

## Capabilities Statement

**Chartered Financial Services, Ltd. is a member of Retirement Plan Advisory Group (RPAG)**, a national alliance of accomplished advisors whose intelligence and ingenuity produce enhanced value for sponsors and participants in qualified and non-qualified plans. RPAG's acclaimed technology platform outranks the industry in full-view metrics, safety-net compliance and clarity in communication. Today, RPAG is represented by over 465 member firms, serving 28,000 sponsors with \$150 billion in collective assets under advisement.

As a member of RPAG, **Chartered Financial Services** has access to a **CFA® charterholder-led research team** and comprehensive **Investment Due Diligence and Analysis** resources to help increase opportunities for employees and address fiduciary liability concerns for plan sponsors.

### Independent Process

Our independent investment fund review is fueled by our proprietary Scorecard System™, which incorporates both quantitative and qualitative factors into evaluating fund managers and their investment strategies. The scoring system is built around pass/fail criteria, on a scale of 0 to 10, and ranks active, passive and asset allocation strategies.

Eighty percent of the fund's score is quantitative, incorporating modern portfolio theory statistics, quadratic optimization analysis, and peer group rankings. The other 20% of the score is qualitative, taking into account manager tenure, the fund's expense ratio relative to the average fund expense ratio in that asset class category, and the fund's strength of statistics, among other criteria. Combined, these factors are a way of measuring the relative performance, characteristics, behavior and overall appropriateness of a fund for inclusion into a plan as an investment option.

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### Key Attributes

- RPAG's CFA charterholder-led Investment Committee monitors the entire mutual fund universe, and uses MPI Stylus for its portfolio analytics.
- The Scorecard System ranks more than 20,000 funds across 36 asset classes and 65 provider products, including open architecture.
- In the past two years the RPAG Investment Committee has conducted over 200 manager/investment option searches and we routinely meet with investment managers at their home offices as well as our Orange County headquarters, to facilitate the qualitative analysis of the due diligence process.
- The due diligence process includes Investment Policy Statement creation and review; quarterly market summaries; and transition assistance when terminating/hiring a fund manager.
- Through affiliation, we can offer our clients access to RPAG's secure online Fiduciary Briefcase™, which allows committee members to access investment reports 24/7.
- RPAG's due diligence process can be applied to 401(k), 403(b), 457, Non-Qualified and Defined Benefit plans ranging from \$1,000,000 to \$1,000,000,000+.

*RPAG's Scorecard System and Investment Due Diligence process is unique in that it uses a complete approach that not only takes into account risk adjusted return characteristics, but style, peer group rankings and various qualitative factors. This process is very similar to what the largest and most advanced investment institutions in the world utilize to select and monitor their investments, yet has been simplified for any sized plan.*