

Immunize Your Target Date Fund

The pandemic infects both health and wealth, especially seniors. Only you can immunize seniors in target date funds.

Does your target date fund (TDF) protect your most vulnerable beneficiaries? **Take a close look at your TDF's asset allocation at the target date. Most TDFs are more than 75% in risky assets**, namely equities plus risky long-term bonds. This high risk lost more than 30% in 2008-9 and more than 15% in the COVID-induced crash in the month ending 3/20/2020. The ultimate effects of the pandemic remain to be seen. The worst is yet to come. Plus, the pandemic is forcing early retirements and hardship withdrawals, making 401(k) savings even more dear.

The best fiduciary protection is beneficiary protection. Losses sustained by those near retirement can ruin the rest of their lives, undermining employee morale and wellbeing. With \$2.5 trillion at stake, the next downturn will be shocking.

Surveys of pension advisors by PIMCO report that a loss of 10% or more is considered "excessive" in the accounts of those near retirement. **There is no justification for risking the lifetime savings of the elderly, especially not the pretense that they might live a long time.** Most beneficiaries in TDFs withdraw their savings when they retire, which can lock in investment losses suffered near retirement. Longevity is not the issue; safety is.

The DOL advises fiduciaries to select their qualified default investment alternative (QDIA) on the basis of demographics. **There is only one demographic that all defaulted beneficiaries have in common – lack of financial acumen.** These naïve employees need and believe they are being protected by you, their fiduciary.



Take a look at [SMART Funds®](#) .

SMART Funds have been protecting beneficiaries since 1997. The SMART Fund Target Date Fund Index is a suite of TDF collective investment funds (CIFs) on Hand Benefits & Trust, a BPAS Company.

The suite has been among the best performing in 2008, 2011, 2018, and 2020, demonstrating its **prudence. SMART has won by not losing.** Its performance is in line with the industry but without the deep losses. SMART is the only TDF that follows the patented Safe Landing Glide Path®. It is also the only TDF with a long history of safeguarding.

Please see [5 Reasons](#) you can and should immunize your target date fund, preferably before the next market crash. **Your beneficiaries deserve it. They believe you are protecting them.**

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