

Top 10 Direct Index Providers: Independence, Conflicts, and What RIAs Should Know



KEY TAKEAWAYS

- **The market is crowded but consolidated at the top.** Most major providers are owned by large financial institutions, creating inherent conflicts of interest for independent advisors whose clients compete with those firms' own wealth management divisions.
- **Independence is a genuine differentiator.** SmartHarvest is the only provider on this list that is 100% independently owned — no parent institution, no proprietary platforms, no competing advisor channels.
- **Tax management is table stakes; execution quality separates providers.** All ten offer tax-loss harvesting, but SmartHarvest's boutique structure enables direct portfolio manager access that platform-scaled providers simply aren't built to deliver.
- **Fee competitiveness is about alignment, not just price.** SmartHarvest offers one of the most competitive fee structures on this list without institutional overhead — that efficiency goes directly to advisors and their clients.
- **Not all direct indexing is built for RIAs.** Several providers target retail investors directly; others are scaled for wirehouses and broker-dealers. SmartHarvest is purpose-built exclusively for independent RIAs.

In the evolving landscape of investment management, direct indexing has emerged as a powerful tool for personalization and tax efficiency, allowing investors to own individual securities that mirror benchmark indices while tailoring portfolios to specific needs. This blog explores the top 10 providers, highlighting their innovative approaches to direct indexing and how they empower investors.

1. SmartHarvest Portfolios LLC

SmartHarvest Portfolios LLC delivers precise, customized direct index portfolio solutions, focusing on advanced tax management techniques to enhance investment experience and increase portfolio tax efficiency. They define Direct Indexing as a portfolio of individual stocks designed to replicate the risk/return experience of an index while adding after-tax alpha through tax loss harvesting and other tax management techniques, offering greater personalization and tax efficiency compared to ETFs and mutual funds. SmartHarvest provides one of the most competitive fee structures in the industry, extensive customization, can target indices, ETFs, and/or model exposures, 1-on-1 portfolio manager support, and is 100% independent, free of the conflicts of interest of other large direct index providers owned by wirehouses with competing wealth advisor teams.

Location Address: 1700 7th Ave, Ste 2100, Seattle, Washington 98101, US

Phone Number: 206-656-7770 (Client Service)

Email Address: info@smartharvestportfolios.com

Website URL: <https://www.smartharvestportfolios.com/>

2. Parametric Portfolio Associates (Morgan Stanley)

Parametric Portfolio Associates is one of the oldest systems and providers of direct index solutions, offering tax management for after-tax alpha and full customization including ESG and factors. They specialize in providing scale for large advisory groups, broker-dealers, and wirehouses, building portfolios focused on efficient implementation of common direct indexing indices across large platforms.

Location Address: 800 Fifth Avenue, Suite 2800, Seattle, WA 98104 (Headquarters)

Phone Number: 206-694-5500

Email Address: info@parametricportfolio.com (via contact form)

Website URL: <https://www.parametricportfolio.com/>

3. Aperio Group (BlackRock)

Aperio Group, part of mega-manager BlackRock, specializes in personalized, tax-managed equity SMAs. They customize portfolios around market exposure, taxes, personal values (ESG), factors, and risk, aiming to enhance after-tax returns through tax-loss harvesting techniques.

Location Address: 3 Harbor Drive, Suite 204, Sausalito, CA 94965

Phone Number: 415-339-7100 (general BlackRock contact)

Email Address: aperio.clientservice@blackrock.com (via contact form)

Website URL: <https://www.blackrock.com/us/financial-professionals/investments/tax-managed-equity-sma-aperio>

4. Fidelity

Fidelity provides direct indexing through FidFolios, offering multi-tiered access from self-managed to full advisory with ESG options and zero-commission trading. Their tax-sensitive tools enable customization and tax-loss harvesting.

Location Address: 245 Summer Street, Boston, MA 02210 (Headquarters)

Phone Number: 800-343-3548

Email Address: help@fidelity.com (via contact form)

Website URL: <https://www.fidelity.com/>

5. Vanguard Personalized Indexing

Vanguard Personalized Indexing delivers tax-loss harvesting with scalable ESG and factor customizations. They provide SMAs with market-cap-weighted benchmarks and concentrated position diversification for advisors and high-net-worth clients.

Location Address: 100 Vanguard Blvd., Malvern, PA 19355 (Headquarters)

Phone Number: 800-997-2798

Email Address: support@vanguard.com (via contact form)

Website URL: <https://advisors.vanguard.com/>

6. Charles Schwab

Charles Schwab offers personalization through Schwab Personalized Indexing SMAs, featuring tax-loss harvesting across U.S. large-cap, small-cap, international, and ESG strategies. Integrated with their broad ecosystem, it provides direct indexing along with most other investment solutions in the marketplace.

Location Address: 3000 Schwab Way, Westlake, TX 76262 (Headquarters)

Phone Number: 800-435-4000

Email Address: support@schwab.com (via contact form)

Website URL: <https://www.schwab.com/>

7. Wealthfront

Wealthfront provides robo-advisor automation for tax-loss harvesting in US Direct Indexing, offering competitive fees and customization for stocks and sectors.

Location Address: 261 Hamilton Avenue, Palo Alto, CA 94301

Phone Number: 650-249-4250 (general)

Email Address: support@wealthfront.com

Website URL: <https://www.wealthfront.com/>

8. Frec

Frec makes direct indexing simple and accessible, offering competitive-cost strategies across 16 indices. They provide customization, borrowing against portfolios, and self-directed add-ons for enhanced efficiency.

Location Address: 548 Market Street, San Francisco, CA 94104

Phone Number: Not publicly listed (contact via form)

Email Address: support@frec.com

Website URL: <https://frec.com/>

9. AssetMark

AssetMark offers Direct Indexing as an equity SMA with included Tax Management Services, providing flexible models for personalization and tax sensitivity. Their platform enables custom restrictions, gains budgets, and daily optimizations for improved after-tax returns. AssetMark utilizes the services of 3rd party direct index providers.

Location Address: 1655 Grant Street, 10th Floor, Concord, CA 94520

Phone Number: 800-664-5345

Email Address: eservice@assetmark.com

Website URL: <https://www.assetmark.com/>

10. Russell Investments

Russell Investments provides personalized managed accounts with hybrid active/direct indexing options and strong research backing for advisors. Their direct indexing SMAs include mixed active/passive allocations, focusing on factor investing and customized solutions.

Location Address: 1301 Second Avenue, 18th Floor, Seattle, WA 98101

Phone Number: 800-426-7969

Email Address: info@russellinvestments.com (via contact form)

Website URL: <https://russellinvestments.com/>

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