
Honorable Mention

By Editorial Staff *Thu, Apr 22, 2021*

Pentegra launches Pooled Employer Plan; Betterment's AUM rises to \$29 billion; Symetra creates its own RIA; Ubiquity adds ESG options to 401(k) investment lineup.

Pentegra launches Pooled Employer Plan

Pentegra, a provider of retirement plan and fiduciary outsourcing solutions, has launch of an open, independent Pooled Employer Plan (PEP) in conjunction with The 401(k) Plan Company, an association of national retirement-focused advisors.

The PEP is trademarked, "A Better 401(k) Plan," and is open to all 401(k) plan sponsors and advisors. Each company can private-label its PEP, based on the state in which it is located. "A Better 401(k) Plan is not prohibited by proprietary investment requirements to allow advisors to have input on the investment menu as opposed to having to choose a recordkeeper's standard product," a Pentegra release said.

The PEP will give employers and advisory firms current technology, including an artificial intelligence due diligence tool, for comprehensive investment committee decision-making.

Employers can choose between two platform and design options, with Pentegra serving as the ERISA 3(16) fiduciary and 401(k) LLC as the ERISA 3(38) investment manager. PEPs allow plan providers to offer single plans to numerous unrelated companies or organizations.

A Better 401(k) Plan will use a single 5500 for all participating plans, which will "reduce audit responsibilities, minimize fiduciary risk with outsourcing of 3(16) administrative responsibilities, and bring economies-of-scale pricing," the release said.

PEPs allow each adopting employer to reduce its administrative and fiduciary burdens, as the PPP and 3(38) investment fiduciary shoulder responsibilities on behalf of the adopting employers. Pooled retirement benefit plans also allow cost efficiencies for adopting employers based on pooling the plan's assets.

Betterment's AUM rises to \$29 billion

Betterment, the independent digital investment advisor, said this week that its three services for retail, 401(k), and advisor clients received more than \$10 billion in assets in the

past 12 months, bringing total assets under management to \$29 billion.

In the first full quarter under the leadership of new CEO Sarah Levy, the company added 56,000 new clients to the platform, up 116% year-over-year, and beat a previous quarterly client record by 59%. In the first three months of 2021, client net deposits were over \$1.5 billion, up 118% year-over-year.

In March, Betterment announced the purchase of Wealthsimple's US book of business. The company will add more than 17,000 clients and \$190 million in assets under management at the end of June.

Betterment for Business—Betterment's 401(k) offering for small and medium sized businesses—also saw record growth in the past year as it expanded distribution channels, including the RIA channel. The company recently signed partnership deals with Zenefits and Bennie, making its 401(k) retirement offering and a suite of employee financial wellness tools available to their growing customer bases.

Betterment for Advisors—Betterment's wealth management platform for RIAs—has seen deposits rise by 96% year-to-date. Betterment for Advisors recently announced the launch of Custom Model Portfolios, where advisors can build model portfolios of ETFs while leveraging Betterment's portfolio management features, such as automated rebalancing, tax-loss harvesting, asset location, glide path rebalancing, and tax-optimized sales for withdrawals.

Symetra creates its own RIA

Symetra Financial Corporation today announced that its investment subsidiary, Symetra Investment Management Company (SIM), is now a Registered Investment Advisor (RIA) with the Securities and Exchange Commission. Launched in January 2020, SIM will help Symetra's Japan-based parent, Sumitomo Life Insurance Company, invest in U.S.-based assets, and begin to pursue third-party institutional clients.

Margaret Meister, president and chief executive officer, Symetra Financial Corporation, and

Mark E. Hunt, president of SIM and executive vice president and chief investment officer of Symetra Financial Corporation and its insurance subsidiaries, made the announcement. Hunt oversees Symetra's approximately \$40 billion investment portfolio.

In addition to Mr. Hunt, the SIM team includes Colin Elder, senior managing director and

head of commercial mortgage loans; Nicholas Mocchiolo, senior managing director and head of structured bonds and derivatives; and Evan Moskovit, senior managing director and head of corporate fixed income. SIM's fixed income team is based in Farmington, Connecticut, and its commercial mortgage loans operation is based in Bellevue, Washington.

Over the course of the last fourteen months, SIM's investment and leadership team has grown to include:

Ken Yang, senior managing director and head of high yield, bank loans and structured products, oversees investments in below investment grade rated corporate credit and structured products. Prior to joining SIM in 2020, Mr. Yang was co-head of bank loans and a high yield portfolio manager for income builder and multi-asset funds at Goldman Sachs Asset Management.

Yvonne Guajardo, managing director and head of private placements, oversees Symetra's approximately \$3 billion private placement portfolio. She joined Symetra in March 2020 from MetLife Investment Management's Private Placement Group, where she was managing director and head of relationship management.

Kevin Sklar, senior managing director and chief financial officer, joined SIM in February 2021 and oversees the firm's finances, investment operations and investment reporting. He was most recently senior vice president and corporate controller at York Capital Management.

Richard Wirth, senior managing director and general counsel, has over 38 years of experience in the financial services sector practicing law in the areas of asset management, international fund formation, real estate, insurance, and variable products. Prior to joining SIM in 2020, he served as executive vice president, US Head of Legal, Regulatory Compliance & General Counsel for Aegon Asset Management, a subsidiary of Aegon N.V.

Robert Herlihy, chief compliance officer, joined SIM in January 2021. Since 2005, he has served as a chief compliance officer for GE Asset Management, State Street Global Advisors, and most recently, Hudson Structured Capital Management.

Ubiquity adds ESG options to 401(k) investment lineup

Small business retirement plan provider Ubiquity Retirement + Savings has added environmental, social and governance (ESG) fund options to its 401(k) offerings. The options include ESG mutual funds and exchange-traded funds (ETFs) from Vanguard, and are

available for participants in the firm's Custom(k) and Reserve(k) plans.

Investments in U.S. ESG funds surpassed a record \$51 billion in 2020, more than double the total from the previous year and a nearly tenfold increase from 2018, according to Morningstar.

Ubiquity Retirement + Savings positions itself "at the crossroads of HCM, SaaS and robo-recordkeeping," a company release said. The firm was a pioneer in transparent, flat-fee retirement plans, serving some 9,000 businesses with over \$2.5 billion in plan assets.

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