

Products & Performance

Separately Managed Accounts

Overview SMA vs. Mutual Funds

Separately managed accounts can play an important role in an investor's strategy because of the special benefits they offer, albeit at higher investment minimums. These customizable investment vehicles are designed to help investors reach individual and specific financial goals by combining the benefits of professional money management with the added flexibility, control, and tax advantages of owning individual securities.

A separately managed account is a portfolio of securities directly owned by the investor and managed according to a specific discipline and/or style by a professional investment manager. Account owners have the ability to customize their accounts by excluding certain securities or industries, or employing tax-advantaged strategies. Many separate account programs also offer the feature of including mutual funds within the separately managed account to further customize an investor's portfolio.

Professional Portfolio Management

Separate account programs provide investors with access to leading portfolio managers who in the past may have exclusively managed very large private and institutional accounts. In addition, since these programs are offered only through investment professionals, financial advisors are there to provide individualized monitoring of portfolio manager performance.

Portfolio Customization

Separate accounts can be tailored to meet individual investors' needs — focusing on risk tolerance and long-term investment objectives. Investors can specify certain parameters to customize their accounts, such as excluding certain securities or sectors, due to social, political or environmental concerns, and managing the portfolio to help reduce tax liabilities.

Individual Security Ownership

Ownership has its privileges: investors own each individual security held in a separate account. Sell decisions are made by portfolio management based on the investment strategy, and are not affected by the redemption needs of anyone except the individual account owner.

Tax Advantages

When investing through a separately managed account, investors pay taxes only on the capital gains that they actually realize. Individual securities in the account are owned directly, allowing investors to work with their tax advisor and financial advisor to implement tax-efficient investing strategies. In addition, some separate accounts provide flexibility in funding. Separately managed accounts can typically be funded with securities in kind, as well as cash. Many investment advisors will accept securities or portfolios, such as trust and retirement accounts, to fund the account.

To learn more, please contact a Dreyfus representative at 1-800-896-2695.

Liquidity

Mutual Funds — Typically, money is available next business day (although redemptions may take up to seven business days).

Separate Accounts — Depending on the securities redeemed, trades may take up to three business days to complete.

This information is general in nature and is not intended to constitute tax advice. Please consult your tax advisor for more detailed information on tax issues and for advice on your specific situation.