

28th Annual Conference



DURANT, OKLAHOMA

September 23-25, 2024

FORGOTTEN FORTUNE AGENDA



- 1 Fees
- 2 Retirement Accounts
- 3 Who Can Pay, Who's Involved
- 4 How Fees are Hidden
- 5 Best Practice
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FEEES

TYPES OF INVESTMENT ACCOUNTS

GENERAL

RETIREMENT

TRUSTS

**PARTIES
INVOLVED**



FINANCIAL ADVISOR



TPA



CUSTODIAN

RETIREMENT ACCOUNTS



FEES

Financial Advisor

\$ Flat Fee, Percentage of Assets, Commission, Combo
Paid by: Tribe, Enterprise, Participant, or Combo

TPA

\$ Flat Fee Per Head, Per Transaction, Revenue Sharing from Investments
Paid by: Tribe, Enterprise, Participant, or Combo
Offset or Extra/Undisclosed Revenue Sharing

Custodian

\$ Flat Fee or Small Asset Charge

*The TPA and Custodian can be the same entity.

\$ Investments: ETF or Mutual Funds Expense Ratio

TYPE OF RETIREMENT ACCOUNTS

- ✓ Government (Non-ERISA)
- ✓ Tribal Council
- ✓ Enterprise
- ✓ No 457



WHO CAN PAY?

- ✔ Tribe
- ✔ Participant
- ✔ Combo

EXAMPLE EXPENSES

ADVISOR	1.00%
TPA	.05% or Flat Fee
CUSTODIAN	.03%
INVESTMENTS	.11%
TOTAL	1.19%

WHO'S INVOLVED

Financial Advisor

\$ Percentage of Assets or Flat Fee

TPA

\$ Per Head, Per Transaction or Flat Fee

Custodian

\$ Gets a Percentage of the Financial Advisor Fee, Flat Fee, or Percentage of Assets

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PLAN SUCCESS

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HOW FEES ARE HIDDEN



**NOT ITEMIZED ON A
STATEMENT**



**PAID OUT
OF EXPENSE RATIO**



**PAID BY INVESTMENT
PRODUCT**



REFERRAL FEES



**CONSULTANTS WITH
THE SAME ROLL**



**NOT COMPARING
CARRIERS OR PROVIDERS**



BEST PRACTICE

- ✓ Document Review
- ✓ Carrier Comparison
- ✓ Advisor Fee for Service
- ✓ Onsite support
- ✓ Daily Request support
- ✓ TPA Service Review for Fee Paid. 3(16)
- ✓ Investment Policy Statement – for each account type

- ✓ Transparent Fees
- ✓ Contracts
- ✓ Meeting Notes
- ✓ Internal Fee Review Policy
- ✓ RFP
- ✓ Check References – Tribal Experience
- ✓ 3(38) Advisor – Qualifications
- ✓ Fiduciary Insurance
- ✓ Index Performance with an Established Index
 - No spreadsheets for reporting without supporting documents from Internal departments or any consultant.
 - No custom index without supporting documents



401(K) FACT QUESTIONS

$$4 + 4 = ?$$

$$100 + 100 = ?$$

$$2035 = ?$$



401(K) FACT ANSWERS

4 + 4 = CONTRIBUTION + MATCH = FREE MONEY = RETIREMENT FORTUNE

100 + 100 = \$113, 804

\$200 a month for 20 years with an 8 % Return per year

2035 =

According to the May 2024 Social Security trustees report, the fund reserves that help pay for Social Security benefits will run out in 2035. With out congressional intervention, retirees would then only be able to receive 83% of their full benefits.



FORTUNE THOUGHTS

Saving

Current age	Current household income						
	\$30k	\$40k	\$50k	\$60k	\$70k	\$80k	\$90k
Savings rate (x current household income)							
25	3%	4%	5%	6%	7%	7%	8%
30	4%	6%	7%	7%	9%	9%	10%
35	5%	7%	9%	10%	11%	12%	13%
40	6%	10%	12%	13%	15%	16%	17%
45	9%	14%	16%	18%	21%	22%	24%
50	13%	21%	24%	27%	31%	33%	36%

Values assume you would like to maintain an equivalent lifestyle in retirement. Household income is assumed to be gross income (before taxes and savings).

How to use:

- Go to the intersection of your current age and your closest current household income.
- This is the percentage of your current household income to contribute annually going forward if you have \$0 saved for retirement today.
- Example: A 40-year-old with household income of \$50,000 and \$0 saved for retirement today may need to save 12% every year until retirement.

Model assumptions

Pre-retirement portfolio:
60/40 diversified portfolio

Post-retirement portfolio:
40/60 diversified portfolio

Inflation rate: 2.5%

Retirement age:

- Primary earner: 65
- Spouse: 63

Years in retirement: 35

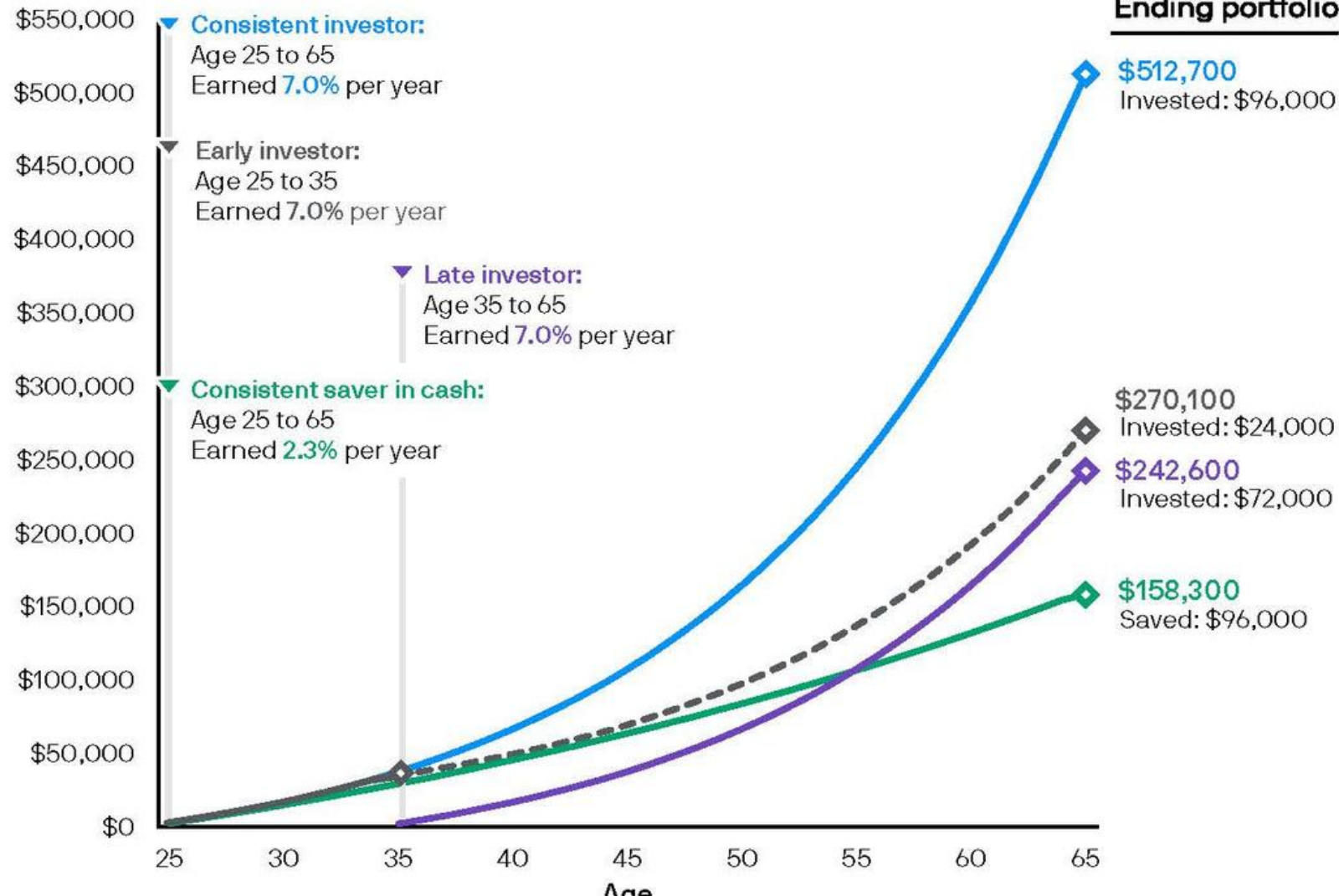
**BALANCED/CONSERVATIVE
PORTFOLIO DURING GROWTH
PHRASE.**



FORTUNE FOUND

Saving

Account growth of \$200 invested/saved monthly



Starting early and investing are the keys to compound returns

The early and consistent investor has the best results.

The early investor who stops after 10 years does slightly better than the late investor who invests significantly more over a longer time.

And the consistent saver who does not invest loses out on higher returns.

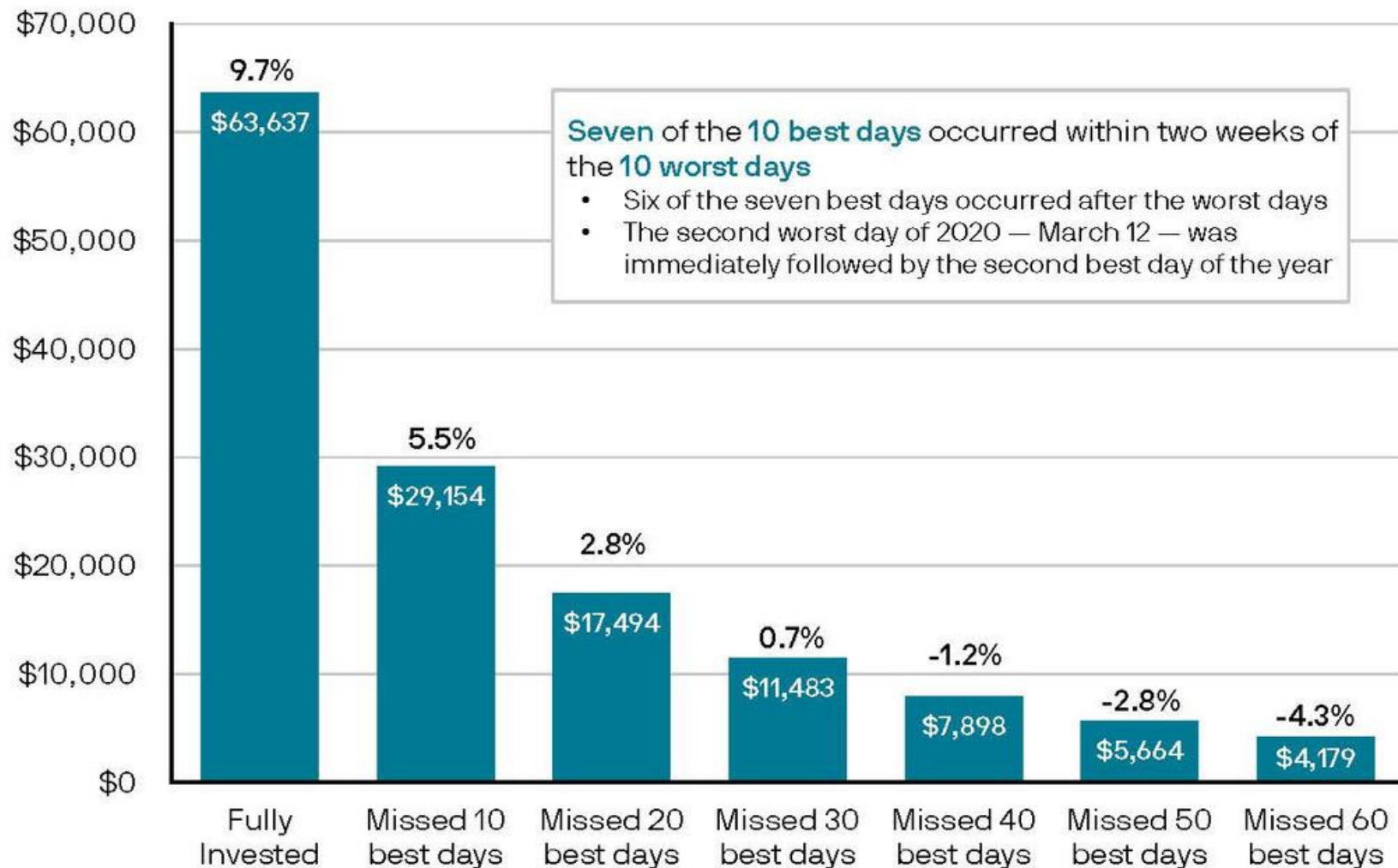


FORTUNE LOST



Returns of the S&P 500

Performance of a \$10,000 investment between January 1, 2004 and December 29, 2023



Plan to stay invested

Losses hurt more than gains feel good. Market lows can result in emotional decision making.

Taking “control” by selling out of the market after the worst days is likely to result in missing the best days that follow. Investing for the long term in a well-diversified portfolio can result in a better retirement outcome.



FORTUNE TEAM



▶ Brahm Rossiter

▶ Marcus Sasaki

▶ Jake Taylor

▶ Kirby Moreno

▶ Desiree Jacobs

▶ Chief Investment
Officer | LPL Branch
Manager

▶ Financial
Consultant | LPL
Registered
Representative

▶ Financial
Consultant | LPL
Registered
Representative

▶ Executive Assistant

▶ Director of Client
Relations &
Marketing



FORTUNE TAKEAWAYS



- 🔑 Many Consultants, not many good ones
- 🔑 Tribes are Targets
- 🔑 Tribal Experience
- 🔑 Tribal Network to help beyond their expertise
- 🔑 What are the consultants values?
- 🔑 Abundant resources – features/services needed and wanted
- 🔑 Develop a complete program with written policy and procedures
- 🔑 Develop a program for all the generations in your workforce
- 🔑 Develop an investment policy for the next seven generations

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THANK YOU!



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