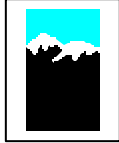




INVESTMENT CONSULTING GROUP, INC.

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ICG TIMELY TOPICS



FROM THE TOP

EXPERIENCE IS THE BEST TEACHER

Education can help an investor avoid 'bad' experiences. Many "experts" are claiming investors should invest into index funds as "the answer" to all woes. My observation about solid investment advice is that there is no one answer. Diversification into multiple asset classes and using active and passive (index) investment management is the foundation to long term investment success.

Donald R. Stanforth, President
Certified Investment Management Analyst

July 24, 2000; Pensions & Investments; "Who Wants to be a 401(k) Millionaire?" (pp. 3, 50)

Qualex Inc. used the theme from a popular game show to boost participation when the company revamped the 401(k) retirement plan. Since the campaign Qualex has noted that 7.5% of eligible employees, not previously enrolled, have signed up for the retirement plan.

August 7, 2000; Des Moines Register; "401(k) Input Rises" (Client Contribution)

With little to no advice on fund selection, employees tend to invest too conservatively. Plan sponsors are changing this by offering employees greater awareness through outside advisors.

August 10, 2000; The Wall Street Journal; "Craig to Leave Janus Capital In September" (p. C1)

Jim Craig, one of the driving forces behind the rise of the Janus Fund, has announced his resignation from Janus. Personnel change is one item monitored closely and Janus Fund is no exception to that.

June 2000; Employee Benefit News, Vol 14, No 7; "To Boost Participation, DC Plans Trim Waiting Periods" (pp. 57, 58)

Companies that still invoke a 1 year waiting period to enter the retirement plan are becoming dinosaurs. To increase participation, companies are reducing the waiting period to 6 months, 3 months or no waiting period at all.

June 26, 2000; Pensions & Investments; "Union Members Getting A Say in Directing Assets" (p. 38)

There is a prediction that within the next two years, 65% to 70% of union D.C. plans will convert to member-directed plans.

June 2000, Vol. 14, No. 7; Employee Benefit News; "Self-directed 401(k) Accounts Give Participants Greater Choice" (pp. 65, 66)

Self-directed brokerage accounts have become increasingly popular in 401(k) plans. In this article an expert answers questions about the self directed accounts.

July 2000, Vol. 37, No. 7; Employee Benefits Digest; "Managing Fiduciary Responsibility" (p. 1)

Plan sponsors have a fiduciary responsibility under ERISA. Many times these sponsors unknowingly violate the rules and need to be aware of the practices they should be following.

July 2000; Financial Planning; "The Future of the 401(k)" (pp. 98-103)

Self-directed 401(k) plans are the wave of the near future according to Ted Benna, the man responsible for the 401(k). These plans will take on a look of a tax deferred private brokerage account as employers look to exit the retirement plan business.

July 2000; Financial Planning; "401(k) Roulette" (pp. 107-109)

Offering self-directed accounts could lead to a fiduciary nightmare for plan sponsors. Currently only a small number of employees utilize the self-directed accounts offered by their employers. The reasons range from lack of knowledge in the market place to unwillingness to carry the administrative costs. For the employer the self-directed accounts are a gray area under ERISA section 404(c) fiduciary responsibility.

August 2000; Managing HR Information Systems; "The Best Pension Plan Advice Modules – and What They Cost" (pp. 1, 11) (Client Contribution)

Any company looking for an online advice provider is responsible for selection and monitoring. Investment Consulting Group provides advice on the selection of the proper online advisor.

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