

Defining the Managed Account Process

Investors are always boasting about their strategies to beat the market. You've probably heard of "technical analysis," "market timing," or "value investors" who rely on a "buy and hold" strategy. And, while you might hear plenty on how an advisor plans to allocate a portfolio, you will rarely hear about the details of his or her process.

In the pages that follow, we illustrate our investment process for you—from setting up your account to our quarterly monitoring systems. But first, here is a brief overview of the process that defines our practice:

Establish Investment Objectives and Constraints

- The purpose here is to get to know you, your risk tolerance, and your financial goals. All future decisions in the Managed Account Process will stem from this information.

Determine Asset Allocation

- After assessing your goals and needs, we'll work together to decide how to allocate your assets in the account.

Select the Investments

- Once we arrive at a proper allocation, the next step is to choose the appropriate investments for the portfolio.

Implement the Portfolio

- We may draft an investment policy statement, and you will receive prospectuses about the various funds in which you'll be investing in the mail. After this step, if everything meets with your approval, your portfolio will be fully funded.

Monitoring and Reporting

- The final step in the Managed Account Process involves the ongoing monitoring of your portfolio. Building the portfolio is only one aspect of our relationship. Equally important, we will ensure that your assets remain well diversified and that your investments stay on track.

Intelligent investors often ask, "What is your investment process?" The following pages aim to answer that question. There is a system to our practice, and when investing our clients' wealth, we adhere to the Managed Account Process.



Investment Selection Methodology *continued*

