

Fee Summary¹

Plan Assumptions: 67 participants, 70 eligible, \$1,601,069 assets, \$161,000 annual contributions

	JOHN HANCOCK	NATIONWIDE	BCM OPEN 401(K)
Administration Expenses			
Annual Administration	Included	\$1,675	\$3,655
Compliance Fees (TPA)	\$1,800	\$1,500	\$1,500
Trustee Fees	Included	Included	\$960.64
Plan Document	Included	Included	Included
Advisory Fees	\$10,086	\$10,086	\$10,086
Estimated Billed Fees	\$11,886	\$13,261	\$16,201
Investment Expenses:			
Weighted Expense Ratio (EE Paid)	0.98%	0.37%	0.40%
Asset Charge (EE or ER Paid)	0.00%	0.55%	0.00%
Total Investment Expense	0.98%	0.92%	0.40%
Estimated Total Plan Cost (%)	1.72%	1.74%	1.42%
Estimated Total Plan Cost (\$)	\$27,525	\$27,995	\$22,681
Estimated Total Plan Cost per Employee	\$410	\$417	\$338

Termination Fees: ^{2,3}			
Market Value Adjustment	Fees may apply; refer to service contract ²	No	No
Discontinuance Charge	No	No	No
Puts	No	No	No

- Fees and services are subject to change at any time.** See proposal for actual pricing. Final pricing, services, and contractual provisions are at the sole discretion of each plan provider.
- In a rising interest environment, it is likely that any market value adjustment to guaranteed-type accounts (by the existing provider) will be greater when plan assets transfer to a new plan provider than at the beginning of the pricing process. If this occurs, the new plan provider may increase pricing in order to absorb the increased market value adjustment. The increased pricing (by the new provider) may be in the form of higher asset-based fees or an increase in billable administrative expenses.
- The above information represents potential incumbent and bidding provider termination fees, market value adjustments and puts. Contact the incumbent provider for any actual fees that may apply to this plan. Fees quoted by the bidding providers do not include any market value adjustment buyout or equalizer. If the incumbent provider levies termination fees, a market value adjustment or puts, contact the bidding providers to discuss the financial and recordkeeping impact on their existing quote.

Total Cost Analysis: Incumbent

Existing Plan Assets / Allocation			John Hancock				
Asset Class	Assets	Assets %	Fund	Expense Ratio	Cost (\$)	Revenue Sharing	Revenue Sharing (\$)
Large Value	\$39,299	2.45%	Mutual Beacon	1.15%	\$452	0.00%	\$0
Large Value	\$29,074	1.82%	T. Rowe Price Equity Inc	1.03%	\$299	0.00%	\$0
Large Value	\$1,244	0.08%	Columbia Value & Restructuing	1.16%	\$14	0.00%	\$0
Large Value	\$558	0.03%	Washington Mutual Investors	0.87%	\$5	0.00%	\$0
Large Blend	\$342,217	21.37%	Lifestyle Growth	1.04%	\$3,559	0.00%	\$0
Large Blend	\$67,440	4.21%	Lifestyle Aggressive	1.10%	\$742	0.00%	\$0
Large Blend	\$41,593	2.60%	Davis New York Venture	0.94%	\$391	0.00%	\$0
Large Blend	\$6,739	0.42%	All Cap Value Fund	0.96%	\$65	0.00%	\$0
Large Blend	\$2,978	0.19%	Investment Company of America	0.83%	\$25	0.00%	\$0
Large Blend	\$50,499	3.15%	500 Index Fund	0.54%	\$273	0.00%	\$0
Large Growth	\$51,214	3.20%	The Growth Fund of America	0.85%	\$435	0.00%	\$0
Large Growth	\$33,967	2.12%	Blue Chip Growth Fund	0.90%	\$306	0.00%	\$0
Large Growth	\$262	0.02%	Legg Mason ClearBr Agg Growth	1.28%	\$3	0.00%	\$0
Mid Value	\$37,910	2.37%	Franklin Balance Sheet	1.05%	\$398	0.00%	\$0
Mid Value	\$32,808	2.05%	JPM Mid Cap Value Fund	1.16%	\$381	0.00%	\$0
Mid Blend	\$7,273	0.45%	Mid Cap Index Fund	0.55%	\$40	0.00%	\$0
Mid Growth	\$5,145	0.32%	Franklin Small-Mid Growth	1.05%	\$54	0.00%	\$0
Mid Growth	\$1,245	0.08%	American Century Vista	1.16%	\$14	0.00%	\$0
Mid Growth	\$281	0.02%	Inv Small Cap Growth	1.31%	\$4	0.00%	\$0
Small Value	\$1,403	0.09%	Small Cap Value Fund	1.16%	\$16	0.00%	\$0
Small Blend	\$1,557	0.10%	DFA U.S. Small Cap Fund	0.90%	\$14	0.00%	\$0
International Stock	\$3,335	0.21%	Intl Equity Index Fund	0.62%	\$21	0.00%	\$0
International Stock	\$46,725	2.92%	EuroPacific Growth Fund	1.01%	\$472	0.00%	\$0
International Stock	\$19,434	1.21%	Intl Small Cap Fund	1.23%	\$239	0.00%	\$0
International Stock	\$16,703	1.04%	Oppenheimer Global	1.10%	\$184	0.00%	\$0
International Stock	\$2,316	0.14%	International Value Fund	0.96%	\$22	0.00%	\$0
International Stock	\$1,949	0.12%	Templeton World	1.10%	\$21	0.00%	\$0
International Stock	\$232	0.01%	Oppenheimer Developing Mkt	1.33%	\$3	0.00%	\$0
Fixed Income	\$56,515	3.53%	PIMCO Total Return	0.96%	\$543	0.00%	\$0
Fixed Income	\$33,901	2.12%	Money Market Fund	0.58%	\$197	0.00%	\$0
Fixed Income	\$17,991	1.12%	PIMCO Real Return	0.95%	\$171	0.00%	\$0
Fixed Income	\$15,146	0.95%	LM Western Asset Glb High Yield	1.19%	\$180	0.00%	\$0
Specialty	\$18,800	1.17%	Energy Sector Fund	0.88%	\$165	0.00%	\$0
Specialty	\$1,155	0.07%	Financial Services Sector Fund	0.96%	\$11	0.00%	\$0
Specialty	\$124	0.01%	MFS Utilities Sector Fund	1.10%	\$1	0.00%	\$0
Specialty	\$91	0.01%	T. Rowe Price Health Sci	1.22%	\$1	0.00%	\$0
Asset Allocation	\$403,273	25.19%	Lifestyle Balanced	1.02%	\$4,113	0.00%	\$0
Asset Allocation	\$48,938	3.06%	Lifestyle Moderate	0.99%	\$484	0.00%	\$0
Asset Allocation	\$6,729	0.42%	Lifestyle Conservative	0.97%	\$65	0.00%	\$0

Asset Allocation	\$108	0.01%	Retirement Living at 2045	1.09%	\$1	0.00%	\$0
Asset Allocation	\$152,754	9.54%	American Balanced Fund	0.82%	\$1,253	0.00%	\$0
Asset Allocation	\$144	0.01%	PIMCO All Asset	1.37%	\$2	0.00%	\$0
Total Assets	\$1,601,069	100.00%					
Weighted Expense Ratio				0.98%	\$15,639	0.00%	\$0
Asset Charge				0.63%	\$10,086		
Billed Fees				0.11%	\$1,800		
TOTALS				1.72%	\$27,525	0.00%	\$0

Information presented here is intended for client use only.

Observations on current John Hancock Plan:

- Too many investment options. Potential for overwhelming and confusing plan participants is high.
- Too many investments of low quality (see fund scorecard).
- Current age dispersion indicates a “young” participant population- even modest improvement in plan and investment quality could significantly compound retirement outcomes over such a long time horizon.
- High participation in Lifestyle, Balanced and Target Date funds indicates assistance building balanced retirement portfolios is strongly desired by participants.
- No Roth 401(k) option in place
- No proactive fiduciary process in place.

Recommendations:

- Move to immediately replace poorly scoring funds with funds of higher quality.
- Seek to reduce the overall number of funds offered while still giving access to all asset classes.
- Implement independent investment review process.
- Seek fiduciary guidance and education from advisor who will accept fiduciary status in your plan.
- Review participant and sponsor education program effectiveness.
- **Consider adding a ROTH 401(k) option to your plan- may be of significant interest to your participants.**