



The Retirement Opportunity

Voya's Retirement University for Advisors™ offers proprietary insights and tools to help advisors more effectively market to the fast-growing population of personal retirement clients.

One of the fastest growing populations of advisory clients is personal retirement clients. Research shows that 70 percent of advisors expect the number of these clients to continue to grow.¹ But advisors may not be fully taking advantage of this opportunity: Just 16 percent actively market themselves as experts in the personal retirement area.²

What can advisors do to make the most of this robust and growing market? We spoke with Jake Tuzza, Managing Director and Head of Intermediary Distribution at Voya Investment Management, about how advisors can develop their knowledge and skills to better serve personal retirement clients, and differentiate themselves from other advisors. In addition, Tuzza addresses the challenges faced by advisors, including client expectations and market volatility.

Wealth Management: Why should advisors target personal retirement clients?

Tuzza: Retirement clients are the foundation for the majority of advisor practices, making up at least half of the clients for 75 percent of them. Also, for about one-third of advisors, these clients equal about 75 percent or more of their total business.³ The big question is: How can advisors differentiate themselves by marketing their retirement expertise?

We believe that professional development is key to building that expertise. Voya's Retirement University for Advisors™, a professional development program, makes things easier for advisors by helping them access insights and tools in two areas:

- Investing: Building successful retirement portfolios.
- Engagement: Managing client relationships more effectively.

Wealth Management: Many advisors do not tout their expertise in the personal retirement space. Why not?

Tuzza: One simple reason: they lack the tools and resources. Financial advisors wear many hats. They provide investment advice, as well as advice on taxes, college savings, stock options and real estate. Part of the mission of Retirement University is to help advisors better articulate their retirement expertise and services. This will help advisors attract new clients and better manage clients' expectations.

Wealth Management: What skills do advisors need to address the needs of personal retirement clients?

Tuzza: The ability to build consistent and reliable portfolios will set advisors apart from their competitors. Advisors who focus on alpha or star ratings as the primary fund selection criteria often make clients think that their value is linked only to market performance.

Instead, advisors must reframe the client's investment goals and focus on building consistent and reliable portfolios. How? One way is to choose investment managers who are consistent through all market environments, including a focus on how managers handle downside volatility. By doing so, advisors can more effectively manage their client relationship in any market environment.

Think about how many phone calls advisors received during the market tailspin of January 2016, when the Dow fell over 5 percent and the NASDAQ dropped nearly 8 percent. Advisors who selected managers who could handle downside risk had a much easier time with their clients than advisors who chose managers purely on star ratings or alpha.

Wealth Management: How can advisors develop these skills?

Tuzza: Most important is an openness and willingness to learn more. At Voya Investment Management, we fully support professional development. That's why we created Retirement University. It takes a multi-media approach to advisor education: We offer a website, retirementu.voya.com/WM, with learning modules that offer continuing education (CE) credits, and we have in-depth research available in print or online. We also have materials that advisors can use with their client to stress the importance of consistency in retirement investments.

Meanwhile, we have actionable tools that can help advisors make better investing decisions for their clients. Our proprietary Consistency Lens™ Diagnostic Report demonstrates the importance of consistency in evaluating funds. The returns of the best and worst mutual funds in any category vary widely, and it's important to focus beyond a fund's annualized returns. The Consistency Lens methodology helps reduce that range of uncertainty, and focuses on six performance-based factors to measure funds for historical consistency. This report can provide a more complete picture of a fund manager's skill over time than simply looking at annualized returns.

Wealth Management: How can advisors differentiate themselves from their peers?

Tuzza: Advisors must think about the services they provide, how they do things differently, and how they articulate those differences. As I noted earlier, a majority of advisors have retirement planning as

the foundation of their business. However, advisors need to make retirement a regular part of their client conversations. Our Retirement University will help advisors develop their story and align financial products with a client's specific life stages, whether they're accumulating assets for retirement, transitioning into retirement, or living in retirement.

Wealth Management: How do advisors tell their value proposition to clients? How do they get that message across?

Tuzza: Voya Investment Management can help. Through Retirement University we offer a wider range of material, education and resources to help advisors connect with clients. Our main goal is to tap into the power of consistency in selecting retirement funds and, in the process, minimize stress for their clients. Equally important, we aim to de-stress the advisors' practice, allowing them more time to manage other components of their business. It comes down to whether the advisor is willing to learn and embrace these ideas, allowing them to have these powerful conversations with clients about the importance of building and maintaining consistent portfolios.

^{1,2,3} Practical Perspectives, Advisors Working With Retirement Clients, April 2016. Past performance is no guarantee of future results.