

# KP Retirement Path 2030 Fund

JUNE 30, 2020

## Fund Information

**Fund Advisor:** Callan LLC

**Fund Administrator:** SEI Investments Global Funds Services

**Fund Inception:** January 10, 2014

**Ticker:** KPRDX

**Gross Expense Ratio:** 0.40%

**Net Expense Ratio<sup>1</sup>:** 0.40%

## Investment Description

The KP Retirement Path 2030 Fund provides an all-in-one investment strategy for retirement savings. The fund is designed for investors who turn 65 within 5 years of the year 2030.

The fund invests in a diversified mix of asset classes and strategies, and employs an asset allocation that automatically adjusts to become increasingly conservative over time. It is designed to help you achieve the appropriate balance between long-term capital growth, inflation protection, and current income for each stage of your savings career.

## Investment Strategy

The KP Retirement Path 2030 Fund pursues its investment objective by investing in a diversified combination of underlying mutual funds. Because it invests in other mutual funds, it is considered a “fund of funds.”

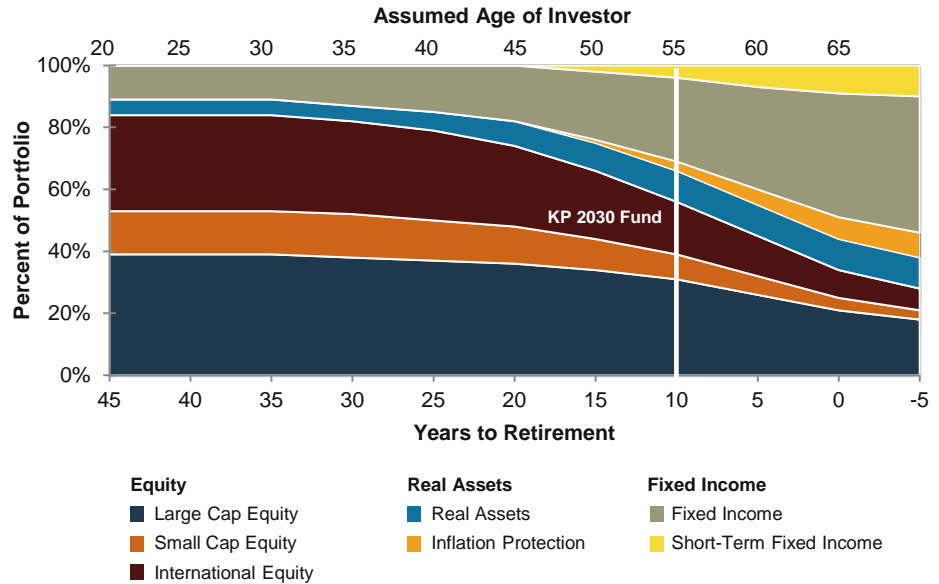
The underlying mutual funds are invested in a wide range of asset classes including stocks, bonds, real assets, and short-term investments. The funds are also diversified across a wide range of strategies managed by a total of 21 different sub-advisors — all selected by the advisor for the KP Retirement Path 2030 Fund.

Finally, the advisor automatically adjusts the fund's asset allocation over time to achieve a balance between long-term growth, inflation protection, and current income.

<sup>1</sup> The Net Expense Ratio represents the expense ratio actually paid by participants.

## The Glidepath – Asset Allocation Over Time

Your KP Retirement Path Fund helps you maintain a sensible asset allocation all the way through retirement by changing its asset allocation over time. The way that the fund changes its asset allocation is known as the “glidepath.” In short, the glidepath is the specific way the fund will shift its asset allocation over time.



## Investment Performance (Periods Ended June 30, 2020)

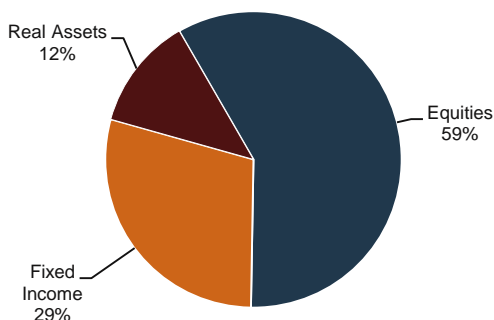
The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost and current performance may be lower than the performance quoted. Returns greater than one year are average annual total returns. For performance data current to the most recent month end, please call 855-4-KPFNDS.

| Fund                             | Last Quarter | Last Year | Last 3 Years | Last 5 Years | Since 1/31/14 <sup>2</sup> | Since Inception |
|----------------------------------|--------------|-----------|--------------|--------------|----------------------------|-----------------|
| KP Retirement Path 2030 Fund     | 14.21%       | 3.05%     | 5.95%        | 5.93%        | 6.09%                      | 5.64%           |
| S&P 500 Index <sup>3</sup>       | 20.54%       | 7.51%     | 10.73%       | 10.73%       | 11.27%                     | 10.61%          |
| 2030 Fund Benchmark <sup>3</sup> | 13.49%       | 3.10%     | 5.77%        | 5.72%        | 5.94%                      | 5.54%           |

<sup>2</sup> Participants in the Kaiser Permanente retirement plans could invest in the Fund beginning on January 31, 2014. The Fund's performance before January 31, 2014 did not impact those participants.

<sup>3</sup> The S&P 500 Index is a free float-adjusted capitalization-weighted index comprised of equity securities issued by 500 of the largest U.S. companies. The 2030 Fund Benchmark is a weighted-average of the returns for various market indices appropriate for each asset class in the KP Retirement Path 2030 Fund. The weight of each of these indices is equal to the currently targeted weight for the corresponding asset class in the fund.

## Current Allocation (as of June 30, 2020)



| Underlying Fund                                    | Ticker | Percentage | Asset Class             |
|--|--------|------------|-------------------------|
| KP Large Cap Equity Fund                           | KPLCX  | 31.8%      | Large Cap Equity        |
| KP Small Cap Equity Fund                           | KPSCX  | 8.7%       | Small Cap Equity        |
| KP International Equity Fund                       | KPIEX  | 18.1%      | International Equity    |
| KP Fixed Income Fund                               | KPFI   | 25.5%      | Fixed Income            |
| DFA International Real Estate Securities Fund      | DFITX  | 1.0%       | Real Assets             |
| DFA Real Estate Securities Fund                    | DFREX  | 1.9%       | Real Assets             |
| Lazard Global Listed Infrastructure Fund           | GLIFX  | 1.0%       | Real Assets             |
| T. Rowe Price New Era Fund                         | TRNEX  | 1.0%       | Real Assets             |
| DFA Commodity Strategy Fund                        | DCMSX  | 1.0%       | Real Assets             |
| T. Rowe Price Institutional Floating Rate Fund     | RPIFX  | 1.0%       | Real Assets             |
| Vanguard Inflation-Protected Securities Fund       | VIPIX  | 2.8%       | Real Assets             |
| Vanguard Short-Term Bond Index Fund                | VBIPX  | 3.6%       | Short-Term Fixed Income |
| Vanguard Short-Term Inflation-Protected Securities | VTSPX  | 2.7%       | Inflation Protection    |

## Fund Legal Structure

The KP Retirement Path 2030 Fund is a mutual fund. It is part of The KP Funds Series Trust, an open-end management investment company that offers shares of diversified portfolios. The fund is advised by Callan LLC, a registered investment advisor. It is administered by SEI Investments Global Funds Services and distributed by SEI Investments Distribution Co., which are not affiliated with Callan LLC.

Only participants in the Kaiser Permanente defined contribution plans and 403(b) plans can invest in the fund.

## Fund Risks

**To determine if this fund is an appropriate investment for you, carefully consider the fund's investment objectives, risk factors, charges, and expenses before investing. This and other information may be found in the fund's summary and full prospectuses, which may be obtained by calling (855) 4-KPFNDS or by visiting the website at [www.kp-funds.com](http://www.kp-funds.com). Please read the prospectus carefully before investing.**

There can be no assurance that the fund will achieve its stated objectives. An investor may experience losses, at any time, including near, at, or after the fund's target retirement year. In addition, there is no guarantee that an investor's investment in the fund will provide any income at or through the years following the fund's target retirement year in amounts adequate to meet the investor's goals or retirement needs.

The fund invests in a diversified combination of underlying mutual funds, thus is subject to the risks associated with their underlying funds, although the fund's exposure to a particular risk will be proportionate to its overall asset allocation. In addition, diversification is not guaranteed to protect against market loss. Some of these risks include:

- The prices of common stocks may fall over short or extended periods of time. In particular, growth stocks may be susceptible to rapid price swings, especially during periods of economic uncertainty;
- Small and medium capitalization stocks may be more volatile than those of larger companies;
- Bonds are subject to interest rate risk and will decline in value as interest rates rise;
- Mortgage-backed securities are subject to pre-payment and extension risk and therefore react differently to changes in interest rates than other bonds — small movements in interest rates may quickly and significantly reduce the value of certain mortgage-backed securities;
- Non-investment grade bonds involve greater risks of default and are more volatile than investment grade securities, due to the speculative nature of the investment;
- International investments involve risk of capital loss from differences in generally accepted accounting principles or from social, economic, or political instability in other nations, and these risks are heightened when investing in emerging markets or in a single country;
- International investments are also subject to the risk that foreign currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency hedged — in either event, the dollar value of an investment in the underlying fund would be adversely affected;
- The use of leverage by underlying fund managers may accelerate the velocity of potential losses;
- The use of derivatives are often more volatile than other investments and magnify the fund's gains or losses.

## Investor Profile

The fund is designed to offer investors a professionally managed investment program that simplifies the investment management of an investor's assets prior to, and continuing after, the investor's retirement or other investment goal. The main component of the investment program of the funds is the ongoing reallocation of the investor's assets among various asset classes, including stocks, bonds, and real assets.

### The fund may be suitable for investors who:

- Seek a diversified portfolio of stocks, bonds, and inflation-protecting assets;
- Seek long-term growth of capital;
- Have a long-term investment perspective;
- Are willing to withstand losses over the short and intermediate-term, and;
- Turn 65 within 5 years of the year 2030.

## Affiliated Funds

The KP Retirement Path 2030 Fund invests in a combination of underlying mutual funds, including affiliated mutual funds ("KP Asset Class Funds") and other unaffiliated mutual funds. Because the fund invests in other mutual funds, it is considered a "fund of funds."

The tables below reflect the sub-advisors for the four KP Asset Class Funds:

### KP Large Cap Equity Fund

| Sub-Advisors                   | Strategy         |
|--------------------------------|------------------|
| AQR Capital Management, LLC    | Large Cap Broad  |
| MFS Investment Management      | Large Cap Value  |
| PanAgora Asset Management      | Large Cap Broad  |
| SSGA Funds Management, Inc.    | S&P 500 Index    |
| T. Rowe Price Associates, Inc. | Large Cap Growth |

### KP Small Cap Equity Fund

| Sub-Advisors                  | Strategy              |
|-------------------------------|-----------------------|
| Aristotle Capital Boston      | Small Cap Core        |
| CastleArk Management, LLC     | Small Cap Growth      |
| Columbus Circle Investors     | Small/SMID Cap Growth |
| DePrince Race & Zollo, Inc.   | Small Cap Value       |
| PENN Capital Management, Inc. | Micro Cap Core        |
| SSGA Funds Management, Inc.   | S&P 600 Index         |
| Walthausen & Co., LLC         | Small/SMID Cap Value  |

### KP International Equity Fund

| Sub-Advisors                            | Strategy                  |
|---|---------------------------|
| Acadian Asset Management LLC            | Emerging Markets Equity   |
| Acadian Asset Management LLC            | MSCI EAFE Small Cap Index |
| Lazard Asset Management                 | MSCI EAFE Small Cap Index |
| Marathon Asset Management, LLP          | Non-U.S. Equity           |
| MFS Investment Management               | Non-U.S. Equity           |
| Sprucegrove Investment Management       | Non-U.S. Equity           |
| SSGA Funds Management, Inc.             | MSCI World ex-U.S. Index  |
| William Blair Investment Management LLC | Emerging Markets Equity   |

### KP Fixed Income Fund

| Sub-Advisors                        | Strategy                          |
|-------------------------------------|-----------------------------------|
| Credit Suisse Asset Management, LLC | Senior Floating Rate Loans        |
| Loomis, Sayles & Company, L.P.      | Core Fixed Income                 |
| Payden & Rygel                      | Emerging Markets Debt             |
| SSGA Funds Management, Inc.         | Bloomberg Barclays U.S. Aggregate |

## About the Fund's Advisor

Founded in 1973, Callan is one of the largest independently-owned investment management and consulting firms in the United States. Headquartered in San Francisco, with offices across the country, Callan provides research, education, decision support, and advice to institutional investors representing approximately \$2 trillion in total assets.

This data sheet was prepared by Callan LLC on the basis of the information available at the time of publication, in an effort to provide accurate and timely information about the funds. However, the information is not warranted to be accurate or timely by Callan or Vanguard, the plan recordkeeper. Neither Callan nor its content providers are responsible for any damages arising from any use of this information.

For additional information on this investment, visit [www.kp-funds.com](http://www.kp-funds.com) or call (855) 4-KPFNDS.