

# P&G RETIREMENT PLAN OFFERS MANY INVESTMENT OPTIONS

Within the P&G Retirement Plan, there are many different options for where to allocate your investments. Once you turn 50, you have access to these options within your PST, and you always have access to these options if you are saving in your 401(k) Savings Plan. Listed below is a summary of the options available to you.



The first set of options that are available within the PST and Savings Plan are on the conservative side, and include money market funds and bond funds. These will move independently of the equity markets and are intended to act as a buffer to market volatility and help to provide buoyancy to your portfolio in times of market turmoil:

## Cash & Fixed Income Investment Options:

- **Money Market Fund:** This is the most cash-like investment option available in the PST and Savings Plan. The fund will pay interest and not fluctuate in value. The money market fund invests in mostly debt, typically in commercial papers and repurchase agreements.
- There are two bond funds that are available within the plan, with one being a **Short-Term Bond Fund** and the other being an **Intermediate-Term Bond Fund**. Both of these funds focus on fixed income, with the

difference between the two being the duration on the securities within each fund. In the short-term fund, the bonds owned within the fund will have a focus on shorter duration, which can be useful when interest rates are low and rising. Inversely, the intermediate-term fund will have durations that stretch out longer. This will typically result in a higher yield than its short-term counterparts, but could be an inadvisable asset in times of rising interest rates.

- Lastly, there is an option within the plan that can give you exposure to commodities and real estate.

For those willing to tolerate the higher risk and volatility that comes from investing in the equity markets, there are funds within the PST and Savings Plan that allow you to invest in the equity space:

## Equity Options:

- **Large Cap Equity Index Fund:** The Large Cap Equity Index Fund invests in domestic securities and is designed to track the investment return of the broad U.S. large cap equity space.
- **International Equity Index Fund:** The International Equity Index Fund invests in international companies.

<sup>1</sup> Think Advisor, "Brigitte Madrian's Power of Suggestion — and How It Improved Retirement" article originally published in "Research Magazine"

<sup>2</sup> <http://psychology.iresearchnet.com/social-psychology/decision-making/loss-aversion/>

- **Small Cap Equity Index Fund:** The Small Cap Equity Index Fund primarily invests in the U.S. markets. The fund differs from the Large Cap Equity Index Fund in that it targets its investments to companies that typically have a market capitalization of \$3 billion or less. Companies within this fund are traditionally less susceptible to negative responses from international headwinds than larger companies with more international business.
- If you are hoping to have a global allocation, which includes exposure to both domestic and international equity markets, you can simply blend the funds to get your desired exposures.
- **Procter & Gamble Common Stock:** You have the option of investing in P&G stock in both the PST and Savings Plan.
- **Procter & Gamble Preferred Stock:** A portion of your annual PST contributions are made in preferred stock. This stock can be an asset when considering methods of distribution from the PST and Savings Plan
- **J.M. Smucker's Stock:** J.M. Smucker's stock is also available within the plans due to the former Folger's merger with J.M. Smucker.

The last of the options available within the PST and Savings Plan are the pre-mixed investment options. These funds consist of a mixture of the funds listed above and have various equity targets placed on them, ranging from conservative to aggressive.

Typically when P&G employees turn 50, they are eager to begin diversifying away from their P&G concentration within their PST. With so many investment options to choose from, that process can be challenging. If you are in such a situation, please to reach out to your team at Mariner Wealth Advisors, or contact Brad Morgan or Nate Kunkel directly.



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