



How market conditions impact the
Prudential Guaranteed Investment

What is market volatility?

Simply stated, it is the unpredictability of the investment market. Because no one really knows what the market will do from day to day, market volatility is a general fact of life. In that sense, it is nothing new or novel. However, when the market fluctuates greatly (up and down) over a period of time, people get concerned about the safety of their investments and the topic of market volatility becomes a greater concern.

Tell me more about Prudential's overall stability.

Prudential Financial companies have been helping grow and protect our customers' wealth for over 140 years. Our balance sheet has been strong and the Prudential Financial companies are highly rated by the major independent rating agencies as of February 2017.

What levels of protection are provided in Prudential's Guaranteed Investment?

Prudential's Guaranteed Investment has three primary levels of protection:

- 1. The fund invests in a diversified portfolio of fixed-income instruments**—Diversification of investments helps to manage overall portfolio risk. Keep in mind, asset allocation and diversification does not assure a profit or protect against loss in a declining market. **You can lose money by investing in securities.**
- 2. A guarantee from Prudential Retirement Insurance and Annuity Company**—Prudential Retirement Insurance and Annuity Company (PRIAC) is a wholly-owned subsidiary of The Prudential Insurance Company of America, a Prudential Financial company.
- 3. Detailed monitoring**—Prudential consistently monitors the financial markets and regularly evaluates the market's potential impact on its investments and financial position.

Is my retirement account insured by the FDIC?

Because of regulatory differences, the money held in qualified 403(b) plan accounts is not insured like a bank savings or checking account.

What makes Prudential's Guaranteed Investment less subject to market volatility and how is the money in Prudential's Guaranteed Investment protected from bank failures?

If you are invested in Prudential's Guaranteed Investment, you do not experience the direct market volatility that is experienced by many holders of equity and bond mutual funds.

Prudential's Guaranteed Investment participant account values are backed by a guarantee from PRIAC. With this investment option, PRIAC declares a rate of interest in advance, and contributions and credited interest are guaranteed by PRIAC and backed by the company's general assets. PRIAC maintains large and well-diversified portfolios to back up its obligations as well as a large surplus of cash to meet its obligations to its customers. If the investments held directly by the portfolio are insufficient to meet our obligation to you, then PRIAC is obligated to use its surplus to do so. Other investments such as equity and bond mutual funds do not have this guarantee.

What if I am invested in Prudential's Guaranteed Investment and Prudential's financial condition becomes jeopardized?

If PRIAC was to become insolvent, any investments in Prudential's Guaranteed Investment, through PRIAC, are part of the insurance company's general account and are subject to claims of creditors. If such a situation were to occur, in general, policy claims (such as your account) represent one of the first significant categories of claims, ahead of general creditor and stockholder claims.

What if I have questions?

We are here to help you with your retirement needs. If you ever have any questions or concerns about your account you can always call WEA Trust Member Benefits at [800-279-4030](tel:800-279-4030).

*Please contact WEA Trust Member Benefits
at [800-279-4030](tel:800-279-4030) with any questions.*

For informational or educational purposes only. This material is not intended as advice or recommendation about investing or managing your retirement savings. By sharing it, Prudential Retirement is not acting as your fiduciary as defined by the Department of Labor's Fiduciary rule or otherwise. If you need investment advice, please consult with a qualified professional.

The Prudential Guaranteed Investment is a group annuity product issued by **Prudential Retirement Insurance and Annuity Company (PRIAC)**. Amounts contributed to the contract are deposited in PRIAC's general account. Payment obligations and the fulfillment of any guarantees specified in the group annuity contract are insurance claims supported by the full faith and credit of PRIAC. PRIAC periodically resets the interest rate credited on contract balances, subject to a minimum rate specified in the group annuity contract and subject to change. Past interest rates are not indicative of future rates.

PRIAC is compensated in connection with this product by deducting an amount for investment expenses and risk from the investment experience of certain assets held in PRIAC's general account. PRIAC uses a portion of its aggregate revenue to reimburse WEA for certain of its recordkeeping expenses in connection with the WEA TSA and WEAC IRA programs.

Frequent exchanging between plan investment options may harm long-term investors. Your plan or the plan's investment funds may have provisions to deter exchanges that may be abusive. These policies may require us to modify, restrict or suspend purchase or exchange privileges and/or impose redemption fees.

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