

IMPORTANT INFORMATION

Effective 4/1/22, Empower officially acquired the retirement business of Prudential. Over a period of time, you may see references to Prudential and Empower as we transition our experiences. Throughout this process, we want you to know that our focus is on you and making this transition as seamless as possible.

At the end of the presentation, there will be more information associated with the acquisition.





101: Retirement Planning and Investing

Local 812 Annuity Fund

Thomas G Grubbs





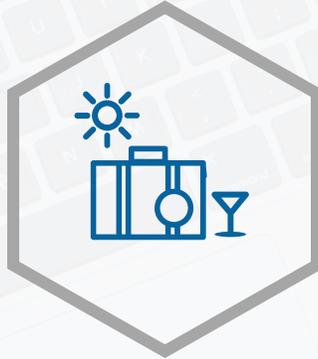
What will we discuss?

- Saving vs. investing
- Investor types
- Investing basics
- Strategies and next steps



 **Savings**

What are your savings goals?



Vacation



New Car



Buy A Home



Home Improvements



Retirement



Home Décor



College

Short-term goals



Vacation

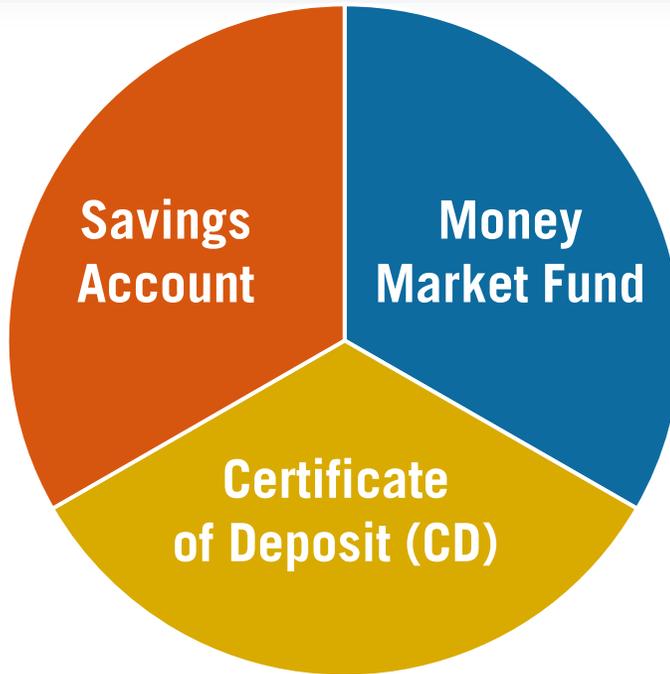


Wedding



Remodeling

Some common vehicles for short-term saving



An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, you can lose money by investing in the fund.

Long-term goals



Purchasing Your Home



Saving for College



Retirement



Investing 101



Risk

RISK

1

Inflation risk

RISK

#2

Longevity risk

RISK

#3

Market risk



Market volatility

Let's define our terms



Volatility

is whenever the market goes up or down



Bull

is an up market



Bear

is a down market



Don't panic

**Don't get too
excited either**



**“Buy low,
sell high”**

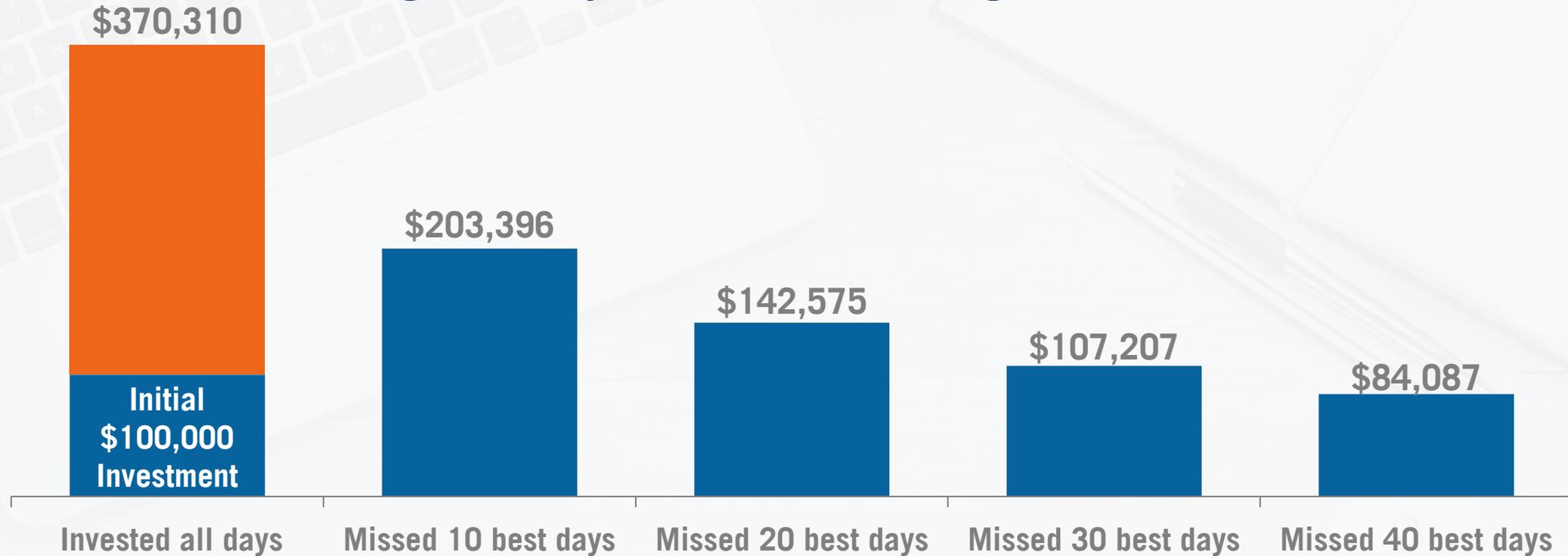
**Sure, that’s technically how
investing works. But it’s
harder than it sounds.**

A blurred photograph of an office interior, showing several people in motion. The scene is captured with a long exposure, creating a sense of activity and movement. The office has a modern feel with a patterned carpet and glass partitions. A dark blue banner is overlaid on the right side of the image, containing the text "Herd" investing in white.

“Herd” investing

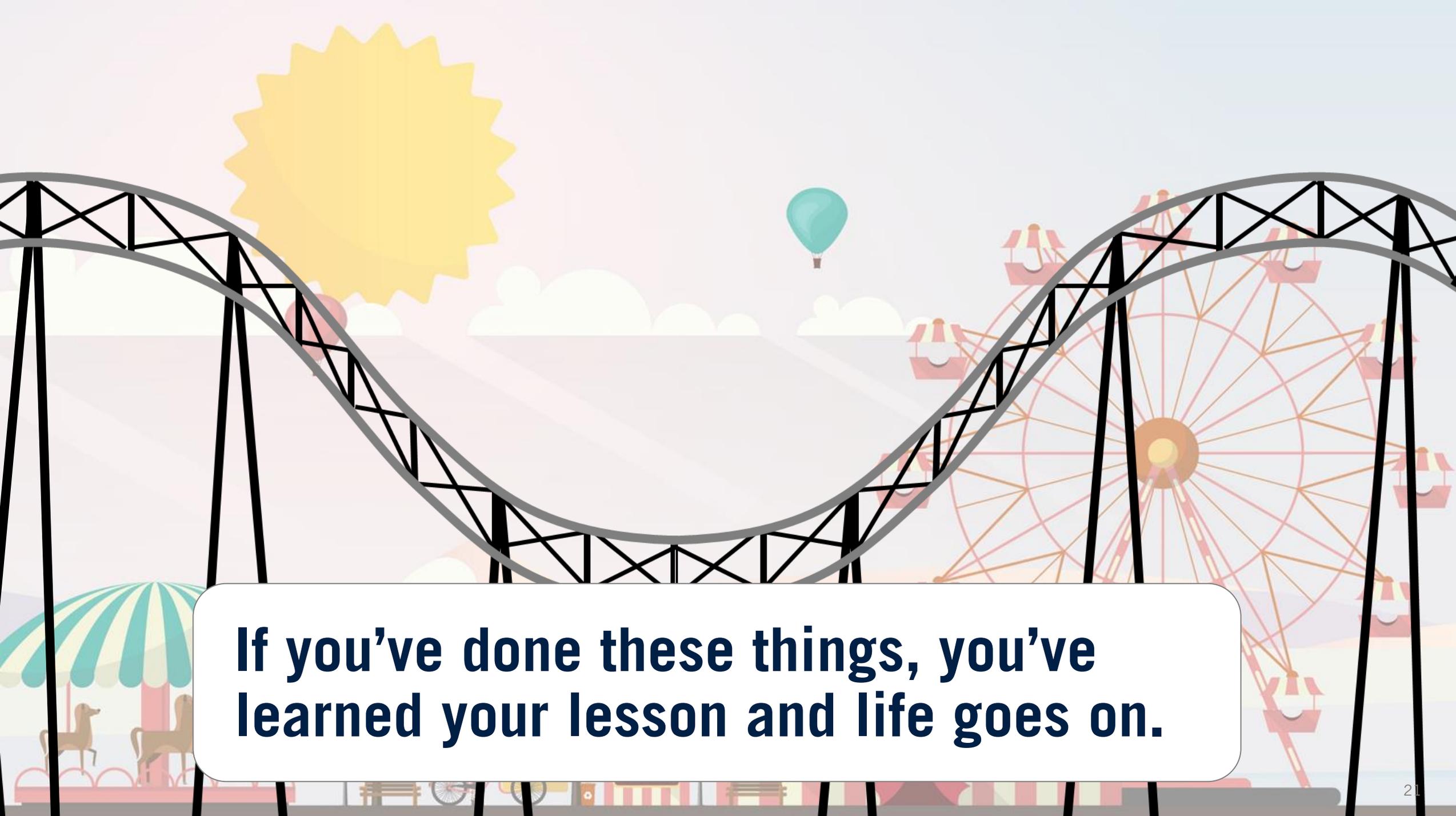
The Potential Cost of Trying to Time the Markets

Missing Best Days – 10 Years Ending June 30, 2020



Difficulty of market timing

Source: Russell Investments, Confluence. In USD. Returns based on S&P 500 Index, for 10-year period ending June 30, 2020. For illustrative purposes only. Index returns represent past performance, are not a guarantee of future performance, and are not indicative of any specific investment. Indexes are unmanaged and cannot be invested in directly.

A vibrant, stylized illustration of a fairground. In the foreground, a black roller coaster track curves across the frame. In the background, a large Ferris wheel with red and white gondolas is visible on the right, and a hot air balloon floats in the sky. A yellow sun with a jagged edge is in the upper left, and a striped carousel is in the lower left. The scene is set against a light blue sky with soft clouds.

If you've done these things, you've learned your lesson and life goes on.

**The good news is you
don't have to react.**

Historically, the market has always recovered

1973

Down 42.6% in 21 months
Recovered in 21 months

1990

Down 14.7% in 5 months
Recovered in 4 months

2008

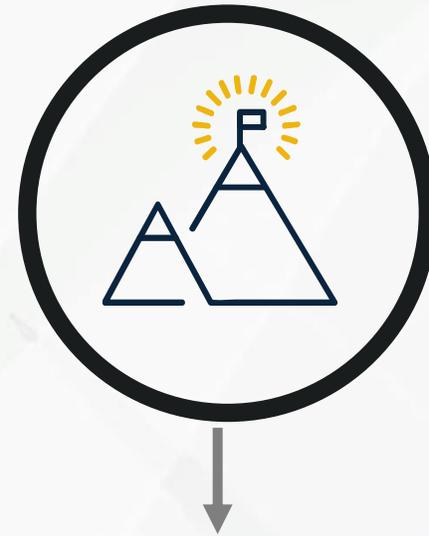
Down 50.9% in 16 months
Recovered in 37 months

Past performance is no guarantee of future results. This is for illustrative purposes only and not indicative of any investment. An investment cannot be made directly in an index. Downturns are defined by a time period when the stock market value declined by 10% or more from its peak. Source: Morningstar, 2014 (All Rights Reserved).

Retirement investing is a marathon



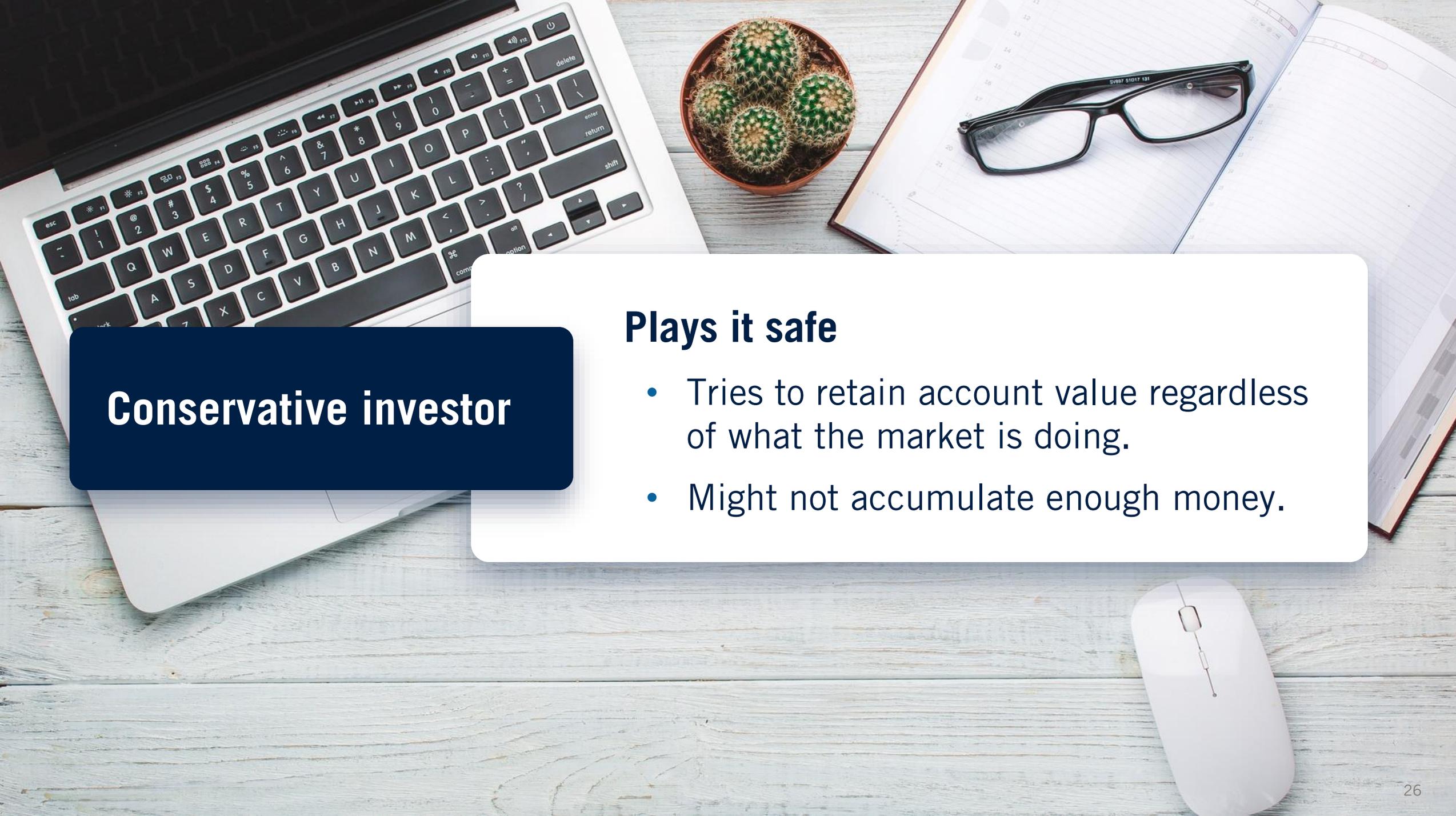
Think of retirement investing as a marathon, not a sprint.



It's important to focus on your long-term goals, not short-term market swings.

A woman with dark hair pulled back, wearing a bright pink long-sleeved button-down shirt, is sitting at a white desk. She is looking towards the camera with a slight smile. On the desk in front of her is a white mug, a red smartphone, and a silver laptop. The background is a blurred office setting with large windows and a brick wall.

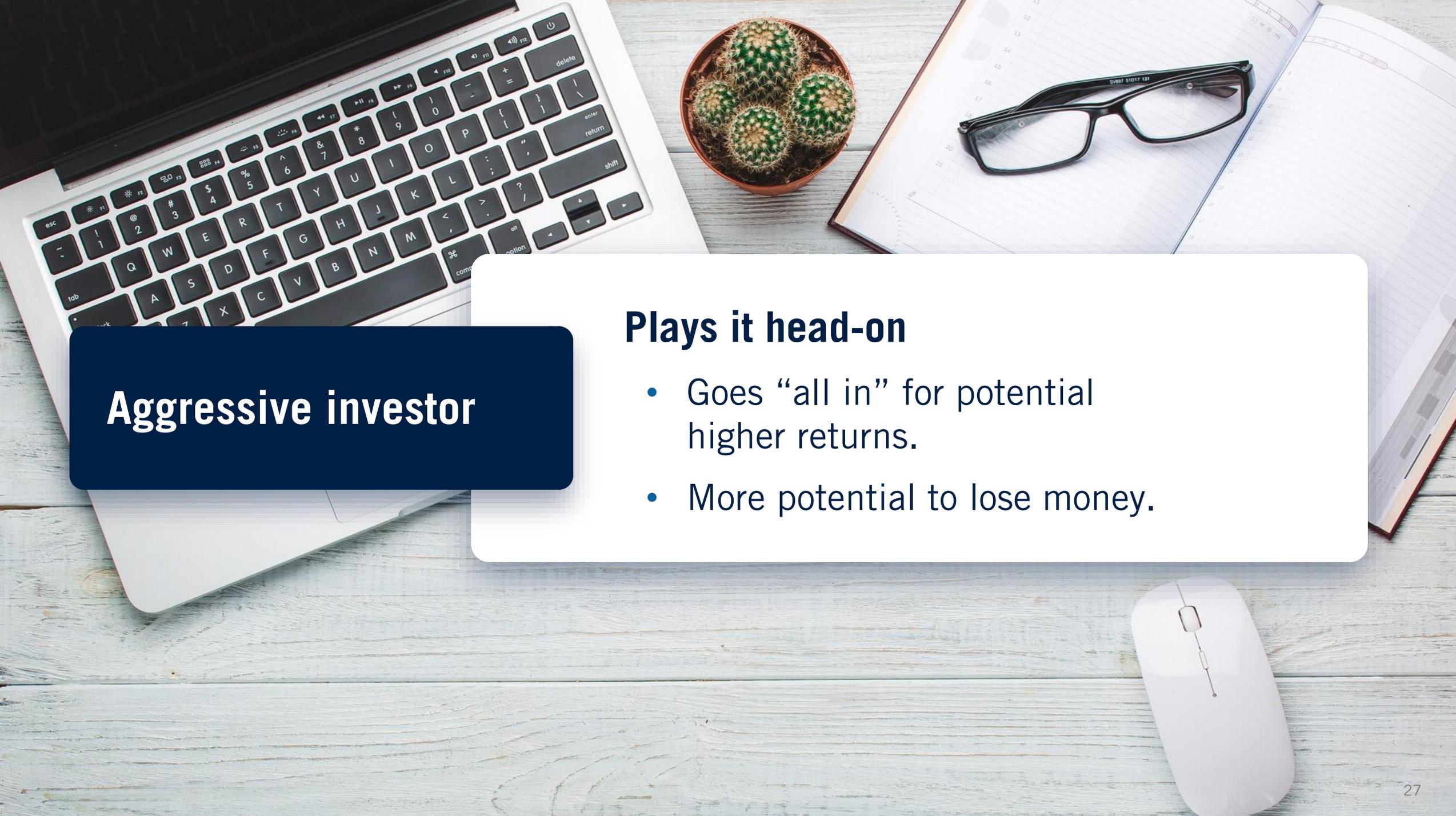
➔ Investor types

A top-down view of a desk with a light-colored wooden surface. On the left is a silver laptop with a black keyboard. In the center is a small, round, terracotta pot containing three small, green, spiky cacti. To the right is an open notebook with a grid pattern, and a pair of black-rimmed glasses is resting on it. In the bottom right corner, a white computer mouse is visible.

Conservative investor

Plays it safe

- Tries to retain account value regardless of what the market is doing.
- Might not accumulate enough money.



Aggressive investor

Plays it head-on

- Goes “all in” for potential higher returns.
- More potential to lose money.



Moderate investor

Plays it both ways

- Can stomach mild market fluctuations.
- Not focused solely on higher returns.

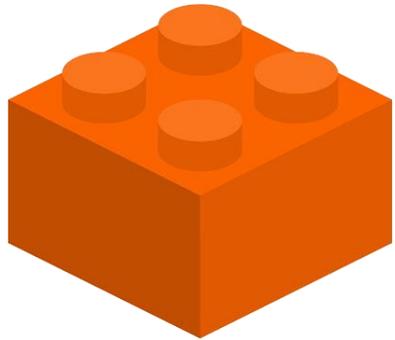


Investing

Here's what you
should know

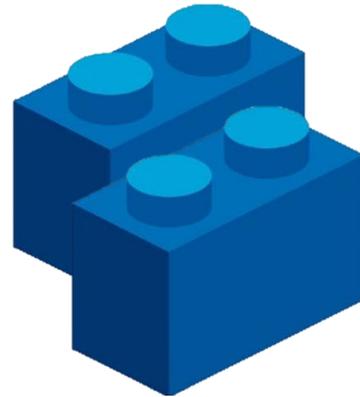


The building blocks of a portfolio



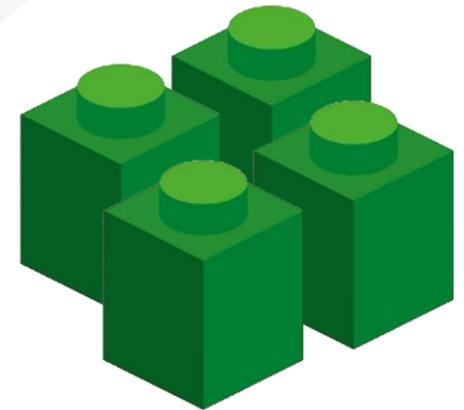
Stable value

Fixed rate of return



Fixed income

Bonds

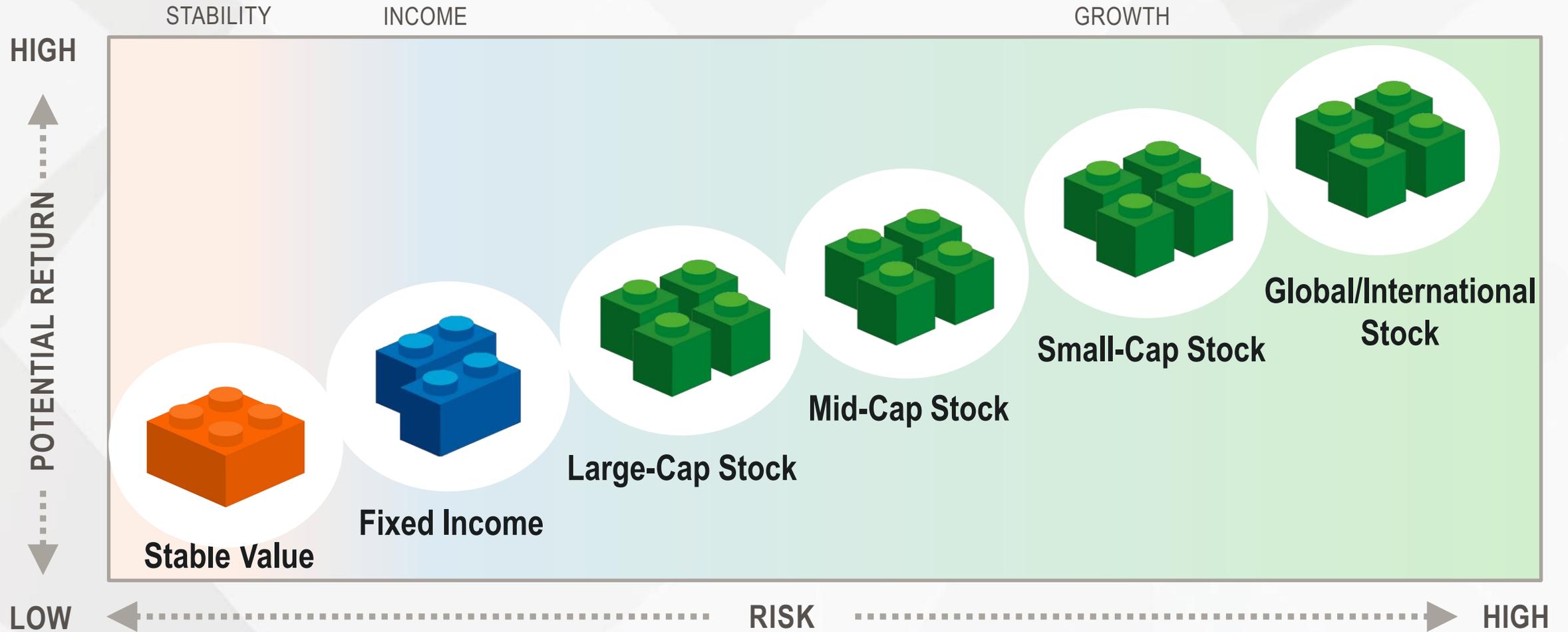


Stocks (equities)

Company shares

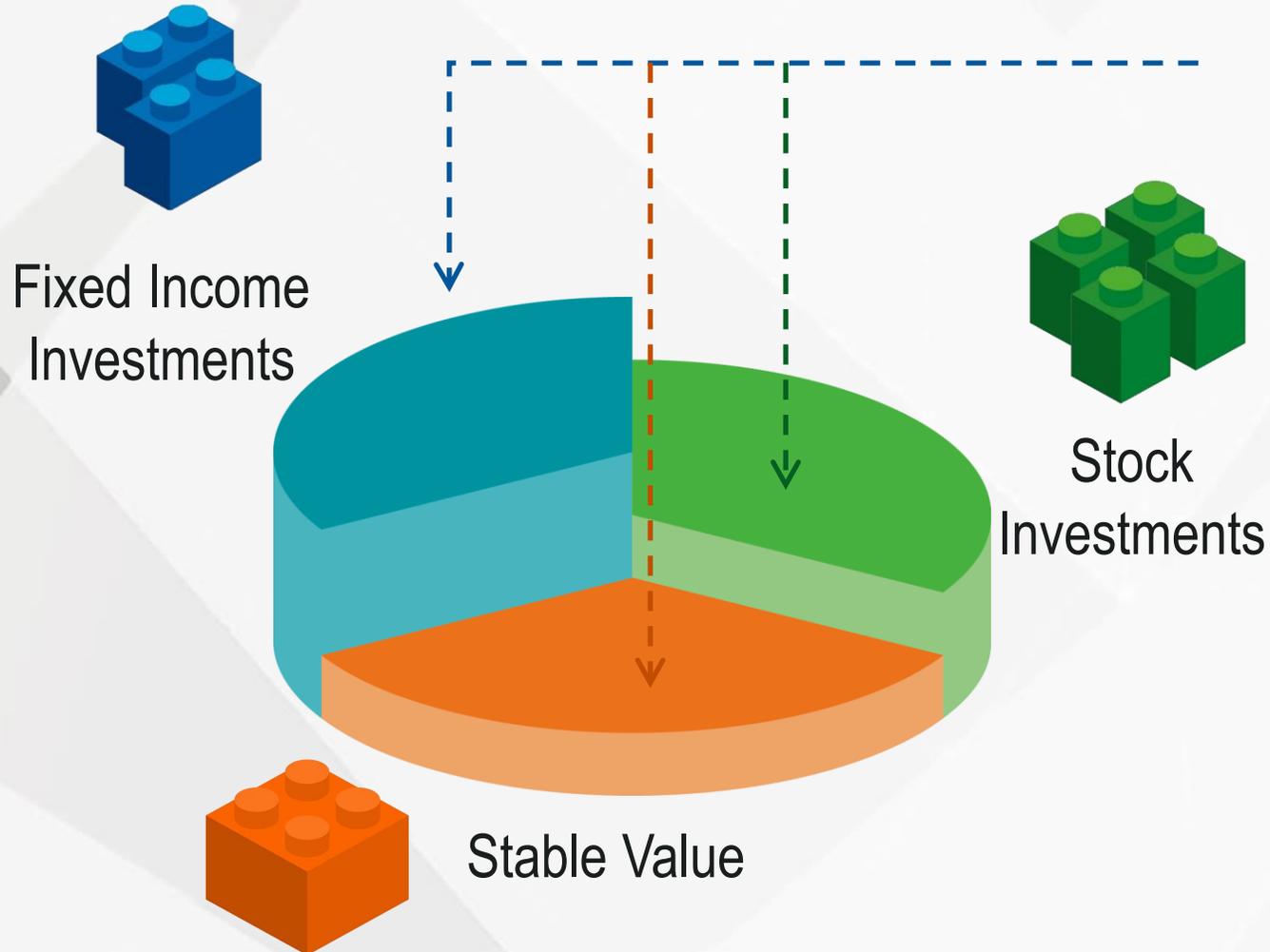
All investing involves various risks, such as; fixed income (interest rate), default, small cap, international and sector—including the possible loss of principal. Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss. **It is possible to lose money by investing in securities.**

Risk and reward



This is a simplified illustration of the relationship between investment risk and potential rate of return. There is no assurance that higher risk investments will provide greater returns over time. Past performance is not indicative of future performance.

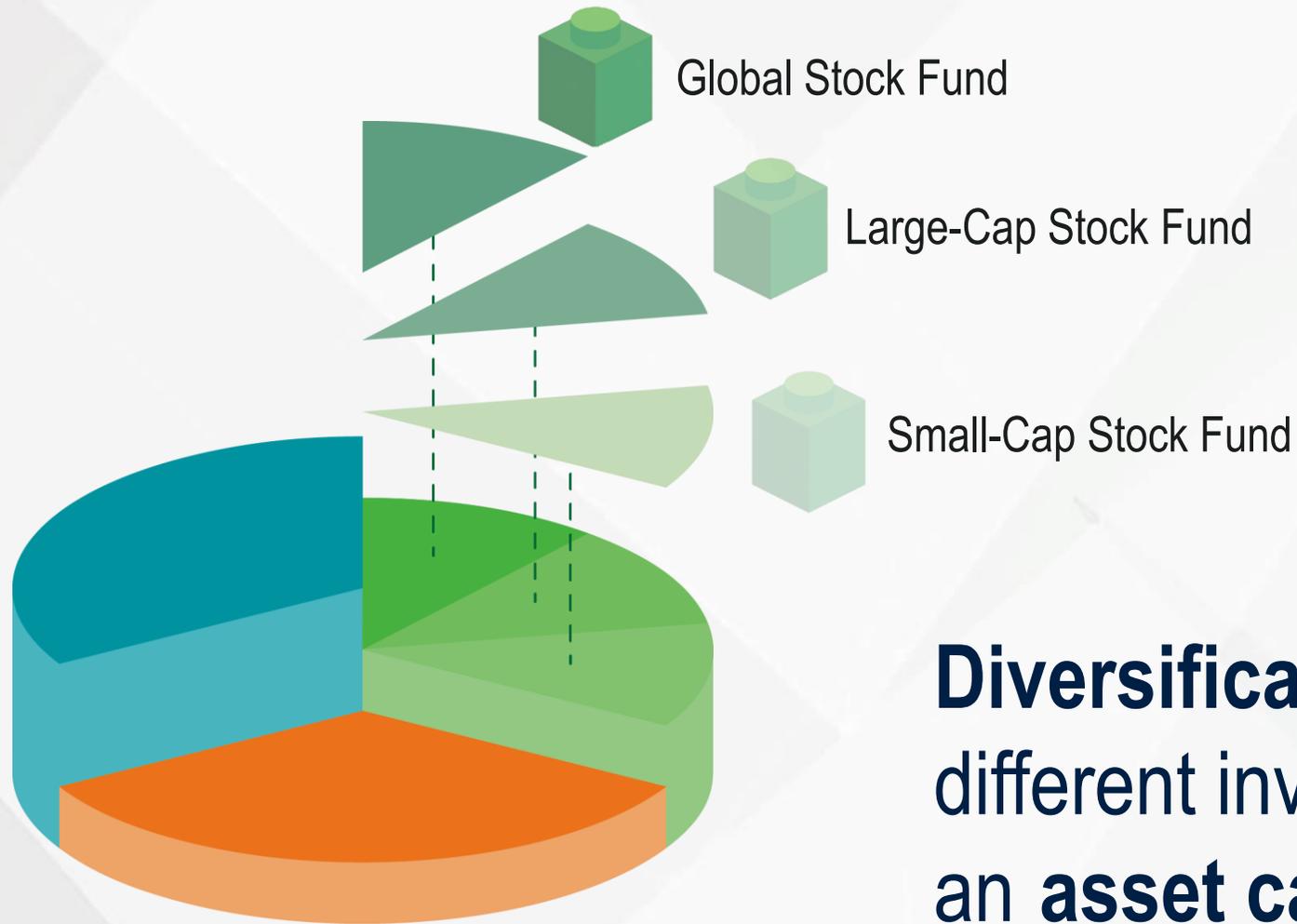
Investing in different types of investments



Asset Allocation is dividing your investments between **asset categories**

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**

Investing in different types of investments



Diversification is choosing different investments *within* an **asset category**

Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**



Building your portfolio

The investments you choose can help you manage the challenge of risk vs. return

Choosing your investments—Step 1

Choose your years until retirement

0-5

6-10

11-15

16+

Determine your investor style

CONSERVATIVE

MODERATE

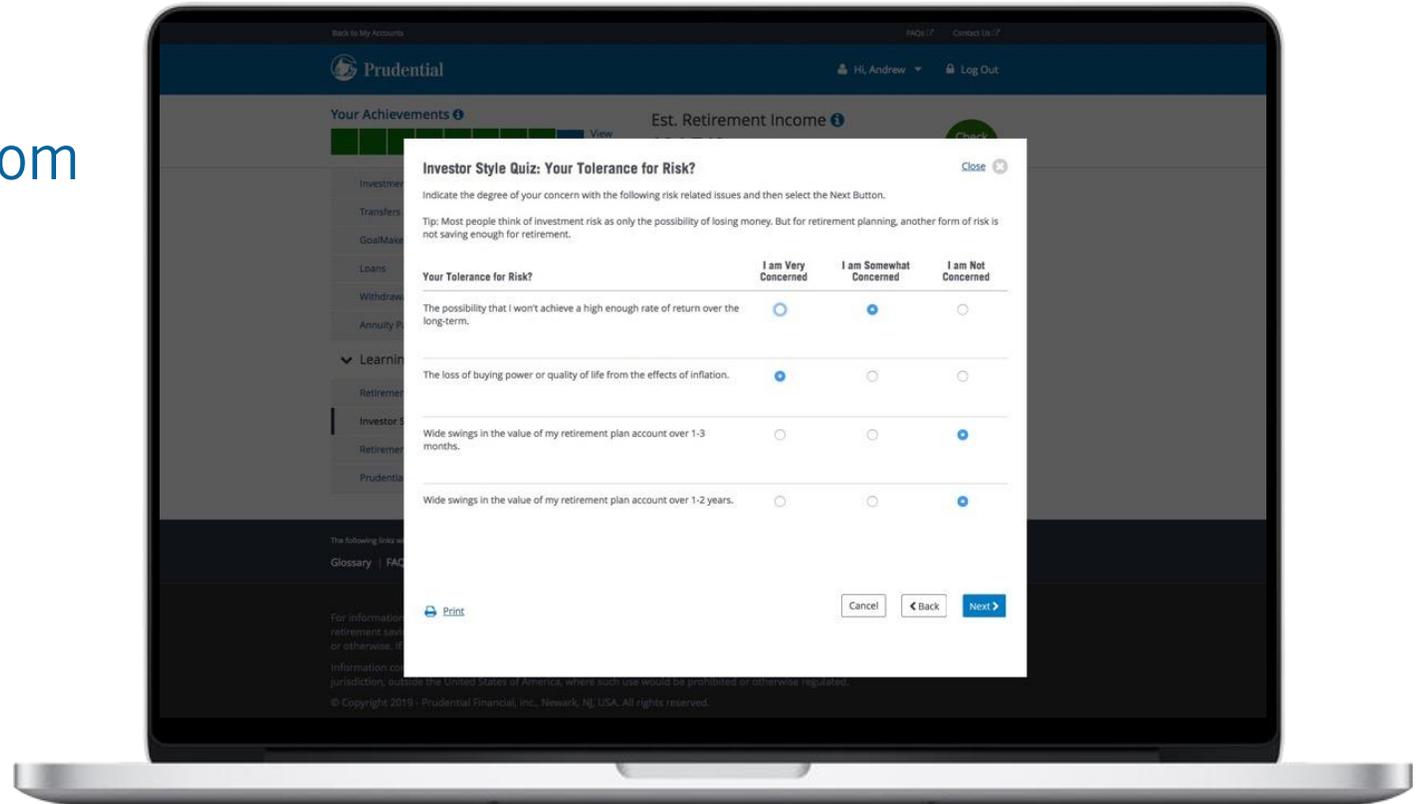
AGGRESSIVE

Take the investor style quiz

Log in to your account

www.retirement.prudential.com

- On the My Accounts page, scroll down to the My Accounts section
- Click your plan name
- From the menu on the left, select Learning & Tools
- Then click Investor Style Quiz



Choosing your investments—Step 2

Identify your model portfolio based on your risk tolerance and retirement timeline

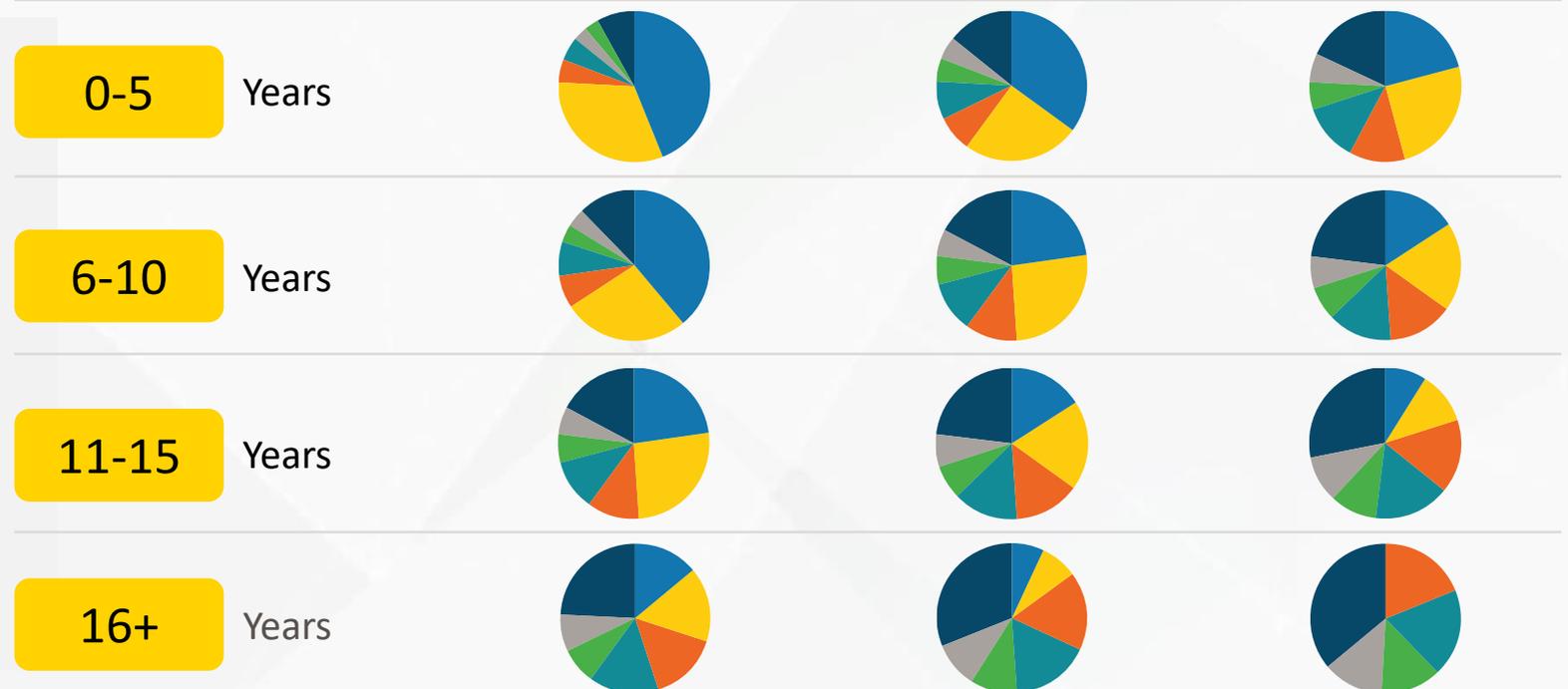
CONSERVATIVE

MODERATE

AGGRESSIVE

Asset classes

-  Stable Value
-  Fixed Income
-  Large-Cap Stock—Growth
-  Large-Cap Stock—Value
-  Small/Mid-cap Stock—Growth
-  Small/Mid-cap Stock—Value
-  International Stock



These model portfolios are provided as samples and not as investment recommendations. The model portfolios are based on generally accepted investment practices and take into account the principles of modern portfolio theory, in which allocations are adjusted in an effort to achieve maximum returns for a given level of risk. You should consider other assets, income, and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to your interest in the plan, to the extent those items are not taken into account in the model before applying these models to your individual situation. Please note that in addition to the specific investments used in the GoalMaker model portfolios, other designated investment alternatives have similar risks and return characteristics. Information regarding those designated investment alternatives can be found in your plan enrollment materials or by logging in to your retirement account at Prudential.com. The GoalMaker portfolios are subject to change including, for example, the replacement of investment options and allocations within the portfolios. You will be notified in writing in advance of such changes. **Past performance of investments or asset classes does not guarantee future results.**

Investment Takeaways



Investing is a personal process



Know your options



Make sure your investments match your goals



Consider target-date funds, which may be available through your plan

The target-date is the approximate date when investors plan to retire and may begin withdrawing their money. The asset allocation of the target-date funds will become more conservative as the target-date approaches by lessening your equity exposure and increasing your exposure in fixed income investments. The principal value of an investment in a target-date fund is not guaranteed at any time, including the target-date. There is no guarantee that the fund will provide adequate retirement income.

A target-date fund should not be selected solely based on age or retirement date. Before investing, participants should carefully consider the fund's investment objectives, risks, charges, and expenses, as well as their age, anticipated retirement date, risk tolerance, other investments owned, and planned withdrawals.

The stated asset allocation may be subject to change. It is possible to lose money in a target-date fund, including losses near and following retirement. Investments in the funds are not deposits or obligations of any bank and are not insured or guaranteed by any governmental agency or instrumentality.



➔ **Rebalancing your investments**

Rebalancing is a strategy that involves realigning your investments as they shift over time due to changes in the market.



➔ Dollar-cost averaging

- An investment strategy where you invest the same amount, in a particular fund, on a regular basis regardless of price.
- If you or your plan sponsor are putting regular contributions into your workplace retirement plan, for instance, you're already doing this.

Dollar-cost averaging and other periodic investment plans do not assure a profit and do not protect against loss in declining markets. Such plans involve continuous investment in securities regardless of fluctuating price levels of such securities. Investors should consider their financial ability to continue purchasing through periods of low price levels.

Conclusion— Strategies and mindsets for long-term investors to consider



**Look beyond
current headlines**



Stay the course



**Focus on performance
of your entire portfolio**



**Know your
investment style**



Allocate and diversify



**Continue dollar-cost
averaging into your
retirement account**

Check your investments

Log in to your account

www.retirement.prudential.com

- On the My Accounts page, scroll down to the Your Retirement Accounts Section
- From the Quick Actions, select Manage Investments

The screenshot displays the Empower website interface. At the top, a navigation bar includes the Empower logo, a user profile for 'John', and a 'Log Out' button. The main content area is titled 'Retirement Income Calculator' and shows an 'Estimated Retirement Income' of \$487/mo as of 06/01/2022. A goal of \$7,759/mo is set, and a 'Let's Go' button is visible. Below this is the 'Your Retirement Account' section for the 'ABC Defined Contribution Plan'. It features a 'Commitment is Hard' message and a table comparing contribution rates and amounts. The table shows a 10% total contribution rate, with the user's YTD contributions at \$1,714.62 and the organization's at \$685.86. A 'Quick Actions' menu at the bottom includes 'View Account Summary', 'Add/Review Beneficiaries', 'Change Contributions', 'Manage Investments', and 'Go to Retirement Income Calculator'.

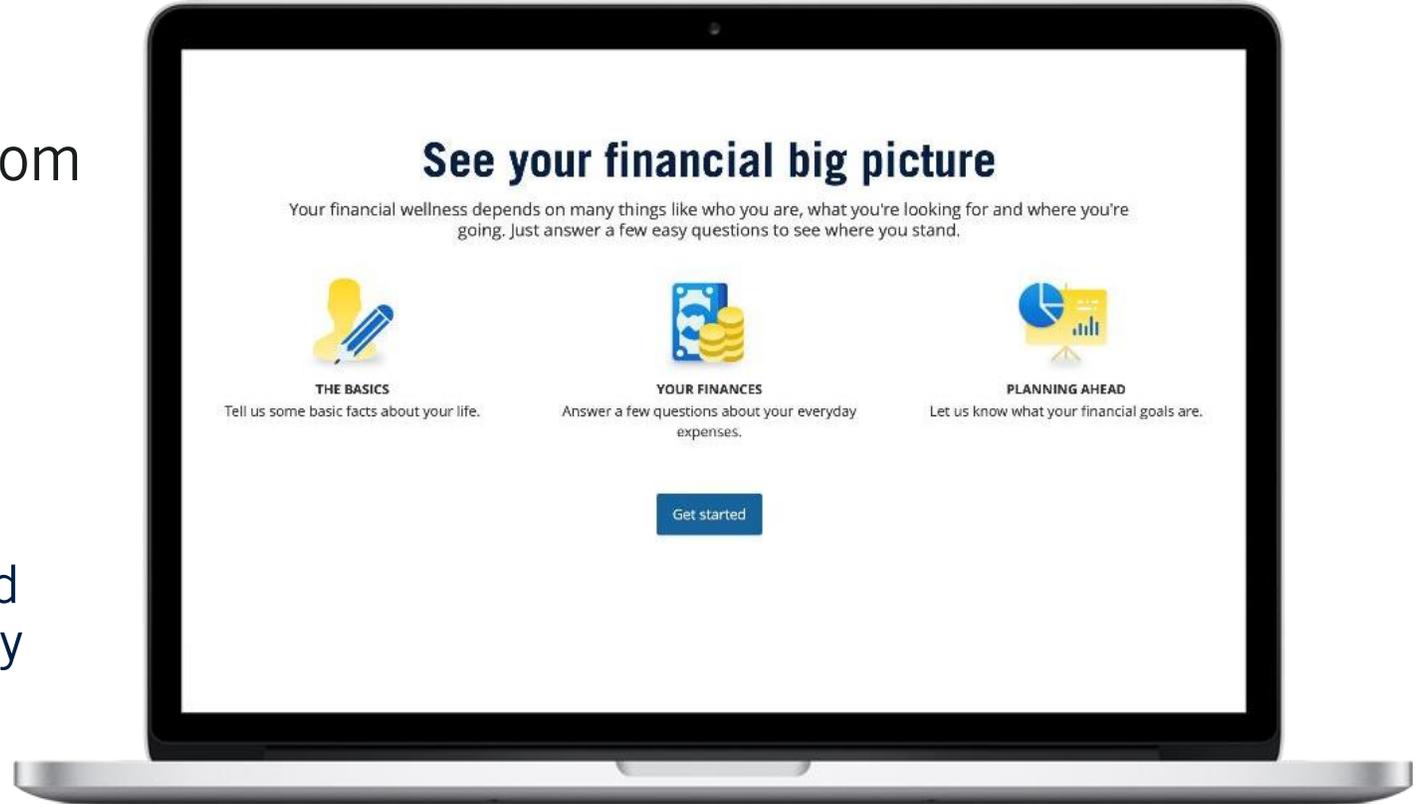
Total Contribution Rate	My YTD Contributions	My Organization's YTD Contributions
10%	\$1,714.62	\$685.86

Try the Financial Wellness Assessment

Log in to your account

www.retirement.prudential.com

- Click Tools & Solutions
- Then select Financial Wellness Assessment
- By answering a few simple questions, you'll get personalized tips for managing your day-to-day finances, achieving long-term savings goals and preparing for emergencies.



Account tools to stay connected and informed

The image displays the Empower retirement account dashboard on a desktop screen. The dashboard includes a navigation menu on the left with options like Home, View Details, Account Summary, Transaction History, Statements & Documents, Investments & Performance, Plan Information, and Personal Information. The main content area shows a 'Sample Retirement Plan' with an 'Account Summary' as of 05/31/2022, listing an Account Value of \$59,439.36 and a Vested Amount of \$59,439.36. Below this is a 'Retirement Income Calculator' showing an estimated income of \$487/mo as of 06/01/2022. A 'Personal Performance' section is also visible. To the right of the dashboard is a physical document titled 'At Your Service' with sections for 'Account Overview', 'Current Asset Allocation', and 'Personal Performance as of 03/31/2022'. In the bottom left corner, there is an Amazon Echo smart speaker and two smartphones displaying the Empower mobile app interface, which features a fingerprint scanner for login.

- Retirement statement
- retirement.prudential.com
- Toll-free number 877-778-2100
- Contact the Rollover in Team: 800-249-2430
- Mobile app
- Amazon Alexa skill

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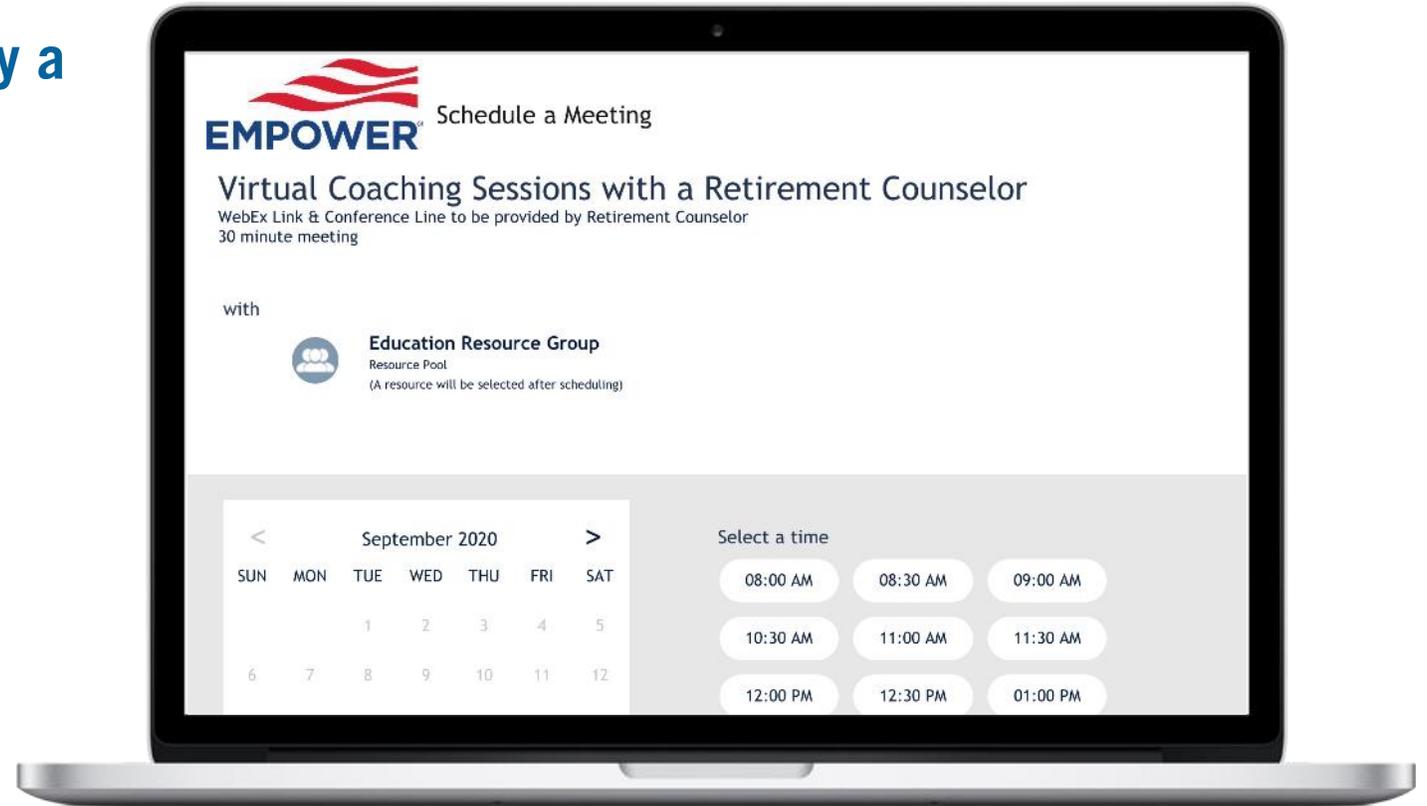
Virtual coaching session

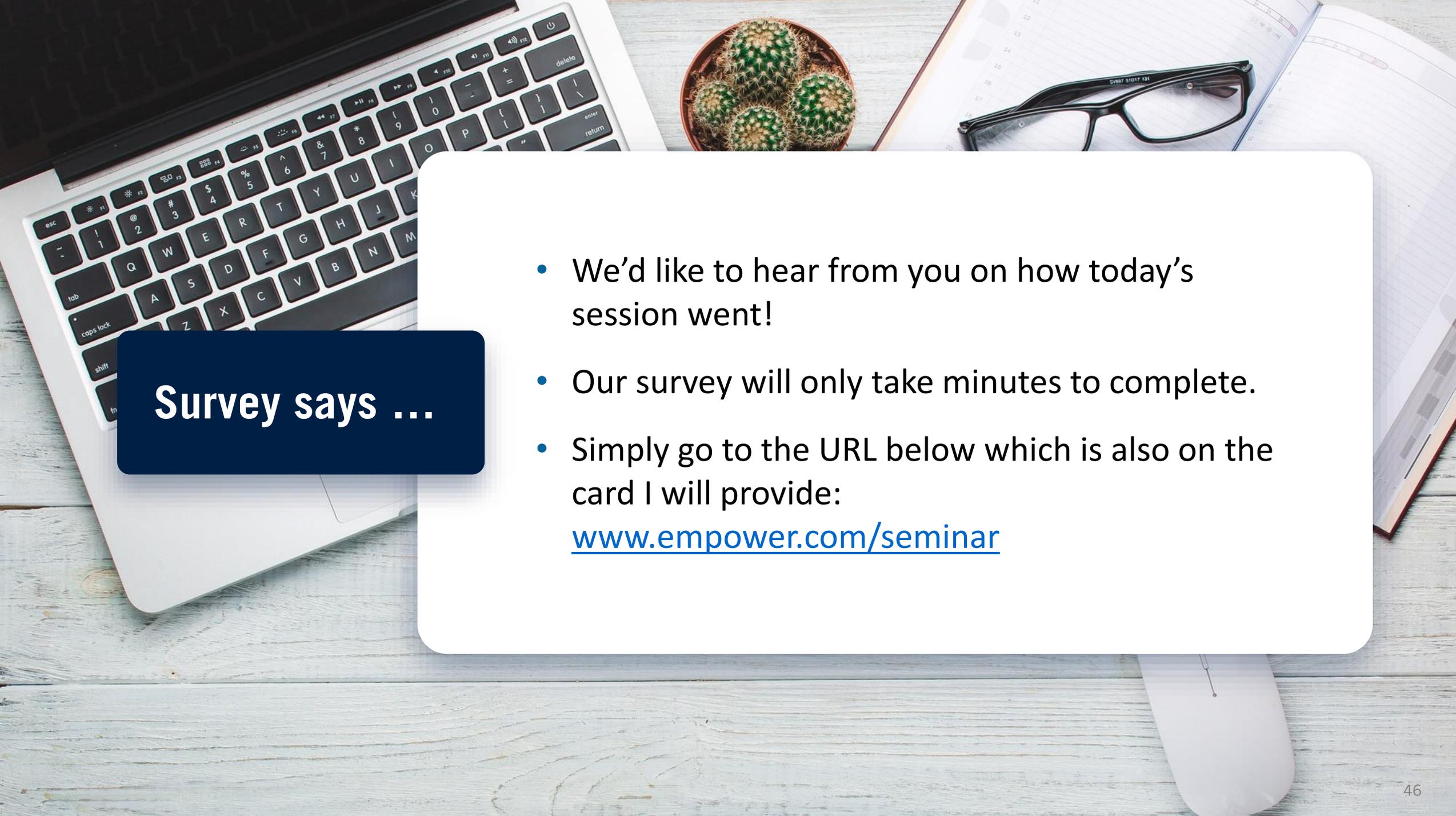
Have your questions answered by a trained professional.

Sign up online:

empower.com/virtualcoach

- Select a date and time
- Submit your information





Survey says ...

- We'd like to hear from you on how today's session went!
- Our survey will only take minutes to complete.
- Simply go to the URL below which is also on the card I will provide:
www.empower.com/seminar



Thanks for attending!

Log in to your account and check your investments.
retirement.prudential.com

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The S&P 500 Index is an unmanaged, weighted index of 500 U.S. stocks, providing a broad indicator of price movement. Investors cannot invest directly in the index. Index performance is not representative of the performance of a specific security.

Retirement products and services are provided by Prudential Retirement Insurance and Annuity Company (PRIAC), Hartford, CT, or its affiliates. PRIAC is a Prudential Financial company.

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NO ACTION REQUIRED: FOR YOUR INFORMATION

Overview: As of 04/01/2022, Empower acquired the full-service retirement business of Prudential Retirement. Over a period of time, you may see references to Prudential and Empower as we transition our experiences. Throughout this process, we want you to know that our focus is on you and making this transition as seamless as possible. For your reference, outlined below is the entity-level detail of the acquisition, including important information to help determine who will be servicing your account or other products.

Post-close: On 04/01/2022, Great-West Life & Annuity Insurance Company (GWLA), the parent company of Empower Retirement, LLC (Empower) acquired the full-service retirement business of Prudential Financial, Inc. (Prudential). In connection with the transaction, GWLA acquired all shares of the following entities, which are no longer affiliated with Prudential Financial, Inc.: Prudential Retirement Insurance and Annuity Company; Prudential Bank & Trust, FSB; Global Portfolio Strategies, Inc.; TBG Insurance Services Corporation; MC Insurance Agency Services, LLC; and Mullin TBG Insurance Agency Services, LLC.

Please use the following to determine if Empower is now the service provider for your account. If you have multiple accounts, you may be a customer of Prudential and Empower.

Account Type	Service Provider
<p>If you are an annuitant, contingent annuitant or other beneficiary under a group annuity contract issued or reinsured by Prudential's pension risk transfer business or a plan participant whose benefit is administered by Prudential's pension risk transfer business...</p> <p>How do I know if this applies to me? You were previously issued an annuity certificate from the Prudential Insurance Company of America <u>in connection with your employer's defined benefit plan</u>, OR you previously received a communication from your employer that Prudential has issued a guaranteed annuity covering all or a portion of your pension benefit or pays your pension benefit.</p>	<p>...Your account remains with Prudential and was not impacted by the transaction. The "Important Disclosures Regarding the Empower Transaction" listed below do not apply to your account.</p>
<p>If you independently purchased an individual annuity, life insurance or investment product with Prudential...</p> <p>How do I know if this applies to me?</p> <ul style="list-style-type: none"> You independently purchased a product from Prudential (other than a SmartSolution IRA) that is unrelated to an employer workplace plan. The product you purchased is issued by The Prudential Insurance Company of America (PICA), Prudential Annuities Life Assurance Corporation (PALAC), Pruco Life Insurance Company or Pruco Life Insurance Company of New Jersey. You purchased an investment product or service through Pruco Securities, LLC. 	<p>...Your account remains with Prudential and was not impacted by the transaction.</p> <p>The "Important Disclosures Regarding the Empower Transaction" listed below do not apply to your account.</p>



<p>If you are a participant in the Prudential Employee Savings Plan (PESP); the Jennison Associates Savings Plan; the Assurance Savings Plan; the Prudential Supplemental Employee Savings Plan; the Prudential Financial, Inc. 2021 Omnibus Incentive Plan and the attendant Prudential Long-Term Incentive Program; the Prudential Financial, Inc. 2016 Deferred Compensation Plan for Non-Employee Directors; or the PGIM, Inc. Omnibus Deferred Compensation Plan</p> <p>How do I know if this applies to me?</p> <p>You receive statements and other notifications from Prudential in connection with one or more of these plans.</p>	<p>... Empower is currently providing services to the plans as a sub-contractor to Prudential for a transitional period. During this period, Prudential will remain the service provider for the plans. Please carefully review the “Important Disclosures Regarding the Empower Transaction” below that <u>apply to you, as applicable.</u></p>
<p>If you are a participant in a retirement plan previously serviced by Prudential Retirement, which may include defined benefit plans, nonqualified plans, defined contribution plans and 401(k) plans (including a plan that permits self-directed brokerage accounts), or you are an account holder of a SmartSolution IRA, an Auto Roll IRA or an NFS Prudential Brokerage Account...</p> <p>How do I know if this applies to me?</p> <ul style="list-style-type: none"> • You receive a notification from Prudential Retirement notifying you that Empower will become the service provider for your account. • You receive a welcome email or letter from Empower. 	<p>... Empower is currently providing services to the plans as a sub-contractor to Prudential for a transitional period. During this period, Prudential will remain the service provider for the plans.</p> <p>Please carefully review the “Important Disclosures Regarding the Empower Transaction” below that <u>apply to you, as applicable.</u></p>



Important Disclosures Regarding the Empower Transaction

Effective 04/01/2022, the following will apply to you:

- All references to “Prudential Retirement” refer to Empower. Prudential Retirement is no longer a business unit of Prudential.
- Certain insurance products written by The Prudential Insurance Company of America were reinsured to GWLA and Great-West Life & Annuity Insurance Company of New York (for New York business). Empower Retirement will become the administrator of this business acquired from Prudential.
- Empower Retirement refers to the products and services offered by GWLA and its subsidiaries, including Empower Retirement, LLC. Empower Retirement is not affiliated with Prudential or its affiliates.
- Full-service retirement sales personnel and certain service personnel are no longer registered representatives of Prudential Investment Management Services LLC (PIMS) and are registered representatives of GWFS Equities, Inc. For a transitional period, certain back office and service personnel will remain registered representatives of PIMS.
- During a transition period, Prudential and, as applicable, its affiliates will continue to provide services to Empower. PIMS will continue to provide certain broker-dealer services under the terms of existing services agreements for certain plans and will continue to be the broker-dealer of record for existing SmartSolution IRAs and certain Auto Roll IRAs for a transitional period.
- Any documents pertaining to fraud or security commitments by Prudential Retirement are no longer applicable and are replaced with Empower’s commitments as set forth at participant.empower-retirement.com/participant/#/articles/securityGuarantee.
- If Empower is the service provider for your account, Prudential’s Privacy Statements and Privacy Notices are replaced with Empower’s Privacy Notice as set forth at empower-retirement.com/privacy for your account.

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Have additional questions? For Prudential accounts and products, please call 800-621-1089. For Empower accounts and products, please call 877-778-2100.

