

Fearful of another "surprise" market crash gutting your hard-earned retirement investments? Tired of watching your Plan account flutter with the antics of politicians and autocrats? Yearning for a way to bring that perfect balance of stability and growth to your retirement portfolio with one easy click? Weary of the uncertainties that come with trying to determine how much lifetime income your account will provide for your retirement years? Curious about TV ads that tout "guaranteed protection and lifetime income with up to 33% more income in retirement"?

As in life itself, there's no doubt that stability in our financial lives has its allure - and rightfully so. Readers of our *Quarterly Commentary* over its 23+ year history have recognized that the promotion of personal financial stability is a core theme in our message. Integral to that message has always been our respect for the reality that there's no one-size-fits-all, silver bullet solution to that quest for stability, even in as narrow a perspective as its investing component. So this time around and counter to our usual tactic of guiding you along the constructive side of the pathway, we turn 180° by highlighting a sample of solutions that appear attractive but can harbor not-so-rosy consequences.

Our embedded tongue-in-cheek quote from a former Fed Chair guides our opening to this segment. Given that desperate humans are wired to grasp at the visually simplest means back to peace, we all need to be genuinely aware that the less respectable actors in the financial services industry know how to thrive on that facet of our human nature. The fact is: There are no simple, magical solutions that work for everyone. So be wary of these often hyped silver bullets:

"I guess I should warn you, if I turn out to be particularly clear, you've probably misunderstood what I've said."
Alan Greenspan

Annuities? Annuities are a type of investment account typically used for retirement savings or to generate regular income payments in retirement. Annuities are insurance contracts. The issuing insurance company provides some sort of guarantee on your investment. At this simple level, this sounds like a perfect solution, right? In proper doses of the proper kind of annuity, it can definitely lend helpful diversification for retirement income. But beware that these investment contracts can be notoriously complicated and thereby ripe for abuse. Come-on's like "8% annual income" blur the word "income" with our understanding of investment "return." (Their reference to "income" includes the annuity's return of a portion of your original investment.) Exorbitant fees are also a frequent part of an annuity product's fine print. So do yourself a big favor: Before even *considering* an annuity, do a deep dive into ad-lite info sources like http://money.cnn.com/retirement/guide/annuities_basics.moneymag/index.htm.

Lighten up on stocks? As we have discussed so often in our *Commentary*, stocks are indeed one of the most volatile investment classes. But in general and over reasonably long time periods, that volatility (aka "risk") begets higher returns than less volatile investment classes (like bonds, CD's, real estate, absolute return strategies, etc.) These less risky investments are included in properly constructed portfolios specifically to generate more consistent (that is, stable but lower) returns primarily from interest income. So Yes: If your goal is portfolio stability and reducing probability of crash-type losses, reducing stock exposure will likely work. Trouble is, portfolios of these less risky investments (once again, over reasonably long time periods) have historically averaged only around 2% per year over inflation. Under similar conditions and timeframes, diversified portfolios of stocks averaged about 5% per year over inflation. Put in stark terms: For your retirement account to provide you with a lifetime of withdrawals that have stable and equal purchasing power from your first year to your last, without your prior knowledge of when your last year will be, it will have to both keep pace with inflation AND produce investment returns pretty close to your withdrawal rate. Incrementally increasing stability over risk anywhere within about 6 years of retirement is a good idea. Sooner? It's best to emotionally absorb the volatility of stocks in favor of a healthy dose of risk over stability.

Dechert-Hampe & Company Employees' Savings and Profit Sharing Plan

Compensation & Capital's March 31, 2023

Retirement Saving and Investing "Action Points"

Your Tools in Face of Declining Expectations for Long-Term Investment Returns:

Among professional money managers who run the biggest institutional pension and endowment funds in the world, there's a near-unanimous view on their expected portfolio returns for the coming 10 years: They will be meaningfully below the 9.7% annual average that these funds have produced over the past 20 years. How much lower? Though forecasts of investor sentiment must always be viewed with a measure of skepticism, anecdotally these professional managers expect average portfolio returns for the coming 10 years to be 2% to 4% BELOW their actual returns of the past 20 years.

If these expectations come true, the implications for the funding missions of these pensions and endowments will be significant to the pensioners and students that are their primary beneficiaries. Lower investment returns will force reductions in benefits. But what's that got to do with your 401(k) investments and if there's truly a link, what can you do to constructively respond?

First off, the analogy connecting an institutional fund manager's macro characteristics for funding mission, investment strategy, return expectations and future liquidity requirements as compared to yours for your 401(k) account is actually pretty tight. Ongoing donations to these institutional funds (analogous to your 401(k) contributions), are progressively invested in a mix of stocks, bonds and cash that's designed to manage shorter term market risk to produce a predictable long term stream of future withdrawals. And though there are clear differences in timing, means and ends between pension funds and 401(k) accounts, 401(k) participants will face the same investment headwinds over the coming "short term" 20 years as these far more sophisticated institutional players. One very clear reason is that the average pension/endowment fund's investment mix (aka, Strategic Asset Allocation or "SAA") is, not coincidentally, right around that of the average 401(k) plan account: 70% stocks vs. 30% bonds and money markets.

So what are these professionals doing to respond to their expectations for a significant reduction in investment returns over the coming 20 years? Clearly, being (or at least thinking that) they are very sophisticated investors allows the pros to employ many complicated (frequently esoteric and often ineffectual) methods at the investment options margins of their portfolios. For us 401(k) plan investors with more "plain vanilla" investment options, our tools are comparatively limited, but for the most part no less powerful for succeeding in our mission. Our tools are: (a) Deployment of an appropriately determined initial SAA, (b) Progressively tuning that SAA to reduce the risk of short-term portfolio loss as our retirement approaches, (c) Diversification within our stock and bond components, and (d) Increasing savings while controlling anticipated withdrawal (that is lifestyle spending) levels.

Easier said than done? Not really. Your DHC/MWC 401(k) Plan removes a lot of the complexity you may feel exists in our preceding sentence. At its simplest of options, your selection of a single fund named appropriate to your expected retirement date (for example "2045") from the Plan's line-up of Vanguard Target Retirement Funds (with specs detailed on Pg 4 of this memo) can result in effective use of (a), (b) and (c) above. Alternatively you can exercise more personal control over (a) and (b) by employing a bit more hands-on approach to (c), using your own mix of the Plan's Select Venue Funds. Their specs are detailed on this memo's Pg 3 with far more comprehensive information and sample portfolios for various time horizons available at the Plans' website www.planspecs.com/dhc.

Unfortunately the hard part is still YOUR job. There's not much that anyone but you (and your family) can do to make attaining item (d) much easier. Clearly contributions from DHC/MWC help on the funding side. But the heavy lifting for these tasks will always be in your court. Getting on board with a personal commitment to a permanent savings plan not only builds your wealth, but it also reduces how much you become accustomed to living on. And that's a tool that's about as effective as any pro could have.

Dechert-Hampe & Co Employees' Savings and Profit Sharing Plan Vanguard Funds Performance Specifics and Comparatives

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(All for periods ended March 31, 2023)

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(1) A fund with a 2nd Ranking outperformed 98% of its peers.

NAME OF VANGUARD SELECT VENUE FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile (1) Ranking Past		OER (2)	Total Return Performance for		Average Annualized Total Return for:			
		5 Years	10 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TREASURY MONEY MARKET - VUSXX	Money Market	2nd	2nd	0.09%	1.1%	2.6%	0.9%	1.3%	0.8%	0.6%
<i>Money Market Funds >></i>		<i>Category Median >></i>		0.41%	0.8%	1.3%	0.5%	1.0%	0.6%	0.5%
TOTAL BOND MARKET INDEX ADMIRAL - VBTXX	Bonds	34th	36th	0.05%	3.2%	-4.7%	-2.8%	0.9%	1.3%	2.7%
<i>Intermediate-Term Core Bond Funds >></i>		<i>Category Median >></i>		0.62%	3.0%	-5.1%	-2.3%	0.8%	1.2%	2.7%
INFLATION PROTECTED SECURITIES ADM - VAIPX	Bonds	39th	32nd	0.10%	3.5%	-6.2%	1.7%	2.9%	1.4%	2.8%
<i>Inflation-Protected Bond Funds >></i>		<i>Category Median >></i>		0.62%	2.9%	-5.1%	2.2%	2.6%	1.2%	2.5%
WELLINGTON ADMIRAL - VWENX	Bonds & Stocks	14th	8th	0.16%	3.4%	-5.4%	10.7%	7.1%	8.1%	7.6%
<i>US Allocation – 50% to 70% Equity Funds >></i>		<i>Category Median >></i>		1.04%	3.8%	-6.5%	9.8%	5.2%	6.1%	5.9%
WINDSOR II ADMIRAL - VWNAX	Stocks	8th	16th	0.26%	4.7%	-5.5%	21.3%	10.3%	10.4%	8.9%
<i>Large-Cap U.S. Value Stock Funds >></i>		<i>Category Median >></i>		0.96%	0.8%	-5.1%	18.9%	7.8%	9.1%	7.8%
500 INDEX ADMIRAL - VFIAX	Stocks	21st	11th	0.04%	7.5%	-7.8%	18.6%	11.2%	12.2%	10.0%
<i>Large-Cap U.S. Blend Stock Funds >></i>		<i>Category Median >></i>		0.86%	5.7%	-7.4%	17.7%	9.7%	10.9%	9.1%
SELECTED VALUE - VASVX	Stocks	39th	27th	0.38%	4.5%	-3.0%	28.0%	7.3%	9.3%	9.3%
<i>Mid-Cap U.S. Value Stock Funds >></i>		<i>Category Median >></i>		1.04%	1.4%	-6.3%	22.6%	6.7%	8.4%	8.2%
U.S GROWTH ADMIRAL – VWUAX	Stocks	59th	34th	0.23%	15.8%	-17.6%	12.4%	10.0%	12.8%	10.8%
<i>Large-Cap U.S. Growth Stock Funds >></i>		<i>Category Median >></i>		1.00%	11.6%	-12.7%	14.8%	10.2%	12.1%	10.1%
MID-CAP GROWTH INVESTOR - VMGRX	Stocks	79th	84th	0.35%	9.5%	-12.8%	12.3%	6.6%	8.9%	8.8%
<i>Mid-Cap U.S. Growth Stock Funds >></i>		<i>Category Median >></i>		1.12%	7.7%	-12.0%	14.9%	8.1%	10.3%	9.3%
EXPLORER ADMIRAL - VEXRX	Stocks	18th	17th	0.34%	7.0%	-9.2%	19.8%	9.2%	11.1%	10.2%
<i>Small-Cap U.S. Growth Stock Funds >></i>		<i>Category Median >></i>		1.21%	6.1%	-12.1%	16.3%	7.3%	9.6%	9.3%
INTERNATIONAL GROWTH ADMIRAL - VWILX	Foreign Stocks	13th	5th	0.34%	12.5%	-6.8%	13.5%	6.5%	8.8%	6.2%
<i>Foreign Large Growth Stock Funds >></i>		<i>Category Median >></i>		1.07%	9.6%	-5.6%	10.6%	3.9%	5.8%	3.9%
EMERGING MARKETS INDEX ADMIRAL - VEMAX	Foreign Stocks	36th	41st	0.14%	3.6%	-9.1%	9.5%	-0.1%	2.2%	1.7%
<i>Diversified Emerging Markets Stock Funds >></i>		<i>Category Median >></i>		1.23%	4.9%	-9.4%	9.3%	-0.8%	1.9%	1.7%
ENERGY ADMIRAL - VGELX	Energy Stocks	72nd	44th	0.33%	-1.2%	7.2%	22.4%	0.8%	0.5%	0.5%
<i>Energy Sector Stock Funds >></i>		<i>Category Median >></i>		1.33%	-3.7%	2.7%	48.8%	2.3%	-2.5%	-1.2%

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(All for periods ended March 31, 2023)

(1) A fund with a 39th Ranking outperformed 61% of its peers.

Remember: Past performance is absolutely NOT a guarantee of future performance!

(2) "OER" or Operating Expense Ratio: Annual % of fund assets paid for fund operations and mgmt.

VANGUARD INDEXED AUTO-BALANCED FUND <i>Morningstar Category Name</i>	Securities Type(s)	Morningstar™ Category Percentile (1) Ranking Past		OER (2)	Total Return Performance for		Average Annualized Total Return for:			
		1 Year	5 Years		Past Qtr	12 Mos	3 Yrs	5 Yrs	10 Yrs	15 Yrs
TARGET RETIREMENT INCOME - VTINX	Target Date Retire Income	39th	35th	0.08%	4.2%	-4.5%	3.8%	3.3%	3.8%	4.4%
<i>Retirement Income Funds >></i>		<i>Category Median >></i>		0.54%	4.0%	-5.0%	5.1%	3.5%	4.3%	4.4%
TARGET RETIREMENT 2020 - VTWNX	Target Date 2020	29th	42nd	0.08%	4.8%	-5.3%	6.9%	4.3%	5.8%	5.6%
<i>Target Date 2020 Funds >></i>		<i>Category Median >></i>		0.61%	4.5%	-5.8%	6.7%	4.0%	5.4%	5.3%
TARGET RETIREMENT 2025 - VTTVX	Target Date 2025	45th	37th	0.08%	5.3%	-5.9%	8.3%	4.8%	6.4%	5.9%
<i>Target Date 2025 Funds >></i>		<i>Category Median >></i>		0.66%	4.7%	-6.1%	7.6%	4.3%	5.6%	5.4%
TARGET RETIREMENT 2030 - VTHRX	Target Date 2030	40th	40th	0.08%	5.7%	-6.2%	9.7%	5.2%	6.9%	6.2%
<i>Target Date 2030 Funds >></i>		<i>Category Median >></i>		0.68%	5.1%	-6.4%	9.4%	5.0%	6.4%	5.8%
TARGET RETIREMENT 2035 - VTTHX	Target Date 2035	35th	45th	0.08%	5.9%	-6.4%	11.1%	5.7%	7.4%	6.6%
<i>Target Date 2035 Funds >></i>		<i>Category Median >></i>		0.68%	5.6%	-6.8%	11.2%	5.5%	7.0%	6.1%
TARGET RETIREMENT 2040 - VFORX	Target Date 2040	33nd	40th	0.08%	6.2%	-6.5%	12.6%	6.1%	7.9%	6.9%
<i>Target Date 2040 Funds >></i>		<i>Category Median >></i>		0.70%	5.8%	-7.0%	12.6%	5.9%	7.4%	6.5%
TARGET RETIREMENT 2045 - VTIVX	Target Date 2045	36th	32nd	0.08%	6.5%	-6.7%	14.1%	6.6%	8.2%	7.1%
<i>Target Date 2045 Funds >></i>		<i>Category Median >></i>		0.70%	6.2%	-7.0%	13.6%	6.2%	7.7%	6.5%
TARGET RETIREMENT 2050 - VFIFX	Target Date 2050	34th	34th	0.08%	6.6%	-6.7%	14.2%	6.7%	8.3%	7.2%
<i>Target Date 2050 Funds >></i>		<i>Category Median >></i>		0.71%	6.3%	-7.1%	13.9%	6.3%	7.7%	6.6%
TARGET RETIREMENT 2055 - VFFVX	Target Date 2055	32nd	37th	0.08%	6.6%	-6.7%	14.2%	6.7%	8.2%	N/A
<i>Target Date 2055 Funds >></i>		<i>Category Median >></i>		0.71%	6.4%	-7.1%	14.1%	6.4%	7.8%	N/A
TARGET RETIREMENT 2060 - VTTSX	Target Date 2060	34th	38th	0.08%	6.6%	-6.7%	14.2%	6.7%	8.2%	N/A
<i>Target Date 2060 Funds >></i>		<i>Category Median >></i>		0.71%	6.4%	-7.1%	14.3%	6.4%	8.0%	N/A
TARGET RETIREMENT 2065 - VLXVX	Target Date 2065+	25th	50th	0.08%	6.6%	-6.6%	14.2%	6.6%	N/A	N/A
<i>Target Date 2065+ Funds >></i>		<i>Category Median >></i>		0.70%	6.5%	-7.2%	14.7%	6.6%	N/A	N/A
LIFE STRATEGY CONSERVATIVE - VSCGX	Conservative Allocation	49th	38th	0.12%	4.8%	-5.6%	4.6%	3.6%	4.6%	4.6%
<i>Allocation – 30% to 50% Equity Funds >></i>		<i>Category Median >></i>		0.94%	3.5%	-5.8%	5.8%	3.3%	4.1%	4.5%
LIFE STRATEGY GROWTH - VASGX	Aggressive Allocation	48th	35th	0.14%	6.2%	-6.6%	12.2%	6.0%	7.5%	6.4%
<i>Allocation – 70% to 85% Equity Funds >></i>		<i>Category Median >></i>		1.01%	4.4%	-6.7%	12.6%	5.6%	6.8%	6.2%