



Smartleaf Corporate Backgrounder

Company Overview:

Smartleaf is a provider of an Overlay Portfolio Management (OPM) solution that helps wealth management firms – banks, trusts, registered investment advisors and broker/dealers – create a new type of Unified Managed Account (UMA). This next generation UMA enables wealth managers to combine equities, mutual funds, ADRs, ETFs and fixed income instruments in a single, customized, tax-sensitive, holistically managed account. The Smartleaf UMA lets portfolio managers use any combination of proprietary and third-party research and integrates easily with existing accounting and trading systems.

Overlay Portfolio Management:

Smartleaf uses models-based OPM, there is only one person managing an account (the “overlay manager”) and every account mimics – with adjustments for tax, expenses and customization criteria – one or more “models” (an idealized portfolio). With traditional separately managed accounts, the client’s money goes outside the firm; with models-based overlay, ideas (in the form of models) come in.

With Smartleaf’s holistic overlay, there are no sub-accounts. The account is managed as an integrated whole. Instead of multiple sub-accounts, each tracking one model, Smartleaf’s OPM allows each firm’s UMA to follow a single blend of multiple models

Unified Managed Accounts:

Smartleaf’s next generation UMA enables wealth managers to combine equities, mutual funds, ADRs, ETFs and fixed income instruments in a single, customized, tax-sensitive, holistically managed account. The Smartleaf UMA lets portfolio managers use any combination of proprietary and third-party research and integrates easily with existing accounting and trading systems.

Smartleaf’s UMA delivers:

- **A True Unified Account and the end of SMA limitations:** First-generation UMAs were created by adding an extra-layer of coordination and communication on top of a traditional separately managed account (SMA). While it improved account communication and coordination, it added complexity to an already complex structure that required sub-accounts, sub-account rebalancing, sub-advisors and shared discretion. With a Smartleaf UMA, all the

client's assets – equities, fixed income, mutual funds and ETFs – are truly integrated into a single, unified portfolio. There are no sub-accounts or sub-advisors. Smartleaf's avoidance of SMA architecture means less complexity and lower costs

- **Enhanced Productivity:** Smartleaf UMAs offer productivity improvements relative to traditional SMA and traditional proprietary workflows. Smartleaf clients have doubled revenue per portfolio manager.
- **Enhanced Consistency and Compliance:** Smartleaf supports an efficient daily review process that enables Smartleaf clients to improve compliance with reduced time and cost.
- **Enhanced customization and tax management:** By creating a true unified account with efficient workflow, Smartleaf empowers wealth managers to deliver higher levels of customization and tax management.
- **A Chassis for Wealth Management:** Smartleaf is not simply a means to deliver an open-architecture product; it is a platform to manage all discretionary wealth accounts. Smartleaf enables its clients to become open-architecture while *reducing* operational complexity and cost.

Clients:

Smartleaf has helped dozens of financial institutions create next generation UMAs, including nationwide and regional banks like US Bank, BB&T, City National Bank, Comerica and BBVA Compass. Smartleaf's client base also includes RIAs and broker/dealers.

Additional Information:

- Founded in 1999
- Seven year track record with 100% success rate in installations and on-time deliverables
- \$30 billion in Assets Under Management