



NJDCRP

Defined Contribution Retirement Plan

Your Future in Focus

Putting Stable Value Investments in “The Investment Spotlight”

As a plan sponsor, you know that Prudential retirement counselors are available to assist your **New Jersey Defined Contribution Retirement Plan (NJDCRP)** participants with all aspects of their retirement planning. One key role that they play is to help your employees regularly review their plan investment options to help ensure that their current choices are aligned with their long-term investment goals and objectives.

You may recall that, in our First Quarter 2016 newsletter, we explained that each 2016 NJDCRP quarterly statement insert would include a section entitled “The Investment Spotlight,” which would focus on one particular type of asset class—including stocks, bonds and stable value investments. The first quarter’s statement insert focused on stocks; last quarter, we reviewed bonds. This time, we’re looking at stable value investments.

The Focus of the Third Quarter 2016 Statement Insert

The NJDCRP’s Third Quarter statement reminds your employees about the key role that asset allocation* and diversification* play in the retirement planning process—and it focuses on stable value investments, one of the four asset classes offered by the plan.

The final 2016 quarterly statement will highlight the fourth asset class offered by the NJDCRP—balanced investments.

Encouraging your employees to learn as much as they can about the plan investments available to them is one of the most important things you can do to help them Put Their Future in Focus.

* 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.**

IN THE INVESTMENT SPOTLIGHT THIS QUARTER: STABLE VALUE

The Investment Spotlight on Stable Value: One Asset Class Available to NJDCRP Participants
As a participant in the New Jersey Defined Contribution Retirement Plan (NJDCRP), you know it’s wise to regularly review the plan investment options you’ve chosen—and to make any necessary changes. Doing so can help you take advantage of two investment strategies that financial professionals often recommend: asset allocation and diversification. Of course, before you can change (or even choose) your NJDCRP investments, it’s key that you understand how those investments work.

In your First Quarter 2016 statement insert, we explained how each of these 2016 quarterly statement inserts would focus on one particular type of asset class. This quarter, we’re turning our attention to stable value investments.

Stable value investments emphasize safety of principal while seeking income and liquidity. But while these 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 investments are right for you—and how much should you allocate to each investment option you choose? While the choice is yours, your Prudential retirement counselor can help you learn more about the various investments available to you, which may help you choose the ones that may help you reach your long-term financial goals.

Asset allocation & 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 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.

Access your account online
prudential.com/njdcrp



How Your Employees Can Help Keep Their NJDCRP Accounts on Track —Even During Times of Market Volatility

When there's a lot of volatility in the stock and bond markets—meaning the prices of investments are going up and down quite a bit—your employees may feel like it's hard to keep their retirement savings on track. In fact, it's common for retirement investors to overreact and consider doing what others are doing: selling those investments that have lost value. But this could actually *derail* an effective retirement savings strategy.

Of course, it's human nature for individuals to want to cut their losses when the market is down. But if an investment is sold when its price is down, the investor is actually *locking in his or her losses*—and could miss out on potential gains if the market rebounds.

Some Strategies Your Employees Can Try for Weathering Market Downturns

- **Keep their plan accounts well diversified.** This can help them balance out the potential market ups and downs.
- **Stay focused on their long-term goals.** Individuals who don't react to short-term market swings are typically better able to ride out market volatility—which could help them avoid costly moves they may regret later.

They can see for themselves!

To see how their money in the NJDCRP is currently invested, encourage your employees to log in to their account at prudential.com/njdcrp.

For those who need assistance
Suggest that they call **866-NJDCRP1** (866-653-2771) toll free.

Encourage Employees to Put Asset Allocation & Diversification to Work for Their Future

Be sure to remind your employees that market volatility typically affects *short-term investors* more than it could long-term retirement savers. As participants in the NJDCRP, your employees likely won't be withdrawing all of their retirement savings for quite some time. In the meanwhile, encourage them to consider putting allocation and diversification to work for the potential long-term benefits they provide.

Encourage Your Employees to Contact Their Prudential Retirement Counselor

When it comes to retirement planning, no two individuals' needs are the same. In fact, your employees will probably find that their needs will change over time. But they don't have to do it all alone! That's because your Prudential retirement counselor, **Stan Rovinski**, is happy to help your employees find the answers to their questions—and assist them with any aspect of their retirement planning journey. Urge your employees to contact Stan *today* for the assistance they need.

Your Employees Can “Go Green” By Registering Their Email Address with Prudential

Be sure to inform your NJDCRP participants that they can become more organized—and reduce the amount of mail they receive—by registering their email address with Prudential Retirement®. When they do, you can choose to receive all plan-related communications online and by email.

It's easy!

1. Visit prudential.com/njsedcp.
2. Click on “Access My Account.”
3. Click on “Register Now.”
4. Follow the on-screen prompts.

Your Retirement Counselor Contact Information

- Stan Rovinski
- Tel: **609-218-3601**
- Email: stan.rovinski@prudential.com

Plan information can be obtained by calling **866-NJDCRP1** (8666532771) toll free or by visiting prudential.com/njdcrp.

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. This information has been provided for your benefit and is not intended or designed to be tax advice. Neither Prudential Financial nor any of its affiliates provide tax, investment, or legal advice for which you should consult your qualified professional.

Stan Rovinski is a registered representative of Prudential Investment Management Services LLC (PIMS), Newark, NJ, a Prudential Financial company. Prudential Retirement is a Prudential Financial business.

Retirement products and services are provided by Prudential Insurance and Annuity Company (PRIAC), Hartford, CT, or its affiliates. PRIAC is a Prudential Financial company.

© 2016 Prudential Financial, Inc. and its related entities. Prudential, the Prudential logo and the Rock symbol are service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide.

0296161-00001-00

YJNLRE6

For Institutional Plan Sponsor Use Only

