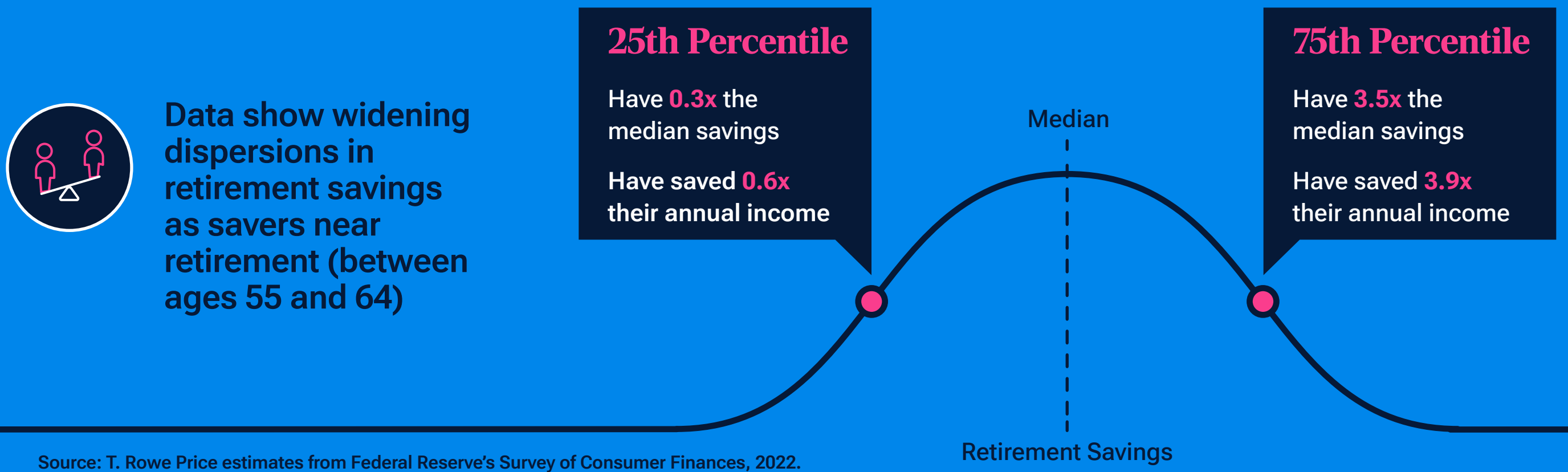


Make it personal: The next chapter for target date solutions

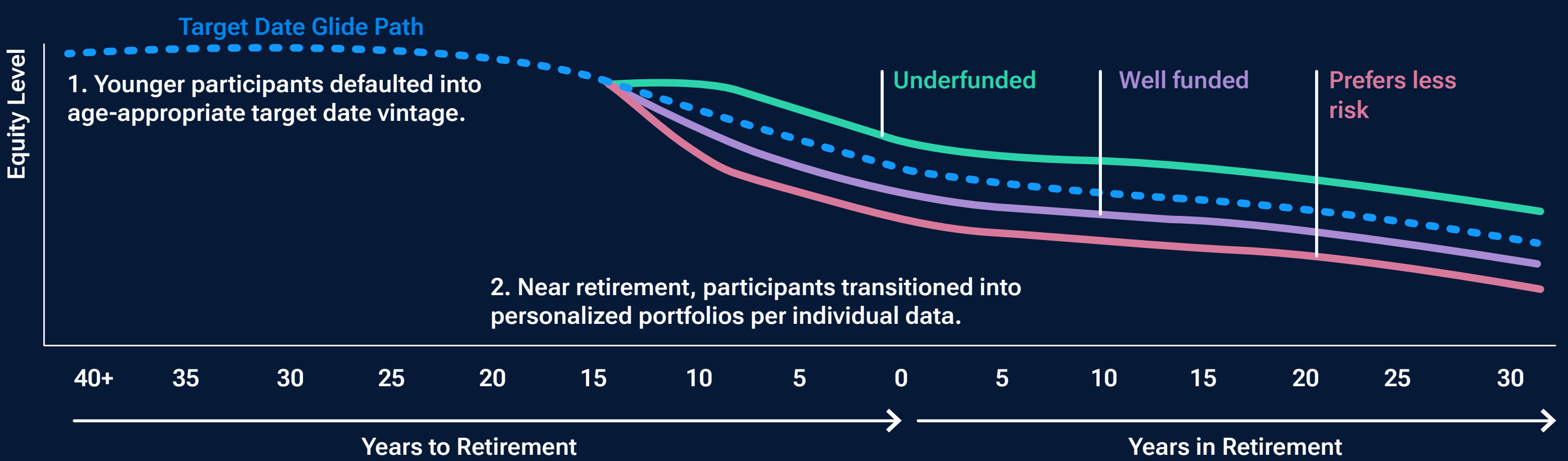
Target date solutions have transformed the U.S. retirement landscape. With advances in technology, they can evolve to address individual needs as investors approach retirement.



Source: T. Rowe Price estimates from Federal Reserve's Survey of Consumer Finances, 2022.

Benefits of personalization can be incorporated as an extension of the target date experience as participants near retirement.

Target dates AND personalization (not OR):



Personalized target date solutions can be implemented as follows:

Dynamic QDIA

In the dynamic QDIA¹ version, a possible eligibility criteria might be participants that reach a certain age (e.g., age 50)

- Younger participants are defaulted into an age-appropriate target date portfolio
- Participants who meet the plan's criteria (e.g., age 50+) are (re)defaulted into the personalized/dynamic QDIA

and/or

Opt-In Service

In the opt-in version, the sponsor makes the personalized service available in the plan for all participants

- The sponsor may choose to educate likely participants through tailored communications and promotional messages

For illustrative purposes only.

In both versions, personalization factors are sourced from data made available from the plan and from participants who choose to provide additional information.

Things plan sponsors should know:



Interest in dynamic or dual solutions is growing: Data from our recent plan sponsor survey show that 14% of plan sponsors currently offer participants a dynamic solutions that transition participants into a personalized strategy near retirement and another 51% are interested.²



Maintaining a consistent investment methodology is key: The investment philosophy and methodology of the personalized solution should not differ from the plan's target date solution.



Underlying building blocks matter: To maintain a consistent experience, moving to a personalized solution should not change or limit the participant's investment opportunities.

Get additional insights in the [T. Rowe Price 2024 U.S. Retirement Market Outlook](#).

¹ QDIA = qualified default investment alternative. A dynamic QDIA gives an employer the opportunity to automatically (re)default participants into a personalized portfolio, with age and sometimes balance, triggering the transition as participants approach retirement.
² T. Rowe Price, 2024 DC Plan Sponsor Considerations and Actions on Retirement Income Study. The survey was fielded November 14, 2023, through December 22, 2023. Data reflects responses from 119 plan sponsors.

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