

# Vista Partners

## 3(21) Fiduciary Advisory Services

**Fiduciary Liability: Why it is Important to Manage Retirement Plan Risk through a Prudent Process.**

Section 402(b) of the Employee Retirement Income Security Act (ERISA) stipulates:

*"Plan Sponsors have a fiduciary obligation to provide a well-articulated procedure for investment selection and ongoing fund monitoring for qualified retirement plans."*

A plan sponsor can enlist the services of a qualified plan advisor team with experience in the process of plan governance to assist in supporting those fiduciary obligations. Vista Partners of Baird will assist plan sponsors to meet their fiduciary responsibilities through four main steps to procedural prudence:

### ***Step 1: Vista Partners encourages formation of an Investment Committee.***

Vista Partners believes it is a best practice for plan sponsors of qualified retirement plans to create a separate investment committee whose responsibility is limited to reviewing the investments offered in the company's plan. Vista Partners can assist the plan sponsor in the development, structure, implementation and ongoing management of the investment committee process.

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***Step 2: Vista Partners assists in the creation of an Investment Policy Statement.***

Once the investment committee has been established, Baird will work with the committee to develop a well-articulated Investment Policy Statement (IPS). The IPS provides the committee with a structured process for the selection, monitoring and replacement of investment options.

***Step 3: Vista Partners researches and recommends investment options.***

We use both a qualitative and quantitative approach when it comes to investment selection. Baird's Asset Manager Research team and Vista Partners together provide the investment committee with comprehensive research and due diligence of investment options. If your plan is eligible and you choose to work with Vista Partners on an ERISA 3(21) basis, Vista Partners supports your fiduciary responsibilities as a fiduciary to the investment research and recommendations we provide.

***Step 4: Vista Partners provides ongoing investment monitoring.***

Our investment scorecard will provide the investment committee with timely and accurate fund monitoring reports customized to the Investment Policy Statement's monitoring standards. Reports are user friendly and provide the committee with a structured process for determining when to remove and replace an investment option. If a fund replacement is necessary, the team will provide the plan sponsor with data and recommendations to help choose appropriate replacement candidates.

### Summary

Organizations that sponsor retirement plans can reduce fiduciary liability and achieve a plan of excellence by developing and maintaining a well-articulated set of risk management standards and best practices as they apply to the investment options offered to plan participants. This should be a documented process that provides efficiency and effectiveness to the plan sponsor and its investment committee.

### Vista Partners additional services include:

- Plan design and consultative support
- Plan benchmarking
- Recordkeeper search and comparison
- Behavioral finance assessment
- Coordination and facilitation of committee meetings
- Group education programs
- Retirement income strategies

Contact Vista Partners of Baird today for a complimentary review of your organization's procedural prudence for managing risk within your qualified retirement plan.