

CAPITALMANAGEMENT
Capital Management Resources Ltd.

Private Wealth Management®
Mutual Fund Solution



A Step-by-Step Guide to Investment Success

In Collaboration with Portfolio Resources Group, Inc.

The Strategic Approach to Building Mutual Fund Portfolios



Fitting the right mutual funds to meet your unique goals and tolerance for volatility

Mutual funds are excellent investment solutions. Many times, however, clients own mutual funds without any true strategy behind their investing decisions -- and many times, these funds are not properly aligned to the objectives they want to achieve or appropriate for the risk they want to take.

The Private Wealth Management® Mutual Fund Solution offers sophisticated investors a portfolio comprised of carefully selected mutual funds. Using a selection process that has an established track record, mutual funds are selected for your portfolio with the goal of achieving your investment objectives while maintaining the appropriate degree of risk. Your portfolio of mutual fund shares is then actively managed on an ongoing basis, and are based on a thorough understanding of your investment objectives.

Discover how the Private Wealth Management® Mutual Fund Solution can help you harness the power of mutual funds to reach your investment goals.

The Private Wealth Management®

Consulting Process

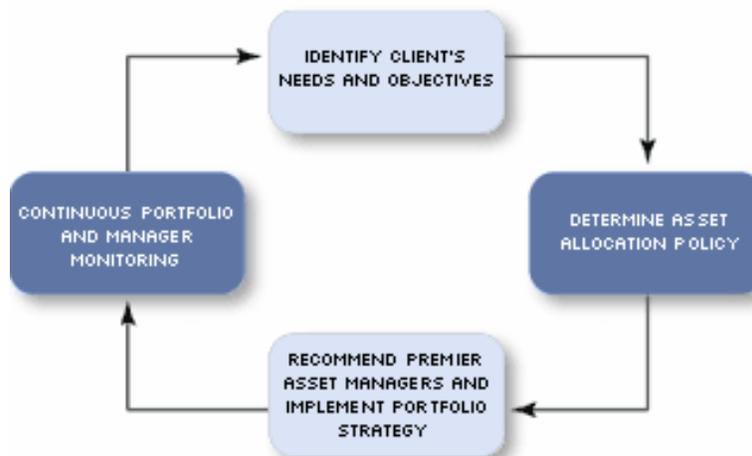
The objective of the Private Wealth Management® Mutual Fund Solution is to help investors zero in on and then plan to meet their investment objectives. Our experience tells us the best way to accomplish this is by creating customized investment solutions based on the unique goals, preferences, and characteristics of each investor. That means identifying specific financial goals, developing a strategy to reach those goals and then staying the course over the long term. The Private Wealth Management® Mutual Fund Solutions and services are designed to help with each stage of this essential consulting process.



BENEFITS OF THE PRIVATE WEALTH MANAGEMENT® MUTUAL FUND PROCESS:

- Focus on individual client needs
- A disciplined, objective strategy
- Expert portfolio construction
- Years of experience in fund selection
- Tax aware portfolio management
- Continuous monitoring and reporting

The Consulting Process



Customizing

an Investment Strategy to Meet Your Goals

The Importance of Understanding Your Unique Needs

The first step in our consulting process is defining your objectives, goals, and aspirations. By understanding your long-term return goals, tolerance for risk and investment time horizon, we can construct a portfolio that is specifically tailored to meet your needs. Defining objectives also provides a solid basis for judging the success of the program and providing accountability for results.

Understanding your preferences and experiences is equally important. It allows us to design a portfolio that is consistent with your preferred approach to investing. This is important because the key to long-term success is constructing a portfolio with which you will be comfortable through the inevitable ups and downs of the financial markets.

The Private Wealth Management® consulting process is designed to develop and consider alternative investment strategies designed around your personal needs, preferences and investment experiences. Once a strategy is selected, we provide a comprehensive investment proposal that documents your personal investment objectives and the strategy to be used to reach those objectives.

Selecting the Building Blocks

Part of designing your investment strategy involves deciding which building blocks to use in constructing your portfolio.

We can select from a wide variety of domestic and international asset classes representing major mutual fund stock and bond markets around the world. We can further diversify your portfolio by providing growth and value styles of investing in the equity portion of your portfolio, as well as large cap and small cap stocks.

Each of these investments has a different pattern of returns. By artfully combining these investments in your portfolio, increases in one type can offset declines in another. This lowers the overall volatility of your portfolio and offers the potential for higher long-term returns as well.



The Importance of Asset Allocation



The next step in our process is asset allocation – deciding just how to diversify your assets among different types of investments in your portfolio. Research shows that the asset allocation decision is the single most significant factor in determining a portfolio's return, which makes it a critical component of portfolio construction.

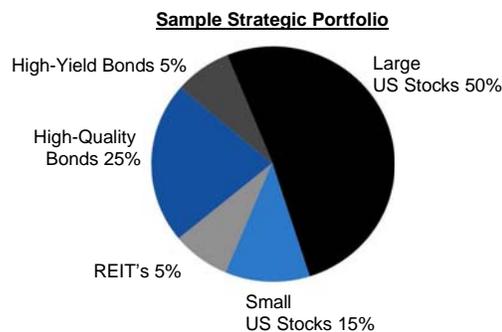
The Private Wealth Management® Mutual Fund Solution offers a number of different asset allocation strategies. Each strategy is intended to provide you with a level of return consistent with your long-term goals while managing the risk you assume.

Every portfolio has a long-term return target and an expected long-term risk level, which means your portfolio will be geared toward and tailored to your objectives and preferences.

Strategies to Suit Your Needs

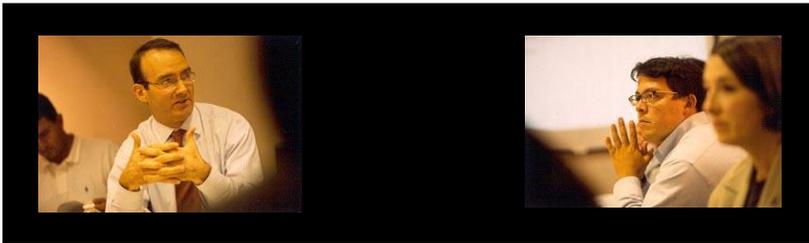
The Strategic Mutual Fund Portfolio:

Strategic portfolios are designed to maximize long-term return for the level of risk taken. A fixed percentage of your assets is allocated to each asset class represented in your portfolio. Since these allocations are intended to remain consistent over time, strategic portfolios are periodically rebalanced to maintain the fixed percentages.



Portfolio Construction -- Selecting the Best Mutual Funds

Once we have identified an appropriate asset allocation strategy, the Private Wealth Management® Mutual Fund Solution consulting process implements the strategy through the purchase of no-load mutual funds, or mutual funds available to us at net asset value. We look for the best funds we can find, including both actively managed and index funds. In addition, some of our selections are institutional funds that are not generally available to individual investors.



Before a mutual fund is selected for your portfolio, it is put through a rigorous due diligence process. Our process is designed to identify funds that have demonstrated their superiority in the past and that we believe are likely to perform well in the future. To accomplish this, we look for mutual funds whose managers consistently add value through their securities selection process. We also review the history and quality of each fund's management and its portfolio manager, and pay close attention to the management fees charged by the fund.

Our fund selection process is specifically designed with the goal of maximizing your after-tax returns. First, we look for funds with low expected turnover ratios to minimize the amount of short-term gains realized in your portfolio. In addition, we try to identify funds that use tax efficient portfolio accounting methods. If your investment strategy calls for a portfolio that holds bond funds, we can implement that strategy using municipal bond funds, including single state bond funds where available.

Due Diligence Process



Selecting Mutual Funds

That Work Together

Once we have identified what we believe are the best funds, we make sure that they will fit well into your overall asset allocation strategy. Because the asset allocation decision is so important, we screen each fund to make sure its investment style is consistent with your strategy and will blend well into your portfolio. In building your portfolio, we combine funds so that their unique performance characteristics work together to achieve your investment objectives within acceptable levels of risk.

Institutional-Quality Portfolio Construction

- Determine client needs
- Select portfolio building blocks
- Allocate assets
- Select mutual funds
- Blend funds to achieve proper allocations

Tax Sensitive Portfolio Management

Continuous Management For Long-term Results

To make sure your portfolio continues to work for you, we monitor progress on a weekly basis. Market conditions, contributions to your account and other factors can cause the allocation of assets to move outside the targets set for your portfolio. If this happens, we rebalance your portfolio to bring allocations within the desired range.

We also monitor each fund in your portfolio on an ongoing basis to make sure it continues to meet our rigorous standards. If a fund falls below acceptable criteria, we replace it automatically.

Our portfolio management process focuses on minimizing capital gains taxes for U.S. residents. We set wider tolerances around asset classes in taxable accounts to reduce the amount of trading that occurs within those accounts. At year-end, we pay special attention to avoiding the purchase of funds shortly before they pay large capital gains distributions. We also attempt to “harvest losses” to offset gains in a manner consistent with your portfolio’s overall objectives. For non-residents (NRA’s) we use offshore funds free of withholding taxes which take advantage of active trading since capital gains are not taxable.

Keeping More Of What You Earn

The Private Wealth Management® Mutual Fund Solution recognizes that taxes can take a sizable bite out of investment returns. So, for taxable investors, we take steps to reduce the level of taxes you pay.

By managing mutual fund portfolios for taxable investors on a more tax-efficient basis, we help you keep more of what you earn.

- Wider rebalancing tolerances to reduce trading
- Use of multi-state or single state municipal bonds
- Use of low turnover mutual funds
- Seek to avoid buying into large capital gains distributions
- Use of tax efficient portfolio accounting methods
- Harvesting of losses to offset gains

Reporting the Results -- Tracking your Progress

An investment strategy adds value only if it helps you make progress toward your goals. To help you assess your progress, our Private Wealth Management® Mutual Fund Solution provides a quarterly report that is easy to understand, well organized and comprehensive.

Our reports give you the confidence and understanding that comes from knowing precisely how your assets are invested and how they are performing. You are not forced to hunt for information, or guess at your progress. We tell you clearly and in detail.

In short, the Private Wealth Management® Mutual Fund Solution provides you with everything you need to determine your progress on the path to investment success.

A Better Way

To Reach Your Goals

The Private Wealth Management® process is an excellent way to help you secure your financial future. And there is simply no better time than today to begin building for that future.

The first step is to connect with us. We will take time to explain the many significant advantages of our Private Wealth Management® Mutual Fund Solution and can help you identify an investment strategy that is right for your situation.

Let us help you create an investment program designed around your specific needs. It is time you enjoyed the confidence and security of knowing that your investments are managed by a firm that is trusted by some of America's most sophisticated investors.



Long-term solutions to
help you build and
protect your wealth