

# **Investing for Successful Retirement**

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## **UD Osher – OLLI** **Spring 2026**

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

# Your instructors

Instructors this semester

- Rajeev Vaidya
- Ron Materniak

Advisor

- Guy Werner

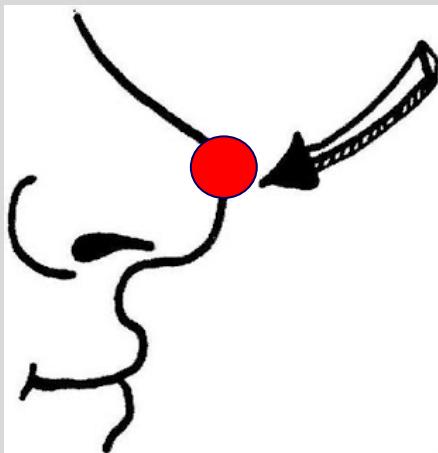


BondBloxx™



# 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.

# Class processes - RECORDING

- UD has a restricted policy on recording and sharing
  - Only if all participants agree
  - Only to be shared with REGISTERED class participants on an exception basis as needed.
  - To request a link to a class recording, send an email to [ron.materniak@verizon.net](mailto:ron.materniak@verizon.net)
- WE WILL START RECORDING THIS FIRST CLASS NOW
  - Unless anyone does not agree.
  - Please speak up if you do NOT want to be recorded.

# First Class – Feb. 4<sup>th</sup>

- Class Introduction
- Market Update
- This Week's Topic
  - What's different in investing in retirement?

# Class Composition

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- 89 people registered
- 64% were in the Spring Class
- 15% have attended other prior classes
- 21% potentially new to the course

# Fall 2025 – Class Feedback

## OLLI - Investing for Successful Retirement - Fall 2025

### Course Evaluation Survey

Stock Analysis Course	Strongly Agree	Agree	Neither agree or Disagree	Disagree	Strongly Disagree	Not applicable
	5	4	3	2	1	
Course is well organized	96%	4%				
Website materials are effective	72%	26%	2%			
Instructor/s are knowledgeable	96%	4%				
Course objectives were clear	85%	15%				
Course objectives were achieved	81%	19%				
Course met my expectations	79%	21%				
	Yes	No				
Did the learnings from the class have a positive impact on your investing?		100%				

# Course Content

## □ Typical Class

- Market updates (15-20 min)
- Weekly Topic (45 min) generally focused on:
  - Protecting capital and producing income and returns
  - Investing ideas that are currently relevant
- Time for Questions (10 min)

## □ New content of current relevance to the investor

- Investments in Private credit and equity
- Minimal essential you need to do to manage your portfolio.
- AI (Artificial Intelligence) – Investing opportunity & tool.
- Your input / suggestions are welcome – Subjects we don't cover = annuities, taxes

More class participant interaction

Goal – Learnings from the class have a positive impact on your investing as a retiree.

# Class processes / plans

- 13 week class – 2/4 through 5/6
  - Draft Schedule for first three classes is posted on the class website.
    - Dr. Robert Fry will speak on 2/11 – State of the US economy
  - I will be in India from 3/15 through 4/4
  - Plan to manage in my absence
    - 3/17 - Dr. Craig Isrealsen – Controlled withdrawals from a diversified portfolio
    - 3/25 – No class – Spring Break
    - 4/1 – Ron Materniak will lead the class on a relevant topic
  - Will change as the market evolves and based on your input.
- **Class website**
  - <http://udel.edu/~diyinvst>
  - Class documents are posted each week before class. Stay on the website till the end of the semester. Do not share with people outside the class.
- Rajeev Vaidya – [diyinvst@udel.edu](mailto:diyinvst@udel.edu)
- Ron Materniak – [ron.materniak@gmail.com](mailto:ron.materniak@gmail.com)

# Class processes / plans

- olli-online mailed a class Zoom link to all registered participants
- The Link is for a repeating meeting
  - Same link works for 13 weeks
- Password was mailed to you in the welcome note from olli-online
  - Password does not change .. Same for the whole semester
- Please put your name (vs “computer”) in Zoom so we know who you are when asking questions.
  - Use the Zoom app on your PC with the meeting number in the link this gives you more options and better control.

# Class Emails

- ❑ Generally, Rajeev will send ONE email per week to class participants.
- ❑ The email will be sent a day or two before class, letting you know that charts have been posted to the website.
- ❑ If you do NOT want to receive these emails, please send an email to [diyinvst@udel.edu](mailto:diyinvst@udel.edu) and we will remove you from the distribution list.

# First Class – Sept 3<sup>rd</sup>

- Class Introduction
- Market update
- Weekly Topic
  - What's different in investing in retirement?

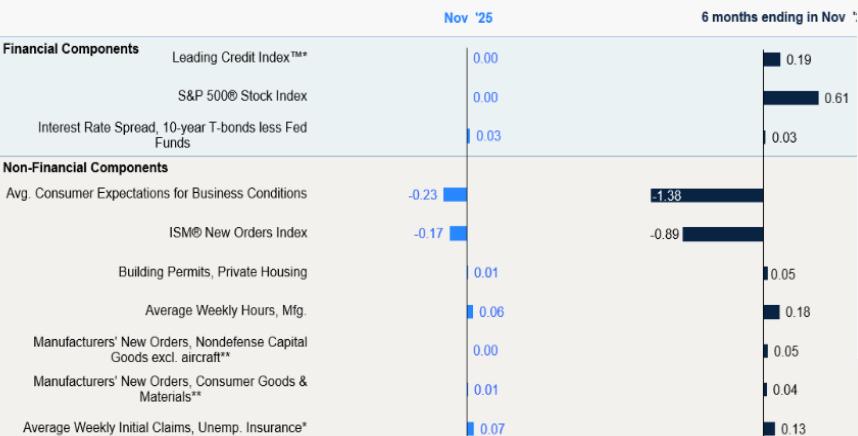
# Conference Board – 1/23/2026

LEI – fell again in Oct. and Nov

CEI – grew in November after 3 monthly declines

Consumer expectations and new orders continued to weigh heavily on the LEI

The Conference Board Leading Economic Index® and Component Contributions (Percent)



Source: The Conference Board

\* Inverted series; a negative change in this component makes a positive contribution.

\*\* Statistical Imputation

LEI change might not equal sum of its contributions due to application of trend adjustment factor

The LEI's growth rate over the past six months continued to trend less negative, and did not trigger the recession signal in October or November



NOTE: The chart illustrates the so-called 3Ds—duration, depth, and diffusion—for interpreting a downward movement in the LEI. Duration refers to how long the decline has lasted. Depth denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months at an annualized rate. Diffusion is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a diffusion index reading below 50 indicates most components are weakening.

The 3Ds rule signals an impending recession when: 1) the six-month diffusion index lies at or below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month growth rate (annualized) falls below the threshold of -4.1%. The red recession signal lines indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

Overall CB's outlook for slowing GDP growth in 2026.

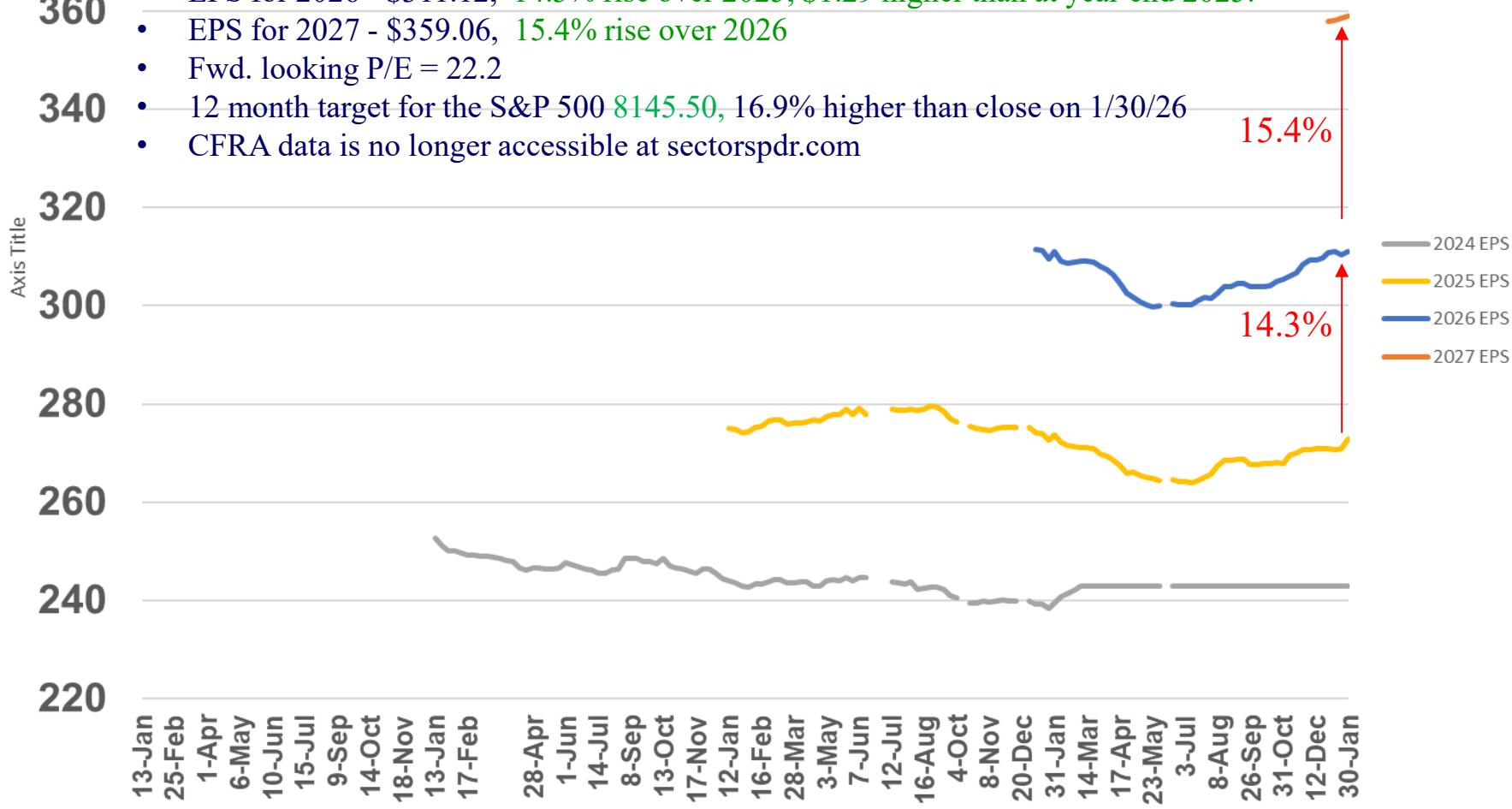
<https://www.conference-board.org/topics/us-leading-indicators>

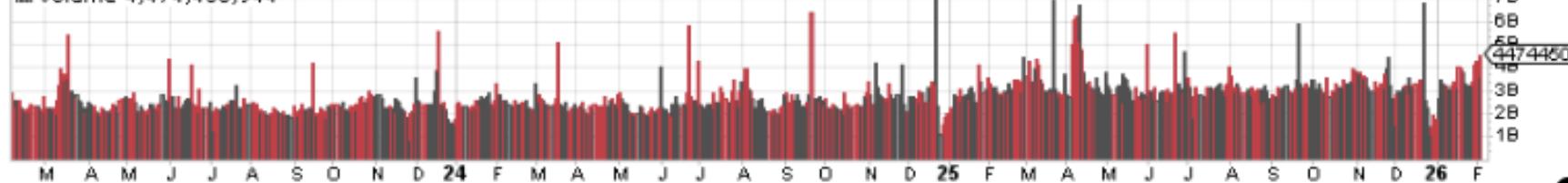
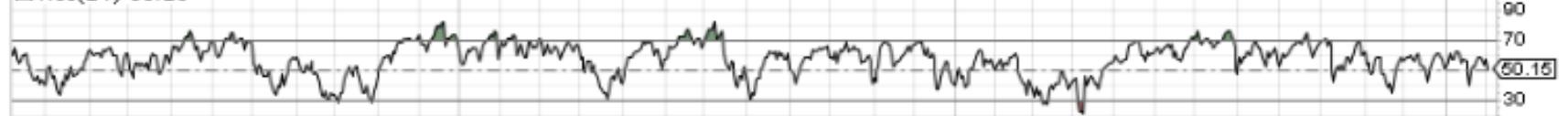
## Factset(R) - S&P 500 Calendar year earnings forecast

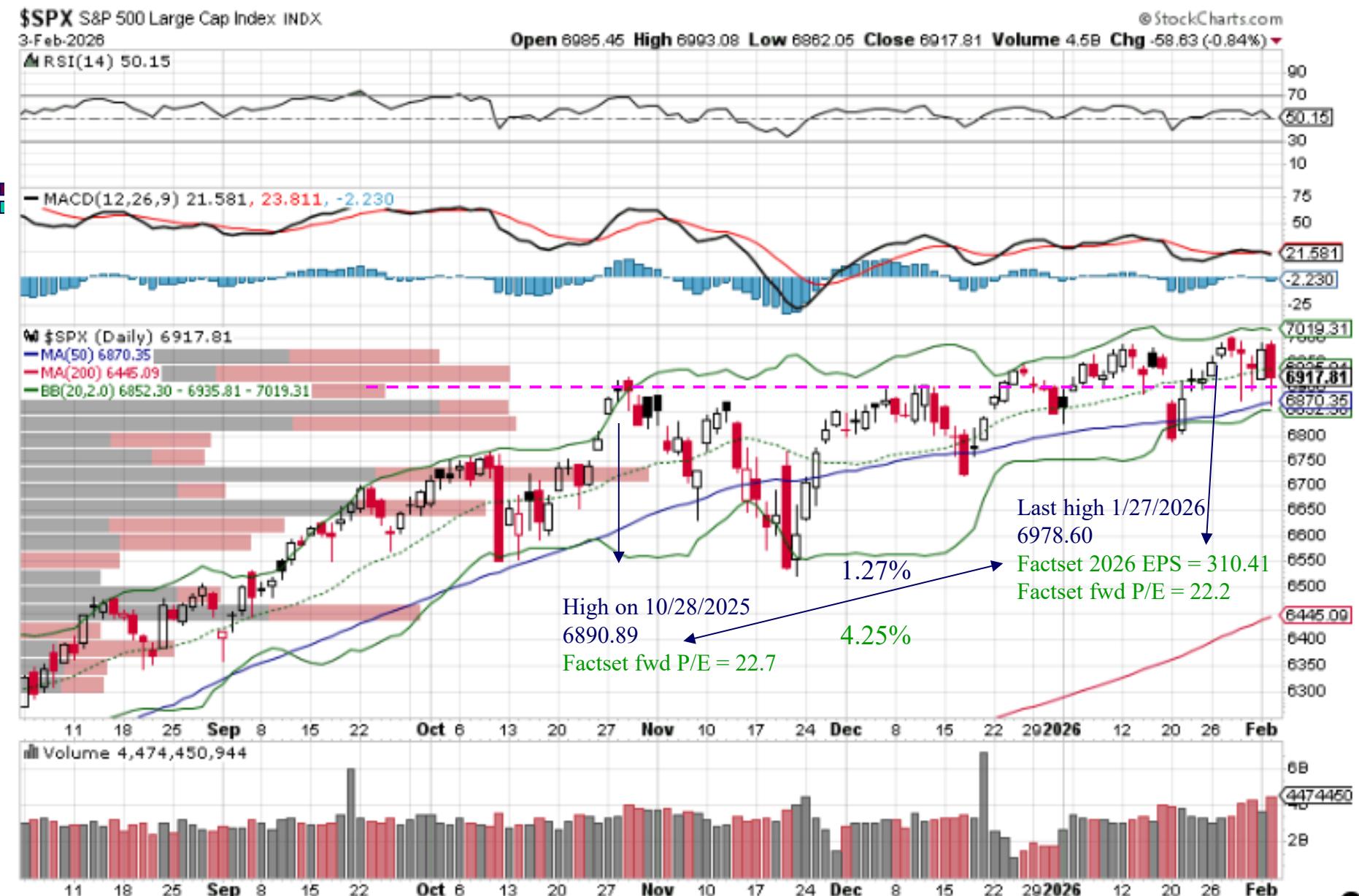
[https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/Earnings\\_Insight\\_013026A.pdf](https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/Earnings_Insight_013026A.pdf)

### Factset Earnings Estimates 1/30/26

- Q425 33% reported, 75% show earnings above estimates
- Q425 S&P 500 EPS growth 11.9% .. Was 8.3% on Dec. 31<sup>st</sup> 2025
- EPS for 2025 \$272.91, 12.3% rise over 2024, \$2.05 higher than at year end 2025.
- EPS for 2026 - \$311.12, 14.3% rise over 2025, \$1.29 higher than at year end 2025.
- EPS for 2027 - \$359.06, 15.4% rise over 2026
- Fwd. looking P/E = 22.2
- 12 month target for the S&P 500 8145.50, 16.9% higher than close on 1/30/26
- CFRA data is no longer accessible at sectorspdr.com





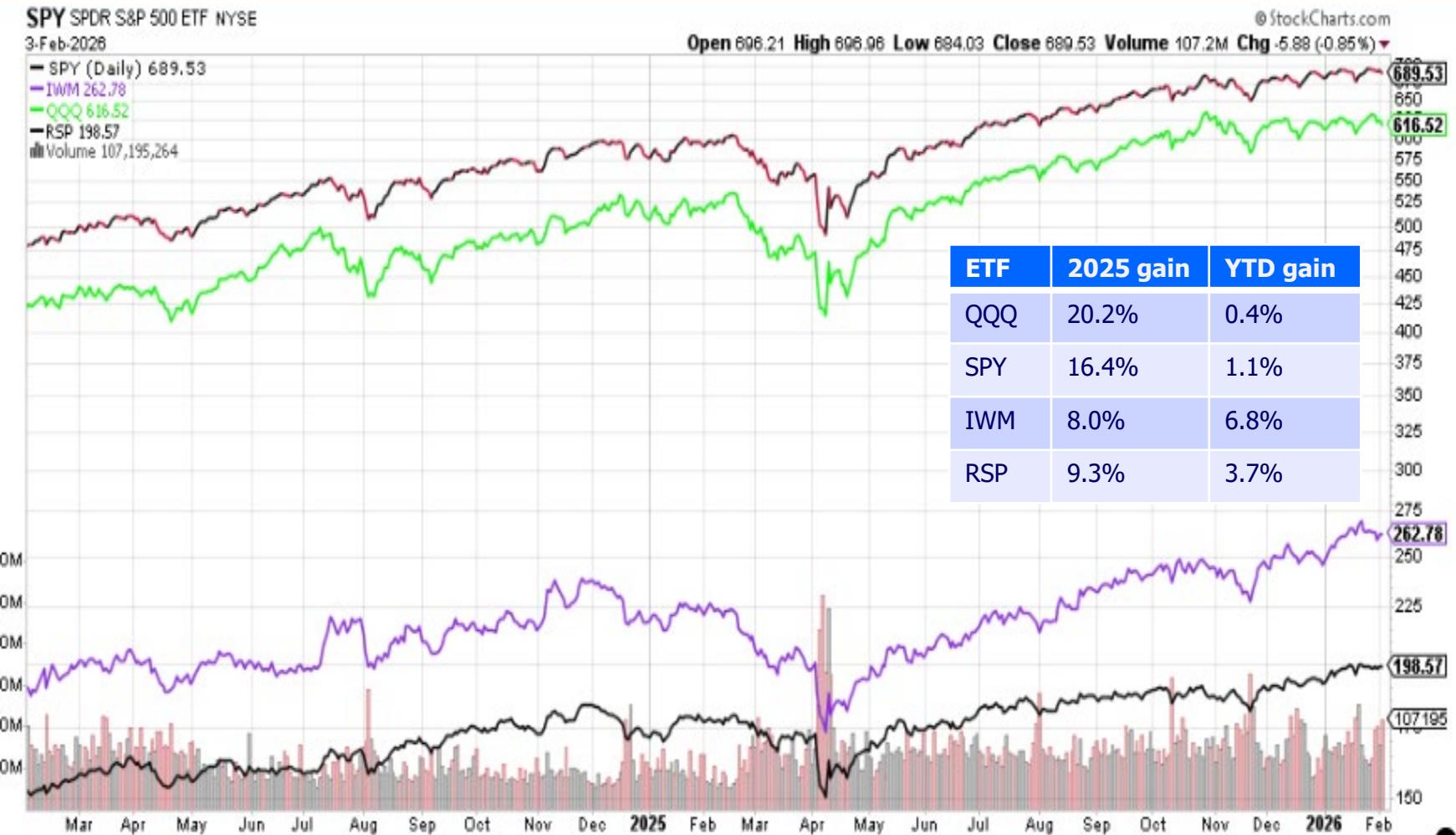


Bank / Brokerage	Year-End 2026 Estimate	Key Driver(s)
Oppenheimer	8,100	Broad market surge and <b>earnings strength</b>
Deutsche Bank	8,000	Strong inflows, buybacks, and <b>14% earnings growth</b>
Morgan Stanley	7,800	AI-driven efficiency and a new bull-market cycle
RBC Capital Markets	7,750	<b>Solid EPS growth</b> and lower interest rates
Citigroup	7,700	<b>Resilient corporate earnings</b> and AI infrastructure
Fundstrat	7,700	Continued economic resilience and <b>earnings growth</b>
Yardeni Research	7,700	Resilience in the economy and <b>earnings</b>
Goldman Sachs	7,600	Steady economic growth and AI productivity gains
Wolfe Research	7,600	<b>Implied double-digit gains from earnings</b>
JPMorgan Chase	> 7500	AI supercycle and potential for 8,000 if Fed cuts rates
HSBC	7,500	Broadening of the AI trade beyond mega-caps
UBS	7,500	<b>Strong corporate earnings</b> and resilient tech sector
Wells Fargo	7,400 – 7,600	<b>AI boosts to profits</b> and tax-related spending
Bank of America	7100	Concern over an "AI air pocket" and liquidity

## Common Themes:

- Expect more volatility and potentially a significant intra year pull back.
- Weaker dollar
  - A rally in real assets – precious & critical metals
  - Foreign markets may show healthy returns for US investors

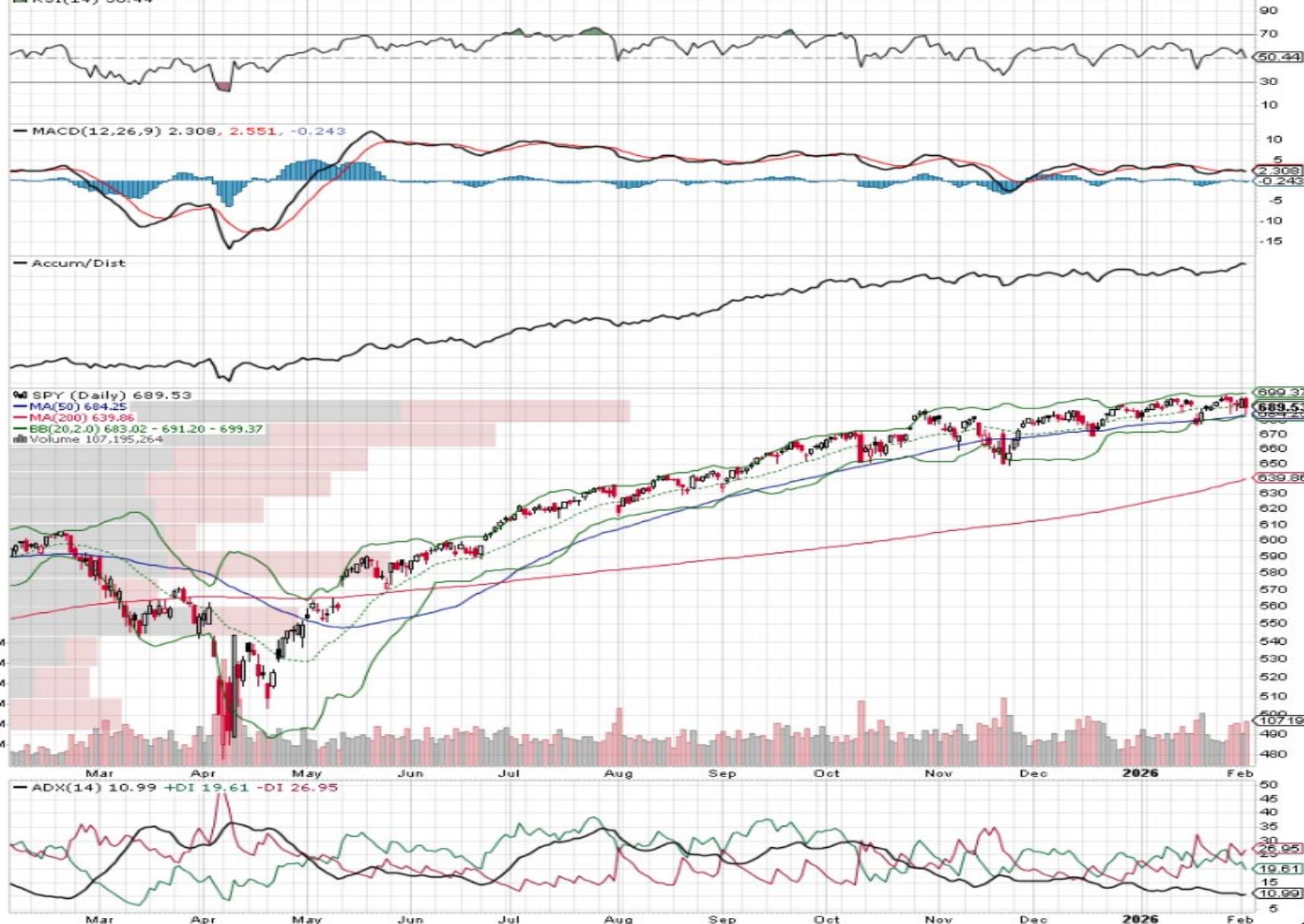
# Market Breadth – another way





A/D line on SPY, Russell 2000, NASDAQ and NASDAQ – 100 – no longer in the charts each week

<https://www.marketinout.com/chart/market.php?breadth=advance-decline-line>



# Weekly Market direction

guywerner@verizon.net

COLUMNS C,D,E BY DAVE (IN THE NORTH) SMITH		DIST DAYS		DOW 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	01/17/26	FOR THE WEEK								-145	-0.29%						-26	-0.37%					-156	-0.66%
SUN	01/18/26	YTD							1,296	2.70%						95	1.39%					274	1.18%	
MON	01/19/26	MLK MARKET CLOSES				P	0	P	49,359	0	0.00%	P	0	P	6,940	0	0.00%	P	P	P	23,515	0	0.00%	
TUE	01/20/26	CONFIRMED UP (80% -100%)		5	5	P	F	F	48,488	-871	-1.76%	P	F	F	6,796	-144	-2.07%	F	F	F	22,954	-561	-2.39%	
WED	01/21/26	CONFIRMED UP (80% -100%)		5	4	P	F	P	49,076	588	1.21%	P	F	F	6,875	79	1.16%	F	F	F	23,224	270	1.18%	
THUR	01/22/26	CONFIRMED UP (80% -100%)		5	4	P	F	P	49,384	308	0.63%	P	F	P	6,913	38	0.55%	F	F	P	23,436	212	0.91%	
FRI	01/23/26	CONFIRMED UP (80% -100%)		4	4	P	F	P	49,098	-286	-0.58%	P	F	P	6,915	2	0.03%	F	F	P	23,501	65	0.28%	
SAT	01/24/26	FOR THE WEEK								-261	-0.53%						-25	-0.36%					-14	-0.08%
SUN	01/25/26	YTD							1,035	2.15%						70	1.02%					260	1.12%	
MON	01/26/26	CONFIRMED UP (60% -80%)		3	3	P	F	P	49,412	314	0.64%	P	F	P	6,950	35	0.51%	P	0	P	23,601	100	0.43%	
TUE	01/27/26	CONFIRMED UP (80% -100%)		3	3	P	F	P	49,003	-409	-0.83%	P	0	P	6,978	28	0.40%	P	P	P	23,817	216	0.92%	
WED	01/28/26	CONFIRMED UP (80% -100%)		3	4	P	F	P	49,015	12	0.02%	P	0	P	6,978	0	0.00%	P	P	P	23,857	40	0.17%	
THUR	01/29/26	CONFIRMED UP (80% -100%)		3	5	P	F	P	49,071	56	0.11%	P	0	P	6,969	-9	-0.13%	P	P	P	23,685	-172	-0.72%	
FRI	01/30/26	CONFIRMED UP (60% -80%)		3	6	P	F	P	48,892	-179	-0.36%	P	0	P	6,939	-30	-0.43%	P	0	P	23,461	-224	-0.95%	
SAT	01/31/26	FOR THE WEEK								-206	-0.42%						24	0.35%					-40	-0.17%
SUN	02/01/26	YTD							829	1.72%						94	1.37%					220	0.95%	
MON	02/02/26					P	F	P	49,407	515	1.05%	P	0	P	6,976	37	0.53%	P	0	P	23,592	131	0.56%	
TUE	02/03/26					P	F	P	49,241	-166	-0.34%	P	0	0	6,917	-59	-0.85%	P	F	F	23,255	-337	-1.43%	

# Market Summary – Stockcharts®

Stockcharts.com → Main Screen → Market Analysis  
New feature – Market Summary

KELLER MARKET MODELS			
	ST	MT	LT
Stocks (SPY)	⬇️	⬆️	⬆️
Bonds (TLT)	⬇️	⬇️	⬆️
Commodities (DBC)	⬆️	⬆️	⬆️
US Dollar (\$USD)	⬇️	⬇️	⬇️

KELLER MARKET MODELS			
	ST	MT	LT
S&P 500 (SPY)	⬇️	⬆️	⬆️
S&P 400 (MDY)	⬆️	⬆️	⬆️
Russell 2000 (IWM)	⬆️	⬆️	⬆️
NASDAQ 100 (QQQ)	⬇️	⬆️	⬆️

# US govt bonds – TLT & SGOV

SGOV – Short term 0 to 3 month US treasuries



# U.S. Dollar



# First Class – Feb. 4<sup>th</sup>

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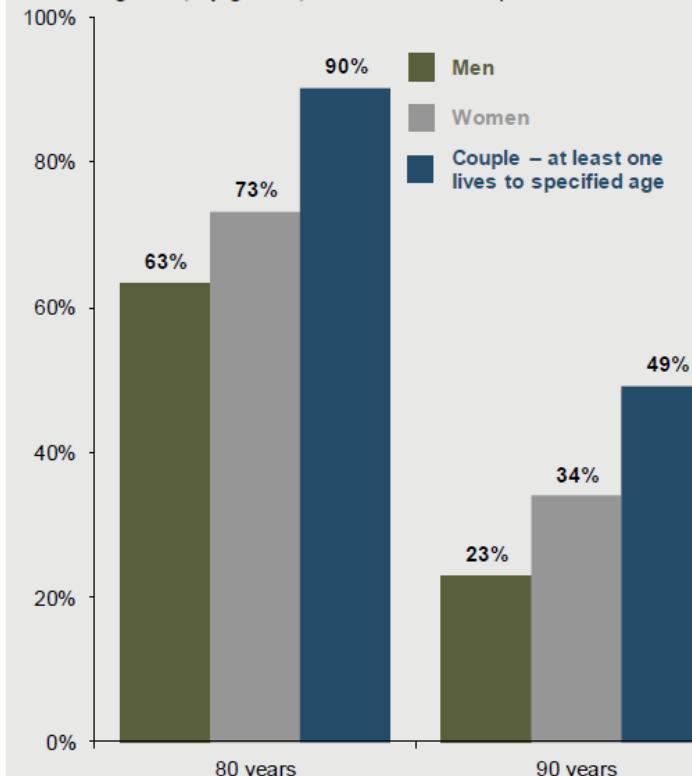
# Investing in Retirement

- 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? – *Controlling spending is important*
  - 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*

## Probability of reaching ages 80 and 90

Persons aged 65, by gender, and combined couple



## Retirement savings gap

Anticipated amount needed vs. actual savings, thousands



Source: J.P. Morgan Asset Management; (Left) SSA 2016 Life Tables; (Right) 2017 Retirement Confidence Survey, Employee Benefit Research Institute and Greenwald & Associates; 2016 Survey of Consumer Finances, Federal Reserve. EBRI survey was conducted from January 6, 2017 to January 13, 2017 through online interviews with 1,671 individuals (1,082 workers and 589 retirees) ages 25 and older in the United States.

Guide to the Markets – U.S. Data are as of August 31, 2019.

62 Social Security 2025 Trustees Report <https://www.ssa.gov/oact/STATS/table4c6.html>

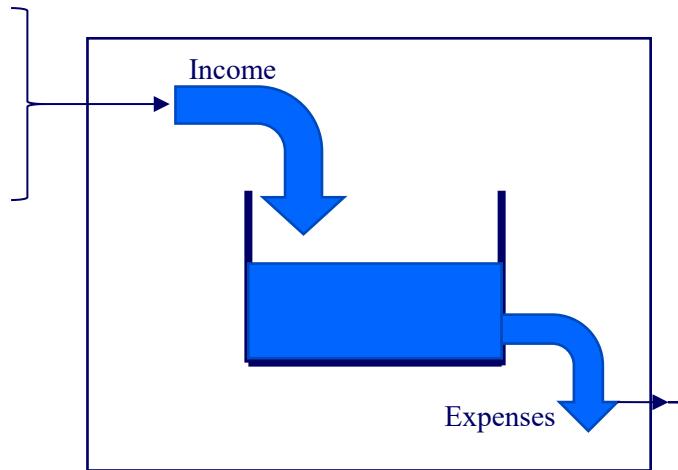
American Academy of Actuaries – Longevity Illustrator <https://www.longevityillustrator.org/>

**J.P.Morgan**  
Asset Management

**If you retire at 65 expect at least one spouse to need money from your nest egg for 25 to 30 years**

# Does your income cover expenses ?

- Pensions
- Social Sec.
- Salaries
- Income and capital gains from taxable accounts



## Essential Fixed Expenses

- Rent / Mortgage
- Medical Insurance
- Debt payments – Auto etc.

## Essential Variable Expenses

- Taxes
- Food
- Transportation
- Out of Pocket Medical Expenses
- Household needs
- Communications – Phone, cable, web

## Discretionary Expenses

- Fun money
  - zero is not real / sustainable

## Savings



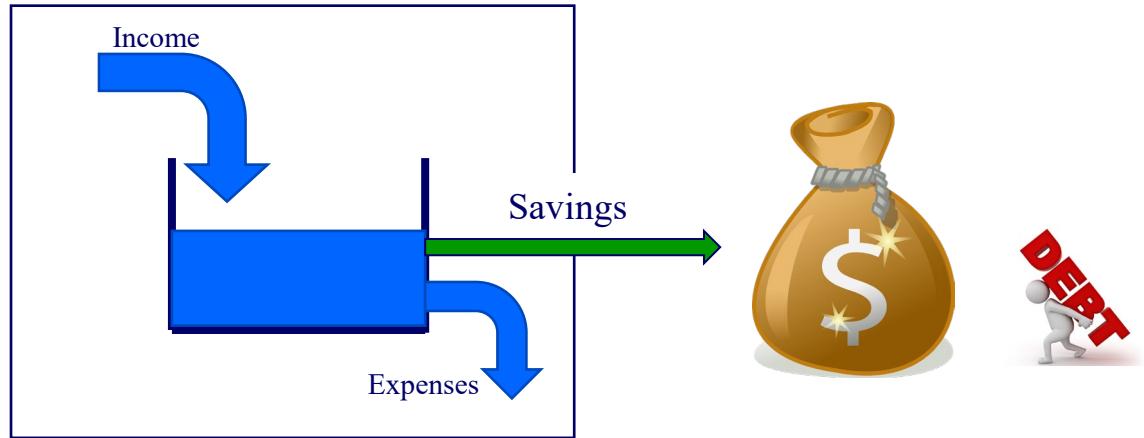
Yesterday & Today



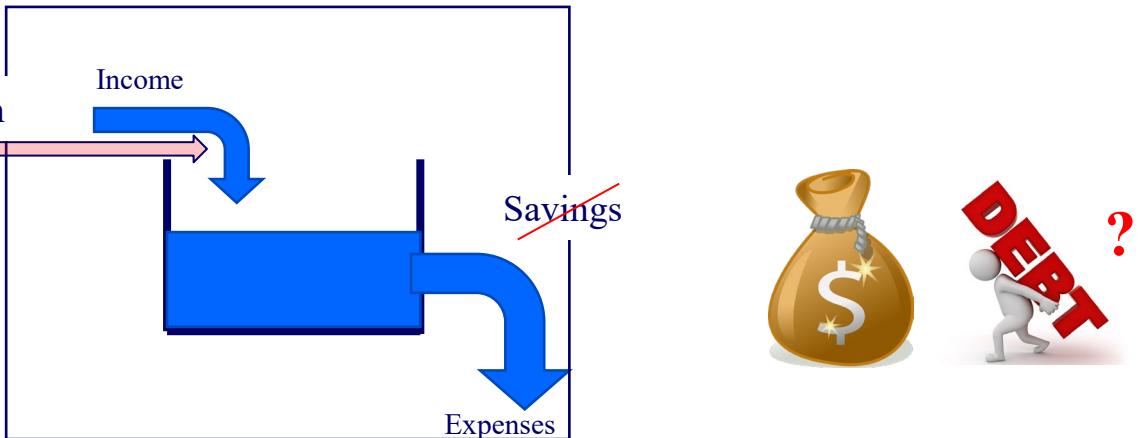
Near Future

# Adding to or drawing from assets ?

Income exceeds expenses



Expenses exceed income



# Why is income relevant

- Typical Portfolio drawdown recommendations – 4% per year.
  - 4% - based on prior YE balance (variable) – begins to break down if your portfolio must last more than 25 years
  - Depends on your specific situation and the expected market returns
- If your portfolio produces income, you need to draw down less of the principal to meet your needs
  - Helps in a down market – you are forced to sell less.
  - Helps in a up market – you have more money growing.

# Treasury Yield Rates

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
1/30/2026	3.72	3.73	3.75	3.67	3.69	3.61	3.48	3.52	3.6	3.79	4.01	4.26	4.82	4.87
1/29/2026	3.72	3.73	3.75	3.67	3.69	3.62	3.5	3.53	3.63	3.8	4.01	4.24	4.8	4.85
1/28/2026	3.76	3.72	3.71	3.68	3.7	3.63	3.52	3.56	3.66	3.83	4.05	4.26	4.81	4.85
1/27/2026	3.77	3.72	3.7	3.67	3.66	3.61	3.5	3.53	3.65	3.81	4.03	4.24	4.79	4.83
1/26/2026	3.77	3.71	3.7	3.67	3.67	3.62	3.52	3.56	3.66	3.82	4.02	4.22	4.75	4.8
1/23/2026	3.78	3.71	3.72	3.7	3.67	3.61	3.53	3.6	3.67	3.84	4.03	4.24	4.78	4.82
1/22/2026	3.79	3.71	3.72	3.71	3.67	3.61	3.53	3.61	3.68	3.85	4.05	4.26	4.79	4.84
1/21/2026	3.75	3.71	3.7	3.7	3.67	3.62	3.53	3.6	3.66	3.83	4.04	4.26	4.82	4.87
1/20/2026	3.75	3.71	3.69	3.7	3.65	3.61	3.53	3.6	3.68	3.86	4.08	4.3	4.87	4.91
1/16/2026	3.75	3.72	3.68	3.67	3.66	3.6	3.55	3.59	3.67	3.82	4.02	4.24	4.79	4.83
1/15/2026	3.75	3.73	3.69	3.68	3.66	3.6	3.54	3.56	3.62	3.77	3.96	4.17	4.74	4.79
1/14/2026	3.72	3.71	3.66	3.67	3.65	3.58	3.5	3.51	3.56	3.72	3.92	4.15	4.73	4.79
1/13/2026	3.72	3.72	3.66	3.67	3.63	3.59	3.51	3.53	3.57	3.75	3.95	4.18	4.77	4.83
1/12/2026	3.71	3.68	3.64	3.67	3.63	3.58	3.53	3.54	3.59	3.77	3.97	4.19	4.78	4.83
1/9/2026	3.7	3.68	3.63	3.62	3.62	3.57	3.52	3.54	3.59	3.75	3.95	4.18	4.76	4.82
1/8/2026	3.7	3.69	3.63	3.62	3.6	3.56	3.48	3.49	3.56	3.74	3.95	4.19	4.79	4.85
1/7/2026	3.7	3.69	3.6	3.62	3.6	3.56	3.48	3.47	3.53	3.7	3.91	4.15	4.76	4.82
1/6/2026	3.7	3.7	3.61	3.63	3.58	3.56	3.48	3.47	3.54	3.72	3.93	4.18	4.8	4.86
1/5/2026	3.71	3.68	3.64	3.64	3.61	3.57	3.47	3.46	3.53	3.71	3.92	4.17	4.79	4.85
1/2/2026	3.72	3.71	3.66	3.65	3.62	3.58	3.47	3.47	3.55	3.74	3.95	4.19	4.81	4.86



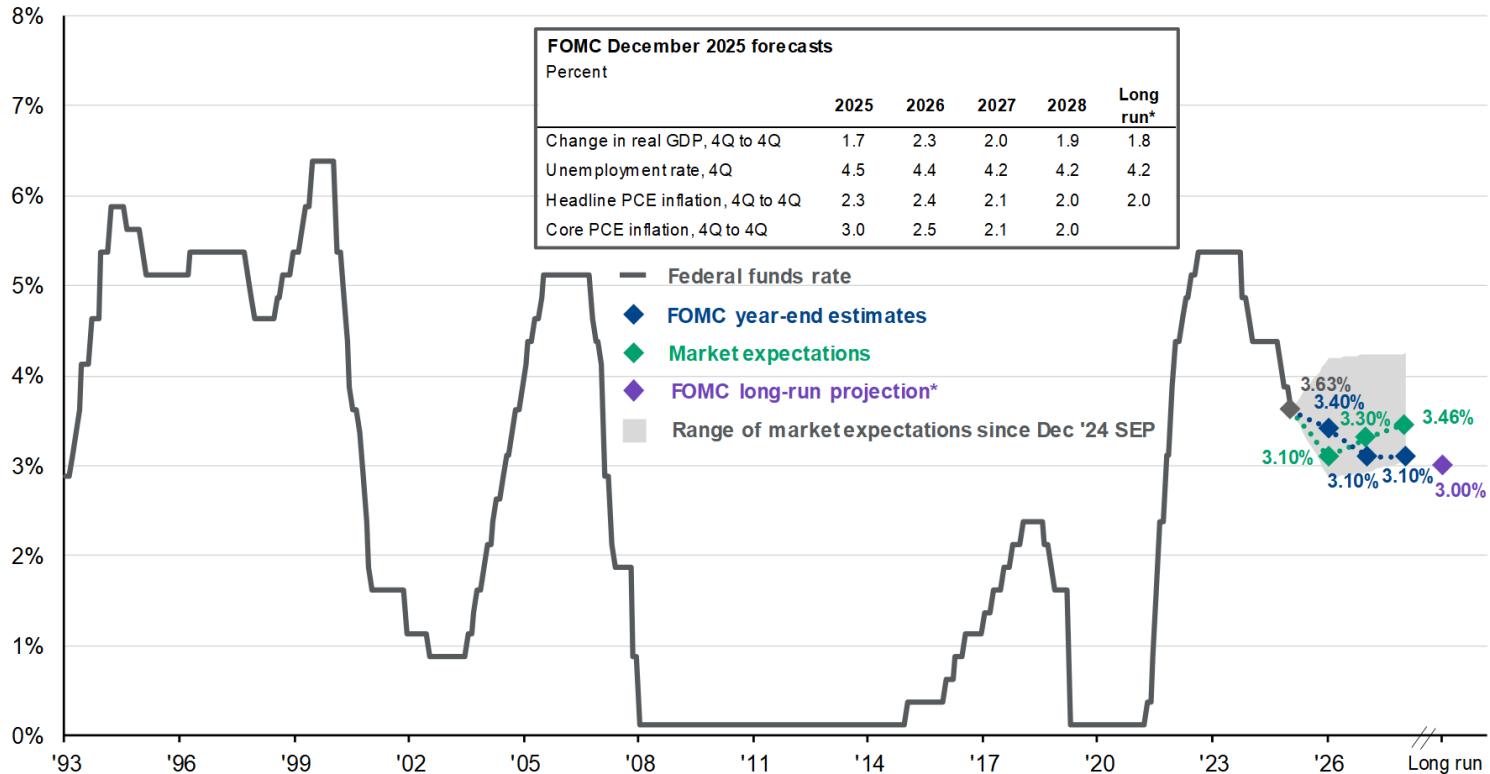
# The Fed and interest rates

GTM U.S. 30

Fixed Income

## Federal funds rate expectations

FOMC and market expectations for the federal funds rate



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

Market expectations are based off of USD Overnight Index Swaps. \*Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

Guide to the Markets – U.S. Data are as of December 31, 2025.

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**J.P.Morgan**  
ASSET MANAGEMENT

<https://am.jpmorgan.com/us/en/asset-management/adv/insights/market-insights/guide-to-the-markets/>



# Fixed income market dynamics

GTM U.S. 32

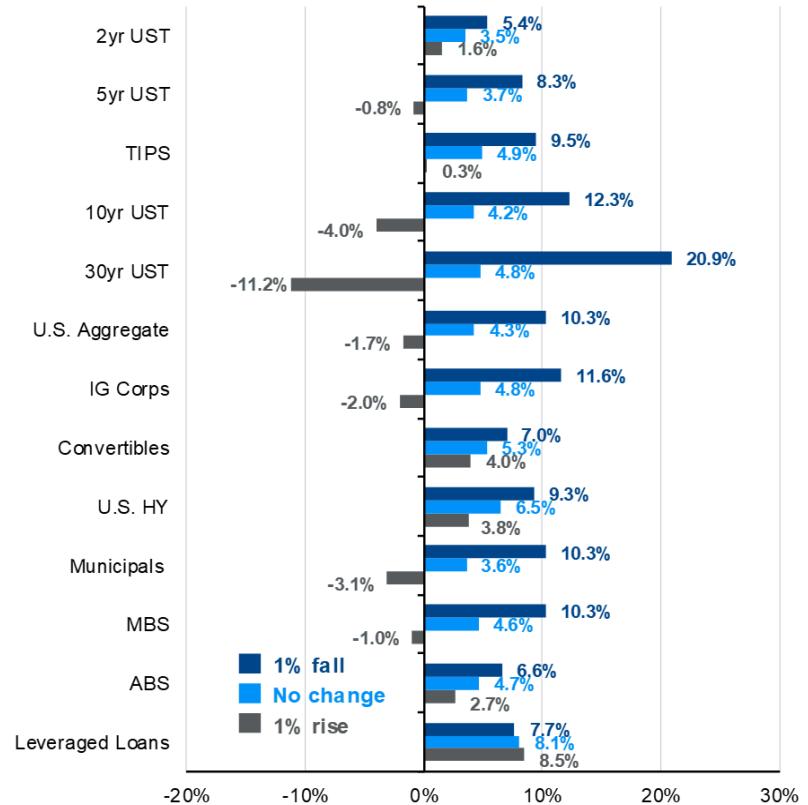
Fixed Income

	Yield		Return			
	12/31/2025	12/31/2024	2025	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
<b>U.S. Treasuries</b>						
2-Year	3.47%	4.25%	4.95%	2 years	0.74	0.02
5-Year	3.73%	4.38%	7.15%	5	0.94	0.02
TIPS	1.69%	2.13%	7.01%	7.1	0.75	0.37
10-Year	4.18%	4.58%	8.19%	10	1.00	-0.01
30-Year	4.84%	4.78%	3.73%	30	0.93	-0.05
<b>Sector</b>						
<b>U.S. Aggregate</b>	4.32%	4.91%	7.30%	8.2	0.91	0.29
<b>IG Corps</b>	4.81%	5.33%	7.77%	10.4	0.70	0.51
<b>Convertibles</b>	5.27%	6.13%	17.78%	-	0.01	0.86
<b>U.S. HY</b>	6.53%	7.49%	8.62%	4.8	0.12	0.79
<b>Municipals</b>	3.60%	3.74%	4.25%	13.5	0.73	0.32
<b>MBS</b>	4.63%	5.27%	8.58%	7.3	0.83	0.30
<b>ABS</b>	4.69%	5.38%	6.02%	2.2	0.39	0.29
<b>Leveraged Loans</b>	8.13%	8.68%	5.99%	4.7	-0.20	0.61

Source: Bloomberg, FactSet, Federal Reserve Bank of Cleveland, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by – U.S. Aggregate; MBS: U.S. Aggregate Securitized - MBS; ABS: J.P. Morgan ABS Index; IG Corporates: U.S. Corporates; Municipal: Muni Bond; High Yield: Corporate High Yield; Leveraged Loans: J.P. Morgan Leveraged Loan Index; TIPS: Treasury Inflation-Protected Securities; Convertibles: U.S. Convertibles Composite. Convertibles yield is as of most recent month-end and is based on U.S. portion of Bloomberg Global Convertibles Index. Yield and return information based on bellwethers for Treasury securities. Yields shown for TIPS are real yields. TIPS returns consider the impact that inflation could have on returns by assuming the Cleveland Fed's 1-year inflation expectation forecasts are realized. Sector yields reflect yield to worst. Leveraged loan yields reflect the yield to 3-year takeout. Correlations are based on 15 years of monthly returns for all sectors. ABS returns prior to June 2012 are sourced from Bloomberg. Past performance is no guarantee of future results. Guide to the Markets – U.S. Data are as of December 31, 2025.

## Fixed income returns in different interest rate scenarios

Total return, assumes a parallel shift in the yield curve

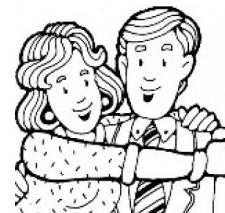


# Story of two couples

## Mr. & Mrs. Blue



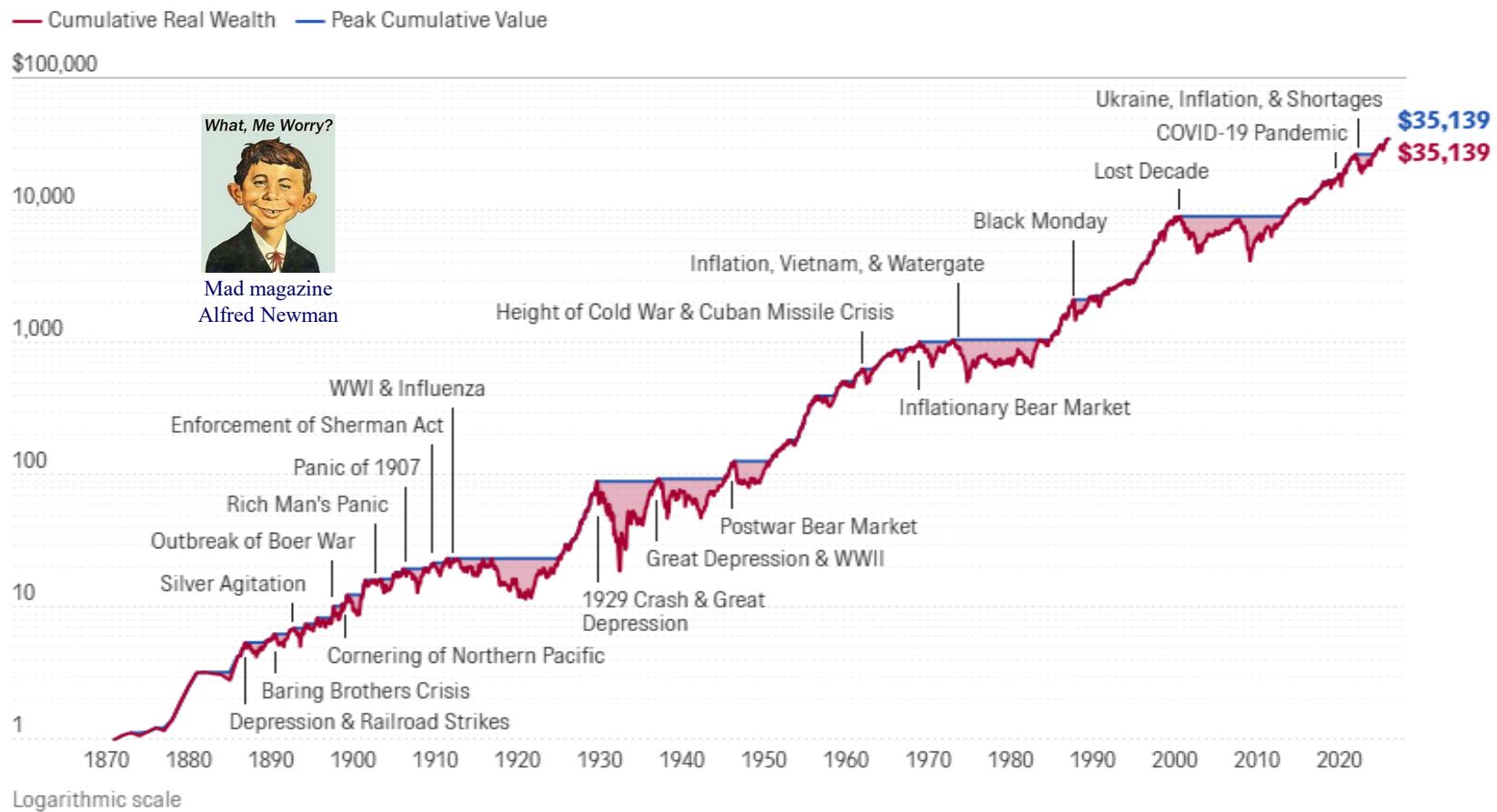
## Mr. & Mrs. Green



- Each couple retires at 65 with a life expectancy of one surviving to 90
- Each has an IRA with \$500,000 invested in the S&P 500
- Each couple withdraws \$20,000 (4%) per year to help with expenses
- Mr. & Mrs. Green retire in 1990
- Mr. & Mrs. Blue retire in 2000

# The big picture

## Market Crash Timeline: Growth of \$1 and the US Stock Market's Real Peak Values



Source: Kaplan et al. (2009); Ibbotson (2023); Morningstar; Goetzmann, Ibbotson, and Peng (2000); Pierce (1982); [www.econ.yale.edu/~shiller/data.htm](http://www.econ.yale.edu/~shiller/data.htm), Ibbotson Associated SBBI US Large-Cap Stock Inflation Adjusted Total Return Extended Index, S&P 500 (2025), Bureau of Labor Statistics, Non-Seasonally Adjusted Consumer Price Index (2025). Data as of Dec. 31, 2025.

Source – Morningstar article – Emelia Fredrick – 1/21/2026 <https://www.morningstar.com/economy/what-weve-learned-150-years-stock-market-crashes>

# Two Very Different Retirements

**Mr. & Mrs. Green**

Year	Return	\$500,000
1990	-3.1%	\$464,700
1991	30.2%	\$585,179
1992	7.5%	\$609,009
1993	10.0%	\$649,727
1994	1.3%	\$638,368
1995	37.2%	\$855,841
1996	22.7%	\$1,029,946
1997	33.1%	\$1,350,858
1998	28.3%	\$1,713,691
1999	20.9%	\$2,051,681

**Mr. & Mrs. Blue**

Year	Return	\$500,000
2000	-9.0%	\$434,850
2001	-11.9%	\$363,320
2002	-22.0%	\$263,499
2003	28.4%	\$318,227
2004	10.7%	\$332,405
2005	4.8%	\$328,460
2006	15.6%	\$359,732
2007	5.5%	\$359,446
2008	-36.6%	\$208,068
2009	25.9%	\$242,041

Portfolio drops to half in the first 3 years

- Sequence of return (SRR)
- Drawdown in down markets.
- Controlling withdrawals helps manage SRR

Both couples have 10-15 more years of retired life



# Asset class returns

GTM U.S. 56

2011 - 2025

Ann. Vol.		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Large Cap	Small Cap	14.1%	20.3%	REITs	8.3%	REITs	19.7%	Small Cap	38.8%	REITs	28.0%	REITs	2.8%	Small Cap	21.3%	EM Equity	37.8%
Small Cap	EM Equity	9.5%	17.5%	Fixed Income	7.8%	High Yield	19.6%	Large Cap	32.4%	Large Cap	13.7%	Large Cap	1.4%	High Yield	14.3%	DM Equity	25.6%
REITs	REITs	7.8%	16.4%	High Yield	3.1%	EM Equity	18.6%	DM Equity	23.3%	Fixed Income	6.0%	Fixed Income	0.5%	Large Cap	12.0%	Large Cap	21.8%
Asset Alloc.	DM Equity	7.3%	15.7%	Large Cap	2.1%	DM Equity	17.9%	Asset Alloc.	14.9%	Asset Alloc.	5.2%	Cash	0.0%	Comdty.	11.8%	Small Cap	14.6%
DM Equity	Comdty.	7.1%	15.4%	Cash	0.1%	Small Cap	16.3%	High Yield	7.3%	Small Cap	4.9%	DM Equity	-0.4%	EM Equity	11.6%	High Yield	-4.1%
High Yield	Large Cap	5.7%	14.7%	Asset Alloc.	-0.7%	Large Cap	16.0%	REITs	2.9%	Cash	0.0%	Asset Alloc.	-2.0%	REITs	8.6%	Asset Alloc.	-4.4%
EM Equity	Asset Alloc.	4.2%	10.1%	Small Cap	-4.2%	Asset Alloc.	12.2%	Cash	0.0%	High Yield	0.0%	High Yield	-2.7%	Asset Alloc.	8.3%	REITs	10.4%
Fixed Income	High Yield	2.4%	9.1%	DM Equity	-11.7%	Fixed Income	4.2%	Fixed Income	-2.0%	EM Equity	-1.8%	Small Cap	-4.4%	Fixed Income	2.6%	Comdty.	3.5%
Cash	Fixed Income	1.5%	4.6%	Comdty.	-13.3%	Cash	0.1%	EM Equity	-2.3%	DM Equity	-4.5%	EM Equity	-14.6%	DM Equity	1.5%	Comdty.	1.7%
Comdty.	Cash	-1.1%	0.9%	EM Equity	-18.2%	Comdty.	-1.1%	Comdty.	-9.5%	Comdty.	-17.0%	Comdty.	-24.7%	Cash	0.3%	EM Equity	0.8%

Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.

Large Cap: S&P 500, Small Cap: Russell 2000, EM Equity: MSCI EME, DM Equity: MSCI EAFE, Comdty: Bloomberg Commodity Index, High Yield: Bloomberg Global HY Index, Fixed Income: Bloomberg U.S. Aggregate, REITs: NAREIT Equity REIT Index, Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represents the period from 12/31/2010 to 12/31/2025. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is no guarantee of future results.

Guide to the Markets - U.S. Data are as of December 31, 2025.

# **Second Class – Feb. 11<sup>th</sup>**

- Market Update
- Macro Review
  - Dr. Robert Fry shares his take on the US economy
- Questions

# Better Investing Webinar – Feb. 18<sup>th</sup>

<https://www.betterinvesting.org/chapters/philadelphia-area/local-events/investing-in-retirement>

- Free webinar – 2/18/26, 7.30 to 8.30pm, on-line
  - You do not have to be a BI member.
- Changing Gears – Switching from Accumulating Wealth to Investing in Retirement
- Rajeev Vaidya
  - Director Emeritus – Philadelphia Chapter
  - Better Investing

# Thanks !!

□ Happy Investing !!

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