

How is IRON different from the competition?

What are some of the qualifications you should look for in an ERISA 3(38) Fiduciary?*	IRON	OTHERS
Do you have an industry level certification as an ERISA Fiduciary?	Yes	?
Importance: ERISA section 3(38) requires “prudent selection” of a fiduciary. IRON Financial is CEFEX certified and this certification demonstrates true independence and a conflict free approach. The more relevant question you should ask is, if not, why?		
How many plans do you manage as an ERISA 3(38) Fiduciary?	Over 4,000	?
Importance: Demonstrates the 3(38) fiduciary has the skill, experience and knowledge and is qualified in the space under the prudent man rule.		
Do you use proprietary funds?	Never	Some Do
Do you use custodial proprietary funds?	IPS Only	Some Do
Importance: IRON never uses proprietary funds. IRON will only use proprietary funds of the custodian if they are selected under the same demanding criteria that all other recommended funds must pass. To allow a certain number of custodial proprietary funds as a general rule compromises the independence of the fiduciary and the value proposition of the end product.		
Do you allow the plan sponsor or advisor to have input in the funds offered in the plan?	Never	Some Do
Importance: This is not only important – it is CRITICAL. Any time you allow others to have a say (discretion) like this, they do so as a fiduciary. In our opinion, this defeats the purpose of engaging a 3(38) Fiduciary and clearly reduces or nullifies the protection of a 3(38) Fiduciary.		
Do you demand all funds meet IRON’s top quartile performance?	Yes	?
Can you take over the plan with the current funds? Can you take over without mapping to the new investments?	No	Some Do
Importance: Both of these points emphasize why IRON is CEFEX Certified. ERISA 3(38) fiduciary investment managers not only mitigate the liability of the plan sponsor, but equally as important, take on a duty of loyalty to plan participants. When a 3(38) fiduciary allows funds to be included that can be as poorly ranked as the 3rd quartile, or for convenience sake make few to no changes to the current plan lineup, the plan sponsor should take notice and question the process employed by that fiduciary. IRON maintains these standards because we strongly believe our demanding process is in the best interest of both the plan sponsor and plan participants.		

*The above differentiators include some, but not all of the factors to consider when selecting an ERISA 3(38) Fiduciary. The Plan Sponsor should consider all relevant factors in selecting an ERISA 3(38) Fiduciary.

Are all 3(38) services priced the same?

No, they are not. Fees may vary as the offerings may be vastly different. Some providers are so called “free” and some are expensive; some offer model portfolios, participant education and plan customization standard and others add on fees for ancillary services like these. This is why fees from provider to provider vary. If fees are a defining factor in choosing a fiduciary, IRON’s belief is that the analysis should be on an “all in basis”. When comparing fiduciaries, the cost is not just what the 3(38) charges, but should include the weighted average costs of the recommended funds. Many times the addition of a 3(38) fiduciary with strong fiduciary processes will result in lower fund costs.

Important Questions to Ask a 3(38) Fiduciary

What do your deliverables look like?

- Are they plan specific or generic?

IRON’s deliverables are plan specific.

- Do you create, monitor and follow an Investment Policy Statement (IPS) for our plan?

Yes. IRON creates a custom IPS for your plan and follows it. This is in contrast to some fiduciaries who provide a template only.

- Do you include participant education and actual fund performance?

Yes. IRON creates an optional quarterly educational participant newsletter with performance.

How much fiduciary liability insurance do you carry?

- Does your contract limit liability? Under what circumstance?

IRON is covered up to \$10 million per claim.

Do I have access to you when needed?

- DOL audits
- Annual investment committee meetings
- Plan advisor inquiries

Yes. IRON had a dedicated client service team that is available to plan sponsors and plan advisors.

To learn more, please contact:

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