

FORM 41: RETIREMENT PLAN FEES FOR 2016

The FCMM Retirement Plan enables ministry staff to develop a successful retirement life plan with a reliable source of retirement savings and income from money deposited by employing ministry organizations. FCMM is incorporated as the church benefits board of the Evangelical Free Church of America (EFCA) and administers the Retirement Plan in accord with the tenets and polity of the EFCA, which shape investment and operational policies.

Fees pay for the administrative costs, trading costs, web-based access costs, investment adviser fees, and financial management fees that are incurred in operating the Plan. Comparison of retirement investment plans should include understanding the fees involved (comparing returns after all costs) and the nature of the plans.

There are three types of investments: mutual funds, an adjustable rate investment (CIF), and FCMM-managed fund options. Participants invest in mutual funds through FCMM's partnership with the Alerus/ABG, providing access to American Funds (Option F), Vanguard Funds (Option G), and Timothy Plan Funds and GuideStone Funds (both in Option J: Biblically Responsible). Costs and fees for each fund family are applied as described below.

Mutual Funds: American Funds (Option F) & Timothy Plan Funds (Option J)

ABG provides access to the R4 class of American Funds, a low-fee classification, and select Timothy Plan funds. There are no load fees, front or back, on these funds. Two fees are deducted before published returns are calculated: a mutual fund management charge, which varies by fund, and a 12b-1 fee of 35 basis points (0.35%) (25 basis points paid to ABG and 10 basis points paid to FCMM). The 12b-1 fee provides basic financial advice to all participants in FCMM. Those investing in American Funds or Timothy Plan funds have access to advice on selecting mutual funds and/or FCMM-managed collective funds for their financial situation.

Mutual Funds: GuideStone Funds (Option J)

ABG provides access to over 20 GuideStone Funds in Option J. There are no load fees on these funds. One fee is deducted before published returns are calculated: a servicing fee (similar to 12b-1) of 10 basis points (0.10%) paid to FCMM. Those investing in GuideStone funds have access to advice on selecting mutual funds and/or FCMM-managed collective funds for their financial situation.

Mutual Funds: Vanguard Funds (Option G)

ABG provides access to almost 80 Vanguard funds. These funds operate with low internal cost and are designed for the experienced investor. Vanguard's mutual fund management charge is deducted before published returns are calculated. Investment advice is not normally offered for funds of this self-directed Option.

Management Fees for All Mutual Funds

Fees deducted after mutual fund returns and appearing in the participant's account include:

- An annual account maintenance fee of \$18.00 charged to each investor's mutual fund Option account, deducted each quarter in the amount of \$4.50; and
- A 48 basis point (0.48%) FCMM management fee in 2016, deducted from each investor's mutual fund Option account quarterly (12 basis points) based on the value of the account at the end of the quarter.

Adjustable Rate Investment (Option H)

Christian Investors Financial (CIF) pays an administrative fee to FCMM on the adjustable rate Investment Certificate. Participants in this option pay no fees and receive the published "403(b)(9) certificate" rate. Prospective investors should refer to CIF's current Offering Circular for risk factors and other information needed to make an informed investment decision. Current rate information is available at www.christianinvestors.org.

FCMM-Managed Funds (Options C, D, E)

These in-house fund options are invested in FCMM-managed portfolios. FCMM-managed Options incur transaction and investment management costs charged by the investment advisor and managers. Such fees are deducted before collective returns are reported.

The proportional operational costs (i.e. administration, legal, compliance, customer service) for the FCMM Retirement Plan are charged pro-rata to each Option (C, D, E) based on market value. The operational costs were 58 basis points (0.58%) in 2015. Similar operational costs are expected in 2016. Participant account values are reported net of ("after") these costs.

There are no other sales commissions, charges, loads, 12b-1 fees, or taxes. No fees are charged to the employer.