

ROUND AND ROUND SHE GOES

Let's talk about risk (yes, this is going to be scary, so hold on to your popcorn). If something goes wrong in the markets, like what happened in 2008, you could be in for a roller coaster ride. If you're close to retirement, that could have a big impact on your savings.

But there are things you can do to get through the ride.

One of the best ways to keep your money working for you is to spread it around. The idea is to put a little bit here, little bit there. That way, if one investment tanks, the others are still OK. This is called "asset allocation" or "diversification."¹ You might consider throwing some of your money in one bucket and another in another bucket. You get the idea.

Another important thing to think about is how much risk you can tolerate. If it's early in your career, you might be able to handle a more risky ride because, if something does happen, your money will have longer to potentially recover. If you're close to retirement, you might want to think about less risky investments.²

SO, WHAT HAS MORE RISK AND WHAT HAS LESS?

- **Stocks** represent ownership of a company. When you have a stock, or a mutual fund that invests in stocks, you own a tiny bit of a company. Stocks are considered more risky investments because their growth is directly related to how much profit a company is making.
- **Bonds** are actually loans, and you are the lender. So when you invest in a bond, or a mutual fund that invests in bonds, you are getting the interest. It's like when you get a car loan and have to pay 5% interest; that interest goes to the lender. Get it? Because the organization is borrowing money from you, it has to pay you back. End of story.

There are other types of investments out there, but those two are the most basic, well-known types.

So, in your collection of investments, called a "portfolio," it's important to have a good mix of investments. Remember, it's generally better to take on more risk early in your career and less risk later on.

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**Keep Your
Eyes Peeled!**

The Participant Survey is coming soon! We want to hear your feedback so we can make your experience better.

WHAT'S THIS FEE FOR?

We get questions from people about the fees charged for their Texa\$aver account. Yes, there are some fees, but you should know there are always fees for investing, and in this Program the fees are very competitive (when compared to what a broker charges).

WHY COULD TEXA\$AVER BE A BETTER DEAL?

One of the reasons is bulk pricing. There are about 150,000 participants in the Texa\$aver Program with you, and you are sharing the fees with the whole group. If you move your investments to a private broker, you would have to foot the bill for your fees on your own.

HOW IS TEXA\$AVER SPENDING THESE FEES?

Fees go to pay for experienced people who make decisions about the funds offered in your Program, people who keep track of your personal information and keep it safe, people who create your statements ... and the list goes on. But that's just "people power." Fees also go toward covering lights, water, computers, and any of the other things it takes to keep an organization running.

WHY AM I PAYING MONEY FOR MY MONEY?

Sure, you could put your money under the mattress, but then there isn't a chance for it to grow. If you utilize a program like Texa\$aver, there are experts and people who work for you at the State who really care about your money and what it's doing. Investing is important

because it allows you an opportunity to keep up with inflation, which usually increases the costs of goods and services over time. Just think about how much a gallon of milk cost 10 years ago and then think about what it costs now.

So, if your money is under the mattress and it isn't growing, you might want to reconsider your investing strategy. We've never seen money spontaneously multiply, but if you have, please tell us!

HOW CAN I TRUST TEXA\$AVER?

We always try to do our best by you. There is a staff of people who work for the State and for the third-party administrator, Great-West FinancialSM, who legally have to work in your best interest; they can't take bribes or a cut of the investment earnings. (This is called "fiduciary responsibility" if you want to do an Internet search about it.)

Also, if there's any money that doesn't get used to run Texa\$aver, it's given back to you. There's a section on your statement called "reimbursements." That's money Texa\$aver makes from the investments but doesn't need for operating expenses. And that money goes back to you. Unlike some other investment programs, Texa\$aver and the State are not in this for profit. We're in it to help you be retirement-ready and live like you want after you retire.



LOOK AT THIS!

Scan this QR code with a QR code reader app on your smartphone to interact with an online activity.

I HAVE TOO MANY EXPENSES

YOU'LL STILL HAVE EXPENSES IN RETIREMENT... AND POTENTIALLY LESS INCOME

Every year there is a week long event in October called “National Save for Retirement Week,” or “NS4RW.” The whole point of NS4RW is to get us thinking about retirement and making sure we’ve saved enough to live comfortably in it. It is all about saving now and saving smart.

For this year’s NS4RW, let’s get going on saving more.

YOU MIGHT WANT TO ASK YOURSELF SOME QUESTIONS, LIKE:

- What kind of life do I want to live in retirement?
Do I want to travel? Or, do I want to stay home and play Sudoku?
- How long will my current retirement savings last me in retirement?
Will I live comfortably for 10 years and then scrape by for the next 20?
- What can I do today so I really can retire when I plan to?
Will my pension and Social Security be enough to live on in retirement?
- What happens if I need to take care of a loved one or pay for a nursing home for myself?

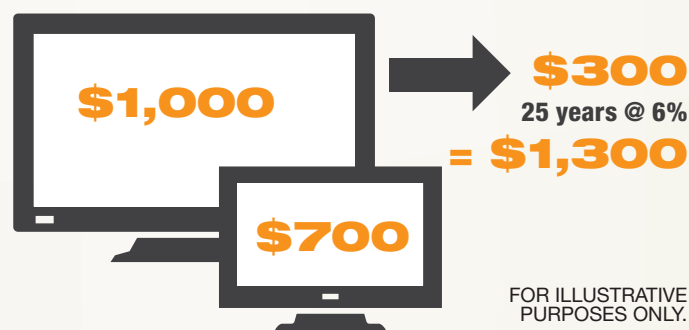
Not all of these questions are pretty, or nice, or fun to think about.

So, let’s look at a way to save money now that’s a little more fun to think about: TV!

We’re not suggesting you give up the tube all together, but maybe you could take a look at your cable package. Are you getting your money’s worth and watching every channel? Or could you save some money by picking a more streamlined bundle? Here’s another idea: There are all kinds of online services that can be streamed through a Blu-ray player or game console. Thousands of movies and TV shows are available for about \$10 a month.

There’s also the physical TV itself. Before you buy the newest and coolest TV, imagine what that money would be worth if you invested it in your retirement savings account for a while.

Say you’re looking to spend \$1,000 on a new TV, but you see one that’s a couple of inches smaller and still with 1080p and all the bells and whistles. Will a few inches matter once you get it in the living room? What if that other TV only costs \$700?



If you invest the \$300 difference in your retirement account and leave it there for 25 years, you could end up with \$1,300, assuming a 6% rate of return compounded once a year!

Maybe it’s time to watch your money grow instead of watching all that TV.

Why not? What’s your excuse?

READY TO CHANGE YOUR CONTRIBUTION?

DO THIS:

1. Go to www.texasaver.com³
2. Sign in to your account
3. Find the “Transactions” tile – click on that
4. Then you can either increase your paycheck contribution or set up a no-brainer called “scheduled increases”

Now you can save more on an ongoing basis and be done with the excuses.

Questions? Call (800) 634-5091.

WHAT’S YOUR EXCUSE?

ROUND AND ROUND SHE GOES (CONTINUED)

This might seem a little overwhelming. If you want more help learning about this process, or if you would rather let someone else take care of it, you have options:

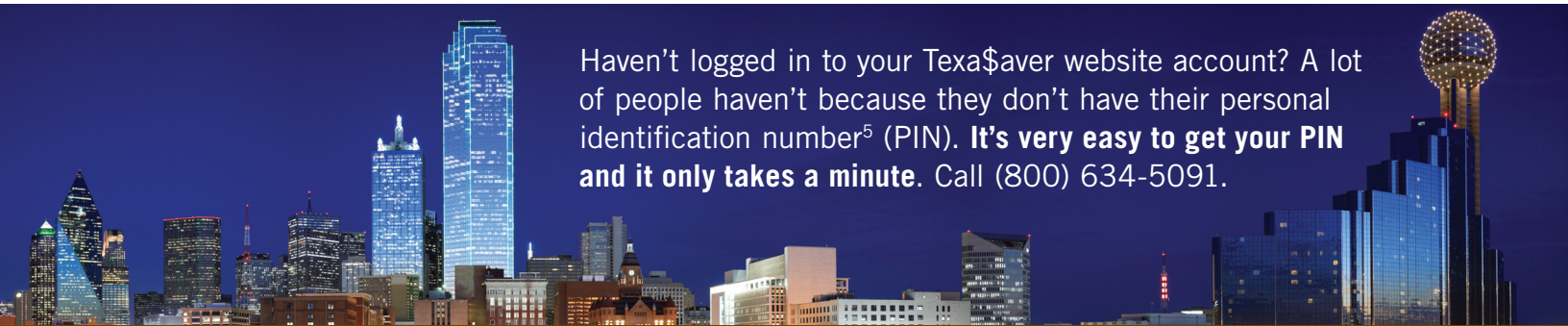
See if you measure up for the ride! Here are some free or low-cost tools you really should look at:

- **Target Date Funds⁴:** Participants who are auto-enrolled in the 401(k) Plan upon hire have their contributions automatically invested in a target date fund. With target date funds, your money is invested according to the date in the future when you would expect to retire and start taking distributions—based on the advice of investment experts. The risk is adjusted for you as time goes on.
- **Advisor Service:** Log in to your Texa\$aver account at www.texasaver.com, then click the “Advisor Service” tile. Online Advice and Guidance are offered by Advised Assets Group, LLC (AAG), a federally registered investment adviser and wholly

owned subsidiary of Great-West Life & Annuity Insurance Company. The Advice and Guidance tools are FREE, and they are pretty cool (if we do say so ourselves). These tools will actually recommend a savings strategy that is customized just for you!

- **Managed Account:** There’s a feature of the Advisor Service called Managed Account, where (for a small additional fee) you can have registered investment advisers at AAG run your account. They have tons of financial tools and years of investment education. They do the heavy lifting so you don’t have to. Please feel free to contact the dedicated Advisor Service call center by calling (800) 634-5091 and requesting to speak with Advisory Services.

There is no guarantee that participation in the Advisor Service will result in a profit or that your account will outperform a self-managed portfolio.



Haven't logged in to your Texa\$aver website account? A lot of people haven't because they don't have their personal identification number⁵ (PIN). **It's very easy to get your PIN and it only takes a minute.** Call (800) 634-5091.

LOOKING FOR MORE? DO YOU HAVE QUESTIONS?

Visit www.texasaver.com³ | Call: (800) 634-5091³ | Email: texasaver@greatwest.com

1 Asset allocation and diversification of an investment portfolio do not ensure a profit and do not protect against loss in declining markets.

2 Representatives of GWFS Equities, Inc. are not registered investment advisors and cannot offer financial, legal or tax advice. Please consult with your financial planner, attorney and/or tax advisor as needed.

3 Access to the website may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons.

4 The date in a target date fund's name represents an approximate date when an investor is expected to retire (which is assumed to be at age 65) and/or begins withdrawing money. The principal value of the funds is not guaranteed at any time, including the target date. For more information, please refer to the fund prospectus and/or disclosure document.

5 The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Financial immediately if you suspect any unauthorized use.

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