Greetings & a warm welcome to this week's edition of 401k Real Talk. This is Fred Barstein contributing editor at WealthManagement.com's RPA omnichannel and CEO at TRAU, TPSU & 401kTV - I review <u>all</u> of last week's stories and select the most important and interesting ones providing open honest and candid discussion you will not get anyway else. So let's get real!

And now there are 40 national record keepers with the announcement of the sale of OneAmerica's retirement division with $60 bn in assets and 1.1m participants to Voya. The only surprising news was the price of $50m with deferred consideration of $160m in Q2 2026.

Post acquisition, Voya will have $580bn and 7.9m participants squarely putting them in the Fab 5 RPA record keepers with scale along with 5 others that have unique distribution or business models.

Historically, the acquirer has retained most of the service and operational personnel which would give Voya a foothold in the Midwest, which is not true for senior managers or the field sales force.

Who's next? Watch the wholesalers who are the giraffes of the jungle. When the good ones leave or stop aggressively selling, it is a telling sign.

The M&A train rolls on with Alera Retirement making their largest acquisition more than doubling their size to $45bn with the purchase of Minneapolis' Advanced Capital Group with $24bn, mostly in retirement, led by Charles Langowski.

Christian Mango, Alera's head of retirement & wealth, has executed 6 deals in the past 2 years making them a player in the RPA Aggregator market.

Alera was born out of a benefits and P&C study group that raised PE money and joins other aggregators like Hub, OneDigital, NFP, World Insurance, Gallagher and Marsh Mac looking to cross sell and use retirement as a springboard into wealth.

The RPA and RIA M&A market, like record keepers, shows no signs of slowing down as the DC and wealth industry plays out the consolidation curve script riding the convergence wave.

Though higher than July, the August job growth of 142,000 showed a slowing but not breaking job market. Combined with encouraging inflation numbers, experts are predicting that the Fed will lower interest rates this month.

The last 3 month average with recent downward revisions at 116,000 jobs is the lowest since the pandemic while unemployment went down a tick.

All of which will not likely change the way plan sponsors view their retirement benefits as retention takes center stage.

WealthManagement.com announced their winners of their Wealthies Awards at an almost 1000 person black tie affair increasing the RPA categories to 8. Winners included John Hancock, Pontera, Hub, Osaic, Morningstar, Income America, Ascensus and Voya.

Thanks to WealthManagement for recognizing the importance of retirement plans to the wealth industry and the media company best positioned to cover the convergence of wealth and retirement at the workplace.

The convergence of wealth, retirement and benefits at the workplace is exposing both the power and weaknesses of the DC system. At its core, convergence has the potential to pit advisors and record keepers against each other who partnered to bring income replacement at work to the masses as both parties seek to serve and ultimately monetize participants.

Read my recent column about how providers and advisors are struggling to redefine their relationships while trying to engage and help more DC participants.

And, last but not least, this week's LinkedIn Poll asked: "Engagement with financial wellness tools will reach what %/participants within the next 3 years?"

Almost half of you optimistically thought more than 25% of participants will engage with about 20% thinking there will be less than 10% engagement.

Look for my next LinkedIn poll on Friday about who are the most advisor friendly record keepers.

So those were the most important stories from the past week. I listed a few others I thought were worth reading covering:

- AI is being used in many ways by financial advisors
- Compliance an important issue as AI usage grows
- How and why plan sponsors should change all vendors, especially record keepers
- What percentage of plans allow for systematic withdrawal?
- T Rowe launches customized TDFs

Please let me know if I missed anything or if you would like to comment. Otherwise I look forward to speaking to you next week on 401k Real Talk.