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**Retrospective Annual Review**

**DOL PTE – 2020-02**

**Review Period - 2022**

INSERT NAME OF FIRM HERE

CCO NAME | January 2023

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# OVERVIEW OF RETROSPECTIVE REVIEW

The process must be reasonably designed to assist in detecting and preventing violations of and achieving compliance with the impartial conduct standards and the policies and procedures governing compliance with the PTE.

Our firm has created a process for investment advisers to recommend rollovers and transfers of IRAs from other firms that includes consideration of the investment adviser's services compared to the services that the IRA investor was receiving from the other firm.

Since an IRA transfer recommendation is considered a rollover recommendation, PTE 2020-02 requires that the IRA investor be given a written statement of the "specific reasons" why the IRA transfer is in the investor's best interest. In light of the language in the preamble, it would be advisable to include services in the analysis and why the rollover is in the best interest of the IRA investor.

Costs are a part of any best interest analysis. The issue is not that the lower cost product or service is inherently better, but instead that, if the costs in the recommended course of action are higher, then the difference should be justifiable based on the needs, investment objectives, risk tolerance, and financial circumstances of the IRA investor (or in the words of the PTE, the "retirement investor").

Our firm's best practice would include our IARs documenting specific information about the IRA investors along with information stated above regarding a cost analysis.

* Investment objectives,
* Risk tolerance,
* Financial circumstances, and
* Financial needs.

Our firm has developed a process that complies with the conditions of the PTE. Well-considered processes will support the requirement to provide specific reasons to the IRA investor and satisfy the mitigation required under the PTE.

Below are the conditions outlined in the PTE 2020-02:

* Acknowledge their fiduciary status in writing,
* Disclose their services and material conflicts of interest,
* Adhere to Impartial Conduct Standards requiring that:
* Investigate and evaluate investments, provide advice, and exercise sound judgment in the same way that knowledgeable and impartial professionals would (i.e., the recommendations must be “prudent”),
* Act with undivided loyalty to retirement investors when making recommendations (in other words, our firm must never place our interests ahead of the interests of the retirement investor or subordinate the retirement investor's interests to their own),
* Charge no more than reasonable compensation and comply with federal securities laws regarding "best execution" and
* Avoid making misleading statements about investment transactions and other relevant matters,
* Adopt policies and procedures prudently designed to ensure compliance with the Impartial Conduct Standards and mitigate conflicts of interest that could otherwise cause violations of those standards,
* Document and disclose the specific reasons that any rollover recommendation is in the retirement investor’s best interest; and
* Conduct an annual retrospective compliance review.

# Steps to Adhere to the PTE

Our firm's efforts in complying with the following conditions above includes:

* Adopted and Tailored Policies and Procedures in Q4 2021/Q1 2022.
* Developed a Rollover Analysis Form to use for our documentation of rationale and fiduciary status
* Continue to obtain Financial Profile information for our clients.
* For Q4 2022 – our firm will review the rollovers and document this Review for our Files.

# Review of Policies and Procedures

*[Summarize any updates to policies and procedures, if warranted based on your Review. Does the scope of the policies appear to be reasonably designed and effective?]*

# Review of Best Interest Rationale

*[Summarize what factors the firm and its investment professionals consider and document in their disclosure of the reasons that a rollover recommendation is in the retirement investor’s best interest?”]*

# Testing Process and Results

*[Summarize the testing efforts for the Review Period and if there were any violations detected for the Review Period.]*

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# Certification and Signature of Senior Executive Officer

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**Signature of CCO**