

\$3.5 trillion is at stake

In the middle of difficulty lies opportunity. Einstein

Target Date Fund Revelations

Excessive risk is the norm.

It's a Crime



Anthology of the Crime

Click Bullets to read articles

The Crime

- [Crime](#)
- [Warning](#)
- [Cause](#)
- [Analogy](#)
- [Culprits](#)



The Harm

- [Risk](#)
- [Magnitude](#)
- [Damage](#), with [Update](#)
- [Danger](#): It will get worse



The Solution

- [Standard](#)
- [Improvement](#)
- [Global perspective](#)
- [Congressional inquiry](#)



401(k) Plan Sponsors are Doing Only Half Their Job (Step 1). Why Not the Rest? (see lower right below for answer)

Step-by-step Guide to Retirement with Dignity

Step 1: Save enough

Step 2: Don't lose savings

Choose Safe TDF, not the Risky Group



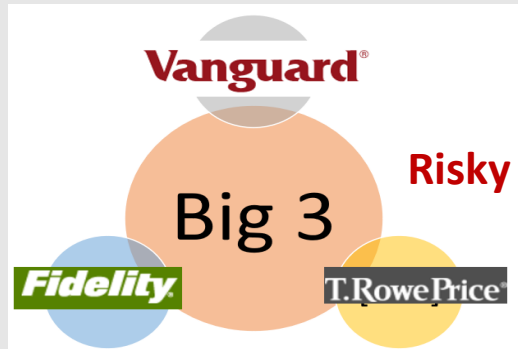
1. Auto enrollment and auto escalation encourage beneficiary savings. That's good because beneficiaries usually don't save enough on their own. This best practice is common practice.
2. But lifetime savings are not protected. Defaulted beneficiaries should be very safely invested as they approach retirement. Target date funds (TDFs) should be very safe at their target retirement date, but they're not.

Reason: Common TDF practice has not yet become best practice because best practice is not being marketed.

Two Distinctly Different Approaches

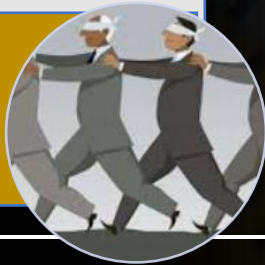
Approach	Designer	Objective	Risk at Target	2008 loss	2022 Loss So far
Risky	Fund Company	Profits	85%	30%+	10% More to come
Safe	Financial Engineer	Beneficiary Protection	30%	10%	3%

Follow the actions of other prudent people acting in a like capacity and familiar with such matters.



Lost 30% in 2008

Procedural
Prudence



Doing what is right (safe) regardless of common practice



Lost 10% in 2008

Substantive
Prudence



Measuring Prudence

Fiduciaries Choose the Risky Group Oligopoly
even though the best fiduciary protection is beneficiary protection

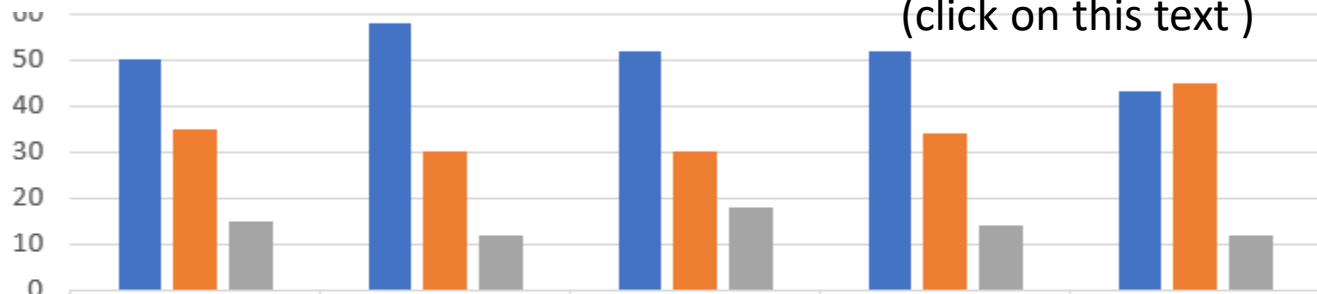
2 Groups of TDFs: Safe and Risky



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

Industry is Risky: [Morningstar agrees](#)

(click on this text)



	Vanguard	T Rowe	Fidelity	American	Blackrock	OPEIU & TSP & SMART
Equity	50	58	52	52	43	8
Bond	35	30	30	34	45	22
Safe	15	12	18	14	12	70

**Thrift Savings Plan (TSP)
& 2 others are Safe**



Click image for article

Two Standards

Risky

Vanguard®

A Through Fund

Safe

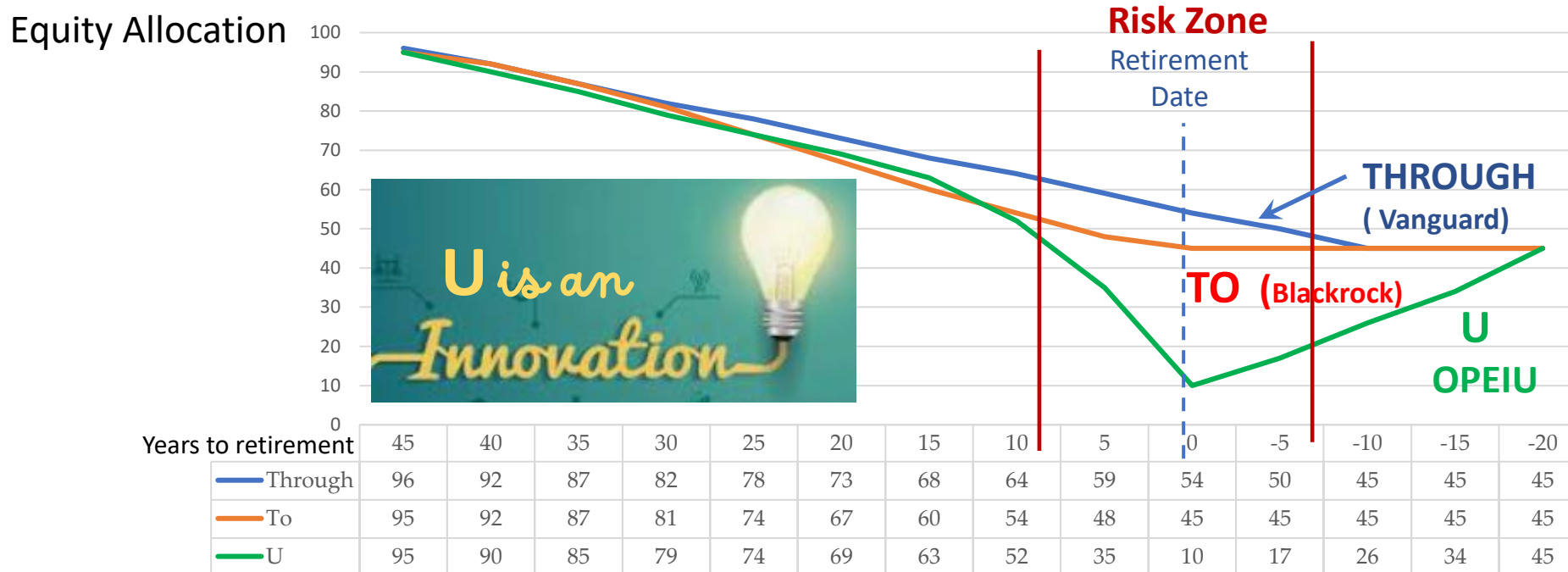
 SMART
Target Date
Index

U-shaped
Tracks the patented
Safe Landing Glide
Path

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

TO, THROUGH or U Target Date Glidepaths

“U” is both “To” and “Through”



To: Ends at the target date. Reaches lowest equities at the target date

Through: Ends at death. Reaches lowest equities after the target date.

U: Defends with low equities at the target date and re-risks in retirement

Letter to DOL
(click image to
read)

It is unconscionable that sequence of returns risk, with its ability to derail a participant's dignified retirement, is not addressed and quantified by regulators and plan fiduciaries.

Recommendation:

Require risk disclosure in target date fund names.

July 2022



U.S. DEPARTMENT OF LABOR

Congressional Inquiry Could be a Game Changer

On May 6, 2021, Senator Patty Murray, D-Wash., Chair of the Health, Education, Labor, and Pensions (HELP) Committee, and Rep. Robert C. “Bobby” Scott, D-Va.), Chair of the House Education and Labor Committee, sent a letter to Gene Dodaro, Comptroller the GAO. They wrote:

“...we write to request the General Accountability Office (GAO) conduct a review of target-date funds (TDFs). The employer-provided retirement system must effectively serve its participants and retirees, and we are concerned certain aspects of TDFs may be placing them at risk.”



[Click image to read article](#)



Matching Goals to Demographics

The only demographic that defaulted beneficiaries have in common is
lack of financial sophistication

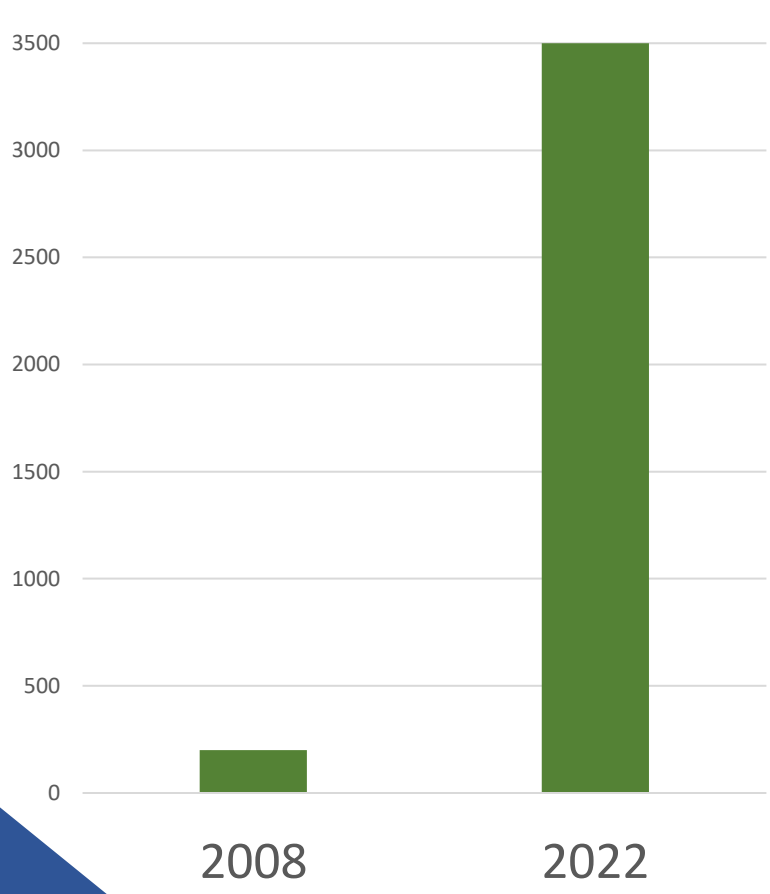
DOL advises matching your TDF to your demographics

2022 is not
2008

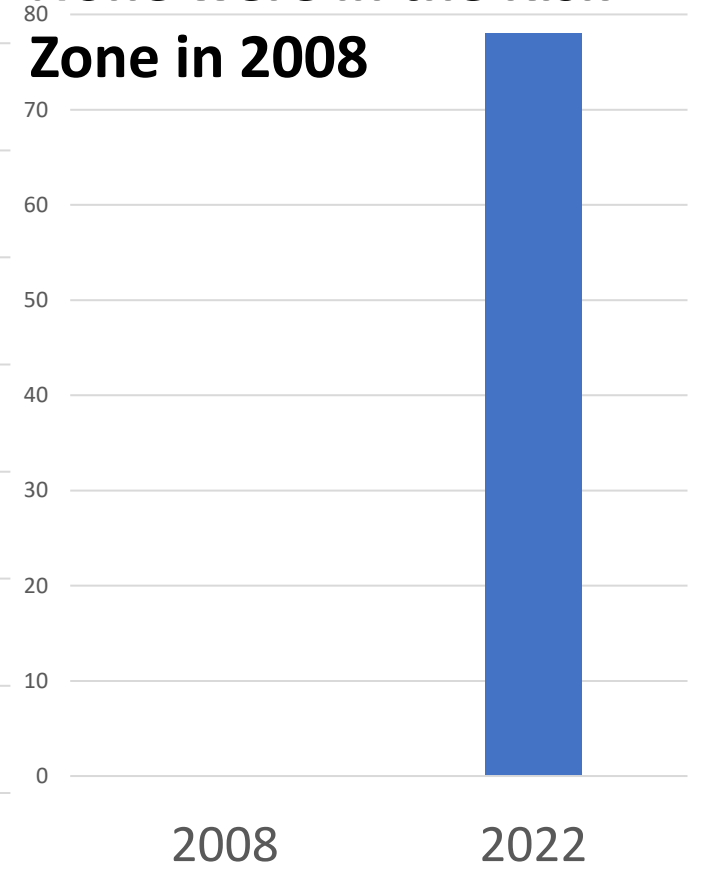
TDFs are
much more
important
Today



\$200 billion in TDFs in 2008
\$3500 billion today



78 million baby boomers
are in the Risk Zone today.
None were in the Risk
Zone in 2008

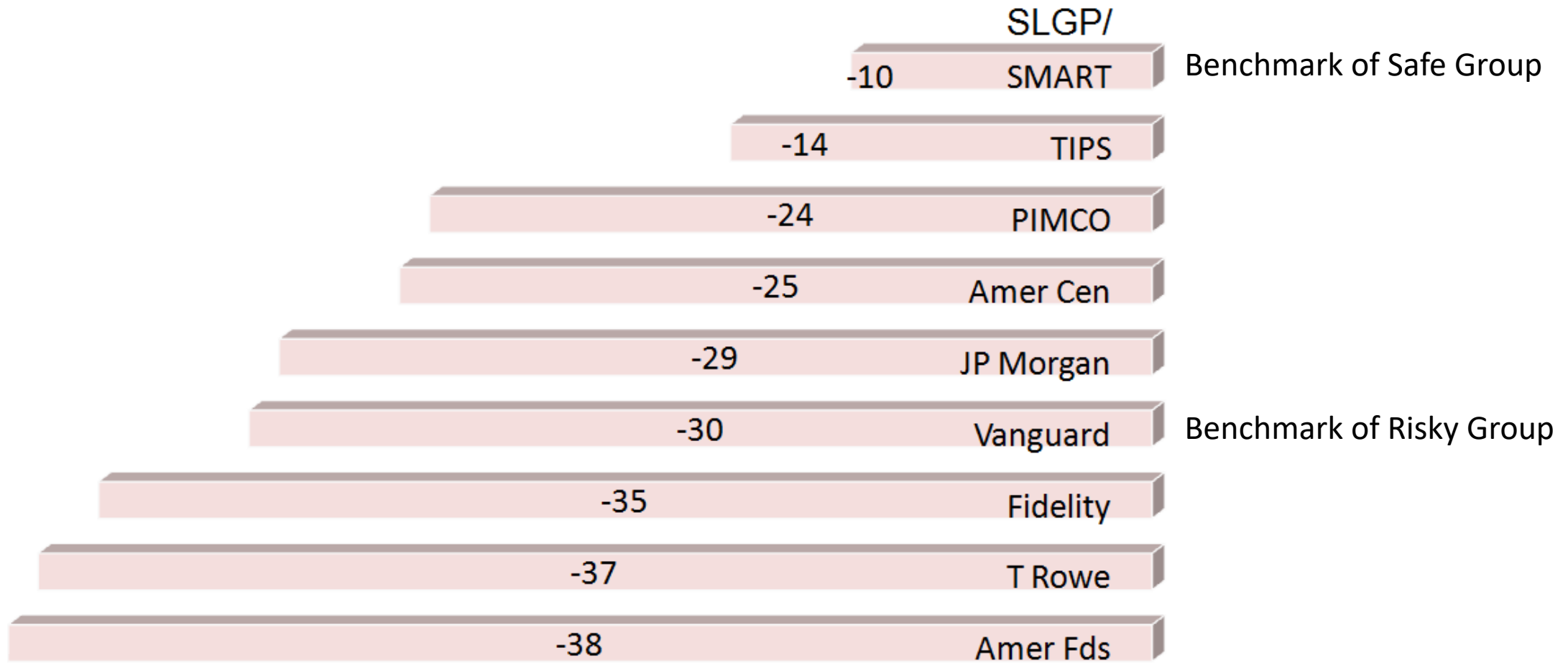




Why safety matters

Performance in 2008 and 2022

2008 Losses in 2010 Funds from 11/07-2/09



Source: MPI

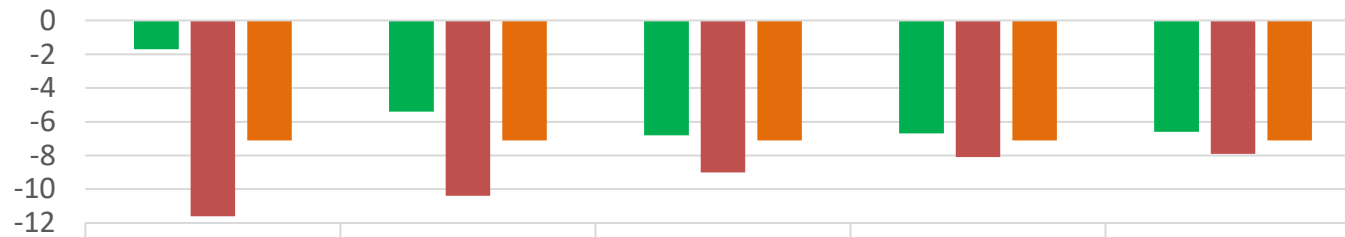
The Unthinkable Has Just Happened

Those near retirement in TDFs have lost more than younger people



Click image to read article

One Year Ending August 19, 2022



	2020	2030	2040	2050	2060
■ Safe*	-1.7	-5.4	-6.8	-6.7	-6.6
■ Industry**	-11.6	-10.4	-9	-8.1	-7.9
■ Dow***	-7.1	-7.1	-7.1	-7.1	-7.1

SAFE
RISKY

* Safe is the SMART TDF Index

** Industry is the S&P TDF Index

*** Dow is the Dow TDF Index

Source: Target Date Solutions and S&P Dow Jones

Truth will always be truth, regardless of lack of understanding, disbelief or ignorance.

W. Clement Stone

Truth is like the sun. You can shut it out for a time, but it ain't goin' away.

Elvis Presley

CARPE DIEM

Grab the opportunities

- 1) Prepare lawsuits.
Don't miss another 2008, or worse .
- 2) Provide a Safe TDF

All **truths** are easy to understand once they are discovered; the point is to **discover them.**

– Galileo Galilei

Just Published

(click image)

Crises on the
horizon

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**

TDF damages are highly likely & prosecutable



Current Crises: Rising Interest Rates, Rampant Inflation, Recession, COVID, Energy Crisis, China Dominance , Profligate Spending, Nuclear Threats, Outrageous Debt, Gigantic Wealth Divide, Russian War, 401(k) Risk Scandal, Mass Shootings , Open Borders, Iran, N Korean, Social Unrest, Floods & Fires, Social Security & Medicare Going Broke , Stock & Bond Market Bubbles

Opportunity 1: Prepare to sue for excessive risk



Markets will crash.

When they do, Risky TDFs will hemorrhage, probably worse than 2008

**This time, lawsuits will be applauded.
Prosecutors will be heroes**



Lawsuits drive \$Trillions out of current Risky TDFs

Opportunity 2:
**Provide a
Safe TDF**

An Inexpensive
and Easy Way to
Provide a Safe TDF:

Take Over the
SMART Funds for
(almost) free



This suite of 20 collective investment funds (CIFs) has been temporarily shelved, waiting for the right opportunity and partner. The OPEIU union fund (same glidepath) is thriving in the current chaos by protecting against losses. Now is the right time to re-launch the SMART Target Date Funds Index .

Here's why SMART is a fantastic opportunity:

- 14-year track record of winning by not losing
- All CUSIPed and NSCC registered
- Extensive marketing materials, including factsheets
- DOL compliant disclosures
- All the legal work is done
- Ideal for union and small plans
- This is a gift for anyone who wants to enter the TDF space or to add superior product
- Uses Ron Surz's patented Safe Landing Glide Path

**LET'S
DISCUSS**

**DARE
TO WIN!**

**A ONCE IN A
LIFETIME
OPPORTUNITY**

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