

Dear Participant:

You are receiving the attached notification as the result of a regulation passed by the Department of Labor (DOL) in October 2010. This participant fee disclosure regulation, referred to by the DOL as 404(a), requires plan sponsors of participant-directed ERISA plans to make specific disclosures about plan fees and investments to participants, beneficiaries and employees eligible but not yet participating in their retirement plan. The regulation requires this disclosure to be made on an annual basis.

**No action is required on your part** – this document is being sent to you for informational purposes only. You will receive an updated document on an annual basis.

To assist you with understanding the disclosure document, a reference guide titled: “Understanding your Retirement Plan and the Overview of Plan Investment Options and Fees” is available at the following address: [www.prudential.com/404aUserGuide](http://www.prudential.com/404aUserGuide).

Please refer to Part IV of the attached document for information on who to call with questions.

STEIN MART INC  
PLAN 763704  
**OVERVIEW OF PLAN INVESTMENT OPTIONS AND FEES**  
AS OF: September 30, 2016

As a participant in the above referenced plan, you have the right to direct how your contributions to the Plan will be invested. This overview of the Plan's investment options is an **important starting point** for helping you to evaluate which plan investments might be best for you. This document is for informational purposes only; no action is necessary.

**Getting Started** - As you review your investment choices, you should think about your lifetime income needs at retirement, your long-term investment goals, and tolerance for risk. It is important to understand that all investments carry some level of risk and most investments will fluctuate in value as market conditions change. Therefore you should consider the benefits of a well-balanced and diversified portfolio.

This document enables you to compare **investment performance** and **investment-related expenses and fees** for each of the Plan's investment options. Existing participants (those with an account in the retirement plan) can log into their accounts at [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement) (eligible non-participants, or those who have not yet enrolled in the plan, can go to [www.prudential.com/planinfo](http://www.prudential.com/planinfo)) for access to additional information about each investment option—including the most recent performance information—and a **glossary of investment-related terms**.

**What you should know about investment performance** - Investment performance is the investment's return to investors after expenses are deducted. This overview shows the **average annual total return** for each investment at 1, 5 and 10 year intervals or since the inception of the investment. For each investment with a variable return, the overview also provides a **benchmark** which enables you to compare the performance of the investment with a broad based securities market index. Broad based securities market indices may not always correlate well to an individual investment option. For example, an **employer stock investment option** is not diversified and is not managed to perform similarly to a benchmark, and therefore its performance should be expected to deviate from the benchmark performance. Performance for investment options that invest in a blend of both stocks and bonds (e.g. lifestyle funds or balanced funds) may also be expected to deviate from the benchmark performance. Past performance is not a reliable indicator of future performance, but it may help you assess an investment's volatility over time.

**What you should know about investment fees and expenses** - As with any business, there are costs associated with operating all investment options. Investment options typically pay their operating expenses, including expenses for investment management and distribution fees, out of assets of the investment. To help you compare fees and expenses, the overview includes each investment's **total annual operating expense** expressed as a percentage of the investment's net assets, but also as a dollar cost for each \$1,000 invested. Some investments have additional fees that may be charged directly to the investor, such as sales charges (load), purchase fees, redemption fees and exchange fees. These fees, if applicable, will be described in the column titled **Additional Fees, Restrictions, and Notes**.

*The cumulative effect of investment fees and expenses can substantially reduce the return on investments and, therefore, your retirement savings. However, fees and expenses are only two of many factors to consider when deciding what investment is appropriate for you. For additional information concerning the long-term effect of fees and expenses, visit the U.S. Department of Labor's Web site at [http://www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html).*

**Overview of the Disclosure Document - Part I** of this overview includes those investment options with **variable rates of return** - investments that do not provide a specific rate of return for investors. **Part II** includes investment options with **fixed rates of return** - investments that provide a specific rate of return for investors. **Part III** includes annuity options and other guaranteed lifetime income options that have guaranteed benefit features that help ensure your retirement savings lasts a lifetime. **Part IV** explains who you can contact for questions and paper copies of investment-related information. **Part V** contains information about administrative or recordkeeping fees associated with your plan.

**PART I: VARIABLE RETURN INVESTMENTS COMPARISON**

Variable Return Investments				Fees and Expenses		
	Average Annual Total Return as of 09/30/2016			Total Annual Operating Expense		Additional Fees, Restrictions and Notes
	1 Year	5 Year	10 Year or {Since Inception}	As a %	Per \$1,000	
<b>Balanced - Target Date</b>						
Retirement Goal 2010 Fund (inception date 11/30/2002)	5.89%	5.55%	4.25%	0.67%	\$6.70	
Morningstar Lifetime Mod Incm TR USD*	7.57%	5.73%	5.20%	N/A	N/A	Benchmark
Retirement Goal 2020 Fund (inception date 11/30/2002)	7.06%	8.01%	4.73%	0.81%	\$8.10	
Morningstar Lifetime Mod 2020 TR USD*	10.13%	8.71%	5.89%	N/A	N/A	Benchmark
Retirement Goal 2030 Fund (inception date 11/30/2002)	9.19%	10.50%	5.05%	0.92%	\$9.20	
Morningstar Lifetime Mod 2030 TR USD*	11.74%	10.73%	6.03%	N/A	N/A	Benchmark
Retirement Goal 2040 Fund (inception date 11/30/2002)	10.05%	11.67%	5.05%	1.02%	\$10.20	
Morningstar Lifetime Mod 2040 TR USD*	12.78%	11.46%	6.11%	N/A	N/A	Benchmark
Retirement Goal 2050 Fund (inception date 06/30/2005)	10.60%	12.59%	5.02%	1.05%	\$10.50	
Morningstar Lifetime Mod 2050 TR USD*	12.99%	11.28%	6.02%	N/A	N/A	Benchmark
Retirement Goal 2060 Fund (inception date 02/27/2015)	10.84%	N/A	{1.25%}	1.19%	\$11.90	

\* The benchmark indices noted were selected in accordance with Department of Labor guidance and may not match those used in other materials. The benchmark performance data periods are the same as the performance data periods of the corresponding fund(s). Participants are encouraged to review all materials provided by the Plan and the investment manager when making investment decisions. Keep in mind you may not invest directly in the benchmark index.

Variable Return Investments				Fees and Expenses		
	Average Annual Total Return as of 09/30/2016			Total Annual Operating Expense		Additional Fees, Restrictions and Notes
	1 Year	5 Year	10 Year or {Since Inception}	As a %	Per \$1,000	
Morningstar Lifetime Mod 2055 TR USD*	13.02%	11.13%	1.27%	N/A	N/A	Benchmark
Retirement Goal Income Fund (inception date 11/30/2002)	5.88%	5.21%	4.27%	0.67%	\$6.70	
Morningstar Lifetime Mod Incm TR USD*	7.57%	5.73%	5.20%	N/A	N/A	Benchmark
<b>Large Cap Stock - Blend</b>						
Dryden S&P 500 Index Fund (inception date 12/31/1987)	15.34%	16.26%	7.19%	0.09%	\$0.90	
Russell 1000 TR USD*	14.93%	16.40%	7.40%	N/A	N/A	Benchmark
<b>Mid Cap Stock - Blend</b>						
QMA Mid Cap Quantitative Core Equity Fund (inception date 12/31/2005)	15.81%	18.50%	10.37%	0.76%	\$7.60	
Russell Mid Cap TR USD*	14.24%	16.67%	8.31%	N/A	N/A	Benchmark
<b>Global Stock - Growth</b>						
SA/OFII Global Strategy (inception date 07/09/2002)	5.35%	11.39%	4.82%	1.07%	\$10.70	
MSCI ACWI NR USD*	11.95%	10.62%	4.34%	N/A	N/A	Benchmark

\* The benchmark indices noted were selected in accordance with Department of Labor guidance and may not match those used in other materials. The benchmark performance data periods are the same as the performance data periods of the corresponding fund(s). Participants are encouraged to review all materials provided by the Plan and the investment manager when making investment decisions. Keep in mind you may not invest directly in the benchmark index.

10/22/2016

PART II: FIXED RETURN INVESTMENTS

Fixed Return Investments				
	Net Crediting Rate (Annualized)	Term	Other	Fees, Restrictions and Notes
<b>Stable Value</b>				
Guaranteed Income Fund	1.45%	Semi Annual	<p>The crediting rate is subject to change, but will never be less than 1.50%.</p> <p>The most current rate information can be obtained via the phone number(s) provided in Part IV.</p>	<ul style="list-style-type: none"> <li>• Generally, distributions resulting from your termination of employment, retirement, death or disability, hardship withdrawals and minimum required distributions will always be paid in full without any fees or restrictions and will not be deferred. Prudential reserves the right to defer certain other withdrawals from GIF assets if your plan's pool level cashflow exceeds 10% of the pool's beginning of calendar year balance. A pool consists of similar contracts that are funded with us in the same calendar year.</li> </ul> <p>Under most circumstances, transfers to competing funds will not be restricted. However, Prudential reserves the right to restrict transfers to competing funds from this and any other plan investment. Competing funds are generally money market investments, stable value investments, or funds with an allocation of 50% or more to fixed income securities.</p> <p>If the SEC has suspended or otherwise restricted trading, or another emergency outside of our control exists, Prudential may defer transfers, distributions or disbursements for up to six months.</p> <ul style="list-style-type: none"> <li>• This investment has an asset charge of</li> </ul>

Fixed Return Investments				
	Net Crediting Rate (Annualized)	Term	Other	Fees, Restrictions and Notes
				0.40% collected for recordkeeping services. Investment management fees may also apply. The crediting rate shown is net of these fees.

### PART III: ANNUITY OPTIONS AND OTHER GUARANTEED LIFETIME INCOME OPTIONS

Your plan uses one or more investments offered through a group annuity contract that includes annuity features that may be available to you. Availability of these features may be subject to the terms of your plan and/or approval by your plan sponsor. Annuities are insurance contracts that allow you to receive a guaranteed stream of payments at regular intervals, usually beginning when you retire and lasting for your entire life. Other Guaranteed Lifetime Income Options include insurance contracts that allow you to receive a guaranteed minimum withdrawal benefit amount each year beginning when you lock in and lasting for the rest of your life. These investment products are issued by insurance companies. Guarantees of an insurance company are subject to its long-term financial strength and claims-paying ability. For more information regarding available annuity options, please refer to the contact information provided in Part IV of this document.

Options that Provide Guaranteed Income For Life			
Name of Option	Objectives / Goals	Pricing Factors	Fees, Restrictions and Notes
Prudential Group Fixed Annuity Option	To provide a guaranteed stream of income for your life (or some other period of time as may be allowed by your Plan), based on your account balance allocated to the purchase of an annuity under this option.	The amount of the annuity benefit will be determined by (1) the amount applied to purchase the annuity, (2) the form of annuity elected, (3) the age of the annuitant (for a lifetime annuity), and (4) the annuity purchase rates in effect on the annuity purchase date.	<ul style="list-style-type: none"> <li>• If you elect to purchase an annuity, the following administrative fees will be deducted from your account balance: 3% on the first \$75,000, 1.5% on the remainder plus a flat amount of \$850.</li> <li>• This option represents the fixed annuity option available under your Plan's group annuity contract.</li> </ul>

## **PART IV: QUESTIONS AND COPIES**

**If you have any questions about this overview or want paper copies of:** **1)** this overview; **2)** the additional information available through **Prudential's** website (including information about an investment option's investment goals and objectives, investment strategies and principal risks, portfolio turnover ratio, performance data, and fees and expenses); **3)** documents, including prospectuses, describing an investment option; **4)** financial statements or reports, such as shareholder reports, relating to an investment option; **5)** a statement of the value of a share or unit of an investment option; or **6)** a list and value of any assets constituting plan assets that are part of an investment option's portfolio, you should contact:

### **Access to Information on a Website**

Existing Participants (those with an account in the plan): [www.prudential.com/online/retirement](http://www.prudential.com/online/retirement)

- Input your login id and password
- Go to the Performance section

Eligible Non-Participants (those not yet enrolled in the plan): [www.prudential.com/planinfo](http://www.prudential.com/planinfo)

- Enter: Plan ID = 763704
- Plan-specific password = 1398

### **Plan Sponsor Contact Information (For Existing Participants and Eligible Non-Participants)**

Mary Margaret Grant  
Director of Benefits and Compensation  
STEIN MART INC  
1200 RIVERPLACE BLVD.  
JACKSONVILLE FL 32207  
904-346-1286

### **Prudential Contact Information (For Existing Participants)**

877-778-2100 (Monday–Friday 8:00 a.m. - 9:00 p.m. Eastern Time)

Hearing Impaired call (TDD): 877-760-5166



## PART V: PLAN INFORMATION

Additional investment information and products available to you.

### Restrictions on Frequent Trading

If you make excessive transfers into and out of (or out of and into) the same investment fund, your ability to make investment transfers involving those funds may be restricted. “Excessive trading” is:

- One or more round-trip trades (transfers into and out of the same fund) within a 30-day period where each buy or sell in the transaction is more than \$25,000; and
- The trading pattern did not result from automatic or system-driven transactions such as payroll contributions or loan repayments, re-mapping transactions, hardship withdrawals, regularly scheduled or periodic distributions, or periodic rebalancing through a systematic rebalancing program that is not initiated by the Plan.

Certain investment options may not be subject to these restrictions. Funds may also have their own market timing policy, and Prudential Retirement will take action, as directed by the investment provider, to enforce that provider’s rule or policy.

To obtain a copy of the complete Market Timing Policy, please contact Prudential at the number reflected in Part IV of this document.

### Designated Investment Managers

A “designated investment manager” is a party designated by the plan to manage all or a portion of the assets held in or contributed to participant accounts. To determine whether your plan offers this service, please contact your plan sponsor.

### Explanation of fees and expenses for general plan administrative services:

Fee Type	Fee Amount	Frequency
Distribution Transaction Processing	\$25.00	Per applicable transaction
DSO Account Maintenance Charge	\$40.00	Annual amount deducted quarterly
DSO Withdrawal Charge	\$30.00	Per applicable transaction
Express Mail Fee	\$25.00	Per applicable transaction
Loan Processing Fee	\$50.00	Per applicable transaction

Plan administration costs may include recordkeeping, legal, accounting and other costs associated with maintaining the Plan. In some cases, these fees may be applied to participant accounts either equally across all accounts, or proportionally based on account balance. In the event fees are deducted from your account, the type and amount of the fee charged will be reflected on the quarterly statement following the deduction.

**Directing Your Investments:**

You may specify how your future contributions to the plan are directed or make changes to existing investments in your plan either online or by phone. The website address and phone number are provided in Part IV of this document.

You may direct your new contributions to any investment in the plan.

You may direct your new employer contributions to any investment in the plan.