

2014
PLANSPONSOR
 RETIREMENT
 PLAN ADVISER
 TEAM OF THE YEAR
 FINALIST



Innovest Portfolio Solutions
 Denver, Colorado

PA: What is your mission statement?

Innovest Portfolio Solutions: Innovest delivers custom investment-related solutions through independent research and extensive expertise, with uncommon service for plan sponsors and fiduciaries. We equip plan sponsors to effectively manage fiduciary liability in the areas of investments, vendor management and cost control. We take a proactive, custom approach to help plan sponsors improve retirement outcomes for participants.

PA: What have you done in the past year to improve participants' retirement readiness?

IPS: Participant retirement readiness is the biggest challenge facing plan sponsors today. The decisions they make in terms of investments, plan design and costs have significant influence on participants achieving a comfortable retirement.

We improved the potential for investment success of our plan sponsors' participants by creating streamlined investment menus with low-cost investment products. We helped our plan sponsors design custom model portfolios to aid participants in asset allocation. We counseled our plan sponsors on plan design issues such as auto-enrollment and auto-increases to better prepare participants for retirement. We discussed modifying match formulas and enrollment forms to increase savings rates.

PA: Describe any particularly noteworthy investment initiatives you have led with your customer base in the past 12 months.

IPS: We consult to a \$600 million public sector 457 plan. To mitigate participant confusion stemming from a multiple-provider structure and to reduce plan costs, the cornerstone of this complex engagement was frequent communication with the committee and participants.

We began our multifaceted approach by benchmarking the client's defined contribution (DC) plan against DC plans of 11 similarly sized city plans on issues such as plan governance structures, investment structure and number of providers. We conducted 24 focus group meetings with participants to increase their grasp of the plan's key objectives. To gain a better understanding of plan participants and employees, we created a survey focusing on their retirement goals. We facilitated a two-day retreat to educate the committee on fiduciary responsibility, plan fees and expenses, and investment structure.

We also developed a comprehensive request for proposals (RFP) with three pricing scenarios accounting for the current multiple provider structure. We crafted a detailed review of the responses, including key considerations for the committee. Throughout the process, we facilitated weekly/monthly meetings to communicate progress to the city council and participants. Ultimately, we consulted with the committee on its selection of a single provider for the plan.

In our work with the committee, we negotiated contractual agreements and educated it on fiduciary decisions regarding the differences between general fixed-account solutions and custom stable value solutions. We reviewed and suggested an education plan for participants to improve retirement readiness, which included quantitative goals and milestones to gauge success.

The committee may now consider implementing tools to help participants be better prepared for retirement that were not an option before, such as automatic enrollment and automatic increases. Through our efforts, not only have the overall plan quality and participant services improved, but participants will save more than \$1.5 million in fees per year.

PA: As a retirement plan adviser, what do you take the most pride in?

IPS: We are most proud that the participants of our plan sponsors have a better chance of a successful retirement. In a recent meeting with a retirement plan vendor with which we share 15 clients, we found that our plan sponsors' participants have larger average account balances, contribute at a higher rate and are better diversified than the whole of the vendor's client base.

We are gratified that plan sponsors who accept our plan design advice actually improve retirement readiness for their employees. We are proud that we will have helped plan sponsors reduce costs for their plan participants by more than \$1.5 million this year.

BUSINESS AT A GLANCE

Plan assets under advisement: **\$5.2 billion**
 Median plan size (in assets): **\$25 million**
 Total plans under advisement: **98**
 Total participants in plans served: **100,000**