

USA FINANCIAL EXCHANGE™

A Comparison Between UMAs, SMAs, and Mutual Fund Wrap Programs

	USA FINANCIAL EXCHANGE™ Unified Managed Accounts (UMAs)	Separately Managed Accounts (SMAs)	Mutual Fund Wrap Programs
Transparency	Full visibility of holdings 24/7. Flexibility and ease to move from one money manager strategy to another.	Full visibility of holdings 24/7. Ability to freely change strategies is limited to those offered by the single manager.	Mutual fund holdings disclosures may lag 1-2 quarters.
Risk management	Multiple forms of risk management styles available in a single account.	Limited to the risk management approach of the single manager.	Limitations as to the types of assets that will be held and the risk management approaches utilized.
Investment minimums	USA Financial Exchange has no minimum investment. Minimums are dictated by manager/strategy. May be as low as \$1,000.	Typically higher minimums – dictated by the manager.	Some programs offer lower account minimums than SMAs.
Account paperwork and work flow	Open one single account. Changing managers or strategies does not require a change in custody.	New client paperwork may be required to switch managers and/or custodians. Manager changes can be cumbersome to liquidate, fund, and repurchase.	Single account. Changing between manager products is pretty simple.
Handling of existing holdings	Ability to inherit existing holdings and cost basis via automated customer account transfer service (ACATS).	Varies by manager/custodian whether existing holdings can be brought over.	Typically requires selling out of existing positions to purchase program fund shares.
Ability for advisor to act as portfolio manager	Advisor can introduce model strategies alongside other managers within the same client account.	Not applicable.	Not applicable.
Performance tracking	Performance tracking for clients. Includes all managers as an aggregate.	May be an additional cost. Will not aggregate multiple managers/accounts.	May be an additional cost. Limited to the assets within the program.
Turnkey Asset Management Program (TAMP)	Open-architecture platform with numerous money managers available within a single account & custodian. New managers may be made available upon due diligence review.	Sponsor platform determines manager list. Requires multiple accounts. May require multiple custodians.	Sponsor's wrap program will determine manager availability.

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