

2011

Company: **Anderson Baker Cole, Inc.**
Plan: Anderson Baker Cole 401k Plan

Prepared By: BrightScope Inc.

Report Date: January 25, 2011
Based on Data December 31, 2009
Through:



Data. Diligence. Decisions.™

A thorough plan analysis performed by BrightScope Inc. for the fiduciaries of Anderson Baker Cole, Inc. BrightScope is not a fiduciary and expressly disclaims all fiduciary liability for any decisions made as a result of the data and analytics contained herein.

Copyright 2011

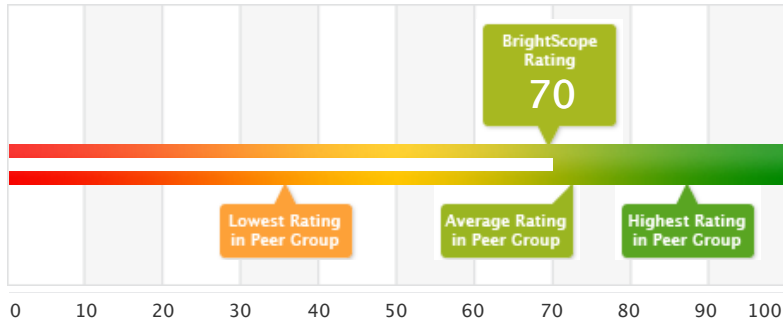
Table of Contents

BrightScope Rating.....	3
Total Plan Cost	4
Company Generosity.....	9
Investment Menu Quality	10
Participation Rate.....	12
Salary Deferrals.....	13
Account Balances	14
Appendix: Methodology.....	15

Anderson Baker Cole, Inc.

70

Plan: Anderson Baker Cole 401k Plan



For the average 401k participant, the 18 point difference between this plan's BrightScope Rating (70) and the top rated plan (88) could equate to:

- 🚩 11 additional years of work
- 🚩 Up to \$38,900 in lost retirement savings.

The delay in retirement calculations apply solely to this defined contribution plan and do not take into account other retirement plans and programs offered by this employer.

Plan Component Ratings		
Design	Total Plan Cost	Low Fees
	Company Generosity	Great
	Investment Menu Quality	Average
Performance	Participation Rate	Below Avg.
	Salary Deferrals	Great
	Account Balances	Average

Plan Description

Anderson Baker Cole 401k Plan is a defined contribution plan with a profit-sharing component and 401k feature. This plan has a **BrightScope Rating of 70**. This plan is in the top 15% of plans for Company Generosity and Salary Deferral. Anderson Baker Cole 401k Plan currently has over 2,400 active participants and over \$50.3M in plan assets.

Plan Details

Address	12345 Committee Ave San Diego, CA 92121
Industry	Other Accounting Services
Administrator	Samuel Anderson
Sponsor	Elizabeth Baker
Net Plan Assets	\$50,300,000
Total Participants	2,400
Avg Account Balance	\$21,000

Top 3 Investment Holdings

1.SSgA S&P 500 Index	10%
2.Russell LifePoints Balanced Strategy	8%
3.Vanguard Retirement Savings Trust	7%

Other Companies in Peer Group

Smith, Gambrell & Russell, LLP	86.1
GDS Associates	84.4
Clifford Chance US LLP	81.9
Degenkolb Engineers	77.5
Burr Pilger Mayer	73.8
Williams & Connolly LLP	44.4

Plan Service Providers

Investment Adviser	Enhanced Alpha Advisors
Corporate Trustee	Forward Fighting Trust Co

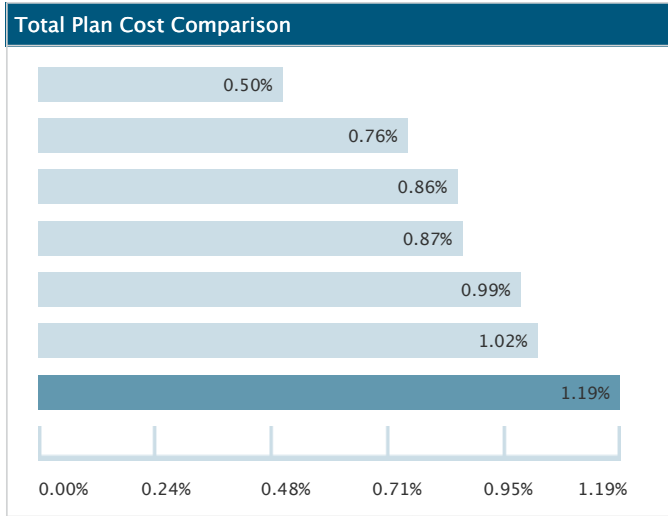


Total Plan Cost

Rating: Low Fees

1.19%

Total Plan Cost Criteria	
RATING	RANGE
Lowest Fees	0% – 0.95%
Low Fees	0.95% – 1.23%
Average Fees	1.23% – 1.69%
High Fees	1.69% – 2.19%
Highest	2.19% +
Selected Peer Group: • All Plans	
Same Size (\$10M – \$100M)	Same Size (100 – 2K Participants)



Total Plan Cost Calculation	
CATEGORY	COUNT
Total Fees	\$605,375
Total Assets	\$50,325,092
Total Plan Cost (%)	1.19%

PEER COMPANY	TOTAL PLAN COST
SAI Consulting Engineers Inc.	0.50%
Smith, Gambrell & Russell, LLP	0.76%
Williams & Connolly LLP	0.86%
Degenkolb Engineers	0.87%
Newcomb & Boyd	0.99%
Clifford Chance US LLP	1.02%
Your Plan	1.19%

Plan Fees				
PROVIDER	DESCRIPTION	TYPE	COST (\$)	COST (%)
Investment Management Fees — Asset-Based				
Multiple	Weighted Management Fees	Asset-Based	\$135,654	0.27%
Multiple	Weighted Transaction Costs	Asset-Based	\$147,985	0.29%
Multiple	Weighted Acquired Fund Fees	Asset-Based	\$63,528	0.13%
Multiple	Weighted Other Investment Fees	Asset-Based	\$76,877	0.15%
Administrative and Advice Fees — Asset-Based				
Recordkeeper	Weighted Sub Transfer Agent Fees	Asset-Based	\$44,640	0.09%
Multiple	Weighted 12b-1 Fees	Asset-Based	\$69,059	0.14%
Enhanced Alpha Advisors	Investment advisory (plan)	Itemized	\$38,500	0.08%
Forward Fighting Trust Co	Trustee (bank, trust company, or similar financial institution)	Itemized	\$20,175	0.04%
Young & Moneyppenny	Accounting (including auditing)	Itemized	\$8,200	0.02%



Total Plan Cost

Rating: Low Fees

1.19%

Plan Fees				
PROVIDER	DESCRIPTION	TYPE	COST (\$)	COST (%)
Administration and Transaction-Based Fees				
Other Fees				
Graphics Printing and More	Copying and duplicating	Itemized	\$755	0.00%
Total Plan Cost				
Total Fees			\$605,375	1.19%

Fund List						
Fund Name	Ticker	Type	Balance	Expense Ratio	Transaction Costs*	Total Annual Costs
SSgA S&P 500 Index	SVSPX	Mutual Fund	\$5,497,348	0.18% ¹	0.08%	0.26%
Russell LifePoints Balanced Strategy	RBLAX	Mutual Fund	\$4,254,093	1.28% ¹	0.19%	1.47%
Vanguard Retirement Savings Trust		GIC	\$3,848,453	0.30% ¹	0.27%	0.57%
American Funds Growth Fund of America	RGAEX	Mutual Fund	\$2,997,434	0.70% ¹	0.17%	0.87%
PIMCO High Yield	PHDAX	Mutual Fund	\$2,670,240	0.91% ¹	0.53%	1.44%
American Funds EuroPacific Growth	AEPGX	Mutual Fund	\$2,648,981	0.85% ¹	0.36%	1.21%
American Beacon Mid Cap Value	AMPAX	Mutual Fund	\$2,478,948	1.23% ¹	0.28%	1.51%
Vanguard Prime Money Market	VMMXX	Mutual Fund	\$2,190,663	0.25% ¹	0.14%	0.39%
PIMCO Total Return	PTTAX	Mutual Fund	\$2,114,760	0.91% ¹	0.56%	1.47%
Fidelity Real Estate Investment	FRESX	Mutual Fund	\$1,923,307	0.92% ¹	0.41%	1.33%
Vanguard Extended Market Index	VEXMX	Mutual Fund	\$1,888,234	0.30% ¹	0.16%	0.46%
Vanguard Value Index	VIVAX	Mutual Fund	\$1,760,943	0.26% ¹	0.14%	0.40%
Fidelity Worldwide	FWWFX	Mutual Fund	\$1,698,349	1.27% ¹	1.05%	2.32%
Pioneer Government Income	AMGEX	Mutual Fund	\$1,580,991	1.15% ¹	0.15%	1.30%
Legg Mason ClearBridge Small Cap Value	SBVAX	Mutual Fund	\$1,534,095	1.35% ¹	0.45%	1.80%
Neuberger Berman Genesis	NBGAX	Mutual Fund	\$1,500,239	1.40% ¹	0.27%	1.67%
Legg Mason ClearBridge Small Cap Growth	SBPYX	Mutual Fund	\$1,278,923	0.90% ¹	0.95%	1.85%
Putnam Retirement Ready 2030	PRRQX	Mutual Fund	\$1,124,933	1.26% ¹	0.41%	1.67%
Wells Fargo Advantage Small Cap Value	SSMVX	Mutual Fund	\$949,240	1.35% ¹	0.51%	1.86%
Putnam Retirement Ready Maturity	PRMAX	Mutual Fund	\$839,194	1.23% ¹	0.20%	1.43%
Putnam Retirement Ready 2020	PRRMX	Mutual Fund	\$705,239	1.24% ¹	0.30%	1.54%
Putnam Retirement Ready 2010	PRRXR	Mutual Fund	\$625,777	1.23% ¹	0.20%	1.43%
Putnam Retirement Ready 2040	PRRZX	Mutual Fund	\$603,025	1.30% ¹	0.40%	1.70%

© 2010 BrightScope Inc. All rights reserved. The information, data, analyses and opinions contained herein (1) include the confidential and proprietary information of BrightScope Inc., (2) may not be copied or redistributed, (3) do not constitute investment advice offered by BrightScope, (4) are provided solely for informational purposes and therefore are not an offer to buy or sell a security, and (5) are not warranted to be correct, complete or accurate. Except as otherwise required by law, BrightScope shall not be responsible for any trading decisions, damages or other losses resulting from, or related to, this information, data, analyses or opinions on their use.



Total Plan Cost

Rating: Low Fees

1.19%

Fund List						
Fund Name	Ticker	Type	Balance	Expense Ratio	Transaction Costs*	Total Annual Costs
TimesSquare Mid Cap Growth	TMDPX	Mutual Fund	\$109,489	1.30% ¹	0.56%	1.86%
Investments Subtotal			\$46,822,898			
		Loan	\$3,502,194			
Weighted Total			\$50,325,092	0.76%	0.29%	1.05%

Expense Ratio Breakdown									
Fund Name	Ticker	Type	Balance	Management Fee	Sub-TA Fee	12b-1 Fees	Other	Acquired Fees	Expense Ratio
SSgA S&P 500 Index	SVSPX	Mutual Fund	\$5,497,348	0.00%	0.00%	0.08%	0.10%	0.00%	0.18% ¹
Russell LifePoints Balanced Strategy	RBLAX	Mutual Fund	\$4,254,093	0.01%	0.00%	0.25%	0.26%	0.76%	1.28% ¹
Vanguard Retirement Savings Trust		GIC	\$3,848,453	0.30%	0.00%	0.00%	0.00%	0.00%	0.30% ¹
American Funds Growth Fund of America	RGAEX	Mutual Fund	\$2,997,434	0.20%	0.08%	0.25%	0.17%	0.00%	0.70% ¹
PIMCO High Yield	PHDAX	Mutual Fund	\$2,670,240	0.50%	0.15%	0.25%	0.01%	0.00%	0.91% ¹
American Funds EuroPacific Growth	AEPGX	Mutual Fund	\$2,648,981	0.43%	0.00%	0.24%	0.18%	0.00%	0.85% ¹
American Beacon Mid Cap Value	AMPAX	Mutual Fund	\$2,478,948	0.31%	0.35%	0.00%	0.56%	0.01%	1.23% ¹
Vanguard Prime Money Market	VMMXX	Mutual Fund	\$2,190,663	0.25%	0.00%	0.00%	0.00%	0.00%	0.25% ¹
PIMCO Total Return	PTTAX	Mutual Fund	\$2,114,760	0.50%	0.15%	0.25%	0.01%	0.00%	0.91% ¹
Fidelity Real Estate Investment	FRESX	Mutual Fund	\$1,923,307	0.31%	0.25%	0.00%	0.36%	0.00%	0.92% ¹
Vanguard Extended Market Index	VEXMX	Mutual Fund	\$1,888,234	0.25%	0.00%	0.00%	0.05%	0.00%	0.30% ¹
Vanguard Value Index	VIVAX	Mutual Fund	\$1,760,943	0.21%	0.00%	0.00%	0.05%	0.00%	0.26% ¹
Fidelity Worldwide	FWWFX	Mutual Fund	\$1,698,349	0.72%	0.15%	0.00%	0.40%	0.00%	1.27% ¹

© 2010 BrightScope Inc. All rights reserved. The information, data, analyses and opinions contained herein (1) include the confidential and proprietary information of BrightScope Inc., (2) may not be copied or redistributed, (3) do not constitute investment advice offered by BrightScope, (4) are provided solely for informational purposes and therefore are not an offer to buy or sell a security, and (5) are not warranted to be correct, complete or accurate. Except as otherwise required by law, BrightScope shall not be responsible for any trading decisions, damages or other losses resulting from, or related to, this information, data, analyses or opinions on their use.



Total Plan Cost

Rating: Low Fees

1.19%

Expense Ratio Breakdown									
Fund Name	Ticker	Type	Balance	Management Fee	Sub-TA Fee	12b-1 Fees	Other	Acquired Fees	Expense Ratio
Pioneer Government Income	AMGEX	Mutual Fund	\$1,580,991	0.35%	0.15%	0.25%	0.40%	0.00%	1.15% ¹
Legg Mason ClearBridge Small Cap Value	SBVAX	Mutual Fund	\$1,534,095	0.50%	0.25%	0.25%	0.35%	0.00%	1.35% ¹
Neuberger Berman Genesis	NBGAX	Mutual Fund	\$1,500,239	0.82%	0.25%	0.25%	0.06%	0.02%	1.40% ¹
Legg Mason ClearBridge Small Cap Growth	SBPYX	Mutual Fund	\$1,278,923	0.65%	0.10%	0.00%	0.15%	0.00%	0.90% ¹
Putnam Retirement Ready 2030	PRRQX	Mutual Fund	\$1,124,933	0.00%	0.20%	0.25%	0.07%	0.74%	1.26% ¹
Wells Fargo Advantage Small Cap Value	SSMVX	Mutual Fund	\$949,240	0.81%	0.00%	0.73%	0.52%	0.02%	1.35% ¹
Putnam Retirement Ready Maturity	PRMAX	Mutual Fund	\$839,194	0.00%	0.20%	0.25%	0.00%	0.78%	1.23% ¹
Putnam Retirement Ready 2020	PRRMX	Mutual Fund	\$705,239	0.00%	0.20%	0.25%	0.00%	0.79%	1.24% ¹
Putnam Retirement Ready 2010	PRRX	Mutual Fund	\$625,777	0.00%	0.20%	0.25%	0.00%	0.78%	1.23% ¹
Putnam Retirement Ready 2040	PRRZX	Mutual Fund	\$603,025	0.00%	0.20%	0.25%	0.00%	0.85%	1.30% ¹
TimesSquare Mid Cap Growth	TMDPX	Mutual Fund	\$109,489	1.00%	0.00%	0.00%	0.29%	0.01%	1.30% ¹
Investments Subtotal			\$46,822,898						
Participant Loans		Loan	\$3,502,194						
Weighted Total			\$50,325,092	0.27%	0.09%	0.14%	0.15%	0.13%	0.76%

* Based on a BrightScope Algorithm.

** These expenses are reported on Schedule H of the Form 5500, but have no detectable correspondence to provider expenses filed on Schedule C of the Form 5500. As such, these expenses are assumed to be in addition to expenses reported on the Schedule C, although the provider names and provider descriptions are not fully specified.

*** This is an amount listed on the Schedule C for expenses paid to service providers earning less than \$5,000.

**** Aggregated fees reported in Schedule I of the 5500.

1 Expense Ratio pulled from the fund's most recent prospectus or fact sheet.



Total Plan Cost

Rating: Low Fees

1.19%

- 2 Investment option is not a registered investment company subject to disclosure requirements under the Investment Company Act of 1940. BrightScope has developed expense ratio assumptions based upon the size of the fund and the asset class of the fund.
- 3 Investment option is company stock. BrightScope has developed assumptions for the cost of managing a company stock fund based on the size of the fund and the trustee of the fund.
- 4 Investment option expense is set to zero because the plan sponsor has filed the investment management expenses on Schedule C of the Form 5500.



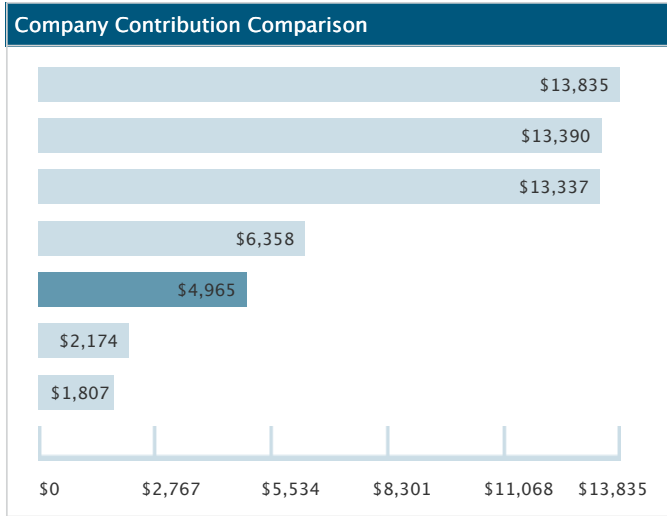
Company Generosity

Rating: **Great**

\$4,965

Company Generosity Criteria	
RATING	RANGE
Great	\$3,088 +
Above Average	\$1,600 – \$3,088
Average	\$560 – \$1,600
Below Avg.	\$0 – \$560
Poor	\$0 – \$0

Selected Peer Group: All Plans
 Same Size (\$10M – \$100M) Same Size (100 – 2K Participants)



Company Contribution Calculation	
CATEGORY	COUNT
Company Cash Contributions	\$5,704,942
Company Non-Cash Contributions	\$0
Total Company Contributions	\$5,704,942
Active Participants with Balances	1,149
Average Contribution	\$4,965

PEER COMPANY	COMPANY GENEROSITY
Williams & Connolly LLP	\$13,835
Clifford Chance US LLP	\$13,390
Smith, Gambrell & Russell, LLP	\$13,337
Degenkolb Engineers	\$6,358
Your Plan	\$4,965
Newcomb & Boyd	\$2,174
SAI Consulting Engineers Inc.	\$1,807

Active Participants with Balances	
CATEGORY	COUNT
Participants with Balances	1,377
Retired or Separated Participants Receiving Benefits	3
Other Retired or Separated Participants	201
Deceased Participants	24
Active Participants with Balances	1,149

Vesting Schedule	
YEARS	VESTED %
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%
6	100%

Eligibility Periods	
CATEGORY	MONTHS
Plan Eligibility	3
Match Eligibility	9

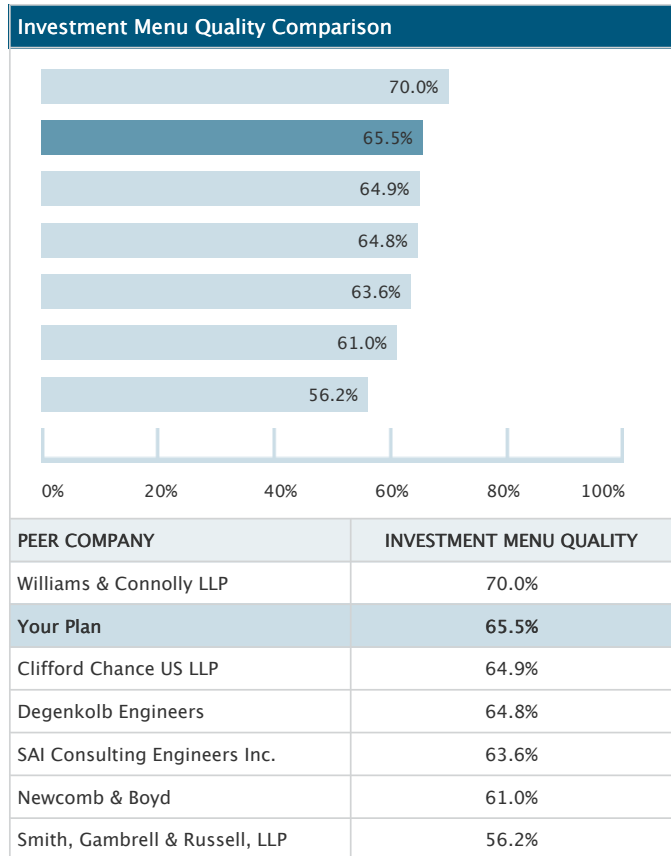


Investment Menu Quality

Rating: Average

65.5%

Investment Menu Quality Criteria	
RATING	RANGE
Great	69.1% +
Above Average	67.5% – 69.1%
Average	64.3% – 67.5%
Below Avg.	57.2% – 64.3%
Poor	0.0% – 57.2%
Selected Peer Group: • All Plans Same Size (\$10M – \$100M) Same Size (100 – 2K Participants)	



Funds				
FUND NAME	TICKER	CATEGORY	BALANCE	ALLOCATION
STOCK				51.99%
Large-Cap Stock				21.90%
SSgA S&P 500 Index	SVSPX	Large Blend	\$5,497,348	11.74%
American Funds Growth Fund of America	RGAEX	Large-Growth U.S. Equities	\$2,997,434	6.40%
Vanguard Value Index	VIVAX	Large-Value U.S. Equities	\$1,760,943	3.76%
Mid-Cap Stock				9.56%
American Beacon Mid Cap Value	AMPAX	Mid-Value U.S. Equities	\$2,478,948	5.29%
Vanguard Extended Market Index	VEXMX	Mid Cap U.S. Equities	\$1,888,234	4.03%
TimesSquare Mid Cap Growth	TMDPX	Mid-Growth U.S. Equities	\$109,489	0.23%

For information about the Investment Menu Quality Rating, please read our Investment Menu Quality Algorithm White Paper.



Investment Menu Quality

Rating: Average

65.5%

Funds				
FUND NAME	TICKER	CATEGORY	BALANCE	ALLOCATION
Small-Cap Stock				11.24%
Legg Mason ClearBridge Small Cap Value	SBVAX	Small Cap U.S. Equities	\$1,534,095	3.28%
Neuberger Berman Genesis	NBGAX	Small Cap U.S. Equities	\$1,500,239	3.20%
Legg Mason ClearBridge Small Cap Growth	SBPYX	Small-Growth U.S. Equities	\$1,278,923	2.73%
Wells Fargo Advantage Small Cap Value	SSMVX	Small Cap U.S. Equities	\$949,240	2.03%
International Stock				9.28%
American Funds EuroPacific Growth	AEPGX	EAFE	\$2,648,981	5.66%
Fidelity Worldwide	FWWFX	World Ex-US	\$1,698,349	3.63%
FIXED INCOME				13.60%
PIMCO High Yield	PHDAX	Total Bond Market	\$2,670,240	5.70%
PIMCO Total Return	PTTAX	Total Bond Market	\$2,114,760	4.52%
Pioneer Government Income	AMGEX	Intermediate Government Bonds	\$1,580,991	3.38%
CASH AND CASH EQUIVALENT				12.90%
Money Market				4.68%
Vanguard Prime Money Market	VMMXX	Cash	\$2,190,663	4.68%
Stable Value				8.22%
Vanguard Retirement Savings Trust		Total Bond Market	\$3,848,453	8.22%
ALLOCATION				17.41%
Russell LifePoints Balanced Strategy	RBLAX	Moderate Allocation	\$4,254,093	9.09%
Putnam Retirement Ready 2030	PRRQX	Moderate Allocation	\$1,124,933	2.40%
Putnam Retirement Ready Maturity	PRMAX	Conservative Allocation	\$839,194	1.79%
Putnam Retirement Ready 2020	PRRMX	Moderate Allocation	\$705,239	1.51%
Putnam Retirement Ready 2010	PRXRX	Conservative Allocation	\$625,777	1.34%
Putnam Retirement Ready 2040	PRRZX	Aggressive Allocation	\$603,025	1.29%
SPECIALTY FUNDS				4.11%
Fidelity Real Estate Investment	FRESX	Real Estate	\$1,923,307	4.11%



Participation Rate

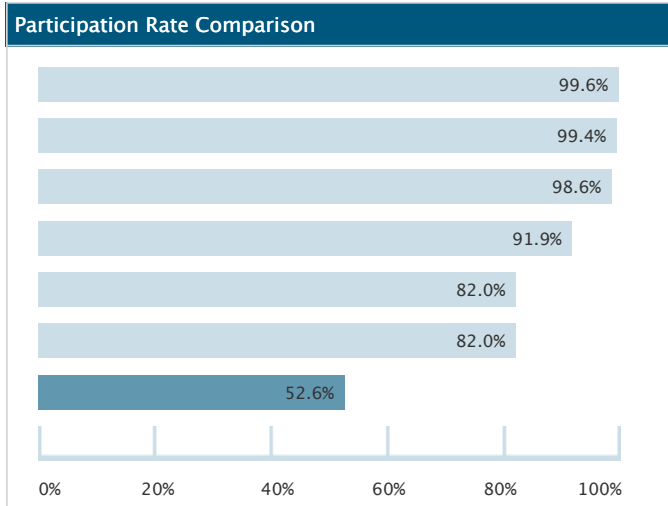
Rating: Below Avg.

52.6%

Participation Rate Criteria	
RATING	RANGE
Great	98.1% +
Above Average	87.5% – 98.1%
Average	64.8% – 87.5%
Below Avg.	40.2% – 64.8%
Poor	0.0% – 40.2%

Selected Peer Group: • All Plans

Same Size (\$10M – \$100M) Same Size (100 – 2K Participants)



Participation Rate Calculation	
CATEGORY	COUNT
Active Participants with Balances	1,149
Active Participants	2,185
Participation Rate	52.6%

PEER COMPANY	PARTICIPATION RATE
Williams & Connolly LLP	99.6%
SAI Consulting Engineers Inc.	99.4%
Newcomb & Boyd	98.6%
Smith, Gambrell & Russell, LLP	91.9%
Degenkolb Engineers	82.0%
Clifford Chance US LLP	82.0%
Your Plan	52.6%

Active Participants with Balances	
CATEGORY	COUNT
Participants with Balances	1,377
Retired or Separated Participants Receiving Benefits	3
Other Retired or Separated Participants	201
Deceased Participants	24
Active Participants with Balances	1,149

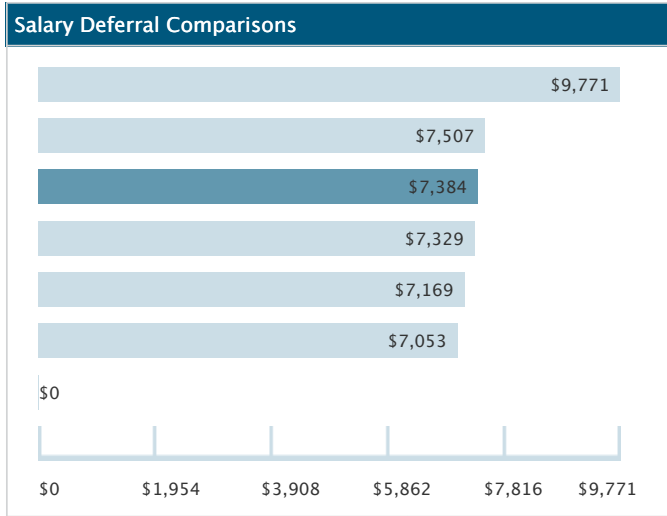


Salary Deferrals

Rating: **Great**

\$7,384

Salary Deferrals Criteria	
RATING	RANGE
Great	\$5,947 +
Above Average	\$3,836 – \$5,947
Average	\$2,162 – \$3,836
Below Avg.	\$0 – \$2,162
Poor	\$0 – \$0
Selected Peer Group: <input checked="" type="radio"/> All Plans	
Same Size (\$10M – \$100M)	Same Size (100 – 2K Participants)



Salary Deferrals Calculation	
CATEGORY	COUNT
Participant Contributions	\$8,484,526
Active Participants with Balances	1,149
Average Salary Deferral	\$7,384

PEER COMPANY	SALARY DEFERRALS
Clifford Chance US LLP	\$9,771
Smith, Gambrell & Russell, LLP	\$7,507
Your Plan	\$7,384
Degenkolb Engineers	\$7,329
SAI Consulting Engineers Inc.	\$7,169
Newcomb & Boyd	\$7,053
Williams & Connolly LLP	\$0

Active Participants with Balances	
CATEGORY	COUNT
Participants with Balances	1,377
Retired or Separated Participants Receiving Benefits	3
Other Retired or Separated Participants	201
Deceased Participants	24
Active Participants with Balances	1,149

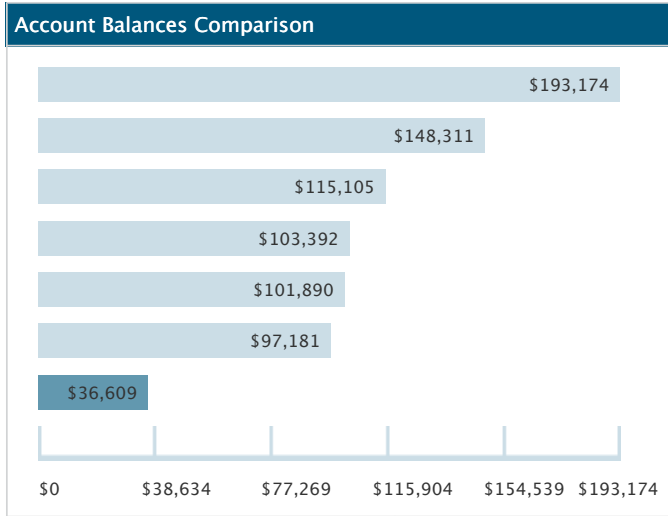


Account Balances

Rating: Average

\$36,609

Account Balances Criteria	
RATING	RANGE
Great	\$63,626 +
Above Average	\$38,219 – \$63,626
Average	\$19,210 – \$38,219
Below Avg.	\$7,927 – \$19,210
Poor	\$0 – \$7,927
Selected Peer Group: • All Plans Same Size (\$10M – \$100M) Same Size (100 – 2K Participants)	



Account Balance Calculation	
CATEGORY	COUNT
Total Net Assets Available for Benefits	\$50,325,092
Participants with Balances	1,377
Account Balance	\$36,609

PEER COMPANY	ACCOUNT BALANCES
Williams & Connolly LLP	\$193,174
Smith, Gambrell & Russell, LLP	\$148,311
Newcomb & Boyd	\$115,105
SAI Consulting Engineers Inc.	\$103,392
Degenkolb Engineers	\$101,890
Clifford Chance US LLP	\$97,181
Your Plan	\$36,609

Appendix: Important Legal Information, Objectivity Policy, and Report Methodology

I. Important Legal Information

The information, data, analyses and opinions contained herein (1) include the confidential and proprietary information of BrightScope, Inc., (2) may not be copied or redistributed, (3) do not constitute investment advice offered by BrightScope, Inc., (4) are provided solely for informational purposes and therefore are not an offer to buy or sell a security, and (5) are not warranted to be correct, complete or accurate. Except as otherwise required by law, BrightScope shall not be responsible for any trading decisions, damages or other losses resulting from, or related to, this information, data, analyses or opinions or their use. The results offered by the BrightScope Rating and BrightScope Component Ratings (collectively, the BrightScope Rating Engine) are not intended to be investment advice or recommendations regarding how to structure a 401k plan. The projections or other information generated by the BrightScope Rating Engine regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results may vary over time. Plan Sponsors and Advisors should not rely upon the BrightScope Rating Engine to make decisions regarding the design or structure of their plan. BrightScope is not a fiduciary under ERISA. BrightScope does not provide investment advice to 401k plans. BrightScope does not exercise discretionary authority or control with respect to the management or administration of 401k plans, or the disposition of the assets within a 401k plan. The BrightScope Rating Engine is not a substitute for a thorough plan analysis and the practice of sound fiduciary principles.

II. Research and Analytics Objectivity

BrightScope is a pioneer in retirement plan data and analytics. In connection with its retirement plan research operations, BrightScope holds its employees to the highest ethical standards in performing their duties, including avoiding conflicts of interest or the appearance thereof. From its inception, BrightScope has always sought to conduct its operations in a manner that ensures its employees act in accordance with all relevant laws and regulations.

BrightScope's reputation and goodwill are of paramount importance, and in part reflect the growing strength of the Firm's brand and franchise in the marketplace. This reputation and goodwill carry the need to provide data and analytics that are formed according to the highest professional standards, that are fair and accurate, and that are not affected by conflicts of interest. To further this goal, the Firm has adopted a Research and Analytics Objectivity Policy which is available online at all times (<http://www.brightscope.com/media/docs/ResearchObjectivity.pdf>). While there is no explicit regulatory body that governs the new and growing field of retirement plan analytics, BrightScope believes that setting a high standard for professional conduct in this field is critical.

BrightScope is committed to assuring that its activities are conducted properly. It is the policy of BrightScope to comply with all relevant laws and regulations relating to the conduct of its business as a provider of independent retirement plan analytics. In this regard, and in addition to this Policy, BrightScope has implemented separate compliance and operating policies and procedures designed to assist it in identifying possible conflicts of interest, or the appearance thereof, that might raise questions about the impartiality of the Firm's research.

III. Objectives

The primary objective of the BrightScope Rating Engine is to help Plan Sponsors and Advisors evaluate the performance of their defined contribution plans and more thoroughly understand the effect 401k plan design has on the retirement security of their employees. Through the collection and analysis of financial information pulled from 401k plan regulatory filings, data provided by Plan Sponsors and data from third party data providers, BrightScope simulates how a plan may perform over time. The BrightScope Rating results depend upon simulations of the accumulation of assets over time of the average 401k participant. The simulation approach enables BrightScope to consider the performance of a 401k portfolio under different market conditions. Some of the financial inputs to the simulations are based on historical market data. It is important to note that the markets past performance does not predict how it will perform in the future. The BrightScope Rating Engine incorporates a number of assumptions such as life expectancy, Social Security and other non-401k income replacement which will vary participant to participant. We encourage plan sponsors and advisors to exercise their fiduciary obligations with care and prudence based on the details of their company's situation, the demographics of their employees, and the guidelines laid out by ERISA and the Department of Labor.

IV. How the BrightScope Rating Calculations Work

The first step in the BrightScope Rating calculation is to determine the ability of each 401k plan to get the average 401k participant to retirement. The average 401k participant is defined as a 44-year-old, unisex individual, earning an income of \$44,000 a year with a starting account balance of \$40,000. The average participant is based on data gathered from the Employee Benefit Research Institute (EBRI). These four factors – age, gender, income and starting account balance – are held constant across all plans. The other factors that affect retirement security – company contributions, salary deferrals, administrative costs, investment costs, investment returns, vesting schedules, eligibility periods etc. – are unique to each plan and form the basis of the comparative value of the rating. In order to calculate the quality of each plan BrightScope runs a minimum of 10,000 Monte Carlo simulations of the account value growth of the average 401k participant within that plan. The median simulation is used to compute the plan's BrightScope Rating. All simulations that compare investment returns using Monte Carlo simulations are hypothetical in nature and do not reflect actual investment results and are not a guarantee of future performance. Results will vary with each use.

The second step in the process is determining the amount of money the average 401k participant needs to retire at every age. BrightScope calls this sequence of retirement values the Retirement Goalline. To complete this calculation BrightScope needs to make certain assumptions, including assumptions for income replacement, inflation, salary growth, and longevity. While these assumptions are very important in calculating the BrightScope rating, they affect every plan in the same manner, such that changing any one of these assumptions is unlikely to materially affect the relative scores of different plans:

- a. **Income Replacement:** It is assumed that participants will seek to replace 85% of their income in retirement. However, this income replacement is likely to come from a variety of sources, such that an employee is not entirely dependent on their 401k plan to provide for their retirement security. BrightScope currently assumes that 15% of income replacement will come from other sources, leaving 70% to be replaced by their defined contribution plan.
- b. **Inflation:** The BrightScope Rating Engine calculates the expected inflation rate by subtracting the yield on the 10-year treasury note from the yield on 10-year Treasury Inflation Protected Securities. This rate is subject to change but is currently set at 3%.
- c. **Salary Growth:** Salary growth is expected to be 2% over the inflation rate until the participant reaches age 55, and 0% thereafter. These figures are derived from research performed by the US Department of Labor and the Census Bureau.

- d. **Longevity Age:** In order to determine the retirement savings required for the average participant to retire, it is necessary to determine how long the average participant will spend in retirement. BrightScope defines this time period as the length of time from retirement age to an individual's 25% longevity age. The 25% longevity age is the age at which 25% of a given age cohort are still living according to the IRS mortality tables.

The final step in the process is finding the minimum retirement age for the average participant within each plan. Minimum retirement age is obtained by taking the median of the thousands of account balance simulations and finding the intersection of that median account balance line with the retirement goalline. The result of this calculation is the median retirement age for the average 401k participant within that plan. BrightScope takes this median retirement age for each plan and converts it into a numerical rating from 1 to 100 with earlier retirement ages receiving higher scores.

V. How the BrightScope Component Ratings Are Calculated

The BrightScope Component Ratings are separate from the BrightScope Rating and are used to give Plan Sponsors, Advisors, service providers and other interested parties more insight into the factors that affect plan performance. While the components do play a major role in the BrightScope rating, because the BrightScope rating system is non-deterministic in nature the components do not sum linearly to the BrightScope Rating. Furthermore, while the component rating values for a plan remain stable, the component rating labels (e.g. 'Lowest Fees') are computed relative to other plans, and are thus subject to change as additional plans are added and plan fundamentals shift over time. It is important for those relying upon the ratings and plan comparisons to ensure that they take in to account the material differences between the plans being compared. For example, in some cases a plan sponsor also offers other retirement plans or other benefits that are not reflected in the rating. These other plans should be considered by those reviewing the ratings. In addition BrightScope uses industry codes to form plan comparison peer groups. There is the potential that plan demographics for plans within the same industry may be very different, thus lowering the value of the comparisons. To the extent possible those using the rating system should consider these factors when evaluating the quality of plans.

a. Total Plan Cost (TPC)

TPC is the sum of all investment and administrative costs incurred to operate the plan. While it is important for an ERISA fiduciary to calculate and benchmark a plan's total costs, it is equally important to insure that each fee paid out of plan assets is reasonable. To this end BrightScope breaks TPC into four major categories.

i. Fee Categories

When examining fees it is useful to place all 401k fees into categories. Unfortunately, due to the complexities of the 401k marketplace there is no commonly accepted method of fee categorization. Appropriate categorization of fees would require categories that are clearly defined, mutually exclusive and collectively exhaustive. BrightScope has worked to define buckets that satisfy these constraints, reflect the complexities of fee arrangements and remain useful for the comparison and benchmarking of fees across plans. BrightScope has worked closely with legislators to define categories that satisfy all the constraints. The end result is a set of fee categories that with only minor adjustments are the same as the fee categories proposed in H.R.2989, the 401k Fair Disclosure and Pension Security Act of 2009. In the event that the final fee disclosure legislation is signed in to law with different fee categories, BrightScope will update its categories to reflect the changes.

ii. Investment Management Fees: Asset-Based

Investment management fees include fees paid to investment managers as well as transaction (trading) costs within the investment funds. In order to determine the investment management costs of a 401k investment menu, BrightScope relies upon multiple sources. For mutual funds the management fees for each fund as well as the other explicit costs are obtained from the mutual fund prospectuses. BrightScope then double-checks this data against data obtained via subscription from third party data vendor Xignite Inc. For common/collective trusts, pooled separate accounts, or other funds not subject to disclosure rules under the Investment Act of 1940, BrightScope relies on data provided by third party data providers and directly from the investment providers.

Under ERISA, plan fiduciaries are required to properly account for all fees incurred using plan assets and ensure that these fees are reasonable in light of the services rendered. Due to this requirement it is important for plan fiduciaries to be aware of the transaction costs within the investment funds offered within the plan. There are four commonly accepted transaction costs included in BrightScope's algorithms: brokerage commissions, spread costs, opportunity costs and market impact costs.

Of the four major types of transaction costs, brokerage expenses are the easiest to understand and the best disclosed. Most mutual funds disclose their brokerage expenses on the Statement of Additional Information (SAI) filed with the SEC. For investment funds not subject to SEC disclosure requirements under the Investment Act of 1940, BrightScope estimates the brokerage expenses based on the size of the fund, the asset allocation of the fund, the turnover rate of the fund, and the size of the fund family. The other three commonly accepted transaction costs – spreads, market impact and opportunity costs – are not disclosed in public filings and are far more difficult to calculate. There is no consensus in the industry about how to effectively calculate and compare these fees across plans, however, recent academic research has shed light on the size of these costs based upon the type of security traded, the market the security trades on, the size and timing of the trades and the size of the investment company placing the trades. BrightScope uses this information to develop what it believes to be reasonable assumptions for these costs for each fund in the known universe of funds. BrightScope has taken the liberty of publishing its transaction cost algorithm (<http://www.brightscope.com/media/docs/ResearchObjectivity.pdf>) and sharing the results of the algorithm with most of the largest fund families, many of whom have provided BrightScope with valuable feedback.

iii. Administrative and Advice Fees: Asset-Based

Administrative and advice fees that are paid out of asset-based charges are typically referred to as 'revenue-sharing' within the 401k marketplace. While many revenue-sharing arrangements are undisclosed, BrightScope has worked diligently to obtain sub-TA and other revenue sharing information across trust and custody platforms and continually seeks to uncover more revenue-sharing arrangements as we work with plan sponsors, advisors and providers. Frequently BrightScope is able to use existing information about a given provider to develop revenue-sharing estimates for other plans that use the same provider.

iv. Administrative and Transaction-based Costs

To compute plan-level administrative and transaction-based costs, BrightScope uses the most recent administrative cost data from the Form 5500 filing and in many cases has begun to receive this information directly from recordkeepers. BrightScope is also collecting much of this data directly from Schedule C and Schedule A from recordkeeping systems.

v. **Other Costs**

In the event that a fee does not fit neatly into the three named fee categories it is placed into the Other Cost category. Group variable annuity (GVA) insurance costs are typically included in this category.

b. **Company Generosity**

Company generosity is defined as the combination of the plan's vesting schedule, eligibility period and all the contributions to the plan by the company for the sole benefit of the employees.

i. **Company Contributions**

To compute the average company contribution per participant BrightScope uses the most recent company contribution data from the Form 5500 filing. This data includes the employer match, profit sharing contributions, and any other contributions made by the company for the benefit of the employees. BrightScope divides these company contributions by the active participants with balances in the plan.

ii. **Vesting Schedule**

When an employer establishes a vesting schedule and an employee leaves the company before they are fully vested they forfeit the portion of the company contributions that weren't fully vested. When plan forfeitures are not available BrightScope estimates forfeitures by weighting company contributions by the length and type of vesting schedule and Bureau of Labor Statistics (BLS) industry data about employee tenure and turnover rate.

iii. **Eligibility Period(s)**

When an employee begins working at a plan sponsor company they may be subject to an eligibility period before they are allowed to participate in the plan. After an employee begins participating in the plan they may be subjected to another period of time during which they are ineligible to receive company matching contributions. Both of these factors impact the plan's BrightScope Rating.

c. **Investment Menu Quality**

BrightScope has developed a proprietary method of measuring the quality of defined contribution plan investment menus by evaluating whether the plan provides relevant coverage of the most important asset classes as well as judging the quality of the return capture by the funds offered within each asset class. Our current methodology is based on the Relative Sharpe Ratio Loss (RSRL) metric developed by Calvet, Campbell and Sodini (2006) which compares the Sharpe Ratio of the investment portfolio of the plan with that of a benchmark portfolio, and then measures the economic loss under a mean-variance framework. BrightScope uses a tangency portfolio built from eight major benchmark indices – a domestic large cap stock index, domestic mid cap index, domestic small cap stock index, international stock index, intermediate term bond index, cash index and two alternative indices: real estate and commodities. For more information about this Investment Menu Quality algorithm please read the Investment Menu Quality white paper which can be found online at: <http://www.brightscope.com/media/docs/whitepapers/BrightScope-Investment-Menu-Quality-Algorithm-Whitepaper.pdf>.

d. **Participation Rate**

There are many definitions of 401k plan participation. The strictest definition holds that an employee must be actively deferring in to the plan in the present year in order to be considered a participant in the plan. The broader definition holds that any employee with an account balance in the plan is participating in the plan for the purposes of the plan's participation rate. BrightScope uses the broader definition of plan participation in all of its calculations. This distinction is important because many plan-level calculations in the BrightScope Rating depend upon how many current employees are actively participating in the plan. The primary source of participant level data is the Form 5500. However, in the Form 5500 the term "Active Participants" refers to those employees that are eligible to contribute to the plan, not the employees who have a current account balance in the plan. As such, BrightScope performs a calculation to deduce the accurate number of participating employees based on information provided in the Form 5500.

e. **Salary Deferrals**

To compute average salary deferrals BrightScope uses the most recent salary deferral data from the Form 5500 filing. BrightScope divides the salary deferrals by the number of participating employees to get a cleaner picture of how the average participating employee is deferring in to the plan.

f. **Account Balances**

To compute the plan's average account balance we use the most recent net assets data from the Form 5500 filing. To calculate the average account balance we divide the net assets available for benefits by the number of participants with balances. Account balances are the only component that does not directly impact the BrightScope Rating.

VI. **Other Terms**

a. **Industry Categories:** The industry classification used in this report is based on the North American Industry Classification System (NAICS) as filed in the Form 5500.