FIRE & POLICE PENSION ASSOCIATION OF COLORADO

FPPA

Fee Announcement for 2022
for the following Self-Directed Plans

- 457 Deferred Compensation Plan
- Statewide Hybrid Plan - Money Purchase Component
- Separate Retirement Account (SRA)
- Deferred Retirement Option Plan (DROP)
- Statewide Money Purchase Plan

Offering a cost-effective and competitive plan to the FPPA Members who are participants in the self-directed plans is very important to FPPA.

The FPPA Self-Directed Plans Committee evaluates the costs associated with providing the self-directed plan offerings for our members for the past year and sets the fees as illustrated below.

2022 Administrative Fees for these Self-Directed Plans	Annual Fee Deduction in April	Total Asset Based Fee for 2022	Quarterly % Deduction in March, June, Sept, and Dec
FPPA 457 Deferred Compensation Plan	$10	0.108%	0.027%
Statewide Hybrid Plan - Money Purchase Component	$10	0.108%	0.027%
Separate Retirement Account (SRA)	$10	0.068%	0.017%
Deferred Retirement Option Plan (DROP)	$10	0.116%	0.029%
Statewide Money Purchase Plan	$0*	0.000%*	0.000%*

** A fee holiday is in place for this plan in 2022, therefore no administrative fee will be deducted from your account in 2022. This is due to the plan having sufficient forfeitures to cover the expected annual administrative costs. The administrative cost for each plan is reviewed annually and the administrative fee is adjusted as necessary.*

If you have any questions regarding this notice, you may contact FPPA at (303)770-3772 in the Denver metro area or (800)332-3772 toll free nationwide; or by e-mail at generalbenefits@fppaco.org.

Fee Structure

The fee charged will vary year to year based on the costs associated with administering each plan. For 2022, the FPPA Self-Directed Plans Committee approved an annual administrative flat fee of $10 which will be deducted from each member's account with a balance in April 2022. The total flat fee collected is factored into the analysis that was done during the first quarter to determine the Plan's quarterly asset based percentage fee. In other words, when reviewing the cost to administer the plan and determining the asset based fee needed to cover the costs, the amount collected from the annual flat dollar fee was incorporated into the calculation.

Questions & Answers about the fee structure.

Q1 What factors make up the cost of administering the plan?

In order to offer a high quality, and competitive retirement plan there are three primary areas where fees or expenses are charged.

1. Record-keeping services that are provided by Fidelity (currently 0.090%).
2. FPPA administration services, plan oversight and member education (currently 0.044%).
3. Expenses charged by the underlying mutual funds offered within the plan (vary by fund). These expenses are known as Expense Ratios. To see the most recent Expense Ratios refer to the latest Quarterly Performance Update which can be found here: **https://www.fppaco.org/PDF/fidelty/Fidelity-Quarterly-Report.pdf**

Q2 What is the goal of the fee structure?

The goals of this structure is to minimize investment management fees at the individual fund level by offering institutional priced funds with little or no revenue sharing while equitably assessing plan costs at the individual participant level. We are also working to reduce administrative costs.

Q3 Why is there a flat dollar fee as well as a quarterly asset based fee?

Collecting a flat dollar fee provides for administrative efficiency thus reducing FPPA's overall administrative cost on the de minimis accounts that need to be record kept.

Q4 What will I see on my statement?

The administrative fee is assessed in two parts; the flat dollar portion is collected annually. The asset based fee is deducted from each participant account, pro-rated on a quarterly basis. Both are denoted as fees on your statement. Some participants may not see any fee initially as their plan may be using monies from employee forfeitures to offset the costs for recordkeeping and administration.

Q5 Will the fee vary from year to year?

Yes. The fee charged will vary year to year based on the costs associated with administering each plan.

Q6 What happens to monies generated from revenue sharing?

All monies generated from revenue sharing are credited back to the participants on a quarterly basis.

FPPA is focused on providing a high quality and transparent retirement plan platform for its members. These processes will help ensure that the fees charged are equitable and transparent.

Defined Contribution (DC) Plan
Under this type of plan, the member would not be promised a set benefit or pension at retirement. Rather, an individual investment account would be established in the member's name, and their final benefits would depend on how much is contributed and the rate of return earned by the account's investments. Members typically direct the investment of the account. (The Statewide Money Purchase Plan and the 457 Plan are examples of DC plans.)

Equity Wash Provision
This provision is commonly found in stable value products which stipulates that any transfers made from the stable value fund must be first directed to a "non-competing" fund (typically an equity fund) in the plan for a stated period of time (typically 90 days). After the time period has lapsed, the transferred funds may then be directed to the "competing" fund (such as a money market fund or brokerage window). This provision is intended to reduce interest rate arbitrage by plan participants, thus permitting stable value contract issuers to underwrite the plan without the excessive risk exposure.

Fire and Police Members' Self-directed Investments Fund
This fund consists of the assets in the member's self-directed accounts. These accounts include: DROP, Money Purchase, SRA, and the 457 Plan. FPPA's Self-Directed Plans Committee monitors and determines the fund lineup.

Prospectus Gross Expense Ratio – Maximum allowed by the Prospectus
The percentage of fund assets used to pay for operating expenses and management fees, including sales charges or 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's net asset value (NAV). It should be noted that the funds offered within the FPPA Plans do NOT have sales charges and, therefore, are not reflected in the expense ratios.

Prospectus Net Expense Ratio – Actual Amount Investors Pay
The percentage of fund assets, net of reimbursements or waivers, used to pay for operating expenses and management fees, including sales charges or 12b-1 fees, administrative fees, and all other asset-based costs incurred by the fund, except brokerage costs. Fund expenses are reflected in the fund's net asset value (NAV). It should be noted that the funds offered within the FPPA Plans do NOT have sales charges and, therefore, are not reflected in the expense ratios.

An example of the Net vs Gross Expense Ratio - XYZ Equity Fund has a stated gross expense ratio in the prospectus of 1.20% but the Fund's management has elected to waive 0.20% of their fees. Therefore, the Fund has a net expense ratio of 1.00%, which is what is deducted from the Fund Net Asset Value (NAV).

Revenue Sharing
An amount of the Net Expense Ratio that is given back to plan service providers. The revenue sharing is credited back to the participants in the funds on a quarterly basis. It is important to note that this is not an additional fee imposed by the fund, but is a component of the Net Expense Ratio.

For example if ABC Small Cap Growth Institutional Fund had an annual net expense of 1.10% and the fund offers revenue sharing of 0.10%, this simply means that the fund is getting 1.10% minus 0.10% or 1.0%. The record keeper would receive the 0.10% which they will credit to the participants in that fund on a quarterly basis.

About This Glossary of Terms
Terms defined in this glossary are defined for quick reference and convenience. Definitions or benefits described in this glossary do not supersede the meaning of terms of the benefits as they are used and defined in plan documents or in other documents.

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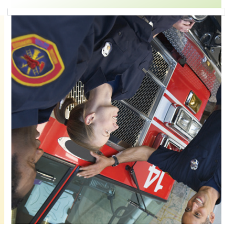

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