PRI PENSION RESOURCE INSTITUTE

QDIA POLICY: BALANCED FUNDS

This QDIA Policy is a sample designed to illustrate criteria that may be relevant to support fiduciary decisions relating to the selection, monitoring and/or replacement of an appropriate QDIA. Should the plan committee decide to adopt this sample QDIA Policy, it may do so by having a Responsible Plan Fiduciary sign below:

Adopted by:

Plan Fiduciary:

Plan name:

Signature:

X

Date:

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Franklin Templeton Distributors, Inc.
One Franklin Parkway
San Mateo, CA 94403-1906
(800) 530-2432
franklintempleton.com

QDIA TYPE: The plan committee evaluated the following types of QDIAs: 1) Group-Based Investment Products; 2) Individually-Based Investment Services; and 3) Individually-Based Investment Products. Based upon the following considerations, the committee determined that **a group-based investment product (i.e., a balanced fund) is an appropriate QDIA for participants of the plan as a whole**:

☐ Employee ages and incomes are "grouped" within a narrower range;

☐ Defaulted participants are capable of determining when to allocate funds to more conservative investments over time; and/or

☐ Changes to employee demographics can be readily monitored.

RISK TOLERANCE: The plan committee evaluated investment products with varying degrees of equity exposure and the ages and incomes of participants of the plan as a whole and determined:

☐ The majority of participants are younger and/or highly compensated—warranting a more moderate or aggressive QDIA; or

☐ The majority of participants are older and/or not highly compensated—warranting a more conservative QDIA.

INVESTMENT STYLE & PERFORMANCE: The plan committee evaluated investment products with varying investment strategies and performance and determined:

- The principal strategies and risks of the investment product are appropriate for participants of the plan as a whole and capable of being monitored on an ongoing basis; and
- The performance of the investment product over a (select one) three-, five-, or _____ year period meet the criteria of the plan's investment policies.

FEES AND EXPENSES: The plan committee evaluated the fees and expenses the investment product and determined:

- The expense ratio is reasonable based upon industry averages, long-term performance and the value of services provided.

All investments involve risks, including possible loss of principal.

Your clients should carefully consider a fund's investment goals, risks, charges and expenses before investing. To obtain a summary prospectus and/or prospectus, which contains this and other information, please call Franklin Templeton Retirement Sales Department at (800) 530-2432. Your clients should carefully read a prospectus before they invest or send money.