

SCHWAB OPENVIEW WORKFLOW LIBRARY™

PROCESS AND PRODUCT REVIEW WORKFLOW SERIES: INVESTMENT PRODUCT STRATEGY PROCESS

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TIPS AND BEST PRACTICES FOR SUCCESSFUL IMPLEMENTATION OF WORKFLOWS

Having a documented workflow can help you organize tasks used to support client-interaction so each event is repeated the same way and all clients and prospects receive a similar customer experience. This package provides a foundational understanding about the workflow so you can assess if the processes you are currently using can be more efficient and systematic.

While this document focuses on helping you manage the process of researching and selecting products for your clients, it also references services, tools, documents and templates found on [Schwab Advisor Center™ website](#) for advisors working with Schwab Advisor Services.

REGARDING CUSTOMIZATION

Preparation is the key to success. Because each firm is unique, take the time to analyze your current processes, compare them to the processes and resources in this package and plan any customizations before implementing these workflow steps. The purpose of this workflow package is to help you understand best practices upon which you can build.

INTEGRATION WITH OTHER WORKFLOWS

Some workflows in the Schwab OpenView Workflow Library have relationships to or dependences on other workflows. For this reason, we recommend you download and implement all of the other Process and Product Review workflows along with this Investment Product Strategy workflow to realize the fullest benefit.

GETTING ADDITIONAL HELP

Some of the steps in this process involve the use of a financial analysis and rebalancing software applications. The information in this document supports the workflow itself, not how to enter the workflow or financial data into any of your firm's software or systems. For help entering this information into your firm's software applications, contact the various software providers.

UNDERSTANDING THE INVESTMENT PRODUCT STRATEGY WORKFLOW

The first step to understanding a workflow is to understand where it resides in the overall business process. This section shows how the Investment Product Strategy workflow is organized, how it relates to other processes in the workflow series, and provides a view of the process in both graphical and checklist formats.

PROCESS & PRODUCT REVIEW WORKFLOW SERIES

INVESTMENT
PRODUCT
STRATEGY

FINANCIAL
PLANNING
PROCESS

PROCESS
MANAGEMENT

THE PROCESS & PRODUCT REVIEW WORKFLOW SERIES

A disciplined approach to strategic planning can help you manage the complexities of a growing business, make intelligent choices among a growing set of options, and keep your firm focused on executing the right strategies. Establishing goals and putting processes in place to achieve them can help your firm improve its service levels and overall effectiveness.

The Process & Product Review workflow processes will help you organize these and related tasks into easy-to-follow workflows that you can implement into your office, helping you create and deliver solutions and services to help meet your clients' investment and planning needs.

The Process & Product Review process consists of three main workflow components:

- **Investment Product Strategy** – This process contains the activities and tasks you will need to establish and maintain your firm's investment strategies, processes, and products.
- **Financial Planning Process** – This process contains the activities and tasks you will need to prepare, plan, and conduct effective reviews of investment accounts, strategies, and outlook with your clients.
- **Process Management** – This process contains the activities and tasks you will need to create and manage processes throughout your practice.



Important

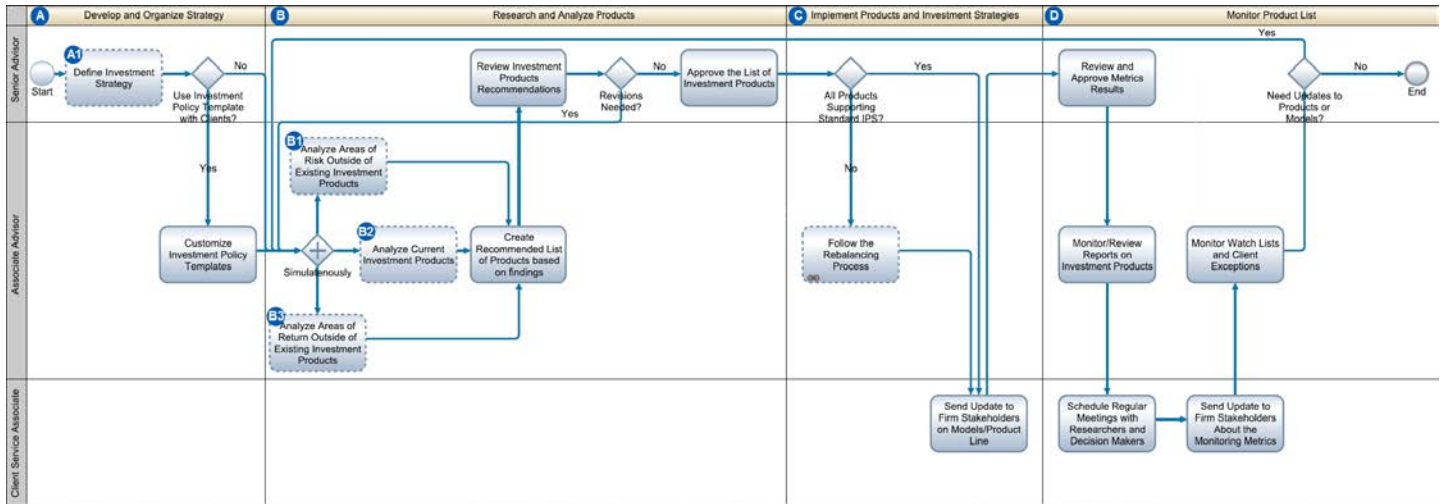
This workflow package discusses only the Investment Product Strategy process. Packages for other workflows in this series are addressed in separate documents on [SchwabIntelligentTechnologies.com](https://www.schwabintelligenttechnologies.com):

- Financial Planning Process
- Process Management

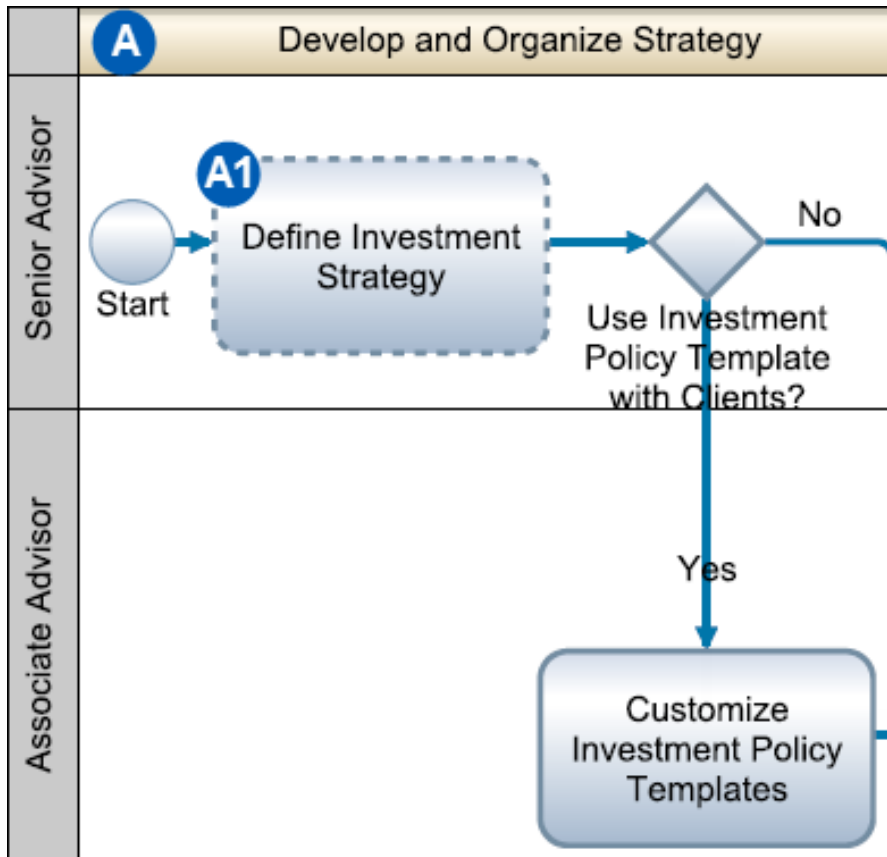
INVESTMENT PRODUCT STRATEGY PROCESS OVERVIEW

PROCESS DIAGRAM

For some, seeing the workflow as a diagram makes the process easier to understand. The diagram, or process map, provides a visual outline of the tasks organized by role and allows you to see the entire process end-to-end with interdependencies. This diagram serves as a best practice recommendation only. Adjustments may be needed to suit the needs of your firm.

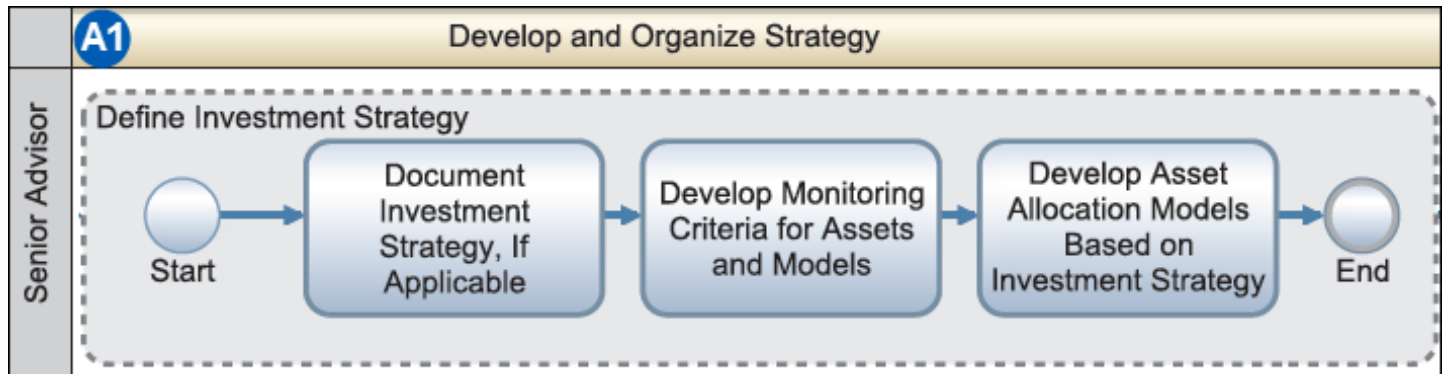


High Level Investment Product Strategy Process

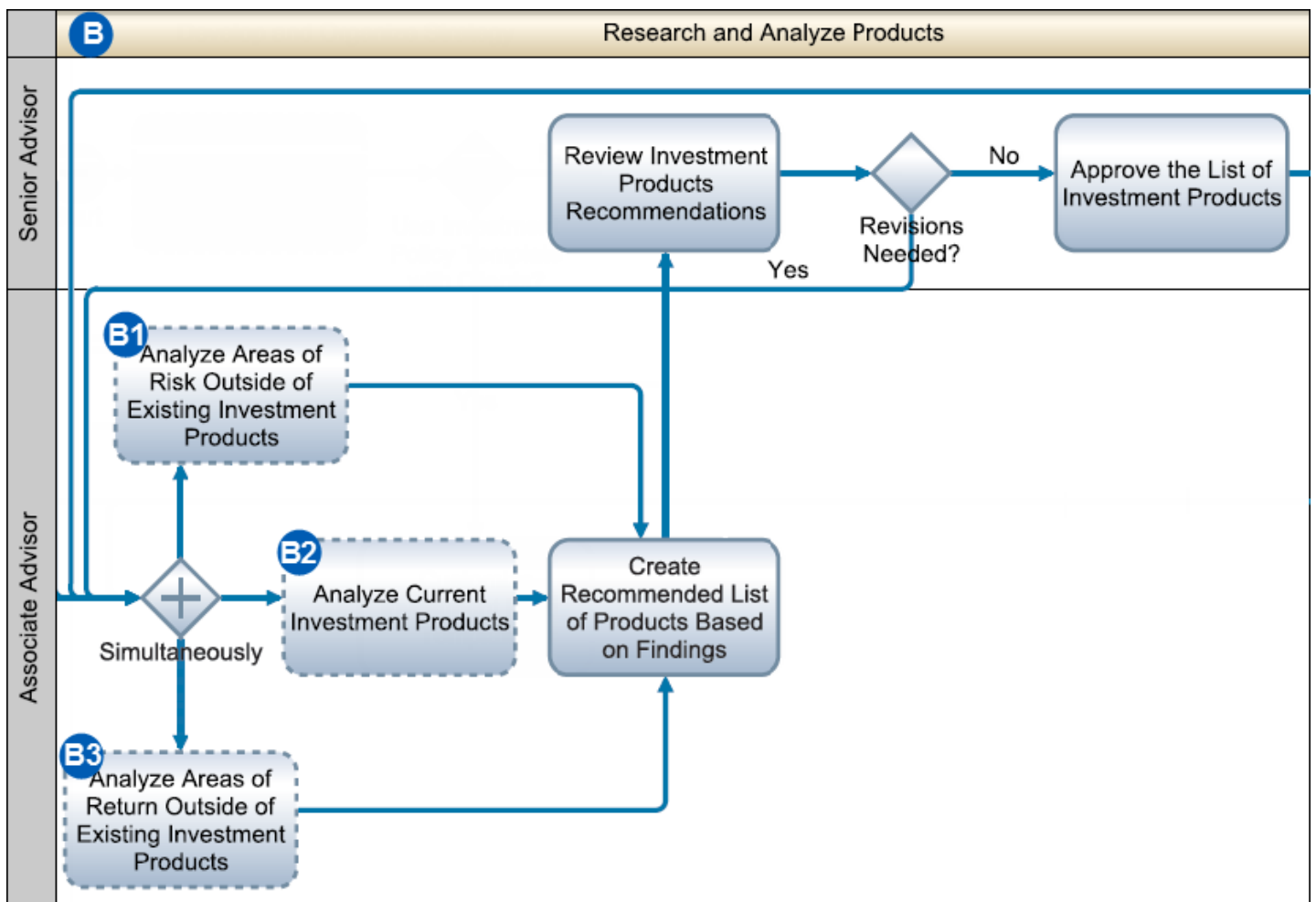


Develop and Organize Strategy

INVESTMENT PRODUCT STRATEGY PROCESS OVERVIEW

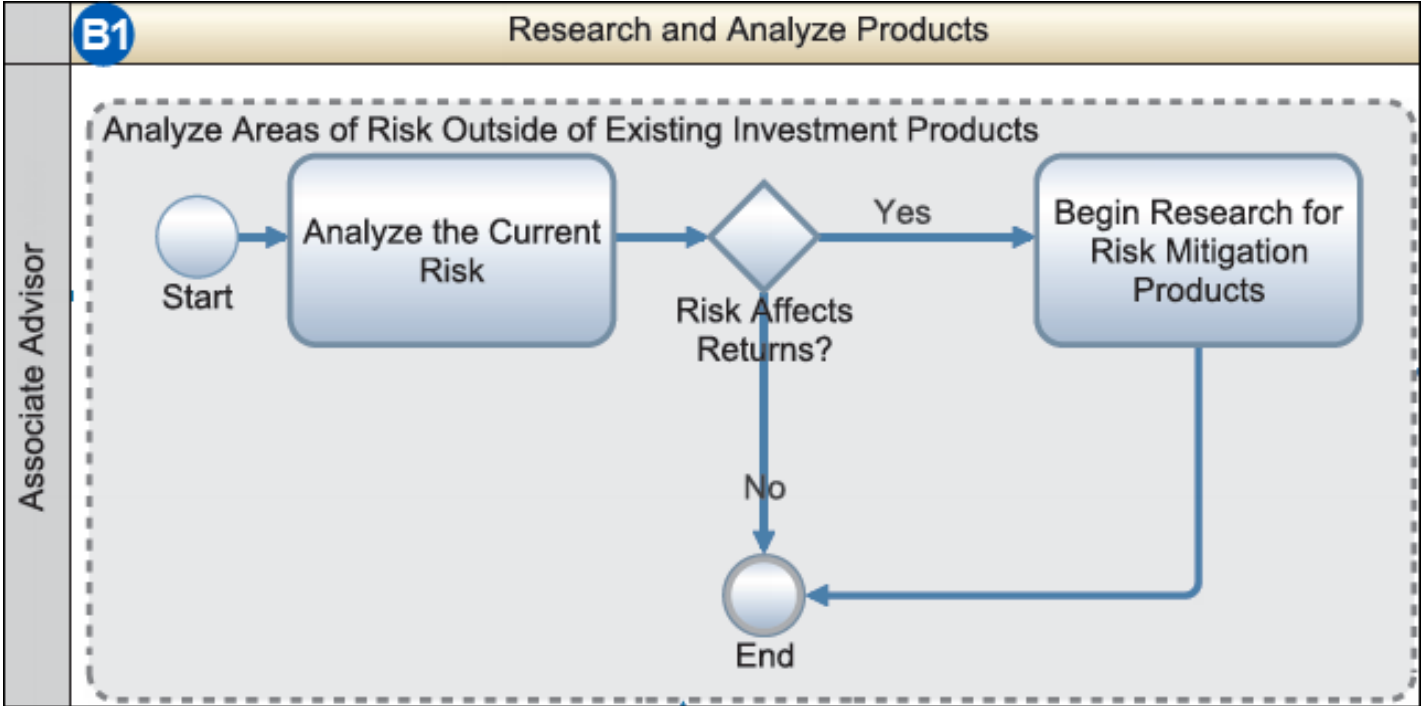


Define Investment Strategy Sub-Process

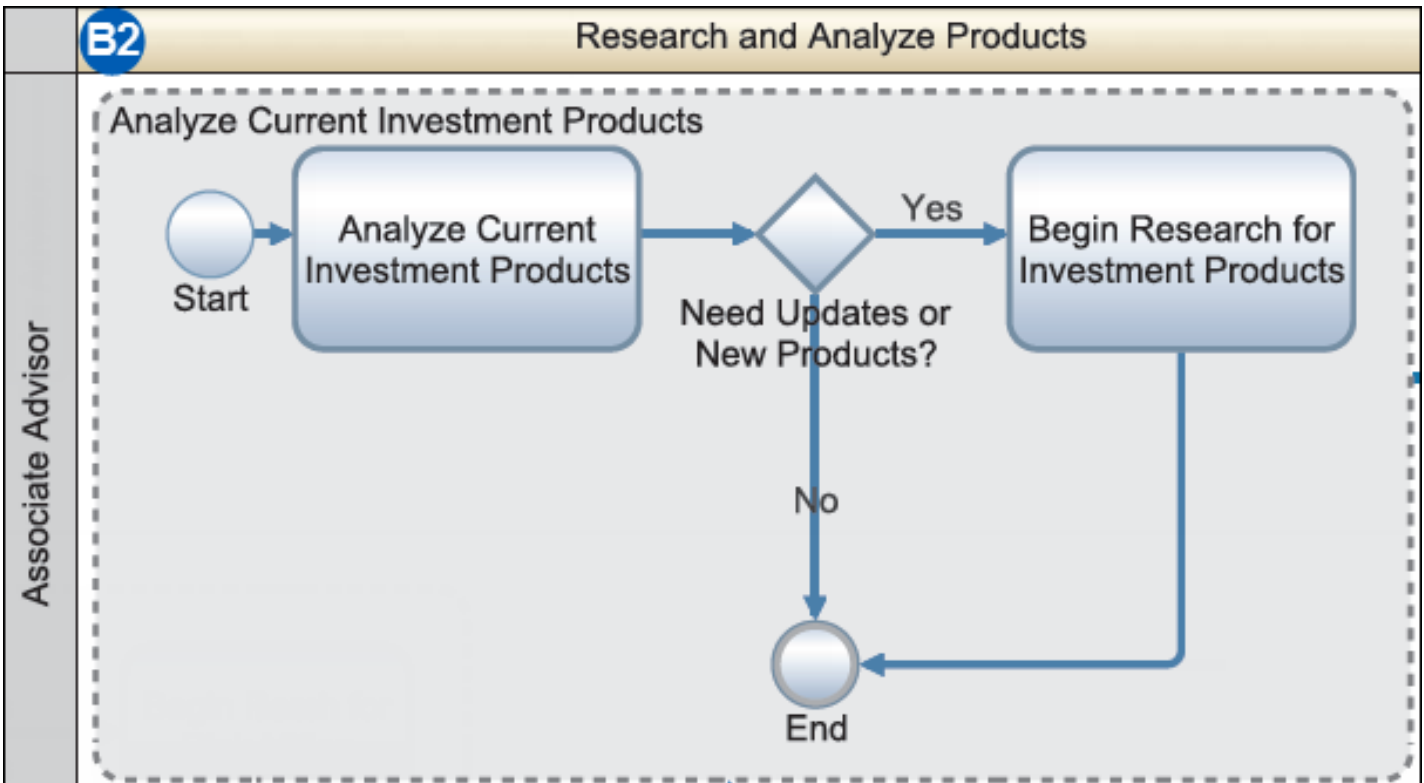


Research and Analyze Products

INVESTMENT PRODUCT STRATEGY PROCESS OVERVIEW

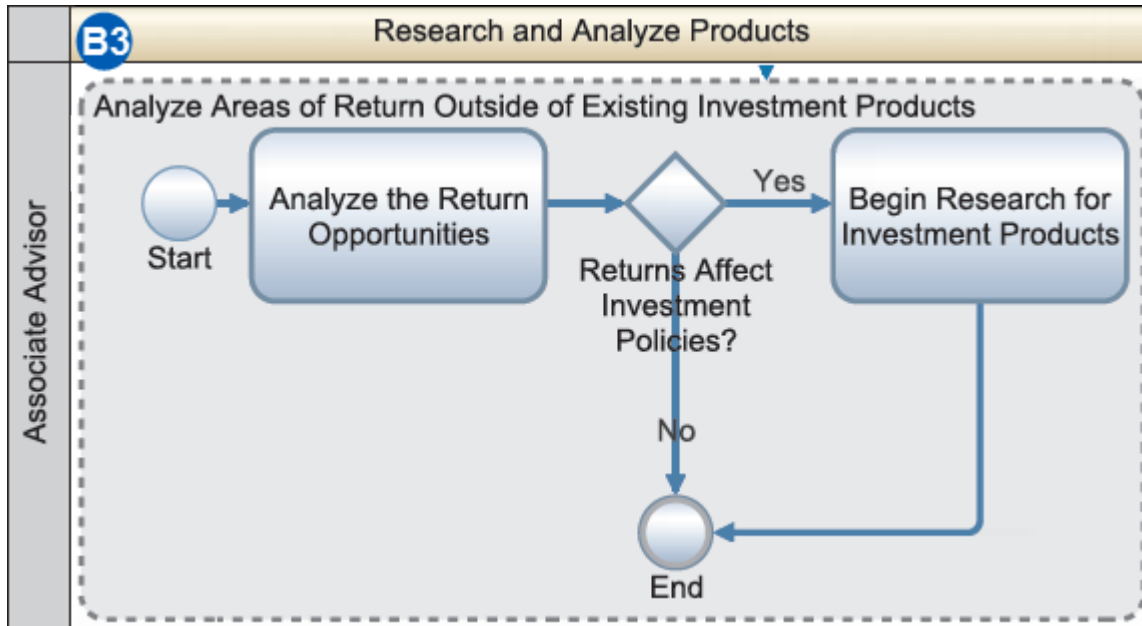


Analyze Areas of Risk Outside Existing Products Sub-Process

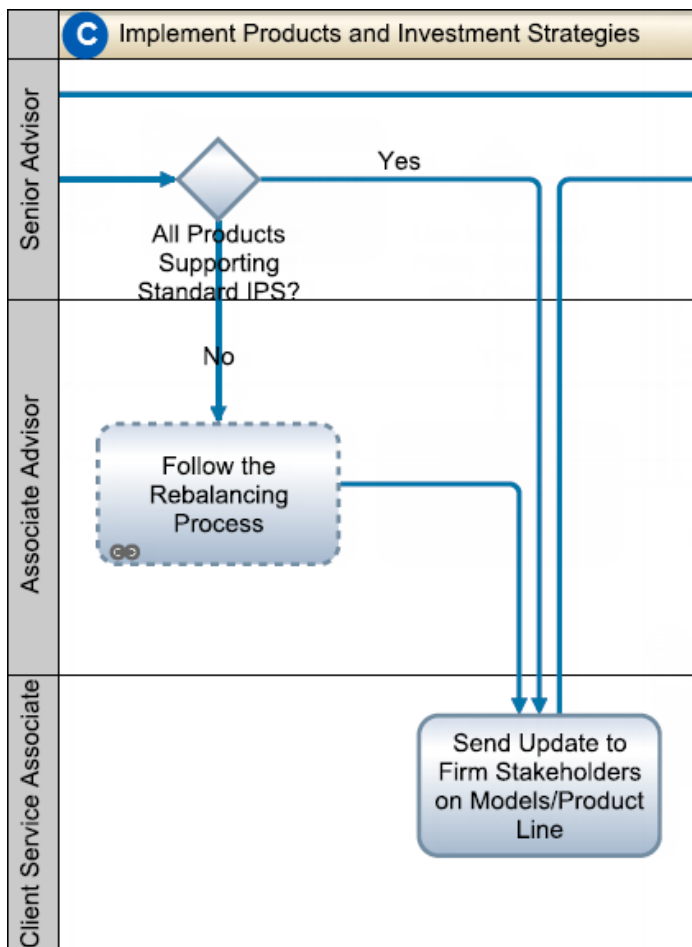


Analyze Current Investment Products Sub-Process

INVESTMENT PRODUCT STRATEGY PROCESS OVERVIEW

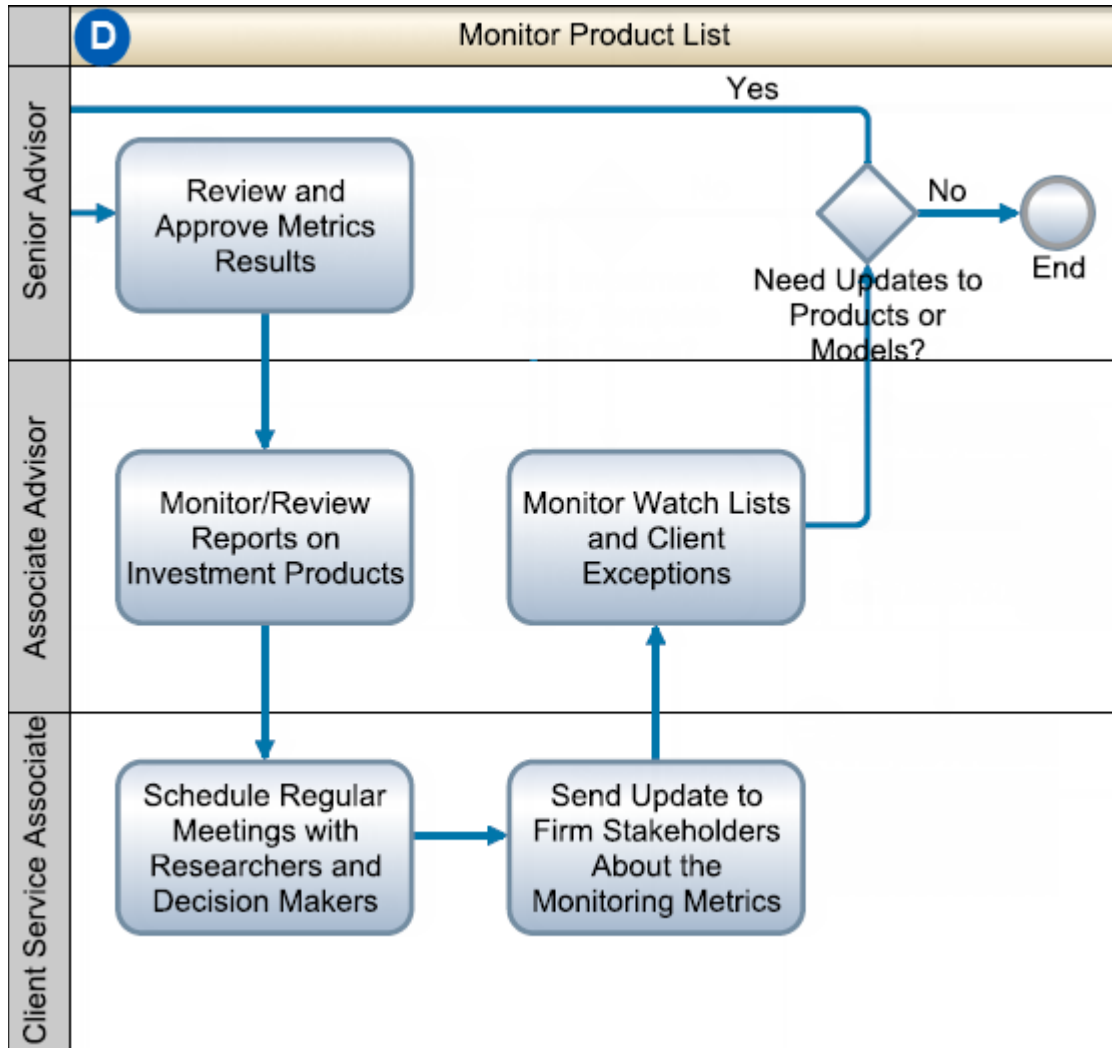


Analyze Areas of Return Outside Existing Products Sub-Process



INVESTMENT PRODUCT STRATEGY PROCESS OVERVIEW

Implement Products and Investment Strategies



Monitor Product List

INVESTMENT PRODUCT STRATEGY PROCESS OVERVIEW

HIGH-LEVEL PROCESS CHECKLIST

The Investment Product Strategy process checklist displays the workflow tasks in a checklist format rather than a process map or diagram. The checklist helps you focus on gathering all the information required to complete the workflow effectively. This checklist serves as a best practice recommendation only. Adjustments may be needed to suit the needs of your firm.

STEP	ROLE
<input type="checkbox"/> Define the firm's overall Investment Strategy <ul style="list-style-type: none"> • Document the investment strategy if you have not already done so • Develop and document monitoring criteria for assets and models • Develop asset allocations and models based on investment strategy 	Senior Advisor
<input type="checkbox"/> Determine if you will be using a template for the Investment Policy Statement (IPS) you will give to clients <ul style="list-style-type: none"> • If using a template, develop, update, or customize the template for each policy • If no, proceed to the next step 	Associate Advisor
<input type="checkbox"/> Begin Analysis <ul style="list-style-type: none"> • Analyze areas of risk outside the existing investment products and begin research on risk mitigation products, if applicable • Analyze areas of return outside the existing investment products and begin research on return enhancement products, if applicable • Analyze current products and determine if additional products need to be added or if existing products should be replaced 	Associate Advisor
<input type="checkbox"/> Submit a list of recommended products to the Senior Advisor, including new products and existing products to be replaced	Associate Advisor
<input type="checkbox"/> Review the list of recommended products <ul style="list-style-type: none"> • If revisions are required for the list, return it to the Associate Advisor • If no revisions are required, approve the list 	Senior Advisor
<input type="checkbox"/> Determine if the approved list of investment products meet the current Investment Policies <ul style="list-style-type: none"> • If no, follow the process to rebalance the affected portfolios • If yes, continue to the next step 	Senior Advisor Associate Advisor
<input type="checkbox"/> Send an update to the firm stakeholders to inform them of the new investment products	Client Service Associate
<input type="checkbox"/> Review and approve metrics for product line	Senior Advisor
<input type="checkbox"/> Monitor and review reports on the investment products	Associate Advisor
<input type="checkbox"/> Schedule regular meetings with the firm stakeholders for updates on products	Client Service Associate

INVESTMENT PRODUCT STRATEGY PROCESS OVERVIEW

- | | | |
|--------------------------|--|--------------------------|
| <input type="checkbox"/> | Send an update to the firm stakeholders to inform them of the progress on the goals and metrics | Client Service Associate |
| <input type="checkbox"/> | Monitor watch lists and field client exceptions and requests | Associate Advisor |
| <input type="checkbox"/> | Determine if updates need to be made to products or models <ul style="list-style-type: none">• If yes, begin research step again• If no, continue with monitoring of the current products | Senior Advisor |

ADDITIONAL RESOURCES

The [Schwab Advisor Center website](#) offers research, analysis and product tools to help you determine what assets might fit best into the firm's investment policies. The Trading and Research section contains a rich selection of resources, articles, and tools to help you research products. Click the Trading and Research link, and then Research tab to find helpful resources.

To find these resources, log in and navigate to the Trading and Resources section.

In this package, a few tools and templates are highlighted that you might find helpful for the workflow documented in this packet, including:

- **Schwab Advisor Center Research Tools** on page 11 – in this section, find tools to help you do research by markets, security type or managed.
- **Investment Proposal Center** on page 12 – in this section, use the tool to help you streamline your research and analysis process as a whole to create client-specific proposals.

The screenshot shows the Charles Schwab website interface. At the top, the navigation bar includes 'News & Resources', 'Trading & Research' (circled), and 'Client & Account Servicing'. Below this is a search bar and utility links like 'Bulletins (1)', 'Tools', and 'Support'. The main navigation bar has tabs for 'Markets', 'Stocks', 'Mutual Funds', 'ETFs', 'Fixed Income', 'Tools', and 'Managed Accounts'. The 'Research' tab is selected, leading to a page with sub-tabs for 'Markets', 'Global Markets', 'Charts', and 'Sectors & Industries'. The 'Today's Market' section features a table of market indices and a line chart for the S&P 500. A 'Market Update' section provides news on consumer sentiment. On the right, there are sidebars for 'Research', 'Watchlist', and 'Screeners'.

For illustrative purposes only

ADDITIONAL RESOURCES

Schwab Advisor Center Research Tools

In the section below, the supporting documentation referenced is located on the [Schwab Advisor Center website](#).

The Research tab in Schwab Advisor Center provides tools you can add to other investment research tools you may already be using for product research:

- The **Markets** tab gives you information about current US markets as well as global markets. Use the Charts sub-tab to understand how the markets compare to one another or to spot trends and momentum. Use the Sectors and Industries sub-tabs to see analysis broken down into sectors and industries. Use the Market Reports link to access Schwab market reports quickly from any view.
- The tabs for **Stocks**, **Mutual Funds**, **ETFs** and **Fixed Income** give you targeted, specific information about each security type, including select lists, charts, ratings and news.
- The **Tools** tab contains helpful tools for managing your research, such as watch lists, alerts, screeners and comparison tools.
- The **Managed Accounts** tab contains tools and information for researching managed accounts including research for managers by style, strategy lists and performance reports.

The screenshot displays the Schwab Advisor Center Research Tools interface. At the top, the navigation bar includes 'Research' (selected), 'Trading', 'Portfolio Rebalancer', and 'Investment Proposal Center'. Below this, a secondary navigation bar lists 'Markets', 'Stocks', 'Mutual Funds', 'ETFs', 'Fixed Income', 'Tools', and 'Managed Accounts'. The main content area is titled 'Markets are open 3:04pm ET, 05/11/2012'. It features a 'Today's Market' section with a 'View Global Markets' link and a 'View Advancers / Decliners' link. The 'Today's Market' section includes a table of market indices and a line chart for the S&P 500. A 'Market Update' section provides news on consumer sentiment. A 'Commentary & Analysis' section features a chart for the S&P 500 and links to research reports. A 'Market Movers' table lists top-performing and declining stocks. On the right, there are sections for 'Research', 'Watchlist', ' Screener', and 'Quick Screens'.

For illustrative purposes only

ADDITIONAL RESOURCES

INVESTMENT PROPOSAL CENTER

In the section below, the supporting documentation referenced is located on the [Schwab Advisor Center website](#).

The Investment Proposal Center is a one-stop tool to help you create customized, specific investment proposals for your clients.

Use the tool throughout the process, from product research to creating an individualized Investment Proposal for your client.

Review the tutorials and demos and read the list of frequently asked questions to learn more.

The screenshot shows the Schwab Investment Proposal Center (IPC) website. The header includes the Charles Schwab logo, navigation links for News & Resources, Trading & Research, and Client & Account Services, along with a search bar and utility links like What's New, Log Out, and Settings. The main content area is titled 'Investment Proposal Center' and features a navigation menu with Trading, Portfolio Rebalancer, Research, and Investment Proposal Center. The main text describes the IPC as a tool powered by Informa for streamlining research and analysis. It lists key features and capabilities:

- Research money managers and investment products:** Powered by Informa, it allows users to browse or search 1,900 managed account managers, select from over 13,000 funds, choose among 820 ETFs, and create/save quick reference lists.
- Analyze portfolios and make recommendations:** Users can create multiple goals, reconstruct portfolios, compare against 100 industry benchmarks, and import their own asset allocation models.
- Create professional, customized proposals:** Users can select from a large library of reports and charts, choose research and rationale, and upload their logo and firm information.
- Tutorials and Demos:** The site offers four modules: 1) Browse, Search and Find Money Managers and Investment Strategies; 2) Create a Client; 3) Build an Investment Proposal; 4) Build a Blended Proposal.
- Frequently Asked Questions:** A section to simplify the process of using the IPC.

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