

UNDERSTANDING PLAN FEES AND EXPENSES

We know that planning for retirement is important to you. Accumulating the savings you'll need is a big goal. Investing in your retirement plan is not only a convenient way for you to build up your savings, but it also offers tax benefits that can help your account grow.

We are committed to providing you with the information you need to make the most of your retirement plan. That's why we want to call attention to the new annual communication you will soon receive regarding plan fees, expenses, and investments.

Q. Why is this important?

A. We want you to have all the information you need to manage your retirement account wisely. Fees and expenses affect the returns of your investments and the size of your account balance. Over time, the cumulative impact of fees and expenses can be substantial, so you'll want to take them into consideration when you are making investment and other decisions about your plan account.

Q. I didn't know there were plan fees and expenses. Are they new?

A. No they aren't. There have always been costs associated with retirement plans such as yours. In 2013, you began receiving annual communications about the new regulations requiring the disclosure of investment-related performance and fee information in a comparative format. The new rules created more uniform fee and performance disclosure requirements for different types of investment options and are intended to help you easily compare investment choices.



Q. What costs do I pay?

A. You may be paying several different types of costs:

- **Advisory Fees:** Investment advisory fees are earned by CAPTRUST Financial Advisors, for providing investment advisory services. These services include investment monitoring and replacement of funds, risk-based managed portfolios and regular rebalancing plus employee communication and advice.
- **Administration Fees:** Plan administration expenses, such as fees for recordkeeping, accounting, education and legal services required to operate the plan as a whole.
- **Custody Fees:** Covers the custodial services provided by Fidelity Investments.
- **Fund Expense Ratios:** Fund expense ratios, assessed as a percentage of assets under management, include fees paid to the investment manager/ mutual fund provider. Some fund providers may pay portion of these fees back to the plan. This revenue is added back to your account as a credit.
- **Individual Fees:** Fees for any plan services provided to you individually, such as processing a plan loan or distribution. If you don't use the services, these fees won't apply.

All retirement plans have fees and expenses in one form or another. So, when you invest – whether inside or outside of your retirement plan – there are usually costs involved.

Q. How do I know the plan's fees and expenses aren't too high?

A. Every 401(k) plan is unique and has its own rules and investment alternatives. Your employer has partnered with CAPTRUST to provide a plan that:

- Is competitive and offers excellent value for the fees paid
- Provides advice to assist you with making the best decisions related to your goals
- Is focused on excellence and accountability of results

*Plan design and implementation services provided by Freedom One Retirement Services, LLC.
Investment advisory services provided by CAPTRUST Financial Advisors.*

To ensure that your plan is meeting its goals and objectives, we meet with your plan trustees periodically to review growth in plan statistics, investment performance, and any new initiatives implemented during the review period to improve the plan. Each time we meet, we determine a list of action items necessary for us to continue to support the plan's objectives. We also complete a benchmarking review of your plan's fees and services for your employer to compare fees to other plans for reasonableness.

Q. Is there anything else I should know?

A. The communication you'll receive will list all your plan investment options and give you information to help you compare your choices. The investment options will be grouped in categories - those that offer variable returns, such as most funds, and those that offer fixed returns. The communication will also provide information about certain rights you have with respect to the plan.

Q. How will the investment information help me?

A. The information is designed to help you make better, more informed decisions about how to invest your account. For variable return investment options, you'll be able to see how the investments have performed in the past over various time frames and review the costs associated with them (past performance doesn't guarantee future results). For fixed return investment options, you'll find information about the rates they pay and applicable fees. Additional information regarding rates and applicable fees are included in your 401(k) plan annual fee disclosures.

Q. Does that mean I'll be able to see performance information about all my plan's investment options in one place?

A. Yes - and the information will be presented in a user-friendly format. For example, the historical return information for investments with variable returns will be presented in a way that will allow you to compare the investments with each other and with the performance of an appropriate benchmark index (for example, the S&P 500, an index that is often used as a performance benchmark for large company stock investments). The investment returns you'll see have already been adjusted to reflect operating expenses, so the figures provided represent net returns.

Access your account online at www.captrustadvisors.com/freedom401k to view additional information about your investment alternatives.

Q. Are low fees the most important factor in choosing investments?

A. Not necessarily. Fees are just one of the factors you should weigh when choosing investments for your retirement account. Your risk tolerance, investing time frame, and personal goals are also important factors to consider. Note that somewhat higher fees and expenses for specific investments may be appropriate, given what you receive for your money. Bear in mind, however, that higher investment management fees do not necessarily mean better investment performance. You should be aware of an investment's objectives and strategy, as well as its performance history and how that history compares to an appropriate benchmark. If you determine that a particular investment satisfies your own objectives, you may determine that a higher fee structure is appropriate.

This is where CAPTRUST Financial Advisor's Consulting Research Group provides institutional investment management skills at the individual level. They focus their full attention and efforts on researching and allocating to top quality mutual fund managers to meet the on-going investment needs of retirement plans and plan participants. In addition to ensuring quality fund managers, the Consulting Research Group seeks to lower expenses paid by you by choosing institutional share class mutual funds which tend to have lower expense ratios. We understand no one wants to see their hard-earned retirement be eroded by unnecessary fees.

Q. Is this new communication a one-time thing?

A. Actually, no. You'll receive a similar statement every year. In addition, as part of your quarterly 401(k) statement you'll see the dollar amount of the plan-related fees and expenses (administrative and individual) that have been charged to or deducted from your account, along with descriptions of the services for any charges or deductions that were made.

We hope you find this fee and expense information useful. Although your retirement plan does have costs, it also has many valuable features. Taking advantage of this benefit will result in accumulation of a nest egg for your retirement. Successful planning for retirement begins with one step and accumulates over time.

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