

A graphic with a warm orange-red tint. At the top, a white banner with the words "RETIREMENT PLAN" in bold, dark letters is slightly curved. Below the banner, a pen lies horizontally. Underneath the pen, there are faint line graphs and a bar chart. The entire background has a subtle texture of financial documents.

RETIREMENT PLAN

Damage Control

What we've learned from COVID-19 investment losses (so far)

Airs Tuesday 4/14/20 at 10:00 PST on FaceBook and YouTube. Search for "Age Sage Robo."
Hosts: Ron Surz and Kathy Tarochione. Replays available.

Resources

- Episode 4
Scandal:

<https://www.youtube.com/watch?v=nIMrGNHgSTg>

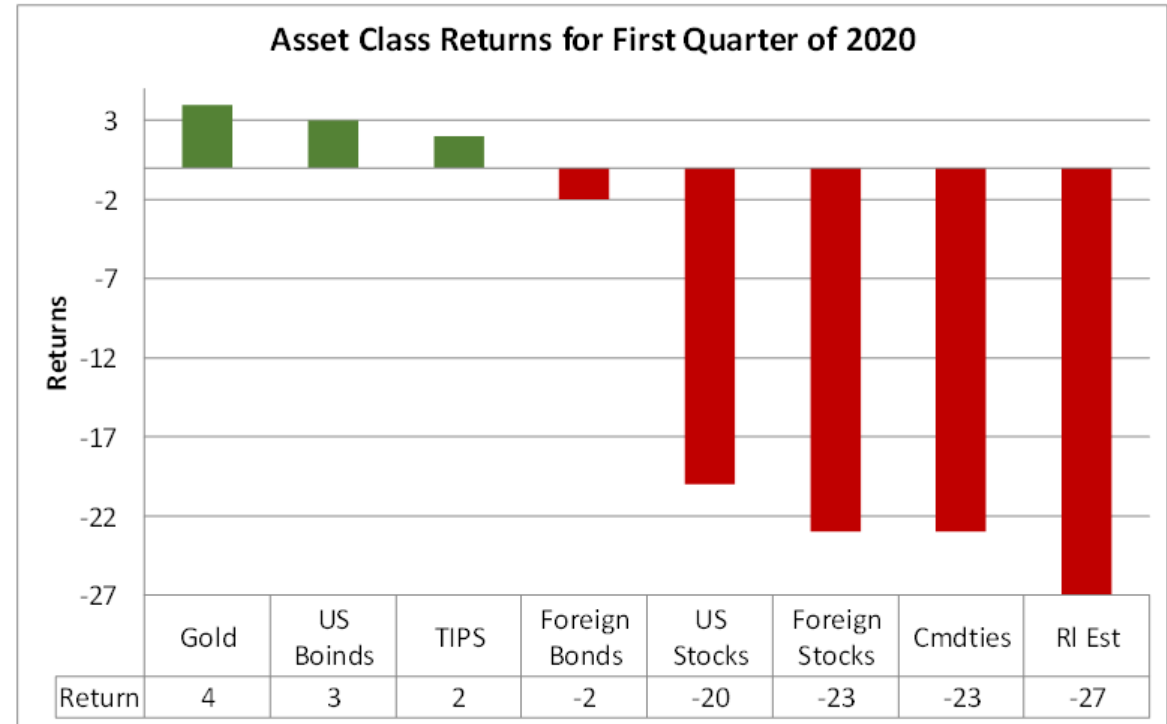
- Article

<https://targetdatesolutions.com/articles/Coronavirus-Exposes-V2.pdf>



1st Quarter of 2020

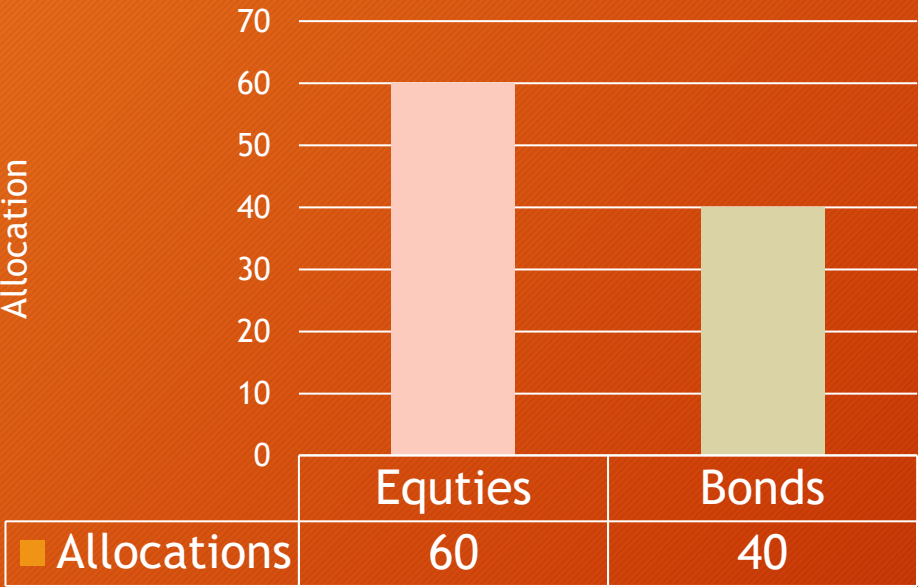
- Gold & US Bonds Defended
- All Equities lost 20% or more



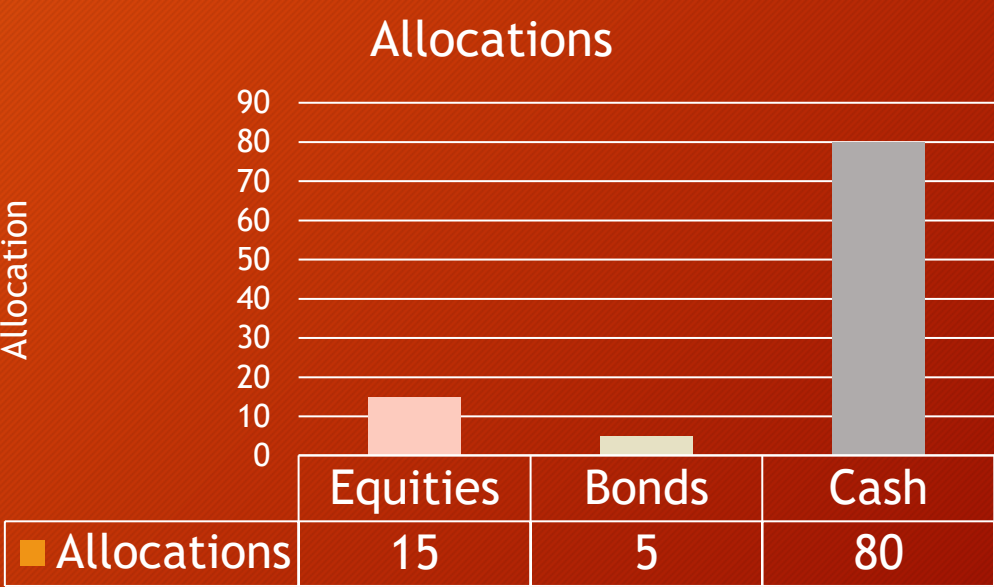
Source: The Capital Spectator

How Are Baby Boomers Invested

IRAs and
2020 Target Date Funds

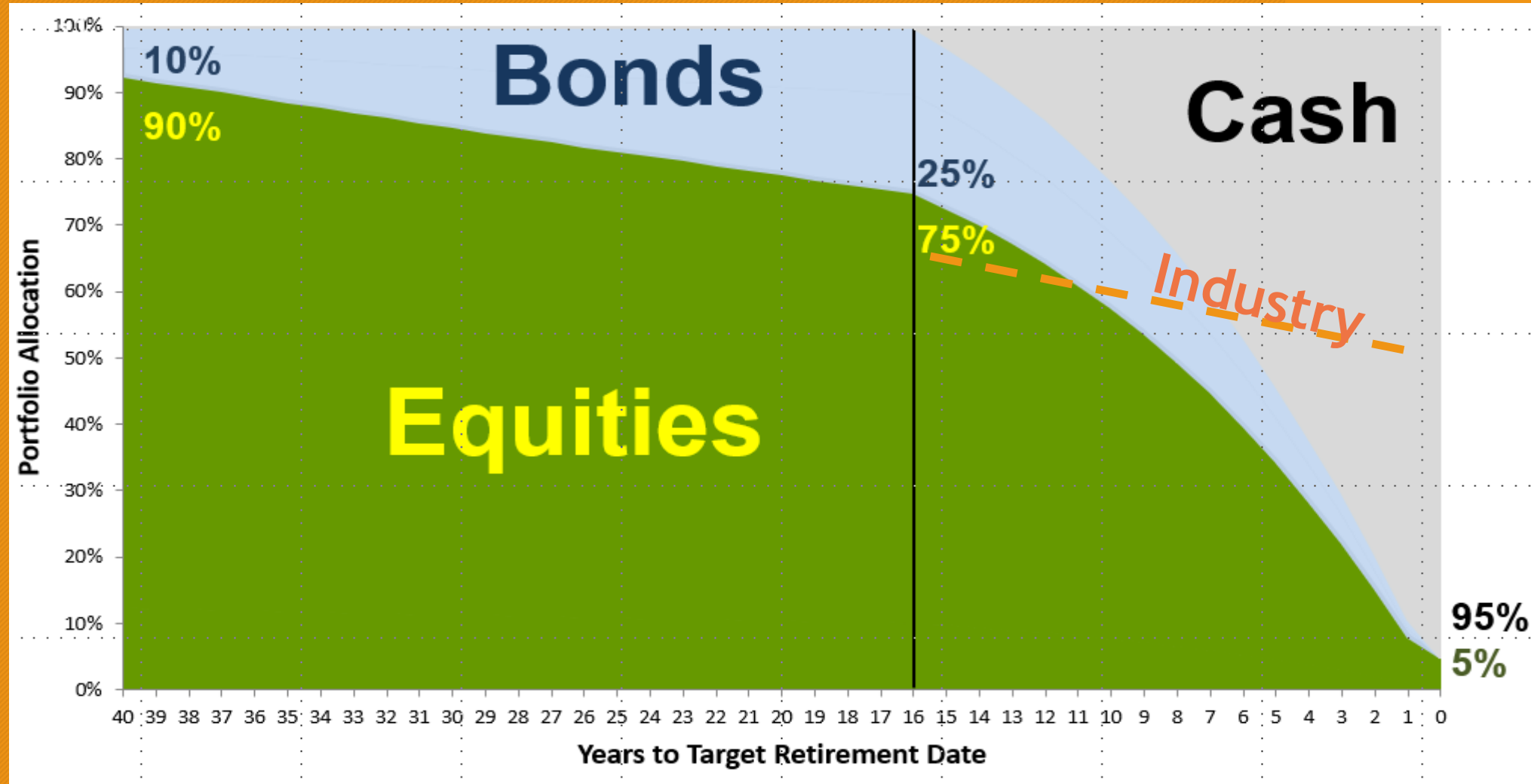


Our SMART Risk Controlled 2020 Fund



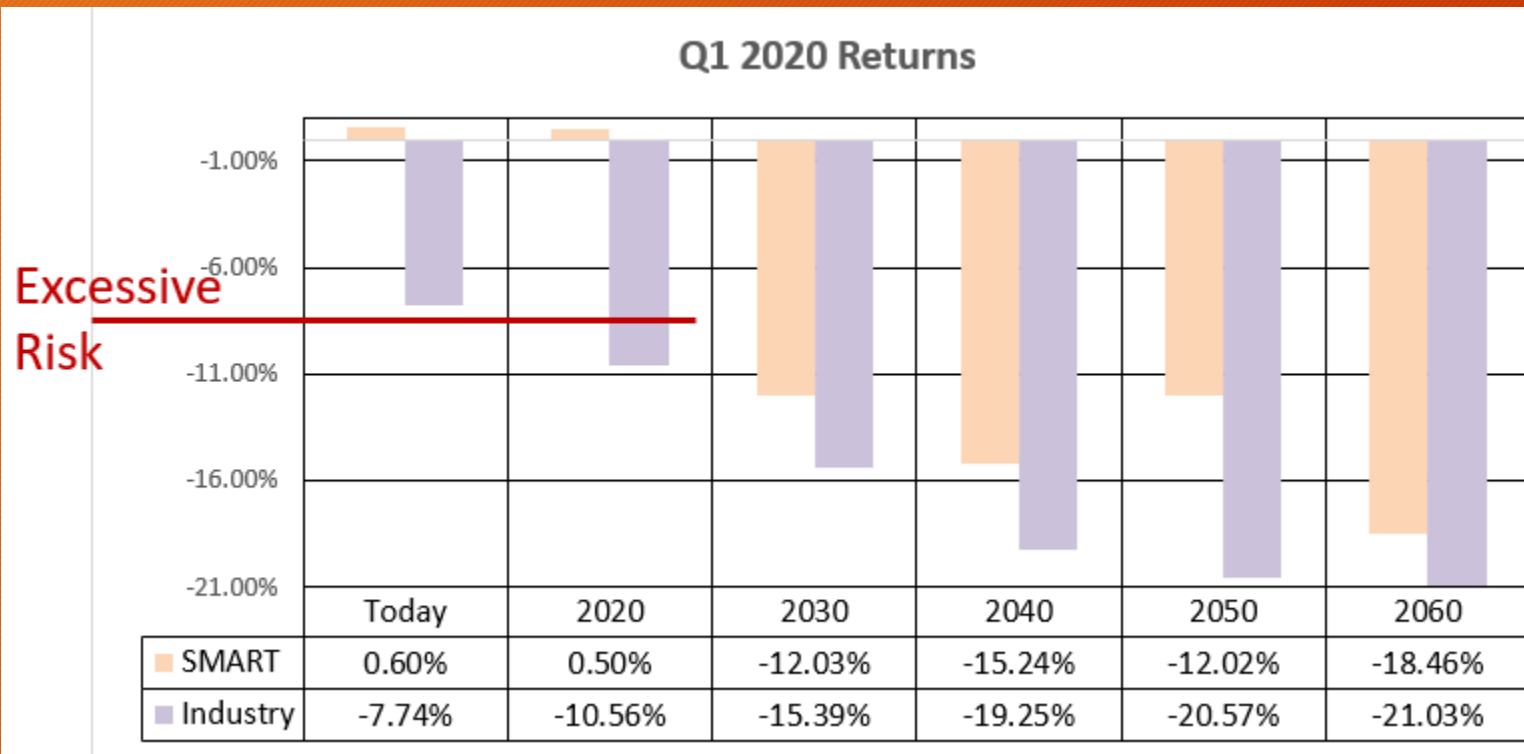
Patented Safe Landing Glide Path

Target Date Fund



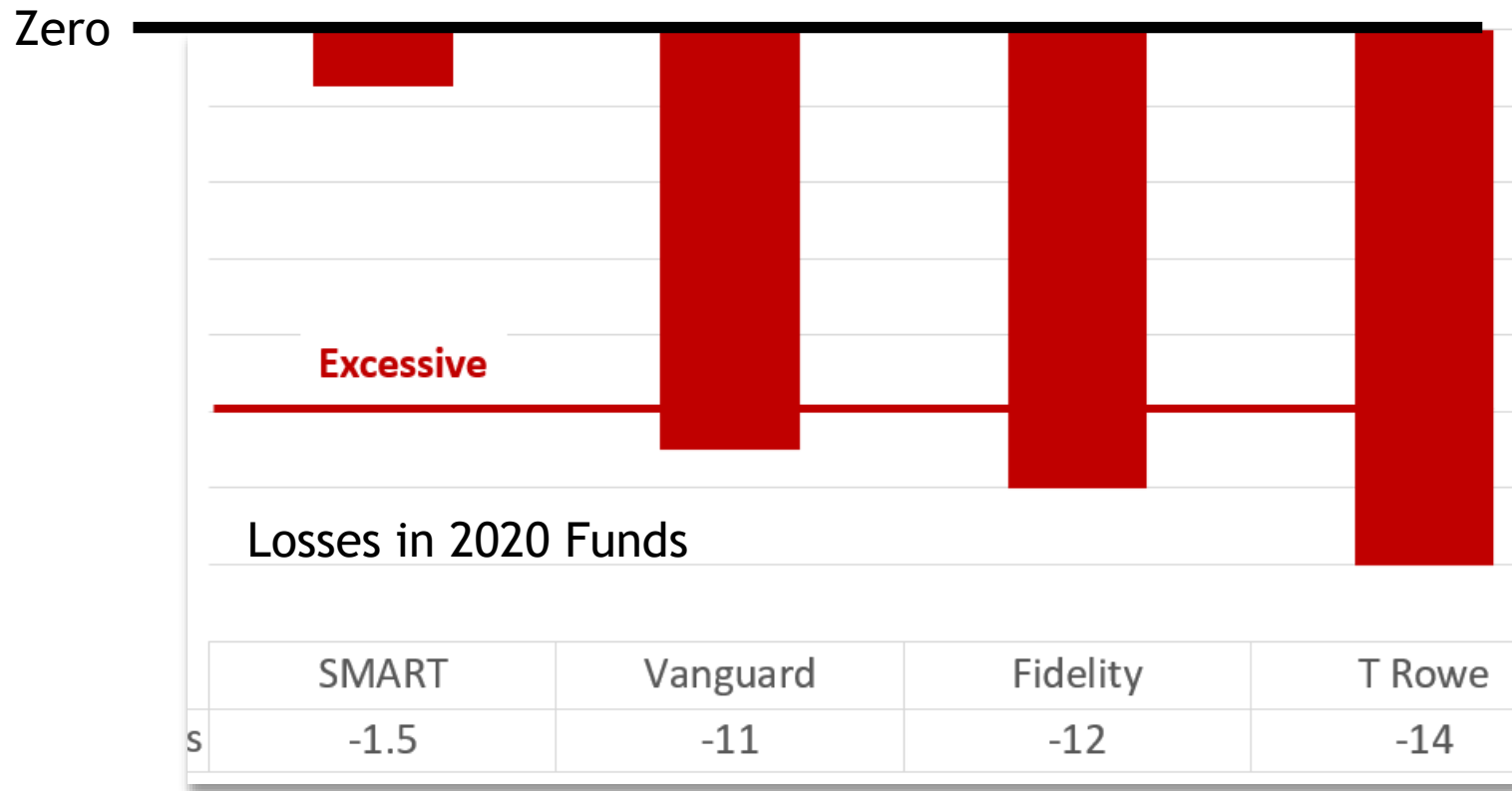
Patented Safe Landing Glide Path used by the SMART Target Date Fund Index

Target Date Fund Performance in 1st Quarter of 2020



Surveys say that a loss of 10% or more for those near retirement (2020 Funds) is excessive.

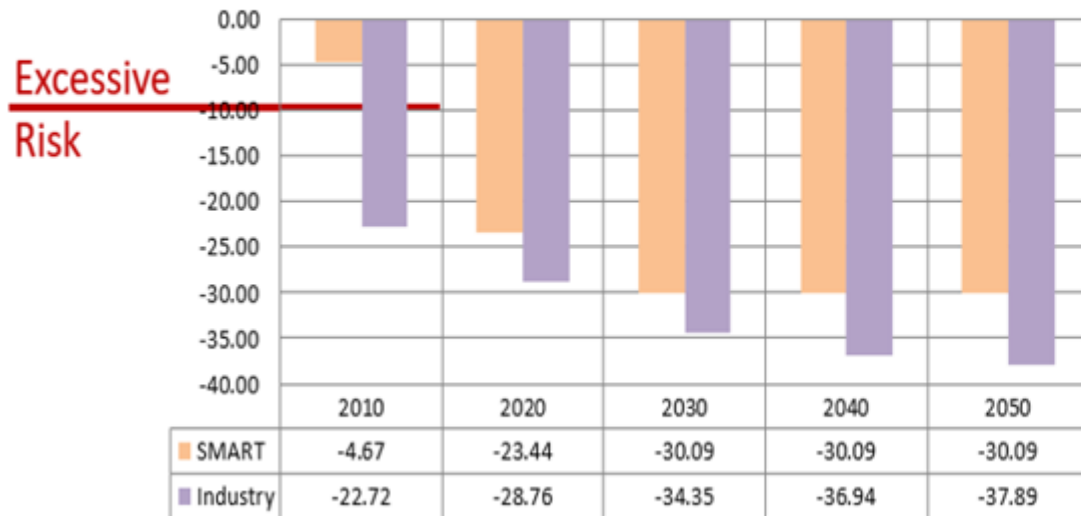
IRAs are allocated like Industry 2020-2030 Fund. Losing about 13%



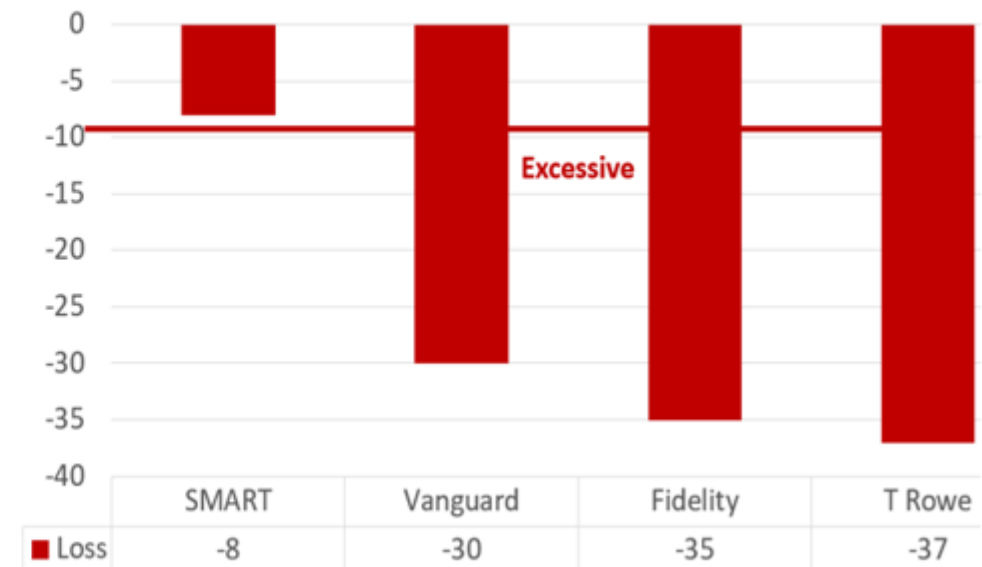
The Big 3 Manage 65% of the \$2.5 Trillion in TDFs

Let's not forget 2020, like we forgot 2008

Target Date Fund Returns in 2008



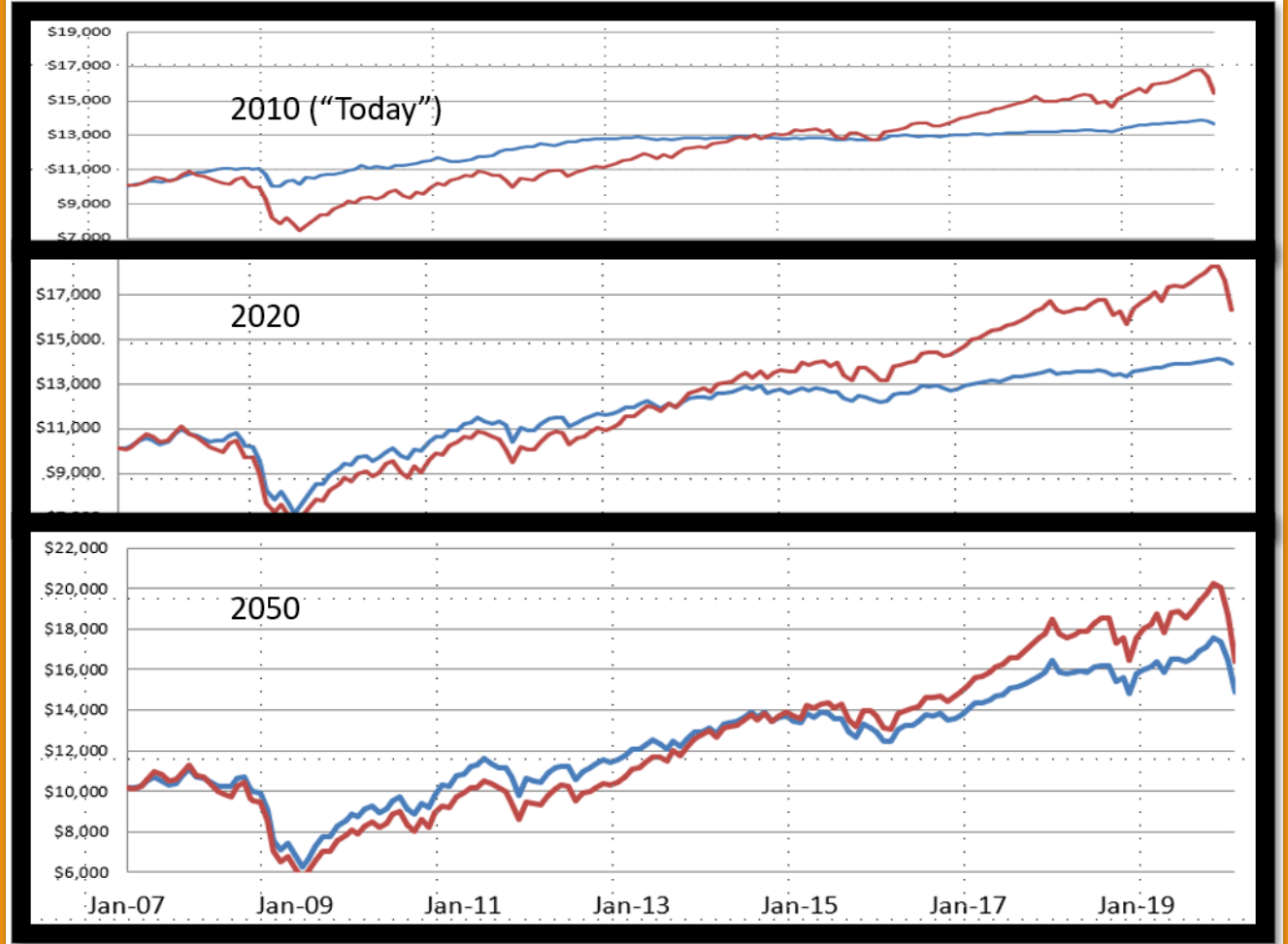
11/07-2/09 Losses in 2010 Funds for SMART and Big 3



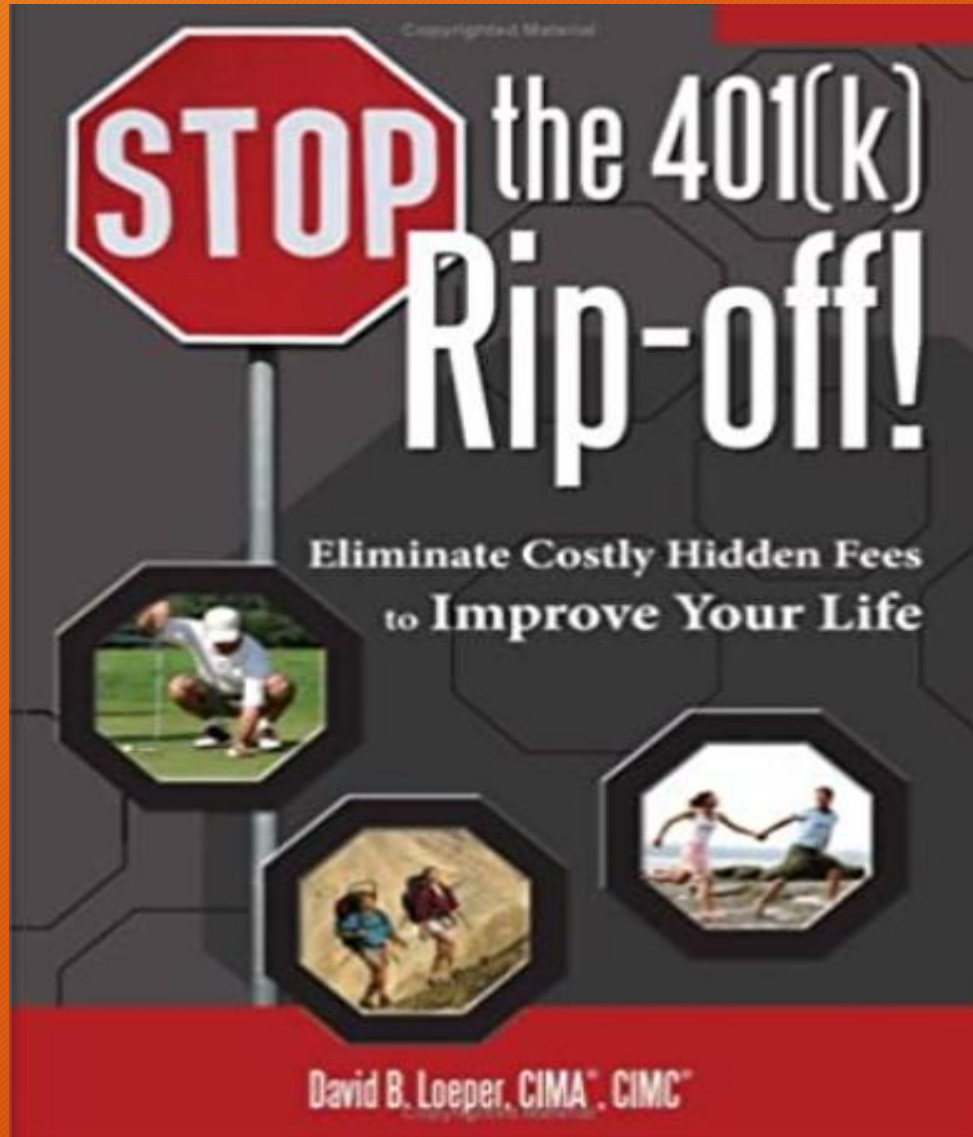
Lesson: 60/40 Stocks/Bonds is too Risky for Baby Boomers

Win by not Losing

Growth of \$10,000 from 2007 to March 2020 SMART vs Industry



The Big 401(k) Scandal: Excessive Fees



"The Retirement Gamble" Facing Us All



Attorney Jerome Schlicter
has garnered settlements
exceeding \$150 million

Lawsuits continue in
2020.





The Next 401(k) Scandal: Excessive Risk in Target Date Funds

Flagrant Breaches of the Duty of Care

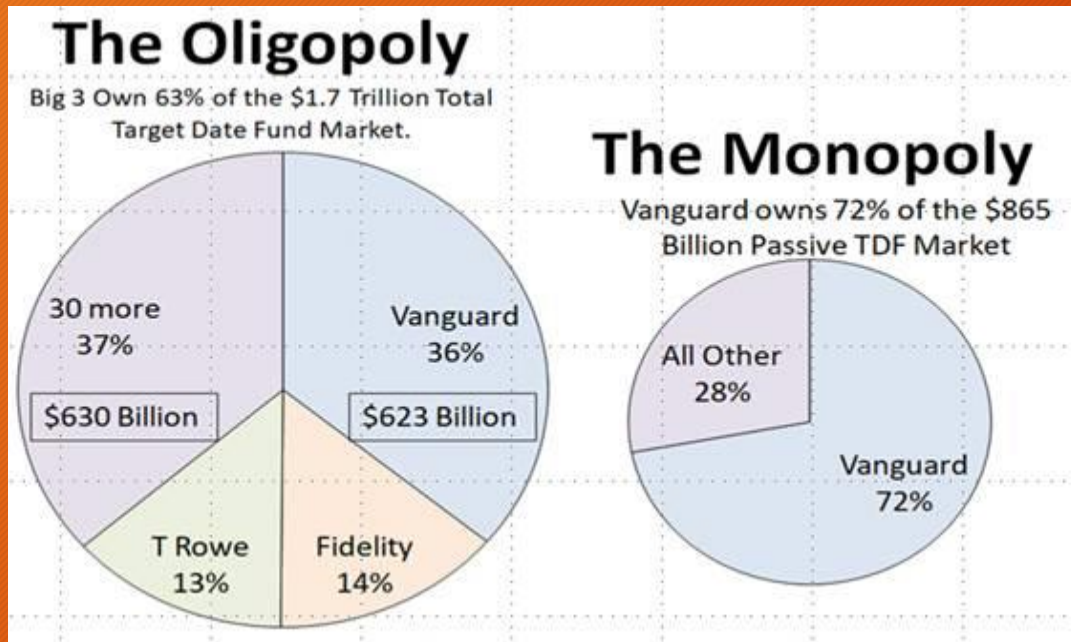
Risk Has Different Meaning for Different Ages

Sequence of Return Risk

Losses During the Transition From Working Life to Retirement Can Devastate Lifestyles



TDFs are not vetted. Leads to excessive risk



Source: Sway Research



Source: Target Date Solutions and PIMCO

IRAs are Even Worse

60% Equity regardless of age. The “60/40 Rule”

A mix that lost 30% in 2008

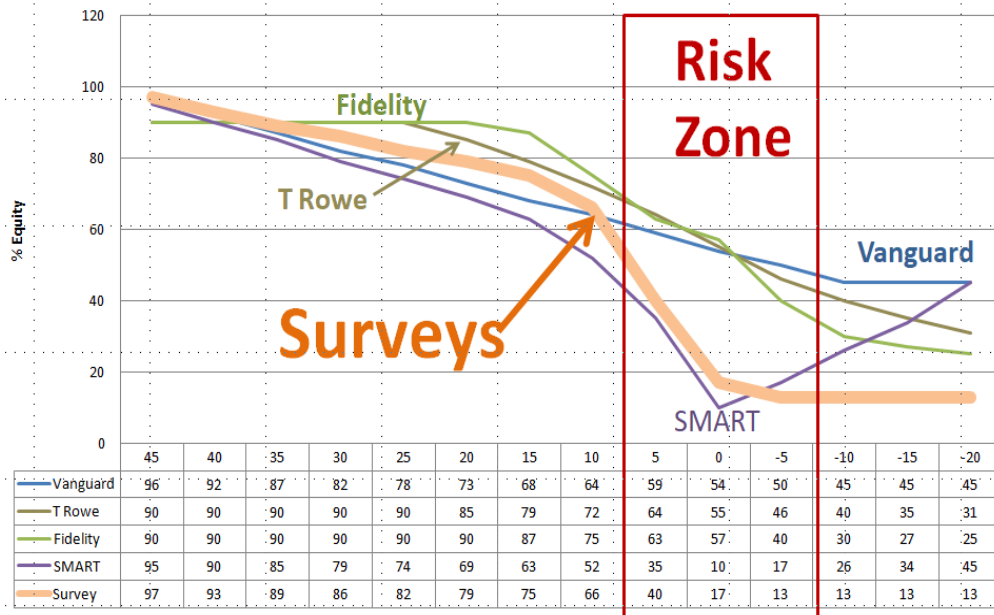


Surveys Report Preference for Safety



Surveys of Beneficiaries and Consultants Report a Strong Preference for Safety in the Risk Zone

Surveys Say

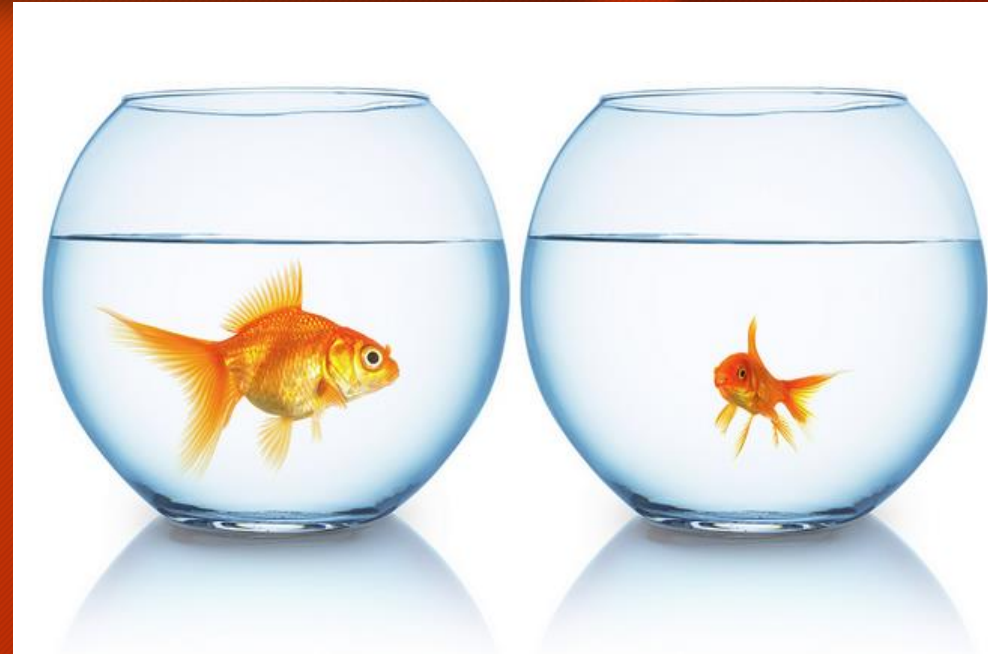


- Beneficiaries & Consultants Want Asset Protection
- MassMutual Retirement Savings Risk Study examines beneficiary risk preferences in 401(k) plans.
- Pacific Investment Management Company (PIMCO) conducted another survey entitled the “2018 12th Annual DC Consulting Support & Trends Survey”.

The Problems with Target Date Funds

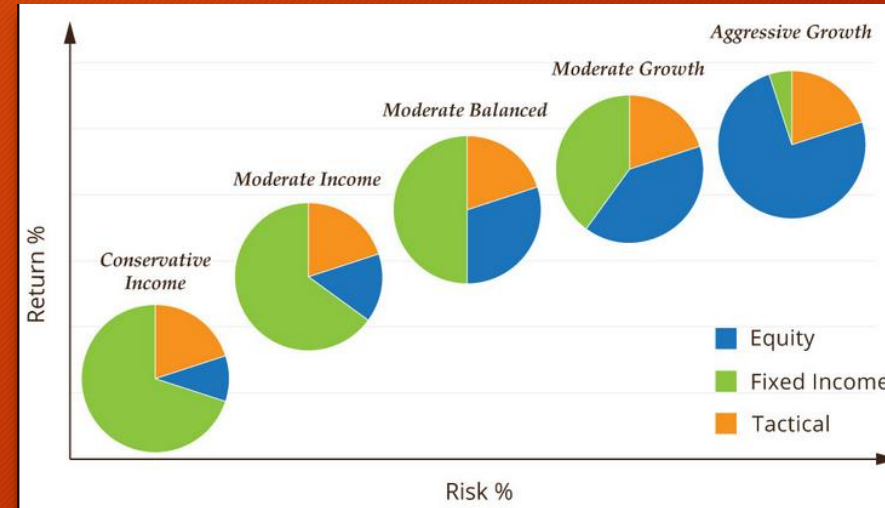
- One size fits all

- Excessive risk at the target date
- Inadequate diversification
- Fees could be even lower (currently 60 BPS)

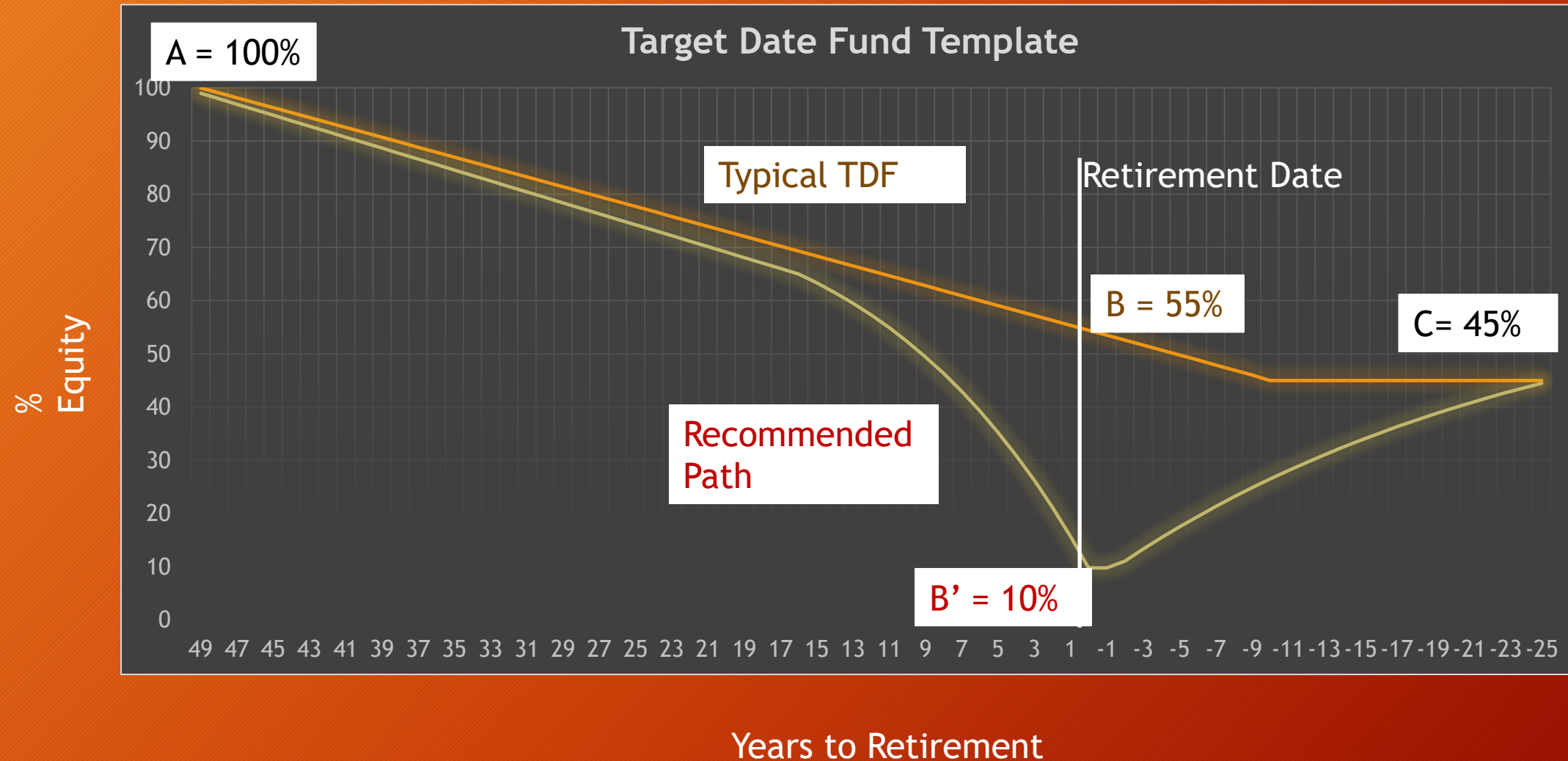


The Problems With Models (See Episode 3)

- Cookie Cutter
- Ignore Risk Capacity. Boomers cannot afford much risk in the Risk Zone



Building Your Own Target Date Portfolio



Why Target Date Portfolios?

Rather Than the Industry Practice of Off-the-shelf Models (See Episode 3)

Life's Investment Challenges



How Should I Invest?

Patented Time-tested Process

How Can I Protect My Savings?

Protect Against “Risk of Ruin”

How Can I Make Savings Last?

Exceptional Post-retirement Plan

What Proof do You Have?

Proven 12 Year Institutional
Record

The Benefits of Target Date Portfolios

- Customized: Not One Size Fits All
- Avoids Excessive risk at the target date. **Risk Capacity is key.** Better than off-the-shelf models
- Broad diversification
- Fees can be as low as .03% (\$30 for \$100,000 account. Funds cost 60 BPS)



Protect Yourself

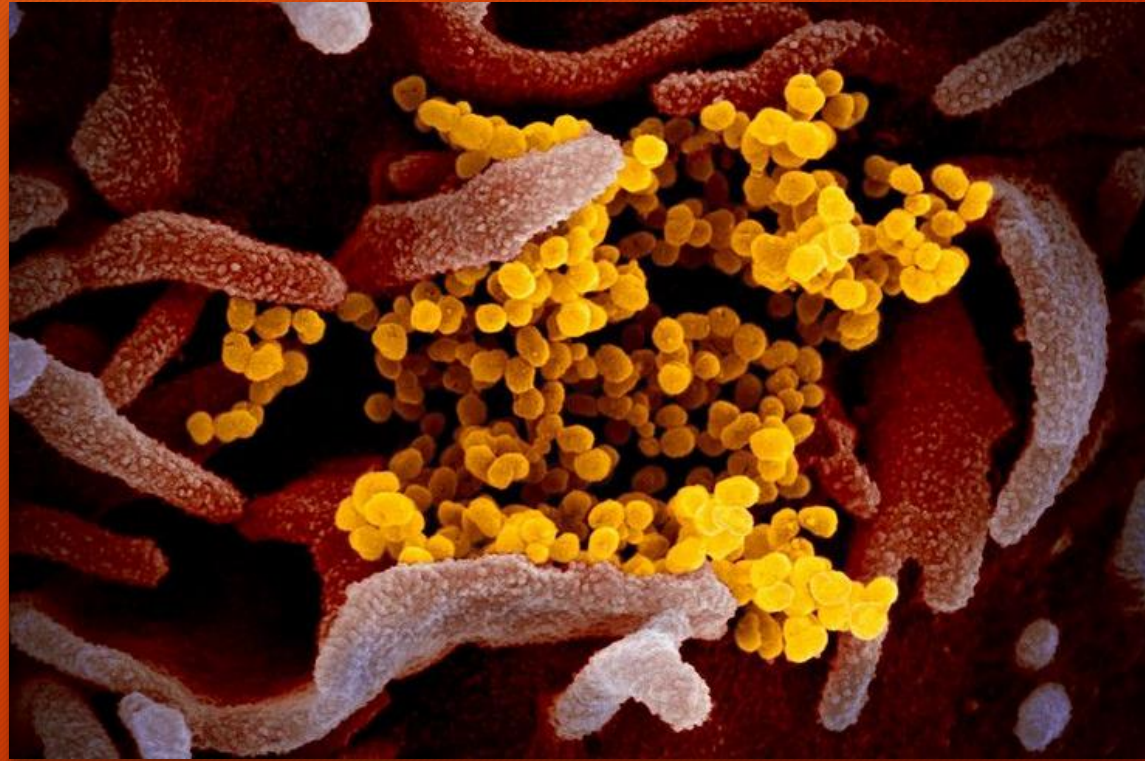
- Do NOT own a target date fund, especially when you are in the Risk Zone
- Build your own personalized target date portfolio to manage risk, especially in the Risk Zone
- Don't trust the "Model Approach" used by most consultants & money managers. Because it ignores Risk Capacity, you might take more risk than you can afford.



A Word on the Coronavirus

Use recent losses to
reduce risk
exposure.

Sell



Get help

- Browse to “**Age Sage Robo**” for self help & to assess the wisdom of the consulting advice you’ve received. Get your **free eBooks** on “Bad Gambles” & “4 Pillars of Smart Investing.”
- Browse to “**GlidePath Wealth Management**” for consulting help. Get your **free eBooks** on “Selecting an Advisor” & “Retiring a Millionaire.”
- Watch our “***Baby Boomers Investing Shows***” every other Tuesday
 - Browse to Facebook or Youtube
 - Search for “Age Sage Robo”
- Contact Ron Surz

