Adhesion wealth®
A Vestmark Company

Navigating the Maze:

Outsourced Managed Account Solutions

Control
Flexibility
Efficiency

Powerful Options for Creating Portfolios

Your clients look to you for direction, assurance, and the best available unbiased thinking – an advisor who clearly sits on their side of the table. With Adhesion's integrated platform you have powerful options for creating the sophisticated investment portfolios needed to address a wide range of market conditions and client objectives. No matter your approach to portfolio architecture, Adhesion's integrated platform puts powerful tools and resources at your disposal.

Advisor as Strategist: In–House Architect

Adhesion lets you combine the power of your proprietary strategies with the advantages of outsourced portfolio management. Coordinated through our integrated platform, Adhesion relieves you of the complex process of ongoing implementation.

Turnkey Unified Managed Programs: Leveraging Outsourced Chief Investment Officer Services

This solution is perfect for advisors who prefer to fully leverage the expertise and brand recognition of leading 3rd – party investment strategists. All turnkey portfolio solutions are engineered to take full advantage of a UMA implementation via Adhesion's platform.

Control

Your Clients, Your Way

Adhesion's platform enables you to tailor client portfolios in an efficient and scalable way. Client restrictions, tilts, asset allocation changes, custom cash allocations or tax treatments, and tax services, specific trade settings or drift tolerances and more are all efficiently accomplished easily at your direction.

With Adhesion's Integrated Investment Solutions, you're always in control of the big picture. We customize a platform specifically designed to provide you with command and control over what is important to your practice and your clients. Adhesion advisors are always in a position to direct the advisory relationship and retain control of:

- Investment solution design and implementation
- Oversight and monitoring of client and investment activity
- Client relationships and communication

Maintain Your Independence. Supercharge Your Relationships.

Unlike other platforms, your clients are yours, not ours. Adhesion will work as a sub-advisor to you rather than becoming the primary advisor. You know your clients better than anyone – so why would you let an old-school TAMP tell you what is and what isn't appropriate for your clients.

Adhesion Does Not Share Or Sell Client Data

Our fees are fully transparent and our fiduciary obligation is clear. It's the way Adhesion has done business for twenty years and core to our ethos. If an advisor elects to enable the Sharing feature within the platform, we can share advisor-level information with selected and approved money managers, but never client data. We believe the preservation and privacy of client information is non-negotiable.

What You Get With Adhesion

Service & Support

A industry-leading white glove service and support team.

Extensive Investment Content

Roster of SMAs, ETF & Mutual Fund Strategists, and OCIO providers.

Flexible Deployment

A variety of investment programs and methodologies supported.

Outsourced Overlay Management

Operational burden is on Adhesion Wealth, not your P&L.

Portfolio Construction Solutions

Continuously reduce tax impact, automate investing, and keep clients in line with risk/IPS.

Tax Transition & Tax Management

Reduce tax impact on transitional assets and generate tax alpha.

Single Registration

All activity in a single account allows for coordinated operation of managers, all with a single 1099.

Cost Reductions

Lower cost than direct -SMA or mutual fund (plus a better client experience and a reduction in operating expenses.)

Complete Control & Customization

Retain total control over client relationships and tailor their portfolios in efficient and scalable ways.

Brandable Advisor Desktop

360° view of true sleeve/ model performance, client and practice analytics, performance reporting and proposal generation.

Flexibility

Flexible & Scalable

Adhesion lets you design the outsourcing solution that best fits your business. You can retain or offload as much or as little of the portfolio construction process as makes sense for your firm and clients. We will work with you to understand your range of needs and design a solution that optimizes your efficiency and economics.

Customizable Portfolio Construction

Strategic Asset Allocation
Using a long term outlook with either active or passive managers and defining class

Strategic With Dynamic (Tactical) Bands
Using a long term outlook with either active or passive managers and making active bets on where and how to establish rebalancing tolerances

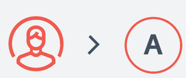
Core / Satellite
Combining both active and passive strategies together to take advantage of the best of both methodologies, as well as integrating low-cost and tax-optimized solutions

Waterfall / Goal
Approach where a portfolio is constructed to reach its designated goal and each goal has a discrete set of rules and characteristics – all inside a single account

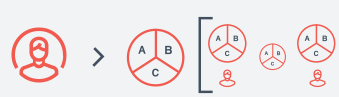
Customizable Delivery Approaches

Firm as Portfolio Manager in a UMA

OCIO as Portfolio Manager in a UMA

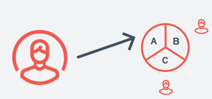


SMA Only (Single Sleeve) in a UMA



Unified Managed Household Reporting

Rep as Portfolio Manager in a UMA (Full RPM)



Rep as Sleeve/Money Manager in a UMA (Partial RPM)

Efficiency

Rebalance Your Business: Reduce Operational Costs Increase Business-Building

Gain immediate access to the scale you need to grow your business. We provide you with a fully customized investment and practice management solution driven from our efficient, personalized advisor desktop with built-in dashboard and practice management analytics.

Outsourced Managed Accounts - Whether you're a growing RIA, feeling operational growth pains, or an in-transition advisor needing to jump-start your independence, Adhesion offers a suite of technology and services that allows you to outsource your investment operations without sacrificing control–all while keeping costs down. In our bundled overlay fee you will be able to:

- Gain access to third party research for guidance or fully outsource portfolio construction, always retaining the ability to express your investment ideas without sacrificing customization or scale
- Access an open architecture marketplace of best-of-breed SMA, model providers, and fund/ETF strategists to construct tailored client portfolios from a full spectrum of investment choices
- Outsource your investment operations including trading, rebalancing, and client reporting
- Leverage a suite of client engagement tools including proposal generation, performance reporting, practice analytics, and more, via Adhesion's advisor dashboard
- Take advantage of portfolio solutions that allow for tax alpha generation
- Adopt lower cost products that can be customized within a UMA offering
- Avoid the expensive install and management of a portfolio management and rebalancing software system

Our platform supports a wide range of portfolio and security types - from UMA, Mutual Fund and ETF wrap, advisor as PM, supporting the modeling and trading of SMAs, mutual funds, ETFs, third party managers, individual equity, and fixed income securities.

Understanding Tax Alpha Within A UMA

Adhesion enables you to provide clients with personalized tax management and generate tax alpha.

Tax Management - For taxable accounts enrolled in Adhesion's tax service, all trades are executed in a tax-aware manner so that the most tax-advantageous tax-lot is always sold first. And you're able to choose for each client the manner in which you want the automated harvesting process to work. We also offer on demand services that you can select for your clients at the appropriate times:

- **Adhesion Taxable Account Transition Service** - Our engineered process constructs a custom transition program for each client's account - implementing a phased and tax-budgeted transition around a direct-invested index, customized specifically to achieve the target risk profile for each account with clear progress reporting to the client.
- **Tax Harvesting** - Our platform enables you to harvest short and/or long term losses and/or gains, invest in replacement securities, and avoid wash sales on all of your identified accounts at any time.
- **Stay in Sync** - Sophisticated trading technology coupled with advanced operational processes are required to ensure the custodian knows that shares are being sold during a rebalance or model trade. Adhesion uses a "Versus Purchase" methodology to override the custodian's default tax-relief method to ensure all the books match–the custodian for IRS reporting, the UMA platform for ongoing investment management, and the client's performance report.

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See what Adhesion can do for you.

To learn more, call **888-295-8351**
or email us at solutions@adhesionwealth.com

Adhesion Wealth is a leading provider of outsourced managed accounts, including sophisticated and customized investment solutions, integrated with practice management tools and outsourced back- and middle-office, to wealth advisory firms. These solutions enable advisors to easily provide separately managed account (SMA) and unified managed account (UMA) portfolios and create personalized solutions for investors. Its platform empowers advisors with highly scalable, flexible, and customized portfolio solutions, enabling them to deliver better investor outcomes. Adhesion Wealth is a wholly-owned subsidiary of Vestmark, Inc. Vestmark enables financial institutions and advisors to efficiently manage and trade their clients' portfolios through an innovative software-as-a-service (SaaS) platform, VestmarkONE®.

ADH–B/DIGI/OVERVIEW/V3–4/20