



STAY THE COURSE

Riding Out Market Volatility

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Key topics

Don't panic.

Align your investments with your goals and risk tolerance.



Take a deep breath

During big swings in the market, it's only natural to be concerned about your personal financial circumstances and your retirement savings.

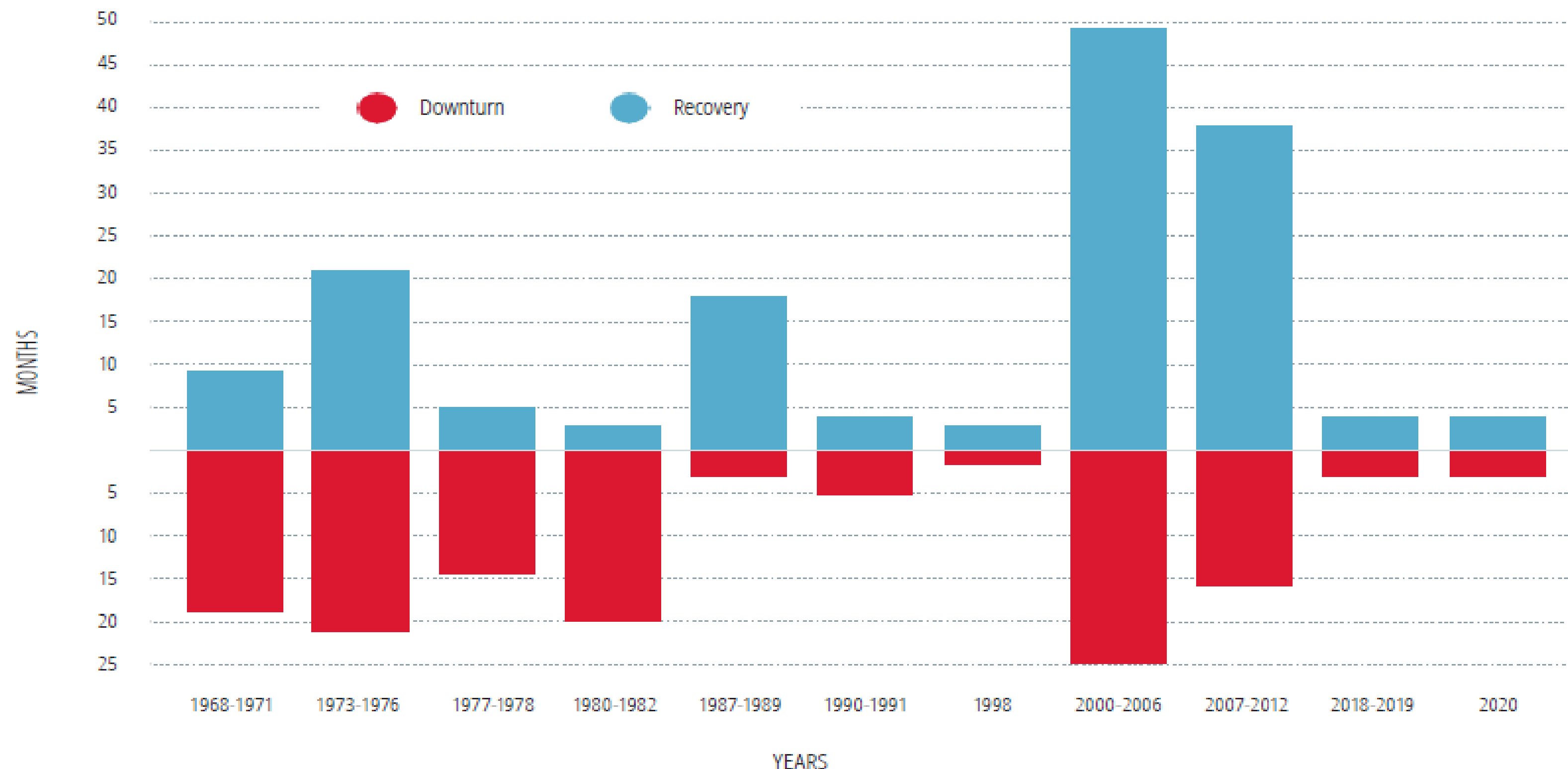
- ▶ You're in it for the long term.
- ▶ Keep your goals in mind.



What is market volatility?

Market volatility is a normal and inevitable part of the stock market cycle and should be factored into your long-term investment strategy.

Market downturns and recovery periods 1968–2020



Past performance is not a guarantee of future results.

FOR ILLUSTRATIVE PURPOSES ONLY. Not intended as a projection or prediction of future investment results. Morningstar DirectSM 2020. Large stocks are represented by the Ibbotson[®] Large Company Stock Index. Downturns in this example are defined by a time period when the stock market value declined by 10% or more from its peak, while the recovery period indicates the number of months from the trough of the downturn to the market's previous peak. An investment cannot be made directly in an index. The information assumes reinvestment of all income and does not account for taxes or transaction costs.



Periodic table of investment returns

Annual returns for key indices and asset allocation portfolio ranked in order of performance by year through December 31, 2022.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
1	Real estate 37.96%	Emerging market equity 34.00%	Real estate 42.12%	Emerging market equity 39.38%	U.S. fixed income 5.24%	Emerging market equity 78.51%	Small-cap equity 26.85%	U.S. fixed income 7.84%	Real estate 27.73%	Small-cap equity 38.82%	Real estate 15.02%	Large-cap equity 1.38%	Small-cap equity 21.31%	Emerging market equity 37.28%	Cash alternatives 1.87%	Large-cap equity 31.49%	Small-cap equity 19.96%	Large-cap equity 28.71%	Cash alternatives 1.50%
2	Emerging market equity 25.55%	Real estate 15.35%	Emerging market equity 32.17%	Dev ex-U.S. equity 12.44%	Gbl. ex-U.S. fixed 4.39%	High yield 58.21%	Real estate 19.63%	High yield 4.98%	Emerging market equity 18.23%	Large-cap equity 32.39%	Large-cap equity 13.69%	Moderate composite 0.87%	High yield 17.13%	Dev ex-U.S. equity 24.21%	U.S. fixed income 0.01%	Small-cap equity 25.52%	Large-cap equity 18.40%	Real estate 26.09%	High yield -11.19%
3	Dev ex-U.S. equity 20.38%	Dev ex-U.S. equity 14.47%	Dev ex-U.S. equity 25.71%	Gbl. ex-U.S. fixed 11.03%	Cash alternatives 2.06%	Real estate 37.13%	Emerging market equity 18.88%	Gbl. ex-U.S. fixed 4.36%	Dev ex-U.S. equity 16.41%	Dev ex-U.S. equity 21.02%	Moderate composite 7.29%	U.S. fixed income 0.55%	Large-cap equity 11.96%	Large-cap equity 21.83%	High yield -2.08%	Dev ex-U.S. equity 22.49%	Emerging market equity 18.31%	Small-cap equity 14.82%	U.S. fixed income -13.01%
4	Small-cap equity 18.33%	Moderate composite 5.86%	Small-cap equity 18.37%	Moderate composite 6.97%	Moderate composite -25.43%	Dev ex-U.S. equity 33.67%	High yield 15.12%	Large-cap equity 2.11%	Small-cap equity 16.35%	Moderate composite 15.93%	U.S. fixed income 5.97%	Cash alternatives 0.05%	Emerging market equity 11.19%	Small-cap equity 14.65%	Gbl. ex-U.S. fixed -2.15%	Real estate 21.91%	Moderate composite 11.83%	Moderate composite 12.95%	Moderate composite -14.11%
5	Gbl. ex-U.S. fixed 12.54%	Large-cap equity 4.91%	Large-cap equity 15.79%	U.S. fixed income 6.97%	High yield -26.16%	Small-cap equity 27.17%	Large-cap equity 15.06%	Moderate composite 0.83%	Large-cap equity 16.00%	High yield 7.44%	Small-cap equity 4.89%	Real estate -0.79%	Moderate composite 7.03%	Moderate composite 13.28%	Moderate composite -4.10%	Moderate composite 19.42%	Gbl. ex-U.S. fixed 10.11%	Dev ex-U.S. equity 12.62%	Dev ex-U.S. equity -14.29%
6	High yield 11.13%	Small-cap equity 4.55%	Moderate composite 12.67%	Large-cap equity 5.49%	Small-cap equity -33.79%	Large-cap equity 26.47%	Moderate composite 11.50%	Cash alternatives 0.10%	High yield 15.81%	Real estate 3.67%	High yield 2.45%	Dev ex-U.S. equity -3.04%	Real estate 4.06%	Gbl. ex-U.S. fixed 10.51%	Large-cap equity -4.38%	Emerging market equity 18.44%	Dev ex-U.S. equity 7.59%	High yield 5.28%	Large-cap equity -18.11%
7	Large-cap equity 10.88%	Cash alternatives 3.07%	High yield 11.85%	Cash alternatives 5.00%	Large-cap equity -37.00%	Moderate composite 20.95%	Dev ex-U.S. equity 8.95%	Small-cap equity -4.18%	Moderate composite 11.52%	Cash alternatives 0.07%	Cash alternatives 0.03%	Small-cap equity -4.41%	Dev ex-U.S. equity 2.75%	Real estate 10.36%	Real estate -5.63%	High yield 14.32%	U.S. fixed income 7.51%	Cash alternatives 0.05%	Gbl. ex-U.S. fixed -18.70%
8	Moderate composite 9.96%	High yield 2.74%	Gbl. ex-U.S. fixed 8.16%	High yield 1.87%	Dev ex-U.S. equity -43.56%	Gbl. ex-U.S. fixed 7.53%	U.S. fixed income 6.54%	Real estate -6.46%	U.S. fixed income 4.21%	U.S. fixed income -2.02%	Emerging market equity -2.19%	High yield -4.47%	U.S. fixed income 2.65%	High yield 7.50%	Small-cap equity -11.01%	U.S. fixed income 8.72%	High yield 7.11%	U.S. fixed income -1.54%	Emerging market equity -20.09%
9	U.S. fixed income 4.34%	U.S. fixed income 2.43%	Cash alternatives 4.85%	Small-cap equity -1.57%	Real estate -48.21%	U.S. fixed income 5.93%	Gbl. ex-U.S. fixed 4.95%	Dev ex-U.S. equity -12.21%	Gbl. ex-U.S. fixed 4.09%	Emerging market equity -2.60%	Gbl. ex-U.S. fixed -3.09%	Gbl. ex-U.S. fixed -6.02%	Gbl. ex-U.S. fixed 1.49%	U.S. fixed income 3.54%	Dev ex-U.S. equity -14.09%	Gbl. ex-U.S. fixed 5.09%	Cash alternatives 0.58%	Emerging market equity -2.54%	Small-cap equity -20.44%
10	Cash alternatives 1.33%	Gbl. ex-U.S. fixed -8.65%	U.S. fixed income 4.33%	Real estate -7.39%	Emerging market equity -53.33%	Cash alternatives 0.21%	Cash alternatives 0.13%	Emerging market equity -18.42%	Cash alternatives 0.11%	Gbl. ex-U.S. fixed -3.08%	Dev ex-U.S. equity -4.32%	Emerging market equity -14.92%	Cash alternatives 0.33%	Cash alternatives 0.86%	Emerging market equity -14.57%	Cash alternatives 2.28%	Real estate -9.04%	Gbl. ex-U.S. fixed -7.05%	Real estate -25.09%



The periodic table of investment returns depicts annual returns for 10 asset classes and an asset allocation portfolio from best to worst performance for each calendar year. The asset classes are color coded to enable easy tracking over time. We describe the well-known, industry standard market indices that we use as proxies for each asset class below.

- Large-Cap Equity (S&P 500®)** An unmanaged index considered indicative of the domestic large-cap equity market and used as a proxy for the stock market in general. The S&P 500 is a market-value-weighted index of 500 stocks. The weightings make each company's influence on the Index performance directly proportional to that company's market value.
- Small-Cap Equity (Russell 2000)** measures the performance of small-capitalization U.S. stocks. The Russell 2000 is a market-value weighted index of the 2,000 smallest stocks in the broad-market Russell 3000 Index.
- Developed ex-U.S. Equity (MSCI World ex USA)** is an international index that is designed to measure the performance of large- and mid-cap equities in developed markets in Europe, the Middle East, the Pacific region, and Canada.
- Real Estate (FTSE EPRA/NAREIT Developed Index)** is designed to measure the stock performance of companies engaged in specific real estate activities in the North American, European, and Asian real estate markets.
- Moderate Composite** is allocated among the following asset classes over time: the Wilshire 5000 Index (U.S. equities); the MSCI EAFE® Index (international equities); the Dow Jones U.S. Select REIT IndexSM (real estate); the Bloomberg Barclays U.S. Aggregate Bond Index (bonds); and the Bloomberg Barclays 1-3 Year Credit Bond Index (short-term bonds).

- Emerging Market Equity (MSCI Emerging Markets)** is an international index that is designed to measure the performance of equity markets in 26 emerging countries around the world.
- High Yield (Bloomberg Barclays High Yield Bond Index)** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below, excluding emerging market debt. For further information about a rating agency's methodology, please visit [fitchratings.com](https://www.fitchratings.com), [moodys.com](https://www.moodys.com), or [standardandpoors.com/aboutcreditratings](https://www.standardandpoors.com/aboutcreditratings).
- U.S. Fixed Income (Bloomberg Barclays US Aggregate Bond Index)** includes U.S. government, corporate, and mortgage-backed securities with maturities of at least one year.
- Global ex-U.S. Fixed Income (Bloomberg Barclays Global Aggregate ex U.S. Bond Index)** is a broad base, market capitalization-weighted bond market index representing intermediate-term investment-grade bonds traded in the United States. Investors frequently use the index as a stand-in for measuring the performance of the U.S. bond market.
- Cash Alternatives (90-day T-bill)** is a short-term debt obligation backed by the Treasury Department of the U.S. government.

About risk: Stocks may decline in value. Securities of small and mid-size companies may be more volatile than those of larger, more established companies. Bond prices generally fall when interest rates rise (and vice versa) and are subject to risks, including changes in credit quality, market valuations, inflation, liquidity, and default. High-yield bonds have a greater risk of default. Foreign securities involve risks, such as currency fluctuations, economic changes, and political developments. These risks may be heightened in emerging markets, which may also experience liquidity risk. Real estate securities and trusts involve risks, including declining property values, changes in zoning laws, or losses from casualty. Real estate securities that invest in foreign real estate involve additional risks, including currency fluctuations and political developments.

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On August 1, 2022, Empower announced that it changed the names of various companies within its corporate group to align the names with the Empower brand. For more information regarding the name changes, please visit empower.com/name-change.

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A case for sticking with your plan

The data below shows how missing the market's best days can affect your return on investment.

Costs of missing the market's best days 2001 - 2020



WITH 10 BEST DAYS



WITHOUT
10 BEST DAYS

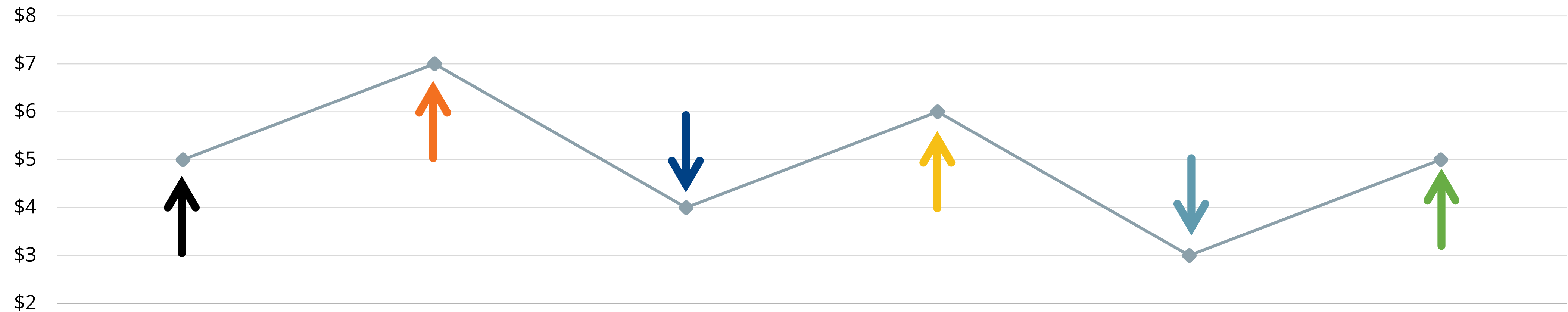
FOR ILLUSTRATIVE PURPOSES ONLY. Refers to the S&P 500 TR USD. Source Morningstar Direct S&P 500 returns January 1, 2001 through December 31, 2020. Returns expressed as total returns. This chart is intended for illustrative purposes only it is not investment advice. Past performance is not a guarantee of future results. Calculations relating to lost investment return created by Advised Assets Group LLC, a registered investment adviser and wholly owned subsidiary of Great West Life Annuity Insurance Company. An index is not actively managed, does not have a defined investment objective, and does not incur fees or expenses. Performance of an index fund will generally be less than its benchmark index You cannot invest directly in an index.



Dollar-cost averaging

Automatic in a retirement plan

Price of investment ABC



\$50 buys **10** shares

\$50 buys **7.1** shares

\$50 buys **12.5** shares

\$50 buys **8.3** shares

\$50 buys **16.7** shares

\$50 buys **10** shares

Total shares: **10**

Total shares: **17.1**

Total shares: **29.6**

Total shares: **38.0**

Total shares: **54.6**

Total shares: **64.6**

Total cost: **\$50**

Total cost: **\$100**

Total cost: **\$150**

Total cost: **\$200**

Total cost: **\$250**

Total cost: **\$300**

Total value: **\$50**

Total value: **\$120**

Total value: **\$119**

Total value: **\$228**

Total value: **\$164**

Total value: **\$323**

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Dollar-cost averaging does not ensure a profit or protect against loss. This investment strategy involves continuous investment in securities regardless of fluctuating price levels. An investor should consider their financial ability to continue purchasing shares in periods of low or fluctuating price levels. This is not intended as financial planning or investment advice.

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Align your investments

You may not be able to control the market, but you can control how you're investing.



How age and risk tolerance influence investment strategy

Generally speaking, the further people are from retirement, the more aggressive they are able to invest.

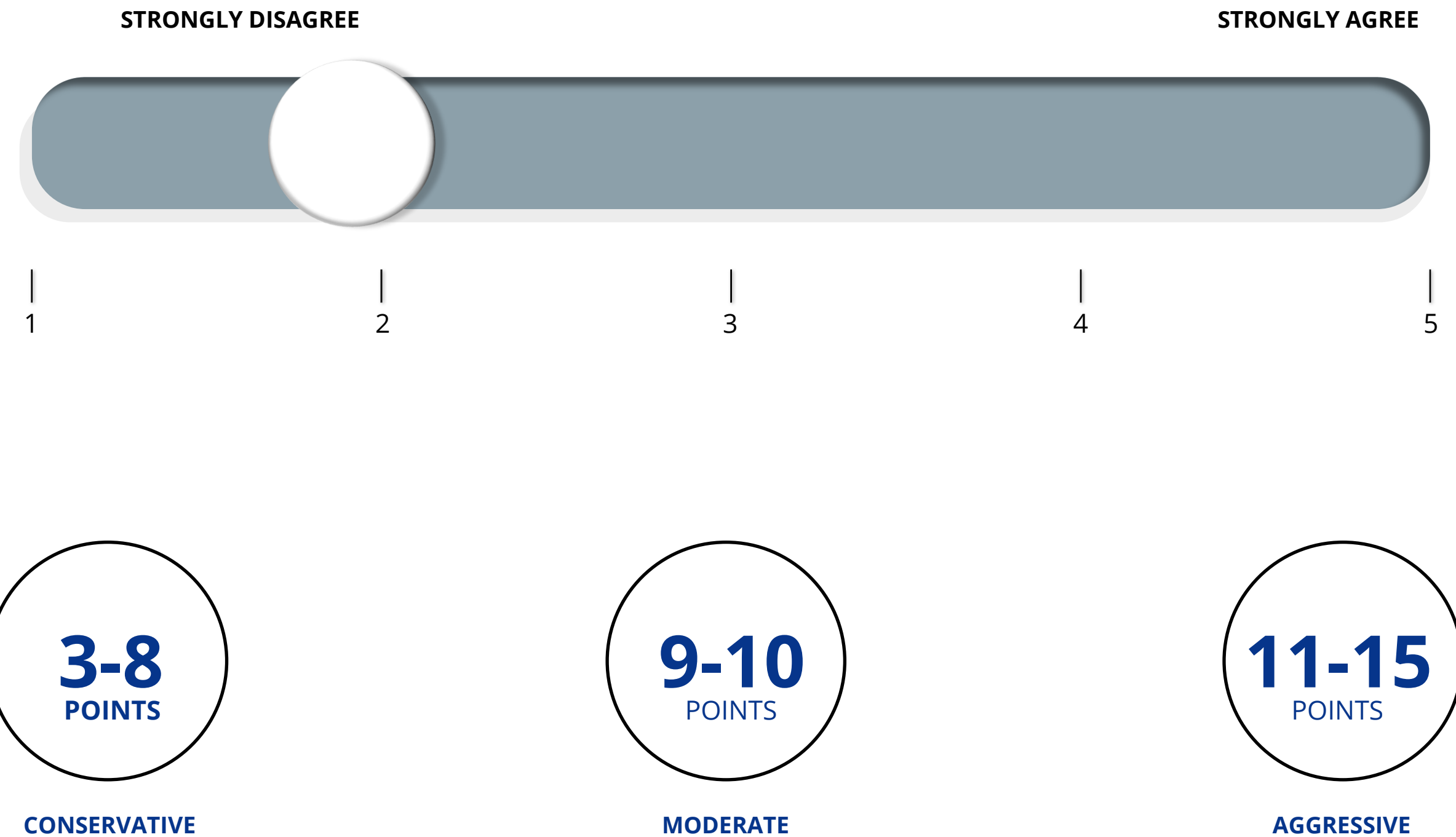


What's your risk tolerance?

I am generally comfortable taking a greater amount of risk with my investment portfolio in exchange for higher potential returns.

If an investment dropped 20% in value over six months due to market fluctuation, I would keep that investment, expecting it to recover.

I have significant assets outside of this account that I can rely on for my future retirement needs.



Risk tolerance in relation to how long until you retire

Here's how your risk tolerance may adapt as you get closer to retirement.

Years until retirement	20 or more	11 to 19	10 or less
	MODERATE	MODERATELY CONSERVATIVE	CONSERVATIVE
	MODERATELY AGGRESSIVE	MODERATE	MODERATELY CONSERVATIVE
	AGGRESSIVE	MODERATELY AGGRESSIVE	MODERATE

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Becoming a smarter investor starts by understanding the language

Understanding the terminology and principles of investing, as well as how they work together, may help set you up for success.

- ▶ Asset classes
- ▶ Asset allocation
- ▶ Diversification
- ▶ Rebalancing



Asset allocation, diversification, dollar-cost averaging and/or rebalancing do not ensure a profit or protect against loss.

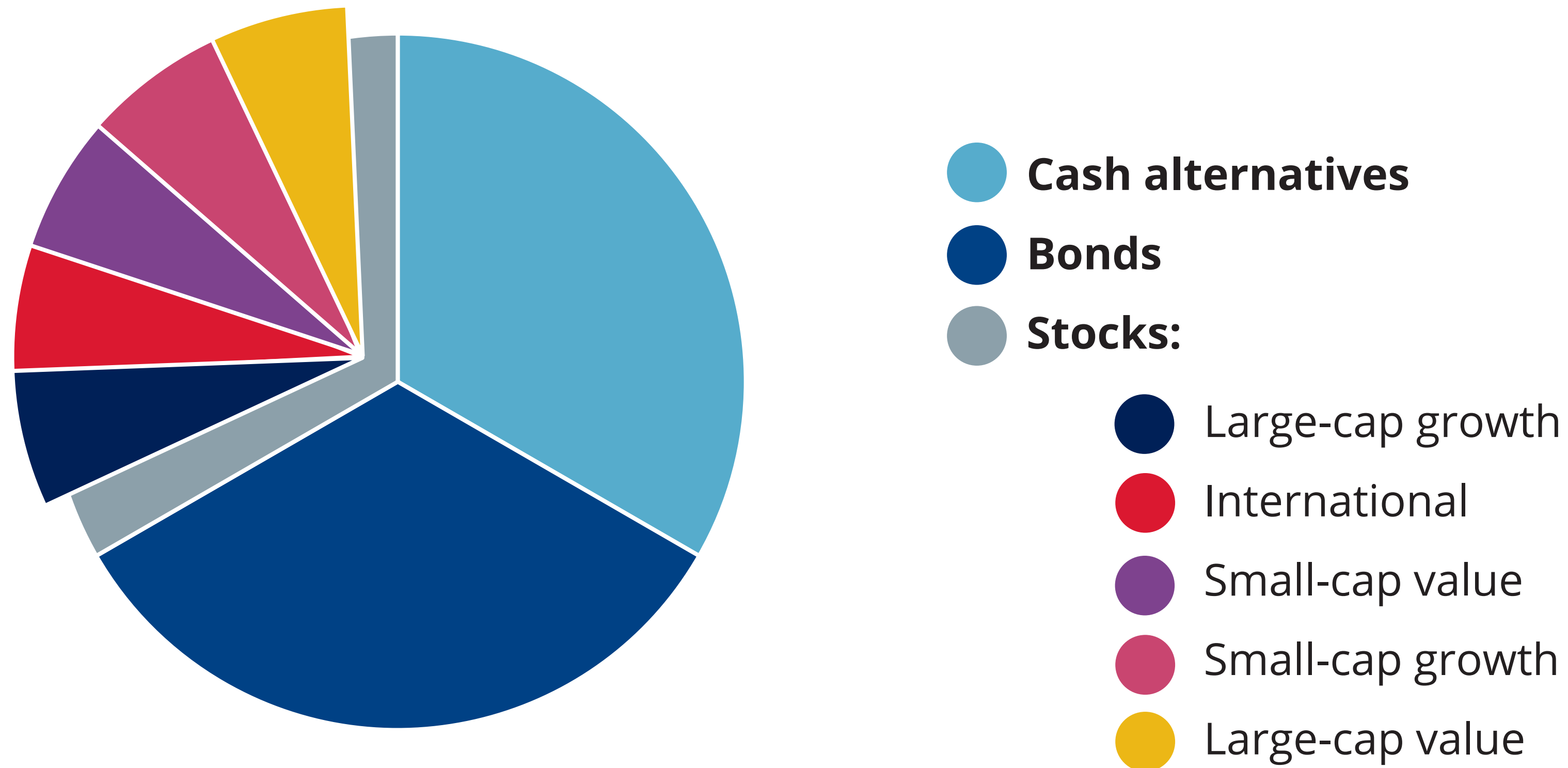
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Why diversification matters

Diversifying your investments may help you offset market volatility and manage the overall risk of your portfolio.

Sample of diversified investments



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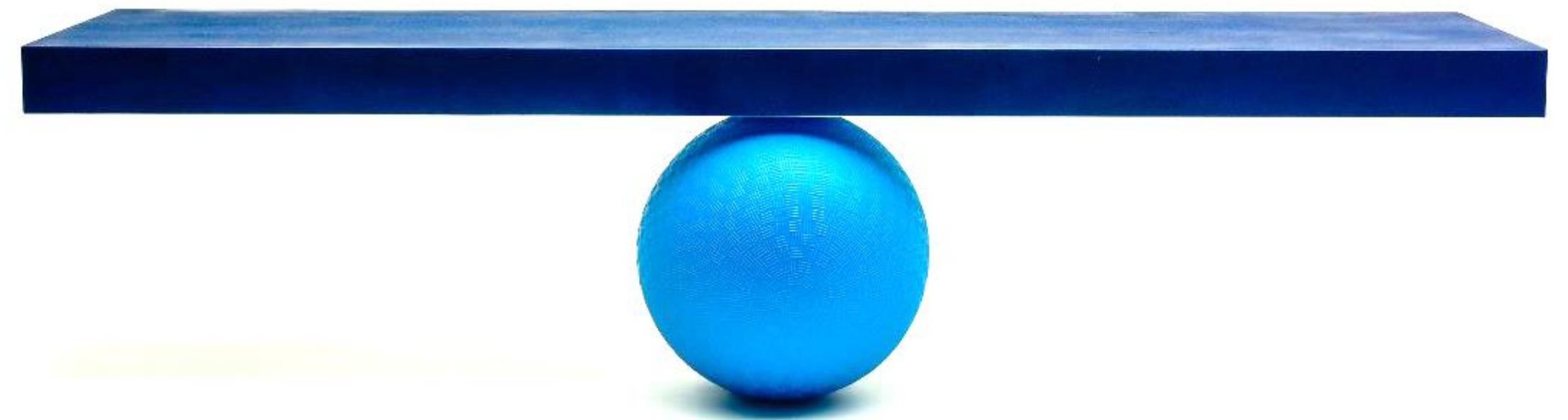
Diversification does not ensure a profit or protect against loss.

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Review and rebalance

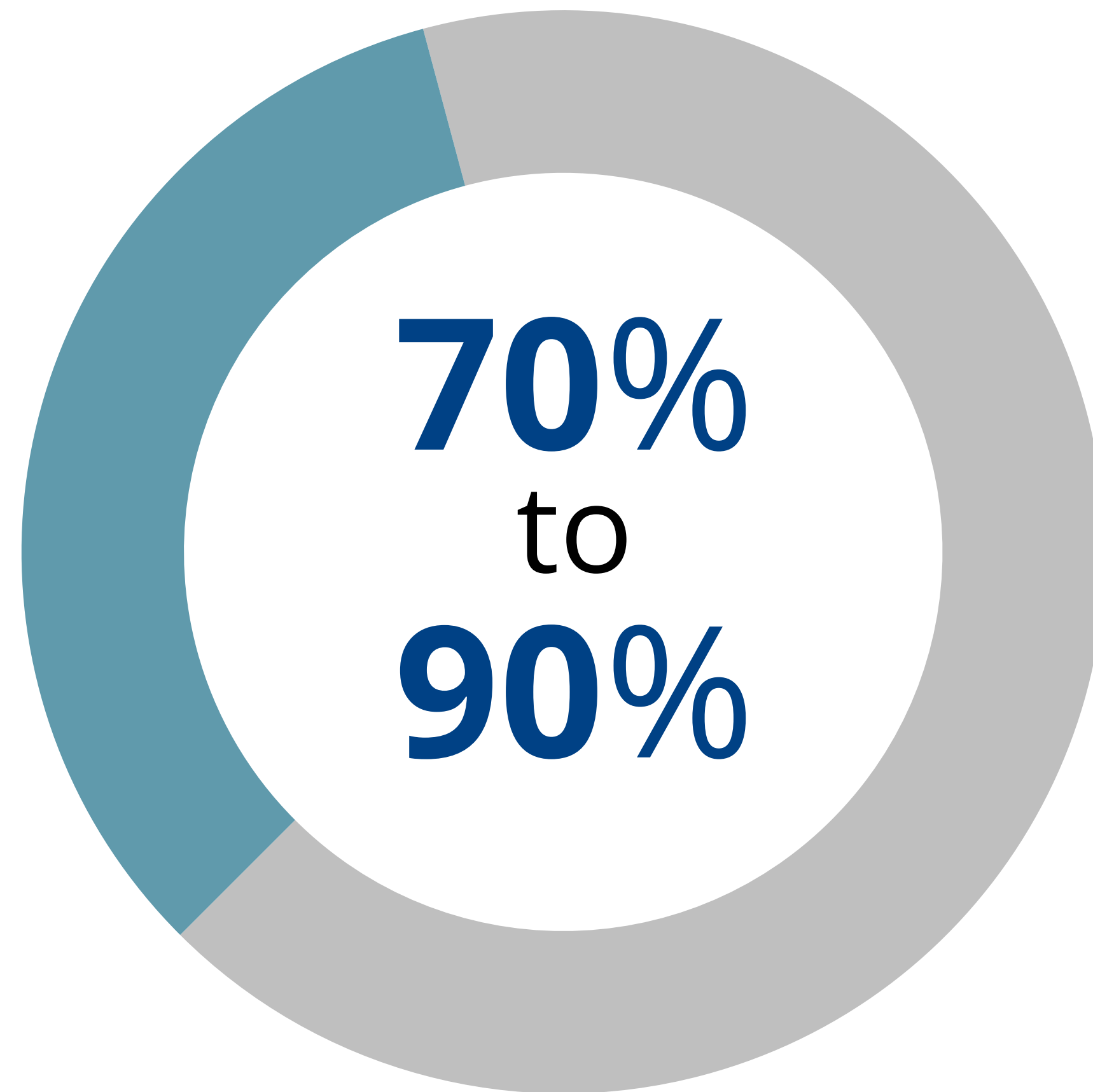
Take a look at your financial goals and your portfolio to make sure you're comfortable with your asset mix. Rebalance your portfolio if you need to.

Rebalancing does not ensure a profit or protect against loss.



How much does it take to retire?

Many financial advisors recommend saving enough to cover 70% to 90% of your pre-retirement annual income to maintain your standard of living.



How much you can contribute

Like everything in life, there are some rules when it comes to contributing to your plan.

- ▶ IRS limit for an individual: \$22,500
- ▶ Catch-up contributions: An additional \$7,500 for people 50 and older

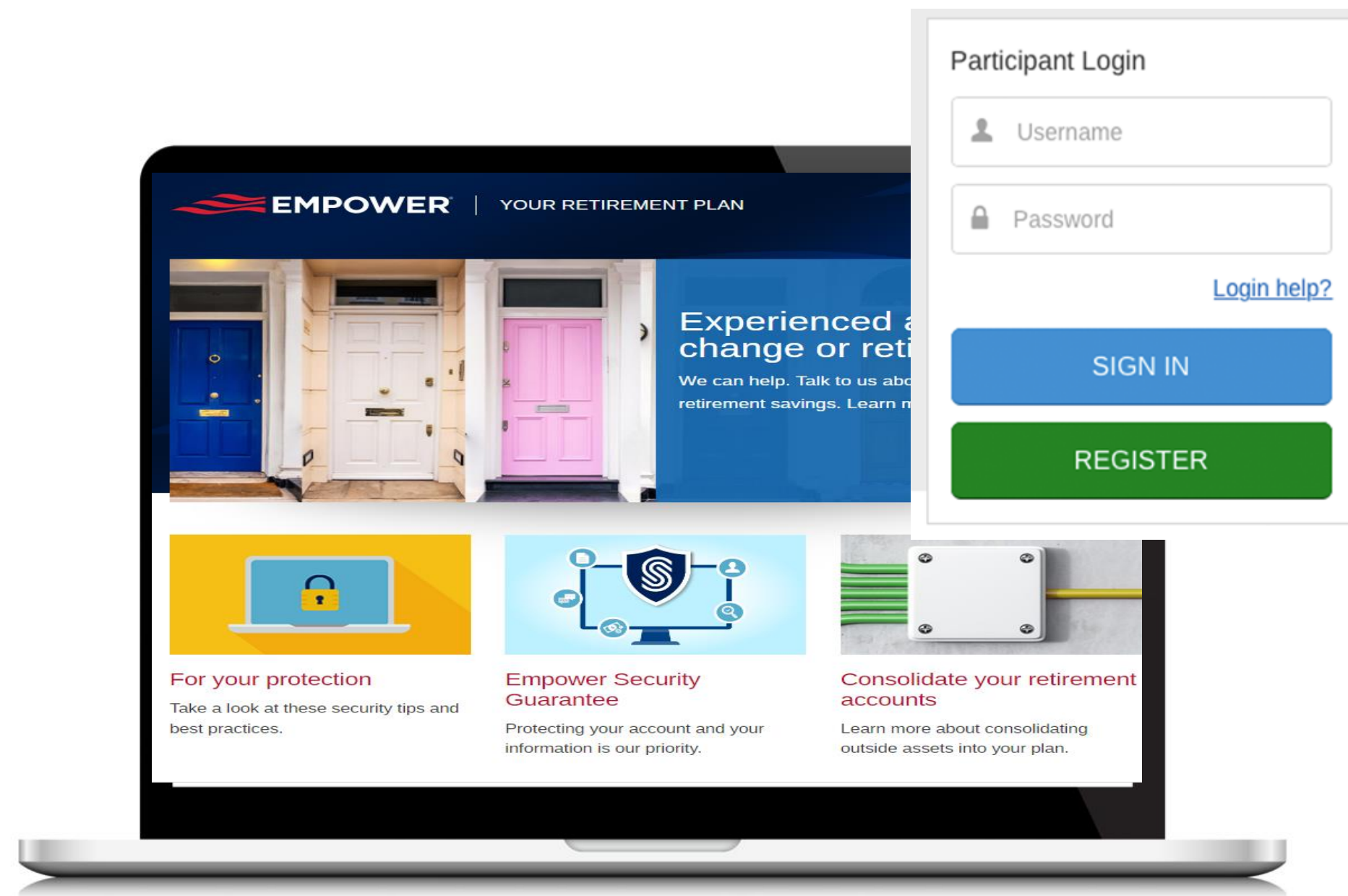


Revisit your retirement savings plan

- ▶ Select your beneficiaries.
- ▶ Save as much as you're comfortable saving.
- ▶ Consider the options you have related to any previous retirement plans.



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Your RPA may conduct a Retirement Readiness Review with you and educate you about available investment options and products offered by EAG. During a Retirement Readiness Review, you will meet with a plan advisor to discuss your current and future goals. Your RPA will look at your full financial picture and provide tailored recommendations in order to help you achieve your personal retirement readiness. Your RPA will assist you with learning about (and, when appropriate, enrolling in) Empower managed accounts solutions, rollovers into plan options, optimized investment allocation and savings amounts, financial planning, general financial wellness, health savings accounts (HSAs), distribution options, and additional products/ solutions offered by your plan and aligned with your needs. While basic investment strategies consider only your age, the service of your RPA includes consideration of a wide range of factors to develop a more in-depth picture of who you are before creating a strategy that best fits your individual needs. Your RPA considers your individual financial situation and goals to create a plan designed to help you reach the future you want. Your RPA, acting on behalf of EFSI, can assist you with executing securities transactions related to the recommendations they provide. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

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Questions

Jacob Prevatt

Sr. Retirement Education Counselor

