



# Important Information Regarding Retirement Plan Fees and New Services

This affects the following retirement plans:

## 403(b), 401(a) and 401(k) Plans

- Providence Health & Services 401(a) Service Plan
- Providence Health & Services 403(b) Value Plan
- Multiple Employer 401(k) Plan for Swedish Health Services, Swedish Edmonds, Providence St. Joseph Health, Kadlec, PacMed and PSMG
- Swedish Health Services 403(b) Plan
- Whitman 403(b) Plan



## At a glance.

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The retirement programs administered by Providence Health & Services and its affiliates enable you to save for retirement and invest that money in a range of high-quality funds. There are fees and expenses associated with retirement plans. The plans' investment fiduciaries routinely review the fees and have decided to implement three processes and services. **These three items take effect on April 1, 2018.**

**1**

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**First, plan administrative expenses will be charged as a flat fee** rather than being paid from "offsets" that are attributed to some of the investment funds. This way, all caregivers in a plan pay the same fee.

**2**

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**The share class will transition for several of the plans' funds.** If you invest in these funds, your plan account will receive a revenue credit, resulting in a lower net cost to invest through the plan.

**3**

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**Finally, you can take advantage of a new service, Fidelity® Portfolio Advisory Service at Work.** This optional investment management service lets you hand over the day-to-day investment decisions to the professionals at Fidelity for a fee.

# Here's what's happening.

## 1

### Moving to a flat fee for plan expenses.

**First, a few basics.** All retirement plans incur administrative costs for recordkeeping, communications, reporting and compliance, and other activities associated with the day-to-day operations of the plan. Throughout this brochure, these costs are referred to as “plan expenses.”

At the same time, all investment funds charge a fee for investment management and other activities associated with the day-to-day operations of the fund. This fund fee is a percentage of the fund's assets and is called the fund's “expense ratio.” The fund's fee — its expense ratio — varies by investment fund.

**Retirement plan expenses are usually paid for in one of two ways.**

- 1. One method is to pay for plan expenses using “offsets,” or credits, that are attributed to investments in the plan's funds.** This practice is often referred to as “revenue sharing.”
- 2. A second method is for all participants to pay the same flat fee for plan expenses.** This means that plan expenses are not paid with offsets. Instead, the plan may credit its offsets back to participant accounts as a “revenue credit.” The amount of the revenue credit is based on the individual's investments.



#### HERE'S HOW PLAN EXPENSES ARE PAID NOW.

Currently, plan expenses are paid using the revenue sharing method.

- That means offsets from your plan's investment funds are used to pay some of the plan expenses.
- Since everyone invests differently — and not all of the plan's funds offer an offset — caregivers may be viewed as paying different amounts.



#### HERE'S HOW PLAN EXPENSES WILL BE PAID STARTING APRIL 1.

You'll pay a flat fee for plan expenses and, if you invest in a fund that provides an offset to your plan, you will receive a revenue credit. All caregivers who participate in the plans will pay the same flat fee. **Here's how it will work.**

- For the 403(b), 401(a) and 401(k) plans, you will pay one flat fee of \$11.12 per quarter (\$44.48 per year) for plan expenses, even if you have assets in more than one of the plans.
- The flat fee will be deducted from your account quarterly and shown on your statement, so it doesn't affect your take-home pay.

## 2

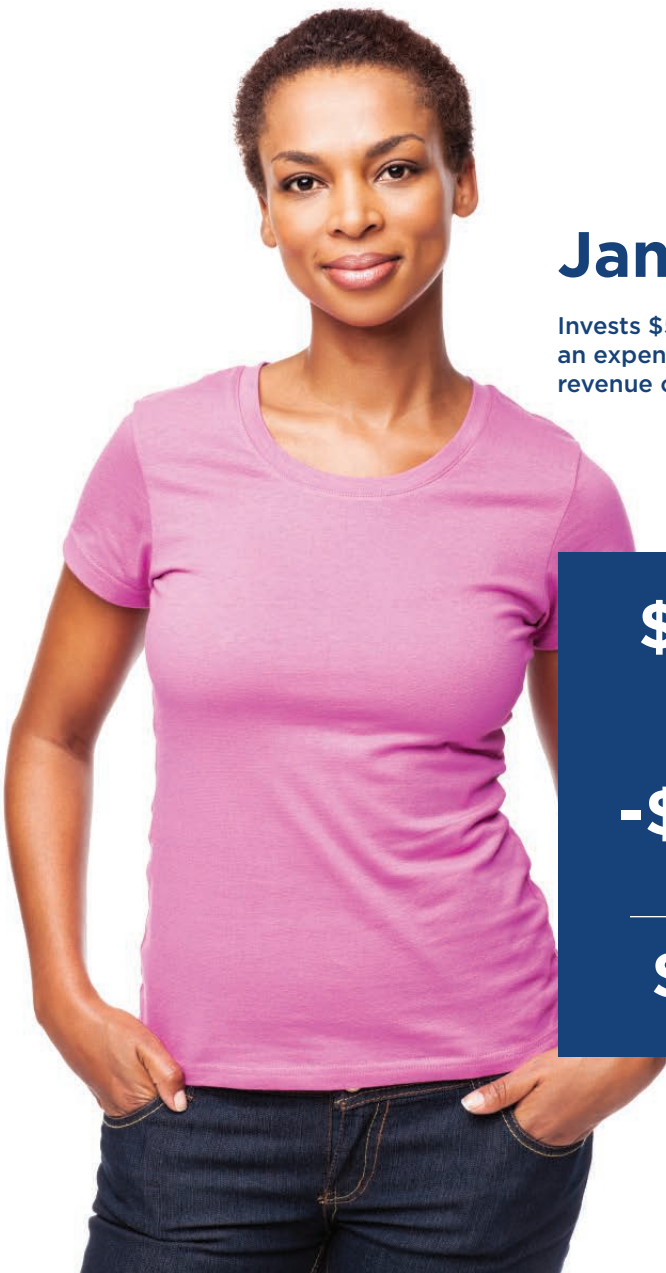
## Replacing the share class of some of your plan's funds.

Effective April 1, 2018, some of your plan's funds are transitioning to a different share class. The new share classes provide an offset arrangement to the plans. If you invest in one of these funds, you will receive a revenue credit to your plan account. The revenue credit will be shown on your account statement and will be reinvested in the same fund that generated the credit.



### GOAL: LOWER OVERALL INVESTMENT COST FOR THE CAREGIVER.

The plans' investment fiduciaries have always focused on keeping your fees low. As you can see from the table on page 3, the new share class has a higher expense ratio — but, if you invest in one of these funds, you will receive a revenue credit in your account. This revenue credit is designed to reduce your net cost to invest through the plan.



## Jan

Invests \$5,000 in a fund with an expense ratio of .50% and a revenue credit of .20%

### \$25

As a shareholder in the fund, Jan pays \$25 during the year to invest in that fund through the plan ( $.005 \times \$5,000$ ). She doesn't pay this fee directly. Instead, the fee is deducted from the fund's assets before its return is calculated.

### -\$10

Jan receives a \$10 revenue credit to her plan account ( $.002 \times \$5,000$ ). Her revenue credit is reinvested in the fund.

### \$15

Between the fund's expense ratio and its revenue credit, Jan's net cost to invest is \$15.



## HERE'S HOW THE FUNDS WILL TRANSFER TO THEIR NEW SHARE CLASSES.

If you are invested in any of the funds that are moving to a new share class, expect your account statement to show an exchange according to the following table. The transfer will take place after 1:00 p.m., PT on March 31, 2018.

You don't need to do anything. If you prefer, you can transfer your investments to a different fund. Remember, you are responsible for selecting your investment funds **and may make changes at any time.** If you don't want to transfer to the share classes shown below, you must **request any changes before 1:00 p.m. PT on March 31, 2018.**



*The estimated net cost to invest reflects both the fund's current fee — its expense ratio — and the fund's revenue credit. You don't pay the fund's fee directly. Instead, it is deducted from the fund's total assets before the return is calculated. You do receive a fund's revenue credit directly — it's credited to your plan account and reinvested in the fund.*

If you have money in this fund... 	It will transfer to this fund, unless you make a change.	Current expense ratio	New expense ratio	New revenue credit	New estimated net cost to invest
AllianzGI NFJ Small-Cap ValueFund Class R6	AllianzGI NFJ Small-Cap ValueFund Class A	.84%	1.24%	.50%	.74%
American Funds EuroPacific Growth Fund® Class R-6	American Funds EuroPacific Growth Fund® Class R-5	.50%	.54%	.50%	.04%
Dreyfus/The Boston Company Small/Mid Cap Growth Fund Class Y	Dreyfus/The Boston Company Small/Mid Cap Growth Fund Class I	.68%	.79%	.35%	.44%
Fidelity® Contrafund® - Class K	Fidelity® Contrafund®	.58%	.68%	.35%	.33%
Fidelity® Growth Company Fund - Class K	Fidelity® Growth Company Fund	.66%	.77%	.35%	.42%
Fidelity Freedom® Income Fund - Class K	Fidelity Freedom® Income Fund	.42%	.47%	.35%	.35%
Fidelity Freedom® 2005 Fund - Class K	Fidelity Freedom® 2005 Fund	.44%	.49%	.35%	.12%
Fidelity Freedom® 2010 Fund - Class K	Fidelity Freedom® 2010 Fund	.47%	.53%	.35%	.14%
Fidelity Freedom® 2015 Fund - Class K	Fidelity Freedom® 2015 Fund	.50%	.58%	.35%	.18%
Fidelity Freedom® 2020 Fund - Class K	Fidelity Freedom® 2020 Fund	.54%	.62%	.35%	.23%
Fidelity Freedom® 2025 Fund - Class K	Fidelity Freedom® 2025 Fund	.57%	.66%	.35%	.27%
Fidelity Freedom® 2030 Fund - Class K	Fidelity Freedom® 2030 Fund	.61%	.70%	.35%	.31%
Fidelity Freedom® 2035 Fund - Class K	Fidelity Freedom® 2035 Fund	.64%	.75%	.35%	.35%
Fidelity Freedom® 2040 Fund - Class K	Fidelity Freedom® 2040 Fund	.64%	.75%	.35%	.40%
Fidelity Freedom® 2045 Fund - Class K	Fidelity Freedom® 2045 Fund	.64%	.75%	.35%	.40%
Fidelity Freedom® 2050 Fund - Class K	Fidelity Freedom® 2050 Fund	.64%	.75%	.35%	.40%
Fidelity Freedom® 2055 Fund - Class K	Fidelity Freedom® 2055 Fund	.64%	.75%	.35%	.40%
Fidelity Freedom® 2060 Fund - Class K	Fidelity Freedom® 2060 Fund	.64%	.75%	.35%	.40%
Invesco Diversified Dividend Fund Class R6	Invesco Diversified Dividend Fund Class R5	.44%	.54%	.35%	.19%
PIMCO Total Return Fund Institutional Class	PIMCO Total Return Fund Class A	.51%	.85%	.375%	.48%
<b>Average expense ratio and average estimated net cost to invest</b>		<b>.58%</b>			<b>.32%</b>

**Note:** Average expense ratio and estimated average net cost to invest are for illustrative purposes only; your costs and expenses are based on your actual investments in the plan. Estimated net cost to invest and estimated average net cost to invest do not include the new flat account fee. Expense ratios shown are based on the fund's most recent fiscal year end.

# 3

## Introducing Fidelity® Portfolio Advisory Service *at Work*.

Beginning April 2, 2018, you'll have the choice to access professional investment management for your plan account. Through Portfolio Advisory Service *at Work*, you have the option to delegate the day-to-day management of your workplace savings plan account to professional investment managers — no more researching and choosing investments or rebalancing your account.



### HERE'S HOW IT WORKS.

Based on your age, expected retirement date, savings amount, risk tolerance, and financial situation, the investment professionals at Fidelity choose an investment strategy for your account using the plan's investment options. They will then revisit your portfolio several times a year to address changes in the market, the plan's investment lineup, or your personal or financial situation.

**Note:** *If you have assets in more than one plan and want to use Portfolio Advisory Service at Work for multiple plans, you'll need to enroll separately for each plan.*



### YOU PAY A FEE FOR THIS SERVICE.

If you choose to enroll in Portfolio Advisory Service *at Work*, you pay a target net advisory fee of 0.36% of your average daily balance for the service<sup>1</sup>. For example, if your average daily account balance for the year is \$10,000, you pay a target net advisory fee of \$36 for the year. The advisory fee is deducted from your account so it doesn't affect your take-home pay. And you can opt out of the service at any time with no cancellation fee.

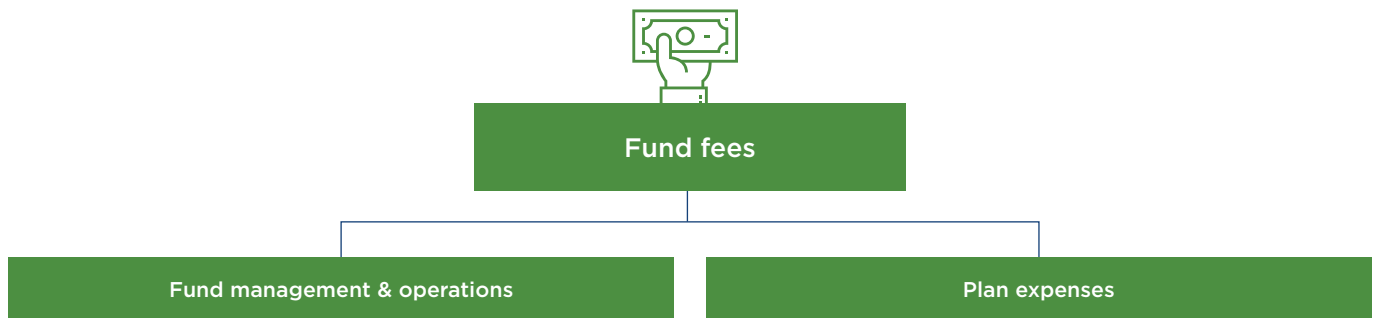
**Note:** *If you use Portfolio Advisory Service at Work for more than one plan, you'll pay the fee for each plan that's enrolled.*

<sup>1</sup>The advisory fee may vary each period depending on the investments made on your behalf. Given the investment options available in your plan, we anticipate that the net advisory fee will fall between 0.51% and 0.21%. Please see the terms and conditions of the service for additional information. The advisory fee for your account does not include underlying fund expenses charged at the individual fund level for any funds in your account. These are the standard expenses that all mutual fund shareholders pay. For more information on advisory fees, including a detailed fee schedule, please call Fidelity at 866-811-6041. Shareholders may be subject to certain short-term trading fees. Please consult the prospectus for more information.

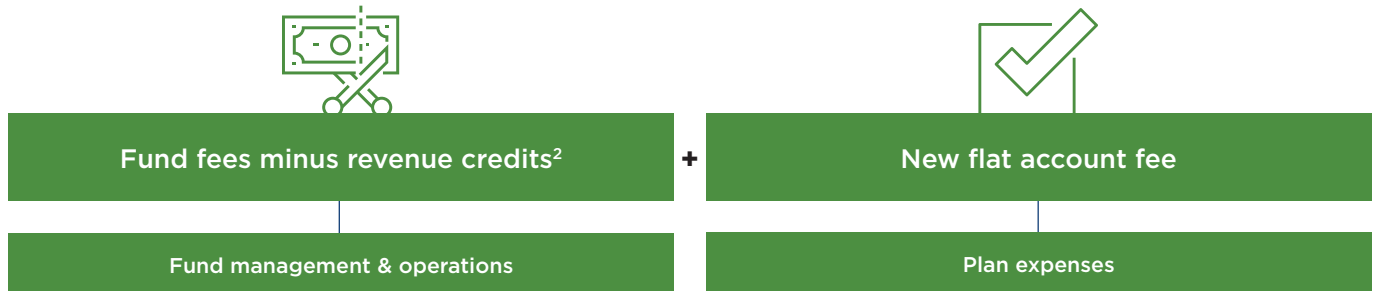
# Putting it all together.

Currently, plan expenses are paid using offsets provided by some funds. Going forward, fund fees and plan expenses will be assessed separately.

**Currently, your overall cost =**



**Starting April 1, your overall cost<sup>1</sup> =**



## WANT MORE DETAILS?

### Flat Fee and Share Class Transition

Call 800-343-0860

Visit [flatfeeFAQs.com](http://flatfeeFAQs.com)

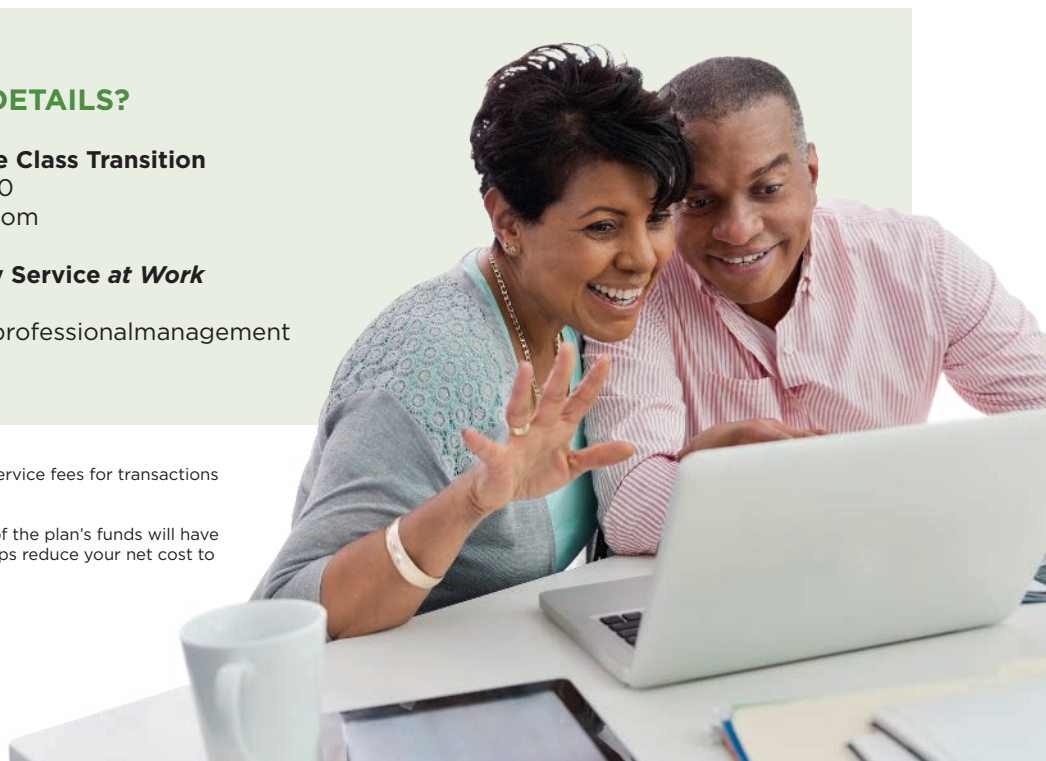
### Portfolio Advisory Service at Work

Call 866-811-6041

Visit [fidelity.com/professionalmanagement](http://fidelity.com/professionalmanagement)

<sup>1</sup> Overall costs shown here do not include individual service fees for transactions such as loans or Portfolio Advisory Service at Work.

<sup>2</sup> Remember, after the share classes transition, some of the plan's funds will have higher fees but will provide a revenue credit that helps reduce your net cost to invest through the plan.



# How investment fees can affect your account.

Over time, lower fees can make a difference to your retirement savings. So when you're choosing your investments, look carefully at the description of fees and expenses, because they can have an impact on how your retirement savings may grow. Remember to balance the fees you pay with the service, support, and performance you receive in return.

## SAM

Pays a \$44.48 annual flat fee and invests in funds with average fees of **0.50%**



**\$559,017**

## MARIA

Pays a \$44.48 annual flat fee and invests in funds with average fees of **0.30%**



**\$584,908**

## AGE 35

**\$50,000** account balance  
**\$350** monthly contribution  
**6%** average annual investment return

← That's **\$25,891** more.

## POTENTIAL ACCOUNT BALANCE AT AGE 65

This hypothetical example is based on monthly contributions of \$350 pre-tax to a retirement savings plan, made steadily for 30 years and invested at a hypothetical 6% annual rate of return, compounded monthly. Sam and Maria also pay an annual flat fee of \$44.48. The return is applied net of fees. No loans or withdrawals are taken. The ending values do not reflect taxes or inflation. If they did, amounts would be lower. Earnings and pre-tax contributions are subject to taxes when withdrawn. Distributions before age 59½ may also be subject to a 10% penalty. Contribution amounts are subject to IRS and plan limits. Systematic investing does not ensure a profit or guarantee against a loss in a declining market. This example is for illustrative purposes only and does not represent the performance or fees of any individual security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 6% annual rate of return also come with risk of loss.



# What you'll see on your account statement.

## Your Account Activity

Use this section as a summary of transactions that occurred in your account during the statement period.

Activity	Employee Voluntary	Employer Match
<b>Beginning Balance</b>	<b>\$XX,XXX.XX</b>	<b>\$XX,XXX.XX</b>
Employee Contributions	X,XXX.XX	X,XXX.XX
Withdrawals	-X,XXX.XX	-X,XXX.XX
Administrative Fees	-X.XX	-X.XX
Overnight Mailing Fee	-XX.XX	-XX.XX
Revenue Credit	XX.XX	XX.XX
Change in Market Value	XXX.XX	XXX.XX
<b>Ending Balance</b>	<b>\$XX,XXX.XX</b>	<b>\$XX,XXX.XX</b>

## Your Account Summary

### Beginning Balance

Employee Contributions  
Withdrawals  
Fees/Credits

Fidelity® Portfolio Advisory at Work Fees  
Change in Market Value

### Ending Balance

For illustration only



**HERE'S WHERE TO FIND YOUR FLAT FEE AND REVENUE CREDIT.**

You'll be able to see the flat fee charged to your account beginning with your third quarter 2018 account statement, available in October 2018. Look for the *Administrative Fees* line under *Your Account Activity*. If you invest in a fund that provides a revenue credit, you'll be able to see your credit in the same section. Look for the *Revenue Credit* line.



**HERE'S WHERE TO FIND YOUR FUND'S EXPENSE RATIO.**

Each fund's expense ratio is reported on your account statement in the *Investment Performance* section.

You can also find expense ratios and other important fund information in the *Investment Performance and Research* section of **netbenefits.com**.



**HERE'S WHERE TO FIND THE PORTFOLIO ADVISORY SERVICES AT WORK FEE.**

If you enroll in Portfolio Advisory Service *at Work*, you'll be able to see the fee under the *Your Account Summary* section. Look for the *Fidelity® Portfolio Advisory Service at Work Fees* line.

LIFECYCLE FUNDS										
	Inception Date	Annual Total Return %			Average Annual Total Return % as of 00/00/00					Gross Exp Ratio
		2015	2014	2013	1 Year	3 Year	5 Year	10 Year	Life	
ements										
come	07/02/2009	-X.XX	X.XX	X.XX	-X.XX	X.XX	X.XX	N/A	X.XX	X.XX
05	07/02/2009	-X.XX	X.XX	X.XX	-X.XX	X.XX	X.XX	N/A	X.XX	X.XX
10	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	X.XX	N/A	X.XX	X.XX
15	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	X.XX	N/A	X.XX	X.XX
20	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	X.XX	N/A	X.XX	X.XX
25	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	X.XX	N/A	X.XX	X.XX
30	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	X.XX	N/A	XX.XX	X.XX
35	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	X.XX	N/A	XX.XX	X.XX
40	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	X.XX	N/A	XX.XX	X.XX
45	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	XX.XX	N/A	XX.XX	X.XX
50	07/02/2009	-X.XX	X.XX	XX.XX	-X.XX	X.XX	XX.XX	N/A	XX.XX	X.XX
55	06/01/2011	-X.XX	X.XX	XX.XX	-X.XX	X.XX	XX.XX	N/A	X.XX	X.XX
60	08/05/2014	-X.XX	N/A	N/A	-X.XX	N/A	N/A	N/A	X.XX	X.XX

For illustration only

## GLOSSARY OF TERMS USED IN THIS BROCHURE

### Flat fee

This is the flat fee that will be charged to caregiver accounts beginning April 1, 2018. The fee covers the plan expenses and will be listed on caregiver account statements under *Administrative Fees* in the *Account Summary* section. A portion of the fee — \$32.48 — will cover Fidelity recordkeeping services, while the rest will cover other plan expenses.

### Fund fee (expense ratio)

This is the fee a fund charges for investment management, accounting, custody, compliance, shareholder communications, and other activities associated with the day-to-day operation of the fund. A fund's fee is charged as a percentage of the fund's assets and is called the fund's "expense ratio." You don't pay fund fees directly. Instead, the fund's fee is deducted from the fund's assets, reducing the fund's return. Fund fees can vary widely and may change over time, depending in part on the type of fund, its management, and the risks and complexities of the fund's strategy. In some cases, an offset arrangement may exist with the plan for a specific fund, which may reduce the overall cost to invest through the plan.

### Investment management fee

This is the fee a fund pays to its investment manager for buying and selling securities, including transaction costs for trading of the fund's assets.

### Plan expenses

These are the costs incurred by your plan for recordkeeping, administration, tax reporting, compliance, communications, and other activities associated with the plan's day-to-day operations.

### Recordkeeping services

These are the recordkeeping, phone support, accounting, and other services Fidelity provides for your plan.

### Offset arrangement

This refers to an arrangement that may exist with a plan or plan service provider. Under the arrangement, an offset, or credit, will be provided to the plan. In some cases, these offsets are used to help pay plan expenses. Effective April 1, 2018, if you invest in a fund where this kind of arrangement is in place, the plan will use these offsets to provide a revenue credit.

### Revenue credit

In some cases, an offset arrangement may exist with the plan for a specific fund. If you invest in a fund where this kind of arrangement is in place, this is the credit you will receive. The amount you receive is based on the amount you have invested in the fund. For example, if you invest \$5,000 in a fund that provides a revenue credit of .20%, you will receive a \$10 credit in your account (.002 x \$5,000). That credit will be reinvested in the fund and will be shown on your account statement. The revenue credit is discretionary. The plan may change or terminate the credit or its amount at any time, which would affect the estimated net investment costs shown in this brochure.

### Share class

A mutual fund may offer more than one "class" of its shares to investors. Each share represents a proportionate amount of ownership in the mutual fund's portfolio. Each share class may have a different expense ratio, which is directly tied to how the fund is purchased by the investor. Some share classes are only available to large institutional investors.



## WANT HELP?



### ONE-ON-ONE SUPPORT

Get one-on-one help with your questions from a Fidelity Representative.

**800-343-0860**



### FAQs

See answers to frequently asked questions.

**flatfeeFAQs.com**



### ONLINE TOOLS & VIDEOS

Find planning tools, videos and more at Fidelity's Planning & Guidance Center.

**netbenefits.com**

**Before investing in any mutual fund, consider the investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.**

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

The mutual fund expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percentage of the fund's total net assets. For a mutual fund, the expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percentage of the fund's total net assets. Expense ratios change periodically and are drawn from the fund's prospectus. For more detailed fee information, see the fund prospectus or annual or semiannual reports. The expense ratios shown in this brochure are as of January 11, 2018.

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