dreams
make it real.

Welcome to our intellicast!

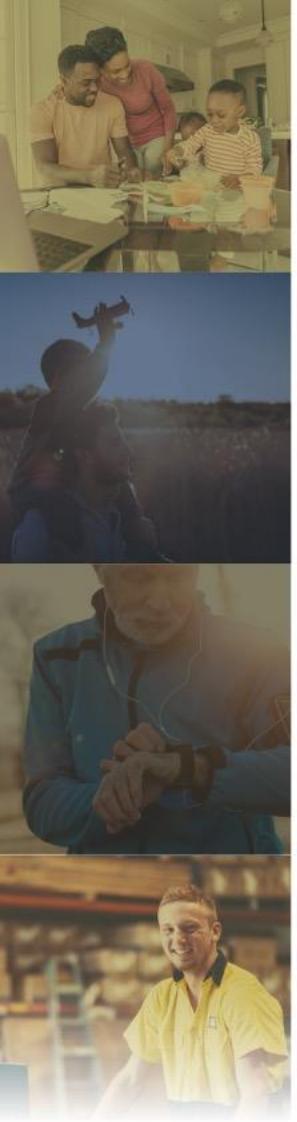
We will start at 12pm CST.

intellicents®

dreams
make it real.

back to basics: investments 101

intellicents®



meet your intellicents team

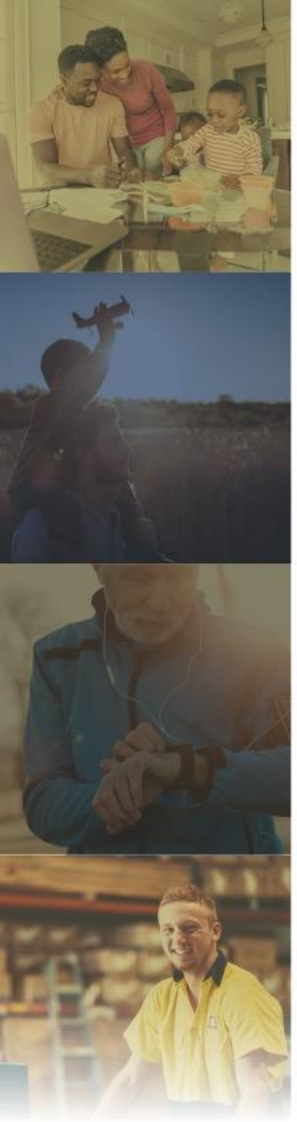
Sam Matheson, CFP®, CPFA
Consultant

Designation and license background:

- CERTIFIED FINANCIAL PLANNER(CFP®)
- Certified Plan Fiduciary Advisor (CPFA)
- FINRA Securities exam: Series 65
- Life and Accident/Health Insurance
- Years in the industry: 9

intellicents®

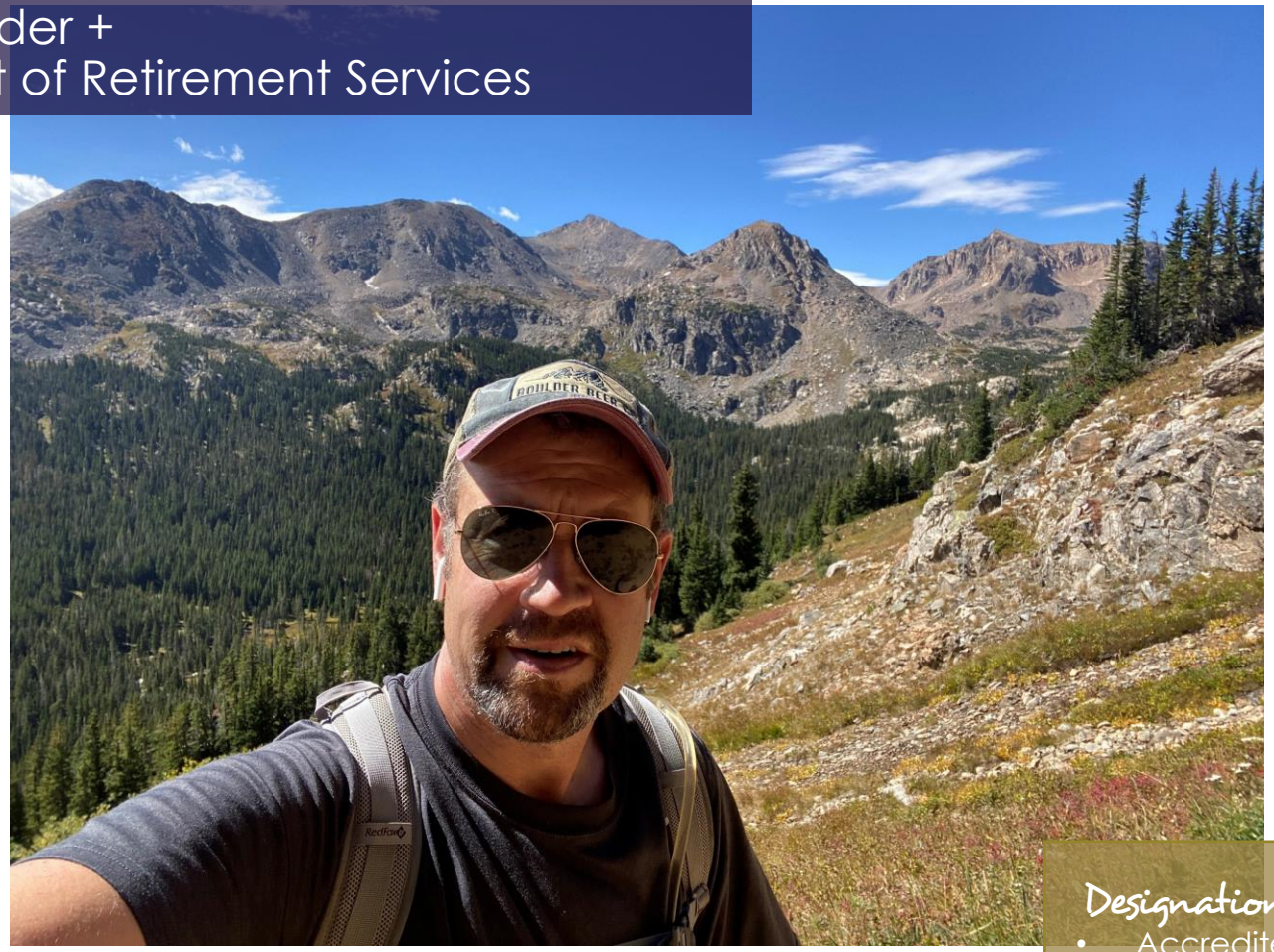
dreams make it real.



meet your intellicents team

Grant Arends, AIF®

Co-Founder +
President of Retirement Services

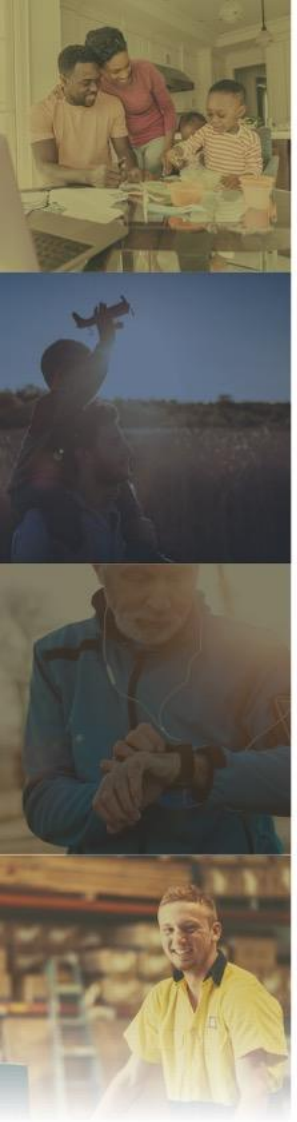


Designation and license background:

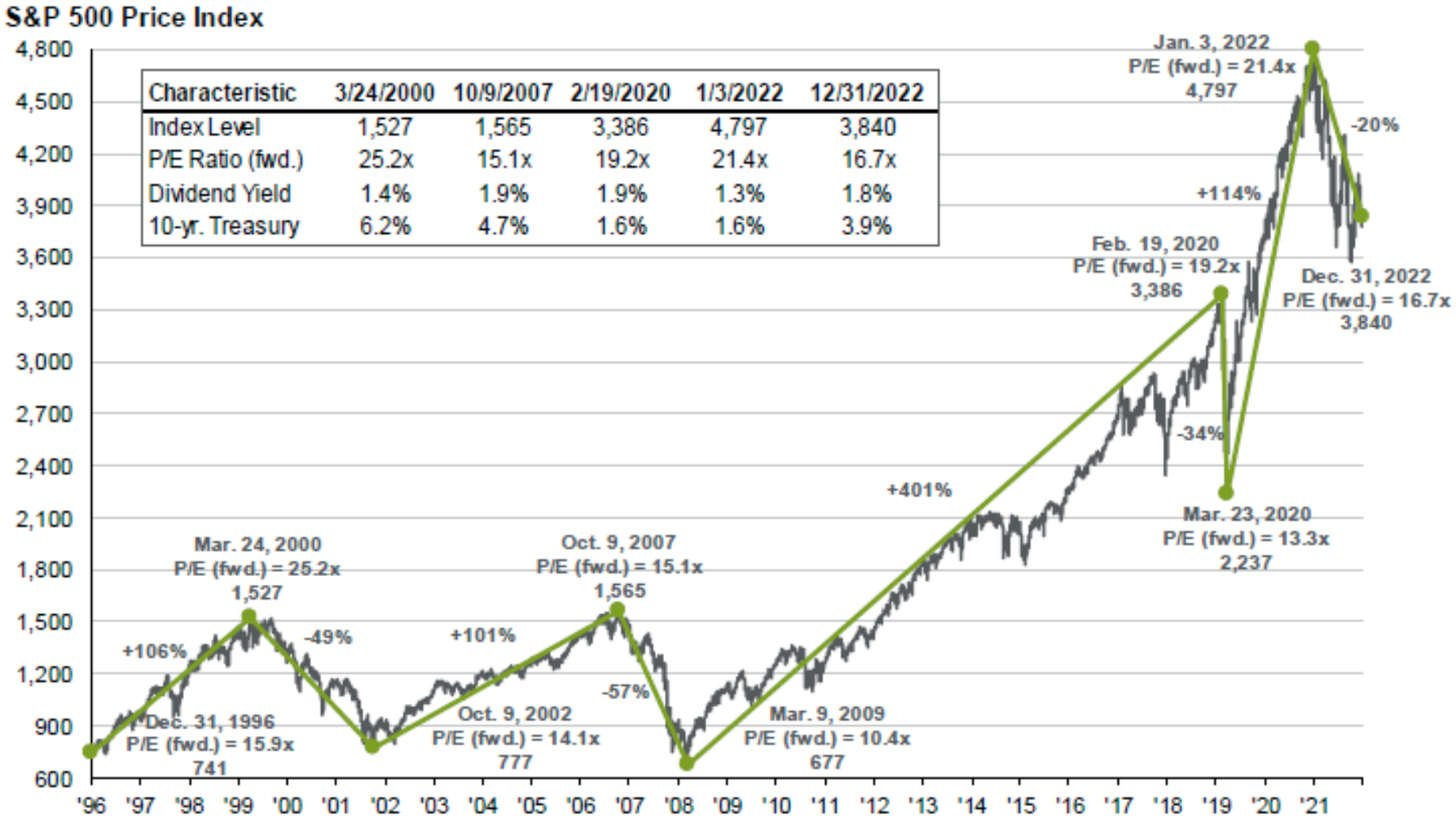
- Accredited Investment Fiduciary (AIF®)
- FINRA Securities exam: Series 6, 63, & 65
- Years in the industry: 32

intellicents®

dreams make it real.



s&p 500 index at inflection points

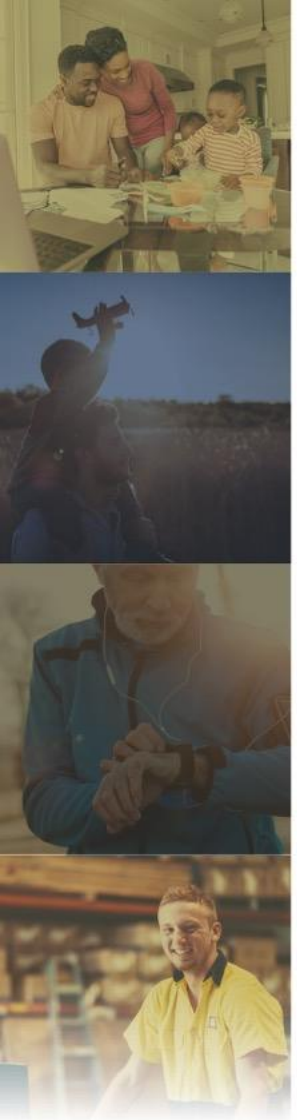


Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	12/31/2022
Index Level	1,527	1,565	3,386	4,797	3,840
P/E Ratio (fwd.)	25.2x	15.1x	19.2x	21.4x	16.7x
Dividend Yield	1.4%	1.9%	1.9%	1.3%	1.8%
10-yr. Treasury	6.2%	4.7%	1.6%	1.6%	3.9%

Source: Compustat, FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.
Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on IBES estimates and FactSet estimates since January 2022. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.
Guide to the Markets – U.S. Data are as of December 31, 2022.

intellicents
dreams make it real.

J.P.Morgan ASSET MANAGEMENT



worst year for bonds and 7th worst for stocks

Worst years for U.S. Bonds
Since 1926, total return for each period

Year	Return	Next 12 months
2022	-13.0	?
1994	-2.9	18.5
1931	-2.3	8.8
2013	-2.0	6.0
2021	-1.5	-13.0
1958	-1.3	-0.4
1999	-0.8	11.6
1969	-0.7	16.9
1955	-0.7	-0.4
1956	-0.4	7.8
Avg.	*-2.6*	6.2

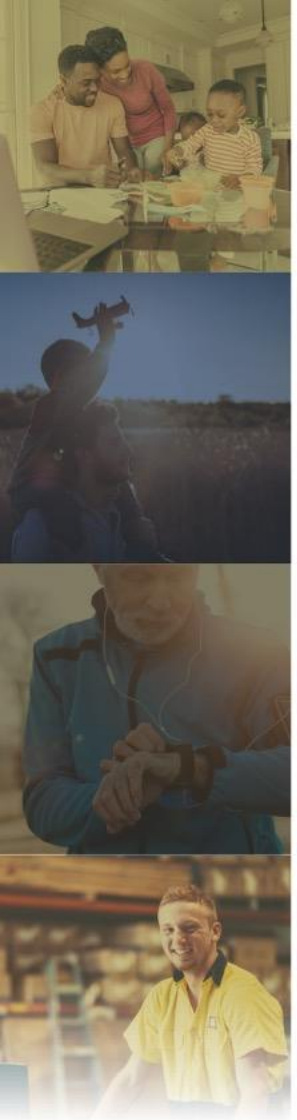
7th worst ever year for U.S. Stocks
Since 1926, total return for each period

Year	Return	Next 12 months
1931	-43.3	-8.2
2008	-37.0	26.5
1937	-35.0	31.1
1974	-26.5	37.2
1930	-24.9	-43.3
2002	-22.1	28.7
2022	-18.1	?
1973	-14.7	-26.5
2001	-11.9	-22.1
1941	-11.6	20.3
Avg.	*-24.5*	*4.9*

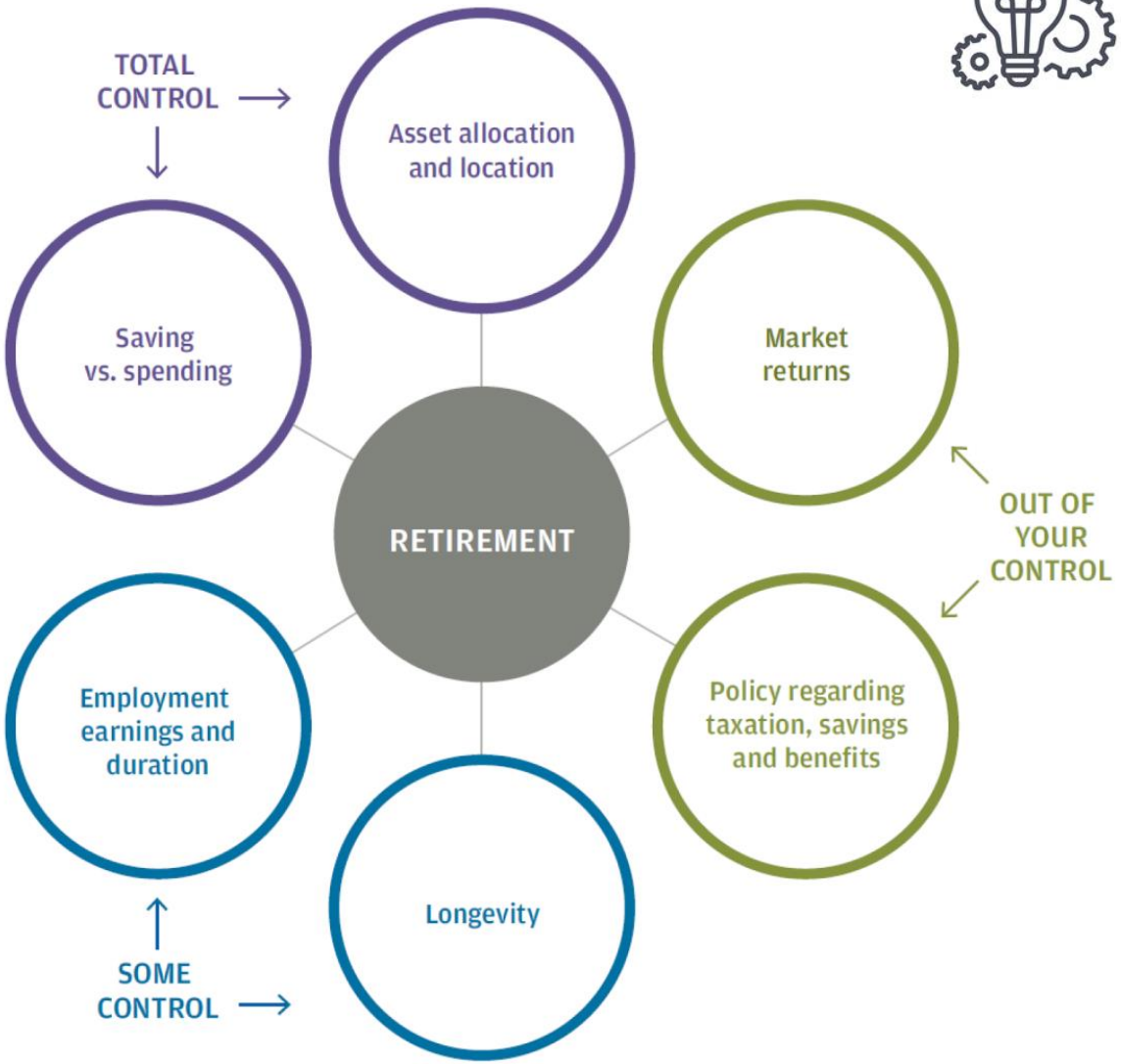
intellicents®

dreams make it real.

Source: Morningstar as of 12/31/22. U.S. bonds represented by the IA SBBI US Gov IT Index from 1/1/26 to 1/3/89 and the Bloomberg U.S. Agg Bond TR Index from 1/3/89 to 12/31/22. U.S. stocks are represented by the S&P 500 Index from 3/4/57 to 12/31/22 and the IA SBBI U.S. Lrg Stock Tr USD Index from 1/1/26 to 3/4/57, unmanaged indexes that are generally considered representative of the U.S. stock market during each given time period. **Past performance does not guarantee or indicate future results**. Index performance is for illustrative purposes only. You cannot invest directly in the index.



the retirement equation



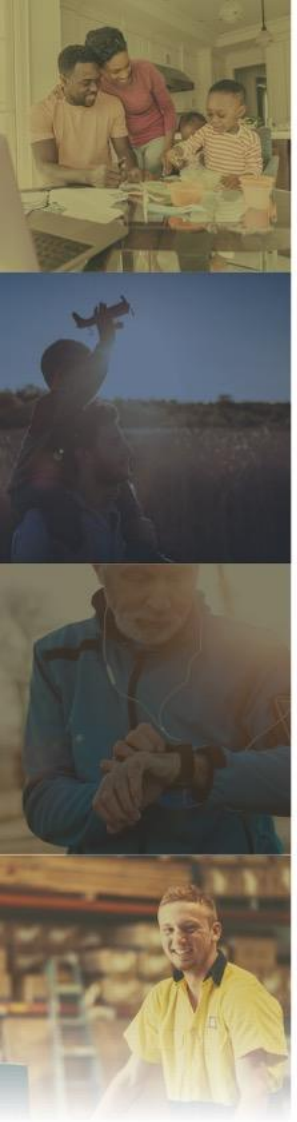
A SOUND RETIREMENT PLAN

Make the most of the things that you can control but be sure to evaluate factors that are somewhat or completely out of your control within your comprehensive retirement plan.

- Source: The Importance of Being Earnest, J.P. Morgan Asset Management, 2013.

intellicents

dreams make it real.



investment fundamentals

What is Cash?

Focused on risk aversion

What is a Stock?

Ownership in the company

- You make money when the price of the stock goes up.

What is a Bond?

A Loan

- You make money based on the interest.

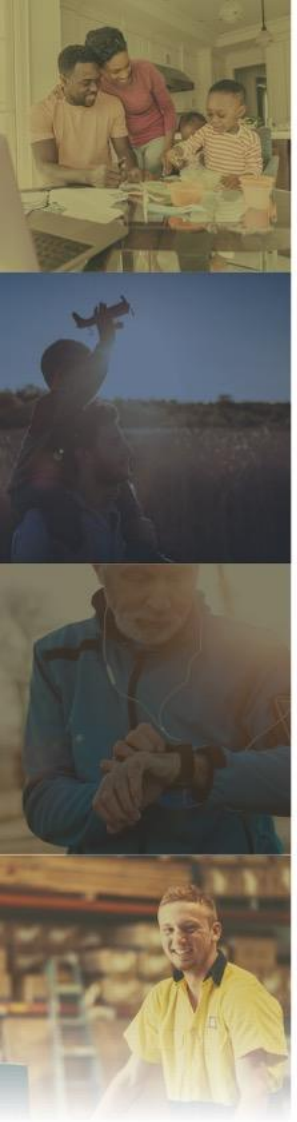
What is a Mutual Fund?

A pool of many stocks or bonds.

- You make money through interest and increases in stock prices. It depends on the mutual fund.

intellicents

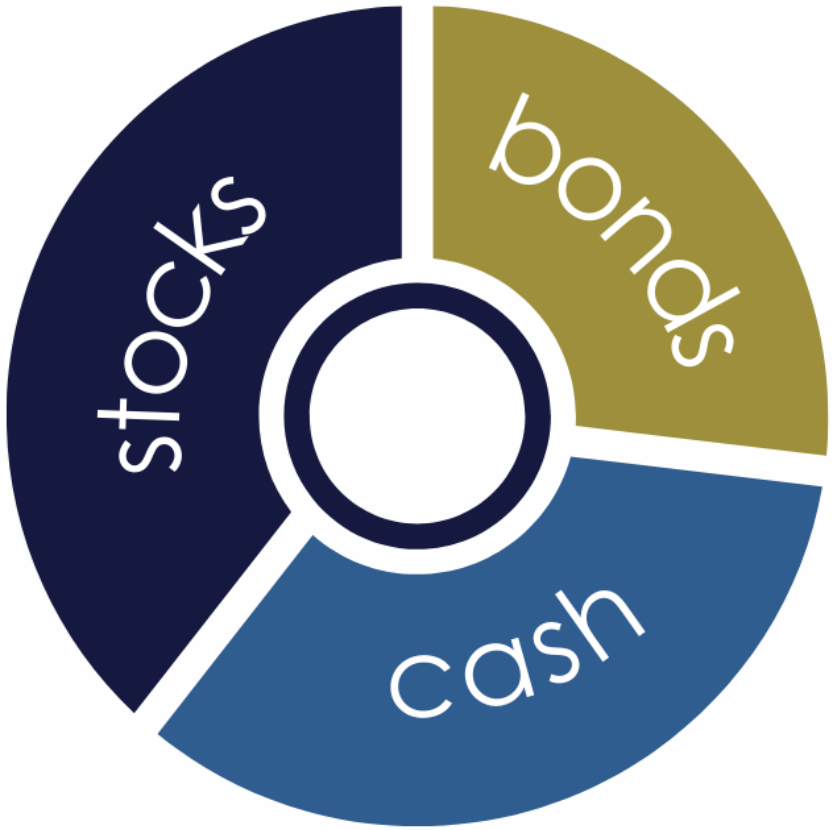
dreams make it real.



asset allocation

The process of developing a diversified investment strategy by mixing different assets in varying proportions.

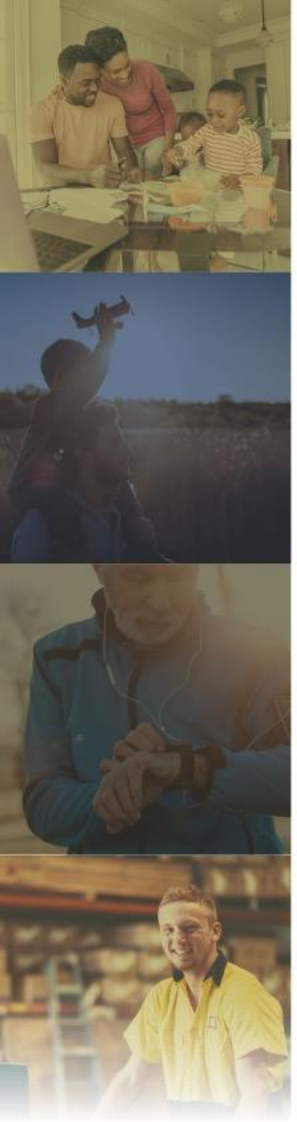
- 90% of your ending return will be based upon how you allocate your assets among different investment styles (savings, bonds, or stocks).
- Only 10% of your return will be due to the actual investment(s) that you choose.



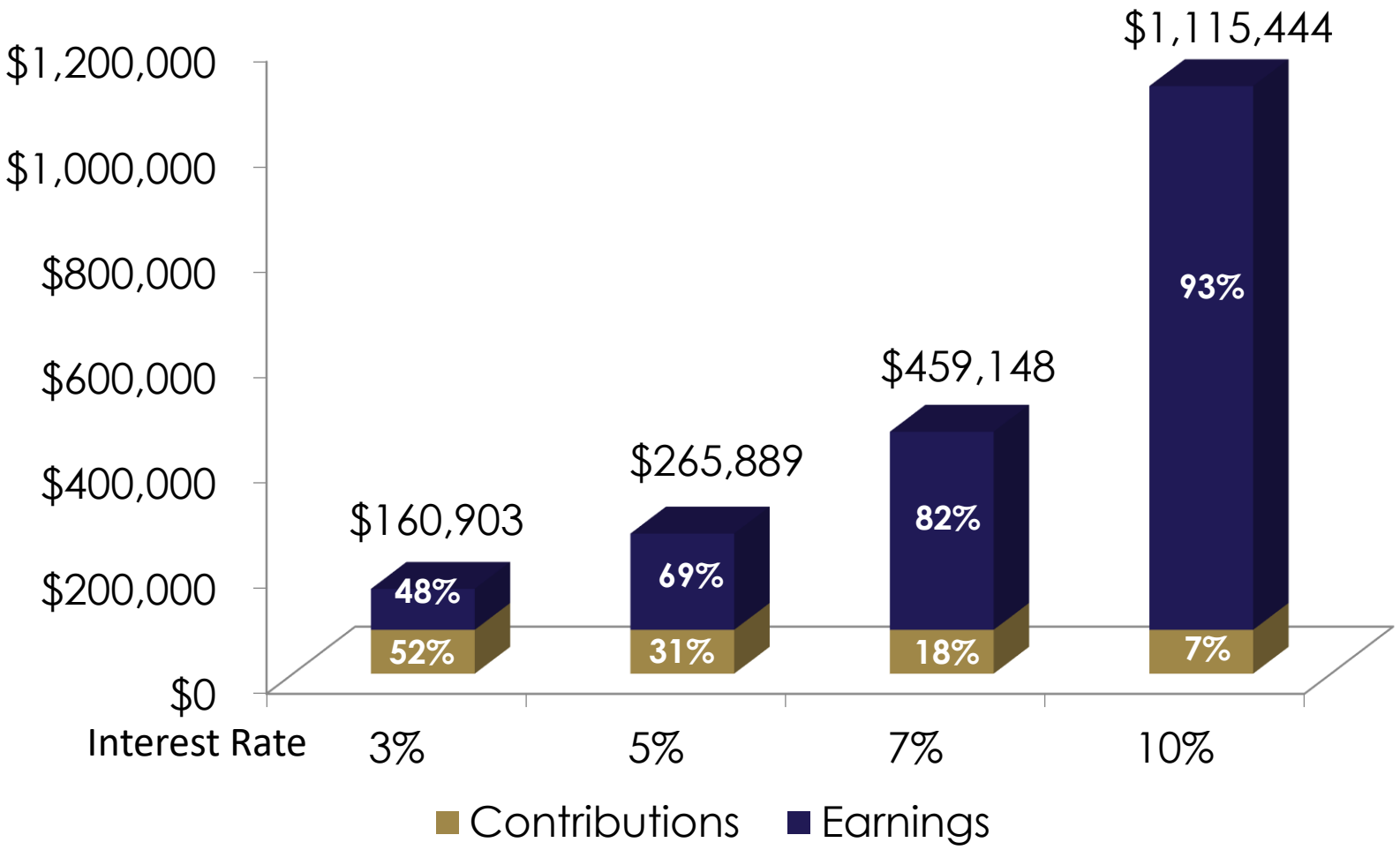
intellicents

dreams make it real.

Past performance is no guarantee of future results.
Source: Roger G. Ibbotson & Paul D. Kaplan (2000) Does Asset Allocation Policy Explain 40, 90, or 100 Percent of Performance?, Financial Analysts Journal, 56:1, 26-33, DOI: 10.2469/faj.v56.n1.2327



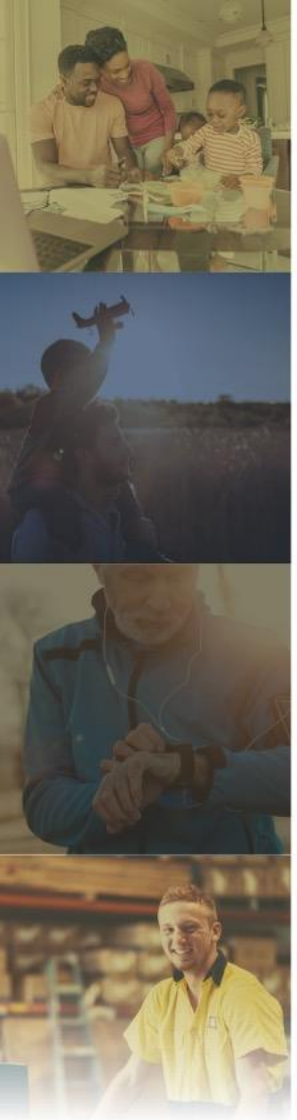
example: what you earn



Assumptions: Saving $40 weekly from age 25 to age 65
Hypothetical scenario; for illustrative purposes only.

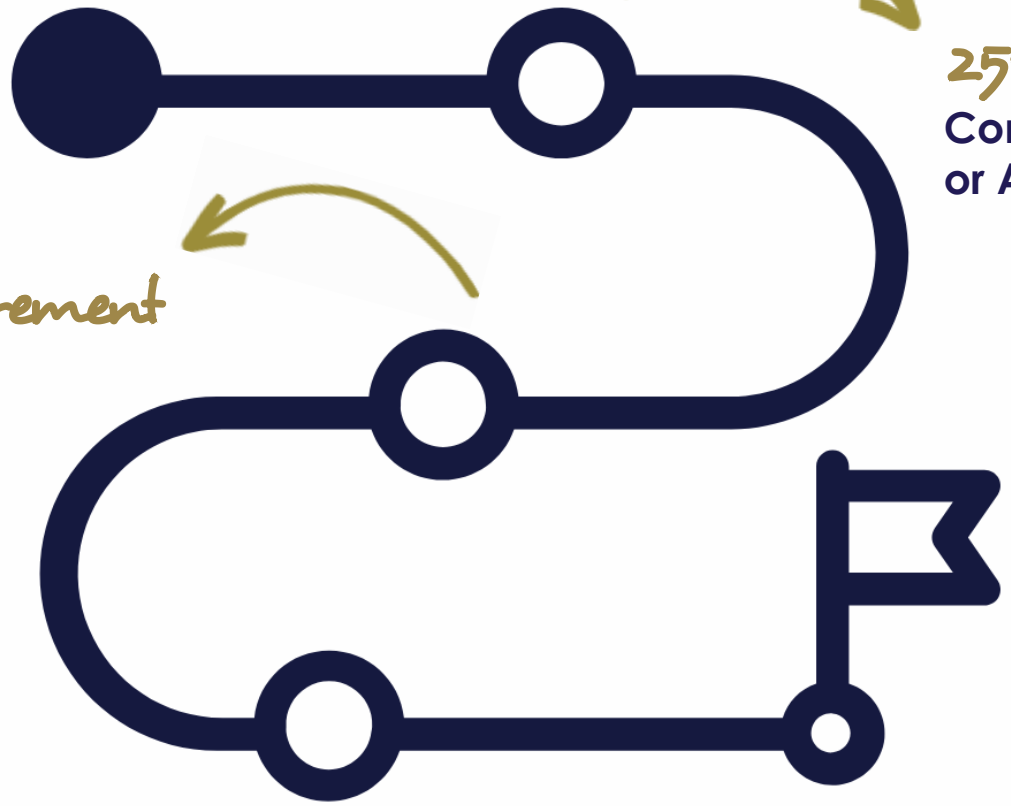
intellicents

dreams
make it real.



determine your asset allocation

Plot Goals for Your Time Horizon



25+ Years Until Retirement

Consider Moderately Aggressive or Aggressive

15 Years Until Retirement

Consider Moderate or Moderately Aggressive

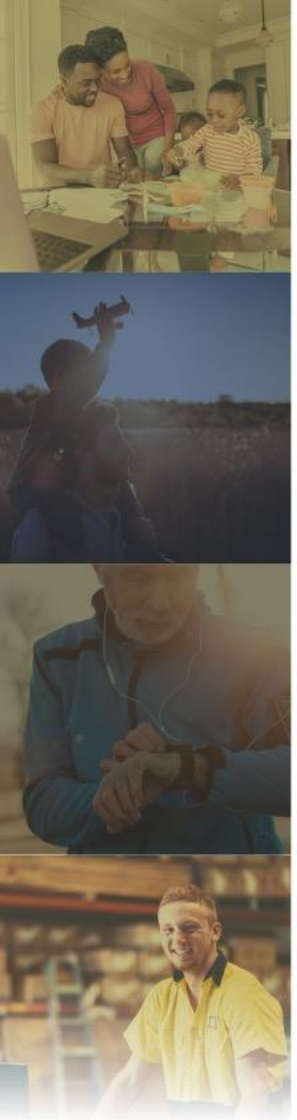
5 Years Until Retirement

Consider Conservative or Moderately Conservative

Individual needs may vary based on various factors. Please consult a financial professional.

intellicents

dreams make it real.



participant investment strategies

Target Date Fund

"Help Me Do It Option"

Managed Accounts

"Help Me Do It Option"

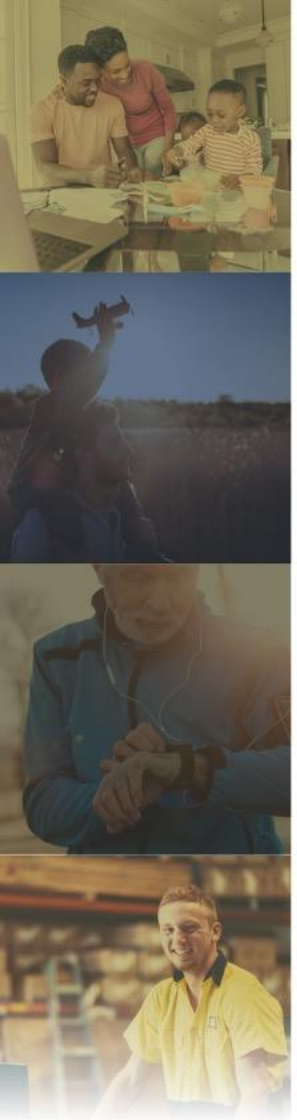
intellicents Risk Based Strategy

"Help Me Do It Option"

Do It Yourself

intellicents

dreams make it real.

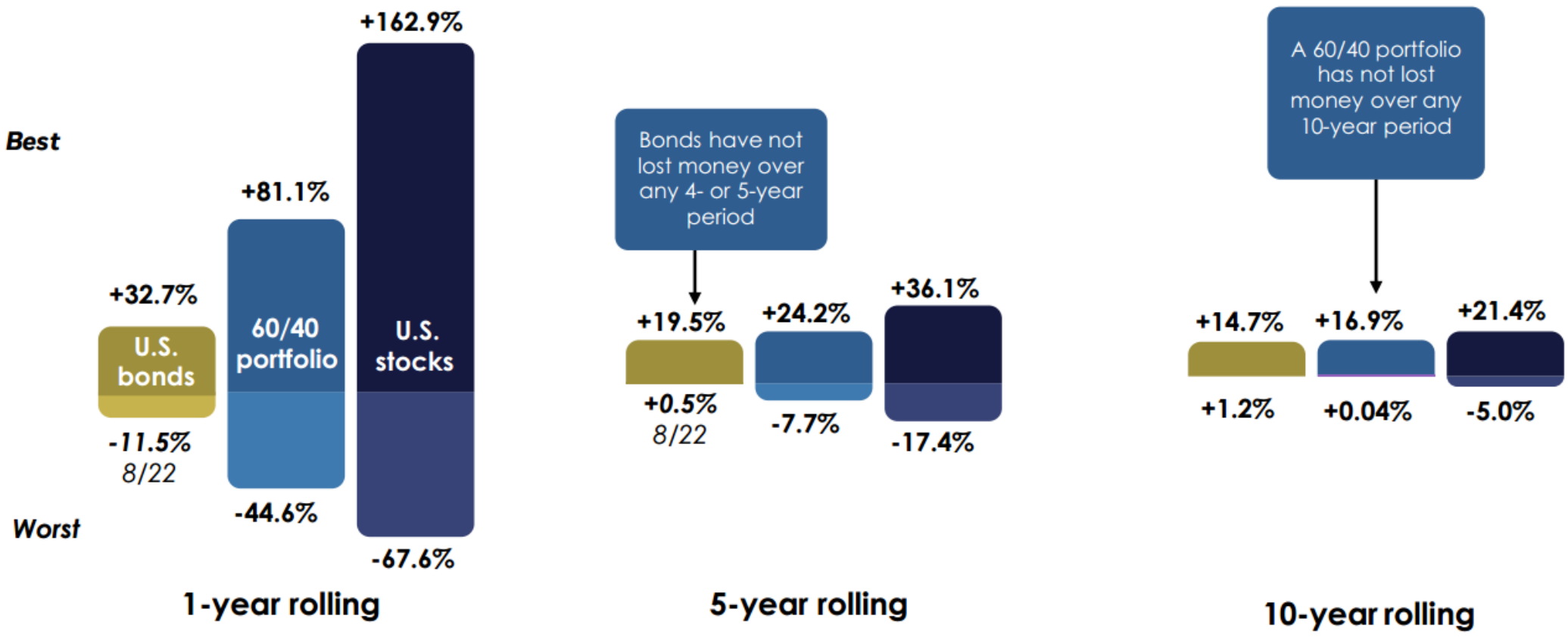


investing can feel turbulent

over shorter time periods, investing can feel turbulent

Range of U.S. stock, U.S. bond and 60/40 portfolio returns since 1926

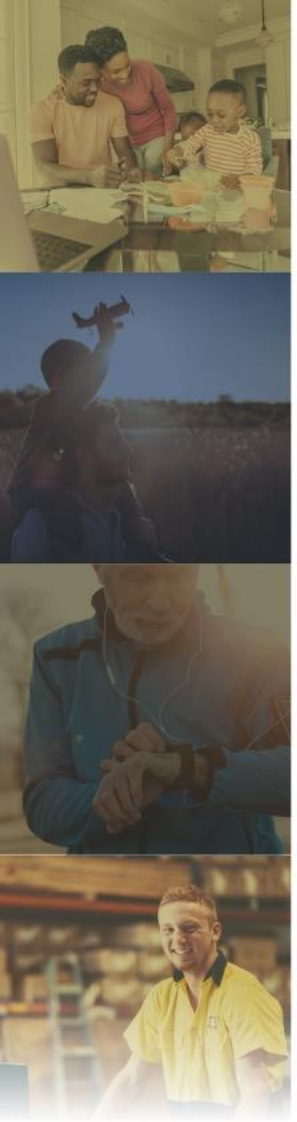
Average annual rolling returns



Source: Morningstar as of 8/31/22. US Stocks represented by the S&P 500 from 3/4/57 to 8/31/22 and the IA SBBI USL rg Cap Index from 1/1/26 to 3/4/57. Bonds represented by the IA SBBI US IT Index from 1/1/26 to 1/3/89 and the Bloomberg US Agg Bond Index from 1/3/689 to 8/31/22. 60/40 portfolio represented by 60% IA SBBI US Lrg Cap Index and 40% IA SBBI US IT Index from 1/1/26 to 1/3/89 and 60% of the S&P 500 Index and 40% of the Blomberg US Agg Bond Index from 1/3/89 to 8/31/22 . **Past performance does not guarantee or indicate future results.**

intellicents

dreams make it real.



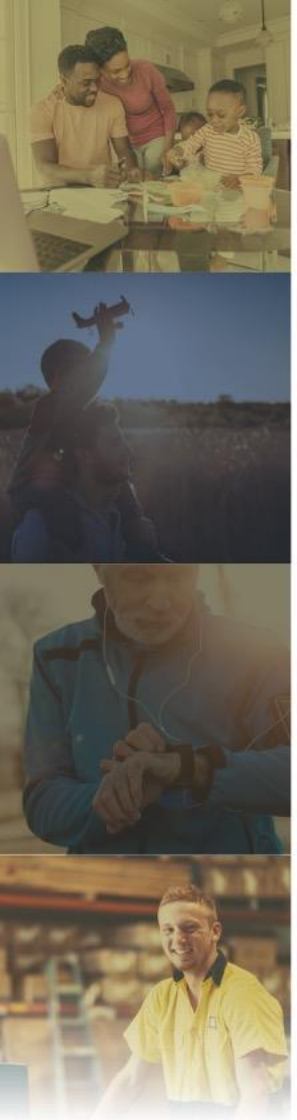
don't abandon your journey

Downturn			Recovery		
			Post-Downturn Cumulative Return		
Timeframe of Downturn	How many months	% Decline	1-year later	5-years later	10-years later
February 20, 2020 – March 23, 2020	1	-33.9%	74.8%	n/a	n/a
October 9, 2007 – March 9, 2009	17	-56.8%	68.6%	178.0%	305.5%
March 24, 2000 – October 9, 2002	31	-49.1%	33.7%	101.5%	85.6%
July 16, 1990 – October 11, 1990	3	-19.9%	29.1%	96.1%	361.9%
August 25, 1987 – December 4, 1987	3	-33.5%	21.4%	93.0%	334.6%
November 28, 1980 – August 12, 1982	20	-27.1%	58.3%	224.5%	307.9%
January 11, 1973 – October 3, 1974	21	-48.2%	38.0%	76.0%	160.8%
November 29, 1968 – May 26, 1970	18	-36.1%	43.7%	30.7%	59.6%
February 9, 1966 – October 7, 1966	8	-22.2%	32.9%	36.6%	41.4%
December 12, 1961 – June 26, 1962	6	-28.0%	32.7%	75.2%	105.4%
August 2, 1956 – October 22, 1957	15	-21.6%	31.0%	41.0%	144.7%
May 29, 1946 – June 13, 1949	37	-29.6%	42.1%	110.9%	322.6%
March 6, 1937 – April 28, 1942	62	-60.0%	53.7%	92.4%	215.3%
September 7, 1929 – June 1, 1932	33	-86.2%	121.4%	262.7%	86.1%
Average	21	-39.9%	48.7%	109.1%	194.6%

sources: 9/30/21 American Century and S&P.

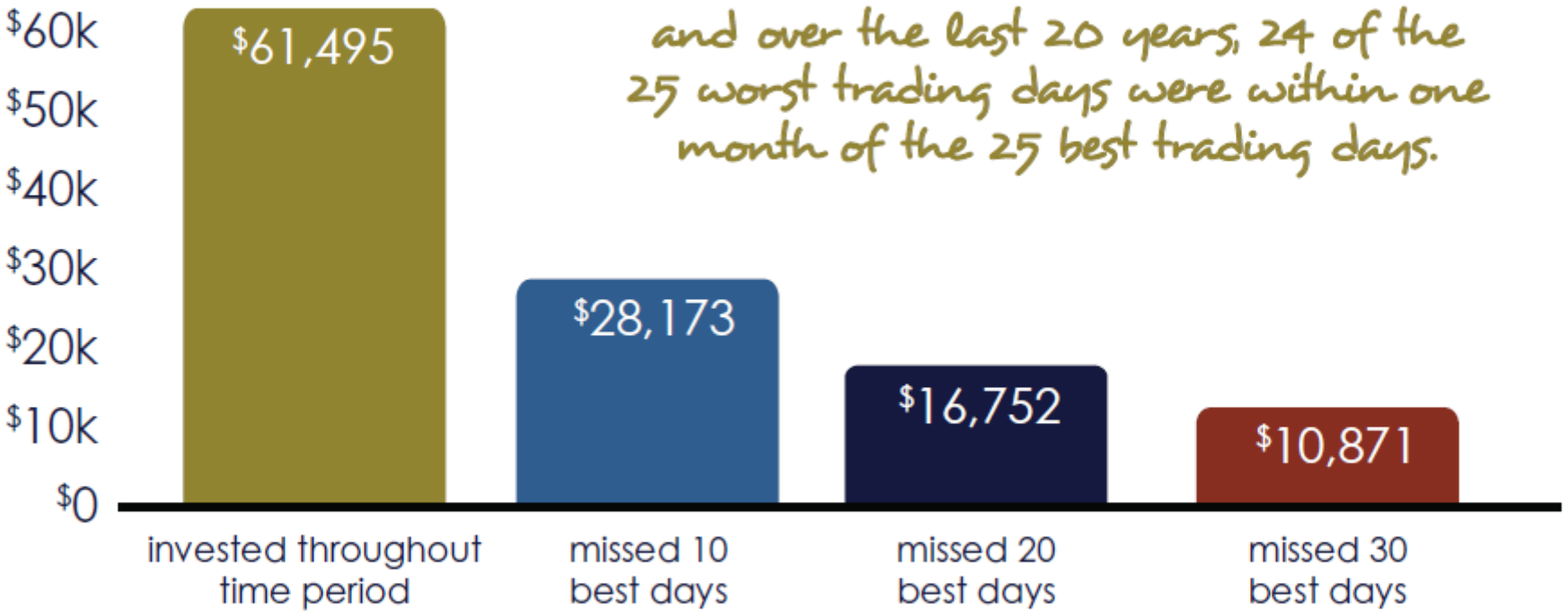
intellicents

dreams
make it real.



the cost of missing out

notice how an investment of $10,000 was impacted based on what you *did* or *didn't* do over 20 years:



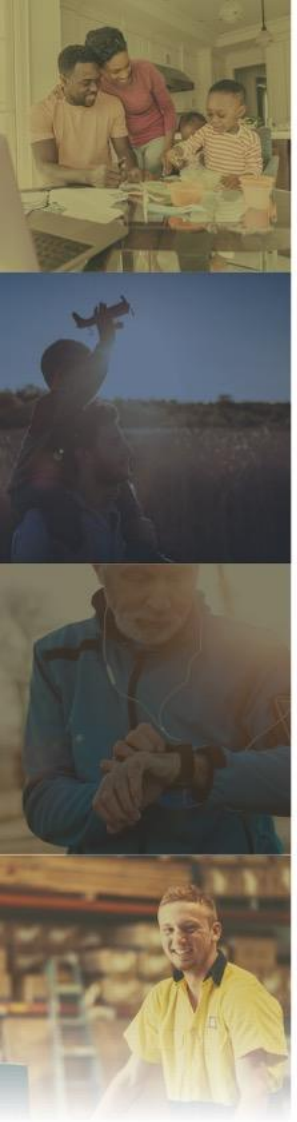
and over the last 20 years, 24 of the 25 worst trading days were within one month of the 25 best trading days.

intellicents

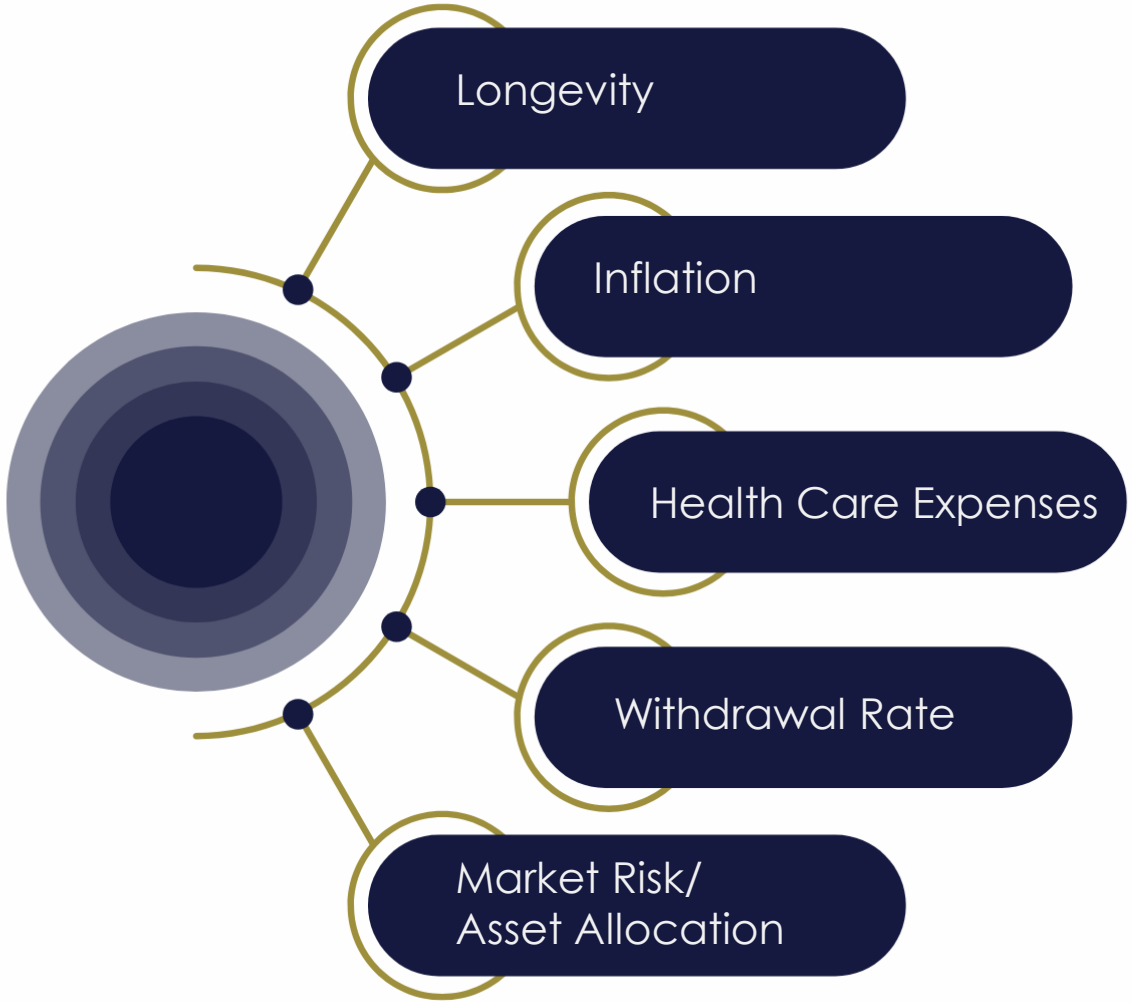
dreams make it real.

sources: 9/30/21 American Century.

U.S. stocks are represented by the S&P 500 Index, an unmanaged Index that is generally considered representative of the U.S. stock market. Index performance is for illustrative purposes only. It is not possible to invest directly in an index. [1]Only period without a corresponding best day within one month was September 17, 2001. Past performance does not guarantee or indicate future results.

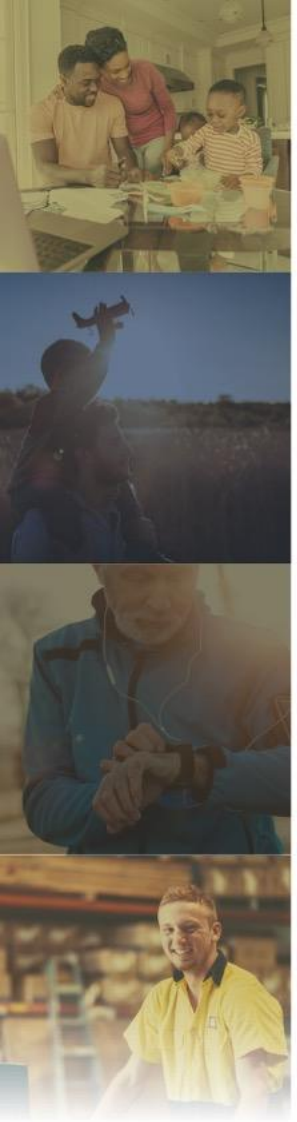


challenges facing today's retirees



intellicents

dreams
make it real.



disclosures

- This presentation is provided for educational purposes only. Information and analysis obtained from outside sources is considered to be reliable but is not verified. Projections are not an indication of future results. Strategic asset allocation and diversification do not assure profit or protect against loss in declining markets. Any and all analyses and opinions presented in or along with this communication are subject to change without notice and no representation is made concerning actual future performance of the markets or economy. This presentation is the property of intellicents and is intended solely for the use of the plan participants to whom it is addressed. This presentation may not be reproduced in any manner or re-distributed without the express consent of intellicents.

- Investment Performance illustrated within this document does not reflect any plan related expenses that may be charged against your account. For additional information about these expenses, please refer to the annual fee disclosure provided by the plan administrator or contact them directly.

- Investment advisory services offered through intellicents investment solutions, inc., an SEC registered investment adviser.

intellicents

dreams make it real.

intellicents

800-880-4015
intellicents.com