



401(k) Plan Sponsor News

Top 4 Questions You Must Know About Your 401(k) Plan

1. What are the total fees your Advisor is paid?

This should be a very easy question to answer. Advisory fees should range between 0.20% and 0.65%. However, the reality is that Advisors for most Plans today have a very hard time answering that question! Many Plans are bundled, meaning that they include a wide range of services including investing and plan management, and are usually filled with fees that are not always clear. Some of the fees go to the advisor, and some go to the insurance company or mutual fund. The problem is that all of them reduce retirement account balances!

We believe you should have a best-in-class Investment Advisor selecting best-in-class investment options, and a best in class platform that provides the administration, record keeping and technology.

Some business owners say the last time they saw their 401(k) advisor was when the plan was sold to them.

2. What are the all in costs of the funds in your portfolio?

One would think this should also have a simple answer, but that's not the case. Many investment option in a Plan include a sales charge, either on the front-end, back-end, a deferred sales charge or even redemption fees. Additionally, your mutual funds may charge fees for commissions paid to brokers, which are called 12b-1 fees. The worst part is that these fees are ongoing!

We select low-cost index funds for the investment options in Plans we manage. These generally do not have hidden charges or 12b-1 fees, and cost much less than actively managed funds.

Don't let that happen to you!



Think about it:
Your employees deserve to enjoy the full benefits of a well managed 401(k) plan.



Top 4 Questions You Must Know About Your 401(k) Plan

3. When is the last time your Plan's Advisor was onsite?

According to a recent article in MarketWatch by Larry Stein, business owners say that the last time they saw their 401(k) advisor was when the plan was sold to them! Don't let that happen to you. Your company's 401(k) plan is too important to you and your employees.

Your Advisor should be committed to educating your employees as this maximizes the Plan's benefit. You want the highest level of participation in the plan, as most 401(k) Plans are structured to encourage all employees, not just the business owners, to benefit from the plan.

4. Does your Advisor function as a plan fiduciary and provide custom, individualized recommendations?

This is an important one, as most people don't know that many 401(k) plan Advisors are simply not able to give investment advice. Generally, these advisers work for insurance companies or mutual funds, and will sell you a bundled plan. They may tell you they cannot advise you on which funds to pick (they may even tell you it would be against the law to do so).

To provide investment advice, an Advisor must function as a fiduciary who are willing to take on a much higher level of responsibility

We function as a fiduciary and will partner with you on the plan. We offer customized, specific advice with respect to allocating investments in the plan for participants, and provide a wide range of other services, from selecting the default investment allocation, to building custom investment model portfolios.

Investment in securities involves substantial risk and has the potential for partial or complete loss of funds invested. Although the information in this communication is believed to be materially correct, no representation or warranty is given as to the accuracy of any of the information provided. Certain information included in this communication is based on information obtained from sources considered to be reliable. To the extent permitted by law, neither Oliver Capital Management nor any of its affiliates, agents, or service providers assumes any liability or responsibility nor owes any duty of care for any consequences of any person acting or refraining to act in reliance on the information contained in this communication or for any decision based on it. This communication has been provided to you for informational purposes only and may not be relied upon by you in evaluating the merits of investing in any Oliver Capital Management investment strategy or composites. Past performance is not indicative of future results, and there can be no guarantee as to the accuracy of market forecasts. Opinions, estimates, and forecasts may be changed without notice. This material is not an offer, or a solicitation of an offer, to purchase any securities, including shares of any investment company. The views and opinions expressed are provided for general information only and are subject to change, and there is no guarantee that these views will come to pass.