Sample Glossary
Of Investment-Related Terms
For Disclosures
To Retirement Plan Participants

Version 1.01

April 26, 2012

SAMPLE GLOSSARY OF INVESTMENT-RELATED TERMS FOR DISCLOSURES TO RETIREMENT PLAN PARTICIPANTS
(Version 1.01)

General Information

The Sample Glossary of Investment-Related Terms for Disclosures to Retirement Plan Participants (the "Glossary") was developed by The SPARK Institute and the Investment Company Institute[1] as sample language that can be used or adapted in complying with the requirement in new Department of Labor regulations[2] that participant-directed retirement plans provide participants access to a glossary of investment-related terms. It has been endorsed by the American Benefits Council ("ABC"), American Council of Life Insurers ("ACLI"), American Society of Pension Professionals & Actuaries ("ASPPA"), and Society for Human Resource Management ("SHRM").

The document is organized in two parts. Part 1 covers a broad group of general investment-related terms. Part 2 covers terms that are specific to insurance products.[3]

The Glossary defines terms that are likely to apply to a wide group of plans and investments, but it does not include definitions for every retirement plan and investment-related term. Certain terms that a particular plan sponsor may want to include in its glossary because of specific plan investment options and other circumstances may not appear. Moreover, none of the definitions represents the only way to define a particular term. Plans using the Glossary may want to customize or modify the language as they deem appropriate. Using the Glossary for purposes other than its intended purpose may not be suitable.

Summary of Changes Included in Version 1.01

The new Version 1.01 contains revisions involving the term "Cash Equivalent" and a revision to the definition of "Market Capitalization or Market Cap." Additional information on the changes appears in the Version Control Log (Appendix A at the end of this document).

* * * * *

The SPARK Institute and Investment Company Institute may release revised versions of the Glossary periodically. General inquiries and questions about the Glossary should be submitted to larry@sparkinstitute.org and glossary@ici.org.

---

[1] Members of The SPARK Institute and the Investment Company Institute include a broad based cross section of retirement plan service providers and investment providers.

[2] 29 CFR § 2550.404a-5.

[3] The terms for insurance products are grouped separately for convenience in that not all plans offer these products. Plans that offer insurance products might want to combine both parts into a single set of terms.

* * * * *

THE GLOSSARY IS INTENDED TO BE A MODEL COMPLIANCE TOOL AND IT DOES NOT PROVIDE INVESTMENT, LEGAL, OR TAX ADVICE. USE OF THE GLOSSARY IS VOLUNTARY. THIS MATERIAL HAS NOT BEEN REVIEWED, APPROVED, OR AUTHORIZED BY ANY FEDERAL OR STATE REGULATORY AGENCY AS MEETING THE REQUIREMENTS OF ANY APPLICABLE RULES OR REGULATIONS. IT IS NOT INTENDED, NOR SHOULD IT BE RELIED UPON, AS A SUBSTITUTE FOR APPROPRIATE PROFESSIONAL ADVICE WITH RESPECT TO COMPLYING WITH THE GLOSSARY REQUIREMENT OF THE DEPARTMENT OF LABOR'S PARTICIPANT DISCLOSURE REGULATION OR ANY OTHER REQUIREMENT.

PART 1

General Investment-Related Terms

12b-1 Fee: A fee assessed on certain mutual funds or share classes permitted 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: The trading of securities to take advantage of market opportunities as they occur, in contrast to passive management. Active managers rely on research, market forecasts, and their own judgment and experience in selecting securities to buy and sell.

Aggressive: An investment approach that accepts above-average risk of loss in return for potentially above-average investment returns.

Aggressive Growth Fund: An investment fund that takes higher risk of loss in return for potentially higher returns or gains.

AMEX Major Market Index (XMI): An index that is an average of 20 Blue Chip Industrial Stocks.

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

Annual Rate of Return: The annual rate of gain or loss on an investment expressed as a percentage.

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: A method of investing by which investors include a range of different investment classes – such as stocks, bonds, and cash alternatives or equivalents – in their portfolios. See Diversification.

Asset Class: A group of securities or investments that have similar characteristics and behave similarly in the marketplace. Three common asset classes are equities (e.g., stocks), fixed income (e.g., bonds), and cash alternatives or equivalents (e.g., money market funds).

Average Annual Total Return: The yearly average percentage increase or decrease in an investment's value that includes dividends, gains, and changes in share price.

Back-end Load: A fee imposed by some funds when shares are redeemed (sold back to the fund) during the first few years of ownership. Also called a contingent deferred sales charge.

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

Barclay's Capital U.S. Aggregate Bond Index: A common index widely used to measure performance of U.S. bond funds.

Basis Point: 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: An unmanaged group of securities whose performance is used as a standard to measure investment performance. Some well-known benchmarks are the Dow Jones Industrial Average and the S&P 500 Index.

Bond: A debt security which represents the borrowing of money by a corporation, government, or other entity. The borrowing institution repays the amount of the loan plus a percentage as interest. 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 credit 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, Moody's Investors Service, and Fitch 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 designated investment alternatives.

Capitalization (Cap): The total market value of a company's outstanding equity.

Capital Appreciation Fund: An investment fund that seeks growth in share prices by investing primarily in stocks whose share prices are expected to rise.

Capital Gain: An increase in the value of an investment, calculated by the difference between the net purchase price and the net sale price.

Capital Loss: The loss in the value of an investment, calculated by the difference between the purchase price and the net sale price.

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

Cash Alternative or Cash Equivalent: An investment that is short term, highly liquid, and has high credit quality.

Collective Investment Fund: Investments created by a bank or trust company for employee benefit plans, such as 401(k) plans, that pool the assets of retirement plans for investment purposes. They are governed by rules and regulations that apply to banks and trust companies instead of being registered with the SEC. These funds are also referred to as collective or commingled trusts.

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

Common Stock: An investment that represents a share of ownership in a corporation.

Company Stock Fund: A fund that invests primarily in employer securities that may also maintain a cash position for liquidity purposes.

Competing Funds: An investment fund that is identified by the investment manager of another fund and which is subject to special rules relating to an investor's ability to buy and sell investments between the two funds. See Equity Wash Restriction.

Compounding: The cumulative effect that reinvesting an investment's earnings can have by generating additional earnings of their own.

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.

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

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.

Deflation: The opposite of inflation – a decline in the prices of goods and services.

Depreciation: A decrease in the value of an investment.

Designated Investment Alternative: The investment options picked by your plan into which participants can direct the investment of their plan accounts.

Diversification: The practice of investing in multiple asset classes and securities with different risk characteristics to reduce the risk of owning any single investment.

Dividend: Money an investment fund or company pays to its stockholders, typically from profits. 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 that are in the process of growth and industrialization, such as 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. 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.

Employer Securities: Securities issued by an employer of employees covered by a retirement plan that may be used as a plan investment option.

Equity/Equities: A security or investment representing ownership in a corporation, unlike a bond, which represents a loan to a borrower. Often used interchangeably with "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 or other non-competing investment 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): An investment company, such as a mutual fund, whose shares are traded throughout the day on stock exchanges at market-determined prices.

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 Operating Expenses and Total Annual Operating Expenses.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures money on deposit in member banks and thrift institutions.

Financial Industry Regulatory Authority (FINRA): A self-regulatory organization for brokerage firms doing business in the United States. FINRA 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 fund or company, usually published in the annual report. The financial statements generally include a balance sheet, income statement, and other financial statements and disclosures.

Fixed Income Fund: A fund that invests primarily in bonds and other fixed-income securities, often to provide shareholders with current income.

Fixed Return Investment: An investment that provides a specific rate of return to the investor.

Front-end Load: A sales charge on mutual funds or annuities assessed at the time of purchase to cover selling costs.

Fund Family: A group or "complex" 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 investment funds or a group of separate accounts managed and distributed by the same company.

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

Glide Path: The change over time in a target date fund's asset allocation mix to shift from a focus on growth to a focus on income.

Global Fund: A fund that invests primarily in securities anywhere in the world, including the United States.

Government Securities: Any debt obligation issued by a government or its agencies (e.g., Treasury Bills issued by the United States).

Growth Fund: A fund that invests primarily in the stocks of companies with above-average risk in return for potentially above-average gains. These companies often pay small or no dividends and their stock prices tend to have the most ups and downs 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.

Inception Date: The date that a fund began operations.

Income Fund: A fund that primarily seeks current income rather than capital appreciation.

Index: A benchmark against which to evaluate a fund's performance. The most common indexes for stock funds are the Dow Jones Industrial Average and the Standard & Poor's 500 Index.

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 example, someone investing in bonds will receive interest payments from the bond's issuer.

Interest Rate Risk: The possibility that a bond's or bond fund's market value will decrease due to rising interest rates. When interest rates (and bond yields) go up, bond prices usually go down and vice versa.

International Fund: A fund that invests primarily in the securities of companies located, or with revenues derived from, outside of the United States.

Investment Adviser: A person or organization hired by an investment fund or an individual to give professional advice on investments and asset management practices.

Investment Company: A corporation or trust that invests pooled shareholder dollars in securities appropriate to the organization's objective. The most common type of investment company, commonly called a mutual fund, stands ready to buy back its shares at their current net asset value.

Investment Objective: The goal that 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 or losses 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.

Large Capitalization (Cap): A reference to either a large company stock or an investment fund that invests in the stocks of large companies.

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.

Lifecycle Fund: A fund designed to provide varying degrees of long-term appreciation and capital preservation based on an investor's age or target retirement date through a mix of asset classes. The mix changes over time to become less focused on growth and more focused on income. Also known as "target date retirement" 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 ease with which an investment can be converted into cash. 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 sales charge assessed on 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 or redemption.

MSCI EAFE Index: An index known by an acronym for the Europe, Australasia, and Far East markets produced by Morgan Stanley Capital International (MSCI). Markets are represented in the index according to their approximate share of world market capitalization. The index is a widely used benchmark for managers of international stock fund portfolios.

MSCI World Index: An index of major world stock markets, including the United States. The index is a widely used benchmark for managers of global stock fund portfolios.

Management Fee: A fee or charge paid to an investment manager for its services.

Market Capitalization or Market Cap: The market value of a company. Market capitalization can be determined by multiplying the number of outstanding shares of a company's stock by the stock's current market price per share.

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 reference to either a medium sized company stock or an investment fund that invests in the stocks of medium-sized companies.

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 the highest level of income consistent with preservation of capital (i.e., maintaining a stable share price).

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: An investment company registered with the SEC that buys a portfolio of securities selected by a professional investment adviser to meet a specified financial goal (investment objective). Mutual funds can have actively managed portfolios, where a professional investment adviser creates a unique mix of investments to meet a particular investment objective, or passively managed portfolios, in which the adviser seeks to parallel 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): The net dollar value of a single investment fund share or unit that is calculated by the fund on a daily basis.

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 sales commission and which does not charge a combined 12b-1 fee and service fee of more than 25 basis points or 0.25% per year.

Operating Expenses: The expenses associated with running or operating an investment fund. Operating expenses may include custody fees, management fees, and transfer agent fees. See Expense Ratio and Total Annual Operating Expenses.

Passive Management: The process or approach to operating or managing a fund in a passive or non-active manner, typically with the goal of mirroring an index. These funds are often referred to as index funds and differ from investment funds that are actively managed.

Portfolio: A collection of investments such as stocks and bonds that are owned by an individual, organization, or investment fund.

Portfolio Manager: The individual, team or firm who makes the investment decisions for an investment fund, including the selection of 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.

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.

Prospectus: The official document that describes certain investments, such as mutual funds, to prospective investors. The prospectus contains information required by the SEC, such as investment objectives and policies, risks, services, and fees.

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 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.

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

Return: The gain or loss on an investment. A positive return indicates a gain, and a negative return indicates a loss.

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 greater potential returns.

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.

Russell Indexes: A group of indexes that are widely used to benchmark investment performance. The most common Russell index is the Russell 2000 Index, an index of U.S. small-cap stocks, which measures the performance of the 2,000 smallest U.S. companies in the Russell 3000 Index.

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): Government agency created by Congress in 1934 to regulate the securities industry and to help protect investors. 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. Also refers to a fund managed by an investment adviser for a single plan.

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

Share Class: Some investment funds and companies offer more than one type or group of shares, each of which is considered a class (e.g., "Class A," "Advisor" or "Institutional" shares). For most investment funds each class has different fees and expenses but all of the classes invest in the same pool of securities and share the same investment objectives.

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.

Small Capitalization (Cap): A reference to either a small company stock or an investment fund that invests in the stocks of small companies.

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 fund that seeks to preserve principal, provide consistent returns and liquidity. Stable value funds include collective investment funds sponsored by banks or trust companies or contracts issued by insurance companies.

Standard & Poor's 500 Stock Index (S&P 500): An index comprised of 500 widely held common stocks considered to be representative of the U.S. 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 short-form prospectus that mutual funds generally may use with investors if they make the long-form prospectus and additional information available online or on paper upon request.

Target Date Fund: A fund designed to provide varying degrees of long-term appreciation and capital preservation based on an investor’s age or target retirement date through a mix of asset classes. The mix changes over time to become less focused on growth and more focused on income. 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 taking money out.

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 and Operating Expenses.

Trustee: A person or entity (e.g., bank, trust company, or other organization) that is responsible for the holding and safekeeping of trust assets. A trustee may also have other duties such as investment management. A trustee that is a "directed trustee" is responsible for the safekeeping of trust assets but has no discretionary investment management duties or authority over the assets.

Unit: A representation of ownership in an investment that does not issue shares. Most collective investment funds are divided into units instead of shares. See Share.

Unitholder: An owner of units in an investment. See Shareholder.

Unit Class: Investment funds that are divided into units (e.g., collective investment funds) instead of shares may offer more than one type or group of units, each of which is considered a class (e.g., "Class A"). For most investment funds, each class has different fees and expenses but all of the classes invest in the same pool of securities and share the same investment objectives.

Unit Value: The dollar value of each unit on a given date.

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 fund that invests primarily in stocks that are believed to be priced below what they are really worth.

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 to pay for one or more product features or services.

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

PART 2

Insurance Products

Annuity: A form of insurance contract that provides a stream of periodic payments, typically for life. Annuities are available in a variety of forms. See also Life Annuity, Joint and Last Survivor Annuity.

Annuity Commencement Date: The date set forth in the annuity contract on which annuity payments will start. Also known as the "annuity start date."

Cash Refund Annuity: An annuity that makes periodic payments for the life of an individual and a benefit payable to a beneficiary upon death equal to the premium(s) paid less payments made to the individual.

Deferred Annuity: An annuity contract under which periodic income payments begin at a future date. See Annuity Commencement Date.

Fixed Annuity: An annuity contract in which the insurance company makes fixed or guaranteed payments to an individual for the term of the contract.

Group Annuity Contract: An annuity contract entered into between an insurance company and an owner for the benefit of a designated group, such as retirement plan participants.

Guaranteed Interest Account: An account within a fixed annuity or a variable annuity that is guaranteed by the insurance company to earn at least a minimum rate of interest while invested in the contract.

Guaranteed Investment Contract: A contract issued by an insurance company that guarantees a specific rate of return on an investment over a certain time period.

Guaranteed Lifetime Withdrawal Benefit or Guaranteed Minimum Withdrawal Benefit: A feature that may be offered under an annuity contract in which the insurance company promises an individual may withdraw a specified amount from an account, even if the account balance is reduced to zero: (1) for the life of the individual, or the joint lives of two individuals (e.g., the individual and spouse); or (2) for a specified period of time.

Immediate Annuity: An annuity contract under which periodic income payments begin within 12 months of purchase.

Individual Annuity Contract: An annuity contract generally entered into between an insurance company and a person or persons.

Joint and Last Survivor Annuity: An annuity that provides periodic payments for the joint lives of two individuals with benefits payable upon the death of one individual to the surviving individual at, for example, 50%, 75% or 100% of the original payment amount depending upon the terms of the contract.

Life Annuity: An annuity that makes periodic payments only for the life of one individual. Also known as "single life annuity."

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

Period Certain: A payment feature that may be available in an annuity contract which guarantees periodic payments for no less than a set period of time. For example, in a life annuity, periodic payments would be made for the longer of either: (1) the guaranteed period, to the individual or a beneficiary, or (2) the life of the individual.

Variable Annuity: An annuity contract under which the insurance company promises to make payments beginning immediately or at some future date. 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.

APPENDIX A

To The

SAMPLE GLOSSARY OF INVESTMENT-RELATED TERMS FOR DISCLOSURES TO RETIREMENT PLAN PARTICIPANTS

(Version 1.01)

VERSION CONTROL LOG

Version	Description	Date Published	Page Reference	Description of Revisions
1.00	Initial version	December 19, 2011	n/a	
1.01	Revisions to certain definitions	April 26, 2012	Title page	Conforming changes to title page and other pages to new version number and date.
			i	Addition of Summary of Changes Included in Version 1.01
			1	Modified references to “cash equivalents” in the definitions of “Asset Allocation” and “Asset Class” to include the reference to “cash alternatives.”
			2	Included the term “Cash Alternative” in the listing for “Cash Equivalent.”
			7	Revised the definition of “Market Capitalization or Market Cap.”