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Three factors to help find the right recordkeeper

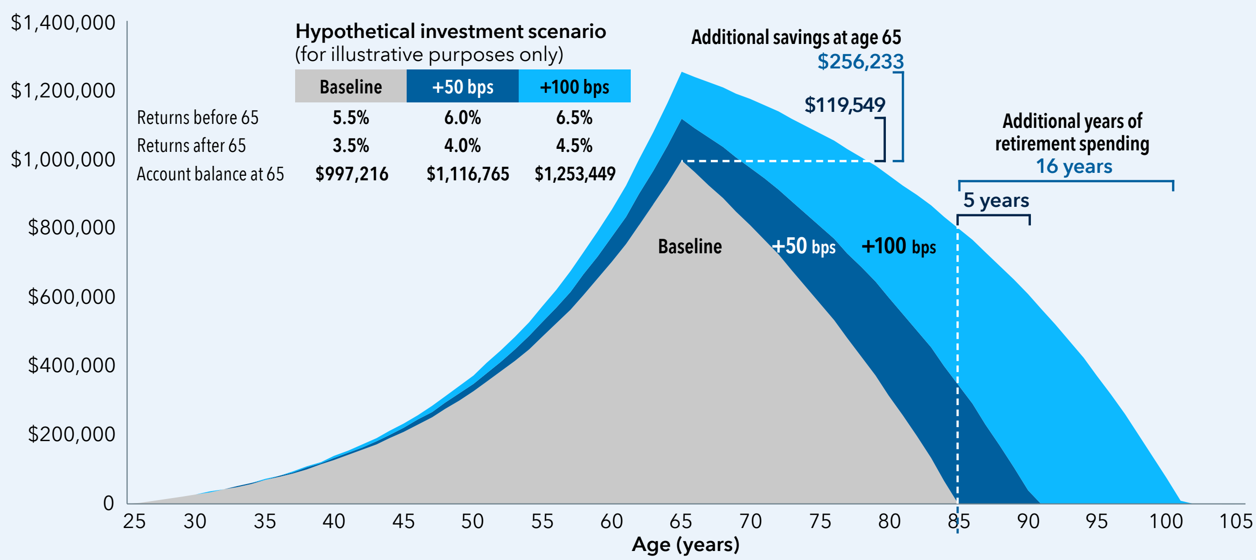
Here's a handy reference guide to questions and considerations in three key areas.

1. Investments

☐ **Have you carefully considered the qualified default investment alternative (QDIA)?**
With the potential for fiduciary protection and better participant outcomes, QDIA selection is key.

☐ **How strong is the target date series?**
Clients may benefit from solid underlying funds, low-cost value and a distinctive glide path.

☐ **Have you considered investment results over the long term?**
Small differences in returns can make a big difference over time.



Based on a hypothetical scenario: $45,000 initial salary, 3% annual salary inflation and 10% annual contribution starting at age 25. Withdrawal rate under all three scenarios is 46% of ending salary (withdrawals of $67,792 based on the ending salary of $146,792 at age 65). For illustrative purposes only. Not intended to portray an actual investment. Returns will be affected by the management of the investments and any adjustments to the assumed contribution rates, salary or other participant demographic information. Actual results may be higher or lower than those shown. Based on an exhibit from Russell Investments.

☐ **Are the investments aligned with your clients' goals?**
Consider investment managers with a long-term focus, depth of experience and consistent investment approach.

☐ **Are the investment costs reasonable?**
In addition to low fees, look for other factors such as a record of providing downside protection and manager ownership.

2. Service

- [ ] **How does the recordkeeper support you, your clients and participants?**
  Look for convenient and highly rated services, robust websites and apps, in-house service support and more.

Plan services

- Automatically track employee eligibility
- Instantly add/update participants
- Conduct paperless enrollment
- Submit contributions and send notices electronically
- Automatically generate key reports
- Ability to review and approve loans and distributions online
- Facilitate participant distribution kits
- Monitor plan effectiveness

Participant services

- Estimate retirement income and health care costs
- Compare savings to peers
- See personal rate of return
- Manage paycheck contributions and investments
- Track savings progress and compare options
- Manage loans and withdrawals
- Access educational info
- Get plan info and forms

- [ ] **How easy is plan installation and contribution processing?**
  Understand the setup fee, implementation timeline and responsibilities.

- [ ] **How does the recordkeeper help sponsors meet their fiduciary obligations?**
  Resources may be provided to help assess plan health, fees and investments, as well as educate, update and notify participants.

- [ ] **What does the recordkeeper do to protect sensitive data?**
  Safety measures may include regularly updated security features, active threat monitoring and stringent website authentication.

- [ ] **What kind of plan administration services are provided?**
  Helpful features may include regulatory notice delivery, preparation of fee disclosure documents, distribution of 1099-R tax forms and more.

3. Fees

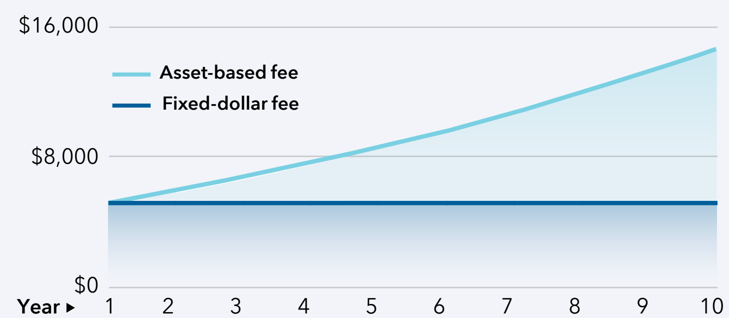
- [ ] **Are the recordkeeper's fees reasonable?**
  ERISA requires "reasonable" costs, not "cheapest" — consider the value clients receive for the price they pay.

- [ ] **How transparent are the recordkeeper's fees?**
  Look for a fee structure that's easy to understand so you're able to assess costs.

- [ ] **How does recent legislation impact your clients' plan costs?**
  Stay aware of regulatory changes and updates affecting plan sponsors and participants.

- [ ] **Does the fee structure meet the needs of you and your clients?**
  All fees are not created equal. For example, a fixed-dollar fee may not increase over time like an asset-based fee might.

Asset-based vs. fixed-dollar fee*



* This hypothetical example is for illustrative purposes only and assumes a plan with $2.5 million in assets, annual contributions of $150,000, an asset-based fee of 0.21%, a year-one equivalent fixed-dollar fee (about $5,200 or 0.21%), and a growth rate of 8% added at the end of each year starting with year 2.

Intended for financial professionals and third-party administrators.

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Although target date portfolios are managed for investors on a projected retirement date time frame, the allocation strategy does not guarantee that investors' retirement goals will be met.

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