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AMS INVESTMENT GROUP
Making Your Clients Successful

1. INTRODUCTION

1.1 Welcome to AMS!

Welcome to the AMS Investment Group. As an investment advisor for one of the world's most successful securities firms, we want to ensure you are successful in making your clients successful.

1.2 Our Philosophy

The outstanding success record of AMS is no accident. Over the years, we have developed a set of guiding principles which lay the foundation for our business and set the direction for the future:

1. Our customers are our most important asset.
2. If our customers are successful, then we are successful.
 - Customer success can be measured by the positive return on his or her investment.
 - Our value to the customer can be measured by our ability to maximize that return.

1.3 What we expect of you

1.3.1 Commitment

As an investment advisor, we ask that you be totally committed to the success of your clients.

1.3.2 Knowledge.

We expect you to maintain a solid and current understanding of Risk vs. Reward.

Good customer service is always a balance between risk and reward.

Risk vs.
Reward
Simply put,
Risk vs.
Reward is the
measur

ent of the total return on investment against the overall life position of your client.

This statement raises several questions, including:

- What is risk?
- How does diversification fit in?
- What is an overall life position?

In this document, we will help you understand how to best service your clients given their objectives and overall life position.

Achieving the best possible risk vs. return

Keep the following in mind:

- Help your clients clarify their own investment objectives.
- Although some generalities can be applied, each client is unique in his or her overall life position.

1.3.3 How to work with your clients

Your role of investment advisor is critical to the success of your clients. Here are some items to consider:

- Take time to help them understand the issues.
- Emphasize the long term; AMS does not subscribe to the “quick buck” theory of investing.
- Use your resources:
 - AMS corporate profiles
 - Industry publications
 - Other team members

How to begin

The concepts here are very simple. Get to know your clients. Learn what is important to them. Before you can provide a solution, you must understand the problems you are trying to solve.

2. NUTS & BOLTS

2.1 Understanding the Problem

[MUCH OF THIS MATERIAL IS DATE-SENSITIVE. PLEASE ENSURE THIS SECTION IS CURRENT BEFORE DISTRIBUTING TO FIELD INSTRUCTORS.]

As discussed earlier, it is important to thoroughly understand your clients before attempting to chart their financial course.

2.2 What to Look For

There are several factors to consider when getting to know your clients:

1. Their current financial picture.
2. Non-financial considerations, such as family, recreation and other interests.
3. Personality traits which may affect their acceptance of investment recommendations.

2.3 Sitting Down with The Client

2.3.1 Introduction

If possible, find time to meet with your clients one-on-one. You can save time by having them meet you in your office, but pay attention to their comfort level; it may be more appropriate to meet them in their home.

2.3.2 Learning What You Need to Know

Some investors are well versed in financial matters, making it possible to talk directly about issues such as *diversification* and *risk*. Less informed clients may require more time, but the additional effort is nearly always worthwhile.

Take enough time to understand their issues, objectives and expectations of you and the rest of the AMS team.

2.3.3 Mutual Understanding

Ensure you and your clients are speaking the same language. Make sure they understand basic terms like **performance** (i.e., return) and the **risk**.

Stay Focused

Each investor is different, and you must take the time to understand their unique needs and goals. This is the most important aspect of setting up a tailored investment strategy.

Suggest a Course of Action

Each time you meet with a client, either in person or on the telephone, be sure to

summarize the meeting and detail any action items. When possible, this should include a discussion of additional investment opportunities such as:

Common stock in issuing companies.

Bonds, including government, corporate and tax-free munis.

Cash Equivalents such as CDs, money market funds, and T-bills.

3. PUTTING IT TO WORK

3.1 Setting the Scenario

Although each client has unique needs, you may be able to draw upon certain investment profiles to accelerate your portfolio development.

3.2 Recognizing Investor Profiles

Look for various profiles which recur with many clients:

1. Young families with children or plans for children.
2. Established, middle-income families who own their own home but still need to plan for college tuition.
3. “Unfettered” couples or individuals with grown children, higher incomes and available leisure time.
4. Older clients nearing or past the age of retirement.

3.3 Building an Investment Plan

3.3.1 *Applying Knowledge*

The initial time you’ve invested will net good return, both for you and your client. Once you have a good understanding of their current situation and investment objectives, you are in a solid position to propose recommendations.

- Use your knowledge of your client and the industry to visualize your client five years in the future.
- Outline a written investment plan to match this visualization.

3.3.2 *Scenario 1*

Consider this client profile:

- Male, Salesperson, age 39
- Married, children - ages 6,4, & 2
- Family income, self \$80,000, spouse \$40,000
- Current savings \$10,000, CD \$2,000

Life Situation Analysis

Buying a Home

Here is an outline of how you might begin to set up an investment plan:

<u>Field Name</u>	<u>Field Value</u>
Move-in Expenses **	\$62,500
When will You Need the Money (# of months)	39
Tax Bracket (%)	33

Tax Affect ?	Yes
Reduce Beginning Payments by Indexing ?	0

** Assume cost of home @ \$250,000, and 25% for move-in expenses.
 From here, you can help your client explore different investment options to leverage his or her real estate investment.

Sending the Kids to College

Here is a similar table for a different scenario:

<u>Field Name(s)</u>	<u>Field Value</u>
Amount Saved	\$13,000
Tax Bracket	33 %
Tax Affect	Yes
Child Samuel - Age & Estimated College Fees/yr	6, \$15,000
Child Sally- Age & Estimated College Fees/yr	4, \$22,000
Child Steve - Age & Estimated College Fees/yr	2, \$25,000

Monthly savings: \$620, or
 Money needed now for investment \$193,792