

Comparison of Fixed Income Alternatives

	Bond Mutual Funds	Closed-End Bond Funds	Bond ETFs	Bond UITs	Individual Bonds
Principal Preservation	Principal is at risk; sale price may be above or below original purchase price	Principal is at risk; sale price may be above or below original purchase price	Principal is at risk; sale price may be above or below original purchase price	Principal is at risk; principal is generally returned as bonds in the UIT mature or are called	Principal is at risk; principal is generally returned at maturity or call date
Maturity Date	None	None	None	UIT is liquidated on a set date - usually at or following final maturity date of bonds in the portfolio	Set maturity date but may be subject to an earlier call date
Liquidity	Bought and sold at end-of-day NAV only	Can be traded throughout the day; market price fluctuates throughout the day	Can be traded throughout the day; market price fluctuates throughout the day	Bought and sold at end-of-day NAV only	Traded on secondary market; price may be above or below face value
Redemption	Sold at prevailing NAV at end-of-day; a capital gain or loss may occur	Sold at prevailing market price; a capital gain or loss may occur	Sold at prevailing market price; a capital gain or loss may occur	Sold at prevailing NAV at end-of-day; a capital gain or loss may occur	Redeemable for face value at maturity or when called - if sold before then a capital gain or loss may occur
Credit and Default Risk	Can be limited by diversification	Can be limited by diversification	Can be limited by diversification	Can be limited by diversification	Varies by credit quality of bond
Interest Rate Risk	Sensitivity to interest rates depends on portfolio of holdings	Sensitivity to interest rates depends on portfolio of holdings; may be very sensitive to interest rate increases if fund is highly leveraged	Sensitivity to interest rates depends on portfolio of holdings	Sensitivity to interest rates depends on portfolio of holdings	Interest rate risk declines as bonds near maturity
Expenses	Annual fees with possible front- or back-end sales charge	Annual fees and brokerage commissions when shares are bought and sold	Annual fees and brokerage commissions when shares are bought and sold	Annual fees and brokerage commissions when shares are bought and sold	Price for purchases and sales includes transaction charges; no ongoing fees
Income Payments	Variable payments - monthly	Variable payments - monthly or quarterly	Variable payments - monthly	Fixed payments (until/unless bonds are called) - monthly, quarterly, or semiannually	Fixed payments (until/unless bonds are called) - semiannually (except zero-coupon bonds)
Reinvestment	Automatic reinvestment option	Automatic reinvestment option	Automatic reinvestment option may be available	Automatic reinvestment option	No automatic reinvestment
Management Approach	Passive or Active management	Active management	Passive or active management	Passive management	Self-management by investor or advisor
Diversification	Portfolio holdings change constantly	Portfolio holdings change constantly	Portfolio holdings change constantly	Portfolio holdings are fixed; may be less diversified than typical bond mutual funds, closed-end funds or ETFs	Requires purchase of multiple bonds for diversification
Transparency	May include "out of strategy" securities at manager's discretion; full disclosure of holdings may only be available on a periodic basis	May include "out of strategy" securities at manager's discretion; full disclosure of holdings may only be available on a periodic basis	May include "out of strategy" securities at manager's discretion; full disclosure of holdings may only be available on a periodic basis	Fully transparent; holdings are known	Fully transparent; holdings are known and investor may exclude specific types of securities.

An investment in bonds should be made with an understanding of the risks involved, such as inflation, economic recession and the possible deterioration of either the financial condition of the issuers or the general condition of the bond market. You should be aware that a portfolio may be concentrated in bonds which involve additional risks, including limited diversification. You should consider any portfolio's investment objectives, risks, and charges and expenses carefully before investing.

The information in the chart above is provided for informational purposes and ease of reference. There are important differences between each investment vehicle presented and the chart is not intended as a complete description of all relevant considerations. An investor should consult with his/her own investment advisor before making an investment decision.