



Partners in Electronic Compliance and
Intelligent Document Fulfillment

Intelligent Delivery Services[®]

A turnkey document fulfillment solution that is
more timely, cost-effective, and compliant than
conventional print fulfillment methods.



Intelligent Delivery Services

Best Practice Document Fulfillment for Print and E-Delivery

NewRiver's Intelligent Delivery Services includes three industry-leading services to help assure regulatory compliance, better manage costs, and optimize delivery of investor disclosure documents.

Portfolio-Specific PrintingSM

A digital print-on-demand, portfolio-specific service that customizes prospectuses, semi-annual and annual reports, and supplements to the individual investor's holdings.

Prospectus Express[®]

The industry's only compliant e-prospectus service – featuring electronic “compliance envelopes” of mutual fund disclosure documents that are updated daily from EDGAR and delivered electronically with consent management.

Consent Express[®]

An industry-best solution for electronic consent management and archiving that meets E-SIGN and industry regulations, and offers firms greater auditability, savings, and efficiency.



Intelligent Delivery Services

Best Practice Document Fulfillment for Print and E-Delivery

Portfolio-Specific Printing

Variable Annuity Manufacturers –

Reduces the cost of compliance by delivering only the required prospectuses and semi-annual and annual reports – instead of expensive traditional “blanket mailings”

Retirement Plan Providers –

Improves cost efficiency, easily integrates third-party fund offerings, and enhances investor relevance with personalized, compliant documents

Third-Party Administrators –

Provides an affordable way for retirement plan providers to offer their plan sponsors the “safe harbor” protection of 404(c) compliance

Prospectus Express

Financial Brokerage Firms –

Helps meet online compliance requirements by delivering the most up-to-date prospectus at the point of sale

Variable Annuity Providers –

Provides additional cost savings by enabling electronic delivery of prospectuses and semi-annual and annual reports in place of paper

Retirement Plan Providers –

Reduces costs, ensures 404(c) compliance, and provides timely e-delivery of documents including prospectuses, supplements, and semi-annual and annual reports



Intelligent Delivery Services

The Growing Burden of Regulatory Compliance

High Compliance Costs

In 2005, the securities industry spent an estimated \$25.5 billion¹ on compliance-related activities – 13.1% of net revenue!

Frequent SEC Filings

On an average day, 4.8%² of U.S. open-end mutual funds put a new filing in with the SEC – about 1,000 funds daily!

On the busiest days, 21.4% of funds are affected – more than 5,500 funds!

Heavy Compliance Liability

The NASD levied \$125.4 million in fines³ for rules violations and wrongful activities in 2005 – up 21% from 2004!

Retirement plan meltdowns at Enron, Worldcom, and Global Crossing have led to increased civil lawsuits involving the Employee Retirement and Income Security Act (ERISA) – in fact, more than 11,000 in 2002⁴!

¹ Securities Industry Association Survey Report, 2006

² NewRiver research data, 2006

³ NASD website

⁴ Administrative Office of the U.S. Courts



Document Fulfillment Dilemma: The “Big Book” Story

- **The Growth of the Big Book.** The traditional unit of compliance delivery (e.g., prospectuses, shareholder reports) has become the “Big Book” – a complete set of prospectuses for all the funds in a given product or products.
- **Out-of-Control Print and Postage Costs.** As fund offerings have expanded, these books have grown in size – some topping 1,000 pages of disclosure information. These Big Books are mailed to every investor – resulting in out-of-control print and postage costs.
- **Irrelevant Investor Information.** Because the typical investor may only have a few holdings out of the 40 or more funds offered, 80-90% of the information provided is irrelevant.
- **Out-of-Date and Out-of-Compliance.** Although the industry considers the annual blanket mailing (the so-called Evergreen approach) of disclosure documents to be a way of covering future fund transactions, the Big Books are often out-of-date by the time the transaction is made months later – and hence, out of compliance!
- **The Compliance Communications Challenge:** How do you keep disclosure documents current while controlling print fulfillment costs?



Intelligent Delivery Services

Intelligent Delivery Is Compliance Best Practice

With IDS, financial institutions use the industry's best technology to assure compliance, reduce costs, and enhance customer experience.

Compliance Assured

Send exactly the disclosure that pertains to the holdings of each investor or plan participant – assured to be compliant at the time of delivery or transaction. Also, collect investor consent for e-delivery using a workflow that complies with ESIGN and SEC regulations.

Significant Cost Reductions

Reduce print and postage costs by personalizing compliance materials and optimizing delivery options with e-delivery and consent collection.

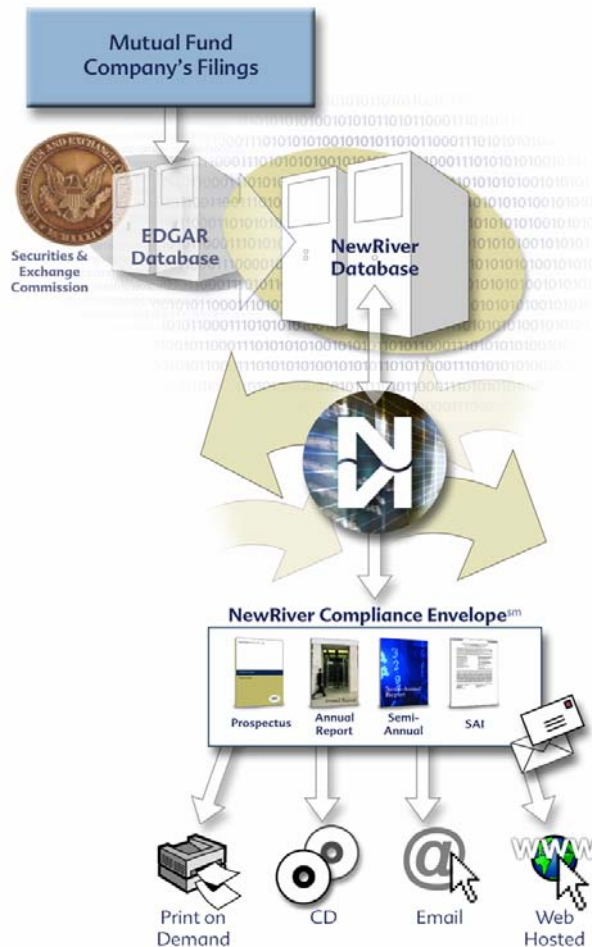
Enhanced Customer Experience

Investors and plan participants will appreciate receiving only the disclosures that are meaningful to their investment decisions, delivered in a timely fashion, and in the format they prefer.



Intelligent Delivery Services

Patented Process Technology: EDGAR-Sourced Data



Mutual fund companies routinely file electronically their prospectuses, reports, statements of additional information, and related documents with the SEC.

The SEC receives these filings in their electronic repository, the EDGAR database.

NewRiver routinely receives an exact replica of the filings from the EDGAR system for its use within NewRiver products.

NewRiver's patented "Electronic Document Acquisition and Indexing" engine reviews and organizes new filings for each individual fund.

NewRiver creates and keeps updated a full electronic Compliance EnvelopeSM of the fund's filings.

NewRiver then reviews and extracts data from each new document to maintain a current library of Compliance GradeSM data for each fund.



Intelligent Delivery Services

Five Key Benefits to Your Organization

1. **Enhanced Customer Relations** – NewRiver’s portfolio-specific printing results in personalized prospectuses and shareholder reports that are more relevant to – and appreciated by – your investors or plan participants.
2. **Reduced Delivery Costs** – Portfolio-specific printing significantly reduces paper and postage costs; e-delivery offers the lowest cost distribution available.
3. **Assured Compliance** – NewRiver’s patented process technology downloads the latest SEC filings daily from EDGAR to assure compliant documents are available for immediate delivery every day. NewRiver’s patented consent collection workflow meets ESIGN and SEC requirements.
4. **Optimized Delivery Options** – Because NewRiver is not a printer, you can obtain the best pricing for your print delivery while maximizing your cost-savings through low-cost electronic options (e-delivery, CD, Web-hosting).
5. **Improved ROI** – By reducing both document fulfillment costs and compliance risk, you may improve your organization’s ROI and increase investor/participant satisfaction.



Intelligent Delivery Services

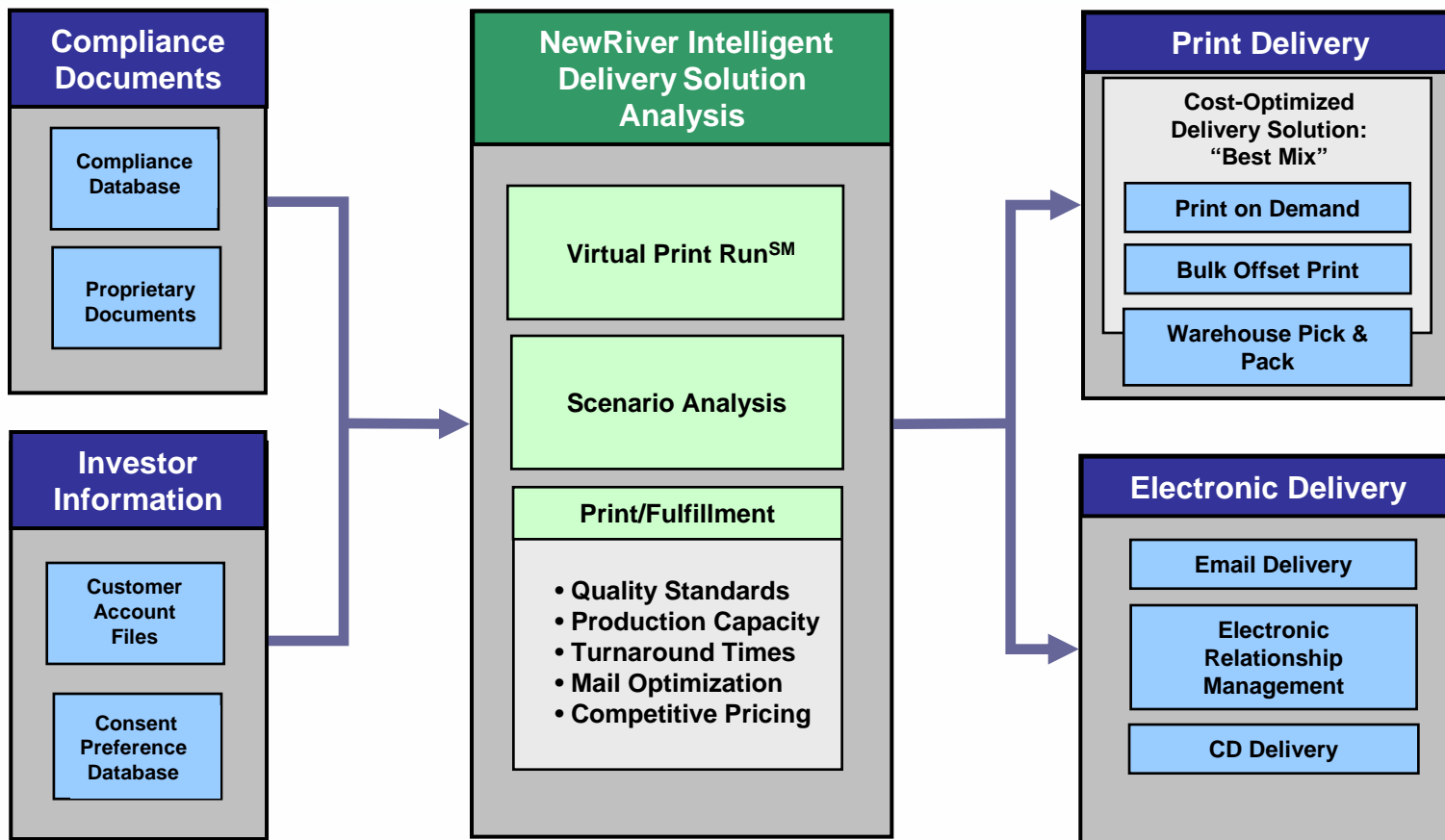
Five Key Product Features

1. **Exclusive Technologies** – Only NewRiver has patented and patent pending processes to extract data daily from EDGAR, to create portfolio-specific books, and to deliver compliant electronic prospectuses via electronic consent management.
2. **Updated Daily with 100% Fund Coverage** – Based on the most recent SEC filings, representing all U.S. open-end mutual funds (i.e., load and no-load shares), variable annuity contracts, and variable universal life contracts.
3. **Reduced Cost, Optimized Delivery** – Low-cost, flexible document delivery for print and electronic delivery includes: digital print-on-demand, bulk offset print, electronic delivery, CD, or Web-hosting.
4. **Comprehensive Document Access** – Including prospectuses, supplements, semi-annual and annual reports, and statements of additional information.
5. **Meets SEC Form N-1A Requirements** – NewRiver meets SEC mandates for performance graphics in prospectuses (e.g., bar chart showing total annual return for 10 years or life of fund) and in annual reports (e.g., line graph showing growth of \$10,000 investment over 10 years or life of fund).



Intelligent Delivery Services

Print and E-Delivery Platform



NewRiver manages the entire process, adds compliance services, and provides quality control



Intelligent Delivery
Services

Seamless Document Fulfillment Integration

Client
Recordkeeping
System

Client Business
Rules & Logic

NewRiver
Proprietary
Compliance
Tracker



XYZ
organization

XYZ
organization



- Updated prospectus
- First-dollar product prospectus
- Semi-annual and annual reports
- Supplements

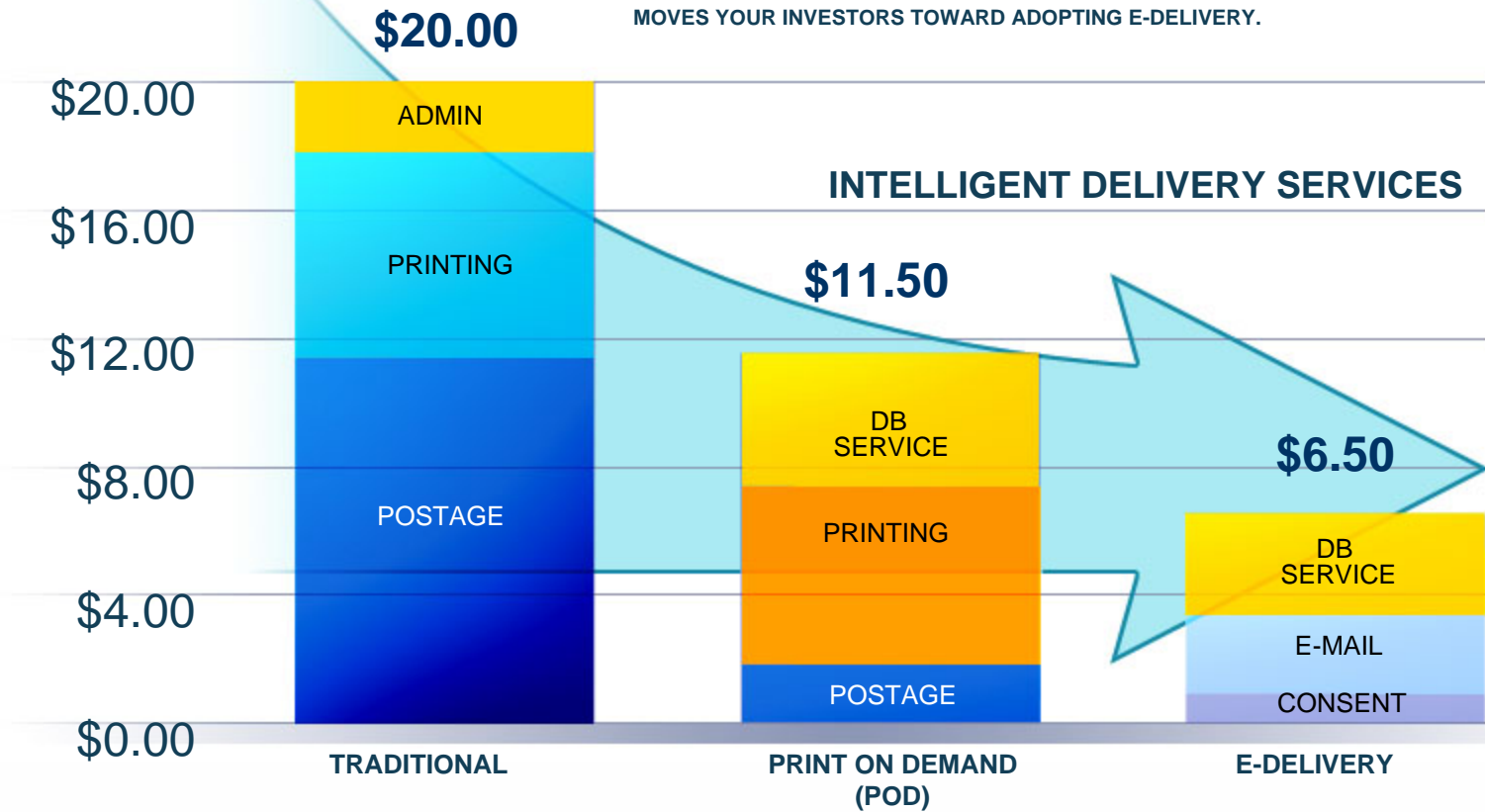


Intelligent Delivery Services

Cost-Efficiency and Compliance Peace of Mind

ANNUAL FULFILLMENT COST PER ACCOUNT US\$ (ESTIMATED)

ANNUAL COSTS DECLINE SIGNIFICANTLY AS INTELLIGENT DELIVERY MOVES YOUR INVESTORS TOWARD ADOPTING E-DELIVERY.





Intelligent Delivery Services

How Intelligent Delivery Improves ROI

Investor Life Cycle Stage	Document Delivery	ROI Benefit
Pre-Sale	<ul style="list-style-type: none">• View latest compliant electronic prospectus	<ul style="list-style-type: none">• The only cost-effective way to meet online compliance requirements for multi-funds (e.g., NewRiver compliance guarantee)
Point of Sale	<ul style="list-style-type: none">• Deliver prospectus and supplements in T+3 or less• Provide point-of-sale prospectus at transaction screen	<ul style="list-style-type: none">• Immediate cost savings by eliminating the “blanket” prospectus mailing• E-delivery offers lowest per-transaction cost for document fulfillment
Post-Sale	<ul style="list-style-type: none">• Supplements• Semi-Annual Reports• Annual Reports• Updated Prospectuses	<ul style="list-style-type: none">• Reduced costs for ongoing communications• Greatest cost savings with e-delivery

NewRiver can help your organization to recoup printing costs from your fund partners through our detailed chargeback reports.



Intelligent Delivery Services

Eight Questions to Ask Other Document Fulfillment Vendors

1. Do they capture new SEC fund filings daily and update their data accordingly?
2. Do they cover all U.S. open-end mutual funds, variable product contracts, and fund subaccounts?
3. Do they provide access to all relevant disclosure documents?
4. Do they personalize documents based on individual investor holdings?
5. Do they meet SEC fund graphic mandates as stipulated in SEC Form N-1A?
6. Are they flexible about giving the print work to another vendor based on price or service level?
7. Are they motivated to help you achieve maximum acceptance of e-delivery?
8. Do they stand behind their documents with a compliance guarantee?
(If they aren't doing this, chances are they aren't doing items 1-7.)



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About NewRiver, Inc.

- **Compliance Technology Leader** – Financial industry leader for document fulfillment, data solutions, and custom print and electronic communications platforms
- **Broad Client Base** – Over 100 clients who are brokerage firms, retirement plan providers, variable product providers, retirement plan recordkeepers, and regulators
- **Patented Technology** – Eight issued patents and published patent applications
- **Industry-Best Solutions** – Invented the industry's first electronic prospectus, e-consent management process, and portfolio-specific document printing
- **Ongoing Innovation** – Continues to be first-to-market with technology solutions
- **2006 - 2007 innovations include:**
 - ✓ The industry's first **Share Class Analyzer**SM tool with point-of-sale disclosure
 - ✓ The industry's most comprehensive **Market Timing Rules** data package
 - ✓ **Retirement Share Class** data for firms focused on retirement plan offerings
 - ✓ **FundPOINT**[®] **529 Data**, offering a single-source data feed for multi-layered 529 college savings plans
 - ✓ **FundPOINT**[®] **Monitor**, featuring a daily compliance alert and information tool
 - ✓ **FundPOINT**[®] **Research**, featuring a Web-based library of current and historical mutual fund disclosure documents with easy search capability



**Intelligent Delivery
Services**

Contact NewRiver

**Email NewRiver Sales at sales@newriver.com
for a product presentation, client referrals, and case studies**

**Call our toll-free service line – 800-481-2331
Monday thru Friday – 8:30 a.m. to 5:00 p.m. EST**

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