MEEDER
INVESTMENT MANAGEMENT

# Target Withdrawal Portfolios

**DESIGNED TO PROVIDE INCOME THROUGH RETIREMENT**


# Today's Retiree

### THE BABY BOOMERS

The baby boomer generation is now rapidly approaching their retirement years. Starting in 2011, the oldest members of this generation began turning 65 and this trend will continue until 2030. This represents one of the most significant financial transitions in history.

There are additional considerations for retirees as they worry about outliving their assets, such as:

- How stock market volatility could impact their assets
- Typical investments in seemingly less risky asset classes such as low interest rate bonds may not meet their income needs
- Rising healthcare costs and other inflationary factors could quickly drain their retirement savings.

# The Case for More Growth

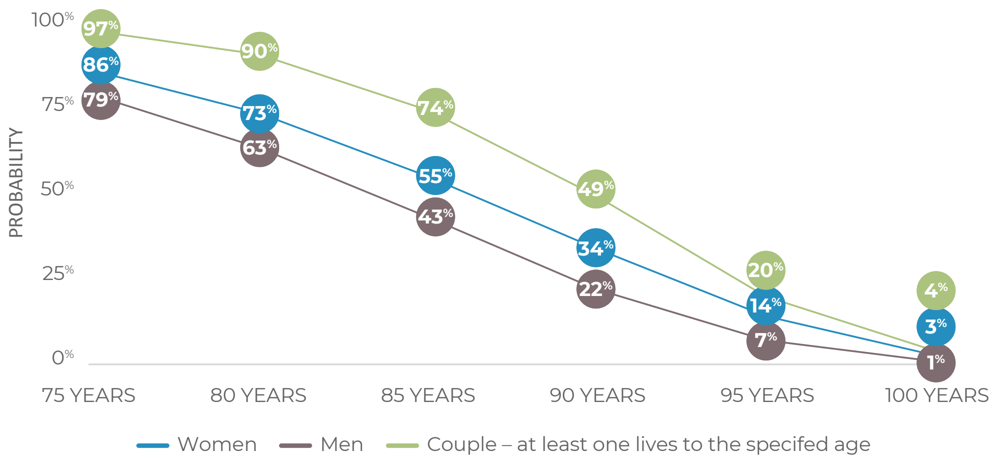
## Concerns of today's retirees

Different needs for different times—


### LONGEVITY RISK[3]

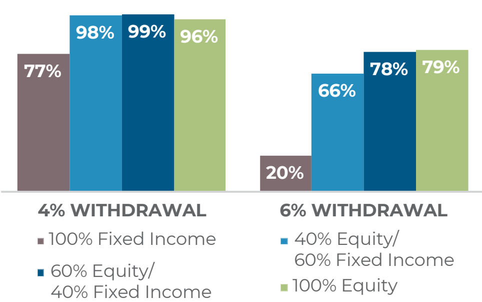
Advancements in modern medicine along with healthier lifestyle choices continue to improve and extend the lives of Americans. US Census reports show that, since 1950, people are living more than 10 years longer today. It is no surprise that outliving your assets, or longevity risk, continues to be one of the top concerns of retirees.

ACCORDING TO THE SOCIAL SECURITY ADMINISTRATION, A COUPLE IN THE UNITED STATES HAS NEARLY A 50% CHANCE THAT ONE OF THEM WILL LIVE TO BE AGE 90.



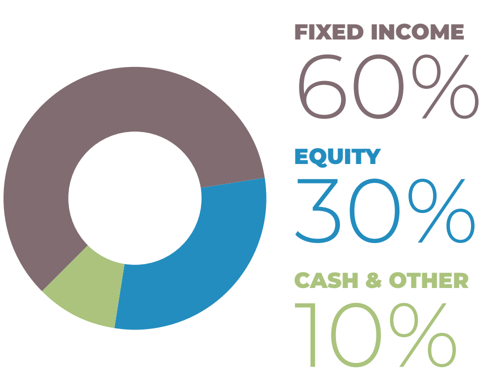

### A LONGER TIME HORIZON

PORTFOLIO SUCCESS RATES AFTER 30-YEARS OF WITHDRAWALS




Our research utilized Monte Carlo analysis to produce different success rates for retirees using different fixed income and equity portfolio allocations. For this purpose, a successful portfolio was defined as one that did not run out of money before 30 years of withdrawals at the selected rate. As the illustration to the left shows, assuming a 4% initial withdrawal rate (adjusted for inflation annually), the portfolio utilizing 100% fixed income produced a 77% probability of success. When a withdrawal of 6% is made, the probability becomes even more pronounced, as only 20% of retirees would succeed with all their portfolio allocated to fixed income. As indicated by our research, the higher the withdrawal rate for the desired income level, the higher the percentage of equity required for success.

### TARGET-DATE RETIREMENT FUNDS




We utilized the Morningstar Target Date Retirement category average as a baseline for the average retiree's portfolio allocation. The average allocation is 60% fixed income, 30% equity and 10% cash. When Target Date Funds were introduced in the early 1990's, it was appropriate to have 60% of a portfolio in fixed income. Bonds generated income levels that retirees needed. However, in today's low interest rate environment, it is unlikely that fixed income is able to deliver historical returns. Target Date Funds do not consider an investor's desired withdrawal rate. Retirees will need even greater income due to increased life expectancies and higher cost projections for retiree health care expenses. Today's retiree may not be able to follow the same financial plan as the prior generation.

# The Meeder Difference

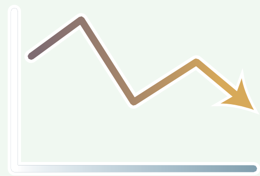
### MEEDER INVESTMENT POSITIONING SYSTEM (IPS)

Meeder Investment Management has been tactically managing portfolios since 1974. We believe in a multi-discipline/multi-factor approach, utilizing macroeconomic, fundamental, and technical analysis. Each of these approaches to investing are valid and have produced solid results over time, but can often be out of sync with each other and the market. We incorporate components of each of these disciplines for a more holistic approach.

We are dedicated to improving investor outcomes by keeping clients committed to their investment strategy throughout a full market cycle. Studies show that, historically, the average investor has participated in just a fraction of the market's long-term gains. This is because wide swings in the markets will often lead investors to make decisions based on emotion (rather than data), especially in periods of market selloffs. To keep investors committed to their goals, we have developed quantitative models to analyze data and make fact-based decisions when allocating our portfolios.

Seeks to capture most of the upside of equity returns while reducing volatility and downside risk.

Flexibility to move assets from equity to cash or fixed income when market risk is high.



Reduces allocation to fixed income while aiming to reduce equity drawdown risk.

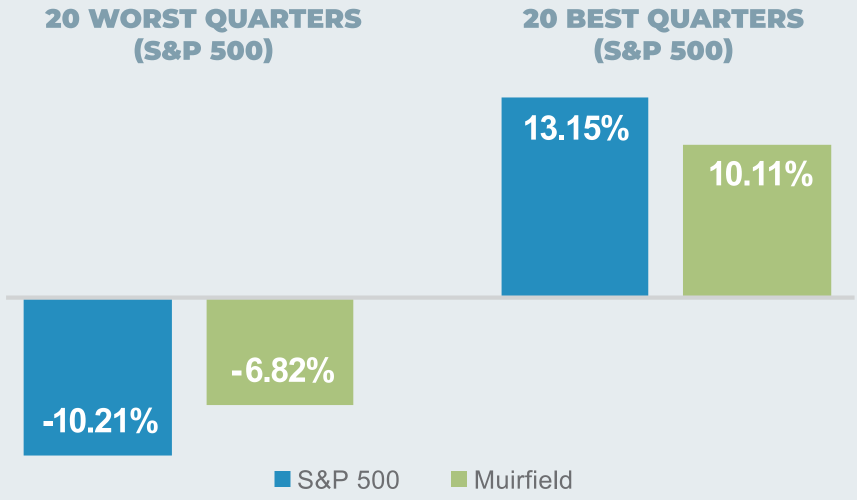
UTILIZES A MULTI-DISCIPLINE/MULTI-FACTOR APPROACH

# Meeder IPS

### MEEDER MUIRFIELD FUND: 08/10/1988 – 6/30/2019

Our time-tested, model-driven strategies rely on our active allocation approach to managing risk which provides downside protection or opportunistic exposure as the markets evolve. Our quantitative models analyze data to make fact-based decisions when allocating our portfolios. These models identify the risk/reward relationship of the market and reduce equity exposure when that relationship is deemed unfavorable, ultimately attempting to reduce participation in more severe market declines.

COMPARISON OF MUIRFIELD'S PERFORMANCE (SINCE INCEPTION) DURING THE 20 BEST AND WORST PERFORMING QUARTERS OF THE S&P 500 INDEX (INCLUDING DIVIDENDS)



# Investment Solutions for Retirement

## TO RETIREMENT

**MEEDER INVESTMENT PORTFOLIOS**

- ✓ 5 Tactical Portfolios
- ✓ Risk-based
- ✓ Accumulation/Wealth Preservation

## THROUGH RETIREMENT

**MEEDER TARGET WITHDRAWAL PORTFOLIOS**

- ✓ 4 Tactical Portfolios
- ✓ Based on income withdrawal rates from 3% to 7%

### TARGET WITHDRAWAL PORTFOLIOS

#### SOLUTIONS

Meeder Target Withdrawal Portfolios are designed to help today's retirees reach their income goals. Each portfolio is made up of five diversified mutual funds with allocations specifically designed to meet the desired target withdrawal rate.

#### GROWTH

The blue portion of the portfolio is designated for growth in the portfolio. The Meeder Dynamic Fund helps maintain longevity by providing diversified exposure to U.S. and International equity. The Meeder Quantex Fund is a mid-cap value mutual fund that is dedicated to investing in U.S. small-and medium-sized companies that are currently trading at a discount. This segment of the portfolio is designed to fund longer-term spending needs and help reduce longevity risk for a longer time-horizon in retirement.

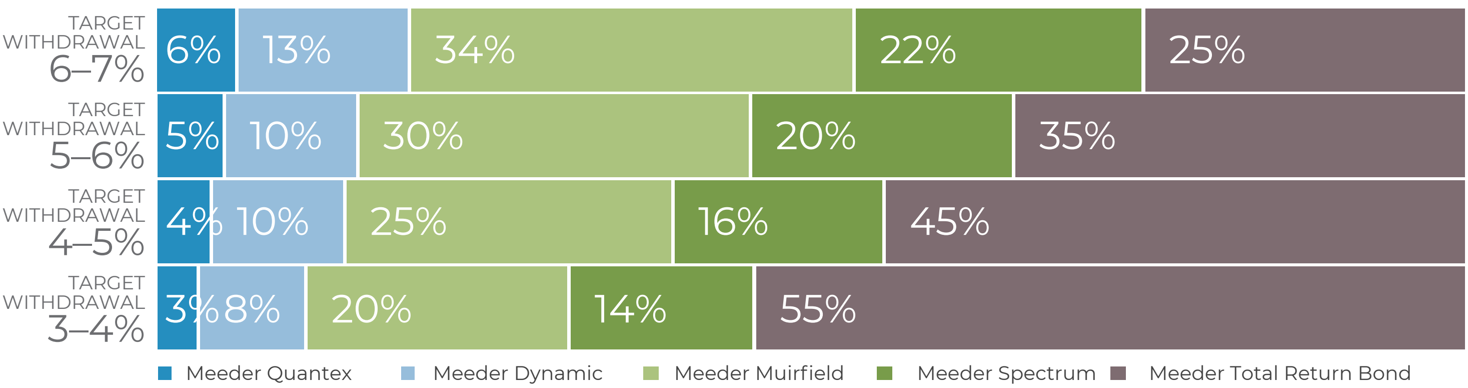
#### DEFENSIVE EQUITY

The green portion of the portfolio represents the Defensive Equity Strategy, which is comprised of the Meeder Muirfield and Meeder Spectrum Funds. These equity strategies complement one another and are designed to bridge the gap left by fixed income by providing the opportunity for more upside potential, while focusing on limiting downside risk in high risk market environments. As the target withdrawal rate increases for each portfolio, the need for equity increases as well. These portfolio strategies are designed to specifically meet the target withdrawal rate of each portfolio and is why there is a gradual increase in both funds within the category.

#### FIXED INCOME

The remainder of each portfolio is allocated to fixed income. The income required for today's retiree will likely not be generated by fixed income alone, which is why we provide the opportunity for more growth through our Defensive Equity Strategies. We create a balance between traditional fixed income and equity, and attempt to minimize the drawdown risk of equity while minimizing exposure to fixed income.

**Target Withdrawal Portfolios**[4]




As your withdrawal rate increases, the need for growth and defensive equity increases

Growth for longevity and growing spending needs

Defensive Equity aims to minimize drawdown risk of your equities

Less fixed income than the average Target Date Retirement fund

# Different economic times require different financial tools.

**Contact your representative today to see how Meeder can provide a solution to not only get you to retirement, but also through retirement.**

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INVESTMENT MANAGEMENT

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[1] According to U.S. Census government data analyzed by Pew Research Center

[2] According to the Financial Services Market: Affluent & High Net Worth Consumers, 8th Edition; Packaged Facts, published March 25, 2019

[3] Source: Social Security Administration, Period Life Table 2014

[4] Each of these Target Withdrawal Portfolios have less fixed income exposure than the average of the Morningstar Target Date Retirement Category.

**Investors are advised to consider carefully the investment objectives, risks, charges and expenses of the fund before investing. The prospectus contains this and other information about the funds. Contact us to request a free copy of the prospectus. Please read the prospectus carefully before investing.**

Each model portfolio is allocated among Meeder Funds selected to achieve the objectives of the portfolio. Information concerning the portfolio allocation and holdings reflects the model portfolio for the strategy and does not necessarily reflect any actual account. Actual portfolio allocations and investment results will vary from the model.

The portfolios are invested in Meeder Funds. Both equity and income funds bear risks of loss. Some funds routinely utilize equity index futures to equitize cash positions in the portfolio. The Spectrum Fund regularly utilizes short positions to achieve its investment objectives and may utilize leverage. Portfolios carrying the highest target withdrawal ranges are exposed to the greatest risk of loss. Actual returns will vary from year to year and there is no guarantee that any portfolio will achieve the projected income target for any period. In the event market volatility and asset class performance do not meet the assumptions of the portfolio, investors may sustain loss of capital.

Historical analysis provided for informational purposes only. Data and forecasts are as of the date given and are subject to change at any time. Certain information and data has been supplied by unaffiliated third-parties as indicated. Although Meeder believes the information is reliable, it cannot warrant the accuracy, timeliness or suitability of the information or materials offered by third-parties.

The views expressed herein are not offered as investment advice and should not be construed as a recommendation regarding the suitability of any investment product or strategy for an individual's particular needs. Investment in securities entails risk, including loss of principal. Asset allocation and diversification do not assure a profit or protect against loss. There can be no assurance that any investment strategy will achieve its objectives, generate positive returns, or avoid losses.

Portfolio success rate research generated from Monte Carlo simulations of various portfolio asset allocations and inflation adjusted withdrawal rates over the period 1950 to 2017. A portfolio was deemed successful if $1 remained in the portfolio at end of the period. Simulations are hypothetical in nature, do not represent actual investment results, and are not guarantees of future results. The simulations are based on assumptions and there can be no guarantee that that any particular result will be achieved. Actual results will vary and may be better or worse than simulated scenarios.

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