Investing in uncertain times

What you can consider doing today

TIAA

Today's agenda

- Market volatility
- What you can do
- Investment concepts
- Risk tolerance
- Asset classes and asset allocation
- Diversification
- Mutual funds, stocks and annuities
- Tools and resources

Market volatility

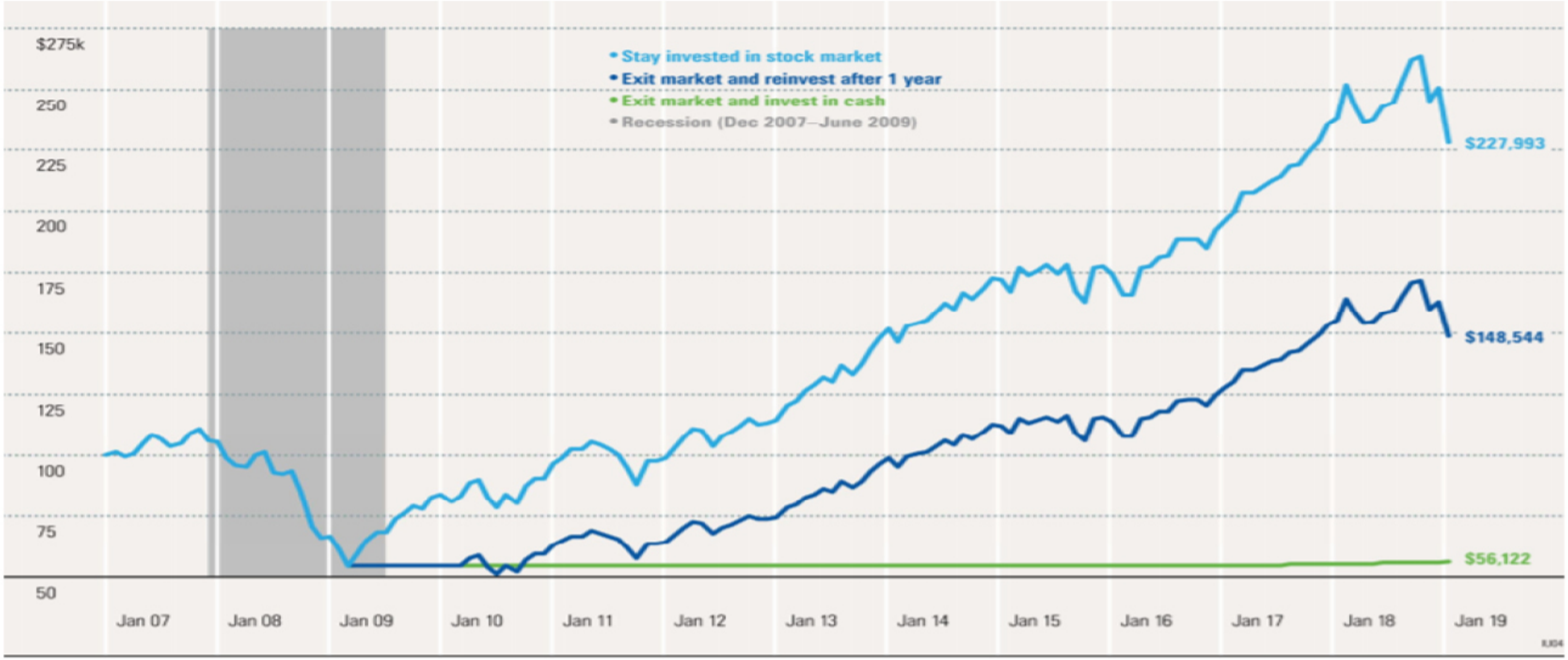
- COVID-19 is driving greater-than-normal volatility
- Potential slowdowns in consumer spending
- Temporary layoffs
- Possible decline in economic growth

Things to consider avoiding

- Reacting from a place of fear
- Trying to time the market
  - To benefit from a market timing strategy, you have to guess right 74% of the time
  - and, you have to guess the right time to sell AND the right time to buy

Importance of staying invested

Ending wealth values after a market decline



Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index.

Keeping a long-term perspective

- The U.S. economy was strong going into this pandemic
- Historically, markets are resilient
- Recovery traditionally follows a downturn

Past performance does not guarantee future results.

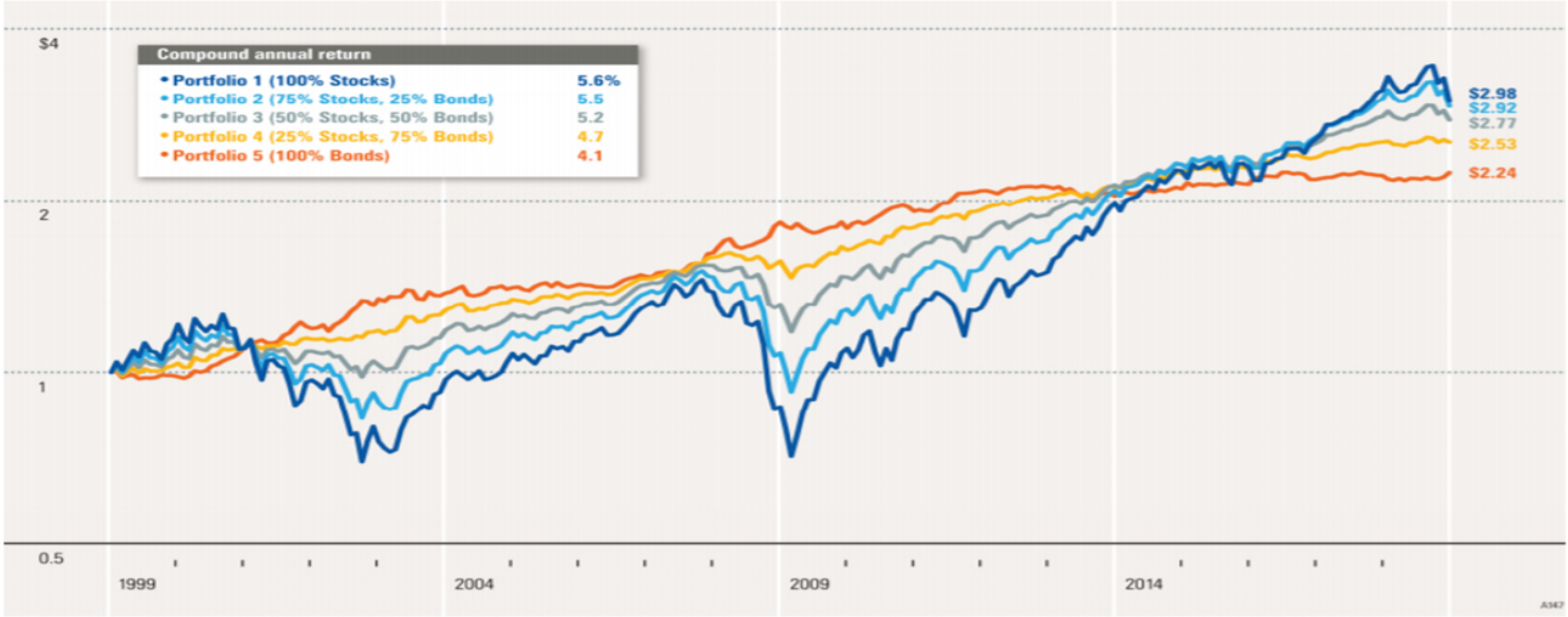
Having an emergency fund

What is an emergency fund?

- Reserve of liquid assets that can easily be converted into cash
- Standard practice is to have six months' day-to-day living expenses
- Should be invested with a short-term time horizon in mind

Diversify your investments

20-year portfolio performance 1999–2018



Past performance is no guarantee of future results. Hypothetical value of $1 invested at the beginning of 1999. Assumes reinvestment of income and no transaction costs or taxes. An investment cannot be made directly in an index. Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.

Investment concepts

- Investment risk
- Volatility
- Diversification and asset allocation
- Expenses matter

Types of risk

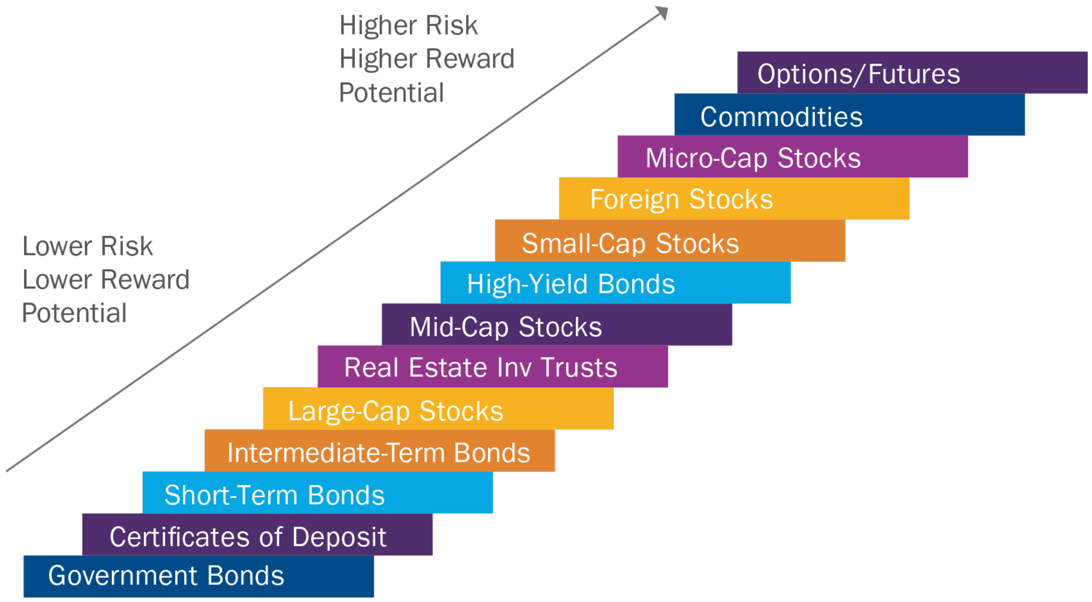
- Interest-rate risk
- Inflation risk
- Market risk
- Market-timing risk
- Foreign investment risk

Understanding your risk tolerance

What's your risk level?

- Conservative
- Moderately conservative
- Moderate
- Moderately aggressive
- Aggressive

What's your time horizon?



There are inherent risks associated with investing in securities, including loss of principal. The greater the risk, the more likely you can lose money. An investor's needs and the suitability of an investment should be carefully considered prior to purchase.

Class is in session

Asset classes

- Guaranteed
- Money market
- Fixed income
- Real estate
- Stocks (a.k.a. equities)

There are inherent risks in investing in securities. Past performance is no guarantee of future results. In addition, investment returns and principal value will fluctuate so your accumulation, when redeemed, may be worth more or less than the original cost.

* Guarantees are based on the claims-paying ability of the issuer.

** The real estate industry is subject to various risks including fluctuations in underlying property values, expenses and income, and potential environmental liabilities.

Asset Allocation: Diversifying your portfolio

You can diversify your portfolio to avoid big investment value fluctuations by:

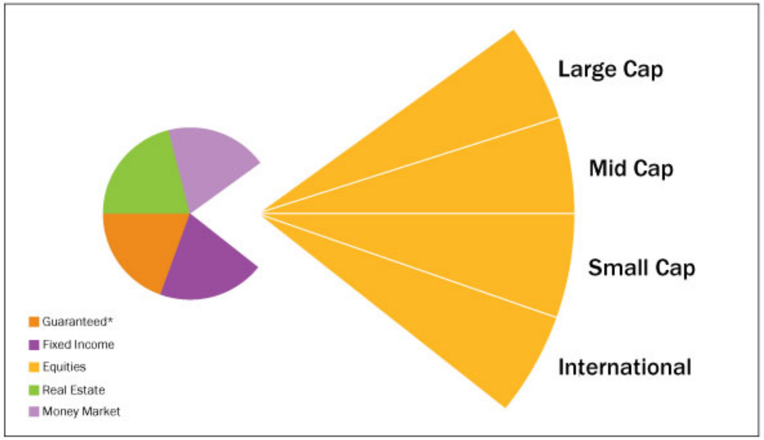
- Dividing your investments into stocks, bonds and cash equivalents
- Diversifying by sector also (retail vs. energy vs. etc.)

As you get closer to retirement, you may want to shift more investments to safer options.

- Examples: Bonds, cash and a guaranteed account

Understanding diversification

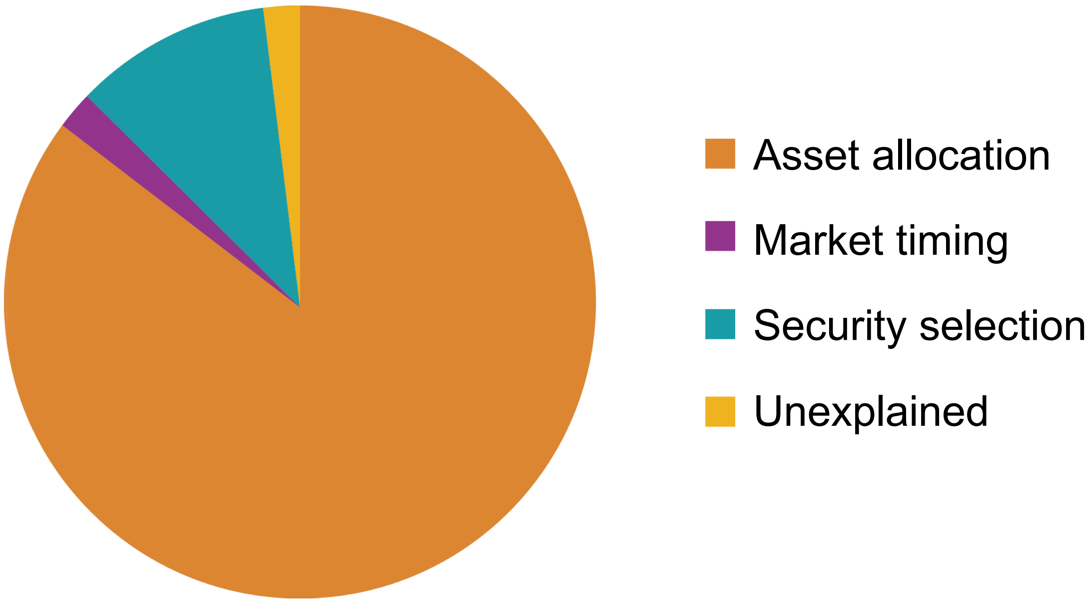
- Spreads risk among different asset classes
  - Guaranteed*
  - Fixed Income
  - Equities
  - Real estate
  - Cash/Money market
- Potentially reduces overall portfolio volatility
- To diversify, allocate assets…
  - **Across** asset classes
  - **Within** asset classes



Diversification does not guarantee against losses.

* Guaranteed by the claims-paying ability of the issuer.

Determinants of portfolio return variation

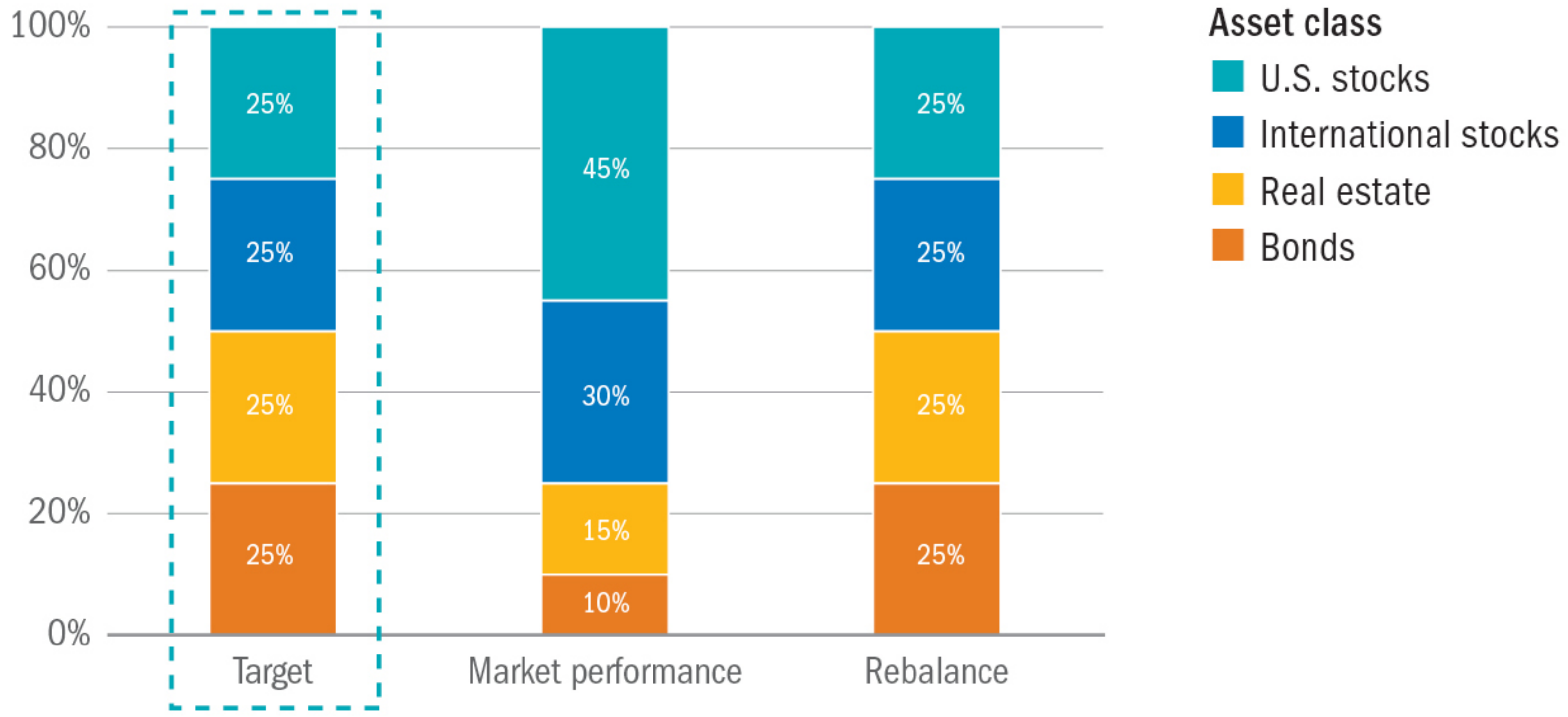


Diversification is a technique to help reduce risk. However, there is no guarantee that diversification will protect against a loss of income. The strategies of diversification, rebalancing and asset allocation cannot eliminate the risk of investment losses or guarantee that an investor's goal will be met.

Reallocation and rebalancing

Asset allocation strategies used to restore your portfolio targets

- Reallocation: change how your contributions are being invested
- Rebalancing: bring your asset allocation back



Rebalancing does not protect against loss or guarantee that an investor's goals will be met.

Mutual Funds: Strength in numbers

- Generally made of several assets, like stocks or bonds
- Money is pooled to buy assets for the investors who own part of the fund
- Retirement accounts can invest in mutual funds

Investing in Stocks: A primer

- A stock is a piece—or share—of something valuable.
- Stocks are also known as equities.
- Stocks are volatile investments—their value can vary a great deal in a short time period.
- BUT that's looking at too big of a picture!

Dollar-cost averaging

Monthly Contribution	Price (NAV)	Number of Shares Purchased
$100	$100	1
$100	$50	2
$100	$25	4
$100	$25	4
$100	$50	2
$100	$100	1
$600		**14**

Total Investment = $600
Total Units Purchased = 14
Average Price of Stock = $58.33
Average Cost per Share (that you now own) = $42.86

NOTE: A periodic investment plan such as dollar-cost averaging does not assure a profit or protect against a loss in declining markets.

Replacing your salary in retirement

An annuity is a contract between you and an insurance company.

- There are different kinds of annuities:
  - Deferred vs. immediate annuities
  - Fixed vs. variable annuities
- Some annuities offer the option of lifetime income.
- Myths about annuities

Planning to retire soon?

If you're not on track you can:

- Work a little longer
- Plan to spend less in retirement
- Reduce or push out other goals
- Consider the impact of Lifetime Annuity Income
- Utilize the Retirement Income Illustrator tool

Tools and resources

TIAA.org/tools

Retirement Advisor
TIAA.org/setyourgoals

Personal Finance 101
TIAA.org/learn

Planning for retirement
TIAA.org/pfr

Best practices to consider

- Maintain an emergency fund
- Make sure your portfolio is diversified*
- Stick with your plan
- Reevaluate your risk tolerance
- Review your retirement account investments

* Diversification is a technique to help reduce risk. It is not guaranteed to protect against loss.

Help is available

Call **800-732-8353**

Weekdays, 8 a.m. to 8 p.m. (ET)

to schedule an appointment with a TIAA Financial Consultant

Schedule online at

TIAA.org/schedulenow

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