



**FIRST ASSET  
FINANCIAL Inc.**  
Member SIPC ♦ FINRA

Multiple Fund Allocation Record

Customer Name: \_\_\_\_\_

*Note to First Asset Representatives: Sales that involve the use of different fund families or funds whereby a customer forgoes a breakpoint that would have otherwise been available to him/her requires records demonstrating the justification for such action. This form is an effort to provide such justification to SIRA/FINRA that is required under Notice to Members 98-98:*

1. What is the justification for using several funds/fund families versus using the same fund family and affording the breakpoint to the customer?

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Additional factors that were a part of the decision making process included:

- a.  The initial fund family had no specific funds that met additional investment objectives.
  - b.  The initial fund family had similar funds, but the past performance of the fund was materially inferior to a similar fund in another fund family.
  - c.  The initial fund family had similar funds, but the make-up of the fund contained a significant number of “overlapping securities” to the initial fund investment, that it was necessary to seek a fund that minimized “overlap.”
  - d.  The chosen fund(s) had a feature that was not available in the initial fund family.
  - e.  The chosen fund family lacked a “style box” fund that was desired in the diversification of funds for the customer.
  - f. The initial fund family contained a similar fund, but it had an inferior  Alpha  Beta  R-squared  Yield  Comparison to Peer Performance/Benchmark **or a**  Lower Morningstar Ranking  Recent Change of Manager  Lower Number of Years in Operation (shorter “track record”)  Recent Morningstar or Other Service Reduction of Ranking  History of Regulatory Problems  Higher Turnover Rate  A Size/Change in Assets Under Management  Recent Investment Policy Change  “Embedded” Capital Gains Potential  Lower Sales Charge Than the Initial Fund Family Fund, Even With the Breakpoint  Historical or Current “Style Drift”
  - g.  Customer transferred in position/positions from another firm.
  - h.  Customer made an unsolicited order without suggestions from the Representative.
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2. Did you disclose, specifically, that sales charges could be lowered by making all investments in the same family rather than to make purchases in different funds/fund families?  
 Yes, I gave the customer specific information regarding charge differences. They communicated understanding of this concept to me.  
 No specific numbers were presented, but I presented to the customer a general statement that charges would be less if they purchased all funds within the same fund family and they communicated understanding of that concept to me.  
 I did not present or discuss this topic with the customer.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_ First Asset Rep.# \_\_\_\_\_

Principal: \_\_\_\_\_ Date: \_\_\_\_\_ First Asset Rep.# \_\_\_\_\_