Goldleaf PARTNERS® EMPLOYER SERVICES

part of FuturePlan by Ascensus®

EXPERIENCE THE **GOLD STANDARD®**

Glossary of Terms

General Investment-Related Terms

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The enclosed Glossary is only a sample and is not intended to provide legal, taxation nor investment advice. The use of this Glossary is completely voluntary and it has not been reviewed or approved by the Department of Labor as meeting the requirements of ERISA 404(a)(5) regulations. The Glossary is not intended to replace professional advice with respect to complying with the Glossary requirement of the Department of Labor's 404(a)(5) participant fee disclosure regulations.

Department of Labor (DOL) Participant Fee Disclosure Regulations require that plans subject to the regulations provide their participants with access to a glossary of investment-related terms. We have developed this Glossary to assist you with meeting this requirement. The included terms apply to many different types of retirement plans and not all of the definitions are applicable to each retirement plan. In addition, many of these terms have multiple definitions and explanations. You may tailor this Glossary to your plan specifics and add or amend any of the definitions as you see fit.

General Investment-Related Terms

401(K) PLAN: A qualified retirement plan that allows employees to contribute a part of their salary to a tax-deferred account on a pre-tax or Roth after-tax basis. Employers of this plan type may also provide employer contributions.

403(B) PLAN: A retirement plan that allows employees of nonprofit, educational, or religious organizations to contribute a part of their salary to a tax-deferred account on a pre-tax or Roth after-tax basis. Employers of this plan type may also provide employer contributions.

12B-1 FEE: A fee assessed on certain mutual funds or share classes under an SEC rule to help cover the costs associated with marketing and selling the fund. 12b-1 fees may also be used to cover shareholder servicing expenses.

ACTIVE MANAGEMENT: An investment management strategy where the manager makes specific investments with the goal of outperforming an investment benchmark index. Active managers rely on research, market forecasts, and their own judgment and experience in selecting securities to buy and sell.

ADMINISTRATION/RECORDKEEPING FEES: Fees that are incurred from a service provider who provides recordkeeping and other plan participant administrative services. The use of this term is not meant to identify any ERISA Section 3(16)(A) obligations.

ADVISOR: A financial professional who assists investors in meeting their financial needs and objectives through investment advice, tax planning asset allocation, risk management, retirement, and estate planning.

AGGRESSIVE: An investment approach that accepts higher than normal risks in return for potentially higher investment returns.

AGGRESSIVE GROWTH FUND: An investment fund that takes higher risk in return for potentially higher returns or gains.

ANNUAL REPORT: A yearly report or record of an investment's (e.g., a mutual fund's or stock's) financial position and operations.

ANNUAL RATE OF RETURN: The gain or loss on an investment over a period of time, often expressed as a percentage.

ANNUITANT: A person receiving or designated to receive annuity payments.

ANNUITY: A contract sold by life insurance companies that promises to pay a stream of periodic payments which may be at some future date. The term is also sometimes used to refer to the stream of payments paid under an annuity contract. A fixed annuity is structured to provided a fixed payment for the duration of the contract while a variable annuity pays fluctuating amounts based on the performance of the underlying investments. The account value of the annuity is typically at least partially guaranteed by the issuer.

ANNUITY COMMENCEMENT DATE (ACD): The date on which annuity payments to a person begin.

APPRECIATION: An increase in the value of an investment.

ASSET: Anything with commercial or exchange value owned by a business, institution, or individual. Examples include cash, real estate, and investments.

ASSET ALLOCATION: An investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame.

ASSET CLASS: A group of securities or investments that have similar characteristics and behave similarly in the marketplace. The three primary asset classes are equities (e.g., stocks), fixed income (e.g., bonds), and cash equivalents (e.g., money market funds).

AVERAGE ANNUAL TOTAL RETURN: The average percentage increase or decrease in an investment's value that includes dividends, gains, and changes in share price over a period of time.

BACK-END LOAD: A sales charge imposed by some funds when shares are redeemed (sold back to the fund) generally during the first few years of ownership. Also called a Contingent Deferred Sales Charge (CDSC).

BALANCED FUND: A fund with an investment objective of both long-term growth and income, through investment in both stocks and bonds.

BASIS POINT: A unit used to measure the change in interest rates and bond yield. One basis point equals one-hundredth of one percent, or 0.01%. For example, 20 basis points equal 0.20%. Investment expenses, interest rates, and yield differences among bonds are often expressed in basis points.

BENCHMARK: A standard against which a security's performance is compared. A benchmark is usually an index of securities of the same or similar class. Some well-known indexes used as benchmarks are the *Dow Jones Industrial Average* and the *S&P 500 Index*.

BENEFICIARY: A person designated to receive a death benefit payable under certain annuity contracts. In 401(k) and 403(b) plans, the beneficiary is typically entitled to receive the descendant's account after their death.

BOND: A debt instrument, like an IOU, issued by a corporation or a governmental agency. The authorized issuer owes the holders a debt and, depending on the terms of the bond, is obliged to pay interest (the coupon) to use and/or to repay the principal at a later date, termed maturity. Income funds generally invest in bonds.

BOND FUND: A fund that invests primarily in bonds and other debt instruments.

BOND RATING: A rating or grade that is intended to indicate the quality of a bond, considering the financial strength of its issuer and the likelihood that it will repay the debt. Agencies such as *Standard & Poor's* and *Moody's Investors Service* issue ratings for different bonds, ranging from AAA (highly unlikely to default) to D (in default).

BROKER: A person who acts as an intermediary between the buyer and seller of a security, insurance product, or mutual fund, often paid by commission. The terms broker, broker/dealer, and dealer are sometimes used interchangeably.

BROKERAGE WINDOW: A plan feature that permits participants to purchase investments that are not included among the plan's general menu of investment options. Also referred to as a Self Directed Brokerage Account (SDBA).

CAPITAL APPRECIATION: The increase in the value of an investment, as opposed to income from dividends or interest.

CAPITAL APPRECIATION FUND: An investment fund that seeks growth in share prices by investing in Growth Stocks.

CAPITAL GAIN: A profit that results from investments into a capital asset, such as stocks, bonds, or real estate, which exceeds the purchase price.

CAPITAL LOSS: A loss that results from investments into a capital asset, such as stocks, bonds, or real estate, when sales prices are less than the purchase price.

CAPITAL PRESERVATION: An investment goal or objective to keep the original investment amount (the principal) from decreasing in value.

CASH EQUIVALENT: An investment that is readily convertible into cash. These investments are generally short term and highly liquid. Examples include money market holdings and short-term government bonds.

CERTIFICATE OF DEPOSIT (CD): A negotiable debt instrument issued by a commercial bank to repay funds deposited for a specific duration, ranging anywhere from 14 days to years. In addition to repaying the principal when the CD matures, the CD pays a market determined interest rate.

CLASS A SHARES: Shares that contain an up-front sales charge, which decreases as the amount invested increases.

CLASS B SHARES: Shares without an up-front sales charge that carry higher annual expenses for a fixed period of time (typically eight years). In addition, if shareholders sell shares during the first few years (typically six years), they may be subject to a redemption fee, known as a contingent deferred sales charge, which declines over time.

CLASS C SHARES: Shares without an up-front sales charge that carry higher annual expenses for a fixed period (typically 10 years). In addition, if shareholders sell shares during the first year, they may be subject to a redemption fee, known as a contingent deferred sales charge.

CLASS F SHARES: Shares without an up-front sales charge that carry higher annual expenses. No commissions or sales charges are charged. Broker-dealers generally charge a separate annual fee for advice, which usually ranges from 0.5% to 3.0% of assets. Share classes F-1 and F-2 may be offered depending upon the broker-dealer's fee-based program.

CLASS R SHARES: A share class series sold exclusively for retirement plans.

COLLECTIVE OR COMMINGLED TRUST: Investments that pool the assets of multiple investors for investment purposes. Collective Trusts generally refer to trusts that are designed specifically for retirement plans, such as 401(k) plans. Commingled Trusts generally refer to trusts that are designed for non-retirement plan investors. Collective or Commingle Trusts are not available to the general public and, therefore, are not listed in the newspaper or other sources, and not registered with the SEC. Also referred to as collective Investment Trusts or Collective Investments Funds.

COMMISSION: Compensation paid to a broker or other salesperson for his or her services when investments are bought or sold.

COMMON STOCK: A form of corporate equity ownership, a type of security. It is called "common" to distinguish it from Preferred Stock.

COMPANY STOCK FUND: Refers to a fund available to retirement plan participants that is comprised solely of Employer Securities. The fund is generally unitized (an investor owns units rather than shares) and may maintain a cash position for liquidity purposes. Also referred to as an Employer Stock Fund.

COMPETING FUNDS: An investment fund that is identified by the investment manager of another fund because of its similar characteristics and which is subject to special rules relating to an investor's ability to buy and sell investments between the two funds.

COMPOUNDING: The ability of an asset to generate earnings, which are then reinvested in order to generate their own earnings.

CONSERVATIVE: An investment approach that accepts lower rewards in return for potentially lower risks.

CONTINGENT DEFERRED SALES CHARGE (CDSC): A fee imposed when shares of a mutual fund or a variable annuity contract are redeemed (sold) during the first few years of ownership. Also called a Back-End Load.

CONTRACT OWNER: The person who purchases an annuity or to whom an annuity contract is issued.

CORPORATE BOND: A bond issued by a corporation, rather than by a government. The credit risk for a corporate bond is based on the payment ability of the company that issued the bond.

COST BASIS: The original price of an investment, used to determine capital gains.

CREDIT RISK: The risk that a bond issuer will default, meaning not repay principal or interest to the investor as promised. Credit risk is also known as default risk.

CURRENT YIELD: The current rate of return of an investment calculated by dividing its expected income payments by its current market price.

CUSTODIAN: A person or entity (e.g., bank, trust company, or other organization) responsible for holding financial assets.

CUSTOM MODEL: A Designated Investment Alternative designed for a specific retirement plan. A Custom Model may be a particular Asset Allocation of the Plan's current Designated Investment Alternatives or can be a complete portfolio of investment options.

DEFERRED ANNUITY: An annuity contract that provides for annuity payments at a designated date in the future.

DEFLATION: An overall decline in the prices of goods and services over a period of time. Deflation is the opposite of inflation.

DESIGNATED INVESTMENT ALTERNATIVE: The investment options offered by your plan into which participants and/or beneficiaries can direct the investment of their plan accounts. These are typically mutual funds.

DIVERSIFICATION: The practice of investing in multiple asset classes and securities with different risk characteristics to reduce exposure to risk.

DIVIDEND: Payments made by a company or mutual fund to its shareholders. It generally represents the portion of profits paid out to shareholder. The amount is usually expressed on a per-share basis.

DOW JONES INDUSTRIAL AVERAGE (DOW OR DJIA): A widely followed price-weighted index of 30 of the largest, most widely held U.S. stocks.

EMERGING MARKET: Generally, economies in Africa, Asia, Eastern Europe, the Far East, Latin America, and the Middle East which, while relatively undeveloped, may hold significant growth potential in the future. The July 2007 World Bank Country Classification report defines emerging markets as having a per-capita income of $11,115 or less in 2006 and as countries in the process of developing existing or newly created market based economies. Investing in these economies may provide significant rewards and significant risks. May also be called developing markets.

EMERGING MARKET FUND: A fund that invests primarily in emerging market countries.

EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA): The 1974 law that governs the operation of most private pension and benefit plans.

EMPLOYER SECURITIES: Refers to shares of stock, bonds or debentures issued by a company. For retirement plan purposes, the company must be the plan sponsor (employer that adopts the retirement plan), in order for the security to be treated as employer stocks for retirement plan purposes.

EMPLOYER STOCK FUND: See Company Stock Fund.

EQUITY/EQUITIES: A security or investment representing shares of ownership in a company, unlike a bond, which represents a debt. Often used interchangeably with the term “stock.”

EQUITY FUND: A fund that invests primarily in equities.

EQUITY WASH RESTRICTION: A provision in certain stable value or fixed income products under which transfers made from the stable value or fixed income product are required to be directed to an equity fund option of the plan for a stated period of time (usually 90 days) before those funds may be invested in any other plan-provided competing fixed income fund (such as a money market fund).

EXCHANGE TRADED FUND (ETF): A mutual fund that is traded on a stock exchange rather than through the fund house. A key difference between an ETF and a mutual fund is that a mutual fund is redeemed (sold) back to the issuer at the next determined net asset value. ETF shares typically are sold on the exchange on which the ETF is traded.

EXPENSE RATIO: A measure of what it costs to operate an investment, expressed as a percentage of its assets or in basis points. These are costs the investor pays through a reduction in the investment’s rate of return. See Total Annual Operating Expenses.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency established in 1933 that insures funds on deposit (currently up to $250,000) in member banks and thrift institutions. Many retirement plan investments, such as Mutual Funds, are not insured by the FDIC.

FIDUCIARY: A person, company or association holding assets in trust for a beneficiary and charged with the responsibility of investing the assets wisely. Examples of fiduciaries are executors of wills and estates, plan sponsors, trustees, and custodians.

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA): A non-governmental regulatory organization for all securities firms doing business in the United States that operates under the supervision of the SEC. The organization’s objectives are to protect investors and ensure market integrity.

FINANCIAL STATEMENTS: The written record of the financial status of a mutual fund or company, usually published in the annual report. The financial statements generally include a balance sheet, income statement, and other financial statements.

FIXED ANNUITY: An annuity contract in which the insurance company makes fixed or guaranteed payments to the annuitant for the term of the contract.

FIXED INCOME FUND: A fund that invests primarily in bonds and other fixed-income securities to provide shareholders with current income and to preserve capital. Often used interchangeably with bond fund.

FIXED RETURN INVESTMENT: An investment that provides a specific rate of return to the investor.

FRONT-END LOAD: A fee on mutual funds or annuities assessed at the time of purchase to cover selling costs.

FUND FAMILY: A group or platform of mutual funds, each typically with its own investment objective, and managed and distributed by the same company. A Fund Family also could refer to a group of collective trusts or a group of separate accounts managed and distributed by the same company.

FUND OF FUNDS: A mutual fund or other pooled investment that invests primarily in other mutual funds or pooled investments rather than investing directly in individual securities (such as stocks, bonds or money market securities).

GLIDE PATH: Refers to a formula that defines the Asset Allocation mix of a Target Date Fund, based on the number of years to the target date. The glide path creates an Asset Allocation that becomes more conservative (i.e., includes more fixed-income assets and fewer equities) the closer a fund gets to the Target Date.

GLOBAL FUND: A fund that invests primarily in securities throughout in the world, including the United States.

GOVERNMENT SECURITIES: Any debt obligation issued by a state, local, or federal government or any of its agencies (e.g., Treasury Bills issued by the United States).

GROUP ANNUITY CONTRACT (GAC): An annuity contract entered into between an insurance company and an owner for the benefit of a designated group, such as retirement plan participants.

GROWTH FUND: A fund that invests primarily in the stocks of companies that have the potential for above-average gains. These companies often pay small or no dividends and their stock prices tend to have the most fluctuation from day to day.

GROWTH AND INCOME FUND: A fund that has a dual strategy of growth or capital appreciation and current income generation through dividends or interest payments.

GROWTH STOCKS: Shares in a company whose earnings are expected to grow at an above-average rate relative to the market.

GUARANTEED INTEREST ACCOUNTS: An account that is guaranteed to earn a minimum rate of interest while invested in the insurance company's general account.

GUARANTEED INVESTMENT CONTRACT (GIC): A contract issued by an insurance company to a retirement plan that guarantees a specific rate of return on an investment over a certain time period.

GUARANTEED LIFETIME WITHDRAWAL BENEFIT (GLWB): A feature that may be available under an annuity contract that promises the payment of a minimum withdrawal or payment amount for the lifetime of the eligible participant or the joint lives of the eligible participant and another party (e.g., spouse). See Guaranteed Minimum Withdrawal Benefit (GMWB).

GUARANTEED MINIMUM WITHDRAWAL BENEFIT (GMWB): A feature that may be available under an annuity contract that promises the payment of a minimum withdrawal or payment amount for the lifetime of the eligible participant or the joint lives of the eligible participant and another party (e.g., spouse). See Guaranteed Lifetime Withdrawal Benefit (GLWB).

GUARANTEED WITHDRAWAL AMOUNT: The withdrawal amount that is guaranteed for the life of the eligible participant even if the account value decreases to zero. See GLWB or GMWB.

HOLDING PERIOD: The minimum amount of time an owner of certain insurance products (e.g., a GLWB or GMWB) may be required to hold the product before guaranteed withdrawals or benefit payments can begin.

IMMEDIATE ANNUITY CONTRACT: An annuity contract under which benefit payments begin within 12 months of purchase.

INCEPTION DATE: The date that a fund began operations.

INDIVIDUAL ANNUITY CONTRACT: An annuity contract generally entered into between an insurance company and a person or persons.

INCOME FUND: A fund that primarily seeks current income rather than capital appreciation.

INDEX: A statistical measure that shows changes in the economy or financial markets and serves as a benchmark against which economic and financial performance is measured. Examples include the Consumer Price Index and stock market indexes such as Standard & Poor's 500 Composite Index℠ and the Russell 2000® Index, which are weighted by market capitalization. Distinct from an average, such as the price-weighted Dow Jones Industrial Average℠, an arithmetic mean that is weighted and adjusted to represent market behavior.

INDEX FUND: An investment fund that seeks to parallel the performance of a particular stock market or bond market index. Index funds are often referred to as passively managed investments.

INFLATION: The overall general upward price movement of goods and services in an economy. Inflation is one of the major risks to investors over the long term because it erodes the purchasing power of their savings.

INTEREST/INTEREST RATE: The fee charged by a lender to a borrower, usually expressed as an annual percentage of the principal, for the use of money. For example, someone investing in bonds will receive interest payments from the bond's issuer. The interest rate is dictated by factors such as credit risk and the inflation rate.

INTEREST RATE RISK: The risk that an investment's value will change due to a change in the interest rates. In general, as interest rates rise, the price of a fixed rate bond will fall, and vice versa.

INTERNAL REVENUE CODE: All federal tax laws, originally written in 1939 and updated periodically.

INTERNATIONAL FUND: A fund that invests primarily in the securities of companies located outside the United States.

INVESTMENT ADVISOR: A person or organization who gives professional advice on investments and asset management practices.

INVESTMENT COMPANY: A firm that invests the funds of investors in securities that meet stated investment objectives for individual or institutional clients, in return for a management fee. An investment company offers participants benefits such as diversification and professional money management. There are two types of investment companies: an open-end, or mutual fund, which has a floating number of shares and will redeem shares at any time at net asset value, and a closed-end, or investment trust, which has a fixed number of shares traded like a stock.

INVESTMENT COMPANY ACT OF 1940: Federal laws that regulate the registration and activities of investment companies, enforced by the Securities and Exchange Commission. The Act sets the standards by which mutual funds operate in areas such as advertising, reporting requirements, pricing, and allocation of investments.

INVESTMENT OBJECTIVE: The goal an investment fund or investor seeks to achieve (e.g., growth or income).

INVESTMENT RETURN: The gain or loss on an investment over a certain period, expressed as a percentage. Income and capital gains are included in calculating the investment return.

INVESTMENT RISK: The possibility of losing some or all of the amounts invested or not gaining value in an investment.

JOINT AND SURVIVOR ANNUITY: An annuity that makes periodic (e.g., monthly, quarterly) benefit payments for the life of one person, and following the death of the person, continues making payments to a survivor beneficiary (e.g., a spouse) for the remainder of the survivor's life. The amount of the payments to the survivor may or may not be the same as the amounts paid to the original contract owner.

JOINT LIFE ANNUITY: An annuity issued on two individuals under which payments continue in whole or in part until both individuals die.

LARGE CAPITALIZATION (CAP): A term used to refer to companies with a Market Capitalization of more than $8-$10 billion. Large Cap is an abbreviation of the term "large market capitalization".

LARGE CAP FUND: A fund that invests primarily in large cap stocks.

LARGE CAP STOCKS: Stocks of companies with a large market capitalization. Large caps tend to be well-established companies, so their stocks typically entail less risk than smaller caps, but large-caps also offer less potential for dramatic growth.

LIFE ANNUITY: An annuity that makes regular (e.g., monthly, quarterly) benefit payments for the life of one person.

LIFECYCLE FUND: A category of balanced, or asset-allocation, mutual funds in which the proportional representation of an Asset Class in a fund's portfolio is automatically adjusted during the course of the fund's time horizon. The automatic portfolio adjustment run from a position of higher risk to one of lower risk as the investor ages and/or nears retirement. Also known as Target Date or age-based funds.

LIFESTYLE FUND: A fund that maintains a predetermined risk level and generally uses words such as "conservative," "moderate," or "aggressive" in its name to indicate the fund's risk level. Used interchangeably with "target risk fund."

LIPPER: A leading mutual fund research and tracking firm. Lipper categorizes funds by objective and size, and then ranks fund performance within those categories.

LIQUIDITY: The ability of a large volume of an asset to be converted into cash quickly and without any price discount or effect. If a security is very liquid, it can be bought or sold easily. If a security is not liquid, it may take additional time and/or a lower price to sell it.

LOAD: A fee assessed by certain investments to cover selling costs. A front-end load is charged at the time of purchase. A back-end load is charged at the time of sale.

LOAN FEES: Fees that are charged when a plan loan is processed, and/or monitored for the duration of the loan.

LONGEVITY RISK: The risk that you will live longer than expected with the result that you run out of money before you die.

LUMP SUM: A single payment for an amount due, as opposed to a series of periodic payments. People leaving a company may receive a lump-sum distribution of their pension, or beneficiaries of life insurance policies may receive a death benefit in a lump sum.

MANAGEMENT FEE: A fee paid to an investment manager for their services. A fund's management fee will be included in the total annual operating expense and disclosed in each fund prospectus.

MARKET CAPITALIZATION OR MARKET CAP: The total market value of a company's outstanding securities, excluding current liabilities. Market Capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price.

MARKET RISK: The possibility that the value of an investment will fall because of a general decline in the financial markets.

MATURITY DATE: The date on which the principal amount of a loan, bond, or any other debt becomes due and is to be paid in full.

MID CAPITALIZATION (CAP): A company with a Market Capitalization between $1 and $10 billion. Mid cap is an abbreviation for the term “middle capitalization”.

MID CAP FUND: A fund that invests primarily in mid-cap stocks.

MID CAP STOCKS: Stocks of companies with a medium market capitalization. Mid caps are often considered to offer more growth potential than larger caps (but less than small caps) and less risk than small caps (but more than large caps).

MONEY MARKET FUND: A mutual fund that invests in short-term, high-grade fixed-income securities, and seeks to limit exposure to losses due to credit, market, and liquidity risks (i.e., maintaining a stable share price). An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. A money market fund typically invests in securities such as commercial paper, CD’s, treasury bills, and other highly liquid and safe securities.

MORNINGSTAR: A leading mutual fund research and tracking firm. Morningstar categorizes funds by objective and size, and then ranks fund performance within those categories.

MUTUAL FUND (FUND): An investment company registered with the SEC that buys a portfolio of securities selected by a professional investment advisor to meet a specified financial goal (investment objective). Mutual funds can have actively managed portfolios, where a professional investment advisor creates a unique mix of investments to meet a particular investment objective, or passively managed portfolios, in which the advisor seeks to track the performance of a selected benchmark or index.

NASDAQ: The National Association of Securities Dealers Automated Quotation, also called the “electronic stock market.” The NASDAQ composite index measures the performance of more than 5,000 U.S. and non-U.S. companies traded “over the counter” through NASDAQ.

NET ASSET VALUE (NAV): A mutual fund’s price per share or exchange-traded fund’s (ETF) per-share value. In both cases, the per-share dollar amount of the fund is calculated by dividing the total value of all the securities in its portfolio, less any liabilities, by the number of fund shares outstanding.

NEW YORK STOCK EXCHANGE (NYSE): The oldest and largest stock exchange in the United States, founded in 1792.

NO-LOAD FUND: A mutual fund whose shares are sold without a Load. A fund is permitted to pay its annual operating expenses and still call itself “no-load,” unless the combined amount of the fund’s 12b-1 fees or separate shareholder service fees exceeds 0.25% of the fund’s average annual net assets.

OPERATING EXPENSES: The expenses associated with running or operating an investment fund. Operating expenses may include custody fees, management fees, and transfer agent fees.

PARTICIPANT: An employee who has met the plan’s eligibility requirements and entry dates to enter and participate in the retirement plan.

PASSIVE MANAGEMENT: An investment management strategy generally associated with mutual and exchange-traded funds (ETF) where a fund’s portfolio mirrors a market index. Passive management is the opposite of active management in which a fund’s manager attempts to beat the market with various investing strategies and buying/selling decisions of a portfolio’s securities

PERIOD CERTAIN ANNUITY: An annuity that provides a retirement income benefit to a person for a guaranteed period of time. Once the agreed upon period ends, the benefit payments stop. If the annuitant dies before the end of the agreed upon period, the payments that had not yet been made are paid to the annuitant's beneficiary.

PLAN ADMINISTRATOR: An entity or individual designated to manage a group's retirement savings plan. The plan administrator is responsible for all decisions relating to the operation of the plan and is a fiduciary of the retirement plan.

PLAN SPONSOR: An organization or entity that offers a retirement plan to an employee group. For example, in the case of a plan maintained by a single employer, the plan sponsor is the employer. In the case of a plan maintained by one or more employers or organizations, the plan sponsor is the association, committee, joint board of trustees, or other similar group of representatives of the parties involved. The plan sponsor is a fiduciary of the retirement plan.

PORTFOLIO: A collection of investments such as stocks and bonds that are owned by an individual, organization, or investment fund that is designed to minimize risk through diversification.

PORTFOLIO MANAGER: The individual or firm who makes the investment decisions for an investment fund, including selecting the individual investments.

PORTFOLIO TURNOVER RATE: A measure of how frequently investments are bought and sold within an investment fund during a year. The portfolio turnover rate is usually expressed as a percentage of the total value of an investment fund.

PREFERRED STOCK: A form of corporate equity ownership, a type of security that provides a specific dividend to be paid before the dividends are paid to the holders of common stock. Preferred stock takes precedence over common stock in event of a company liquidation but preferred stock typically does not contain the voting rights that common stock holders do.

PRINCIPAL: The original dollar amount of an investment. Principal may also be used to refer to the face value or original amount of a bond.

PROFIT-SHARING PLAN: A type of defined contribution plan funded with discretionary employer contributions.

PROSPECTUS: The legal document that describes an investment to prospective investors. The prospectus contains information required by the SEC, such as investment objectives and policies, risks, services, and fees.

QUALIFIED DOMESTIC RELATIONS ORDER (QDRO): A judgment, order or decree that creates an alternate payee's (former spouse, child) right to receive all or a portion of a participant's retirement plan benefits.

RATE OF RETURN: The gain or loss on an investment over a period of time. The rate of return is typically reported on an annual basis and expressed as a percentage.

REAL RATE OF RETURN: The rate of return on an investment adjusted for inflation.

REBALANCE: The process of moving money from one type of investment to another to maintain a desired asset allocation.

REDEMPTION: To sell mutual fund shares back to the fund. Redemption can also be used to mean the repayment of a bond on or before the agreed upon pay-off date.

RECORDKEEPER: A service provider that tracks participant records for a retirement plan.

REDEMPTION FEE: A fee, generally charged by a mutual fund, to discourage certain trading practices by investors, such as short-term or excessive trading. A redemption fee is generally charged when the investment is redeemed or sold.

REVENUE SHARING: Compensation that is paid by mutual fund or insurance companies to Recordkeepers, TPAs, and/or their contractors for processing fund trades, maintaining separate accounts for plan participants, and otherwise servicing plan participants.

RETURN: The annual gain or loss on an investment. A positive return indicates a gain, and a negative return indicates a loss. For stock mutual funds, the rate of return is determined by the level of dividends and capital gains made each year. For fixed-income securities, the return, or current yield, represents the coupon payment divided by the purchase price of the security.

RISK: The potential for investors to lose some or all the amounts invested or to fail to achieve their investment objectives.

RISK TOLERANCE: An investor's ability and willingness to lose some or all of an investment in exchange for potential returns.

ROLLOVER: A tax-free reinvestment of a distribution from a retirement plan into an IRA or other qualified plan, providing the reinvestment is completed within 60 days of receiving the distribution.

ROUND TRIP RESTRICTION: A policy that limits the number of times an investor can exchange into and out of a fund within a given time frame. This is intended to discourage frequent trading that increases the costs to all the fund's investors.

SALES CHARGE: A charge for buying an investment.

SECTOR FUND: A fund that invests in a particular or specialized segment of the marketplace, such as stocks of companies in the software, healthcare, or real estate industries.

SECURITIES AND EXCHANGE COMMISSION (SEC): A federal regulatory agency created by Congress in 1934 to regulate the securities industry and to help protect investors. All issues of securities must be registered with the SEC, and all national securities exchanges, investment firms, investment companies, financial professionals and over the counter brokers and dealers are supervised by the SEC. The SEC is responsible for ensuring that the securities markets operate fairly and honestly.

SECURITY: A general term for stocks, bonds, mutual funds, and other investments.

SEPARATE ACCOUNT: An insurance company account that is segregated or separate from the insurance company's general assets.

SHARE: A unit representation of ownership in a company or investment fund.

SHARE CLASS: A designation applied to a specified type of security such as common stock or mutual fund units. Companies that have more than one class of common stock usually identify a given class with alphabetic markers, such as "Class A" shares and "Class B" shares. Different share classes within the same entity typically confer different rights on their owners.

SHAREHOLDER: An owner of shares in an investment fund or corporation.

SHAREHOLDER-TYPE FEES: Any fee charged against your investment for purchase and sale, other than the total annual operating expenses.

SINGLE LIFE ANNUITY: See Life Annuity.

SMALL CAPITALIZATION (CAP): Refers to stocks with a relatively small market capitalization. The definition of small cap can vary, but generally it is a company with a market capitalization of between $300 million and $2 billion.

SMALL CAP FUND: A fund that invests primarily in small-cap stocks.

SMALL CAP STOCKS: Stocks of companies with a smaller market capitalization. Small caps are often considered to offer more growth potential than large caps and mid caps but with more risk.

STABLE VALUE FUND: An investment that seeks to preserve principal and provide consistent returns and liquidity. Stable value investment products are typically Collective or Commingled Trusts and are not registered with the SEC or insured by the FDIC.

STANDARD & POOR'S 500 STOCK INDEX (S&P 500): An index comprised of 500 widely held common stocks considered to be representative of the stock market in general. The S&P 500 is often used as a benchmark for equity fund performance.

STOCK: A security that represents an ownership interest in a corporation.

STOCK FUND: A fund that invests primarily in stocks.

STOCK SYMBOL: An abbreviation using letters and numbers assigned to securities to identify them. Also see Ticker Symbol.

SUMMARY PROSPECTUS: A legal document that is a short-form prospectus that mutual funds generally may use with investors if they make the long-form prospectus and additional information available online or in paper upon request.

TARGET DATE FUND: A fund portfolio designed to provide a simple investment solution through a portfolio whose asset allocation mix becomes more conservative as the target date or year closest to their expected retirement date approaches. Also known as a Lifecycle Fund.

TARGET RISK FUND: A fund that maintains a predetermined asset mix and generally uses words such as "conservative," "moderate," or "aggressive" in its name to indicate the fund's risk level. Often used interchangeably with "lifestyle fund."

TICKER SYMBOL: An abbreviation using letters and numbers assigned to securities and indexes to identify them. Also see Stock Symbol.

TIME HORIZON: The amount of time that an investor expects to hold an investment before disposing of the investment.

TOTAL ANNUAL OPERATING EXPENSES: A measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. See Expense Ratio.

TRANSFER RESTRICTION: A limitation on the dollar amount or number of transfers or fund exchanges that an investor can make between investments.

TRUSTEE: A person or entity (e.g., bank, trust company, or other organization) that is responsible for the safekeeping of trust assets. A trustee that is a "directed trustee" is responsible for the safekeeping of trust assets but has no decision making authority over the assets. A trustee is a fiduciary of the retirement plan.

UNIT: A representation of ownership in an investment that does not issue shares.

UNITIZED FUND: A fund structure that allows investors to pool assets while retaining individual net asset values for each participant and keeping track of historical fund records. Each investor in the fund is accounted for separately and has their own unit.

U.S. TREASURY SECURITIES: Debt securities issued by the United States government and secured by its full faith and credit. Treasury securities are the debt financing instruments of the United States Federal government, and they are often referred to simply as *Treasuries*.

VALUE FUND: A mutual fund that primarily holds stocks that are deemed to be undervalued in price and that are likely to pay dividends. Value funds are one of three main mutual fund types; the other two are growth and blend (a mix of value and growth stocks) funds.

VARIABLE ANNUITY: An annuity contract under which the contract owner makes a lump-sum purchase or series of purchases, and the insurance company promises to make payments to the annuitant(s) beginning immediately or at some future date. The contract owner may choose how to invest the purchase payments and the value of the annuity and amount of the benefits paid by the insurance company will vary depending on the performance of the investment options.

VARIABLE RETURN INVESTMENT: Investments for which the return is not fixed. This term includes stock and bond funds as well as investments that seek to preserve principal but do not guarantee a particular return (e.g., money market funds and stable value funds).

VOLATILITY: The amount and frequency of fluctuations in the price of a security, commodity, or a market within a specified time period. Generally, an investment with high volatility is said to have higher risk since there is an increased chance that the price of the security will have fallen when an investor wants to sell.

WRAP FEE: A fee or expense that is added to or “wrapped around” an investment fund to pay for one or more services.

YIELD: The value of interest or dividend payments from an investment, usually stated as a percentage of the investment price.