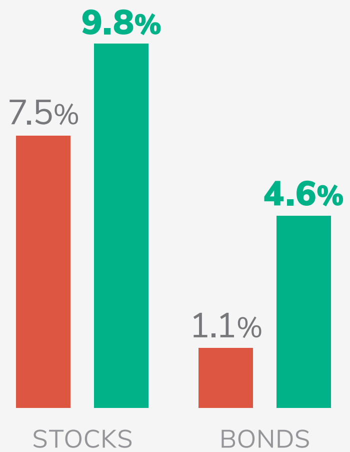
Fisher Investments®
401(k) Solutions

How Adviser Complacency Costs You

It might not seem like now is the right time to consider changing your company's retirement adviser. But periods of market uncertainty are the exact right times to scrutinize your adviser because you may have the most to gain or lose.

Quantitative Analysis of Investor Behavior

Summary of DALBAR Findings



INDIVIDUAL INVESTOR RETURNS
INDEX RETURNS

US stocks and bonds are represented by the S&P 500 and Barclays US Aggregate Treasury Bond Index, respectively, 12/31/1996 – 12/31/2021.

Be greedy when others are fearful.

Warren Buffett famously said, "Be fearful when others are greedy, and be greedy when others are fearful." The key to outperforming the market lies in not following the herd but taking advantage of buying opportunities. A retirement plan adviser who prioritizes client communication and participant education is key to help navigate volatility.

According to research by DALBAR, mistakes in market timing can hamper investors from reaching their long-term goals. Without guidance, individual investors are likely to buy high and sell low, reducing their returns compared to a benchmark index. An active, engaged adviser can help you avoid making costly errors.

Is Adviser Complacency Costing You?

Many advisers take a “set it and forget it” approach to managing your fund lineup. Plus, they don’t educate participants about the importance of asset allocation to meet long-term goals. This approach can be costly to you and your employees.

Long-term track records matter

Over a single five-year period, only 14.81% of domestic equity funds that performed in the top half of their category in 2017 were able to maintain that status annually through 2021, and just 1.66% of the top-quartile domestic equity funds sustained their performance over the same period.*

> **We choose funds based on their long-run performance, not based on luck. We’re like the tortoise — slow and steady wins the race.**

If your plan doesn’t have an adviser actively meeting with fund managers and monitoring fund performance, you could suffer from volatility while having a fund lineup that goes from first to worst.

*Data from Dow Jones S&P Indicies, Year End 2021

Complex fees

In addition, many advisers are paid commission on investment products, which means they lack an incentive structure aligned with your success. As a result, they could be steering you towards funds with more expensive fees. Unfortunately, this tends to be the rule versus the exception. Based on our experience, there’s a good chance you’re currently paying too much for too little.

Fisher-managed fund lineup

Analysis compared to prospective client’s existing fund lineup

62% ↑ higher quality fund lineups

78% ↓ lower fund fees

*Data gathered for 500+ companies between dates January through May 2022 and measured by Fi360.

Lack of small business expertise

Your adviser may also be more focused on their private wealth clients, especially if 401(k) clients like you only make up a small portion of their business. Most advisers administer fewer than ten 401(k) plans, so they lack the knowledge, resources, clout and attention to champion your needs.

Four ways to tell if your adviser's incentives are misaligned with your success:

- **Check Part v10e** on your company's 5500 form to see if there are commissions. If that line has a number greater than $0, you have an adviser that accepts commissions.
- Ask your adviser **how many 401(k) plans they manage.** If they manage fewer than ten plans, they are not focused on the needs of retirement plans.
- Get confirmation in writing about your **adviser acting as an ERISA 3(21) or 3(38) fiduciary**, which requires them to act in your best interest.
- Check to see if your adviser has a **money-back service guarantee** that they are willing to put in writing.

Warning Signs of a Fair-Weather Adviser

Your adviser should be proactively reaching out to offer guidance about your plan. They should also be talking to employees one-on-one to educate them about their options during a volatile market. If your adviser isn't doing this, they might be a "fair-weather" adviser.

Distracted and scattered

Smaller advisers are pulled in many directions. They may ignore participants with lower plan balances, only focusing on those with large balances. A jack of all trades is a master of none.

Reactive approach

If you have to call to find out what's going on, your adviser may have other things on their mind than your business. While they may be available to take your call, that's not enough. You want one who calls you first.

A good times-only strategy

Don't neglect to review how their recommendations perform. A volatile market more readily reveals whether an investment strategy is built for the long-term.

What Your Adviser Should Be Offering You Now

Superior guidance.

As one of America's top financial advisers, we work with you to maximize four key drivers of wealth creation: employee participation, employee deferral rates, fund quality and fund fees.

Incentive structures that put your interests first.

Fisher has incentive structures aligned with your success: **no revenue sharing, no kickbacks or commissions**. When you succeed, we succeed.

Small business plan expertise.

We specialize in small business retirement plans. As a result, we're able to provide the knowledge, resources and clout to proactively champion your needs. It's like moving from economy to first class at little or no additional cost.

Unparalleled service.

During the COVID-19 epidemic, Fisher proactively reached out to 100% of plan sponsors and 29,000 plan participants to answer questions and provide financial guidance, resources and tools.

BETTER ADVICE, BETTER OUTCOMES

+46%	+80%	+62%	+78%
HIGHER EMPLOYEE PARTICIPATION RATES*	HIGHER PLAN PARTICIPANT SAVINGS RATES*	HIGHER QUALITY FUNDS**	LOWER FUND FEES**

Schedule your free consultation

Fisher redefines what it means to be a partner in retirement by providing superior guidance, unparalleled service and simple and easy program administration. Contact us to schedule a free consultation.

CONTACT US **844-238-1247 | www.fisher401k.com**

*As of December 31, 2021. **Data gathered for 500+ companies between dates January through May 2022 and measured by Fi360.

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