The Future is Female:

Are you prepared?

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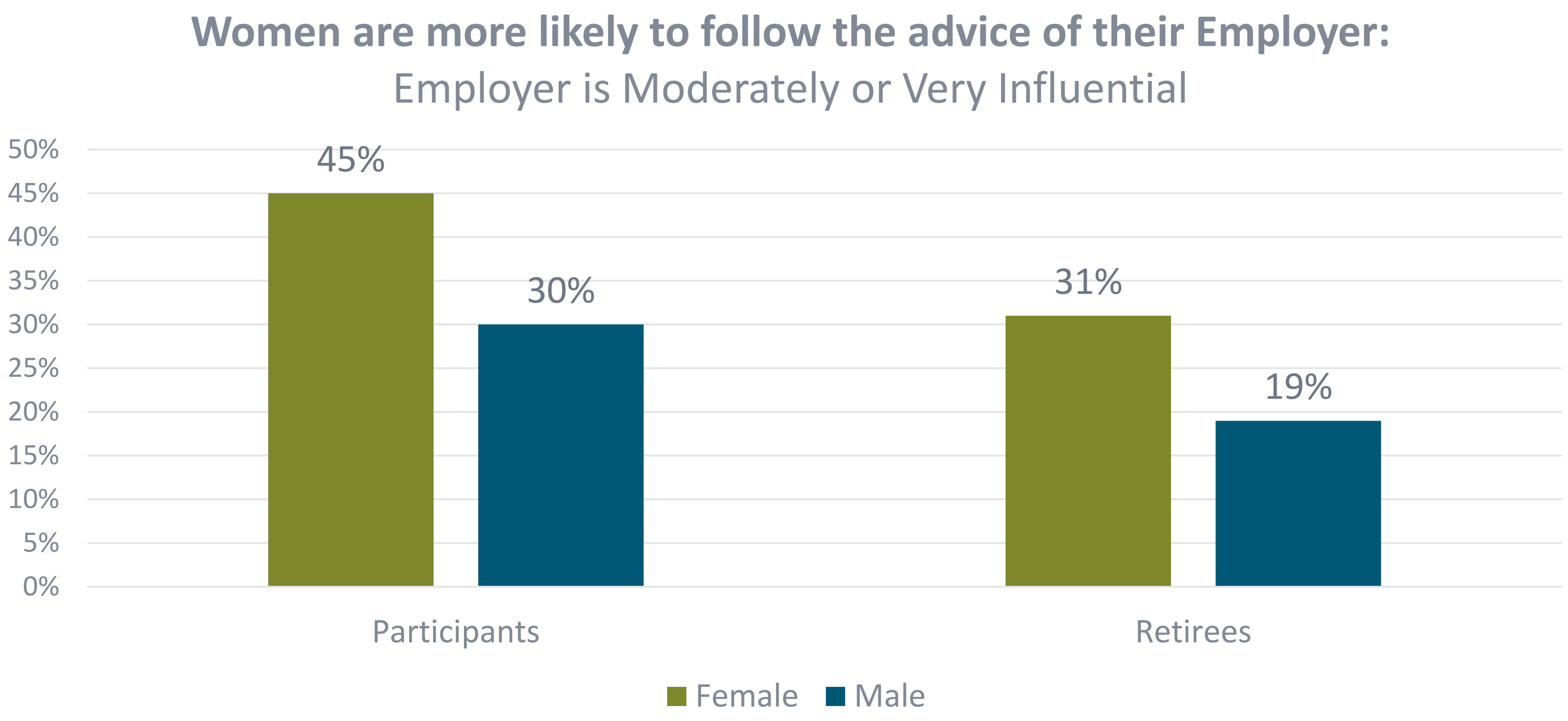
47% of the workforce today is female[1]

And we're willing to listen



[1]Source: 1948-2016 annual averages, Current Population Survey, U.S. Bureau of Labor Statistics
Chart Source: MFS Retirement Income Survey, 2018. See page 33 for methodology.

Employers have significant influence over retirement saving and investments decisions.

38% of plan sponsors are looking to switch their plan's advisor

The key reasons cited for wanting to change advisors were:

- a need for a more knowledgeable advisor;
- too many servicing issues with their recordkeeper; and
- not enough support for employee education requirements.

Survey summary: The eRewards panel from Research Now, an independent market research company, conducted an online survey of 1,106 plan sponsors on behalf of Fidelity during February and March 2017. Respondents were identified as the primary person responsible for managing their organization's 401(k) plan (with at least 25 participants and $10 million in plan assets), and the survey focused on those plan sponsors (890, or approximately 80%) using the services of a financial advisor or plan consultant. Fidelity Investments was not identified as the survey sponsor. The experiences of the plan sponsors who responded to the survey may not be representative of those other plan sponsors who use the services of an advisor.

Use this as an opportunity to win more business

The 1950's

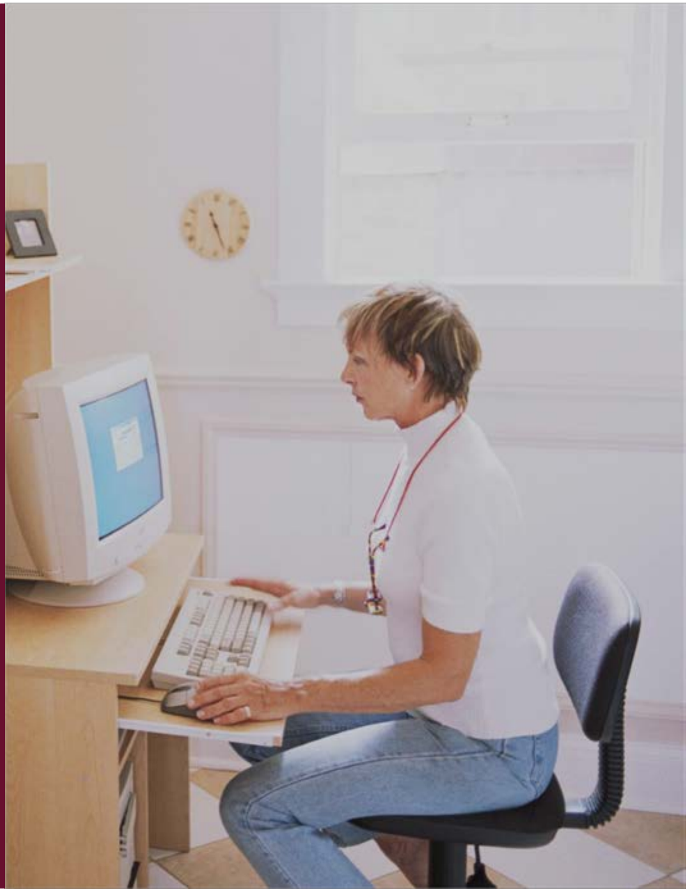
The Good Housewife

Image from an actual 1950's high school economics textbook.

Boomers

(1946 – 1964)

- What keeps them up at night?
  - Money in motion
  - Social Security
  - Health care



Women retirees are more reliant on Social Security and Defined Contribution plans as a source of retirement income

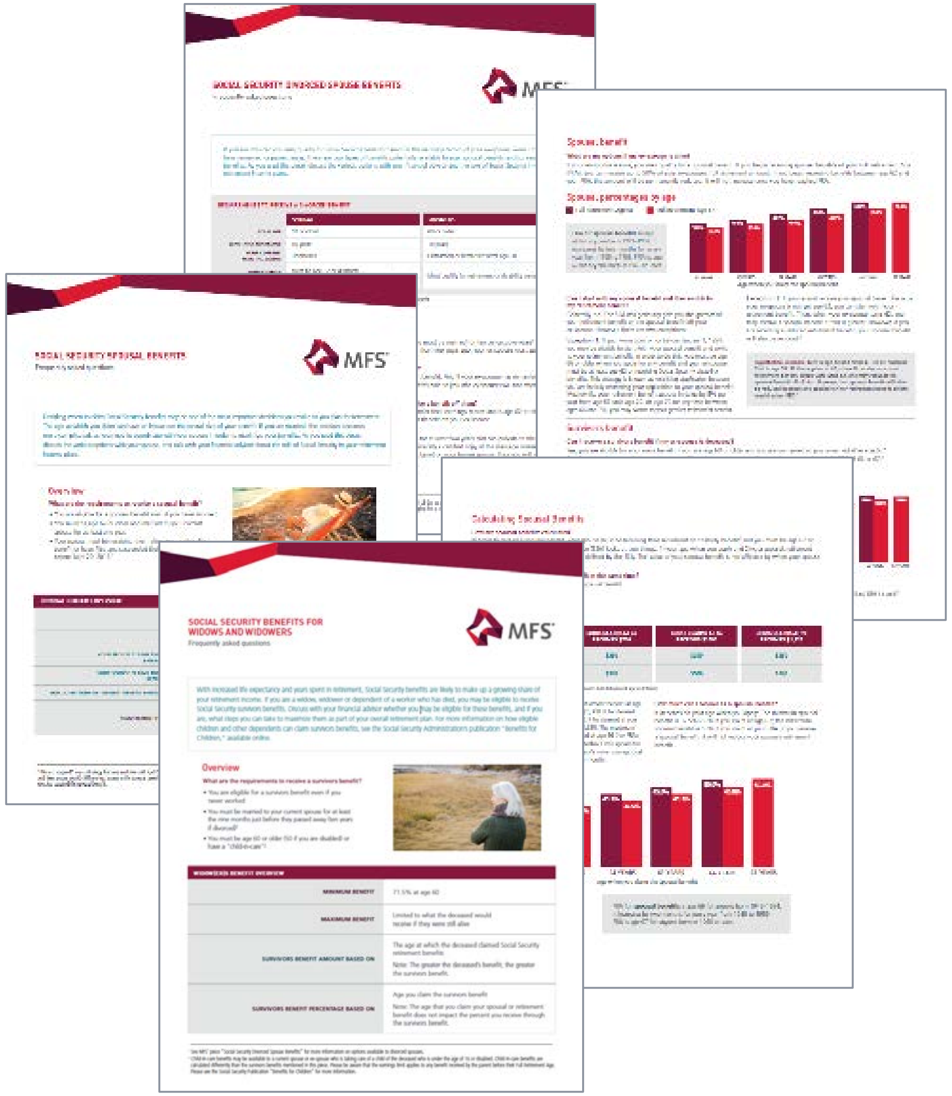
- A recent MFS survey of plan participants and retirees showed that women have less access to a defined benefit plan, and more reliant than men on a DC plan and Social Security for retirement income[1]
- 82% of current beneficiaries who are dually entitled to survivor benefits and their own retirement benefits would have received a higher monthly benefit amount if SSA had informed them of the option to delay their retirement application until age 70[2]

[1]Source: MFS Retirement Income Survey, 2018. See page 33 for methodology.
[2]Office of the Inspector General, Social Security Administration. Audit Report: Higher benefits for dually entitled widower(ers) had they delayed applying for retirement benefits, February 14, 2018

Finding the most effective way to maximize the income potential of Social Security and DC plans will be critical for women.

Action steps

Baby Boomers



Longevity risk

The value of your advice

Where does your income fall?			
Bracket	Modified Adjusted Gross Income (MAGI) (Individual)	Modified Adjusted Gross Income (MAGI) (Married)	Average Cost Increase
1st	$85,000 or less	$170,000 or less	-
2nd	$85,501 - $107,000	$170,001 - $214,000	36%
3rd	$107,001 - $133,500	$214,001 - $267,000	92%
4th	$133,501 - $160,000	$267,001 - $320,000	148%
5th	$160,000 or more	$320,000 or more	202%

Source: Social Security Administration which governs Medicare, 2017.

We cost more

Assuming both retire at age 65

Female	Amount
Current Age	55
Life Expectancy	89
Just Medicare Premiums and Out Of Pocket Costs	$491,169
Additional Cost	**$116,790**

Male	Amount
Current Age	57
Life Expectancy	87
Just Medicare Premiums and Out Of Pocket Costs	$374,379

The woman will spend an **additional $128,600** in her last 4 years of life while she is alone. That does not include Long Term Care which she is likely to need!

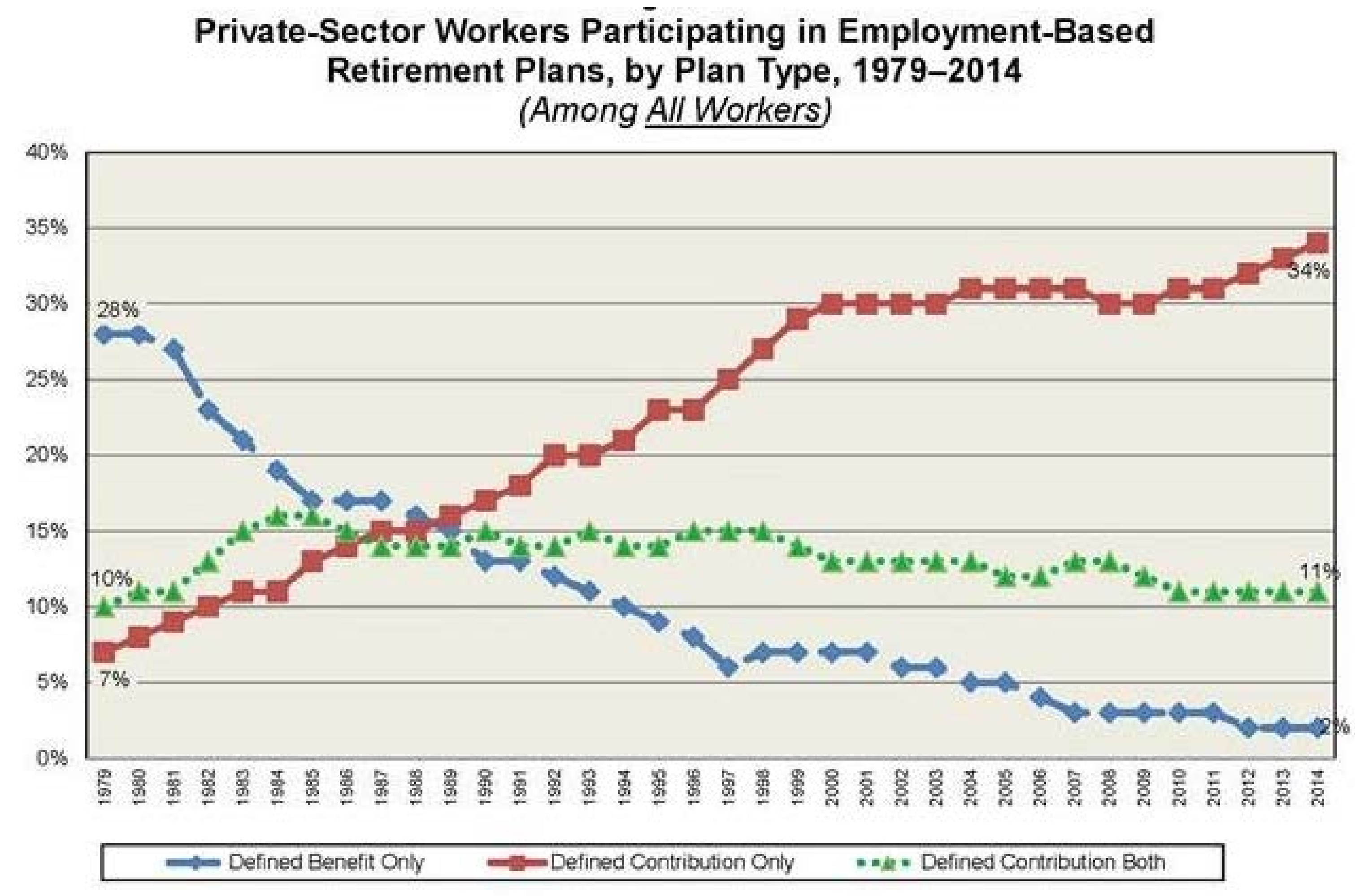
Source: HealthView Services Research, 2018

Generation X

(1965 – 1980)

- What keeps them up at night?
  - Lost generation
  - Everything

The decline of DB plans



Employee Benefit Research Institute, EBRI.org

Source: U.S. Department of Labor form 5500 Summaries 1979-1998, Pension Benefit Guaranty Corporation, Current Population Survey 1999-2013, EBRI estimates 1999-2014.

Admirable participant assumptions

CONTRIBUTIONS

Start contributing at age 22

6% initial savings rate

50% employer match up to 6%

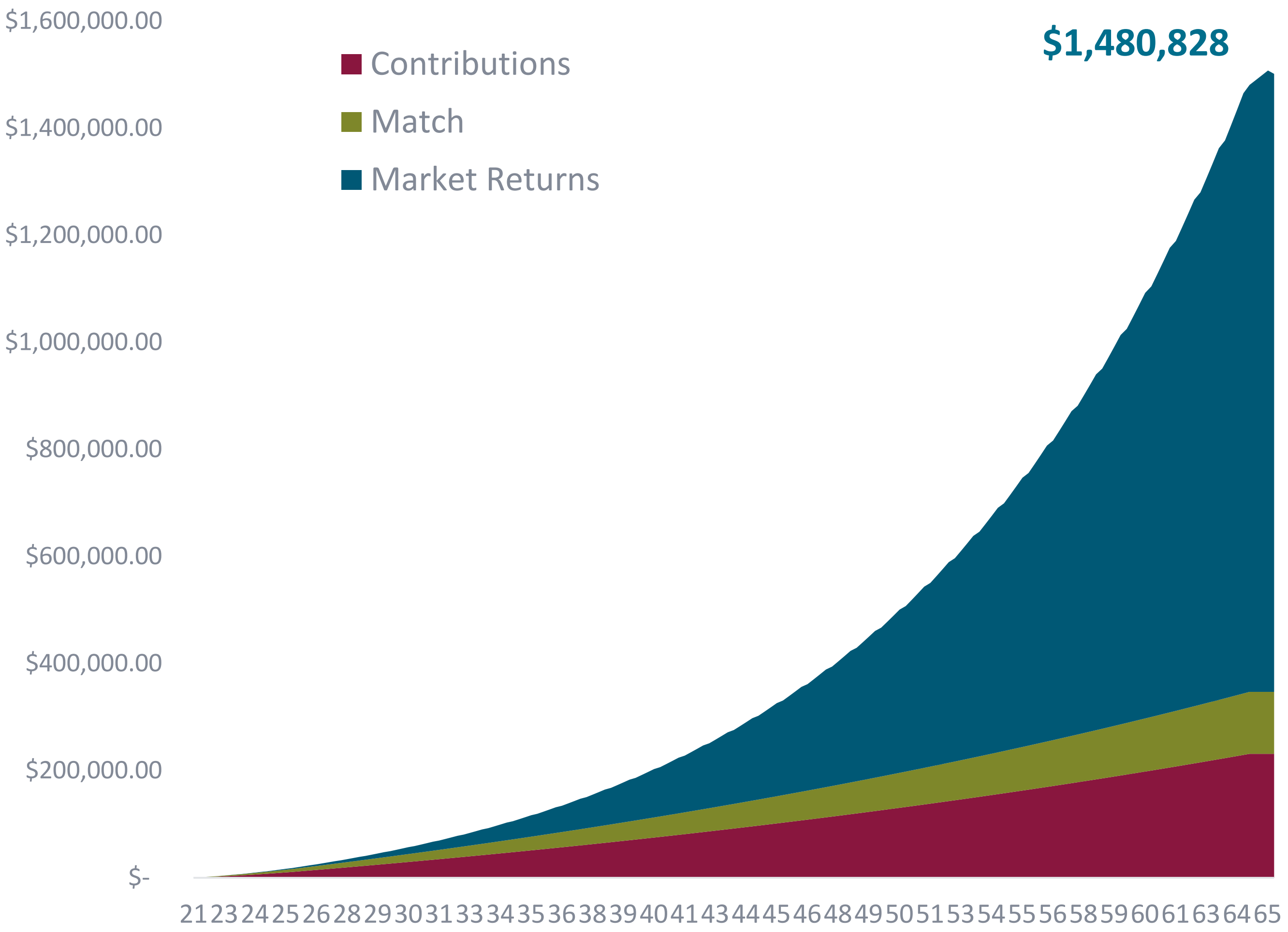
Auto-escalate 1% per year up to 10%

INVESTMENT GAINS

7.5% return (target date portfolio)

PRE-RETIREMENT WITHDRAWALS

None

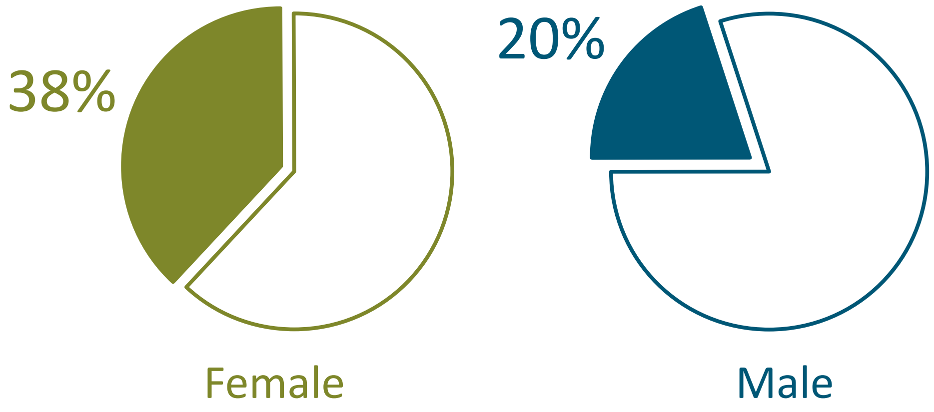


Hypothetical examples are for illustrative purposes only.

Source: MFS proprietary retirement projection model. Please see page 32 for assumptions.

But where does the money go?

Women are twice as likely to retire for personal or familial health issues



Source: MFS Retirement Income Survey, 2018. See page 33 for methodology.

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More realistic participant assumptions

CONTRIBUTIONS

Start contributing at age 22

3% savings rate (no escalation)

50% employer match

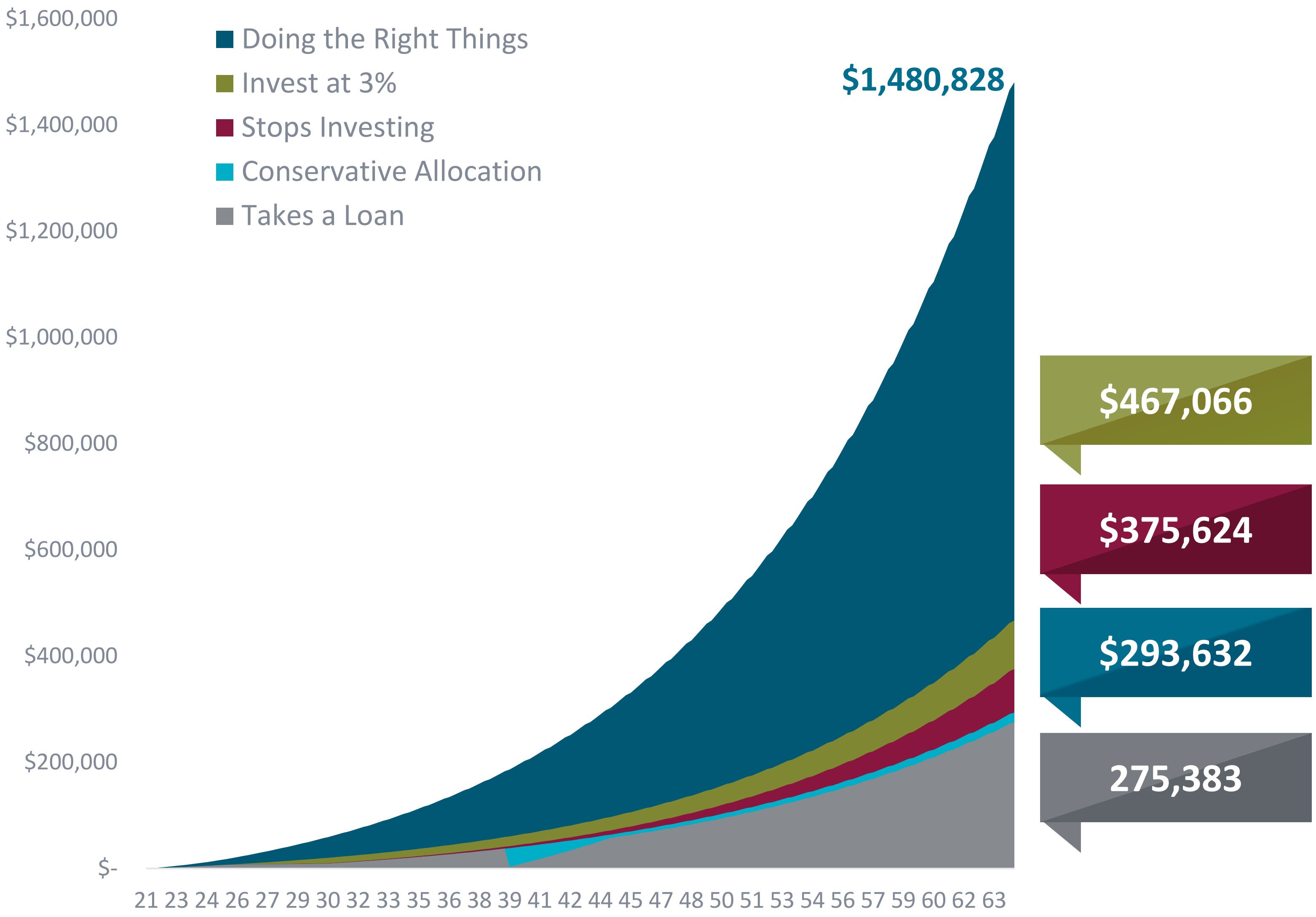
Stops contributing from age 26 – 30

INVESTMENT GAINS

6.5% return (diversified portfolio)

PRE-RETIREMENT WITHDRAWALS

Takes a $35,000 loan at age 40



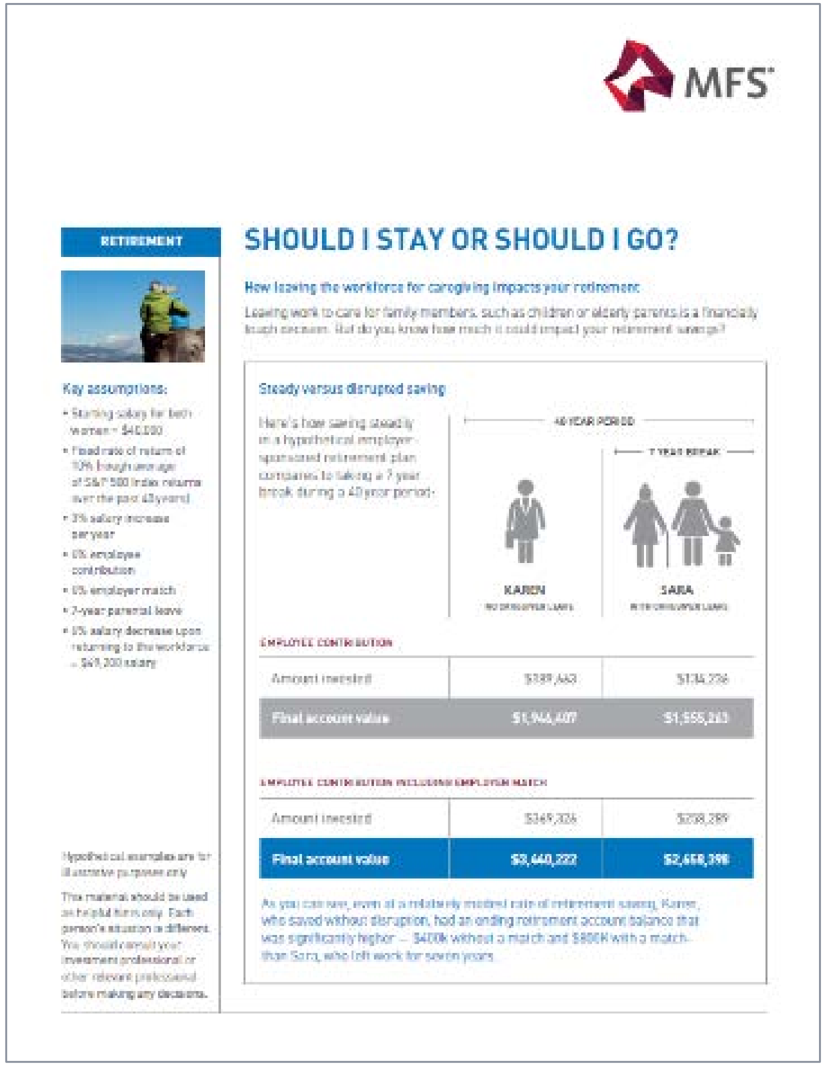
Hypothetical examples are for illustrative purposes only. Callouts are difference against "Doing the right things".

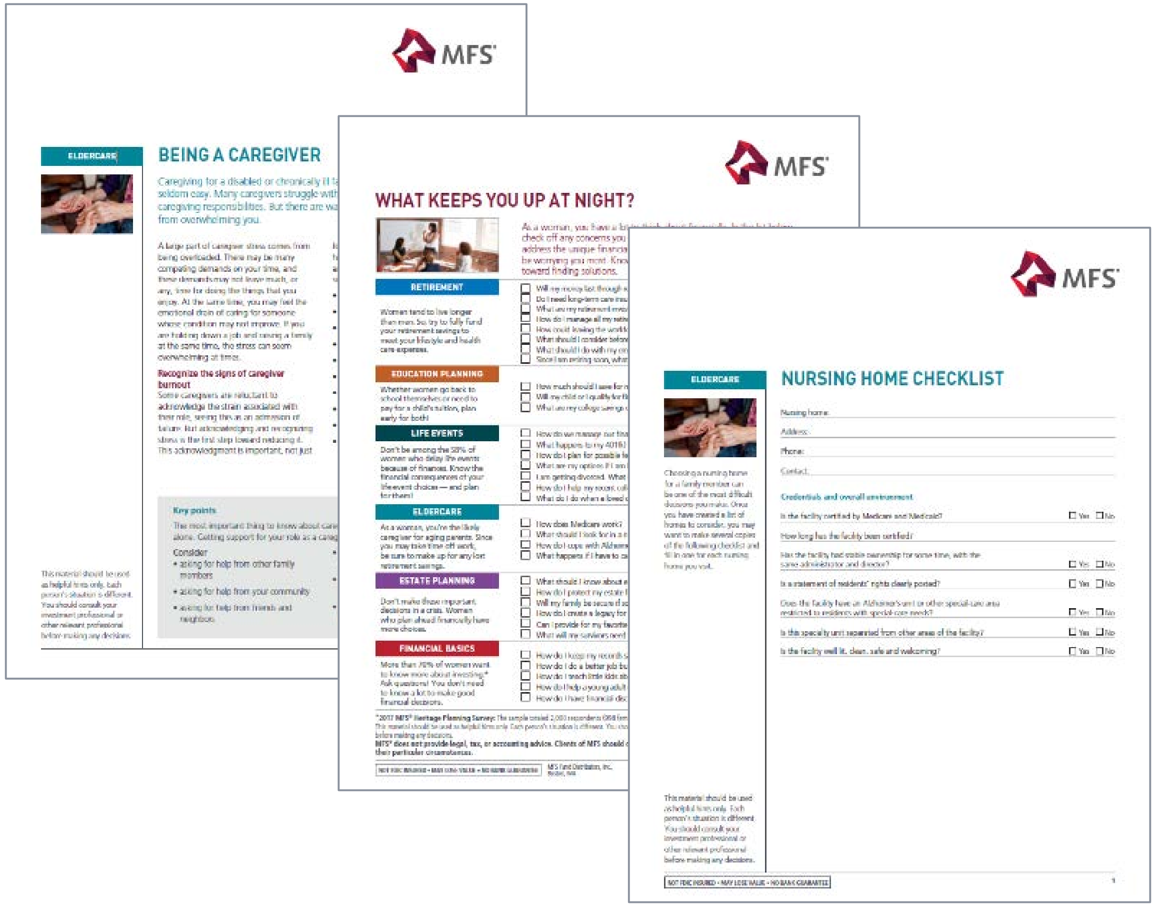
Source: MFS proprietary retirement projection model. Please see page 32 for assumptions.

Life starts to get in the way

Action steps

Generation X

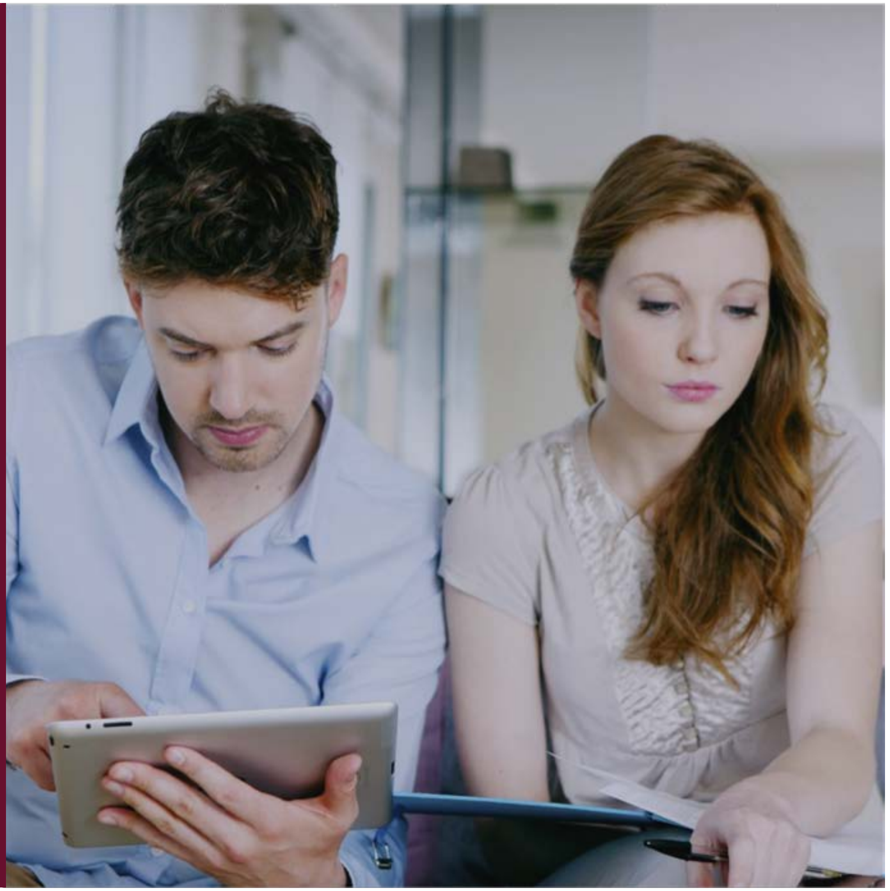




Generation Y / Millennials

(1980 – 2000)

- What keeps them up at night?
  - Paying off college debt
  - Their future
  - ?



Then vs. Now

THEN	vs.	NOW
▪ Benefit plan ▪ Dress codes		▪ HSAs ▪ Roth 401(k) ▪ Maternity / Paternity leave ▪ Adoption assistance ▪ Pet insurance ▪ Student loan repayment ▪ Flexible work schedules ▪ Unlimited vacations

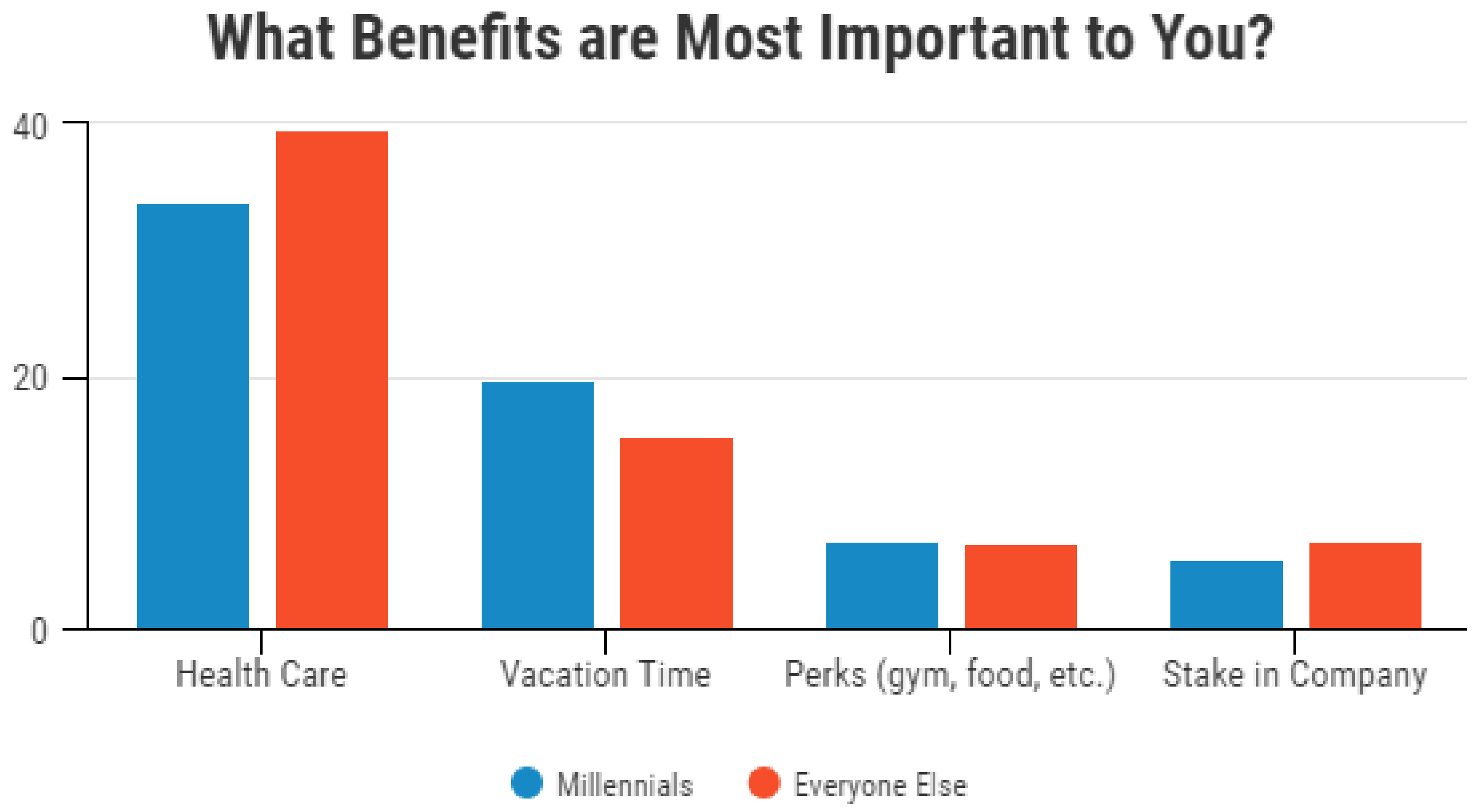
What millennials want from their employers

"flashy workplace benefits geared towards millennials such as trendy décor, student loan repayment assistance, onsite cafes, dog-friendly offices, relocation and travel privileges, improved leave policies, free snacks and more"

Source: Fit Small Business Employment Survey, 2017.

In reality…

34% of millennials chose health care as the most important benefit their employer can offer.



Source: Fit Small Business Employment Survey, 2017.

Action steps

Millennials

FINANCIAL BASICS

REDUCING DEBT TAKES COMMITMENT AND PATIENCE

Debt: It is something that no one wants but just about everyone has. It's easy to get into and hard to get out of.

The good news is that regardless of the cause and amount of your debt, there are steps you can take to manage and overcome it.

First, you need to remember that there is generally no quick way to get out of debt — solving your debt dilemma typically requires time and effort. Additionally, you may want to address your debt sooner so that you may not be paying more later.

When trying to reduce debt, consider the following eight-point game plan:

1. Take control right now
There may be no better time than the present to reduce your debt. But before you do anything, evaluate your financial records to determine your income and your expenses.

In one column, list your regular monthly income, such as salary and pensions. In a second column, list all your expenses. Start with your major expenses, such as mortgage or rent, utilities, food, transportation and credit card payments. You should also include any additional cash expenditures, as well as any expenses that occur other than monthly, such as property taxes and insurance.

2. Create a budget
"If you fail to plan, then you plan to fail" is a common expression, and it applies to your finances.

Based on your income and expenses, you should plan and establish a budget that helps you allocate money for all of your categories of spending.

Look over everything and consider eliminating unnecessary costs. You might want to ponder the following questions:

- Why not eat at home instead of dining out?
- How about renting movies rather than going to the theater?

As you go about creating a budget, include the entire family in the process so they will better understand your financial situation.

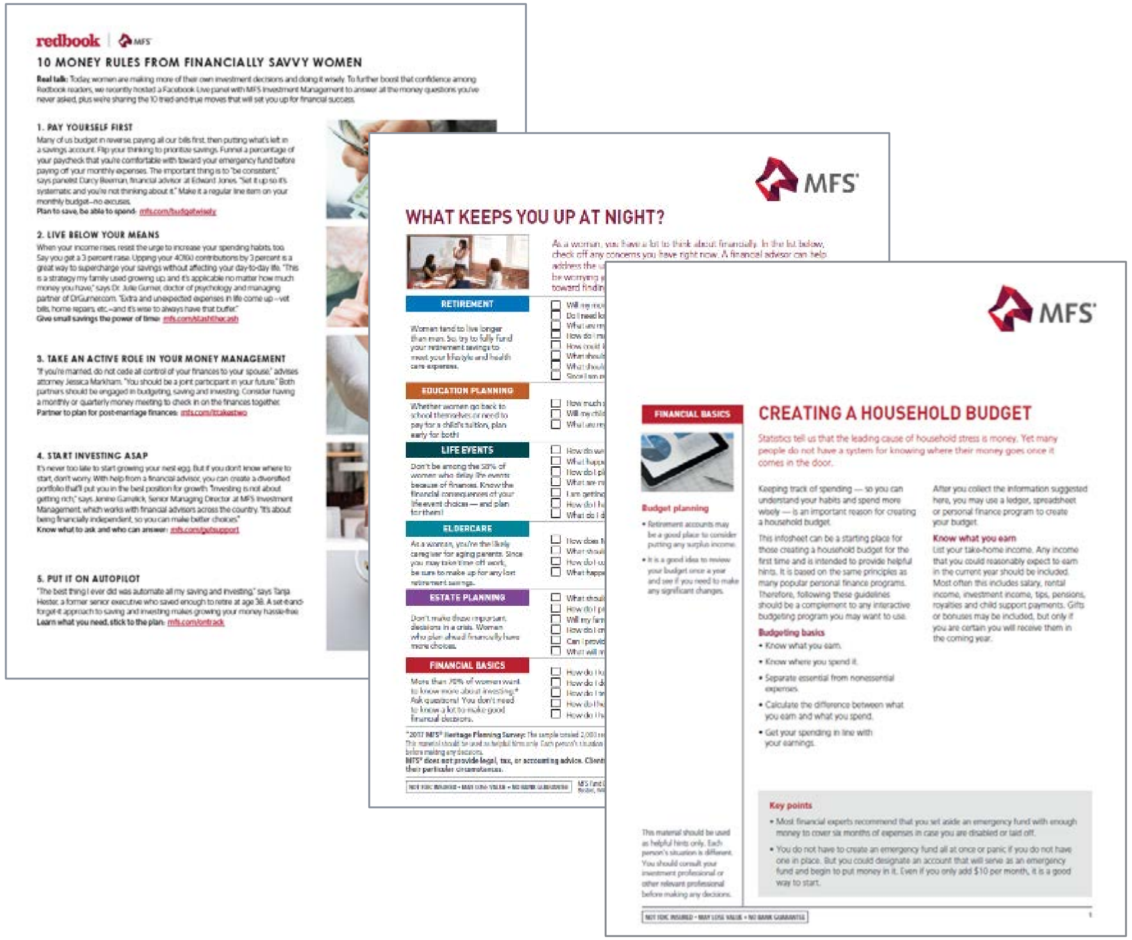
This material should be used as helpful hints only. Each person's situation is different. You should consult your investment professional or other relevant professional before making any decisions.

Key points

- The sooner you address your debt, the sooner you can begin to do something about it.
- Developing a budget and sticking to it is a good way to get a handle on your finances.
- You need to pay particular attention to your credit cards — how many you have and how much debt you accumulate on each.

NOT FDIC INSURED • MAY LOSE VALUE • NO BANK GUARANTEE

1

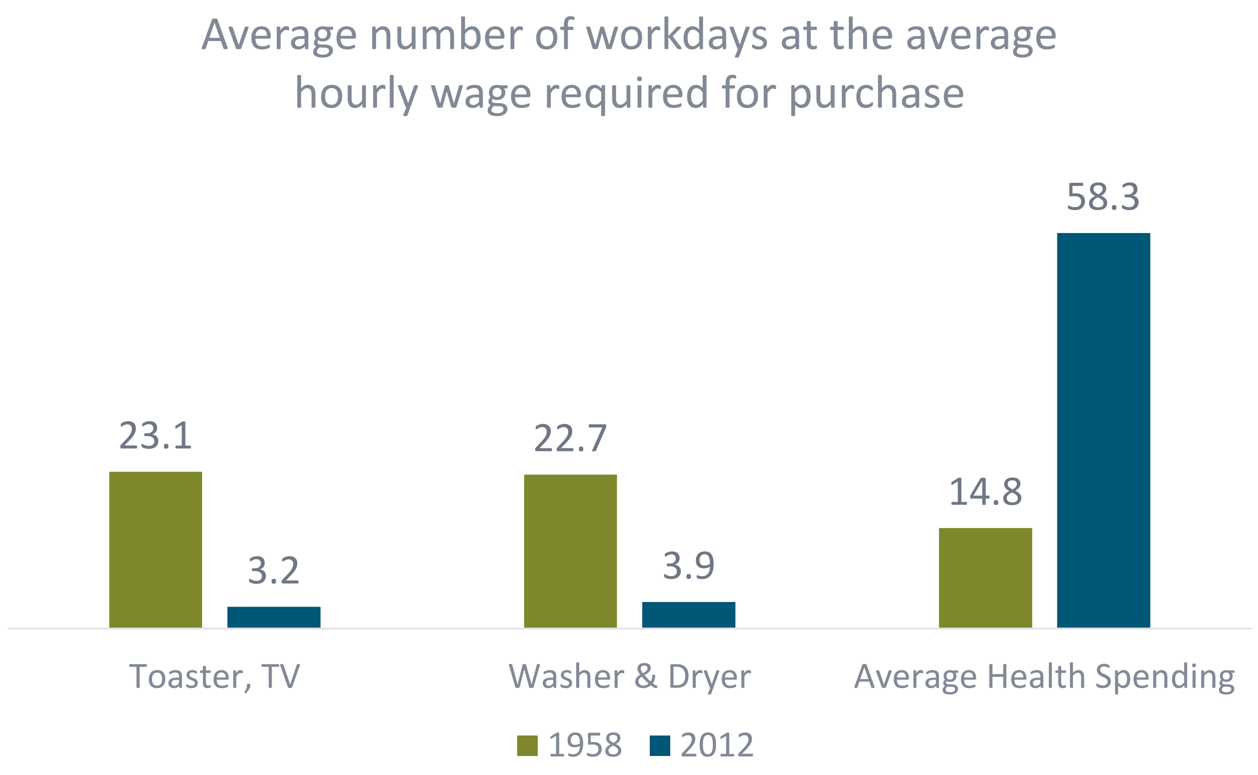


Income planning strategies for means testing minimization

Increases MAGI	Does Not Increase MAGI
• Social Security (50%)	• Life Insurance
• Salary / Wages	• Non-Qualified Annuity
• Pension	• Health Savings Account
• RMDs	• Roth 401(k)
• Dividends	• Longevity Insurance
• Capital Gains	• Reverse Mortgage
• IRA Distributions	

Source: HealthView Services Research, 2018

Cost of health care has risen



- In 1958
  - Per capita health expenditures were $134
    - Inclusive of care paid for by government or private health insurers
  - A worker earning the average wage ($1.98) would have had to work 118 hours – nearly 15 days - to cover this expense
- In 2012
  - Per capita health spending climbed to $8,953
  - At the average wage ($19.19), a typical worker would have to work 467 hours—about 58 days

Average hourly wage in 1958=$1.98; in 2012=$19.19. Assumes 8-hour workday.
Source: *The Cost of Health Care: 1958 vs. 2012*, Chris Conover; Forbes.com

The time price of health care has quadrupled in less than 50 years even as the time cost of other goods and services plummeted

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Costs to employer if stay on plan – threat to your business

- Employers' benefits costs have risen 24% since 2001.[1]
- Health care costs for active employees more than doubled, rising from 5.7 percent to 11.5 percent of pay. [1]
- As for competing priorities, 67% of plan sponsors agreed that increased health care costs have resulted in reduced spending on other benefits — an uptick from 64% in 2016. [2]
- Yet, 8 in 10 plan sponsors report that they have employees who may delay retirement because of a lack of savings, made worse by rising retiree medical costs.[2]

Health care benefits are eating up a larger portion of dollars while the amount spent on retirement programs is on the decline.[1]

[1]The Annual Willis Towers Watson Best Practices in Health Care Employer Survey was completed by 678 U.S. employers between June and July 2017 and reflects respondents' 2017 health program decisions and strategies. Respondents collectively employ 11.9 million employees and operate in all major industry sectors. Results provided are based on 555 employers with at least 1,000 employees.

[2]Survey summary: The eRewards panel from Research Now, an independent market research company, conducted an online survey of 1,106 plan sponsors on behalf of Fidelity during February and March 2017. Respondents were identified as the primary person responsible for managing their organization's 401(k) plan (with at least 25 participants and $10 million in plan assets), and the survey focused on those plan sponsors (890, or approximately 80%) using the services of a financial advisor or plan consultant. Fidelity Investments was not identified as the survey sponsor. The experiences of the plan sponsors who responded to the survey may not be representative of those other plan sponsors who use the services of an advisor.

Source: Jim Benton Design

47% disconnect

Engage with Plan Sponsors and Participants to illustrate your value and win more business

Make an impact

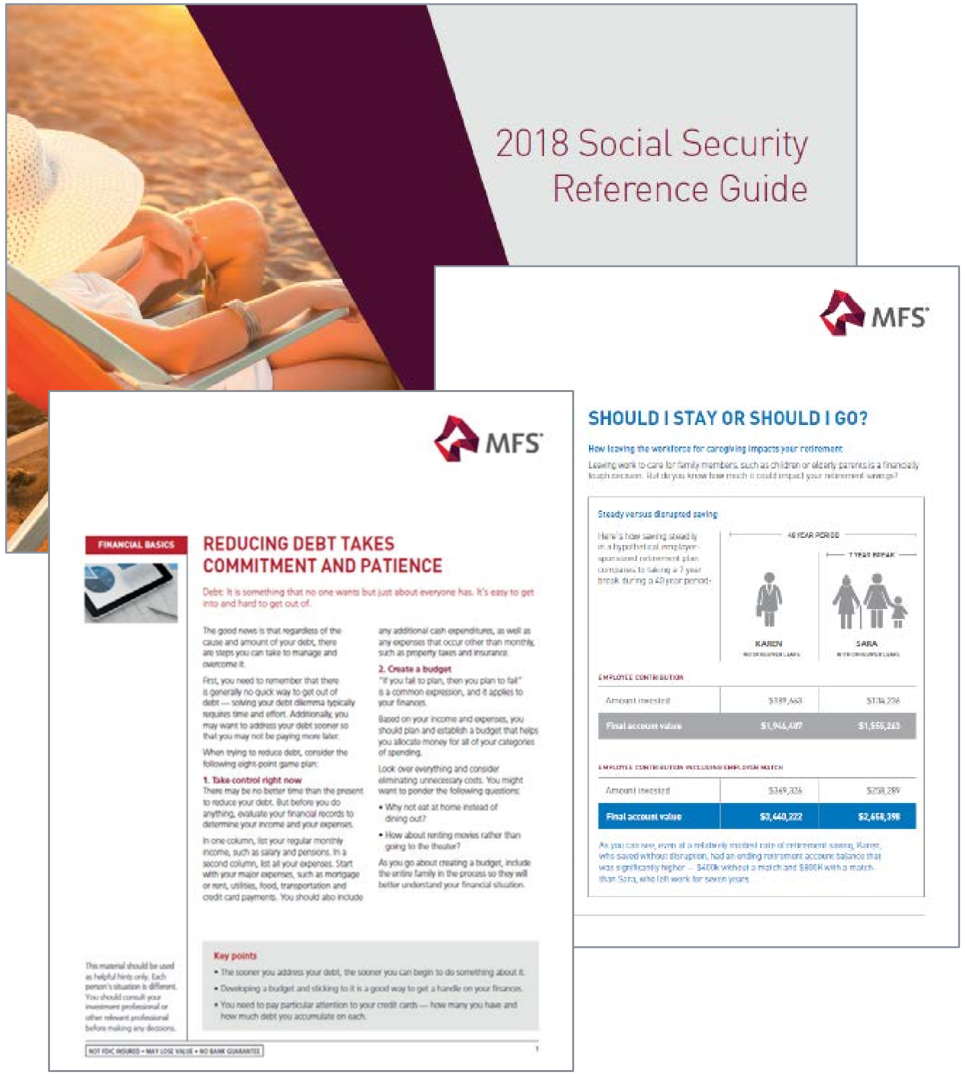
- Women live longer, cost more, and look to their employer for advice

Be a valuable resource to your plan sponsors

- Our resources can help you distinguish yourself as a trusted, knowledgeable advisor

Connect with your MFS DC Specialist

- Develop a plan for your plans in motion



Source: 1948-2016 annual averages, Current Population Survey, U.S. Bureau of Labor Statistics

Thank You

1-800-343-2829

Methodology for Participant Assumptions (slides 16 and 18)

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Scenario Name	Base Case	Invest at 3%	Stops Investing	Conservative Allocation	Takes a Loan
Scenario Description	Contribute every year when working.	Employee invests at 3% with no escalation.	Stop contributing between the ages of 26-30. 3% investment with no escalation.	Investor allocates to a diversified portfolio that is expected to return 1% less per year. Stop contributing between the ages of 26-30. 3% investment with no escalation.	Investor takes a loan at age 40 and pays it back at 45. Investor allocates to a diversified portfolio that is expected to return 1% less per year. Stop contributing between the ages of 26-30. 3% investment with no escalation.
Retirement Age	65	65	65	65	65
Age Contributions Begin	22	22	22	22	22
Age Contributions Stop (Equal to retirement age if not)	65	65	65	65	65
Age Contributions Started Up Again (Equal to retirement age if not, assumed to be max contrib here)	65	65	65	65	65
Starting Salary	$35,000	$35,000	$35,000	$35,000	$35,000
Starting Quarterly Salary	$ 8,750	$ 8,750	$ 8,750	$ 8,750	$ 8,750
Starting Salary Age	22	22	22	22	22
Wage Growth	2%	2%	2%	2%	2%
Salary During Retirement	$ -	$ -	$ -	$ -	$ -
Asset Allocation While Working (Select from dropdown)					
Portfolio	7.50%	7.50%	7.50%	6.50%	6.50%
Rebalancing Frequency	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Fees	1%	1%	1%	1%	1%
Fees Applied	Annually (Year end)	Annually (Year end)	Annually (Year end)	Annually (Year end)	Annually (Year end)
Employer Match (What % does the employer match of the employee?)	50%	50%	50%	50%	50%
Employer Max Match (What is the max % the employer would contribute?)	10%	10%	10%	10%	10%
Starting Employee Contribution	6%	3%	3%	3%	3%
Contribution Growth	1%	0%	0%	0%	0%
Contribution Growth Rate	Annually, until hitting max.	Annually, until hitting max.	Annually, until hitting max.	Annually, until hitting max.	Annually, until hitting max.
Contribution Max	10%	3%	3%	3%	3%
IRS Employee Contribution Limit	$18,000	$18,000	$18,000	$18,000	$18,000
Assumed Return in Retirement	2%	2%	2%	2%	2%
Assumed Quarterly Return in Retirement	0.50%	0.50%	0.50%	0.50%	0.50%
Withdrawal Rate	5.0%	5.0%	5%	5%	5%
Quarterly Withdrawal Rate	1.3%	1.3%	1.3%	1.3%	1.3%
Salary or Other Income During Retirement	0.0%	0.0%	0%	0%	0%
Inflation	2.0%	2.0%	2%	2%	2%
Return	1.9%	1.9%	1.9%	1.6%	1.6%

Methodology for MFS Retirement Income Survey

Methodology
▪ Mode:15 min online survey ▪ Sponsorship: MFS was not identified as research sponsor. ▪ Weighting: data was weighted in each country to reflect the age/gender balance of retiree and participant populations.* ▪ Field period: May 30 – June 13, 2017.

Population	Criteria	Geographies	
DC Plan Participants & Retirees	• Ages 25 to 75 • Participant/Accumulator: working, enrolled and have $1K in employer sponsored DC plan. • Retiree: retired and not solely dependent on pension plan for income. • Mix of men and women.	• US • UK • Canada • Australia	700 participants & 300 retirees per country

*Weighting
US: Retiree, US Census 2010 balanced gender within each age group; Participant, 2014 ERBI Databook balanced age/gender by participants in workplace plans.
UK: Retiree, Office of National Statistics 2014 balanced gender within each age group: Participant is unweighted - no datasets available.
Canada: Retiree, Statistics Canada 2016 balanced gender within each age group: Participant, Benefits Canada CAP Members survey 2013, balanced age/gender of participants
Australia: Retiree, Australian Bureau of Statistics 2016 balanced gender within each age group: Accumulator, Australian Bureau of Statistics 2009 balanced age/gender of participants in accumulation phase.