

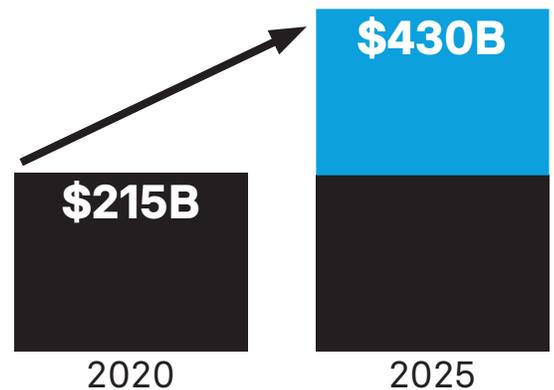
# Direct Indexing Solution

Deliver personalized direct indexing at scale with Archer's technology-enabled solutions.

For investors seeking more control over and transparency into their investments, whether for aligning with their values or optimizing taxes, direct indexing has become a popular choice, with assets making up 17% of the retail separately managed account (SMA) market.

With direct indexing, like with other types of SMAs, investors purchase individual equities instead of investing through a mutual fund or an ETF. This structure enables investors to simply track an index, or to customize to meet ESG preferences or manage taxes by harvesting tax losses at the individual position level.

McKinsey expects direct indexing volume to more than double through 2025 as technology enables customization at scale.<sup>1</sup>



**Fractional trading, which allows small amounts of money to be invested in each position in exchange for a fraction of a share, can make direct indexing more broadly accessible.**

Direct indexing can require labor-intensive management and trading across portfolios, especially for managing fractional shares and customization.

Now, technology like Archer's makes direct indexing more accessible by accommodating fractional share trading, as well as streamlining personalization and tax management.

<sup>1</sup> McKinsey, Crossing the horizon: North American asset management in the 2020s, October 2021.

An industry leader in delivering personalized solutions, Archer offers investment managers the ability to deliver direct indexing solutions at scale.

Archer provides portfolio accounting, corporate action processing, and other operations services, and acts as your investment book of record (IBOR). Our dynamic interface allows for customization at the account level or product level to accommodate individual investment preferences and can provide a side-by-side comparison of a benchmark portfolio to a customized version.

## Archer's Direct Indexing Services

- ✓ Support customization at scale
- ✓ Fractional share ready
- ✓ Portfolio trading, rebalancing, model maintenance, drift analysis, order routing
- ✓ Account setup and maintenance
- ✓ Account data aggregation and custodial reconciliation
- ✓ Performance measurement
- ✓ GIPS® composite maintenance and reporting
- ✓ Customized client reporting

### CUSTOMIZATION

Archer gives investment managers the ability to customize the accounts that follow a base index, each with unique strategies. Managers can easily view and manage account, firm and sponsor level restrictions to achieve complete personalization.

### TAX MANAGEMENT

Archer's flexible, open architecture solution enables managers to optimize after-tax returns within direct indexing accounts through a proprietary or third-party optimizer. Managers can use a broad range of constraints as well as multi-period and multi-account optimization to support active and passive portfolios, multiple currencies, and other assets.

### ESG

Archer makes it easy to customize direct indexing accounts to meet ESG preferences by using expert data for multiple factors to screen, tilt or restrict portfolio holdings and weights. Managers create and manage a variety of targeted investment options, as well provide for full personalization across a large volume of accounts using Archer's intuitive ESG solution.

### SCALE

Archer's integrated order management capability efficiently rebalances the customized direct index so managers can build orders across thousands of accounts in seconds. Our platform is connected across all distribution channels for complete integration with third parties – custodians, administrators, brokers, and sponsor platforms – as they offer direct indexing.

Learn more about our solutions for launching new products and entering new distribution channels at

[archerims.com](https://archerims.com)