



ASSOCIATED ADVISOR

G U I D E B O O K

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Introduction

Welcome to the Associated Advisor Guide. The team at Fragasso Financial Advisors is excited to take this journey with you as we begin our partnership. The information in this guide will give you the tools, resources and guidance to successfully onboard your organization. This guide will also inform you of further guidance and resources available to you that can assist your future growth and success. We care about your organization and want to share the knowledge and experience we have gained through decades of consistent success.

We ask that you thoroughly review this guide to understand the process of our partnership. Many questions that you will have about our partnership are answered in these pages. We look forward to working with you.

Best Wishes,



Bob Fragasso, CFP[®], AIF[®]
Chairman and Chief Executive Officer



Operations, Technology and Compliance Onboarding

PRE-AGREEMENT

Book of Business Review

Prior to signing an agreement there should be a thorough understanding of the construction of the potential associated advisor's book of business. Although account size is of no concern, a book heavily laden with brokerage requires more operational onboarding, as we have no choice but to re-paper unless the advisor is currently with Private Client Services (PCS). There is also concern if an advisor is not committed to the advisory business.

Compliance Review, Reputational Review and Background Check

The associated advisor will complete required paperwork in order to facilitate a complete review of the advisor's compliance history, background check and reputational review. This review will be conducted by the chief compliance officer and human resource manager. The compliance review will consist of a review of the associated advisor's U-4 and FINRA BrokerCheck report, as well as any additional information available from all regulatory bodies. Association with Fragasso Financial Advisors is subject to PCS approval.

Factfinding Meeting

The associated advisor will provide Fragasso's operations manager with a list of currently utilized software systems. The operations manager will provide the associated advisor a brief overview of the technology we are offering and review available resources. When applicable, the associated advisor and operations manager will review the accessibility of data and migration possibilities into Fragasso Financial Advisor's technology systems. If it is possible to migrate the data, the operations manager will work with the associated advisor to perform the data extraction and migration.

Review TD Ameritrade (TD)/Private Client Services (PCS) Technology requirements

The operations manager will review the technology requirements for PCS & TD Ameritrade with the associated advisor and their technical representative. The associated advisor will be able to ask any questions they may have regarding the required hardware/software. The operations manager will go over the requirements for Global Relay and the steps that will need to be taken to journal their email. Once these necessary compliance procedures are complete and an agreement has been signed, the associated advisor's technical representative will receive step-by-step instructions from PCS to complete the Global Relay configuration.

- **Scanners** - TD does not have a specific list of scanners that will work. The scanner needs to be Twain compatible and can scan checks in duplex mode (front and back). The scanner should not be an all-in-one (multi-function) scanner, flat bed or a network scanner. The profile on the computer connected to the scanner should have admin permissions. The computer should be a windows computer (not a MAC). Technically any scanner meeting the above criteria should work.

TD has specifically tested the following models and can verify they work.

- HP Scanjet Professional 2000
- HP Scanjet Professional 1000

- Brother DSmobile 720d (MUST INSTALL DRIVER FROM DISK IT COMES WITH AND SETUP THE DSMOBILE CAPTURE SOFTWARE TO WORK)
- **Workstations (desktops, laptops)**
 - Windows devices - Windows 8 or higher starting 2020
 - Device Encryption – whole disk encryption
 - Antivirus – zero-day protection, automatic updates
 - Authentication – Local account or networked, inactivity lockout after 10 minutes, forced password change every 45 days
- **Mobile devices (phones, tablets)**
 - Secure lock – pin lock, fingerprint lock
 - Encryption – Androids (device encryption enabled), iPhone (architecture built-in with pin lock), Surface tablet (same as workstations)
 - Antivirus – 3rd party antivirus
- **Systems**
 - Secure email – secure email system required for sending secure emails containing PII data to client email addresses, email to/from PCS is automatically secure using TLS
 - Email archiving – PCS archives email with Global Relay for FINRA requirements, additional archiving permitted – check for approval on system
 - Cloud storage – Microsoft approved for use, Google (GSuite account, data must be in U.S. data centers), Amazon AWS (data must be in U.S. data centers), other cloud storage check for approval on use
- **Networks**
 - LAN networks – router or firewall hardware required
 - Wireless – secure, no broadcast suggested
- **Physical equipment security**
 - Servers, Network hardware – locked server room or closet, secure data center

Multi-Custodial Consideration

The associated advisor will discuss the scope of business that will be pursued and a decision as to whether that business requires a brokerage broker/dealer or an advisory custodian or both will be determined.

Custodian and Broker/Dealer

For compliance reasons, Fragasso Financial Advisors is required to work with Private Client Services as the brokerage custodian. The preference is to custody with TD Ameritrade Institutional on advisory accounts; however, in some cases there may be reason to maintain the associated advisor’s current custodian relationship. If existing custodian relationships will be maintained, the associated advisor will provide introductions and coordination.

POST-AGREEMENT

The operations team at Fragasso will have pre-onboarding meetings with the associated advisor once there is a signed agreement. Those conversations will involve understanding the following:

1. Evaluate construction of associated advisor’s book of business
 - a. Advisory

- b. Brokerage
- c. Insurance
2. Evaluate current billing cycle, philosophy, fees, discounts and householding
3. Obtain 12-month commission documentation
4. Obtain list of advisors and personnel for rep codes and logins
5. If custodian is not changing, no need to refund/rebill fees
6. Negotiate fees already billed
7. Obtain proof of RIA E&O
8. Onboarding paperwork and the coordination of systems access will need completed with PCS, TD and internally with Fragasso's operations department
9. Setup new branch ID with PCS

Technology

An onboarding meeting will be scheduled with the operations manager to discuss the following items:

- Provide log-in information and an overview of each system
- Review Salesforce business process and how to reach out for support and account assistance
- Review Fragasso resource guide that contains best practices and how-to instructions for all systems provided within the "Powered by Fragasso" tech stack.

There will be continued support for account maintenance and all internal system support under the "Powered by Fragasso" tech stack.

Administrative Transfer Process

This process will involve members of our accounting, technology, compliance and client account teams. This process includes the items below:

- Brokerage to advisory conversions and template provided
- Identify resources internal and at PCS/TD
- Research paperwork needed for annuities
- Outside account registration
- Coordinate retirement plan paperwork needed with RPS
- During transition process, it will be important to communicate expectations with the new associated advisor when the transition begins, mainly as to when the assets will be visible within VEO (if using TDAI) and Orion.
- Establish expectation of time frame before assets are visible within system. There are timing issues as to when assets fund and are visible to the user.

Internal processes during transition

1. Monitor movement of assets
2. Monitor accessibility within systems
3. Assign fee schedule
4. Household accounts

Review onboarding advisor's fee schedule and coordinate with FFA fee schedule. Update ADV accordingly.

Associated advisor will provide Fragasso Financial Advisors with a current copy of their advisory fee schedule for comparison. Any differences between the fee schedules will be discussed and a determination will be made as to whether the associated advisor will maintain their existing fee schedule or if they will adopt Fragasso Financial Advisors' fee schedule. Upon fee finalization, the advisor's fee schedule and the firm's ADV will be updated accordingly.

Coordinate billing cycle with CFO

The associated advisor will need to coordinate with the CFO. Once all accounts are feeding into Orion, a forecast bill will run prior to distributing actual bills to ensure accuracy for the accounts that transitioned over. We bill quarterly in the arrears.

Compliance

Associated advisor is expected to conduct all business in a compliant manner. The advisor will review and adhere to the Fragasso Financial Advisors Policy and Procedures manual. All brokerage business will adhere to FINRA regulations as well as Private Client Services' policy and procedures manual. All advisory business will adhere to SEC regulation as well as TD Ameritrade Institutional's Policy and Procedures manual.

An initial onsite audit will also be scheduled with the associated advisor. There were also be periodic onsite audits moving forward.

Orientation

An orientation day will be scheduled to take place at Fragasso Financial Advisors' headquarters at the downtown Pittsburgh location (610 Smithfield St, Suite 400, Pittsburgh, PA 15222).

During this day-long orientation, the associated advisor (and key employees) will meet with department leaders to review and discuss our partnership. Training, tools, and resources will be provided. This session will cover the following resources:

- Client Experience
- Human Resources
- Portfolio Management
- Lunch with the Executive Team
- Marketing
- Technology & Operations
- Compliance
- Financial Planning and Insurance
- Retirement Plan Services

Additional meetings with departments may be scheduled for further training and information purposes.

Follow-up Training Sessions

Additional sessions will be available based on needs:

- Follow-up sessions will be tailored to specific needs and will be conducted in full-day or half-day sessions.
- Follow-up sessions may be scheduled based on the needed cadence, which may include following the first month, 90 days, 6 months, year, or on an ongoing periodic basis.

Additional Services/templates available

- AUM Goal Template
- Profitability Analysis Template
- Fee Calculator
- Employee Total Comp Statements
- Marketing Spend ROI Analysis Template

Portfolio Management

TRANSITIONING

- Portfolio changes will be addressed beforehand by the advisor and Fragasso's PM team.
- Qualified accounts should transition seamlessly into Fragasso's model.
- Non-qualified accounts will be viewed individually for tax purposes before transitioning.
- Many accounts have unique circumstances, and we will work with each advisor and attempt to accommodate.
- If the decision is made to transition to TD Ameritrade Institutional as your custodian, your clients' exit fees may be reimbursed by TD Ameritrade Institutional.

PORTFOLIO MANAGEMENT

- We maintain a diversified, globally allocated portfolio.
- We manage a standard spectrum of models based on client's risk tolerance, goals and advisor input.
- We rebalance back to the model on a quarterly basis.
- The PM team will overweight or underweight asset classes based on their macro-economic views.
- Fragasso's PM team manages a large cap stock portfolio, that has high ESG metrics, for clients who wish to own individual equities. There is no additional fee for the product, thus likening this to active management with no fee.
- Fragasso's PM team has a full-time trader handling all day to day trading activity. In addition, the trader will review each portfolio quarterly and rebalance accordingly.

EQUITY RESEARCH

- Fragasso's PM team manages a large cap stock portfolio for many clients (subject to AUM threshold). The stock portfolio has no added cost to the client, thus garnering active management at no fee.
- Benchmark is the S&P 500. Number of holdings ranges from 33-43. Sector exposure +/- 10% of S&P 500 sector weights.
- Begin with broad analysis of global economic activity, monetary and fiscal policy, and market valuations which aides in our determination of relative sector weightings.
- Equity candidates are primarily generated by a proprietary quantitative screening tool that incorporates a variety of valuation and profitability metrics.
- Fundamental analysis is then performed on the company's competitive positioning, growth prospects, valuation and risk.
- Finally, a stock is examined in the context of the portfolio in an attempt to maximize diversification benefits and limit risk concentrations.

MUTUAL FUND AND ETF RESEARCH

- Portfolios are managed via a core/satellite strategy within many asset classes.
- Quantitative models help determine mutual funds and ETFs with expensive or cheap underlying holdings in relation to their peers.
- Given our size we meet with mutual funds managers regularly to assess their current thinking and positioning.
- We utilize additional tools to ensure proper diversification and run scenario analysis on the portfolio.

ADVISOR AND CLIENT COMMUNICATION

The Portfolio Management team does the following:

- Disseminates regular portfolio and market commentary to all advisors
- Publishes a quarterly investment outlook that will be sent to advisors
- Responds to one-off requests where appropriate
- For select clients and prospects, e.g. \$1MM+ AUM, a member of the portfolio management team can participate in phone call or WebEx where appropriate.
- When portfolio or model changes take place, the portfolio management team ensures trade rationale is sent to all advisors, so they are fully equipped to entertain questions from clients.

SETTING UP ACCOUNTS

- Provide list of all qualified and non-qualified accounts.
- Qualified accounts - take the current holdings and match them to our most appropriate model based on holding characteristics or conversations with advisor.
- Non-qualified accounts – we need updated holdings and cost basis info for each account.
 - We go through each account individually so as to keep gains to a minimum.
 - Where appropriate, we will utilize product subs to reduce gains and maintain portfolio integrity.
 - We work with advisors regarding unique circumstances to make feasible accommodations.

CUSTODIAN PARTNERSHIPS

- Primary custodian is TD Ameritrade Institutional.
- We have the ability to work with most custodians.
- Fragasso's benefits with TD Ameritrade include:
 - Stock/ETF trades are free, mutual funds are \$0.00 - \$10.00
 - Access to institutional trade desk and client service desk
- Should you choose to remain at a custodian other than TD Ameritrade, your relationship with that custodian will likely not change.

BROKERAGE

- All brokerage accounts will need to migrate to PCS.

- Trading via brokerage will be done by the Fragasso portfolio management team but will be directed by the client's advisor.
- The Fragasso team will assist with brokerage to advisory conversion.

RETIREMENT PLANS

- We will monitor, screen and provide the investment lineup for participant directed retirement plans.
- We will provide FI 360 reports to show where funds are excelling and failing.

ANNUITIES

- PM team maintains a list of model portfolios for a variety of annuity products.

Marketing

ONBOARDING

Press Release

During this process, marketing will deliver customizable templates for an association press release. This announcement is optional. The advisor can edit this communication and distribute on their own letterhead. Fragasso Financial Advisors may also issue their own press release. Marketing may require a quote and some pertinent business information to complete these announcements.

All press releases issued by advisors will need compliance and Fragasso marketing approval prior to public release. In turn, Fragasso will also obtain approval from the associated advisor prior to distribution.

Brand Guidelines

All associated advisors will find a brand guidelines document in the Advisor Portal of the fragassopartners.com website detailing the approved variations and methods to use the “Powered by Fragasso” name and logo. During your initial set-up, this document will provide guidelines for establishing your email signature, letterhead, website and more.

Technology Systems Branding

The Orion client portal and Advizr financial planning software have customization availability to include your firm logo and a color scheme. Fragasso’s marketing department can provide assistance when creating these customized software environments.

TURNKEY MARKETING DELIVERABLES

Upon association several turnkey marketing and communication pieces will be made available through the Advisor Portal. Advisors have permission to brand these materials with their own logo and color scheme. All materials must still go through the typical marketing and compliance approval processes.

Any print-related expenses and distribution of materials is the advisor’s responsibility. Fragasso’s marketing department can share a preferred vendor list upon request.

A sample list of materials that will be supplied are:

1. Brochures – general capabilities brochure and a corporate offerings brochure
2. Client onboarding materials (for new clients after association) –
 - a. Data gathering form
 - b. Personal financial analysis checklist
 - c. Welcome email/letter template
 - d. Client portal enrollment instructions
 - e. Client survey template
3. Seminars
 - a. Can you afford to retire? (pre-retirement audience)
 - b. Maintaining wealth during retirement (post retirement audience)

- c. Successful Money Management (emerging affluent audience)
- d. Retirement Plan Participant Education

In addition, new marketing communications will be issued on a quarterly basis at minimum. This will consist of:

1. Blog content (financial planning topics, portfolio management, retirement saving strategies, education funding, etc.)
2. Market commentary
3. Any timely announcements/news impacting associated advisors will be templated and delivered via email

MARKETING APPROVAL & COMPLIANCE PROCEDURES

All associated advisors will utilize the “Powered by Fragasso” brand in their firm name. This requires Fragasso marketing and compliance approval for any and all materials distributed publicly, such as:

- Email communication distributed to 10 or more recipients
- Press releases and public announcements
- Business cards, letterhead, envelopes, folders and various stationery
- Advertisements, brochures and flyers (print and digital)
- Proposals and presentations
- Blogs, articles, newsletters and whitepapers
- Website (initial review upon association and ongoing compliance submissions for website updates)
- Social media accounts will be monitored. This will be established during onboarding.
- Building signage (interior and exterior)
- Event invitations and materials
- Promotional products, including pre-printed greeting cards and calendars with logo

The marketing and compliance approvals are built into one business process (BP) in SalesForce. To initiate this process, follow these steps:

1. In SalesForce, go to **New Business Process**
2. From the drop-down menu, select **Compliance – Public Document Approval** and hit continue
3. In the Business Process window, please complete this page as detailed as possible with the name of the piece, deadline and any necessary comments. Hit save.
4. Next, add attachments by scrolling to the bottom of the page and selecting **attach**. Files are uploaded one at a time so be sure to hit attach after each upload. When using multiple attachments, make sure these items are related to the same project. For example, you can include an event invitation with the guest list and any presentation that would be delivered at such event. You cannot, however, upload items of unrelated topics such as an email blast and a print advertisement.
5. Now your request will be automatically distributed to Fragasso’s marketing department. They will verify the proper use of the logo.
6. Once marketing approval has been obtained, the request will be automatically routed to compliance.

**If any changes are identified during this process, a representative from Fragasso's marketing and/or compliance department will reach out to you directly. After changes are made, you may need to attach the revised version before obtaining final approval.*

7. During the review process, you will see the BP status indicated as Open. Once the item is approved, the status will change to Completed.

EMAIL COMMUNICATIONS

As previously stated, any email communication distributed to 10 or more recipients needs to be reviewed by compliance. It is recommended that advisors use a secure, bulk email messaging software that is CAN-SPAM Act compliant. There are many options available but some of the top-rated vendors are: Campaign Monitor, Constant Contact, Hubspot and Benchmark.

Advisors can distribute blog and whitepaper content provided by Fragasso through email, but the email campaign and mailing lists are the responsibility of the advisor. Fragasso's marketing department can consult for a fee to provide email templates.

WEBSITE

A customizable templated website is available for advisors. This site can be fully customized with your firm logo, color scheme, personnel, contact information and more. Development will be contracted directly with Fragasso's web development vendor. Website terms, costs and timeline will be handled directly with the developer. Fragasso's marketing team are available to consult for a fee, as well as ongoing website content management.

This is a cost-effective and efficient manner for website development, but advisors have no obligation to use this website option.

If advisors already have an established website, the site must undergo a full compliance evaluation upon association.

MARKETING REQUEST PROCESS

Fragasso's marketing materials are created in a manner where, ideally, an advisor can brand and distribute these materials independently, but we understand that some customized requests will arise. For questions pertaining to marketing materials in the Advisor Portal and for new marketing project requests, please complete the Marketing Request form.

The Client Experience

THE FRAGASSO CLIENT EXPERIENCE

One thing is for sure, we cannot control the financial markets. What we can control is the service we provide to our clients. **The Client Experience is vital to obtaining and retaining clients.**

“Companies with a customer experience mindset drive revenue 4-8% higher than the rest of their industries.”
- Blake Morgan, “50 Stats that prove the value of customer experience. Forbes Magazine 9/24/19.”

Focusing on what the client is trying to accomplish, what is getting in the way and what can be done to resolve those issues must be at the forefront of every communication with your prospect/client.

We are able to provide you with a proven step by step process that you can integrate into your practice. It centers around each important touch point you will have with the client. Through 40 + years of refining this process we have created the roadmap to help build that trust quicker and maintain it long term.

CLIENT EXPERIENCE JOURNEY

The journey map below illustrates the steps at a high level.



CLIENT EXPERIENCE RESOURCES

You will also receive the Client Experience workbook and initial training on this workbook. No need to recreate the wheel, let us help build onto what you have amassed already. Let's take it to the next level!

Financial Planning

ADVIZR

What is Advizr?

- Advizr is your goal-based financial planning software and client portal. It allows for easy data entry, either by you or the client, to create a comprehensive financial plan.
- Advizr connects directly to Orion to ensure that your clients' account values are continuously updated in the planning tool.

Linking your client's managed accounts to Advizr

1. Click on the Portfolio Audit App and then Households
2. Search for client and right click on their name
3. Select "Links" - Advizr – You are all set!

Getting started in Advizr

1. You will be invited to complete a 10-part training module (Approximate time to complete is 40 minutes) through Orion's Ascent training app. This training will help you gain knowledge on the basic functionality of the system and how to navigate and edit the reports.
2. An in-person or web-based training with Fragasso is available upon request at no cost to you.
3. Ongoing technical questions can be answered via Orion's "Let's Talk" support tool that is in the bottom right hand corner of your Advizr site.

FEE-BASED FINANCIAL PLANNING SERVICES

- For an hourly fee, we are available to assist you in building comprehensive financial planning solutions for your clients and prospects.
- Our assistance can range from:
 - Data collection and financial plan design
 - Assistance with financial plan delivery
 - Ongoing cash flow management analysis
 - Comprehensive tax, insurance and estate planning strategies
 - Charitable giving strategies
 - Executive compensation
 - Business succession planning
- The hourly fee is \$150.00.

INSURANCE

- Highland Capital Brokerage is the independent insurance brokerage firm that Fragasso affiliates with for insurance business. Your team at Highland can assist you with obtaining quotes and processing life insurance business.
- Highland Portal is your access point to obtain quotes, review case status, track new business, and engage with their education center.

- Fragasso is here to assist with complex insurance case design and product selection. For an additional fee, not to exceed 30%, of the insurance commission.
- Your Highland compensation grid is available in your Egnyte folder under Insurance – Operations

REPORTS IN ORION

- You have access to many different reports in Orion that detail client performance, asset allocation, position value, transactions and more.
- The standard performance report that is pre-generated for you is the titled “Performance Review”.
- To access the pre-generated performance report, go to the client’s household overview in Orion. Click on the drop-down menu called actions. Select Documents. *Note documents can only be access on the Household Level, not on the Registration or Account Level.
- The handbook describing each report is available to you is saved under your Egnyte - Operations

Retirement Plan Services

FRAGASSO'S COMMITMENT TO RETIREMENT PLAN SERVICES

- Fragasso Retirement Plan Advisors is a dedicated team specializing in employer-sponsored retirement plans.
- Fragasso provides service to retirement plans for nonprofit and civic organizations and companies across all industries.
- Fragasso's centralized portfolio management team provides investment monitoring and advice for all our retirement plan clients.
- Fragasso does not offer proprietary products. We find the most appropriate providers for our clients, including recordkeeper, third-party administrator and investment options.

FRAGASSO'S COMPREHENSIVE SERVICE FOR RETIRMENT PLANS

- **Assistance with your Clients' Retirement Plan Design** - This provides employees with the best opportunity to build retirement savings and assists owners/key personnel with maximizing contributions.
- **Retirement Plan Expense Analysis** – We can decipher your clients' retirement plans cost structure and benchmark them to similar plans.
- **Unbiased Professional Retirement Plan Investment Selection** - Your retirement plan clients can choose an investment fund line-up which best matches the employer and employees' needs and continually monitors those investments.
- **Education and Communication** - Fragasso will supply retirement plan employee education and communication tailored to the needs of your clients' employees.
- **Fiduciary Partner** - Fragasso will serve as a fiduciary for the retirement plan to mitigate plan sponsor investment-related risk and assure plan compliance.
- **Plan Management** – Should the associate advisor desire, Fragasso is prepared to take responsibility for the plan management at a different sharing of revenue split.

PRE-AGREEMENT

- The Retirement Plan Services team will conduct a preliminary meeting with the associated advisor to discuss services.
- The associated advisor will provide plan documents, TPA and Recordkeeping provider agreements, and fund lineup for each plan
 1. Review plan documents to understand how the plan is designed
 2. Review provider agreements to determine advisor compensation & fiduciary status
 3. Review fund lineup

POST-AGREEMENT

The Fragasso team will partner with you for the following items:

- Create retirement plan company pages in Salesforce, Egnyte, and fi360 (*Reference Operations department guide for more details*)
- Prepare needed paperwork between Fragasso, client retirement plan & recordkeeper (Reference Compliance department guide for more details)
 - 3(21) or 3(38) Advisory Agreement & Investment Policy Statement
 - Provide Fragasso website access to the plan at the recordkeeper
 - Compensation
 - Provide associated advisor Fragasso payment instructions
 - Notify accounting department if retirement plan client should be billed
 - Provide recordkeeper with payment instructions
- Review plan for any possible improvements
- Review fund lineup on quarterly basis
- Provide Fragasso marketing materials as updates are made (*all materials will be made available through the Advisor Portal*)

CORPORATE OFFERINGS

Fragasso Financial Advisors also offers Executive Financial Planning & Employee Financial Education. Associated advisors will be provided an informational brochure detailing these corporate offerings. Our offerings include the following:

- **Executive Team and Senior Management Personal Financial Planning**
 - Includes all of the components of Fragasso’s client experience for financial planning and asset management
 - Should your organization choose to offer this program to clients, Fragasso is available to assist you in accordance with the information and hourly fee discussed in the previous “Financial Planning” section under “Fee-based Financial Planning Services”
- **Executive & Manager Personal Financial Planning Comprehensive Workshop**
 - This consists of two 2.5-hour seminars entitled “Successful Money Management for Managers”
 - These seminar presentations are available to you as an associated advisor
- **General Workforce Financial Education Seminars**
 - Courses are available that focus on topics such as money management, retirement, Female-specific money management, and money management during career transitions
 - These seminar presentations are available to you as an associated advisor

Associated Advisor Economics

ADVISORY SERVICES REVENUES	FRAGASSO'S % OF REVENUES
Up to \$500,000	30%
\$500,000 - \$2.5 million	25%
\$2.5 - \$5 million	20%
Above \$5 million	15%
Advisory revenues where Fragasso has primary responsibility, i.e., retirement plan services, endowment funds, RAA and succession planning	75%
Brokerage commissions	20%
Insurance commissions	10%

Human Resources

HUMAN RESOURCE PHILOSOPHY AND PROCESSES

The Fragasso Human Resources Philosophy

We are focused on fostering an exceptional company culture, envisioning future needs and driving long-term company success.

We drive company success through a holistic talent and development approach that is focused on the following main areas:

- Recruiting & Hiring
- Onboarding
- Coaching & Performance Management
- Performance Reviews
- Development & Training
- Benefit Offerings

By focusing on excellence in these key areas, we continue to create a high-performing, highly engaged team that contributes to an exceptional work culture and environment.

Below are some basic processes for these key areas that we utilize in our company. While you may not have the benefit of human resources within your organization, you may be able to apply some of these concepts and processes to your business.

Recruiting and Hiring

All Managers complete “Recruiting, Interviewing and Hiring” training.

When needing to fill a position, below are the key steps manager follow:

1. Notify HR of a hiring need as soon as you become aware
2. Define your ideal candidate for the job – create an ideal candidate profile
3. Meet with HR to discuss the open position and review the ideal candidate profile
4. HR does the heavy lifting
 - a. Recruits (Mgr. should assist through referrals and contacts)
 - b. Reviews resumes
 - c. Phone screens candidates
5. Once HR identifies potential candidates, they will setup face-to-face interviews
6. Prepare for the Interview
 - a. Review the candidate’s resume
 - b. Discuss the candidate’s background with HR
 - c. Leave time before and after the interview to ensure you do not run late or have to end the interview abruptly
 - d. Have questions ready – HR can share interview templates
 - e. Remember the 80/20 Rule—Candidate should talk 80% of the time
 - f. Reference the “Legal/Illegal Questions” document to ensure you ask proper questions
7. 2nd and/or Final interviews are conducted with HR & other leadership as deemed necessary

8. Hiring decisions will be made with HR and approval from the executive team as needed

Onboarding a New Hire

When a new hire joins our team, it's critical to provide an exceptional onboarding experience.

Below are some of the key steps of our onboarding process:

1. Prior to first day - Manager gives a welcome call discussing their first day, work schedule, 1st day lunch plans and any other information pertinent to their 1st day
2. Day 1 - Manager greets them when they arrive, shows them their work area, gives a tour, takes them to lunch, gives a copy of job description and discusses expectations
3. First week - Manager schedules 1:1 meetings with the executive team, department heads and their own department's team members
4. 2nd-3rd week - Manager conducts a check-in meeting to discuss how they are doing, review training, and reinforce their support for the team member
5. 90 day Debrief Meeting – Manager reviews performance, what they have done well and any areas of development, reviews any further training needs, discusses career aspirations

Coaching, Performance, and Corrective Action

1. Verbal Coaching- When you notice a team member having performance or conduct/policy concerns, the first thing you should do is have a discussion with them
 - a. Discuss the specific concern to ensure that they are aware
 - b. Ensure they understand the performance, policy and process expectations
 - c. Train as necessary, provide the resources/tools to succeed and ask how you can help
2. Coaching Session—If a team member continues to struggle after you have had a verbal coaching, you would next conduct a Coaching Session with them
 - a. The session is documented using the Coaching Session Sheet. Keep it for your records
 - b. Again address the specific concerns and list the specific expectations moving forward
 - c. Give specific action items they can take to improve
 - d. Ask if there is any further training or resources needed to meet expectations
3. Performance Improvement Plan (PIP) - If the Coaching Session does not improve performance, we will deliver a PIP
 - a. Formal progressive corrective action over a 60-day timeframe
 - b. Action items are included and expectations are made clear
 - c. Formal initial, 30-day and 60-day documentation is completed
 - d. At the end of 60 days, we remove them from the PIP or make an employment decision

OR

4. Policy and Conduct Violation Warnings - If the Coaching Session does not improve conduct or Behavior, or if there is an egregious event, we will move to warning levels or termination review
 1. Written Warning documenting the concern and expectations moving
 2. Final Warning
 3. Termination Review

Performance Reviews

The main objective is to measure and improve the performance of employees and increase their future potential and value to the company.

If you are doing your job as a leader, performance ratings & comments should not be a surprise. Communicate with your team members throughout the year on their performance.

Creating the yearly review:

1. Reflect on employee's major accomplishments & obstacles faced in the past year
2. Know the employee's development efforts in the past year
3. Ensure your assessment covers the entire period, not just recent events
4. Avoid heavy influence (positively or negatively) by only one event or previous reviews
5. Only include relevant, performance-related information
6. Write comments in each box - This supports the rating and shows employees you care

Yearly Process:

1. Create a Performance Review for each direct report, including Development Opportunity, using the template provided by HR
2. Create performance goals (up to 3) using the template provided for the upcoming year
3. After the review is discussed in the performance review meeting, show them the performance goals you created on the template for the upcoming year
4. Get their feedback and finalize the goals for the upcoming year
5. Conduct a mid-year check-in meeting to briefly discuss their performance

Developing Your Team

As a manager, you should always work to develop your team members in their current roles as well as understand and support the career goals. We do this in multiple ways:

- Performance Review Development Plan - this is your opportunity to share what you believe is the team member's biggest area of opportunity for career success
- Mid-year performance and development discussion - Conversation you have with each team member during the summer to review their first-half performance and career aspirations
- Development Plans - These are used to support the team member in their pursuit of promotions
- Cross Training/ Personnel Utilization - For those interested in other departments, you should work with HR & department managers to create the cross training/project proposal template
- MPO/IDW - Per our trainings, you can utilize the MPO to better understand and work with your team members. This can also aid in properly assisting them in their development
- Coaching - Coaching sessions can be utilized to help your team members develop in their role and improve their performance
- Certifications and Licensing - Based on position and department, you can receive approval (through HR/Executive Team) for your team to gain credentials that are paid by our company

WHEN SHOULD YOU CONSIDER BRINGING IN PROFESSIONAL HUMAN RESOURCES ASSISTANCE?

While not an all-inclusive list, below are some of the times when HR may need to be involved:

- Business changes that will impact our team members in a significant manner
- Significant job changes or the need to utilize cross-department personnel
- Job eliminations, pay, work schedule or job location changes
- Coaching, performance and corrective action concerns
- Anything that can be considered a discriminatory, legal or ethical concern
- Incidents or potential investigations involving team members
- Workplace accidents or medical concerns

Communication

HR can assist in creating a strong communications strategy. By doing so, this ensures that we:

- Communicate consistent messages that focus on the key points and provide clarity
- Deliver messages that are congruent with our company's mission, values and culture
- Ensure the message is heard by the audience and properly understood
- Preserve morale and lessen the chances for misunderstandings and grievances

HR can also assist in determining key factors in the communication strategy:

- Timing - The timing of information may be imperative, such as emergency situations or complex business changes that require multiple messages at different points of time
- Location - HR can determine the best type of meeting. Ex. Should communications be delivered in a whole team meeting? Branch meetings? With a team, or individually?
- Message - Is the information sensitive/confidential? Who should first receive the message? Should it cascade down to others? How should it be delivered and by whom?

HR HANDOUTS AVAILABLE FOR ASSOCIATED ADVISORS

- Coaching and corrective action templates
- Sample interview Sheet
- Onboarding Process
- Performance Review Sample
- Development Plan Sample
- Job Description Examples
- Salary, Bonus, and Compensation Examples and Templates

ASSOCIATED ADVISOR HR CONSULTATION

As part of the onboarding and orientation process, Human Resources will meet with you and discuss your organization to better understand your setup and offer any guidance that may help you and your team gain further success. This includes the following:

- Discuss and review the associated advisor's company setup and current HR processes
- Share potential vendor referrals and resources that may offer assistance
- Provide initial consultation on areas of opportunity that can quickly add to advisor success