

QONTIGO SOLUTIONS FOR DIRECT INDEXING

Customize your clients' investment portfolios with tax-managed, index-based solutions

Your customers want more control over what they're investing in. Direct indexing makes that possible, for investors with any size portfolio. And now, our sophisticated optimization, analytics and index solutions allow you to provide this holistic service to your clients, more efficiently.

Whether they want ESG customization, tax optimization or emphasis on specific style factors, you can automate and scale these strategies at the security, account or household level by implementing our direct indexing solutions.

How Direct Indexing Works

1 ORIGINATE

Start with an underlying index like the STOXX® USA 500 by holding individual constituents rather than pooled vehicles such as mutual funds or ETFs. This provides an opportunity to tailor the portfolio and incorporate your clients' tax characteristics in ongoing management.

2 OPTIMIZE

Use the Axioma Portfolio Optimizer to create optimized portfolios with your clients' individual preferences.

CUSTOMIZE YOUR INPUTS



Choose to deviate from the underlying index by including or excluding individual securities, industries, or geographies based on client needs and preferences.



Implement impact investing strategies by modifying an ESG or broad-based index.



Select best-in-class ESG data from a network of integrated data providers or from your preferred vendor.



Offset the risk of concentrated positions in employer stock or inherited securities.

3 AUTOMATE AND SCALE

Manage your process efficiently with APIs for mass customization.

With the combination of Qontigo's analytics and index solutions you can:



Harvest Tax Losses

- > Take advantage of price fluctuations in individual securities to harvest tax losses not available in a fund-based portfolio.
- > Harvest a targeted amount of tax losses while limiting deviation from the index.
- > Control timing of taxable gain and loss realization.



Incorporate Personal Preferences and Values, e.g. ESG

- > Select from a broad menu of STOXX Indices including flagship, sustainability, thematic and factor-tilting indices as the foundation of your solution.
- > Invest exclusively in companies with better ESG scores or target a percentage reduction to ESG factors like carbon exposure.
- > Create impact investing portfolios to generate positive social or environmental benefit.



Automate Rebalancing at Scale

- > Provide cost-effective customization with a systematic rebalancing process.
- > Use APIs to automate processing for hundreds to millions of accounts.
- > Integrate your IMS, OMS or portfolio management and tax rebalancing systems.



Run a Unified Managed Household

- > Implement asset allocation strategies using multiple direct index account sleeves.
- > Take advantage of tax-netting opportunities across sleeves while preventing wash sales.

To learn more about Qontigo, please contact us, or visit qontigo.com



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