

State Sponsored Retirement Programs

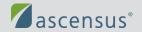
Building the Right Investment Options



California Secure Choice Board October 24, 2016

Presentation Points

- Introduce our relevant corporate history and experience
- Selecting the investment
- Best-in-Class Vision
- Summary



Ascensus Has Broad Service Provider Expertise

401k Plan Admin

Plan On-boarding

401k documents and forms

Partner Relations

Trading

Reporting & Testing

Participant Servicing

ERISA Compliance

Plan Billing

IRA establishment documents & transaction forms

Proprietary form generation software

Automated required IRA reporting support for IRS & individuals

Market-recognized compliance services

Market-recognized IRA education for financial professionals and consumers

Customer Identification & OFAC Compliance

Integrated Platform:

- Branded Website

- Customer Servicing

- E-delivery capabilities

- Mobile device enabled

Investment Lineup & Trading / Cash / Recon

Plan Audits

State Reporting & Confirms / Statements

State Relationship Management Team

529 Program Docs

AML Compliance

MSRB Reporting

529 Tax Reporting

Gifting / Match

529 Plan Marketing

Ascensus Retirement

Ascensus College Savings



Auto-IRA Capability Uses Best-of-Breed Features

State-Based Program Capabilities

IRA establishment documents & transaction forms

Proprietary form generation software

Automated required IRA reporting support for IRS & individuals

Market-recognized compliance services

Market-recognized IRA education for financial professionals and consumers

Customer Identification & OFAC Compliance

Integrated Platform:

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Ascensus Retirement

Ascensus College Savings



Targeted Investments

For up to three years following the initial implementation of the program, the board shall establish managed accounts invested in United States Treasuries, myRAs, or similar investments.

- US Treasuries/myRA
 - Principal protection/ extremely low growth rates
- Stable-Value Funds
 - Focus on conservation of principal/low growth rates
 - Gain market experience
- Target Date Funds
 - Focus on life of IRA holder
- Larger portfolio mix in the future

CASC needs an open-architecture that allows for initial conservative offerings, but then allows more investment options WITHOUT processes that are complex and hard to understand.



Our Vision for a Best-in-Class Program

- Program administrator excellence
 - Educational, user friendly employee / employer websites
 - Ensure compliance with Federal IRA regulations
 - Highly efficient customer service
 - Scalable, dedicated open-architecture recordkeeping platform
 - Ability to evolve with the program (e.g., investments, regulations)
- Long-term exposure to the equity market to drive account growth
 - Early years could default to state-mandated investment
 - Offer target-date funds that can be proactively selected
 - Auto-roll assets/future contributions into target date funds after 3 years
 - MyRA will force rollovers out at \$15,000
- One plan per state/one account per person to drive efficiencies
- State leadership in program communications, with the support of an administrator



Summary

- Ascensus will leverage its winning formula in Retirement and College Savings administration to offer an optimal California Secure Choice solution
 - Our IRA expertise is well-known and respected in the industry
 - Our 529 experience is very applicable to this new market
 - Our differentiators:
 - Not tied to a single investment manager
 - High quality service
 - Experience working with states
 - Scalable, effective technology solution
- A best-in-class CASC program will feature a highly efficient technology platform which can be fine-tuned for rollout through a well-designed pilot effort
- CASC's extensive requirements effort has positioned the upcoming program for success with potential administrators

