



nextcapital™

Managed Advice

Product Guide



With NextCapital's Managed Advice, you can provide employees with personalized savings and investment plans. Unlike target date funds (TDFs), which only account for an employee's age, Managed Advice creates personalized retirement goals using multiple data points, including employee age, salary, and more. Managed Advice then combines financial expertise and sophisticated technology to build, implement, and manage an optimized investment portfolio. Each participant's portfolio is based on their own personalized glide path, which we automatically adjust over time.

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Benefits of Managed Advice



Personalized

Managed Advice can use 30+ investor data points to generate a personalized financial plan and advice.



Improved Outcomes

A plan helps create better retirement outcomes with retirement age and savings changes, a personalized withdrawal strategy and consideration of other assets and income sources.



Integrated

End-to-end recordkeeper integration creates a seamless experience, including support for all plan-specific rules, connectivity to participant sites, one-click transactions and deferral activity.



Full Lifecycle

Managed Advice supports the full retirement lifecycle to and through retirement. Before retirement, participants receive personalized savings advice. After retirement, they receive a tax-aware withdrawal strategy.



Scalable

Data is pre-populated, portfolios are automatically rebalanced and advice is automatically refreshed, creating an efficient, integrated user experience.

A Personalized Plan

Services Provided:

- Plan Proposal
- Projections
- Spend-down
- Social Security Estimate
- Savings Advice
- Retirement Age
- Rebalancing
- Asset Allocation

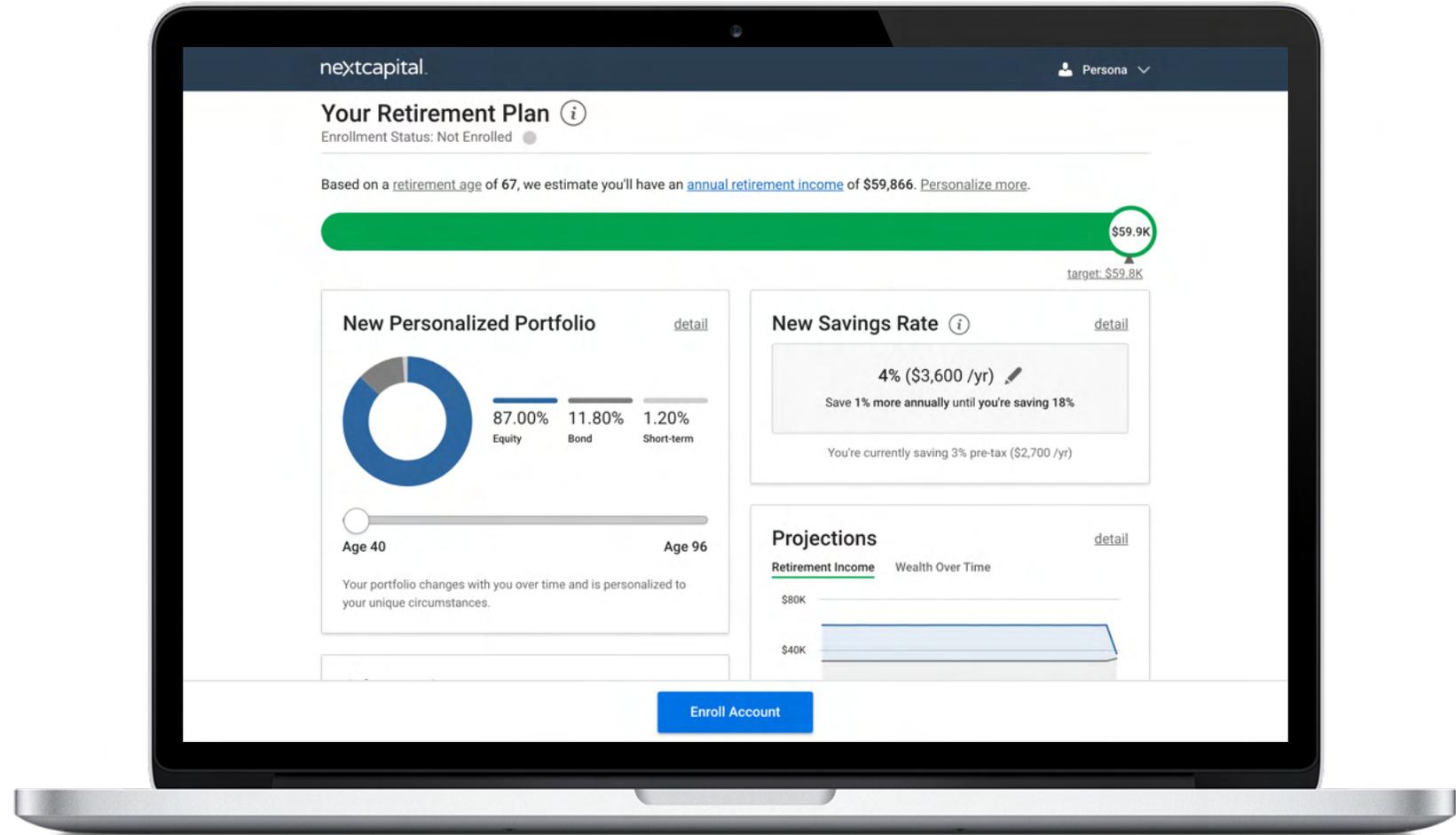
Data Used:

- Age
- Gender
- Home State
- Salary
- DC Account Balance
- Savings Rate
- Employer Match
- Auto-escalation
- Pension / Outside Incomes
- Outside Accounts
- ...and more

Plan Proposal

Using information from the recordkeeper and provided by the user, NextCapital's Managed Advice creates a personalized plan for each participant. As each participant has their own unique journey, personalization is critical to helping them achieve retirement success.

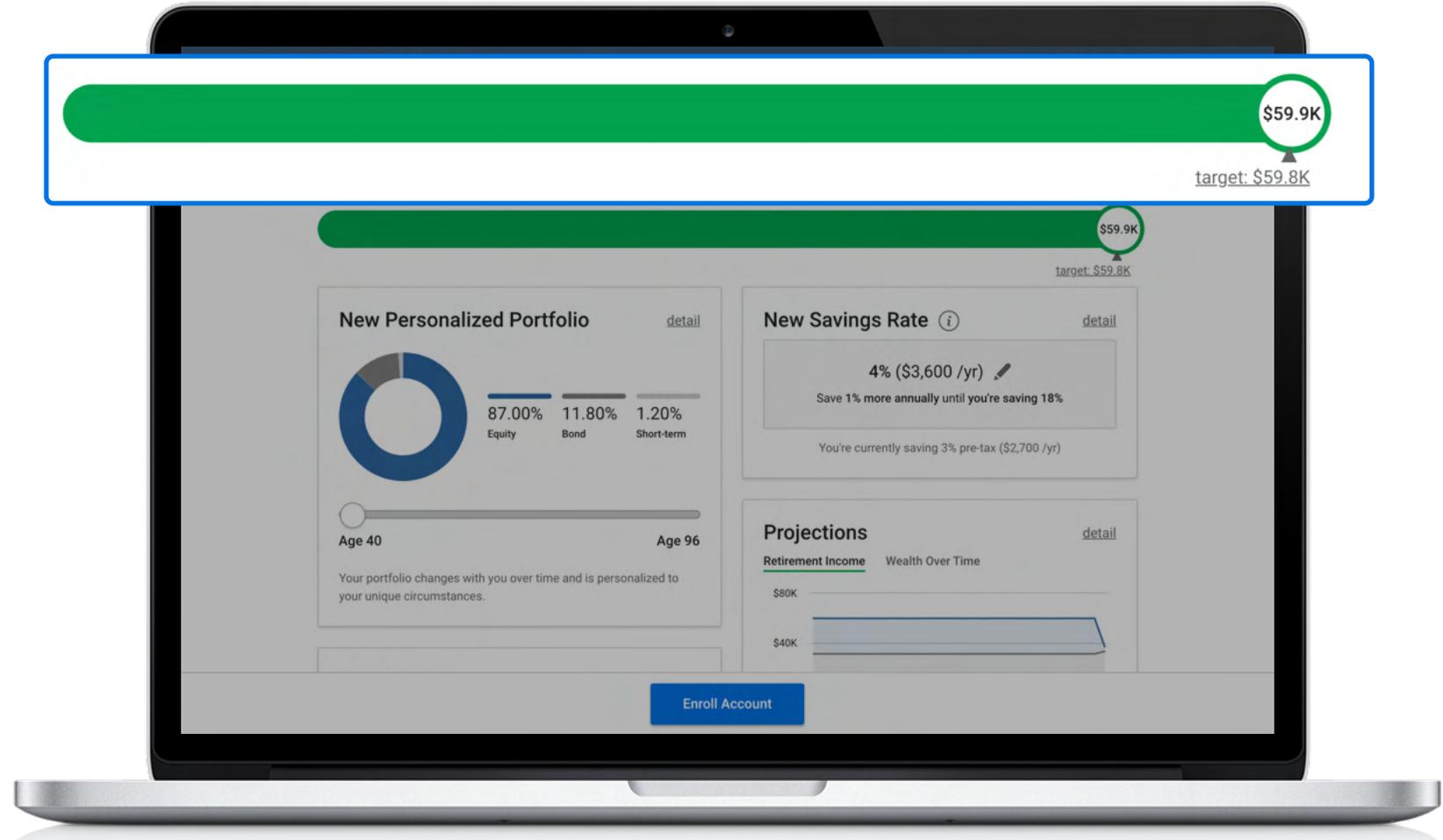
The plan displays a target retirement income, as well as a personalized asset allocation, a recommended savings rate, and other helpful projections. Participants can either enroll directly right from the Personalized Plan page or add more information to further personalize their advice. Participants are also able to download their plan as a PDF.



Retirement Readiness Bar

A participant's retirement readiness is illustrated by the Retirement Readiness Bar. Green represents a participant's estimated annual retirement income. Light gray illustrates any shortfall of their estimated annual retirement income compared to their target retirement income. Should a participant's bar include any gray, the tool will provide that person with personalized advice on how to get them on track.

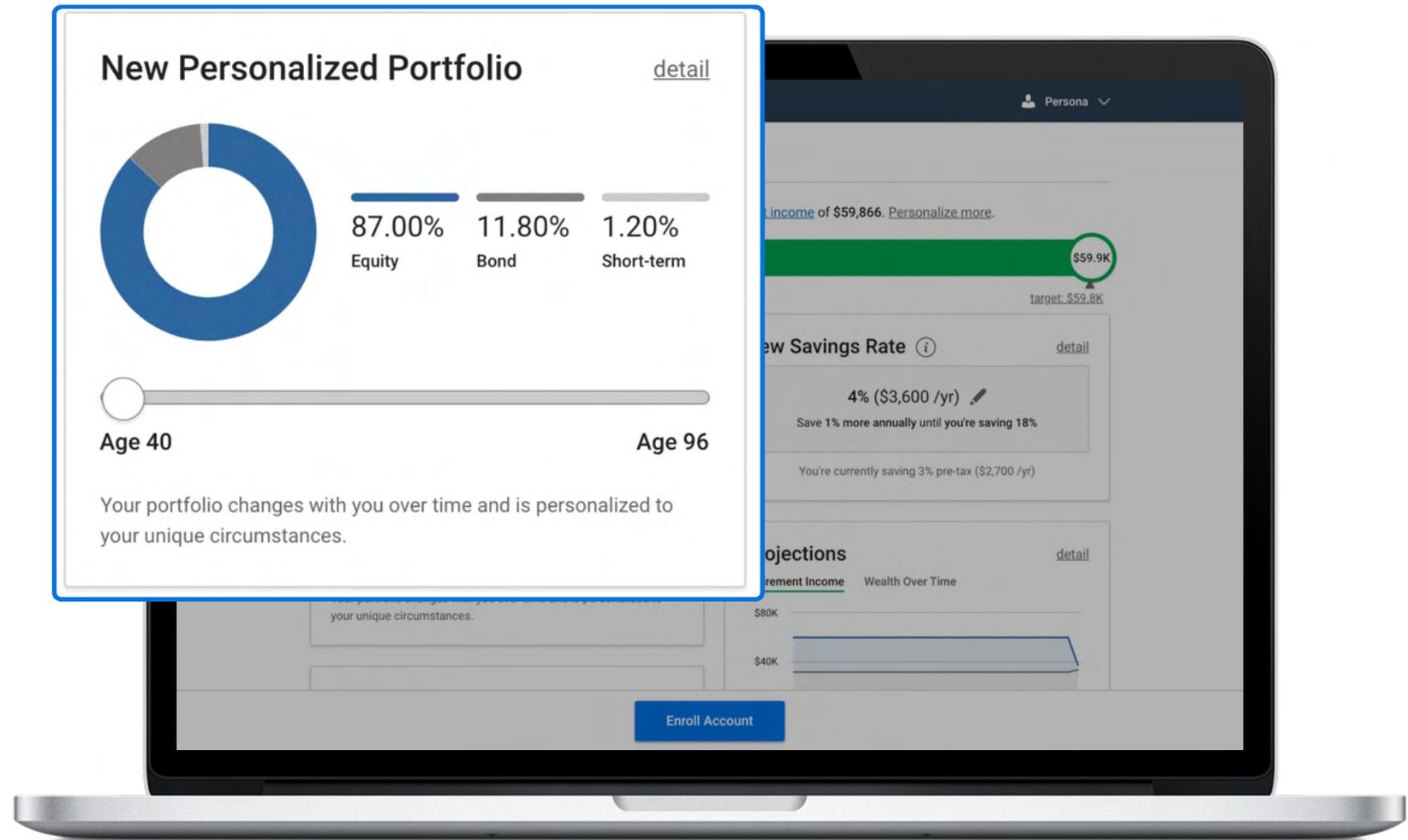
If their Retirement Readiness Bar is completely green, their estimated annual retirement income may exceed their target retirement income, leaving them with extra income or savings.



Personalized Portfolio

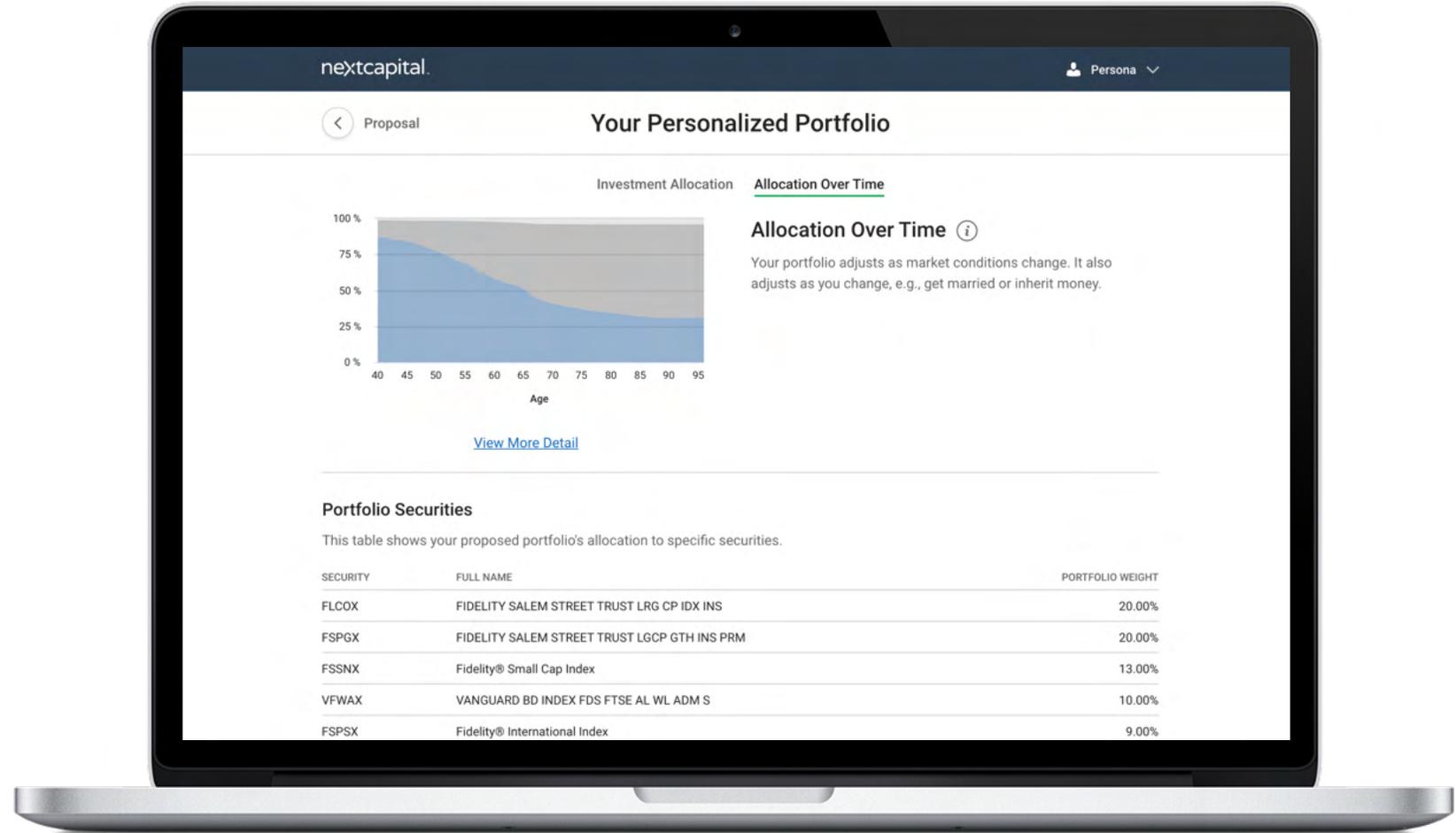
A participant's asset allocation is personalized based on, and automatically adapts with, information we know about their unique circumstances. Under normal conditions, the asset allocation will generally follow a glide path that becomes more conservative over time. The platform refreshes each participant's allocation every 90 days in order to account for new or changed data (e.g. getting married or getting a raise).

Creating and managing the right investment portfolio for each participant's unique journey provides a projected 0.75% increase in annual value add according to our value add research.



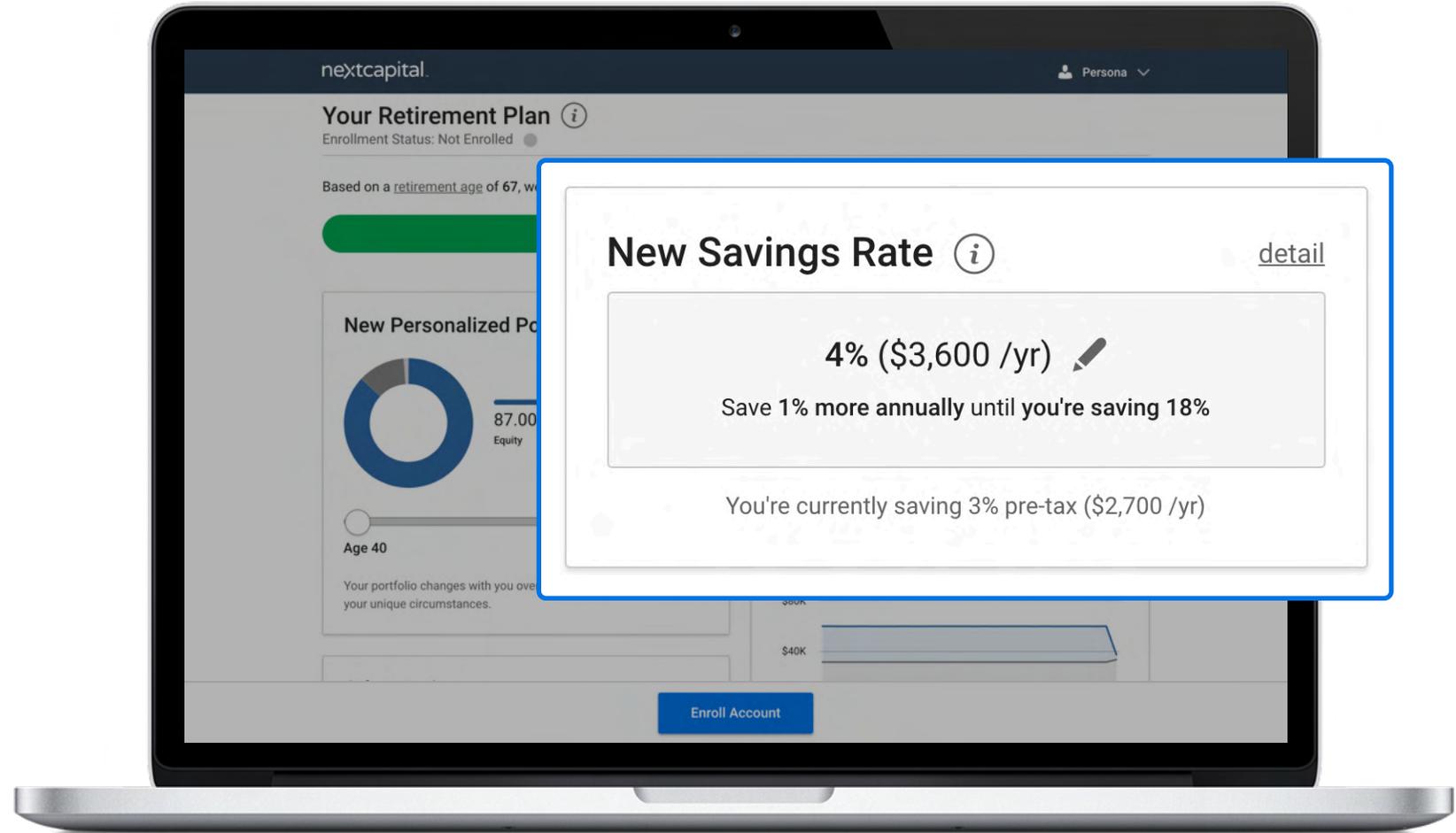
Allocation Over Time

Participants are able to see how their assets will be invested over time in the “asset allocation over time” tab. While participants do not have the ability to designate lower or higher risk tolerances as a specific input, participants can adjust savings, target income, or other inputs to see how these factors impact their personalized glidepath.



Contributions

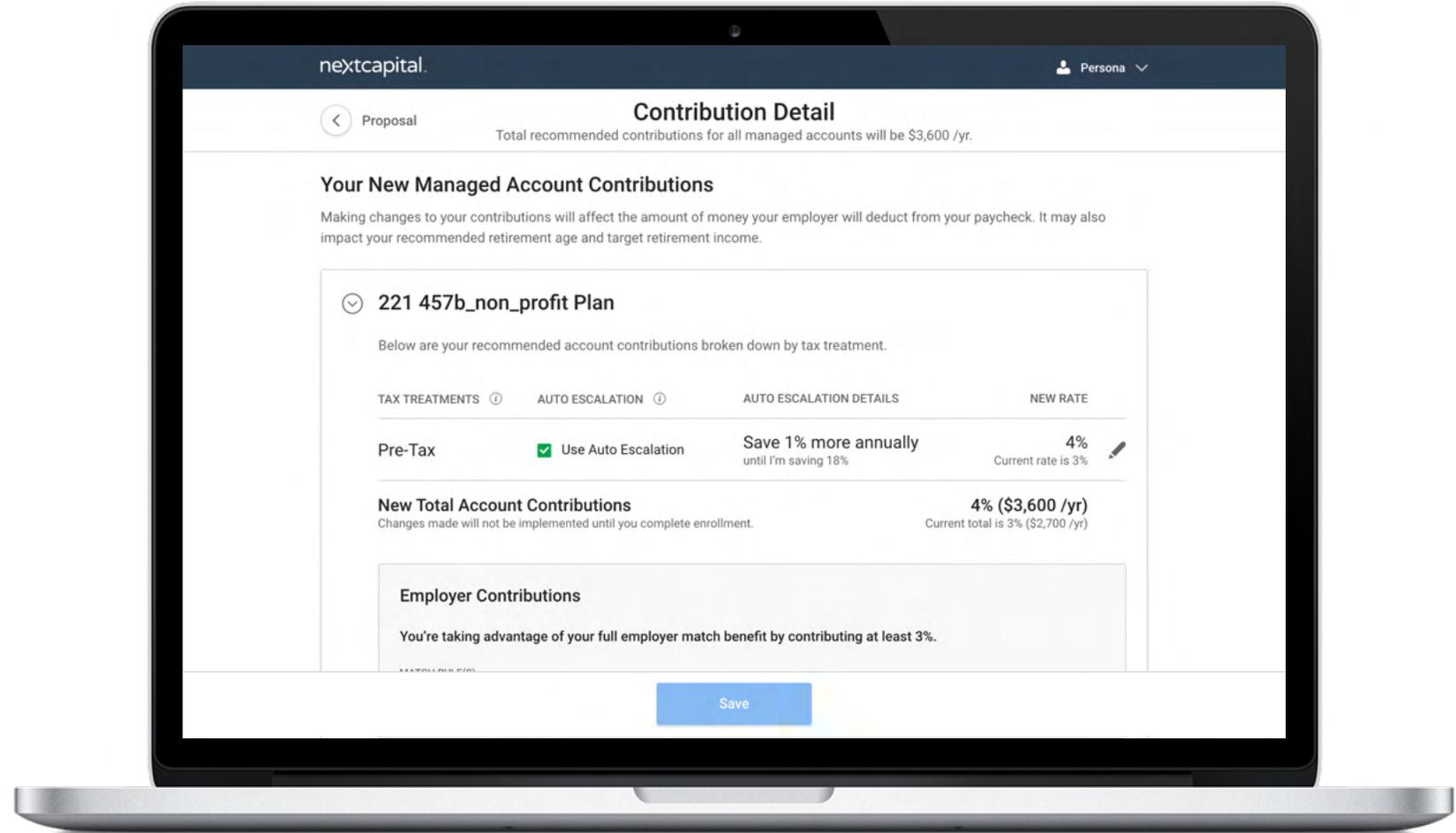
NextCapital's Managed Advice provides guidance on contribution amounts, based on information we know about the participant (e.g., age, savings, expected retirement age) and projections made by the managed advice service, in order to help increase the probability of a participant reaching their target retirement income.



Contribution Details

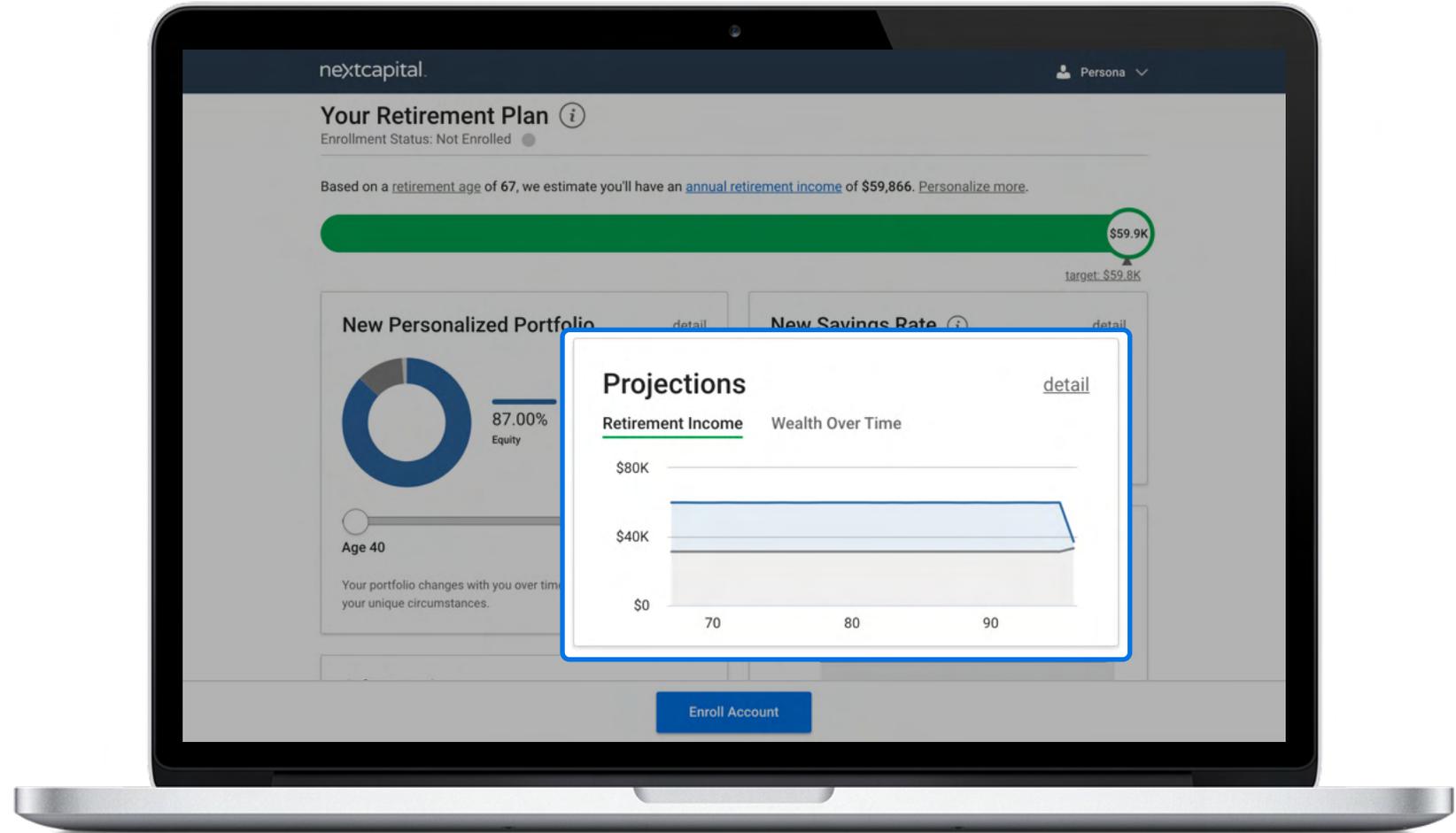
NextCapital's Managed Advice uses information about a participant's contributions to more accurately project how much income they'll have in retirement.

Linking outside contributions to their plan will reduce their target retirement income. We assume if a participant contributes to other retirement savings accounts, they are probably spending less of their current income and will therefore likely need less money to match their spending level in retirement. At the same time, their estimated annual retirement income will increase as they are contributing more.



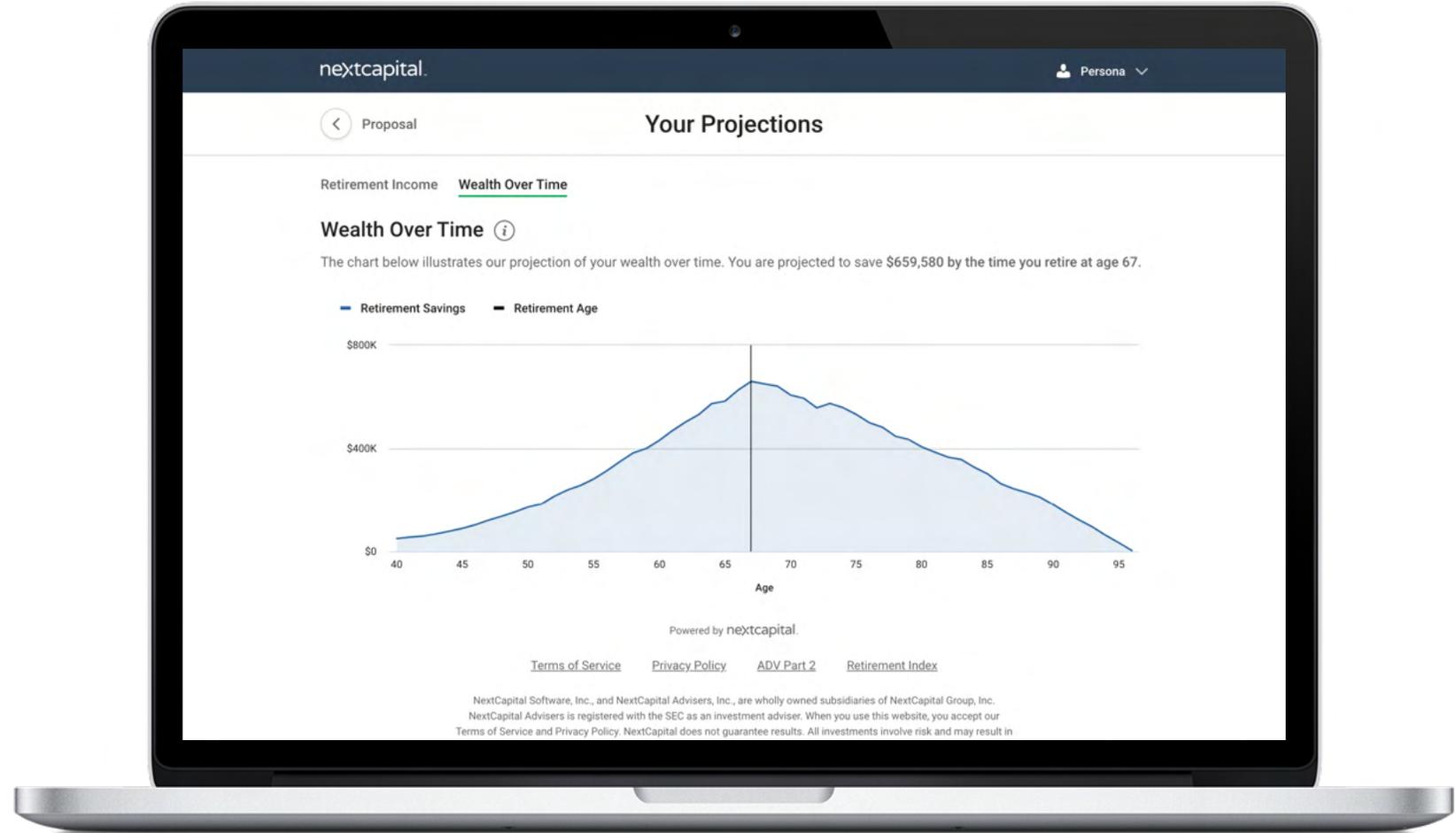
Projections

Each participant's personalized plan also provides helpful projections of their retirement income. These projections help participants understand their income sources and total assets over time so that they have a complete picture as to what to expect in retirement and can feel confident in what their plan is providing them.



Wealth Over Time

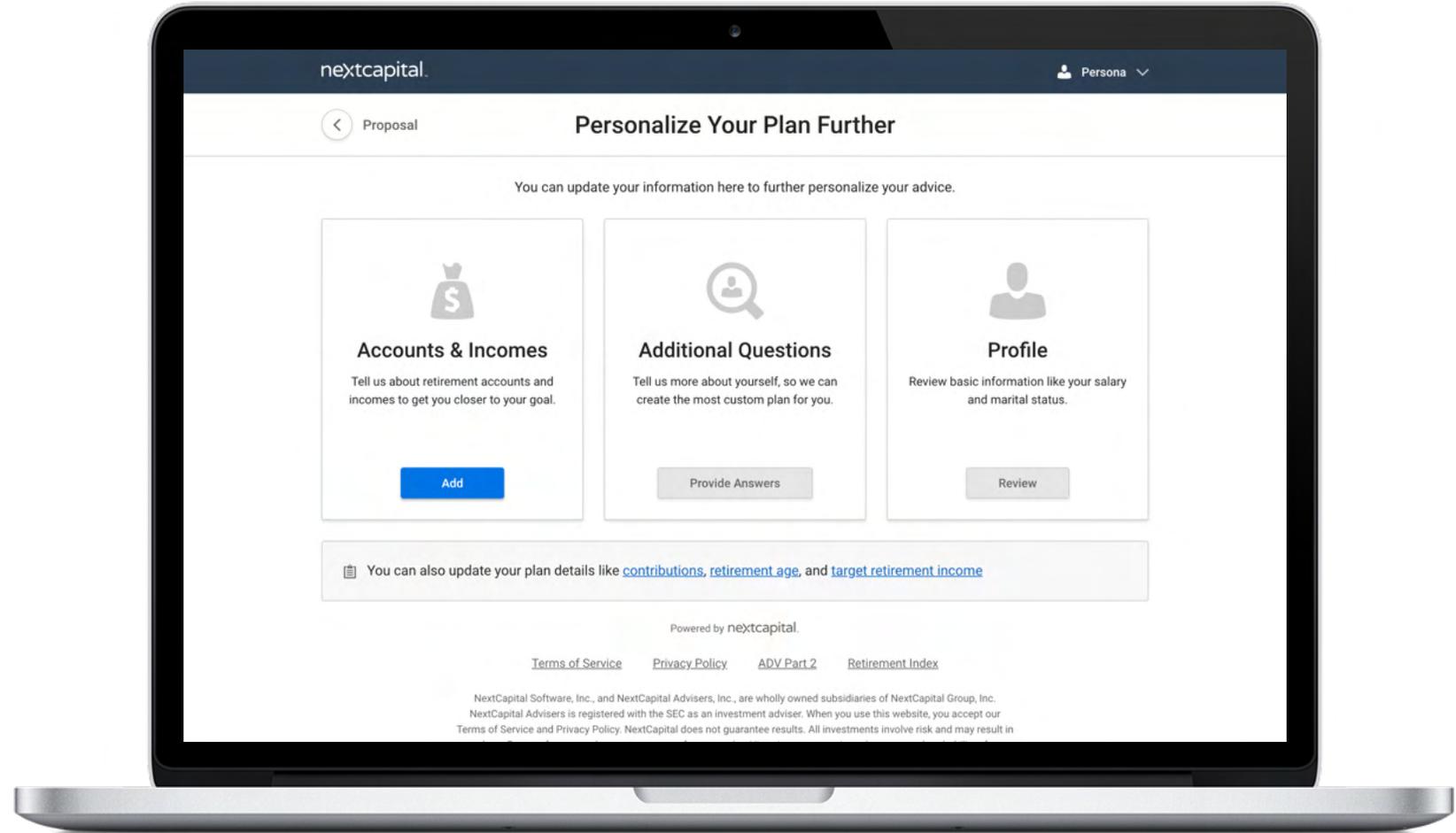
Participants are able to see a chart that illustrates an estimated projection of their retirement savings over time, and includes both their plan account and any outside retirement accounts [and sources of retirement income] that they've provided. The results shown are based on projections by the managed account service and assumptions regarding their savings and retirement spending. As market environments evolve, we may adjust our assumptions, causing their personalized projections to change.



Personalize Further

A participant's retirement plan can be further personalized by providing additional details about their life, adjusting their retirement age, adjusting their target retirement income, as well as adding their outside retirement investments or other sources of retirement income.

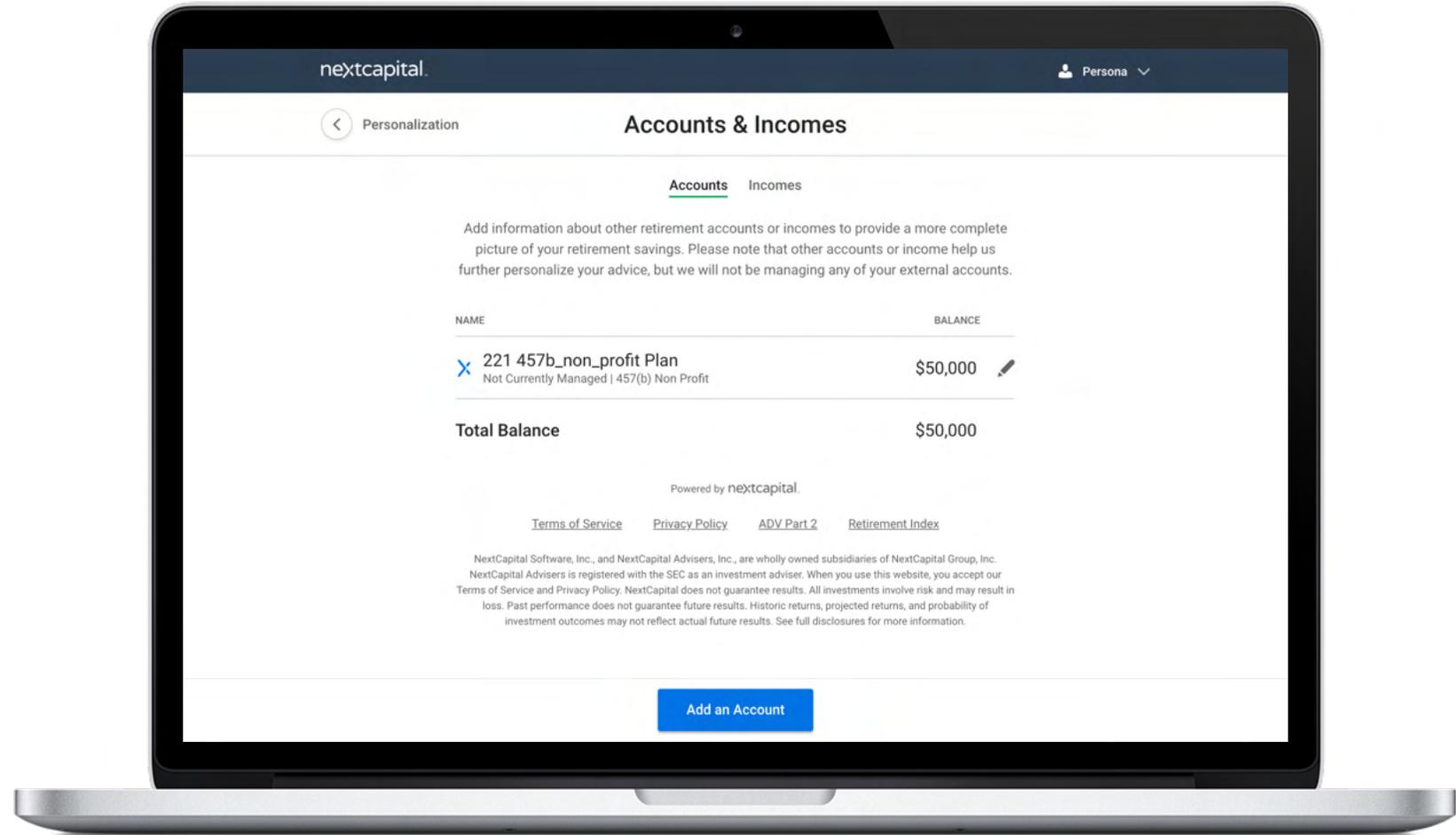
This creates a vehicle for further engaging participants and tying into other coaching or education capabilities the advisor is providing.



Add Accounts

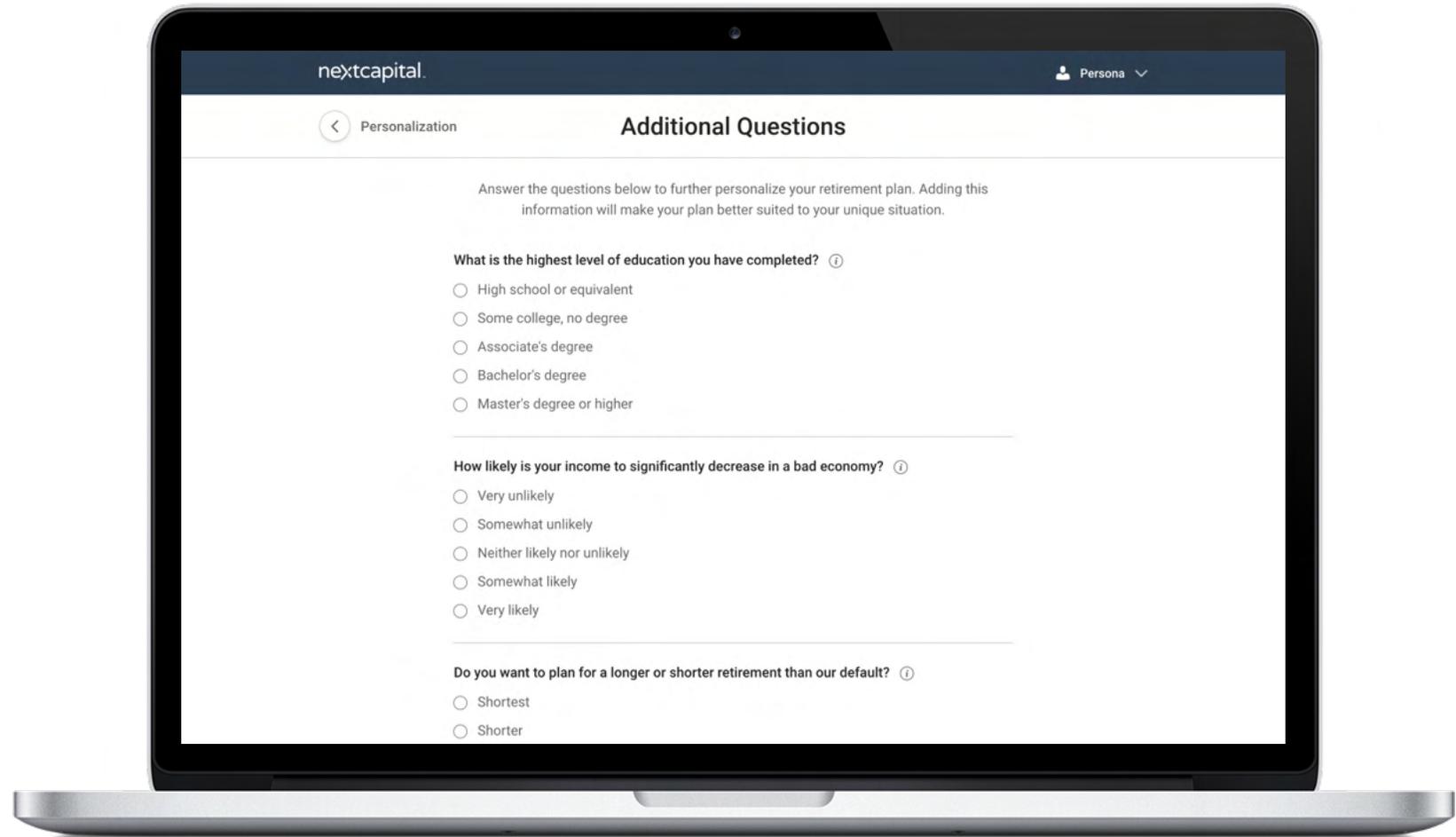
NextCapital's Managed Advice considers other retirement accounts as part of a participant's retirement income projection. All eligible accounts from the recordkeeper are listed automatically. Participants can also add accounts from other institutions to further personalize their plan. They can also add other known sources of income, like pensions, annuities, and rental incomes.

Adding accounts and incomes gives NextCapital a more holistic view of the participant's financial landscape, improving their plan.



Additional Questions

Participants can answer a series of questions about their overall health and their level of education. The answers to these questions help further personalize their asset allocation to their unique situation.

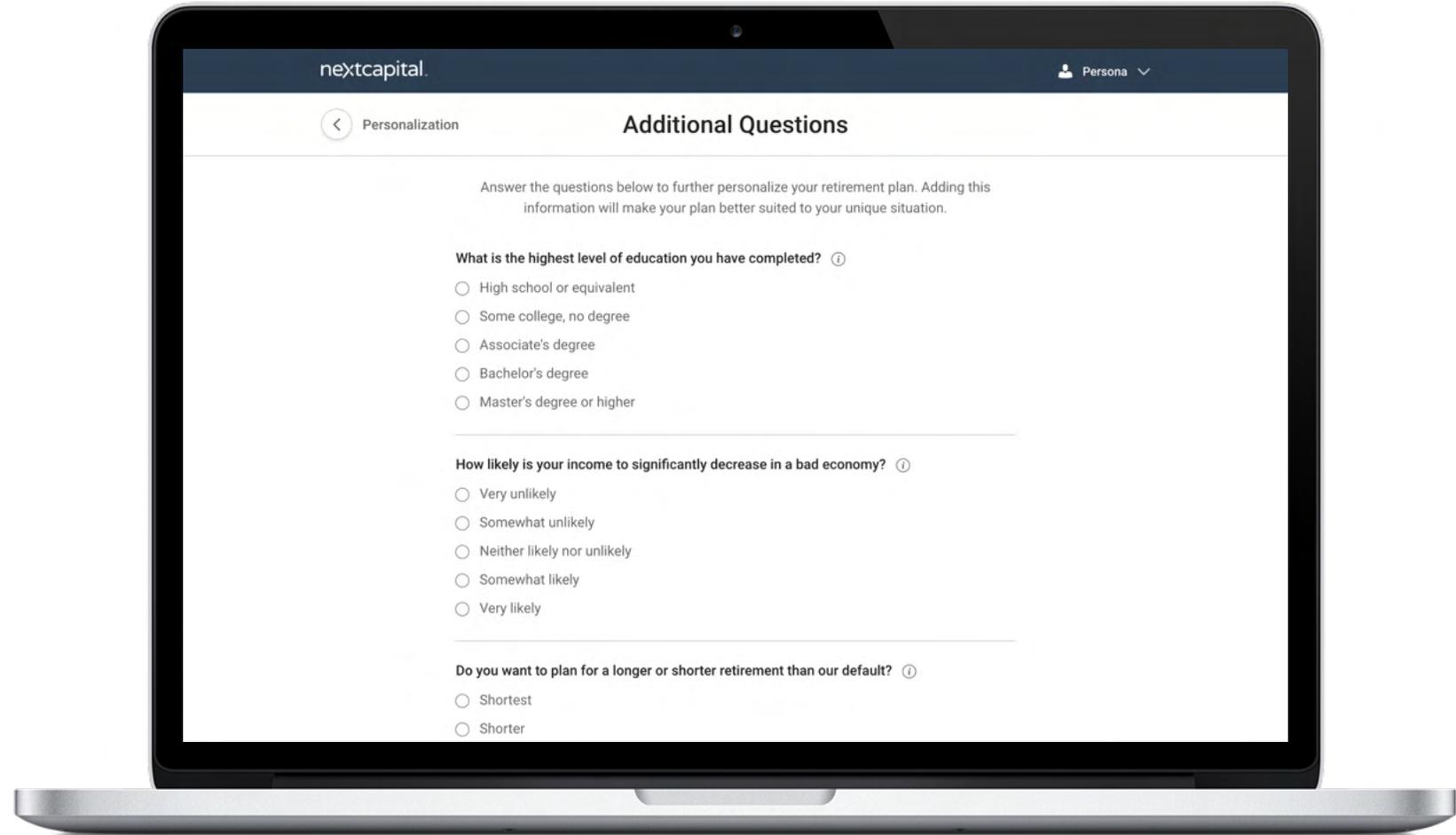


Profile Page

Participants can review and edit basic participant demographic information, subject to editability rules provided by the recordkeeper (ex. can only edit DoB if not already provided by the recordkeeper), including:

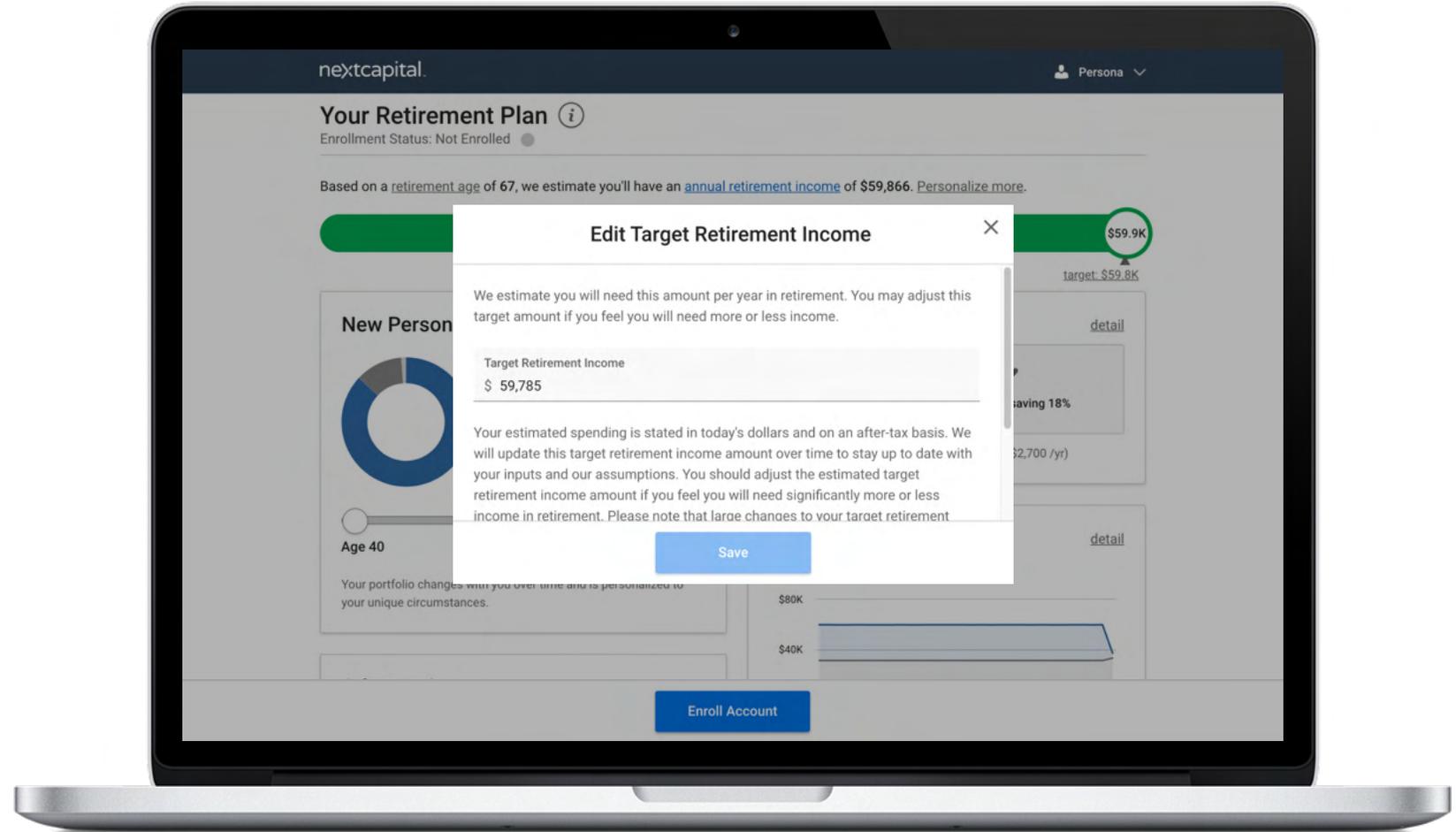
- First & Last name
- Gender
- Date of Birth
- Marital status
- Annual salary
- ... And more

Ensuring this information is complete and accurate will help shape and optimize participants' retirement plan and advice.



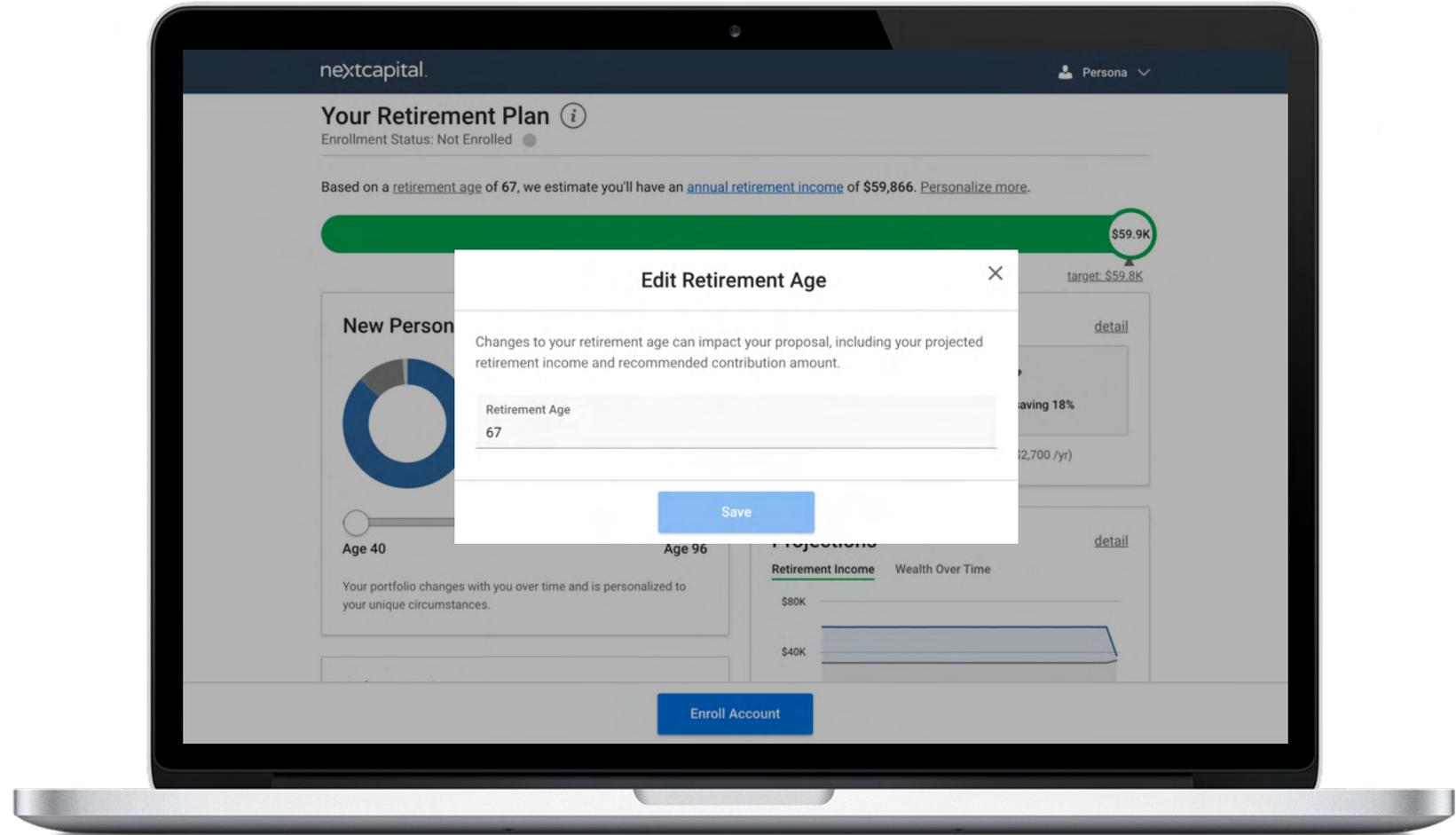
Target Retirement Income

NextCapital's Managed Advice estimates how much a participant will need in annual retirement income. This amount is updated over time to stay up to date with the participant's inputs and our assumptions. Participants may adjust their target retirement income if they feel they will need more or less income in retirement. Large changes to their target retirement income may impact their personalized investment asset allocation.



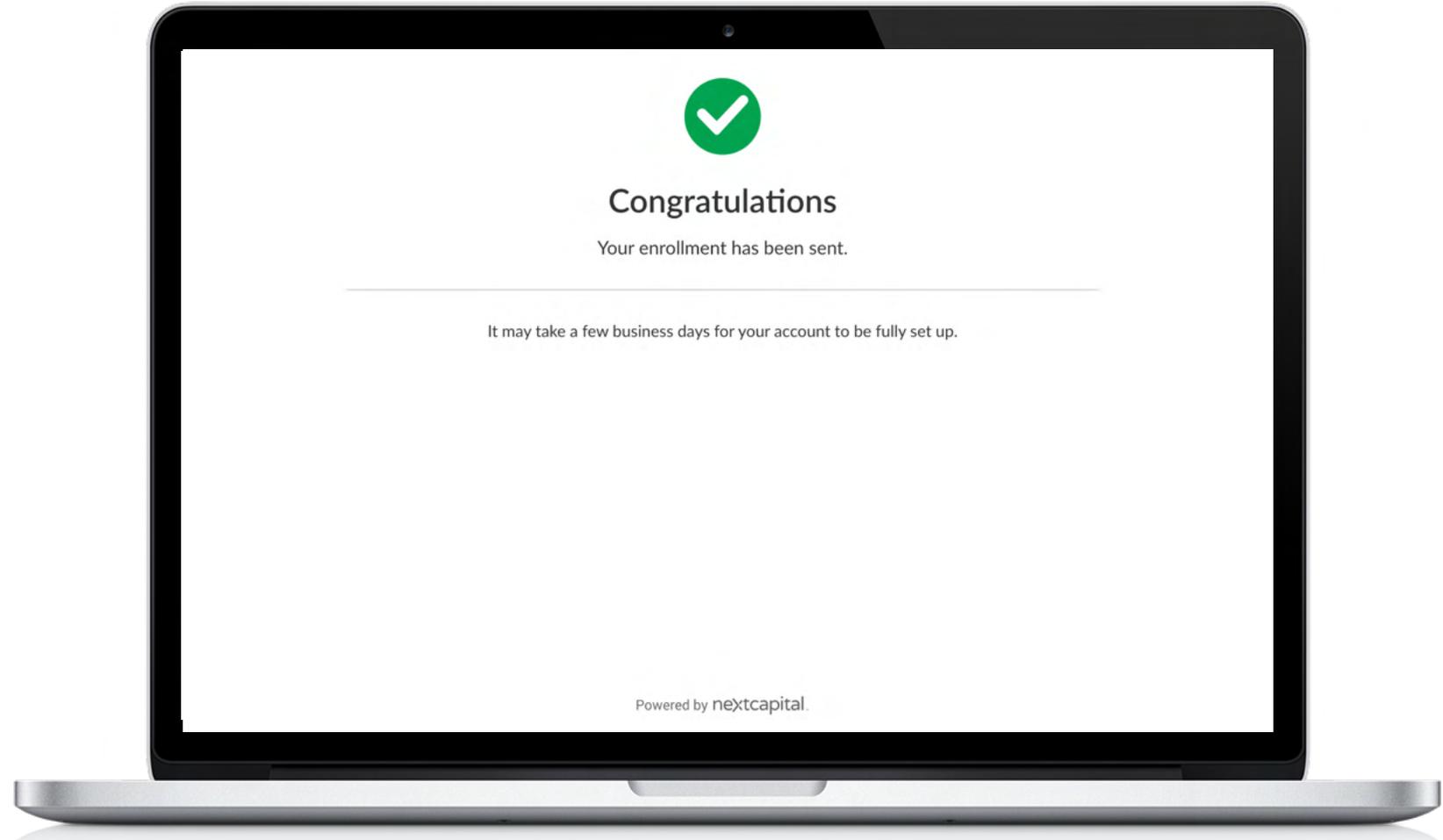
Retirement Age

Further, NextCapital's Managed Advice recommends a retirement age based on the information provided by the recordkeeper and user. Changes to a participant's retirement age may impact their personalized asset allocation and projected retirement income. Participants are given the information to address and close any gaps in their projected retirement income, thus allowing them to retire confidently on their own timeline.



Enrollment

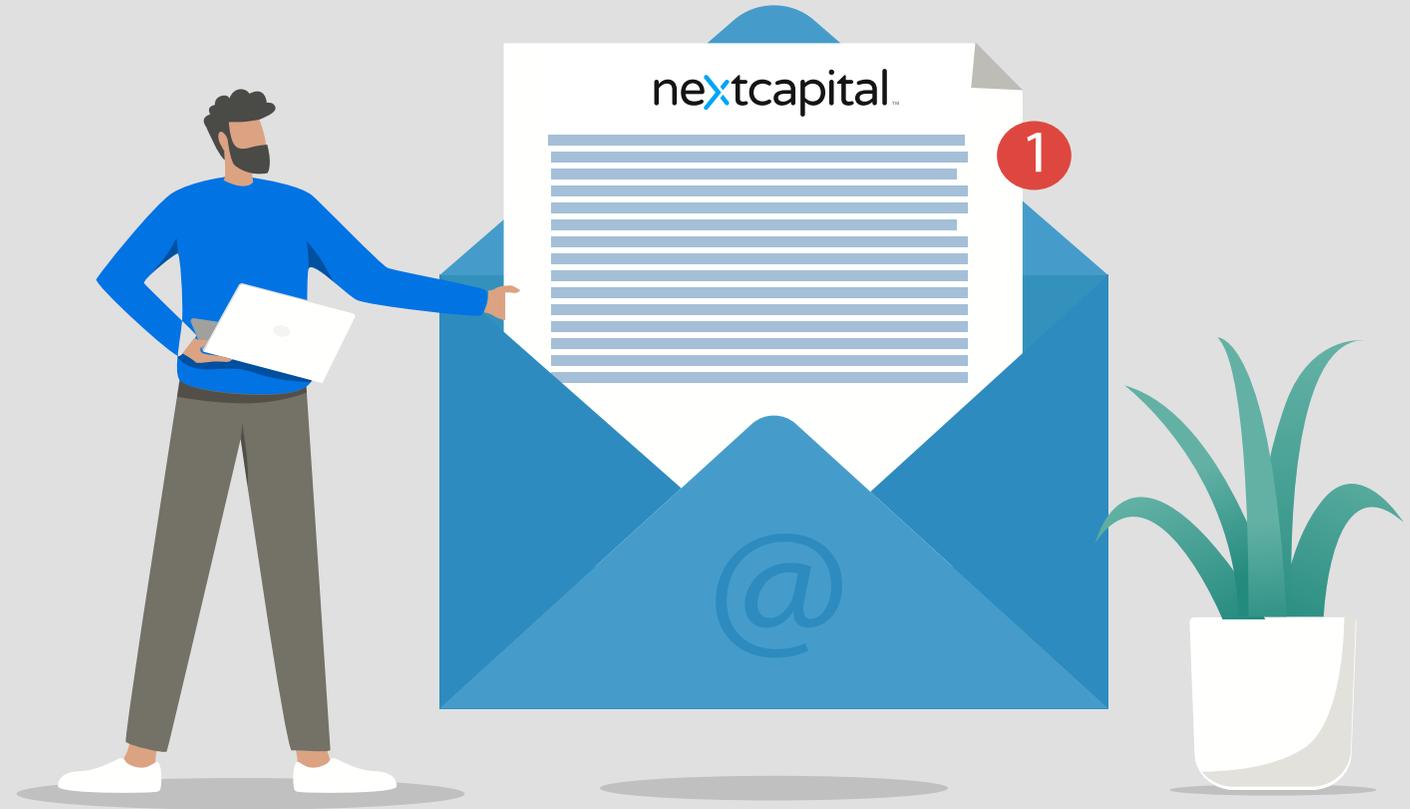
Upon enrollment, participants will receive a welcome email from the RecordKeeper informing them their plan has been implemented and they are starting their journey towards retiring successfully.



Continuous Engagement

The journey for a participant doesn't stop once they enroll. Participants are able to go into the service whenever they like to add or change their information as their life circumstances change.

Each year, participants will receive an annual review detailing their personalized plan and performance. If a participant is part of a Hybrid/Dynamic QDIA solution, they will receive specific engagement emails based on their age and place in the hybrid cycle, alerting them as to what is happening and how to learn more or engage further.



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