Parametric

Parametric Custom Core®

STRATEGY OVERVIEW

Parametric Custom Core® is an innovative equity direct indexing strategy that allows investors to build customized tax-managed portfolios according to their investment objectives, tax considerations and responsible investing criteria.

Investment Objective

The objective of Parametric Custom Core® is to closely track the pretax return of an investor's chosen market exposure while outperforming on an after-tax basis by applying active tax management through a customized separately managed account (SMA).

The SMA Advantage

Professionally managed equity SMA strategies may provide greater benefits than other strategies, such as passive ETFs, due to the ability to cost-effectively customize exposures to meet an investor's precise needs and apply active tax-management techniques such as tax-loss harvesting.

The Parametric Custom Core® Advantage

UNPARALLELED EXPERIENCE

RULES-BASED TAX MANAGEMENT
- Daily portfolio monitoring seeks to maximize loss harvesting while minimizing tracking error and transaction costs
- Ability to link accounts to prevent wash sales
- Choose from Standard and Aggressive Tax-Loss Harvesting modes

TAX-EFFICIENT CUSTOM TRANSITIONS
- Open new accounts with cash, fund with securities in-kind or both
- Dedicated Transition Analysis team can provide a detailed analysis of current holdings and several scenarios of in-kind transitions
- Choose the scenario that best suits your needs based on the tradeoff between tracking error and tax cost
- Ability to manage around legacy ETF positions or concentrated stocks

ACCESS TO INVESTMENT SPECIALISTS
- Investment teams are available to all clients, regardless of account size

COMPREHENSIVE REPORTING
- Monthly pretax and after-tax performance
- Advanced portfolio history for accounts funded in-kind
- Responsible investing reporting

COLLABORATIVE CUSTOMIZATION

BENCHMARK OPTIONS
- Choose from 100+ off-the-shelf indices
  - U.S. broad-, large-, mid- and small-cap
  - U.S., international and emerging markets
  - Growth, value, fundamental indices, single and multi-factor indices, dividend yield

CUSTOMIZATION
- Tailor any index with tilts, exclusions and other options
- Blend two or more indices to create a custom benchmark
- Add custom factor tilts for dividend yield, profitability, momentum, low volatility and others
- Sector, industry and stock exclusions
- Choose between Standard or Aggressive Tax Loss Harvesting modes
- Tailor your approach for selling down single stock positions with Concentrated Core mode

RESPONSIBLE INVESTING
- Create your own exposure using our extensive values-based customization offerings
  - Select from 30+ responsible investing indices and thematic tilts
  - Choose from 50+ prebuilt screens or customize your own screen threshold

Information is subject to change at any time without notice. All investments are subject to loss. Diversification does not eliminate risk of loss. Customizations vary by firm and platform. There is no assurance that the investment objectives will be achieved. All investments are subject to risk, including the risk of loss. There can be no assurance that Parametric will achieve profits or avoid incurring losses.

Not FDIC Insured	May Lose Value	Not Bank Guaranteed

Why Parametric?

Parametric is a pioneer in direct indexing. Our algorithm, processes and technology have been refined over three decades. We have unparalleled experience in executing thousands of transitions and managing complex portfolios through multiple market cycles and high-volatility events.

30+

Years of experience delivering a range of rules-based, systematic investment strategies

$684Bn+

Assets under management ($469Bn+ in custom SMAs)[1]

136,000+

Custom Core® portfolios managed

Information as of 03/31/2026.

[1]AUM includes overlay, fixed income, equity exposure and both discretionary and nondiscretionary assets of Parametric Portfolio Associates LLC (the "Firm"), and $8.4Bn in assets of Parametric SAS. Please refer to the disclosures for additional information regarding the Firm.

About

Parametric Portfolio Associates LLC ("Parametric"), headquartered in Seattle, is registered as an investment advisor with the US Securities and Exchange Commission under the Investment Advisers Act of 1940. Parametric is a leading global asset management firm, providing investment strategies and customized exposure management directly to institutional investors and indirectly to individual investors through financial intermediaries. Parametric offers a variety of rules-based investment strategies, including alpha-seeking equity, fixed income, alternative and options strategies. Parametric also offers implementation services, including customized equity, traditional overlay and centralized portfolio management. Parametric is part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley, and offers these capabilities through offices located in Seattle, Boston, Minneapolis, New York and Westport, Connecticut.

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There is no assurance that a separately managed account (SMA) will achieve its investment objective. SMAs are subject to market risk, which is the possibility that the market values of the securities in an account will decline and that the value of the securities may therefore be less than what you paid for them. Market values can change daily due to economic and other events (natural disasters, health crises, terrorism, conflicts, social unrest, etc.) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (portfolio liquidity, etc.) of events. Accordingly, you can lose money investing in an SMA.

Investment strategies that seek to enhance after-tax performance may be unable to fully realize strategic gains or harvest losses due to various factors. Market conditions may limit the ability to generate tax losses. Tax-loss harvesting involves the risks that the new investment could perform worse than the original investment and that transaction costs could offset the tax benefit. Also, a tax-managed strategy may cause a client portfolio to hold a security in order to achieve more favorable tax treatment or to sell a security in order to create tax losses. Prospective investors should consult with a tax or legal advisor before making any investment decision.

An environmental, social and governance (ESG) or "responsible" investment strategy limits the types and number of investment opportunities available to the investor and, as a result, the investor's portfolio may underperform other investment strategies that do not have an ESG focus. The ESG investment strategy may result in investments in securities or industry sectors that underperform the market as a whole or underperform other strategies which apply ESG standards. An issuer's ESG performance or the investment advisor's assessment of such performance may change over time, which could cause the investor to temporarily hold securities that do not comply with the investor's responsible investment criteria. In evaluating an investment, the investment advisor is dependent upon information and data that may be incomplete, inaccurate or unavailable, which could adversely affect the analysis of the ESG factors relevant to a particular investment. Successful application of the investor's responsible investment strategy will depend on the investment advisor's skill in properly identifying and analyzing material ESG issues. There is no assurance strategies that incorporate ESG factors will result in more favorable investment performance.

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