



**Providing lifelong retirement
income solutions that keep
participants in control**

Money management doesn't stop

Employees spend their entire careers saving and accumulating wealth for retirement. Many tools, including target date funds, have helped bring institutional investment practices to individuals to build their nest eggs. But once it's time to retire, there are few tools available to help retirees make the right spending decisions throughout retirement. We want to help.

Money management doesn't stop at retirement

Individuals have a multitude of investment strategy options to help get them "to" retirement. However, there are far fewer investment options that help retirees spend their retirement investments "throughout" retirement. Similarly, strategies that simply de-risk "through" retirement but provide no structured outcomes or options also fall short of the mark, in our view.

Our Retirement Income Solution is designed for plan sponsors to offer a strategy that aims to provide individuals with a flexible income stream to support early retirement lifestyle as well as growth of retirement assets for long term income needs in the later stage retirement. By splitting the retirement time period into two segments, we aim to manage to an investment objective for each stage. Through this strategy, we continue applying institutional management thinking to help provide downside protection even after employees retire.

Solution design

Our solution consists of two investment strategies that are blended together to

address individuals' evolving retirement needs. The first strategy focuses on delivering sustainable income withdrawals in the early- to middle-years of retirement (ages 65 to 85), helping individuals transition from saving to spending.

The second strategy is a longevity strategy that supports individuals in the later years of retirement (age 85+) and seeks to preserve capital and transition to an income source for those years or invest otherwise.

Benefits

The two strategies in our retirement income solution focus on the two primary concerns retirees may have: 1) how should I spend down my assets, and 2) will I spend too much early in retirement and outlive my savings?

Through an integrated solution, a retiree can make decisions prioritizing these goals: near-term income and protection of assets for late retirement. This allows the retiree to effectively budget to their needs.

We believe this approach to retirement investing increases an individual's understanding of their retirement

portfolio. This deeper understanding of the portfolio and transparency into expected income payments allows the individual the flexibility to make changes as retirement goals change.

Implementation

Tying our solution together is a simplified structure that serves to administer the distribution of income within the solution. In addition, this technical platform serves as a central location to communicate the income benefits each participant may receive. We have designed our solution to be a complementary QDIA that can be integrated with an existing target date fund, paired with or embedded within an existing managed account, or used as an alternative to an annuity in the early stages of retirement while still providing the flexibility to purchase an annuity during the later stages if so desired. At no point is an individual locked into the strategy (before or after the commencement of income distribution), as they might be with more traditional options, including an insurance-based retirement income solution. Retirees can re-allocate their overall portfolio (i.e., buying or selling the components of the solution) to target the desired amount of income they are seeking, balanced against their other financial objectives.

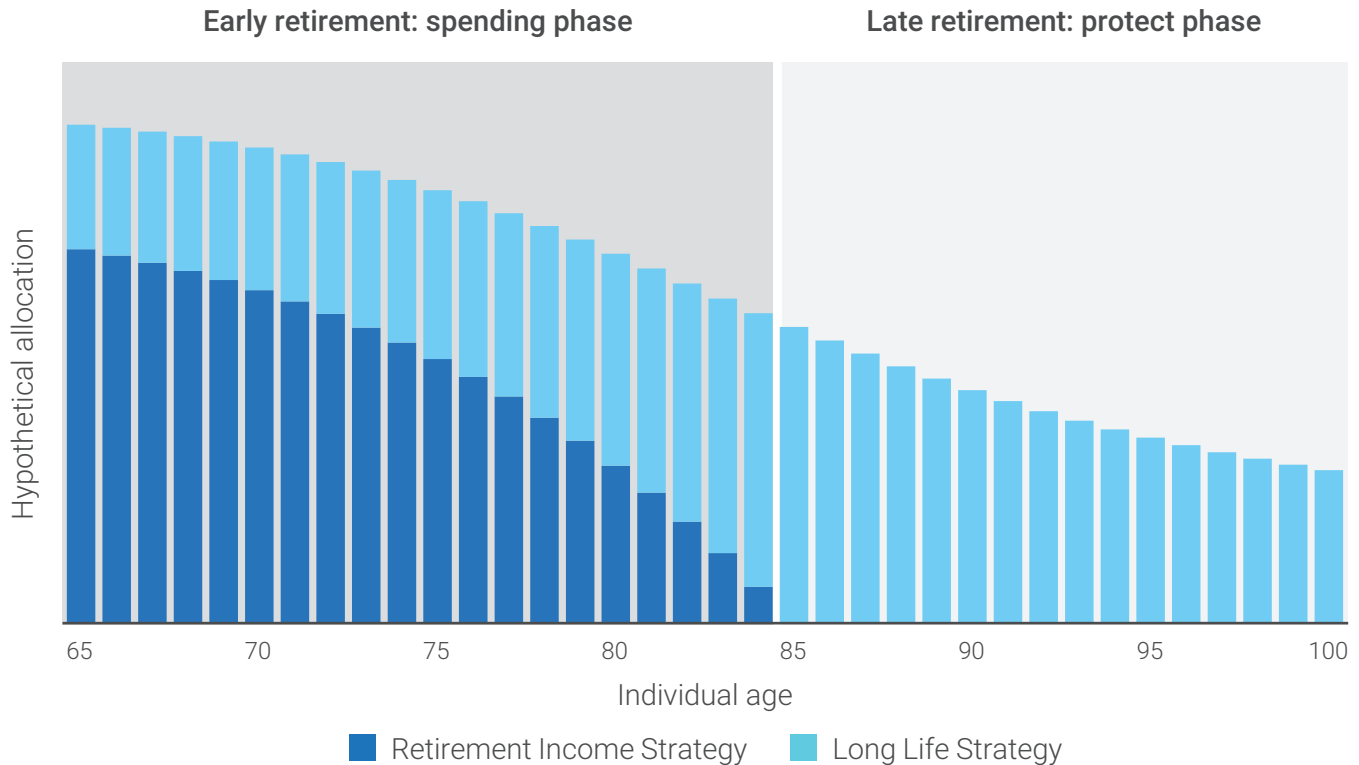
Retirement Income Solution: explanation and illustration

Our Retirement Income Solution splits retirement into two distinct phases, each built with its own set of focused objectives¹ and income goals, while allowing for control, targeting return generation and aiming for market downside protection.

In the early or “spending” phase, the Retirement Income Strategy is designed to provide a sustainable level of retirement income for retirees for the first 20-year period. After the first 20 year period, the “protect” phase, or the Long Life Strategy, employs a different investment approach to help maintain retirees’ wealth portfolios while providing consistent income during late retirement. A retiree has the flexibility to make decisions that best meets their individual financial objectives.

Below is an example of hypothetical strategy allocations an individual might elect to experience and a demonstration of how those allocations will automatically change over time.

Retirement Income Solution differentiators



For illustrative purposes only. The above chart is meant to depict potential allocations of the two strategies over time and is not meant to illustrate performance. These results are based on a simulation or hypothetical assumptions which have inherent limitations. Actual allocations are dependent on the specific individual’s experience and distribution decisions which may vary over time.

¹ There is no guarantee that LGIMA will be successful or avoid losses in the pursuit of these objectives. Objectives are forward-looking statements which are inherently uncertain and actual results may differ materially from that projected.

Retirement Income Solution Overview

This comprehensive retirement strategy aims to provide a solution that...

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| ✓ Is focused on retirement income | <ul style="list-style-type: none">• A flexible platform to provide a foundational level of income in retirement• A simple user experience to help simplify how to receive income |
| ✓ Contains simple building blocks that are understandable | <ul style="list-style-type: none">• Comprised of portfolio strategies with easy-to-understand objectives• Constructed with broad asset classes to limit complexity• Constructed to ensure broad diversification |
| ✓ Prioritizes outcomes, as opposed to returns, as the goal | <ul style="list-style-type: none">• A portfolio construction framework designed to manage risk to income• Includes income-focused assets nearing retirement to help protect from market risks• Compartmentalized approach can provide for future evolutions, including the addition of insurance |
| ✓ Aims to be a low-cost alternative | <ul style="list-style-type: none">• Largely composed of passive building blocks to keep costs down• Managed by a global institutional investment manager |

We're here to help

For more information about LGIM America's capabilities, please contact us at Inquiry.DefinedContribution@lgima.com

About LGIM America

LGIM America (LGIMA) was founded in 2006 with the purpose of helping people achieve their long-term financial goals. We offer a range of strategies to help our institutional clients (corporations, healthcare agencies, non-profit, education, public plans and Taft-Hartley) manage their investment objectives, which can range from market-based alpha-oriented strategies to those that are designed to be more liability-centric, derivative overlays, or indexed solutions. Encouraging a diverse and inclusive environment coupled with a solutions-focused culture allows us to increase our breadth of knowledge and the likelihood of improved client outcomes and stronger financial performance. We have teams of experienced, innovative professionals committed to helping plan sponsors meet their pension promises, managing investment exposures efficiently to seek enhanced returns while mitigating risks, and working to generate returns while making a positive societal difference.

For further information about LGIM America, find us at www.lgima.com

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