



# Safe Landing Glide Path 2020

## Investment Objective

The Target Date Solution 2020 (TDS 2020) Fund uses our proprietary Safe Landing Glide Path™ to provide a high probability of preserving the purchasing power of accumulated assets at the target date; and secondly, to the extent the first objective is not violated, to provide for the growth of assets.

## Investment Strategy

The TDS 2020 Fund primarily uses passive indexes (mutual funds, collective trusts, exchange-traded funds or exchange-traded notes) to fill the underlying assets required by the allocation models. Allocations are adjusted each month to the glide path. The Advisor does not engage in tactical asset allocation or market timing. For more about allocation and the glide path, see "About the Safe Landing Glide Path™" on the next page.

Before the target date - the accumulation phase and the glide path

The TDS 2020 Fund begins with an extremely well-diversified equity portfolio, the "Risky Equity Portfolio" at approximately 45 years prior to the target date. It includes domestic and foreign equities, commodities, precious metals and real estate, in percentages designed to replicate, as far as practical, the composition of a hypothetical basket of the world's investable securities, excluding bonds. A second risky basket, the "Risky Bond Portfolio", comprises bonds of the world. The duration of this basket is adjusted on occasion in response to the outlook for inflation. The Fund's allocations begin entirely in the Risky Equity Portfolio and decrease linearly toward a 70% allocation at 15 years from target date, with the balance in the Risky Bond Portfolio. This 70-30 Equity-Bond portfolio is called "The Risky Portfolio". Then, small amounts at first, and increasingly larger amounts later on, of the Risky Portfolio are shifted into a safer asset pool called the "Reserve Asset", containing Treasury bills and inflation-protected Treasury Bills (TIPS).

At the target date and beyond - the decumulation or retirement income phase

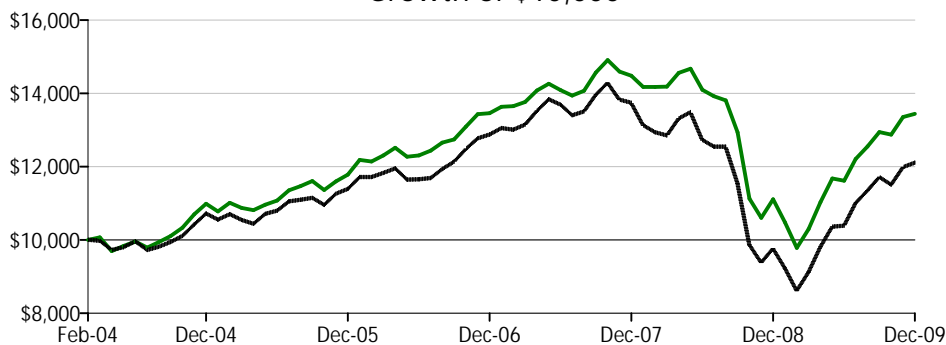
In order to maximize the purchasing power protection of the strategy and to minimize the potential for loss, allocations beyond the target date are held 100% in the Reserve Asset (TIPS and cash). The common practice is to withdraw account balances at target date, so it is our intention to keep assets safe at and beyond that date. Plan participants should withdraw their target date account balances and invest in assets designed for decumulation, such as annuities and guaranteed payout funds. For more about the strategy at and beyond the target date, see "About the Safe Landing Glide Path" on the next page. The TDS 2020 Fund is a "To" fund, designed to end at the target date.

## Hypothetical Performance

Past performance is no guarantee of future results and the actual performance of the Index and the Fund may be lower or higher than the back-tested past performance shown below. Investment return and principal value of the portfolio will fluctuate causing units of the Fund, when redeemed, to be worth more or less than their original cost. Historical performance of the Fund and the Index is back-tested and does not represent actual fund performance since it did not exist during any of the periods shown. Returns are net of all estimated expenses and assume that all dividends received during a year are reinvested monthly. Actual performance will vary from that of investing in the underlying funds because it may not be invested in exactly the proportions indicated and may not be fully invested at all times. It is important to note that the Fund may underperform its Benchmark, the S&P 2020 Target Date Index in certain years and may produce negative results. See the next page for additional information about the back-tested results shown here.

	2009	2008	2007	2006	2005	2004
Glide Path 2020	20.96	-23.28	7.63	14.17	7.29	9.85
S&P Target Date 2020	23.94	-28.91	6.69	13.06	6.28	7.14
Excess	-2.98	5.63	0.94	1.11	1.01	2.71

Growth of \$10,000



— Glide Path 2020    ■ S&P Target Date 2020

## Fund Facts

Inception Date	December 1, 2009
Est. Expense Ratio	0.38%
Benchmark	S&P 2020 Index
Glidepath Adjustments	Monthly
Automatic Rebalancing	Monthly
Fund Management	Target Date Solutions

## Back Tested Portfolio Data\*

5-Year as of December 31, 2009

	Glide Path 2020	S&P Target Date 2020
Alpha	1.50	0.00
Beta	0.90	1.00
Sharpe Ratio	0.15	0.02
Std Dev	11.55	12.58

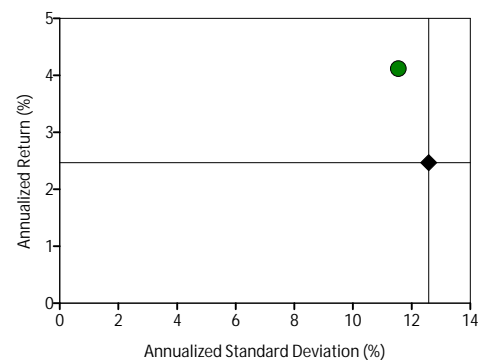
## Back Tested Returns

As of December 31, 2009

	Glide Path 2020	S&P Target Date 2020
3 Mo	3.86	3.35
YTD	20.96	23.94
1 Yr	20.96	23.94
3 Yrs	-0.04	-2.04
5 Yrs	4.12	2.47

## Back Tested Risk/Return

5-Year as of December 31, 2009



● Glide Path 2020  
◆ S&P Target Date 2020

\*Calculated through 12/31/2009

During the periods shown in figures on this page, Target Date solutions did not manage or sub-advise actual funds; the returns shown are back-tested returns based on the actual strategies in place.



# Safe Landing Glide Path 2020

## About the Safe Landing Glide Path

The forerunner of the Safe Landing Glide Path (SLGP™) is the glide path used by the PLANSPONSOR On-Target Indexes (OTI), designed by Ron Surz in 2007 in response to market demand for suitable target date benchmarks. The OTI were the first target date indexes to incorporate inflation protection as a fundamental objective. Ron had teamed up with two partners to form Target Date Analytics LLC, a firm he subsequently left in October 2009 to form Target Date Solutions, where he has created the Safe Landing Glide Path (SLGP™). The SLGP™ is a material enhancement to the glide path used by the OTI. Specifically, the SLGP™ incorporates the following improvements:

- Equity allocations are decreasing throughout the glide path. By contrast the OTI has constant equity exposure for the first 25 years.
- Bond durations may be adjusted in response to the outlook for inflation, a particularly important consideration in the 2009 economic crisis.
- The move to protect begins 15 years from target date, rather than 20 years, which is too soon in Ron's reconsidered opinion.
- A 5% allocation has been reserved for opportunistic assets, like precious metals and infrastructure.

The SLGP™ is a theoretically sound and operationally practical approach that starts with the fundamentals of portfolio construction. It achieves extremely broad diversification through the utilization of the Harry Markowitz model of the world market basket of securities. At lower levels of risk, the SLGP™ extends the efficient frontier by drawing on William Sharpe's Nobel prize-winning Capital Market Line and allocation, over time, an increasing share of assets to the protection of a "safe" portfolio. These amounts are determined by the principles of Liability-Driven Investing, the probability of loss theory and a lock box concept which was also advocated by Dr. Sharpe. The SLGP™ ensures that potential growth will be maximized in the early years when the consequences of short-term market losses are small and that preservation of purchasing power dominates in the later years when the consequences of inflation and market losses can be ruinous.

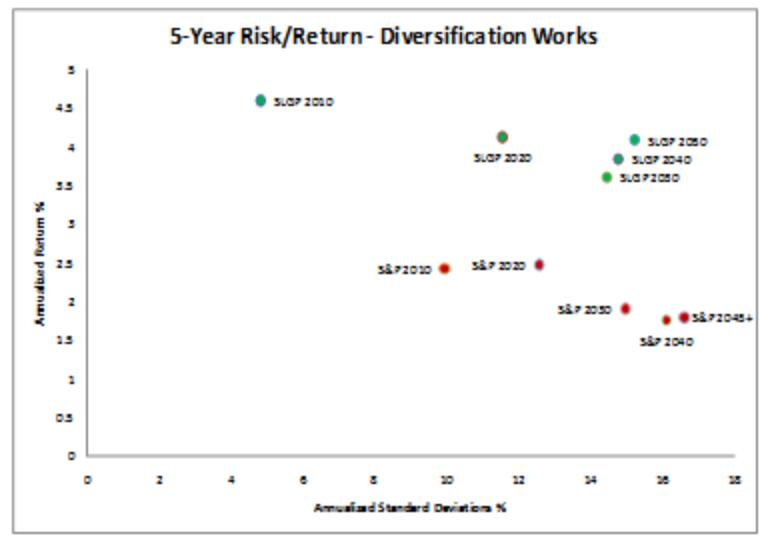
As a Qualified Default Investment Alternative, target date funds are designed to move dynamically from an objective of growth to an objective of safety. So called "through" funds have a growth objective throughout their glide path and beyond, because the real target date is death. The SLGP is a "to" fund, emphasizing safety as the target date nears, because the glide path ends at the target date.

Once the OTI were introduced, many observers noticed their dominance on risk/return scales, over all existing target date products, and soon they began requesting investable products based on the Indexes. SLGP™ takes OTI several steps further toward dominance over an industry that insists on Selling "through" funds. Enlightened fiduciaries choose to buy SLGP™, rather than to be sold "through" funds. Also, because SLGP™ uses low cost passive underlying investments, they are provided at some of the lowest fees in the industry.

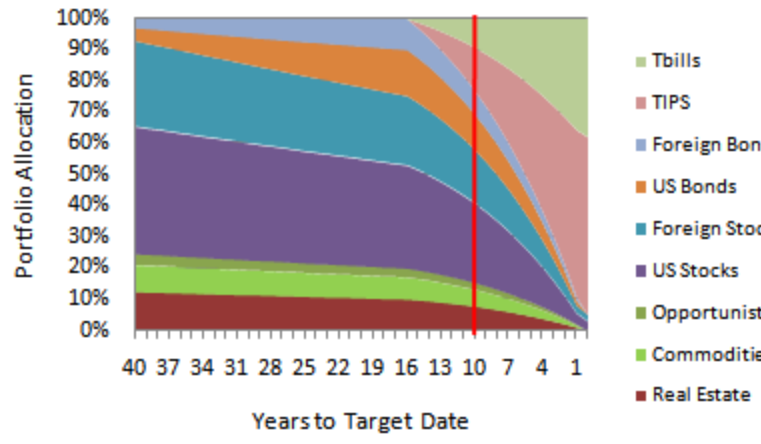
**A Note about Back-Tested Returns**  
 Prior to January 1, 2009, the TDS returns are those reported by OTI, net of all fees. Thereafter, we show the returns on the Safety Landing Glide Path. So all performance results are back-tested prior to the inception date of live investments. All returns are based on the returns of the underlying component funds in the same proportion as mandated by design of OTI/SLGP. Because the glide path and allocation model does not change with market fluctuations, there is justification for using back-tested returns of the underlying funds. Nevertheless, the decisions they would have made at the theoretical inception of the Funds, 10 years prior.

**About the TDS Funds**  
 The TDS Funds are not mutual funds and its units are not insured by the Federal Deposit

## Target Date Risk/Return Comparison



## Allocations, Glide Path and Holdings



Vertical Red Line above & Weights below indicate the allocations of the TDS 2020® as of December 31, 2009

**Composition**

USEQF	BGI-US Equity Market Fund	25.4%
ACWIF	BGI-MSCI AC World ex: US Index	16.9%
VNQ	Vanguard US REIT	7.7%
DBC	PowerShares DB Commodity Index	5.4%
GLD	SPDR Gold Shares	2.3%
DEBT	BGI-US Debt Market	11.5%
RPIBX	T. Rowe Price International Bond	7.7%
USTIPX	BGI-US TIPS Fund	13.8%
VMRXX	Vanguard Reserve Prime Money Market	9.2%

Insurance Corporation or any other agency. The units are securities which have not been registered under the Securities Act of 1933, and the Fund is exempted from investment company registration under the Investment Company Act of 1940. Therefore, Participating Plans and their Participants will not be entitled to the protections under these Acts. Management of the Trust, however, is generally subject to the fiduciary duty and prohibited transaction rules under the Employee Retirement Income Securities Act of 1974 ("ERISA"). Target Date Solutions is the Fund's Advisor and provides investment management services. 401(k) Direct is the Fund's Trustee.  
 As defined in the Declaration of Trust and Participation Agreement documents, the TDS 2020 is available for investment only by eligible qualified retirement plan trusts. The unit value will fluctuate and investors may lose money. Various asset classes such as international stocks, commodities and real estate may carry additional risks.