

FiduciaryPlan™

Professional Consulting and Advice For Investors with Fiduciary Responsibility

For a variety of reasons, many fiduciaries are ill-informed and poorly advised regarding their investment responsibilities. We strive to help fiduciaries make better and more prudent investment decisions.

FiduciaryPlan™ is provided by
RightPath Investments™ & Financial Planning, Inc.
Steven R. Smith, JD, CFP®

Investors with fiduciary responsibility share a number of attributes...

- Foremost, they face personal legal liability for failure to properly discharge their functions.
- Third parties are dependent upon them to achieve financial goals.
- Fiduciaries must avoid conflicts of interest.
- They must control costs.
- They are obligated to consider passive asset class investing (indexing) as a default strategy.
- Fiduciaries must be able to demonstrate fidelity to a thoughtful process, through development of an investment policy statement (IPS), to avoid liability.

...and manifest a need for a certain character of advice:

- They would benefit from a fiduciary review.
- Fiduciaries should demand an independent, consultative—rather than sales or product-driven—approach.
- Their portfolios require ongoing due diligence and monitoring.
- They would benefit from an open architecture in avoiding conflicts of interest.

Few advisors acknowledge and accept fiduciary responsibility. RightPath Investments & Financial Planning™ does. Through the disciplined **FiduciaryPlan™** process, RightPath acts together with its clients, as co-fiduciary, in putting the beneficiary's interest first.



FiduciaryPlan™ services are appropriate for a variety of different kinds of fiduciary investors:

Family Trustees, Guardians and Conservators, including those for

- Marital, family and QTIP trusts
- Structured settlement trusts
- Special needs trusts

These fiduciaries need services such as:

- Guidance and comfort in choosing to serve.
- Fiduciary review for existing trusts (corporate or individual trustees).
- Compliance with the Uniform Prudent Investor Act and Uniform Principal and Income Act.
- Proper asset allocation.
- Balancing needs of multiple beneficiaries for both income and growth
- Development and monitoring of an IPS.
- Dealing with court oversight.

Retirement Plan Sponsors will benefit from the following services:

- Excellent service.
- Help with ERISA compliance, including plan design and investment responsibility.
- Unbundled services, including support such as an audit trail.
- Assistance in managing plan expenses (many plans have excessive fees, which reduce long-term returns and make this required task of the fiduciary more challenging).
- Proper asset allocation, including:
 - The right balance to
 - Provide prudent diversification and
 - Narrow choices to a workable number (research demonstrates that too many or unsuitable plan choices doom participants to failure).
 - A selection of managed portfolios or lifestyle funds.
 - Creating appropriate default options.
- Design of participation incentives.
- Set up of automatic enrollment.
- Assistance with Pension Reform Act of 2006 rules.
- Employee education and advice.
- Values-based or socially responsible investing (SRI) options.

Endowment Committees face unique issues:

- Sometimes members are paid, others are volunteers, creating unique needs.
- The role of group dynamics and effective communications must be considered.
- Committees often strive to adopt “best practices”

These fiduciaries will benefit from the following services:

- A fiduciary review, in which the effectiveness of the investment committee is evaluated.
- Promotion of stewardship that showcases the fiduciary process to potential donors.

- Goal definition that integrates the relationship between endowment policy and the IPS.
- Adoption of appropriate spending rule and smoothing rule.
- Proper asset allocation, including:
 - Ascertaining risk tolerance,
 - Defining a time horizon,
 - Generating a modeled return,
 - Appropriate asset classes, and
 - Rebalancing guidelines.
- Assistance in defining the duties of all involved parties.
- Development of mission-driven or SRI options.



Trust Services and Beneficiary Advocacy Services: In addition to the above, RightPath™ provides related services, including:

- Participating and assisting in estate planning engagements with 1) data gathering, 2) establishing strategy for the use of trusts, 3) anticipating and planning for future investment issues and 4) evaluating and determining choice of fiduciaries.
- Providing independent investment management services to corporate trustees.
- Evaluation, monitoring and management of existing trust arrangements on behalf of beneficiaries.
- Planning and running family meetings and family mission statement development.

RightPath™ Investments & Financial Planning, Inc. does not provide legal services and is not engaged in the practice of law.