

**A**dvanced **F**inancial **S**trategists, Inc. (AFS) was founded by John Holden in Atlanta. AFS is an independent, non-broker affiliated, "fee-only" registered investment advisor with the United States Securities and Exchange Commission. In 1991, John obtained a Personal Financial Specialist designation (PFS) from the American Institute of CPA's (AICPA) and converted his traditional CPA firm into a professional financial services corporation focusing on investment management. AFS now supports John's original clientele, other regional CPA firms, and a pension consulting practice. As of December 31, 2004, AFS manages or consults on more than \$500 million in assets.

Most recently, Keith Sproles and Eric Loyd joined the firm to support and expand John's current business, primarily focusing on broad development of the pension consulting function. We advise Plan Sponsors on:

- ♦ quarterly economic and market developments,
- ♦ fee analysis and open book accounting implementation,
- ♦ ongoing monitoring of existing funds and fund searches,
- ♦ recordkeeping vendor searches,
- ♦ investment policy creation, and
- ♦ development of model portfolios within the Plan's offerings.

Total disclosure of all vendor and investment fees is an important service that AFS offers (top rated concern from 3,247 Plan Sponsors – Plan Sponsor Magazine, 2004). Combining this with the ongoing investment monitoring, we feel this is a must for any Plan Sponsor concerned about today's fiduciary liability.

## OUR DIFFERENTIATORS

If you are currently using a consultant / broker or analyzing the investments yourself, you know how frustrating it can be without definitive guidance. Our process uses a proprietary grading system designed to supply concrete performance information on each investment option. We have a Passing Percentage and Overall Score that is based on as many as 15 differently weighted data elements. Everything from raw performance to batting average is graded on a regular basis. Depending on the score, the Committee will know if the fund is satisfactory, on the "watch" list, or needs to be removed.

Fund Name	Ticker	Morningstar Category	Mstar Rating	Tot Ret Annlzd 3 Yr	% Rank Cat 3 Yr	Expense Ratio	Overall % Pass Score
Amer Funds EuroPac R5	RERFX	Foreign Large Blend	★★★★★	4.44	13	0.61	100% 10.00
Northern Instl Intl Gr A	BIGAX	Foreign Large Growth	★★★★	3.43	18	1.06	58% 6.92
Idx: MSCI Eafe Ndtr D	-	-	-	3.87			
Cat: Foreign Large Blend	-	Foreign Large Blend	-	1.45		1.65	

## REVENUE ANALYSIS

One of our core competencies is the calculation of vendor revenue which may include items such as 12b-1 fees, sub-transfer agent fees, finders fees and billed items. We understand that as a Fiduciary you are expected to ensure that only "reasonable" compensation is paid to vendors that support your Plan. We not only tally all the invoiced items and revenue sharing dollars but we also compare this revenue to the costs associated with your Plan.

## REVENUE ANALYSIS (CONTINUED)

<b>Vendor Revenue Summary</b>	<b>Total</b>
Total Vendor Revenue	\$ 426,357
Total Vendor Expenses	\$ 398,254
<b>Profit</b>	<b>\$ 28,103</b>
<b>Profit per Participant</b>	<b>\$ 5.91</b>
<b>Vendor's Profit Margin</b>	<b>4.98%</b>

Unlike other consultants, we present the whole picture and calculate not only revenue but vendor profit margins. This ensures you maintain a cost-competitive Plan year over year without having to waste your time re-bidding the Plan at the expiration of each contract cycle. In addition, we support your negotiations with fee / cost information, vendor service standards and benchmarking.

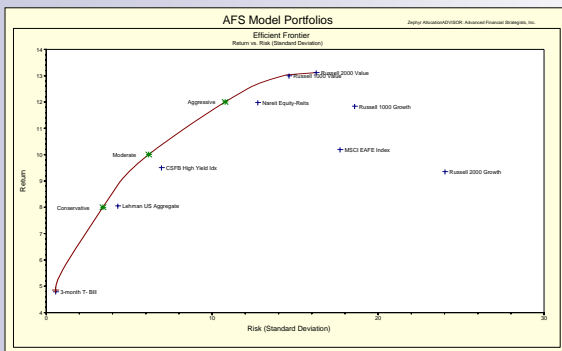
## RECORDKEEPING VENDOR SEARCH

Recordkeeping vendor searches can be one of the most overwhelming tasks a Trustee Committee can undertake. Like you, we believe that a vendor search is usually the last resort, but under certain circumstances can be necessary. When doing a search AFS follows a systematic, rigorous process that includes:

- ◆ Benchmarking the current plan,
- ◆ Identifying the decision making body and prioritizing the vendor grading criteria,
- ◆ Providing a short list of RFP candidates based on suitability,
- ◆ Preparing and delivery of an RFP; quantifying responses in table format,
- ◆ Recommending vendor finalists and coordinating on-site visits, and
- ◆ Steering a final decision toward the most appropriate vendor

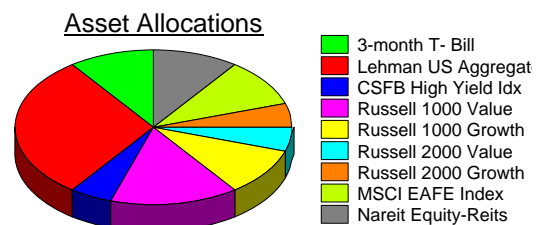
The steps we take provide comprehensive documentation that a due diligence process was followed and assists in satisfying the employer's fiduciary responsibility.

## DEFINED BENEFIT AND MODEL PORTFOLIO MANAGEMENT PROCESS



As a registered investment advisor we can supply Efficient Frontier portfolios for your Defined Benefit Plan, defined contribution lifestyle funds or corporate investable portfolio. We start with as many as 11 indices which build an infinite number of optimal portfolios along the Efficient Frontier. Based on the target rate of return we then identify a unique blend of asset classes to construct the portfolio. Each situation is unique and could entail an actual investment in index funds, actively managed funds (both collective or mutual) or Exchange Traded Fund (ETFs) based on

the client's desire. Regardless of the choice, we help identify the actual investment vehicles that are to be used in the management process. On an on-going basis we monitor the performance of the underlying investment options. In addition, the performance of the entire portfolio is examined from two unique perspectives. Not only do we compare the total portfolio to the IPS but our software allows us to blend all the investments together so performance measures like standard deviation, up / down capture and alpha can be compared against a custom benchmark.



## BIOS

### John D. Holden, CPA/PFS (left)

John received his BBA degree from Georgia State University. In the mid-seventies, he was a business analyst and marketing representative for Dun & Bradstreet, Inc. In 1979 he started his own accounting practice. John began to specialize in financial planning and investment management in 1985 and is currently President of Advanced Financial Strategists, Inc.

As a member of the American Institute of CPA's (AICPA), John holds the organization's Personal Financial Specialists (PFS) designation. John served on the PFS Committee of the PFP section of the AICPA. The committee's charge is to promote public awareness of the CPA/PFS and to encourage CPAs to obtain the PFS designation.

He is a past director of the Georgia Society of CPA's and is active on the GSCPA's Estate and Personal Financial Planning section. He is a past chair of the PFP committee and past president of the Gwinnett Chapter of the GSCPA.

John is past President of "The All-Star Financial Group", an organization of prominent financial advisors from around the country. He also is one of the seven founding board members of the Association of CPA Financial Planners, Inc - an organization of personal financial specialists (PFS).

John frequently speaks to CPA groups on retirement planning and investments. John is a strong advocate for the "Fee-Only" approach to financial planning, and encourages other CPAs to become involved in providing financial planning to their clients.

### Eric C. Loyd (center)

Prior to AFS, Mr. Loyd was employed by AMVESCAP Retirement, Inc. He started his career in the retirement industry in May of 1993 after relocating from Houston, Texas. He worked for two years as an Account Service Leader with a variety of AMVESCAP Retirement clients. From 1995 until 1999 Mr. Loyd worked as a Relationship Manager in the Mid-West and Southeastern regions. In 1999, Eric was promoted to Regional Manager – Client Services for the Southeastern region. In that role, Eric was responsible for the profitability of all clients in the Southeastern United States, which totaled over \$2.5 billion in assets. Eric also provided consulting services on all aspects of defined contribution account management. Mr. Loyd is currently a Principal at Advanced Financial Strategists, Inc., holds a BS in Accounting from Louisiana State University and the NASD Series 65 securities license. He is currently enrolled in the Accredited Investment Fiduciary (AIF®) program sponsored by the Center for Fiduciary Studies.



### B. Keith Sproles (right)

Mr. Sproles began his investment career with SunTrust Banks, Inc. in 1996 working within the Personal Trust Division as a Trust Associate. Primary duties there included estate planning and portfolio management for high net worth individuals and families.

He then joined AMVESCAP Retirement, Inc. as an Investment Analyst in October of 1999 and then went on to manage the Investment Services Group as Director of Investment Services. Primary duties while at AMVESCAP included managing the fund line-up creation and analysis process for prospective and existing clients. Additional responsibilities included meeting with Investment Committees on a periodic basis to discuss recent economic and market events as well as the behavior of a plan's existing investment line-up. He was directly involved with over \$2 billion in assets. Mr. Sproles is currently a Principal with Advanced Financial Strategists, Inc. and holds the NASD Series 65 securities license. He has a BBA in Finance from the University of Georgia and an MBA in Finance from Georgia State University. Keith is also enrolled in the CFS Program sponsored by the Institute of Business and Finance.

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### Disclosure

This material should not be construed as an offer to buy or sell securities. Past performance is no guarantee of future results. Investment return and principal value fluctuate so that when redeemed, an investor's shares may be worth more or less than when originally purchased.