



Investment Basics: Building Confidence in Your Choices

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AGENDA

- Anyone Can Be an Investor
- Why Investing Matters
- Basics of Investing
- Putting it All Together
- MERS Investment Menu
- Online Account Overview
- Resources and Key Takeaways

What Does Investing Look Like to You?



Anyone Can Be An Investor



You Already Are An Investor

- Defined Contribution
- 457
- IRA
- HCSP





It Doesn't Have To Be Complicated

- MERS Investment Team
- Target Date Funds
- Personalized Guidance

The Right Investment Mix is Personal

Goals

Timeline

Risk Tolerance

Why Investing Matters



How Much Will You Need In Retirement?

- Imagine your retirement
- Everyone's strategy will be different
- Learn more about building your retirement saving strategy at other sessions



Why We Invest

Investing puts your money to work for you and allows it to grow.



Investment Gains

Your Contributions

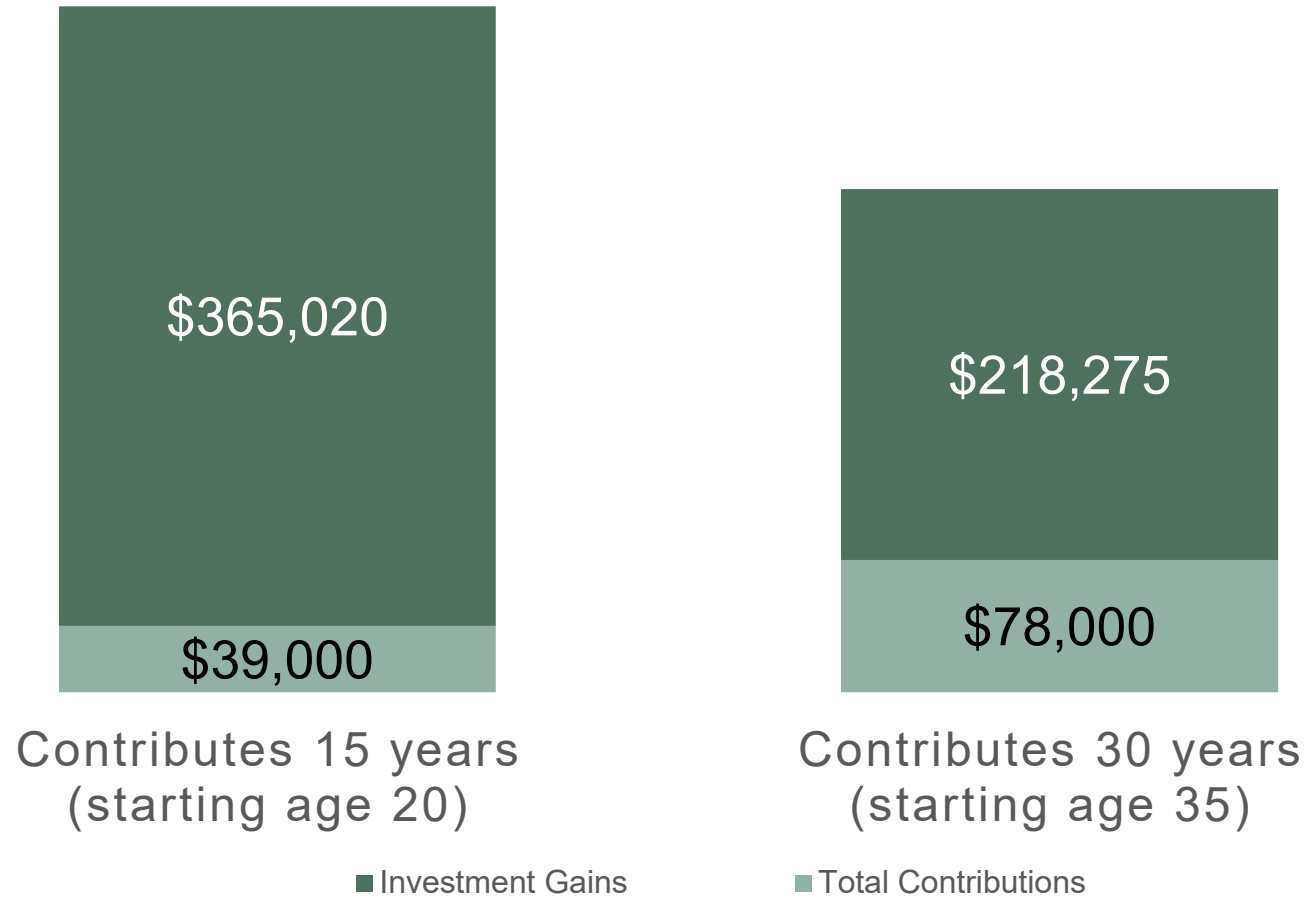
The Power of Compounding

Making your money work as hard as you do



The Power of Compounding + Time

Time is one of the most powerful investing tools you have



Inflation Average Is 3% Per Year

2026
\$100

2046
\$180



Saving vs Investing

Saving

- Designed for short-term
- Focus on preserving
- Doesn't depend on market
- No or low growth
- May struggle to keep pace with inflation

Investing

- Designed for long-term
- Focus on growing
- Depends on market
- Higher growth
- Potential to outpace inflation over time

The Four Basics of Investing



Four Basics of Investing

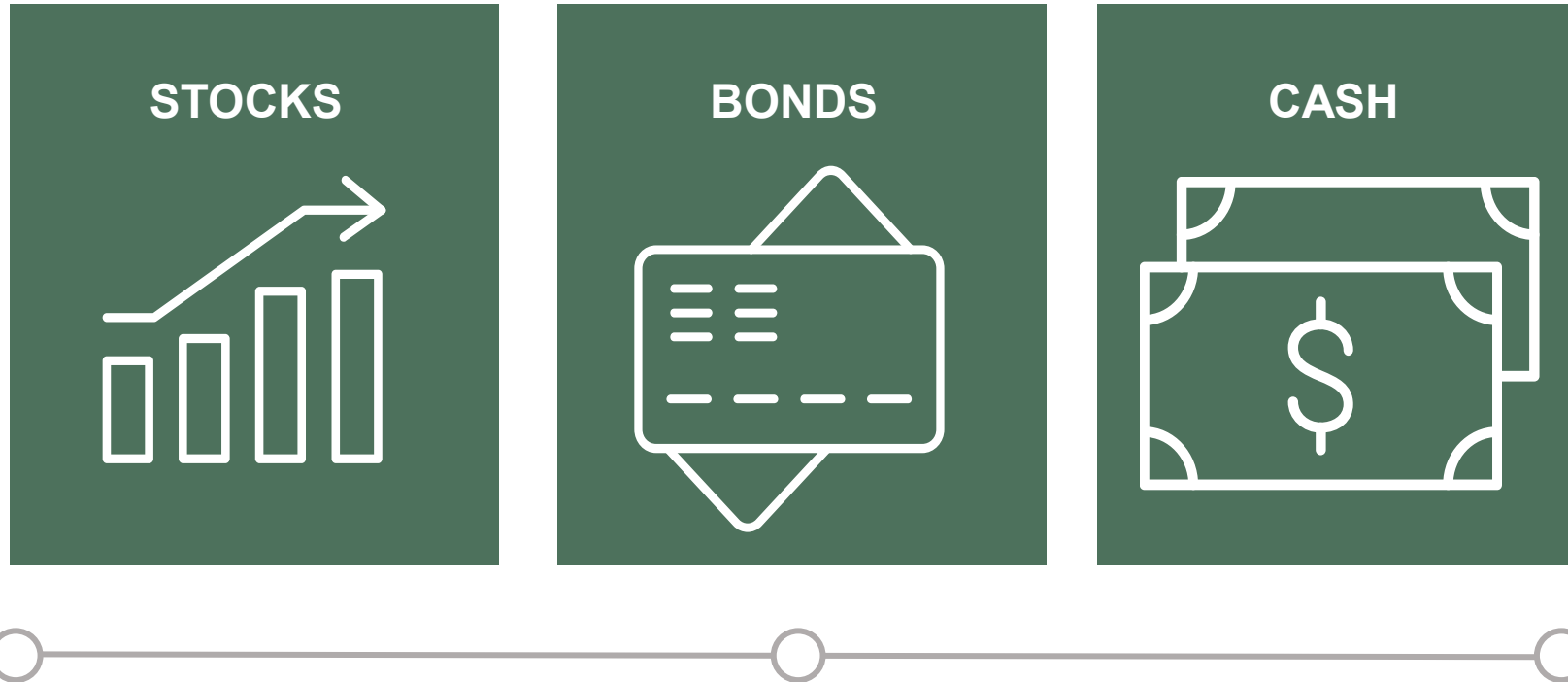


Risk

The possibility that your account value will rise and fall as markets change.

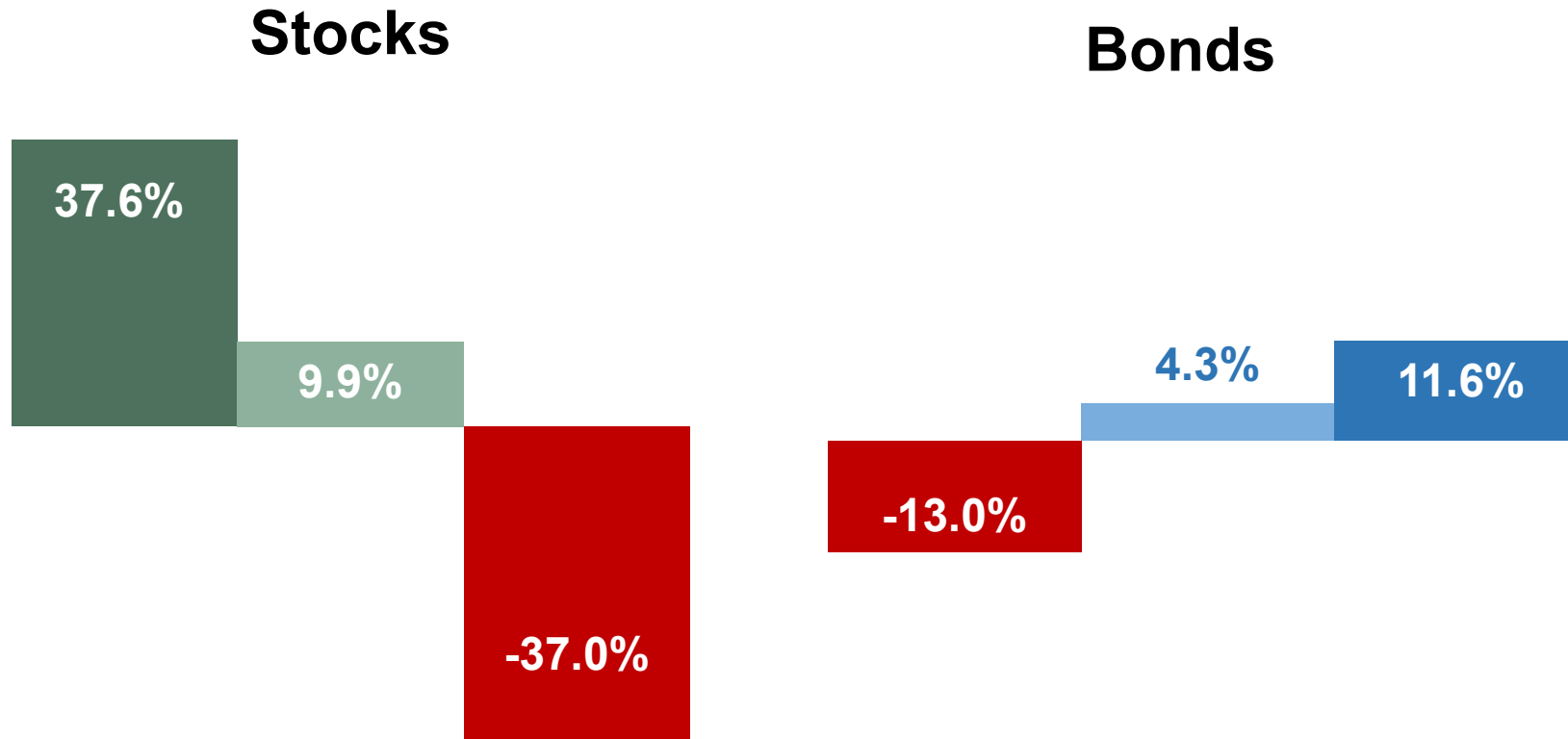
Different types of investments carry different risks.

Types of Asset Classes



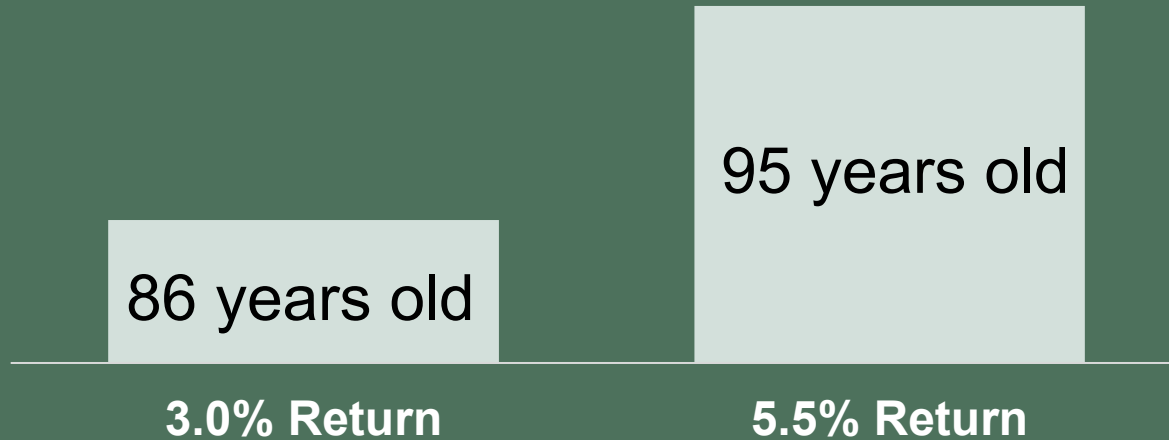
Risk Tolerance

How comfortable are you with risk?



The Risk of Lower Risk

How long would my monthly payments last if I move everything to the lowest risk investments?

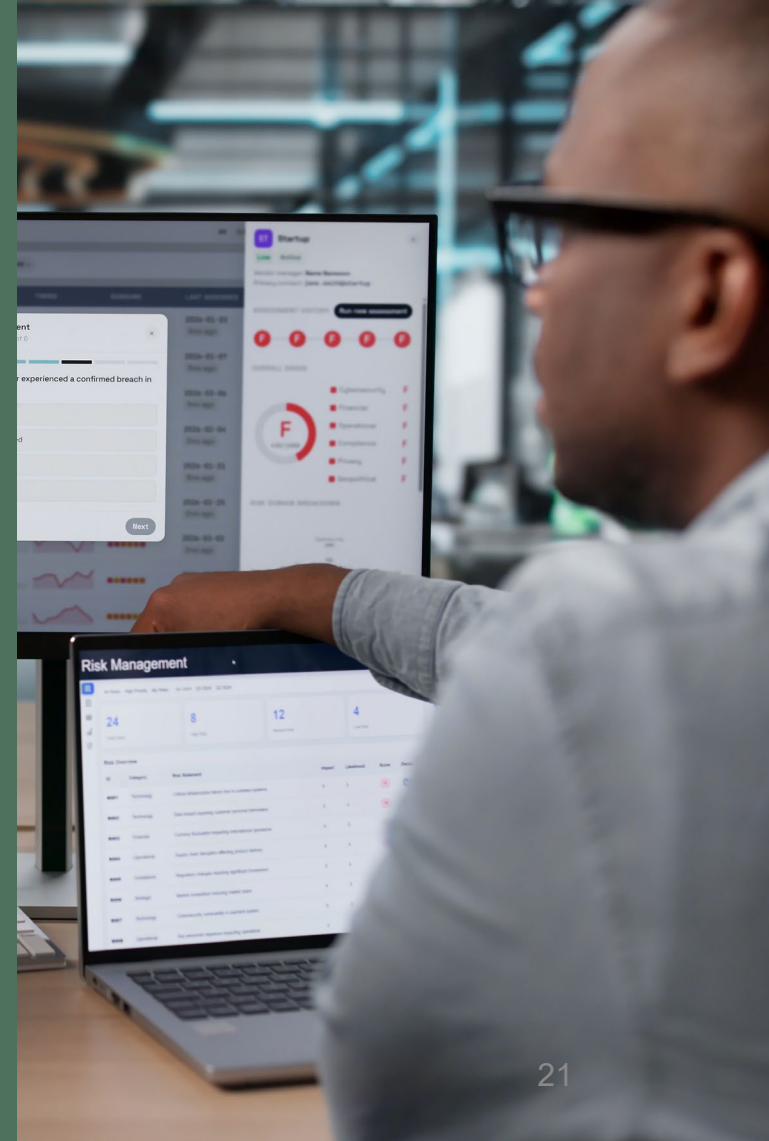


Example: Participant retires at age 60 and draws down a \$500,000 account balance by taking a \$2,000 monthly payment, adjusting it upward with inflation at 3.0% each year.



Finding Your Risk Tolerance

The right level of risk is the one that helps you pursue your goals while still allowing you to stay invested through market ups and downs.

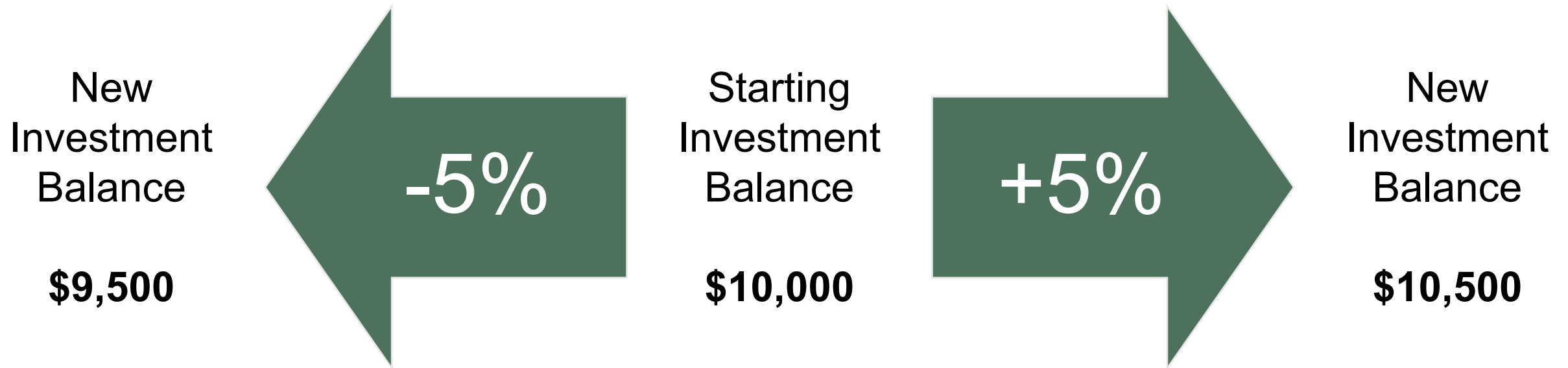


Return

The amount your investments gain or lose over time.

Higher returns often mean higher risk.

Reading Your Returns



Time

Time is how long your money remains invested before you need to use it.

More time means more opportunity for your investments to grow and recover from short-term market fluctuations.

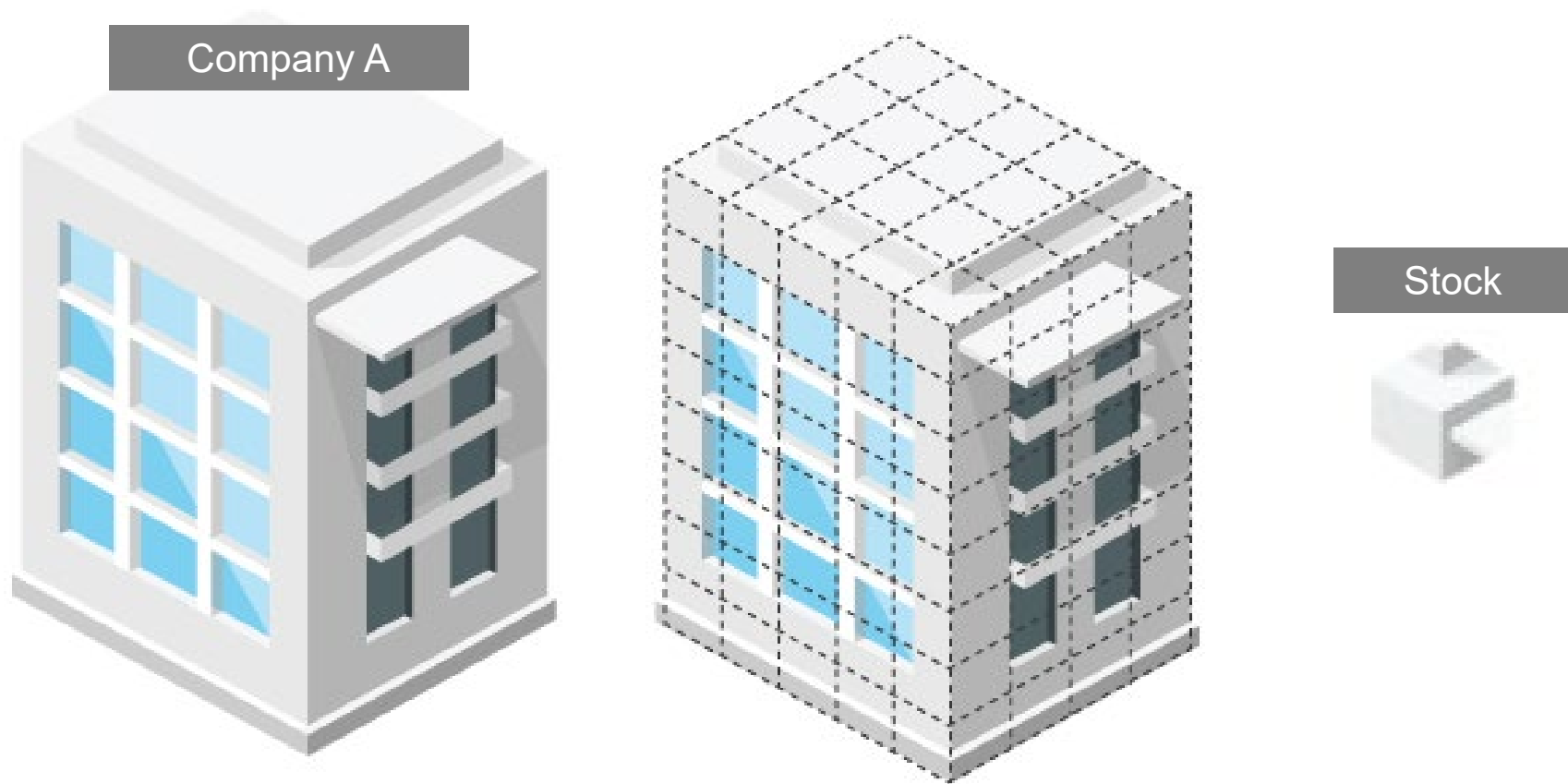
Diversification

Spreading your money across different types of investments rather than putting it all in one.

Diversification helps manage risk because different investments don't always perform the same way at the same time, which can help smooth out market ups and downs.

What Are Stocks?

Owning a portion of a company



Assortment of Companies

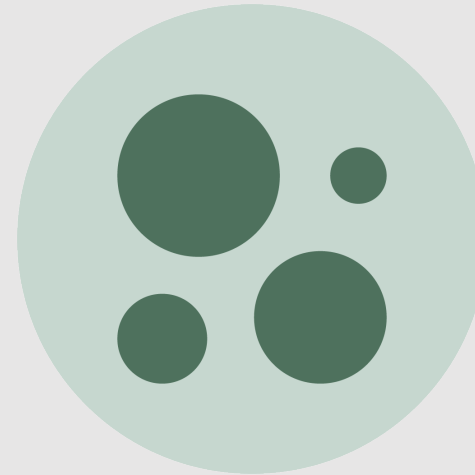
Variety of
Industries



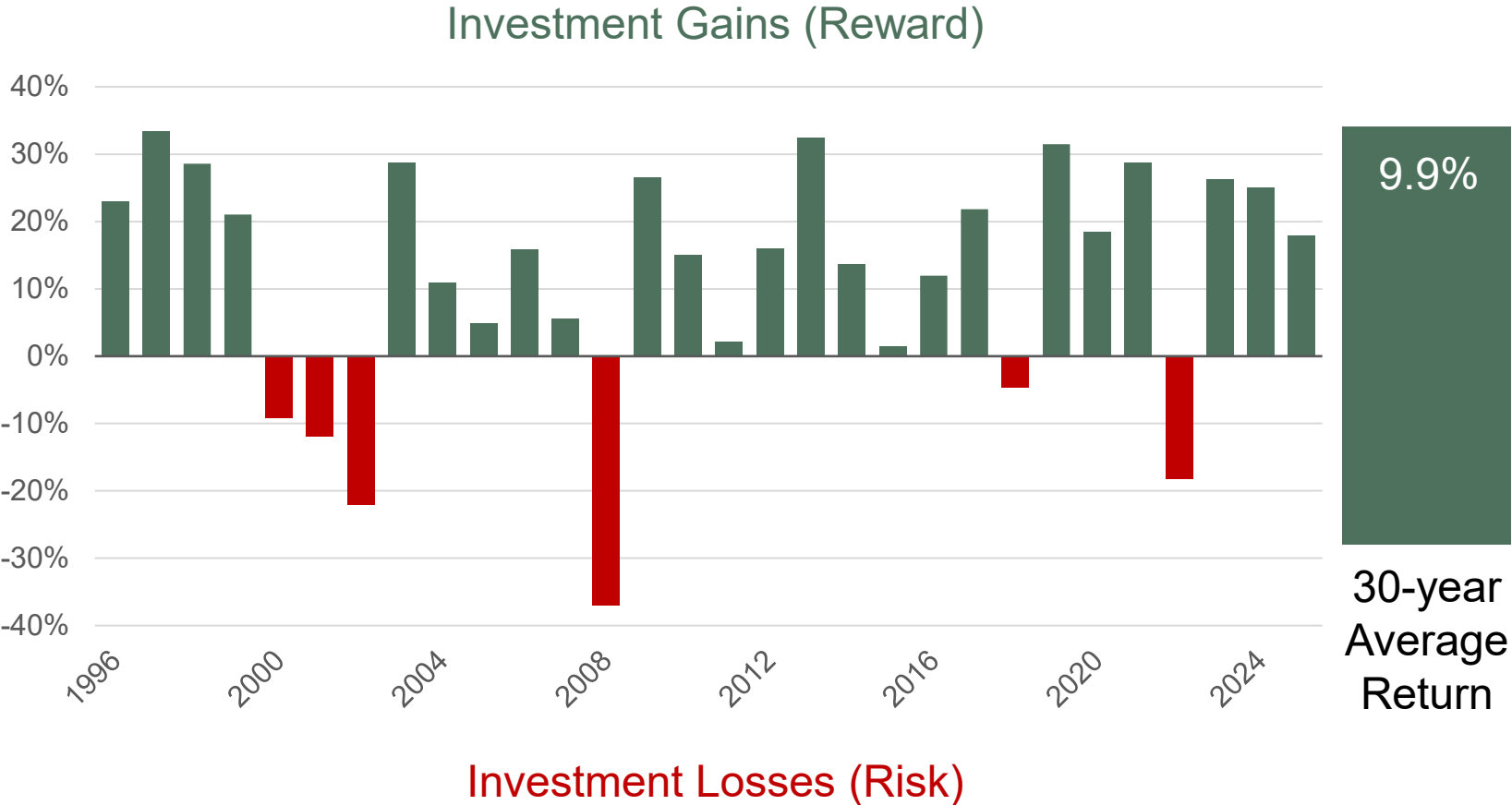
Different
Countries



Different Size
Companies



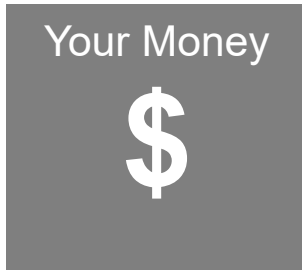
Return History of Stocks



Returns shown are for the S&P 500 Index (1996 – 2025)

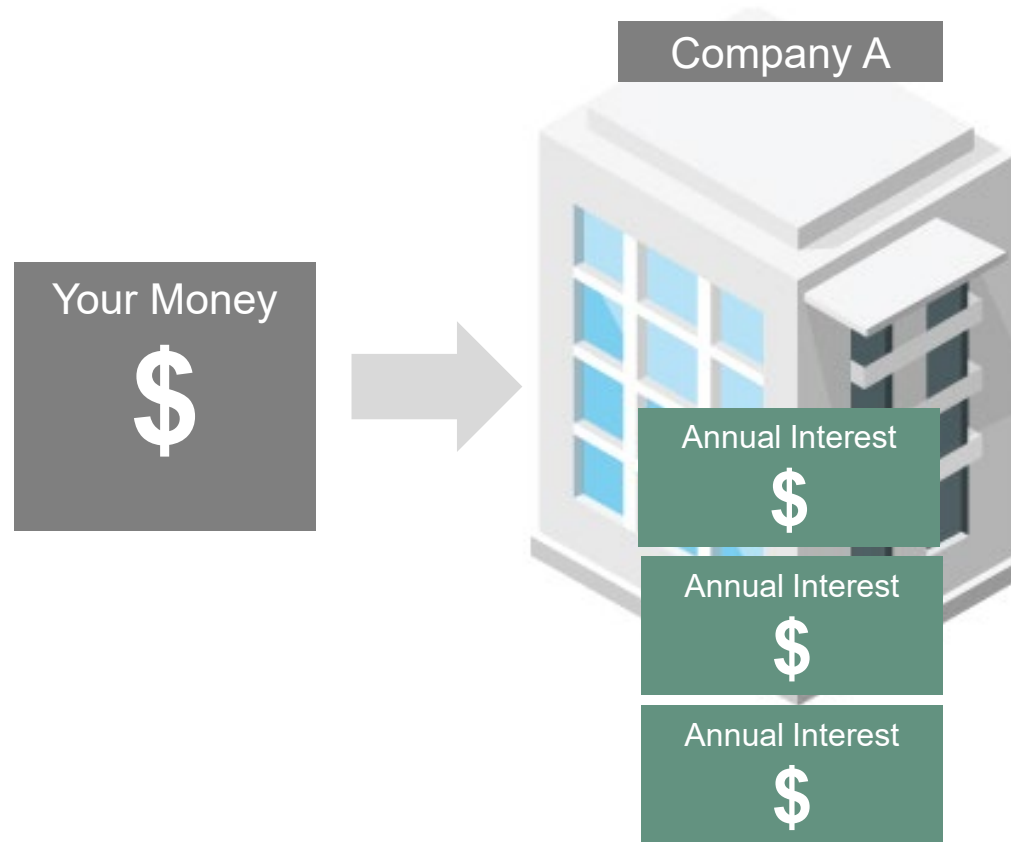
What are Bonds?

Loaning money to a company



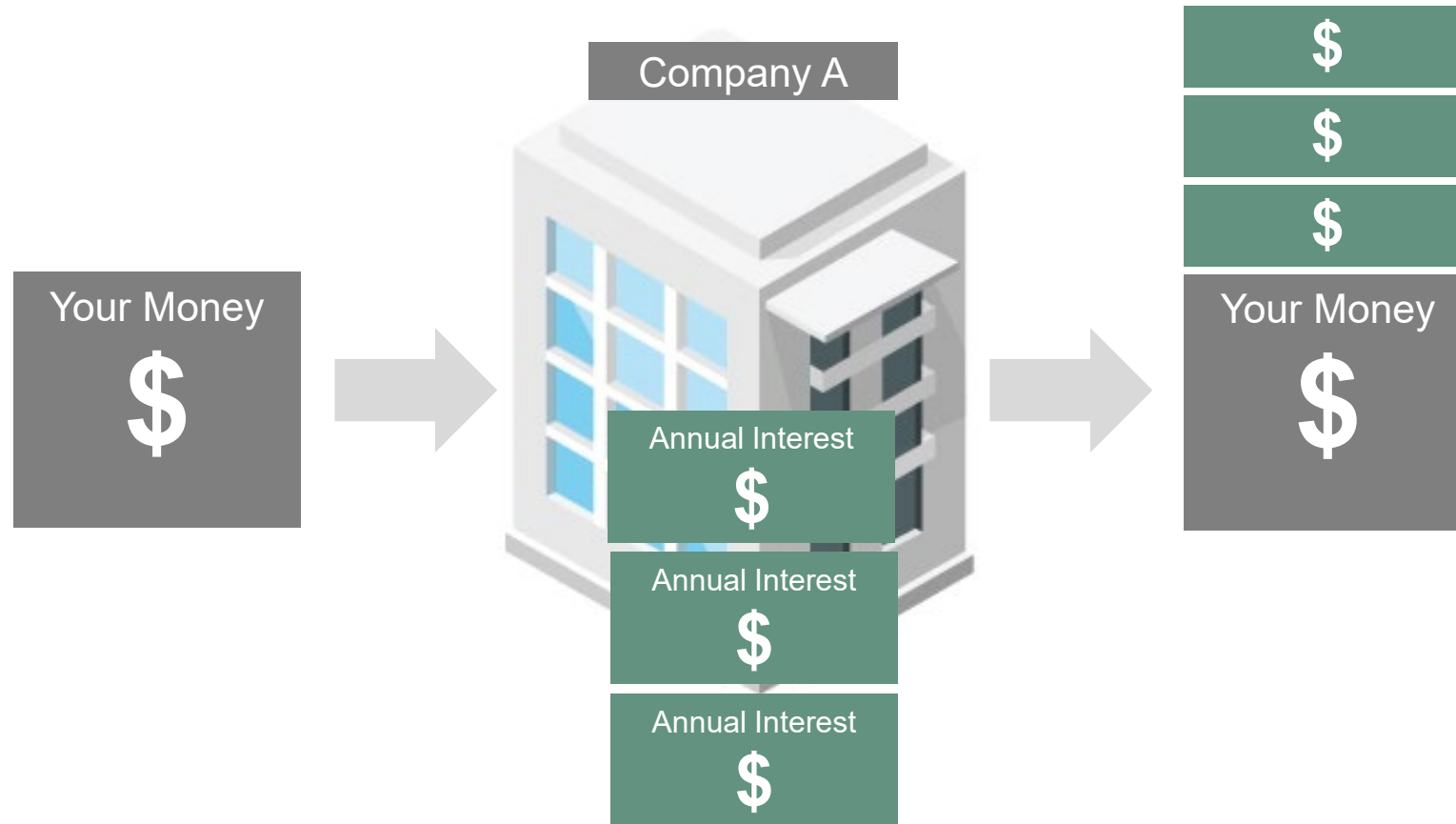
What are Bonds?

Loaning money to a company



What are Bonds?

Loaning money to a company

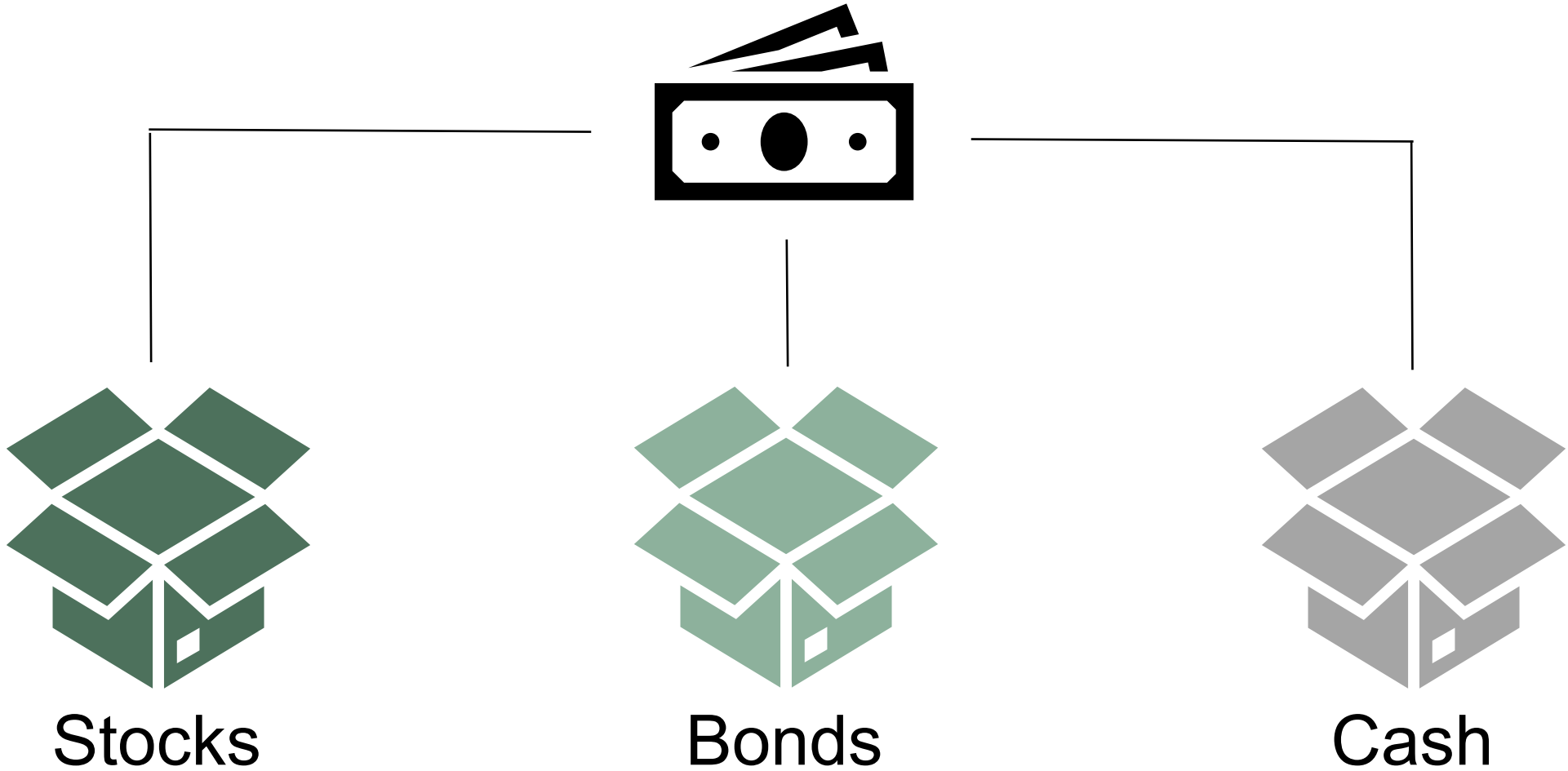


Return History of Bonds



Returns shown are for the Bloomberg US Aggregate Bond Index (1996 – 2025)

Diversification



Questions to Think About

RISK

What could cause my result to differ from what I expect?

RETURN

What growth potential do I need for my goal?

TIME

How long can this money remain invested?

DIVERSIFICATION

Is my money spread across different types of investments?

Putting it All Together

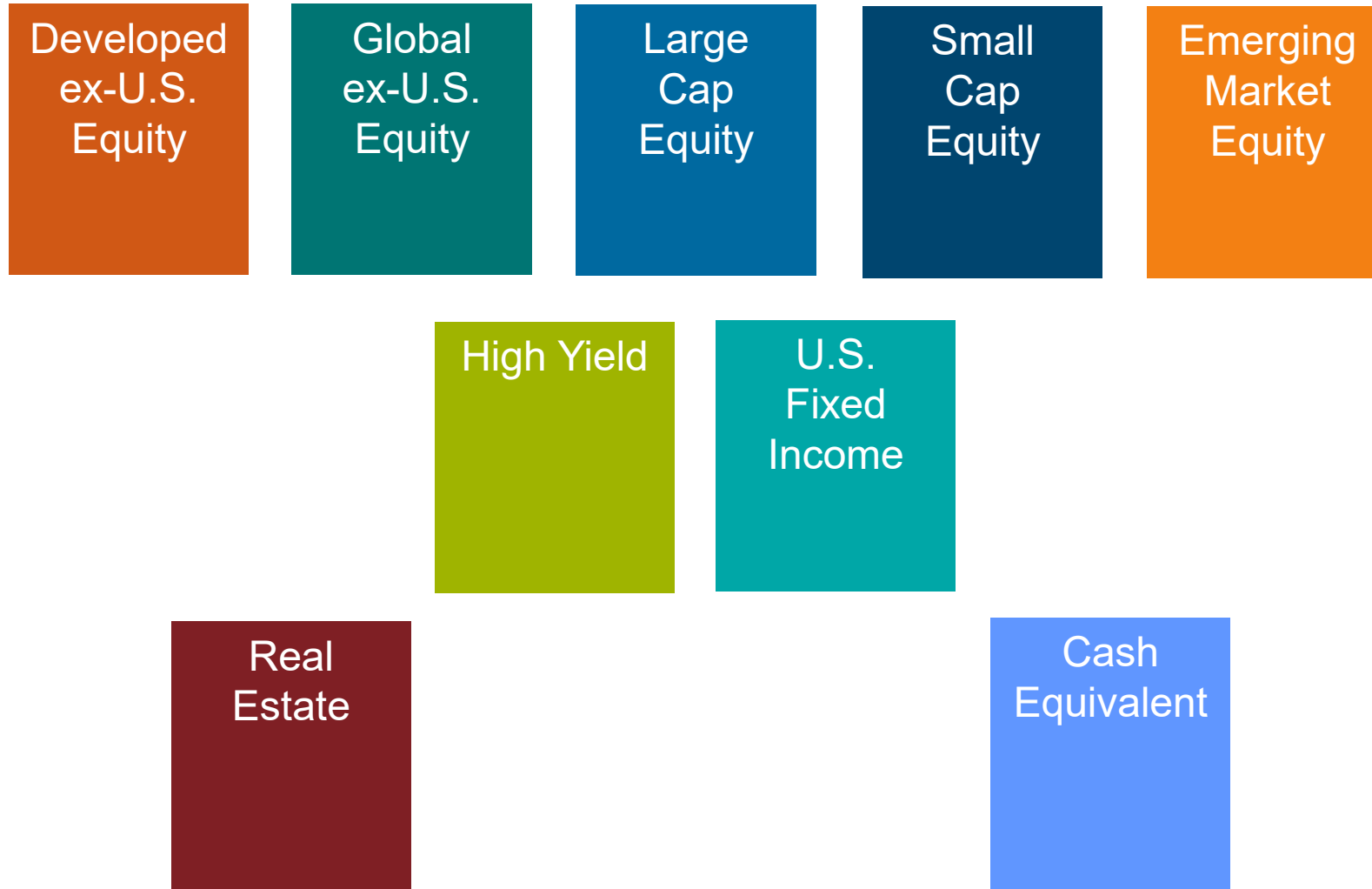
Making decisions
as an Investor



Predicting Outcomes



Table of Investment Returns with Asset Classes (2006-2025)



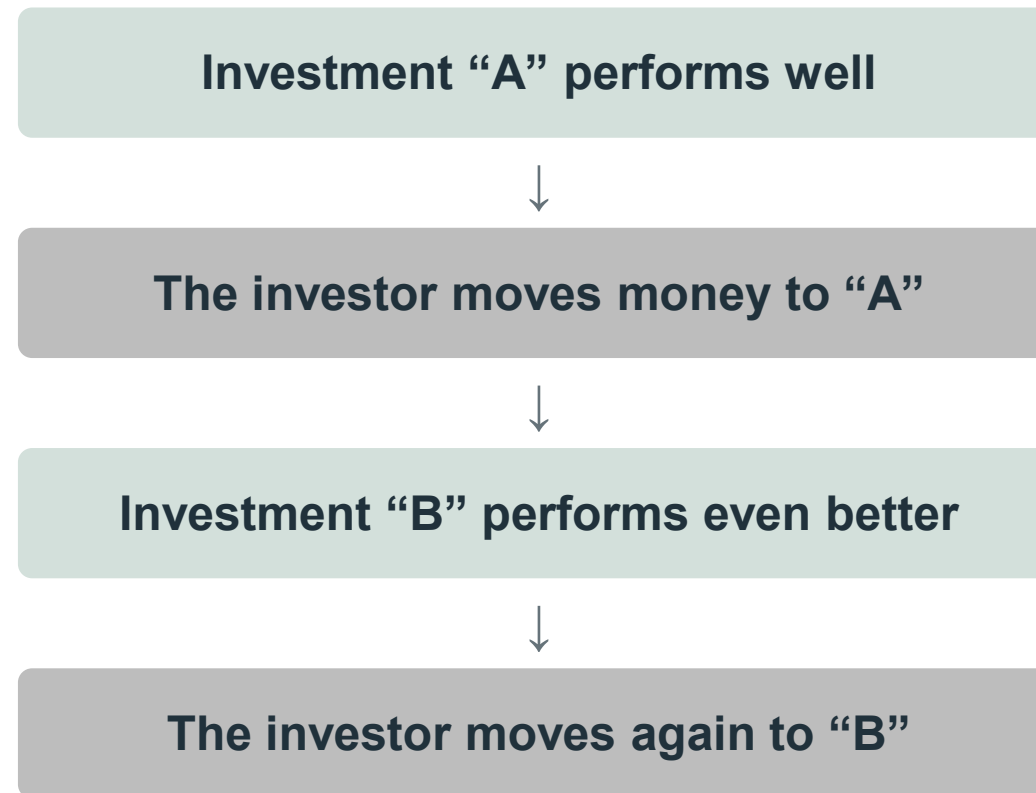
There is No Perfect Asset Class

Table of Investment Returns with Asset Classes (2006-2025)

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Real Estate	Emerging Market Equity	U.S. Fixed Income	Emerging Market Equity	Small Cap Equity	U.S. Fixed Income	Real Estate	Small Cap Equity	Real Estate	Large Cap Equity	Small Cap Equity	Emerging Market Equity	Cash Equivalent	Large Cap Equity	Small Cap Equity	Large Cap Equity	Cash Equivalent	Large Cap Equity	Large Cap Equity	Emerging Market Equity
42.12%	39.38%	5.24%	78.51%	26.85%	7.84%	27.73%	38.82%	15.02%	1.38%	21.31%	37.28%	1.87%	31.49%	19.96%	28.71%	1.46%	26.29%	25.02%	33.57%
Emerging Market Equity	Developed ex-U.S. Equity	Global ex-U.S. Equity	High Yield	Real Estate	High Yield	Emerging Market Equity	Large Cap Equity	Large Cap Equity	U.S. Fixed Income	High Yield	Developed ex-U.S. Equity	U.S. Fixed Income	Small Cap Equity	Large Cap Equity	Real Estate	High Yield	Developed ex-U.S. Equity	Small Cap Equity	Developed ex-U.S. Equity
32.17%	12.44%	4.39%	58.21%	19.63%	4.98%	18.23%	32.39%	13.69%	0.55%	17.13%	24.21%	0.01%	25.52%	18.40%	26.09%	-11.19%	17.94%	11.54%	31.85%
Developed ex-U.S. Equity	Global ex-U.S. Fixed	Cash Equivalent	Real Estate	Emerging Market Equity	Global ex-U.S. Fixed	Developed ex-U.S. Equity	Developed ex-U.S. Equity	U.S. Fixed Income	Cash Equivalent	Large Cap Equity	Large Cap Equity	High Yield	Developed ex-U.S. Equity	Emerging Market Equity	Small Cap Equity	U.S. Fixed Income	Small Cap Equity	High Yield	Large Cap Equity
25.71%	11.03%	2.06%	37.13%	18.88%	4.36%	16.41%	21.02%	5.97%	0.05%	11.96%	21.83%	-2.08%	22.49%	18.31%	14.82%	-13.01%	16.93%	8.19%	17.88%
Small Cap Equity	U.S. Fixed Income	High Yield	Developed ex-U.S. Equity	High Yield	Large Cap Equity	Small Cap Equity	High Yield	Small Cap Equity	Real Estate	Emerging Market Equity	Small Cap Equity	Global ex-U.S. Fixed	Real Estate	Global ex-U.S. Fixed	Developed ex-U.S. Equity	Developed ex-U.S. Equity	High Yield	Emerging Market Equity	Small Cap Equity
18.37%	6.97%	-26.16%	33.67%	15.12%	2.11%	16.35%	7.44%	4.89%	-0.79%	11.19%	14.65%	-2.15%	21.91%	10.11%	12.62%	-14.29%	13.44%	7.50%	12.81%
Large Cap Equity	Large Cap Equity	Small Cap Equity	Small Cap Equity	Large Cap Equity	Cash Equivalent	Large Cap Equity	Real Estate	High Yield	Developed ex-U.S. Equity	Real Estate	Global ex-U.S. Equity	Large Cap Equity	Emerging Market Equity	Developed ex-U.S. Equity	High Yield	Large Cap Equity	Emerging Market Equity	Cash Equivalent	Real Estate
15.79%	5.49%	-33.79%	27.17%	15.06%	0.10%	16.00%	3.67%	2.45%	-3.04%	4.06%	10.51%	-4.38%	18.44%	7.59%	5.28%	-18.11%	9.83%	5.25%	9.58%
High Yield	Cash Equivalent	Large Cap Equity	Large Cap Equity	Developed ex-U.S. Equity	Small Cap Equity	High Yield	Cash Equivalent	Cash Equivalent	Small Cap Equity	Developed ex-U.S. Equity	Real Estate	Real Estate	High Yield	U.S. Fixed Income	Cash Equivalent	Global ex-U.S. Fixed	Real Estate	Developed ex-U.S. Equity	Global ex-U.S. Fixed
11.85%	5.00%	-37.00%	26.47%	8.95%	-4.18%	15.81%	0.07%	0.03%	-4.41%	2.75%	10.36%	-5.63%	14.32%	7.51%	0.05%	-18.70%	9.67%	4.70%	8.85%
Global ex-U.S. Fixed	High Yield	Developed ex-U.S. Equity	Global ex-U.S. Fixed	U.S. Fixed Income	Real Estate	U.S. Fixed Income	U.S. Fixed Income	Emerging Market Equity	High Yield	U.S. Fixed Income	High Yield	Small Cap Equity	U.S. Fixed Income	High Yield	U.S. Fixed Income	Emerging Market Equity	Global ex-U.S. Fixed	U.S. Fixed Income	High Yield
8.16%	1.87%	-43.56%	7.53%	6.54%	-6.46%	4.21%	-2.02%	-2.19%	-4.47%	2.65%	7.50%	-11.01%	8.72%	7.11%	-1.54%	-20.09%	5.72%	1.25%	8.62%
Cash Equivalent	Small Cap Equity	Real Estate	U.S. Fixed Income	Global ex-U.S. Fixed	Developed ex-U.S. Equity	Global ex-U.S. Fixed	Emerging Market Equity	Global ex-U.S. Fixed	Global ex-U.S. Fixed	Global ex-U.S. Fixed	U.S. Fixed Income	Developed ex-U.S. Equity	Global ex-U.S. Fixed	Cash Equivalent	Emerging Market Equity	Small Cap Equity	U.S. Fixed Income	Real Estate	U.S. Fixed Income
4.85%	-1.57%	-48.21%	5.93%	4.95%	-12.21%	4.09%	-2.60%	-3.09%	-6.02%	1.49%	3.54%	-14.09%	5.09%	0.67%	-2.54%	-20.44%	5.53%	0.94%	7.30%
U.S. Fixed Income	Real Estate	Emerging Market Equity	Cash Equivalent	Cash Equivalent	Emerging Market Equity	Cash Equivalent	Global ex-U.S. Fixed	Developed ex-U.S. Equity	Emerging Market Equity	Cash Equivalent	Cash Equivalent	Emerging Market Equity	Cash Equivalent	Real Estate	Global ex-U.S. Fixed	Real Estate	Cash Equivalent	Global ex-U.S. Fixed	Cash Equivalent
4.33%	-7.39%	-53.33%	0.21%	0.13%	-18.42%	0.11%	-3.08%	-4.32%	-14.92%	0.33%	0.86%	-14.57%	2.28%	-9.04%	-7.05%	-25.10%	5.01%	-4.22%	4.18%

Chasing Returns

The chase cycle



Market Volatility

Resist the urge to react.

- **Follow** your plan
- **Focus** on what you can control
- **Maintain** your contributions
- **Diversify** your portfolio



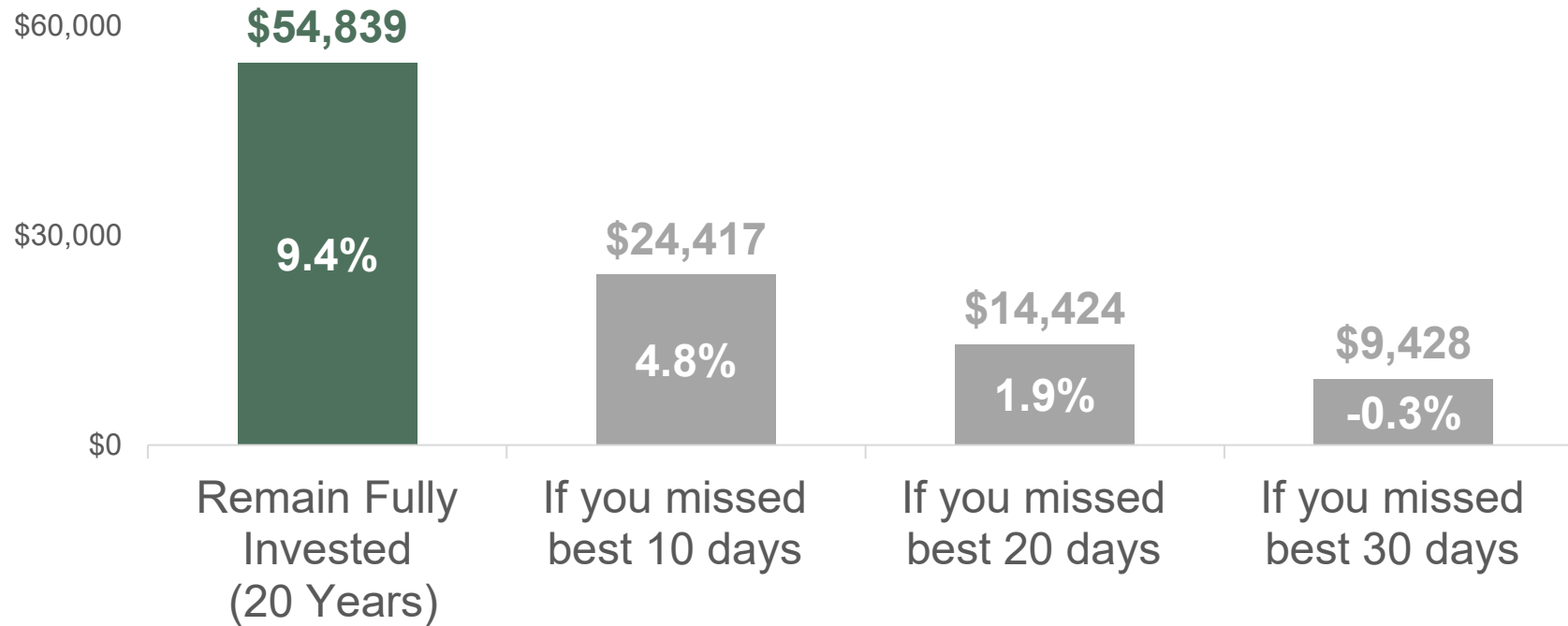
Focus On What You Can Control



Avoid Costly Decisions

The cost of being out of the stock market just a few days

(value of \$10,000 invested in S&P 500 Index Jan. 1, 2006 – Dec. 31, 2025, and average annual rate of return)



Monitor and Rebalance Assets

- **Review risk periodically**
 - Have there been any changes?
 - Income
 - Timeline
 - Health
 - Family
- **Set up automatic rebalancing**
 - Not necessary for target date funds



How Target Date Funds Work

Automatically rebalances based on your career journey

Farther from target



Stocks 99%

Bonds 1%

May emphasize stability
and lower volatility.



Approaching target



Stocks 75%

Bonds 25%

Balances growth potential
and stability.



At or beyond target



Stocks 35%

Bonds 65%

May accept more volatility for
greater growth potential.

MERS Investment Menu



Investment Categories

01

Help me do it

with
Target Date Funds

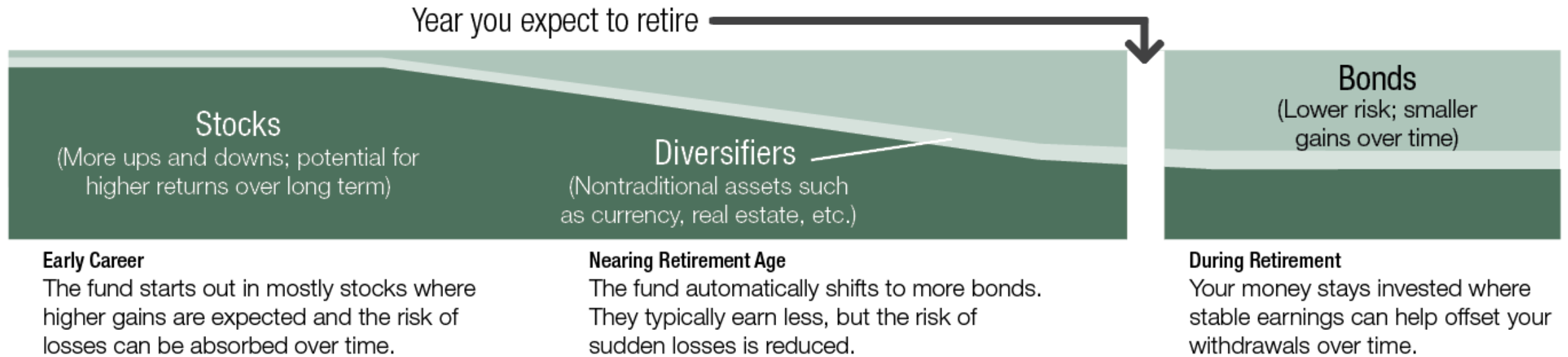
02

I'll do it myself

with
Additional Fund Options

1 "Help Me Do It"

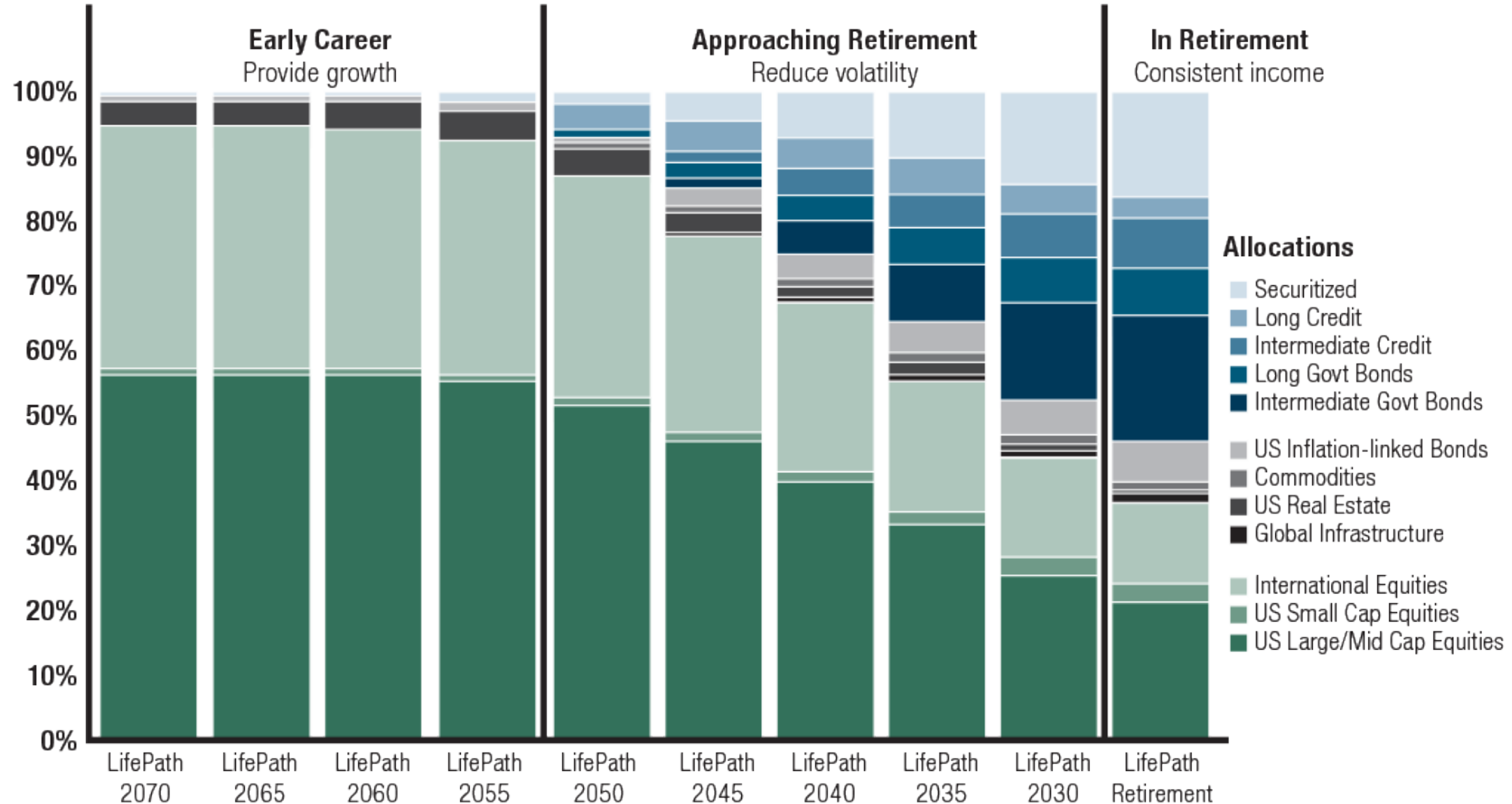
LifePath Target Date Funds



The date in the name of the target date fund is the assumed date of retirement. The asset allocation becomes more conservative as the fund nears the target retirement date; however, the principal value of the fund is never guaranteed.

Target Date Funds Move With You

Based on your personal risk tolerance



2 "I'll do it myself"

Additional Fund Options



**Investment professionals
select and monitor options**



**Variety of available
funds to choose from**

Brokerage Window

Self-Directed Brokerage Account (SDBA)

CHOOSE

Select your investments.



Stocks



Bonds



ETFs



Mutual Funds



NFTs



CDs

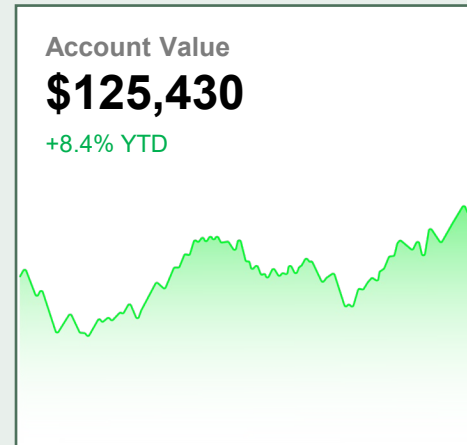
MANAGE

Make changes to your portfolio.



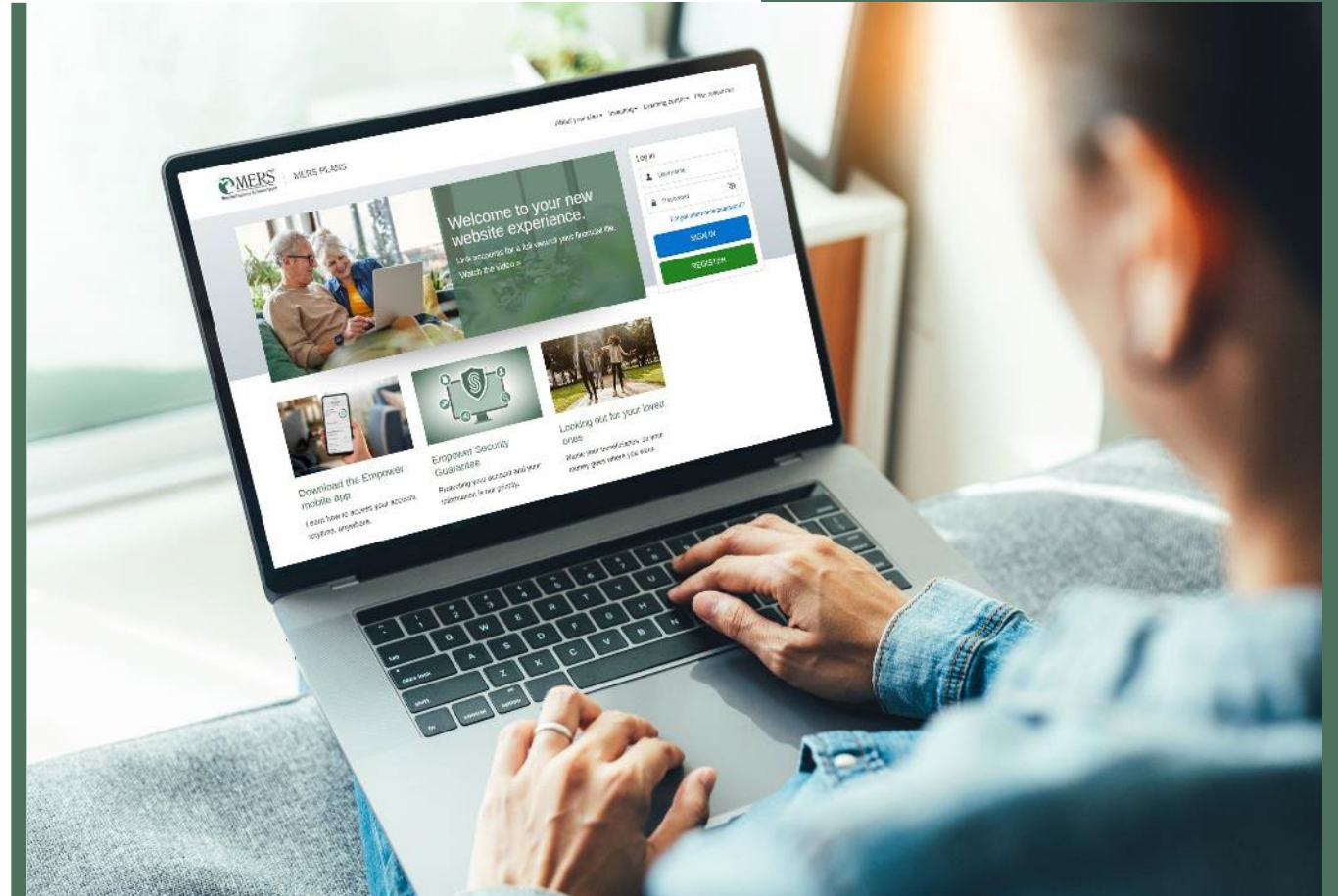
MONITOR

Track performance.



Using Your Online Account

empower.com/MERS





Welcome to your new website experience.

Link accounts for a full view of your financial life.

[Watch the video »](#)

Log in

 Username

 Password



[Forgot username/password?](#)

SIGN IN

REGISTER



Download the Empower mobile app

Learn how to access your account anytime, anywhere.



Empower Security Guarantee

Protecting your account and your information is our priority.



Looking out for your loved ones

Name your beneficiaries, so your money goes where you want.

NET WORTH

\$25,482

↑ \$0 last 365 days

W | M | Y

ASSETS

\$25,482

↑ Retirement \$25,482
\$0

DEFINED CONTRIBUTION P... \$1,019
DEFINED CONTRIBUTION PLAN -

457 Supplemental Retireme... \$9,785
457 Supplemental Retirement Pr... -

Health Care Savings Plan \$14,678
Health Care Savings Plan -

↑ Cash \$0
\$0

↑ Investments \$0
\$0

↑ Other \$0
\$0

LIABILITIES

\$0

↑ Credit Cards \$0

ACCOUNT BALANCE

DEFINED CONTRIBUTION PLAN



\$1,019.28

Rate of return >

7.89% (2/14/2022 - 2/14/2025)

Beneficiaries >

1 (primary)

Your YTD contributions >

\$3,406.00

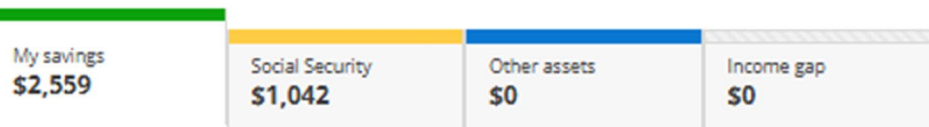
Last transaction >

Payroll Contribution

In retirement starting 2050

Estimated monthly income

\$3,601 ↓



Retirement income

Healthcare costs

How do I compare

How long will my money last

457 Supplemental Retirement Program

Contributions: 4%

[+] Add a new contribution



Edit

Next Step

Consider increasing your deferral by 1% per year to reach your retirement

I want to...

[View statements and documents](#)

[Upload a document](#)

[View/edit beneficiary information](#)

[Update personal information](#)

[More...](#)

INSIGHTS



Create your retirement plan

This easy-to-use tool allows you to customize your strategy based on your household's unique situation, track your progress and plan for different savings scenarios.

MY PLANS

401(a) Defined Contribution ... ▾

ACCOUNT INFORMATION

Account overview

Balance

Rate of return

Transaction History

Statements and documents

Beneficiaries

Manage Bank Accounts

Upload documents

PAYCHECK CONTRIBUTIONS

My contributions

INVESTMENTS

My investments

Investment lineup

Dividend election

Brokerage

LOANS & WITHDRAWALS

Withdrawals

Loans Summary

Loans

Loans cost calculator

Withdrawal summary

Hardship estimator

Cancel a pending withdrawal

PLAN INFORMATION

Plan forms

Summary plan description

Plan highlights

Disclosure notice

Consolidate accounts

Account overview

BALANCE

\$3,202.00

[View details](#)

ANNUALIZED RATE OF RETURN

7.89% 3/2/2023 - 3/2/2026

[View details](#)

TOP INVESTMENTS

[View details](#)

30%	Fund B Mid Cap Growth	\$305.78
28%	Fund D Total Return Bond	\$285.40
25%	Fund C U.S. Balanced	\$254.82
17%	Fund E Emerging Markets	\$173.28

BENEFICIARIES

1 (primary)

Last updated 3/2/2026

[Add / Edit](#)

LOAN BALANCE

\$2,241.51

Maturity date 7/26/2025

[View details](#)

BlackRock LifePath® Index 2045 Fund N

Inception Date 07/17/08-15	Total Assets (\$ Mil) 3,442.27	Morningstar Overall Rating ★★★★	Category Target Date 2045	Investment Style Large Blend
Credit Quality / Interest Rate Sensitivity Medium/Moderate	Turnover 15.66%	Total Annual Operating Expense 0.0570%	Net Expense Ratio 0.0570%	

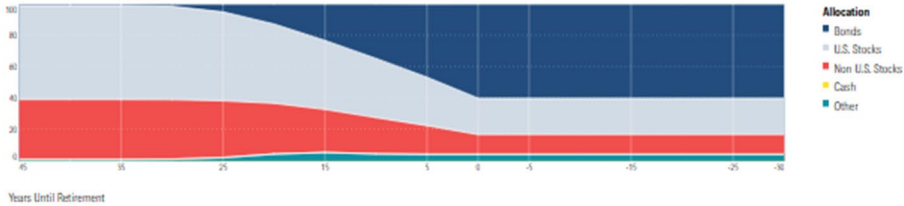
Investment Strategy

The LifePath® Index 2045 Fund (the "Fund") seeks to provide for retirement outcomes consistent with investor preferences throughout the savings and drawdown phase based on quantitatively measured risk that investors, on average, may be willing to accept. The Fund will be diversified across global asset classes, with allocations changing over the investment horizon to become more heavily oriented toward debt and debt-like securities, on the premise that individuals investing for retirement desire to reduce investment risk in their retirement accounts as their retirement date approaches.

Morningstar Category

Target date portfolios provide diversified exposure to stocks, bonds, and cash for those investors who have a specific date in mind (in this case, the year 2041-2045) for retirement. These portfolios aim to provide investors with an optimal level of return and risk, based solely on the target date. Management adjusts the allocation among asset classes to more conservative mixes as the target date approaches, following a preset glide path. A target-date portfolio is part of a series of funds offering multiple retirement dates to investors.

Target Asset Allocation

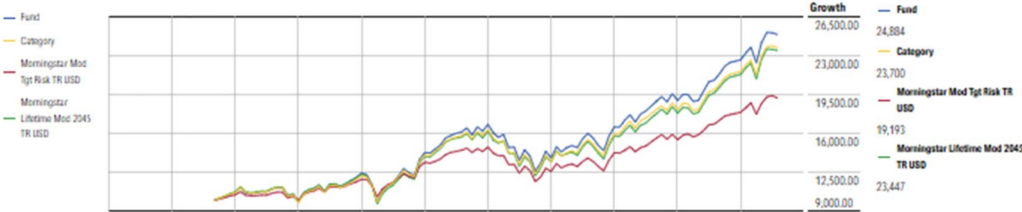


Allocation %	45	35	25	15	5	0	-5	-15	-25	-30
Bonds	1.00	1.00	5.11	23.34	46.62	60.00	60.00	60.00	60.00	60.00
U.S. Stocks	59.82	59.81	56.50	43.78	30.74	23.12	23.12	23.12	23.12	23.12
Non U.S. Stocks	38.18	38.18	36.17	27.38	18.32	12.59	12.59	12.59	12.59	12.59
Cash	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	1.00	1.01	2.22	5.50	4.32	4.29	4.29	4.29	4.29	4.29

Performance

Growth of 10K

This graph presents historical performance for the investment as well as an index and/or peer group. If the investment, index and/or peer group have performed similarly the lines representing these entities may overlap, causing the investment line to appear hidden. Please refer to the values in the chart and tables below.



Total Return %	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Fund	-1.00	-1.00	-7.82	26.06	14.85	17.74	-17.88	20.16	14.28	19.24	9.98
Category	-1.00	-1.00	-8.14	24.35	15.10	16.63	-17.75	18.95	13.73	18.79	9.80
Morningstar Mod Tgt Risk	-1.00	-1.00	-4.76	19.03	12.82	10.19	-14.77	13.22	8.27	15.95	7.13

Key Resources and Actions to Take Today



MERS Investment Menu Resources



Investment Policy Statement



Fund Sheets



Understanding the Investment Menu Booklet



Consolidated Quarterly Participant Statements



Participant Fee Disclosure



Empower App



Free Investment Guidance

Key Takeaways



- ✓ You **ARE** an investor
- ✓ Investing doesn't have to be complicated
- ✓ Investing success is about selecting a strategy you can stick with over time
- ✓ MERS provides streamlined investment options
- ✓ Resources, including guidance, are available to you

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