

Strubel Investment Management Portfolios (Spoke Funds) vs. Mutual Funds

	Spoke Fund	Average Mutual Fund
Fees & Expenses		
One Time Fees		
Sales Charge	None	1% ¹
Early Redemption Fees	None. It's your money.	3% ²
Ongoing Fees and Expenses		
Portfolio Management & Administration	1%	1.50% ¹
Trading commissions	.25%	1.44% ³
Net drag of investors depositing and withdrawing cash	None. Accounts are separate for each investor.	1.43% ⁵
Total Expenses Including Trade Commissions	1.25%	2.94%
Taxes		
Control of capital gains taxes?	Yes. Eight accounting methods available.	No
Ability to have losses offset gains?	Yes	No
Impact of Taxes on Fund Returns	Minimal	2.5% ⁷
Portfolio & Account		
Number of stocks in fund	20-30	171 ⁴
Annual turnover	<50%	85% ⁶
Types of stocks	Undervalued equities in any industry in any country.	Investments limited to those defined by original charter.
Minimum account size	\$20,000	Usually \$1000 to \$5000.
Account access	24/7 online	Portfolio holdings disclosed quarterly.
Account statements	Monthly. Stored online forever.	Monthly.
Check writing	Yes. Free	No
Automatic investing plans	Yes. Free	Maybe
Electronic funds transfers	Yes. Free	Maybe
Protection and insurance*	SIPC protection. Cash is FDIC insured.	No FDIC insurance. SIPC insurance if held in brokerage account, otherwise private insurance.
Portfolio Management		
Investor access to portfolio manager	Yes. Call any time.	No
Proxy voting	You vote.	Portfolio manager votes.
Exclude certain stocks	Yes	No
Portfolio reviews	Yes. Call any time.	No
Communication	Easy to understand monthly and quarterly letters.	Usually only an annual report.

*Insurance does not cover investment losses.

1 Investment Company Institute 2010 Factbook

2 Yahoo! Finance Mutual Funds Center (http://finance.yahoo.com/funds/how_to_choose/article/100601/Load_vs__No-Load_Funds)

3 Edelen, Evans, & Kadlec. (2007) "Scale Effects in Mutual Fund Performance: The Role of Trading Costs"

4 Bello, Z. (2007) How Diversified Are Equity Mutual Funds. *North American Journal of Finance and Banking Research*, Vol 1, Num 1

5 Greene & Hodges. (2002) The Dilution Impact of Daily Fund Flows on Open-End Mutual Funds. *Journal of Financial Economics*, pp. 131-158.

6 Barker, B. Motley Fool, Mutual Funds: Costs (<http://www.fool.com/school/mutualfunds/costs/turnover.htm>)

7 Securities and Exchange Commission estimate