

**Table A1.** Supplementary sensitivity test results for average CEC

	Average CEC				Difference in Average CEC with the Base Scenario			
	S	B	H <sub>1</sub>	H <sub>2</sub>	S	B	H <sub>1</sub>	H <sub>2</sub>
Baseline Scenario	\$59,976	\$59,496	\$60,266	\$62,059	—	—	—	—
Yearly Compensation								
Income $e = \$55,000$	\$47,052	\$46,650	\$47,338	\$48,725	-21.55%	-21.59%	-21.45%	-21.49%
Yearly Compensation								
Income $e = \$85,000$	\$72,714	\$72,200	\$72,978	\$75,275	21.24%	21.35%	21.09%	21.30%
CRRA Utility								
Parameter $\rho = 3$	\$60,621	\$59,901	\$61,093	\$62,642	1.07%	0.68%	1.37%	0.94%
CRRA Utility								
Parameter $\rho = 5$	\$59,427	\$59,093	\$59,212	\$61,404	-0.92%	-0.68%	-1.75%	-1.06%
Expected Risk Premium								
$\mu - r = 4\%$	\$58,185	\$57,909	\$58,169	\$60,452	-2.99%	-2.67%	-3.48%	-2.59%
Expected Risk Premium								
$\mu - r = 6\%$	\$61,746	\$61,040	\$62,228	\$63,190	2.95%	2.59%	3.26%	1.82%

Table A1 shows the supplementary sensitivity test results on average CEC and the related percentage difference compared with the base scenario for Self-Management with Dynamic Investment (S), Self-Management with Benchmark Investment (B), Hire-Management with Flexible Allocation (H<sub>1</sub>), and Hire-Management with Alpha Focus (H<sub>2</sub>), respectively. In this table, we present sensitivity results for yearly compensation income, CRRA utility parameter, and expected risk premium.

Table A2. Key sensitivity test results for extra management fee

	Extra Management Fee			Relative Difference <sup>a</sup> in Extra Management Fee Adjustment with the Base Scenario		
	H <sub>1</sub> vs B	H <sub>2</sub> vs B	S vs B	H <sub>1</sub> vs B	H <sub>2</sub> vs B	S vs B
Baseline Scenario	0.42%	1.35%	0.24%	—	—	—
(i) Allocation Constraints in H cases $\pi^H = 0$ & $\bar{\pi}^H = 1$	0.21%	—	—	-0.20%	—	—
(ii) Allocation Constraints in H cases $\pi^H = -0.16$ & $\bar{\pi}^H = 1.16$	—	1.72%	—	—	0.37%	—
(iii) Allocation Constraints in H cases $\pi^H = -0.32$ & $\bar{\pi}^H = 1.32$	0.54%	2.00%	—	0.12%	0.65%	—
Investment Benchmark – Vanguard	0.52%	1.44%	0.35%	0.10%	0.09%	0.11%
Alpha Value						
Bottom 10% $\alpha = -5.424\%$	—	-6.38%	—	—	-7.63%	—
Top 10% $\alpha = 3.684\%$	—	3.37%	—	—	1.99%	—
Replacement Ratio						
$L = 0.6$	0.38%	1.23%	—	-0.04%	-0.12%	—
$L = 0.8$	0.41%	1.40%	—	-0.01%	0.05%	—
Weight in Terminal Target						
$\nu_T = 0.5$	0.42%	1.35%	—	0.00%	0.00%	—
$\nu_T = 5$	0.38%	1.30%	—	-0.08%	-0.25%	—

Table note

- a Note that for a given baseline extra management fee rate  $F_0$  and a given updated extra management fee rate  $F'_0$ , we compute the relative difference as  $(1 + F'_0)/(1 + F_0) - 1$ .

Table A2 shows the key sensitivity test results on extra management fee and the related percentage difference compared with the base scenario for Self-Management with Dynamic Investment (S), Self-Management with Benchmark Investment (B), Hire-Management with Flexible Allocation (H<sub>1</sub>), and Hire-Management with Alpha Focus (H<sub>2</sub>), respectively. In this table, we present sensitivity results for allocation constraints in hire-management cases, investment benchmark, alpha value, replacement ratio, and weight in the terminal target.

**Table A3.** Supplementary sensitivity test results for extra management fee

	Extra Management Fee			Relative Difference in Extra Management Fee Adjustment with the Base Scenario		
	H <sub>1</sub> vs B	H <sub>2</sub> vs B	S vs B	H <sub>1</sub> vs B	H <sub>2</sub> vs B	S vs B
Baseline Scenario	0.42%	1.35%	0.24%	—	—	—
Yearly Compensation						
Income $e = \$55,000$	0.47%	1.36%	0.25%	0.05%	0.01%	0.01%
Yearly Compensation						
Income $e = \$85,000$	0.35%	1.34%	0.21%	-0.06%	-0.01%	-0.03%
CRRA utility						
Parameter $\rho = 3$	0.63%	1.42%	0.37%	0.21%	0.07%	0.13%
CRRA utility						
Parameter $\rho = 5$	0.07%	1.27%	0.17%	-0.34%	-0.08%	-0.08%
Expected Risk Premium						
$\mu - r = 4\%$	0.14%	1.19%	0.13%	-0.28%	-0.16%	-0.11%
Expected Risk Premium						
$\mu - r = 6\%$	0.68%	1.31%	0.38%	0.27%	-0.04%	0.14%

Table A3 shows the supplementary sensitivity test results on extra management fee and the related percentage difference compared with the base scenario for Self-Management with Dynamic Investment (S), Self-Management with Benchmark Investment (B), Hire-Management with Flexible Allocation (H<sub>1</sub>), and Hire-Management with Alpha Focus (H<sub>2</sub>), respectively. In this table, we present sensitivity results for yearly compensation income, CRRA utility parameter, and expected risk premium.

**Table A4.** Key sensitivity test results for 99% VaR

	99% VaR				Difference in 99% VaR with the Base Scenario			
	S	B	H <sub>1</sub>	H <sub>2</sub>	S	B	H <sub>1</sub>	H <sub>2</sub>
Baseline Scenario	\$520,943	\$536,955	\$416,651	\$490,237	—	—	—	—
(i) Allocation Constraints in hire-management cases $\pi^H = 0$ & $\bar{\pi}^H = 1$	—	—	\$435,847	—	—	—	4.61%	—
(ii) Allocation Constraints in hire-management cases $\pi^H = -0.16$ & $\bar{\pi}^H = 1.16$	—	—	—	\$468,904	—	—	—	-4.35%
(iii) Allocation Constraints in hire-management cases $\pi^H = -0.32$ & $\bar{\pi}^H = 1.32$	—	—	\$416,156	\$483,945	—	—	-0.12%	-1.28%
Investment Benchmark – Vanguard	—	\$552,918	\$421,056	\$490,208	—	2.97%	1.06%	-0.01%
Alpha Value								
Bottom 10% $\alpha = -5.424\%$	—	—	—	\$260,464	—	—	—	-46.87%
Alpha Value								
Top 10% $\alpha = 3.684\%$	—	—	—	\$615,040	—	—	—	25.46%
Replacement Ratio								
$L = 0.6$	—	—	\$494,791	\$550,007	—	—	18.75%	12.19%
Replacement Ratio								
$L = 0.8$	—	—	\$391,494	\$469,065	—	—	-6.04%	-4.32%
Weight in Terminal Target								
$\nu_T = 0.5$	—	—	\$415,052	\$487,219	—	—	-0.38%	-0.62%
Weight in Terminal Target								
$\nu_T = 5$	—	—	\$435,397	\$493,883	—	—	4.50%	0.74%

Table A4 shows the key sensitivity test results on 99% VaR and the related percentage difference compared with the base scenario for Self-Management with Dynamic Investment (S), Self-Management with Benchmark Investment (B), Hire-Management with Flexible Allocation (H<sub>1</sub>), and Hire-Management with Alpha Focus (H<sub>2</sub>), respectively. In this table, we present sensitivity results for allocation constraints in hire-management cases, investment benchmark, alpha value, replacement ratio, and weight in the terminal target.

**Table A5.** Supplementary sensitivity test results for 99% VaR

	99% VaR				Difference in 99% VaR with the Base Scenario			
	S	B	H <sub>1</sub>	H <sub>2</sub>	S	B	H <sub>1</sub>	H <sub>2</sub>
Baseline Scenario	\$520,943	\$536,955	\$416,651	\$490,237	—	—	—	—
Yearly Compensation Income $e = \$55,000$	\$423,570	\$439,071	\$340,932	\$397,786	-18.69%	-18.23%	-18.17%	-18.86%
Yearly Compensation Income $e = \$85,000$	\$606,809	\$616,402	\$477,770	\$564,666	16.48%	14.80%	14.67%	15.18%
CRR Utility Parameter $\rho = 3$	\$449,651	\$520,177	\$364,367	\$451,733	-13.69%	-3.12%	-12.55%	-7.85%
CRR Utility Parameter $\rho = 5$	\$574,686	\$550,962	\$501,697	\$533,503	10.32%	2.61%	20.41%	8.83%
Expected Risk Premium $\mu - r = 4\%$	\$523,617	\$501,184	\$381,770	\$398,807	0.51%	-6.66%	-8.37%	-18.65%
Expected Risk Premium $\mu - r = 6\%$	\$530,136	\$570,782	\$460,221	\$634,915	1.76%	6.30%	10.46%	29.51%

Table A5 shows the supplementary sensitivity test results on 99% VaR and the related percentage difference compared with the base scenario for Self-Management with Dynamic Investment (S), Self-Management with Benchmark Investment (B), Hire-Management with Flexible Allocation (H<sub>1</sub>), and Hire-Management with Alpha Focus (H<sub>2</sub>), respectively. In this table, we present sensitivity results for yearly compensation income, CRR utility parameter, and expected risk premium.

**Table A6.** Key sensitivity test results for 99% CVaR

	99% CVaR				Difference in 99% CVaR with the Base Scenario			
	S	B	H <sub>1</sub>	H <sub>2</sub>	S	B	H <sub>1</sub>	H <sub>2</sub>
Baseline Scenario	\$467,147	\$480,465	\$339,266	\$408,569	—	—	—	—
(i) Allocation Constraints in hire-management cases $\pi^H = 0$ & $\bar{\pi}^H = 1$	—	—	\$366,460	—	—	—	8.02%	—
(ii) Allocation Constraints in hire-management cases $\pi^H = -0.16$ & $\bar{\pi}^H = 1.16$	—	—	—	\$383,123	—	—	—	-6.23%
(iii) Allocation Constraints in hire-management cases $\pi^H = -0.32$ & $\bar{\pi}^H = 1.32$	—	—	\$323,661	\$369,355	—	—	-4.60%	-9.60%
Investment Benchmark – Vanguard	—	\$500,539	\$344,053	\$411,076	—	4.18%	1.41%	0.61%
Alpha Value								
Bottom 10% $\alpha = -5.424\%$	—	—	—	\$217,698	—	—	—	-46.72%
Alpha Value								
Top 10% $\alpha = 3.684\%$	—	—	—	\$510,731	—	—	—	25.00%
Replacement Ratio								
$L = 0.6$	—	—	\$390,773	\$453,423	—	—	15.18%	10.98%
Replacement Ratio								
$L = 0.8$	—	—	\$316,874	\$393,992	—	—	-6.60%	-3.57%
Weight in Terminal Target								
$\nu_T = 0.5$	—	—	\$338,060	\$408,626	—	—	-0.36%	0.01%
Weight in Terminal Target								
$\nu_T = 5$	—	—	\$352,488	\$415,966	—	—	3.90%	1.81%

Table A6 shows the key sensitivity test results on 99% CVaR and the related percentage difference compared with the base scenario for Self-Management with Dynamic Investment (S), Self-Management with Benchmark Investment (B), Hire-Management with Flexible Allocation (H<sub>1</sub>), and Hire-Management with Alpha Focus (H<sub>2</sub>), respectively. In this table, we present sensitivity results for allocation constraints in hire-management cases, investment benchmark, alpha value, replacement ratio, and weight in the terminal target.

**Table A7.** Supplementary sensitivity test results for 99% CVaR

	99% CVaR				Difference in 99% CVaR with the Base Scenario			
	S	B	H <sub>1</sub>	H <sub>2</sub>	S	B	H <sub>1</sub>	H <sub>2</sub>
Baseline Scenario	\$467,147	\$480,465	\$339,266	\$408,569	—	—	—	—
Yearly Compensation								
Income $e = \$55,000$	\$380,464	\$398,376	\$279,686	\$337,149	-18.56%	-17.09%	-17.56%	-17.48%
Yearly Compensation								
Income $e = \$85,000$	\$537,570	\$544,841	\$382,875	\$468,907	15.08%	13.40%	12.85%	14.77%
CRRa Utility								
Parameter $\rho = 3$	\$394,238	\$466,745	\$297,433	\$378,965	-15.61%	-2.86%	-12.33%	-7.25%
CRRa Utility								
Parameter $\rho = 5$	\$521,994	\$494,121	\$392,882	\$445,099	11.74%	2.84%	15.80%	8.94%
Expected Risk Premium								
$\mu - r = 4\%$	\$474,564	\$448,321	\$309,144	\$331,826	1.59%	-6.69%	-8.88%	-18.78%
Expected Risk Premium								
$\mu - r = 6\%$	\$467,866	\$513,263	\$375,464	\$519,970	0.15%	6.83%	10.67%	27.27%

Table A7 shows the supplementary sensitivity test results on 99% CVaR and the related percentage difference compared with the base scenario for Self-Management with Dynamic Investment (S), Self-Management with Benchmark Investment (B), Hire-Management with Flexible Allocation (H<sub>1</sub>), and Hire-Management with Alpha Focus (H<sub>2</sub>), respectively. In this table, we present sensitivity results for yearly compensation income, CRRa utility parameter, and expected risk premium.