Plan Consultation Report

ABC Company 401(k) Profit Sharing Plan and Trust

From January 01, 2018 to December 31, 2018
Table of Contents

1. Plan Summary

2. Participant Engagement

3. Investment Summary

4. Activity Summary

5. Plan Compliance
Plan Summary

Below is a summary of key plan provisions. This is provided for informational purposes only. You should consult with the governing plan documents to review detailed plan provisions.

### Company Information

<table>
<thead>
<tr>
<th>ABC Company, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>102 Test Address</td>
</tr>
<tr>
<td>Tacoma, WA 98466</td>
</tr>
<tr>
<td>Tax ID: 12-3456789</td>
</tr>
</tbody>
</table>

Primary Contact:
- Email: molson@spectrumpension.com

Business Type: Corporation

Number of Employees: 32

Total Compensation: 710,344

### Plan Information

<table>
<thead>
<tr>
<th>Plan Name: ABC Company 401(k) Profit Sharing Plan and Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan Type: 401(k)</td>
</tr>
<tr>
<td>Year End Date: 12/31</td>
</tr>
<tr>
<td>Plan Custodian: Schwab Bank</td>
</tr>
<tr>
<td>Investment Advisor: None</td>
</tr>
<tr>
<td>5500 Type: 5500-Sch N/A</td>
</tr>
</tbody>
</table>

Initial Eligibility Requirements:
- First quarter after age 21 and 6 months of service

Employer Contribution Eligibility:
- Same

Roth Deferrals Allowed:
- Yes

Automatic Enrollment:
- None at 6%

Safe Harbor 401(k) Provision:
- None

Discretionary Profit Sharing:
- Yes

Discretionary Match Contribution:
- Yes

Loans Allowed:
- Yes: Unlimited

In-Service Withdrawals Allowed:
- Yes (age 0.0)

Hardship Withdrawals Allowed:
- Yes

Automatic Distribution Limit:
- $5,000

Normal Retirement Age:
- 65.0

Fees Charged to Plan:

<table>
<thead>
<tr>
<th>Vesting Schedules:</th>
<th>1 YOS</th>
<th>2 YOS</th>
<th>3 YOS</th>
<th>4 YOS</th>
<th>5 YOS</th>
<th>6 YOS</th>
<th>7 YOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Sharing</td>
<td>10%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Match</td>
<td>0%</td>
<td>20%</td>
<td>40%</td>
<td>60%</td>
<td>80%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>SH Match QACA</td>
<td>0%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SH Match QACA Rec</td>
<td>0%</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

100% vested in contribution sources except those noted below.
Plan Summary

Below is a summary of key plan metrics. These numbers give you a quick overview of your plan and should be reviewed periodically as part of your fiduciary oversight.

**Total Plan Assets**

$1,153,482

The average account balance for participants in your plan is **$32,041**. The national average account balance is **$97,903**. The pie chart shows plan assets by investment category. (1)

**47 Participants**

**36 with a Balance**

Participation rate is a good indicator of participant engagement with the plan. The national average participation rate is **79.3%**. (1)

**Contributions**

<table>
<thead>
<tr>
<th>Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deferral</td>
<td>$5,263</td>
</tr>
<tr>
<td>Match</td>
<td>$32,415</td>
</tr>
<tr>
<td>Non-Elective</td>
<td>$4,500</td>
</tr>
</tbody>
</table>

**9.8% Savings Rate**

Savings rate is the average deferral rate for active participants. The national average is **6.6%**. Generally participants should save between 10-20% of their compensation. (1)

**97% Participation Rate**

Your plan has **30 out of 31** contributing participants out of total eligible Employees.

**Total Balance**

$1.2M

(1) The pie chart shows plan assets by investment category.
Participant Engagement

Below is a summary of key participant metrics. These numbers give you a quick overview of how engaged your participants are with the plan.

10% is the most common deferral rate

The chart to the right shows the number of participants deferring at different rates. You may want to review to see whether employees are deferring enough to maximize applicable employer contributions.

53% Web Usage

19 Participants Accessed the Web 30 Times

The chart to the left and below show the web activity during the reporting period.
$917,233 of Plan Assets for 31 Participants

invested in Asset Allocated Portfolios such as a balanced fund, target date fund or model portfolio.

1 Participants and $100 in Plan Assets

invested into the default fund without an affirmative election.

When participants do not affirmatively make an investment election, their accounts are invested in the default fund. The plan’s default fund is: 00006

5 total participant loans with outstanding balance of $54,062

If your plan allows for participant loans you should monitor the status of each loan for compliance.
Below is a summary of the plan's investments and some key data points, including the plan custodian, number of funds and the weighted average expense ratio.

The average number of investment options offered by a retirement plan is **22.8** where target date fund series are counted as one investment option. The asset weighted average expense ratio for an actively equity fund is **0.78%** and for an index equity fund is **0.09%**. (2)
Plan Investments (cont.)

Participant returns by fund are displayed below as well as the overall participant average rate of return. The overall average return is weighted based on account balance.
Below is a summary of plan transaction activity during the reporting period, including asset flows, transaction counts, and disbursement and rollover summaries.

$7,020 Total disbursements during the period

0% Outgoing Rollover Rate
Plan Compliance

Below is a summary of key regulatory compliance issues. Issues flagged do not necessarily indicate a problem. These items should be reviewed with your account manager.

<table>
<thead>
<tr>
<th>Item</th>
<th>Explanation</th>
<th>Result</th>
<th>Okay</th>
<th>Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidelity Bond Coverage</td>
<td>Generally, ERISA Retirement Plans are required to have a minimum fidelity bond of 10% of plan assets or $500,000.</td>
<td>Fidelity Bond Amount: $0</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Top Heavy Testing</td>
<td>If key employees have 60% or more of plan assets the plan may be considered top heavy and subject to minimum contributions</td>
<td>Top Heavy Ratio: 0.0% (Not Top Heavy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>401(k) Non-Discrim Testing</td>
<td>Certain 401(k) plan are subject to special testing rules that may limit deferrals for highly compensated employees</td>
<td>Safe Harbor Status: None (ADP Estimate: 10.79% / 7.82 %)</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Participant Deposit Timing</td>
<td>Employee contributions must be deposited to the plan as soon as possible. The DOL provides a 7 day safe harbor for small plans.</td>
<td>Number potentially late or missing payrolls: 3</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Partial Plan Termination</td>
<td>A plan may incur a partial plan termination, triggering 100% vesting, if there is a significant reduction or change in their workforce.</td>
<td>Turnover Ratio: 3% (estimated)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forfeiture Suspense Account</td>
<td>Generally plan forfeitures must be allocated annually to pay plan expenses, offset employer contribution or to eligible participants.</td>
<td>Balance: $3,249.52 (Use: )</td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>
### Plan Compliance (cont.)

<table>
<thead>
<tr>
<th>Item</th>
<th>Explanation</th>
<th>Result</th>
<th>Okay</th>
<th>Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Minimum Distributions</td>
<td>Certain participants over 70 1/2 years of age are required to start taking minimum distributions</td>
<td>Participants over 70 1/2 with a balance: 5</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Small Plan Audit Waiver</td>
<td>Small plans with under 100 participants can qualify for a waiver of the independent audit requirements</td>
<td>Participant Count for Small Plan Status: 47 (estimated)</td>
<td>✔</td>
<td></td>
</tr>
<tr>
<td>Benefits Payable to Participants</td>
<td>Plan sponsors should monitor the status of accounts for former employees. Most plans include automatic distribution provisions for small balances.</td>
<td>Benefits Payable: $484,671 for 13 Participants (2 small balances)</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

Benchmark Sources: (1) PLANSPONSOR: Defined Contribution Survey, 2017; (2) Investment Company Institute: 2018 Investment Company Fact Book (www.icifactbook.org)