

The Impact of Outsourcing ERISA 3(21) and 3(38) Fiduciary Investment Functions for Defined Contribution Plans

Today, plan sponsors are confronted with a myriad of decisions to be made that will impact fiduciary **liability**, **plan investment offerings**, and ultimately, **participant outcomes**. As a plan sponsor, it is important that you not only understand your fiduciary responsibilities, but that you make informed decisions on which functions can or cannot be delegated to an advisor. For example, some plan sponsors feel comfortable maintaining discretion and control for their plan's investment offerings. Others want to shift fiduciary responsibilities to another party due to constraints on staffing and time, a lack of investment expertise, or fear of exposure to liability. **At ThirtyNorth Investments, we have the capacity to serve as an ERISA 3(21) or ERISA 3(38) plan fiduciary.**

Function	ERISA 3(21) Fiduciary	ERISA 3(38) Fiduciary
Select and Monitor the Advisor	Plan Sponsor	Plan Sponsor
Design, Review, and Maintain Investment Policy Statement (IPS)	Plan Sponsor with recommendations from ThirtyNorth	ThirtyNorth
Plan-level Investment Menu Design by: -Qualified Default Investment Alternative -Target-Date Series -Number and Type of Selections	Plan Sponsor with recommendations from ThirtyNorth	ThirtyNorth
Plan-level Investment Selection: -Expense Ratio -Manager Tenure -Morningstar Rating -Past Performance -Risk-adjusted Returns -Fund Flows	Plan Sponsor with recommendations from ThirtyNorth	ThirtyNorth
Plan-level Investment Monitoring: -Proprietary Fund Evaluation Score -Fund to Peer Benchmarking -Information Ratio	Plan Sponsor with recommendations from ThirtyNorth	ThirtyNorth
Proprietary Risk-based Portfolios -Global Allocation -Managed by ThirtyNorth -Rebalanced Quarterly	Plan Sponsor with recommendations from ThirtyNorth	ThirtyNorth
Who is eligible to serve in this capacity?	Someone who exercises authority or control over the management of the plan or its assets, renders investment advice for a fee, or has discretionary responsibility in the administration of the plan	Only a bank, insurance company, or a registered investment advisor under the Investment Advisors Act of 1940

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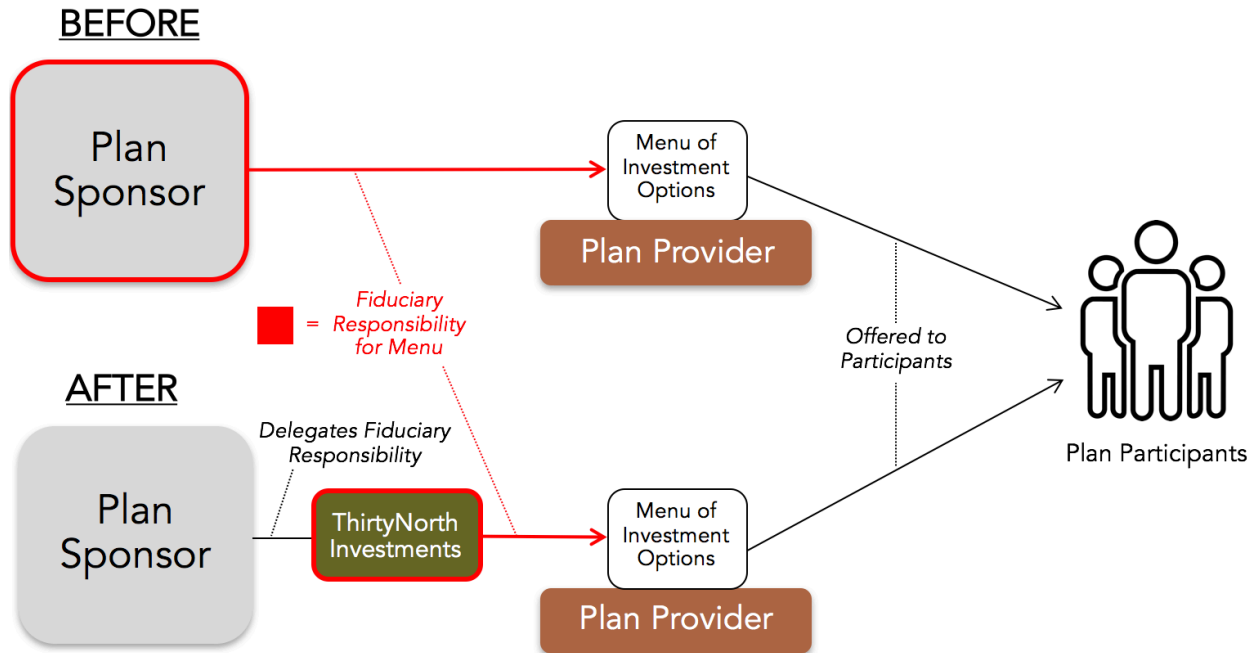
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Disclosure: *ThirtyNorth Investments, LLC, is registered as an investment advisor with the SEC and only transacts business in states where it is properly registered, or is excluded or exempted from registration requirements. SEC registration does not constitute an endorsement of the firm by the Commission nor does it indicate that the advisor has attained a particular level of skill or ability. The firm is not engaged in the practice of law or accounting. All investment strategies have the potential for profit or loss. Asset allocation and diversification do not ensure or guarantee better performance and cannot eliminate the risk of investment losses.*

Our 3(21) or 3(38) Service Offerings

ThirtyNorth can work in a variety of service models, including with plan sponsors that already have bundled plans or existing financial advisors. Plan sponsors delegate to ThirtyNorth the responsibility to select and monitor the investment options offered to participants. In doing so, **ThirtyNorth assumes in writing the fiduciary liability** associated with the investment management of the plan menu. Below are illustrations of these two models, depicting how ThirtyNorth can interact with existing entities in an effort to add value to your retirement plan services.

Service Model: Bundled Plan



Service Model: Financial Advisor

