

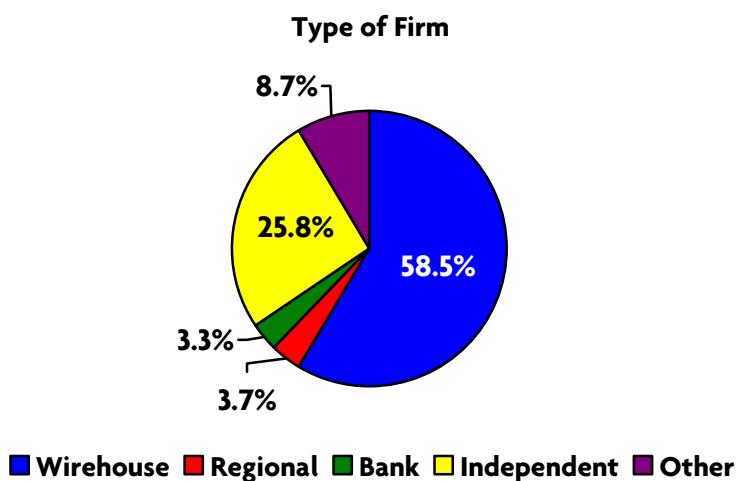
Research Report on Service in the Investment Advisory Industry



Paragon Resources, Inc.
www.ParagonResources.com
770.319.0310

Paragon Resources, Inc. conducted a survey on service between July 15, 2006-August 15, 2006 for the sole purpose of better understanding the needs of the Investment Advisory Industry. Data was collected from 410 Investment Advisory Professionals who volunteered to participate and were not compensated for their participation. Their identity is confidential and will not be provided. General information about the participants is provided in the graphic below. Additional data was collected from each of the participants that included more detailed, open-ended responses. That data was compiled and included in the comprehensive report provided to the participants. The information contained in this report includes views and strategies that may not be suitable to all readers. We consider the data to be reliable, but we cannot represent its accuracy and make no guarantees to its effectiveness. This report is provided to assist individuals in making well-informed decisions on improving the service function of their practices.

410 volunteer survey participants
Average Years in Business: 16.3

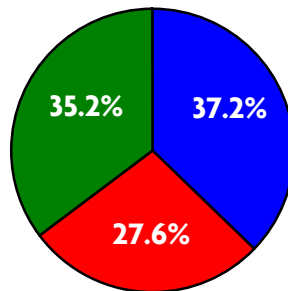


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Please tell us how effective you are in the following activities. Your answers will be used to identify areas of need within the industry as well as identifying successes and best practices.

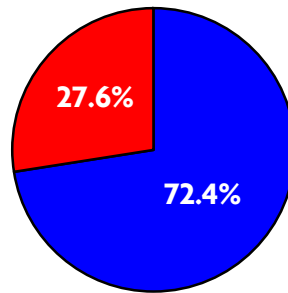
	Needs significant improvement	Needs some improvement	Works well	Works extremely well	Not sure
Communicating with clients on a proactive basis (you initiate contact)	11%	39%	30%	19%	0%
Responding to client inquiries and requests (client service, reactive)	1%	12%	31%	56%	0%
Responding to service problems or mistakes	1%	11%	38%	50%	0%
Conducting client appreciation activities or events	22%	37%	22%	14%	5%
Showing your clients that you appreciate their business	7%	43%	37%	11%	1%
Exceeding your clients' expectations	4%	33%	44%	14%	5%
Capturing all or most of your clients' investment assets	5%	35%	37%	20%	3%
Anticipating your clients' NON-financial needs	10%	44%	31%	10%	6%
Getting to know your clients' family members	11%	53%	21%	11%	3%
Client experience when they visit your office	3%	22%	44%	29%	2%
Client experience when they call your office	4%	16%	50%	30%	1%
Overall service that you deliver	3%	21%	57%	20%	0%

What weight (%) do your clients place on each of these factors when working with you?



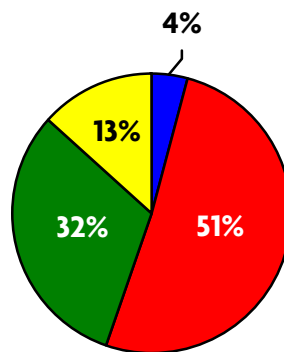
■ Advice/Competence ■ Portfolio Performance ■ Service

Do you segment the clients within your book of business?



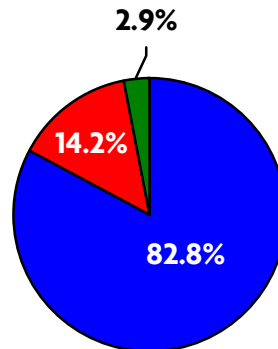
■ Yes ■ No

If yes, how many segments do you have?



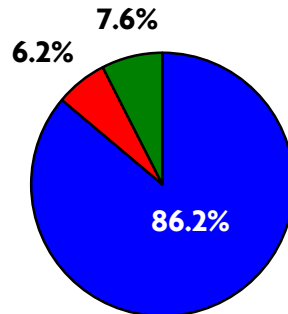
■ 2 ■ 3 ■ 4 ■ 5+

Do you store segment information in your Contact Management System?



■ Yes ■ No ■ Do not use Contact Management System

Are you currently trying to minimize the amount of clients in your lowest segment?

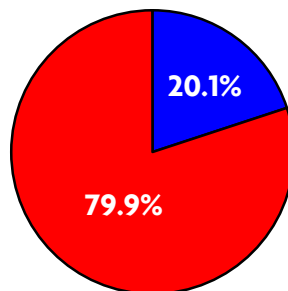


■ Yes ■ No ■ Yes trying, but with no luck

What characteristics do you use to define your ideal client relationship? Select all that apply.

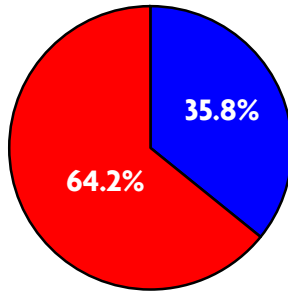
Characteristic	% of respondents who use the characteristic
Assets Under Management	86%
Revenues	69.1%
Profitable	53.7%
Referrals (includes actual and potential)	76.7%
Market Niche	22.8%
Accepts My Advice With Ease	76.1%
Demographic Fit	23.3%
I have not defined my ideal client relationship	4.8%
Other	18.5%

Do you have a written definition of your ideal client relationship?



■ Yes ■ No

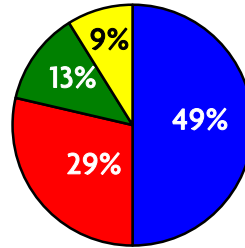
Do you survey your clients on the service you provide?



■ Yes ■ No

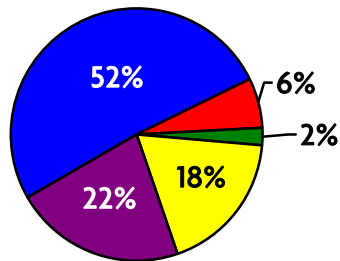
For those who answered yes, how do you conduct your surveys?

- Do it myself
- Use Firm Resources
- Use a 3rd Party Company
- Other

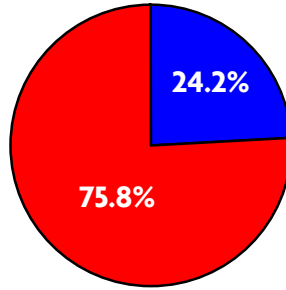


and, how often?

- Annually
- Semi-Annually
- Quarterly
- I've only done it once
- Other

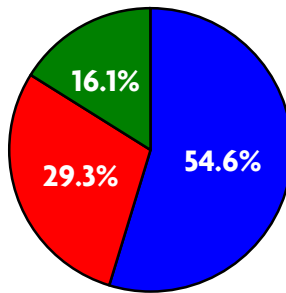


Do you have a written service agreement defining exactly what the client should expect by doing business with you?



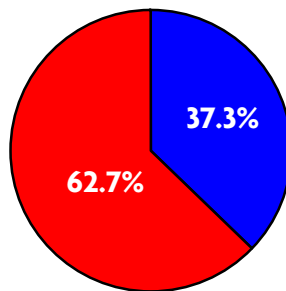
■ Yes ■ No

Do you include client service and relationship management goals in your business plan?



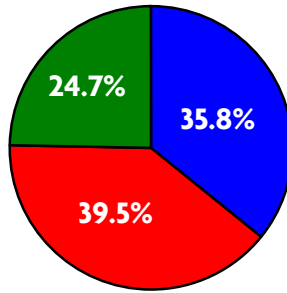
■ Yes ■ No ■ I do not have a business plan

Do you conduct exit interviews if a client leaves your practice?



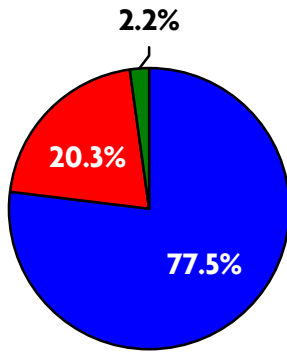
■ Yes ■ No

Has a client ever left your practice due to service issues?



■ Yes ■ No ■ Don't know

Have you ever fired a client?



■ Yes ■ No ■ I would never fire a client

On average, how much of your clients' wallet share do you control?

	0-20%	21-40%	41-60%	61-80%	81-100%	I don't know
% of assets you control	2%	5%	15%	34%	33%	11%

How comfortable do you think your clients are when working with your support staff?

	Very Comfortable	Somewhat Comfortable	Not at all Comfortable	N/A, I do not have a team
Clients are...	69%	26%	1%	5%