

New turnkey tax management overlay announced by Envestnet

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Portfolio Management Consultants, the investment management arm of Envestnet Asset Management Inc. of Chicago this week released a new tax overlay service for its popular managed account offerings that should allow advisers to improve their clients' absolute returns by reducing the impact of tax liabilities.

The PMC Tax Management Service, which was unveiled Thursday, is intended to help investors with separate managed accounts who are in need of ongoing tax management, as well as for clients transitioning between platforms or managers who are trying to minimize the effect of significant gains.

This service was created in collaboration with Metamorphosis Money Management (M3), of Denver. M3's trade optimization technology underlies the overlay system and works by tracking an investor's portfolio along with daily stock market returns to find ways to lower capital gains or harvest losses.

"An often overlooked value of stock losses is that they carry forward forever," John Phoenix, president of M3, said in a statement. "That means losses taken today can be applied to gains in 2010, 2011, or even 2020. The ability to stockpile losses is particularly useful in the current market environment, since most investors have losses to harvest."

For more information visit the PMC Tax Management Service and M3 online.