



2023 RPAG NATIONAL CONFERENCE

Sales Lightning Rounds

Jesse Taylor

Senior Vice President,
Business Development



Rules of the Game

- No personal attacks
- No making fun of Brian or Jeff
- No eye gouging, fish hooking or strikes to a grounded opponent
- No using ChatGPT

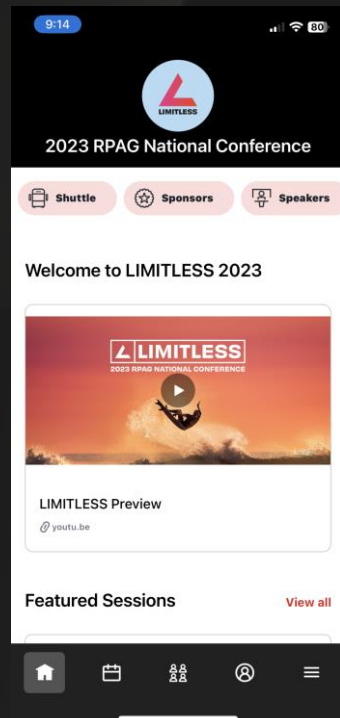
~~Winning isn't everything...~~

...it's the only thing

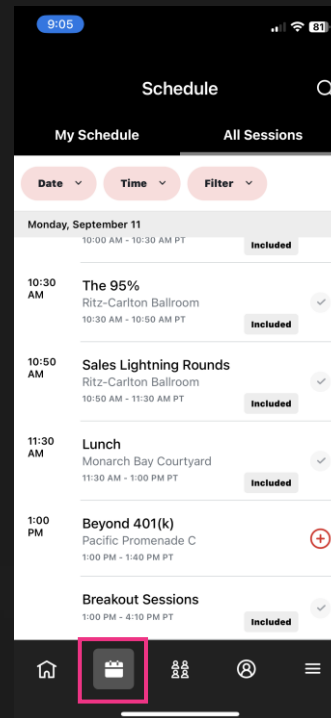
- 4 minutes per person
- Order selected at random
- Vote for who gave the most convincing pitch

How to vote

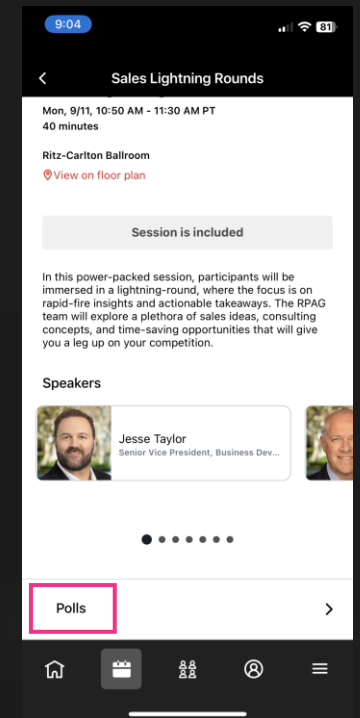
Open The App



Schedule > Lighting Round



Click Polls



Sales Lightning Rounds



A scene from the movie 'Braveheart' featuring William Wallace with blue face paint, shouting to a crowd.

Finding Your Inner *Braveheart*

Brian Roberts, CFA

Senior Vice President flexPATH Strategies

Custom Target Date Portfolios



Better outcomes



Reduced risks



Lower fees

The logo for TIAA, featuring a stylized white icon of a square with a diagonal cutout on the left side, followed by the letters "TIAA" in a bold, white, sans-serif font. The background is dark gray with a large, lighter gray abstract shape on the left side.

TIAA

Number of Prospects

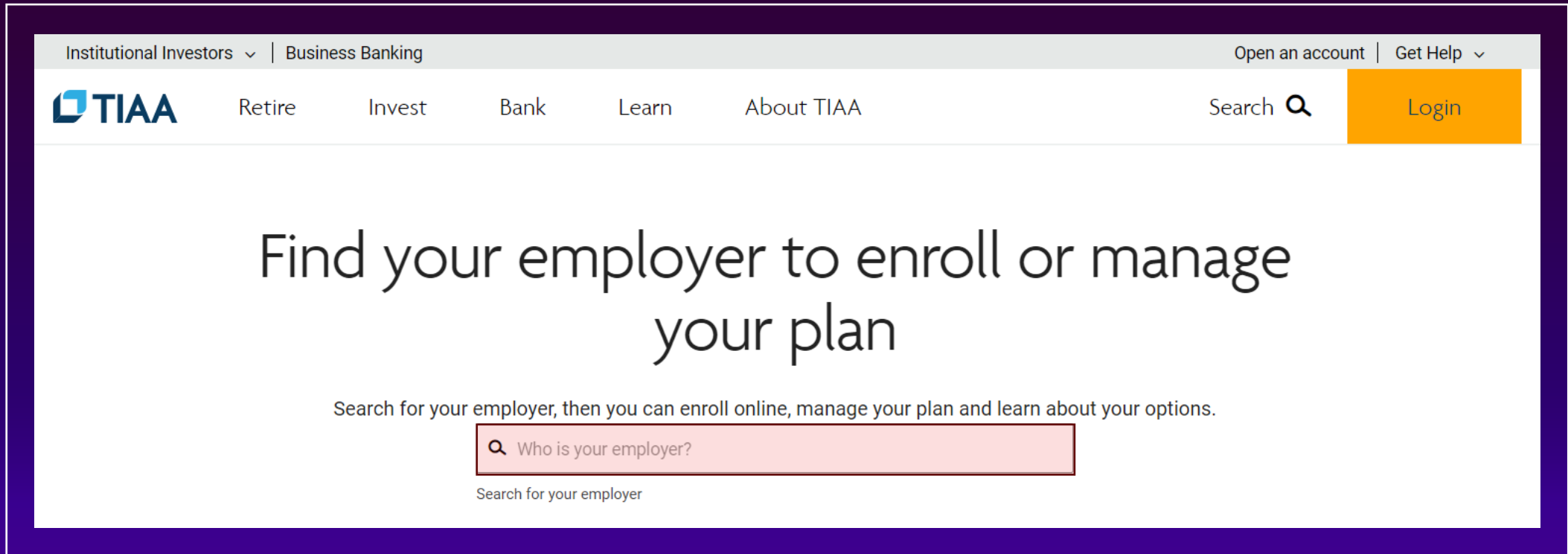
\$10 to \$25 million	1,968
\$25 to \$50 million	985
\$50 to \$100 million	614

Number of Prospects

\$10 to \$25 million	1,968
\$25 to \$50 million	985
\$50 to \$100 million	614

244 (7%)

<https://www.tiaa.org/public/enroll-search>



The screenshot shows the TIAA website's enrollment search page. At the top, there is a navigation bar with links for "Institutional Investors", "Business Banking", "Open an account", and "Get Help". Below this is a secondary navigation bar with the TIAA logo and links for "Retire", "Invest", "Bank", "Learn", and "About TIAA". A search bar and a "Login" button are also present. The main content area features the heading "Find your employer to enroll or manage your plan" and a sub-heading "Search for your employer, then you can enroll online, manage your plan and learn about your options." A search input field contains the text "Who is your employer?" and a "Search for your employer" button is located below it.

Institutional Investors | Business Banking

Open an account | Get Help

TIAA Retire Invest Bank Learn About TIAA Search Login

Find your employer to enroll or manage your plan

Search for your employer, then you can enroll online, manage your plan and learn about your options.

Who is your employer?

Search for your employer





White Paper

Wouldn't it be prudent to consider custom?



Introduced over 30 years ago, target date funds have become the dominant defined contribution investment. They offer a simple, professionally managed, and cost-effective investment approach for plan participants to save for retirement. Historically, custom target date solutions were only feasible for jumbo-sized plans, but not any longer. Today, small- and mid-sized plans can implement custom solutions that can:

- ❑ Improve investment outcomes
- ❑ Reduce investment risks
- ❑ Protect account balances from losses
- ❑ Embed lifetime/retirement income options
- ❑ Reduce overall plan fees

ERISA fiduciaries, including investment advisors, have an affirmative duty of "loyalty" to look after the interests of plan participants and their beneficiaries. Busy schedules are not a good defense for overlooking the potential advantages that custom solutions offer. It's also helpful to recognize that participants believe a plan's off-the-shelf target date funds provide protections that only exist in custom target date solutions. For example, a recent MFS Retirement Outlook 2023 survey of plan participants showed:

- ❑ 75% believed target date investments provide a guaranteed income stream in retirement.
- ❑ 68% believed target date investments provide a guaranteed rate of return and
- ❑ 63% believed target date funds invest entirely in cash or other low risk investments in retirement.

We believe these factors, along with Department of Labor recommendations to consider custom solutions, underscore why it's prudent to investigate custom target date solutions. This paper provides a framework for evaluating whether a custom target date might be a better fit for your plan.

KEY ITEMS TO CONSIDER

Target Date Allocations – One-size-fits-all rarely fits anyone.


Off-the-shelf target date fund investment allocations are the same for all investors regardless of their investment needs, i.e., one-size-fits-all. Custom target date solutions allow participants to tailor their investment allocations to fit their individual situation. For example, participants with high savings rates and comfortable retirement income replacement ratios may want to assume less investment risk as they approach retirement. On the other hand, participants that haven't accumulated sufficient savings will need to continue to pursue growth (more risk) as retirement nears to counterbalance longevity risk. Custom target date portfolios allow participant to select the level of pre-retirement investment risk that they assume.

Fixed Income Risks – Conservative doesn't mean guaranteed.

All target date solutions become more conservative as they approach their retirement date. Off-the-shelf target date funds become more conservative by shifting investment allocations to bond funds. Bond funds, however, decline in value when interest rates go up. Custom solutions, on the other hand, can invest in fixed annuities that provide comparable long-term returns to bond funds but guarantee positive returns even when interest rates rise. Most participants believe their target date investments provide a guaranteed rate of return when, guaranteed returns are only available in custom solutions.

Investments and Fees – It takes good grapes to make great wine.

Off-the-shelf target date funds typically use proprietary investments that may not be "best-in-class" and/or lowest cost. Custom solutions use "best-in-class" component funds, but their overall cost structure may include additional fees not found in off-the-shelf target date funds. As such, meaningful fee comparisons need to account for these differences. Despite this, it isn't uncommon for the overall cost of a custom solution to match or beat the cost of off-the-shelf target date funds.

Continued on next page 



Meeting Slides

Custom Target Date Portfolios

Today, 403(b) plans of all sizes can implement custom target date solutions that provide several advantages:

	Custom Target Date Portfolios
Better outcomes	✓
Reduced risks	✓
Lower fees ¹	✓

¹ A plan's total fee savings will vary based on the current target date fund and recordkeeping fees.

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PL08-2023-112

flexPATH
11011414

- Introduced over 30 years ago, target date funds have become the dominant defined contribution investment, garnering over 40% of plan assets and 60% of contributions.
- Historically, custom target date portfolios were only feasible for jumbo-sized 401(k) plans, but not any longer.
- Today, 403(b) plans of all sizes can implement custom target date solutions that provide several advantages:

- Better Outcomes**
 - Better overall investment allocations by making automatic adjustments that avoid duplicating a participant's legacy annuity balances
 - Participants qualify for as much as 20-25% more income in retirement
- Reduced Risks**
 - Customized equity allocations that are matched to a participant's need to assume risk
 - Guaranteed returns on bond allocations
- Lower Fees**
 - Lower recordkeeping fees
 - Potentially lower target date fees

Key Differences in Target Date Options

Custom target date portfolios offer features that aren't found in off-the-shelf target date funds.

	Off-the-Shelf Target Date Funds	Custom Target Date Portfolios
Customized equity allocations	✗	✓
Guaranteed returns on bond allocations	✗	✓
Automatic adjustments for annuity balances	✗	✓
Enhanced lifetime/retirement income options	✗	✓
Lower overall plan fees ¹	✗	✓

¹ A plan's total fee savings will vary based on the current target date fund and recordkeeping fees.

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Custom target date portfolios offer several features that aren't found in off-the-shelf target date funds.

- Instead of a one-size-fits-all approach to equity allocations, custom portfolios customize equity allocations based on a participant's need to assume risk.
- Custom portfolios provide guaranteed returns on their bond allocations which provide an additional level of safety/security as participants approach retirement.
- Custom portfolios create better overall investment allocations by making automatic adjustments that avoid duplicating a participant's legacy annuity balances.
- Custom portfolios position participants to receive as much as 20-25% more income in retirement by accumulating TIAA Traditional's loyalty bonuses.
- Finally, custom portfolios lead to lower recordkeeping fees and potentially lower target date fees.

flexPATH Advantages

- Independent investment management firm that specializes in managing custom target date portfolios
- Sensible and well-constructed glidepaths for conservative, moderate and growth-oriented portfolios
- Established track records, low fees and no heavy time commitments
- Dedicated installation, communication and education resources to ensure smooth transitions
- Additional services to help participants, e.g., custom target date calculator and contract transition service

¹ 10th largest and fastest growing Target Date manager in the country¹

² Over 50 clients with custom target date portfolios at TIAA

³ More than \$40B in custom target date solutions²

¹ Morning Star Research Report 2023, As of 1/31/2023

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- flexPATH is well-suited to manage your plan's custom target date portfolios.

- They're the 10th largest and fastest growing target date manager in the country,
- And they already manage custom target date solutions for over 50 clients on TIAA's platform.

In addition,

- flexPATH specializes in managing custom target date portfolios,
- And they provide dedicated installation, communication and education resources to make transitions smooth and easy.
- They also provide additional tools and services like a custom target date calculator and a contract transition service which help participants to maximize the effectiveness of their custom target date portfolios



Performance Comparisons

Performance Comparisons



As of 6/30/2023

1-Year Returns (%)

	Equity at Retirement	2020 or Retire	2025	2035	2045	2055	Average
flexPATH Conservative	30%	7.5	8.0	9.5	11.8	14.6	10.3
flexPATH Moderate	40%	9.1	9.7	11.8	14.8	16.4	12.4
flexPATH Aggressive	50%	10.2	11.8	14.6	15.9	16.4	13.8
American Funds	46%	5.8	7.1	11.8	14.9	15.9	11.1
BlackRock	40%	5.4	6.3	10.4	14.1	15.4	10.3
Fidelity Freedom	51%	2.7	8.7	12.6	15.6	15.7	11.1
T. Rowe Price	55%	8.0	9.0	12.4	14.6	15.0	11.8
TIAA Lifecycle	50%	6.4	8.9	12.4	15.6	16.3	11.9
TIAA Lifecycle Index	50%	6.3	8.7	11.9	14.8	15.5	11.4
Vanguard	49%	4.5	8.6	11.3	13.9	14.6	10.6

3-Year Returns (%)

	Equity at Retirement	2020 or Retire	2025	2035	2045	2055	Average
flexPATH Conservative	30%	5.7	6.8	8.1	10.3	13.4	8.9
flexPATH Moderate	40%	7.3	8.0	10.2	12.8	13.8	10.4
flexPATH Aggressive	50%	8.3	10.8	12.9	13.6	13.8	11.9
American Funds	46%	4.6	5.2	8.0	9.1	8.9	7.2
BlackRock	40%	2.2	3.7	7.2	10.1	10.9	6.8
Fidelity Freedom	51%	0.9	5.4	8.9	10.6	10.6	7.3
T. Rowe Price	55%	5.5	6.4	8.4	9.9	10.0	8.0
TIAA Lifecycle	50%	3.3	5.3	7.5	9.8	10.2	7.2
TIAA Lifecycle Index	50%	3.0	5.2	7.4	9.9	10.3	7.2
Vanguard	49%	1.7	5.0	7.2	9.5	9.7	6.6

Since Inception Returns (%)

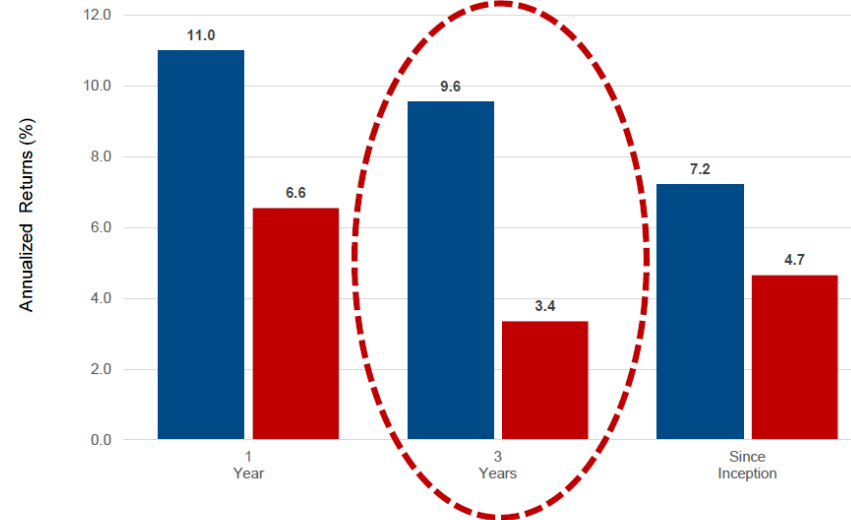
	Equity at Retirement	2020 or Retire	2025	2035	2045	2055	Average
flexPATH Conservative	30%	4.9	5.5	6.5	7.7	9.0	6.8
flexPATH Moderate	40%	5.8	6.4	7.7	8.8	9.3	7.6
flexPATH Aggressive	50%	6.6	7.8	8.8	9.2	9.3	8.3
American Funds	46%	4.9	5.9	8.3	9.2	9.1	7.5
BlackRock	40%	3.2	4.2	6.7	8.7	9.2	6.4
Fidelity Freedom	51%	4.8	5.6	8.4	9.7	9.7	7.6
T. Rowe Price	55%	5.2	6.0	7.5	8.7	8.7	7.2
TIAA Lifecycle	50%	4.5	5.2	7.0	8.8	9.1	6.9
TIAA Lifecycle Index	50%	4.8	5.5	7.3	9.1	9.5	7.2
Vanguard	49%	4.2	5.1	6.9	8.6	8.8	6.7

Past performance is not indicative of future performance. Current performance may be lower or higher than the performance quoted. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Investment Advisory Services are offered through flexPATH Strategies, LLC. flexPATH Strategies Investor Disclosures For Financial Professional/Plan Sponsor Use. Not for further distribution.

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Vanguard's Target Date Returns vs. flexPATH's Returns

Average Returns Across "Close to Retirement" Dates



flexPATH Aggressive
Vanguard's TDFs

Over the last 3 years, flexPATH's "close to retirement" target date vintages with 50% equity at retirement provided a **21% difference** in ending account value relative to Vanguard's "close to retirement" target date vintages.

Source: Morningstar as of 6/30/2023. Past performance is no guarantee of future results. Portfolios/funds used to calculate average returns for "Close to Retirement" Dates are 2020 or Retire and 2025.

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**Every man dies,
not every man truly
lives.**

- William Wallace

Sales Lightning Rounds





RPAG EB:

The LAGGARDS are coming!

Jeff Cheshier

VP, Institutional Relationship
Management

Sales Lightning Rounds



Cutting the cord

An elderly man with white hair and a frustrated expression is shown from the chest up. He is wearing a purple and blue patterned shirt. He is holding a black remote control in his right hand, which is raised towards his face. His left hand is also raised, with his fingers curled as if he is about to cut something. The background is a blurred indoor setting with a television screen visible.

Alex Khan

Senior Investment Advisor

WHY DO I HAVE CABLE?



Longevity and familiarity



Limited alternatives (historically)



Social norms



Why Switch To Streaming?

- ⚡ Personalized experience
- ⚡ Better ingredients (original content)
- ⚡ Cost savings

Why Do I Have Vanguard TDF?



Longevity and familiarity



Limited alternatives (historically)



Social norms (cost)



Why Switch to flexPATH?

- ⚡ Personalized experience
- ⚡ Better ingredients (underlying funds)
- ⚡ Cost savings (recordkeeping bundle)

Sales Lightning Rounds



How 'bout them apples

Jonathan Coombs

Senior Investment Advisor



Active CITs

CIT Name ^{5,7}	Strategy	Subadvisor	Score ^{1,6}	Expense Ratio	Savings ²
Large Cap Value Fund	Putnam LCV	Putnam INVESTMENTS	10	0.29%	47%
Large Cap Value II Fund	MFS Value	MFS	10	0.43%	-
Large Cap Value III Fund	JPM US Value	J.P.Morgan ASSET MANAGEMENT	10	0.40%	9%
Large Cap Growth Fund	ClearBridge LCG	ClearBridge	6	0.29%	54%
Large Cap Growth II Fund	JPMorgan LCG	J.P.Morgan ASSET MANAGEMENT	10	0.39%	13%
Large Cap Growth III Fund	AB Large Cap Growth	ALLIANCEBERNSTEIN	8	0.32%	38%
Large Cap Growth IV Fund	American Century Ultra	American Century INVESTMENTS	9	0.34%	41%
Mid Cap Value Fund	American Century MCV	American Century INVESTMENTS	7	0.47%	25%
Mid Cap Value II Fund	Allspring Special MCV	Allspring	10	TBD	TBD
Mid Cap Growth Fund	BlackRock MCG	BlackRock	5	0.50%	29%
Mid Cap Growth II Fund	Janus Enterprise	Janus Henderson	9	0.48%	27%
Small Cap Value Fund	Columbia SCV	COLUMBIA THREADNEEDLE	8	0.45%	-
Small Cap Value II Fund	American Century SCV	American Century INVESTMENTS	10	0.59%	20%
Small Cap Value III Fund	PIMCO RAE US Small	PIMCO	10	0.41%	18%
Small Cap Growth Fund	NB Small Cap Growth	NEUBERGER BERMAN	10	0.58%	28%
Small Cap Growth II Fund	AB Small Cap Growth	ALLIANCEBERNSTEIN	10	0.64%	16%
Small Cap Growth III Fund	Voya Small Cap Growth	VOYA	10	0.58%	32%
International Stock Fund	PIMCO RAE Int'l	PIMCO	7	0.37%	28%
International Growth II Fund	MFS Int'l Growth	MFS	10	0.48%	31%
International Equity Fund	Int'l Capital Appreciation	Fidelity	9	0.46%	29%
GG EuroPacific Growth Trust	American Funds EuroPac	CAPITAL AMERICAN GROUP FUNDS	8	0.41%	13%
Emerging Markets Fund	Invesco Developing Mkts	Invesco	5	0.65%	23%
Emerging Markets II Fund	BlackRock Emerging Mkts	BlackRock	10	0.62%	24%
Core Bond Fund	Lord Abbett Total Return	LORD ABBETT	10	0.25%	29%
Core Plus Bond Fund	PGIM Total Return	Prudential	9	0.27%	27%
Core Plus Bond II Fund	Western Core Plus Bond	WESTERN ASSET	8	0.28%	33%
Balanced Sustainable Fund	Pioneer Balanced ESG	Amundi Pioneer	10	0.32%	51%

Stable Value	Strategy	Subadvisor	Crediting Rate ⁴	Expense Ratio	Savings ³
Stable Value Fund	Putnam Stable Value	Putnam INVESTMENTS	3.34%	0.31%	14%

Cash Balance	Return Target	Score ^{1,6}	Expense Ratio
Cash Balance	3 – 5%	9.6	0.26%

» **28%**
Average Savings

\$28,400,000,000

28%

\$27,400,000

Sales Lightning Rounds



Want to win more business?

Talk about TDF Suitability

Ellie Armstrong

Investment Analyst

Want to win more business?
Talk about TDF Suitability

Ellie Armstrong

Investment Analyst

Sales Lightning Rounds



Automated Meeting Minutes & Batch Reporting

Your Secret Weapons

Luke Vandermillen

Sr. Associate, Business
Development