

## Important Fund Changes to Commonwealth of Pennsylvania 457 Deferred Compensation Program (457 plan)

### Dear 457 Plan Participant:

Periodically, the investment lineup in your 457 plan undergoes changes. These changes are made so you may continue to select from a diverse and competitive array of quality investment options.

### Fund Oversight:

After a comprehensive review of stable value managers, the State Employees' Retirement Board (Board) selected Invesco Advisors to assume oversight responsibility for the Stable Value Fund. The Board believes this change will benefit plan participants and enhance the 457 plan Stable Value Fund offering. The overall Investment Objectives & Strategy of the Stable Value Fund will remain largely the same under Invesco's oversight. The Stable Value Fund will continue to seek to provide safety of principal (the amount you invest) and a stable yield (the income from your investment) consistent with that of high-quality fixed income securities. Invesco is scheduled to assume oversight responsibility effective December 1, 2017 and will focus on the following:

- ✓ Increasing diversification by increasing the number of insurance companies providing benefit responsive wrap contracts to the Stable Value Fund.
- ✓ Increasing diversification by increasing the number of underlying fixed income managers.

The majority of the Stable Value Fund assets will be transitioned to Invesco on an in-kind basis, which eliminates the need for restricting participant transfers and/or distributions. **If you are already invested in the Stable Value Fund and wish to remain invested in the Stable Value Fund, you are not required to make any changes.** If you are invested in the Stable Value Fund and do not wish to participate in the Stable Value Fund managed by Invesco, you must transfer your existing account balance out of the current Stable Value Fund to another investment option before December 1, 2017.

Invesco's preliminary analysis indicates that the costs associated with the Stable Value Fund (management, insurance guaranties, and administrative) are not expected to change materially as a result of the transition. Over the next several weeks, Invesco will be negotiating competitive fees from insurance providers and fixed income managers that will wrap and manage segments of the Stable Value Fund.

The Stable Value Fund will continue the process of declaring a crediting rate in advance of each quarter. The crediting rate for the fourth quarter will remain in effect through the end of the 2017 calendar year. The declared crediting rate to take effect on January 1, 2018 will be announced prior to the end of 2017.

Your account balance will not be affected by this change. Investors in the Stable Value Fund may see a different price per unit/share and the number of fund shares could change accordingly.

*Please consider the investment objectives, risks, fees and expenses carefully before investing. Additional disclosure documents can be obtained from your registered representative.*

### You can make changes by:



Visiting your plan's website at **SERS457.com**.



Contacting a representative at **(866) SERS457 (866-737-7457)** during normal business hours.

Empower Retirement will take all reasonable steps necessary to execute the above transactions on the dates and by the terms specified. However, Empower's ability to execute the transactions may be affected by the policies or restrictions imposed by the underlying investment providers and/or market conditions beyond its control. In the event Empower is not able to execute any of the transactions on the dates specified above due to circumstances beyond its control, Empower will complete the authorized transactions or remaining transactions on the earliest business day it is reasonably able to do so. In the event Empower fails to execute any or all of the transactions due to its own actions, participant accounts will be adjusted as if the transaction had occurred in accordance with these instructions.

Sincerely,

Empower Retirement

A stable value fund is not federally guaranteed and may lose value. It has interest rate, inflation and credit risks associated with the underlying assets owned by the fund. A guaranteed separate account stable value fund is offered through an insurance company group annuity contract or funding agreement. The strength of the guarantee is dependent on the financial strength of the insurance company issuing the contracts.

**Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker-dealers.**

GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company (GWL&A).

GWFS Equities, Inc., or one or more of its affiliates, may receive a fee from the investment option provider for providing certain recordkeeping, distribution and administrative services. Core investment options are offered through a group fixed and variable deferred annuity issued by GWL&A, mutual funds, separately managed accounts and/or collective trust funds. Empower Retirement refers to the products and services offered in the retirement markets by GWL&A, Corporate Headquarters: Greenwood Village, CO; GWL&A of NY, Home Office: NY, NY; and their subsidiaries and affiliates. Representatives of Empower Retirement do not offer or provide investment, fiduciary, financial, legal or tax advice or act in a fiduciary capacity for any client unless explicitly described in writing. Please consult with your investment advisor, attorney and/or tax advisor as needed. The trademarks, logos, service marks and design elements used are owned by their respective owners and are used by permission. AM264541-0917

**Unless otherwise noted, investments are not deposits, not insured by the FDIC or any federal government agency and not bank guaranteed and may lose value.**