

Do We Really Need an Investment Fiduciary?



Tulsa Employment Benefits Group

May 16, 2024

Fiduciary Training Refresh

- Who is a fiduciary?
- What are the duties of a fiduciary?
- What are the consequences of a fiduciary breach?
- How can you minimize fiduciary liabilities?

3(38) vs 3(21) Investment Fiduciary



3(38) Investment Manager

- State in writing fiduciary status
- Drafts IPS
- Builds the fund lineup
- Monitors fund lineup
- Makes changes to the fund lineup
- Determines mapping strategies
- Provides documentation

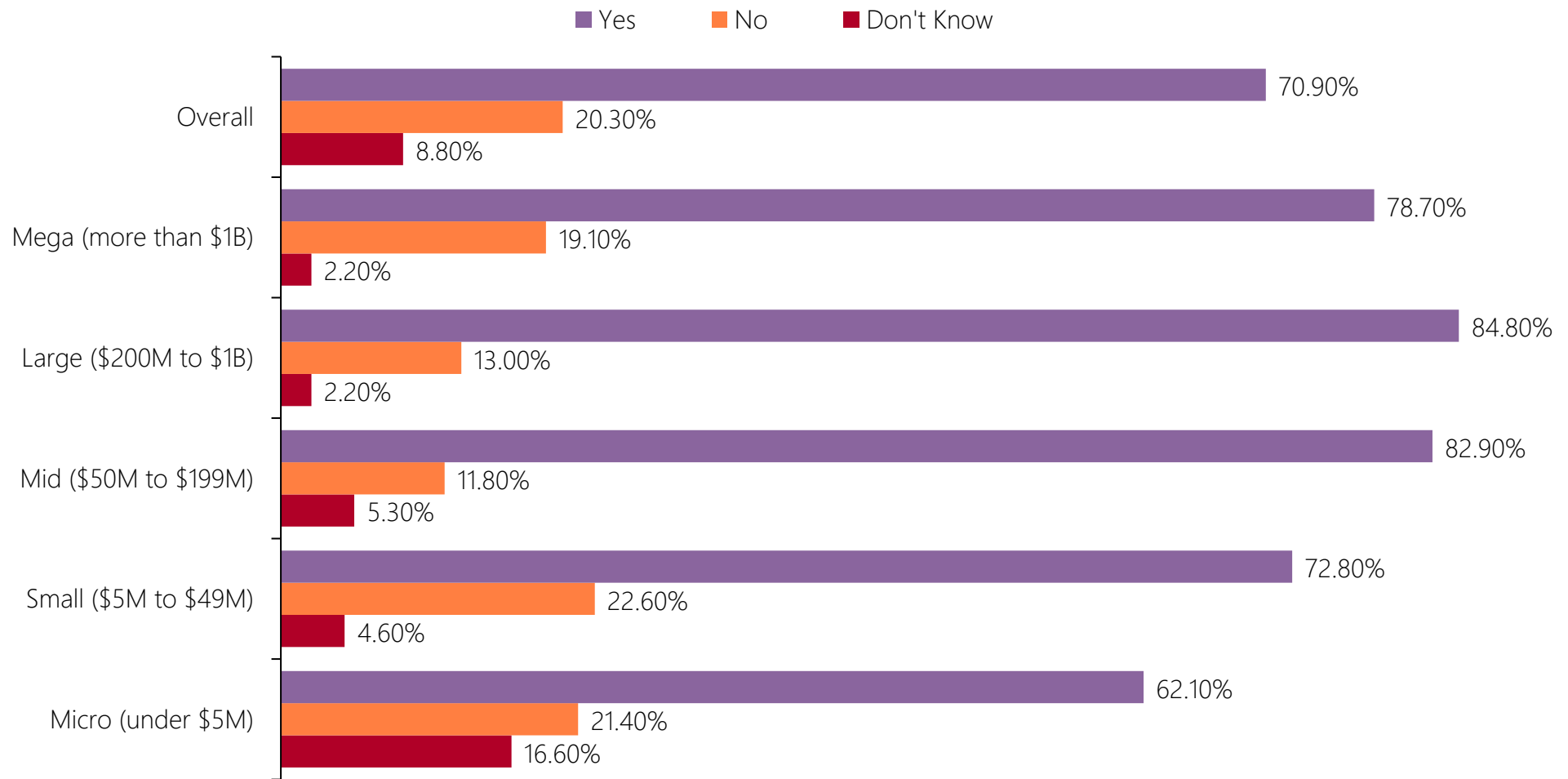


3(21) Investment Advisor

- State in writing fiduciary status
- Assist in drafting IPS
- Recommends initial fund lineup
- Provides monitoring
- Recommends changes
- Recommends mapping strategies
- Provides documentation

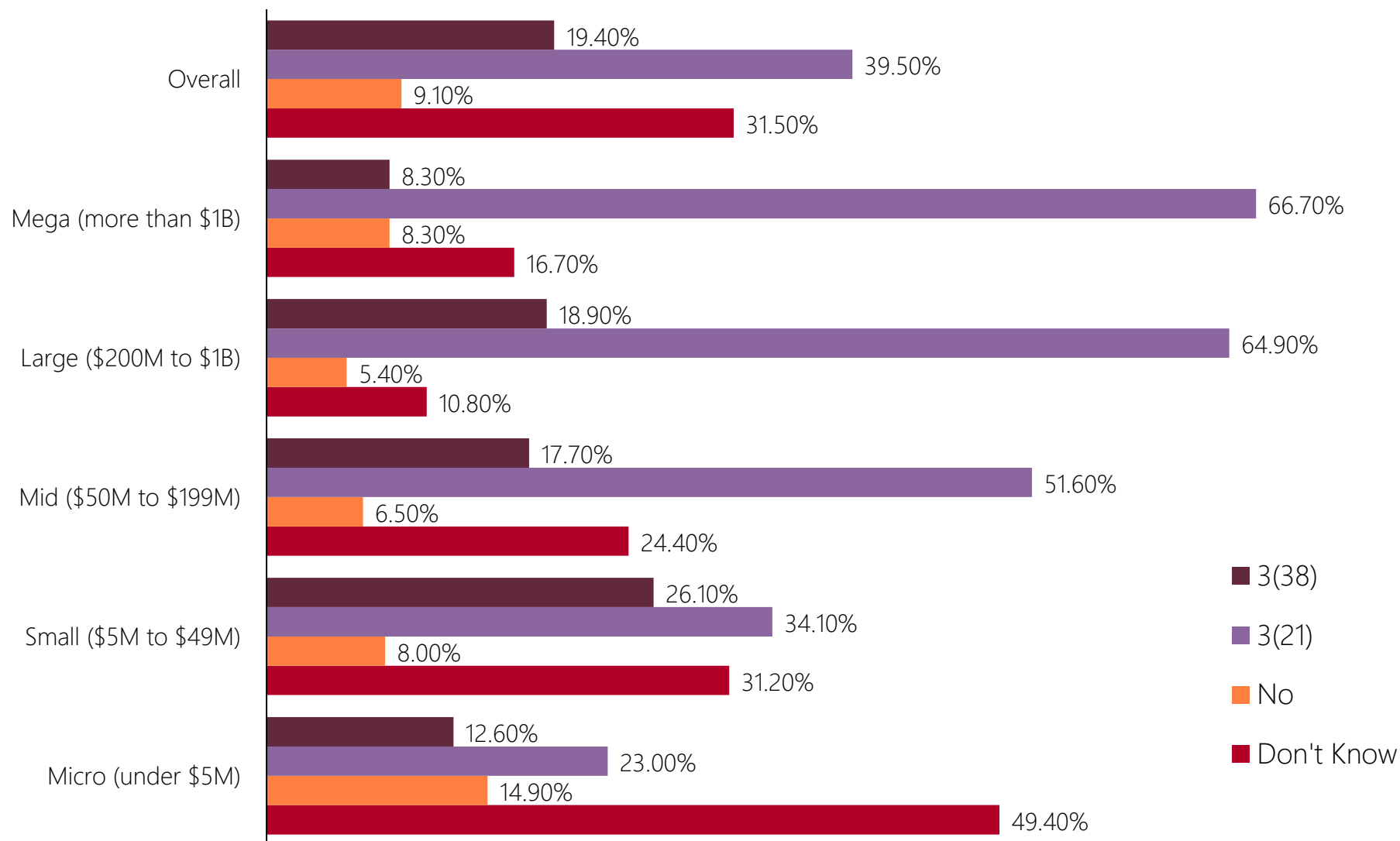
Industry Usage of Advisors

Usage of advisor by plan size



Industry Usage of Investment Fiduciaries

Usage of investment fiduciary by plan size



Hesitations for Hiring an Investment Fiduciary

- Cost concerns
- Confidence in committee members
- Limited plan size
- Preference for independence
- Lack of awareness

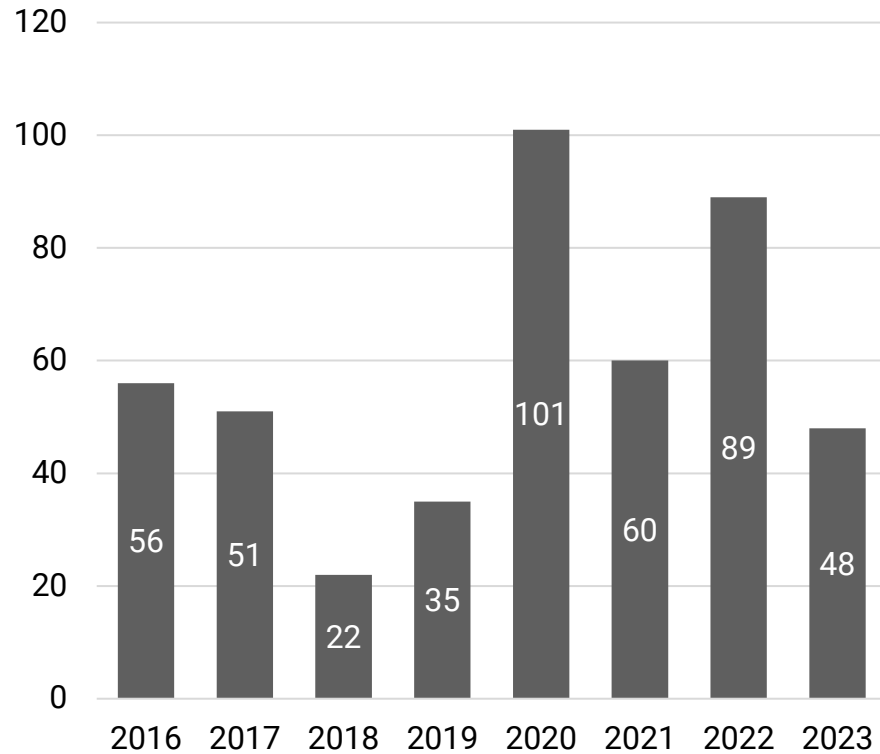
Reasons to Hire an Investment Fiduciary

- Assistance with meeting fiduciary responsibilities
- Expertise and resources
- Oversight processes and documentation
- Risk mitigation

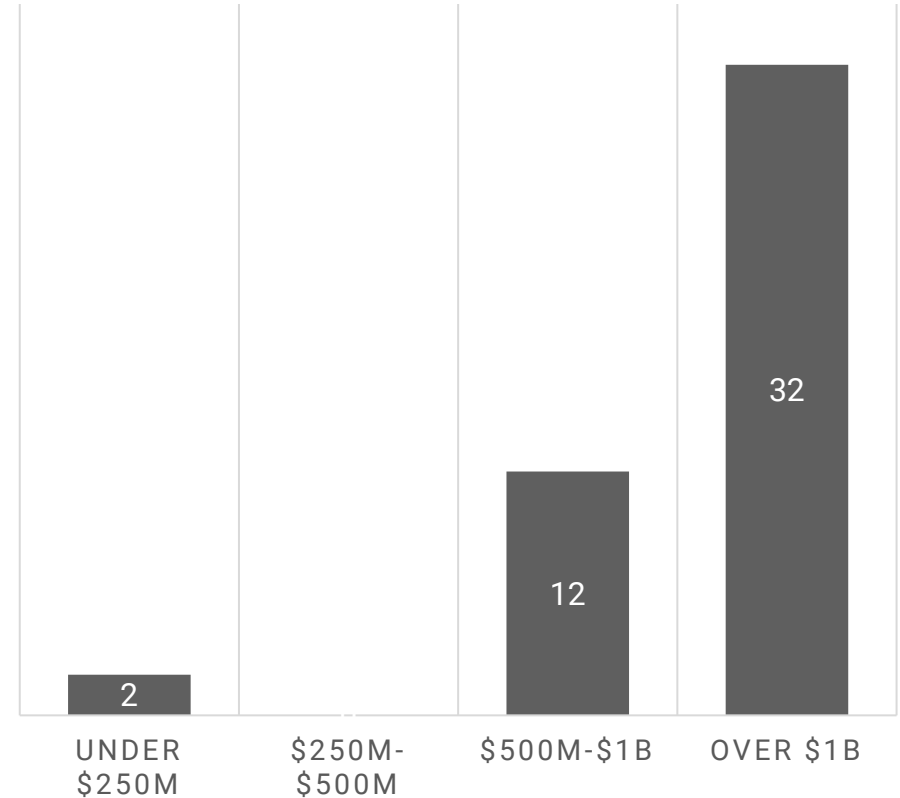
Litigation Trends

Excess Fee and Performance Lawsuits

Lawsuits by Year



Lawsuits by Plan Size (2023)



Considerations When Hiring Investment Fiduciary

- Credentials and expertise
- Fiduciary capacity
- Investment philosophy
- Compensation
- Scope of services
- References and client feedback
- Legal and regulatory compliance

Meeting your Fiduciary Needs



Fiduciary &
regulatory oversight



Plan consulting &
compliance support



Investment
fiduciary services



Communication
& education



Fee analysis &
benchmarking

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