



### Product Change Billing:

Product change bills are generated when the product attached to an account is changed through a goal modification or proposal. Product change billing more equitably matches fees for product changes made throughout the quarter and will begin in the August cycle for all product changes occurring after July 1.

### Description:

When a product in an account is changed, the previous product is terminated and a new product is added in its place. In order to reflect an adjustment in fees due to the change in products or the model allocation, product change billing generates product termination and product reinstatement bills.

Bill Date ▼	Bill Period	Days	Bill Type	Billable Value	Client Fee % <sup>1</sup>	Client Fee <sup>1</sup>
Jun 2019	May 23, 2019 - Jun 30, 2019	39 of 91	Product Reinstatement	\$ 170,466.34	1.11 %	\$ 202.13
Jun 2019	May 23, 2019 - Jun 30, 2019	39 of 91	Product Termination	-169,224.74	1.11	-200.64
Apr 2019	Apr 1, 2019 - Jun 30, 2019	91	On-cycle	169,224.74	1.11	468.17

### Scenarios which Generate Product Change Bills:

- Changing from one program to another, including from or to UMA
- Changing the model in a UMA (model as a whole is changed)
- Changing a product in a standalone managed program
- Changing reporting only products to any managed product
- Swapping an unmanaged sleeve (no Manager fee) for a managed sleeve (with Manager fee)
- Swapping a managed sleeve for an unmanaged sleeve
- Swapping one managed sleeve for another managed sleeve
- Adding or removing a managed sleeve
- Changing the allocation amongst managed sleeves in all cases

### Scenarios which Do Not Generate Product Change Bills:

- Manager fee changes for an account manually or through fee propagation
- Product changes that occur on the first day of the billing period

### Product Reinstatement Bills

Computed from the product change date through the end of the current billing period using the new fee schedule attached to the account due to the product change. The billable value used is the market value two days after the product change date to allow time for the investment in the new product to complete.

### Product Termination Bills

Created by rebating the existing bills from the product change date through the end of the current billing period. The billable value used is the same as the value of the previously collected on-cycle bill.

### Timing

Product change bills process in the billing cycle following the product change. The above example occurred in May and the termination and reinstatement bills processed in June.