

Lower Group Fees Help Your Retirement Savings Grow Faster

As you save and plan for your retirement it is important to understand the effect that Investment Management Fees (IMFs) have on the growth of your retirement savings. These fees are charged on your market-based funds only and do not apply to Guaranteed Interest Accounts.

What are Investment Management Fees and why do they exist?

Each fund pays an annual fee to the fund's management company for managing the fund's investments. While you do not receive a bill for the fee, it reduces the rate of return you earn on your investment. Every investor in a market-based fund is charged this fee.

It is important to note that your Group Plan does **not** charge commission-based fees such as front, rear or deferred sales charges – only the required IMF. Are you being charged these fees in your individual savings plans?

Why is it important to understand Investment Management Fees?

Your money can realize a higher rate of return when you pay lower fees as a member in a Group Plan versus a higher fee in an individual plan. This is because your Group Plan fee is calculated based on the contributions and assets of the entire plan, instead of being based on your individual account balance.

How can you determine the Investment Management Fees that you pay on your market-based funds and their impact on your investments?

The fee you pay on these funds is identified on your annual member statement and on your member account on-line. It is expressed as a percentage. The rate of return that you earn after the fee has been deducted is your Personal Rate of Return.

Let's look at the following example to review the impact of this fee:

	Group Plan	Individual Plan
Fund Gross Rate of Return	5.0%	5.0%
Less IMF	1.5%	2.5%
Net Rate of Return	3.5%	2.5%



As you can see, earning a 1% higher net Rate of Return per year can make a significant difference in helping your money grow faster for retirement.

To discuss your plan's Investment Management Fees, contact Reuter Benefits' licensed professionals by phone at 1-800-666-0142 or via email at retire@reuterbenefits.com.