

## Benefits of a 401kDIRECT Advisor-Delivered Plan

- >> **Transparent Pricing** - You receive full disclosure of all fees paid within your plan.
- >> **Lower costs** - Typically, a 401kDIRECT client may be able to save 10% to 40% off total costs.
- >> **All revenue-sharing is passed back into the plan** - This benefits participants and helps you fulfill your fiduciary responsibility.
- >> **Reduction of fiduciary-liability exposure.**



### At the end of the process, converting to Transparent Pricing will help you accomplish the following:

- >> Fulfill your fiduciary duty of understanding your plan fees.
- >> Recapture 100% of revenue-share credits on a fully-disclosed basis, potentially reducing plan expenses.
- >> Free your plan from “bundled” product constraints - no more restricted investment menus, no worries about internal-external fund ratios and no proprietary-fund minimums.
- >> Decrease fiduciary liability with an independent Plan Trustee combined with a carefully constructed, ERISA-based policy that documents your investment selection and monitors the process.

For more information on how you can lower plan costs and mitigate your fiduciary liability, please speak with your financial advisor or call **401kDIRECT at 800-571-5104**

Visit us at [www.401k-direct.com](http://www.401k-direct.com)



**Improving your  
company's 401 (k)  
program through  
an advisor-  
delivered plan**



## 401(k) Plan Sponsors: Do you know all of your 401(k) costs?

Believe it or not, 85% of retirement-industry revenue is never billed directly or disclosed. This is because most 401(k) plan distribution and record-keeping costs are subsidized by the funds themselves in the form of fund-marketing fees, shareholder-servicing fees, sub-transfer agent fees, and finder's fees that compensate the sales and distribution effort. Many of these costs are even unbeknownst to Plan Sponsors.

These hidden costs may be a problem because, as a plan fiduciary, you have a responsibility to account for all plan dollars, and to investigate and understand all expenses that are being assessed against your employees' assets.

Your advisor and 401kDIRECT'S innovative Transparent Pricing model is designed to enable you to do just that.

## What is Transparent Pricing?

Transparent Pricing is a three-step process that is revolutionizing the 401(k) industry.

**Step 1:** All plan expenses – including so-called undisclosed fees – are identified and fully disclosed. There are no more camouflaged fees and no hidden charges. Disclosed fees include:

- >> Administration & Record-Keeping
- >> Investment-Management Fees
- >> Trustee Services
- >> Education & Communication

**Step 2:** Recapture all revenue sharing. Your advisor and 401kDIRECT will identify all hidden costs and revenue-sharing arrangements, and deposit them into your Plan Trust. Revenues generated by the plan belong to the plan.

**Step 3:** Reduce plan expenses.

- >> Once recaptured, the credits can be used to reduce your plan expenses.
- >> Reduction of up to 50% or more in out-of-pocket plan expenses are not unusual.
- >> Some plans accumulate a surplus of fund credits in the Plan Trust. In this event, the Plan Sponsor can distribute these surplus credits to participants, potentially enhancing their returns.

Your advisor and 401kDIRECT are committed to Transparent Pricing of retirement plan services. We fully disclose all expenses. 100% of all revenue-sharing is collected by your Plan Trust for the exclusive benefit of the plan.

## Flexibility

With our open architecture platform, you aren't limited to one or two mutual fund companies. Your advisor has open access to over 12,000 mutual funds and other investments. Your plan can offer funds from many managers associated with multiple fund companies.

## Decrease risk

Your advisor and 401kDIRECT will help to fulfill your duties as a fiduciary. Your financial advisor will help you create a risk-management system. This includes drafting an investment-policy statement based on stringent ERISA standards.

