

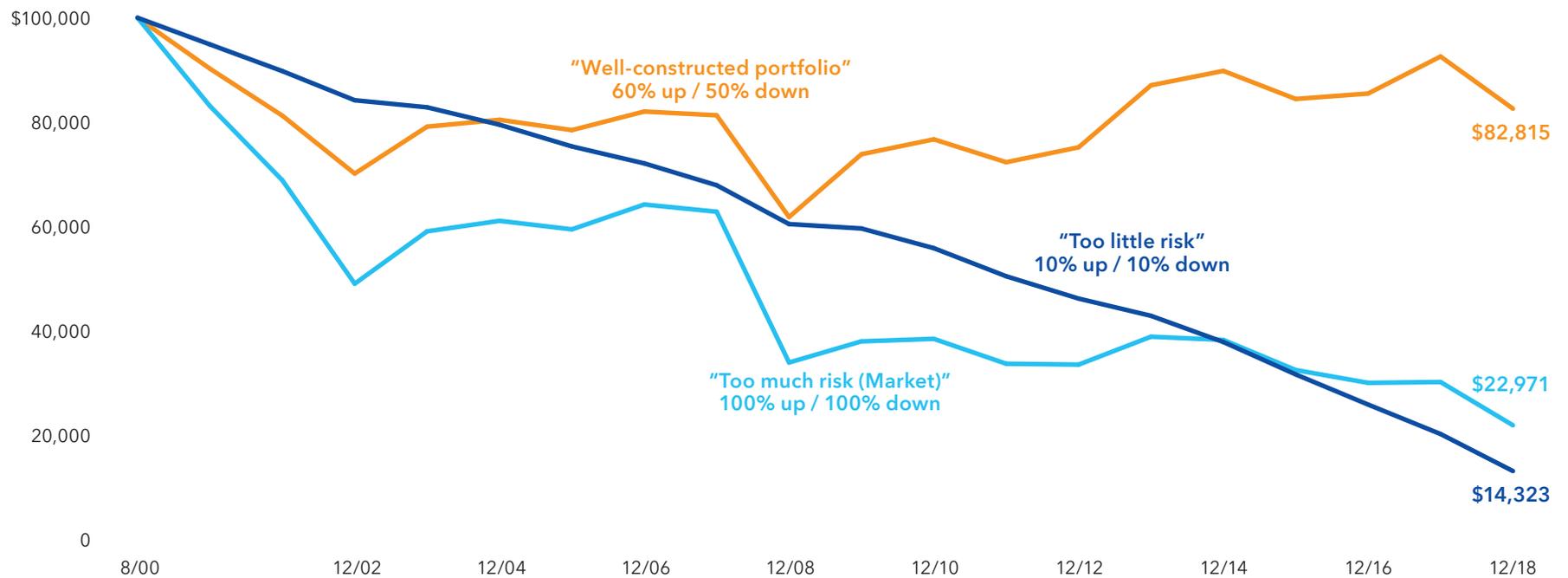


# Protect against "dollar cost ravaging"

For most of our lives, we focus on accumulating as much wealth as possible for retirement. What we sometimes fail to realize, however, is just how important the right allocation is as we begin taking withdrawals in retirement. Taking on too much risk or too little risk can have drastic impacts on our ability to sustain the lifestyle we desire.

## The wrong amount of risk can severely impact your retirement

Growth of hypothetical \$100,000 portfolio (\$4,000 annual withdrawal, adjusted for 3% annual inflation)

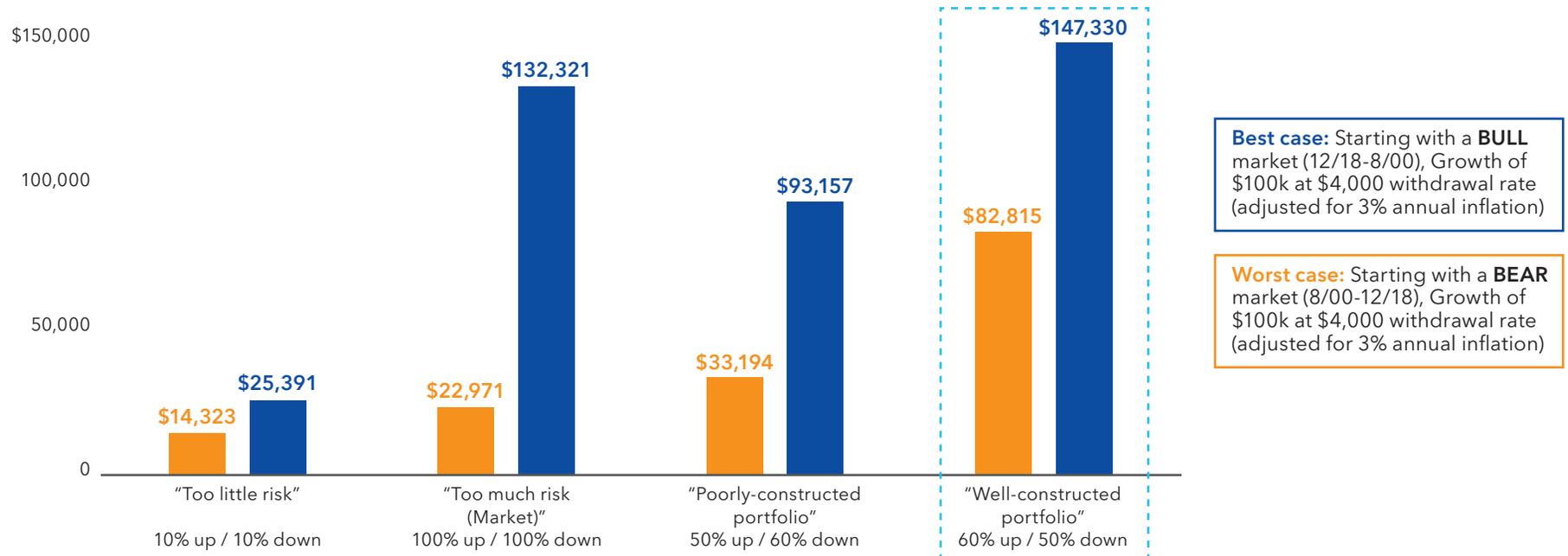


Source: Morningstar as of 12/31/18. Market is represented by the S&P 500 Index. Total withdrawals in each scenario equal \$100,467. For illustrative purposes only. Past performance does not guarantee or indicate future results. Index performance is shown for illustrative purposes only. You cannot invest directly in the index. See reverse side for scenario explanations.

The unpredictable nature of markets can make it hard to find the ideal moment to retire. However, creating a well-constructed portfolio – one with more upside capture and less downside capture – may help you to perform better in retirement and allow you to fend off “dollar cost ravaging.”

### Shifting to a well-constructed, risk-managed portfolio can potentially improve outcomes

Growth of hypothetical \$100,000 portfolio (\$4,000 annual withdrawal, adjusted for 3% annual inflation)



Source: BlackRock and Morningstar as of 12/31/18. Hypothetical example for illustrative purposes only and is not representative of an actual investment or account. Total withdrawals in each scenario equal \$100,467. The “bear” market “Worst case” scenario refers to the return of the S&P 500 Index from 8/00-12/18. The “bull” market “Best case” scenario refers to a hypothetical example where the previously mentioned timeframe is inverted, such that they would reflect an individual retiring during a period where the returns matched those of 12/18-8/00. “Too little risk” is represented by a hypothetical portfolio whose returns capture 10% of each positive and negative annual return of the S&P 500 Index, as defined for each scenario. “Too much risk (Market)” is represented by a hypothetical portfolio whose returns capture 100% of each positive and negative annual return of the S&P 500 Index, as defined for each scenario. “Poorly-constructed portfolio” is represented by a hypothetical portfolio whose returns capture 50% of each positive annual return and 60% of each negative annual return of the S&P 500 Index, as defined for each scenario. “Well-constructed portfolio” is represented by a hypothetical portfolio whose returns capture 60% of each positive annual return and 50% of each negative annual return of the S&P 500 Index, as defined for each scenario. Portfolios are adjusted annually to account for a hypothetical annual withdrawal of \$4,000 and a hypothetical annual inflation rate of 3%. Index performance returns do not reflect any management fees, transaction costs or expenses. Indexes are unmanaged and one cannot invest directly in an index. **Past performance does not guarantee or indicate future results.**

### Investing involves risks, including possible loss of principal.

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