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Separately Managed Accounts – Selecting an SMA Manager

What should investors think about when considering a separately managed account (SMA) manager? Lord Abbett Product Specialist Stephen Hillebrecht outlines key guiding questions.



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Steve Hillebrecht: What should investors look for in an SMA manager? Of course, investment performance matters, but that's not the whole story. Stick around. This is Lord Abbett Explains: SMAs.

When searching for the right manager for your SMA portfolio, you may want to consider these three questions:

1. **How Active?** How does the manager approach active management?
2. **How Customizable?** What level of customization does the manager offer?
3. **How Attentive?** What degree of customer service does the manager provide?

How Active?

Your SMA manager shouldn't be on autopilot. They should be actively managing your portfolio. That means conducting in-depth fundamental research, monitoring market conditions, making timely adjustments to your portfolio, and harvesting tax losses when appropriate. We believe true active managers have the agility and flexibility to find opportunities and adapt your portfolio for different market environments.

How Customizable?

No two investors are alike. We believe an effective SMA manager offers true personalization and is able to tailor your portfolio to your specific needs, aligning with your long-term goals, values, and tax profile. Whether you want to limit industry exposure or restrict an individual stock from your equity portfolio, or you want to target specific states or credit quality ranges in your municipal bond portfolio, your strategy should reflect you.

How Attentive?

Look for a manager who proactively delivers strategy updates and market outlooks. An attentive manager focuses on getting your portfolio invested quickly so your cash doesn't sit idle. And the right manager should have a dedicated team of specialists to help ensure the account opening process is easy and seamless, helping to provide exceptional client experience.

Let's recap.

It's simple. Look for a manager who is active, who focuses on your needs, and can customize your portfolio. That's not just what you should expect, it's what you deserve in your SMA manager.

Thanks for watching "Lord Abbett Explains, SMAs."

GLOSSARY OF TERMS

A **separately managed account (SMA)** is a portfolio of assets managed by a professional investment firm. SMAs offer the opportunity for more customization in investment strategy, approach, and management style than traditional mutual funds do. SMAs offer direct ownership of securities and tax advantages over mutual funds.

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