

Letter 3

From: jim nehls
To: [ETF SMB Board Feedback](#)
Subject: Wash rules costing participants lots of \$
Date: Thursday, July 26, 2018 10:33:31 AM

Hello,

My wife still works part time, is in Deferred Compensation plan.

Her assets are part of a much larger portfolio at Vanguard, Flagship relationship.

Her assets are guaranteed fixed income with Zero interest rate risk, that is how it fits in master portfolio.

Currently her assets are Stable value, yield is 1.87%

FDIC option is currently 2.05%

Vanguard Federal Money market is approx 1.80%

Your plan wash rules block us from moving from Stable value to FDIC, also cannot move to Vanguard Money Market

then to FDIC to pick up the extra 18 basis points.

The plan will NOT allow us to move assets to Vanguard IRA rollover and still defer her future income in plan.

The solution representative offered was moving to Govt securities for 30 or 90 days then to FDIC, that is interest rate risk and is not acceptable.

The interest rate cycle is changing, yields going up.

Im sure the " management fee" Stable Value is higher than FDIC, that is whats eating up yield difference.

Additionally at Vanguard our Flagship relationship is no admin fees v.s 11.00/month 132.00/year

I think the board needs to review this matter, Im one of many that only owns Vanguard Admiral Index funds,

common stocks held long term, step ladder CDS (Vanguard no fee v.s the Schwab option in your plan).

End result if excellent risk adjusted performance and eliminating all the " wall street gouging" of fees/expenses

that lead to under performing because of cost

Were entering a point in time of high valuations, high risk in many ways including interest rate risk.

I can assure you Warren Buffett and Jack Bogle agree 100% with my communication.

Thanks

Jim Nehls

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