

Self-Assessment of Fiduciary Excellence for Sample Client

PLAN

YEAR

2016



March 18, 2017

**Self-Assessment of Fiduciary Excellence for
Sample Company
2016 Plan Year**

1. Are investments managed in accordance with applicable laws, trust documents, and written investment policy statements? (Practice S-1.1)
CORRECT. Reference: Exhibit 1 Investment Policy Statement
Exhibit 2 Open Plan Services Agreements
Exhibit 3 Alerus Independent Service Audit
2. Are the roles and responsibilities of all involved parties (fiduciaries and non-fiduciaries) defined, documented, and acknowledged? (Practice S-1.2)
CORRECT. Reference: Exhibit 2 Open Plan Service Agreement
Exhibit 3 Alerus Independent Service Audit
Exhibit 4 Alerus Services Agreements
Exhibit 5 Alerus Custodial Agreements
Exhibit 6 Alerus Recordkeeping Agreements
3. There is no indication that fiduciaries and parties in interest are involved in self-dealing? (Practice S-1.3)
CORRECT. Reference: Exhibit 1 Investment Policy Statement
Exhibit 3 Alerus Independent Service Audit
Exhibit 4 Alerus Services Agreements
4. Are service agreements and contracts in writing? Are they written without provisions that conflict with fiduciary standards of care? (Practice S-1.4)
CORRECT. Reference: Exhibit 2 Open Plan Service Agreement
Exhibit 4 Alerus Services Agreements
Exhibit 5 Alerus Custodial Agreements
Exhibit 6 Alerus Recordkeeping Agreements
5. Are assets within the jurisdiction of appropriate courts? Are they protected from theft and embezzlement? (Practice S-1.5)
CORRECT. Reference: Exhibit 5 Alerus Custodial Agreements
Exhibit 3 Alerus Independent Service Audit
6. Has an investment time horizon been identified? (Practice S-2.1)
CORRECT. Reference: Exhibit 1 Investment Policy Statement
FIDUCIARY REPORTS
Due Diligence Reports
Monitoring Reports
Model Portfolios
7. Has a risk level been identified? (Practice S-2.2)
CORRECT. Reference: Exhibit 1 Investment Policy Statement
FIDUCIARY REPORTS
Monitoring Reports
Due Diligence Reports
Model Portfolios

8. Has an expected, modeled return to meet investment objectives been identified? (Practice S-2.3)

CORRECT. Reference: Exhibit 1 Investment Policy Statement
FIDUCIARY REPORTS
Monitoring Reports
Model Portfolios

9. Are selected asset classes consistent with the identified risk, return, and time horizon? (Practice S-2.4)

CORRECT. Reference: Exhibit 1 Investment Policy Statement
FIDUCIARY REPORTS
Monitoring Reports

10. Are selected asset classes consistent with implementation and monitoring constraints? (Practice S-2.5)

CORRECT. Reference: Exhibit 1 Investment Policy Statement
FIDUCIARY REPORTS
Due Diligence Reports
Monitoring Reports

11. Is there an Investment Policy Statement (IPS) which contains the detail to define, implement, and manage a specific investment strategy? (Practice S-2.6)

CORRECT. Reference: Exhibit 1 Investment Policy Statement

12. Does the IPS define appropriately structured, socially responsible investment (SRI) strategies (where applicable)? (Practice S-2.7)

NOT APPLICABLE.

13. Is the investment strategy implemented in compliance with the required level of prudence? (Practice S-3.1)

CORRECT. Reference: Exhibit 1 Investment Policy Statement
FIDUCIARY REPORTS
Due Diligence Reports
Monitoring Reports
Fee Benchmark Report

14. Are applicable "Safe Harbor" provision followed (when elected)? (Practice S-3.2)

CORRECT. Reference: Exhibit 1 Investment Policy Statement

15. Are investment vehicles appropriate for the portfolio size? (Practice S-3.3)

CORRECT. Reference: Exhibit 1 Investment Policy Statement
FIDUCIARY REPORTS
Monitoring Reports

16. Is a due diligence process followed in selecting service providers, including the custodian? (Practice S-3.4)

CORRECT. Reference: Exhibit 2 Open Plan Service Agreement
Is a due diligence process followed in selecting service providers, including the custodian? (Practice S-3.4)

CORRECT. Reference: Exhibit 2 Open Plan Service Agreement
Exhibit 5 Alerus Custodial Agreements
Exhibit 4 Alerus Services Agreements
FIDUCIARY REPORTS
Fee Benchmark Report

17. Are there periodic reports comparing investment performance against an appropriate index, peer group, and IPS objectives? (Practice S-4.1)

CORRECT. Reference: FIDUCIARY REPORTS
Monitoring Reports

18. Are periodic reviews made of qualitative and/or organizational changes of investment decision-makers? (Practice S-4.2)

CORRECT. Reference: FIDUCIARY REPORTS
Monitoring Reports

19. Are control procedures in place to periodically review policies for best execution, "soft dollars," and proxy voting? (Practice S-4.3)

NOT APPLICABLE.

20. Are fees for investment management consistent with agreements and with all applicable laws? (Practice S-4.4)

CORRECT. Reference: Exhibit 3 Alerus Independent Service Audit
Exhibit 4 Alerus Services Agreements
FIDUCIARY REPORTS
Monitoring Reports
Fee Benchmark Report

21. Are "finder's fees" or other forms of compensation that may have been paid for asset placement appropriately applied, utilized, and documented? (Practice S-4.5)

NOT APPLICABLE.

22. Is there a process to periodically review the organization's effectiveness in meeting its fiduciary responsibilities? (Practice S-4.6)

CORRECT. Reference: Exhibit 1 Investment Policy Statement
Prudent Practices for Investment Stewards
SAFE Assessment for Investment Stewards

PERIODIC TABLE of GLOBAL FIDUCIARY PRACTICES

for INVESTMENT STEWARDS

SponsorGuard™

<p>PRACTICE 1.1</p> <p>The Investment Steward demonstrates an awareness of fiduciary duties and responsibilities.</p>	<p>PRACTICE 2.1</p> <p>An investment time horizon has been identified for each investment portfolio.</p>	<p>PRACTICE 2.2</p> <p>An appropriate risk level has been identified for the portfolio.</p>
<p>PRACTICE 1.2</p> <p>Investments and investment services under the oversight of the Investment Steward are consistent with applicable governing documents.</p>	<p>PRACTICE 1.3</p> <p>The roles and responsibilities of all involved parties (fiduciaries and non-fiduciaries) are defined and documented.</p>	<p>PRACTICE 2.3</p> <p>An expected return to meet each investment objective for the portfolio has been identified.</p>
<p>PRACTICE 1.4</p> <p>The Investment Steward identifies conflicts of interest and addresses conflicts in a manner consistent with the duty of loyalty.</p>	<p>PRACTICE 1.5</p> <p>The Investment Steward requires agreements with service providers to be in writing and consistent with fiduciary standards of care.</p>	<p>PRACTICE 2.5</p> <p>Selected asset classes are consistent with implementation and monitoring constraints.</p>
<p>PRACTICE 1.6</p> <p>Portfolio assets are protected from theft and embezzlement.</p>		
<p>PRACTICE 4.1</p> <p>Periodic reports are used to compare investment performance against appropriate index, peer group, and investment policy statement objectives.</p>	<p>PRACTICE 2.7</p> <p>When socially responsible investment strategies are elected, the strategies are structured appropriately.</p>	<p>PRACTICE 3.1</p> <p>A reasonable due diligence process is followed to select each service provider in a manner consistent with obligations of care.</p>
<p>PRACTICE 4.2</p> <p>Periodic reviews are made of qualitative and/or organizational changes of Investment Advisors, Investment Managers, and other service providers.</p>	<p>PRACTICE 4.3</p> <p>Control procedures are in place to periodically review policies for trading practices and proxy voting.</p>	<p>PRACTICE 3.2</p> <p>When statutory or regulatory investment safe harbors are elected, each investment strategy is implemented in compliance with the applicable provisions.</p>
<p>PRACTICE 4.4</p> <p>Periodic reviews are conducted to ensure that investment-related fees, compensation, and expenses are fair and reasonable for the services provided.</p>	<p>PRACTICE 4.5</p> <p>There is a process to periodically review the Steward's effectiveness in meeting its fiduciary responsibilities.</p>	<p>PRACTICE 3.3</p> <p>Decisions regarding investment strategies and types of investments are documented and made in accordance with fiduciary obligations of care.</p>