

# Investment Committee Checklist

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The Investment Committee or designated fiduciary should review the following items at the frequency noted. If the review is being done by a designated fiduciary, a report should be prepared by them covering their work and findings and submitted to the Investment Committee quarterly.

## Monthly

Review Custodian statements:

- Review market values to for reasonableness.
- Review assets to ensure that they are consistent with your Investment Policy Statement.
- Review disbursements to ensure that they are correct and correspond with those authorized by plan fiduciaries.
- Review fees and other costs charged to the plan for reasonableness.
- Review transactions for any unusual activity.

## Quarterly

- If the plan is using an independent pension consultant to monitor investment options, have the pension consultant present findings and monitoring reports. Document any action to be taken as a result of recommendations made by the consultant.
- Review plan assets with investment policy guidelines, including company stock if applicable.
- For each investment option:
  - Compute the rate of return on each option for at least a one, three and five year period.
  - Compare each investment option against an appropriate benchmark and against a universe of like funds using the same investment style.
  - Monitor each fund for "style drift." Style drift is the tendency of a mutual fund or investment manager with a particular investment style to alter that style over time.
  - Determine if there has been any significant portfolio developments, major changes in ownership, organizational structure or personnel for each investment option and money management firms being used.
- Ensure that all contributions are being deposited to the plan properly and invested correctly.
- Compare mutual fund statements or investment manager reports with those provided by the custodian. Resolve any discrepancies.
- Review each investment manager's and vendor's fee computation for accuracy and compliance with agreements.
- Review any investment options placed on the "watch list" to determine if any additional action is required.

## Annually

- Ensure, if appropriate, that a current ADV has been received, reviewed and filed for each investment manager (not required for mutual funds).
- Ensure that the Committee has obtained, reviewed and filed the most current mutual fund prospectus, Statement of Annual Information, Annual Report, and other fund reports or correspondences.
- Determine if there has been any industry or regulatory disciplinary actions taken against any of the investment options or money management firms being used.
- Review the proxy voting record of each investment option.
- Review total costs of each investment option against like mutual funds or investment managers using the same investment style.
- Review the manager's trading and brokerage activities to ensure they are achieving "best execution" on any individually managed options.
- Review the manager's trading and brokerage practices on any individually managed options including:
  - Commission costs.
  - Soft dollar use.
  - Portfolio turnover.
  - Style consistency.

## Documentation and Records Retention

Maintain good records, minutes, and other documentation. Be sure that it is well organized and filed for easy access.

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