

Evaluating differences between brokerage and managed accounts

Selecting the account(s) that best meets your needs is an important decision. Your Ameriprise financial advisor can help you determine which account(s) may be most appropriate for some or all of your assets. There are circumstances where you may benefit from both a managed account and a brokerage account for different portions of your investment portfolio.

Overview

The chart below outlines some key differences between managed and brokerage accounts.

| | Ameriprise® Managed Account | Ameriprise Brokerage Account |
|--|--|---|
| What it is | <p>Ameriprise Managed Accounts allow you to receive ongoing investment advice and feature an asset-based fee structure. This allows you to implement your investment strategy, generally without paying individual trading costs for each trade placed within the account.</p> <p>Many of our managed account solutions feature professional portfolio management including asset allocation, risk management, investment selection, tax-harvesting and dynamic account rebalancing.</p> | <p>Ameriprise Brokerage Accounts feature a commission-based fee structure where investors typically pay a commission and/or sales charge for each transaction placed within the account.</p> <p>Your financial advisor provides transactional investment recommendations which consider your risk tolerance and time horizon.</p> |
| How you'll work with your advisor | <p>Your advisor will provide you with ongoing investment advice to develop and maintain your managed account investment portfolio, which will be designed to meet your goals and objectives.</p> | <p>Your advisor may provide you point-in-time recommendations related to your investment portfolio but does not have an ongoing obligation to update those recommendations.</p> |

Comparison of account types

This chart compares some basic features of managed and brokerage accounts. Consider these general factors when working with your advisor in evaluating which account(s) is right for you.

| | Ameriprise Managed Account | Ameriprise Brokerage Account |
|--|--|---|
| Minimum investment | <ul style="list-style-type: none"> • \$25,000 | <ul style="list-style-type: none"> • No minimum |
| Investment advice and recommendations | <ul style="list-style-type: none"> • Ongoing advice | <ul style="list-style-type: none"> • Provided at the time of transaction |
| Trading activity | <ul style="list-style-type: none"> • Advisor or investment manager directed or advised trading • Periodic rebalancing | <ul style="list-style-type: none"> • Self-directed trading • Buy and hold |
| Cash holdings | <ul style="list-style-type: none"> • Not intended for significant cash holding • Check writing, bill pay & debit card features not available | <ul style="list-style-type: none"> • Acceptable • Check writing, bill pay & debit card features (not available in retirement accounts) |
| Examples of investment products | <ul style="list-style-type: none"> • Individual securities • Mutual funds, ETFs, unit investment trusts, etc. • Professional investment management • Certain alternative investments | <ul style="list-style-type: none"> • Individual securities • Mutual funds, ETFs, unit investment trusts, etc. • Alternative investments • Annuities |

Types of fees

This chart summarizes the types of fees you can expect to pay in each account type. Your advisor can help you better understand each of these fees. In some cases, a managed account will cost more than a brokerage account; in other cases, a brokerage account may cost more. There are several factors including investment type, services provided and account activity that will determine the overall cost.

For a more detailed description of managed account services offered, including fees and expenses, review the *Ameriprise* Managed Accounts Client Disclosure Brochure. For a more detailed description of brokerage and custodial fees, visit ameriprise.com/brokeragefees.

| | Ameriprise Managed Account | Ameriprise Brokerage Account |
|--|----------------------------|------------------------------|
| <p>Transaction fees You may pay commissions, sales charges and/or other fees on products purchased and sold in your brokerage account.</p> | | ✓ |
| <p>Asset-based fee For each managed account, you pay an asset-based fee based on the services provided and the assets held within your account(s). This fee is generally broken into monthly or quarterly payments and deducted from your account.</p> | ✓ | |
| <p>Account maintenance/custodial fees Account maintenance and/or custodial fees will be deducted directly from the cash balance in your account.</p> | | ✓ |
| <p>Service fees Service fees, if applicable, are one-time fees that you may incur to fulfill certain requests for services and are deducted directly from the cash balance in your account (e.g., wire transfers and returned check fees).</p> | ✓ | ✓ |
| <p>Interest on margin and pledge loans You will be charged interest on the outstanding margin balance if you have a margin account (not available in retirement accounts or certain managed accounts)</p> | ✓ | ✓ |
| <p>Investment expenses Depending on the investment you choose, you may incur additional expenses. These expenses cover the investment management and operating costs of certain investment products and are disclosed in the prospectus and/or statement of additional information.</p> | ✓ | ✓ |

Investment products are not insured by the FDIC, are not deposits of or obligations of or guaranteed by a financial institution, involve investment risks including possible loss of principal, and may fluctuate in value.

Investment advisory products and services are made available through Ameriprise Financial Services, Inc., a registered investment advisor.

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