



Institutional Investment Consulting

Lewis M. Rowe, AIF®
Managing Director - IIC
lrowe@iic-usa.com
248-339-9807

Michael W. Kozemchak, AIF®
Managing Director – IIC
mkozemchak@iic-usa.com
248-339-9808

Paul R. Stephens, AIF®
Managing Director – IIC
pstephens@iic-usa.com
248-339-9806



The Wagner Law Group

Stephen Wilkes – Partner
swilkes@wagnerlawgroup.com
415-625-0002

Retirement plan consulting services offered through Institutional Investment Consulting, An SEC Registered Investment Advisor

Retirement Plan Fiduciary Training Q1 - 2021 - DC Plans - Segment 1

Retirement Plan Fiduciary Training

Delivered in Two Parts; Segment 1 and Segment 2

Today's Presentation is a Fiduciary Training Segment 1 event

Dates to be Announced

Segment 2; Plan Governance and Committees

- Retirement Plan Committees (RPC)
- RPC Formation, Member Selection, Term of Service and Duties
- RPC Decision Making Process
- Best Practices in Support of RPC Decisions
- Documentation expected with a DOL Inquiry or Audit, Plaintiff Inquiry or Litigation
- Risk Mitigation Strategies
- Plan Governance Practices
- Schedule of various Plan Duties and Activities
- Documenting RPC Activity and Operation
- Reliance on Experts, Delegating Fiduciary Responsibility
- ***“To-do’s”, The easy stuff ;*** Steering clear of easily avoidable issues

Speaker for Today's Webcast



**Stephen Wilkes – Partner
Wagner Law Group**
swilkes@wagnerlawgroup.com

Wagner Law ERISA attorneys work with employers and other sponsors of employee benefit plans on issues arising under the Employee Retirement Income Security Act (ERISA) including Fiduciary Compliance, Retirement Plans, ESOPs, Welfare Benefits, PBGC, as well as all aspects of ERISA litigation, including Expert Witness services. We have one of the largest ERISA practice groups in the nation, with clients across the United States and around the world.

The clients of our ERISA practice include publicly traded, multinational corporations to closely held corporations of all sizes; plan administrators, trustees and investment managers; major U.S. financial services organizations.

Stephen Wilkes is a Partner at The Wagner Law Group and heads the firm's Investment Management Law practice and is the Practice Group leader for the firm's ERISA Fiduciary Compliance and Independent Fiduciary practices. Steve advises a client base of Nationally known Financial Service organizations, Taft Hartley Funds and plan sponsors. Stephen counsels' clients regarding ERISA fiduciary and prohibited transaction issues, investment matters, alternative investments, securities law issues, federal tax issues, and the employee benefits aspects of bankruptcy and related financial restructurings, reorganizations and liquidations. Stephen regularly interacts with numerous regulatory agencies, and Congressional staff and has extensive experience in guiding clients regarding audits by the Department of Labor, the IRS, and the United States' Security and Exchange Commission.



Background on Institutional Investment Consulting:

National, objective, single-source provider of institutional investment consulting services. Fiduciary and non-fiduciary, qualified and nonqualified, consulting services. IIC supports Clients with Defined Contribution, Defined Benefit. Non-Qualified, Stock Plan & Corporate investments. IIC provide Benchmark Studies, Vendor Search Projects, Vendor Targeted Re-Negotiations, Comprehensive Ongoing Consulting, Vendor Management, Investment Selection and Monitoring, Fiduciary Education and Corporate Governance Support.

IIC has been recognized over the course of many years by PLANSPONSOR Magazine, Pension and Investments Magazine, 401(k) Wire and the National Association Of Plan Advisors as one of the nation's Top Retirement Plan Advisory firms., with total consulting engagements in excess of \$100 Billion.

IIC Speakers for Today's Training



Lewis M. Rowe, AIF® Mr. Rowe joined IIC with over 25 years of experience as a Retirement Plan Consultant. Lewis had served in a similar role with several major banks, leading the effort to transform the bank retirement services unit from one that relied on selling a proprietary bank product to a true consulting mode. Lew has re-designed the Retirement Plan Committee Fiduciary Training program at IIC and has delivered training to over 400 Plan Sponsor representatives during 2018.

Michael Kozemchak AIF®, PRP, C(k)P – IIC Managing Director

Mr. Kozemchak and IIC have been recognized 2006-2019 by PLANSPONSOR Magazine in articles identifying the nation's most successful retirement plan consulting teams, as one of the largest and most accomplished qualified/nonqualified retirement plan consulting teams in the country. Member of: The Employee Benefit Research Institute, The Defined Contribution Institutional Investment Association (DCIIA) and Board Member, The Plan Sponsor Council of America (PSCA). Michael holds the AIF® (Accredited Investment Fiduciary) designation. Mr. Kozemchak is a founding lecturer at UCLA Berkley's Anderson School of Management, within The Retirement University program and a recipient of their C(k)P Certification which denoted he is a Certified 401(k) Professional.



Running the Broadcast Responding to your Questions



Paul Stephens, AIF® Mr. Stephens has more than twenty years of experience assisting plan sponsors and committees with all facets of plan management including: investment policy statements, investment selection and monitoring, plan benchmarking, formal vendor RFPs, fee and revenue allocation analysis, vendor management, and legal/regulatory updates

Segment 1 Fiduciary Training Agenda

- Fiduciary's to the Plan; Named and Un-Named (Functional)
- Being a Fiduciary; Obligations and Duties
- Five Duties of a Fiduciary
- Service Provider(s); "Best Practices";
Discovery, Benchmarking and Documentation Investment Process
- IPS, Selection, Monitoring, Documentation, QDIA, Target Date Due Diligence
- Conflicts of Interest; Disclosed, Prohibited Transactions, "Parties in Interest"
- Permitted Expenses and Fiduciary Breaches; Potential Risks and Penalties
- Risk Mitigation Strategies;
- Safe Harbors Protections (Regulatory); Plan and Participant
- Questions

Fiduciary Duties

Appears Simple.. Right?

Until YOU are responsible for it

Regulatory

Governance

Stewardship

PLANSPONSOR®

COMPLIANCE March 29, 2019

12 Years of Litigation Deliver Final Settlement in Tussey vs. ABB

The plan sponsor was previously ordered to make reforms such as using lower-cost share classes and conducting an open recordkeeping RFP; the final settlement includes \$55 million in monetary compensation.

By John Manganaro

The parties in the long-running case of *Tussey vs. ABB* have reached a \$55 million settlement—the final result of more than a decade of litigation, court ordered non-monetary remedies and multiple appellate court rulings.

Word of the settlement first came from the plaintiffs' lead attorney in the case, with the law firm of Schlichter, Bogard & Denton.

In the original 2006 lawsuit, filed in the U.S. District Court for the Western District of Missouri, plaintiffs alleged multiple breaches of fiduciary duty under the Employee Retirement Income Security Act (ERISA), arguing in sum that ABB subsidized its corporate expenses with fees paid out of its employees' retirement assets. Among other claims, the plaintiffs alleged that ABB engaged in self-dealing by using Fidelity for recordkeeping both the 401(k) and corporate plans, which included a corporate pension plan, the health and welfare plan, and payroll processing. Plaintiffs suggested Fidelity provided ABB's corporate plans at a loss, while turning a strong profit on the 401(k) plan—a form of disloyalty and self-dealing prohibited by ERISA.

For its part, ABB has strongly denied the many allegations leveled by participants and has fought the case up and down the federal court system. Fidelity also pushed back and got the better end of an [interim 2014](#) ruling in the case.

A press release sent out by the plaintiffs' attorneys summarizes the settlement and recalls the many twists and turns the case has taken over the years. In 2012, the plaintiffs obtained a \$36.9 million judgment, which was eventually appealed once (and [unsuccessfully](#)) to the U.S. Supreme Court and [twice to the 8th U.S. Circuit Court of Appeals](#), which itself twice remanded the matter to the Missouri District Court for further proceedings.

- Increased Attention from Regulatory Agencies
 - Audits, Fines, Sanctions
 - Business Reputation Risk
- Plaintiff Litigation...
 - Law Firms Targeting 401(k)/403(b)
- Significant Provider Fee Compression
- Significant Vendor Changes
 - Technological Changes
 - Provider Consolidation
 - Evolving Thought-Leadership
- Potential Exposure For Fiduciaries

Why Engage Fiduciary Training ?

ERISA Fiduciary Breach lawsuits continue to be filed against Plan Sponsors and their Fiduciaries, of all sizes, including;

- Publicly Traded Companies
- Colleges, Universities and other Not-for Profit Organizations
- 401(k)/403(b) Service Providers

Generally, Suits Allege:

- Fees and expenses paid by the plans are unreasonable
- Fees are sometimes “excessive and overlapping”
- Plan Investment Committee Members are Not Qualified for their role with the Plan
- Plan Fiduciaries did not understand the fees
- Plan fiduciaries failed to monitor the fees and expenses
- Plan fiduciaries failed to properly disclose
- Plan fiduciaries failed to establish procedures to properly identify, review and monitor fees and expenses



Penalties for Violations of Fiduciary Duties

- Fiduciaries may be individually liable for fiduciary
- Excise taxes (up to 100% of the transaction value) apply based on the amount involved in the transaction;
This would be considered a “Worst Case Scenario”
- The prohibited transactions must be unwound
- Any profits (or payment of fees deemed to be excessive) arising from a from a prohibited transaction must be disgorged, with interest
- If the DOL raises an issue, a 20% additional penalty may apply
- A DOL fiduciary correction program can sometimes be used to fix fiduciary mistakes
- Co-fiduciary liability - liable for breaches of other fiduciaries
- 2019 DOL enforcement actions: 67% of civil actions closed with results, \$2.6B restored to plans

Fiduciaries –

- Committee and its members?
- Trustee? Directed trustee?
- Investment Advisors?
- Co-fiduciaries?
- Others exercising discretion
(conditioned “to the extent”)



“Named Fiduciary” ... Definition

- Person(s)/Entity in or referred to in various plan documents;
 - Person named responsible for all plan decisions, except where otherwise delegated or assigned.

“Functional” or “Accidental” Fiduciary” (Un-Named)... Definition

- Has authority, responsibility or any control for fiduciary plan decisions
 - Significant influence over decision makers and decisions
- Exercises discretionary authority or any control over plan management
- An Advisor may be a Fiduciary without Control/Discretion [e.g. 3(21) Advisor]
- Exercises discretionary authority or any control over plan assets
- Those providing investment advice for a fee
 - Distinction between those serving as investment fund managers vs. advisors selecting plan investments
 - Persons may become functional plan fiduciaries

Which Hat you are Wearing ?

Settlor*

Plan Establishment
Plan Design
Amendment or Termination
Employer Contributions
Certain Employee Communications
Attorney-Client Privileged

Fiduciary

Plan Administration
Implementation of
Amend/Termination
Holding/Investing Plan Assets
Participant Communications
Limited Attorney-Client Privilege

***Cannot be paid from plan assets**

“Party in Interest”

- Any plan fiduciary or employee
- Other service providers to the plan
- Plan sponsor/employer (and certain affiliates)



Five Specific Fiduciary Duties

1. Exclusive Benefit Duty
2. Prudent “Expert” Duty
3. Diversification Duty
4. Plan Term Adherence Duty
5. Reasonable Expenses Duty



Duty # 1

The Exclusive Benefit Duty

- Actions and Decisions must be made for the exclusive purpose of benefiting participants and beneficiaries, so as to defray and reduce plan expenses, consistent with services provided/received.
- Decisions made benefiting the plan sponsor's organizational goals should be evaluated against Sponsor's fiduciary's duty to the Plan and the Participants

Practical application:

Vendor selection and pricing should focus solely on the impact to the plan and participants – not to the plan sponsor (e.g. Bank Provided Plans)

Duty # 1

The Exclusive Benefit Duty

- Not every Potential Conflict is an ERISA Violation; But may be otherwise actionable
- ERISA prohibits a fiduciary from entering the following transactions:
 - Transaction between the plan and a “party in interest”
 - “Self-dealing” transactions
 - Conflicts of interest
- Liability can apply even if the plan suffers “no” harm
- Simply disclosing a potential conflict of interest doesn’t always protect a fiduciary from liability.

Duty # 1

The Exclusive Benefit Duty

Party in Interest Transactions; What is Permitted?

- Reasonable arrangements with a ***party in interest*** for services “necessary or required” for the operation of the plan:
 - No more than reasonable compensation may be paid
 - Contract must permit termination by the plan without penalty on reasonably short notice
 - Fee disclosures made by service provider (i.e., 408b-2 disclosure)

These Exemptions Do NOT GENERALLY APPLY to Self-Dealing Transactions

- Exemption for DC plan holding “qualifying employer securities”

Duty # 1

The Exclusive Benefit Duty

Party in Interest; Exemptions to Prohibited Transactions

- ERISA permits reimbursement of certain expenses – whether out-of-pocket or personnel – but fiduciaries need to step very carefully
- Must document charges carefully
- Must ensure that charges are allocated to proper plans
- A plan fiduciary must approve expenses charged to a plan
- Expenses charged to Plan must be reasonable (Fee vs. Service Received)

Duty # 2

The Prudent Expert Standard

- Fiduciaries are required to use a level of care that a “prudent person, “knowledgeable in such matters”, would use in a similar situation
- Ignorance, or simply being unaware, of issues and facts will not reduce or eliminate the applicable fiduciary standard
- **DOL Guidance:**
The fiduciary should “appropriately consider” all the facts and circumstance's that apply with procedural prudence

Duty # 3

The Diversification Duty

The fiduciary must diversify a plan's investments so as to minimize the risk of large losses



QUESTION: How Does this Duty apply in 401(k) plans?

Duty # 3

Diversification and the 401(k) Plan

- 401(k) and 403(b) plans commonly permit participants to direct their own investments
- ERISA §404(c)(1) provides fiduciaries with protection from liability under participant directed plans; (“404(c) plans”)
- ERISA §404(c)(5) provides similar protection when investments are made to Qualified Default Investment Alternative (QDIA) options

Duty # 3

Diversification and the 401(k) Plan

Plans may comply with 404(c) protections provided each Participant may;

- Exercise independent control over the investment elections for his or her account
- Choose from a broad range of diversified investment options, with sufficiently broad choices so as to build a diversified portfolio
- Provided, Plan Sponsors delivers:
 - Proper “participant level” fee disclosures
 - Fiduciaries maintain duties over selecting and monitoring investment options for Plan
 - Sponsors provide specific information to participants, in support of their exercise of control over their investment elections

Duty # 3

Diversification and the 401(k) Plan

Qualified Default Investment Alternative (QDIA); Guidance

- Plan fiduciaries offered protection for assets invested in QDIA (Provided procedural requirements are followed and decisions documented)
 - **Fiduciaries are responsible** for the selection of the QDIA itself
 - The selection of the Plan's QDIA is a fiduciary act**
 - Focus has been on TDF's as QDIAs, but Plans are not limited to TDF as QDIA
 - Managed accounts and other investment alternatives may qualify as QDIAs
 - There is no requirement of choosing only one QDIA option for the Plan
- Alternatives and/or Additions are gaining in use by Plans

Duty # 3

Diversification and the 401(k) Plan

Target Date Investment Funds (TDF); Guidance

- TDFs are the most selected Investment Category in Plans today;
 - Age based or Targeted Retirement Date
- When used as QDIA, TDFs may qualify for Safe Harbor Protections
- Fiduciaries need to examine TDFs options closely when selecting a provider and follow all investment-related duties
- **NOT just an age thing** – many potential factors: to/through, hedging, leveraged, non-correlated Assets, participant demographics, etc.
- There is no “extra” level of fiduciary standards for TDF

Duty # 3

Diversification and the 401(k) Plan

Participant Exercise of Independent Control

- ✓ Investment Guidance Delivered by a Vendor
 - Planning tools on website
 - Call center
 - Vendor response is often not advice, it is often education

- ✓ Managed Account Service... for Fee
 - What is service provider's fiduciary status?
 - What activities/services do they engage in with participants?
 - Plan fiduciaries responsible for the selection of this service provider
 - Fees, methodology, frequency of review and outreach to participant
 - Plan Sponsor responsible for Selection and Monitoring of Managed Account Provider/

- ✗ Other Participant Advice Providers
 - All requirements remain as stated above
 - Advice to terminated participants

Duty # 4

Duty of Adherence to Plan Terms

While Procedural Prudence is not always precisely defined by ERISA, Best Practices should include;

- Identify those **relevant** plan provisions specific to any Plan decision.
- Consider consulting/hiring third-party **Experts** when prudent and necessary **(Where fiduciary does not have sufficient expertise or time...e.g. accountant, actuary, legal counsel, plan consultant)**
- Identify and document those fact-finding **steps and any relevant background**
- Consider whether a contemplated decision is consistent with the provisions of the Plan
- Evaluate every decision's impact to both the plan and its participants.
- Be mindful of safeguarding against making decisions in the Sponsor's best interest vs. the best interest of the Plan and the Participants. Document both the decision and the process used to arrive at the decision.

Duty # 5

Reasonable Expense Duty

Service Provider Evaluation

Discovery, Benchmarking and Documentation

- Discovery... Confirm what you think you know
Discover what you don't
- **Benchmark and/or RFP** plan service providers
Fees, capabilities, scope and quality of services to plan and participants, –
not always about lowest cost
- Investment Choices; Lowest Share Class – Document Investment Choices
- Document the entire process

Duty # 5
Reasonable Expense Duty
Service Provider Evaluation

Retirement Plan Benchmarking ... Which of the Following are True Statements?

1. Benchmarking a Plan creates an effective defense against a potential “excessive fee” complaint, just as effective as an RFP.
2. Benchmarking a Plan satisfies a Plan Sponsor obligation to determine the “reasonableness of fees” provisions of established Fiduciary precepts
3. It is especially advantageous to include an extremely Low-Cost Plan as part of the Peer-Group used in your Plan’s Benchmark; Better to Negotiate with your Service Provider.
4. Benchmarking reports for your Plan can be used as an effective tool to assist Plan Sponsors negotiate lower fees with their current provider
5. Is commonly used to assist plan sponsor decisions on how to “allocate fees”
e.g.; Asset based vs. flat per participant vs. revenue sharing

Duty # 5

Reasonable Expense Duty

Service Provider Evaluation

Retirement Plan Benchmarking ... Which of the Following are True Statements?

Question 1: Benchmarking a Plan creates an effective defense against a potential “excessive fee” complaint, just as effective as an RFP.

Answer 1: **False.** Benchmarking a Plan does not in itself create a defense to a potential excessive fee complaint or legal action. Benchmarking a Plan after an RFP is a best practice to validate the outcome of a recent RFP and how a plan compares to its peer group

Question 2: Benchmarking a Plan satisfies a Plan Sponsor obligation to determine the “reasonableness of fees” provisions of established Fiduciary precepts

Answer 2: **False.** Providing the results of a favorable Benchmark Report for your Plan has not been an effective strategy to demonstrate a Sponsor’s efforts at meeting their “reasonableness of fee” duty.

Question 3: It is especially advantageous to include an extremely Low-Cost Plan as part of the Peer-Group used in your Plan’s Benchmark; Better to Negotiate with your Service Provider.

Answer 3: **Not so Clear.** Including a very low-cost plan as part your peer-group could create more risk than reward. Recordkeepers have not embraced Benchmark reports as sufficient to offer a Service fee reductions. On the other hand, including an abnormally low-cost plan in your benchmark is likely to reduce the average fees for the entire peer-group, perhaps to a level that is unobtainable. Yet, those unique Low-Fees could become the basis for an “excessive fee” complaint.

Duty # 5

Reasonable Expense Duty

Service Provider Evaluation

Retirement Plan Benchmarking ... Which of the Following are True Statements?

Question 4: Benchmarking reports for your Plan can be used as an effective tool to assist Plan Sponsors negotiate lower fees with their current provider

Answer 4; False. As referenced earlier, the most appropriate use of Benchmarking is to validate and compare the outcomes of a recent RFP with a peer-group of similar Plans. Rarely have Plan Sponsors been able to successfully negotiate fees solely on the basis of a Benchmarking Report

Question 5: Plan Benchmarking is commonly used to assist plan sponsor to decide how to equitably “allocate fees” service provider fees; e.g.; Asset Balance based vs. flat per participant vs. revenue sharing.

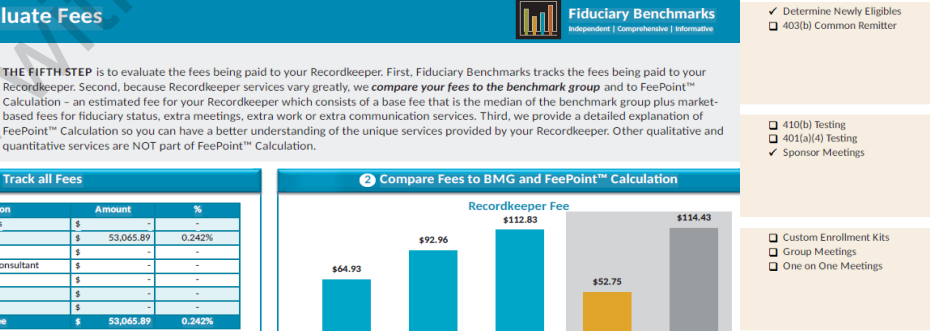
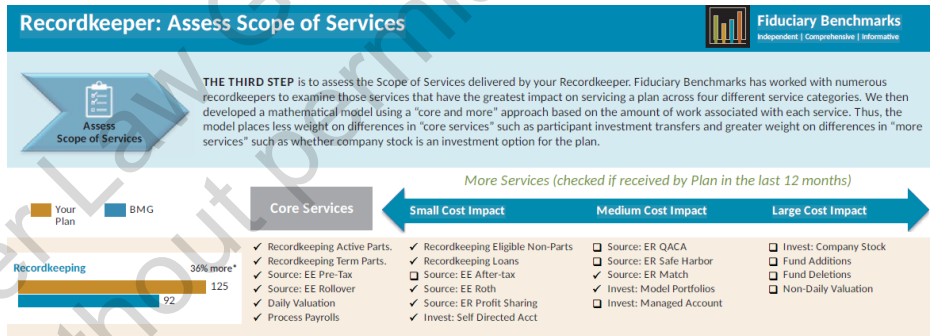
Answer 5: False. Most common resource to answer this question is published DOL guidance.

Duty # 5 Reasonable Expense Duty

Retirement Plan Benchmarking Process



Value and Fee Benchmarking Report with FEEPOINT® calculation



- THIS REPORT INCLUDES:**
- Total Plan Fee Detail
 - Fund Manager
 - Recordkeeper
 - Advisor/Consultant
- All Investment data as of: 06/30/2018

Report Provided by:
Michael Kozemchak
Institutional Investment Consulting
mkozemchak@iic-usa.com

Report Generation Date: October 31, 2018 Report ID: 71659

Duty # 5

Reasonable Expense Duty

Service Provider Selection

The Request for Proposal

- A Formal and Comprehensive solicitation for services, and consider:
 - All Services offered, and all fees attendant, from multiple providers
- ***Should evaluate without regard to any of the Provider's asset services,***
 - e.g.; Target Date Funds, Stable Value Offerings, Managed Accounts, Proprietary Funds, etc.
- Ancillary services offered need to be evaluated independently
 - Could be at the same time, provided complete understanding and documentation of offsets applied for record-keeping fees
- Process for the RFP and the decisions arrived at should follow a process
- Resources required: Minimal if done with the assistance of skilled consultants, costs range from \$25 to \$100k (avg. \$65k), timing 90-100 days

Duty # 5
Reasonable Expense Duty
Service Provider Selection

The Request for Proposal (RFP) Process;

- Define process, scope, capabilities, provider criteria
- Solicit competing bids from service providers
- Evaluate credentials and capabilities
- Understand compensation arrangements
- Evaluate contract terms for reasonableness
- Verify references
- *Document the Process*

Duty # 5 Reasonable Expense Duty

Allocation of Participant Fees.. Pre and Post RFP

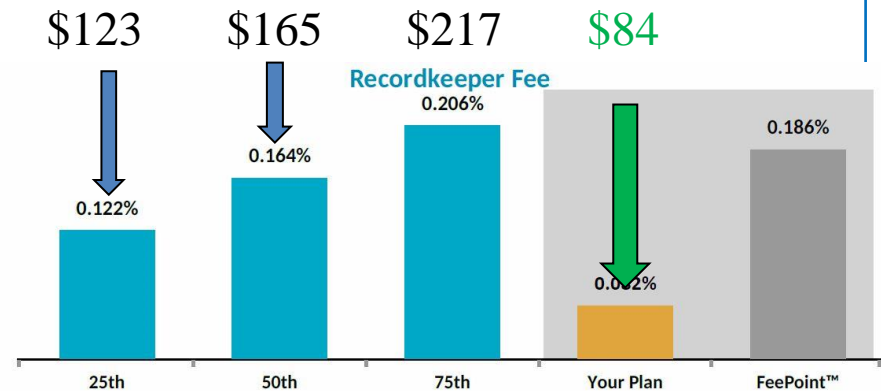
Current Recordkeeping Fee (bps)	0.21%
Current Per Participant Recordkeeping Fee	\$217

Fee of \$217 per participant as had been determined by Plan Fee Analysis conducted by IIC prior to RFP Engagement

Before the RFP and benchmark report, this 1,000 person \$100mil DC plan had recordkeeping fees That were in the 75th percentile, post the RFP they were in bottom of lowest quartile of fees

Post RFP

Per Participant Fee =



Range of Fee in Benchmarking report

Post RFP Benchmark Report shows fees are now in the 10th percentile and The RFP generated savings of more than **\$250,000**

Recordkeeper services' scope, difficulty, amount, and fiduciary status can vary across a benchmark group and may differ from the services received by this plan.

Duty # 5
Reasonable Expense Duty
Service Provider Selection

➤ **Retirement Plan “Request for Proposal” ... CHALLENGE POINTS**

- An RFP is easily executed by plan sponsor’s HR or procurement departments
- Plan fees can be negotiated between plan sponsors and the incumbent provider’s relationship manager
- An RFP often angers or strains the relationship with current providers
- RFP must always result in a vendor change
- RFPs require significant internal sponsor organizational resources
- RFPs must always include finalist interviews/ web demos / site visits

Duty #5
Reasonable Expense Duty
Service Provider Selection

➤ **Retirement Plan “Request for Proposal” ...Facts**

- Done well, the RFP generally lowers costs, includes fee guarantees, at risk fees, enhanced deliverables, reduction of out-of-scope charges, updated service agreement
- Helps reduce probability of fee complaints, settlement or judgement
- Supports determination of reasonableness of fees; precisely defines market rates for your plan
- Allows for overhaul of investment menu without pricing repercussions
- Determined by the plan document, RFP fee may be permissible plan expense
- Represents a great opportunity to hit the “refresh button”

Duty # 5

Reasonable Expense Duty

Share Class Expense

Share Class Review...

The Single Largest Source of Participant Litigation

- Determine best-fit and lowest net cost,
Reasonableness reviews of mutual fund revenue sharing subsidies to ensure your custodian is capturing available reimbursements.
- Fee Levelization
Crediting fees back to a specific participant who is using an investment option may not mitigate risks associated with not selecting lowest expense share class
- Revenue Sharing Fees to reduce Plan Expenses
This method of using revenue sharing may cause certain participants to disproportionately bear more plan costs than others

Duty # 5

Reasonable Expense Duty

Share Class Expense

Annualized Returns 12/31/19

Fund	Annualized Returns (Peer Group % Rank)						Fund Status	Exp. Ratio Percentage		Plan Assets
	Last QTR	YTD	1 YR	3 YRS	5 YRS	10 YRS		Gross	Net	
Large Value							Status	Gross	Net	Amount
T. Rowe Price Instl Large Cap Value - TILCX	6.81	26.69	26.69 (31)	10.30 (39)	8.55 (34)	11.66 (24)	Existing	0.57	0.57	\$4,181,064
(P) Fidelity® Large Cap Value Index - FLCOX	7.37	26.51	26.51 (34)	9.71 (50)	n/a (na)	n/a (na)	Proposed	0.04	0.04	n/a
(P) Vanguard Value Index Adm - VVIAX**	8.23	25.82	25.82 (43)	11.70 (17)	10.06 (5)	12.48 (9)	Proposed	0.05	0.05	n/a
Peer Group Median (50th Percentile)	7.18	25.30	25.30	9.71	7.87	10.84		0.97	0.89	-
Russell 1000 Value TR USD	7.41	26.54	26.54	9.68	8.29	11.80		-	-	-
Large Blend							Status	Gross	Net	Amount
Fidelity® 500 Index - FXAIX**	9.06	31.47	31.47 (21)	15.25 (14)	11.69 (7)	13.54 (6)	Existing	0.02	0.02	\$21,200,652
Peer Group Median (50th Percentile)	8.71	29.77	29.77	13.73	10.24	12.35		0.91	0.82	-
S&P 500 TR USD	9.07	31.49	31.49	15.27	11.70	13.56		-	-	-
Large Growth							Status	Gross	Net	Amount
Fidelity® Contrafund® K - FCNKX**	10.29	30.17	30.17 (70)	19.04 (47)	13.22 (40)	14.08 (36)	Existing	0.73	0.73	\$25,044,479
(P) Fidelity® Contrafund® K6 - FLCNX	10.63	31.00	31.00 (62)	n/a (na)	n/a (na)	n/a (na)	Proposed	0.45	0.45	n/a
(P) Fidelity® Large Cap Growth Idx - FSPGX	10.60	36.37	36.37 (18)	20.40 (32)	n/a (na)	n/a (na)	Proposed	0.04	0.04	n/a
(P) Vanguard Growth Index Institutional - VIGIX	9.91	37.26	37.26 (12)	19.25 (45)	13.21 (40)	14.61 (22)	Proposed	0.04	0.04	n/a
Peer Group Median (50th Percentile)	9.51	32.28	32.28	18.69	12.50	13.62		1.01	0.93	-
Russell 1000 Growth TR USD	10.62	36.39	36.39	20.49	14.63	15.22		-	-	-

Status Key

Existing: Fund is currently in portfolio	To Be Added: In process of becoming part of fund lineup
Proposed: Fund is candidate to be added to portfolio	On Watch List: Fund currently being monitored to be replaced
To Be Replaced: Under watch due to performance/expense and in process of being replaced/eliminated from lineup	

Color Key: ■ Top 50% (1-50) ■ Bottom 50% (51-75) ■ Bottom 25% (76-100) ■ Not Scored

* Data is missing for evaluation of one or more criteria. Refer to the Fund Criteria Report for more information.
 ** Returns in this fund reflect the historical performance of its oldest share class, adjusted to reflect updated fees and expenses.

For Plan Sponsor Use Only. Not for Use with the General Public. Data provided for this report is ©2020 Morningstar, Inc. and other CFFM data providers when noted above. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or other CFFM data providers when noted above; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar, its content providers or other CFFM data providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.



Investment Process Duties

The Investment Policy Statement – Required or Not Required. . .

- What is in the IPS?
 - Asset classes to be used?
 - Monitoring and evaluation framework?
 - Who is charged with these responsibilities?
- Understanding the role of the advisor and the IPS
- Regular periodic investment monitoring and the IPS
- Documenting process
- Flexibility - meaningful guidance, but not binding criteria

Investment Process Duties **Select–Review–Monitor** **Delegating Investment Responsibilities**

ERISA 3(38) Investment Manager Fiduciary with Discretionary Authority

- An “Investment Manager” by appointment who has responsibility for specified investment matters
- Acts with discretionary authority
- Offers a transfer of certain liabilities
- 3(38) investment managers must:
 - Be a Registered Investment Advisor (RIA), bank or insurance company
 - Acknowledge their fiduciary status in writing
 - Must be formally appointed by Plan Committee, Sponsor, OCIO or others recognized as the Fiduciary to the Plan
- Also, a fiduciary per ERISA (§3(21)(A)(i))

ERISA 3(21)(A) Investment Adviser Fiduciary Without Discretionary Authority

- Usually pursuant to a written agreement but could be “functional fiduciary”
- Generally, provides guidance to plan fiduciaries regarding investment selection and removal
- Does not have discretion to effect investment changes and is not the final authority on investment matters
- Provides investment advice to plan and/or participants for a fee or other compensation. (§3(21)(A)(ii))

Investment Process Duties

Delegating Investment Responsibilities

- Fiduciary Delegation
 - The fiduciary must usually monitor the activities of those to whom it has delegated responsibility
 - Monitoring does not involve second-guessing all decisions

- Delegation must be pursuant to, and not in conflict with the plan document
 - Fiduciary process remains important

- Ongoing Plan Fiduciary Responsibility For Delegations?

Easy Stuff That Can Go Wrong

Statutory duty to provide the following to plan participants and beneficiaries:

- Summary plan description (SPD)
- Summary of material modifications (SMM)
- Summary annual reports/Annual funding notices
- Certain participant benefit statements
- Other “plan documents” upon request



Easy Stuff That Can Go Wrong

Additional disclosure duties:

- Duty to respond truthfully and fully to participant inquiries
- Duty to disclose amendments under “serious consideration”
- Duty to provide information to a Participant that is material to them, or that you should know is material to them.

Examples...

Risk Mitigation Strategies

- Indemnification by the Company
 - Indemnification from the plan –
- Fiduciary Liability Insurance
 - Who is covered
 - Key provisions
 - Notice of claims





Complimentary Offers For Plan Sponsor Participants



CPSP™
CERTIFIED
PLAN SPONSOR
PROFESSIONAL



PSCA

Plan Sponsor Council
of America

Benefits of CPSP Credential™

Developed by a group of the nation's leading retirement plan experts, the Certified Plan Sponsor Professional (CPSP) Credential demonstrates a level of expertise in the duties of a retirement plan sponsor, and attests that the holder possesses the knowledge and skills to evaluate, design, implement and manage an employer-sponsored retirement plan.

You will learn

- Considerations for Retirement Plan Design
- Defined Contribution Plan Options
- Behavioral Finance and Employee Engagement
- Plan Fiduciary Obligations and Risk Management
- Understanding Investment Concepts
- Vendor Management and Selection
- Plan Operations
- Plan Audits and Compliance
- Other Types of Employer-Sponsored Retirement Plans

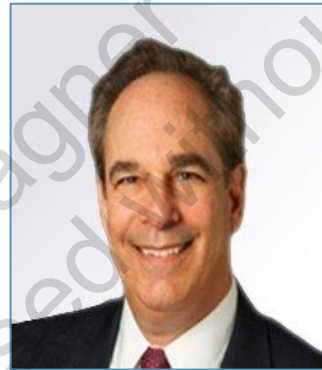
***Please contact IIC for more
details on participating in this
PSCA 8 Week Virtual Class***

Questions & Answers



Michael W. Kozemchak
Managing Director
Institutional Investment Consulting

Contact Information
Michael W. Kozemchak
 Managing Director
mkozemchak@iic-usa.com
 248-339-9808



Stephen Wilkes
Partner
The Wagner Law Group

Contact Information
Stephen Wilkes
 Partner, Law Group, LLC
swilkes@wagnerlawgroup.com
 415-625-0002



Lewis M. Rowe
Managing Director
Institutional Investment Consulting

Contact Information
Lewis M. Rowe
 Managing Director
rowe@iic-usa.com
 248-339-9807



IIC General Disclosure Statement

IIC General Disclosure Statement

Securities and Advisory services offered through Institutional Investment Consulting, a Registered Investment Advisor. Member FINRA/SIPC. Retirement plan consulting services offered through Institutional Investment Consulting, A Registered Investment Advisor. PLANSPONSOR, PLANADVISER, Law Group, and American Century are not affiliated with IIC .

STATEMENT OF OPINION: This and/or the accompanying information was prepared by or obtained from sources which Institutional Investment Consulting believes to be reliable but does not guarantee its accuracy. Any opinions expressed or implied herein are not necessarily the same as those of Institutional Investment Consulting, LPL Financial. research departments and are subject to change without notice. The report herein is not a complete analysis of every material fact in respect to any company, industry, or security. Any market prices are only indications of market values and are subject to change. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. No employee of Institutional Investment Consulting or any affiliates, may provide “investment advice” or otherwise act as an ERISA fiduciary with respect to plan investments or plan participants on Defined Contribution plans when serving in the capacity of Broker of record. This includes advising plan participants about individual asset allocation among the funds. They may provide approved investment education materials and objective factual information & research, such as performance data, to help plan sponsors and participants make informed investment decisions. Institutional Investment Consulting does not provide tax or legal advice; however, we would be glad to work with your accountant or tax or legal advisor to help you meet your goals. Be sure to consult with your own tax and legal advisors before taking any action that would have consequences. Additional Information is available upon request.

ASSET CLASS SUITABILITY: Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. High-yield, non-investment grade bonds are only suitable for aggressive investors willing to take greater risks, which could result in loss of principal and interest payments. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different accounting standards.

PAST PERFORMANCE: Past performance is not an indication of future results.

ASSET CLASS PERFORMANCE REPRESENTATIONS: Long Term Treasuries = LB Treasury Long; Municipals = LB Municipal; Foreign Bonds = Salomon World BIG – IB; US Govt/Credit = LB Govt/Credit; Mtge Backed Securities = ML Mortgage Master; Corporate Bonds = Salomon Corporate; 90 Day T-Bills = Salomon; Japanese Stocks = Salomon Japan BMI; High Yield Bonds = ML High Yield Master; Small Cap US Value = RU 2000 Value; MidCap US Stocks = RU Midcap; Large Cap US Value = RU 1000 Value; European Stocks = Salomon Europe BMI; Small Cap US Stocks = RU 2000; Lg Cap US Growth = RU 1000 Growth; Latin American Stocks = Salomon Latin American BMA; Sm Cap US Growth = RU 2000 Growth

BROAD EQUITY MARKET & SECTOR PERFORMANCE REPRESENTATIONS: Large-Cap = S&P 500; Mid-Cap = RU Midcap; Small-Cap = RU 2000; International = MSCI EAFE

DATA SOURCES: Information found in this document was derived from the following sources: Zephyr Associates Style Advisor, Mobius M-Watch, and Bloomberg.

ASSET ALLOCATION: Asset Allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

INTERNATIONAL INVESTING: Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different account standards.

SMALL CAP EQUITY: Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

Wagner Law Group, LLC. General Disclosure Statement

These materials have been prepared for informational purposes only and constitute neither legal nor tax advice.

Transmission of the information is not intended to create, and receipt or attendance at any presentation does not create or constitute, an attorney-client relationship.

Anyone viewing this presentation or reading these materials should not act upon this information without seeking professional counsel.

In response to new IRS rules of practice, we hereby inform you that any federal tax advice contained in this writing, unless specifically stated otherwise, is not intended or written to be used, and can not be used, for the purpose of (1) avoiding tax-related penalties or (2) promoting, marketing or recommending to another party any tax-related transaction(s) or matter(s) addressed herein.



General Disclosure Statement

FIRM: Securities and Advisory services offered through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC. Retirement plan consulting services offered through Institutional Investment Consulting, A Registered Investment Advisor and separate entity from LPL Financial

STATEMENT OF OPINION: This and/or the accompanying information was prepared by or obtained from sources which Institutional Investment Consulting, LPL Financial believes to be reliable but does not guarantee its accuracy. Any opinions expressed or implied herein are not necessarily the same as those of Institutional Investment Consulting, LPL Financial research departments and are subject to change without notice. The report herein is not a complete analysis of every material fact in respect to any company, industry, or security. Any market prices are only indications of market values and are subject to change. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. No employee of Institutional Investment Consulting, LPL Financial or any affiliates, may provide "investment advice" or otherwise act as an ERISA fiduciary with respect to plan sponsors or plan participants on Defined Contribution plans when serving in the capacity of Broker of record. This includes advising plan participants about individual asset allocation among the funds. They may provide approved investment education materials and objective factual information & research, such as performance data, to help plan sponsors and participants make informed investment decisions. Institutional Investment Consulting, LPL Financial does not provide tax or legal advice; however, we would be glad to work with your accountant or tax or legal advisor to help you meet your goals. Be sure to consult with your own tax and legal advisors before taking any action that would have consequences. Additional information is available upon request.

ASSET CLASS SUITABILITY: Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions. High-yield, non-investment grade bonds are only suitable for aggressive investors willing to take greater risks, which could result in loss of principal and interest payments. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different accounting standards.

PAST PERFORMANCE: Past performance is not an indication of future results.

ASSET CLASS PERFORMANCE REPRESENTATIONS: Long Term Treasuries = LB Treasury Long; Municipals = LB Municipal; Foreign Bonds = Salomon World BIG – IB; US Govt/Credit = LB Govt/Credit; Mtge Backed Securities = ML Mortgage Master; Corporate Bonds = Salomon Corporate; 90 Day T-Bills = Salomon; Japanese Stocks = Salomon Japan BMI; High Yield Bonds = ML High Yield Master; Small Cap US Value = RU 2000 Value; MidCap US Stocks = RU Midcap; Large Cap US Value = RU 1000 Value; European Stocks = Salomon Europe BMI; Small Cap US Stocks = RU 2000; Lg Cap US Growth = RU 1000 Growth; Latin American Stocks = Salomon Latin American BMA; Sm Cap US Growth = RU 2000 Growth

BROAD EQUITY MARKET & SECTOR PERFORMANCE REPRESENTATIONS: Large-Cap = S&P 500; Mid-Cap = RU Midcap; Small-Cap = RU 2000; International = MSCI EAFE

DATA SOURCES: Data provided for this report is © 2012 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

ASSET ALLOCATION: Asset Allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

INTERNATIONAL INVESTING: Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions and different account standards.

SMALL CAP EQUITY: Stocks of small companies are typically more volatile than stocks of larger companies. They often involve higher risks because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.