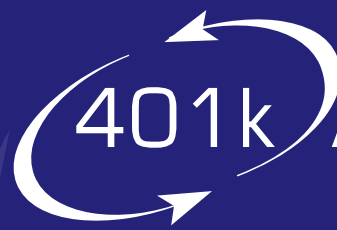


14th Edition

www.401ksource.com



401k Averages Book

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\$50,000 Average Account Balance

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\$10,000 Average Account Balance

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Comments

x.1 Average Plan Cost Per Participant	x.8 Investment and Total Bundled Cost Quartiles
x.2 Average Plan Cost as a Percentage of Assets	x.9 Average Plan Cost Per Participant (Illustrating Net Investment and Revenue Sharing Split)
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x.7 Range of Investment Costs	

ABOUT THE 401K AVERAGES BOOK

14th Edition

Published since 1995, the *401k Averages Book* is the oldest, most recognized source for non-biased, comparative 401(k) average cost information. It is designed to provide financial services professionals and plan sponsors with essential comparative cost information needed to determine if their plan costs are above or below average. The easy to read format allows users to quickly identify the appropriate average and compare investment, recordkeeping, trustee and total plan costs.

What's new in the 14th Edition?

- All data has been updated through September 30, 2013.
- New plan scenario: \$50,000 Average Account Balance – 10 Participants and \$500,00 in Assets.
- New plan scenario: \$10,000 Average Account Balance – 10 Participants and \$100,000 in Assets.

The *401k Averages Book* is edited by David W. Huntley and Joseph W. Valletta. Messrs. Huntley and Valletta's ideas and comments have appeared in *The Wall Street Journal*, *Fortune*, *Business Week*, *Money*, *INC.*, *SmartMoney*, *The Los Angeles Times*, *The New York Times*, *Pensions & Investments*, *Employee Benefit News*, *Institutional Investor*, *Kiplinger's*, *Controller, CFO*, and *IOMA's Managing 401(k) Plans*.

For more information on licensing please contact us at:

Pension Data Source, Inc.
305 West Chesapeake Avenue, Suite 205
Towson, Maryland 21204
(410) 296-1081, extension 1 | info@401ksource.com

More from the 401k Averages Book

Interested in using the 401k Averages data in client reports?

Consider these two options:

Individual Advisor License

- Allows for single advisor to use the book's fee data in their client reports.
- Access to two free 401(k) fee benchmarking report templates.

Corporate License

- Multiple data licensing options.
- Average Advisor Compensation and Revenue Sharing data.
- 401k Comparator fee benchmarking software and custom reports.
- 401(k) fee data on \$10,000, \$30,000, \$50,000, \$70,000 and \$100,000 average account balance plans.

Please visit our website or contact us for information about our licensing programs and electronic solutions designed for single advisors to large organizations.

HOW THE AVERAGES BOOK IS ORGANIZED

The 401k Averages Book is designed to help you quickly identify the appropriate cost average by organizing the book into sections based on the number of plan participants, average account balance and total plan assets.

Most 401(k) plans cost structures are determined by a combination of four important variables, 1) total plan assets, 2) number of plan participants, 3) average participant account balances and 4) asset allocation.

The Averages Book illustrates specific scenarios for plans with 10, 25, 50, 100, 200, 500, 1,000, and 2,000 participants and average participant account balances of \$50,000 and \$10,000.

The asset allocation for each scenario is; 39% Large Equity, 18% Stable Value, 9% International Equity, 10% Fixed Income, 24% Balanced/Target Date. The Balanced/Target Date allocation represents the average of the Balanced and Target Date investment options.

The Averages Book is derived from our database of 197 product offerings from 65 providers. Each plan scenario's universe is made up of a subset of the 197 products. Products are placed in the appropriate universe(s) based on their target market. The data presented for each plan scenario is calculated by averaging the costs for each product in the universe. The number of products in each universe is indicated in the Comments box at the beginning of each section.

The Frequently Asked Questions section provides answers to the reader's most commonly asked questions. If the answer to your question is not found in the FAQ section then all other questions about the *401k Averages Book* will be answered by e-mail and should be sent to support@401ksource.com.

Sections one through eight offer average cost data on specific plan size scenarios for plans with \$50,000 average account balances. Sections nine through sixteen offer average cost data on specific plan size scenarios for plans with \$10,000 average account balances.

To save you time the sections are organized in a practical and easy to use format. First, you will find the Comments box highlighting key data points found in the section. Next, charts x.1–x.5 illustrate average per participant and total plan costs and their ranges. Charts x.6–x.7 illustrate average investment costs and their ranges. Chart x.8, illustrates the median and cost quartiles for each universe. Charts x.9–x.11 illustrate the average per participant costs while splitting the investment expense into net investment and revenue sharing. Costs are illustrated on a per participant, percentage of assets and total plan costs

HOW TO USE THE 401K AVERAGES BOOK

Plan Sponsor: Whether you are reviewing your current plan costs or evaluating new proposals the *401k Averages Book* is a useful tool for comparing 401(k) plan costs. To start the comparative study process you need to gather and calculate your plan's costs.

Advisor: If you have an Individual Advisor License you can use a fee benchmarking report template and the fee data in the *401k Averages Book* to benchmark current clients and prospects fees.

408(b)(2) fee disclosure regulations make the job of gathering plan cost data much easier. You may start the process by requesting a fee disclosure report from your current providers. If you need an additional tool to help you organize your fee information, you can use a fee worksheet. We have posted the *401k Averages Book* Fee Worksheet on our website. It is free to download at www.401ksource.com.

100 Participants and \$5,000,000 in Assets

Comments

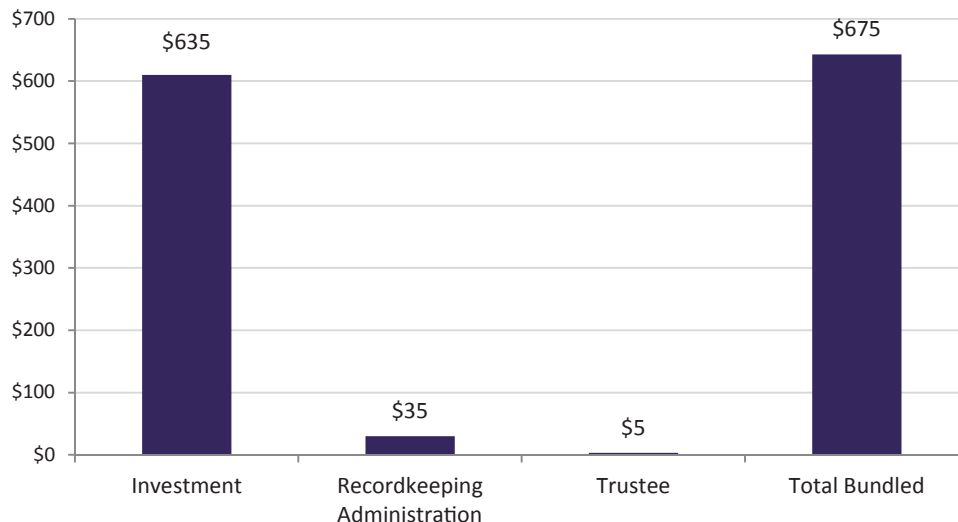
- Total Plan Cost per participant is \$675.
- Average Investment Expense is 1.27% of assets.
- Average Total Bundled Expense is 1.35% of assets.
- Investment Expense accounts for 94.07% of total plan costs.

Section 4 Footnotes

- Universe consists of 66 different products.
- Asset allocation: 39% Large Equity, 18% Stable Value, 9% International Equity, 10% Fixed Income, 24% Balanced/Target Date.
- Average Per Participant Account Balance = \$50,000.

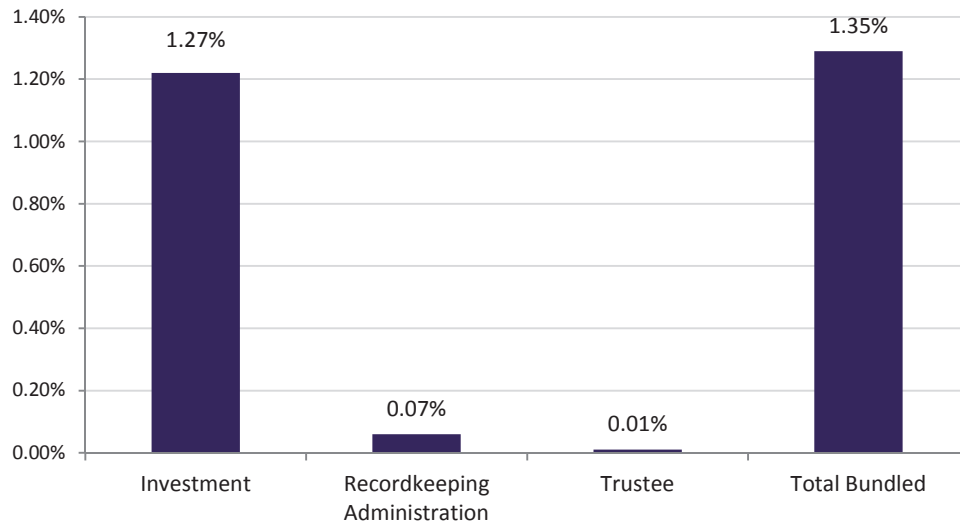
SAMPLE DATA

Chart 4.1
Average Plan Cost Per Participant



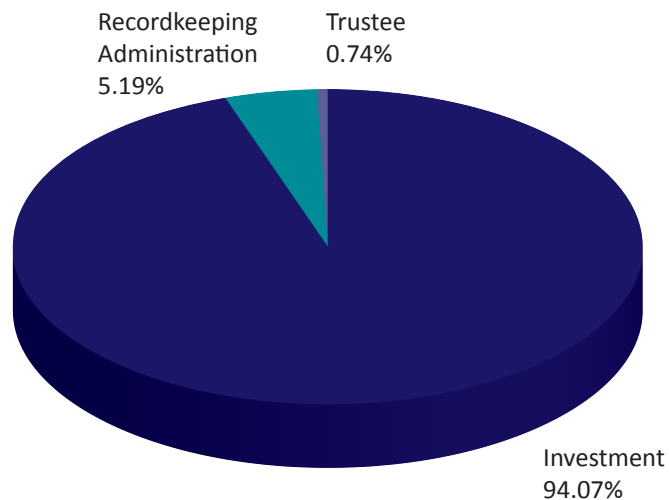
100 Participants and \$5,000,000 in Assets

Chart 4.2
Average Plan Cost as a Percentage of Assets



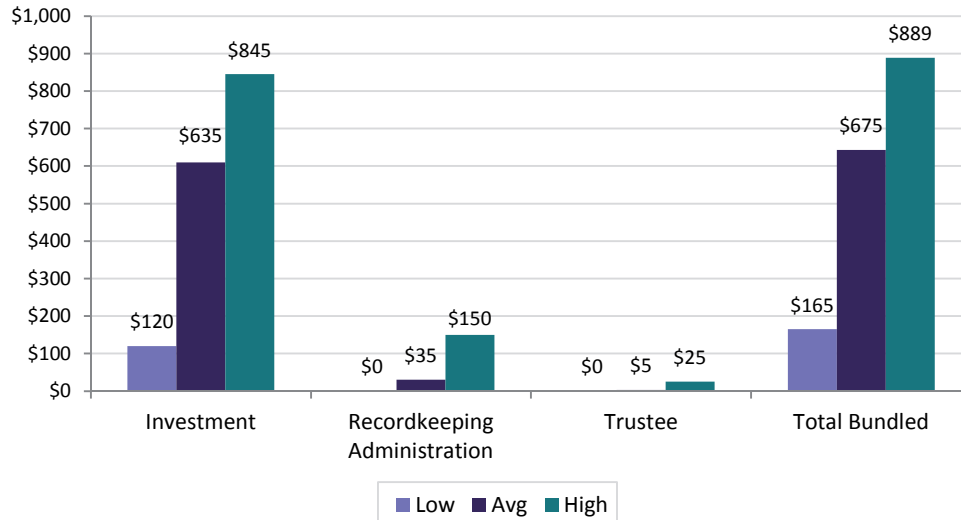
SAMPLE DATA

Chart 4.3
Percentage Breakdown of Plan Costs



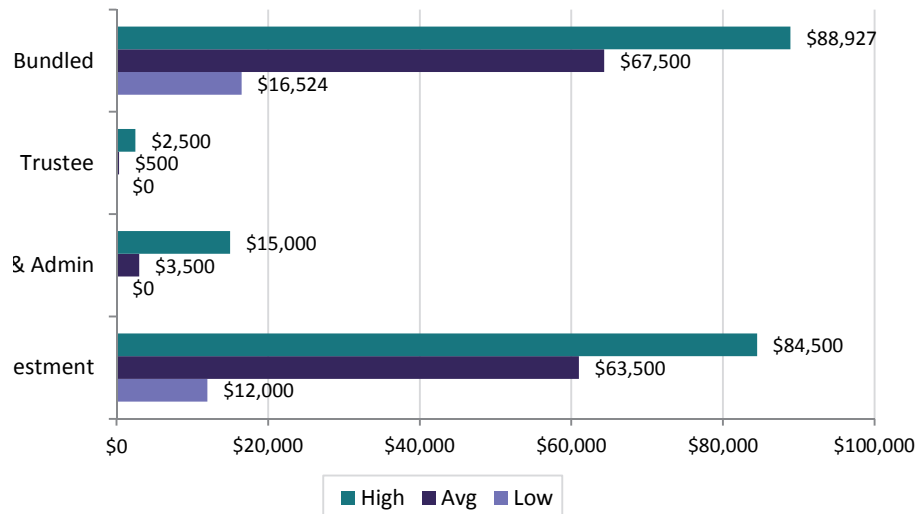
100 Participants and \$5,000,000 in Assets

Chart 4.4
Range of Per Participant Costs



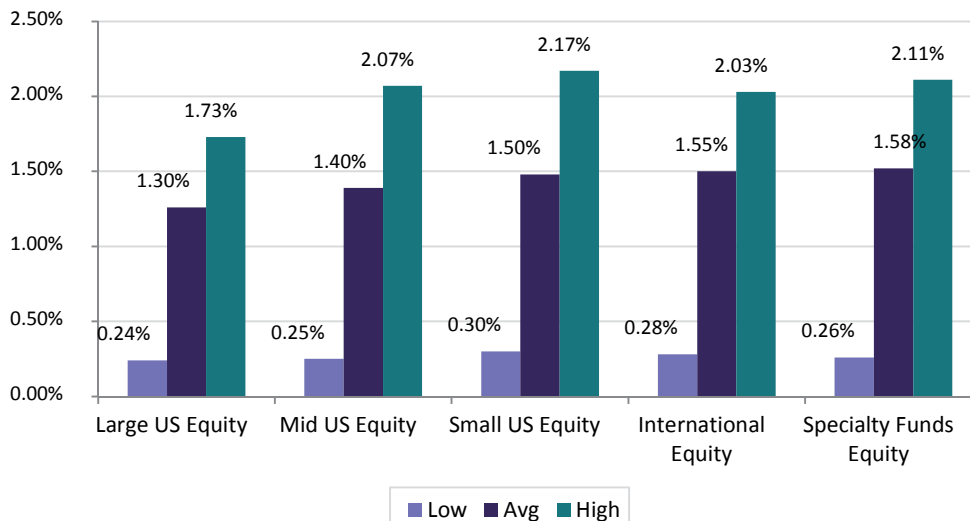
SAMPLE DATA

Chart 4.5
Range of Total Plan Costs



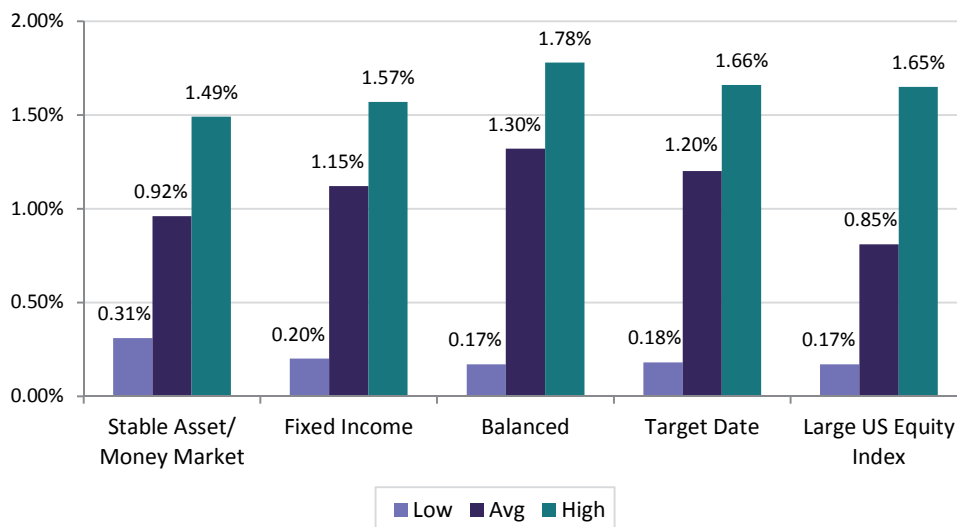
100 Participants and \$5,000,000 in Assets

Chart 4.6
Range of Investment Costs



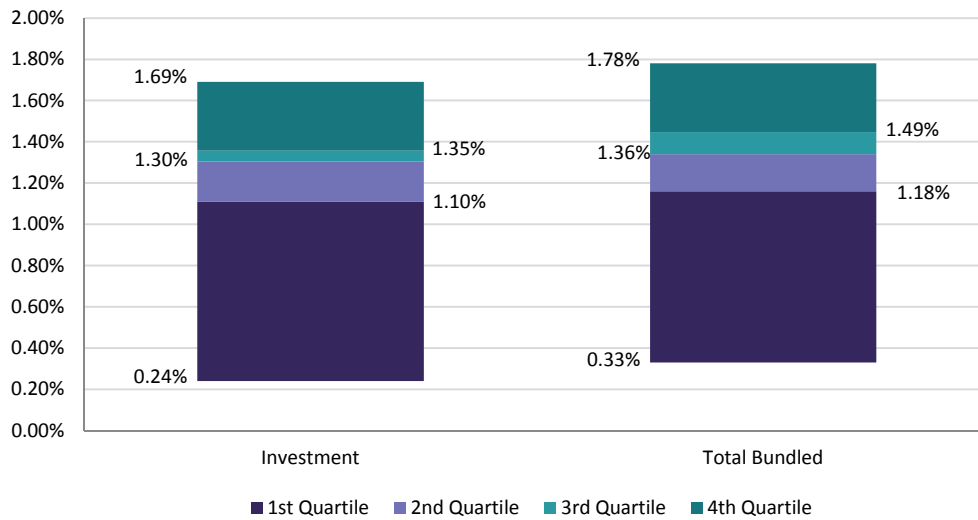
SAMPLE DATA

Chart 4.7
Range of Investment Costs



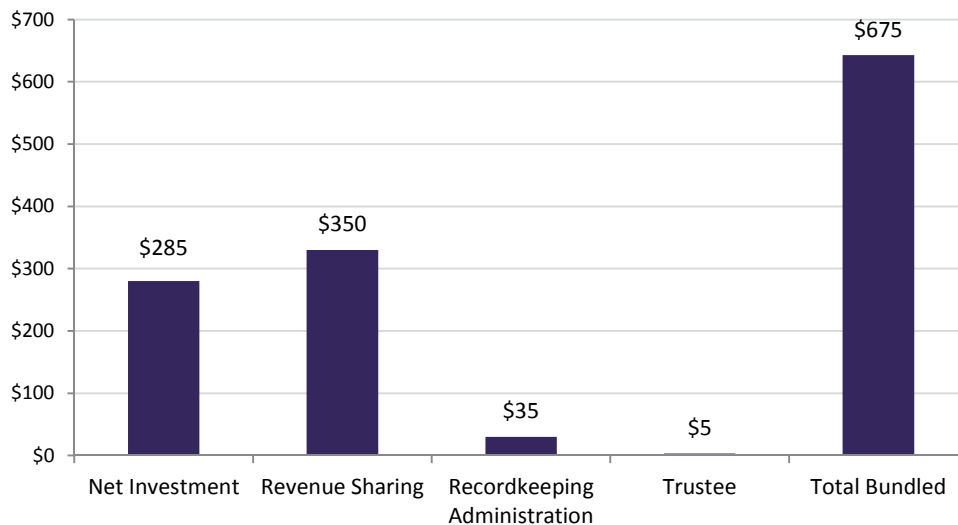
100 Participants and \$5,000,000 in Assets

Chart 4.8
Investment and Total Bundled Cost Quartiles



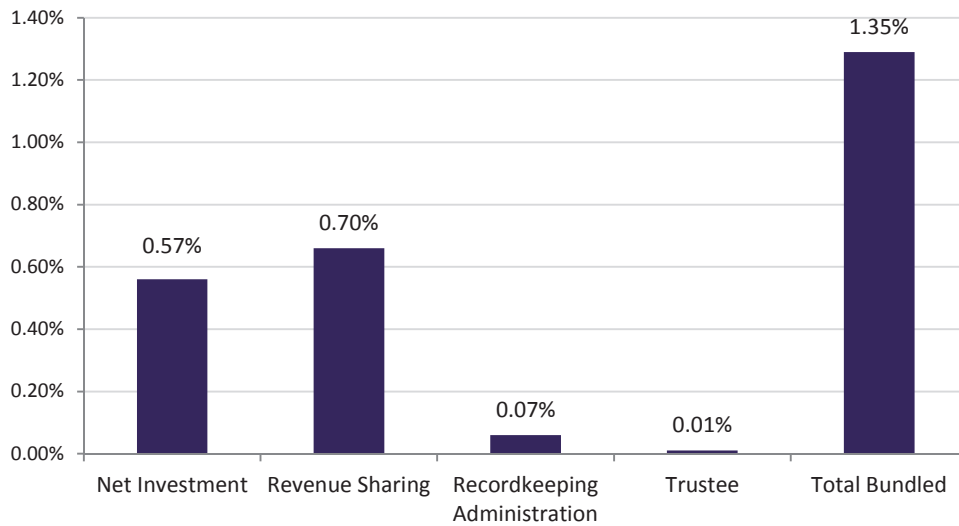
SAMPLE DATA

Chart 4.9
Average Plan Cost Per Participant
(Illustrating Net Investment and Revenue Sharing Split)



100 Participants and \$5,000,000 in Assets

Chart 4.10
Average Plan Cost as a Percentage of Assets
(Illustrating Net Investment and Revenue Sharing Split)



SAMPLE DATA

Chart 4.11
Percentage Breakdown of Plan Costs
(Illustrating Net Investment and Revenue Sharing Split)

