



# Retirement Plan Solutions

From National Asset Management via FOLIO*fn* Institutional





# RETIREMENT PLAN SOLUTIONS FOR PLAN SPONSORS

From National Asset Management, Inc.  
*via FOLIOfn Institutional*



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## INTRODUCTION

This is a true, fitting and darkly funny story about an “honest-to-goodness visionary” who had a most unusual approach to his retirement planning. Or lack thereof! In an essay written by John Schwartz of The New York Times, we were introduced to Timothy J. Bowers, a man with a creative financial plan.

In May of 2007, Mr. Bowers entered a bank and handed the teller a note demanding money, robbing the bank of four \$20 bills. He then handed the bills to a security guard telling him “it was his day to be a hero.” During the trial, Bowers explained his actions to the judge in this way:

He was about to turn 63 and had lost his job making deliveries for a drug wholesaler. He said that with only minimum-wage jobs available, he preferred to draw a three-year sentence, which would get him to age 66, when, he said, he could live off Social Security. Ask and you shall receive!

I think we agree this is not the most sensible retirement plan but Mr. Bowers did “achieve” his retirement goal. Not an easy task by any standard.

With the number of employers offering a Defined Contribution plan increasing, and more and more employees relying on their 401(k) for retirement savings, there’s a heavier burden on sponsors to offer an effective plan – and an absolute need for the employee to participate and succeed.

Sponsors are looking for a low-cost, innovative solution that’s flexible with sound, suitable investments. A plan that’s ahead of the curve and flexible.

## Our Response to Today’s 401(k) Environment

Registered investment advisers are traditionally seen as non-biased advisers who can offer a best-of-breed solution, without regard to proprietary products or the commissions associated with a particular mutual fund. Fee-based advisers could very well offer a better, objective solution to plan sponsors by acting independently. This allows flexibility, customization, and choice to be at the forefront of plan design.

Through technological innovation, National Asset Management, Inc. (“NAM”) can provide customized model portfolios consisting of multiple investment product types while allowing any size account to enjoy the advantages of a diversified portfolio – something wealthy investors have always had. We believe that model-driven separate accounts will continue to gain traction, especially when delivered cost-effectively through FOLIO<sup>fn</sup> Institutional.

### **Holistic Approach = Intelligent Solution**

A retirement solution through NAM will provide your participants with a powerful alternative to mutual funds and traditional brokerage offerings.

By offering professional asset management, along with the plan design and consulting expertise of our partners, you can differentiate yourself in a market increasingly crowded with generic, off-the-shelf products.

## National Asset Management & FOLIO*fn* Institutional is the Answer

A competitive benefits package – including a sound retirement plan – could certainly help in attracting and retaining top talent. Offering a robust solution to your participants that meets today’s increasingly complex fiduciary and regulatory requirements can be a daunting challenge.

Now, there’s an intelligent solution to meet that challenge. NAM delivers innovative retirement solutions to plan providers, plan sponsors, and participants through FOLIO*fn* Institutional. FOLIO*fn* Institutional combines an award-winning platform, a commitment to innovation, key partnerships and personalized services that enable you to serve your participants better, customize a more suitable retirement solution, and help retain and grow assets by lowering costs and increasing participation.

Many investment firms currently use FOLIO*fn* Institutional services, enabling them to offer some of the most innovative investment programs available today.

### An “Open-architecture” Investment Platform That Is:

**Highly customizable.**

**Extremely cost-effective. Asset-based pricing with no commissions, transaction fees, or ticket charges with “Window Trading”<sup>1</sup>.**

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<sup>1</sup> A Window Trade is an innovative way of placing trades designed for long term investors. Instead of being executed immediately, trades are grouped together, matched internally and the remaining orders are sent to the market twice a day.

**Objective and unbiased. Access to world-class investment management through National Asset Management.**

**Transparent. Full-fee disclosure throughout the entire plan offering.**

### Plans Serviced:

- 401(k), 403(b), 457
- Pension Plans
- Money Purchase & Profit Sharing
- Traditional IRA
- SEP, ROTH, and IRA Rollover

We can provide a customized solution for every need — efficiently, effectively, and expertly.

## THE NAM / FOLIO*fn* INSTITUTIONAL ADVANTAGE

NAM offers a better – and unique – way to deliver fully customizable, cost-effective retirement solutions for any size plan or participant.

**The FOLIO*fn* Institutional platform allows trading in Dollar Amounts, Full Shares, and even Fractional Shares.**

- Buy fractional shares of ETFs, stocks, and mutual funds!
- Fractional Share trading allows for cost-effective diversification for any size plan or participant account.
- Participants can be 100% invested.
- No minimum account size.

## INVESTMENT OFFERING

The NAM “open investment” architecture platform offers access to a wide range of accounts and investments. Both are totally scalable as your plan’s needs change.

Account types include:

**Separately Managed Accounts (SMAs),  
Unified Managed Accounts (UMAs),  
Participant-directed Accounts, Brokerage  
“Windows”**

### Investment Managers

Select from a collection of investment managers’ models. Our manager selection offers total diversification and assignment to investment options with full disclosure to securities purchased.

### Fixed Income Mutual Funds

Access to fixed income securities through a comprehensive selection of funds.

### Exchange Trade Funds (ETFs)

To allow additional choices and more diversification for those who may be interested in investing through securities that follow indexes. Consult with your advisor for a list of available ETFs.

### Cost-effective and Transparent Pricing

Our collective philosophies are consistent with dedication to complete fee disclosure and straight forward pricing, which means you can monitor the costs of the plan with absolute confidence. As someone who makes decisions about your plan, you have the responsibility to not just understand the expenses associated with the plan, but to ensure that the fees are reasonable.

## Synopsis

We have taken the best “inside the box” ideas and built a totally innovative “outside the box” solution:

NAM offers professional money management with the highest degree of choice, flexibility, and control over investments...cost-effectively.

Full-fee disclosure is paramount.



## ABOUT THE FIRMS

### **National Asset Management, Inc.**

**(NAM)** is a Registered Investment Advisor and an affiliate of National Securities Corporation (NSC), Member FINRA/SIPC. National Asset Management is one of many affiliated companies, all of whom are subsidiaries of National Holdings Corporation, a public entity symbol NHLD.

NAM unites a nation of successful investment professionals with state-of-the-art electronic communications and systems. Its philosophy is to provide its clients with relevant and suitable financial products with focus on service, integrity, and ingenuity.

***WHAT THEY DO: Hold enrollment and participant meetings, draft the investment policy statement, create asset allocation and model portfolios, monitor investments and performance.***

### **Alliance Benefit Group LLC (ABG)** is a

national network of independently owned retirement plan consulting; health and welfare consulting; and benefits administration firms that operate as “Licensees” of Alliance Benefit Group, LLC. Collectively, ABG is one of the largest retirement plan administrators in the country; providing administration services to over 5,000 plans representing more than \$13 billion in assets and 250,000 participants. The ABG “brand” is well established and recognized in the industry as a sign of high-quality consulting and administration services.

ABG Carolinas has partnered with FOLIOfn Inc. to provide customized benefits administration, plan consulting, health and welfare consulting, and employee communication services to sponsors within

any of ABG office’s specific geographic areas to offer the very best plan – and the best value – in the market.

ABG continues to be ahead of the curve in recognizing trends in employee benefits and provides personal service which is unparalleled in the industry. ABG offers the highest level of expertise to create innovative and customized employee benefit plans that help maximize benefits and reduce costs.

***WHAT THEY DO: Plan design and document consulting, compliance testing, participant/sponsor website hosting, preparation of signature-ready Form 5500 and Summary Annual Reports, participant statements, plan reports, monitoring deposits and distributions, allocating payroll contributions, loan administration, reconciliation of plan balances.***

**FOLIOfn, Inc.** is an innovative brokerage and investment solutions company serving financial professionals and institutions through FOLIOfn Institutional, a division of FOLIOfn Investments, Inc. Through its wholly-owned, registered clearing broker-dealer subsidiary, FOLIOfn Investments, Inc. (member, FINRA/SIPC), the company offers an integrated brokerage and technology platform featuring its patented, state-of-the-art Foliofn trading capability, as well as execution, clearance and settlement services.

The firm was founded in 1998 by Steven Wallman, a former commissioner of the U.S. Securities and Exchange Commission, who was widely recognized during his tenure for advocacy efforts on behalf of individual investors. FOLIOfn is based in the Washington D.C. suburb of Vienna, Virginia

— in the heart of the Northern Virginia high-technology corridor.

**WHAT THEY DO:** *Responsible for custody of assets, trading execution.*

## SEAMLESS, AUTOMATED INTEGRATION

NAM has partnered with best-of-breed talent to offer a truly unique retirement plan with world-class investment management, award-winning administration through Alliance Benefits Group LLC, and trading and custody through FOLIO*fn* Institutional. All firms are vertically integrated and automated so that our highly specialized expertise can be offered through one customizable, low-cost retirement solution.



## AWARD-WINNING CUSTOMER SERVICE

**Experienced Plan Specialists, Conversion Team, and Dedicated Administrator**

In last year's Nationwide Survey of Defined Contribution Plans, Alliance Benefit Group Carolinas LLC was ranked as #2 in the nation for client satisfaction. Per the Plan

Sponsor Magazine survey, 97.2 % of their clients would recommend ABG Carolinas LLC.

**It all starts with getting to know your business.** We collectively make it our priority to know you and your participants. As compliance issues and regulations get more complex, you can count on our experience to provide you with confidence and support for investments, plan design, enrollment, conversion, and payroll. Our team's extensive knowledge and support help you meet your needs.

**Dedication.** An Institutional Retirement Services Specialist is available to you through FOLIO*fn* Institutional to streamline work flow and maximize the effectiveness of our efforts. Responsive service from a team of experienced conversion specialists and administrators is available – providing a single point of contact through implementation, conversion, and on-going administration. Each plan is assigned a dedicated administrator – and all administrators have 10+ years experience.

**Our Goal.** To become your trusted partner by offering truth and accountability, support, and unparalleled effort to foster a mutually beneficial, long-term relationship.

## WHAT IS THE PROCESS?

### Phase One: Initial Meeting

Meet with your NAM Advisor to discuss a plan offering and investments. Do you have issues or concerns with your current plan? Do you have any specific needs? Interested in particular investments? An ABG plan consultant can also assist to discuss plan design or compliance issues. You will be provided with a marketing kit and information about each firm (NAM, ABG, and FOLIO*fn* Institutional).

### Phase Two: Information Gathering

We will begin the process of gathering information about the plan and participant demographics.

ABG will conduct a conference call with you and your NAM Advisor to assist with filling out the *Installation Kit* and *Census* which contains vital plan and participant data needed to design the appropriate plan. ABG will begin the process of drafting a Plan Document according to the desired plan design. Review and sign the FOLIO*fn* Institutional *Custodial Form*.

NAM, ABG, and FOLIO*fn* Institutional will begin setting up the investments and developing participant communication.

### Phase Three: Conversion

Your NAM Advisor will conduct enrollment meetings with employees (ABG provides online enrollment or paper forms). Participant accounts are established, online IDs are set up for web access, and any co-branding to the website is completed as necessary. ABG will begin the process of transferring assets from the prior custodian to FOLIO*fn* Investments, Inc. (the custodian) and

integrating payroll with your HR or payroll service.

### Phase Four: Monitoring

The Plan is “live”, contributions are sent to FOLIO*fn* Investments, Inc, and website access is granted for the Plan Sponsor and Participant. ABG will provide quarterly reports to Participants and the Plan sponsor, annual reports to the Plan Sponsor, year end tax reporting for the Plan, and annual compliance testing. All clients will receive the quarterly ABG newsletter, periodic email alerts on regulatory issues, and as-needed updates on plan documents.



<b>Services and Responsibilities</b>	<b>ABG</b>	<b>NAM</b>	<b>Plan Sponsor</b>	<b>FOLIOfn</b>
<b>DOCUMENTS</b>				
Complete "Plan Establishment Kit"	√	√	√	
Prepare & provide "Black Out" notice, as applicable	√		√	
Design Plan	√		√	
Prepare plan document	√			
Execute plan document			√	
Prepare & submit IRS Determination Letter Package, if applicable	√			
Prepare plan amendments or required legislative updates	√			
<b>ENROLLMENT</b>				
Produce enrollment kits	√	√		
Conduct enrollment meetings		√	√	
Distribute enrollment kits to employees		√	√	
<b>DATA SUBMISSION</b>				
Submit payroll to ABG	√	√		
Fund payroll contributions via ACH	√			
Provide or prepare census information to ABG			√	
<b>PLAN CONVERSION</b>				
Coordinate transfer of assets	√	√		
Reconcile conversion valuation and prior recordkeeper's data	√			
Provide historical data			√	
<b>DISTRIBUTIONS &amp; TAX REPORTING</b>				
Authorize plan distributions if needed			√	
Verify vesting for distributions	√			
Prepare and provide applicable special tax notices	√			
Issue distribution checks				√
Withhold applicable taxes and remit to IRS, state, where applicable				√
Prepare Form 1099-R	√			
<b>RECORDKEEPING</b>				
Provide daily valuation of plan investments	√			√
Provide participant internet access	√			
Provide internet access to plan sponsor & advisor	√			
Provide quarterly trust reporting	√			
Provide ad-hoc reporting	√			
Prepare quarterly participant statements	√			
<b>PLAN ADMINISTRATION</b>				
Provide year-end census & employer data			√	
Calculate and provide allocation for employer contributions	√			
Perform discrimination testing	√			
Perform top-heavy testing	√			
<b>REPORTING &amp; DISCLOSURE</b>				
Prepare annual statements of vested benefits	√			
Prepare Form 5500 and applicable schedules	√			
Prepare Summary Annual Report	√			
Provide compliance consulting	√			

## EMPLOYEE TOOLS AND ACCESS

The web portal (“dashboard”) provides participants with the control needed to access and manage their retirement account easily and effectively online, including:

Online enrollment, automatic rebalancing and transfers to/from investments, daily valuation and day-to-day account management, personal rate of return information, reports, vesting and loan balances, loan/distribution requests, online investment education and modules.

### Enrollment

Online enrollment is simple and can be completed within just a few minutes. We also offer paper-based forms and group enrollment options. Your Advisor and administrator help support enrollment efforts.

Choose to contribute on a Dollar or Percentage basis.

Materials can be private-labeled specifically for the plan, can include logos, website URLs, or talking points to address specific plan or company information.

## PLAN SPONSOR TOOLS AND ACCESS

Sponsors and Advisors can access plan documents quickly and efficiently with a click of a button. Keep updated on the plan’s investment policy statement (IPS), vesting schedules, participation, contribution percentages, loan information, holdings, plan and participants balances, and more.

### Plan Sponsor Reports

Everything you need as a Plan Sponsor to keep your finger on the pulse of the plan. Reports can be downloaded as PDFs, Excel, or Word document. Reports include:

Census Package: Includes Name, SSN, Date of Birth, Date of Hire, Salary Detail, Deferral, Match, Loan, and more

Statements: Detailed participant statement and account summary with gain/loss, contributions, withdrawals, transfers, vested percent, and ending balance

Transactions: View daily transaction details by transaction type, transaction amount, price, and shares traded

Loans: Detailed summary for outstanding loans by name, SSN, loan amount, payment amount, etc.

### Payroll Integration

The payroll “upload” portal is compatible with almost any payroll service.







Please contact your National Asset Management  
Investment Advisor for information



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Investment Advisory Services offered through National Asset Management, Inc. a SEC Registered Investment Advisor and affiliate of National Securities Corporation, Member FINRA/SIPC. FOLIOfn delivers its brokerage platform to NAM Advisors through FOLIOfn Institutional, a division of FOLIOfn Investments, Inc. Custodial Services provided by FOLIOfn Investments, Inc., a wholly-owned registered clearing broker-dealer subsidiary, Member FINRA/SIPC. Retirement Plan Administration and Services provided by Alliance Benefit Group. National Asset Management, Inc., FOLIOfn Investments, Inc., and Alliance Benefits Group are not affiliated.