

# Fiduciary Investment Protection

from Expand Financial, LLC



As an employer sponsoring a retirement plan, your role comes with the important responsibility of selecting and maintaining the investment menu offered to plan participants. Through JULY, you and your financial consultant gain access to Expand Financial, LLC (EXPAND), an independent registered investment advisory firm working with employers to fulfill fiduciary responsibilities related to selecting and maintaining the plan's investment menu.

## Fiduciary Protection Options

EXPAND presents two approaches based on the level of fiduciary responsibility and authority you wish to delegate.

### EXPAND • Helps You Do It ERISA 3(21) Fiduciary

- Becomes a plan fiduciary
- Provides a screened list of investments appropriate for your plan
- Provides a suggested investment lineup
- Provides a quarterly screening report applying a 16-point scoring criteria to help you monitor all investment options
- Recommends when to replace an investment

### EXPAND • Does It For You ERISA 3(38) Fiduciary

- Becomes a plan fiduciary
- Assumes full discretion for selecting the plan's investment lineup
- Selects, monitors, and replaces (if necessary) investments on the lineup

## Legal Protection<sup>1</sup>

EXPAND will perform its duties consistent with the standards of ERISA, and our service agreement provides the Plan Sponsor contractual investment management fiduciary delegation. For a more consultative fiduciary approach, please contact your JULY Sales Consultant for information on our custom fiduciary services.

<sup>1</sup> The specific legal protection offered by EXPAND is governed by the agreement between EXPAND and the Plan Sponsor. Nothing herein is intended to modify such agreement.

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## How it Works

The chart below describes how the process works in more detail.

At Plan Setup	Each Quarter
<ul style="list-style-type: none"><li>• EXPAND provides you with a pre-screened list of investment options.</li><li>• Provides a suggested investment lineup to help narrow your choices.</li><li>• With EXPAND's 3(21) approach, you build your investment menu by choosing at least one option from five core asset categories as shown on the pre-screened list or by selecting the suggested investment menu.</li><li>• With EXPAND's 3(38) approach, EXPAND will build your investment lineup by assuming full discretion over the investment menu.</li></ul>	<ul style="list-style-type: none"><li>• EXPAND monitors all investments on the pre-screened investment list against a 16-point scoring criteria.</li><li>• Provides a detailed investment report outlining the investment performance in your plan.</li><li>• EXPAND notifies you of investments it recommends to replace due to no longer meeting quality standards.</li><li>• Unless you elect otherwise, EXPAND instructs JULY to replace investments that no longer meet standards.</li><li>• EXPAND automatically updates your plan's investment menu if changes are needed.</li></ul>

## The Pre-Screened List

EXPAND uses a proprietary investment selection process and evaluation process to create an optimal pre-screened investment list.

- **Begins with Over 20,000 Investments** – Screening starts with independent investment universe of over 20,000 investment options.
- **Screening Process Applied** – The list is narrowed to investments that meet important pre-defined 16-point criteria, including historical investment performance, manager track record, investment style consistency, and investment expenses compared to similar investments.
- **200+ Quality Investments** – The pre-screened list includes approximately 200 investments covering five core asset categories and a number of supplemental categories from which to build your plan's investment menu. The list is reviewed and updated annually.

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## The 16-Point EXPAND Screening Criteria

EXPAND utilizes a proprietary 16-point scoring methodology where each investment is scored monthly. The scoring focuses on four major areas favoring investments with good, consistent, long-term, risk-adjusted return. Specific to the needs of investing for retirement, mid-term and longer-term results are more heavily weighted (3, 5 years) than short-term (1 year). Following is a basic outline of the scoring criteria:

- Performance vs category and benchmarks (5 points)
- Risk/return metrics within category (7 points)
- Manager/style consistency and cost (4 points)

Failures in several areas will result in assigning investments to 'watch' or 'replace' status.

## Benefits of the EXPAND Solution

The EXPAND fiduciary solution brings a number of benefits to your plan.

- **Reduces Fiduciary Liability** – EXPAND performs the investment management duties and contractually accepts investment fiduciary duties for the plan.
- **Simplifies the Plan** – Implementing EXPAND's process and leveraging our experience simplifies and streamlines plan maintenance.
- **Improves the Investment Menu** – Improves your investment menu by implementing a proven investment selection and monitoring process.

## About EXPAND

EXPAND is a Registered Investment Advisor (RIA) and headquartered in Mansfield, OH. The firm works within the retirement plan advisory space and offers related services ranging from 3(21)/3(38) investment monitoring and reporting to full plan consulting.

For more information about EXPAND, visit [www.expandfinancial.com](http://www.expandfinancial.com). Learn more about JULY by visiting [www.julyservices.com](http://www.julyservices.com).

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