

Plan re-enrollment: Help participants get on the right track

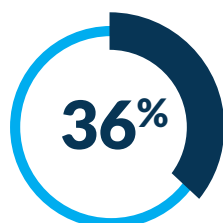


Industry challenge: Leaving investment allocation decisions to participants

Stadion researched 1,700 plans with over 55,000 participants¹ where Stadion receives current and prospective participant data to gain a better understanding of participant allocation decisions. While there may be unknown factors justifying certain allocations, Stadion found that participants who allocate their retirement investments on their own may find themselves invested either too conservatively or too aggressively based on their individual factors and the S&P Target Date Index.

Stadion research

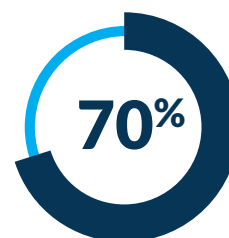
Participants need help allocating their retirement investments



of do-it-yourself (DIY) investors in Stadion plans either have a 0% or 100% equity exposure²

Industry research

Many participants want professional investment help



of participants agree that a financial professional could do a better job of managing their retirement assets³

Solution: Re-enrollment into a personalized QDIA is the path forward

We believe implementing a plan re-enrollment into a personalized Qualified Default Investment Alternative (QDIA) can improve retirement outcomes versus leaving asset allocation decisions to participants.



Personalized retirement investing

Participants receive a personalized allocation without requiring engagement.



Help participants stay the course

Investment professionals monitor participant accounts and base investment changes on a disciplined approach, not emotions.



A QDIA protects against investment performance liability

Plan sponsors receive safe harbor protection for participants enrolled in the QDIA.⁴

Impact of re-enrollment

Stadion randomly selected 75 non-Stadion participants from active plans to illustrate the impact of a QDIA re-enrollment into Stadion's managed account. We applied our historical usage rates post re-enrollment.⁵

~70%
of participants are defaulted into a Stadion managed account during a re-enrollment⁵

Chart 1: Before Re-enrollment

Allocations to equities may be wide-ranging despite participants' proximity to retirement. These allocations often fall outside of an age-appropriate range.

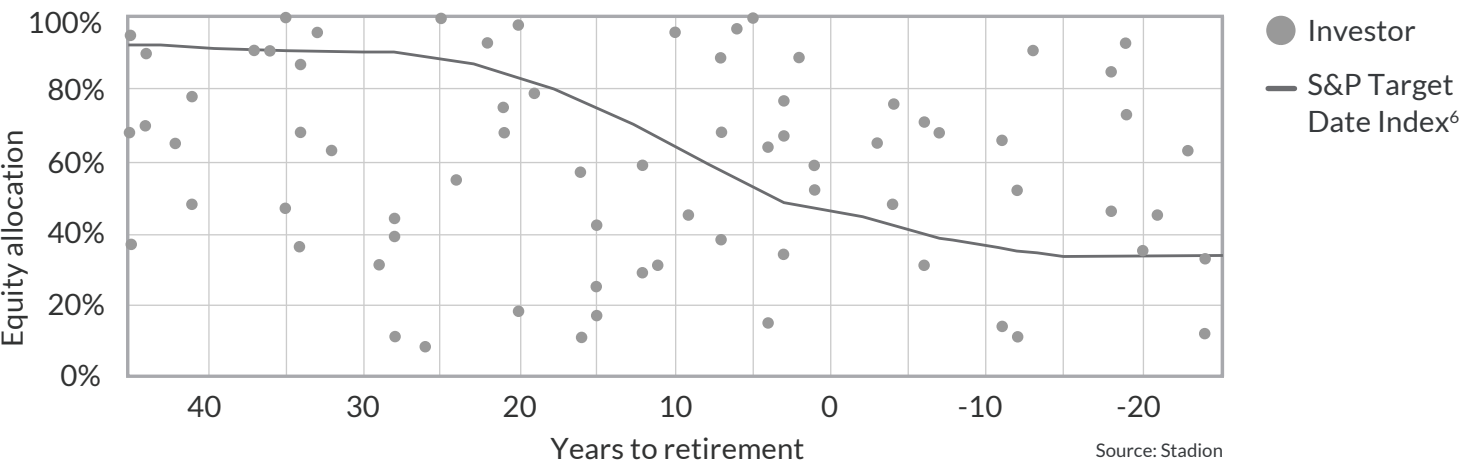
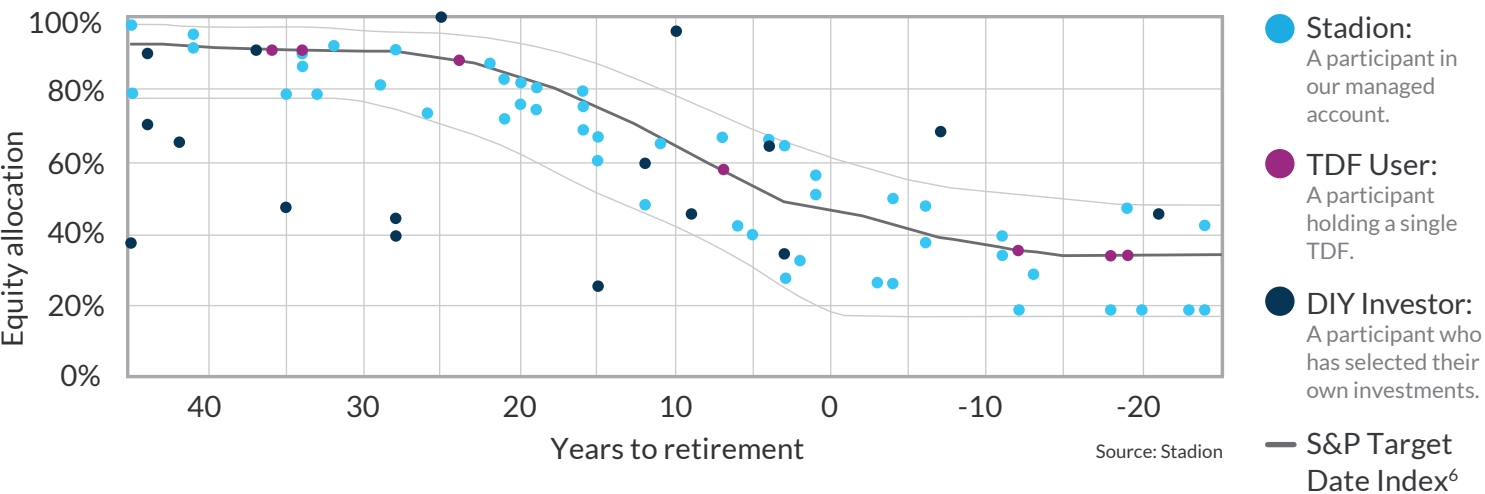


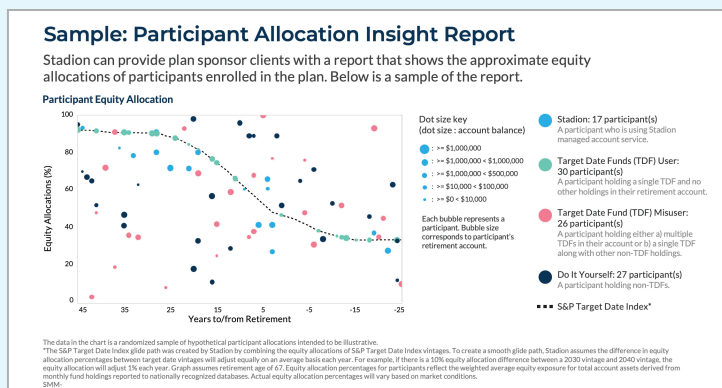
Chart 2: After re-enrollment into a managed account

After re-enrollment more participants become invested in the plan's managed account QDIA, which typically brings them to more age-appropriate levels of equities. The updated allocations and participant categories are a result of historical usage rates on plans where participants are re-enrolled and Stadion is the QDIA.



Request a Participant Allocation Insight Report

Stadion can provide their clients with a Participant Allocation Insight Report. Contact your Stadion representative or email us at advisorsupport@stadionmoney.com to request a report.



Sample report, for illustrative purposes only.

Glossary

Plan re-enrollment - Participants are notified that if they choose to not make their own investment decisions, their existing assets and future contributions will be invested into the plan's Qualified Default Investment Alternative (QDIA). Participants who want to continue managing their own account can opt out of the re-enrollment process.

About Stadion

Founded in 1993, Stadion is an investment management firm that provides custom solutions to retirement plan advisors, plan sponsors, and participants.

- 1 Data derived from 1,732 retirement plans offering StoryLine to 55,022 participants. The participants represented have a retirement account balance greater than \$100 and are between the ages of 20-85. Stadion data as of June 30, 2025.
- 2 DIY investors are prospective Stadion clients whose employers have made Stadion's managed account services available as the plan's QDIA or opt-in. The DIY investors in Stadion plans have either a rounded 0% or rounded 100% equity exposure. Equity allocation percentages for DIY Investor and StoryLine investor reflect the weighted average equity exposure for total account assets derived from monthly fund holdings reported to Morningstar. Actual equity allocation percentages will vary based on market conditions. The graphics only represent plan participants from recordkeepers who make current and prospective Stadion participant data available. As such, certain Stadion participants and all Stadion hired participants are not represented in the graphics. Prospective Stadion participants are participants who select their own investments. Stadion data as of June 30, 2025.
- 3 401(k) Managed Accounts: A Misunderstood Value Proposition, Cerulli Associates sponsored by Edelman Financial Engines. May 2024.
- 4 Plan sponsors must satisfy all QDIA notice requirements to receive the safe harbor.
- 5 Stadion data as of June 30, 2025. Based on Stadion QDIA plans sold since January 2020 for recordkeepers who provide Stadion with total participant count in the plan. For the data set described in footnote 1, QDIA utilization is ~70%, TDF User is ~9%, and DIY is 21%.
- 6 The S&P Target Date Index glide path was created by Stadion by combining the equity allocations of S&P Target Date Index vintages. To create a smooth glide path, Stadion assumes the difference in equity allocation percentages between target date vintages will adjust equally on an average basis each year. For example, if there is a 10% equity allocation difference between a 2030 vintage and 2040 vintage, the equity allocation will adjust 1% each year. The S&P Target Date Index Series is composed of eleven multi-asset class indices, each corresponding to a particular target retirement date. The asset class mix for each index is determined once a year through a process designed to reflect the overall investment opportunity of the represented markets. Each index is fully investable, with varying levels of exposure to equities and fixed income. To create its target date benchmark, S&P Indices conducts an annual survey of target date funds each year in April using: (i) Funds are identified as Target Date funds from the Morningstar or Lipper databases and sorted by asset size. Fund families not meeting the minimum asset threshold of US \$100 million are removed. (ii) Fund holdings are drawn from the latest period available using commercial databases and the SEC's Edgar web site. (iii) Asset class exposures for the funds are derived by mapping the fund holdings to their corresponding asset class category. It is not possible to invest directly in indexes which are unmanaged and do not incur fees. Each target date allocation is created and retired according to a pre-determined schedule related to the relevant target date.

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