

NOTE FROM THE CEO

As COVID-19 continues to disrupt numerous aspects of our lives and how we work, many of us are also finding the resultant turbulent markets an ongoing challenge. Similarly, as fund boards approach year-end and new year allocation changes, detailed planning and fiduciary caution is more important than ever. That is why the theme of this season's newsletter centers around strategic planning during turbulent times.

While most of the content in our newsletters are proprietary thoughts and research, from time to time, we run across articles we believe are particularly informative and enlightening. This month, we share an article from WTax, a recent Abel Noser partner and global specialist tax-reclaim provider who warns that many asset owners are not recouping all of the withholding taxes they are legally entitled to.

These taxes, assessed by foreign governments on the dividend and interest payments accruing to the asset owner's foreign equity and fixed income holdings, can run into the hundreds of thousands and even millions of dollars each year, and represent an important component of the "explicit costs" (along with commissions) measured by our firm and other TCA providers. In Zeno's view, the article provides an important roadmap of the obstacles to be navigated, and stresses how asset owners, as prudent fiduciaries, should carefully explore the degree to which they may be 'leaving money on the table.'

Continuing the theme of strategic planning, we have included a feature article relating to portfolio transitions or rebalancings which represent one of the few instances, along with manager selection, where an asset owner makes decisions that have a direct impact on their fund's performance.

The transitions article is based on a recent webinar of ours called *Asset Reallocations During Turbulent Times*. It outlines best practices for planning an asset reallocation including timing, methods, costs, hazards, and unforeseen obstacles as well as comparing strengths and risks of different transition alternatives. It also includes information about implementation steps of a well-planned transition.

The final feature provides summary data from our own peer universe with a spotlight on US Large Cap Growth Managers. We think you'll find the resultant comparisons illuminating given the extreme volatility experienced during Q1 2020.

We hope you find the content in our latest newsletter interesting and helpful. Please don't hesitate to contact us at assetownerinfo@abelnoser.com if you have any questions at all.

Sincerely,

Steve

Steven Glass

*Co-Chief Executive Officer
Abel Noser Holdings, LLC & Zeno AN Solutions
One Battery Park Plaza, New York, NY 10004
646.432.4000 (office)
301.312-8947 (direct)*



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