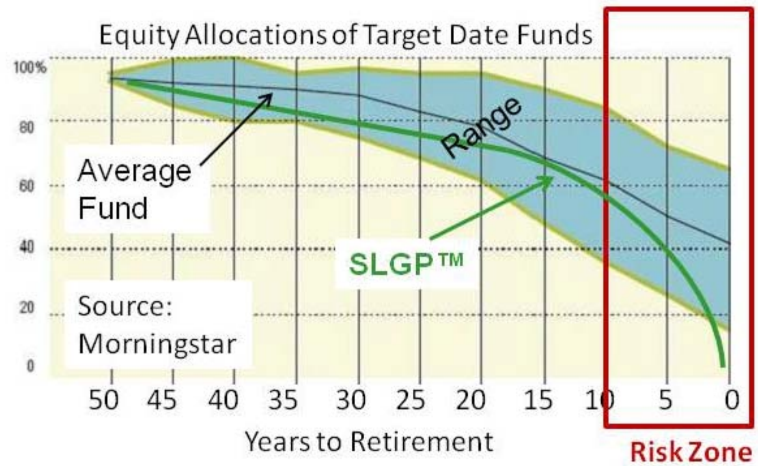
Defending Lifestyles: What Fiduciaries Should Know

<u>Did you know that:</u>

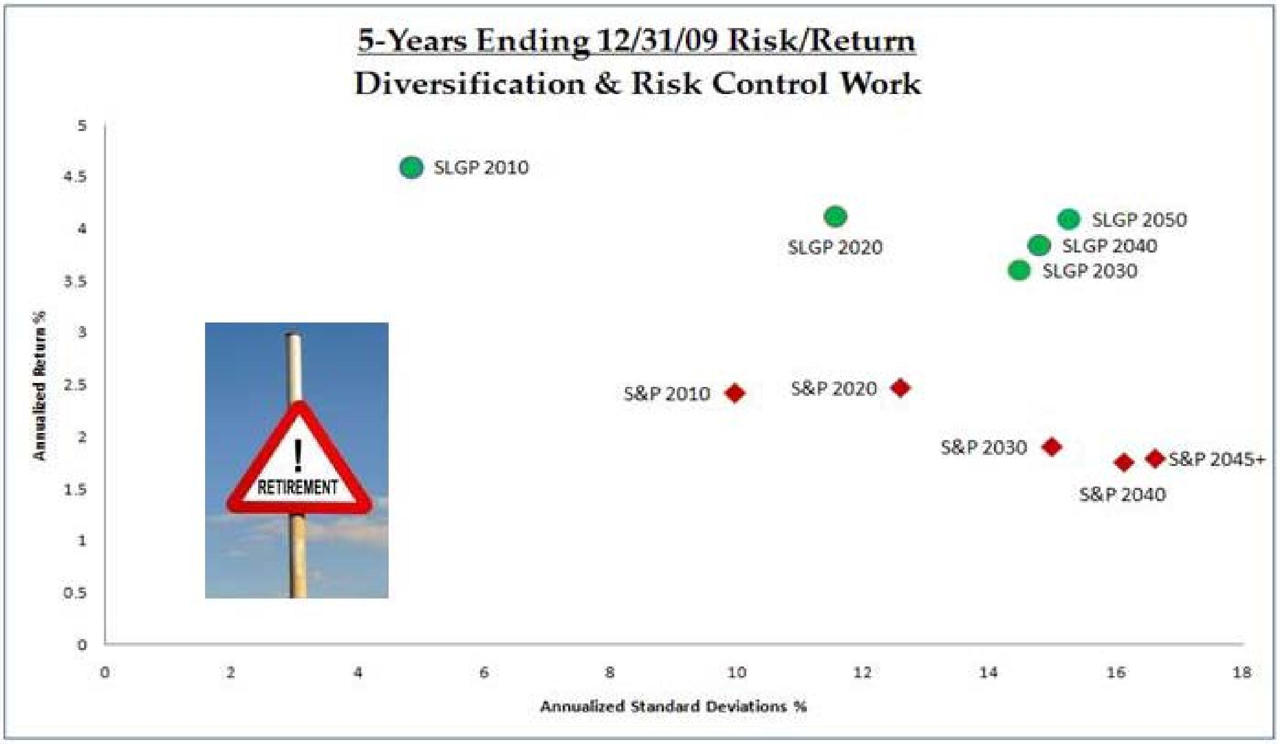
- There is a "Risk Zone" in investing for retirement. It's the five to ten years leading up to and immediately following retirement, when your account is most susceptible to lifestyle risk. This is the period when savings are at their highest level, and your only response to loss is a reduced standard of living since going back to work is generally not an option. It is the reason that the focus was on 2010 funds at the joint SEC/DOL June, 2009 hearings on target date funds.



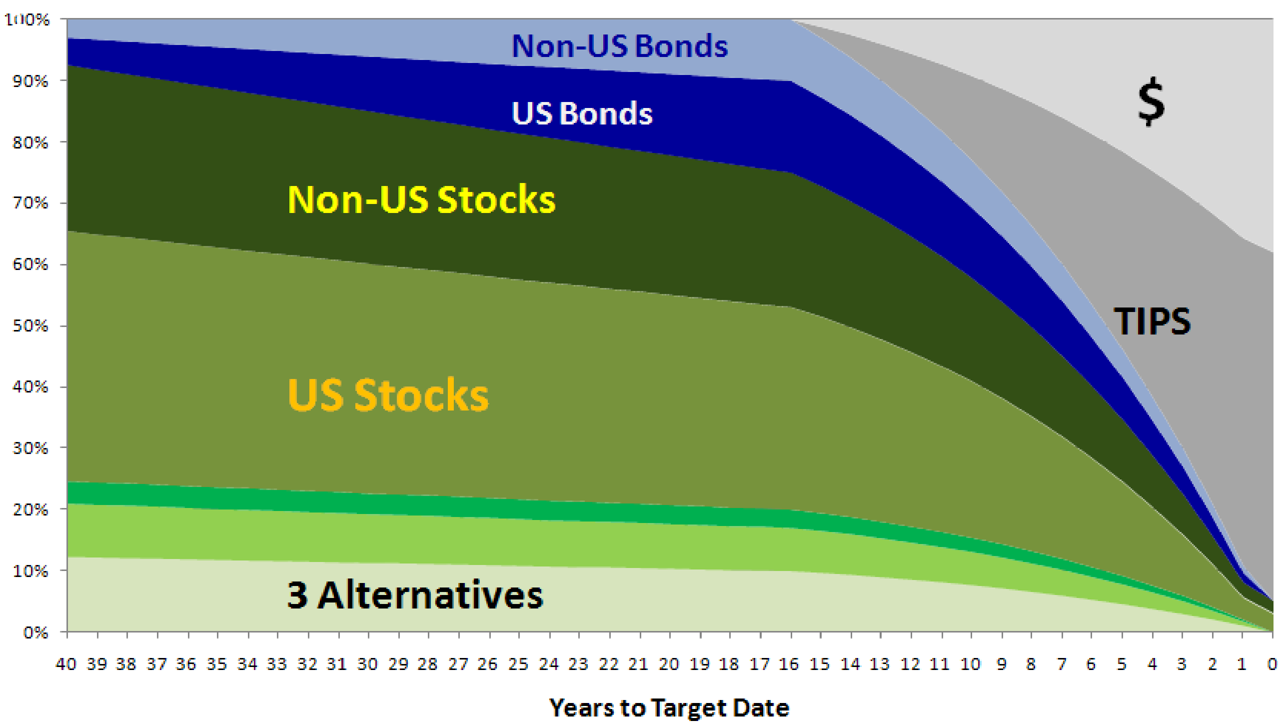
- Target date funds have a wide range of equity exposures in the Risk Zone. They disagree about the appropriate level of risk. Prior to this dangerous period, most target date funds are allocated about the same. When viewed over the continuum of their lives, TDFs look deceptively similar; their hidden risk is only visible when one examines the Risk Zone. Accordingly, enlightened fiduciaries should focus on the Risk Zone in their TDF selection.

- The Risk Zone is also critical from the plan sponsor's perspective. Older, more senior, employees are more likely to sue, or at least make their voices heard, than are younger employees with smaller account balances. Employers should fear the Risk Zone for both its litigation threat and its importance to employee morale. Fiduciaries will eventually develop objectives for the Risk Zone, and it is likely to be safety first. Then the target date industry will provide consistent product. Until then, advisors can best help their clients by focusing on the glide path during the Risk Zone.

- The Safe Landing Glide Path™ ("SLGP" in the graph below) is a blueprint for managing the Risk Zone that has demonstrated superior risk and reward throughout its glide path, with particular dominance in the five to ten years prior to retirement. Please see next page and article at [< Managing Lifestyle Risk >]() and the video of Prof. Moshe Milevski, York University, at [Return sequence risk](). Enlightened fiduciaries choose the Safe Landing Glide Path™.



Safe Landing Glide Path™



www.TargetDateSolutions.com (949)488-8339

HAND Benefits & Trust a BPAS Company

TDS Target Date Solutions

Capital Market Consultants, LLC
Building Business Together