

# ABC COMPANY DEFINED CONTRIBUTION PLAN

## RECORDKEEPING PRICING AS OF 12/31/XX

Assets (\$)	35,382,694	Avg. Acct. Bal.
Participants (#)	1,367	
Eligibles (#)	1,750	\$ 25,883
Participation Rate	78%	

After taking into account all vendor revenue,  
the per participant costs were calculated as:

**\$108.32**

<i>Plan Assets</i>										
Fund Line-up	Assets (%)	Assets (\$)	Expense Ratio	Total Expense	Mgmt. Fee Percent	Mgmt. Fee Dollars	12b-1 Fee Percent	12b-1 Fee Dollars	Participant by Fund	Total TA Fees TA Dollars
Fund A	16.61%	\$ 5,876,705	0.35%	\$ 20,568	0.00%	\$ -	0.10%	\$ 5,877	1,027	\$ -
Fund B	10.13%	\$ 3,582,511	0.68%	\$ 24,361	0.27%	\$ 9,673	0.25%	\$ 8,956	715	\$ 6,435
Fund C	3.92%	\$ 1,385,584	0.98%	\$ 13,579	0.00%	\$ -	0.25%	\$ 3,464	125	\$ 1,386
Fund D	9.36%	\$ 3,313,552	1.25%	\$ 41,419	0.56%	\$ 18,556	0.25%	\$ 8,284	951	\$ 8,559
Fund E	18.32%	\$ 6,482,423	1.18%	\$ 76,493	0.00%	\$ -	0.40%	\$ 25,930	1,115	\$ -
Fund F	9.57%	\$ 3,386,691	0.25%	\$ 8,467	0.00%	\$ -	0.05%	\$ 1,693	985	\$ -
Fund G	14.26%	\$ 5,045,031	1.35%	\$ 68,108	0.00%	\$ -	0.40%	\$ 20,180	1,003	\$ -
Fund H	5.28%	\$ 1,868,722	1.30%	\$ 24,293	0.38%	\$ 7,101	0.25%	\$ 4,672	875	\$ 7,875
Fund I	2.71%	\$ 958,101	1.18%	\$ 11,306	0.00%	\$ -	0.25%	\$ 2,395	613	\$ 1,437
Fund J	2.56%	\$ 906,173	1.40%	\$ 12,686	0.00%	\$ -	0.25%	\$ 2,265	423	\$ 906
Company Stock	7.28%	\$ 2,577,202	0.00%	\$ 15,750	(Commissions and Unitization)	\$ -	0.00%	\$ -	700	\$ -
<b>Total Plan Assets:</b>	<b>100%</b>	<b>\$ 35,382,694</b>		<b>\$ 317,030</b>		<b>\$ 35,330</b>		<b>\$ 83,716</b>		<b>\$ 26,598</b>
<b>Overall Plan Expense Ratio</b>			<b>0.896%</b>							

<i>Plan Expenses</i>		Total
Basic	(100 x # of Part.)	\$ 136,700
<i>Line Items:</i>		
Enrollment Days	(1,500 per day)	\$ 7,500
Co. Stock Unitization	12,500	\$ 12,500
GIC Unitization	20,750	\$ -
Communication	-	\$ -
Form 5500	600	\$ -
Trustee Fee	2,500	\$ 2,500
Enroll. Kits for EE's	(8/addl. ee.)	\$ 3,064
Fulfillment	-	\$ -
		\$ -
<b>Total Expenses:</b>		<b>\$ 162,264</b>

<i>Plan Revenue</i>		Total
Recordkeeping Fees	(loan, distribution...)	\$ 28,000
Mgmt. Fees	(% of in-house funds)	\$ 35,330
12b-1 Fees		\$ 83,716
Sub TA Fees		\$ 26,598
<b>Total Model Revenue:</b>		<b>\$ 173,644</b>

<i>Per Participant Fee</i>		Total
Rev. allocated to Exp.		\$ 173,644
Expenses		\$ 162,264
Margin		\$ 11,380
<b>Participant Fee</b>		
Margin with Basic Cost added back		\$ 148,080
<b>Participant Fee without hard dolla</b>		<b>\$ 108.32</b>

More than any other factor, pricing by a defined contribution plan recordkeeping vendor is determined by the average account balance. Low average account balance plans are much more likely to have a per-participant charge than plans with high average account balances. This can be overcome to some extent with gross assets. By this we mean that larger participant base plans have a declining marginal cost for the recordkeeper while large asset pools generate more revenue.