

Driving Better Outcomes Through Product Design

Industry attempts to create in-plan retirement income have fallen short for decades. Even today, many “new” solution designs ineffectively combine retail annuities and institutional investment platforms – two structures that were never meant to work together. This approach causes significant drawbacks including lack of liquidity, fee drag, and complex participant decisions.

Fresh thinking to product design

Instead of following the curve, we approached design with a blank slate and put the participant first. We successfully innovated a target date fund (TDF) embedded with our patent-pending Lifetime Income Builder and in doing so, changed the way the industry is able to deliver income and help drive better outcomes. As a TDF, this investment provides lifetime income while maintaining all of the core benefits that have made TDFs successful for decades.

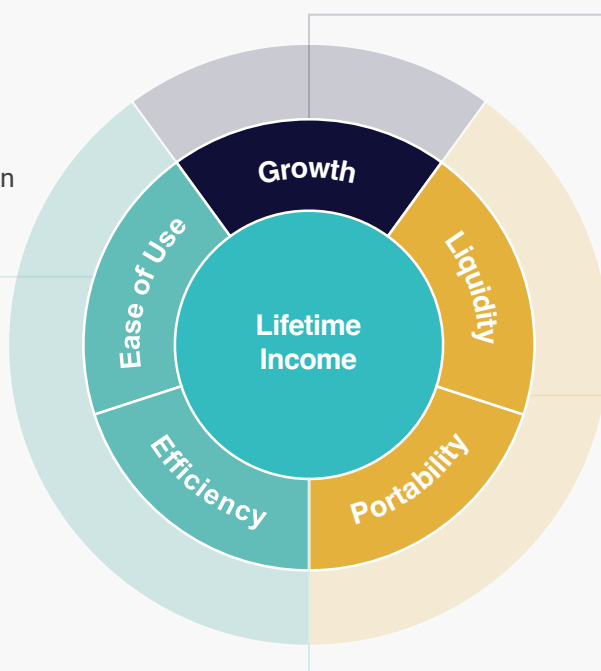
Core benefits of a TDF with Lifetime Income Builder

Simplicity

Removes participant-level decisions for accumulation and decumulation

Lifetime Income

Provides and protects lifetime income



Growth

Maintains the same growth opportunity as traditional TDFs

Control

Offers full access to assets even after income activation

How does the product work?

A TDF with Lifetime Income Builder functions just like any other TDF, offering participants growth, control, and ease of use. But unlike a traditional TDF, it mitigates two of the most critical risks participants will face in retirement: sequence of returns risk and longevity risk.

Product life-cycle



- 1 Removes participant-level decisions** – Participants never need to make investment-level decisions or answer income-related questions. The glidepath automatically allocates assets over the years, and income automatically turns on at the target date.
- 2 Eliminates sequence of returns risk** - In participants’ prime earning years, our high-water mark feature helps protect future income against market volatility by locking-in gains quarterly, beginning 15 years prior to retirement.¹
- 3 Maximizes income in retirement** - At the target date, the investment generates 6% of a participant’s highest locked-in value annually.
- 4 Mitigates longevity risk** - Provides 4.5% lifetime income² if the account value reaches zero. This guarantee is backed by multiple insurance providers, which helps drive competitive pricing and passes more benefit through to the participant.

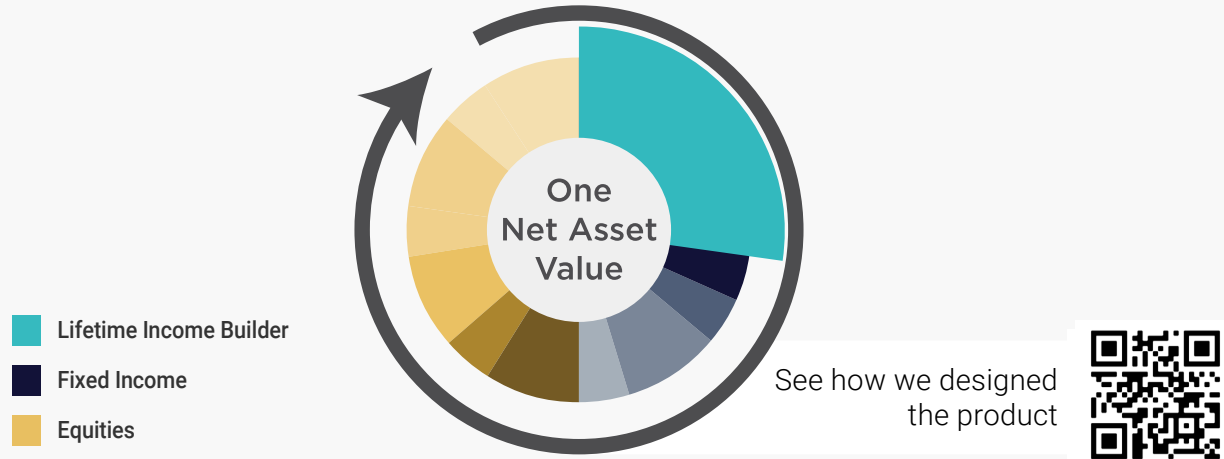
¹ The value of the Target Date Fund account is measured on the last business day of each calendar quarter and on either the last date that contributions can be made to the Fund, or the month prior to income activation.

² Annual income percentages for the funds are targeted to be 6% but actual percentages may vary. Lifetime income percentages are set at a fixed guarantee in some funds. Other funds have a targeted guarantee set at fund creation, but the actual guarantee is not determined until shortly before income payments begin and is based on fund performance. These funds have a targeted lifetime income percentage of 4.5%. This is a targeted percentage and there is no assurance that the funds will meet the targeted percentage.

Why is a TDF with Lifetime Income Builder unique?

The true innovation is the design behind Lifetime Income Builder. We re-engineered the annuity to function like an investment that sits within a TDF portfolio like any other asset class. This fosters full liquidity, portability, and shifts financial-related decisions to the asset manager or trustee.

Asset mix of the TDF portfolio



How does this benefit your business?

- Recruit and Retain Top Talent:** Gain a unique and competitive advantage for recruiting and retaining employees.
- Facilitate Better Participant Outcomes:** Address participants’ biggest concern – outliving their money – at no added cost.
- Retain Assets In-Plan:** Keep assets in-plan longer, which could drive down costs due to economies of scale.
- Simple and Easy for All Participants:** Investment is designed to be QDIA-compliant and eliminates participant-level decisions in both the accumulation and decumulation stage.
- Save Money:** The solution allows employees to retire on time, which can be a major cost saver. EY estimates delayed retirement to cost \$26k per year per employee.³
- Mitigate Fiduciary Risk:** Product design eliminates the plan fiduciary's responsibility of selecting and monitoring the insurance providers and their financial standing.

³Source: EY, Protected retirement income solutions: what plan sponsors need to know about a new generation of offerings, 2024.



Ready to learn more?

Contact our sales team



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Investing involves risk including the risk of loss of principal. Such activities may not be suitable for everyone.

Each target date fund ("TDF") in a series is established by a trustee (the "Trustee") and held in a collective investment trust (the "Trust"). The Trust is a bank-sponsored collective investment trust and not a mutual fund. Different series for the TDFs have been established by the Trustee and operate differently. The Trustee manages the Trust and has ultimate investment authority for each TDF in the applicable series. The Trust is exempt from registration under the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended. Because the Trust is not registered with or required to file prospectuses or registration statements with the SEC or any other regulatory body, neither one is available. Investors should consult the Offering Memorandum for the applicable series and carefully consider the investment objectives, risk, charges, and expenses of the TDFs in that series before investing. Investors should further consult the Offering Memorandum for the applicable series to understand how the TDFs provide lifetime income, including whether a certain amount of lifetime income is guaranteed or not, how the income payment percentages at income activation are set, whether a joint income option is offered, and if so, how election of that option impacts income payments, how the high-water mark is set, and other important details regarding the operation of the TDFs in the applicable series.

"Lifetime Income Builder" is a group fixed indexed annuity with a guaranteed lifetime withdrawal benefit (a "FIA"). Each TDF may invest in more than one FIA. Advantage Retirement Solutions, LLC ("ARS") is the inventor of Lifetime Income Builder. Lifetime Income Builder is not provided by or guaranteed by the Trustee, ARS or any of their affiliates.

The TDFs invest in FIAs that are intended to back the Trust's investment objectives, lifetime income. Each FIA is issued by an insurance company to the Trustee. The FIAs provide guaranteed payments to the Trust and are subject to the claims-paying ability of the issuing insurance companies. The FIA guarantees are not made to the participants, and participants are not beneficiaries of any annuity contract. If the value of the other investments in the TDFs reaches zero at or after income activation, income payments are adjusted as detailed in the applicable Offering Memorandum.

The TDFs are designed for investors expected to retire around the year indicated in each TDF's name. When choosing whether to invest in the TDF for which an investor age qualifies, investors should consider whether they anticipate retiring significantly earlier or later than age 65 even if such investors retire on or near a TDF's target date. There may be other considerations relevant to determining whether investment in the TDF best meets their individual circumstances and investment goals. The TDF's asset allocation strategy becomes increasingly conservative as it approaches the target date and beyond. The investment risks of each TDF change over time as its asset allocation changes.

An investment in a TDF is not a bank deposit and is not insured or guaranteed by the insurance companies, the trustee, the asset manager, the Federal Deposit Insurance Corporation ("FDIC"), or any other government agency. The Trust is not insured by the FDIC and is not registered with the Securities and Exchange Commission.

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