



TRANSITION ACCOUNT SERVICES

Common Advisor-Client Problem

Advisors and clients often face challenges when they feel constrained by existing SMA strategies or inherited securities with significant embedded capital gains. This can hinder portfolio diversification and tactical shifts due to potential tax implications.

Morgan Dempsey Transition Account Services

- Morgan Dempsey works with the advisor/client to create an annual tax budget for transitioning the portfolio.
- Morgan Dempsey will actively manage the portfolio within the agreed upon tax budget as follows:
 - Maintain common and overlapping positions.
 - Sell unattractive positions.
 - Throughout the year conduct active tax loss harvesting that will be used to offset capital gains resulting in moving the portfolio closer to the Morgan Dempsey Large Cap Value strategy.

The objective is to transition the account over several tax cycles to the Morgan Dempsey Large Cap Value strategy while staying within the agreed upon annual tax budget. This process is managed by the Morgan Dempsey Large Cap Value Investment Team.

Account Requirements

- Inherited securities must be common stock, ADRs or ETFs that have ample liquidity.
- Accounts need to be managed in a Separate Account format.
- Current custodians: Charles Schwab, Fidelity, SEI, Northern Trust, US Bank, First Clearing & RBC, with a willingness to work with additional custodians.
- \$100,000 account minimum with 50 basis point pricing

Note: Morgan Dempsey must review the holdings prior to accepting the account into the Transition Account Services program.

Contact Morgan Dempsey Capital:

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Morgan Dempsey Capital Management, LLC claims compliance with the Global Investment Performance Standards (GIPS®). Morgan Dempsey Capital Management is a fee-based, SEC registered advisory firm serving the portfolio management needs of institutional and high-net worth clients. The Large Cap Value Composite contains portfolios invested in Morgan Dempsey Large Cap Value Strategy. The Large Cap Value Strategy's primary objective is to generate a growing stream of equity income by investing in a diversified portfolio of equities with stable, high, and growing dividends. The benchmark is the Russell 1000 Value Index. The index returns are provided to represent the investment environment existing during the time periods shown. For comparison purposes, the index is fully invested, does not include any trading costs, management fees, or other costs, and the reinvestment of dividends and other distributions is assumed. An investor cannot invest directly in an index. Gross returns are presented before management and other fees but after all trading expenses. Net returns are calculated by deducting actual management fees from gross returns. Returns reflect the reinvestment of dividends and other earnings. Valuations are computed and performance is reported in U.S. dollars. To receive a complete list of composite descriptions and/or a compliant presentation, contact Dave Isaacson (414)928-8702 Past performance does not guarantee future results.

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