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NextGen Success:

Planning Today for a Better Tomorrow

June 2022

Budgeting Basics & Financial Fundamentals

Budgeting Basics

Only one in three Americans have a financial plan in writing [1]

Does a Budget Really Matter?

1) Provides a framework to evaluate spending vs. savings priorities
   - "How much can I spend?" vs. "Could I be saving more?"

2) May provide greater peace of mind
   - Schwab survey: 54 percent of Americans with a written plan feel "very confident" about reaching financial goals versus 18 percent for those without a plan

As a general rule of thumb, an emergency fund should be sufficient to cover at least three to six months of expenses

1 Source: Schwab Modern Wealth Index 2021

Budgeting Basics: General Guidelines (50/30/20)

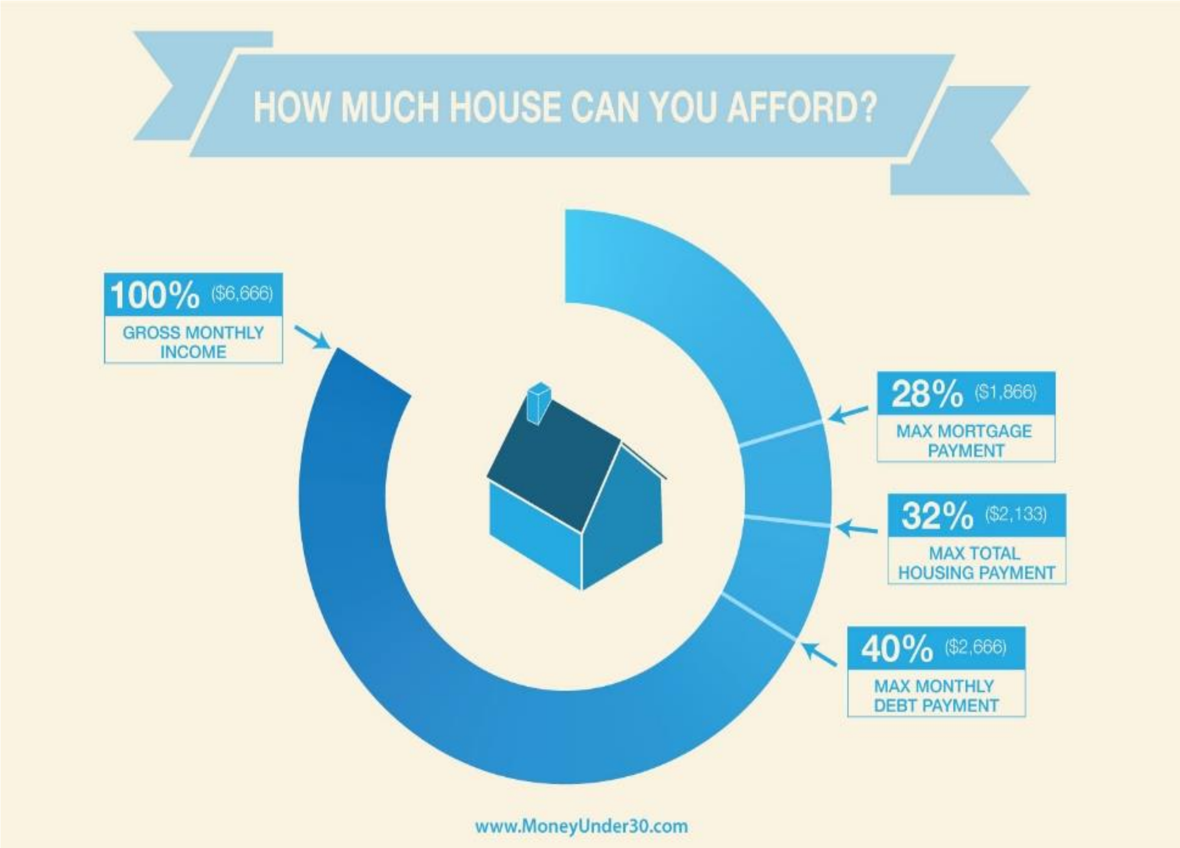
- **50 percent of budget**
- Housing, Food, Medical, Transportation, Debt Payments

- **30 percent of budget**
- Clothing, Restaurants & Bars, Travel, Entertainment

- **20 percent of budget**
- Emergency Fund, Retirement Savings, Extra Debt Payments

If “Needs” exceed 50 percent of your budget, dial back from “Wants” (not from “Savings”)

Budgeting Basics: Housing Considerations



As of April 6, 2022

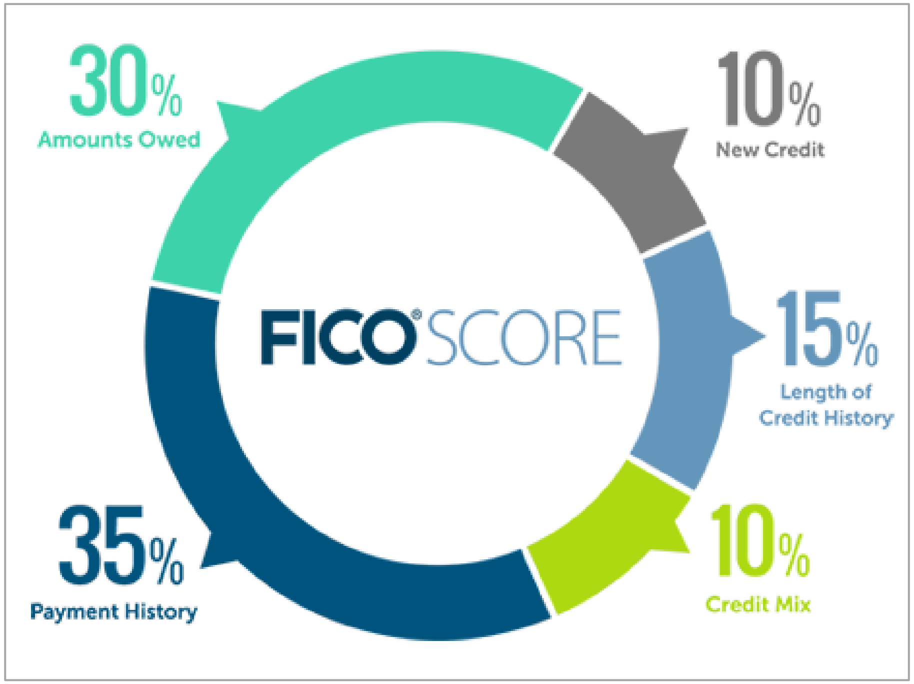
Housing in large metropolitan areas may present challenges to the 28 percent guideline which might involve tradeoffs such as getting roommates or adjusting other budget areas

Other Housing Considerations: Renting vs. Buying

Renting	Buying
➕ Low initial cost (security deposit + first month rent)	➖ Significant upfront costs (including 20%+ downpayment)
➕ Low maintenance responsibility	➖ Responsibility for maintenance, property taxes, insurance
➕ Greater flexibility to move	➖ Expect to stay in the area/home for multiple years
➖ No control over rent increases	➕ Housing cost relatively constant (absent renovations or repairs)
➖ No tax benefits	➕ Tax Benefits associated with mortgage interest and property taxes
➖ Doesn't build equity	➕ Property builds equity over time with appreciation potential
	➕ Sense of stability/"establishing roots"

Your Credit Score Matters (A Lot)

- Your credit score is used by lenders and businesses to assess general credit risk.
- FICO score ranges from 300 – 850; as of 2020, the average U.S. credit score was 711.
- A "good" credit score is typically 700+, though that may be harder to obtain at a younger age (limited credit history).



Source: myFICO.com, "What's in my FICO Scores?"

Your Credit Score Matters (A Lot)

Factors which Improve Your Credit Score	Factors which Hurt Your Credit Score

Factors which Improve Your Credit Score

- Paying bills on time
- Paying down debt
- Limit new credit requests
- Dispute inaccurate information on your credit report

Factors which Hurt Your Credit Score

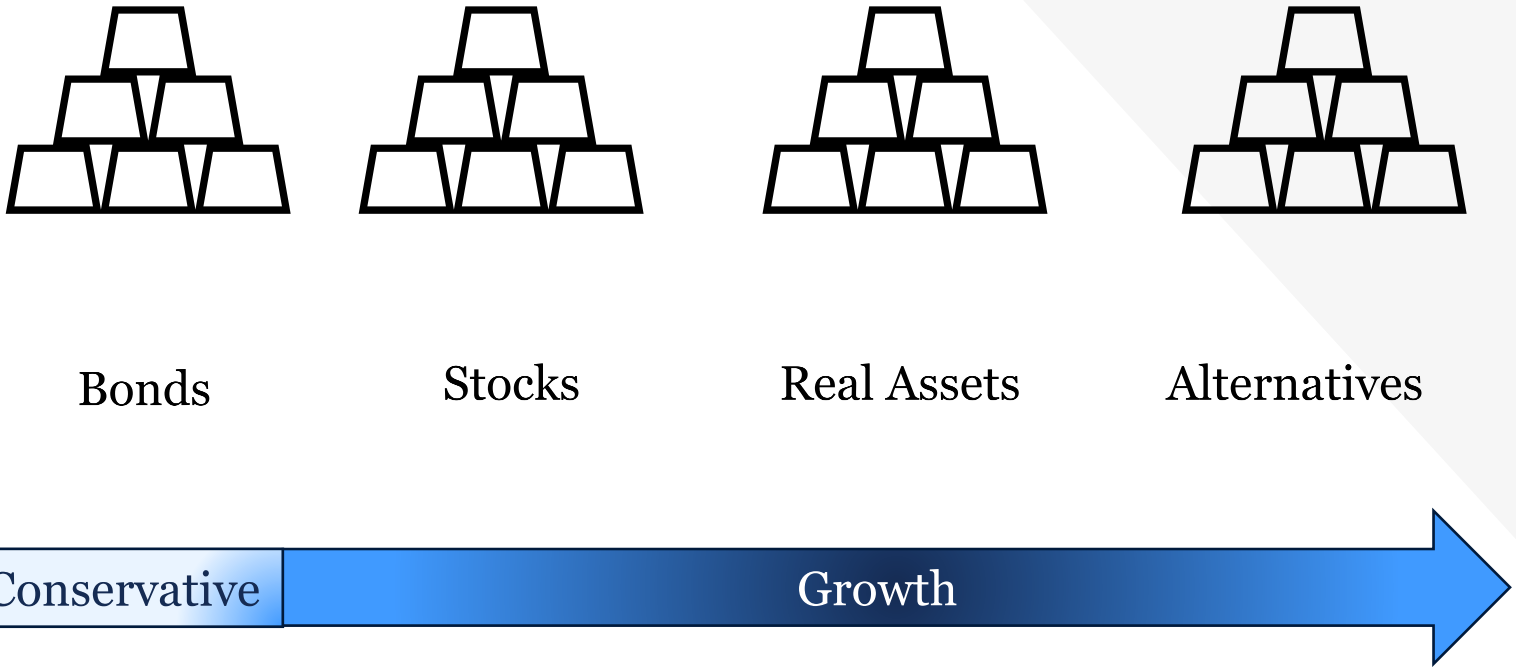
- Missing payments
- Using too much credit
- Applying for new credit over a short amount of time
- Closing accounts
- Defaulting on accounts

Review your credit report at least annually

- By law, you can obtain a free credit report every 12 months from www.annualcreditreport.com. According to the Federal Trade Commission (FTC), this is the only authorized source for the free annual credit report, though it will not include your FICO score.
- A credit report may also be purchased from the major credit reporting agencies (Equifax, Experian, and TransUnion).
- You should review your credit report for any discrepancies (such as unauthorized accounts).

Introduction to Investments

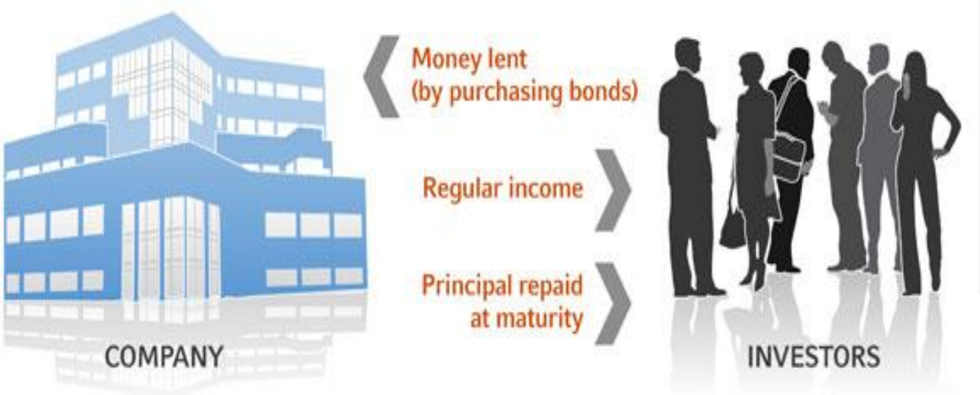
Investable Universe



What is a Bond?

Bond = "Fixed Income" = Lender

- A *debt investment* in which an *investor loans money* to an entity (the issuer)
- The issuer borrows the funds for a *defined period* of time, typically at a *fixed interest rate*
- The issuer pays the bondholder a periodic interest payment, or '*coupon*', and the full principal value at *maturity*.
- Bonds are issued by:
  - ❑ Federal & State Governments
  - ❑ Municipalities
  - ❑ Companies
- Examples:
  - ❑ Treasury Bonds
  - ❑ Government Agency Bonds
  - ❑ Corporate Bonds
  - ❑ Municipal Bonds



Bonds Come in Different Shapes, Sizes, and Qualities

U.S. Fixed Income		Non-U.S. Fixed Income	
Investment Grade *(AAA, AA, A, BBB)*	Speculative Grade *(BB & below)*	Hedged to U.S. Dollar *(Dollar-denominated bonds)*	Unhedged to U.S. Dollar *(Local currency bonds)*
Treasury Inflation-Protected Securities (TIPS) U.S. High-Quality Taxable Bonds U.S. High-Quality Municipal Bonds	High Yield Bonds	International (Developed) Bonds Emerging Market Bonds	International (Developed) Bonds Emerging Market Bonds

What is a Stock?

Stock = “Equity” = Ownership

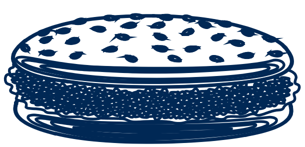
- Share of *ownership in a company*.
- Holder of stock (shareholder) has a *claim to a part of the corporation's assets and earnings*.
- Ownership is determined by the number of shares a person owns relative to the number of outstanding shares in the market.
- The value of a stock investment rises and falls with the performance (e.g. cash flows & earnings) of the company, but may also be impacted by other “macro” factors.

“Although it’s easy to forget sometimes, a share is <u>not</u> a lottery ticket…
it’s part ownership of a business.” –Peter Lynch

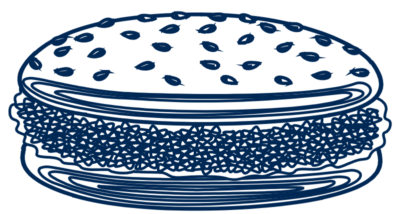
Stocks Come in Different Sizes

Market Capitalization of a Company = Company’s Current Share Price x Number of Outstanding Shares

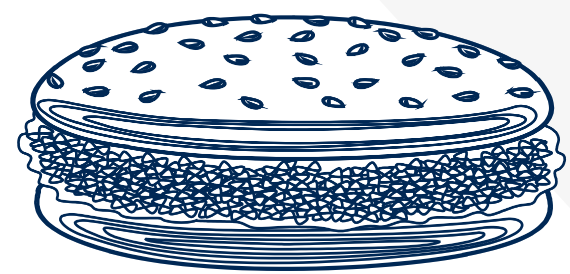
Small Cap
Less than $2 Billion



Mid Cap
$2 Billion to $10 Billion



Large Cap
Greater than $10 Billion



For illustrative purposes only.

Stocks Come in Different Styles

U.S. Equities			Non-U.S. Equities		
Growth	Blend	Value	Growth	Blend	Value
U.S. Large Cap *($10B+)*			International Developed Large Cap		
U.S. Mid Cap *($2B - $10B)*			International Developed Small/Mid		
U.S. Small Cap *(< $2B)*			Emerging Markets		
			Frontier Markets		

Vehicles for Investment

Individual Stocks

Pros
- Highly Liquid
- No annual or ongoing fees
- Complete control over the companies you choose to invest in
- Tax-efficient, as you can control capital gains by timing when you buy or sell

Cons
- Carry more risk than a well-diversified mutual fund
- Must hold many individual stocks to adequately diversify
- Time-intensive, as investors must research and follow each individual stock

Stock Mutual Funds

Pros
- Easy diversification, as each fund owns small pieces of many investments
- Professional management available via actively managed funds
- Many index funds and exchange traded funds have low ongoing fees
- Convenient and less time-intensive for the investor

Cons
- Annual expense ratios
- Many funds have investment minimums of $1,000 or more
- Typically trade only once per day, at the market close; however, exchange-traded funds (ETFs) trade throughout the day like stocks
- Actively managed funds may be less tax-efficient

Source: NerdWallet, https://www.nerdwallet.com/blog/investing/invest-stocks-etfs-mutual-funds/

Non-Traditional Investments

Real Assets	Alternative Investments		
	Hedge Funds	Private Equity	Other
Real Estate Investment Trusts (REITs) Commodities Energy-Infrastructure MLPS	Direct Single-Strategy Direct Multi-Strategy Fund-of-Funds	Direct Single-Strategy Direct Multi-Strategy Fund-of-Funds	Private Real Estate Private Credit Distressed Securities Timberland Farmland

The Importance of Diversification

Diversification 101

Through prudent diversification, an investor can enhance a portfolio's risk/return composition

Diversification.....

.....among **Asset Classes** (Bonds vs. Stocks vs. Real Assets)

....by **Region** (U.S. vs. International Developed vs. Emerging Markets)

....by **Style** (Growth vs. Core vs. Value)

....by **Size** (Large Cap vs. Mid Cap vs. Small Cap vs. Micro Cap)

....by **Management** (Active vs. Passive)

"I skate to where the puck is going to be, not where it has been." –Wayne Gretzky

The Case for Diversification

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD	10Yr (Ann)
Emerging Markets 18.2	U.S. Small Cap 38.8	U.S. Equity REITs 30.1	U.S. Equity REITs 3.2	U.S. Small Cap 21.3	Emerging Markets 37.3	High Yield Munis 4.8	U.S. Large Cap 31.5	U.S. Small Cap 20.0	U.S. Equity REITs 43.2	Commodities 25.5	U.S. Large Cap 14.5
High Yield Munis 18.1	U.S. Large Cap 32.4	High Yield Munis 13.8	Municipals 5-Year 2.4	High Yield 17.1	International Dev. 25.0	Municipals 5-Year 1.7	U.S. Equity REITs 26.0	U.S. Large Cap 18.4	Commodities 27.1	TIPS -3.0	U.S. Small Cap 11.0
U.S. Equity REITs 18.1	International Dev. 22.8	U.S. Large Cap 13.7	High Yield Munis 1.8	U.S. Large Cap 12.0	U.S. Large Cap 21.8	Foreign Bond 0.5	U.S. Small Cap 25.5	Emerging Markets 18.3	US Large Cap 26.5	Hedge Funds -3.3	U.S. Equity REITs 9.8
International Dev. 17.3	Balanced 12.2	Core Bond 6.0	U.S. Large Cap 1.4	Commodities 11.7	EM Debt (unhedged) 15.2	Core Bond 0.0	International Dev. 22.5	TIPS 11.0	US Small Cap 14.8	U.S. Equity REITs -3.9	International Developed 6.3
EM Debt (unhedged) 16.9	Hedge Funds 9.0	Balanced 5.1	Core Bond 0.6	Emerging Markets 11.2	U.S. Small Cap 14.6	TIPS -1.3	Emerging Markets 18.4	Balanced 8.8	International Dev. 11.3	High Yield -4.8	Balanced 6.1
U.S. Small Cap 16.3	High Yield 7.4	U.S. Small Cap 4.9	Hedge Funds -0.3	EM Debt (unhedged) 9.9	Balanced 13.6	High Yield -2.1	Balanced 17.5	International Dev. 7.8	Balanced 9.8	Balanced -4.8	High Yield 5.7
U.S. Large Cap 16.0	U.S. Equity REITs 2.5	TIPS 3.6	International Dev. -0.8	U.S. Equity REITs 8.5	High Yield Munis 9.7	Hedge Funds -4.0	High Yield 14.3	Core Bond 7.5	High Yield Munis 7.8	U.S. Large Cap -5.1	High Yield Munis 5.4
High Yield 15.8	Municipals 5-Year 0.8	Hedge Funds 3.4	TIPS -1.4	Balanced 7.6	Hedge Funds 7.8	U.S. Large Cap -4.4	EM Debt (unhedged) 13.5	Hedge Funds 7.1	TIPS 6.0	Municipals 5-Year -5.1	Hedge Funds 3.9
Balanced 11.5	Foreign Bond -1.0	Municipals 5-Year 3.2	Foreign Bond -2.3	TIPS 4.7	High Yield 7.5	U.S. Equity REITs -4.6	High Yield Munis 10.7	High Yield 7.1	Hedge Funds 5.7	Foreign Bond -5.1	Emerging Markets 3.4
TIPS 7.0	Core Bond -2.0	Foreign Bond 2.9	Balanced -3.3	Foreign Bond 3.2	Foreign Bond 6.5	Balanced -5.8	Core Bond 8.7	Foreign Bond 7.0	High Yield 5.3	International Developed -5.9	TIPS 2.7
Foreign Bond 5.3	Emerging Markets -2.6	High Yield 2.5	U.S. Small Cap -4.4	High Yield Munis 3.0	U.S. Equity REITs 5.2	EM Debt (unhedged) -6.2	TIPS 8.4	High Yield Munis 4.9	Municipals 5-Year 0.3	Core Bond -5.9	Core Bond 2.2
Hedge Funds 4.8	High Yield Munis -5.5	Emerging Markets -2.2	High Yield -4.5	Core Bond 2.6	Core Bond 3.5	U.S. Small Cap -11.0	Hedge Funds 7.8	Municipals 5-Year 4.3	Core Bond -1.5	High Yield Munis -6.5	Municipals 5-Year 1.8
Core Bond 4.2	TIPS -8.6	International Dev. -4.9	Emerging Markets -14.9	International Dev. 1.0	Municipals 5-Year 3.1	Commodities -11.2	Commodities 7.7	EM Debt (unhedged) 2.7	Emerging Markets -2.5	EM Debt (unhedged) -6.5	Foreign Bond 1.6
Municipals 5-Year 3.0	EM Debt (unhedged) -9.0	EM Debt (unhedged) -5.7	EM Debt (unhedged) -14.9	Hedge Funds 0.5	TIPS 3.0	International Dev. -13.8	Foreign Bond 6.3	Commodities -3.1	Foreign Bond -4.2	Emerging Markets -7.0	Commodities -0.7
Commodities -1.1	Commodities -9.5	Commodities -17.0	Commodities -24.7	Municipals 5-Year -0.4	Commodities 1.7	Emerging Markets -14.6	Municipals 5-Year 5.4	U.S. Equity REITs -8.0	EM Debt (unhedged) -8.7	U.S. Small Cap -7.5	EM Debt (unhedged) -0.7

Source: FactSet & Morningstar as of March 31, 2022. Periods greater than one year are annualized. All returns are in U.S. dollar terms. One month lag for Hedge Funds.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

Saving for Retirement

Planning for a Long Retirement

Given increasing life expectancy, retirement could last more than 20+ years

- 75 percent chance that at least one member of an aged-65 couple will live to age 85
- 49 percent chance that at least one member of an aged-65 couple will live to age 90

Full Control

- Retirement Savings
- Retirement Spending
- Asset Allocation & Asset Placement

Limited Control

- Retirement Date
- Longevity
- Employment Income (pre- and post-retirement)

No Control

- Market Returns
- Tax Policy

Source: JPMorgan 2022 Guide to Retirement

Saving for Retirement

	Individual/Joint/ Trust Accounts *(taxable accounts)*	**Pre-Tax 401(k), Traditional IRAs** *(funded with pre-tax contributions)*	**Roth 401(k), Roth IRAs** *(funded with after-tax dollars)*
Taxable Income	Interest, Dividends, and Capital Gains	Account Withdrawals	Earnings/Withdrawals not taxable
Tax Deductions	Contributions Not Tax-Deductible	Contributions Tax-Deductible	Contributions Not Tax-Deductible
Contribution Limits	None	Yes, specific to type of account	Yes, specific to type of account

Ways to Maximize Retirement Savings:

1. Maximize contributions to Retirement Plans (401(k), etc.).....make sure to maximize to at least receive the full employer match (if applicable)

2. Maximize after-tax assets in your portfolio
   - Maximize contributions to after-tax accounts
   - Consider “Backdoor Roth IRA” contributions

Traditional vs. Roth Retirement Accounts

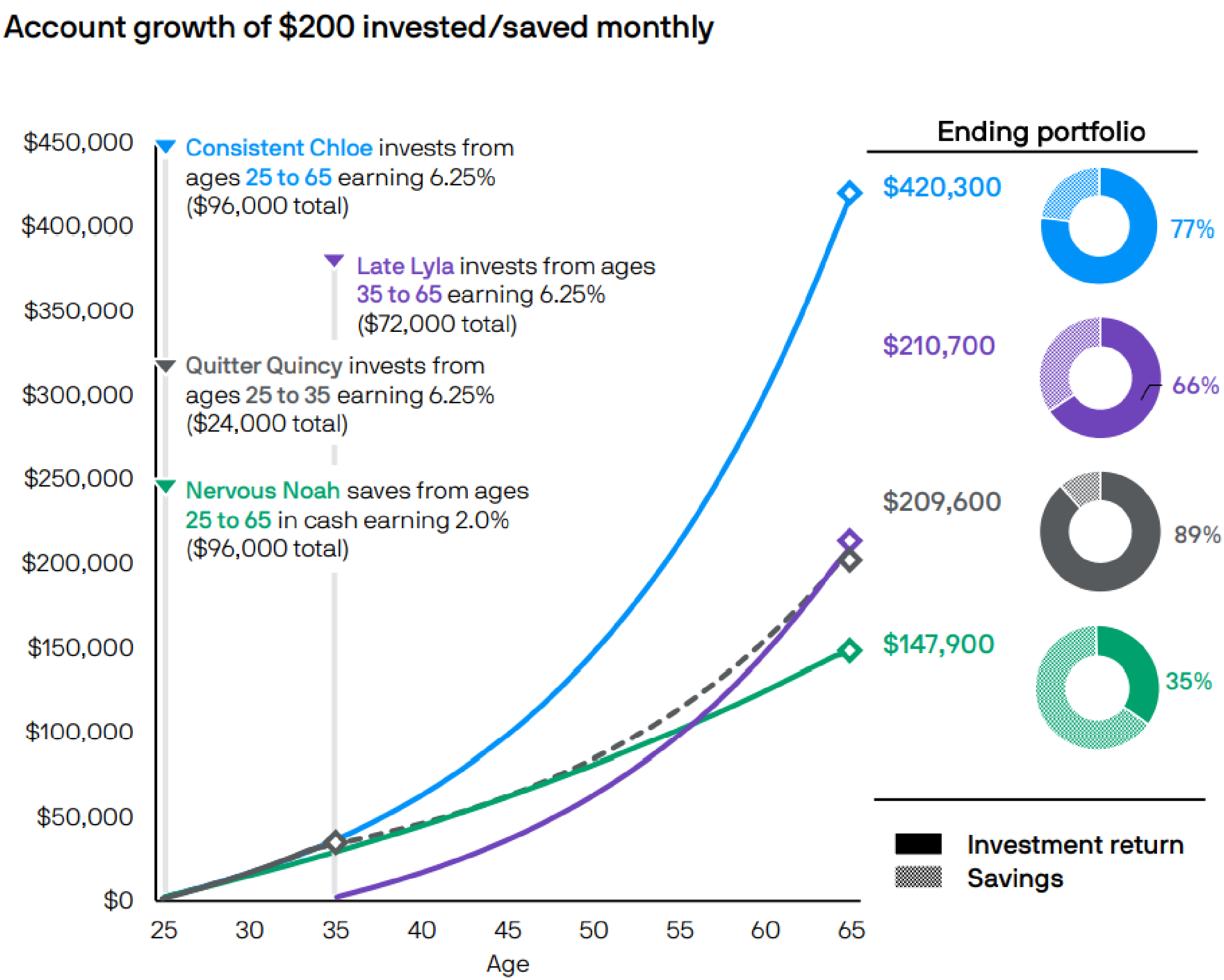
	Traditional IRA	Traditional 401k/403b	Roth IRA	Roth 401k/403b
Tax Benefits	Tax-deferred growth		Tax-free growth and tax-free qualified withdrawals	
Tax Deduction	Contributions may be tax-deductible depending on AGI	Yes, for current year contributions	No, funded with after-tax contributions	
Taxation of Withdrawals	Taxed as ordinary income		Qualified withdrawals are tax-free	
Income limits for Contributions	No, but deductibility is subject to income limits	None	Yes	None
Eligibility to Contribute	Must have earned income	Actively employed	Must have earned income	Actively employed
Deadline to Contribute	April 15th of the following tax year	December 31st	April 15th of the following tax year	December 31st

Tax Diversification: Individuals may consider utilizing a combination of both Traditional and Roth retirement accounts as a 'tax hedge' given uncertainty over future income tax rates.

Make Time Your Friend (Start Investing Early)

- **Compounding is powerful** – the earlier you can start investing, the longer your money has to grow.
- **Automate savings, to the extent possible** – even a relatively small but recurring investment can grow significantly over time. Eliminate the risk of "I'll start next week/month/year" by setting up for automatic investments.
- **Give yourself a raise** – as your earnings increase over time, so too should your savings rate. Use raises as an opportunity to set aside additional money for investing.

Make Time Your Friend (Start Investing Early)



The above example is for illustrative purposes only and not indicative of any investment. Source: J.P. Morgan Asset Management, Long-Term Capital Market Assumptions. Compounding is the increasing value of assets due to investment return earned on both principal and prior investment gains.

On Track For Retirement?

Analysis below assumes you would like to maintain a lifestyle in retirement equivalent to current lifestyle

- Go to the intersection of your current age and your closest current household income (gross, before tax and savings)
- Compare your current savings to the savings checkpoints below

Example: For a 40-year-old with household gross income of $200,000, current savings should be approximately $720,000

	Household Annual Income (Gross)				
Age	**$100,000**	**$150,000**	**$200,000**	**$250,000**	**$300,000**
25	20,000	90,000	200,000	300,000	390,000
30	80,000	195,000	340,000	500,000	630,000
35	150,000	315,000	500,000	725,000	930,000
40	230,000	450,000	***720,000***	1,000,000	1,260,000
45	330,000	615,000	960,000	1,325,000	1,680,000
50	450,000	810,000	1,260,000	1,700,000	2,160,000
55	590,000	1,050,000	1,600,000	2,175,000	2,760,000
60	800,000	1,425,000	2,160,000	2,900,000	3,660,000
65	1,080,000	1,890,000	2,840,000	3,825,000	4,800,000

Model Assumptions

10%* Annual Savings Rate

5.75% Pre-Retirement Return

5.00% Post-Retirement Return

2.00% Inflation Rate

Retirement Age –
Age 65 Primary earner
Age 62 Spouse

30 Years in Retirement

10 percent is approximately **twice the U.S. average annual savings rate*

Source: JP Morgan Asset Management, 2020 Guide to Retirement

Behavioral Issues in Investing

"16 Rules for Investors to Live By"

Select Excerpts:

- **Short-term thinking is at the root of most investing problems.** If you can focus on the next five years while the average investor is focused on the next five months, you have a powerful edge. Markets reward patience more than any other skill.
- **Investing is overwhelmingly a game of psychology.** Success has less to do with your math skills and more to do with your ability to resist the emotional urge to buy high and sell low.
- **There are no points awarded for difficulty**. For many people, a diversified buy-and-hold strategy is the most reasonable way to invest. Some find it boring, but the purpose of investing isn't to reduce boredom; it is to increase wealth.
- **All past market crashes are viewed as opportunities, but all future market crashes are viewed as risks.** If you can recognize the silliness in this, you are on your way to becoming a better long-term investor.
- **You are only diversified if some of your investments are performing worse than others.** Losing money on even a portion of your portfolio is hard for some people to swallow, so they gravitate toward what is performing well at the moment, often at their own expense.

Source: WSJ article by Morgan Housel, December 2014

Markets are Down Sharply.....Should I Sell Now?

- While market pullbacks can be stressful and trying for investors, the reality is that most investors' time horizon shouldn't change based on recent market gains or declines.
- Keep in mind market pullbacks are a normal occurrence in the context of longer-term market cycles.
- Trying to time the market can have severe consequences......missing just a few days of a market rebound can impair longer-term returns.

Declines in the S&P 500 since 1945

Decline	# Occurrences	Approximate Frequency	Average Decline	Average Length of Decline (in months)	Average Time to Recover (in months)
5%-10%	84	~ 1x per year	-7%	1	1
10%-20%	29	~ Every 2.5 years	-14%	4	4
20%-40%	9	~ Every 8.5 years	-28%	11	14
40%+	3	~ Every 25 years	-51%	23	58

Source: Guggenheim Investments; data through 3/3/2022. Use of Indices and Benchmark Return Indices cannot be invested in directly. Index performance is reported gross of fees and expenses and assumes the reinvest dividends and capital gains. Past performance does not indicate future performance and there is a possibility of a loss. See disclosure page for indices representing each asset class.

The Declines are Temporary; the Advances are Permanent

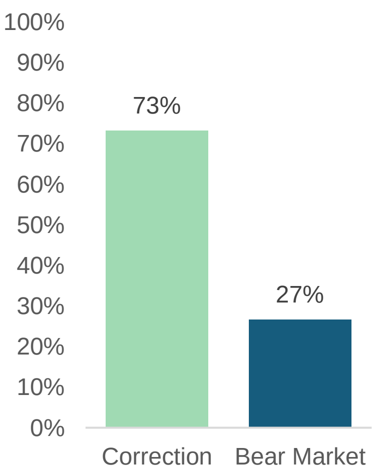
Data Source: StockCharts.com. S&P 500 Total Return

Correction & Bear Markets

Corrections (defined as a drawdown of -10% to -20%) are more frequent, shorter, and less likely to be accompanied by a recession than their more impactful cousin, the Bear Market (decline of -20% or more).

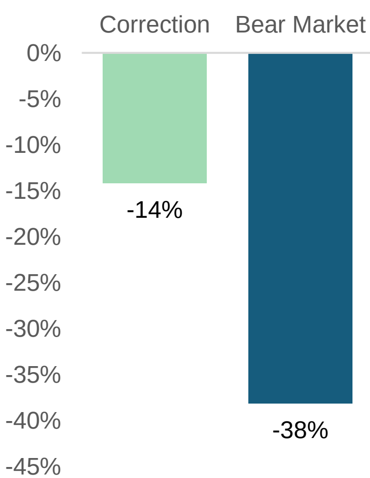
Pullbacks of 10% or More Since 1950

Frequency*



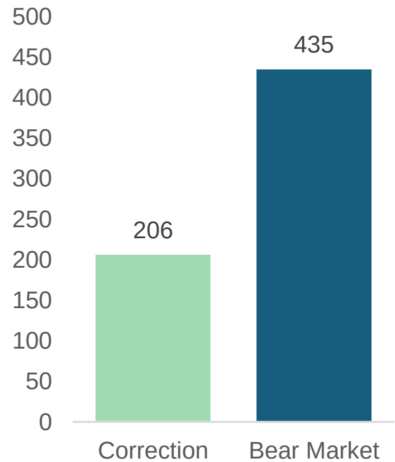
Correction nearly 3x more frequent

Drawdown



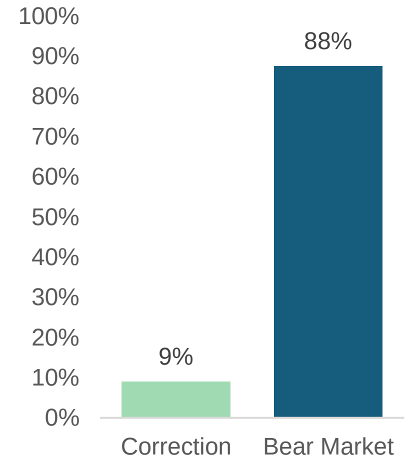
Bear Market nearly 3x worse

Length (in Days)



Bear Market nearly 2x as long

Recession Probability



Bear Market nearly 10x more likely to occur during recession

Source: Index S&P 500 since 1950 through December 2021. Correction defined at a drawdown of more than 10% but less than 20%. Bear Market is a drawdown of more than 20%
**Frequency refers to the percentage of all pullbacks that are 10% or more than are a correction vs a bear market since 1950*

Use of Indices and Benchmark Return Indices cannot be invested in directly. Index performance is reported gross of fees and expenses and assumes the reinvest dividends and capital gains. Past performance does not indicate future performance and there is a possibility of a loss. See disclosure page for indices representing each asset class.

Analyzing Past Bear Markets

Since 1945, the S&P 500 Index has experienced 12 bear markets, with declines averaging 34% over 14 months.

As noted below, bear markets have frequently coincided with recessions (six of the last seven occurrences).

Starting Peak	Bear Market Low	Amount of Decline	Duration (Months)	Recession?	Return 1 Year after Low	Time to Regain Prior Peak (Months)
May-46	May-47	-28%	12	No	19%	37
Jun-48	Jun-49	-21%	12	Yes	42%	12
Aug-56	Oct-57	-22%	15	Yes	31%	11
Dec-61	Jun-62	-28%	6	No	33%	14
Feb-66	Oct-66	-22%	8	No	33%	7
Nov-68	May-70	-36%	18	Yes	44%	21
Jan-73	Oct-74	-48%	21	Yes	38%	69
Nov-80	Aug-82	-27%	20	Yes	58%	3
Aug-87	Dec-87	-34%	3	No	23%	20
Mar-00	Oct-02	-49%	31	Yes	34%	56
Oct-07	Mar-09	-57%	17	Yes	68%	49
Feb-20	Mar-20	-34%	1	Yes	75%	5
Average		**-34%**	**14**		**42%**	**25**
Median		**-31%**	**13**		**36%**	**17**

Source: ISI, Bloomberg, National Bureau of Economic Research, Haver Analytics, FMRCo (Asset Allocation Research Team). Data based on S&P 500 Index price returns. Recessions are defined by the National Bureau of Economic Research. Data through 12/31/2021. Use of Indices and Benchmark Return Indices cannot be invested in directly. Index performance is reported gross of fees and expenses and assumes the reinvest dividends and capital gains. Past performance does not indicate future performance and there is a possibility of a loss. See disclosure page for indices representing each asset class.

History of U.S. Bear & Bull Markets

Daily Returns Since 1942

First Trust

This chart shows daily historical performance of the S&P 500 Index throughout the U.S. Bull and Bear Markets since 1942. We believe looking at the history of the market's expansions and recessions helps to gain a fresh perspective on the benefits of investing for the long-term.

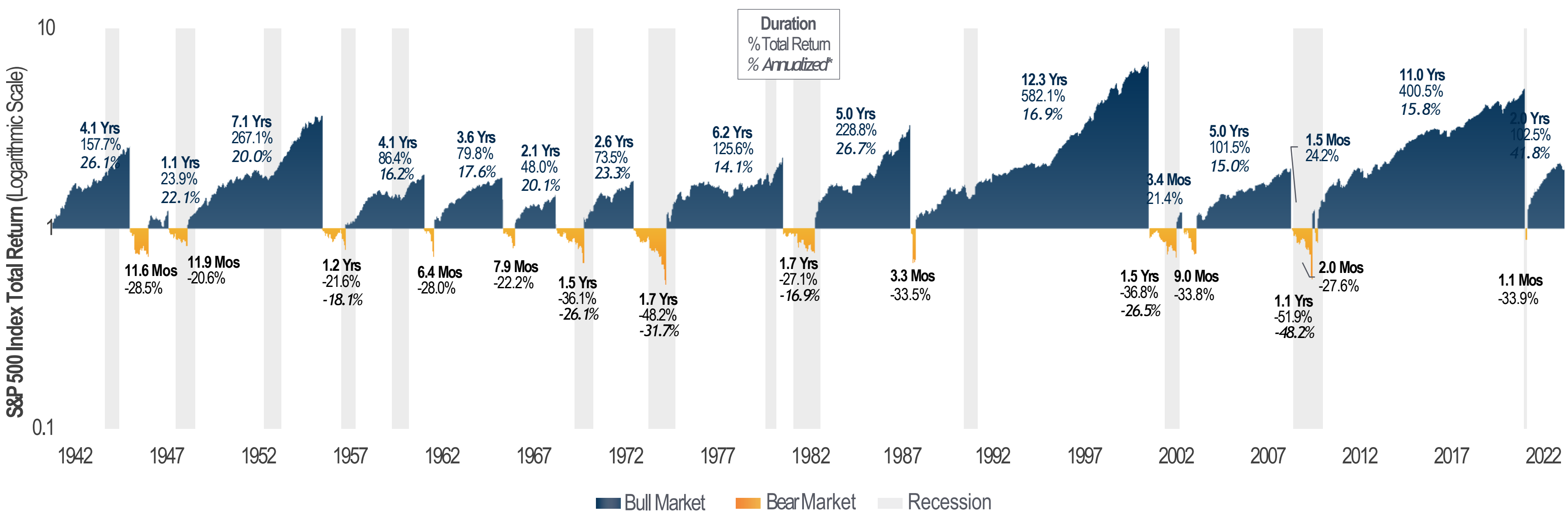
- The average **Bull Market** period lasted 4.4 years with an average cumulative total return of 154.9%.
- The average **Bear Market** period lasted 11.3 months with an average cumulative loss of -32.1%.

BULL

From the lowest close reached after the market has fallen 20% or more, to the next market high.

BEAR

When the index closes at least 20% down from its previous high close, through the lowest close reached after it has fallen 20% or more.



Source: First Trust Advisors L.P., Bloomberg. Daily returns from 4/29/1942 - 3/31/2022. *No annualized return shown if duration is less than one year. **Past performance is no guarantee of future results.** These results are based on daily returns–returns using different periods would produce different results. The S&P 500 Index is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.

The Risk of Missing the Best Days in the Market

Since 1980, the S&P has had over 10,000 trading days. However, if you miss a small fraction of the best days, the impact can be material. Said another way, the cost of trying to time the market can be high.

Half of the S&P 500 Index's strongest days in the last 20 years occurred during a bear market.

Another 34% of the market's best days took place in the first two months of a bull market—before it was clear a bull market had begun.

In other words, the best way to weather a downturn could be to stay invested since it's difficult to time the market's recovery.

Source: Hartford Funds, Ned Davis Research, 12/21. Time period referenced is 12/16/01–12/15/21.

Source: Morningstar. Hypothetical Growth of $10,000 Invested in the S&P 500 Index (TR) from 1/1/980 – 12/31/2021

Use of Indices and Benchmark Return Indices cannot be invested in directly. Index performance is reported gross of fees and expenses and assumes the reinvest dividends and capital gains. Past performance does not indicate future performance and there is a possibility of a loss. See disclosure page for indices representing each asset class.

Disclosures and Definitions

All material and information is intended for Fiducient Advisors business only. Any use or public dissemination outside firm business is prohibited. Information is obtained from a variety of sources which are believed though not guaranteed to be accurate. Any forecast represents future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance. This presentation does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

Comparisons to any indices referenced herein are for illustrative purposes only and are not meant to imply that actual returns or volatility will be similar to the indices. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect our fees or expenses.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged, and investors can not actually invest directly into an index:

TIPS: Bloomberg Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged
Municipals 5-Year: Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD
Core Bond: Bloomberg US Aggregate Total Return Index USD
High Yield Municipals: Bloomberg Muni High Yield Total Return Index Value Unhedged USD
High Yield: Bloomberg US Corporate High Yield Total Return Index USD
U.S. Long Duration: Bloomberg US Aggregate Government & Credit - Long
Foreign Bond: Bloomberg Global Aggregate ex-USD Total Return Index Value USD (50/50 blend of hedged and unhedged)
Real Assets: S&P Real Assets
U.S. Large Cap: Russell 1000 Total Return Index
U.S. Small Cap : Russell 2000 Total Return Index
International Developed: MSCI EAFE Net Total Return USD Index
Emerging Markets: MSCI Emerging Markets Net Total Return USD Index
U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD
Commodities: Bloomberg Commodity Total Return Index
Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index
Foreign Bond: Bloomberg Global Aggregate x USD Total Return Unhedged
U.S. Core Bond: Bloomberg U.S. Aggregate Total Return Index USD
U.S. High Yield: Bloomberg US Corporate High Yield Total Return Index USD
U.S. MBS: Bloomberg U.S. MBS (30Y) Total Return Index
U.S. All Cap: Russell 3000 Total Return Index
U.S. Large Cap: Russell 1000 Total Return Index
U.S. Small Cap: Russell 2000 Total Return Index
US Value: Russell 3000 Value Total Return Index
US Growth: Russell 3000 Growth Total Return Index

International Developed All Cap: MSCI EAFE IMI Net Total Return USD Index
International Developed Large Cap: MSCI EAFE Large Cap Net Total Return USD Index
International Developed Small Cap: MSCI EAFE Small Cap Net Total Return USD Index
International Developed Value: MSCI EAFE Value Net Total Return USD Index
International Developed Growth: MSCI EAFE Growth Net Total Return USD Index
Emerging Markets All Cap: MSCI Emerging Markets IMI Net Total Return USD Index
Emerging Markets Large Cap: MSCI Emerging Markets Large Cap Net Total Return USD Index
Emerging Markets Small Cap: MSCI Emerging Markets Small Cap Net Total Return USD Index
Emerging Markets Value: MSCI Emerging Markets Value Net Total Return USD Index
Emerging Markets Growth: MSCI Emerging Markets Growth Net Total Return USD Index
Real Estate: MSCI World Real Estate Index
Energy: MSCI World Energy Index
DataStream World Energy Index
Metals & Mining: MSCI World Metals & Mining Index
DataStream World Metals & Mining Index
Commodities: Equal Sector Weighted S&P Goldman Sachs Commodities Index
MSCI World Gold Mining Equity Index
S&P GSCI Precious Metals Commodities Total Return Index
DataStream World Gold Mining Index
S&P GSCI Precious
Consumer Price Index is a measure of prices paid by consumers for a market basket of consumer goods and services.
S&P 500 is a capitalization-weighted index designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries

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