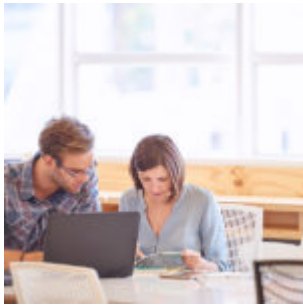


# Portfolios: The Foundation of Trading in Eclipse™



The most important part of building a home is the foundation. Without a structurally sound base, none of the above-ground features like windows, trim, hardwood floors, or a wraparound porch can stand.

When starting out with a new technology system, getting the foundation right is equally as important. When building your foundation with Orion's Eclipse™, our tax-efficient trading and rebalancing platform, you'll need to decide how you want to trade—at the household, account, or sleeve level. How you structure portfolios will affect all the trading decisions you make in Eclipse™.

In this post, we'll look at the importance of how you chose to construct portfolios in Eclipse™, and then dig into the features and preferences you can set within Orion Connect.

## The Foundation of Trading in Eclipse™

When you work in financial services, you hear the word “portfolio” everywhere.

When used in Eclipse™, the term “Portfolio” simply means all the different ways accounts can be grouped to generate trades.

Because Eclipse™ is built to be a tax-efficient system at its foundation, how accounts are grouped or not grouped when building portfolios will affect the system's logic. For example, features like asset location optimization where the platform will decide on placing assets in taxable, tax-deferred, or tax-exempt account types for the best-tax scenario in a given portfolio.


## Building Portfolios and Setting Preferences

Before you use Eclipse™ for the first time, you'll first need to sync your account data from Orion Connect. But before that data sync, you need to choose from one of two options on how you'd like portfolios to be constructed:

- As a **Household** structure, in which multiple accounts are grouped together based on the households set up in Orion Connect, or
- As an **Account** structure, where each account is loaded into Eclipse™ as its own individual portfolio

**User Tip:** If you have set up sleeves in Orion Connect, accounts or registrations that have been sleeved will always be in their own separate portfolio in Eclipse™. Sleeved accounts cannot be moved between portfolios.

From your Overview Dashboard in Eclipse™, click on “Start New Full Import” to begin the sync from Orion Connect. And one more thing: the Portfolio number in Eclipse™ will differ from your Household numbers in Orion Connect. However, you can still search by account numbers or household names.

 Once your initial sync is complete, you can always move accounts between portfolios, or to a new manually created portfolio, depending on your firm's needs.

For instance, you may sync all of a clients' accounts together as a Household, but then decide to move a Trust that's in a more conservative model to its own portfolio. Or maybe your client wants their grandchildren's 529 accounts in a more aggressive model than their own accounts. In these cases, it makes sense to split accounts into separate portfolios.

The “Assign Portfolios” tool can help you easily make these kinds of changes.

With your portfolio structure set, it's time to personalize Eclipse™ to fit your firm's unique preferences.

## Personalizing the Details

Using the Portfolio Details screen, you can view individual information about a selected portfolio and also make updates and edits to how that portfolio is traded.

Some of the editable fields on the Portfolio Details screen include:


- **Trading Instructions:** These are custom notes viewable in the Orders grid when trades are created that can be entered one at a time or in mass. In addition, Trading Instructions will sync from Orion Connect, so there's no need to maintain them in multiple locations.
- **Tags:** Add custom tags to filter information or add nicknames or other custom terms your team uses to identify certain portfolios.
- **Do Not Trade:** Set a portfolio as Do Not Trade, and you won't be able to trade that portfolio. Pretty simple, right? Eclipse™ also puts safeguards in place such as removing trade tools as selectable menu items when this setting is turned on.

For view-only information from the Portfolio Details screen, you can find information such as the assigned model, trading instructions, tags, a management summary, and realized gain/loss details.

## Incorporating Separately Managed Accounts in Eclipse™

One of the most helpful features of Eclipse™ is its ability to include Separately Managed Accounts (SMAs) as part of your portfolio value, without including those accounts in trades.

Marking an account as an SMA in Orion Connect will sync that information to Eclipse™ when you import the account.

 Once this information has been synced to Eclipse™, the account will be flagged as "Separately Managed." This option tells the system that you are not managing the funds in the account but rather, an outside manager is overseeing its trades.

However, you still want to consider that account's value towards your clients' portfolio model allocation so you can create a comprehensive overall strategy. As such, the Eclipse™ rebalancing engine will buy positions in a portfolio's other accounts while taking the SMA weightings into consideration.

# Key Takeaways for Creating Portfolios in Eclipse™

In summary:

- You can create portfolios in Eclipse™ as a group of accounts in one household, or a portfolio can contain just a single account.
- Once your initial full sync is complete, you can customize portfolios by creating your own and you can assign any account to any portfolio, with the exception of those accounts that are sleeved out.
- Eclipse™ can include an SMA account's value in a rebalance (without trading it) and structure trades from your model around it.
- Choosing to build portfolios as Household-based or Account-based will impact the trading logic built into Eclipse™, including features such as asset location optimization.

If you would like to learn more about Eclipse™, [click here](#) to sign up for our next open webinar.

**Not working with Orion yet?** [Click here](#) to get in touch with us.

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