

Target Date: The Right Answer to the Wrong Question?



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Takeaways

	DB	DC	Implications for DC
Investment Horizon	Participant agnostic	Participant specific	Needs to be time aware
Accumulation/Decumulation	Often both simultaneously	Often distinct phases	Impact on compounding
Information Asymmetry	Law of large numbers	Individual specific	Broad risk/growth choice set and bespoke choices
Governance	Board/Staff	Participant	Importance of communication and reporting
Investment Skill	Generally high	Variable – generally low	Portfolio solution
Personal Circumstances	General Only	Specific	Bespoke options



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Takeaways

How to Best Complement a DB Plan with a DC Plan

- **DB as a Bond Proxy:** A Defined Benefit (DB) plan acts like a bond, providing a predictable income stream in retirement. Its present value increases as you get closer to retirement.
- **Outcome-Oriented Planning:** Shift focus from just tracking time to retirement, to ensuring that your retirement goals (e.g., income needs, lifestyle, security) are met.

3

Questions?

1. In the conference app, select this session from the schedule.
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4