



Target Date Analytics LLC

15 Driftwood St.
Marina del Rey California 90292
310 821 4596
www.ontargetindex.com
info@ontargetindex.com

Firm Brochure
Part 2A of Form ADV
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This brochure provides information about the qualifications and business practices of Target Date Analytics LLC. If you have any questions about the contents of this brochure, please contact us at 310 821 4596 or info@ontargetindex.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Target Date Analytics LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Although Target Date Analytics LLC is a registered investment adviser, registration with the SEC does not imply a certain level of skill or training.

Material Changes

Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

In 2011, Target Date Analytics LLC consulted to advisors and sponsors regarding over \$374 million in target date assets. We provide analysis, reporting, benchmarking and ranking of target date fund series. As a result of these assignments we are registered with the SEC as a pension consultant.

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Advisory Business

Firm Description

Target Date Analytics LLC (“TDA”) a limited liability company, registered with the SEC as an investment advisor and pension consultant. TDA offers investment advisory services to pensions and profit sharing plans, investment companies and other investment advisors. Our principal owners are Craig L. Israelsen and Joseph C. Nagengast.

TDA specializes in the management, analysis, benchmarking, and indexing of target date portfolios and the licensing of glidepaths for target date portfolios or funds. We are an independent fee-only advisor. In management assignments we serve as an ERISA fiduciary.

Types of Advisory Services

Our services include:

- *Managing target date portfolios* – for plan sponsors who want to take advantage of our focused target date expertise and the economies of efficiently priced best-in-class portfolios.
- *Managing the BrightScope OnTarget Indexes* – the only target date indexes which remain true to the fundamental concept of target date investing, growth in the early years followed by preservation as the target date approaches.
- *Licensing the OnTarget Index glidepath* – For plan sponsors, consultants, advisors and others who want a reliable benchmark against which to measure their target date funds.
- *Licensing the OnTarget Index glidepath* – Functioning as an ERISA fiduciary, we license our glidepath to plan sponsors and other advisors to use as the core of their target date offerings.
- *Preparing research reports on target date funds* – We have been preparing comprehensive analysis reports on target date funds since our first *Popping the Hood* report was released in 2006. We continue to analyze custom and commercial target date portfolios on demand.
- *Consulting on target date approaches* – For plan sponsors, their advisors or others, considering the options, benefits, and risks relative to their goals and objectives for target date portfolios. We consult on nearly \$400 million in target date assets.
- *Custom position papers on different aspects of target date funds* – various investment institutions engage us to write papers discussing some of the most controversial aspects of target date investing.

Tailored Consulting Services

TDA provides consulting based on the needs and specifications of our clients and our clients retain the ability to impose restrictions on our services. Our clients have the option of hiring us to provide on demand customized analysis and consulting, to function either as an advisor or sub-advisor under ERISA §3(21) or §3(38), to contract with us for us to provide ongoing data for benchmarking purposes, or to purchase existing research from us. Under a §3(21) or §3(38) arrangement, we assume all of the fiduciary liability by having the discretionary responsibility for the recommendations and their implementation, and thus the Committee is relieved of this particular responsibility and liability (although monitoring of our performance is still required of the Committee). Under a §3(38) sub-advisor arrangement, we typically provide the glidepath and cooperate with the plan's existing §3(38) or §3(21) fiduciary to assist in the selection of the underlying components.

Types of Agreements

The following agreements define the typical client relationships:

- On-Going Consulting or Management Services Agreement
- Project-Based Engagement Agreement
- Data or Report Purchase Agreement

On-Going Consulting Services Agreement

Many clients choose to have TDA provide on-going advisory services in order to obtain on-going management or monitoring of their plans' target date portfolios or funds. In either case, our years of independent research and analysis of target date objectives and strategies are brought to bear on behalf of the plans. As client goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes all of the services as outlined in the "*Types of Advisory Service*" section above.

The annual Advisory Service Agreement fee is a negotiated flat fee based upon the size and complexity of the assignment and our client's account.

Project Based Engagement Agreements

TDA provides project based engagement services for clients who need advice on a limited scope of work. Project based engagements may include:

- Analysis of client's current suite of target date or risk based portfolios.
- Report on the relative value of existing target date products

- Benchmarking and analysis of existing target date products, incorporating both objective and subjective analysis.
- Design of customized target date portfolios, suited to the client's particular situation.
- In depth analysis of a particular issue in the target date arena

Termination of Agreement

A Client may terminate any of the aforementioned agreements in writing within five (5) business days from its execution without penalty. Thereafter, the Agreement may be terminated by either party upon thirty (30) days written notice to the other with a copy to the custodian. The Client is responsible for paying for services rendered until the termination of the agreement. Any unused portion of TDA's fee will be refunded on a prorated basis. Upon termination of the Agreement, TDA shall not be under any obligation to recommend any action with regard to the securities or other investments in Client's account.

Fees and Compensation

For investment consultation services, our fees are based upon the nature and scope of the engagement as well as the size and complexity of our client's account. Our fees are generally provided on a retainer basis and all fees are explained and agreed to by our client in advance of any services being rendered. The services included in our annual fee are outlined in the "Types of Advisory Services" section above.

For investment management services, our fees are usually based on the size of the account, as well as the nature and scope of the engagement and are generally charged according to the following schedule.

Assets under Management	Advisory Fee
\$0 to \$1,000,000	0.20% (i.e., 20 basis points)
\$1,000,001 to \$5,000,000	.15%
\$5,000,001 to \$20,000,000	.12%
\$20,000,001 to \$50,000,000	.10%
\$50,000,001 to \$100,000,000	.08%
\$100,000,001 to \$250,000,000	.06%
\$250,000,001 to \$500,000,000	.05%
\$500,000,001 to \$1,000,000,000	.04%
\$1,000,000,001 and more	.03%

Our fees are negotiable.

TDA's services may also be engaged on a project basis, the compensation for which will be based upon the estimated time and expense of the project at the Advisor's standard hourly rates, which range from \$200 to \$350 per hour. Project-based fees are invoiced on a monthly basis. A flat fee in lieu of its hourly rates may be negotiated and will be based on the estimated time and expense incurred to complete the project. Generally, some portion of the negotiated flat fee is payable at the signing of the Consulting Services Agreement. Thereafter, Advisor will invoice Client on a monthly basis for the remaining amount of the fee until the project has been completed.

Our fees do not include the fees of investment managers who are selected to manage a portion of Client assets, or custodial fees. Additionally, costs or charges associated with certain securities transactions, including dealer mark-ups or markdowns and normal broker commission, and account liquidation or termination costs are separately charged to the Client's account. Clients should review all fees charged by the Advisor, custodians and brokers and others (including but not limited to third-party investment managers) to fully understand the total amount of fees incurred.

Fee Billing

Investment consultation services begin with the effective date of the Agreement, which is the date the Client signs the Consulting Services Agreement. TDA's fee is invoiced either monthly or quarterly and may be billed in advance or arrears. TDA reserves the right to adjust the fee schedule for accounts depending on the size, complexity, type of account and the services required. In some cases, negotiation of fees may result in different fees being charged for similar services and may be less than the stated fee schedule.

Investment management fees are calculated and accrued throughout the period, based on actual assets under management and are paid either monthly or quarterly in arrears. Unless the Client requests direct billing, fees for management services will be automatically deducted by the Client's Custodian from the Plan. In these cases Client will be provided with a monthly or quarterly statement from the Custodian reflecting the deduction of the management advisory fee, and TDA will not provide an invoice. Exceptions may be made to the published fee schedule under certain conditions and negotiated with the client. Management accounts are subject to an annual minimum fee of \$6,000. This minimum may be waived if TDA and Client determine doing so would be in their mutual interests.

Other Fees

TDA receives no fees or compensation other than described above. We maintain our complete independence by ensuring that all of our compensation is paid by either our client or their plan itself. All of our fees are explicitly detailed in our engagement agreement and documented each period with an invoice. We will not accept compensation in any form whatsoever from any other source.

Types of Clients

Description

TDA generally provides investment advice, consulting and management services to pension and profit sharing plans, their advisors and investment managers. We also anticipate providing some consulting services to advisors serving individuals retiring and withdrawing from pension and profit sharing plans. Client relationships vary in scope and length of service.

Account Minimums

TDA reserves the right to impose a minimum annual fee for management services of \$6000. However based on our assessment and that of the Client as to the benefit of proceeding, we may and often do, waive our minimum fee.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

We utilize an institutional due diligence process that combines both quantitative and qualitative analysis on a continual basis. The analysis is performed using both returns and holdings based measurements. Our goal is to find and maintain those investment vehicles that possess the fundamental characteristics that have historically lead to better than average performance at (or below) benchmark levels of risk. We also utilize efficient, passive vehicles in categories in which we believe above average risk and/or cost will not yield commensurate returns. Our investment selection and monitoring focuses on both quantitative and qualitative criteria, including such factors as:

- Material changes in the investment fund's organization, investment philosophy and/or personnel, including:
 - Change in professionals
 - Significant changes in assets under management due to either large amounts of redemptions or inflows
 - Significant increase in expenses
 - Clarity and coherence of strategy
 - Lack of adherence to style or asset class category
 - Change in ownership
 - Legal or regulatory investigations or related issues
 - Significant change in portfolio risk
- Comparisons of the investment fund's performance results to appropriate indices and peer groups. In the review of target date funds, the choice of an appropriate index as a benchmark is critical to the evaluation. Our proprietary

indices, the BrightScope OnTarget Indexes were designed for this purpose and we use them in our evaluation projects.

- Once the initial vetting process is complete, we engage in a detailed and proprietary performance attribution valuation process. The qualitative analysis is performed using data from third party data aggregators and information obtained directly from the fund managers.

Primary Investment Strategies

As explained in the *Methods of Analysis* section above, TDA uses qualitative and quantitative investment analysis in relation to the recommendations that we make to our clients.

Our investment strategies for each of our clients are based upon their stated goals and objectives. The client may change these goals and objectives at any time. Given our expertise and focus in the area of target date investing, we strive to help our clients develop appropriate and limited goals and objectives for their target date offerings. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Risk of Loss

TDA performs all of our services through a rigorous attention to process discipline. While this process is in place to help minimize risk, TDA does not provide any representation or guarantee that client goals will be achieved and we cannot guarantee that our clients will not lose money. Clients must be aware that investing in the securities market involves a risk of loss that they should be prepared to bear, including the loss of their original principal. Investing in the products we recommend involves risk of loss, in varying degrees, depending on the investment option or underlying investment managers.

- *Market Risk.* Either the market as a whole, or the value of an individual company, goes down, resulting in a decrease in the value of client investments. This is referred to as systemic risk.
- *Equity (Stock) Market Risk.* Common stocks are susceptible to fluctuations and to volatile increases / decreases in value as their issuers' confidence in or perceptions of the market change. Investors holding common stock (or common stock equivalents) of any issuer are generally exposed to greater risk than if they hold preferred stock or debt obligations of the issuer.
- *Company Risk.* There is always a certain level of company or industry specific risk when investing in stock positions. This is referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that a company may perform poorly or that its value may be reduced based on factors specific to it or its industry (e.g., employee strike, unfavorable media attention).

- *Options Risk.* Options on securities may be subject to greater fluctuations in value than investing in the underlying securities. Purchasing and writing put or call options are highly specialized activities and involve greater than ordinary investment risk. Puts and calls are the right to sell or buy a specified amount of an underlying asset at a set price within a set time.
- *Fixed Income Risk.* Investing in bonds involves the risk that the issuer will default on the bond and be unable to make payments. In addition, individuals depending on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed income investors receive set, regular payments that face the same inflation risk.
- *Exchange Traded Fund (ETF) and Mutual Fund Risk.* ETF and mutual fund investments bear additional expenses based on a pro rata share of operating expenses, including potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities held by the ETF or mutual fund. Clients also incur brokerage costs when purchasing ETFs.
- *Management Risk.* Client investments also vary with the success and failure of Advisor's investment strategies, research, analysis and determination of portfolio securities. If Advisor's strategies do not produce the expected returns, the value of a client's investments will decrease.

Disciplinary Information

Legal and Disciplinary

- The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

TDA is registered as an investment advisor and pension consultant.

Affiliations

Craig L. Israelsen is a consultant to and serves on the investment committee of 7Twelve Advisors.

Joseph C. Nagengast is a Senior Consultant at MJM401k, a retirement plan consulting firm.

TDA does not have any employees that are registered, or have an application pending to register, as a broker-dealer, a municipal securities dealer, a government securities

dealer or broker, a futures commission merchant, commodity pool operator or commodity trading advisor.

As previously stated, our firm will not accept compensation in any form whatsoever from any source other than directly from our clients.

Code of Ethics

As required by Section 204A-1 of the Investment Advisers Act of 1940, TDA has established a Code of Ethics that applies to all of our employees. Our Code of Ethics is predicated on the principle that we owe a fiduciary duty to our clients. Accordingly, our employees must avoid activities, interests and relationships that run contrary (or ever appear to run contrary) to the best interests of clients. In summary, we will not:

- Introduce brokers to our clients or act as a securities broker-dealer
- Accept any indirect compensation of any kind (commissions, 12b1 fees, finders' fees, shareholder servicing fees, etc.) from any party to a client transaction or service
- Accept gifts and/or favors (i.e., meals, travel, entertainment etc.) from money managers, brokers, actuaries or any other type of related-third party organizations in any amount.
- Accept soft dollars as a method of payment for services provided

TDA will provide a copy of our Code of Ethics, in its entirety, to any client or prospective client upon request.

Participation or Interest in Client Transactions

It is possible that TDA and its employees may buy and sell the same securities that may be recommended to clients. If the possibility of a conflict of interest occurs, the client's interest will prevail.

To avoid any potential conflicts of interest involving personal trades, TDA has adopted a Securities Compliance Policy ("Securities Compliance Policy"), which includes a formal code of ethics regarding insider trading policies and procedures. Advisor's Securities Compliance Policy requires, among other things, that Employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, Clients, prospective Clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of Clients, and the interests of Registrant above one's own personal interests;
- Adhere to the fundamental standard that you should not take inappropriate advantage of your position;
- Avoid any actual or potential conflict of interest;

- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve your professional competence and strive to maintain and improve the competence of other investment professionals.
- Comply with applicable provisions of the federal securities laws.

TDA's Securities Compliance Policy also requires Employees to: 1) pre-clear certain personal securities transactions, (2) report personal securities transactions on at least a quarterly basis, and (3) provide TDA with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such Employees have a direct or indirect beneficial interest.

- A copy of TDA's Securities Compliance Policy shall be provided to any Client or prospective Client upon request.

Brokerage Practices

Selecting Brokerage Firms

TDA **does not** recommend broker-dealers and we **do not** execute transactions.

Soft Dollars

TDA does not participate in any soft dollar or fee credit arrangements with any investment manager or plan provider. We have purposely structured our firm to avoid any and all such conflicts of interest.

Review of Accounts

Periodic Reviews

We review management accounts monthly, quarterly or annually for our clients who engage us for ongoing investment management assignments, and usually quarterly for ongoing monitoring and benchmarking assignments:

- Historical performance over varying periods
- Total expense ratio

- Investment objectives, portfolio composition and turnover
- Portfolio design
- Manager experience and tenure
- Risk characteristics of the portfolio
- Performance attribution analysis
- Other qualitative factors including legal and regulatory issues, portfolio manager compensation, portfolio manager investment in the product, board independence, notable changes in fund asset levels, etc.

Review Triggers

The primary portfolio review trigger is the end of each calendar quarter. Additional conditions that may trigger a review include changes in the tax laws, new investment information, material changes in an investment fund's organization or changes in a client's own situation. Because many of our assignments are based on tracking the BrightScope OnTarget Indexes which we manage, our review triggers for those accounts are primarily calendar period rebalancing. Our clients may request a review at any time.

Reports

TDA has developed its own sophisticated investment analysis and reporting program and is able to provide a full and comprehensive review and evaluation of each series of target date mutual funds, trusts or portfolios in existence. Our reports include a "family" or "series" level overall evaluation as well as detailed analysis of each series on components of the overall evaluation. Such components include, organization, allocation and design, performance, risk and expenses. We can also customize our reporting within certain parameters to accommodate the specific needs of our clients.

As we do not hold any plan assets, we do not prepare account statements. Plan and participant statements are generated by their plan trustees, custodians and/or third party administrators. We recommend that our clients review these statements closely and report any questions or concerns to the preparer as soon as possible.

As a DIA ("designated investment alternative") manager we maintain information about portfolio return, risk and cost on our website, and we provide such information to custodians and third-party reporting services, who use that information to provide participant- level reporting about our portfolios.

Client Referrals and Other Compensation

Incoming Referrals

TDA has been fortunate to receive many client referrals over the years. The referrals came from current clients, ERISA attorneys, accountants, advisors, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

TDA does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

TDA does not accept compensation in any form whatsoever from any source other than directly from our clients as outlined in the *"Fees and Compensation"* section above.

Custody

SEC "Custody"

TDA does not have either actual or constructive custody of client funds or securities.

Account Statements

As we do not hold any plan assets, we do not prepare account statements. Plan and participant statements are generated by their plan trustees, custodians and/or third party administrators. We recommend that our clients review these statements closely and report any questions or concerns to the preparer as soon as possible. As mentioned on the previous page, we do provide all required reporting and disclosures for Designated Investment Alternatives ("DIAs").

Investment Discretion

Discretionary Authority for Trading

If TDA is acting as Investment Manager as defined under Section 3(38) of ERISA, it may be responsible for the selection and/or replacement of investment options within a defined contribution Plan, and the design of DIAs within that Plan. Under this arrangement, TDA has the authority to direct the Plan recordkeeper to add, eliminate, or replace mutual funds, separately managed accounts, or collective trusts from a Plan investment selection. TDA **does not** place trades for specific dollar amounts on behalf of any clients or plan participants.

Voting Client Securities

Proxy Votes

TDA does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, TDA will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

TDA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided as TDA does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

All employees of TDA have obtained at least ten (10) years of investment experience and a Bachelor's or higher equivalent degree. In addition, all investment advisor representatives will have the requisite examinations required for registration as an investment advisor representative. In addition, appropriate professional designations and certifications are encouraged. In practice, TDA has found that lessons learned on the job have proven far more valuable than our formal education and training.

Professional Certifications

Some certifications and credentials we have earned need to be explained in further detail.

Certified Employee Benefit Specialist (CEBS): Certified Employee Benefit Specialist is a designation cosponsored by the International Foundation and the Wharton School of the University of Pennsylvania. CEBS designation requirements are:

- Successful completion of an eight course educational curriculum

Dr. Craig L. Israelsen, Ph.D.

Year of birth: 1959

Educational Background

- Ph. D., Family Studies, Brigham Young University, 1990
Concentration: Family Resource Management
- M.S. Agricultural Economics, Utah State University, 1984

- B.S., Agribusiness, Utah State University, 1983

Employment History:

- Managing Member, Target Date Analytics LLC, 2007-Present
- Investment Committee Member, 7Twelve Advisors, Inc. 2009-Present
- Associate Professor, Brigham Young University, 2004-Present
- Associate Professor, University of Missouri, Columbia, 1991-2004

Disciplinary Information: None

Other Business Activities: Dr. Israelsen also prepares research reports and speaks on investment topics not related to the core business of TDA.

Additional Compensation: Dr. Israelsen receives fees for the sale of research reports and speaking engagements on investment topics not related to our core business.

Supervision: As a Managing Member, Dr. Israelsen shares supervisory responsibilities with Mr. Nagengast.

Mr. Joseph C. Nagengast

Year of birth: 1950

Educational Background

- B.A., Linguistics, from the University of California
- Certified Employee Benefits Specialist IFEB & Wharton School

Business Experience:

- Principal & Chief Compliance Officer, Target Date Analytics LLC (2007-Present)
- Founder and President, Turnstone Advisory Group LLC (2004-2008)
- Senior Consultant, MJM401k (2008-Present)

Disciplinary Information: None

Other Business Activities:

- Principal & Chief Compliance Officer, Target Date Analytics LLC

Additional Compensation: In his role as a Senior Consultant with MJM401k, Mr. Nagengast also receives fees for qualified plan consulting.

Supervision: As a Managing Member, Mr. Nagengast shares supervisory responsibilities with Dr. Israelsen.