



Patent Pending

Safe Landing Glide Path[®]:

The Prudent Design

for 401k Plan Fiduciaries

Target Date Solution Model Portfolios

www.targetdatesolutions.com

414-727-7995

Target Date Investing is as Simple as P-O-P

- **P**rudence
- **O**bjectives
- **P**olicies



P-O-P

- **P**ut safety first
- Establish achievable investment **o**bjectives
- Enforce disciplined investment **p**olicies



Prudence

- Is there anything more basic in the investment business:
“Don’t lose my money.”
- Consider how important this request and need is as an investor’s time horizon for saving and accumulating shrinks and eventually disappears
- Target date funds should disallow investors from losing money earmarked for retirement security



Investment Objectives

Market Reality

Neither longevity risk nor pay replacement can be managed by any target date asset allocation glide path or fund. The “one-size-fits-all” investment notion for target date investors bears no relationship to individual differences in savings or mortality.

We believe target date investments should deliver back to investors at least the participant’s accumulated contributions to their 401k plan plus the inflation rate at the investor’s target date and grow an investor’s retirement assets as much as possible without jeopardizing delivering accumulated contributions plus inflation.



Investment Policies

Market Realities:

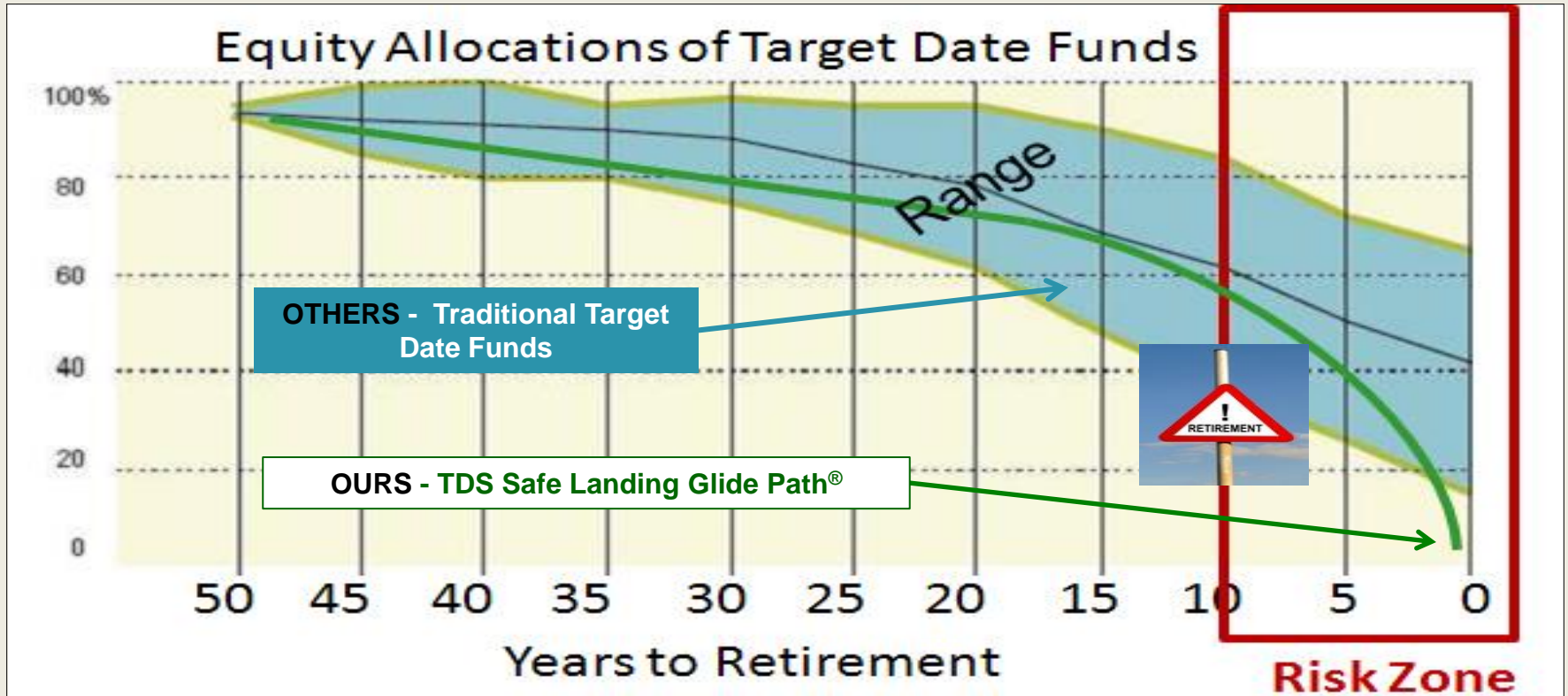
Widely used target date funds have meaningful allocations to equities at the investor's target date resulting in (poorly understood) **risk to principal** as retirement day approaches. These mutual fund sponsors believe an investor should invest for a time beyond their target date since in theory the investor still has substantial time in retirement.

However, the vast majority of 401k plan participants withdraw assets from their employer's plan, convert investments to cash, roll their money into an IRA account and then reinvest according to their own plan for retirement. From the standpoint of an investment policy, does it make sense to have a meaningful percentage of a retirement fund at risk on the target date?

We believe accumulation only is the best policy for target date investing. TDS target date fund of funds have a patent pending allocation glide path that strives only to achieve the objectives of safety but with attractive risk-adjusted performance overtime. This more conservative approach seeks safety and will sacrifice opportunity as retirement approaches.



Target Date Glide Path Choices

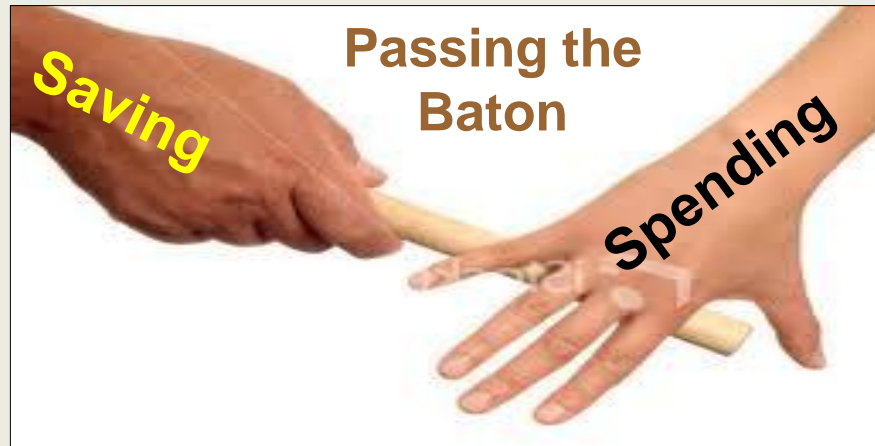


Warning: Not Landing Safely Can be Hazardous to Your Investors Wealth Since Participants Are Likely Withdraw Their Assets at Retirement and Roll Them Over Into An IRA Account. **This is a Fiduciary Risk Which Can Be Avoided Through Prudence.**

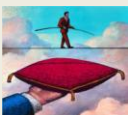
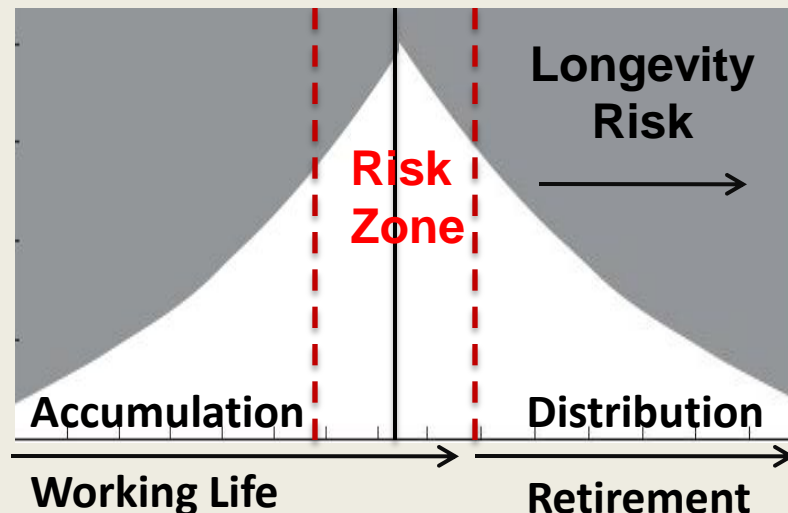


Beyond the Target Date:

Investing Must Be Highly Personalized



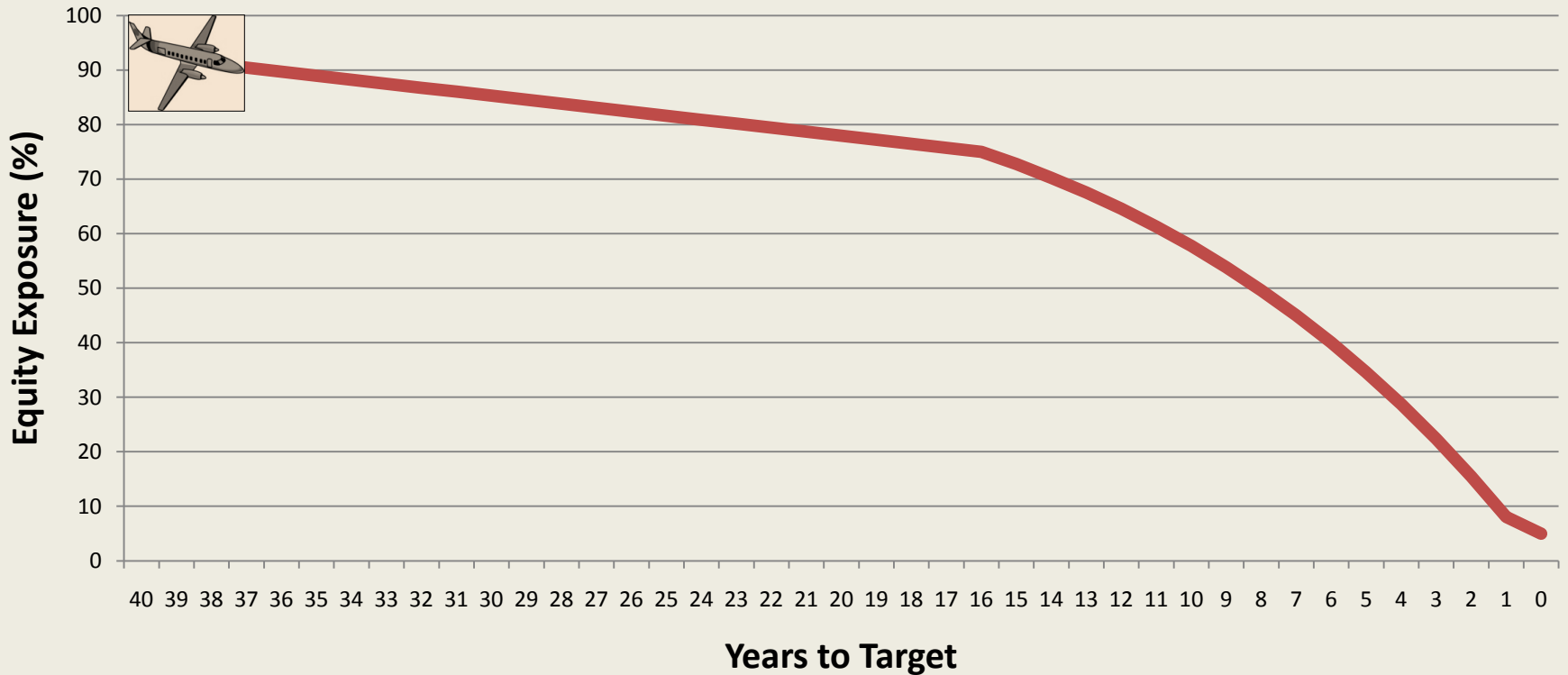
TDS models systematize risk management decisions for investors during the all important **Transition Phase (the Risk Zone)**



TDS Safe Landing Glide Path[®]

Equity Allocation Journey

Glide Path Equity Exposure



SLGP®

Unique Investment Structure

Uses Two Separate, Diversified Portfolio Segments



The World Market Portfolio Segment

- Designed to provide *growth potential* in the early years
- Includes:
 - Broad diversification to U.S. and foreign stocks and bonds
 - Lower correlating assets like global real estate and commodities
 - May be constructed using passive, active or hybrids with ETFs, mutual funds and or collective trusts*



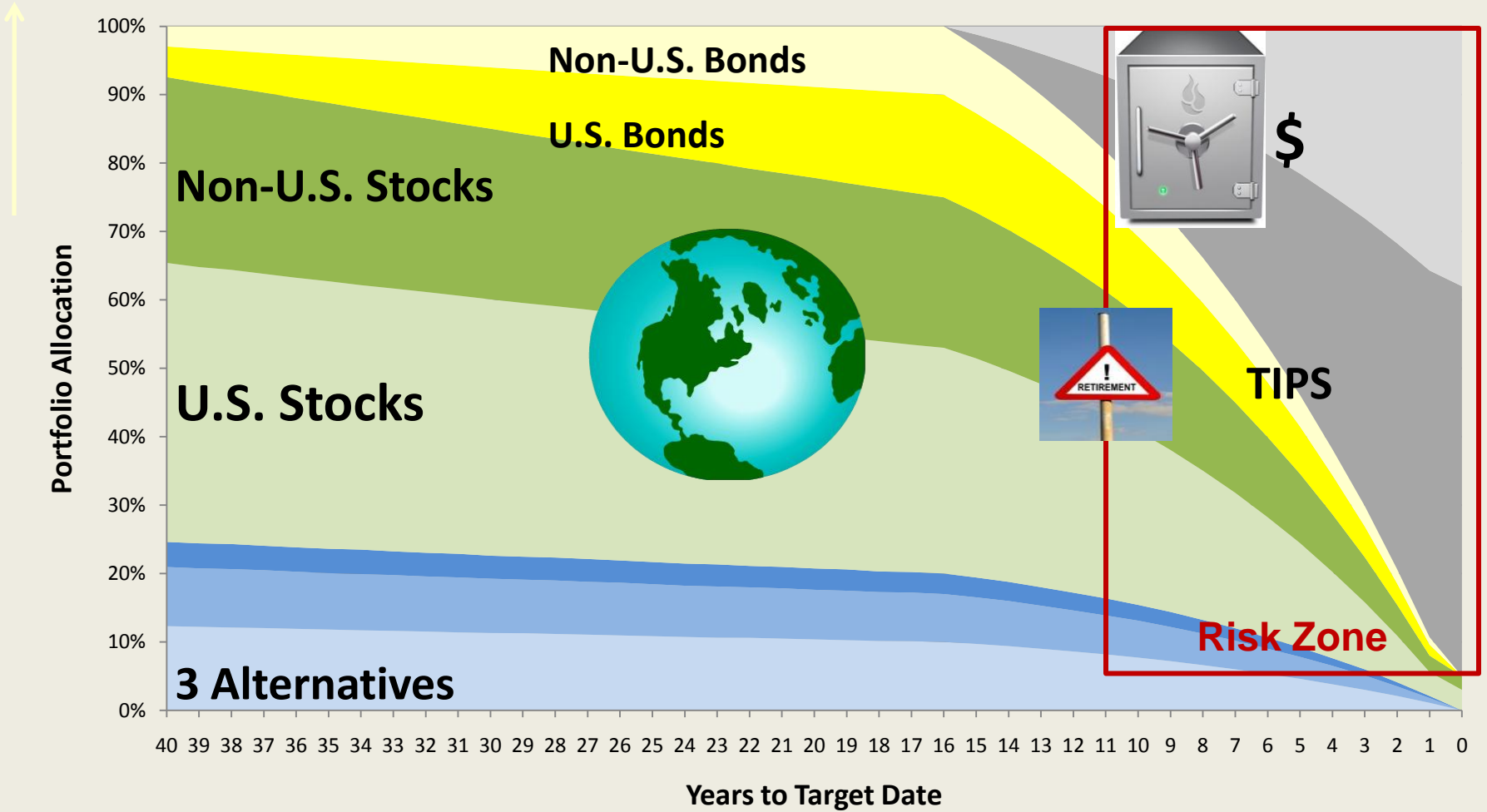
The Reserve Portfolio Segment

- Designed to *preserve assets* as retirement nears
- Includes:
 - Treasury securities to mitigate credit risk and TIPS to protect against bouts of inflation
 - ETFs, mutual funds or collective investment trusts
 - Once SLGP® allocation directs assets into these safe investments *they may not be redirected* into risky assets assuring gradual risk reduction over time

* TDS has partnered with institutional investment management consultant, Capital Market Consultants, to select actively managed mutual funds and ETFs for TDS models



SLGP[®] Asset Allocations

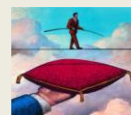


So How Do You Get Started?

- Make sure your record keeper(s) has TDS models on their platform
- Decide if you prefer a passive or actively managed approach to target date investing
- If you or your recordkeeper have any questions on the TDS investment concept, model rebalancer, ticker symbols or want more information contact 414-727-7995

Summary

- Target date funds should be engineered to POP
 - They should be prudent – “ don’t lose money”
 - They should grow assets appropriately for younger investors but apply the brakes on risk as retirement nears
 - Diversify globally for wide opportunity exposure
 - Both passive and actively managed implementations are available
 - In the retirement risk zone, apply the brakes more heavily moving risky assets investments to reserve assets so retirement dollars are defended from market risk
 - At the investor’s target date all contributions plus the inflation rate, at a minimum, should be available for rollover
 - To ensure the above process is employed systematically use the SGLP®



Professional Biographies

Target Date Solutions (TDS)



Ron Surz, CIMA®

President and Founder of Target Date Solutions

Ron is the Founder and President of Target Date Solutions (TDS). TDS is a wholly owned subsidiary of PPCA, a registered investment advisor founded in 1992.

Ron is a prolific author and widely accomplished speaker. He has spoken at dozens of investment industry events on subjects including asset allocation, investment performance analysis and target date investing. Ron has been a leading industry voice on these issues for nearly 40 years.

Ron's work experience includes time at Northrup where he worked on technology for jamming heat seeking missiles. Ron worked as a pension consultant for Becker Burke from 1972 to 1992. Since 1992 Ron has been an entrepreneur and innovator in the area of performance analytics for the investment management consulting industry. He has developed unique investment style indices, unbiased style universes and style and performance attribution software for the industry. He is the developer of the Brightscope On-target Indexes and the patent-pending Safe Landing Glide Path®.

Ron serves on the Boards of the Investment Management Consultants Association and pension for the state of Alaska. Ron received his bachelors and MS in Applied Mathematics from the University of Illinois and his MBA from the University of Chicago.

Ron received his Certified Investment Management Analyst designation from the Investment Management Consultants Association and the Wharton School of Business from the University of Pennsylvania.

Capital Market Consultants

Organization:

- Milwaukee-based, Registered Investment Advisor, founded in 2002
- Employee-owned with six associates
- Professional staff has over 75 years of combined investment industry experience (40 years of OAIM experience)
- www.cmarkc.com

Expertise:

- Open Architecture Investment Management Business Solutions for financial intermediaries with emphasis on economic, capital market and investment manager research

Services & Solutions:

- Custom OAIM platform consulting, research, asset management and business consulting

Vision:

To advance the financial well-being and security of investors by empowering and educating financial intermediaries.

Mission:

To enhance the quality of our clients' offerings and their business prospects.

Philosophy:

We believe in collaborating with clients and excelling at client service so our clients meet their business objectives.



Richard G. Iwanski, CFA®
Senior Investment Analyst

Rick has over 19 years of financial industry experience, joining Capital Market Consultants (CMC) in January of 2004. Rick is actively involved with client service projects as well as capital market, investment manager, mutual fund and hedge fund research.

From 1999-2004, Rick was Vice President and Senior Portfolio Analyst at Robert W. Baird & Co. Primary responsibilities included analysis & research of third-party investment managers in Firm's advisory programs, providing guidance to Baird financial advisors on asset allocation, manager selection and client profiling, and developing the sales platform.

From 1994-1999, Rick was employed with Stein Roe & Farnham. His responsibilities included working with the chief economist to produce the economic forecasts, analyzing economic data & writing reviews for analysts and portfolio managers, as well as portfolio attribution analysis.

Rick earned his Chartered Financial Analyst (CFA) designation in 2000. He is a member of the Investment Management Consultants Association (IMCA) and the Milwaukee Investment Analysts Society. Mr. Iwanski attended the University of Wisconsin, earning a Bachelor of Arts degree in Economics in 1992.



Jolie Keller, CFA®
Senior Investment Analyst

Jolie joined CMC in 2007 as an Investment Analyst and has over twenty-three years of experience in the financial services industry. She conducts original research and ongoing due diligence on investment managers, mutual funds and hedge funds. Jolie is also our lead analyst on a number of client asset allocation programs including WealthMark portfolios.

She began her career in the brokerage industry as a Registered Sales Associate at Smith Barney in 1986 and worked there until 1995. From 1995-2004 she worked at the investment management firm of Morgan Dempsey Capital Management where she was a Vice President, Assistant Portfolio Manager. At Morgan Dempsey she was the firm's head equity trader and also assisted in maintaining asset allocation strategies and client investment policy statements.

She was an Assistant Vice President, Equity Analyst and the equity trader for Ziegler Capital Management's mutual fund family from 2004-2006. She monitored the equity products' risk exposures and tailored equity portfolio models to specific client requirements. She also served in a compliance capacity insuring the equity department's policies and procedures complied with regulatory rules and procedures.

Ms. Keller earned her Chartered Financial Analyst (CFA) designation in 2003. She is a member of the Milwaukee Investment Analysts Society.





Abdur R. Chowdhury, Ph.D.

Chief Economist

Chairman of the College of Business Administration, Marquette University

Professor of Economics

Abdur serves as the firm's Chief Economist and is primarily responsible for the preparation of economic and capital market forecasts, a quarterly economic and market newsletter, a monthly economic update report, as well as leading our monthly update conference call for clients. Abdur is a Professor of Economics at Marquette University and the Chairman of the College of Business Administration. He also serves on the Academic Advisory Council to the Federal Reserve Bank of Chicago.

Abdur has over 25 years of experience as an economist. He was an Assistant Professor of Economics at Bentley College in Waltham, Massachusetts from 1983-1989, an Associate Professor of Economics at Marquette University from 1989-2002. He taught at Thammasat University in Bangkok, Thailand as a Senior Fulbright Scholar in 1995-1996. He was a visiting Professor at the School for Advanced International Studies at Johns Hopkins University in Washington, D.C. in 1996. He was a Visiting Researcher at the World Institute for Development Economics Research of the United Nations in Helsinki, Finland in 1998 and 2001. He was Consultant to the Food and Agriculture Organization of the United Nations in Rome, Italy in 1998-1999. He was a Senior Researcher at the Institute for Transition Economics for the Bank of Finland in 2002-2003 in Helsinki, Finland. Most recently he was the Chief Economist and Director, Economic Analysis Division for the United Nations Economic Commission for Europe in Geneva, Switzerland from 2003-2007.

Abdur has researched and published extensively. He has consulted, provided testimony and business presentations to a number of groups around the world. His areas of specialization include open-economy Macroeconomics, International Trade and Finance, Monetary Policy and Financial Markets.

Abdur was educated at the University of Dhaka in Bangladesh earning a B.A. (Honors) in 1976 and an M.A. in Economics in 1977. He earned an M.A. in 1981 and a Ph.D. in Economics from the University of Kentucky in 1983.



Barry K. Mendelson, CIMA®

Founder and CEO

Senior Investment Analyst

Barry has worked in the financial service industry for thirty years and has specialized in open architecture investment management services for the past twenty years.

Mr. Mendelson has served in various open architecture leadership and product development capacities at financial service firms including Director of Investment Consulting Services and Wealth Management Strategy at Robert W. Baird & Co in Milwaukee, Wisconsin prior to founding CMC. He was instrumental in the development of their investment consulting business and the development of a number of new services offered to clients during this period. At Principal Financial Securities he opened their first Midwestern Pension Consulting office in Chicago. He was the Director of Managed Asset Services at First of Michigan in Detroit where he developed their investment advisory services programs.

Mr. Mendelson co-authored “The World of Money Management”, is a regular contributor to *Horseshmouth.com*, is widely quoted in professional publications, and has been published in the *Journal of Investment Consulting* and the *Monitor*. He has spoken at industry events on subjects ranging from investment analysis, client profiling, client service, money manager style analysis, investment consulting, and money management practice planning.

Mr. Mendelson earned a BS from Palmer College in Davenport, Iowa in 1976.

Mr. Mendelson earned his Certified Investment Management Analysts designation (CIMA) from the Investment Management Consultants Association and the University of Pennsylvania’s Wharton Business School in 1990. He has been a member of the Investment Management Consultants Association since 1989.



Nicholas Ihn
Research Associate

Nick joined CMC in 2008 and is critically involved in a broad range of proprietary and client research projects. Nick is involved in investment manager and mutual fund research and ongoing due diligence of these investment products for our institutional clients.

Nick received his BS in Applied Investment Management from Marquette University in 2008.



Ali Gardo
Research Associate

Ali joined CMC in 2010 and is critically involved in a broad range of proprietary and client research projects. Ali is involved in investment manager and mutual fund research and ongoing due diligence of these investment products for our institutional clients.

Ali received his BA in Mathematics from the University of Wisconsin-Madison in 2006. He is a Level III CFA candidate and a member of the Milwaukee Investment Analysts Society.

Comparing “SLGP” vs. “Other TDFs”

SLGP®	Other TDFs
INVESTMENT OBJECTIVES	
Safety first to investor target date	Accumulate to investor death
Grow and protect as appropriate	
Systematically constrain investment risk	
INVESTMENT POLICIES	
Liability-driven investing	Asset growth focused investing
Open architecture investing ¹	Closed architecture investing
Passive, active or hybrid	U.S. centric investing
Costs manageable	May be higher costs
Financially engineered glide path	Ad hoc glide path rules

1. Fund manager selection and ongoing due diligence conducted by Capital Market Consultants, Inc.





TDS develops and licenses high-quality Safe Landing Glide Paths[®] that end safely at the target date, using a precision engineered asset allocation design. TDS is a wholly owned subsidiary of PPCA Inc. TDS principals have over 35 years of experience in investment program design and investment policy setting.

www.TargetDateSolutions.com

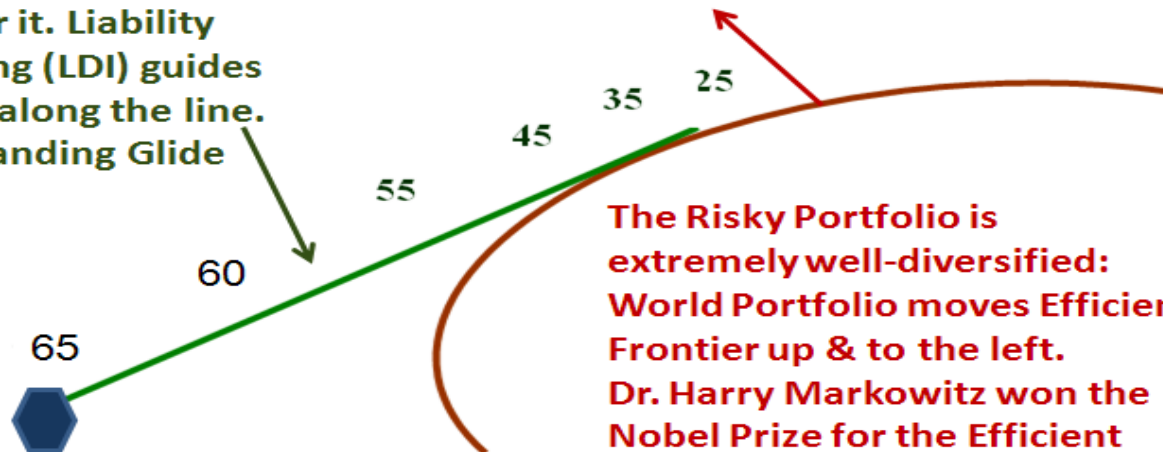
(949)488-8339

SLGP®

Unique Investment Structure

Using Separate, Diversified Segments

The "Capital Market Line."
Dr. William F. Sharpe won a
Nobel Prize for it. Liability
Driven Investing (LDI) guides
the allocation along the line.
It is the Safe Landing Glide
Path®.



The Reserve Asset protects against losses,
both absolute & against inflation:
TIPS and Treasury Bills



Custom Glide Path Option

- Agree on SLGP® “sleeves.” Assign preferred funds to each asset class in the glide path (stocks, bonds, etc).
- Identify implementer responsible for trading: Record keeper, Administrator, Custodian.
- Sponsor licenses “Rebalancer” software
- Implementer installs and operates “Rebalancer”:
On-demand buy & sell instructions.