



PROSPECT/CLIENT NAME

CAPTRUST Daily Pension Tracker

Date

Advisor Name

Advisor Title



CAPTRUST DAILY PENSION TRACKER



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The CAPTRUST Daily Pension Tracker (CDPT) provides an accurate and daily diagnosis of pension plans, which allows plan sponsors to make prompt investment decisions to de-risk pension liability.

The tool helps plan sponsors take a more proactive approach to managing the funded status of pension plans, efficiently and systematically reducing volatility, and immunizing pension liability.



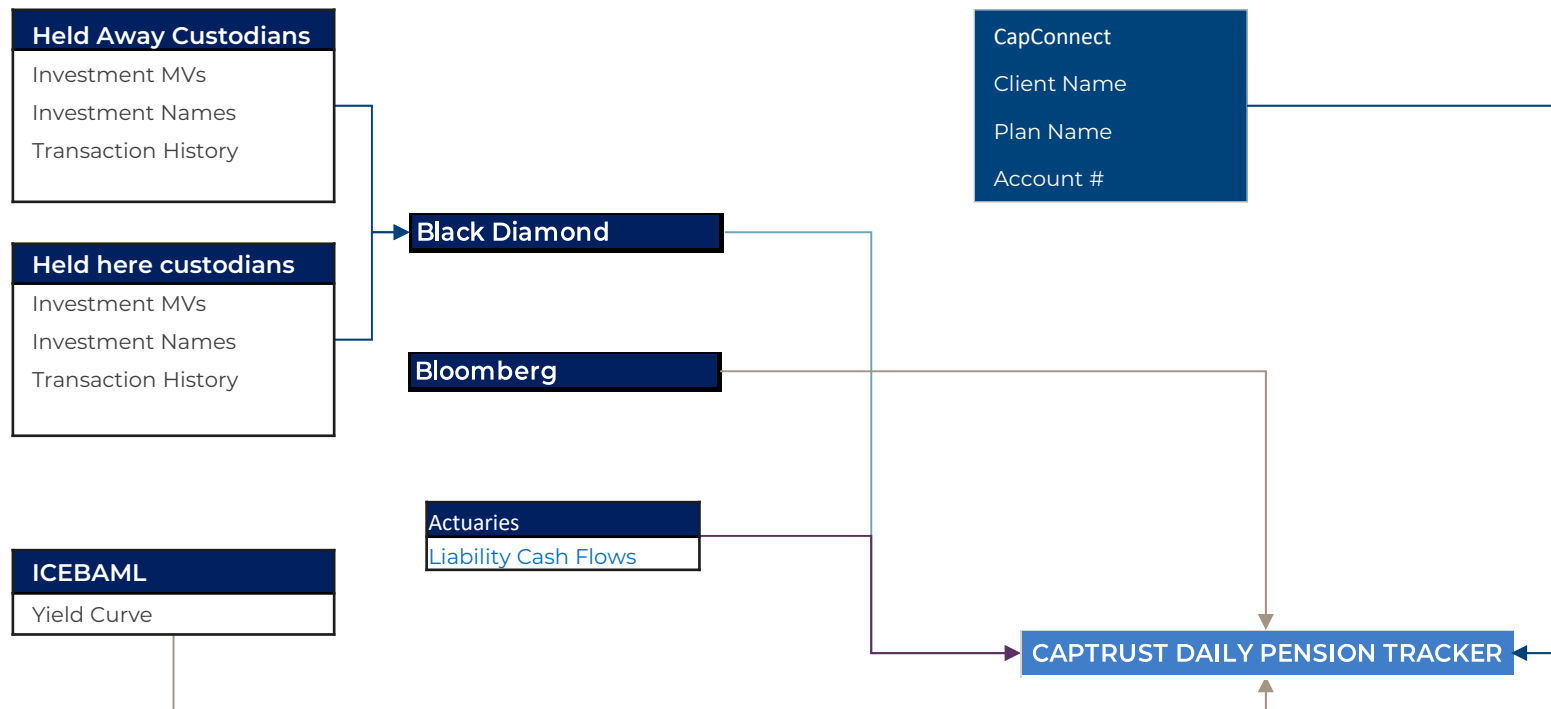
WHO BENEFITS FROM THE TOOL?

- Open, closed, or frozen pension plans
- Pension plans with an asset allocation policy tied to the funded status (glidepath)
- Plan sponsors seeking to:
 - Monitor the implementation of liability-driven investment strategies
 - Manage the cash flow from annuity payments, lump sums, and the Pension Benefit Guaranty Corporation (PBGC) to minimize cash drag and maximize investment exposure
 - Monitor disclosure information as the fiscal year-end approaches (updating cash flow liabilities, Form 5500s, etc.)
 - Monitor portfolio drift from investment policy targets



HOW DOES IT WORK?

- The CDPT pulls daily market data (like bonds from Merrill Lynch and the Federal Reserve) and other pension information to run calculations and projections.
- Using the data, CDPT estimates daily discount rates, funded status, portfolio drift, and cash availability, then automatically informs CAPTRUST of any changes.
 - Note that the estimated daily discount rate is based on publicly available daily interest rate indicators that track well to pension plan benefit payment patterns.
- Plan sponsors can customize the pension dashboard to their specific needs.



3(38) CAPABILITIES: DAILY MONITORING

When we act as your fiduciary, we agree to prudently manage your plan and work in the participant's best interests.

1. Tracks plan portfolio values daily
2. Tracks plan-specific liability duration daily
3. Tracks glidepath changes daily
4. Tracks plan funding ratios daily
5. Tracks plan-specific investment solution duration daily*
6. Tracks incoming/outgoing cash flows daily
7. Tracks portfolio drift from tactical and strategic asset allocation targets daily
8. Tracks Defined Benefit (DB) Growth collective investment trust (CIT) portfolio values daily
9. Tracks DB Growth CIT Portfolio drift from tactical and strategic asset allocation targets daily

* Daily duration monitoring depends on the frequency of updates on fund-specific duration from Morningstar and fund managers.



DEFINED BENEFIT PROOF STATEMENT

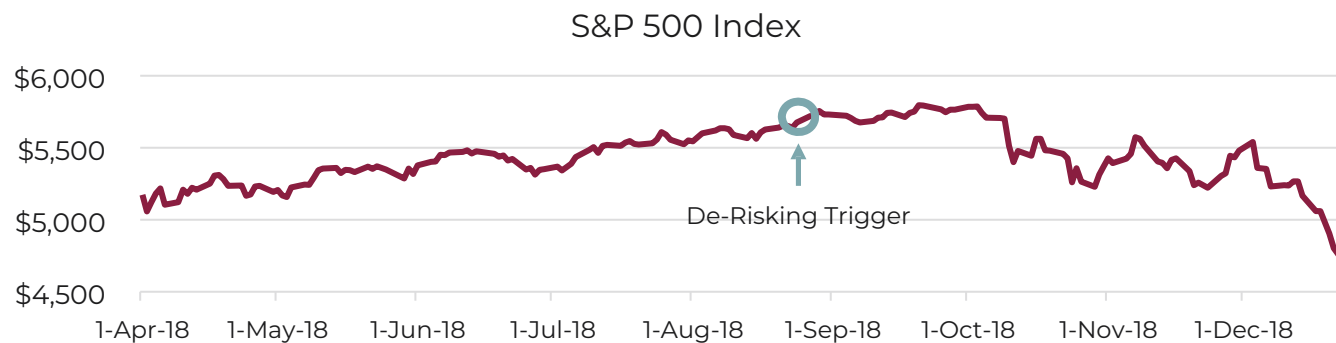
Pension Management: Daily Liability Monitoring

Situation

- Defined benefit plans implement dynamic investment policies which de-risking portfolio allocations as the funding shortfall decreases.
- There are two primary market factors that affect a plan's funding ratio: interest rate movements and market returns.

Solution

- CAPTRUST created a monitoring methodology to capture de-risking opportunities based on daily market fluctuations and daily market-rate yield curves.
- This liability monitoring tool enables plans to make decisions on daily improvements in funding, rather than wait for a quarter-end trust statement or annual liability valuation.
- On August 30, 2018, our tool signaled a de-risking opportunity for a plan to which we consult.
- As a result of CAPTRUST monitoring, the plan sponsor reallocated assets from equities to fixed income, reducing plan funding risk



Outcome

After the de-risking trigger on August 30th, the S&P 500 Index lost 13.0% by the end of the year.

3(38) CAPABILITIES: FUTURE ENHANCEMENTS

1. Quarterly attribution tracking will help identify funding improvement indicators (e.g., liability cash flows, interest rate changes, actuary assumptions, investment performance)
2. Enhanced breakdown of cash flow data by cohort (active, term-vested, vested, retiree)



3(21) CAPABILITIES: MONITORING CAPABILITIES

1. Tracks plan portfolio values quarterly
2. Tracks plan-specific liability duration daily
3. Tracks glidepath changes on a monthly basis
4. Tracks plan funding ratios daily*

*Quarterly plan portfolio values are integrated with daily benchmark performance to estimate daily portfolio values. This data is used to calculate daily funding ratios and identify plans that need additional review prior to making any proactive trading decisions.



3(21) CAPABILITIES: UPCOMING ENHANCEMENTS

1. Daily plan portfolio market value feeds
2. Enhanced breakdown of cash flow data by cohort (active, term-vested, vested, retiree)



CONTACT US

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For more information about our firm, please visit our website [captrust.com](https://www.captrust.com), or contact us toll-free at 800.216.0645.

As retirement specialists, we welcome the opportunity to design a customized program to ensure that you effectively meet your fiduciary obligations, efficiently manage your corporate assets, and successfully prepare your loyal employees for a comfortable retirement.

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