THE fi360 TOOLKIT

THE APPLICATION OF *Fiduciary Excellence*

DATA-DRIVEN GUIDANCE TO HELP MAKE MORE CONFIDENT INVESTMENT DECISIONS

IF YOU'RE LIKE MANY INVESTORS, YOU'RE LOOKING FOR OBJECTIVE, DATA-DRIVEN GUIDANCE THAT CAN HELP YOU MAKE BETTER AND MORE CONFIDENT INVESTMENT DECISIONS.

Investment advisors can provide that guidance—especially those who have access to objective research and tools that comply with industry-recognized prudent investment practices that are the cornerstone of a **fiduciary standard of excellence** *(see What is the Fiduciary Standard?).*

As more investors seek fiduciary-level oversight of their assets, an increasing number of advisors are responding to this demand by incorporating the sophisticated investment management tools available in the fi360 Toolkit for Advisors. The comprehensive suite of online applications empowers advisors to manage their clients' assets in alignment with the *Prudent Practices for Investment Fiduciaries* developed by the Center for Fiduciary Studies.

OVERVIEW OF THE CENTER AND FI360

The fi360 Toolkit leverages the fiduciary *Practices* developed by the Center for Fiduciary Studies, the standards-setting body of fi360. Since 1999, the Center's team of subject matter experts has leveraged its extensive knowledge of state and federal fiduciary law and its research into the processes employed by successful investment professionals to create the *Prudent Practices for Investment Fiduciaries*, which provide guidance on all aspects of investment management, including asset allocation, fund evaluation and selection, performance monitoring, reporting, governance, and compliance.

Fi360 is the investment industry's leading source of insights, education, training, and advocacy on all aspects of fiduciary responsibility. Its team of instructors, writers, and technologists share a common commitment to spreading the knowledge and application of the *Practices* in the U.S. and abroad. Fi360's technology team has developed the fi360 Toolkit and other applications to enable investment professionals to easily and effectively manage and document a prudent investment process. Fi360 also offers a host of fiduciary resources including a blog, webinars, annual conference, and public advocacy for laws that promote greater transparency and accountability in the investment industry.

WHAT IS THE FIDUCIARY STANDARD?

Advisors who serve in a fiduciary capacity are legally and ethically required to provide the highest level of care and act in the best interests of their clients. That means applying extensive, objective, and prudent processes for evaluating investment options and managing risk, and demonstrating that their recommendations and actions reflect your specific investment objectives.

fi360® global fiduciary insights

THE FI360 TOOLKIT FOR ADVISORS OFFERS MORE THAN 20 DIFFERENT AREAS OF FUNCTIONALITY TO HELP ADVISORS DELIVER FIDUCIARY-QUALITY ASSET ALLOCATION, PORTFOLIO CONSTRUCTION, AND PERFORMANCE REPORTING SERVICES TO THEIR CLIENTS. WHILE ADVISORS DO NOT HAVE TO BE FIDUCIARIES TO USE THE FI360 TOOLKIT, THE TOOLKIT GENERATES RESULTS THAT REFLECT THE METHODOLOGIES AND PROCESSES EMBODIED IN THE *PRUDENT PRACTICES FOR INVESTMENT FIDUCIARIES*.

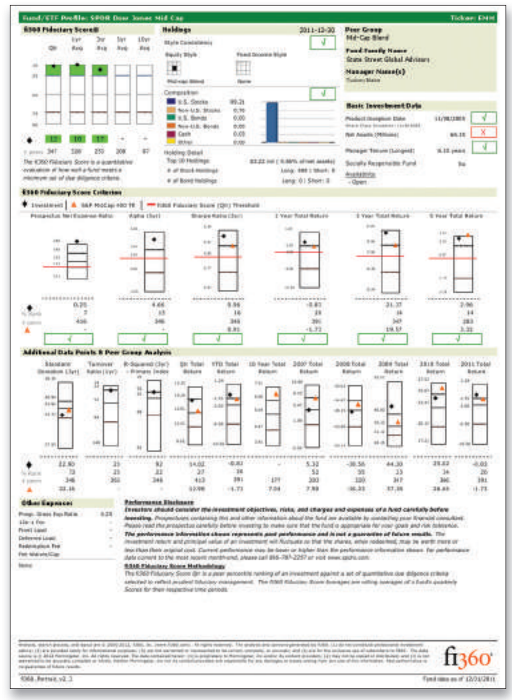
CUSTOMIZABLE INVESTMENT RESEARCH AND SCREENING CAPABILITIES

Each investor's goals are unique. The Toolkit provides advisors with a powerful and flexible set of investment screening capabilities that draws upon a universe of thousands of mutual funds, ETFs, separate accounts, and variable annuities to generate a recommended investment lineup based on your specific investment objectives, risk/return profile, and asset class restraints.

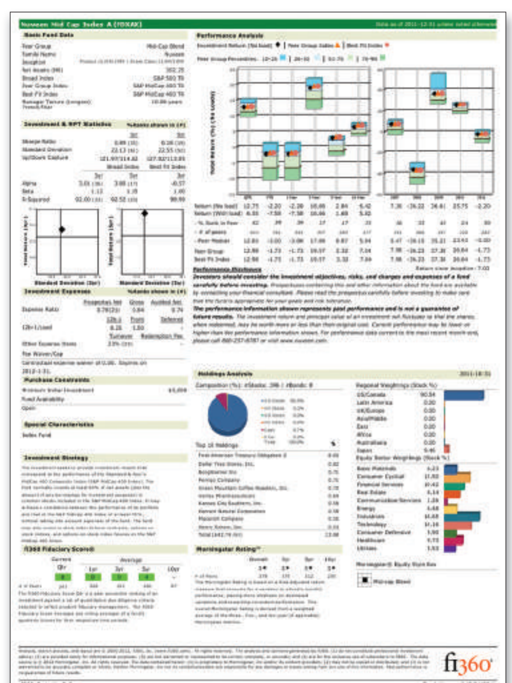
For example, if you'd prefer only to consider funds that have outperformed 75% of their peers over the past five years and have lower expense ratios than 50% of them, your advisor can assign your specific criteria to your client profile. He or she can use those criteria as screening parameters to create a customized list of suitable investment options based on your specific risk tolerance, expected returns, and fee considerations.

The Toolkit's powerful investment research capabilities incorporate Morningstar data to deliver detailed performance information, expense calculations, and other investment statistics on every option in your lineup, as well as a proprietary fi360 Fiduciary Score® that rates the option's suitability as a prudent investment choice *(see The fi360 Fiduciary Score)*. Your advisor can use those same capabilities to conduct a fiduciary review of investments in your existing portfolio and create customized "watch lists" of existing investments in your portfolio that need to be closely monitored or prospective investments that you may wish to add to your portfolio at a future time. *(See Profile Report and Fund Fact Sheet samples to the right)*

Profile Report

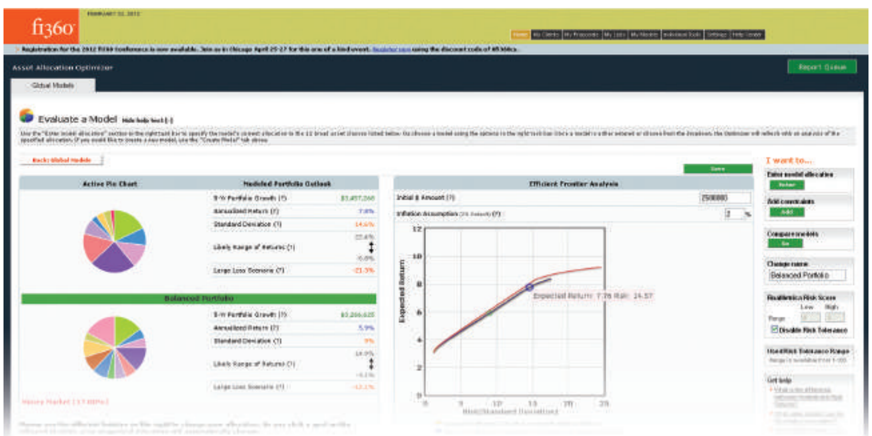


Fund Fact Sheet Report



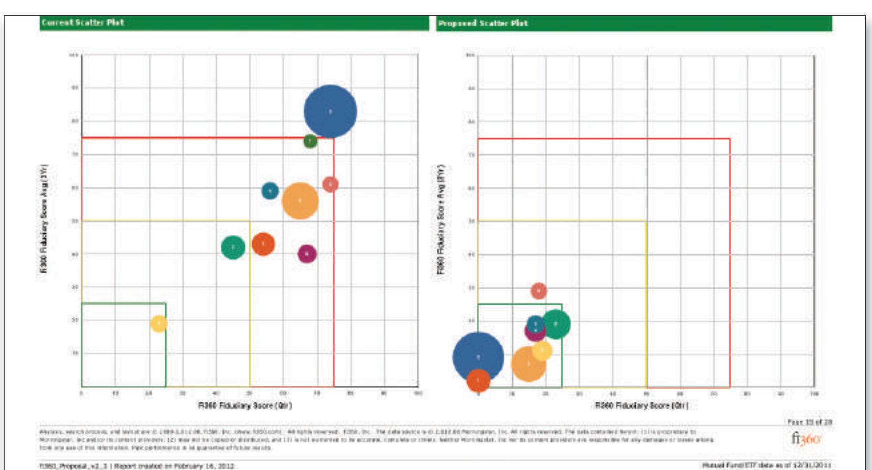
ASSET ALLOCATION ANALYSIS AND OPTIMIZATION

Is your current asset allocation in sync with your investment objectives? With the Toolkit's powerful asset allocation tool, created by fi360 in partnership with New Frontier Advisors, your advisor can enter your current mix of asset classes to generate detailed performance and risk/return analysis that can show you if your strategy is on track or needs adjustment. The advisor can then use New Frontier Advisors' patented portfolio optimization technique to generate a new asset allocation model strategy that reflects your own risk/return tolerance. The strategy is supported by detailed target weightings, asset class analysis, and expected return projections. The recommended asset classes can then be populated with options from your advisor's recommended investment list to create a comprehensive portfolio construction strategy.



DETAILED PROPOSALS

Your advisor can create a detailed proposal for restructuring your portfolio by comparing your current holdings to his or her recommended asset allocation and investment lineup, including performance information, expense details and the fi360 Fiduciary Score for existing and recommended options.



THE FI360 FIDUCIARY SCORE®

At the heart of the Toolkit's fiduciary-level capabilities is fi360's proprietary due diligence approach. The fi360 Fiduciary Score uses a set of quantitative criteria to gauge whether a particular investment option meets fi360's standards of investment prudence. Fi360 leverages Morningstar data to evaluate thousands of mutual funds, ETFs, and insurance group separate accounts using nine different fiduciary considerations, including regulatory oversight, minimum track record, stability of the organization, assets in the investment, composition consistency with asset class, style consistency, expense ratio/fees relative to peers, risk-adjusted performance relative to peers, and performance relative to peers.

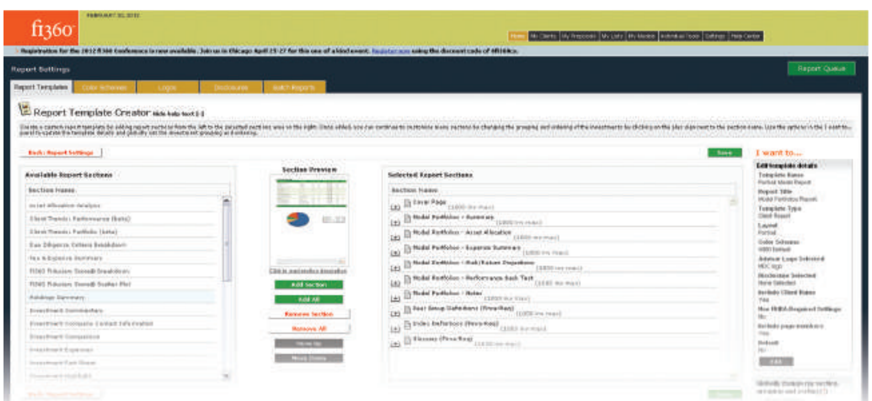
From that analysis, fi360 assigns each investment its own composite fi360 Fiduciary Score. Your advisor can use the Score as criteria for screening investments, conducting a fiduciary-level analysis of your existing holdings, and assigning investments to "watch lists" for ongoing monitoring.

PERSONALIZED INVESTMENT POLICY STATEMENTS

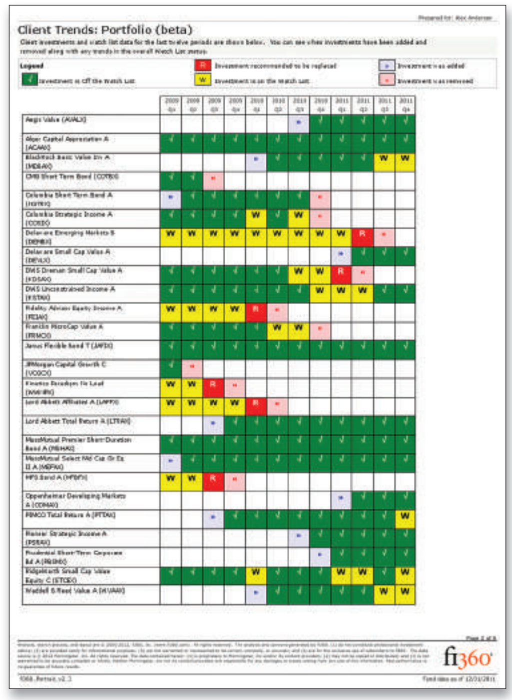
An investment policy statement serves as a blueprint upon which your portfolio will be built and managed. The Toolkit enables your advisor to consolidate the results of asset allocation and portfolio construction analysis to produce an investment policy statement specific to your investment goals and the processes your advisor will use to help you achieve them. *(See Client Trends Reporting sample to the right)*

FLEXIBLE REPORTING CAPABILITIES

Your advisor can enter or import your account holdings and generate comprehensive, customizable performance reports detailing your asset class weightings, return and risk characteristics, estimated expenses, and the fi360 Fiduciary Score for all of the mutual fund, ETF, and insurance group separate account holdings in your account. The reports also can include updated analysis of investment options on your "watch list", including any decisions you and your advisor have made about those investments.



Client Trends Reporting



fi360®
global fiduciary insights

To learn more about the fi360 Toolkit, visit www.fi360.com/toolkit

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