

# making space

freeing staff to work  
on other things

welcome to brighter





The governance of a defined contribution (DC) plan has taken on greater significance as plan sponsors work toward driving better outcomes for their participants. With time and resource constraints, rising litigation risk and rapidly changing market dynamics, many DC plan sponsors are struggling with their ability to react to the changing DC landscape in a timely, effective way.

As a result, some DC plan sponsors are refining their approach to governance, recognizing the need for a full or partial outsourced chief investment officer (OCIO) relationship to monitor the legal and policy landscape, develop institutional quality investment options and support operational needs.

# Consulting, research, and implementation all fully integrated, working for you

Under ERISA, you as a plan fiduciary can delegate or share responsibility for selection, termination, and monitoring of fund managers and strategies, and may also participate in portfolio construction and asset allocation within custom funds. In our OCIO approach, Mercer acts as your fiduciary and investment manager, as defined under ERISA 3(38). Mercer may also supply additional vendor oversight, operational, and implementation support to your plan.

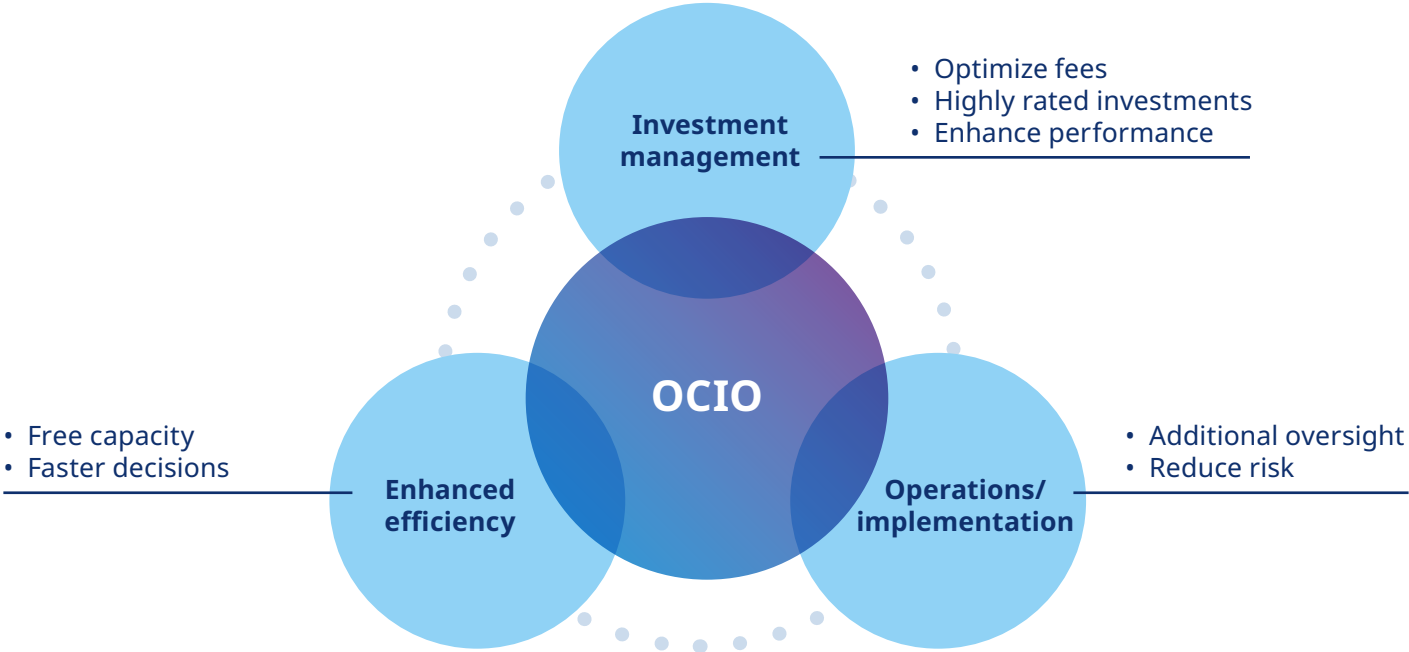
The following is an illustration of how roles and responsibilities are typically shared or delegated between the client and Mercer under our OCIO approach:

	Advice 3(21)		OCIO 3(38)		Mercer Wise 401(k) and Mercer Wise PEP	
	Client	Mercer	Client	Mercer	Client	Mercer
<b>Strategy development</b>						
Define objectives/plan design	●	●	●	●	●	●
Adopt policies (IPS, fees)	●	●	●	●	●	●
Define investment structure	●	●	●	●		●
<b>Investments</b>						
Manager selection & termination	●	●		●		●
Coordination of manager transition	●	●		●		●
Contract & fee negotiation	●	●		●		●
Performance monitoring & reporting	●	●		●		●
Compliance oversight	●	●		●		●
<b>Plan administration &amp; compliance</b>						
Recordkeeper oversight	●	●	●	●		●
5500 filing & compliance testing	●		●	●		●
Eligibility determination & transactions	●		●			●
Contribution/distribution monitoring	●		●			●
Administrative support	●	●	●	●		●

- Primary decision
- Advice



# Service beyond advice with a goal aimed at improving outcomes for all stakeholders



**Operational Infrastructure**  
To support investment design, oversight, and implementation

**Extension of Staff**  
Expanded delegation to include committee support, vendor management, and regulatory oversight

**Potentially Lower Investment Fees**  
Access to Mercer’s vast economies of scale, benefiting from potentially greater investment diversification and lower negotiated investment fees

**Less Demand on Resources**  
Opportunity to redirect staff attention to more strategic goals and opportunities or fill internal team capability gaps

**Reduced Fiduciary Risk**  
Mercer can act as a 3(38) investment fiduciary with full investment discretion and is focused on improving governance processes



## Mercer's OCIO services

- Investment policy review and design
- Custom target-date fund construction, asset allocation, and glide-path management
- Investment structure review
- Investment manager/fund option selection, termination, and transition
- Performance evaluation and risk monitoring
- Custom white-label multi-manager fund option construction and monitoring
- Participant demographic analysis
- Stable value selection, management, and contract evaluation
- Governance accountability review and documentation
- Plan design and benefit adequacy consulting
- Committee services — setting of agendas and recording of minutes
- Regulatory environment updates
- Recordkeeping/administration oversight, including fee benchmarking
- Third-party investment advisory services provider oversight
- Compliance services
- Dedicated governance consultant

Annual governance credit included with OCIO for use for projects such as recordkeeper RFP/RFI, merger & acquisition harmonization, DE&I cluster analysis, retirement readiness, managed accounts projects

## Flexibility in implementation:

- Single manager funds
- Multiple manager funds
- Custom

# Mercer: A global, client-first organization

Your company needs a retirement solution unique to your situation and goals. Mercer's Investments & Retirement group offers a range of solutions that help you invest with confidence, navigate uncertainty and explore potential opportunities in all market conditions. You can choose the solutions you want to keep your investment objectives in focus and evolve your options as your needs change over time.

## Why Mercer?



### Focus on the things that matter most

- People first
- Service Excellence



### Build confidence in strategic decisions

- Curated expertise
- Dynamic solutions



### Succeed together

- Outcome driven
- Stakeholder alignment



## Contact us

To find out more about how Mercer can help, contact:

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US Defined Contribution Leader

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