ADVISOR CONSULTING

Target Withdrawal Portfolios

DESIGNED TO PROVIDE INCOME THROUGH RETIREMENT

MEEDER

Today's Retiree

Members of the baby boomer generation are rapidly approaching or now experiencing 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.

ADDITIONAL CONSIDERATIONS FOR RETIREES INCLUDE:

» Stock market volatility could impact their assets.

» Investments in less risky asset classes such as fixed income and cash may not meet their income needs.

» Rising healthcare costs and other inflationary factors could put a strain on their retirement savings.

77M 22%OF THE POPULATION[1]

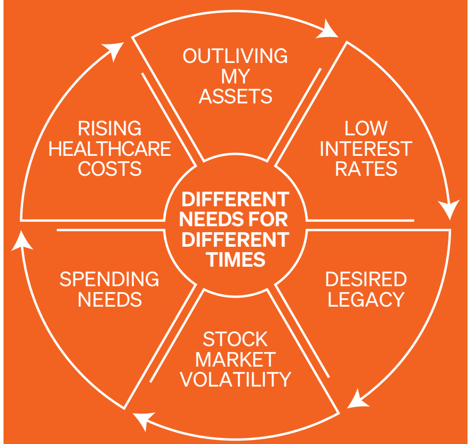
54% OF HOUSEHOLD NET WEALTH[2]

10K REACH RETIREMENT DAILY

2/3 CONTROL TWO-THIRDS OF DISPOSABLE INCOME IN U.S.

The Case for More Growth

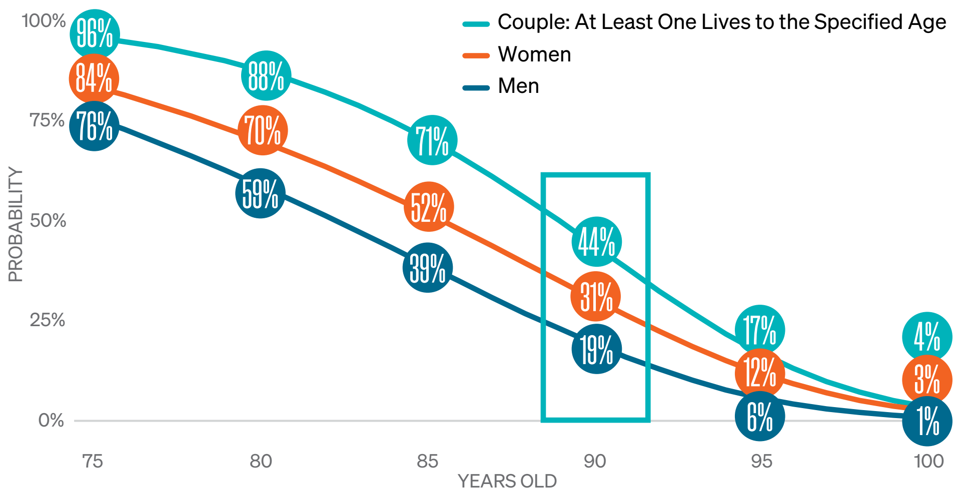
Concerns of today's retirees



Longevity Risk

Advancements in modern medicine along with healthier lifestyle choices continue to improve and extend the lives of Americans. U.S. Census reports show that, since 1950, people are living more than 10 years longer today. It is no surprise that outliving their 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.



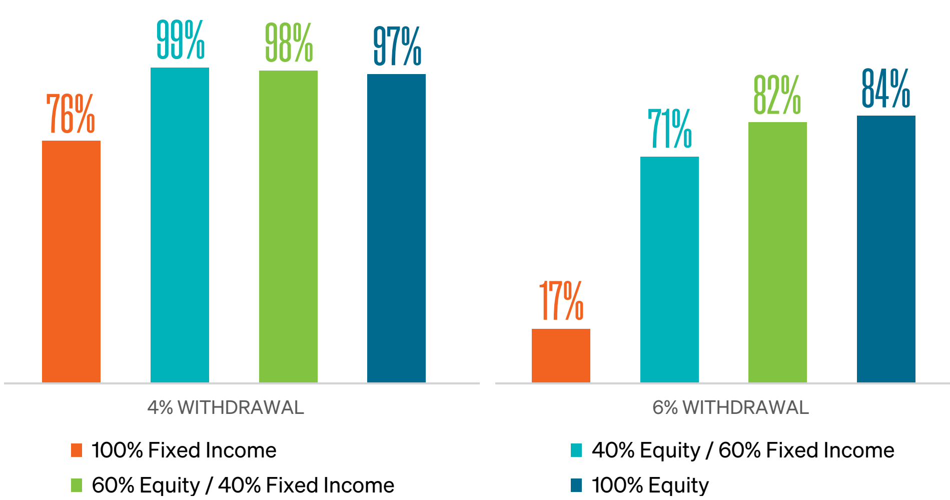
SOURCE: 2024 SOCIAL SECURITY TRUSTEES REPORT USING 2021 PERIOD LIFE TABLE

A Longer Time Horizon

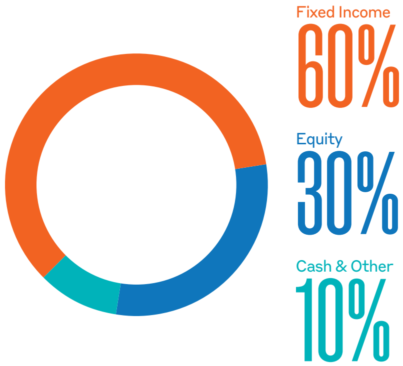
PORTFOLIO SUCCESS RATES AFTER 30 YEARS OF WITHDRAWALS

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 here shows, assuming a 4% initial withdrawal rate (adjusted for inflation annually), the portfolio utilizing 100% fixed income produced a 76% probability of success. When a withdrawal of 6% is made, the probability becomes even more pronounced, as only 17% 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.



Portfolio success rate research generated from Monte Carlo simulations of various portfolio asset allocations and inflation adjusted withdrawal rates over the period 1950 to 2024. 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 any particular result will be achieved. Actual results will vary and may be better or worse than simulated scenarios.



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 1990s, it was appropriate to have 60% of a portfolio in fixed income. Bonds generated income levels that retirees needed. However, it is unlikely that fixed income alone is able to deliver returns to meet the longevity needs of today's retiree. In addition, 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 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 sometimes be out of sync with each other and the market. We incorporate components of each of these disciplines for a more holistic approach. Our time-tested, model-driven strategies 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, aiming to reduce participation in more severe market declines.

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 volatility. 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.

MEEDER IPS UTILIZES A MULTI-DISCIPLINE/MULTI-FACTOR APPROACH

Investment Solutions for Retirement

TO RETIREMENT

MEEDER INVESTMENT PORTFOLIOS

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

THROUGH RETIREMENT

MEEDER TARGET WITHDRAWAL PORTFOLIOS

- ✓ Four 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.




TARGET WITHDRAWAL PORTFOLIOS[3]				
Target Withdrawal	3–4%	4–5%	5–6%	6–7%
Growth	11%	14%	15%	19%
Defensive Equity	34%	41%	50%	56%
Tactical Fixed Income	55%	45%	35%	25%

GROWTH

The blue portion of the portfolio is designated for growth in the portfolio. The Meeder Dynamic Allocation Fund helps maintain longevity by providing diversified exposure to U.S. and international equity. The Meeder Sector Rotation Fund is an aggressive allocation mutual fund that rotates investments in equity securities between and among market sectors, overweighting those considered most promising. This segment of the portfolio is designed to fund long-term spending needs and help reduce longevity risk through 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 two defensive equity strategies are designed to provide the upside potential of the equity market, while focusing on limiting downside risk in high risk environments. This helps reduce sequence of returns risk for retirees while still managing for longevity risk. As the desired withdrawal rate increases, the need for growth and defensive equity increases. 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.

TACTICAL FIXED INCOME

The orange portion of each portfolio is allocated to fixed income, which is invested in the Meeder Tactical Income Fund. The Fund can shift between U.S. government and agency securities, investment grade bonds, high-yield corporate bonds, and emerging market bonds. The Fund can also adjust the portfolio duration based on the anticipated movement of interest rates. While tactical fixed income is extremely important, the income required through retirement will likely not be generated by fixed income alone. This portion of the portfolio provides diversification from our growth and defensive equity strategies, reducing the sequence of returns risk and providing income for retirees.

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.

Changing economic times call for recalibrating investment approaches.

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

MEEDER

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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] 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.

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.

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