
Inside new target date funds, Lincoln offers risk-adjustment options

By Editorial Staff Thu, Aug 9, 2018

Morningstar Investment Management LLC will provide the glide path, portfolio construction and ongoing management for each of the portfolio strategies.

Lincoln Financial Group has introduced *YourPath* portfolios, a series of target date portfolios for employer-sponsored retirement plans that use investments offered by American Funds, American Century Investments, BlackRock and State Street Global Advisors.

The portfolios “will be managed along multiple risk-based paths to support a more personalized investment approach based upon financial circumstances and risk tolerance,” a Lincoln press release said. The three available paths are Conservative, Moderate and Growth.

“When selecting *YourPath* as the QDIA, the default criteria will be selected by the plan sponsor,” a Lincoln spokesperson told *RIJ*. “The participant age will default the participants into the correct target date vintage, then the plan sponsor can select the default risk path they find most prudent for their participant population. The participant individually would have the ability to opt into another risk path after reviewing their appropriate risk tolerance.”

The funds in the *YourPath* program will be institutionally priced, Lincoln said. The *YourPath* American Funds Portfolios will range in annual expense ratio from 0.33% to 0.46%, *YourPath* iShares Portfolios will range in price from 0.12% to 0.15%, and *YourPath* American Century/State Street Global Advisors will range in price from 0.44% to 0.55%.

“Unlike standard target date funds driven by retirement age, Lincoln Financial’s *YourPath* portfolios are a more customized solution,” said Ralph Ferraro, senior vice president, head of Product for the company’s Retirement Plan Services business, in the release.

YourPath portfolios will offer an active, passive or hybrid portfolio investment strategy with a stable value asset class to help reduce market volatility. Morningstar Investment Management LLC will provide the glide path, portfolio construction and ongoing management for each of the portfolio strategies, delivering fiduciary support as an investment manager under ERISA 3(38), the release said.

