

U.S. EDITION

Fi360

SELF-ASSESSMENT OF
FIDUCIARY EXCELLENCE FOR

INVESTMENT STEWARDS

DEFINING A GLOBAL FIDUCIARY STANDARD OF EXCELLENCE

FOR PERSONS WHO HAVE THE LEGAL RESPONSIBILITY
FOR MANAGING INVESTMENT DECISIONS, SUCH AS TRUSTEES
AND INVESTMENT COMMITTEE MEMBERS.

LEVEL 1 ASSESSMENT

Introduction

Investment fiduciaries should have a process in place to periodically review the organization's effectiveness in meeting its fiduciary responsibilities. This Self-Assessment of Fiduciary Excellence (SAFE) can assist investment stewards with analyzing their own organization.

Each question corresponds to a Practice from the *Prudent Practices for Investment Stewards* handbook. Answering "yes" does not guarantee that the organization has fully mitigated liability. In the case of a lawsuit, regulatory investigation, or other legal review, fiduciaries would be expected to show evidence that it is complying with requirements. If the steward is uncertain about its conformance to requirements, they should work with an advisor, attorney, or other qualified service provider to determine next steps.

The steward can use this SAFE, either independently, or with the assistance of a qualified service provider, to quickly assess their understanding of, and compliance to, a fiduciary standard of care. Formal fiduciary assessments based on the Practices and Criteria found in the *Prudent Practices for Investment Advisors* handbook are also available from Fi360 and AIFA® Designees.

Fiduciary assessments also are available for investment advisors, investment managers, investment support services, record keepers and third party administrators, and for arrangement audits as required by the 2006 Pension Protection Act.

For more information on the Prudent Practices, fiduciary training & certifications, or other support tools and services, please visit www.fi360.com.

Instructions and Questions

The number of each question corresponds with the matching Practice in the *Prudent Practices for Investment Stewards* handbook. Responding “yes” to a question indicates that the fiduciary duty is being met. Answering “no” or “I don’t know” to any question indicates that a potential breach, omission, or shortfall is occurring within the investment decision-making process and should trigger an inquiry into the circumstances to determine if any action is required.

- 1.1 Does the investment steward demonstrate an awareness of fiduciary duties and responsibilities?
- 1.2 Are investments and investment services under the oversight of the investment steward consistent with governing documents?
- 1.3 Are the roles and responsibilities of all involved parties, whether fiduciaries or non-fiduciaries, defined and documented?
- 1.4 Does the investment steward identify material conflicts of interest and avoid or manage conflicts in a manner consistent with the duty of loyalty?
- 1.5 Does the investment steward require agreements with service providers to be in writing and consistent with fiduciary obligations?
- 1.6 Are sensitive personal identifying information and portfolio assets prudently protected from theft and embezzlement?
- 2.1 Has an investment time horizon been identified for each investment portfolio?
- 2.2 Has an appropriate risk level been identified for the portfolio?
- 2.3 Is the distribution of projected portfolio returns evaluated in the context of risk and return objectives?
- 2.4 Are selected asset classes consistent with the portfolio’s time horizon and risk and return objectives?
- 2.5 Are selected asset classes consistent with implementation and monitoring constraints?
- 2.6 Does the investment policy statement contain sufficient detail to define, implement, and monitor the portfolio’s investment strategy?
- 2.7 Does investment due diligence using environmental, social, and governance (ESG) factors conform to governing documents and the fiduciary obligations of investment decision-makers?
- 3.1 Is a prudent due diligence process followed to select each service provider?
- 3.2 Are statutory or regulatory investment safe harbors that are elected implemented in compliance with the applicable provisions?
- 3.3 Are decisions regarding investment strategies and types of investments made in accordance with fiduciary obligations and are documented?
- 4.1 Do periodic reviews compare investment performance against appropriate market and peer group benchmarks and overall portfolio objectives?
- 4.2 Are periodic reviews made of qualitative and/or organizational changes of investment managers and other service providers?
- 4.3 Are procedures in place to periodically review policies for trading practices and proxy voting?
- 4.4 Are periodic reviews conducted to ensure that investment-related fees, compensation, and expenses are fair and reasonable for the services provided?
- 4.5 Is there a process to periodically review the steward’s effectiveness in meeting its fiduciary responsibilities?

Periodic Table of Global Fiduciary Practices

PRACTICE 1.1

The investment steward demonstrates an awareness of fiduciary duties and responsibilities.

PRACTICE 2.1

An investment time horizon has been identified for each investment portfolio.

PRACTICE 2.2

An appropriate risk level has been identified for the portfolio.

PRACTICE 1.2

Investments and investment services under the oversight of the investment steward are consistent with governing documents.

PRACTICE 1.3

The roles and responsibilities of all involved parties, whether fiduciaries or non-fiduciaries, are defined and documented.

PRACTICE 2.3

The distribution of projected portfolio returns is evaluated in the context of risk and return objectives.

PRACTICE 2.4

Selected asset classes are consistent with the portfolio's time horizon and risk and return objectives.

PRACTICE 1.4

The investment steward identifies material conflicts of interest and avoids or manages conflicts in a manner consistent with the duty of loyalty.

PRACTICE 1.5

The investment steward requires agreements with service providers to be in writing and consistent with fiduciary obligations.

PRACTICE 2.5

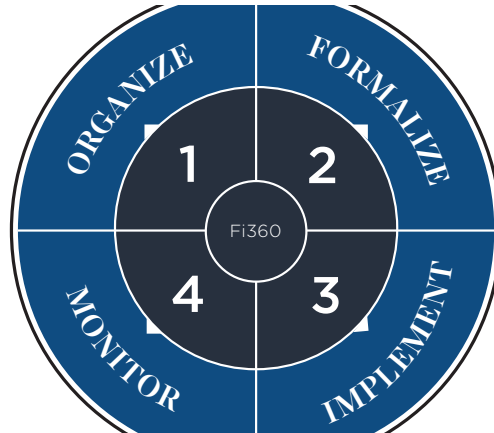
Selected asset classes are consistent with implementation and monitoring constraints.

PRACTICE 2.6

The investment policy statement contains sufficient detail to define, implement, and monitor the portfolio's investment strategy.

PRACTICE 1.6

Sensitive personal identifying information and portfolio assets are prudently protected from theft and embezzlement.



PRACTICE 2.7

Investment due diligence using environmental, social, and governance (ESG) factors conforms to governing documents and the fiduciary obligations of investment decision-makers.

PRACTICE 4.1

Periodic reviews compare investment performance against appropriate market and peer group benchmarks and overall portfolio objectives.

PRACTICE 3.1

A prudent due diligence process is followed to select each service provider.

PRACTICE 4.2

Periodic reviews are made of qualitative and/or organizational changes of investment managers and other service providers.

PRACTICE 4.3

Procedures are in place to periodically review policies for trading practices and proxy voting.

PRACTICE 3.3

Decisions regarding investment strategies and types of investments are made in accordance with fiduciary obligations and are documented.

PRACTICE 3.2

Statutory or regulatory investment safe harbors that are elected are implemented in compliance with the applicable provisions.

PRACTICE 4.4

Periodic reviews are conducted to ensure that investment-related fees, compensation, and expenses are fair and reasonable for the services provided.

PRACTICE 4.5

There is a process to periodically review the steward's effectiveness in meeting its fiduciary responsibilities.



Stewards

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