FIDUCIARY BEST PRACTICES

When you are a fiduciary, you are accepting a legal responsibility to always act in the best interest of the investor and to do so using a prudent expert standard of care. To uphold this duty, it’s important to consistently follow a defined set of best practices.

Fi360, an organization widely recognized for being a leader in fiduciary training and resources, has developed a set of best practices substantiated by law and grounded by the duty of loyalty.

At Unified Trust Company, N.A. we work diligently to adhere to Fi360’s 21 Global Fiduciary Practices, with 85 fiduciary sub categories, to help ensure that our plans are administered with a prudent expert standard of care.

1. **Awareness of fiduciary duties and responsibilities.**
   As a discretionary trustee, we accept the highest level of fiduciary oversight under ERISA. Our duties and responsibilities are well documented and often act as a thought leader providing education and commentary on fiduciary roles with the media and as a lecturer throughout the country.

2. **Investments and investment services provided are consistent with applicable governing documents.**
   We carefully review plan documents, our Investment Policy Statement (IPS) and service agreements and all governing documents to help ensure that we are providing investment services and investment products that are approved for the plan.

3. **The roles and responsibilities of all involved parties (fiduciaries and non-fiduciaries) are defined and documented.**
   Our IPS and Plan Services Agreement (PSA) clearly illustrates who is/isn’t a fiduciary, what services each will provide and outlines the responsibilities for all parties.

4. **Identifies conflicts of interest and addresses conflicts in a manner consistent with the duty of loyalty.**
   Unified Trust uses an open architecture platform and does not have any loyalties to fund companies. We return all revenue share to each plan and have no conflicts of interest to disclose. Everything we do is consistent with the duty of loyalty.

5. **Agreements are in writing and do not contain provisions that conflict with fiduciary standards of care.**
   We document all agreements in writing and carefully review all agreements to make sure that there are no conflicts with the fiduciary standard of care.

6. **Client assets are protected from theft and embezzlement.**
   Unified Trust has a comprehensive security protocol along with internal procedures that help prevent theft and embezzlement. An independent auditing team is onsite at least annually to review for any suspicious activity.

7. **An investment time horizon has been identified for each investment objective of the client.**
   Participants are unique and so are their time horizons. We provide sufficient asset categories to allow a participant to select investments that are appropriate with his or her time horizon.

8. **An appropriate risk level has been identified for each client.**
   Participants will have different tolerances for risk. As such, we provide sufficient asset categories and model portfolios to allow a participant to select investments that are appropriate with his or her risk level.

9. **An expected return to meet each investment objective has been identified.**
   Annually Unified Trust’s Trust Investment Committee researches and develops expected returns for asset classes and model portfolios. Since there are a variety of different return expectations for participants in each plan, sufficient asset categories and model portfolios are available to allow a participant to select investments that are in line with their return expectations.

10. **Selected asset classes are consistent with the client’s time horizon and risk and return objectives.**
    Since there are a variety of different risk levels for participants in each plan, sufficient asset categories and model portfolios are available to allow a participant to select investments in line with their time horizon and risk level objectives.
Selected asset classes are consistent with implementation and monitoring constraints. Our Trust Investment Committee selects asset classes for plans that are both consistent with any plan requirement and within its expertise and ability to monitor. The investment policy statement contains sufficient detail to define, implement, and monitor the client’s investment strategy. Unified Trust IPS’s have been reviewed by the Centre for Fiduciary Excellence (CEFEX) who has certified that they adhere to all the Fiduciary Best Practices defined in the fi360 Prudent Practices for Investment Advisors handbook. When socially responsible investment strategies are elected, the strategies are structured appropriately. Socially responsible investment strategies must adhere to the same prudent criteria as any other investment we evaluate and select for a plan. A reasonable due diligence process is followed to select each service provider in a manner consistent with obligations of care. Unified Trust’s vendor management program has a very clear and detailed due diligence process for selecting service providers. This program has been reviewed and approved by the Office of the Comptrollers of the Currency (OCC), under whose authority we operate. Periodic reports compare investment performance against appropriate index, peer group, and investment policy statement objectives. The Trust Investment Committee reviews investments on a quarterly basis and as needed to help ensure the objectives in the strategy are being met. Our proprietary Unified Fiduciary Monitoring Index® score (UFMI®), updated quarterly, provides us with a report of how funds ranked amongst its peers. The IPS is reviewed annually to help ensure that it is reflective of our policies and that we are operating within its confines. Control procedures are in place to periodically review policies for trading practices and proxy voting. Unified Trust utilizes a proxy voting service and we review our voting instructions regularly. Periodic reviews are made of qualitative and/or organizational changes of Investment Managers and other service providers. Qualitative changes on investments and Investment Managers are reviewed monthly. Other service providers are reviewed through our vendor management program. Periodic reviews are conducted to ensure that investment-related fees, compensation and expenses are fair and reasonable for the services provided. The Trust Investment Committee regularly reviews investment related expenses during its monthly meetings. We use an independent benchmarking organization to benchmark our fee schedules in addition to various other internal benchmarking exercises. We also document the services that we offer and associated fees. There is a process to periodically review the organization’s effectiveness in meeting its fiduciary responsibility. Unified Trust was the first trust company and among the first globally to achieve the certification for fiduciary excellence by CEFEX. To maintain this certification, we must comply with an annual audit through CEFEX.