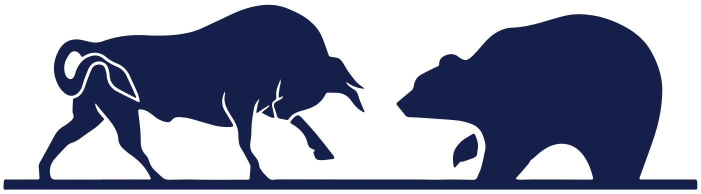
THE PACIFIC FINANCIAL GROUP

YOUR RETIREMENT, BACK ON COURSE.

Experience the confidence of choice, flexibility, and expert advice.

BACK ON COURSE

ARE EMOTIONS DRIVING YOUR BEHAVIOR?



Avoid the cost of panic with a trusted advisor[1]

Faced with mortal financial danger, educated investors still panic. Human instinct is fight or flight and without an advisor, poor emotional decisions are made that often compromise investment goals.[1]

68%

OF WORKERS

say they don't know as much as they should about retirement investing.[2]

Dalbar Study Annualized Returns 1/1/2000 – 12/31/2019†

Over the last 20 years, the average investor underperformed the S&P 500. Emotional behavior can cause irrational decisions and potential loss in returns.

	Average Equity Fund Investor	Average Fixed Income Investor	Average Asset Allocation Fund Investor	S&P 500	Bloomberg Barclays Aggregate Bond Index	Inflation
20 Year	4.25%	0.47%	2.54%	6.06%	5.03%	2.14%
10 Year	9.43%	0.63%	4.79%	13.56%	3.75%	1.75%
5 Year	7.79%	0.35%	3.88%	11.70%	3.05%	1.82%
3 Year	11.50%	1.08%	5.91%	15.27%	4.03%	2.10%
12 Month	26.14%	4.62%	15.36%	31.49%	8.72%	2.29%

[1]Source: Avoiding the Cost of Panic by Louis S. Harvey, 12/02/2019

†Dalbar's 21st Annual Quantitative Analysis of Investor Behavior 2018; Dalbar's 2020 QAIB Report. Average equity investor and average bond investor performance results are calculated using data supplied by the Investment Company Institute. Investor returns are represented by the change in total mutual fund assets after excluding sales, redemptions and exchanges. This method of calculation captures realized and unrealized capital gains, dividends, interest, trading costs, sales charges, fees and any other costs.

[2]Source: Transamerica Center for Retirement Studies®, ©2016, www.transamericacenter.org

Self-Directed Brokerage Account (SDBA)

More Choice, More Flexibility.

Over the past few years many employers have enhanced their retirement plans to include a Self-Directed Brokerage Account (SDBA) so that plan participants have more choice and greater flexibility with their retirement investments. This option can be found in many 401(k), 401(a), 403(b) and 457 workplace retirement accounts.

Your Retirement Plan

Core Account

Pre-selected investment choices including target date funds

SDBA

Stocks, bonds, mutual funds, ETF, and access to professional management

The three primary benefits of activating the SDBA in your workplace retirement account and working with your local investment professional are:

Broader range of investment management options

While the Core Account is designed to offer something for everyone, investment options are often generic and only offer a passive or buy and hold approach. Incorporating the SDBA option empowers savvy investors to construct portfolios with multiple managers and investment styles to better diversify their portfolio to weather every market environment.

Risk assessment & alignment

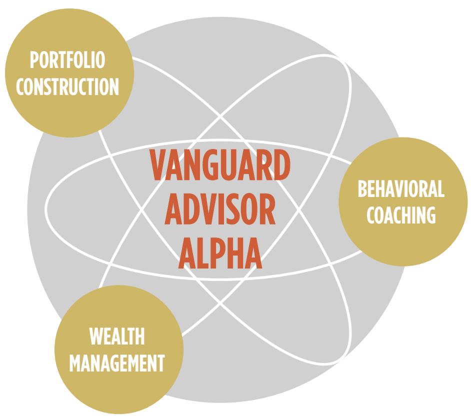
Over time and as assets accumulate, an investor’s risk tolerance changes the closer they get to retirement. Without an advisor’s assistance, allocations often remain stagnant. Due to market growth coupled with additional deposits, the risk associated with the allocation can drift significantly and are often greater than expected and understood.

Advisory services

According to a recent survey only 11% of people used a retirement calculator to determine how much they will need in assets and income at retirement.[2] Getting help as early as possible to establish healthy habits and a disciplined approach on workplace retirement accounts is essential to retire on time and with enough money.

[2]Transamerica Center for Retirement Studies - Three Generations Prepare for “Retirement” 18th Annual Transamerica Retirement Survey of Workers - TCRS 1355-1217

ADVICE MATTERS



The 3% Difference

Recent studies emphasize the importance of client-advisor conversations. Retirement savers who sought investing advice enjoyed a median annual return almost 3% higher than those who didn't[3] – even after the fees they paid for that advice.[4]

3% DIFFERENCE

Sources: [3]Vanguard's study based on their Alpha framework. *Putting a value on your value: Quantifying Vanguard Advisor's Alpha*, Vanguard Research, 2019.
[4]The study of 14 large retirement plans with more than 723,000 individual participants and over $55 billion in assets, by Aon Hewitt, a consulting firm, and Financial Engines, an investment advisory firm, between 2006-2012.

Target Date Funds vs Personal Advice

Target Date Funds (TDFs) shift investors passively from stocks to bonds over time in an effort to become more conservative as retirement approaches. This transition is referred to as a "glide path." While the basic concept seems reasonable, TDFs are widely criticized for the limits of their mass market approach. TDFs cannot incorporate all the relevant personal facts that determine the ideal allocation for one's retirement investments, and investors can find themselves either forfeiting needed growth or accepting unnecessary exposure to an increasingly volatile market.

Because TDFs are designed to change their allocation and objectives over time, it is the investors responsibility to revisit their investment selection periodically to make sure that the investment selected is consistent with their goals and objectives. TDFs are not guaranteed and past performance does not guarantee future results.

Don't settle for a generic TDF that was designed for millions of participants when you can work with an advisor of your choice.

With personal advice from a trusted source, you now have the all the tools necessary to develop the wealth needed to retire on time and with enough money.

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