

Location Optimization

TRX automatically considers location optimization when recommending trades. Thus, positions will be held in "optimal" account locations, when possible, in order to maximize tax efficiency. Location optimization recommendations are as follows:

Asset Class/Subclass	Buy in Accounts	Sell From Accounts
U.S. Large Cap (Growth & Value)	Taxable	IRA/Ret/Ann
U.S. Small Cap (Growth & Value)	Taxable	IRA/Ret/Ann
U. S. Fixed Income	IRA/Ret/Ann	Taxable
International Fixed Income	IRA/Ret/Ann	Taxable
Emerging Markets Fixed Income	IRA/Ret/Ann	Taxable
U.S. REITs	IRA/Ret/Ann	Taxable
International REITs	Roth IRA	Taxable
International Large Cap	Roth IRA	Taxable
International Small Cap	Roth IRA	Taxable
Emerging Markets Equity	Roth IRA	Taxable

Advisors typically prefer that investments generating ordinary income be held in retirement accounts to avoid current taxation. Investments held primarily for long-term appreciation are typically held in taxable accounts in order to take advantage of capital gains rates and/or basis step-ups at death. And, investments generating high expected long-term returns are usually held in Roth IRAs since these returns will avoid tax altogether. TRX applies location optimization principals automatically, resulting in increased after-tax returns for your clients.