
Securian to offer “unitized model portfolios” to 401k plans

By Editorial Staff Thu, Sep 13, 2018

The unitized portfolios are positioned as more customizable than target date funds as qualified default investment alternatives in 401(k) plans.

Securian Financial is partnering with Mid Atlantic Capital Group to add “unitized model portfolios” to its 401(k) plan services menu as an alternative to third-party target date funds and to distinguish itself in today’s “commoditized retirement plan marketplace,” according to a Securian release.

The program will use unitized model portfolios designed by and held at Mid Atlantic Trust Company, a unit of Pittsburgh-based Mid Atlantic Capital Group. The program integrates the investment models with Securian’s recordkeeping services. Plans of any asset size can use it.

Unitized model portfolios, a relatively new development, have been described as diversified pooled investment whose value can be expressed daily in units. They enable a plan’s investment advisors to create QDIAs that are customized for a particular plan.

“Unitized model portfolios are for professionals interested in taking target-date funds to the next level by building customized risk-based solutions for participant usage,” said Kent Peterson, a retirement solutions vice president with Securian Financial, in the release.

“They provide a value proposition and competitive differentiator to retirement plan specialist advisors who focus on investments as part of their practice. Wealth management firms that, in addition to working with individual investors, offer retirement plan consulting to small businesses find unitized model portfolios particularly appealing and highly efficient.”

According to TD Ameritrade’s Unitized Managed Account publication, “The unitization process translates the value of multiple securities into a single daily unit value... UMAs allow independent Registered Investment Advisors (RIAs) to offer custom portfolio solutions to corporate retirement plan clients. By leveraging the power of model portfolios that are unitized daily, UMAs enable RIAs to deploy customized investment strategies on behalf of their plan sponsors and participants.”