GET MORE OUT OF YOUR RETIREMENT

Build portfolios for the new paradigm

SECURITY YOU SAVE FOR OVER A LIFETIME

People save for retirement gradually, but if you think of the ultimate price tag, it's **the biggest purchase of a lifetime**.

The cost keeps going up, not only with inflation, but also with longevity.

— *Ken Dychtwald, Ph.D.*
CEO and Founder of Age Wave

► **Proper retirement planning typically includes long-term investing.**

THE PARADIGM SHIFT: WHAT'S CHANGED

Longer Lives

Increased life expectancies mean Americans may need to fund a multi-decade retirement.

Fewer Traditional Pensions

Once a workplace staple, defined-benefit pensions have largely been replaced by defined-contribution plans like 401(k)s.

Social Security Is Insufficient

Many retirees wait to take their full Social Security benefits at a later age to collect more each month.

LONGER LIVES REQUIRE EXTENSIVE SAVINGS

Demographic research from the MacArthur Foundation based on U.S. Census data concluded that official government forecasts may have underestimated life expectancy from 3.1 to 7.9 years by 2050.

This could have major implications for public policy, as small differences in forecasts may produce large differences in the number of people surviving to an older age.

LIFE EXPECTANCY AT BIRTH (YEARS)

	2000	2030				2050			
		Social Security Administration	Census Bureau	MacArthur Research Network (lower disease mortality)	MacArthur Research Network (slow aging)	Social Security Administration	Census Bureau	MacArthur Research Network (lower disease mortality)	MacArthur Research Network (slow aging)
Males	74.0	78.0	78.4	79.4	80.4	80.0	80.9	83.2	85.9
Females	79.4	81.8	83.1	85.1	86.3	83.4	85.3	89.2	93.3

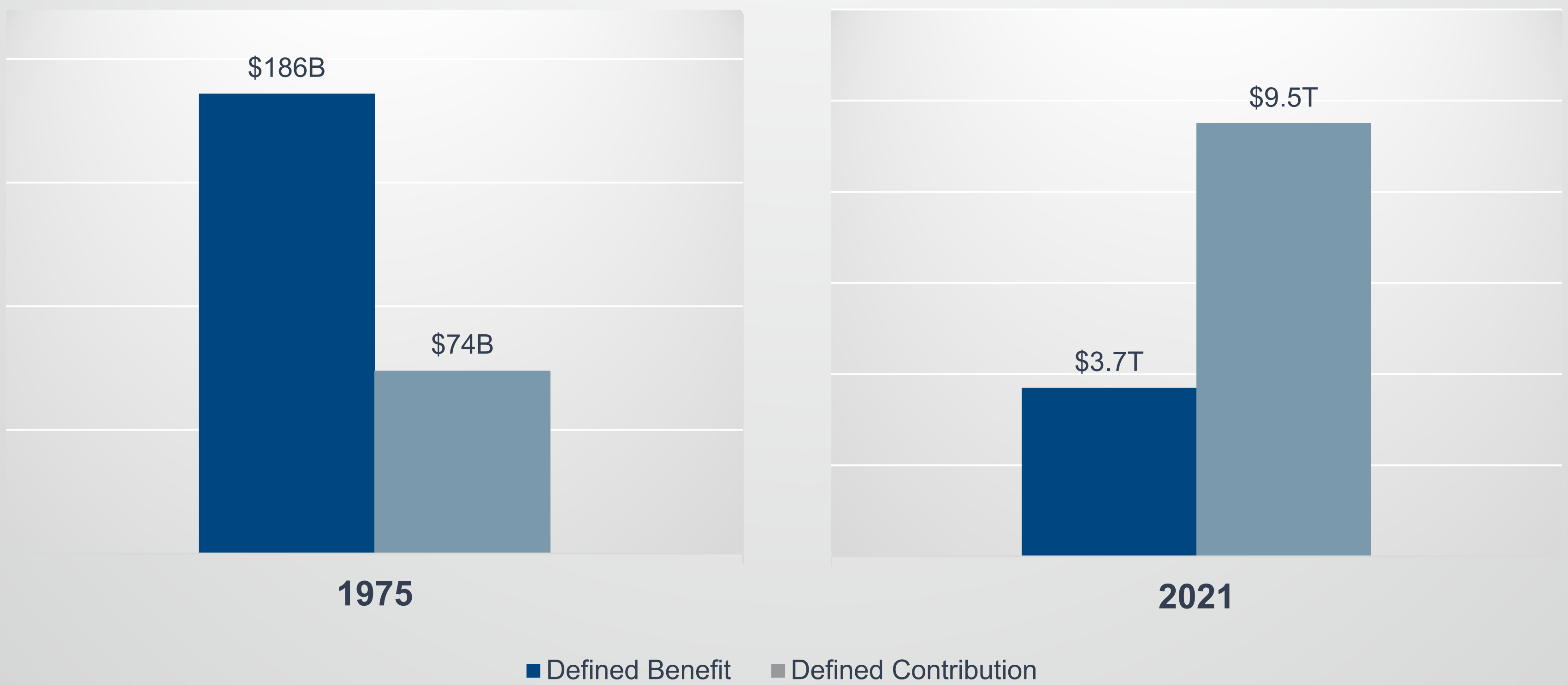
► **Many Americans will not have enough savings to accommodate longer lives.**

Source: National Institute for Health, National Library of Medicine. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2888016/ Lower disease mortality scenario assumes that advances in efforts to combat major fatal diseases (e.g., medical technology, modified behavioral risk factors, aggressive management of symptoms) will occur at an accelerated pace over the projected time frame. Slow aging scenario assumes that forthcoming advances in the biomedical sciences will lead to interventions that slow the rate of biological aging and have a systemic dampening effect on all fatal and disabling diseases simultaneously.

RETIREMENT IS RELIANT ON EMPLOYEE CONTRIBUTIONS

Most U.S. companies ask employees to fund their own retirement. This was not always the case.

PENSION PLAN ASSETS (DEFINED BENEFIT VS DEFINED CONTRIBUTION)

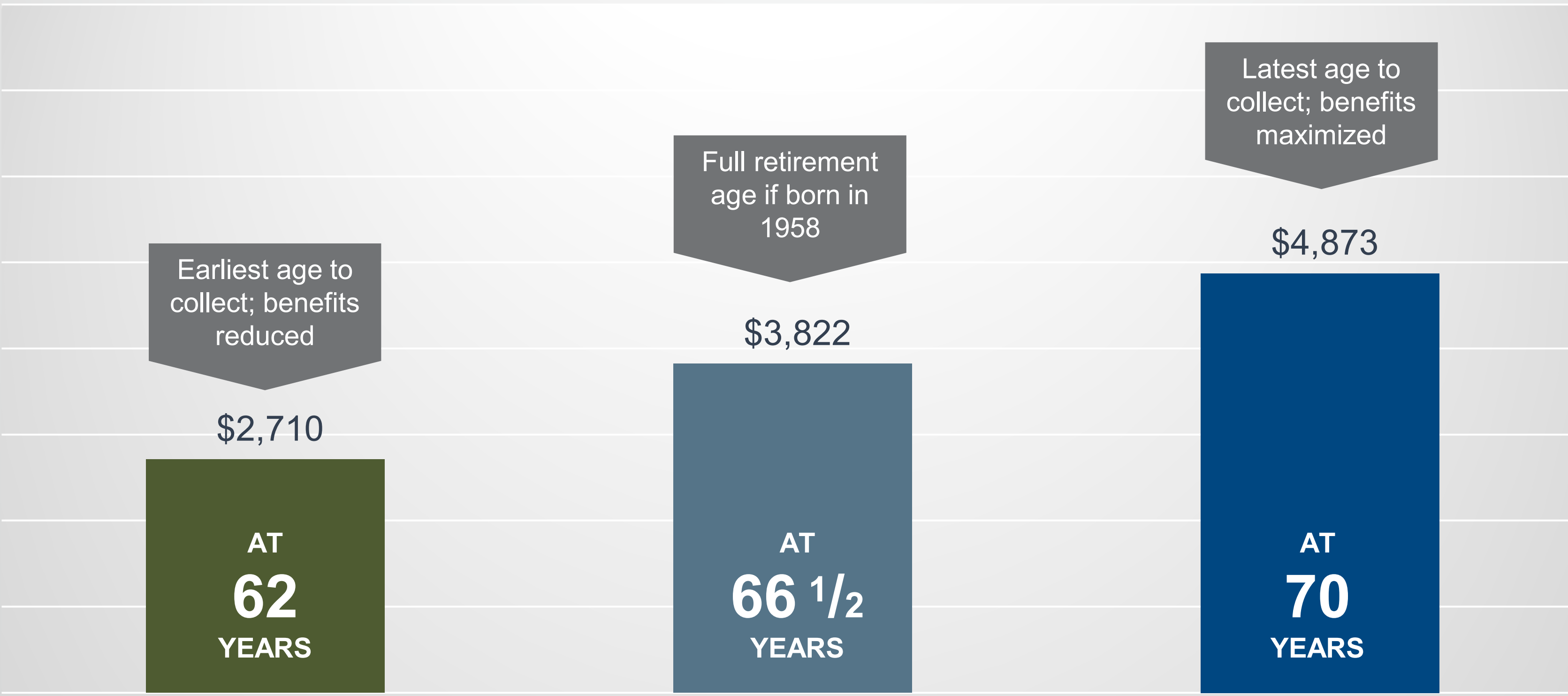


Source: Employee Benefits Security Administration, United States Department of Labor, 9/23 "Private Pension Plan Bulletin Historical Tables and Graphs 1975-2021"

SOCIAL SECURITY: THE WAITING GAME

The average worker can collect more each month from Social Security the longer they wait to claim benefits.

MAXIMUM INITIAL MONTHLY SOCIAL SECURITY BENEFIT BY RETIREMENT AGE (2024)



Visit www.ssa.gov to get a benefits estimate and help preparing and planning for retirement.

Source: Social Security Administration, as of 4/20/23 (https://faq.ssa.gov/en-US/Topic/article/KA-01897). Social Security Quick Calculator for Estimated Benefits can be accessed at https://www.ssa.gov/OACT/quickcalc/.

SOCIAL SECURITY: PROBABLY NOT ENOUGH

Average expenses in retirement, according to the Bureau of Labor Statistics, of someone 65 and older were $4,345 a month, or $52,141 a year.

Housing

- Mortgage/Rent
- Property Tax
- Home/Renters Insurance
- Utilities/Landscaping
- General Maintenance

Healthcare

- Health Insurance
- Dental/Vision/Hearing
- Medical Supplies
- Prescriptions
- Wellness Services
- Long-Term Care

Transportation

- Car Loan/Lease
- Insurance
- Registration
- Gas/Maintenance
- Commute if no vehicle

Living

- Cell Phone
- Cable/Streaming Services
- Groceries
- Clothing
- Gym Membership

Food and Leisure

- Dining Out
- Travel/Vacations
- Hobbies
- Charity
- Gifts

Family Support

- Adult Children
- Grandchildren
- Tuition/Education
- Pets

Source: Bureau of Labor Statistics, as of 2021, https://www.bls.gov/cex/tables/calendar-year/mean-item-share-average-standard-error/reference-person-age-ranges-2021.pdf.

STOCKS, BONDS, AND CASH: THE "BALANCED" PORTFOLIO

ASSET CLASS RETURNS: 1926-2023

	STOCKS	BONDS	CASH
Annual Returns	10.3%	5.1%	3.3%
Volatility	18.6%	4.4%	0.9%

► **The traditional "balanced portfolio" may not be enough, particularly in times of high inflation.**

Past performance is not indicative of future results. Source: Virtus Performance Analytics, as of 12/31/23. Stocks are represented by the S&P 500® Index, bonds by 5-Year U.S. Treasuries, and cash by One-Month Treasury Bills. Index is defined on page 18.

PLAYING IT “SAFE” CAN BE RISKY

Cash barely keeps pace with inflation

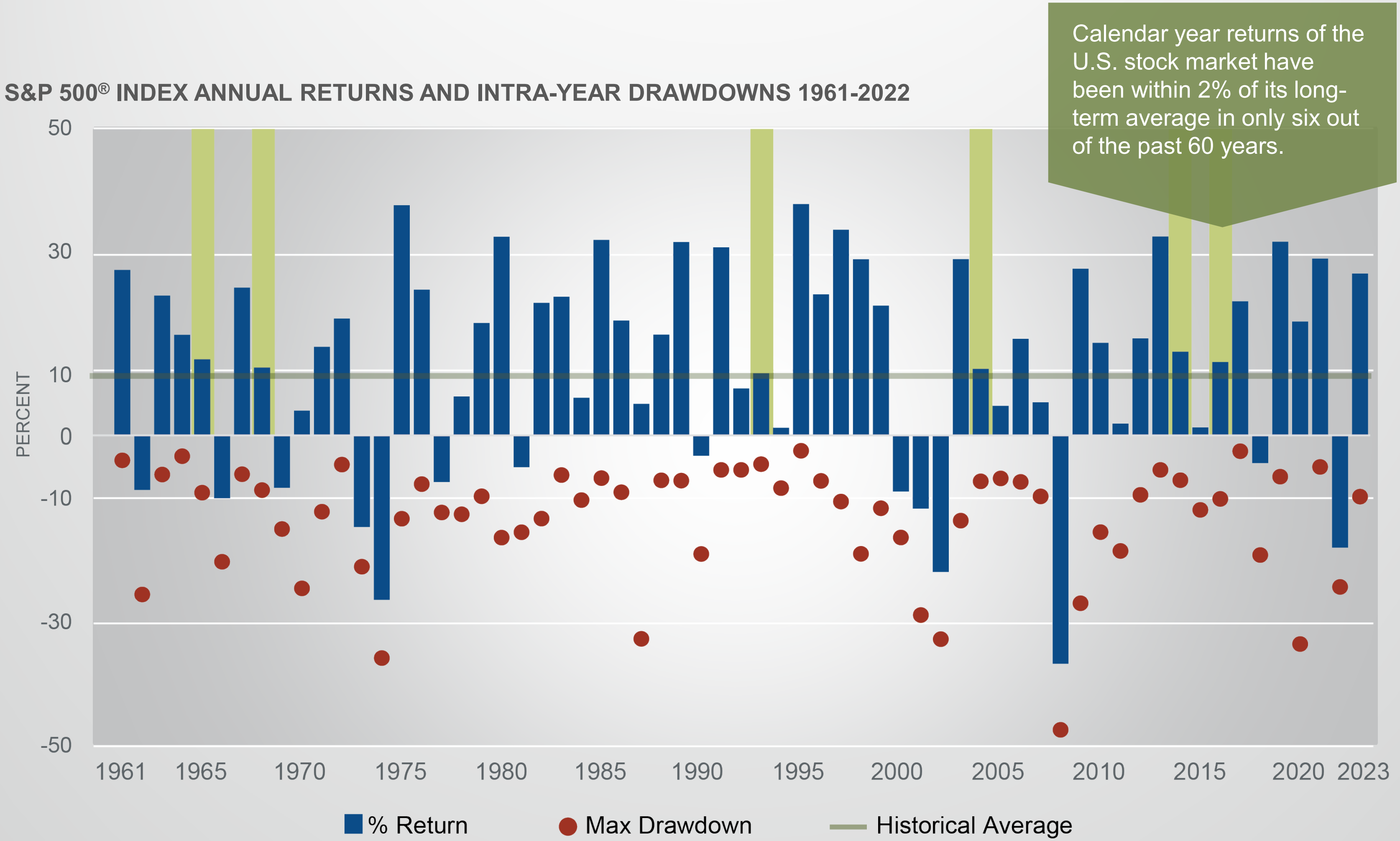
- Returns on cash have barely kept pace with inflation over the long term, yet investors have a record $6 trillion in money market funds.

Bonds historically underperformed stocks

- Traditional bonds can have an important role to play in a diversified, long-term retirement portfolio. However, bonds carry risks of their own and have historically underperformed stocks by a wide margin.

Source: Bloomberg. As of 2/1/24.

DRAWDOWNS CAN BE TOUGH TO STOMACH



► **Takeaway: Drawdowns are inevitable.**

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WHEN YOU RETIRE MATTERS

Investor One: Pulls assets during a bear market

Date	Withdrawal	S&P 500 Annual Return	Year-end Balance
			$1,000,000
2000	$50,000	-9.19%	$858,129
2001	$51,000	-11.87%	$705,227
2002	$52,020	-22.10%	$497,349
2003	$53,060	28.71%	$587,090
2004	$54,122	10.86%	$596,730
2005	$55,204	4.93%	$570,938
2006	$56,308	15.78%	$604,724
2007	$57,434	5.49%	$580,513
2008	$58,583	-37.00%	$307,153
2009	$59,755	26.46%	$328,685
2010	$60,950	15.06%	$317,246
2011	$62,169	2.11%	$261,777
2012	$63,412	16.00%	$240,258
2013	$64,680	32.39%	$253,393
2014	$65,974	13.69%	$222,104
2015	$67,293	1.38%	$157,885
2016	$68,639	11.96%	$108,128
2017	$70,012	21.83%	$61,722
2018	$71,412		---

Investor Two: Pulls assets during a bull market

Date	Withdrawal	S&P 500 Annual Return	Year-end Balance
	--	--	$1,000,000
2003	$ 50,000	28.71%	$1,237,124
2004	$ 51,000	10.86%	$1,320,484
2005	$ 52,020	4.93%	$1,333,548
2006	$ 53,060	15.78%	$1,490,923
2007	$ 54,122	5.49%	$1,518,712
2008	$ 55,204	-37.00%	$901,617
2009	$ 56,308	26.46%	$1,083,918
2010	$ 57,434	15.06%	$1,189,758
2011	$ 58,583	2.11%	$1,156,300
2012	$ 59,755	16.00%	$1,281,594
2013	$ 60,950	32.39%	$1,635,728
2014	$ 62,169	13.69%	$1,797,467
2015	$ 63,412	1.38%	$1,758,929
2016	$ 64,680	11.96%	$1,904,615
2017	$ 65,974	21.83%	$2,254,448
2018	$ 67,293	-4.38%	$2,088,312
2019	$ 68,639	31.49%	$2,677,206
2020	$ 70,012	18.40%	$3,099,767
2021	$ 71,412	28.71%	$3,918,156
2022	$ 72,841	-18.11%	$3,135,704
2023	$ 74,297	26.29%	$3,885,709

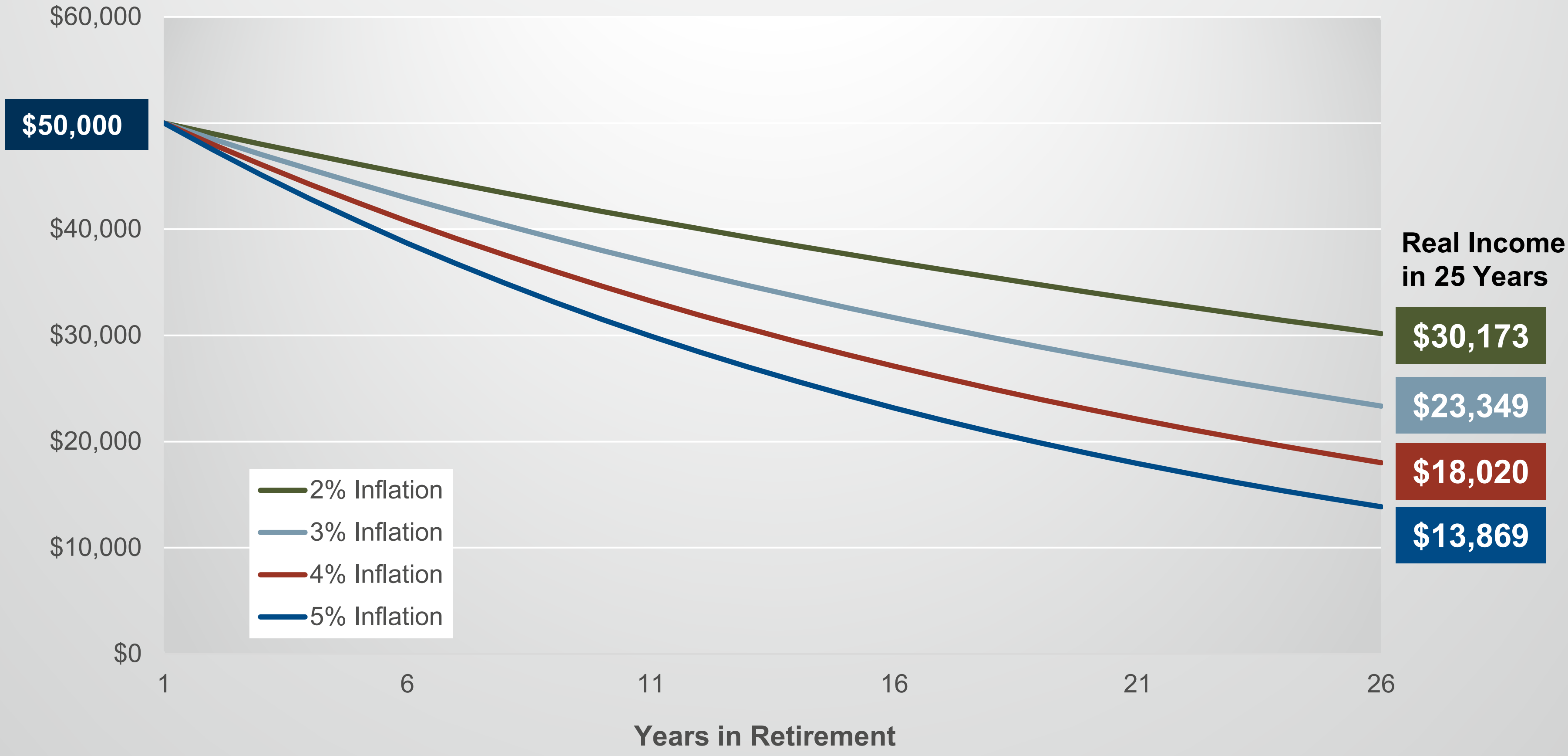
Source: Morningstar Direct. Data as 12/31/23. Hypothetical distribution set up: $1,000,000 initial investment, $50,000 withdrawal starting at the end of year one which grows at 2% per annum. Each year-end balanced utilizes the return for the year and then after the year-end balance is calculated, the withdrawal is taken. **Past performance is not indicative of future results.** Index defined on page 18.

INFLATION CAN UPEND SAVINGS

Even modest rates of inflation can have a devastating impact on purchasing power over the long term.

EFFECT OF INFLATION

Inflation-adjusted purchasing power over 25 years



Past performance is not indicative of future results. Source: Virtus Performance Analytics. For illustrative purposes only. Calculations based on hypothetical inflation rates of 2%, 3%, 4%, and 5% to demonstrate the impact of inflation over time. Actual inflation rates will vary and may be more or less than shown.

MOVE BEYOND A “BALANCED” PORTFOLIO

Complement a traditional portfolio with multi-asset investments, such as:

Convertible Bonds

Corporate debt that can be converted into common stock.

High Yield Bonds

Higher-yielding debt of below-investment-grade issuers.

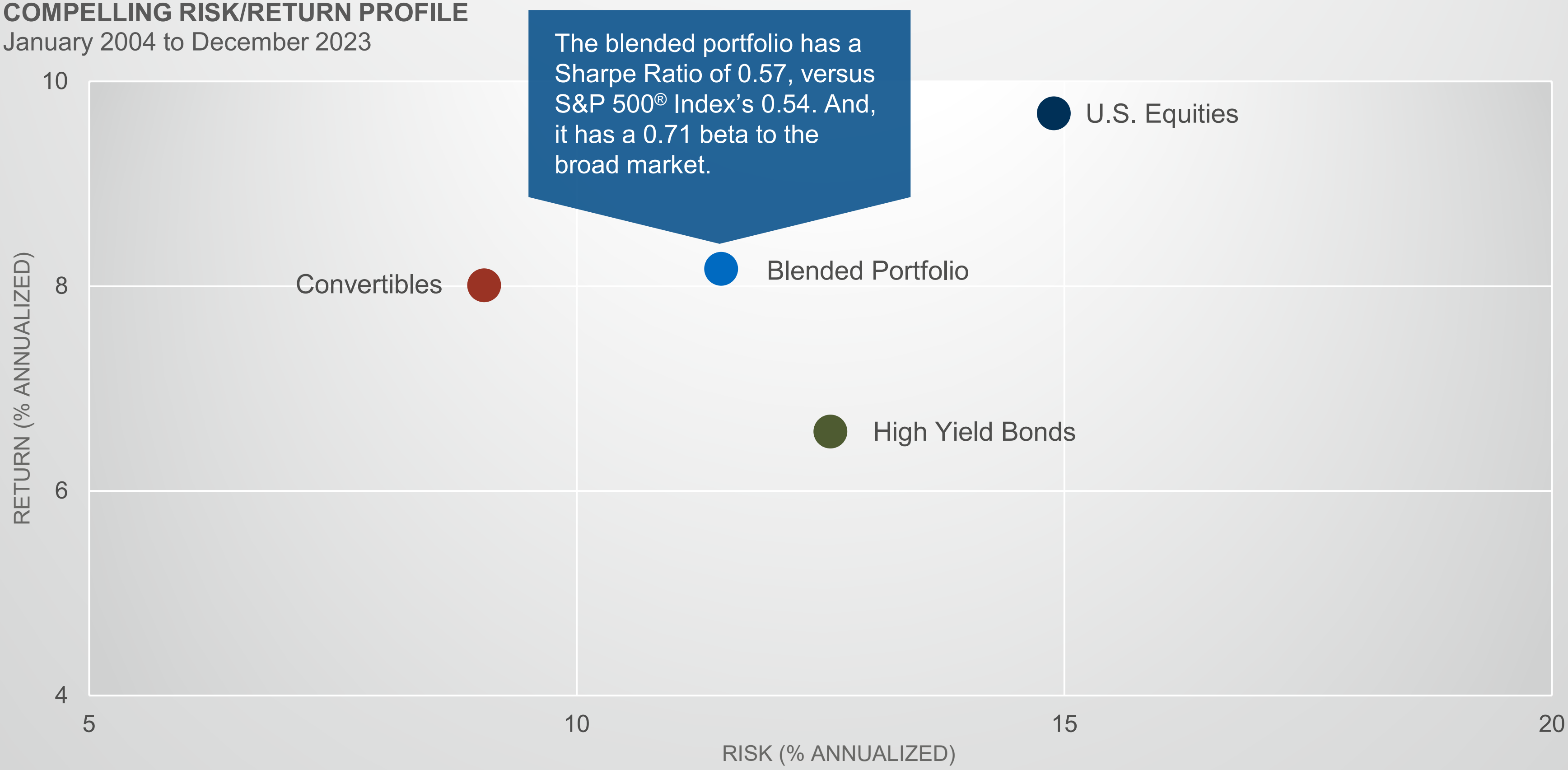
Non-traditional Assets

Managed futures, event-driven strategies, real assets, etc., may help reduce volatility.

POTENTIALLY REDUCE VOLATILITY

Over the last 20 years, convertibles and high yield bonds have enhanced risk-adjusted returns when used in a multi-asset portfolio.

COMPELLING RISK/RETURN PROFILE
January 2004 to December 2023

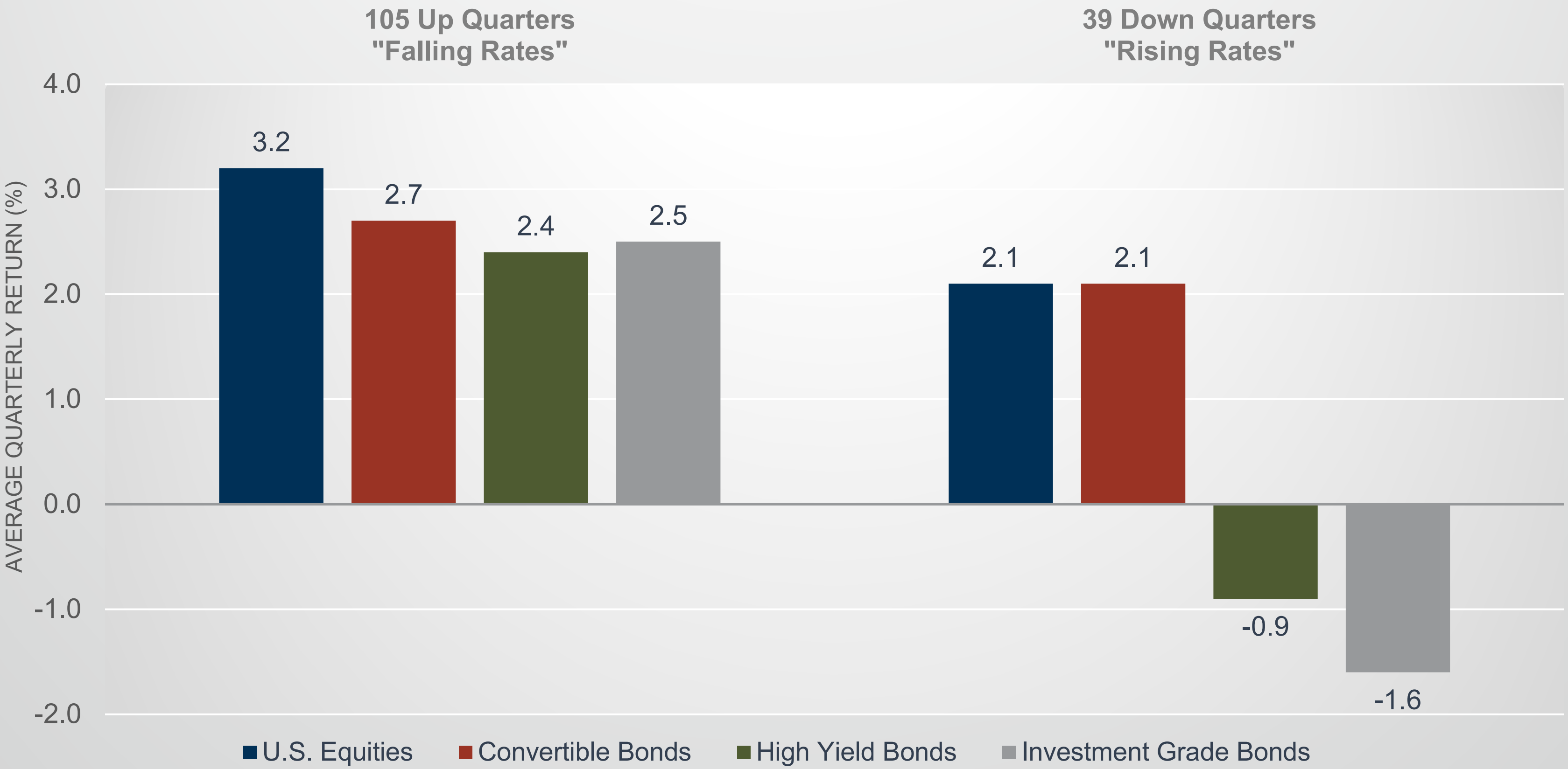


Past performance is no guarantee of future results. Source: Morningstar Direct. Risk as measured by Standard Deviation. High yield bonds represented by: Bloomberg U.S. HY 2% Issuer Cap Index, Convertibles represented by: ICE BofA U.S. Convertible Index; U.S. Equities represented by: S&P 500® Index. Indexes and characteristics defined on page 18.

WEATHER CHANGING INTEREST RATES

Equities, convertibles, and high yield bonds have performed well, regardless of the interest rate environment.

MARKET PARTICIPATION
March 1988 to December 2023



Past performance is no guarantee of future results. Sources: Bloomberg, ICE data services, FactSet, Voya Investment Management. U.S. Equities represented by: S&P 500® Index; Convertibles represented by: ICE BofA U.S. Convertible Index; High yield bonds represented by: ICE BofA U.S. High Yield Index; Investment grade bonds represented by: Bloomberg U.S. Government Credit Bond Index. Indexes are defined on page 18.

HARNESS THE POWER OF DIVERSIFICATION

Relative to an all-equity portfolio, a combined equity/high yield/convertibles portfolio has outperformed since 2000.

	5% annual withdrawal, growing 2% annually	100% S&P 500® Index		100% High Yield		100% Convertibles		33%/33%/33%	
Year	Withdrawal	Return	Year-end Value	Return	Year-end Value	Return	Year-end Value	Return	Year-end Value
			$1,000,000		$1,000,000		$1,000,000		$1,000,000
2000	$50,000	-9.19%	$858,129	-5.12%	$898,826	-10.00%	$850,015	-7.68%	$873,166
2001	$51,000	-11.87%	$705,227	4.48%	$888,071	-4.44%	$761,236	-3.88%	$788,275
2002	$52,020	-22.10%	$497,349	-1.83%	$819,781	-8.58%	$643,893	-11.00%	$649,535
2003	$53,060	28.71%	$587,090	28.15%	$997,478	27.15%	$765,638	28.12%	$779,152
2004	$54,122	10.86%	$596,730	10.87%	$1,051,771	9.61%	$785,121	10.52%	$806,966
2005	$55,204	4.93%	$570,938	2.74%	$1,025,378	1.01%	$737,858	2.92%	$775,312
2006	$56,308	15.78%	$604,724	11.77%	$1,089,722	12.83%	$776,242	13.48%	$823,485
2007	$57,434	5.49%	$580,513	2.19%	$1,056,187	4.53%	$753,976	4.11%	$799,857
2008	$58,583	-37.00%	$307,153	-26.39%	$718,880	-35.73%	$426,027	-33.08%	$476,643
2009	$59,755	26.46%	$328,685	57.51%	$1,072,565	49.13%	$575,563	44.21%	$627,621
2010	$60,950	15.06%	$317,246	15.19%	$1,174,543	16.77%	$611,147	15.88%	$666,307
2011	$62,169	2.11%	$261,777	4.38%	$1,163,849	-5.18%	$517,321	0.42%	$606,940
2012	$63,412	16.00%	$240,258	15.58%	$1,281,805	14.96%	$531,279	15.58%	$638,107
2013	$64,680	32.39%	$253,393	7.42%	$1,312,218	24.92%	$599,066	21.19%	$708,659
2014	$65,974	13.69%	$222,104	2.50%	$1,279,092	9.44%	$589,587	8.51%	$703,023
2015	$67,293	1.38%	$157,885	-4.64%	$1,152,411	-2.99%	$504,679	-2.03%	$621,450
2016	$68,639	11.96%	$108,128	17.49%	$1,285,312	10.43%	$488,674	13.33%	$635,632
2017	$70,012	21.83%	$61,722	7.48%	$1,311,483	13.70%	$485,612	14.22%	$655,995
2018	$71,412	-4.38%	--	-2.26%	$1,210,366	0.15%	$414,934	-2.04%	$571,195
2019	$72,841	31.49%		14.41%	$1,311,955	23.15%	$438,152	22.92%	$629,278
2020	$74,297	18.40%		6.17%	$1,318,561	46.22%	$566,374	22.85%	$698,764
2021	$75,783	28.71%		5.36%	$1,313,500	6.34%	$526,519	13.19%	$715,164
2022	$77,299	-18.11%		-11.22%	$1,088,854	-18.71%	$350,713	-15.91%	$524,100
2023	$78,845	26.29%		13.46%	$1,156,544	12.87%	$317,008	17.51%	$537,001

Past performance is not indicative of future results. Source: Morningstar Direct. Data as of 12/31/23. Hypothetical distribution set up: $1,000,000 initial investment, $50,000 withdrawal starting at the end of year one which grows at 2% per annum. Each year-end balance utilizes the return for the year and then after the year-end balance is calculated, the withdrawal is taken. Convertible bonds are represented by the ICE BofA U.S. Convertible Index, High yield bonds represented by the ICE BofA U.S. High Yield Index. Indexes defined on page 18.

THE NEW REALITY ABOUT RETIREMENT PLANNING

- **Funding retirement will likely be expensive**
- **Nothing is less safe than being "too safe"**
- **Consider investing outside your comfort zone**
  - **This may include more risk and volatility**
- **Diversify to balance risk and return**
- **Build a resilient plan and stick to it!**

IMPORTANT INFORMATION

IMPORTANT RISK CONSIDERATIONS

Credit & Interest: Debt instruments are subject to various risks, including credit and interest rate risk. The issuer of a debt security may fail to make interest and/or principal payments. Values of debt instruments may rise or fall in response to changes in interest rates, and this risk may be enhanced with longer-term maturities. **Market Volatility:** The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Local, regional, or global events such as war or military conflict, terrorism, pandemic, or recession could impact the portfolio, including hampering the ability of the portfolio's manager(s) to invest its assets as intended. **High Yield Fixed Income Securities:** There is a greater risk of issuer default, less liquidity, and increased price volatility related to high-yield securities than investment grade securities. **Convertible Securities:** A convertible security may be called for redemption at a time and price unfavorable to the portfolio. **Equity Securities:** The market price of equity securities may be adversely affected by financial market, industry, or issuer specific events. Focus on a particular style or on small, medium, or large-sized companies may enhance that risk. **Income**: Income received from the portfolio may vary widely over the short- and long-term and/or be less than anticipated if the proceeds from maturing securities in the portfolio are reinvested in lower-yielding securities.

INDEX DEFINITIONS

The **Bloomberg U.S. Government/Credit Bond Index** is a broad-based flagship benchmark that measures the non-securitized component of the U.S. Aggregate Index. The index includes investment grade, U.S. dollar-denominated, fixed-rate treasuries, government-related and corporate securities. The **Bloomberg U.S. HY 2% Issuer Cap Index** measures fixed rate non-investment grade debt securities of U.S. corporations, calculated on a total return basis. The **ICE BofA U.S. High Yield Index** tracks the performance of below investment grade U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market and includes issues with a credit rating of BBB or below. The **ICE BofA U.S. Convertible Index** tracks the performance of publicly issued U.S. dollar denominated convertible securities of U.S. companies. The **S&P 500® Index** is a free-float market capitalization-weighted index of 500 of the largest U.S. companies. The index is calculated on a total return basis with dividends reinvested. The indexes are calculated on a total return basis. The indexes are unmanaged, their returns do not reflect any fees, expenses, or sales charges, and they are not available for direct investment.

GLOSSARY

Beta: A quantitative measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. **Correlation**: A measure that determines the degree to which two variables' movements are associated. The correlation coefficient will vary from -1 to +1. A -1 indicates perfect negative correlation and +1 indicates perfect positive correlation. **Sharpe Ratio:** A statistic that measures the efficiency, or excess return per unit of risk, of a manager's returns. It is calculated by taking the portfolio's annualized return, minus the annualized risk-free rate (typically the 30-Day T-Bill return), divided by the portfolio's annualized standard deviation. The greater the Sharpe Ratio, the better the portfolio's risk adjusted return.**Standard Deviation**: Measures variability of returns around the average return for an investment portfolio. Higher standard deviation suggests greater risk.

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