

TWO PATHS TO INVESTING FOR RETIREMENT

Which one is right for you?





TWO PATHS TO INVESTING FOR RETIREMENT

When it comes to investing, people have different comfort levels and experience. To make the investment process as simple as possible, the Massachusetts Deferred Compensation SMART Plan offers you two paths to investing for retirement.



Which one is right for you?

Path 1: SMARTPath Retirement Funds

Choose a SMARTPath Retirement Fund for a diversified portfolio in one single step. This path is designed for people who may not have the time, desire or experience to build their own diverse investment portfolio.¹

Path 2: Providing choices

Designed for participants seeking varying levels of involvement in creating an investment portfolio, Empower Advisory Services is a suite of services offered by Empower Advisory Group, LLC, a registered investment adviser, that includes Online Advice and My Total Retirement™. This path provides solutions for those wanting professional recommendations and also gives participants the opportunity to build their own investment portfolio, monitor it and make adjustments over time if they choose. There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

Whichever path you choose, it's a good idea to consider how the investment's objective(s) match your savings goals, investment horizon and risk tolerance. As your personal circumstances change, you should monitor the fund's performance to ensure it continues to align with your investment goals.

A detailed list of your investment options is available on the website at www.mass-smart.com > *Investing* > *Investment options*.

Online Advice and My Total Retirement are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser.

Which path is right for you? Ask yourself these questions:

Am I looking for a competitively priced investment solution that will provide diversification across various asset classes and investment options and adjust its investment allocation as I approach an established retirement date in the future?¹

Yes / No

If you answered Yes, then **Path 1: SMARTPath Retirement Funds** might be right for you. See page 3 for more information.²

If you answered No, ask yourself:

Am I looking for advice solutions — from basic asset allocation strategies to a full managed account option?¹

Yes / No

Do I prefer to have my portfolio decisions managed for me for an additional fee?

Yes / No

If you answered Yes to either of these questions, then **Path 2: Advisory Services** might be your preferred strategy. See page 6.


Am I comfortable deciding how much to invest in each fund, and/or do I have the desire to select my own mix of individual funds?

Yes / No

If you answered Yes to this question, then **Path 2: Determine your own strategy** might be your preferred strategy. See page 7.

¹ Asset allocation, diversification and/or rebalancing do not ensure a profit or protect against loss.

² The default investment option is the SMARTPath Retirement Funds.



Advantages of the SMARTPath Retirement Funds

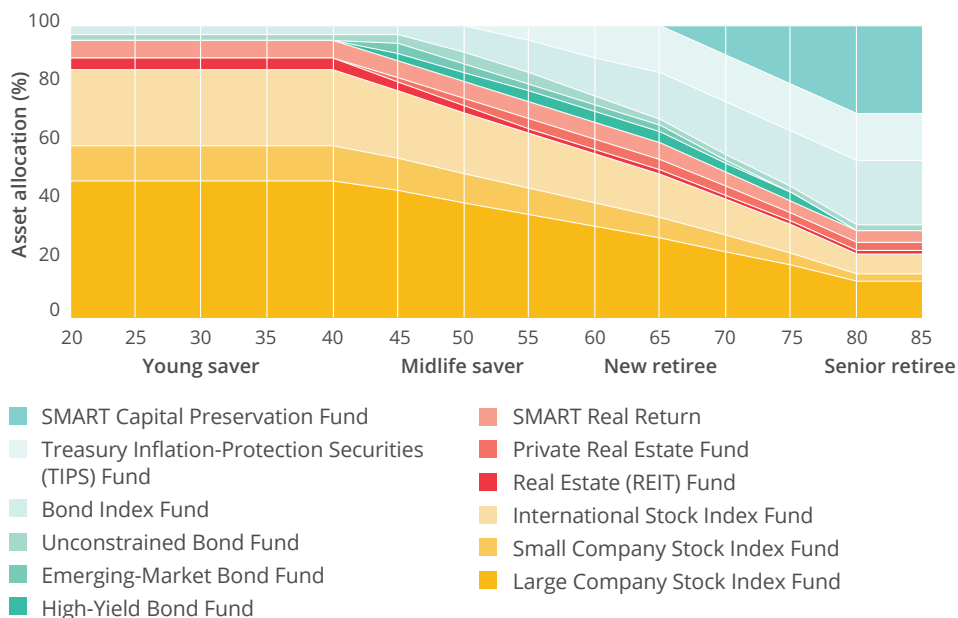
The SMARTPath Retirement Funds are target date funds. The investment portfolio is divided among different asset categories. As the target retirement date of a fund gets closer, the fund gradually adjusts the mix of investments to become more conservative and include more bond funds and short-term investments. Since market volatility may affect each asset class in a different way, your SMARTPath Retirement Fund may be more capable of weathering the ups and downs of the market over the long term versus a nondiversified portfolio. The principal value of the funds is not guaranteed at any time, including on the target date. While diversification and shifting to a more conservative investment mix over time help to manage risk, they do not guarantee earnings growth. There is the potential to lose value in any investment program.

The chart shows the allocation to each underlying investment fund and how the asset mix changes as you approach retirement.*

Professionally managed funds

The SMARTPath Retirement Funds are managed by AllianceBernstein L.P. (AB). In this role, AB designs the asset allocation and glide path of the SMARTPath Retirement Funds. AB is a global investment-management firm and provides investment-management services for many of the largest U.S. public and private employee benefit plans, foundations, public employee retirement funds, pension funds, endowments, banks and insurance companies, as well as for high-net-worth individuals worldwide. For more information about SMARTPath Retirement Funds, go to www.mass-smart.com > *Investing* > *Investment options* and click on the link to the SMARTPath microsite in the **Path 1: SMARTPath Retirement Funds** section.

*SMARTPath Retirement Fund allocations are built on an investment strategy based on risk and return. This is not intended as financial planning or investment advice. The allocations for the funds are subject to change.



Source: SMARTPath Retirement Funds, www.alliancebernstein.com/sites/massachusetts-dc/index.html 03/01/2023

PATH 1: SMARTPATH RETIREMENT FUNDS

What are target date funds?

A target date fund typically has a date in its name—this is called the fund's "target date." The target date is the approximate year when an investor is expected to retire and begin making withdrawals.

A target date fund adjusts its investments over time. In the beginning, the emphasis of the fund is on growth potential to build savings. As the fund moves closer to the target date, the investments of the fund gradually become more conservative to help protect against market fluctuations—and it all happens automatically.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information about investments offered through the SMART Plan, you may obtain disclosure documents from your registered representative or www.mass-smart.com. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact your SDBA provider. Read them carefully before investing.

AN INVESTMENT STRATEGY DESIGNED TO LAST A LIFETIME

Diversification is simple.

1. Estimate your retirement date

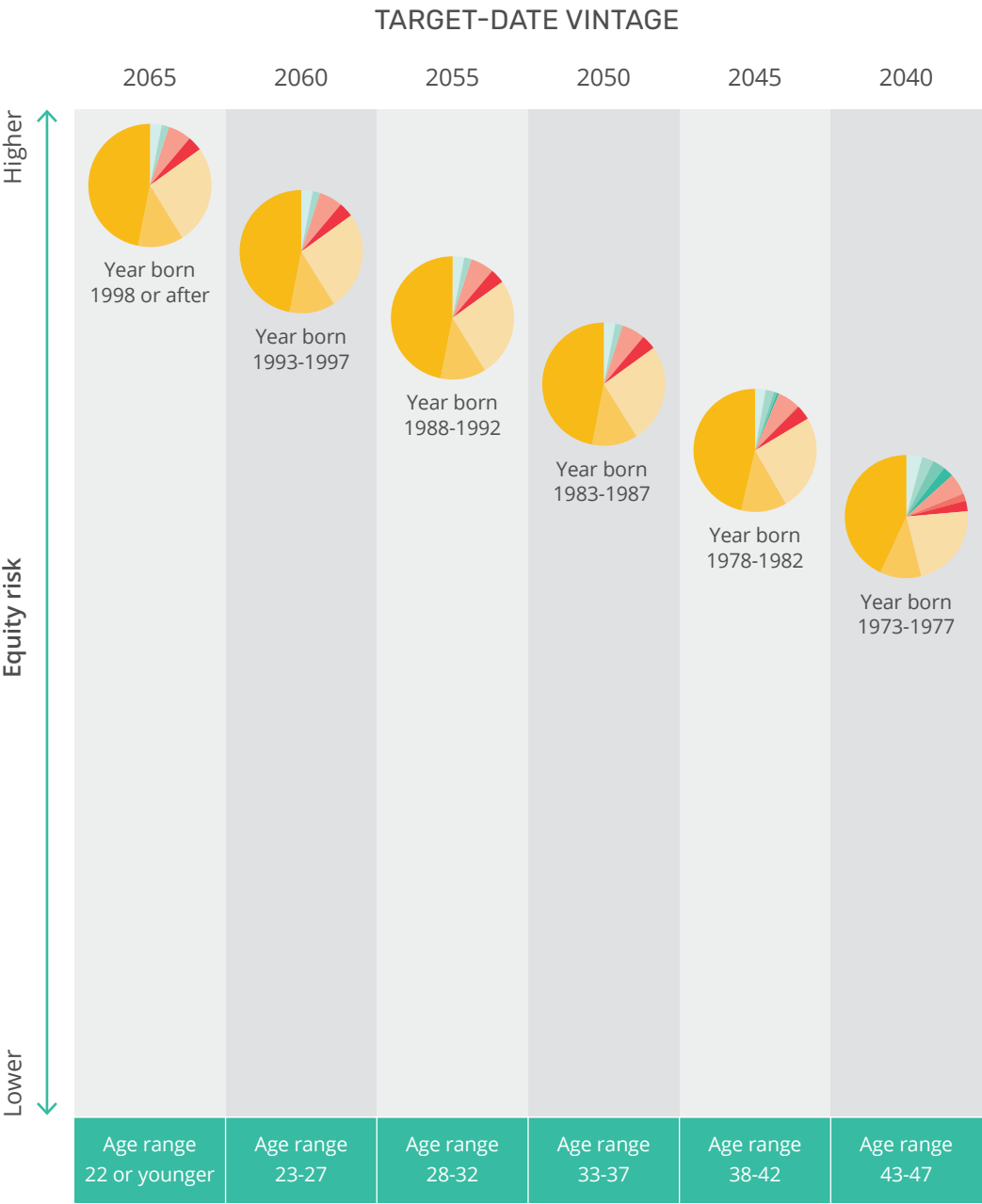
Add the year you were born and your expected retirement age to get your retirement date. The illustration on the right is only intended as a guide based on the overall design of the funds. It is not intended as financial planning or investment advice. Please consult with your financial planner or investment advisor as needed.

	You	Example
The year you were born	_____	1970
Age you think you will be when you retire	+ _____	+ 65
Your estimated retirement date	= _____	= 2035

SMARTPath Retirement Funds are not registered investments, and interests in the funds have not been registered with the Securities and Exchange Commission. Thus, no prospectus is available for these funds. They are only available to eligible participants in the Massachusetts Deferred Compensation SMART Plan, which is a qualified retirement program.

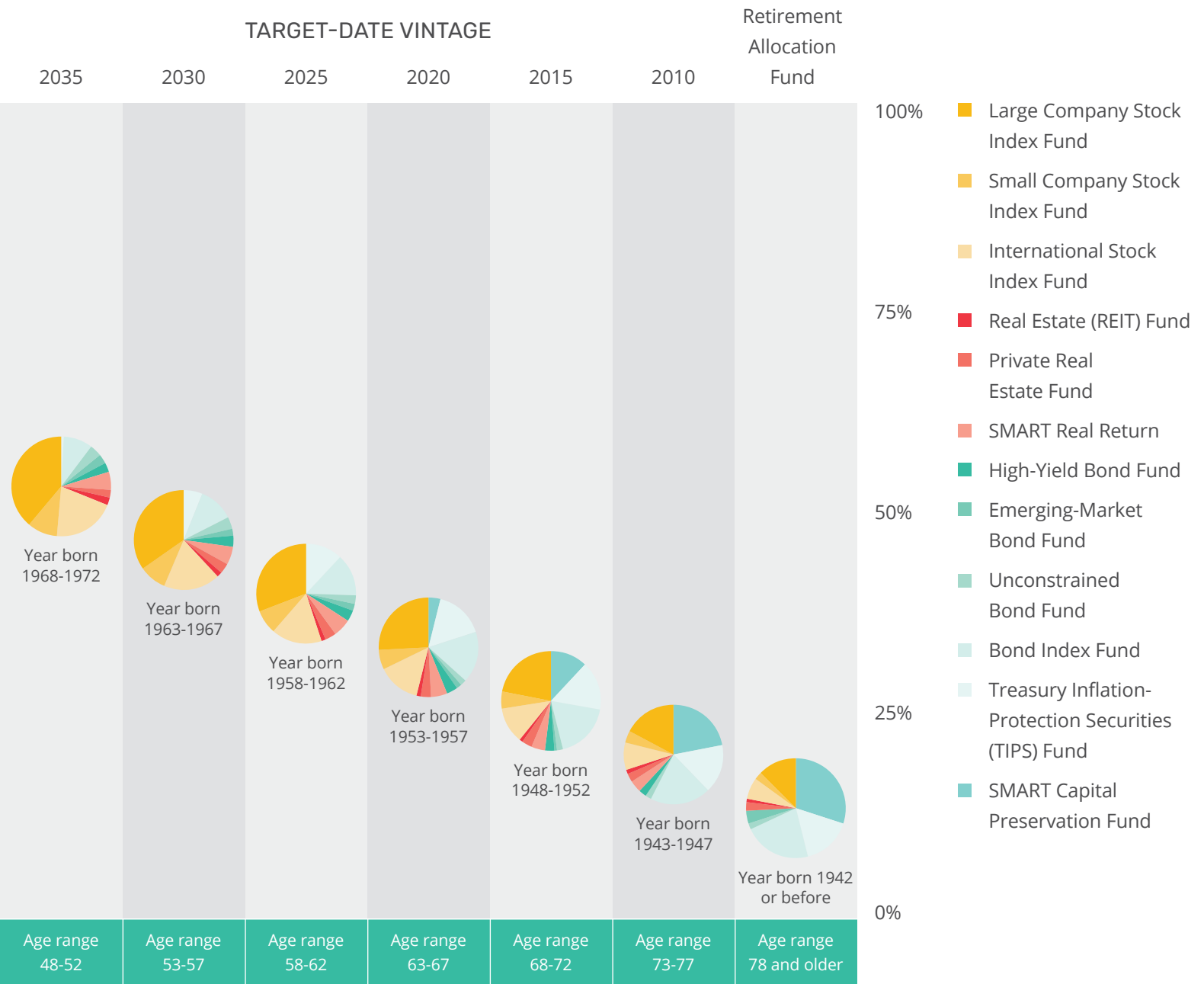
2. Select your SMARTPath Retirement Fund

Consider choosing the fund with the date closest to your retirement date. You should also consider your risk tolerance when selecting a fund.



Data as of October 1, 2021. Fund data sheets are available at www.mass-smart.com.
*The SMARTPath Retirement Fund allocations are based on an investment strategy focused on risk and return. This is not intended as financial planning or investment advice. The allocations for the funds are subject to change. Source: AllianceBernstein, December 2021.

The SMARTPath Retirement Fund's portfolio invests more heavily in stocks further away from the target date to emphasize the growth potential an investor may need to help build wealth over the long term.



FOR ILLUSTRATIVE PURPOSES ONLY. Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. Asset allocations as of October 1, 2021. The SMARTPath Retirement Fund allocations are based on an investment strategy based on risk and return. This is not intended as financial planning or investment advice. The allocations for the funds are subject to change. Source: AllianceBernstein, December 2021.

PATH 2: PROVIDING CHOICES

Whether you are looking for services that can help you review and evaluate your investment selections, or prefer to select and monitor your own SMART Plan investment options, Path 2 gives you choices!

Need help? A local SMART Plan Retirement Plan Advisor is available to help you enroll and understand the options available through the SMART Plan. Call 877-457-1900 (say “representative”) and ask about Advisory Services, or go to www.mass-smart.com.

Advised solutions through Empower Retirement Advisory Services

You have your own retirement goals, and the SMART Plan is here to help you reach those goals. Path 2 provides you with a choice: Build an investment strategy using My Total Retirement, or build and monitor your own portfolio (see page 7 for additional details). My Total Retirement is an innovative approach to investing that provides investment advisory services based on the level of involvement you desire in managing your investments. You can choose as much or as little help as you need.

Advisory Services includes Online Advice and the Managed Account service, which provides professional investment assistance and account management.

Online Advice

Online Advice recommends specific investment options from the investments available within the SMART Plan. It also suggests how much to allocate to each investment option based on your investment objectives.

You have the freedom and flexibility to implement your own investment choices and manage them online—and generate new recommendations when your situation changes. You should check back regularly to see if you are still on track. Online Advice is offered at no additional cost to you.

My Total Retirement

My Total Retirement goes beyond advice and asset allocation recommendations in that it provides ongoing professional asset management specifically for you.

You receive a personalized and strategically designed retirement portfolio that is managed quarter to quarter and reflects your unique time frame, personal retirement information (including a Social Security benefit estimate) and household financial picture based on information you provide. My Total Retirement seeks to provide you with an effectively designed, diversified and objectively managed option.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

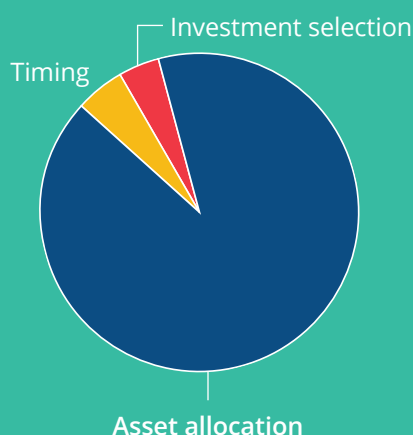
My Total Retirement annual fees

Assets under management	Annual fee
Up to \$100,000	0.40%
Next \$150,000	0.35%
Next \$150,000	0.25%
Greater than \$400,000	0.15%

Online Advice and My Total Retirement are part of the Empower Advisory Services suite of services offered by Empower Advisory Group, LLC, a registered investment adviser.

Asset allocation³

Many investment professionals and financial planners believe that an important factor influencing a portfolio's performance is not market timing or picking just the right stock—it's how you mix your investments among cash alternatives, bond funds and stock funds. This is called asset allocation.



³ Asset allocation, diversification and/or rebalancing do not ensure a profit or protect against loss.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information about investments offered through your plan, you may obtain disclosure documents from your registered representative or the website at www.mass-smart.com. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact your SDBA provider. Read them carefully before investing.

Determine your own investment strategy

The SMART Plan offers a broad array of funds across various asset classes. A list can be found at www.mass-smart.com. Keep in mind that to build an investment portfolio, you need a sound strategy based on three things: **your savings target, your time horizon and your risk tolerance.**

Your savings target

In choosing your investment strategy, consider the amount of money you want to save and invest as well as any other retirement plans or assets you or your spouse might have.

Keep in mind that saving and investing through the SMART Plan may be only one of your financial goals. You may have other financial goals over both the short and long term. Be sure to balance all of your goals when making investment decisions.

Your time horizon

The time you have to invest in the SMART Plan is very important. If you are many years away from retirement, you may be willing to take more risk and invest more aggressively. When you're closer to retirement, your investment strategy may lean

more toward investments with less risk because they'll have less time to recover should they fall in value.

Be sure your investment mix is appropriate to meet your short-term and long-term goals. You may have many years in retirement, so you might consider the benefits of maintaining some assets in investments that are likely to outpace inflation and provide some growth.

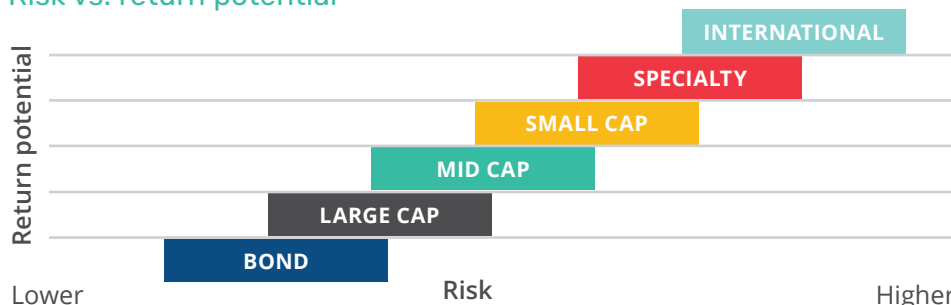
Your risk tolerance

Risk tolerance is your comfort level with the ups and downs in the value of your investments. You don't want to lose sleep if your account value declines; however, you'll also need to earn a rate of return that is appropriate for your goals. You need to create an investment mix that provides a comfortable balance between level of risk and growth.

Choosing your investments

Knowing the type of investor you are is critical to building the investment mix that's right for you. Complete the survey on the next page to help identify your risk tolerance, your desired investment return and, ultimately, your investment style.

Risk vs. return potential



FOR ILLUSTRATIVE PURPOSES ONLY. The positions of the various funds on the chart do not reflect an absolute relation of the funds, but only their expected relative ranking over the long term. Shown for illustrative purposes only. Past performance is not a guarantee of future results. **7**

Determine your risk tolerance

Circle the number that describes how strongly you agree or disagree with the following statements:

I am a knowledgeable investor who understands the trade-off between risk and return and am willing to accept a greater degree of risk for potentially higher returns.

Disagree Agree

1 2 3 4 5

If one of my investments dropped 20% in value over six months due to a stock market fluctuation, I would hold on to that investment, expecting it to recover its value.

Disagree Agree

1 2 3 4 5

I have savings vehicles other than my SMART Plan that help make me feel more comfortable about my financial future.

Disagree Agree

1 2 3 4 5

Now add up the numbers you circled above to determine your risk tolerance score: _____

Mark your path

Use the following as a general guide in determining your investing style. Review your situation at least once a year and keep in mind how much time you have until retirement.

Conservative investing style

You may be an investor who is at ease with less risk for potentially lower returns. Keep in mind how much time you have until retirement and the effect that inflation may have on your investments.

Moderate investing style

You are comfortable with some volatility. This mix is a balance between lower- and higher-risk investments. The risk-and-return potential is greater than with the conservative mix but less than with the aggressive mix.

Aggressive investing style

You may be an investor who's at ease with taking on the higher risk associated with the chance for higher returns.

Investment time horizon	Tolerance score				
0-5 years	3	4	6	7	≥9
5-10 years	≤5	6	7	9	≥10
10-15 years	≤6	8	9	10	≥12
15-20 years	≤8	9	11	12	≥13
20+ years	≤9	11	12	14	15

Conservative

Moderate

Aggressive

For illustrative purposes only. It is not intended to provide financial planning or investment advice.

Contact your local SMART Plan Retirement Plan Advisor at **877-457-1900** for assistance with your SMART Plan account, or visit **www.mass-smart.com**.

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Asset allocation and balanced investment options and models are subject to the risks of their underlying investments.

Investing involves risk, including possible loss of principal.

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