

Empower S&P 500[®] Index Separate Account

Frequently Asked Questions

What is this fund?

This is an Empower Annuity Insurance Company (EAIC) separate account sub-advised by BlackRock Financial Management, Inc. The Fund seeks to provide long-term growth of capital by approximating the performance of the Standard & Poor's Composite 500 Index (the "Index"). The separate account invests in individual securities based on this strategy.

What is the fund's investment objective?

This fund seeks investment results that track the total return of the common stocks that comprise the Standard & Poor's ("S&P") 500[®] Index and is sub-advised by BlackRock.

Which party executes the trades for the ISA?

BlackRock is the subadvisor for the fund and executes all trades associated with the ISA.

Does a zero-expense ratio really mean no expenses?

This is truly a zero-cost fund. Empower has made the decision to absorb all costs paid by the fund, including subadvisory fees and operating expenses. The fund will be available at zero cost to Empower Workplace clients. There are no hidden fees or expenses, and investors will receive the full return of the underlying investment portfolio.

How are fees reimbursed to the fund?

The subadvisor fees and operating expenses associated with the cost of running the fund are billed directly to EAIC and never pass through the fund.

Are the fees being made up in other areas?

We are not increasing fees in any other areas in order to recoup the fees associated with offering this fund at a zero-expense ratio.

Are there any provisions in the contract that permit Empower to start charging fees at any point in time?

No

Is there an ability for Empower to claw-back fees in the future?

No

Has a zero-cost fund ever been offered before?

While a small number of other firms have created zero-expense funds in the past, Empower is the first to offer a zero-expense fund to defined contribution plan participants.

What clients can access this no-cost fund?

All Empower Workplace clients that qualify for ISA investment can access this fund. That includes 401(a), 401(k), Governmental 457(b), and Defined Benefit plans. 403(b) plans and EPW clients currently do not qualify due to restrictions of the Institutional Separate Account structure. Note that this fund is only available to Empower Workplace clients and is not available on any other retirement platforms.

Are there minimums to invest in the fund?

No, there is no minimum investment required to access the fund.

Does this fund participate in securities lending?

No, the Empower S&P 500 Index Separate Accounts does not participate in securities lending. Should securities lending be made available all proceeds, net of third-party expenses, would be retained by fund shareholders.

Is there a commission recapture program in place?

This separate account does participate in a commission recapture program. The commission recapture reduces the operating expenses associated with the fund which Empower is paying in full in order to offer this fund at a zero expense ratio.

Why is Empower doing this?

Empower recognizes the popularity of S&P 500® Index funds within the DC space, as well as the complementary nature of this offering opposite the remaining Empower Institutional Separate Account platform which represents over 100 strategies and more than \$80 billion in AUM. Empower seeks to provide value to defined contribution investors by offering this no-fee ISA as a means of highlighting the low-cost benefits of the Institutional Separate Account structure.

Can Empower replace BlackRock as the subadvisor for this fund?

This is part of the Institutional Select (iSelect) platform where EAIC validates continued soundness of the investment manager but assumes no fiduciary obligation to monitor the firm and strategy on behalf of clients. In an unlikely event of a legitimate regulatory or reputational risk, EAIC reserves the right to intervene in the best interest of investors.

How is the rebalancing of the fund handled as it relates to the index?

The S&P 500® Index is rebalanced on a quarterly basis and the fund is rebalanced consistently with the index. BlackRock's goal is to always track the index as closely as possible from a holdings and performance perspective as it relates to the S&P 500® Index product.

What are the termination provisions for a client who remains on the Empower recordkeeping platform, but wishes to terminate the Empower S&P 500 Index Separate Account?

This would follow the typical fund change process, there are no restrictions preventing the removal of the strategy.

What happens if a plan sponsor is invested in the product and terminates Empower as a recordkeeper?

This product is exclusive to Empower and is a benefit of using Empower Recordkeeping services. If a plan discontinues Empower recordkeeping services the plan would need to map to a different S&P 500 Index Fund.

Is there a Morningstar Security ID available for this new separate account?

Yes. The Morningstar security ID is VAUSA0PCA1

Separate accounts are available under group variable annuity contracts issued by Empower Annuity Insurance Company (EAIC), Hartford, CT, an affiliate of Empower Retirement, LLC.

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