



# The Focused Fiduciary

Welcome to our 5<sup>th</sup> edition of the Nottingham Focused Fiduciary. In this month's issue we will be discussing the top five questions to ask when hiring a pension consultant and why they are important questions to ask. At Nottingham Advisors we have found the best way to monitor your investment manager is by having a solid screening process when choosing them from the beginning.

## Questions

- i. Are you registered with the Securities & Exchange Commission (SEC) or a state securities regulator as an investment advisor?
  - *The SEC requires the submission of the Advisor Disclosure Vette, more commonly the ADV for Investment Style, Assets under Management, and Key Officers of the Firm. Regulations are placed to protect the quality and integrity of the firms within the investment profession.*
- ii. Do you have relationships with money managers that you use, consider, or that you recommend?
  - *At times Pension Consultants use third party money managers for their investment strategies. If they do, you would like to know if their relationship is free from conflicts of interest and ensure your constituents funds are being allocated in the most appropriate way.*
- iii. Do you have any policies or procedures that address conflicts of interest?
  - *Firms should have a documented procedure and standard when handling conflicts of interest. Most advisors will state that when a conflict of interest is identified, they will disclose such conflict to the*

*client. There should also be a listing of what constitutes a material conflict of interest.*

- iv. Do you have any arrangements with broker-dealers under which you will benefit?
  - *This question is to determine if best execution will be practiced by this pension consultant and if a conflict of interest may be present. But please take note, best price or lowest explicit costs are not always the best option.*
- v. If you are hired, will you acknowledge that you have a fiduciary obligation as an investment advisor?
  - *Most pension consultants will not have an issue claiming their fiduciary responsibility. From a due diligence standpoint it is essential to ask this question for your constituents.*

The five questions mentioned above all follow a common theme associated with the best interest of clients. These questions are vital for the financial industry because whether it's the technology, the products or the people, one thing must remain constant for success, the loyalty and integrity of the profession.

As always, if you have any questions regarding your Fiduciary role please feel free to give Nottingham Advisors a call at 716-633-3800 or contact me by e-mail at [brock.wilkinson@nottinghamadvisors.com](mailto:brock.wilkinson@nottinghamadvisors.com).

In the next article we will discuss the recent developments with the Department of Labor Fiduciary Rule and what this could mean for you the Investor and the Advisor. If you'd like any other topics explored for future newsletters, please feel free to contact me. Thank you for reading, and have a great day.