

FISHER INVESTMENTS INSTITUTIONAL GROUP®
PERSONALIZED RETIREMENT OUTCOMES (PRO)

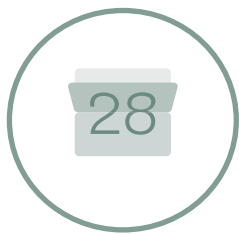


For plan sponsors and their advisors.

Delivering Personalization in the QDIA

The PRO Solution offers a personalized portfolio allocation for participating employees. Those who are defaulted and never engage with the plan still receive a personalized portfolio based on data that is available via the recordkeeper. For those who log into the web portal to provide additional information, we can personalize their portfolio even further.

Personal Factors Used to Allocate Default Participants



Age



Income



Account
Balance



Gender
(Longevity)



Corporate
Match



Social Security
Replacement



Savings
Rate



Loans



State of
Residence

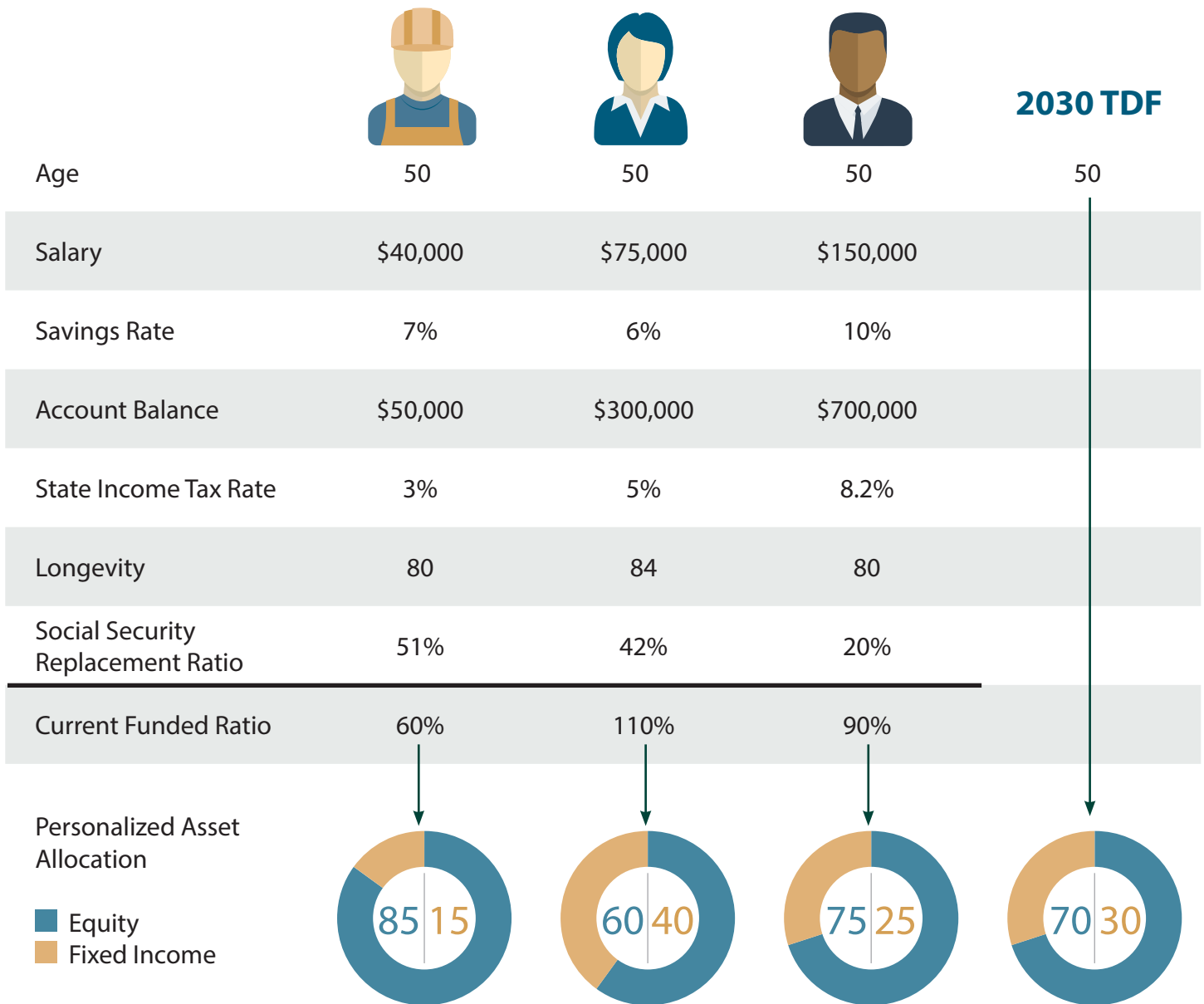


Retirement Funded Ratio

*Some factors may not be available in all situations

Participants are More than Just Their Age

Target Date Funds don't account for differences in individual circumstances among investors, even when much of the pertinent data is readily accessible. Furthermore, Target Date Funds don't appropriately adjust asset allocations as participants' individual circumstances change over the course of their working life, including changes in salary, savings rate, account balance, or taking out a loan.



The above scenarios are for illustration purposes and should not be construed as investment advice. Actual allocations may differ from those shown.

Advancing Managed Accounts - The PRO Difference

	FI PRO Service	Traditional Managed Account
Who Benefits	Personalization for default participants. Enhanced personalization for engaged participants	Often uses only age-based allocations for default participants; typically cost-prohibitive as a QDIA
Portfolio Construction	Two-fund portfolio construction (Stock and Fixed Income) that delivers diversification, while remaining easy to understand for participants and plan sponsors	Allocates to ~9-15 often unrelated funds
Investment Oversight	Cohesive and coordinated management of active exposure and risks	Minimal oversight over the aggregate portfolio of unrelated investment fund managers limiting the ability to control active exposure and manage risk
Ease of Benchmarking	All plans utilizing the Fisher PRO QDIA service are invested in the same Fisher-managed funds, allowing for easy, consistent benchmarking	Since traditional managed accounts are deployed using the plan's core menu of funds, there is variability among the underlying fund lineups used to construct portfolios, making benchmarking difficult
Fee Structure	Streamlined service & fund management fee set at the plan level not to exceed 68 basis points.	Layers of fees: Asset allocation fee + underlying mutual fund expenses
Active Management	Delivers active investment management, providing additional opportunities for benchmark outperformance and potential downside protection	Unable to use actively managed investments while remaining competitively priced
Commitment to Service	Service-oriented organization that will work alongside Retirement Advisor and plan's Recordkeeper to provide service & communication customized to the Advisor and Plan Sponsor's needs	

Benefits of Advice



Help Participants Save More:

- Morningstar found that 87% of participants increased their savings rate after receiving expert guidance.¹
- Morningstar found that participants increased their deferral rates by 2.19% after receiving guidance, which represents a 27.65% increase in their contribution rates.²



Help Participants Get Better Returns:

- A joint study by Aon Hewitt and Financial Engines found that the use of managed accounts' median annual returns were 3% higher than those who didn't get help across the same six-year period.³



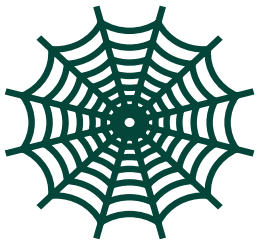
Help Participants Be More Prepared For Retirement:

- Morningstar found that a 25-year-old participant who received guidance would realize 54% more retirement income on average than a participant who did not receive guidance due to their increased savings rates and allocation.⁴



Give the Personalization Participants Want:

- Charles Schwab found that 73% of workers would be extremely confident in their investment decisions with the help of a financial professional.⁵
- The Employee Benefit Research Institute found that 93% of workers wanted advice that was tailored to their individual needs.⁶



Help Participants Stay In The Default Longer

- Morningstar found that managed accounts as the default option, in comparison to target -date funds and balanced accounts, were the stickiest (participant retention) option. More sticky investment defaults appear to improve participant outcomes as they reduce the number of participants selecting investments themselves.⁷

1. Morningstar, David Blanchett, 2015. "The Impact of Expert Guidance on Participant Savings and Investments Behaviors"

2. Morningstar, David Blanchett, 2015. "The Impact of Expert Guidance on Participant Savings and Investments Behaviors"

3. Aon Hewitt and Financial Engines, 2014. "Help in Defined Contribution Plans: 2006 through 2012"

4. Morningstar, 2018. "Selecting the Optimal QDIA – Where Do Managed Accounts Fit?"

5. Based on results for the initial 149 plans using Schwab Retirement Planner® as a qualified default investment alternative (as of December 2017) with the exception of the retirement plan sponsored by The Charles Schwab Corporation.

6. Employee Benefit Research Institute, 2017. "The 2017 Retirement Confidence Survey: Many Workers Lack Retirement Confidence and Feel Stressed About Retirement Preparations"

7. Morningstar, David Blanchett & Daniel Bruns, 2019. "Which Default Investment is the Stickiest"

How to Monitor & Benchmark the Effectiveness of PRO



1. Relative return of funds



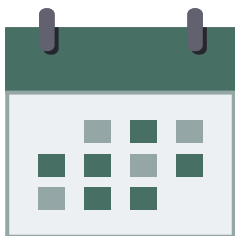
2. Degree of personalization to current QDIA



3. Percentage of participants who engage with the retirement planning tool



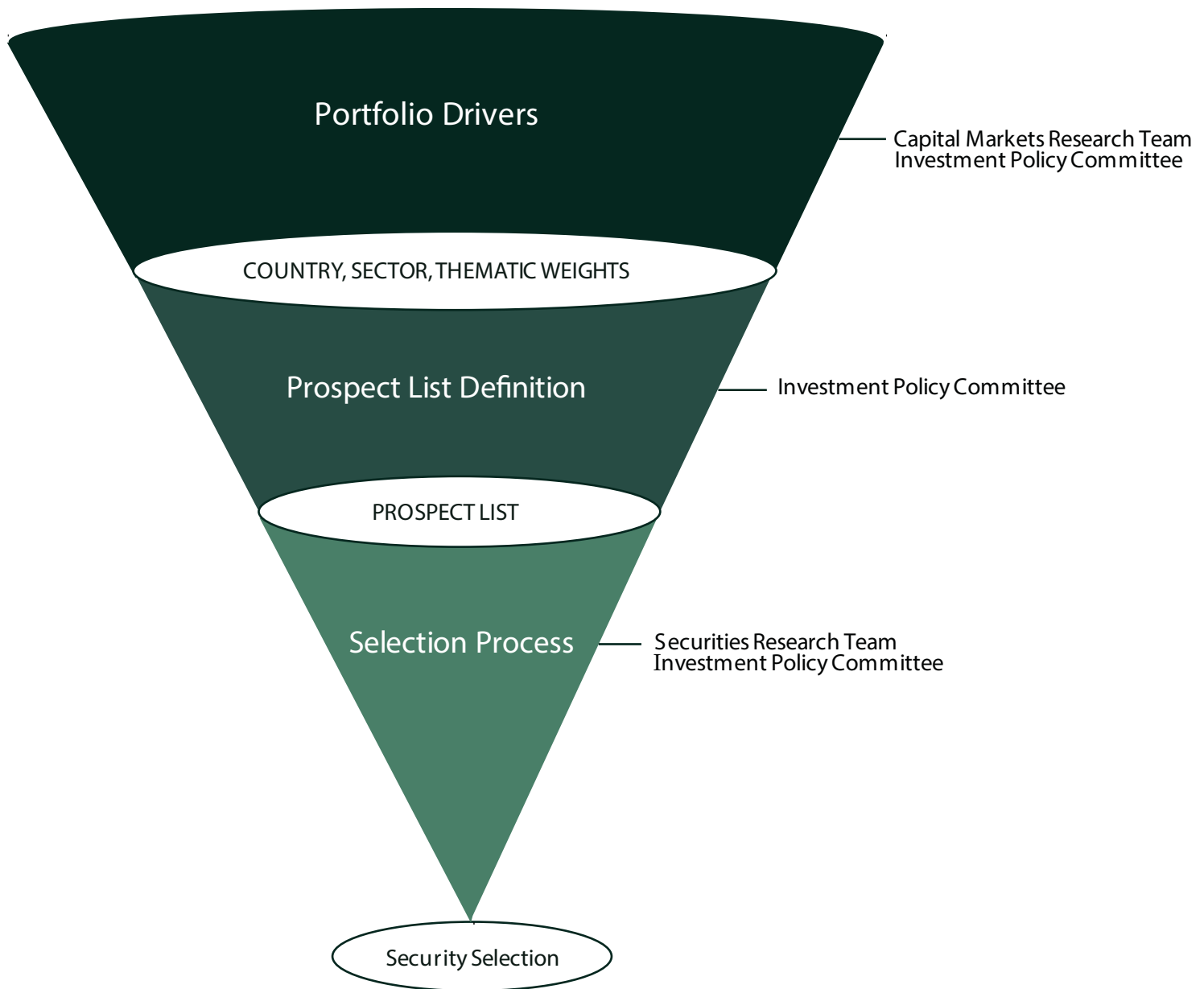
4. Savings rates of participants who utilize the PRO service relative to non-PRO participants
a. Savings rates of PRO participants over time



5. Retirement readiness of PRO participants over time

Investment Philosophy

We believe the dominant drivers of security returns are country, sector and macro themes. A top-down investment process beginning with these factors maximizes the probability of successful security selection, allowing us to better generate excess return and control risk for our investors.

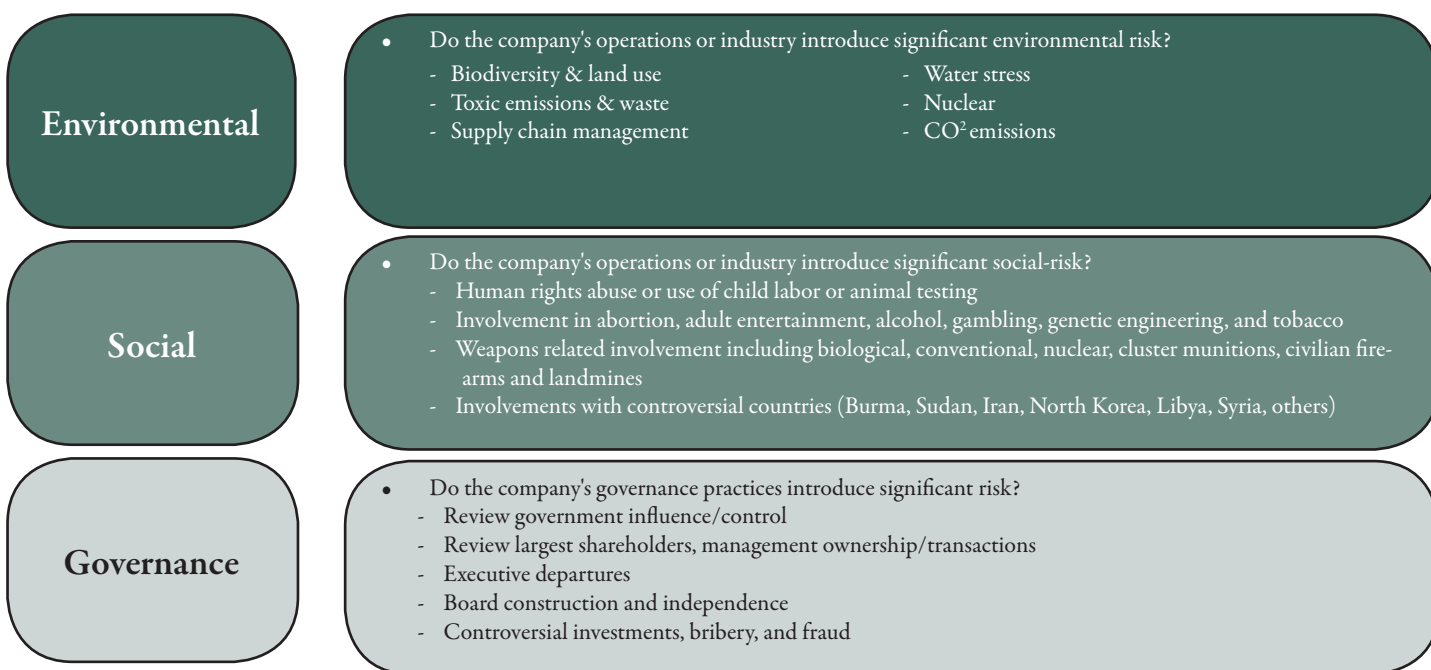


ESG in Defined Contribution

While Environmental, Social, and Governance (ESG) investment principles have gained popularity globally, few if any such options are available today as a QDIA in defined contribution plans. For plan sponsors and participants who wish to express their social values and environmental awareness within their retirement investments, Fisher Investments is pleased to offer an ESG version of our PRO Solution.

Primer on ESG Investing

ESG investing is an umbrella term for a range of investment strategies considering a company's environmental, social and governance factors as part of the investment selection process. Environmental factors examine the ways a company's operations affect the local and global ecosystems. Social factors apply metrics based on the quality of interactions with suppliers, employees, customers and the larger community. Governance refers to corporate self-governance and includes board independence, transparency and shareholder rights.



FI's ESG Capabilities

- FI has been managing accounts with various thresholds of environmental and social mandates for nearly two decades
 - Began managing mandates with social restrictions in the mid 1990's
 - ESG performance composites date back to 2005
- \$19.75B in ESG/SRI AUM (as of December 31, 2020)
- ESG clients in five different countries
- Complete top-down and bottom-up ESG process, supported by industry-leading ESG data services
- Dedicated ESG Team within Research Department
- United Nations Principles for Responsible Investment (UNPRI) signatory since 2014

PRO: How It Works

Contract



Plan Sponsor contracts with Fisher Investments to provide the PRO solution as the plan's default product or QDIA.

Fisher Investments charges a transparent, asset-based fee at the plan level. This fee can be paid directly by the plan sponsor or deducted quarterly from participants' account balances.

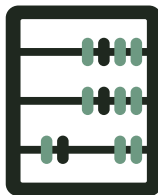
Conversion



Plans may choose a full re-enrollment or a partial default re-enrollment. Default participants will be re-enrolled into the PRO solution with both a partial and full re-enrollment, while a full re-enrollment will also give non-default participants the ability to opt-in.

PRO coordinates with the Record Keeper to assess the retirement readiness for participants defaulted into the service and selects an investment allocation tailored to their circumstance.

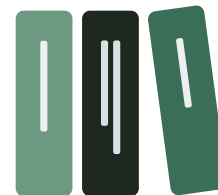
Personalization



Based on participant profiles and feedback, Fisher PRO will allocate participant portfolios into two managed funds: Global Equity and U.S. Fixed Income, available exclusively to Fisher clients.

Fisher Investments provides ERISA 3(38) coverage over assets invested in the PRO solution on an ongoing basis.

Service



The PRO solution is available to plan participants via a web portal powered by software integrated with the plan's record keeping system.

Fisher PRO automatically rebalances portfolios on a quarterly basis or as dictated by market conditions.



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