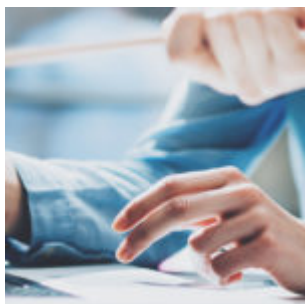


# The ABCs of ADV: Using Orion Connect to Prepare for Filing SEC Form ADV



Whether it's you wearing the compliance officer hat at your firm or someone else, you know juggling the ever-changing regulatory requirements and leading internal processes can be a lot. But with Orion, you've got tools to complete compliance obligations quicker and easier, including preparing to file SEC Form ADV.

Let's walk through how to manage settings for the SEC Form ADV data in Orion Connect and how to pull that data from the Form ADV Compliance Dashboard for this week's Tech Tip.

Preparing to file your SEC Form ADV is quicker and easier using Orion Connect's Compliance App. [Click To Tweet](#)

## How to Manage Settings for Form ADV Data

Orion Connect's ADV Dashboard pulls the information you need for your Form ADV reporting with one click. But, you must set up and maintain certain data fields to make sure it displays the correct information.

### Edit Accounts

Do you have any accounts that should be excluded from ADV reporting? If so, determine if there is a unique identifier that can be used to group together these accounts. For example, maybe the accounts can be grouped by custodian,

management style, or fund family. Once you have chosen an identifier, follow these steps:

**Edit Accounts (10 Selected)** CLOSE

**A word about editing multiple...**  
All selected rows from the previous grid will be updated.  
The account fields will be updated to the 'new value' set below.  
Please note: This update **CANNOT BE UNDONE** in mass.

Field category: Portfolio

Field to update: ADV Reportable

Enter new field value: ☐

Add Change

Category	Field	New Value
No changes have been added		

1. Open the Portfolio Audit App
2. Go to the Accounts grid
3. Highlight all related items that you wish to edit
4. Right-click and select "Edit Accounts"
5. A pop-up box will appear. In the "Field to Update" drop-down, select "ADV Reportable"
6. In the "Enter New Field Value" line, make sure the box is unchecked.
7. Hit "Add Change"
8. Then click "Save"

Repeat this process until all necessary unique groups have been excluded.

## Edit Products

If you have any products that should be excluded from ADV reporting, complete these steps:

**TEST (3919337)** SAVE CANCEL

**Product**  
 Local  
 Global  
 Product Weightings  
 Alt/PE Expected Returns  
 Download Symbols  
 Fund Families

**Market Data**  
 Bond Rates  
 Corporate Actions  
 Dividends  
 Preferred Rates  
 Price Factors

**Trading**  
 Product Substitution

**Settings**  
 Custom Fields  
 Time Based Custom Fields  
 Options

**Billing**  
 General

**General** Start Over

S&P Rating (none)  
 Moody's Rating (none)  
 Status Open  
 Auto Assign ☒  
 Custodial Cash ☐  
 Has Fees ☐  
 Disabled ☐  
 Use Local Prices Only ☐  
 Direct Investment ☐  
 Manager (none)  
 Vintage Year e.g. 1992  
 K-1 ☐

Asset Class Security  
 Asset Category Bond (B)  
 Risk Category Invalid Selection  
 Managed ☒  
 ADV Asset Category  
 Use Global Taxable Setting ☒  
 Federally Taxable ☒  
 State Taxable ☒  
 13f Reportable ☒  
 ADV Reportable ☐  
 Color  
 Notes

1. Open the Products and Prices App
2. Locate the product to remove
3. Right-click and select "Edit Product"
4. Uncheck the box in the "ADV Reportable" field
5. Hit "Save"

Repeat this process until all necessary products have been excluded.

## Edit Assets

If you have any assets that should be excluded from ADV reporting, complete these steps:

**Performance Asset (6133)**  
PERFORMANCE

Asset Value: \$0.00

Buttons: SAVE, CANCEL

Asset: General

Bifurcate Cost Basis  
Historical Cost Basis  
Step-Up Cost Basis

Billing: General

Settings: Options

**General**

Account: 619 - Benjamin Franklin, Fidelity

Product: PERFORMANCE (Performance Asset)

Status: Normal Downloading

Strategy Override: ☐

Asset Level Strategy: (none)

Current Value: 0

Current Units: 0

Daily Change Tolerance Percent:

Symbol: PERFORMANCE

Active: ☒

Manually Managed Advisor Only: ☐

13f Reportable: ☒

**ADV Reportable**: ☐ (highlighted with a red box)

Managed: ☒

Account Number: 369-821469

Blank Account Number: ☐

Secondary Account Number:

New Transaction

1. Open the Portfolio Audit App
2. Locate the account that contains the asset(s)
3. Right-click and select "Assets"
4. Locate and right-click on the asset and select "Edit Asset"
5. Uncheck the box in the "ADV Reportable" field
6. Hit "Save"

Repeat this process until all necessary assets have been excluded.

## Assign ADV Client Category

In order to group clients by category, first identify your primary client types. For example, you could use Individuals and High Net Worth Individuals as groups. To assign households to these groups:

**Edit Households (8 Selected)**

Buttons: CLOSE

A word about editing multiple...  
All selected rows from the previous grid will be updated.  
The household fields will be updated to the 'new value' set below.  
Please note: This update **CANNOT BE UNDONE** in mass.

Field category: Portfolio

Field to update: ADV Client Category

Enter new field value:

- ✓ Bank or Thrift Institution
- Business Development Company (Excluded from SMA)
- Charitable Organization
- Corporations or Other Businesses
- High Net Worth Individual**
- Individual
- Investment Company (Excluded from SMA)
- Investment Adviser
- Insurance Company
- Other
- Pooled Investment Vehicle (Excluded from SMA)
- Pension and Profit Sharing Plan
- State or Municipal Government Entity
- Sovereign Wealth Funds or Foreign Official

Category	Field	New
No changes have been added		

1. Open the Portfolio Audit App
2. In the Households grid, sort by “Current Value,” highest to lowest
3. Highlight the households that have \$1 million or more in investable assets with you for High Net Worth Individuals or less than \$1 million for Individuals.
4. Right-click and select “Edit Households”
5. A pop-up box will appear. In the “Field to Update” drop-down, select “ADV Client Category”
6. In the “Enter New Field Value” drop-down, select the correct category
7. Hit “Add Change”
8. Then click “Save”

Repeat this process until all households are accurately categorized.

## **How to Compile AUM Data for SEC Form ADV**

The SEC requires you to report on Form ADV your client AUM based on client type, percentage of AUM, and custodian. As noted in the section above, the Orion ADV Compliance Dashboard allows you to compile all of these items into a single report.

From the Orion Connect home screen, go to the Compliance App, select “ADV Dashboard” under the “Disclose” section on the left-hand side of the screen, and you will then see an overview of all of your firm’s data that you will need for Form ADV.

The screenshot displays the 'Compliance' dashboard with the 'DISCLOSE' section selected. The dashboard is divided into several sections:

- Assets Under Management:**

Households	9
Registrations	10
Accounts	13
Regulatory AUM	158,122,419.29
SMA AUM	7,105,465.99
- Discretionary AUM:**

Discretionary	157,135,465.99   8
Non Discretionary	986,953.30   5
- Domestic/Foreign AUM:**

Domestic	158,122,419.29   9
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- ADV SLOA:**

Active SLOAs	0
Number of Households	0
Number of Accounts	0
Total Value of Accounts	0.00
- Wrap AUM:**

Not Wrap Managed or Sponsored	158,122,419.29
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- SMA AUM by Custodian:**

TD Ameritrade	6,608,654.00   93%
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- SMA AUM by Asset ADV Category:**

Exchange-Traded Equity	6,386,740.16   90%
Cash and Cash Equivalent	440,484.72   6%
Registered Investment Company or BDC	237,442.09   3%
Investment Grade Corporate Bonds	35,000.00   <1%
Unassigned	5,799.02   <1%
- AUM by Client ADV Category:**

UnAssigned	151,011.00   1
Other	6,622,204.46   4
High Net Worth Individual	483,261.53   1

A tooltip is displayed over the 'AUM by Client ADV Category' section, stating: 'To be included in this calculation the Account, Product and Asset must be marked as ADV Reportable and an ADV Client Category must be selected.'

The right sidebar includes a date filter set to '03/06/2020', a 'clear all' button, and a list of dropdown menus for various filters: Database, Business Line, RIA, Broker/Dealer, Representative, Management Style, Model, Sub-Advisor, Custodian, Client Category, and Registration Type. A 'Refresh' button is also present.

The data will be broken down into different sections, including regulatory AUM, discretionary AUM, AUM by client category, and more. You can mouse over the Information icons to get a short description of each section and/or click the title of a section to get a full view of all of the individual data points in that section.

From there, you can export any view to an Excel spreadsheet to help you compile your Form ADV information.

## Update Unassigned ADV Asset Categories

If you show some “Unassigned” in the ADV Asset Category due to missing product type or product subtype associated with the product in your database, follow these steps to assign them:

**Compliance** > Disclose

**Assets Under Management**

Households	9
Registrations	10
Accounts	13
Regulatory AUM	158,122,419.29
SMA AUM	7,105,465.99

**Discretionary AUM**

Discretionary	157,135,465.99   8
Non Discretionary	986,953.30   5

**Domestic/Foreign AUM**

Domestic	158,122,419.29   9
----------	--------------------

**ADV SLOA**

Active SLOAs	0
Number of Households	0
Number of Accounts	0
Total Value of Accounts	0.00

**Wrap AUM**

Not Wrap Managed or Sponsored	158,122,419.29
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**SMA AUM by Custodian**

TD Ameritrade	6,608,654.00   93%
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**SMA AUM by Asset ADV Category**

Exchange-Traded Equity	6,386,740.16   90%
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Unassigned	5,799.02   <1%

**AUM by Client ADV Category**

UnAssigned	151,016,953.30   4
Other	6,622,204.46   4
High Net Worth Individual	483,261.53   1

**Filters:** As Of Date: 03/06/2020, clear all, Database, Business Line, RIA, Broker/Dealer, Representative, Management Style, Model, Sub-Advisor, Custodian, Client Category, Registration Type, Refresh.

1. Select the “SMA AUM ADV Asset Category” tile heading
2. Type “Unassigned” in the cell below the ADV Category column heading
3. Right-click on each product and select “Change Product ADV Category”
4. In the pop-up box, use the drop-down to assign the ADV Category based on your knowledge of the product
5. Click “OK”

**Compliance** > ADV Dashboard > AUM by Asset Category as of 03/06/2020

Product Name	Type	Sub Type	ADV Category	Aum	Accrued Interest	Product ID
Test	Miscellaneous		Unassigned	2,499.00000	0.00000	3837193
TEST	Miscellaneous	Private Equity	Unassigned	3,000.00000	0.00000	3919337
Nasdaq-10			Unassigned	0.00000	0.00000	396213
HSBC Bank			Unassigned	300.02000	0.30000	3434750
Contra Micro Fcs ...	Stock or ETF	ADR	Unassigned	0.00000	0.00000	3817804
Cash	Miscellaneous	Cash or Equivalent	Unassigned	0.00000	0.00000	3072759

**Context Menu:** View Product, Change Product ADV Category

**Filters:** clear all, Database, Business Line, RIA, Broker/Dealer, Representative, Management Style, Model, Sub-Advisor, Custodian, Client Category, Registration Type, Refresh.

You may need to repeat this process until all products are accurately assigned. Check out this article if you need help with the mapping.

For more information about Form ADV or other compliance processes, contact

our Orion Compliance Team.

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