



**VERITY**  
Asset Management

## Fiduciary Services for Retirement Plans

### The Risk

As a retirement plan fiduciary, you are charged with selecting and monitoring the investment options that are to be made available to the participants under the plan. ERISA defines this standard of care under the “Prudent Expert Rule” and simply states that, in carrying out your fiduciary duties, you must act as an expert would in similar circumstances. Under ERISA, the fiduciary is held to the “Prudent Expert Rule” even if he or she lacks the necessary training or ability. What’s more, you could be held personally liable for participant or plan losses associated with a breach of this rule.

### The Prudent Expert Rule

“ . . . a fiduciary shall discharge his duties. . . with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.”

– ERISA 404(a)(1)(B)

### The Solution

Fortunately there is relief! The Department of Labor says that “A fiduciary (plan sponsor) can hire a service provider or providers to handle fiduciary functions” and thereby pass on some or all of the fiduciary liability associated with selected fiduciary functions. There must be written acknowledgement of fiduciary status by the provider. Let Verity Asset Management fill this role as your investment fiduciary.

### The Options: 3(21) or 3(38)

As an ERISA Section 3(21) Investment Advisor, Verity would act as a co-fiduciary. This means that we would share in the fiduciary liability. We would create a process to assist with selecting and monitoring investment options and, in general, would provide you with the expertise needed to carry out your role as a fiduciary.

As an ERISA Section 3(38) Investment Manager, Verity would assume almost all fiduciary responsibility and liability. Your primary responsibility would be to ensure that we comply with our responsibilities. In this capacity, we would have full discretion to select and make changes to the investment options available in your plan.

***Whether a 3(21) or a 3(38), we would follow a prudent documented process for selecting and monitoring investment options and ensuring compliance with ERISA.***

### Fiduciary Services

- Written Acknowledgement of Our Fiduciary Role
- Investment Policy Statement (Customized for the demographics of your plan)
- Investment Committee Charter
- Fiduciary Training and Oversight
- Investment Option Due Diligence and Selection
- Quarterly Investment Option Monitoring, Replacement and Reporting
- Annual Review
- Fiduciary Document Lockbox

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Meaningful Results.**