



**ASSET
DEDICATION**

Asset Dedication® Portfolio Solutions

Asset Dedication's portfolio solutions provide independent financial planners with investment strategies that are centered on each client's financial plan. In addition, our portfolio managers and administrators will handle your investment selection, trading, rebalancing, reporting, billing, & daily reconciliation.

Asset Dedication® Strategies



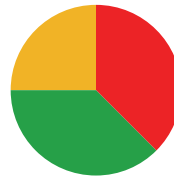
Our strategies directly link an investor's goals, cash flow needs and time-horizon to a defined income portfolio that provides the pension-like predictable income they need and a global and diversified growth portfolio that will fund their later years.

 Defined Income Portfolio

 Growth Portfolio

 Critical Path® System

Portfolio Management



Our portfolio managers use the strategies you select and the financial plans you create to select investments, execute trades, and rebalance your client's portfolios. We also offer model management services if you prefer to use your models for certain clients.

 Investment Selection

 Trade Execution

 Dynamic Rebalancing

Portfolio Administration



Our portfolio administrators handle all of the billing, reporting, and daily reconciliation for accounts that utilize our portfolio management services. We also offer portfolio administration as a stand-alone service if you want to manage certain client's portfolios.

 Reporting

 Billing

 Daily Account Reconciliation

Asset Dedication® Strategies

Asset Dedication's portfolio strategies provide independent financial planners with investment strategies that are centered on each client's financial plan. Starting with an investor's goals, cash flow needs and time-horizon, we build their portfolio to provide pension-like predictable income while complementing it with a growth portfolio that will supplement income in their later years.

Defined Income Portfolio



Asset Dedication takes lessons from the pension world to engineer income matching portfolios that can deliver a preset and predictable cash flow to meet investors future needs.



Matched to Cash Flow Needs



Protected Principal



Dynamically Rebalanced

Growth Portfolio



Asset Dedication's growth portfolio complements the defined income portfolio to provide investors with better downside performance during tumultuous markets.



Income Aligned Time Targeting

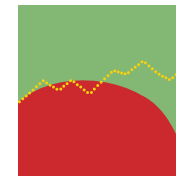


Global Diversified Asset Classes



Minimax Principles

Critical Path® System



The Critical Path® system ties together the defined income portfolio and the growth portfolio to provide clients with an intuitive way to monitor their investments in relation to their financial plan.



Client Specific Benchmarking



Goals-based Reporting



Intuitive Decision Making

Defined Income Portfolio

At some point, we will all have to replace the income from our jobs. Asset Dedication takes lessons from the pension world to engineer income matching portfolios that can deliver a preset cash flow to meet future needs. In particular, we utilize individual bonds so that investors have more predictable income than is found in bonds funds or traditional bond ladders.

Matched to Cash Flow Needs



We don't fit your clients into a few generic model portfolios. Instead, we analyze the financial plan you created for your client and construct a portfolio that is directly linked to their future cash flow needs.

Key Benefits:

- Links directly to the financial plan
- Creates a "retirement paycheck"
- Establishes a deferred income strategy

Protected Principal



Bonds funds are susceptible to interest rate increases and market pressures that can result in the loss of principal or control. By using individual bonds, we immunize investors from unanticipated sales and loss of principal.

Key Benefits:

- Immunizes against interest rates
- Keeps investors in control of assets
- Less susceptible to market pressures

Dynamicly Rebalanced



Our Critical Path® system provides each client with a unique benchmark that determines whether or not to extend or roll their portfolio forward. Doing so, we can provide a perpetual stream of income for the client's lifetime.

Key Benefits:

- Creates a perpetual income stream
- Unique client based benchmarking
- Ability to adjust with circumstances

Growth Portfolio

Asset Dedication spent years researching the role of the growth portfolio and how to structure it so investors can have better downside performance during tumultuous markets. From our research emerged three underlying principals that if utilized correctly, provide investors with the predictability they desire during uncertain times.

Income Aligned Time Targeting



We select investments for the growth portfolio that align with the investor's time horizon and income portfolio. Doing so we provide the investor with the highest probability of success during periods of significant market turmoil.

Key Benefits:

- Built to meet time-based goals
- Uses time to define intrinsic volatility
- Synchronizes with the Income Portfolio

Global Diversified Asset Classes



We identify asset class tilts that improve the probability of success and manage for downside risk and inflation. This is achieved with exposure to domestic, developed and emerging equity markets along with select alternative assets.

Key Benefits:

- Manages downside risk and inflation
- Reduces currency risks
- Mitigates asset class susceptibility

Minimax Principles



Our Growth Portfolios utilize the "mini-max" principle used in the mathematical approach to decision analysis. Using this principle, we allocate investments within the portfolio so that returns, even at their worst, will be as high as possible.

Key Benefits:

- Maximizes minimum gains
- Minimizes maximum losses
- Protects without sacrificing returns

Critical Path® System

The Critical Path® system ties together the defined income portfolio and the growth portfolio to provide clients with an intuitive way to visualize their progress towards achieving the goals laid out in their financial plan. Doing so, the Critical Path® is your client's customized benchmark and the primary tool for them to make and monitor the impact of their decisions on their financial plan.

Client Specific Benchmarking



Using the goals laid out in your client's financial plan and the investments we match to those goals, we create a unique Critical Path® for your client that benchmarks their success in relation to their long-term financial goals.

Key Benefits:

- Links investments to a client's goals
- Creates a benchmark for a lifetime
- Tracks progress in relation to the plan

Goals-based Reporting



The Critical Path® report keeps your clients focused on their progress towards their long-term goals. We reinforce this by showing the paths a comparable portfolio would have taken during every 30 year period since 1927.

Key Benefits:

- Keeps the focus on long-term goals
- Provides powerful historical context
- Minimizes client's short-term concerns

Intuitive Decision Making



Utilizing the Critical Path®, clients can clearly understand the tradeoffs between spending less, planning for contingencies, taking more or less risk and accommodating for various issues such as healthcare costs and inflation.

Key Benefits:

- Brings clarity to decision making
- Shows the impact of financial choices
- Aligns investors with their goals

Portfolio Management

Our portfolio managers use the financial plans you create and the Asset Dedication Strategies you choose to select investments, execute trades, and rebalance your client's portfolios. We also offer model management services if you prefer to have our portfolio managers use your models to manage your client's portfolios.

Investment Matching



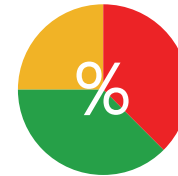
Our portfolio managers carefully match investments to the financial plans you create for each of your clients.

Trade Execution



Our team executes the trades for the investments we matched to the financial plans you created for each of your clients.

Portfolio Rebalancing



We periodically rebalance your client's account holdings using the financial plans you created for each of your clients.

Portfolio Administration

Our portfolio administrators handle all of the billing, reporting, and daily reconciliation for accounts that utilize our portfolio management services. We also offer this service for accounts that are managed separately so you can outsource all of your billing, reporting, and account reconciliation.

Reporting



We work with you to create reports for your clients that we can deliver to their online portal each quarter.

Billing



We coordinate with you to setup your client's billing preferences and manage all of your ongoing billing.

Account Reconciliation



We reconcile your client's positions daily and pull the data into your CRM and the client's online portal.

Asset Dedication White Papers

Below are brief descriptions of some of our white papers, to download the full versions visit assetdedication.com



De-Risking Retirement Income

Liability-Driven Investing (LDI) is a popular strategy with pension funds looking to match a stream of payments to retirees, and retirees face the same inflow-outflow problem that pension fund managers face. Income matching is the most appropriate approach to LDI for individual investors because it mitigates, manages, or eliminates many of the risks associated with retirement income.



Building a Personal Pension Portfolio

Baby boomers continue to impact our nation. The generation that fought for free speech and civil rights is now forcing financial services to re-evaluate investing and retirement planning. They are the first group to transition from traditional pensions to the 401(k). Boomers will increasingly have to look to their own accounts to support them in retirement. Essentially, they have to treat their 401(k) and IRA accounts as their personal pension.



The Match Makers

It is surprisingly easy to forget that your clients' investments exist to fund their lifestyles. Clients pull money from their portfolios to pay for living expenses, contribute to college costs, donate to charities and fund estate plans. They may not know exactly when all these outflows will occur, but they have a sense of the time horizons involved. The real benchmark for them, therefore, is whether their money can support their financial goals.



Safety of Investment Grade Bonds

Today's interest rate environment presents financial advisors with a conundrum – do I stay on the sidelines and wait for rates to rise before re-allocating my clients' portfolios, or do I jump in now....what are the costs of waiting for rates to rise? We evaluate this question in the context of income-matching portfolios constructed with individual bonds. Income-matching portfolios consist of a series of individual bonds held to maturity whose redemptions and coupon payments provide cash flows that precisely match a client's target income stream. We will compare the income-matching strategy to investing in short duration bond funds, holding cash or buying a CD to show it is better for investors to buy now than wait for rates to rise.

Asset Dedication in the News

New Ways to Create a Gold-Plated Pension

The New York Times

Asset Dedication's Income portfolio, invests in CDs, TIPS and other high-quality bonds and holds them to maturity. Bulking up on fixed-income might seem counter intuitive right now. But by holding bonds to maturity and then rolling them over, the strategy can capitalize on higher yields...

Investing Ideas and Analysis for the Week

Financial Planning

Recent figures released by the American Institute of Economic Research (AIER) suggest that while the economy's expansion appears to be continuing for now, its pace may be weakening. Most of the leading indicators were up, but a few declines have begun to show up, and still others are....

Itchy Investors Ramp Up the Risk

THE WALL STREET JOURNAL.

Brent Burns, the President at Asset Dedication , says that since the Fed announcement he has fielded a flurry of questions from advisers considering high-yield and international bonds, and real-estate investment trusts. "I don't think that's a fair trade" for money intended to be invested safely...

A Strategy for a Lifetime of Income

Kiplinger

To win the battle for income that lasts a lifetime, a growing number of financial advisers and retirees have decided to divide and conquer. Their approach: Split portfolios into separate "buckets" designed to generate income for specific segments of retirement.

The cost of waiting for interest rates to rise

RIABiz

A bond trader friend of mine is fond of saying: Buy bonds, wear diamonds. This may be true but it presumes that you buy them intelligently [so you'll still be wearing a shirt]. Surprisingly little is written on bond investments relative to the position that this asset class holds in people's portfolios

Disclosures

Asset Dedication, LLC is a portfolio engineering firm that partners exclusively with selected financial advisors to design dedicated investment strategies customized to the individual needs of each person. Customization is the cornerstone of the Asset Dedication approach, creating investment strategies unique to each person and each situation. Portfolios are built to client specifications to accurately determine how much of a portfolio should be dedicated to supplying cash for the short run, providing income for the intermediate term, and generating growth for the long term. The portfolio is then monitored using the Critical Path® system to make sure it stays on target.

Asset Dedication, LLC is a registered investment adviser located in Mill Valley, CA. Asset Dedication and its representatives are in compliance with the current filing requirements imposed upon registered investment advisers by those states in which Asset Dedication maintains clients. Asset Dedication may only transact business in those states in which it is registered, or qualifies for an exemption or exclusion from registration requirements. For information pertaining to the registration status of Asset Dedication, please contact the Securities and Exchange Commission. A copy of Asset Dedication's current written disclosure statement discussing Asset Dedication's business operations, services, and fees is available from Asset Dedication upon written request. Asset Dedication does not make any representations or warranties as to the accuracy, timeliness, suitability, completeness, or relevance of any information prepared by any unaffiliated third party advisor that recommends the services of Asset Dedication.

Past performance may not be indicative of future results. Therefore, no current or prospective client should assume that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Asset Dedication) made reference to directly or indirectly by Asset Dedication in its literature or otherwise will be profitable or equal the corresponding indicated performance level(s). Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment will either be suitable or profitable for a client or prospective client's investment portfolio. Historical performance results for investment indices and/or categories generally do not reflect the deduction of transaction and/or custodial charges, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results.

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