



ETF Advisor k is an open architecture, qualified plan provider that uses ETFs as the preferred investment choice.

We combine the best of all worlds – diversified investment options, fiduciary solutions, and fully disclosed fees.

## WHAT IS AN ETF

An ETF represents a basket of similar securities that reflect a methodology or index, such as the S&P 500. An ETF provides a plan participant with a low cost, consistent, fully transparent and diversified investment option.

**According to a BGI study:** as of 12/31/08 there were over 1590 ETFs representing over \$711 billion in total assets.

### DIMENSIONS OF AN INDEX



**Universe:** Group of securities from which an index draws components



**Construction:** How components are selected, changed and weighted



**Objectives:** What the index is designed to measure or achieve

### ETF WEIGHTING STRUCTURES



DOLLAR WEIGHTED



MARKET CAP WEIGHTED



FLOAT WEIGHTED



EQUALLY WEIGHTED

## INVESTMENT OPTIONS

**DOES YOUR PLAN HAVE LIMITED INVESTMENT CHOICES? ARE YOU CONSTANTLY CHANGING INVESTMENT OPTIONS?**

**ON THE ROAD TO RETIREMENT ETF'S ARE THAT ONE CONSISTENT INVESTMENT CHOICE.**

Drive the investment process instead of the process driving you. Consistency...gives you the confidence to implement your investment strategy.

- **A La Carte**  
*Options that represent distinct asset classes from around the globe*
- **"To" Target Date Models**
- **Composite Models**
- **Collective Investment Trusts (CITS)**



# FIDUCIARY SOLUTIONS

AM I PERSONALLY LIABLE?  
DID I HAVE AN ERISA VIOLATION?  
WHAT IS A FIDUCIARY?

ETF ADVISOR k's INVESTMENT  
MANAGEMENT SERVICES SOLVE  
ALL THESE QUESTIONS.

A plan sponsor can appoint an "Investment Manager", as defined in ERISA section 3(38). This "Investment Manager" is solely responsible for prudently selecting and monitoring the investment options offered in a retirement plan. This process allows for the legal transfer of personal risk from the Plan Sponsor to the ERISA 3(38) Investment Manager.

The Program offers an option, for a nominal fee, whereby the Plan Sponsor can legally transfer the personal risk associated with being a Plan Investment Fiduciary to an independent investment adviser that is called an ERISA 3(38) Investment Manager. The ERISA 3(38) Investment Manager will then have legal responsibility to select and monitor the investment options and models made available to the Plan.

In a study conducted by "Pension Litigation Data" from 1/1/2005 to 8/31/08: There were over 2400 lawsuits filed against Plan Sponsors. In every case, at least one of the charges was a breach of fiduciary duty.

Under current Labor Department rules, if the Investment Adviser Representative (IAR) is also acting as a fiduciary to the plan, he or she cannot encourage a plan participant to roll over assets with the IAR. This is because the rollover would be technically considered a prohibited transaction.

It is recommended that the plan sponsor outsource the investment selection process to an independent third party, namely an ERISA 3(38) Investment Manager. This will free up the IAR to do what they do best. Concentrate on non-fiduciary services such as; rollovers, enrollment meetings, plan design, and managing the retirement plan relationship.

# REASONABLE AND DEFINED FEES

ARE YOUR FEES REASONABLE?  
DO YOU KNOW EXACTLY WHAT  
YOU ARE PAYING FOR?

OUR FEES ARE EXPLAINED UP  
FRONT. NOTHING IS HIDDEN.

I think all of us can relate to the story of expecting to pay an advertised price of \$100 per tire. Only to find at checkout time the price did not include valve stems, environmental and installation fees, and finally sales tax.

We certify that our fees are complete and fully disclosed.