



What gets measured  
gets managed

## Your 2016 CEM Defined Contribution Benchmarking Results for Sample DC Plan

*Thank you for participating in CEM's annual Defined Contribution database. Your results are only provided to you. Confidentiality of your data is strictly maintained.*



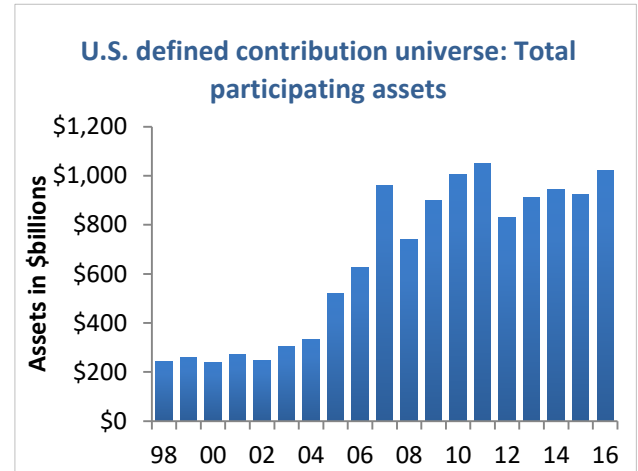
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# CEM U.S. defined contribution database

## Database participation

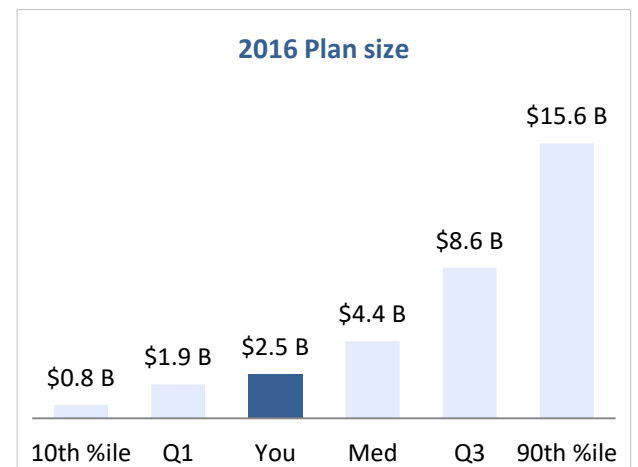
CEM has been benchmarking the costs and performance of U.S. Defined Contribution plans, in a uniform basis, since 1997. In this free report, our thank you for participating in our database, your costs and performance are compared to the 2016 CEM universe, which consists of:

- 148 Defined Contribution plans aggregating \$1,021 billion.
- 119 corporate plans and 29 public plans.



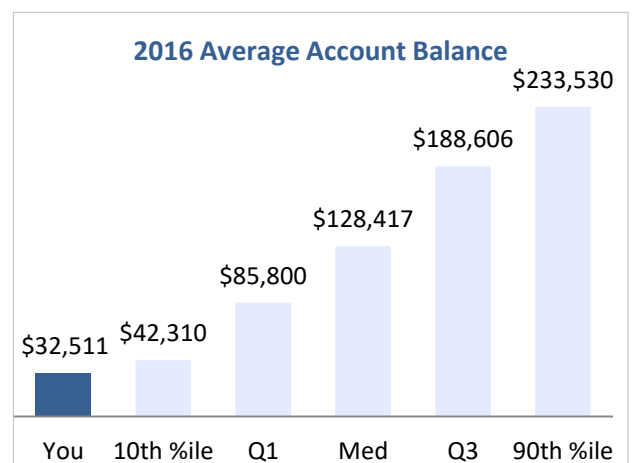
## Plan size

Your plan had \$2.5 billion in total assets at the end of 2016. This was below the U.S. universe median of \$4.4 billion.



## Average account balance

The average account balance of your plan participants was \$32,511 in 2016. This was below the U.S. universe median of \$128,417. Differences in average account balance reflect many factors including contribution rates, participant demographics, matching rates, etc.



# Your 2016 total plan costs

## Calculating your costs

Your plan's total cost in 2016, excluding individual expenses, was \$12.9 million which equals 0.53% as a percentage of total assets.

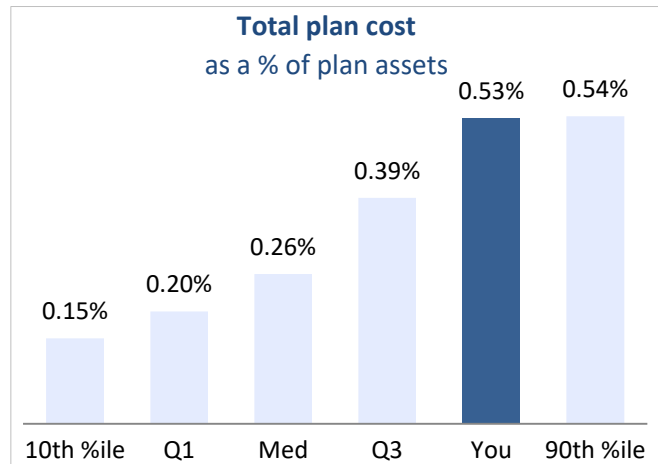
Investment options	Exp Ratio	Assets Avg	Inv. Costs
Multi-Mgr - Large Cap Equity Strategy	0.56%	331	1,852
SSgA - S&P 500 Index Strategy	0.01%	329	33
SSgA - Mid Cap Equity Index Strategy	0.03%	237	71
Multi-Mgr - Small Cap Equity Strategy	0.83%	153	1,271
Multi-Mgr - Non-US Equity Strategy	0.49%	122	598
SSgA - Non-US Equity Index Strategy	0.07%	27	19
Multi-Mgr - Intermediate Bond Strategy	0.26%	14	38
SSgA - Bond Index Strategy	0.04%	119	48
Multi-Mgr - 2010 Retirement Strategy	1.34%	55	735
Multi-Mgr - Income Retirement Strategy	0.29%	68	198
Multi-Mgr - Stable Value Strategy	0.33%	958	3,163
PIMCO - Inflation Sensitive Strategy	0.70%	7	50
<b>Total expense ratio, investment manager (A)</b>	<b>0.33%</b>	<b>\$2,421</b>	<b>\$8,074</b>
<b>Administrative expenses</b>			
Recordkeeping and administration	0.10%		\$2,344
Custodial and trustee	0.06%		\$1,458
Internal oversight	0.01%		\$271
Consulting	0.01%		\$322
Other plan costs (legal, audit, etc)	0.02%		\$436
<b>Administrative costs after rebates (B)</b>	<b>0.20%</b>		<b>\$4,831</b>
<b>Total plan costs (A + B)</b>	<b>0.53%</b>		<b>\$12,905</b>

# Cost comparisons

## Total plan cost as a percentage of assets

Your total plan cost, excluding individual expenses, of 0.53% was above the U.S. universe median of 0.26%.

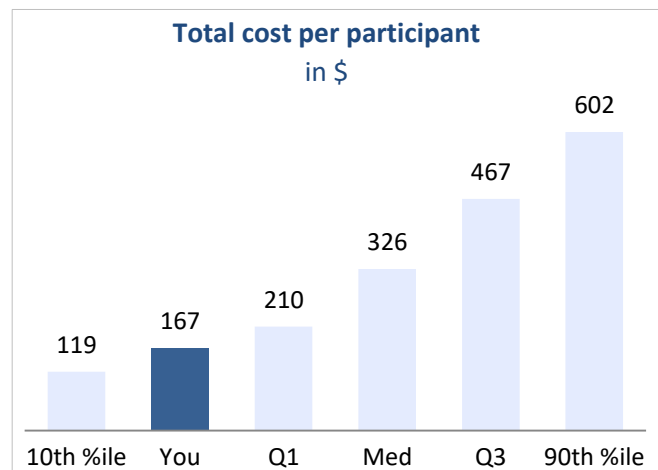
However, comparing total costs provide limited insights as often cost differences are a result of differences in investment options offered.



## Total plan cost per participant

On a per participant basis, your total cost of \$167 was lower than the U.S. universe median of \$326.

As a fiduciary, it is very important that you assess whether your costs are reasonable. Comparing total plan cost provides only limited insight because differences in total cost often reflect differences in the type of investment options offered and economies of scale.



# Investment options and asset mix

## Investment options

Your plan offered 12 investment options in 2016. This was below the universe median of 15.

Offering more investment options to participants is not necessarily better. When there are too many choices, the process can be overwhelming to many participants.

### Type and number of investment options

Asset class	Your plan	2016 Average	2016 Median
Employer Stock Discretionary	0	0.6	0.0
Stock U.S.	4	5.9	5.0
Stock Non U.S. & Global	2	2.7	2.0
Bonds	2	2.7	2.0
Balanced	2	0.9	0.0
Target Date <sup>1</sup>	0	0.9	1.0
Stable Value	1	0.8	1.0
Cash, Money Market	0	0.6	1.0
Mutual Fund Window	0	0.1	0.0
Participant Brokerage Account	0	0.4	0.0
Priv Eq, REIT, Other (ex Loans)	1	0.9	1.0
<b>Total (excl. Loans)</b>	<b>12</b>	<b>16.3</b>	<b>15.0</b>

1. Target Date funds in one family are counted as one option.

## Asset mix

As fiduciaries you should monitor asset mix because it is often the biggest reason for differences in the total returns of plan participants. Asset mix red-flags include high holdings of employer stock, cash, and stable value.

Asset mix is a function of the investment options offered and members' choices.

### Asset mix

Asset class	Your plan	2016 Average	2016 Median
Employer Stock	0%	10%	4%
Stock U.S.	45%	32%	32%
Stock Non U.S. & Global	6%	6%	6%
Bonds	5%	7%	6%
Target & Balanced	5%	25%	24%
Stable Value	39%	12%	10%
Cash, Money Market	0%	3%	0%
MF & Brokerage Windows	0%	2%	0%
Priv Eq, REIT, Other	0%	2%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	

# Average total return and value added

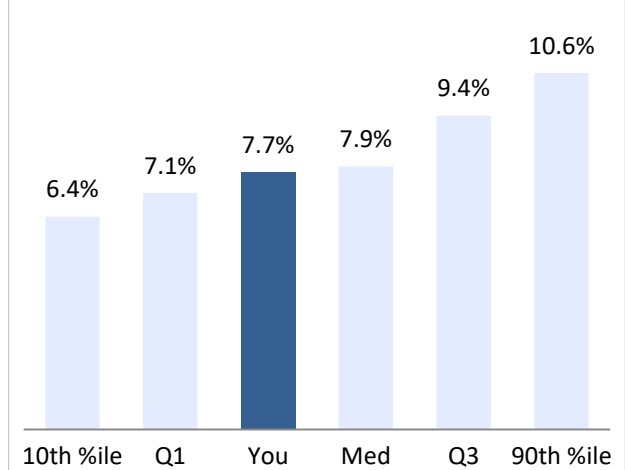
## Average total return of plan participants

Your plan participants' average net total return was 7.7% in 2016. This was below the U.S. universe median of 7.9%.

Average net total return measures the change in the average participant's account balance as a result of the net investment returns earned by their investment options weighted by their holdings.

There are two primary causes of differences in participants' average net total return: asset mix differences and value added performance.

2016 Average total return of plan participants

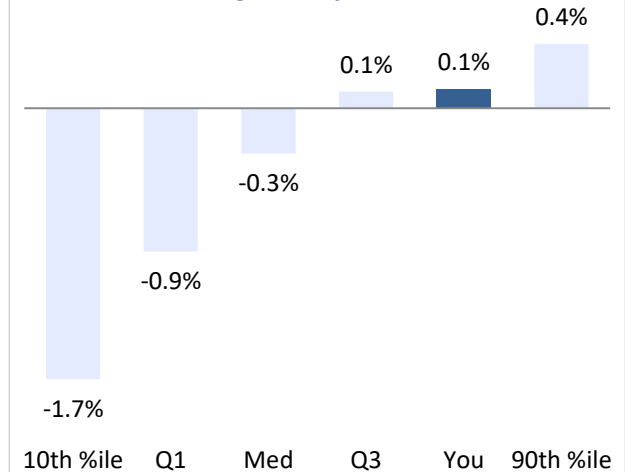


## Average total plan value added

The weighted average net value added earned across all of your plan's options was 0.1% in 2016. This was above the U.S. universe median of -0.3%.

Positive value added indicates that, on average, your plan's investment options are outperforming their benchmark indices, whereas negative value added indicates that they are underperforming.

2016 Average total plan value added



# BenchmarkDC

## CEM's peer based benchmarking report

This free report and our benchmark cost is a useful measure for assessing the reasonableness of your *total* costs. However, as fiduciaries, you are required to ensure your *individual* investment option costs are reasonable. Our BenchmarkDC report does this and more by comparing you to a custom selected peer group, primarily chosen based on plan size and account balance, as these are the primary driver of costs.

### Benefits of upgrading:

- **Gold standard for fiduciary review** - Why not employ the highest standards available to ensure the reasonableness of your individual investment options? Cost is not measured in isolation, we also review the performance of each individual investment option.
- **Our insights and analysis** - including an in person, on site presentation of your custom report which highlights the most important findings.
- **Multi year analysis** - which is critical for assessing investment performance.
- **Comprehensive cost comparisons** - including individual investment option fees, recordkeeping, advisory, individual expenses including managed account fees.
- **Detailed Target Date Fund analysis** - including return, value added comparisons, glide path, cost and risk comparisons; especially critical if it is your default option.
- **Insights into trends** - in plan design and fund governance and access to your peers in an online Q&A platform.

The all inclusive cost: \$30,000.



### Your Proposed Custom Peer Group

- Median size of 2.5B compared to your 2.5B.

Corning Incorporated  
County of Los Angeles (401k)  
DTE Energy Company  
Eastman Chemical Company  
Ecolab  
FDIC  
Hallmark Cards Inc.  
Huntington Ingalls Industries, Inc.  
J.C. Penney Company Inc.  
LANS & LLNS DB Group Trust  
Michelin North America Inc.  
Northwestern Mutual Life Insurance  
Rockwell Automation  
Sample Plan  
State of Tennessee  
Stryker Corporation  
Virginia Retirement System

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