

# Beyond Gravity

## A guide for fiduciary meetings



Fiduciary is a learned skill, one that after many years as an advisor you can surely do backward and forward, even blindfolded. But as with many skills, there's a big difference between practicing and teaching. We believe your valuable time is better spent with clients and prospects rather than pulling together materials for a fiduciary training session or creating presentations.

### ***Beyond Gravity: A guide for fiduciary meetings does it for you.***

Beyond Gravity is a ready-to-use kit, designed and written by professionals, for two different audiences. It's a complete introductory training session for new committee members and new clients, distinct and separate from routine meetings where plan sponsors and advisors review investments. And it's a refresher that helps experienced committee members better understand their roles and document their actions.

Beyond Gravity can also be used as a preview for current clients of what to expect over the coming year. In addition, it can be used as a sales tool to show prospects your tools, on-boarding skills and training fluency.

There are tools and checklist for working with people at the meeting and to leave with them for use during the year. Also included is a video with a demonstration of an investment committee meeting.

#### **This Meeting Leaders Guide covers the following:**

- Building the meeting agenda
- Selecting the presentation slides
- Sending the meeting invitation and agenda to the client
- Preparing the support tools
- Delivering the training
- Following up after the meeting, including keeping on top of client fiduciary issues for the client

## Step 1: Build the meeting agenda

The meeting will only be as good as you've planned it to be. Understanding your clients' informational needs is an important part of getting off to the right start. So, if this is a first meeting, you'll have to collect a lot of the data ahead of time. Otherwise, a longer meeting will be needed to collect the information. If it's a refresher meeting, you'll have to explore how your client's needs have changed in the past year.

We recommend that a training session for new committee members or for a new client be its own experience and not combined with a regular meeting.

- On-boarding meeting agenda
- Refresher meeting agenda

## Step 2: Select the slides for the meeting

All the slides will have to be customized with your specific information, but the outline is sufficiently complete so that it should be interesting, easy and maybe even fun. We suggest you go through the whole presentation before you select. It will help you see the forest and not just the trees. It will help you organize your own thinking. And it will refresh your understanding of fiduciary before you teach it.

## Step 3: Create a meeting overview and invitation to accompany the agenda

One of the best ways to make sure any meeting is effective is to send the agenda to the plan sponsors ahead of time. It gives them the opportunity to prepare so it's not just the presenter talking. It allows them to disagree with agenda items and tell you before, not during, the meeting. And it encourages them to add agenda items, allowing them to share ownership of the meeting.

The first agenda is for a one-hour training session for new committee members. The second is for a half-hour refresher session for current committee members.

- Invitation to training session
- Invitation to refresher session

## Step 4: Build the meeting support tools

Five tools shown in this kit are particularly useful for fiduciary training sessions, and we'd like to talk about them specifically.

### The goals worksheet

The goals worksheet puts priorities in writing. It ensures that the committee is focused on the most important tasks and giving the plan what it needs most. For new committee training sessions, you'll probably be filling this out in the meeting. For refresher sessions, you'll bring it to the meeting already customized for your client.

It includes the following:

- Fiduciary roles and responsibilities
- Fiduciary governance
- Investment oversight
- Participant communications
- Fee and service reviews
- Regulatory updates
- New tools and resources

### The fiduciary calendar

The fiduciary calendar plans the year and ensures necessary fiduciary duties aren't skipped. You'll need to customize it for your plan sponsor client and the calendar year and put the calendar items in their correct places.

### The fiduciary checklist

The fiduciary checklist is the complete responsibilities and action items list for fiduciaries to follow through the year. The list keeps the committee current on requirements from meeting to meeting and includes items in the following areas:

- Fiduciary governance
- Investment oversight and management
- Fiduciary bond and insurance requirements
- Provider fees and service reviews
- Regulatory compliance
- Documentation and records management
- Participant communications

### The fiduciary planning process

The award-winning Fiduciary Planning Process guide ensures plan sponsors understand their fiduciary roles and duties. It will walk you through a review of your fiduciary responsibilities with a five-step process.

### Department of Labor investigation preparedness

The award-winning Department of Labor investigation preparedness guide was designed for financial advisors to use with plan sponsors to help them understand what happens in a typical DOL investigation. The guide contains a sample DOL notice letter, a checklist of the documentation a plan sponsor would need to have ready for submission and an example of the type of DOL findings a plan sponsor might expect at the end of the investigation.

### 10 best practices for meetings

1. Distribute the meeting agenda in advance.
2. Expand the agenda to include an educational topic/theme for the quarter.
3. Your views and perspectives on industry trends and developments are most valuable. Incorporate more interpretation of your analysis into your meeting materials and delivery.
4. Share best ideas/trends that you have seen across your client base. What's working? What's not?
5. Ask committee members if they would prefer to have one or two ongoing meetings conducted via a webinar or video conferencing. It's a potential timesaver for everyone.
6. Maintain a log of plan accomplishments throughout the year. This provides valuable content for annual service reviews.
7. Build an online fiduciary documents repository, a place to store and archive the fiduciary process, meeting minutes and important plan documents.
8. Conduct an annual plan review as part of your year-end committee meeting.
9. Use each meeting as a way to create a follow-up interaction with committee members who don't know you as well.
10. Build client feedback into the meeting agenda.

## Step 5: Use a script

The slides themselves, along with the commentary and suggestions we've written for them, are the basis of an excellent script. All you have to add is background preparation where it's suggested and do a once-through practice before the meeting. You'll find copies of these slides in the back of this guide.

## Step 6: Follow up — it's as important as the meeting

During the meeting, document what you hear, including questions. If your off-the-cuff oral answers aren't perfect (and why should they be?) respond in writing as soon as possible, copying everyone in the meeting.

- **The post-training follow-up strategy:** The post-training follow-up strategy worksheet allows you to identify and document any opportunity areas and action items that came to light during the meeting.
- **The thank you note:** Make sure you send each of the meeting attendees a thank you note to accompany the final copy of their fiduciary goals and annual calendar.



## The presentation

### Introduction: Team introductions, the agenda and the fiduciary planning process

- If your plan sponsor audience is meeting you for the first time, make this a warm open. Go beyond the necessities on the screen and make yourself and your team into people they'd want to know. Don't be long-winded; do be warm. If this is a refresher meeting, on the other hand, they know you. Keep it to a short reminder and a preview of what's ahead.
- They will have already received the agenda from you in advance and are probably holding printed copies of it. Touch on each item quickly; don't belabor it. Do ask if there are questions or time constraints before you proceed.
- If they're meeting you for the first time, this is a good opportunity to set the right tone. You really are thankful, but you also want to come across as a leader who's going to bring good things to their plan. If this is a refresher meeting, you need to be able to mention the industry best practices and new ideas that you've brought in the past year, in addition to promising more.
- You will have customized this slide to accurately portray your relationship. Be thorough but brief. Remind them of the team you have back at the office that supports their plan.
- This is everything you're going to do today. For an orientation audience it's probably all new information, so go slowly enough that they won't have to play catch-up. A refresher audience knows it already, so you can move through the material faster.

### Section 1: Fiduciary goals

- New fiduciaries will fill out this tool with you in the meeting. You'll show up with it already completed if this is a refresher meeting.

### Section 2: Understand your role as a fiduciary

- Serious stuff. Read it carefully out loud without commentary. Ask if there are questions.
- More serious stuff. Ask if there are questions.
- This is the short, edited version. Consider having the exact language of the statute with you just in case. Explain that much, if not all, of the meaning has been, and still is, being decided by the courts. Encourage questions.
- This slide can sound scary. Make it clear that fiduciary breaches aren't accidents that happen to good people, and that if they follow the rules they'll never have to worry about breaches.
- Fiduciary bonds and insurance are matters for lawyers and risk managers. You're not prescribing, just laying out the rules and boundaries. Consider doing the math ahead of time so you can relate "10% of plan assets up to \$500,000" directly to the plan you're meeting about.
- A nice summary that shouldn't need commentary. Use it as a transition to the next topic.

### Section 3: Manage your committee meetings, process and bylaws

- Self-explanatory, but it might be nice to point out that this meeting we're having right now is part of the formal fiduciary process.
- Note that customizing the meeting agenda is something we do together.
- Anyone who's ever attended meetings has been bored by the minutes. Point out how this is different. First, there's a tool to keep the minutes in order and following the same structure each time. Second, minutes are an essential part of fiduciary responsibilities, and directly related to the success of the plan.

### Section 4: The annual fiduciary calendar

- Explain how the calendar is an essential tracking tool to help avoid missing key responsibilities.

### Section 5: Investment monitoring and oversight

- It might be useful to compare the Investment Policy Statement (IPS) to the rulebook of a sport or a game: it's the essential document for knowing if you're doing the right thing.
- Point out that if they haven't looked at their own IPS, this is the time and place to do so, and compare it to these elements. They'll be looking at the cover on the screen, but you should probably have your copy with you in case any questions arise.
- Data on current funds and on funds that have been added and replaced in the past. Be prepared to answer questions.
- Here's the place to talk about the abilities of your own firm. Have a really short bit about your process and about the proprietary tools you make available to them. Be prepared to answer questions about how your process and tools are different from those of other firms.
- This is about how you'll help benchmark fees and services to ensure they're monitored and documented.
- Expand on the importance of the fiduciary checklist for doing a good and complete job, not just in meetings, but also throughout the year. Talk about how you'll keep this current and track progress on their behalf.

### Recap

- Create an upbeat close by segueing into two or three questions you've prepared ahead of time for your committee. It turns the tables, removes them from the learner role and gives them a chance to talk.
- Thank them for attending.

**Remembering Eugene F. Maloney**

During Gene Maloney's 47 years with Federated Hermes, his accomplishments were many, but he will be best known for his leadership and advocacy on all matters of fiduciary prudence. Gene supported countless advisors and industry professionals in establishing sound processes for managing assets and client relationships. He also served as an expert witness in judicial and legislative settings to promote policies and concepts related to the fiduciary cause. A consummate legal scholar and educator, Gene also had a clear understanding of the marketplace, the views of clients and the need to create solutions.

Gene's legacy will live on through the impact of his efforts to champion the integrity of the investment management business. We are grateful for his contributions to this publication.



Bradford Campbell, partner at Faegre Drinker Biddle & Reath LLP, advises financial service providers and plan sponsors on ERISA Title I issues, including fiduciary conduct and prohibited transactions. A nationally-recognized figure in employer-sponsored retirement plans, Brad is the former Assistant Secretary of Labor for Employee Benefits and head of the Employee Benefits Security Administration. As ERISA's former "top cop" and primary federal regulator, he provides his clients with insight and knowledge across a broad range of ERISA-plan related issues. He also serves as an expert witness in ERISA litigation. Brad has been listed as one of the 100 Most Influential Persons in Defined Contribution by 401kWire and has been listed as one of the top 15 ERISA attorneys in the country by a poll of the National Association of Plan Advisors. In addition, he testified before four Congressional Committees regarding the effects of the Department of Labor fiduciary regulation.



Ann Schleck has spent her entire career in the retirement industry and has served as a plan sponsor, a service provider and, since the mid-1990's, an industry consultant. Ann provides client-ready content and consulting to service providers, broker dealers and retirement advisors. Ann was previously a partner and national practice leader for the defined contribution practice at Deloitte. She has been ranked 15th by 401kWire.com among the "100 Most Influential People in Defined Contribution" and was named a top-rated consultant by *Global Investor*.

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