

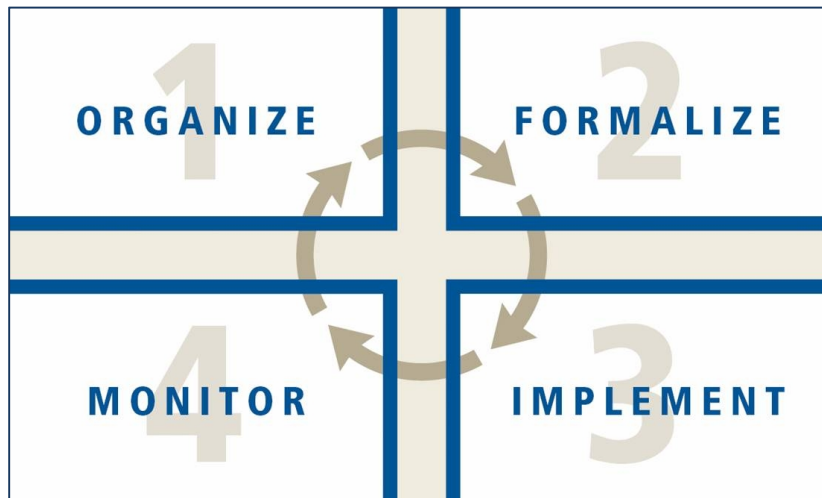
## Successful Retirement Plan Management

Plan Sponsors should know that an established process is an essential ingredient to managing a retirement plan for their employees. Careful thought must go into determining the “what & how” of plan management. Execution is what differentiates service providers.

### *4 Key Areas For Investment Management & Oversight*

At Sapling Wealth Management, we focus on 4 key areas of plan operations. These steps are recognized as being a gold standard for fiduciary compliance. Surprisingly, many retirement plans do not have even the basic processes in place, which we believe raises legal exposure down the road. We also believe that intelligently executed processes enable better investment performance.

**Figure 1: 4 Steps of Fiduciary Quality Management**



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### Sapling Differentiates On Execution

We believe establishing and following thoughtful processes are important, but execution is what differentiates service providers. A brilliantly crafted Investment Policy Statement (IPS) is of little value if it is not used effectively by the plan fiduciaries. This is particularly true in the final two stages – Implement & Monitor.

### Blending Art & Science

Successful retirement asset management is both an art and science, with the best outcomes achieved by intelligently blending the two. At Sapling Wealth Management, we painstakingly follow well defined investment management procedures and fiduciary compliance processes. Where our firm excels is in *how* we manage investments - intelligently, thoughtfully and always keeping the participants interest first. Where Sapling differentiates:

- **Processes** – Our processes are modeled on the Global Standards of Excellence for investment fiduciaries.
- **Execution** – Nationally recognized for analytical acumen and insights.

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## Organize

The “Organize” step entails becoming familiar with the expectations of managing a retirement plan and establishing processes to be in compliance with strict State & Federal Laws. Areas of note include:

### *Know What is Expected*

Federal tax policy strongly encourages company sponsored retirement accounts. The rules and regulations for these tax advantaged strategies are specific and comprehensive. First and foremost, ensure that all investments are managed in accordance with governing laws and retirement plan documents. Not only must you be exercising prudent investment processes, you should have documentation to prove it. These documents and records should be maintained in a centralized location.

### *Define and Document Roles and Responsibilities*

Many fiduciaries do not know their legal responsibilities, which in some cases may cause personal legal exposure. Not being aware is not a valid legal defense.

### *Disclosure and Knowledge of All Business Relationships*

All self-dealing and conflicts-of-interests must be disclosed. There should be processes established to address these situations as well as annual disclosure and acknowledgment of conflicts and ethics policies.

### *Clear Documentation & Reporting*

Key vendors need well written service contracts where vendors are paid reasonably for services rendered. All contracts should be periodically reviewed. Detailed reporting and disclosure heightens the fiduciary’s accountability to deal with facts for benefit of the individuals they serve.

### *Plan For A Problem*

In a litigious age, if a problem occurs, make sure a disaster plan is already in place. Not having appropriately planned for this scenario before it occurs may become as much of an issue as the problem itself.

## Sapling Is Driven by Fiduciary Excellence

Sapling Wealth Management is licensed as a Registered Investment Advisor (RIA) and is held to a fiduciary standard – the highest, legally enforced standard of care for financial services. We lead the process for operationalizing this first, important step. We are well versed in communicating complex financial ideas and processes in everyday language, which help all players understand “the what” and “the why”.

## Leave the Driving To Us

We believe that a large majority of start-up problems can be avoided with organization. In this area, it pays future dividends to be thorough and comprehensive. We believe many retirement plan fiduciaries do not implement key steps we consider the basic building blocks of a successful plan. Many more plans have put procedures in place, but do not correctly follow them. In summary, we are differentiated by our:

- **Plan Analysis** - Selection & design
- **License** - Registered Investment Advisor (RIA)
- **Compliance Processes**- Modeled on Global Fiduciary Standard
- **Communication** – Experienced in clarifying complex ideas

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## Formalize

The second step in retirement asset management is formalizing the investment oversight process. This includes four important areas:

### *Research*

First, understand the facts and circumstances of the client. What is the investment time horizon & risk tolerance? What are the expected returns for distinct asset classes? What are the sub-categories of asset classes to be considered? How do you select investment managers?

### *Analyze*

From the research, select asset classes that are consistent with the analytical criteria that benefit the client. Make sure these assets are also consistent with all implementation and monitoring criteria.

### *Document*

Any retirement plan should have a written Investment Policy Statements (IPS) which will codify necessary information needed to define, implement and manage investment processes and strategies. This should be broad enough to not need constant revision, but specific enough to be implemented by a competent third party. Not only must you be exercising prudent investment processes, you should have documentation to prove it.

### *Repeat*

At least every year the criteria of analysis, selection and documentation should be revisited and changed if necessary.

## Nationally Recognized For Financial Acumen

The founder of Sapling Wealth Management, Will Hicks, is a nationally recognized research analyst and was awarded the Wall Street Journal “All-Star Analyst” for his published financial insights. He earned this acknowledgement in an area where analysts are held to exacting standards and judged on their ability to listen thoughtfully, produce differentiated investment opinions and communicate effectively. We bring those same skills to our clients by first understanding their needs and creating strategies that help achieve their objectives.

## Process Driven & Results Oriented

Sapling Wealth Management is a process driven organization. To us this means rigorously defining our goals, diligently pursuing objectives and effectively communicating decisions to our clients. We believe following a well-defined methodology and being flexible when the situation merits, will result in superior investment performance. Our key skills in this are:

- **Capital Market Research** – Develop options depending on market conditions
- **Client Assessment** – Skilled in classifying risk tolerances
- **Analysis** – Nationally recognized
- **Clear Communication** – Effective documents and reports

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## Implement

In the Implement step, we believe that there is wide latitude for thoughtful investment selection inside well-established implementation rules.

### *Investment Analysis*

Investment selection should conform to an agreed upon set of criteria – such as minimum performance standards relative to peer groups and estimated risk. However, within these rules is an enormous degree of latitude for thoughtful investment advice. Last year’s top performers don’t necessarily follow through the next year. Portfolio asset allocation, rebalancing, timing and diversification strategies can significantly improve portfolio returns and lower risk.

### *You Don’t Need To Get Fancy*

The constantly changing landscape of financial services offers many opportunities for success and failure. Many new investment products can be unnecessarily complicated and have an increased potential to perform poorly in a chaotic market environment. We believe there are many old and new investment products that can maximize return and lower risk without being esoteric.

### *Service Provider Analysis*

Know your vendors and their fee schedules. Make sure fees are reasonable for the service rendered. Low cost providers that deliver little value are just as bad as high fee providers that overcharge.

### *Education*

We believe that with the range of options, participants also need help determining investment time horizons and measured risk taking. While we do not act as an advisor to participants (unless independently engaged), we do support education seminars and tool kits to help participants make the appropriate individual decisions.

## Small Firm Advantage in Customization, Cost & Access

Sapling Wealth Management is a boutique investment advisor. Our aim is to be highly valued retirement partner in retirement investment planning. We strongly believe that cost effective financial services can be delivered without sacrificing either service or performance. The key is selecting investments and strategies that are appropriate for a specific risk profile. At Sapling, we strongly support participant education and our clients always have direct access to the senior executive that structured the investment options. We look forward to helping our clients take advantage of today’s unique investing environment.

## Golden Age For Investors

We believe investors have never had as many choices efficiently delivered as today. Access to information and research resources are significantly improved from just five years ago. We strongly believe that implementing proper investment strategies will result in successful outcomes. Our services feature:

- **Customization** – Investment options are client specific
- **Cost Effectiveness** – Selection of the best vendors and highest value products
- **Education** – Strong support of participant education and investor tools
- **Access** – Direct access to decision makers

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## Monitor

A brilliantly written Investment Policy Statement (IPS) with insightful investment selection is of little value if these investments are not carefully watched and monitored. This is an important, but often overlooked and underperformed, step.

### *Establish An Investment Assessment Process*

Once you select investments, what metrics will be used to evaluate performance? Key nuances in this step are determining how often to review performance and under what conditions. If your time horizon is 3-5 years, how often should you review the holdings? What if economic conditions change materially? Under what conditions do you keep or sell underperforming investments? When and how do you implement rebalancing procedures? There are no right answers, but matching the investment strategy with management style is critical at this stage.

### *Don't Forget to Check the Checkers*

We suggest periodic reviews of all Investment Managers (including the advisor). Are the Managers still in synch with the IPS? Have there been changes in the organization, philosophy or people at the organization?

### *Act & Adjust, When Necessary*

If a threshold is crossed, think ahead of time of how changes will be made.

## We Practice What We Preach

At Sapling Wealth Management, we are constantly keeping an eye on the market to identify major investment themes and implement strategies that benefit our clients. We annually publish a Capital Market Overview, which serves as the cornerstone of our research, analysis and investment recommendations for the coming year. We believe that we are unique in the financial advisor market in having the acumen to produce and publish institutional investor quality report. In addition, we are always revisiting our investment selections, to make sure that the capital market and organizational changes that occur remain consistent with the investment policies and strategies set forth by our clients. Finally, when the facts change, so do our opinions and recommendations. We are prepared to thoughtfully implement portfolio changes in an efficient and timely manner.

## Always Vigilant

A good financial advisor should be up to date on the key factors that affect the capital markets.

At Sapling Wealth Management, we develop our own opinions and anticipate likely capital market fluctuations. Our investment advice is always predicated in context of our clients' objectives.

While many advisors have opinions, few publish them. We encourage you to read our annual strategy review to gain insights of the investment acumen we bring to bear on a daily basis for our clients. We stand out in the following areas:

- **Capital Market Focus** – We stay attuned to the markets and anticipate outcomes.
- **Institutional Insight** – We offer high caliber, research driven recommendations.
- **Security Research** – Investments are reviewed according to multiple criteria to ensure alignment with client investment strategy.

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# Getting To Know Us

If you are ready to get started, the diagram below shows the initial steps Sapling Wealth Management takes when bringing on a new client.



## Introductory Phase

Getting to know an advisor should be a deliberate & substantive process. We help potential clients form their decision with preliminary retirement plan formed from information received in the first discovery meeting.

- **Retirement Plan:** This is a substantive client specific document that takes several hours to prepare and present. It consists of a business objective analysis, employee characteristics and survey of plan options.
- **Mutual Commitment:** After reviewing the retirement plan, clients have time to decide if they would like to go forward with Sapling as an advisor.

## Engagement Phase

After a formal engagement letter has been signed, Sapling Wealth Management will write a detailed Investment Policy Statement & Implementation Plan for the client. This plan becomes the basis for tracking progress and growth.