



FPPA | Fire & Police Pension
Association of Colorado

Your Guide To Investing In FPPA's Self-Directed Plans

457(b) Deferred Compensation Plan
Deferred Retirement Option Plan (DROP)
Statewide Retirement Plan—Money Purchase Component
Statewide Money Purchase Plan

Help your investments work as hard as you do

How you invest your retirement savings is just as important as how much you save.

That's why FPPA's Self-Directed Plans offer an investment menu that helps simplify investing decisions, while maintaining alternatives for our most hands-on investors.

Whatever your investing preference, our menu has options designed for you.

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Get to know your investment menu

Whether you want to create your own mix or take a simpler approach, our menu lets you create a portfolio that matches your needs.

Tier 1:

Target date funds

These funds give you an all-in-one mix of stocks, bonds, and short-term investments. You choose a fund based on the year closest to the date you expect to retire—your “target date.” The fund becomes more conservative as it nears the target date and moves beyond.

Tier 2:

Core funds

Make your own mix using the core group of funds in the lineup. These funds are designed to let you create an investment mix that suits your needs, without having to sort through multiple options that invest in similar ways.

Tier 3:

Self-directed brokerage

Fidelity BrokerageLink® is an account within your Self-Directed Plan that gives you access to thousands of mutual funds available through Fidelity FundsNetwork®, as well as stocks, bonds, and other choices.



Before you open a self-directed brokerage account, be sure you understand the associated fees. Some investment options include transaction fees, which are charged based on how you make your trades. For more information on these fees, visit netbenefits.com and choose *BrokerageLink®* from the *Quick Links* drop-down menu.

Plus: Professional management for your investments

If you prefer, you can have Fidelity® Personalized Planning & Advice manage your retirement investments. For a fee, the professionals at Fidelity will monitor and manage your Self-Directed Plan account on an ongoing basis, based on your situation and goals, with the balance of risk and return that's right for you.

Fidelity® Personalized Planning & Advice at Work is a service of Fidelity Personal and Workplace Advisors LLC and Strategic Advisers LLC. Both are registered investment advisers, are Fidelity Investments companies, and may be referred to as “Fidelity,” “we,” or “our” within. For more information, refer to the Terms and Conditions of the Program. When used herein, Fidelity Personalized Planning & Advice refers exclusively to Fidelity Personalized Planning & Advice at Work. **This service provides advisory services for a fee.**

Find your investor style

Do you have the time, interest, and skills to craft your own mix of investments?

No.

You're a do-it-for-me investor.

You want a complete investment strategy in a single fund.

Consider Tier 1, a target date fund.

You want to work with professionals to manage your portfolio based on your unique circumstances, and don't mind paying a fee for it.

Consider professional investment management.

Yes.

You're a do-it-myself investor.

You like building a diversified mix using funds selected by FPPA.

Consider Tier 2, the core funds.

You enjoy managing and monitoring your investments and want the widest range of options.

Consider Tier 3, the self-directed brokerage account, combined with funds from Tier 2.



Pay attention to investment fees

The menu is designed for value

Each fund on the menu charges a fee for investment management, accounting, and other activities associated with the day-to-day operation of the fund. The fee is charged as a percentage of the fund's assets and is called the fund's "expense ratio."

FPPA has always focused on keeping your costs down.

That's why we take advantage of advancements in the investment marketplace to look for funds that can offer you value.

In fact, some of the funds on the investment menu have lower fees than most traditional mutual funds. These funds are "collective investment trusts," (also known as CITs), and institutional funds. Both institutional funds and CITs are similar to mutual funds but are available only to retirement plans like our Self-Directed Plans, and they have lower costs for legal, marketing, and compliance-related services.

In return, FPPA passes the savings on to you.

CITs and institutional funds behave just like mutual funds.

The CITs and institutional funds in FPPA's Self-Directed Plans have professional investment managers; have stated investment goals and policies; and post their performance and other information daily to the Plan's website, [netbenefits.com](https://www.netbenefits.com).

The difference? They generally cost less.



FPPA has always focused on keeping your costs low, so we look for funds that can offer you value.



Can lower fees really make a difference?

As you select your funds, pay attention to the fees you pay, and balance that with the service, support, and performance you receive in return.

Over time, lower fees can make a difference to your savings, because they let you put more of your money to work for your future.

Here's an example:

Age 35	\$10,000 account balance	\$350 monthly contribution	6% average annual investment return
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Taylor and Jaylin are the same age, invest the same amount, and earn the same investment return. The only difference is the average fees of the funds they invest in.



Taylor

Invests in funds with average fees of **0.45%**



Jaylin

Invests in funds with average fees of **0.075%**

Potential account balance at age 65

\$375,000

\$405,000

That's **\$30,000** more

This hypothetical example is based on monthly pretax contributions of \$350 to a retirement savings plan, made steadily for 30 years and invested at a hypothetical 6% annual rate of return, compounded monthly. The return is applied net of fees. No loans or withdrawals are taken. The ending values do not reflect taxes or inflation. If they did, amounts would be lower. Earnings and pre-tax contributions are subject to taxes when withdrawn. Distributions before age 59½ may also be subject to a 10% penalty. Contribution amounts are subject to IRS and plan limits. Systematic investing does not ensure a profit or guarantee against a loss in a declining market. This example is for illustrative purposes only and does not represent the performance or fees of any individual security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The assumed rate of return used in this example is not guaranteed. Investments that have potential for a 6% annual rate of return also come with risk of loss.

Do-it-for-me investor?

Explore Tier 1 or professional management

One decision. A complete investment strategy. That's what you get with a target date fund or professional investment management from Fidelity® Personalized Planning & Advice.

Here are the available options

Tier 1: Target Date Funds

A target date fund is a single-fund strategy. You simply choose one fund based on the year closest to the date you expect to retire—that's your "target date."

Each fund is a mix of stocks, bonds, and short-term investments that is professionally managed and adjusted over time to invest in fewer stocks and more bonds and short-term investments. That means each fund becomes more conservative as it reaches its target date and moves beyond.

◀ *Investment options to the left have potentially more inflation risk and less investment risk*

Investment options to the right have potentially less inflation risk and more investment risk ▶

Vanguard Target Retirement Income Trust II
Vanguard Target Retirement 2020 Trust II
Vanguard Target Retirement 2025 Trust II

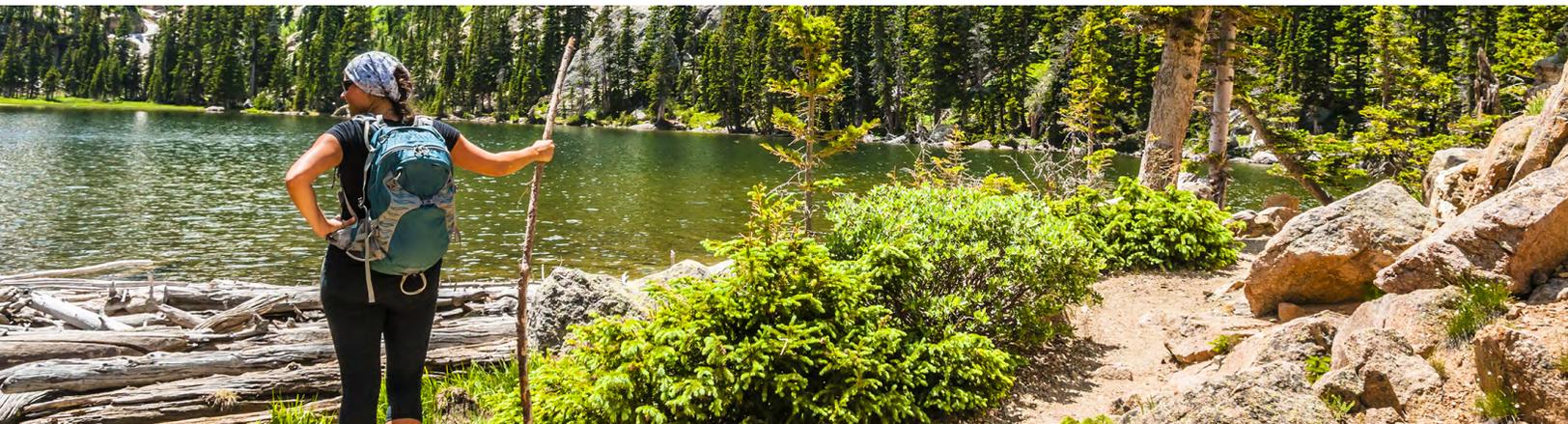
Vanguard Target Retirement 2030 Trust II
Vanguard Target Retirement 2035 Trust II
Vanguard Target Retirement 2040 Trust II

Vanguard Target Retirement 2045 Trust II
Vanguard Target Retirement 2050 Trust II
Vanguard Target Retirement 2055 Trust II
Vanguard Target Retirement 2060 Trust II
Vanguard Target Retirement 2065 Trust II
Vanguard Target Retirement 2070 Trust II

Expense ratio for each of these funds as of October 31, 2022: 0.075%

The Vanguard Institutional Target Retirement Funds are target date investments, which are generally designed for investors expecting to retire around the year indicated in each investment's name. The investments are managed to gradually become more conservative over time. The investment risks of each target date investment change over time as its asset allocation changes. They are subject to the volatility of the financial markets, including equity and fixed income investments in the U.S. and abroad and may be subject to risk associated with investing in high yield, small cap and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.

The funds listed were in effect as of October 31, 2022. Refer to [netbenefits.com](https://www.fidelity.com/retirement/netbenefits) for the most up-to-date fund options, as funds are subject to change.

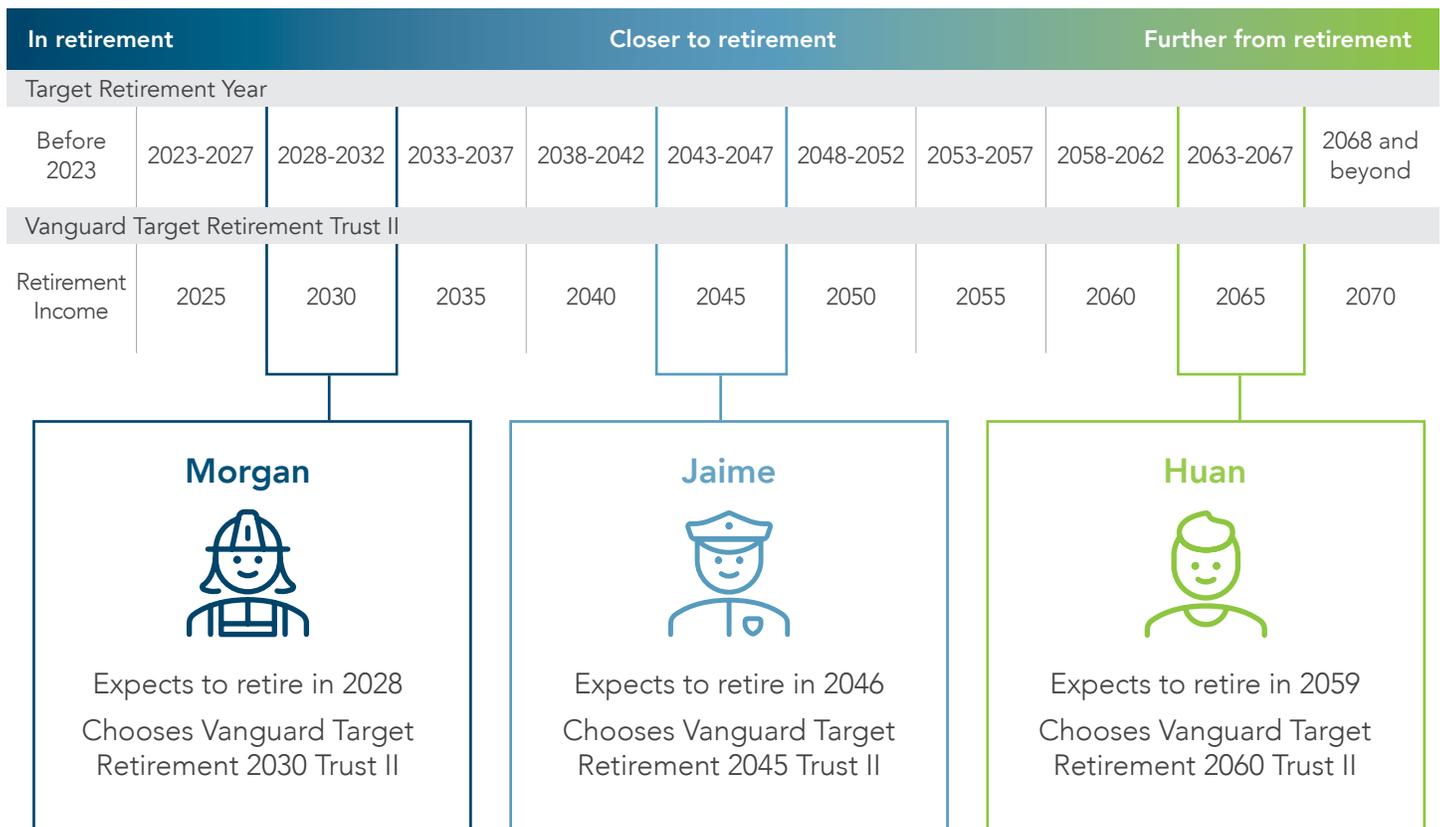


How to choose a target date fund

These funds are the Self-Directed Plans' "default" funds, so if you don't choose investments for yourself, your contributions will automatically be invested in the Vanguard Target Retirement Trust closest to the year you will turn age 65.

Or, if you choose investments yourself and want to invest in a Vanguard Target Retirement Trust, just pick the fund with the date closest to the year you expect to retire—that's the fund's target date.

Each fund will automatically adjust from a higher-risk asset mix to a lower-risk asset mix as it approaches its target date and moves beyond. The result: You get an age-based investment mix that works for you today—and throughout your retirement.



Fidelity Personalized Planning & Advice

If you like the idea of letting professionals make the day-to-day investing decisions, but don't want a single fund strategy, Fidelity® Personalized Planning & Advice is designed for you.

This service lets you place your Self-Directed Plan account in experienced hands—no more researching and choosing investments or rebalancing your account.

How Fidelity Personalized Planning & Advice works:

You provide a few details, including:

- Your current age and expected retirement age.
- How much you are saving for retirement.
- How you feel about ups and downs in the market.

Fidelity will:

- Propose an investment strategy and model portfolio based on your needs and situation.
- Manage it for you over time.

Annual target advisory fee of .50% of managed account balance

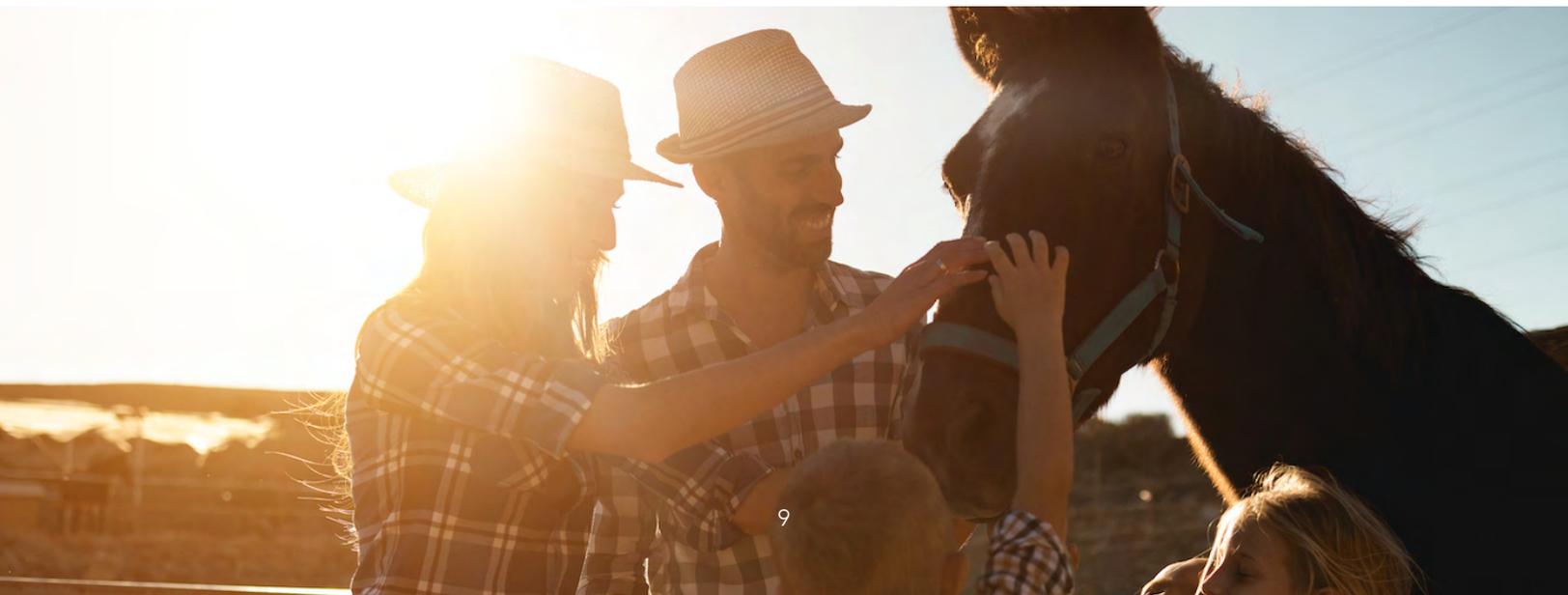
That's about \$50 for every \$10,000 invested.



Want more details?

Call a Fidelity Retirement Planner at **800-642-7131**, or watch our video at www.fidelity.com/professionalmanagement.

The net fee does not include underlying fees and expenses of each investment in your plan account, or any separate recordkeeping or administrative fees that may be charged to your account. For a description of underlying expenses for a mutual fund, see the prospectus for that fund.



Do-it-myself investor?

Explore Tiers 2 and 3

You've got the time, interest, and skill to research, manage, and monitor your investments. Choose from a complete range of funds selected and monitored by FPPA. If you want access to additional investment options, explore Fidelity BrokerageLink®.

Here are the available options

Tier 2: Core Funds*

The Core Funds are a range for options selected and monitored by FPPA.

◀ Investment options to the left have potentially more inflation risk and less investment risk

Investment options to the right have potentially less inflation risk and more investment risk ▶

Money Market (or Short Term)	Managed Income (or Stable Value)	Bond	Domestic Stock			International / Global Stock
Fidelity® Investments Money Market Government Portfolio - Class I	T. Rowe Price Stable Value Common Trust Fund A	<p><i>Diversified</i> Dodge & Cox Income Fund Class I</p> <p>Fidelity® U.S. Bond Index Fund</p> <p><i>High Yield</i> MacKay Shields High Yield CIT Class 1</p> <p><i>International / Global</i> PIMCO Global Bond Opportunities Fund (Unhedged) Institutional Class</p>	<p><i>Large Value</i> American Beacon Large Cap Value Fund Class R6</p> <p><i>Mid Value</i> John Hancock Funds Disciplined Value Mid Cap Fund Class R6</p>	<p><i>Large Blend</i> Fidelity® Total Market Index Fund</p> <p><i>Small Blend</i> BNY Mellon Small Cap Value Fund Class I</p>	<p><i>Large Growth</i> Fidelity® Growth Company Fund – Class K</p> <p><i>Mid Growth</i> Artisan Mid Cap Fund Institutional Class</p> <p><i>Small Growth</i> Hood River Small-Cap Growth Fund Class Institutional</p>	<p><i>Diversified</i> American Funds EuroPacific Growth Fund® Class R-6</p> <p>American Funds New Perspective Fund® Class R- 6</p> <p>Fidelity® International Small Cap Opportunities Fund</p> <p>Fidelity® Total International Index Fund</p> <p><i>Emerging Markets</i> Invesco Developing Markets Fund Class R6</p>

Expense ratio range for these funds as of October 31, 2022: 0.015% to 1.23%

This spectrum, with the exception of the Domestic Stock category, is based on Fidelity's analysis of the characteristics of the general investment categories and not on the actual investment options and their holdings, which can change frequently. Investment options in the Domestic Stock category are based on the options' Morningstar categories as of October 31, 2022. Morningstar categories are based on a fund's style as measured by its underlying portfolio holdings over the past three years and may change at any time. These style calculations do not represent the investment options' objectives and do not predict the investment options' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decisions. The spectrum does not represent actual or implied performance.

Tier 3: Self-Directed Brokerage**

Fidelity BrokerageLink® is a brokerage account inside your Self-Directed Plan that gives you access to many options beyond Tiers 1 and 2. The options available through BrokerageLink® are not monitored by FPPA.

Fidelity BrokerageLink®

- Certificates of deposit (CDs)
- Corporate bonds
- Exchange traded funds (ETFs)
- Foreign securities (through American Depository Receipts)
- Mortgage securities
- Mutual funds available through Fidelity FundsNetwork®
- Stocks
- Unit investment trusts (UITs)
- U.S. government agency bonds
- U.S. Treasury securities
- Zero-coupon bonds

Additional fees may apply

Review the Commission Schedule at [netbenefits.com](https://www.netbenefits.com). Click *Quick Links*, then select *BrokerageLink*.

*Tier 2: Core Funds:

Stock markets, especially foreign markets, are volatile and can decline significantly in response to adverse issuer, political, regulatory, market or economic developments.

Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments. This risk includes political and economic uncertainties of foreign countries, as well as the risk of currency fluctuation.

In general, the bond market is volatile and bonds entail interest rate risk (as interest rates rise bond prices usually fall and vice versa). This effect is usually pronounced for longer-term securities. Bonds also entail the risk of issuer default, issuer credit risk and inflation risk.

Lower-quality debt securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer.

Investments in smaller companies may involve greater risk than those in larger, more well-known companies.

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. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Fidelity Investments and its affiliates, the fund's sponsor, have no legal obligation to provide financial support to money market funds and you should not expect that the sponsor will provide financial support to the fund at any time.

Fidelity's government and U.S. Treasury money market funds will not impose a fee upon the sale of your shares, nor temporarily suspend your ability to sell shares if the fund's weekly liquid assets fall below 30% of its total assets because of market conditions or other factors.

**Tier 3: Self-Directed Brokerage:

BrokerageLink includes investments beyond those in your plan's lineup. You should compare investments and share classes that are available in your plan's lineup with those available through BrokerageLink, and determine the available share class that is appropriate for your situation. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.

Sample asset mixes

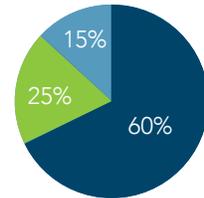


Huan

Aggressive growth behavior

I'm a confident investor with years to go before I even begin to think about retiring. I have time to let my money work for me, so I'm not bothered by the stock market's ups and downs. I'm looking for significant potential growth.

Here's my mix.

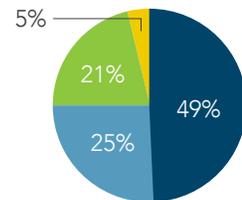


Jaime

Growth investor

I like investing, but I'm in the back half of my career and my family isn't comfortable with risk. So, while I can handle the market's ups and downs, I like to mix in bonds and short-term investments to help offset the risk.

Here's my mix.

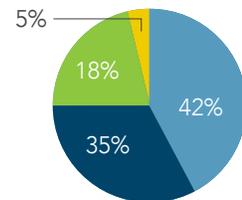


Morgan

Growth with income investor

I'm looking for potential growth, so I'm okay with some ups and downs in the market. Still, my retirement is less than 10 years away, so these days I'm looking for some growth with protection from market swings.

Here's my mix.

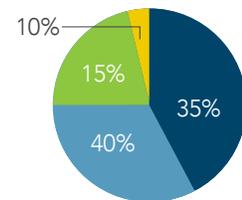


Lashawn

Balanced investor

Retirement is around the corner and my priorities have shifted. I know I need to hold a few stocks to continue to have some growth potential. But I don't have the stomach for the market's ups and downs now. I like a balance of stocks and bonds.

Here's my mix.



U.S. stock
 Bond
 Foreign stock
 Short-term investments

Hypothetical employee profiles are for illustration only. Your own experience will differ. The purpose of the target asset mixes is to show how target asset mixes may be created with different risk and return characteristics to help meet a participant's goals. As a possible starting point for either your retirement or nonretirement goals, the target asset mix (TAM) is based on a measure of your time horizon. The measure of time horizon and the available default TAMs will vary by goal type. Time horizon for retirement goal type is defined as the difference between Current Year and Retirement (Goal Start) Year. Please note that this time horizon-based default TAM is just a starting point for you to begin consideration of the appropriate asset allocation. You should choose your own investments based on your particular objectives and situation. Remember, you may change how your account is invested. Be sure to review your decisions periodically to make sure they are still consistent with your goals. You should also consider any investments you may have outside the plan when making your investment choices.

How to get started with your plan

Three steps. Two minutes. That's all it takes to get started with your FPPA Self-Directed Plan(s).

1 Enroll in your FPPA Self-Directed Plan

The sooner you start saving, the sooner you can put your money to work for you. Go to netbenefits.com/FPPA and select *Start Now*. Confirm your identity and follow the simple steps to establish your online access for your Self-Directed Plan. Alternatively, you can enroll by phone at **800-343-0860**.

2 Choose your investments

You can invest your contributions in your Self-Directed Plan's default fund—a Vanguard Target Retirement Trust II based on your date of birth—or choose your own mix of funds. Or consider enrolling in Fidelity® Personalized Planning & Advice to have professionals manage your retirement investments.

3 Designate a beneficiary

While you're enrolling, add a beneficiary to your account. Be sure to take this step for every account—beneficiary designations do not automatically carry over from one plan to another, or from FPPA accounts to Fidelity accounts. On NetBenefits®, select *Profile*, then *Beneficiaries* and add the names of the people you want to receive your money in the event of your death.



Where to go for help



Want to explore the investments available in FPPA's Self-Directed Plans?

Sign in to netbenefits.com/FPPA and select *Investment Performance and Research* in the *Quick Links* menu.



Want professional account management?

Sign in to netbenefits.com/FPPA or call Fidelity at **800-642-7131** and ask for Fidelity Personalized Planning & Advice.



Need to adjust your investments?

Sign in to netbenefits.com/FPPA and select *Change Investments* in the *Quick Links* menu.



Have questions?

Call Fidelity at **800-343-0860** for quick answers or help enrolling.

A mutual fund expense ratio is the total annual fund or class operating expenses (before waivers or reimbursements) paid by the fund and stated as a percentage of the fund's total net assets. For other types of investments, the figure in the expense ratio field reflects similar information, but may have been calculated differently than for mutual funds. Mutual fund data comes from the fund's prospectus. For non-mutual fund investment options, the information has been provided by the plan sponsor, the investment option's manager, or the trustee. When no ratio is shown for these options, it is because none was available. There may be fees and expenses associated with the investment option. Expense information changes periodically. Please consult netbenefits.com for updates.

Investing involves risk, including the risk of loss.

Before investing in any mutual fund, consider the funds' investment objectives, risks, charges, and expenses. Contact Fidelity for a prospectus or, if available, a summary prospectus containing this information. Read it carefully.

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