Case Study:

A Brief Analysis of 401(k) Plans

Lifetime Income Store®

Main Street's Financial Partner SM

The following analysis of retirement plans was prepared by Institutional Advisors, the Large Investor advisory unit of Lifetime Income Store Advisors, LLC., Tulsa, Oklahoma.

All performance and cost information related to Firm 1 contained in this document was derived from publicly available sources and reflect published plan costs and performance results.

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Company Existing Plans, Structures, and Key Details with Commentary

According to public records, we have identified three existing ERISA plans within the Company.

1. **Company Profit Sharing 401(k) - $78,000,000 amongst 146 Participants**
2. **Company 401(k) Savings Plan - $435,727 amongst 73 Participants**
3. **Company Pension Plan - $5,882,389 amongst 92 Participants**

The two Defined Contribution Plans are sold and marketed by Firm 1.
The Defined Benefit Plan is well funded. The specific manager is unidentified, and Company X is the actuary.
The following analysis will be strictly on the plans under the Firm 1 umbrella.

The Program Background, Details, and Demographics

The Program offers an Employer-Sponsored retirement plan to solo practitioners and law firms typically with plan assets of less than $20,000,000. The Program is a Multiple Employer Plan with roughly 4,000 individual and firm members. Most of these member firms have less than four employees and approximately 30% are sole proprietor practitioners according to Firm 1's website. The Program's average plan size is $1.5 million according to recent filings.

Multiple Employer Plans like the Program utilize a master trust with sole practitioners and firms acting as adopting employers to access their respective plan. This group concept is to provide fully bundled services and access to investment management for those too small to maintain a plan on their own.

There are five major service providers available in the Program:

1. **Firm 1 – Program Oversight & Management**
2. **Firm 2 – Investment trusts and custody services**
3. **Firm 3 – Recordkeeping and administrative services**
4. **Firm 4 – Self-Directed Brokerage Services**
5. **Firm 5 – Investment Advisory service sub-advised to robo-advisor Financial Engines (available for additional fees)**

The Program offers an advantage to a smaller firm by bundling assets to be able to attract large investment service and administrative providers. Typically, plans over $20,000,000 in assets can secure their own fully bundled services.

Multiple Employer Plans such as the Program are often referred to as "Robinhood Plans", whereas the fees generated by large plans subsidize the costs of the smaller plans in the group, which has been an issue for managers of these types of programs in recent years. As a major player in the Robinhood Plan arena, Firm 1 attempted to address this issue by restructuring their fees in 2019. Effective September 16th of last year, Firm 1 implemented a two-tiered fee structure with plans under $5,000,000 remaining under the current fee structure. Plans over $5,000,000 received a basis point reduction in the Program fee. No further fee breaks were provided to plans over $20,000,000. Records indicate the published direct Program fee for the Company was reduced by almost 50% in 2019.

Institutional Advisors Commentary:

Our Value Advantage 401(k) features only two entities eligible for fees versus the five in the Company's Program, and all fees in the Value Advantage 401(k) are clearly defined and fully transparent.

The Program Investment Offerings

The primary purpose for a Multiple Employer Plan (MEP) is to allow small employers or sole-practitioners access to investment options and/or administrative support for which they may not otherwise qualify or be able to afford. MEPs are the retirement industry's version of group health insurance. Firm 1's board and the various investment managers monitor and make all decisions on investment performance and rosters. It is standard practice for MEP assets to be managed as a group and not actively managed to the objectives, timeline, and risk tolerance of individual Participants.

Firm 1's Investment menu is divided into three tiers:

1. **Tier 1: Retirement Date and Target Risk Options (fund of funds)**
2. **Tier 2: Single Asset Class Funds**
3. **Tier 3: Self-Directed Brokerage (available for additional fees)**

There are 29 individual investment options in the Program's three tiers, with most featuring layers of collective trusts, which are simply multiple non-SEC registered mutual funds holding other private mutual funds overseen by Firm 2, and currently managed by multiple outside 3rd party fund managers not fully identified in the documentation.

A further note regarding the Program investment offering history. In 1992, Firm 1 self-trusteed Program assets – and the only investment option – was a group annuity contract underwritten by Firm Y Life Insurance Company. That changed in 1999 when the Program hired Firm Z to replace Firm Y and perform additional duties as the Program Trustee. In 2009, another firm replaced Firm Z as investment manager. A few years later, Firm 2 was brought in to replace the incumbent because of poor investment performance.

The Program Current Offerings Feature Firm 2 Common Collective Trusts

Common Collective Trusts are typically found in 401(k) applications because the layers of private mutual funds within the trust can create multiple opportunities to hide fees and operating costs within the layers of funds themselves. This lack of transparency can allow for a plan to have layers of 3rd party fund managers and administrative personnel, each of whom receive compensation. Oftentimes, these fees are not readily disclosed, or listed on Participant account statements.

Institutional Advisors Commentary:

We believe an actively managed diversified portfolio of multiple asset classes in a custom, Separately Managed Account can deliver better risk-adjusted long-term performance than other investment styles such as mutual funds, ETF managers, and managers of managers.

In our asset management methodology, it is impossible to hide fees or undeclared charges. Participants earn 100% of their portfolio actual performance minus the clearly defined fees for comprehensive service, and TD Ameritrade's platform.

Cursory Performance Review of Program Retirement Funds Investment Performance

We analyzed the January 31, 2020 fund performance provided by the Program. We measured the various investment options against two specific benchmarks, which include a custom benchmark built by Firm 2 and the Morningstar Category Average. Firm 2 blends several underlying indexes to create the custom benchmark. The Morningstar Category Average identifies funds based on their actual investment styles as measured by their underlying portfolio holdings. The calculation is the average of the returns for all of the funds in each category.

A simple review of the Program investment performance revealed the following:

- **Only two of the 29 Program investment options beat the Morningstar Category Average Index and Custom Index on a one-year basis.**
- **Only one of the 29 Program investment options beat the Morningstar Category Average Index Custom Index on a three-year basis.**
- **Only one of the 29 Program investment options beat the Morningstar Category Average Index and Custom Index on a five-year basis.**
- **None of the 29 Program investment options beat the Morningstar Category Average Index and the Custom Index on a ten-year basis.**

Stable Asset Return is the Single Largest Company Employee 401(k) Holding

The largest holding in the Company's Profit Sharing 401(k) plan is the Stable Asset Return Fund with $16,700,000 in assets. The chart below illustrates performance as of January 31, 2020 versus the Program's hybrid index benchmark. The table illustrates that the Program Fund that holds the largest portion of Company Participant assets has grossly underperformed across the board and against the benchmark which the Program specifically designed themselves.

Largest Plan Holding - Stable Value

Fund	One-year Return	Three-year Return	Five-year Return	Ten-year Return
Program Stable Asset Return	1.9%	1.6%	1.4%	1.2%
Program Hybrid Benchmark	**3.2%**	**2.7%**	**2.1%**	**1.5%**

*Data Source Program Performance 1/31/2019.

Institutional Advisors Commentary:

Our composite strategies have met or exceeded benchmarks Net of Fees for two decades. It is our experience, and a plethora of industry analysis concurs, that investments that fail to consistently meet or exceed their respective benchmarks can be hindered in net returns by high internal fees, poor investment mismanagement, or a combination of both. The results for the Program Stable Asset Fund indicate underlying issues have adversely impacted results delivered to Participants, especially in the banner market of 2019. The 10-Year result could also indicate fee and/or management issues as other Stable Value Funds delivered significantly superior results during the time period in the markets. If the goal is to manage to, or exceed, the benchmark, the program fund managers have been consistently short of the goal for an extended period of time.

Numbers Indicating Flight of Assets

Numbers provided by Firm 1's suggest a larger than industry average percentage of Company Participant assets are deployed in the Program's Self-Directed Brokerage option. According to a study by Aon Hewitt, approximately 3% - 4% of retirement plan participants will utilize this option, and the Company numbers appear to be higher than the study results. Additionally, there is evidence of higher than normal levels of in-service withdrawals, which may indicate active Participants are moving money to plans they feel better fit their long rang objectives.

Firm 1 Plan Fees for Individual Participant Investment Advice

The Program's funds are group managed, and as such, investment advice to individual Participants is not a high-profile benefit utilized in the Company plans. Firm 5 handles any advisory requests via its robo-advisory arm.

A participant electing to receive individual advice will incur monthly charges payable directly from their account per the following fee schedule:

First $100,000 - 0.50%
Next $150,000 - 0.40%
Over $250,000 - 0.25%

Institutional Advisors Commentary:

Our Value Advantage 401(k) includes investment advisory for all Participants as a standard feature/benefit covered by our quoted fee. A detailed comparison of fees is included in subsequent pages of this document that will define by category current published and visible Program fees versus those of our Value Advantage 401(k). It is of utmost importance to us that those Participants with less Plan assets do not suffer fee discrimination in our Value Advantage 401(k) and are not restricted from receiving the same elite level of advice provided to those Participants with more assets in the Plan. Participants with lesser account values are typically those with the greatest need for investment advice.

Common Collective Trusts Defined

The Program's investments are comprised primarily of Common Collective Trusts (CCTs), which hold what are essentially private, non-SEC registered, mutual funds. These vehicles are typically employed in 401(k) plans because they can easily hide fees inside the funds' price per share. CCTs as a general rule lack fee transparency, and typically feature multiple layers of trust funds and 3rd party management. For instance, the Retirement Date Funds and Target Risk Funds in the Program utilize Firm Z's CCTs as the underlying investments. It is difficult to understand the multi-layered management innerworkings of these investment vehicles, and quantify the true fees being collected from Participant share owners in each individual fund.

Institutional Advisors commentary:

Our Value Advantage 401(k) Plan does not include any CCTs, adjustable fee Stable Value Funds, mutual funds, bond funds, or other group managed 3rd party vehicles, that can mask hidden fees.

A significant portion of the Program's investments have underperformed their benchmarks and the markets during the largest market recovery period in history. That can indicate the Program is riddled with excessive fees for 3rd party management/administrative costs, gross mismanagement of the investments, and/or a combination of both.

Three Critical Areas of Concern for the Firm Inside the Program

There are several key points that we recommend the Firm review inside the Program.

- ***The Use of Common Collective Trusts***
- ***Published Fee Structures***
- ***Plan Performance***

1. The Use of Common Collective Trusts

It is common knowledge in the Financial Services industry that most publicly registered mutual funds contain hidden fees that are not always disclosed to the Investor. Our firm makes it a point to educate investors as to the true cost of ownership of those particular vehicles utilizing information freely available to professionals in the field, and to the public, that details the hidden costs embedded in group managed investments. One of those sources is Personalfund.com which is a fee-based service that researches all SEC filings for registered mutual funds. Based on our own research for individuals we serve on a daily basis, the average hidden cost for a registered mutual fund is 2.65%. Oftentimes, the advisor sitting at a desk who holds the account with no direct involvement in the management of the funds, or advisory duties, adds an additional fee further increasing total cost of ownership. In the Firm's case, the advisor would be Firm 1, who adds an annual fee of 24 bps to the Program cost with no responsibility other than plan overseer.

Common Collective Trusts (CCTs) hold private mutual funds, and other vehicles such as Stable Value Funds, that typically have layers of investment managers and administration, with each layer taking a share of discretionary level fees. As private funds, they are not registered, so determining their actual total cost of ownership is a challenge. One method of determining the presence of hidden fees in a private fund is to measure its performance against its benchmark, with the difference of that return versus the benchmark indicating the possible existence of hidden fees. If a fund consistently fails to meet its benchmark, it could be an indication of excessive fees and/or gross mismanagement, especially given the last ten years of record economic recovery.

Any fund that did not meet or exceed its benchmark in 2019 is worth examining for excessive embedded fees and/ or poor management. Unfortunately, per the Firm 1 one-year results published in its January 31, 2020 statement, only two of the 29 Program investment fund options beat the Morningstar Category Average and the Program's own custom-built benchmark in 2019, and none did so over the last ten years.

As previously stated, the use of CCTs is routine in 401(k) plans and may be because of the ease of layering hidden fees. Because this is a Multiple Employer Plan through Firm 1, any potential retained hidden fees generated by the plan could make it possible for sole proprietor and small firms to participate in the plan. In short, the Firm is underwriting coverage for firms that might not otherwise be able to afford a larger 401(k) plan, and the inherent investment options and administration services provided to those plans. The larger plan fees underwrite the smaller ones.

While helping smaller firms is indeed a noble cause – and perhaps one of the reasons the Firm chose to participate in the Program – it is not the most cost-efficient method for the Firm's Participants. There are more cost-efficient investment and administrative vehicles easily accessible to a plan of the size and magnitude of the Firm's. It should be noted the owning entity of Firm 1 does not use the Firm 1's plan for its own employees.

Institutional Advisors commentary:

The potential for hidden fees and/or self-dealing exists anywhere CCTs, Stable Value Funds, mutual funds, and similar group managed investments, are used in 401(k) applications. It is an unfortunate circumstance of the industry today, but caveat emptor certainly applies to investments, even those as vitally important as Employee retirement. True transparency in fees and performance is, quite simply, not yet the Financial Industry standard.

A True Fiduciary Approach to Retirement

Using their own benchmarks and published results for the last five years, we measured the actual returns of the Program's published results for three of the most popular program fund strategies.

Program Cost of Underperformance and/or Hidden Fees*

Fund	Opening $$$$	Year 5 + 1 Month	Underperformance
Program Stable Asset Return	$16,673,865	$17,847,752	$633,849
Custom Benchmark	**$16,673,865**	**$18,481,601**	
Program Large Cap Equity Fund	$7,993,324	$13,192,428	$976,485
Custom Benchmark	**$7,993,324**	**$14,168,913**	
Program Large Cap Index Equity Fund	$5,822,296	$10,137,790	$302,983
Custom Benchmark	**$5,822,296**	**$10,440,790**	
Program All Cap Index Equity	$4,732,528	$8,050,346	$234,324
Custom Benchmark	**$4,732,528**	**$8,284,630**	
Total Five-Year Value of Loss vs. Benchmark on the Four Top Holdings of 29 Investment Options			**$2,147,540**

*Data Source Firm 1 Performance 1/31/2019.

Without a full audit of the primary, and myriad 3rd party managers and funds involved in the Program, the reasons for underperformance of the vehicles are left to speculation. The best-case scenario is poor management of the funds has caused them to consistently fail to meet their benchmark results, which in itself is a red flag to anyone involved with the Program, and would require one to believe that one or more of the Program's 3rd party name brand money managers are not very good at what they do. The worst-case scenario is hidden fees are reducing earnings of Participant accounts. It is possible a combination of both delivered results that were $2,147,540 below benchmark in 2016 through 1/31/20. Regardless, the Program, versus benchmark, failed to deliver an average of $400,000 per annum during a five-year period in three of its 29 investment options.

Institutional Advisors Commentary:

Our composite five core strategies have met or exceeded ten-year benchmarks for two decades and include only individual equities which are wholly actively managed by our team without the involvement of 3rd parties.

Pertinent Recent and Current Litigation

There is current litigation that should be considered specifically involving the use of Collective Trusts, Stable Value Funds, excessive fees, poorly performing investment options, along with self-dealing, in 401(k)s, all characteristics that may, or may not, exist in the Program.

Bank of Oklahoma

https://www.planadviser.com/bok-financial-faced-self-dealing-suit/?fbclid=IwAR1vJSmvx0tawWHF-VhXk1b2U9dnTmY2VLeoRt9jqs4J2DkPOGnnF5DyDDQ

Wells Fargo

https://www.investmentnews.com/wells-fargo-named-in-new-401k-lawsuit-190157

J.P. Morgan

https://www.pionline.com/article/20171107/ONLINE/171109876/j-p-morgan-settles-lawsuit-on-alleged-fiduciary-breach-in-stable-value-funds

Goldman Sachs

https://www.planadviser.com/401k-participant-files-erisa-lawsuit-goldman-sachs/

Fidelity & Black Rock

https://www.barrons.com/articles/fidelity-blackrock-401k-lawsuit-1539977967

Principal

https://www.octoberthree.com/principal-sued-over-target-date-fund-structure/

While the above listed class-action suits have produced little in terms of damages for Plaintiffs to date, what does appear to be decipherable to a layman reading the rulings is administrators and/or fund managers admitted they were not acting in a Fiduciary role in the management of funds and/or plans in question, which in the eyes of the courts, justified inclusion of poorly performing investments, hidden and excessive fees, and self-dealing behavior.

Institutional Advisors commentary:

Poor investment performance, discriminatory/excessive/hidden fees, appearances of self-dealing, poor individual risk analysis, and other 401(k) Plan concerns, can create Fiduciary issues for any Plan Sponsor, and can surface even in plans that claim to shield the Sponsor from such exposure.

As we will present in subsequent pages of this document, Lifetime income Store Advisors' Value Advantage 401(k) Plan consists of Separately Managed Accounts for each individual participant. There is one transparent fee for Custom Individual Advisory Services, Active Individual Portfolio Management, Plan Administration, Ongoing Investment Support and Education, Estate Planning and Trusts education, and Employee Transition Services.

We believe an actively managed diversified portfolio of multiple asset classes in a custom Separately Managed Account can deliver better risk-adjusted long-term performance than other investment styles such as mutual funds, ETF managers, and managers of managers.

Lifetime Income Store Advisors' custom Separately Managed Account methodology has comprehensive Participant Risk Analysis, an impressive history of performance versus Benchmark, and eliminates the potential for discriminatory/excessive/hidden fees, investment self-dealing, and 3rd party managers, thus rendering the issues central to the above litigation activity moot.

2. Published Fee Structures – An Examination of Value

While we have no way of discerning the actual existence of hidden fees and the potential dollars, they may confiscate for Program fund managers from Participant accounts, we can measure publicly available ERISA 550 forms that list Program embedded and declared fees.

We will provide a detailed description of our Plan in subsequent pages. For the purpose of comparison at this stage of the document, the Reader should understand the following:

A. **The Program has in place an escalating percentage fee schedule for Advisory Services that unfairly attaches higher percentage to Participants with the lowest portfolio values.**
B. **The Program does not offer a Separately Managed Account option within the plan.**
C. **The Program charges up to $1,500 to produce a Financial Plan for each Participant.**
D. **The Program charges Participants $250.00 per year for access to Self-Directed Brokerage.**
E. **Lifetime Income Store Advisors projected fee is singular, transparent, and all-inclusive for every Individual Investor. Each Participant enjoys their own custom Separately Managed Account, Unlimited Custom Investment Advice and Ongoing Education, Active Financial Planning Services, Transition Services, Estate Planning and Trust Education, and award-winning administration from TD Ameritrade.**
F. **Program Fees are from 2009-2018 Form 5500, and current fees may vary.**
G. **The Subtotals represent published Program costs.**

Fee Analysis for the Firm's Larger Plan

Program Profit Sharing 401(k) Plan

Assets		$77,842,879
Fees		
Hard Dollar Admin Fees (from 5500)	3 bps	$25,945
Trust, Management and Administration	10 bps	$77,543
Investment Management	16bps	$124,549
Program Plan Fees		$186,214
Subtotal	53 bps	$414,551
Advice (blended rate 25-50 bps)	34 bps	$264,666
Total	**87 bps**	**$679,217**

LISA Value Advantage 401(k) Plan

Assets		$77,842,879
Fees		
Hard Dollar Admin Fees ($70 / head)	1 bps	$9,800
Trust, Management and Administration	4 bps	$31,137
Comprehensive Investment Management	40 bps	$311,372
Subtotal	45 bps	$352,309
Advice	0 bps	
Total	**45 bps**	**$352,309**
Savings		$326,908

Source Data: Fee data from Firm 1's Program Summary of Annual Disclosure Document (May 2019). Asset data from the 2018 form 5500.

Fee Analysis for the Firm's Smaller Plan

Firm 1 401(k) Savings Plan

Assets		$4,600,000
Fees		
Hard Dollar Admin Fees (from 5500)	19 bps	$8,741
Trust, Management and Administration	10 bps	$4,600
Investment Management	16 bps	$7,360
Firm 1 Program Fees	58 bps	$26,680
Subtotal	103 bps	$47,381
Advice (blended rate 25-50 bps	34 bps	$15,640
Total	**137 bps**	**$63,021**

LISA Value Advantage 401(k) Plan

Assets		$4,600,000
Fees		
Hard Dollar Admin Fees ($70 / head)	1 bps	$3,220
Trust, Management and Administration	4 bps	$1,840
Comprehensive Investment Management	40 bps	$18,400
Subtotal	45 bps	$23,460
Advice	0 bps	
Total	**45 bps**	**$23,460**
Savings		$39,561

Data Source: Fee data from the Firm 1 Program Summary. Of Annual Disclosure Document (May 2019). Asset data from the 2018 form 5500

The Program has a significant history of very high declared fees. In September of 2019, Firm 1 lowered Program fees to 58 bps without Investment Advice, and 87 bps with Investment Advice. The following were the program's declared fees without Advice, or other benefits, according to Forms 5500 dating back to 2009. It is worth noting, as Program fees declined, so did investment results, particularly in the last five years through 2019, which coincided with the last half of a record economic recovery.

Institutional Advisors commentary:

Our transparent fee total of 45 bps includes a Comprehensive Risk Analysis, a Custom Investment Policy Guideline, a Custom Separately Managed Account of Multi-Asset Class Equities, Unlimited Investment Advice & Ongoing Education from Licensed & Qualified Investment Professionals, Active Financial Planning with Annual Reviews, Estate Planning & Trust Education, and Transition Services. In the current US 401(k) space, there is no other plan that provides a comparable full-service menu of valuable standard benefits for a lower fee than what is provided by our Value Advantage 401(k).

Embedded Fee %

2009	0.97%
2010	0.96%
2011	0.96%
2012	0.93%
2013	0.92%
2014	0.84%
2015	0.80%
2016	0.80%
2017	0.80%
2018	0.80%

3. Plan Performance

We previously discussed the underperformance of the Program Stable Value Funds, and The Top 4 volume leaders investment options of the Program, relative to benchmark.

Largest Single Plan Asset Holding – Stable Value Fund

Fund	One-year Return	Three-year Return	Five-year Return	Ten-year Return
Program Stable Asset Return	1.9%	1.6%	1.4%	1.2%
Program Hybrid Benchmark	**3.2%**	**2.7%**	**2.1%**	**1.5%**

*Data Source Firm 1 Fund Performance 1/31/2019.

Cost of Underperformance and/or Hidden Fees

Fund	Opening $$$$	Year 5 + 1 Month	Underperformance
Program Stable Asset Return	$16,673,865	$17,847,752	$633,849
Program Benchmark	**$16,673,865**	**$18,481,601**	
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Program Benchmark	**$5,822,296**	**$10,440,790**	
Program All Cap Index Equity Fund	$4,732,528	$8,050,346	$234,324
Program Benchmark	**$4,732,528**	**$8,284,630**	

Total Five-Year Value of Loss vs. Benchmark on the Four Top Holdings of 29 Investment Options **$2,147,540**

*Returns are net of all fees. There is no guarantee that future returns will be similar.
*Data Source Firm 1 Fund Performance 1/31/2020.

A True Fiduciary Approach to Retirement

In the graphic below we examine the top four current highest volume Program options for the Firm and compare them to Institutional Advisors comparable plan investment strategies. The graphic below compares Program returns relative to those of our comparable actively managed Multi-Asset Class Separately Managed Account options for the 61-month period ending 1/31/20.

The Firm Largest 401(k) Plan Holdings

Fund	One-year Return	Three-year Return	Five-year Return	Asset Rank
Program Stable Asset Return	1.9%	1.6%	1.4%	1
LISA Stable Value Fund	**2.9%**	**2.8%**	**2.6%**	
LISA Global Income	**11.7%**	**5.8%**	**3.7%**	
Program Large Cap Equity Fund	16.0%	12.6%	10.5%	2
LISA Global Equity	**33.7%**	**16.9%**	**11.3%**	
Program Large Cap Index Equity Fund	21.1%	13.9%	11.7%	
LISA Global Equity	**33.7%**	**16.9%**	**11.3%**	3
Program All Cap Index Equity	20.0%	13.2%	11.2%	
LISA Global Equity	**33.7%**	**16.9%**	**11.3%**	4

*Returns are net of all fees. There is no guarantee that future returns will be similar.
*Data Source Firm 1 Fund Performance 1/31/2020.
*LISA Performance numbers 1/31/20.

When reviewing the Program results, a trend develops relative to performance across three of the Firm's top four options versus LISA actively managed SMA results. While the five-year comparisons show nearly identical numbers, the three-year begins to identify softening in the Program returns head to head. The one-year comparisons readily standout, and indicate the Program results significantly falling off the general market returns in one of the best earning years in recent history. In 2019, the Dow returned 25.34%, and the S&P 500 delivered 33.07%, with dividend reinvestment.

In a previous section on fees, a connection was made between poor performance of the Stable Value Funds versus general market returns, and the potential of hidden fees within those funds. The Program dropped their declared fees in 2019 by roughly 34%, establishing costs more in line with market norms, in a year when their top returning funds delivered their worst performance versus our results, and general market returns, in the five-year period.

As is the case with the Stable Value Funds, without a full audit of the primary, and myriad 3rd party, managers and funds involved in the Program, the reasons for relative underperformance of the Program Large Cap Equity, Large Cap Equity Index, and All Cap Index, are left to speculation. The best-case scenario is poor management of the funds has caused them to consistently fail to meet their benchmark results, which in itself is a red flag to anyone involved with the Program, and would require one to believe that one or more of the Program's name-brand money managers is not very good at what they do, especially in the last five years of the Bull market. Worst-case scenario is hidden fees are impacting Participants accounts. It is possible a combination of both delivered results that were significantly below LISA results and the general markets in the five-year period ending December 31, 2019.

Institutional Advisors Commentary:

Only a handful of Money Managers in the industry can make the claim of consistently meeting or beating their Benchmarks over the last 20 years, and we are among them. We deliver those results for one transparent fee.

A True Fiduciary Approach to Retirement

Our custom Institutional investing approach and methodology provide the Participant with an efficient and time-tested investment methodology, and the Employer with the highest degree of Fiduciary protection available in the market.

We manage money to not only consistently exceed our benchmarks, but to capture superior upside results while focused on outperforming the down markets. The graphic below illustrates the 10-Year actual performance of our Global Equity Strategy versus the benchmark. Notice the performance in the down-market years.

LISA Global Equity Strategy

Year	Return	Dollar	YTD
2010	9.01%	$90,100	$1,090,100
2011	0.05%	$545	$1,090,645
2012	16.05%	$175,049	$1,265,694
2013	26.39%	$334,017	$1,599,710
2014	12.19%	$195,005	$1,794,715
2015	**-0.16%**	**-$2,872**	$1,791,843
2016	8.00%	$143,347	$1,935,191
2017	21.01%	$406,584	$2,341,774
2018	**-1.18%**	**-$27,633**	$2,314,141
2019	**34.87%**	**$806,941**	**$3,121,082**

MSCI ACWI

Year	Return	Dollar	YTD
2010	12.67%	$126,700	$1,126,700
2011	**-7.35%**	($82,812)	$1,043,888
2012	16.13%	$168,379	$1,168,379
2013	22.80%	$266,390	$1,434,769
2014	4.16%	$59,686	$1,494,456
2015	**-2.36%**	**-$35,269**	$1,459,187
2016	7.86%	$114,692	$1,573,879
2017	23.97%	$377,259	$1,951,138
2018	**-9.42%**	**-$183,797**	$1,767,340
2019	**26.60%**	**$470,113**	**$2,237,453**

Institutional Advisors Conclusion Commentary:

It is our opinion that the Firm and Participants will be better served long-term by 401(k) Retirement and Savings Plans which deliver a comprehensive package of Participant benefits, maximum Fiduciary protection, easy-to-understand and follow investment choices in a streamlined roster, superior upside capture, downside protection, and earnings results that consistently outperform the benchmarks for a single transparent fee in a plan that does not include hidden fees, commissions, and multiple investment managers.

We believe the current Program fails to deliver on virtually the entire list of these critical components and characteristics. A better plan is readily available for the Firm and Participants.

If Program return shortfalls versus benchmarks are solely reflective of performance of those investments, and the difference in fees in comparison to our single low fee is added to the equation, our Value Advantage 401(k) would have delivered an additional $2,514,009 in additional returns and fee savings to Participants over the last 5 years.

An Introduction to Lifetime Income Store Advisors Value Advantage℠ 401(k) Plan

A TRUE FIDUCIARY APPROACH TO RETIREMENT

Jeffrey Hale AIFA® - Senior Vice President/Wealth Management

Key Benefits of the Institutional Advisors Value Advantage℠ 401(k) Plan

Institutional Advisors Value Advantage 401(k) Plan Delivers Real Value

Value is a word that is seemingly attached to everything in the marketplace, so much so the word has lost some of its weight and luster. We want to restore the power of the word and have created a 401(k) plan with so many benefits to Employers and Participants, it redefines value in the industry.

Comprehensive Risk Analysis and Investor Policy Guideline

Prior to establishing a Separately Managed Account, each Participant is provided online access to our Risk Analysis to develop a profile we use to recommend a strategy based on their own risk analysis. As a Fiduciary, we are bound by DOL regulations to build an asset portfolio that fits each Participant's investing personality, objectives, and timeline. The profile questionnaire we provide is the most in depth and detailed in the industry.

Once the profile is completed, one of our Portfolio Counselors will meet with each Participant to develop an Investor Policy Guideline (IPG) where we will establish investing guidelines for the Participant and develop consensus on how their assets will be invested.

Both the Risk Analysis and the IPG are standard benefits of our Value Advantage 401(k) Plan.

A Classic Investment Style Truly Focused on Participant Wealth

Our investment approach follows the value methodology first developed by Benjamin Graham, and employed by the world's most successful individual investors, institutional investors, endowments, and foundations. Our investment approach and methodology are usually reserved for elite level investors, but we believe every Investor deserves the best advice and management. Warren Buffet has never owned a mutual fund, but he has utilized the Graham method to become one of the world's most successful investors.

We build custom Separately Managed Accounts of multi-asset class individual equities for each Plan Participant, and actively manage the portfolio inside the 401(k) to the Participant's specific risk tolerance, timeline, and objectives. Ours is a very simple, straightforward, and classic investing approach. This is a standard benefit of our Value Advantage 401(k).

A Separately Managed Account for All

The Wall Street way typically includes a prepackaged array of group managed funds, funds of funds, and 3rd party managers. Our Value Advantage 401(k) Plan utilizes only individual equities in a Separately Managed Account built specifically to the risk tolerance, objectives, and timeline of the participant, and wholly managed by our team under one roof without 3rd party influence. This style of management allows us operating efficiencies that translate into lower fees, and better long-term risk adjusted results than mutual and bond funds, ETF managers, and managers of managers.

Traditionally, Wall Street has reserved Separately Managed Accounts for the wealthiest of investors. We believe every investor deserves the highest level of advice and asset management, and our Money Managers have an extensive track record delivering elite level results. This is a standard benefit in our Value Advantage 401(k) plan.

Unlimited Investment Advice

We are the only 401(k) provider in the industry that features Separately Managed Accounts AND unlimited access to investment advice as standard benefits under a single transparent fee. The plan comes with a dedicated toll-free number each Participant can call to speak with an Institutional Advisors Portfolio Counselor for investment advice during active business hours.

A Focus on Outperforming Down Markets

Our investment process is driven by the simple principle of…**upside grows rich, but downside grows wealth!** Our Money Managers have a significant history of superior upside capture with industry leading downside results. In 2008, when the average 401(k) investor lost 43% of their portfolio value, our composite strategies capped our Client losses at 21%. In 2018, our Global Equity capped losses at -1.18% when, according to Dalbar's 2020 Quantitative Analysis of Investor Behavior, the Average Equity Fund Investor lost 9.42%. While any investment manager can make money in the good times, our downside capture truly separates us from the rest. Beating the downsides is a benefit we provide in every portfolio we manage.

Active Financial, Estate, and Trust Planning

Active Financial Planning means exactly that...ongoing attention to you, your wealth, your income, and your legacy. We build a comprehensive financial model for each Participant, and their family, that identifies current and future lifestyle, investments, earnings, lifestyle, expenses, taxes, and inflation to develop a comprehensive document that functions as a roadmap to, and through, retirement. Family, health, economic, risk tolerance, and market, circumstances can change. We will be there with regular and timely reviews to make sure the particulars of the Participants plan are on track to achieve your long-term objectives. This is a standard benefit of our Value Advantage 401(k) Plan.

Easy to Understand Investment Strategies

We never use mutual or bond funds, Common Collective Trusts, Collective Investment Trusts, or other group managed investments. We believe these passively managed products diminish earning power, and they allow for abusive fees which ultimately throttle the earnings potential of the Participant.

Participants often do not understand the layered and complicated investment vehicles inside a standard 401(k), nor can most identify any of the underlying equities inside their mutual funds. With our portfolio management, they will be able to see the equities they own, and the asset management activity being made on their behalf in real time, 24/7 via their own account portal on TD Ameritrade's website.

Maximum Fiduciary Protection for Everyone

As complicated as the world of investing has become, we operate with a streamlined investment roster that is straightforward, easy to understand, and free of structure that can hide potentially abusive fees, hidden costs, and the contractual fine print, that can decrease Participant returns, and increase Employer Fiduciary risk exposure. With a Separately Managed Account built with individual equities specifically for the Participant, and the administrative power of TD Ameritrade, Institutional Advisors Value Advantage 401(k) delivers maximum Fiduciary protection for all involved.

A True Fiduciary Approach to Retirement

Plan Development

We assign one of our Professionals to lead the effort to design and construct a model retirement plan that will maximize efficiencies, results, and costs for you as the Employer, and for each individual Employee. Our focus will be solely on creating a plan that provides operating efficiencies and investment returns that make your new plan the most wholly profitable operating model your team has ever experienced.

In the fact finding and design process, Lifetime Income Store Advisors will accomplish the following:

- **Develop channels of communication with key stakeholders in your organization**
- **Identify all expenses related to plan management, operation, and investments, including hidden fees inside many mutual, allocation, and ETF funds.**
- **Perform a financial audit on the actual performance of Participant investments**
- **Develop an understanding of Employer business operations, goals, and benefit objectives**
- **Design a plan that maximizes efficiencies, ease of implementation, and results for Employer and Participants**

Plan Education & Communication

Institutional Advisors believes education is an integral part of any successful retirement plan, and we are fully vested in making sure your Employees become knowledgeable to all that goes into making them successful in saving for their retirement, and beyond. Our commitment involves personal and electronic methods of training to increase Employee knowledge and understanding of their plan and options, as well as their responsibilities as an Investor.

As part of our commitment to Education & Communication will include the following:

- **Involvement of key Employer stakeholders throughout design and implementation**
- **Integrated plan education and customer service contact training**
- **Delivery of comprehensive Risk Assessment, and specific investment strategy info, to each Participant**
- **Coordinated educational training with groups and/or individual Participants**
- **24/7 access to Participant Plan SMA values and trading activity**
- **Delivery of investment training and market information on a monthly basis**
- **Quarterly plan reviews to key Employer stakeholders**
- **Free of additional fees, a personalized Financial/Retirement Income Plan updated annually**
- **A dedicated Portfolio Counselor for each Participant for account and investment quest**

Plan Management

Institutional Advisors manages your plan to the specific needs of your organization, and Employees. We recognize every plan is as different as the Employer and people it serves. We will remain focused on driving out costs, and capturing superior upside, so your plan consistently delivers the best-in-the-industry results to your Participants. A retirement plan is an important benefit of an Employee's association with you. Our job is to make it an extraordinary selling point for you to attract and keep the best people.

Our Plan Managers will provide the following on a continuous and ongoing basis:

- **Continuous monitoring of design, function, and cost/benefit ratios**
- **Top shelf Fiduciary and Compliance technical guidance and documentation**
- **Employee Investment and Plan education individually and in seminars**
- **Personalized Participant Financial Analysis and regular reviews**
- **Separate Managed Account (SMA) status for qualified 401(k) accounts**
- **Plan merger studies in the event of merger or acquisition**
- **Quarterly and annual updates/reviews of all aspects of your plan**
- **Real time regulatory and legislative guidance and support related to ERISA, IRS, DOL, and PBGC**

Investment Methods & Approach

We believe managing all equity investing processes in-house benefits our Clients. All asset investment operations including research, management, and trading, are performed under one roof, by one team. Managing all functions in-house not only produces consistency in all phases, but it creates economic efficiencies that benefit our Clients in the form of lower and transparent fees, and superior service.

The investment strategies available through Institutional Advisors have verifiable statistical results that include the following:

- **Sophisticated strategies that adhere to the principles of the Graham/Buffet Value model**
- **Outperformed the last three Market Crashes by a composite average of 50%**
- **Equaled or outperformed the respective Benchmarks over the last two decades**
- **10-year historical returns that have vastly outperformed the Dalbar 12-Month, 5-Year, and 10-Year measurements for the Average Equity Fund Investor, the Average Asset Allocation Fund Investor, and the Average Fixed Income Fund Investor.**
- **A single transparent fee that is significantly less than Morningstar's average measure of mutual fund Total Cost of Ownership**

For more information on our Core Beliefs and Institutional style, please visit:
https://www.lifetimeincomestore.com/Investment-Strategies.2.htm

Institutional Advisors Value Advantage℠ 401(k)

Roster of Investments

Proprietary Actively Managed Strategies

Institutional Advisors Global Equity (85% - 100% Equities)
Institutional Advisors Global Growth (75% - 84% Equities)
Institutional Advisors Global Moderate Growth (60% - 74% Equities)
Institutional Advisors Global Balanced Growth (40% - 59% Equities)
Institutional Advisors Global Income (0 - 39% Equities)

Optional Non-Proprietary Passively Managed Strategies

Large-Cap Domestic Equity

SPDR S&P 500
PowerShares QQQ

Mid-Cap US Equity

SPDR S&P Midcap 400

Small-Cap US Equity

iShares Russell 2000 Index
SPDR S&P 600 Small-Cap

Non-U.S. Equity – Developed

Vanguard FTSE All World ex-US
Vanguard Europe FTSE
Vanguard FTSE Pacific

Non-U.S. Equity - Emerging Markets Vanguard FTSE Emerging

Markets SPDR S&P China

Supplemental Asset Classes

iPath Bloomberg Commodity
Index Vanguard Real Estate
Vanguard Global ex-US Real Estate
Fixed Income iShares Core US Aggregate Bond
iShares iBoxx Investment Grade Corporate Bond
SPDR Bloomberg Barclays Short-Term High Yield
iShares Ultra Short-Term Bond

Cash

Institutional Advisors Stable Value Fund

The Roster of Investments is subject to change based on performance and market conditions.

Institutional Advisors Value Advantage^{SM} 401(k)

Our goal is to have each Participant in an Actively Managed Strategy, as historical results indicate those strategies outperform passively managed mutual and bond funds, and ETF managers, particularly in down market environments. Beating market dips is an important focus of our methodology, and one we quantify as an exponential gain in a long-term investment strategy. Our history of beating market downturns is a strength that sets us, and our Clients, apart.

If a Participant chooses one of the passively managed ETF options, the embedded fee of that investment will be offset by Lifetime Income Store Advisors and/or Institutional Advisors to maintain the integrity of the total asset management fee of the Plan. <u>***No Participant in the Plan will pay more in fees than any other Participant, regardless of investment choice.***</u>

Our commitment to leveling the 401(k) landscape in every aspect with our low and transparent fees, elite level advice and returns, and world class service and administration, are the defining factors that truly set us apart, and make our Value Advantage 401(k) the Industry standard in Qualified Retirement.

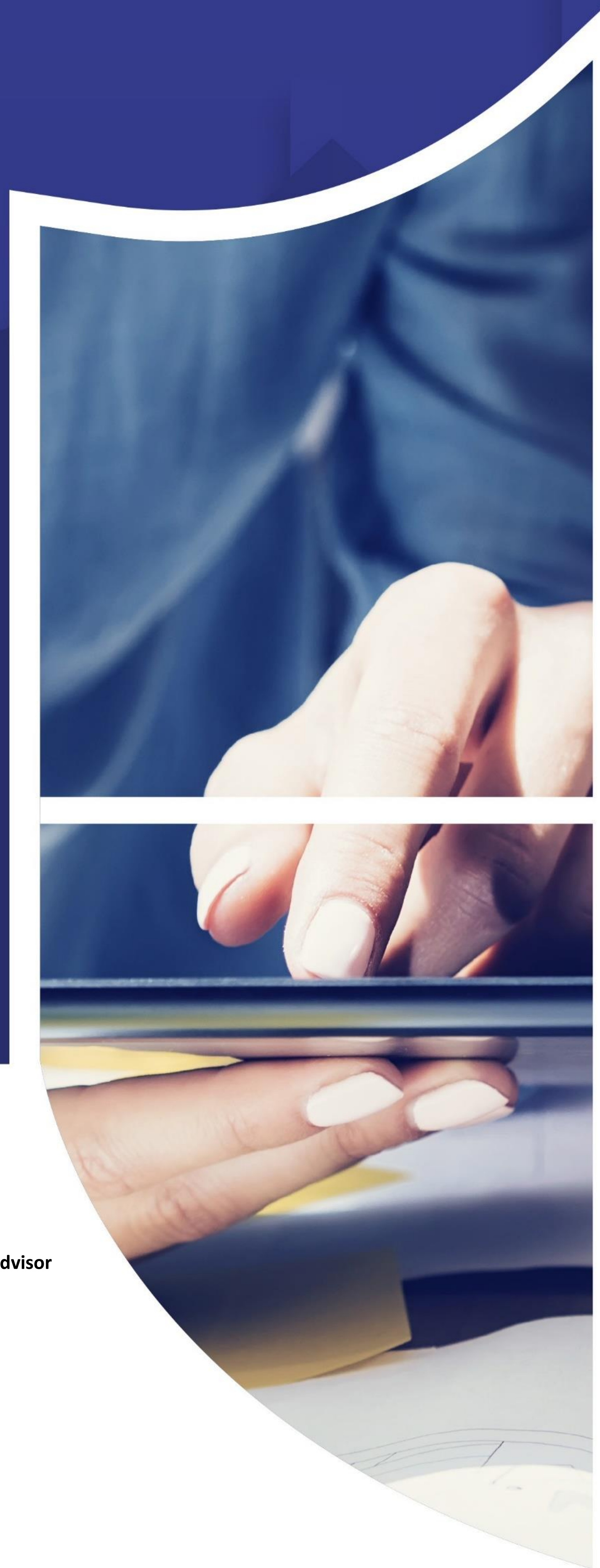
Lifetime Income Store®
ADVISORS

Institutional Advisors Value Advantage℠ 401(k)

The Power of our Platform Partner:

TD Ameritrade

- 24/7 access to account support via website and phone
- Experienced Call Center for Participant service requests
- Personalized rates of return in real time for each Participant
- Automatic rebalancing of accounts
- Daily performance reporting and transactions, easy-to-read statements, and helpful educational materials through an interactive website
- Comprehensive website for enrollment, easy updating of deferral percentage/dollar amounts, investment selections, and requesting additional transactions as allowed by the plan
- Ability to export information to Quicken
- Straight-forward rollover process to a Lifetime Income Store Advisors IRA
- Ability to model and request distributions and/or loans online as allowed by the plan
- Access to the custom Institutional Investing Strategies managed by Institutional Advisors℠, a Unit of Lifetime Income Store Advisors, LLC.



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