DCM RETIREMENT PLAN SERVICES

A WEALTH MANAGEMENT APPROACH TO 401(k) PLANS
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Visit us online at dcmol.com/rps
As an independent, fee-only firm, DCM manages over $1.48 billion\(^1\) in assets for individuals and institutions. We also offer a range of financial planning services including retirement income projections, social security strategies, and income tax guidance.

We are retirement income specialists, and we have Certified Financial Planner™ professionals & CPAs on staff. Our experience and tools enable us to help our clients make appropriate decisions regarding the various aspects of their financial life.

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**Income Focused Strategies**
Our plans and portfolios are designed for people and institutions that require generous and dependable cash flows.

**Dividend Paying Stocks**
Growing dividends lead to growing prices.\(^2\) We invest our clients in companies which routinely increase their dividends.

**Index-Beating Returns**
Since our founding in 1995, our Endowment Cornerstone strategy has consistently outperformed its benchmark...with less risk.\(^3\)

**Uniquely Qualified Staff**
Each of our Sr. Portfolio Managers have run businesses. They understand how to evaluate companies like few advisors do.

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\(^1\) As of December 31, 2017  \(^2\) DCM 20 Year Dividend-Price Multiple Regression Model  
\(^3\) Benchmark: 50% S&P 500 Index / 50% Citigroup Broad Investment-Grade Bond Index  
\(^4\) See back cover for details on Financial Times Top 300 Award
In recent years, retirement plan providers have over simplified and standardized investment options. Yet, Plan Sponsors are often uninformed, and plan participants are left underserved and wondering how to make the best financial decisions.

DCM takes much of the fiduciary responsibility off of the Plan Sponsor, by actively managing the plan with transparency. We empower participants to take ownership of their retirement savings by educating and equipping them with the right tools for their financial well-being.

We offer a variety of investment choices that are rigorously built and carefully monitored. Our hands-on approach helps Plan Sponsors and participants feel confident they are in control of their own financial future.

* Add-on services available in specific cases. Please ask us about these options.
**FIDUCIARY SPECTRUM**

Let us ease your fiduciary responsibilities...

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**Participant Directed**
Subject to 404c election, shifts some of the investment decision making to participants but Sponsor retains fiduciary discretion over what is offered.

**Trustee Directed 401k**
This is a single account managed by a Trustee for all participants. Not participant directed.

**Proprietary Insurance or Fund Platform**
Sponsor chooses from a menu of funds offered by a provider who has decided not to take a co-fiduciary role on the plan. Large insurance companies and Mutual Fund Complexes.

**Open Architecture**

**Co-Fiduciary Advisor: ERISA section 3(21)**
is a co-fiduciary role where an Advisor assists in a fiduciary capacity in giving the Plan advice for (level compensation) fee. Plan sponsor still exercises fiduciary discretion and functions as a prudent investment expert by approving the funds menu along with the correlative liability of that role well.

**Discretionary Asset Manager: Full ERISA 3(38)**
Access to all investment options available under ERISA. Real value in retaining an investment manager pursuant to ERISA section 3(38) lies in having a truly independent firm make the same types of decisions that a well-informed plan sponsor would.

**Administrative Fiduciary: ERISA 3(16)**
Plan sponsor delegates discretion for critical administrative functions to a named fiduciary who accepts that authority in writing and assumes a correlative liability, being legally bound to performing the primary Administrative Functions and various decisions that directly impact plan compliance.

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*Source: Advisor Lab*
COMPONENTS OF OUR 401(k) PLATFORM

A VARIETY OF INVESTMENT OPTIONS

**Open Architecture Investment Options**
We scour the market and only offer what we deem to be among the highest quality investment choices.

**Unitized Managed Accounts**
We can offer our high net worth investment approach for every employee in your company, using TDA’s Retirement Plan Solutions program.

**Independent Minded Employees**
A feature called Self-Directed Brokerage Account that allows customized management may be added to qualifying accounts.
As you get closer to retirement your investment risk should gradually decrease.

Every individual has a different tolerance of risk. We believe you should be comfortable with your portfolio and therefore offer investment options. In general, those retiring more than 10 years from today can afford to be more aggressive with their account. Once you get below the 10 year mark, your risk profile may shift to more moderate. At five years and less to retirement, you may again shift to be more conservative.

As a 3(38) Discretionary Asset Manager, DCM utilizes industry-leading practices to ensure high-quality and age-appropriate investment choices are available without creating “option paralysis”. In concert with our rigorous due diligence, we ensure participants comfortably understand their options. Our tools, financial wellness seminars, and educational content are designed to assist participants with becoming confident in their ability to successfully navigate and choose the option(s) that best serve their needs.
Risk has many faces. We empower participants with the tools to tackle these questions.

Are you saving enough for retirement?

What is your risk tolerance?

Do your investments reflect your risk tolerance and time horizon?

Will Social Security be available in 20 years?

When will the economy experience another crisis?

Could you out live your nest egg?

These are important questions. Preparing now could protect your assets in the future.

DCM investment strategies can help mitigate risk. Our portfolios are designed for growth and income over the life of the account while protecting the principal.
The securities that make up DCM portfolios are meticulously selected by an experienced team of Portfolio Managers that understand how companies work like few advisors do. They’ve run businesses and worked outside the world of finance, so they evaluate companies & the economy from a real world perspective.

Individual companies are identified in each sector based on strict statistical criteria and then fundamental, technical, and macro analyses are conducted on each of those companies. The findings are debated and voted on. Our team strives to identify and add to our portfolios the highest quality companies that have demonstrated the ability to weather the worst of storms.

RPS Fiduciary Committee
The RPS Fiduciary Committee was formed to serve as the investment fiduciary responsible for the prudent management of the RPS investment line-up. This team is comprised of our most experienced and knowledgeable professionals who work hard to ensure DCM’s service offering is high quality, cutting edge, and offers a clear competitive advantage versus other advisors in the retirement industry.

Investment Policy Committee (IPC)
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We built our *Cornerstone* investment strategy on two primary principles:

First, investments that pay you more each year are more valuable than investments that don’t.

Second, these investments will increase in value each year as their cash payments increase.
Dividends are the foundation of our equity investment strategy for several reasons. First, dividends help us determine a company’s financial health and true value. Second, dividends let us share in a company's prosperity by paying us a portion of today's earnings. Finally, dividends represent 40.6% of the market's total long-term return (see graph below). That's why we only invest in companies which pay generous dividends, have a track record of consistently raising those dividends, and have every likelihood of continuing to increase those dividends.

S&P 500 Dividend Contribution to Total Return

Dividends are more predictable than price. Funding withdrawals from dividends reduces exposure to market risk. Selling shares to fund withdrawals increases exposure.

Data Sources: Standard & Poor’s, Robert Shiller. Decades with negative total returns were excluded.

Actual Company Example

Data Source: Bloomberg, 12/12/1995 - 01/12/2017
Dividends and Interest are Better than Rent
Investments that pay you more each year are more valuable than investments that don’t. And those investments will increase in value each year as their payments to you increase (think rental property).

DCM’s Equity Investment Strategy
Companies which consistently increase their dividends are like building tenants who are willing to pay higher rent every year. That’s why we only buy the common stock of great companies that share their success through dividends. Over the last forty years, such stocks have returned 9.8% annually, while non-dividend paying stocks only returned 2%1.

DCM’s Fixed Income Investment Strategy
Bonds are like high rent building tenants that have signed a long term lease. They are a great foundation for a portfolio. We buy and hold investment-grade bonds and preferred stocks that fund essential services in financially strong communities and from high quality companies.

A Few of our “Tenants3”

1 Source: Ned Davis Research, Inc. data on S&P 500 companies as of 3/31/2012.
2 All Supporting performance data available upon request.
3 Past performance is no guarantee of future results. The specific securities mentioned are not meant to be a recommendation. DCM will furnish, on request, a list of all recommendations made within the last year.
Rising dividends are often overlooked.

Stocks in our Endowment-Cornerstone strategy increased their dividend payments by 12.4% in 2017. They’ve increased the dividend by 13.3% annually in the last 10 years*. The example below shows how growing dividends can be superior to other types of investment income. That means more income every year to keep up with inflation.

Microsoft (MSFT) was chosen for this example because it fairly represents the current yield & historical dividend growth of stocks in our Endowment-Cornerstone investment strategy.

Over the last 10 years, MSFT has increased its dividend 13.2% annually. In this example we are assuming a growth rate of 13.2% annually for the next 10 years.

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Microsoft

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### Rising Dividend Common Stock

<table>
<thead>
<tr>
<th>Year</th>
<th>10-Yr CD</th>
<th>10-Yr T-Bond</th>
<th>10-Yr AAA Corp Bond</th>
<th>Rising Dividend Common Stock</th>
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</table>

**Total Income**

- $3,250
- $2,950
- $3,550
- $3,938

**Yield in Yr 10 on Original Cost**

- 3.25%
- 2.95%
- 3.55%
- 5.28%

**Price after 10 Yrs if Yield is Unchanged**

- $10,000
- $10,000
- $10,000
- $30,523

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* DCM portfolio holdings, Dividend Map. Some companies have not paid dividends for the entire 10 year period. The prices, quotes and/or statistics contained have been obtained from sources believed to be reliable, but are not necessarily complete and cannot be guaranteed. They are provided for informational purposes only. Past performance does not guarantee future results.
Based upon the cash flow it can generate for its owners, every business has a true, or intrinsic, value*. Any investor who purchases stock in a company without knowing its intrinsic value puts that investment at significant risk. The only hope of profiting from such an approach is to find someone to buy the stock some day at a higher price. We feel it is irresponsible for us to invest our clients’ assets without knowing the intrinsic value of every security we purchase.

DCM uses proprietary models for stock selection. Most of those models evaluate whether companies are priced higher or lower than their intrinsic values. The model below identifies buy & sell points weekly for hundreds of companies and feeds information into another tool that makes recommendations to our Investment Policy Committee.

*See back cover for details on Standard Deviation and Intrinsic Value
Before we’ll consider buying a company, it must first pass through a series of preliminary screens. Our Investment Policy Committee (IPC) has several sub-groups (the Macro-Economic Team, the Technical Team, and the Statistical Models Team). Our research begins there. Each team examines their area of responsibility to form a perspective on the economy and the markets. From these conclusions, the IPC resets our portfolio asset allocation as needed. As our asset and sector allocation moves and as individual opportunities emerge from these screens, our strategists pick specific companies to research. After our strategists present evidence and rationale for buying or selling a company, the IPC debates and votes on whether to act on that recommendation.
Whether initial or ongoing enrollment, investment-related questions, or general Financial Planning education, DCM’s Retirement Plan Services team is committed to equipping participants to fully own their retirement plan and achieve financial wellness.

**Ameritrade**

Our custodian hosts a resource library with tools and educational content: [tdameritrade.com/myretirementplan](http://tdameritrade.com/myretirementplan)

**DCM University**

DCM University is our proprietary collection of educational resources and media. [dcmuniversity.com/rps](http://dcmuniversity.com/rps)
ONBOARDING PROCESS

1. GET TO KNOW EACH OTHER
2. REVIEW YOUR PLAN AND PRESENT PROPOSAL
3. GATHER INFO AND CREATE IMPLEMENTATION TIMELINE
4. WELCOME CALL AND PLAN ENROLLMENT
5. ROLLOUT DCM’S RPS SOLUTION
Let’s start the conversation.

RPS@DCMOL.COM