

Why Separately Managed Accounts (SMAs)?

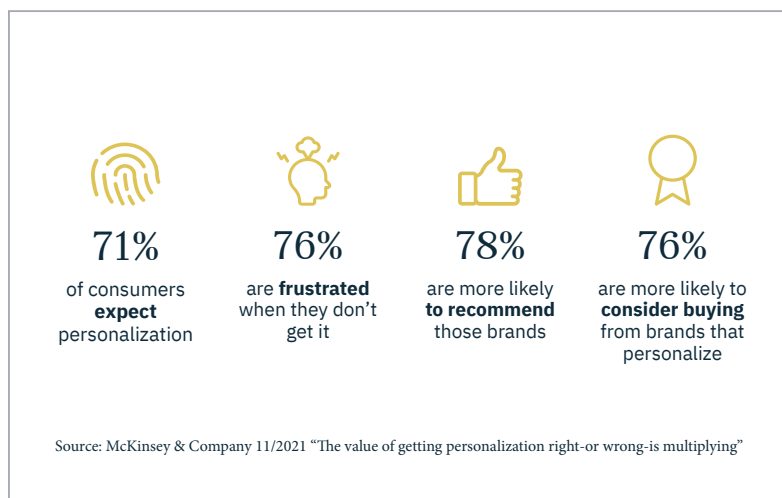
- ① **Tax Efficiency:** Do not absorb embedded capital gains & tax loss harvest specific securities
- ② **Direct Ownership:** Own the securities in the account unlike ETFs and mutual funds
- ③ **Customization:** Increased control and customized security selection
- ④ **Transparency:** Always know the individual securities that you own

	Mutual Fund	ETF	SMA
Portfolio Of Investments	✓	✓	✓
Actively Managed	✓	✓	✓
Tax Planning Opportunities	✓	✓	✓
Institutional Market Access	✓	✓	✓
Publicly Available	✓	✓	
Portfolio Holdings Published To The Public	✓	✓	
Low Minimum Investment Requirement	✓	✓	
Exchange-Traded With Intra-Day Pricing		✓	
Bought And Sold At Market Price		✓	
Opportunity For Portfolio Customization			✓
Transparency Of Portfolio Transactions		✓	✓
Direct Ownership Of Underlying Securities			✓

*Mutual funds and ETFs are offered by a Broker-Dealer, while SMAs are offered by an Investment Adviser

*ETFs and mutual funds can be actively or passively managed

Capacity to Customize



In the contemporary landscape, the significance of effective personalization is increasingly pronounced, as underscored by McKinsey & Company in November 2021. The ramifications of getting personalization right - or, conversely, wrong - are now more magnified than ever. Aligning with this sentiment, the CFA Institute's Investor Trust Study in 2022 reveals compelling statistics. A substantial 71% of consumers not only anticipate personalized experiences but also express frustration when these expectations are not met.

Moreover, the study highlights that 78% of consumers are more inclined to recommend brands that adeptly employ personalization, while 76% are likelier to consider purchasing from such brands. The resonance of personalization is particularly notable in the financial realm, with 4 out of 5 investors expressing a keen interest in personalized products, acknowledging its paramount role in building trust and satisfaction in the investing arena.

These findings collectively emphasize the growing influence of personalization in shaping consumer attitudes and preferences across diverse industries, underscoring its crucial role in the investment sector for fostering client trust and satisfaction.

Case for Concentration

- 1 **Potential for Higher Returns:** Combining concentration and quality is an optimal framework for excess returns
- 2 **Over-Diversification:** Reduce diversification drag where holding too many positions can dilute the portfolio
- 3 **Higher Active Share:** Increased control and customized security selection

In the pursuit of investment excellence, concentrated portfolios offer a compelling solution to combat over-diversification, which dilutes the impact of individual investments. By streamlining holdings, investors can focus on high-conviction ideas, mitigating diversification drag and enhancing portfolio agility. This concentrated approach aligns with higher Active Share, indicating greater differentiation from benchmarks and unlocking unique opportunities.

Additionally, the strategic combination of concentration and quality forms an optimal framework for pursuing excess returns. Concentrated portfolios, when composed of high-quality assets, have the potential to deliver superior performance, emphasizing focused, selective investment strategies for achieving targeted outcomes.

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