



TRAILHEAD FINANCIAL LLC

James Zien, CFP®

Kate Zien, CLTC®

Dennis Gero

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TrailheadFinancialLLC.com

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TEAM BIOGRAPHIES



JAMES ZIEN, CFP®
Private Wealth Advisor

2018–Present: Created Trailhead Financial LLC, an independent Financial Planning and Investment Services company focusing on personalized financial advice and solutions across all areas of your financial life.

1987–2018: In 1987 I started work at IDS Financial Services, the predecessor of Ameriprise Financial and American Express Financial Advisors, as a financial planner and was promoted to a district manager in 1990 followed by a promotion to vice president in 1995. I made the decision to return to private practice in 2003 as a Certified Financial Planner with Ameriprise Financial and remain in private practice today.

1983–1987: In 1983, I purchased an Options Principal Member Seat on the American Stock Exchange and started up my own firm, Zien Securities, Inc. As President and CEO, I had complete responsibility for managing all aspects of my company, including investing its capital, managing its assets, and handling its liabilities.

1980–1983: I held responsible positions as Purchase and Sales Manager and Booth Head for the widely renowned and prestigious full-service brokerage house, A. G. Edwards & Sons, Inc., in its New York City office.

Areas of Focus:

Retirement Planning Strategies

- Investments
- Estate Planning Strategies
- Wealth Preservation Strategies
- Retirement Plan Distribution

Qualifications and Education:

- Bachelor of Arts, 1979 Business and English, St. Francis Xavier University Nova Scotia, Canada
- 2003 to present: CERTIFIED FINANCIAL PLANNER™ professional

Community Participation:

- 25 year resident of Suffield, CT
- Suffield Foundation for Excellent Schools (SFES) President 2006, 2007; Board Member from 2000 to 2011, Suffield, CT
 - SFES is a 501c(3) non-profit organization that raises money through an annual auction, dinner, and dance and distributes the funds as grants to teachers within the entire Suffield, CT, school system to enhance the quality of education within the Community. Over this 15-year period, \$600,000 had been raised and distributed as grants to the teachers throughout the Suffield, CT, public school system.

Interests and Personal:

- Marital Status: Married for 39 yrs. Wife Cindy
- Children: Daughter, Katie: Moravian College, PA, graduate 2014. Economics major. Financial Advisor for Trailhead Financial LLC
- Open Water Certified Scuba Diver
- Woodworking, Furniture Construction, Gardening, Fly Fishing, Orchard maintenance, etc.



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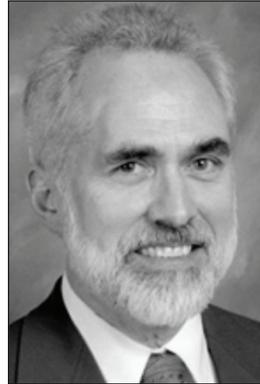
KATE ZIEN, CLTC®
Financial Advisor

Kate started working in the financial planning industry right out of college in 2014. She joined her dad's practice and found she loves being able to help people in such an impactful way. Kate holds the Certified in Long-Term Care (CLTC®) designation,

her insurance license, and FINRA Series 7 and 66 securities registrations with Commonwealth Financial Network® as a registered advisor. She graduated magna cum laude from Moravian College in 2014 with a BA in economics with honors, achieving the honors status with her paper "Optimal Currency Areas: The Euro Zone Experience." She was a four-year varsity tennis player with the DIII program, leading as the captain during her junior and senior years.

Kate enjoys working with younger clients to help create a strong financial foundation on which to build during the very important accumulation years. Creating personalized plans centered on starting or growing a family, paying down student loans, planning for retirement and much more can help clients visualize what needs to be done to achieve their goals. We continue to monitor and track progress, updating goals as they are reached and working to sidestep unexpected roadblocks as they occur. Kate believes helping clients understand their investment options and retirement plans as well as establishing the habit of saving a little every month are the first steps to financial success.

Kate grew up in Suffield, CT, and now lives in Somers, CT. Outside of work, Kate loves to travel, hike, camp, ski, and explore new places, especially when she gets to take her parent's yellow lab, Mack.



DENNIS GERO
Research Assistant

Dennis has been in the financial planning industry since 1993. He graduated from the University of Massachusetts with a BS in chemical engineering then spent 20 years working in the chemical industry. In 1993, he became a financial advisor. Dennis

holds FINRA Series 7 and 66 securities registrations and insurance licenses.

He currently lives in Cummington, MA, with his wife, Linda.



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VISION, HISTORY, MISSION

VISION STATEMENT

We focus on your retirement planning – so you can spend your time doing what you enjoy. Both now and in the future.

FIRM HISTORY

We moved to Commonwealth Financial Network (CFN) on 9/28/2018. Our move to CFN was intended to place the practice with an innovative broker dealer that places the client and the advisor first in their business model. We sought out a broker dealer that did not manufacture products. Broker dealers who manufacture products often limit the products available, so that those products do not to compete with their own products.

We are extremely pleased with our move and the support we have received from CFN. 92% of the clients we asked to move with us to CFN did so. We are privileged to be able to work with this special group of clients and will do everything in our power to ensure clients achieve their goals

Since moving to CFN, our business has grown steadily in terms of new clients and assets under management. We are grateful to all our current and new clients. Our move taught us the true value of working for a special group of clients and we will remain true to maintaining this focus. We search for clients who appreciate and value a relationship with a financial professional practice such as ours, who are willing to meet at least two times a year, and who view the practice as a personal resource for everyday financial needs and questions.

We have meeting rooms in Lee, MA and Windsor, CT.

SPECIALIZED GUIDANCE AND SUPPORT

Our experienced team is prepared to address all your wealth management needs. We make it a priority to stay up to date with the constantly changing financial and insurance industries through extensive continuing education programs. When you work with our firm,

you can feel comfortable that we will serve your unique financial needs.

OUR MISSION

Our mission is to help our clients meet life's complex financial challenges. Key areas of focus include helping individuals and families:

- Accumulate wealth through asset allocation
- Develop business succession strategies
- Plan for college funding
- Distribute income in retirement
- Close life, long-term care, disability, and other insurance gaps
- Set up wills, trusts, private foundations, and other estate planning vehicles
- Execute tax-reduction strategies

As independent financial professionals, we strive to develop, implement, and maintain a plan that targets your needs and goals, even as they change over time. Though the markets may be unpredictable, our service will never falter. Our goal is to select the best products for your circumstances and to propose cost-effective, tax-efficient solutions that meet your personal financial needs. We strive to for low expense ratios. Lower expense ratios can result in higher rates of return.

Your success is our objective! Service is our top priority.



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WHERE DO WE ADD VALUE?

With so many professionals, corporations, and even websites offering investment advice, it's easy to get confused by the array of services, products, and plans. Prospective clients often ask us, "Where do you add value? What distinguishes you from the pack?" What follows is a brief response designed to assure you that partnering with our firm could be among the wisest decisions you ever make.

There are literally hundreds of thousands of people in the field of financial services who act as investment advisors, managing a client's portfolio for a fee or earning commissions on trades. But we believe we're different because we can offer sound investment guidance while providing something more—comprehensive wealth management.

Our approach to planning is carefully designed for our clients. Our planning services are as unique and diverse as the clients we serve. Because there is no cookie-cutter solution when it comes to managing our clients' financial futures, we stock our shelves with fine financial ingredients and cook up customized solutions for each individual. The cooking analogy aside, we partner with our clients to help make their goals—of preserving their wealth, preparing for tomorrow, and putting it all together—a reality.



Accumulation of assets is just one of several areas that we focus on. We also provide expertise in retirement planning, estate planning, risk management, taxation, business planning, and asset allocation. This commitment to a life planning approach makes financial planning personal and addresses specific individual needs.

We employ a dynamic educational process that allows clients to visualize their personal goals and model the financial consequences of their choices. We rely on sophisticated software to plan and illustrate our strategies. We have partnerships with CPAs, attorneys, and other professionals dedicated to working as a team to meet all aspects of our clients' needs.

Most important—what separates our firm from the others—are the relationships we develop with our clients. We built our firm based on the fundamental elements of mutual trust, honesty, and respect, which helps us better strive to help make your goals a reality.



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SERVICES PROVIDED

Personal Financial Planning

Our client-focused process is tailored to help individuals set financial goals, develop a financial road map, and implement the appropriate financial tools and strategies.

Supported by:

- Investment management products (e.g., stocks, bonds, mutual funds)
- Insurance planning and products (e.g., term, universal, and variable life; health; long-term care; and disability insurance)
- Asset allocation services
- Educational programs
- Tax-sensitive planning
- Estate planning coordination services

Business Financial Planning

We take a personalized approach with business owners, developing objectives, strategies, and tactics to pursue long-term financial results.

Supported by:

- Employee group benefits
- Executive compensation planning
- Retirement plan services
- Buy-sell agreement analysis and funding
- Business succession planning
- Estate planning for closely held businesses
- Strategic planning

Multigenerational Financial Planning

Designed to support the accumulation, conservation, utilization, and transfer of family wealth, these services are geared toward higher-net-worth clients—executives, professionals, or business owners.

Supported by:

- Sophisticated asset allocation strategies and wealth transfer techniques
- Business succession consulting and planning
- Advanced income and estate tax advising
- Charitable giving tools and techniques
- Financial education programs for the next generation

Estate Planning

To provide continuity to your estate plan we will accompany you to your attorney for legal paperwork drafting i.e. Trusts, Gifting, Asset Protection Planning. We will ensure your assets transfer to your heirs as expeditiously as possible, including life insurance settlement processing and distribution options. Due to our succession plan and longevity provided, Trailhead Financial LLC is willing to be listed as investment managers on trust accounts. Trailhead Financial LLC will work with the trustee to manage the investments and ensure the distribution to listed heirs is executed. This ensures a continuity of services down to the next generation.

Tax Preparation

If necessary, we will accompany you to your accountant. This usually occurs during estate planning and trust document development.

Errors and Omissions Insurance

Cyber Insurance

Business Owners Policy

What We Are Not

While we have a good understanding of estate planning, we are not the last word in your estate plan.

You must see an attorney to complete your estate plan. We will accompany you to your attorney however, due to conflicts of interest, Trailhead Financial LLC cannot be a trustee.



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OUR COMPENSATION ILLUSTRATION

There are a variety of ways in which we are compensated for investment advisory services. We also recognize that every client has different goals and needs, so we make this promise to all of our clients: we will always analyze your specific situation before selecting a cost structure. Your best interests are our priority.

Below is a breakdown of the different ways we are paid:

Commissions. Professionals like us can make money by buying or selling products with a sales charge. Because every trade results in compensation, a commission-based relationship may be best for clients who are seeking a pure buy-and-hold strategy. In the past, commissionable relationships earned a bad rap because of the incentives they provided brokers to buy and sell, merely for the commission. This activity is referred to as “churning,” and it is illegal.

Advisory fees. We also earn a living by charging a management fee equal to a small percentage of a client’s assets. Products in an advisory account do not generate commissions—they either have no sales charge, or the sales charge is waived. Management fees vary depending on the account size and are debited quarterly from the client’s account. An advisory relationship may be best for clients with long time horizons or qualified accounts.

Consulting charges. If warranted and agreed upon, we may also charge a fee that does not relate to the management of a client’s assets. Whereas commissions and advisory fees are associated with portfolio management, consulting charges may be assessed when a client requires some sort of project work or seeks financial planning services. A review of your current assets or accounts, as well as generation of a financial plan, a college plan, a risk management plan, or an estate plan, could be performed for consulting fees. These fees are often charged on an hourly basis or as a flat rate.



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DEFINING THE WEALTH MANAGEMENT PROCESS

Intelligent investors often ask, “What is your wealth management process?” When it comes to managing our clients’ assets, we adhere to a proven system.

Below is an overview of our six-step process.

- **Establish Client and Financial Consultant Relationships**

The goal here is to get to know you. We will ask you for relevant financial data, assess your risk tolerance, and determine your financial goals and needs. All future decisions in the Wealth Management process will stem from this information.

- **Gather Data**

We will identify your principal needs and work with you to prioritize both short- and long-term goals.

- **Analyze Current Positions**

In an “observations meeting,” we will assess your current accounts and policies, looking closely for gaps or inconsistencies.

- **Present an Action Plan**

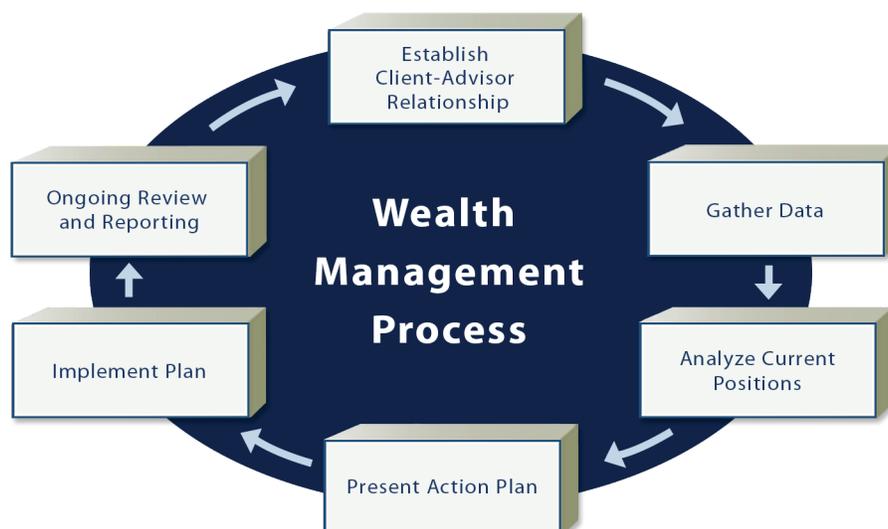
Depending on your situation, we will draft a financial plan that may include an Investment Policy Statement, a thorough retirement income plan, or a detailed action plan.

- **Implement the Plan**

At this stage, we will make the investment decisions on a product level: Which mutual funds should you buy? Which insurance policy is best for you? What sort of annuity fits best with your situation?

- **Ongoing Review and Reporting**

The final step in the Wealth Management process involves the ongoing monitoring of your portfolio. As time goes on, we will ensure that your assets remain diversified and that your objectives stay on track. Diversification does not assure a profit or protect against a loss in declining markets.



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THE BENEFITS OF A MANAGED ACCOUNT

There have never been more choices in the financial services arena. With literally thousands of mutual fund providers, it sometimes seems that there are just as many ways to pay for services. If you are tired of trying to understand commission structures, contingent deferred sales charges, rights of accumulation, and the ever-increasing multitude of share classes, perhaps you should consider a managed account.

When you use a managed account, you pay us a management fee based on a percentage of the assets you invest. From a cost standpoint, the greatest advantage to this strategy is simplicity; you pay as you go. But there are many other advantages to managed accounts, including:

- You sit on the same side of the investment table that we do: “We prosper as you prosper; We suffer when you suffer.”
- You do not need to make an upfront load commitment in order to do business with us. Some investors prefer the pay-as-you-go approach.
- You can terminate your relationship at any time without paying closeout fee-based surrender charges.
- You can purchase no-load, load-waived A share, and NAV funds.
- You have virtually unlimited product options, including more than 5,000 mutual funds.
- You have the ability to rebalance your portfolio across different fund families.
- You can give us discretion without any concern for exposure to continuous commissions.
- You can transfer existing positions into a fee-based account.
- You have the ability to harvest tax losses and stay in the market by purchasing exchange-traded funds to wait out the Wash Sale Rule.
- You will receive enhanced quarterly investment progress reports and can potentially meet more frequently with us to review your portfolio and your financial needs and goals.

Managed accounts, like all investments, are subject to risk. A managed account can fail to meet its investment objective. Aggressively managed accounts, accounts that concentrate on more volatile investments—such as small-company stocks—and accounts whose managers’ investment styles are suffering in the current market are likely to fall more sharply in value under certain market conditions than conservatively managed accounts. But they also have the potential to gain more in rising markets.



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ONLINE ACCOUNT ACCESS

Our advanced client website, Investor360[®], illustrates account information, such as account balances, positions, and activity, as well as provides secure access to documents and statements, whenever you want it—24 hours a day, 7 days a week, 365 days a year.

Because Investor360[®] is web-based, you can access your account information at your office, at home, or anywhere you can connect to the Internet. Investor360[®] works with today's most popular Internet browsers, including Internet Explorer, Firefox, Safari (for Macintosh), and Chrome.

Also, our mobile app makes it easy for you to view your account information on the go. You can download the app directly from the App Store (for Apple devices) or Google Play (for Android devices). Just search for "Investor360" and follow the prompts to add the app to your smartphone or tablet.

Here are some of the features you may find most useful:

Overview displays your accounts and their current values, as well as a summary of activity, asset allocation, and a historical chart of balances.

Holdings shows all your holdings at various levels (e.g., by asset and by asset category), with the option to group them by account or by securities held across all accounts. You can also export data directly to Excel.

Activity details all your account activity, such as buys and sells, dividends, and adjustments, and allows you to view realized gain/loss information. Smart filters make it easy to drill down into an activity to find what you are looking for.

Statements and confirms are available electronically, and you can save yourself from extra paperwork (and help the environment) by signing up for e-delivery of these items.

The image displays three overlapping screenshots of the Investor360 client website. The top screenshot shows the 'Activity' tab with a table of transactions including Date, Symbol, Description, Quantity, Price (\$), and Amount (\$). The middle screenshot shows the 'Holdings' tab with a pie chart and a table of account values. The bottom screenshot shows the 'Performance Summary' tab with a bar chart of Time Weighted Return and a table of activity and performance metrics.

Access all your account information 24 hours a day, 7 days a week, 365 days a year.



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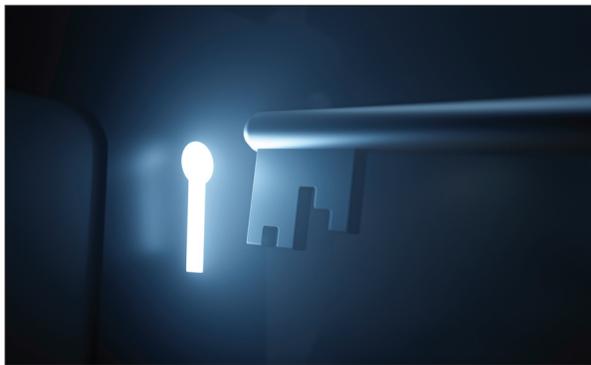
Securities and advisory services offered through Commonwealth Financial Network[®], Member FINRA/SIPC, a Registered Investment Adviser. Fixed insurance products and services offered through CES Insurance Agency.

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DISCRETION

The partnership that exists between our clients and our firm is built on trust, mutual responsibility, and goodwill. Investors who entrust their finances to us have every reason to believe that we will act with great foresight and care to pursue their goals and manage their assets.

Managing your assets requires discretion. This means that we are authorized to place trades in your account before notifying you. In the area of managed accounts, advisor discretion is common business practice. The reasons for this are twofold.



Discretion allows us to react quickly to changing market conditions and therefore place trades before waiting for feedback. More importantly, it empowers us to make decisions consistent with your financial goals without getting bogged down in phone calls. For example, when your portfolio deviates from its specific asset allocation due to changing market conditions over time, we must rebalance the portfolio in order to maintain its structural integrity. Such rebalancing efforts are aligned with your risk/reward profile and can be effective controls to minimize risk.

Discretion does not mean that we will make frequent and haphazard trades without contacting you. In fact, because of the way our contract is set up, we have no incentive to behave in this manner. Discretion means that if we are unable to or don't have the time to contact you, we can place an intelligent trade. All trades executed in a managed account generate trade confirmations, which you will receive within a couple days of the trade, making it easy for you to keep track of any adjustments we make to your portfolio. Of course, by the time you receive the trade confirm, we may have already explained what was done and why.

Due to this discretionary authorization, managed accounts are subject to stricter regulatory suitability requirements than commission-based accounts. Accounts are closely monitored to help ensure that unsuitable investments are not purchased and held inside the account.

We believe that discretion helps us to deploy our wisdom and experience to grow your assets. The precise use of discretion is a symbol of the trust between our advisors and our clients.



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FEATURES OF PREFERRED PORTFOLIO SERVICES

Preferred Portfolio Services® (PPS) is a premier fee-based asset management investment program.

PPS accounts offer us the flexibility to construct portfolios tailored to help meet your long-term investment goals. Each portfolio is individually crafted by weighting various asset classes and by making periodic adjustments, such as rebalancing or reallocating the asset allocation. Through portfolio construction, we can work together to balance your personal goals, time horizons, and risk profile.

Why PPS?

Investment options abound in the financial services arena. With literally thousands of mutual fund providers, most investors feel bombarded by investment choices and financial jargon. Commission structures, contingent deferred sales charges, rights of accumulation, an ever-increasing multitude of share classes—these all make the investment process complicated and difficult to understand.

One of the greatest advantages to PPS is its simplicity. You pay as you go, through a management fee based on a percentage of the assets you invest.

In addition:

- You have a variety of fund types from which to choose.
- You have virtually unlimited product options, including more than 5,000 mutual funds.
- We have the ability to rebalance your portfolio across different fund families.
- You can give us discretion without experiencing concern about churning or exposure to continuous commissions.
- You can transfer existing positions into a fee-based account.

We provide you with enhanced quarterly investment progress reports, including state-of-the-art performance reporting. You also have the ability to access your account information at any time through our client website, www.investor360.net.

As your financial advisors, we are committed to helping you find the best investment vehicles for your unique situation. With PPS, we sit on the same side of the investment table, with a program that lets us pursue your specific, long-term financial goals while providing you with a predictable management fee based solely on the value of your assets.

PPS accounts are managed accounts, and managed accounts, like all investments, are subject to risk. A managed account can fail to meet its investment objective. Aggressively managed accounts, accounts that concentrate on more volatile investments—such as small-company stocks—and accounts whose managers' investment styles are suffering in the current market are likely to fall more sharply in value under certain market conditions than conservatively managed accounts. They also have the potential to gain more in rising markets.



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INVESTMENT SELECTION METHODOLOGY

Commonwealth's Mutual Fund Recommended List is one of many tools at your advisor's disposal. But, like any tool, to be effective it requires a consistent, well-thought-out methodology that is rigorous in an analytical nature but receptive to the specific needs of the community using it.

To this end, the investment analysts at Commonwealth produce the recommended list as an indispensable service for advisors seeking to receive high-quality investment research that will increase the time they spend with clients and minimize the time they spend doing intensive research. That's because, to a certain extent, the research is already provided by Commonwealth's in-house research staff.

Three principles drive the creation of the Mutual Fund Recommended List:

- 1. Independence and objectivity: Commonwealth's analysts make all decisions independently and objectively.** They strive to free themselves from all outside influences to add or delete mutual funds.
- 2. Investor needs: No list can serve or anticipate the needs of every investor.** But a list that is carefully created and meticulously crafted can serve the needs of many. The recommended list is built on this premise. In general, the list is designed to offer something for every investor or, better yet, to meet the needs of the average investor.
- 3. Longevity: Fund additions are made because analysts believe that a fund will stay on the list until it closes.** "Funds of the Month" or even "Funds of the Year" do not receive considerable attention due to empirical research, which asserts that such funds are more than likely to underperform the market in the following year. With that said, for the recommended list to be effective, turnover must be kept to a minimum.

What makes Commonwealth's recommended list different from lists offered by other firms?

- 1. Independent advice: It is never the analysts' intent to pressure advisors to offer certain funds to their clients, especially if a fund does not meet our stringent selection requirements.**

Analysts recommend funds based on each client's situation. This is also consistent with the analyst team's position on being independent in all decision-making.

- 2. Platform for additional research: Because the recommended list is geared for the average investor, it should not be regarded as the end of an advisor's research needs.** Granted, it is designed to be a timesaver, but this does not eliminate the need for your advisor to conduct independent research. Furthermore, because the list doesn't mention optimal asset mixes or asset allocations, your advisor must conduct additional research or seek out additional counsel from analysts to decide whether any funds recommended will be optimal for your portfolio.

- 3. The art of the analysis: Though the recommended list is rigorously constructed using a combination of quantitative and qualitative research, it can still be construed as an artistic creation.** Why? Because, the analysts make decisions on which variables to analyze, weigh, consider, or include in an analysis. This does not imply that a process does not exist. A process is in place. But the selection of inputs that is integral to the overall process and subsequent selection of mutual funds can be somewhat subjective.



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Manager selection process

The mutual fund manager selection process describes the many considerations that Commonwealth makes when deciding which funds to include or remove from the recommended list. The process has four distinct parts: (1) screening, (2) evaluation, (3) analysis, and (4) final consideration.

Step 1: Screening

Before any serious analysis can be conducted, an initial screening takes place. Its purpose is to concentrate on the stronger relative performers within a given category or asset class. To do this, managers performing below category median returns over a three- to five-year period are eliminated. Also of note, all current recommended list funds are included for benchmarking purposes. Following this, more screens are conducted to determine whether a fund is available for purchase, has a sufficiently long track record, and is not a hybrid product, and does not invest a significant portion of its assets in bonds or categories that are different from its Morningstar definition. This step is taken to help ensure that funds within a specific category meet investors' expectations.

Key screening influences

- Rate of return vs. beta (volatility)
- Manager track record
- Top 1/3 ranking among the peer group (asset class)
- Performance reaction in both up and down quarters
- Investment style consistency
- Investment sector diversification

Step 2: Evaluation

After screening, funds are evaluated by applying a risk-adjusted returns scoring system to the remaining mutual funds. The intention of this step is to draw attention to candidates more likely to be selected for

the analysis stage. It also serves as a monitoring tool for mutual funds already on the list. Other tools used for evaluation include rolling three- and five-year excess returns. These measures supplement the risk-adjusted scoring system with additional objective measures.

Step 3: Analysis

The next step is to cherry-pick funds worthy of final consideration. This is done by considering the quantitative data collected, as well as any fundamental information acquired from fund fact sheets, analysts, conferences, portfolio manager/fund company visits, and/or conference calls. The objective is to build a solid understanding of how a mutual fund operates. In general, this step requires careful attention to the five Ps of manager or fund analysis: philosophy, process, people, performance, and price. Ideally, the recommended list includes mutual funds that are strong in all areas; as such, the selected funds will have the greatest chance of performing to expectations and a smaller likelihood of being eliminated.

Step 4: Final consideration

Only a few funds will make it to this stage. But making it to this stage doesn't mean that a mutual fund will be added to the recommended list. In fact, the state of the current list is what influences whether a mutual fund addition is needed. Once again, for the list to be useful, turnover must be kept to a minimum or the list will resemble a high-octane stock portfolio.

At any rate, the intent of this stage is (1) to produce high-quality fund names that can be added to the list; (2) to serve as a short list for advisors requiring one-off recommendations that meet a specific client need; (3) to act as a monitoring system for high-quality funds that are likely to be added in the future (contingent upon certain conditions being met);



and (4) to further justify why funds currently on the list deserve to stay there.

It is also worth mentioning that, at this stage, fund finalists are compared with current recommended list funds on a quantitative and qualitative basis. Fundamental mutual fund factors are discussed in greater detail and more quantitative data is examined, including upside/downside capture, benchmark tracking, style analysis, and rolling three-year universe ranks.

Manager monitoring

Mutual funds already on the list are continuously monitored to ensure that they still have the potential to deliver strong relative and absolute performance. But monitoring is more than just performance. It involves the framework already set forth in the five Ps. Careful attention to the five Ps, and to whether any variable has changed, is paramount to the manager monitoring process because performance is directly related to the strength of these variables. Variables include manager turnover, style inconsistency, significant outperformance or underperformance, process changes, and fund mergers.

To communicate information garnered from regular fund monitoring, the Recommended List Quarterly Review, as well as Fund Fact summaries, are enlisted. The quarterly review provides summaries and quarterly performance information for every Morningstar category and fund on the recommended list. Its objective is to provide advisors with historical information on funds that can be conveyed to clients. Fund Fact summaries present fund-specific profiles, as well as up-to-date quantitative graphs and charts, which are not readily available to the investment community.

Efficacy of the list

On a quarterly basis, the efficacy of the Mutual Fund Recommended List is evaluated. Questions concerning how well the list performed since mutual funds were added or deleted, in addition to how well the list performed on a risk-adjusted basis, are answered. Overall, the recommended list's performance is treated like a stock portfolio. When a mutual fund is added, its performance contributes to or detracts from the performance of the list. Lastly, the benchmark for performance is the median for each respective category.

Investing in funds listed in Commonwealth's Mutual Fund Recommended List is not guaranteed to yield any particular return. The list is subject to change. Overall fluctuation in markets may affect performance. Past performance is no guarantee of future results.

Investors should consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. The prospectus contains this and other information about the investment company. You can obtain a prospectus from your financial advisor. Read the prospectus carefully before investing.

