Parametric

Parametric Custom Core® Strategy Overview

STRATEGY OVERVIEW | Available at Merrill

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 Difference

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

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

- Refer to the following page for Merrill Lynch One and PAS platform benchmark customization options available

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*
- Select from 50+ prebuilt values-based screens
- Sector, industry and stock exclusions

*Only available on PAS.

Benchmark Options

Merrill Lynch One

BENCHMARK	MINIMUM
All Cap	
Russell 3000®	$250K
Large Cap	
S&P 500®	$250K
S&P 500® Equal Weight	$400K
Large Cap Growth	
Russell 1000® Growth	$250K
Large Cap Value	
Russell 1000® Value	$250K
Small Cap	
S&P 600®	$250K
International / Global	
MSCI EAFE℠ / ADR	$250K
MSCI ACWI ex US℠ ADR	$400K
MSCI World℠ ADR	$400K

PAS

BENCHMARK	MINIMUM
All Cap	
Russell 3000®	$500K
S&P 1500®	$500K
Large Cap	
Nasdaq 100®[1]	$500K
S&P 100®	$500K
S&P 500®	$500K
S&P 500® Equal Weight	$500K
Russell 1000®	$500K
Mid / Small Cap	
S&P 400®	$500K
S&P 600®	$500K
S&P 1000®	$500K
Russell Midcap®	$500K
Russell 2500®	$2M
Large Cap Growth	
S&P 500® Growth	$500K
Russell 1000® Growth	$500K
Russell 3000® Growth	$500K
Large / Mid / Small Cap Value	
S&P 500® Value	$500K
Russell 1000® Value	$500K
Russell 3000® Value	$500K
S&P 600® Value	$500K

BENCHMARK	MINIMUM
International/Global	
MSCI EAFE℠/ADR	$500K
MSCI World℠/ADR	$500K
MSCI World ex US℠/ADR	$500K
MSCI ACWI℠/ADR	$550K
MSCI ACWI ex US℠/ADR	$500K

FACTOR TILT	MINIMUM
Russell 1000®	
Dividend Yield Domestic	$500K
Low Volatility Domestic	$500K
Momentum Domestic	$500K
Quality Domestic	$500K
Value Domestic	$500K
Value, Momentum, Profitability Domestic (large)	$500K
MSCI World ex USA	
Dividend Yield International	$500K
Low Volatility International	$500K
Momentum International	$500K
Quality International	$500K
Value International	$500K
Value, Momentum, Profitability International	$500K
Russell 3000®	
Value Size Profitability Domestic	$500K

Benchmarks may be blended in a single account through PAS

[1] Premium cost benchmark

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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.

35+	$764Bn+	146,000+
Years of experience delivering a range of rules-based, systematic investment strategies	Assets under management ($532Bn+ in custom SMAs)[2]	Custom Core® portfolios managed

Information as of 06/30/2026.

[2] This figure is inclusive of Parametric Portfolio Associates LLC and Parametric SAS, which are affiliated investment advisers. Both entities are within the same global asset management group and are owned by Morgan Stanley. AUM includes overlay exposure and both discretionary and non-discretionary assets of Parametric.

Please refer to the disclosures for additional information regarding the Firm.

DISCLOSURES

Parametric Portfolio Associates LLC ("Parametric"), headquartered in Seattle, is registered as an investment adviser with the Securities and Exchange Commission under the Investment Advisers Act of 1940. Registration does not imply a level of skill or training. Parametric is a part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley.

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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 (e.g., natural disasters, health crises, terrorism, conflicts and social unrest) that affect markets, countries, companies or governments. It is difficult to predict the timing, duration, and potential adverse effects (e.g., portfolio liquidity) 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") 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 adviser'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 adviser 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 adviser's skill in properly identifying and analyzing material ESG issues.

Benchmark/index information is provided for illustrative purposes only. Indexes are unmanaged and cannot be invested in directly. Please refer to the specific service provider's web site for complete details on all indices.

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Parametric is located at 800 Fifth Avenue, Suite 2800, Seattle, WA 98104. For more information regarding Parametric and its investment strategies, or to request a copy of the firm's Form ADV or a list of composites, contact us at 206 694 5500 or visit www.parametricportfolio.com.

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