

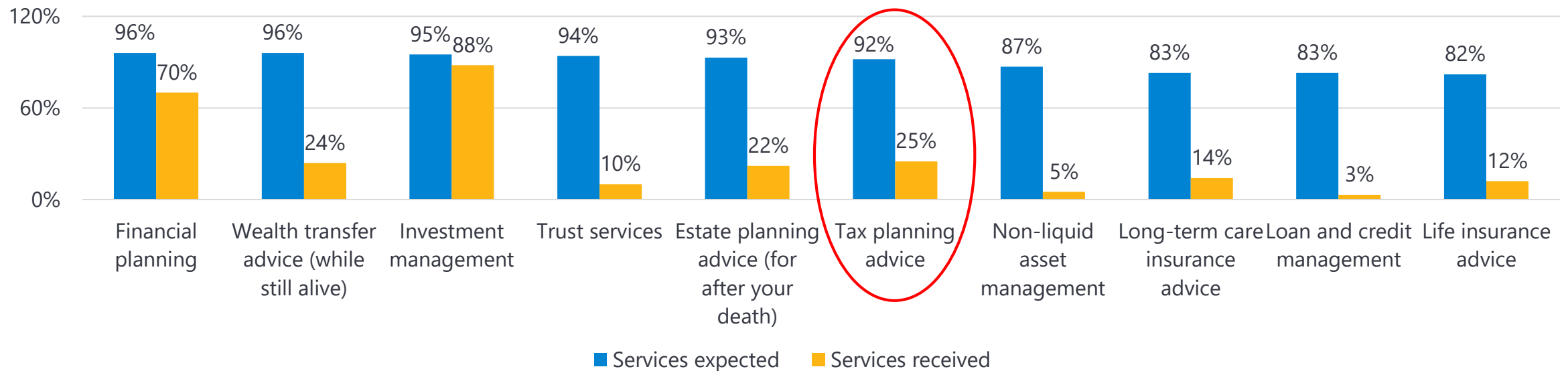
Tax Management Solutions

Michael Pescatore, CIMA

Broadening your value proposition

Clients want their advisor to be thinking about taxes, but many aren't. This is an opportunity for you to differentiate your practice and enhance your value proposition.

The Gap: Services Expected from Advisors vs. Services Received



Source: Spectrem August 2018 Defining Wealth Management
Neither Investnet, Investnet | PMC nor its representatives render tax, accounting or legal advice.

It's not what you make, it's what you keep

A 1.7% tax drag can have the same effect on a client's portfolio as a 1.7% fee

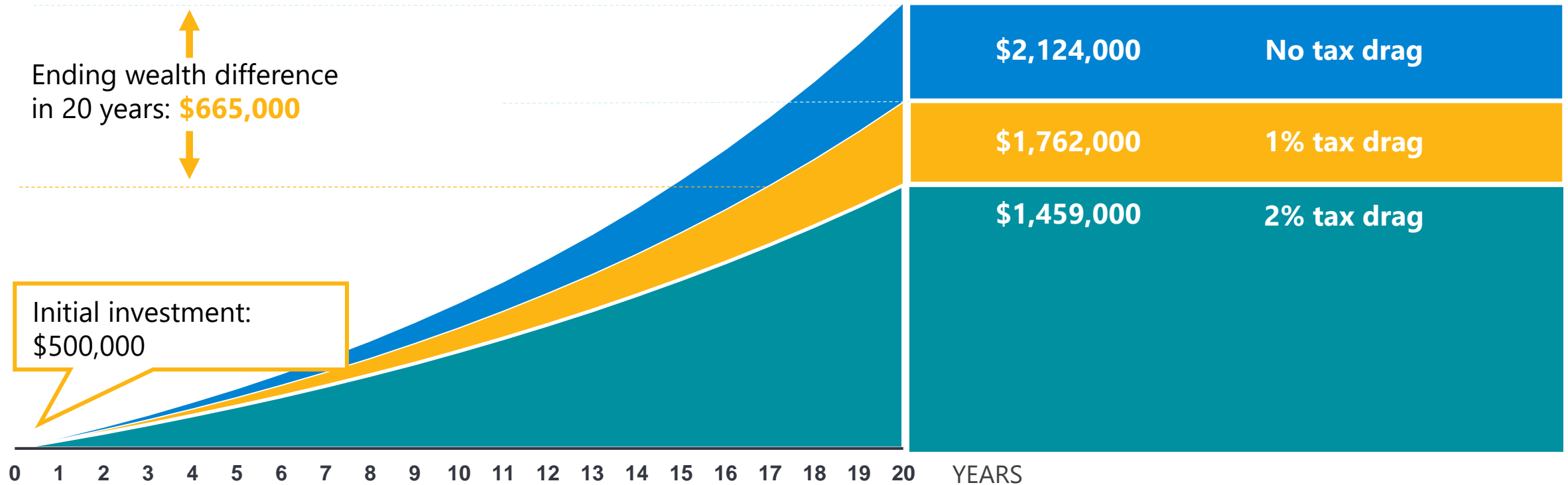
Category	Pre-Tax Return	Tax Drag	After-Tax Return
US Stocks	5.7%	(2.0%)	3.7%
US Bonds	2.0%	(1.4%)	0.6%
50% Stocks / 50% Bonds	3.9%	(1.7%)	2.2%

44% of portfolio's gains go to taxes

Source: Morningstar. Data as of 12/31/2018. US Stocks represented by Morningstar US Equity Mutual Funds. US Bonds represented by Morningstar US Taxable Bond Mutual Funds. Tax Drag is the Morningstar Tax Cost Ratio.

It's not what you make, it's what you keep

Hypothetical growth of \$500,000 over 20 years at 7.5% per year



This is a hypothetical illustration and not meant to represent an actual investment strategy. Tax drag is the reduction of potential investment returns due to taxes. Taxes may be due at some point in the future and tax rates may be different when they are. Investing involves risk and you may incur a profit or loss regardless of strategy selected.

20 year hypothetical impact of taxes, assumed annual return: 7.5%

Tax management can add up to 100bps of value

Capital Sigma is our term for the sum total of advisor-created value

We have found 5 sources of measurable value:

Source	Description	Annual Value-Add
Financial Planning	Retirement planning; tax planning; asset location; behavioral coaching	> 50 bps
Asset Selection & Allocation	Diversification contributes positively over the long term	52 bps
Investment Selection	Active Management	67 bps
	Passive Management	61 bps
Systematic Rebalancing	Annual rebalancing helps control risk and can enhance return	30 bps
Tax Management	Tax optimization of taxable accounts is a significant contributor	100 bps
Total		~ 300 bps

Read our full research report at: <https://www.envestnetinstitute.com/article/capital-sigma-advisor-advantage>

Year-round tax efficient investing at scale

By outsourcing and automating tax management, you may help offer your clients better outcomes and your advisors a better scaled practice

Potential Benefits

Easier to switch Rep-As-PM accounts to Fund Strategist Portfolios and transition new recruits into your firm

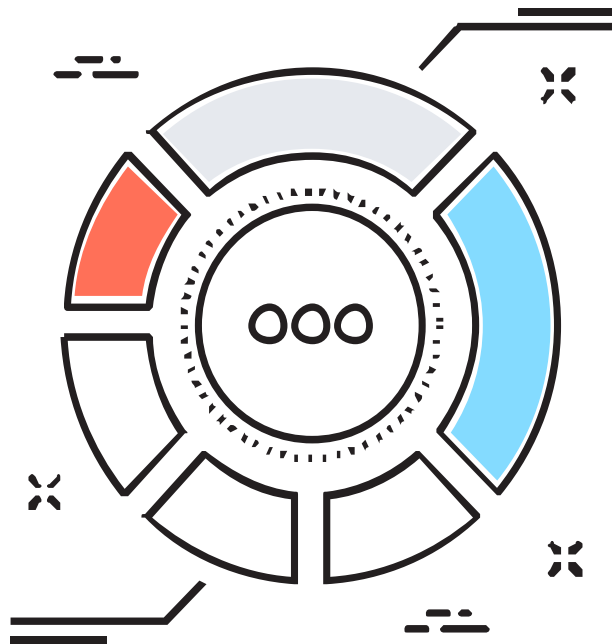
Advisors can more freely make portfolio allocation changes without fearing the effect the resulting tax consequences will have on their client's tax return

Tax management will occur year-round, not merely at year end

Advisors won't have to manage each client's taxes on an account-by-account basis

Trusted with over \$11B of client assets

Investnet | PMC automates tax and impact overlays for more than
\$11B in assets at over 100 firms*



- Over 18 years' experience managing capital gains within UMAs
- Patented UMA risk optimization process
- Ability to manage portfolios to customized client/account-specific mandates
- Dedicated support team

* As of 12/31/21

Comparing Our Tax Services

Determining the Right Option for Your Clients

UMA Tax Overlay		Fund Strategist Tax Management
Generally larger than \$500,000	Account Size	Generally smaller than \$1,000,000
Typically cash or individual equities	Source of Funds	Typically mutual funds and ETFs
Unified Managed Account holding SMAs, mutual funds or ETFs	Portfolio Allocation	Third party-managed portfolio of ETFs and mutual funds
Customization and flexibility offered by equity SMAs	Client Preference	A limited number of holdings

How They Work

UMA Tax Overlay		Fund Strategist Tax Management
Manages accounts to client-specific long-term capital gains budget	Customization	Manages accounts to client-specific tax sensitivity levels
Coordinates taxable events across multiple SMA sleeves	Process	Manages taxable events within one FSP model
Proposed Asset Transition Summary (PATs) shows tax cost of moving to model	Proposal	Next Generation Proposal displays tax cost of transition to model
10 basis points	Cost	8 basis points
At least 50% of UMA in an equity SMA (or 35% in a Quantitative Portfolio)	Requirements	\$40/account minimum annual fee

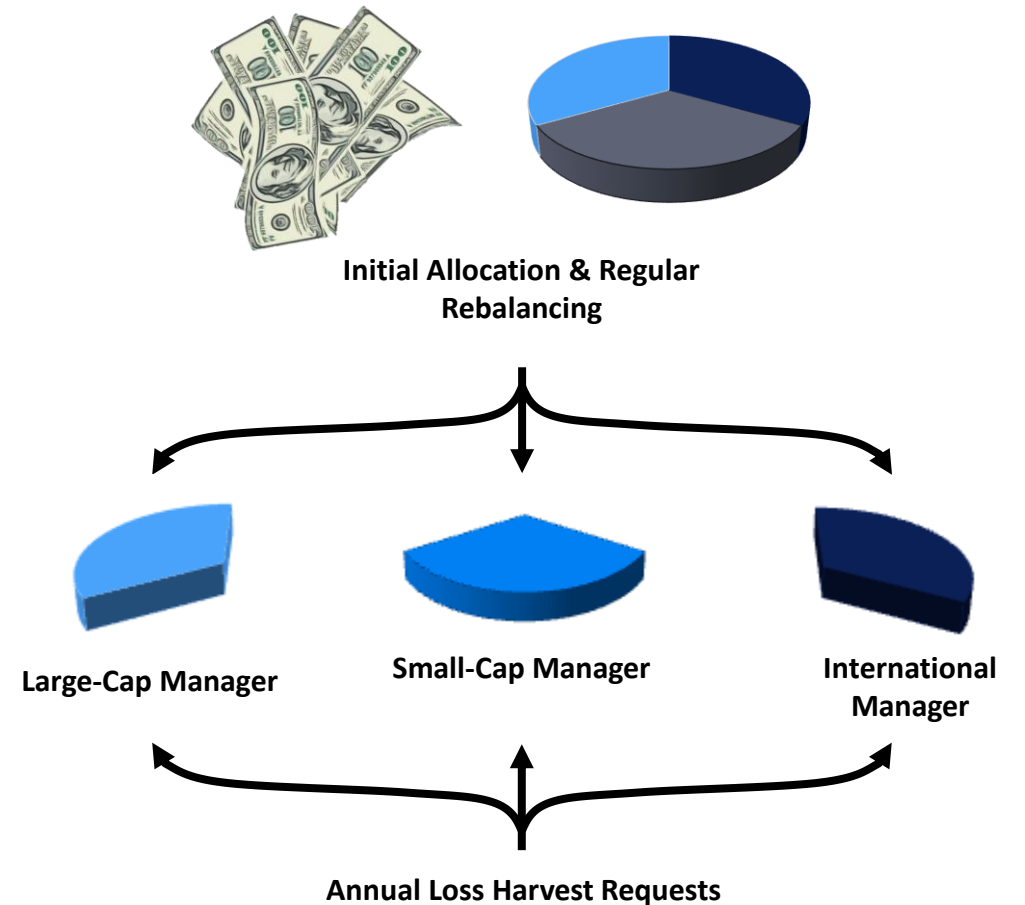
UMA Tax Overlay Service

Key Features of Tax Overlay Services

- Patented risk engine
- Advanced tax management solution
- Broad value proposition intended
- Incorporate mutual funds and ETFs
- Dedicated service team

Traditional SMA Process

- **67%** of advisors use SMAs for tax management¹
- **53%** of accounts employ some type of tax management consideration²
- **46%** of advisors perform their own tax management, this is comprised primarily of annual loss harvesting at year end¹
- **16%** of advisors are taking advantage of ongoing tax optimization²
- Each account/sleeve is managed with limited (if any) consideration for the client's entire tax liability
- Very few advisors impose social restrictions on SMA accounts



¹ FUNDfire Spotlight on SMAs 2016: Growth Opportunities

² FUNDfire Few Managed Account Investors Using Tax Optimization: Report

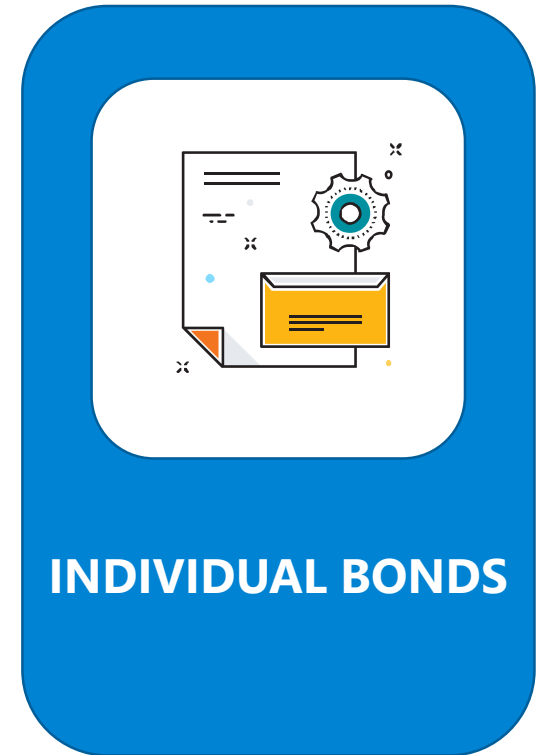
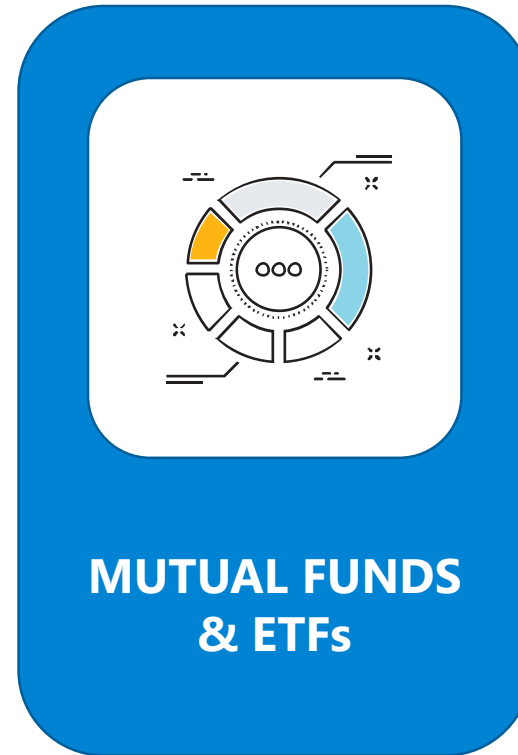
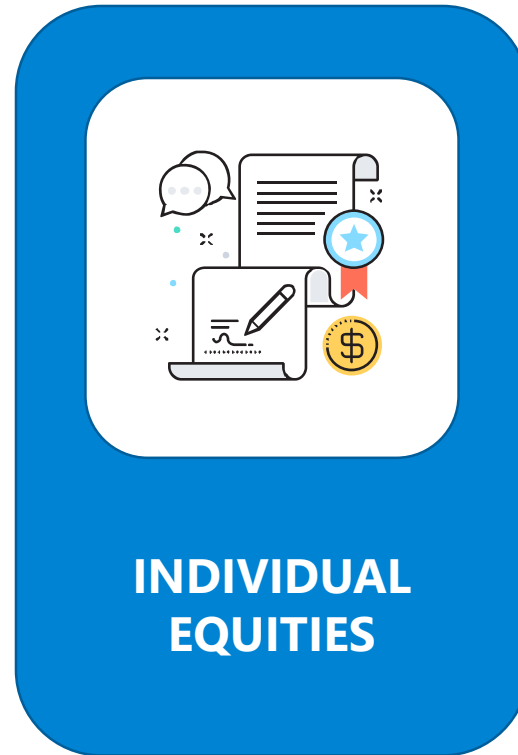
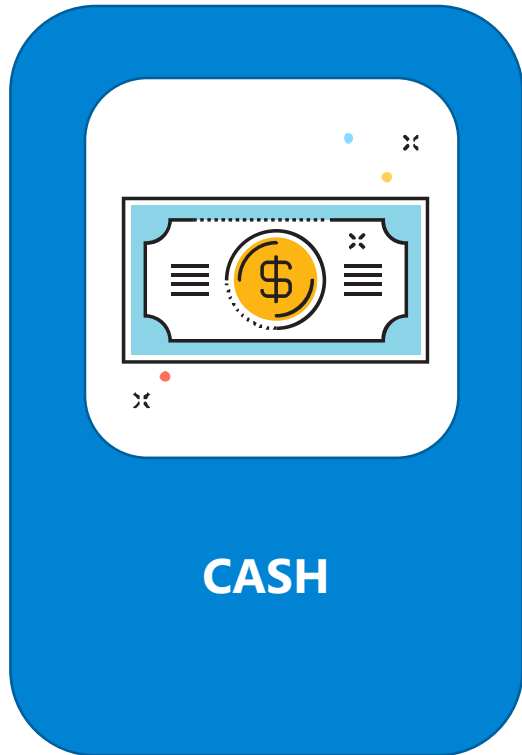
Tax Overlay Services

Risk-based optimization

- Inherent to **EVERY** tax decision is the impact it has on the tight adherence to the equity manager's model
- All equity trading executed at the security tax lot level (VSP)
- Possible delay of gain recognition until
 - Short-term gains mature to long-term gains
 - Subsequent tax year
- Dynamic attempt to match realized short-term gains against unrealized losses across the equity SMA managers
- Coordination across all managers
- Integration of external tax events into management of client's portfolio
- Long- and short-term tax budgets
- Comprehensive Proposed Asset Transition Summary (PATs) analysis

Appropriate Funding Approaches

Typical account funding to include:



Can be held as sleeves in the account to complete the account's asset allocation strategy. Non-model mutual funds and ETFs may be held within a Quantitative Portfolio with the intent to liquidate in a tax controlled manner.

New: After-Tax Reporting

This enhanced reporting capability allows you to show your clients how you improved their after-tax performance by implementing our Tax Overlay service.

Sample Tax Overlay report

The Smith Family Reports: Smith Family
Taxable Moderate Growth (61-70)
Tax Overlay Benefits As of Dec 31, 2021

Overview		Actual Performance with Tax Overlay		2021	2020
Account Number	00000000	Actual Pre-Tax Return		13.25%	-
Name	Smith Family	Actual After-Tax Return		12.62	-
Managed Value	2,114,476 USD	A Account's Actual Return Lost to Taxes		-0.63	-
Approximate Annual Fee for Tax Overlay Service	2,114	Estimated Target Allocation Performance Without Tax Overlay			
Estimated Tax Cost to Remove Tax Overlay and Rebalance to Model	19,978	Target Allocation Pre-Tax Return		11.2%	-
Tax Setting and Exposure		Target Allocation After-Tax Return		9.47	-
Current Short Term Capital Gain/Loss Exposure	0 USD	B Potential Return Lost to Taxes		-1.75	-
Short Term Capital Gains Budget	0	C Estimated After-Tax Benefit of Tax Overlay			
Current Long Term Capital Gain/Loss Exposure	30,116	Estimated After-Tax Benefit of Tax Overlay		1.12%	-
Long Term Capital Gains Budget	35,000	Tax Overlay Benefit: Loss Harvesting			
Tax Overlay Benefit: Capital Gain Deferral		Year to Date Amount of Realized Short Term Loss Harvested			5,977 USD
Current Amount of Unrealized Short Term Gain Deferred	17,257 USD	Year to Date Amount of Realized Long Term Loss Harvested			1,692
Current Amount of Unrealized Long Term Gain Deferred	67,964	Potential Tax Savings Effect			2,550
Potential Tax Savings Effect	19,978				

The Value Proposition of Tax Overlay

A

The account's actual performance lost to taxes

B

The target model's estimated performance lost to taxes

C

The account's overall estimated tax savings (or cost) from using the Tax Overlay service

USES FOR TAX OVERLAY SERVICES

Client Use Cases

Strategic Tax Management

Inevitable Portfolio Changes

Advisor Migration

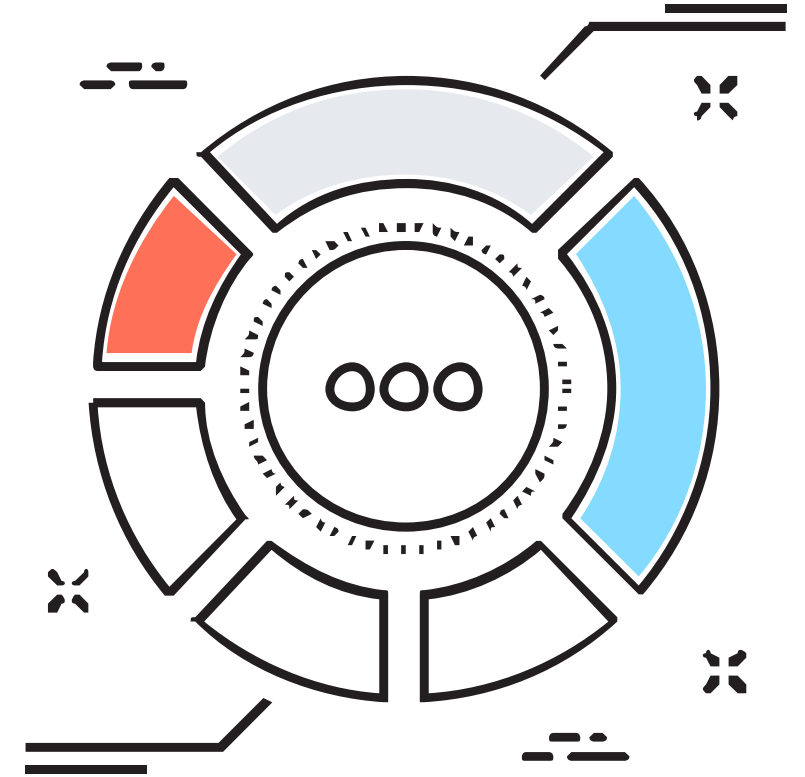
Responding to Outside Taxable Events

Firm Wide Manager Changes

Diversifying Concentrated Equity Portfolios

Strategic Tax Management

- Continuous tax management at the account level
- Tight adherence to manager and portfolio models
- Enables client driven tax budgets
- Eliminates or minimizes short-term capital gains
- Can be appropriate for an advisor's entire taxable book of business
- Valuable for virtually all taxable multi-Equity SMA client relationships
- Wash sale prevention across multiple sleeves



Inevitable Portfolio Changes

- Changes to the client's risk tolerance/asset allocation
- Capital market assumption changes
- Required manager changes
- Cash flows—deposits or withdrawals
- Portfolio rebalancing
- Manager model changes
- Securities transferring to or from UMA account
- Client life events (retirement, divorce, death in family, etc.)



Responding to Outside Taxable Events



Tax is a client level consideration not an account level consideration



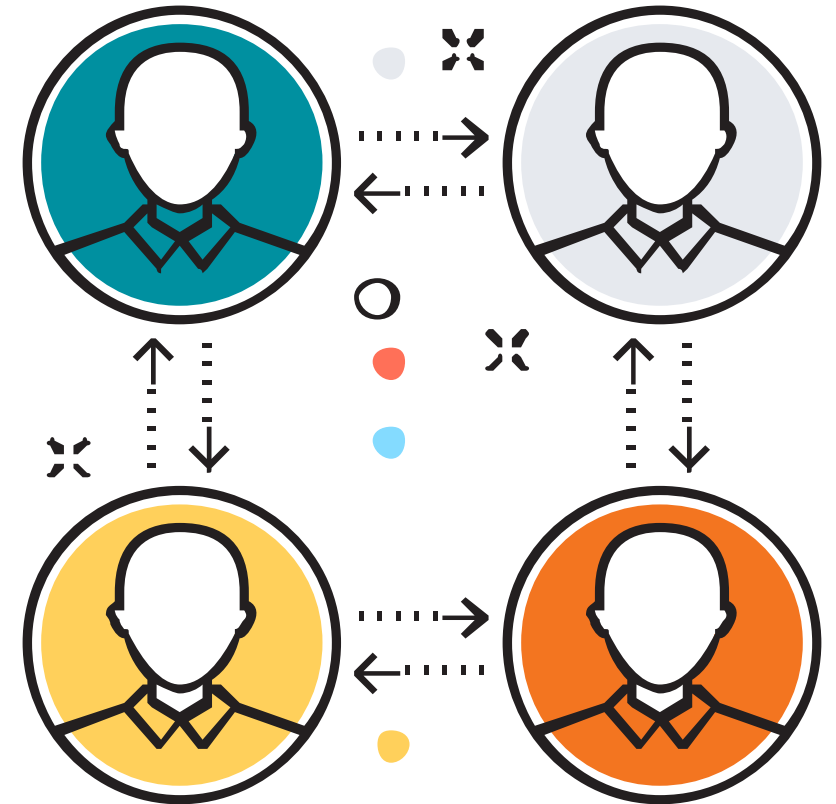
Holistic approach allows for consideration of outside taxable events



Tax budgets can be adjusted as prescribed by the changing client situations

Advisor Migration

- Eliminates the need for an enterprise to add managers simply to satisfy a large recruit
- Allows recruits to thoughtfully migrate all taxable accounts to the new firm's existing manager roster
- Controls capital gain realization for each client during firm transition
- Controls portfolio disruption during the migration process



Firm Wide Manager Changes

- Provides valuable firm support to advisors when manager changes are necessary
- Prevents taxes from being an unnecessary barrier to making a manager change
- Advisor can offer clients a customizable tax solution to a firm-wide event



Diversifying Concentrated Equity Portfolios

Facilitates the diversification of concentrated equity portfolios over an appropriate time period (3 – 5 years)

Systematically matches losses from securities within the UMA to offset realized gains from concentrated positions

Analyzes the risk factors associated with the concentrated positions to measure deviation from manager models

Optimizes trade decisions to minimize tracking error at both the sleeve and account level

Allows for customized restriction management to avoid investing in securities highly correlated to legacy holdings

Evaluates single stock concentrated positions on a case by case basis—often well suited for a Quantitative Portfolio

Hypothetical Case Study #1

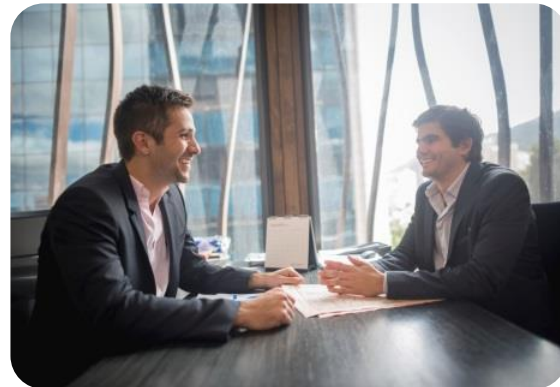
Portfolio in Transition

Client

- Tax adverse client transitioning assets to new financial advisor
- Client moving financial institutions

Solution

- Propose new diversified investment solution
- Determine how much client is willing to pay in taxes for new portfolio and over what time period
- Perform a transition analysis



High Net Worth Individual

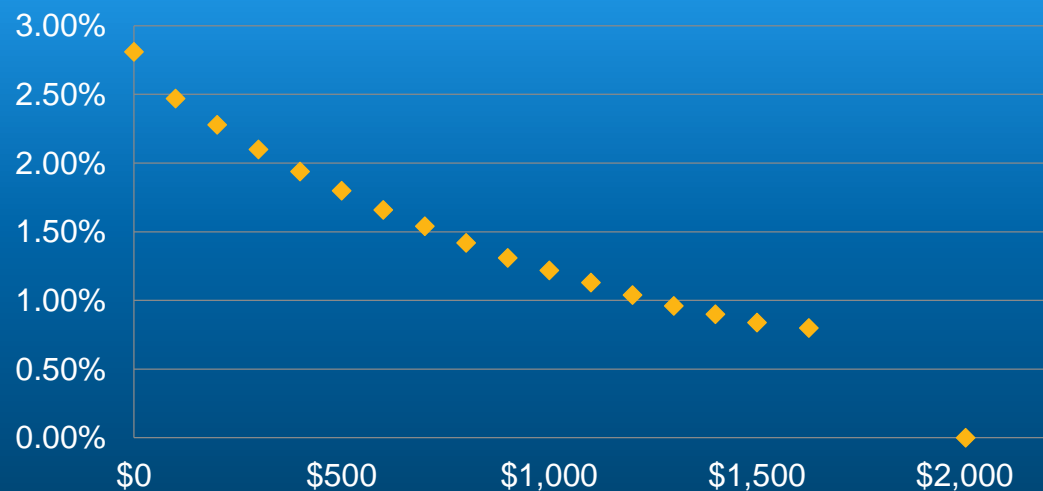
\$11,649,130 Value

\$8,948,706 Cost Basis

Hypothetical Case Study #1

Case Consultation

Tracking Error vs. Realized Capital Gains



Tax Budget	Net Realized Short Term Gains	Net Realized Long Term Gains	Account Weighted Tracking Error
\$0ST/\$0LT	\$0	\$0	2.81%
\$0ST/\$500K LT	\$0	\$500K	1.80%
\$0ST/\$1MM LT	\$0	\$1MM	1.22%
\$0ST/ Unlimited LT	\$0	\$1.625MM	.80%
No Tax Management	\$376,234	\$1,625,776	.02%

Hypothetical Case Study #1

Sample Proposed Asset Transition Summary

Client Tax Scenario

Total Account Value	\$ 11,649,130.00
Unrealized Short-Term Gains	\$ 496,948.00
Unrealized Long-Term Gains	\$ 2,203,476.00

Tax Budget for Transition

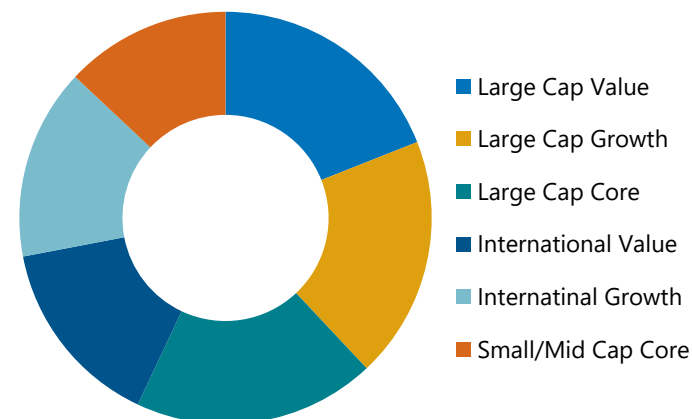
Max Short-Term Gains Yr 1	\$ 0.00
Max Long-Term Gains Yr 1	\$500,000.00

Client Scenario After Transition

Net Realized Short-Term Gains	\$ 0.00
Net Realized Long-Term Gains	\$ 503,659.68

Tracking error

Large Cap Growth	1.90%
Large Cap Value	2.08%
Large Cap Core	2.07%
International Value	1.61%
International Growth	1.39%
Small/Mid Cap Core	1.50%
Weighted Account Level	1.80%



The above sample is hypothetical and for illustrative purposes only.

Hypothetical Case Study #1

Potential Cost of Portfolio Transition – with or without tax management

Year 1 Tax Budget	Net Realized Short Term Gains	Net Realized Long Term Gains	Weighted Account Tracking Error	First Year Tax Bill Due To Transition	Tax Management Fee	Potential First Year Tax Savings
No Tax Management	\$376,234	\$1,625,776	.02%	\$550,220	\$0	N/A
\$0ST/\$0LT	\$0	\$0	2.81%	\$0	\$11,649	\$538,571
\$0ST/\$500K LT	\$0	\$500K	1.80%	\$119,000	\$11,649	\$419,571
\$0ST/\$1MM LT	\$0	\$1MM	1.22%	\$238,000	\$11,649	\$300,571
\$0ST/Unlimited LT	\$0	\$1.625MM	.80%	\$386,750	\$11,649	\$151,821

****This is a hypothetical example for illustrative purposes only and not based on actual account information. Assuming an income tax rate of 43.4% and a capital gains rate of 23.8%.**

Hypothetical Case Study #2

Impact Investing

Client

- Investor inherited assets
- Seeks to invest the assets according to her personal convictions
- Fully invested in a diversified portfolio

Solution

- Propose new diversified investment solution
- Determine what social impact is most important to the client
- Perform a restriction analysis



Impact Sensitive Client

Aligning investments with personal convictions

Hypothetical Case Study #2

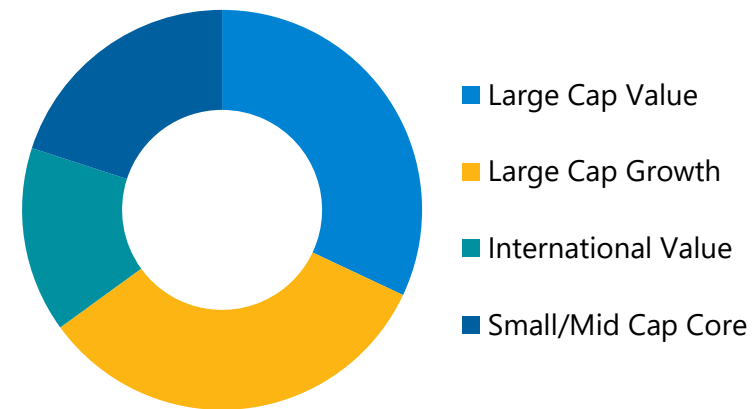
Impact Investing

Client Restrictions:

- Embryonic Stem Cell/Fetal Tissue Research
- Alcohol
- Firearms
- Tobacco
- Abortion

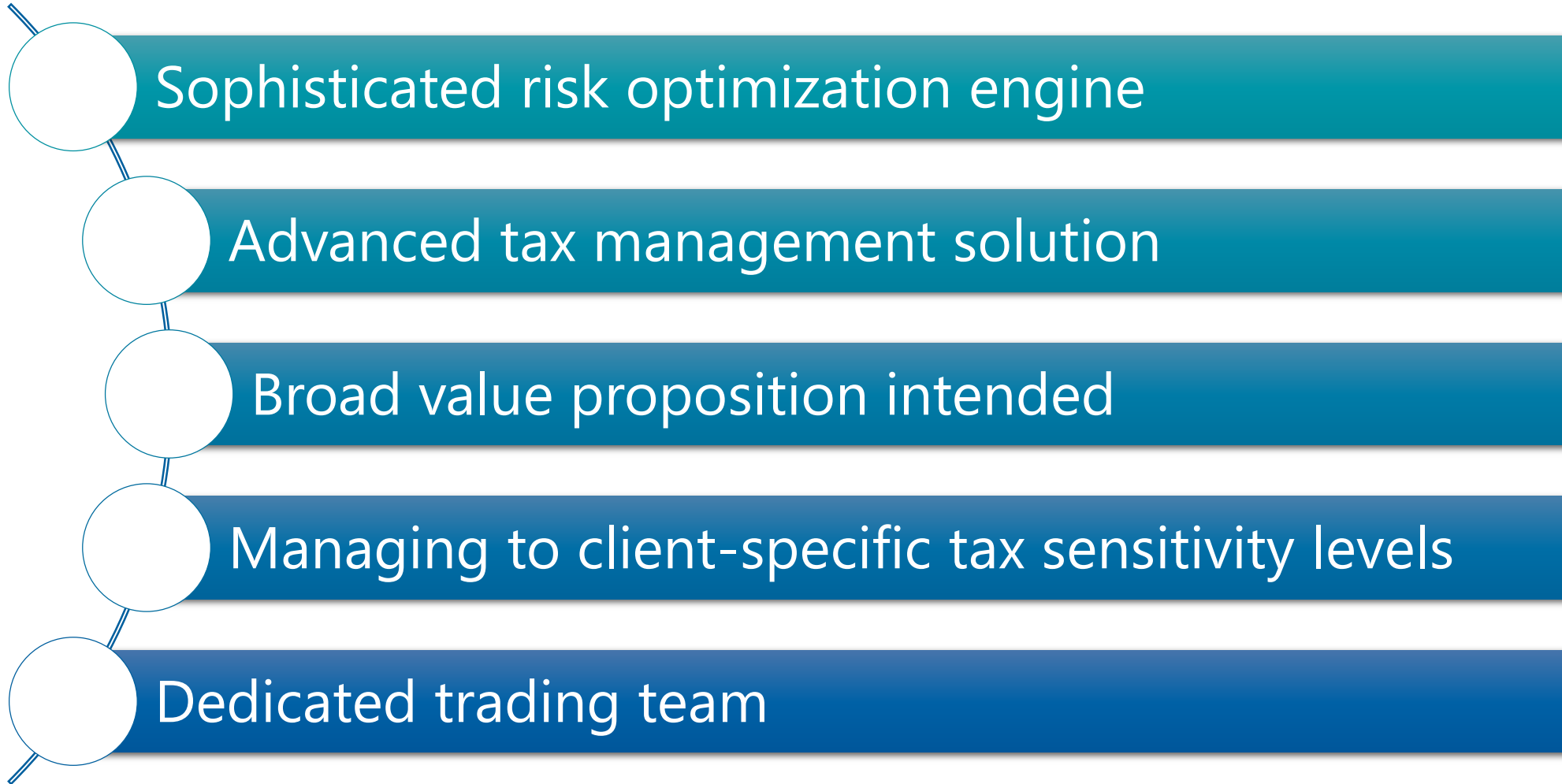
	Tracking Error	Portfolio Restrictions
Large Cap Growth	1.05	10.28%
Large Cap Value	1.05	14.17%
International Value	1.37	12.51%
Small/Mid Cap Core	1.54	7.49%
Account Level	1.25	11.10%

The above sample is hypothetical and for illustrative purposes only.



FSP Tax Management

Extending tax management to FSPs



Who is it for?

Benefits of Fund Strategist Tax Management Service

- **Relevant:** Intended to add value for virtually all taxable accounts within the FSP program
 - Eases migration from APM or brokerage accounts to FSP models
 - Improve after-tax returns of existing FSP accounts
- **Cost effective:** Helps scale across accounts and saves time
- **Flexible:** Able to be funded with individual equity securities, mutual funds or ETFs, to be sold over multiple tax years

Account Requirements

- Cost basis information must be complete for all holdings
- Proposal must be generated within Next Generation Proposal
- Fee of 8 basis points (minimum fee of \$40/account)



The Advisor Experience

Step 1: Select Tax Overlay Services within the proposal

New proposal for [Michael Envestnet](#) ⓘ
Investment strategy for Michael Envestnet FSP Tax Management

< Overview

Account strategy Need help from money manager?

Risk & objective ✓

Account strategy

Pitch (optional)

Account setup (optional)

Fees

Documents

NEW PLATFORM ACCOUNTS ⓘ + New Account

This section contains the new accounts you are proposing to create for this account strategy.

NEW Michael Envestnet | Individual ⋮

Proposal amount	Registration type	Owners	Custodian
\$ 385,451.41	Individual ▼	Michael Envestnet ▼	Charles Schwab & Co. ▼

Funding Amount: ⓘ \$385,451.41 [Edit](#) [Remove](#)

Tax Overlay services ⓘ [Add account with cost basis](#)

Impact overlay services ⓘ

When building the proposal, the advisor can select "Tax Overlay Services" if their account is eligible, which includes all FSP models in FSP programs

The Advisor Experience

Step 2: Select a portfolio

Select investment product
Mutual Fund & Exchange Traded Fund Portfolios [Change](#)

Proposal Target

The advisor will select the account's portfolio appropriate with their Risk Class

Filter by name [Filter](#) Risk Class: Growth

134 product matches of 776

	Product name	↑	Favorite	Risk class	Product cost
<input type="radio"/>	3D Global 80 ETF Portfolio		★	Growth	0.00%
<input type="radio"/>	3D Global 80 ETF Portfolio - Tax Sensitive		★	Growth	0.00%
<input type="radio"/>	ACM Aggressive Growth 1 Strategy		★	Growth	0.00%
<input type="radio"/>	Absolute Capital Asset Allocator Growth Strategy		★	Growth	0.49%

[Select product](#) [Cancel](#)

The Advisor Experience

Step 3: Input tax rates

Tax overlay optimization

Assumed tax rates

Long-Term	Short-Term
% 20	% 37

The tax rates you enter are combined with other details from this proposal to provide representative options for you and your client to choose from to guide portfolio transition and ongoing tax costs.

Important Note: The analysis results are representative of what you may experience, but are not guaranteed. The actual trades that will be executed and the actual tax cost that will be realized

The advisor may input the client's specific tax rates if known, or rely on the default tax rate values, to calculate the potential benefit of the service

ANALYSIS

Proposal

[View full proposal analysis](#)

Target portfolio

Based on the client's target risk class for this proposal, you may want to consider the following asset allocation:

- Fixed Income 14.0%
- International 26.0%
- Equity 60.0%

Proposed

International 86.0%

20% complete

[Save and Continue](#)

The Advisor Experience

Step 4: Select client tax sensitivity

New proposal for Michael Envestnet

Investment strategy for Michael Envestnet FSP Tax Management

Proposal amount

\$ 385,451.41

Funding Amount: \$385,451.41 [Edit](#) [Remove](#)

Tax Overlay services - Mutual Fund & Exch

Impact overlay services

The advisor will see the Forecasted Tracking Error and Estimated Tax Cost of funding the account without Tax Management, as well as with Tax Management with a Very High, High or Moderate Tax Sensitivity

Investment products

Vanguard CRSP 80% Equity/ 20% Fixed Income Portfolio

Fund Strategist Portfolio

[Change](#)

[Discard](#)

Product cost

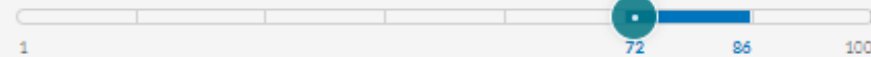
0.22%

\$847.99 based on current proposal amount

Risk assessment

Less risk

More risk



Target: Growth (72-86) Product Risk (Growth)

Optimization analysis and options for tax sensitivity

Current Portfolio

Estimated tax cost —
Estimated tax savings —
Tracking Error 2.64%

No tax management service

Estimated tax cost \$17,194.73
Estimated tax savings \$0
Tracking Error 0.02%

Very high sensitivity

Estimated tax cost \$605.19
Estimated tax savings \$16,589.54
Tracking Error 1.97%

High sensitivity

Estimated tax cost \$2,717.10
Estimated tax savings \$14,477.63
Tracking Error 1.32%

Moderate sensitivity

Estimated tax cost \$7,542.64
Estimated tax savings \$9,652.09
Tracking Error 0.68%

The Advisor Experience

Step 4: Select client tax sensitivity

Optimization analysis and options for tax sensitivity

<p>Current Portfolio</p> <p>Estimated tax cost: -- Estimated tax savings: -- Tracking Error: 2.64%</p>	<p>No tax management service</p> <p><input type="radio"/> Estimated tax cost: \$17,194.73 Estimated tax savings: \$0 Tracking Error: 0.02%</p>	<p>Very high sensitivity</p> <p><input checked="" type="radio"/> Estimated tax cost: \$605.19 Estimated tax savings: \$16,589.54 Tracking Error: 1.97%</p>	<p>High sensitivity</p> <p><input type="radio"/> Estimated tax cost: \$2,717.10 Estimated tax savings: \$14,477.63 Tracking Error: 1.32%</p>	<p>Moderate sensitivity</p> <p><input type="radio"/> Estimated tax cost: \$7,542.64 Estimated tax savings: \$9,652.09 Tracking Error: 0.68%</p>
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Representative Portfolio for very high tax sensitivity

You prefer minimizing tax consequences by accepting meaningful deviation between your portfolio and the target portfolio.

Investment	Current (%)	Vanguard Core 80% Equity/ 20% Fixed Income Portfolio (%)	Optimized (%)	Ineligible Funds
Large-Cap Value	19.00		9.77	
COHOX -- Coho Relative Value Equity	19.00	--	9.77	--
Large-Cap Growth	27.20		17.66	
MVSGX -- Harbor Strategic Growth Institutional	5.44	--	5.44	--
POLIX -- Polen Growth Institutional	20.08	--	12.22	--
QQQ -- Invesco QQQ Trust	1.68	--	0.00	--
Hedged Equity	3.00		3.00	
JHEQX -- JPMorgan Hedged Equity I	3.00	--	3.00	--
Int'l Developed Mkts	7.78	31.40	20.11	
APDIX -- Artisan International Value Advisor	7.78	--	7.78	--
VXUS -- Vanguard Total International Stock ETF	--	31.40	12.33	--
Large-Cap Core	22.65	47.00	22.15	
VFIAX -- Vanguard 500 Index Admiral	4.23	--	4.23	--

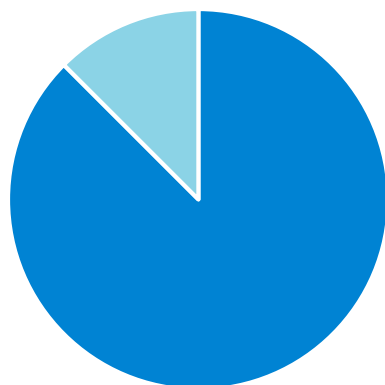
As the advisor toggles different Tax Sensitivities, they will see the hypothetical resulting holdings of the account

Hypothetical: Transitioning APM to FSP

With Slight Change to Asset Allocation

Current Portfolio

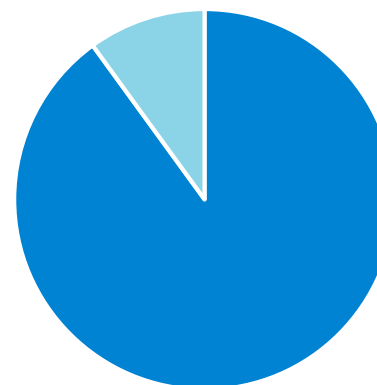
A client currently holds a portfolio heavily invested in equities (mostly individual stocks) and little fixed income. They are comfortable with their allocation, but worry about the risks of holding individual stocks.



Equity: 87.5%
Fixed Income: 12.5%

Target Portfolio

The clients is comfortable with their allocation but wants to diversify their equity holdings and follow a professionally managed 90/10 model so they are better positioned to navigate market volatility.



Equity: 90.0%
Fixed Income: 10.0%

Tax Consequences of Transition

Portfolio Value	Cost Basis	Capital Gains	Potential Taxes
\$213,000	\$163,000	\$50,000	(\$8,700)

Hypothetical : Transitioning APM to FSP

With Slight Change to Asset Allocation

Analysis

The risk engine found that the current portfolio's risk is in line with the model, but Forecasted Tracking Error is 5.0%

Options

Current Portfolio Tracking Error: 5.0%	No Management Tracking Error: 0.0% Taxes (est.): \$8,700	Very High Tax Sensitivity Tracking Error: 2.6% Taxes (est.): \$1,700	High Tax Sensitivity Tracking Error: 1.3% Taxes (est.): \$3,100	Moderate Tax Sensitivity Tracking Error: 0.5% Taxes (est.): \$5,900
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Outcome

Since the client is comfortable with their allocation and wants to follow a professional model, they chose the High Tax Sensitivity option as it balances the transition's tax impact while also providing professional investment management

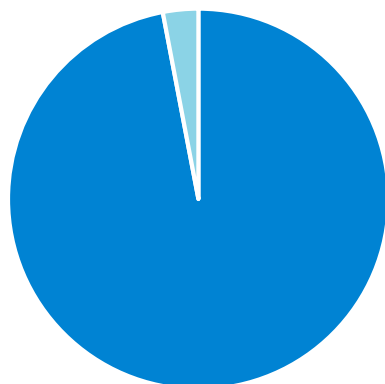
This is a hypothetical example for illustrative purposes only and not based on actual account information.

Hypothetical : Transitioning APM to FSP

With Meaningful Change to Asset Allocation

Current Portfolio

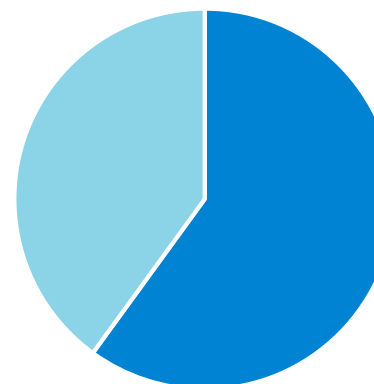
A client currently holds a portfolio heavily invested in equities and little fixed income. The client has become uncomfortable with the significant run up in the market and wants to reduce their risk by following a professional model that includes more fixed income.



Equity: 97.0%
Fixed Income: 3.0%

Target Portfolio

After engaging with a financial advisor, the client found that a Moderate risk profile would be more appropriate for their investment portfolio and they were advised to follow a professionally managed 60/40 model.



Equity: 60.0%
Fixed Income: 40.0%

Tax Consequences of Transition

Portfolio Value	Cost Basis	Capital Gains	Potential Taxes
\$500,000	\$270,000	\$230,000	(\$48,000)

Hypothetical : Transitioning APM to FSP

With Meaningful Change to Asset Allocation

Analysis

The risk engine found that the current portfolio's risk level was almost double that of the model, and Forecasted Tracking Error is very high at 9.1%.

Options

Current Portfolio Tracking Error: 9.1%	No Management Tracking Error: 0.0% Taxes (est.): \$48,000	Very High Tax Sensitivity Tracking Error: 2.1% Taxes (est.): \$18,700	High Tax Sensitivity Tracking Error: 1.7% Taxes (est.): \$20,500	Moderate Tax Sensitivity Tracking Error: 0.8% Taxes (est.): \$29,500
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Outcome

The client chose to go with the Very High Tax Sensitivity option given their primary goal was to bring their overall risk level down while realizing a reasonable tax cost. They also decided to review their tax sensitivity option a year later to determine if they'd like to move closer to the model and evaluate the potential tax cost of doing so.

This is a hypothetical example for illustrative purposes only and not based on actual account information.

Comparison to tax-sensitive FSPs

Fund Strategist Tax Management		Tax-Sensitive FSP Models
Yes	Trading customized to client's tax sensitivity	No
Yes	Automated tax loss harvesting	No
Yes	Ability to retain non-model holdings	No
Yes	Considers client-specific tax consequences of every model change	No
Yes	Facilitates tax-sensitive withdrawals	No

Pair Fund Strategist Tax Management service with a tax-sensitive FSP to get the benefits of each

New: After-Tax Reporting

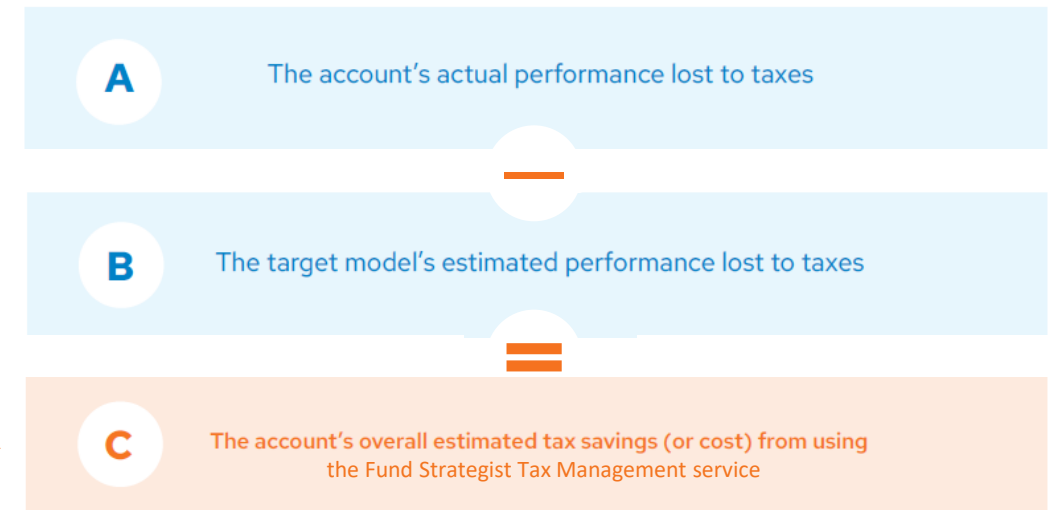
This enhanced reporting capability allows you to show your clients how you improved their after-tax performance by implementing our Fund Strategist Tax Management service.

Sample Fund Strategist Tax Management report

The Smith Family Reports: Smith Family
 Taxable Moderate Growth (61-70)
 Tax Overlay Benefits As of Dec 31, 2021

Overview		Actual Performance with Tax Overlay		2021	2020
Account Number	00000000	Actual Pre-Tax Return	13.25%	-	
Name	Smith Family	Actual After-Tax Return	12.62	-	
Managed Value	2,114,476 USD	A Account's Actual Return Lost to Taxes	-0.63	-	
Approximate Annual Fee for Tax Overlay Service	2,114	Estimated Target Allocation Performance Without Tax Overlay		2021	2020
Estimated Tax Cost to Remove Tax Overlay and Rebalance to Model	19,978	Target Allocation Pre-Tax Return	11.21%	-	
Tax Setting and Exposure		Target Allocation After-Tax Return	9.47	-	
Tax Sensitivity Level	Moderate	B Potential Return Lost to Taxes	-1.75	-	
Current Short Term Capital Gain/Loss Exposure	0 USD	C Estimated After-Tax Benefit of Tax Overlay		1.12%	-
Current Long Term Capital Gain/Loss Exposure	30,116	Tax Overlay Benefit: Loss Harvesting		2021	2020
Tax Overlay Benefit: Capital Gain Deferral		Year to Date Amount of Realized Short Term Loss Harvested		5,977 USD	
Current Amount of Unrealized Short Term Gain Deferred	17,257 USD	Year to Date Amount of Realized Long Term Loss Harvested		1,692	
Current Amount of Unrealized Long Term Gain Deferred	67,964	Potential Tax Savings Effect		2,550	
Potential Tax Savings Effect	19,978				

The Value Proposition of Fund Strategist Tax Management



PMC Tax Managed Models: *Why should you care about outsourcing asset management*

Risks of the APM Business

APM advisors don't lean on their corporate RIA for many services and see themselves as driving most of the value creation in the investment process. This leads to:

- **The advisor demanding price concessions**
 - Either in the form of higher payout or lower bps program fees
- **The advisor setting up their own RIA**
 - Many build their own (limited) tech stack to realize a higher gross margin on their advisory business

The Jump to Outsourcing

- Tax consequences remain to be a barrier for advisors looking to outsource their investment management and transition into FSPs

Only **31%** of
current FSP assets
are taxable.

Only **28%** of
current FSP accounts
are taxable

Source: Envestnet. As of 9/30/21.

PMC Tax Managed Models: *Three Suites to Cover Your Investment Needs*

Tax + Investment Management for 10bps

Our bundled solution pairs a model portfolio with our Fund Strategist Tax Management service for a total fee of just 10 basis points

- Easy, automated, always-on tax management
- Attractive pricing
- Transition clients into models in a tax-efficient way
- May help reduce compliance liability & risk

Choose from active, passive or sustainable investing bundles across 7 risk tolerance profiles

Active	Passive	Sustainable
PMC SIGMA Portfolios	PMC Strategic ETF Portfolios	PMC Sustainable ETF Portfolios

Active: PMC SIGMA Portfolios

A cost-effective approach to active management



Active Management

Systematic, rules-based active management

Intelligent combination of factor-based ETFs alongside traditional beta exposures

Targeting five factors that have historically driven market returns



Low Vol Quality Momentum Value Size



Lower Cost

Explicit use of ETFs

Increased tax efficiency

Reduce overall costs

Weighted average expense ratios ranging from 7 – 21 bps



Diversification

20-year history of managing diversified portfolios

Diversified across asset classes, investment styles, market factors, sectors, regions, and credit qualities



Open Architecture

Exposure to third-party, highest-conviction asset managers

Due diligence conducted on all ETFs by PMC Research

Active: PMC SIGMA Portfolios

A cost-effective approach to active management

Quick Facts	
Product Minimum :	\$25,000
Fee :	10 bps ¹
Wtd. Average Expense :	6 – 21 bps
Number of Portfolios :	14
Underlying Holdings :	ETFs
Number of Holdings :	7 – 17
Strategy Assets :	\$337mm

¹ Manager & FSP Tax Overlay fee

DOMESTIC EQUITY	Ticker	Product Name	Weight
Large-Cap Core	DFAC	DFA US Core Equity 2 ETF	9.00%
Large-Cap Core	QUS	SPDR MSCI USA StrategicFactors ETF	9.00%
Large-Cap Value	LRGF	iShares MSCI USA Multifactor ETF	6.20%
Mid-Cap Core	VFMF	Vanguard US Multifactor ETF	7.00%
Mid-Cap Core	DEUS	Xtrackers Russell US Multifactor ETF	4.80%
Mid-Cap Growth	VFMO	Vanguard US Momentum Factor ETF	4.80%
Small-Cap Core	SMLF	iShares MSCI USA Small-Cap Mltfctr ETF	1.30%
INTERNATIONAL EQUITY			
Int'l Developed Mkts	DEEF	Xtrackers FTSE Develop ex US Mulfact ETF	8.00%
Int'l Developed Mkts	QEFA	SPDR® MSCI EAFE StrategicFactors ETF	8.00%
Int'l Emerging Mkts	EMGF	iShares MSCI Emerging Mkts Mltfctr ETF	2.00%
FIXED INCOME			
Intermediate Muni	MUB	iShares National Muni Bond ETF	16.60%
Intermediate Muni	VTEB	Vanguard Tax-Exempt Bond ETF	16.60%
Short Muni	SUB	iShares Short-Term National Muni Bond	4.70%
Cash		Core Money Market	2.00%

As of 03/31/22

Passive: PMC Strategic ETF Portfolios

Diversified Beta Exposures Through a Building Blocks Approach



Passive Management

Diversified beta exposures through strategic asset allocation

Annual, systematic rebalancing

Designed to track closely the corresponding blended benchmark's return and risk characteristics



Lower Cost

Explicit use of ETFs

Increased tax efficiency

Reduce overall costs

Weighted average expense ratios ranging from 7 – 21 bps



Diversification

20-year history of managing diversified portfolios

Diversified across asset classes, investment styles, sectors, regions, and credit qualities



Open Architecture

Exposure to third-party, highest-conviction ETF asset managers

Due diligence conducted on all ETFs by PMC Research

iShares

Vanguard

Passive: PMC Strategic ETF Portfolios

Diversified Beta Exposures Through a Building Blocks Approach

Quick Facts	
Product Minimum :	\$15,000
Fee :	10 bps ¹
Wtd. Average Expense :	5 – 6 bps
Number of Portfolios :	7
Underlying Holdings :	ETFs
Number of Holdings :	5 - 8
Strategy Assets :	\$845 mm

¹ Manager & FSP Tax Overlay fee

DOMESTIC EQUITY	Ticker	Product Name	Weight
Large-Cap Core	IVV	iShares Core S&P 500	28.20%
Mid-Cap Core	IJH	iShares Core S&P Mid-Cap	10.30%
Small-Cap Core	IWM	iShares Russell 2000	3.40%
INTERNATIONAL EQUITY			
Int'l Developed Mkts	IEFA	iShares Core MSCI EAFE	14.60%
Int'l Emerging Mkts	VWO	Vanguard FTSE Emerging Markets ETF	3.50%
FIXED INCOME			
Intermediate Bond	AGG	iShares Core US Aggregate Bond	26.00%
International Bond	BNDX	Vanguard Total International Bond ETF	8.60%
Short Bond	BSV	Vanguard Short-Term Bond ETF	3.40%
Cash		Core Money Market	2.00%

Sample Moderate Portfolio

As of 03/31/22

ESG: PMC Sustainable ETF Portfolios

ESG Integration



ESG Integration

Diversified asset class and ESG integration through strategic asset allocation

Defined ESG inputs and criteria

Evaluation of:

- Index construction methodology
- Quality of ESG inputs
- ESG research and data leveraged
- Rigor of ESG approach



Lower Cost

Explicit use of ETFs

Increased tax efficiency

Reduce overall costs

Extremely low turnover

Weighted average expense ratios ranging from 19 – 34 bps



Diversification

20-year history of managing diversified portfolios

Diversified across asset classes, investment styles, sectors, regions, and credit qualities



Open Architecture

Exposure to third-party, highest-conviction ESG ETF asset managers

Due diligence conducted on all ETFs by PMC Research



As of 12/31/21

ESG: PMC Sustainable ETF Portfolios

ESG Integration

Quick Facts

Product Minimum :	\$10,000
Fee :	10 bps ¹
Wtd. Average Expense :	19 – 34 bps
Number of Portfolios :	7
Underlying Holdings :	ETFs
Number of Holdings :	6 - 10

¹ Manager & FSP Tax Overlay fee

DOMESTIC EQUITY	Ticker	Product Name	Weight
Large-Cap Core	CHGX	AXS Change Finance ESG ETF	18.65%
Large-Cap Core	JUST	Goldman Sachs JUST US Large Cap ETF	18.65%
Small-Cap Core	NUSC	Nuveen ESG Small-Cap ETF	3.40%
INTERNATIONAL EQUITY			
Int'l Developed Mkts	NUDM	Nuveen ESG Int'l Developed Markets ETF	13.80%
Int'l Emerging Mkts	NUEM	Nuveen ESG Emerging Markets ETF	3.50%
Global Equity	ESGG	FlexShares STOXX Global ESG Select ETF	2.00%
FIXED INCOME			
Intermediate Bond	EUSB	iShares ESG Advanced Total US Bond Market ETF	24.00%
International Bond	BGRN	iShares USD Green Bond ETF	8.60%
Short Bond	SUSB	iShares ESG 1-5 Year USD Corporate Bond ETF	3.40%
High Yield	HYFX	iShares ESG Advanced High Yield Corporate Bond ETF	2.00%
Cash		Core Money Market	2.00%

Sample Moderate Portfolio

As of 03/31/22

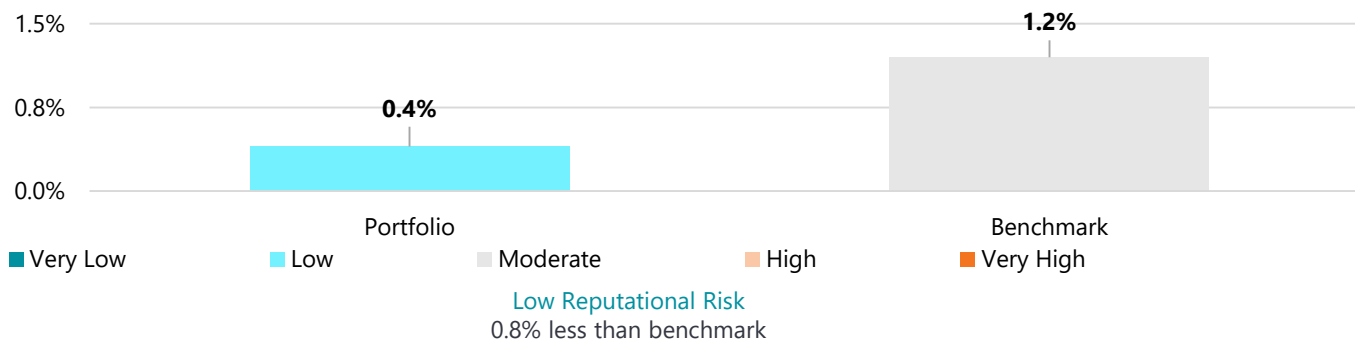
ESG: PMC Sustainable ETF Portfolios

ESG Integration

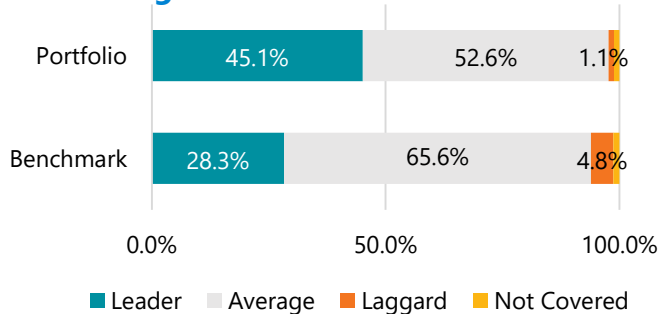
Equities

Reputational Risk

(Very Severe Controversy Exposure)

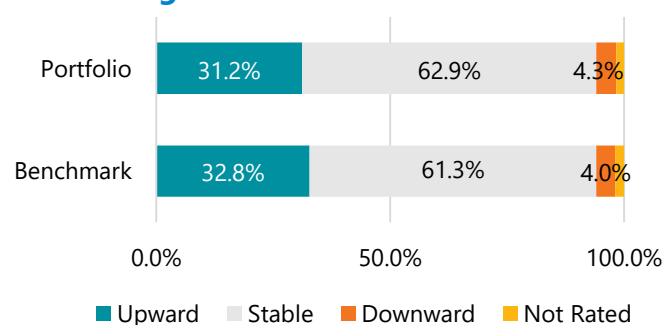


ESG Ratings Distribution



Benchmark: 60% Russell 3000, 40% MSCI All Country World Index EX US

ESG Ratings Momentum



Definitions

- Reputational Risk** represents the percentage of a portfolio's market value coming from holdings involved in very severe controversial events. It is based on MSCI ESG Controversies. Portfolio level Reputational Risk is categorized as Very Low (0%), Low (>0% to <1%), Moderate (1% to <5%), High (5% to <10%), and Very High (>=10%).

- ESG Ratings Distribution** represents the percentage of a portfolio's market value coming from holdings classified as ESG Ratings Leaders (AAA and AA), Average (A, BBB, and BB), and Laggards (B and CCC).
- ESG Ratings Momentum** represents the percentage of a portfolio's market value coming from holdings that have had an ESG Ratings upgrade, and those with a downgrade, since their previous ESG Rating assessment.

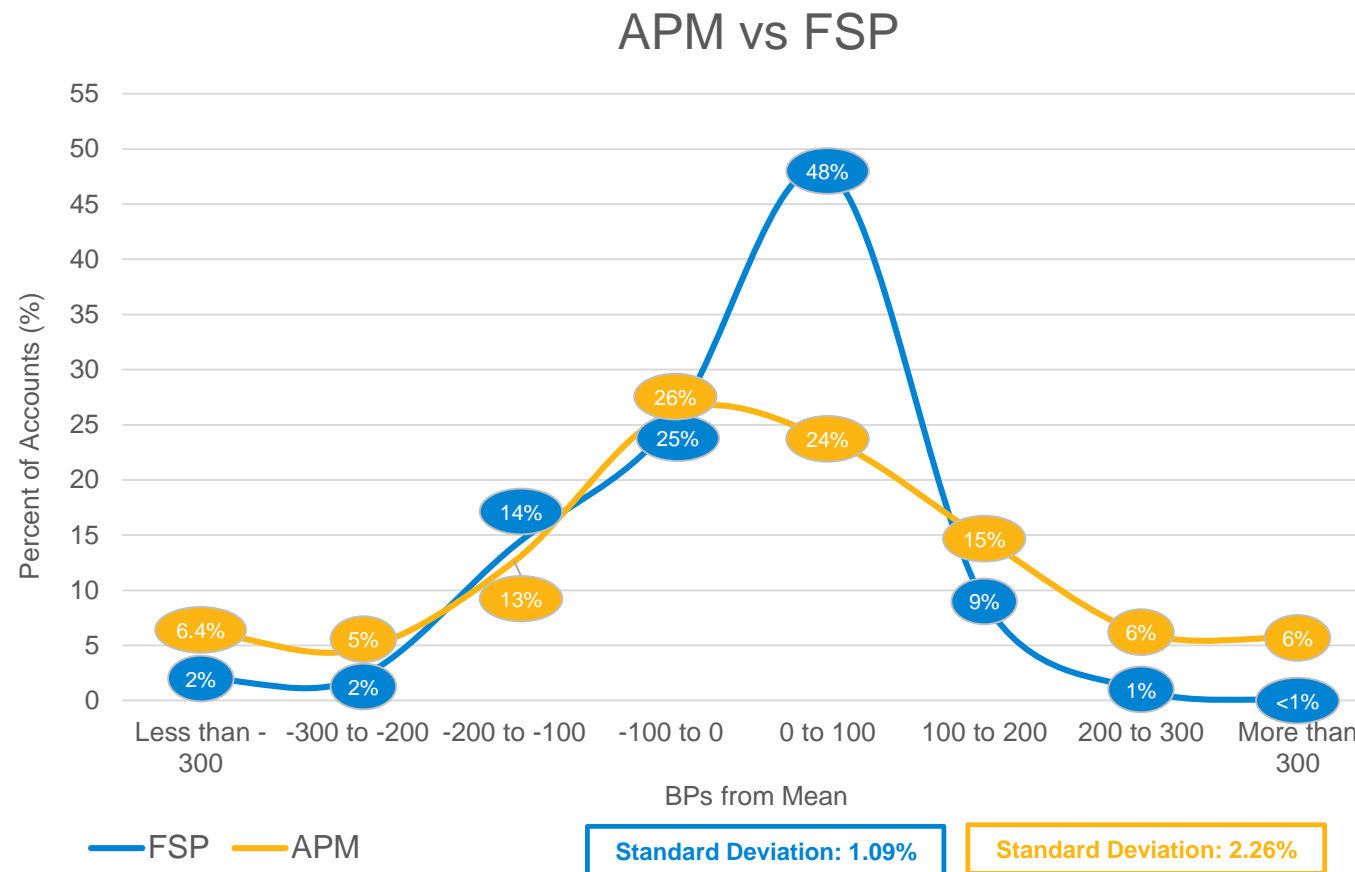
Appendix 1: FSP Tax Management

Appendix 2: Outsourcing

Risks of the APM Business

It is easy to point at the higher returns over the time period between APM and FSP accounts however the larger standard deviation of APM accounts indicates that the risk may be significantly understated

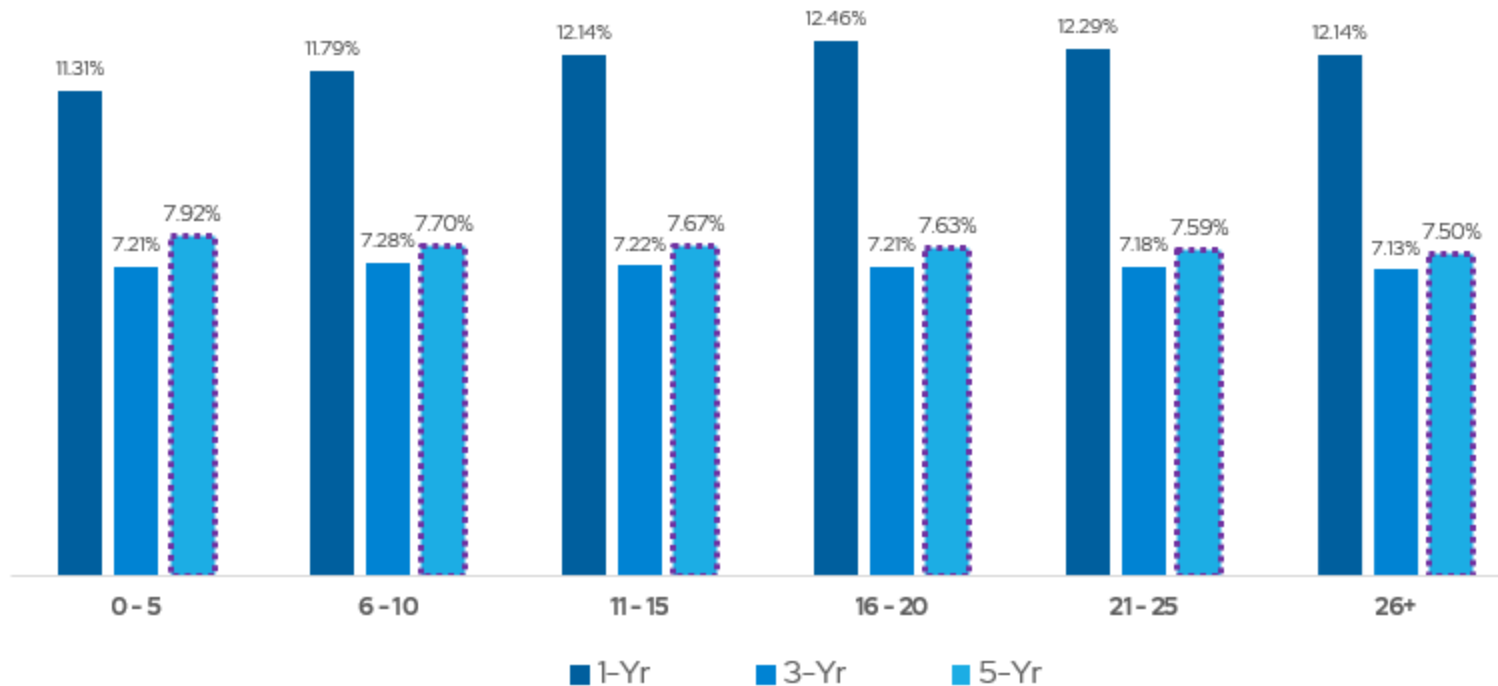
- More than 20% of APM account performance falls at least 200 BPs away from the mean as opposed to roughly 5% for FSP accounts
- Looking at downside deviations, 11% of APM accounts underperformed the mean by 200+ BPs in comparison to only 4% of FSP accounts
- 50% of APM account performance falls within +/- 100 BPs of the mean which is much lower than the 75% of FSPs in that same threshold.



Advisor Trends in APM Accounts

Returns based on number of MF/ETF Holdings

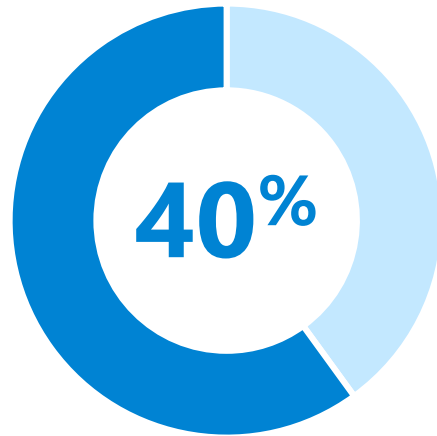
- Most advisors believe their “value proposition” is in the asset management (picking MFs/ETFs), but what data shows here is whether the advisor is picking 0-5 or 26+ MF/ETFs, it doesn't have drastic difference on returns in the portfolio



Source: Investnet Analytics. As of December 31, 2020. Represents Moderate accounts only. Only includes accounts with 50% or more in mutual funds and/or ETFs.

Reallocating Time

Outsourcing investment management helps free up advisors' time to focus on client relationships and planning



Advisors spend over **800 hours** a year on investment management. Approximately 40% of their yearly work hours.

Source: Dimensional 2017 | Global Investor Insights.



This time can be reallocated to:

- Cultivating new relationships
- Strengthening existing relationships
- Comprehensive planning for clients
- Managing overall book of business

The Opportunity Cost of Time

What would happen if an advisor with 100 clients and average fees chose to:

	Manage All Assets Themselves	Outsource C&D Clients to a Strategist	Outsource All Advisory Accounts to a Strategist
Projected Revenue	\$216,000	\$270,113	\$293,304
Total Cost of Client Service (Value of Advisor/Assistant Time)	\$106,163	\$80,701	\$69,788
Potential Days Saved Per Year	0	23	33
Average Profit Per Client After Cost of Service	\$1,098	\$1,353	\$1,462

Source: Cerulli Associates, Envestnet.

How an FSP is managed

Step 1

The client and their advisor select a Fund Strategist Portfolio (FSP) to add to their account.

Step 2

The FSP manager provides Investnet with the model holdings and weights on an ongoing basis.

Step 3

Investnet executes trades to align the client's portfolio with the FSP manager's model.

Step 4

As the FSP manager makes changes to the portfolio's asset allocation or underlying holdings, they communicate those changes to Investnet.

Step 5

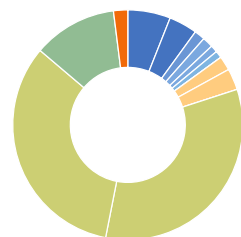
Investnet buys and sells the necessary holdings within the client's account to implement the changes communicated by the FSP manager.

Step 6

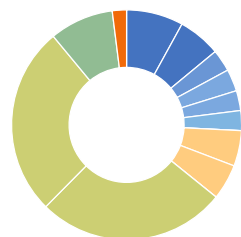
For accounts utilizing the Fund Strategist Tax Management service, Investnet will consider the trade consequences of those changes in the client's portfolio and may execute different trades.

Appendix 3: PMC Tax Managed ETF Models

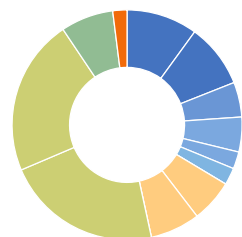
PMC SIGMA Portfolio Solution



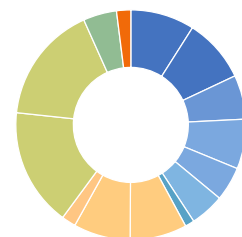
Capital Preservation (with Municipals)



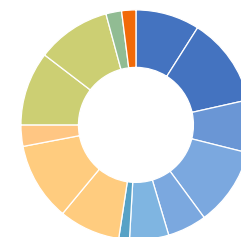
Conservative (with Municipals)



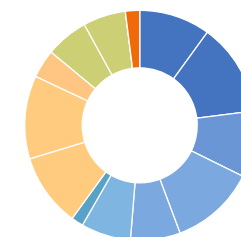
Conservative Growth (with Municipals)



Moderate (with Municipals)



Moderate Growth (with Municipals)

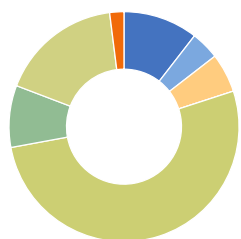


Growth (with Municipals)

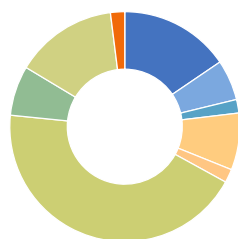
	Large-Cap Core	Large-Cap Core	Large-Cap Value	Mid-Cap Core	Mid-Cap Core	Mid-Cap Growth	Small-Cap Core	Int'l Developed Markets	Int'l Developed Markets	Int'l Emerging Markets	Intermediate Muni	Intermediate Muni	Short Muni	Cash	Weighted Average Expense Ratio
	DFAC	QUS	LRGF	VFMF	DEUS	VFMO	SMLF	DEEF	QEFA	EMGF	MUB	VTEB	SUB	-	
	DFA US Core Equity 2 ETF	SPDR MSCI USA Strategic Factors ETF	iShares MSCI USA Multifactor ETF	Vanguard US Multifactor ETF	Xtrackers Russell US Multifactor ETF	Vanguard US Momentum Factor ETF	iShares MSCI USA Small-Cap Mltfctr ETF	Xtrackers FTSE Develop ex US Mulfact ETF	SPDR® MSCI EAFE Strategic Factors ETF	iShares MSCI Emerging Mkts Mltfctr ETF	iShares National Muni Bond ETF	Vanguard Tax-Exempt Bond ETF	iShares Short-Term National Muni Bond	Core Money Market	
Expense Ratio	0.19%	0.15%	0.20%	0.19%	0.17%	0.13%	0.30%	0.24%	0.30%	0.45%	0.04%	0.03%	0.05%	-	
Capital Preservation	6.00%	4.00%	1.50%	1.50%	1.00%	1.00%	-	2.00%	3.00%	-	33.10%	33.10%	11.80%	2.00%	0.09%
Conservative	8.00%	6.00%	3.10%	3.10%	2.80%	2.80%	-	5.00%	5.00%	-	26.60%	26.60%	9.00%	2.00%	0.11%
Conservative Growth	10.00%	9.00%	4.90%	4.90%	2.40%	2.40%	-	6.00%	7.00%	-	22.00%	22.00%	7.40%	2.00%	0.13%
Moderate	9.00%	9.00%	6.20%	7.00%	4.80%	4.80%	1.30%	8.00%	8.00%	2.00%	16.60%	16.60%	4.70%	2.00%	0.15%
Moderate Growth	9.00%	12.50%	7.40%	11.00%	5.50%	5.50%	1.50%	8.60%	11.00%	3.00%	10.40%	10.40%	2.20%	2.00%	0.18%
Growth	10.00%	13.00%	9.30%	12.00%	7.00%	7.00%	1.70%	10.30%	11.70%	4.00%	6.00%	6.00%	-	2.00%	0.19%

Allocations as of March 31, 2022.

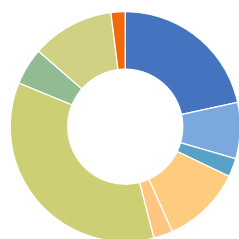
Passive: PMC Strategic ETF Portfolios



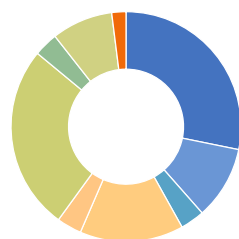
Capital Preservation



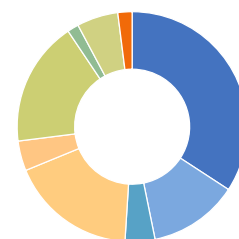
Conservative



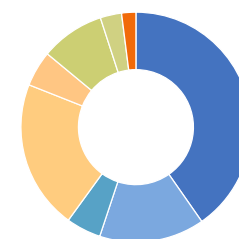
Conservative Growth



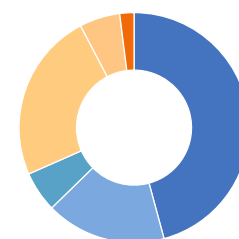
Moderate



Moderate Growth



Growth

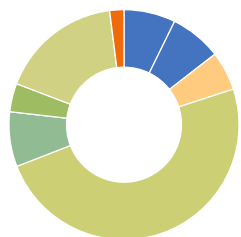


Aggressive

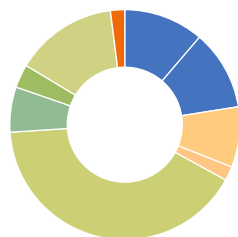
	Large-Cap Core	Mid-Cap Core	Small-Cap Core	Int'l Developed Markets	Int'l Emerging Markets	Intermediate Bond	Short Bond	International Bond	Cash	Weighted Average Expense Ratio
	IVV	IJH	IWM	IEFA	VWO	AGG	BSV	BNDX	-	
	iShares Core S&P 500	iShares Core S&P Mid-Cap	iShares Russell 2000	iShares Core MSCI EAFE	Vanguard FTSE Emerging Markets ETF	iShares Core US Aggregate Bond	Vanguard Short-Term Bond ETF	Vanguard Total International Bond ETF	Core Money Market	
Expense Ratio	0.03%	0.05%	0.19%	0.07%	0.10%	0.04%	0.05%	0.08%	-	
Capital Preservation	10.50%	4.00%	-	5.50%	-	52.10%	8.70%	17.20%	2.00%	0.05%
Conservative	15.50%	5.70%	1.90%	8.00%	1.90%	43.60%	7.00%	14.40%	2.00%	0.05%
Conservative Growth	21.60%	7.90%	2.60%	11.20%	2.70%	35.20%	5.20%	11.60%	2.00%	0.05%
Moderate	28.20%	10.30%	3.40%	14.60%	3.50%	26.00%	3.40%	8.60%	2.00%	0.05%
Moderate Growth	34.20%	12.60%	4.20%	17.80%	4.20%	17.60%	1.60%	5.80%	2.00%	0.05%
Growth	40.30%	14.80%	4.90%	21.00%	5.00%	9.00%	-	3.00%	2.00%	0.06%
Aggressive	45.80%	16.90%	5.70%	23.90%	5.70%	-	-	-	2.00%	0.06%

Allocations as of March 31, 2022.

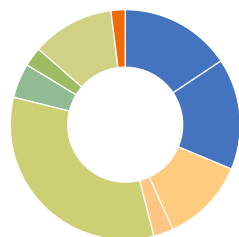
ESG: PMC Sustainable ETF Portfolios



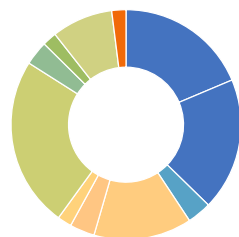
Capital Preservation



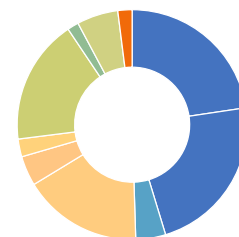
Conservative



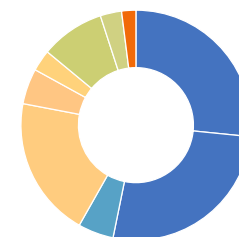
Conservative Growth



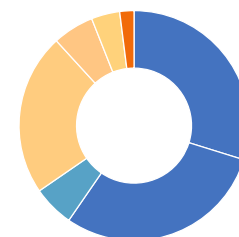
Moderate



Moderate Growth



Growth



Aggressive

	Large-Cap Core	Large-Cap Core	Small-Cap Core	Int'l Developed Markets	Int'l Emerging Markets	Global Equity	Intermediate Bond	Short Bond	High Yield	International Bond	Cash	Weighted Average Expense Ratio
	JUST	CHGX	NUSC	NUDM	NUEM	ESGG	EUSB	SUSB	HYXF	BGRN	-	
	Goldman Sachs JUST US Large Cap Eq ETF	Change Finance US LgCp FossilFuel Fr ETF	Nuveen ESG Small-Cap ETF	Nuveen ESG Intl Dev Mkts Eq ETF	Nuveen ESG Emerging Markets Equity ETF	FlexShares STOXX Gbl ESG Select ETF	iShares ESG Advanced Ttl USD Bd Mrkt ETF	iShares ESG 1-5 Year USD Corp Bd ETF	iShares ESG Advanced Hi Yld Corp Bd ETF	iShares Global Green Bond ETF	Core Money Market	
Expense Ratio	0.20%	0.49%	0.30%	0.30%	0.35%	0.42%	0.12%	0.12%	0.35%	0.20%	-	
Capital Preservation	7.25%	7.25%	-	5.50%	-	-	49.10%	7.70%	4.00%	17.20%	2.00%	0.19%
Conservative	11.25%	11.25%	-	8.50%	2.00%	-	40.95%	6.35%	3.30%	14.40%	2.00%	0.21%
Conservative Growth	15.65%	15.65%	-	11.90%	2.80%	-	32.85%	4.85%	2.70%	11.60%	2.00%	0.24%
Moderate	18.65%	18.65%	3.40%	13.80%	3.50%	2.00%	24.00%	3.40%	2.00%	8.60%	2.00%	0.26%
Moderate Growth	22.65%	22.65%	4.20%	16.80%	4.20%	2.50%	17.60%	1.60%	-	5.80%	2.00%	0.28%
Growth	26.60%	26.60%	5.00%	19.80%	5.00%	3.00%	9.00%	-	-	3.00%	2.00%	0.31%
Aggressive	29.80%	29.80%	5.80%	22.80%	5.80%	4.00%	-	-	-	-	2.00%	0.34%

Allocations as of March 31, 2022.

Active: PMC SIGMA Portfolios

A cost-effective approach to active management

	Passive Investing	Active Investing	
	LOW DUE DILIGENCE BURDEN	HIGH DUE DILIGENCE BURDEN	
	Traditional Passive	Strategic Beta ↓ Factor-Based Investing <small>Holdings weighted on rewarded risk factors size, value, momentum, quality, low volatility</small>	Traditional Active
KEY HIGHLIGHTS	Systematic	Systematic	Idiosyncratic
	Objective	Objective	Subjective
	Market cap weighted	Non-market cap weighted	Non-market cap weighted
	Most transparent	Varying levels of transparency	Least transparent
	Low cost	Low to moderate costs, more in-line with passive	Moderate to high cost
	High number of holdings	High number of holdings but fewer than Traditional Passive	Generally low number of holdings
	Highest capacity	Moderate capacity	Lowest capacity

Passive: PMC Strategic ETF Portfolios

Diversified Beta Exposures Through a Building Blocks Approach

Systematic Rebalancing

Systematic rebalancing can both reduce a portfolio's volatility and enhance risk-adjusted returns.

Investment Selection

Quantitative approach to due diligence and product selection with qualitative research oversight

Asset Allocation

Thoughtful asset allocation decisions combining asset classes at various tiers to create diversified models.

Capital Markets Assumptions

Investnet | PMC develops capital markets assumptions for 55 asset classes.

PMC ETF Ranking Methodology

Overview

PMC's ETF ranking methodology seeks to identify the ETFs offering the most appropriate beta exposure for a variety of asset classes.

The methodology consists of two steps:

1. Screen the universe of ETFs on five different criteria:

- **Legal structure:** Uncollateralized debt instruments (ETNs) are excluded.
- **Active vs. Passive:** Actively managed ETFs are excluded.
- **Data history:** ETFs must have at least 24 months of performance history.
- **Asset class:** Exclude asset classes not supported by the Envestnet platform.
- **Sponsor AUM:** Exclude ETFs of sponsors having lower levels of AUM.
- **Minimum Fund AUM:** Require a minimum \$100M AUM

2. Rank the resulting screened universe along three dimensions:

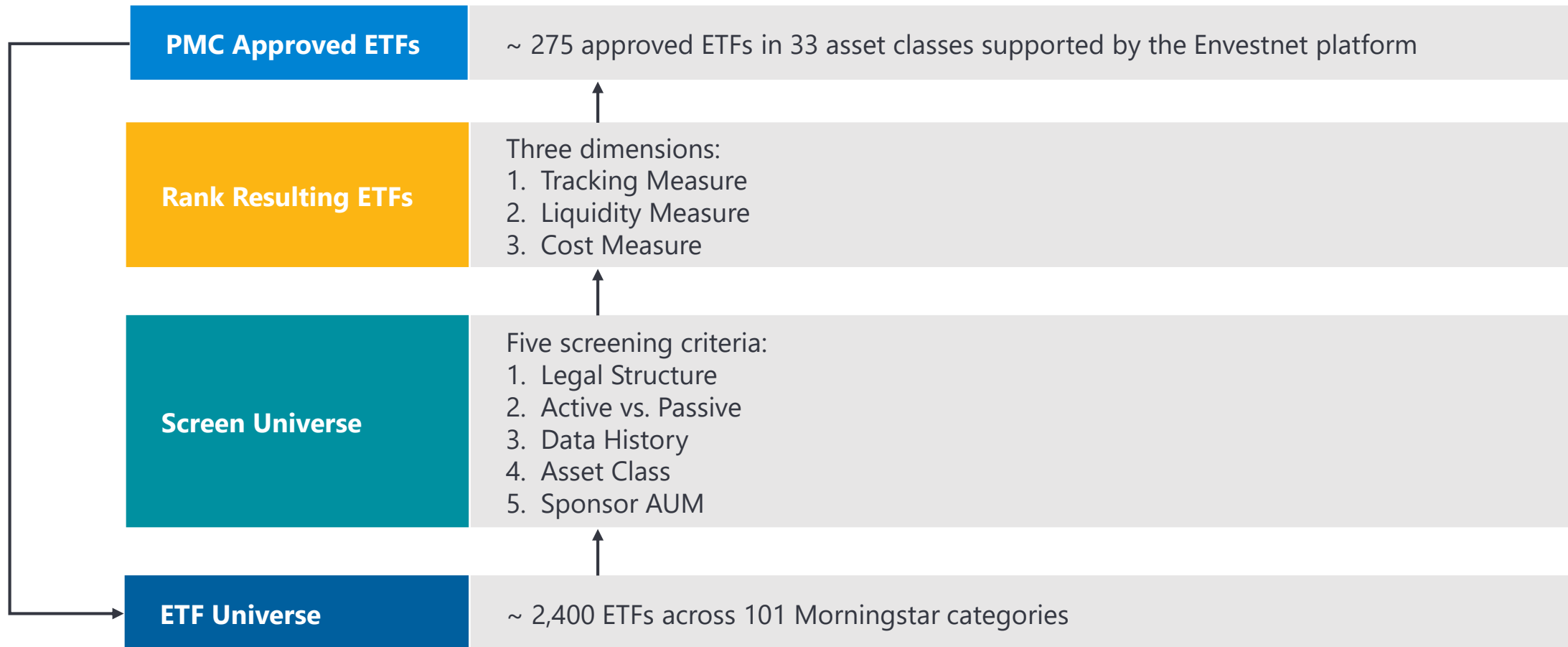
- **Tracking Measure:** Calculate how closely the ETF tracks its asset class benchmark.
- **Liquidity Measure:** Determine how effectively the ETF can be traded.
- **Cost Measure:** We include both expense ratio and tax cost ratio in calculation.



[Click here](#) for complete information on the PMC ETF ranking methodology.

PMC ETF Ranking Methodology

Quarterly Process



Appendix 4: Who is PMC?

Institutional-Quality Solutions

Investing – Envestnet | PMC



Research

- Comprehensive research and due diligence on a broad spectrum of asset classes, investment vehicles, managers, and strategists
- Track record of identifying and monitoring managers that consistently outperform their benchmarks on a risk-adjusted basis
- **PMC Premium Research** – high-conviction researched strategies delivered through proprietary industry-leading technology
- **Capital Markets Assumptions (CMAs), Fund Strategist Portfolio (FSP) Research, Impact Investing Platform**

Consulting

- Thought leadership on economic and macro investment themes
- Institutional consultants support the design and monitoring of wealth management programs and fiduciary services
- Portfolio consultants partner with advisors to develop sophisticated solutions for complex client needs
- **Institutional, High Net Worth and Advisor Consulting and Large-Case Support**

Portfolios

- Framework for global asset class assumptions and asset allocation modeling including alternative asset classes
- Strategic, dynamic, and tactical approaches to support advisor and client needs
- Overlay management capabilities: socially responsible investing (SRI) customization, restrictions and tax optimization
- **ActivePassive Portfolios** combine actively managed mutual funds + low-cost, tax-efficient index funds into risk-based strategies
- **Full suite of strategist, separately managed account (SMA), and multi-manager portfolios**

Institutional Insights, Established Resources, Strong Partner

Institutional Standing¹

- The largest advisory TAMP by AUM and the fastest growing TAMP over the past 3 years ¹
- One of the largest managed account program sponsors and direct index SMA providers ¹
- \$818B in AUM/A

Experience, Expertise and Discipline

- PMC Investment Committee and Working Groups define investment policy and processes
- 101 total investment professionals (as of 12/31/21)
 - 32 CFAs, 7 CAIA, 1 PhD
 - 27 Research Analysts
 - 41 Consultants
 - 7 Portfolio Managers
 - 8 in QRG²
 - 4 Product Specialists
 - 14 Others in Marketing, Strategy, Sustainable Investing, & Risk

\$362 Billion in Assets Under Management (as of 12/31/21)

Gateway SMA Platform	\$54.9 bn ³	<ul style="list-style-type: none"> • 3,664 Available SMA Strategies • 860 Approved-PMC SMA Strategies • 89 of the 100 Largest SMA Managers
Gateway FSP Platform	\$125.6 bn ³	<ul style="list-style-type: none"> • 150 Fully Distributed Strategist Managers • Strategic, Dynamic & Tactical allocation approaches • Alternative and Style Specific, Active and Passive implementation
PMC Portfolio Solutions	\$17.6 bn ^{3 4}	<ul style="list-style-type: none"> • Concentrated Security Portfolios • MF & ETF Portfolio Solutions • Customized Portfolio Solutions
Investnet ONE UMA	\$164.0 bn	<ul style="list-style-type: none"> • Exceptional technology supports combining SMA, FSP and single security sleeves in one account

Source: Investnet | PMC

1. Cerulli Associates, Managed Accounts Edge, 1Q 2022

2. The Quantitative Research Group (QRG) brings together cutting-edge technology, a rigorous and disciplined research process and a deep understanding of capital markets to provide investors with well-crafted solutions aligned with their objectives.

3. Excludes assets in UMA sleeves

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Investors should consider the investment objectives, risks, and charges and expenses of mutual funds carefully before investing. A prospectus or summary prospectus which contains this and other information about these funds can be obtained by contacting your Financial Advisor or the fund company directly. Please read the prospectus carefully before investing.

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