



Toolkits for Beginners

Presented by:

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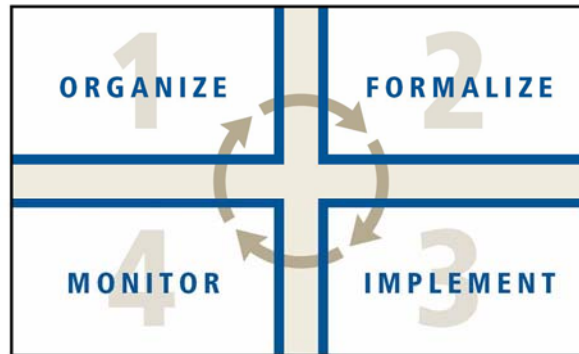
fi360



Mission: To promote a culture of fiduciary responsibility and improve the decision making process of investment fiduciaries.

Fiduciary Quality Management System

Analogous to the ISO 9000 QMS Continual Improvement Process



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Fi360 Toolkit Features

- The Basics

- Web-based software
 - No downloads or lost disks.
- Unlimited access during your subscription.
 - Unlimited client profiles and reports.
- All Toolkit features are integrated.
 - Future enhancement based on user feedback.
- Data updated Quarterly
 - Sourced from Morningstar.

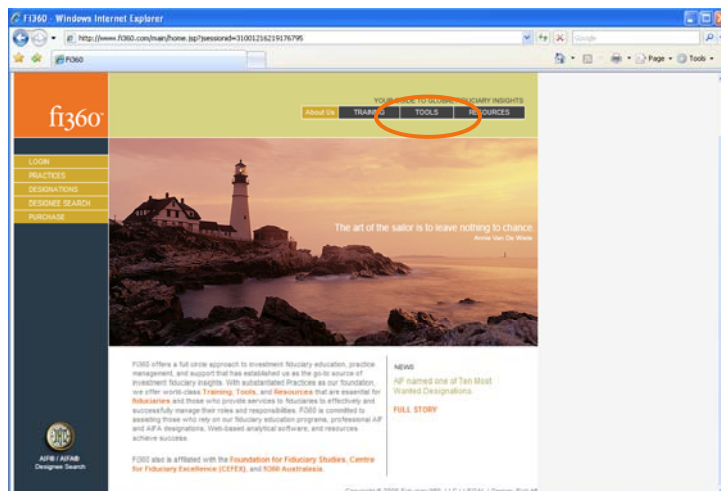
- Mutual Funds, ETFs, Separately Managed Accounts, and VA Subaccounts

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Who uses the Toolkits?

- Advisors
 - Fiduciaries, advisors to Fiduciaries, advisors who want to employ “Best Practices.”
- Stewards
 - Trustees and committee members who take their fiduciary responsibilities seriously.
- Money Managers
 - Wholesalers
- Consultants
 - HR Consultants, Plan Sponsor Consultants

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Organize



safe.actifi.com

SAFE

- Use this document to identify potential shortfalls.

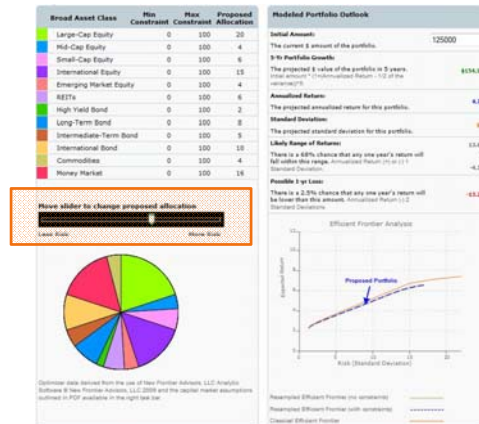


Formalize

- Use the Optimizer
 - The fi360 Toolkits use Resampled Efficiency™
- Define a Due Diligence Process
 - Use the fi360 Fiduciary Score™
 - Create your own custom due diligence criteria
- Create an Investment Policy Statement

Asset Allocation Optimizer

- Use the scroll bar to change the allocation from less risk to more risk.



Resampled Efficiency™



- Resampled Efficiency accounts for uncertainty in the Capital Market inputs.
- Resampled Efficiency provides:
 - A diverse portfolio across all asset classes without adding constraints.
 - A smooth transition between the risk profiles.

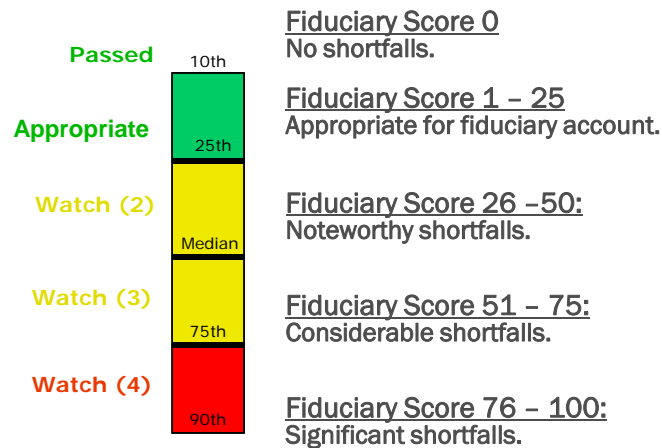
Fi360 Fiduciary Score™ Criteria

| | |
|--|---|
| 1. Regulatory oversight | The product should be managed by: (a) a bank, (b) an insurance company, (c) a registered investment company (mutual fund), or (d) a registered investment adviser. |
| 2. Minimum track record | The product should have at least three years of history so that performance statistics can be properly calculated. |
| 3. Stability of the organization | The same portfolio management team should be in place for at least two years. |
| 4. Assets in the product | The product should have at least \$75 million under management (across all share classes.) |
| 5. Holdings consistent with style | At least 80% of the underlying securities should be consistent with the product's broad asset class. (Only applicable to certain peer groups.) |
| 6. Correlation to style or peer group | The product must be highly correlated to the asset class of the investment option. This means the Morningstar Style Box® for the current quarter must match the peer group of the fund. (Only applicable to certain peer groups.) |
| 7. Expense ratios/fees | The product's fees should not be in the bottom quartile (most expensive) of their peer group. |
| 8. Performance relative to assumed risk | The product's risk-adjusted performance (Alpha and Sharpe Ratio) should be above the peer group median. |
| 9. Performance relative to a peer group | The product's performance should be above the peer group's median manager return for 1-, 3- and 5-year cumulative periods. |

Calculating the fi360 Fiduciary Score™ Quarter

1. Each criteria is evaluated and if the fund does not meet the requirement, shortfall points are assigned depending on the level of severity.
2. The shortfall points are totaled for each fund's share class.
3. The total points are ordered from lowest to highest within each peer group.
4. Each fund is then given a percentile ranking based on where their total points fall in the distribution of their peer group.
 1. Funds with 0 points are automatically given a Fiduciary Score of 0.
 2. Every other fund is given a Fiduciary Score from 1-100 representing their percentile ranking.

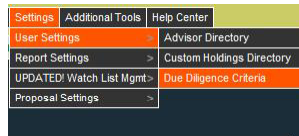
Fi360 Fiduciary Score™



Source of raw mutual fund data: Morningstar
Source of Fiduciary Score™: Fi360 Tools

Custom Due Diligence

- Create your own custom due diligence criteria to implement in the client's IPS and monitor investments on an ongoing basis.
- Platinum Toolkit feature



Custom Due Diligence(cont.)

- Select factors on the left side of the page.
- Change the threshold on the right side of the page.

| Available Factors | Selected Factors and Thresholds |
|--|--|
| Use the fields below to add factors to your criteria. | Use the fields below to add thresholds to each factor. |
| Fund only factors <input type="text"/> → | Fiduciary Score Qtr <= 40 <input type="text"/> |
| Separate account manager only factors <input type="text"/> → | Fiduciary Score Avg <= 25 Passed/Appropriate <input type="text"/> |
| Variable annuity only factors <input type="text"/> → | 3 Year Return Top 50% of peer <input type="text"/> |
| Factors applied across all investment types | 5 Year Return Top 50% of peer <input type="text"/> |
| Performance QTR Return YTD Return 1 Year Return Calendar Year 1 <input type="text"/> → | 10 Year Return Top 50% of peer <input type="text"/> |
| Risk Alpha Sharpe Turnover R Squared <input type="text"/> → | Standard Deviation Top 50% of peer <input type="text"/> |
| Expenses <input type="text"/> → | Prospectus Net Exp Ratio Top 75% of peer <input type="text"/> |
| Operations Assets Style Composition Available <input type="text"/> → | Inception Date >= 5 Years <input type="text"/> |
| | Manager Tenure > 3 Years <input type="text"/> |

Custom Due Diligence(cont.)

Change the Level of Compliance

- Required Factors
 - By default, will place a fund on Watch if not met.
- Optional Factors
 - Create a screen of several factors to place a fund on Watch.

| Selected Factors | Importance |
|--|------------|
| Fiduciary Score Qtr - <= 40 | Required |
| Fiduciary Score Avg - <= 25 Passed/Appropriate | Required |
| 3 Year Return - Top 50% of peer | Optional |
| 5 Year Return - Top 50% of peer | Optional |
| 10 Year Return - Top 50% of peer | Optional |
| Standard Deviation - Top 50% of peer | Optional |
| Prospectus Net Exp Ratio - Top 75% of peer | Optional |
| Inception Date - >= 5 Years | Optional |
| Manager Tenure - > 3 Years | Optional |

Optional Factors



In addition to all **Required** factors, please specify the number of **Optional** factors (selected in the column to the left) that must be satisfied for the investment to meet the due diligence criteria.

5 of 7 Optional Factors must be met

Note: By definition, all **required** factors must be satisfied for the fund to meet the due diligence criteria.

My Client Manager

Begin to formalize information for your client in My Client Manager.

- Basic Information 
- Investment Policy Statement 

My Client Manager(cont.)

- Create a new Client, or

Create a new Client



| | |
|------------------------|---------------------------------------|
| Name | Fourth Ave. Associates 401k |
| Status | Current |
| Type | Retirement Plans - Committee Directed |
| Sub-type | Corporate Defined Benefit |
| Create | |

- Edit an existing Client.

Work with an existing client

Choose Client Status Current Clients Prospective Clients Former Clients



Edit a client Fourth Ave. Associates 401k [Edit](#)

My Client Manager(cont.)

- Edit the Basic Information tab to customize your client's reports.



Basic Information Show help text [+]

[Return to Client Folder](#)

| Committee/Trustee Member(s) | | |
|-----------------------------|----------------|-------|
| Name: | Title/Position | Order |
| | | 1 |

| Advisor Details (Optional) |
|---------------------------------------|
| Utilizing Saved Advisor: Adam Advisor |

| Third Party Details (Optional) |
|--------------------------------|
| Plan Administrator: |
| Accountant: Grey Wolfe LLP |
| Attorney: |
| Custodian: |

My Client Manager(cont.)

- Create an Investment Policy Statement for your client.

| Background | | Selection and Watch List Criteria | |
|--|--------------|--|---|
| Fiduciary Standard of Care | ERISA | Implementation Criteria | M and D Advisors Std. Criteria |
| Follow 404c Safe Harbor (Participant Education) | Selected | Monitoring/Watch List Criteria | M and D Advisors Std. Criteria |
| Follow QDIA Safe Harbor (Qualified Default Investment Alternative) | Selected | Miscellaneous | |
| Follow Fiduciary Adviser Safe Harbor (Participant Advice) | Selected | Provide socially and environmentally responsible investing options | For each socially responsible (SRI) fund offered, a second non-SRI fund will be made available. |
| Current Assets | \$15,500,000 | Utilize Investment Advisor | Selected |
| Number of Plan Participants | 185 | Utilize Separate Account Manager | Not Selected |
| Estimated Annual Contribution | \$785,000 | Utilize Variable Annuity Sub-accounts | Not Selected |
| Tax ID | 16685178 | Utilize Fiduciary Adviser | Selected |
| Date Plan/Portfolio Started | 01/01/1990 | Include Appendix A: Capital Market Assumptions (Risk-return estimates and historical correlations) | Selected |
| IPS Approval Date | 04/18/2009 | | |

| Investment Options | |
|---------------------------|--|
| Peer Group | |
| Diversified Emerging Mkts | |
| Foreign Large Blend | |
| Intermediate-Term Bond | |

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Implementation

- Enter your client's holdings in My Client Manager.
- Screen for new investments in the Investment Analyzer.
 - Utilize the fi360 Fiduciary Score or your own Custom Due Diligence criteria.

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My Client Manager

- Enter your clients investments
- Enter funds via ticker or name
- Enter funds via Excel Import
- Enter investments via Investment Analyzer
- Enter Custom Holdings

I want to...

Quickly add funds or ETFs

Enter fund ticker or name

(Separate tickers with a comma)

Add using advanced options

- + [Upload mutual fund/ETF holdings via Excel](#)
- + [Use the Analyzer to find mutual funds, ETFs, managers, or annuities](#)
- + [Use the Custom Holdings Directory](#)

My Client Manager(cont.)

- Add other information to your client's investments.
 - Dollar values
 - Notes

Edit dollar amounts

 [Click to edit values](#)
(Not required)

| <input type="checkbox"/> Investment Name | Type | Ticker | Peer Group | \$ Amount | Meets IPS Monitoring Criteria? | Watch List Status | View/Edit |
|--|------|--------|---------------------------|-----------|--------------------------------|-------------------|--|
| <input type="checkbox"/> AIM Developing Markets A | MF | GTDDX | Diversified Emerging Mkts | \$142,000 | ✓ | Off Watch List | Edit Notes |
| <input type="checkbox"/> Allegiant Multi-Factor Small Cap Core A | MF | ALOAX | Small Blend | \$564,000 | X | On Watch List | Edit Notes |

Investment Analyzer

- Enter through the Holdings Page or through the Tools Menu page.
- Utilize the Analyzer to find funds for your client, Fund List, or to perform other analysis.



Investment Analyzer(cont.)

- Select factors on the left side of the page.
- Change the threshold on the right side of the page.

The screenshot displays the Investment Analyzer interface, divided into two main sections: 'Available Fund Search Factors' and 'Selected Factors and Thresholds'.

Available Fund Search Factors: This section allows users to define search criteria. It includes fields for 'Ticker Symbol', 'Fund Name', and 'Peer Group'. Below these are several categories of factors with checkboxes for selection:

- Peer Group:** Long Government, Long-Short, Long-Term Bond, Mid-Cap Growth.
- Fund Family Name:** Stoifunds, AARP Funds, Abandon, Absolute Strategies.
- Performance:** QTR Return, YTD Return, 1 Year Return, 3 Year Return.
- Risk:** Alpha, Sharpe, Turnover, R Squared.

Selected Factors and Thresholds: This section shows the chosen factors and their corresponding thresholds. It includes:

- Investment Type:** Both Funds and ETF.
- Peer Group:** Mid-Cap Bond.
- Fiduciary Score Qtr:** <= 25 Passed/Appropriate.
- Fiduciary Score Avg:** <= 10.
- Share Class:** A.

 The interface also shows 'Results: 4' at the top right and bottom right of the selected factors section.

Investment Analyzer(cont.)

- Customize your search.
 - Change the database.
 - Utilize your own Custom Universe
 - Utilize your Saved Search factors

I want to...

Change database
Fund/ETF
[Change](#)

Edit Custom Fund Universe
[Create, edit or delete](#)

Load factors and thresholds
[+ Retrieve saved search](#)

Save current search factors
[+ Overwrite an existing search](#)
[+ Create a new search](#)

Delete a saved search
[+ Select a search to delete](#)

Investment Analyzer(cont.)

- The Search Results page displays the selected investments.

✓ Your search returned 4 fund(s).

Order results: Ascending Descending By: Fiduciary Score (Qtr) Results: 1-4

| Fund Name | Peer Group | Fiduciary Score Qtr | Avg | 1 Year | 3 Year | 5 Year | Alpha | Sharpe Ratio | Exp Ratio | Mgr Tenure | Assets (\$MM) | Comp | Style Devt |
|---|---------------|---------------------|-----|--------|--------|--------|-------|--------------|-----------|------------|---------------|------|------------|
| Principal MidCap Blend A (PMSOX) | Mid-Cap Blend | 0 | 10 | -34.97 | -10.34 | --- | 2.65 | -0.69 | 1.13 | 8.3 | 479.3 | PASS | PASS |
| SEI Instl Mgd US Managed Volatility A (SIQOX) | Mid-Cap Blend | 0 | 10 | -31.06 | -9.45 | --- | 1.39 | -0.78 | 1.28 | 3.1 | 300.6 | PASS | PASS |
| Victory Special Value A (SVVAX) | Mid-Cap Blend | 15 | 6 | -43.48 | -14.50 | -1.96 | 2.84 | -0.72 | 1.28 | 3.8 | 718.3 | PASS | PASS |
| Columbia Mid Cap Index A (NTMX) | Mid-Cap Blend | 17 | 5 | -36.15 | -13.83 | -3.10 | 1.67 | -0.77 | 0.39 | 0.1 | 1129.7 | PASS | PASS |

- Produce a variety of reports on your selected investments.

Produce Detailed Reports
Selected funds only - up to 100

Fund Profile(s) PDF

Fund Comparison PDF

Produce Search Results

Search Results (100 fund limit)

Produce Summary Reports
NEW!

Search Results (All results)

Data Export (Platinum and Gold Only)

PDF Summary Options
[Click here to edit](#)

Monitoring

- Make Watch List decisions
 - View client Watch List decisions
 - View global Watch List decisions
- Produce Report for your clients
 - Monitoring Report
 - Flash Report
 - Due Diligence Report
 - Snapshot Report

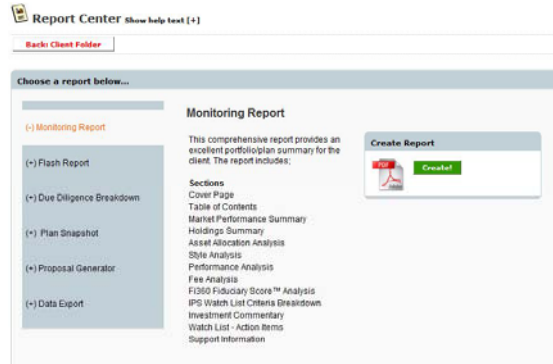
Watch List

| <input type="checkbox"/> | Investment Name | Type | Ticker | Peer Group | \$ Amount | Meets IPS Monitoring Criteria? | Watch List Status | View/Edit |
|--------------------------|---|------|--------|---------------------------|-----------|--------------------------------|-------------------|------------|
| <input type="checkbox"/> | AIM Developing Markets A | MF | GTDDX | Diversified Emerging Mkts | \$142,000 | ✓ | Off Watch List | Edit Notes |
| <input type="checkbox"/> | Allegiant Multi-Factor Small Cap Core A | MF | ALOAX | Small Blend | \$564,000 | X | Off Watch List | Edit Notes |
| <input type="checkbox"/> | Columbia Real Estate Equity A | MF | CREAX | Real Estate | \$614,000 | X | On Watch List | Edit Notes |

- IPS criteria is the default criteria to place a fund On Watch List.
- Make your final Watch List decision.
- Document your decision in the Notes.

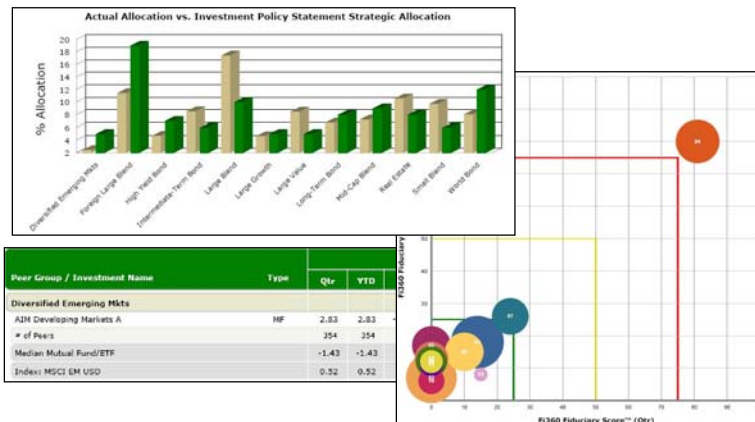
Reporting

- Unlimited, on-demand report generation
- FINRA reviewed
- Customizable and client friendly



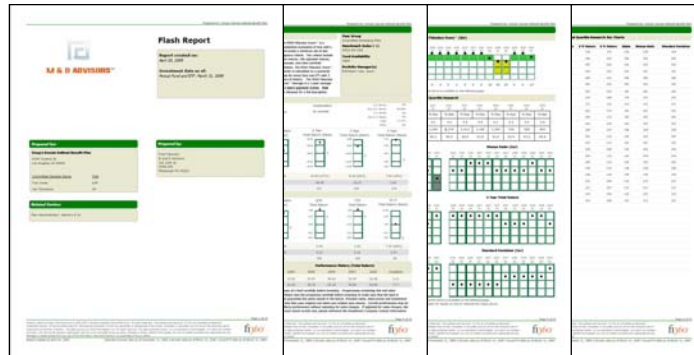
Monitoring Report

- This comprehensive report provides an excellent portfolio/plan summary for your client.



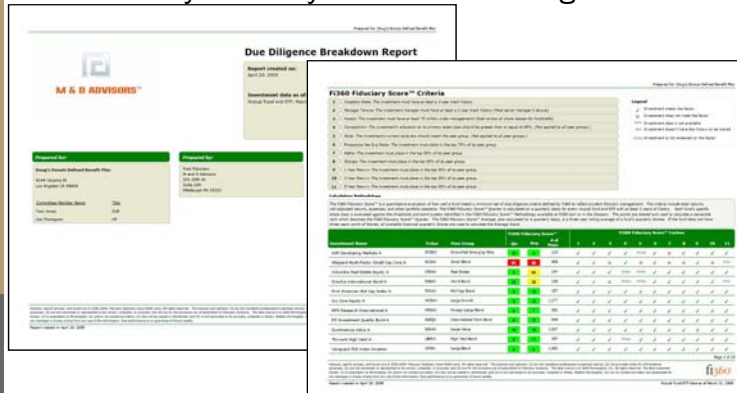
Flash Report

- This detailed report allows for in-depth analysis and comparison of the client's investments to their peer groups and indexes.



Due Diligence Breakdown

- This simple report illustrates which Fiduciary Score™ criteria was satisfied or not satisfied for every fund in your client's holdings.



Snapshot Report

- Quickly review the fi360 Fiduciary Score for your client's investments along with a thorough performance evaluation of the investments to their peer group and applicable index.

Proposal Report

- Compare plans, portfolios, or investments and create reports and proposals for new and prospective clients. Win business with the same process you use to monitor and support existing clients.



Holdings Summary - Current Plan

| Peer Group/ Investment Name | Ticker | Type | \$ Amount Invested | Percentage | Action? |
|----------------------------------|--------|------|--------------------|------------|---------|
| Diversified Emerging Mkts | | | | | |
| AIM Developing Markets A | GTDDX | MF | 142,000 | 2.4% | Keep |
| Foreign Large Blend | | | | | |
| MFS Research International A | MRSAX | MF | 664,000 | 11.4% | Remove |

Holdings Summary - Proposed Plan

| Peer Group/ Investment Name | Ticker | Type | \$ Amount Proposed | Percentage | Action? |
|--|--------|------|--------------------|------------|---------|
| Diversified Emerging Mkts | | | | | |
| AIM Developing Markets A | GTDDX | MF | 290,255 | 5% | Current |
| Foreign Large Blend | | | | | |
| Maxim MFS International Growth Portfolio | 04A11 | MF | 1,102,969 | 19% | New |

Reporting Customization

- Add/Remove sections. 
- Customize Benchmarks. 

| Monitoring Report Sections | Include? |
|---|-------------------------------------|
| Table of Contents | <input checked="" type="checkbox"/> |
| Market Performance Summary - Overview | <input checked="" type="checkbox"/> |
| Market Performance Summary - Equity | <input checked="" type="checkbox"/> |
| Market Performance Summary - Fixed Income | <input checked="" type="checkbox"/> |
| Holdings Summary | <input checked="" type="checkbox"/> |
| Asset Allocation Analysis | <input checked="" type="checkbox"/> |
| Style Analysis | <input checked="" type="checkbox"/> |
| Performance Analysis | <input checked="" type="checkbox"/> |
| Investment Performance | <input checked="" type="checkbox"/> |
| Fee Analysis | <input checked="" type="checkbox"/> |
| FI360 Fiduciary Score™ Overview | <input checked="" type="checkbox"/> |
| FI360 Fiduciary Score™ Breakdown | <input checked="" type="checkbox"/> |
| DPS Watch List Criteria Breakdown | <input checked="" type="checkbox"/> |
| Investment Commentary | <input checked="" type="checkbox"/> |
| Watch List - Action Items | <input checked="" type="checkbox"/> |

Add a Custom Benchmark

Peer Group:

Benchmark:

| Peer Group | User-Selected Benchmark | Default Benchmark | Reset |
|----------------|--------------------------|-----------------------------------|--------------------------|
| Bank Loan | USTREAS CD Sec Mix 6 Mon | Bar/Cap Govt/Credit 1-3 Yr TR USD | <input type="checkbox"/> |
| Bear Market | - | S&P 500 TR | <input type="checkbox"/> |
| Communications | - | DJ US Telecom TR USD | <input type="checkbox"/> |

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Next Steps

1. Go to www.fi360.com/FreeToolkitTrial and sign up for a free 14 day preview of the Platinum Toolkit.
2. Enter a “test client” to see how the Toolkits work.
3. Check out our Help Center to view video tutorials, FAQ’s, a Glossary and other documentation.
4. Click the User Admin link at the top of the page to subscribe!

Thank You!

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