

Meet The Target Date Team

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Andrew Dierdorf: That's right, you think about the target environment today and clearly for a lot of plan sponsors selecting a target date fund and evaluating and targeting funds more important than ever in terms of their responsibilities, big part of our responsibility is to ensure that the sponsors and participants are getting what they need and we're helping them achieve successful outcomes.

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Brett Sumsion: We take that commitment very, very seriously. And I think that's led us to build an investment process that's world class that breaks down the different investment elements and investor and plan sponsor elements into their respective pieces and tries to drive repeatable outcomes for our shareholders.

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Andrew Dierdorf: And our process is very oriented towards helping someone achieve a goal. And we think of the goal as helping someone maintain their standard of living in their retirement years. So it's a lifetime goal in a lot of ways in our research and our process is oriented towards that type of outcome. I think if Fidelity we have a lot of access to information about how the investors save, how they use the funds. We have deeper investor knowledge than many other providers. And day to day, you and I spend a lot of time talking about the capital markets and thinking about capital markets research and what might happen in the future that's different than the past. So the capital markets, in dealing with uncertainty through our investment process, is kind of central to our investment approach.

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Brett Sumsion: And there's two basic building blocks, if you will, of the strategies. There's the strategic benchmarks and the glide path elements which are focused on the secular drivers, the long term drivers of capital market outcomes. And then there's the active machinery, both the active allocation and the active securities selection. Both pieces work together to drive good outcomes for the shareholders, but have very different time horizons. The strategic elements are focused on 20 year outcomes, 20 year plus outcomes, whereas the active allocation and active security solutions focused on more cyclical horizon.

Andrew Dierdorf: The one to five year end of the process of building the glide path. Diversification is one of the first principles that comes to mind, because diversification, I think, in a lot of ways is we believe that the best way to protect yourself against future uncertainty because we can't forecast the future perfectly.

Brett Sumsion: And so as a result, you diversify across asset classes that you believe are going to pay you a risk premium over time, that you're going to earn a return for over time. And in doing that, depending on someone's stage of life, whether they're younger investor or whether they're an older investor entering retirement, the principle of diversification is still meaningful and important no matter where you are in that life cycle.

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Andrew Dierdorf: Our strategy is not static in nature. It's ongoing and evolutionary. And I think it's important to evolve as the capital markets evolve. So as those secular drivers of long term outcomes are changing, we'll adjust the asset allocation from time to time to reflect that kind of research. So I think about our day to day responsibilities and making sure these strategies are the best they can be for our investors and plan sponsors. And you feel the passion, the dedication, the commitment from the resources around us and the organization around this to to make sure that our target date funds deliver outcomes for investors in the future.

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