CEFEX®

CENTRE FOR FIDUCIARY EXCELLENCE

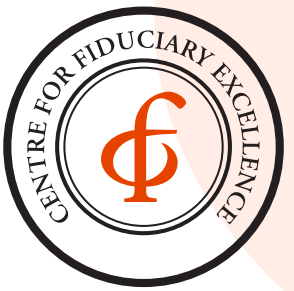
Independent Certification of Fiduciaries and Fiduciary Support Organizations

MISSION

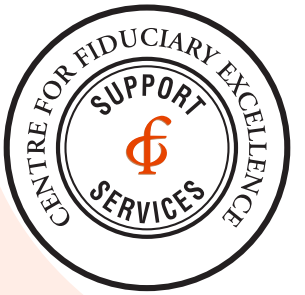
CEFEX promotes fiduciary best practices in the investment management industry. It is an independent global assessment and certification organization. It works closely with investment fiduciaries and industry experts to provide comprehensive assessment programs to improve risk management for institutional and retail investors. CEFEX certification helps determine the trustworthiness of investment fiduciaries.

CERTIFICATION MARKS

The following marks indicate the independent verification of a firm's adherence to established standards of excellence. Their use is exclusive to firms which have successfully completed the certification process and who maintain their registration.



Fiduciary



Fiduciary Support

ASPPA Recordkeeper & Administrator

Program Overview

ABOUT CEFEX

CEFEX conducts assessments according to the principles of the international standard ISO/IEC 17021: Conformity Assessment – Requirements for bodies providing audit and certification of management systems. Observance of these principles is intended to ensure that CEFEX operates in a competent, consistent and impartial manner, thereby facilitating the recognition of CEFEX and the acceptance of its certifications on a national and international basis. The ISO 17021 standard serves as a foundation for facilitating the recognition of CEFEX certification in the interests of national and international trade.

Certification provides independent demonstration that the management system of the organization:

a) conforms to specified requirements described within a standard,
b) is capable of consistently achieving its stated policy and objectives,
c) is effectively implemented.

The assessment thereby provides value to the organization, its customers and interested parties. The overall aim of certification is to give confidence to all parties that a management system fulfils specified requirements. The value of certification is derived from the degree of public confidence and trust instilled through an impartial and competent third party assessment. Parties that have an interest in certification include:

a) the clients of the certification bodies,
b) the customers of the organizations whose management systems are certified,
c) governmental authorities,
d) self-regulatory organizations, and
e) consumers and other members of the public.

NEED FOR ACTION

The investment industry is complex. It is comprised of firms providing a wide variety of affiliated and bundled products in the midst of regulatory and economic changes. Many providers have embraced transparency and true fiduciary accountability, however many have not. Since 1940, many interpretations of the law have emerged, and some providers have found ways to profit from the industry's complexity at the expense of investors.

An unfortunate outcome is that investors are affected. Investment returns can be reduced if the best fiduciary practices are not followed. Even with extensive educational resources available to them, investors, donors and retirement plan participants need more help in selecting trustworthy providers.

HOW CEFEX HELPS

CEFEX increases trust.
The CEFEX certification program provides an infrastructure for fiduciaries to improve overall service delivery to investors. A CEFEX certification is an independent verification that a firm is adhering to a process that is aligned with the global standard of fiduciary excellence.

As Investment Stewards increase their use of CEFEX certified advisors, managers and service providers, the investment environment becomes more structured and fiduciary processes achieve compatibility between providers. Each constituent is aligned to serve the best interest of the investor, using a common standard based on best practices.

PROCESS

The CEFEX assessment is based on the international standard, ISO 19011: Guideline for quality and/or environmental system auditing, and is adjusted to align with the needs of the investment industry. The process includes both off-site and on-site elements, and can generate confidential findings in the form of Non-conformance reports (NCRs) or Opportunities for Improvement (OFIs).

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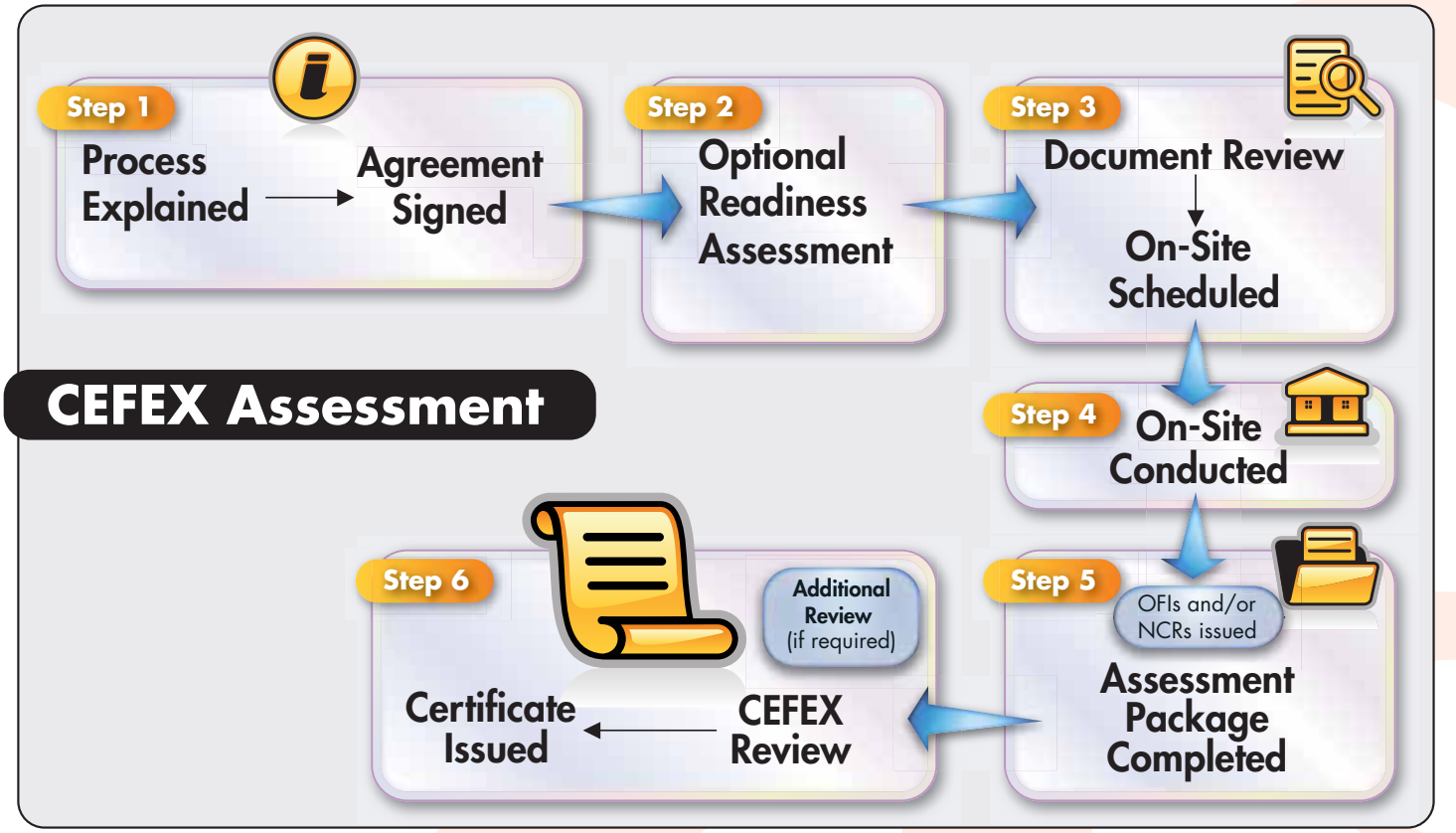

Fiduciary Expertise
The CEFEX assessment is conducted by an Accredited Investment Fiduciary Analyst® (AIFA®). This professional designation is awarded by Fi360, Inc. of Pittsburgh, PA which authorizes AIFAs to use sophisticated web-based toolkits, including the innovative Fiduciary Score™ and the Fund Family Fiduciary Rankings™. As CEFEX Analysts, the AIFAs are contractually bound to maintain confidentiality and a code of conduct.

For a certification assessment, the CEFEX Analyst's work is reviewed by the **independent** CEFEX Registration Committee (CRC). The CRC is comprised of fiduciary and subject matter experts. Prior to accepting the Analyst's recommendation for a firm's CEFEX registration, the CRC confirms that:

a) the information provided by the Analyst is sufficient with respect to the certification requirements and the scope for certification;
b) it has reviewed, accepted and verified the effectiveness of corrective actions, for all nonconformities. The objective of the CRC is to ensure a consistently rigorous evaluation of a firm's adherence to the relevant standard.

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Readiness Assessment
The optional on-site readiness assessment conducted prior to the initial assessment, identifies any major issues with practice implementation. The candidate receives informal feedback regarding readiness for the initial assessment. It is typically conducted in one day. It provides additional insight to both the Analyst and the candidate for planning the initial assessment.

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CERTIFICATE OF REGISTRATION

Issued to:

ABC FINANCIAL SERVICES, LLC.

123 Anystreet South
Anytown, PA, 12345
USA

which has demonstrated its conformity to all Fiduciary Practices for:

Investment Advisors

for the following program:

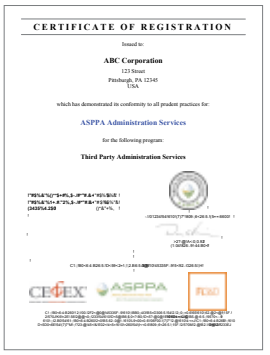
High Net Worth clients and ERISA Plans

Date of Current Registration: 12/01/2006
Date of Initial Registration: 12/01/2006
CEFEX File: CFX12345

On behalf of the CEFEX Registration Committee

David Umwanga
Chief Ruling Officer

Registered by CEFEX, Centre for Fiduciary Excellence LLC, 20 Carlson Court Suite 100, Toronto, Ontario, Canada M9W 7K6


CERTIFICATE OF REGISTRATION

Issued to:

ABC Corporation

123 Street
Pittsburgh, PA 12345
USA

which has demonstrated its conformity to all prudent practices for:

ASPPA Administration Services

for the following program:

Third Party Administration Services

CERTIFICATION

A CEFEX certification is an independent recognition of a firm's conformity to all practices and criteria within a standard. It implies that a firm can demonstrate adherence to the industry's best practices, and is positioned to earn the public's trust.

A successful certification process results in:

- a CEFEX certificate and Letter of Registration being issued
- registration in CEFEX's public database
- permitted use of the certification mark in both print and web form.
- issuance of a Certification Report suitable for distribution to clients and prospects
- a news release issued to the CEFEX distribution list which includes all registered firms. The release can be coordinated with the registered firm's marketing activities.

Fi360

Fi360 *promotes a culture of fiduciary responsibility and improves the decision making processes of investment fiduciaries—individuals who manage money for others—through Training, Tools and Resources based on the defined Practices for investment fiduciaries. Fi360 provides investment education and training programs and awards the Accredited Investment Fiduciary® (AIF®) and Accredited Investment Fiduciary Analyst™ (AIFA®) professional designations. It develops sophisticated web-based toolkits and reporting, including the innovative Fiduciary Score™ and the Fund Family Fiduciary Rankings™ for trustees and investment professionals and provides information for the collective knowledge and ongoing support for the investment community through resources such as a blog, an articles database and its national conference. For more information, visit www.fi360.com.*

ASPPA
Making Retirement Plans Work
Part of the American Retirement Association

The American Society of Pension Professionals & Actuaries (ASPPA) *is a national organization of nearly 10,000 retirement plan and benefits professionals that serves as the educator, voice, and advocate for the employer-based retirement system. ASPPA members include individuals engaged in the provision of services relating to plan administration, compliance, plan design and actuarial consulting, as well as those providing legal, recordkeeping and vendor services/products to support the traditional retirement services community. Please visit www.asppa.org*

CEFEX®
CENTRE FOR FIDUCIARY EXCELLENCE

CEFEX Centre for Fiduciary Excellence, LLC. is an independent certification organization. CEFEX works closely with industry experts to provide comprehensive assessment programs to promote fiduciary best practices. It certifies investment stewards, advisors, managers, ASPPA recordkeepers, ASPPA administrators, and support services firms. To learn more about CEFEX, please visit www.cefex.org.

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