# 408 (g) Qualification Questionnaire

March 23, 2017

## Introduction

This Questionnaire is used as the basis for making a preliminary determination of whether a proposed investment advice service (“Service”) will meet the requirements for an ERISA 408(g) Fiduciary Adviser exemption using the level fee option.

The opinion produced is based on the accuracy of the answers provided here.

## General Questions

|  | General Question | Response |
| --- | --- | --- |
| 1.1 | Name of Fiduciary Adviser |  |
| 1.2 | Description of Service |  |
| 1.3 | Relevant affiliates of Fiduciary Adviser |  |
| 1.4 | Describe the platform of securities to be used in connection with the Service and criteria for investment selection. |  |
| 1.5 | Describe method used to determine recommendation from information provided by client. |  |
| 1.6 | Describe assumptions made in determining what recommendations are made. |  |

## Service Questions

|  | Service Question | Response |
| --- | --- | --- |
| 2.1 | What categories of advice will be provided:   1. Advisability of acquiring, holding, disposing of, or exchanging, securities or other investment property. 2. A recommendation as to how securities or other investment property should be invested after the securities or other investment property are rolled over, transferred, or distributed from the plan or IRA. 3. Selection of an adviser to provide investment advice or investment management services. 4. A recommendation of investment management services. 5. Selection of investment account arrangements (*e.g.,* brokerage versus advisory). 6. A recommendation regarding rollovers, transfers, or distributions from a plan or IRA, including the advisability, amount, form, or destination. |  |
| 2.2 | Which of the following investment goals apply to the Service:   1. Capital Preservation utilizes strategies designed to limit losses in the light of market volatility. 2. Capital Appreciation utilizes strategies to increase the value of the portfolio. 3. Income utilizes strategies to produce income over a significant period of time. |  |
| 2.3 | Which of the following conditions are or will be met by the Fiduciary Adviser:   1. Compliance with all applicable securities laws (Federal and State). This compliance is evidenced by making the required disclosures to retirement investors and responsible fiduciaries. 2. The use of 408(g) is limited to non-discretionary business in which an affirmative choice is made by the retirement investor. 408(g) does permit systematic investing and rebalancing without an affirmative choice for each transaction. 3. The Fiduciary Adviser’s compensation must be reasonable. The preferred definition of reasonableness of compensation is the Gartenberg Standard, which has been affirmed by the Supreme Court (2011 Jones v. Harris). Gartenberg requires that five factors are considered in determining if compensation is reasonable (services provided, performance, adviser cost and profit, economies of scale and benefits to the retirement investor). 4. Terms of the arrangement must be as favorable as terms offered to others who have no other relationships with the advisor. |  |
| 2.4 | Are pre-built portfolios used for the Service? |  |
| 2.6 | Are thresholds or minimums required? |  |
| 2.7 | Which of the following are requested from clients of the Service?   1. Information relating to age, time horizons (e.g., life expectancy, retirement age) 2. Risk tolerance 3. Current investments in designated investment options 4. Other assets or sources of income 5. Investment preferences of the participant or beneficiary 6. Other factors that could affect recommendations 7. Additional variables that Fiduciary Adviser chooses to add |  |
| 2.8 | Which of the following are presented in writing with the recommendation:   1. Recommendation 2. Reason(s) for recommendation 3. Investable assets 4. Return goals 5. Tolerable risk 6. Volatility parameters (Monthly) 7. Loss protection (Guaranteed) 8. Income required 9. Time horizon (years) 10. Restrictions and limitations 11. Fee & expense quartile 12. Assumptions used in making recommendation 13. Expiration date of recommendation |  |