

A Strong Case for Multiple Glide Paths

A Participant Retiring in 2020 Could Have Anywhere From 13-61% of Their Assets Invested in Equities¹

Target Date Funds (TDFs) have over \$1 trillion in assets and are offered in ~93% of retirement plans² making it critically important for plan sponsors and advisors to understand how these vehicles are investing participant money, particularly as it relates to those nearing or in retirement. **Based on Stadion's research, we found that there is a significant disparity in equity exposure across the TDF industry. In fact, someone retiring in 2020 could have anywhere from 13-61% of their assets invested in equities!** (see chart at right)

In addition to the large difference in asset allocations, the sheer number of glide paths offered make it very difficult for plan fiduciaries to determine which one is right for their participant population. Further, the glide path that might be appropriate for one employee, may be unsuitable for another. For these reasons, **we believe that considering a multiple glide path target date offering that does not treat every participant the same makes sense.**

Do You Know How Your Client's Target Date Fund is Allocated? Not Sure? You're Not Alone.

Stadion's analysis of over 150 target date series show that the equity allocation can vary widely across providers. In the graph to the right, the blue represents the target date fund universe. The range between minimum and maximum equity allocation is highlighted in the table to the right, the divergence most extreme at retirement.

Stadion's Multi Glide Path Approach

At Stadion, our approach isn't to define what makes up the best glide path. Instead, we offer advisors the opportunity to provide their clients with multiple glide paths to suit the unique needs of the plan sponsor and their participants. This approach gives advisors and plan sponsors the ability to offer customization based on the participant's feelings about risk while not having to choose a single glide path for their plan. One size doesn't fit all. We believe providing options matters.

Equity Allocation Range for Target Date Fund Universe



	Target Date Vintage	Years to Retirement	% Min Equity	% Max Equity	Divergence
1	2050	32	66	99	33
2	2040	22	58	95	37
3	2030	12	44	80	36
4	2020	2	13	61	48
5	2010	-8	10	50	40

Source: Stadion

Let's Talk

We invite you to learn more about our offerings:

- TargetFit: a multiple glide path target date series
- StoryLine: a managed account service

Please contact your Stadion Representative or email advisorsupport@stadionmoney.com to learn more.

¹Stadion Retirement Data, December 31, 2018.

²Callan. "2017 Defined Contribution Trends Survey."

Results based on 156 Target Date Fund Series, which includes registered mutual funds, and non-registered collective investment funds and insurance accounts. Collective investment funds and insurance accounts are only available for investment to qualified retirement plan assets such as 401(k) plans.

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