

Innovative Indexing Approach to Manage Uncertainty of Retirement Income Launched by S&P Dow Jones Indices

S&P STRIDE Index blends the process of wealth creation with the need to mitigate uncertainty of in-retirement income

New York, January 25 2016: In response to the need for income focused benchmarks within defined contribution plans, **S&P Dow Jones Indices** (S&P DJI) has announced the launch of the [S&P Shift To Retirement Income and DEcumulation \(STRIDE\) Index](#) series. The S&P STRIDE Index series are a multi-asset class solution designed to transition from growth assets to a hedged stream of inflation-adjusted retirement income based on target retirement dates. **Dimensional Fund Advisors** worked collaboratively with S&P DJI to develop the glide path, inflation hedging, and duration hedging techniques used in these indices.

Each S&P STRIDE index consists of an allocation to a group of indices covering global equity, global fixed income and U.S. Treasury Inflation-Protected Securities (TIPS). Allocations are determined by five-year increments of target date years to cover a full life cycle of accumulation, defined as working years, and decumulation, defined as retirement years.

"As life expectancy increases and plan participants depend more on their retirement plan balances to generate income, the development of benchmarks addressing these trends are key to serve as the basis for investment solutions," says **Philip Murphy, Vice President of North American Equity Indices at S&P Dow Jones Indices**. "We are pleased to roll-out S&P STRIDE, a new generation of indices that incorporates both pre-retirement asset growth and post-retirement income needs, a unique combination unseen in traditional retirement benchmark strategies."

"The goal for many people saving for retirement is to maintain a standard of living in retirement. For these individuals, one relevant risk to manage is the uncertainty of how much retirement income their balances can afford. This uncertainty is driven by changes in interest rates and inflation," says **David Booth, Chairman and Co- Chief Executive Officer at Dimensional Fund Advisors**. "The S&P STRIDE Index series represent a significant step forward in the design of target date indices, because they manage relevant risks facing participants saving for retirement. I believe these indices provide plan sponsors, consultants, and financial advisors with a better benchmark to understand how well prepared plan participants are to maintain their desired standard of living in retirement."

"Sustainable income flow, not the stock of wealth, is the objective that counts for retirement planning," says **Robert C. Merton** Resident Scientist, Dimensional Holding, Inc. and School of Management Distinguished Professor of Finance at the MIT Sloan School of Management.

To learn more about the S&P STRIDE Index Series, [access the research paper here](#).

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

About S&P Dow Jones Indices

S&P Dow Jones Indices LLC, a part of McGraw Hill Financial, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®, S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of investors. More assets are invested in products based upon our indices than any other provider in the world. With over

1,000,000 indices covering a wide range of asset classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

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Robert C. Merton provides consulting services to Dimensional Fund Advisors LP.

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