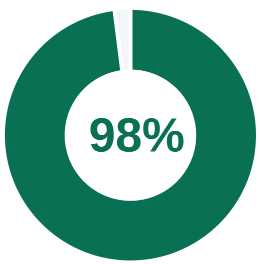
Fiduciary Focus

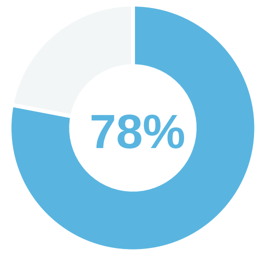
Target Date Fund Suitability

Proliferation of Target Date Funds (TDFs)

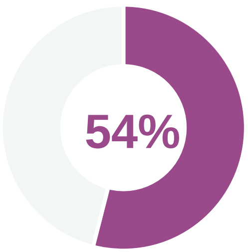
One of the most widely used investment options in defined contribution plans.



Participants offered TDFs

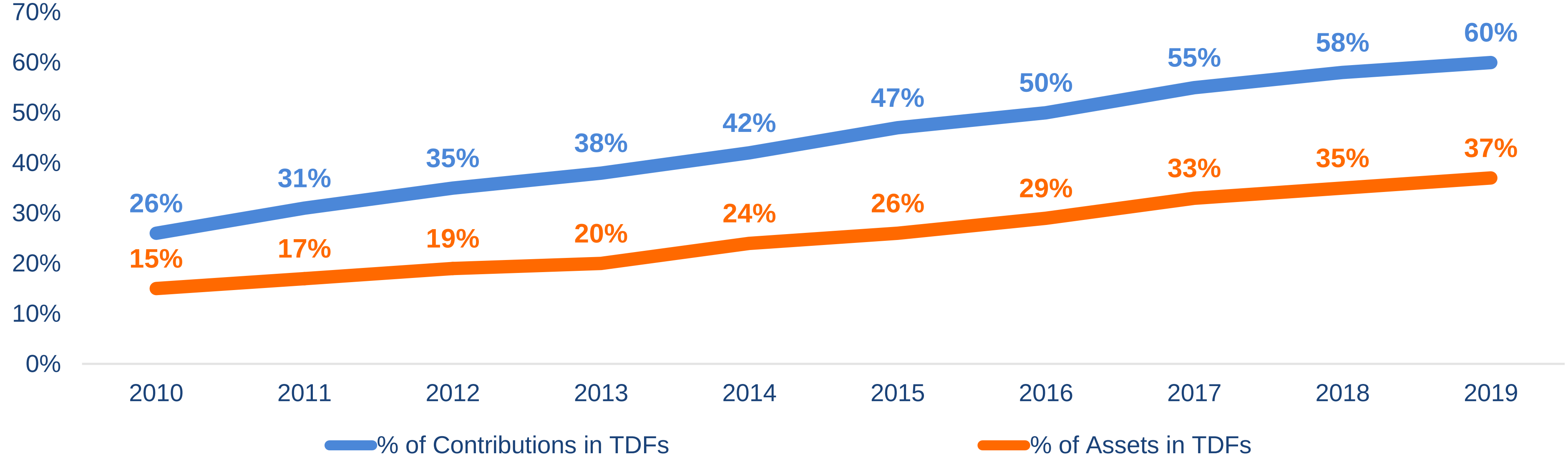


Participants using TDFs



Participants with entire account invested in a single TDF

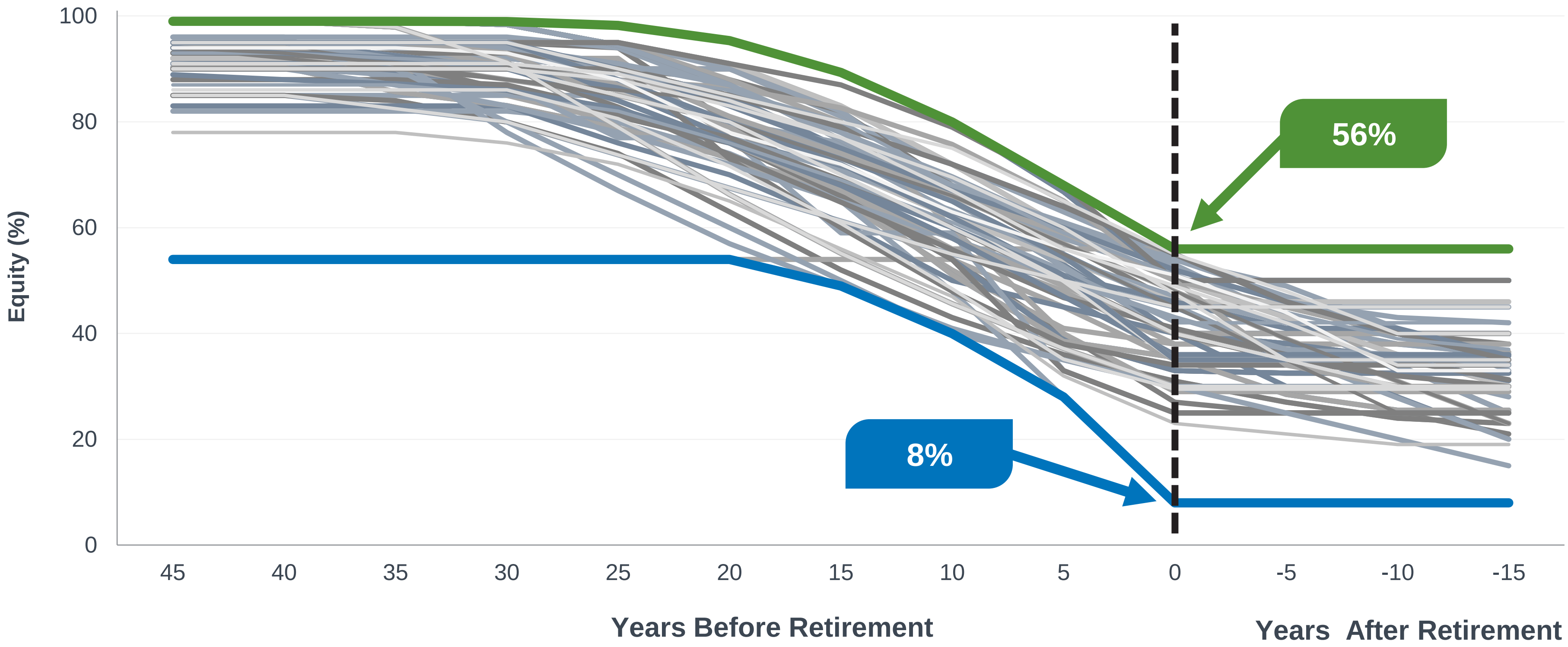
Prolific TDF prevalence necessitates increased due diligence by fiduciaries.



https://institutional.vanguard.com/ngiam/assets/pdf/has/how-america-saves-report-2020.pdf Figure 78

Differences Among Off-the-Shelf TDF Glidepaths

- ✓ TDF equity allocations at retirement can vary by as much as 48%
- ✓ TDFs have never been more widely available or more diverse
- ✓ Those offering their recordkeeper's target date option continued to drop — from more than 50% in 2012 to 21% in 2019[1]

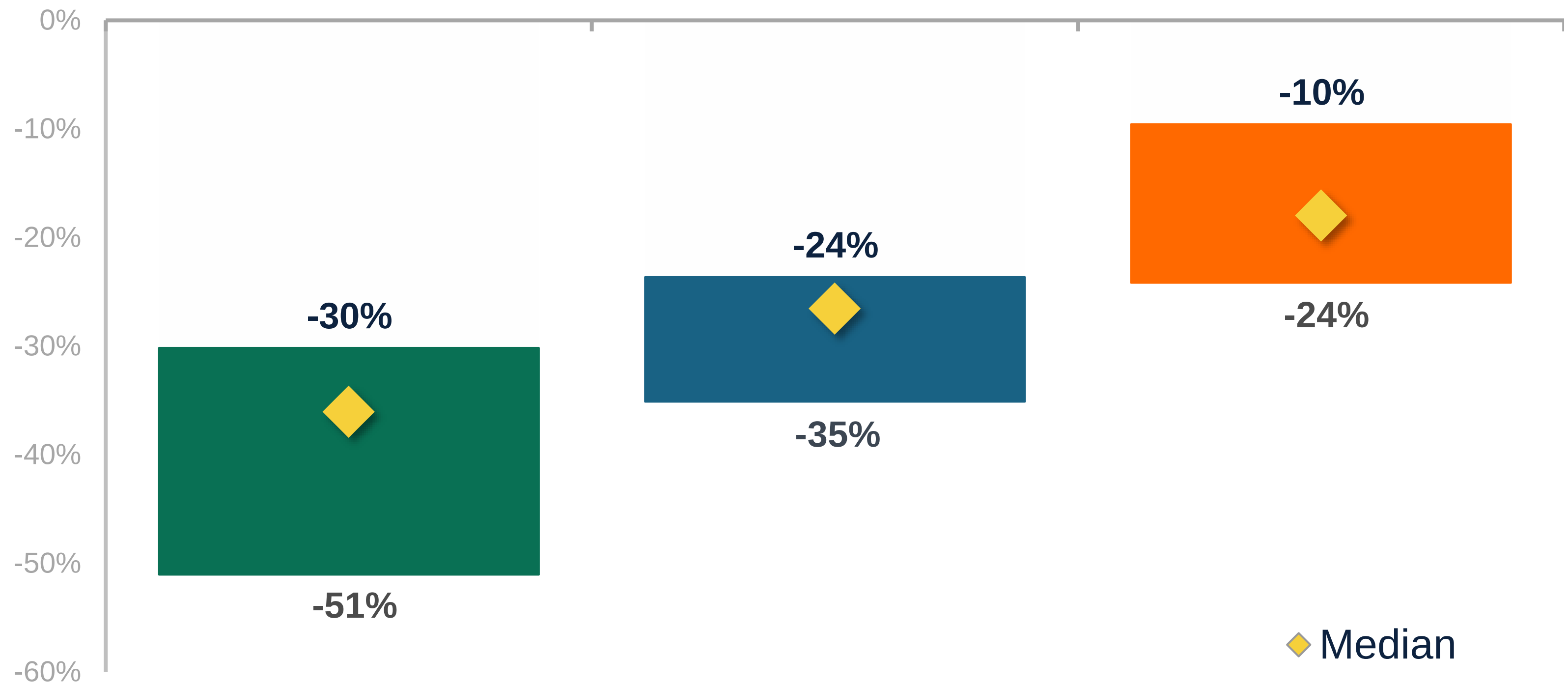


Data as of 09/20/2019. Source: Morningstar, Inc. The multiple lines represent various TDF glidepath options available within the market place.
[1]Defined Contribution Trends Survey, Callan Investments Institute, 2019 report Past performance is not indicative of future results.

TDF Risk Categories and Drawdowns – Global Financial Crisis

Differences in glidepath risk posture can lead to extreme differences in returns for participants.

Range of Returns for 2010-dated TDFs (11/1/2007 – 2/28/2009)



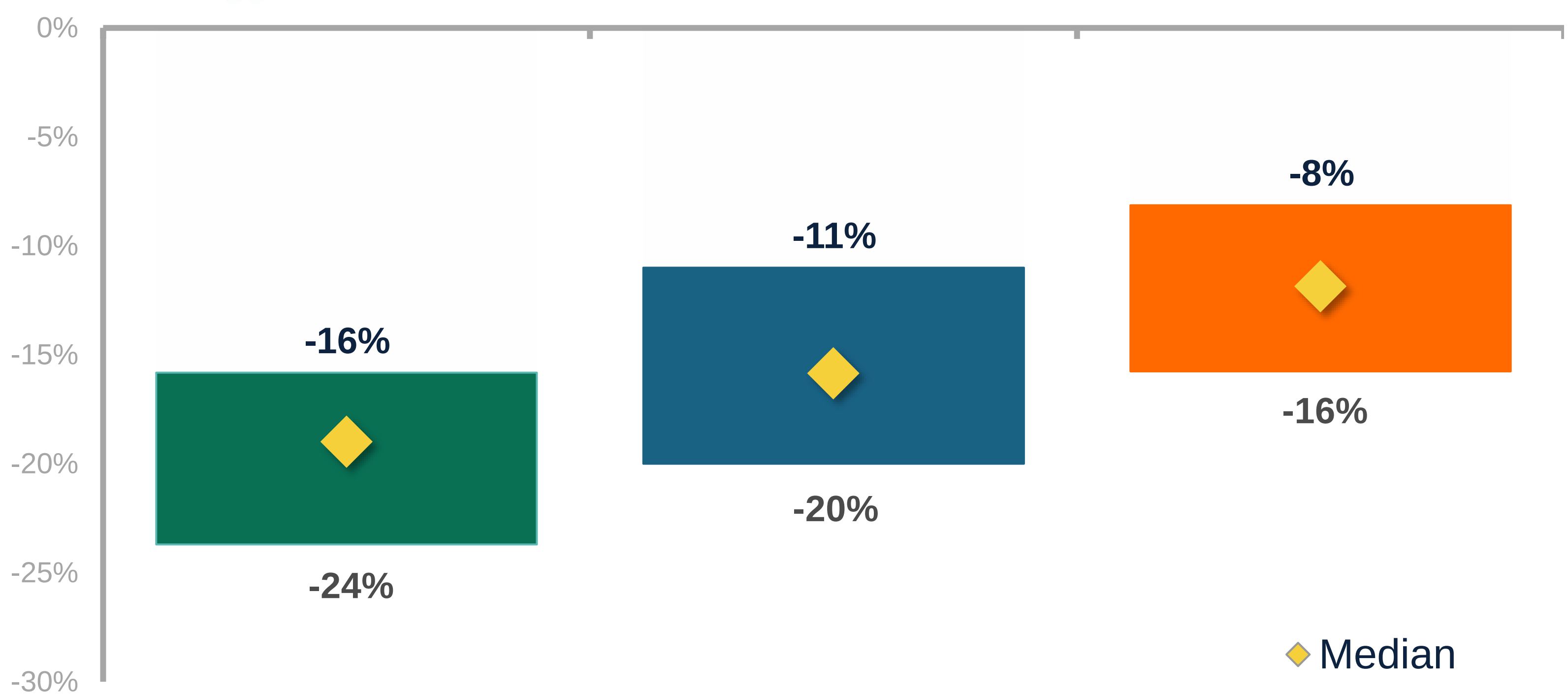
Return	Aggressive TDFs	Moderate TDFs	Conservative TDFs
Median Return	-36.0%	-26.6%	-18.0%

Source: Morningstar Direct, as of 30 June 2019.
Conservative, Moderate and Aggressive TDFs are classified utilizing the NFP TDF Risk Index
The target date is the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date.
Past performance is no guarantee of future results. Indexes are unmanaged and one cannot invest directly in an index.

TDF Risk Categories and Drawdowns – COVID Pandemic

Differences in glidepath risk posture can lead to extreme differences in returns for participants.

Range of Returns for 2020-dated TDFs (2/19/2020 – 3/23/2020)



Return	Aggressive TDFs	Moderate TDFs	Conservative TDFs
Median Return	-19.0%	-15.9%	-11.9%

Source: Morningstar Direct, as of 30 June 2020.
Conservative, Moderate and Aggressive TDFs are classified utilizing the NFP TDF Risk Index
The target date is the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date.
Past performance is no guarantee of future results. Indexes are unmanaged and one cannot invest directly in an index.

Our Goal

Our goal is to provide a framework to evaluate a plan's TDF series

Discussion Topics

1

Fiduciary Duties

2

Evaluating Suitability

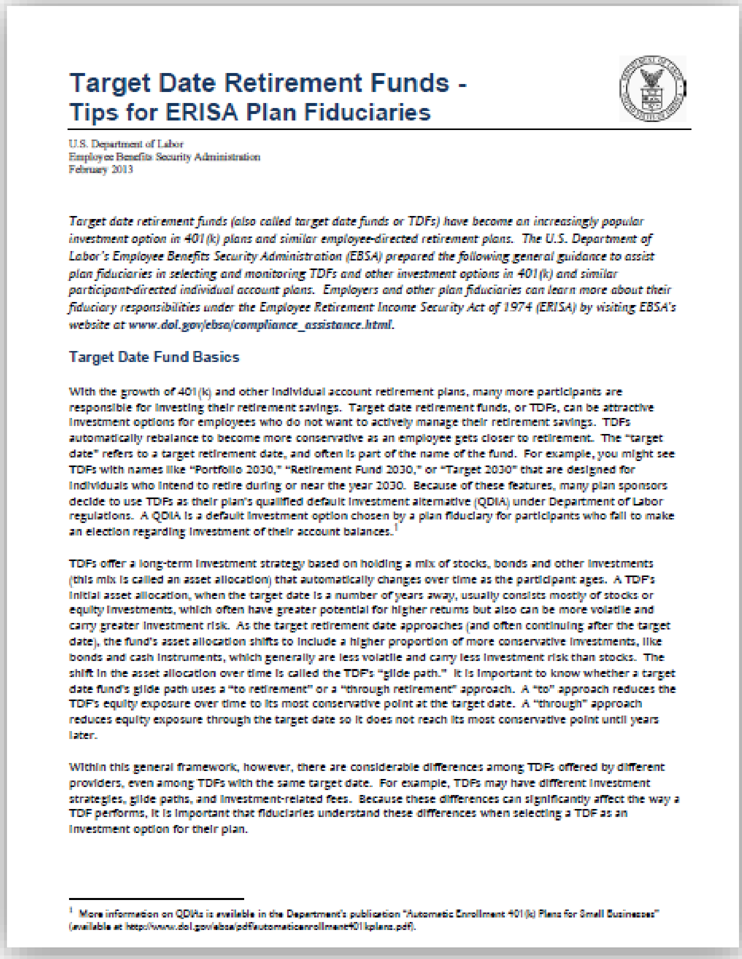
3

TDF Evolution

Fiduciary Duties

TDF Fiduciary Checklist

In response to the growing popularity of TDFs and general lack of understanding on the part of fiduciaries, the Department of Labor issued specific guidance regarding TDF selection and monitoring.



Target Date Retirement Funds - Tips for ERISA Plan Fiduciaries

U.S. Department of Labor
Employee Benefits Security Administration
February 2013

Target date retirement funds (also called target date funds or TDFs) have become an increasingly popular investment option in 401(k) plans and similar employee-directed retirement plans. The U.S. Department of Labor's Employee Benefits Security Administration (EBSA) prepared the following general guidance to assist plan fiduciaries in selecting and monitoring TDFs and other investment options in 401(k) and similar participant-directed individual account plans. Employers and other plan fiduciaries can learn more about their fiduciary responsibilities under the Employee Retirement Income Security Act of 1974 (ERISA) by visiting EBSA's website at www.dol.gov/ebsa/compliance_assistance.html.

Target Date Fund Basics

With the growth of 401(k) and other individual account retirement plans, many more participants are responsible for investing their retirement savings. Target date retirement funds, or TDFs, can be attractive investment options for employees who do not want to actively manage their retirement savings. TDFs automatically rebalance to become more conservative as an employee gets closer to retirement. The "target date" refers to a target retirement date, and often is part of the name of the fund. For example, you might see TDFs with names like "Portfolio 2030," "Retirement Fund 2030," or "Target 2030" that are designed for individuals who intend to retire during or near the year 2030. Because of these features, many plan sponsors decide to use TDFs as their plan's qualified default investment alternative (QDIA) under Department of Labor regulations. A QDIA is a default investment option chosen by a plan fiduciary for participants who fail to make an election regarding investment of their account balances.[1]

TDFs offer a long-term investment strategy based on holding a mix of stocks, bonds and other investments (this mix is called an asset allocation) that automatically changes over time as the participant ages. A TDF's initial asset allocation, when the target date is a number of years away, usually consists mostly of stocks or equity investments, which often have greater potential for higher returns but also can be more volatile and carry greater investment risk. As the target retirement date approaches (and often continuing after the target date), the fund's asset allocation shifts to include a higher proportion of more conservative investments, like bonds and cash instruments, which generally are less volatile and carry less investment risk than stocks. The shift in the asset allocation over time is called the TDF's "glide path." It is important to know whether a target date fund's glide path uses a "to retirement" or a "through retirement" approach. A "to" approach reduces the TDF's equity exposure over time to its most conservative point at the target date. A "through" approach reduces equity exposure through the target date so it does not reach its most conservative point until years later.

Within this general framework, however, there are considerable differences among TDFs offered by different providers, even among TDFs with the same target date. For example, TDFs may have different investment strategies, glide paths, and investment-related fees. Because these differences can significantly affect the way a TDF performs, it is important that fiduciaries understand these differences when selecting a TDF as an investment option for their plan.

[1] More information on QDIAs is available in the Department's publication "Automatic Enrollment 401(k) Plans for Small Businesses" (available at http://www.dol.gov/ebsa/pdf/automaticenrollment401kplans.pdf).

- Align TDF and participant characteristics
- Understand underlying investments
- Review fees and investment expenses
- Consider custom or non-proprietary options
- Develop effective employee communications
- Document the process

Evaluating TDF Suitability

TDF Selection Process

Aim before you shoot

1 Suitability Analysis

- Funding Adequacy
- Participant Tendencies
- Glidepath Risk Postures

2 Qualitative Considerations

- Active/ Passive[1]
- Single Manager[2] / Multi Manager[3]
- Asset Class Coverage

3 Performance Analysis

- Risk/Return Comparisons
- Fund Fees
- Underlying Fund Performance

[1]Fund manager is trying to track or replicate some area of the market. These types of strategies may be broad-based in nature (e.g., the fund manager may be trying to track/replicate the technology sector). These investment strategies typically have lower costs than active investment strategies due to their passive nature of investing and are commonly referred to as index funds.
[2]One manager manages the underlying funds within the suite.
[3]Multiple managers manage the underlying funds within the suite.

Step 1: Suitability Analysis

Savings Rates / Funding Adequacy

- Savings rates* are a primary driver of participant funding adequacy and are a good indicator of the optimal amount of risk that a participant should assume
- Higher savings rates afford participants the opportunity to assume less risk as they approach their retirement years while lower savings rates necessitate more aggressive investing even as participants approach retirement

+

Participant Tendencies

- Participant Withdrawal Patterns
- Investment Knowledge
- Risk Tolerance

Plan Risk Profile

Conservative	Moderate	Aggressive
Low Equity	Moderate Equity	High Equity

[1]The amount of money, expressed as a percentage or ratio, that a person deducts from his disposable personal income to set aside as a nest egg or for retirement. The cash accumulated is typically put into very low-risk investments (depending on various factors such as expected time until retirement), like a money market fund or a personal individual retirement account (IRA) composed of non-aggressive mutual funds, stocks and bonds.

TDF Risk Postures

TDFs are categorized into one of three risk postures. Equity exposure at various points in time and the rate of transition away from riskier investments are key factors.

Conservative

- Objective: stability
- Lower equity exposure at retirement
- Incorporates a long and gradual transition away from risky assets

Moderate

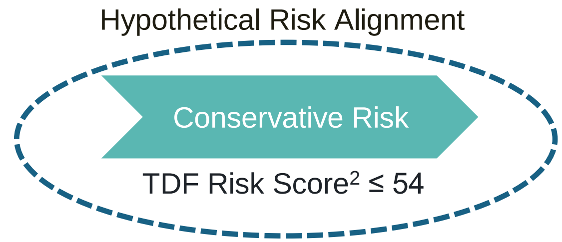
- Objective: balance
- Moderate equity exposure at retirement
- Incorporates a more steady transition away from risky assets

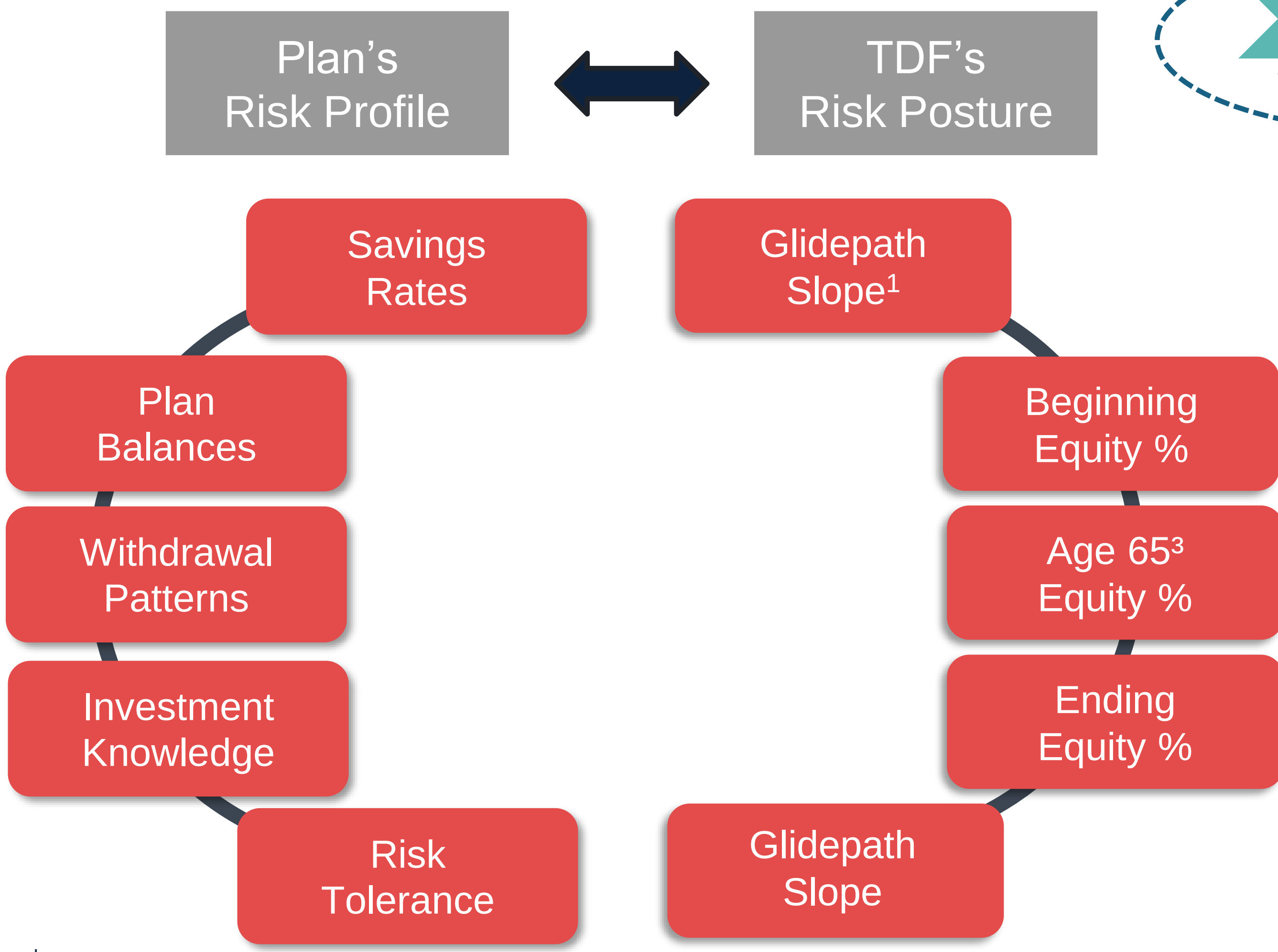
Aggressive

- Objective: growth
- Higher equity exposure at retirement
- Incorporates a faster transition away from risky assets

Matching Risk Profiles and Risk Postures

TDF risk alignment involves "aiming" before "selecting."





For illustrative purposes only

[1]A steeper glidepath that transitions away from high-risk to risk-free assets near retirement age limits the ability to recover large losses and is more susceptible to sequencing risk.

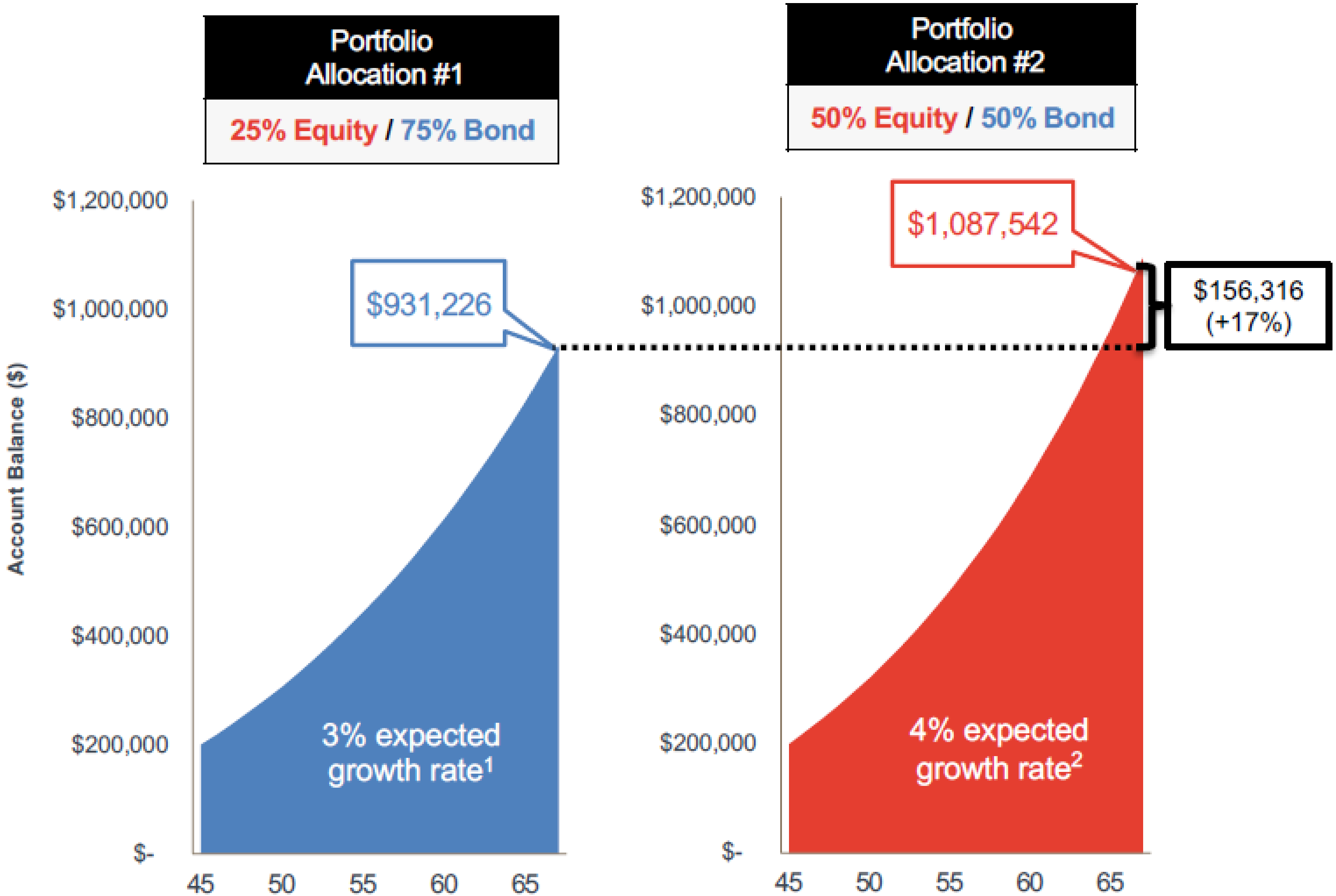
[2]Conservative Risk 0-54, Moderate Risk 55 – 69, Aggressive Risk >70

[3]65 is the retirement age.

Conservative – Potential Impact

Participant Assumptions	
Starting balance	$200,000
Starting age	45
Current salary	$100,000
Salary growth	3%
Savings rate	12%
Retire Age	67

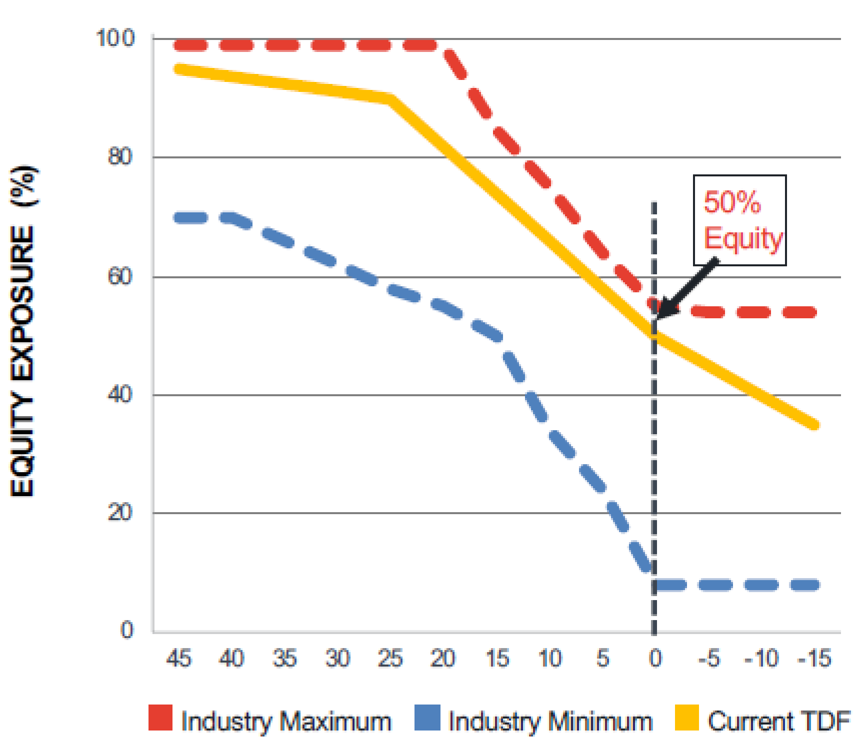
Return Assumptions	
Expected return for Bonds	2%
Expected return for Equity	6%



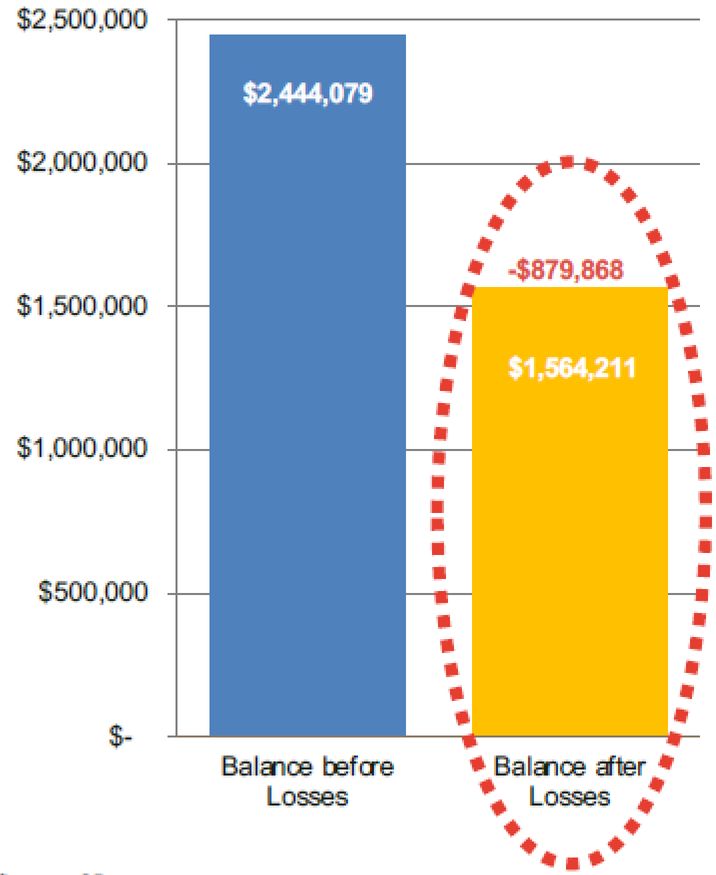
1 3% expected return is calculated by taking 25% of expected return for equity and 75% expected return for bond [(25% x 6%) + (75% x 2%)] = 3%.
2 4% expected return is calculated by taking 50% of expected return for equity and 50% expected return for bond [(50% x 6%) + (50% x 2%)] = 4%.
3 Differences in ending retirement balances are based on participant and expected return assumptions and will vary based on individual participant fact sets and actual asset class returns.

Aggressive – Potential Impact

Target Date Risks	Potential Investment Losses



Participant Assumptions	
Starting balance	$10,000
Starting age	30
Current salary	$60,000
Salary growth	3%
Mortality age	85
Avg. Saver	**14.8%**



Retirement balances and income replacement ratios assume an 8% return before age 65 and 5% after age 65.
Potential participant losses use the median loss for 2010-dated TDFs during the financial crisis (11/1/2007 – 2/28/2009) for a TDF's NFP Risk category.
The median losses for Aggressive, Moderate and Conservative TDF risk categories was -36%, -27% and -18%, respectively.
Past performance is no guarantee of future results. Indexes are unmanaged and one cannot invest directly in an index.

Step 2: Qualitative Considerations[1]

Hypothetical Risk Alignment

Conservative Risk

TDF Risk Score[2] ≤ 54

Management Style

Active Management

Passive Management

Hybrid Management

Management Approach

Single Manager

Multiple Managers

Asset Class Coverage[3]	
US Large Equity	x
US Mid Equity	x
US Small Equity	x
International Equity	x
Emerging Market Equity	x
US Fixed Income	x
US TIPS	x
High Yield Bonds	x
International Bonds	x
Emerging Market Debt	x
REITs	x
Commodities	x

[1] *Research of non-numerical options*
[2] *Conservative Risk <54, Moderate Risk 55 – 69, Aggressive Risk >70*
[3] *Asset Class Coverage definitions can be found on slide 41*

Step 3: Performance Analysis

TDF performance analysis should extend beyond simple returns which can be misleading due to the vast differences in glidepaths and asset class exposures. Additionally, TDFs are typically structured as a "fund-of-funds.". While broad based asset class exposure is responsible for the majority of a TDF's performance, the underlying fund performance can be a meaningful contributor or detractor to overall results.

TDF Performance Considerations

- Returns over various time periods
- Risk level of glidepath
- Asset class exposures
- Underlying fund risk-adjusted returns
- Fund Fees

The Evolution of TDFs

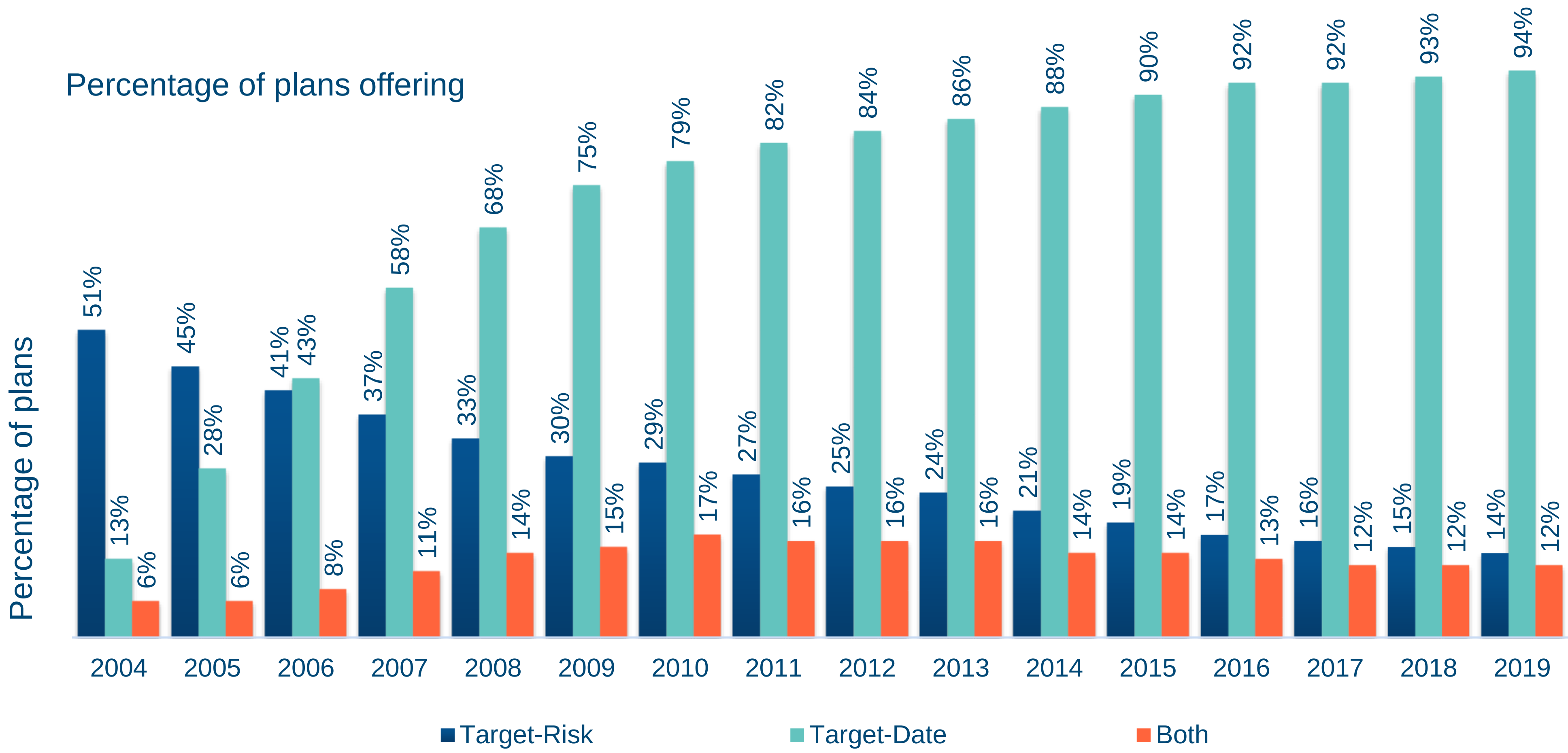
Trends in Target Date Funds

1. TDFs outpace other investment types for the “default” designation[1]
2. Plans continue to unbundle their TDF provider from their recordkeeping provider[2]
3. CITs are now the preferred TDF vehicle over mutual funds[3]
4. Passive and hybrid TDF series are seeing substantially increased asset flow compared to active-only TDF series[4]
5. Custom TDFs are gaining popularity and are increasingly available further down market[5]

[1] *How America Saves 2018, Vanguard 2017 defined contribution plan data*
[2] *2017 Defined Contribution Trends Survey, Callan Institute*
[3] *Alliance Bertnstein. “Plan Sponsors Speak With Action” 2017. PDF file.*
[4] *Morningstar 2018 Target-Date Fund Landscape*
[5] *Link to DOL Target Date Fund TIPS: https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/target-date-retirement-funds.pdf*
Source: Target Date Retirement Funds – Tips for ERISA Plan Plan Fiduciaries, DOL EBSA, February 2013.

Trading risk-based investing for age-based investing

VANGUARD DEFINED CONTRIBUTION PLANS

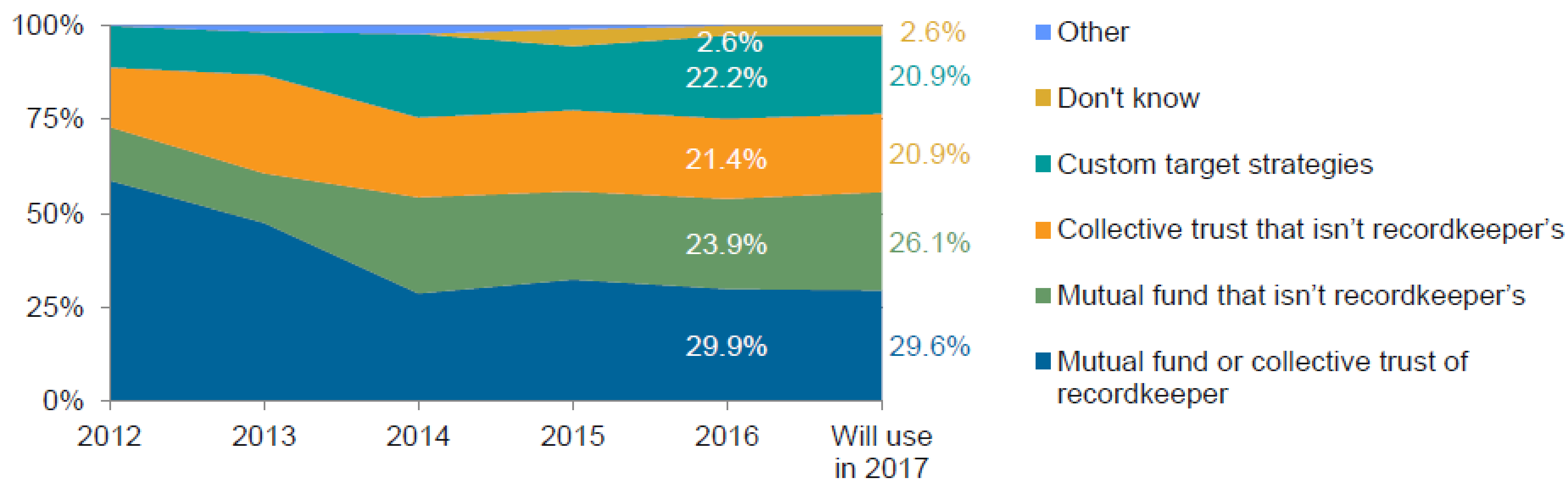


Source: Vanguard 2020

Trend Towards Unbundling the TDF from the Recordkeeper

As the number of TDF providers increases and recordkeepers open their platforms to more funds, plans using the recordkeeper's proprietary TDF offering fell from almost **70%** in 2011 to less than **30%** in 2017[1]

If you offer target date funds, which approach do you use?



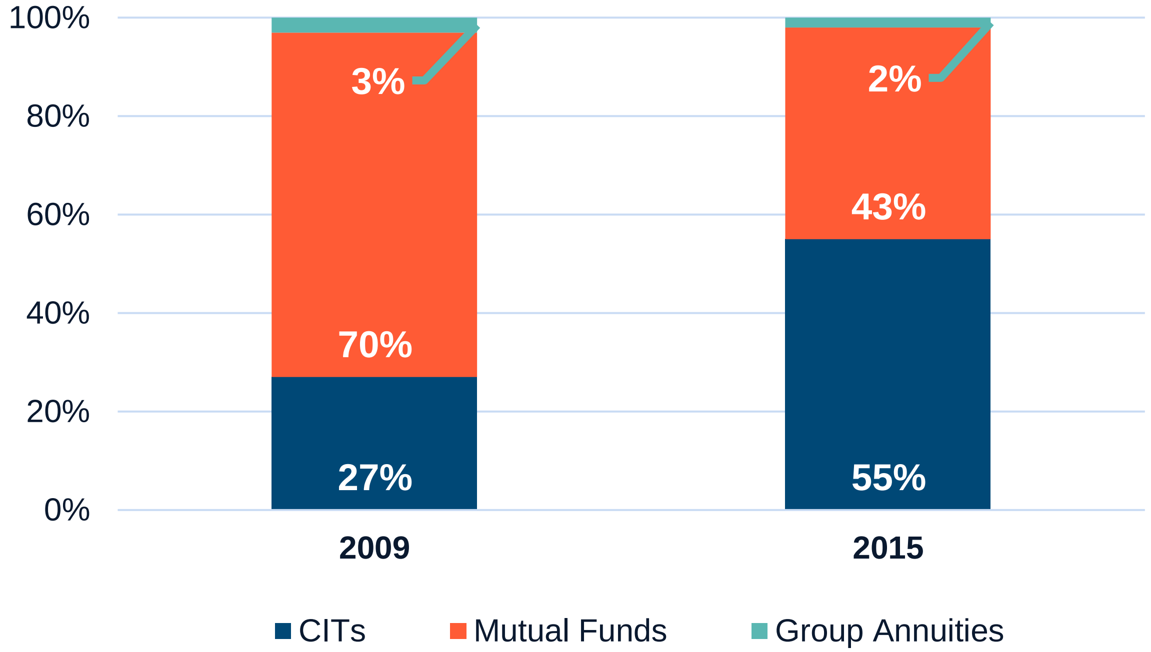
[1]2017 Defined Contribution Trends Survey, Callan Institute

Trend Towards CITs

From 2009 to 2015, the use of target-date collective investment trusts more than doubled as a percentage of target-date assets, from 27% to 55%.[1]

Large plans have led the way in CIT adoption, but smaller and midsize plans are also stepping in, as providers begin to make these vehicles more accessible by reducing minimum required investments.

The Use of Target-Date CITs is Growing Rapidly[1]
Target-Date Assets by Vehicle (Percent)



~2X

increase in target date CITs use from 2009-2015

27%

decrease in target date mutual fund use from 2009-2015

[1]Alliance Bertnstein. "Plan Sponsors Speak With Action" 2018.

Pros and Cons of CITs

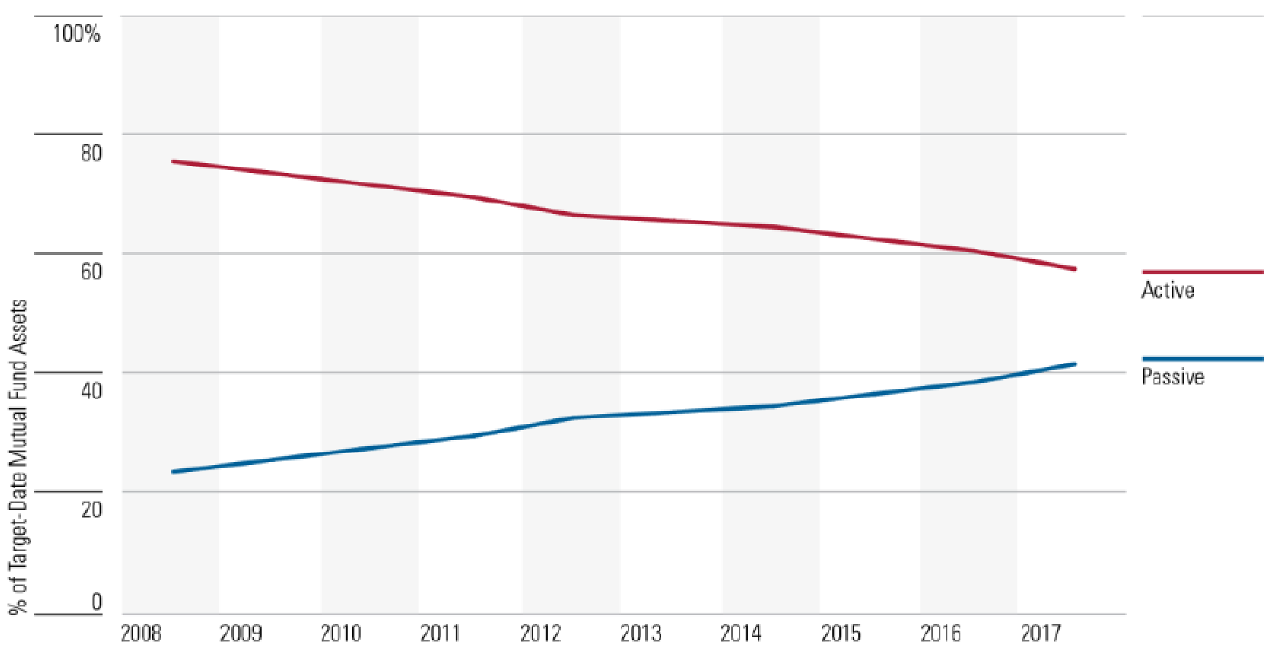
Pros	
	Often lower operational and marketing expenses which can be passed along to investors
	Held to ERISA fiduciary standards to act solely in the best interests of participants
	A more controlled trading structure versus mutual funds
	Exempt from registration with SEC, thereby avoiding costly registration fees

Cons	
	Information may not be as readily available as mutual funds
	Only available to qualified retirement plans; investor level portability is limited
	May have higher minimum investment requirements

Trend Towards Passive and Hybrid TDFs

- Driven by fiduciaries' desire for lower fees, however, it is important to look beyond expenses to determine overall value
- Managers are launching passive versions of their flagship active TDF series and attracting assets, yet performance isn't necessarily better even after fees

Exhibit 4 Percentage of Target-Date Mutual Funds Assets by Active versus Passive, 2008-17



Source: Morningstar, Inc. Data as of 12/31/17.

Source: Morningstar 2018 Target-Date Fund Landscape

Trend Towards Custom TDFs

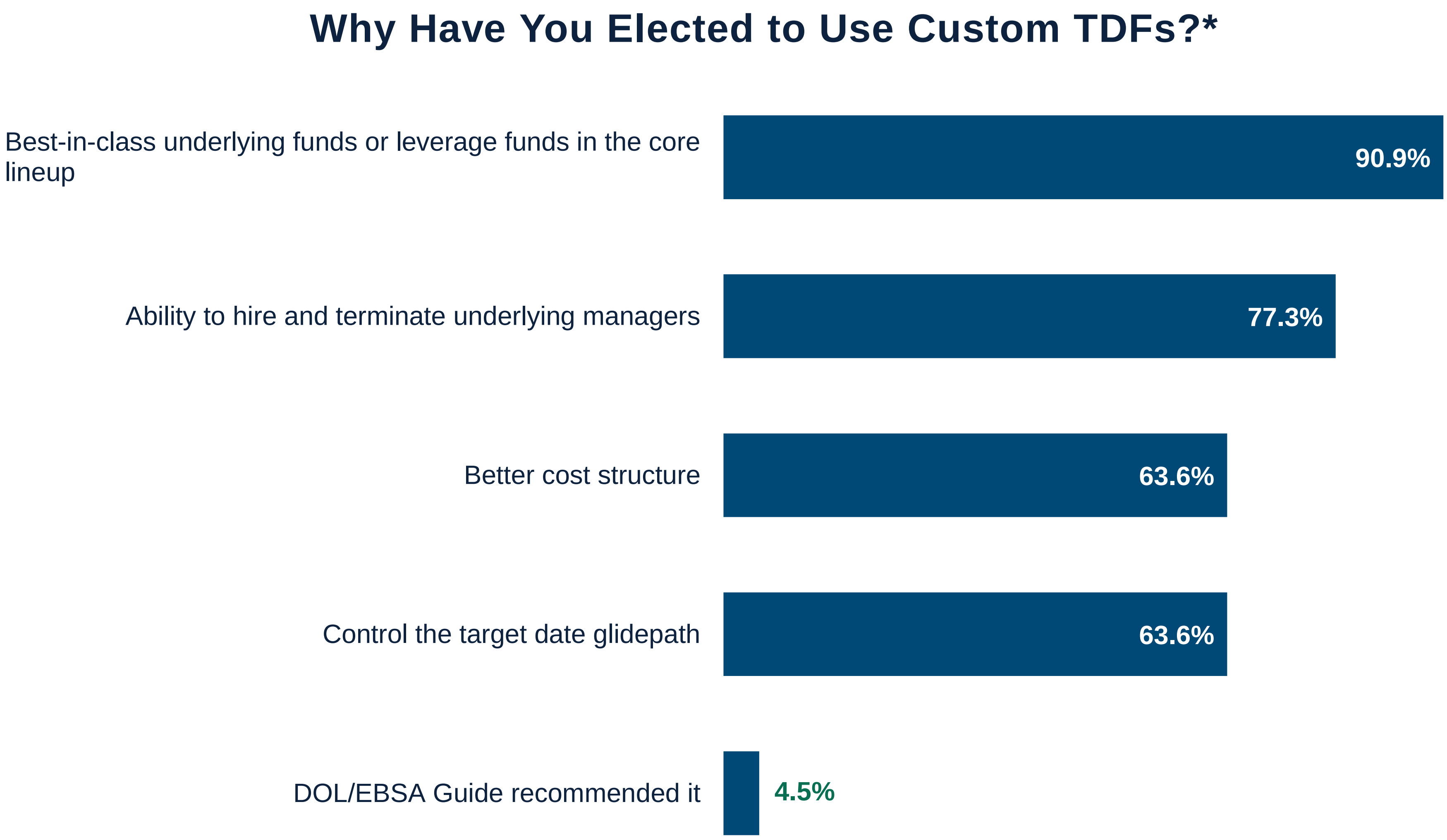
Which is the default investment for automatic enrollment?

Survey Respondents	
Micro (<$5M)	1,490
Small ($5M-$50M)	1,491
Mid ($50M-$200M)	545
Large ($200M - <$1B)	410
Mega (>$1B)	283

	All Industries					
	Overall	Micro (<$5M)	Small ($5M-$50M)	Mid ($50M-$200M)	Large ($200M - <$1B)	Mega (>$1B)
Retail TDF	56.1%	44.2%	51.6%	66.5%	67.3%	59.2%
Custom TDF	9.6%	5.8%	7.0%	8.8%	10.2%	25.9%
Risk-based Lifestyle Fund	5.2%	4.2%	7.4%	5.4%	3.3%	1.7%
Balanced Fund	10.9%	14.4%	13.0%	9.5%	8.2%	4.0%
Professionally Managed Acct	7.0%	7.7%	8.4%	5.4%	5.7%	5.7%
Stable Value / GIC	3.4%	6.4%	4.6%	1.0%	1.6%	0.0%
Money Market Fund	3.7%	10.9%	3.6%	1.0%	0.4%	0.0%
Other	4.0%	6.4%	4.3%	2.4%	2.9%	2.9%

Source: Columbia Threadneedle Investments

Why Are Plans Using Custom?



Source: Callan; 2017 Defined Contribution Trends Survey
** Multiple responses were allowed*

DOL Recommendation

The DOL recommends inquiring whether a custom or non-proprietary TDF would be a better fit for your plan.

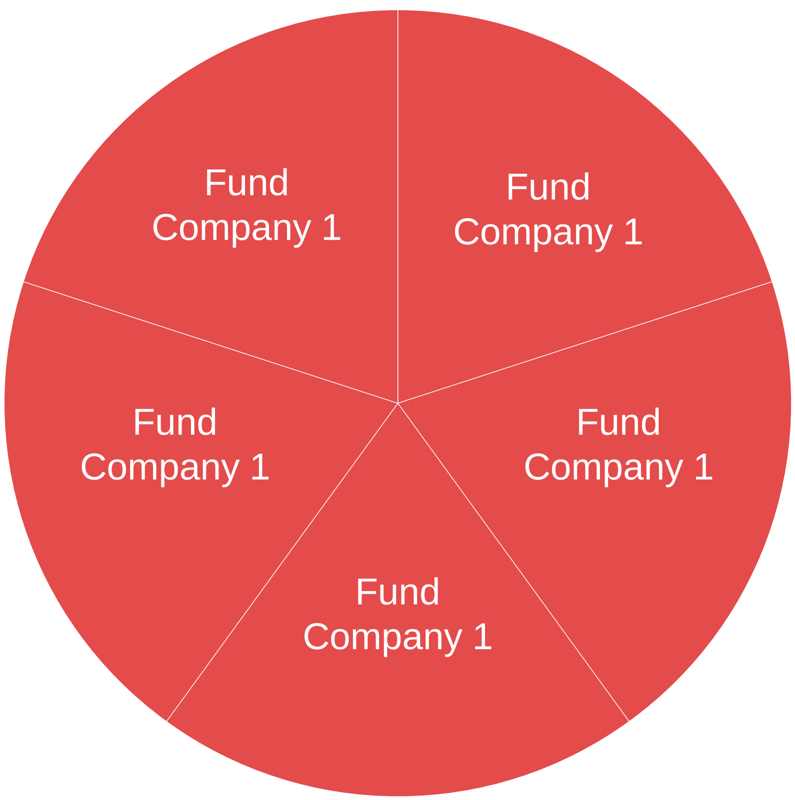
Link to DOL Target Date Fund TIPS: https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/target-date-retirement-funds.pdf
Source: Target Date Retirement Funds – Tips for ERISA Plan Fiduciaries, DOL EBSA, February 2013.

Underlying Fund Selection

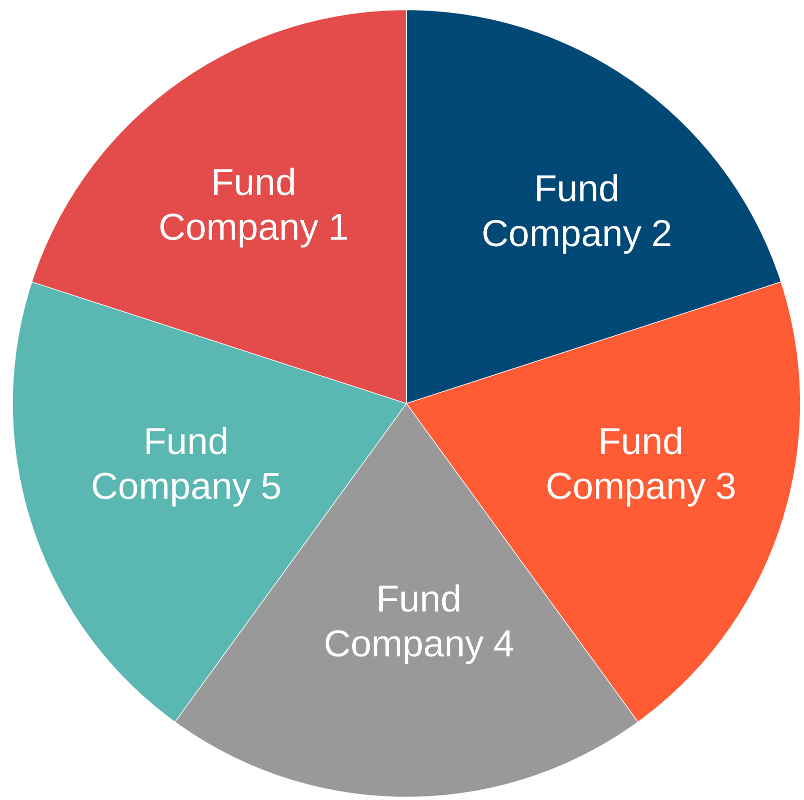
"Nonproprietary TDFs could also offer advantages by including component funds that are managed by fund managers other than the TDF provider itself, thus diversifying participants' exposure to one investment provider."

– Department of Labor Tip Sheet

Traditional TDFs



Custom TDFs

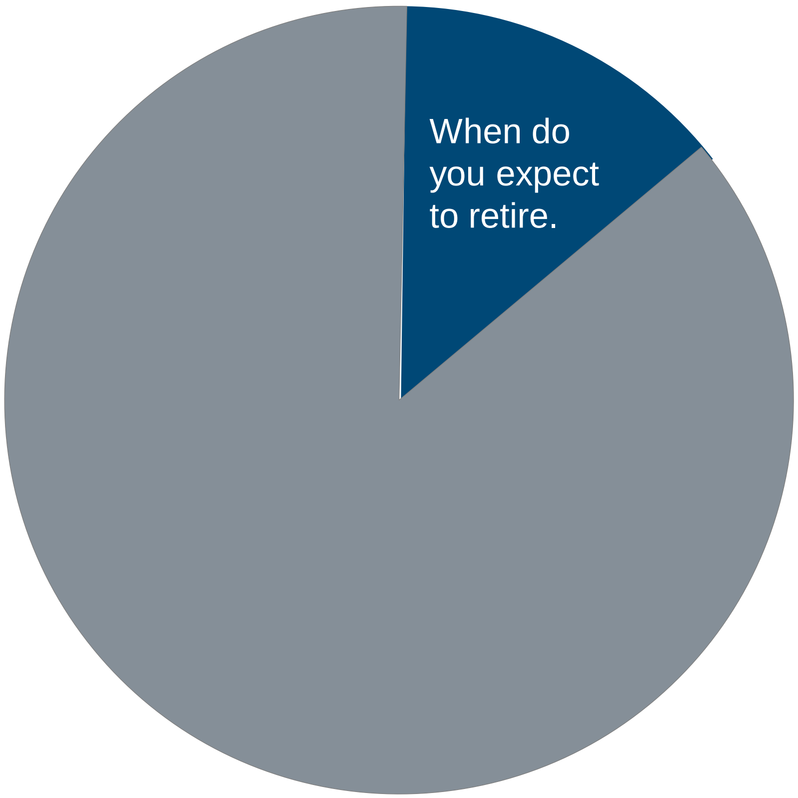


Link to DOL Target Date Fund TIPS: https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/target-date-retirement-funds.pdf
Source: Target Date Retirement Funds – Tips for ERISA Plan Fiduciaries, DOL EBSA, February 2013.

Glidepath Construction

There are other important considerations beyond a participant's age that should be considered when investing for retirement. Multi-glidepath TDFs enable participants to incorporate these other factors while maintaining the simplicity of a do-it-for-me solution.

Traditional TDFs

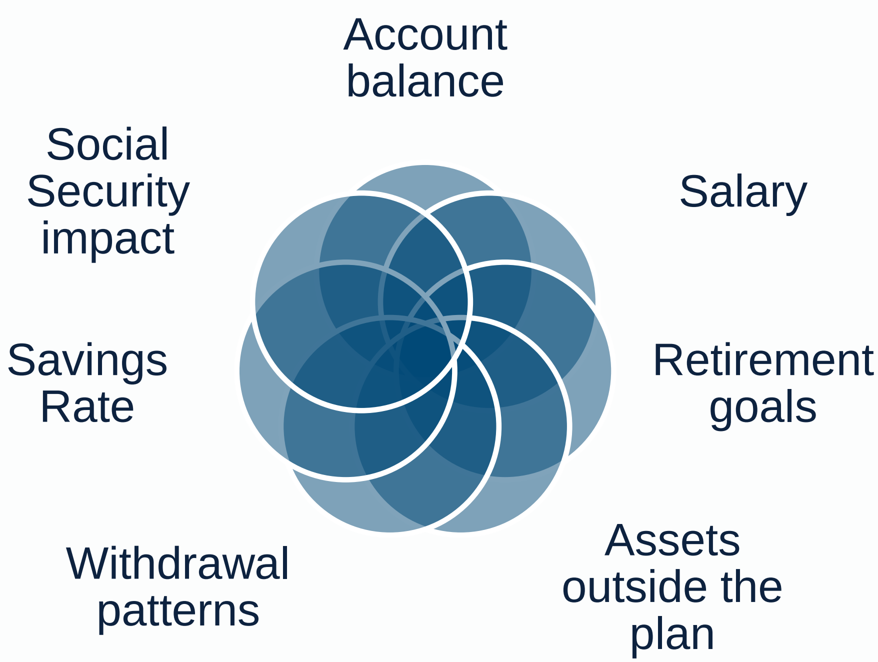


Multi-glidepath TDFs

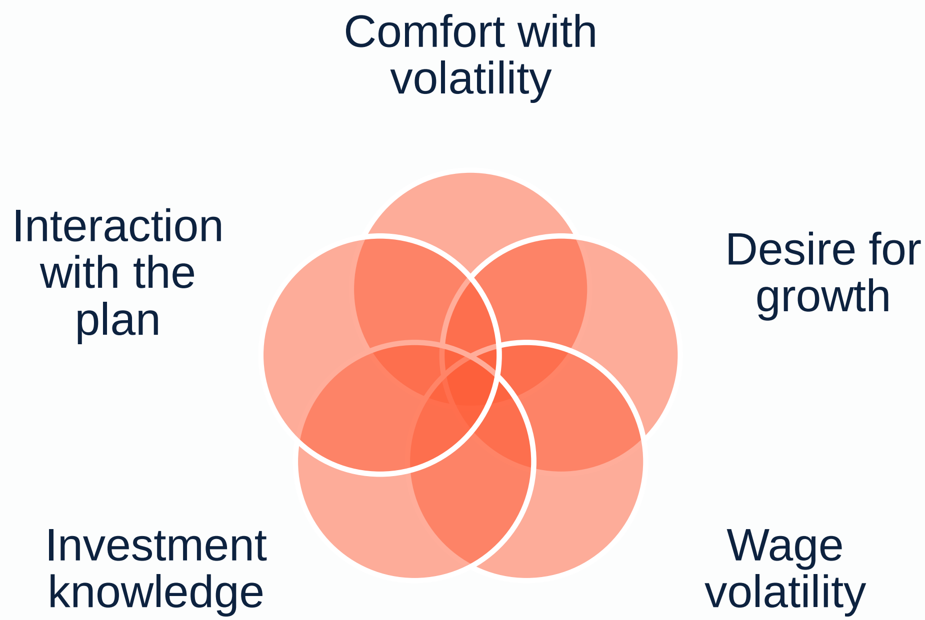
Does One Size Fit All?

Prudent asset allocation is a function of a participant's need and willingness to assume risk. Since traditional TDFs only consider differences in participants' age, misfit risk can exist if participants within the plan exhibit variances in the below factors.

Need To Take Risk



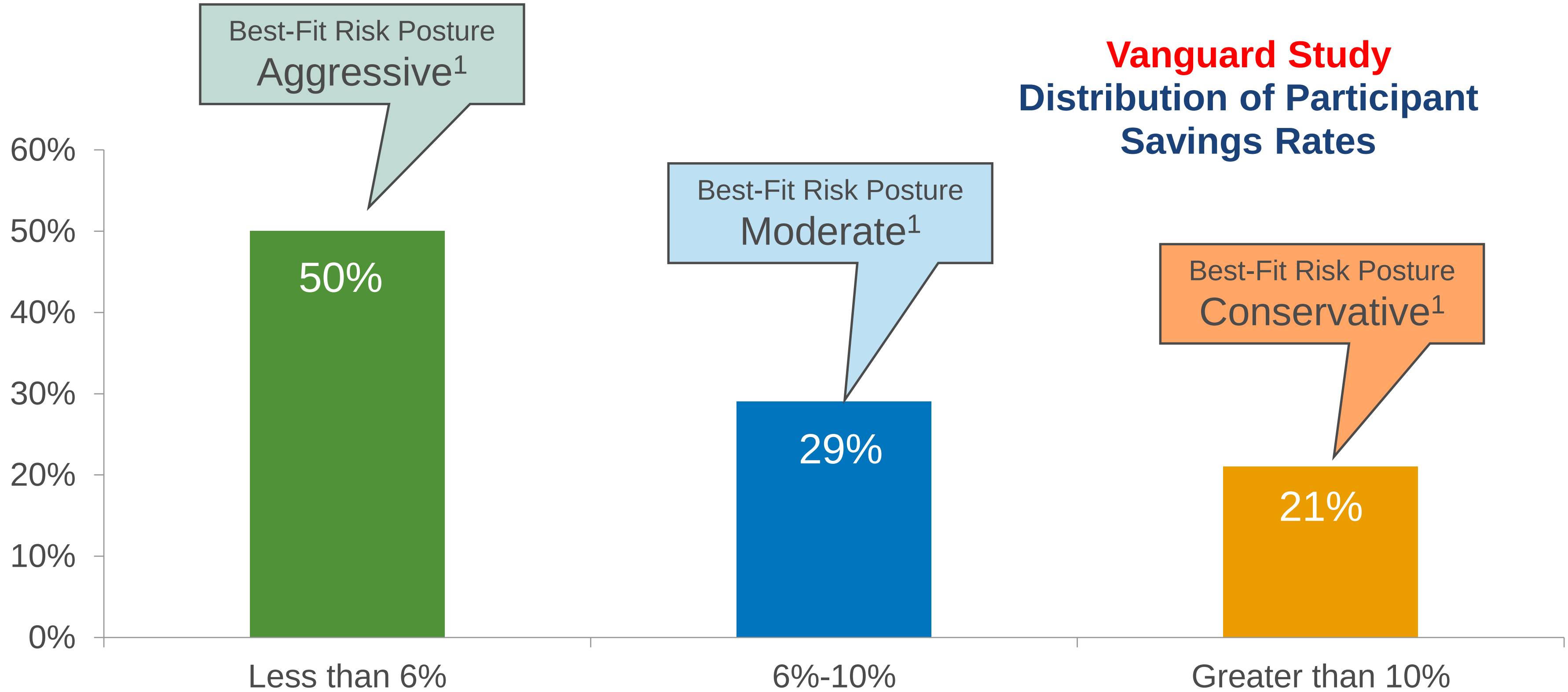
Willingness To Take Risk



Example for illustrative purposes only and is not indicative of any investment.

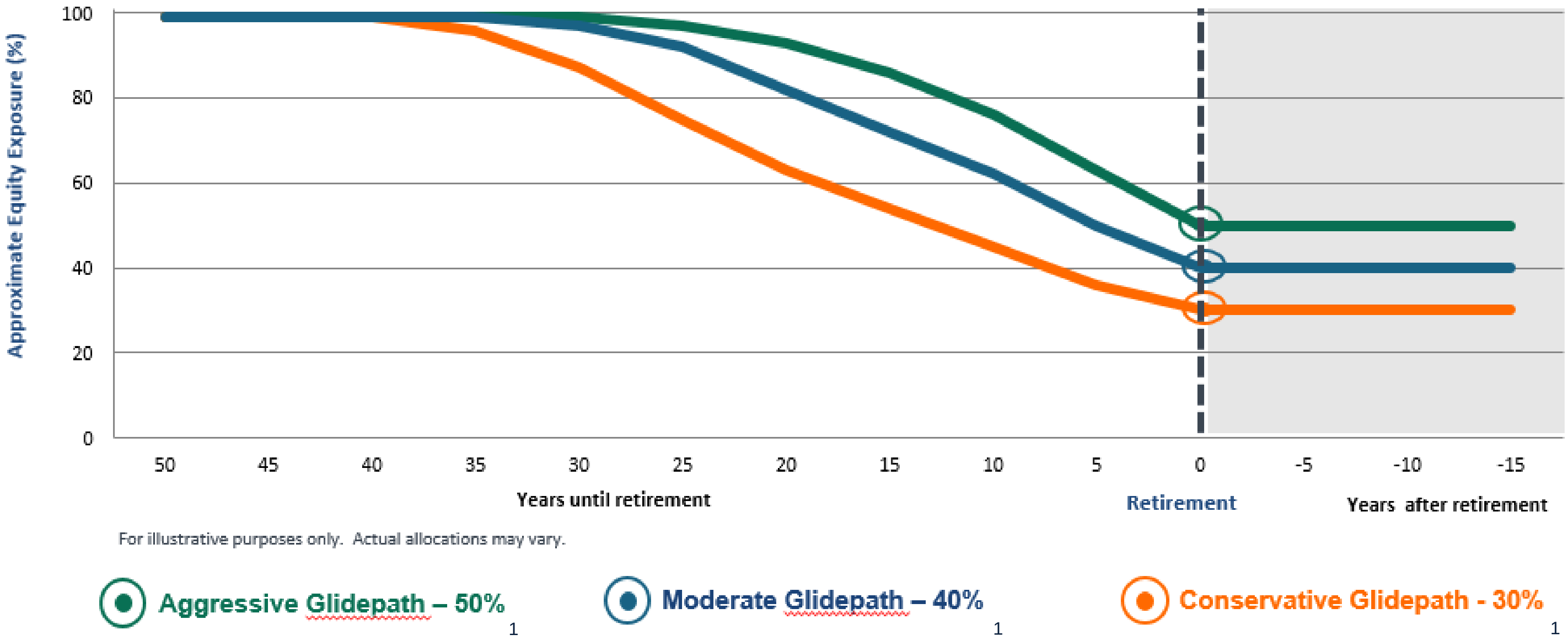
Participant Savings Rates Vary

- Misfit risk occurs when a participant's actual savings rate differs from the TDF's assumed savings rate
- Participants saving more for retirement can afford to de-risk[2] while participants saving less may need to be more aggressive
- Traditional single glidepath TDFs can lead to misfit risk due to differences amongst plan participant deferral rates



[1]*Best-fit risk postures are based solely on funding adequacy. Funding adequacy is the extent to which retirement savings will replace current income in retirement. Conservative: Less than 30% equity exposure at retirement. Moderate is between 30-40% equity exposure at retirement. Aggressive is greater than 40% equity exposure at retirement.*
Source: Vanguard, "How America Saves 2020" figure 34, Vanguard.com, "Vanguard Defined Contribution Plans Permitting Employee-Elective Deferrals, 2019"
[2]*Transitioning from an aggressive investment strategy to a more conservative one*

Custom TDF with Multiple Glidepaths



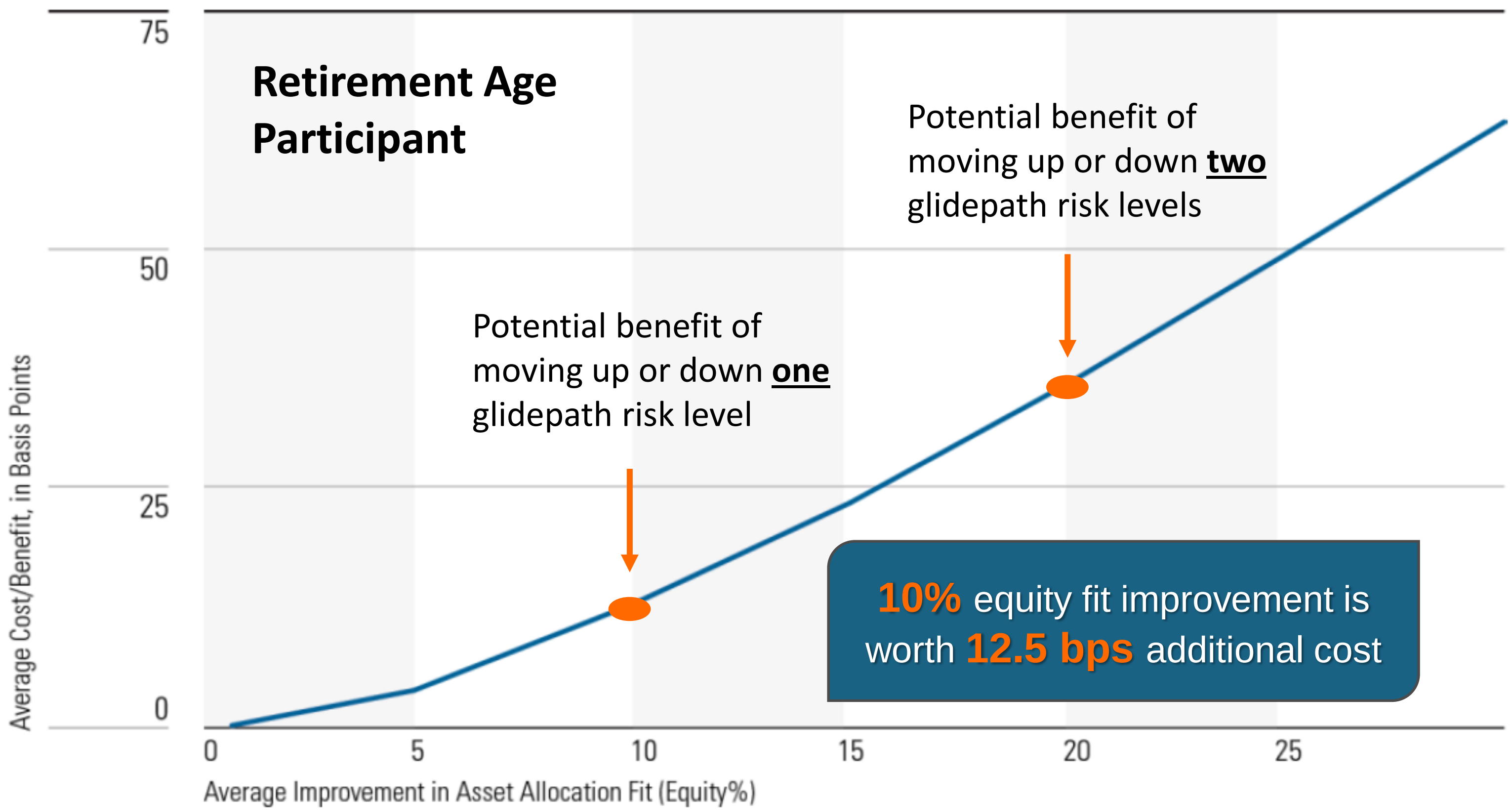
- DOL wants “alignment” of TDF and participant characteristics[2]
- One glidepath cannot fit the needs of every participant in a plan
- Custom model can utilize a simple & intuitive naming convention

[1] Equity percentage at retirement
[2] https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/target-date-retirement-funds.pdf

Value of Customization

flexPATH offers participants a simple way to customize their TDF portfolio beyond their target retirement date at no additional cost

Exhibit 14 The Cost (or Benefit) of a Better Average Asset Allocation Fit



Source: Morningstar; Stop Guessing: Using Participant Data to Select the Optimal QDIA

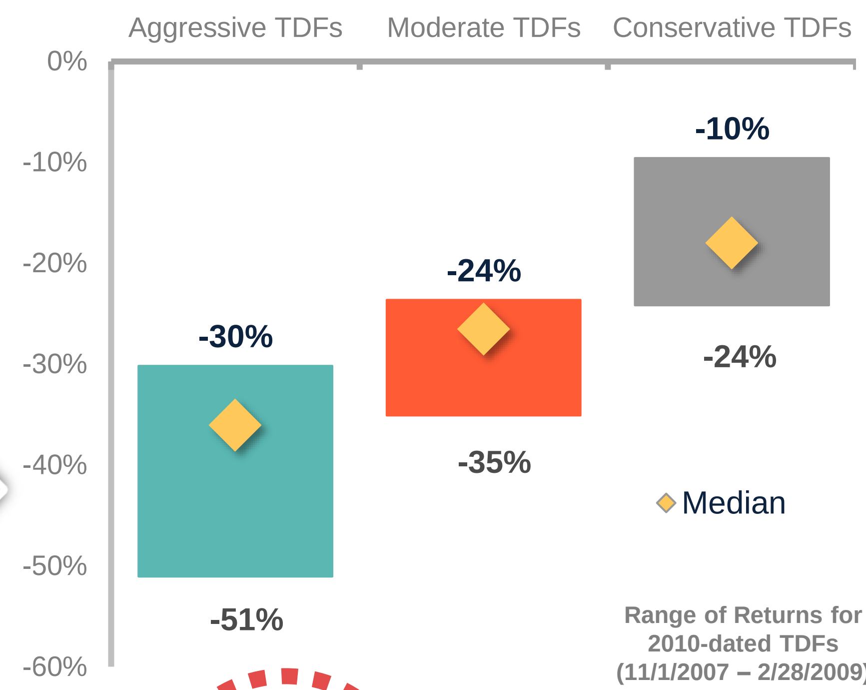
Transparent and Intuitive Naming Convention

Risk-based naming convention explicitly conveys the risk participants assume.

Pre-Retirement Examples

Name	Equity Exposure at Retirement Date
Vanguard Target Retirement 2025 Fund	**50%**
T. Rowe Price 2025 Fund	**55%**
Fidelity Freedom 2025 Fund	**51%**
flexPATH Aggressive 2025 Fund	**50%**

Pre-Retirement TDF Risks



Risk Posture	Aggressive TDFs	Moderate TDFs	Conservative TDFs
Median Loss	**-36.0%**	**-26.6%**	**-18.0%**

Source of TDF returns: Morningstar Direct (6/30/2019). NFP TDF Risk Index is used to classify TDFs as Conservative, Moderate or Aggressive.
Past performance is no guarantee of future results.

Key Takeaways

Key Takeaways

1

DOL guidance for fiduciaries

2

Evaluate your current TDFs suitability for your plan

3

TDFs have evolved

DOL TIPS

What to Remember When Choosing Target Date Funds

- ***Establish a process for comparing and selecting TDFs***. In general, plan fiduciaries should engage in an objective process to obtain information that will enable them to evaluate the prudence of any investment option made available under the plan. For example, in selecting a TDF you should consider prospectus information, such as information about performance (investment returns) and investment fees and expenses. You should consider how well the TDF's characteristics align with eligible employees' ages and likely retirement dates. It also may be helpful for plan fiduciaries to discuss with their prospective TDF providers the possible significance of other characteristics of the participant population, such as participation in a traditional defined benefit pension plan offered by the employer, salary levels, turnover rates, contribution rates and withdrawal patterns.
- ***Establish a process for the periodic review of selected TDFs.*** Plan fiduciaries are required to periodically review the plan's investment options to ensure that they should continue to be offered. At a minimum, the review process should include examining whether there have been any significant changes in the information fiduciaries considered when the option was selected or last reviewed. For instance, if a TDF's investment strategy or management team changes significantly, or if the fund's manager is not effectively carrying out the fund's stated investment strategy, then it may be necessary to consider replacing the fund. Similarly, if your plan's objectives in offering a TDF change, you should consider replacing the fund.
- ***Understand the fund's investments – the allocation in different asset classes (stocks, bonds, cash), individual investments, and how these will change over time.*** Have you looked at the fund's prospectus or offering materials? Do you understand the principal strategies and risks of the fund, or of any underlying asset classes or investments that may be held by the TDF? Make sure you understand the fund's glide path, including when the fund will reach its most conservative asset allocation and whether that will occur at or after the target date. Some funds keep a sizeable investment in more volatile assets, like stocks, even as they pass their "target" retirement dates. Since these funds continue to invest in stock, your employees' retirement savings may continue to have some investment risk after they retire. These funds are generally for employees who don't expect to withdraw all of their 401(k) account savings immediately upon retirement, but would rather make periodic withdrawals over the span of their retirement years. Other TDFs are concentrated in more conservative and less volatile investments at the target date, assuming that employees will want to cash out of the plan on the day they retire. If the employees don't understand the fund's glide path assumptions when they invest, they may be surprised later if it turns out not to be a good fit for them.
- ***Review the fund's fees and investment expenses.*** TDF costs can vary significantly, both in the amount and types of fees. Small differences in investment fees and costs can have a serious impact on reducing long term retirement savings. 2 Do you understand the fees and expenses, including any sales loads, for the TDF? If the TDF invests in other funds, did you consider the fees and expenses for both the TDF and the underlying funds? If the expense ratios of the individual component funds are substantially less than the overall TDF, you should ask what services and expenses make up the difference. Added expenses may be for asset allocation, rebalancing and access to special investments that can smooth returns in uncertain markets, and may be worth it, but it is important to ask. 2 A difference of just one percentage point in fees (1.5% as compared with 0.5%) over 35 years dramatically affects overall returns. If a worker with a 401(k) account balance of $25,000 averages a seven percent return, the worker will have $227,000 at retirement with the lower fee and $163,000 with the higher fee, assuming no further contributions. U.S. Department of Labor, Employee Benefits Security Administration, A Look At 401(k) Plan Fees, at https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/publications/a-look-at-401k-plan-fees.pdf.
- ***Inquire about whether a custom or non-proprietary target date fund would be a better fit for your plan.*** Some TDF vendors may offer a pre-packaged product which uses only the vendor's proprietary funds as the TDF component investments. Alternatively, a "custom" TDF may offer advantages to your plan participants by giving you the ability to incorporate the plan's existing core funds in the TDF. Nonproprietary TDFs could also offer advantages by including component funds that are managed by fund managers other than the TDF provider itself, thus diversifying participants' exposure to one investment provider. There are some costs and administrative tasks involved in creating a custom or nonproprietary TDF, and they may not be right for every plan, but you should ask your investment provider whether it offers them.

Asset Class Definitions

REIT (RE): real estate securities traded on a stock exchange.

Emerging Market Equity (EME): foreign companies in countries that are not considered to have fully developed markets or economies.

High Yield (HY): below investment grade domestic fixed income securities, which have a higher likelihood of default.

U.S. Government TIPS (UGT): treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.

US Large Equity: Large Value, Blend, Growth

US Mid Equity: Mid Value, Blend, Growth

US Small Equity: Small Value, Blend, Growth

International Equity: International Large Value, Blend, Growth, Small-Mid Value, Blend, Growth

International Bonds: fixed income securities originating from countries other than the US

Emerging Market Debt: fixed income securities originating from countries that are not considered to have fully developed markets or economies

Commodities: securities linked to assets such as energy, grains, metals, and livestock

Mid Cap Value (MCV): mid-capitalization companies who have lower prices in relation to their earnings or book value.

Small Cap Value (SCV): small capitalization companies who have lower prices in relation to their earnings or book value.

International Equity (IE): includes any fund whose primary prospectus benchmark is the MSCI ACWI ex USA, which includes both developed and emerging markets, and is intended to provide a broad measure of stock performance throughout the world, with the exception of U.S. based companies.

Core Fixed Income (CFI): domestic fixed income securities representing a broad array of fixed income securities including government, credit and mortgage-backed securities.

Emerging Market Equity (EME): foreign companies in countries that are not considered to have fully developed markets or economies.

US Fixed Income: domestic fixed income securities representing a broad array of fixed income securities including government, credit and mortgage-backed securities.

US TIPS(UGT): treasury inflation protected securities which are Government securities designed to offer inflation protection by adjusting the principal based on changes in the Consumer Price Index.

Disclosures

Information contained herein is intended to provide you with a brief overview of the coverages and services provided for reference purposes only. Some information provided herein is for general informational purposes and should not be interpreted as legal advice. We believe the information is accurate, however, we make no warranty or guarantee regarding the accuracy or reliability of the content. [FIRM NAME] and its subsidiaries do not provide legal or tax advice. We recommend that our clients consult an attorney or tax professional regarding the application or potential implications of laws, regulations or policies to their specific circumstances and strategy.

All investments involve varying levels and types of risks. These risks can be associated with the specific investment, or with the marketplace as a whole. Loss of principal is possible.

This information was developed as a general guide to educate plan sponsors and is not intended as authoritative guidance or tax/legal advice. Each plan has unique requirements, and you should consult your attorney or tax advisor for guidance on your specific situation.

The target date is the approximate date when investors plan to start withdrawing their money. Generally, the asset allocation of each fund will change on an annual basis with the asset allocation becoming more conservative as the fund nears the target retirement date.

Mutual funds are sold by prospectus only. Before investing, investors should carefully consider the investment objectives, risks, charges and expenses of a mutual fund. The fund prospectus provides this and other important information. Please contact your representative or the Company to obtain a prospectus. Please read the prospectus carefully before investing or sending money.

[Securities disclosure] ACR# 3436255 02/21

Thank you!

Retirement Plan Advisory Group and our hundreds of expert advisors nationwide are united in our mission to create successful retirement plan outcomes by protecting plan fiduciaries and engaging plan participants to reach their retirement income potential.

PHR • SPHR • GPHR Pre-Approved HR Certification Institute

CE credits for attending this webinar can be obtained by using the program ID which will be emailed out shortly

SHRM SHRM-CP | SHRM-SCP RECERTIFICATION PROVIDER 2018

120 Vantis, Suite 400 | Aliso Viejo, CA 92656 | 949.305.3859 | RPAG.com