



## CITs versus Mutual Funds

### **What is a collective investment trust (CIT)?**

A CIT, also referred to as a “commingled pool,” is composed of pooled assets and is maintained by a bank or trust company for the collective investment of qualified retirement plans. A CIT often has the same investment objective, underlying investments, manager, and management style as its mutual fund counterpart. However, due to the different ways they are registered and regulated, CITs can have significantly lower costs than the average mutual fund. The lower the expense of a fund, the less money taken out of the overall earnings, which can translate into better returns for investors.

### **How does a CIT compare to a mutual fund?**

CITs are similar to mutual funds in some ways and different in others. Like mutual funds, CITs pool the money of many investors who own a share of the trust. A fund manager invests assets on behalf of all the shareholders in accordance with the trust's stated investment objectives.

Unlike mutual funds, CITs are only available to investors through their workplace savings plans. Because they are not publicly traded, some information, such as Morningstar ratings, is not available.

Collective investment trusts are not registered with the Securities and Exchange Commission (SEC). They are generally governed by state banking laws and by federal agencies, such as the Internal Revenue Service and the Department of Labor. Please see the high-level comparison chart below.

	<b>Collective Investment Trusts</b>	<b>Mutual Funds</b>
<b>Professionally managed investment vehicles that enable investors to pool assets</b>	Yes	Yes
<b>Regulated by governmental agencies</b>	Yes (Generally governed by banking laws that vary from state to state and by other federal agencies, such as the Internal Revenue Service and the Department of Labor)	Yes (Securities and Exchange Commission)
<b>Ticker symbols, CUSIP numbers, and Morningstar ratings are available to investors</b>	Generally, not available	Yes
<b>Performance information is available online on Fidelity NetBenefits®</b>	Yes	Yes
<b>Available to all public investors</b>	No (CIT's are only available to qualified investors, through a workplace savings plan.)	Yes (A mutual fund sells shares to the public.)
<b>Information/prospectus is available</b>	Yes (A CIT doesn't have a prospectus, but information is available on Fidelity NetBenefits®)	Yes (Mutual funds are required to have prospectuses.)

Investing involves risk, including risk of loss.

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