

Fiduciary Partnership Program Offered by Mesirow Financial

ERISA Section 3(21) and 3(38) Services



As fiduciaries, plan sponsors are faced with certain complex responsibilities including investment selection and monitoring. This is an opportunity for advisors to recommend retirement plans with flexible fiduciary services to help protect the plan sponsor. Through the Mesirow Financial “Fiduciary Partnership Program,” advisors and plan sponsors may select from two fiduciary service options: “limited scope ERISA Section 3(21) co-fiduciary service” or “full scope ERISA Section 3(38) investment manager service.”

3(21) Limited Scope Option

Under the 3(21) co-fiduciary service, advisors and plan sponsors employ a menu-driven approach to select from multiple investment line-ups within the Mesirow Financial Elite Lists. These lists cover a range of asset classes designed for long-term retirement investing.

Mesirow Financial Indemnification

Mesirow Financial will perform its duties and obligations in compliance with ERISA. In accordance with its agreement with the plan sponsor, Mesirow Financial will indemnify the plan in the event of a breach of such duties regardless of whether it serves as a 3(21) co-fiduciary or a 3(38) investment manager.

Quarterly Investment Reporting and Monitoring

Plan sponsors receive ongoing fiduciary support through the quarterly investment report, Mesirow Financial POLICE Report®, and recommendations regarding funds on the Elite Lists or Guidelines.

Professionally Managed Account Options

Although not covered by the Mesirow Financial Fiduciary Partnership Program, individually managed account options are available to plan sponsors.

3(38) Full Scope Option

With the 3(38) investment manager service, Mesirow Financial develops Guidelines and acts as the discretionary investment manager to the plan. This gives the advisor more autonomy to advise the plan’s participants.

This also is an effective solution for broker-dealers concerned with their advisors taking on fiduciary status with regard to investment selection and monitoring for the plan.

About Mesirow Financial

Mesirow Financial is a diversified financial services firm headquartered in Chicago. Founded in 1937, it is an independent, employee-owned firm with more than 1,200 employees in locations across the country and in London. With expertise in Investment Management, Global Markets, Insurance Services and Consulting, Mesirow Financial strives to meet the financial needs of institutions, public sector entities, corporations and individuals. The firm is well capitalized and has been consistently profitable, with capital of \$299 million, revenues totaling \$526 million for fiscal 2010 and \$51 billion in assets under management, of which \$24.3 billion are in currency and commodities as of 12/31/10. For more information about Mesirow Financial, please visit mesirorowfinancial.com.



Investment Elite Lists for 3(21)

For its 3(21) co-fiduciary service, Mesirow Financial compiles lists of selected funds designed to help plan sponsors match their plan's investment options to their participant characteristics. These Elite Lists vary in complexity and number of investment options offered, but all include risk-based and time-based professional investment portfolios. The flexibility also exists to add fund selections among the lists.

Advisors and plan sponsors also may select from the Master Elite List, which includes all funds in the 3(21) co-fiduciary service.

- **Basic Elite List** – for participants with limited investment knowledge and understanding of risk
- **Standard Elite List** – for participants with average investment knowledge and understanding of risk
- **Advanced Elite List** – for participants with above-average investment knowledge and understanding of risk
- **Select Elite List** – for participants with average to above-average investment knowledge and understanding of risk, who also want to emphasize lower cost investment options

An Advisory Services Agreement is executed between the plan sponsor and Mesirow Financial.

Investment Manager Due Diligence

In both service options, Mesirow Financial combines a quantitative review with qualitative analysis to produce a thorough and documented manager due diligence process. To be considered an approved fund on Mesirow Financial's fund lists, a fund must pass an ongoing due diligence process and satisfy specific asset class requirements, including:

- In-depth portfolio review
- Management evaluation
- Other qualitative factors

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Investment Guidelines for 3(38)

Under the 3(38) investment manager service, Mesirow Financial is delegated all investment authority on behalf of the plan. Instead of selecting from lists of funds, Mesirow Financial refers to investment guidelines based on the level of asset class sophistication and plan participant demographics.

The four 3(38) investment Guidelines share similar independent fund options as found in the Mesirow Financial Elite Lists for the 3(21) co-fiduciary service.

- **Basic Guidelines** – for participants with limited investment knowledge and understanding of risk
- **Standard Guidelines** – for participants with average investment knowledge and understanding of risk
- **Advanced Guidelines** – for participants with above-average investment knowledge and understanding of risk
- **Select Guidelines** – for participants with average to above-average investment knowledge and understanding of risk, who also want to emphasize lower cost investment options

Brokerage windows, outside assets and company stock can't be plan options since Mesirow Financial is acting as the discretionary investment manager. An additional fee applies for the 3(38) service option.

Mesirow Financial accepts responsibility through an Investment Manager Agreement signed by the plan sponsor and Mesirow Financial.

Quantitative Screens and Qualitative Analysis

Mesirow Financial uses third-party data providers and maintains a manager database containing virtually all available open-end mutual funds and variable annuity sub-accounts. These databases are updated on a quarterly basis utilizing Mesirow Financial's PrecisionAlpha® manager selection process.

Mesirow Financial also submits proprietary questionnaires on a quarterly basis to the investment managers and collects qualitative information from other sources.

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Advisory services provided by Mesirow Financial Investment Management, Inc., an SEC-registered investment advisor. Plan sponsor will execute an Advisory Services Agreement or an Investment Manager Agreement with Mesirow Financial as part of Mutual of Omaha's plan implementation process. Mesirow Financial refers to Mesirow Financial Holdings, Inc. and its divisions, subsidiaries and affiliates. The Mesirow Financial name and logo are registered service marks of Mesirow Financial Holdings, Inc., © 2011, Mesirow Financial Holdings, Inc. All rights reserved. Mesirow Financial is not affiliated with United of Omaha Life Insurance Company or Companion Life Insurance Company.

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