

R.U.L.E.S. Methodology

All investments at CAISSA undergo a rigorous due diligence process (called the R.U.L.E.S. methodology) by our investment committee before they are selected to be used in client portfolios.

Role: Understand the role the investment plays and how it's managed

Understanding: Thorough due diligence process

Location: Tax efficient implementation/utilization

Efficient: tax efficiency, turnover, risk, alpha, beta, tracking error, active share

Strategic: macro leans, wealth plan support, tranches

R: Role

Every investment we utilize at CAISSA plays a key role within client portfolios. We don't use investments, simply to use them. Many investments may be good on their own, however, we consider the role of an investment within the broader portfolio and will only use it if it provides an incremental benefit to the overall investment portfolio.

U: Understanding

Due diligence reviews consist of qualitative updates on the team and investment process as well as quantitative performance attribution, risk/return review and holdings analysis. Portfolio changes, investment landscape and future asset class outlook are discussed. This includes several rounds of conversations with portfolio managers and key decision makers and on the investment team in question, through on-site visits, in-person and/or virtual meetings.

L: Location

Once we have finalized the addition of a new investment to client portfolios, we work closely with our wealth planners to ensure that we place the investment in the most beneficial account. Many firms simply allocate investments pro-rata to all accounts, leading to many tax and liquidity inefficiencies. At CAISSA we optimize the use of qualified and tax-deferred accounts, and consider things like tax rates and cash flow needs before selecting which account(s) to place an investment in.

E: Efficient

We consider the tax -efficiency of the investment wrapper and underlying process, including investment turnover, fees, active share, number of holdings, etc. We strive to use the most efficient investments we can to provide exposure to an asset class. This may involve the usage of active v. passive investments, mutual fund v. ETF, among others.

S: Strategic

Once an investment is vetted and approved by the investment committee, it must play a strategic role in client portfolios to warrant inclusion. Often this can be to gain exposure to a tactical theme, improve diversification or portfolio risk attributes, or align liquidity with the wealth plan cash flows and/or Tranches of Income.

