



Model Portfolios on the BPAS Platform

Some BPAS retirement plans offer model portfolios giving participants a convenient and easy way to invest. Created by our financial partners, a model portfolio allows the advisor or corporate trustee to take the menu of investments offered within a plan, and create pre-defined mix of funds as a set of portfolios. Through a model portfolio, participants can make one decision and have their entire account automatically invested in a given strategy, and rebalanced back to that strategy over time.

Constructing Your Model Portfolios

- BPAS can support up to seven models per plan.
- Each model can contain up to a maximum of twenty funds.
- Models must be made up of the core investment lineup (i.e. funds in the models must be able to be selected by participants as individual investment options).
- A model can be the Plan's Qualified Default Investment Alternative (QDIA).
- It's important to understand that Model Portfolios are established on our system as pre-defined mixes of investments from the Fund Menu. They are not setup as a separate unitized investment, alleviating the additional reporting and disclosures required in those instances.
- Participants are either "all in" or "all out" when it comes to investing in a model on the BPAS Platform.
- Our Financial Partners need to be mindful of fund restrictions when building model portfolios. Quarterly rebalances or allocation changes can trigger the fund's frequent trading policy.

Adjusting Model Allocations

To change the Model Portfolio allocations a Model Change Form must be submitted to BPAS. A high-level overview of the process is outlined below:

- If new funds are present, a Fund Change/Addition Form needs to be submitted by the Advisor or Trustee and could extend processing times. If no new funds are being added, allocations will be scheduled to process at the next available date.
- Model Portfolio allocation adjustments or rebalances are generally processed the last week of the calendar quarter. However, if requested, a model allocation adjustment can be made earlier than this date - as long as it can be accommodated from a scheduling perspective by BPAS.
- Assuming all Plans have the same models, allocations are adjusted at the Financial Partner level. If any plans have unique models, adjustments will be made at the Plan level. These adjustments take place a few days prior to the model rebalance.
- Once model allocation weights have been adjusted, a process is executed that changes the investment elections across all plans for all participants in models.
- The models are then re-aligned, creating buy and sell transactions across applicable participant accounts.
- Each Plan is then manually reviewed to ensure transactions were processed successfully and that participant accounts have been re-aligned to the new model allocations.
- Lastly, some mutual funds require reporting of large transactions within their funds. Therefore, each plan is reviewed for large transactions and reported accordingly.

Industry Service Awards



Ready to learn more? Let's talk.



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