WHITE PAPER

Income Connectivity 1.0

Making Lifetime Income More Accessible by Utilizing Seamless Connectivity

MICRUITY

Foreword and Contents

Welcome to Income Connectivity 1.0, which we like to describe as the phoenix from the ashes of antiquated pension plans. This new model has emerged as a direct result of the collective need for more financial stability in retirement. It's also an innovative way of harnessing technology to power today's retirement plans. In short, Income Connectivity 1.0 is the new, better approach to long-term security.

A recent study by T. Rowe Price surveying defined contribution consulting firms found that retirement income solutions will grow the most in 2021. This comes as no surprise as the SECURE Act, which passed at the end of 2019, has provided favorable legislation for lifetime income products. With the ability for plan sponsors to add income to their RFPs, industry players are scrambling to determine which product will best prepare plan participants for retirement.

So, what is the best choice? It depends, but lifetime income products that are seamlessly connected make the best case. Here's why: lifetime income products differ from traditional 401(k) assets because they require demographic information. When the person is still working and saving, demographic and transactional data gives them a more accurate snapshot of the retirement income they can expect. However, this data is set on a journey — first held at a recordkeeper, then to a life insurer, and back to the recordkeeper. Factor in asset managers, managed account providers, calculation engines, and any other third-party needed to power the illustration of, purchase of and ultimate payment of lifetime income and it has the potential to get messy, to say the least. There is no shared standard for communicating the demographic and transactional data among all the stakeholders. As an industry, we need to harness a model of seamless and secure data transfer to power these products, which are vital to the financial wellness of today's workforce.

Micruity is doing just that.

We are the data infrastructure for the communication of defined contribution plan participant data among life insurers, asset managers, recordkeepers, and other third parties. We're often referred to as the Plaid for 401(k)s, the DTCC for Institutional Income, or the Back-Office of the DB-ization of DC plans. In reality, Micruity was born out of the collective consciousness of the stakeholders we support, because their goal is to help DC plan participants have a more secure and predictable retirement. They just needed a solid integration and operations solution for product administration.

For the last two quarters of 2020, Micruity worked with Franklin Templeton, LGIMA, TIAA, another tier 1 life insurer, and a top 5 recordkeeper by AUM — the "Contributors" — to to create a foundation for a product agnostic data sharing system to power lifetime income in defined contribution plans.

The result? Income Connectivity 1.0 – a lifetime income standard that will help recordkeepers who are adding these products, consultants and advisors who are positioning lifetime income to plan sponsors, and other product manufacturers who depend on ease of implementation.

Mike Westhoven
Head of Product, Micruity

"The idea of creating a central network makes the story easier for plan sponsors and recordkeepers because it takes the specs out of the equation."

— Drew Carrington, Franklin Templeton

Change Is in the Air: The DB-ization of DC Plans

For much of the 20th century, a pension plan was not only an employee benefit, it was perceived as a right. Many workers — probably most workers — planned their retirement around a guaranteed monthly paycheck from their former employer. But DB plans, more commonly known as pension plans, did not survive the leap into the 21st century. It is rare for a retiree to have a pension benefit in today's environment and the new generation of workers likely don't even know what a pension plan is. Defined contribution plans have become the standard tool to financially prepare for retirement.

In truth, DB plans were incredibly valuable beyond just the guarantee. A DB plan provided security to participants while they were still working, it provided confidence when folks retired, and it provided a low-touch experience.

Can a DC plan do all these things? At Micruity, we believe it can, but it won't be as simple as annuitizing a portion of a plan participant's assets at retirement. To build security, instill confidence, and to create a frictionless user experience, the industry needs to be thoughtful about the products they offer.

Consider an investment vehicle that provides a drawdown strategy to get a plan participant from retirement to age 85, when they start to receive a monthly paycheck from an insurer. Compared to a DB plan, this approach offers:

- **Security** — the projected outcomes can be clearly communicated
- **Confidence** — by sticking to the spending schedule, they get to the known guarantee
- **A seamless user experience** — including education, ease of purchase for the guarantee, ongoing communication of the drawdown strategy and insurance guarantee

However, this approach fails if the model doesn't deliver the intended results. At Micruity, we believe Americans deserve simple and secure solutions that provide financial confidence in retirement.

Fortune 500 Companies With Open Pension Plan

23%

Compared to 96% in 1998

Total 401(k) Plan Assets

$6.5T

Compared to $1.7T in 2000

Assets Owned by 401(k) Participants over 50

63%

36% of total participants are over 50

Active 401(k) Plan Participants

58M

98% continued contributing in 2020

The Natural Progression of the 401(k)

Today's 401(k)s have four times the assets as they did in 2000. Most of this growth began following the passing of the Pension Protection Act of 2006 (PPA). The PPA included three pieces of legislation that were key to the growth of the 401(k): auto-enrollment, auto-escalation, and enabling Target-Date Funds (TDFs); balanced funds; and managed accounts to be QDIAs (the investment vehicle that participants are automatically enrolled into). 2006 truly marked the next phase of 401(k)s.

Target-Date Funds were a natural progression because they offered an easy, one-size-fits-all solution to move plan participants from growth assets in their earlier years to low volatility assets closer to retirement. TDFs enabled everyone to put their 401(k) plan on auto-pilot. However, recent studies show that one-dimensional TDFs are not the best option for all plans and certainly not for all participants. Experts agree that TDFs work well for simple retirement scenarios, but for those with complex retirement needs a more individualized solution is needed, including products like managed accounts, which come in many different flavors and which can leverage more data points to guide a 401(k) portfolio.

Since the SECURE Act passed in 2019, we've seen a whole new wave of income products come to market. These products offer everything from the drawdown strategy discussed earlier, to funds that incorporate a stop-loss on assets during market downturns. Individualized solutions and lifetime income are the bedrock of the 401(k) progression. They are the next (next) generation of 401(k)s. Let's dive deeper to see why.

The Complete 401(k) Picture in 2021 and Beyond

The TDF approach will be a key investment vehicle for years to come, but technologically it is already a relic. TDFs were part of the DB-ization of DC plans because they improved plan participants' experience and better prepared them for retirement. But today's market demands more.

Look at retail banking and insurance, which has changed drastically over the last 10 years. From companies like Robinhood that democratized personal investing, to full-stack digital insurers like Lemonade, success has stemmed from the ability to access, aggregate, and validate data in real-time. We are now seeing similar demand for data accessibility in the institutional space. A managed account is a target date "portfolio" with a personalized glide path based on data from the recordkeeper, payroll, brokerage accounts, and any other sources that help to illustrate the needs of the plan participant. Instead of looking at a plan participant's date of birth and automatically placing them into a TDF Vintage, a managed account supplemented by the additional data sources could include a questionnaire around risk appetite, for instance. Technology is making the data more accessible and provides the tools to harness that data.

Now, let's add the lifetime income component to our digital personalized TDF. Income can come in a variety of forms — wrapped (GMWB), stop-loss (FIA), and lifetime income (SPIA, DIA, QLAC). For all of these, plan participants have more security during accumulation and confidence at retirement. However, creating an easy user experience within these forms is nearly impossible — and/or will require large upfront costs and won't be replicable for the next 401(k) plan.

The DB-ization of the DC plan requires replicating the key aspects that improve the lives of plan participants. Refer to **Figure 1.** We currently do not have a scalable solution to replicate the DB value in a DC plan. The plan participant user experience in a TDF and managed account is seamless, but lacks security and confidence because there is no decumulation support. Alternatively, when you add income to these investment vehicles, you need solutions for calculating the income, turning on the income, portability of the income, and interfacing with the income.

This is where Micruity comes in.

	Security	Confidence	User Experience
Pension Plan	+	+	+
TDF	–	–	+
Managed Account	–/+	–	+
Managed Account w/ Income	+	+	–

Figure 1: Product comparisons to pension plan benchmark without a central network

Micruity: The Data Clearing Standard

We spent the last quarter of 2020 with the Contributors building the foundation of an intelligent data routing hub that will serve the collective need for connectivity in our space. As a collaborative cross-industry team, we dissected various questions posed by the Contributors through one-on-one and group working sessions. Ultimately, we worked through product aspects such as how to unitize annuities with a changing per unit price to look and feel like institutional asset management, and different ways to connect managed accounts and whether to leverage their data or to envelop them. Each query began with a question and through multiple iterations resulted in an operating model powered by the Micruity data infrastructure.

Micruity's infrastructure is designed to seamlessly and securely move data between 401(k) stakeholders using our proprietary Micruity Advanced Routing System (MARS™) core operating system. Based on the work with our Contributors, it became clear that the MARS system would power three key tasks: translation, identification, and selection.

Translation is the first step and last step. At Micruity, we understand that not all stakeholders are at the same place on their digital journey. For example, a recordkeeper may want to use the SPARK data standard shared via SFTP, and a life insurer may want to do their pricing via API. Micruity is meticulous about mapping a stakeholder's data sharing method to our native data form. So, we translate the data on the way in and on the way out for easy implementation.

The next key task is **identification**. Each 401(k) plan will have a unique identity (the Plan ID.) The Plan ID can be mapped to the Plan Participant ID and the Product ID. It is this identification that ensures the product path is identified, and that the plan participants' past transactions are taken into account to power new transactions and to provide updated guarantees or crediting rates back to the recordkeeper.

The last feature is the **selection** engine. This engine is very important to the asset managers who incorporate multiple insurers, or for insurers that track participant transactions into specific buckets. Whether it is multiple quotes on a specific product or ensuring that withdrawals in an FIA are mapped back to the same bucket, the Micruity selection engine ensures the products operate according to the needs of the plan sponsor utilizing the strategy.

By combining the three key tasks, product providers can define their operating model through access to the MARS intelligent system — and the provider's unique path enjoys the operational benefits of data sharing.

Enabling Participants to Maintain Guarantees

Working with our project team Contributors, we identified another key task for supporting the evolution of 401(k)s: participant portability. Portability is key for opting in or out of an income product at retirement, supporting a participant leaving the plan and keeping their income product, and allowing what we refer to as, “the SECURE” portability provision. As a group, we were able to define a way to support all these tasks, for all insurers, via a single connection to a recordkeeper.

When plan participants retire, they will need to decide if they will turn on a lifetime income product. In practice, plan participants eligible to retire will be given a 30-day to 60-day window to make a decision on the income component of their portfolio. During these windows, hundreds or thousands of participants will need to make elections, validate personal information, and complete a contract with an insurer(s). To facilitate this, life insurers build web applications to support the process of initiating IGO contracts. Micruity both supports the initiation of the process, and supplements data via API (or hosts the web application on our cloud servers). To kick things off, the recordkeeper would identify eligible participants. Micruity would then contact participants providing them their personalized URL, which directs them to the specific web application for their product. Once the participant is in the application, using recordkeeper/payroll data, we can validate the member and initiate the single-sitting process for securing income. Each step they complete is tracked and is available to insurers within their CSR tool. By building these tools into the Micruity platform, recordkeepers can trigger multiple products and participants via a single connection.

	Security	Confidence	User Experience
Pension Plan	+	+	+
TDF	–	–	+
Managed Account	–/+	–	+
Managed Account w/ Income	+	+	–
Managed Account w/ Income **w/ Micruity**	+	+	+

Figure 2: Product comparisons to pension plan benchmark with a central network

Benefits of a Central Data Routing System

We can break down the value of the Micruity Advanced Routing System (MARS) into 7 key benefits: simplicity, governance, security, plan portability, access, control and participant portability. The last piece of the puzzle for the DB-ization of the DC plan is universal industry adoption of MARS.

Simplicity

The single connection enables your team to optimize and automate back-office processes. Recordkeepers were excited to learn that all data transfer is done through a single connection for all plans.

Governance

Whether it is an asset manager working within a multi-insurer framework or an out-of-plan annuity purchase engine, stakeholders have the ability to add and remove products as needed to support prudent decision making.

Security

Limiting the amount of connections limits the points where your system can be breached, but it doesn't stop there. Micruity uses an advanced encryption level throughout our platform to keep stored and throughput data safe.

Plan Portability

"You don't get on a cruise because they have nice lifeboats, but you don't get on a cruise without lifeboats." When adding lifetime income, plan sponsors want to know that they aren't tied down to a single recordkeeper or single product. By using Micruity to power your product, plan portability is frictionless for lifetime income products.

Access

A central information-sharing system removes the need for a connectivity discussion as part of the sales call. By focusing the conversations on the benefits of the investment solution, the entire market has one less hurdle for getting product into plans.

Control

The recordkeeper, life insurer, and asset manager dashboard is used to access data for business activities such as producing annual statements, nightly compliance, and underwriting. The data is available 24 hours a day, seven days a week, via the stakeholder's secure key.

Participant Portability

Events like retirement, termination, or taking a product out of a plan will trigger the need for a participant election (to keep or leave their lifetime income.) Micruity supports single-sitting web applications via API or a white-labeled full-service offering to support capturing thousands of IGO contracts in a tight time period.

The True Winners in Tomorrow's 401(k)

We all do this for the benefit of the plan participant and to create value for the paternalistic plan sponsor. However, if we focus on the product providers, the next generation of 401(k)s will be powered by four key stakeholders.

Life Insurers

Role

Life insurers fill the role of making lifetime income accessible. Although some annuities in this space will be used for generating stable returns during the savings phase, there will typically be a lifetime benefit associated with the product.

Objectives

- Access a market where demand for institutionally priced, in-plan, lifetime income products is expected to grow
- Manage long-term assets
- Limit the need for technical resources to operate product
- Decrease the risk of having their data breached

Asset Managers

Role

Many of the products coming to market are investment vehicles that incorporate both a growth and lifetime income strategy. These investment vehicles are built and distributed by asset managers.

Objectives

- Reduce asset leakage at retirement
- Minimize day-to-day lift for operating products
- Limit the need for technical resources to operate product
- No personal identifiable information (PII)

Recordkeeper

Role

Recordkeepers are the source/gatekeeper for all investment communication, guidance/advice, and education. The recordkeeper owns all participant recordkeeping and experience for 401(k) investments, including lifetime income solutions.

Objectives

- Maximize the amount of plan participants on their platform
- Minimize changes to day-to-day operations
- Minimize any non-repeatable development
- Reduce asset leakage at retirement
- Limit the need for technical resources to operate product
- Decrease the risk of having data breached third-party tools

Third-Party Tools

Role

Two primary stakeholders in this realm — managed account technology providers and calculation engines. Both of these parties are key to powering certain lifetime income products because they enable life insurers, asset managers, and recordkeepers to focus on their core competencies while entering a new market.

Objectives

- Access new market with minimal changes to their technology
- Decrease the risk of having their data breached

On the following pages, learn more about what contributors to our first Validation Session are saying about institutional lifetime income and Micruity.

FRANKLIN TEMPLETON

Drew Carrington
Senior Vice President,
Head of Institutional DC

Katie Campbell
Head of US Product Strategy
& Development

"Partnerships are going to be important because none of us can do this all on our own."

—Drew Carrington

Q: What are the key trends you are seeing in the DC market?

A: Right now, there is a focus on personalization and broader financial wellness. For plan sponsors with a finite bandwidth, this cuts two ways as it relates to retirement: Does a plan sponsor focus on student loan repayment or emergency savings? Or, do they focus on things like retirement income? And, when we look at retirement income, there are questions around whether plan participants should be in a target-date fund with an annuity or should the experience be more personalized? All of these discussions are mostly at the manufacturer level now and are making their way into conversations with plan sponsors.

Q: How are these trends impacting the income conversation?

A: There is a divide between whether a target-date solution or a more personalized approach, like a managed account, works better. The discussion mostly boils down to the plan sponsor appetite and plan size. Typically, we see larger companies having more complex benefit structures. Some participants will have a DB plan and others will not. We could see these companies lean away from the target-date fund approach. For a smaller company, a target-date fund solution may work better due to them having a more uniform workforce.

We're seeing lots of different approaches to retirement income being discussed out in the marketplace. Some solutions are simply bolting a guaranteed component onto an existing target date suite of funds. Others are using hedged and buffer approaches to preserve income for retirees as they get closer to retirement age. While others talk about replacing a certain portion of the portfolio's asset allocation with an annuity. There's probably not a one-size-fits-all answer for every investor.

Q: What do product manufacturers entering the income space need to be thinking about?

A: To start, as you think through how current and future generations of the workforce will use the product, make it simple and easy for plan sponsor and participants to understand. Additionally, it needs to be priced competitively. It is not enough for us as manufacturers to say, “Income is hot right now, so we should have an income product”. You actually have to think about what kind of income, how it is going to work, what are the mechanics, what do we bring to the table as a manufacturer that’s unique. Thinking through these will help firms create a product that will highlight the value they add. When it comes to guaranteed income we’re also starting to see more collaboration between different constituents to bring these types of products to life. For example, even for the life insurers and asset managers that have a recordkeeping platform, it would be difficult for them to develop a QDIA with income that will tick all the fiduciary boxes. We all recognize it’s a problem for the average investor that needs to be solved.

Q: How important is a central network like Micruity to the institutional income market?

A: We know that there are related operational tasks for our peers’ products, but with different specs. The idea of creating a central network makes the story easier for plan sponsors and recordkeepers because it takes the specs out of the equation. For example, a plan sponsor can choose to adopt a Franklin Templeton strategy solution and because we use Micruity, or whoever the central network is, they can move to another firm’s strategy without requiring a new build from scratch. This matters to Franklin Templeton and other firms because if a client knows they can change their mind or they could have both, then they’re more likely to do something.

Q: Where do you see income products 5 to 10 years from now?

A: Income products are likely to be ubiquitous in the DC universe. There will be a wide variety of income products out there because we’ve gotten past hurdles such as the administration of the products and ensuring plan participants are utilizing the product effectively. Right now, we spend a lot of time talking about foundational aspects like recordkeeping but eventually we will be able to focus on application. Plan sponsors will spend more time selecting a product or products that are the best fit for their workforce.

Learn more about Franklin Templeton
franklintempleton.com

Learn more about Drew
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Learn more about Katie
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Phil Maffei
Managing Director, Strategic Guaranteed Income Solutions

> "There are going to be some trailblazers who are going to want to design the best 401(k) plan in the industry."
>
> —Phil Maffei

Q: Why is institutional income important?

A: Go back to what the 401(k) plan was designed for. It's a supplemental savings plan to supplement the lifetime income you would get from your DB plan. Great idea, but that's not how the world operates right now. As we continue to move into the future, there are concerns around the solvency of Social Security, public programs are under pressure and DB plans continue to be underfunded and/or get terminated. The 401(k) plan is really going to be the place where almost everybody's retirement income comes from outside of social security. 401(k) plans need to become retirement income plans in order for the American worker to have a better chance of living the lifestyle they'd envisioned in retirement.

There is an increased recognition that the industry needs to do something about this or employers risk having their people not being able to retire effectively because they haven't built up enough balances or Social Security doesn't pay them what they thought it would. The alternative is people working longer and we know that when people work longer, there's an increased cost to the organization both monetarily and culturally, and let's not forget that retiring at later ages can take a toll on the employee and their family. When employees aren't able to retire at the time of their choosing, it doesn't allow other employees to rise in the organization and this can have some real effects on employee morale.

Q: What are the key trends you are seeing in the institutional income market?

A: The biggest thing that we're seeing is a willingness to listen, a willingness to discuss, a willingness to learn. We're hearing about recordkeepers and consulting firms identifying a lifetime income expert or building exploration teams to figure out what lifetime income products exist, what's coming to market, and the features and benefits. Additionally, we're seeing more surveys, questionnaires, and RFPs coming our way on the topic of lifetime income. It's like anything else — if you're hearing a lot about lifetime income and you're in a position where you should know something about it, well, you better start learning about it and doing some analysis so you can become conversant.

You've probably heard me use the DC 3.0 analogy relating to the wave that's predicated on lifetime income, personalization and plan design changes. I'm not the only one saying that the ripple has begun. Discussions with market constituents range from providers like TIAA delivering baseline knowledge to deep technical conversations with consulting firms. We were not having those conversations in this much depth two years ago. The environment has become more conducive to meetings, discussions, and exploration.

Q: How important is a central network like Micruity to the institutional income market?

A: It is crucial. We're not going to get there unless we have centralized ways to broker between recordkeepers, life insurers, and in some cases, asset managers because sometimes the asset management is split off from the guarantor. It would be like trying to put mutual funds on another firm's platform without having the NSCC. Imagine what that would be like today? A central network is going to be crucial and finding the right standard with the flexibility to work across providers, across products, and across recordkeepers is going to be important.

Q: What are the biggest headwinds facing the income space?

A: This may not be the biggest headwind, but I think finding the next generation of retirement plan trailblazers is key. We know some of them, but more will follow. They are going to want to design the best 401(k) plan in the country. Finding these people and nurturing those relationships is very important. I think it's just going to take a couple more key marquee names. Who's the next Kevin Hanney of Raytheon? Who's the next Hugh Penny of Yale University? Those big wins will begin to turn the ripple into a wave.

Education is also important. When we meet with prospects or consultants, the first two or three meetings have nothing to do with products, it's just about education. We focus on describing the various lifetime income product types and their features and benefits as well as dispelling some annuity myths. We also focus on how the power of risk-pooling can deliver better outcomes. Following that, we can focus on our offering.

Q: Where do you see income products 5 to 10 years from now?

A: I see a world in which we are starting to talk about the 401(k) plan as a retirement income plan that is intentionally designed to provide income replacement, a "paycheck in retirement" or "personal pension" if you will. These plans will provide options that deliver sustainable, predictable income that can never be outlived. Following the SECURE Act, the requirement for a lifetime income quote on participant statements is going to change the dialogue for people over the next five to ten years. By looking at the 401(k) as a retirement income plan, the race to the bottom on fees may be replaced with a race to add value. There is significant value that most employees can derive from a lifetime income product versus a 3% or 4% systematic withdrawal. In the future, we will be able to better quantify that value to the plan and to the participant so they can make the most informed decisions. Fifteen years ago, could anyone have predicted all the good that target-date funds would do for employees? I see a future where the same will be said for lifetime income products inside DC plans one day.

Learn more about TIAA
[tiaa.org]

Learn more about Phil
[Connect on LinkedIn]

LGIM America

Rob Capone
Head of Defined Contribution

"With connectivity being improved, the ability to create all sorts of innovative income products is going to be really exciting."

—Rob Capone

Q: Why is institutional income important?

A: The problem occurs once someone has hit their targeted retirement date, has moved through the accumulation phase and is at or near retirement. Retirement wealth planning is much harder because, unlike accumulation (which really just has one target of helping participants save the right amount of money), decumulation can have a range of different desired outcomes (that may constantly be changing) that reflect different retiree goals. Decumulation requires more outcome-oriented thinking in more compartmentalized ways, and we need to have products available that address these changing needs.

In addition, individuals face a different set of risks in retirement. Retirement income products are important because they can help address these risks, some of which haven't been considered in accumulation products, such as mortality or drawdown risk.

Q: What are the key trends you are seeing in the DC market?

A: Conversations seem to be shifting from target date funds to managed accounts and income-oriented solutions. This change isn't happening overnight, but the conversations are leaning to more individualized investing at the 401(k) plan level and solving for specific outcomes that are tied to retirement concerns. We don't think target-date funds are going to go away altogether anytime soon. We believe the hybrid QDIA model makes good sense: A model in which a target-date fund on the front end is used to reach accumulation goals, and a focused income-oriented product (similar to a managed account) is introduced closer to retirement. This combination allows participants the ability to start thinking about their retirement objectives more clearly, ultimately leading to each individualized strategy.

Similarly, discussions around creating better cross-over options between traditional wealth plans and retirement plans are gaining traction. Annuities and managed accounts are the nexus of this convergence. Unlike target date funds, annuities and managed account platforms are better equipped to help advisors communicate retirement outcomes. With these strategies, advisors can help individuals decide which outcome best fits their individual situations.

Q: What are the biggest headwinds facing the income space?

A: Partnerships. One thing we've learned is that you can have the best product anyone has ever seen but if you can't partner with multiple organizations to communicate and distribute it to the market, it won't see the light of day. In the DC environment, this includes getting recordkeepers to agree with these retirement income solutions as being integral to their platforms, so that potential clients can adopt them quickly and easily. In addition to recordkeepers, it is important to get advisors' and consultants' buy-ins and approvals, as they are critical decision influencers. You want them to advocate by saying, "These products should be in front of our clients." If you can't put those pieces together, the product will simply sit on the shelf.

However, underlying these conversations is the need for a common dialogue across the industry for these products so partnerships can be easily forged. The most logical common ground is to build a consistent platform for these discussions. The more familiar the terms and descriptions of retirement income products become to industry cohorts, the easier it will be for these solutions to gain adoption across the market and down to participants.

Q: How important is a central network like Micruity to the institutional income market?

A: The greatest obstacle in this space has much to do with the administration and operations of these products. It will be difficult to become broadly successful if everyone is pushing independent platforms. We believe the best analogy to retirement income products is managed accounts. Managed accounts have been growing over time, but it's not as if managed accounts are ubiquitous across all platforms in the same way. They generally require more of an administrative lift than traditional funds, and income products are definitely going to require that same type of administrative work. We think both markets are hopefully prime for evolution, as data becomes easier to connect, creating more synergy between retirement options. That is what will be required to innovate in our industry.

Q: Where do you see income products 5 to 10 years from now?

A: We are at a precipice from which the flood of retirement income products is likely to be coming soon. With connectivity being improved, the ability to create all sorts of innovative income products is going to be really exciting. These new ideas are talked about in every conference and are talked about in various ways. And, not coincidentally, retirement income solutions are what is becoming focus, as more and more plan sponsors and retirees seek options that make retirement more enjoyable.

Learn more about LGIMA
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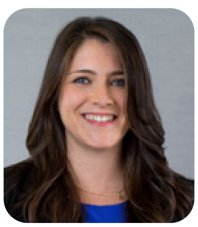
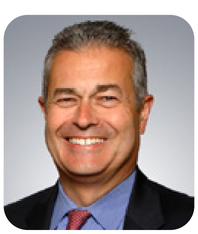
About the Contributors

Drew Carrington leads Franklin Templeton's DC business within the U.S. institutional large market. He's responsible for presenting the firm's capabilities, as well as understanding and communicating the complex, evolving regulatory landscape of DC plans. Mr. Carrington has over 30 years' experience in the institutional investment field, holds the CFA and CAIA designations, and graduated with a bachelor of arts degree from Harvard University.



As vice president and head of the U.S. Product Strategy and Development team, **Katie Campbell** is responsible for driving the development of innovative product ideas on behalf of Retail, Institutional, Defined Contribution, and Insurance channels. Since joining Franklin Templeton, Ms. Campbell has been specifically engaged in the firm's Retirement Income and Multi-Asset solutions product innovation efforts.

Phil Maffei leads TIAA's Strategic Guaranteed Income Solutions team. He and his team are responsible for designing, manufacturing, and managing institutionally priced, in-plan fixed annuity, stable value, and related lifetime income products. He has 27 years of experience with two major insurance companies overseeing and promoting guaranteed income products. He joined TIAA in 2007.



As the Head of Defined Contribution at LGIM America, **Rob Capone** helps grow the firm's footprint and capabilities within the industry. In addition, he owns the DC strategic planning efforts, focusing upon both market-based and outcome-oriented solutions. Rob earned a BA in Economics and an MBA from Dartmouth College.

About Micruity

Our Goal

People deserve a secure and reliable retirement income. As the industry continues to create exciting lifetime income products that will give employees the confidence they need to retire comfortably, Micruity represents the collective consciousness of these stakeholders by providing a seamless and reliable operating infrastructure.

About Us

We believe Defined Contribution ('DC') plans should be more than wealth accumulation plans.

Workers depend on their employers for health benefits, insurance, and savings tools. As employers take on a bigger role in people's financial wellness, retiree financial support is a big part of the picture.

Lifetime income products and retiree financial wellness go hand-in-hand. And to create accessible retirement income security, you need the expertise of life insurers, asset managers, DC recordkeepers, and third-party tools. And, they all need to communicate with each other.

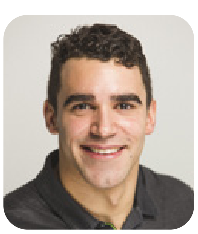
Leveraging the Micruity team's expertise in plan design, DC product development, and FinTech technology, we have developed data rails to provide seamless and secure connections to enable stakeholders to share information to power the pensionization of the DC plan.

Mike Westhoven

- Integrated multiple institutional income products across a dozen recordkeeping platforms
- 20+ years in the insurance industry specializing in retail and institutional annuities, including Genworth Financial
- MBA, Virginia Commonwealth, B.Sc. Aerospace Engineering, University of Notre Dame
- Semi-pro tennis player

Vanessa Khuong

- Focused on machine learning and data analysis
- B.Sc. Statistics Specialist, University of Toronto
- An entrepreneur at heart who favors the startup world



Trevor Gary

- 5+ years of pension legislation, human capital M&A and pension risk transfer experience, including Senior Consultant on Deloitte Pension Actuarial Team
- B.A. Economics and B.Sc. Applied Mathematics, McMaster University
- Captain of National Championship Varsity Football Team, McMaster University

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