

Participant Guide to **Fee Disclosures**



Table of Contents

The Cost to Maintain a Retirement Plan.....	3
Types of Fees.....	4
Cost of Participation.....	8
Trading Restrictions	9
Contact Us - We're Here to Help	10



The Cost to Maintain a Retirement Plan

As a retirement plan participant, it is important to understand the fees and expenses associated with maintaining your retirement plan.

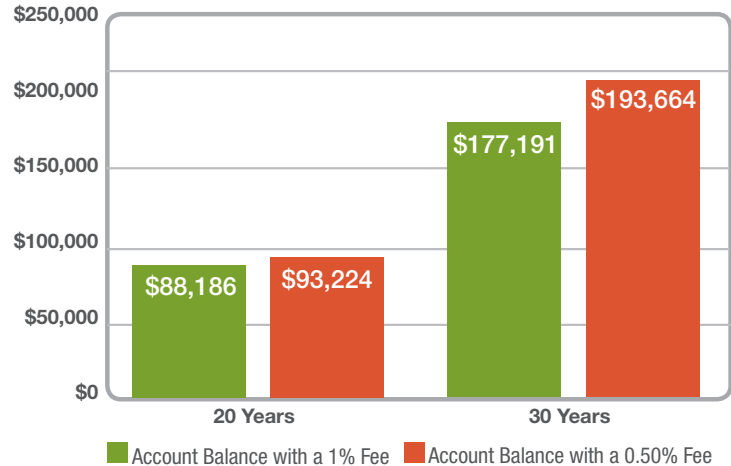
Fees are an important consideration because they lower potential returns. Ultimately, fees and expenses impact your account balance.

MNDCP does not receive any financial support from the State of Minnesota or any participating governmental employers; therefore, plan participants share in the cost of plan services. MNDCP does not operate to make a profit. We only collect enough in fees to cover the cost to operate the plan.

Why Fees Matter

Lower fees mean more of your account assets are available to be invested. Even a small difference in fees you pay adds up over time.

The example below compares an account with a 1% fee to a 0.50% fee. It assumes a beginning balance of \$0, \$100 contributions every two weeks, a 6% annual rate of return and no withdrawals.



For illustrative purposes only

This hypothetical illustration is not intended as a projection of future investment results, nor is it intended as financial planning or investment advice. Rates of return rates may vary. The illustration does not reflect other associated charges, expenses or fees. The tax-deferred accumulation shown would be reduced if these fees had been deducted.

Types of Fees

Administrative Fee

MNDCP administrative services are supported by an asset-based fee, which is based on your current account balance. Administrative services provided by Empower Retirement, record keeper for MNDCP, include:

- Preparation and mailing of participant account statements
- Website and automated voice response system
- Data entry and processing
- Systems architecture
- Support for plan audits
- Payroll processing
- Tax reporting

Administrative services provided by Minnesota State Retirement System (MSRS), administrator for MNDCP, include:

- Communications including newsletters, brochures & guides
- Participant education and counseling
- Toll-free telephone access to plan representatives
- Trade processing
- Legal support
- Financial reporting
- Distribution processing



MNDCP Administrative Fee

The annual asset-based administrative fee is **0.10%** of your account balance or **\$1** for each \$1,000 invested.

- The maximum annual fee is \$125
- No charge on account balances over \$125,000
- Prorated and deducted monthly from your account balance

Investment Management Fee

Investment management fees are the costs associated with the investment options offered in a retirement plan.

To help ensure plan participants benefit from low investment management fees, all MNDCP investment options are lower-cost investments such as institutional share class mutual funds, separately managed accounts or comingled investment trusts.

In lieu of a lower cost investment, the Dodge & Cox Income Fund provides monetary reimbursements to the plan. MNDCP returns this money to investors in the Dodge & Cox Income Fund on a quarterly basis as a share credit. These credits increase an investor's shares in the fund and, in turn, lowers the investment management fee of the Dodge & Cox Income Fund.

Investment management fees are subtracted from a fund's rate of return/performance. A fund's stated rate of return is net of investment management fees. Investment-related fees may change at any time and vary for different types of investment options.

MNDCP Investment Management Fee

Each funds' investment management fee can be found on page 8. The fee is also reflected on the monthly MNDCP Investment Option Performance Report.



One-Time Fees

MNDCP offers the following optional services for a fee:

Overnight Mail Fee has a \$25 charge that will be deducted, per occurrence, from the proceeds of a distribution if this option is chosen.

Self-Directed Brokerage Account (SDBA) provided through TD Ameritrade offers thousands of mutual funds from which to choose, in addition to the core investment options offered by the Plan. The SDBA is intended for knowledgeable investors who acknowledge and understand the risks associated with the investments contained in the SDBA. Participants who use a SDBA pay a \$2.50 monthly fee (deducted from an account balance) or \$30 annually. This fee is in addition to any transaction fees TD Ameritrade charges and any expenses of the investments chosen within a SDBA.



Brokerage services provided by TD Ameritrade Inc., member FINRA/SIPC/NFA. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc. and the Toronto-Dominion Bank. All rights reserved. Used with permission. Additional information can be obtained by calling TD Ameritrade at (866) 766-4015. TD Ameritrade and GWFS Equities, Inc. are separate and unaffiliated.

Managed Account Service Fees

The Managed Accounts service is provided through Advised Assets Group, LLC (AAG), a federally registered investment advisor. AAG offers independent advisory services to plan participants. AAG makes investment choices based on the participant's personal goals and financial situation.

The Managed Account service provides a personalized and strategically designed retirement portfolio that is automatically managed from quarter to quarter.

The annual fee for this service is based on a participant's account balance and is no more than 0.45%. Discounts apply for account balances over \$100,000. That's \$45 a year for each \$10,000 account balance. The fee is deducted monthly directly from an account balance according to the fee schedule below.

AAG also offers an Online Investment Advice service that provides fund-specific portfolio and savings rate recommendations based on each participant's needs using the core funds available in the plan. There is a \$25 fee for this service, billed at \$6.25 quarterly.

Participant Account Balance	Managed Account Annual Fee
First \$100,000 of account balance	0.45%
Next \$150,000 (up to \$250,000 account balance)	0.35%
Next \$150,000 (up to \$400,000 account balance)	0.25%
Amounts greater than \$400,000	0.15%

There is no guarantee that participation in any of the advisory services will result in a profit or that your account will outperform a self-managed portfolio invested without assistance.

Managed Account, Guidance and Advice services are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly owned subsidiary of Great-West Life & Annuity Insurance Company.

Cost of Participation (as of 7-1-2017)

Please consider investment objectives, risks, fees and expenses carefully before investing. The prospectuses and/or disclosure documents contain this and other important information. Read them carefully before investing. To obtain a prospectus or disclosure document for performance data current to the most recent month-end, or to learn more about the investment options visit www.msrs.state.mn.us/investments-mndcp or call 1-800-657-5757.

Investment Option Name	Annual Investment Management Fee ¹		Annual Plan Administrative Fee ²		TOTAL FEE	
	As a %	per \$1,000	As a %	per \$1,000	As a %	per \$1,000
T. Rowe Price Small Cap Stock Fund	0.67%	\$6.70	0.10%	\$1	0.77%	\$7.70
Fidelity Diversified International Comingled Pool	0.58%	\$5.80	0.10%	\$1	0.68%	\$6.80
Vanguard Total International Stock Index Fund	0.07%	\$0.70	0.10%		0.17%	\$1.70
Vanguard Mid Cap Index Fund	0.04%	\$0.40	0.10%	\$1	0.14%	\$1.40
Vanguard Institutional Index Fund	0.02%	\$0.20	0.10%	\$1	0.12%	\$1.20
Vanguard Dividend Growth Fund	0.30%	\$3.00	0.10%		0.40%	\$4.00
Vanguard Balanced Index Fund	0.06%	\$0.60	0.10%	\$1	0.16%	\$1.60
Dodge & Cox Income Fund	0.43%	\$4.30	0.10%	\$1	0.53%	\$5.30
Vanguard Total Bond Market Index Fund	0.03%	\$0.30	0.10%		0.13%	\$1.30
SIF Stable Value Fund	0.27%	\$2.70	0.10%	\$1	0.37%	\$3.70
SIF Money Market Fund ³	0.01%	\$0.10	0.10%	\$1	0.11%	\$1.10
All MN Target Retirement Funds ⁴	0.10%	\$1.00	0.10%	\$1	0.20%	\$2.00
OVERALL AVERAGES	0.22%	\$2.15	0.10%	\$1	0.32%	\$3.15

¹ **Investment Management Fees** are deducted by the investment company prior to the calculation of the net asset value (NAV). The Investment Management Fee for the Dodge & Cox Income Fund does not reflect any monetary reimbursements provided to investors of the fund.

² **Plan Administrative Fees** are deducted and prorated among investment options in an account at a rate of 0.008333% per month or 0.10% annually. This fee is deducted the last business day of each month. The fee is only charged on the first \$125,000 in an account. For SIF investment options, this fee only applies to contributions made after July 1, 1992.

Trading Restrictions

Some investment options impose trading restrictions to prevent short-term trading.

Investment Option	Trading Restrictions/Fees
T. Rowe Price Small Cap Stock Fund	Generally, two transfers into and out of the fund within a 180 calendar day period may result in enforcement of the funds excessive trading policies on future transfers into the fund for a period of 90 calendar days.
All Vanguard Funds	A transfer out of a Vanguard fund may result in a restriction to transfer back into the same fund for a period of 30 calendar days.
SIF Stable Value Fund	Transfers directly from the SIF Stable Value Fund to the SIF Money Market Fund are prohibited. Instead, transfers may be made from the SIF Stable Value Fund to any other investment option for 90 days before transferring to the SIF Money Market Fund. This is known as an ‘Equity Wash’ restriction
Dodge & Cox Income Fund	The fund considers it a violation of the excessive trading policy if a participant: sells or exchanges shares within a short period of time after the shares were purchased; enter into a series of transactions that is indicative of an excessive trading pattern; or the fund reasonably believes the participant has engaged in such practices.

³**You could lose money by investing in the SIF Money Market Fund. Although the Fund seeks to preserve the value of your investment at \$1 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund’s sponsor has no legal obligation to provide financial support to the Fund and you should not expect that the sponsor will provide financial support to the Fund at any time.**

⁴**The “Target Date”** in the MN Target Retirement Funds is the approximate date an investor plans to start withdrawing their money. A target date fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date (which is the assumed retirement date for an investor). When the target date is reached, the account balance may be more or less than the original amount invested. For each target date portfolio, until the day prior to its target date, the portfolio will seek to provide total returns consistent with an asset allocation targeted for an investor who is retiring in approximately each portfolio’s designated target year. On the target date, the portfolio will seek to provide a combination of total return and stability of principal. There is no guarantee that any investment option will achieve its stated objective. Principal value fluctuates and there is no guarantee of value at any time, including the target date.

Contact Us – We're Here To Help

If you have questions about your MNDCP account or to schedule an appointment, contact an MSRS Representative.

St. Paul Office

60 Empire Drive, Suite 300

St. Paul, MN 55103

Hours: Monday – Friday, 8:00 a.m. - 4:30 p.m.

Duluth Office (Appointments preferred)

Medical Arts Building

324 West Superior Street, Suite 530

Duluth, MN 55802

Hours: Tuesday-Friday, 8:00 a.m. – 4:30 p.m.

Detroit Lakes Office (Appointments preferred)

714 Lake Avenue, Suite 102

Detroit Lakes, MN 56501

Hours: Tuesday-Friday, 8:00 a.m. – 4:30 p.m.

Mankato Office (Appointments preferred)

Former Bretts Building

11 Civic Center Plaza, Suite 150

Mankato, MN 56001

Hours: Tuesday-Friday, 8:00 a.m. – 4:30 p.m..

Questions?   

Phone: **1.800.657.5757** or **651.296.2761** Fax: **651.297.5238**

Web: **www.msrs.state.mn.us** Email: **info@msrs.us**

Core Securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers.

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company (GWL&A).

GWL&A and/or its subsidiaries are not responsible for, have not reviewed nor do not endorse the content on www.msrs.state.mn.us.

AM235991-0817



1.800.657.5757 or 651.296.2761

www.msrs.state.mn.us