How to: UMA Setup

Business Cases:

1. Enabling an Account as a UMA

About UMA Models/UMAs:

Prior to enabling an Account to be a UMA, you *may* need to create the UMA Model for your UMA. A UMA Model is made up of one or

many Products with defined target weights. Ranges for each Product can be set as well. Products are typically Funds, Managed Strategies or Cash. Once an

Account is enabled as a UMA you can easily assign the UMA Model. A UMA may *only* have a UMA Model assigned as a Target. If the UMA

Model that will be assigned to the new UMA already exists as firm-wide or shared Model, this step can be skipped since the Model already exists.

Once an active **Account** is set to **UMA Managed**, it *cannot* be changed. This is to ensure consistency in reporting.

To change a regular **Account** to a **UMA:**

Within the selected regular **Account:**

1. Navigate to the **Current Account>Account Admin>UMA Account Management** screen

Note that there is *no* detail in the **Product Allocation** or **Unallocated Holdings** sections of the screen.

2. Select **UMA Managed** from the **Account Subtype** drop-down menu

3. Select a **UMA Allocation Start Date** from the drop-down menu

About the UMA Allocation Start Date:

The **UMA Allocation Start Date** drop-down menu is displayed when you select **UMA Managed** from the **Accou nt Subtype** menu. You *cannot* select a

date that goes back historically past the **Inception Date.** You *can* select a **UMA Allocation Start Date** that is up to 4 months in the past as well as the

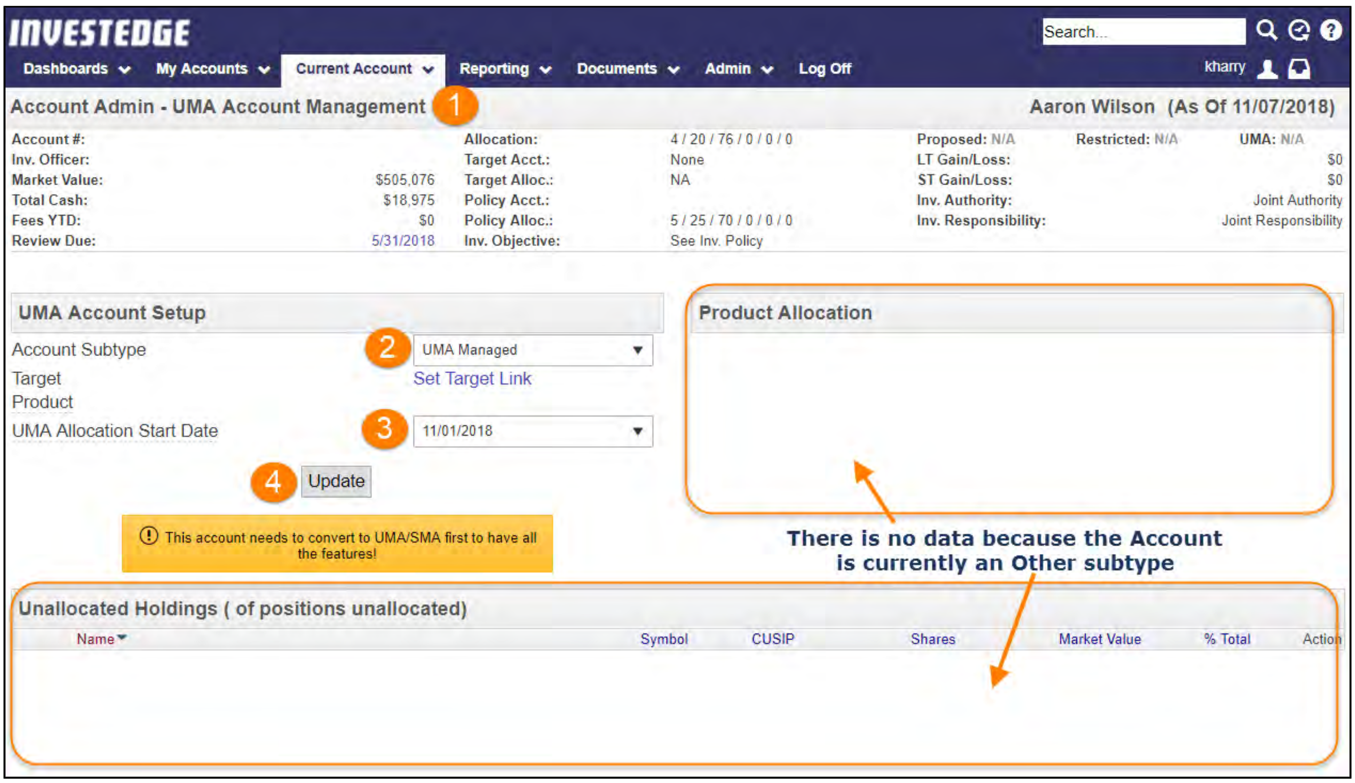
most recent month-end. Once this date is selected, all performance data prior to the date will be frozen. The ideal date selected should be the latest date possible at which the user can be reasonably certain that there will be no historical updates prior to the date.

- **Transactions** or price changes prior to the date will not be applied
- Any back-dated **Transactions** received for the **Account** for a date prior to the **Allocation Start Date** will be applied as of the **Allocation Start Date.**

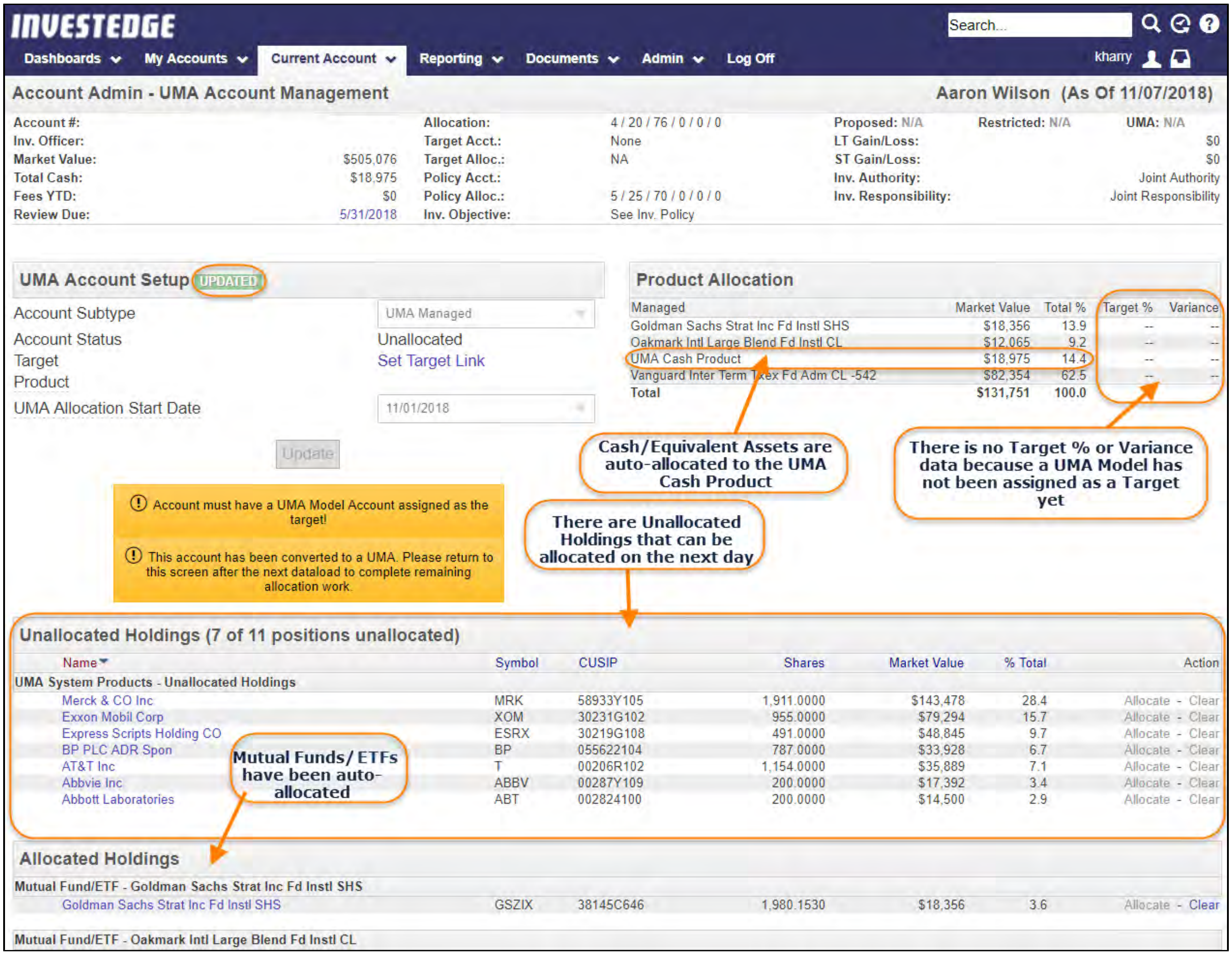
All current and historical **Holdings** *must* be allocated between the selected **UMA Allocation Start Date** and the current date in order to ensure

accurate performance and market value calculations.

4 Click the **Update** button



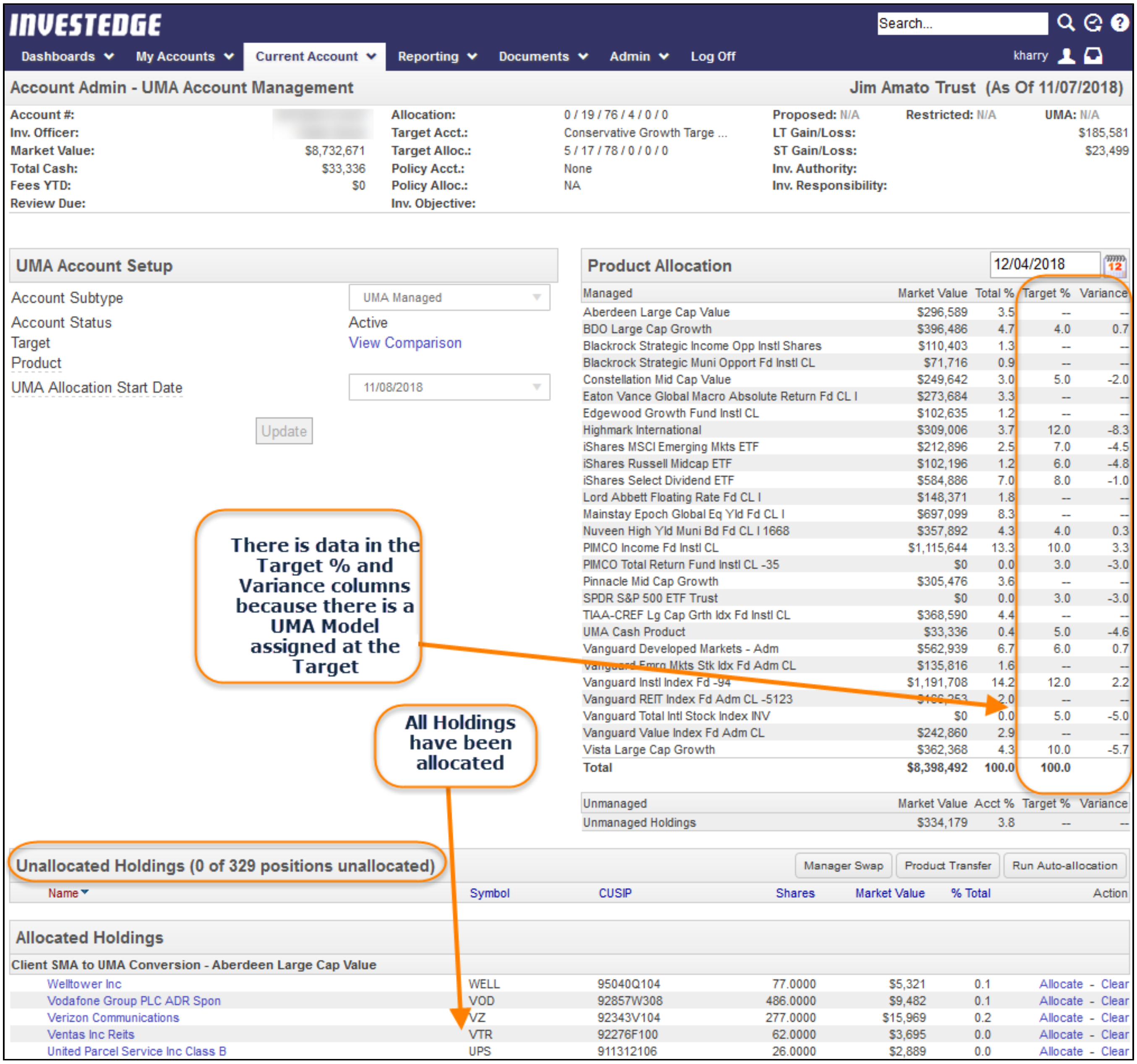
There is a notification that the **Account** is now a **UMA.** There is also a notification to alert you that you need to assign a **UMA Model** as a **Target** for your new **UMA.**



All allocation and set up work can be performed on the same day. You can manually allocate **Assets** on the same day that you set up a **UMA** or auto-allocate

the **Assets.** After all of the **Assets** are allocated, **Trades** can be placed on the same day. Intra-day performance recalculation is disabled on the date of conversion. After creating new **Accounts,** during the next dataload, the system creates the flows as needed out of the old **Asset Class** to which the product **Assets** belonged to the new **Class** to which the **Product** belongs. This ensures that the class level performance will correctly calculate.

Here is an example of what this screen will look like for a **UMA** that has a **UMA Model** assigned as the **Target** and the **Holdings** have been allocated:



INVESTEDGE

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Search... kharry

Account Admin - UMA Account Management

Jim Amato Trust (As Of 11/07/2018)

Account #:		**Allocation:**	0 / 19 / 76 / 4 / 0 / 0	**Proposed:** N/A	**Restricted:** N/A **UMA:** N/A
Inv. Officer:		**Target Acct.:**	Conservative Growth Targe ...	**LT Gain/Loss:**	$185,581
Market Value:	$8,732,671	**Target Alloc.:**	5 / 17 / 78 / 0 / 0 / 0	**ST Gain/Loss:**	$23,499
Total Cash:	$33,336	**Policy Acct.:**	None	**Inv. Authority:**	
Fees YTD:	$0	**Policy Alloc.:**	NA	**Inv. Responsibility:**	
Review Due:		**Inv. Objective:**			

UMA Account Setup

Account Subtype	UMA Managed
Account Status	Active
Target Product	View Comparison
UMA Allocation Start Date	11/08/2018

Update

Product Allocation 12/04/2018

Managed	Market Value	Total %	Target %	Variance
Aberdeen Large Cap Value	$296,589	3.5	--	--
BDO Large Cap Growth	$396,486	4.7	4.0	0.7
Blackrock Strategic Income Opp Instl Shares	$110,403	1.3	--	--
Blackrock Strategic Muni Opport Fd Instl CL	$71,716	0.9	--	--
Constellation Mid Cap Value	$249,642	3.0	5.0	-2.0
Eaton Vance Global Macro Absolute Return Fd CL I	$273,684	3.3	--	--
Edgewood Growth Fund Instl CL	$102,635	1.2	--	--
Highmark International	$309,006	3.7	12.0	-8.3
iShares MSCI Emerging Mkts ETF	$212,896	2.5	7.0	-4.5
iShares Russell Midcap ETF	$102,196	1.2	6.0	-4.8
iShares Select Dividend ETF	$584,886	7.0	8.0	-1.0
Lord Abbett Floating Rate Fd CL I	$148,371	1.8	--	--
Mainstay Epoch Global Eq Yld Fd CL I	$697,099	8.3	--	--
Nuveen High Yld Muni Bd Fd CL I 1668	$357,892	4.3	4.0	0.3
PIMCO Income Fd Instl CL	$1,115,644	13.3	10.0	3.3
PIMCO Total Return Fund Instl CL -35	$0	0.0	3.0	-3.0
Pinnacle Mid Cap Growth	$305,476	3.6	--	--
SPDR S&P 500 ETF Trust	$0	0.0	3.0	-3.0
TIAA-CREF Lg Cap Grth Idx Fd Instl CL	$368,590	4.4	--	--
UMA Cash Product	$33,336	0.4	5.0	-4.6
Vanguard Developed Markets - Adm	$562,939	6.7	6.0	0.7
Vanguard Emrg Mkts Stk Idx Fd Adm CL	$135,816	1.6	--	--
Vanguard Instl Index Fd -94	$1,191,708	14.2	12.0	2.2
Vanguard REIT Index Fd Adm CL -5123	$166,253	2.0	--	--
Vanguard Total Intl Stock Index INV	$0	0.0	5.0	-5.0
Vanguard Value Index Fd Adm CL	$242,860	2.9	--	--
Vista Large Cap Growth	$362,368	4.3	10.0	-5.7
Total	**$8,398,492**	**100.0**	**100.0**	

Unmanaged	Market Value	Acct %	Target %	Variance
Unmanaged Holdings	$334,179	3.8	--	--

Unallocated Holdings (0 of 329 positions unallocated)

Manager Swap | Product Transfer | Run Auto-allocation

Name	Symbol	CUSIP	Shares	Market Value	% Total	Action

Allocated Holdings

Client SMA to UMA Conversion - Aberdeen Large Cap Value

Name	Symbol	CUSIP	Shares	Market Value	% Total	Action
Welltower Inc	WELL	95040Q104	77.0000	$5,321	0.1	Allocate - Clear
Vodafone Group PLC ADR Spon	VOD	92857W308	486.0000	$9,482	0.1	Allocate - Clear
Verizon Communications	VZ	92343V104	277.0000	$15,969	0.2	Allocate - Clear
Ventas Inc Reits	VTR	92276F100	62.0000	$3,695	0.0	Allocate - Clear
United Parcel Service Inc Class B	UPS	911312106	26.0000	$2,889	0.0	Allocate - Clear

2. Assigning a Target Account to a UMA

It is possible that a **UMA Model** *may* have already been assigned as the **Target** to a **UMA** on the **UMA Model** screen.

The workflow below should be followed if there is *no* **UMA Model** assigned to a **UMA.**

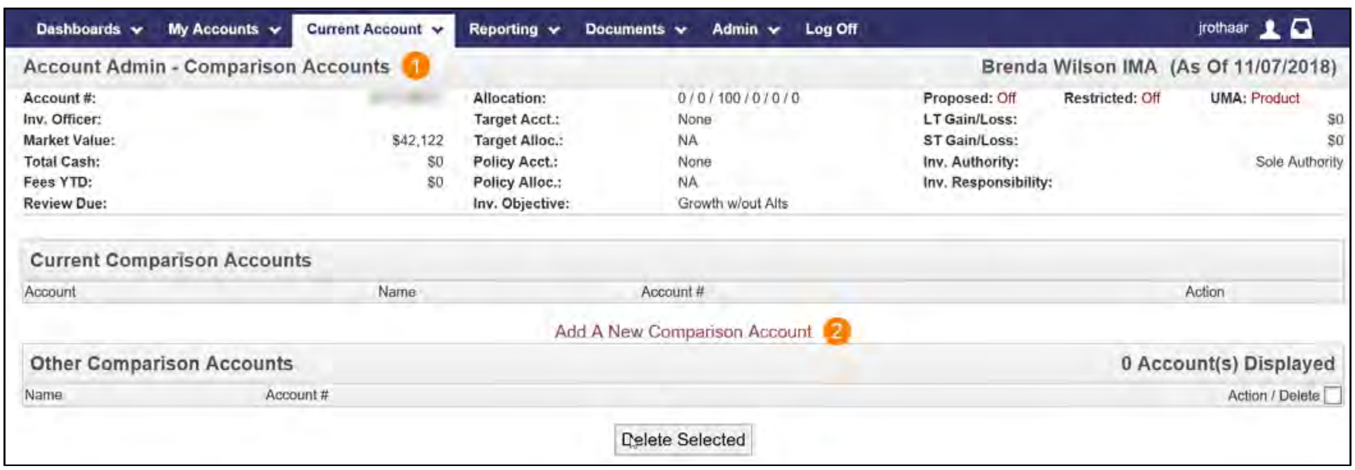
We are going to assign the **Conservative Growth Model** to the **Brenda Wilson IMA** account. This is the **UMA Model** that was created in the first use case in the How To: UMA Model Setup and Management section. The **Target Account** *must* be a **UMA Model.**

For details on searching for a **UMA,** navigate to the searching for a UMA/SMA section: How to: UMA Account Setup.

Within the selected **Brenda Wilson IMA** account:

1. Navigate to the **Current Account>Account Admin>Comparison Accounts** screen

2. Click the **Add A New Comparison Account** link

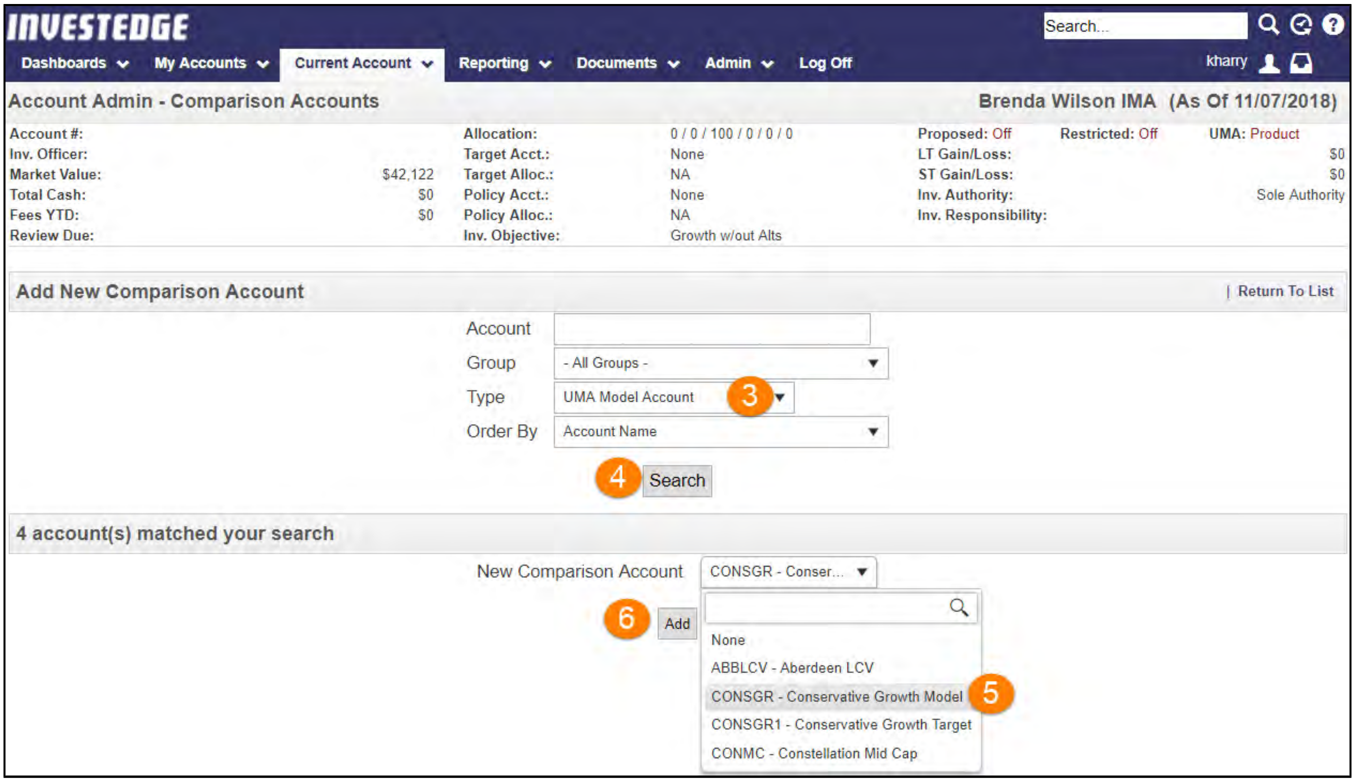


3. Select **UMA Model Account** from the **Type** drop-down menu

4. Click the **Search** button

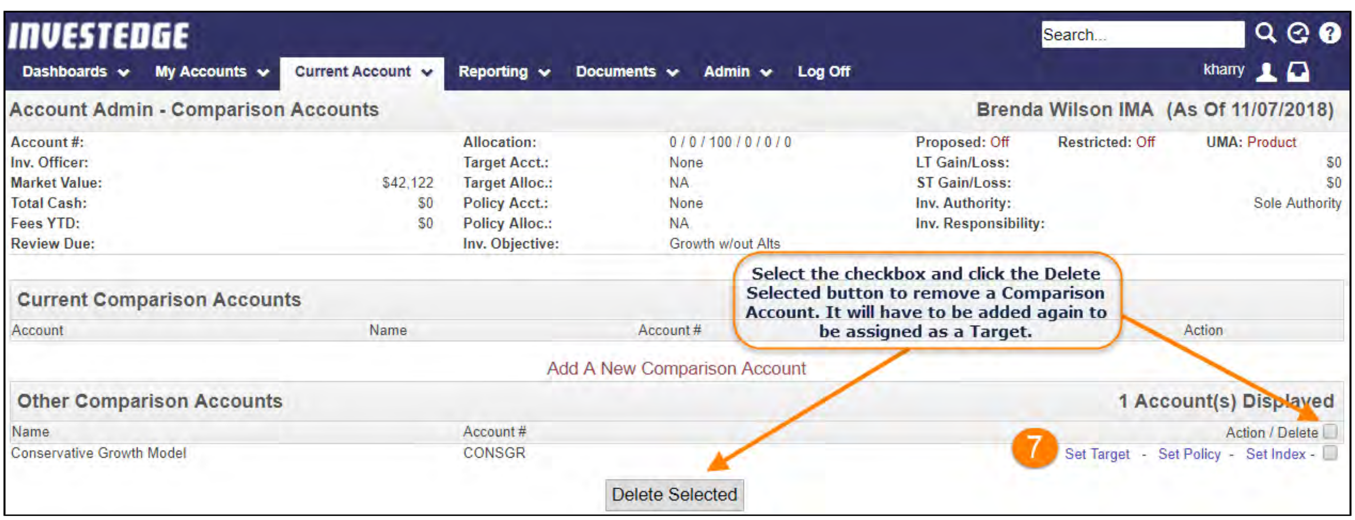
5. Select the **Conservative Growth Model** account from the **New Comparison Account** drop-down menu

6. Click the **Add** button

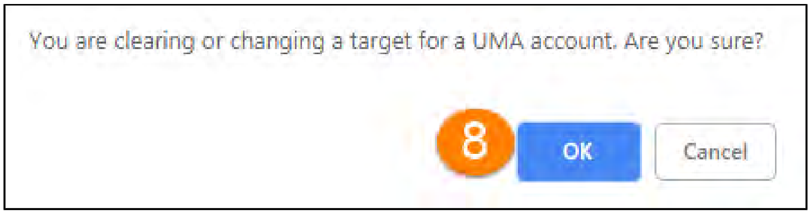


The **Account** is displayed in the **Other Comparison Accounts** section

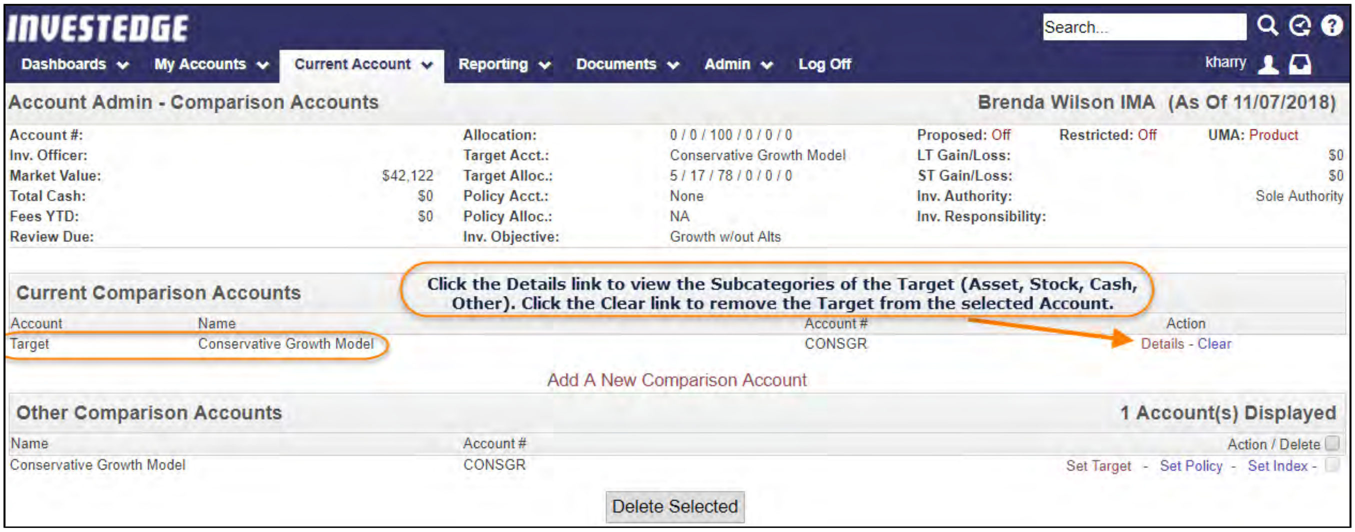
7 Click the **Set Target** link for the **Conservative Growth Model** account



8 Click the **OK** to confirm you are changing (setting) the **Target**



The **Conservative Growth Model** account is displayed in the **Current Comparison Accounts** section as the **Target.**



3. Configuring a Restricted Holding

Holdings need to be allocated to the Unmanaged product *and* the Holding needs to be restricted.

A **Restricted Holding** for a **UMA** is set up the same as it would be for any other **Account Type.** The **Restricted Holding** can be any **Holding.**

Restricted Holdings are typically part of the **Unmanaged Holdings** within a **UMA.** One exception to this is restricted income cash, which is part of the **Cash Product.** In some cases, **Restricted Holdings** are received from the Accounting System (as pledged positions) and set up in InvestEdge automatically.

Restricted Holdings are *not* part of the **Product Allocation** or included in trade calculations such as rebalancing or block trading scenarios.

Restricted Holdings in **UMA** must be set up as 100% of the position. **Restricted Holdings** should be set up at the lowest level of the

Account.

For the **UMA Managed Account, Jim Amato Trust** we are going to restrict the sale of the **Exact Sciences Corp (EXAS)** holding.

Within the selected **UMA:**

1 Navigate to the **Current Account>Account Admin>Restricted Holdings** screen

2 Enter the **Symbol, EXAS.** This is the **Holding** you are going to restrict the sale of from the **Jim Amato Trust UMA**

You can also click the **Search For Asset** link to find **Assets** in the **Account** to restrict and click an **Asset Name** to parse the details into the fields.

For further information on this functionality: Block Trading - Quick Searching for Assets.

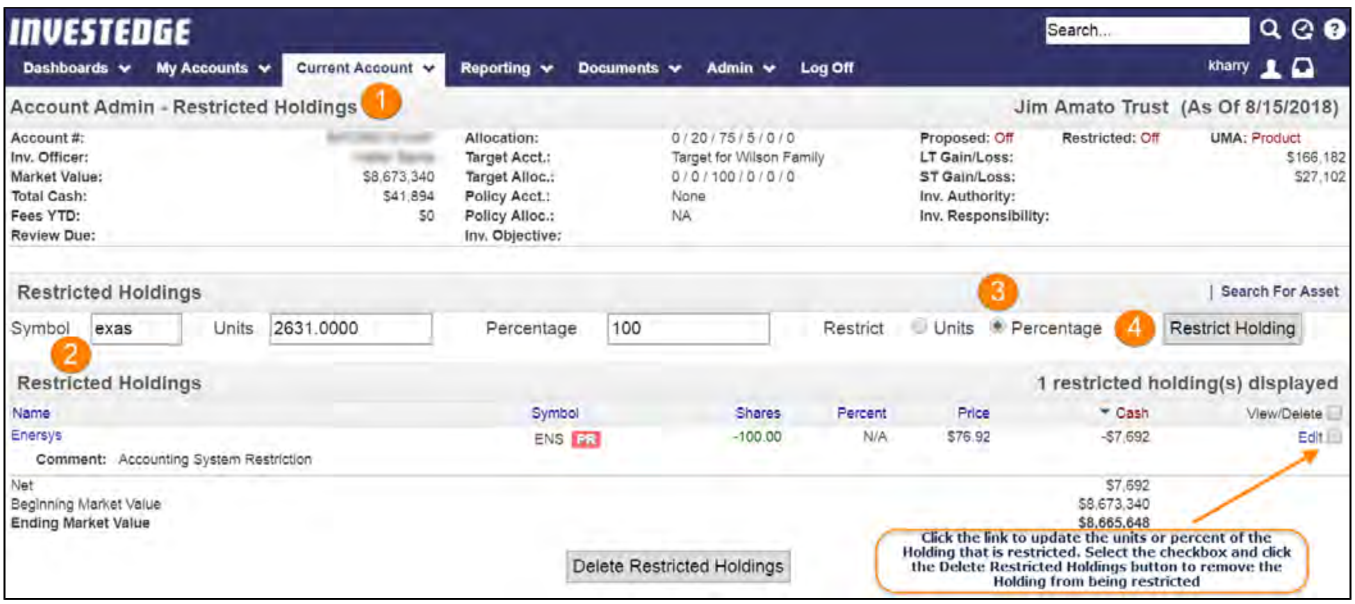
By default, all of the **Units** held and **100** percent are parsed into the fields. This means that you are going to restrict 100% of the sale of the **EXAS** holding.

The system will *not* allow you to set up a partial restriction in a **UMA.**

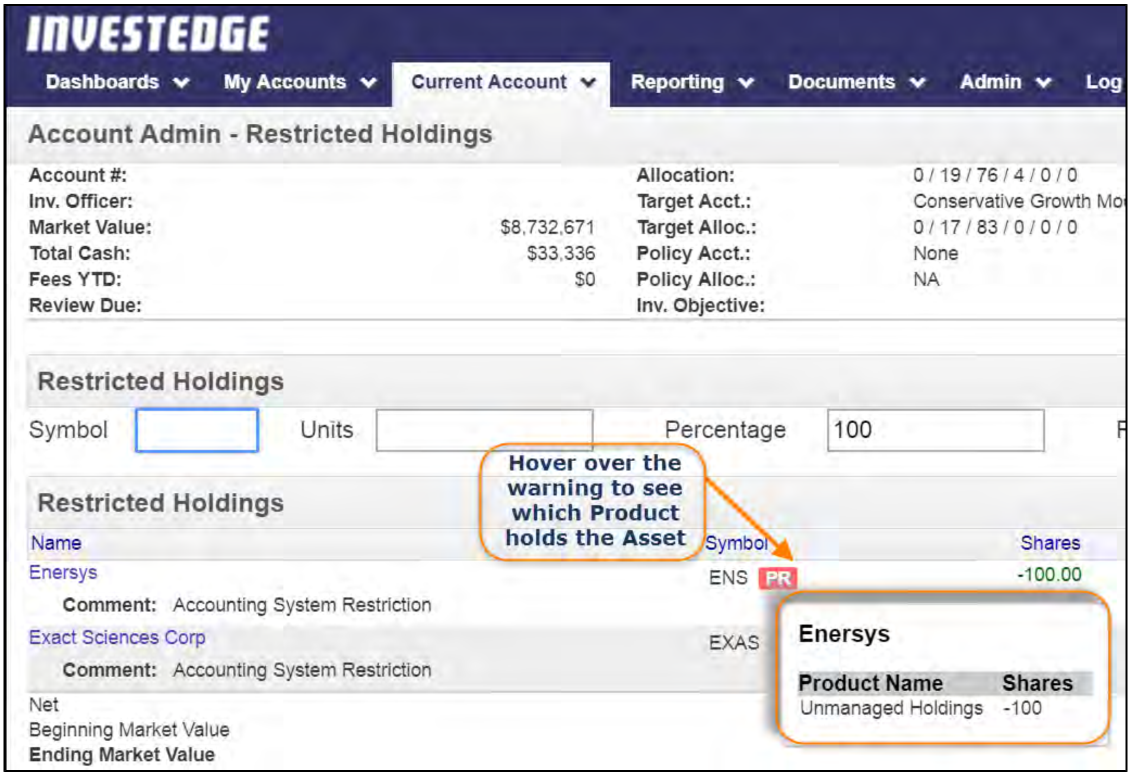
Any Holdings that are not restricted will be included in a full account rebalance. If you have a target assigned to the **Account** and the client directed/unmanaged shares are in the **Unmanaged** product, but not restricted, and not held in the target account, the rebalancer will instruct the sale of the **Holding.** If you are just rebalancing a single product, there will be no impact on the unmanaged and unrestricted holdings.

3 Select the **Percentage** radio button to restrict the **Holding** by **Percentage**

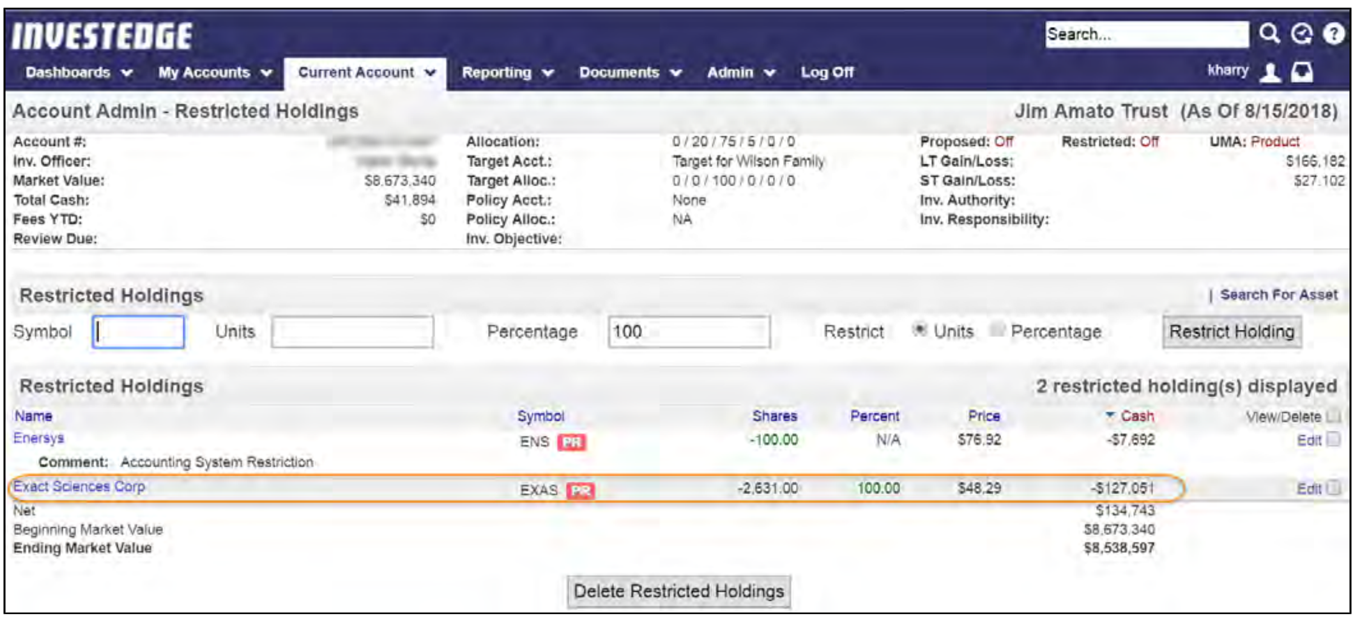
4 Click the **Restrict Holding** button



The red **PR** trade warning means that the Holding is restricted to buy or sell and it is held by a **Product.** You can hover over the warning and it will display the **Product Name.**



The **Holding** is displayed in the **Restricted Holdings** section.



If the **Restricted Holding** is **Unmanaged**, you will need to add the **Holding** to the **Unmanaged Holdings** product.

> Unmanaged Holdings are not automatically excluded from performance - that needs to be configured separately.

5

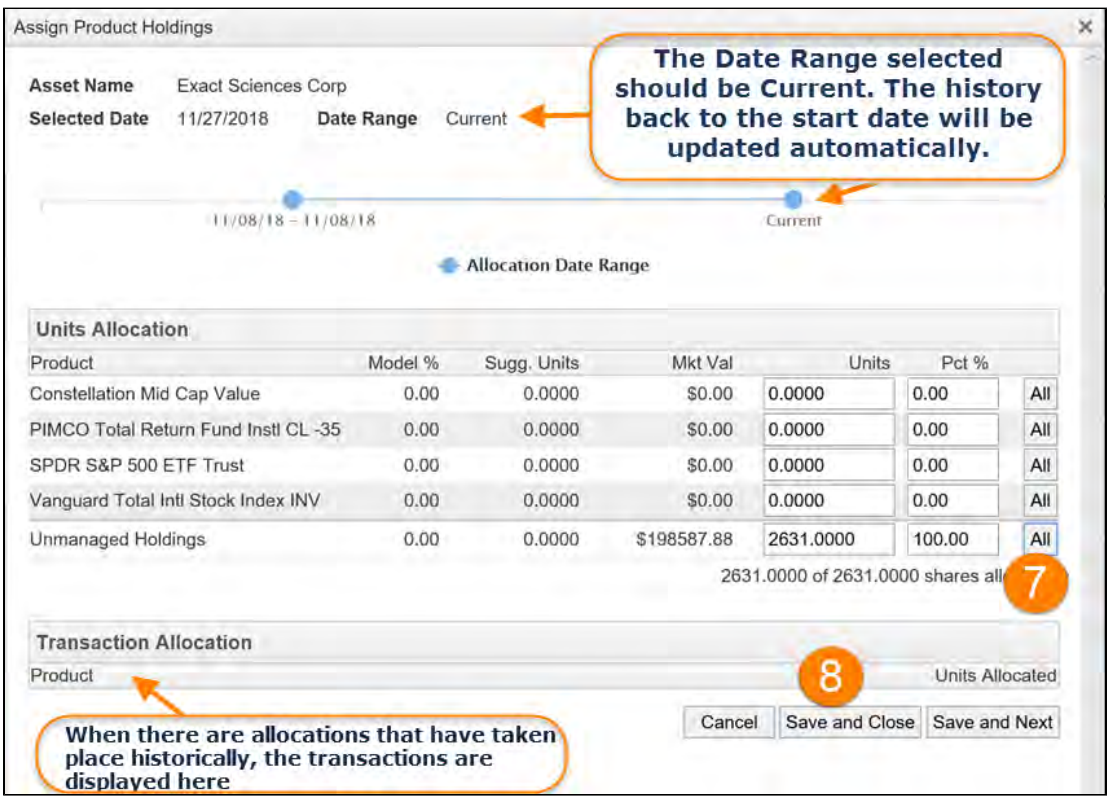
Navigate to the **Current Account>Account Admin>UMA Account Management** screen

Note that the **Restricted Holdings** will have a red R biscuit displayed next to them to notify you that they are restricted.

6 Click the **Allocate** link for the **Exact Sciences Corp** holding

7 Click the **All** button for the **Unmanaged Holdings** product to assign the **Exact Sciences Corp** restricted holding to the **Unmanaged Holdings Product**

8 Click the **Save and Close** button or the **Save and Next** button if there are other **Holdings** that need to be allocated.



It is possible that you will need to return to this screen on the following day to move the Transfer In Flows. Navigate to the Transaction Allocation section for further details.

The **Holding(s)** are now displayed in the **Unmanaged Holdings** section of the screen:

UMA System Products - Unmanaged Holdings

R	Exact Sciences Corp	EXAS	30063P105	2,631.0000	$198,588	2.3	Allocate - Clear
R	Enersys	ENS	29275Y102	100.0000	$8,820	0.1	Allocate - Clear

4. Allocating an Unallocated Asset

New positions in a UMA need to be managed. Newly received in-kind Assets in the Casey Wendt UMA need to be allocated by using the UMA Account Management screen. This process also applies to newly enabled UMAs with Unallocated Holdings.

Allocation Guidelines:

In order to allocate an **Asset** to a **Product,** the desired **Product** must already be held in the **Account** or in the assigned **Target Account.** Only the

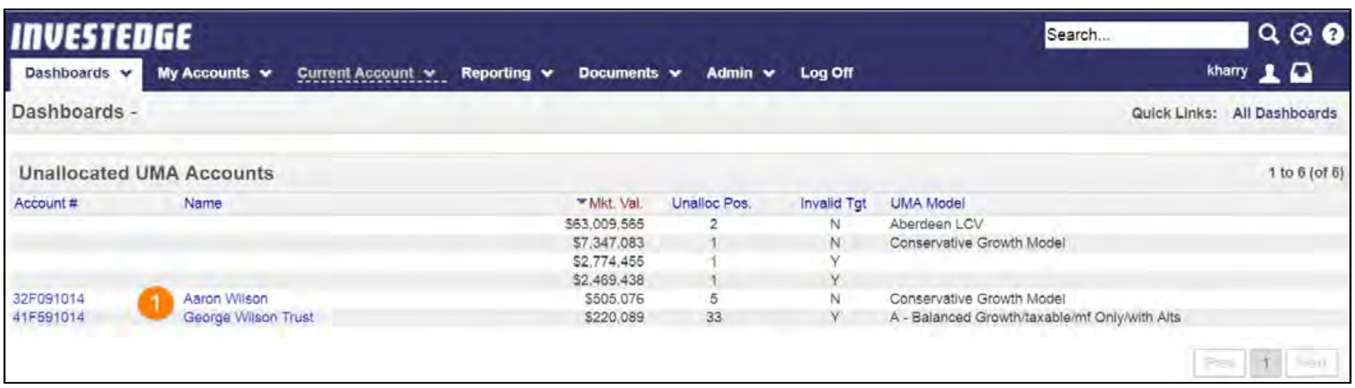
corresponding **Fund** itself can be allocated to a **Fund Product.** However, a **Fund** position *can* be allocated to a **Manager Product** if it is held by that

Manager's strategy.

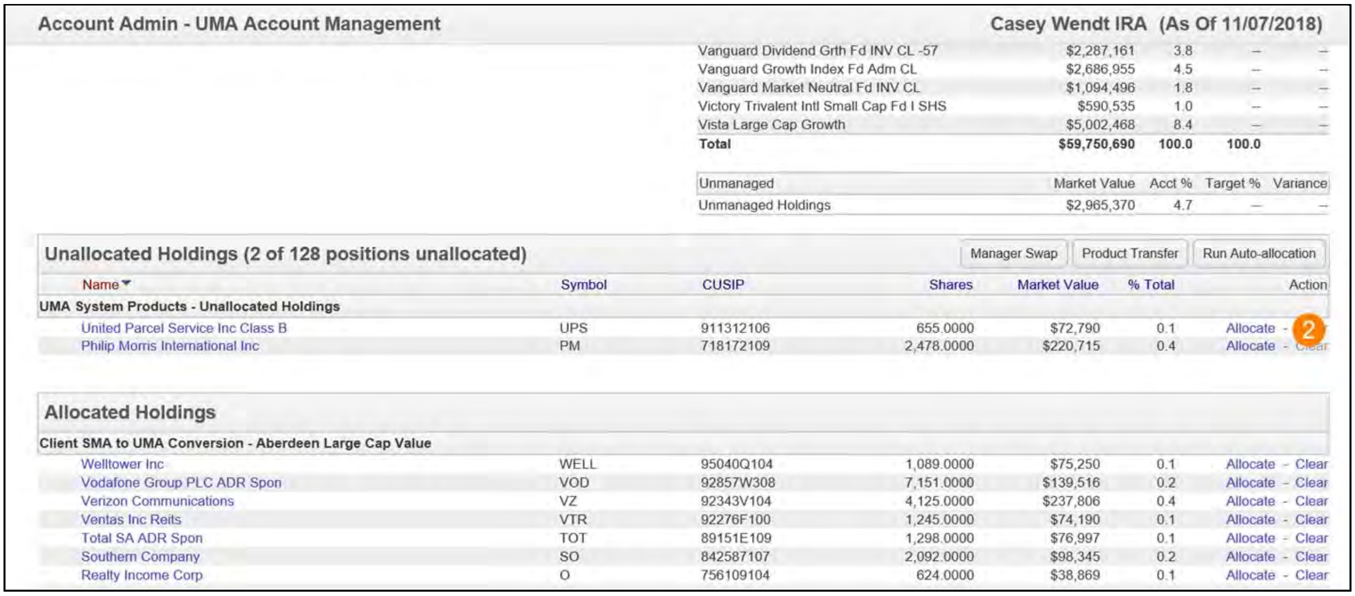
An **Account** with unallocated **Assets** will automatically be disabled from **Trading.**

Find your unallocated **Assets** on the **Unallocated UMA Accounts** widget on your **Dashboard**

1 Click the **Account Name** for the **Account** whose **Assets** you want to allocate



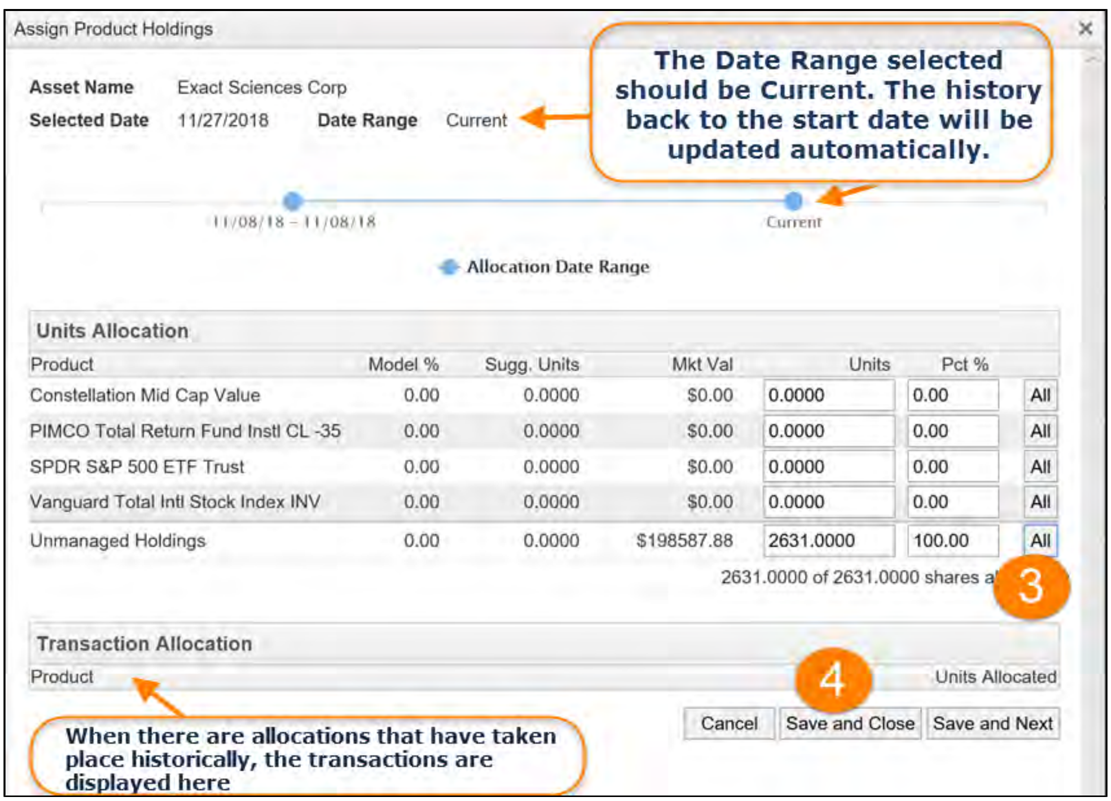
2 In the **Unallocated Holdings** section, click the **Allocate** link for the **United Parcel Service Inc (UPS)** holding



3 Click the **All** button for **Aberdeen Large Cap Value** product to allocate 100% of the **UPS** holding.

You have the ability to allocate by **Units** or by **Percentage.**

4 Click the **Save and Close** button



Click the **Save and Next** button if there are still **Assets** that need to be allocated to move through the rest of the list of **Holdings.**

It is possible that you will need to return to this screen on the following day to move the Transfer In Flows. Navigate to the Transaction Allocation section for further details.

If the trades are entered in InvestEdge, the shares will *not* be unallocated. If the trade is entered elsewhere, the resulting shares will be unallocated.

> At the time an account is initially enabled as a UMA, there may be historical holding periods that need manual allocation. You should use the Allocation
>
> Date Range timeline to navigate through historical periods and ensure that the history is fully allocated for all positions. The transaction corresponding
>
> to position change on the timeline should be auto-allocated to the same Manager Products as the position and there is usually no reason to update the
>
> transaction allocation. Any unallocated historical positions or transactions will create performance exceptions.

5. Transaction Allocation

> This tool should not be needed on a regular basis. Normal trade activity will cause the transaction and position to auto-allocate to the correct Manager
>
> Product automatically. When manual position allocation occurs, the transactional activity corresponding with the position will be automatically allocated to
>
> the Manager Product(s) to which the position is allocated. One exception to this rule is when there are multiple transactions changing the number of shares
>
> on the same day.

There are scenarios where Transaction Allocation must be done as part of the setup. You can find allocation issues by looking at the UMA Wrong Allocation

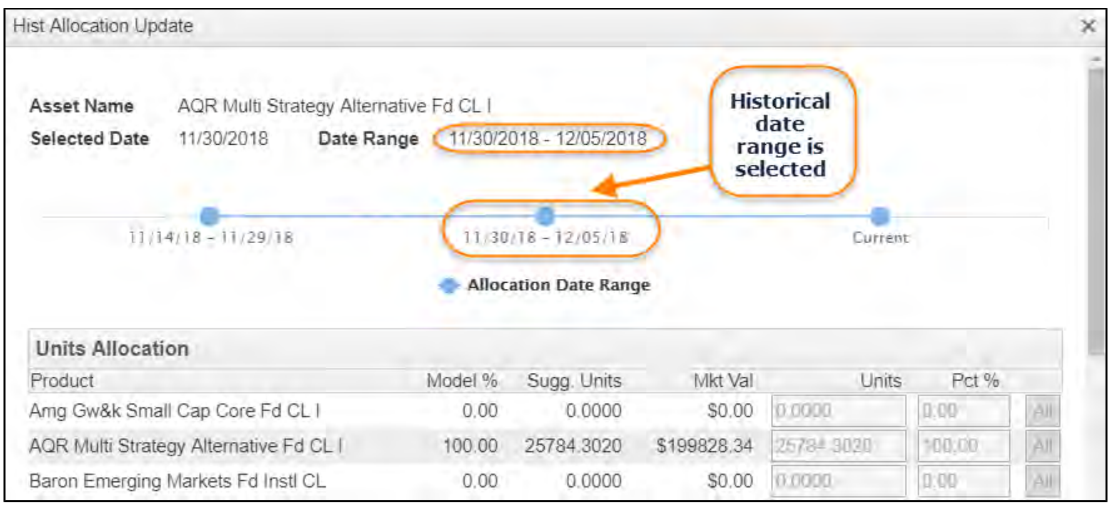
performance exception. For further information on this functionality, navigate to the How to: Performance Processing (Administrative) tutorial.

Performing a Transaction Allocation is the only time where you will need to select a Date Range in the past in the Allocation Update pop-up window.

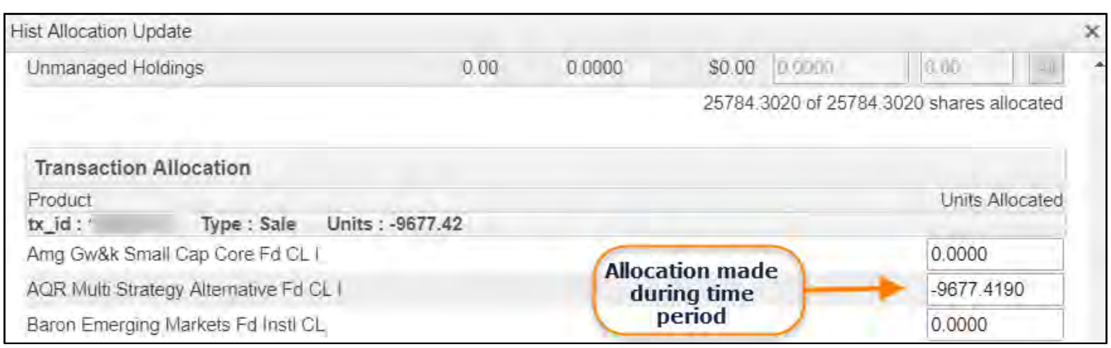
In the following example a historical **Date Range** (11/30/2018 - 12/05/2018) has been selected on the timeline. You can see the allocations that were made

during that time period in the **Transaction Allocation** section of the window.

Selected historical Date Range:



Transaction Allocations displayed for the Date Range that is selected from the timeline:

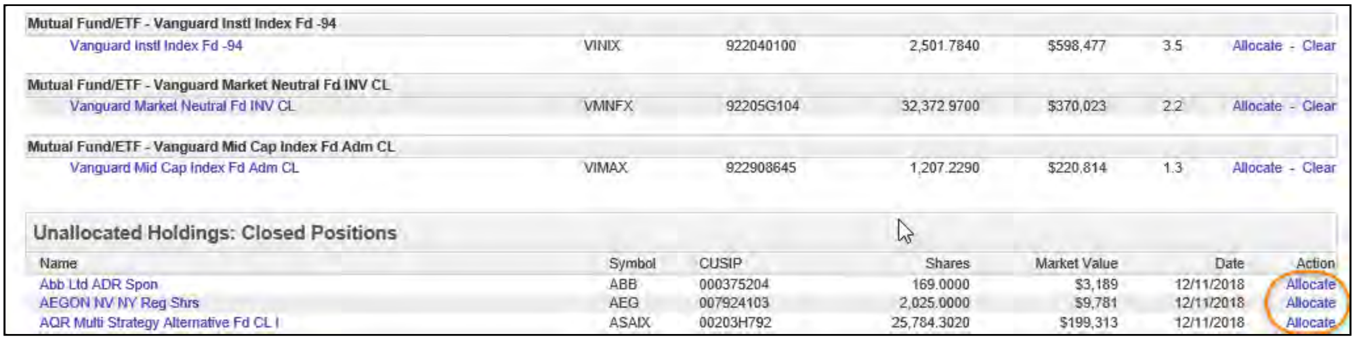


6. Unallocated Closed Positions

When new **UMAs** are setup there is a possibility there will be unallocated closed positions. It is the client's responsibility to look for and address these positions on the day after the **Account** is setup.

Unallocated Holdings: Closed Positions are located in the bottom section on the **UMA Account Management** screen.

Click the **Allocate** link to resolve the issue with the **Closed Position.**



Mutual Fund/ETF - Vanguard Instl Index Fd -94						
Vanguard Instl Index Fd -94	VINIX	922040100	2,501.7840	$598,477	3.5	Allocate - Clear
Mutual Fund/ETF - Vanguard Market Neutral Fd INV CL						
Vanguard Market Neutral Fd INV CL	VMNFX	92205G104	32,372.9700	$370,023	2.2	Allocate - Clear
Mutual Fund/ETF - Vanguard Mid Cap Index Fd Adm CL						
Vanguard Mid Cap Index Fd Adm CL	VIMAX	922908645	1,207.2290	$220,814	1.3	Allocate - Clear

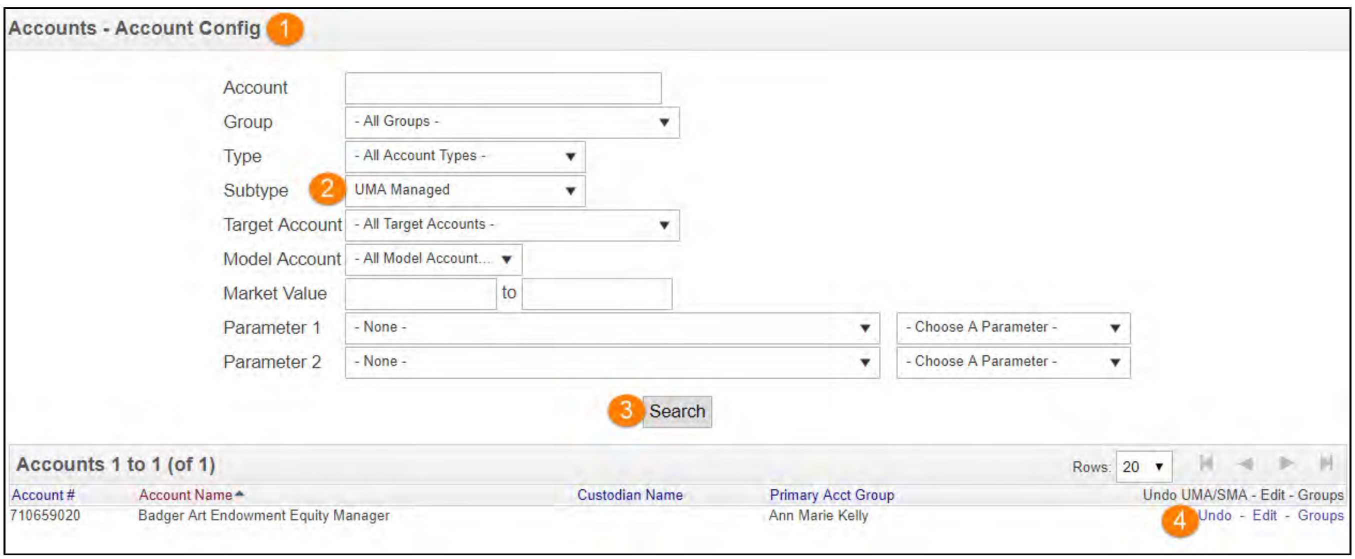
Unallocated Holdings: Closed Positions

Name	Symbol	CUSIP	Shares	Market Value	Date	Action
Abb Ltd ADR Spon	ABB	000375204	169.0000	$3,189	12/11/2018	Allocate
AEGON NV NY Reg Shrs	AEG	007924103	2,025.0000	$9,781	12/11/2018	Allocate
AQR Multi Strategy Alternative Fd CL I	ASAIX	00203H792	25,784.3020	$199,313	12/11/2018	Allocate

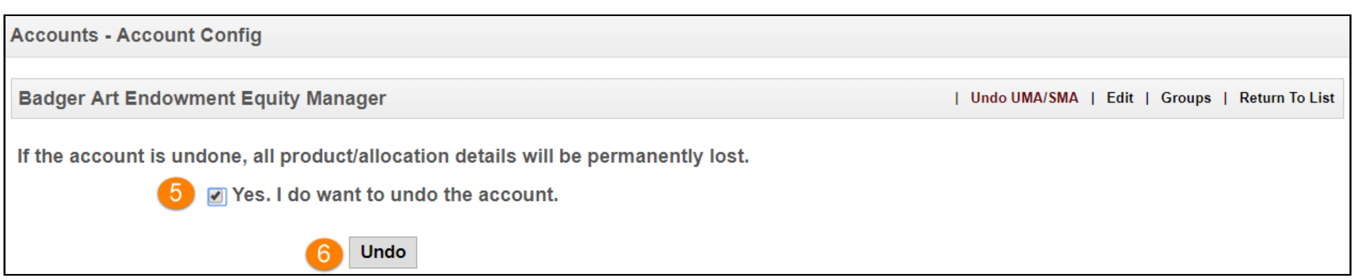
7. Undoing a UMA

If a **UMA** is enabled in error, you can undo the **UMA** and convert the **Account** back to the **Account Type** it was prior to be converted to a **UMA.** This process will remove any **Target Account** assigned to the **Account** and you will need to reassign a **Target Account** when applicable.

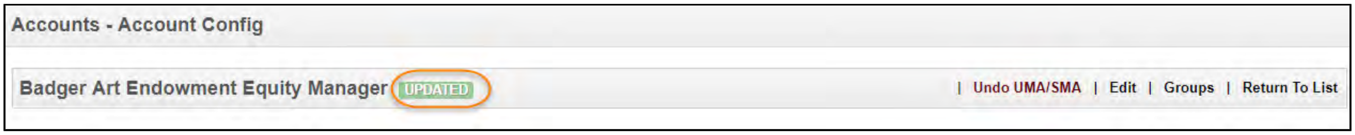
1. Navigate to the **Admin>Accounts>Account Config** screen
2. Select **UMA Managed** from the **Subtype** drop-down menu
3. Click the **Search** button
4. Click the **Undo** link for the **UMA** that you want to undo



5. Select the **Yes. I do want to undo the account.** checkbox
6. Click the **Undo** button



The **Account Header** bar has a green updated biscuit to notify you that the **UMA** has been undone.



The update at the holding level in the account will be effective immediately. The performance calculations on the individual holdings and associated performance classes will run in the next dataload processing. The **Account Subtype** cannot be updated again until after the next dataload processing as seen below on the **UMA Account Management** screen.