

INVESTMARK FIDUCIARY SERVICES FOR RETIREMENT PLANS

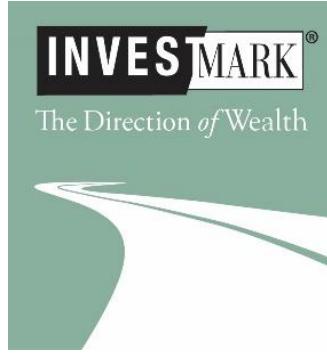
*Reduce Your Liability and Keep Your
Company's Plan Strong and Compliant*



3(21) "Co-Fiduciary" Services &
3(38) Fiduciary Services

INVESTMARK

The Direction of Wealth



INVESTMARK FIDUCIARY SERVICES FOR RETIREMENT PLANS

- Our Fiduciary Services Programs are designed specifically to help employers and plan sponsors provide a well-managed, cost-effective retirement plan for their employees and to make sure those plans meet the mandatory **ERISA** requirements.
- ERISA regulations state that any plan sponsor (employer) who lacks the technical knowledge and experience to properly manage investments on their own is required by law to hire knowledgeable investment advisors.
- **Our 3(21) and 3(38) Fiduciary solutions provide plan sponsors with a proven process to prudently select and monitor plan investments and vastly reduce the liability associated with managing a retirement plan.**

We are confident that Investmark has created one of the most innovative, comprehensive, and cost-efficient fiduciary mitigation solutions available in the marketplace today.

We look forward to helping you successfully manage your retirement plan's investment and compliance responsibilities.

FIDUCIARY SERVICES OVERVIEW



Those who are responsible for administering and investing their company retirement plans are fiduciaries, and they bear significant legal responsibilities under ERISA (the Employee Retirement Income Security Act). Fortunately, fiduciaries are allowed to work with outside experts to help meet these obligations and mitigate their fiduciary liability.

There are two ways that Investmark can help you: 3(21) Services and 3(38) services, which refer to the ERISA provisions that define them.

Under our **3(21) Services Agreement**, Investmark acts in a “Co-Fiduciary” role with the plan sponsor. In this role, Investmark monitors the investments on a quarterly basis according to each plan’s Investment Policy Statement (IPS). The IPS establishes a clear, written process and evaluation system for handling the plan’s investments. At times, Investmark may recommend changes to the fund menu that are in the best interests of the plan; to implement these changes in a 3(21) agreement, the Plan Sponsor must sign off to permit these changes. In our 3(21) capacity, Investmark also monitors any service providers to the plan. If the plan ever faces litigation regarding the investment offerings, Investmark will stand as a co-fiduciary with the Plan Sponsor in a court of law.

The **3(38) Services Agreement** is an extension of the 3(21) Agreement that provides the plan sponsor with additional protection by outsourcing the discretion for any changes to the investment menu. In turn, the outsourced 3(38) Investment Manager takes on the full liability for any decisions regarding the plan’s investments. This arrangement is a better fit for plan sponsors who are looking to take a more hands-off approach and who are comfortable with giving up some control in order to lower their potential liability regarding the management of the plan’s investments.

Ultimately, it is up to the plan sponsor (or those individuals employed by the plan sponsor) to decide how much of the considerable fiduciary responsibility and legal liability they want to assume in connection with the operation of the retirement plan.

INVESTMENT ADVISERS ACT OF 1940 FIDUCIARY DEFINED

You may have heard the word “fiduciary” mentioned a lot in the media recently. A “fiduciary” manages money for the benefit of another - a “beneficiary.” **A fiduciary is bound by law to place the interests of its beneficiary first – before the fiduciary’s own interests.**

The Investment Advisers Act is the federal law that defines the higher standards that apply to Registered Investment Advisors like Investmark. The legal standards that govern a non-fiduciary Registered Representative (stockbroker) and a fiduciary who is a Registered Investment Advisor are very different.

A non-fiduciary stockbroker follows only the “suitability” standard, which does not require the stockbroker to place the interests of its clients ahead of its own. They are only required to provide “suitable advice” to their clients.

However, Investmark, as a *Registered Investment Advisor*, must follow the **“trust” standard – the highest known in law – which requires the advisor to place their clients’ interests ahead of its own and to fulfill critical fiduciary duties of trust and confidence.**

This distinction could have a major impact on your investment portfolio and your retirement lifestyle.

Ask your current investment professional if they are acting in a fiduciary capacity as defined in ERISA (like Investmark).

For prudent plan sponsors and employers, the only acceptable answer to that question is YES!



FIDUCIARY DELIVERABLES

– Working with Investmark will ensure that you have all these fiduciary requirements covered:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Fiduciary Services Brochure | <input checked="" type="checkbox"/> Recommended Fund Menu |
| <input checked="" type="checkbox"/> Retirement Plan Consulting Agreement | <input checked="" type="checkbox"/> Recommended Fund Options Commentary |
| <input checked="" type="checkbox"/> Written Acknowledgement of Agreed Services | <input checked="" type="checkbox"/> Fund Mapping Chart (if applicable) |
| <input checked="" type="checkbox"/> Professional Investment Committee Oversight* | <input checked="" type="checkbox"/> Asset Allocation Models |
| <input checked="" type="checkbox"/> Quarterly Investment Committee Update* | <input checked="" type="checkbox"/> Quarterly Investment Portfolio Review and Report |
| <input checked="" type="checkbox"/> Investment Policy Statement | <input checked="" type="checkbox"/> Periodic Plan Reviews and Benchmarking |
| <input checked="" type="checkbox"/> Guide to Fund Evaluation, Monitoring, & Methodology | <input checked="" type="checkbox"/> Industry Regulatory Updates |

*3(21) only

INVESTMARK BENEFITS

An Objective Viewpoint

- Investment advice and selection free from proprietary pressures
- A compensation structure that ensures our interests are aligned with yours
- Impartial vendor recommendations and fee benchmarking and analysis

Wide-Ranging Investment Expertise

- Investment Policy Statement development
- Investment selection and monitoring
- Qualified Default Investment Alternative (QDIA) review

Fiduciary Management and Oversight

- Contractual sharing or outsourcing of the fiduciary role with regard to plan investments
- Establishment of investment committee process and protocols – 3(21) only
- Maintenance of audit file and other documentation
- Quarterly Reporting
- Periodic Plan Reviews and Benchmarking

The Information Your Participants Need

- Asset allocation models
- Customized participant communications
- General information related to investment concepts



PROVIDING APPROPRIATE FUND OPTIONS

The mutual funds and investments we recommend are designed to meet the requirements of ERISA Section 404(c) for participant directed plans.



Many 401(k) providers tout the wide range of options available on their platform. However, the reality is that participants are often overwhelmed when there are too many choices. Faced with mountains of data about dozens or even hundreds of funds, participants often develop “analysis paralysis” and do nothing, or end up making hasty, impulsive decisions about one of the most important things in their lives, their retirement assets.

Our program allows participants to easily create investment portfolios by allocating their accounts

among a group of prudently selected and monitored investment alternatives that provide access to a broad range of asset classes and investment styles.

Our program provides you and your plan participants with:

- **A fund menu based on employee demographics.**
- **A recommended fund menu consisting of the lowest cost available institutional share classes**
- **Transparent fees**
- **Investment options that have been carefully and objectively analyzed (Designated Funds)**
- **Ongoing monitoring of investment options**
- **An opportunity to achieve proper asset allocation among asset classes and diversification within them according to each participant's goals and objectives**
- **A questionnaire that measures each participant's individual risk tolerance and investment time horizon**
- **Model portfolios based on the results of the questionnaire**
- **Asset allocation funds that enable a participant to invest in a single diversified account (i.e., Balanced Funds and/or Target Date Funds)**
- **A Qualified Default Investment Alternatives (QDIA) for participants who don't want to make their own selections.**

REPORTING AND COMMUNICATION

Investmark Provides State of the Art Reporting, Research, and Employee Communications:

- Quarterly Investment Portfolio Review Package*** -monitors fund performance, ensures that plan investments meet the IPS guidelines.
- Periodic Plan Reviews*** - Plan Assets Reporting, Fund Assets Reporting, Plan Benchmarking Review and review meetings as desired
- Employee Communications*** - Customized employee education and enrollment materials, group and individual enrollment meetings, options for individualized investment advice
- Reporting and Oversight from Investmark's Retirement Plan Investment Committee****
Our Investment Committee is comprised of experienced AIF®'s (Accredited Investment Fiduciaries®) and is responsible for developing and maintaining the Recommended Fund Menus. A summary of each Investment Committee meetings is distributed to all retirement plan investment clients.



*(3(21) Services only)

QUESTIONS?



Contact us now at **(203) 953-3777** for more information.
We look forward to discussing how Investmark's Fiduciary Services for Retirement Plans can help your company's retirement plan thrive, meet its legal requirements and reduce your liability.



INVESTMARK

Investmark Advisory Group

Shelton ♦ Stamford ♦ Glastonbury

The Direction of Wealth

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