

Changes to Fee Structure

The SURS Self-Managed Plan (SMP) is committed to keeping member fees associated with the Plan reasonable and transparent.

Types of Fees and How They Work

There are three general types of fees and expenses incurred in the administration of the SMP: Plan administration fees, individual service fees, and investment fees.

- **Plan administration fees** are those payable to Fidelity for the costs associated with running the Plan and cover the cost of services such as record keeping, mailing statements, account access, and transaction costs, as examples.
- **Individual service fees** are associated with optional features offered in the Plan. For instance, the service fee to cover individual transactions such as overnighting a check from the Plan.
- **Investment fees** are costs associated with managing the investment options offered in the Plan. Each investment is managed by an investment advisor who is responsible for investing the fund's assets, implementing investment strategy, and managing the day-to-day operations. The investment fee is paid to the advisor for these services. Often these fees are referred to as the fund's expense ratio and are shown as a percentage of the fund's total investments. For example, if the expense ratio for a fund is 0.20%, that equals \$2.00 for every \$1,000 invested. The fees and expenses represented by the expense ratio for a fund are applied at the fund level and are already reflected in the fund's published return percentage.

New Fee Structure - More Transparent

- **NEW: Flat Fee for Plan Administration fees** - effective July 1, 2016, we "unbundled" the Plan administration fees, making it easy for you to see exactly what you pay. Fidelity will automatically deduct \$13 each calendar quarter (\$52 per year) from each SMP member account. Any fees that are specific to individual investment funds will be paid by the participants selecting and benefiting from those funds. Beginning with your third quarter statement for 2016, the new Plan administration fee will be clearly shown on your quarterly SMP statement as "Fees" in the "Your Account Summary" section and as "Administrative Fees" in the "Your Account Activity" section on NetBenefits®.
- **Individual fees and expenses** - you'll continue to pay individual fees; for example, if you take out a loan or request overnight check delivery.
- **Investment Management Fees** - you will continue to pay any investment management fee through each fund's expense ratio as you do today.

With this change to Plan Administration fees, the SURS Self-Managed Plan is committed to keeping member fees transparent and aligned with industry best practices.

If you have any questions, please contact Fidelity Investments by logging on to [Fidelity NetBenefits](#) or by phone at 800-343-0860, Monday through Friday from 7 a.m. to 11 p.m. Central time.