

SELLING YOURSELF

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Utilizing Fi360, CEFEX & Your AIF® or AIFA® Designation to Win New Business

Goals

Winning Business in the Retirement Plan Marketplace

- ❑ Bring awareness to the growing need for the practices, education, fi360, CEFEX and the benefits to plan sponsors
- ❑ Capitalizing on recent plan disclosures and regulations to create opportunities for your practice
- ❑ Utilizing the fi360 Tools, CEFEX and your AIF[®] or AIFA[®] designation to win Retirement Plan Business

iCapital: Committed to the process

- ❑ CEFEX Registered firm 2010
- ❑ Actively utilized fi360 tools with clients for fiduciary monitoring in first quarter of 2008
- ❑ First CAFE for small retirement plan engaged in 2008 (<20 million in assets)



iCapital: Committed to the process

- ❑ Post-CAFE client hired a professional fiduciary
iCapital was engaged- annual retainer
- ❑ Made practices our internal system for client management – Process 2006
- ❑ Revenue recapture accounts developed with custodians full and transparent fee disclosure - 2002



Why Am I Here?

- ❑ Personal Motivations – The system is logical, ethical and creates trust “Adviser”
 - ❑ Client motivation
 - ❑ Professional motivation
- ❑ Process allows us to evaluate firm risks and provides an internal control for client management
- ❑ Profitability
- ❑ Bring uniformity to the fiduciary community



Why Are You Here Today?

You want to sell more!

Plan sponsors want to be sold by professional fiduciaries - they just don't know it yet.

The Small Market

Participant
Count 50-500

401(k) Plan
Component

- ❑ Number of Plans = 62,000
- ❑ Plan Assets = \$300 Billion
- ❑ Contributions = \$50 Billion

Data Source Judy Diamond Associates, King of Pension Funds 2010

The Professional Fiduciary Community



- ❑ CEFEX Registered RIA Firms = 37
- ❑ AIFA's = 350+
- ❑ AIF's = 4,500+

Ratio of professionally certified firms to plans 1,550 to 1

Ratio of professional designees to small Plans 8 to 1

Why Did you Select a Professional Fiduciary?

Clients that have engaged us for:

- Investment Management
- Fiduciary Assessments
- Independent Benchmarking

- Struggled with understanding motivation for investment decisions
- Needed verification that was conflict free
- Increase the value of the benefit dollar
- Demonstrate our responsibility to executive teams
- Desire for knowledge

Myths About Plan Sponsors



- ❑ They don't have the budget
- ❑ They don't have the time
- ❑ They believe this is being handled

The truth – They don't understand the need

Understanding the Tools

Fi360 Practices – help professional fiduciaries develop a basis for assessment

- ❑ **Most sponsors have very little if any resources available to assess procedural prudence**
 - ❑ Platforms will not provide this, non-fiduciaries can't and independent verification can lead to more value for the benefit dollar.
- ❑ **The practices are the “standard”, altering or recreating waters down the awareness**
 - ❑ How you deliver the message is what sets you apart. Understanding the practices and the legal substantiation will help guide plan sponsors for more effective benefit management.

The Tools

CEFEX, fi360 tools, Fiduciary Benchmarks

- ❑ Initial assessments lead to inquiries on how plans can improve – fiduciary consulting is needed
- ❑ Registered CAFE with Opinion Letter – helps bring awareness to certification and gives a level of quality assurance
- ❑ Fi360 Tools – Sponsors need independent information to monitor service providers

Competition

- ❑ Providers and their attempts to provide fiduciary assurances
- ❑ Professionals that have conflicts of interest
- ❑ Diluted systems that provide false confidence
- ❑ Lack of awareness

The “Kool-Aid”

- ❑ AIF Designation - \$912
- ❑ AIFA Designation – \$2,400
- ❑ Tools Subscription - \$1,200
- ❑ CEFEX Certification - \$12,000
- ❑ Our clients understanding our commitment to fiduciary best practices?
 - ❑ Average retainer agreement \$30,000+ annually
 - ❑ 2010 – Single consulting agreements \$200,000+

QUESTIONS?