



Evolving Portfolio Construction and Active ETF Decision Framework

Table of Contents

Introduction

SECTION 1: Product Prioritization in a Saturated Market

Key Observations

Tight Squeeze: Access to Shelf Space

Top Managers Control of AUM Advisor Capacity Broker Dealer Capacity

Product Line Size and Scope: How Big is Too Big?

How Many Funds Do Advisors Work With? Concentration of Assets/Undersized Funds More Funds, More Rationalization

Money in Motion: Preparing to Capture New Assets

Advisors and Money on the Sidelines Advisor Turnover of Managers

SECTION 2: Evolving Portfolio Construction and Vehicle Use

Key Observations

Captain or First Mate: Advisor Portfolio Construction Advisor Use of Models

How is Advisor Vehicle Use Shifting?

Active ETFs Alternative Investments

Comingled Funds vs Customization: Is There Sufficient Time To Scale New Active ETFs?

Direct Indexing as a Leading Indicator for Future Portfolio Personalization

What's Driving Direct Indexing Adoption Among Advisors

Bond Ladders

Advisor Use of SMAs

SECTION 3: Active ETFs Product Line Decision Framework

Introduction

Active ETFs: Assets, Flows and Potential Market Size

What is Driving Advisor Adoption of Active ETFs?

Concentration of Active ETF Growth Among Top Firms

Potential Market Size

Product Development: Market Entry and Product Structure Decision

Market Entry: Build, Renovate, or Acquire

Build: In-House versus White Label Renovate: Fund Conversion or ETF as a Share Class

Product Structure

Investment Strategy and Capacity Transparency Clones versus Novel Strategies Fees Initial Investment Capital/Seed Money Requirements Exchange Listing

Which Active ETFs have gotten to scale? And why?

Largest Active ETFs – Success Drivers Cannibalization: Friend or Foe?

Distribution Marketing and Support

Conclusion/Concluding Thoughts

Active ETFs: Best Practices