DIRECT INDEXING

Trek Direct Indexing is a modern investment approach that offers tax efficiency, flexibility, and control. Unlike traditional index funds or ETFs, which bundle a set of stocks into a single investment, direct indexing allows investors to own the individual stocks within an index directly. This means greater customization, enhanced tax strategies, and the ability to align investments with personal values or financial goals.

HOW DOES DIRECT INDEXING WORK?

As an example, instead of buying an S&P 500 ETF, direct indexing lets you hold the actual stocks in the index, enabling strategic tax-loss harvesting, personalized investment selections, and tailored asset allocations to match your financial goals and preferences. This approach is particularly beneficial for tax-sensitive investors and those looking for tax-efficient investing solutions.

WHAT IS THE PROCESS?

SELECT INDEX:
Choose an index to replicate, such as the S&P 500.

CREATE CAPITAL GAINS BUDGET:
Set limits on realized gains to manage tax impact.

SET INVESTMENT/STOCK PREFERENCES:
Customize holdings based on preferences/values.

ONGOING OPTIMIZATION:
Regular tax-loss harvesting and risk rebalancing.

HIGHLIGHTS

- **Tax Efficiency:** Optimize tax-loss harvesting for potential savings.
- **Personalization:** Customize portfolios to match your values and goals.
- **Control:** Own individual stocks instead of a fund or ETF.
- **Tax-Sensitive Strategy:** Manage capital gains more efficiently.

With the rise of technology-driven investing platforms, direct indexing is more accessible than ever, offering sophisticated portfolio management once reserved for institutions. Whether you're looking to optimize taxes or simply take a more hands-on approach to wealth optimization, direct indexing offers a powerful alternative to traditional passive investing—one designed to work for you, not just the market.

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DIRECT INDEXING SPECIFIC DISCLOSURE

The factsheet is intended to provide an overview of the model strategy and the presented information is not intended to replicate the actual performance of the model portfolios. Rather the factsheet is intended to provide a general framework to understand the concept, strategy, and allocation structure employed by TREK in managing the model portfolios.

An investor's personal goals, risk tolerance, income needs, portfolio size, asset allocation and securities preferences, income tax and estate planning strategy should be reviewed before committing to a specific investment program. Please consult with your financial advisor to discuss the appropriateness of any particular strategy prior to investing. All investments involve risk. Principal is subject to loss and actual returns may be negative. Returns are not guaranteed in any way and may vary widely from year to year.