

The All-New TDF Analyzer



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**READY TO
REWIND THE
CLOCK?**



2011 TIME CAPSULE - MUSIC



#1 Song:

"Rolling in the Deep" by Adele



Honorable Mention:

"Friday" by Rebecca Black

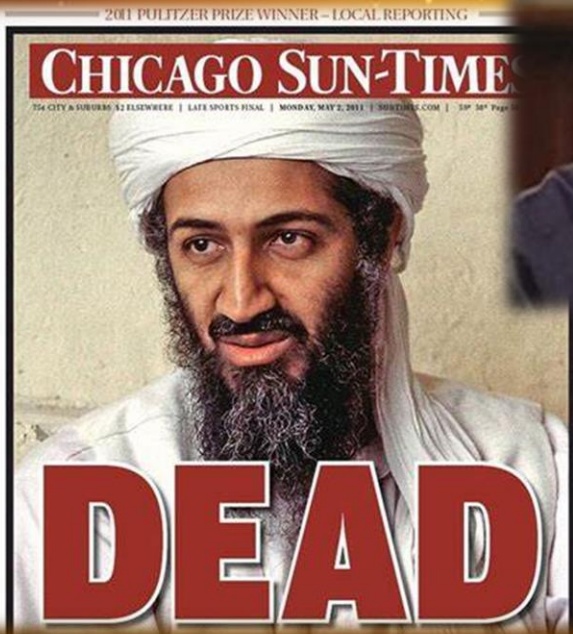


2011 TIME CAPSULE - MEME/INTERNET TREND



2011 TIME CAPSULE - NEWS

I'M WINNING!



AMERICA'S DEBT CRISIS

S&P downgrades U.S. credit rating

By Charles Riley @CNNMoney August 6, 2011: 8:13 PM ET

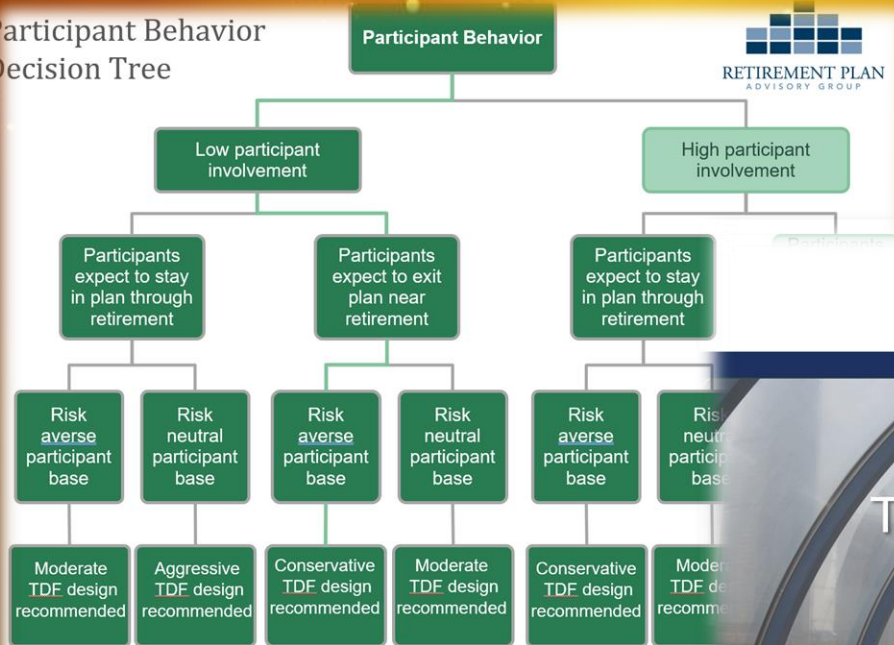


2011 TIME CAPSULE – COLLEGE DAYS OF MATT & KELLEN



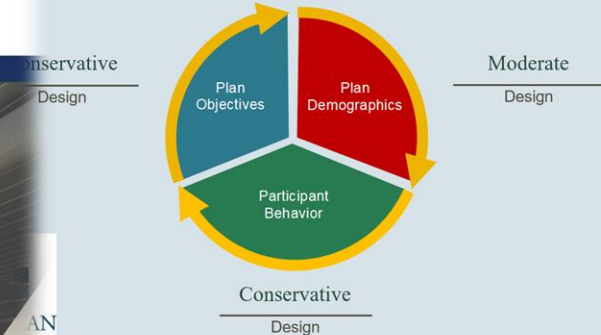
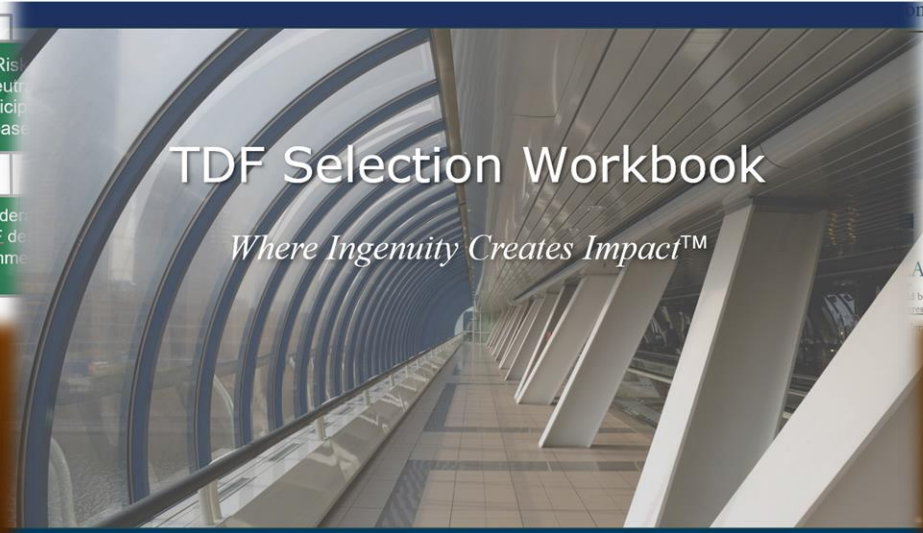
TDF FIT ANALYSIS 1.0 - 2011

Participant Behavior Decision Tree



Matching the TDF Goal to the TDF Design

| | |
|---------------------|--|
| Conservative | <ul style="list-style-type: none"> • Low (< 30%) equity exposure at retirement (age 65) • Incorporates a long and gradual transition away from risky assets |
| Moderate | <ul style="list-style-type: none"> • Moderate equity exposure (30-40%) at retirement* • Incorporates a more steady (30 year) transition away from risky assets |
| Aggressive | <ul style="list-style-type: none"> • High equity exposure (> 40%) at retirement (age 65) • Incorporates a faster transition away from risky assets |





**READY TO
FORWARD
THE CLOCK?**







Why TDF Suitability?



WHAT WILL BE THE PRIMARY CRITERION FOR SELECTING TDFS?

PERFORMANCE/FEEs vs. SUITABILITY

| City | Winner | Vote (%) | |
|--------------|-------------|----------|---|
| San Diego | Suitability | 80% |  |
| Philadelphia | Suitability | 90% |  |
| Atlanta | Suitability | 100% |  |
| Chicago | Suitability | 100% |  |

YOU SAID SO!

Suitability wins 4-0

93% avg. vote

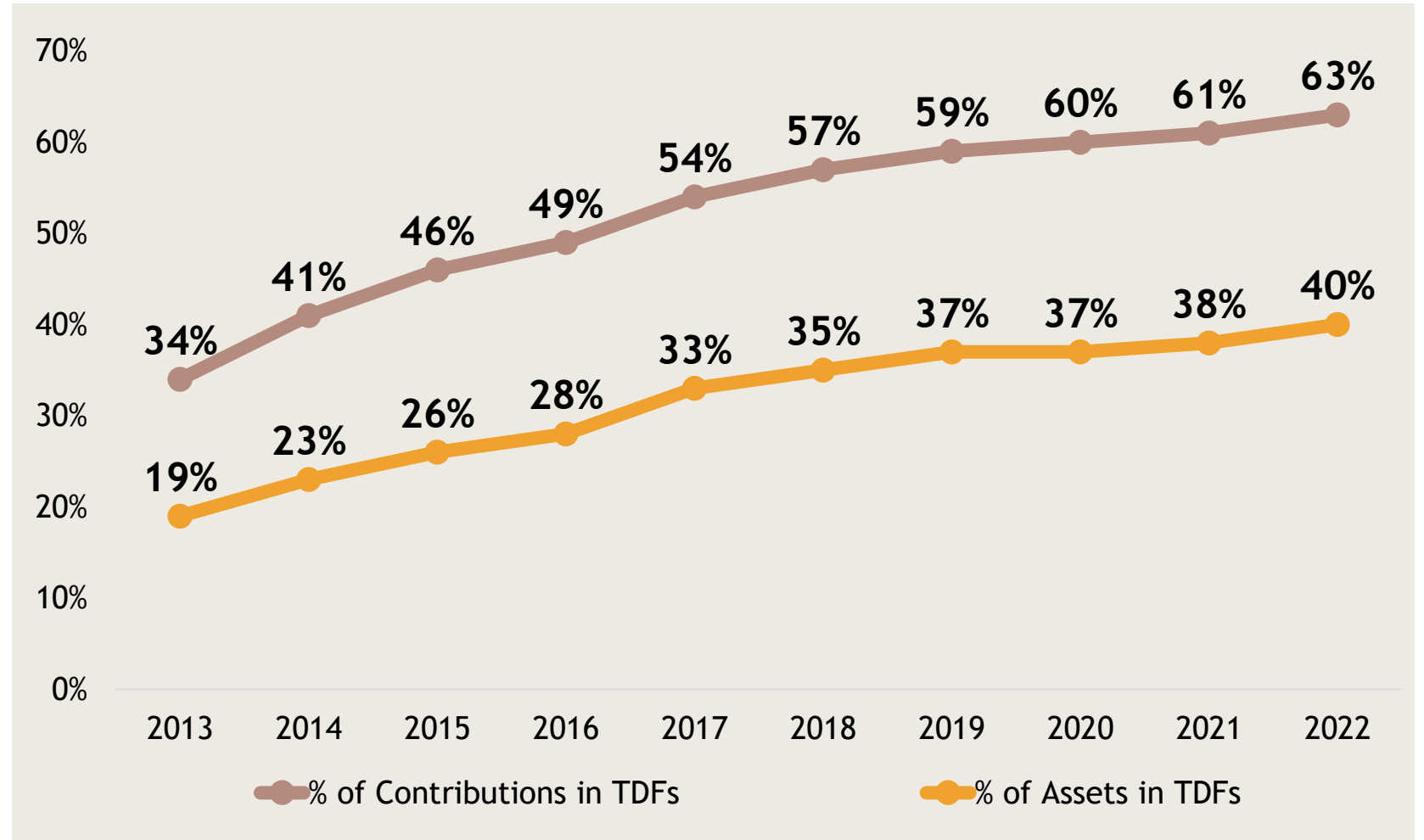


For illustrative purposes only.

TDFS ARE MORE POPULAR THAN EVER

TDF Prevalence:

- Necessitates increased due diligence by fiduciaries
- Creates proven opportunity to win new business
- Play better defense to retain business



TDF SUITABILITY IMPROVES RESULTS

IMPACT OF A MORE ACCURATE &
PERSONALIZED ALLOCATION:

12.5 - 30+ bps

Morningstar Study

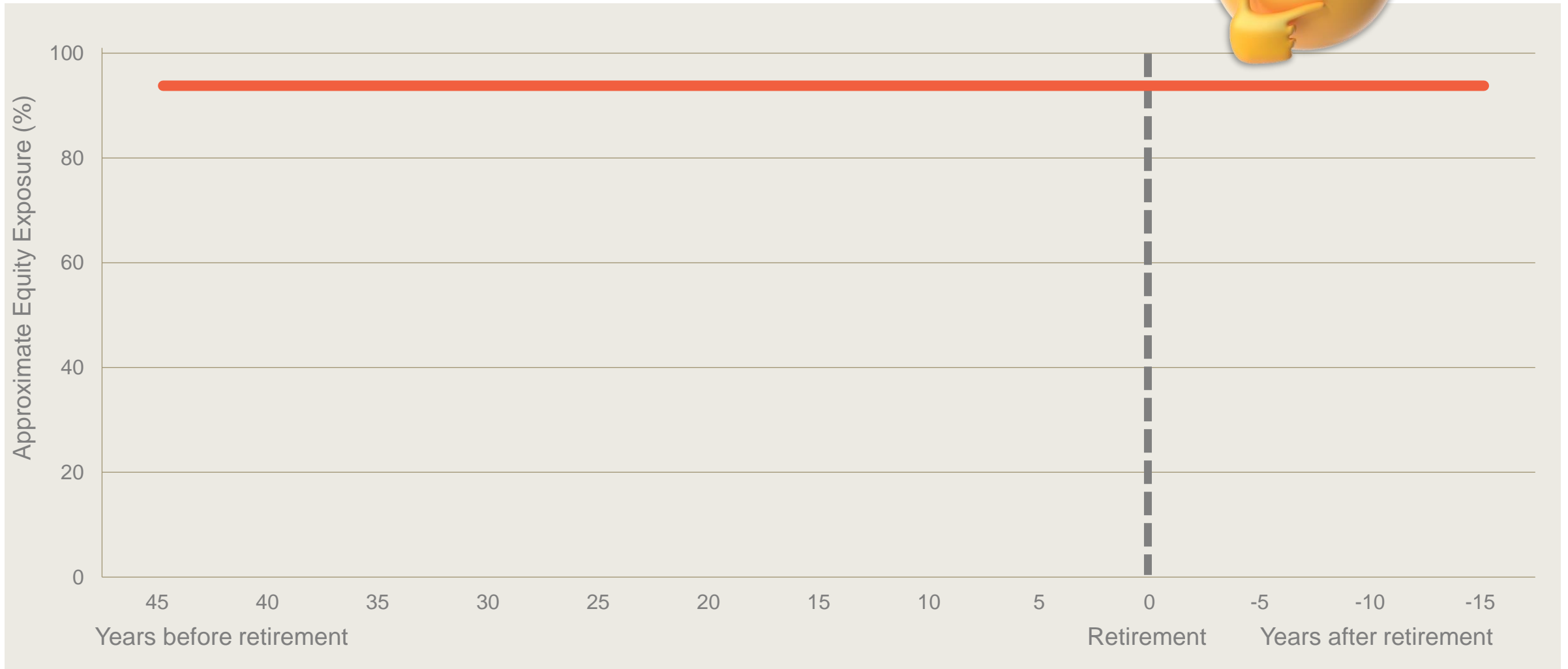
25 - 82 bps

Empower Study

Source: Empower & Morningstar



A RETURN MAXIMIZING GLIDEPATH

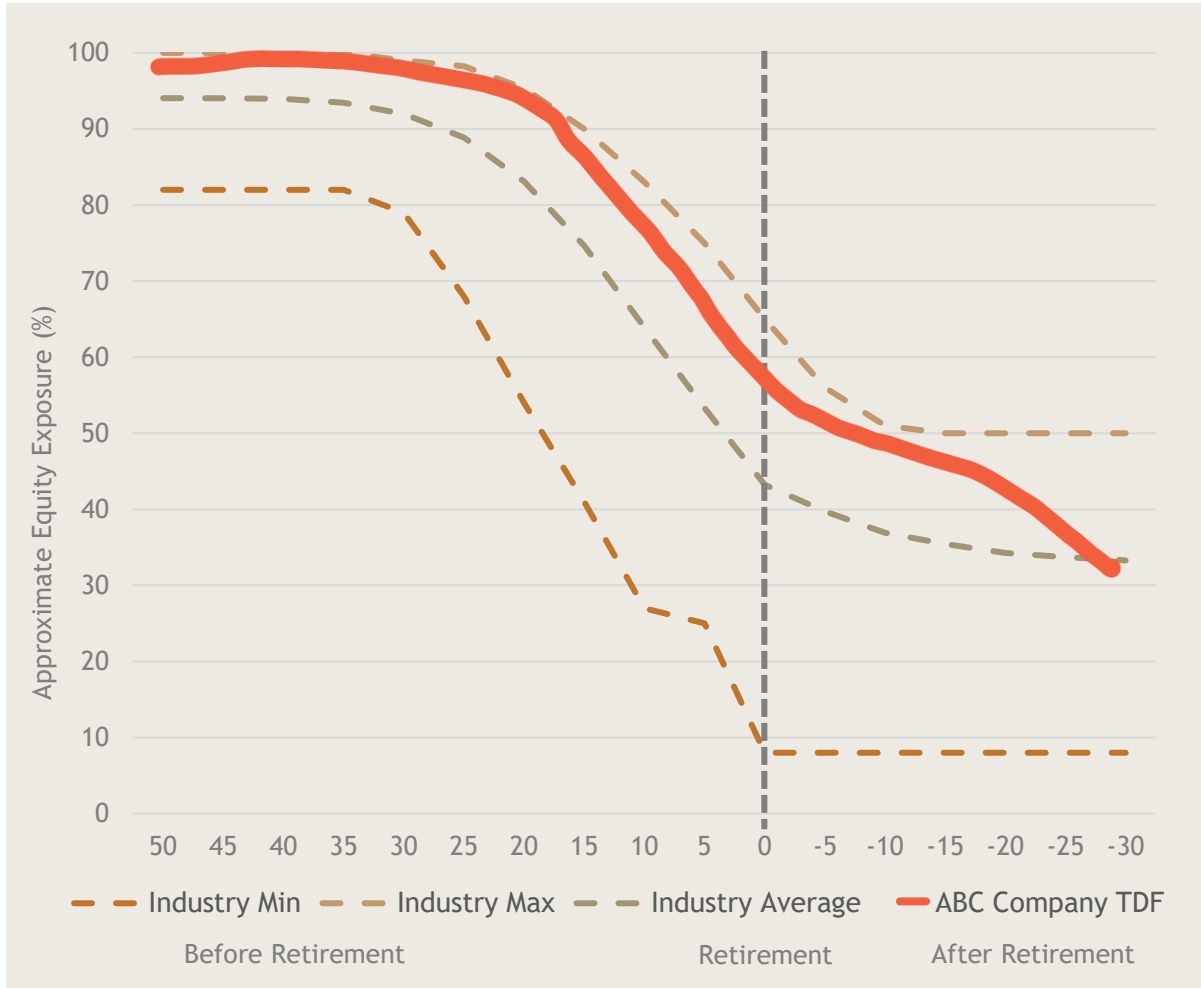


For illustrative purposes only.

A RETURN MAXIMIZING GLIDEPATH



That means this isn't necessarily "the best"



| Asset Allocation | 3 Year | 5 Year | 10 Year |
|------------------|--------|--------|---------|
| ABC Company 2010 | 1.99 | 5.06 | 4.91 |
| StyleBenchmark | 1.67 | 4.76 | 4.41 |
| Category Rank | 1 | 7 | 1 |
| ABC Company 2015 | 2.02 | 5.43 | 5.24 |
| StyleBenchmark | 1.81 | 5.13 | 4.74 |
| Category Rank | 1 | 6 | 3 |
| ABC Company 2020 | 2.19 | 5.81 | 5.66 |
| StyleBenchmark | 1.97 | 5.51 | 5.05 |
| Category Rank | 1 | 11 | 4 |
| ABC Company 2025 | 2.24 | 6.60 | 6.33 |
| StyleBenchmark | 2.47 | 6.35 | 5.69 |
| Category Rank | 4 | 4 | 5 |
| ABC Company 2030 | 2.86 | 7.64 | 7.27 |
| StyleBenchmark | 3.20 | 7.53 | 6.59 |
| Category Rank | 6 | 5 | 1 |
| ABC Company 2035 | 3.52 | 9.07 | 8.30 |
| StyleBenchmark | 3.98 | 8.81 | 7.57 |
| Category Rank | 8 | 1 | 1 |
| ABC Company 2040 | 4.24 | 10.03 | 8.88 |
| StyleBenchmark | 4.21 | 9.43 | 8.12 |
| Category Rank | 7 | 5 | 1 |
| ABC Company 2045 | 4.33 | 10.24 | 9.06 |
| StyleBenchmark | 4.33 | 9.64 | 8.29 |
| Category Rank | 14 | 8 | 1 |

Source: RPAG System.

COMPLIANCE – DEFENSE

Target Date Retirement Funds - Tips for ERISA Plan Fiduciaries



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

- 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

COMPLIANCE – OFFENSE

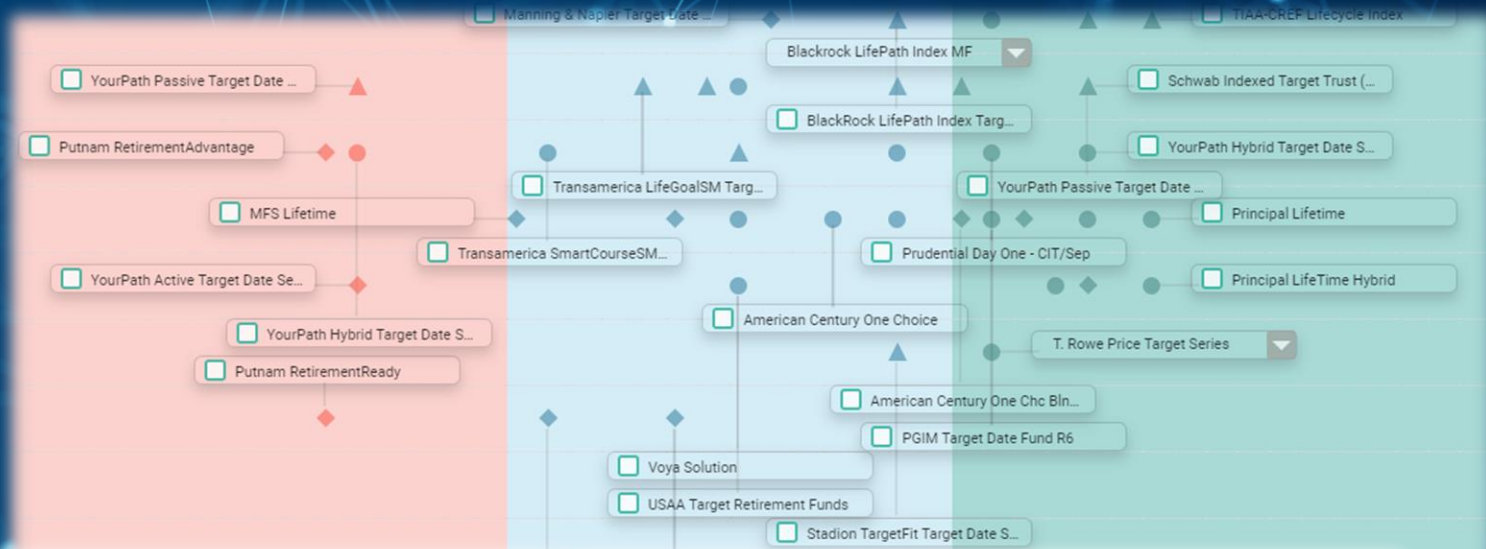
RPAG Scorecard and TDF Fit Analysis Cases

- “...an important criterion in selecting a TDF for a defined contribution plan is attempting to match a TDF to the participants' risk profiles” (Wood)
- “The Wood Plan’s RFP...determined that a moderate asset allocation strategy was appropriate” (Wood)

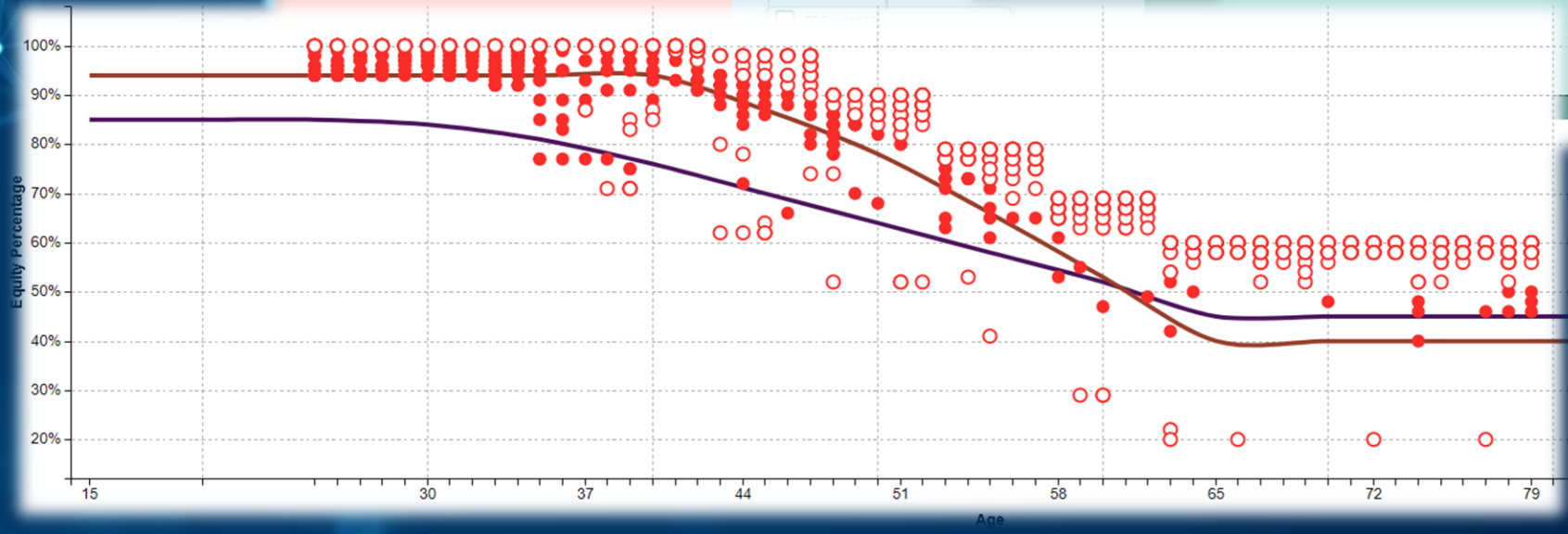
TDF Analyzer Enhancements



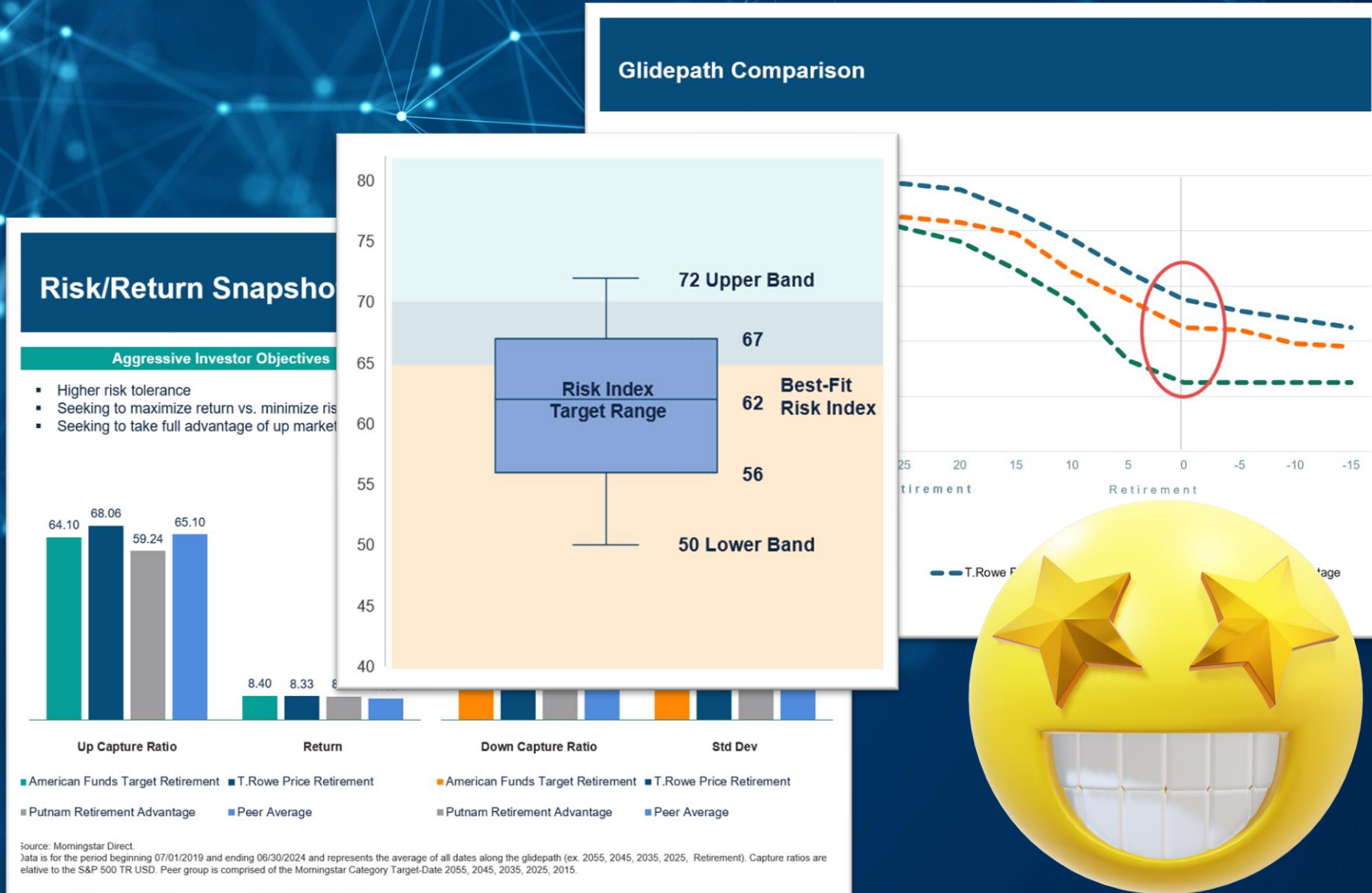
USER INTERFACE ENHANCEMENTS



- Fun and easy to use
- New modern design
- Standard report builder
- Charts adjust in real time



REPORT OUTPUT ENHANCEMENTS



- New modern design
- More granular data
- Key summary slides
- New Meeting Minutes



LOGIC ENHANCEMENTS

GOAL: Leverage data to create more nuanced results while maintaining ease-of-use

- More science, less art
- Target risk index range vs. target risk level
- Emphasize funded status (need to take risk) as primary risk indicator
- Clear distinction between plan sponsor actions (plan design) and participant actions (demographics and behavior)



FIT ANALYSIS - CURRENT

Plan Design

Plan objectives impact participant savings and ability to take risk. It is important that the plan's glidepath aligns with the plan's structure, including whether or not supplemental savings plans exist and the level to which these other plans provide income in retirement.

Is this retirement plan a supplement to another retirement savings plan?

Yes No

Do participants generally stay in the plan through retirement?

Yes No

Does the company's other retirement savings plan, if one exists, offer significant income in retirement?

Yes No

Glidepath Risk Consideration Moderate

Participant Demographics

Plan demographics drive glidepath strategy based on the funded status of the participants, primarily driven by contribution rates and account balances. These factors, in addition to the sophistication of the participants, dictate their need to take risk.

Do plan participants have above average investment knowledge?

Yes No

Does the plan have high contribution rates?

Yes No

Does the plan have high account balances at retirement?

Yes No

Glidepath Risk Consideration Aggressive

Participant Behavior

Participant behavior influences glidepath strategy to the extent that participants are engaged with their retirement plan. Their expectations regarding the timing of distributions and overall willingness to take risk are also key factors.

Does the plan have high participant engagement?

Yes No

Do participants expect to stay in the plan through retirement?

Yes No

Are participants risk-averse?

Yes No

Glidepath Risk Consideration Moderate

FIT ANALYSIS - NEW & IMPROVED



TDF Fit Analysis

Plan Design

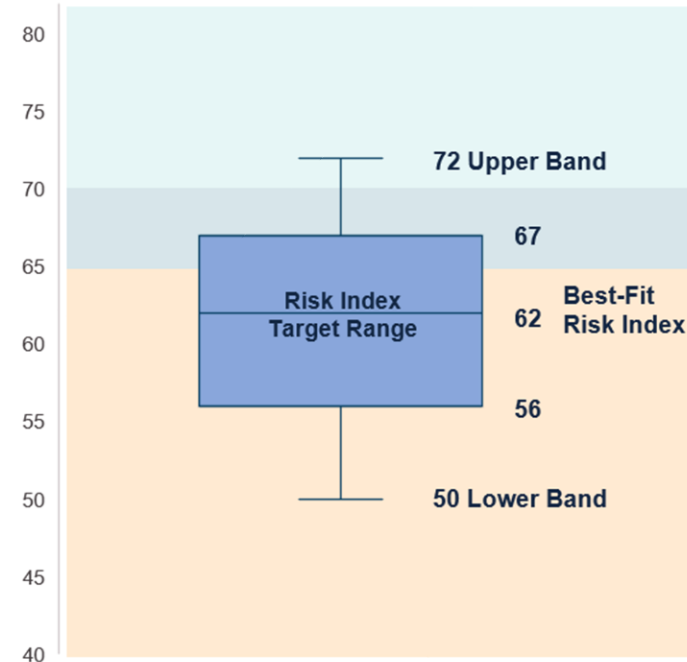
| | |
|--|------|
| 1. What portion of current employees are covered by another company sponsored retirement plan (defined benefit, ESOP, etc.) that will replace a significant portion of income in retirement? | None |
| 2. Is there auto escalation of employee savings rates? | No |
| 3. What is the maximum available employer contribution rate? | 3.0% |

Participant Demographics

| | |
|---|-----------|
| 1. What is the average participant contribution rate? | 8% |
| 2. What is the average account balance? | \$100,000 |
| 3. What is the average salary? | \$75,000 |

Participant Behavior

| | |
|--|-----------|
| 1. Do participants generally stay or leave the plan at retirement? | Leave |
| 2. How likely are participants to sell out of TDFs during a down market? | Very High |
| 3. How risk averse are participants? | Very High |



Plan Best-Fit TDF Risk Level

Conservative

Source: RPAG System.

Upper Band: best-fit risk index for a participant with 1/4th the plan's average savings rate and account balance

Lower Band: best-fit risk index for a participant with 2x the plan's average savings rate and account balance

Risk Index Target Range: the interquartile range between the Upper Band and Lower Band (covering the "middle" 50%)

Best-Fit Risk Index: the risk index corresponding to the plan's average participant

Conservative Moderate Aggressive

TDF SELECTION - CURRENT

| Product Name | ↑↓ | Risk Category | ↓ | Risk Index Score |
|--|----|---------------|---|------------------|
| Voya Target Retirement | | Moderate | | 63 |
| JPMorgan SmartRetirement Blend | | Moderate | | 68 |
| Transamerica SmartCourse with JPMorgan | | Moderate | | 57 |
| Voya Index Solution | | Moderate | | 63 |
| PIMCO RealPath Blend | | Moderate | | 68 |
| flexPATH Index+ Moderate | | Moderate | | 68 |
| JPMorgan SmartRetirement | | Moderate | | 68 |
| My Retirement Path Moderate Target Date Series Class R | | Moderate | | 68 |
| Nationwide Target Destination | | Moderate | | 66 |
| Voya Target Solution Trusts (CIT) | | Moderate | | 63 |
| American Century One Choice | | Moderate | | 66 |
| Blackrock LifePath Dynamic | | Moderate | | 68 |
| Transamerica RetireOnTrack with American Funds | | Moderate | | 61 |



TDF SELECTION - NEW & IMPROVED

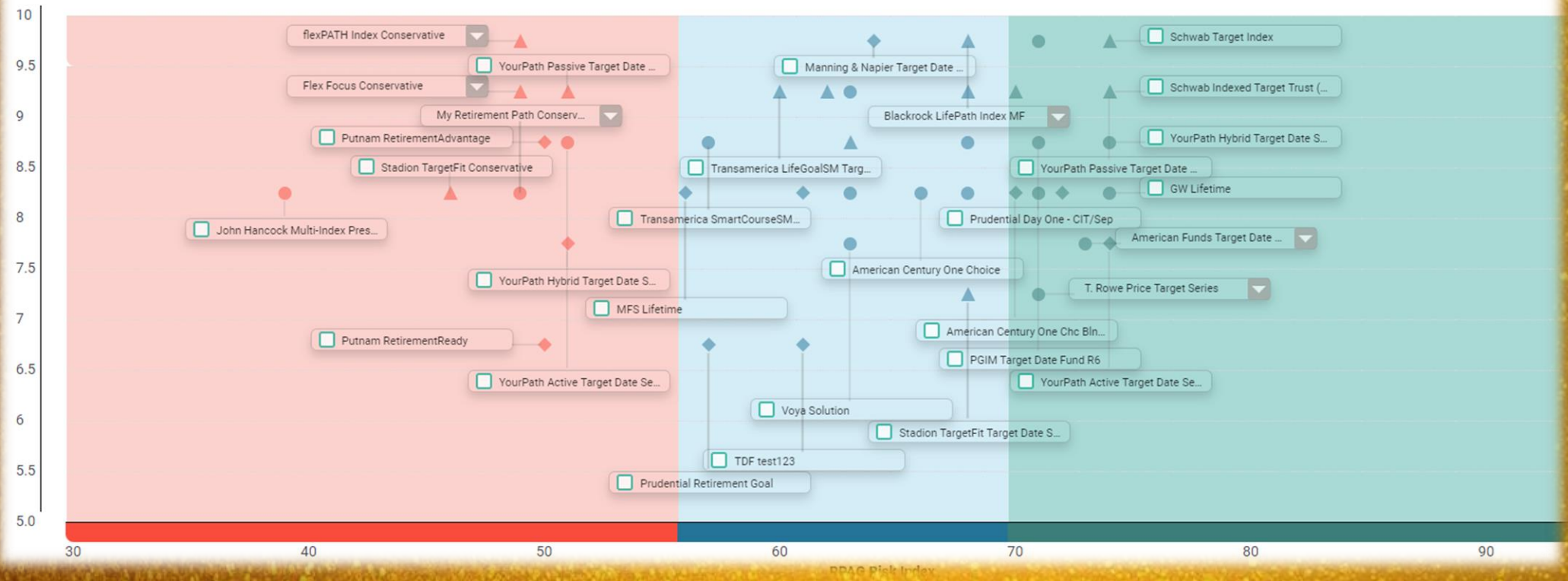
Target Date Name:

Risk Index Score: 0 — 39 — 75 — 100

Average Underlying Score: 0 — 10

GlidePath Risk Level: Conservative | Moderate | Aggressive

Management Style: Active | Passive | Blend



PERFORMANCE COMPARISON - CURRENT

| Asset Allocation | Ticker/ ID | QTR | YTD | Annualized Returns | | | | Since Incept. | Share Class Inception | Strategy Inception | Expense Ratio | |
|--|---------------|------|-------|--------------------|--------|--------|---------|------------------|--------------------------|-----------------------|---------------|------|
| | | | | 1 Year | 3 Year | 5 Year | 10 Year | | | | Gross | Net |
| American Century One Choice In Ret R6 | ARDTX | 0.49 | 3.93 | 8.91 | 1.45 | 5.15 | 4.88 | 5.35 | 7/31/2013 | 8/31/2004 | 0.5 | 0.4 |
| StyleBenchmark | | 1.52 | 5.51 | 11.16 | 2.54 | 6.09 | 5.59 | | | | | |
| American Century One Choice 2025 R6 | ARWDX | 0.51 | 4.05 | 9.02 | 1.34 | 5.38 | 5.25 | 5.85 | 7/31/2013 | 8/31/2004 | 0.5 | 0.42 |
| StyleBenchmark | | 1.59 | 5.98 | 11.86 | 2.8 | 6.55 | 5.91 | | | | | |
| American Century One Choice 2035 R6 | ARLDX | 0.49 | 4.82 | 10.06 | 1.38 | 6.3 | 6.07 | 6.73 | 7/31/2013 | 8/31/2004 | 0.55 | 0.48 |
| StyleBenchmark | | 1.77 | 7.03 | 13.5 | 3.27 | 7.64 | 6.8 | | | | | |
| American Century One Choice 2045 R6 | ARDOX | 0.48 | 5.95 | 11.39 | 1.61 | 7.4 | 6.97 | 7.71 | 7/31/2013 | 8/31/2004 | 0.59 | 0.53 |
| StyleBenchmark | | 1.97 | 8.21 | 15.29 | 3.86 | 8.81 | 7.72 | | | | | |
| American Century One Choice 2055 R6 | AREUX | 0.59 | 7.18 | 12.92 | 2.25 | 8.46 | 7.67 | 8.41 | 7/31/2013 | 3/31/2011 | 0.62 | 0.55 |
| StyleBenchmark | | 2.13 | 9.07 | 16.58 | 4.35 | 9.64 | 8.34 | | | | | |
| American Century One Choice 2065 R6 | ARHSX | 0.57 | 7.6 | 13.38 | 2.51 | | | 9.11 | 9/23/2020 | 9/23/2020 | 0.65 | 0.57 |
| Aggressive Benchmark | | 2.37 | 10.16 | 18.06 | 4.87 | 10.02 | 8.09 | | | | | |
| Asset Allocation | Ticker/ ID | QTR | YTD | Annualized Returns | | | | Since Incept. | Share Class Inception | Strategy Inception | Expense Ratio | |
| Fidelity Freedom Index Inc Instl Prem | FFGZX | 0.8 | 2.21 | 6.14 | -0.08 | 2.58 | 2.97 | 3.11 | 6/24/2015 | 10/2/2009 | 0.08 | 0.08 |
| StyleBenchmark | | 0.87 | 2.37 | 6.58 | 0.27 | 2.8 | 3.14 | | | | | |
| Fidelity Freedom Index 2025 Instl Prem | FFEDX | 1.2 | 4.97 | 10.16 | 0.91 | 5.72 | 5.77 | 5.95 | 6/24/2015 | 10/2/2009 | 0.08 | 0.08 |
| StyleBenchmark | | 1.48 | 6.02 | 12.21 | 2.11 | 6.69 | 6.22 | | | | | |
| Fidelity Freedom Index 2035 Instl Prem | FFEZX | 1.58 | 6.92 | 13.25 | 2.4 | 7.99 | 7.52 | 7.79 | 6/24/2015 | 10/2/2009 | 0.08 | 0.08 |
| StyleBenchmark | | 2.00 | 8.58 | 15.87 | 3.91 | 9.13 | 7.88 | | | | | |
| Fidelity Freedom Index 2045 Instl Prem | FFOLX | 2.03 | 9.08 | 16.22 | 3.76 | 9.42 | 8.24 | 8.6 | 6/24/2015 | 10/2/2009 | 0.08 | 0.08 |
| StyleBenchmark | | 2.19 | 9.49 | 17.17 | 4.56 | 9.98 | 8.47 | | | | | |
| Fidelity Freedom Index 2055 Instl Prem | FFLDX | 2.01 | 9.07 | 16.17 | 3.77 | 9.43 | 8.23 | 8.59 | 6/24/2015 | 6/1/2011 | 0.08 | 0.08 |
| StyleBenchmark | | 2.18 | 9.47 | 17.14 | 4.54 | 9.95 | 8.45 | | | | | |
| Fidelity Freedom Index 2065 Instl Prm | FFIKX | 1.96 | 9.06 | 16.17 | 3.75 | 9.42 | | 9.41 | 6/28/2019 | 6/28/2019 | 0.09 | 0.09 |
| StyleBenchmark | | 2.12 | 9.29 | 16.88 | 4.34 | 9.74 | | | | | | |
| Asset Allocation | Ticker/ ID | QTR | YTD | Annualized Returns | | | | Since Incept. | Share Class Inception | Strategy Inception | Expense Ratio | |
| T. Rowe Price Retirement 2020 I | TRDBX | 1.08 | 5.62 | 11.47 | 1.66 | 6.29 | 6.04 | 13.23 | 11/13/2023 | 9/30/2002 | 0.37 | 0.37 |
| StyleBenchmark | | 1.64 | 6.45 | 12.55 | 3.00 | 6.97 | 6.07 | | | | | |
| T. Rowe Price Retirement 2025 I | TREHX | 1.15 | 6.17 | 12.3 | 1.85 | 6.99 | 6.62 | 14.32 | 11/13/2023 | 2/27/2004 | 0.38 | 0.38 |
| StyleBenchmark | | 1.78 | 7.2 | 13.68 | 3.41 | 7.72 | 6.64 | | | | | |
| T. Rowe Price Retirement 2035 I | TRFJX | 1.21 | 8.15 | 15.31 | 2.74 | 8.63 | 7.8 | 17.67 | 11/13/2023 | 2/27/2004 | 0.42 | 0.42 |
| StyleBenchmark | | 2.01 | 8.6 | 15.86 | 3.99 | 9.11 | 7.79 | | | | | |
| T. Rowe Price Retirement 2045 I | TRIKX | 1.44 | 9.89 | 17.68 | 3.6 | 9.92 | 8.6 | 20.15 | 11/13/2023 | 5/31/2005 | 0.44 | 0.44 |
| StyleBenchmark | | 2.21 | 9.64 | 17.39 | 4.64 | 10.11 | 8.53 | | | | | |
| T. Rowe Price Retirement 2055 I | TRJMX | 1.46 | 10.16 | 18.08 | 3.72 | 9.99 | 8.63 | 20.54 | 11/13/2023 | 12/29/2006 | 0.46 | 0.46 |
| StyleBenchmark | | 2.22 | 9.7 | 17.48 | 4.69 | 10.16 | 8.57 | | | | | |
| T. Rowe Price Retirement 2065 I | TRMOX | 1.45 | 10.11 | 18.06 | 3.81 | | | 20.47 | 11/13/2023 | 10/13/2020 | 0.46 | 0.46 |
| Aggressive Benchmark | | 2.37 | 10.16 | 18.06 | 4.87 | 10.02 | 8.09 | | | | | |

PERFORMANCE COMPARISON - NEW & IMPROVED

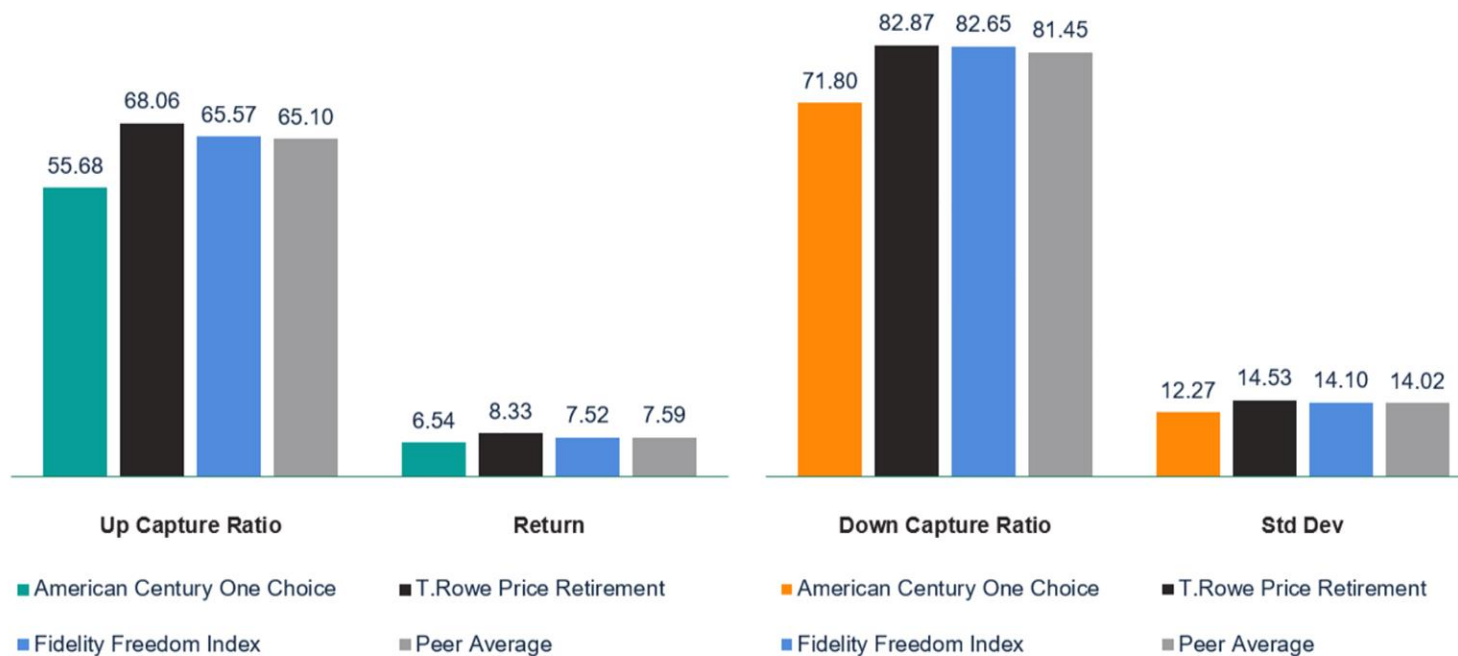
Risk/Return Snapshot – 5 Year

Aggressive Investor Objectives

- Higher risk tolerance
- Seeking to maximize return vs. minimize risk
- Seeking to take full advantage of up markets

Conservative Investor Objectives

- Lower risk tolerance
- Seeking to minimize risk vs. maximize return
- Seeking to protect in down markets



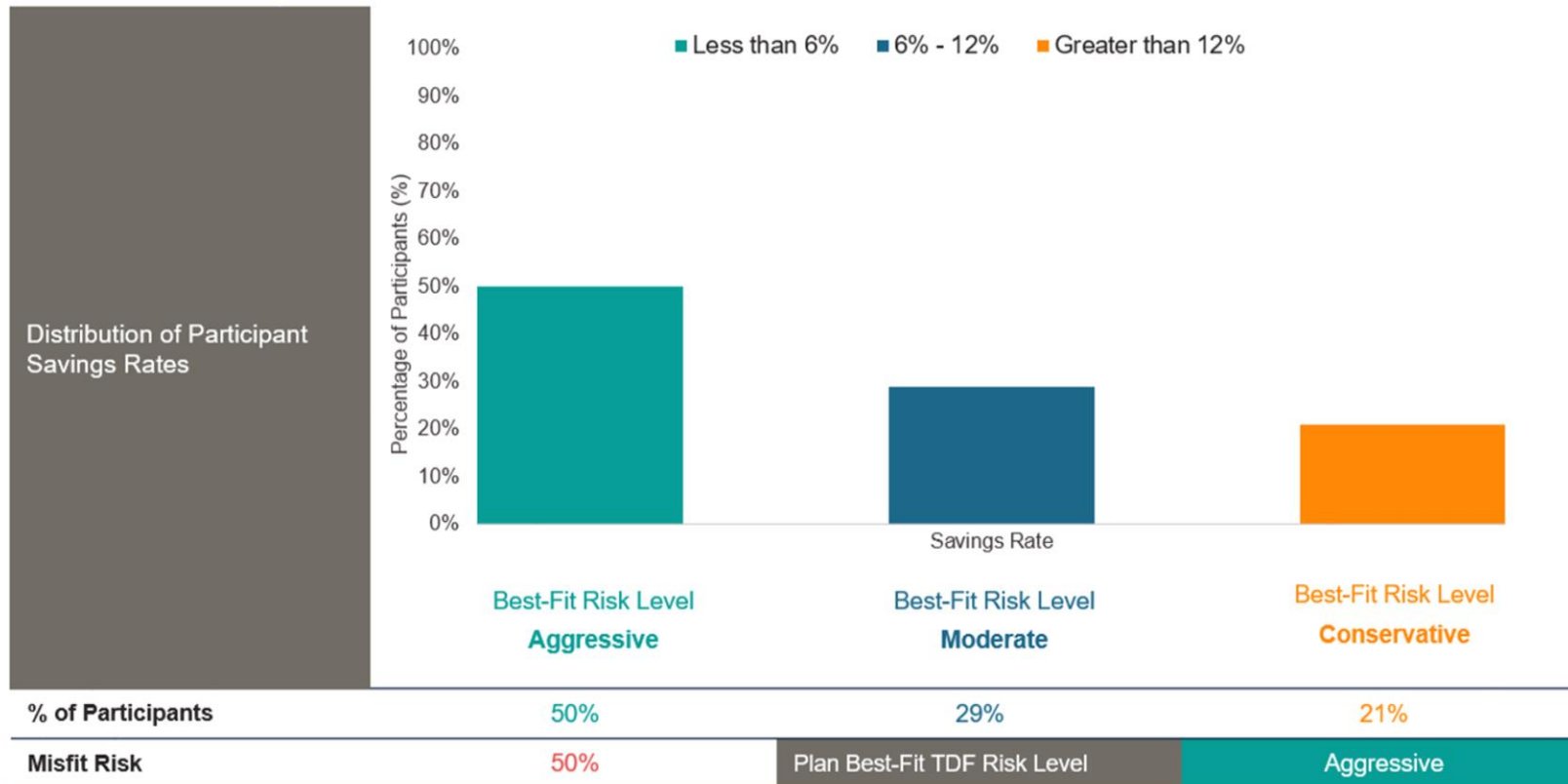
Source: Morningstar Direct.

Data is for the period beginning 07/01/2019 and ending 06/30/2024 and represents the average of all dates along the glidepath (ex. 2055, 2045, 2035, 2025, Retirement). Capture ratios are relative to the S&P 500 TR USD. Peer group is comprised of the Morningstar Category Target-Date 2055, 2045, 2035, 2025, 2015.

MISFIT RISK - CURRENT

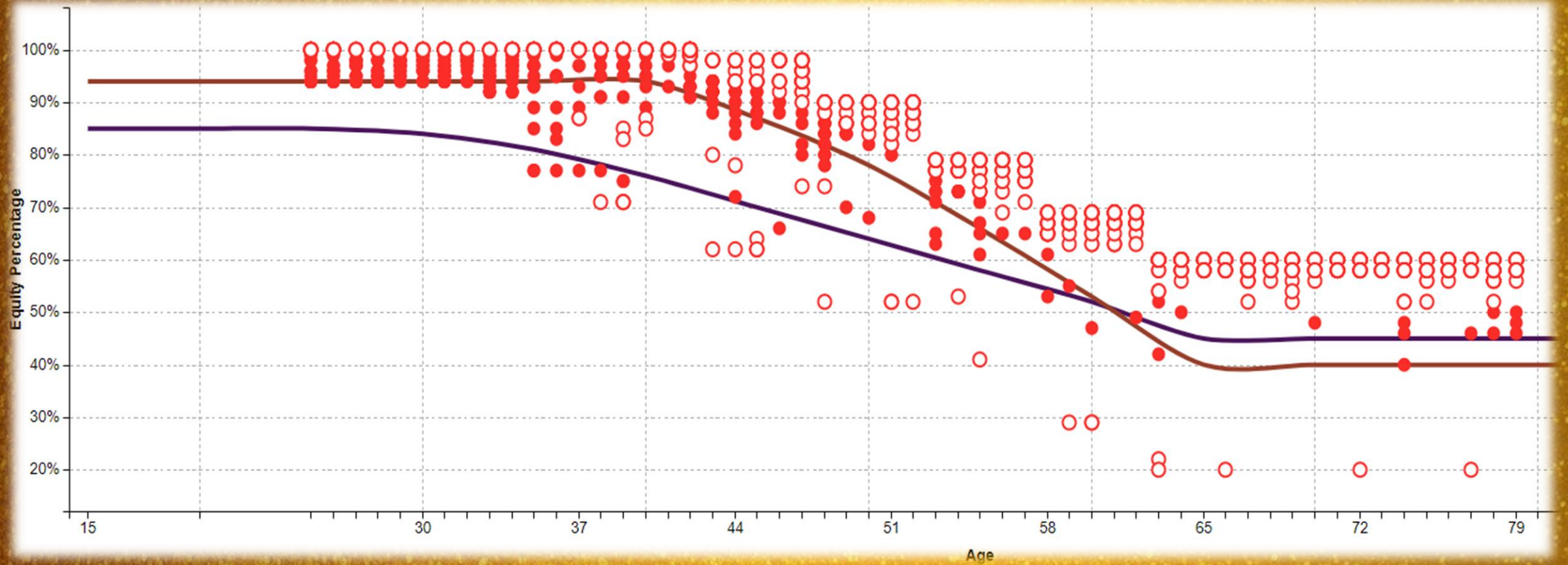
TDF Misfit Risk Analysis

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 while participants saving less may need to be more aggressive.





ENHANCED MISFIT RISK - BUBBLE CHART



MISFIT RISK POSITIONING



- Fit Analysis uses averages but ignores *individuals*
- Most plans have diverse participant characteristics
- Objective way to measure value-add of a personalized QDIA

WHY TDF SUITABILITY?

- TDF popularity necessitates increased due diligence
- It makes a real difference in participant outcomes.
- Win and retain more business

ALL-NEW TDF ANALYZER

- Easier (and more fun!) than ever to use and communicate results
- Impressive and eye-catching analysis
- Improved fit logic

CONCLUSION

