Glossary

**Actively Managed Investment Options** try to outperform comparable market indexes or benchmarks. These investment options are actively managed by a fund manager or team of managers who select the investments they think will deliver the best combination of risk and return. Actively managed investment options often have higher fees than passively managed investment options due to the level of involvement the fund manager has in maintaining the portfolio. Actively managed investment options give you a great degree of flexibility and the ability to rebalance and manage the portfolio over time and as your situation changes. The cost of actively managed investment options may be higher than that of passively managed investment options.

**Administrative Fee:** Plan administrative fees may include legal, accounting, trustee, and other administrative fees and expenses associated with maintaining the retirement plans.

**Administrative Services Provider:** The organization responsible for completing day-to-day administrative functions of the plans, including communications, websites, and call centers to support both participants and plan sponsors. The administrative services provider provides quarterly statements of investment performance and balances, participant reporting, testing, transaction support, financial counseling, and assistance with regulatory requirements.

**Annuities:** Annuities are financial investment options that guarantee to pay you (or you and a spouse or partner) income for life.

- A **guaranteed (fixed) annuity** pays a minimum guaranteed interest rate based on the claims-paying ability of the issuing company. Its value won’t rise and fall with the stock market, and it can help provide steady monthly income for the rest of your life.
- A **variable annuity** offers potential for growth to help keep pace with rising costs. Its value will rise and fall. While it can provide retirement income guaranteed to last your lifetime, the actual amount of income will vary.

**Bond Funds:** A bond is a loan. Organizations like corporations, cities, and governments sell bonds to the public to raise money. When you buy a bond, you’re lending your money to the organization selling the bond. In return, bonds have the potential to pay interest over the life of the bond, and the promise to pay back the amount you loaned the organization at maturity. Maturity is the end of the bond term. Bonds are also referred to as fixed-income investments. Like stocks, bonds are bought and sold in a market. The market value of a bond can go up or down, usually depending on interest rates. If interest rates go down, the value of a bond may increase. Likewise, if interest rates increase, the value of a bond may decrease. A bond fund is a fund that invests primarily in bonds and other debt instruments.

**Default Investment Option(s):** An investment option (or investment options) in which your money is invested when you do not provide investment directions for your contributions.

**Diversification:** The practice of investing in multiple asset classes and securities with different risk characteristics to help reduce the risk of owning any single investment.

**ERISA:** The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established retirement and health plans in private industry to provide protection for participants in these plans.

**Fee:** A charge for professional services.

**Fiduciary:** A person in a position of authority whom the law obligates to act in good faith and solely on behalf of the person he or she represents. Unlike people in ordinary business relationships, fiduciaries may not seek personal benefit from their transactions with those they represent.

**Gross Expense Ratio:** A mutual fund expense ratio is the total annual mutual fund or class operating expenses (before waivers or reimbursements) paid by the mutual fund and stated as a percentage of the mutual fund’s total net assets. For other types of investments, the figure in the expense ratio field reflects similar information but may have been calculated differently than for mutual funds. Mutual fund data comes from the mutual fund’s prospectus. For non-mutual fund investment options, the information has been provided by the plan sponsor, the investment option’s manager, or the trustee. When no ratio is shown for these investment options, it is because none was available. There may be fees and expenses associated with the investment option. Expense information changes periodically.
**Investment Company:** A corporation or trust that invests pooled shareholder dollars in securities appropriate to the organization’s objective. The most common type of investment company, commonly called a mutual fund, stands ready to buy back its shares at their current net asset value.

**Investment Option:** An investment vehicle belonging to numerous investors that is used to collectively purchase securities such as stocks, bonds, and money market instruments. An investment option provides a broader selection of investment opportunities, greater management expertise, and lower investment fees than investors might be able to obtain on their own. Types of investment options include mutual funds and annuities.

**Money Market Funds:** Cash equivalents are conservative investments that offer stability and easy access to your money, which may be ideal for people looking to preserve principal. One thing to note, however, is that in return for stability, these investments generally earn a small amount of interest. Because they have relatively stable prices, these investments can help to offset the rise and fall in prices for investments such as stocks and bonds. While short-term investments have lower investment risk, they also tend to have higher inflation risk. They may be an important part of your overall asset mix, as they provide a ready source of money that can be accessed in a shorter period.

**Mutual Fund:** An investment company registered with the SEC that buys a portfolio of securities selected by a professional investment advisor to meet a specified financial goal (investment objective). Mutual funds can have actively managed portfolios, where a professional investment advisor creates a unique mix of investments to meet a particular investment objective, or passively managed portfolios, in which the advisor seeks to parallel the performance of a selected benchmark or index.

**Passively Managed Investment Options:** Also called index funds, passively managed investment options are designed to mirror a market index or benchmark. These funds generally have lower fees than investment options that are “actively managed”—that is, investment options that try to outperform (or beat) market returns, rather than just track them. Ultimately, index funds are designed to provide exposure to a broad selection of securities at a relatively low cost. While these investment options typically perform very similarly to the index they track, you should be aware that index funds cannot be expected to meet or beat the index’s performance.

**Recordkeeping Fee:** Includes recordkeeping, trustee, legal, accounting, and other administrative fees and expenses. Fees are subject to change.

**Share Class:** Types or groups of shares offered by some investment funds and companies, each of which is considered a class (e.g., “Class A,” “Advisor,” or “Institutional” shares). For most investment funds, each class has different fees and expenses, but all the classes invest in the same pool of securities and share the same investment objectives.

**Stock Funds:** Stocks are also known as equities. A “stock” represents ownership in a company. Because the value of stocks can increase over time, they are often referred to as growth investments. There are two main types of stocks—domestic and foreign. Domestic stocks are from companies in the United States and foreign stocks are from companies in other countries. Some stocks also pay dividends, which are periodic payments from the company to its stockholders based on the company’s business performance. A stock fund is a fund that invests primarily in various types of stocks.

**Target Date Fund:** An investment option designed to provide varying degrees of long-term appreciation and capital preservation based on an investor’s age or target retirement date through a mix of asset classes. The mix changes over time to become less focused on growth and more focused on income. This type of investment option is also known as a “lifecycle fund.”

**Ticker:** This is the “trading” symbol for the investment option. If an investment option is listed and traded on any of the major exchanges, this is the code that is used to identify the investment option.

**Vesting:** The portion of your account to which you’re entitled under the plan’s rules. You are always 100% vested in your own contributions to your plan account, as well as any earnings associated with them.

Your employer contributions are subject to a vesting schedule. Please see your Summary Plan Description for details.