

Retirement Income Fund*



Overview

The MERS Retirement Income Fund is designed for those participants who have already retired. As a target-date fund, the Strategy is a complete, diversified investment program that gradually shifts to a more conservative approach as you move closer to and through retirement.

Objective

The objective for each Retirement Strategy Fund is to achieve the highest total return over time combined with an appropriate level of risk that is consistent with its asset mix, as described below.

Investment Strategy

- A diversified portfolio of stocks and bonds built for retired investors
- The Fund has reached its final asset allocation. The Fund's target investment mix is 25% stocks, 7% diversifiers (includes infrastructure and global real estate investment trusts (REITs)) and 68% bonds
- Invests up to 10% of the Strategy's total assets in global real estate investment trusts (REITs) and infrastructure, which may provide diversification and inflation mitigation

Primary Investments

- Equity holdings are diversified across investment styles, company sizes and geographic regions
- The fixed-income portion of the Strategy invests primarily in investment-grade bonds, but may also include high-yield bonds, short-duration and inflation protected securities (TIPS)

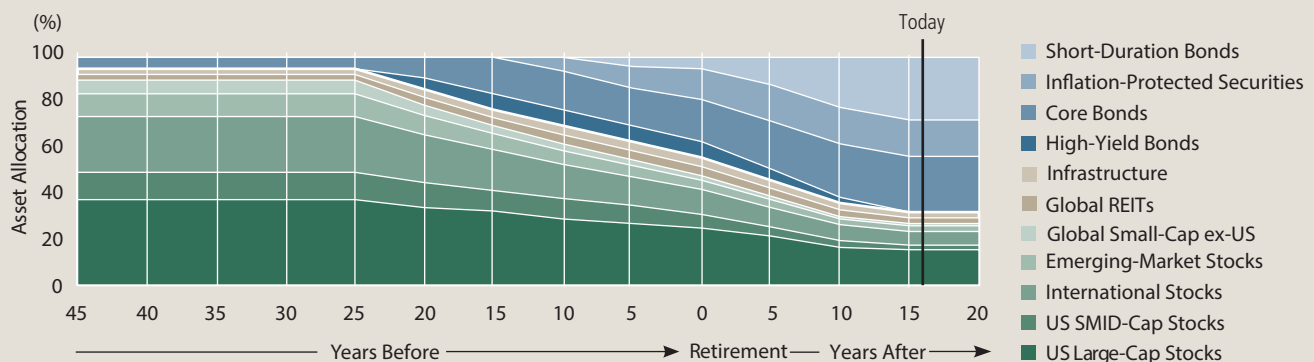
*Formerly the 2005 Retirement Strategy

Manager Summary

AllianceBernstein is the investment manager for the Retirement Strategies and is responsible for each fund's asset allocation, cash-flow management, rebalancing, and other investment-related services.

The investment portfolios underlying the Retirement Strategies were selected by MERS and are managed by State Street Global Advisors (SSGA).

Investments Become More Conservative Over Time



A Word About Risk

- **Market Risk:** The market values of the portfolio's holdings rise and fall from day to day, so investments may lose value.
- **Interest Rate Risk:** Fixed-income securities may lose value if interest rates rise or fall—long-term securities tend to rise and fall more than short-term securities. The values of mortgage-related and asset-backed securities are particularly sensitive to changes in interest rates due to prepayment risk.
- **Credit Risk:** A bond's credit rating reflects the issuer's ability to make timely payments of interest or principal—the lower the rating, the higher the risk of default. If the issuer's financial strength deteriorates, the issuer's rating may be lowered and the bond's value may decline.
- **Allocation Risk:** Allocating to different types of assets may have a large impact on returns if one of these asset classes significantly underperforms the others.
- **Foreign (Non-US) Risk:** Investing in non-US securities may be more volatile because of political, regulatory, market and economic uncertainties associated with such securities. These risks are magnified in securities of emerging or developing markets.
- **Currency Risk:** If a non-US security's trading currency weakens versus the US dollar, its value may be negatively affected when translated back into US dollar terms.
- **Capitalization Size Risk (Small/Mid):** Small- and mid-cap stocks are often more volatile than large-cap stocks—smaller companies generally face higher risks due to their limited product lines, markets and financial resources.

Investment Products Offered • Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed

Investing in a target date fund does not guarantee sufficient income in retirement.

Average Annualized Total Returns*

| | Periods Ended 09/30/21 | | | | | | Total Expense Ratio [†] |
|---------------------------------------|------------------------|--------|---------|---------|----------|-----------------|----------------------------------|
| | Qtr. | 1 Year | 3 Years | 5 Years | 10 Years | Since Inception | |
| Retirement Income Fund | -0.06% | 8.68% | 6.63% | 5.46% | 5.33% | 4.67% | 0.37% |
| Retirement Income Composite Benchmark | 0.15 | 9.24 | 6.91 | 5.78 | 5.71 | 5.03 | |

*The Strategy's inception date is 01/24/11. Performance is presented net of fees. Periods less than one year represent cumulative returns.

[†]The Total Expense Ratio includes management fees of approximately 0.10-0.12%, MERS operating costs of 0.15%, and custody and recordkeeping fees of 0.13%

Portfolio Construction

| Asset Class | Fund Name | Fund Manager | Actual % of Portfolio |
|--|--|--------------|-----------------------|
| Stocks | | | 26.47% |
| US Large-Cap Stocks | State Street S&P 500 Index NL Series Fund | SSGA | 15.18 |
| US Mid-Cap Stocks | State Street S&P Mid Cap Index | SSGA | 0.98 |
| US Small-Cap Stocks | State Street Russell Small Cap Index NL Series Fund | SSGA | 0.99 |
| International Stocks (Developed) | State Street International Index NL Series Fund | SSGA | 5.86 |
| International Stocks (Small Cap ex US) | State Street Global Small Cap Equity ex US Index | SSGA | 0.99 |
| Emerging Market Stocks | State Street Emerging Markets Index | SSGA | 2.47 |
| Other | | | 4.96 |
| Global REITs | State Street Global Liquid Real Estate Securities Index NL Series Fund | SSGA | 2.44 |
| Infrastructure | State Street S&P Global Infrastructure Index NL Series Fund | SSGA | 2.52 |
| Bonds | | | 68.54 |
| Short Duration Bonds | State Street US Short Term Gov't/Credit Bond Index NL Series Fund | SSGA | 27.72 |
| Core Bonds | State Street US Bond Index NL Series Fund | SSGA | 24.64 |
| Inflation-Protected Securities | State Street 1-10 Year US Treasury Inflation Protected Securities Index NL Series Fund | SSGA | 16.18 |
| Total | | | 100.0 |

Actual allocations will change over time. Column may not sum due to rounding.

Portfolio Turnover Rate 22% (as of 12/31/2020)

Other Important Information

Past performance is no guarantee of future results.

The benchmark for the Retirement Income Fund is a customized benchmark that has the same target asset allocation as the Strategy does and uses index returns to represent performance of the asset classes. The benchmark returns were calculated by weighting the monthly index returns of each asset class by the Strategy's monthly target allocation for each asset class. Target allocations adjust quarterly in accordance with the Retirement Income Fund's standard glide path. The S&P 500 Index was used to represent the allocation to US large-cap stocks, S&P MidCap 400 Index to represent the allocation to US mid-cap stocks, Russell 2000 Index to represent US small-cap stocks, MSCI EAFE Index to represent international stocks (developed), MSCI ACWI ex USA Small Cap Index to represent international stocks (small-cap ex US), MSCI Emerging Markets Index to represent emerging-market stocks, FTSE EPRA Nareit Developed Liquid Index to represent global REITs, Bloomberg Commodity Total Return Index to represent commodities, Bloomberg US High-Yield Very Liquid Bond Index to represent high-yield bonds, Bloomberg US Government/Credit Bond Index to represent short-duration bonds, Bloomberg US Aggregate Bond Index to represent core bonds, and Bloomberg US Government Inflation-Linked Bond 1-10 Year Index to represent inflation-protected securities.

Source: Bloomberg, FTSE, MSCI, Russell Investments and S&P

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Excessive or Short-Term Trading Policy: AllianceBernstein has adopted procedures designed to detect and deter excessive or short-term trading (sometimes referred to as market timing) in the Strategy. If AllianceBernstein determines that a participant has engaged in excessive or short-term trading, it may ask the plan to restrict that participant's ability to trade in the Retirement Strategy. For more information about AllianceBernstein's excessive trading policy, please contact your Plan Administrator.

The Retirement Income Fund is a daily priced separate account that invests in a set of underlying collective investment trusts. These collective investment trusts are not mutual funds, and their units are not deposits of AllianceBernstein and are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency. The units of the underlying collective trusts are securities which have not been registered under the Securities Act of 1933 and are exempt from investment company registration under the Investment Company Act of 1940. Therefore, participating retirement plans and their participants will not be entitled to the protections under these Acts. State Street Bank and Trust company is the trustee and manager of the underlying collective trusts. AllianceBernstein is an investment advisor to MERS and also provides customized processing services.

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