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**Fund Type**

Asset Allocation

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**Asset Class**

Target Risk

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**Benchmarks**

S&amp;P 500

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**Investment Managers**

AJO LP

AllianceBernstein

Arrowstreet Capital LP

Dimensional Fund Advisors LP

Frontier Capital Management Co LLC

Galliard Capital Management Inc

Loomis Sayles / Wells Fargo

Mercer Investment Consulting, Inc

Northern Trust Investments Inc

PIMCO

Winslow Capital Management LLC

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**Fees**

Gross Expense Ratio: 0.30% as of 12/31/2019

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**Turnover Ratio**108.44% as of 12/31/2019

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# Conservative Income Fund

## Investment Objective and Strategy

The Fund seeks maintaining the risk lower than any Target date Fund. The Fund is a fund with a diversified portfolio comprised of core investment funds available in the LSC Savings Plan. This Fund is intended for you if you want a conservative portfolio with equity risk maintained lower than any Target Date Fund.

The Conservative Income Fund is a fund with a diversified portfolio comprised of core investment funds available in the LSC Savings Plan. This Fund is intended for you if you want a conservative portfolio with equity risk maintained lower than any Target Date Fund. The Conservative Income Fund asset allocation of core investment funds is established by an investment manager and is rebalanced periodically back to that asset allocation. Please note that the Conservative Income Fund is classified as a "target risk fund" vs. a "target date fund". A target risk fund is 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. Regardless of the label applied, the intent is to offer a relatively constant level of risk exposure to investors. This allows investors who are considered highly risk averse to identify and select a fund of funds that has a conservative risk exposure target, and once invested in the fund, remain confident that their level of risk exposure will not change substantially.

## Principal Risks

There are risks involved with investing, including possible loss of principal. Risks associated with the Conservative Income Fund (target risk fund) include, but are not limited to, the risk contained in the underlying Funds that the Target Risk Fund invests in. You should refer to each underlying Fund's Disclosure Document for a complete description of the risks of investing in the Fund. Participants should consider, in addition to their age or date of retirement, other factors, including risk tolerance, personal circumstances, and financial situation. Investments in the Conservative Income Fund is not guaranteed and it is possible to lose money by investing in the Conservative Income Fund. Risk management does not promise any level of performance or guarantee against loss of principal.

## Portfolio Asset Description

Stable Value Fund	26.65%
Fixed Income Core Plus Fund	26.65%
Treasury Inflation Protected Securities Index Fund	6.66%
All Country World ex-US Index Fund	7.41%
Large Cap Core Index Fund	11.67%
Emerging Markets Multi-Asset Fund	4.65%
Diversified Real Asset Fund	4.00%
Small-Mid Cap Core Index Fund	3.28%
International Core Index Fund	1.23%
Large Cap Value Fund	1.95%
Large Cap Growth Fund	1.95%
Small Cap Value Fund	0.54%
Small-Mid Cap Growth Fund	0.54%
Real Estate Investment Trust Fund	2.82%

## Fee and Expense Information

The Fund's total annual operating expenses, expressed as a percentage (the Fund's "expense ratio") are shown in the box titled "Fees." The total annual operating expenses of the Fund for a one-year period, expressed as a dollar amount for a \$1,000 investment (assuming no investment returns and based on the Fund's expense ratio is \$3.00.

Keep in mind that fees and expenses are only one of several factors that you should consider when making investment decisions. Also, the cumulative effect of fees and expenses can substantially reduce the growth of your retirement account. You can visit the Employee Benefit Security Administration's Web site at [http://www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html) for an example demonstrating the long-term effect of fees and expenses.

## Fund Performance Data

The average annual total return of the Fund for 1-, 5-, and 10-calendar year periods (or for the life of the alternative, if shorter) ending on the date of the most recently completed calendar year may be found on the Fund Information page by logging onto this Web site, [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant). Such information is incorporated by reference into this document.

## Information Available on Internet

The following information for each Fund may be obtained at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant). To the extent not already included, such information is incorporated by reference into this document.

- The name of the Fund's manager or issuer;
  - The Fund's investment objectives or goals;
  - The Fund's principal strategies (including a general description of the types of assets held by the investment) and principal risks;
  - The Fund's portfolio turnover rate;
  - The Fund's performance data described above, updated on at least a quarterly basis; and
  - The Fund's fee and expense information.
- To help you understand your options, a glossary of investment terms is available at [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant) in the Learning Center.

You may also obtain, free of charge, paper copies of any of the above information by calling 844-243-4773.

## Information Available Upon Request

You may also obtain the following additional information about a Fund by calling 844-243-4773:

- Copies of prospectuses (or, alternatively, any short-form or summary prospectus, the form of which has been approved by the Securities and Exchange Commission) for the disclosure of information to investors by entities registered under either the Securities Act of 1933 or the Investment Company Act of 1940, or similar documents relating to Funds that are provided by entities that are not registered under either of these Acts;
- Copies of any financial statements or reports, such as statements of additional information and shareholder reports, and of any other similar materials relating to a Fund, to the extent such materials are provided to the Plan;
- A statement of the value of a share or unit of each Fund, as well as the date of the valuation; and
- A list of the assets comprising the portfolio of each Fund which constitute "plan assets" within the meaning of 29 CFR § 2510.3-101 and the value of each such asset (or the proportion of the investment which it comprises).

Fund performance history may be found either in the Annual Fee Disclosure Statement delivered to you by The LSC Savings Plan, or on the Fund Information page by logging onto this [www.empower-retirement.com/participant](http://www.empower-retirement.com/participant). Such information is incorporated by reference into this document. This document is part of a prospectus covering securities that have been registered under the Securities Act of 1933.

*The disclosures at the end of this document are included by Empower Retirement™ to fulfill regulatory requirements and are informational only. They are intended so participants can make informed decisions regarding their contributions to, and investments in, the Plan.*

*The Conservative Income Fund is not a registered investment product but a separate account created specifically for the Plan. Separate accounts are not required to file a prospectus or registration statement with the SEC and accordingly neither is available. The fund is managed by Mercer Investment Consulting, Inc. Mercer Investment Consulting, Inc is not affiliated with Great-West Financial Retirement Plan Services, LLC.*

*Asset allocation and balanced investment options and models are subject to the risks of the underlying funds, which can be a mix of stocks/stock funds and bonds/bond funds. For more information, see the prospectus and/or disclosure documents.*

*The turnover ratio has been calculated using the weighted average of the turnover ratios for the underlying core funds that make up this fund.*

*Expense ratios provided are the funds' total annual operating expense ratios, gross of any fee waivers or expense reimbursements.*

*Core securities, when offered, are offered through GWFS Equities, Inc. and/or other broker dealers. GWFS Equities, Inc., Member FINRA/SIPC, is a wholly owned subsidiary of Great-West Life & Annuity Insurance Company.*