MARKET GONE SOUR? MAKE LEMONADE!

NANCY R. MANDELL

For high-net-worth clients, year-end tax harvesting used to be confined primarily to finding ways to ease the burdens of capital gains. Not this year—which may be one of the reasons Denver-based active tax manager Metamorphosis Money Management (M3) has been signing distribution deals right and left. Last month, Envestnet added a private label version of M3 to the proprietary technology platform it provides to more than 15,000 independent financial advisors.

The past year may have been rough for the financial markets, but the ongoing volatility is an ideal market for tax-loss harvesting, says M3's CEO John Phoenix. "Our system takes tax harvesting from a year-end program and makes it systematic and quantitative."

"What's interesting is that all of these [client firms] have internal tax overlay programs, but they're maturing. Our new technology is more advanced and offers the advantage of continuous tax-loss harvesting—what we call 'the perpetual harvest,'" says Phoenix, adding, "In a tough market like this, wealth managers have to find things that add value to the client independent of market returns. We tell them, 'Don't hide; harvest!'"

M3 says it is the only firm in the outsourcing sector with the technology to execute tax harvesting on a daily, year-round basis. Among other clients who agree are LPL and Pershing Managed Account Solutions.

Can ETFs be Far Behind?

Standard & Poor's has announced plans to expand its Dividend Investor Index Series to include markets in Asia, Australia, Europe, Japan and several emerging markets. According to Tim Eisenhauer, vice president of S&P's Strategy Indices, the firm's research has shown that dividend-paying issues have outperformed non-paying issues more in down markets than in up markets.

"Dividends are increasingly important during times of market volatility, as they provide a cushion against falling prices," Eisenhauer points out.The new series brings together three dividend families covering all dividend capabilities.: S&P Dividend Aristocrats—focused in long-term dividend growth; S&P Dividend Opportunities—focused on absolute high dividend yield; and S&P Dividend Alternatives—focused on higher income or dividend stories with lower correlation to traditional equities. For more, please go to www.standardandpoors.com/indices.

Better Than Airbags

Does your practice need GPS? You may be interested, then, in Roadmap, an online advisory practice tool developed by Twin Cities-based ActiFi that is available exclusively through TD AMERITRADE Institutional.

You might say that Roadmap takes the pain and suffering out of translating those pesky high-level business objectives of yours into definable and executable tasks. Or, as ActiFi CEO Spenser Segal puts it, "With Roadmap, advisors will be able to take the ideas they have for their business, get them into an actionable plan, and turn them into reality."

Just as a GPS system needs your input, so Roadmap needs a TD AMERITRADE Institutional Solutions Consultant to help you define business goals such as growth, time management, risk reduction and enhancing client value. Roadmap will then offer specific strategies, tactics and hypothetical outcomes—even assigning tasks to staff members—in a report that can be saved in your firm's ongoing strategic plan.

But the road doesn't end there! Again with the assistance of your TD AMERITRADE consultant, you'll create a Roadmap Accountability Dashboard to monitor progress, adapt existing plans and add new strategies.

Nancy R. Mandell is managing editor of *Wealth Manager*.