Professional, Scientific, and Technical Services

FISHER INVESTMENTS®
401(k) SOLUTIONS

401(k) SCORECARD

Prepared specifically for

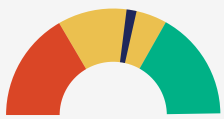
Local Dentist, DDS

by Fisher 401(k) Solutions

OVERVIEW

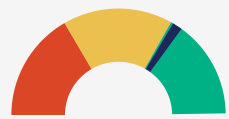
This report was created by using publicly available data on the 5500 Form that your company submitted to the Department of Labor in 2020. This information can be downloaded from their website. Industry Peer scores are developed using the average of companies in the same NAICS industry with a similar number of participants. Contact Fisher for more information on our report methodology.

Your Plan Scores as of **12/31/2020**



54

Your Plan

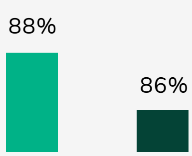


67

Industry Peers

Your Score — Industry Peers

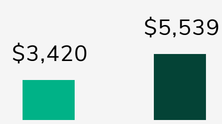
Participation Rate



Your Score: **48**

Industry Peers: 44

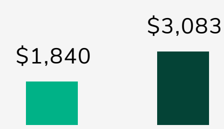
Employee Contributions
(per participant)



Your Score: **44**

Industry Peers: 70

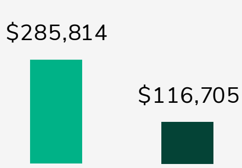
Employer Contributions
(per participant)



Your Score: **55**

Industry Peers: 75

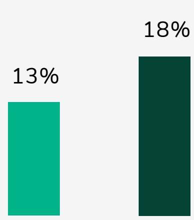
Assets
(per participant)



Your Score: **94**

Industry Peers: 73

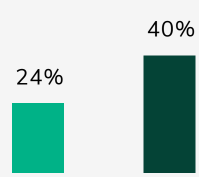
Rate of Return



Your Score: **31**

Industry Peers: 64

Plan Growth Rate



Your Score: **52**

Industry Peers: 75

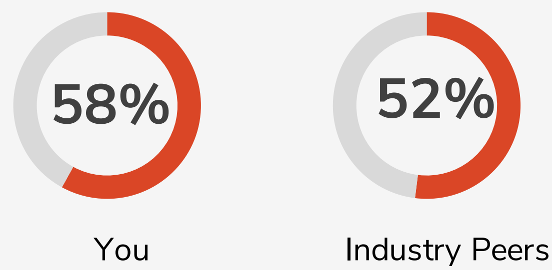
YOUR PLAN CHARACTERISTICS

Keep a close eye on important plan characteristics and features for a more thorough understanding of how your plan stacks up. If this report is inaccurate, please contact Fisher 401(k) Solutions.

See How Your Plan Stacks Up

Loans as a Percent of Plan Assets

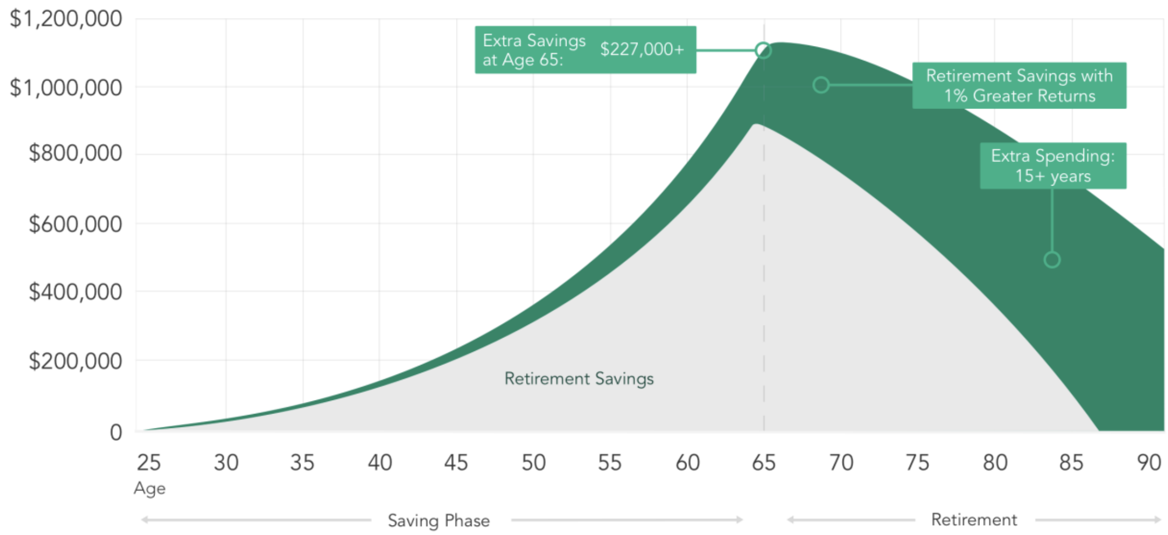
Employer Contribution Percent of Total



Your plan characteristics as of 12/31/2020	You
Qualified Default (QDIA)	✓
404(c) Compliant	✗
Corrective Distributions	✓
Fully Participant-directed Account	✓
Self-Directed Brokerage Option	✓
Profit Sharing	✓
Age-Weighted Profit Share	✗
Adequate Fidelity Bond	✗

YOUR PLAN'S FUTURE

As little as a 1% improvement in investment performance, can mean an extra 15+ years of retirement spending.



Assumes starting salary of $40,000, which grows annually by 3% over 40 years starting at age 25. Withdrawals begin at age 66 and are equal to 45% of the projected salary at retirement. The lower return portfolio growth assumes 5.5% annual return in the working years and 3.5% return in retirement, while the 1% higher return portfolio growth assumes 6.5% and 4.5%, respectively.

About Fisher Investments 401(k) Solutions

Fisher Investments 401(k) Solutions is dedicated to bringing superior retirement plan services to small and mid-sized businesses. Our servicing solutions focus on doing everything we can for you. From acting as a single point-of-contact for your plan to selecting your investments, we provide services that many other plan advisors can't or won't provide.

Schedule your free consultation!

One of our 401(k) business specialists would love to talk about your company's retirement plan needs.

Schedule your consultation

METRIC OVERVIEW

FI 401(k)

Metric	Why it is important	How to Improve
Participation Rate **Employee Contribution** Per Participant **Employer Contribution** Per Participant **Assets** Per Participant	Participation Rate, Employee Contribution, Employer Contribution and Assets Per Participant metrics are all indications of how well your employees are saving for retirement. Even small improvements in contributions have huge impacts on savings at retirement. See chart on page 3 to see how even a 1% improvement in contribution rate can result in many more years of additional spending in retirement.	• Lower participation and contributions can indicate a problem with advisor support. • Read our tips on how to improve employee engagement. • There is no one-size-fits-all approach that works for all companies, so it is most effective to conduct a customized plan review with an objective third party. Click here to schedule a free plan review with Fisher Investments.
Rate of Return	Rate of return pertains to how the money is being invested to deliver the optimal level of investment performance for the level of risk. Small improvements in rate of return can have huge impacts to retirement readiness. See chart on page 3 to see how even a 1% improvement in performance can result in more years of additional spending in retirement.	• Lower rates of return can indicate a problem with the investments in your fund lineup. • It is critical to review your fund lineup annually as fund quality and performance can change rapidly. • Utilize our free investment analysis tool to assess the quality of your fund lineup. • Click here to schedule a free investment analysis with Fisher Investments to identify specific investment improvement opportunities.

Metric	Why it is important	How to Improve
Loans as % of Total Assets	Dipping into a 401(k) plan is generally a bad idea because repayment of the loan costs more than the original contributions. Funds borrowed were contributed to the participants 401(k) on a pre-tax basis, but participants pay themselves back for the loan with *after-tax* money. For someone in the 24% tax bracket, every $1 earned to repay the loan actually leaves them with only 76 cents for that purpose; the rest goes to income tax.	• Educate plan participants on the opportunity cost of obtaining a 401(k) loan. • Implement a pop-up message to employees who apply for a 401(k) loan online that informs them how much the loan could reduce their savings by retirement age. • Offer employees an employer-sponsored emergency fund. • Partner with a third-party company that offers low-cost loans. Through this partnership, employees can repay the loan through payroll deductions, just as they would with a 401(k) loan, but they can borrow without jeopardizing their retirement or incurring a tax bill. • Consider eliminating the loan feature on the company's 401(k) plan. • Click here to schedule a free plan assessment with Fisher Investments.
Fidelity Bond Coverage	A Fidelity Bond, also known as an ERISA Bond, is important because it protects your 401(k) from fraudulent or dishonest activity from people who hold fiduciary responsibility. Plans are required to have a fidelity bond that covers at least 10% of plan assets, up to $500,000.	• Check with your provider to ensure you have sufficient bond coverage.
Qualified Default Investment Alternative (QDIA)	Offering a QDIA relieves plan sponsors of fiduciary liabilities related to investment losses and it provides plan participants the ability to automatically invest in assets that can lead to future growth.	• For additional information on QDIAs, read our article What Is a QDIA? • Partner with your Plan Advisor and Third-party Administrator to select and set up a QDIA for your plan. • Click here to schedule a free QDIA Plan consultation with Fisher Investments.

Metric	Why it is important	How to Improve
404(c) Compliant	Section 404(c) of the Employee Retirement Income Security Act (ERISA) provides a safe harbor for plan fiduciaries related to the investment actions of participants when followed in its entirety. At the most basic level, to be 404(c) compliant, a defined contribution plan must offer a broad range of investment options and make it possible for participants to easily view and control their investments.	• Review Fisher's 404(c) Checklist. • Partner with your Plan Advisor and Third-party Administrator (TPA) to develop and implement an action plan to become 404(c) compliant. • Click here to schedule a free 404(c) Compliance consultation with Fisher Investments.
Corrective Distribution	A corrective distribution means that your plan has failed testing, and **tax-deferred money** that Highly Compensated Employees (HCEs) set aside for retirement must be returned to them. It is important to rectify corrective distributions so that Highly Compensated Employees (HCEs) can maximize their personal retirement plan contribution up to the IRS maximum.	• Review Fisher's article What Are 401(k) Corrective Distributions? • Explore implementing a Safe Harbor Plan feature. • Click here to schedule a free Corrective Distribution consultation with Fisher Investments.
Participant-directed Account	A participant-directed account gives participants investment options to choose from and allows them to decide how to invest their account balances. It is important to enable participant-directed accounts because the U.S. Department of Labor has established rules about plans that permit participants to direct their own investments. Under these rules, if participants truly exercise independent control in making their investment choices, the law will excuse plan sponsors from the fiduciary responsibility for the consequences of participants' investment decisions.	• Partner with your Plan Advisor to determine if your plan is fully participant-directed. • Partner with your Plan Advisor and Third-party Administrator (TPA) to develop and implement an action plan to enable your plan to become fully participant-directed. • Click here to schedule a free Participant-directed Account consultation with Fisher Investments.

Metric	Why it is important	How to Improve
Self-Directed Brokerage Account (SDBA)	A self-directed brokerage account (SDBA) is an investment option designed to allow participants to select investments outside of the core retirement offering while staying within the plan and receiving the associated tax benefits. In a plan without a SDBA, participants can only select from a curated offering, so they are only getting access to a limited selection of investment products. Plans which include an SDBA feature offer more choice and control, especially when investing for retirement. Participants who use these accounts also have the option of allowing their own personal financial advisors to manage the account on their behalf.	• Partner with your Plan Advisor to determine if adding a SDBA feature is appropriate for your plan participants. • Many plan providers do not offer Self-Directed Brokerage Accounts. If your provider doesn't offer this option, click here to schedule a free SDBA Plan consultation with Fisher Investments.
Profit Sharing	Profit Sharing is a plan option that can help business owners maximize tax benefits and reward their key employees. Adding a Profit Sharing provision to the 401(k) plan allows the business owner to contribute up to $64,500 per year, compared to only $26,000 with a 401(k) plan alone.	• Review Fisher's Profit Sharing resources. • Compare the different types of profit sharing to help determine which might be the best fit for your business. • Click here to schedule a free Profit Sharing Plan consultation with Fisher Investments.

Definitions

404(c) Compliant
Plan Advisor: In a phrase, 404(c) is designed to protect plan sponsors from employees' poor investment choices. This is the basic reason why ERISA provides in 404(c) that, if plans satisfy certain conditions making participant investing success possible, fiduciaries will not be liable for imprudent investment decisions by participants.

Age-Weighted/New Comparability
Age/service weighted plan: Allocations are based on age, service, or age and service. New comparability or similar plan: Allocations are based on participant classifications and a classification(s) consists entirely or predominantly of highly compensated employees; or the plan provides an additional allocation rate on compensation above a specified threshold, and the threshold or additional rate exceeds the maximum threshold or rate allowed under the permitted disparity rules of Code section 401(l).

Assets per Participant
- Shows the average assets of eligible participants.
- Total Plan Assets / Eligible Participants

Corrective Distributions
When the company must return a portion of the contributions made by "highly-compensated employees" (HCEs) to pass compliance testing (https://www.fisher401k.com/blog/401k-corrective-distributions)

Employer Contributions per Participant
- Average amount the employer contributed per eligible participant.
- Employer Contributions / Eligible Participants

Fully Participant-Directed Accounts
Participants have the opportunity to direct the investment of all the assets allocated to their individual accounts.

Participation Rate
- Percentage of eligible employees participating.
- Participating Employees / Eligible Participants * 100%

Participant Contributions per Participant
- Average amount the participants contributed per eligible participant.
- Participants Contributions / Eligible Participants

Percentage of Assets in Loans
- Percentage of plan assets which are in participant loans.
- 100% * Total Loan Amount / Total Plan Assets

FI
401(k)

Definitions

Percentage of Fidelity Bond Coverage

- The percentage of required fidelity bond coverage possessed by the plan.
- If the plan has less than $10,000 coverage and/or 10% of Total Plan Assets at the beginning of the plan year, it is calculated: 100% * Fidelity Bond Coverage Amount / (10% * Assets Beginning of Year).

Plan Growth Rate

- Percentage Plan Growth throughout the year.
- In order to have a value, the plan must have had > $0 at the beginning of the year.
- 100%* [Assets End of Year – Assets Beginning of Year]/Assets Beginning of Year

Plan Score

- Calculated as the overall average of the six percentile scores (Participation Rate, Employer Contributions per Participant, Assets per Participant, Participant Contributions per Participant, Plan Growth Rate, Rate of Return). If the plan had $0 in Assets at the beginning of the year, Plan Growth Rate and Rate of Return Score could not be calculated and are thereby excluded.

Profit Sharing

- The plan has elected for a Profit Sharing provision. Having a Profit Sharing component of the plan does not inherently require an employer to fund it annually. See Case Study for further information on optimizing a Profit Sharing Plan.

QDIA (Qualified Default Investment Alternative)

- Plan has a default investment option for participants who don't elect an investment, This serves as a 'safe harbor,' relieving the employer from some liability should the investment option suffer losses.

Rate of Return:

- Percentage Growth Rate of the underlying plan investments. The calculation below is an estimation and does not factor in timing of when the assets were invested.
- In order to have a value, the plan must have had > $0 at the beginning of the year.
- 100% * (Assets End of Year – Contributions – Transfers to Plan + Expenses – Assets Beginning of Year)/Assets Beginning of Year

Self-Directed Brokerage Account

Participant-directed brokerage accounts provided as an investment option under the plan .