MissionSquare RETIREMENT

Market Volatility

When the stock and bond markets are experiencing significant volatility, remember that volatility is likely to lessen when viewed over longer time periods. The challenge is that the longer riskier investments are owned, the higher the chance of experiencing a severe down market that can set you back. Meanwhile, timing when market swings occur is difficult.

Avoiding stocks may not provide enough growth and protection from inflation over time. But avoiding more conservative fixed-income investments might expose you to too much risk. In addition to your time horizon and comfort level with risk, there are other factors to consider.

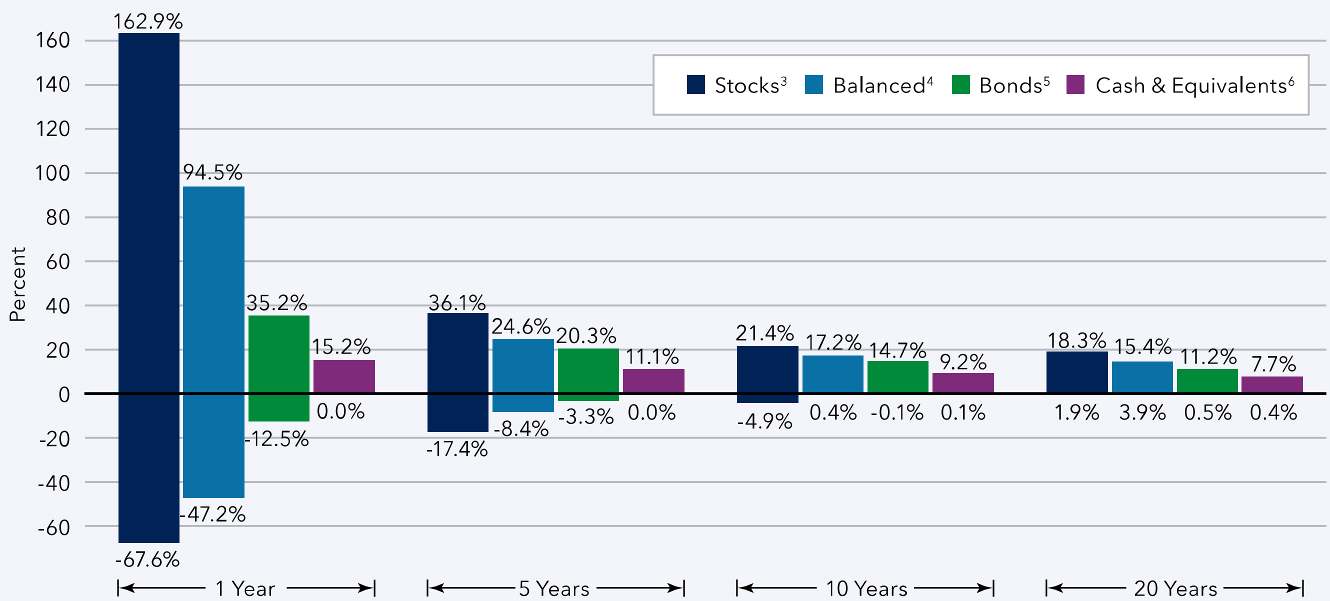
How dependent will you be on your investments? How much flexibility do you have to adjust your spending or draw down other income sources if your portfolio performance suffers? Finding the right mix of different types of investments, based on your circumstances, is key.

Stocks overall have historically outperformed other major asset classes but with greater volatility, especially over shorter time periods.

The chart below shows the highest and lowest performance since 1926 for different portfolios over rolling 1-, 5-, 10-, and 20-year periods. For example, stocks over a 1-year period have ranged from a 163% gain to a 68% loss, while over rolling 20-year periods, they have returned as much as 18%, and have not had a negative return.

Volatility vs. Return:[1,2] Q1 1926–Q4 2021 Rolling Period Returns

(One Year Example: February 1945–January 1946, March 1945–February 1946, etc.)



Source: Morningstar Direct

The chart above uses the range of returns for various time horizons since 1926 to show that shorter time periods experience more fluctuation in returns than longer time periods. For example: An investment matching the performance of the S&P 500 Index held for a one-year period ranged from a 163% gain to a 68% loss. While holding the same investment for a twenty-year period returned as much as 18% per year and never less than 1%. Past performance, as shown, is no guarantee of future results and returns over one year are annualized. See additional disclosures on following page.

To learn more, contact your MissionSquare representative.

(continued)

[1] The performance quoted represents past performance, is no guarantee of future results, and is annualized for periods greater than one year. Investment returns and principal value will fluctuate, so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance shown. For current performance, contact MissionSquare Retirement by calling (800) 669-7400 or by visiting www.missionsq.org.

[2] Indexes and peer groups are not available for direct investment. Indexes are unmanaged and do not reflect the costs of portfolio management or trading. A fund's portfolio may differ significantly from the securities held in the indexes or by peers.

[3] Stock performance is the S&P 500 Index which consists of 500 companies representing larger capitalization stocks traded in the U.S.

[4] Balanced performance is the combination of 60% the S&P 500 Index and 40% a blended bond index (1926–1975 Long-Term Government Bonds, 1976–present Bloomberg U.S. Aggregate Bond Index).

[5] Bond performance is a blend of the Long-Term Government Bond Index (1926–1975) and the Bloomberg U.S. Aggregate Bond Index (1976–present). The Bloomberg U.S. Aggregate Bond Index consists of investment-grade U.S. fixed income securities.

[6] Cash & Equivalents (C&E) performance is the IA SBBI US 30 Day T-Bill Index.

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