

**SETTING THE STANDARD** *for Fiduciary Excellence*



**CENTER**  
*for* FIDUCIARY STUDIES™

# ELEVATING THE FIDUCIARY STANDARD

THE FIDUCIARY STANDARD REQUIRES THAT THOSE WHO PROVIDE INVESTMENT ADVICE OR MANAGE ASSETS FOR INDIVIDUALS, FAMILIES, RETIREMENT PLANS, TRUSTS, ENDOWMENTS, AND FOUNDATIONS ACT SOLELY IN THE INTERESTS OF THE BENEFICIARIES OF THEIR SERVICES.

Above all else, the fiduciary standard is intended to ensure that people who are charged with a role in managing other peoples' money follow prudent investment practices and are—therefore—worthy of the trust placed in them.

While fiduciary requirements are clearly defined in both state and federal law, the actual processes that should be used to comply with those requirements are not. That's why, since 1999, thousands of investment professionals have turned to the Center for Fiduciary Studies™, the standards-setting body of fi360, as their source for subject matter expertise and insights on how the fiduciary standard is best applied across the investment industry.

## THE PRUDENT PRACTICES SERIES

At the heart of the Center's knowledge base is a set of processes created to define and promote a global standard of fiduciary excellence. The *Prudent Practices for Investment Fiduciaries* leverage the Center's extensive knowledge of state and federal fiduciary law and best-in-class investment management processes to provide guidance on:

- Asset allocation and asset class selection
- Risk-return analysis
- Investment policy statement development
- Investment manager due diligence
- Service provider due diligence
- Expense management
- Performance reporting
- Compliance with applicable state and federal fiduciary and securities regulations
- Processes for identifying and avoiding conflicts of interest

The Center makes the *Practices* available through the *Prudent Practices for Investment Fiduciaries* handbook series for investment advisors, investment managers, and investment stewards. Fi360 offers formal fiduciary training and investment management tools to promote the widespread adoption of the *Practices* among investment professionals and decisions makers.

## TRUST BEGINS WITH UNDERSTANDING

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## FIDUCIARY DESIGNATIONS

To encourage the widespread adoption and use of the fiduciary standard, the Center confers two highly respected industry designations: Accredited Investment Fiduciary® (AIF®) and Accredited Investment Fiduciary Analyst® (AIFA®). To receive the designations, qualified investment professionals undergo a rigorous fiduciary education and training program administered by fi360 (*see callout box: fi360: Empowering Fiduciary Excellence*). Candidates also must pass an examination that gauges their full understanding of the *Practices* and how to apply them with individual and institutional clients. Each designation offers distinct practical applications:

- **AIF:** The designation for investment advisors and other professionals who wish to better understand fiduciary responsibility and incorporate the *Practices* into their own client service models, or to help investment stewards evaluate and improve their own fiduciary processes.
- **AIFA:** The designation for investment advisors and other professionals looking for specialized training and analytical tools for conducting formal or informal ISO-level assessments of the fiduciary readiness of fiduciary organizations and the financial services firms who support them. AIFA Designees can use those assessments to prepare an organization for the industry's most coveted seal of fiduciary approval: CEFEX Certification. (*See CEFEX Certification: The Fiduciary 'Seal of Approval.'*)

### fi360: Empowering Fiduciary Excellence

Fi360 is the leading fiduciary training and resources organization in the U.S. The instructors, writers, technologists, and other professionals who comprise fi360 share a common commitment to spread the knowledge and application of the *Prudent Practices for Investment Fiduciaries* among brokers, investment advisors, financial planners and other investment professionals in the U.S. and abroad. Fi360's curriculum designers develop the [AIF/AIFA] and other fiduciary training programs, which are delivered to thousands of investment advisors, managers, and stewards every year. Fi360 also develops sophisticated fiduciary management software for investment professionals, making it possible to easily and effectively manage and document a prudent investment process. In addition to fiduciary training and process management software, fi360 offers a host of fiduciary resources including a blog, webinars, annual conference, and public advocacy for laws that promote greater transparency and accountability in the investment industry.

**AIF**™ | Accredited Investment  
Fiduciary™

**AIFA**™ | Accredited Investment  
Fiduciary Analyst™

## FIDUCIARY RESOURCES

To help Designees better serve their clients in conformance with the *Practices*, fi360 places a variety of educational and practice management tools at their fingertips:

- **Self-Assessment of Fiduciary Excellence (SAFE):** A questionnaire for Designees to evaluate the fiduciary processes of their investment steward clients. Many Designees also use the SAFE as a means of analyzing and improving their own fiduciary processes.
- **Consultant's Review of Fiduciary Practices (CRFP):** A working document that allows Designees to review the fiduciary processes of investment companies, retirement plan providers, banks and trust companies and assist with correcting any deficiencies.
- **CEFEX Assessment of Fiduciary Excellence (CAFE):** A working document for AIFA Designees to conduct formal assessments of the fiduciary strengths and weaknesses of investment companies, retirement plan providers, banks and trust companies to improve their fiduciary policies and procedures or to prepare them for CEFEX certification.
- **fi360 Toolkit for Advisors:** A sophisticated suite of online portfolio management tools that help advisors develop and optimize asset allocation and portfolio construction strategies and conduct extensive research on thousands of mutual and exchange-traded funds and separate account strategies.
- **Standardized documents:** Templates for creating personalized investment policy statements, client reports, contracts, and other essential documents.
- **Continuing education:** Industry updates using analysis delivered by fi360's team of fiduciary experts, as well as other industry thought leaders.

## TO LEARN MORE

For more information about the Center for Fiduciary Studies, fi360, and the resources available to help investment professionals understand and apply a fiduciary standard of excellence, visit [www.fi360.com](http://www.fi360.com).

## CEFEX CERTIFICATION: THE FIDUCIARY 'SEAL OF APPROVAL'

CEFEX is an independent global assessment and certification organization that is dedicated to helping investment stewards and investment companies apply the highest standards of fiduciary excellence in their investment management, governance and operational processes. Many retirement plans, endowments, foundations, benefit plan administrators, trust companies, and investment advisors and managers engage AIFA Designees to help them earn CEFEX Certification, a formal, independent recognition demonstrating trustworthiness to plan participants, donors and the general public.

To learn more about CEFEX, visit [www.cefex.org](http://www.cefex.org).



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