

# › Fiduciary Partnership Program Offered by Mesirow Financial

ERISA SECTION 3(21) AND 3(38) SERVICES



➤ As fiduciaries, employers are faced with certain complex responsibilities including investment selection and monitoring. This is an opportunity for you to recommend retirement plans with flexible fiduciary services to help protect the employer.



## Fiduciary Service Options

Through the Mesirow Financial “Fiduciary Partnership Program,” advisors and plan sponsors may select from two fiduciary service options listed below.

### CO-FIDUCIARY SERVICE

3(21)

Under the 3(21) co-fiduciary service, advisors and employers employ a menu-driven approach to select from multiple investment line-ups within the Mesirow Financial Elite Lists. These lists cover a range of asset classes designed for long-term retirement investing.

### INVESTMENT MANAGER SERVICE

3(38)

With the 3(38) investment manager service, Mesirow Financial develops Guidelines and acts as the discretionary investment manager to the plan. This gives the advisor more autonomy to advise the plan’s participants. **This also is an effective solution for broker-dealers concerned with their advisors taking on fiduciary status with regard to investment selection and monitoring for the plan.**

### MESIROW FINANCIAL INDEMNIFICATION

Mesirow Financial will perform its duties and obligations in compliance with ERISA. In accordance with its agreement with the employers, Mesirow Financial will indemnify the plan in the event of a breach of such duties regardless of whether it serves as a 3(21) co-fiduciary or a 3(38) investment manager.\*

### QUARTERLY INVESTMENT REPORTING AND MONITORING

Employers receive ongoing fiduciary support through the quarterly investment report, Mesirow Financial POLICE Report®, and recommendations regarding funds on the Elite Lists or Guidelines.

### ABOUT MESIROW FINANCIAL

Mesirow Financial is a diversified financial services firm headquartered in Chicago. Founded in 1937, it is an independent, employee-owned firm with more than 1,200 employees in locations across the country and in London.

With experience in Investment Management, Global Markets, Insurance Services and Consulting, Mesirow Financial strives to meet the financial needs of institutions, public sector entities, corporations and individuals.

For more information about Mesirow Financial, please visit [mesirowfinancial.com](http://mesirowfinancial.com).

\* The specific instances in which a party may be entitled to indemnity are set forth in detail in the agreement between the plan sponsor and Mesirow Financial, and nothing herein is intended to modify that agreement.

## 3(21)

### INVESTMENT ELITE LISTS FOR 3(21)

For its 3(21) co-fiduciary service, Mesirow Financial compiles lists of selected funds designed to help employers match their plan's investment options to their employee characteristics. These Elite Lists vary in complexity and number of investment options offered, but all include risk-based and time-based professional investment portfolios. The flexibility also exists to supplement the lists with additional investment options.

Advisors and employers also may select from the Master Elite List, which includes all funds in the 3(21) co-fiduciary service.

- **Basic Elite List** – for employees with limited investment knowledge and understanding of risk
- **Standard Elite List** – for employees with average investment knowledge and understanding of risk
- **Advanced Elite List** – for employees with above-average investment knowledge and understanding of risk
- **Select Elite List** – for employees with average to above-average investment knowledge and understanding of risk, who also want to emphasize lower cost investment options

An Advisory Services Agreement is executed between the employer and Mesirow Financial.

#### INVESTMENT MANAGER DUE DILIGENCE

In both service options, Mesirow Financial combines a quantitative review with qualitative analysis to produce a thorough and documented manager due diligence process.

To be considered an approved fund on Mesirow Financial's fund lists, a fund must pass an ongoing due diligence process and satisfy specific asset class requirements, including:

1 In-depth Portfolio Review

2 Management Evaluation

3 Other Qualitative Factors

## 3(38)

### INVESTMENT GUIDELINES FOR 3(38)

Under the 3(38) investment manager service, Mesirow Financial is delegated all investment authority on behalf of the plan. Instead of selecting from lists of funds, Mesirow Financial refers to investment guidelines based on the level of asset class sophistication and employee demographics.

The four 3(38) investment Guidelines share similar independent fund options as found in the Mesirow Financial Elite Lists for the 3(21) co-fiduciary service.

- **Basic Guidelines** – for employees with limited investment knowledge and understanding of risk
- **Standard Guidelines** – for employees with average investment knowledge and understanding of risk
- **Advanced Guidelines** – for employees with above-average investment knowledge and understanding of risk
- **Select Guidelines** – for employees with average to above-average investment knowledge and understanding of risk, who also want to emphasize lower cost investment options

Brokerage windows, individually managed accounts and company stock are not covered under the 3(38) service since Mesirow Financial is acting as the discretionary investment manager. An additional fee applies for the 3(38) service option.

Mesirow Financial accepts responsibility through an Investment Manager Agreement signed by the plan sponsor and Mesirow Financial.

#### QUANTITATIVE SCREENS AND QUALITATIVE ANALYSIS

Mesirow Financial uses third-party data providers and maintains a manager database containing virtually all available open-end mutual funds and variable annuity sub-accounts. These databases are updated on a quarterly basis utilizing Mesirow Financial's PrecisionAlpha® manager selection process.

Mesirow Financial also submits proprietary questionnaires on a quarterly basis to the investment managers and collects qualitative information from other sources.

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Advisory services provided by Mesirow Financial Investment Management, Inc., an SEC-registered investment advisor. Plan sponsor will execute an Advisory Services Agreement with Mesirow Financial as part of Mutual of Omaha's plan implementation process. Mesirow Financial refers to Mesirow Financial Holdings, Inc.(c) 2015, Mesirow Financial Holdings, Inc. All rights reserved. Mesirow Financial Holdings, Inc. is not affiliated with Mutual of Omaha and its affiliates.

Investment options are offered through a group variable annuity contract (Forms 902-GAQC-09, 902-GAQC-09(OR), 903-GAQC-14, 903-GAQC-14 FL, 903-GAQC-14 MN, 903-GAQC-14 OR, 903-GAQC-14 TX, or state equivalent) underwritten by United of Omaha Life Insurance Company for contracts issued in all states except New York. United of Omaha Life Insurance Company, 3300 Mutual of Omaha Plaza, Omaha, NE 68175 is licensed nationwide except in New York. Companion Life Insurance Company, Hauppauge, NY 11788 is licensed in New York and underwrites the group variable annuity (Form 900-GAQC-07(NY) or 903-GAQC-14 NY). Each company accepts full responsibility for each of their respective contractual obligations under the contract but does not guarantee any contributions or investment returns except as to the Guaranteed Account and the Lifetime Guaranteed Income Account as provided under the contract.

Group variable annuities are long-term investment vehicles designed to accumulate money on a tax-deferred basis for retirement purposes. Distributions may be subject to ordinary income tax and, if taken prior to age 59½, a 10 percent federal tax penalty may apply. Investing in a group variable annuity involves risk, including possible loss of principal.

*Prior to selecting investment options for the plan, plan sponsors should carefully consider the investment objectives, risks, fees and expenses of each option carefully. For this and other important information, plan sponsors should review the fee disclosure document or the plan sponsor website. Read this information carefully.*

Lifetime Guaranteed Income Account (Forms 651-GAQR-10 or 651-GAQR-10(CD) or 651-GAQR-10(OR)) may not be available in all states and specific features may vary by state. Availability may vary by plan. The Lifetime Guaranteed Income Account is not available in Nevada or New York.

Not all funds available in all plans.

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