

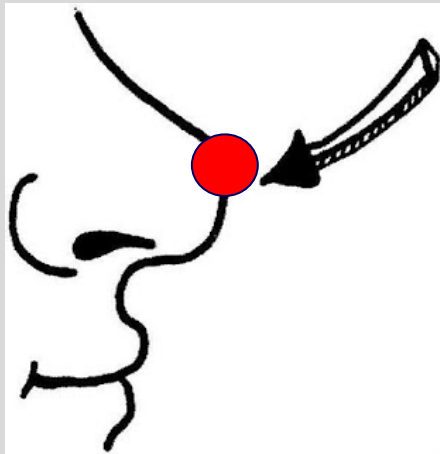
Investing for Successful Retirement

UD Osher – OLLI
Fall 2025

- **Rajeev A. Vaidya**
- **Ron Materniak**

Disclaimer in plain language

Disclaimer – in plain language:



Opinions are like noses, everyone has one !

You are going to see mine in this course !!

We are simply sharing our perspective.

This is not investment advice or recommendation.

Ron, and I are not a financial advisors.

This course is for educational purposes only.

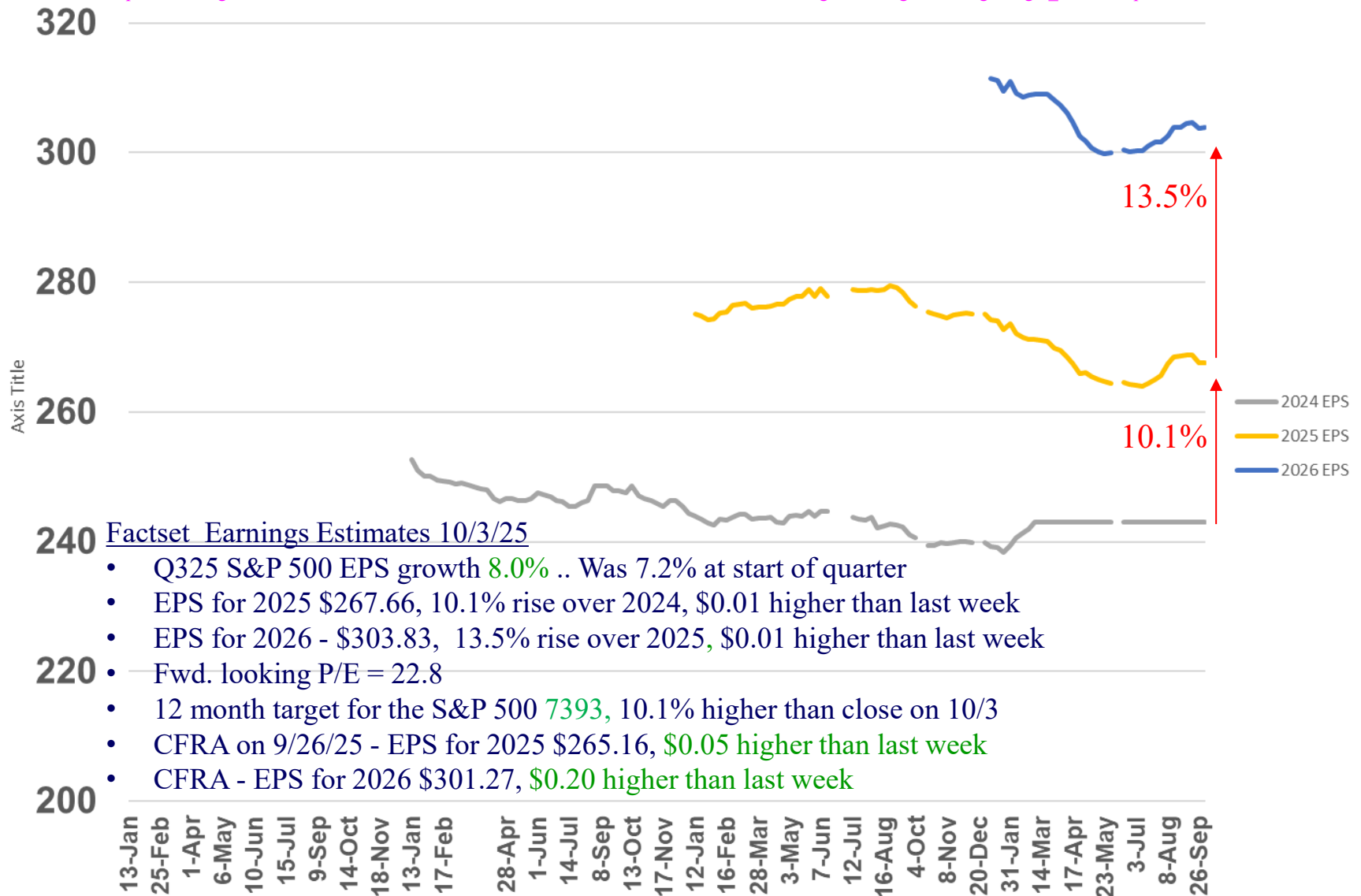
Form your own opinion, make your own investment decisions.

Sixth Class – Oct. 8th

- Market Update
- Bucket Investing
 - Why ??
 - How ??
- Questions

Factset(R) - S&P 500 Calendar year earnings forecast

https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_100325A.pdf



\$SPX S&P 500 Large Cap Index INDX

7-Oct-2025

Open 6746.14 High 6754.40 Low 6699.96 Close 6714.59 Chg -25.69 (-0.38%)

© StockCharts.com

▲ RSI(14) 66.03

— MACD(12,26,9) 63.296, 62.982, 0.313

— \$SPX (Daily) 6714.59

— MA(50) 6510.45

— MA(200) 6037.65

— BB(20,2.0) 6541.99 - 6650.32 - 6758.66

Volume undef



7 October 2025

Rajeev Vaidya

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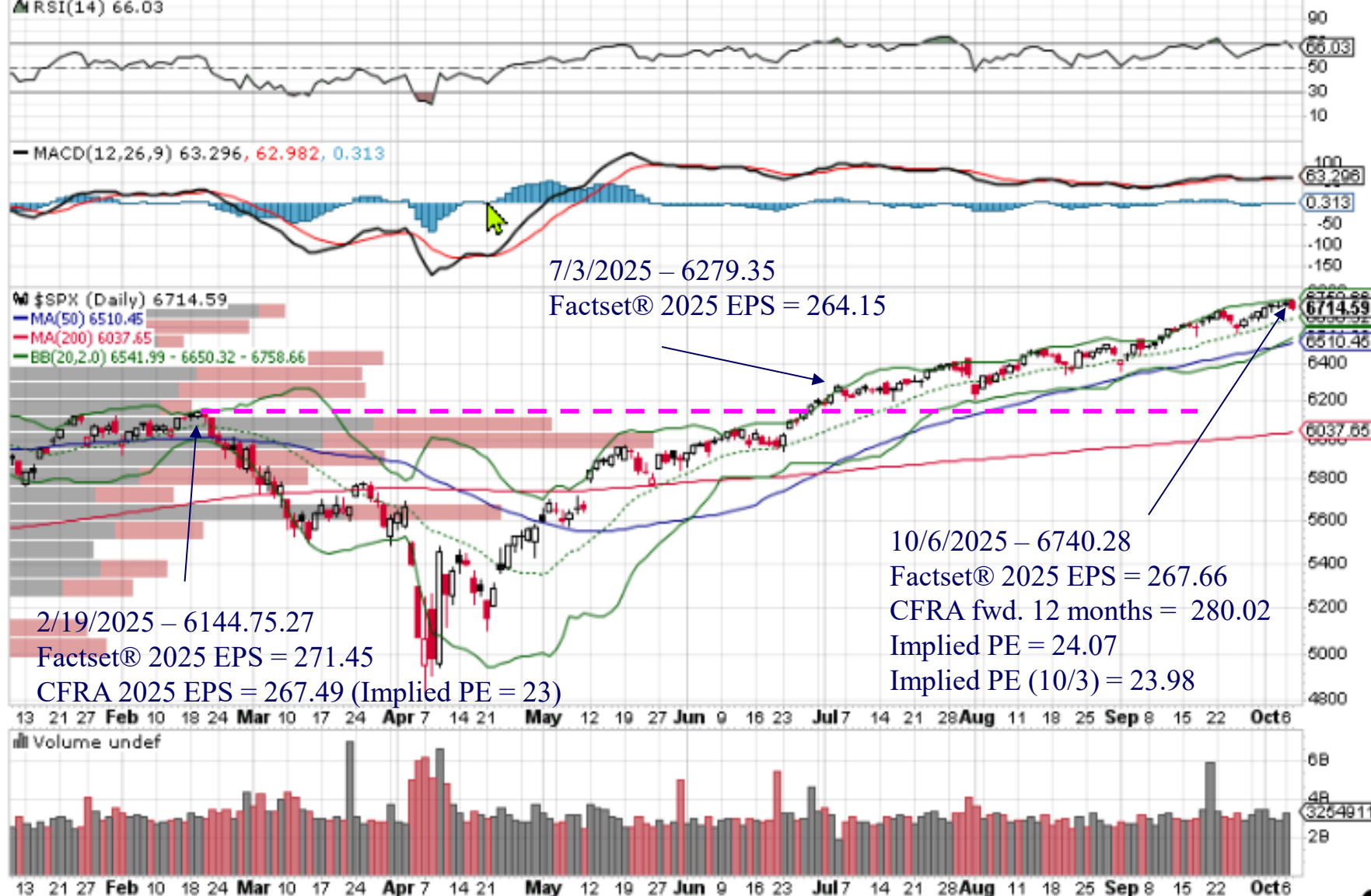
\$SPX S&P 500 Large Cap Index INDX

7-Oct-2025

▲ RSI(14) 66.03

Open 6746.14 High 6754.49 Low 6699.06 Close 6714.59 Chg -25.69 (-0.38%)

© StockCharts.com



Market Breadth – another way

SPY SPDR S&P 500 ETF NYSE

7-Oct-2025

Open 672.54 High 672.99 Low 667.67 Close 668.87 Volume 62.7M Chg -2.74 (-0.41%)

© StockCharts.com

— SPY (Daily) 668.87

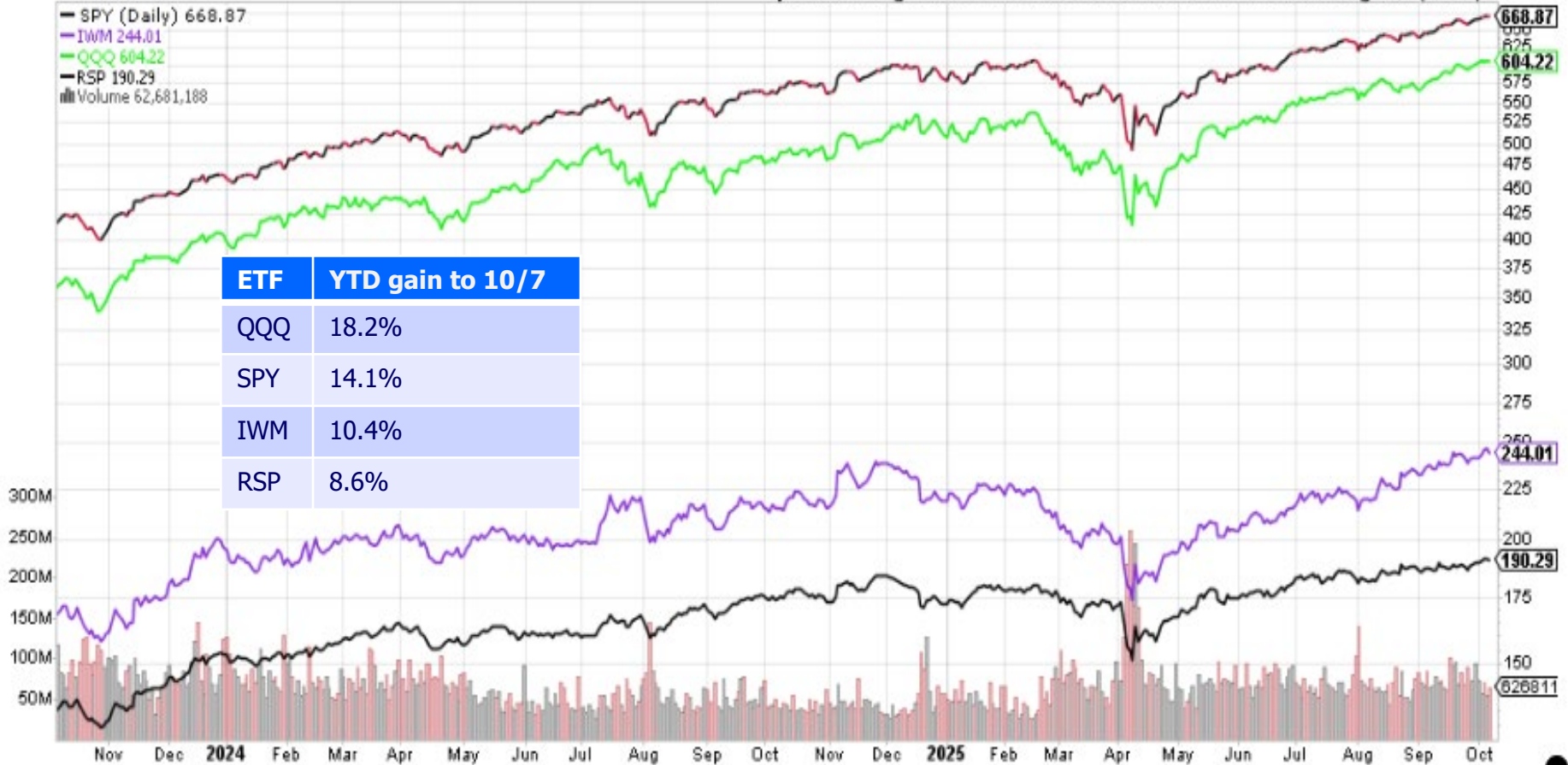
— IWM 244.01

— QQQ 604.22

— RSP 190.29

Volume 62,681,188

ETF	YTD gain to 10/7
QQQ	18.2%
SPY	14.1%
IWM	10.4%
RSP	8.6%



\$NYAD NYSE - Advance-Delay Issues INDX

7-Oct-2025

— \$NYAD Cumulative 56549.00

— MA(50) 54762.40

Open 56549.00 High 56549.00 Low 56549.00 Close 56549.00 Chg -971.00 (-1.69%)

© StockCharts.com

\$SPX S&P 500 Large Cap Index INDX

7-Oct-2025

▲ RSI(14) 66.03

Open 6746.14 High 6754.49 Low 6699.96 Close 6714.59 Chg -25.69 (-0.38%)

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— MACD(12,26,9) 63.296, 62.982, 0.313

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7 October 2025

Rajeev Vaidya

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Weekly Market direction

guywerner@verizon.net

COLUMNS C,D AND E ARE FROM IBD AND PROVIDED BY DAVE (IN THE NORTH) SMITH			DISTRIBUTION DAYS		SINDU AVERAGE						S&P 500 TRIPLE SCREEN						NASDAQ TRIPLE SCREEN					
	DATE	MARKET PULSE (IBD)	S&P 500	NASDAQ	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE
SAT	09/20/25	FOR THE WEEK							481	1.05%					80	1.22%					490	2.21%
SUN	09/21/25	YTD							3,771	8.86%					783	13.31%					3,321	17.20%
MON	09/22/25	CONFIRMED UP (80% -100%)	5	2	P	P	P	46,381	66	0.14%	P	P	P	6,693	29	0.44%	P	P	P	22,788	157	0.69%
TUE	09/23/25	CONFIRMED UP (80% -100%)	5	3	P	P	P	46,292	-89	-0.19%	P	P	P	6,656	-37	-0.55%	P	P	P	22,573	-215	-0.94%
WED	09/24/25	CONFIRMED UP (80% -100%)	4	3	P	0	P	46,121	-171	-0.37%	P	P	P	6,637	-19	-0.29%	P	P	P	22,497	-76	-0.34%
THUR	09/25/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	45,947	-174	-0.38%	P	0	P	6,604	-33	-0.50%	P	P	P	22,384	-113	-0.50%
FRI	09/26/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,247	300	0.65%	P	0	P	6,643	39	0.59%	P	0	P	22,484	100	0.45%
SAT	09/27/25	FOR THE WEEK							-68	-0.15%					-21	-0.32%					-147	-0.65%
SUN	09/28/25	YTD							3,703	8.70%					762	12.96%					3,174	16.44%
MON	09/29/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,316	69	0.15%	P	0	P	6,661	18	0.27%	P	0	P	22,591	107	0.48%
TUE	09/30/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,397	81	0.17%	P	0	P	6,688	27	0.41%	P	0	P	22,660	69	0.31%
WED	10/01/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,441	44	0.09%	P	0	P	6,711	23	0.34%	P	0	P	22,755	95	0.42%
THUR	10/02/25	CONFIRMED UP (80% -100%)	4	4	P	0	P	46,519	78	0.17%	P	0	P	6,715	4	0.06%	P	0	P	22,844	89	0.39%
FRI	10/03/25	CONFIRMED UP (80% -100%)	3	5	P	0	P	46,758	239	0.51%	P	0	P	6,715	0	0.00%	P	0	P	22,780	-64	-0.28%
SAT	10/04/25	FOR THE WEEK							511	1.10%					72	1.08%					296	1.32%
SUN	10/05/25	YTD							4,214	9.91%					834	14.18%					3,470	17.97%
MON	10/06/25	CONFIRMED UP (80% -100%)	3	5	P	0	P	46,694	-64	-0.14%	P	0	P	6,740	25	0.37%	P	P	P	22,941	161	0.71%
TUE	10/07/25	CONFIRMED UP (80% -100%)	3	4	P	0	P	46,602	-92	-0.20%	P	0	P	6,714	-26	-0.39%	P	0	P	22,788	-153	-0.67%

https://drive.google.com/drive/folders/0B6Qc_gipshXMclzQ245d2R1eTQ?resourcekey=0-5pWglNqaJPJ12L2qYurMWg

Market Summary – Stockcharts®

Stockcharts.com → Main Screen → Market Analysis

New feature – Market Summary

KELLER MARKET MODELS			
MACRO MODEL STOCKS MODEL			
	ST	MT	LT
Stocks (SPY)	↑	↑	↑
Bonds (TLT)	↑	↑	↑
Commodities (DBC)	↑	↑	↑
US Dollar (\$USD)	↑	↓	↓

KELLER MARKET MODELS			
MACRO MODEL STOCKS MODEL			
	ST	MT	LT
S&P 500 (SPY)	↑	↑	↑
S&P 400 (MDY)	↑	↑	↑
Russell 2000 (IWM)	↑	↑	↑
NASDAQ 100 (QQQ)	↑	↑	↑

The Value Line Investment Survey

ISSUE 10
Pages 2069-2080



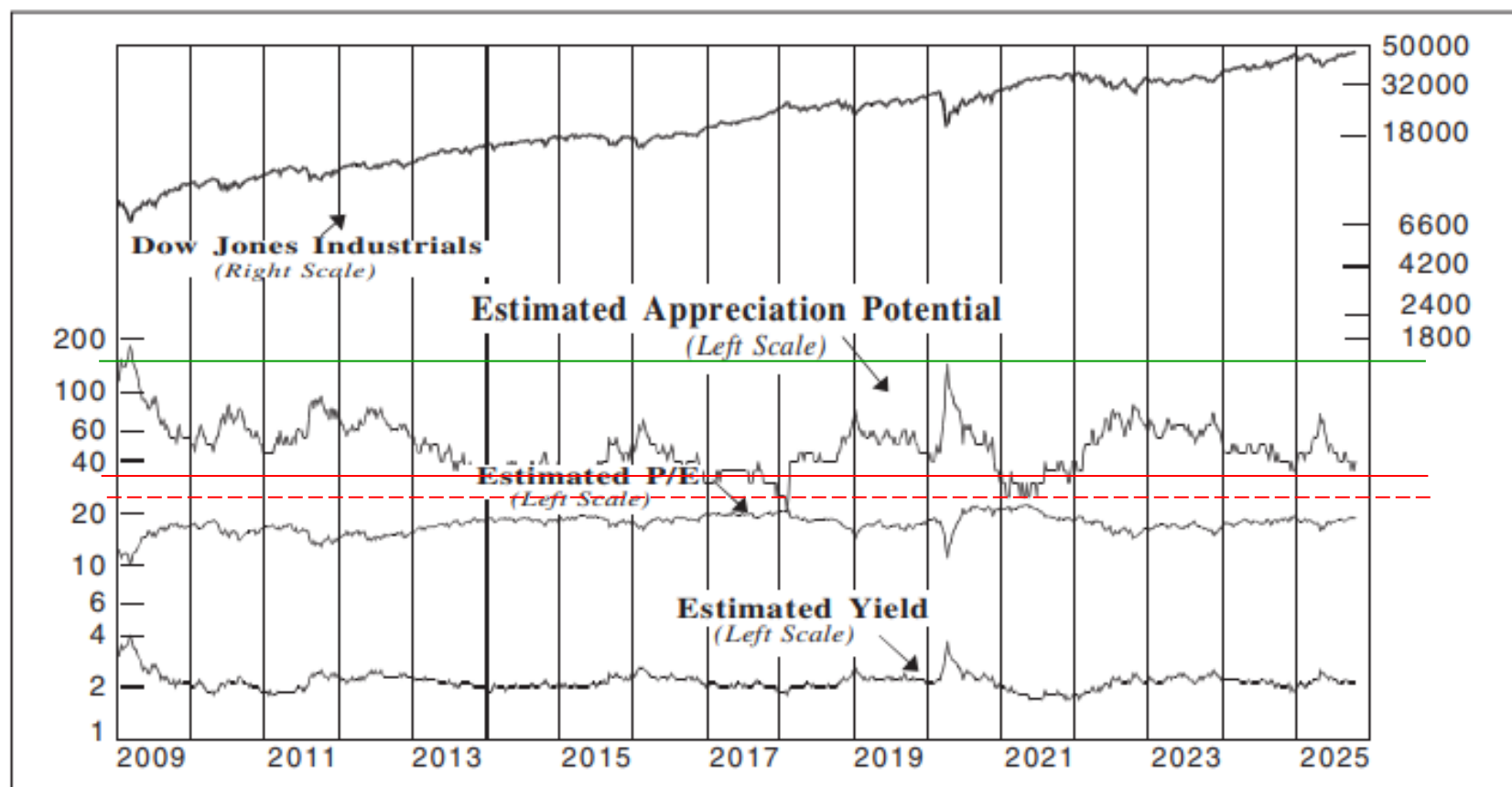
Value Line®

Part 2 File in page order in the *Selection & Opinion* binder.

SELECTION & OPINION

October 10, 2025

VALUE LINE ESTIMATED P/E, YIELD, APPRECIATION POTENTIAL VERSUS DOW JONES INDUSTRIALS (January 2, 2009–September 29, 2025)



US govt bonds – TLT & SGOV

SGOV – Short term 0 to 3 month US treasuries



U.S. Dollar

\$USD US Dollar - Cash Settle FOREX

7-Oct-2025 8:27pm

\$USD (Weekly) 98.63

MA(40) 101.09

Volume undef

Open 97.98 High 98.68 Low 97.98 Last 98.63 Chg +0.90 (+0.92%)

© StockCharts.com

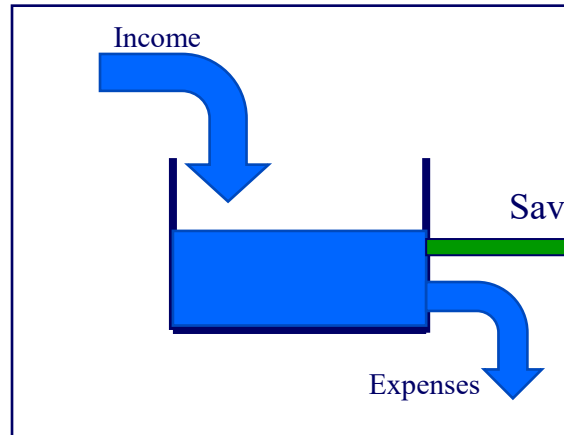


Sixth Class – Oct. 8th

- Market Update
- Bucket Investing
 - Why ??
 - How ??
- Questions

Adding to or drawing from assets ?

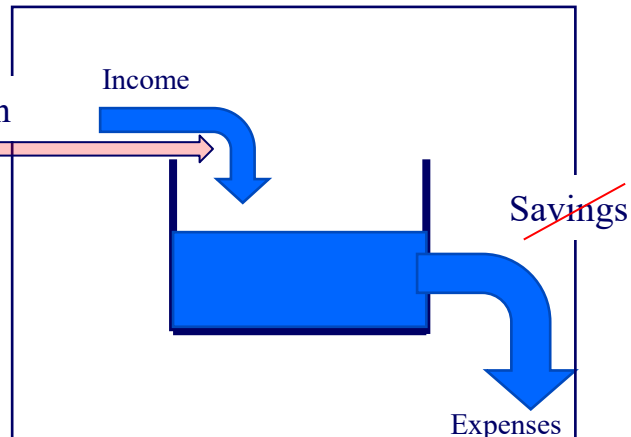
Income exceeds expenses



Expenses exceed income



Drawdown



Investing in Retirement

- Prior to retirement – Accumulation phase
- After retirement
 - Protect and grow the investment portfolio
 - Use the portfolio to produce income for current expenses
 - Draw down the principal as needed and in a way that does not exhaust it prematurely.
- 3 unknowns
 - How long will we live?
 - How much will we need to spend?
 - What return will your portfolio earn at the risk you are willing to take?

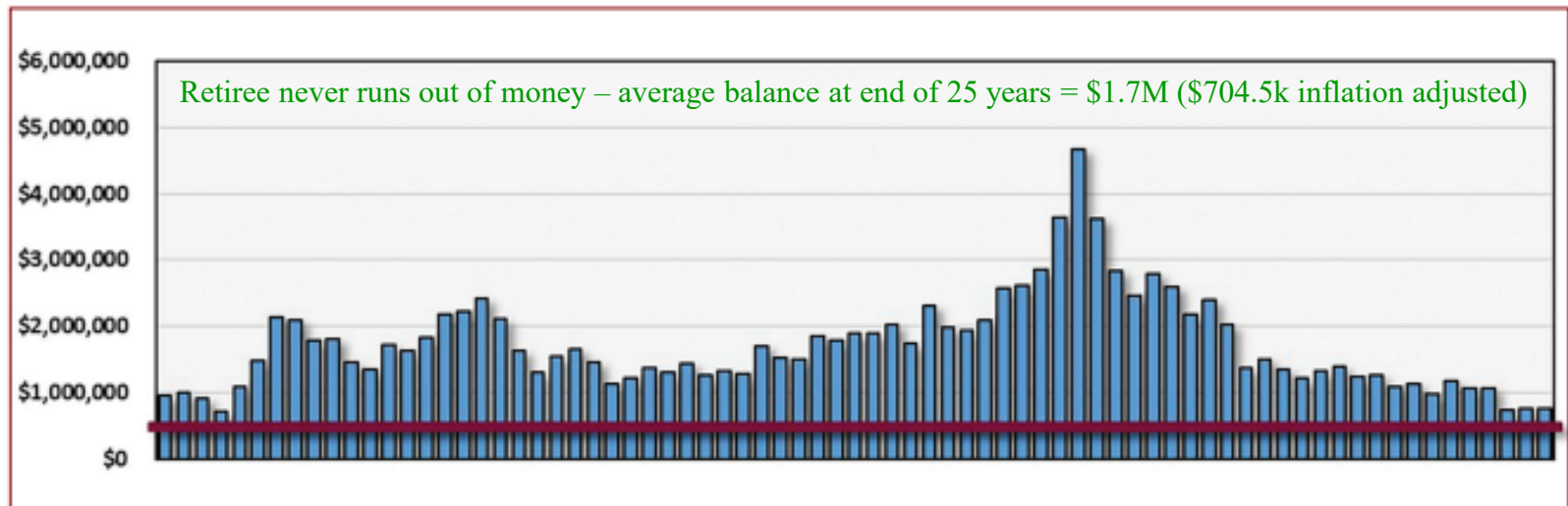
Producing income from your investment portfolio is relevant
Sequence of return risk is relevant

Withdrawing 4% of portfolio

- \$500K portfolio invested 40% US LC, 20% US SC, 30% bonds & 10% Cash (ST bonds etc.)
- Expense ratio 0.5%
- Rolling 25-year periods 1926 to 2024 – 4% withdrawal of YE balance @ YE.

Figure 1: Ending Portfolio Balance in Each 25-Year Period

\$500,000 starting balance, 4% annual withdrawal for 25 years



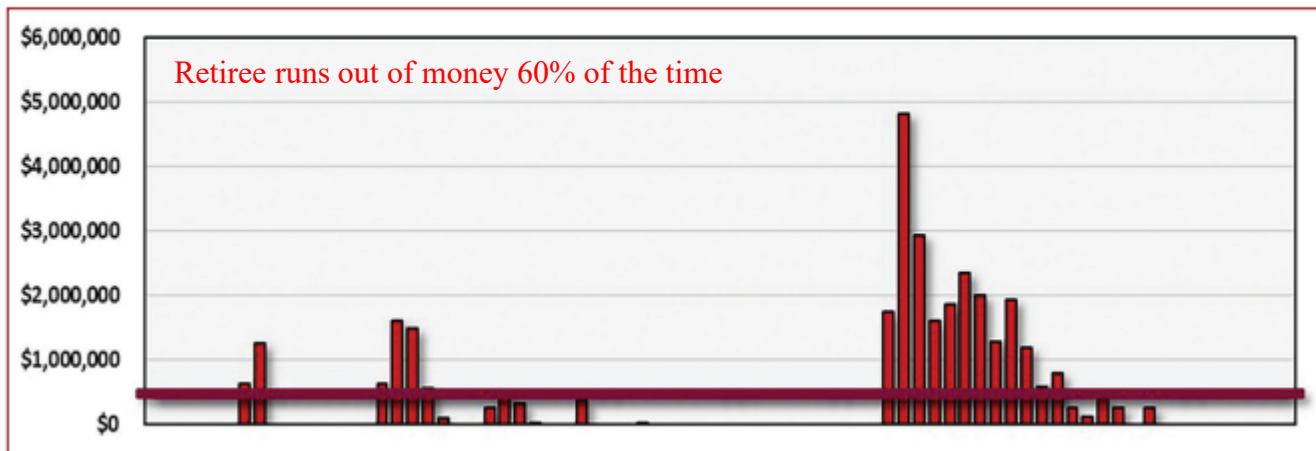
Money In – Money Out – Dr. Craig Isrealsen (teaches financial planning at Utah State University)

26 BETTERINVESTING | AUGUST 2025 | FUNDAMENTALS OF INVESTING

Withdrawing set amounts each year

- Same portfolio and investment expense
- Rolling 25-year periods 1926 to 2024 – \$40k drawn in year 1 and adjusted up by 3% for inflation each year @ YE.

Figure 2: Ending Portfolio Balance in Each 25-Year Period
\$500,000 starting balance, \$40,000 annual withdrawal with a 3% annual increase



What are buckets ?

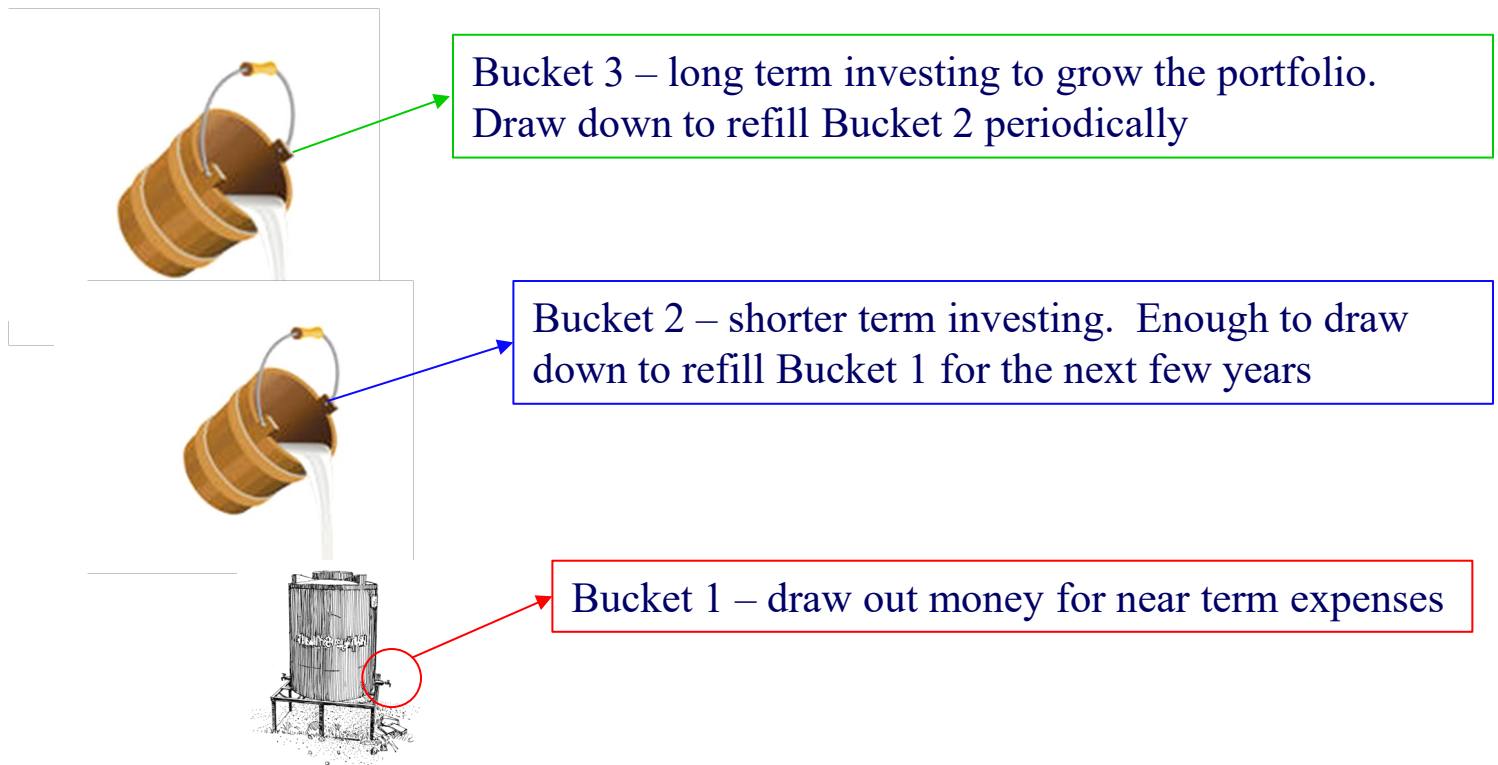


- Portions of your investment portfolio
- Distinct from other portions based on
 - Investment objectives/goals
 - Investment strategy/style

Three bucket approach

- Pioneer – Harold Evensky, Money manager in Florida.
- Good resource of information - Christine Benz, Morningstar

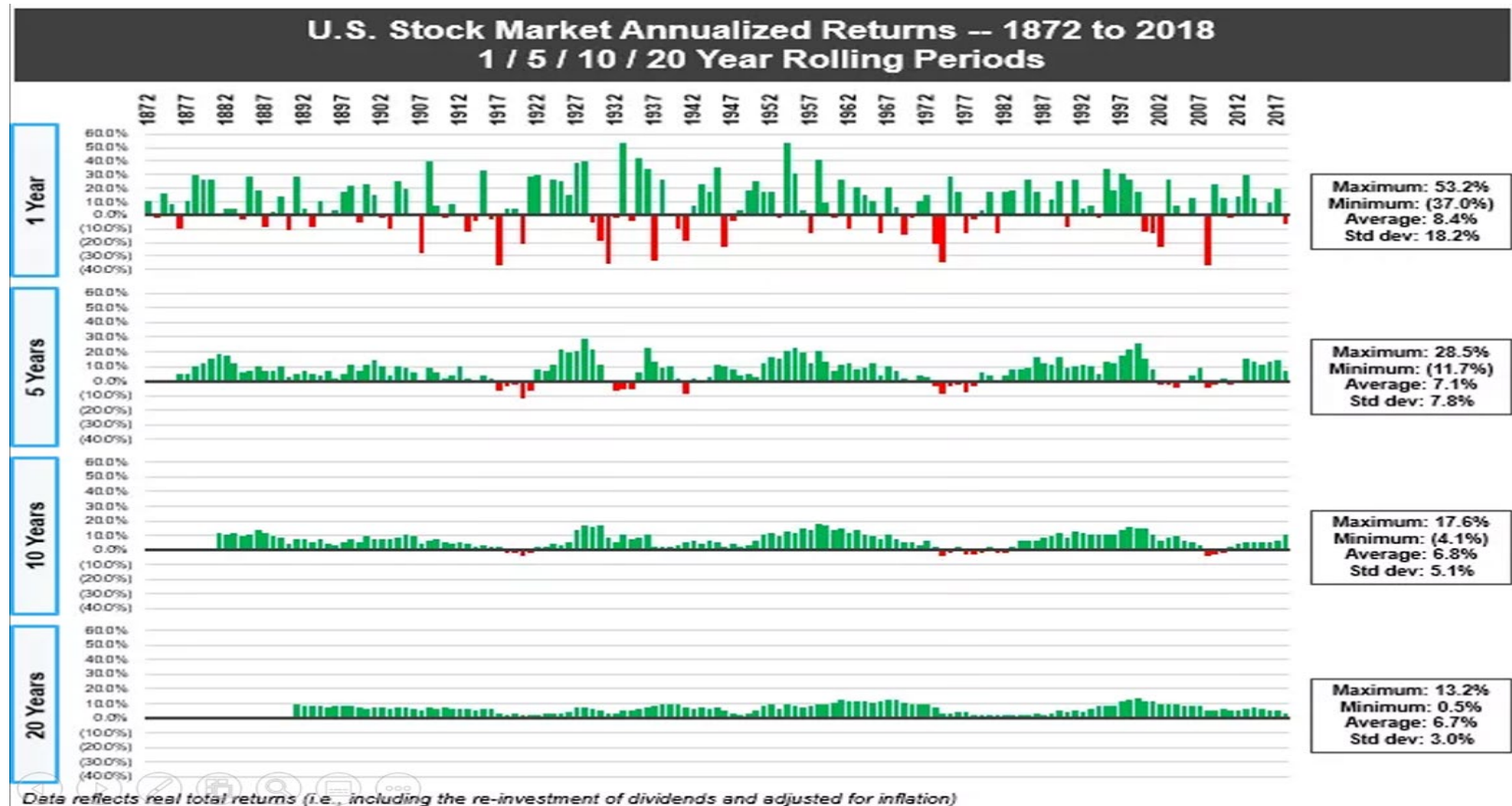
□ <https://www.morningstar.com/retirement/how-retire-consider-retirement-bucket-portfolio-strategy>



Buckets



Time is your friend



Data from presentation by Dr. Richard Jakotowicz - UD

Benefits of 3 bucket approach

- AAI study – April 2012

<http://www.aaii.com/journal/article/comparing-a-bucket-strategy-and-a-systematic-withdrawal-strategy>

- Alternative to a bucket strategy is one investment portfolio with systematic withdrawals.
- Main benefits of a bucket approach are psychological
 - Security for near term needs – Bucket 1 and 2.
 - Increased tolerance for risk in Bucket 3.
 - Easier to understand - each bucket has a strategy consistent with the investment horizon and goal.
- Main argument against the bucket approach is the opportunity cost of money in Bucket 1

This is NOT investment advice

Bucket 1 – near term needs

- How big?
 - Assess your living expenses for 1 year
 - Subtract out all sources of income – pensions, SS payments, wages from employment, portfolio income etc.
 - Balance, if positive, is base amount needed in Bucket 1 for 1 year.
 - Add in emergency reserve fund – HC needs, home/car repairs etc.
- Bucket 1 is the lowest risk and lowest return portion of your portfolio. Keep this the smallest.
- Potentially use RMDs.

This is NOT investment advice

Bucket 1 - strategies

- Spend less, save more
- Earn more
 - Supplement your income with part time work
- Earn the best return on Bucket 1 money



Yield curve

GTM

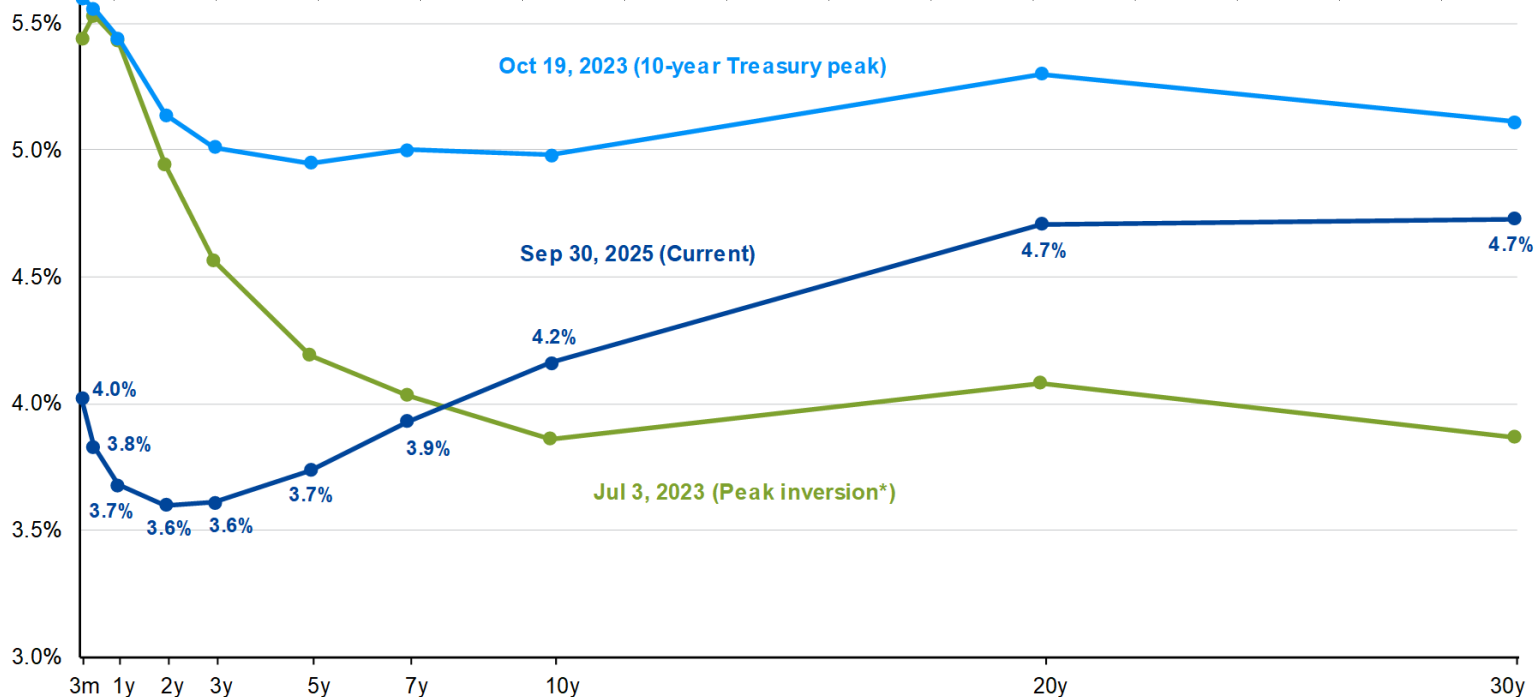
U.S.

34

U.S. Treasury yield curve

https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_yield_curve&field_tdr_date_value_month=202506

Date	1 Mo	1.5 Month	2 Mo	3 Mo	4 Mo	6 Mo	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr	10 Yr	20 Yr	30 Yr
10/3/2025	4.24	4.17	4.11	4.03	3.96	3.82	3.64	3.58	3.59	3.72	3.9	4.13	4.69	4.71



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.

Analysis references data back to 2020. *Peak inversion is measured by the spread between the yield on a 10-year Treasury and 2-year Treasury.

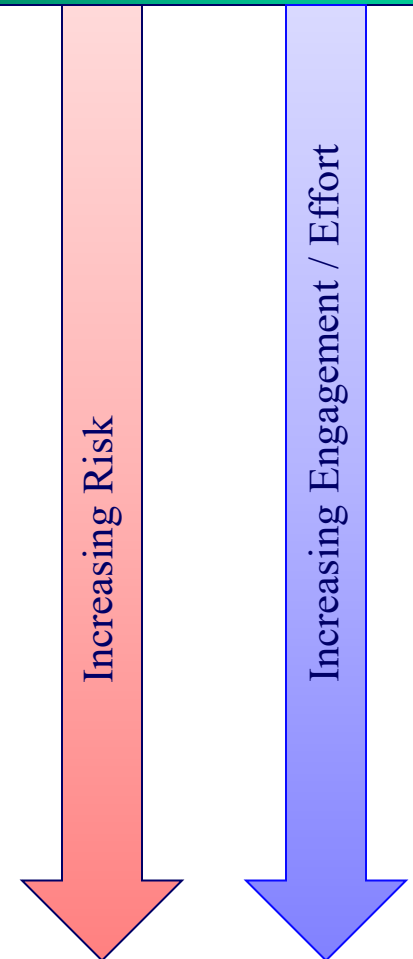
Guide to the Markets – U.S. Data are as of September 30, 2025.

J.P.Morgan
ASSET MANAGEMENT

This is NOT investment advice

Bucket 1 investing strategies

- Cash
- CDs – Bankrate.com – latest rates approx. $\sim 4.5\%$
<https://www.bankrate.com/cd.aspx>
- Money Market Accounts
 - Almost all brokers offer them
- High Yield savings accounts
 - American Express, Goldman Sachs ... many others
 - Limited transactions per month
- Short term US bonds – zero coupon
- Ultrashort term bond funds
 - MINT (3Star, Gold) EMNT(2Star Gold), JPST (3Star, Silver)VFSTX, BSV, ISTB
- Options trading



Bucket 2

- How big?
 - 3 to 5 years of money needed to refill Bucket 1
 - Subtract our emergency reserve fund from Bucket 1 amount.
This does not need to be refilled till it is used.

- Shorter term investment strategies
 - Income production
 - Focus on stability - moderate, managed risk
 - Higher yielding portions of the equities market
 - Dividend Investing, with risk protection

Investing in Retirement

- Prior to retirement – Accumulation phase
- After retirement
 - Protect and grow the investment portfolio
 - Use the portfolio to produce income for current expenses
 - Draw down the principal as needed and in a way that does not exhaust it prematurely.
- If your plan is to draw down 4% per year from your portfolio
 - If your portfolio produces 2% income
 - You draw down 2% to meet your needs.
 - Helps in both up markets and down markets
- Income produced from dividends is taxed at a lower rate

This is NOT investment advice

Bucket 3

- How big?
 - The rest of the portfolio not in Buckets 1 and 2

- Longer term investment strategies
 - Goal is to maximize after tax return
 - Take more measured managed risk than Bucket 2.

Buckets - Investment strategy / style

- Different investment strategies and styles require different engagement rules and plans for success.
- These strategies can be used mainly in Bucket 3 and some in Bucket 2.
- Different ways to participate in the equities market.
 - Passive, indexed ETF based investing
 - Investing in individual equities
 - Value investing
 - Growth / Momentum investing
 - Dividend investing
 - Derivatives based investing
 - Options / Futures
- Different ways to participate in the bond market.
 - Bond fund / ETF based investing
 - Individual bonds / ladders.

Bucket approach – articles

- Comparing bucket vs. withdrawal strategies

- AAIJ study – April 2012

- <http://www.aaii.com/journal/article/comparing-a-bucket-strategy-and-a-systematic-withdrawal-strategy>

- Investopedia article – April 2018

- <https://www.investopedia.com/articles/financial-advisors/060815/comparison-bucket-strategy-vs-systematic-withdrawals.asp>

- AAIJ Article – Christine Benz – details of executing a 3 bucket strategy. – July 2018

- <https://www.aaii.com/journal/article/for-bucket-portfolios-the-devil-is-in-the-details>

- How well does a bucket strategy work – Sept 2024

- <https://www.morningstar.com/retirement/how-well-does-bucket-approach-retirement-planning-work-practice>

Seventh Class – Oct. 15th

- Market Update
- Deep Dive into ETFs and Mutual funds - Part 1
 - What is an ETF?
 - How does it work?
 - How is it different from a Mutual Fund
 - Performance criteria for an ETF
- Questions

Thanks !!

- Happy Investing !!

- **My EMail**

 - diyinvst@udel.edu

- **Class website**

 - <http://udel.edu/~diyinvst>