



# Investing concepts *simplified*

be ready™

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FINANCIAL

# Hi. I'm...



## Dianna Patane

*Key Account Manager*

Registered representative of and securities offered through Voya Financial Advisers, Inc. (member SIPC)  
CN0313-32093-0419D

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# First things first...

# A few fundamentals





# Mix things up

## Your investment mix



# Let's talk funds



# Make it less taxing



# Next steps





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*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 or 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.***

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# A few fundamentals



# A few fundamentals

## Not a stock market whiz?

You don't have  
to be.



# A few fundamentals

Just **3** key concepts.



# A few fundamentals

## First - **asset classes**





# A few fundamentals

## Second - **risk**



# A few fundamentals

Third - **time**



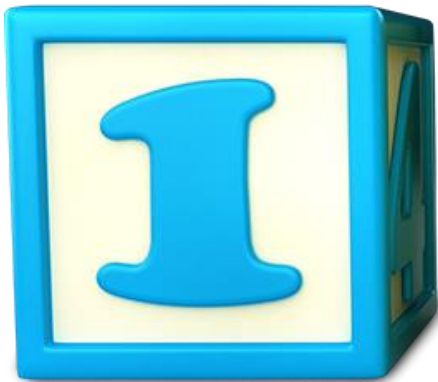
# A few fundamentals

Asset classes

Risk

Time

# A few fundamentals



## Asset Classes

- Stocks
- Bonds
- Cash

# A few fundamentals

# Take **stock!**

▼ SELL BUY ▲

▼ 15.78 ▲ 40.86 ▲ 24.07 ▼ 23.89 ▼ 36.21

▼ 15.78 ▲ 40.86 ▲ 24.07 ▼ 23.89 ▼ 36.21

▼ BUSINESS ▲



# 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

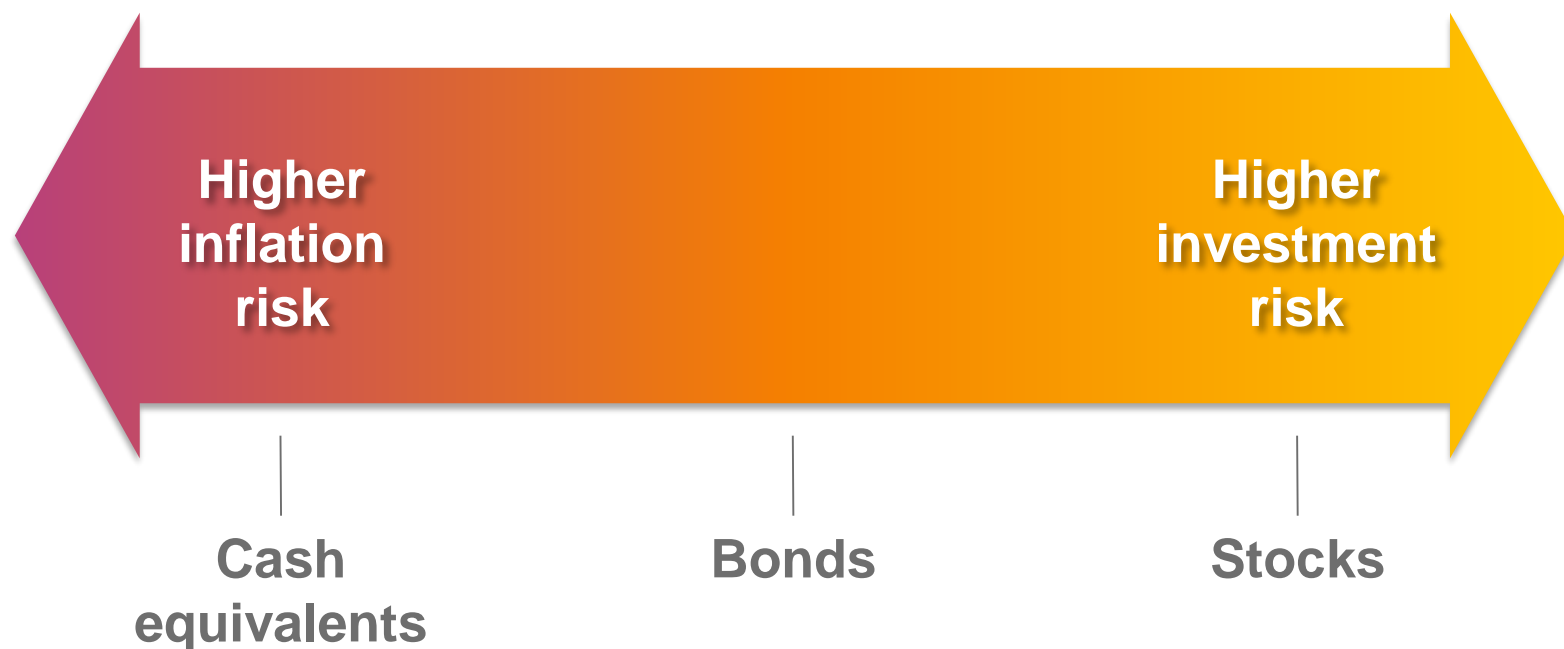
Ups **and** downs

**No** guarantees



# A few fundamentals

## Asset classes and risk



# 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

	Share price	Investment	Shares purchased
January	\$10	\$100	10
February	\$7	\$100	14.3
March	\$6	\$100	16.7
April	\$8	\$100	12.5
May	\$9	\$100	11.1
TOTAL	\$8 average	\$500	64.6

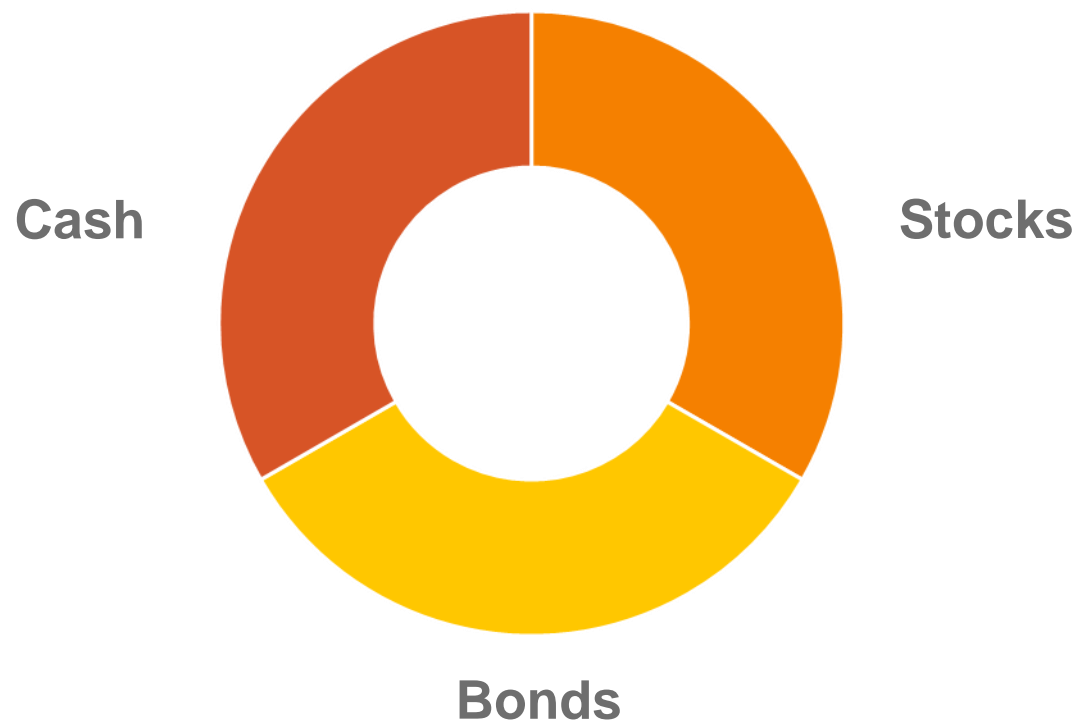
This example is hypothetical, not guaranteed and does not represent any particular investment. Dollar cost averaging does not ensure a profit or guarantee against loss in declining markets. Investors should consider their financial ability to continue their purchases through periods of low price levels.

# Mix things up



# Mix things up

## Asset Allocation



# Mix things up

## Risk Tolerance Questionnaire

**Determine the Type of Investor You May Be**  
To determine what kind of investor you may be, simply answer these questions.

**Time Horizon**  
1. I have long-term financial goals of 10 years or longer.  
☐ Strongly Agree ☒ Agree ☐ Disagree ☐ Strongly Disagree  
2. I do not need short-term investment results to cover financial obligations or planned expenditures.  
☐ Strongly Agree ☒ Agree ☐ Disagree ☐ Strongly Disagree

**Financial Goals**  
3. Despite the risks, growth of capital is most important to me.  
☐ Strongly Agree ☒ Agree ☐ Disagree ☐ Strongly Disagree  
4. I am more focused on growth of capital than on receiving regular income.  
☐ Strongly Agree ☒ Agree ☐ Disagree ☐ Strongly Disagree

**Risk Tolerance**  
5. When pursuing my financial goals, I can handle short-term losses on my investments.  
☐ Strongly Agree ☒ Agree ☐ Disagree ☐ Strongly Disagree  
6. I am willing to accept additional investment risk when this risk increases the probability of reaching my financial goals.  
☐ Strongly Agree ☐ Agree ☒ Disagree ☐ Strongly Disagree

**Financial Expertise**  
7. I understand the potential consequences of not reaching my financial goals.  
☐ Strongly Agree ☐ Agree ☒ Disagree ☐ Strongly Disagree  
8. I consider myself to be a sophisticated investor.  
☐ Strongly Agree ☐ Agree ☒ Disagree ☐ Strongly Disagree

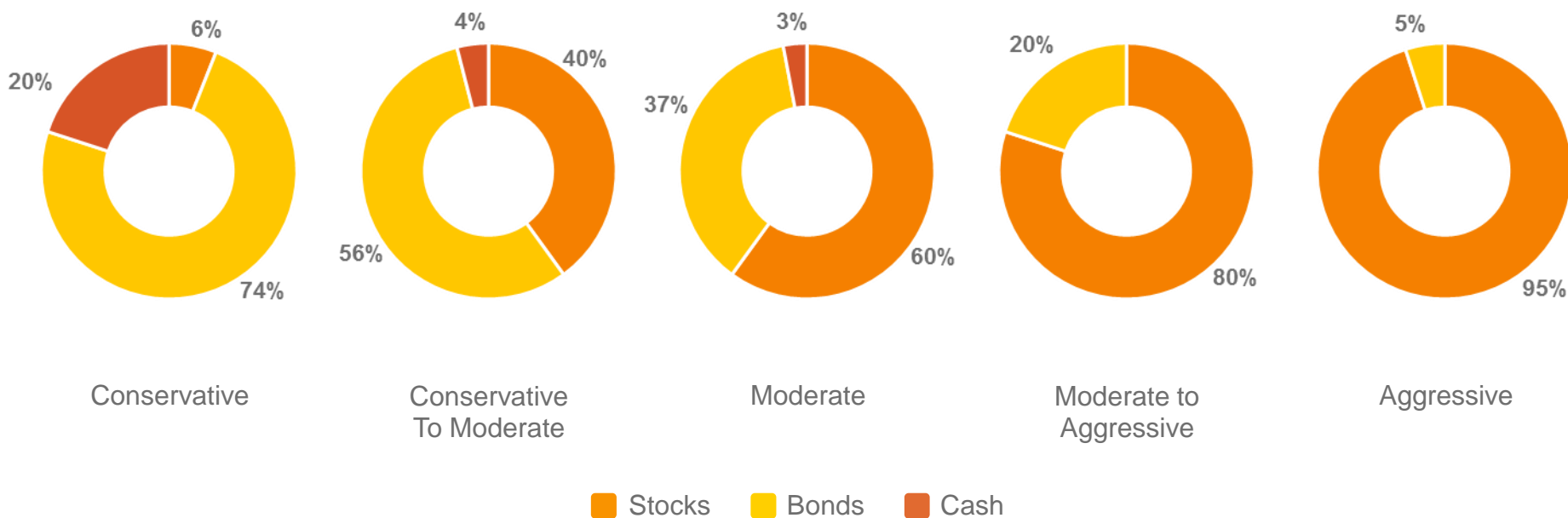
**FINISH**

The calculator's accuracy and its applicability to your current circumstances are not guaranteed. You should seek advice from your legal, tax or investment advisor prior to implementing any financial or investment strategy. Rates of return (where applicable) are hypothetical, not guaranteed, and do not apply to any specific investment. To help protect your privacy, the information you enter is not retained after you terminate your browser session. Please record and/or print the results of your decisions so you can use the information at another time.

[go.voya.com/quiz](https://go.voya.com/quiz)

# Mix things up

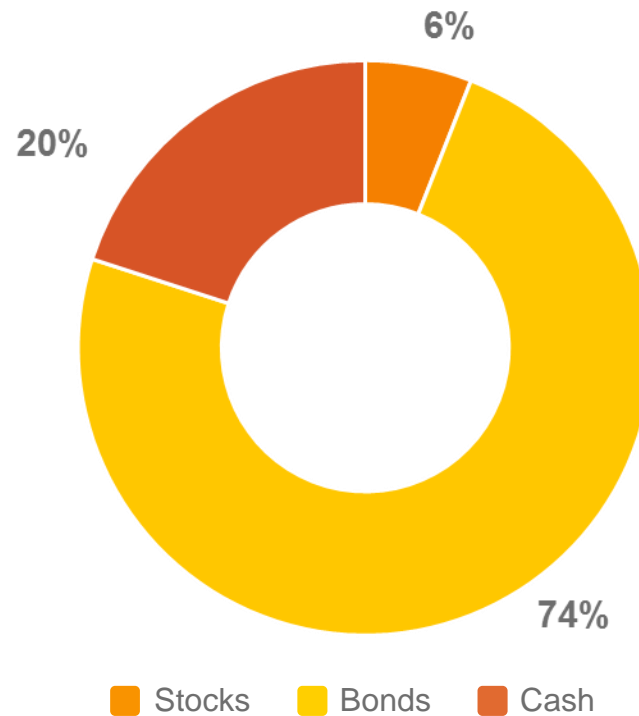
## What **mix** is right for you?



These portfolios are hypothetical and for illustrative purposes only.

# Mix things up

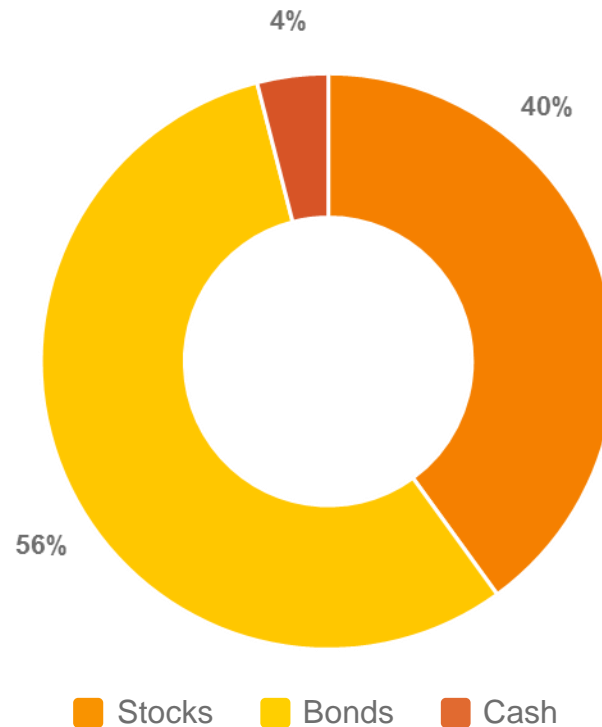
## Conservative Mix



This portfolio is hypothetical and for illustrative purposes only.

# Mix things up

## Conservative to Moderate Mix

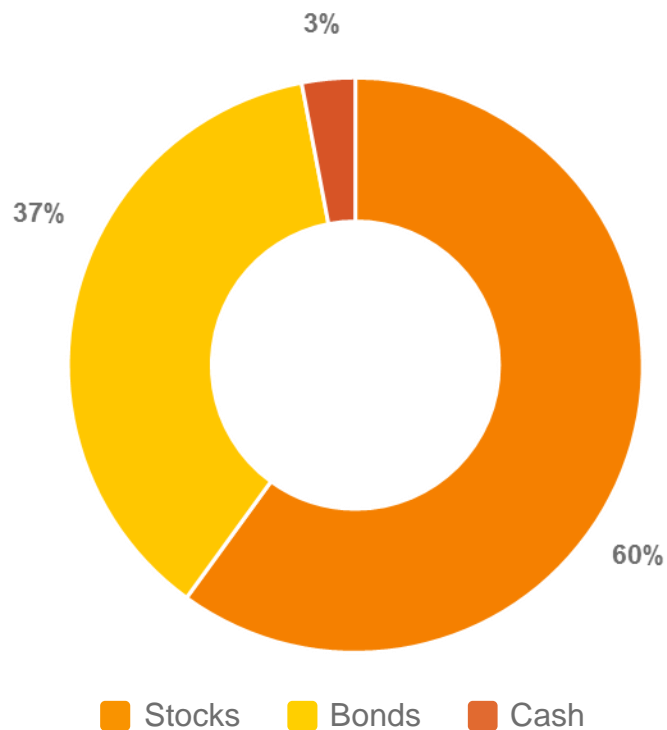


This portfolio is hypothetical and for illustrative purposes only.



# Mix things up

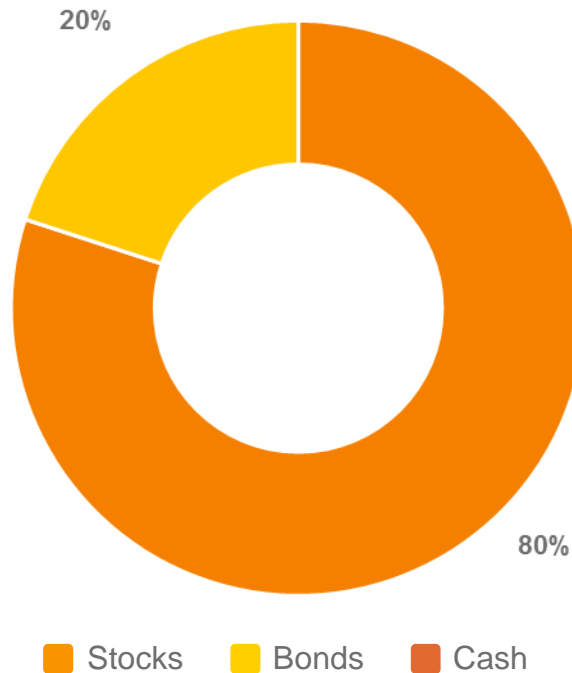
## Moderate Mix



This portfolio is hypothetical and for illustrative purposes only.

# Mix things up

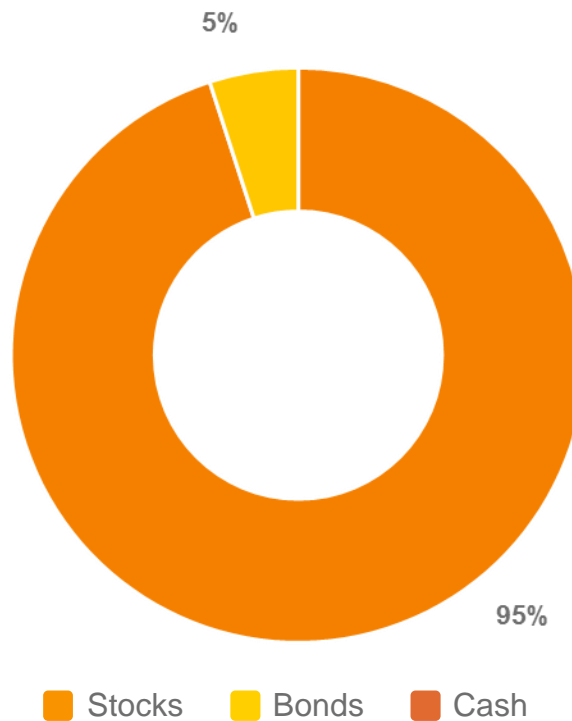
## Moderate to Aggressive Mix



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

Your plan may have other types  
of funds...

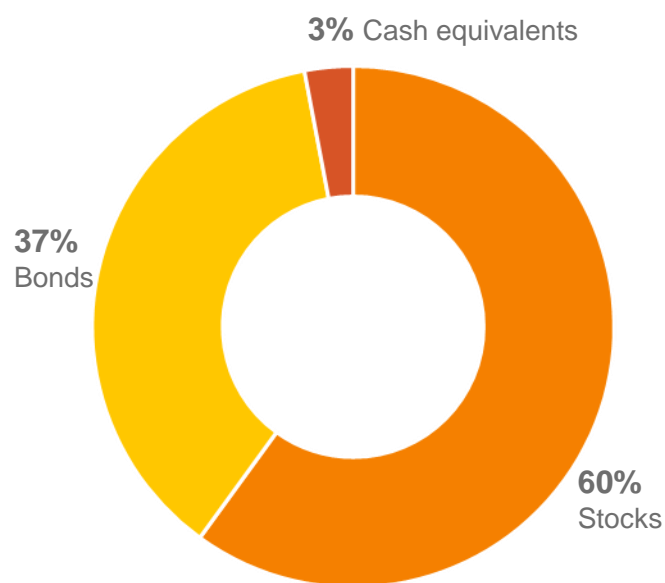
**Commingled funds**

**Separately managed funds**

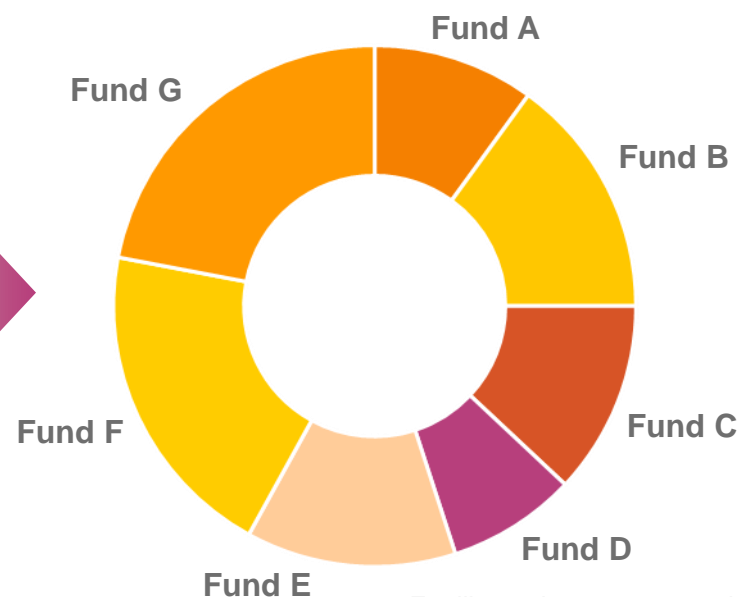
# Let's talk funds

Moving from asset allocation to fund selection...

## How do I get there?



Sample Allocation: **Moderate**



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.

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# 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**

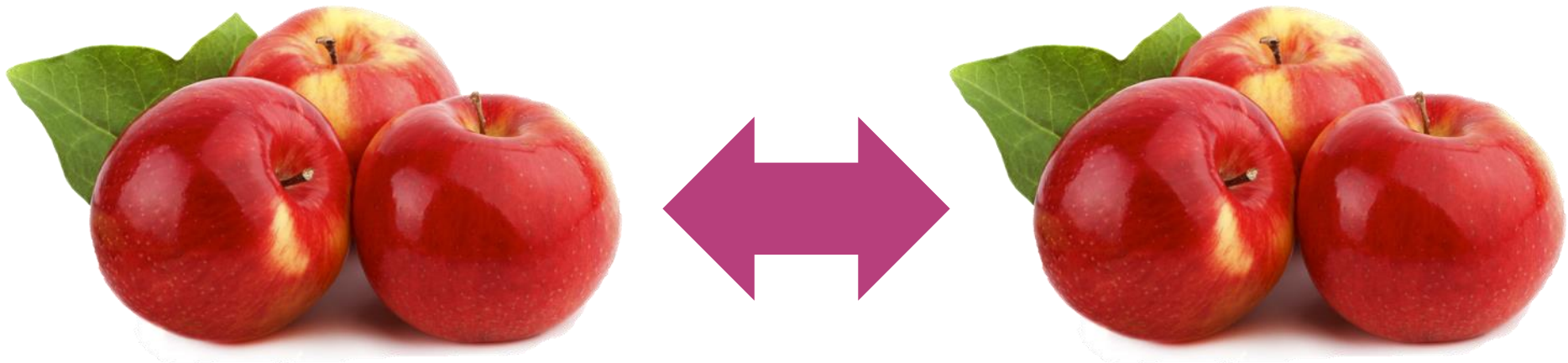


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# Let's talk funds

## 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**

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Let's talk funds

# Performance



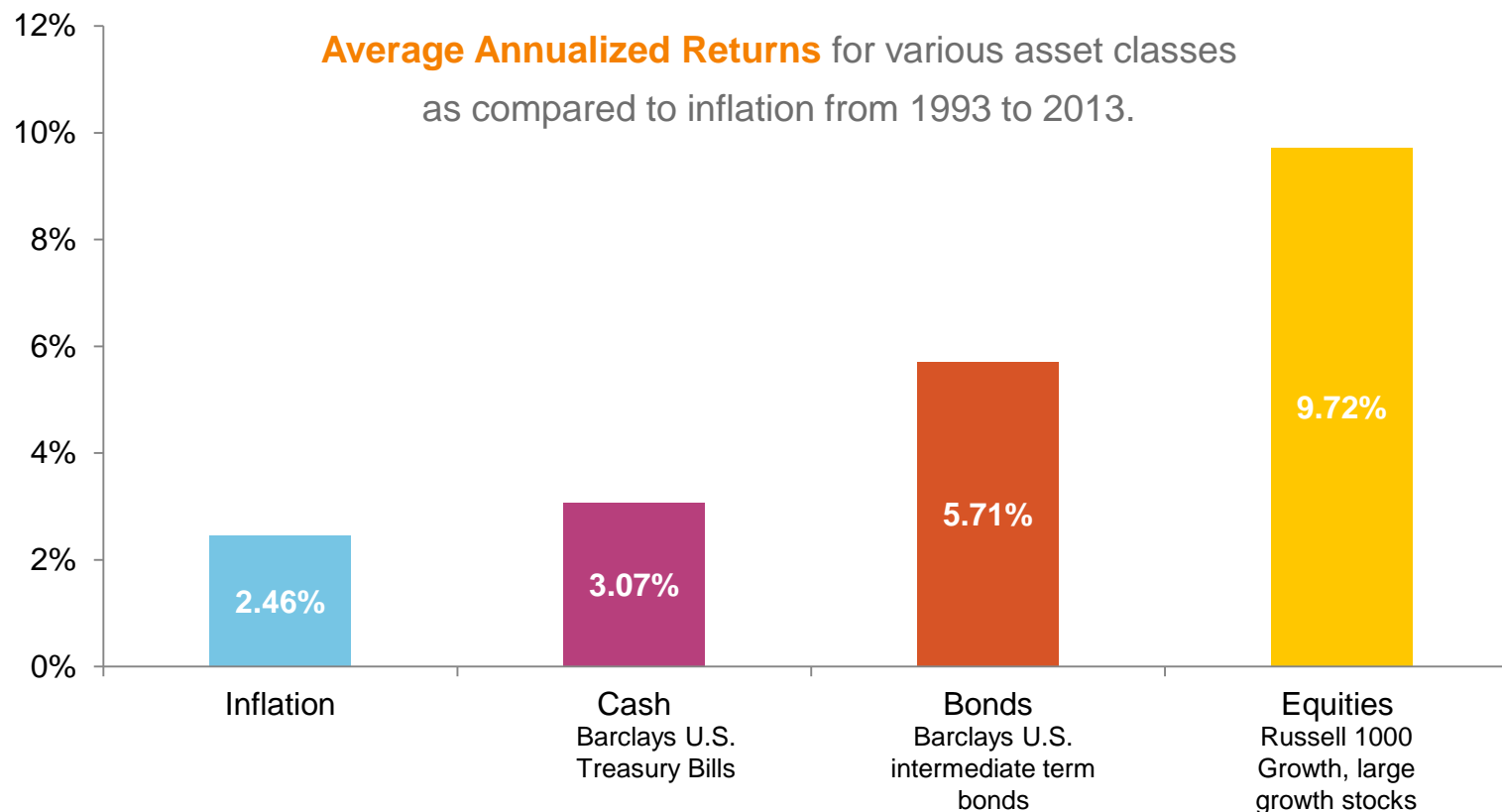
# Let's talk funds

## Returns

Fund Name	1 year	3 year	5 year	10 year	Life of Fund
ABC Fund	+8.79%	+14.77%	+14.38%	+6.98%	+11.78%
XYZ Fund	-6.27%	+3.25%	+8.28%	+6.84%	+5.23%

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

# Let's talk funds



Source: Blanchett & Straehl, "No Portfolio Is an Island", Financial Analysts Journal, 2015 CFA Institute

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.

Let's talk funds

# Fees



# Let's talk funds

## Look for **low expenses**

	Fund A	Fund B
Amount Invested	\$10,000	\$10,000
Rate of Return	8%	8%
Expense Ratio	.50	1.30
Amount after 10 Years	\$20,610	\$19,127

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

**+ \$1,483**

# Let's talk funds

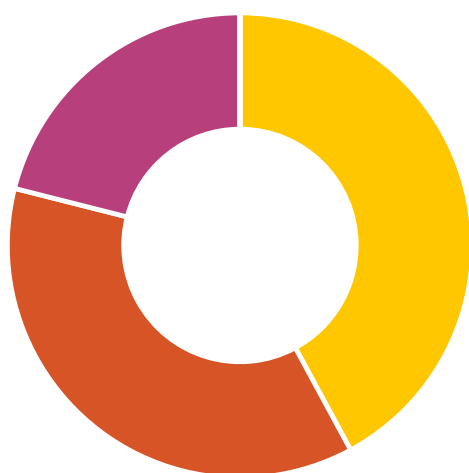
## Ready mix or mix your own?





# Let's talk funds

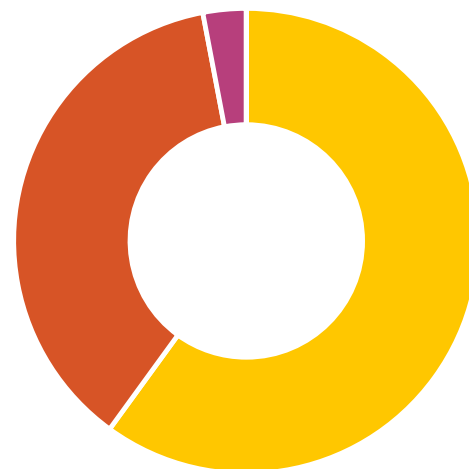
## Target date funds



**2025**



**2035**



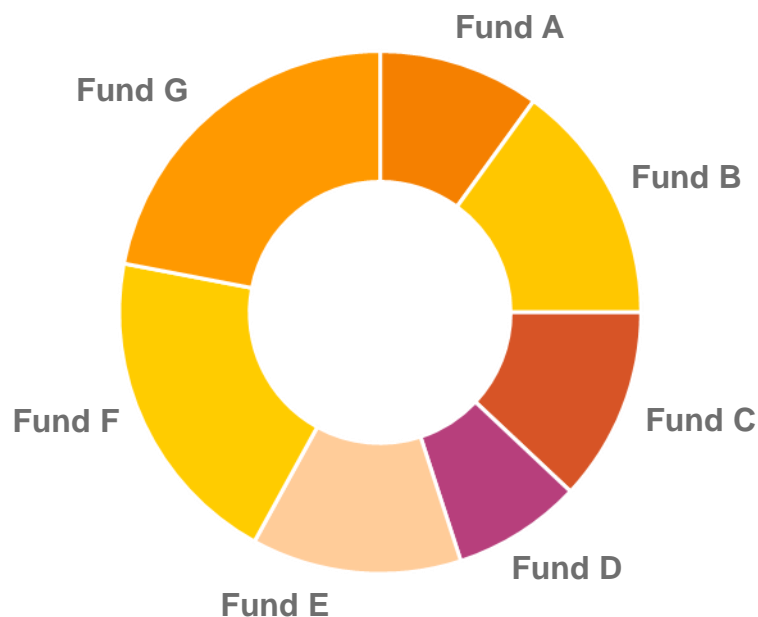
**2045**

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

# Make it less taxing

## Deferring taxes

Traditional IRAs

Contributions

Earnings

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

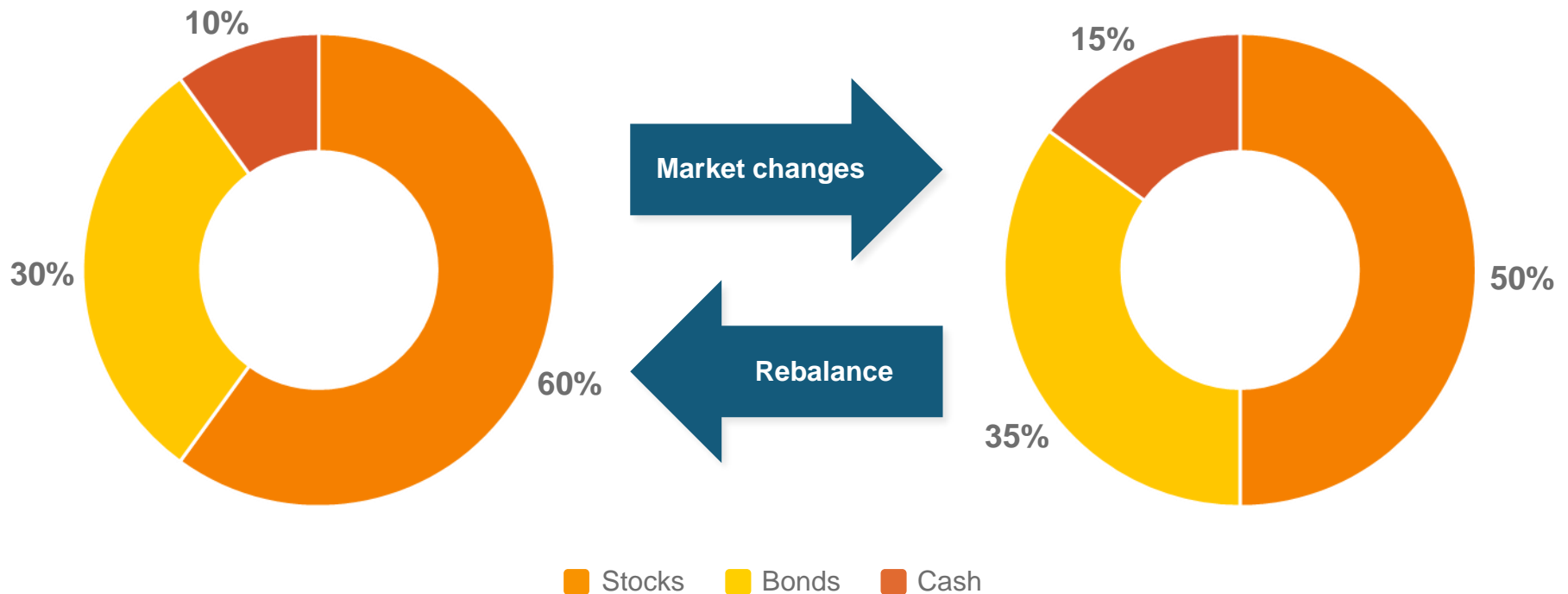
Remember, life is like a balancing act and **so is investing.**





# 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

**Step-by-step** personalized advice on the plan website.

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# Retirement income advice

Work **one-on-one** with  
a financial professional.

# You can do it!



# Make the Most of the Plan

- **Enroll** in the plan today!
- **Illustrate your future income** with myOrangeMoney®
- Consider **maximizing the match**
- 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.*

# Call your plan representative!

## Northern Nevada

- Eric Honea – 775-682-0701
  - [Eric.honea@voya.com](mailto:Eric.honea@voya.com)
- Jacob Honea – 775-813-6932
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## Rural Nevada

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