Investing concepts simplified
Ted Simmons, CRPC*
Investment Adviser Representative
Voya Financial Advisors
10740 Nall Avenue, Suite 120
Overland Park, KS 66211
Office: 913.661.3758  Email: Ted.Simmons@voyafa.com

*Securities and investment advisory services offered through Voya Financial Advisors, Inc., (member SIPC)
We’re Voya Financial®
First things first…
A few fundamentals
Mix things up
Your investment mix
Let’s talk funds
Make it less taxing
Next steps
Important Disclosures

Variable annuities, group annuities or funding agreements are long-term investments designed for retirement purposes. If withdrawals are taken prior to age 59½, an IRA 10% premature distribution penalty tax may apply. Money taken from the annuity will be taxed as ordinary income in the year the money is distributed. An annuity does not provide any additional tax deferral benefit, as tax deferral is provided by the plan. Annuities may be subject to additional fees and expenses to which other tax-qualified funding vehicles may not be subject. However, an annuity does provide other features and benefits, such as lifetime income payments and death benefits, which may be valuable to you.

Variable investments, of any kind, are not guaranteed and are subject to investment risk including the possible loss of principal. The investment return and principal value of the security will fluctuate so that when redeemed, it may be worth more of less than the original investment. In addition, there is no guarantee that any variable investment option will meet its stated objective.

For 403(b)(1) annuities, the Internal Revenue Code (IRC) generally prohibits withdrawals of 403(b) salary reduction contributions and earnings on such contributions prior to death, disability and age 50½, severance of employment, or financial hardship. Amounts held in a 403(b)(1) annuity as of 12/31/1988 are “grandfathered” and are not subject to these restrictions. For 403(b)(7) custodial accounts, the IRC generally prohibits withdrawals of any contributions and attributable earnings prior to death, disability, age 59½, severance of employment, or financial hardship. For both 403(b)(1) annuities and 403(b)(7) custodial accounts, the amount available for hardship is limited to the lesser of the amount necessary to relieve the hardship, or the account value as of 12/31/1988, plus the amount of any salary reduction contributions made after 12/31/1988 (exclusive of any earnings).

All Guarantees are based on the financial strength and claims-paying ability of the issuing insurance company, who is solely responsible for all obligations under its policies.

You should consider the investment objectives, risks, and charges and expenses of the investment options carefully before investing. Prospectuses containing this and other information can be obtained by contacting your Representative. Please read the prospectuses carefully before investing.

© 2017 Voya Services Company. All rights reserved. CN0313-32093-0419D
A few fundamentals
A few fundamentals

Just 3 key concepts.
A few fundamentals

First - asset classes
A few fundamentals

Second - risk

1 2 3
A few fundamentals

Third - time
A few fundamentals

Asset classes
Risk
Time
A few fundamentals

Asset Classes

- Stocks
- Bonds
- Cash
A few fundamentals

Take stock!
A few fundamentals

“equity”
A few fundamentals

Long term growth potential
A few fundamentals

Value can go up or down
May pay dividends
A few fundamentals

Involve **risk**

Potential for **higher return**
A few fundamentals

How about bonds?
A few fundamentals

An “I.O.U.”

A loan
A few fundamentals

Pay fixed income
A few fundamentals

Interest rate sensitive
A few fundamentals

What about cash?
A few fundamentals

**Stable value**

Dollar in, dollar out
A few fundamentals

Pay interest

Lower risk, lower return
A few fundamentals

Risk

• Investment risk
• Inflation risk
• Longevity risk
• Withdrawal risk
A few fundamentals

Ups and downs

No guarantees
A few fundamentals

Asset classes and risk

Higher inflation risk
Cash equivalents

Higher investment risk
Bonds
Stocks
A few fundamentals

Longevity risk

75? … 85? … 90?
A few fundamentals

Withdrawal rate risk
A few fundamentals

Time

• How much do you have?
A few fundamentals

Short term: 1-3 years
Medium term: 4-7 years
Long term: 8 years or more
A few fundamentals

History says…

stay

invested

Past performance is no guarantee of future results.
A few fundamentals

Dollar cost averaging

<table>
<thead>
<tr>
<th></th>
<th>Share price</th>
<th>Investment</th>
<th>Shares purchased</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>$10</td>
<td>$100</td>
<td>10</td>
</tr>
<tr>
<td>February</td>
<td>$7</td>
<td>$100</td>
<td>14.3</td>
</tr>
<tr>
<td>March</td>
<td>$6</td>
<td>$100</td>
<td>16.7</td>
</tr>
<tr>
<td>April</td>
<td>$8</td>
<td>$100</td>
<td>12.5</td>
</tr>
<tr>
<td>May</td>
<td>$9</td>
<td>$100</td>
<td>11.1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$8 average</td>
<td>$500</td>
<td>64.6</td>
</tr>
</tbody>
</table>

This example is hypothetical, not guaranteed and does not represent any particular investment. Dollar cost averaging does not ensure a profit or guarantee against loss in declining markets. Investors should consider their financial ability to continue their purchases through periods of low price levels.
Mix things up
Mix things up

Asset Allocation

- Cash
- Stocks
- Bonds
Mix things up

Risk Tolerance Questionnaire

go.voya.com/quiz
Mix things up

What **mix** is right for you?

These portfolios are hypothetical and for illustrative purposes only.

Conservative
- Stocks: 20%
- Bonds: 40%
- Cash: 40%

Conservative To Moderate
- Stocks: 56%
- Bonds: 37%
- Cash: 6%

Moderate
- Stocks: 60%
- Bonds: 3%
- Cash: 20%

Moderate to Aggressive
- Stocks: 80%
- Bonds: 20%

Aggressive
- Stocks: 95%
- Bonds: 5%
Mix things up

Conservative Mix

This portfolio is hypothetical and for illustrative purposes only.
Mix things up

Conservative to Moderate Mix

This portfolio is hypothetical and for illustrative purposes only.
Mix things up

Moderate Mix

This portfolio is hypothetical and for illustrative purposes only.
Mix things up

Moderate to Aggressive Mix

This portfolio is hypothetical and for illustrative purposes only.
Mix things up

Aggressive Mix

This portfolio is hypothetical and for illustrative purposes only.
Mix things up

Diversify to spread the risk

Cash
- CDs, treasury bills
- Money Market funds
- Stable Value funds

Stocks
- Different companies
- Different industries
- Different countries
- Stock mutual funds

Bonds
- Government bonds
- Corporate bonds
- Bond mutual funds

Diversification does not guarantee a profit or protect against loss in a declining market.
Let’s talk funds
Let’s talk funds

Where do I put my money?
Let’s talk funds

Mutual funds
bring it all together
Let’s talk funds

A pool of securities
Let’s talk funds

Moving from asset allocation to fund selection…

How do I get there?

Sample Allocation: Moderate

For illustrative purposes only

3% Cash equivalents
37% Bonds
60% Stocks

Fund A
Fund B
Fund C
Fund D
Fund E
Fund F
Fund G

For illustrative purposes only
Let’s talk funds

Looking closer

Investment goal
Level of risk
Professionally managed
Let’s talk funds

Tools to help you choose

1. Benchmark
2. Independent ratings
3. Peer groups
4. Performance
5. Expenses
Let’s talk funds

Benchmark

The Dow Jones Industrial Average, also called the Industrial Average, the Dow Jones, the Dow Jones Industrial, the Dow 30, or simply the Dow, is a stock market index, and one of several indices created by Wall Street Journal editor and Dow Jones & Company co-founder Charles Dow. The industrial average was first calculated on May 26, 1896.
Let’s talk funds

S&P 500 Index

Barclays U.S. Aggregate Bond index

Russell 2000

S&P 500 Index is a gauge of the U.S. stock market, which includes 500 leading companies in major industries of the U.S. economy. Barclays U.S. Aggregate Bond Index is composed of U.S. securities in Treasury, Government-Related, Corporate and Securitized sectors that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least $250 million. Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity market including approximately 2,000 of the smallest securities based on market capitalization.
Let’s talk funds

Independent ratings
Let’s talk funds

Independent ratings: Morningstar

Voya and its companies are not affiliated with the Morningstar Investment Management LLC and affiliates, and receive no fee or other direct financial benefits from Morningstar Investment Management in connection with the use of its services. The Morningstar name and logo are registered marks of Morningstar, Inc.
Let’s talk funds

Peer groups
Let’s talk funds

Lipper Ranking

Peer group: Growth

ABC Fund

1 yr: #1,951 out of 2,907
5 yr: #398 out of 2,138 funds
10 yr: #199 out of 1,290

Voya and its companies are not affiliated with Lipper, Inc. or its affiliates, and receive no fee or other direct financial benefits from Lipper, Inc. in connection with the use of its services.
Let’s talk funds

Performance
Let’s talk funds

## Returns

<table>
<thead>
<tr>
<th>Fund Name</th>
<th>1 year</th>
<th>3 year</th>
<th>5 year</th>
<th>10 year</th>
<th>Life of Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Fund</td>
<td>+8.79%</td>
<td>+14.77%</td>
<td>+14.38%</td>
<td>+6.98%</td>
<td>+11.78%</td>
</tr>
<tr>
<td>XYZ Fund</td>
<td>-6.27%</td>
<td>+3.25%</td>
<td>+8.28%</td>
<td>+6.84%</td>
<td>+5.23%</td>
</tr>
</tbody>
</table>

For hypothetical purposes only and does not represent any particular mutual fund.
Let’s talk funds

Average Annualized Returns for various asset classes as compared to inflation from 1993 to 2013.

- Inflation: 2.46%
- Cash: 3.07%
- Bonds: 5.71%
- Equities: 9.72%

Past performance is not indicative of future results. Barclays U.S. Treasury Bond Index is a component of the Barclays U.S. Aggregate Index. Barclays Capital U.S. Intermediate Credit Bond Index measures the performance of investment grade corporate debt and agency bonds that are dollar denominated and have a remaining maturity of greater than one year and less than ten years. Russell 1000 Growth Index measures the large-cap growth segment of the U.S. equity market including Russell 1000 companies with higher price-to-book ratios and forecasted growth.

PLAN | INVEST | PROTECT
Let’s talk funds

Fees
Let’s talk funds

Look for **low expenses**

<table>
<thead>
<tr>
<th></th>
<th>Fund A</th>
<th>Fund B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount Invested</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Rate of Return</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td>Expense Ratio</td>
<td>.50</td>
<td>1.30</td>
</tr>
<tr>
<td>Amount after 10 Years</td>
<td>$20,610</td>
<td>$19,127</td>
</tr>
</tbody>
</table>

For hypothetical purposes only and does not represent any particular mutual fund.

PLAN | INVEST | PROTECT
Let’s talk funds

Ready mix or mix your own?
Let’s talk funds

Target date funds

2025

2035

2045

Generally speaking, Target Date funds target a certain date range for retirement, or the date the investor plans to start withdrawing money. Investors can select the fund that corresponds to their target date. They are designed to rebalance to a more conservative approach as the date nears. An investment in the Target Date fund is not guaranteed at any time, including on or after the target date.
Let’s talk funds

How many?
No more than you can manage

For illustrative purposes only
Make it less taxing
Make it less taxing

Your taxable income
Workplace retirement plans
Contributions and any earnings are tax-deferred and will be taxed when withdrawn, and will be subject to an IRS 10% premature distribution penalty tax if taken prior to age 59½, unless an IRS exception applies.
Make it less taxing

Roth IRA

Contribute after-tax

Savings grow tax-deferred

Earnings may be withdrawn tax-free if requirement met

Any distributions taken from the IRA are tax-free if the Roth IRA is held for at least five years and the individual is age 59½ or older, making a first-time home purchase (lifetime limit of $10,000 per taxpayer), is disabled or dies.
Next steps
Next steps

Remember, life is like a balancing act and so is investing.
Next steps

Review and rebalance

This portfolio is hypothetical and for illustrative purposes only. Rebalancing does not ensure a profit or protect against a loss in a declining market.
Next steps

Action steps

Ask if you need help
Retirement income advice

Work one-on-one with a financial professional.
You can do it!
Make the Most of the Plan

- **Enroll** in the voluntary plan today!
- **Illustrate your future income** with myOrangeMoney®
- Evaluate your **risk and reward** tolerance
- Create a **diversified portfolio*** and review it regularly
- Select and **review your beneficiaries** regularly

*Using diversification as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.
Questions?

Call your plan representative!

Or, visit www.VoyaRetirementPlans.com