NEWS RELEASE
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AMERICAN INSTITUTE OF CPAs TEAMS-UP WITH THE PORTFOLIO DIVERSIFICATION INSTITUTE

A Division of Precision Fiduciary Analytics Inc.

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The Fiduciary Task Force of the American Institute of CPAs (AICPA) had the privilege to review the updated version of FI360's handbook entitled *Prudent Practices for Investment Advisors*. The guide does not specifically address the topic of Uncompensated Risk (UCR) so the AICPA has teamed up with Precision Fiduciary Analytics to provide UCR education for members to help them comply with the Restatement (Third) of Trusts §90 (formerly §227) page 310 "Comment on Basic Duties of Prudent Investor" that states this decree:

> *"Failure to diversify on a reasonable basis in order to reduce uncompensated risk is ordinarily a violation of both the duty of caution and the duties of care and skill."* http://precisionfiduciary.com/restatement/

To further support the AICPA's Statement on Standards in Personal Financial Planning Services, which requires CPAs engaged in providing investment advisory services to comply with "…all federal, state, and other laws and regulations", the UCR management education program commenced with a webcast on June 19, 2019, entitled "*The Dangers of Ignoring a Portfolio's Uncompensated Risk"* presented by Stewart Frank CPA/PFS AIFA of Bingham Farms MI and J. Ben Vernazza CPA/PFS TEP emeritus of Aptos CA, both of Precision Fiduciary Analytics. (http://precisionfiduciary.com/AICPA2019Webcast/)

Since the webcast 'Precision' formed a new membership organization – THE PORTFOLIO DIVERSIFICATION INSTITUTE (PDI). The AICPA will be posting PDI information on their Resource Page for CPA members of the Personal Financial Planning Division.

> The vision for PDI is to provide an affordable and cost-effective membership platform to assist CPAs and other professionals with complying with their legal requirements for diversification as explained in our recent AICPA webcast. Members are able to quickly and easily comply with Restatement 3rd Trusts and UPIA requirements by accessing the Institute's web-based *State-0f-The-Art/Adviser-Driven-Artificial-Intelligence*. "Adviser-driven" means it is not a ROBO. It is an algorithmic platform allowing each adviser the ability to create and amend various scenarios in order to construct unique portfolios that are legally compliant *along while gaining significant benefits of increased portfolio returns, lower volatility and higher Sharpe Ratio* opportunities*. Most important of all, this procedural process validates the duties of care, caution and skill through a prudent and reasonable methodology for **measuring and managing** Uncompensated Risk. http://precisionfiduciary.com/FreeLunch/ and http://precisionfiduciary.com/PrudentRisk/

*Sharpe Ratio - a measure that indicates the return minus the risk-free return (T-Bills) divided by the standard deviation. It represents the **Real Return Per Unit Of Risk.**

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