

Where will retirement take you?

Putting stable value investments in 'the investment spotlight'

As a **New Jersey Defined Contribution Retirement Plan (NJDCRP)** participant, you know it's a good idea to regularly review the plan investment options you've chosen—and to make any necessary changes over time. Doing so can help you take advantage of two investment strategies that financial professionals often recommend: asset allocation and diversification. Of course, it's key that you understand how the plan's investments work.

This year, each NJDCRP quarterly newsletter contains a section titled "the investment spotlight," which focuses on one particular type of asset class. The first quarter newsletter focused on stocks; last quarter, we reviewed bonds. This time, we're looking at stable value investments.

How do stable value investments work?

Stable value investments emphasize safety of principal, while seeking income and liquidity. But whereas stable value investments tend to carry the least amount of market risk* (when compared with stocks and bonds), they have the highest level of inflation risk.**

* Market risk refers to the possibility that investors will lose money due to the decline in the price of their investments.

** Inflation risk refers to the possibility that the growth of an investment may not keep pace with the average rate of inflation.

How should you invest your money?

Only you can decide—and if you're like many people, your investment strategy may change over time. Which specific investments are right for you? And how much should you allocate to each one? Your Prudential retirement counselor can help you learn more about the plan's various investment options, which may help you choose the funds you feel are most appropriate for your long-term financial goals.

Asset allocation and diversification defined

Asset allocation—the process of spreading your money across different kinds of asset classes, such as stocks, bonds and stable value investments.

(By dividing your plan dollars among a variety of investment classes, you can minimize your reliance on any one investment and help yourself manage your investment risk.)

Diversification***—an investment strategy that takes asset allocation one step further by investing in a variety of investments within each asset class—for example, large-cap vs. small-cap, growth vs. value, etc.

(Diversification spreads risk around and helps even out the return of an asset class even though its individual investments may move up and down over time.)

*** Keep in mind that application of asset allocation and diversification concepts does not ensure a profit or protect against loss in a declining market. You can lose money by investing in securities.

Be sure to check your investments regularly

Make sure your investments are still appropriate for your long-term financial objectives. Log on to your NJDCRP account at newjersey.retirepru.com so you can make any changes you feel may be necessary. If you need assistance, call **866-NJDCRP1** (866-653-2771) toll-free.

The plan's website has a new look—and a new URL

The State of New Jersey has redesigned the plan's participant website with you in mind! They have merged three websites into one, to make retirement planning easier than ever. Now, users can quickly and conveniently view information for any (or all) of the following plans in **one place**—at newjersey.retirepru.com:

- The New Jersey State Employees Deferred Compensation Plan (NJSEDCP)
- The New Jersey Alternate Benefit Program (NJABP)
- The NJDCRP

When you visit newjersey.retirepru.com, you'll find a separate section for each plan.

Check out the website's great features!

The new website offers:

- Plan details and information on how to maximize your opportunities in the plan
- Tools that can help you make choices to put you on the road to financial wellness
- A "Personalized Assistance" section that gives you everything you need to get in contact with your Prudential retirement counselor
- A "Get Started" tab that outlines five key steps to retirement planning success—with tools and links to help you along the way.

Questions? Call **866-NJDCRP1** (866-653-2771) toll-free for assistance.

Reach out to your Prudential retirement counselor

Personal assistance—at no extra cost

When it comes to retirement planning, your Prudential retirement counselor can help you get the answers you need. Be sure to reach out to one of our knowledgeable retirement counselors *today*.

Your Retirement Counselor Contact Information:

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Plan information can be obtained by calling **866-NJDCRP1** (866-653-2771) toll-free or by visiting newjersey.retirepru.com.



Amounts withdrawn are subject to income taxes. Withdrawals before age 59½ may also be subject to a 10% federal income-tax penalty and plan restrictions. Neither Prudential Financial nor any of its affiliates provide tax or legal advice, for which you should consult your qualified professional.

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