

BellAdvisors



Unnecessary fees may reduce 401(k) returns by 30% or more.

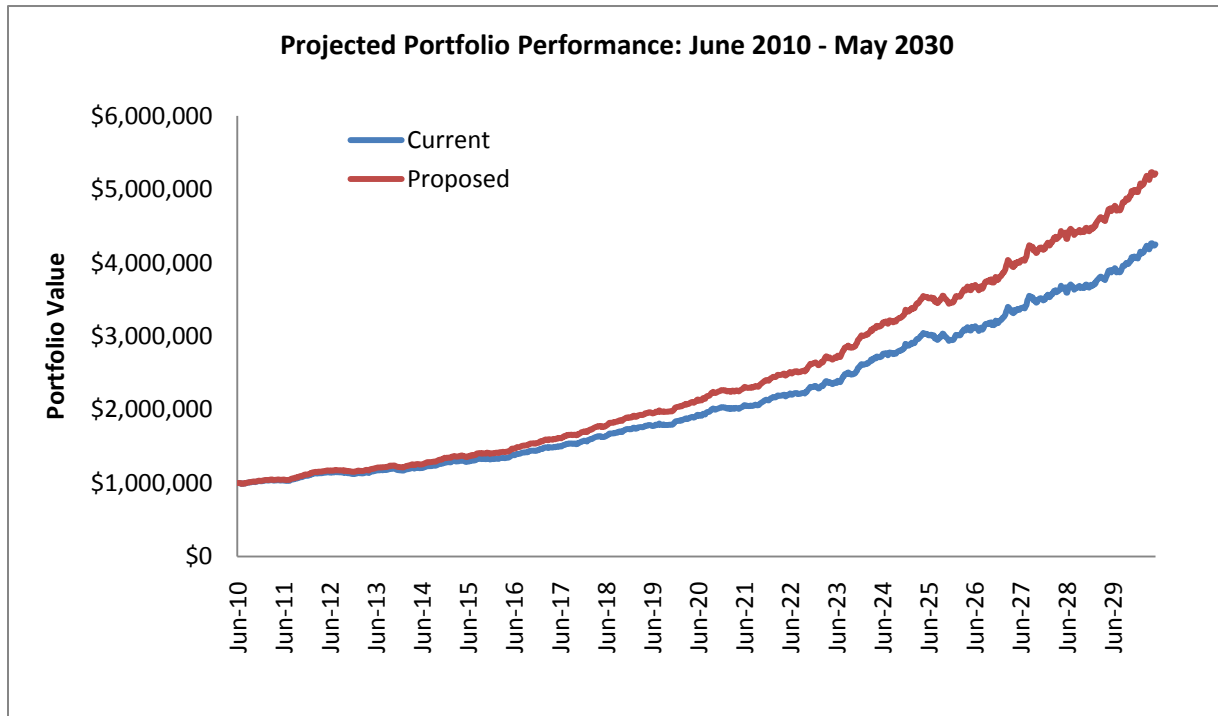
With the unprecedented downturn since Q4 2007, one variable you can control is plan expenses for your employees.

Bell Advisors is an institutional investment consulting firm based in Scottsdale, Arizona. We currently advise on approximately \$5.2 billion in assets.

With an expense ratio at 100 basis points (1%) lower than the average, a typical \$1 million plan would save approximately \$951,000 in fees and foregone interest over 20 years.

The numbers are compelling. If you are interested in learning more, please contact or visit us at **www.ba-financial.com**.

Partnering with **NextStep DC**, an industry leader in recordkeeping and third party administration, Bell is now able to offer some of the most flexible and lowest cost 401(k) plans in the market.



The impact of fees on the performance of a client portfolio: In this example, both the current and proposed portfolios begin with \$1 million, invested in a broad range of US large cap equities. The proposed portfolio invests at an expense ratio of 1.00% compared to 2.00% for the current portfolio. 2% is actually a conservative estimate for standard active management fees with mutual fund sales commissions. The results are an average of 50 trials, on sampled data from June 2003 – May 2010.

Simulated Results, Average of 50 Trials:

	Current	Proposed
6/1/2010	\$ 1,000,000	\$ 1,000,000
1/2/2015	\$ 1,283,933	\$ 1,346,225
1/2/2020	\$ 1,847,076	\$ 2,039,061
1/2/2025	\$ 2,892,032	\$ 3,361,180
1/2/2030	\$ 4,111,222	\$ 5,029,661

In a September 2010 research article, Merrill Lynch noted only 15.3% of managers beat their benchmarks in the preceding 12 months, with average underperformance of 260 basis points (2.6%).¹

For portfolio construction, Bell Advisors uses index funds and ETFs with broad market diversification and low expenses. In out-of-sample tests for portfolio efficiency, these portfolios score highly in CAPM statistical evaluations and Efficient Frontier risk/reward plots.

¹ Savita Subramanian and Yue Xu, “Another Tough Month for Active Managers”, Bank of America Merrill Lynch, September 1, 2010