®

For more information, please call 877-561-7670 or visit troweprice.com.

Consider the investment objectives, risks, and charges and expenses carefully before investing. For a prospectus or, if available, a summary prospectus containing this and other information, visit troweprice.com. Read it carefully.

Important Information

All investments are subject to market risk, including the possible loss of principal. Additional risks vary depending on the investment objectives and strategies. When applicable, please refer to a prospectus for more information.

This material is provided for general and educational purposes only and is not intended to provide legal, tax, or investment advice. This material does not provide recommendations concerning investments, investment strategies, or account types; it is not individualized to the needs of any specific investor and not intended to suggest any particular investment action is appropriate for you, nor is it intended to serve as the primary basis for investment decision-making. T. Rowe Price group of companies, including T. Rowe Price Associates, Inc., and/or its affiliates, receive revenue from T. Rowe Price investment products and services.

ETFs are bought and sold at market prices, not NAV. Investors generally incur the cost of the spread between the prices at which shares are bought and sold. Buying and selling shares may result in brokerage commissions, which will reduce returns.

T. Rowe Price Investment Services, Inc., distributor, T. Rowe Price mutual funds and ETFs. T. Rowe Price Associates, Inc., investment adviser, T. Rowe Price Separately Managed Accounts.

CCON0153943
202307-2977546