



A Disciplined Process of Discovery and Implementation



A Team of Practical Thinkers

Visitors to our office immediately notice our open floor plan and cutting-edge design. It's not just for looks. We structured our physical space to foster teamwork and inspire innovative thinking. Our location—the restored Morrison Opera Place in downtown Indianapolis—reflects our commitment to the city we call home.

Steady Focus on Essential Values

Dedicated, disciplined, and connected are more than watchwords to us. They describe our approach, our reputation, and the way we've built our firm—from three partners with a vision, to a team of professionals with a superb commitment to communication, partnership, and service.

Deep Commitment to Your Success

Through our partnership with Callan Associates, we're able to offer you access to world-class institutional resources. We combine this with hands-on service and on-going support, to provide you with solutions that lead to lasting relationships.

"WE WANT TO
WORK WITH CLIENTS
WHO UNDERSTAND
AND APPRECIATE
WHAT WE DO —
AND WE WANT TO
WORK WITH THEM
FOREVER."

— JOE BILL WILEY,
PRINCIPAL, CAPITAL CITIES



OUR PLANNING
SESSIONS
INVOLVE
A POWERFUL
SYNERGY
OF CREATIVE
BRAINSTORMING
AND SHREWD
ANALYSIS.

Our Disciplined Process

Putting together an intelligent investment program requires knowledge, vision and teamwork. They come together in our **disciplined process**, a fluid management journey that's become the hallmark for Capital Cities' way of doing business.

At every stage, we are with you—evaluating, communicating, and educating. Changes will come. Your plan will need adjustments. Like an extension of your staff, Capital Cities is always watching out for your interests as your program unfolds, and thinking ahead about how and when your needs might change.

Capital Cities' Disciplined Process of Discovery Involves: Analyzing Your Current Position

When we sit down with our clients for the first time, our minds are open. We ask questions, listen and probe. Then we draw careful conclusions, based on in-depth conversations, about your current position. This vital first step in our Disciplined Process—the “Fiduciary Review”—is much more than a cut-and-dried assessment of your current financial situation.

We're interested in:

- The nuances of your attitudes and assumptions
- The finer shadings of your tolerance for risk
- Your goals and objectives, and any constraints we might face
- Your expectations for return

It's only by getting to know you that we are able to arrive at a sound investment strategy tailored specifically to meet your needs.

In this important first step, your mission statement and vision become our guiding lights for planning and strategy.



“WE ARE PASSIONATE PEOPLE WITH PURE INTENT.”

*Bill Mauger, Principal
Capital Cities*

WE BRING A DISCIPLINED APPROACH TO PLANNING YOUR INVESTMENT STRATEGY.



Designing the Optimal Portfolio

In creating the optimal investment structure for your fund, we bring to the table the best thinking for your unique circumstances. Our planning sessions involve a powerful synergy of creative brainstorming and shrewd analysis. Out of this fertile environment emerge clear decisions about the best asset mix to achieve your goals for positive real returns, liability management and/or flexible spending policies, and manageable risk.

In this phase of the process and depending on the client type, for example, we might:

- Determine the techniques we can use to mitigate the effects of short-term market volatility on spending
- Evaluate ways to control costs
- Develop policy guidelines for investment and/or spending, asset-allocation, and rational manager structure
- Determine and articulate the benchmarks against which your plan will be evaluated

The end result is an asset-allocation and appropriate manager structure that reflects your goals on every level, at every stage.

Capital Cities' Disciplined Process of Implementation Involves:

Formalizing Investment Policy

The most critical component of our work is the establishment of a well-articulated investment policy. This written statement is an essential document—formally recording your strategic planning decisions and outlining a blueprint for implementation and monitoring. It's intended to help you fulfill your fiduciary duties, serving as a vital communication tool for all vested parties. Capital Cities excels in constructing clearly-worded statements that spell out:

- The distinct responsibilities of the fund fiduciary, investment managers, and other service providers
- The investment structure for managing the assets, including various asset classes, investment management styles, asset allocation and acceptable allocation ranges that, in total, are expected to produce a sufficient level of overall diversification and total investment return through time
- Risk management guidelines
- Communication guidelines to facilitate openness and understanding between board members, money managers, and the investment consultant
- Formal criteria to monitor, evaluate and compare the performance results achieved by the money managers on a regular basis
- Guidelines to ensure compliance with all applicable fiduciary, prudence, and due diligence requirements

YOUR WRITTEN INVESTMENT PLAN

AS THE MONTHS AND YEARS GO BY, WE SIT DOWN WITH YOU AT REGULAR INTERVALS TO REVIEW THIS "LIVING" DOCUMENT, REFINE ITS STATEMENTS, AND REBALANCE OUR STRATEGY.





Implementing the Policy

Capital Cities offers you arguably the deepest resources in the Midwest when it comes to assessing the strengths of various money managers, negotiating fees, selecting the right managers to achieve the performance goals set for your fund, and monitoring those managers on an ongoing basis.

We belong to an elite group of investment consulting organizations called the **Independent Advisor Group (IAG) of Callan Associates, Inc.**, an established leader in manager research, capital markets research, fiduciary training, and performance evaluation. Our affiliation with Callan enables us to deliver world-class institutional resources, such as sophisticated analysis and evaluation of money managers' qualifications—to clients who might otherwise never have access to them. At the same time, we provide the hands-on presence of a local firm. We know of no other Indiana firm with this unique combination of individualized service and world-class analytical tools and information.

To find a money manager ideally suited to your fund, we don't rely on a manager's own declaration or the market's perception. Instead we use **sophisticated analytical tools** to determine managerial style from a variety of quantitative and qualitative angles. Putting your plan to work is the most exciting and rewarding part of the process—and we're invested in your success.

Monitoring and Supervising

We continually measure the performance of your assets against suitable peer groups, based on the appropriate benchmarks set forth in the design of your portfolio.

We are also constantly evaluating the performance of your money managers, on three levels: the market, the asset class universe and a peer group of managers employing similar styles. We share our due diligence criteria with you so that you are always aware of each of your manager's performance status and changes are recommended only when necessary to accomplish client objectives.

At Capital Cities, the customized planning and support you receive is part of our deep commitment to service. It's how we've built our reputation—and how we achieve success.

- DEDICATED
- DISCIPLINED
- CONNECTED

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