

ASSET ALLOCATION INVESTMENT PROCESS

Client Objectives

- Long-term investment objectives
- Time horizon and risk profile
- Income or cash flow needs
- Tax status or other unique circumstances

Asset Allocation Management

- Emphasize equities when appropriate
- Subtle shifts versus market timing
- Respond to changes in client objectives
- Rebalance when strategic allocation ranges are exceeded

Strategic Asset Allocation

- Establish long-term allocation ranges
- Allowable asset classes
- Set target allocations

Portfolio Management

- Separately managed equity and fixed income portfolios
- Diversified across strategies and style

COMPLEMENTARY STRATEGIES

Develop Optimal Portfolio Structure

- Client objectives
- Strategic asset allocation
- Investment policy

Screen and Evaluate Complementary Strategies

- Consider broad universe of complementary strategies
- Consistency of people and process
- Investment philosophy and style
- Active versus passive
- Performance analysis
- Costs

Selection and Portfolio Construction

- Select investment strategies
- Tactical allocation
- Rebalance

Portfolio Monitoring

- Performance measurement
- Benchmark analysis
- Peer universe comparisons
- Risk/Return analysis
- Style integrity
- Continuity of management

Consolidated Reporting

- Market review
- Consolidated portfolio performance reporting