

THE BASICS OF MANAGED ACCOUNTS

Traditional components and potential advantages

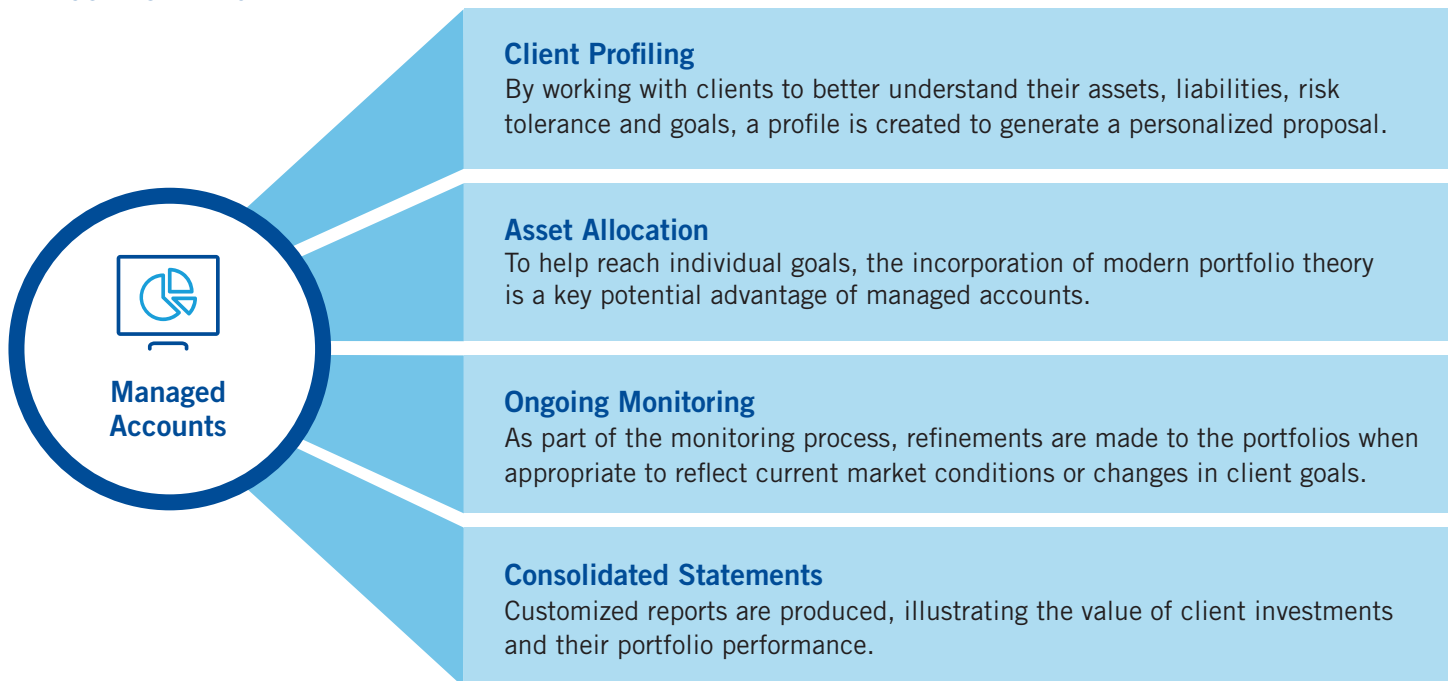
Curious about the potential benefits of managed accounts? **START HERE.**

A managed account is a customized discretionary portfolio managed for a defined contribution plan participant.

The key offering for a managed account is that of a **personalized portfolio** which may provide an optimized outcome, after fees. Personalization can be weighted using a client's demographic information, such as age, income, or portfolio balance.

The funds utilized to construct a managed account portfolio are typically the same funds available to participants on the core menu, but the ability to offer a more personalized investment option to participants who are actively seeking advice differentiates managed accounts from other options.

KEY COMPONENTS¹



Managed account programs provide access to a financial professional and can also include services to help with retirement planning. **Additional services could include:²**



**Help identifying
optimal savings rates**



**Tax-efficient
investing strategies**



**Retirement
distribution planning**



**Social Security
recommendations**

Asset allocation and diversification do not ensure a profit or protect against loss.

1. Cerulli Associates. The Cerulli Report: U.S. Managed Accounts 2020. "Components of Managed Accounts Programs."

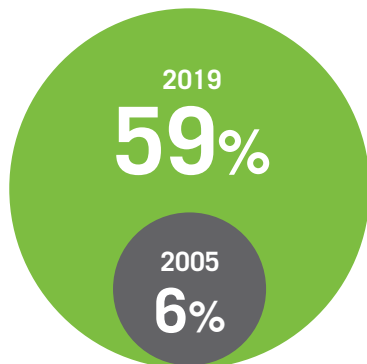
2. Defined Contribution Institutional Investment Association. "Managed Accounts – A Primer" August 2020.

Growth and opportunities in managed accounts

Managed accounts provide a flexible and increasingly popular opportunity.

AVAILABILITY³

Percentage of defined contribution plans that offer a managed account option



OPPORTUNITIES⁴

Determine the underlying investments

Advisors can select the investments or models to be included—such as passive, active, or alternative asset classes—based on client goals.

Customize portfolio and asset allocation

Client information and plan data can be used to determine equity, fixed income, or alternative allocations to create personalized portfolios.

Broaden client base to new adopters

As familiarity with managed accounts grows, offerings can be presented to clients in additional channels.

All investments involve risk, including loss of principal.

Diversification and asset allocation does not assure a profit or protect against market loss.

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3. Callan Institute, "2019 Defined Contribution Trends Survey," 2019.

4. Cerulli Associates. The Cerulli Report: U.S. Managed Accounts 2020. "Advisor Use of Managed Accounts."



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