Start Investing in the New Investment Lineup
AGENDA

1. Workplace savings plan
2. Key investing concepts
3. Common investments
4. Appropriate investment mix
5. Your investment approach
Benefits of investing in your workplace savings plan
Reasons to invest

- Tax advantages
- Variety of investment options
- Compounding growth
Plan investment options

- Stocks
- Bonds
- Short-term
Key investing concepts
Saving vs. Investing

**SAVING**
Set money aside for a specific need in the future

**INVESTING**
Purchase a financial product (such as stocks or bonds)
Determine your investment approach

Do It Yourself (DIY)

Professional Investment Help
Common investment types
Stocks

Sold as shares

COMMON TYPES

- Growth Investments
- Stock Market
- Higher Investment Risk
Bonds

A bond is a loan

Common Types

- Interest Payments
- Inverse Relationship
- Lower Investment Risk
Short-term investments

Help preserve money

- Small Amount of Interest
- Relatively Stable Prices
- Low Investment Risk
Which of these statements is false?

A. Short-term investments typically outperform bonds

B. Historically, stocks provide the highest returns of the three investment types over the long term

C. Bonds have the potential to pay interest, and the promise to pay back principal

D. Short-term investments can provide stability and preserve your savings
Which of these statements is false?

A. Short-term investments typically outperform bonds

B. Historically, stocks provide the highest returns of the three investment types over the long term

C. Bonds have the potential to pay interest, and the promise to pay back principal

D. Short-term investments can provide stability and preserve your savings
Assumptions: S&P 500 is used for stock returns, 10-year Treasury bond is used for bond returns, three-month Treasury bill is used for short-term returns, and inflation is 2.5%.

Long-term performance

30-year historical growth of $10,000

Assumptions: S&P 500 is used for stock returns, 10-year Treasury bond is used for bond returns, three-month Treasury bill is used for short-term returns, and inflation is 2.5%. 

**Stocks:** $186,121

**Bonds:** $57,496

**Short-Term:** $25,921
Long-term performance of different investment mixes

<table>
<thead>
<tr>
<th>Common Types</th>
<th>Conservative</th>
<th>Balanced</th>
<th>Growth</th>
<th>Aggressive Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic stock</td>
<td>5.96%</td>
<td>7.91%</td>
<td>8.88%</td>
<td>9.55%</td>
</tr>
<tr>
<td>Foreign stock</td>
<td>31.06%</td>
<td>76.57%</td>
<td>109.55%</td>
<td>136.07%</td>
</tr>
<tr>
<td>Bonds</td>
<td>-17.67%</td>
<td>-40.64%</td>
<td>-52.92%</td>
<td>-60.78%</td>
</tr>
<tr>
<td>Short-term</td>
<td>17.65%</td>
<td>23.48%</td>
<td>27.36%</td>
<td>31.91%</td>
</tr>
<tr>
<td>Annual Return %</td>
<td>-6.18%</td>
<td>-10.43%</td>
<td>-13.78%</td>
<td>-</td>
</tr>
<tr>
<td>Average</td>
<td>Best 12-month</td>
<td>Worst 12-month</td>
<td>Best 5-year</td>
<td>Worst 5-year</td>
</tr>
</tbody>
</table>

Data Source: Ibbotson Associates, 2017 (1926–2016). Past performance is no guarantee of future results. Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option. Stocks are represented by the Standard & Poor's 500 Index (S&P 500®). The S&P 500® Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Bonds are represented by the U.S. Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income. Short-term instruments are represented by U.S. Treasury bills, which are backed by the full faith and credit of the U.S. government. It is not possible to invest directly in an index. Stock prices are more volatile than those of other securities. Government bonds and corporate bonds have more moderate short-term price fluctuation than stocks but provide lower potential long-term returns. U.S. Treasury bills maintain a stable value (if held to maturity), but returns are generally only slightly above the inflation rate. Foreign Stocks are represented by the Morgan Stanley Capital International Europe, Australasia, Far East Index for the period from 1970 to the last calendar year. Foreign Stocks prior to 1970 are represented by the S&P 500®. The purpose of the target asset mixes is to show how target asset mixes may be created with different risk and return characteristics to help meet a participant’s goals. You should choose your own investments based on your particular objectives and situation. Remember that you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider any investments you may have outside the plan when making your investment choices. These target asset mixes were developed by Strategic Advisers, Inc., a registered investment adviser and Fidelity Investments company, based on the needs of a typical retirement plan participant.
Where will you invest your money?

- Short-term
- Bonds
- Stocks
Selecting your investments
Finding the right mix

- Tolerance for risk
- Financial situation
- Time horizon
<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bread</td>
<td>$1.00</td>
<td>$1.35</td>
</tr>
<tr>
<td>Egg</td>
<td>$0.97</td>
<td>$1.60</td>
</tr>
</tbody>
</table>
Long-term performance

30-year historical growth of $10,000

Assumptions: S&P 500 is used for stock returns, 10-year Treasury bond is used for bond returns, three-month Treasury bill is used for short-term returns, and inflation is 2.5%.
Asset allocation and diversification do not ensure a profit or guarantee against loss. For illustrative purposes only.
How many years until you plan to retire?

- 13+ years
- 9–12 years
- 1–8 years
Asset allocation and your investment timeline

For illustrative purposes only.

As a possible starting point for either your retirement or nonretirement goals, the target asset mix (TAM) is based on a measure of your time horizon. The measure of time horizon and the available default TAMs will vary by goal type. Time horizon for retirement goal type is defined as the difference between Current Year and Retirement (Goal Start) Year. Please note that this time horizon-based default TAM is just a starting point for you to begin consideration of the appropriate asset allocation. For a more in-depth look, be sure to take your risk tolerance, financial situation, and time horizon into consideration before choosing an allocation.
Choosing your investment approach
Investment approaches

- Do It Yourself (DIY)
- Professional Investment Help
Do It Yourself (DIY)
Do it yourself: Things to consider

1. Level of risk you want to accept
2. Determine short- and long-term goals
3. Choose a mix of investments
The importance of rebalancing

Starting Allocation: Growth
- 2001: 5% Domestic Stock, 25% Foreign Stock, 49% Bonds, 21% Short-term

Not Rebalanced
- 2016: 3% Domestic Stock, 24% Foreign Stock, 53% Bonds, 20% Short-term

Rebalanced
- 2016: 5% Domestic Stock, 35% Foreign Stock, 42% Bonds, 18% Short-term

This chart is for illustrative purposes only. Historical data is used for 2001-2016 returns. All values shown are end-of-year balances. No taxes are considered on growth.
# Tier 2 Core Options

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Fund Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money Market</td>
<td>Vanguard Federal Money Market Fund Investor Shares</td>
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<tr>
<td>Stable Value</td>
<td>VALIC Fixed Interest Option</td>
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<tr>
<td>Intermediate-Term Bond</td>
<td>Vanguard Total Bond Market Index Fund Institutional Shares, Metropolitan West Total Return Bond Fund Plan Class</td>
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<tr>
<td>Multisector Bond</td>
<td>PIMCO Income Fund Institutional Class</td>
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<tr>
<td>Large Value</td>
<td>MFS® Value Fund Class R6, Vanguard Equity-Income Fund Admiral Shares</td>
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<tr>
<td>Large Blend</td>
<td>Vanguard Institutional Index Fund Institutional Plus Shares, Vanguard FTSE Social Index Fund Investor Shares</td>
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<tr>
<td>Large Growth</td>
<td>Vanguard PRIMECAP Fund Admiral Shares, Fidelity® Contrafund® K6, T. Rowe Price Growth Stock Fund I Class</td>
</tr>
<tr>
<td>Mid-Cap Value</td>
<td>American Century Mid Cap Value Fund R6 Class, MFS® Mid Cap Value Fund Class R6</td>
</tr>
<tr>
<td>Mid-Cap Blend</td>
<td>Vanguard Extended Market Index Fund Institutional Shares, Fidelity® Low-Priced Stock K6 Fund</td>
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</tbody>
</table>
## Tier 2 Core Options

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<tr>
<td>Mid-Cap Growth</td>
<td>MassMutual Select Mid Cap Growth Fund Class I</td>
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<tr>
<td>Foreign Large Blend</td>
<td>Vanguard Total International Stock Index Fund Institutional Shares</td>
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<td>American Funds EuroPacific Growth Fund® Class R-6</td>
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<tr>
<td>Foreign Large Growth</td>
<td>Vanguard International Growth Fund Admiral Shares</td>
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<tr>
<td>Foreign Small/Mid Blend</td>
<td>Fidelity® International Small Cap Fund</td>
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<td>Small Value</td>
<td>Goldman Sachs Small Cap Value Fund Class R6</td>
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<td></td>
<td>Fidelity® Small Cap Value Fund</td>
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<tr>
<td>Small Growth</td>
<td>Janus Henderson Triton Fund Class N</td>
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<tr>
<td></td>
<td>Fidelity® Small Cap Growth K6 Fund</td>
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<tr>
<td>Diversified Emerging Mkts</td>
<td>Vanguard Emerging Markets Stock Index Fund Institutional Shares</td>
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<tr>
<td>Real Estate</td>
<td>Vanguard Real Estate Index Fund Institutional Shares</td>
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TIAA Traditional (Retirement Choice / Retirement Choice Plus) – will be available in January 2019
Additional fees apply to a brokerage account; please refer to the fact sheet and commission schedule for a complete listing of brokerage fees.

The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink®.

Remember, it is always your responsibility to ensure that the options you select are consistent with your particular situation, including your goals, time horizon, and risk tolerance.
Do it yourself: Tools and resources

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YOUR APPROACH

» Professional Investment Help
YOUR APPROACH

Professional investment help

Single-fund Solution*

*The target date investments are designed for investors expecting to retire around the year indicated in each fund’s name. The investments are managed to gradually become more conservative over time as they approach the target date. The investment risk of each target date investment changes over time as its asset allocation changes. The investments are subject to the volatility of the financial markets, including that of equity and fixed income investments in the U.S. and abroad, and may be subject to risks associated with investing in high-yield, small-cap, and foreign securities. Principal invested is not guaranteed at any time, including at or after the target dates.
### Tier 1

**Target Date Funds**

<table>
<thead>
<tr>
<th>Fund Name</th>
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<tbody>
<tr>
<td>Vanguard Institutional Target Retirement Income Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2015 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2020 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2025 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2030 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2035 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2040 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2045 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2050 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2055 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2060 Fund Institutional Shares</td>
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<td>Vanguard Institutional Target Retirement 2065 Fund Institutional Shares</td>
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</tbody>
</table>
Which investment approach are you considering?

Do It Yourself (DIY)

Professional Investment Help
Review

- Key investing concepts
- Common investments
- Appropriate investment mix
- Workplace savings plan
- Your investment approach
Take your next step

NEXT STEPS

Call for investment advice
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