

A Disruptive Innovation

Soteria

The recordkeepers' blueprint for building and maintaining personalized target date accounts



Soteria is the goddess of deliverance from harm



Image courtesy of Dr. Frank Sortino

Please watch
this 10-minute
video



Click on Camera

Agenda

- Marrying target date funds with managed accounts
- Serving non-defaulted participants as well as defaulted
- How Soteria works: very easy because the engine is powerful
- The best glidepath is the patented Safe Landing Glidepath (SLGP)
- 16-year performance history of the SLGP
- Be prepared for the dangers ahead
- Partners include recordkeepers, advisors, investment managers, administrators and plan sponsors. You could be a Soteria partner.
- Advantages summary
- Contact the Soteria Marketing Team

Investing is personal.

Soteria manages investment risk so you don't have to!

“A more personalized approach can certainly take more investment but appears to be paying off.” Quote from the article shown on the right.

planadviser. November 22, 2022

| DATA & RESEARCH

Plan Advisers Value Trustworthiness, "Personal" Touch from DC Recordkeepers



Soteria is the Greek goddess of deliverance from harm



Soteria

Personalized Target
Date Accounts

- Recordkeeper allocates to specified month on specified risk-based target-date glidepath.



- Is it a Managed Account or a Target Date?

Yes, and it's a Disruptive Innovation!!

A Beautiful Marriage



the Emergence of Managed Accounts

The current unravelling of target date funds has sparked a marketing blitz for the 2nd most popular QDIA. Managed Accounts place participants in models that typically rest on an age-based glidepath similar to a TDF. They also purport to gather pertinent information about participants but this is very difficult. Managed Accounts characteristically charge high fees. They are a less than optimal choice for most plan sponsors. That's why they're not the most popular choice.

Enter *Soteria* Personalized Target Date Accounts

Merging the best of both TDFs and Managed Accounts, *Soteria* provides sponsors and advisors the latest in the evolution of participant –centric constructed portfolios. *Soteria* accounts integrate anticipated participant retirement age with their level of risk tolerance. And, most importantly, all *Soteria* accounts utilize 'safe' landing, low-risk investments within the participant risk-zone.

A [Recent TIAA Study](#) reports:

Plan sponsors can better help participants by providing new customized target-date solutions.

The Great Debate (Click image to read & watch)

The Great Debate: Target Date Funds vs. Managed Accounts

Ron Surz shares key points from this week's Retireholics "Tall can Talks" debate about which is the better QDIA option

by Ron Surz · December 9, 2022 · 1 share · 2 minute read



Target Date Funds

- One-size-fits-all
- All proprietary
- High risk at target date
- Old school
- Oligopoly dominated
- Loser in 2008 and 2022
- Grouped in 10-year ranges



Soteria

- Multiple glidepaths
- Best of breed funds
- Low risk at target date
- Disruptive innovation
- Very flexible
- Winner in 2008 and 2022
- Monthly allocations

Soteria goes anywhere.

Similar systems stay with their providers. They prove that recordkeepers CAN support.



Empower's GoalMaker:

://hcsc.retirepru.com/_assets/docs/goalmaker-brochure.pdf

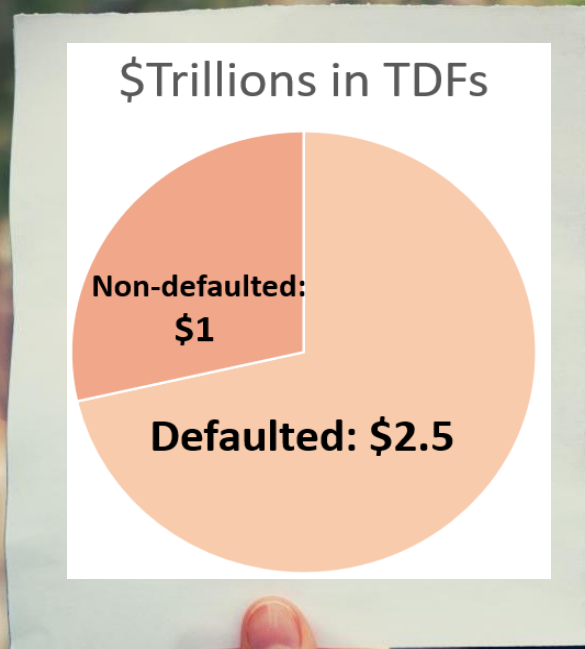


Lincoln Financial's YourPath :

<https://www.lincolffinancial.com/public/professionals/productsandinsights/employerretirementplans/whatweoffer/innovativesolutions/targetdatefunds>

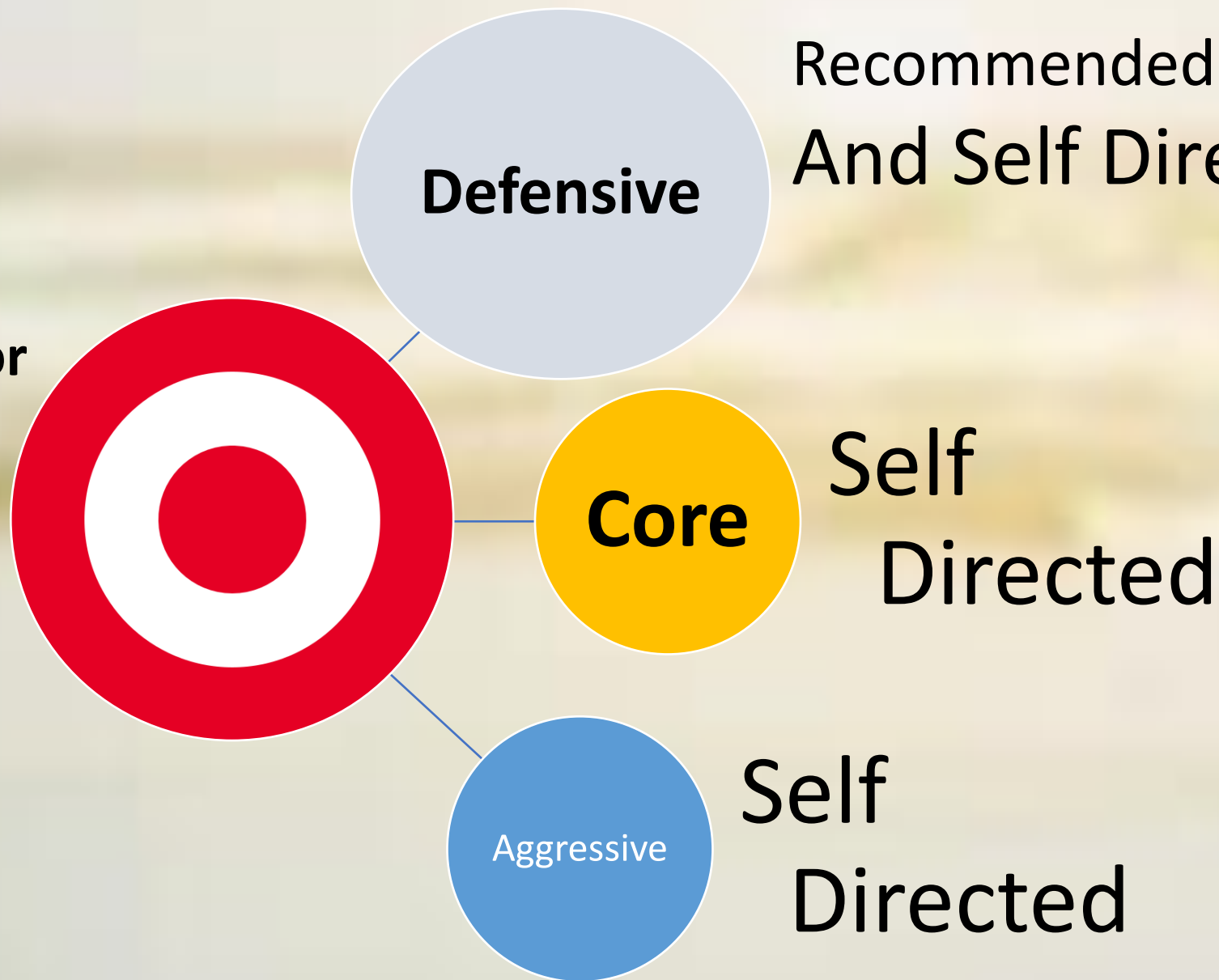
Have
gun,
will
travel





How Soteria Serves
Both Defaulted and
Non-defaulted
Participants

Glidepaths for Personalized Target Date Accounts



Recommended Default: QDIA
And Self Directed

Defensive

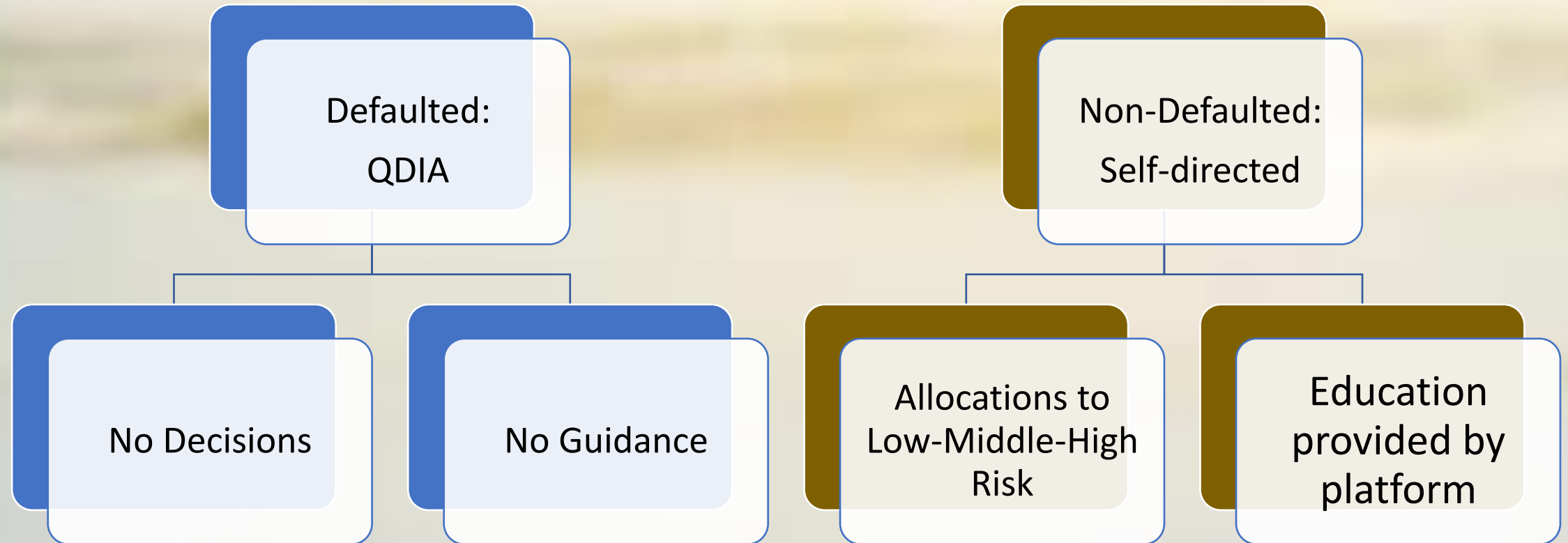
Self
Directed

Core

Self
Directed

Aggressive

Participant Decisions



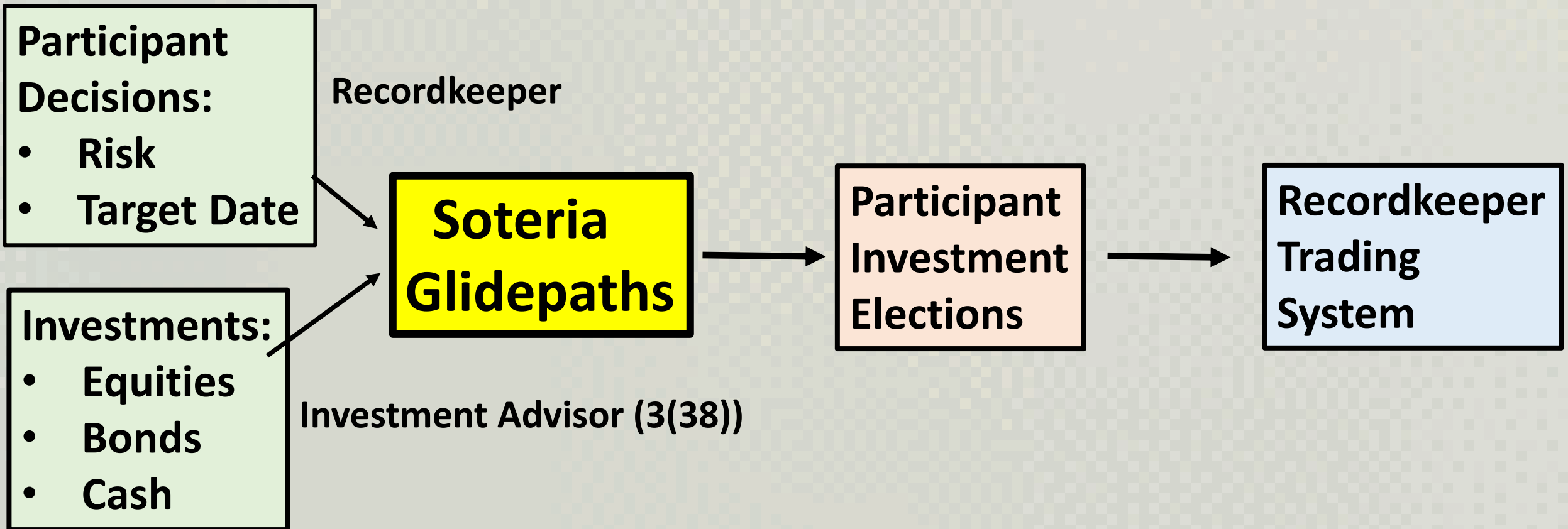
Powerful Engine



How Soteria
Works

A computer
program for
recordkeepers

Putting Participant Decisions Into Action



Participant Decisions



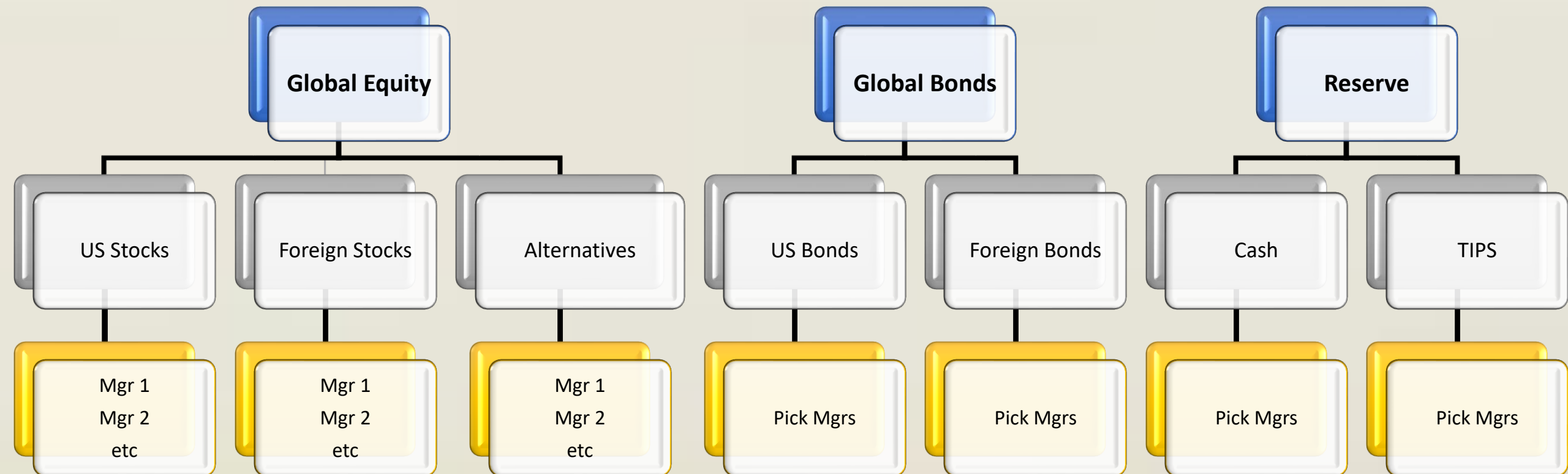
Target Retirement Date



Blend of Low, Middle, High Glidepath

Investments

Use 3 Global Funds or Many Underlying Funds



Daily Overnight Batch Processing

Run Soteria daily for all Soteria participants who

- Have made changes that day to their asset amount, risk or target date.
- Have a birthday on that day. Send a greeting card advising of risk adjustment. And encourage savings.

Also, run for **all** Soteria participants when investment manager requests. (For example, when changes are made to investments).



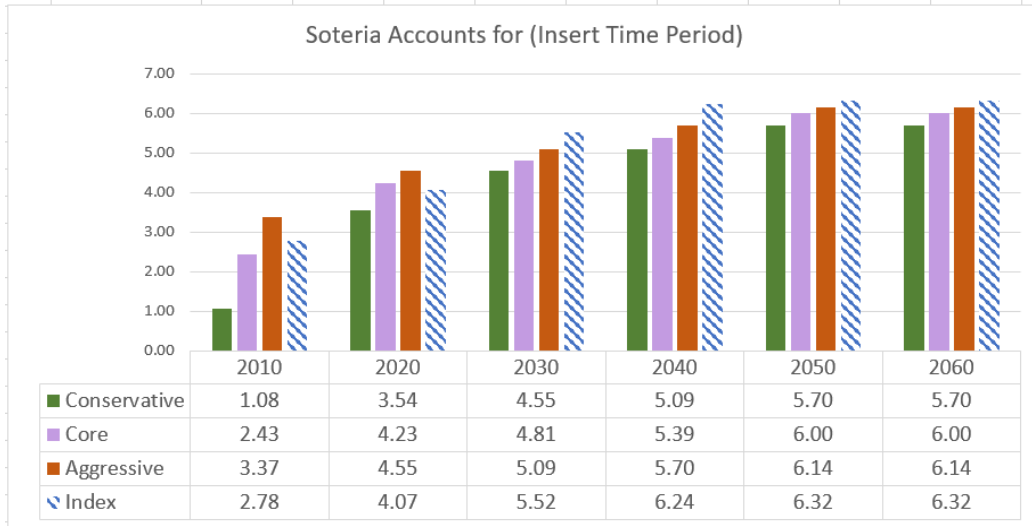
18 Tracker Accounts (Birth years)

Target Dates	2010	2020	2030	2040	2050	2060
Conservative: Low Risk	1 (1945)	2 (1955)	3 (1965)	4(1975)	5 (1985)	6 (1995)
Core: Moderate Risk	7	8	9	10	11	12
Aggressive: High Risk	13	14	15	16	17	18

Performance Reporting:
Tracker Accounts Update every June 30

	2010	2020	2030	2040	2050	2060
Conservative	1.08	3.54	4.55	5.09	5.70	5.70
Core	2.43	4.23	4.81	5.39	6.00	6.00
Aggressive	3.37	4.55	5.09	5.70	6.14	6.14
Index	2.78	4.07	5.52	6.24	6.32	6.32

Copy Tracker fund performance into Yellow shaded area.
Post Index results into Blue area.
The Morningstar and S&P TDF indexes are popular



Patented Safe Landing Glidepath



Best Glidepath

A target-date fund that fails to protect account value as the target date approaches has failed in its primary task.

Professor Craig Israelsen

Patented Safe Landing Glidepath

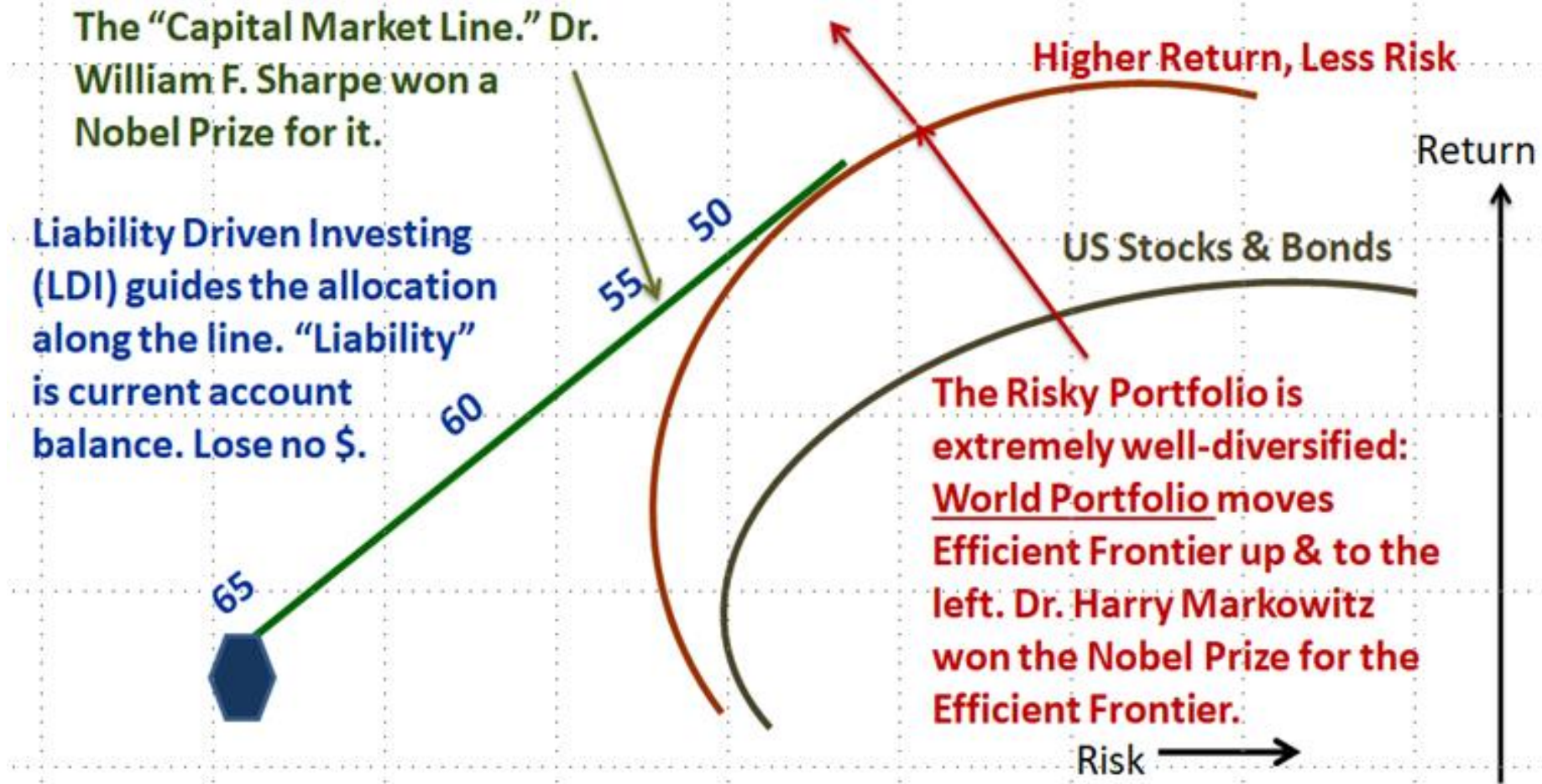


Patented product offering unique investment structure

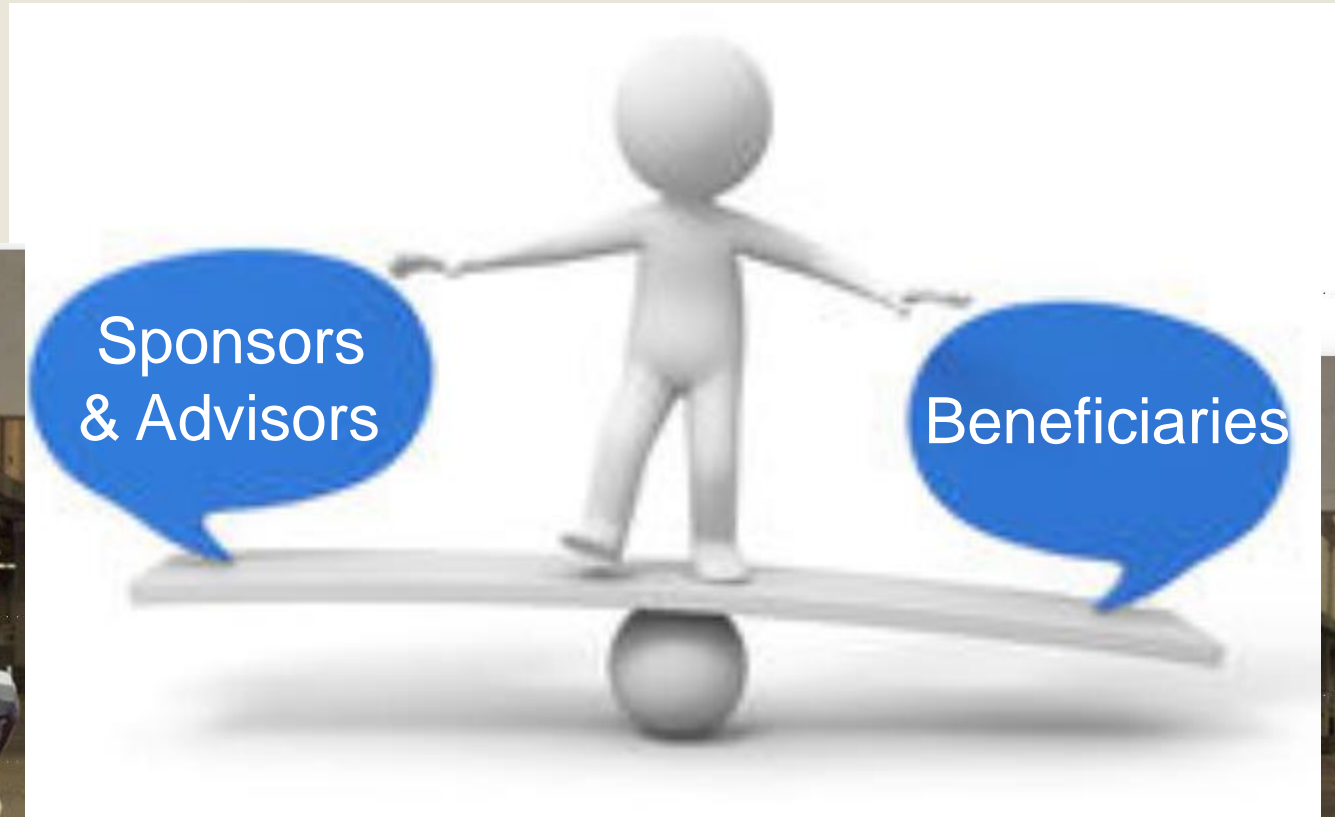
uses two Nobel Prize-winning disciplines

emphasis on safety

protection objective



Whose Objectives Should be Served? Who is the “Client”?



Big 3? Maybe



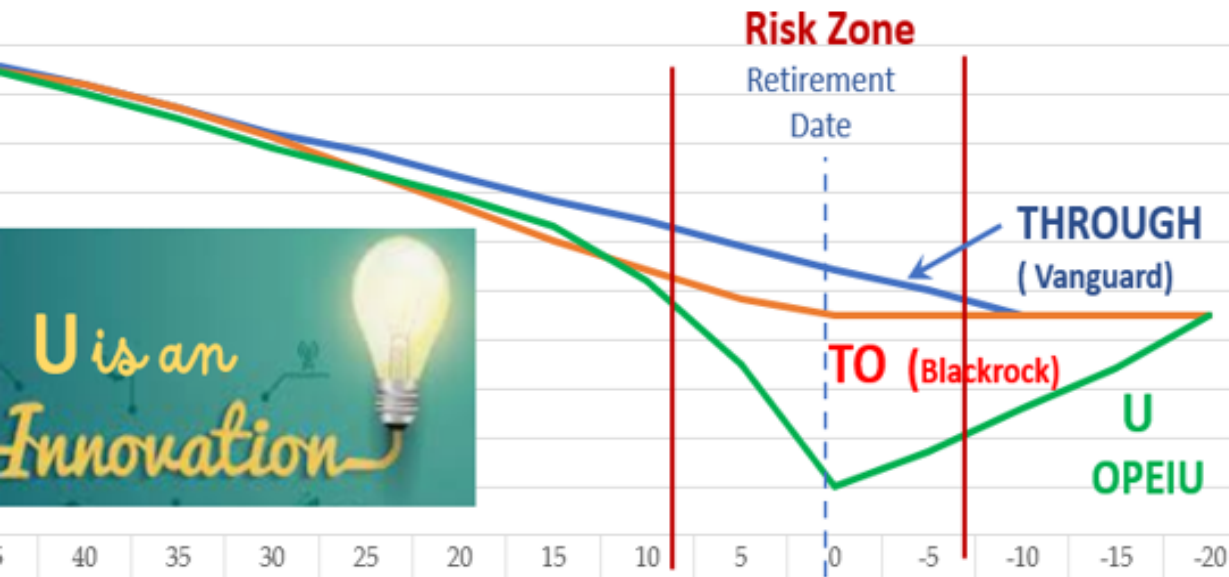
Not the Big 3

The best fiduciary protection is beneficiary protection

It's all about the glidepath: Choose Safe U-shaped

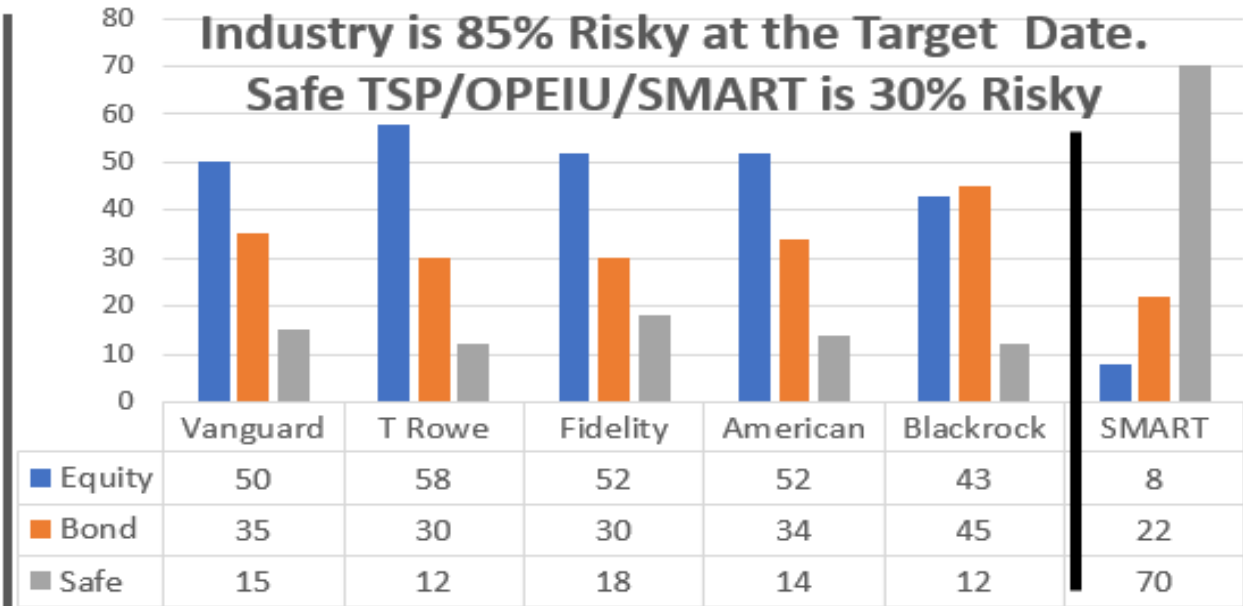
3 Glide Paths: To, Through and U

2 Groups: Risky and Safe



U is good To and Through

Industry is 85% Risky at the Target Date.
Safe TSP/OPEIU/SMART is 30% Risky

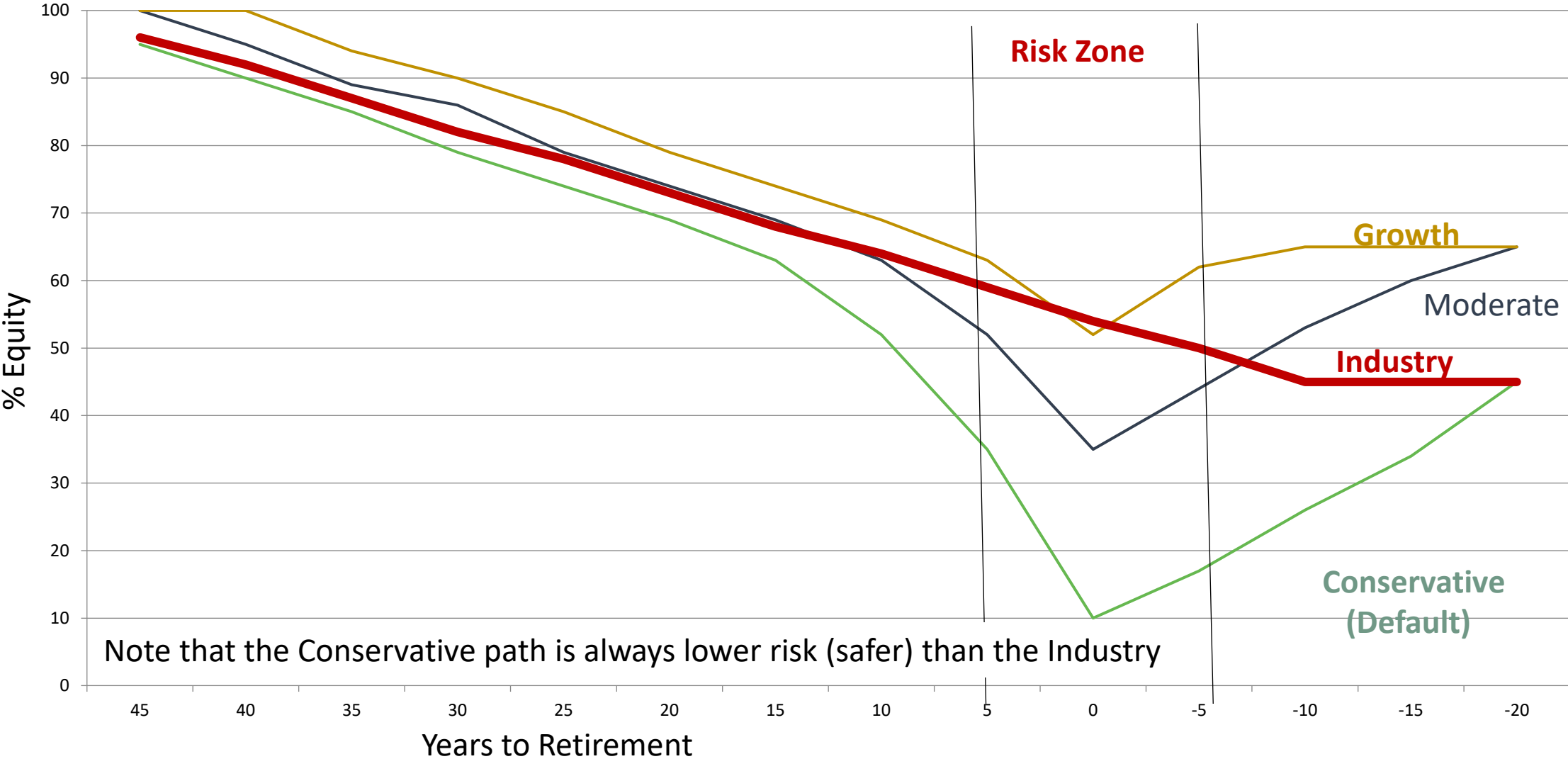


Source: PIMCO Glidepath Analyzer

85% Risky at the Target Date is

Excessive Risk

Self-directed Soteria Accounts Choose Their Glidepath (Or Blend) and Their Time to Retirement



In the News

(Click image to read article)

InvestmentNews [Link here](#)

January 23, 2023

[By Gregg Greenberg](#)

New software aims to reduce risk in target-date funds.



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Home

Press Release

New Disruptive Innovation Replaces Target Date Funds - Managed Accounts in 401(k) Plans

Published: Jan. 22, 2023 at 10:11 p.m. ET



The MarketWatch News Department was not involved in the creation of this content.

Jan 22, 2023 (IssueWire via Comtex) -- San Clemente, California Jan 22, 2023 ([Issuewire.com](#)) - Ronald Surz, President of Target Date Solutions, announces the release of Soteria software that facilitates personalized target date accounts by blending patented safe-landing target date glide paths with the personalization of managed accounts. Target date funds (TDFs) are the most popular

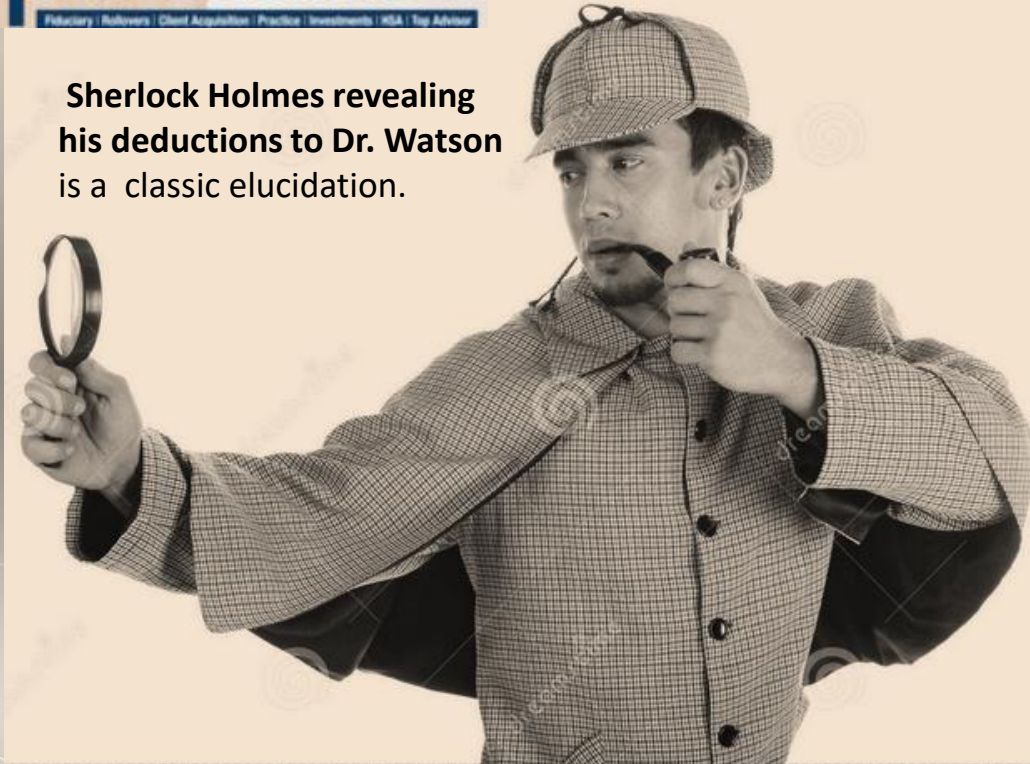
Target Date Fund Elucidations

Scheduled for 2/22/23 Publication

Truth³(Cubed)

401K Specialist
Issue 1, 2021 | 401kSpecialist.com
Fidelity | rollovers | Client Acquisition | Practice | Investments | IRA | Top Advisor

Sherlock Holmes revealing his deductions to Dr. Watson is a classic elucidation.



Read the section on **“Target Date Accounts.”**

Soteria personalized target date accounts are the next generation of Qualified Default Investment Alternative (QDIA), and Soteria also serves self-directed participants



“Elucidations” Message: A Good Heart but an Empty Head is NOT Alright

Fiduciaries must understand and vet their target date funds.

At \$3.5+ trillion, TDF assets are almost half of 401(k) assets. And 37 million TDF participants are 60% of total participants.

Most don't know what they don't know, but they think they know. The fact is most TDFs are way too risky at their target date.

Now You Know

The Future of Qualified Default Investment Alternatives (QDIAs)

Join us for a lively discussion on the future of retirement investing, blending the best of target date funds with the personalization of managed accounts. You need to know about Soteria

The Dawning of the Age of Soteria



Click image to register

Complimentary Webinar @Noon EST on 2/15/23



Why safety matters

Performance

The **SMART Target Date Fund Index** was launched in 2008 as a suite of 20 collective investment funds (CIFs) on Hand Benefits & Trust, a BPAS company: 5 dates & 4 share classes. SMART follows the patented Safe Landing Glidepath, the same path followed by Soteria.

SMART defended in 2008, 2011, 2018, Q1 2020 and 2022: in every stock market decline.

The Federal Thrift Savings Plan (TSP), the largest savings plan in the world, is also very safe at the target date, with 70% in the government guaranteed G Fund.

Two Standards

Risky
(Industry)

Vanguard[®]

A Through Fund

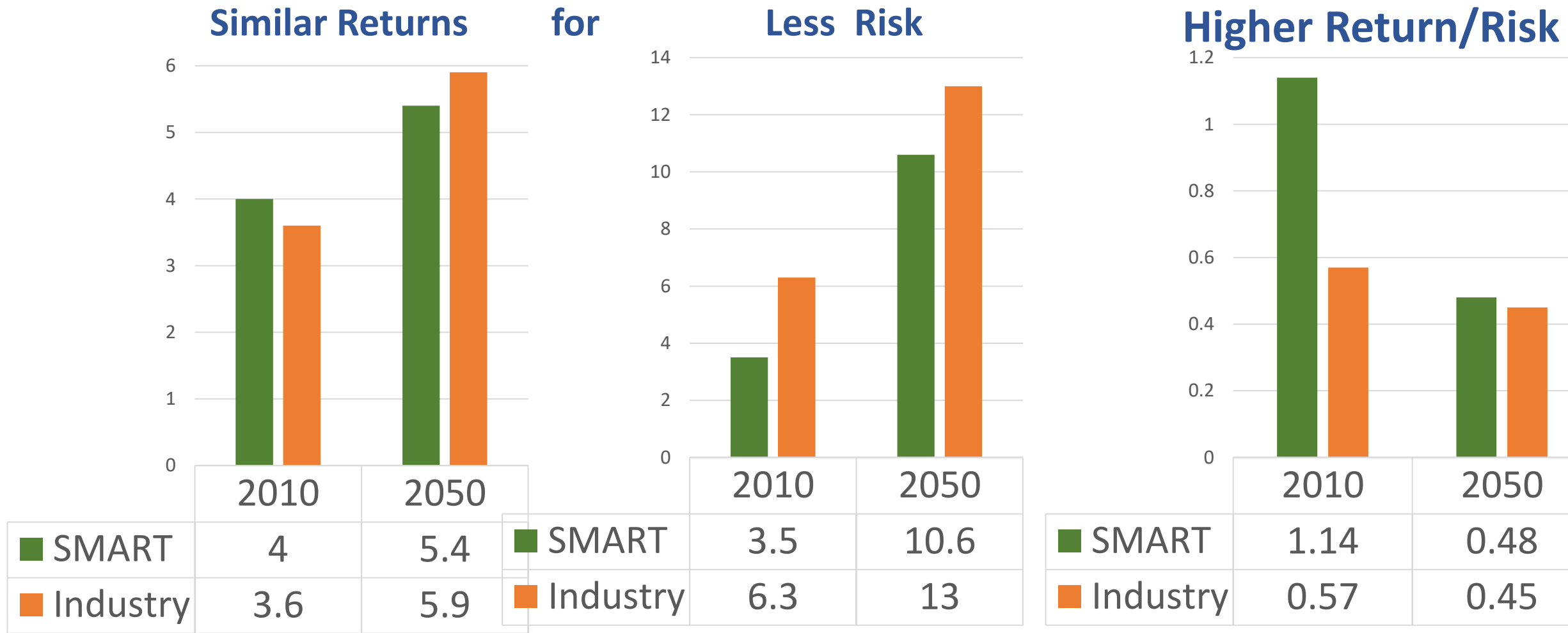
Safe
(SMART, TSP &
OPEIU)

 **SMART**
Target Date
Index

U-shaped
Tracks the patented
Safe Landing Glide
Path

There were no lawsuits in 2008 because Vanguard was the accepted standard, & it lost 30%

Return and Risk for 16 Years Ending December 2022



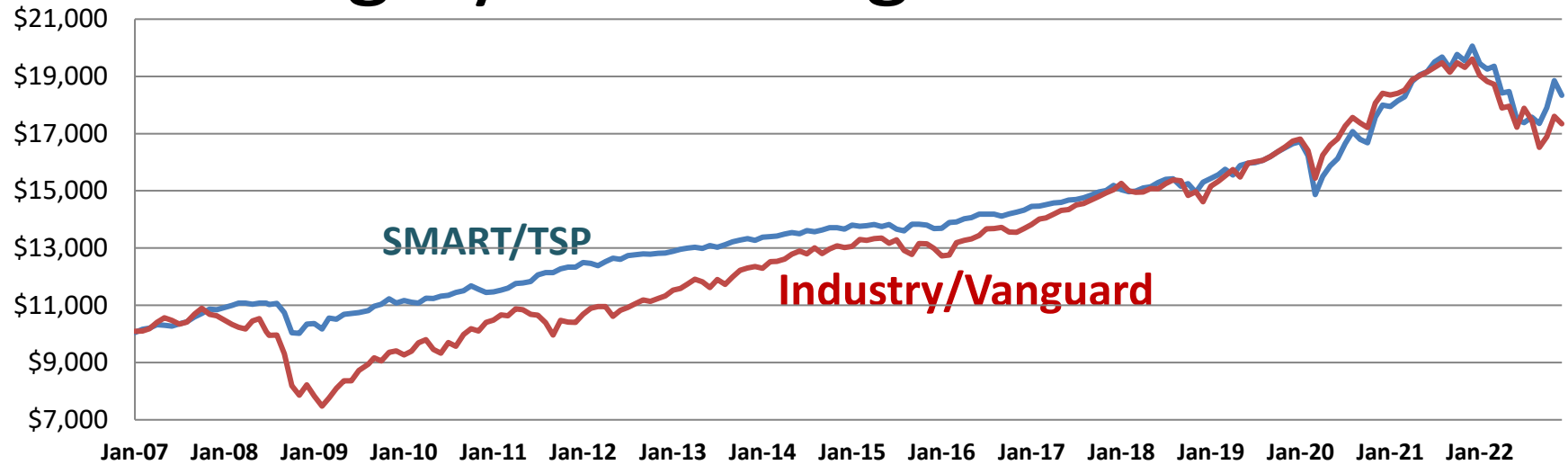
Sources: Dow Jones S&P and Target Date Solutions

Industry is the S&P Target Date Index, a composite of most TDF mutual funds
 SMART is the live track record of SMART CITs for 2008-2021.
 2007 SMART return is backtested. 2022 is a paper portfolio used to maintain the SMART index.

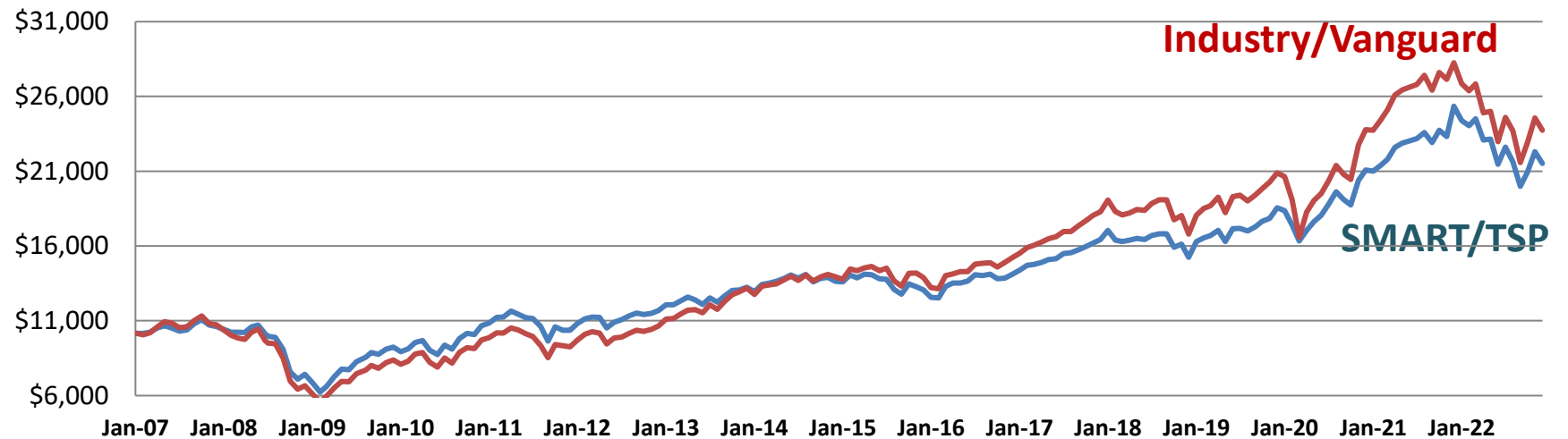
Total History: Growth of \$10,000 from 2007 thru 2022

Winning by not losing

2010 Funds



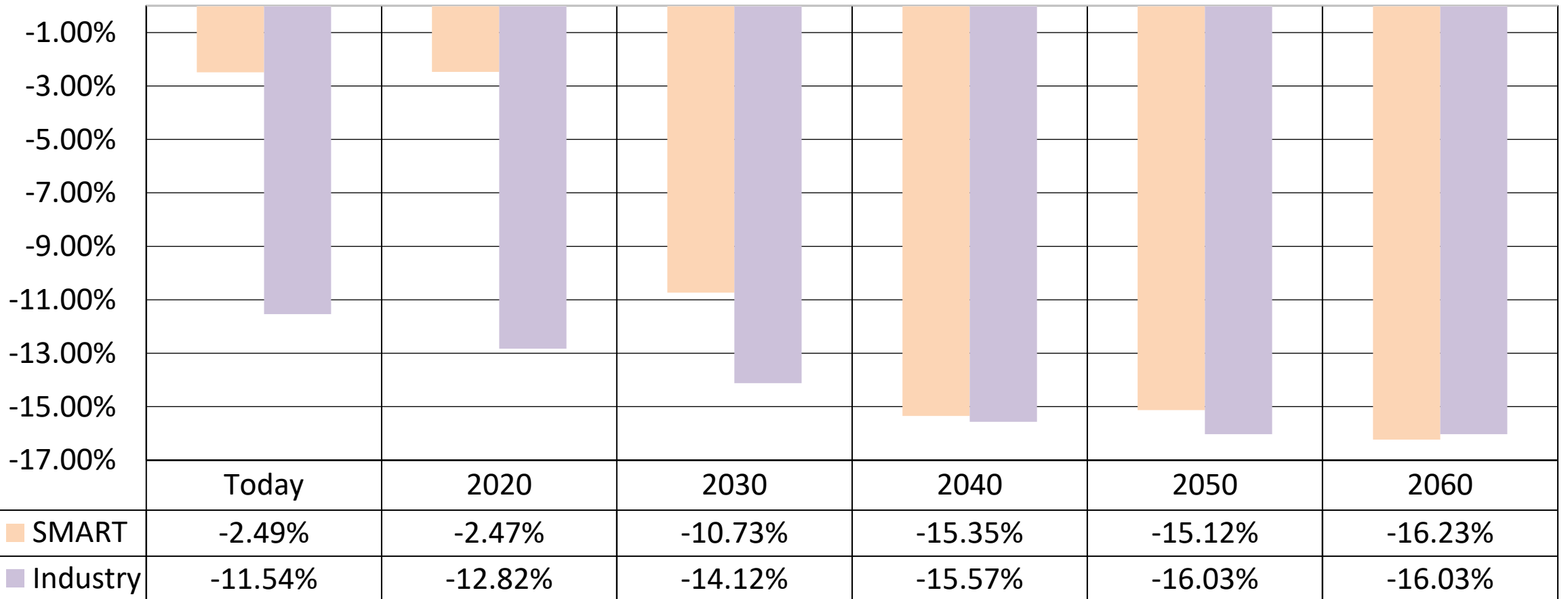
2050 Funds



Sources: Dow Jones S&P and Target Date Solutions

Target Date Fund Returns in 2022

Surveys say a 10% loss near retirement is excessive





INFLATION

BURSTING SUPERBUBBLES

RISING INTEREST RATES

WAR





Click to watch short video



"What's Coming Is WORSE Than A Recession" - Chamath Palihapitiya

Click to read article

INVESTMENTS & WEALTH MONITOR

A reprinted article from May/June 2022

And Now You Know ... the Rest of
the Story

By Ronald J. Surz



**A Tribute to
Paul Harvey**

- Rampant Inflation
- Russia-China's Sinister Plot
- Stock Market Bubble Deflates
- 401(k) Scandal

Everyone Benefits

Benefits for:
Participants
Recordkeepers
Advisors
Plan Sponsors
Investment Managers



Partner	Reason
Recordkeepers	Replace Target Date Funds & Managed Accounts
Money Managers	Market 3 “Anchor” funds: Equities, Bonds, Cash
Administrators	Partner with recordkeeper and advisors
Advisors	Advanced custom TDFs using patented glidepaths
PEPs	Best managed accounts

Our Partnership

**Target
Date
Solutions**

You

**Soteria
Marketing
Group**

Examples of 3 Anchor Funds: Global Equities, Global Bonds, Reserve (Low Risk)

Soteria investment managers will have custom sites made for your employees to guide them to the right allocation to meet their goals



Union friendly



ESG



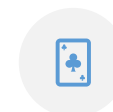
Package your own proprietary funds



Low cost



Actively managed



Tactical



Etc

A Dozen Benefits



The best fiduciary protection is participant protection

1. Broad Flexibility
2. Monthly allocations remove the 5- or 10-year cohort limitation. Very precise.
3. The patented Safe Landing Glide Path actually manages Sequence of Return Risk
4. Non-defaulted participants can move to any risk level anytime.
5. Any retirement date can be specified and changed anytime.
6. Limits risk preference with risk capacity in the Risk Zone.
7. All-in Soteria fee is under 20 bps: less than half the average TDF's 40 bps and Managed Account's 50 bps.
8. Participants receive a birthday wish informing them that their risk has been reduced. Good time to encourage savings.
9. Big first mover benefits. Don't wait.
10. Risk focused, rather than performance. Win by not losing.
11. Solves the one-size-fits-all problem
12. Easy to use

What is Soteria

(Click Image Below for 2-minute Video)

A powerful recordkeeper engine for building and maintaining personalized target date accounts.



A marriage of Managed Accounts with Target Date Funds



A partnership with recordkeepers, money managers, consultants, administrators and Pooled Employer Plans (PEPs)



A disruptive innovation



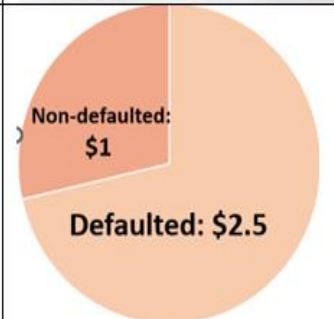
Software that actually manages Sequence of Return Risk (something most target date funds don't do)



A solution to the one-size-fits-all problem in TDFs



A terrific choice for self-directed participants. A third of the assets in TDFs are from self-directed participants, who need choices of glidepaths





Soteria

Personalized Target Date Accounts

distributed thru

Soteria Management Group

Contact:

Robb Smith

robbsmith.soteria@outlook.com

<https://calendly.com/robbsmith-soteria/15min>

Disruptive Innovation