



SELF-ASSESSMENT *of* FIDUCIARY EXCELLENCE *for*
**INVESTMENT
STEWARDS**

Defining a Global Fiduciary Standard of Excellence

For persons who have the legal responsibility for overseeing someone else's money, including trustees and investment committee members.

LEVEL 1 ASSESSMENT

U.S. EDITION

This Self-Assessment of Fiduciary Excellence (SAFE) is provided to assist Investment Stewards in analyzing how well their portfolio meets the Global Standard of Fiduciary Excellence defined by the Center for Fiduciary Studies.

Each question corresponds to a Practice from the *Prudent Practices for Investment Stewards* handbook. Responding “yes” to a question indicates that the fiduciary requirement or best practice that it is based upon is being fulfilled. Answering “no” or “I don’t know” to any question indicates that a potential breach, omission, or shortfall is occurring within the investment decision-making process and should trigger an inquiry into the circumstances to determine if any action is required.

The SAFE is a Level 1 Assessment that any Steward can use to quickly assess their understanding of, and compliance to, a fiduciary standard of care. A Level 2 Assessment, known as a Consultant’s Review of Fiduciary Practices (CRFP), provides a more detailed analysis of the Investment Steward’s practices. A Level 3 Assessment, known as a CEFEX Assessment of Fiduciary Excellence (CAFE), is an independent verification of an Investment Steward’s conformity to all Practices and Criteria that comprise the Global Standard of Fiduciary Excellence. A successful Level 3 Assessment results in formal recognition, or “Certification,” from CEFEX and implies that a fiduciary can demonstrate adherence to the industry’s best practices, and is positioned to earn the public’s trust.

FIDUCIARY ASSESSMENTS ALSO ARE AVAILABLE FOR INVESTMENT ADVISORS, INVESTMENT MANAGERS, INVESTMENT SUPPORT SERVICES, RECORD KEEPERS AND THIRD PARTY ADMINISTRATORS, AND FOR ARRANGEMENT AUDITS AS REQUIRED BY THE 2006 PENSION PROTECTION ACT.

*For more information on the Global Standard of Fiduciary Excellence, please visit www.fi360.com.
For more information on fiduciary assessments, please visit www.cefex.org.*

THE NUMBER REFERENCED AFTER EACH QUESTION
REPRESENTS THE CORRESPONDING PRACTICE IN THE
PRUDENT PRACTICES *for* **INVESTMENT STEWARDS** HANDBOOK

- ① Does the Investment Steward demonstrate an awareness of fiduciary duties and responsibilities? (1.1)
- ② Are investments and investment services under the oversight of the Investment Steward consistent with applicable governing documents? (1.2)
- ③ Are the roles and responsibilities of all involved parties (fiduciaries and non-fiduciaries) defined and documented? (1.3)
- ④ Does the Investment Steward identify conflicts of interest and address conflicts in a manner consistent with the duty of loyalty? (1.4)
- ⑤ Does the Investment Steward require agreements with service providers to be in writing and consistent with fiduciary standards of care? (1.5)
- ⑥ Are portfolio assets protected from theft and embezzlement? (1.6)
- ⑦ Has an investment time horizon been identified for each investment objective of the portfolio? (2.1)
- ⑧ Has an appropriate risk level been identified for the portfolio? (2.2)
- ⑨ Has an expected return to meet each investment objective for the portfolio been identified? (2.3)
- ⑩ Are selected asset classes consistent with the portfolio's time horizon and risk and return objectives? (2.4)
- ⑪ Are selected asset classes consistent with implementation and monitoring constraints? (2.5)
- ⑫ Does the investment policy statement contain sufficient detail to define, implement, and monitor the portfolio's investment strategy? (2.6)
- ⑬ When socially responsible investment strategies are elected, are the strategies structured appropriately? (2.7)
- ⑭ Is a reasonable due diligence process followed to select each service provider in a manner consistent with obligations of care? (3.1)
- ⑮ When statutory or regulatory investment safe harbors are elected, is each investment strategy implemented in compliance with regulatory requirements, when elected? (3.2)
- ⑯ Are decisions regarding investment strategies and types of investments documented and made in accordance with fiduciary obligations of care? (3.3)
- ⑰ Are periodic reports used to compare investment performance against appropriate index, peer group, and investment policy statement objectives? (4.1)
- ⑱ Are periodic reviews made of qualitative and/or organizational changes of Investment Advisors, Investment Managers, and other service providers? (4.2)
- ⑲ Are control procedures in place to periodically review policies for trading practices and proxy voting? (4.3)
- ⑳ Are periodic reviews conducted to ensure that investment-related fees, compensation, and expenses are fair and reasonable for the services provided? (4.4)
- ㉑ Is there a process to periodically review the Steward's effectiveness in meeting its fiduciary responsibilities? (4.5)

for INVESTMENT STEWARDS

PRACTICE

1.1

The Investment Steward demonstrates an awareness of fiduciary duties and responsibilities.

PRACTICE

1.2

Investments and investment services under the oversight of the Investment Steward are consistent with applicable governing documents.

PRACTICE

1.4

The Investment Steward identifies conflicts of interest and addresses conflicts in a manner consistent with the duty of loyalty.

PRACTICE

1.6

Portfolio assets are protected from theft and embezzlement.

PRACTICE

4.1

Periodic reports are used to compare investment performance against appropriate index, peer group, and investment policy statement objectives.

PRACTICE

4.2

Periodic reviews are made of qualitative and/or organizational changes of Investment Advisors, Investment Managers, and other service providers.

PRACTICE

4.4

Periodic reviews are conducted to ensure that investment-related fees, compensation, and expenses are fair and reasonable for the services provided.

PRACTICE

1.3

The roles and responsibilities of all involved parties (fiduciaries and non-fiduciaries) are defined and documented.

PRACTICE

1.5

The Investment Steward requires agreements with service providers to be in writing and consistent with fiduciary standards of care.

PRACTICE

2.1

An investment time horizon has been identified for each investment portfolio.

PRACTICE

2.3

An expected return to meet each investment objective for the portfolio has been identified.

PRACTICE

2.5

Selected asset classes are consistent with implementation and monitoring constraints.

PRACTICE

2.2

An appropriate risk level has been identified for the portfolio.

PRACTICE

2.4

Selected asset classes are consistent with the portfolio's time horizon and risk and return objectives.

PRACTICE

2.6

The investment policy statement contains sufficient detail to define, implement, and monitor the portfolio's investment strategy.

PRACTICE

2.7

When socially responsible investment strategies are elected, the strategies are structured appropriately.

PRACTICE

3.1

A reasonable due diligence process is followed to select each service provider in a manner consistent with obligations of care.

PRACTICE

3.3

Decisions regarding investment strategies and types of investments are documented and made in accordance with fiduciary obligations of care.

PRACTICE

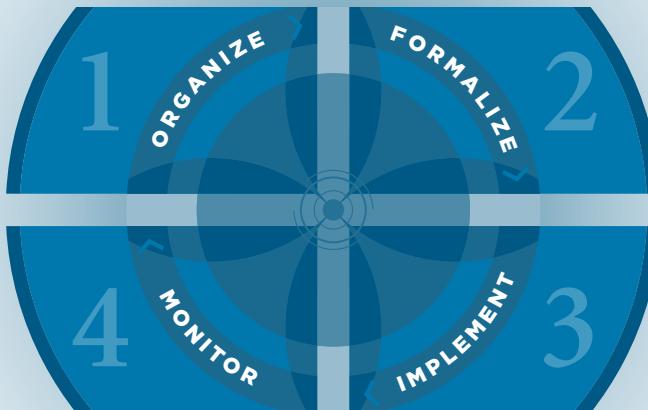
4.3

Control procedures are in place to periodically review policies for trading practices and proxy voting.

PRACTICE

4.5

There is a process to periodically review the Steward's effectiveness in meeting its fiduciary responsibilities.





www.fi360.com

COPYRIGHT © 2013 fi360, Inc.
RRD8M04_13

ISBN 978-0-9890490-3-0
9 0000 >

