



ENVESTNET



UBS

iCapital.

Alternatives Exchange: Reporting and Billing Integration

Advisor Manual



Table of Contents

| | |
|--|-----------|
| 1 Alternatives Exchange | 3 |
| 1.1 Overview | 3 |
| 1.2 Accessing the Alternatives Exchange | 3 |
| 1.3 Account Profiles and Creating a New Investment..... | 4 |
| 2 Reporting Only Accounts | 4 |
| 2.1 Reporting Only Service | 4 |
| 2.2 Preventing Duplicate Values in the Reporting Feed by Excluding CUSIPs..... | 4 |
| 2.3 Manual Input & Auto Claim | 4 |
| 2.4 Managing Custodial Rep Codes..... | 5 |
| 2.5 Assigning Custodial Rep Codes..... | 6 |
| 3 Billing Setup | 8 |
| 4 Disclaimer and Important Information | 10 |

1 Alternatives Exchange

1.1 Overview

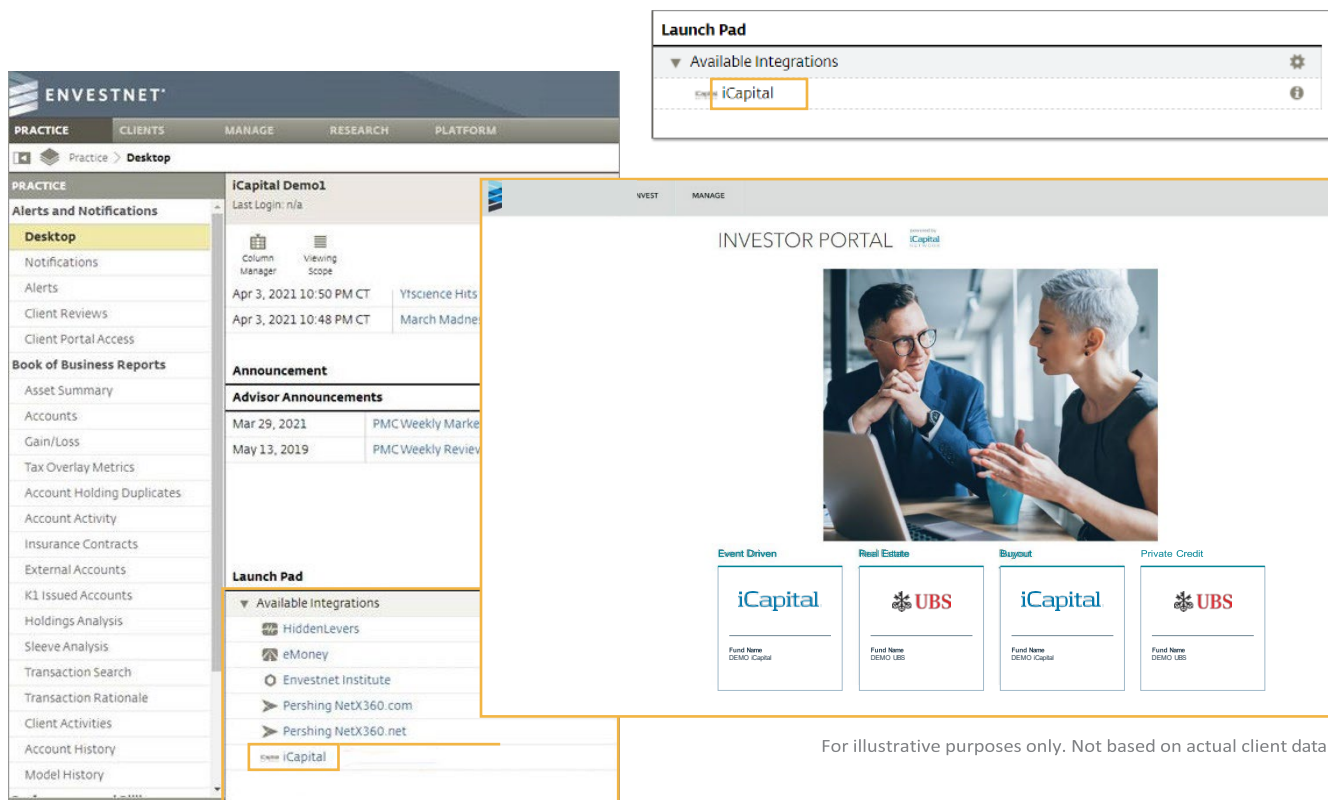
This guide describes how to:

- Access the Alternatives Exchange in section 1.2
- Use Account Profiles and create a new investment on the Alternatives Exchange in Section 1.3
- Establish reporting for the investment via the Auto Claim process on Envestnet in Section 2
- Set up a billing schedule for the account in Section 3

1.2 Accessing the Alternatives Exchange powered by iCapital

The Alternatives Exchange leverages iCapital’s customized technology and service solution for financial advisors and their high-net-worth clients seeking access to private markets and hedge fund opportunities. iCapital’s end-to-end solution digitizes the subscription, administration, operational and reporting processes for investing in alternatives, creating more opportunities for wealth managers and their clients to efficiently access these investments. iCapital offers access to a curated menu of funds vetted by iCapital’s and UBS’s seasoned due diligence teams and supports financial advisors with assistance every step of the way.

To access the **Alternatives Exchange**, use the **Alternatives Exchange** link from the Launch Pad widget on the desktop¹.



For illustrative purposes only. Not based on actual client data.

¹ If you do not have access to this link, contact your Envestnet relationship manager.

1.3 Account Profiles and Creating a New Investment

A key element to creating a new investment is the **Account Profile**.

- You may create more than one profile for the same client for different account types.
- When an **Account Profile** is complete, it may be reused. You will not need to re-enter the client's information for each new investment.
- The information from the **Account Profile** is used to digitally populate the subscription documents, which are signed by the investor and reviewed for accuracy and completeness before an investment is accepted into a fund. When the Alternative Investment account is opened on the Alternatives Exchange, it will need to be added to the Envestnet platform as a **Reporting Only** account, which is covered in Section 2.

2 Reporting Only Accounts

2.1 Reporting Only Service

Reporting Only accounts can be used by an advisor to track client accounts that are invested outside the Envestnet platform. Advisors may attach a fee schedule to these accounts and designate an account managed on the Envestnet platform as the debiting account.

Envestnet client firms that are accessing the Alternatives Exchange via SSO – and that have the desire to receive a reporting feed on these accounts - will be required to have **Reporting Only Services (“ROS”)** enabled. The firm will need to have **“iCapital”** configured as an available “custodian” for the ROS program as well.

2.2 Preventing Duplicate Values in the Reporting Feed by Excluding CUSIPs

Envestnet client firms that are taking advantage of the integrated reporting feature of the Alternatives Exchange, and that have the ability to receive data on alternative investments via their custodial feeds are at risk of having duplicate values appear on the Envestnet platform. In order to prevent this from happening, the home office of the client firm is responsible for contacting their custodian and requesting that the custodian exclude from the feed any CUSIPs related to alternative investments that will be included in the iCap > ENV direct feed. This will ensure greater accuracy of data and help with the avoidance of possible duplicative reporting.

2.3 Manual Input & Auto Claim

For **Reporting Only** accounts invested via the Alternatives Exchange platform, Home Office users and advisors will use the **manual input** functionality to populate account values and high-level transaction data. However, Envestnet has developed a process by which the [Envestnet] platform will **automatically** create Reporting Only manual input accounts and update the data for these accounts using an established reporting feed from iCapital and the **Auto-Claim** process.

Auto-Claim is a feature on the Envestnet platform used primarily for data aggregation and reporting services which allows accounts to be automatically added to the Envestnet platform under the appropriate firm. By using a unique, custodian-specific firm ID, the accounts will be claimed into the Envestnet system. If Advisor Rep codes are incorporated (advisor email addresses in the case of the Alternatives Exchange), accounts can move directly to the advisor's universe.

As new accounts are opened through third-party services provider(s) (i.e. Alternatives Exchange powered by iCapital), account-level information will populate the system based on account information from the provider's files.

The **Account Name** will automatically populate based on the label information that is coming from the service provider. This information can impact the table of contents and the account name that appears on the reports that are generated.

The fields that can be populated via the **Manual Input + Auto Claim** process are as follows:

Account Snapshot ✕

Demo Manual Input
DEMO-943259

Date

Total Market Value

Contributions

Withdrawals

Fees

Interest Paid

Dividends Paid

Long Term Realized Gains

Short Term Realized Gains

Accrued Income

Tax Withheld

Miscellaneous Expense

Trade Expense

Save

For more details on the **Auto-Claiming** process please refer to the [Home Office Manual - Auto Claiming Accounts](#) resource.

2.4 Managing Custodial Rep Codes

The **custodial rep code** is an identifier used to sync the client account data from the iCapital feed with the appropriate advisor on the Envestnet platform. It is the responsibility of the home office of the client firm to create a custodial rep code for each individual who will use the Alternatives Exchange through the Envestnet platform.

The custodial rep code is created as follows:

FIRM | DASHBOARD | MANAGE | CUSTOMIZATION

Firm > **Rep Codes**

FIRM

- Desktop
- Advisors
 - Advisor Search
 - Rep Codes**
 - Login History
 - Branches
- Clients
 - Client Search
 - Client Activities
 - Client Documents
- Accounts
 - Accounts
 - Account Holding Duplicates

Rep Codes

Search Filters | Column Manager | Saved Layout | **Create Rep Code** | Generate Report

| Rep Code | Branch | Owner |
|-------------|--------|-------|
| RLVDK 50/50 | | All |
| BDR529 | | All |
| LBB | | All |

The Rep Code window will now pop up on the screen. The first step will be to select who the Firm the custodial rep code should be assigned to, and then entering the custodial rep code. The custodial rep code will be the first part of the advisor’s email address up to the @domain name (i.e. if the email is JohnDoe@firm.com, the rep code would be JohnDoe). Then, select the “iCapital” option from the Custodian drop down menu. **NOTE: If you do not have the option to add iCapital as the custodian, please contact your Investnet relationship manager.** After this has been completed, click **Save** to move to the next step:

The screenshot shows a modal window titled "Rep Code" with a close button (X) in the top right corner. Below the title bar is a section labeled "Add Rep code". Underneath is an "Overview" section containing several fields: "Firm" (a dropdown menu), "Rep code" (a text input field), "Owner:" (a label), "Custodian" (a dropdown menu), "Fund Family" (a dropdown menu), and "Insurance Carrier" (a dropdown menu). A blue "Save" button is located at the bottom right of the form. Red boxes highlight the "Firm" dropdown, the "Rep code" text input, and the "Custodian" dropdown.

After filling in these items, you will be taken to the rep code information screen to fill in the additional information about the rep code. To add a bio, click the “+” icon in order to update the rep code description and then click “edit” where necessary. You can also add branches to the repo code in the same way.

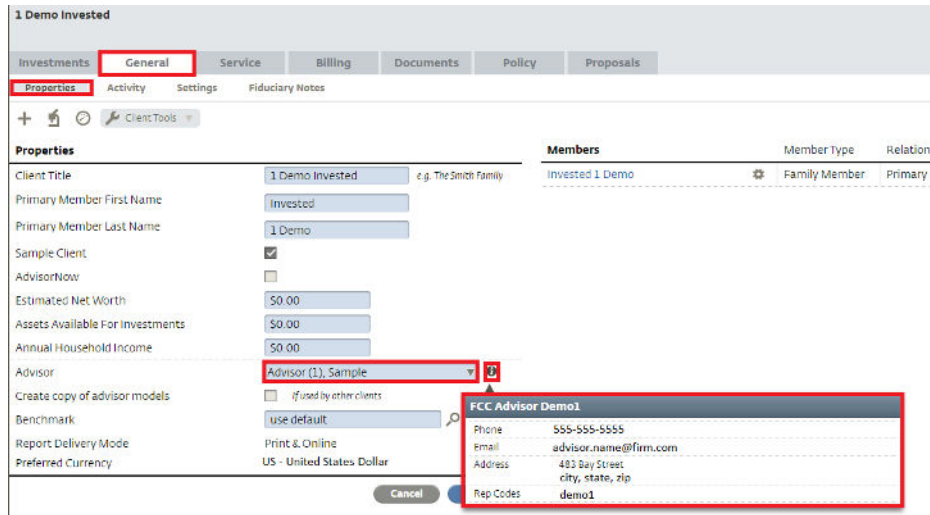
The screenshot shows a detailed view of a rep code labeled "TEST 123". At the top left, there are icons for "Delete An Element" (a trash can) and "Add Bio" (a plus sign). The "Add Bio" button is highlighted with a red box. Below this is an "Overview" section with the following details: Firm: ENV Demo - Training & Launch; Rep Code: TEST 123; Description: (empty); Owner: Custodian, Fund Family, Insurance Carrier. There is an "Edit" button next to the Rep Code field. To the right is a "Branch" section which is currently empty. At the bottom is an "Advisor" section with columns for "Primary", "Default", and "Allocation %", and an "Edit" button below it.

To add additional advisors to the Rep Code, click the edit button under the Advisor section and then add advisors from the drop-down menu. After adding advisors, then select Primary, Default, and Allocation % if required. To add more than 3 advisors, use the + icon to add additional drop downs. Click Save when complete.

2.5 Assigning Custodial Rep Codes

Once the new rep code has been created, it needs to be assigned to the client. If this is not done, the client will not be available to all members of the shared Rep Code.

Locate the client that needs to be assigned and click on their name. From the Client information screen, click on the **General** tab, then click **Edit** under the **Properties** section. Select the new Rep Code by clicking on the dropdown menu to the right of the listed advisor. You can see the new advisors contact info by clicking on the “i” (information icon). Click **Save** once this has been completed:

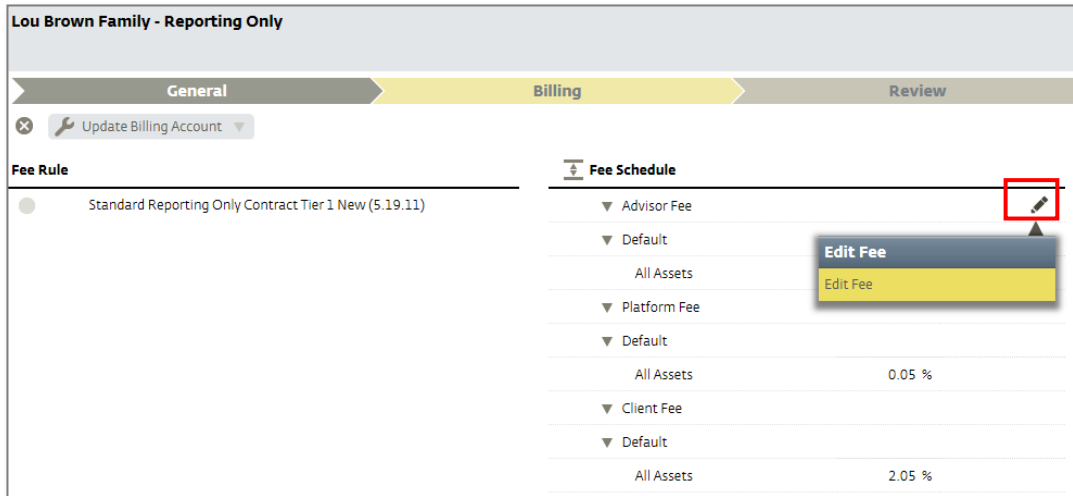


Rep codes can also be created and edited via the hierarchy file process so long as iCapital is specified as a custodian within that workflow.

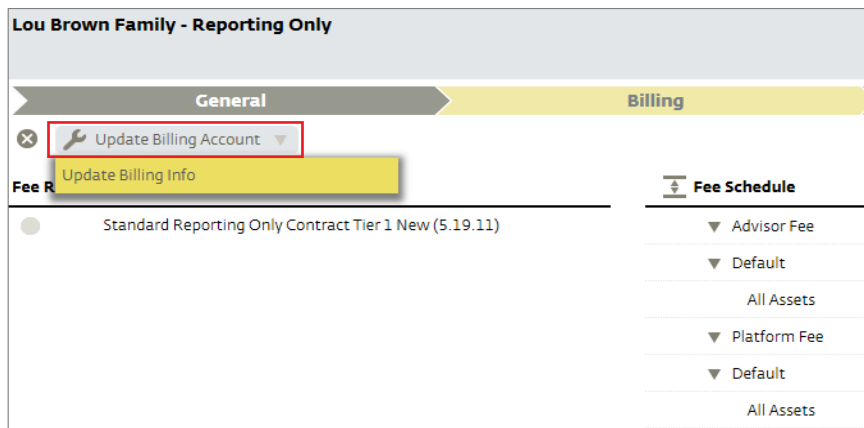
3 Billing Setup

Users with billing authority will be able to attach fee schedules to ROS accounts on the Envestnet platform that were created via the Alternatives Exchange.

Within the **Billing** step, click the **Edit** button to select the appropriate schedule. To edit the schedule, click **Save** instead of **Save + Next**. The **Pencil** icon will then be available to edit the fees. If no editing is necessary, click **Save + Next** to proceed to the last step.



Click the **Wrench** icon to update the billing account. If you have billing authority, you will have access to a billing tab that will allow you to assign the newly created account to a billing group and assign a debit account for the fees to be pulled from.



Update Billing Account [X]

DEMO-123456

Demo Manual Input

Billing Group: Billing Group 114924 [v] [] (account number from another client)

Debit Type: Debit [v]

Debit Account: []

[Save]

During the **Review** step, be sure to check the **Account Set-Up** on the provider’s platform (i.e., Alternatives Exchange powered by iCapital) and **Start Date** entered to make sure it is correct. Once you have reviewed the information, click the **Wrench** icon to either **Review and Complete** (meaning the details were reviewed and the system can complete the account creation) *or* choose **Refresh Report and Complete** (details were reviewed, complete account creation, and prompt the system to refresh to update the account’s data for report generation)

The Amos Family - Reporting Only

General | Billing | **Review** | Next

⚙️ [wrench icon] Complete Account Setup [v]
 Refresh Report and Complete
 Review and Complete

Properties

| | |
|---------------------------|----------------------------|
| Custodian / Data Provider | Pershing Advisor Solutions |
| Product | AWM-RCS |
| Custodian Account | DEMO |
| Account Start Date | Not yet started |
| Fee Schedule | No Fee schedule attached |

4 Disclaimer

This Manual Input Accounts Advisor Manual is designed for training purposes for **Home Office and Advisor Use Only**. The graphical illustrations herein do not represent client information or actual investments. The services and materials described herein are provided on an “as is” and “as available” basis, with all faults. Envestnet disclaims all warranties, express or implied, including, without limitation, warranties of merchantability or fitness for a particular purpose, title, non-infringement or compatibility. Envestnet makes no representation or warranties that access to and use of the internet while utilizing the services as described herein will be uninterrupted or error-free, or free of viruses, unauthorized code or other harmful components. Envestnet reserves the right to add to, change or eliminate any of the services and/or service levels listed herein without prior notice to the advisor or the advisor’s home office.

IMPORTANT INFORMATION

The information, analysis, and opinions expressed herein are for general and educational purposes only. Nothing contained in this brochure is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. All investments carry a certain risk, and there is no assurance that an investment will provide positive performance over any period of time. An investor may experience loss of principal. The asset classes and/or investment strategies described may not be suitable for all investors and investors should consult with an investment advisor to determine the appropriate investment vehicle. Investment decisions should always be made based on the investor’s specific financial needs and objectives, goals, time horizon, and risk tolerance. Past performance is not indicative of future results.

Alternative Investments may have complex terms and features that are not easily understood and are not suitable for all investors. You should conduct your own due diligence to ensure you understand the features of the product before investing. Alternative investment strategies may employ a variety of hedging techniques and non-traditional instruments such as inverse and leveraged products. Certain hedging techniques include matched combinations that neutralize or offset individual risks such as merger arbitrage, long/short equity, convertible bond arbitrage and fixed-income arbitrage. Leveraged products are those that employ financial derivatives and debt to try to achieve a multiple (for example two or three times) of the return or inverse return of a stated index or benchmark over the course of a single day. Inverse products utilize short selling, derivatives trading, and other leveraged investment techniques, such as futures trading to achieve their objectives, mainly to track the inverse of their benchmarks. As with all investments, there is no assurance that any investment strategies will achieve their objectives or protect against losses. Advisors should conduct their own research and due diligence on investment products and the product managers prior to offering or making a recommendation to a client.

This document refers to information products or services that may be in development and not yet available. Accordingly, nothing in this presentation should be construed as a representation or legal agreement by Envestnet to make available specific products or services (including, without limitation, concepts, systems or techniques.)

Institutional Capital Network, Inc. and its affiliates (“iCapital”) did not prepare or generate this material and makes no representation as to its accuracy or completeness. Please note the commentary presented herein reflects the views of Envestnet. It has not been endorsed or approved by, and does not reflect the views of, iCapital. iCapital accepts no liability for losses arising from the use of the material presented. iCapital may have issued, and may in the future issue, material that is inconsistent with, and reaches different conclusions from, the information presented in this material. iCapital is under no obligation to ensure that such other reports are brought to the attention of any recipient of this material. iCapital is backed by an experienced group of strategic investors who specialize in financial services and financial technology including Blackrock and UBS among others.

Through a holding company subsidiary, BlackRock, Inc. (“BlackRock”) owns a non-controlling interest in Envestnet’s parent company, Envestnet, Inc. Envestnet and its affiliates are engaged with BlackRock in several strategic initiatives to better integrate their respective financial wellness technologies and jointly offer these services to Advisors.

Envestnet, Envestnet | PMC™ are not affiliated with UBS Financial Services Inc. or with Institutional Capital Network, Inc.

The key symbol and UBS are among the registered and unregistered trademarks of UBS. UBS Financial Services Inc. is a subsidiary of UBS Group AG. Member FINRA/SIPC.

Diversification does not guarantee a profit or guarantee protection against losses.