



**M & D ADVISORS™**

## Fee & Expense Report

Prepared on: 5/23/2011 | Investment data as of 3/31/2011

### Prepared For:

**Fourth Ave. Associates 401k**

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### Related parties:

Accountant: Grey Wolfe LLP

### Committee Members

<u>Name</u>	<u>Position</u>
Geno Malkin	President

### Disclosure:

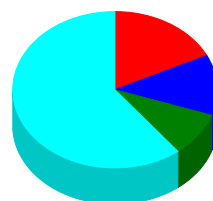
Not FDIC Insured | No Bank Guarantee | May Lose Value

## Fee & Expense Summary

Total Assets: \$8,248,000.00 | # of Participants: 185

### Recurring Fees

Expense Type	Party receiving revenue	Total Amount \$	Total Annualized Cost		
			% Total Assets(bps)	\$ Per Participant	
<b>Plan Level Fees and Expenses</b>					
Advisory Fee	\$250 Flat Fee paid Quarterly	Advisor	1,000.00	1	5.41
RecordKeeping	\$15 Per Participant paid Quarterly	Recordkeeper	11,100.00	13	60.00
Wrap Fee	10 bps paid Yearly	TPA	8,248.00	10	44.58
Sub-total: Plan Level Fees and Expenses			20,348.00	25	109.99
<b>Operational Fees and Expenses</b>					
Total 12b-1 Sales Fee		Advisor	21,033.50	26	113.69
Total 12b-1 Service Fee		TPA	3,254.00	4	17.59
Total Mgmt Fees		Investment Manager	72,597.40	88	392.42
Total Sub-ta Fee		TPA	3,524.00	4	19.05
Sub-total: Operational Fees and Expenses			100,408.90	122	542.75
<b>Client Rebates</b>					
12b-1 Sales Fee			(810.00)	(1)	(4.38)
Sub-total: Client Rebates			(810.00)	(1)	(4.38)
<b>Total Net Annual Recurring Expenses</b>			<b>\$119,946.90</b>	<b>145bps</b>	<b>\$648.36</b>



Annual Revenue Breakdown			
		\$ Amount	% Total Assets
<span style="color: red;">■</span>	Advisor	\$21,223.50	26bps
<span style="color: blue;">■</span>	TPA	\$15,026.00	18bps
<span style="color: green;">■</span>	Recordkeeper	\$11,100.00	13bps
<span style="color: cyan;">■</span>	Investment Manager	\$72,597.40	88bps
<b>Total Annual Revenue</b>		<b>\$119,946.90</b>	<b>145bps</b>

## Operational Fee Summary (Funds/ETFs/IGSAs/Custom Holdings only)

This section will summarize all of the operational fees which are paid through each investment's expense ratio. The total \$ value cost is displayed for each expense item along with the weighted percentage (basis points) attributable to each item. The annualized fees are reported in basis points (bps) and \$ values based on the current \$ amount invested. Any rebated fee bps will be shown like '(25)'. \*The Effective Mgmt Fee is calculated by subtracting any 12b-1 fee and Sub-ta Fee from the Prospectus Net Expense Ratio. It represents the net fee retained by the investment manager.

Investment Name	\$ Amount Invested	Prospectus Net Expense Ratio Components (bps   \$)								Addtl. Wrap Fee (bps   \$)	Total Operational Fee (bps   \$)		
		Effective Mgmt. Fee*	12b-1 Sales Fee	12b-1 Service Fee	Sub-ta Fee								
<b>Large-Cap Equity</b>													
Pioneer Equity Income R	\$1,850,000	94	\$17,390	40	\$7,400	5	\$925	5	\$925	\$0	144	\$26,640	
Pioneer R	\$2,500,000	90	\$22,500	45	\$11,250	5	\$1,250	5	\$1,250	\$0	145	\$36,250	
Principal Large Cap Growth II R4	\$1,110,000	116	\$12,876	5	\$555	5	\$555	5	\$555	\$0	131	\$14,541	
<b>Mid-Cap Equity</b>													
Principal MidCap Blend R4	\$695,000	87	\$6,047	5	\$348	5	\$348	5	\$348	\$0	102	\$7,089	
<b>Small-Cap Equity</b>													
Invesco Small Cap Growth A	\$540,000	111	\$5,994	15	(15)	\$810	\$0	5	\$270	\$0	131	(15)	\$7,074
<b>Intermediate Fixed Income</b>													
Federated Total Return Bond Instl	\$1,200,000	36	\$4,320		\$0	\$0	\$0	\$0	\$0	\$0	36	\$4,320	
Putnam Diversified Income R	\$125,000	86	\$1,075	30	\$375	5	\$63	5	\$63	\$0	126	\$1,575	
<b>Allocation</b>													
MFS Global Equity R2	\$52,000	118	\$614	40	\$208	5	\$26	5	\$26	\$0	168	\$874	
Principal LifeTime 2030 R4	\$45,000	100	\$450	5	\$23	5	\$23	5	\$23	\$0	115	\$518	
Principal LifeTime 2040 R4	\$85,000	101	\$859	5	\$43	5	\$43	5	\$43	\$0	116	\$986	
Principal LifeTime 2050 R4	\$46,000	103	\$474	5	\$23	5	\$23	5	\$23	\$0	118	\$543	
<b>Total Gross Operational Fees</b>			\$72,597 ~88 bps		\$21,034 ~26 bps		\$3,254 ~4 bps		\$3,524 ~4 bps	\$0 0 bps		\$100,409 ~122 bps	
<b>Total Client Rebates</b>			\$0 0 bps		\$810 ~1 bps		\$0 0 bps		\$0 0 bps	\$0 0 bps		\$810 ~1 bps	
<b>Total</b>	\$8,248,000		\$72,597 ~88 bps		\$20,224 ~25 bps		\$3,254 ~4 bps		\$3,524 ~4 bps	\$0 0 bps		\$99,599 ~121 bps	

## Operational Fee Detail (Funds/ETFs/IGSAs/Custom Holdings Only)

This section will detail all of the operational fees which are paid through each investment's expense ratio. It will also display comparative statistics to evaluate the investment's expense ratio to its peer group. All figures are shown in basis points (bps). Any rebated 12b-1 fee or Sub-ta Fee will be shown as '(25)'. Note that rebates are NOT removed from the Prospectus Net Expense Ratio columns as they portray the ratio stated in the fund prospectus. The Effective Mgmt Fee is calculated by subtracting any 12b-1 fee and Sub-ta Fee from the Prospectus Net Expense Ratio. It represents the net fee retained by the investment manager.

Investment Name	Peer Group	Expense Ratio Components (bps)				Prospectus Net Expense Ratio				Addtl. Wrap Fee (bps)		
		Effective Mgmt Fee	12b-1 Sales Fee	12b-1 Service Fee	Sub-TA Fee	Expense Ratio		Peer Group Median (bps)	Gross Exp Ratio (bps)			
						% bps	# of rank peers					
<b>Large-Cap Equity</b>												
Pioneer Equity Income R (PQIRX)	Large Value	94	40	5	5	144	67	1,186	119	144	-	
Pioneer R (PIORX)	Large Blend	90	45	5	5	145	66	1,885	120	145	-	
Principal Large Cap Growth II R4 (PPTSX)	Large Growth	116	5	5	5	131	56	1,573	125	132	-	
<b>Mid-Cap Equity</b>												
Principal MidCap Blend R4 (PMBSX)	Mid-Cap Blend	87	5	5	5	102	32	424	127	102	-	
<b>Small-Cap Equity</b>												
Invesco Small Cap Growth A (GTSAX)	Small Growth	111	15	(15)	-	5	131	38	710	145	131	-
<b>Intermediate Fixed Income</b>												
Federated Total Return Bond Instl (FTRBX)	Intermediate-Term Bond	36	-	-	-	36	7	1,108	85	46	-	
Putnam Diversified Income R (PDVRX)	Multisector Bond	86	30	5	5	126	63	289	110	126	-	
<b>Allocation</b>												
MFS Global Equity R2 (MEQRX)	World Stock	118	40	5	5	168	64	881	148	168	-	
Principal LifeTime 2030 R4 (PTCSX)	Target Date 2026-2030	100	5	5	5	115	52	184	114	115	-	
Principal LifeTime 2040 R4 (PTDSX)	Target Date 2036-2040	101	5	5	5	116	49	180	117	116	-	
Principal LifeTime 2050 R4 (PTESX)	Target Date 2050+	103	5	5	5	118	52	213	116	118	-	

## Shareholder Fee Detail (Funds/ETFs/IGSAs/Custom Holdings Only)

This section will summarize all of the shareholder fees which are paid on the sale or purchase of the investment. Items shown with a strike ~~(4.50)~~ indicate the fee has been waived for your situation. Most fees are paid as a percentage of net assets, shown in basis points (bps), however the Finder's fee could be quoted using a flat \$ value.

Investment Name	Front Load	Deferred Load	Redemption Fee		Finder's Fee	Exchange Fee	Other Fee
	(bps)	(bps)	bps	Days	(bps or \$)	(bps)	(bps)
<b>Large-Cap Equity</b>							
Pioneer Equity Income R	-	-	5	-	-	-	-
Pioneer R	-	-	-	-	-	-	-
Principal Large Cap Growth II R4	-	-	-	-	-	-	-
<b>Mid-Cap Equity</b>							
Principal MidCap Blend R4	-	-	-	-	-	-	-
<b>Small-Cap Equity</b>							
Invesco Small Cap Growth A	<del>-550</del>	-	10	180	-	-	-
<b>Intermediate Fixed Income</b>							
Federated Total Return Bond Instl	-	-	-	-	-	-	-
Putnam Diversified Income R	-	-	100	-	-	-	-
<b>Allocation</b>							
MFS Global Equity R2	-	-	5	-	-	-	-
Principal LifeTime 2030 R4	-	-	-	-	-	-	-
Principal LifeTime 2040 R4	-	-	-	-	-	-	-
Principal LifeTime 2050 R4	-	-	-	-	-	-	-

## Peer Group Definitions

### Intermediate-Term Bond

Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and typically have durations of 3.5 to six years. These portfolios are less sensitive to interest rates, and therefore less volatile, than portfolios that have longer durations. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index (MCBI) in determining duration assignment. Intermediate-term is defined as 75% to 125% of the 3 year average effective duration of the MCBI.

### Large Blend

Large-blend portfolios are fairly representative of the overall U.S. stock market in size, growth rates, and price. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. The blend style is assigned to portfolios where neither growth nor value characteristics predominate. These portfolios tend to invest across the spectrum of U.S. industries, and owing to their broad exposure, the portfolios' returns are often similar to those of the S&P 500 Index.

### Large Growth

Large-growth portfolios invest in big U.S. companies that are projected to grow faster than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields). Most of these portfolios focus on companies in rapidly expanding industries.

### Large Value

Large-value portfolios invest primarily in big U.S. companies that are less expensive or growing more slowly than other large-cap stocks. Stocks in the top 70% of the capitalization of the U.S. equity market are defined as large-cap. Value is defined based on low valuations (low price ratios and high dividend yields) and slow growth (low growth rates for earnings, sales, book value, and cash flow).

### Mid-Cap Blend

The typical mid-cap blend portfolio invests in U.S. stocks of various sizes and styles, giving it a middle-of-the-road profile. Most shy away from high-priced growth stocks, but aren't so price-conscious that they land in value territory. The U.S. mid-cap range for market capitalization typically falls between \$1 billion-\$8 billion and represents 20% of the total capitalization of the U.S. equity market. The blend style is assigned to portfolios where neither growth nor value characteristics predominate.

### Multisector Bond

Multisector bond portfolios seek income by diversifying their assets among several fixed-income sectors, usually U.S. government obligations, U.S. corporate bonds, foreign bonds, and high-yield U.S. debt securities. These portfolios typically hold 35% to 65% of bond assets in securities that are not rated or are rated by a major agency such as Standard & Poor's or Moody's at the level of BB (considered speculative for taxable bonds) and below.

### Small Growth

Small-growth portfolios focus on faster-growing companies whose shares are at the lower end of the market-capitalization range. These portfolios tend to favor companies in up-and-coming industries or young firms in their early growth stages. Because these businesses are fast-growing and often richly valued, their stocks tend to be volatile. Stocks in the bottom 10% of the capitalization of the U.S. equity market are defined as small-cap. Growth is defined based on fast growth (high growth rates for earnings, sales, book value, and cash flow) and high valuations (high price ratios and low dividend yields).

### Target Date 2026-2030

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2026-2030) for retirement or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, management adjusts the allocation among asset classes to more conservative mixes as the target date approaches.

### Target Date 2036-2040

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2036-2040) for retirement or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, management adjusts the allocation among asset classes to more conservative mixes as the target date approaches.

### Target Date 2050+

Target-date portfolios provide a diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the years 2050 and beyond) for retirement or another goal. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Over time, management adjusts the allocation among asset classes to more conservative mixes as the target date approaches.

### World Stock

World-stock portfolios have few geographical limitations. It is common for these portfolios to invest the majority of their assets in the U.S., Europe, and Japan, with the remainder divided among the globe's smaller markets. These portfolios typically have 20%-60% of assets in U.S. stocks.

# Glossary

## 12b-1 Fee

Maximum annual charge deducted from fund assets to pay for distribution and marketing costs. Although usually set on a percentage basis, this amount will occasionally be a flat figure. This information is taken directly from the fund's prospectus, and includes distribution, service and other expenses incurred by the fund. Morningstar lists the maximum amount. Some 12b-1 fees are something of a hidden charge, because they are taken out of the NAV. Morningstar breaks the 12b-1 amount out of the expense ratio so investors know how much they're paying. (Description provided by Morningstar)

## 12b-1 Sales Fee

The sales fee component of the 12b-1 fee is used to compensate the advisor or broker for the sale of the fund to the client. This is the most common component of the 12b-1 fee. This fee can be rebated back to the client to offset other plan expenses. (Description provided by fi360)

## 12b-1 Service Fee

The service fee component of the 12b-1 fee is used to pay for services of the plan. These fees help to reduce other costs of the plan. This fee can be rebated back to the client to offset other plan expenses. (Description provided by fi360)

## Advisory Fee

Advisory fees can be assessed on a fee- only basis or as a percentage of client assets. These fees can encompass a variety of services, but typically cover the fee for advice on investment selection, plan or portfolio construction, and ongoing monitoring. (Description provided by fi360)

## Basis Point

One-hundredth of a percentage point. For example, 50 basis points equals .50%. (Description provided by Morningstar)

## Broad Asset Class

A term used to group funds with similar categories and investing styles. (Description provided by fi360)

## Broker

A broker is charged with executing the purchase or sale of an investment at the best possible price. (Description provided by fi360)

## Deferred Load

This is also known as a back-end sales charge, and it is imposed when investors redeem shares. The percentage charged generally declines the longer shares are held, and it is usually applied to the lower of the beginning price or ending price. This charge is often coupled with higher 12b-1 fees in B or C share classes as an alternative to a traditional front-end load fund. With a deferred fee, an investor has the advantage of getting the full financial power of their investment from the onset. (Description provided by Morningstar)

## Effective Management Fee

The Effective Mgmt. Fees column represents the actual fees paid to the investment manager for managing and administering the fund. In addition the pure management fee, this would also include administration costs such as accounting, auditing, legal fees, etc. This value is calculated by subtracting the 12b-1 fees and Sub-ta Fees from the Prospectus Net Expense Ratio. (Description provided by fi360)

## Exchange Fee

A fee that some funds impose on shareholders if they exchange (transfer) to another fund within the same fund group or "family of funds." (Description provided by fi360)

## Expense Ratio - Prospectus Gross

Gross Expense Ratio represents the total gross expenses (net expenses with waivers added back in) divided by the fund's average net assets. If it is not equal to the net expense ratio, the gross expense ratio portrays the fund's expenses had the fund not waived a portion, or all, of its fees. Thus, to some degree, it is an indication of fee contracts. Some fee waivers have an expiration date; other waivers are in place indefinitely. (Description provided by Morningstar)

## Expense Ratio - Prospectus Net

The percentage of fund assets used to pay for operating expenses and management fees, including 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's NAV. Sales charges are not included in the expense ratio. The expense ratio for fund of funds is the aggregate expense ratio as defined as the sum of the wrap or sponsor fees plus the estimated weighted average of the underlying fund fees. (Description provided by Morningstar)

## Finder's Fee

Finder's fees are typically paid to an intermediary or facilitator of a transaction. The fee can be paid by either the buyer or seller. (Description provided by fi360)

## Front-End Load

The initial, or front-end, sales charge is a one-time deduction from an investment made into the fund. The amount is generally relative to the amount of the investment, so that larger investments incur smaller rates of charge. The sales charge serves as a commission for the broker who sold the fund. A fund's potential fees and sales charges are an important factor to consider before making an investment. The load fee compensates the broker or financial planner for the service of providing professional investment advice. (Description provided by Morningstar)

## Glossary (Cont.)

### Fund Name

The fund's official name, or an abbreviation thereof, as stated in the fund's prospectus. Morningstar attempts to limit the extent to which fund name abbreviation is made by keeping the family name or first word intact whenever possible. As a general rule, the words Fund, Shares, Class, Series, Trust (not including class designation), and articles at the beginning of a fund's name are omitted. They appear, however, in cases where their omission could confuse two funds or groups. The fund name is taken directly from the prospectus. The names normally do not change, unless the fund itself changes its name. (Description provided by Morningstar)

### Management Fee

Fee charged for the management of pooled investments such as collective investment funds, insurance/annuity products, mutual funds and individually managed accounts. (Description provided by fi360)

### Number of investments in Peer Group

A count of the number of investments within a specific peer group for a particular data point such as 1yr return or Alpha. This number represents the total number of investments used to calculate the bar charts and rankings for each data point. (Note: For Insurance Group Separate Accounts (IGSAs), the corresponding mutual fund/ETF peer group is used instead. (Description provided by fi360)

### Participant

Person who has an account in the plan. (Description provided by fi360)

### Peer Group (Morningstar Category)

In an effort to distinguish funds by what they own, as well as by their prospectus objectives and styles, Morningstar developed the Morningstar Categories. While the prospectus objective identifies a fund's investment goals based on the wording in the fund prospectus, the Morningstar Category identifies funds based on their actual investment styles as measured by their underlying portfolio holdings (portfolio and other statistics over the past three years). See specific category name for further details (i.e. "Peer Group - Large Value"). (Description provided by Morningstar)

### Recordkeeping Fee

Fee for providing recordkeeping and other plan participant administrative type services. For start-up or takeover plans, these fees typically include charges for contacting and processing information from the prior service provider and "matching up" or mapping participant information. Use of this term is not meant to identify any ERISA Section 3(16)(A) obligations. (Description provided by fi360)

### Redemption Fee

Fees charged by a mutual fund on shareholders who sell fund shares within a short period of time. The time limit and size of the fee vary among funds, but the redemption fee usually is a relatively small percentage (ex. 2% if redeemed within 30 days). (Description provided by fi360)

### Sub-TA Fee

Also known as Sub-Transfer Agency Fees, the name of this fee refers to the subcontracting of participant accounting to third parties, called Sub Transfer Agents. The transfer agent is the bank or trust company that executes, clears and settles buy or sell orders for mutual fund shares, and maintains shareholder records of ownership. When these functions are subcontracted to another recordkeeper, the fee paid to the sub-contractor is called the Sub-TA fee. Typically, Sub-TA fees are not disclosed in the prospectus and can vary depending on the client's circumstances. This fee can be rebated back to the client to offset other plan expenses. (Description provided by fi360)

### Third Party Administrator (TPA)

The Third Party Administrator (TPA) can handle many of the 401k plan duties. Most TPA's outsource the actual money management to other firms such as a mutual fund. The TPA is especially useful for companies that need outside guidance/assistance in managing their 401k plan. (Description provided by fi360)

### Total operational fee

The total operational fee represents the true cost of an investment to the investor. It includes the effective management fee plus any applicable 12b-1, wrap and other fees for the investment. (Description provided by fi360)

### Wrap Fee

An inclusive fee generally based on the percentage of assets in an investment program, which typically provides asset allocation, execution of transactions and other administrative services. (Description provided by fi360)