

Participant Disclosures

Partnering to Simplify Administration

The DOL released a final rule on October 14, 2010 to improve the transparency of fees and expenses paid by participants in self-directed retirement plans. The overall goals of the regulation were to provide participants with an “apples-to-apples” comparison of their plan’s investment options. Disclosures must provide:

- ✓ Plan-Related Information
- ✓ Investment-Related Information
- ✓ Comparative Format Requirement

Plan-Related Information

Must be provided on or before participants can direct the investment of their accounts and annually thereafter.

General Plan Information

- Directions on how participants can provide investment instructions
- A current list of investment alternatives for the plan

Administrative Expenses

These fees are charged directly to plan participant accounts and should be disclosed two ways. 1) The presence of the fees should be described in the annual disclosure and 2) the exact amount deducted must be disclosed as a dollar amount on a quarterly basis.

- Legal
- Accounting
- Recordkeeping
- Investment Advisory

Individual Expenses

These fees are charged directly to plan participant accounts and should be disclosed two ways. 1) The presence of the fees should be described in the annual disclosure and 2) the exact amount deducted must be disclosed as a dollar amount on a quarterly basis.

- Fees for loans, QDROs, Brokerage window, redemption fees, etc.

Statements of Actual Charges or Deductions – Participants must receive statements, at least quarterly, showing the dollar amount of the plan-related fees and expenses actually charged to or deducted from their individual accounts, along with a description on the service for which the charge or deduction was made.

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Investment-Related Information

Must be provided on or before participants can direct the investment of their accounts and annually thereafter.

Performance Data

- 1, 5, and 10 year performance for each alternative ending on the most recently completed calendar year

Benchmark Information

- A Benchmark must be provided for each investment alternative
- Benchmark cannot be administered by an affiliate of the investment provider, advisor, or principal underwriter
- Name and 1, 5, and 10 year performance of a broad-based securities market index benchmark for each alternative

Fees and Expense Information

The **Total Annual Operating Expense** must be disclosed as a percentage of assets, as well as a dollar amount for each \$1,000 invested. Shareholder-type fees or restrictions on the participant's ability to purchase or withdraw from the investment.

Required Investment-Related Disclosures

- Website address and Plan Administrator Contact for more information
- Past performance does not guarantee how the investment will perform in the future
- Your investment options could lose money
- Fees and expenses are only one of the many factors to consider when determining to invest in an option
- Fees and Expenses can substantially reduce the growth of your retirement savings.

Website Requirements

- Name of alternative's issuer
- Information consistent in form with the SEC's Form N-1A or N-3, as appropriate
- Types of assets comprising the investment's portfolio (top 10 holdings)
- Objectives
- Principal strategies and principal risks
- Portfolio turnover rate
- Performance data updated on at least a quarterly basis