BUILDING BLOCKS FOR RETIREMENT

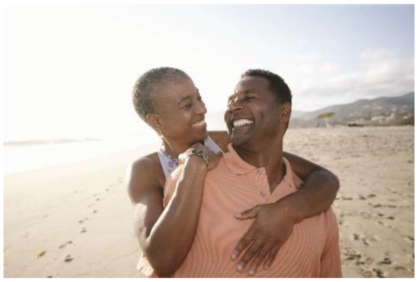
Retirement Planning Essentials

Promises To Keep — Financial Resolutions for the New Year

Every new year holds out the promise of new possibilities. That's why now is a good time to examine your financial situation and make sure you're on track to a comfortable retirement. Once you identify areas that need improvement, you can resolve to do something about them in the coming year.

I Will Understand My Plan

Learn as much as you can about your employer's retirement plan so you can make the most out of this opportunity to save and invest for your retirement. The Summary Plan Description (SPD) explains your rights and benefits under the plan. And there are additional resources available to you as a plan participant that can also help you use the plan effectively.



I Will Contribute More to My Retirement Plan

The more money you put into your plan, the bigger your potential nest egg. Adding an extra $10 or $20 per paycheck could make a big difference over the long term. Consider putting some or all of any pay increase or bonus you receive into the plan. Participants in 401(k) plans contribute an average of 6.9% of their pay, according to the Plan Sponsor Council of America.* However, many experts recommend that workers save at even higher rates.

I Will Take a Long-term View of Investing

While playing it safe with your retirement investments may help you sleep better, it may not help you stay ahead of inflation. Far too many retirees find that their savings are insufficient to support their standard of living during all of their retirement years. Although not saving enough while working is one reason this occurs, low rates of growth on retirement assets can also be to blame. If you invest all of your retirement assets in very conservative investments, you risk having inflation erode the purchasing power of your savings.

Review how you have allocated your investments in your retirement plan. You may find that your allocation is too conservative and focused on "safe" investments. The reality is that to earn inflation-beating returns, you will have to take on some additional risk. That means including stock funds in your portfolio. Though stocks are more volatile than either bonds or cash investments, over the long term, they have outperformed both of these asset classes and delivered inflation-beating returns.

I Will Diversify My Portfolio

Whatever your capacity for handling investment risk, it's generally advisable not to invest 100% of your retirement savings in just one investment or asset class. When you spread your money among several different investments in different asset classes, you reduce the risk that your overall portfolio will be dramatically impacted if a particular investment or asset class performs poorly.

Take Action

Once you make your financial resolutions, stick to them. Over time, they will help you reach your retirement savings goal.

* *The 57th Annual Survey of Profit Sharing and 401(k) Plans,* Plan Sponsor Council of America, 2014 (reflecting 2013 plan experience)

A Look at Performance

Average annual total return (through June 30, 2015)

Investment	1 year	3 years	5 years	10 years
Stocks*	7.42%	17.29%	17.34%	7.89%
Bonds**	1.86%	1.83%	3.35%	4.44%
Cash***	0.01%	0.04%	0.06%	1.34%
Inflation (CPI)	0.12%	1.31%	1.83%	2.07%

* Stocks are represented by the S&P 500 Index, an unmanaged index of the stocks of 500 major corporations.
** Bonds are measured by Barclays Capital U.S. Aggregate Bond Index, an unmanaged index of U.S. government, corporate, and mortgage-backed securities.
*** Cash equivalents are measured by Barclays U.S. Treasury Bill 1-3 Month Index.

Past performance does not guarantee future results. Your investment results will be different. This chart is for illustrative purposes only and does not represent the performance of any particular investment. Investments cannot be made in an index. Stocks have greater return potential but are more volatile than other investment types. Unlike stocks and corporate bonds, government bonds and Treasury bills are guaranteed by the U.S. government and, if held to maturity, offer fixed rates of return and stable principal.

Source: DST

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