

Press Release

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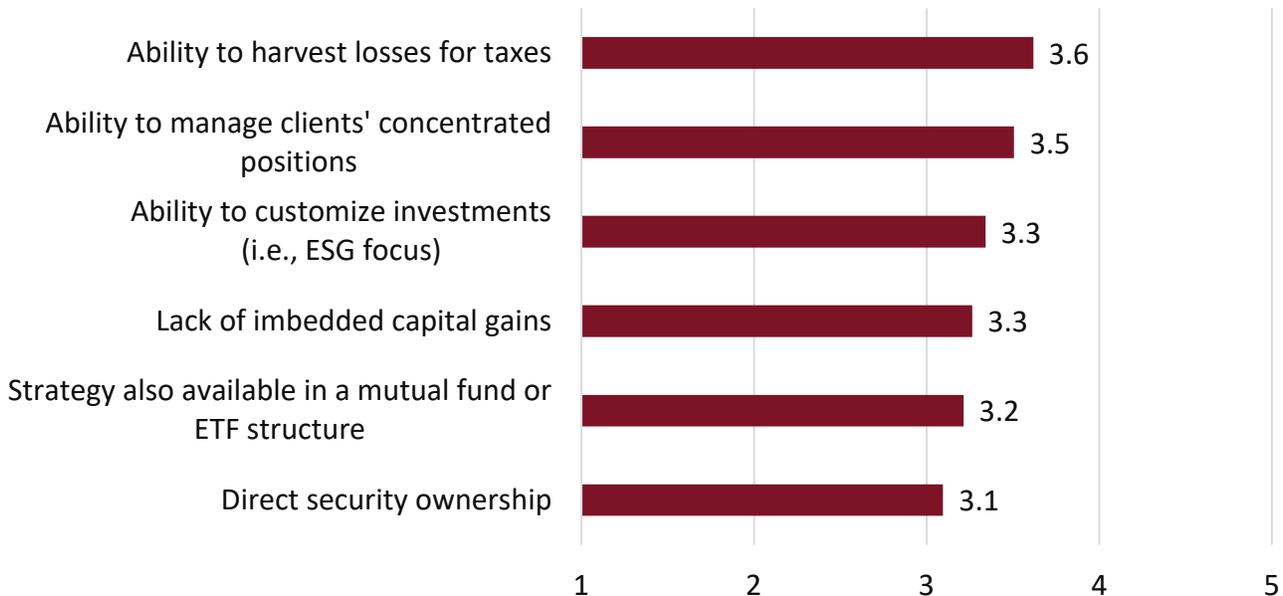
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Advisors Cite Tax Harvesting as Chief Benefit of Separately Managed Account Structure

January 10, 2023, *Needham, MA* –Following an extended bull market, 2022’s volatility put tax management capabilities front and center for advisors and their clients. Therefore, it is logical that the ability to harvest losses for taxes is the most highly rated characteristic of separately managed account (SMA) investing among surveyed advisors, according to the latest findings from FUSE Research Network’s Advisor Trend Monitor Series Report – *Product Usage: The Advisor View*, published in conjunction with WealthManagement.com.

Importance of Characteristics for Using Separately Managed Accounts



Note: Rating on a 1 to 5 Scale with 1 = Not at all Important to 5 = Critical

Source: FUSE Research Network, WealthManagement.com

“The ability to harvest losses for taxes was the universal choice, regardless of advisor channel,” said Mike Evans, Director of BenchMark Research at FUSE Research. “However, among the other five SMA



characteristics, channel-level nuances are apparent. For example, wirehouse advisors place the highest importance on SMAs' lack of embedded capital gains, a regulatory artifact that often bedevils mutual funds held in taxable accounts. Meanwhile, independent broker/dealers like to use SMAs to manage a concentrated position, which supports the more holistic approach they typically take when they engage a client's total financial life."

The Advisor Trend Monitor Report – *Product Usage: The Advisor View* also explores preferred product types, asset classes, and the importance of strategy characteristics for choosing active or passive investments among advisors, as well as advisor use of mutual funds/ETFs by investment style, and SMA-specific trends among other topics. Overall data survey findings are presented by various advisor demographics.

The FUSE Advisor Trend Monitor is a survey-based report series that provides timely insight into advisor views on a range of issues central to asset managers' decisions about resource allocation.

For details about obtaining a copy of Advisor Trend Monitor – *Product Usage: The Advisor View*, please email Jason Heinhorst at jheinhorst@fuse-research.com or call (720) 221-5223.

[About FUSE Research Network LLC](#)

FUSE was launched in 2008 with the view that research and consulting support for asset managers has failed to evolve with the changing needs of the client. The future competitive environment will demand that clients make important business decisions within shorter and shorter timeframes.

To support clients in this setting, FUSE provides a dynamic research platform that covers our clients' current and future decision areas (strategic and tactical). Our goal is to become an invaluable business partner through the delivery of highly informed and forward-looking recommendations that are among the critical inputs our clients need to optimize results.