



STATE OF CONNECTICUT  
DEFINED CONTRIBUTION PLANS

**CHOOSING  
YOUR  
INVESTMENT  
OPTIONS  
WITH**  
*GoalMaker*

844-505-SAVE | [ctdcp.com](http://ctdcp.com)

# “HOW SHOULD I *Invest* MY MONEY?”

*That's The One Question Participants Ask More Than Any Other*—with good reason. Choosing your investment mix is one of the most important steps you can take when it comes to preparing for retirement. An investment strategy—called asset allocation—could help you reach your Day One of retirement with confidence.

## HOW ASSET ALLOCATION WORKS

Simply put, asset allocation is the process of spreading your money across different kinds of asset classes, such as stocks, bonds and stable value investments. By dividing your portfolio among a variety of investment classes, you minimize your reliance on any one investment and help manage your investment risk. Historically, the markets move in cycles—generally, when one kind of investment is performing well, another may not be performing as well. Changing economic and financial market conditions affect asset classes differently. And since you don't know which asset class will perform well next year or the year after, having a variety of asset classes in your portfolio may help you to better weather the rough spots in the market.

## DIVERSIFICATION'S ROLE IN ASSET ALLOCATION

Diversification takes asset allocation one step further by investing in a variety of investments within each asset class (for example, large-cap versus small-cap stocks, growth versus value stocks, etc.). Diversification spreads risk around and helps even out the return of an asset class, although its individual investments may move up and down over time. Asset allocation and diversification work together to help manage risk. Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **It is possible to lose money by investing in securities.**

## MANAGING RISK

Risk, like it or not, is a fact of life. It's also a fact of investing, because anything you do with your money involves some risk. Understanding the different kinds and degrees of risk and their relation to an investment's potential return can help you make smarter investment decisions. The graphic below shows the relationship between potential risk and the potential for return.

**MARKET RISK:** refers to the possibility that investors will lose money due to a decline in the price of their investments. Stock investments are most commonly associated with market risk.

**INFLATION RISK:** refers to the possibility that the growth of an investment may not keep pace with the average rate of inflation.

In this sense, seemingly safe investments, such as stable value or fixed income, can be some of the riskiest over time if their returns do not outpace inflation.

**INVESTOR STYLE:** refers to an investor's comfort level (or tolerance for) short-term fluctuations in the market.

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

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# GOALMAKER— AN *Easy Solution* FOR TARGETING YOUR INVESTMENT CHOICES

GoalMaker® is an optional asset allocation program offered through your retirement plan at no additional cost. GoalMaker can help you target a portfolio best suited to your retirement goals using the investment options offered through your retirement plan. All you need to do is take three easy steps:

## STEP 1: DETERMINE YOUR INVESTOR STYLE

Investor style can be defined as how comfortable you are with short-term swings in the market. Everyone is different, but investors generally fall into one of three categories: Conservative, Moderate, or Aggressive. Look at the descriptions to the right and write the corresponding letter in the box below the chart. Then identify the number of years you have left to retirement, and write the corresponding number in the box below the chart.

IF YOU NEED HELP  
DETERMINING YOUR  
INVESTOR STYLE,  
*take the quiz  
on the next page.*

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### ● CONSERVATIVE

Concerned about short-term ups and downs in the market

Want to minimize risk and maintain principal

Seek stability and little fluctuation in the value of investments

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### ● MODERATE

Willing to sacrifice safety of principal for potentially greater returns

Can tolerate modest market fluctuations

Concerned with safety, but want to stay ahead of inflation

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### ● AGGRESSIVE

Seek to maximize investment returns

Can tolerate substantial market fluctuations

Accept greater risk in exchange for the prospect of greater rewards

# INVESTOR STYLE QUIZ\*

Circle the score for your response to each statement.

1 The possibility that I won't achieve a high enough rate of return over the long term.

- I am very concerned 10  
 I am somewhat concerned 7  
 I am not concerned 3

2 The loss of "buying power" or "quality of life" from the effects of inflation.

- I am very concerned 6  
 I am somewhat concerned 4  
 I am not concerned 1

3 Wide swings in the value of my account over 1–3 months.

- I am very concerned 0  
 I am somewhat concerned 4  
 I am not concerned 12

4 Wide swings in the value of my account over 1–2 years.

- I am very concerned 2  
 I am somewhat concerned 6  
 I am not concerned 12

5 Which of the following causes you the most concern about the investments in your account?

- My future ability to get back at least the same amount of money that I put in 2  
 That my money is not earning enough 6  
 How much I have gained or lost this month 0

6 One of the investments in your plan has performed very well for a few years. If it suddenly dropped 15% in three months, what would you do?

- Sell immediately 0  
 Hold it 6  
 Buy more 8

7 Your experience with stock investments.

- A great deal 6  
 A fair amount 4  
 Very little 2  
 None 1

8 Your comfort level with stock investments.

- A great deal 12  
 A fair amount 10  
 Very little 4  
 None 0

9 Your experience with bond investments.

- A great deal 5  
 A fair amount 3  
 Very little 2  
 None 1

10 Your comfort level with bond investments.

- A great deal 7  
 A fair amount 4  
 Very little 3  
 None 0

Please add up the points corresponding to each of your answers to determine your total score.

TOTAL POINTS

Conservative	0–40 pts.
Moderate	41–60 pts.
Aggressive	61+ pts.

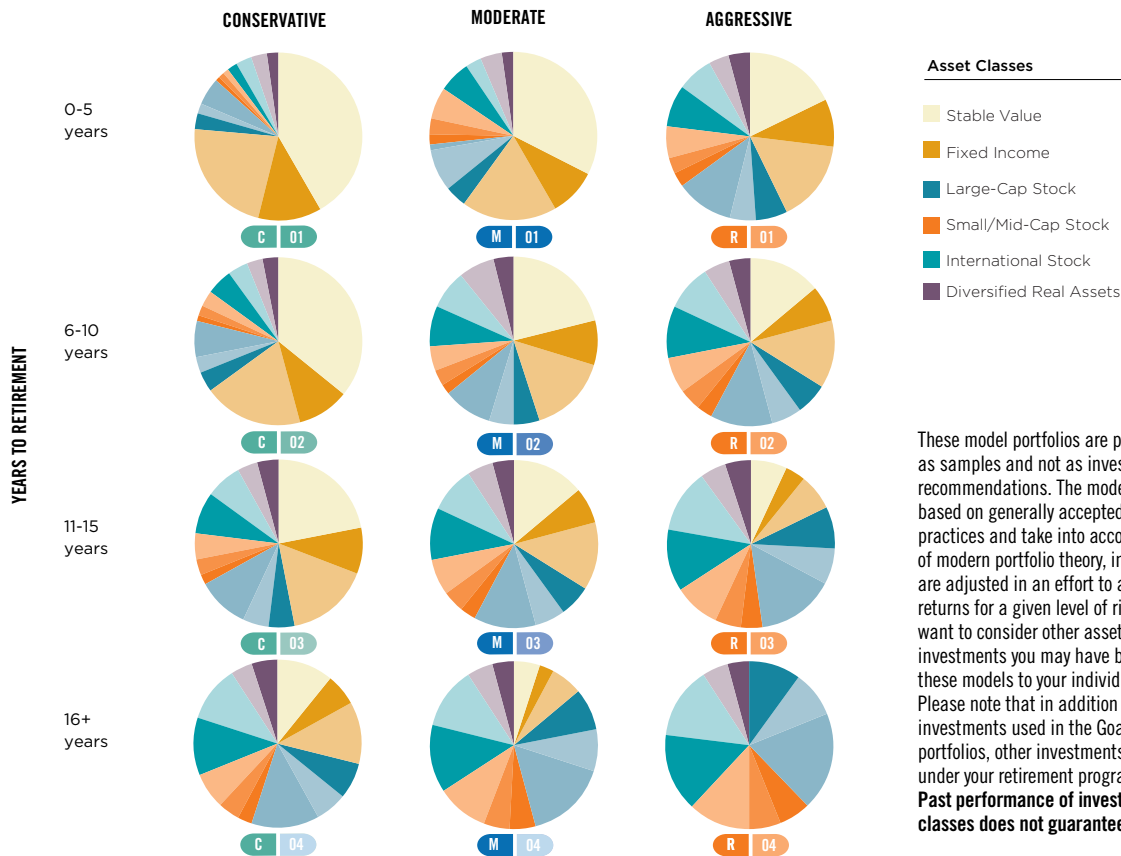
Investor Style	Code	Years to Retirement
Conservative	C	01 0–5
Moderate	M	02 6–10
		03 11–15
Aggressive	R	04 16+

My investor style code is:

\*This quiz is designed to be used as a guide only and is not intended as financial advice. Your financial decisions should not be based solely on the score you have obtained using the worksheet.

## STEP 2: IDENTIFY YOUR PORTFOLIO

Once you've determined your investor style and years to retirement, you are ready to select your mix of investments. The sample portfolios below show the approximate percentage of those asset classes that correspond to certain investor styles and years to retirement.



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 may want to consider other assets, income, and investments you may have before applying these models to your individual situation. Please note that in addition to the specific investments used in the GoalMaker model portfolios, other investments may be available under your retirement program. **Past performance of investments or asset classes does not guarantee future results.**

## STEP 3: ENROLL IN GOALMAKER

Are you ready to choose GoalMaker as your asset allocation program? There are two easy ways to enroll:

- Visit [ctdcp.com](http://ctdcp.com) and click on Enroll / Account Access. Log in to your account, then select GoalMaker from the menu of options on the left.
- Call the toll-free number, **844-505-SAVE** (844-505-7283).

## GOALMAKER MAKES IT EASY TO STAY ON TRACK

To help keep your account on track toward your retirement income goals, GoalMaker periodically rebalances your account to ensure that it matches your chosen GoalMaker portfolio.

Rebalancing is important, because sometimes one investment option in your portfolio may grow (or decline) faster than another, throwing your original asset allocation off balance. During Automatic Rebalancing, money is moved among the investments in your GoalMaker portfolio to maintain your original allocation percentages.

GoalMaker also offers optional Age Adjustment, which shifts your allocations over time, based on the number of years you have left until retirement. How does it work? Let's say you chose a conservative portfolio with 11–15 years to retirement. When you are within 10 years of your expected retirement age, your GoalMaker portfolio will be updated automatically to the conservative investor portfolio with 6–10 years to retirement.

		CONSERVATIVE				MODERATE				AGGRESSIVE			
Asset Class	Investment Name	C01	C02	C03	C04	M01	M02	M03	M04	R01	R02	R03	R04
		0-5 YRS	6-10 YRS	11-15 YRS	16+ YRS	0-5 YRS	6-10 YRS	11-15 YRS	16+ YRS	0-5 YRS	6-10 YRS	11-15 YRS	16+ YRS
<b>Stable Value</b>	Connecticut Stable Value Fund	41%	36%	22%	11%	32%	22%	14%	5%	18%	14%	7%	0%
<b>Fixed Income</b>	Galvert Bond Portfolio —Class I*	12%	10%	9%	6%	9%	9%	7%	3%	9%	7%	4%	0%
	Metropolitan West Total Return Bond Plan*	11%	10%	8%	6%	9%	8%	7%	3%	8%	7%	4%	0%
	Vanguard® Total Bond Market Index Fund—Institutional*	11%	9%	8%	6%	9%	8%	6%	3%	8%	6%	3%	0%
<b>Large Cap Stock</b>	American Funds American Mutual Fund®—Class R-6*	3%	4%	5%	7%	4%	5%	6%	8%	6%	6%	8%	10%
	TIAA-CREF Large-Cap Gr Idx Instl*	2%	3%	5%	6%	4%	5%	6%	8%	5%	6%	7%	9%
	Vanguard® Institutional Index Fund—Institutional Plus*	5%	7%	10%	13%	8%	10%	12%	16%	11%	12%	15%	19%
<b>Small/Mid Cap Stock</b>	TIAA-CREF Small-Cap Blend Index Fund—Institutional Class*	1%	1%	2%	3%	1%	2%	3%	5%	3%	3%	4%	6%
	JPMorgan Mid Cap Value Fund—Class I Shares*	1%	2%	3%	4%	2%	3%	4%	5%	3%	4%	5%	6%
	Vanguard® Mid-Cap Index Fund — Institutional Shares*	2%	3%	5%	7%	3%	5%	7%	10%	6%	7%	9%	12%
<b>International Stock</b>	American Funds EuroPacific Growth Fund®—Class R-6*	3%	5%	8%	11%	6%	8%	10%	13%	8%	10%	12%	15%
	TIAA-CREF International Equity Index Fund—Institutional CI*	3%	4%	7%	11%	6%	7%	9%	12%	7%	9%	12%	14%
<b>Diversified Real Assets</b>	Vanguard® REIT Index Fund—Institutional Shares*	3%	3%	4%	4%	3%	4%	5%	5%	4%	5%	5%	5%
	Vanguard® Inflation-Protected Securities Fund —Inst*	2%	3%	4%	5%	4%	4%	4%	4%	4%	4%	5%	4%

\*Registered Mutual Fund

Visit [ctdcp.com](http://ctdcp.com) for more information on GoalMaker and the investment options available in your defined contribution plans.

## For more information:

Education Counselors are available to meet with you, log in to [ctdcp.com](http://ctdcp.com) and click on "Meet with your onsite Counselors" to make an appointment.

More information regarding your Plan investment options can be found online at [ctdcp.com](http://ctdcp.com).

Plan information is also available by calling toll-free at **844-505-SAVE** (844-505-7283).



## Mutual Funds

**Investors should consider the fund's investment objectives, risks, charges, and expenses before investing. The prospectus and, if available, the summary prospectus, contain complete information about the investment options available through your plan. Please call 800-458-6333 for a free prospectus and, if available, a summary prospectus, that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. It is possible to lose money when investing in securities.**

### \*\*Discovery Premier II

**Investors should consider the contract and each portfolio's investment objectives, risks, and charges and expenses carefully before investing. The contract prospectus and the underlying portfolio prospectus (and summary prospectus) contain information relating to investment objectives, risks, and charges and expenses as well as other important information. Please call 877-778-2100 for a free Discovery Premier II prospectus or free portfolio prospectus or summary prospectus. You should read the prospectuses carefully before investing. It is possible to lose money when investing in securities.**

Shares of the registered mutual funds and variable annuity are offered through Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company. Education Counselors are registered representatives of PIMS.

The Connecticut Stable Value Fund consists of Prudential's Guaranteed Long Term Fund and a Voya Separate Account. The crediting rate of the Connecticut Stable Value Fund is a function of the blending of investment results of the Guaranteed Long Term Fund and the Voya Separate Account. The Guaranteed Long-Term Fund (GLTF) is a group annuity product issued by **Prudential Retirement Insurance and Annuity Company (PRIAC)**, Hartford, CT 06103. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract. Past interest rates are not indicative of future rates. This product is neither a mutual fund nor a bank product. The obligations of PRIAC are not insured by the FDIC or any other federal governmental agency. Contract form # GA-2020-IA-0805 or state variation thereof. Prudential Retirement is compensated in connection with this product by deducting an amount for investment expenses and risk from the investment experience of certain assets held in PRIAC's general account. Prudential Retirement may earn fee revenue in addition to the foregoing compensation if your plan has agreed to pay contract charges, which are sometimes paid in respect of plan and participant recordkeeping and distribution services.

The Voya Separate Account is allocated to individually managed separate accounts. The investment results of the underlying separate accounts are blended together. Third-party administration provided by Voya Retirement Insurance and Annuity Company (VRIAC), One Orange Way, Windsor, CT 06095-4774. Securities distributed by Voya Financial Partners, LLC (Member SIPC).

For some plans, Prudential Retirement uses a portion of its aggregate compensation to satisfy the plan's request for allowances and for payments to defray plan expenses. If Prudential Retirement's aggregate compensation from this product and from other plan investment products exceeds the costs of servicing your plan, Prudential Retirement earns a profit; otherwise we incur a loss.

GoalMaker's model allocations are based on generally accepted financial theories that take into account the historic returns of different asset classes. But, of course, past performance of any investment does not guarantee future results. Participants should consider their other assets, income and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to their interest in the plan, to the extent those items are not taken into account in the model. Participants should also periodically reassess their GoalMaker investments to make sure their model portfolio continues to correspond to their changing attitudes and retirement time horizon.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict, or suspend purchase or exchange privileges and/or impose redemption fees.

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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