

### Fiserv and the Department of Labor (DOL) Fiduciary Rule

#### Assisting Your Firm to Meet its Department of Labor (DOL) Fiduciary Standard Challenges

Managed account technology and capabilities from Fiserv are trusted by the largest firms in the managed account industry.

Fiserv can assist your firm in meeting its Department of Labor Fiduciary standard challenges by leveraging our managed account technology and Unified Wealth Platform portal.

#### What the Proposed DOL Ruling Means for the Wealth Management Industry

Industry experts believe the recently enacted DOL fiduciary requirements will drive additional accounts to advisory-based solutions.

Firms will most likely utilize the various exemptions defined in the rule and existing fiduciary law. The best known exemption, the Best Interest Contract exemption (BICE) will assist firms to attest that they are compliant with DOL regulations both in fact and intent, and have acted in their clients' best interest, in areas as broad as client suitability, fees, and investment alternatives.

Other exemptions likely to be used include a "level fee fiduciary," whereby a firm would be required to flatten its fees and become largely compliant by 2017.

The DOL regulations will likely accelerate the movement by firms to leverage self-directed and digital advice solutions for low balance accounts. This will allow firms to provide the required fiduciary services in a more cost-effective manner.

#### How Fiserv Can Help

Fiserv can help firms comply by leveraging our core managed account technology and the Unified Wealth Platform portal to:

- Support new recordkeeping requirements to demonstrate DOL compliance

- Track BICE information for additional audit and compliance capabilities
- Gain visibility to Risk Profile drift within the universe of qualified accounts
- View trading activity/inactivity to address potential issues such as "reverse churning"
- Provide insight into investment fees

#### Our Account Framework to support DOL

##### Non-Managed Fiduciary Program

The lowest cost option for smaller accounts, this program supports centralized fiduciary oversight by moving accounts to a unique program on Unified Wealth Platform from Fiserv. Firms may seek to use this program for self-directed fiduciary retirement accounts (where applicable), or they may seek to use this program to monitor accounts that have not moved to a traditional managed account program.

##### Low Balance Managed Account Program

For smaller accounts, Fiserv can provide a simplified, model-based mutual fund/ETF program as a lower-cost alternative to a traditional managed account program. This option can limit the universe of eligible security vehicles, scheduled trading events and provide limited reporting capabilities while leveraging an existing managed account structure at a reduced cost.

## Traditional Managed Account Program

Accounts can be converted individually, weekly, or monthly and mapped to an existing, full-service managed account program. Retirement accounts can be converted individually through business-as-usual processing, or in a weekly or monthly bulk conversion. Existing program attributes would apply automatically to create efficiencies. This approach could be a likely solution for accounts \$25,000 or larger.

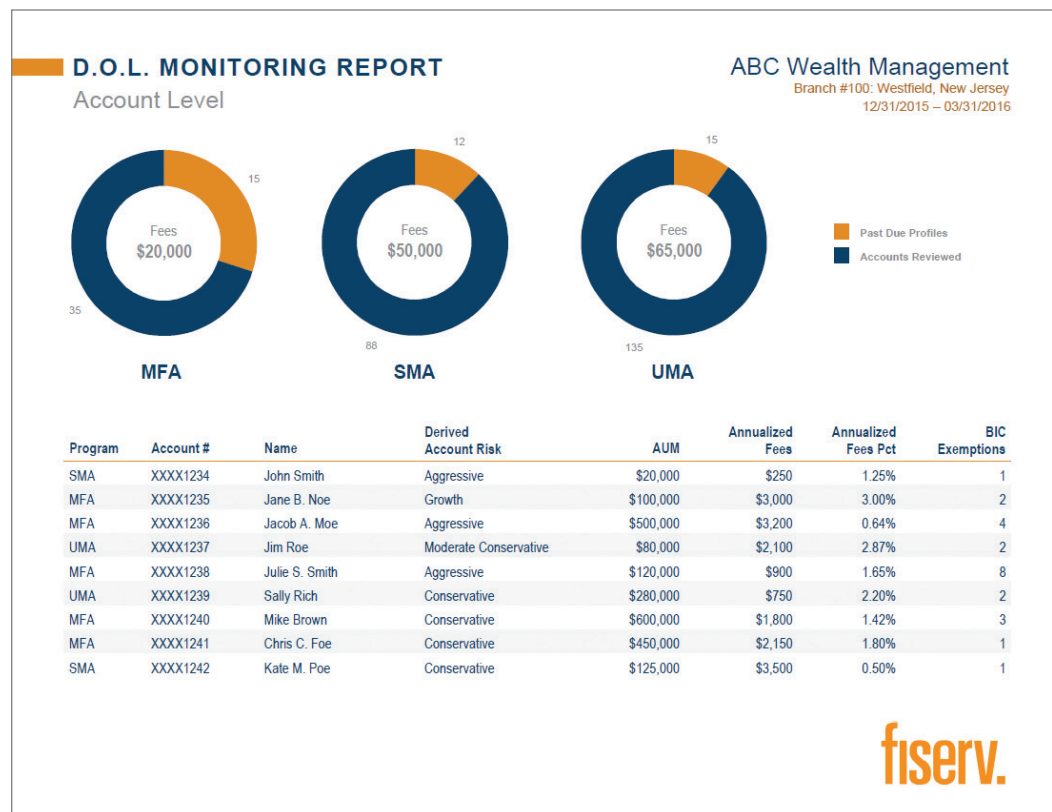
## The Benefit of a Managed Account Platform From Fiserv

By converting appropriate accounts to managed programs, firms receive the added benefit of Fiserv managed account technology. Program and account restrictions, alerts and monitoring can be applied without sacrificing the advisor's flexibility to build, implement and manage custom investor portfolios. The Fiserv platform comes with robust advisor planning, proposal-generation, portfolio

management and trading tools. Firms can consolidate their business onto a single, scalable platform to streamline operations and reduce technology costs, while leveraging the security and reliability of the largest and most trusted platform in the managed account industry. Unified Wealth Platform can accommodate growth of any magnitude.

## The Added Value of Advanced Reporting and Analytics for Your Firm to Demonstrate DOL Compliance

With the new regulations, firms will be required to demonstrate their DOL compliance. This means the ability to identify both at the account and reporting program levels, that the account is in a managed program, has been risk profiled, is in a level fee program and has the necessary best interest contract (BIC) exemptions in place. Fiserv reports allow firms to effectively monitor accounts and disclose this data to better comply with the DOL fiduciary rule. These reports can also



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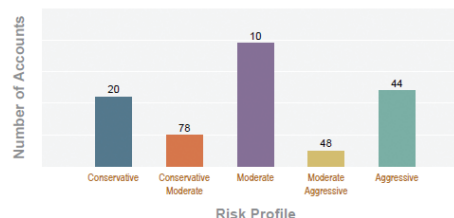
## TRANSACTIONS REPORT

Trades Executed

	4Q2015	1Q2016
Total # of Accounts	100	100
Total # of Trades	30	60
Total Transaction Value	\$200,000.00	\$500,000.00
Ending Market Value	\$500,000.00	\$725,000.00
Turnover Ratio	40.00%	69.87%

## ABC Wealth Management

Branch #100: Westfield, New Jersey  
12/31/2015 – 03/31/2016



## Trade Activity

Program	Account #	Name	Portfolio Profile	Market Value	# of Trades	Last Trade Date
UMA	XXXX1234	John Smith	Moderate Conservative	\$9,800.00	7	01/05/2016
SMA	XXXX1235	Jane B. Noe	Growth	\$6,500.00	3	01/11/2016
UMA	XXXX1236	Jacob A. Moe	Aggressive	\$8,500.00	5	02/10/2016
MFA	XXXX1237	Jim Roe	Moderate	\$7,600.00	3	02/17/2016
UMA	XXXX1238	Julie S. Smith	Conservative	\$9,500.00	5	02/24/2016
MFA	XXXX1239	Sally Rich	Conservative	\$5,600.00	7	03/02/2016
MFA	XXXX1240	Mike Brown	Moderate Conservative	\$4,400.00	1	03/14/2016
UMA	XXXX1241	Chris C. Foe	Aggressive	\$3,200.00	6	03/18/2016
SMA	XXXX1242	Kate M. Poe	Conservative	\$500.00	5	03/21/2016
SMA	XXXX1243	Josh Poe	Conservative	\$700.00	4	03/24/2016



help firms align individual investor risk profiles to a specific managed account program, as well as track trades within a given account.

## DOL Monitoring Report

The DOL Monitoring Report can provide firms and their advisors a holistic view of their accounts subject to DOL monitoring, based on their managed account program. This report displays investment management fees and exceptions applied to the account including BIC exemptions for each account.

## Transactions Report

The Transactions Report provides information about the number of trades within a given account, along with that account's investment risk profile and date of the last trade. Similarly, firms can generate a report for accounts that have not been traded and view their last trade data.

## Recommended Next Steps

Firms should be proactive with their approach to compliance with the Department of Labor's fiduciary standard. Contact Fiserv and request a DOL Common Module overview to get an early start at defining a solution for your firm. It is recommended that firms set up their environment before September 2016, particularly for customized solutions, to allow for sufficient testing and review and to ensure an implementation in time for the April 2017 deadline.

## Connect With Us

For more information, call 800-872-7882, email [getsolutions@fiserv.com](mailto:getsolutions@fiserv.com) or visit [www.fiserv.com](http://www.fiserv.com).