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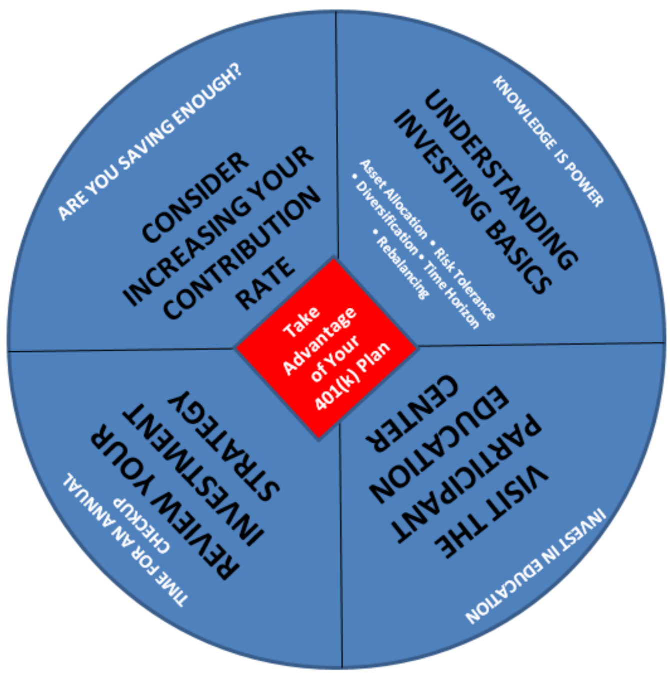
PARTICIPANT INSIGHT

RESOLUTION FOR 2019: TAKE ADVANTAGE OF YOUR RETIREMENT PLAN

Now that 2019 is underway and you are getting started on keeping those New Year's resolutions or may be have broken one already, it is a good time to look at your retirement account and resolve to TAKE ADVANTAGE OF YOUR 401(k) PLAN. Here are some thoughts on ways to keep to that resolution in 2019.



CONSIDER INCREASING YOUR CONTRIBUTION RATE

Proactive management of your retirement planning is one of the keys to working towards your long-term goals. Early in the year is a good time to consider increasing your 401(k) contribution rate**.**

You might be surprised at the impact a small change can have on your total savings. See the hypothetical chart on the next page which shows how an annual 1% increase in your contribution rate may impact your account over time. If you determine that you want to increase your contribution rate, complete and return a new Salary Deferral Agreement to your employer.

REVIEW YOUR INVESTMENT STRATEGY

It's a good idea to review your investment allocation at least once a year --especially if there have been major shifts in the economic environment, a change in your personal financial

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IRS RETIREMENT PLAN LIMITS FOR 2019

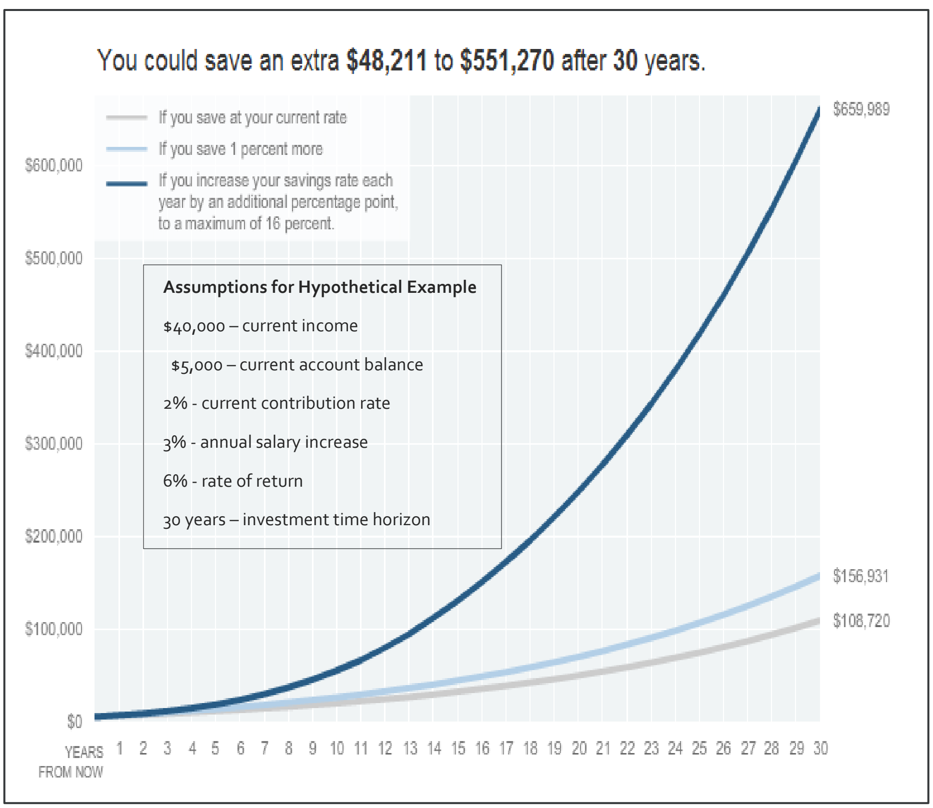
INCREASE IN SALARY DEFERRAL AND MAXIMUM CONTRIBUTION LIMITS

The 401(k) contribution, maximum compensation and maximum overall contribution limits increased for 2019.

Participants in 401(k) plans can now contribute up to $19,000 in salary deferral contributions (their own pre-tax and/or Roth 401(k) contributions), subject to any plan limitations. Participants who are age 50 or over in 2019 can contribute an additional $6,000 in catch-up 401(k) contributions.

IRS Benefit & Contribution Limits

Category	2019	2018	2017	2016	2015
Annual Compensation Limit	280,000	275,000	270,000	265,000	265,000
Annual Contribution Limit*	56,000	55,000	54,000	53,000	53,000
401(k) Elective Deferrals**	19,000	18,500	18,000	18,000	18,000
401(k) Catch-up	6,000	6,000	6,000	6,000	6,000
SIMPLE 401(k) Deferrals	13,000	12,500	12,500	12,500	12,500
SIMPLE 401(k) Catch-up	3,000	3,000	3,000	3,000	3,000
SIMPLE 401(k) Non-Elective	5,600	5,500	5,400	5,300	5,300
SIMPLE 401(k) Match†	8,400	8,250	8,100	7,950	7,950
SIMPLE IRA Deferrals	13,000	12,500	12,500	12,500	12,500
SIMPLE IRA Catch-up	3,000	3,000	3,000	3,000	3,000
SIMPLE IRA Non-Elective	5,600	5,500	5,400	5,300	5,300
SIMPLE IRA Match†	13,000	12,500	12,500	12,500	12,500
Traditional or Roth IRA Limit	6,000	5,500	5,500	5,500	5,500
IRA Catch-up	1,000	1,000	1,000	1,000	1,000
Highly Compensated Employee	125,000	120,000	120,000	120,000	120,000
Key Employee Officer Compensation	180,000	175,000	175,000	170,000	170,000
Key Employee 1% Owner Compensation	150,000	150,000	150,000	150,000	150,000
Social Security Taxable Wage Base	132,900	128,400	127,200	118,500	118,500



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2019 Resolutions

situation, or new investment options are available to you in your retirement plan. Visit axa.com/ada, Participant Log-in and access information on all the available investment options as well as educational materials to help you review your investment strategy. You can also view account and change your investment allocation for future contributions or transfer assets among the available investment options.

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Is it possible to become a Retirement Plan Millionaire?

Sure it is. However, it is important to note that every participant should set their own retirement plan goals based on their individual financial circumstances and expected retirement lifestyle. Having said that, it is certainly possible to accumulate $1 million in your retirement account, but how? Start as early as you can, consider increasing your contribution rate over time and develop an investment strategy, within your risk tolerance, that provides a solid, market return over the long term and it is attainable.

According to Fidelity investments, there were 168,000 401(k) plan millionaires in the retirement plans they administer alone, as of the second quarter of 2018, an all-time high. Fidelity's research also showed that the average contribution rate in their retirement plans is now 8.6%. Below are a few hypothetical cases of how participants, at various ages, can become retirement plan millionaires. It should be noted that the earlier a participant starts making contributions the more time their money has an opportunity to grow. Accordingly, the 25-year old had to save $5,550 each year, while the 35-year old had to save $10,600 to reach the $1 million goal. These examples assume the participants are making 401(k) contributions to their accounts, without any additional contributions from the employer. If the employer is making contributions as well, like a matching and/or profit sharing contribution, then that will increase the chances of a participant reaching their retirement goal.

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Hypothetical Case 1

45-Year Old Participant in a 401(k) Plan

Assumptions

- Plan balance at 45 - $75,000
- 6% Annual Return
- $16,300 in savings per year

If a 45-year old participant with a $75,000 401(k) plan account balance starts saving $16,300 per year assuming a 6% return they will have a balance of just over $1 million when they reach age 67.

Hypothetical Case 2

25-Year Old Employee just starting in a 401(k) Plan

Assumptions

- Zero Balance
- 6% Annual Return
- $5,550 in savings per year

If a participant starts saving when they are 25 years old and saves $5,550 per year assuming a 6% return they will have a balance of $1,007,980 when they reach age 67.

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Retirement Plan Millionaire

These examples assume the participants are making 401(k) contributions to their accounts, without any additional contributions from the employer. If the employer is making contributions as well, like a matching and/or profit sharing contribution, then that will increase the chances of a participant reaching their retirement goal. If the employer is offering a matching contribution, a participant should consider contributing at least enough to get the full match. For example, if employer has a matching formula of 100% of the first 3% you contribute plus an additional 50% between 3% and 5% (the standard safe harbor 401(k) plan matching formula), a participant should consider contributing at least 5% of their salary since the employer will then make a 4% matching contribution to their account as well for a total of 9% savings.

Whatever their retirement goal, the best way for a participant to attain their goal is to start early, save consistently with annual increases, if possible, and develop and maintain an investment strategy that is in line with their risk tolerance and time horizon. The program website, axa.com/ada, Account Access/Participant Log In, has more educational information designed to assist participants in planning, saving and investing for retirement.

Hypothetical Case 3

35-Year Old Employee just starting in a 401(k) Plan

Assumptions

- Zero Balance
- 6% Annual Return
- $10,660 in savings per year

IF A PARTICIPANT STARTS SAVING WHEN THEY ARE 35 YEARS OLD AND SAVES $10,600 PER YEAR ASSUMING A 6% RETURN THEY WILL HAVE A BALANCE OF $1,000,090 WHEN THEY REACH AGE 67.

The examples above are hypothetical and do not represent the performance of any fund. Regular investing does not guarantee a profit or protect against a loss in a declining market. Initial tax savings on contributions and earnings are deferred until distribution. The assumed 6% rate of return shown here for illustrative purposes is entirely hypothetical and is not indicative of the performance of any particular investment or financial product.

Withdrawals from tax-deferred products are subject to normal income tax treatment and if taken prior to age 59 ½ may be subject to an additional 10% federal income tax penalty. Please keep in mind that rates of return will vary over time, particularly for long term investments. Investments offering the potential for higher rates of return also involve a higher degree of risk. This example does not take into account the effect of investment management fees, product-related fees, withdrawals, or taxes.

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Resolutions in 2019

UNDERSTANDING INVESTING BASICS

Understanding investment basics can help you to develop your investment strategy and maintain it over your working career. Look to the right for definitions of some important terms that may provide you a basic understanding of investing.

Asset Allocation, diversification, risk tolerance, time horizon, rebalancing. These are just some of the concepts that will provide you with a foundation on which you can build your investment strategy.

The program has a full range of investment choices to help you build an investment strategy, whether you are just getting started or nearing retirement, an aggressive investor or are risk averse, or want a one-stop approach or are more of a do-it-yourselfer.

The program website has more information on these investing principles including materials that include more in-depth discussions of these investing basics and model portfolios based on risk tolerance. You will also find detailed descriptions of each of the options, including performance and fee information.

ITEMS TO CONSIDER WHEN DEVELOPING YOUR INVESTMENT STRATEGY

A. Am I diversified enough?
B. Am I following my investment strategy?
C. Have I considered all the investment risks?

The program website will show you the breakdown of your account by asset class. You can also see your YTD personalized rate of return and have the ability to set up automatic rebalancing on your account so your assets will be periodically adjusted as per your instructions. It can be an excellent way to automatically maintain your investment strategy.

Below are definitions of basic investing terms that can help you develop your investment strategy.

- **Asset Allocation** – Investing money in different investment types; stocks, bonds, cash equivalent investments.

- **Diversification** – The practice of spreading money among different investments to reduce risk. By picking the right group of investments, you may be able to reduce the fluctuations of investment returns without sacrificing too much potential gain.

- **Investment Mix** – The make-up of your investment portfolio. The investment mix that is right for you depends upon your financial situation, risk tolerance, and time horizon.

- **Risk Tolerance** – An investor's ability to handle declines in the value of his/her portfolio. Risk tolerance categories generally include aggressive, moderate, or conservative. An aggressive investor, or one with a high-risk tolerance, is more likely to risk losing money in order to get better results. A conservative investor, or one with a low-risk tolerance, tends to favor investments that will preserve his or her original investment.

- **Time Horizon** – The length of time a sum of money is expected to be invested to meet your financial goal. It is also called investment horizon or horizon.

- **Rebalancing** - Rebalancing is bringing your portfolio back to your original asset allocation mix. This is necessary because over time some of your investments may become out of alignment with your investment goals. You'll find that some of your investments will grow faster than others. By rebalancing, you'll ensure that your portfolio does not overemphasize one or more asset categories, and you'll return your portfolio to a comfortable level of risk.

All investments are subject to market risk, will fluctuate and may lose value. Diversification, asset allocation and rebalancing do not guarantee a profit or protect against loss in a declining market.

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