

## Comparison of the effect of different expenses on 401(k) Plan growth

*How much more will you have in your retirement plan if you reduce overall expenses?*

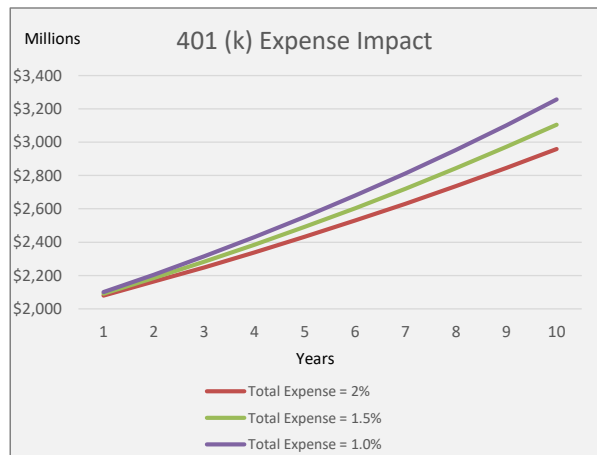
**Assumptions:**

- Average annual investment return before expenses of 6% per annum
- Total expenses netted-out at the rate of 2%, 1.5%, or 1.0%, respectively

Year	Sample A: Total Expense = 2.0%			Sample B: Total Expense = 1.5%			Sample C: Total Expense = 1.0%		
	Beginning Balance	Annual Net Return Assumption	Year End Balance	Beginning Balance	Annual Net Return Assumption	Year End Balance	Beginning Balance	Annual Net Return Assumption	Year End Balance
1	\$ 2,000,000	1.04	\$ 2,080,000	\$ 2,000,000	1.045	\$ 2,090,000	\$ 2,000,000	1.05	\$ 2,100,000
2	\$ 2,080,000	1.04	\$ 2,163,200	\$ 2,090,000	1.045	\$ 2,184,050	\$ 2,100,000	1.05	\$ 2,205,000
3	\$ 2,163,200	1.04	\$ 2,249,728	\$ 2,184,050	1.045	\$ 2,282,332	\$ 2,205,000	1.05	\$ 2,315,250
4	\$ 2,249,728	1.04	\$ 2,339,717	\$ 2,282,332	1.045	\$ 2,385,037	\$ 2,315,250	1.05	\$ 2,431,013
5	\$ 2,339,717	1.04	\$ 2,433,306	\$ 2,385,037	1.045	\$ 2,492,364	\$ 2,431,013	1.05	\$ 2,552,563
6	\$ 2,433,306	1.04	\$ 2,530,638	\$ 2,492,364	1.045	\$ 2,604,520	\$ 2,552,563	1.05	\$ 2,680,191
7	\$ 2,530,638	1.04	\$ 2,631,864	\$ 2,604,520	1.045	\$ 2,721,724	\$ 2,680,191	1.05	\$ 2,814,201
8	\$ 2,631,864	1.04	\$ 2,737,138	\$ 2,721,724	1.045	\$ 2,844,201	\$ 2,814,201	1.05	\$ 2,954,911
9	\$ 2,737,138	1.04	\$ 2,846,624	\$ 2,844,201	1.045	\$ 2,972,190	\$ 2,954,911	1.05	\$ 3,102,656
10	\$ 2,846,624	1.04	\$ 2,960,489	\$ 2,972,190	1.045	\$ 3,105,939	\$ 3,102,656	1.05	\$ 3,257,789

**Summary:**

- 401(k) plans have been expensive to operate.
- Total expense includes plan administration, record keeping, and investment management services.
- All three of these expenses can be reduced for all plan sizes.
- A plan with \$2,000,000 in assets can easily achieve an overall expense level of 1.0% or less.
- Note: For plans with assets below \$1 million, total expenses may exceed 1.0%.



**Disclosure:**

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The above illustration is not based on actual investment results of any 401(k) plan and is not intended to estimate that any 401(k) plan might achieve the results indicated in the tables.