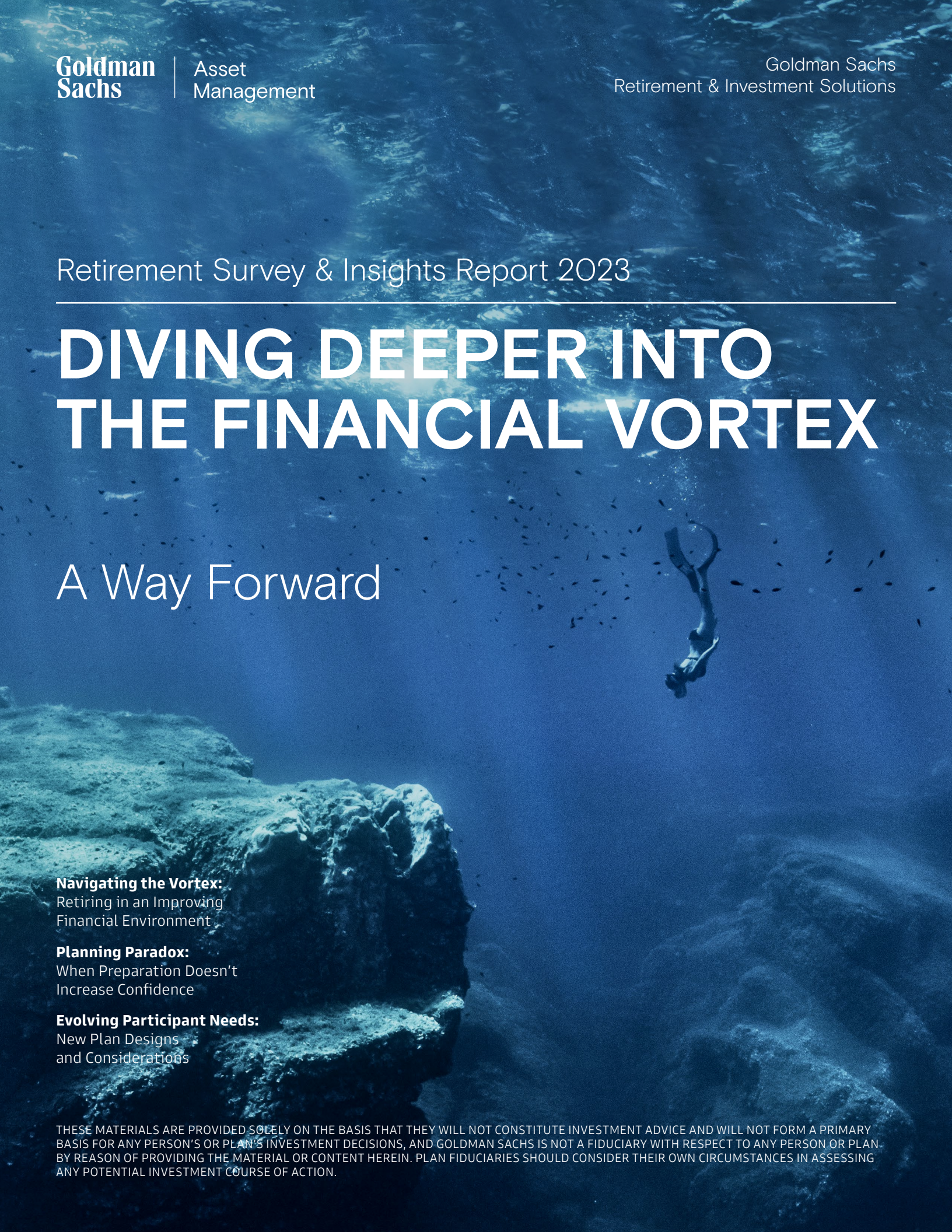
Goldman Sachs | Asset Management

Goldman Sachs
Retirement & Investment Solutions

Retirement Survey & Insights Report 2023

# DIVING DEEPER INTO THE FINANCIAL VORTEX

## A Way Forward



**Navigating the Vortex:**
Retiring in an Improving Financial Environment

**Planning Paradox:**
When Preparation Doesn't Increase Confidence

**Evolving Participant Needs:**
New Plan Designs and Considerations

THESE MATERIALS ARE PROVIDED SOLELY ON THE BASIS THAT THEY WILL NOT CONSTITUTE INVESTMENT ADVICE AND WILL NOT FORM A PRIMARY BASIS FOR ANY PERSON'S OR PLAN'S INVESTMENT DECISIONS, AND GOLDMAN SACHS IS NOT A FIDUCIARY WITH RESPECT TO ANY PERSON OR PLAN BY REASON OF PROVIDING THE MATERIAL OR CONTENT HEREIN. PLAN FIDUCIARIES SHOULD CONSIDER THEIR OWN CIRCUMSTANCES IN ASSESSING ANY POTENTIAL INVESTMENT COURSE OF ACTION.

# Introduction

Retirement savers face a complex backdrop of financial concerns. Economic and personal factors combine to create an unpredictable Financial Vortex of challenges and responsibilities that strain savers' ability to save and live in retirement.

In this year's Retirement Survey & Insights Report, we dive deeper into these challenges and identify potential solutions that may help manage the Financial Vortex's impact. Our report explores steps employers and advisors can take to help employees navigate the turbulence and find unique paths to retirement.

In the first section of our report, The Financial Vortex Continues to Plague Savers, we show how the realities of life's competing financial priorities can continue to threaten workers' savings, even while overall economic conditions improve around them.

The second section, Managing the Unexpected covers practical changes plan sponsors and advisors can consider to help savers navigate the inevitable but often hard-to-predict financial challenges that life throws their way. We analyze four key aspects of plan design and retirement services that can impact individuals' ability to retire.

In the third section, Rethinking the Role of the 401(k) Plan, we explore the evolving role of the 401(k) plan in supporting the broader financial wellbeing of a workforce. With the passage of SECURE Act 2.0, the industry will need to consider widening the scope of services beyond those traditionally associated with retirement.

More than ever, we believe there is no one path or solution that solves retirement for all individuals. Yet this challenge brings the opportunity to provide workers and retirees with more integrated, personalized, solutions to help their retirement goals.

# Methodology and Respondents

## METHODOLOGY

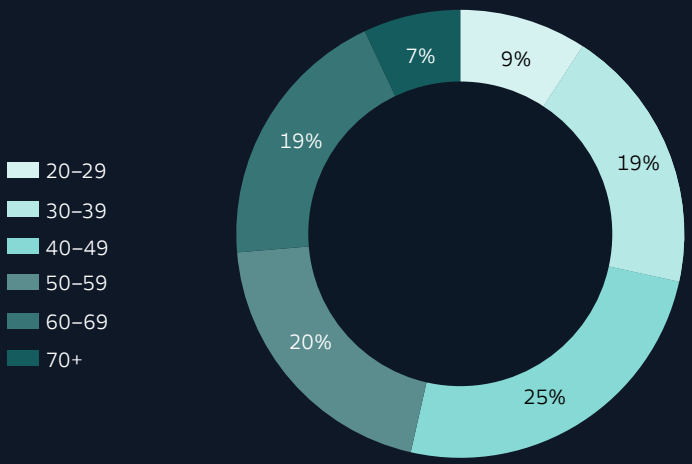
We evaluate survey responses from both working and retired Americans to understand the realities of preparing for and living in retirement. Our goal is to learn about the financial obstacles individuals need to overcome and lessons that can be applied. Our Retirement Survey & Insights Report includes key findings that we hope will help plan advisors and plan sponsors better prepare employees for retirement. Our findings are from 5,261 individuals surveyed in June-July 2023 and provide insights from a diverse set of perspectives, including (i) working individuals (3,673 working individuals across generations—working Baby Boomers, Generation X, Millennials, and Generation Z), and (ii) retired individuals (1,588 retired individuals age 50-75).

## RESPONDENTS

# 5,261

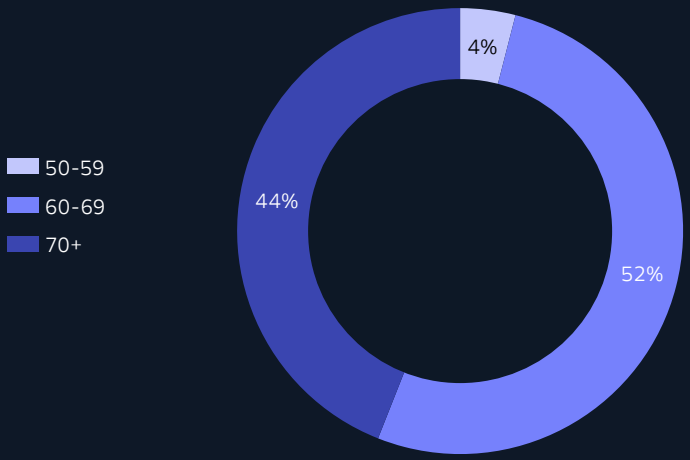
### WORKING INDIVIDUAL

# 3,673




### RETIRED

# 1,588



# KEY SURVEY FINDINGS

### REALITIES OF RETIREMENT

## Retirement Sentiment Improved, but the Financial Vortex Effect Remains

Despite improving economic conditions, the reality that individuals need to navigate the Financial Vortex is here to stay. Competing priorities and limited financial resources make it difficult to balance multiple goals. As a result, 21% report that this impact is going to delay their retirement by four or more years.

### FINANCIAL LITERACY CONCERNS

## Despite Low Financial Literacy, Many Are Managing Their Retirement Savings On Their Own

Nearly half of working respondents (47%) self-manage their retirement savings, yet only 13% correctly answered all of the financial literacy questions. Financial education provides empowerment and allows retirement savers and retirees to feel confident when navigating financial challenges. As we consider optimal retirement plan design, this is one of many factors that can be important to help people prepare for retirement.

### PLANNING PARADOX

## Personalized Planning Provides Many Benefits, but Does Not Entirely Alleviate Vortex Challenges

While a personalized retirement plan can increase confidence, reduce stress and improve overall satisfaction with savings, it can also heighten savers' awareness of the financial vortex. Those without a plan report feeling less impacted by competing financial priorities than those with a plan. This paradox highlights the need for personalized support that goes beyond planning.

### LOOKING BEYOND RETIREMENT

## Employees Want Retirement Plans to Help with Near-Term Financial Challenges

Emergency savings was the top choice for plan design enhancements, evidencing the employee desire to receive help navigating immediate financial challenges. The survey highlights that emergency savings can significantly help the concerns of competing financial priorities and therefore can be an important driver of financial resiliency.

# MANAGING THE FINANCIAL VORTEX

## ALIGN PLAN DESIGN WITH RETIREMENT SAVER JOURNEY

### FOUNDATIONAL SOLUTIONS

**Getting Started**

- Just starting out in their career
- Beginning to save for retirement but not top priority
- Repaying student loan

### GOAL-BASED

**Heart of Career**

- Balancing financial priorities and supporting family members (i.e. sandwich generation)
- Significant life events:
  - Marriage and/or home buying
  - Starting a family

### PERSONALIZED

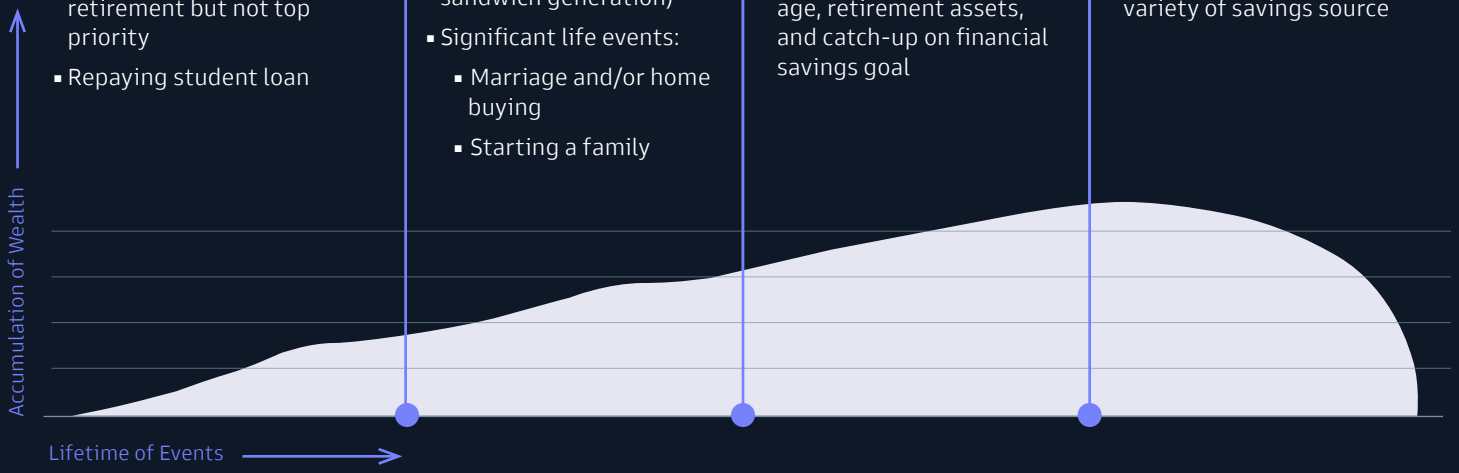
**Late-Stage Career**

- Retirement planning is a top financial goal
- Fine-tuning retirement age, retirement assets, and catch-up on financial savings goal

### SPENDING IN RETIREMENT

**Spending Phase**

- Implementation of retirement plan
- Generate income from variety of savings source




## KEY FINDINGS

### FINANCIAL FOUNDATION

Financial literacy can positively impact the retirement journey.

Almost half of working respondents prefer to manage retirement savings themselves, yet only 13% correctly answered the sample financial literacy questions.

Financial literacy can have a meaningful impact on workers ability to navigate competing priorities.

### FINANCIAL RESILIENCY

Preparing for emergencies can prevent early withdrawals from retirement savings.

42% of working respondents experienced a hardship that caused them to stop saving for retirement.

56% of working respondents have less than three months of income saved for emergencies.

### FINANCIAL STRATEGY

Personalized plans provide a range of potential benefits that are tailored to each saver.

78% of working respondents with a financial plan report their retirement savings as on-track or ahead of schedule, compared to 34% of those without a plan.

78% of retired respondents with a financial plan entering retirement were confident they were ready to make the transition, compared to 56% without a plan.

### INCOME STRATEGY

Blended investment and annuity-based income strategies can align with better retirement experience.

Almost 60% of retired respondents with a blended income strategy report having a better retirement lifestyle than those with only an investment or annuity strategy (49% for each).

35% of retirees with a blended income strategy report being very satisfied with their income, compared to 23% and 25% for those with just annuity or investment income, respectively.

# FINANCIAL VORTEX CONTINUES TO PLAGUE SAVERS

As we near the end of 2023, financial markets and economic indicators appear stronger relative to a year ago.

The bear market in US equities during 2022 has drawn to an end. A bull market may be on the horizon. Inflation also appears to be easing, which may lead to a slowdown in interest rate increases.

Retirement confidence is up, even though we would hesitate to call the macro environment optimal for consumer sentiment, economic activity, and markets more broadly.

We see lower stress, improved savings and more savings on track. Despite these improvements, however, the strain on savers caused by competing financial responsibilities remains virtually unchanged.

In this section, we explore the impact and key drivers of competing priorities that continued to plague retirement savers.

# Retirement Sentiment Improved from 2022

Capital markets have improved with the S&P 500 index up 20.6% year-to-date through July 31, 2023, and inflation is abating with the consumer price index declining to 3.2% from 6.4% year-over-year over the same period.[1] As a result, we are seeing a positive impact on working respondent's sentiment.

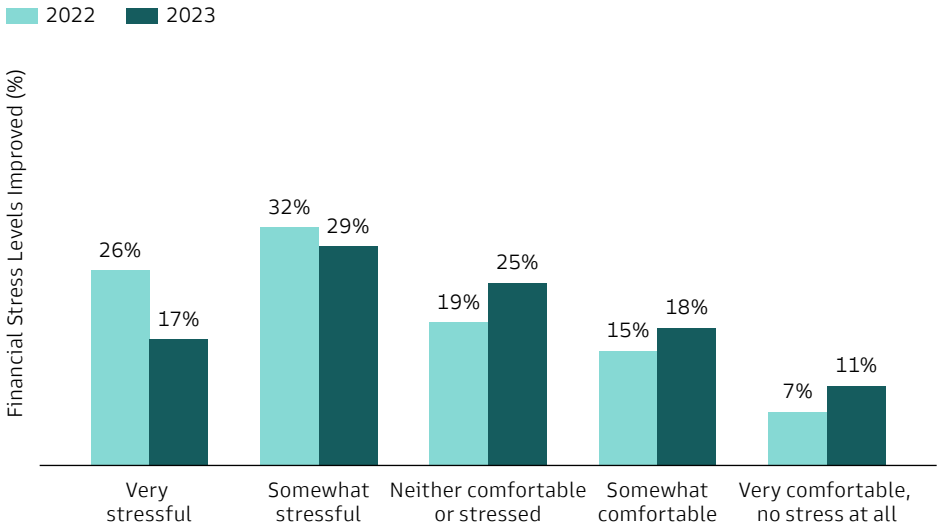
Relative to last year, working respondents report lower levels of financial stress managing their retirement savings. In 2022, 58% reported feeling stress versus 46% in 2023.

Additionally, 65% of working respondents are confident in their ability to meet their overall retirement savings goal relative to 57% reported last year. Parallel, 52% have increased their retirement savings, relative to 36% last year, and 61% of working respondents believe their current savings are now on-track or better, relative to 54% reported last year.

WORKING

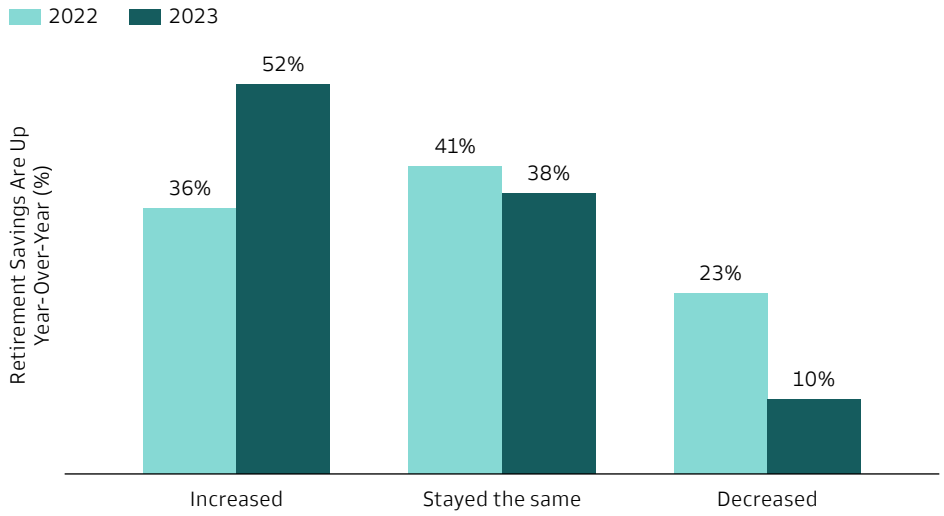
How much financial anxiety/stress do you feel managing your retirement savings?

Please select one.




WORKING

Compared to the last year, has your annual retirement savings increased, decreased or stayed the same?




[1]3.2% represents year-over-year change in headline CPI as of December 31, 2022. 6.4% represents year-over-year change in headline CPI as of July 31, 2023.

# Even As Optimism Increases, the Financial Vortex Continued To Threaten Retirement Savings

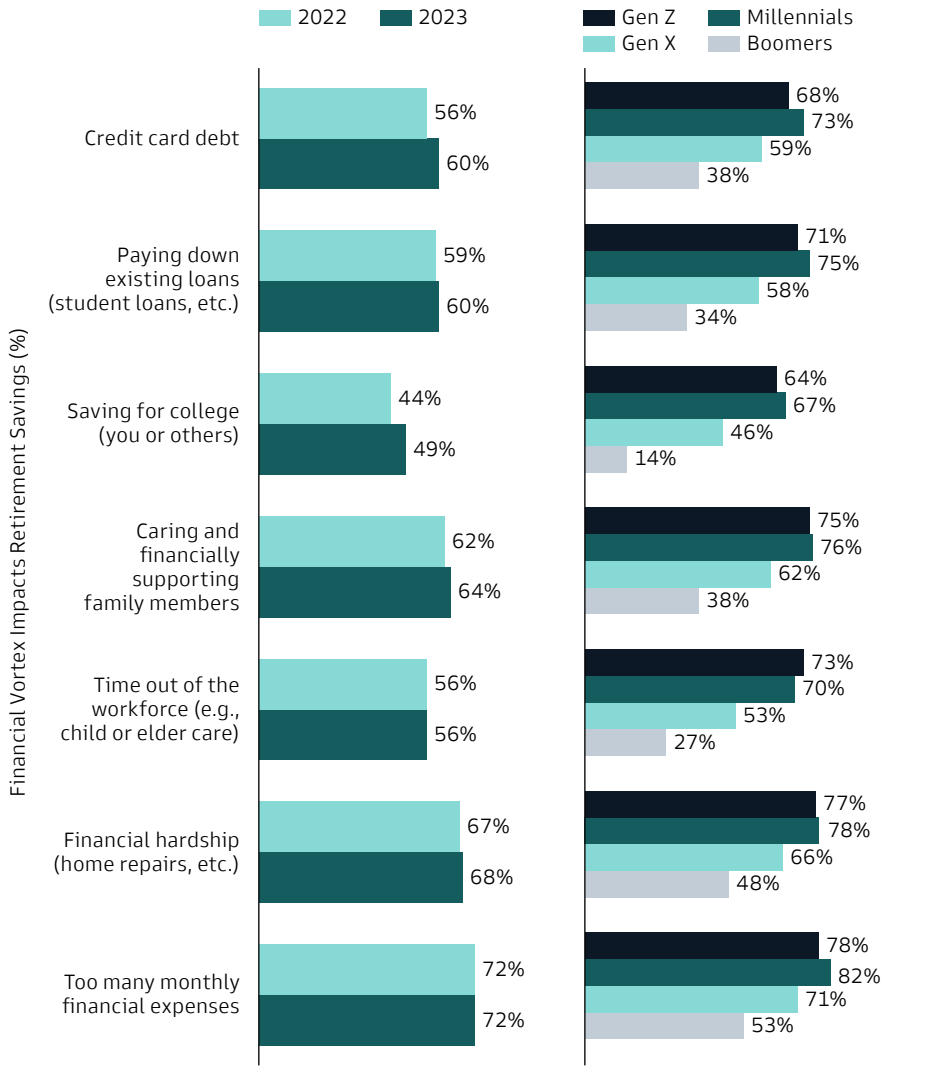
The Financial Vortex's impact is strikingly consistent year-over-year despite working respondents' improvement in overall retirement sentiment.

As discussed in our prior year's report, the Financial Vortex impacts generations differently showing how retirement planning has changed considerably across generations over the past few decades. Generation X is the first generation to rely primarily on 401(k) plans and are faced with a narrowing timeframe to close any savings gap. Millennials and Generation Z report the highest impact of competing priorities and will likely need a more personalized level of support to navigate accordingly.

WORKING

## How strongly do the below affect your ability to save for retirement?

(Extremely, very, moderately)




Percentages may not add up to 100% due to rounding.

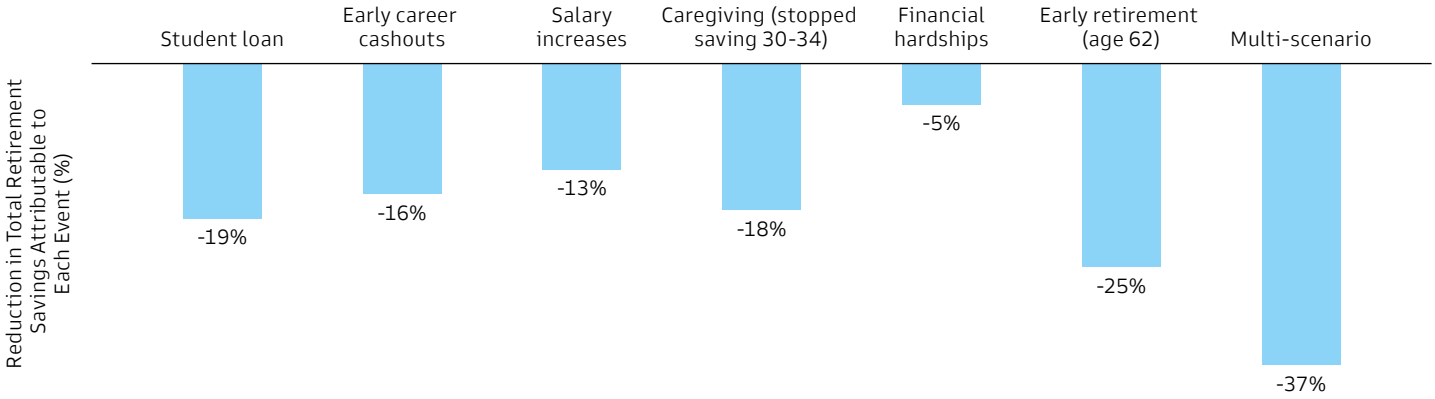
# Financial Vortex May Lower Total Retirement Savings if Adjustments Are Not Made

The impact of competing priorities can take a significant toll on retirement savings. Without the appropriate interventions, many could reach retirement underprepared. Individuals impacted by multiple factors in our analysis saw total retirement savings reduced by almost 40%.

To illustrate the potential impact common life events may have on retirement savings, we compare the total retirement savings of a hypothetical retirement saver who saves consistently from age 25 to age 65 to a retirement saver who experiences different life events (below).

The impact for each "blind spot" event—in other words, impacts you may not see especially right away—can be significant. If we assume individuals experience multiple events, we can better understand why even people who try to save consistently still may reach retirement under-prepared.

## KEY FINDINGS




**Base Model Assumptions**

| | |
|---|---|
| Starting Salary: | $50,000 |
| Annual Salary Growth: | 3% |
| Employee Contribution Rate: | 8% |
| Employer Match: | 5% |
| Portfolio Rate of Return: | 6% |
| Saving Duration: | 40 years (age 25 to 65) |
| Ending Saving Target: | 10x income |

**Scenario Assumptions**

| | |
|---|---|
| Student Loan: | Savings is delayed 5 years and starts at age 30 |
| Early Career Cash-outs: | Full savings cash-out at age 26 and 28 |
| Salary Increases: | In additional the ongoing 3% salary increases, there are 7 instances of higher salary growth; 10% for the early career increases and 6% in the later career increases. |
| Caregiving: | Four years of no contributions and no salary increases between age 30–34 |
| Financial Hardship: | Two years (age 35 and 45) where saving stopped (no employee or employer contributions) |
| Early Retirement: | Retirement begins 4 years early (beginning of age 62) |
| Multi-Scenario: | Student loan, salary increases, caregiving and one financial hardship |

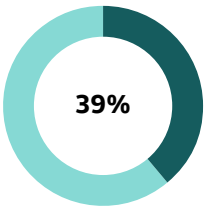
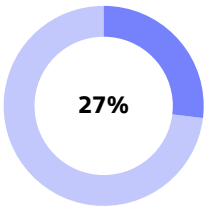
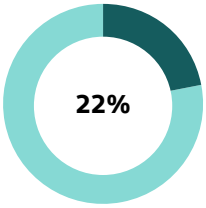
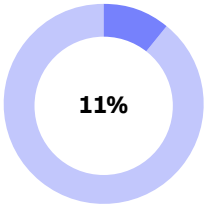
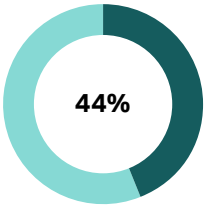
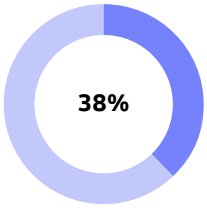
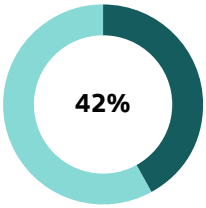
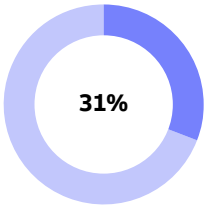
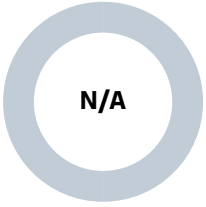
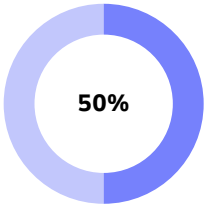
Portfolio Rate of Return is at 6% as this is assumed to be a conservative total return of a diversified portfolio.

The chart above is for illustrative purposes only based on certain assumptions, hypothetical information, estimates, projections and statements regarding certain life events of a hypothetical retirement saver. This does not reflect results of any Goldman Sachs product.If any assumptions used do not prove to be true, results may vary substantially. Please refer to page 39 in the end notes for additional disclosure

# Hard-to-Predict Financial Challenges Have Become More Frequent

Being able to save consistently is an important aspect of any successful retirement strategy. However, in an employer-based retirement system, job changes, caregiving, financial hardships or retiring early are examples of events that can prevent individuals from saving consistently in a workplace retirement plan.

The data illustrates how workers today juggle professional and personal life responsibilities, which can have a direct impact on their retirement savings. This further illustrates the changing dynamics impacting retirement savers today.

| WORKING | | RETIRED |
|---|---|---|
|  | **Caregiving**<br>% who left the workforce to provide care giving |  |
|  | **Caregiving**<br>% of respondents left their full-time job for a part-time job to provide care giving |  |
|  | **Retirement Cash-Outs**<br>% of respondents cashed-out their retirement savings at least once upon job change |  |
|  | **Financial Hardships**<br>% of respondents experienced a financial hardship that caused them to stop saving for retirement |  |
|  | **Early Retirement**<br>% of respondents retired earlier than expected |  |

# Many Expect to Delay Retirement, Few Expect to Be Forced Into Retirement Early

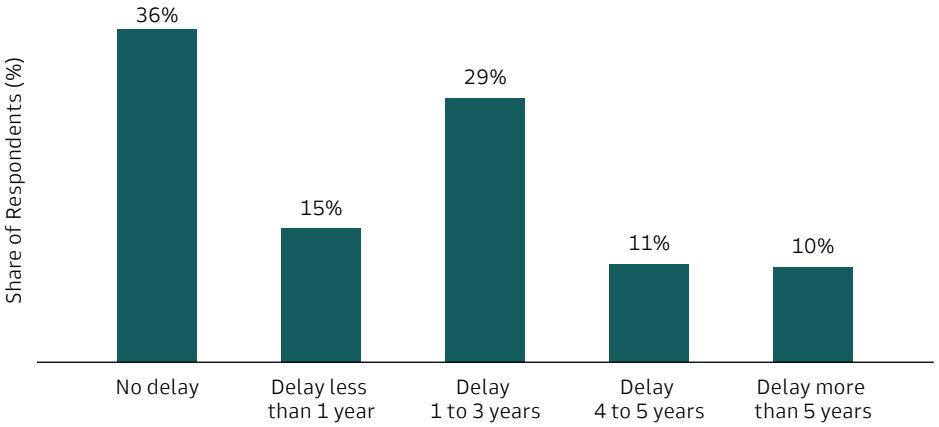
Two-thirds of working respondents expect competing priorities to delay their retirement. Nearly half believe their retirement will be delayed by a year or more, with 21% expecting to delay retirement four or more years. However, it is important to also recognize that based on our retired respondents, 50% retired earlier than expected, and close to half (47%) retired for reasons outside of their control. Additionally, of those who retired early, more than half (54%) retired more than four years earlier than expected.

Given the impact early retirement may have on a person's retirement savings, this is an important risk to consider when planning for retirement.

## WORKING

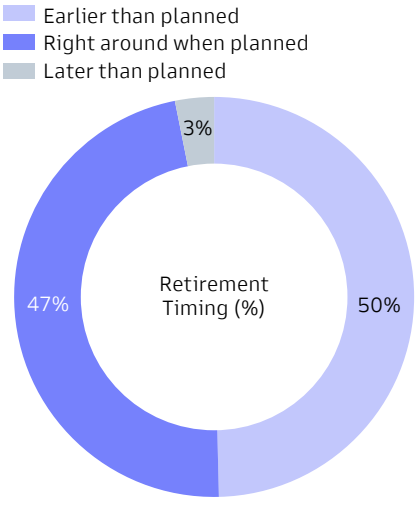
### Do you expect competing priorities[1] to delay your retirement?

Please select one.

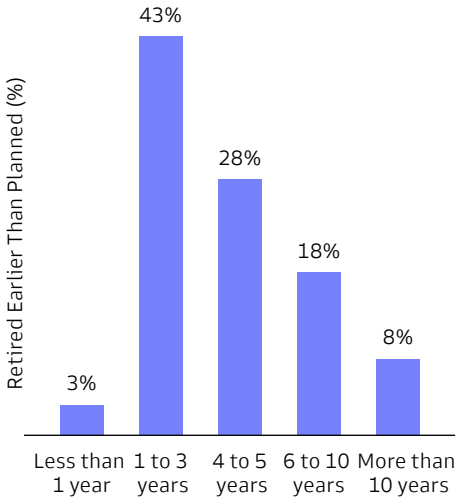



## RETIRED

### Left: Did you retire earlier than planned, right around when planned, or later than planned?




### Right: How much earlier did you retire than you planned?




Percentages may not add up to 100% due to rounding.

[1] Competing priorities refers to credit card debt; paying down existing loans; saving for college; caring and financially supporting family members; time out of the workforce; financial hardships; too many monthly financial expenses.

# Are Retirement Savers Destined to Repeat the Past?

Retirees receive a range of income levels in retirement, yet only 53% are satisfied with the level of income they receive. There is some correlation between higher levels of income and higher levels of satisfaction.

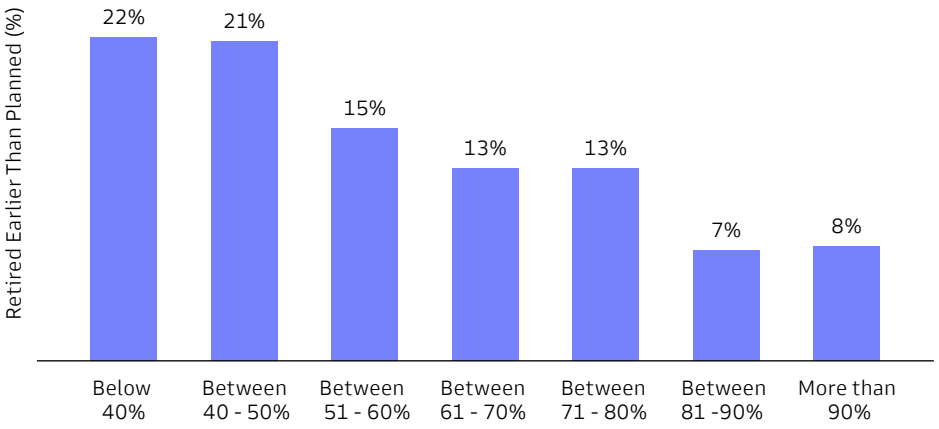
For instance, those with retirement income levels below 40% of pre-retirement income, only 24% report being satisfied, while those with 71% to 80% of their pre-retirement income, 70% are satisfied.

This further illustrates the benefit of the need for a personalized approach to ensure income levels meet individual needs. For some, a 90% replacement income rate is insufficient while, for others, 50% may be just fine.

RETIRED

## How much total annual income do you receive in retirement (including Social Security) relative to your pre-retirement income?

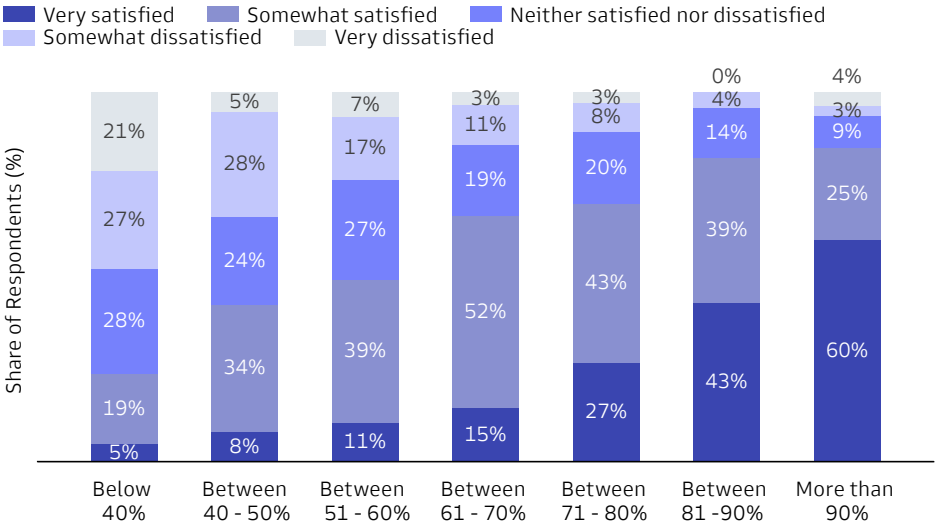
(i.e., your final annual compensation prior to retirement, such as salary, bonus, etc.)
Please select one.

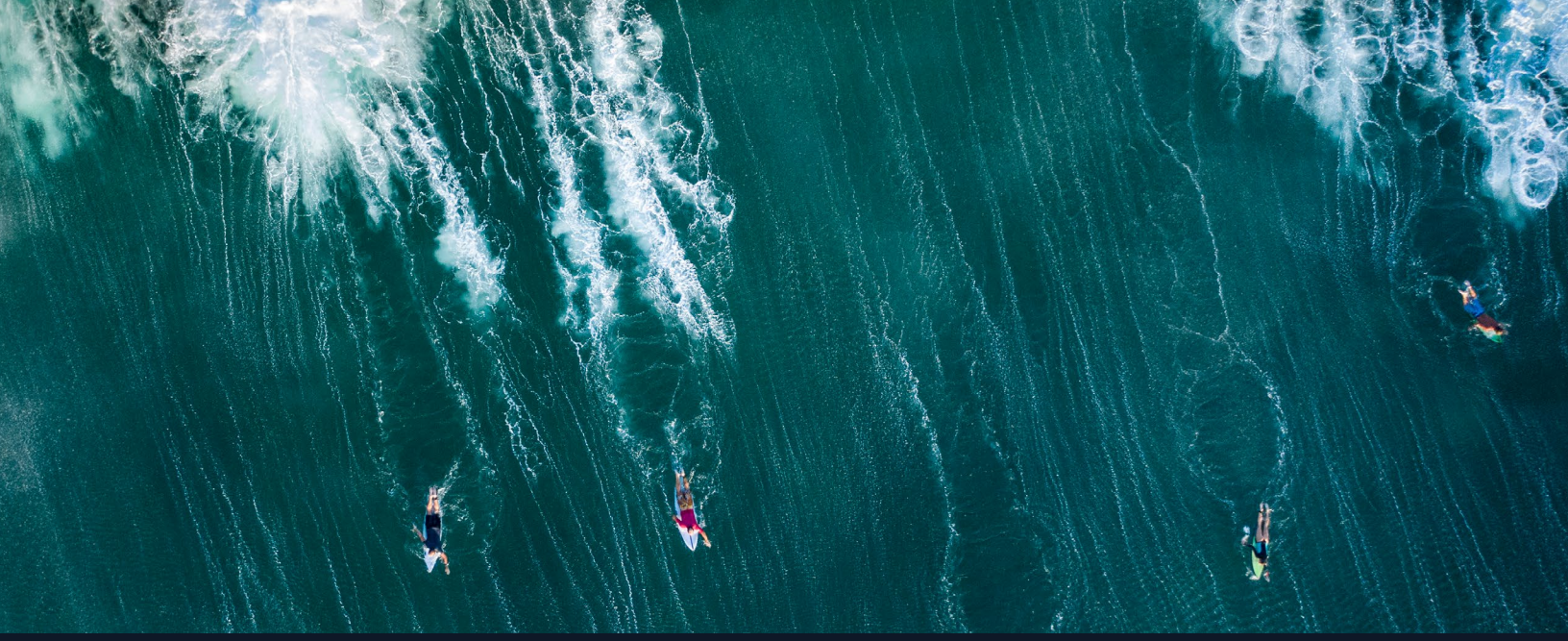



RETIRED

## How satisfied are you with this level of retirement income?

Please select one.





# MANAGING THE UNEXPECTED

Planning for retirement is complicated. Financial goals are deeply personal, as are the challenges people face along the way. Age, gender and other factors all present unique obstacles that need to be understood to provide effective personalized solutions. Many of the biggest challenges to preparing for retirement can show up out of the blue. As an industry, it is important to support individuals when these unexpected obstacles arise; beforehand, by teaching good saving and investing habits; during, by coaching them through trade-offs they'll need to make; and after, by helping identify actions to get back on track.

Plan sponsors and plan advisors walk a fine line of seeking to offer an array of options that provide flexibility and choice without overwhelming or causing confusion. To help identify and prioritize plan design changes, we provide an analysis on four aspects of plan design and retirement services that may have a meaningful impact on people's ability to prepare for retirement.

- Financial Literacy
- Personalized Financial Plan For Retirement
- Emergency Savings
- Blended Retirement Income

# Financial Literacy is Foundational, but May Be Less Common Than One Might Think

Financial literacy has been discussed considerably over the past decade. We believe financial literacy is foundational and essential to help one navigate competing priorities.

Financial literacy is commonly evaluated by asking respondents to answer five standardized questions.[1]

These questions are designed to test financial principles of interest, inflation, compounding and diversification.

Only 13% of working respondents answered all five sample questions correctly in the survey. Furthermore, when we evaluate the responses those who answered correctly relative to those who missed questions, we see a strong correlation with those who answered correctly reporting confidence navigating competing priorities, and report lower stress in managing their retirement savings.

WORKING

## "Big Five" Standardized Financial Literacy Questions[1]:

(multiple choice answers provided)

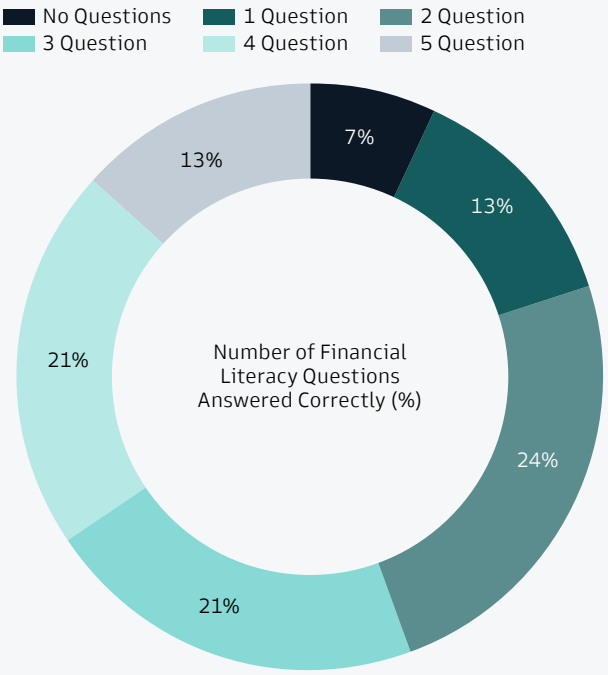
1. Suppose you had $100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?

2. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, how much would you be able to buy with the money in this account?

3. If interest rates rise, what will typically happen to bond prices?

4. A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less?

5. Buying a single company's stock usually provides a safer return than a stock mutual fund (i.e., portfolio of stocks)?




[1] Source: https://gflec.org/education/questions-that-indicate-financial-literacy/. For illustrative purposes only.

# Financial Literacy is Positively Correlated to Managing Competing Priorities

By reviewing the responses of those who answered the financial literacy questions correctly, we can identify the correlations between financial literacy and the reported ability to save for retirement.

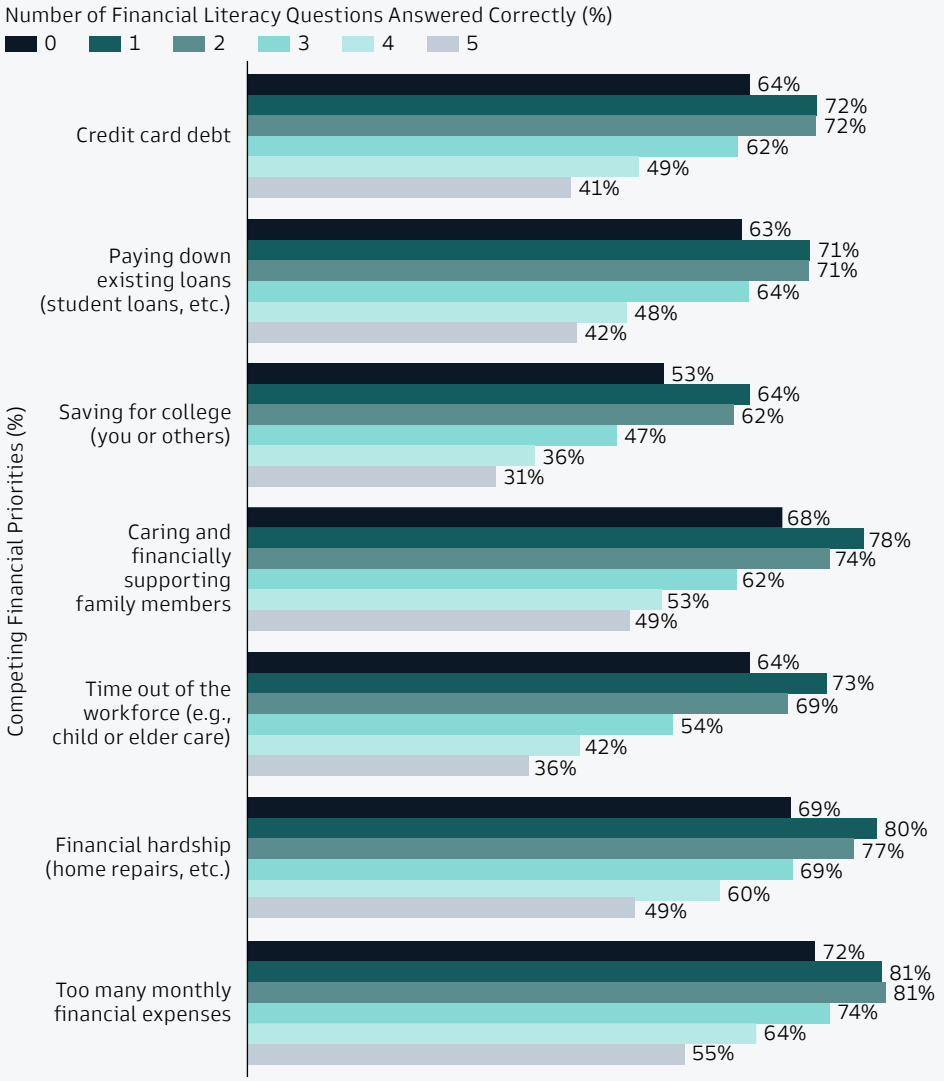
Those with better financial literacy and therefore better understanding of key financial concepts are less likely to report a high impact of competing financial needs on their retirement savings.

This data illustrates the potential impact of financial fundamentals for retirement savers and suggests that people with the basic financial knowledge may be better equipped to navigate the realities that retirement savers face.

WORKING

## How strongly do the below affect your ability to save for retirement?

(Extremely, very, moderately)



# Despite Low Financial Literacy, Many Manage Their Own Retirement Savings

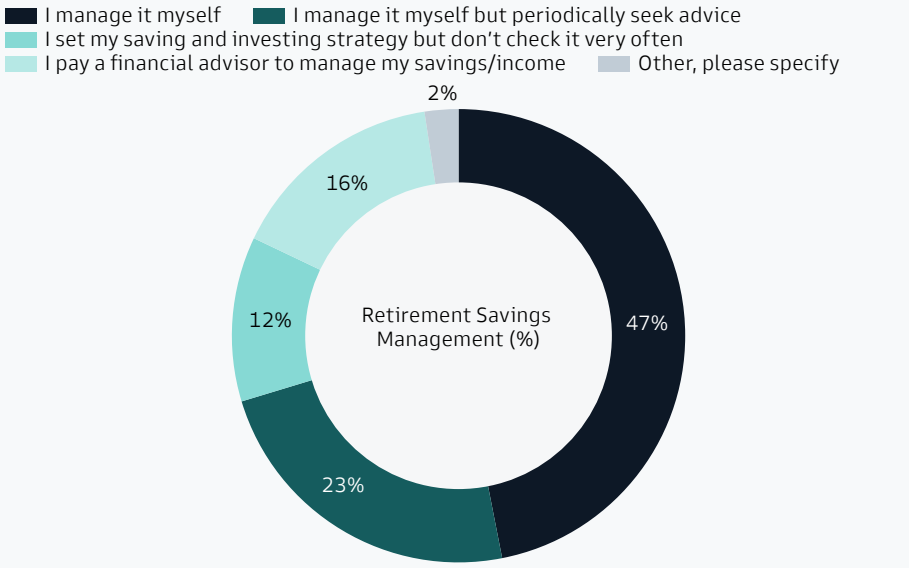
While those with lower financial literacy report being more affected by the financial vortex, 47% of working respondents reported that they that self-manage their retirement savings, 23% seek retirement advice and 16% utilize a financial advisor.

Additionally, we compare this data to those who answered the financial literacy questions correctly and see a small but counterintuitive trend — those with the least questions answered correctly are more likely to manage their own savings, and those with mostly correct answers are more likely to leverage professional advice.

WORKING

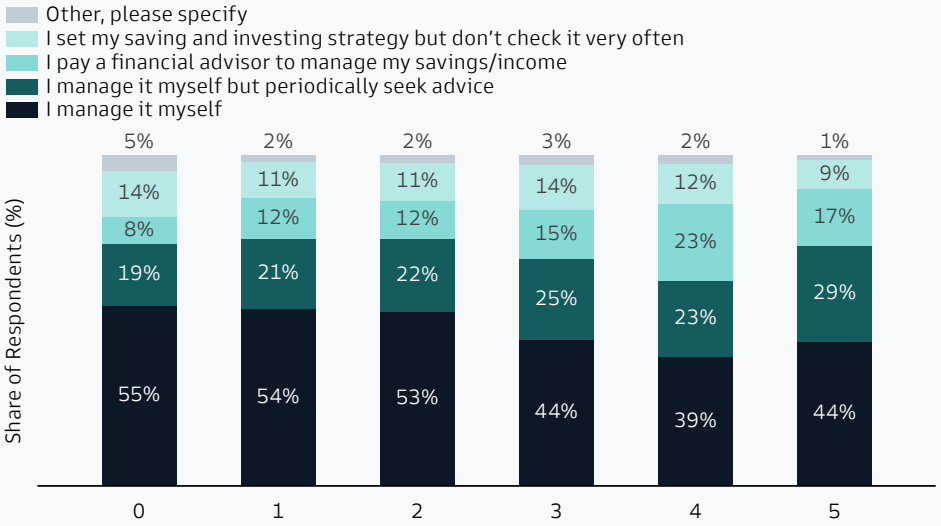
## How do you manage your retirement savings and/or income today?

Compared to number of financial literacy questions answered correctly.




WORKING

## Management of retirement savings/income compared to number of financial literacy questions answered correctly.




Percentages may not add up to 100% due to rounding.

# Personalized Financial Planning Provides Range of Potential Benefits for Retirement Savers

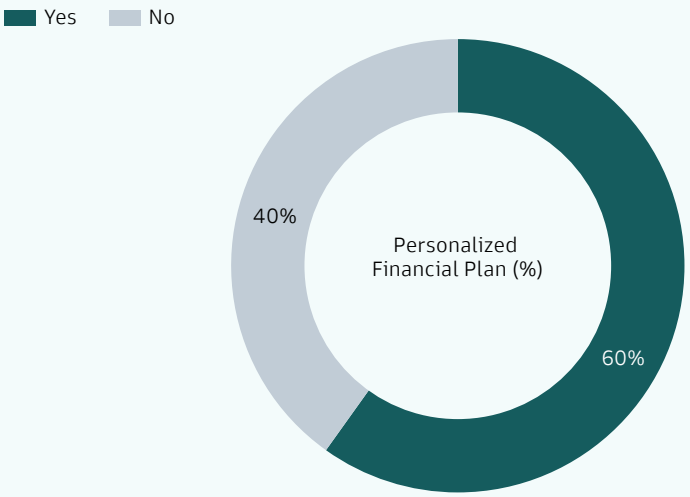
Of the many planning factors one can choose, few match the broad-based positive impact of having a personalized financial plan for retirement. In the Survey, we define a personalized plan as calculating how much total retirement savings one needs, and how to save and invest to achieve that goal. While seemingly basic, it can help put savers on the right path towards their retirement.

Based on the working responses, 60% have a basic financial plan and more than two-thirds (67%) who had a plan set up their plan before age 40.

WORKING

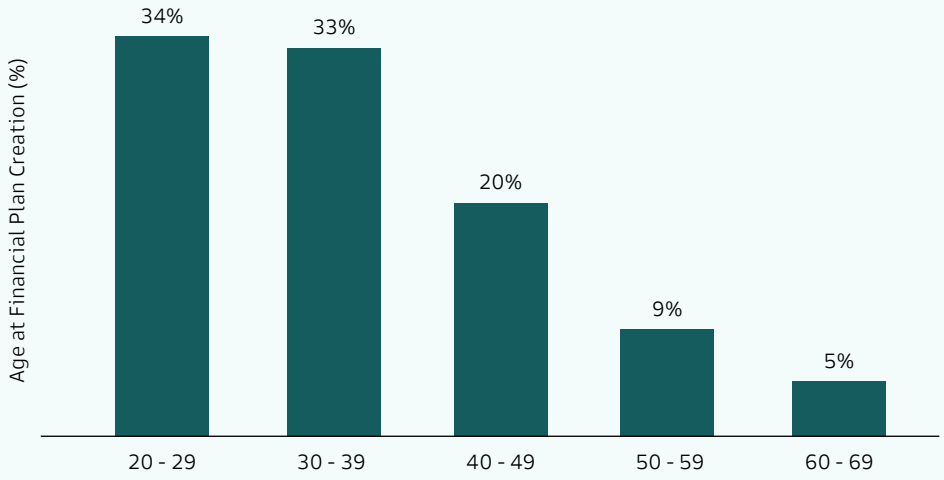
## Do you have a personalized financial plan for your retirement?

(e.g. calculating how much total retirement savings you need and how to save and invest to achieve that goal)




WORKING

## At what age did you set up your financial plan?



# Personalized Financial Plan More Likely to Result in Retirement Savings Being On-Track or Ahead of Schedule

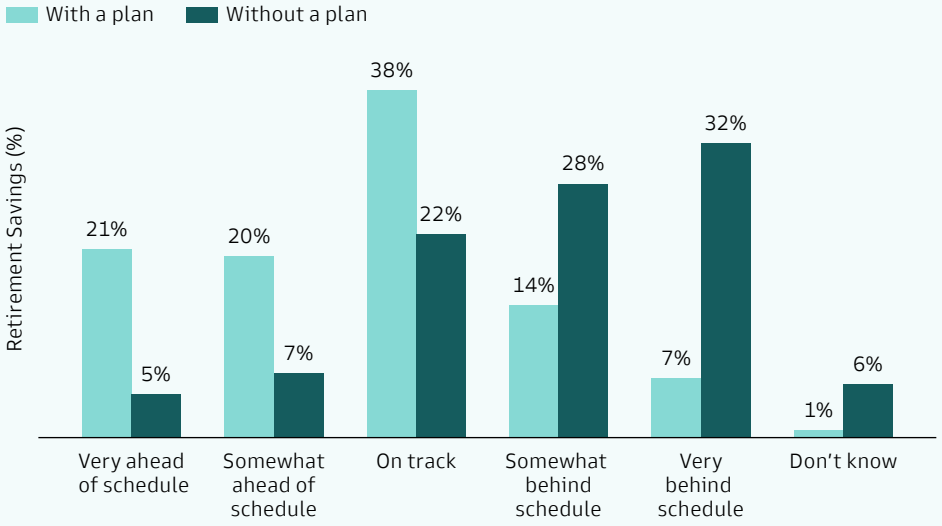
More than three quarters (78%) of working respondents with a financial plan report their retirement savings as on-track or ahead of schedule, compared to 34% of those without a plan. Conversely, 60% of those without a plan report being behind schedule, compared to 21% of those with a plan.

One of the potential benefits of a personalized plan is the confidence it may instill in one's ability to reach retirement goals. The majority (82%) of those with a plan feel confident they can reach their goal compared to 40% of those without a plan.

WORKING

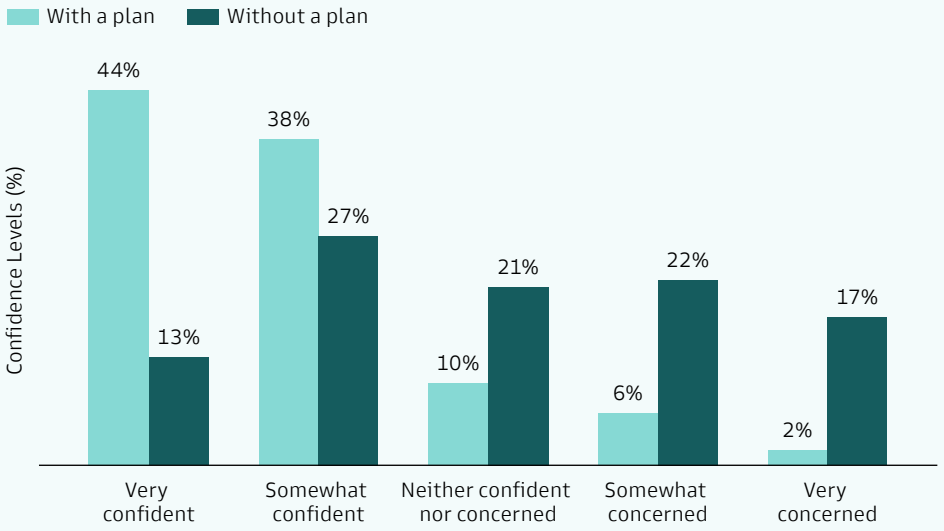
## Where would you say your retirement savings are at this moment?

Please select one.




WORKING

## How confident are you that you will be able to meet your retirement goals/ needs?




Percentages may not add up to 100% due to rounding.

# Retirees Illustrate Potential Benefits of a Personalized Plan

Entering retirement can be a stressful time. There are many unknowns when adjusting to a new lifestyle and retirement saving underpins some of these concerns. In some cases, individuals delay retirement to achieve an added level of confidence when it's finally time to retire.

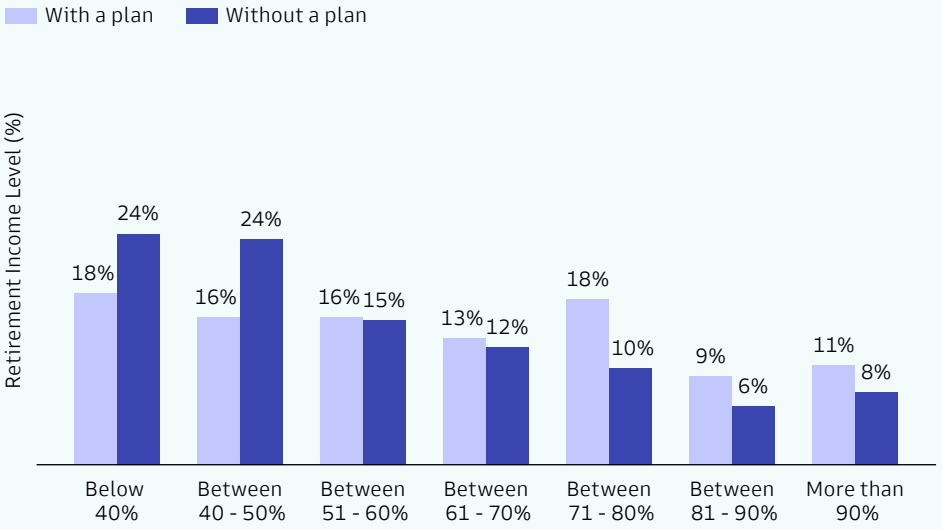
Having a personalized financial plan can alleviate some of the concerns one may have when entering retirement. For example, retirees with a plan are less likely to have under 50% of their working income when living in retirement.

Additionally, 38% of retirees with a plan have income greater than 70% of their pre-retirement level compared to 24% of retirees without a plan.

Furthermore, a financial plan can increase confidence entering retirement. 78% of retirees with a financial plan entering retirement were confident they were ready to make the transition, compared to 56% of retirees without one.

RETIRED

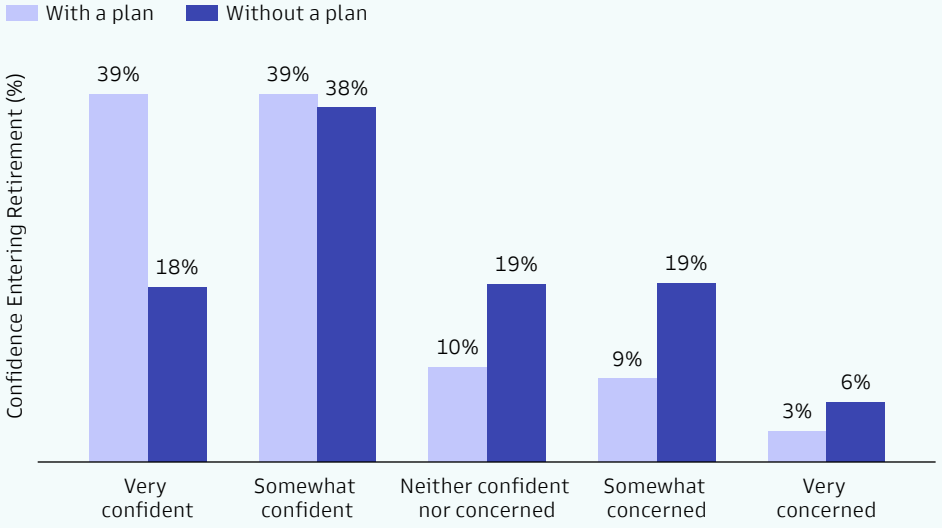
## How much total annual income do you receive in retirement (including Social Security) relative to your pre-retirement income?




RETIRED

## How confident were you entering retirement that you were ready and prepared to make the transition?

Please select one.




Percentages may not add up to 100% due to rounding.

# A Personalized Financial Plan May Help Workers Weather the Financial Storm and Retire On Time

The recent inflationary environment has been a top concern for workers and retirees. However, having a financial plan may alleviate some stress caused by inflation and the unknown of what it may mean for retirement savings.

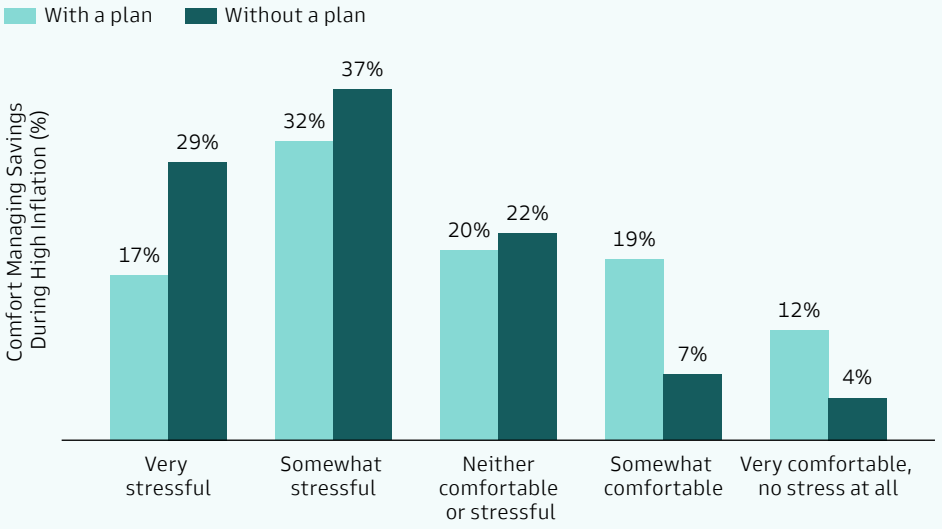
Two-thirds (66%) of respondents without a financial plan characterized the inflationary environment as stressful, compared to 49% with a plan. Conversely, 31% with a plan reported they were comfortable in this environment, relative to 11% without a plan.

Respondents with a financial plan may be more likely to avoid significant delays to their retirement caused by competing priorities, as well. For instance, 32% without a plan believe competing priorities will delay retirement by four or more years, compared to 14% with a plan.

WORKING

## Due to the current inflationary environment, how much financial stress/ anxiety do you feel around managing your retirement savings?

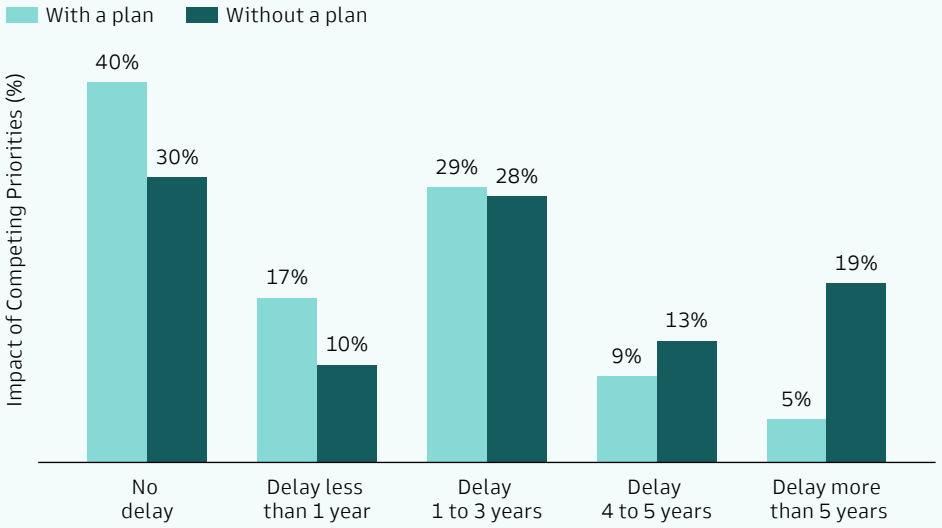
Please select one.




WORKING

## Do you expect competing priorities[1] to delay your retirement?

Please select one.




[1] Competing priorities refers to credit card debt; paying down existing loans; saving for college; caring and financially supporting family members; time out of the workforce; financial hardships; too many monthly financial expenses.

# The *Planning Paradox* Shows that a Financial Plan is Helpful, but it May Not Fully Address the Impact of the Financial Vortex

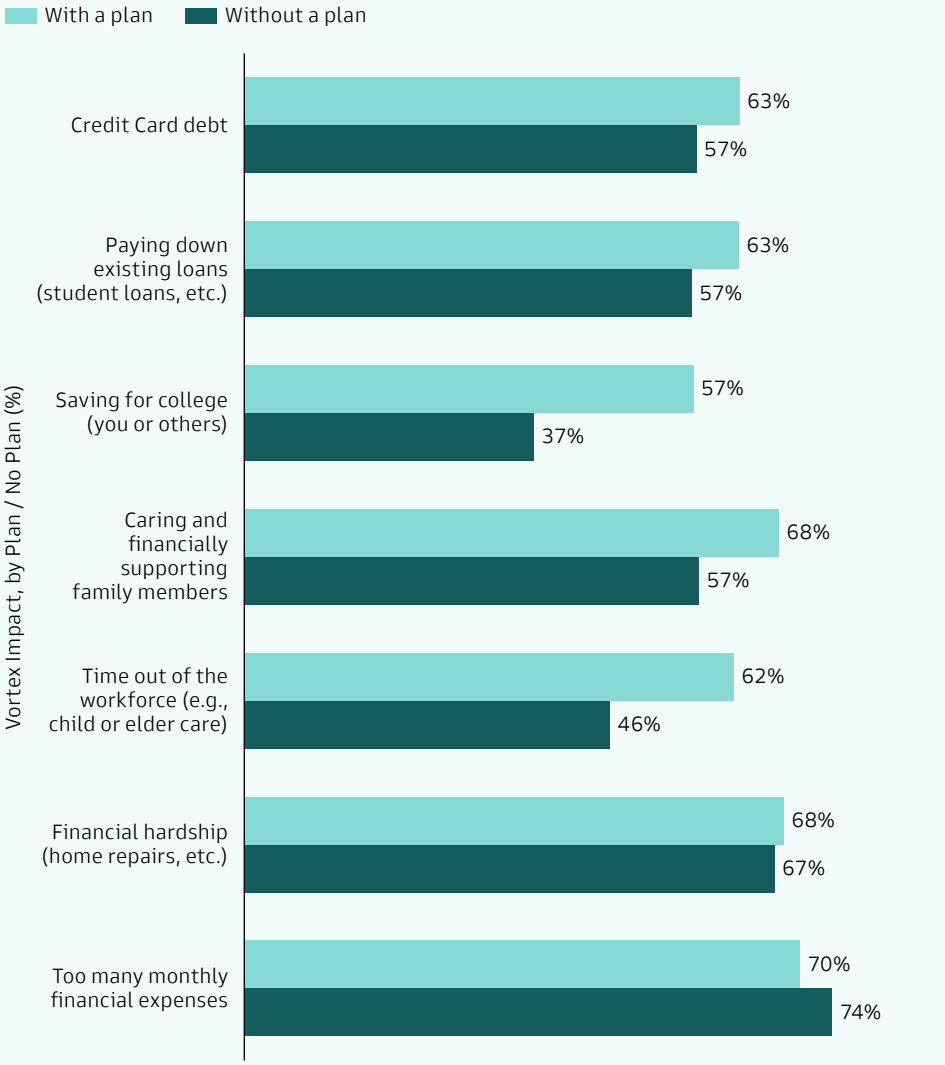
There are numerous benefits of having a financial plan for retirement from alleviating stress to knowing how to keep savings on track for retirement. However, the reality is this may not be fully sufficient as people navigate the competing priorities that impact their ability to save for retirement.

This Planning Paradox demonstrates the range of services that may be necessary to help people plan for retirement. Plan sponsors can help individuals manage unexpected challenges and stay on track for retirement by helping their employees build financial foundations, financial resiliency and deliver personalized financial guidance.

WORKING

## How strongly do the below affect your ability to save for retirement?

(Extremely, very, moderately)




Percentages may not add up to 100% due to rounding.

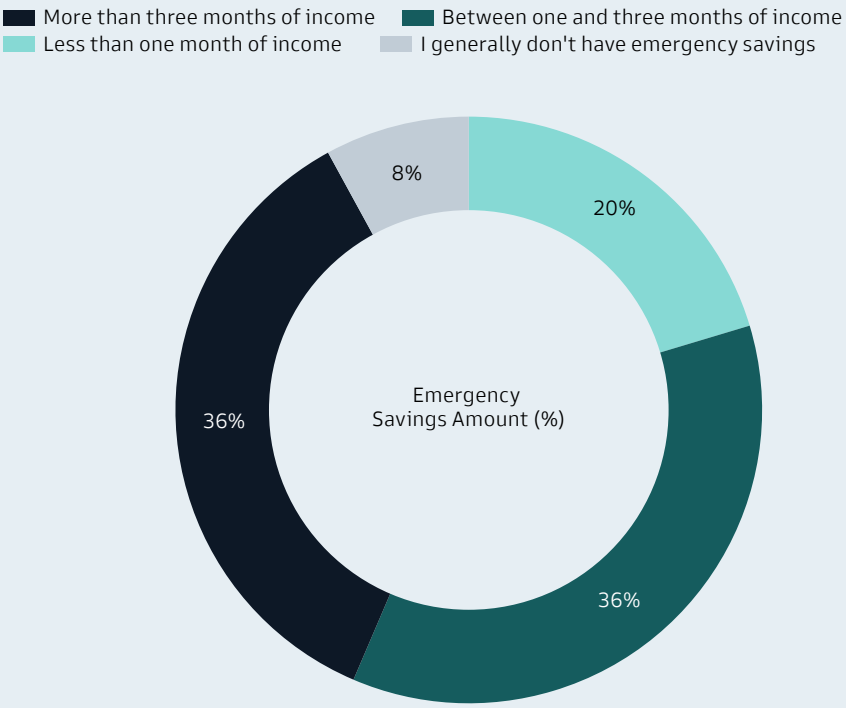
# Financial Resilience: Building Emergency Savings

Emergency savings has been an important topic in the last few years, but SECURE Act 2.0, signed into law at the end of 2022, authorized a new pension-linked emergency savings account. The law allows individuals to build an in-plan emergency savings account up to $2,500. The primary benefit of in-plan emergency savings is to address early retirement withdrawals.

Our analysis finds that only 8% of working respondents do not have any emergency savings; however, 56% report having less than three months of emergency savings, and will likely need more savings to bolster their financial resilience.

WORKING

## How much do you typically have in emergency savings?



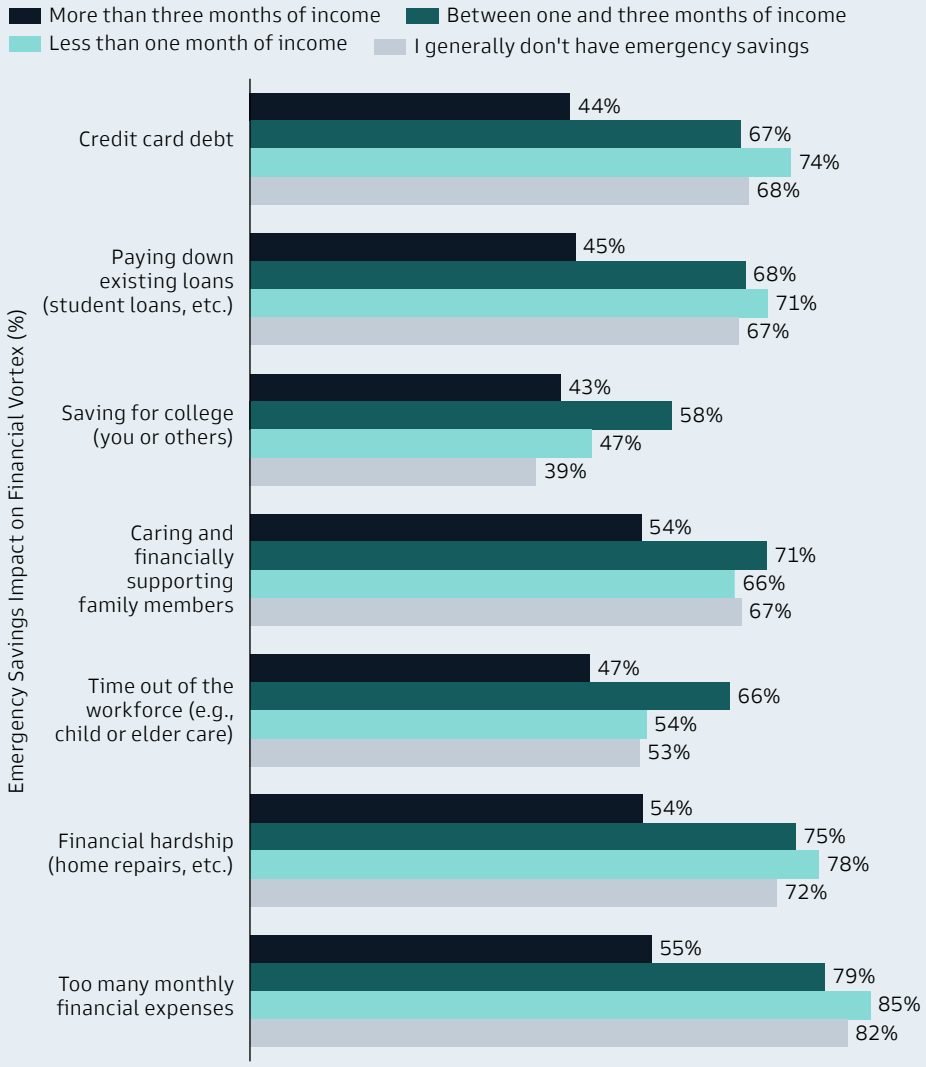
# Emergency Savings: How Much is Needed?

Emergency savings can have a meaningful impact on managing the challenges of unexpected financial priorities. As the chart illustrates, those with more than three months of emergency savings are less likely to report that their retirement savings are impacted by competing priorities. Financial professionals commonly suggest at least 3 months of emergency savings to help weather unexpected financial emergencies.

WORKING

## How strongly do the below affect your ability to save for retirement?

(Extremely, very, moderately)



# Emergency Savings May Reduce the Likelihood of Financial Hardships Impacting Retirement Savings

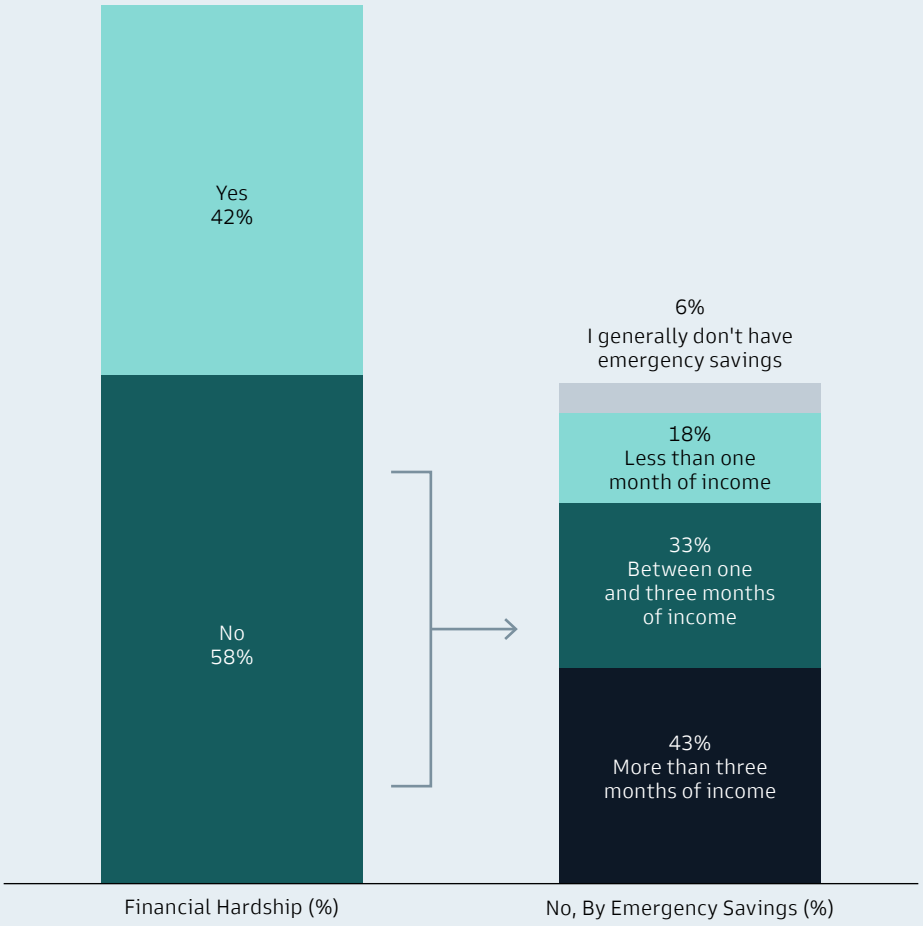
Financial hardships can have a direct impact on retirement savings, and they are becoming more common. Nearly half (42%) of working respondents report experiencing a financial hardship compared to 31% of retirees. This further demonstrates how the financial vortex has grown considerably with each generation.

Of the 58% of working respondents who reported not experiencing a financial hardship, 76% had at least one month of emergency saving while 24% had less than a month.

WORKING

Have you experienced a financial hardship that caused you to stop saving directly for retirement?

(e.g., in your 401k)



# Emergency Savings Helps Alleviate the Stress of Managing Retirement Savings

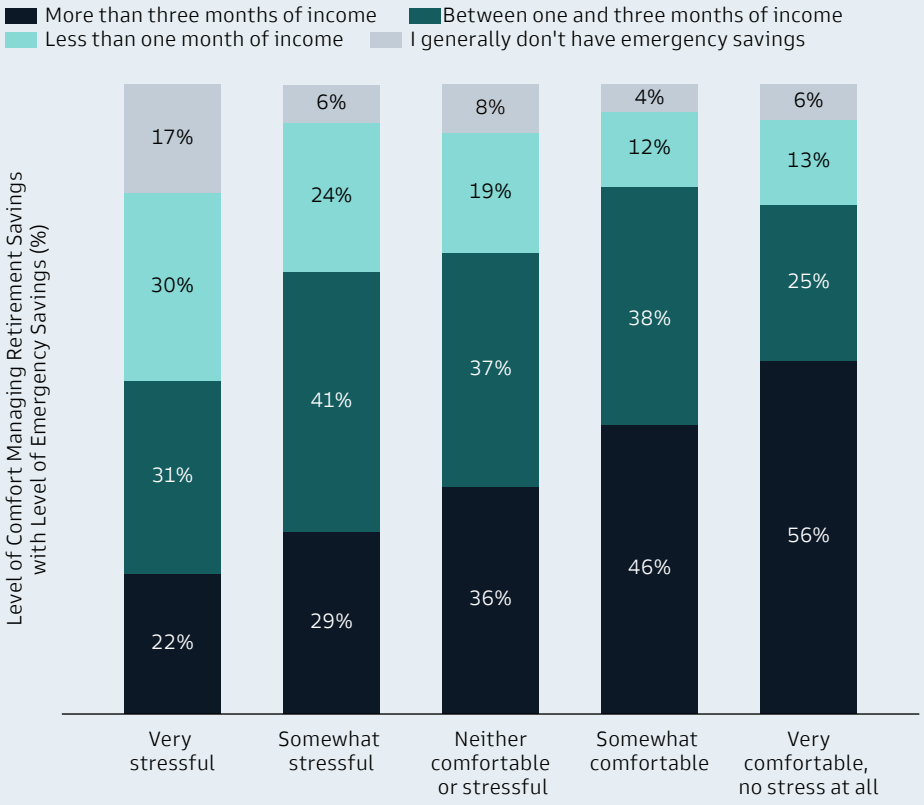
The data below highlights the benefit of having emergency savings to help manage the stress that one can experience when saving for retirement. More than half (56%) of those with three or more months of savings feel very comfortable managing their savings, compared to only 22% who report feeling very stressed.

Emergency savings may provide the sense of financial resiliency or the confidence that one can overcome unexpected financial challenges without disrupting other financial priorities.

WORKING

## How much financial anxiety/stress do you feel managing your retirement savings?

Please select one.



# Potential Benefits of a Blended Income Strategy

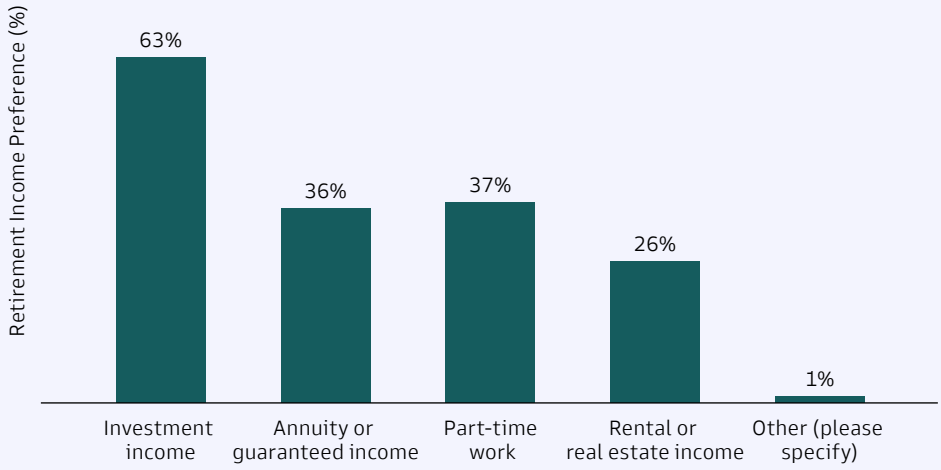
As retirement discussions in the industry shift from savings accumulation to supporting retirement income, we continue to see working respondents and retirees express interest in services that support generating retirement income. While the primary preference from retirees is to generate income from investments, annuity-based income is an important source of guaranteed income. In this section, we evaluate the sub-category of retired respondents who prefer to receive income from both sources (i.e., investment and annuity, or blended income strategy) to understand the benefits.

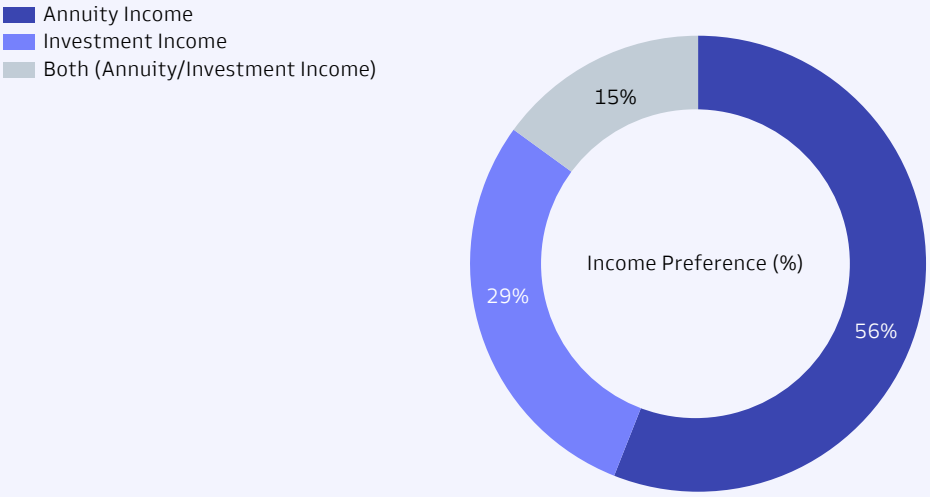
While currently only 15% of retired respondents prefer the blended income strategy, this may grow with greater awareness regarding its potential benefits.

WORKING/RETIRED

## Which of the following ways do you prefer to receive or generate income in retirement?

(i.e., other than Social Security or pensions)?



# Blended Income Preferences May Result in Higher Levels of Income and Satisfaction

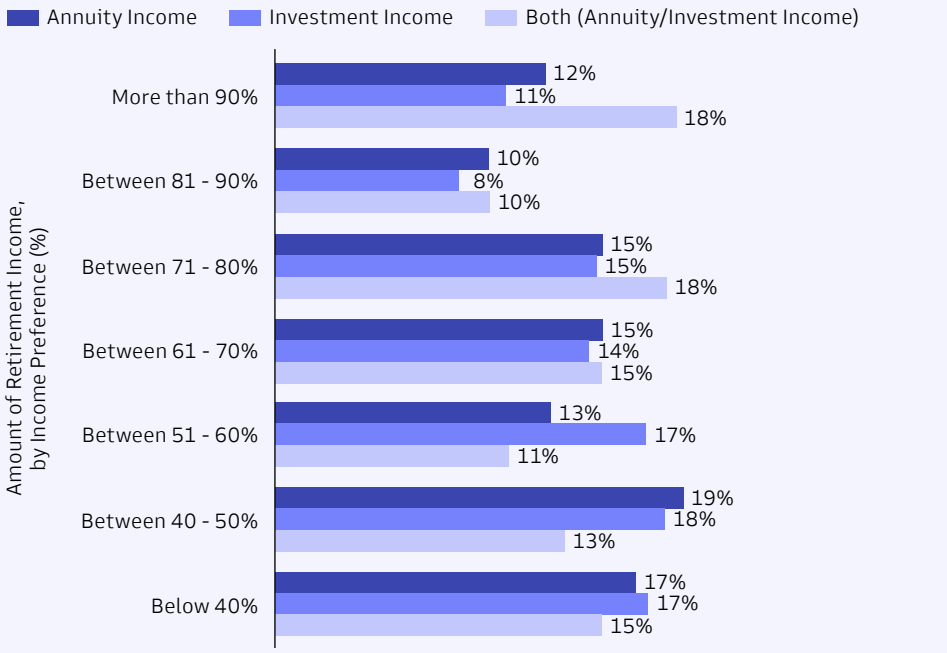
Retired respondents who prefer to have investment and annuity income receive higher levels of income compared to those who prefer to utilize only one of the income options. Nearly 20% receive more than 90% of their pre-retirement income, compared to 11% who prefer only investments or 12% who rely on annuities solely.

Those who prefer both also report a higher level of satisfaction with their level of income. 35% report being very satisfied with a blended income strategy compared to 26% with annuities only or 24% with investment only.

RETIRED

## How much total annual income do you receive in retirement (including Social Security) relative to your pre-retirement income?

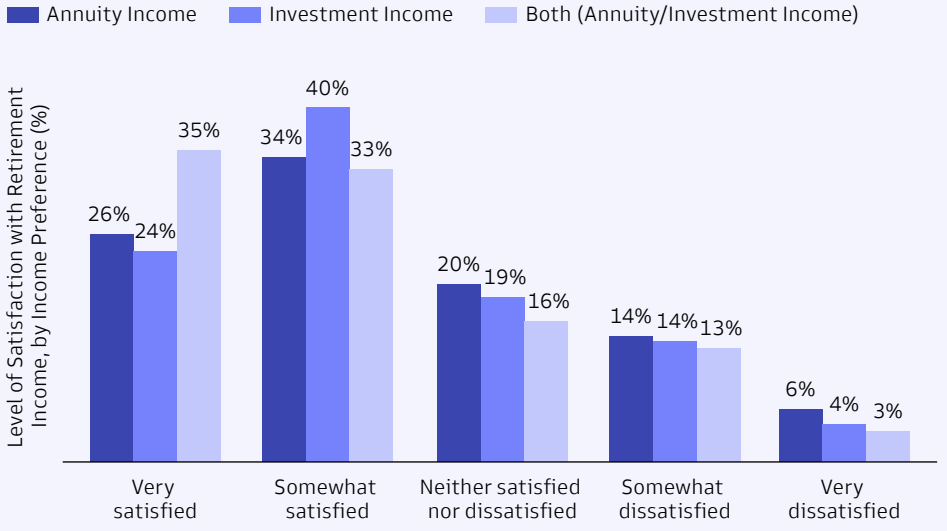
(i.e., your final annual compensation prior to retirement, such as salary, bonus, etc.) Please select one.




RETIRED

## How satisfied are you with this level of retirement income?

Please select one.



# Blended Income Preference Corresponds to Higher Confidence Entering Retirement and Generating Future Income

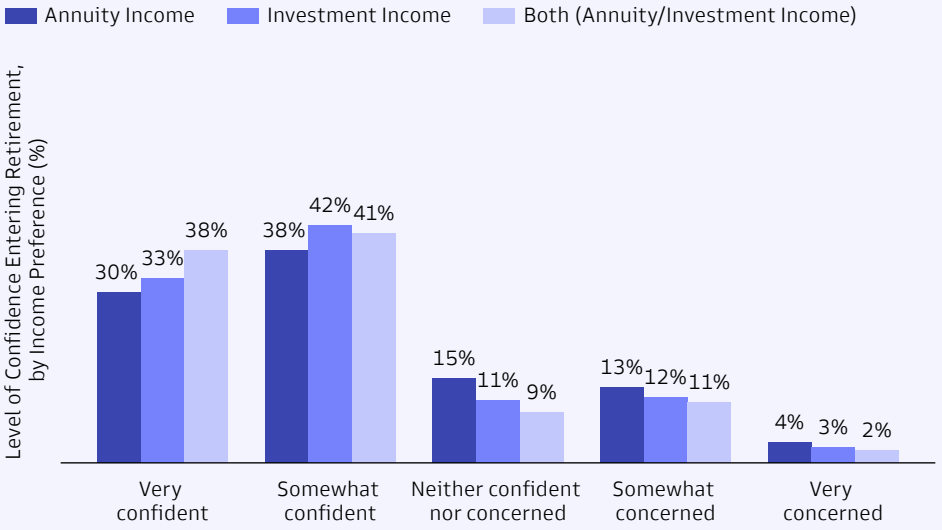
Retired respondents who prefer both sources of income correspond with those who report higher levels of confidence entering retirement. As illustrated below, 79% report being confident, whereas 75% and 68% report the same for those who prefer investment and annuity income, respectively.

Additionally, those with a blended income preference report higher confidence in meeting future income needs.

RETIRED

## How confident were you entering retirement that you were ready and prepared to make the transition?

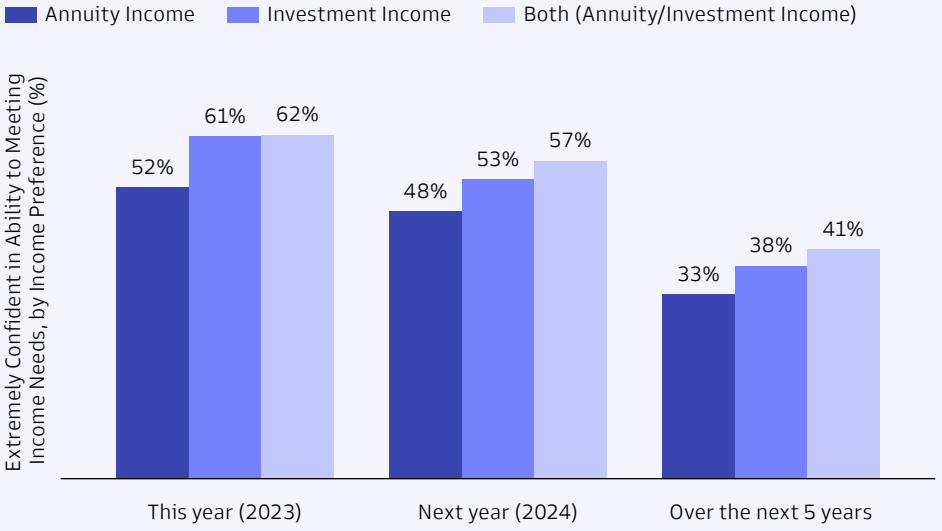
Please select one.




RETIRED

## How confident are you that you will be able to meet your retirement income needs in the noted time periods below?

Those who report being extremely confident.



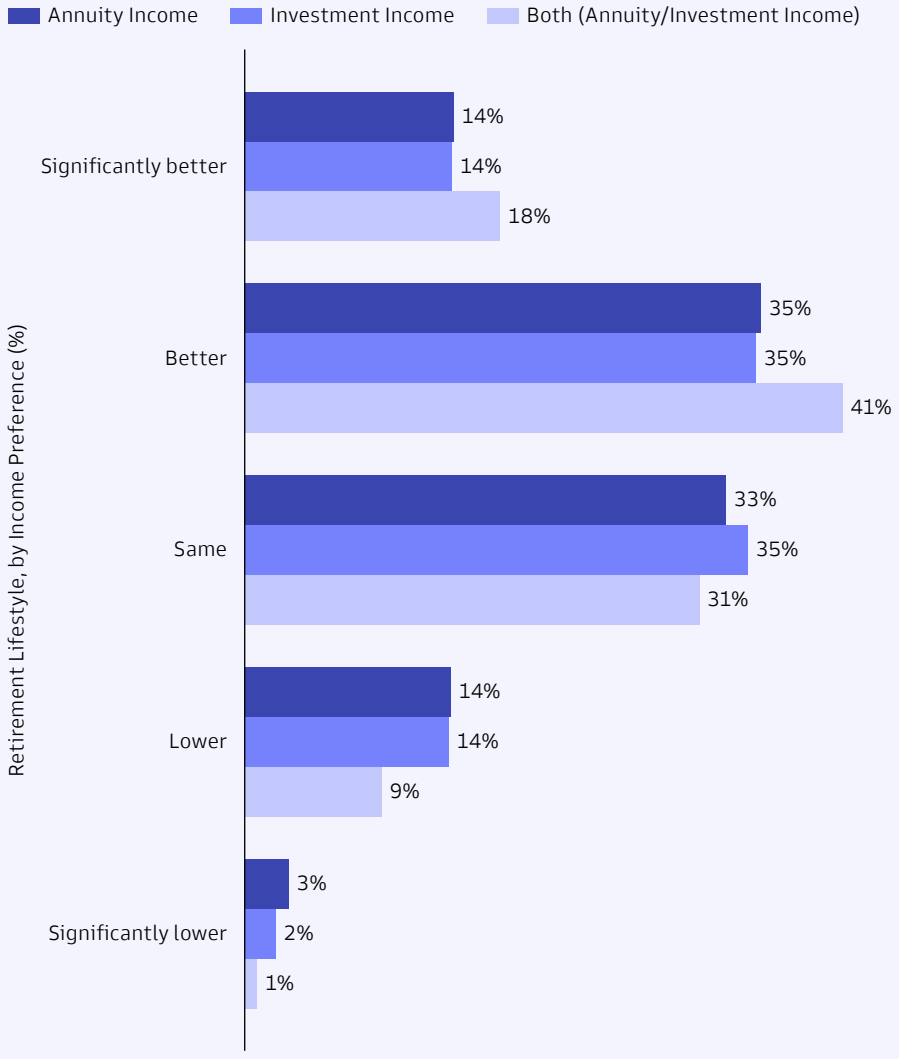
# Blended Income Preferences Align With Improved Retirement Lifestyle

An ultimate goal of retirement savings is to enjoy one's lifestyle in retirement. Almost 60% of retired respondents who prefer the blended income strategy believe their lifestyle is better than when they were working, compared to 49% who prefer investment or annuity income alone. In general, retirees seem to enjoy a similar or better lifestyle in retirement, but a blended income strategy may potentially provide an added potential benefit.

RETIRED

## How would you describe your lifestyle in retirement relative to your pre-retirement lifestyle?

Please select one.



# RETHINKING THE ROLE OF THE 401(K) PLAN

Retirement savings and financial wellbeing are an important part of supporting employees' overall health and wellbeing. With the passage of SECURE Act 2.0, many financial priorities that were seemingly unrelated to retirement savings (e.g., emergency savings, student loans, financial hardships) are now a critical part of plan design discussion prompting the industry to step back and rethink the role of a 401(k) plan in peoples' financial lives.

Questions to consider:

- What does it mean for a 401(k) plan to support retirement savings?
- Should 401(k) plans address financial hardships?
- How can sponsors help employees balance other financial responsibilities that impact retirement savings?
- How important is guaranteed income to financial wellbeing?
- What role should employers play to support broader financial needs?

As we look at the potentially expanded role of the 401(k) plan, we review the importance of these plans, the services/features workers want most and highlight the business rationale for helping to alleviate employees' financial concerns.

# How May 401(k) Plans Evolve?

In our view, the best organizations realize that when employees come to work, they bring their whole selves. Not just their professional goals, work ethic, passion and desire for growth, but they also bring personal challenges like a sick family member, the stresses of a newborn child or a financial struggle.

We believe organizations also know that people perform their best when they can be focused and engaged. To help address these concerns, employers are increasingly focused on the broader wellbeing of their workforce, understanding that the factors that make up a person's health — physical, mental and financial — are all interconnected.

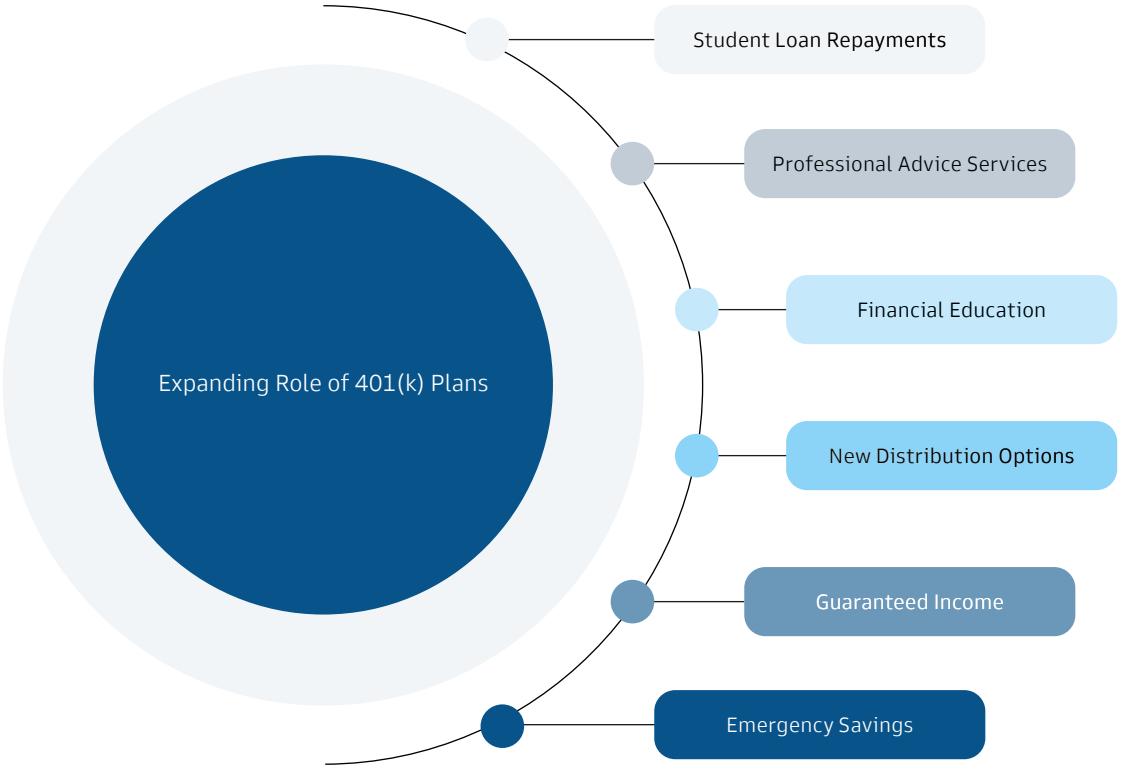
Similarly, long-term financial goals are interconnected with near-term financial priorities. Considering this, how should 401(k) plans evolve given they are the primary source of saving for many Americans?

As we learn more about employee financial needs and consider the range of new plan features available through SECURE Act 2.0, we believe it is important to consider how plan strategy fits into the broader workplace strategy.

Plan sponsors have an unique role in curating highly valued services for employees. We believe striking the balance of supporting employee and organizational needs will be key to plan design of the future.

KEY FINDINGS

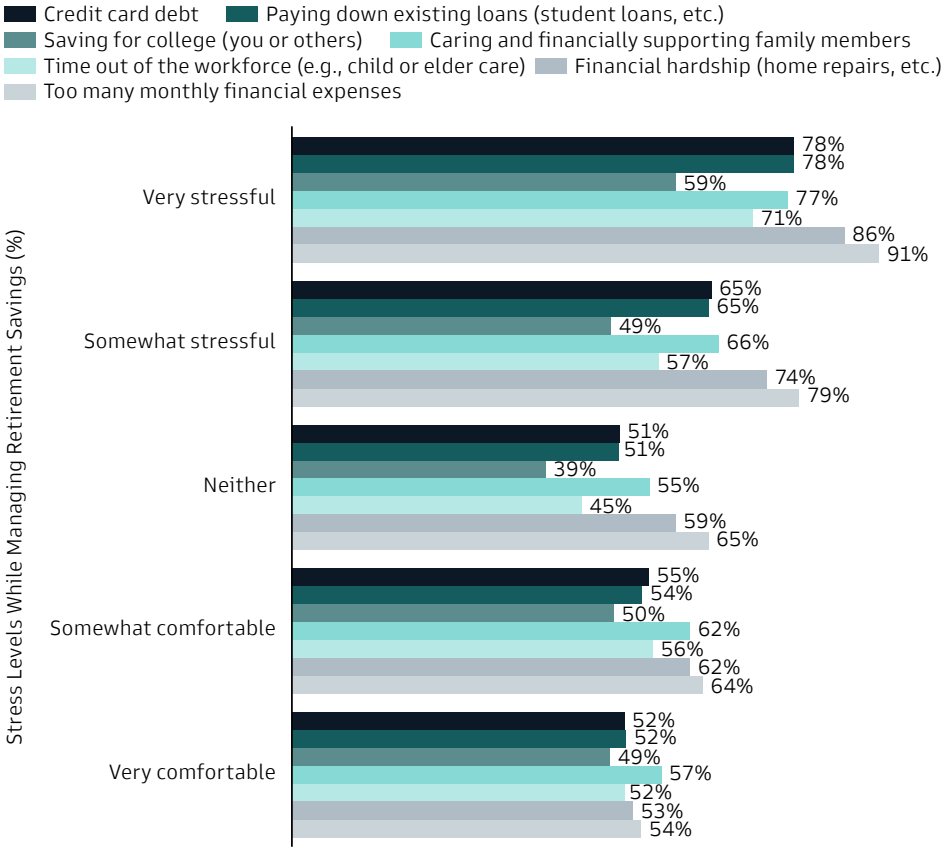
## Expanding Role of 401(k) Plans



# Financial Concerns May Lead to Increased Business Risk

As more financial responsibility shifts to individuals from employers the capacity to successfully manage work responsibilities, financial responsibilities and, in many cases, family responsibilities can be more challenged. Recent analysis highlights that one's mental capacity is limited and the stress or disturbance of competing financial priorities acts a cognitive tax, which may distract from professional work. As we further understand the financial challenges people face, it becomes clear that helping to alleviate these burdens can have a direct impact on reducing an organization's business risk.

## How strongly do the below affect your ability to save for retirement?




### The Cost of Financial Precarity

Carrie Leana, PhD
University of Pittsburgh

Professor Leana analyzed the impact of financial concerns (i.e., financial precarity) in the workplace among truck drivers and certified nursing assistants, respectively. Research showed that financial precarity negatively impacted the employees' job performance. In some cases, there is true financial cost to the organization or, in other cases, it may be a service quality issue. Helping individuals balance their financial needs may have a direct link to increased job performance.

Source: University of Pittsburgh. As of 2019. Goldman Sachs Asset Management's and University of Pittsburgh's Study are not related, and University of Pittsburgh has not endorsed either Goldman Sachs Asset Management or its services. There can be no assurance that the same or similar results to those presented above can or will be achieved.

# Retirees Believe Employer Sponsored Retirement Plans Are Key to Retirement Success

As we consider the evolution of the 401(k) plan, we are reminded by our retired respondents that employer-sponsored retirement plans are an essential part of their retirement savings success.

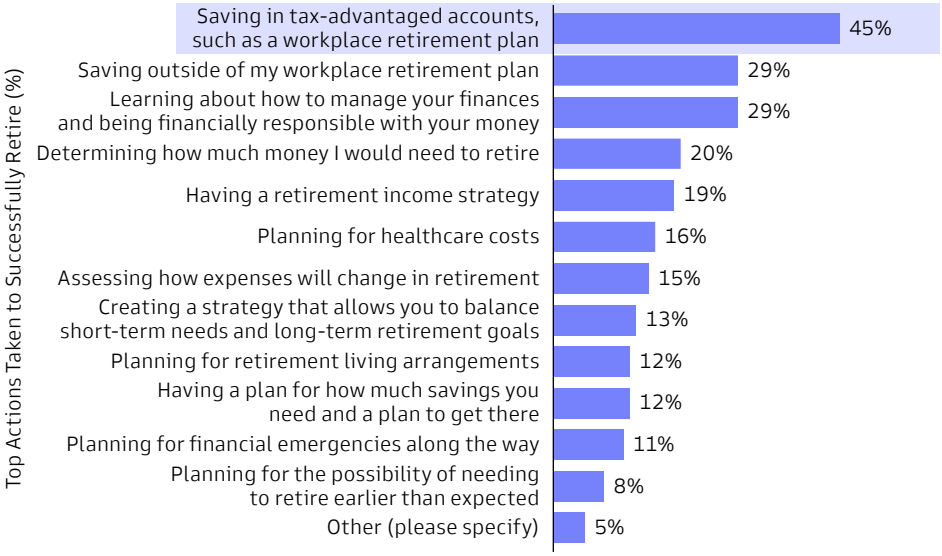
However, a typical 401(k) plan, as it was originally designed, may not meet the needs of today's worker. We believe an evolution in plan design should follow the evolving needs of employees with the understanding that their financial challenges can spill over into job performance. While this may not have been reality when employees were supported by defined benefit plans, it is a new reality for 401(k) plan savers.

The charts below illustrate the important and valuable role that plan sponsors play in supporting the financial future of employees.

RETIRED

## Now that you are retired, what do you think are the most important actions you took that helped you successfully retire.

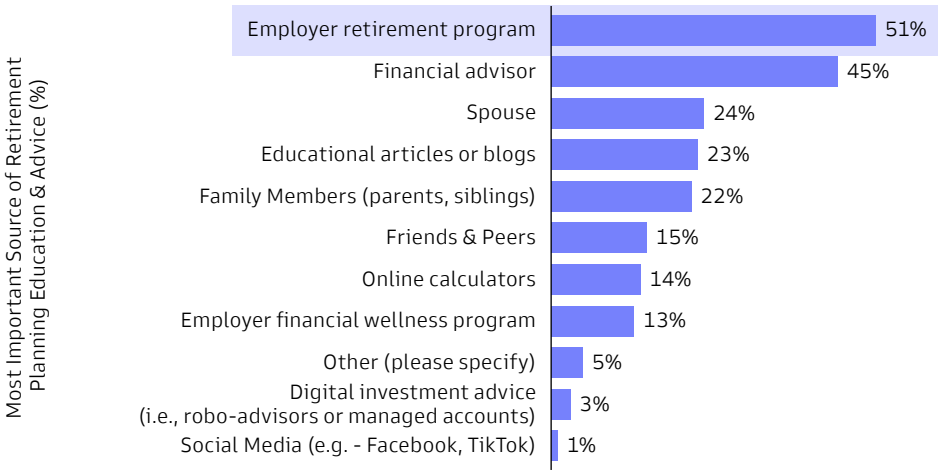
Please select up to three.




RETIRED

## Which of the following would you say were the three most important sources of education and advice you relied upon as part of your retirement planning process?

Please select up to three.



# Personalized Financial Plan is Top Choice to Help Reduce Stress in Managing Retirement Savings

Understanding that financial stress can impact job performance, 46% of working respondents report that managing retirement savings is stressful. To improve this situation, we asked Survey respondents what would help.

The top three responses were:

- A personalized financial plan (39%)
- Access to professional financial advisor (32%)
- Professionally managed investment portfolio (27%)

WORKING

## What would help lower your stress managing retirement savings?

Please select up to three.

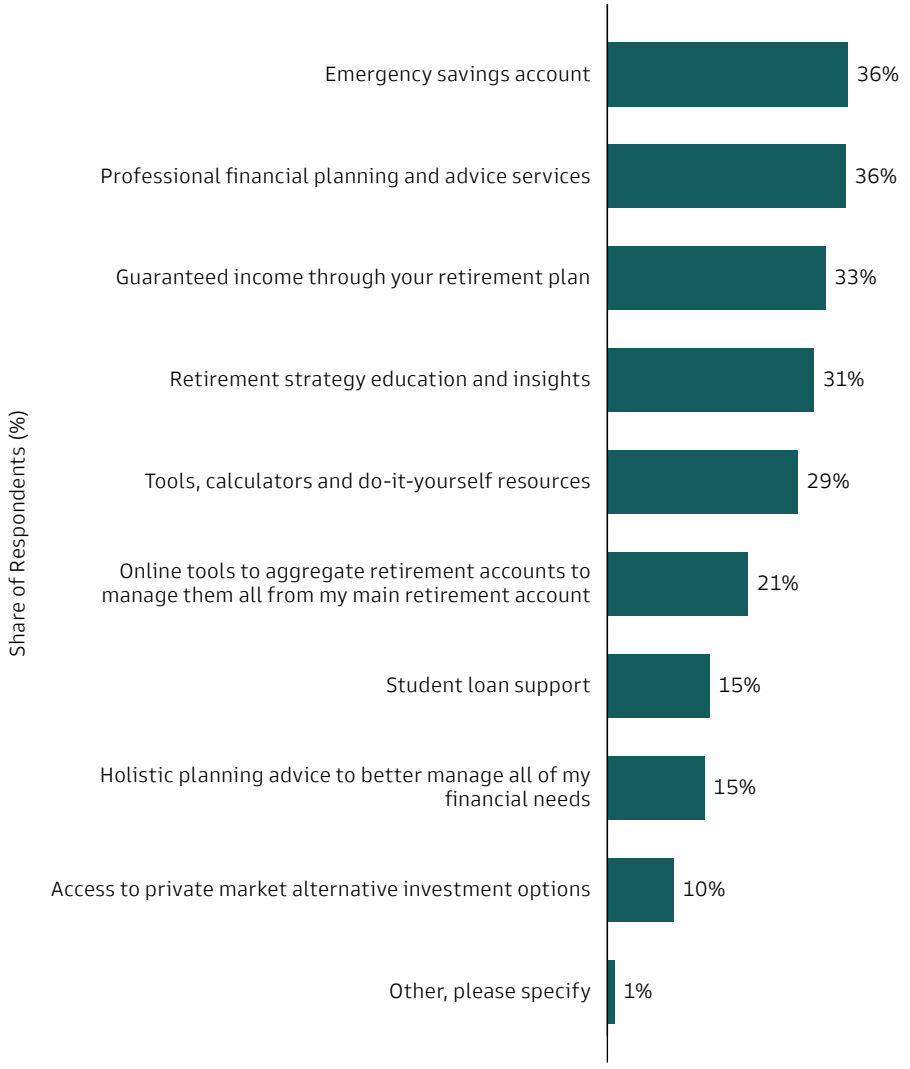
# Employees Want Retirement Plans to Help With Near-Term Financial Challenges

Employers may face financial constraints and budgets as they evaluate different services for their employees. To support prioritization considerations, we asked working respondents what services are most important to receive from their employer.An emergency savings account was listed as the top response (36%), with professional financial planning and advice services trailing by a half percentage point and guaranteed income through retirement plans trailing by 3 percentage points. Regardless of whether these features are in-plan or not, these responses provide a good indication of evolving needs and desires for workers.

WORKING

## What are the top retirement-related services or features you want from an employer?

Please select up to three.




*Reasons considered outside the individual's control.

# Guaranteed Income Most Desired Plan Feature for the Retirement Tier

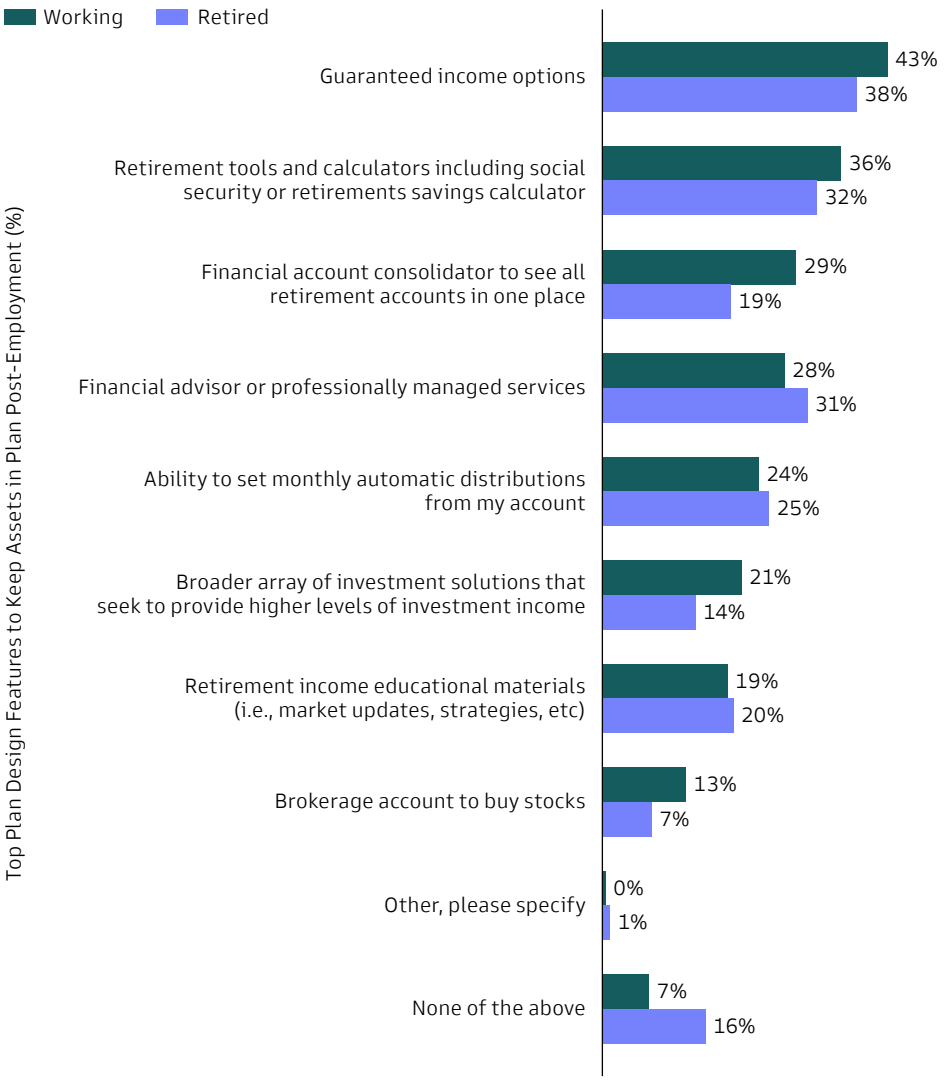
Retirement income is a top concern for retirees, but plan sponsors are faced with a range of considerations to support employees entering this new phase of life. In the 2022 Retirement Survey & Insights Report, retirees responded that employer-sponsored retirement plans were a top source of education and advice pre-retirement but, in retirement, it dropped considerably to sixth, raising some concern about what plan enhancements may be desirable to change this perception.

Both retirees and working respondents were asked what plan features and services are most important if they were to keep their savings in-plan post employment. The top response for both retirees and working respondents was guaranteed income options and second was retirement tools.

WORKING/RETIRED

## In order to want to keep your retirement assets in an employer's 401(k) plan when retired, which of the following features are most important?

Please select up to three.



# Supporting Employees' Financial Journey

Rethinking retirement plan design starts with recognizing the financial challenges that individuals face and that more support can help them navigate increasingly complex and unique circumstances.

Supporting different needs over one's career and helping to prepare for unexpected financial needs can be essential to help employees keep retirement savings on track.

Building financial foundations and financial resiliency can help individuals weather the unexpected. A personalized plan can support an individual's path to retirement. And retirement income resources can help anchor individuals as they seek a comfortable retirement.

Plan sponsors can play an incredibly valuable role supporting employees and can lead the way on the next generation of 401(k) plan design.

**Financial Foundation**
Financial education helps individuals understand trade-offs and can provide confidence that they can navigate their financial future.

**Financial Resiliency**
Financial emergencies can derail a financial plan. Helping individuals prepare, respond and recover is important to keeping retirement savings on track.

**Financial Strategy**
Having a financial strategy or a personalized plan for retirement helps individual navigate their unique life circumstances.

**Income Strategy**
Plan enhancements to support the income phase of retirement are the last frontier in plan design.

# CONCLUSION

The Financial Vortex can threaten the retirement savings of Americans regardless of age, gender or background. While everyone faces their own unique challenges preparing for and in retirement, unpredictable factors add to the complexity of balancing financial goals with the realities of life.

As employers' roles in supporting the wellbeing of their employees expands they and individual advisors will need to draw on increasingly diverse sources of expertise from across the retirement ecosystem

We are beginning to see this already. Integrated solutions that balance the needs of both organizations and employees are increasingly available. Prompted by SECURE Act 2.0, the evolution of the plan will lead us to the next generation of 401(k) plan design.

### Financial Vortex Continues to Impact Retirement Savings

Despite improving financial conditions, working respondents report no improvement in balancing competing financial priorities with their retirement savings. Prevalence of competing responsibilities has increased considerably compared to the retired population and the hypothetical impact we calculated for different life events can be quite significant.[1] One in five working respondents believe competing priorities will delay their retirement by four or more years.

### Planning Paradox Highlights Potential Benefits and Limitations of a Basic Financial Plan

A personalized financial plan for retirement can provide a range of potential benefits from lowering retirement planning stress to improving confidence. However, those with a basic plan remained concerned about the impact of competing financial priorities. This highlights two important considerations:

- Preparing for retirement depends on solving many other challenges along the way. Savers need a foundational understanding of financial principles, financial resiliency to overcome hardships, an individualized savings and investing plan to address unique circumstances, and an income strategy to support a new lifestyle in retirement.
- A financial plan for retirement should account for individual life events. Is a personalized plan that doesn't support individuals through unexpected life challenges truly helping them prepare for retirement? Integrating a financial life coach may be an important component of a retirement strategy.

### Rethinking 401(k) Plan Design as the Next Evolution of Participant Support

Plan design considerations available through SECURE Act 2.0 highlight the evolving challenges of preparing for retirement. As these changes continue to take effect, employers may want to consider the expanding role of a 401(k) plan in their employees' financial lives.

Two essential questions for the industry are how important is financial wellbeing to a workforce, and what role does an employer play to improve their wellbeing? It will be important to see how plan sponsors utilize 401(k) plan design as an increasingly growing feature in driving organization culture to broadly support their employees' overall wellbeing.

[1] As shown on page 9.

# Disclosures

**Glossary**

Per the Consumer Financial Protection Bureau, financial well-being is a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future and is able to make choices that allow them to enjoy life.

Correlation is a measure of the amount to which two investments vary relative to each other. Past correlations are not indicative of future correlations, which may vary.

Diversification refers to allocating capital in a way that seeks to reduce exposure to any one asset or risk.

SECURE 2.0 has a broad range of new provisions (92 in total), which include significant changes designed to help close existing gaps across the retirement system.

A 401(k) is a feature of a qualified profit-sharing plan that allows employees to contribute a portion of their wages to individual accounts.

Financial resiliency is the ability to withstand life events that impact one's income or assets. It is the longer term approach to one's relationship with money. If an unexpected expense were to arise, having the financial means to deal with it means you are financially resilient.

The financial vortex is a term we commonly use to describe the magnitude of competing financial priorities that may affect one's retirement savings.

A bear market is when a market experiences prolonged price declines.

Year-over-year is a metric used to compare data from the current year to the previous year.

Blended investments refers to the combination of annuity income and investment income.

**Disclosures**

All investing involves risk, including loss of principal.

The survey was conducted by Goldman Sachs Asset Management and Qualtrics Experience Management between June 16, 2023–July 8, 2023. Views expressed discussed are those of survey respondents.

This material is provided for educational purposes only and should not be construed as investment advice or an offer or solicitation to buy or sell securities.

THESE MATERIALS ARE PROVIDED SOLELY ON THE BASIS THAT THEY WILL NOT CONSTITUTE INVESTMENT ADVICE AND WILL NOT FORM A PRIMARY BASIS FOR ANY PERSON'S OR PLAN'S INVESTMENT DECISIONS, AND GOLDMAN SACHS IS NOT A FIDUCIARY WITH RESPECT TO ANY PERSON OR PLAN BY REASON OF PROVIDING THE MATERIAL OR CONTENT HEREIN. PLAN FIDUCIARIES SHOULD CONSIDER THEIR OWN CIRCUMSTANCES IN ASSESSING ANY POTENTIAL INVESTMENT COURSE OF ACTION.

Views and opinions expressed are for informational purposes only and do not constitute a recommendation by Goldman Sachs Asset Management to buy, sell, or hold any security. Views and opinions are current as of the date of this document and may be subject to change, they should not be construed as investment advice. Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

Although certain information has been obtained from sources believed to be reliable, we do not guarantee its accuracy, completeness or fairness. We have relied upon and assumed without independent verification, the accuracy and completeness of all information available from public sources.

There are minor changes in the 2023 sample compared to 2022. The total sample size increased to 5,261 in 2023 from 1,566 in 2022, and now includes not-for-profit organizations that were not included in the previous wave. This year we also asked a new question about net investable assets, which we used to establish soft quotas to ensure enough representation and enable us to analyze the data across different wealth tiers. We believe broad trends for the overall sample can be compared year-over-year despite these minor sample changes.

Survey participants were asked to select responses based on what has extremely, very, moderately, slightly or no impact on their ability to save for retirement. We are reporting extremely, very and moderate responses.

As mentioned on page 9, this material contains information of a hypothetical retirement saver, and includes certain estimates, projections and statements which are based on certain assumptions. We make no representations regarding the reasonableness of such assumptions or the likelihood that any of such assumptions will coincide with actual retirement saver events, and this material should not be relied upon for such purposes. Actual conditions and scenarios could be better or worse.

**Asia excluding Japan:** Please note that neither Goldman Sachs Asset Management (Hong Kong) Limited ("GSAMHK") or Goldman Sachs Asset Management (Singapore) Pte. Ltd. (Company Number: 201329851H ) ("GSAMS") nor any other entities involved in the Goldman Sachs Asset Management business that provide this material and information maintain any licenses, authorizations or registrations in Asia (other than Japan), except that it conducts businesses (subject to applicable local regulations) in and from the following jurisdictions: Hong Kong, Singapore, Malaysia, India and China. This material has been issued for use in or from Hong Kong by Goldman Sachs Asset Management (Hong Kong) Limited, in or from Singapore by Goldman Sachs Asset Management (Singapore) Pte. Ltd. (Company Number: 201329851H) and in or from Malaysia by Goldman Sachs (Malaysia) Sdn Berhad (880767W).

**Australia:** This material is distributed by Goldman Sachs Asset Management Australia Pty Ltd ABN 41 006 099 681, AFSL 228948 ('GSAMA') and is intended for viewing only by wholesale clients for the purposes of section 761G of the Corporations Act 2001 (Cth). This document may not be distributed to retail clients in Australia (as that term is defined in the Corporations Act 2001 (Cth)) or to the general public. This document may not be reproduced or distributed to any person without the prior consent of GSAMA. To the extent that this document contains any statement which may be considered to be financial product advice in Australia under the Corporations Act 2001 (Cth), that advice is intended to be given to the intended recipient of this document only, being a wholesale client for the purposes of the Corporations Act 2001 (Cth).

Any advice provided in this document is provided by either of the following entities. They are exempt from the requirement to hold an Australian financial services licence under the Corporations Act of Australia and therefore do not hold any Australian Financial Services Licences, and are regulated under their respective laws applicable to their jurisdictions, which differ from Australian laws.

Any financial services given to any person by these entities by distributing this document in Australia are provided to such persons pursuant to the respective ASIC Class Orders and ASIC Instrument mentioned below.

- Goldman Sachs Asset Management, LP (GSAMLP), Goldman Sachs & Co. LLC (GSCo), pursuant ASIC Class Order 03/1100; regulated by the US Securities and Exchange Commission under US laws.
- Goldman Sachs Asset Management International (GSAMI), Goldman Sachs International (GSI), pursuant to ASIC Class Order 03/1099; regulated by the Financial Conduct Authority; GSI is also authorized by the Prudential Regulation Authority, and both entities are under UK laws.

- Goldman Sachs Asset Management (Singapore) Pte. Ltd. (GSAMS), pursuant to ASIC Class Order 03/1102; regulated by the Monetary Authority of Singapore under Singaporean laws.
- Goldman Sachs Asset Management (Hong Kong) Limited (GSAMHK), pursuant to ASIC Class Order 03/1103 and Goldman Sachs (Asia) LLC (GSALLC), pursuant to ASIC instrument 04/0250; regulated by the Securities and Futures Commission of Hong Kong under Hong Kong laws No offer to acquire any interest in a fund or a financial product is being made to you in this document. If the interests or financial products do become available in the future, the offer may be arranged by GSAMA in accordance with section 911A(2)(b) of the Corporations Act. GSAMA holds Australian Financial Services Licence No. 228948. Any offer will only be made in circumstances where disclosure is not required under Part 6D.2 of the Corporations Act or a product disclosure statement is not required to be given under Part 7.9 of the Corporations Act (as relevant).

**Bahrain:** This material has not been reviewed by the Central Bank of Bahrain (CBB) and the CBB takes no responsibility for the accuracy of the statements or the information contained herein, or for the performance of the securities or related investment, nor shall the CBB have any liability to any person for damage or loss resulting from reliance on any statement or information contained herein. This material will not be issued, passed to, or made available to the public generally.

**Brunei:** The attached information has been provided at your request for informational purposes only and is not intended as a solicitation in respect of the purchase or sale of instruments or securities (including funds) or the provision of services. Neither Goldman Sachs Asset Management (Singapore) Pte. Ltd. nor any of its affiliates is licensed as a dealer or investment advisor under the Securities Order of Brunei. The information has been provided to you solely for your own purposes and must not be copied or redistributed to any person without the prior consent of Goldman Sachs Asset Management.

**Cambodia:** The attached information has been provided at your request for informational purposes only and is not intended as a solicitation in respect of the purchase or sale of instruments or securities (including funds) or the provision of services. Neither Goldman Sachs Asset Management (Singapore) Pte. Ltd. nor any of its affiliates is licensed as a dealer or investment advisor under The Securities and Exchange Commission of Cambodia. The information has been provided to you solely for your own purposes and must not be copied or redistributed to any person without the prior consent of Goldman Sachs Asset Management.

**Canada:** This document has been communicated in Canada by GSAM LP, which is registered as a portfolio manager under securities legislation in all provinces of Canada and as a commodity trading manager under the commodity futures legislation of Ontario and as a derivatives adviser under the derivatives legislation of Quebec. GSAM LP is not registered to provide investment advisory or portfolio management services in respect of exchange-traded futures or options contracts in Manitoba and is not offering to provide such investment advisory or portfolio management services in Manitoba by delivery of this material.

**East-Timor:** The attached information has been provided at your request for informational purposes only and is not intended as a solicitation in respect of the purchase or sale of instruments or securities (including funds), or the provision of services. Neither Goldman Sachs Asset Management (Singapore) Pte. Ltd. nor any of its affiliates is licensed under any laws or regulations of Timor-Leste. The information has been provided to you solely for your own purposes and must not be copied or redistributed to any person or institution without the prior consent of Goldman Sachs Asset Management.

**Egypt:** The securities discussed in the enclosed materials are not being offered or sold publicly in Egypt and they have not been and will not be registered with the Egyptian National Financial Supervisory Authority and may not be offered or sold to the public in Egypt. No offer, sale or delivery of such securities, or distribution of any prospectus relating thereto, may be made in or from Egypt except in compliance with any applicable Egypt laws and regulations.

**European Economic Area (EEA):** This material is a financial promotion disseminated by Goldman Sachs Bank Europe SE, including through its authorised branches ("GSBE"). GSBE is a credit institution incorporated in Germany and, within the Single Supervisory Mechanism established between those Member States of the European Union whose official currency is the Euro, subject to direct prudential supervision by the European Central Bank and in other respects supervised by German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufischt, BaFin) and Deutsche Bundesbank.

**Israel:** This material has not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute "an offer to the public" under sections 15 and 15a of the Israel Securities Law, 5728-1968 ("the Securities Law") or section 25 of the Joint Investment Trusts Law, 5754-1994 ("the Joint Investment Trusts Law "), as applicable. The Funds are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum ("the Addendum") to the Securities Law, ("Sophisticated Investors"). This material is not for general circulation in Israel and may not be reproduced or used for any other purpose.

**Japan:** This material has been issued or approved in Japan for the use of professional investors defined in Article 2 paragraph (31) of the Financial Instruments and Exchange Law by Goldman Sachs Asset Management Co., Ltd.

**Jordan:** The document has not been presented to, or approved by, the Jordanian Securities Commission or the Board for Regulating Transactions in Foreign Exchanges.

**Kuwait:** This material has not been approved for distribution in the State of Kuwait by the Ministry of Commerce and Industry or the Central Bank of Kuwait or any other relevant Kuwaiti government agency. The distribution of this material is, therefore, restricted in accordance with law no. 31 of 1990 and law no. 7 of 2010, as amended. No private or public offering of securities is being made in the State of Kuwait, and no agreement relating to the sale of any securities will be concluded in the State of Kuwait. No marketing, solicitation or inducement activities are being used to offer or market securities in the State of Kuwait.

**New Zealand:** This material is distributed in Australia and New Zealand by Goldman Sachs Asset Management Australia Pty Ltd ABN 41 006 099 681, AFSL 228948 ('GSAMA') and is intended for viewing only by wholesale clients in Australia for the purposes of section 761G of the Corporations Act 2001 (Cth) and to clients who either fall within any or all of the categories of investors set out in section 3(2) or sub-section 5(2CC) of the Securities Act 1978, fall within the definition of a wholesale client for the purposes of the Financial Service Providers (Registration and Dispute Resolution) Act 2008 (FSPA) and the Financial Advisers Act 2008 (FAA),and fall within the definition of a wholesale investor under one of clause 37, clause 38, clause 39 or clause 40 of Schedule 1 of the Financial Markets Conduct Act 2013 (FMCA) of New Zealand (collectively, a "NZ Wholesale Investor").

GSAMA is not a registered financial service provider under the FSPA. GSAMA does not have a place of business in New Zealand. In New Zealand, this document, and any access to it, is intended only for a person who has first satisfied GSAMA that the person is a NZ Wholesale Investor. This document is intended for viewing only by the intended recipient. This document may not be reproduced or distributed to any person in whole or in part without the prior written consent of GSAMA.

**Oman:** The Capital Market Authority of the Sultanate of Oman (the "CMA") is not liable for the correctness or adequacy of information provided in this document or for identifying whether or not the services contemplated within this document are appropriate investment for a potential investor. The CMA shall also not be liable for any damage or loss resulting from reliance placed on the document.

**Qatar:** This document has not been, and will not be, registered with or reviewed or approved by the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or Qatar Central Bank and may not be publicly distributed. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

**Saudi Arabia:** The Capital Market Authority does not make any representation as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising

from, or incurred in reliance upon, any part of this document. If you do not understand the contents of this document you should consult an authorised financial adviser.

**South Africa:** Goldman Sachs Asset Management International is authorised by the Financial Services Board of South Africa as a financial services provider.

**Switzerland:** For Qualified Investor use only—Not for distribution to general public. This is marketing material. This document is provided to you by Goldman Sachs Bank AG, Zürich. Any future contractual relationships will be entered into with affiliates of Goldman Sachs Bank AG, which are domiciled outside of Switzerland. We would like to remind you that foreign (Non-Swiss) legal and regulatory systems may not provide the same level of protection in relation to client confidentiality and data protection as offered to you by Swiss law.

**Taiwan:** This material is provided at your request for informational purposes only and does not constitute a solicitation in any jurisdiction in which such a solicitation is unlawful or to any person to whom it is unlawful. Not all services or products can be made available in Taiwan. The Goldman Sachs companies involved in any such activities do not maintain any licenses, authorisations or registrations in Taiwan. The services described herein may not be offered to Taiwan resident investors unless they are made available in and from a jurisdiction outside Taiwan.

**United Arab Emirates:** This document has not been approved by or filed with the Central Bank of the United Arab Emirates or the Securities and Commodities Authority. If you do not understand the contents of this document, you should consult with a financial advisor.

**United Kingdom:** In the United Kingdom, this material is a financial promotion and has been approved by Goldman Sachs Asset Management International, which is authorized and regulated in the United Kingdom by the Financial Conduct Authority.

**Vietnam:** The attached information has been provided at your request for informational purposes only. The attached materials are not, and any authors who contribute to these materials are not, providing advice to any person. The attached materials are not and should not be construed as an offering of any securities or any services to any person. Neither Goldman Sachs Asset Management (Singapore) Pte. Ltd. nor any of its affiliates is licensed as a dealer under the laws of Vietnam. The information has been provided to you solely for your own purposes and must not be copied or redistributed to any person without the prior consent of Goldman Sachs Asset Management.

**Index Benchmarks**

Indices are unmanaged. The figures for the index reflect the reinvestment of all income or dividends, as applicable, but do not reflect the deduction of any fees or expenses which would reduce returns. Investors cannot invest directly in indices. The indices referenced herein have been selected because they are well known, easily recognized by investors, and reflect those indices that the Investment Manager believes, in part based on industry practice, provide a suitable benchmark against which to evaluate the investment or broader market described herein.

Standard & Poor's (S&P) 500 Index is Standard & Poor's Composite Stock Prices Index of 500 stocks, an unmanaged index of common stock prices.

**Confidentiality**

No part of this material may, without Goldman Sachs Asset Management's prior written consent, be (i) copied, photocopied or duplicated in any form, by any means, or (ii) distributed to any person that is not an employee, officer, director, or authorized agent of the recipient.

Date of First Use: September 19, 2023.

330812-OTU-1863144..

Goldman Sachs | Asset Management

# EXPLORE MORE RETIREMENT INSIGHTS ON GSAM.COM

© 2023 Goldman Sachs. All rights reserved.