

Understanding stable value and money market funds

Stable value and money market funds are considered conservative investment options designed for investors with lower risk tolerance.

Stable value funds typically invest in bonds and interest-bearing contracts. Stable value funds may or may not be a registered fund; only registered funds are offered by prospectus.

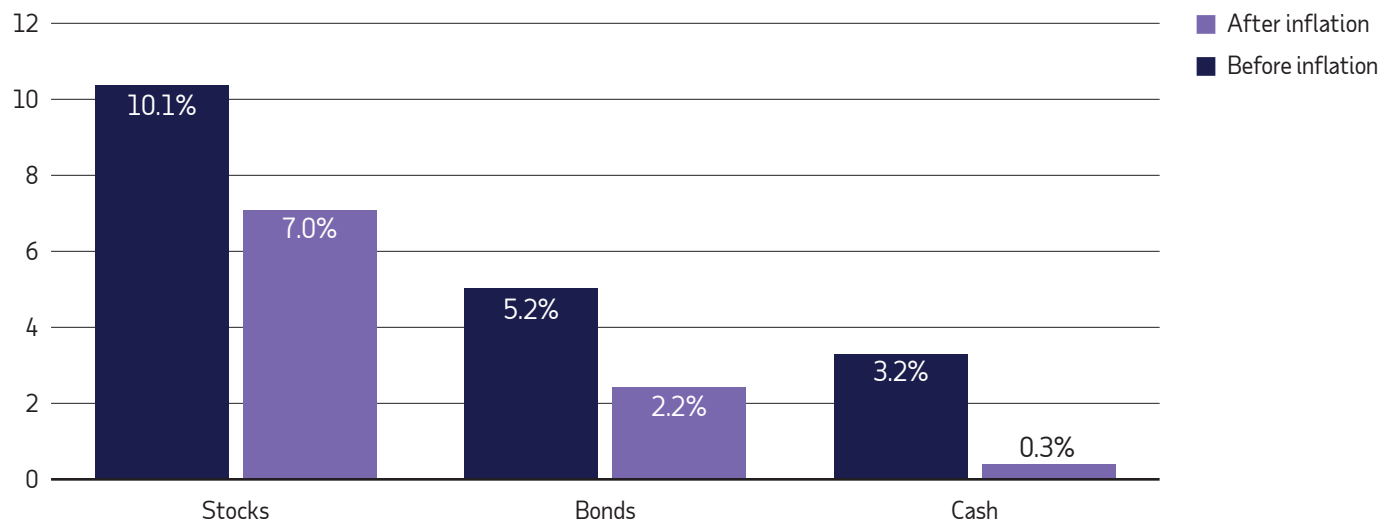
Money market funds invest solely in short duration assets. Although nearly all money market funds seek to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Money market funds are offered by prospectus.

The annual rate of return for these funds has historically been lower compared to bond and stock mutual funds. As a result, these funds may not keep pace with inflation.

Impact of inflation

Inflation is the increased cost of goods and services, and it can have a long-term impact on a financial savings strategy.

The chart below shows how inflation can influence the growth potential of your retirement savings. The first bars for each asset class represent the nominal or unadjusted returns. These do not consider inflation, but it's the percentage you might think of when you are discussing an investment's return. The second bars represent the real return, or the percent after being adjusted for inflation. This reflects your purchasing power.



Stocks are represented by the Ibbotson® Large Company Stock Index. Bonds are represented by the 20-year U.S. government bond, cash by the U.S. 30-day Treasury bill, and inflation by the Consumer Price Index. An investment cannot be made directly in an index.



WHAT YOU NEED TO KNOW

- Stable value/money market funds are on the conservative spectrum in a retirement plan investment line-up
- Like many investment options, the annual rate of return from these types of funds alone may not keep pace with inflation
- Your investment strategy should consider periods of increased inflation and interest rate fluctuation through retirement

Retirement planning tools

In addition to when you start saving for retirement, and how much you plan to save, making sure the investments in your retirement portfolio are properly allocated is an important factor in pursuing your long-term financial goals.

[Click here](#) or scan the QR code to take advantage of the retirement planning tools and resources available in the ADP Achieve Engagement Hub.



This website includes:

- Personal investor profile questionnaire with sample asset allocation models
- Investment videos
- Interactive calculators



Nothing in these materials is intended to be, nor should be construed as, advice or a recommendation for a particular situation or plan.

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Stable value investments seek capital preservation, but they do carry potential risks. Stable value investment choices may be comprised of or may invest in annuity or investment contracts issued by life insurance companies, banks, and other financial institutions. Stable value investment choices are subject to the risk that the insurance company or other financial institution will fail to meet its commitments, and are also subject to general bond market risks, including interest rate risk and credit risk.

You could lose money by investing in a **Money Market Fund**. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon sale of the shares or may temporarily suspend your ability to sell the shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

All registered investment options are available by prospectus only. Since Collective Investment Trust funds are exempt from SEC registration, a prospectus is not available. All investments involve risk, including loss of principal, and there is no guarantee of profits. Investors should carefully consider their objectives, risk tolerance, and time horizon before investing. To access a fund's prospectus and for more information please use the "prospectus" link. There is no assurance that any fund will meet its stated objective.

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