

MODEL MAINTENANCE IN ORION



Orion's "Models" application allows users to create both core Models and Model Aggregates, which can be thought of as blended, or weighted, models. These models are used for trading via the TOM platform, but can also be used for reporting functionality. Orion's models are "account level," meaning that they can only be assigned to accounts, not to households or registrations. Core Models are "security based" models, meaning that specific products, identified by symbol, are assigned targets and tolerance bands. Core Models are then blended by percent to create Model Aggregates, which get assigned to accounts for trading. Core Models do not get assigned to accounts; only Model Aggregates get assigned to accounts.

CREATING MODELS IN ORION

In the *Assist Me* app:

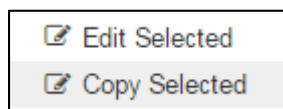
- ✓ Search "*Model Maintenance*" to view a recorded webinar on how to create and maintain models in Orion.
- ✓ Search "Create a Model" for an interactive walkthrough of creating a core model
- ✓ Search "Updating a Model" for a walkthrough on editing an existing model



Users must first create core Models, before Model Aggregates can be created and assigned to accounts. These core models will contain the target allocations and tolerances that will be used to rebalance accounts. At a later stage, core models will be used to create model aggregates.



Click "New Model" from the upper, right-hand side of the Models page to create a new model.



The Right-click menu allows users to either edit existing models, or create a copy of an existing model as a new model.

Once users have either created a new model or selected an existing model to edit, a screen will display the model information, targets and tolerances for editing:

The screenshot displays the 'Model Information' section of a software interface. It includes a form for entering model details and an 'Allocation' table. The form fields are: Model Name (123 Mutual Fund Model), Fund Family (All Fund Families), Management Style (Managed Account), Custodian, Model Notes, Active (Yes/No), Share Class (0), Model Type (Fund), Group Number (1234), Sub-Advisor, and Dynamic (checkbox). The Allocation table lists the following data:

Product Name	Product Class	Ticker	Allocation %	Upper Tol.	Lower Tol.
Putnam Diversified Income C	MS-MU	PDVCX	20	2	2
JP Morgan Intl Equity Index A	MS-FB	OEIAX	25	2	2
Legg Mason Western Asset Mas...	MS-MT	SMALX	15	2	2
Franklin Income A	MS-CA	FKINX	15	2	2
Custodial Cash	Custodial Cash Sweep	CUSTODIAL_CASH	5	1	1
American Washington Mutual In...	MS-MG	AWSHX	20	2	2
Total:			100.00 %		

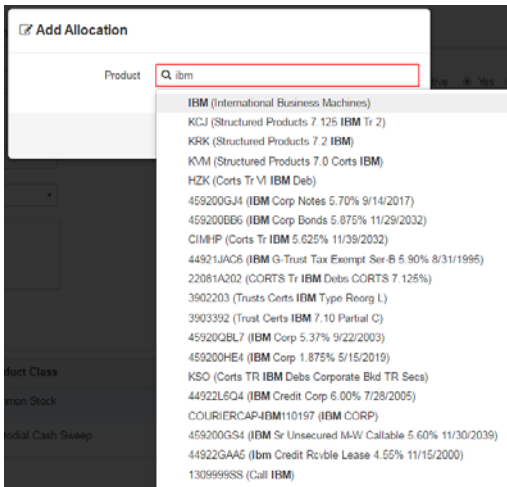
The following is a description of each field in the Model Information section:

- **Model Name:** Enter a unique name for each core model created.
- **Fund Family:** With regard to trading, Fund Family usually means custodian. Using this field, users can make models exclusive to one custodian by selecting the name of the custodian from the list; or models can be used for any custodian by selecting “All Fund Families.”
- **Management Style:** Assign your customized management styles to a model.
- **Custodian (optional field):** Indicates the custodial pricing source to be used to update a model that is marked as “dynamic.”
- **Model Notes (optional field):** This is an open text field used to document notes on a model.
- **Active:** All models being used for trading should be marked active.
- **Share Class:** Generally set to zero (0) for models to be assigned to most custodial accounts. If an account requires specific share classes of securities (e.g. annuity accounts) the share class can be selected from the list.
- **Model Type (optional field):** Core Models can be assigned a “type” of the user’s choosing. This is used to factor a target down by the type of core models used in the weighted Model Aggregate (only used with the Trade to Target Percent tool).
- **Group Number (optional field):** Allows user to assign a group number to a model to indicate which accounts should be assigned to it and traded together.
- **Sub-Advisor (optional field):** Used to indicate the sub-advisor on the model.
- **Dynamic:** Only visible in databases using dynamic models (i.e. models with targets that update due to the relative change in price between positions in the model)

ADDING TARGETS AND TOLERANCES



To add a target to a model, first click the “Add New” button.



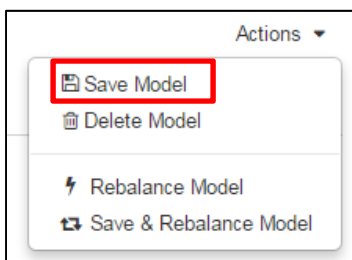
Search for a product by name or ticker symbol and select it from the list to add the security to your model.

Once the securities have been added to the model, assign an allocation target by percent and an upper and lower tolerance percent for each security. Upper and lower tolerances are added to or subtracted from the allocation percent, respectively, in order to establish the acceptable range of drift that will be allowed. In the example below, IYY has a target of 25% and upper and lower tolerances of 2.5. This establishes a 10% tolerance band that would allow the position to drift between 22.5% and 27.5% without being considered out of tolerance. Click the blue “x” to the left of each position to remove it from the model. Model allocations must equal 100% before the model can be saved.

A screenshot of the "Allocation" table. The table has columns for Product Name, Product Class, Ticker, Allocation %, Upper Tol., and Lower Tol. The first row is highlighted with a red box. The "Add New" button is visible in the top right corner.

	Product Name	Product Class	Ticker	Allocation %	Upper Tol.	Lower Tol.
x	iShares Dow Jones US Total Ma...	MS-LB	IYY	25	2.5	2.5
x	PowerShares QQQ	MS-LG	QQQ	25	2.5	2.5
x	Vanguard Emerging Markets	MS-EM	VWO	25	2.5	2.5
x	iShares S&P 500 Index	MS-LB	IVV	20	2.5	2.5
x	Custodial Cash	Custodial Cash Sweep	CUSTODIAL_CASH	5	1	1

Total: 100.00 %



Select “Save Model” from the Actions menu to save your model.

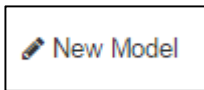
CREATING MODEL AGGREGATES IN ORION

In the *Assist Me* app:

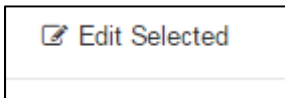
✓ Search “*Create a Model Aggregate*” for an interactive walkthrough of this process



When a core model is created in Orion, the system automatically creates a Model Aggregate *of the same name*. The resulting model aggregate can be assigned to accounts if the core model contains all the necessary positions and targets. However, Model Aggregates allow you to blend two or more core models together to create a weighted model.

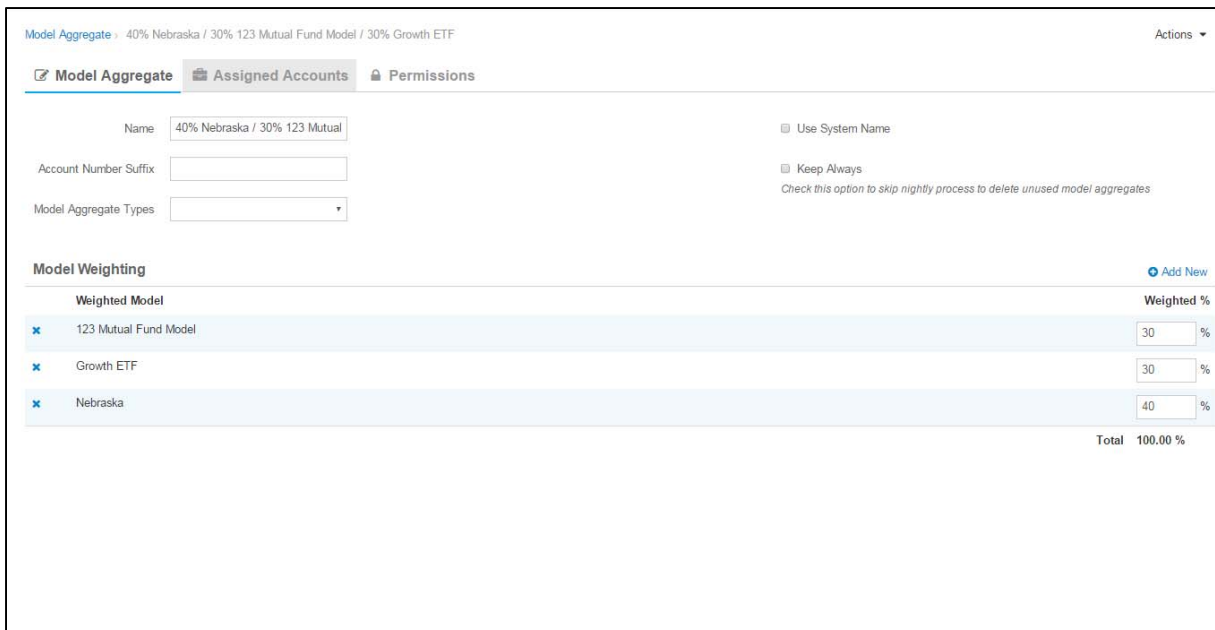


Click “New Model” from the upper, right-hand side of the Models page to create a new model aggregate.



The right-click menu allows users to edit existing model aggregates.

Once users have either created a new model or selected an existing model to edit, a screen will display the model aggregate information and core model weights:

A screenshot of the Orion 'Model Aggregate' configuration screen. The title bar shows 'Model Aggregate - 40% Nebraska / 30% 123 Mutual Fund Model / 30% Growth ETF'. The main content area has three tabs: 'Model Aggregate', 'Assigned Accounts', and 'Permissions'. The 'Model Aggregate' tab is active and shows:

- Name: 40% Nebraska / 30% 123 Mutual
- Account Number Suffix: (empty field)
- Model Aggregate Types: (dropdown menu)
- Use System Name: (checkbox)
- Keep Always: (checkbox)
- Check this option to skip nightly process to delete unused model aggregates: (checkbox)

Below this is the 'Model Weighting' section, which includes a table of core models and their weights. The table has columns for 'Weighted Model' and 'Weighted %'.

Weighted Model	Weighted %
123 Mutual Fund Model	30 %
Growth ETF	30 %
Nebraska	40 %
Total	100.00 %

Model
Aggregate
Information

Core Model
Weights

The following is a description of each field in the Model Aggregate Information section:

- **Name:** The name of the model aggregate can be the System Name, which includes the names and weights of each core model in the aggregate; or a Custom Name entered by the user.
- **Account Number Suffix:** This is only used for sleeving. The text entered in this field will be used as a suffix to the custodial account number identifying the aggregate model assigned to a sleeve.
- **Model Aggregate Types:** Used to create groups of common model aggregates.
- **Use System Name:** Check this box to use the system’s default name for the model aggregate. Uncheck the box to enter a custom name for the model aggregate.
- **Keep Always:** Check this box in order to prevent an unused model aggregate from being deleted in a nightly process.

ADDING CORE MODELS TO MODEL AGGREGATES

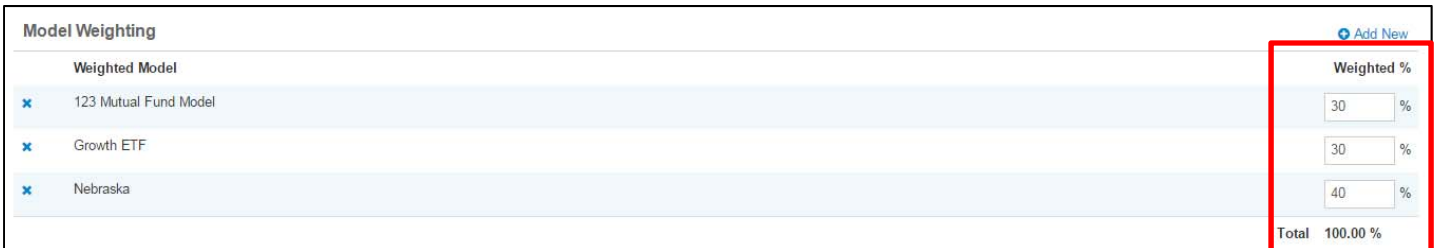
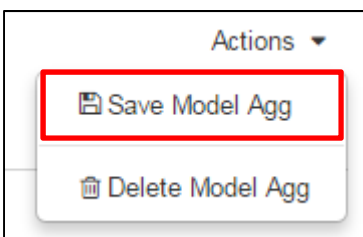


To add a core model into a model aggregate, first click the “Add New” button.

A dialog box titled "Add Model" with a search bar containing "aggressive" and a dropdown menu showing "1246: Aggressive Equity". A "Cancel" button is at the bottom right.

Search for a core model by name or Model ID and select it from the list to add the model to the aggregate.

Once each of the core models have been added to the aggregate, enter the weight in percent desired for each component of the model aggregate. The total weight must equal 100% before the model aggregate can be saved.

A table titled "Model Weighting" with columns "Weighted Model" and "Weighted %". It lists three models: "123 Mutual Fund Model" (30%), "Growth ETF" (30%), and "Nebraska" (40%). A "Total" row shows "100.00 %". An "Add New" button is in the top right.A dropdown menu titled "Actions" with two options: "Save Model Agg" and "Delete Model Agg". The "Save Model Agg" option is highlighted with a red box.

Select “Save Model Agg” from the Actions menu to save your model aggregate.

ASSIGNING ACCOUNTS TO MODEL AGGREGATES IN THE MODELS APP

To assign accounts to the current model aggregate being edited, click on the “Assigned Accounts” tab at the top of the editor:

Model Aggregate > 50% 123 Equity Model / 50% Aggressive Equity

Model Aggregate **Assigned Accounts** Permissions [Assign Account](#)

search accounts Sort by Account Name

<input type="checkbox"/>	John and Abigail Adams, Joint	SAMPLE-102_02_CNX <small>Last Rebalanced on: Aug 19, 2016</small>	<small>Last edited by Josh Carney on Jul 1, 2016</small>	\$0.00
<input checked="" type="checkbox"/>	John and Abigail Adams, Joint	SAMPLE-102_01_CNX <small>Last Rebalanced on: Aug 19, 2016</small>	<small>Last edited by Josh Carney on Jul 1, 2016</small>	\$0.00

100 per page « Back Next » Page 1 of 1



Click the “Assign Account” button.

Add Account

Account

176: SAMPLE-102 (John and Abigail Adams, Joint)

Cancel

Search for an account by Account ID or Client Name and select it from the list to assign the account to the model aggregate.

Actions

Save Model Agg

Delete Model Agg

Select “Save Model Agg” from the Actions menu to save your model aggregate.

REPRESENTATIVE LEVEL MODEL AGGREGATE PERMISSIONS

Orion's model aggregates can be used by both Advisor and Representative level users, according to the permissions set up on the model. To set model aggregate permissions, click on the "Permissions" tab inside the model aggregate:

The screenshot shows the 'Permissions' tab for a model aggregate. At the top, there are three tabs: 'Model Aggregate', 'Assigned Accounts', and 'Permissions'. Below the tabs, there is a section for 'Owner Type' with two radio buttons: 'Advisor' (selected) and 'Representative'. Below that is the 'Set Rep's View Option' section. It contains two lists: 'Available Reps' and 'Selected Reps'. The 'Available Reps' list contains: Hurst, Joel; McMullen, Todd; Svagera, George. The 'Selected Reps' list contains: Bertucci, Todd. A red arrow points from the 'Available Reps' list to the 'Selected Reps' list. Below the lists are four navigation buttons: '>', '>>', '<<', and '<'. At the bottom right, there is a checkbox labeled 'Exclude All But' which is checked.

Under "Owner Type," a model aggregate can be set to Advisor or Representative. This determines who has access to edit the model. When Advisor is selected, any advisor level user can edit the model. When Representative is selected, only the indicated representative can edit the model.

In addition, the Rep View Option indicates which representatives can be allowed to view and use the model. The window on the left is all available representatives in the database, while the window on the right contains the selected representatives. At the bottom, the "Exclude All But" indicator that only the selected representatives can view and use the model aggregate. By checking the box, the indicator will change to "Include All But," which means that all representatives can view and use the model aggregate except for the selected representatives.