Unified Managed Account

The Piper Jaffray Unified Managed Account gives you an opportunity to hold multiple investment solutions—such as separately managed accounts, mutual funds and exchange-traded funds—all in one account. That means you receive your services seamlessly, and your statements, performance reports and other paperwork and fees are consolidated in one place.

Another important benefit is that an “overlay portfolio manager” (OPM) integrates the investment advice of third-party investment managers and coordinates the trading activity specific to your individual investment guidelines. This ensures that your portfolio is managed as efficiently as possible. Tax-efficiency, in particular, is a valuable benefit the overlay portfolio manager provides, and for an additional fee the OPM can provide even more customized tax management.

With our Unified Managed Account, as with any type of account you select at Piper Jaffray, you and your financial advisor go through the process of determining your needs, then developing and implementing a plan. Implementing the plan includes selecting the investment products and services that are right for you. If separately managed accounts are part of your financial plan, you and your financial advisor select the most suitable investment managers and their model portfolios. The overlay portfolio manager then executes the strategies.

Because overlay portfolio managers have a large role in overseeing a Unified Managed Account, you should be aware of the functions they provide.

WORKING WITH YOUR ACCOUNT
Your overlay portfolio manager receives guidelines for your account from the paperwork you and your financial advisor provide. These guidelines include information about the products and model portfolios to be used, as well as any account restrictions and your rebalancing preferences. In the case of accounts that are managed for taxes, the OPM will review your specific tax information, such as tax rates and external gains and losses to be considered in the tax management process.

WORKING WITH INVESTMENT MANAGER MODEL PORTFOLIOS
Investment managers provide investment advice to your overlay portfolio manager in the form of a model portfolio. The model portfolio is a recommendation of specific securities and their weighting within your portfolio. Your OPM uses this information to make intelligent risk, tax and asset allocation decisions for you based on your investment objectives, then places the trades.

Your OPM has responsibility for the day-to-day management of your assets. Your OPM will not purchase securities that differ from those recommended by the investment managers, but will consider how a transaction coincides with the other activities in your account. For example, your OPM may notice that, based on tax ramifications or your overall asset allocation, it may be wise to delay the recommended transaction.

ONGOING MANAGEMENT OF YOUR PORTFOLIO
Your overlay portfolio manager is responsible for much of the portfolio management that you would consider customized to your needs. Those services include rebalancing your account as necessary, implementing any investment restrictions you may have and addressing your cash management needs. While your OPM has the authority to make these decisions, the actions are based on your account’s asset allocation and model portfolios developed by third-party investment managers.

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ACTIVE TAX MANAGEMENT SERVICES
Additional tax management services are available at an additional fee for clients who request them. If you select this option, your overlay portfolio manager takes an active role in deciding if and when to implement the model portfolio recommendations provided by the investment managers. All decisions made by your OPM would attempt to balance any risk associated with implementing buy or sell recommendation against the tax costs of implementing the recommendation. In general, differences between the investment managers’ model portfolios and the composition of your account are small.

OVERLAY PORTFOLIO MANAGERS AT PIPER JAFFRAY
Piper Jaffray has partnered with Placemark Investments to work as the overlay portfolio manager of our Unified Managed Account. Placemark is one of the investment management industry’s leading overlay portfolio managers, working with brokerage firms, banks and other financial institutions.

Your financial advisor can give you more information about overlay portfolio managers and how they will work with your account.