Custom Indexing Strategy
Step-by-Step Guide

A structured workflow for advisors submitting and managing Custom Indexing Investment Proposals.

$100K+ MINIMUM | TAX-AWARE | GRADUAL TRANSITION | PERSONALIZED

CUSTOM INDEXING STRATEGY

This guide walks through the full process — from account setup through portfolio implementation. Follow each step in sequence. Steps with split paths indicate differences between New Client and Existing Client workflows.

1 Account Setup, Funding & Trading

NEW CLIENT

Meet with the client to complete & submit via Schwab Digital Workflow:

- Investment Proposal & Contract (IPC), Disclosure Statement, COMRA — clearly specify which positions apply to Custom Indexing (if using multiple strategies)
- Schwab account opening forms
- Schwab account transfer forms
- Appropriate firm documents if Gradient Advisors or Gradient Wealth Management

> ⚠ **A Custom Indexing portfolio cannot be sleeved with other portfolio models — a duplicate account is required**

Once assets are received in the account:

- GI Trading allocates specified positions to a Custom Indexing-Pending Instructions account
- If applicable — GI Trading will move the assets to the duplicate account to be invested in the Custom Indexing portfolio and allocates as Custom Indexing-Pending Instructions in Orion
- A new assets notification e-mail will be sent by GI Trading to your firm once funded
- Clients will receive two e-mail notifications from Schwab regarding their accounts in Custom Indexing portfolios — no client action is required!

EXISTING CLIENT

Meet with the client to complete & submit via Business Central:

If client does not have an IPC, Disclosure Statement, and COMRA on file — you must upload these client signed documents:

- Clearly specify which positions apply to Custom Indexing (if using multiple strategies)
- Appropriate firm documents if Gradient Advisors or Gradient Wealth Management

> ⚠ **A Custom Indexing portfolio cannot be sleeved with other portfolio models — a duplicate account is required prior to Step 6. If applicable — Trading will move the assets to the duplicate account to be invested in the Custom Indexing portfolio**

If the IPC, Disclosure Statement, and COMRA are on file already:

> 💡 **Then you can skip to Step 2**

> ⚠ **You will not have access to view Custom Indexing accounts in Schwab — you can only view these accounts in Orion. For maintenance requests you must contact GI Operations.**

2 Submit Custom Indexing Investment Proposal Request in Business Central

- Navigate to Business Central
- Select the “Custom Indexing” tile

3 Provide Required Information in Business Central

- If cost basis is missing, provide missing data to Case Central via the upload document function in Business Central & simultaneously submit a maintenance request via Business Central for GI Operations to update the cost basis in Schwab
- Complete all required fields in the Custom Indexing template
- Select the “submit” button and the requested information is automatically sent to Case Central

4 Custom Indexing Investment Proposal by Case Central

- Request has been submitted to Case Central for Custom Indexing Investment Proposal creation
- Be prepared to answer follow-up questions to ensure a thorough and accurate analysis
- Work with Case Central to adjust the proposal as needed to align with client goals

> **Timely responses to Case Central follow-up questions help ensure prompt, accurate and tailored analysis for your client.**

5 Access Final Custom Indexing Investment Proposal Report

- Once completed, you will receive an automated e-mail notification from Case Central that the Custom Indexing Investment Proposal is available in Business Central for review
- The original Business Central submission automatically creates a pre-populated new Portfolio Change Request (PCR)
- The final Custom Indexing Investment Proposal will be attached automatically to this PCR

6 Client Approval & Final Submission in Business Central

- Meet with the client to review and discuss Custom Indexing Investment Proposal including any potential adjustments

CLIENT SIGNATURE OBTAINED VIA:

IN-PERSON SIGNING IN BUSINESS CENTRAL

- Client digitally signs documents during the advisor meeting

OR

ATTESTATION IN BUSINESS CENTRAL

- Client receives an attestation e-mail to sign for final approval

> **Upon completion of this step, the Custom Indexing transition is in process.**