



Choosing Your Investment Options

Jersey City Deferred Compensation Plan



How should I invest my money?

That's the one question participants ask more than any other with good reason. Choosing your investment mix is one of the most important steps you can take when it comes to preparing for retirement. An investment strategy—called asset allocation—could help you reach your Day One of retirement with confidence.



How asset allocation works

Simply put, asset allocation is the process of spreading your money across different kinds of asset classes, such as stocks, bonds, and stable value investments. By dividing your portfolio among a variety of investment classes, you minimize your reliance on any one investment and help manage your investment risk. Historically, the markets move in cycles—generally, when one kind of investment is performing well, another may not be performing as well. Changing economic and financial market conditions affect asset classes differently. And since you don't know which asset class will perform well next year or the year after, having a variety of asset classes in your portfolio may help you to better weather the rough spots in the market.



Diversification's role in asset allocation

Diversification takes asset allocation one step further by investing in a variety of investments within each asset class (for example, large-cap versus small-cap stocks, growth versus value stocks, etc.). Diversification spreads risk around and helps even out the return of an asset class, although its individual investments may move up and down over time. Asset allocation and diversification work together to help manage risk. Keep in mind that application of asset allocation and diversification concepts does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**



Managing risk

Risk, like it or not, is a fact of life. It's also a fact of investing, because anything you do with your money involves some risk. Understanding the different kinds and degrees of risk and their relation to an investment's potential return can help you make smarter investment decisions. The graphic below shows the relationship between potential risk and the potential for return.

Market risk

Refers to the possibility that investors will lose money due to a decline in the price of their investments. Stock investments are most commonly associated with market risk.

Inflation risk

Refers to the possibility that the growth of an investment may not keep pace with the average rate of inflation.

Investor style

Refers to an investor's comfort level (or tolerance for) short-term fluctuations in the market.



This is a simplified illustration of the relationship between investment risk and potential rate of return. There is no ensuring that higher risk investments will provide greater returns over time. Past performance is not indicative of future performance.

Targeting your investment choices

GoalMaker® is an optional asset allocation program offered through your retirement plan at no additional cost. GoalMaker can help you target a portfolio best suited to your retirement goals using the investment options offered through your retirement plan.

All you need to do is take three easy steps:

➔ STEP 1: Determine your investor style

Investor style can be defined as how comfortable you are with short-term swings in the market. Everyone is different, but investors generally fall into one of three categories: Conservative, Moderate, or Aggressive. Look at the descriptions to the right and write the corresponding letter in the box below the chart. Then identify the number of years you have left to retirement, and write the corresponding number in the box below the chart.

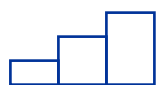
IF YOU NEED HELP DETERMINING YOUR INVESTOR STYLE, take the quiz on the next page!



Conservative investors are concerned about short-term ups and downs in the market. Want to minimize risk and maintain principal. Seek stability and little fluctuation in the value of investments.



Moderate investors are willing to sacrifice safety of principal for potentially greater returns. Can tolerate modest market fluctuations. Concerned with safety, but want to stay ahead of inflation.



Aggressive investors seek to maximize investment returns. Can tolerate substantial market fluctuations. Accept greater risk in exchange for the prospect of greater rewards.

INVESTOR STYLE QUIZ*

Circle the score for your response to each statement.

- | | |
|--|--|
| <p>1 The possibility that I won't achieve a high enough rate of return over the long term</p> <p><u>I am very concerned</u> 10</p> <p><u>I am somewhat concerned</u> 7</p> <p><u>I am not concerned</u> 3</p> | <p>6 One of the investments in your plan has performed very well for a few years. If it suddenly dropped 15% in three months, what would you do?</p> <p><u>Sell immediately</u> 0</p> <p><u>Hold it</u> 6</p> <p><u>Buy more</u> 8</p> |
| <p>2 The loss of "buying power" or "quality of life" from the effects of inflation</p> <p><u>I am very concerned</u> 6</p> <p><u>I am somewhat concerned</u> 4</p> <p><u>I am not concerned</u> 1</p> | <p>7 Your experience with stock investments</p> <p><u>A great deal</u> 6</p> <p><u>A fair amount</u> 4</p> <p><u>Very little</u> 2</p> <p><u>None</u> 1</p> |
| <p>3 Wide swings in the value of my account over 1–3 months</p> <p><u>I am very concerned</u> 0</p> <p><u>I am somewhat concerned</u> 4</p> <p><u>I am not concerned</u> 12</p> | <p>8 Your comfort level with stock investments</p> <p><u>A great deal</u> 12</p> <p><u>A fair amount</u> 10</p> <p><u>Very little</u> 4</p> <p><u>None</u> 0</p> |
| <p>4 Wide swings in the value of my account over 1–2 years</p> <p><u>I am very concerned</u> 2</p> <p><u>I am somewhat concerned</u> 6</p> <p><u>I am not concerned</u> 12</p> | <p>9 Your experience with bond investments</p> <p><u>A great deal</u> 5</p> <p><u>A fair amount</u> 3</p> <p><u>Very little</u> 2</p> <p><u>None</u> 1</p> |
| <p>5 Which of the following causes you the most concern about the investments in your account?</p> <p><u>My future ability to get back at least the same amount of money that I put in</u> 2</p> <p><u>That my money is not earning enough</u> 6</p> <p><u>How much I have gained or lost this month</u> 0</p> | <p>10 Your comfort level with bond investments</p> <p><u>A great deal</u> 7</p> <p><u>A fair amount</u> 4</p> <p><u>Very little</u> 3</p> <p><u>None</u> 0</p> |

Please add up the points corresponding to each of your answers to determine your total score (in the box below).

Total points	
Conservative	0–40 pts.
Moderate	41–60 pts.
Aggressive	61+ pts.

*This quiz is designed to be used as a guide only and is not intended as financial advice. Your financial decisions should not be based solely on the score you have obtained using the worksheet.

➔ STEP 2: Select your GoalMaker

Go to the section below with your investor style. Then look at the “years to retirement” and ensure the mix is appropriate for you. If it is, then you’ve done it—asset allocation made simple!

GoalMaker Portfolios

CONSERVATIVE PORTFOLIO									
Years to/in Retirement	36+ (2060)	35-31 (2055)	30-26 (2050)	25-21 (2045)	20-16 (2040)	15-11 (2035)	10-6 (2030)	5-0 (2025)	0-5 (2020)
Current Investor Style Code	C04			C03			C02		C01
Equity/Fixed Income Asset Allocation	72/28	66/34	60/40	53/47	46/54	40/60	34/66	29/71	24/76
Stable Value - Guaranteed Income Fund	14%	17%	20%	23%	28%	35%	39%	43%	45%
U.S. Fixed Income - PIMCO Income*	5%	7%	9%	11%	10%	10%	8%	8%	9%
U.S. Fixed Income - Pioneer Bond*	4%	5%	6%	8%	9%	10%	10%	15%	16%
U.S. Fixed Income - Vanguard Inflation-Protected Securities*	0%	0%	0%	0%	0%	0%	4%	5%	6%
International Fixed Income - PIMCO International Bond*	5%	5%	5%	5%	5%	5%	5%	0%	0%
U.S. Large Cap Growth - T. Rowe Price Blue Chip Growth*	13%	12%	12%	11%	9%	8%	7%	6%	5%
U.S. Large Cap Value - Columbia Dividend Income*	13%	12%	12%	11%	9%	8%	7%	6%	5%
U.S. Mid Cap Growth - Janus Enterprise*	5%	5%	4%	3%	3%	3%	2%	3%	0%
U.S. Mid Cap Value - Victory Sycamore Established Value*	5%	5%	4%	4%	4%	4%	2%	4%	6%
Small Cap Blend - Principal SmallCap*	8%	7%	6%	5%	4%	3%	4%	0%	0%
International Equity - MFS International Value*	16%	15%	13%	12%	11%	10%	10%	9%	8%
International Equity - Oppenheimer Developing Markets*	5%	4%	4%	3%	3%	2%	2%	1%	0%
Global Real Estate - Principal Global Real Estate*	7%	6%	5%	4%	3%	2%	0%	0%	0%

MODERATE PORTFOLIO									
Years to/in Retirement	36+ (2060)	35-31 (2055)	30-26 (2050)	25-21 (2045)	20-16 (2040)	15-11 (2035)	10-6 (2030)	5-0 (2025)	0-5 (2020)
Current Investor Style Code	M04			M03			M02		M01
Equity/Fixed Income Asset Allocation	85/15	79/21	73/27	67/33	62/38	58/42	53/47	47/53	42/58
Stable Value - Guaranteed Income Fund	0%	0%	0%	8%	13%	16%	20%	30%	35%
U.S. Fixed Income - PIMCO Income	7%	11%	15%	13%	11%	12%	12%	10%	7%
U.S. Fixed Income - Pioneer Bond	3%	5%	7%	7%	9%	9%	8%	10%	12%
U.S. Fixed Income - Vanguard Inflation-Protected Securities	0%	0%	0%	0%	0%	0%	2%	3%	4%
International Fixed Income - PIMCO International Bond*	5%	5%	5%	5%	5%	5%	5%	0%	0%
U.S. Large Cap Growth - T. Rowe Price Blue Chip Growth*	15%	14%	14%	13%	13%	12%	11%	10%	9%
U.S. Large Cap Value - Columbia Dividend Income*	15%	14%	14%	13%	12%	12%	11%	10%	9%
U.S. Mid Cap Growth - Janus Enterprise*	5%	5%	4%	3%	3%	4%	2%	3%	4%
U.S. Mid Cap Value - Victory Sycamore Established Value*	5%	5%	4%	4%	3%	3%	4%	5%	6%
Small Cap Blend - Principal SmallCap*	10%	9%	8%	7%	7%	6%	6%	3%	0%
International Equity - MFS International Value*	20%	18%	17%	15%	15%	15%	13%	13%	12%
International Equity - Oppenheimer Developing Markets*	7%	7%	6%	6%	4%	2%	2%	0%	0%
Global Real Estate - Principal Global Real Estate*	8%	7%	6%	6%	5%	4%	4%	3%	2%

Continued on next page.

AGGRESSIVE PORTFOLIO

Years to/in Retirement	36+ (2060)	35-31 (2055)	30-26 (2050)	25-21 (2045)	20-16 (2040)	15-11 (2035)	10-6 (2030)	5-0 (2025)	0-5 (2020)
Current Investor Style Code	A04			A03			A02		A01
Equity/Fixed Income Asset Allocation	100/0	95/5	90/10	84/16	79/21	73/27	68/32	61/39	54/46
Stable Value - Guaranteed Income Fund	0%	0%	0%	0%	0%	5%	10%	15%	20%
U.S. Fixed Income - PIMCO Income*	0%	5%	7%	9%	12%	12%	10%	9%	8%
U.S. Fixed Income - Pioneer Bond*	0%	0%	3%	2%	4%	5%	7%	8%	9%
U.S. Fixed Income - Vanguard Inflation-Protected Securities*	0%	0%	0%	0%	0%	0%	0%	2%	4%
International Fixed Income - PIMCO International Bond*	0%	0%	0%	5%	5%	5%	5%	5%	5%
U.S. Large Cap Growth - T. Rowe Price Blue Chip Growth*	16%	16%	16%	15%	15%	15%	14%	13%	12%
U.S. Large Cap Value - Columbia Dividend Income*	16%	16%	15%	15%	15%	14%	14%	13%	12%
U.S. Mid Cap Growth - Janus Enterprise*	6%	6%	6%	6%	5%	4%	3%	4%	4%
U.S. Mid Cap Value - Victory Sycamore Established Value*	6%	6%	6%	6%	5%	4%	4%	4%	4%
U.S. Mid Cap Value - Pioneer Bond*	0%	0%	3%	2%	4%	5%	7%	8%	9%
Small Cap Blend - Principal SmallCap*	12%	11%	11%	10%	9%	8%	7%	5%	4%
International Equity - MFS International Value*	28%	25%	22%	19%	19%	18%	17%	16%	16%
International Equity - Oppenheimer Developing Markets*	8%	7%	6%	5%	4%	4%	3%	2%	0%
Global Real Estate - Principal Global Real Estate*	8%	8%	8%	8%	7%	6%	6%	4%	2%

*registered mutual fund

These model portfolios are provided as samples and not as investment recommendations. The model portfolios are based on generally accepted investment practices and take into account the principles of modern portfolio theory, in which allocations are adjusted in an effort to achieve maximum returns for a given level of risk. You should consider other assets, income, and investments (e.g. equity in a home, Social Security benefits, individual retirement plan investments, etc.) in addition to your interest in the plan, to the extent those items are not taken into account in the model before applying these models to your individual situation. Please note that in addition to the specific investments used in the GoalMaker model portfolios, other designated investment alternatives have similar risks and return characteristics. Information regarding those designated investment alternatives can be found in your plan enrollment materials or by logging in to your retirement account at Prudential.com. The GoalMaker portfolios are subject to change including, for example, the replacement of investment options and allocations within the portfolios. You will be notified in writing in advance of such changes. **Past performance of investments or asset classes does not guarantee future results.**

➔ Step 3: Enroll in GoalMaker

Are you ready to choose GoalMaker as your asset allocation program?

There are two easy ways to enroll:

- Visit jerseycity.retirepru.com and click on Access Log in.
Log in to your account, then select GoalMaker from the menu of options on the left.
- Visit jerseycity.retirepru.com and click on the Personal Assistance tab. Consider scheduling a meeting with your Dedicated On-site Retirement Counselor, **Rich Appaluccio**, who will assist you in selecting GoalMaker.

GOALMAKER MAKES IT

Easy to stay on track!

To help keep your account on track toward your retirement income goals, GoalMaker periodically rebalances your account to ensure that it matches your original allocation.

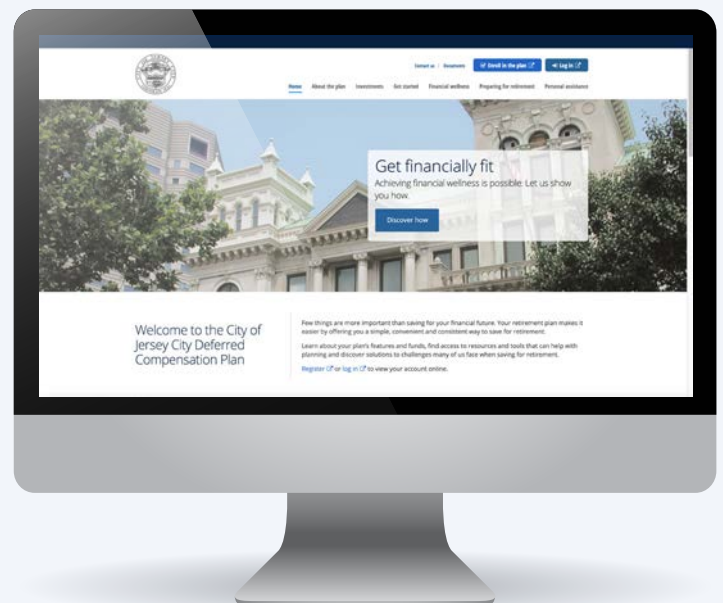
Rebalancing is important, because sometimes one investment option in your portfolio may grow (or decline) faster than another, throwing your original asset allocation off balance. During Automatic Rebalancing, money is moved among the investments in your GoalMaker portfolio to maintain your original allocation percentages.

GoalMaker also offers optional Age Adjustment which takes the worry out of having to remember when to update your investment mix. Over time, your portfolio will automatically shift to a more conservative allocation to reduce volatility, decreasing equities and increasing fixed income. GoalMaker uses a projected retirement age of 65 for its asset allocation portfolios.

You are able to adjust this age if you are planning to retire either later or earlier than age 65.

➔ Visit jerseycity.retirepru.com for more information on GoalMaker and the investment options available in the Jersey City Deferred Compensation Plan.

You can also find assistance by scheduling a meeting with your Dedicated On-site Retirement Counselor **Rich Appaluccio**, (located in the Personal Assistance tab), by calling **201-547-4877** or e-mailing rappaluccio@procyonpartners.net.







Investors should consider the fund's investment objectives, risks, charges, and expenses before investing. The prospectus and, if available, the summary prospectus, contain complete information about the investment options available through your plan. Please call 877-778-2100 for a free prospectus and, if available, a summary prospectus, that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. You can lose money when investing in securities.

Shares of the registered mutual funds are offered by Prudential Investment Management Services LLC (PIMS), Newark, NJ. PIMS is a Prudential Financial company.

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