

RETIREMENT PLAN SERVICES



ARCWOOD[®]
BENEFITS | HR | RETIREMENT

WHO IS ARCWOOD?

Our Firm

We are an investment management firm specializing in employer sponsored retirement plans. These include 401(k), 403(b), defined-benefit qualified plans as well as executive compensation non-qualified plans.

We serve as fiduciaries to your plan in either a discretionary or non-discretionary role. Our client engagement includes a needs analysis, a plan review and customized recommendations.

Our sponsors can expect a personal relationship, while participants will be engaged in person meetings as well as technology-driven interactions.

Our Mission

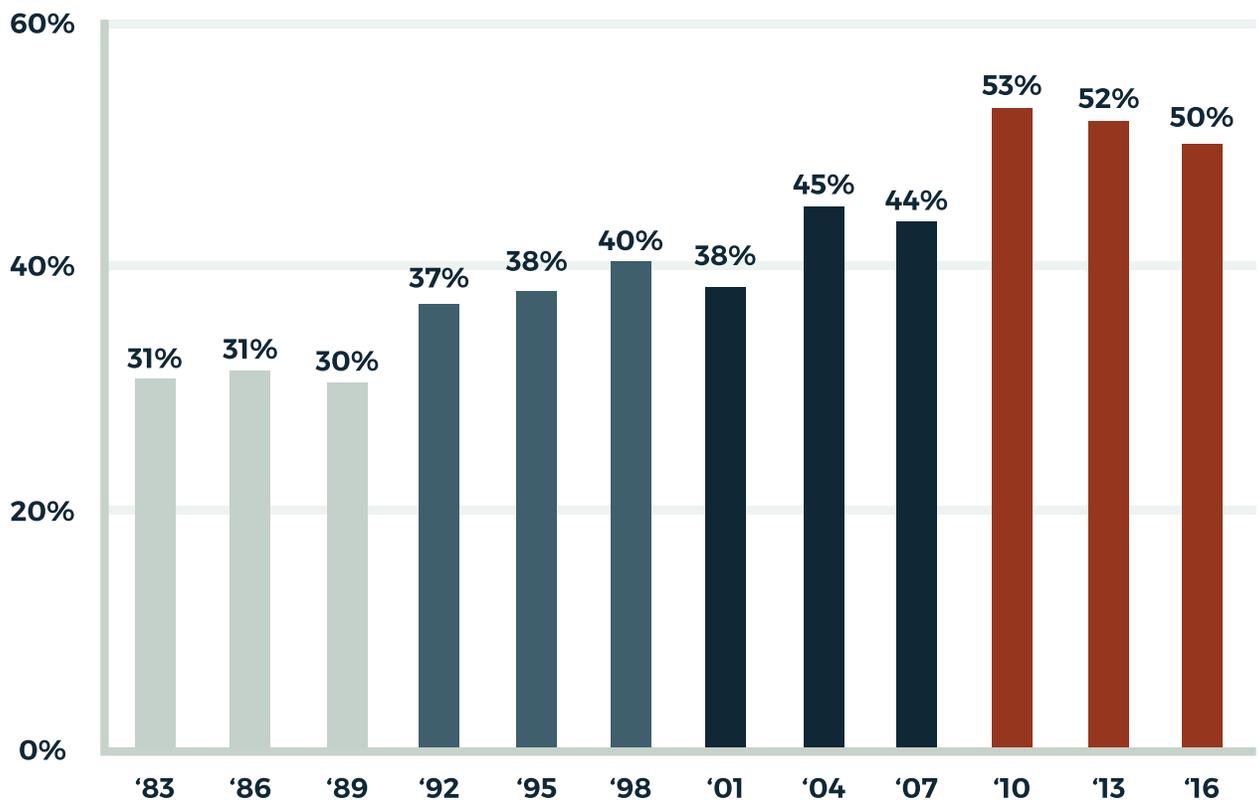
Increase participant retirement success and investment understanding while clearly managing financial risk. Services are tailored to meet the specific and ever changing regulatory exposure and participant needs facing our clients.

Our team is skilled in:

- plan design and oversight
- provider search and negotiation
- participant education
- investment monitoring
- your compliance responsibilities under ERISA

We believe in helping employers take care of their employees today and tomorrow.

AMERICA'S RETIREMENT DEBT CRISIS



Information from the 2017 National Retirement Risk Index from the Center for Retirement Research at Boston College. January 2018.

*Data illustrates the share of working-age households who are “at risk” of being unable to maintain their pre-retirement standard of living in retirement. This Index is constructed using the Survey of Consumer Finances (SCF), a triennial nationally representative survey of household Finances. These averages may appear higher than some statistics due to the SCF’s use of all assets to generate retirement income. See www.ccr.bc.edu.

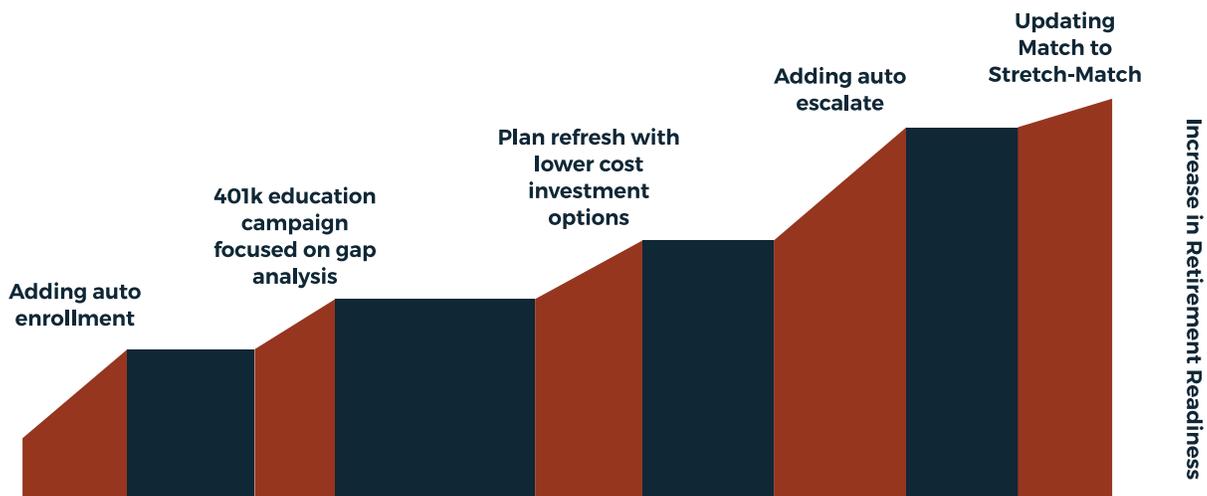
HOW CAN WE HELP?

America is still very much in a retirement savings crisis and as the chart indicates its getting worse. Employers are in a position to take a leadership role in helping their employees achieve retirement readiness.

Arcwood Can Help By:

- Presenting participants clear messages on the value of the company plan
- Working within plan design to incentivize higher contributions
- Establishing auto-enroll OR auto escalate plan provisions
- Identifying possible areas of cost lag to increase participant returns

Whether its teaching someone to fish, giving them a better pole or simply making them go to the lake, there is a lot a plan sponsor and retirement plan consultant team can do together to help get participants on a path towards a more secure future.



Not actual plan data. For illustration purposes only. There are many strategies and deterrents that can influence an employees willingness to save or not.



WHERE DO WE START?

PHILOSOPHY 1: EMPLOYEES NEED HELP

You can have the best 401k in the world but employees will still often fail to take action, start saving too late, save too little or make investment errors affecting their future. Yes your employees are responsible adults; however, they are also human. As we know, humans procrastinate, may give in to fear, and sometimes make poor decisions. We believe plan sponsors coupled with fiduciary advisors should use their position and the tools at their disposal to take the lead in helping employees navigate the sometimes turbulent and uncharted seas of retirement savings. Helping your employees to understand your company's commitment to their retirement savings is a critical component of any program.

A man with grey hair and a beard, wearing a light blue dress shirt and a dark tie with small white polka dots, is looking down at a tablet computer he is holding with both hands. The background is dark with some bokeh light effects.

PHILOSOPHY 2: YOUR PLAN IS THE BEST PLAN YOUR EMPLOYEES WILL EVER HAVE.

Match or no match, 5-star funds or no-name index funds. None of this compares to the time value of money coupled with the tax efficiency a retirement plan provides. The goal needs to be:

- To effectively communicate the benefits of every plan to every participant.
- To be educated on the benefits plan.

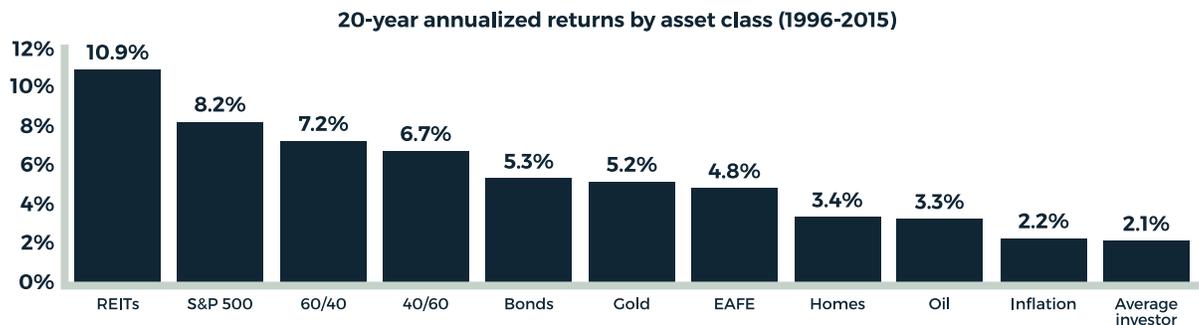
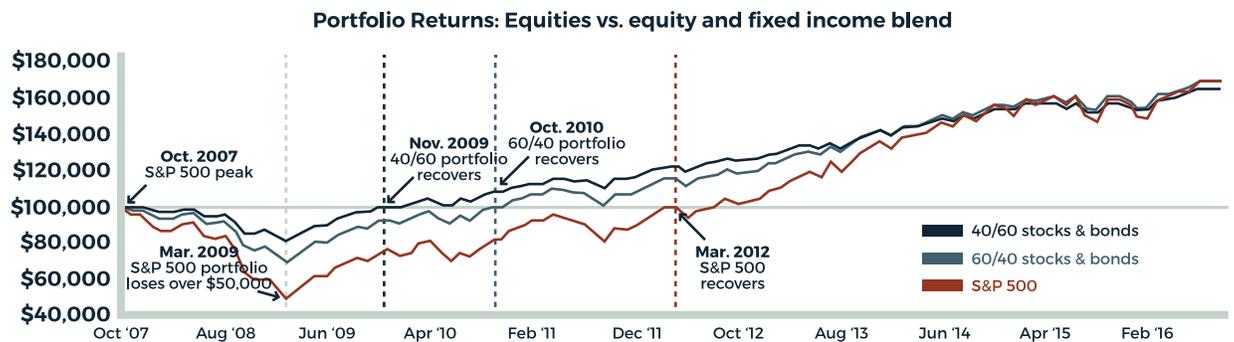
These could include discussions on low-cost platforms, institutional mutual fund share classes they otherwise wouldn't have access to, professionally managed risk models, and the benefit of having their employer absorbing a significant portion of the operational costs.

If highlighted correctly, you build confidence your employees need to make them feel good about contributing to your plan.

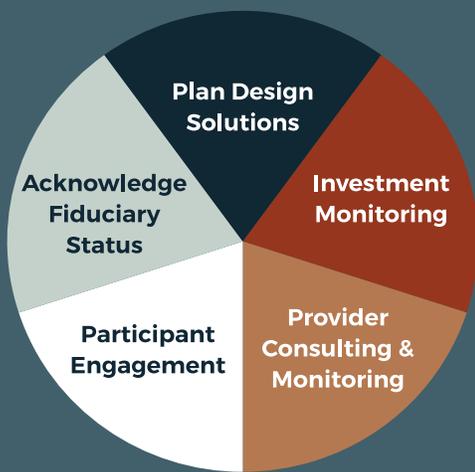
PHILOSOPHY 3: FINANCIAL LITERACY MATTERS.

Financial literacy builds confidence and understanding of core investment concepts and strategies. This can assist in increasing long-term retirement savings balances and reduce emotional knee-jerk reactions to adverse market conditions.

Ongoing education and participant communications to explain market risks, their cyclical nature, and timely address market volatility, is an example of increasing investment understanding. Plan sponsors should consider strategies that match the needs of their population and make it known of the availability of advice and support from their 401k adviser.



5 THINGS YOU SHOULD EXPECT FROM EVERY PROVIDER



1. Acknowledge their status as a fiduciary to your plan
2. Monitor the investments against peer groups, indexes and for lower share class price options.
3. Assist plan sponsor and plan administrators with plan design and testing reviews
4. Participate in the enrollment and education of the participant population
5. Assist in the selection and monitoring of service providers

Not all advisors are created equal. For more than 15 years we have been acquiring plans and assisting Plan Sponsors in rebuilding missing key services. Often we find common the prior advisers were:

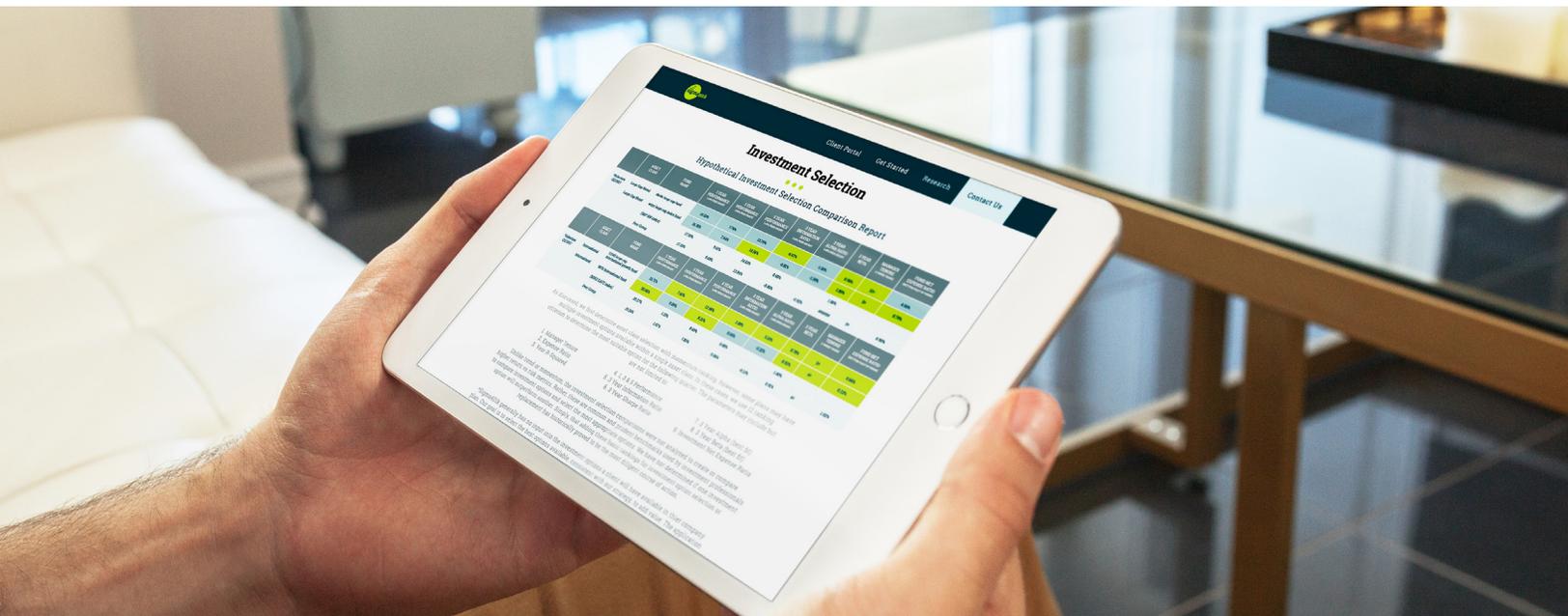
1. not monitoring for lowest cost share classes
2. not aware of the regulatory issues, or, the unfairness around non-levelized compensation
3. not benchmarking or asking for a reduction in services provider fees These are all very important issues commonly overlooked.

INVESTMENT MONITORING & REPORTING

Market volatility, changes in a plan's investment performance, and/or risk metrics, makes it critical for plan sponsors and fiduciaries to follow due diligence procedures with supporting documentation.

We provide comprehensive investment analysis by utilizing multiple tools through some of the most robust investment analytics software and third party market research available. These reports are provided to sponsors, fiduciaries, and committees on a regular basis and highlight areas such as:

- Up/Down Capture
- R-Squared
- Fees
- Median Rank
- Tracking
- Alpha/Beta
- Correlation/Overlap
- Style Drift
- Standard Deviation
- Excess Return
- Sharpe Ratio
- Volatility of Returns



ACKNOWLEDGMENT OF FIDUCIARY STATUS

For most of you who are managing a plan, the duty of plan fiduciary is in addition to your daily role(s) at your company. There are no pre-requisites for those appointed to help manage a retirement plan; however, there are duties imposed on you by the Employee Retirement Income Security Act (ERISA). Many in this position of plan fiduciary may not know their service providers or investment advisors are not, OR will not, act in a fiduciary capacity towards their plan.

It is our humble opinion this causes a conflict of interest and is best avoided. This conflict can be remedied by adding a retirement consultant who be a fiduciary and is properly trained and insured.

Arcwood Will Act As A 3(21) Co-Fiduciary With Plan Sponsors Or As A Discretionary 3(38) Investment Manager



PROVIDER CONSULTING & MONITORING

Plan sponsors must regularly review plan fees to ensure they are reasonable and that the services paid for meet the needs of the plan. Arcwood Financial provides the following services to help plan sponsors meet this requirement:

- Industry reports to compare plan against peers
- Full RFP support to solicit information from a variety of providers and evaluate/score based on developed criteria
- Fee negotiation & reduction services
- More than 20 years experience in the industry to evaluate reports and offer analysis and perspective

Executive Summary Prepared for: Harold's Widgets Inc.		CURRENT			
		XYZ Mutual Co. <small>(Any Advisor USA)</small>	ABC National Provider	XYZ Insurance Co.	Payroll Provider 1
Plan Balances:					
Participating in core fund Loans	200	\$20,000,000,000	\$20,000,000,000	\$20,000,000,000	\$20,000,000,000
Self Directed Account	39				
Inactive Accounts	239				
		\$20,000,000,000	\$20,000,000,000	\$20,000,000,000	\$20,000,000,000
Minimum Fiduciary Levels		N/A	5mm	N/A	N/A
		3/21 or 3/38	3/21 or 3/38	3/21 or 3/38	3/21 or 3/38
Record keeper					
Conversion Fee		\$0	\$0	\$0	\$0
Set up and Installation Expenses		\$0	\$0	\$0	\$0
Base Annual Fee		\$34,454	\$0	\$0	\$0
Per Participant		\$0	\$0	\$0	\$0
Recordkeeper hard dollar sub-total		\$34,454	\$0	\$0	\$0
Recordkeeper asset based sub-total		0.00%	0.11%	0.09%	0.09%
RECORDKEEPER TOTAL		\$34,454	\$22,000	\$18,000	\$18,000
Third Party Administration		from 5500			
Base Annual Fee		\$0	\$0	\$1,500	\$0
3(16) Fee		\$0	\$0	\$0	\$0
Per Participant Fee (Active)		\$0	\$0	\$25	\$0
Per Participant Fee (In-Active)		\$0	\$0	\$0	\$0
TPA TOTAL		\$0	\$0	\$5,000	\$0
Investment Expenses		from audit report			
Weighted Fund Expense Ratio		0.64%	0.35%	0.28%	0.28%
Revenue Sharing		0.16%	0.00%	0.00%	0.00%
Custodial Asset Charge		0.00%	0.00%	0.00%	0.00%
Adviser fee as a % of assets		0.00%	0.25%	0.25%	0.25%
INVESTMENT TOTAL		0.80%	0.60%	0.53%	0.53%
Annual billed expenses to the plan		\$34,454	\$0.00	\$5,000.00	\$0.00
Estimated asset expenses to the plan		0.80%	0.71%	0.62%	0.62%
Total		\$194,454.00	\$142,000.00	\$134,000.00	\$124,000.00
Average as % of assets		0.97%	0.71%	0.67%	0.62%

Below Average
Industry Average
Above Average

0.43% 1.12% 1.51%

Averages based on 401(k) Average Book 17th Edition ©2016
Pension Data Source, Inc.

PLAN DESIGN CONSULTING & SOLUTIONS

The decision between defined benefit vs. defined contribution vs. non-qualified solutions and even which match is best for your plan, takes a lot of analysis. Let Arcwood work with you to review your options to determine which strategy is best.

Arcwood provides additional value during the plan design process by:

- Running initial calculations on employer costs for different plan design options
- Creating benefit amount calculations per employee group
- Discussing different benefits in terms of employee satisfaction and retirement readiness
- Working directly with plan TPA to analyze plan design with plan sponsor
- Identifying savings opportunities for owners, key employees and other employee groups
- Providing custom plan designs to combine multiple retirement strategies





PARTICIPANT ENROLLMENT & ON-GOING EDUCATION

An employee benefit plan cannot be called successful if employees do not participate in it or lack the knowledge to make informed choices. Further having an Education Policy Statement and providing pertinent employee communication services are part of our service model and include:

- Development and management of an Education Policy Statement
- Pre-enrollment memos, posters and announcements
- Participant surveys
- On-site group enrollment meetings
- On-site individual enrollment meetings
- On-site group investment education meetings
- Targeted, personalized communications
- Gap analysis and retirement readiness participant tools

DISCLOSURES

This document is designed to provide educational and/or general information. It is not intended to provide specific legal, accounting, investment, tax or other professional advice. For specific advice on these aspects of your overall financial program, please consult with your professional advisors. Asset or portfolio earnings and/or returns shown are not intended to predict, and do not guarantee the actual results of any investment products or any particular investment. The projections or other information generated regarding the likelihood of various investment outcomes are purely hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Additionally, it is important to note the information in these materials are based upon financial figures as of the date of the materials, which are believed to be accurate. The theories and strategies discussed and illustrated in this document are not actual investment or plan results. These are hypothetical illustrations only.

Actual results your plan may receive may differ based upon the investments, platform and services provided. Arcwood Financial, LLC. does not guarantee any minimum level of investment performance or success of any portfolio or investment strategy. All investments involve risk and investment recommendations will not always be profitable. Past performance does not guarantee future results.

Advisory Services offered through Arcwood Financial LLC, a Registered Investment Advisory Firm. Arcwood Financial LLC., Arcwood Benefits Consulting, Inc., and Arcwood HR, LLC are independent companies.

Copies of our most recent privacy policies and ADV brochures can be found at <https://arcwood.com/regulatory-disclosures/>



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