

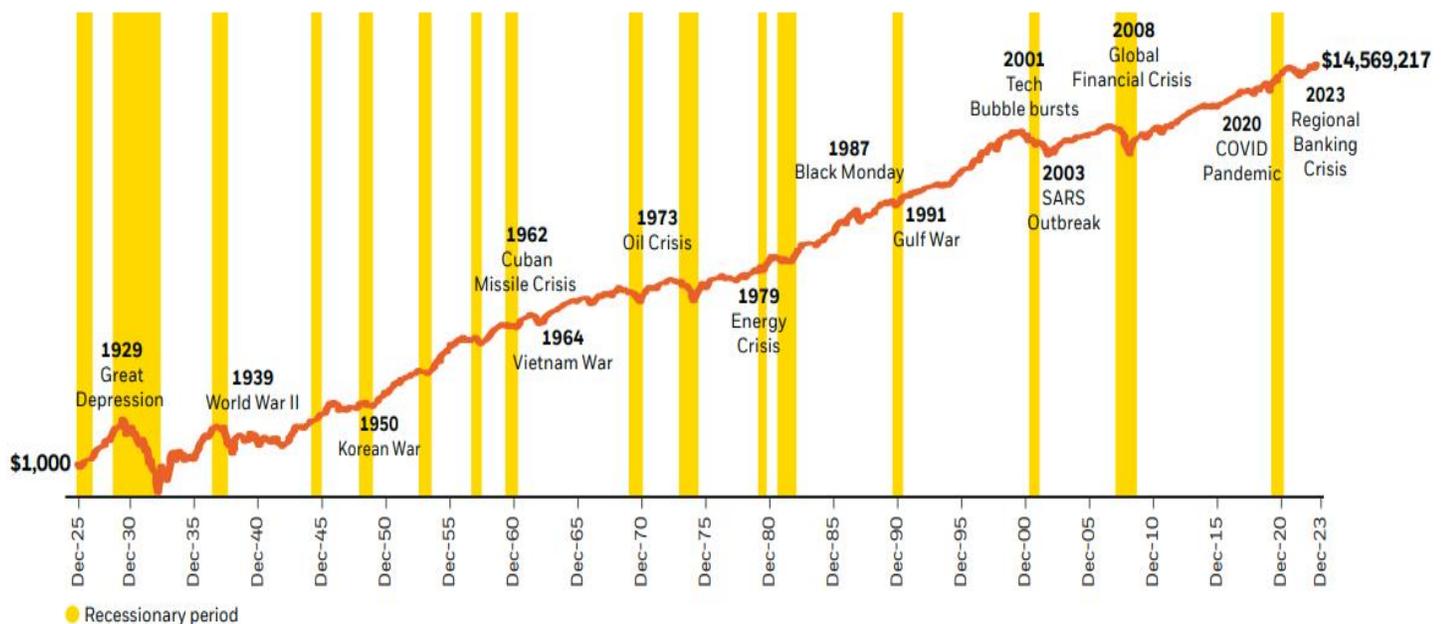
When the going gets tough: remember the long game

Market volatility can spook even the most experienced investors. No matter where you are on your retirement path, it's important to keep the following in mind during times of volatility:

1. You are investing for the long-term

Watching your investments drop can be anxiety-inducing, and it happens more often than most would like. Many retirement savers may feel like they have to sell in order to mitigate their losses. However, doing so may cause them to miss out on a rebound that is right around the corner. While short-term losses can be hard to handle emotionally, it's important to remember that the market has generally increased over the long term.

Growth of \$1k in the S&P 500 since 1926
1/1/26 - 12/31/23

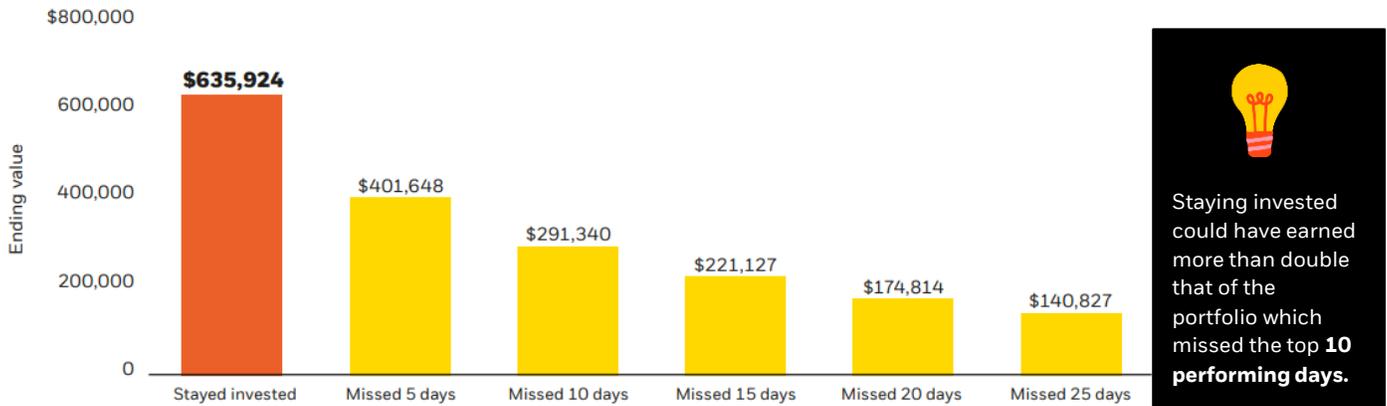


Hypothetical investment of \$1,000 in the S&P 500 Index from 1926-2023. Assumes reinvestment of dividends and capital gains and that an investor stayed fully invested over the full period. Source: Morningstar, National Bureau of Economic Research, and BlackRock, as of 12/31/23. **Past performance does not guarantee or indicate future results. It is not possible to invest in an index.** Index performance is for illustrative purposes only. U.S. stocks are represented by the S&P 500 Index from 3/4/57 to 12/31/23 and the IA SBBBI U.S. Large Cap Index from 1/1/26 to 3/4/57, unmanaged indexes that are generally considered representative of the U.S. stock market during each given time period.

2. Selling in market downturns may lock in losses

While seeing the value of your account fall can be hard, selling may lock in losses. In fact, trying to time the market all too often may cause you to sell low and buy high. Remember, good and bad days tend to cluster together, so selling after bad days can mean missing some of the best performing days.

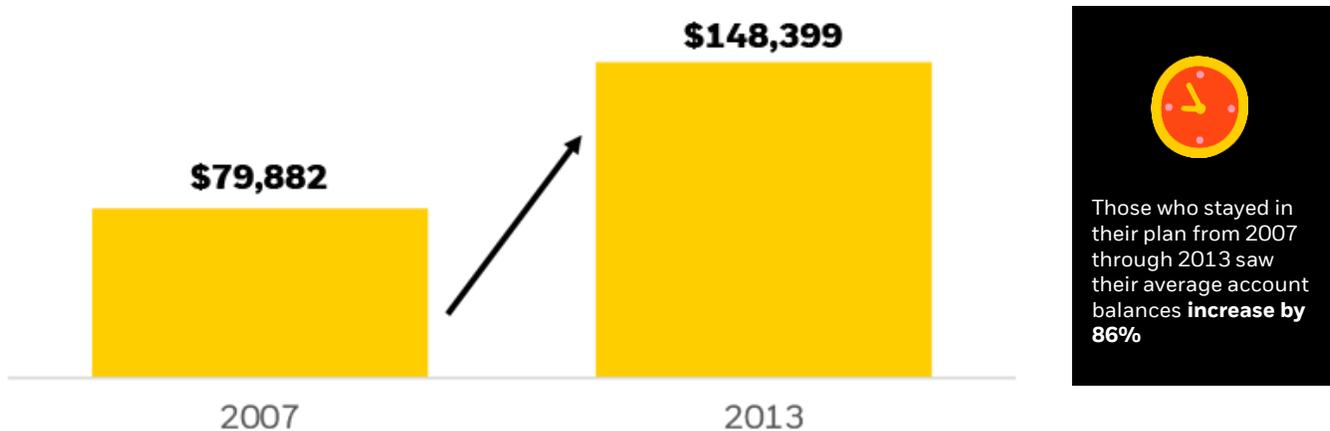
Consider the chart below. This shows the hypothetical return of \$100K invested in the S&P 500 Index over the last 20 years (orange bar). To the right, you can see the impact of having missed top-performing days.



Hypothetical investment of \$100,000 in the S&P 500 Index over the last 20 years (2004 – 2023). Performance is hypothetical for the period from 1/1/2004 to 12/31/2023 and for illustrative purposes only. **Past performance does not guarantee future results.**

3. New contributions may grow as markets start to recover

New contributions may be able to take advantage of attractive pricing as the markets recover. For example, throughout the Global Financial Crisis and the market's subsequent recovery (2007 – 2013), those who stayed in their plan and kept contributing saw their account balances grow.



For illustrative purposes only. **Past performance does not guarantee future results.** 1. Investment Company Institute, "What Does Consistent Participation in 401(k) Plans Generate? Changes in 401(k) Account Balances, 2007-2013." The average 401(k) account balance for consistent participants fell 25.8 percent in 2008, then rose from 2009 through year-end 2013. Overall, the average account balance increased at a compound annual average growth rate of 10.9 percent from 2007 to 2013, to \$148,399 at year-end 2013.

What to consider before withdrawing from your retirement savings

We understand that sometimes, those who are experiencing significant and immediate financial distress may need to turn to their retirement plan for relief. For those thinking about taking this course of action, here are some things to consider in advance:

1. Take a look at your plan's rules

Make sure you are aware of your plan's rules regarding loans and hardship withdrawals. If they are permitted, consider the applicable terms such as maximum amounts, eligibility criteria, and repayment terms and timing.

2. Explore other sources of emergency funds

Consider whether it would be less costly to take a personal or equity loan, or a loan from a family member, rather than draw on your retirement savings.

3. Consider potential financial implications

It's important to consider all the possible implications of taking a loan or withdrawal from your retirement plan. For instance, borrowing after a severe market decline may "lock in" losses, if you are not invested during a market rebound. In effect, you may be selling low and buying high.

4. Remember: Unrepaid loans may be treated like income

If you leave your job with an unpaid loan from your retirement plan, it may be treated – and taxed – as income, potentially adding another cost. In addition, early withdrawal penalties may apply to unpaid loan balances if you are under 59 ½.

5. Seek out advice

If you need help making a decision, you may want to consider speaking to a tax advisor, consulting with your plan sponsor or reviewing guidance from the Internal Revenue Service.

Important Information

Investing involves risks, including possible loss of principal.

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