



A simple solution to Grow your practice

Grow your Sales, ...get your series 65 license
(Becoming an Investment Advisor Representative (IAR))

Utilizing Fusion To Gather More Assets

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“When I was an insurance-only advisor, I was just trying to push annuities, and I lost a lot of clients that way,” he recalls. “Now I don’t lose those assets. Having both those licenses allows me to capture funds I would not have captured with just an insurance license.”

The bottom line and beyond

Being dually licensed pays off for advisors and their clients in tangible and intangible ways. Most importantly, says David Schlossberg, AIF, RFC, senior partner at Assured Concepts Group, Ltd., in East Dundee, Ill., it gives an advisor “that experience, that knowledge, to serve more people in an unbiased way. If I didn’t have one license or the other, I might feel the need to sell rather than consult. Now I feel more free to consult. The holistic, consultative approach adds value for the client. That’s added value that we get paid for, directly and indirectly. It’s an approach that helps add and retain clients, and it definitely helps close deals, too.”

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”I started as an advisor with only insurance licenses, but eventually realized having just those wasn’t going to be enough to meet the demands of my clients, and to fulfill my vision of building a multifaceted financial/retirement/estate planning practice with investment management expertise. “I had clients whom I’d built relationships with, business owners who trusted me, and when they started asking me questions related to their investments , I told them, ‘Let me see what it takes to get the licenses I need to help you with your investments,’ ” he recounts. “I promptly went through the process to get my securities licenses. It didn’t take long for me to fall in love with the securities side.”

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This has built a holistic-leaning planning practice with about 110 clients, close to half of which own some type of life insurance product, he estimates.

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Besides the roughly \$40 million in investment assets he manages personally for clients (the AUM for his practice approaches \$75 million), Schlossberg also relies heavily on life insurance (particularly in estate planning and business succession contexts), long-term-care insurance and annuities. The ability to offer one-stop-shopping with a **single advisor** is something clients appreciate, he notes.

Versatility in demand

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Versatility in demand

But convenience is only a small part of the service proposition an advisor who's dually licensed to sell both insurance products and securities can deliver to clients and prospects. Earning and maintaining (through continuing education) dual licenses gives advisors the versatile skillset and product mix that clients today demand.

“The knowledge base we need to have is extensive. [Being dual-licensed for insurance and securities] demands that we know more, and since you know more, you can do more for a client. The competitive edge to help the client achieve their goals is huge.”

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Nowadays, clients—and baby boomers in particular—are more sophisticated in their financial and insurance needs, and more diligent in researching ways to fill those needs.

“They search for advisors [who are licensed to handle both securities and insurance]. They want to know what my designations are, and they want to know somebody can handle all the issues they need addressed.”

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Having those dual licenses on the wall gives an advisor more credibility in the eyes of clients and prospects.

“I think people take my recommendations more seriously now with a securities license. Having a Series 65 puts an advisor in a strong position to sit with a consumer and offer them complete, unbiased advice.

They perceive your credibility and your service as stronger.”

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As much as having a securities license has stoked the growth of his practice and his passion for investment management, the advisor says his insurance aptitude (he's been insurance-licensed since 1980 and securities-licensed since the late 1990s) still proves invaluable.

“Just telling people we can review their portfolio of insurance contracts adds value. Today lots of my clients are calling me for advice about Obamacare. If I weren't able to help them with that, somebody else would be giving them advice, and I'm not going to know if that advice is good, bad or indifferent.”

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For a securities-focused advisor, the ability to review client insurance portfolios is valuable—to the client, and potentially, to the advisor, as a competitive differentiator and a gateway to discuss commissioned products such as life insurance and fixed-indexed annuities.

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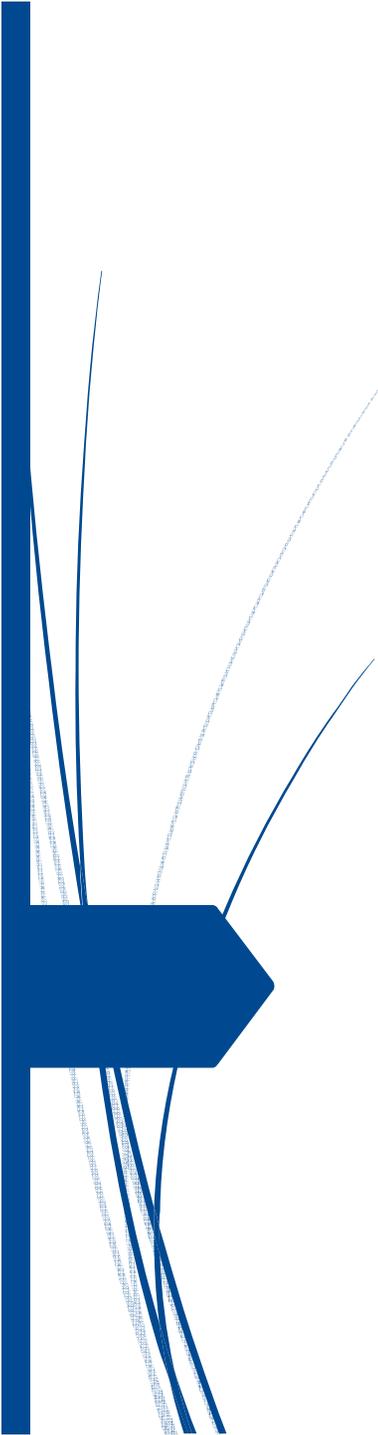
Having dual licenses also protects advisors should new policies change the regulatory status of a bread-and-butter product,

such as a fixed-indexed annuity, which some still maintain, may someday be deemed a security and thus require a securities license to sell.

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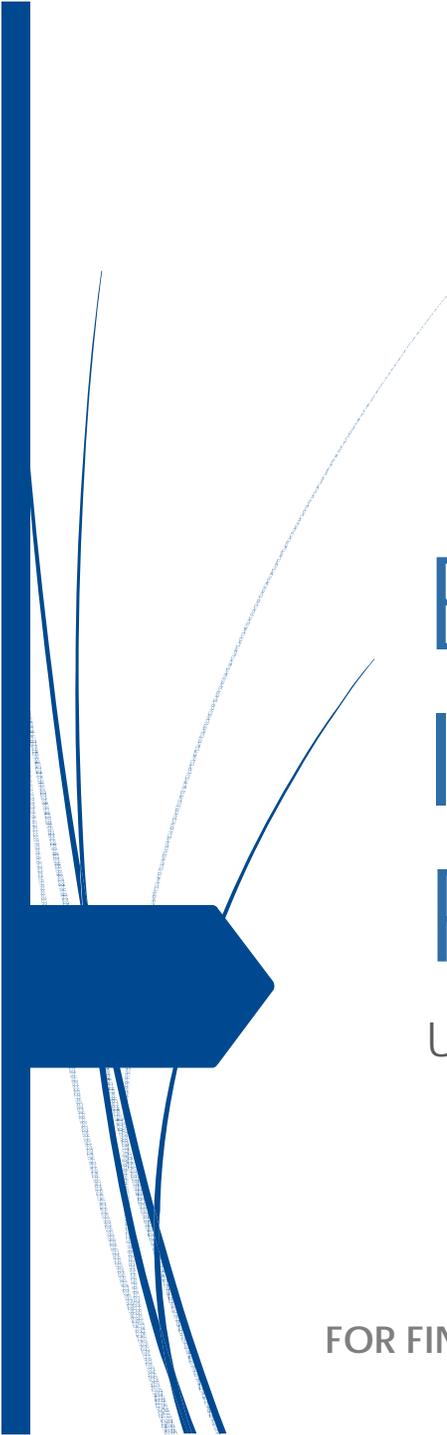
“There is a cost attached to securing and maintaining dual licenses, you need extra staff to help process the myriad of paperwork. Training for you and your staff, and continuing education, take time and money, and compliance approval can be an issue.

That’s where **Fusion** and **ABS** come into play, as we become part of your practice.

The time invested to secure and maintain dual licenses for **insurance and securities** has been “time and money well spent.”

“First and foremost, it is an investment for our clients. It’s also an investment in our expertise as advisors, and an investment in the expertise of our staff.”

From pure, bottom-line ROI potential to the intangibles of client service and competitive differentiation, it’s hard to argue against the wisdom of such as investment.

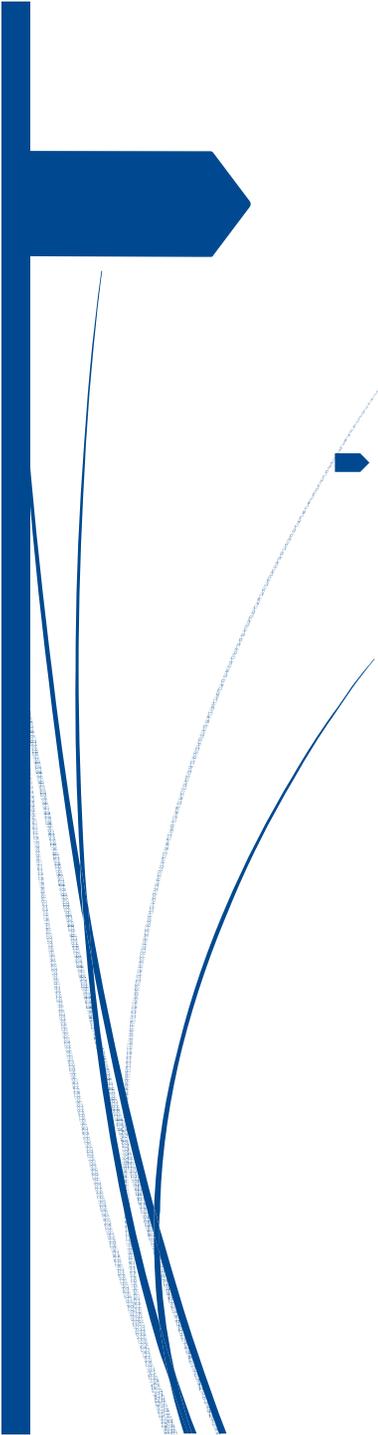


Becoming an Investment Advisor Representative (IAR)

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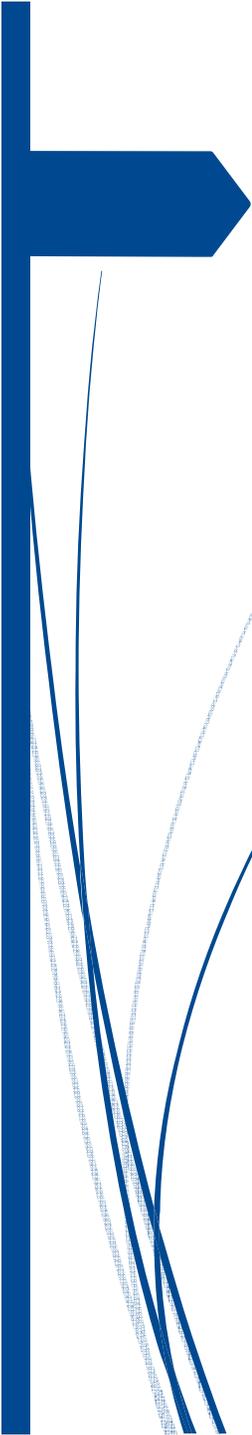




About Robert Pujia

▶ Head of Business Development, Fusion Capital Management

- Partner, Fusion Capital Management
- Currently hold Series 6, 7, 63, 66, and Life, Annuity, & Health Insurance License
- Previously held the Certified Fund Specialist Designation
- Have worked as a Financial Advisor for PNC and a Mutual Fund Wholesaler for ING Funds and John Hancock Funds



What is the Difference Between a Registered Investment Advisor (RIA) and an Investment Advisor Representative (IAR)?

- ▶ **Registered Investment Advisor (RIA)**

- ▶ *Think of this as an "Registered Entity" not an individual.*

- ▶ **Investment Advisor Representative (IAR)**

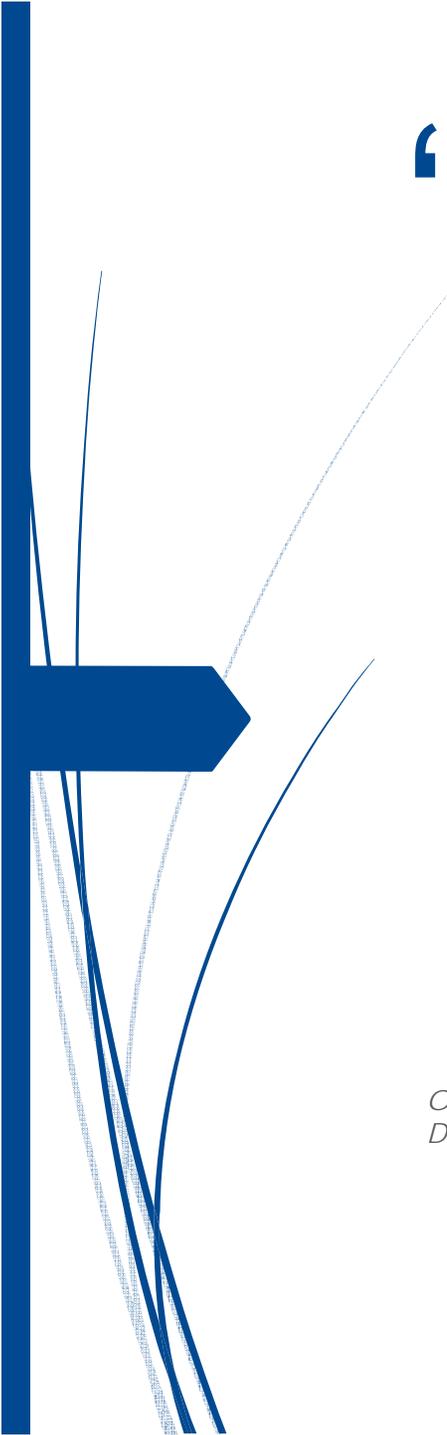
- ▶ *This is **an Individual associated** with an RIA*

- ▶ A Registered Investment Advisor is defined by The Investment Advisers Act of 1940 as a **person or firm that, for compensation, is engaged in the act of providing advice**, making recommendations, issuing reports or furnishing analyses on securities, either directly or through publications."

- ▶ A registered investment advisor has a **fiduciary duty** to their clients, which means that it/them have a fundamental obligation to provide suitable investment advice and **always act in the clients' best interests.**

What is the Difference Between an RIA and a Broker-Dealer?

	Registered Investment Advisor (RIA)	Registered Representative
Primary Function	Advice	Facilitate securities purchase and sale transactions for their clients
Compensation	Typically charge a flat fee for advice or a percentage of assets under management	Usually commission-based
Responsibility to Client	Fiduciary – RIAs are legally bound to serve the interests of their clients	Ensure investment recommendations are suitable for the client and provide best execution of client orders
Regulatory	RIAs are overseen by the Securities and Exchange Commission (SEC)	FINRA (Financial Industry Regulatory Authority), along with the SEC and state regulatory agencies



“Only 8% of individuals interviewed with household income of \$75k or more feel a broker-dealer is most likely to provide them with the best advice.”

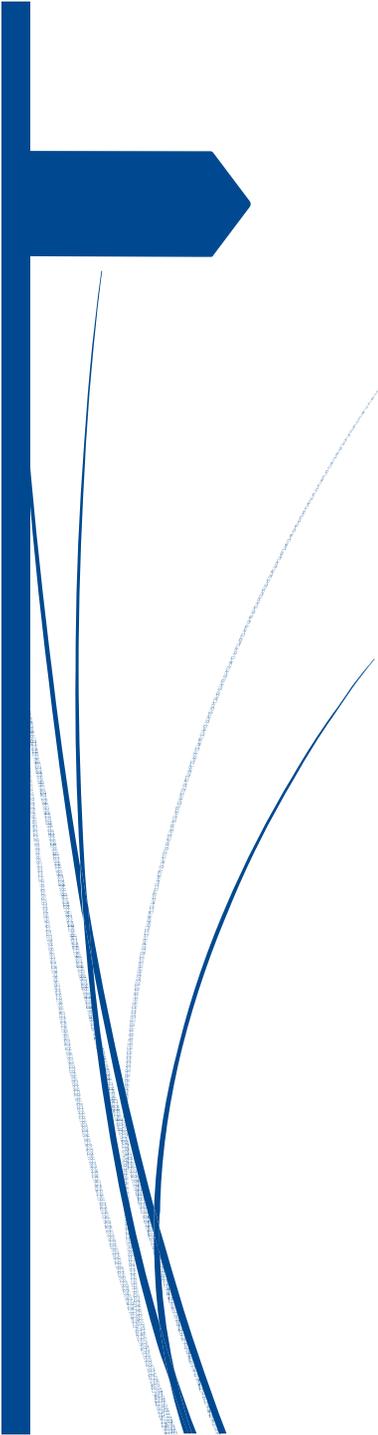
Opinion Research Corporation. "Most Would Turn to Independent Financial Advisors During This Difficult Time" Survey conducted September 11-14, 2008

Advantages of Becoming 65 Licensed:

Revenue, Retention, Relationships

- ▶ Increased Revenue
 - ▶ Managed money fees
 - ▶ Typically, we see an increase in fixed revenue as well
 - ▶ Financial planning fees
- ▶ Improve Client Retention
 - ▶ You are now able to offer a full range of products and services
- ▶ Strengthen Client Relationships
 - ▶ You are viewed differently by your clients as a 65 licensed professional, you are now a fiduciary





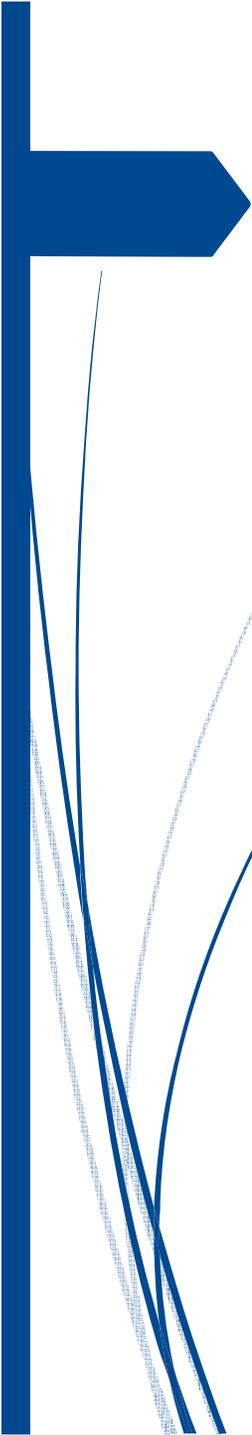
60% of individuals surveyed said they are more comfortable receiving financial advice from someone who is paid a flat fee or a percentage of assets versus 23% for a person who is paid on commission for products they sell."

Opinion Research Corporation. "Most Would Turn to Independent Financial Advisors During This Difficult Time" Survey conducted September 11-14, 2008

How do I become an Investment Advisor Representative

- ▶ Partner with an Registered Investment Advisor that meets your needs. Most will help with the registration process
- ▶ Study: Begin studying for the 65 utilizing a self study course, we recommend:
 - ▶ www.testeachersonline.com
 - ▶ <http://www.kfeducation.com>
- ▶ Pass test, complete registration and begin implementation.
 - ▶ Some RIAs will offer comprehensive training





About Fusion

- ▶ Fusion Capital Management is an SEC registered investment advisory firm where capabilities and systems can create results for both our network of *advisors* and our *mutual clients*.



How we help advisors gather more assets

► Systems

► Account Portal

- Comprehensive, independent 3rd party reporting
- Provides custom reports
- 24 hour account access
- Customizable statements for review with your clients.
- Branded at your level

► Service Portal

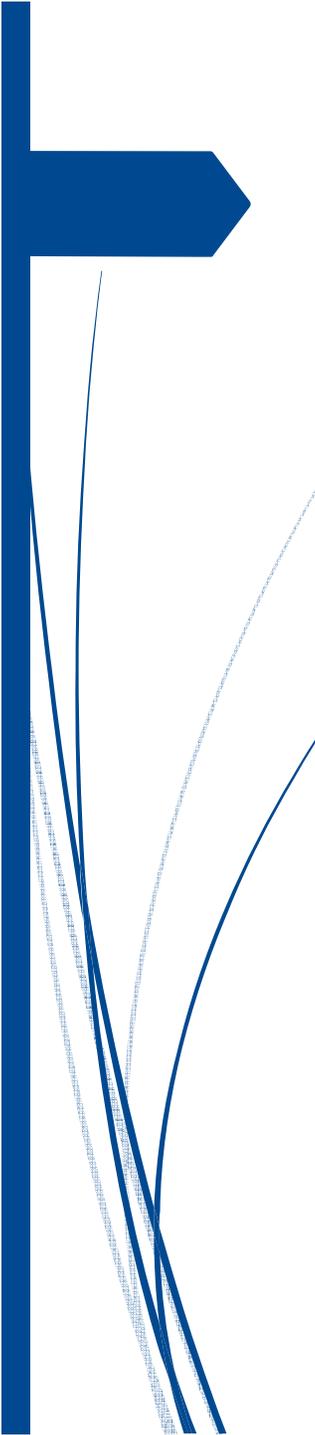
- Provides information on Fusion and our strategic partners.
- Additionally, this provides 100% transparency on your business being processed with Fusion.



How we help advisors gather more assets

- ▶ The Fusion Client Acquisition Solution:
 - ▶ 1.) Submit client statement to Fusion via email, fax or mail
 - ▶ 2.) Fusion will work with you to create a customized analysis of current versus proposed holdings
 - ▶ 3.) Meet with client and close business! Submit to Fusion and your job is done.





The **reality** is

...people interested in the **stock market**

need **asset allocation** and rebalancing.

Is that happening in real life?

How often are people **actually meeting** with their financial professional?

The 65 license / **Registered Investment Advisor platform**, can provide regular rebalancing.

In terms of **market sensitive investments**, studies show, that **asset allocation** and **rebalancing** result in **higher** returns and lower risk.

The **Registered Investment Advisor** platform seeks to achieve this success, with quarterly **rebalancing**, to adjust client accounts / portfolios according to their risk profile.

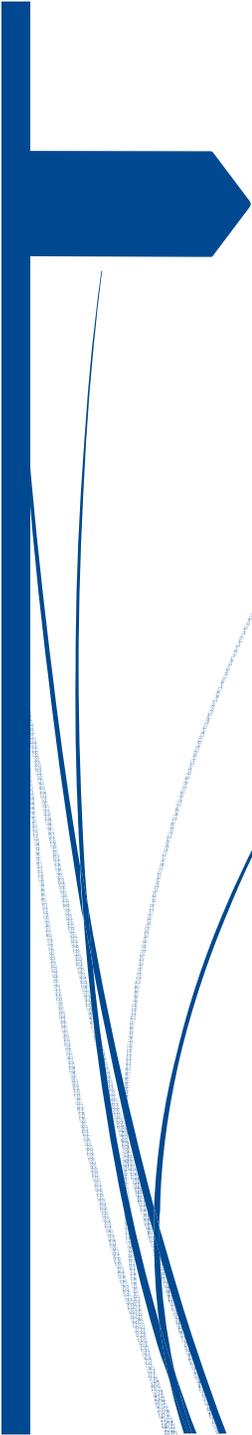
*The use of the word guaranteed is in relation to life insurance product's, and fixed annuities, and guaranteed income riders, and not investments/ securities, and are based upon the claims paying ability of the insurance company

Relative to investor behavior, and the need for rebalancing, the Registered Investment Advisor platform, may **be** a tremendous help to the consumer.

- Rebalancing is an essential account management tool that helps keep the portfolio within the risk tolerance level.
- These 2 charts illustrate the risk and return of portfolios that are rebalanced to those that are not rebalanced over 3 different time periods..
- In all three time periods, the rebalanced portfolio had a lower risk than the non-rebalanced portfolio.
- In addition, rebalancing may also increase portfolio return.

Each portfolio consists of 60% stocks, 30% bonds, and 10% cash at the portfolio begin date. The 60% stock allocation consists of 30% large, 15% small, and 15% international stocks at each portfolio begin date. The bond allocation consists entirely of five-year U.S. government bonds, while the cash allocation consists of 30-day U.S. Treasury bills. The rebalanced portfolio has been rebalanced annually. Large stocks in this example are represented by the Standard & Poor's 500® index, which is an unmanaged group of securities and considered to be representative of the U.S. stock market in general. Small stocks are represented by the fifth capitalization quintile of stocks on the NYSE for 1970-1981 and the performance of the Dimensional Fund Advisors, Inc. (DFA) U.S. Micro Cap Portfolio thereafter, international stocks by the Morgan Stanley Capital International Europe, Australasia, and Far East (EAFE®) Index, government bonds by the five-year U.S. government bond, and cash by the 30-day U.S. Treasury bill. An investment cannot be made directly in an index. The data assumes reinvestment of income and does not account for taxes or transaction costs. Past performance is no guarantee of future results. Risk and return are measured by annualized standard deviation and compound annual return, respectively. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index.





Case Study #2 – A top performing financial professional

Before 65 ...

- ▶ \$4,000,000 - \$5,000,000 annually in Fixed/Indexing Sales.

After 65 ...

- ▶ \$10,000,000 - \$12,000,000 annually in Fixed/Indexing Sales
- ▶ \$12,000,000 in First Year of Offering Managed Money Services.
- ▶ Currently \$ 24,000,000 AUM

How do I Get Started?

- ▶ To get started with Fusion, please send an email to:
- ▶ stevend@absgo.com
- Or
- ▶ Robert Pujia,
- ▶ Director of Sales and Business Development
 - ▶ 866-254-4235 ext. 4
 - ▶ robert.pujia@fusioncm.com
 - ▶ www.fusion-advisors.com
 - ▶ [Learn more
www.magellan-iar.com](http://www.magellan-iar.com)

