BAM
Advisor Services

An In-Depth Look at BAM's Value Added Services

"Whether your firm is in its first year of business or you are heading for $1 billion in assets under management, BAM can be an indispensable strategic partner."

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Outsourcing With BAM

Whether you are a new or established Registered Investment Advisor firm, you can increase your growth and profitability by outsourcing with BAM.

BAM is proud of the platform of services we offer that successfully build and advance Registered Investment Advisor practices. We are a valuable resource that extends well beyond outsourcing services generally available in the marketplace. Not only are we an outstanding back-office solution, but our comprehensive platform offers you and other Registered Investment Advisor firms the ability to enhance client services and gain new pathways for experiencing significant revenue growth.

Research by CEG Worldwide, LLC found the following:[1]

- ▲ Comparing smaller firms that used in-house services versus an outsourcing solution, the gross revenue per CPA firm from financial services was approximately $392,000 and $834,000 respectively.
- ▲ Comparing larger firms that used in-house services versus an outsourcing solution, the gross revenue per CPA firm from financial services was approximately $718,000 and $1,241,000 respectively.

John Bowen, founder and CEO of CEG, spent many years as a financial advisor prior to starting the company. He believes that many advisors lack "the high-quality empirical data and pragmatic business experience necessary to build hugely successful businesses."[2]

Bowen summed up the value of outsourcing in an October 2006 edition of *Financial Planning*: "The appeal of this soup-to-nuts approach is obvious: It allows you to farm out your noncore tasks (but still supervise them) and refocus your attention on building great client relationships and gathering more assets — an approach that's far more effective than trying to cover all the bases yourself."[3]

BAM Is Better

To truly maximize the benefits of outsourcing, choose a turnkey asset management provider (TAMP) that both integrates a wide range of services you need to save time and money and provides strategic support to enhance your growth, no matter how large. Founded in 1997, BAM is now established as one of the leading TAMPs providing services to advisor firm clients across the country. Our select Registered Investment Advisor clients — providing fee-only investment management and generally affiliated with CPA firms — demonstrate a shared commitment to offering investors an excellent client experience.

BAM can provide your firm an elegant business model that allows you to focus on building your business instead of concentrating on infrastructure. We offer a comprehensive combination of basic back-office services, expertise and assistance:

- ▲ BAM has developed a unique platform that provides investment advisor firms a single source of services needed to serve high net worth investors and qualified plans.
- ▲ We offer tools necessary to successfully differentiate your firm from the competition.
- ▲ Our dedicated team of professionals is committed to being the advisor's advisor.
- ▲ BAM's training services have been developed to help firms recruit prospects and create an outstanding client experience.
- ▲ Access to the intellectual capital of experienced professionals at Buckingham Asset Management, LLC, our highly successful affiliated Registered Investment Advisor firm.

▲ Enjoy the special benefits that can only be found by being part of BAM's network of outstanding client firms.

BAM's back-office services are tested every day. You can feel at ease knowing we develop and then regularly re-examine our services by using them at Buckingham. Founded in 1994, Buckingham is a Registered Investment Advisor firm providing fee-only investment management and serving more than 800 clients with more than $1.7 billion in assets (as of August 2008). It remains an avenue through which we can ensure we are providing proven tools and services desired by our expanding network of independent BAM firms.

Rise Above the Competition

Differentiating yourself from the competition can be the critical advantage you need to advance your firm. However, competition for high net worth clients has never been greater. BAM's platform of services has been developed with this idea in mind.

With BAM as your outsourcing solution, you will be able to differentiate the client experience by offering a variety of value added services to your clients. We go beyond other outsourcing providers by providing services designed to drive profit so you can focus on growing your firm and serving your clients.

I. BAM's Philosophy

BAM's clients take pride in their fiduciary standard of care. They are committed to always doing what is in their clients' best interest and building trusted relationships on this solid foundation. It begins with an in-depth understanding of your clients and how to help them develop their plan. Implementation, using the passive investment philosophy we and our client firms advocate, is key to helping clients reach their most important financial goals.

Your clients are looking for a solid investment strategy that will allow them to confidently build toward their future. When you share this academically supported passive philosophy with clients, you help them understand how to achieve their goals by adhering to a common sense disciplined investment strategy. You will build strong client relationships by offering customized portfolios using globally diversified passive asset class components designed to provide the highest expected return for a chosen level of risk. Clients appreciate the true diversification, low cost and tax efficiency that you will provide. Your clients will be impressed with your ability to understand their needs and the advanced level of knowledge you will be able to offer.

II. Intellectual Capital That Helps Firms Succeed

Knowing you have BAM's established wealth of knowledge and services at hand, we give you the ongoing training, information and confidence to meet client expectations. We have the skills, resources and professional experience you need to build a high-quality practice and experience continued success. BAM helps you interact with clients and create a working foundation that will continue to serve your firm for years to come.

A critical differentiator between BAM and other providers is the intellectual capital that would be readily available to you. For more than 10 years, we have served as the advisor's advisor. Our staff has a combined experience of decades in this business. Each day we serve the needs of investor clients just like yours.

The best practices we offer are tools and practices that have been proven by us or by one of the firms in our network of BAM clients. A breadth of expertise would be merely a phone call away. Access to established authors, fellow CPAs, wealth strategists, fixed income professionals and insurance specialists all under one roof is simply not available elsewhere.

Consider the amount of intellectual capital you would receive from a firm that works with more than 110 CPA-affiliated Registered Investment Advisor firms while simultaneously running an advisor firm that has grown to more than $1.7 billion in assets under management (as of August 2008). We know how to help firms realize their potential. In *CPA Wealth Provider's* second annual ranking of CPA firms who have established investment practices by assets under management, 54 BAM firms made the list.[4] Twenty-four percent of the $100+ Million Club, 46 percent of the $50+ Million Club, and 40 percent of the Rising Stars were BAM clients.

As a result of BAM's continuing success and years of experience in the marketplace, we have created a wealth strategy process that allows us to help investors address their most challenging obstacles and pursue their most important goals. With this process, which is defined in BAM's Advanced Planning Matrix, we are able to deliver a comprehensive wealth strategy service to help manage a myriad of financial issues that may arise. It focuses on four key areas designed to cater to wealth strategy clients' specific needs: wealth enhancement, wealth protection, wealth transfer and charitable planning.

III. A Network of Firms; A Community of Peers
When you are part of the BAM community, you are part of a culture of entrepreneurial professionals driven to build successful firms. BAM was founded by CPAs turned investment advisors, creating a culture in which CPAs and investment advisors can find a natural home. When advisors visit our St. Louis headquarters — whether for training, our annual BAM conference or a special visit — they discover that BAM is a home away from home. BAM is proud to continue this welcoming tradition as our community of advisors grows.

Imagine being a part of a network of firms that offers you the opportunity to learn and grow with other BAM firms. Through BAM's network, advisors build and strengthen peer relationships. We continue to develop programs and learning groups to formalize this process and take full advantage of the collective wisdom that continues to evolve within our network of firms.

The unique structure of our network means you have numerous opportunities to build relationships with colleagues who tackle the same issues and celebrate the same milestones. You will immediately find suitable ways to participate and learn within our thriving network of professional firms and peers. You can gather with your peers each year at our annual conference — the highlight event that BAM clients don't want to miss — where you can hear well-known speakers from the academic community, attend informative breakout sessions and experience great times with new and old friends.

IV. Back-Office Support
At BAM, we become a part of your team. We tackle client issues as if they were our own. BAM acts as your liaison to numerous strategic alliances and leading industry service providers, such as DFA, Schwab and Fidelity. Our established relationships with these providers give you the ability to concentrate on your client relationships instead of spending time independently forming alliances.

Advisors receive a consistent, high-quality experience when working with BAM's Client Service department. Each firm is assigned a primary client relationship specialist (CRS) who quickly becomes an irreplaceable member of its team. The CRS team provides a level of service by which many BAM advisors measure all other service providers.

Through BAM, your back-office operations are simplified. BAM provides state-of-the-art quarterly reports ready for your review and distribution to your clients. Your billing is made easier through BAM's customized automated billing operation. Working closely with high-level teams at our custodial partners, our experienced staff helps you address administrative issues to keep your back-office operations running efficiently.

Having this kind of support means your firm not only saves significantly on overhead costs (because you won't have to hire more people as you grow), but you can devote your valuable limited resources to growing the business, not managing it. In short, by working with BAM, you can structure your firm as a low-fixed-cost organization and spend time on the true drivers of the business.

V. Technology

BAM's technology is customized to serve our clients. We have created many technological tools and services that save our clients' time and increase the amount of services they are able to offer their clients:

▲ **Locating the cause of portfolio drift**
Many firms consider this task an exceedingly time-consuming responsibility. However, there is a simple way to check your clients' accounts for individual asset classes that are higher or lower than the Investment Policy Statement (IPS) recommends. BAM's IPS Drift Monitor can help your firm meet its fiduciary responsibility by allowing you to easily check client portfolios to ensure adherence to a written IPS.

▲ **Trading support**
BAM's Trade Center is designed for the portfolios our clients want to build. Smart filters help prevent most common missteps that can lead to costly trade errors. In addition, your trade sheets are archived to assure proper recordkeeping.

▲ **Harvesting potential losses year-round**
BAM's Tax-Loss Harvesting Crawler provides significant opportunities to save clients money in down markets. Using this specially designed application, one can quickly find tax-loss harvesting opportunities by lot, based on customized parameters.

▲ **Backing up important information**
Backing up data is an important part of a firm's disaster recovery plan. BAM offers you access to back-office services, trading and the ability to back up various client records.

VI. BAM Educational Institute

Let the BAM Educational Institute create an exciting and worthwhile training experience for you and your firm with our established adult learning theory-based classroom and electronic multimedia tools. Whether you are part of a new or existing Registered Investment Advisor firm, these tools add value. They are designed in cooperation with BAM's Practice Development department and meant to develop advisors and foster firm growth.

More importantly, BAM training shows you how to build long-term client relationships and provides a distinct array of services and tools necessary to advance you and your firm:

- ▲ A customized learning path based on experience level to help you schedule client meetings, acquire critical listening skills and develop impressive presentation styles and the confidence needed to successfully answer complex investor questions and objections.
- ▲ A tailored strategic business model to help you and your firm gain partner buy-in, build a client base that matches your model and market for fast growth. BAM's wealth of expertise and practices is proven to set you apart from existing competition in the following areas: 1) operations and administration, 2) client services, 3) firm development and firm growth and 4) lifelong learning and professional development.

VII. Committed Compliance Support

Compliance is increasingly cited as a major drain on business operations' efficiency. At BAM, our Compliance team is available to guide you as the regulatory landscape changes and regulatory demands increase. We know how to design efficient compliance processes that will save you time and continually share that information with you.

BAM provides you and your firm the opportunity to work with compliance professionals. We provide the training necessary to create and enhance your compliance program by educating you on regulatory requirements and how they directly affect your firm. We use real-life examples and exercises to help you feel comfortable when dealing with the often complicated and dynamic world of compliance.

By working with our strategic partner Ascendant Compliance Management, Inc., you connect with expert consultants who understand your business and keep you informed about regulations that impact your firm. Ascendant educates you on how to approach compliance through the development of a comprehensive program that includes:

- ▲ Policies and Procedures Manual (that includes periodic forensic testing)
- ▲ Code of Ethics
- ▲ Disaster Recovery Plan
- ▲ Written Annual Review

During regulatory examinations, we are an experienced ally, ready to make requested information available to you in a timely fashion. We also provide substantial assistance in helping you demonstrate the serious place your compliance program has in your firm. You can benefit from the knowledge gained through regulatory inspections of other BAM client firms.

Finally, the depth of our compliance contingency planning makes us an ideal support system for your required business continuity plan efforts. In addition to value added compliance offerings from our strategic partners, all marketing materials and guides furnished to you by BAM have been through our own compliance professionals.

VIII. Fixed Income Services

The current fixed income market has grown increasingly complex. There are more than two million different municipal bonds, compared to only 8,000 listed stocks on the major exchanges. Many people don't understand what they are buying, and most aren't aware of hidden costs that allow brokers to place excessive markups and markdowns on their transactions. We believe fixed income investing has a vital mission all its own:

- ▲ Fixed income can control overall volatility in a portfolio and provide a stable financial base.
- ▲ Fixed income operates differently than equity; it should be treated differently.
- ▲ Fixed income solutions can be highly complex, with dozens of variables to consider.

BAM has a fixed income program you won't find elsewhere. BAM is not a commission-based broker-dealer. You gain access to experts, not salespeople, who give you the clarity you need to build high-quality customized fixed income portfolios. You will work with experts you can trust to act in your clients' best interest.

Through BAM, you can offer your clients a prudent fixed income strategy built around their long-term financial plan. With BAM at your side, you can offer special expertise, especially to high net worth clients who need to build customized fixed income portfolios. Our fixed income offering allows you to differentiate yourself from broker-dealers and provide your clients independent, objective advice and customized solutions that help them meet their individual goals.

IX. Risk Management

BAM Risk Management, LLC takes an approach to insurance that is highly unusual in the industry. Our experts are interested in helping to uncover true insurance needs, rather than looking for opportunities to sell products. With this crucial service, we are able to offer an extraordinary client experience.

With BAM, you can confidently give your clients the opportunity to assess their insurance needs and help them:

1) Gain understanding of their current coverage
2) Provide solutions that meet their specific situation
3) If needed, fill in true gaps in capital needs

We facilitate turning insurance into a confidence builder between advisors and clients. You decide how to participate in revenues that might be generated from these efforts. While these revenues could be significant, you and your clients would be assured that their best interest has been served.

X. Institutional Client Opportunities

BAM can also help you serve institutional clients. We have watched institutional clients in the $5 million to $100 million range struggle to obtain the type of investment strategy that we advocate. Success with these clients requires: 1) knowledge of how to respond to requests-for-proposals, 2) experience with creating presentations for decision-making boards and 3) new and unique approaches that help investment committees appreciate what your firm has to offer.

The ongoing reporting to these clients may require special handling. In such instances, we provide critical support to help you gain traction in the marketplace.

XI. Retirement Plan Services

Our knowledgeable Retirement Plan Services (RPS) team consults with advisors, educating them on how to communicate effectively with plan sponsors and participants. At BAM, we help advisors service participant retirement plans by providing them with turnkey solutions for the administration of their clients' retirement plans.

To provide BAM clients additional fiduciary support, BAM has formed strategic relationships with third-party administrators and pension consulting firms that are readily accessible and have the expertise and experience needed to customize solutions for the competitive qualified retirement plan marketplace. We also help Registered Investment Advisor firm employees form prudent, long-term, disciplined investment strategies.

XII. Communications

With BAM, you have direct access to a wide variety of marketing and communications materials and subject matter experts, including:

- ▲ **Books and Appearances by Larry Swedroe**
  About Larry Swedroe: Larry is a BAM principal and the author or co-author of seven highly regarded books on investing, including *The Only Guide to a Winning Investment Strategy You'll Ever Need* (2005, second edition); *Wise Investing Made Simple* (2007); and *The Only Guide to Alternative Investments You'll Ever Need* (2008). Larry is also available for client appreciation and prospect events (via BAM's event program).
- ▲ **Web site templates**
  This cost-effective, turnkey solution is designed to help you create a distinctive investment/wealth strategy Web site quickly and easily. BAM firms have the opportunity to design a customized Web site using five professionally designed templates and color schemes. Firms may also choose to work with BAM's strategic alliance to design a customized Web site.
- ▲ **PowerPoint client presentation slide library**
  BAM's slide library helps advisors educate prospects and clients about various investing subjects. Slides can also be used as references for technical assistance and general information or blended together to create customized presentations for prospects or clients.
- ▲ **Communication materials**
  Our library of materials includes prospect brochures, reprints of relevant articles from well-known publications, quarterly client newsletters, advisor-only educational white papers and expert commentaries, and Educated Investor Feature Articles.

XIII. Events

The BAM Event Support Team (BEST) is available to help you produce first-rate, high-quality events to educate and engage prospective clients, current clients and others. BEST supports you as you plan your event and can assist you with such tasks as selecting invitations, venues and speakers as well as identifying post-event follow-up duties.

XIV. Tailored Practice Development Support

At the same time you are working to help your clients achieve their goals, you are also concentrating on meeting your firm's long-term objectives. At BAM, we offer you a collection of formal programs, tools and knowledgeable contacts to lean on as your firm continues to develop strategic goals and objectives.

Our Practice Development team provides ongoing support in the following areas:

- ▲ A dedicated practice development manager consults with you on issues and challenges to help you learn best practices from the BAM community.
- ▲ BAM introduces you to the wealth of services provided through a series of weekly calls over the first three months, designed to help you attain the knowledge and tools required to get up and running and meet with prospects as quickly as possible.

- ▲ You participate in regular practice development calls to provide the necessary coaching to help you achieve your goals and overcome challenges.
- ▲ BAM associates are available to help you formulate a plan for growing your practice by phone or during on-site visits.

Our Commitment to You

At BAM, our ongoing commitment to improve our service offerings cannot be overstated. We are a financial services organization committed to the highest integrity in the advice given, services offered and financial instruments recommended. We pursue this commitment for the purpose of developing long-term trusted relationships with each of our clients.

BAM goes beyond other outsourcing services to anticipate what you will need to separate yourself from other Registered Investment Advisor firms. Not only do our customized investment strategies incorporate BAM's platform of services according to what is in the best interest of our clients, but they empower our clients to develop high-quality firms and reach new levels of success.

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[1] Patricia J. Abram, John J. Bowen Jr., Russ Alan Prince and Jeffrey A. Roush. **Capturing the Potential**. (A Special Section to) *Journal of Accountancy*, October 2004.

[2] **CEG Worldwide Managing Principals**. Available at http://www.cegworldwide.com/principals/bowen. Accessed May 28, 2008.

[3] John J. Bowen Jr., **Outsource It!** *Financial Planning*, October 2006.

[4] **Wealth Magnets**. *CPA Wealth Provider*, July 2008.