



ADVANCE

CAPITAL MANAGEMENT

RETIREMENT PLAN SERVICES

Your Chief Retirement Officer™

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A Custom 401(k) Solution for Your Business and Employees

Today's 401(k) Challenges

- 3 Current Issues in the Industry
- 4 Why Participants Fall Short

Solution: Provide A Path to Financial Wellness

- 6 Two Steps to Building a Stronger Retirement Plan
- 7 The Right People with the Right Tools
- 8 Fiduciary Protection
- 9 Unbiased, Expert Investment Management
- 10 Improving Employee Participation and Satisfaction



Today's 401(k) Challenges

Current Issues in the Industry

In today's landscape, good 401(k) plans are the best wealth accumulation vehicle for most employees and can help propel them towards a secure retirement. However, simply putting a plan in place to help employees save for retirement is not enough. A plan designed to serve your needs and improve the outcomes for your participants must meet the challenges presented by complex government regulations, increasing costs and numerous investment options. In addition, as plans have transitioned to be mostly defined contributions, it is in your best interest to ensure that employees are saving enough for a sustainable retirement income.

Meeting fiduciary responsibilities

As a plan sponsor, you are considered a fiduciary under the Employee Retirement Income Security Act (ERISA), meaning you are expected to comply with a host of regulations, or risk litigation. Understanding and implementing this higher level of regulation and oversight, makes the role of the plan sponsor more difficult than ever before.

Fees and investments

Often, sponsors unwittingly pay higher fees. A recent Deloitte study of 401(k)s from more

than 500 companies found that all-in fees ranged from about 0.29% to 1.29%.² Having a plan on the higher end of the fee scale can have a long-term negative effect on participant balances, making it harder for them to reach their goals.

Additionally, researching, understanding and assessing all available investment options is not an easy task. Yet, the burden of processing this information is necessary to protect your company while meeting the diverse needs of your participants.

Employee Savings

Today, the responsibility for funding a comfortable retirement has been placed squarely on the shoulders of the individual. This can lead to a huge cost to you in the form of an aging workforce, as more and more workers cannot afford to retire.

We can help

Advance Capital Management Retirement Plan Services can help address the needs of your company so that you can focus more on growing your company and less on tiresome, ever-changing administrative and regulatory responsibilities.

1. United States Department of Labor

2. Deloitte, *Inside the Structure of Defined Contribution/401(k) Plan Fees*, 2013

Why Participants Fall Short

The shift toward employer-sponsored benefit plans like 401(k)s put the responsibility of retirement in the hands of employees. A poorly designed plan that doesn't provide proper guidance leaves participants facing important financial decisions with limited knowledge.

Too commonly, employees end up failing to save enough for their ideal retirement. According to Boston College's Center for Retirement Research:

The typical working household approaching retirement with a 401(k) had only \$111,000 in combined 401(k) and IRA balances, which translates into less than \$400 per month.

Further, employees are likely to make less than optimal investment decisions when on their own. They frequently take unnecessary risks. They may fill their portfolios with expensive investments with little diversification. Or,

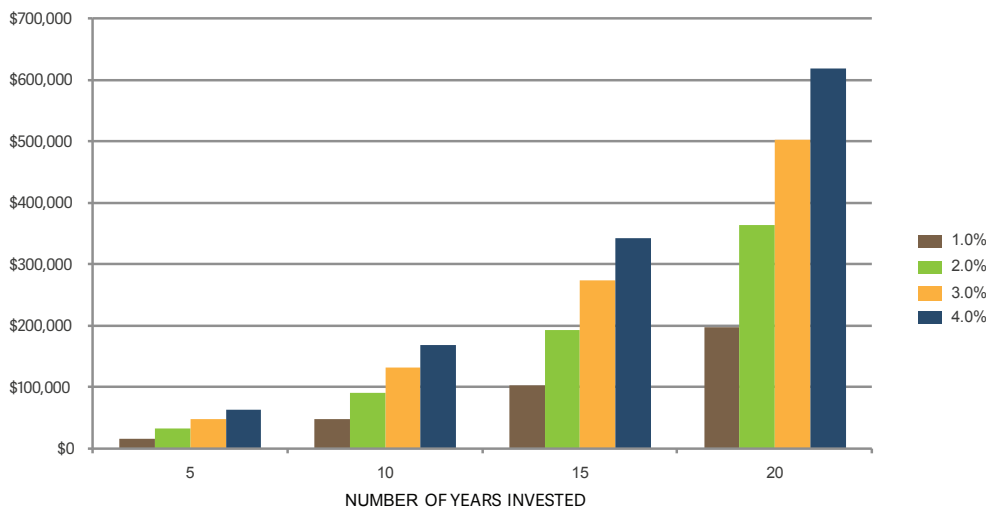
they haphazardly attempt to time the markets as well as chase returns. This can result in significant underperformance (see chart below).

Remember... an inadequate plan impacts your business

Insufficient savings and investment choices or nonparticipation can force employees to delay retirement, placing a burden on your company. This may create a drop in productivity from an aging workforce, higher health care costs and the potential for being in violation of your fiduciary duty.

We don't set it and forget it. We can help you create a **culture of savings** in your organization. Ongoing education is a principal focus, so your employees have the best chance to succeed. In fact, our financial advisers are available to help your employees with financial planning on an individual basis.

Savings Lost on a \$250,000 Account



The chart assumes a beginning balance of \$250,000 of assets invested in your 401(k). It shows the difference in account balances if you were to earn 1-4% less per year vs a targeted goal of 8.0%* over a 5, 10, 15, and 20 year time frame.

*Professional advice does not guarantee that you will hit your target.

Solution: Provide A Path to Financial Wellness



What is a **Chief Retirement Officer (CRO)**?

The **Chief Retirement Officer** has the responsibility of making sure that employees are saving enough, investing properly and utilizing their resources so that they have enough money to retire on time. An employer with a workforce ready to retire at age 65 will have lower health care costs, workers comp, absenteeism and wages, along with higher productivity.

Two Steps to Building A Stronger Retirement Plan

1

Delegate the Administrative Duties of your 401(k) Plan

There's no way around it. The administrative duties of managing a 401(k) plan are tedious, time-consuming and often stressful due to liability concerns. Most plan sponsors have neither the time nor expertise to handle the burdensome regulations, oversight, reporting, fiduciary process and best practices necessary to keep your plan on track. That's where we can help. We can:

- Provide fiduciary investment management and required investment due diligence
- Identify and document measurable goals and objectives of the plan and ensure they are being met.
- Review your current service providers to determine if they are good fits to serve your company's plan needs in a cost-effective manner.
- Ensure that fiduciary best practices and compliance responsibilities are being delivered and implemented.

2

Focus on Plan Participant Success

This is where our role as your Chief Retirement Officer comes in. We are dedicated to leading the retirement readiness initiative within your organization and helping employees embrace a culture of saving. We believe this will improve employee outcomes which ultimately helps contribute to your organization's success. Our mission as CRO is to:

- Help as many people as possible understand and obtain their personal long-term financial goals.
- Guide employees in achieving a sustainable standard of living during retirement through proper saving and investing.
- Execute financial plans for a more complete financial wellness picture.
- Provide continual education for improved participation and success.

The Right People with the Right Tools

Advance Capital Management is a comprehensive financial services firm comprised of a wide range of experienced professionals. When you partner with us, you'll work with highly credentialed financial advisers and an investment management team backed by the latest technology.

Advance Capital Management was founded in 1986 with the goal of helping people in every aspect of their financial lives. Since then, we have grown to become one of the nation's top 300 Financial Advisers in 2017, according to

Financial Times. However, don't confuse us with the impersonal, subjective service of a large corporation or a mutual fund company. With \$2.6 billion in assets under management, we do have the resources to offer extensive investment management expertise, but as an independent firm, we still pride ourselves on one-to-one service to meet the individual needs of our clients.

Hiring us saves you time and gives you the opportunity to focus on what you do best.

7

The Chief Retirement Officer Advantage

Outsource your plan management tasks

We guide you in selecting the service providers that offer the right service, at the right price, for your plan.

Greater fiduciary protection

We assume the fiduciary responsibility as the 3(38) discretionary investment manager over your plan's investments.

Extensive menu of investment options

As an independent firm, we select investments from many of the best money managers.

Knowledgeable, personalized support

Our financial advisers provide in-person employee education and guidance.

Goal-oriented leadership

We are committed to leading sponsors and participants toward their long-term goals.

Transparent fee benchmarking

See itemized fees being paid for all service providers and benchmark them against industry averages.

Fiduciary Protection

We will serve as an ERISA 3(38) fiduciary, which means we assume discretionary investment advisor duties and help reduce your exposure to liability. Compared to 3(21) Fiduciary Advisers who offer investment recommendations and co-fiduciary protection, a 3(38) Fiduciary Investment Manager assumes full control of the Investment selection and monitoring, providing you the highest level of fiduciary risk transfer by law. This allows you to delegate your fiduciary responsibility

and the administrative duties that come with selecting investments to us. We will also develop an Investment Policy Statement, which identifies the plan's investment goals and decision-making process.

The specific details of our fiduciary responsibilities are written in a concrete, transparent service agreement. Unlike some providers, we won't leave you exposed to fiduciary liabilities while hiding behind a wall of fine print.





Unbiased, Expert Investment Management

As a registered investment advisor (RIA), we have a fiduciary responsibility to act in our clients' best interest. Also, since Advance Capital Management is an independent RIA, we do not have any obligation to use specific mutual fund companies. Therefore, our highly experienced investment management team is dedicated to providing employees access to a robust, diversified menu of investments and model portfolios featuring high-quality funds. You can expect a plan designed from an unbiased, prudent selection of investment choices that is based on diligent research and that is aligned with participants' needs and goals.

Transparent Fees

We know the cheapest plan isn't always the best designed plan. However, we seek to find the most appropriately priced services and investments in order to build a plan that is the most cost-effective. More importantly,

we are dedicated to fee transparency. Hidden fees ruin the client-adviser relationship and can discourage employees from participating. When you work with us, we'll submit an easy-to-understand benchmarking document that explicitly spells out each annual cost of your plan to the nearest cent.

Ongoing Monitoring & Performance Evaluation

Having a compliant, cost-effective plan in place is only half the job. It still has to perform. We keep watch over your plan to make sure it consistently meets the highest standards. We manage the health and welfare of your program over its lifetime, advise you on regulatory changes, suggest program enhancements and do investment due diligence on a quarterly basis. This includes monitoring and reviewing the performance of the investment managers of your plan's funds.

Improving Employee Participation and Satisfaction

A principal focus of our mission is to empower employees to maximize the benefits of your retirement plan. We work toward improving employee participation and satisfaction in three key areas:

1 Convenient, quality investment options

Our 401(k) model portfolios feature a diverse selection of funds and are constructed across a range of risk profiles, from aggressive to preservation, that can meet the different investment objectives of your participants.

Additionally, we offer to establish a Qualified Default Investment Alternative, which can automate investment decisions for employees who feel overwhelmed or lack confidence.

2 Dedicated financial adviser support

We provide your employees with access to an Advance Capital Management financial adviser, including group and one-on-one meetings. Our financial advisers specialize in all areas of wealth management so they can help meet individual investor needs and create a personalized financial plan. With our deep bench of advisers, we can accommodate requests to provide an adviser that better relates to your employee demographics.

3 Continuing education

Participant engagement and success is the cornerstone of our education efforts. That's why we continue to provide education exercises throughout the lifetime of the plan. We educate employees through employee seminars, webinars, e-books, printed materials and digital resources.

A principal focus of our mission is to empower employees to maximize the benefits of your retirement plan.

50%

Percentage of working age people who think low interest rates mean they will need to work longer¹

Percentage of working age people who think they will be financially comfortable in retirement, based on how their saving is progressing¹

1.82%

Financial planners help individuals generate about 1.82% excess return each year²

Financial planners helped individuals create around 29% higher retirement income wealth²

34%

29%

1. HSBC *The Future of Retirement*
2. Morningstar, *Alpha, Beta, and Now...Gamma*

Advance Capital Management is a registered investment adviser. Information presented is for educational purposes only and does not intend to make an offer or solicitation for the sale or purchase of any specific securities, investments, or investment strategies. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. Past performance is not indicative of future performance.

Contact us.

We welcome the opportunity to speak with you. Contact us to learn more about how our service can reduce your liability, mitigate your fiduciary responsibilities and improve participant success.

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