

GET TAX-SMART

with WBI Tax-Smart SMAs



WHY ARE THESE STRATEGIES TAX-SMART?

- Tax-Smart portfolio structure emphasizing tax-efficient investment vehicles (ETFs)
- Effective gain/loss awareness
- Potential for tax-loss harvesting at the SMA portfolio level



THE TAX-SMART DIFFERENCE

WBI builds Tax-Smart SMA strategies with proprietary ETFs to actively manage risk and return while helping clients keep more of the return generated after taxes. While many investment managers attempt to perform well relative to a fluctuating market index or benchmark, WBI's risk-managed investment solutions have the goal of providing consistent, attractive returns with substantially less volatility and risk to capital.

An active risk-managed process can be inherently inefficient from a capital gains tax perspective as we sell to reduce risk. Ideally, we are selling appreciated securities in the ETFs to raise cash. In a traditional SMA, these sales may generate short-term gains that can be taxed at high tax rates. However, active risk-management within an ETF can be more capital gains tax efficient even when harvesting short-term gains due to an ETF's unique in-kind creation and redemption process. When an investor's ETF shares are redeemed, the ETF sponsor delivers "low-cost basis" shares to approved market makers "in-kind" without a tax impact. Over time the remaining shares held in the ETF have a higher cost basis with less potential capital gain exposed to tax. Periodically, some of the proprietary ETFs may rebalance to harvest losses and can provide increased tax efficiency.

By creating portfolio allocations with WBI's proprietary ETFs and allowing the active management process to take place within the ETFs we can create more tax-smart SMAs than traditional approaches, whatever market conditions may be.

WBI's TAX-SMART STRATEGIES

- WBI Bull|Bear Tax-Smart Retirement Income SMA
- WBI Bull|Bear Tax-Smart Balanced SMA
- WBI Bull|Bear Tax-Smart Dividend Income SMA
- WBI Bull|Bear Tax-Smart Dividend Growth SMA
- WBI Bull|Bear Tax-Smart Dividend Retirement Strategy

IMPORTANT INFORMATION

Past performance does not guarantee future results. . This is not an offer to buy or sell any security. No security or strategy, including those referred to directly or indirectly, is suitable for all accounts or profitable all the time. The Tax Smart SMA program accounts are subject to investment risk, including the possible loss of principal. The ETFs in the Tax Smart SMA program accounts may invest in other ETFs, mutual funds, and Exchange-Traded Notes (ETNs) which will subject the account to related additional expenses of each, and the risk of owning the underlying securities held by each. Investment risks may include but are not limited to: market, economic, political, interest rate, currency exchange, leverage, liquidity, credit quality, model, portfolio turnover, trading, REIT, high yield stocks, nondiversification, concentration, commodities, options, new fund, and client specific restrictions. WBI's Passive ETFs are not actively managed and WBI does not attempt to take defensive positions in declining markets. You should not assume that any discussion or information provided here serves as a substitute for personalized investment advice from WBI or any other investment professional. If you have questions regarding the applicability of specific issues discussed to your individual situation, please consult with WBI or your chosen professional advisor. This information is compiled from sources believed to be reliable, accuracy cannot be guaranteed. WBI's advisory operations, services, and fees are in the Form ADV, available upon request. The allocation to ETFs can provide increased tax efficiency over traditional SMA approaches. Tax-qualified accounts, such as IRAs, do not benefit from a tax-efficient or "Tax-Smart" structure. WBI does not provide tax services or tax advice. Please consult with a tax professional prior to making investment decisions.

WBI has an inherent conflict of interest in investing in or recommending Affiliated ETFs as follows: 1) WBI and affiliates receive management fees from Affiliated ETFs. To avoid receiving two layers of management fees in situations where clients invest in Affiliated ETFs through SMA and Platform accounts, WBI will either: (i) waive the management fee at the account level; or (ii) credit the management fees paid by the Affiliated ETFs to WBI and its affiliates with respect to an account's investments in Affiliated ETFs against the account-level advisory fees the account owes WBI, and 2) WBI's affiliated broker-dealer, Millington Securities, Inc., receives compensation (including payment for order flow, commissions or other fees) for transactions effected on behalf of Affiliated ETFs. Trades WBI places through Millington will be subject to WBI's duty of best execution and applicable law.

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