

## Evaluating and Changing Investments

### Plan Process Summary

We provide tools and support to help you evaluate your plan's investment options and make investment changes if needed.

#### Helping you evaluate plan investments

To help you monitor and evaluate the investments offered in your plan, we offer:

**Investment Policy Statement (IPS) Toolkit**—This online kit makes it easy for you to create and maintain an IPS with clear guidelines for monitoring and selecting plan investments.

**Monthly Fiduciary Reports**—With our online reporting tools, you can easily monitor your plan's investment performance and any gaps in management styles, consistency or performance.

**Quarterly Administration Reports**—These can help you identify investment changes that may be needed, or opportunities for more participant education.

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#### Analyzing possible changes

We give you answers about how potential investment changes could affect your plan, including:

**Costs**—Will a change affect your administration costs, and will there be additional costs to the plan or participants?

**Performance**—Does this change meet your investment policy statement requirements?

**Communications**—What steps are necessary to make participants aware of an investment change and give them enough time to evaluate their options and react?

**Transfers**—What is needed to transfer assets from one investment to another in a timely manner?

If you are considering the addition or replacement of a fund, please contact your Client Service Manager to determine fund availability and any potential implications of a change.

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#### Making investment changes

Once you have confirmed fund availability and the potential implications of a fund change, we're ready to help add or replace an investment.

**Adding an investment**—This is a straightforward process. On the effective date, participants can transfer funds into the new investment or select it for future contributions.

**Replacing investment(s)**—This requires careful planning, so that investments are liquidated on a specified day and reinvested as soon as possible to minimize "out of market" time.

Note: Typically Schwab can accommodate investment changes at any time of the year. However, due to varying demand for this service and the various required annual notices, it is recommended that you contact your Client Service Manager to finalize a time frame for your change.

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**Helping you every step  
of the way**

**Step One: Notification**

You provide us with a letter on your company's letterhead authorizing an investment change at least 60 days in advance. The letter should include:

- An authorized signature
- Names and ticker symbols of the investments being added or replaced
- The date of the investment change and any investment mapping that will occur

**Step Two: Documentation**

We may need various documents before we can implement an investment change, such as:

- An amendment to your Services Agreement
- Any necessary Collective Fund Agreements
- A plan-level Limited Power of Attorney (LPOA) form for PCRA,\* if applicable
- An IRS determination letter
- Any documents required by specific investment companies

**Step Three: Communication**

We will help develop a strategy for communicating investment changes to participants, including terminated participants with an account balance. Your strategy may include:

- A notice for current and former employees
- Educational seminars for participants
- Email campaigns, payroll stuffers, intranet announcements and posters
- Special preparation for Schwab Retirement Plan Representatives, so they can respond to participant inquiries about investment changes

Note: Recent Qualified Default Investment Alternative (QDIA) and 404(c) legislation requires certain participant notices with specific timing requirements. Careful consideration and planning should be given to these specific types of participant communications.

**Step Four: Implementation**

We will implement your investment changes on the agreed-upon date by:

- Adding the new investment options
- Mapping current investments and existing election percentages

Note: There is a trading period blackout for any fund(s) being replaced. It will typically begin after market close, one business day before the actual liquidation date. Participants will be able to access their accounts and execute changes for any funds not being replaced. There is no blackout period for adding new investment choices. If participants are not restricted from trading for more than three days, a Sarbanes-Oxley notice is not required.

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**Learn more today**

To learn more about how we can help you and your investment consultant with investment changes, please contact your Schwab Representative or call us at **1-877-456-0777**.

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