# Building a Portfolio for Any Weather



# What you'll learn today



- Determining your investment mix
- Reviewing your plan's investment options
- Staying on track
- Monitoring and rebalancing your portfolio
- Next steps



# Steps to successful portfolio management



2 Determine your appropriate target asset mix

- 3 Identify your investment style
- **4.** Implement your plan

5 Monitor and rebalance your portfolio



# **Investment mix and diversification**



## Investment mix

- Percentage of:
  - Stocks
  - Bonds
  - Short-term

# Diversification

- Investing in different types of:
  - Stocks
  - Bonds
  - Short-term investments

Neither diversification nor asset allocation ensures a profit or guarantees against a loss.



# Your mix of investments is one of your most important decisions

Spreading your investments strategically among the three main investment types can help you:



- Reduce portfolio risk and volatility
- Match your investment strategy to your time horizon, financial situation, and risk tolerance
- Enhance potential for increased and more consistent returns
- Tap into market opportunities
- Avoid the pitfalls of market timing

Up to 91.5% of variations in returns can be attributed to asset allocation.\*

Past performance is no guarantee of future results, and results may vary depending on market conditions and an individual's particular asset allocation and security allocation.



# In the short term



- Money market, T-bills, CDs
- Relatively stable value
- Potential to pay interest
- Lower risk, lower potential return

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Unlike most FDIC-insured CDs and bank products, a money market fund's yield and return will vary. An investment in the fund is not insured or guaranteed by the U.S. government.



# What about bonds?



I.O.U.s

Debt securities

- Issued by governments and corporations
- Potential to pay interest
- Moderate risk, moderate potential return







- Share of a company, "equity"
- Potential to pay dividends
- Long-term growth potential
- Value can go up and down
- Higher risk, higher potential return



# Types of risk

Inflation risk		Investment risk
Short-term investments	Bonds	Stocks
<ul> <li>Relatively stable value</li> <li>Potential to pay interest</li> <li>Lower risk, lower potential return</li> </ul>	<ul> <li>Potential to pay interest</li> <li>Moderate risk, moderate potential return</li> </ul>	<ul> <li>Long-term growth potential</li> <li>Value can go up and down</li> <li>Higher risk, higher potential return</li> </ul>





Data Source: Ibbotson Associates, 2011 (1961–2010). Past performance is no guarantee of future results. The asset class (index) returns reflect the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or future performance of any investment option. It is not possible to invest directly in a market index. Stocks are represented by the Standard and Poor's 500 Index (S&P 500<sup>®</sup> Index). The S&P 500<sup>®</sup> Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance. Bonds are represented by the U.S. Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income. Short-term instruments are represented by U.S. Treasury bills, which are backed by the full faith and credit of the U.S. government. Inflation is represented by the Consumer Price Index, (CPI) is a widely recognized measure of inflation, calculated by the U.S. government. Stock prices are more volatile than those of other securities. Government bonds and corporate bonds have more moderate short-term price fluctuations than stocks but provide lower potential long-term returns. U.S. Treasury bills maintain a stable value (if held to maturity), but returns are only slightly above the inflation rate. 457643.6.0

Financial Engines – Coming to NetBenefits for CPChem in Late 2011 An independent, user-friendly one-stop-shop for financial advice

# Retirement Help for Life®



Savings

Help participants save adequately for retirement.



Investing

Properly diversify and manage risk-appropriate portfolios.



### Retirement Income

Help identify how much income they'll need to reach their goal.

# It's more than asset allocation. It's a personal Retirement Plan to keep participants on track.

Advisory services, including Professional Management and Online Advice, are provided only by Financial Engines Advisors L.L.C., a federally registered investment advisor and wholly owned subsidiary of Financial Engines, Inc. Financial Engines is not affiliated with Fidelity Investments or its affiliates. Financial Engines does not guarantee future results. Advisory services may include a fee. For specific fee information please refer to the applicable terms and conditions.





# Retirement Help for Life® – How it works

#### Retirement Evaluation For everyone\*



#### Online Advice You do the work



### **Professional Management**

We do the work





"May exclude "Insiders" under applicable regulations and non-U.S. participants.

### Online Advice You do the work

## Online access to:

- A personalized Retirement Plan, complete with an investments, savings and retirement income plan
- · Easy to use forecasting tools to help prepare for your future
- Expert recommendations to help reach your goals
- Retirement Updates to keep you informed
- · Call center support if you have questions





# Finding the right fit



For illustrative purposes only.

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. 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.

The target asset mixes presented in this publication were developed by Strategic Advisers, Inc., a registered investment adviser and Fidelity Investments company, based on the needs of a typical retirement plan participant. Strategic Advisoers, Inc. is adjusting its target asset mixes, as of November, 2009, to increase the percentage of international equity to 30% of the overall equity portion of each target asset mix.







# Spreading your investment dollar among and within the various investment types may help you:

- take advantage of market conditions
- protect against downturns

Diversification does not ensure a profit or guarantee against loss. The value of securities of smaller issuers may be more volatile than those of larger issuers. Value stocks can perform differently from the market as a whole. They can remain undervalued by the market for long periods of time. Lower quality securities generally offer higher yields, but also carry more risk. International investments involve greater risk and may offer greater potential return than U.S. investments. These risks include political and economic risks as well as the risk of currency fluctuations, all of which may be magnified in emerging markets. Stock values are more volatile than other securities because they fluctuate in response to the activities of individual companies, and general market and economic conditions. You may have a gain or loss when you sell your shares.





# Diversifying your stocks: market cap and style



StyleMap® depictions of mutual fund characteristics produced using data and calculations provided by Morningstar, Inc. StyleMaps estimate characteristics of a fund's equity holdings over two dimensions: market capitalization and valuation.





More than half of the world's investment opportunities are outside the U.S.

	HOW	ТҮРЕ	
Stocks	By whether they include the U.S.	Global (includes U.S.) International (outside U.S.)	
	By where they invest	Regional (Europe) Country (Japan)	
	By segment of the market	International small cap International bond	



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.



# **The Case for Diversification**



Neither diversification nor asset allocation ensures a profit or guarantees against loss.

Source: FMR Co. & Frank Russell Company, as of 12/31/2010

 Styles are represented by:
 Large Value = Russell® Top 1000 Value, Large Blend = Russell® Top 1000, Large Growth = Russell® Top 1000 Growth.

 Mid Value = Russell® Mid Cap Value, Mid Blend = Russell® Mid Cap, Mid Growth = Russell® Mid Cap Growth.

 Small Value = Russell® 2000 Value, Small Blend = Russell® 2000, Small Growth = Russell® 2000 Growth.

1 year performance numbers are average annual total returns

Investments in smaller companies may involve greater risks than those in larger more well-known companies. 457643.6.0



# Plan Features – Chevron Phillips Chemical Company LP 401(k) Savings and Profit-Sharing Plan

Contributions	Employee Contributions <u>IRS Limits</u> 2011 \$16,500 <u>Catch-up limit</u> 2011 \$5,500	<ul> <li>Through automatic payroll deduction you can contribute between 1% and 40% of your eligible pay as designated Roth contributions, up to the annual IRS dollar limits.</li> <li>Through automatic payroll deduction, you may contribute up to 40% of your eligible pay on either a pretax and/or Roth after tax basis, up to the annual IRS dollar limits.</li> <li>You may also contribute up to 40% of your after tax pay. Combined, however, your total contribution cannot exceed 40% of your eligible pay (16% combined if you are an HCE).</li> <li>If you have reached age 50 or will reach 50 during the calendar Year January 1-December 31 and are making the maximum plan or IRS pretax contribution, you may make an additional "catch-up" contribution each pay period.</li> </ul>
	Company Matching Profit Sharing	The Company will match \$0.75 of each pretax and/or Roth after tax dollar you contribute, on the first 6% of eligible earnings on a per-paycheck basis to your Plan. For the purpose of the Company match and profit sharing contributions to the plan, eligible earnings do not include bonuses, unscheduled overtime, premium pay or call-out pay. Each year, the Company may contribute a profit sharing match equal to as much as 8% of your eligible pay to your 401(k) Savings and Profit-Sharing Account. Based on company performance, profit-sharing contributions may range from no contribution to \$1 for each \$1 of eligible earnings you contributed to the Chevron Phillips 401(k) Plan during the year on either a pretax and/or Roth after tax basis, up to 8% of your eligible earnings.
Vesting	Employee Deferrals Company Contributions	You are always 100% vested in your own contributions to the Chevron Phillips 401(k) Savings Plan, as well as any earnings on them. You are 100% vested in the Company's matching and profit-sharing match contributions and any earnings after three years of vesting service.

This workshop only provides a summary of the main features of the Plan, and the Plan document will govern in the event of any discrepancies.

Annual additions to the plan cannot exceed 100% of your pay, or \$49,000 (whichever is less) in 2011.



Note: Company Match and Profit Sharing contributions provided are different for certain employee groups.

# **Plan Features (continued)**

Loans	Although your plan account is intended for the future, you may borrow from your account for any
	reason. Generally, the Chevron Phillips 401(k) Savings Plan allows you to borrow up to 50% of
	your vested account balance.
	You may have two loans outstanding at a time.
	The cost to initiate a loan is \$35, and there is a quarterly maintenance fee of \$3.75. The initiation
	and maintenance fees will be deducted directly from your individual plan account.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices. Requests received by Fidelity to sell units of a unitized stock fund before the close of the market will be processed at that day's closing price only if there is sufficient liquidity in the fund. If not, requests to sell units of the stock fund will be suspended. As liquidity is restored, suspended transactions will be processed, generally on a first-in, first-out basis, at the closing price for the processing date. Please contact Fidelity to learn if your request to sell units of your plan's unitized stock fund has been suspended.

Be sure you understand the plan guidelines and impact of taking a loan before initiating a loan from your plan account.



# **Types of 401(k) Contributions**



Туре	Match	Advantage	Consider if
Pre-tax	Yes	Lower your taxable income now + match	<ul> <li>Lower Income tax bracket in retirement</li> <li>Need to maximize take-home pay</li> <li>Want to take a distribution at age 59-1/2</li> </ul>
Roth (after-tax)	Yes	No future tax on your contributions and earnings + match	<ul> <li>Beginning career and/or in low income tax bracket</li> <li>Can afford to maximize contributions even on after- tax basis (i.e. save more)</li> <li>Want to smooth taxable income in retirement</li> <li>Want leave tax-free money to heirs</li> <li>Want to delay required distributions</li> </ul> Note: Advantages and considerations are associated with qualified Roth distributions
Medical Savings Account (after- tax)	No	Earnings to help pay for retiree medical expenses	<ul> <li>Want to save more than \$16,500 annually in 401(k) contributions</li> <li>Want to defer taxes on earnings of money set aside for medical expenses in retirement</li> </ul>

#### Tips to Maximize your CPChem 401(k) **Employer Contributions** Max out the Company match CPChem matches 75% of up to 6% of your base pay on a per-paycheck basis. **Company contributions stop once you reach** 4.5% the IRS dollar limit (\$16,500 for 2011). Best not to hit the \$16,500 annual combined pre-tax / Roth after-tax contribution before your last paycheck. To find out your maximum contribution rate, divide \$16,500 by your annual salary. Maximizing Your Company Match: An Example **Company Match** 6% Annual IRS Contribution Limit (Pre-Tax and/or Roth After-Tax) \$16,500 **Your Savings** Divided by: Your 401(k) Eligible Compensation \$75,000 Equals: Target Pre-Tax and/or Roth After-Tax Deferral Rate 22.0% For purposes of the Company match, eligible earnings do not include bonuses, unscheduled overtime, premium pay, or call-out pay. The Company match provided is different for certain employee groups.

# Tips to Maximize your CPChem 401(k) Employer Contributions

- Boost your Nest Egg with Profit-Sharing
- Profit-Sharing based on Company performance.
- Maximum Profit-Sharing contribution that CPChem can award is 8%.
- Limited to amount of your pre-tax and Roth after-tax contributions.
- If you have means, you should contribute at least 8%!





For purposes of Profit-Sharing contributions, eligible earnings do not include bonuses, unscheduled overtime, premium pay, or call-out pay. The Profit-Sharing contribution provided is different for certain employee groups.

# Tips to Maximize your CPChem 401(k) Employer Contributions

#### Non-Matching of After-Tax (Medical Savings Account) Contributions

- Remember that while you are allowed to make non-Roth after-tax contributions to the CPChem 401(k) Plan, these contributions are not matched under the Company Match or Profit-Sharing programs.
- Take a moment to review your pay stub and if the only 401(k) deduction you see is "401(k) Post-Tax," then you're not receiving any matching contributions.
- Don't leave money on the table! Consider switching to pre-tax or Roth after-tax contributions for this year.



Keep in mind investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

# **Staying in touch with Fidelity**



#### Fidelity NetBenefits

www.netbenefits.com has a host of tools and guidance information to help you every step of the way

#### Phone

Call your plan's toll-free number 1-866-771-5225

#### Fidelity Anywhere: Alerts

- Monitor activity and trading in your accounts
- Receive account balances
- Subscribe to market commentaries and reports

Guidance provided by Fidelity is educational in nature, is not individualized and is not intended to serve as the primary or sole basis for your investment or tax-planning decisions.





If you have not enrolled in the Plan within 31 days from your date of hire, you will be automatically enrolled in the Plan at a contribution rate of 3% of your pretax eligible earnings.

Your contributions will be invested in one of the Fidelity Freedom K<sup>®</sup> Funds, that has a target retirement closest to the year you might retire based on your current age, as indicated in the investment options section and at the direction of the Plan Sponsor, until you provide further investment instruction.

Additionally, you will be enrolled in the Annual Increase Program. This program will increase your contribution, from the 3% default rate, by 1% annually up to 8% to ensure continued progress towards meeting your future goals.

If you do not wish to be auto-enrolled, you may elect to opt out. Opt-out instructions can be found by logging onto www.netbenefits.com.



# Fidelity BrokerageLink®

Combines the convenience of your workplace savings plan with the additional flexibility of a brokerage account.

- Gives you access to an expanded universe of mutual funds and the opportunity to more actively manage your retirement contributions.
- If you are an investor who is willing to take on the potential for more risk and you are prepared to assume the responsibility of more closely monitoring this portion of your portfolio, it could be appropriate for you.
- However, if you do not feel comfortable actively managing a portfolio beyond those offered through your plan's standard investment options, then a self-directed brokerage account may not be appropriate for you.
- Additional fees apply to a brokerage account; please refer to the fact sheet and commission schedule for a complete listing of brokerage fees.
- Remember, it is always your responsibility to ensure that the options you select are consistent with your particular situation, including your goals, time horizon, and risk tolerance.





# **Investment Options**



# **Investment Option Spectrum**

# Categories to left have potentially more inflation risk and less investment risk

# Categories to right have potentially less inflation risk and more investment risk

Money Market	Bond	Balanced/ Hybrid		Domestic Equities		International/ Global Equity	Company Stock
Money     Income Fund     Balanced       Market Trust     Fund - Class       Retirement     Vanguard       Money     Total Bond       Market     Market Index       Portfolio     Fund       Institutional     Institutional       Institutional     Mid Value       Institutional     Mid Blend       Fidelity U.S.     Fide       Commingled     Class       Institutional     Mid Value       Inflation-     Protected       Vanguard     Spartan®	American Beacon Large Cap Value Fund Class	Fidelity U.S. Equity Index Commingled	Large Growth Fidelity® Contrafund® - Class K	Fidelity® Diversified International Fund - Class K	Chevron Corporation Stock Fund* ConocoPhillips Stock Fund* *Note: The two employer stock funds are frozen. Ne contributions cannot be made to these funds, only redemptions.		
	Institutional Shares <u>Inflation-</u> <u>Protected</u> Vanguard Inflation- Protected		<u>Mid Growth</u> Rainier Small/Mid Cap Equity Portfolio Fund Class Institutional	Rainier International Small/Mid Cap Index Fund - Equity Investor Portfolio Fund Class			
	Fund Institutional Shares			Small Blend Fidelity® Small Cap Stock Fund			

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1 per share, it is possible to lose money by investing in these funds.

This spectrum, with the exception of the Domestic Equity 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 Equity category are based on the options' Morningstar categories as of **5/31/2011**. 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 of future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses for making your investment decision. The spectrum does not represent actual or implied performance.

## Investment options Lifecycle Funds

Investment Options to the left have potentially more inflation risk and less investment risk	Lifecycle Funds	Investment Options to the right have potentially less inflation risk and more investment risk
Target Retirement Date: 2010 Targ	get Retirement Date: 2030	Target Retirement Date: 2050
Fidelity Freedom K <sup>®</sup> 2005 Fund Fide Fidelity Freedom K <sup>®</sup> 2010 Fund Fide	elity Freedom K <sup>®</sup> 2015 Fund elity Freedom K <sup>®</sup> 2020 Fund elity Freedom K <sup>®</sup> 2025 Fund elity Freedom K <sup>®</sup> 2030 Fund	Fidelity Freedom K <sup>®</sup> 2035 Fund Fidelity Freedom K <sup>®</sup> 2040 Fund Fidelity Freedom K <sup>®</sup> 2045 Fund Fidelity Freedom K <sup>®</sup> 2050 Fund

Target date investments are represented on a separate spectrum because they 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 quity and fixed income investments in the U.S. and abroad and may be subject to risks associated with investing in high yield, small cap and foreign security.

# Lifecycle Chart

Your plan has assigned lifecycle funds based on your date of birth if you decide not to select individual investment options.

Your Birth Date*	Fund Name	Target Retirement Years
January 1, 1900 – December 31, 1932	Fidelity Freedom K <sup>®</sup> Income Fund	Retired before 1998
January 1, 1933 – December 31, 1937	Fidelity Freedom K <sup>®</sup> 2000 Fund	1998 - 2002
January 1, 1938 - December 31, 1942	Fidelity Freedom K <sup>®</sup> 2005 Fund	2003 - 2007
January 1, 1943- December 31, 1947	Fidelity Freedom K <sup>®</sup> 2010 Fund	2008 - 2012
January 1, 1948 - December 31, 1952	Fidelity Freedom K <sup>®</sup> 2015 Fund	2013 - 2017
January 1, 1953 - December 31, 1957	Fidelity Freedom K <sup>®</sup> 2020 Fund	2018 - 2022
January 1, 1958 - December 31, 1962	Fidelity Freedom K <sup>®</sup> 2025 Fund	2023 - 2027
January 1, 1963 - December 31, 1967	Fidelity Freedom K <sup>®</sup> 2030 Fund	2028 - 2032
January 1, 1968 - December 31, 1972	Fidelity Freedom K <sup>®</sup> 2035 Fund	2033 - 2037
January 1, 1973 - December 31, 1977	Fidelity Freedom K <sup>®</sup> 2040 Fund	2038 - 2042
January 1, 1978 - December 31, 1982	Fidelity Freedom K <sup>®</sup> 2045 Fund	2043 - 2047
January 1, 1983 – December 31, 1987*	Fidelity Freedom K <sup>®</sup> 2050 Fund	2048 and later



\* Dates selected by plan sponsor.

# Fidelity Freedom K<sup>®</sup> Funds – **A Family of Funds**



Domestic Equity International Equity Bond Short-term Investments

The percentages represent anticipated target asset allocation as of September 30, 2010. Total allocations may sometimes be over or under 100% due to rounding.

Fidelity Freedom K<sup>®</sup> Funds are designed for investors expecting to retire around the year indicated in each fund's name. Except for the Freedom K Income Fund, the funds' asset allocation strategy becomes increasingly conservative as it approaches the target date and beyond. Ultimately, they are expected to merge with the Freedom K Income Fund. The investment risk of each Fidelity Freedom K<sup>®</sup> Fund changes 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 risks associated with investing in high-yield, small-cap, commodity-linked, and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.

Strategic Advisers, Inc., a subsidiary of FMR LLC, manages the Fidelity Freedom K<sup>®</sup> Funds.



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# Your Mix Can Shift Out of Balance Over Time



Data Source: Ibbotson Associates, 2011. Stocks are represented by the S&P 500® Index, and bonds are represented by the Barclays Capital U.S Aggregate Bond Index for bonds. Barclays Capital U.S. Aggregate Bond Index is a market value–weighted index that covers the U.S. fixed-rate investment grade bond market with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities with maturities of one year or more. Short-term instruments are represented by U.S. Treasury bills, which are backed by the full faith and credit of the U.S. government.

S&P 500 Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

Indices are unmanaged and you cannot invest directly in an index.

Past performance is no guarantee of future results.

This chart is for illustrative purposes only.

# Rebalancing vs. buy and hold



#### Source: Strategic Advisors.

Portfolio risk is measured using standard deviation, which is a statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized.



# How rebalancing is done

# Static rebalancing

	Target portfolio	Current portfolio	Change +/-
Stocks	70%	74%	-4%
Bonds	25%	21%	+4%
Short-term investments	5%	5%	None
TOTAL	100%	100%	

For illustrative purposes only.



# How rebalancing is done

# Tactical rebalancing

	Target portfolio	Current portfolio	Change +/-
Stocks	70% (+/- 5%)	74%	None
Bonds	25% (+/- 5%)	21%	None
Short-term investments	5% (+/- 5%)	5%	None
TOTAL	100%	100%	

For illustrative purposes only.



# **Rebalancing techniques**



- Change the way future contributions are directed
- Exchange your current balances
- Move small portions of holdings at a time

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices.



# Two New Rebalancing Tools Available on CPChem NetBenefits® Beginning May 2011!

**Rebalance (For Static Rebalancing):** 

- Set your target allocation for each plan investment option.
- NetBenefits processes the requested exchanges in the next nightly cycle.

#### **Rebalance Notification (For Tactical Rebalancing)**

- Set target allocations and an allowable variance (5%, 10%, or 15%).
- NetBenefits notifies you by e-mail when it is time to rebalance.

Chevron Phillips		Log Out   Help   Messages	
Home	Savings & Retirement	Health & Insurance	Your Pro
Savings & Retirement	Example: Move \$1 investment B.	L,000.00 from investment A to	
CP CHEM 401K PLAN (74454)	• Rebalance		
View		etween many investments.	
Summary		X	
Investment Choices and Research		\$1,000.00	
Transaction History		+1,000.00	
Online Statement	В	(z)	
Plan Information and Documents	570 0	L,000.00 from investment A and B	
Act	investment X, Y a	nd Z.	Chev

For illustrative purposes only.

# Six tips for staying on track

1

3

6

Don't chase "hot" performance.

2 Don't try to time the market.

Determine you appropriate investment mix and update it only when your situation changes (life event).

Stay diversified

5 Take the emotion out of it.

Stay invested.





# Next steps



- Determine an appropriate investment mix
- Determine your investment style
- Select investment options that fit your target investment mix and investment style
- Review and adjust your investment mix as needed
- Simplify your finances by consolidating accounts
- Go on line and use our guidance tools to help build your portfolio



Your plan's toll-free number

CPChem Pension & Savings Service Center at 1-866-771-5225

Or log on to Fidelity at http://www.netbenefits.com

CPChem Pension & Savings Service Center VRS virtually 24 hours





# Miscellaneous Slides Required Disclosure Slides



Notice to Participants

This Chevron Phillips Chemical Benefits presentation is applicable to all participating Chevron Phillips Chemical employees (other than Chevron Phillips Chemical Puerto Rico Core employees); salaried Performance Pipe employees; and Performance Pipe Employees paid on an hourly basis at Reno and Knoxville hired prior to January 1, 2004.

The presentation, including the examples contained herein, are not intended to constitute a promise or contractual commitment by the Company or a right to benefits under any of its employee benefit plans. The Company reserves the right to unilaterally change or terminate any or all of its employee benefit plans at any time and without prior notice. Also, modifications may be necessary to comply with applicable legal requirements. In the event of any inconsistency between a statement contained in this presentation and the relevant plan document, the plan document will control. Employees covered by collective bargaining agreements will also be subject to the benefit plan provisions contained in the applicable collective bargaining agreements. In addition, this presentation is not intended to be and should not be treated as investment advice or tax advice. Participants should not rely upon the information contained in this presentation as a substitute for obtaining specific tax advice or investment advice from their tax advisor or financial planner.



# **Important information**

**S&P 500**<sup>®</sup> **Index.** The S&P 500<sup>®</sup> Index is a registered service mark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation and its affiliates. S&P 500 Index is a market capitalization–weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation to represent U.S. equity performance.

**Dow Jones Industrial Average**<sup>SM</sup>. Dow Jones Industrial Average, published by Dow Jones & Company, is a price–weighted index that serves as a measure of the entire U.S. market. The index comprises 30 actively traded stocks, covering such diverse industries as financial services, retail, entertainment, and consumer goods.

**The NASDAQ Composite® Index.** The NASDAQ Composite® Index is a market capitalization–weighted index that is designed to represent the performance of NASDAQ stocks.

**Dow Jones Wilshire 5000**<sup>®</sup>. The Dow Jones Wilshire 5000<sup>®</sup> is an unmanaged market capitalization–weighted index of approximately 7,000 U.S. equity securities.

**MSCI EAFE Index**<sup>®</sup>. The Morgan Stanley Capital International Europe, Australasia, Far East Index (EAFE) is a market capitalizationweighted index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the U.S. & Canada. The EAFE Index is a registered service mark of Morgan Stanley and has been licensed for use by FMR LLC.

**Barclays Capital U.S.** Aggregate Bond Index. The Barclays Capital U.S. Aggregate Bond Index is a market value–weighted index of investment–grade fixed–rate debt issues, including government, corporate, asset–backed, and mortgage–backed securities, with maturities of one year or more.

The BofA Merrill Lynch US High Yield Index. The BofA Merrill Lynch US High Yield Index is a market capitalization—weighted index of US dollar denominated below investment grade corporate debt publicly issued in the US domestic market. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch) and an investment grade rated country of risk. In addition, qualifying securities must have at least one year remaining to final maturity, a fixed coupon schedule and at least \$100 million in outstanding face value. Defaulted securities are excluded.

**Citigroup Money Market 3-Month T-Bill Total Rate of Return Index.** An unmanaged index that consists of the last 3-month U.S. Treasury bill issues and is calculated using monthly return equivalents of yield averages which are not marked to market.



# **Important information**

**30 Day T-Bill Index** measures the annual total return of a short-term obligation that is not interest-bearing (it is purchased at a discount); can be traded on a discount basis for 91 days.

The Russell 1000<sup>®</sup> Index is a market capitalization–weighted index of 1,000 large U.S. domiciled company stocks.

**The Russell 1000 Value Index** is a market capitalization–weighted index of those stocks of the 1,000 largest U.S. domiciled companies that exhibit value–oriented characteristics.

**The Russell 1000 Growth Index** is a market capitalization–weighted index of those stocks of the 1,000 largest U.S. domiciled companies that exhibit growth–oriented characteristics.

The Russell Midcap<sup>®</sup> Index is a market capitalization–weighted index of medium–capitalization U.S. company stocks.

**The Russell Midcap Value Index** is a market capitalization–weighted index of the smallest 800 companies included in the Russell 1000 Index that exhibit value–oriented characteristics. The Russell 1000 Index is comprised of the 1,000 largest U.S. domiciled companies.

**The Russell Midcap Growth Index** is a market capitalization–weighted index of the smallest 800 companies included in the Russell 1000 Index that exhibit growth–oriented characteristics. The Russell 1000 Index is comprised of the 1,000 largest U.S. domiciled companies.

**The Russell 2000**<sup>®</sup> **Index** is a market capitalization–weighted index of the stocks of the 2,000 smallest companies included in the 3,000 largest U.S. domiciled companies.

**The Russell 2000 Value Index** is a market capitalization-weighted index of the stocks of the 2,000 smallest companies included in the Russell 3000 Value Index. The Russell 3000 Value Index comprises the 3,000 largest U.S. domiciled companies that exhibit value-oriented characteristics.

**The Russell 2000 Growth Index** is a market capitalization-weighted index of the stocks of the 2,000 smallest companies included in the Russell 3000 Growth Index. The Russell 3000 Growth Index comprises the 3,000 largest U.S. domiciled companies that exhibit growth-oriented characteristics.



# Important information

# Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, contact Fidelity for a free prospectus or, if available, a summary prospectus. Read it carefully before you invest.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices.

The investment options available through the plan reserve the right to modify or withdraw the exchange privilege.

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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.

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

In general the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk and credit and default risks for both issuers and counterparties. Unlike individual bonds, most bond funds do not have a maturity date, so avoiding losses caused by price volatility by holding them until maturity is not possible.

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