



*Bonheur, Scott, Traino Group*  
*at Morgan Stanley Smith Barney*  
**Retirement Plan Consulting Services**

Morgan Stanley Smith Barney, LLC  
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MorganStanley  
SmithBarney

# Contact Information

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# About Morgan Stanley Smith Barney

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# MSSB: Retirement Is Our Strength

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- ◆ Over 130 years of wealth management experience
- ◆ \$380 billion in overall retirement assets
- ◆ \$109 billion in defined contribution retirement plan assets
- ◆ Service over 23,254 bundled defined contribution plans
- ◆ Act as custodian to over 737,477 business retirement accounts\*
- ◆ Network of over 18,000 Financial Advisors with a local presence across the country
- ◆ Alliance partnerships with best-in-class retirement service providers
- ◆ Innovative resources to help deliver effective retirement programs, including:
  - Fiduciary Audit File – for managing fiduciary responsibilities
  - Morningstar DC Module – for ongoing investment monitoring
  - Plan Performance Report Card – for measuring plan success
  - Employee Education Program – for improving participation and investment knowledge
  - Business Executive Services – for offering specialized services to your executives
  - Quarterly 401(k) Roadmap – for managing plan activities

Data as of March 31, 2010

\* Includes some plans with sub accounts



# **Our Value Added Services To Your 401k Plan**

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# **5 Reasons Our Plan Sponsors Hire Us As Financial Advisor**

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- 1. For improving participation rates**
- 2. For guidance in evaluating and choosing a provider**
- 3. For help understanding fees and expenses**
- 4. For knowledge and experience in selecting and monitoring investments**
- 5. For ongoing support in understanding and managing fiduciary responsibilities**

# 1. For Improving Participation Rates

- ◆ Formulate and execute an effective communications strategy, including education and enrollment meetings
- ◆ Explain potential plan design enhancements such as automatic enrollment and Qualified Default Investment Alternatives (QDIAs)
- ◆ Measure success of participation strategies and enhancements

**Sample Portfolio Mixes—Asset Allocation Models**

The following asset mixes are designed to provide the optimum level of risk and potential return based against the time you have until your needs. Obviously, this mix should be tailored according to your changing needs. When making your asset allocation models for your retirement portfolio, you should consider your entire financial picture.

**Long-Term Horizon and/or Higher Risk Tolerance (20+ Years)**

Why? Because if you have a long time before you will need to make a withdrawal, you may want to be more aggressive—since you probably have the time to accurately weather your retirement plan. You may also want to consider where the savings potential is the greatest over the long term.

Asset Class	Percentage
Large-Capital Growth	20%
Large-Capital Value	20%
Mid-Cap Growth	20%
Mid-Cap Value	20%
Small-Cap Growth	20%
Small-Cap Value	20%

**Medium to Long-Term Horizon and/or Moderate to High Risk Tolerance (10-20 Years)**

Why? Because if you have a moderate amount of time before you will need to make a withdrawal, you may want to be more aggressive—since you probably have the time to accurately weather your retirement plan. You may also want to consider where the savings potential is the greatest over the long term.

Asset Class	Percentage
Large-Capital Growth	20%
Large-Capital Value	20%
Mid-Cap Growth	20%
Mid-Cap Value	20%
Small-Cap Growth	20%
Small-Cap Value	20%

**Short to Medium-Term Horizon and/or Moderate to Low Risk Tolerance (5-10 Years)**

Why? Because if you have a short to medium amount of time before you will need to make a withdrawal, you may want to be more conservative—since you probably have less time to accurately weather your retirement plan. You may also want to consider where the savings potential is the greatest over the long term.

Asset Class	Percentage
Large-Capital Growth	20%
Large-Capital Value	20%
Mid-Cap Growth	20%
Mid-Cap Value	20%
Small-Cap Growth	20%
Small-Cap Value	20%

**Appropriate for Investors Who**

- Seek maximum capital appreciation
- Have a long time until retirement
- Want to accept higher and moderate volatility

**Appropriate for Investors Who**

- Seek moderate capital appreciation
- Have a moderate time until retirement
- Want to accept moderate volatility

**Appropriate for Investors Who**

- Seek low to moderate capital appreciation
- Have a short to medium time until retirement
- Want to accept low to moderate volatility

**Appropriate for Investors Who**

- Seek low capital appreciation and moderate income
- Have a short to medium time until retirement
- Want to accept low to moderate volatility

**Appropriate for Investors Who**

- Seek low capital appreciation and moderate income
- Have a short to medium time until retirement
- Want to accept low to moderate volatility

**at a glance** STAYING FOCUSED IN TURBULENT TIMES

When the market is volatile, almost everyone thinks about their financial future. With turmoil in our world, it's important to stay focused on your long-term goals. During times like this, it's more important than ever to follow our best practices and best practices.

**Prepare for Your Retirement**

Evaluating Saving Strategies and Income Needs

**planperspectives** RETIREMENT INSIGHTS FROM MORGAN STANLEY SMITH BARNEY

**Retirement Planning: Health Care Costs**

Preparing to take on the cost of your own care

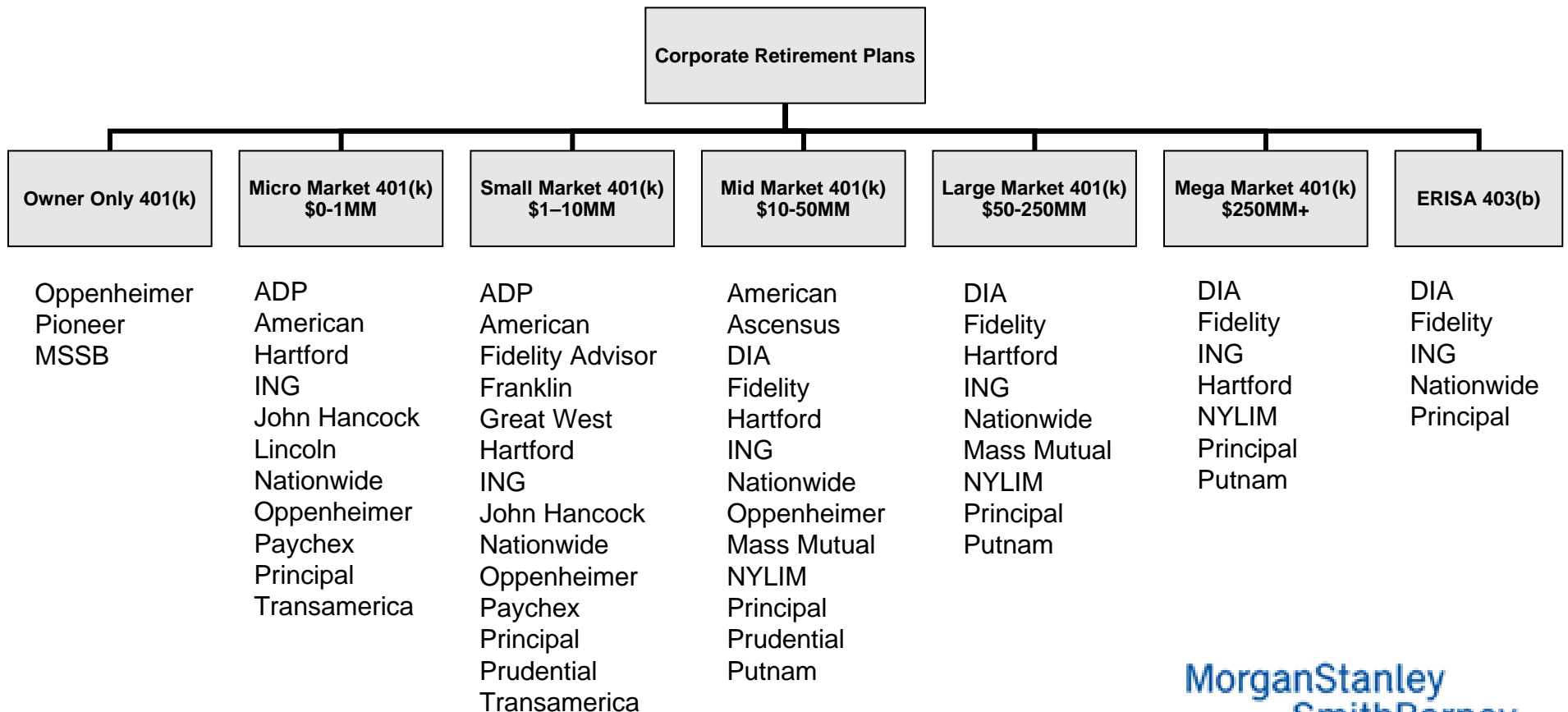
Medical care will probably be one of your most significant expenses as you grow older. Recent estimates shed light on what that may mean for you.

**Business Executive Services**

Making Wealth Work for the Business Executive

## 2. For Guidance in Evaluating and Choosing a Provider

- ◆ Conduct a needs analysis
- ◆ Ensure that the provider chosen meets the needs of the plan
- ◆ Solicit and evaluate proposals from other providers periodically to help ensure services and fees remain competitive



# 3. For Help Understanding Fees and Expenses

- ◆ Explain fees and expenses paid by the plan or otherwise received by the plan’s service providers
- ◆ Determine whether fees and expenses are reasonable and competitive in the marketplace
- ◆ Conduct a periodic analysis (every 2-3yrs) to ensure that fees remain competitive

**Fiduciary Benchmarks** Plan Fees Summary

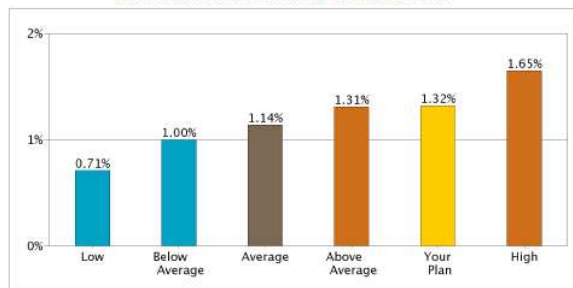
*This page provides an overall summary of the plan’s fees, with comparisons to the Benchmark Group. It’s important to consider plan services when assessing whether fees are reasonable. Please note that self directed account and participant level activity fees are not included in the information below.*

**FEES**

Distribution of Total Plan Fees by Source	Plan Fee in Dollars	% of Total Fee
Investment Fees	\$82,623	94%
Commissions	-	0%
Finders’ Fees	-	0%
Managed Account Fees	\$1,050	1%
Other Fees	\$4,244	5%
ERISA Spending Account Credit	\$(2,500)	-
<b>Grand Total</b>	<b>\$85,417</b>	<b>100%</b>

Distribution of Total Plan Fees by Service Provider	Plan Fee in Dollars	% of Total Fee
Recordkeeper	\$36,795	43%
Advisor/Consultant	\$16,227	19%
Investment Managers	\$29,108	34%
Managed Accounts Provider	\$1,050	1%
Other Service Providers & Fees	\$2,237	3%
<b>Grand Total</b>	<b>\$85,417</b>	<b>100%</b>

Total Plan Fees vs. Benchmark Group in percent



**HOW DO THE PLAN FEES COMPARE**  
to the average in the Benchmark Group?

- this plan’s fees are approximately 1.32% per year
- this is 0.18% more per year
- this is equal to \$11,690 more per year
- this is \$63 more per participant per year

# 4. Selecting & Monitoring Investments

- ◆ Demonstrate a prudent process by providing an investment policy statement template and guidance on how to customize it
- ◆ Assist plan sponsors with identifying strategies that are generally consistent with the plan’s investment policies and objectives
- ◆ Provide detailed reporting and analysis to monitor plan investments

**Fi360 Fiduciary Score™ Criteria**

- Inception Date: *The investment must have at least a 3 year track history.*
- Manager Tenure: *The investment manager must have at least a 2 year track history. (Most senior manager's tenure)*
- Assets: *The investment must have at least 75 million under management. (Total across all share classes for funds/etfs)*
- Composition: *The investment's allocation to its primary asset class should be greater than or equal to 80%. (Not applied to all peer groups)*
- Style: *The investment's current style box should match the peer group. (Not applied to all peer groups)*
- Prospectus Net Exp Ratio: *The investment must place in the top 75% of its peer group.*
- Alpha: *The investment must place in the top 50% of its peer group.*
- Sharpe: *The investment must place in the top 50% of its peer group.*
- 1 Year Return: *The investment must place in the top 50% of its peer group.*
- 3 Year Return: *The investment must place in the top 50% of its peer group.*
- 5 Year Return: *The investment must place in the top 50% of its peer group.*

**Legend**

- ✓ Investment meets the factor
- ✗ Investment does not meet the factor
- N/A\* Investment data is not available
- N/S\* Investment doesn't have the history to be scored
- N/A\*\* Investment is not screened on the factor

**Calculation Methodology**

The Fi360 Fiduciary Score™ is a quantitative evaluation of how well a fund meets a minimum set of due diligence criteria defined by Fi360 to reflect prudent fiduciary management. The criteria include total returns, risk-adjusted returns, expenses, and other portfolio statistics. The Fi360 Fiduciary Score™ Quarter is calculated on a quarterly basis for every mutual fund, ETF and IGSA with at least 3 years of history. Each investment's specific share class is evaluated against the thresholds and point system identified in the Fi360 Fiduciary Score™ Methodology available at fi360.com or in the Glossary. (Note: Insurance Group Separate Accounts (IGSAs) are ranked relative to their corresponding mutual fund/ETF peer group). The points are totaled and used to calculate a percentile rank which becomes the Fi360 Fiduciary Score™ Quarter. The Fi360 Fiduciary Score™ Average, also calculated on a quarterly basis, is a three year rolling average of an investment's quarterly Scores. If the investment does not have three years worth of Scores, all available historical quarterly Scores are used to calculate the Average Score.

Investment Name	Ticker	Type	Peer Group	Fi360 Fiduciary Score™			Fi360 Fiduciary Score™ Factors										
				Qtr	Avg	# of Peers	1	2	3	4	5	6	7	8	9	10	11
American Funds Capital World G/1 R2	RWIBX	MF	World Stock	22	7	520	✓	✓	✓	N/A**	N/A**	✓	✓	✓	✗	✓	✓
American Funds Growth Fund of Amer R2	RGABX	MF	Large Growth	77	45	1,323	✓	✓	✓	✗	✓	✓	✗	✗	✗	✗	✗
Davis NY Venture R.	NYVRX	MF	Large Blend	64	26	1,520	✓	✓	✓	✗	✓	✓	✗	✗	✗	✗	✗
Franklin Strategic Income R.	FKSRX	MF	Multisector Bond	14	8	166	✓	✓	✓	N/A**	N/A**	✓	✓	✓	✗	✗	✗
Goldman Sachs High Yield R.	GSHRX	MF	High Yield Bond	N/S	N/S	431	✗	✓	✓	N/A**	N/A**	✓	N/A*	N/A*	✗	N/A*	N/A*
Invesco International Growth R.	AIERX	MF	Foreign Large Growth	13	21	183	✓	✓	✓	✓	✓	✓	✗	✗	✓	✓	✓
Invesco Real Estate R.	IARRX	MF	Real Estate	34	15	217	✓	✓	✓	N/A**	N/A**	✓	✗	✗	✗	✓	✓
Ivy Science & Technology R.	WSTRX	MF	Technology	28	14	188	✓	✓	✓	N/A**	N/A**	✓	✗	✓	✗	✓	N/A*
Lord Abbett Developing Growth R2	LADQX	MF	Small Growth	0	0	590	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A*
MFS Aggressive Growth Allocation R2	MAWAX	MF	Large Growth	24	80	1,323	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓

# 5. Understanding & Managing Fiduciary Responsibility

- ♦ Educate plan sponsors on their fiduciary obligations by providing them with timely whitepapers and articles
- ♦ Demonstrate a prudent process by showing how to document decisions with a Fiduciary Audit File and checklist
- ♦ Inform plan sponsors of current industry trends and explain how they may affect their plan

## FIDUCIARY AUDIT FILE CHECKLIST

Morgan Stanley Smith Barney has prepared the following checklist to help you compile and keep your Fiduciary Audit File up-to-date and to assist with periodic reviews of your plan.

**Instructions:** 1) Identify all of the documents below that are applicable to your plan by indicating a check mark next to that item. 2) Include these documents in your Fiduciary Audit File or other centralized file and reflect the last date that the document was updated. 3) Review this checklist at least once a year to ensure that you have updated your file with the most current documents available.

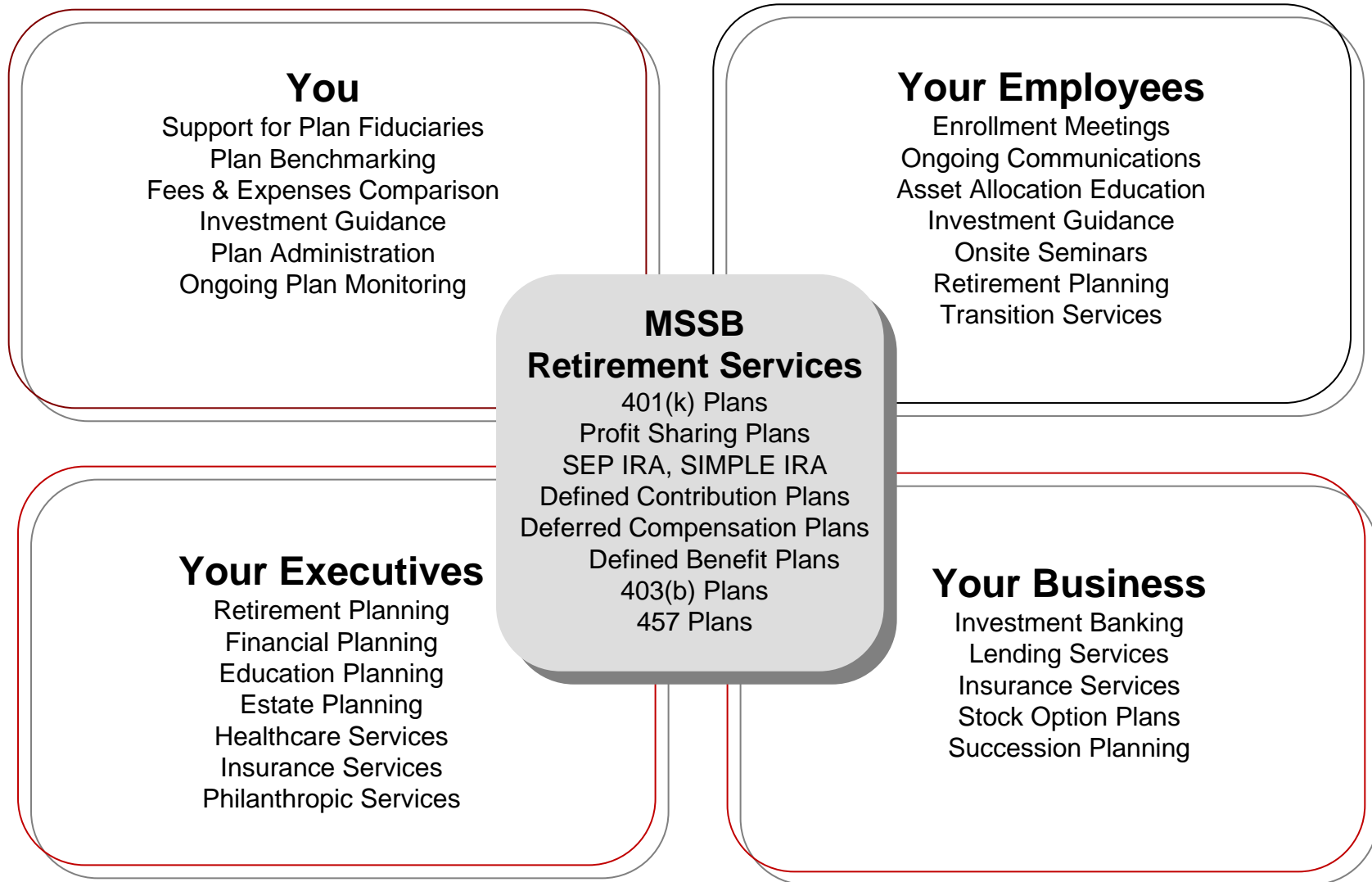
	Date		Date
<b>DOCUMENTS</b>			
<input type="checkbox"/> Plan Documents (and any amendments)		<input type="checkbox"/> Summary Plan Description ("SPD")	
<input type="checkbox"/> Adoption Agreement (if prototype plan)		<input type="checkbox"/> Summary Annual Reports	
<input type="checkbox"/> Trust Agreement (if separate from plan document)		<input type="checkbox"/> Summary of Material Modifications	
<input type="checkbox"/> Bargaining Agreements		<input type="checkbox"/> Notices to Interested Parties	
<input type="checkbox"/> IRS Determination Letter			
<b>GOVERNMENT REPORTING</b>			
<input type="checkbox"/> Internal Revenue Service Form 5500		<input type="checkbox"/> Audited Financial Statements	
<b>SERVICE PROVIDER CONTRACTS</b>			
<input type="checkbox"/> Investment Consulting Agreements		<input type="checkbox"/> Plan Actuarial/Administration Agreements	
<input type="checkbox"/> Plan Recordkeeping/Administration Agreements		<input type="checkbox"/> Custodial Agreements	
<input type="checkbox"/> Service Contracts			
<b>BONDING AND FIDUCIARY LIABILITY INSURANCE</b>			
<input type="checkbox"/> Fidelity Bond		<input type="checkbox"/> Fiduciary Liability Insurance Policy	
<b>PROCEDURES &amp; MINUTES</b>			
<input type="checkbox"/> Fiduciary Committee Charter		<input type="checkbox"/> Administrative Committee Meeting Minutes	
<input type="checkbox"/> Plan Procedure Manual		<input type="checkbox"/> Employee/Participant Communications	
<input type="checkbox"/> Investment Committee or Other Meeting Minutes		<input type="checkbox"/> Internal Memoranda Regarding Plan Administration	
<b>SECTION 404(c)</b>			
<input type="checkbox"/> Samples of Required 404(c) Participant Disclosures		<input type="checkbox"/> Participant Communications Regarding Investments	
<input type="checkbox"/> Description of Investment Alternatives, Including Risk/Return and Fee/Expense Information			
<b>INVESTMENT POLICY</b>			
<input type="checkbox"/> Investment Policy Statement			
<b>INVESTMENT MANAGEMENT</b>			
<input type="checkbox"/> Prospectuses and Other Investment Information		<input type="checkbox"/> Investment Contracts (if any)	
<b>MONITORING INVESTMENTS</b>			
<input type="checkbox"/> Performance Reports		<input type="checkbox"/> Copies of Investment Presentations	
<input type="checkbox"/> Investment Expenses		<input type="checkbox"/> Documentation of any "Mapped" Investment Changes Including Procedures and Notices	
<input type="checkbox"/> Documentation of Rationale Pertaining to Fund Changes			
<b>MISCELLANEOUS</b>			
<input type="checkbox"/> All Plan-Related Forms Not Previously Listed		<input type="checkbox"/> Non-discrimination Testing Records	
<input type="checkbox"/> Information on Plan Operation and Investment		<input type="checkbox"/> Records Used to Determine Eligibility and Contributions (or directions on how to access current and historic employee records)	



# Our Areas of Service

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# A Comprehensive Approach





# Team Profile

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# Team Profile – Financial Advisors

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## Jason M. Traino, CFP®, CLU®, CRPS<sup>SM</sup>



Jason has been in the financial services industry for 13 years. Prior to joining Morgan Stanley Smith Barney and its predecessors in October of 2008, Jason was a First Vice President and Financial Advisor with UBS Financial Services for 7 ½ years and Merrill Lynch in Andover for 3 years. While at UBS, Jason was recognized annually as one of the top financial advisors in the country for UBS. In addition, Jason was recognized locally by Boston Magazine as a 2010 & 2011 Five Star Top Wealth Advisor in Boston.

Jason is a Certified Financial Planner™, Chartered Life Underwriter (CLU), Chartered Retirement Plans Specialist and received his Certificate in Financial Planning from Merrimack College. Jason focuses on providing comprehensive financial planning to corporate executives from private and public firms and also wealthy families domiciled in New England and across the country. In addition, he focuses on working with private and public companies on their qualified plan needs.

Jason graduated magna cum laude from Springfield College, where he earned a BA in Business Administration with a Concentration in Economics. Jason is a member of the Financial Planning Association, the Merrimack Valley Venture Forum, and the Chelmsford Toastmasters Chapter. In addition, he coaches other Financial Advisors on how to run a successful Wealth Management practice. Jason Resides in North Reading, MA, and enjoys spending his leisure time with family and friends, exercising daily, and traveling.

## Team Profile – Financial Advisors

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### **Gregg E. Bonheur, CFP®, CLU®, CRPS<sup>SM</sup>**

Gregg's career in the financial services industry extends back to 1990 after graduating Cum Laude from the University of Massachusetts with majors' in both Finance and Accounting. Prior to joining Morgan Stanley Smith Barney and its predecessors in October of 2008, Gregg was a Vice President at UBS Financial Services for 7 ½ years. Gregg was Assistant Vice President and Senior Financial Consultant with Merrill Lynch for 7 years prior to his tenure at UBS. He earned his Certified Financial Planner™ designation in 1994 after receiving his Certificate in Financial Planning from Merrimack College. Gregg holds his series 7, 31, 63, 65 and insurance licenses.

Gregg served an honorable 5 year tour in the United States Marine Corps before entering college on a golf scholarship. He was an All American Scholar and voted into the Hall of Fame at the University of Massachusetts for golf in 1997. Gregg has previously taught investments at Merrimack College as an adjunct professor. He is an active volunteer with the American Red Cross and a member of the Merrimack Valley Venture Capital Forum. Originally from California, Gregg currently resides in Lowell, Massachusetts on the Merrimack River with his wife MaryBeth.

# Team Profile – Financial Advisors

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## **Michael G. Scott, CFP®, CLU®, CRPS<sup>SM</sup>**

Michael Graduated from Merrimack College in 1993 with a Bachelor's Degree in Finance and Business Management. He has since earned his Certified Financial Planner™ designation, Chartered Life Underwriter designation as well as being a Chartered Retirement Plan Specialist. In addition, he holds his series 7, 31, 63, 65 registrations along with his insurance license.

Michael has been in the financial services industry since 1993 where he began his career at Merrill Lynch. He eventually became an Assistant Vice President and Senior Financial Consultant with Merrill Lynch. In February of 2001 he began working for UBS Financial Services where he and his team continued to build their wealth management practice for over 7 years. In October of 2008 Michael and his team began working with Morgan Stanley Smith Barney and its predecessors as a First Vice President.

Michael is actively involved in one of Merrimack College's scholarship foundations. He works with students for the school's internship program for the Finance and Accounting department. He is also a member of the Merrimack Valley Venture Capital Forum. He currently resides in Methuen Massachusetts with his wife Jenn and three children: Kyra, Colby, and Kendra

# Team Profile – Financial Advisors

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## Colin Gallagher, Financial Advisor, FPA

Colin graduated from Indiana University's Kelley School of Business in 2008 with a Bachelor's Degree in Computer Information Systems and Business Process Management. During his studies, Colin spent six months enrolled at City University of Hong Kong where he earned a certificate in Finance & Economics studying the Asian financial markets. While in school, he was actively involved as a teaching assistant for undergraduate business classes and with the office of overseas study to educate prospective students on the program.

Colin began his career in the financial services industry in 2009 with Morgan Stanley Smith Barney as a Financial Advisor responsible for business development and client acquisition. Prior to joining the firm, Colin held the position of Risk/IT Consultant with Crowe Horwath LLP in Indianapolis, Indiana. Colin currently holds his series 7, 66 and 31 registrations as well as his insurance license.

Colin currently resides in Boston's North End neighborhood where he lives with his girlfriend Stephanie. In his free time he enjoys attending events in the Boston sports scene as well as snowboarding and golfing. Colin is also an avid world traveler, having visited over 15 countries on 4 continents.

# Team Profile – Client Service Associates

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## **Michele Vincent- Registered Associate**

Michele started her career in the financial services industry with Advest, Inc. in 1982. After 15 years with Wachovia Securities she joined Morgan Stanley Smith Barney and its predecessors back in 2006. While at Wachovia she held the title of Vice President and Complex Operations Manager. Her licenses include Series 3, 7, 9, 10, 63, 65 and insurance license. As a veteran in the industry, she focuses on client service and client communication for our group.

Her hobbies include spending time with her husband Denis and their two daughters, Olivia and Victoria. When she is not at one of her daughter's sport's events, she can be found kayaking, camping, or gardening.



## **Maura Lewis- Registered Associate**

Maura started her career in the financial services industry with PaineWebber in 1991. She spent her first 4 years as a Registered Sales Associate and 12 years as the operations manager in the Peabody branch, where she worked through the eventual merger of PaineWebber with UBS in 2001. Maura joined Morgan Stanley Smith Barney and its predecessors in February 2009. Her licenses include series 7 and 63. Maura, like Michele, focuses on client service and communications for our group's valued clients.

Her hobbies include skiing and exercising, and she is passionate about all levels of sports. Maura lives with her husband Barry, and two daughters Meagan and Nicole in Beverly, MA.

**MorganStanley  
SmithBarney**