Why More Advisors than Ever Are Personalizing Portfolios with Tax-Efficient SMAs

Published June 26, 2025

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As the advisory landscape continues to evolve, one theme is increasingly clear: advisors need more flexibility to meet the diverse and growing expectations of their clients. At WisdomTree, we've long believed in the power of efficient, transparent and research-driven strategies, and our ETFs reflect that belief.

To help expand access to our strategies, we recently entered into a strategic relationship with **Quorus**, a technology-focused asset manager that specializes in tax-efficient separately managed accounts (SMAs). This commercial arrangement allows us to support advisors with more options for personalization and tax-aware portfolio construction—two areas of growing demand.

Just as important as the strategies themselves is the way they are delivered.

Today, we're seeing growing advisor interest in SMAs, particularly those designed to improve tax efficiency and enable greater portfolio personalization. We don't see these solutions as a replacement for pooled investment vehicles, which remain central to many client portfolios. Instead, SMAs add another layer of flexibility, aiming to give advisors more ways to deliver value.

Why SMAs and Why Now?

SMAs are not new, but they are gaining momentum thanks to modern technology and shifting client needs. With SMAs, clients own individual securities directly, which aims for benefits such as:

- Ongoing tax-loss harvesting
- Custom screens or tilts based on values, sectors or risk profiles
- Greater visibility into holdings and tax outcomes
- Portfolio-level customization within a consistent investment strategy

These advantages can be especially important for tax-sensitive investors, clients with concentrated positions or those who want their portfolios aligned with specific goals or values.

Tax Efficiency as a Differentiator

One of the clearest advantages of SMAs is the ability to actively manage tax exposure. Tax-efficient SMAs can help reduce realized gains, offset income and enhance after-tax returns while staying aligned with the intended strategy.

As clients become more focused on outcomes, not just returns, tax-aware investing is becoming an increasingly important part of the conversation.

ETFs and SMAs Can Work Together

We continue to believe that ETFs offer an incredibly efficient way to deliver diversified, cost-effective exposure, and they remain a core part of many well-constructed portfolios.

At the same time, some client needs call for a more personalized delivery method. SMAs can provide that customization, while still reflecting the same investment insights and philosophy. Making our strategies available for implementation in SMA format allows us to better support the varied ways advisors build portfolios today.

Expanding the Advisor Toolkit

As client expectations rise, the ability to offer tailored potential solutions becomes essential. SMAs provide a flexible, tax-aware option that can complement your existing approach and help deepen client relationships.

At WisdomTree, our goal is to support advisors with solutions that fit the way you work, whether through ETFs, models or now tax-efficient SMAs. We are committed to helping you deliver personalized, scalable portfolios that support both your clients' goals and your practice growth.

If you are exploring new ways to build more customized portfolios, SMAs may be the right fit for the next phase of your advisory business.

To learn more about our SMAs please email us at quorus@wisdomtree.com.

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