

# A NEW GENERATION OF TARGET DATE FUNDS



For participants, target date funds are simple: choose a fund based on anticipated year of retirement and get decades of sophisticated investment management. But, participants are diverse, with needs that might not be defined solely in terms of retirement date.

For the first time, plan sponsors can offer participants choice while preserving the simplicity and efficiency of their target date fund options. flexPATH™ is a flexible target date fund platform that gives participants a powerful way to incorporate their personal risk preferences into fund selection.

## It's not just one path; it's flexPATH

flexPATH will be the first cost-effective, custom target date solution that is both portable and unitized, with daily performance reporting. Participants and plan sponsors will have a new level of choice, with multiple glidepaths, management styles, and target dates across a series of competitively priced target date funds.

Participants can personalize their investment paths by selecting among conservative, moderate, and aggressive glidepaths. Multiple glidepath options allow each participant to address his or her own specific objectives. Whether a participant is concerned with minimizing risk and protecting his or her retirement accumulation or hopes to maximize wealth in retirement with a more aggressive investment approach, flexPATH offers glidepath solutions that align with the wide range of potential participant goals and objectives.

Plan sponsors will have the option to implement flexPATH as a purely index solution or a blend of world-class passive and industry-leading active management. They can choose between:

- **flexPATH Index™**: an efficient, cost effective, passive implementation.
- **flexPATH Index+™**: a core/satellite approach incorporating the most skilled active managers from more than 15 fund firms while remaining anchored in low-cost passive management.

Plan sponsors will also have an opportunity to select from three distinct levels of shareholder servicing fees to better accommodate their plan pricing structures.

## TARGET DATE 3.0

### Flexibility

- Multiple glidepaths allow participants to choose a strategy that better aligns with their specific needs, incorporating risk tolerance as well as time horizon.
- Index and active implementation options provide plan sponsors with multiple layers of customization, allowing for tighter tracking to participant risk preferences.

### Simplicity

- Three distinct levels of shareholder servicing fees to accommodate a wide variety of plan pricing structures.
- Portability across recordkeeping platforms, facilitating availability for plan sponsors.

### Best-in-Class Management

- RPAG's Institutional Scorecard System™ is used to select underlying managers, ensuring that flexPATH's open architecture framework is efficient and unbiased.
- BlackRock leverages more than 20 years of target date fund experience to construct the three distinct glidepaths and provides its world-class index offerings to make flexPATH a truly scalable, cost-effective and customized target date solution.

*flexPATH is the result of a unique partnership between the Retirement Plan Advisory Group, BlackRock and Wilmington Trust Retirement and Institutional Services Company (Wilmington Trust).<sup>1</sup>*

# THE flexPATH ADVANTAGE

flexPATH is the result of a unique partnership informed by RPAG's deep engagement with clients, BlackRock's world-class investment management platform, and Wilmington Trust's experience and track record in sponsoring collective funds.

## Retirement Plan Advisory Group™ (RPAG™)

### Time-tested, industry-leading scorecard-driven manager selection:

Used to select the underlying managers within flexPATH, the RPAGTM Scorecard System™ is the nation's leading retirement practice management platform and is currently utilized by over 480 member firms that collectively service 28,000 plan sponsors and more than \$150B in plan assets.

## BlackRock

### World-class glidepath and index management:

BlackRock's LifePath target date funds have more than \$100B invested and 25% of Fortune 100 firms utilize BlackRock's glidepath.<sup>2</sup> Moreover, flexPATH's three distinct glidepaths are powered by BlackRock's \$2.8T passive product suite, incorporating the same vehicles and total performance management philosophy used by many of the largest and most sophisticated institutions worldwide.

## Wilmington Trust

### The collective trust funds implemented in the flexPATH strategy are managed by a trust company associated with a bank that has over 150 years' experience:

Wilmington Trust, is a leader in the collective trust fund market with over \$12B AUM in funds managed by over 35 subadvisors and available on over 35 trading platforms.<sup>3</sup>

flexPATH Index	flexPATH Index+
<ul style="list-style-type: none"> <li>Anticipated launch date: 4/1/2015</li> </ul>	<ul style="list-style-type: none"> <li>Anticipated launch date: 4/1/2015</li> </ul>
<ul style="list-style-type: none"> <li>Indicative TAOE of ~23bps<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Indicative TAOE of ~50bps<sup>4</sup></li> </ul>
<ul style="list-style-type: none"> <li>100% BlackRock index funds</li> </ul>	<ul style="list-style-type: none"> <li>~30% leading active managers from top fund families, ~70% BlackRock index funds</li> </ul>
<ul style="list-style-type: none"> <li>3 distinct glidepaths with equity landing points of 30%, 40% and 50%</li> </ul>	<ul style="list-style-type: none"> <li>3 distinct glidepaths with equity landing points of 30%, 40% and 50%</li> </ul>
<ul style="list-style-type: none"> <li>Glidepath allocations to the following benchmarks:                             <ul style="list-style-type: none"> <li>S&amp;P 500 Index</li> <li>Dow Jones U.S. Completion Total Stock Market Index</li> <li>MSCI ACWI-ex US IMI Index</li> <li>Barclays US Aggregate Bond Index</li> <li>Barclays US Treasury Inflation Protected (TIPS) Index</li> <li>FTSE/EPRA NAREIT Developed RE Index</li> <li>Bloomberg Commodities Index</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Glidepath allocations to the following benchmarks:                             <ul style="list-style-type: none"> <li>Russell 1000 Index</li> <li>Russell 2000 Index</li> <li>MSCI ACWI-ex US IMI Index</li> <li>Barclays US Aggregate Bond Index</li> <li>Barclays Global Aggregate Bond Index ex-US, hedged</li> <li>Barclays US Treasury Inflation Protected (TIPS) Index</li> <li>FTSE/EPRA NAREIT Developed RE Index</li> <li>Bloomberg Commodities Index</li> </ul> </li> </ul>
<ul style="list-style-type: none"> <li>5 vintages (Retirement, 2025, 2035, 2045, 2055)</li> <li>5 share classes<sup>5</sup> <ul style="list-style-type: none"> <li>0, 25, 50bps shareholder servicing fee classes</li> <li>NFP Retirement share class</li> <li>Mega-plan share class</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>5 vintages (Retirement, 2025, 2035, 2045, 2055)</li> <li>5 share classes<sup>5</sup> <ul style="list-style-type: none"> <li>0, 25, 50bps shareholder servicing fee classes</li> <li>NFP Retirement share class</li> <li>Mega-plan share class</li> </ul> </li> </ul>

## For more information, contact Retirement Plan Advisory Group:

Call: **877.360.2480** Email: [support@rpag.com](mailto:support@rpag.com)

flexPATH™ is intended to launch by the second quarter of 2015; all representations made and data provided in this document are dependent upon the execution of contractual relationships between the parties referenced. Due diligence must be concluded on all underlying managers and service providers before selection is final.

<sup>1</sup> Wilmington Trust Retirement and Institutional Services Company (WTRIS) is a Delaware chartered trust company sponsoring and providing fiduciary services to collective investment funds. WTRIS is part of a larger organization identified as Wilmington Trust®. Wilmington Trust® is a registered service mark of Wilmington Trust Corporation, a wholly owned subsidiary of M&T Bank Corporation. An affiliate, Manufacturers and Traders Trust Company (M&T Bank), member FDIC, provides loans, retail and business deposits, and other personal and business banking services and products. Investment management and fiduciary services are provided by Wilmington Trust Company, a Delaware trust company, Wilmington Trust, N.A., a national bank, and its subsidiaries WTRIS and Wilmington Trust Fiduciary Services Company. Brokerage services, mutual funds services and other securities are offered by M&T Securities, Inc., a registered broker/dealer, wholly owned subsidiary of M&T Bank, and member of the FINRA and SIPC. <sup>2</sup> Source: BlackRock, 6/30/14 <sup>3</sup> Source: Wilmington Trust, 6/30/14 <sup>4</sup> Anticipated total annual operating expense using maximum admin fee for Obps shareholder servicing class <sup>5</sup> All share classes, other than the Obps shareholder servicing class, will be seeded based upon demand

The target date in the name of the fund designates an approximate year in which an investor plans to start withdrawing money. Typically, the strategic asset mix in each portfolio systematically rebalances at varying intervals and becomes more conservative (less equity exposure) over time as investors move closer to the target date. The principal value of the funds is not guaranteed at any time, including at and after the target date. Investing involves risk, including possible loss of principal. Asset allocation models and diversification do not promise any level of performance or guarantee against loss of principal. Investment in the funds is subject to the risks of the underlying funds.

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