

## Advantages and Disadvantages of Managed Portfolio versus Structured Settlement (Annuities)\*

### MANAGED PORTFOLIO:

#### Advantages

Personal financial advice/education

Distribution Flexibility

Dividends and Capital gains are taxed at a lower rate. Capital gains can be managed.

Investment holdings can be changed to adjust to changing market conditions and individual needs.

Relatively low expenses over the life of the account

Greater likely return over a 20-year (or longer) time horizon.

#### Disadvantages

Market risk on value of assets

Greater potential volatility in income stream

### STRUCTURED SETTLEMENT:

#### Advantages

Low Volatility

Steady Income

Income stream is slightly higher because a portion of the distribution is a return of principal

#### Disadvantages

Relatively high expenses with large up-front fee

Income is taxed as ordinary income

No opportunity to change choices if circumstances change

If liquidated early, significant market value adjustment (Less than 50 cents on a dollar)

Lower expected return over a 20-year (or longer) time horizon

\*Re-production of Robert W. Baird & Co.  
chart included with structured settlement  
proposals from Little, Meyers & Associates, Ltd. 4/09