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Introducing the Latest Update to Fi360's Prudent Practices

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Agenda

- History & Purpose of the Prudent Practices
- What makes this update different from previous updates
- An Overview of the 2019 Edition of the Practices

A History of the Prudent Practices

2000	Prudent Practices developed and introduced
2003	Prudent Investment Practices handbook published
2006	1st major update Separate handbooks for Stewards, Advisors, and Managers published
2013	2nd major update
2019	3rd major update

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ISO 17024 – Personnel Certification

8.4 The certification body shall have documents to demonstrate that, in the development and review of the certification scheme, the following are included:

- a) the involvement of appropriate experts;
- b) the use of an appropriate structure that fairly represents the interests of all parties significantly concerned, without any interest predominating;
- e) a job or practice analysis that is conducted and updated to:
  - identify the tasks for successful performance

Objectives for narrative review

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- simplifying language and eliminating unnecessary qualifiers
- avoiding requirements that are not sufficiently substantiated in law
- ensuring Practices and Criteria were focused on process and not application
- considering how each Practice is applied to specific segments of investors (individuals, retirement plans, institutions, and foundations and endowments)

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Summary of changes

- Total number of Practices remained the same at 21
- Number of Criteria decreased from 85 to 79
- Three Practices were substantially overhauled
- Six Practices either did not change or were merely tweaked in non-substantive ways
- Twelve Practices fell in the middle

Practice 1.1

2013 Edition	2019 Edition
Practice 1.1 The Investment Advisor demonstrates an awareness of fiduciary duties and responsibilities.	**Practice 1.1 The investment advisor demonstrates an awareness of fiduciary duties and responsibilities.**
1.1.1 The Investment Advisor complies with all ~~fiduciary~~ laws and rules that apply to the ~~Advisor's~~ services. 1.1.2 The Investment Advisor complies with all applicable Practices and Procedures defined in this Prudent Practices handbook. 1.1.3 The Investment Advisor adheres to the professional standards of conduct and code(s) of ethics required by law, regulation, their organization or employer, and all other applicable organizations in which they are a member.	1.1.1 The investment advisor complies with all laws and rules that apply to the services the advisor is providing. 1.1.2 The investment advisor complies with all applicable Practices and Procedures defined in this Prudent Practices handbook. 1.1.3 The investment advisor adheres to all applicable standards of conduct and code(s) of ethics required by law, regulation, employers, and professional organizations.

Practice 1.2

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2013 Edition	2019 Edition
Practice 1.2 Investments and investment services provided are consistent with applicable governing documents.	**Practice 1.2 Investments and investment services provided are consistent with governing documents.**
~~1.2.1 Investments held in trust are managed in accordance with the documents governing the trust.~~ 1.2.2 Investments are managed and investment services are provided in accordance with governing documents, including the investment policy statement. 1.2.3 Documents pertaining to the investment management process, including records of decisions made by the client, are organized and retained in a centralized location.	1.2.1 Investments are managed, and investment services are provided, in accordance with governing documents, including documents establishing the terms of an account or client engagement and the investment policy statement. 1.2.2 Documents pertaining to the investment management process, including records of decisions made by fiduciaries and clients, are secure and readily and reliably accessible by authorized persons.

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Practice 1.3

2013 Edition	2019 Edition
Practice 1.3 The roles and responsibilities of all involved parties (fiduciaries and non-fiduciaries) are defined and documented.	**Practice 1.3 The roles and responsibilities of all involved parties, whether fiduciaries or non-fiduciaries, are defined and documented.**
~~1.3.1 The roles and responsibilities of all involved parties are documented in the investment policy statement.~~ 1.3.2 All involved parties have acknowledged their fiduciary or non-fiduciary status in writing. 1.3.3 Investment committees have a defined set of by-laws or operating procedures to which they adhere. ~~1.3.4 The Investment Advisor has a documented disaster recovery plan that is reviewed and tested periodically.~~	1.3.1 All involved parties have acknowledged their roles and responsibilities and fiduciary or non-fiduciary status in writing. 1.3.2 Each investment committee formed, controlled, or required by the investment advisor has a defined set of by-laws or operating procedures to which the committee adheres.

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Practice 1.4

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2013 Edition	2019 Edition
Practice 1.4 The Investment Advisor identifies conflicts of interest and ~~addresses~~ conflicts in a manner consistent with the duty of loyalty.	**Practice 1.4 The investment advisor identifies material conflicts of interest and avoids or manages conflicts in a manner consistent with the duty of loyalty.**
1.4.1 Policies and procedures for overseeing and managing conflicts of interest, including self-dealing, are defined. 1.4.2 Conflicts of interest are avoided ~~when possible~~ and always when required by law, regulation, and/or governing documents. 1.4.3 ~~Unavoidable~~ conflicts of interest ~~are disclosed in writing to the client~~ and are managed in the best interest of the client or beneficiaries. 1.4.4 When an unavoidable conflict of interest exists, the conflict is explained and informed ~~written~~ consent is obtained from the client.	1.4.1 Policies and procedures for overseeing and managing conflicts of interest, including to avoid self-dealing and making false or misleading statements, are defined and followed. 1.4.2 Conflicts of interest are avoided when prohibited by law and/or governing documents. 1.4.3 Conflicts of interest that are not avoided must be managed in the client's best interest. 1.4.4 Conflicts of interest that are not avoided must be disclosed to the client and informed client consent must be obtained.

Practice 1.5

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2013 Edition	2019 Edition
Practice 1.5 Agreements~~, including service provider agreements~~ under the supervision of the Investment Advisor, are in writing and do not contain provisions that conflict with fiduciary ~~standards of care~~.	**Practice 1.5 Agreements under the supervision of the investment advisor are in writing and do not contain provisions that conflict with fiduciary obligations.**
1.5.1 The Investment Advisor fully discloses in writing all compensation arrangements and affiliations involved in the service agreement ~~between the client and Advisor, as well as the Advisor's services and fiduciary status~~. 1.5.2 If the Investment Advisor is responsible for oversight of other service providers, ~~the service agreements of those providers disclose all~~ compensation, affiliations, and fiduciary status ~~(if fiduciary status is assumed by the service provider).~~ 1.5.3 Agreements are periodically reviewed to ensure consistency with the needs of the client. 1.5.4 Comparative reviews of service agreements for which the Investment Advisor is responsible are conducted and documented approximately every three years.	1.5.1 The investment advisor fully discloses in writing all compensation arrangements and affiliations associated with the service agreement. 1.5.2 If the investment advisor is responsible for oversight of other service providers, the advisor must evaluate all material compensation, affiliations, and the fiduciary status of each service provider. 1.5.3 Agreements are periodically reviewed to ensure consistency with the needs of the client. 1.5.4 Comparative reviews of service agreements for which the investment advisor is responsible are conducted and documented approximately every three years.

Practice 1.6

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2013 Edition	2019 Edition
Practice 1.6 Client assets are protected from theft and embezzlement.	**Practice 1.6 Sensitive personal identifying information and assets of clients are prudently protected from theft, embezzlement, and business disruption risks.**
1.6.1 The Investment Advisor has a reasonable basis to believe assets are within the jurisdiction of a viable judicial system. ~~1.6.2 ERISA fiduciaries have the required fidelity bond, if applicable.~~ ~~1.6.3 If the Investment Advisor's firm custodies client assets, the firm has appropriate insurance, internal controls, and physical security measures to reasonably protect against theft and embezzlement.~~ ~~1.6.4 If within the scope of the Investment Advisor's engagement, the Investment Advisor verifies that service providers that custody client assets have appropriate insurance.~~ ~~1.6.5 Appropriate procedures are in place to secure client or plan data.~~	1.6.1 The investment advisor has a reasonable basis to believe assets are within the jurisdiction of a viable judicial system. 1.6.2 Appropriate procedures are in place to secure and prudently protect the privacy of client or plan data. 1.6.3 Appropriate procedures are in place to assure that sensitive personal identifying information and assets of clients are prudently protected from physical, operational, virtual, and other material risks associated with business disruptions. 1.6.4 The investment advisor has a reasonable basis to believe assets are protected by appropriate insurance, bonding, internal controls, and security measures taken by fiduciaries and other service providers, including the investment advisor's own firm. 1.6.5 The investment advisor has procedures in place to manage situations where the advisor reasonably believes that a client's assets are at risk due to suspicious behavior by service providers, the client, or others with access to or influence over the client's assets. 1.6.6 The investment advisor has documented a succession plan and a business continuity plan that is reviewed and tested periodically.

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Practice 2.1

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2013 Edition	2019 Edition
Practice 2.1 An investment time horizon has been identified for each investment objective of the client.	**Practice 2.1 An investment time horizon has been identified for each investment objective of the client.**
2.1.1 Sources, timing, distribution, and uses of each client's cash flows are documented. 2.1.2 In the case of a defined benefit retirement plan client, an appropriate asset/liability study has been factored into the time horizon. 2.1.3 In the case of a defined contribution retirement plan client, the investment options provide for a reasonable range of participant time horizons. 2.1.4 In the case of a foundation or endowment, a schedule of expected receipts and disbursements of gifts and grants has been factored into the time horizon to the extent possible and an estimated equilibrium spending rate has been established. 2.1.5 In the case of a ~~retail~~ investor, an appropriate needs-based analysis has been factored into the time horizon.	2.1.1 Sources, timing, distribution, and uses of cash flows are documented. 2.1.2 In the case of an individual investor, an appropriate needs-based analysis has been factored into the time horizon. 2.1.3 In the case of a defined benefit retirement plan, an appropriate asset/liability study has been factored into the time horizon. 2.1.4 In the case of a defined contribution retirement plan, the investment options provide for a reasonable range of participant time horizons. 2.1.5 In the case of a foundation or endowment, a schedule of expected receipts and disbursements of gifts and grants has been factored into the time horizon to the extent possible and an estimated equilibrium spending rate has been established.

Practice 2.2

2013 Edition	2019 Edition
Practice 2.2 An appropriate risk level has been identified for ~~each client~~.	**Practice 2.2 An appropriate risk level has been identified for the portfolio.**
2.2.1 The ~~level of~~ volatility the ~~client's~~ portfolio is ~~exposed to~~ is understood by the Investment Advisor and communicated to the client, and the quantitative and qualitative factors that were considered are documented. 2.2.2 "Large loss" scenarios have been identified and considered in establishing ~~each client's risk tolerance level~~. 2.2.3 Expected disbursement obligations and contingency plans have been considered in order to establish liquidity requirements for the portfolio. 2.2.4 In the case of a defined contribution retirement plan ~~client~~, the investment options provide for a reasonable range of participant risk tolerance levels.	2.2.1 The expected volatility of the portfolio is understood by the investment advisor and communicated to the client, and the quantitative and qualitative factors that were considered are documented. 2.2.2 "Large loss" scenarios have been identified and considered in establishing the portfolio's risk level. 2.2.3 Expected disbursement obligations and contingency plans have been considered when establishing liquidity requirements for the portfolio and assessing the capacity to assume portfolio risk. 2.2.4 In the case of a defined contribution retirement plan, the investment options provide for a reasonable range of participant risk tolerance levels.

Practice 2.3

2013 Edition	2019 Edition
Practice 2.3 ~~An expected return to meet each investment objective has been identified.~~	**Practice 2.3 The distribution of projected portfolio returns is evaluated in the context of the client's risk and return objectives.**
2.3.1 The ~~expected~~ return for each portfolio is consistent with the client's risk level and investment goals and objectives. 2.3.2 The ~~expected~~ return assumptions for each asset class are based on reasonable risk-premium assumptions. 2.3.3 For defined benefit plans, the ~~expected~~ return values used for modeling are reasonable and are also used for actuarial calculations. 2.3.4 For defined contribution plans, the ~~expected~~ return ~~assumptions~~ for pre-diversified options, such as target date funds or model portfolios, are based on reasonable risk/premium assumptions. 2.3.5 For endowments and foundations, the ~~expected~~ return values used for modeling are reasonable and are consistent with distribution requirements or the projected equilibrium spending rate.	2.3.1 The projected portfolio return is consistent with the client's tolerance and capacity to assume volatility risk and investment goals and objectives. 2.3.2 Projected return assumptions for each asset class are based on reasonable risk premium assumptions. 2.3.3 For defined benefit plans, the projected return values used for modeling are reasonable and are also used for actuarial calculations. 2.3.4 For defined contribution plans, the projected returns for pre-allocated options, such as target date funds or model portfolios, are based on reasonable risk premium assumptions. 2.3.5 For endowments and foundations, the projected return values used for modeling are reasonable and are consistent with distribution requirements or the projected equilibrium spending rate.

Practice 2.4

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2013 Edition	2019 Edition
Practice 2.4 Selected asset classes are consistent with the client's time horizon and risk and return objectives.	**Practice 2.4 Selected asset classes are consistent with the portfolio's time horizon and risk and return objectives.**
2.4.1 Assets are appropriately ~~diversified~~ to conform to each client's specified time horizon and risk/return profile ~~and to reduce non-systemic risk~~.	2.4.1 Asset classes are appropriately weighted to conform to the portfolio's specified time horizon and risk/return profile.
2.4.2 For participant-directed plans, selected asset classes provide each participant the ability to diversify their portfolio appropriately given their time horizon and risk/return profile.	2.4.2 For participant-directed plans, selected asset classes provide each participant the ability to allocate their portfolio appropriately given their time horizon and risk/return profile.
2.4.3 The methodology and tools used to establish appropriate portfolio diversification ~~for each client~~ ~~0~~are prudent and consistently applied.	2.4.3 The methodology and tools used to establish appropriate portfolio diversification are prudent and consistently applied.

Practice 2.5

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2013 Edition	2019 Edition
Practices 2.5 Selected asset classes are consistent with implementation and monitoring constraints.	**Practices 2.5 Selected asset classes are consistent with implementation and monitoring constraints.**
2.5.1 The Investment Advisor has the time, resources, and requisite knowledge and skills to implement and monitor all selected asset classes for each client. 2.5.2 The process and tools used to implement and monitor investments in the selected asset classes are appropriate. 2.5.3 Appropriate investment products are accessible within each selected asset class.	2.5.1 The investment advisor has the time, resources, knowledge, and skills to implement and monitor all selected asset classes. 2.5.2 The process and tools used to implement and monitor investments in the selected asset classes are appropriate. 2.5.3 Appropriate investment products are accessible within each selected asset class.

Practice 2.6

2013 Edition	2019 Edition
Practice 2.6 The investment policy statement contains sufficient detail to define, implement, and monitor the client's investment strategy.	**Practice 2.6 The investment policy statement contains sufficient detail to define, implement, and monitor the portfolio's investment strategy.**
2.6.1 The investment policy statement identifies the bodies of law governing the portfolio.	2.6.1 The investment policy statement identifies the bodies of law governing the portfolio.
2.6.2 The investment policy statement defines the duties and responsibilities of all parties involved.	2.6.2 The investment policy statement defines the duties and responsibilities of all parties involved.
2.6.3 The investment policy statement specifies risk, return, and time horizon parameters.	2.6.3 The investment policy statement specifies risk, return, and time horizon parameters.
2.6.4 The investment policy statement defines diversification and rebalancing guidelines consistent with risk, return, and time horizon parameters.	2.6.4 The investment policy statement defines asset weighting and rebalancing guidelines consistent with risk, return, and time horizon parameters.
2.6.5 The investment policy statement defines due diligence criteria for selecting investment options.	2.6.5 The investment policy statement defines due diligence criteria for selecting investment options.
2.6.6 The investment policy statement defines procedures for controlling and accounting for investment expenses.	2.6.6 The investment policy statement defines procedures for controlling and accounting for investment expenses.
2.6.7 The investment policy statement defines monitoring criteria ~~for investment options and service vendors~~.	2.6.7 The investment policy statement defines monitoring criteria.

Practice 2.7

2013 Edition	2019 Edition
~~Practice 2.7 When socially responsible investment strategies are elected, the strategies are structured appropriately.~~	**Practice 2.7 Investment due diligence using environmental, social, and governance (ESG) factors conforms to governing documents and the fiduciary obligations of investment decision-makers.**
~~2.7.1 Each client's goals and objectives are evaluated to determine whether socially responsible investing is appropriate and/or desirable.~~ ~~2.7.2 If a client has elected a socially responsible investment strategy, the client's investment policy statement documents the strategy, including appropriate implementation and monitoring procedures.~~	2.7.1 The client's goals, objectives, and investment parameters are evaluated to determine whether ESG investing is necessary and/or desirable. 2.7.2 Provisions regarding ESG investing in governing documents are aligned with fiduciary obligations.

Practice 3.1

2013 Edition	2019 Edition
Practice 3.1 A ~~reasonable~~ due diligence process is followed to select each service provider ~~in a manner consistent with obligations of care~~.	**Practice 3.1 A prudent due diligence process is followed to select each service provider.**
3.1.1 ~~Reasonable~~ criteria are identified for each due diligence process used to select service providers. 3.1.2 The due diligence process used to select each service provider is documented. 3.1.3 Each due diligence process used to select service providers is consistently applied.	3.1.1 Prudent criteria are identified for each due diligence process used to select service providers. 3.1.2 The due diligence process used to select each service provider is documented. 3.1.3 Each due diligence process used to select service providers is consistently applied.

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Practice 3.2

2013 Edition	2019 Edition
Practice 3.2 ~~When~~ statutory or regulatory investment safe harbors are elected, ~~each client's investment strategy is~~ implemented in compliance with the applicable provisions.	**Practice 3.2 Statutory or regulatory investment safe harbors that are elected are implemented in compliance with the applicable provisions.**
~~3.2.1 Applicable ERISA safe harbor requirements pertaining to the delegation of investment responsibility are implemented in compliance with regulatory requirements, when elected.~~ ~~3.2.2 For participant-directed qualified retirement plans, applicable 404(c) safe harbor requirements are implemented in compliance with ERISA requirements, when elected.~~ ~~3.2.3 For participant-directed qualified retirement plans, applicable fiduciary adviser safe harbor requirements are implemented in compliance with ERISA requirements, when elected.~~ ~~3.2.4 For participant-directed qualified retirement plans, qualified default investment alternatives (QDIA) are implemented in compliance with ERISA requirements, when elected.~~ ~~3.2.5 Applicable safe harbors for automatic rollovers to individual retirement plans are implemented properly, when elected.~~ ~~3.2.6 For non-ERISA services, safe harbors and exemptions are implemented in compliance with regulatory requirements, when elected.~~	3.2.1 Available safe harbors are evaluated to determine if any advance the best interests of the investors and/or beneficiaries. 3.2.2 When elected, safe harbor provisions are implemented in compliance with requirements.

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Practice 3.3

2013 Edition	2019 Edition
Practice 3.3 Decisions regarding investment strategies and types of investments are documented and made in accordance with fiduciary obligations ~~of care~~.	**Practice 3.3 – Decisions regarding investment strategies and types of investments are made in accordance with fiduciary obligations and are documented.**
3.3.1 A ~~documented~~ due diligence process, ~~consistent with prudent practices and generally accepted investment theories~~, is used to select investments ~~and third-party~~ Investment Managers.	3.3.1 A prudent due diligence process is used to select investment strategies, investment managers, and investments.
3.3.2 Decisions regarding the selection of investments consider both qualitative and quantitative criteria.	3.3.2 Decisions regarding the selection of investments consider both qualitative and quantitative criteria.
3.3.3 The documented due diligence process used to select investments and ~~third-party~~ Investment Managers is consistently applied.	3.3.3 The due diligence process used to select investment strategies, investment managers, and investments is documented and consistently applied.
3.3.4 Regulated investments are preferred over unregulated investments when all other characteristics are comparable.	3.3.4 Regulated investments are preferred over unregulated investments when all other characteristics are comparable.
3.3.5 Investments that are covered by readily available data sources are preferred over similar investments for which limited coverage is available when all other characteristics are comparable.	3.3.5 Investments that are covered by readily available data sources are preferred over similar investments for which limited coverage is available when all other characteristics are comparable.
~~3.3.6 Decisions regarding passive and active investment strategies are documented and made in accordance with obligations of care.~~	3.3.6 A prudent due diligence process is used to make decisions regarding the use of proprietary versus non-proprietary products, and separately managed versus commingled accounts.
3.3.7 Decisions regarding the use of separately managed and commingled accounts, ~~such as mutual funds, unit trusts, exchange-traded products, and limited partnerships~~, are documented and made in accordance with obligations of care.	3.3.7 Decisions regarding rollover advice are made in accordance with fiduciary duties of loyalty and care.
~~3.3.8 Decisions to use complex investments or strategies, such as alternative investments or strategies involving derivatives, are supported by documentation of specialized due diligence conducted by professionals who possess knowledge and skills needed to satisfy the heightened obligations of care.~~	
~~3.3.9 When socially responsible investment strategies are elected, the strategies are implemented appropriately.~~	

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Practice 4.1

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2013 Edition	2019 Edition
Practice 4.1 Periodic ~~reports~~ compare investment performance against appropriate index, peer group, and ~~investment policy statement~~ objectives.	**Practice 4.1 Periodic reviews compare investment performance against appropriate market and peer group benchmarks and overall portfolio objectives.**
4.1.1 The performance of each investment option is periodically compared against an appropriate index, peer group, and any other performance-related due diligence criteria defined in the investment policy statement. ~~4.1.2 "Watch list" procedures for underperforming Investment Managers are documented, and consistently applied.~~ 4.1.3 Rebalancing procedures are reasonable, documented, and consistently applied.	**4.1.1** Investment performance of the overall portfolio is compared against an appropriate benchmark and evaluated in the context of portfolio objectives. **4.1.2** The performance of each investment option is periodically compared against an appropriate market and peer group benchmark and any other performance-related due diligence criteria defined in the investment policy statement. **4.1.3** Underperforming investments are monitored and decisions to retain or replace investments are documented. **4.1.4** Rebalancing procedures are reasonable, documented, and consistently applied. **4.1.5** Investment performance is periodically reported to the client.

Practice 4.2

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2013 Edition	2019 Edition
Practice 4.2 Periodic reviews are made of qualitative and/or organizational changes of Investment Managers and other service providers.	**Practice 4.2 Periodic reviews are made of qualitative and/or organizational changes of investment managers and other service providers.**
4.2.1 Periodic evaluations of the qualitative factors that may impact the results or reliability of Investment Managers are performed. 4.2.2 Negative news and other material information regarding an Investment Manager or other service provider are considered and acted on in a timely manner. 4.2.3 Deliberations and decisions regarding the retention or dismissal of Investment Managers and other service providers are documented. 4.2.4 Qualitative factors that may impact service providers are considered in the contract review process.	4.2.1 Periodic evaluations of the qualitative factors that may impact the results or reliability of investment managers are performed. 4.2.2 Negative news and other material information regarding an investment managers or other service provider are considered and acted on in a timely manner. 4.2.3 Deliberations and decisions regarding the retention or dismissal of investment managers and other service providers are documented. 4.2.4 Qualitative factors that may impact service providers are considered in the contract review process.

Practice 4.3

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2013 Edition	2019 Edition
Practice 4.3 ~~Control~~ procedures are in place to periodically review policies for trading practices and proxy voting.	**Practice 4.3 Procedures are in place to periodically review policies for trading practices and proxy voting.**
4.3.1 ~~Control~~ procedures are in place to periodically review each Investment Manager's policies for best execution. 4.3.2 Control procedures are in place to periodically review each Investment Manager's policies for special trading practices such as "soft dollars", directed brokerage, and commission recapture. 4.3.3 ~~Control~~ procedures are in place to periodically review each Investment Manager's policies for proxy voting.	**4.3.1** Procedures are in place to periodically review each investment manager's policies for best execution. **4.3.2** Procedures are in place to periodically review each investment manager's policies for special trading practices such as "soft dollars", directed brokerage, and commission recapture. **4.3.3** Procedures are in place to periodically review each investment manager's policies for proxy voting.

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Practice 4.4

2013 Edition	2019 Edition
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 4.4 Periodic reviews are conducted to ensure that investment-related fees, compensation, and expenses are fair and reasonable for the services provided.**
4.4.1 A summary of all parties being compensated from client portfolios or from plan or trust assets and the amount of compensation has been documented. 4.4.2 Fees, compensation, and expenses paid from client portfolios or from plan or trust assets are periodically reviewed to ensure consistency with all applicable laws, regulations, and service agreements. ~~4.4.3 Fees, compensation, and expenses paid from client portfolios or from plan or trust assets are periodically reviewed to ensure such costs are fair and reasonable based upon the services rendered and the size and complexity of the portfolio or plan.~~	4.4.1 A summary of all parties being compensated from client portfolios or from plan or trust assets, and the amount of compensation, has been documented. 4.4.2 Fees, compensation, and expenses paid from client portfolios or from plan or trust assets are periodically reviewed to ensure consistency with all applicable laws, regulations, policies and procedures, and service agreements. 4.4.3 Procedures are in place to avoid or identify and appropriately address unreasonable fees.

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Practice 4.5

2013 Edition	2019 Edition
Practice 4.5 There is a process to periodically review the organization's effectiveness in meeting its fiduciary responsibilities.	**Practice 4.5 There is a process to periodically review the organization's effectiveness in meeting its fiduciary responsibilities.**
4.5.1 Fiduciary assessments are conducted at planned intervals to determine whether ~~(a)~~ appropriate policies and procedures are in place to address all fiduciary obligations, ~~(b)~~ such policies and procedures are effectively implemented and maintained, and ~~(c)~~ the investment policy statement is reviewed at least annually. ~~4.5.2 Fiduciary assessments are conducted in a manner that promotes objective analysis and results are documented and reviewed for reasonableness.~~	4.5.1 Fiduciary assessments are conducted at planned intervals to determine whether appropriate policies and procedures are in place to address all fiduciary obligations and that such policies and procedures are effectively implemented and maintained. 4.5.2 The investment policy statement is reviewed at least annually to ensure it is aligned with current facts and circumstances.

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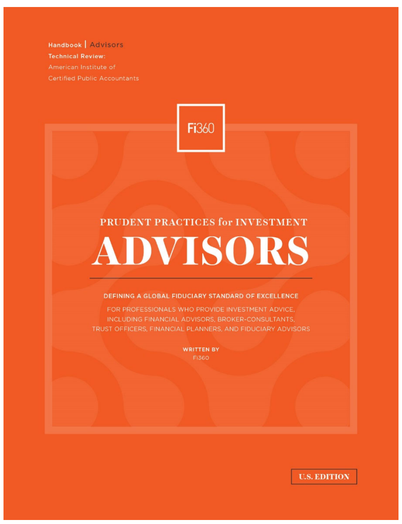

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