



Built by **LAWYERS**, Powered by **PROS®**



New Year, New Markets? 2025

ABA Retirement Funds Program Wednesday, January 29

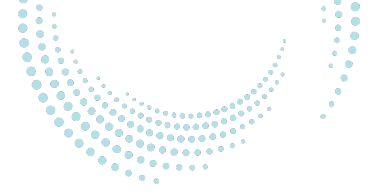
This report has been prepared for the sole use by the ABA RF Program. It is not for further distribution or communication to any other person or entity.

CN4180731_0127

abaretirement.com



Meet the presenters



K. Rebecca Chandler

*Head of Client Service for the
ABA Retirement Funds Program*

Voya Financial

Registered Representative of Voya Financial
Partners, LLC (member SIPC)

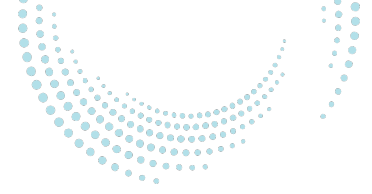


Matthew Parlengas

Portfolio Manager

Mercer

Agenda



- 1 ▶ 2024 Market Review
- 2 ▶ 2025 Economic Outlook
- 3 ▶ ABA Retirement Funds Investment Platform

- 4 ▶ Program Resources and Information
- 5 ▶ Q&A

2024 Market Review



Poll Question:

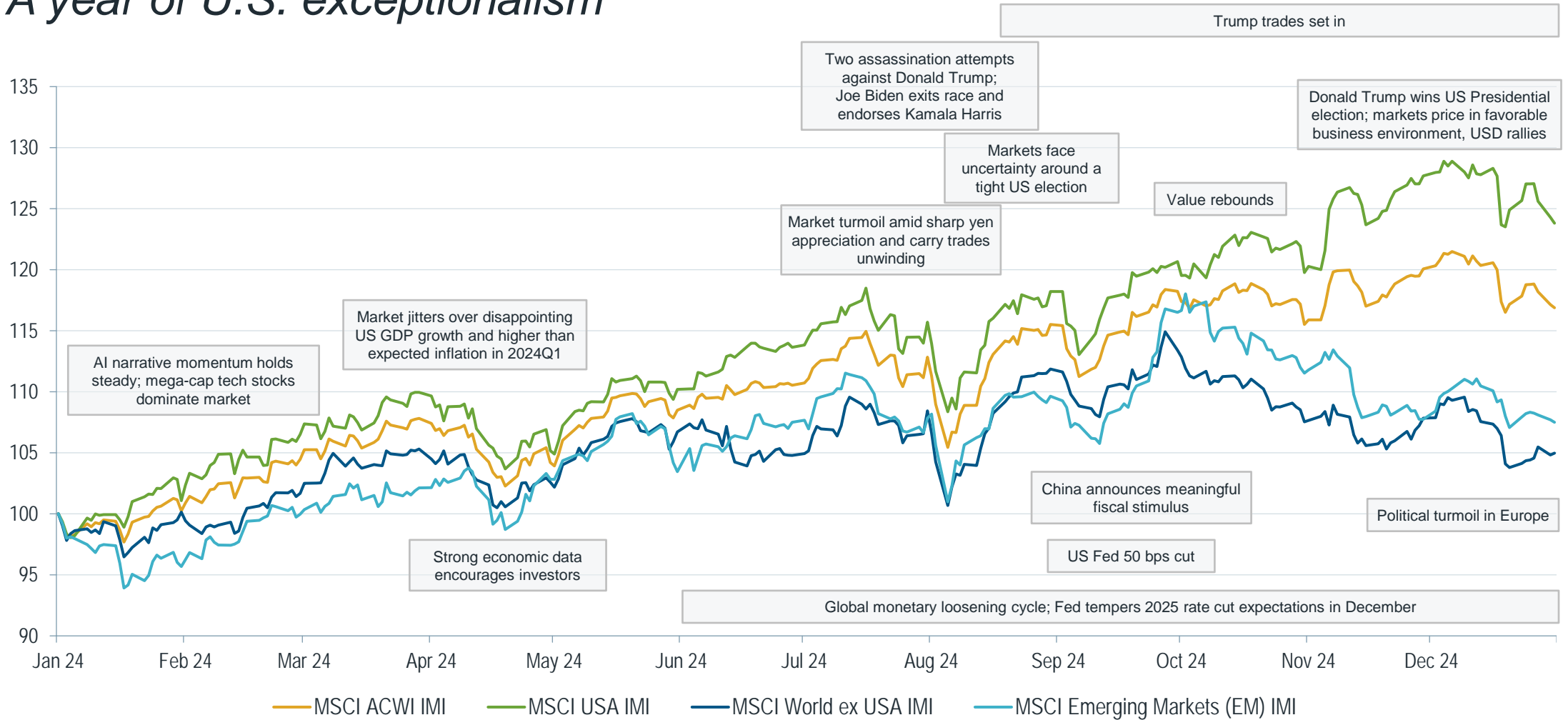
Which of these 2024 events impacted the market?

- a) Fed interest rate cuts
- b) UK Labour party wins general election
- c) U.S. 2024 election
- d) All of the above



Markets and major developments

A year of U.S. exceptionalism

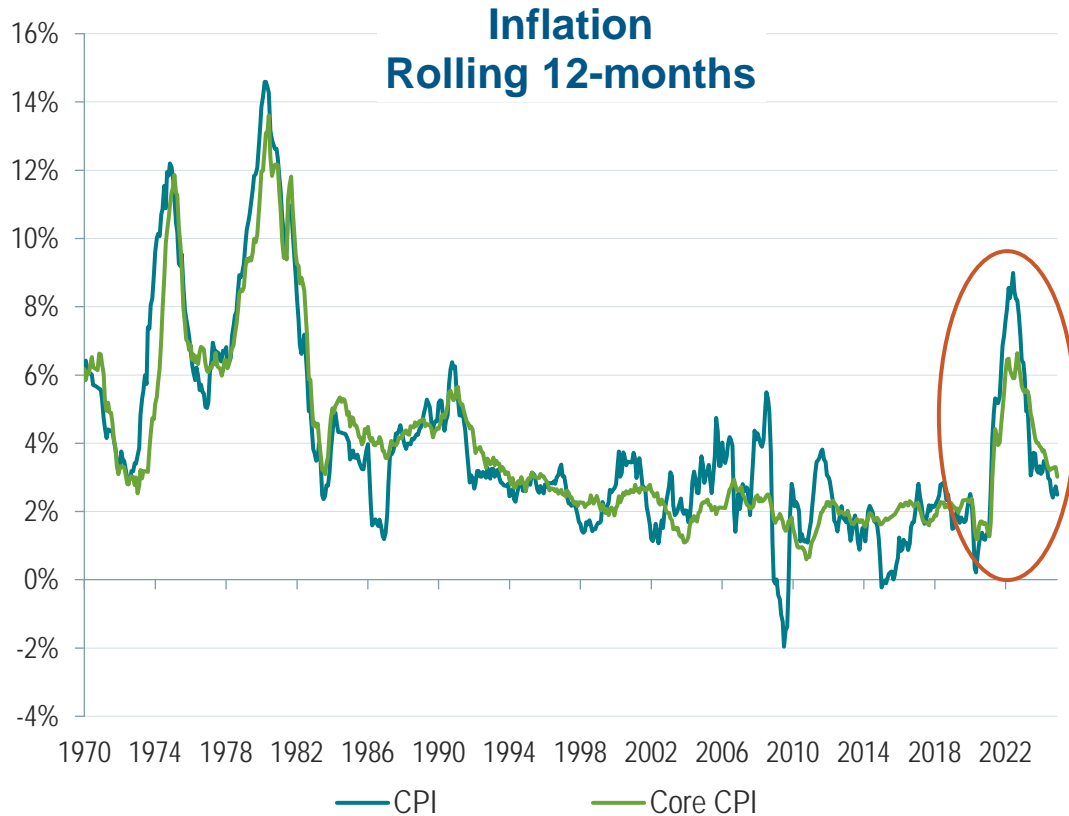


Source: Refinitiv and Mercer Research; as of 12/31/24. All indices in USD.

Note: For visual reasons, events might not exactly pinpoint to the day they actually happened. We do not imply a direct causal relationship between market movements and every single event.

Inflation and interest rates

Expectations vs. reality



CPI: Consumer price index – measure of the cost of living
Core CPI: CPI excluding energy and food prices

Our 2024 outlook

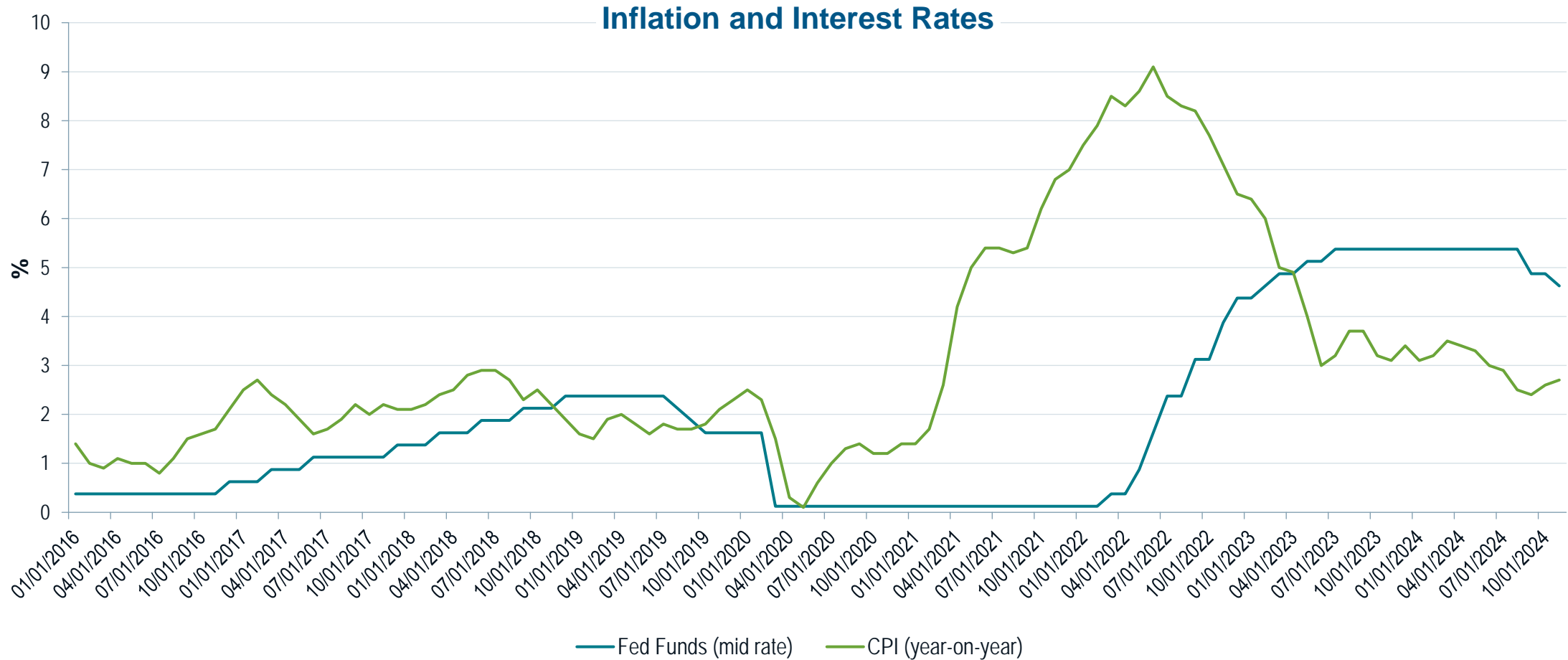
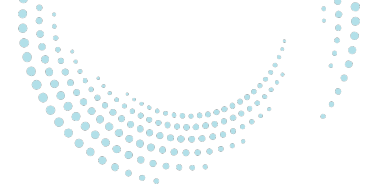
- Inflation expected to continue to fall
- Fed would start rate cutting in back half of 2024

What actually happened

- Fed cut rates starting in September
- Inflation fell but remains still slightly above the Fed's target

Inflation and interest rates

Fed starts rate cutting cycle

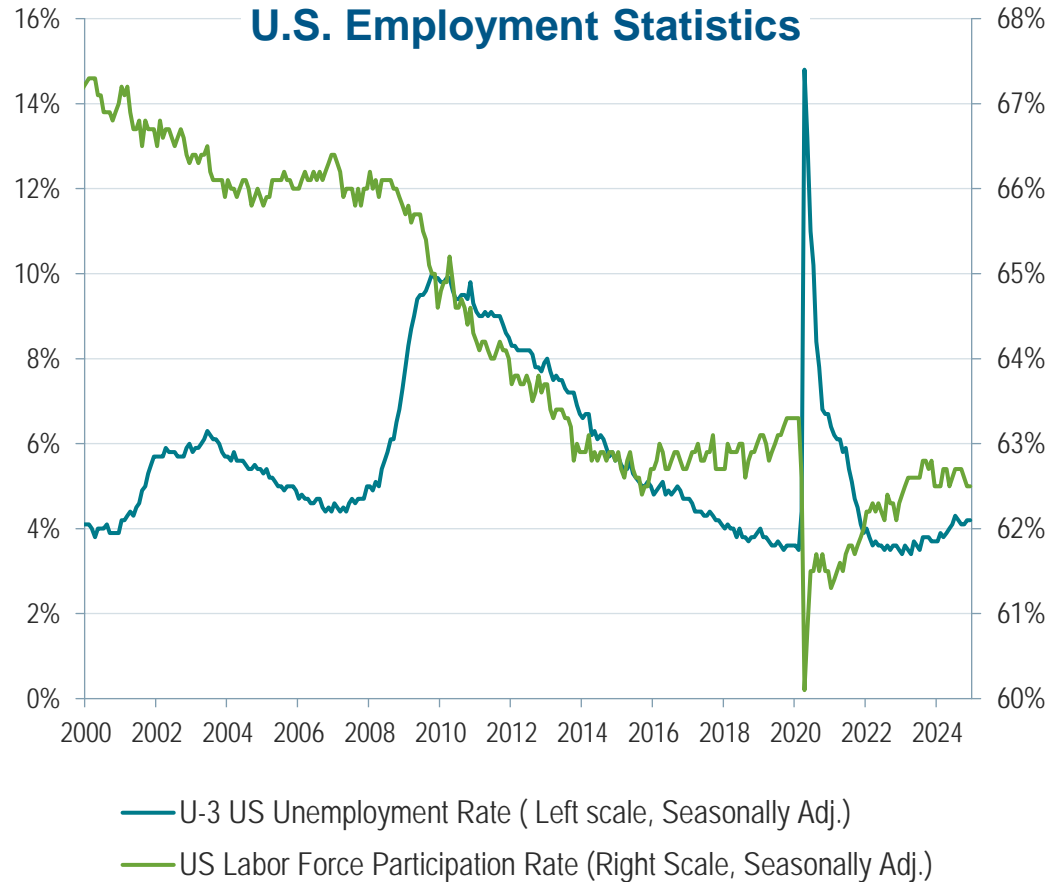


CPI: Consumer price index – measure of the cost of living

Source: Bloomberg
© 2025 Mercer (US) LLC. All rights reserved.

Recession

Expectations vs. reality



Our 2024 outlook

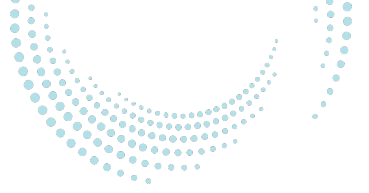
- Soft landing on the table

What actually happened

- Despite rising unemployment, corporate earnings grew, inflation fell and U.S. economic growth continued at a solid pace

Source: Bloomberg, Refinitiv; as of 12/31/24.
© 2025 Mercer (US) LLC. All rights reserved.

Geopolitics



Our 2024 outlook

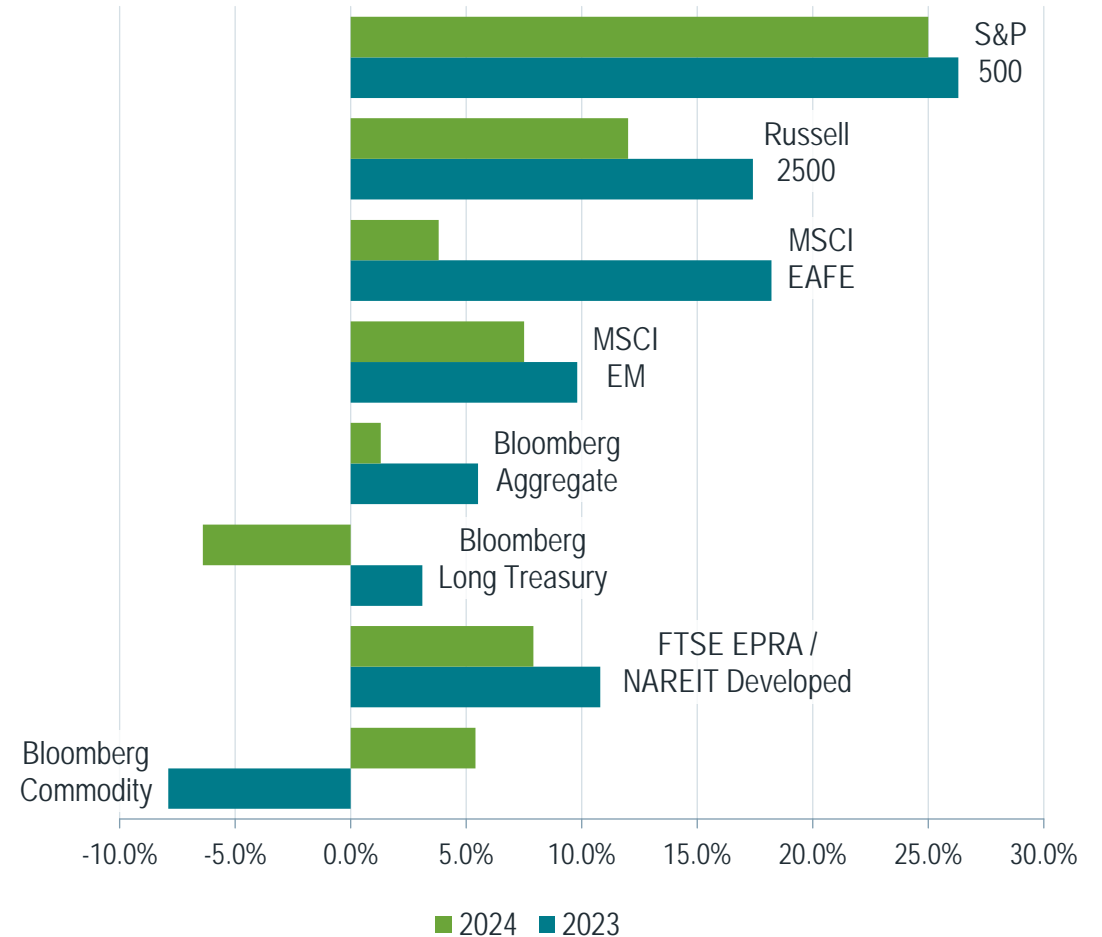
- Risk factors include escalation of existing conflicts (Ukraine, Israel)
- China / Taiwan appears muted

What actually happened

- Ongoing conflicts, while tragic, have not had major impacts on financial markets
- Concerns around tariffs rose after the results of the 2024 election

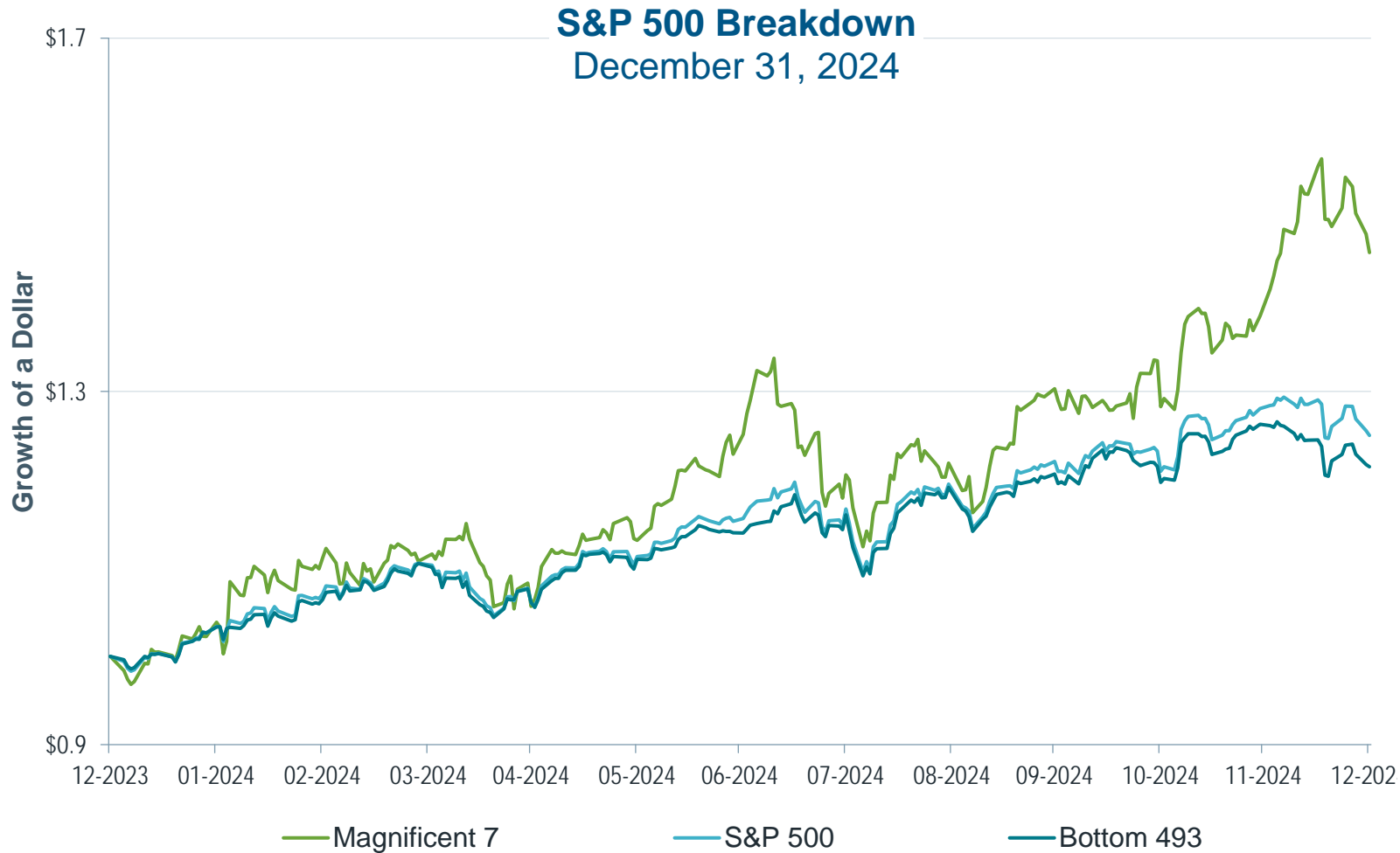
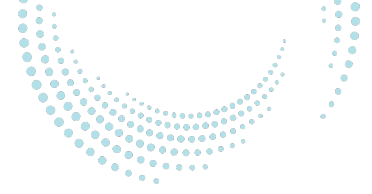
Financial markets

- Continued U.S. strength
- Continued momentum around artificial intelligence boosted U.S. equities, specifically mega tech names
- US markets outperformed international driven by strong earnings growth, a resilient consumer, and strong U.S. dollar
- Challenging environment for bond markets characterized by volatility and central bank decisions



Source: Standard & Poor's, Russell, MSCI Barra, NAREIT, Bloomberg; as of 12/31/24

Technology soars in 2024



Magnificent 7 includes: Apple, Amazon, Alphabet, NVIDIA, Microsoft, Meta (Facebook), Tesla

The Magnificent 7 continue to trade at a substantial valuation premium to the broader market, suggesting valuation risk if earnings growth fails to meet high expectations in the future.

Source: Bloomberg as of 12/31/2025.

2025 Economic Outlook



Poll Question:

Which outcome do you think is most likely based on the new administration's economic policies?

- a) Reduction in inflation
- b) Increase in inflation
- c) Recession
- d) Soft landing
- e) No strong view



2025 Outlook

Central banks



- In developed markets, central banks continue to cut interest rates heading towards neutral
- China's policymakers to enact further fiscal policy stimulus measures

Growth



- Growth in much of developed world is likely to soften in the near term
- Low risk of recession globally
- Soft landing becoming more likely

Inflation



- Inflation to continue normalizing in 2025
- Tariffs?

2025 Outlook

Equities



- Mixed backdrop expected for equities, with a supportive economic environment balanced by high valuations
- A reversal in dollar strength could provide tailwind for non-U.S. equities
- AI?

Fixed Income



- Rates still high relative to history
- Potential downward pressure on yields with further fed cuts

Alternatives

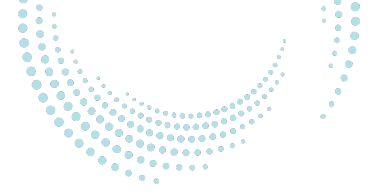


- Impact of falling inflation and rates on real assets
- Real estate still mixed with divergence between sectors

ABA Retirement Funds Investment Platform



ABA Retirement Funds investment structure



1 Make it easier for me

RETIREMENT DATE FUNDS

- 2060 Retirement Date Fund
- 2055 Retirement Date Fund
- 2050 Retirement Date Fund
- 2045 Retirement Date Fund
- 2040 Retirement Date Fund
- 2035 Retirement Date Fund
- 2030 Retirement Date Fund
- 2025 Retirement Date Fund
- 2020 Retirement Date Fund
- Post Retirement Date Fund

TARGET RISK FUNDS

- Conservative Risk Fund
- Moderate Risk Fund
- Aggressive Risk Fund

2 I'm saving for retirement

U.S. EQUITY FUNDS

- Large Cap Index Equity Fund
- Small-Mid Cap Equity Fund
- Small-Mid Cap Index Equity Fund
- All Cap Index Equity Fund

NON-U.S. EQUITY FUNDS

- International All Cap Equity Fund
- International Index Equity Fund

FIXED INCOME FUNDS

- Bond Core Plus Fund
- Bond Index Fund
- Stable Asset Return Fund

NON-TRADITIONAL DIVERSIFYING FUNDS

- Real Asset Return Fund
- Alternative Alpha Fund

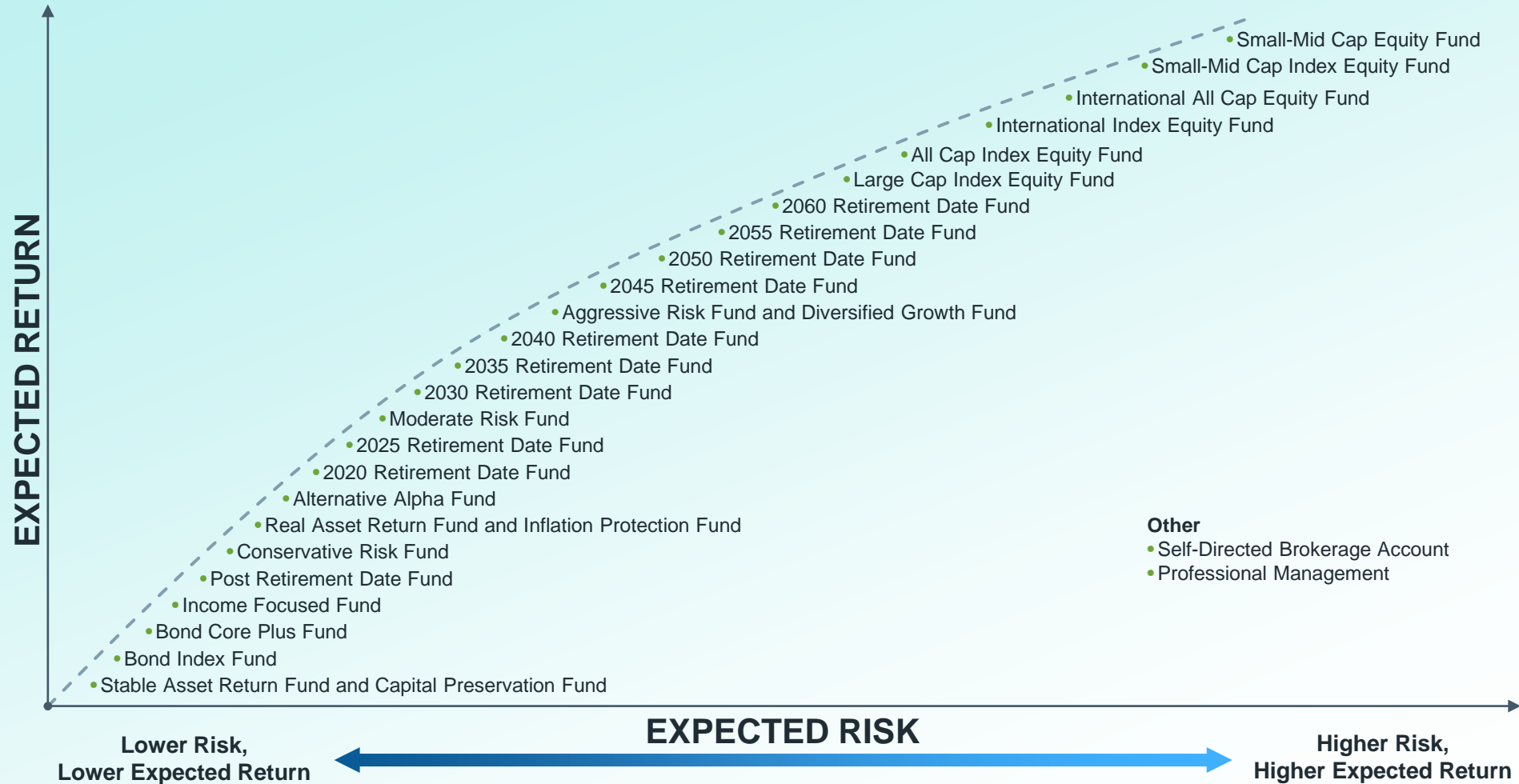
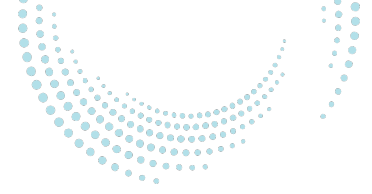
3 I'm retired or almost there

RETIREE FUNDS

- Capital Preservation Fund
- Income Focused Fund
- Inflation Protection Fund
- Diversified Growth Fund

We support Program participants TO AND THROUGH retirement

Expected risk and return illustration



Note: This graph is not to scale and is intended to illustrate the rank order of the expected risk, as measured by standard deviation, of each investment option. The risk and return assumptions are based on Mercer's Capital Market Assumptions (20-year) as of April 2022. Expected return is no guarantee of future performance

Program Resources and Information



Need help?

Financial Planning

Offered through *Voya Financial Advisors* (“VFA”)



The Be Ready! Service¹ is for participants who wish to discuss their **overall financial situation** (e.g., managing school debt, retirement savings, personal savings goals). They will receive a free personalized action plan for key savings goals.²

Online Advice

Offered through *Voya Retirement Advisors* (“VRA”)



This no-cost interactive tool is a web-based service for the investor seeking **advice to help make their own decisions** for their retirement plan account.³

Professional Management

Offered through *Voya Retirement Advisors* (“VRA”)



This fee-based service is designed for the investor who would rather have **investment professionals manage their retirement plan account** on an ongoing basis.³

For more information:
Visit the **Participant Resources**
section of abaretirement.com



¹ Financial Professionals are investment advisor representatives and registered representatives of, and securities and investment advisory services are offered through Voya Financial Advisors, Inc. (member SIPC).

² Please note, Employers can not access Participant personal information provided through Be Ready! Services. For more complex situations, your VFA Representative can design a complete financial plan for a fee of up to \$1,500. Neither the Financial Snapshot or the full financial plan include investment recommendations for in-plan assets.

³ **IMPORTANT:** Forecasts, projected outcomes or other information generated regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. In addition, results may vary each time a forecast is generated for you. **Advisory Services provided by Voya Retirement Advisors, LLC (“VRA”).** VRA is a member of the Voya Financial (“Voya”) family of companies. For more information, please read the Voya Retirement Advisors Disclosure Statement, Advisory

Services Agreement and the ABA Retirement Funds Program’s (“Program’s”) Fact Sheet. These documents may be viewed online by accessing the advisory services link(s) through the Program’s web site at abaretirement.com after logging in. You may also request these from a VRA Investment Advisor Representative by calling the Program’s information line at 800.348.2272. Financial Engines Advisors L.L.C. (“FEA”) acts as a sub advisor for VRA. FEA is a federally registered investment advisor. Neither VRA nor FEA provides tax or legal advice. If you need tax advice, consult your accountant, or if you need legal advice, consult your lawyer. Future results are not guaranteed by VRA, FEA or any other party and past performance is no guarantee of future results. Edelman Financial Engines® is a registered trademark of Edelman Financial Engines, LLC. All other marks are the exclusive property of their respective owners. FEA and Edelman Financial Engines, LLC are not members of the Voya family of companies. ©2025 Edelman Financial Engines, LLC. Used with permission.

Contact us



Website: abaretirement.com



Email at contactus@abaretirement.com

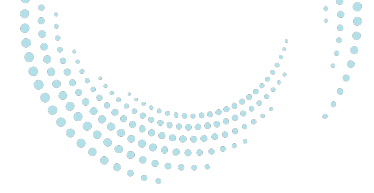


Call the toll-free automated phone line at **800.348.2272**

- Use the 24-hour phone system or speak with a Customer Service Associate (8am-8pm ET)

If you are interested in learning more about the Program, please email joinus@abaretirement.com

Important notices



References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

All units of the collective investment funds offered by Mercer Trust Company LLC (MTC) are exempt from registration under the Securities Act of 1933, and the funds are exempt from regulation under the Investment Company Act of 1940. The units are not insured by the Federal Deposit Insurance Corporation, are not deposits or other obligations of, and are not guaranteed by MTC or any of its affiliates. An investment in units of the funds involves investment risks, including possible loss of principal invested. Please refer to the Mercer Wise 401(k) Program Disclosure and Offering Memorandum for more information. © 2025 Mercer LLC. All rights reserved.

This contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity without Mercer's prior written permission.

Mercer does not provide tax or legal advice. You should contact your tax advisor, accountant and/or attorney before making any decisions with tax or legal implications.

The assets under advisement data (AUA Data) reported here include aggregated assets under advisement for Mercer Investments LLC and their affiliated companies globally (Mercer). The AUA Data have been derived from a variety of sources, including, but not limited to, third-party custodians or investment managers, regulatory filings, and client self-reported data. Mercer has not independently verified the AUA Data. Where available, the AUA Data are provided as the date indicated (the Reporting Date). To the extent information was not available as of the Reporting Date; information from a date closest in time to the Reporting Date, which may be of a date more recent in time than the Reporting Date, was included in the AUA Data. The AUA Data include assets of clients that have engaged Mercer to provide project-based services within the 12-month period ending on the Reporting Date. The assets under management data (the AUM Data) reported here include aggregated assets for which Mercer Investments LLC (Mercer Investments) and their global affiliates provide discretionary investment management services as of the dates indicated. The AUM Data reported here may differ from regulatory assets under management reported in the Form ADV for Mercer Investments. For regulatory assets under management, please see the Form ADV for Mercer Investments which is available upon request by contacting Compliance Department, Mercer Investments, 99 High Street, Boston, MA 02110.

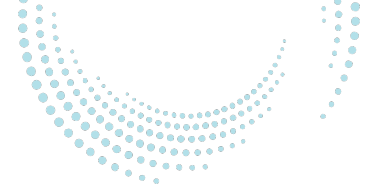
The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see mercer.com/conflicts of interest.

This does not contain investment advice relating to your particular circumstances. No investment decision should be made based on this information without first obtaining appropriate professional advice and considering your circumstances. Mercer provides recommendations based on the particular client's circumstances, investment objectives and needs. As such, investment results will vary and actual results may differ materially.

Important information



Please read the Annual Disclosure Document (April 2024) carefully before investing. This Disclosure Document contains important information about the Program and investment options. For email inquiries, contact us at: contactus@abaretirement.com.

Registered representative of Voya Financial Partners, LLC (member SIPC).

Voya Financial Partners is a member of the Voya family of companies (“Voya”). Voya, the ABA Retirement Funds, and Mercer Trust Company are separate, unaffiliated entities, and not responsible for one another’s products and services.

References to Mercer and Mercer Trust Company in this presentation shall be construed to include Mercer and/or its associated companies.

This presentation contains confidential and proprietary information and is intended for the exclusive use of the parties to whom it was provided. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without prior written permission.

Investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

Q & A





Thank You

Built by **LAWYERS**, Powered by **PROS**®

ABA Retirement Funds Program

P.O. Box 990073

Hartford, CT 06199

800.348.2272

contactus@abaretirement.com

abaretirement.com

© 2025 ABA Retirement Funds Program



abaretirement.com