Best Practices in Target Date Benchmark Construction

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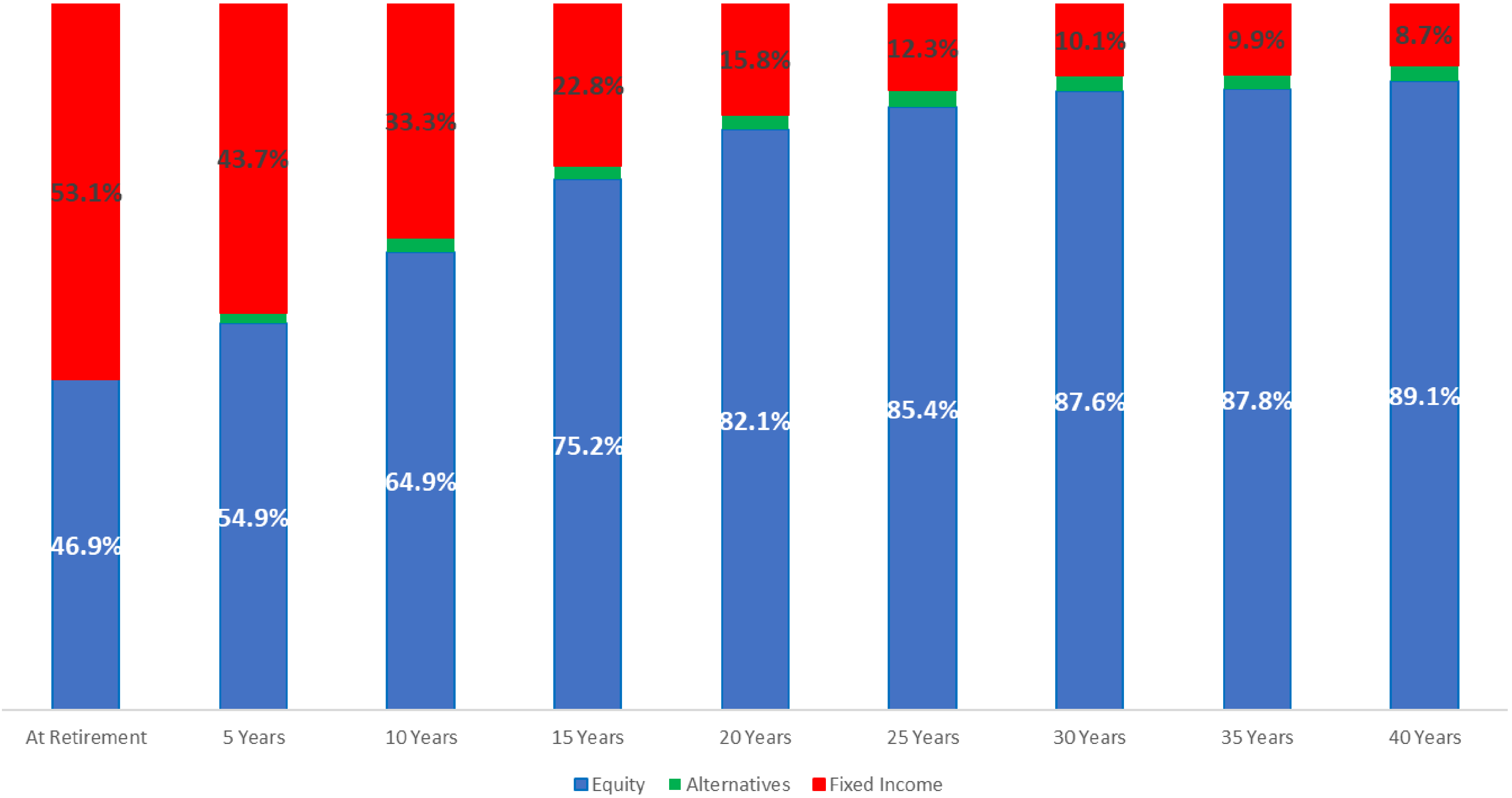
S&P Dow Jones Indices
A Division of S&P Global

SPDJI Target Date Benchmarks – Benefits

- **Market leader** for target date benchmarks in the US and expanding globally
- **Flexibility** in glidepath construction, asset class/sub-asset class mix, inclusion of alternatives.
- **Transparent** and **straightforward** methodology available online
- Methodology can be adjusted for **any regulatory environment**

Example Glidepath: S&P Methodology



Source: S&P Dow Jones Indices LLC. Data as of June 2, 2025. Index performance based on returns in USD. Past performance is no guarantee of future results. Chart/table is provided for illustrative purposes.

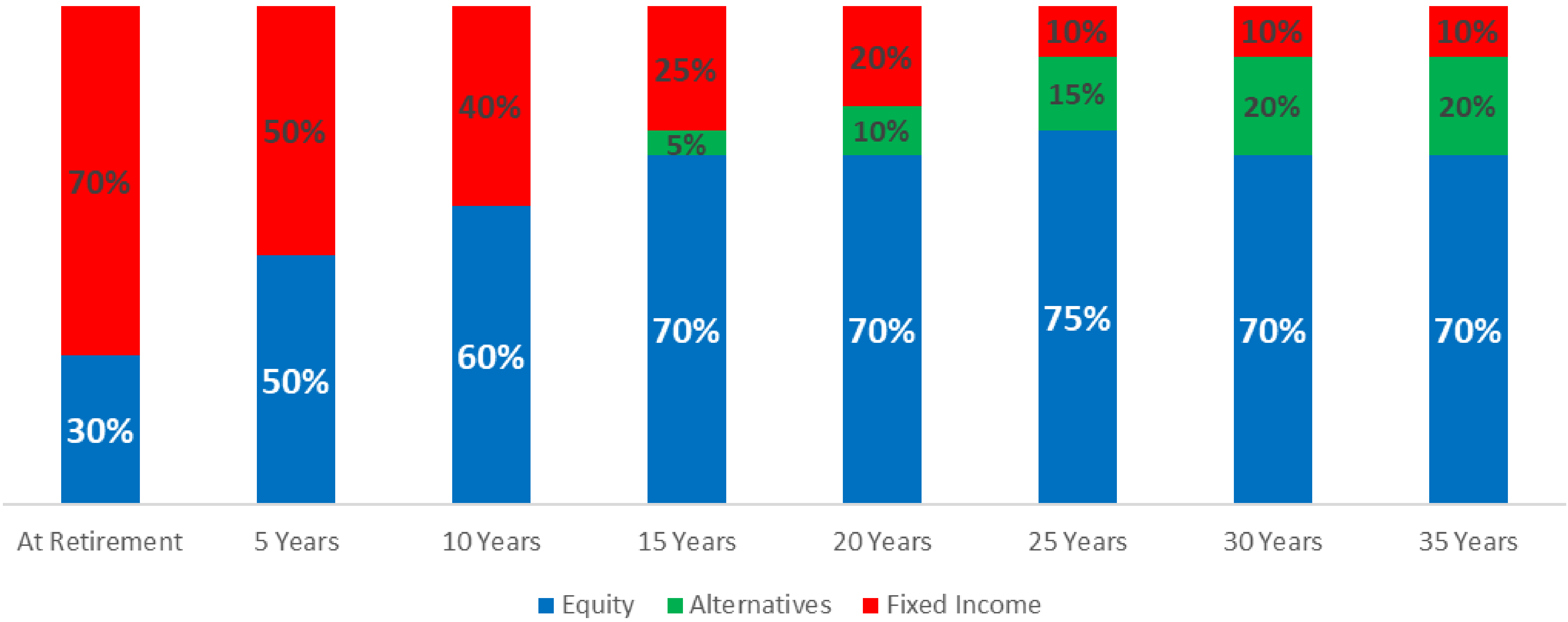
How to Build a Target Date Benchmark

- **Glidepath:**
  - Choose method of glidepath construction (market consensus, index methodology, or a combination)
  - Select asset class mix at retirement.
  - Determine rate of de-risking.

- **Asset Class Selection:**
  - Inclusion of alternatives, at what level, and for how long?

- **Sub-Asset Class Selection:**
  - Select appropriate sub-asset classes for ideal risk/return profile within regulatory boundaries and local preferences.

Example Glidepath: Hypothetical Concept



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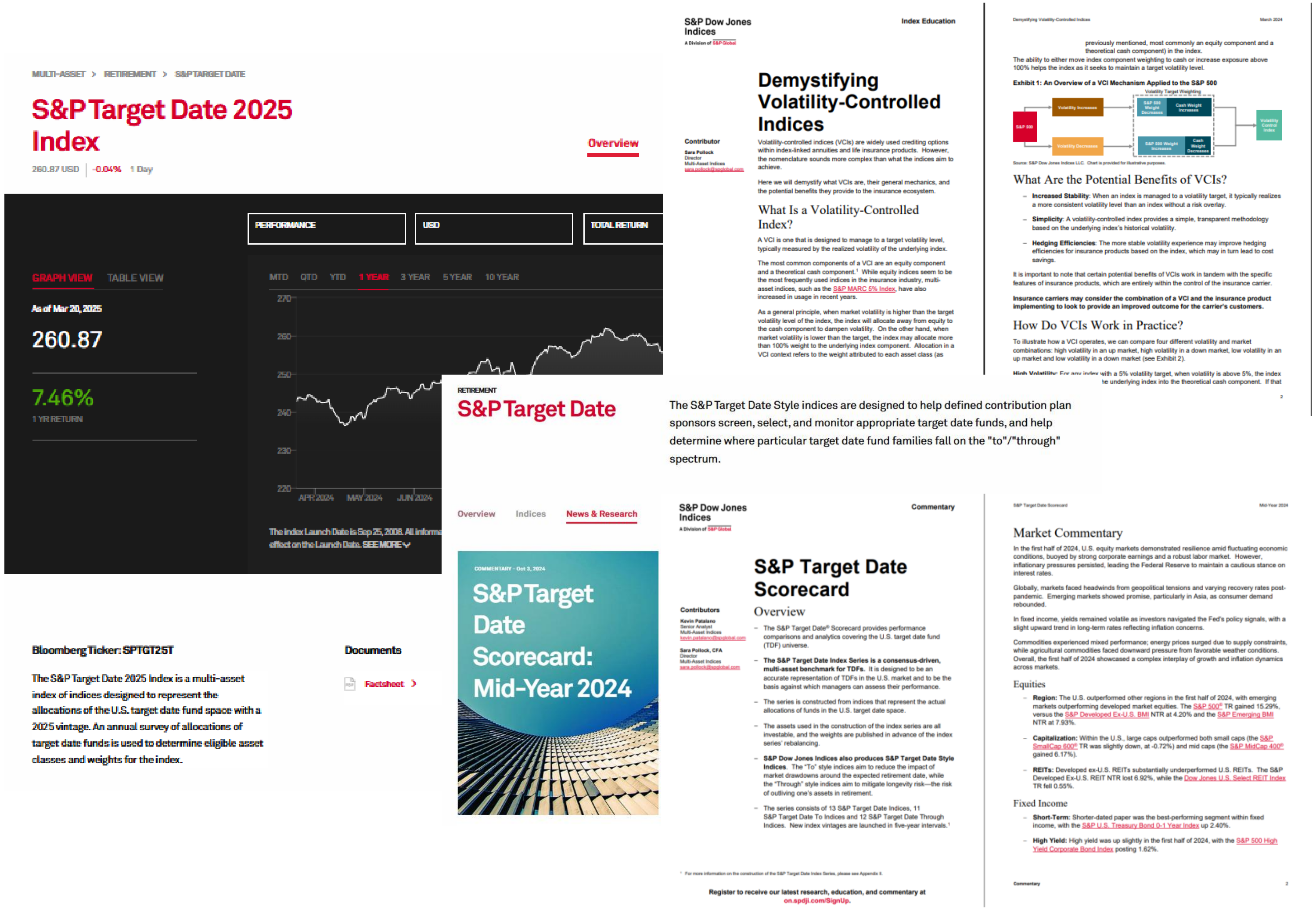
Client Resources/Education

- Dedicated index webpages featuring:
  – methodology
  – fact sheet

- Materials to distill target date strategies or highlight recent performance trends
  – Semi-annual Target Date Scorecard
  – Indexology Blog posts
  – Potential educational materials



Appendix

Building a Glidepath: Overview

1. Asset allocation via ***market consensus***
2. Asset allocation via ***consistent mathematical derisking***
3. Asset allocation via a combination of ***both***

Sub-Asset Class Mix Example

Current S&P Target Date Sub-Asset Classes:

Asset Class	Index Name
U.S. Large Cap	S&P 500
U.S. Mid Cap	S&P 400
U.S. Small Cap	S&P 600
International Equities	S&P Developed Ex-U.S. BMI
Emerging Market Equities	S&P Emerging BMI
U.S. REITs	Dow Jones U.S. Select REIT
International REITs	S&P Developed Ex-U.S. REIT
Core Fixed Income	S&P U.S. Aggregate Bond Index
Cash Equivalents	S&P U.S. Treasury Bond 0-1 Year Index
TIPS	S&P US Treasury TIPS Index
High Yield Corporate Bonds	S&P 500 High Yield Corporate Bond Index
Commodities	S&P GSCI

Source: S&P Dow Jones Indices LLC. The S&P Target Date To 2010 Index was discontinued effective June 5, 2016. The S&P Target Date To 2015 Index and the S&P Target Date Through 2010 Index were discontinued effective June 10, 2022. For more information, please see the S&P Target Date Indices Methodology.

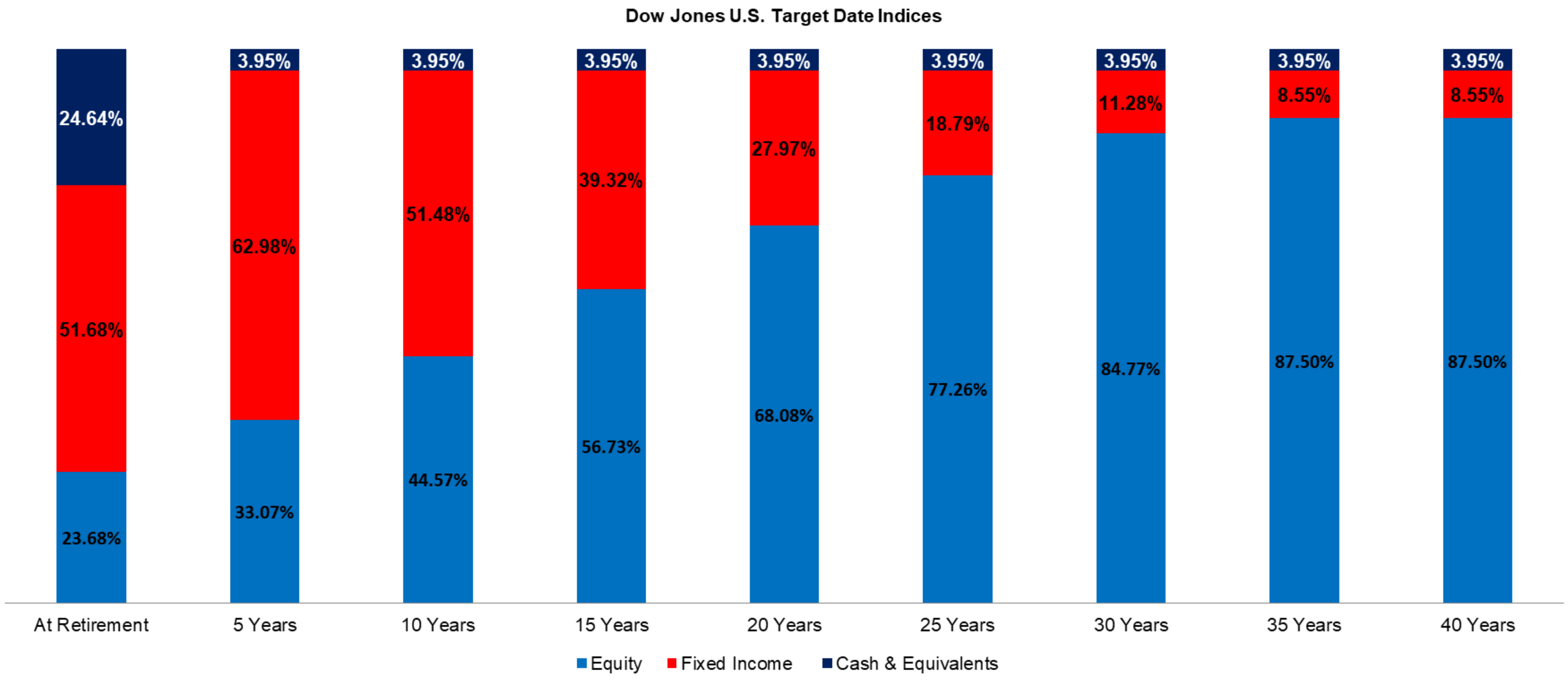
Sub-Asset Class Mix Example

Current Dow Jones Target Date Sub-Asset Classes:

U.S. Series
Dow Jones U.S. Stock CMAC Index
Dow Jones U.S. Large-Cap Growth Index
Dow Jones U.S. Large-Cap Value Index
Dow Jones U.S. Mid-Cap Growth Index
Dow Jones U.S. Mid-Cap Value Index
Dow Jones U.S. Small-Cap Growth Index
Dow Jones U.S. Small-Cap Value Index
S&P Bond Composite – U.S. Index
S&P U.S. Government Bond Index
S&P U.S. Dollar Global Investment Grade Corporate Bond Index
S&P U.S. Mortgage-Backed Securities Index
S&P Cash Composite – U.S. Index
S&P U.S. Treasury Bill 0-3 Month Index

Source: S&P Dow Jones Indices LLC. The S&P Target Date To 2010 Index was discontinued effective June 5, 2016. The S&P Target Date To 2015 Index and the S&P Target Date Through 2010 Index were discontinued effective June 10, 2022. For more information, please see the S&P Target Date Indices Methodology.

Example Glidepath: Dow Jones Methodology



Source: S&P Dow Jones Indices LLC. Data as of Sep. 15, 2025.. Index performance based on returns in USD. Past performance is no guarantee of future results. Chart/table is provided for illustrative purposes.

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Performance Disclosure/Back-Tested Data

All information presented prior to an index's Launch Date is hypothetical (back-tested), not actual performance, and is based on the index methodology in effect on the index launch date. However, when creating back-tested history for periods of market anomalies or other periods that do not reflect the general current market environment, index methodology rules may be relaxed to capture a large enough universe of securities to simulate the target market the index is designed to measure or strategy the index is designed to capture. For example, market capitalization and liquidity thresholds may be reduced. In addition, forks have not been factored into the back-test data with respect to the S&P Cryptocurrency Indices. For the S&P Cryptocurrency Top 5 & 10 Equal Weight Indices, the custody element of the methodology was not considered; the back-test history is based on the index constituents that meet the custody element as of the Launch Date. Complete index methodology details are available at spglobal.com/spdji. Back-tested performance reflects application of an index methodology and selection of index constituents with the benefit of hindsight and knowledge of factors that may have positively affected its performance, cannot account for all financial risk that may affect results and may be considered to reflect survivor/look ahead bias. Actual returns may differ significantly from, and be lower than, back-tested returns. Past performance is not an indication or guarantee of future results.

Please refer to the methodology for the Index for more details about the index, including the manner in which it is rebalanced, the timing of such rebalancing, criteria for additions and deletions, as well as all index calculations. Back-tested performance is for use with institutions only; not for use with retail investors.

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