Alternative Investments on the Black Diamond Wealth Platform

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Introduction

Black Diamond provides its clients with a transaction-based platform for tracking and reporting alternative investments. It offers purpose-built workflows to handle bulk data entry, enhance visibility, automate estimate entry, and increase transparency. The Alternative Investment platform allows users to capture and tag attributes and transaction detail for comprehensive asset tracking, integrated performance reporting, enhanced audit reporting, and transactions-based alternative investment reporting.

Examples of assets that can be tracked on the platform include private equity funds, hedge funds, limited partnerships, and similar alternative assets that require transaction-based reporting capability. Alternative investment reporting includes the ability to track committed capital, capital called, multiples, IRR (since inception), and vintage year.

Key Assumptions

The Alternative Investment platform employs some key operational assumptions that affect how data is loaded, tracked, and reported.

Unitized vs. Non-Unitized Assets

The Alternative Investment platform makes a critical distinction in the treatment of *unitized* versus *non-unitized* securities.

When a security is initially loaded to the Alternative Investment platform, it is categorized by default as *non-unitized* and priced at $1 per unit (Market Value = Number of Units). When a price is assigned to a non-unitized security via the Price Upload process, it automatically converts it to a *unitized* security.

This document highlights any instance where an action on the platform applies only to a unitized or non-unitized security.

Double-Entry Accounting

Unlike Black Diamond's automated reconciliation platform, the Alternative Investment platform employs double-entry accounting. This is based on the assumption that firms will track alternative securities, but not necessarily the cash for their funding or liquidation.

As a result, there is no automatic debit or credit offset to cash when a transaction occurs in the Alternative Investment account. If necessary, cash can be managed in these accounts through additional cash assets, but the associated cash transactions must be entered on both sides of a transaction, such as deposit into cash after the redemption/sale of a security and withdrawal from cash after the buy/capital call of a security.

Marketable Securities

The Alternative Investment platform can track and report on both marketable and non-marketable securities. Transaction information for all securities is generally loaded using the Transaction Upload* process. Pricing for all securities, including marketable assets, is generally loaded via the Price Upload* process. Both processes employ logic to identify marketable securities.

* In addition to the bulk uploads, individual prices and transactions can be managed on the platform via the user interface.

Date Logic

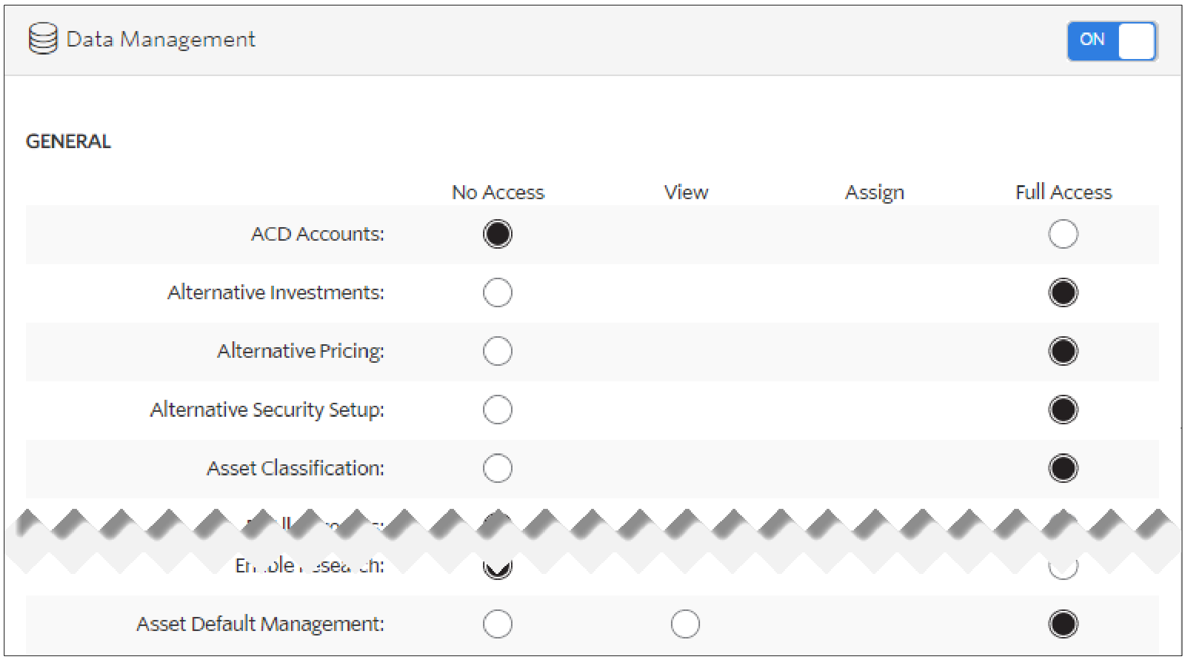
The date logic the platform uses to track and report on alternative investments is based on business days, but trade dates can be entered on any calendar day. If a reported trade date is a non-business day, the platform will post the necessary flows, valuation changes, and performance impacts to the business date that precedes the trade date.

The exception to this logic is a situation where the last business date falls in the previous month, for example, a trade date of Saturday, 4/1/17. Rather than post the impacts of that transaction to 3/31/17, the platform will post it to the next business day, 4/3/17.

Getting Started – User Permissions

Once your Black Diamond representative has enabled your firm for access to Alternative Investments, the next step is to set user-level permissions. The Black Diamond wealth platform uses role-based permissions to allow each firm to control what users can see and do.

All of the Role permissions related to the management of Alternative Investments are included in the Data Management app.



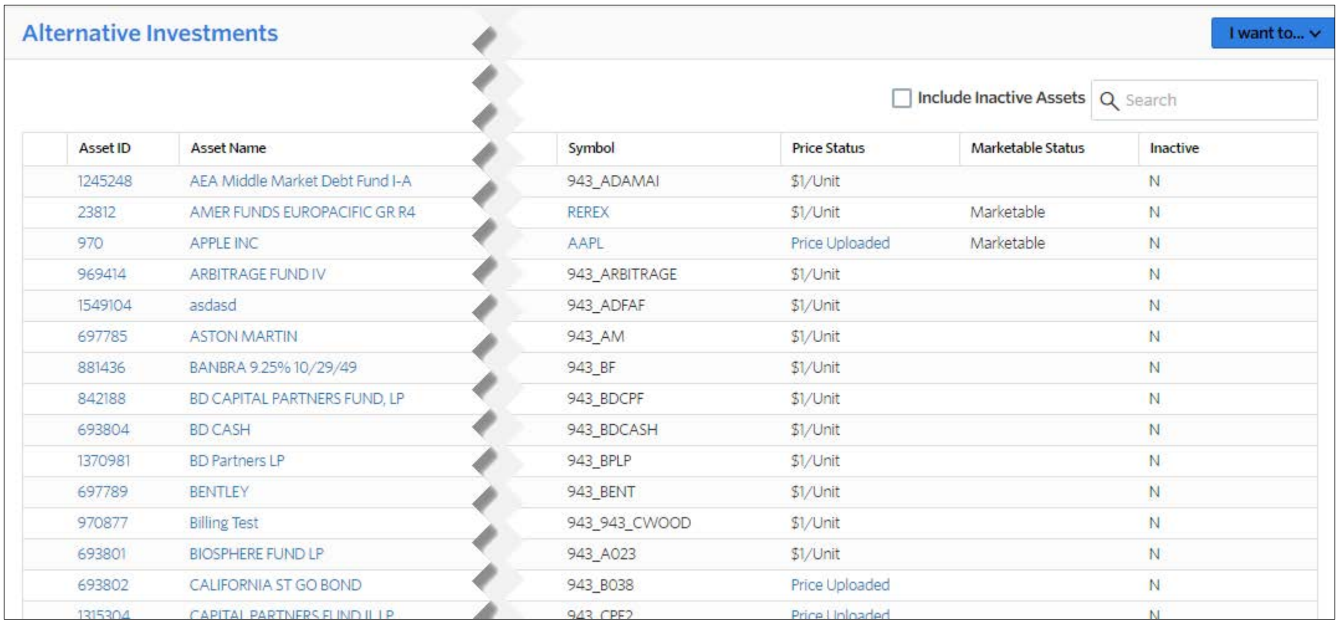
- Set **Alternative Investments** to Full Access: This permission allows the user to view and export all alternative securities detail, including pricing and valuations. It also allows the user to create and edit alternative transactions from the Transactions page and use bulk upload processes.
- Along with Full Access to Alternative Investments, the following permissions confer expanded access:
  - **Alternative Pricing**: Full Access allows the user to create and update prices for alternative securities
  - **Alternative Security Setup**: Full Access allows the user to create alternative securities and edit their characteristics
- The following permissions are independent of access to Alternative Investments, but affect the user experience:
  - **Asset Classification**: Set to Full Access
  - **Asset Default Management**: Set to Full Access

- If these permissions are not set to Full Access, most of the fields on the Security Detail page will be view-only. The user will be unable to edit the asset classification or change the asset default tags (Billable, Supervised, and Discretionary status).
- A user who is enabled for Asset Classification and Asset Default Management will have this status for all assets, not just alternative investments.

Alternative Investments Main Page

The Alternative Investments page provides a centralized area to manage a firm's alternative securities. **Alternative Investments** is part of the Data Management app.

The page presents a list of the firm's alternative securities and a menu to manage them.



Asset ID	Asset Name	Symbol	Price Status	Marketable Status	Inactive
1245248	AEA Middle Market Debt Fund I-A	943_ADAMAI	$1/Unit		N
23812	AMER FUNDS EUROPACIFIC GR R4	REREX	$1/Unit	Marketable	N
970	APPLE INC	AAPL	Price Uploaded	Marketable	N
969414	ARBITRAGE FUND IV	943_ARBITRAGE	$1/Unit		N
1549104	asdasd	943_ADFAF	$1/Unit		N
697785	ASTON MARTIN	943_AM	$1/Unit		N
881436	BANBRA 9.25% 10/29/49	943_BF	$1/Unit		N
842188	BD CAPITAL PARTNERS FUND, LP	943_BDCPF	$1/Unit		N
693804	BD CASH	943_BDCASH	$1/Unit		N
1370981	BD Partners LP	943_BPLP	$1/Unit		N
697789	BENTLEY	943_BENT	$1/Unit		N
970877	Billing Test	943_943_CWOOD	$1/Unit		N
693801	BIOSPHERE FUND LP	943_A023	$1/Unit		N
693802	CALIFORNIA ST GO BOND	943_B038	Price Uploaded		N
1315304	CAPITAL PARTNERS FUND II LP	943_CPF2	Price Uploaded		N

Select any security from the list or make a selection from the dropdown ("I want to") menu:

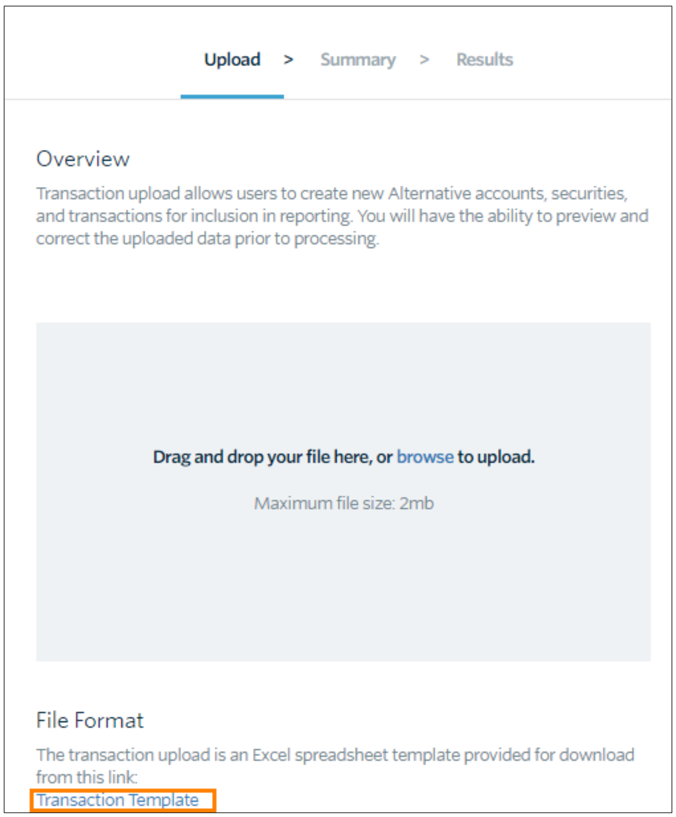
- Create Alternative Security
- Export Alternative Securities
- Export Prices
- Manage Actual Valuations
- Manage Estimate Valuations
- View/Edit Transactions
- Upload Actual Valuations
- Upload Pricing
- Upload Transactions

Selecting a security from the list will open its Security Detail page.

Upload Transactions

Use the **Upload Transactions** workflow to create new alternative investment accounts, securities, or transactions. Transactions can only be loaded to an alternative investment account, not to a custodial account that is reconciled by Black Diamond.

Black Diamond processes the uploaded transaction data to create new transactions, create and classify new securities, and create new accounts. This data is reported on the Black Diamond wealth platform and in reports. An uploaded transaction automatically triggers a recalculation of the returns for the affected account back to its earliest transaction date.



The user creates the upload file using an Excel spreadsheet template that is downloaded from the **Upload Transactions** page. That page also includes instructions for completing the template. The page lists the file column headers and character limits along with instructions on how to upload and process your file.

Column headers within the template must not be changed although unused (optional) columns can be deleted. If the user tries to upload a template that is missing required information, they will see one or more warning messages on the Upload page.

The upload can include marketable securities. One of the required fields in the template is the **Marketable** field; enter TRUE in this field if loading a marketable security that will be rolled up with the same security in a custodial account.

The template includes optional fields for **Class** and **Segment**. If these fields are left blank for a given transaction that is creating a new asset, the asset will be auto-assigned as "Unclassified." If the transaction is for an existing asset that has already been classified, no further action is needed. If the user's Role does not include Full Access to Asset Classification, any new assets will be auto-assigned as "Unclassified."

Once the file has been uploaded, the user is directed to the Transaction Summary page where validation messages are highlighted in red and can be addressed right on the page. The user can edit or remove a transaction prior to processing.

The Transaction Summary page orders the data provided by Account Number, Symbol, and Trade Date. The platform calculates Ending Value and Daily Return for the uploaded holdings. If loading multiple transactions on a holding for a single trade date, the platform considers the impact of each transaction. For priced securities, the platform calculates values using the most recent "as of" trade date.

If any edits are made, use the **Revalidate** button to re-check for any validation impacts. A user can decide to continue processing without updating an invalid row; that row will be excluded from processing.

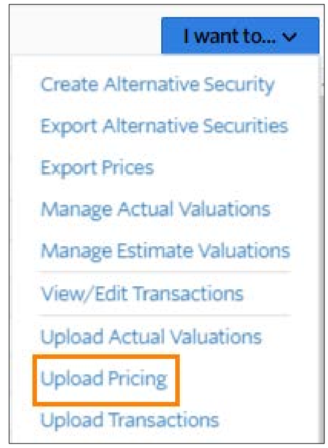
Possible Duplicate Transactions are listed for review. If a duplicate transaction should not be loaded, its details can be modified on the Summary page. If the current upload will cause any Duplicate Valuation Transactions to be inactivated, these are listed on the Summary page. Logic allows one active valuation transaction per day for a given security.

Finally, the Summary page lists any Transactions, Accounts, and Securities that will be created as a result of the Transaction Upload.

Select **Process** to proceed with the upload. Account Market Values will be recalculated using the transaction data provided. When processing is complete, the **Results** page presents a brief summary of all activity. Select **Done** on the Results page to open the Bulk Maintenance Upload Archive. Use the **Export** function to send details of the executed data to an Excel spreadsheet. The upload can also be deleted from the Bulk Maintenance page.

Upload Pricing

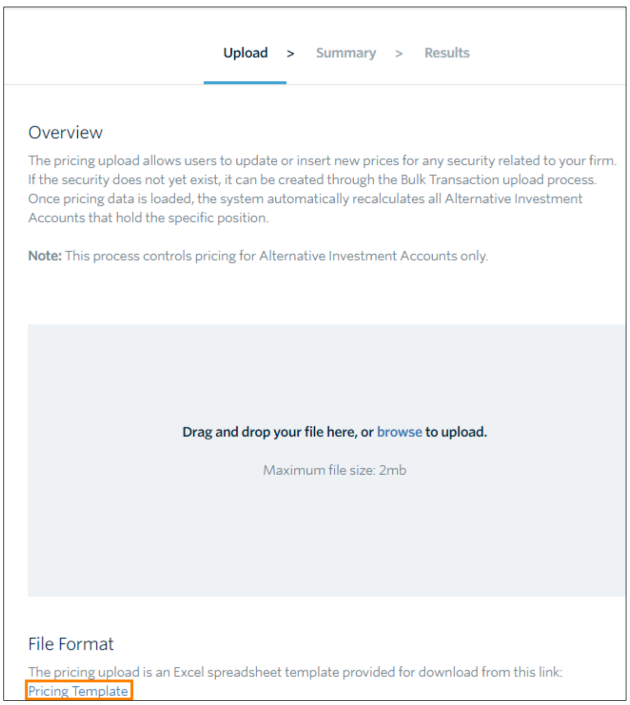
Use the **Upload Pricing** workflow to update or insert new prices for an alternative security held by your firm. If the security does not yet exist, it can be created through the **Upload Transactions** workflow.



Individual securities can also be created from within the **Transactions** workflow or by choosing **Create Alternative Security** from the main menu.

The price for an alternative security must initially be created through a bulk upload. This process updates the price status from the default *$1/Unit* to a status of *Price Uploaded*. That changes the asset's status from *non-unitized* to *unitized*.

The Price of an existing asset can be changed on its Security Detail page using the **Manage Pricing** function.



The user creates the upload file using an Excel spreadsheet template that is downloaded from the **Upload Pricing** page. That page also includes instructions for completing the template. The page lists the file column headers and character limits along with instructions on how to upload and process your file.

The template includes a group of required fields: Symbol, PriceDate, ClosePrice, and SecurityType. The **Marketable** field in the template is optional; enter TRUE in this field if loading a marketable security. This will set up the asset to be rolled up with the same security in a custodial account.

Column headers within the template must not be changed, but unused (optional) columns can be deleted. If the user tries to upload a template that is missing required information, they will see one or more warning messages on the Upload page.

Once pricing data is loaded, the platform automatically recalculates all Alternative Investment accounts that hold the position, back to each account's earliest transaction date. Affected accounts are all accounts that have ever held that security.

Once the file has been uploaded, the user is directed to the **Summary** page where validation messages are highlighted in red and can be addressed right on the page. The user can edit or remove a pricing update prior to processing. If any edits are made, use the **Revalidate** button to re-check for validation impacts.

Note: A common validation exception for firms using marketable securities is "Invalid Asset." This exception will appear if the uploaded spreadsheet included "TRUE" in the Marketable field for a non-marketable security. The user need only uncheck the "Marketable" box and revalidate to resolve the exception. *In the reverse situation, uncheck the box to designate a Non-Marketable asset as Marketable.*

The user can continue on to the processing step without resolving invalid updates; those prices will be held back from processing.

Finally, the Summary page lists any Prices that will be created as a result of the Price Upload.

Select **Process** to proceed with the upload. Account Market Values will be recalculated based on the price data provided. When processing is complete, the **Results** page presents a brief summary of all activity. Select **Done** on the Results page to open the Bulk Maintenance Upload Archive. Use the **Export** function to send details of the executed data to an Excel spreadsheet.

Role Permissions

Data Management App = ON

Alternative Investments = Full Access

Alternative Pricing = Full Access

Firm administrators automatically have full access.

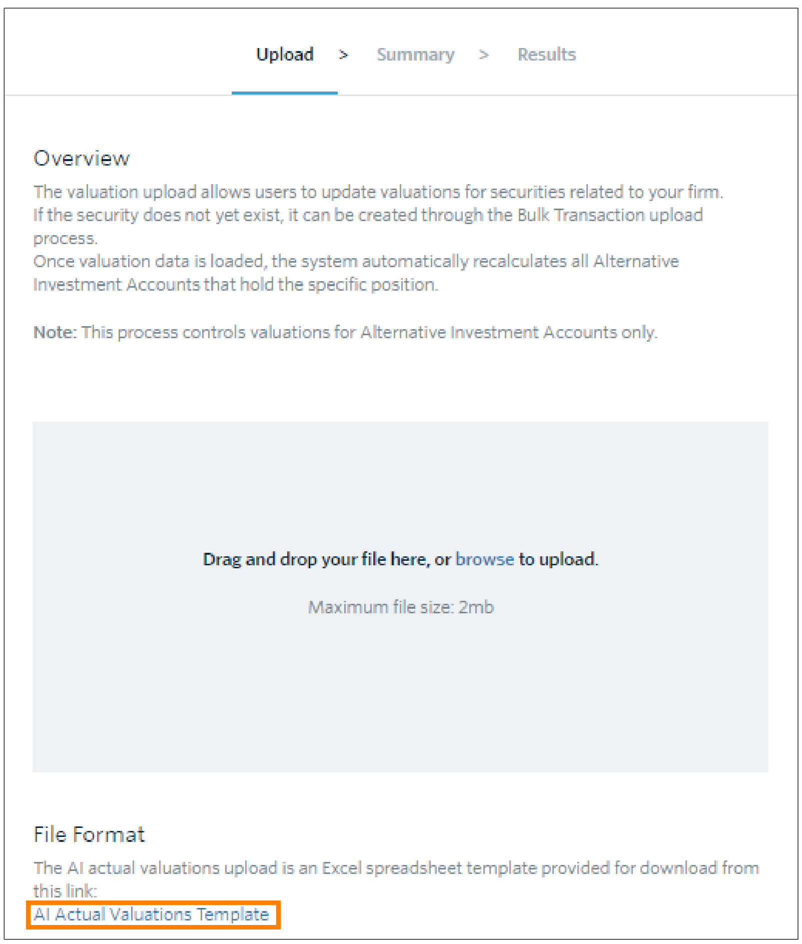
Please Note: Firm users who do not have "All Accounts Access" can be given access to Alternative Pricing, but they can only process prices for securities held in accounts to which they have access. Black Diamond recommends that only "All Accounts Access" users be granted permission for Alternative Pricing.

Upload Actual Valuations

Use the **Upload Actual Valuations** workflow to update valuations for alternative investment securities. If a security does not exist, it can be created using the **Upload Transactions** workflow. Once valuation data is loaded, the platform automatically recalculates all alternative investment accounts that hold the position.

The user creates the upload file using an Excel spreadsheet template that is downloaded from the **Upload Actual Valuations** page. That page also includes instructions for completing the template. The page lists the file column headers and character limits along with instructions on how to upload and process your file.

Column headers within the template must not be changed although unused (optional) columns can be deleted.



All fields in the Actual Valuations template are required fields. The field names, descriptions, and character limits are listed on the Upload page.

Once the file has been uploaded, the user is redirected to the Summary page where validation messages that need to be addressed are highlighted in red. The user can continue without updating the problem rows, which will exclude this data from processing. All valid data will be processed.

The Summary page displays the data uploaded in the file plus the beginning market value, net additions, and the recalculated return percentage for the holding on the return date of the valuation. This page reorders the data by Account Number, Symbol, and Trade Date to accommodate handling multiple valuations on a single holding for multiple return dates.

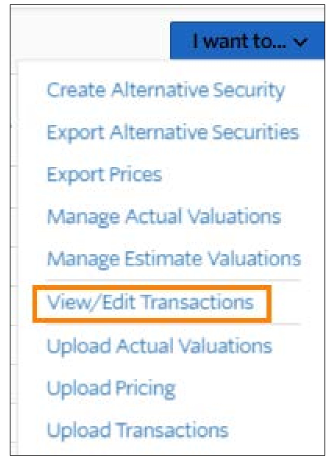
From the Summary page, the user can elect to remove valuation transactions before processing or can edit the data prior to execution. If any edits are made, the user must **Revalidate** to check for any possible validation impacts. This will also recalculate the return percentage based on the changes made.

When processing is complete, the **Results** page presents a brief summary of all activity. Select **Done** on the Results page to open the Bulk Maintenance Upload Archive. Use the **Export** function to send details of the executed data to an Excel spreadsheet.

Once Valuation has been loaded for an alternative investment (non-unitized), it can be updated by opening the Security Detail page for the asset. Select **Manage Actual Valuations** from the menu on the Detail page.

View/Edit Transactions and Clone Transactions

Once transactions have been uploaded to Black Diamond, they can be edited by an authorized user.

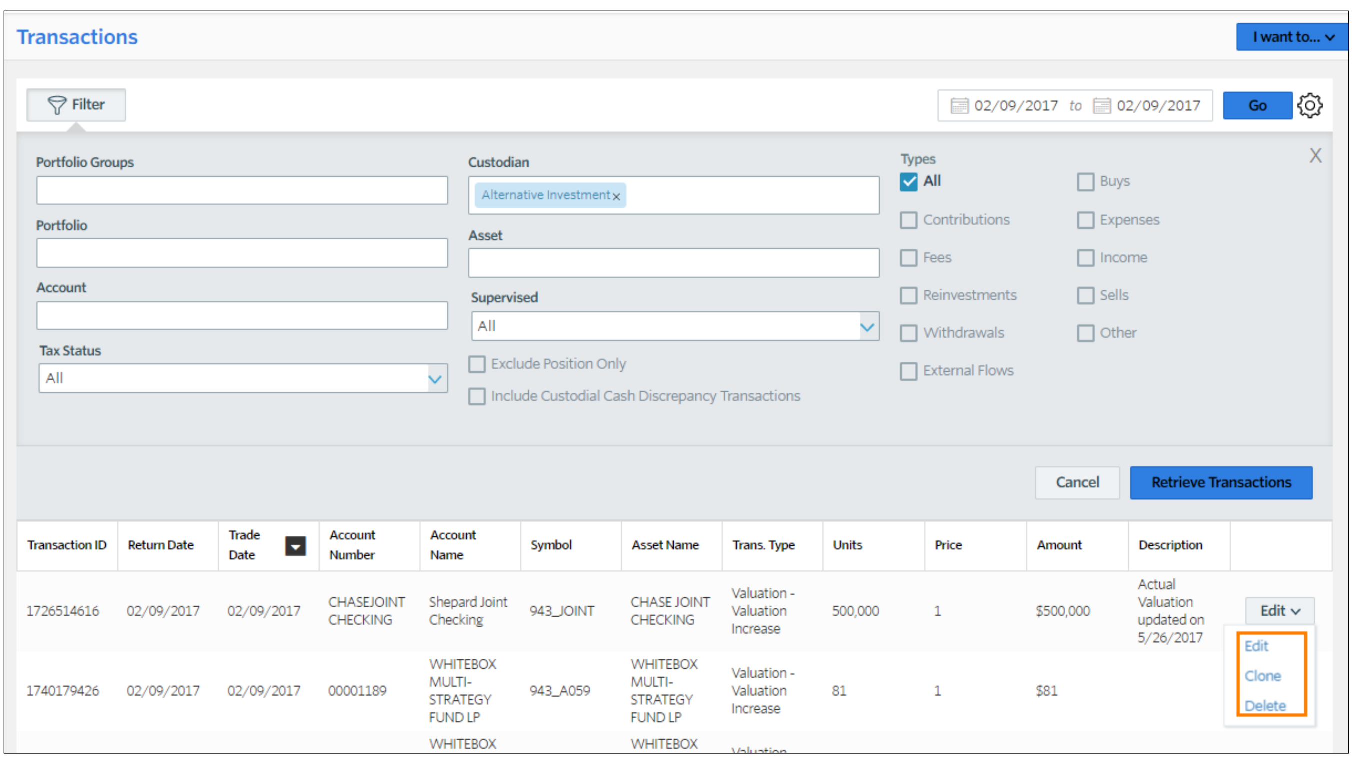


Select **View/Edit Transactions** to open the Transaction Filters dialog with the Custodian field auto-set to “Alternative Investments.” After adjusting the filters and setting the date range, select **Retrieve Transactions** to open the Transactions page.

When the user selects **View/Edit Transactions** from any Security Detail page, the Transaction Filters dialog will auto-complete with both the Custodian and Asset filters.

On the Transactions page, select **Edit** or **Clone** from the dropdown list at the end of any row. The dropdown also includes a **Delete** option for that transaction. (N.B.: The Delete function is only available for alternative investment transactions.)

When the **Clone** function is selected, it opens a Transactions page that is pre-populated with the Account Number, Symbol, and Activity Type (Activity Type based on the original transaction).



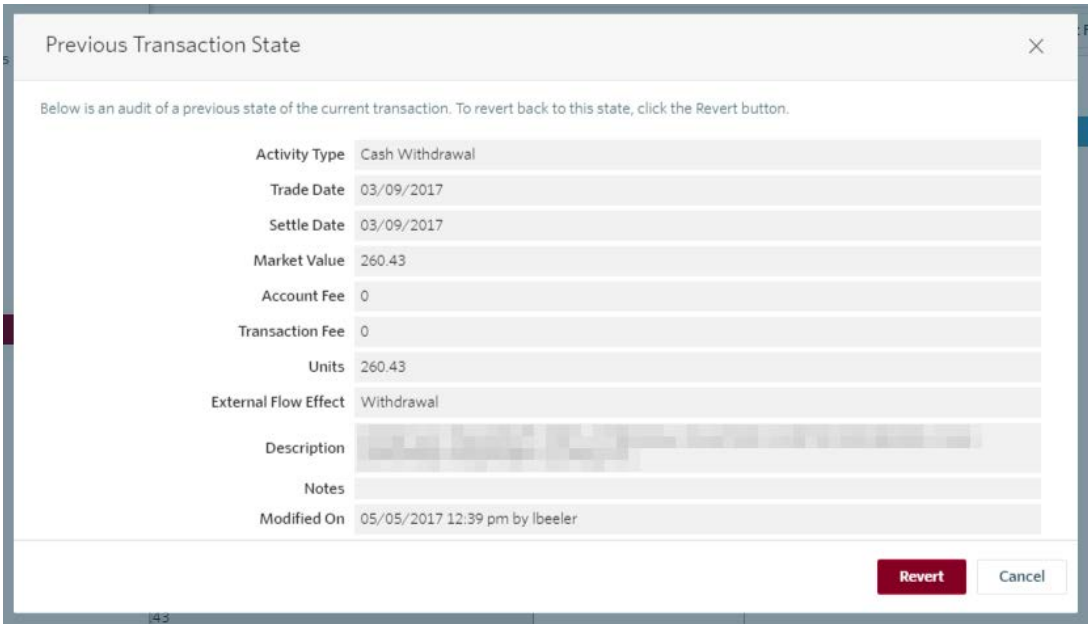
The following fields can be edited:

- Activity Type – A dropdown list of available transaction types and their associated activity type codes. An edit to the Activity Type will insert or remove tax lots, as appropriate, based on the change.
- External Flow Effect – To change the external flow effect, the user must update the transaction's Activity Type
- Contra Account – Search for accounts to tag to the transaction for intra-portfolio reporting. **This field is only available when the transaction has an external flow effect.**
- Trade Date – Trade date of the transaction; this date will also correlate with the open date of a related tax lot, if applicable
- Settle Date – Settlement date of the transaction
- Market Value – Total value of the transaction inclusive of transaction fees, if applicable
- Transaction Fee – Sum of all transaction fees associated with the trade
- Units – Total Quantity related to the trade. For non-unitized securities (priced at $1/unit), this should always be the same as Market Value. If Units value does not match Market Value, the user will be warned to correct the situation so the transaction edit can proceed.
- Description – Enter a description of the transaction
- Notes – Optional field

The following fields cannot be edited:

- Account Number
- Symbol
- Return Date – The business day on which the transaction activity will post for performance impact. Business date logic applies when the trade date falls on a non-business day.
- Account Fee – This box will be checked when the Activity Type for the transaction is tagged as a fee. These transactions will impact Net of Fee performance. To change the account fee effect, the user must update the Activity Type for the transaction.
- Price – Execution price provided when the transaction was uploaded. If not provided, the price is derived based on (Market Value +/– Transaction Fees)/Units.
- Modified by – Last user to edit the transaction
- Modified Date – Date and time of the last transaction edit

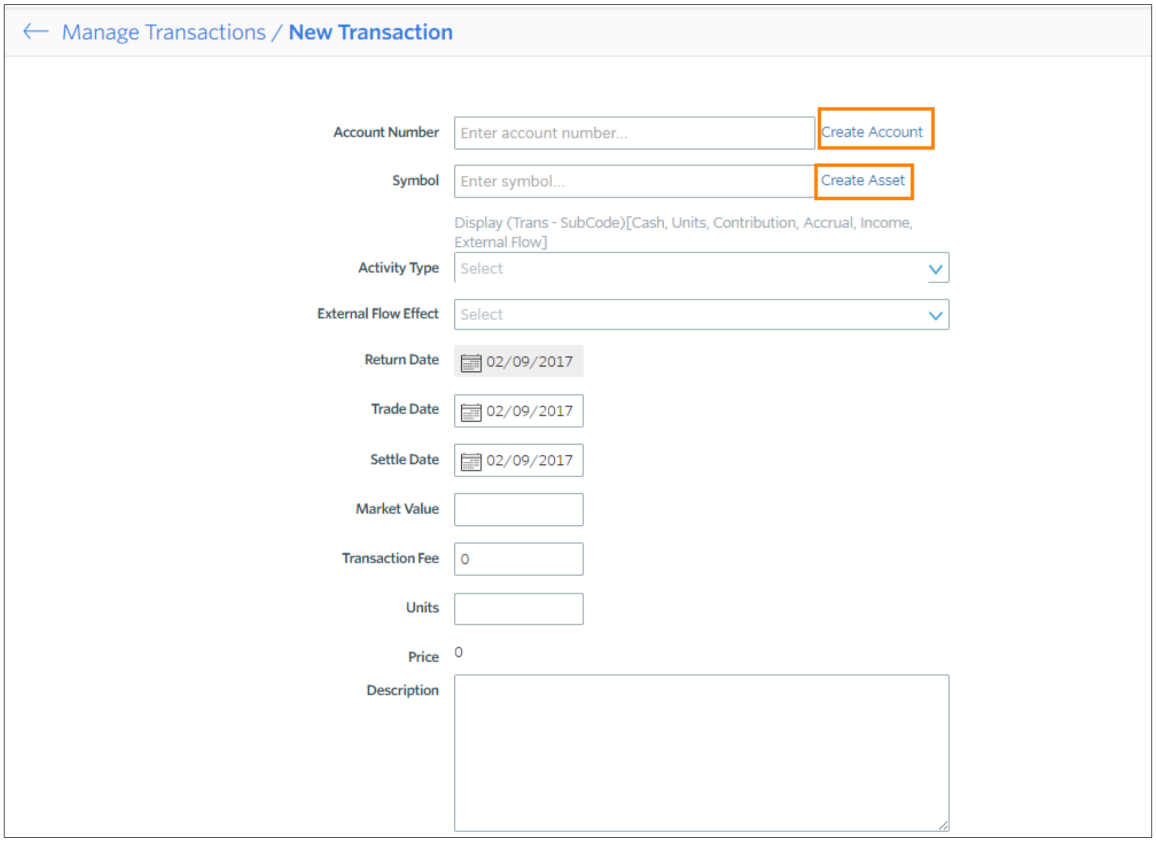
Whenever a transaction is edited, a Previous Transaction state is stored and available in the right pane of the Edit Transaction page. Select the date/timestamp of any Previous Transaction to open a dialog box and review its details.



Create a New Transaction

An authorized user can create a new transaction directly from the **Transactions** user interface. Select **Create Alternative Transaction** to open the **New Transaction** page.

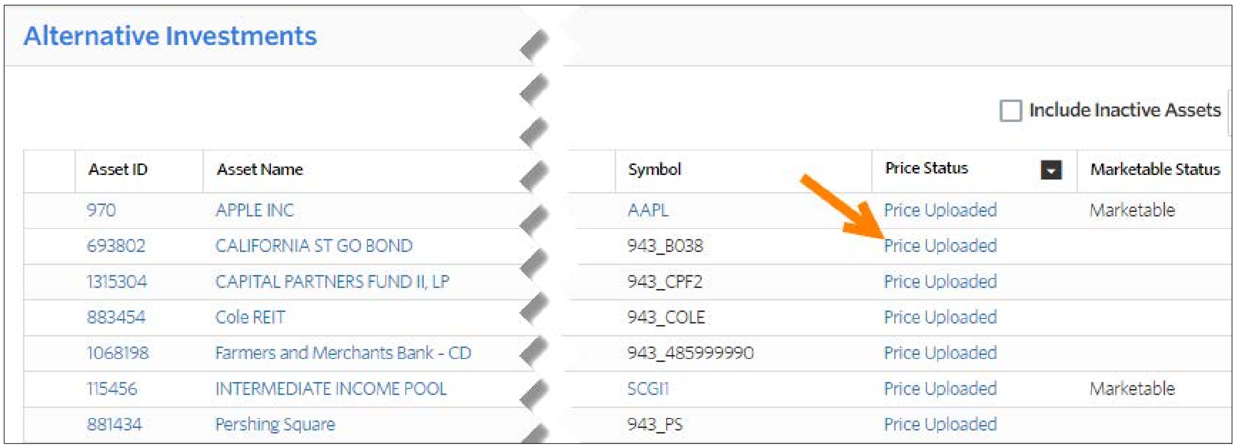
This page also provides functionality to create a new Alternative Investment Account and/or a new Asset along with the new Transaction. This allows the user to bypass the bulk upload process when working with a single security

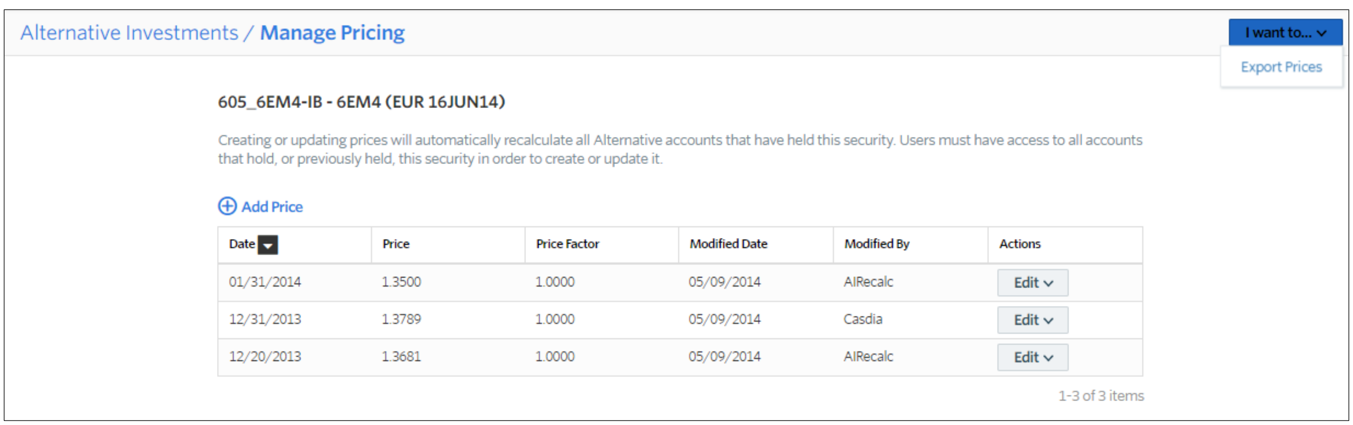


Manage Pricing

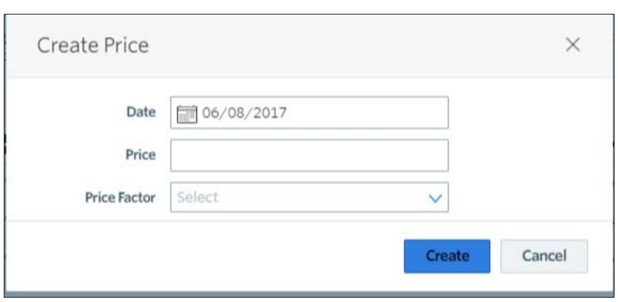
Once an initial price has been uploaded for an asset, the platform updates its status from non-unitized ($1 per Unit) to unitized. Although prices can be updated using a bulk upload, users can also update prices directly on the platform.

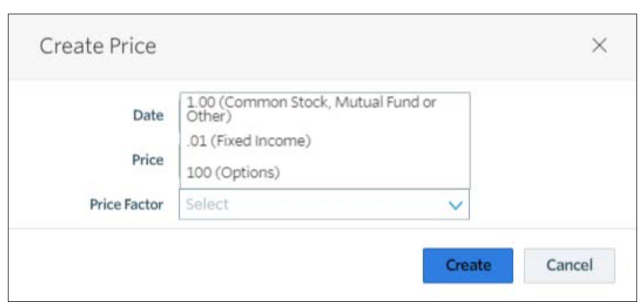
On the main Alternative Investments list page, select the *Price Uploaded* link in the Price Status column to open the **Manage Pricing** page for that asset.



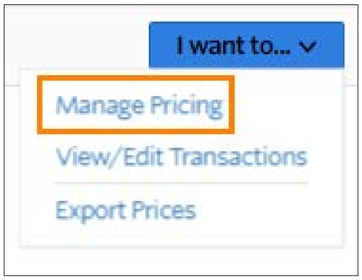


Select **Add Price** to open a dialog and enter a new price and date for the asset. Select a Price Factor based on issue type.





The same result is available from the Security Detail page for a priced asset. From the main Alternative Investments list page, click on the name of any security to access its Details page. If the asset has an associated price, the page menu will include an option to **Manage Pricing**.



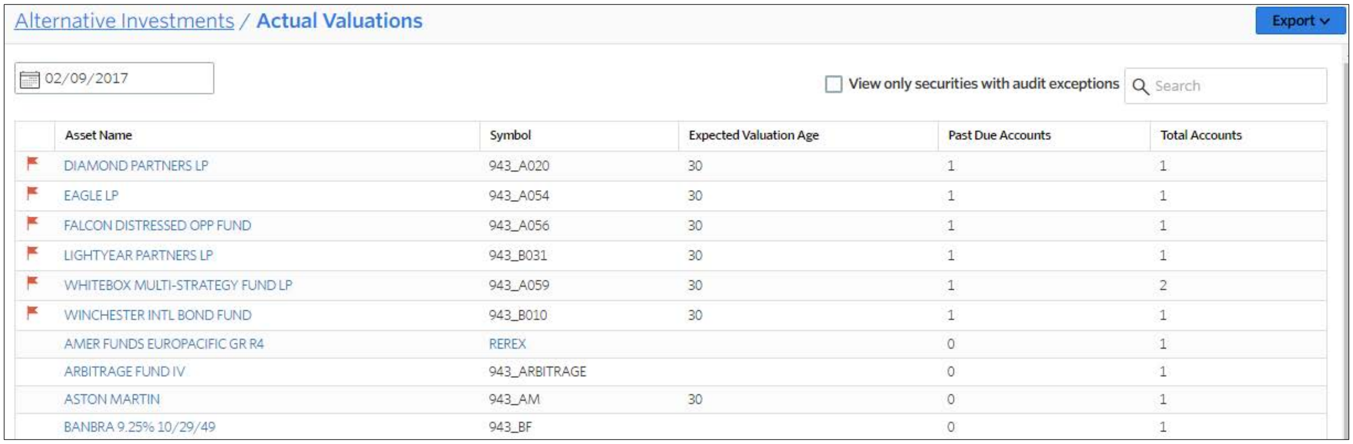
User Permissions

If a user has access to Alternative Investments, but not to Alternative Pricing, they can view and export asset prices, but cannot create a new price or edit an existing price. The menu on the Security Details page will include only an **Export Prices** link.

Manage Actual Valuations

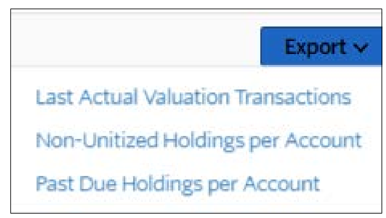
The actual valuation for an individual holding can be updated without a bulk price upload.

Select **Manage Actual Valuations** from the main menu to open the Actual Valuations page. The list page includes a Valuation Audit flag that highlights assets that are overdue for a valuation update. The Valuation Audit applies only to non-unitized securities for which the user has entered an Expected Valuation Age.



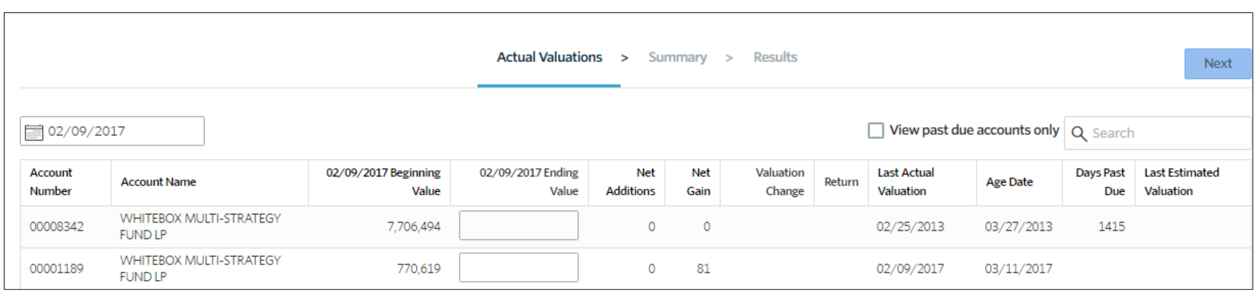
Asset Name	Symbol	Expected Valuation Age	Past Due Accounts	Total Accounts
DIAMOND PARTNERS LP	943_A020	30	1	1
EAGLE LP	943_A054	30	1	1
FALCON DISTRESSED OPP FUND	943_A056	30	1	1
LIGHTYEAR PARTNERS LP	943_B031	30	1	1
WHITEBOX MULTI-STRATEGY FUND LP	943_A059	30	1	2
WINCHESTER INTL BOND FUND	943_B010	30	1	1
AMER FUNDS EUROPACIFIC GR R4	REREX		0	1
ARBITRAGE FUND IV	943_ARBITRAGE		0	1
ASTON MARTIN	943_AM	30	0	1
BANBRA 9.25% 10/29/49	943_BF		0	1

The user can change the date within the calendar (top left of the page) to update the trade/return date for the valuation change. They can also set a quick filter to view only accounts that are past due for valuation. Use the search box to find a specific account by name or number.



Use the Export menu on the list page to save data to an Excel spreadsheet.

Select a security from the list to open its valuation management page. The page will list any account that holds this security, on the selected date, with a beginning value greater than $0.



Account Number	Account Name	02/09/2017 Beginning Value	02/09/2017 Ending Value	Net Additions	Net Gain	Valuation Change	Return	Last Actual Valuation	Age Date	Days Past Due	Last Estimated Valuation
00008342	WHITEBOX MULTI-STRATEGY FUND LP	7,706,494		0	0			02/25/2013	03/27/2013	1415	
00001189	WHITEBOX MULTI-STRATEGY FUND LP	770,619		0	81			02/09/2017	03/11/2017		

The following data is provided for the user when inserting valuations:

- Account Number
- Account Name
- Beginning Value (for the selected trade/return date)
- Ending Market Value (for the selected date) – **Insert the full valuation amount**

- Net Additions
- Net Gain
- Valuation Change – This field updates dynamically based on the Ending Value amount
- Return – This field updates dynamically; the calculation respects the firm's selected cash flow timing
- Age Date – The due date for the next valuation update; it is based on the valuation age set for the security and the previous valuation date
- Days Past Due – the valuation is not past due until one calendar day following the Age Date
- Last Estimated Valuation

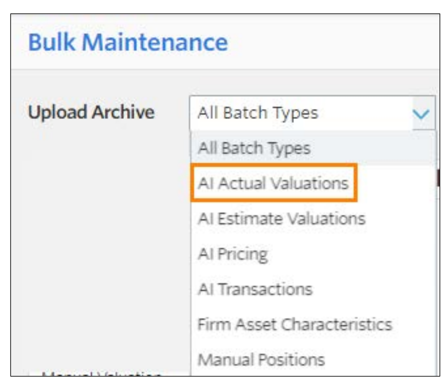
Once manual updates have been inserted, select **Next** to be directed to the **Summary** page. This page displays any messages related to invalidation of duplicate valuations as well as a breakdown of all the valuation transactions that will be created. The user can choose to remove valuation transactions from processing or can edit the data prior to execution. If any edits are made, select **Revalidate** to update the summary page for any possible validation impacts. Select **Process** to create the transactions.

The **Display Optional Fields** checkbox on the Summary page will populate view-only fields for Return Date, BMV, and Net Additions. It also includes the optional template fields in an editable state.

Once processing is complete, the Results page presents the user with a brief summary of what was processed. Select **Done** to navigate back to the Actual Valuation page.

Manage Actual Valuations is also available as a menu option from the security detail page for a non-unitized security.

Bulk Maintenance (part of the Data Management app) tracks the status of all uploads. The Upload Archive includes a filter to view the status of all job types. The results of any upload can be Exported or Deleted on the main Bulk Maintenance page. Bulk Maintenance must be enabled at the firm level by a Black Diamond representative.



When exporting actual or estimated valuation from the Bulk Maintenance page, the data exported is affected by whether or not the valuation was completed. If the Status column shows that the valuation was "Completed," the export will send details of the executed data to an Excel spreadsheet.

Expected Valuation Age

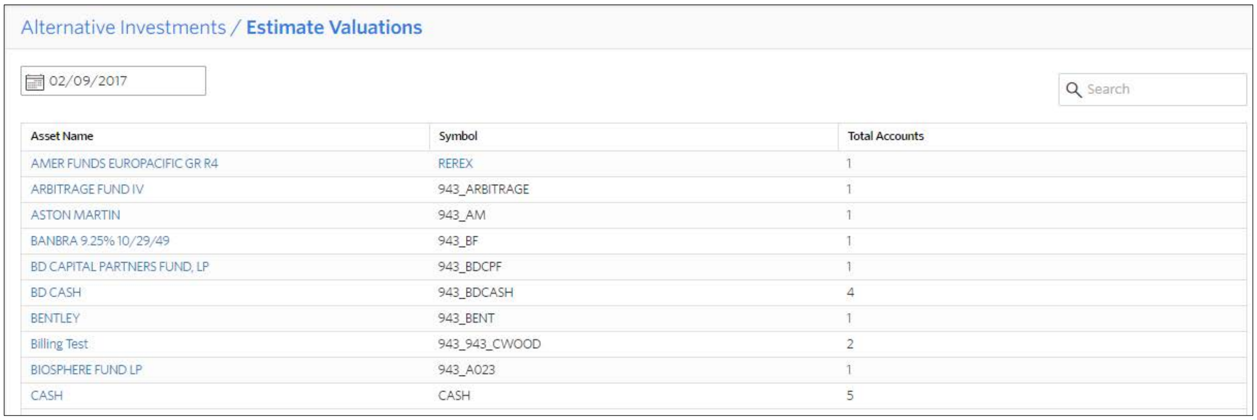
The Security Detail page for a non-unitized asset (priced at $1/unit) includes a field for the Expected Valuation Age of the asset (in Days). The same information appears in the Security Master record for that asset.

Expected Valuation Age must be manually entered into the asset record on the Security Detail page or in Security Master. If no Expected Valuation Age is entered, there will be no valuation audit for that asset and no “past due” status.

Manage Estimate Valuations

The Estimate Valuation workflow allows a performance estimate to be applied to a designated security in all accounts that hold that security.

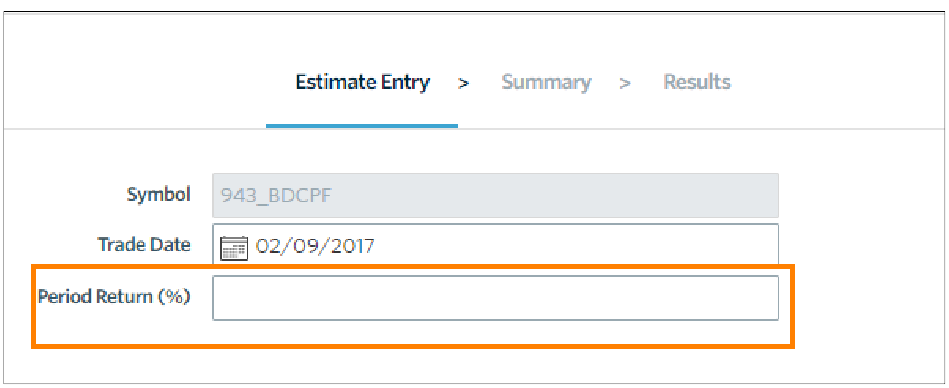
Select **Manage Estimate Valuations** from the main menu to open the Estimate Valuations page. The page lists all non-unitized securities (priced at $1 per unit) that are held in at least one account based on the selected date. The Total Accounts column on the page reflects the number of accounts in which the security is held, based on the user's account access.



Asset Name	Symbol	Total Accounts
AMER FUNDS EUROPACIFIC GR R4	REREX	1
ARBITRAGE FUND IV	943_ARBITRAGE	1
ASTON MARTIN	943_AM	1
BANBRA 9.25% 10/29/49	943_BF	1
BD CAPITAL PARTNERS FUND, LP	943_BDCPF	1
BD CASH	943_BDCASH	4
BENTLEY	943_BENT	1
Billing Test	943_943_CWOOD	2
BIOSPHERE FUND LP	943_A023	1
CASH	CASH	5

The user can change the date within the calendar (top left of the page) to update the trade/return date for the valuation change. Use the search box to find a specific account by name or number.

Select a security from the list to open the Estimate Entry page. Insert a period return percentage value for the security. The valuation change is derived based on the security's value at the start of the day multiplied by the period return value. Select **Next** at the top right of the page to advance to the bulk summary page.



The bulk summary page displays any messages related to invalidation of duplicate valuations as well as a breakdown of all the valuation transactions that will be created. The user can choose to remove valuation transactions from processing or can edit selected data prior to execution. If any edits are made, select **Revalidate** to update the summary page for any possible validation impacts.

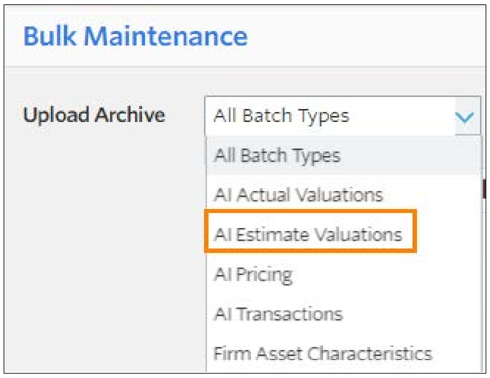
The **Display Optional Fields** checkbox on the Summary page will populate view-only fields for Return Date, BMV, and Net Additions. It also includes the optional template fields in an editable state.

Select **Process** to create the transactions. The estimate valuation processing calculates the ending market value (Full Valuation) and the estimate transaction amount (Valuation Change). It determines the Activity Type of the estimate valuation change based on the percentage return provided.

Once processing is complete, the Results page presents the user with a brief summary of what was processed. Select **Done** to navigate back to the Estimate Valuation page.

Manage Estimate Valuations is also available as a menu option from the security detail page for a non-unitized security.

Bulk Maintenance (part of the Data Management app) tracks the status of all uploads. The Upload Archive includes a filter to view the status of all job types. The results of any upload can be Exported or Deleted on the main Bulk Maintenance page.



When exporting actual or estimated valuation from the Bulk Maintenance page, the data exported is affected by whether or not the valuation was completed. If the Status column shows that the valuation was "Completed," the export will send details of the executed data to an Excel spreadsheet.

Create Alternative Security

A permissioned user can create a new alternative security directly via the user interface. This workflow is appropriate for the addition of one or two new securities. For a larger number, use the bulk upload workflow to upload transactions and simultaneously create new securities and, if necessary, new accounts.

When the user selects **Create Alternative Security*** from the main Alternative Investments menu, it opens a dialog that creates a "shell" record for the asset. That record will include a Symbol and Long Name (both required) for the asset with an option to include a Short Name.

* If the user's role does not include permission for Alternative Security Setup, they will not see the **Create Alternative Transaction** function.

This asset record does not become an alternative holding until at least one transaction is created for it. Transactions can be uploaded in bulk or a new transaction can be added via the user interface.

If an asset record has already been created, select **Transactions** from the Data Management app menu. On the **Transactions** page, select **Create Alternative Transaction.** The New Transaction page includes options to create both a new alternative investment asset and a new account.

Role Permissions

Data Management App = ON

Alternative Investments = Full Access

Alternative Security Setup = Full Access

Firm administrators automatically have full access.

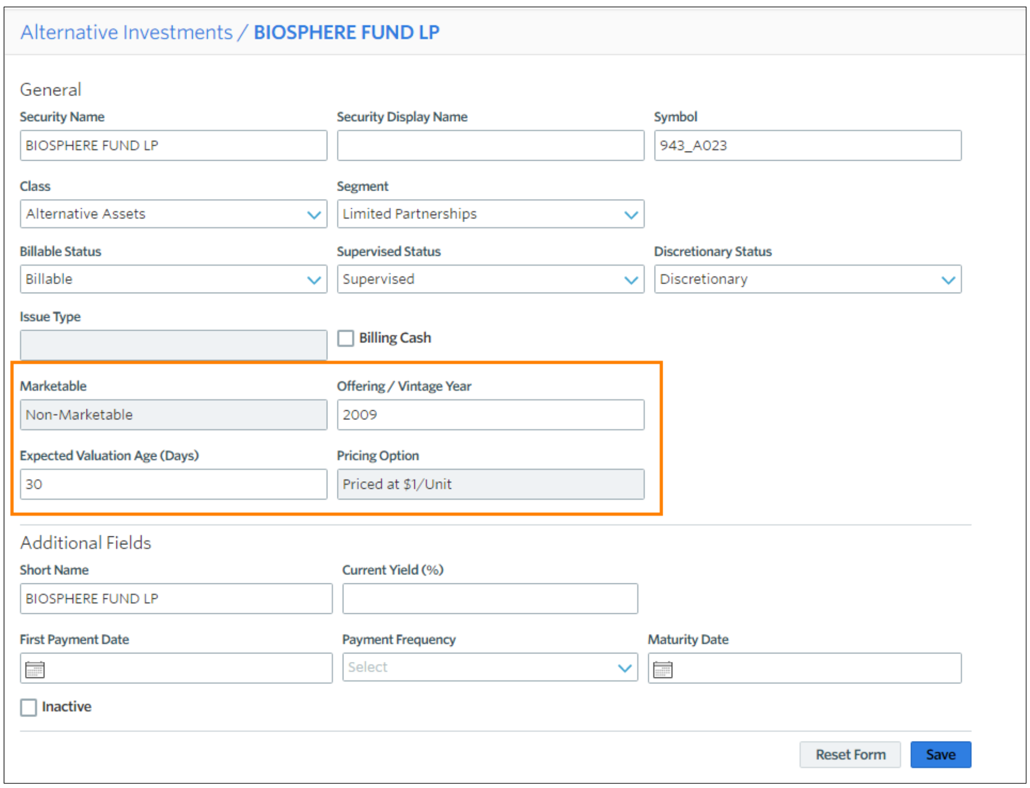
Security Detail

The Security Detail page for an individual asset presents a group of information fields that can be edited by permissioned users. Some of these fields are populated by the Transaction Upload for the security, while others are derived from the firm's schema and asset default tags.

Select any asset from the main Alternative Investments list page to open its detail page. The same fields will also appear in the Security Master record for the asset.

Securities that are tracked on the Alternative Investments platform will always display the following fields:

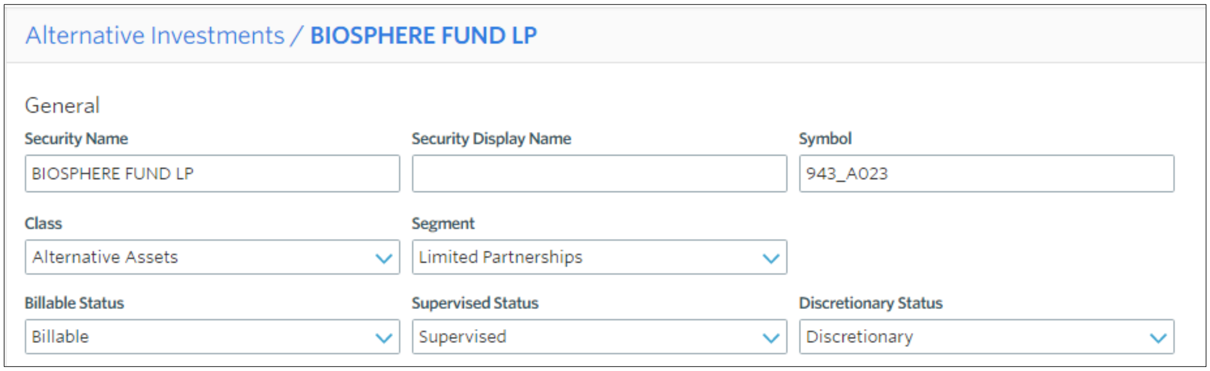
- Marketable Status
- Offering/Vintage Year
- Expected Valuation Age
- Pricing Option



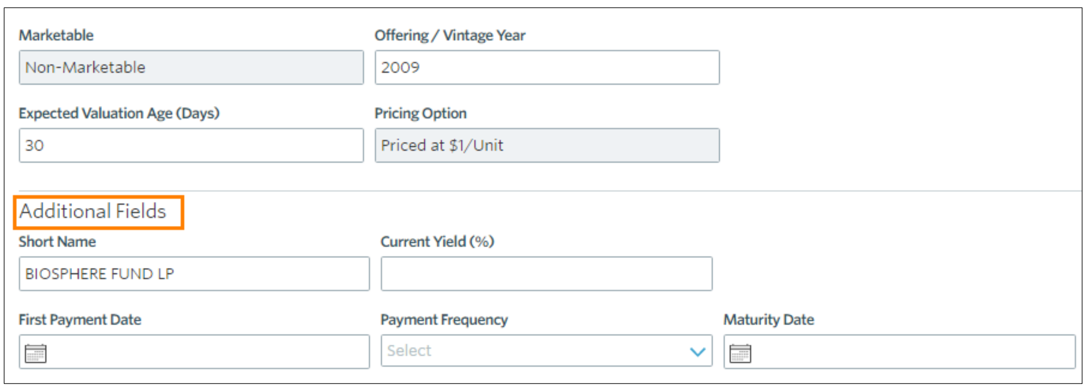
The **Marketable** and **Pricing Option** fields are derived from the Transaction upload for the asset. Offering/Vintage Year and Expected Valuation Age are optional and must be entered manually.

In the screenshot below, the Class, Segment, and Status fields (Billable, Supervised, and Discretionary) are all editable.

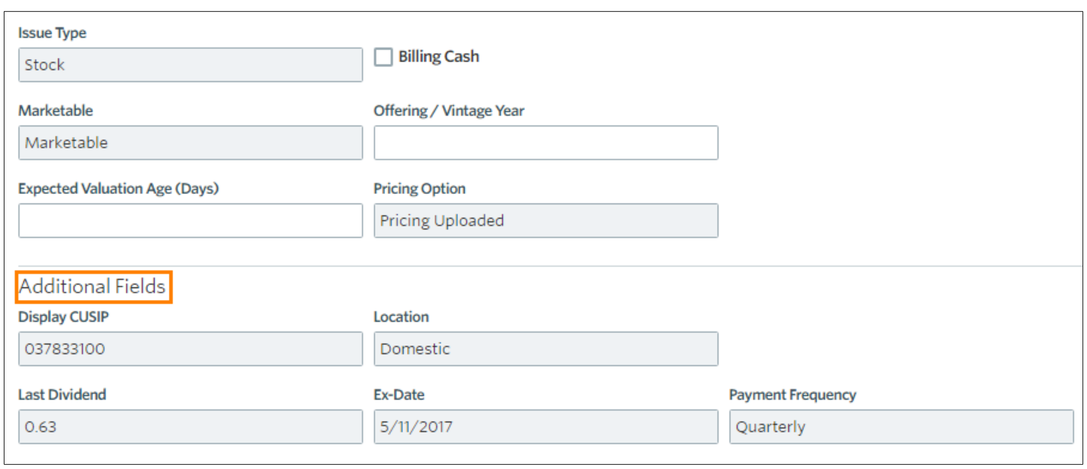
- If the user is assigned to a Role without Full Access to Asset Classification, the Class and Segment fields will be view-only.
- If the user is assigned to a Role without Full Access to Asset Default Management, the asset Status fields will be view-only.



When an alternative asset is classified as Non-Marketable, the Additional Fields at the bottom of the Security Detail page can be edited.



When an alternative asset is classified as Marketable, the data in the Additional Fields is supplied by a third party (IDC) and cannot be edited. The Additional Fields will vary by Issue Type.



Navigation Options from the Security Detail Page

On the Security Detail page <u>for a non-unitized security</u>, use the function menu to navigate to the following pages:

- Manage Actual Valuations
- Manage Estimate Valuations
- View/Edit Transactions
- Export Holdings per Account
- Export Past Due Holdings per Account
- Export Last Valuation Transaction

The Security Detail page <u>for a unitized security</u> (price uploaded) includes the following options:

- Manage Pricing
- View/Edit Transactions
- Export Prices

Export Summary

The user can export alternative investment data from a number of areas within the platform. Here is a summary:

From the main Alternative Investments menu:

- Export Alternative Securities
- Export Prices

From the Security Detail page for a non-unitized asset (priced at $1/unit):

- Export Holdings per Account
- Export Past Due Holdings per Account
- Export Last Valuation Transaction

From the Security Detail page for a unitized asset (price has been uploaded):

- Export Prices
- The Export Prices spreadsheet includes two tabs:
  - The first tab is “Prices” and includes all stored prices for a security
  - The second tab is “Last Price Audit” and includes only the last stored price for a security

From Manage Actual Valuations:

- Export Last Actual Valuation Transactions
- Export Non-Unitized Holdings per Account
- Export Past Due Holdings per Account

From Transaction Management:

- Export button sends all transactions to an Excel spreadsheet

Appendix A: Transaction Activity Type Table

Each alternative investments transaction must be assigned an Activity Type during the Transaction Upload. Each Activity Type may have one or more effects that impact the tracking and reporting for the security associated with the transaction. There are multiple Activity Types that result in the same effects, but will be displayed differently on the Black Diamond wealth platform (BD3) and in reports.

The Transaction Activity Type Table on the following pages lists all Activity Types and the effect each has on the related security. Activity Types are listed by row and Effects by column. An Effect of **1** represents an addition/increase, –**1** represents a withdrawal/decrease, and **0** means the effect does not apply to that Activity Type.

- **Unit Effect** – If Unit Effect = 1, the unit amount of a security is increased by the unit amount of the transaction. If = –1, the unit amount of a security is decreased by the unit amount of the transaction.
- **Contribution Effect** – If Contribution Effect = 1, the transaction amount is treated as a contribution to the security. If = –1, the transaction amount is treated as a withdrawal from the security.
- **Cash Effect** – If Cash Effect = 1, cash impact increases by the amount of the transaction. If = –1, cash impact decreases by the amount of the transaction.
- **External Flow Effect** – If External Flow Effect = 1, the transaction amount is treated as a contribution to the Account. If = –1, the transaction amount is treated as a withdrawal from the Account.
- **Accrual Effect** – If Accrual Effect = 1, the transaction amount is added to the accrued interest on the security, increasing its current value. If = –1, the transaction amount will be subtracted from the accrued interest on the security, decreasing its current value.
- **Income Effect** – Income Effect is used only to track and report income. If Income Effect = 1, the transaction amount is added to the total income of the security. If = –1, the transaction amount is subtracted from the total income of the security.
- **Advisor Fee Effect** – If Advisor Fee Effect = 1, the transaction amount is reflected as a management fee and will be applied to calculate the Net of Fee performance return at the account level.
- **ST Capital Gain/LT Capital Gain** – If ST or LT Capital Gain = 1, the Activity Type is tagged as a short- or long-term capital gain transaction.
- **Creates Tax Lot** – These transactions will automatically insert a tax lot with cost basis equal to the transaction market value.
- **Closes Tax Lot** – These transactions will automatically decrease or close out tax lots by the transaction amount.
- **Committed Capital** – These transactions will be summed to derive the total committed capital.
- **Capital Call** – These transactions will be summed to derive the total capital called.

- **Distribution** – These transactions will be summed to derive the total amount distributed.
- **Transaction SubType** – Reporting category for this Activity Type

The **Distribution** column in the table displays a **1** for the transaction types that are tagged as distribution for reporting purposes.

Due to the width of the table, it is broken into two sections with the same Activity Types represented in both. Half of the effects are covered on pages 1-3 and the other half on pages 4-6.

Activity Type	Unit Effect	Contribution Effect	Cash Effect	Ext Flow Effect	Accrual Effect	Income Effect	Advisor Fee Effect
Buy	1	0	-1	0	0	0	0
Buy of Accrued Interest	0	0	-1	0	1	0	0
Capital Call	1	0	-1	0	0	0	0
Capital Call - Management Fee	-1	-1	0	0	0	0	1
Capital Call Reduction	-1	0	1	0	0	0	0
Cash Distribution	0	-1	0	-1	-1	0	0
Cash Distribution - Income	0	0	1	0	0	1	0
Cash Distribution - MLP Income	-1	0	1	0	0	1	0
Cash Distribution - PE Income	-1	0	1	0	0	1	0
Cash Distribution - PE Income Reversal	1	0	-1	0	0	-1	0
Cash Distribution - Return of Capital	-1	0	1	0	0	0	0
Cash Sweep In	1	1	0	0	0	0	0
Cash Sweep Out	-1	-1	0	0	0	0	0
Cash Withdrawal	-1	-1	0	-1	0	0	0
Comment	0	0	0	0	0	0	0
Committed Capital	0	0	0	0	0	0	0
Committed Capital Reduction	0	0	0	0	0	0	0
Corporate Action Adjustment (Add)	1	1	0	0	0	0	0
Corporate Action Adjustment (WDRW)	-1	-1	0	0	0	0	0
Dividend	0	0	1	0	-1	1	0
Dividend Reversal	0	0	-1	0	0	-1	0

Activity Type	Unit Effect	Contribution Effect	Cash Effect	Ext Flow Effect	Accrual Effect	Income Effect	Advisor Fee Effect
EF Transfer In	1	1	0	1	0	0	0
Estimated Valuation Decrease	-1	0	0	0	0	0	0
Estimated Valuation Increase	1	0	0	0	0	0	0
Expense	-1	-1	0	-1	0	0	0
Federal Tax Withheld	0	0	-1	-1	0	0	0
Fee Reversal	1	1	0	1	0	0	0
Incentive Fee	-1	-1	0	0	0	0	1
Interest	0	0	1	0	-1	1	0
Interest Reversal	0	0	-1	0	0	-1	0
International Tax Withheld	0	0	-1	-1	0	0	0
Journal	0	0	0	0	0	0	0
Long Term Capital Gains	0	-1	1	0	0	0	0
Management Fee	-1	-1	0	-1	0	0	1
Management Fee Reversal	1	1	0	1	0	0	-1
Margin Interest	-1	-1	0	0	0	-1	0
Option Assignment	1	0	0	0	0	0	0
Option Exercised	-1	0	0	0	0	0	0
Option Expiration (Long)	-1	0	0	0	0	0	0
Option Expiration (Short)	1	0	0	0	0	0	0
Other Fee	-1	-1	0	-1	0	0	0
Principal Payment	-1	0	1	0	0	0	0
Recallable Return of Capital	-1	0	1	0	0	0	0
Redemption	-1	0	1	0	0	0	0
Redemption - Income	0	0	1	0	-1	1	0

Activity Type	Unit Effect	Contribution Effect	Cash Effect	Ext Flow Effect	Accrual Effect	Income Effect	Advisor Fee Effect
Redemption - Return of Capital	-1	0	1	0	0	0	0
Return of Capital	-1	0	1	0	0	0	0
Return of Capital Reinvestment	1	0	0	0	0	0	0
Return on Capital	0	0	1	0	-1	1	0
Sale	-1	0	1	0	0	0	0
Sale of Accrued Interest	0	0	1	0	-1	0	0
Short Sale	-1	0	1	0	0	0	0
Short Term Capital Gains	0	-1	1	0	0	0	0
Stock Distribution - Return of Capital	-1	-1	0	0	0	0	0
Subscription	1	0	-1	1	0	0	0
Transfer In	1	1	0	1	0	0	0
Transfer Out	-1	-1	0	-1	0	0	0
Valuation Decrease	-1	0	0	0	0	0	0
Valuation Increase	1	0	0	0	0	0	0

Activity Type	ST Capital Gains	LT Capital Gains	Creates Tax Lot	Closes Tax Lot	Committed Capital	Capital Call	Distribution	Trans SubType
Buy	0	0	Yes		0	0	0	Buys
Buy of Accrued Interest	0	0			0	0	0	Expenses
Capital Call	0	0	Yes		0	1	0	Alternatives
Capital Call - Management Fee	0	0			0	1	0	Fees
Capital Call Reduction	0	0		Yes	0	-1	0	Sells
Cash Distribution	0	0			0	0	0	Other
Cash Distribution - Income	0	0			0	0	1	Income
Cash Distribution - MLP Income	0	0			0	0	0	Income
Cash Distribution - PE Income	0	0		Yes	0	0	1	Income
Cash Distribution - PE Income Reversal	0	0			0	0	-1	Income
Cash Distribution - Return of Capital	0	0			0	0	1	Other
Cash Sweep In	0	0			0	0	0	Contributions
Cash Sweep Out	0	0			0	0	0	Withdrawals
Cash Withdrawal	0	0			0	0	0	Withdrawals
Comment	0	0			0	0	0	Journals
Committed Capital	0	0			1	0	0	Journals
Committed Capital Reduction	0	0			-1	-1	0	Journals
Corporate Action Adjustment (Add)	0	0	Yes		0	0	0	Other
Corporate Action Adjustment (WDRL)	0	0		Yes	0	0	0	Other
Dividend	0	0			0	0	0	Income
Dividend Reversal	0	0			0	0	0	Income

Activity Type	ST Capital Gains	LT Capital Gains	Creates Tax Lot	Closes Tax Lot	Committed Capital	Capital Call	Distribution	Trans SubType
EF Transfer In	0	0			0	0	0	Contributions
Estimated Valuation Decrease	0	0			0	0	0	Alternatives
Estimated Valuation Increase	0	0			0	0	0	Alternatives
Expense	0	0			0	0	0	Withdrawals
Federal Tax Withheld	0	0			0	0	0	Expenses
Fee Reversal	0	0			0	0	0	Contributions
Incentive Fee	0	0			0	0	0	Fees
Interest	0	0			0	0	0	Income
Interest Reversal	0	0			0	0	0	Income
International Tax Withheld	0	0			0	0	0	Withdrawals
Journal	0	0			0	0	0	Journals
Long Term Capital Gains	0	1			0	0	0	Capital Gains
Management Fee	0	0			0	0	0	Fees
Management Fee Reversal	0	0			0	0	0	Fees
Margin Interest	0	0			0	0	0	Income
Option Assignment	0	0			0	0	0	Other
Option Exercised	0	0			0	0	0	Other
Option Expiration (Long)	0	0			0	0	0	Other
Option Expiration (Short)	0	0			0	0	0	Other
Other Fee	0	0			0	0	0	Withdrawals
Principal Payment	0	0			0	0	0	Other
Recallable Return of Capital	0	0			-1	0	0	Other
Redemption	0	0		Yes	-1	0	0	Sells
Redemption - Income	0	0			0	0	0	Income

Activity Type	ST Capital Gains	LT Capital Gains	Creates Tax Lot	Closes Tax Lot	Committed Capital	Capital Call	Distribution	Trans SubType
Redemption - Return of Capital	0	0			0	0	0	Other
Return of Capital	0	0			0	0	0	Other
Return of Capital Reinvestment	0	0			0	0	0	Other
Return on Capital	0	0			0	0	0	Income
Sale	0	0		Yes	0	0	0	Sells
Sale of Accrued Interest	0	0			0	0	0	Other
Short Sale	0	0	Yes		0	0	0	Sells
Short Term Capital Gains	1	0			0	0	0	Capital Gains
Stock Distribution - Return of Capital	0	0			0	0	0	Other
Subscription	0	0	Yes		0	0	0	Buy
Transfer In	0	0	Yes		0	0	0	Contributions
Transfer Out	0	0		Yes	0	0	0	Withdrawals
Valuation Decrease	0	0			0	0	0	Alternatives
Valuation Increase	0	0			0	0	0	Alternatives