

SMA 101

Separately Managed Accounts Overview Guide

*Blueprints to
Build Your Practice
With Separately
Managed Accounts*



THE MONEY MANAGEMENT INSTITUTE

Building Your Financial Practice with **Separately Managed Accounts** (SMAs)

THE MONEY MANAGEMENT INSTITUTE

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The Money Management Institute (MMI) is the national organization for the separately managed account industry, representing portfolio manager firms and sponsors of investment consulting programs. MMI was organized in 1997 to serve as a forum for the separately managed account industry's leaders to address common concerns, discuss industry issues and work together to better serve investors. The Institute is the leading advocate for the industry on regulatory and legislative issues.

MMI's membership comprises firms that offer comprehensive financial consulting services to individual investors, foundations, retirement plans and trusts; related professional portfolio management firms, and firms that provide long term services to both sponsor and manager firms such as computer/technology firms.

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1 | The History and the Opportunities

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The History

The Market Opportunity for Clients and You

The Three Key Client Phases

- Wealth Accumulation
- Wealth Distribution
- Wealth Passing to the Next Generation

Sponsor and Product Overview including SMAs, MDAs, and Unified Accounts

The Need for a Disciplined Process

2 | Building A Client-Centered Practice

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Understanding the Managed Account Process

How you can run a client-centered business. SMAs let you expand your mix of investment choices to develop solutions based on your client needs.

Establish a Client Checklist

- Profiling Clients to Understand What Phase They Are In – Set Clear Objectives, Establish Profiling Questions and Find the Gap
- Determine the Hypothetical Asset Allocation Models in Your Investment Portfolio and Adherence to an Overall Strategy
- Investment Manager Search or Selecting From Your Firm’s List
- Performance Measurements including an Annual Client Review with your Best Clients

3 | Getting Started Today

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Step 1: Survey Your Clients

Tier them to understand the best fit and which investment phase they fit into.

Step 2: Establish a Client Segmentation Chart

Tier them into A, B, C and D quadrants and understand how to service each. This section needs to be customized to your firm’s programs and minimums.

Step 3: Build a Client Communication Plan

Include a semi-annual or annual review with a face-to-face focus on the top 20% of your clients.

