

A tailored approach to investing

Separately managed accounts

What if you could own an investment vehicle that was carefully tailored to your unique needs? A separately managed account (SMA) does just that because it is crafted based on what is most important to you.

An SMA can offer numerous benefits, such as the ability to pair distinctive or sophisticated financial goals with your personal preferences, often in a tax-efficient way. It can also help you complete – or add a new portion to – your overall portfolio investment strategy.

An SMA offers more customization and control

An SMA is a professionally managed account that may allow for more personalization compared to a mutual fund or exchange-traded fund (ETF).

In an SMA both the money invested and the stocks, bonds and/or other holdings are yours alone. And, because you own the underlying securities directly, you may be able to take advantage of portfolio customization and tax management opportunities.



What benefits does an SMA offer?



DIRECT OWNERSHIP

You own all of the securities directly and may include stocks, bonds or other holdings.



PERSONALIZATION

You may be able to customize the account to your personal preferences and current holdings by excluding specific securities, companies, or industries with objectionable practices or business involvement.



TRANSPARENCY

You have greater visibility into what you own and how your investment is managed.



TAX EFFICIENCY

You may be able to take advantage of certain tax management opportunities, such as tax loss harvesting, to help drive better after-tax performance.

SMA benefits vs. mutual funds and ETFs

Mutual funds and ETFs are pooled investment vehicles, meaning they invest money on behalf of many investors who are shareholders in the fund and cannot be customized to your specifications. Investors with an SMA, however, may be able to tap into more benefits than traditional funds.

Benefits	SMA	Mutual funds	ETFs
Direct ownership of underlying securities customization	✓	✗	✗
Personalization	✓	✗	✗
Transparency at all times	✓	✗	✗
Funding	Existing securities or cash	Cash	Cash
Potential tax management	Usually	Sometimes	Usually
Tends to avoid capital gains distributions	✓	✗	✓
Tailored investment objective	✓	✓	✓
Professional money management	✓	✓	✓



Many SMAs have lowered costs

In recent years, many SMAs have lowered minimum investment requirements and management fees, making them accessible to more investors.



How can SMAs be used?

They can be used to meet a personal financial goal or specific investment objective.

1 As a way to enhance after-tax returns

Taxes rank among investors' top financial fears and many are looking for ways to minimize the impact of capital gains and other taxes on their investments. An SMA may help solve this age-old dilemma by packing a powerful tax-savings punch right from the start.

Because you own the underlying securities directly, the SMA investment managers can use sophisticated tax-optimization techniques – including tax loss harvesting – to reduce investment taxes and potentially generate additional value in your portfolio.

These tax savings can work to increase compounding of returns over time to help enhance your long-term wealth.

2 As a way to combine personalization and indexing

Many investors want passive investments – those that track an index – because they offer tax efficiency. However, those held within mutual funds or ETFs do not allow for personalization.

With a direct indexing SMA, you will have a portfolio that can offer tax efficiency and personalization options. For example:

- You can have your advisor **exclude up to 10 individual stocks** you object to in order to reflect your personal preferences.
- You may also be able to have your advisor **exclude certain social categories** that go against your beliefs.



An SMA is geared toward your needs

Depending on the SMA you choose, you may be able to take advantage of some or all of these benefits:

- Tax optimization techniques
- Tax efficiency
- Tax savings
- Personalization options

What kind of SMAs are available?

Natixis Investment Managers offers a broad range of SMAs – including actively managed equity, fixed income and sustainable investment strategies, as well as direct indexing SMAs – from our affiliated managers and outside managers.

Perhaps you want an SMA that:

- Focuses on a single asset class or a more diversified account
- Lets you fund your account with cash or securities
- Prioritizes tax mitigation
- Ties excess returns or tracking performance to a benchmark

Your advisor can help you determine the best SMA approach for your unique goals and financial needs.



Call your Edward Jones advisor today to discuss whether a separately managed account may be right for you.

Natixis Advisors, LLC provides advisory services through its division Natixis Investment Managers Solutions. Natixis Advisors, LLC is located at 888 Boylston Street, Suite 800, Boston, MA 02199. 800-225-5478 im.natixis.com.

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Tax loss harvesting is a strategy for selling securities that have lost value in order to offset taxes on capital gains.

All securities are subject to investment risk, including possible loss of principal. Specific investment risks will depend upon the investments made. There is no assurance that any investment will meet its performance objectives or that losses will be avoided.

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