



UNDERSTANDING HOW IT ALL WORKS

THE BASICS OF INVESTING

Understanding the basics of investing can help you build a solid foundation for retirement. When do you want to retire and how much of your final salary will you need to live comfortably? These key questions will influence your investment decisions as you pursue your long-term goals.

THE KEY CONCEPTS

Asset allocation can be one of the most important decisions an investor can make. It's the process of determining how much to invest in the three basic asset classes of equities (stocks), fixed income (bonds), and cash equivalents (money markets).

Diversification is the process of choosing a variety of investments within each asset class. For example, you can invest in small, medium, or large company stocks all within the equity asset class.

Risk tolerance reflects how aggressive or conservative you're willing to be within your account. Risk tolerance is different for each person, so it's important to understand what works best for you based on where you are in your retirement journey.

Rebalancing is the process of periodically moving money in your portfolio to maintain your desired asset allocation and diversification. Over time, different investments grow at different rates, which can shift your portfolio. It's a good idea to review and rebalance your portfolio to make sure it's still aligned with your goals, time horizon, and risk tolerance.

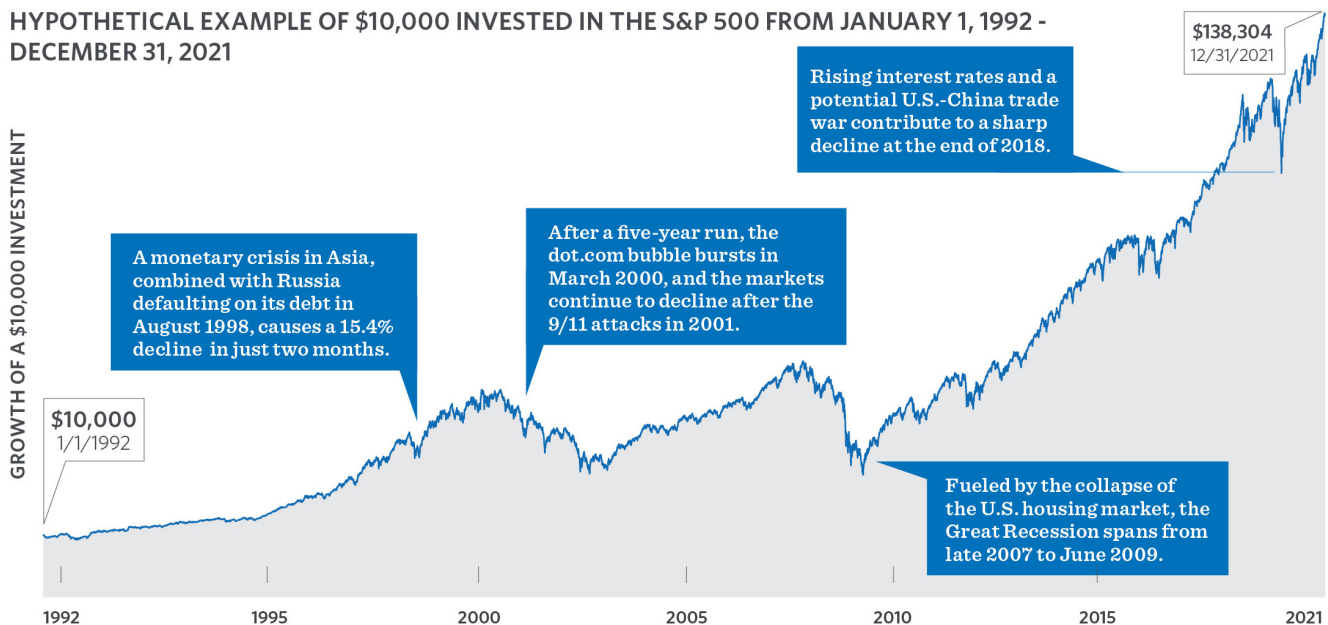
Dollar cost averaging means making regular contributions to the same investment account over a period of time. Sometimes you may buy at a higher price. Other times you may buy at a lower price. Consistently making the same contributions over many years can reduce the average price of the investments in your portfolio, which can provide for greater long-term growth.

Compounding is a powerful concept that allows your investments' earnings to be reinvested into your account to generate additional earnings. Regular contributions to your account over time allows for more potential compounding and possibly larger growth.

PLAN FOR THE LONG HAUL

Don't be intimidated. Familiarize yourself with basic investing concepts and gradually expand your knowledge. Focus on long-term goals, not short-term performance, and keep investing steadily to let the power of compounding and dollar cost averaging put time on your side.

HYPOTHETICAL EXAMPLE OF \$10,000 INVESTED IN THE S&P 500 FROM JANUARY 1, 1992 - DECEMBER 31, 2021



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Diversification and dollar cost averaging do not guarantee a profit or protect against a loss in a declining market, so you should consider your ability to continue investing through periods of adverse market conditions.

All investments involve risk, including loss of principal, and there is no guarantee of profits. Investors should carefully consider their objectives, risk tolerance, and time horizon before investing. There is no assurance that any investment will meet its stated objective.

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