NewRiver's Share Class Analyzer SM

A Web-based tool to help advisors assess the appropriate share class of a fund

Recently the SEC and FINRA (formerly, the NASD) have tackled share class suitability for investors in load funds. The impetus was concern over inappropriate trades in which brokers directed investors to B and C class shares rather than realizing "breakpoint" discounts with A shares. Since 2003, FINRA sweeps of brokerage firms have resulted in more than $50 million in share class suitability fines.

There are two key rules regarding mutual fund "suitability" requirements:

- **FINRA Conduct Rule 2110** – states that a member, in the conduct of his business, "shall observe high standards of commercial honor and just and equitable principles of trade."
- **FINRA Conduct Rule 2310 (The Suitability Rule)** – provides that in recommending to a customer the purchase, sale or exchange of any security, a member "shall have reasonable grounds for believing that the recommendation is suitable for such customer upon the basis of the facts, if any, disclosed by such customer as to his other security holdings and as to his financial situation and needs."

To abide by these rules, your registered representatives need to consider three factors when evaluating the appropriate share class for a given fund: the specific share class structure (e.g, front-load, back-load, and level-load shares), the initial investment amount, and the investor's time horizon. They also need to communicate several disclosure rules at the point of sale: annual expenses, load charges, breakpoints, Rights of Accumulation linkage rules, redemption fees, and conversion features.

Traditional tools – such as paper prospectuses and statements of additional information – are inefficient and often outdated due to frequent SEC filings. To complicate matters further, there is little standardization among share classes from fund to fund. Fortunately, NewRiver offers an efficient, accurate e-solution.

Share Class Analyzer℠ Simplifies "Suitability" Compliance

NewRiver's Share Class Analyzer℠ is a dynamic desktop calculator designed to help advisors assess the most appropriate share class for a fund, and provide point-of-sale (POS) disclosure. Part of FundPOINT® Desktop, a Web-based POS productivity tool, NewRiver's Share Class Analyzer helps registered reps create dynamic share class scenarios in an easy-to-use application.

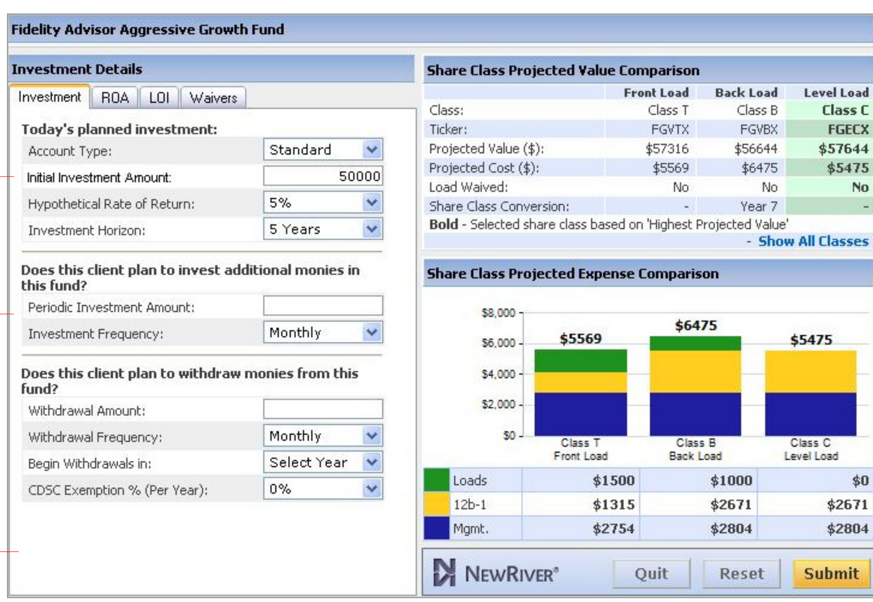
Share Class Analyzer puts the rules for all the funds of your organization at your registered rep's fingertips. It allows your customers to explore investment scenarios "on the fly" for an optimal share class fit, and features the industry's only desktop functionality for incorporating systematic withdrawals into the calculation. Share Class Analyzer generates a point-of-sale disclosure form in electronic or print format – ensuring compliance peace of mind for your employees, investing confidence for your clients, and complete auditability for your firm.

A Web-based solution, Share Class Analyzer can be quickly installed on individual desktops or custom-built into your internal order management system and linked through your Intranet to enforce share class suitability and maximize control.

Share Class Analyzer: "At-A-Glance" Simplicity and Clarity

Considers initial investment amount, choice of hypothetical return, and investment horizon

Also factors periodic ongoing investments, anticipated withdrawals, and NAV Reinstatements



Compares projected values among A, B, & C shares for various scenarios

Dynamic chart shows expense comparison for various scenarios

NewRiver®

Partners in Electronic Compliance and Intelligent Document Fulfillment

Who's It For

Part of FundPOINT Desktop, Share Class Analyzer helps assure consistent share class suitability compliance across your firm, including:

- Registered Representatives
- Broker Assistants
- Call Centers and Sales Desk Agents
- Operations Staff
- Compliance Professionals

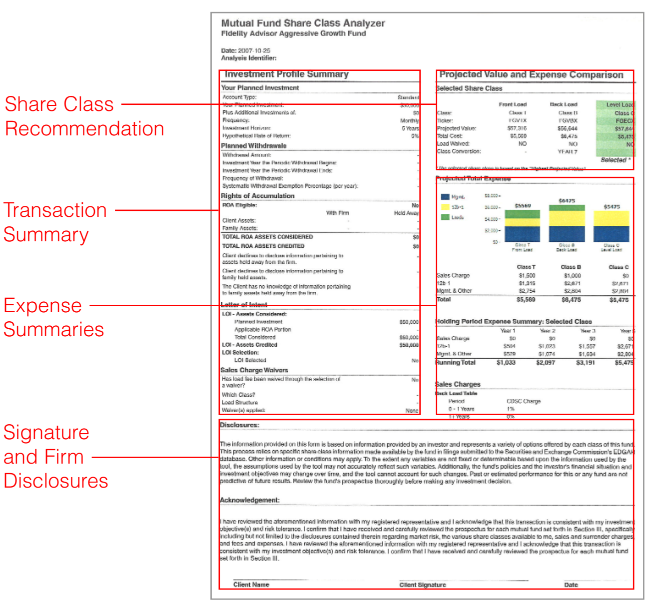
Benefits to Your Firm

- **Offers Total Compliance Control** – Leveraging Share Class Analyzer within NewRiver's FundPOINT® Suite ensures a total share class suitability solution for integrating front-end sales with back-office operations and compliance staff.
- **Enhances Customer Service** – Communicating the appropriate mutual fund share class clearly and quickly ensures "best practice" customer service and builds stronger investor relationships.
- **Improves Productivity** – A Web-based tool, Share Class Analyzer delivers custom investor scenarios in real time – saving time, ensuring accuracy, and providing auditability.
- **Streamlines Compliance Process** – NewRiver's Share Class Analyzer provides comprehensive disclosure summaries, collects investor "print and sign" signatures, and archives electronic or print records – all at the point of sale and right from the desktop.

Coverage

Powered by NewRiver's patented process technology, Share Class Analyzer covers all U.S. open-end mutual funds (load shares) and meets key goals for mutual fund sales outlined under FINRA 02-85.

Point-of-Sale Disclosure Provides Auditability



NewRiver provides a Share Class Analyzer disclosure form which is generated through FundPOINT Desktop, and is then provided to customers of our broker/dealer clients at the point of sale. NewRiver's POS disclosure form meets the requirements as set forth by the SEC's proposed rule 15c2-3.

Key Features

- **Superior Customer Service** – arms your reps at the point of sale with the information needed to stay in compliance and ensure the most appropriate share class for a given fund
- **Simplified Compliance** – a desktop calculator provides "real-time" share class scenarios, factors in systematic withdrawals, and generates print- or email-ready POS disclosure
- **Total Compliance Enforcement** – an open architecture platform enables NewRiver to integrate with any client order management system and Intranet portal
- **Paperless Approach** – eliminates the time and hassle of shuffling through paper prospectuses and SAIs, or the delay of waiting to receive this information from fund companies, by offering a Web-based solution
- **Auditable Output Form** – email- and print-ready output summarizes key information such as:
  - Systematic Investments & Withdrawals
  - Rights of Accumulation Assets (e.g., family linking)
  - Pre-existing Letters of Intent
  - Letters of Intent Selection
  - Waivers
- **Pre-populates Client Holdings** – aggregates personalized client holdings information into the share class analysis
- **Flexible Deployment Options** – choose to install as "desktop-only" to improve efficiency for point-of-sale compliance or integrate within your order management system and Intranet for complete share class suitability control

About NewRiver, Inc.

NewRiver develops innovative technology solutions that help financial leaders simplify investor disclosure – providing transparency and cost savings to the delivery of fund data and investor communications. Since1995, the company has helped some of the world's leading financial organizations move from paper to electronic disclosure via an easy-to-use, cost-effective managed service offering.

NewRiver pioneered the first electronic prospectus, and is the only company to guarantee its data to be "compliance grade" which allows customers to reduce risk, lower compliance costs, and increase revenues. Through a patent-pending, automated process, NewRiver efficiently monitors 6.5 million data points from over 23,500 fund CUSIPs daily. Further, the company's unique "paperless" approach improves the investor experience while offering a real alternative to the environmental impact of paper-only delivery.

Relied on daily by over 100 leading financial services firms, and millions of investors, NewRiver is a trusted and growing solution provider facilitating the transition from paper-based mutual fund information to electronic. To learn more, please visit our website at **www.newriver.com** or call **1-800-481-2331**.

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