



∴ MassMutual

# THE STRENGTH TO RETIRE.



# Topics We Will Cover Today



- Getting Started
  - Define your retirement goals + enrollment
  - Determine how much you will need
- Your Retirement Plan
  - How does your plan work
  - The advantages of your plan
- Be a Confident Investor
  - Risk and Return
  - Asset Allocation
- How MassMutual Can Help

# How Will You Picture Retirement?



Open the business you've dreamed about?

Volunteer your time and skills to a worthy cause?



Travel with your spouse, family, friends?



# Consider This...



How much time do you expect to spend in retirement:

» 20 years?

» 30 years?

» More??

## ***Did you know?***

*An individual reaching age 65 today will likely live until age 84.3 (men) or 86.6 (women). 25% of 65-year olds will live past age 90 and 10% will live past age 95.*

*Source: Social Security Administration, March 2016 (<https://www.ssa.gov/planners/lifeexpectancy>)*

# 401(a) Defined Contribution Plan Highlights



- All participants will have an Individual Account for which they will receive quarterly statements.
- The Plan makes a base contribution of 8% of compensation for each employee.
- Employees are required to make a 6% contribution to their Defined Contributions account.



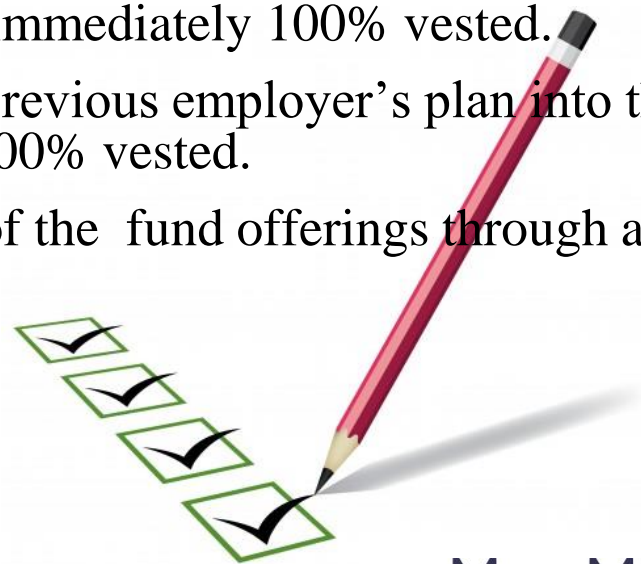
# 401(a) Defined Contribution Plan Highlights



- The contributions made by the Plan on behalf of the employees to the 401(a) Defined Contribution plan are vested on a graded five year vesting schedule as follows:

<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>20%</b>	<b>40%</b>	<b>60%</b>	<b>80%</b>	<b>100%</b>

- All employee contribution amounts are immediately 100% vested.
- Employees can also roll money from a previous employer's plan into this plan. This money is also immediately 100% vested.
- Employees can invest in assets outside of the fund offerings through a Self-Directed Brokerage Account.





# Types of Investments – Mutual Funds



An investment company that sells shares to people and uses the money to buy stocks, bonds, and other investments. The mutual fund passes on the earnings from its investments to its shareholders.



# Investment Basics



## Asset Classes:



### Stable Value Instruments (cash equivalents)

- Include a variety of short-term investments



### Bonds (fixed income)

- Loans issued by a company or the government



### Stocks (equities)

- Shares, or part ownership, in a company



# Key Investment Terms



- **Investment Return** is how much money is earned by an investment during a period of time, such as a year, a quarter, a month or a day.
- **Market Risk** is a chance that an investment will lose money or have a negative return.
- **Diversification** means investing your money in two or more different investments in order to reduce risk, while still trying to maximize return potential.
- **Asset Allocation** is your distribution of investment dollars among asset classes, such as stocks, bonds, and cash.

# Investment Basics: Risk/Return Spectrum



Higher  
↑  
Potential Risk/Return  
↓  
Lower

**Stocks:** Potential for Higher Returns  
Highest Level of Risk

**Asset Allocation / Lifestyle:**  
Diversified Investments with  
Varying Returns & Risks

**Bonds:** Slightly Higher Returns  
Slightly Lower Risk

**Cash:** Potential for Lower Returns  
Lower Risk

The risk/return indicator is for comparative purposes and is based on the general comparative risks of these categories.

# Risk vs. Return (January 1995 – December 2014)



Asset classes offer different growth and risk opportunities  
(20-year view).

## Equities

Stocks . . . . . 7.7%

## Fixed Income

Bonds . . . . . 5.3%

## Short-Term

Cash . . . . . 2.2%

*Note: Average Annual Rate of Inflation  
for this period was 2.19%\*\**

Morningstar® EnCorr 12/31/2016. Stocks: S&P 500®; Bonds: Barclays U.S. Aggregate Bond Index; Cash: 90-Day Treasury bills. Figures include investment performance from January 1997 – December 2016. Annualized returns include re-investment of dividends and interest each year. **Past performance is no guarantee of future results.**

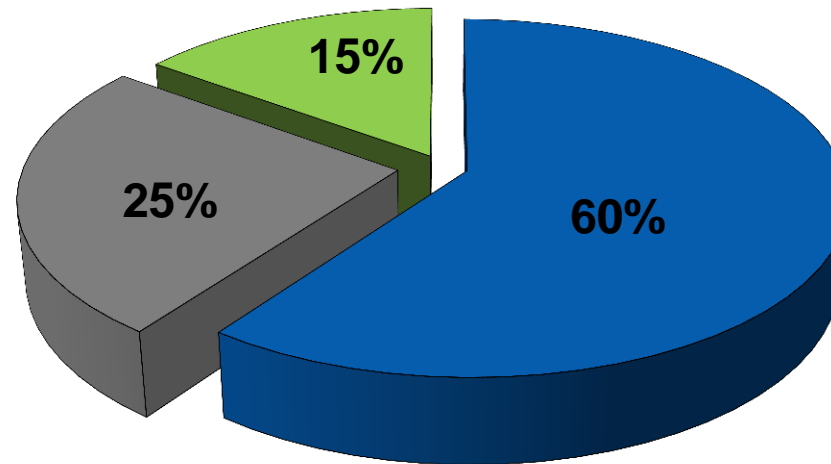
\*\* U.S. Department of Labor. Consumer Price Index (CPI) from January 1997 – December 2016.

# Asset Allocation



Determine how you want to divide your contributions among different types of investments based on your risk tolerance and time horizon.

**For example:  
Investing \$1,000**



■ Stocks	\$600
■ Bonds	\$250
■ Cash	\$150

Asset allocation is the act of balancing risk and reward by apportioning a portfolio's assets according to an individual's financial goals, risk tolerance, and investment horizon. Diversification is a technique that mixes a wide variety of investments within a portfolio. Neither asset allocation nor diversification assure a profit and do not protect against loss in a declining market. There are risks involved with investing, including possible loss of principal.

# Determine your investing style



- What are your retirement savings goals?
- What is your time horizon?
- How do you feel about risk?



# What Type of Investor Are You?



**Confident Investor:**  
“Makes investment decisions on their own”



- Spectrum of [number] investments
- Investment Fact Sheets and research reports
- Plan Highlights

**Aware Investor:**  
“Uses tools to guide decisions”



- MassMutual planning tools
- Profile quiz and custom portfolios
- Plan Highlights
- Investment Education
- Investment Fact Sheets

**Uncertain investor:**  
“Needs help to decide between solutions”



- Vanguard Target Date Retirement Series
- Plan Highlights
- Investment Fact Sheets

**Note:** Please consider an investment option’s objectives, risks, fees and expenses carefully before investing. This and other information about the investment option can be found in the applicable prospectuses or summary prospectuses, if any, or fact sheets for the investment options listed, which are available from your plan sponsor, the participant web site, or by contacting our Participant Information Center. Please read them carefully before investing.



# You've Got Options. . .

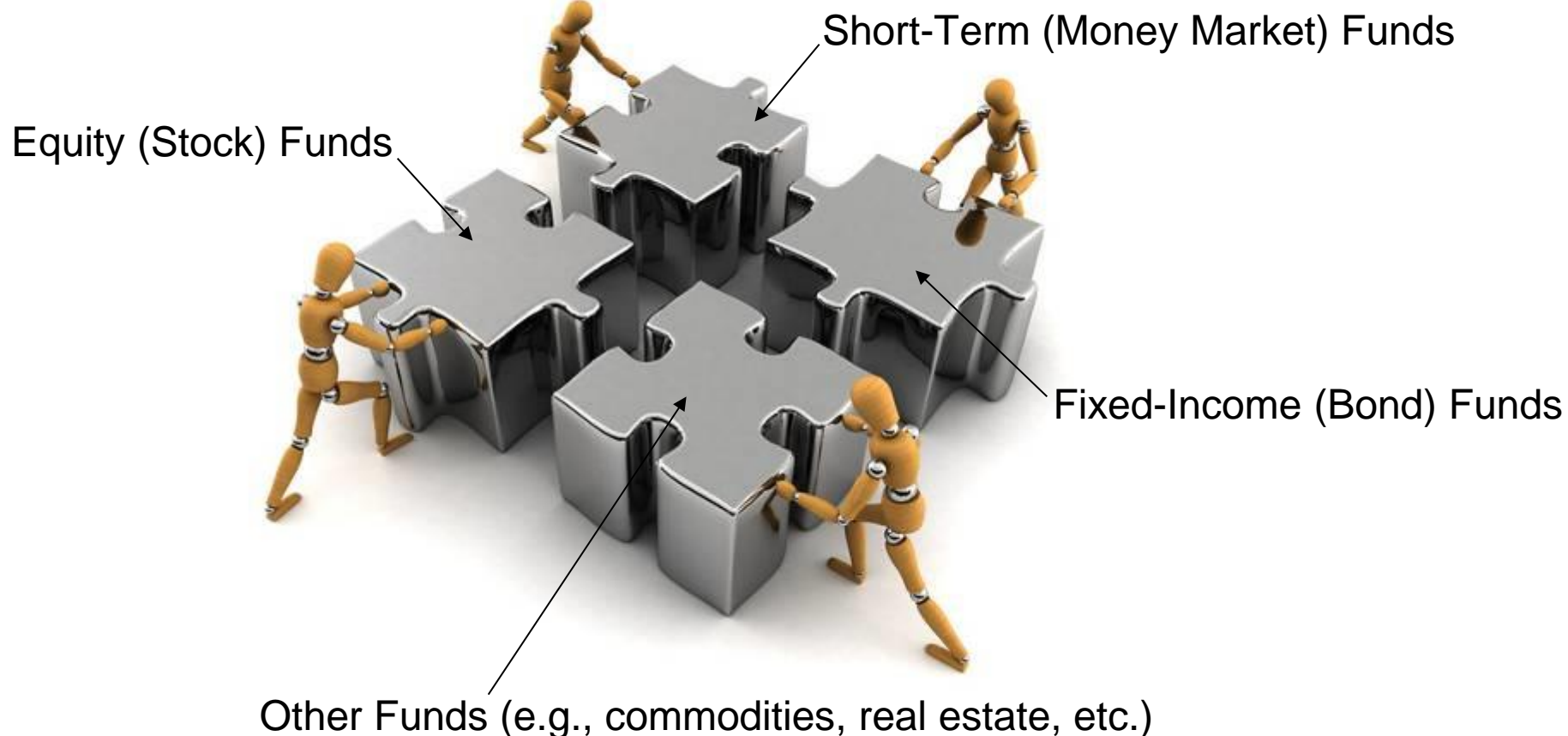


Three ways to choose.

- **By date** (Select a target fund option)
- **By risk** (Select an asset allocation strategy)
- **By design** (Select your own investment options)



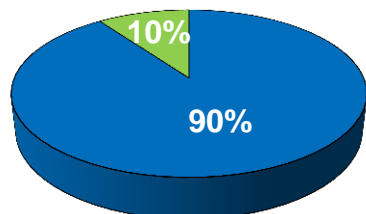
# Target Investments: Funds of Funds



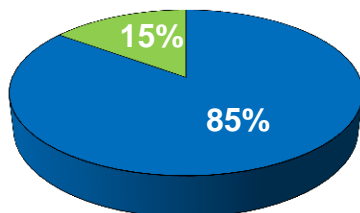
# General Target Date Asset Allocations



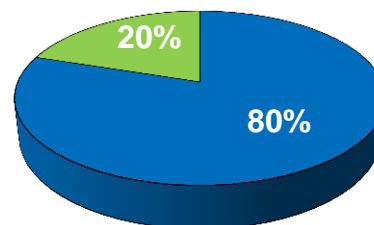
**Target 2050**



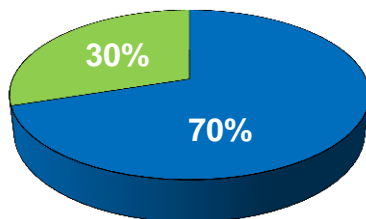
**Target 2040**



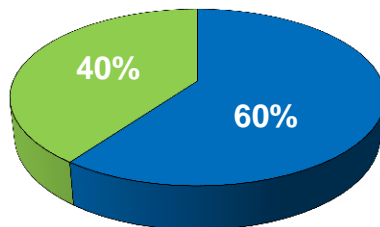
**Target 2030**



**Target 2020**



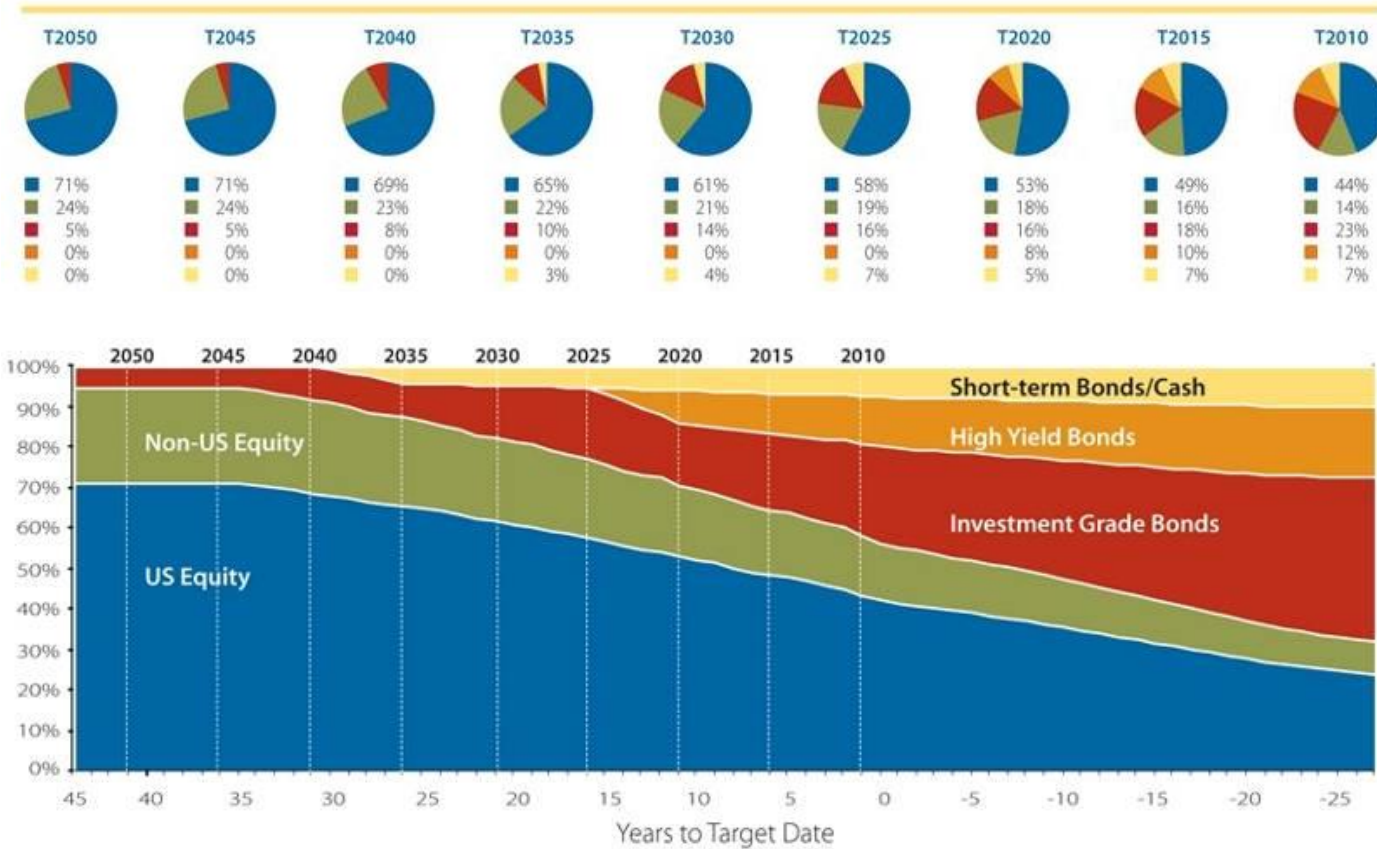
**Target Retirement  
Income**



■ Stocks  
■ Bonds/Cash

Hypothetical example of asset allocation percentages. Not a recommendation or representation of any particular investment. Asset allocation is the act of balancing risk and reward by apportioning a portfolio's assets according to an individual's financial goals, risk tolerance, and investment horizon. Diversification is a technique that mixes a wide variety of investments within a portfolio. Neither asset allocation nor diversification assure a profit and do not protect against loss in a declining market. There are risks involved with investing including possible loss of principal.

# How Target Date Funds Work



# Manage Your Investments Over Time



Do an *Annual Review* to make sure your plan is still in line with your goals

- Check your asset allocation
- Rebalance periodically
- Review other retirement savings



# Details on Investments

RES Note:  
Disclosure C



## **Risk Disclosures for Certain Asset Categories – Please note that your plan may not offer all of the investment options discussed below.**

- Investments may reside in the specialty category due to 1) allowable investment flexibility that precludes classification in standard asset categories and/or 2) investment concentration in a limited group of securities or industry sectors. Investments in this category may be more volatile than less-flexible and/or less-concentrated investments and may be appropriate as only a minor component in an investor's overall portfolio.
- Investments that invest more of their assets in a single issuer or industry sector (such as company stock or sector investments) involve additional risks, including unit price fluctuations, because of the increased concentration of investments.





## **Risk Disclosures for Certain Asset Categories – Please note that your plan may not offer all of the investment options discussed below.**

- In target date strategies, the year in the strategy name refers to the approximate year investors in the strategy would plan to retire and likely would stop making new contributions to the strategy. Target date strategies follow their own asset allocation path (“glide path”) to progressively reduce equity exposure and become more conservative over time, reaching their most conservative allocation in their target date year. Investors may choose a date other than their presumed retirement date to be more conservative or aggressive depending on their own risk tolerance.
- Lifestyle strategies comprise options based upon investors’ risk tolerance (often determined by responses to a risk quiz). The specific options will depend upon what your plan has selected, but may include conservative, moderate conservative, moderate, aggressive, and ultra-aggressive. The asset allocation of lifestyle strategies does not follow a glide path, so will not automatically become more conservative over time.
- Blended strategies offer a combination of target date and lifestyle features, including following a glide path that becomes most conservative in their target date year while allowing investors to select the strategy that coincides with their risk tolerance.
- Generally target date and blended strategies are designed to be held beyond the presumed retirement date to offer a continuing investment option for the investor in retirement. However, investors in any of these strategies should also consider their own personal risk tolerance, circumstances and financial situation to determine if they should consider moving to a lower risk strategy as they near retirement. Investments in these options are not guaranteed and you may experience losses, including losses near, at, or after the target date (if applicable). These strategies’ stated asset allocation may be subject to change. Additionally, there is no guarantee that the options will provide adequate income at and through retirement.

# Details on Investment

RES Note:  
Disclosure A



## **Risk Disclosures for Certain Asset Categories – Please note that your plan may not offer all of the investment options discussed below.**

- If a retirement plan fully or partially terminates its investment in The Guaranteed Interest Account (GIA), SF Guaranteed, Fixed Interest Account or SAGIC investment option, the plan receives the liquidation value of its investment, which may either be more or less than the book value of its investment. As a result of this adjustment, a participant's account balance may be either increased or decreased if the plan fully or partially terminates the contract with MassMutual.
- You could lose money by investing in the fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.
- Submitter needs to confirm all of the money market funds on the platform maintain \$1. Some funds may have a higher stable NAV, such as \$10. In those cases, the dollar amount in the disclosure needs to reflect that amount.
- Risks of investing in inflation-protected bond investments include credit risk and interest rate risk. Neither the bond investment nor its yield is guaranteed by the U.S. Government.
- High yield bond investments are generally subject to greater market fluctuations and risk of loss of income and principal than lower yielding debt securities investments.
- Investment option(s) that track a benchmark index are professionally managed investments. However, the benchmark index itself is unmanaged and does not incur fees or expenses and cannot be purchased directly for investment.



## **Risk Disclosures for Certain Asset Categories – Please note that your plan may not offer all of the investment options discussed below.**

- Investments in companies with small or mid market capitalization (“small caps” or “mid caps”) may be subject to special risks given their characteristic narrow markets, limited financial resources, and less liquid stocks, all of which may cause price volatility.
- International/global investing can involve special risks, such as political changes and currency fluctuations. These risks are heightened in emerging markets. You cannot transfer into international/global investment options if you have already made a purchase followed by a sale (redemption) involving the same investment within the last sixty days. In addition, you may not request a transfer into international/global investment options between 2:30 and 4 p.m. ET. Other trading restrictions may apply. Please see the investment’s prospectus for more details.
- A significant percentage of the underlying investments in aggressive asset allocation portfolio options have a higher than average risk exposure. Investors should consider their risk tolerance carefully before choosing such a strategy.
- An investment option with underlying investments (multi-investment options and any other offered proprietary or non-proprietary asset-allocation, lifestyle, lifecycle or custom blended options) may be subject to the expenses of those underlying investments in addition to those of the investment option itself.

# Benefits of Consolidating Retirement Accounts



Maintaining one account may make it easier to manage your retirement savings:

- One point of contact – one statement, one phone line, one website
- Rebalance just one allocation instead of multiple accounts
- Flexible and convenient investment changes
- Easy retirement planning, investment guidance, and rebalancing tools

Note: Consolidation may not be right for everyone – individual situations will vary. Consider seeking consultation from your own independent financial and/or tax advisor before consolidating.

# MassMutual Resources



- Automated Telephone Services: **1-800-743-5274**  
(Customer Service Representatives 8 a.m. to 8 p.m. (ET))
- Participant Retirement Plan Website:  
**[www.retiresmart.com](http://www.retiresmart.com)**
- Search for “RetireSmart” or “MassMutual” in your phone’s app store.




# Online Resources







[Home](#) [Create An Account](#) [Contact Us](#) [Login](#)


 **RetireSMART™** [My Account](#) [Where Should I Be?](#) [Calculators](#) [What's New?](#)

### Concerns About Market Volatility?

Don't let short-term fluctuations unsettle your long term plan.


[Learn More >](#)

#### Keeping you connected and safe

 Stronger account security is here.


[Learn More >](#)

#### Enhanced Online Experience

 Streamlined home screen and updated RetireSmart® Ready tool coming soon.

[Learn More >](#)

#### RetireSmart on Facebook

 Follow us for convenient updates right in your feed!

[Learn More >](#)

#### Where Should I Be?

- Home & Family
- Investments & Strategies
- Parenthood/College
- Retirement Basics
- Getting Started
- Building to Retire
- Ready to Retire





#### Calculators

- Most Popular
- Getting Started
- Life Events
- Maximizing Your Plan
- Retiring

#### What's New?

#### Contact Us

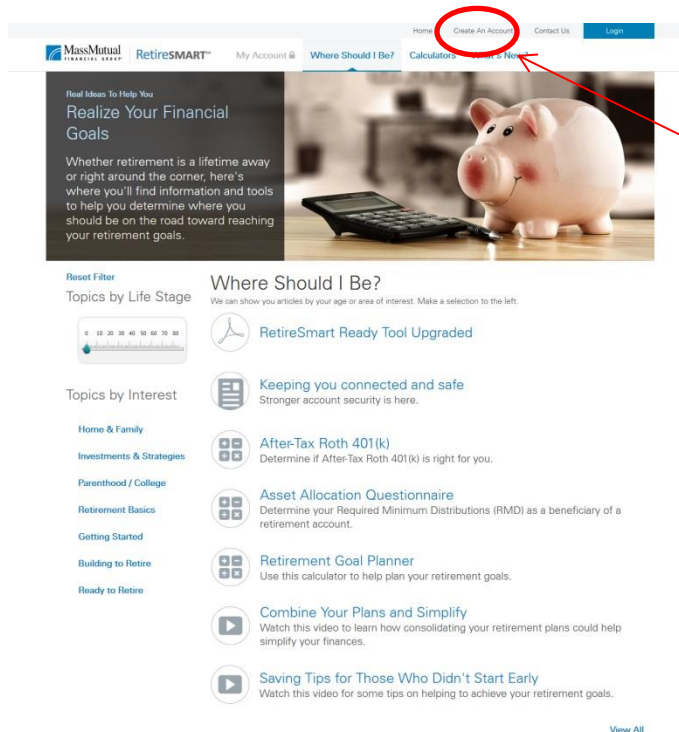
- FAQs
- Glossary
- Help
- Massmutual.com
- Why MassMutual?

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# Create an account



Choose “Create an account”



# My Online Account



RetireSMART™
My Account

[Help](#)
[Contact Us](#)
[Welcome back, John](#)

## MassMutual Demo Plan

Total Balance: \$204,227.75 | As of 12/15/2016

Account Balance by Investment

100.00% Inst Target Ret 2040

[View Account Balance](#)

**Your Account Rate of Return\*** **9.96%**

12/15/2016-12/15/2016

Use the [Statement of Account](#) to modify the time period for your account rate of return.

[Disclosure](#)

### RetireSmartSM: Will You Have Enough?

Chance of retiring at age 67 with 90% of preretirement income, which equals \$12,602.67 monthly.

**Very High**

**Very High**

**RetireSmart™ Ready Tool**

Personalized strategies for your plan savings and investment mix.

[GO](#)

CURRENT PLAN		SUGGESTED PLAN
9%	CONTRIBUTION AMOUNT	9%
Your current allocation	ASSET ALLOCATION	Retirement Bond 24% Cash 56% Stock 20%

The information displayed is effective as of 9/30/2016 and does not reflect any changes made after this date.

#### My Next Best Steps

Quick and easy actions to help you achieve your RetireSmart goal.

- [Save](#)
- [Allocate](#)
- [Consolidate](#)

#### My Messages

- [Quarterly Market Review](#)
- "What is co-browsing?" Watch this short video to learn more about it.
- [View information about MassMutual's secure e-mail system.](#)

#### My Events

**RetireSMART Online Seminars**

Helping you to make smarter retirement decisions!

[Register today](#)

Return could be affected by non-periodic transactions and may differ from the investment option performance because of the fees and charges on your own stock. Plan expenses are not reflected as part of this calculation. Past performance is no guarantee of future result.

PL-CT1596-10

# Navigating your Account (Post log in)



MassMutual Financial Group RetireSMART™ My Account

Help Contact Us Welcome back, John

### MassMutual Den

Total Balance: \$204,227.75 | As of 9/30/2016

Account Balance by Investment  
100.00% Inst Target Ret 2040  
View Account Balance

### RetireSmart™: Will You Have E

Chance of retiring at age 67 with 90% of pri

Very High

CURRENT PLAN	CONTRIBUTION AMOUNT	SUGGESTED PLAN
9%	9%	
Your current allocation	ASSET ALLOCATION	Retirement Bond: 24% Cash: 56% Stock: 20%

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View information about MassMutual's secure e-mail system.

### My Events

RetireSMART Online Seminars  
Helping you to make smarter retirement decisions!  
Register today

10/27/2016 12:12 PM

# Create an account



MassMutual FINANCIAL GROUP

RetireSMART™

Home

The following questions are based on public data\*. Please answer them to verify your identity

Tell us about yourself

Verify your identity

Create username & password

\*What is Public Data?

1. In which of the following states does 'Kathleen Frings' currently live or own property?

☐ Illinois

☐ Kentucky

☐ Louisiana

☐ Nebraska

☐ Oregon

☐ None of the above or I am not familiar with this person

Names may be listed as last-name first-name, include maiden names or contain slight misspellings.

2. In which of the following counties have you ever lived or owned property?

☐ Benton, Iowa

☐ Ringgold, Iowa

3. In which of the following counties have you ever lived or owned property?

☐ Benton, Iowa

☐ Ringgold, Iowa

☐ San Patricio, Texas

☐ Salpêtrière, Kansas

☐ Scott, Iowa

☐ Story, Iowa

☐ I have never lived in any of these counties

Valid answers may include a county of a property for which you are associated (i.e. a relative's home) at which you did not necessarily live or own the property

3. Which of the following colleges have you attended?

☐ Jamestown Community College

☐ Lenoir-Rhyne College

☐ Loyola University Of Chicago

☐ Lynchburg College

☐ Thomas More College Of Liberal Arts

☐ None of the above

Select the college you have attended.

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Where Should I Be?

Home & Family

Investments & Strategies

Parenthood/College

Retirement Basics

Getting Started

Building to Retire

Ready to Retire

Calculators

Must Provide

Getting Started

Life Events

Maximizing Your Plan

Retiring

What's New?

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# Create an account



MassMutual  
FINANCIAL GROUP

RetireSMART™

Home

Please create your credentials for signing into RetireSMART.

Tell us about yourself

Verify your identity

Create username & password

\* = Required Field

\* Username

\* Retype Username

\* Password

\* Retype Password

\* PIN

\* Retype PIN

**Username criteria:**

- Must be 6-50 characters
- Cannot be your SSN (or any 9 numbers)
- Cannot be your previous username
- Can include only these special characters:
  - @ (at symbol)
  - (dash)
  - \_ (underscore)
  - . (period)

**Password criteria:**

- Case sensitive
- Must be a minimum of 8 characters
- Must include 1 letter and 2 numbers/special characters
- Cannot contain more than 3 repetitive characters
- Cannot be the last 3 passwords used

**PIN Criteria:**

- Must be 6-8 numbers
- Cannot contain letters

Update Log In

Cancel

MassMutual  
FINANCIAL GROUP

Getting Started  
Building to Retire  
Ready to Retire

Retiring

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# RetireSMART<sup>SM</sup> Ready Tool



## 1. Set preferences

Retirement Age Savings Rate Retirement Income Investment Risk Rate your goals

Retire Earlier  
★★★★★  
Extremely Important

Lower Savings Rate  
★★★☆☆  
Important

Maximize Retirement Income  
★★★★☆  
Very Important

Minimize Losses  
★★☆☆☆  
Less Important

Reset Goals and Priorities BACK DONE

## 2. Review suggestions

RetireSMART

RETIRED GOAL

Receive at least \$5,938/month when you retire at age 67

Current Retirement Plan	Suggested Retirement Plan
\$5,304 <sup>mo</sup> 67.00% of current salary	\$6,017 <sup>mo</sup> 76.00% of current salary
5.00%	10.00%
CURRENT ALLOCATION 25.0% to your preferred	INVESTMENT MODERATE 50.0% to your preferred

Personalized Goal CONTINUE

## 3. Take action

RetireSMART

Do It Myself - Confirmation  
Please confirm the following changes to your account.

1 CONTRIBUTION

You have elected to contribute 18.00% (\$1,500)\* of your salary every month. Here is the breakdown in detail:

MILKEN INSTITUTE 403(B) PLAN	18.00%
Pre-tax	18.00%
Catch-Up	0.00%
Roth	0.00%

\*The amount will change based on your actual salary.

2 INVESTMENTS

Invest your current balance and future savings in the following manner:

MILKEN INSTITUTE 403(B) PLAN
------------------------------





# Questions?

# We Want To Hear From You!



∴ **MassMutual**    mutual**voice**



# Thank You.

This presentation is for educational purposes only and is not intended to serve as a source for legal or financial advice. MassMutual, its employees, and representatives are not authorized to give financial, legal, or tax advice. You are encouraged to obtain professional advice from your own independent financial planner or legal counsel.

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