

Folio Institutional Monthly Advisor Call

October 29, 2014

Want to add a colleague to the invitation list?
Have an idea or request for a future Advisor Call?

Send us a note via conference chat on your screen.

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The Folio Team



Bill Davis

Vice President
Folio Client Services



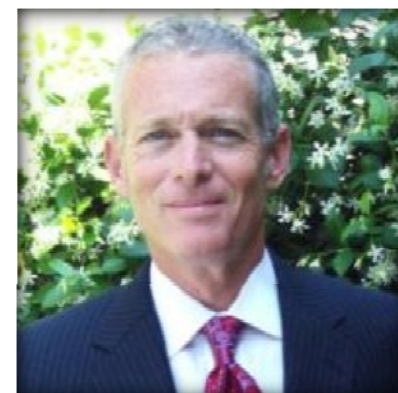
Henry Olschofka

Lead Architect
Folio Institutional



Helen Shepro

Chief Marketing Officer
Folio Institutional



Greg Vigrass

President
Folio Institutional

Today's Agenda

- **Featured in the Media: Robo-Advisors and Advisor Connexion™**
- **Trending Now: Password Resets and Client Communications**
- **Preparing for Year End: Year-End Checklist**
- **Differentiate Your Tax Management Services: Year Round Tax Management Tools, Including Folio's Tax Football™ for Tax Loss Harvesting**
- **Conclusion**

Robo-Advisors in the Media

“Custodians jump into the robo game

New tech offerings designed to help advisers compete against online investment managers”

InvestmentNews

“When Smaller is Better”



4 New Advisor Tech Trends

“Much of the industry — including many of the big players — still seems fearful of the growing presence of online financial advisory sites.”

FinancialPlanning

“Inexpensive Advice for Index-Fund Investments”

The New York Times

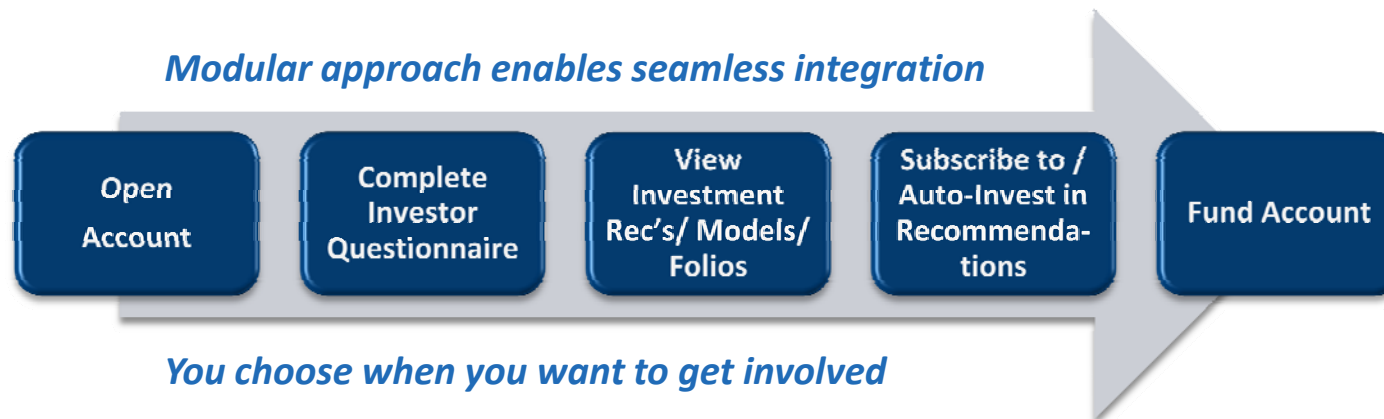
Folio's Advisor Connexion™

Roboadvisor Automation for Your Practice

Complement your advisory practice by creating an online, semi-DIY offering that can help you leverage your brand and expand your offering beyond its current reach. Email us at support@folioinstitutional.com to learn more.

- Generate New Revenue Streams
- Gain Access to New Client Segments
- Streamline Back Office Costs
- Maintain Full Oversight of Client Accounts

Modular approach enables seamless integration



You choose when you want to get involved

Password Resets & Client Communications

As part of Folio Institutional's ongoing efforts to ensure the security of client accounts, clients are now required to change their password.

- Many clients only log into their accounts once each year to access tax documents.
- We will send out a reminder with password reset instructions in the upcoming weeks to clients who have not yet reset their password.
- Here's how you can assist clients who request help with password resets:
 - Go to the **Client Settings** page, select **Reset Client Password** to send the reset password email.
 - or–
 - Direct clients to the **Login** page on www.folioclient.com and have them click **Reset Password**.

Note: Advise clients to allow up to five minutes for the password reset email to arrive in their email inbox.

Important Information on IRAs

- **IRA Contributions for 2013**

- If we received an IRA deposit via Wire, EFT, Bill Pay or Check between 1/1/2014 and 4/15/2014 and it did not specify the tax year to which it should be applied, the deposit was applied to the 2014 tax year.
- If the deposit should be applied to the 2013 tax year instead, notify us by 11/14/2014.

- **IRA Contribution Limits for 2014**

- The lesser of \$5,500 (\$6,500 if you're age 50 or older) – or—your taxable compensation for the year

- **Rollover IRAs in 2015**

- New IRS Interpretation: Beginning January 1, 2015, you will be limited to only one rollover from one IRA account to another IRA account in any 12-month period, regardless of the number of IRAs you own.
- You can continue to make as many trustee-to-trustee transfers between IRAs as you wish.
- You can also make as many conversions from traditional IRAs to Roth IRAs as you wish.

Required Minimum Distributions

- **About Required Minimum Distributions**

- A Required Minimum Distribution (RMD) is the minimum amount your clients must withdraw if the original retirement account holder is age 70 ½ or older.
- Withdrawals must be made by December 31, 2014 (April 1, 2015 in certain cases).
- Dates and required minimum distribution amounts are noted in your clients' Statements & Tax Records.

- **What kind of accounts do RMDs apply to?**

- Traditional IRAs
- Roth IRAs
- Beneficiary IRAs*
- SEP IRAs
- SIMPLE IRAs
- 401(k) plans
- 403(b) plans
- 457(b) plans
- Profit Sharing Plans
- Other Defined Contribution Plans

*Different guidelines apply to Beneficiary IRA RMDs. Consult with your tax professional for more information.

Required Minimum Distributions (cont.)

- **Why this matters now**

- If your clients do not take any distributions by the specified deadline, or if the distributions are not large enough, your client may have to pay a 50% excise tax on the amount not distributed as required.
- Beneficiary IRAs: 5-year Payout Elections - All Beneficiary IRA accounts with a 5-year payout election should be depleted by 12/31/2014 if the original account owner died in 2009.

- **How can I easily determine which of my clients have to take an RMD?**

- You can easily run a search query using the RMD widget through the **Advisor Dashboard** to determine which clients are required to take a distribution.
 - Contact us at support@folioinstitutional.com if you are not currently using the **Advisor Dashboard** feature and would like to. It is free of charge.

Trading and Administrative Dates

We will be posting this year-end checklist to the Folio Institutional login page for your reference.

Action Item	Key Date	Additional Information
Set Up Electronic Funds Transfer (EFT) Links	12/19/2014	We recommend you set up EFT link(s) by 12/19/2014 to ensure the link is operational for end of the year transfers. EFT link(s) must be set up no later than 12/26/2014 at 11:00 a.m. ET in order for an EFT to process by 12/31/2014. Funds must be settled prior to transfer.
Sell to Raise Cash: Equities and T+3 Mutual Funds (All Accounts)	12/26/2014	The last day to sell most equities and T+3 mutual funds is 12/26/2014 in order to receive settled cash by 12/31/2014.
Sell to Raise Cash: T+1 — Most Mutual Funds (All Accounts)	12/30/2014	The last day to sell a T+1 mutual fund is 12/30/2014 in order to receive settled cash by 12/31/2014.
Generate Taxable Gains or Losses for 2014 (Taxable Accounts)	12/31/2014	The last day to place a trade to take a gain or loss reportable in 2014 is 12/31/2014.

Retirement Accounts: Key Dates

Action	Key Date	Additional Information
2013 IRA Recharacterizations	10/15/2014	2013 Traditional IRA Contributions, 2013 Roth IRA Contributions, and 2013 Roth IRA Conversions must be recharacterized by 10/15/2014. Funds and assets will need to be settled in the account by 12:00 p.m. ET.
2013 IRA Contributions	11/14/2014	If we received an IRA deposit via Wire/EFT/Bill Pay/Check that did not note a specific tax year and was deposited into an IRA between 1/1/2014 and 4/15/2014, they will be considered as contributions for 2014. Folio can apply these contributions to 2013 at special request until 11/14/2014.
Annual IRA Custodial Fee (All IRAs)	12/18/2014	The annual \$25 Custodial Fee will be charged on 12/18/2014.
2014 Required Minimum Distributions (RMDs) (Traditional, Rollover, Beneficiary IRAs, SEP IRAs and SIMPLE IRAs) First-Time RMDs*	12/31/2014 *4/1/2015	The last day to withdraw mandatory distributions from retirement account(s) is 12/31/2014. *About First-Time RMDs - If a client's 70 1/2 birthday was on or after July 1, 2014, they do not have to take an RMD for 2014. However, they must take your first RMD (for 2015) by 4/1/2015. Check your clients' Tax Center to find out applicable dates for your clients.
2014 Charitable Contributions	12/31/2014	Charitable contributions must be settled by 12/31/2014.
Beneficiary IRA - 5-Year Payout Elections	12/31/2014	All Beneficiary IRA accounts with a 5-year payout election should be depleted by 12/31/2014 if the original account owner died in 2009.
2014 Traditional IRA and Roth IRA Contributions	4/15/2015	The last day to contribute to Traditional IRA and Roth IRA accounts reportable for 2014 is 4/15/2015.

2014 Tax Statements

Tax Form Schedule		
Tax Documents	Posting Date	Additional Information
2014 Form 1099-R (All IRAs)	No later than 1/31/2015	Form 1099-R shows reportable IRA distributions. Please review any IRA/Roth IRA conversions, recharacterizations and Rollover IRA distributions, as well as federal and state tax withholdings, that have been requested in 2014 and alert us of any discrepancies as soon as possible.
2014 Consolidated Forms 1099, 8949, and .txf file downloads	No later than 2/28/2015	Consolidated Form 1099 shows capital gains, interest, dividends and other taxable amounts. Form 8949 (Sales and Other Dispositions of Capital Assets) shows capital gains and losses, and replaces the gain/loss reports of prior years. .txf files contain realized gains and losses for upload into tax preparation software. Gain/Loss Report spreadsheets (.csv files) are available for download year-round, and may also be useful in preparing your taxes. <i>Note: Corrections to Form 1099 are issued when companies reclassify distributions from the prior year. Reclassifications and the associated corrections to Form 1099, Form 8949, .txf downloads and gain loss reports are typically completed by the end of March but may be posted at any time. We have no control over reclassifications, or their timing.</i>
2014 Form 5498 (All IRAs)	No later than 5/31/2015	Form 5498 shows reportable IRA contributions. Please review any IRA/Roth IRA conversions, Recharacterizations and Rollover IRA contributions, that have been requested for 2014 and alert us of any discrepancies as soon as possible.

Investment Tax Management – It's easy at Folio

- Folio provides strategies and patented tools to quickly and easily identify and harvest both losses and gains to achieve a customized tax result for client.

Automated Tax Lot Strategies

- Choose from 10 different automated tax lot selection strategies
- Prioritize buys and sells based on tax lot implications of each trade

Patented Tax Football™

- Make the most of realized gains and losses
- Easily and precisely identify and sell specific tax lots to achieve the best possible tax result
- Automatically generate desired sell order
- Choose from automatic reinvestment options

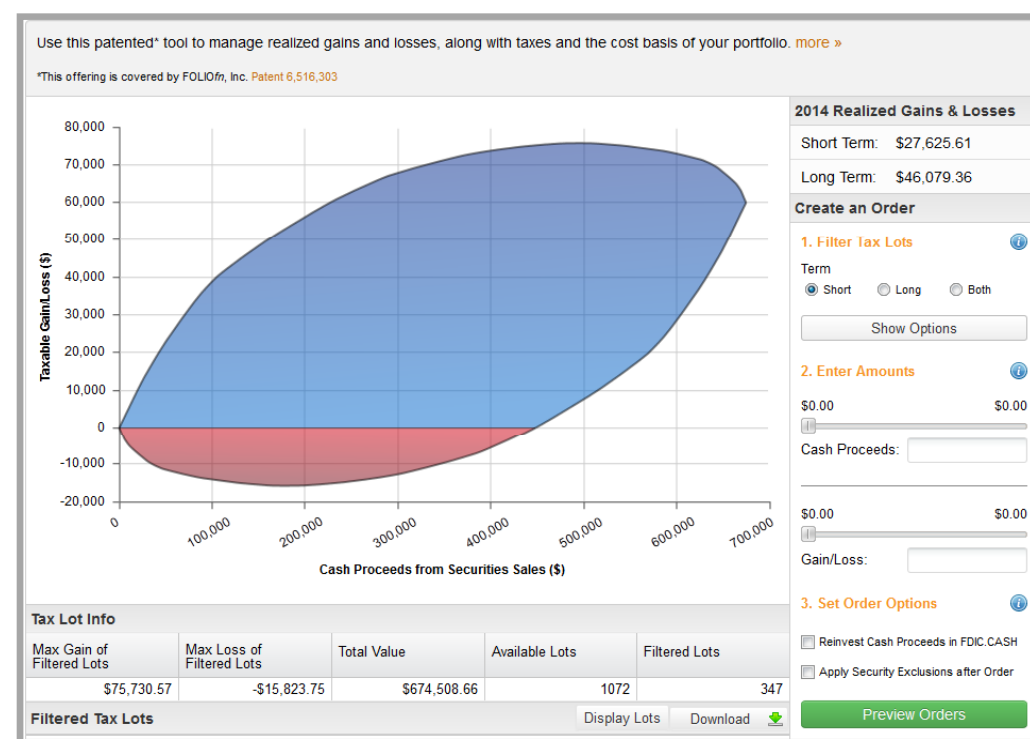
Client Tax Center

- Access tax documents and tax lot information
- Easily download .csv files containing information on gains/losses, open positions and other important data.
- Access digital files to upload directly into tax software.

Folio's Patented Tax Football™

Use the Tax Football™ to help you harvest losses, accelerate gains, and manage securities sales to optimize your clients' tax positions. Reinforce your value as an investment professional by providing a high level of tax management services for your clients.

- Access a comprehensive analysis of all tax lots in a client's account
- Automatically generate and optimize sell orders if your client needs cash
- Control which types of gains and securities are included in the calculations
- Achieve specific tax outcomes – harvest losses, accelerate gains, or even try to net tax impacts to \$0



Folio's Patented Tax Football™ (cont.)

Scenario:

Your client needs \$10,000 cash to purchase a car, but doesn't want to generate any additional taxable gains for the year.

Use the Tax Football™ to instantly create a sell order that will minimize tax consequences for your client.



Easily Access Past Advisor Calls

- Download past presentations directly from the Folio Institutional Resources Page
- Recording of this call will be available online on October 31, 2014.



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List of Available Securities
Mutual Funds
Fixed Income
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Resources: Advisor Calls

Folio Institutional hosts monthly conference calls that are open to all advisors. These events cover a range of topics from regulatory/compliance updates, to new product/service announcements, to industry best practices and third-party guest presentations.

Upcoming Call: **October 29, 2014** at 4:15 p.m. (ET).

Below are links to the presentations of our previous calls. If you have any questions regarding any of the covered topics, please don't hesitate to [contact us](#).

2014 Advisor Call Archive

Wednesday, September 24, 2014 📅

Featured Presentation: *Folio's New Private Placements Platform*
Presenter(s): Blaine McLaughlin, Folio Institutional, Vice President, Business Development
[Watch Video](#)

Wednesday, August 27, 2014 📅

Featured Presentation: *Utilizing Satellite Portfolios in your Practice*
Presenter(s): Arno Mayer and Michael Matthews, Financial Trust Asset Management
[Watch Video](#)

Wednesday, July 30, 2014 📅

Featured Presentation: *Folio(k) - A Revolution in the 401(k) Marketplace*
Presenter(s): Alan Smith, Vice President, Folio Institutional
[Watch Video](#)

November Advisor Call – Cybersecurity

Due to the Thanksgiving holiday, we will host the November call 1 week earlier in the month

Wednesday, November 19, 2014 @ 4:15 p.m. ET

To invite additional team members, send us an email at support@folioinstitutional.com.

Cyber Threats to the Financial Sector – Cybersecurity and Folio Institutional

Folio Institutional is continuously taking steps to combat possible cyber threats to protect your practice. Join us next month as we discuss cybersecurity, what we are doing to protect your information and your assets, and best practices for you to follow to protect your clients.

Mark your calendars for Wednesday, November 19 at 4:15 p.m. ET.



“In the wake of recent high profile data breaches, cybersecurity is front and center for clients, advisors and regulators with an increased focus on adequate protections for client data.”

Thank you for joining us.

Advisor Direct Line	1-888-230-5635
Email	Support@FolioInstitutional.com
Hours	Monday-Friday 7:00 a.m.– 12:00 a.m. ET Saturday-Sunday 8:00 a.m. – 4:00 p.m. ET



Folio Institutional



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