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PIMCO TOTAL RETURN FIRED BY MICHIGAN 401(k) ADVISER

Freedom One Investment Advisors (FOIA) serves as the investment adviser and co-fiduciary to hundreds of retirement plans as well as other institutional investors. After much analysis, FOIA has recommended to its clients a new investment strategy that replaces PIMCO's Total Return Fund, managed by Bill Gross, with a combination of Dodge and Cox Income fund and Loomis Sayles Bond fund. These two funds, together with Western Asset Management and ABN Amro, complete the strategic change to a more diverse approach. When completed, Freedom One will be removing over \$136 million from the PIMCO Total Return fund.

"There were two contributing factors to moving away from PIMCO," said Donald I. Gregg, Chief Investment Officer of FOIA. "An evolution in their strategy that seems to put more emphasis on predicting interest rates and a relatively high commitment to derivatives. The main types of derivatives are futures, forwards, options and swaps."

The concern is not necessarily with PIMCO's ability to manage the risk of the derivative products; in fact, PIMCO has one of the most sophisticated tracking systems in the industry. The greater concern is the incredible growth of the derivative market. Fixed income derivatives are estimated to have a notional (contract) value that exceeds \$300 Trillion. This is approximately five times the amount of debt issued worldwide. To emphasize the point, Warren Buffett characterized derivative contracts as "financial weapons of mass destruction."

Freedom One offers their 401(k) plan clients a menu of high quality, low cost investment choices representing all the necessary asset categories for optimal diversification. These choices are then carefully allocated for participants through the use of five distinct Managed Account Portfolios.

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About Freedom One Financial Group

Freedom One Financial Group, one of the nation's largest full-service 401(k) plan consultants has been successfully offering retirement plan solutions for nearly 20 years. Guided by a specific set of core values and a commitment to service excellence, our team members specialize in providing state-of-the-art employee communications, retirement planning, and administrative services. Freedom One's service excellence has been rewarded with nearly 100% client retention. Freedom One Investment Advisors provides services to over 800 clients across the United States. This includes retirement plan sponsors with over \$2.2 billion in plan assets and tens of thousands of employees.

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