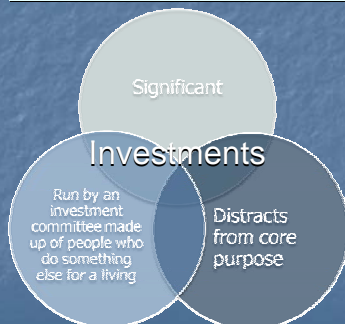


- Opened 1st full service brokerage in North MS in 1985
- Steering committee that created Consulting Services Group at Hilliard Lyons in early 1990's
- Developed Consulting Services Team to work with Investment Committees in Mid-1990's
- Management of Hilliard Lyons MS operation in 2000
- Certified Investment Management Designation (CIMA®) 2000
- Accredited Investment Fiduciary Designation (AIF®) 2004
- Inaugural Class of Foundations and Endowments Certificate 2006
- Accredited Investment Fiduciary Analyst Designation (AIFA®) 2009
- Formed Hardy Reed Capital Advisors, LLC RIA 2006
- Conducted Assessment of Fiduciary Practices before framework from f1360 was developed
- f1360 assessments fastest growth area of our firm
- Manage assets for 1st ever CEFEX Certified Foundation

Where is the Opportunity?

- Foundations and Endowments
- Retirement Plans
- Any Investment Portfolio Managed by an Investment Committee

Common Denominators



Investment Committees have a
Fiduciary Obligation To:

- Prepare and Maintain an Investment Policy Statement
- Prudently diversify the Portfolio's assets to meet an agreed upon risk/return profile
- Prudently select investment options
- Control and account for all investment, record keeping and administrative expenses associated with the portfolio
- Monitor and supervise all service providers and investment options
- Avoid prohibited transactions and conflicts of interest

Who is Performing These Duties?

No One?

Why?

Most Investment Committees are:

Sold a product

Paid by the Product?

Strengths:

- Appears to be less expensive
- Relaxed Standard of Care

Weaknesses:

- Inherent Conflict of Interest
- Weak or no IPS
- Relaxed Standard of Care

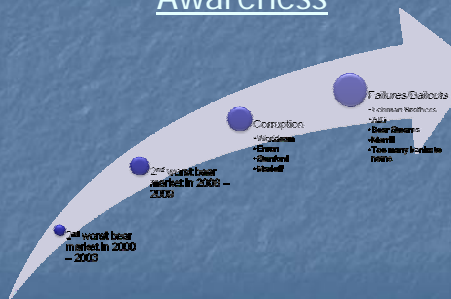
What This Means

The Investment Committee is solely responsible for the implementation of the twenty-two Global Fiduciary Standards of Care for Investment Stewards defined by the Center for Fiduciary Studies.



"THIS IS A BIG !#%@ DEAL"
Vice-President Joe Biden

The Perfect Storm of Fiduciary Awareness



Aftermath of the Storm

- Lost faith
- Lost trust
- Lost wealth
- Lost patience

Investment
Committee

Donors

Plan
Participants

The Answer

INDEPENDENT FIDUCIARY ASSESSMENT



fi360 Framework

- Level 1 SAFE
- Level 2 CAFE
- Level 3 CEFEX Certification

Level 1

SAFE

- Its nice to have a place to start
- Its nice to have a place to start
- There is a marketing piece....sort of

Level 2

CAFE

- AIF®/AIFA® Designee manages the process
- Very un-invasive
- Positions the analyst as *THE* Expert
- Unique marketing opportunity

Level 3

CEFEX Certification for Stewards

- Steward gains immediate credibility
- Reassures donor/workforce
- Lowers insurance rates

The Beauty of the Beast

- Congress is making this a significant issue
 - Pension Protection Act of 2006
 - Legislation currently in Congress dealing with
 - Fee Transparency
 - Uniform Fiduciary Standard of Care
- Service providers can be doing nothing wrong and there is still a problem
- Fee reduction opportunities can pay for the assessment
- Don Trone - "I have yet to see a Fiduciary who meets every standard of care without an opportunity for improvement."

Is there enough to go around?

- \$1.8 million IRS-recognized tax-exempt organizations
- Over 35,000 retirement plans file 5500's with the IRS



To Fee or Not to Fee

To Fee or not to fee
That is the question
Whether 'tis nobler in the mind to suffer the slings and arrows
Of outrageous commissions
Or to take arms against a sea of troubles
And by opposing, end them

To die; to fee no more
And in that fee to say we end the heartaches and thousand natural
shocks that flesh is heir to
'Tis a consummation devoutly to be wished

To die; to fee
To fee; perchance to dream
Ah, there's the rub
For in that fee what dreams may come when we have shuffled off this
mortal coil

