

DON'T LET INFLATION DERAIL YOUR RETIREMENT PLANS

WHAT IS INFLATION?

Inflation is an increase in the price of goods and services within an economy. In the U.S., this increase is tracked by the Consumer Price Index (CPI).



The weights of the different goods and services composing the CPI are as follows:

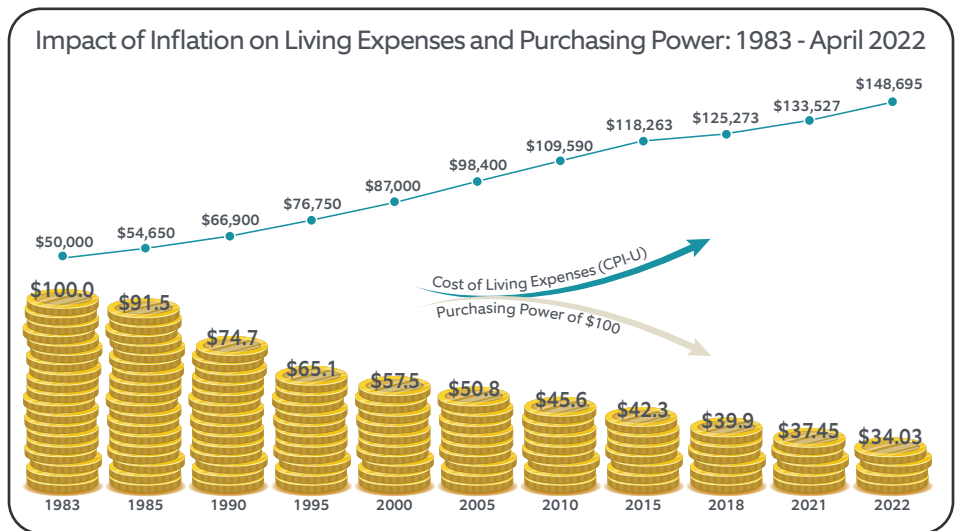
- Shelter Services – 32.2%
- Food – 13.5%
- Energy – 8.8%
- Transportation Goods – 8.6%
- Medical Care Services – 6.8%
- Other Services – 6.4%
- Other Goods – 6.3%
- Transportation Services – 5.9%
- Education & Communication Services – 5.2%
- Household Goods – 3.9%
- Apparel – 2.4%

Source: Northern Trust Asset Management, Bloomberg. CPI, PCE and PPI data: Monthly data through 9/30/2022. CPI weights through 9/30/2022.

INFLATION RESULTS IN THE LOSS OF PURCHASING POWER

When inflation is rising, it means that the money you have today will not be able to purchase the same amount of goods and services in the future. As you can see in the chart here, \$100 earned in 1983 bought only \$34.03 of goods in 2022. Inflation affects everyone, but it can be especially impactful for retirees who are tapping a set amount of assets to meet spending needs.

Source: Table 24. Historical Consumer Price Index for All Urban Consumers (CPI-U): U.S. city average, all items (1982-1984=100, unless otherwise note). Bureau of Labor Statistics, 2022.



ENHANCE RETIREMENT SUCCESS WITH A PORTFOLIO THAT SEEKS TO DEFEND AGAINST INFLATION

The Northern Trust Diversified Strategist Portfolios (DSP) include stocks and bonds from companies that have the potential to increase in value at least as much as inflation. Specifically, DSP includes securities issued by companies that can charge more for their goods or services when, for example, the price of oil, rents, or the cost of air travel increases. DSP also includes investments in TIPS - bonds whose values ratchet up with inflation.

Natural Resources

Real Estate

Infrastructure

TIPS

Talk to your Financial Advisor today to see how you can seek to defend against inflation – and pursue a more successful retirement outcome – with the Northern Trust Diversified Strategist Portfolios.

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