



Raise and Invest Cash Methods.

Recurring Defaults for Individual Portfolios

Raise Cash for Distributions

- › When there is a model/strategy on the portfolio
 - Exhaust Cash First, then place trades based on Overweight holdings
- › When there is no model/strategy on the portfolio
 - Exhaust Cash First, then place trades based on Pro-Rata across Mutual Funds Only

Note: This is the standard default; you do have the option to change the method in the distribution screen at the time that you initiate a one-time distribution.

Raise Cash for Fees

- › When there is a model/strategy on the portfolio
 - Exhaust Cash First, then place trades based on Overweight holdings
- › When there is no model/strategy on the portfolio
 - Exhaust Cash First, then place trades based on Pro-Rata across Mutual Funds Only

Note: In cases where there is not enough cash to cover fees, SEI will automatically raise the cash to cover any shortage for fees and follow the defaults established within SEI Advisor Center.

Invest Cash

- › When there is a model/strategy on the portfolio
 - Treat Cash Like Securities, then place trades based on Underweight holdings
- › When there is no model/strategy on the portfolio
 - First Funding will follow what is stated on the Application
 - Additional one-time investments will be invested into the Money Market of the Advisor Guided portfolio
OR
 - Follow what is selected within the Schedule Cash Receipt action or stated on the Additional Investment Form

Note: For Automatic Investments, SEI will follow the instructions set up within the Schedule Cash Receipt action or what was provided on the form. When investing into a model/strategy, this will automatically invest in the model/strategy right away as opposed to being invested in cash and waiting for the next scheduled monthly rebalance. If the model/strategy is removed, the investments will continue to invest as Pro-Rata across Mutual Funds Only.

If a UMA (overlay) is established across multiple portfolios, a Transitory Cash portfolio is established and cash will flow through this portfolio. The raise and invest cash defaults for the UMA will follow the defaults outlined below, then follow the defaults outlined above for each individual portfolio.

Recurring Defaults for a UMA (overlay)

Raise Cash for Distributions*

- › When rebalance is turned on for the UMA
 - Identifies the amount needed based on Overweight portfolios
- › When rebalance is turned off for the UMA
 - Identifies the amount needed based on Pro-Rata (Based on Portfolio Market Value)

Note: This is the standard default; you do have the option to change the method in the distribution screen at the time that you initiate a one-time distribution. If rebalance is turned on and you choose to fund the disbursement from a single portfolio, the account will rebalance at the next quarterly rebalance.

Raise Cash for Fees*

- › When rebalance is turned on for the UMA
 - Identifies the amount needed based on Overweight portfolios
- › When rebalance is turned off for the UMA
 - Identifies the amount needed based on Pro-Rata (Based on Portfolio Market Value)

Note: In cases where there is not enough cash to cover fees, SEI will automatically raise the cash to cover any shortage for fees and follow the defaults established within SEI Advisor Center.

Invest Cash

- › Under \$2,500 and there are no instructions
 - SEI will invest the cash into the Money Market fund of the SEI Funds portfolio
- › Over \$2,500 and there are no instructions
 - SEI will make a call out to the advisor and ask for instructions

Note: For Automatic Investments, SEI will follow the instructions set up within the Schedule Cash Receipt action or what was provided on the form. When investing into a model/strategy, this will automatically invest in the model/strategy right away as opposed to being invested in cash and waiting for the next scheduled monthly rebalance.

***For scheduled recurring distributions, quarterly fees, and quarterly rebalance, if a raise cash is needed, the system will utilize any cash first within the Transitory Cash portfolio prior to following the Raise Cash defaults described above.**

One time initiated raise cash will not utilize any cash held within the Transitory Cash portfolio.

When Raising or Investing Cash, the system will look across the Percentages or Market Values of the Portfolios within the UMA first to determine which Portfolios it will raise from or invest into, then it will follow the Raise or Invest Cash Methods of the specific portfolios based on if the Portfolio does or does not have a model/strategy. For a Raise Cash, the cash will then transfer to the Transitory Cash so that one activity and amount is sent from the account. For an Invest Cash, the cash is transferred from the Transitory Cash into each of the expecting portfolios.

A UMA is a Unified Managed Account, also referred to as an Overlay, which connects multiple portfolios/managers into a model/strategy. Both Custody and Managed Accounts can utilize a UMA, where a Custody account references a Custody UMA and a Managed Account references a MAS UMA.

Raise and Invest Method Definitions

- › **Overweight** - The system will raise cash from holdings within a strategy that are over the maximum percentage for the target percentage.
 - *Example: You are raising \$5,000. One asset should have a strategy target percentage of 7%, with a maximum of 9%. This asset is currently showing as 13% of the strategy. The system will sell this asset first in order to bring the asset back in line with the strategy percentages.*
- › **Underweighted** - The system will invest cash into any holdings within a strategy that are under the minimum percentage for the target percentage.
 - *Example: You are investing \$5,000. One asset should have a strategy target percentage of 7%, with a minimum of 5%. This asset is currently showing as 1% of the strategy. The system will buy this asset first in order to bring the asset back in line with the strategy percentages.*
- › **Pro-Rata across Mutual Funds Only** - The system will raise cash based on the actual percentages of the holdings across Mutual Funds only.
 - *Example: You are raising \$10,000 and there are 5 assets held, all of which are mutual funds with the exception of 1 security. The system will disregard the security and only look at the actual percentages of the remaining 4 mutual funds and raise cash based on those percentages.*
- › **Pro-Rata (Based on Current Holdings)** - The system will raise or invest the cash based on the actual percentages of the holdings.
 - *Example: You are raising or investing \$10,000 and there are 10 assets held. The system will look at the actual percentages of the 10 assets held and use those percentages to sell or buy from the \$10,000.*
- › **Pro-Rata (Based on Strategy Weights)** - The system will raise or invest the cash based on the actual percentages of the strategy.
 - *Example: You are investing \$10,000 and a strategy is assigned. The system will look at the actual percentages of the strategy and buy assets based on these percentages.*
- › **Largest Holding First** - The system will raise cash from the largest holding first.
 - *Example: You are raising \$20,000. The largest holding has a market value of \$18,000 and the second largest holding has a market value of \$12,000. The system will raise the entire amount of \$18,000 from the largest holding and also raise \$2,000 from the second largest holding.*

Cash Treatment Definitions

- › **Do Not Use Cash** - The system will raise cash using a Cash Method option above, but will not use any available money market cash.
 - *Example: You are raising \$5,000 and there is \$1,000 in money market cash available. The system will raise the \$5,000 and not include the \$1,000 that is available in the money market cash.*
- › **Exhaust Cash First** - The system will raise cash using the Cash Method option above and use all available cash first.
 - *Example: You are raising \$5,000 and there is \$1,000 in money market cash available. The system will use the \$1,000 first and raise the remaining \$4,000.*
- › **Treat Cash Like Securities** - The system will raise or invest the cash using the Cash Method option above and include cash as it would any other asset.
 - *Example: You are raising or investing \$5,000 and there is \$1,000 in money market cash available. The system will raise or invest the \$5,000 across all holdings based on the Cash Method selected.*

Note: The Methods and Treatments described are not available in all Raise or Invest scenarios.