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WORKING WITH

FIM GROUP

At FIM Group we help you
create, preserve and perpetuate
an environment
where life's greatest moments
will flourish.

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Welcome

On behalf of all the members of Financial & Investment Management Group (FIM Group) I thank you for believing in what we do. Your confidence in us is truly appreciated.

We strive to create the ultimate client experience. While great financial results are the ultimate goal, we believe that seamless administration of your account and ongoing financial planning support are just as important to your experience. Bottom line … we exist to take great care of you.

We have developed this client guide to be a resource for you. Inside, you will discover more about our organization, our investment philosophy and the processes that we use to manage your money.

Clearly, no guide can fully detail all the things that we accomplish on your behalf. However, we believe this client guide can serve as a resource for you in the years to come. Once again, on behalf of the entire FIM Group team, thank you!

We welcome the opportunity to assist you in achieving continued financial success.

Blessings,

Paul

Paul Sutherland
President and Chief Investment Officer

WHO WE ARE

FIM Group has served clients as a global investment manager and financial planner since 1984. Our mission is to ensure that you have the resources you need for the quality of life you desire. We believe in long-term investing that adopts a disciplined investment process. We emphasize protecting and sustaining your wealth as much as growing your assets.

As trusted family advisers, we serve as a fee-only manager. This important distinction ensures that we are totally objective. We believe this allows you peace of mind that all decisions and actions that are completed on your behalf are done solely for your best interest.

As money managers with a long-term perspective, we emphasize an active, "price matters" holistic approach to portfolio management. We pride ourselves on our combination of skill, ethical and professional staff, economically responsible philosophy, dedicated management and dynamic thinking.

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WHAT WE DO

Taking great care of clients is our central mission. We leverage our core strengths of active investment management and ongoing financial planning to serve your investment and financial needs. We help you prepare for, and navigate through, today's rapidly changing world. We work with you to assess your financial situation, goals and dreams. As your needs evolve, we provide ongoing financial assistance that could range from retirement plan design to advanced estate planning. Our seasoned portfolio management team utilizes an active investment philosophy to create and manage an individualized, tax-efficient portfolio for you.

WHY WE DO WHAT WE DO

The reason we do what we do is really quite simple: Your success is our success. At FIM Group we help you create, preserve and perpetuate an environment where life's greatest moments will flourish.

OUR ACTIVE, GLOBAL APPROACH

FIM Group combines highly skilled portfolio managers, a dedicated trading team, cutting-edge information technology and an active investment philosophy to manage the assets that you entrust to us. As active investment managers, we rigorously analyze each of your investments with a process that often includes traveling the globe to meet the management of the companies we're considering investing in and "kicking the tires" first-hand.

Our investment management committee meets regularly to evaluate investment ideas and make adjustments as needed. The culmination of our research and execution is your individualized portfolio. This "living" portfolio is monitored daily and adjusted as needed.

INVESTMENT PHILOSOPHY

Our approach is characterized by flexibility, comprehensive analysis and discipline. We believe that placing geographic, sector, asset class or relative benchmark constraints on a portfolio management team reduces the chance of investment success. This philosophy allows us the widest possible scope in our global search for performance.

- All markets are cyclical. As a result, asset prices move above and below their fair (intrinsic) values over time.
- Avoid overvalued assets and buy undervalued assets.
- Price matters. We only invest when we feel the price is right.
- Avoiding significant capital losses is as important to long-term total returns as achieving capital gains, interest and dividend income.
- Sell when prices reach fair value.
- Remain flexible.

> Ultimately, our objective is to generate consistent, positive investment returns, regardless of market conditions, that are limited only by your specified tolerance for risk.

As part of our investment management process, we employ fundamental, cyclical, behavioral and methodological analyses to identify ideas that meet our strict requirements for inclusion in your portfolio. We are committed to buying investments only when we see a compelling opportunity or what we consider a risk-adjusted bargain, providing a margin of safety. Conversely, when prices reach levels that we believe no longer reflect realistic value, we sell. Because the investment world is dynamic, we believe managing portfolios must also be dynamic.

INVESTING YOUR ASSETS

After establishing the appropriate investment strategy for your portfolio, our team goes to work. We review your current holdings, tax situation and other variables to make decisions regarding what makes sense to keep and what assets should be sold. Often, this involves selling the majority, if not all, of the investments that you transfer in to your FIM Group account, unless you direct us otherwise.

We take this approach because we only want to own investments in which we have complete conviction. The portfolio we construct for you is hand-selected and closely monitored to optimally position you to achieve success in a rapidly changing investment landscape. The impact of changes in your portfolio may result in capital gains taxes for which you will need to prepare.

After the initial decision is made to hold or sell securities that are transferred to FIM Group, we begin building a diversified portfolio. Generally, no more than 2% of your portfolio will be invested in any single company in order to help control your risk exposure.

Depending on market conditions, your portfolio may take several months before it is completely constructed. This is because in periods of low buying activity (when it is difficult to find compelling opportunities), we tend to take more time getting a new portfolio fully invested.

In order for us to make these initial portfolio decisions, it is very important that we understand your cost basis and your ability to fund any tax gains on the securities sold.

As a result, high cash balances during the initial months of our relationship should be considered a normal part of our disciplined investment approach.

Unless directed otherwise, we approach the management of your accounts on an aggregate basis. This means that we normally allocate investments and manage risk by looking at all of your accounts with us (taxable accounts, IRAs, 401(k)s, etc.) as one investment pool. We do this to maximize trading efficiency and to take advantage of the unique tax advantages that each account structure offers. This style can sometimes lead to specific accounts within your portfolio looking improperly diversified or performing differently than with the total portfolio we are managing for you.

ACTIVE INVESTMENT MANAGEMENT

Because the investment world is dynamic, we believe that a passive approach to investing is inconsistent with reality and common sense. As such, we actively monitor a wide range of factors that can affect your portfolio. These factors include "macro" factors such as interest rates, exchange rates and investor sentiment as well as "micro" factors such as a company's strategy, cash flow growth and competitive landscape. As these factors change, so do opportunities for investment returns. When factors drive an investment's price above or below what we judge to be its fair value, we make appropriate adjustments to your portfolio. Rest assured that any adjustment to your portfolio is done for one reason only . . . to better position your portfolio for optimal total return.

INVESTMENT PERFORMANCE

While we report your investment returns monthly (and upon request at any time), we believe that it is more appropriate to review returns over a longer period of time (minimum of three to five years). The common objective for each of our investment strategies is to generate positive total returns (consisting of capital gains, interest and dividend income) over the long term. As such, we encourage you to stay focused on the absolute performance of your portfolio, rather than performance relative to popular market proxies like the S&P 500 Stock Index, and consider periods no shorter than complete market cycles.

Our experience over the past 25 years has shown that we tend to earn considerable portions of portfolio returns during concentrated periods of time. Unlike CDs or savings accounts, FIM Group-managed portfolio returns tend to come in "lumpy" increments.

We welcome the opportunity to assist you in achieving financial success.

Over short-term periods when greed in the market is high, we may appear to be "leaving money on the table." Conversely, when fear runs rampant in the market and the media, we will step in and take advantage of bargain-sale prices. The main point to remember is that the lumpy nature of the greed/fear cycle provides some of the largest investment opportunities during concentrated windows of time. Our ability to avoid overvalued investments, our patience and preparation through the "lull" periods and our ability to take decisive action when opportunities emerge are all key factors behind our investment success.

WHAT IS FINANCIAL PLANNING?

Financial planning helps you focus on the "big picture." It is designed to help you meet your life goals through the proper management of your finances while incorporating your personal values in the planning process. Life goals can include buying a home, saving for your child's education, planning for retirement, addressing long-term health care concerns, dealing with special needs situations in the family or planning the transition of your estate to the people and causes that are dear to you.

As part of the process, we help you understand where you are now, what you may need in the future and what you must do to reach your goals. The process also involves gathering relevant financial information, setting and clarifying life goals, examining your current financial status and developing strategies to achieve your goals. The planning process may touch on many areas, including budgeting, saving, taxes, investments, insurance, retirement and estate planning.

Like investing, financial planning is a dynamic process. Your financial goals may change over the years due to changes in your life or circumstances. Life events such as inheritance, marriage, birth, health, house purchase or change of job status can all have a significant effect on your financial planning strategy. It is important to revisit your financial plan as time goes by to reflect the changes in your life, so that you can stay on track with your long-term goals.

OUR FINANCIAL PLANNING PHILOSOPHY

FIM Group offers a broad range of client-centered financial planning capabilities that complement our core investment management services. As a fee-only adviser, our approach to financial planning is to provide client-centered advice and counsel. We actively listen to your needs, goals, fears, expectations and past experience to provide guidance specific to your situation to help you chart a path for your financial future.

Advanced financial planning often involves your planner serving as your financial team coordinator. This could involve working with your legal and tax adviser in addition to other professional advisers to ensure that you are getting the comprehensive guidance that you need.

FIM Group believes that your financial planner should have the training, experience and resources available to promote your success.

Our planning professionals have achieved their CFP® certification from the Certified Financial Planner Board. This designation identifies individuals who have met the rigorous education, examination, experience and ethical requirements of the CFP Board. We also adopt and embrace the Code of Ethics and Core Values of the professional fee-only organization, National Association of Personal Financial Planners (NAPFA).

OUR CORE VALUES

As NAPFA-registered financial advisers, we subscribe to the following Core Values:

COMPETENCY

Requiring the highest standards of proficiency in the industry.

COMPREHENSIVE

Practicing a holistic approach to financial planning.

COMPENSATION

Using a fee-only model that facilitates objective advice.

CLIENT-CENTERED

Committing to a fiduciary relationship that ensures the client's interest is always paramount.

COMPLETE DISCLOSURE

Providing an explanation of fees and potential conflicts of interest.

OUR FINANCIAL PLANNING CAPABILITIES

Some ongoing life events that we can assist you with include:

GENERAL

Advisory Team Coordination
Ongoing Financial Counseling
Tax Return Review
Cash Flow Planning
Education Funding

SPECIFIC NEED

Asset Protection
Estate Planning Review
Wealth Transfer & Gifting Strategies
Charitable Giving
Special Needs Trusts

BUSINESS

Retirement Plan Design and Administration

LIFE-CHANGING EVENT

Sale of a Major Asset
Inheritance
Health & Disability Issues
Change in Family Status *(Birth, Death, Divorce)*

RETIREMENT

Retirement Income Strategies
Stock Option Optimization
Change in Employment Status

IDENTIFYING YOUR INVESTMENT PROFILE AND RISK TOLERANCE

It takes a thorough understanding of your aspirations, concerns and desires to ensure that your financial goals are achieved. As your professional investment manager, FIM Group will match your portfolio to meet your life goals while working to minimize your exposure to risks.

We define a successful portfolio as one that achieves both your financial and emotional requirements. An important part of defining success is establishing realistic goals and appropriate time horizons to achieve those goals. It is important to review your goals regularly and assess whether portfolio adjustments are required to meet your expectations.

In the financial world, risk is often defined as volatility of returns. It is important to know in advance that your portfolio can decline as well as rise. The amount of volatility that you can accept is a big contributor to the returns that you could expect. In addition, your investment time horizon also affects how your portfolio should be managed. The lower the volatility you can accept and the shorter your investment time horizon, the lower your return expectations should be.

On an ongoing basis, we work with you to decide which investment strategy is most appropriate. As time passes and your circumstances and needs evolve, we will continue to provide guidance to ensure that appropriate changes are made to keep your portfolio current with any changes in your risk tolerance or time horizon.

FIM GROUP INVESTMENT STRATEGY	RISK TOLERANCE	SUGGESTED MINIMUM TIME HORIZON	LIQUIDITY NEEDS
Growth	High	5 to 6+ Years	Low
Balanced	Moderate	4 to 6 Years	Low – Moderate
Balanced Core Conservative	Moderate – Low	4 to 5 Years	Moderate
Yield Income	Low	3 to 4 Years	Moderate

OPENING YOUR ACCOUNT

At the time you choose to hire FIM Group, our client services team will guide you through the required paperwork. This includes account applications (if applicable) and other necessary forms required by the chosen custodian. You will also sign an Investment Advisory Agreement (IAA) to engage FIM Group for the services requested.

From time to time, new clients will choose to transfer accounts from another firm. The time required to complete a transfer request will vary, but generally the transfers will be completed within 15 business days. However, the transaction may take longer depending upon the complexity of the securities to be transferred and the responsiveness of your previous provider. Our client services team closely monitors these transfers, so feel free to call with any questions or concerns regarding the funding of your accounts.

FIM Group investment managers use this data to help make appropriate decisions regarding the transactions in your account. Additionally, this data will be incorporated into your year-end tax information provided by FIM Group.

Shortly after signing all of the required documents, you will receive a "welcome letter" from FIM Group. This letter will summarize the accounts to be managed, along with any special instructions for those accounts. Please be sure to review this for accuracy, and contact us with any questions, comments or revisions right away.

As part of the transfer process of taxable accounts, it is important for us to receive all tax cost and date of acquisition information from you to ensure accurate year-end tax reporting.

REPORTS YOU RECEIVE FROM FIM GROUP

Each month, you will receive a monthly mailing. This packet includes summary performance information, a billing statement and the latest version of the FIM Group newsletter. Quarterly mailings will also include a complete account appraisal. These are also available electronically if you prefer. Contact any FIM Group service representative for more information.

REPORTS FROM ACCOUNT CUSTODIANS

Your assets will be held at a qualified custodian, which will also send you their own client account information. Most custodians will send this information monthly; however, some may report quarterly. The information on these statements will show transactions during the current period, along with period-end holdings and market value. To minimize the amount of mail that you receive, most custodians will allow clients to receive their statements electronically via the Internet. Please contact FIM Group with any questions regarding electronic statements for your accounts.

In between the monthly statements, you will also receive transaction confirmations as they occur in your accounts. These confirmations will show the date of a transaction, the price of execution and the net amount of the trade. If you prefer, most custodians will allow clients to receive their confirmations electronically via e-mail. An additional option that may be available to help reduce the amount of mail you receive is to request a quarterly confirmation report rather than individual transaction confirmations. Please call a FIM Group representative with any questions regarding your trade confirmations.

YOUR RESPONSIBILITIES AS A CLIENT

At FIM Group, our goal is to make your client experience as rewarding as possible. We are committed to assisting you in achieving peace of mind and financial success with as little interruption in your daily life as possible.

As part of the financial planning process, it is critical to update us when something significant is happening in your life, such as the sale of a major asset, large cash needs, retirement, inheritance, health issues, death of a loved one, birth in the family, divorce, loss of employment, etc.

We can only help achieve optimal results if you "keep us in the loop." As your life changes, so do your goals, objectives and liquidity needs. We can help guide you through those changes to ensure that your financial house is in order. Whenever possible (such as when anticipating a large withdrawal), please advise us as soon as possible, so that we may reposition your portfolio as efficiently as possible.

Additionally, while we excel at what we do, and we are totally committed to your success, it is still important that we hear feedback from you on a regular basis to ensure that we are meeting your needs. Your opinion is important to us, so please tell us how we are doing on your behalf.

We sincerely thank you for your confidence in us and your continued willingness to share good words about FIM Group with friends and family.

WHEN YOU HAVE A QUESTION

Our client service philosophy is that all employees serve all clients. This is key to the way we have structured our business. We do not believe in "ownership" of clients – you are a client of all of us at FIM Group, not a specific employee, and you have access to all of our employees, in all offices. Due to the functional and geographic diversity of our team members, clients are able to discuss their account with a FIM Group employee from 7:00 a.m. ET until 11:00 p.m. ET – 16 hours a day.

Each office is structured functionally into four primary groups – Account Administration, Financial Planning, Portfolio Management and Retirement Services. Below provides an outline of the primary functions provided by each group to assist in your connection with the appropriate areas:

ACCOUNT ADMINISTRATION

New Account Openings

Distribution Requests

Billing

FINANCIAL PLANNING

Financial Goals Planning

Estate Planning

Retirement Planning

PORTFOLIO MANAGEMENT

Investment Strategy/Outlook

Information on Individual Holdings

RETIREMENT SERVICES

Customized Retirement Design Solutions to Meet Your Needs

Frequently Asked Questions

ABOUT TRADING AND INVESTING

WHAT TYPE OF TRADING ACTIVITY CAN I EXPECT TO SEE IN MY ACCOUNT?

As active investment managers, we trade when opportunities to better position your portfolio warrant doing so. Sometimes trading activity may be high and at other times it may be quite low. While not an overriding factor, transaction costs are one of many variables that we consider when making portfolio changes. Please keep in mind that FIM Group never receives any compensation for trades made in your account.

WHY DOES FIM GROUP EMPHASIZE ABSOLUTE PERFORMANCE RATHER THAN PERFORMANCE RELATIVE TO A POPULAR BENCHMARK?

We are happy to discuss how your portfolio performance compares to popular benchmarks. With that said, we do not consider relative performance a suitable goal. Unlike many of our peers, we do not consider a 20% loss in your portfolio when the S&P 500 dropped in value 25% a "good" result just because the performance exceeded that of the index.

WHY ARE THERE FOREIGN "PENNY" STOCKS IN MY ACCOUNT?

Different countries have different market cultures, exchange rules, trading lots and relative currency values. These market differences cause many stocks to trade for under a dollar when converted to U.S. dollars. This has no relationship whatsoever to the underlying "risk" of the investment or the market value of the company. For example, Lenovo, a $5 billion Hong-Kong-listed computer manufacturer, consistently trades under $1 per share.

WHY IS THERE PERFORMANCE VARIANCE BETWEEN MY DIFFERENT FIM GROUP-MANAGED ACCOUNTS?

We normally approach the management of your accounts on an aggregate basis. This means that we typically allocate investments and manage risk by looking at the total of all the funds/accounts held by your family (taxable accounts, IRAs, 401(k)s, etc.). This strategy will lead to performance variance among your different accounts. We do this to maximize trading efficiency and to take advantage of the unique tax advantages that each account type offers.

ABOUT FEES

WHAT DOES FEE-ONLY MEAN?

This means that FIM Group does not receive any referral fees, fee-sharing, soft or hard commissions, or other transaction-related remuneration. In our view, a fee-only arrangement is the best way to ensure fully objective advice and avoid conflicts of interest. FIM Group's management fee is a flat fee based upon the value of your managed assets.

WHAT FEES WILL I BE CHARGED?

Fees charged to accounts can be broken into three primary sections, as described below:

- Management fees are charged to clients for the investment management services provided by FIM Group.
- Trading costs are charged by account custodians for transactions in the account. The primary examples of these are commissions and Prime Broker fees (fees for utilizing another brokerage firm to execute a trade).
- While not technically a fee, foreign tax withholding will often be reflected as a fee on the custodian's statement. Foreign taxes paid are withheld in conjunction with the payment of a dividend in a foreign country.

HOW ARE MANAGEMENT FEES PAID?

The fees paid to FIM Group for investment management are referred to as "management fees." The calculation of these fees is detailed for each account on the billing statement included with client statements from FIM Group. The standard billing cycle for investment management services is monthly based on the previous month's account balance. However, if needed, the billing cycle can be customized to your individual needs. Fees are generally deducted from client accounts, but they may be paid by personal check, if desired. Some management fees may be tax-deductible – please consult with your tax adviser for the best payment method for your situation.

OTHER TOPICS

HOW DO I REDUCE THE AMOUNT OF PAPER THAT I AM RECEIVING?

Many clients have asked this question. While we would love to say that we can "turn off" the mailings, many of the mailings are legally required. The easiest solution that many custodians provide is electronic statements and confirmations. FIM Group statements are also available via a secure login to our website, www.fimg.net. You also have the option to request a quarterly confirmation report rather than individual transaction confirmations and thus reduce your mail.

Please contact a FIM Group representative if you have any questions regarding limiting the amount of paper that you are receiving.

WHO HANDLES MY ACCOUNT?

FIM Group's client service philosophy is that all employees serve all clients. Our team of client services professionals, planners and investment managers work together in handling your account. We do not believe in "ownership" of clients – you are a client of FIM Group, not a specific employee, and you have access to all of our employees, in all offices. Due to the functional and geographic diversity of our team members, clients are able to discuss their account with a FIM Group employee from 7:00 a.m. ET until 11:00 p.m. ET – 16 hours a day.

When Accepting Investment Management Responsibility for Your Assets …

- We will manage your portfolio on a discretionary basis. This means we will make all buy and sell decisions for your accounts unless you direct otherwise.
- We typically manage your accounts on an aggregate basis rather than each account as a separate entity.
- We may, after reviewing the assets transferred into your accounts, sell a majority if not all of the securities to ensure that both proper diversification and appropriate asset selection are achieved.
- We may, depending on market conditions, take several months to fully invest a new portfolio.
- We do consider the impact of capital gains taxes on portfolio decisions. However, we believe the goal of generating consistent, positive returns and preserving your assets takes priority over minimizing capital gains tax liability, unless you direct otherwise.