# Impact Retirement™

### Giving employees choice to align assets with values

A growing number of employees are asking for the ability to align their retirement assets with their values, however few retirement plans offer socially responsible or ESG, (environment, social & governance,) funds. For those plans that offer employees ESG investment choices, they typically only offer one or two funds and not the professionally managed target-date options that have become the way most employees invest their retirement assets.



90% 73% 46%

Plans offer target-date in 2015 vs. 43% in 2006

the default (QDIA)

Plans use target-date as Of all 401(k) contributions go into target-date funds

90%

Want competitive returns while promoting positive social and environmental outcomes

Want to work for employers that make a positive social impact on the world

91%

86%

shop for brands that have environmentally sustainable business practices

Millennial attitudes on social investing\*\*

**DOL** guidance to fiduciaries of **ERISA** qualified retirement plans: DOL IB 2015-01

**ESG** more than a tie-breaker, potential to positively impact economic factors

ERISA doesn't prohibit ESG investments in retirement plans

No added documentation for use of ESG investments

<sup>\*</sup> Vanguard's "How America Saves, 2016", \*\* TIAA – Second Annual Practice Management Study, Responsible Investment, 2015

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#### **ESG Screened Target-Date Portfolios:** Impact Retirement

- Professional portfolio allocation
- Dynamic risk adjustment over time
- ESG factor evaluation and performance analysis

#### Giving employees choice – sample plan level portfolio **Do-It-Yourself** Non-ESG Screened **ESG Screened Options Target-Date Options Target-Date Options** For the 15% of For employees who For employees who desire professional want professional employees who want to build and manage their portfolio management portfolio management own portfolios offer 10but don't wish to invest and to align retirement 15 diversified options of retirement assets in assets with their varying degrees of risk. ESG focused portfolios. personal values. 85% of employees prefer professional management of their retirement assets