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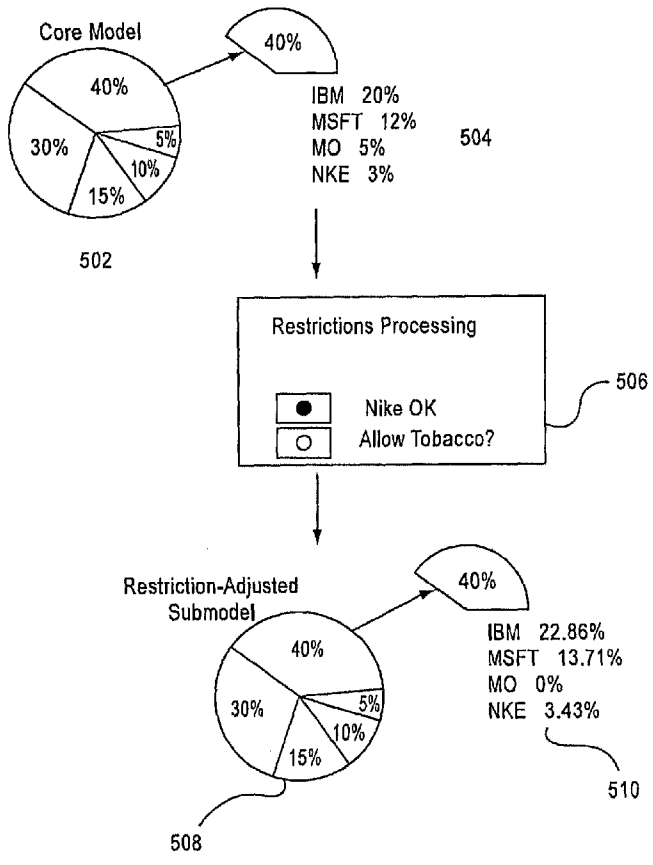
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(54) Title: SYSTEM AND METHOD OF REBALANCING A PORTFOLIO OF SEPARATELY MANAGED ACCOUNTS



(57) Abstract: A system and method for rebalancing separately managed accounts utilizing sub-models. Sub-models can be generated automatically by analyzing the restrictions that exist on the individual accounts, or created manually by identifying particular stocks that might fall within a particular industry, sector or other arbitrary classification. An account can be classified as belonging to one or more sub-models. These sub-models allow for a more efficient rebalancing process by allowing transaction decisions to be made according to a particular sub-model rather than at the level of each individual account. These sub-models also allow for more efficient monitoring of large numbers of accounts by allowing analysis of account drift according to both restrictions associated with the account as well as the account's master model portfolio, rather than solely relative to the account's master model portfolio without incorporating the account's restrictions.

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