

*ABC BLACKBOARDS, INC. 401(K)  
RETIREMENT PLAN HEALTH REVIEW*

For Period Ending 9/30/2018



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Data as of September 30, 2018

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This Retirement Plan Health Review is provided by Security Benefit to assist you with administration of the Plan. It is not designed to meet any Internal Revenue Code required reports or analysis.

## Security Benefit Retirement Plan Solutions - A Story of Innovation and Partnerships

Security Benefit has over a 126 year history of innovation. The foundation started from the Knights and Ladies of Security with \$11 and a vision of taking care of individuals within the community. Security Benefit also became the first company to offer life insurance to women. Their vision expanded by providing a home for the elderly, an orphanage, a school, and a hospital.

Later, our founding principle and belief that everyone deserves an opportunity to achieve financial well-being was the spark that ignited innovation for offering retirement plans. Before 401(k) plans existed back in the 1960s, Security Benefit recognized the need to create a retirement plan for its own employees. Upon the creation of this retirement plan, word spread to other

businesses and a world renowned medical institution reached out to Security Benefit to create a similar retirement plan for their employees. As Security Benefit continued to expand we started to offer 403(b) accounts to educators. Once again, Security Benefit was approached by a young Kansas businessman who shared his vision and passion to offer 403(b) retirement plans to educators in the state of Kansas. At Security Benefit we recognize the importance of our partnerships and innovation, and passion to offer retirement plans, embedded in our history, still drives us today. Our goal is simple. We want to create the opportunity for everyone to pursue financial well-being.

That's why Security Benefit is happy to provide plan health reports to employers. We believe that having access to plan information is essential to helping you and your employees pursue that financial well-being.

# *OVERVIEW*

For Period Ending 9/30/2018



# YOUR PLAN FEATURES

Data as of September 30, 2018

## Plan Features

	As of 9/30/2018	Benchmark*
Pre-Tax Contributions	Offered	94.4%
After Tax Contributions	Not Offered	67.3%
Roth 401(k) Contributions	Offered	63.1%
Catch-Up Contributions	Offered	—
Rollovers	Offered	93.6%
Safe Harbor	Not Offered	—
Matching Contributions	Offered	91.1%
Profit Sharing Contributions	Not Offered	67.5%
Loans	Offered	88.9%
Hardship Withdrawals	Offered	79.5%

\* Benchmark values presented are based on the Plan Sponsor Council of America's (PSCA) 60th Annual Survey of Profit Sharing and 401(k) Plans, representing 2016.

## Automatic Plan Features

	As of 9/30/2018	Benchmark*
Qualified Automatic Contribution Arrangement (QACA) Safe Harbor	Not Offered	—
Automatic Enrollment	Not Offered	59.7%
Automatic Increase	Not Offered	32.7%

## Fiduciary and Investment Related Features

	As of 9/30/2018	Benchmark*
Target Retirement Date Funds	Offered	73.1%
Model Portfolios	Offered	—
Managed Account Option	Not Offered	37.0%

# PLAN OVERVIEW

Data as of September 30, 2018

	Comparison Period as of 12/31/2017	Your Plan as of 9/30/2018	Benchmark*
Total Plan Assets	\$27,452,500	\$27,673,200	—
Active Participants	145	150	—
Average Account Balance	\$140,000	\$114,600	\$131,355
Investments Offered	25	23	20
Investments with a Balance	18	18	—
Average Number of Investment Options Held	3.7	3.3	—

\* Benchmark values presented are based on the Plan Sponsor Council of America's (PSCA) 60th Annual Survey of Profit Sharing and 401(k) Plans, representing 2016.

# PARTICIPANT OVERVIEW

Data as of September 30, 2018

	Comparison Period 12/31/2017		Current Period 9/30/2018	
	Count	Account Value	Count	Account Value
<b>Participants with a Balance</b> All Participants, regardless of their plan status, that have a total account balance greater than \$0.00.	184	\$27,452,500	185	\$27,673,200
<b>Active Participants</b> Participants with a status of Active.	150	\$18,030,000	150	\$18,251,700
<b>Suspended Participants</b> Participants with a status of Suspended.	1	\$10,000	1	\$12,000
<b>Prior Plan Participants</b> Participants with a status of Terminated and have a positive account balance.	15	\$8,570,000	15	\$8,600,000
<b>QDRO and Beneficiaries</b> Participants with a status of QDRO or Beneficiary. QDRO accounts are plan accounts that have been created to satisfy a Qualified Domestic Relation Order.	5	\$197,500	5	\$200,000
<b>Non-Eligible Participants</b> Participants with a Status of Not Eligible. These are typically individuals that have not satisfied the eligibility requirements set forth by the Plan. Any balances associated with these accounts would reflect money rolled into the plan by the plan account owner.	12	\$0	13	\$25,000
<b>Participants with a Loan</b> Participants with at least one active loan outstanding as of the end of the reporting period. Loans that have been defaulted on will not be considered as active.	15	\$46,000	11	\$50,000

*DEMOGRAPHIC  
DETAILS*

For Period Ending 9/30/2018



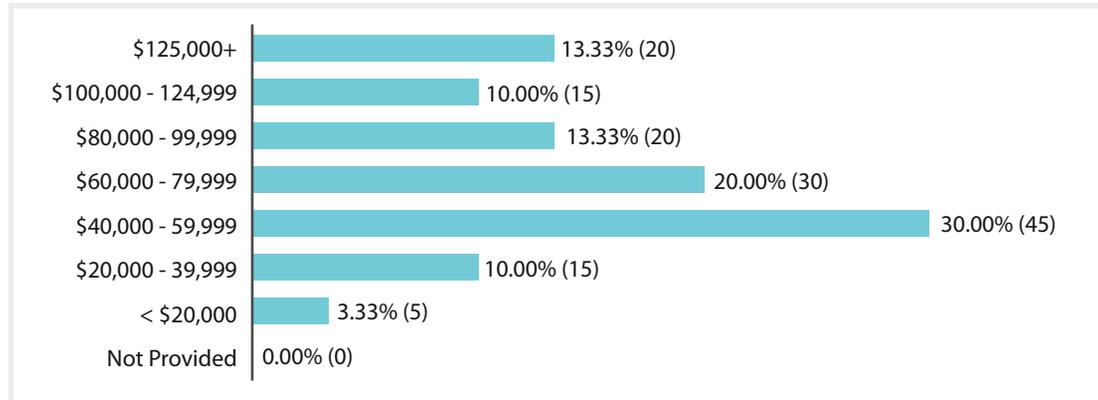
# TOTAL NUMBER OF ACTIVE PARTICIPANTS: 150

Data as of September 30, 2018

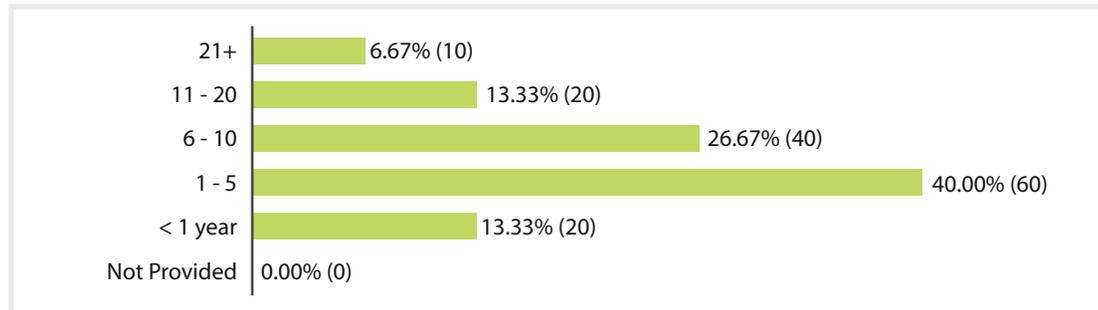
Participants with a status of Active.

Age Group	Percentage	Count
≤ 29	27%	40
30 - 39	27%	40
40 - 49	20%	30
50 - 59	20%	30
≥ 60	6%	10
Not Provided	0%	0

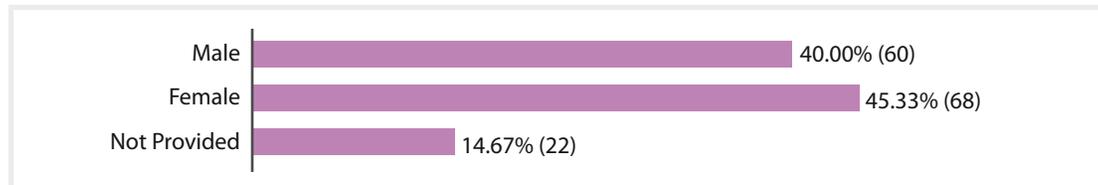
## Compensation



## Tenure



## Gender



# TERMINATED PARTICIPANTS: 15

Data as of September 30, 2018

Because terminated participants with low balances can complicate plan administration, many plans have mandatory distribution provisions. The table to the right shows the number of terminated participants with account balances of:

- \$1,000 or less (may be eligible for force-out cash distributions)
- More than \$1,000 but not more than \$5,000 (may qualify for automatic rollover into an Individual Retirement Account)
- More than \$5,000 (may not be cashed out without participant's consent)

Balance	Count	Note
≤ \$1,000	2	\$1,000 or less (may be eligible for force-out cash distributions)
> \$1,000 and ≤ \$5,000	1	More than \$1,000 but not more than \$5,000 (may qualify for automatic rollover into an Individual Retirement Account)
> \$5,000	12	More than \$5,000 (may not be cashed out without participant's consent)

## Tenure

Balance	21+	11-20	6-10	1-5	< 1 Year	Not Provided	Total Count	Total Assets
≤ \$1,000	0	0	0	1	1	0	2	\$1,000
> \$1,000 and ≤ \$5,000	0	0	0	0	1	0	1	\$4,000
> \$5,000	4	2	1	3	2	0	12	\$8,565,500

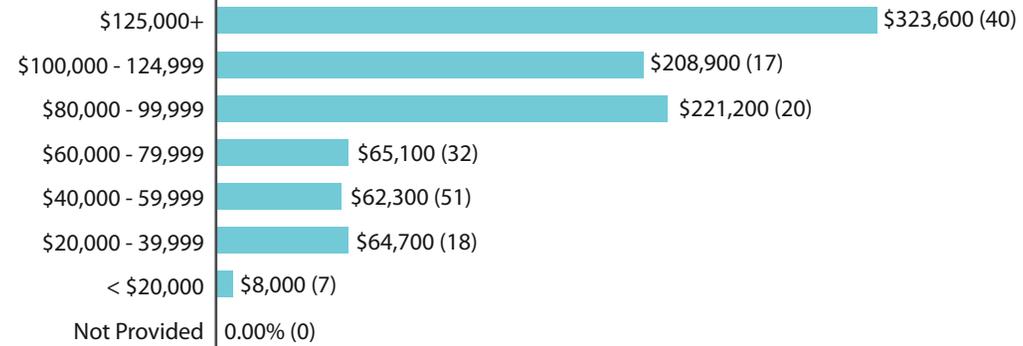
# AVERAGE ACCOUNT BALANCE: \$114,600

Data as of September 30, 2018

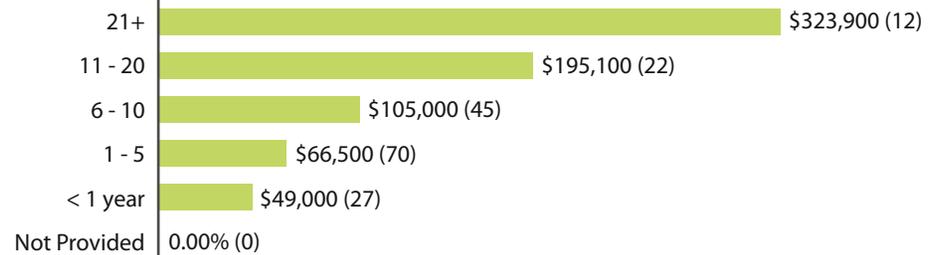
Participants' average account balances can be an indication of how well they're preparing for retirement. The tables to the right provide a breakdown of plan participants with balances by age group and show the average account balance for each group. Low average balances for older age groups, in particular, may indicate you have participants who are not adequately preparing for retirement and should be encouraged to contribute more.

Age Group	Average Account Balance	Count
≤ 29	\$34,400	46
30 - 39	\$59,700	45
40 - 49	\$100,000	38
50 - 59	\$201,100	34
≥ 60	\$606,800	21
Not Provided	\$25,000	1

## Compensation



## Tenure



## Gender



# TOTAL CONTRIBUTIONS: \$243,700

Data as of September 30, 2018

Looking at total contributions to your plan by contribution type along with the net cash flow into the plan can tell you whether plan participants are taking full advantage of the contribution opportunities the plan offers. If your plan offers designated Roth account contributions and/or accepts rollovers from other retirement plans, low totals for either category may show a need to better promote these features. A high total distribution figure in comparison to total contributions is worth investigating. It could indicate a high employee turnover rate, a high number of retirees cashing out their accounts, low contribution rates by employees, or some combination of these factors.

Contribution Type	Total Contributions 1/1/2018 – 9/30/2018
Before Tax	\$56,800
After Tax	\$0
Roth	\$89,000
Rollover	\$25,000
Other Employee	\$0
Employer	\$72,900

Cash Flow from 1/1/2018 – 9/30/2018	
Total Contributions	\$243,700
Total Distributions	-\$50,300
Net Cash Flow	\$193,400

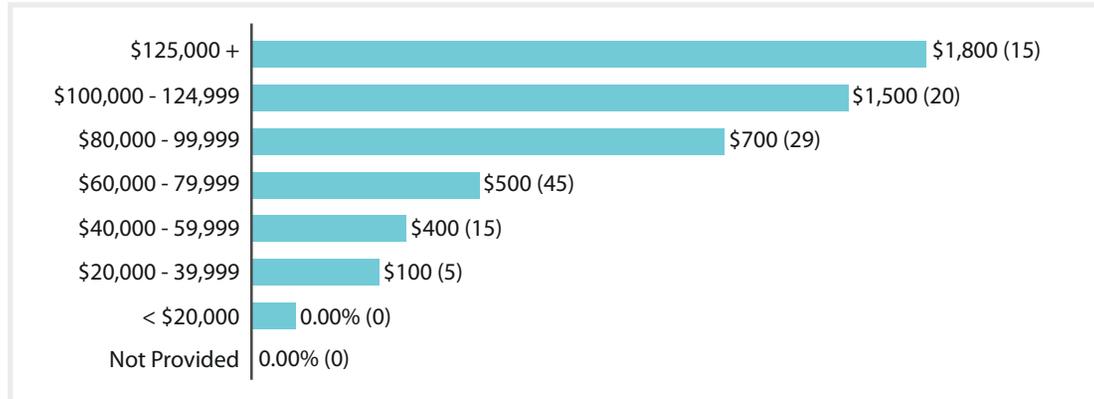
# AVERAGE PARTICIPANT CONTRIBUTION: \$800

Data as of September 30, 2018

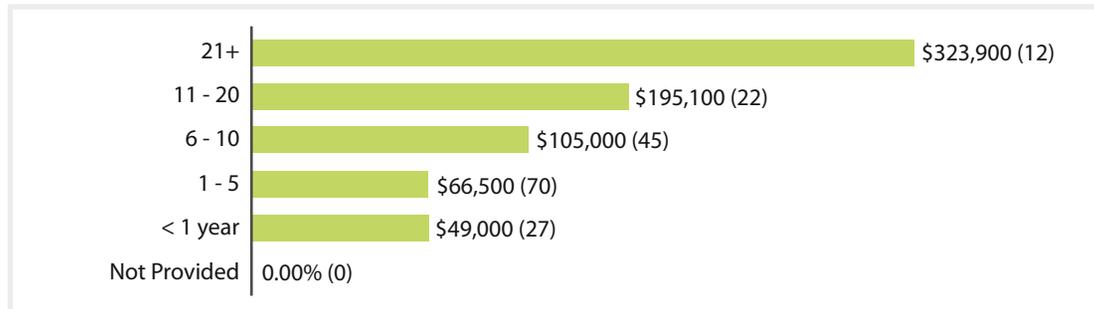
This table shows the year to date participant contribution amounts by age groups. It stands to reason that younger groups may make lower contributions than older groups, but low contribution amounts by any age group may mean participants will fall short of what they'll need for retirement. Younger groups may include lower-paid employees. However, if their deferral rates are markedly lower, that could be a red flag for your plan's nondiscrimination testing.

Age Group	Average Participant Contributions	Count
≤ 29	\$300	40
30 - 39	\$800	40
40 - 49	\$1,100	30
50 - 59	\$1,400	30
≥ 60	\$2,900	10
Not Provided	\$0	0

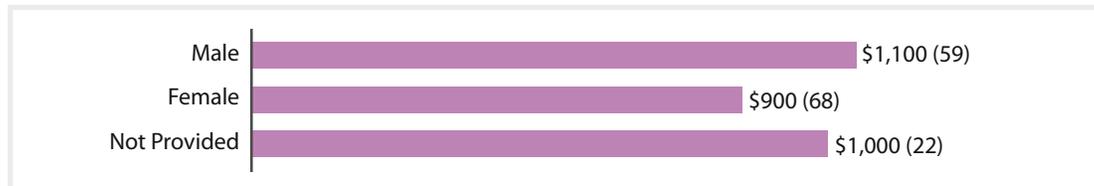
## Compensation



## Tenure



## Gender



# PARTICIPANTS WITH A LOAN: 11

Data as of September 30, 2018

Allowing participants to borrow against their account balances can encourage greater plan participation among your employees. However, too many outstanding loans, too high a total loan balance relative to total plan assets or more new loans issued than loans paid off could be detrimental to your plan participants and to the plan as a whole. These factors may signal a need to review your plan's current loan policy.

Plan Totals as of 9/30/2018	
Number of Loans Outstanding	12
Total Plan Outstanding Loan Balance	\$50,000
Average Outstanding Loan Balance	\$4,200

Loan Activity for Reporting Period 1/1/2018– 9/30/2018	
New loans issued	1
Number of Defaulted Loans	4
Loans Paid Off	2

Age Group	Total Balance	Count
≤ 29	\$29,200	6
30 - 39	\$8,200	2
40 - 49	\$6,400	1
50 - 59	\$0	0
≥ 60	\$6,400	2
Not Provided	\$0	0

*PLAN  
INVESTMENTS*

For Period Ending 9/30/2018

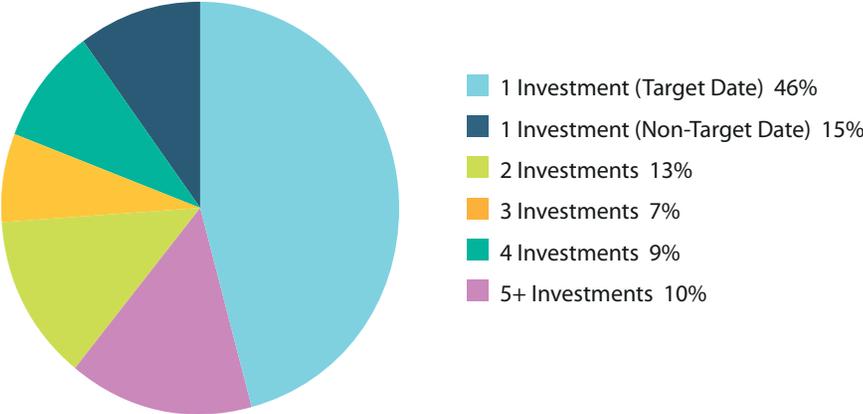


# PARTICIPANT INVESTMENTS

Data as of September 30, 2018

There are several circumstances with respect to participant investments that you should be on the lookout for: a high percentage of participants invested in a single option that's not a target date or a balanced investment or a high number of investments per participant. These demographics could indicate that many participants don't understand asset allocation basics and need more education about investing their plan assets.

Number of Investments Held by Participants (%)



Average Number of Investments per Participant 3.3

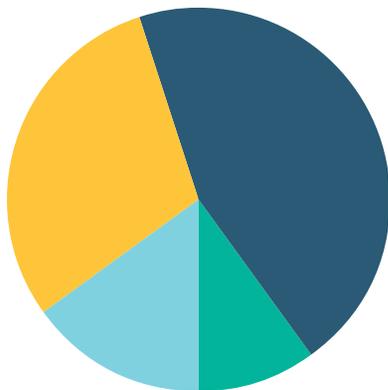
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Number of Participants Invested in a Target Date Investment 87

# ASSET ALLOCATION (BY ASSET CLASS)

Data as of September 30, 2018

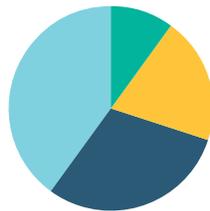
Total Participants: 147



- Stock 15%
- Bond 30%
- Cash/Stable Value 10%
- Blended 45%

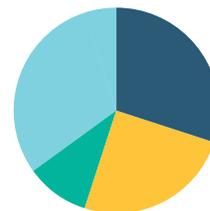
By Age Group

**≤ 29:**  
46 Participants



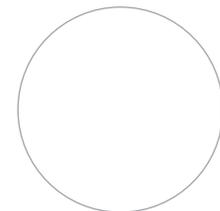
- Stock 40%
- Bond 20%
- Cash/Stable Value 10%
- Blended 30%

**30-39:**  
45 Participants



- Stock 35%
- Bond 25%
- Cash/Stable Value 10%
- Blended 30%

**40-49:**  
0 Participants



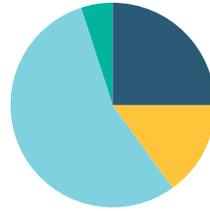
- Stock 0%
- Bond 0%
- Cash/Stable Value 0%
- Blended 0%

**50-59:**  
34 Participants



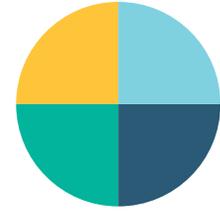
- Stock 15%
- Bond 20%
- Cash/Stable Value 20%
- Blended 45%

**≥ 60:**  
21 Participants



- Stock 5%
- Bond 15%
- Cash/Stable Value 25%
- Blended 55%

**AGE UNKNOWN:**  
1 Participant



- Stock 25%
- Bond 25%
- Cash/Stable Value 25%
- Blended 25%

# INVESTMENT DETAILS

Data as of September 30, 2018

This table lists the investments your plan offers with a balance and shows participant use of each investment. The data can help you determine how well your investment lineup meets your participants' needs. A low number of participants using an investment and/or a low average balance in an investment could indicate participants don't understand the investment and its potential place in their asset allocation or that the investment is inappropriate for the plan's demographics.

Similarly, a high concentration of plan assets in a single option that's not a target date or a balanced investment could indicate that plan participants are not adequately diversifying their account assets or that the plan doesn't offer all the types of investments participants may need or are looking for to diversify their accounts.

## Transaction activity for period 1/1/2017 – 9/30/2018

Investment Name	Number of Participants	Opening Balance	Contributions	Fees	Withdrawals/ Loans	Transfers In/Out	Gains/Loss	Closing Balance
Investment Vehicle One	106	\$532,000	\$2,300	-\$1,400	-\$300	\$2,400	\$25,700	\$563,600
Investment Vehicle Two	73	\$204,900	\$900	-\$500	-\$100	\$800	\$12,200	\$218,000
Investment Vehicle Three	21	\$59,800	\$300	-\$200	-\$40	\$400	\$2,600	\$63,600
Investment Vehicle Four	7	\$214,700	\$1,000	-\$600	-\$200	\$1,400	\$10,700	\$230,000
Investment Vehicle Five	5	\$149,900	\$800	-\$400	-\$100	\$1,000	\$10,500	\$166,000

The transaction activity table provided above does not include activity for any Self Directed Brokerage or External Asset accounts that may be held in your plan.

*ADDITIONAL  
INFORMATION*



# DEFINITIONS

Data as of September 30, 2018

## Active Loan

A loan with an outstanding balance > \$0 which does not have a status of "Deemed" or "Defaulted."

## Active Participant

Any participant with a Participant Status of "Active."

## Beneficiary Participant

Any participant with a Participant Status of "Beneficiary."

## Blended Fund

An Investment stored with an asset indicator of "Blended."

## Bond

An Investment stored with an asset indicator of "Bond."

## Cash/Stable Value Fund

An Investment stored with an asset indicator of "Cash/Stable Value."

## Closed Loan

A loan with a Status of "Closed."

## Deceased Participant

Any participant with a Participant Status of "Deceased."

## Deemed Loan

A loan with a Status of "Deemed."

## Defaulted Loan

A loan with a Status of "Defaulted."

## Not Eligible Participant

Any participant with a Participant Status of "Not Eligible."

## Positive Balance Participant

Any participant, regardless of their Participant Status, that has a closing balance that is greater than \$0 as of the Period Ending Date.

## QDRO Participant

Any participant with a Participant Status of "QDRO."

## Retired Participant

Any participant with a Participant Status of "Retired."

## Stock Fund

An Investment stored with an asset indicator of "Stock."

## Suspended Participant

Any participant with a Participant Status of "Suspended."

## Terminated Participant

Any participant with a Participant Status of "Terminated" and a balance greater than \$0.

# CALCULATIONS

Data as of September 30, 2018

## Active Loan Count

The number of Active Loans in the plan.

## Average Outstanding Loan Balance

Total Active Loan Balance divided by Active Loan Count.

## Average Participant Contribution

Total Deferral Dollars divided by the total count of unique Active Participants and participants with a contribution greater than \$0.

## Calculated Age

Calculated from Date of Birth, stored in months.

## Displayed Age

Calculated from Date of Birth, rounded down to the nearest year.

## Investments Offered

The count of investments with a status of "Active."

## Investments with a Balance

The count of investments in the plan with a positive Closing Balance.

## Net Cash Flow

Total Plan Contributions less Total Plan Distributions.

## Participant Investment Count

The count of investments a Positive Balance Participant has with a balance greater than \$0.

## Participants Within an Investment

The count of Positive Balance Participants with a balance in a specific investment.

## Tenure

The number of full years with the company, calculated from Date of Hire.

## Total Active Loan Balance

The total balance of all Active Loans.

## Total Plan Assets

Sum of all participant assets, for all funds, plus any outstanding loan balances and plan holding accounts.

## Total Plan Contributions

The sum of all employee and employer contributions including Rollovers in.

## Total Plan Distributions

The sum of all distributions (displayed as a negative number).

Distributions include:

- Distributions
- Defaulted Loan Balance
- Forfeitures
- Mistake of Fact
- Loan Transfer Out
- Admin Error
- Loan Closeout
- Trustee Transfer Out