



DAP

A lifelong retirement plan

Heads Up

Directed Account Plan 401(k) Quarterly Newsletter

January 2022

UNDERSTANDING YOUR FEES & EXPENSES

Your 401(k) plan expenses are reviewed every year through the Heads Up newsletter. We are happy to report that the cost of operating the DAP has gone down. Starting January 1, 2022 your plan administration fee will decrease as described in this newsletter. We are pleased to share the low cost DAP investment manager fees with you also in this issue. The DAP continues to deliver a best in class 401(k) plan at a low cost for our participants.

General Overview of Fees & Expenses

Plan fees and expenses fall into 3 categories:

Plan Administration Fees - The day-to-day operations of a 401(k) plan involves expenses for basic and necessary administrative services. The DAP plan administration fee includes all fees paid to service providers such as the Trustee, Investment Advisor, Recordkeeper, Lawyer, DAP Office, Board and Accountant. Any fees related to the operations of the plan fall under this category of fees. **Table One** describes the fee in detail.

Investment Fees - The largest component of 401(k) plan fees and expenses is associated with managing plan investments. **Table Two** on page two describes the DAP investment fees in detail.

Individual Service Fees - There are individual service fees associated with optional features. Individual service fees are charged separately to the accounts of individuals who choose to take advantage of an optional service. Your optional service menu is described in **Table Three**.

How Much Am I Paying?

The next three tables answer the question, **how much am I paying?** They also explain how your fees are charged to you. If you have further questions about your retirement savings plan, please do not hesitate to call Michelle in the DAP Executive Office at (314) 739-7373.

The DAP 401(k) plan fees and expenses have been decreasing over time. In fact, the DAP operational expenses have decreased 47% since 2014. One reason for the decrease is through economies of scale as a large plan. A second reason for the decrease is because the service providers are benchmarked consistently. There have been several benchmarking evaluations during this time period which led to lower expenses. For example, the conversion to a bundled recordkeeper and trustee

service provider arrangement at Empower provided a 61% reduction in the trustee fee while also producing gained efficiencies. A fee disclosure is delivered to you every November. This document is also posted monthly to dapretirement.com under the Resources & Planning Tab.

TABLE ONE - PLAN ADMINISTRATION FEE

Current Fee	The annual fee is 0.12% or a 0.01% monthly fee starting January 1, 2022. This is 0.03% lower than last year.
How is the Fee Determined?	The Plan Administration Fees are collected monthly from participant accounts to pay for the operation of your 401(k) plan. The factors that affect this fee are reviewed quarterly at each board meeting. The main factors are total plan assets and budgeted operating expenses. When the fee is changed, you will be notified 30 days in advance by the communication preference that you have elected - either mail or electronic delivery.
Timing of Fee	Monthly between the 5th and 8th day
Where do I See the Fee?	The description is "expense" or "participant account maintenance fee" on your account statement. Online, at www.dap401k.com , the description is "fee" under your transaction activity.
Calculation Method	Your previous month's average asset balance X 0.01%.
Example	January Average Balance: \$100,000 Monthly Plan Administration Fee: 0.01% Calculation: \$100,000 X 0.0001 = \$10.00 A \$10.00 Fee is collected from your account in February to pay the administration expenses.

Plan Fees and Performance are posted monthly to dapretirement.com

TABLE TWO - INVESTMENT FEES

As of September 30, 2021

	DAP*	Peer*	Difference*		DAP*	Peer*	Difference*
TIER I - Asset Allocation Funds				TIER III - Actively Managed Funds			
Vanguard Target Retirement Income	0.09%	0.10%	- 0.01%	Stable Value Fund	0.27%	0.36%	- 0.09%
Vanguard Target Retirement 2015	0.09%	0.09%	0.00%	Fixed Income Fund	0.29%	0.42%	- 0.13%
Vanguard Target Retirement 2020	0.09%	0.09%	0.00%	Diversified Inflation Real Return Fund	0.26%	0.85%	- 0.59%
Vanguard Target Retirement 2025	0.09%	0.09%	0.00%	Large Cap Core Stock Fund	0.52%	0.60%	- 0.08%
Vanguard Target Retirement 2030	0.09%	0.09%	0.00%	Small Mid Cap Core Stock Fund	0.81%	0.83%	- 0.02%
Vanguard Target Retirement 2035	0.09%	0.09%	0.00%	International Stock Fund	0.70%	0.80%	- 0.10%
Vanguard Target Retirement 2040	0.09%	0.09%	0.00%	TIER IV - Specialty Funds			
Vanguard Target Retirement 2045	0.09%	0.09%	0.00%	Vanguard Federal Money Market	0.11%	0.18%	- 0.07%
Vanguard Target Retirement 2050	0.09%	0.09%	0.00%	Metropolitan West Total Return Bond	0.38%	0.42%	- 0.04%
Vanguard Target Retirement 2055	0.09%	0.09%	0.00%	DFA Inflation-Protected Securities	0.11%	0.35%	- 0.24%
Vanguard Target Retirement 2060	0.09%	0.09%	0.00%	Columbia High Yield Bond	0.63%	0.60%	0.03%
Vanguard Target Retirement 2065	0.09%	0.09%	0.00%	AB Global Bond	0.50%	0.56%	- 0.06%
Income Fund	0.29%	0.64%	- 0.35%	Boston Large Cap Value CIT	0.42%	0.50%	- 0.08%
Conservative Fund	0.41%	0.64%	- 0.23%	Fidelity Growth Co. K6 (new 12/16/21)	0.45%	0.63%	- 0.18%
Moderate Fund	0.48%	0.75%	- 0.27%	Ceredex Mid Cap Value Equity CIT	0.60%	0.81%	- 0.21%
Aggressive Fund	0.55%	0.77%	- 0.22%	Janus Henderson Enterprise	0.66%	0.80%	- 0.14%
TIER II - Index Funds				Goldman Sachs Small Cap Value Equity	0.95%	0.80%	0.15%
U.S. Bond Index	0.052%	0.10%	- 0.05%	Fidelity Small Cap Growth K6	0.61%	0.89%	- 0.28%
U.S. Inflation Protected Bond Index	0.062%	0.35%	- 0.29%	Lazard Global Managed Volatility CIT	0.33%	0.75%	- 0.42%
US Russell All-Cap Index	0.02%	0.06%	- 0.04%	Boston Partners Global Equity	0.95%	0.85%	0.10%
Global All Cap Equity ex-U.S. Index	0.07%	0.10%	- 0.03%	Lazard/Wilmington Intl. Strategic Eq.	0.81%	0.80%	0.01%
How is the Fee Determined?	Investment fee evaluation is part of the investment selection process. The Board of Directors and Investment Advisor meet quarterly and review investment fees.			TSW International Stock Fund CIT	0.90%	0.88%	0.02%
				Aberdeen Emerging Markets CIT	0.85%	0.85%	0.00%
Where do I See the Fee?	Your investment return is net of investment fees. The investment performance on your statement is reported net of investment fees.			TABLE THREE - OPTIONAL SERVICES FEES			
				Full Account Rollover/Distribution	\$50.00 per full account withdrawal		
Calculation Method	Your investment return is the fund's annual return minus the annual investment fee when annual performance is reported.			QDRO Services	\$250.00 per occurrence for processing. This includes the QDRO reviews, calculations, and distributions.		
				Loan Services	\$50.00 per loan origination and quarterly maintenance fees between \$3.75 and \$6.25		
Example	Invested 100% Moderate Fund in 2020: 2020 Annual Investment Return: 12.68% Annual Investment Fee: 0.48% 2020 Annual Investment Return (net of fee) reported on your statement: 12.20%			Special Delivery	\$30.00 per 1 to 2 day express delivery \$40.00 fee for electronic wire.		
				Financial Advisory Services or Brokerage Account	Fees are disclosed when signing up for service and also available at dapretirement.com		

* The **DAP Fee Column** reports the annual net expense ratio as of 9/30/21 unless otherwise indicated. The **Peer Fee Column** includes the median expense ratio for the universe of funds comparable to the respective DAP fund as reported by the plan Investment Advisor. The database contains information on more than 6,000 managers, with data on more than 30,000 strategies. The **Difference Column** is the DAP Fee minus the Peer Fee. A negative difference number means that the DAP Fee is lower than the Peer Fee. Plan fees are posted at <https://www.dapretirement.com/resources-planning/plan-expense-overview/>

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The intent of this communication is to provide useful information, not investment advice. Each participant in the Directed Account Plan is ultimately responsible to make his or her own investment decisions.

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