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**Matrix Webinar Series: Fee Disclosure Update**  
*How to Succeed In the New Disclosure Environment*

**February 10, 2011**

Please note that the information herein is for general informational purposes only and the information offered herein does not constitute legal advice. The specific advice of legal counsel is recommended before acting on any matter discussed in this document



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# Fiduciary Disclosures

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- Initial Disclosure
  - Compensation
  - Description of Services
  - Fiduciary or Not

# Participant Disclosures

- Participant Level
  - Disclosure of Fees
  - Investment Performance
  - Model Chart



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Stewart Cohune  
President  
MG Advisory Services

# Fee Disclosure Timeline



# Natural Evolution...

- Regulation helps us do what we have been doing for years
- Regulations don't contemplate implementation
- Legal, Practical and Scalable solution
- Our Solution Helps Grow your Business

# The Current Marketplace- Components of the Data Delivery

	Mutual Fund Fee Data	Custody and Trading Fee Data	Recordkeeper Fee Data	Advisor Fee Data
<b>Matrix</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes*</b>	<b>No</b>
<b>Other Communication Providers</b>	<b>Yes</b>	<b>No</b>	<b>No</b>	<b>No</b>
<b>Recordkeeping Software Vendors</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>

\* Matrix has over 130 Independent Recordkeepers and 200 Banks as clients.

- Bridging the Gap
- Fund Research
- Fund Vetting
- Point-of-Sale Material
  - Investment policy statement
  - Proposal
  - Incumbent fund comparison report
- Automated Quarterly Fund Reviews
- Annual Plan Review

# RETIRETOOL (k)IT : Version 2.0

- RTK Version 2.0 is a Natural Evolution
- User Input to Collect Required Disclosure Data
- Gross-to-Net pricing in Plan Proposal
- Automated Sub T/A Revenue Calculations
- Automated Fund Open and Fund Close intelligence from Matrix
- Better and more Bundled-Like Plan Proposal
- New Bundled Pricing
- Side-by-Side Incumbent Plan Fee Comparison

**SIDE-BY-SIDE COMPARISON REPORT (MUTUAL FUND AT NAV VS. GROUP ANNUITY CONTRACT)**

PLAN NAME: Sample ABC 401(k) Plan  
 PLAN ASSETS: \$875,000  
 NUMBER OF PARTICIPANTS: 25  
 AS OF: 1/31/11

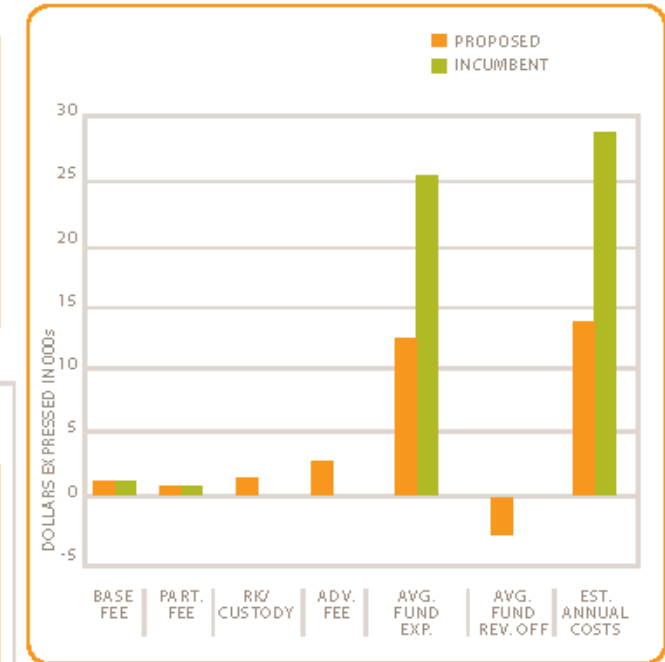
FEES & REVENUE OFFSETS	PROPOSED (ANNUAL FEES)		INCUMBENT (ANNUAL FEES)	
	Base Fee		\$ 1,000	
Participant Fee	2.5	\$ 625	2.5	\$ 625
Recordkeeping and/or Custody	.16%	\$ 1,400	included in fund exp.	\$ 0
Advisory Fee	2.5%	\$ 2,188	included in fund exp.	\$ 0
Avg Fund Expense	1.43%	\$ 12,513	2.92%	\$ 25,550
Avg Fund Revenue Offset	.40%	– \$ 3,500	None	\$ 0
<b>ESTIMATED ANNUAL COSTS</b>		<b>\$ 14,225</b>		<b>\$ 27,175</b>

**FUND EXPENSES**

Mutual Fund	12b-1	Sub-TA	Mgmt Fee	Expense Ratio
Fund A	0.25%	0.20%	1.00%	1.45%
Fund B	0.25%	0.20%	.75%	1.30%
Fund C	0.00%	0.20%	1.35%	1.55%
<b>Avg Expense</b>	<b>0.20%</b>	<b>0.20%</b>	<b>1.03%</b>	<b>1.43%</b>

Group Annuity Contract	AMC	Annuity Contract Fee	Mgmt Fee	Total Fees
Fund X	0.50%	1.39%	1.00%	2.89%
Fund Y	0.50%	1.39%	0.75%	2.64%
Fund Z	0.50%	1.39%	1.35%	3.24%
<b>Avg Expense</b>	<b>0.50%</b>	<b>1.39%</b>	<b>1.03%</b>	<b>2.92%</b>



# Learn More At...

- **Matrix U & Matrix U Advanced** Winter Program
- March 20-22, 2011
- Marriott TPC Sawgrass in Jacksonville, FL
- For attending the webinar you are eligible for a \$199 discounted rate
- Enter **MU11** in the pre-registration code field when you register online at [www.matrix-u.com](http://www.matrix-u.com).





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Danny Streiff  
President  
Matrix Communications Technologies

# Participant Solutions



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Login



Fee Disclosure



Enrollment Materials

User

Password

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# 404(a)(5) Solution

- Combined into the enrollment kit (paper)
- Combined into the enrollment kit (electronic)
- Individual Report (paper)
- Individual Report (electronic)
- The “Dream Statement”



# Thank You!

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Questions & Answers