Unlocking the Value of Active Tax Management

When looking for opportunities to potentially improve investment outcomes and highlight the value of professional active management for clients, generating tax alpha can be one of the most compelling and effective ways to show your worth as an advisor.

Tax Alpha: Helping Investors Keep More of What They Earn

We help advisors achieve tax alpha—or the measurement of a portfolio's returns after optimizing tax burden—through our powerful mix of tax overlay management, tax transition services, and Adhesion Wealth Investable Index Series strategies. Our platform can help you show clients how net dollars could be saved and expressed as a percentage of their overall portfolio valuation.

Advisor Alpha: Showing Investors the Tangible Value of Your Service

Effectively minimizing tax liability while managing portfolio risk is an important component of the overall value you bring to clients (aka your advisor alpha). Adhesion's technology and support system could help you easily build tax-advantaged portfolios, maximize tax savings, and clearly demonstrate your added value.

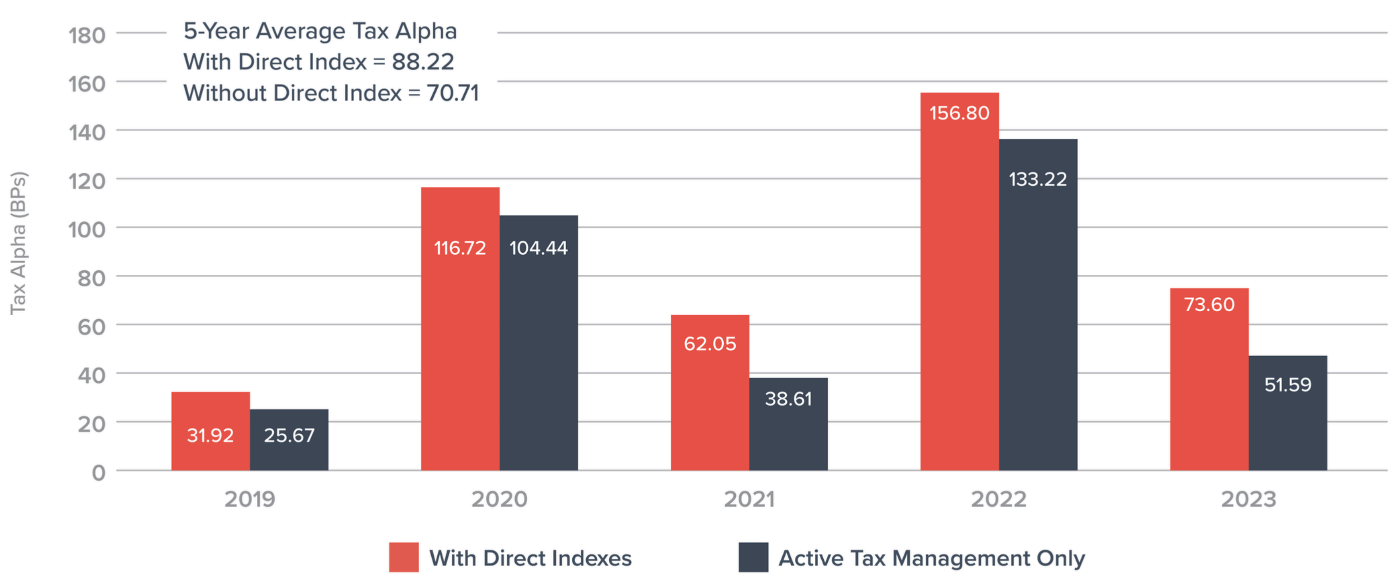
Adhesion's Direct Indexing Advantage: Designed to reduce the Tax Burden

Investors that enroll in our direct indexing and active tax management programs have historically experienced better outcomes. The Adhesion Investable Index Series shows how our high-quality direct index strategies can provide tax-aware portfolios that focus on tax loss harvesting while demonstrating index-like tracking characteristics—with the potential for generating upside results.

Example: Advisor Joe has a new client with $100,000 in tax liabilities with a portfolio value of $2.5 million. Joe enrolled his client in Active Tax Management with Direct Indexing and was able to reduce the client's tax liability by 25%, representing a 1% savings on the portfolio's market value.

Historical Tax Alpha (in BPs)

Adhesion Clients Enrolled in Active Tax Management



Tax Alpha refers to actual client accounts based on Adhesion's tax harvest program, using presumed highest short- and long-term gain rates. This illustration does not consider outside, non-managed taxable events. Tax Alpha is cited as a % of improvement where the liability reduction is compared to the client's portfolio valuation.

The illustration only reflects accounts fully enrolled in the Tax-Loss Harvesting program for an entire calendar year. Accounts that had no starting tax liability (where total losses generated are 'banked' for future tax years) were excluded.

Tax-Loss Harvesting and tax management strategies ('tax management") are designed to improve the after-tax return for the client's account. Tax management may cause account to deviate from the investment models and can affect the risk profile and performance, which can impact tax and investment results. Tax analysis reports may vary over time. Actual tax management results are subject to change based on investment holdings, market conditions, timing, and other factors. Securities may be partially traded or not traded due to market movements and illiquidity, rebalancing, client activity, and other factors. Adhesion, at its discretion, will determine when to take tax management actions based on any client restrictions or other instructions, such as client withdrawals. The timing of trading in tax-managed accounts may differ from non-tax managed accounts.

Tax analysis reports are not a replacement for other tax reports for tax filing purposes. Investors seeking more information should contact their financial and/or tax advisors.

Important Information
This is for informational purposes only, is not a solicitation, and should not be considered investment, legal or tax advice. The information has been drawn from sources believed to be reliable, but its accuracy is not guaranteed, and is subject to change.

Investing involves risk, including the possible loss of principal. Past performance does not guarantee future results. UMAs are not suitable for all investors and should be evaluated for suitability by financial professionals prior to investing.

For more complete information about the various investment solutions available, including the investment objectives, risks, and fees, please refer to the Disclosure Brochure. Please read it carefully before investing. For a copy, please contact Adhesion.

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