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Schlindwein Associates, LLC

MasteryPOINT AdvicePlus!

DALBAR Certified:
Computer Model

April , 2013



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Adviser Fact Sheet: Schlindwein Associates, LLC.

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This Adviser	Adviser's Team	Affiliations
Experience as Adviser: 30 Years	Number of Advisers on Team: 2	Affiliated Firm: None
Background Check Clear	Number of Support Staff: 2	Number of Advisers in Firm: 2
Client Rating of Trust Not Tested	Primary Source of Team Revenue: Asset-based fees for discretionary asset management; fixed fee schedule for consulting services	Primary Business of Firm: Investment Counseling & Consulting
Client Rating of Financial Performance: Not Tested	Total Assets Managed/ Supervised by Team: \$152.3 million retail clients; \$145.7 million consulting clients (as of 12/31/12)	Broker/Dealer Name: None
Client Rating of Advice Quality: Not Tested	Retail Clients Served: Number: 184 Assets: \$152.3 million	RIA Name: Schlindwein Associates, LLC.
Client Rating of Adviser Service Quality: Not Tested	Institutional Clients: Number: 38 Assets: \$150 million	Provider Affiliations: None
Primary Compensation Sources: \$1.00-\$3.00 per participant, licensing fees, software development charges	Date Previous Audit Performed: No Previous Audit	Other Affiliations: None
Liability Insurance: <ul style="list-style-type: none"> • Federal Insurance Company(Chubb) • \$1 million each loss and aggregate per policy period • Coverages(deductibles) • Employment (\$10,000) • Fiduciary (\$5,000) • D&O (\$25,000) • Outside Directorship (\$25,000) • E&O (\$25,000) 	Web Site www.masterypoint.com	Geographic Coverage
	E-Mail/Phone tbloomfield@newkirk.com (612) 378-7523	
	Surety Bond: None	Multiple states with concentrations in Illinois and Texas

Computer Model Fact Sheet: MasteryPOINT AdvicePLUS!

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Computer Model Characteristics						
Inputs	Age	✓	Time Horizon	✓	Risk Tolerance	✓
	Current Investments	✓	Other Assets	✓	Sources of Income	✓
	Investment Preferences	✓				
	Explanation of Asset Classes	✓	Allocation by Asset Class	✓	Allocation by Investment	✓
Outputs	Model Used	✓	Allocation Graphic	✓	Method of Acceptance	✓
Defaults	Social Security income, income replacement ratio, annual salary growth and life expectancy.					
Implementation	Model tells user how to implement.					
Investment Models						
		Allocation ¹				
Years to Retirement	Risk Level	Equity %	Bond %	Stable Value %	Cash/MM %	Objective
1 Year	Conservative	0-5	25-50	0-50	25-70	Capital Preservation
	Moderately Conservative	5-10	25-60	0-50	25-60	Capital Preservation
	Moderate	10-12.5	25-70	0-50	20-40	Capital Preservation
	Moderately Aggressive	12.5-15	25-75	0-40	20-40	Capital Preservation
	Aggressive	15-25	25-75	0-35	20-35	Income
5 Years	Conservative	10-20	25-75	0-40	20-40	Capital Preservation
	Moderately Conservative	20-30	25-70	0-35	20-35	Income
	Moderate	30-42.5	25-50	0-30	15-30	Growth & Income
	Moderately Aggressive	42.5-50	20-40	0-30	10-30	Growth & Income
	Aggressive	50-65	15-35	0-25	10-25	Growth

¹ Equity percentage ranges are hard numbers used by the system. Bond, Stable Value and Cash/Money Market categories do not have specific ranges and are determined by the computed optimization results. The values shown are typical ranges determined by averaging results produced by the system using the current system return assumptions and optimization constraints.

Years to Retirement	Risk Level	Allocation ¹				Objective
		Equity %	Bond %	Stable Value %	Cash/MM %	
15 Years	Conservative	15-30	25-75	0-35	5-35	Income
	Moderately Conservative	30-42.5	15-55	0-25	0-25	Growth & Income
	Moderate	42.5-57.5	10-40	0-20	0-20	Growth
	Moderately Aggressive	57.5-72.5	5-25	0-20	0-20	Growth
	Aggressive	72.5-90	5-15	0-15	0-15	Aggressive Growth
25 Years	Conservative	25-42.5	15-50	0-25	0-25	Growth & Income
	Moderately Conservative	42.5-57.5	10-40	0-20	0-20	Growth
	Moderate	57.5-72.5	5-25	0-20	0-20	Growth
	Moderately Aggressive	72.5-85	5-15	0-15	0-15	Aggressive Growth
	Aggressive	85-95	5-15	0-15	0-15	Aggressive Growth
Investment Policies						
Methodology		Using pre-populated plan and participant data, model produces a set of 20 "efficient" asset mixes that maximize return for a given risk level.				
Vehicles		Mutual Funds, ETFs, separate accounts, sub-accounts and most proprietary investments that could be included in a Defined Contribution plan.				
Restrictions		Each fund to be considered in the advice recommendation must have an associated "Schlindwein Total Rank Score" within its sector class. If any of the scores for the plan funds are missing, advice cannot be provided for the plan and an error message is generated.				
Oversight		Testing occurs any time the system or assumptions are updated. Testing is conducted by MasteryPOINT for accuracy and correctness while testing is conducted by Schlindwein Associates, LLC. to ensure results meet fiduciary standards.				

Services Rendered by Adviser

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Investment Management Services		ERISA Related Activities	
Define the client's investment-related goals and objectives	X	Conduct a fiduciary assessment	X
Prepare and maintain the client's Investment Policy Statement ("IPS")	X	Oversee plan administration activities	X
Identify asset classes appropriate for client's portfolios	X	Support for DOL and IRS audits	X
Conduct due diligence for investment options	X	Design rules for assigning participants to QDIAs	X
Choose investments and create portfolios according to the terms of the IPS	X	Construct QDIA investment alternatives	X
Develop and maintain model portfolios	X	Place participants in appropriate investments	X
Control and account for investment expenses	X	Assist participants in selecting investments	✓
Monitor investment options and prepare periodic investment reports	X	Periodically report fiduciary decisions made to plan sponsor and Named Fiduciary	X
Other: ✓ Provide advice software to Defined Contribution Plan participants	✓	Periodically report investment decisions made to plan sponsor and Named Fiduciary	X
		Select, hire and monitor other service providers	X
		Review plan's success in meeting participants needs and retirement goals and make recommendations for changes	X

Adviser Fee Structure

Usual fees charged for these services?

The fee for the computer model typically ranges from \$1.00 - \$3.00 annually per participant with access to the online tool. Fees may vary depending on the number of participants with access to the tool for each individual customer.

Contractual arrangements that could result in direct or indirect compensation to adviser or to the firm that the adviser represents if clients take actions on the basis of the advice?

License Fees for the product are based on online availability per participant only and are not based on any action taken by users of the tool, or by any recommendation to specific investments or models. No other fees are received other than software development charges to incorporate/integrate the tool into a customer's systems and recordkeeping environment.

Primary Sources of compensation

Third Party Administrators, Plan Providers and Plan Sponsors.

Other factors or suggestions from others that could improperly influence the advice given to clients?

None.

Fiduciary Adviser Disclosures

The following important disclosures follow:

- DALBAR Certification
- Acceptance of Fiduciary Responsibility
- Adviser Affiliations
- Plan Provider Affiliation
- Statement of Participants' Rights
- Privacy Policy

DALBAR CERTIFIED

DALBAR has evaluated **MasteryPOINT AdvicePLUS!** to determine compliance with United States Department of Labor guidelines and DALBAR standards for Fiduciary Advisers as defined by the Employee Retirement Income Security Act of 1974, as amended [ERISA] Section 408(g) and Internal Revenue Code [IRC] Section 4975(D)(17) and associated regulations.

The following evaluations were performed:

Due Diligence Requirements	DALBAR
DoL Minimum Selection Requirements	
Objective process to assess:	
<ul style="list-style-type: none"> • Adviser qualifications • Quality of services offered • Reasonableness of fees charged for the service • Avoidance of self dealing • Avoidance of conflicts of interest • Avoidance of other improper influence 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ ✓
Process that takes into account:	
<ul style="list-style-type: none"> • Experience and qualifications of the investment adviser • Adviser's registration in accordance with applicable federal and/or state securities law • Willingness of adviser to assume fiduciary status and responsibility under ERISA • Use of generally accepted investment theories 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓
Additional DALBAR Standards	
Background Check	✓
Record of investment results for clients	Not Tested
Client trust and opinion of adviser	Not Tested
Alignment of contract terms with services offered	Not Tested
Compliance with SEC No-Action Letter permitting advertising of DALBAR Rating	Not Applicable

Acceptance of Fiduciary Responsibility

Schlindwein Associates, LLC understands and agrees to act as a fiduciary and accept the personal responsibility for the advice provided to IRAs, plan and employees ("Investors") that elect to use its services. As a fiduciary, it will act in the best interest of these Investors and their beneficiaries.

The advice Schlindwein Associates, LLC provides as a fiduciary will be based on its best judgment of what a prudent person would do under the same circumstances. As a fiduciary it is not responsible for the financial results that are achieved or not achieved, provided that it can document the prudent process used to arrive at advice given.

As a fiduciary, Schlindwein Associates, LLC's advice will be consistent with the principles of diversification so as to minimize the risk of large losses, unless under the circumstances it is shown to be imprudent to diversify.

The advice Schlindwein Associates, LLC provides as a fiduciary will be in accordance with the documents or other instruments governing the plan and consistent with ERISA and IRC.

Adviser Affiliations

Schlindwein Associates, LLC has disclosed affiliations with the following parties:

- ✓ None

Plan Provider Affiliation

- ✓ None

Statement of Participants' Rights

The recipient of advice from Schlindwein Associates, LLC provided through the MasteryPOINT Financial Technologies AdvicePlus! system may separately arrange for the provision of advice by another adviser that could have no material affiliation with and receive no fees or other compensation in connection with this plan.

Privacy Policy

MasteryPOINT Financial Technologies and Schlindwein Associates, LLC are required to maintain all personal information about any client in the strictest confidence.

Information about any employee of a client of MasteryPOINT Financial Technologies or Schlindwein Associates, LLC is disclosed only for the purposes of conducting due diligence and audits required by the Pension Protection Act of 2006.

Additional Disclosures

Schlindwein Associates has engaged MasteryPOINT Financial Technologies to provide a computer model to make asset allocation recommendations in compliance with ERISA requirements.

Computer Model Certification Results

DALBAR has evaluated the MasteryPOINT AdvicePLUS! computer model offered by Schindwein Associates, LLC to determine if it meets the requirements to be used as a Certified Computer Model as defined by the Employee Retirement Income Security Act of 1974, as amended [“ERISA”] Section 408(g) and Internal Revenue Code [“IRC”] Section 4975(d)(17).

The methodologies used for the evaluation are presented in detail in the following sections. The methodologies applied were consistent with each specific requirement of the regulations. There were no limitations or restrictions imposed on DALBAR in the selection or application of the methodologies used.

DALBAR has a 30-year history recognized by industry and government as an independent third-party expert in the business of providing evaluations, ratings and performance due diligence. DALBAR certifications are recognized as marks of excellence in adviser services, communications, electronic and telephone services. DALBAR is the only ratings firm with an SEC no-action letter exempting its evaluations from the testimonial rule. Given its history, reputation and our extensive involvement in fiduciary adviser training, we believe that DALBAR meets or exceeds the expertise and proficiency required to conduct certifications required by ERISA Section 408(g)(5) and IRC Section 4975(d)(17).

Based on the results of the evaluation it has been determined that the computer model meets the requirements **except as noted**.

The results of the evaluation consist of:

- Specific Findings
- Footnotes
- Other Observations
- Explanation of Methods Used

Specific Findings

Compliance Test	Method of Evaluation	Result	Foot-notes
Is investment theory recognized as being generally accepted?	Evaluate Methodology Documentation and Model Test	OK	1
Performance record:			
Performance record of model provided (1, 3, 5, and 10 year and since inception)	Examine Cumulative Performance	OK	2
Test of capital preservation	Examine year-by-year performance	OK	3
Test up-market performance	Examine year-by-year performance	OK	4

Cost	Compare to Comparable Models	OK	5
Other specific ERISA §408(g) and IRC §4975(d)(17) Requirements:			
Takes fees and expenses into account	Model Test	OK	6
Requests and utilizes participant information about age, time horizons, risk tolerance, current investments, other assets, sources of income and investment preferences	Model Test	OK	7
Utilize objective criteria to select and allocate designated plan investments.	Evaluate Methodology Documentation and Model Test	OK	1
Does not:			
Favor investments that compensate model provider or affiliates.	Review Application and Interview	OK	6
Favor investments that result in greater compensation to model provider or affiliates.	Review Application and Interview	OK	6
Base investment selection on criteria that cannot be expected to persist.	Evaluate Methodology Documentation	Exception	8
Does:			
Consider all designated investments except those noted below	Written Statement	OK	9
Exclude employer securities	Written Statement	OK	10
Excludes investments that vary asset mix	Written Statement	Exception	8
Exclude retirement income annuities	Written Statement	OK	11
Provide participant with a list of exclusions.	Written Statement	OK	12

Footnotes

1. Screening and selection methodologies define a structured approach that applies the generally accepted investment variables of risk, asset allocation, time horizon and expected returns based on historical patterns.
2. The 1, 3, 5 and since inception returns for a model with a moderate risk score compares favorably to appropriately blended benchmarks. The blended benchmark is a proportionate combination of the S&P 500 and Barclay's Aggregate Bond Index.
3. Comparison of performance each year shows capital preservation that tracks closely to the blended benchmark, indicating a beta of less than one when the market experienced a downturn.
4. Model compares favorably to the blended benchmark during market upturns.
5. The fee for the computer model ranges from \$1.00 - \$3.00 annually per participant with access to the online tool. Fees may vary depending on the number of participants with access to the tool for each individual customer. These fees are within reasonable proximity of industry norms.
6. Fees for the product are not based on any action taken by users of the tool, or by any recommendation to specific investments or models. Model test also showed that recommendations favor funds with lower expense ratios.
7. The Model Test demonstrated that the information requested from plan participants meets the minimum specified by the regulation. This includes inputs about age, time horizons, risk tolerance, current investments, sources of income and other assets. Also, per regulations, the model may operate without all answers being provided.
8. A Target Date/Lifestyle option can be added to the model. If a plan offers Lifestyle/Target Date options within the plan, those options are analyzed by Schlindwein Associates, LLC. to determine whether the option offers the coverage for risk, time horizon, and diversification as appropriate to support the advertised objectives of the option set. The participant can then choose to receive the standard fund-based advice recommendation or the appropriate all or nothing Target Date/Lifestyle option that has been selected based on the appropriate risk and/or time horizon criteria for that participant.
9. All designated investments are considered by the fiduciary adviser in the selection for the computer model.
10. The model does not include employer securities in its advice recommendation. A disclaimer/disclosure is provided stating that investment in employer securities is an individual decision that comes with its associated risks.
11. The model does not include retirement income annuities in any analysis or recommendation.
12. The participant is provided with a list of plan investment options not included in the tool.

Other Observations

- ✓ Computer Model tests revealed that the scope of investment advice does not include retired participants and their beneficiaries. Upon retirement, users of the Advice Model are required to engage other sources for investment advice.

Explanation of Methods Used

Evaluation	Description of Process
Compare to Comparable Models	The cost and functionality of computer models that are known to be used for investment selection and asset allocation are compared to the computer model being evaluated for certification. The expenses associated with the recommended asset allocations were also compared to industry norms.
Evaluate Methodology Documentation	All methodology documentation is evaluated to determine the investment approach used in the computer model being evaluated for certification.
Interview	Fiduciary adviser was interviewed to clarify certain issues raised during the evaluation process.
Model Test	The standard DALBAR test of participant profiles were used. An allocation was established by answering the 8 questions in a likely manner of an average participant This average participant allocation was compared to five real-life scenarios. These scenarios are (1)a participant new to the workforce, (2)a participant at the investment threshold, (3)a highly compensated employee (4) a pre-retiree and (5) a retiree.
Review Application	Information submitted on the application for certification is examined.
Written Statement	Additional written statements were requested and provided by the fiduciary adviser.