

401(k) PROFESSIONALS

As a plan sponsor of a qualified retirement plan, what are you doing to enhance investment opportunities for employees? What are you doing to increase participation? What are you doing to protect yourself from fiduciary liability?

401(k) Professionals is the industry leader in providing focused, full-service defined contribution consulting services to employers looking for efficient, effective solutions needed to maintain a highly successful retirement plan.

“Creating Ongoing Successful Retirement Plan Experiences for Employers and Employees.”

401(k) Professionals is a group of dedicated specialists focused solely on delivering retirement plan consulting services. We help our wide-ranging clientele meet their ERISA fiduciary responsibilities, and advise plan sponsors on how to best protect themselves from personal and corporate financial liability. We empower plan participants to establish and monitor their own retirement plan assets, through a selection of professionally managed investment opportunities, that enable them to meet their personal retirement goals.

From investment analysis and due diligence to employee communications and vendor fee benchmarking, our process-driven solutions and services enable employers to deliver and monitor a highly successful 401(k) plan, while increasing investment opportunities and improving overall plan value.

Maximize Plan Efficiency

Every plan sponsor has unique goals and objectives. As your dedicated consultant, 401(k) Professionals will create an ongoing **service plan** specific to your needs.

The service cycle begins with a thorough review of your plan to ensure total plan costs are relevant to the services being received. On an ongoing basis, your relationship manager will examine your **plan design** with ideas to improve participation and operational efficiency.

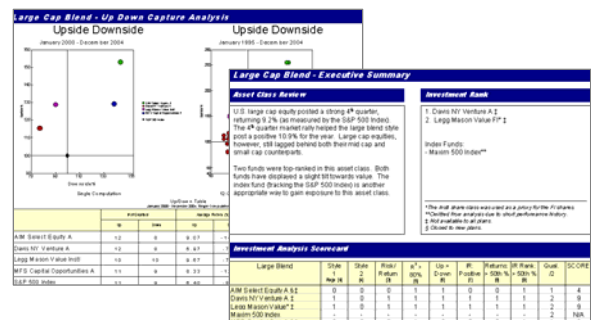
- Vendor Benchmarking Analysis™
- Provider contract review
- Provider pricing re-negotiation
- Plan conversion guidance
- Plan design analysis and *Plan Review™*
- Compliance checklist

Protect Against Loss

401(k) Professionals helps navigate fiduciary responsibility through robust, systematic, quantitative and qualitative **investment analysis** involving over 150 pages of detailed reports utilizing 15+ industry standard analytical measurements.

Our due diligence process goes far beyond the *Morningstar* 5-star ratings and instead focuses on a cyclical approach of fund selection, monitoring, and ongoing documentation and review.

- Investment Policy Statement
- *Fiduciary Investment Review™*
- *Scorecard™* fund ranking
- Quarterly Market Summary
- 404(a) / 404(c) guidance
- Customized online report access



Sample Investment Report Excerpts

401(k) Professionals' KEY Drivers for Success:

>PASSION:

Our firm was founded with a vision to offer high-quality consulting services independent of the service provider

>PROTECTION:

Our services and solutions are designed to help protect plan fiduciaries from personal and corporate financial loss

>PERFORMANCE:

Everything we do is focused toward enhancing the retirement incomes of plan participants

Increase Participation and Diversification Through 401(k) Professionals' comprehensive **communication services**, you can increase participation, satisfaction, and understanding of asset allocation and risk tolerance. This also helps plan sponsors to meet 404(c) requirements to provide adequate education about investing in the company's 401(k) plan.

- Custom investment advice
- On-site enrollment meetings
- Investment education meetings
- Monthly client newsletters
- Sample employee memos
- Bi-lingual representatives on staff



Qualified Plan Limits For 2007
On October 18, 2006, the Internal Revenue Service announced final of final adjustments applicable to dollar limitations for pension plans and other plans for Tax Year 2007.

Section 415 of the Internal Revenue Code provides for dollar limitations on benefits and contributions under qualified retirement plans. It also requires that the Comptroller Revenues. Many of the pension plan limitations will change for the next calendar year and the dollar limitations that figure under Section 402(a)(7) on the schedule for elective deferrals: \$13,000 to \$15,500.

401(k) Plan Limits for Plan Year	2007 (\$)	2008 (\$)
Annual Deferral Contribution Limit	13,000	15,500
Annual Defined Contribution Limit	50,000	54,000
Annual Contribution Limit	50,000	54,000
Definition of Highly Compensated Employee	2007: \$120,000 2008: \$125,000	
Social Security Wage Base	2007: \$105,000 2008: \$108,000	

Is Your Plan in Compliance?
One of the most important duties as a fiduciary is to comply with 401(k) which provides protection from participant directed and fiduciary liability that their plan is investments and safe document. These duties include having an Investment Policy Statement through a established Due Diligence process, and annual 401(k) Professionals works with clients and auditors to address several common areas where fiduciaries sometimes struggle: 1) to ensure "Yes" to each of the following questions:

- Do you have an annual Investment Policy Statement?
- Have you provided a 401(k) disclosure notice to your participants?
- Have you completed any plan or investment strategies?
- Are you monitoring the 401(k) limit for allocations?
- Have you completed the annual 401(k) and 408(a) audit?

Remember that plan compliance is an important fiduciary duty that fiduciaries bear. 401(k) Professionals works with the plan sponsor, fiduciaries and fiduciaries.

401(k) PROFESSIONALS
Asset Allocation and Diversification
The ingredients to a healthy retirement income

Asset Allocation Drive Return
Research shows that how you allocate your investments can make a difference in the long run. It's not just about the return, but also about the risk. The specific investments you choose and their mix can make a big difference in the long run. You can have more risk than you want to handle, or you can have less risk than you want to handle. The key is to make sure you're on track.

Diversification Lowers Risk
Your retirement plan is only as good as the investments it holds. If you have one stock, you're not diversified. If you have one bond, you're not diversified. If you have one real estate investment, you're not diversified. The key is to diversify across asset classes, sectors, and geographies. This helps to reduce the risk of your portfolio and increase the likelihood of meeting your long-term goals.

Investing for the Long Term
Remember that for most of us, investing for retirement is a long-term proposition. In fact, most of us won't be able to retire until we're in our 60s or 70s. This means that we need to invest for the long term. The key is to stay invested for the long term and not to panic when the market goes down. Remember, the market always goes up in the long run. The key is to stay invested for the long term and not to panic when the market goes down.

Sample Client Newsletter and Employee Memo

Existing Plan Allocation/Assets			ABC Client			
Asset Class	Assets	Assets (%)	Fund	Exp. Ratio (%)	WAC (%)	Cost
Large Blend	\$ 507,132	4.71	Calvert Social Equity A	1.20	0.06	\$ 6,542
Large Growth	\$ 1,266,939	11.76	American Fds Gr Fund	1.09	0.13	\$ 13,810
Large Value	\$ 1,313,137	12.19	Van Kampen Comstock A	0.90	0.11	\$ 11,818
Mid Growth	\$ 1,033,520	9.59	One Group Mid Cap Gr A	1.24	0.12	\$ 12,816
Mid Value	\$ 631,291	5.86	Lord Abbett Mid Cap Val P	1.00	0.06	\$ 6,313
Small Blend	\$ 1,297,389	12.04	Small Cap Value A	1.27	0.15	\$ 16,477
Intl Stock	\$ 1,258,127	11.68	Templeton Foreign Fund	1.22	0.14	\$ 15,349
Fixed Income	\$ 949,201	8.81	US Gov't Mortgage Fund	0.95	0.08	\$ 9,017
Fixed Income	\$ 283,724	2.63	FIMCO Total Return	0.90	0.02	\$ 2,554
Cash	\$ 2,235,154	20.74	Ready Asset Trust	0.63	0.13	\$ 14,081
Total Assets	\$ 10,775,616	100				
Total Mgmt. Exp					1.01	\$ 108,777
Asset Fee					0.00	\$ -
Admin. Fees					0.45	\$ 48,500
TOTALS					1.46	\$ 157,277

Sample Total Cost Analysis Excerpt

"Under Promise, Over Deliver"
Upon being hired, 401(k) Professionals will provide a written promise detailing the specific services provided, and the corresponding frequency. This way clients can periodically compare the written "promise" with the actual "delivery" of those services.

We have developed meaningful relationships with a wide variety of clientele over the years and provided dedicated services to hundreds of plan sponsors nationwide. We are proud of our commitment to excellence and will work hard to develop a strong and lasting partnership.

How To Engage Our Services

401(k) Professionals may be hired on a consulting basis either for a specific project or for ongoing service. All of our fees are fully disclosed. To learn more how 401(k) Professionals creates successful retirement plan experiences for employers and employees, please call us at 650.931.2650 or email info@401kprofessionals.com. You may also visit us at www.401kprofessionals.com



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