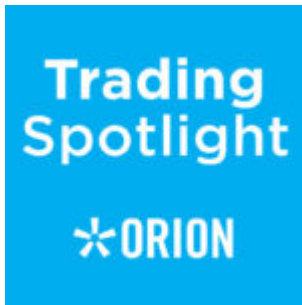


# Why you should use Household Trading



One of the features we are most excited to bring to you with the release of Orion Eclipse™ is our enhanced household trading capabilities. But the question becomes: How will this assist your clients?

In today's blog, we are going to answer that question.

## Tax-Sensitivity Preferences in Eclipse™

Household trading allows you to minimize taxes and reduce trading costs. Using Eclipse's™ tax-sensitivity preferences you can change the logic of the rebalance and the cash needs trade tool to perform optimal trades for each selection.

Additional tax-minimizing features include disallowing short-term gains, avoiding wash sales, and adding location optimization. The tax sensitivity preference, tax implications, and reduced trade costs all add to the Eclipse™ rebalance capabilities.

By avoiding short-term gain, you can help minimize the tax burden at the end of each year for your clients; this is accomplished by avoiding the higher, ordinary income tax and taking gains when they will be taxed at a lower capital gain rate. Eclipse™ has the short-term gain preference for the firm, custodian, team and portfolio, to give you a custom rebalance for each client's needs.

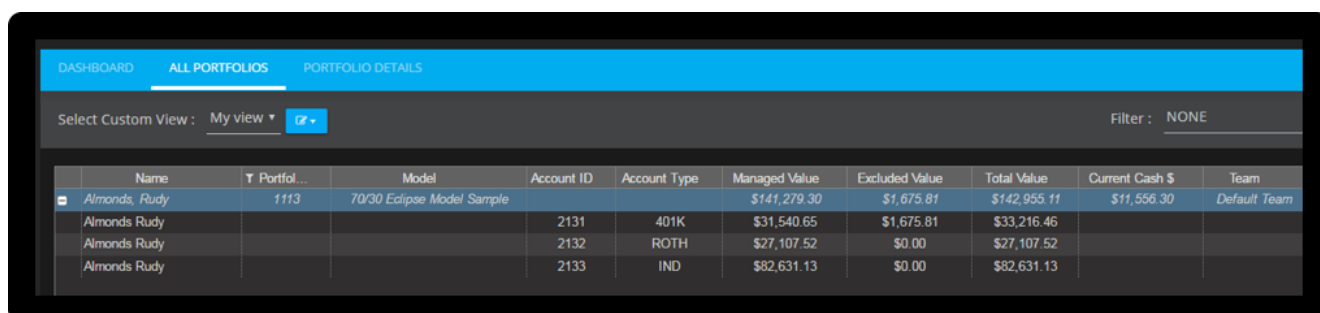
Avoiding wash sales will also help to assist with taxes for your clients. When a wash sale is triggered, any loss from the sell can't be used to offset other taxes.

By employing location optimization, you have the ability to hold tax-efficient securities in tax-inefficient account types. Eclipse™ has three account options: taxable, tax deferred, and tax exempt. When you set the priority to 1, 2, 3, or never, you instruct the system to buy the asset classes in the appropriate taxable, tax deferred, or tax exempt account types.

Minimizing trade costs (fund redemption fees, custodian redemption fees, and transaction fees) aids your clients entering their model risk profile with the lowest upfront expense. By entering security-specific trade costs into Eclipse™, you can direct the rebalancer to choose optimal trades.

## How to Set Up Household Trading

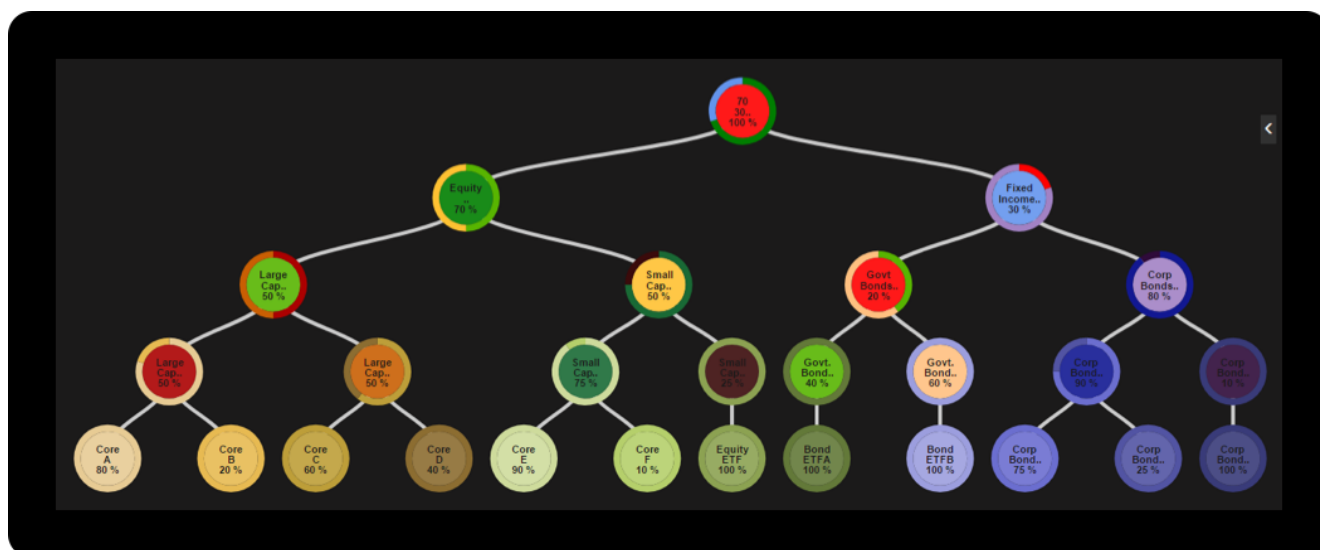
A portfolio in Eclipse™ can be comprised of multiple accounts. Below is a portfolio with tax deferred, tax exempt, and taxable account types.



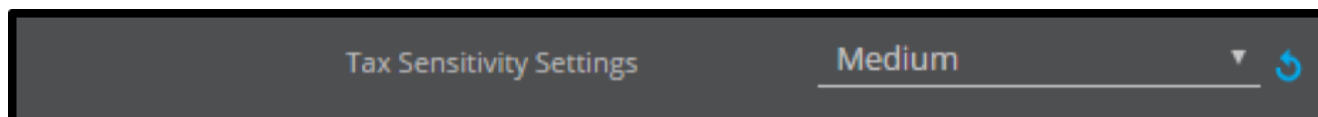
The screenshot displays the 'PORTFOLIO DETAILS' view in Eclipse™. It shows a table of accounts for the '70/30 Eclipse Model Sample' portfolio. The table includes columns for Name, T Portfol..., Model, Account ID, Account Type, Managed Value, Excluded Value, Total Value, Current Cash \$, and Team. The portfolio is managed by 'Almonds Rudy' and has a total value of \$142,955.11.

Name	T Portfol...	Model	Account ID	Account Type	Managed Value	Excluded Value	Total Value	Current Cash \$	Team
Almonds Rudy	1113	70/30 Eclipse Model Sample			\$141,279.30	\$1,675.81	\$142,955.11	\$11,556.30	Default Team
Almonds Rudy			2131	401K	\$31,540.65	\$1,675.81	\$33,216.46		
Almonds Rudy			2132	ROTH	\$27,107.52	\$0.00	\$27,107.52		
Almonds Rudy			2133	IND	\$82,631.13	\$0.00	\$82,631.13		

The model “70/30 Eclipse™ Model Sample” is assigned to the entire portfolio, aggregating the values of each account and comparing it to the model allocations.

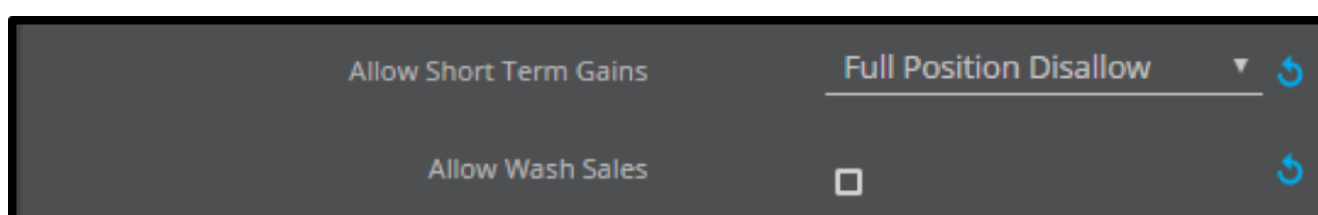


The rebalance preferences can be customized at the firm, team, model, or portfolio level. The preferences also include the tax-sensitivity setting for the rebalance. Tax sensitivity can be set to none, low, medium and high.



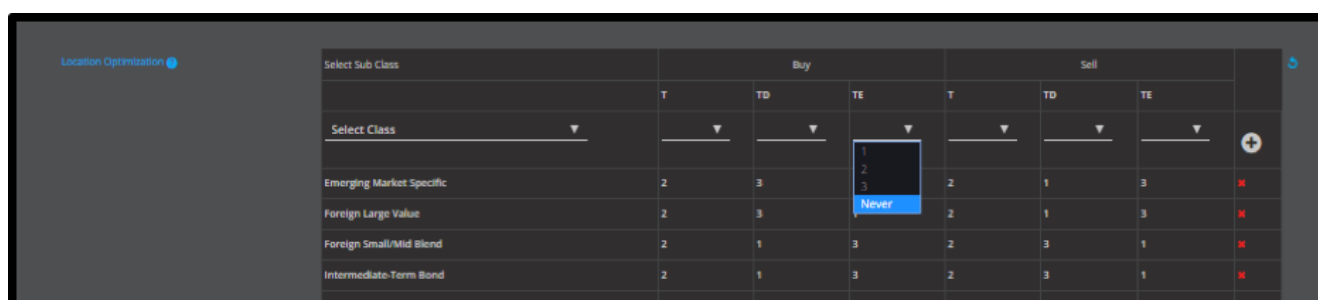
A dark-themed UI element titled "Tax Sensitivity Settings". It features a label "Medium" with a downward arrow and a refresh icon to its right.

Eclipse™ also allows you to set “Allow Short Term Gains” and “Allow Wash Sales” preferences. “Allow short term gains” can be set to allow, full position disallow, or tax lot disallow. The “Allow Wash Sales” setting can check across multiple portfolios if a tax identifier is set in all related portfolios.



A dark-themed UI element containing two settings. The first is "Allow Short Term Gains" with a dropdown menu set to "Full Position Disallow" and a refresh icon. The second is "Allow Wash Sales" with an unchecked checkbox and a refresh icon.

Set the location optimization preference by choosing the optimal account type to purchase specific classes. Location optimization removes the need to hold all securities targeted in the model in all the accounts of the portfolio.



A dark-themed UI element titled "Location Optimization". It contains a table with columns for "Select Sub Class", "Buy" (T, TD, TE), and "Sell" (T, TD, TE). The table lists four classes: "Emerging Market Specific", "Foreign Large Value", "Foreign Small/Mid Blend", and "Intermediate-Term Bond". A dropdown menu is open for the "TE" column under "Buy", showing options 1, 2, 3, and "Never".

Select Sub Class	Buy			Sell		
	T	TD	TE	T	TD	TE
Select Class						
Emerging Market Specific	2	3	Never	2	1	3
Foreign Large Value	2	3		2	1	3
Foreign Small/Mid Blend	2	1	3	2	3	1
Intermediate-Term Bond	2	1	3	2	3	1

While purchasing or selling a security in a portfolio, the added expense of a short term redemption fee could change the decision of which security to sell. Eclipse™ makes that decision easier by including it as part of the trade selection logic in the rebalance trade tool.

Redemption Fee	
Redemption Fee Amount: % ▼ .25	Redemption Fee days: 90
Custodian Specific Redemption Fee	
Amount: \$ ▼ 49.95	Days: 30
Transaction Fee	
Sell Transaction fee: 9.95	Buy Transaction Fee: 14.95

Tax sensitivity, short term gain and wash sale avoidance, and reduced trading costs are just a few of the benefits available in Eclipse™. Orion looks forward to working with your household trading using the new Eclipse™ platform (scheduled to launch later this summer).

TM

**If you have any questions about Eclipse™ and what it can do for your firm, please use the Orion Social app to reach out to the Orion SME Trading Team.**

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