

Fees Disclosure

Typically, there are two basic types of fees associated with deferred compensation plans: recordkeeping/administrative fees and investment management fees.¹ Your State of Vermont 457 Deferred Compensation Plan is no exception. The following descriptions are provided to help you better understand the fees associated with your 457 Plan and why they are charged.

Participant Administrative Fee

On behalf of the State of Vermont, Great-West Retirement Services® deducts 0.12% of your account balance annually and sends these dollars to the State of Vermont to operate the Plan. This means that for every \$1,000 you have in your account, you will pay \$1.20 per year. You will see this fee on your statements charged at a rate of 0.03% per quarter.

Plan Administrative/ Recordkeeping Fee

Great-West Retirement Services charges the State of Vermont a fixed dollar amount on a per-participant basis for services provided. These services include the maintenance of your account records, providing education and communication materials, the availability of local retirement representatives dedicated to the State of Vermont 457 Plan, and account management tools accessible through KeyTalk® and the custom website.² This fixed dollar amount is reduced as the number of participants increases in the Plan.

Revenues collected by Great-West Retirement Services on behalf of the State of Vermont from the following investment companies reduce this per-participant fee:

T. Rowe Price, First Pacific Advisors, Inc., Calvert, Dodge & Cox, American Funds, Lazard and Pax.

These revenues include 12b-1 fees, sub-TA fees and other reallowances.

Fund Operating Expenses

Each investment option available to you in the Plan has its own fund operating expense. The fund operating expenses typically have two components: the "operating expense" and the "distribution fee."

The operating expense pays for the fund managers, researchers and analysts who manage the assets and conduct the trades of the underlying securities for the fund. The distribution fee pays for the cost of distributing the funds and is sometimes referred to as a "12b-1 fee." The fund company can also use this fee to pay other parties who bear the cost of distribution.

Information regarding fund operating expenses can be found in the mutual fund's prospectus, the *Investment Options at a Glance* and the *Fund Overview Sheets*. All of these documents can be obtained from the website at www.vermont457.com.²

Please contact your local registered representative if you have additional questions by calling KeyTalk® at (800) 457-1028.²

¹ Each fund has its own fund operating expenses that vary depending on the investment options you select.

² Access to KeyTalk and the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the website or KeyTalk received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

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