

## Safety & Soundness

*Trust Company of America remains a financially strong company. Since our establishment in 1972, the philosophy has always been, and remains, fiscally conservative. We believe that financial strength is the foundation of providing value to our clients in all market conditions.*

### Summary of Facts

- No long-term debt.
- Received highest rating for capital adequacy from both the Federal Deposit Insurance Corporation (FDIC) and the Colorado Division of Banking.
- Trust does not make loans, therefore we have no exposure to defaulting loans.
- Our investment portfolio is conservative and well diversified.
- Our portfolio has no sub-prime mortgages, margined securities, or leveraged assets.
- The Company is well insured, including FDIC insurance for investors' deposits.
- With the trust company charter, the firm is highly regulated by the FDIC and the Colorado Division of Banking.
- Audited annually by a top ten CPA firm.
- Trust always holds our clients' securities separate from our firm's securities.
- Trust does not borrow or loan our clients' securities.

### FINANCIAL SOUNDNESS

Trust Company of America (Trust) has no long-term debt. The Company's operating performance has enabled self-funded market expansion and capital growth; thus there has been no need to secure long-term debt to fund the business. Trust's parent company has a line of credit with our primary correspondent bank which is available for short-term working capital needs.

Trust has a long track record of profitability and financial strength. In addition, the Company's assets under custody (AUC) surpassed \$10 billion in 2010, representing a doubling of AUC in only four years.

Since Trust is not a lending institution, there is no exposure to defaulting loans. Defaulting loans are the most common cause of failure for traditional depository institutions.

### PORTFOLIO OVERVIEW<sup>1</sup>

Trust's conservatively managed investment portfolio is primarily comprised of 1) short-term AAA-rated U.S. Agency securities and short-term AAA-rated U.S. Agency mortgage pools, of which the majority are backed by the full faith and credit of the U.S. government, and 2) investments in AAA-rated money market mutual funds. It does not contain sub-prime mortgages, margined securities, or leveraged assets.

## CORPORATE INSURANCE

Your assets at Trust are well protected. Through the deposit insurance program with the FDIC, investors' cash deposits are insured up to \$250,000 per account. More detailed information regarding FDIC insurance is available at [www.fdic.gov/deposit/deposits/index.html](http://www.fdic.gov/deposit/deposits/index.html).

At the corporate level, Trust Company of America's insurance coverage includes \$10 million for Financial Institutions Bond/Computer Crime and \$15 million for Bankers Professional Liability.

The Company operates from a secure facility with security features that meet the rigorous requirements for a U.S. bank. In addition, each of our employees undergoes thorough pre-employment security screening and background checks.

## HIGHLY REGULATED

Accountable for billions of dollars in client investments, Trust ensures the safekeeping of client assets under custody by managing, tracking, and holding title to clients' securities for their benefit. The clients' securities are always held separately from corporate assets. Trust does not borrow for our own use, or loan out for another firm's use, any security owned by account holders. While Trust holds title to the clients' securities, investments in mutual funds are held at the mutual fund companies and the direct investments in equity securities are safely held at The Bank of New York Mellon, a large, reputable, and highly regulated organization.

As an FDIC insured depository institution, Trust complies with federal statutes and regulations enforced by stringent FDIC examinations. Trust Company of America is also supervised and examined by the Colorado Division of Banking and is bound by Colorado State Banking Commission regulations. Trust utilizes the services of a third-party examiner who reviews compliance with operating policies and internal controls on an annual basis, and reports the findings to Trust's board of directors.

In addition, Trust is audited annually by BKD, LLP ([www.bkd.com](http://www.bkd.com)), one of the 10 largest CPA firms in the United States.

In summary, we believe our conservative philosophy and strong financial track record creates value to the clients we serve. We are committed to the ongoing financial safety and soundness of Trust Company of America.

## ABOUT TRUST COMPANY OF AMERICA

Trust Company of America is the only independent RIA custodian offering fully integrated, real-time technology and back office services built exclusively for RIAs. Trust's unified technology, custody, and service platform gives advisors the freedom to seamlessly optimize their client's portfolios while building smarter, more efficient businesses. Headquartered in Centennial, Colorado, Trust has been helping RIAs optimize their portfolios by improving the scale, efficiency and sophistication of the RIA trading model for nearly 20 years.

For more information, please call 800-955-7808 or visit [www.trustamerica.com](http://www.trustamerica.com).



[WWW.TRUSTAMERICA.COM](http://WWW.TRUSTAMERICA.COM)

1. The portfolio composition is subject to change over time. Trust Company of America does not recommend or endorse any securities or investment strategies. Trust Company of America acts as an asset custodian and does not offer investment advice.