



FolioDynamix Expands the Industry's First Unbundled Turnkey Asset Management Program

Immediate Deliverable: Principled Portfolio SolutionsSM

Press Contact:

Vickie Nutter
(916) 288-6404

vickie.nutter@foliodx.com

NEW YORK, NY, March 25, 2009 –FolioDynamix, a driver of innovation in unified managed accounts technology and wealth management services, today announced the expansion of its unbundled turnkey asset management Program or UTAMPSM with the addition of its Principled Portfolio SolutionsSM (PPS) program, a discretionary investment management solution.

“The acquisition of FDx Advisors late last year was a key step for FolioDynamix in realizing our UTAMP vision. Principled Portfolio Solutions is another,” said Joe Mrak, CEO. The PPS program offers scalable, institutional quality investment solutions adapted to the unique business model of each FDx client. “Sponsors and advisors keep telling us that they want the efficiencies of a TAMP, but with the flexibility to decide which elements of the investment process they want to retain as part of their value proposition to their clients. Our UTAMP approach facilitates their value proposition,” said Ron Madey, Chief Investment Officer.

According to a Cerulli study, “the number of advisors who say they regularly outsource at least a portion of the portfolio-construction process more than doubled to 34 percent in 2007, up from just 14 percent in 2006.” The reason for this, Cerulli says, is that advisors recognize the importance of spending their time on client relationships.¹ The imperative for advisors to create time to focus on the client relationship and overall client experience, not just investment performance, is corroborated by a 2008 study by Janus Labs and Prince Associates. The study showed that over 90% wealthy investors rewarded advisors with new assets when their overall experience with the advisor exceeded expectations, as compared to just 30% who rewarded advisors with new assets based on exceptional investment performance alone. Exceptional investment performance without an exceptional overall experience resulted in more than half of wealthy clients taking assets away from the advisor.² The FDx UTAMP is designed to deliver a quality investment experience while helping advisors create efficiencies specific to their unique business model so they can consistently deliver exceptional client service and strengthen client loyalty.

In addition to FDx’s pure technology solution for institutions with the resources and business model to design and manage their own asset management program, FDx Advisors offers three

levels of the UTAMP solution. Each is integrated with a client's back office environment, paving the way for institutions and their advisors to scale their wealth management business models. In all cases, the firm and its advisors retain control of the client relationship, consulting and planning functions. Advisors communicate portfolio management needs to FDx Advisors through the client investment policy.

Multiple investment programs can co-exist on the FDx platform to facilitate advisor choice and recruiting. Sponsor firms can run their own programs on the FDx technology, and offer a PPS program managed by FDx Advisors in parallel. Sponsors get the scale benefit of having all their programs on one technology platform and advisors get program choice with practice management efficiencies.

"The Principle Portfolio Solutions program is built on time-tested investment principles using institutional quality risk management processes and is adapted to the business model of our clients to help accelerate their growth plans," Madey said. The PPS principles apply whether the investment program is a basic mutual fund wrap, a model based unified managed account, or a unified managed household. Client portfolios are diversified by asset class and strategy using multi-manager portfolio construction and systematic oversight of the managers. PPS is differentiated by its flexible multi-manager structure. It is designed to allow for proactive adjustments for active risk management purposes, but without corrupting the overall asset allocation or forcing the liquidation of a manager unnecessarily. Daily review of each account's portfolio versus policy targets is provided and action taken when appropriate.

The FDx UTAMP with Principled Portfolio Solutions offers a flexible yet scalable design that enables a firm's business model. Firms are drawn to the UTAMP model because it enhances the advisor/client experience, facilitates advisor recruiting and provides a foundation for quality growth of their advisory business

About FolioDynamix

Privately held and based in New York since inception in 1999, FolioDynamix is an established leader in the fast growing managed account industry. Its FDx platform is a configurable, thin client application with tools to manage a portfolio through the lifecycle of an account, including a fully proprietary tax lot and cost accounting engine, new account opening tools, model management, multi account trading, rebalancing, fee billing, management reporting and performance reporting. FolioDynamix also offers supplementary business services to complement the FDx technology platform, including a comprehensive database of leading money managers, mutual funds and ETFs. For more information on FolioDynamix, please visit www.foliodynamix.com.

¹ Cerulli Associates Blog #49 - How Advisors Spend Their Time, May 9, 2008

² Full survey results can be found on <http://www.pw-mag.com/articles/118/1/Hopelessly-Devoted/Page1.html>.