



CAPITAL GROUP® | **AMERICAN FUNDS®**

Review your plan to see how to make it more effective

Plan review

ABC COMPANY
401K PSP
BRK00000
Period ending June 30, 2020



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Table of contents

Your plan overview

- 1 Plan overview

Your plan details

- 3 Participant overview
- 4 Average account balance
- 5 Average participant contribution
- 6 Total contributions
- 7 Participants with a loan
- 8 Participant investments
- 9 Asset allocation (by asset class)
- 10 Asset allocation (by investment)

Glossary

- 12 Key terms

Your plan overview



Plan overview

ABC COMPANY 401K PSP

	1/1/2019 - 6/30/2019	1/1/2020 - 6/30/2020
Plan asset balance	\$1,246,247	\$1,485,109
Participants with an account balance	14	15
Average account balance	\$89,018	\$99,006
Participants contributing	9	11
Contribution total	\$84,752	\$65,849
Participants with a loan balance	1	1
Loan balance	\$14,964	\$28,715
Distribution total	\$85,725	\$0
Terminated participants with a balance	0	0
Investment options with a balance	6	10
Average number of investments per participant	1	1

Your plan details



Participant overview

These tables provide a demographic snapshot of your plan's participants and their distribution according to age group and total balance. Knowing your plan's basic demographics can help you create an appropriate investment menu for your plan, including the selection of an appropriate qualified default investment alternative (QDIA), such as a target date investment. It can also help you target communications to specific groups of employees.

Total participants	15
Total participant balance	\$1,485,090
Active participants	15
Active participant balance	\$1,485,090

Active participants by age

Age group	Count
≤ 29	1
30-39	5
40-49	6
50-59	1
≥ 60	2

Active participant total balance by age

Age group	Balance
≤ 29	\$2,166
30-39	\$415,661
40-49	\$513,862
50-59	\$81,284
≥ 60	\$472,118

Average account balance: \$99,006

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	Count	Age group	Average account balance
≤ 29	1	≤ 29	\$2,166
30-39	5	30-39	\$83,132
40-49	6	40-49	\$85,644
50-59	1	50-59	\$81,284
≥ 60	2	≥ 60	\$236,059

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Average participant contribution: \$5,986

This table shows the participant contribution 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 from 1/1/2020 – 6/30/2020
≤ 29	\$2,063
30-39	\$8,141
40-49	\$3,713
50-59	\$6,164
≥ 60	\$6,960

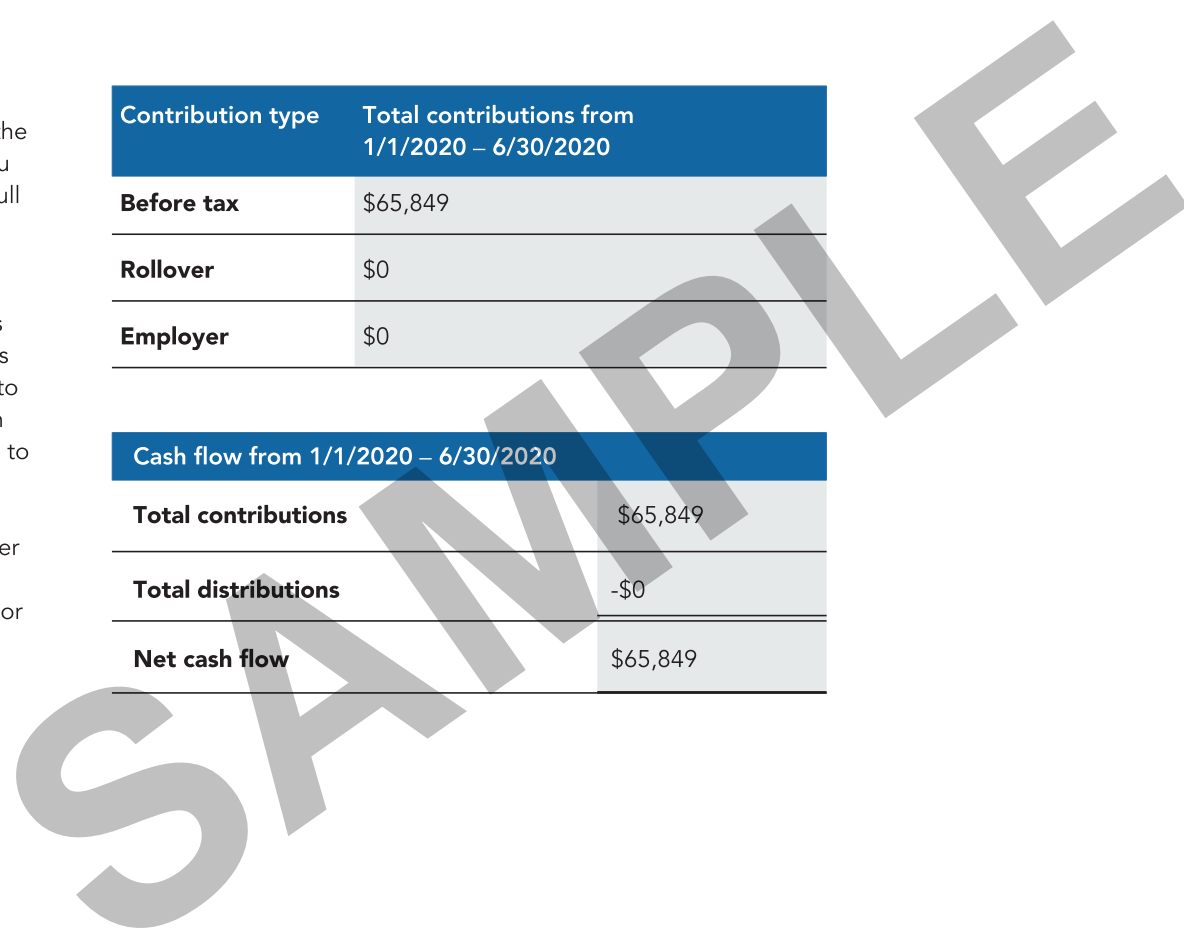
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Total contributions: \$65,849

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 from 1/1/2020 – 6/30/2020
Before tax		\$65,849
Rollover		\$0
Employer		\$0

Cash flow from 1/1/2020 – 6/30/2020	
Total contributions	\$65,849
Total distributions	-\$0
Net cash flow	\$65,849



Participants with a loan: 1

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, more new loans issued than loans paid off, and high default rates 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 6/30/2020	
Number of loans outstanding	1
Total plan outstanding loan balance	\$28,715
Average outstanding loan balance	\$28,715
Loan activity for reporting period 1/1/2020 – 6/30/2020	
New loans issued	1
Loans paid off	0
Number of defaulted loans	0
Total defaulted loan amount	\$0

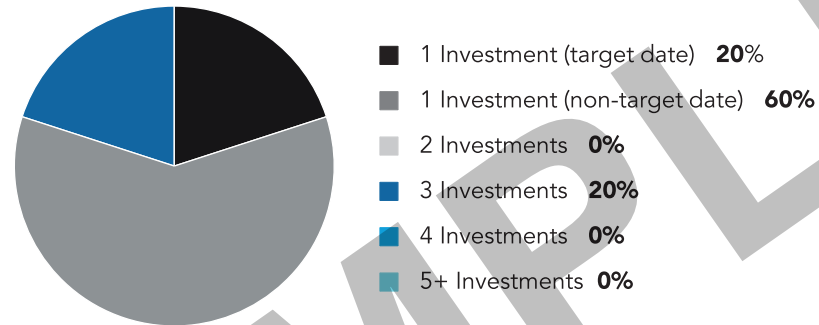
Age group	Participant count
≤ 29	0
30-39	0
40-49	1
50-59	0
≥ 60	0

Age group	Total balance
≤ 29	\$0
30-39	\$0
40-49	\$28,715
50-59	\$0
≥ 60	\$0

Participant investments

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 (%)

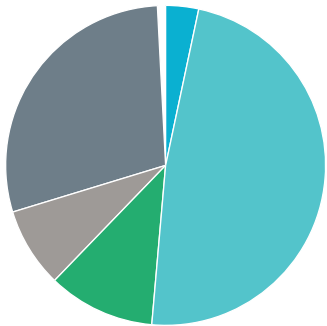


Average number of investments per participant	1
Number of participants invested in a target date investment	5

Asset allocation (by asset class)

Plan overview

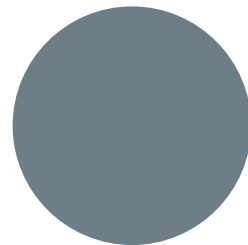
15 participants



- Growth 0%
- Growth-and-income 0%
- Equity-income 3%
- Balanced 48%
- Bond 11%
- Cash-equivalent 8%
- Target date 29%

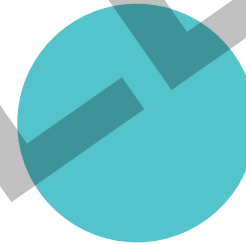
By age group

≤ 29: 1 participants



- Growth 0%
- Growth-and-income 0%
- Equity-income 0%
- Balanced 0%
- Bond 0%
- Cash-equivalent 0%
- Target date 100%

50-59: 1 participants



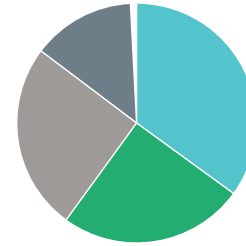
- Growth 0%
- Growth-and-income 0%
- Equity-income 0%
- Balanced 100%
- Bond 0%
- Cash-equivalent 0%
- Target date 0%

30-39: 5 participants



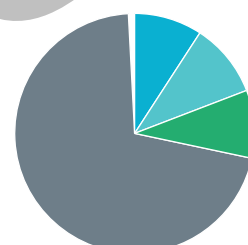
- Growth 0%
- Growth-and-income 0%
- Equity-income 0%
- Balanced 100%
- Bond 0%
- Cash-equivalent 0%
- Target date 0%

≥ 60: 2 participants



- Growth 0%
- Growth-and-income 0%
- Equity-income 0%
- Balanced 35%
- Bond 25%
- Cash-equivalent 25%
- Target date 14%

40-49: 6 participants



- Growth 0%
- Growth-and-income 0%
- Equity-income 9%
- Balanced 10%
- Bond 9%
- Cash-equivalent 0%
- Target date 71%

Asset allocation (by investment)

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.

	Total participant plan assets	% of participant assets	Number of participants in investment	Average balance for participants in investment
THE INCOME FUND OF AMERICA-R3	\$48,530	3%	2	\$24,265
AMERICAN BALANCED FUND-R3	\$714,636	48%	10	\$71,464
THE BOND FUND OF AMERICA-R3	\$46,336	3%	2	\$23,168
U.S. GOVERNMENT SECURITIES FUND-R3	\$120,327	8%	1	\$120,327
AF U.S. GOVERNMENT MONEY MARKET-R3	\$120,000	8%	1	\$120,000
AMERICAN FUNDS 2015 TARGET DATE-R3	\$67,575	5%	1	\$67,575
AMERICAN FUNDS 2020 TARGET DATE-R3	\$75,052	5%	1	\$75,052
AMERICAN FUNDS 2035 TARGET DATE-R3	\$271,285	18%	1	\$271,285
AMERICAN FUNDS 2045 TARGET DATE-R3	\$19,184	1%	1	\$19,184
AMERICAN FUNDS 2060 TARGET DATE-R3	\$2,166	0%	1	\$2,166

Glossary



Term	Definition
Active participants	Participants with an active status in the recordkeeping system and an account balance at the end of the reporting period.
Asset allocation	<p><i>Plan overview</i> Percent of participant assets in the given asset class at the end of the reporting period.</p> <p><i>By age group</i> In the given age group, percent of participant assets in the given asset class at the end of the reporting period.</p>
Average account balance	The sum of participant account balances divided by the number of participants with an account balance, rounded to the nearest dollar, at the end of the reporting period. Loan balances are not included.
Average number of investments per participant	The aggregate number of all investments held by all participants, divided by the number of participants with an account balance at the end of the reporting period.
Average participant contribution	The total amount of elective deferrals divided by the number of active participants during the reporting period.
Contribution total	Amounts deposited for all contribution types, including elective deferrals, employer contributions, and rollovers during the reporting period(s). Conversion assets and loan payments are not included.
Distribution total	Sum of all participant withdrawals for every disbursement type during the reporting period(s). This includes any amounts for deemed (tax-reportable) loans as well as amounts forfeited.

Term	Definition
Defaulted loan amount	The sum of all loans not repaid within the maximum cure period set forth by IRS guidelines or defaulted per instruction from the plan administrator.
Investment options with a balance	Investment options that have balances greater than \$0.00 at the end of the reporting period. Loan balances are not included.
Loan balance	The sum of all participant loans at the end of the reporting period. Loans that have been offset or deemed as a distribution are not included.
Loans paid off	The number of loans for which the loan balance was reduced to \$0.00 and the last payment date occurred during the reporting period. Loans that did not receive any payments during the period or that have been deemed as a distribution are not included.
Net cash flow	The plan's total contributions less total distributions. Loan balances, dividends and capital gains are not included in this calculation.
New loans issued	The number of all loans issued within the reporting period.
Number of investments held by participants	The percentage of participants who hold a given number of investments in their account. Each grouping is mutually exclusive, meaning a participant can only be included in one group. The calculation is done by taking the total number of participants with a given number of investments in their account, divided by the total participants in the plan with an account balance.
Number of loans outstanding	The number of loans with a balance more than \$0.00 at the end of the reporting period. Loans that have been offset and deemed as a distribution are not included.

Term	Definition
Participant	Employees or other beneficiaries with an account balance and an active, alternate payee, beneficiary, deceased, disabled, eligible, inactive, non-eligible, retired, suspended, or terminated status within our recordkeeping system.
Participants contributing	The number of active participants who made at least one elective deferral contribution during the reporting period.
Participants with an account balance	Participants with a balance more than \$0.00 at the end of the reporting period.
Plan asset balance	A rollup of all contributions, transfers in/out, dividends, changes in value, fees and withdrawals for both participant and plan-level accounts at the end of the reporting period. Loan balances are not included.
Terminated participants	Participants with a terminated or retired status in the recordkeeping system and an account balance of more than \$0.00 at the end of the reporting period.



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SAMPLE

The plan information provided in this report is only as accurate as the data that has been provided to Capital Group, home of American Funds. Figures are rounded; please allow for rounding variance.

This information was prepared by DST Retirement Solutions (DST RS) and is intended for distribution to retirement plans.

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