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Human Resources: Fund Fees and Restrictions

Fund Fees

All mutual funds charge an investment management fee to cover the expense for managing the fund. This charge is reflected in the 'expense ratio' listed on the *Diversified* website (www.divinvest.com).

The net expense ratio you see on the website is the total investment management fee associated with the 'core funds' in the WHOI 403(b) Retirement Plan. Some of the 'core funds' available through your WHOI 403(b) Retirement Plan charge front end sales charges to retail investors. For retirement plan investors, these sales charges are waived and do not apply to WHOI employees. Many of the funds in the Core Fund lineup are considered "no-load" funds. As the name implies, this means that the funds do not charge any type of sales load fees, either front-end or back-end.

Some funds impose short-term trading fees or trading restrictions to prevent investors from trying to "time the market" by making frequent or excessive trades in and out of the fund. This type of excessive trading can be detremintal to other shareholders of the fund. See below for more information on these other fees that are applicable under the WHOI Plan.

Trading Restrictions/Short-Term Redemption Fees

Many mutual funds collect redemption fees from investors when shares of the fund are sold prior to the expiration of a holding period as specified in a fund's prospectus. These fees are calculated on a percentage basis based on the value of the shares being redeemed and can range from 0.5% to 2.0%. The fees are retained by the fund and are intended to discourage short-term investing and excessive trading.

In order to process a short-term redemption fee, shares of mutual funds that carry such a fee must be tracked, or aged, beginning at the time of purchase. Then, at the time of sale, shares must be examined to determine if they are subject to a redemption fee.

The holding period and fee percentage differs depending on the fund. This information is outlined in a fund's prospectus and is shown on a fund's fact sheet.

The following is a list of the funds in the Defined Contribution Retirement Plan (DC Plan) that have short-term trading fees. Please refer to the Fund Profiles located in the Enrollment Kit for full disclosure on trading restrictions and fees.

Please note that subscribing and unsubscibing to *PortfolioXpress* over a short period of time could result in potential short-term trading fees.

Fund Name	Short Term Trading Fee/ Trading Restriction
Vanguard Total Bond Market Index	After exchanging out, cannot exchange back within 60 days.
Vanguard Inflation-Protected Securities	After exchanging out, cannot exchange back within 60 days.
Templeton Global Bond A	2% on assets held less than 7 days
Vanguard 500 Index Investor	After exchanging out, cannot exchange back within 60 days.
Vanguard Extended Market Index	After exchanging out, cannot exchange back within 60 days.
Sentinel Small Company I	2% on assets held less than 30 days
Vanguard International Stock	2% on assets held less than 60 days. After exchanging out, cannot exchange back within 60 days.

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Fidelity Small Cap Value	1.5% on assets held less than 90 days
Vanguard International Stock Index	2% on assets held less than 60 days. After exchanging out, cannot exchange back within 60 days.
American Funds Euro Pacific	After exchanging out, cannot exchange back within 30 days.

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