

Northrop Grumman
Wealth Webinar Wednesday

Navigating market volatility



Volatility can spark questions and concerns



Should I change how I'm invested to something less risky?



Should I move to cash right now?



Why should I put more into my retirement savings plan?



Am I on track to meet my goals?



Agenda



**Perspective on
investing in the
stock market**



**Importance of
having a plan and
staying the course**



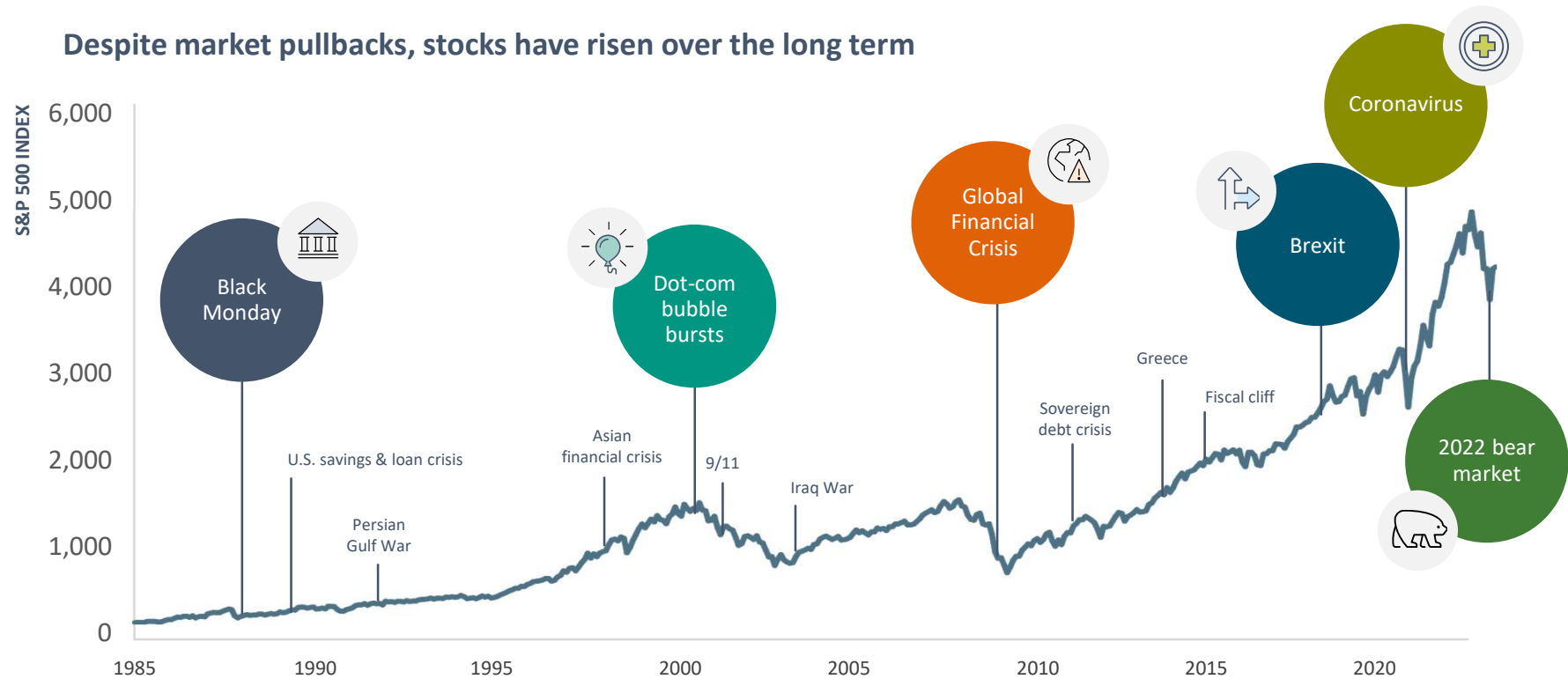
**Best practices to
follow and pitfalls
to avoid**



**How Fidelity
can help**

What we learned about investing in 2022

Despite market pullbacks, stocks have risen over the long term



Past performance is no guarantee of future results. The S&P 500® Index is a market capitalization-weighted index of 500 common stocks chosen for market size, liquidity, and industry group representation. S&P and S&P 500 are registered service marks of Standard & Poor's Financial Services LLC. The CBOE Dow Jones Volatility Index is a key measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices. You cannot invest directly in an index.

Two key principles



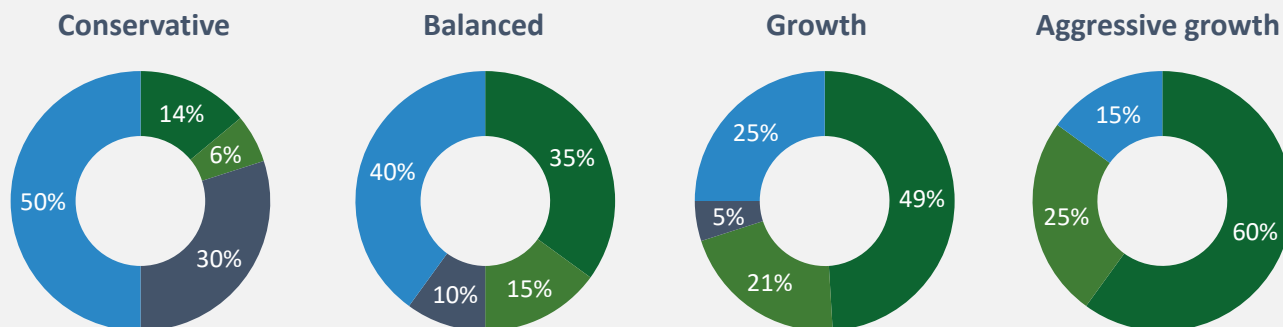
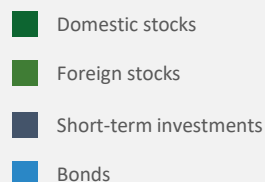
Have a plan



Stay the course



Choosing your investment mix

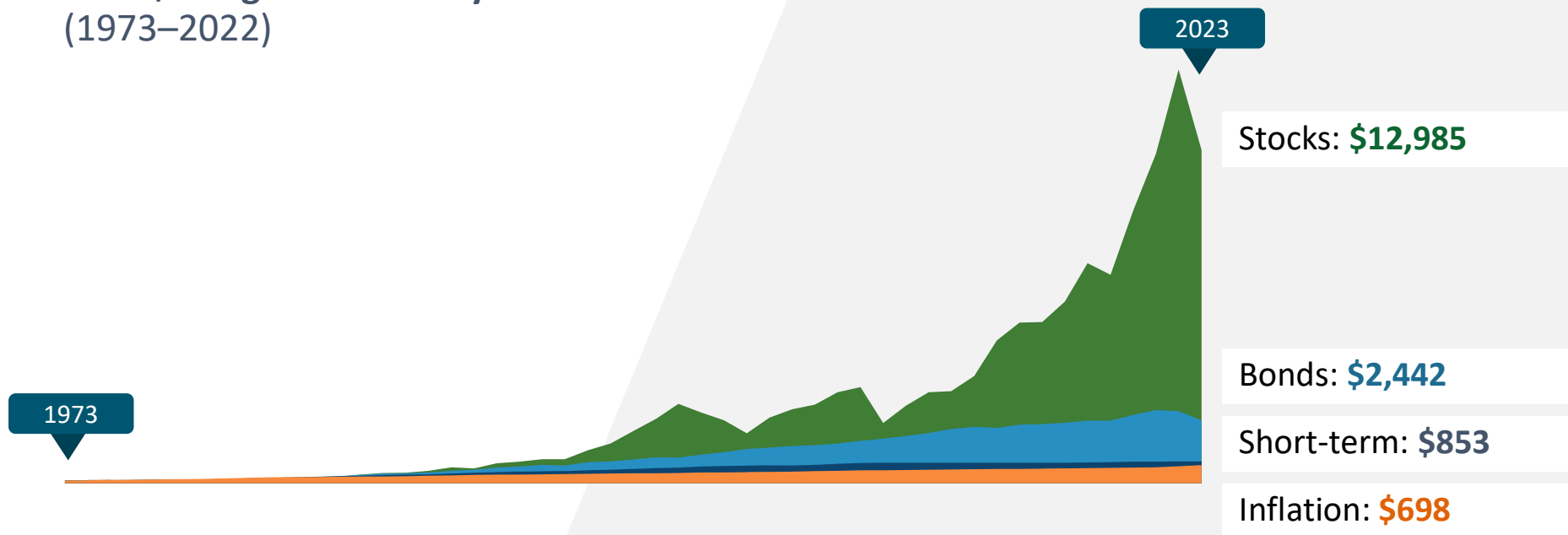


Average annual return	5.75%	7.74%	8.75%	9.45%
Worst 12-month return	-17.67%	-40.64%	-52.92%	-60.78%
Best 12-month return	31.06%	76.57%	109.55%	136.07%
Worst 5-year return	-0.37%	-6.18%	-10.43%	-13.78%
Best 5-year return	17.65%	23.45%	27.31%	31.91%

Source: Fidelity Investments & Morningstar Inc, 2023. Past performance is no guarantee of future results. Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option. Domestic Stocks are tracked by the IA SBBI US Large Stock Total Return index tracks the monthly return of S&P 500. The history data from 1926 to 1969 is calculated by Ibbotson. DJ US Total Stock Market Total Return index measures the performance of all US equity securities with readily available prices. It represents the top 95% of the US stock market based on market capitalization. The index is float-adjusted market capitalization weighted. Bonds are represented by US Intermediate -Term Government Bond Index from 1/1926 - 12/1975, Barclays Aggregate Bond from 1/1976 - 12/2022. The U.S. Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income and Barclays 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. It is not possible to invest directly in an index. Stock prices are more volatile than those of other securities. Government bonds and corporate bonds have more moderate short-term price fluctuation than stocks but provide lower potential long-term returns. U.S. Treasury bills maintain a stable value (if held to maturity), but returns are generally only slightly above the inflation rate. Foreign Stocks are represented by the MSCI ACWI Ex USA Index for the period from 01/1970 to the last calendar year. Foreign Stocks prior to 1970 are represented by the IA SBBI US Large Stock TR. 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 that 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. These target asset mixes were developed by Strategic Advisers LLC, a registered investment adviser and Fidelity Investments company, based on the needs of a typical retirement plan participant.

Return potential of the asset classes

How \$100 grew over 50 years
(1973–2022)



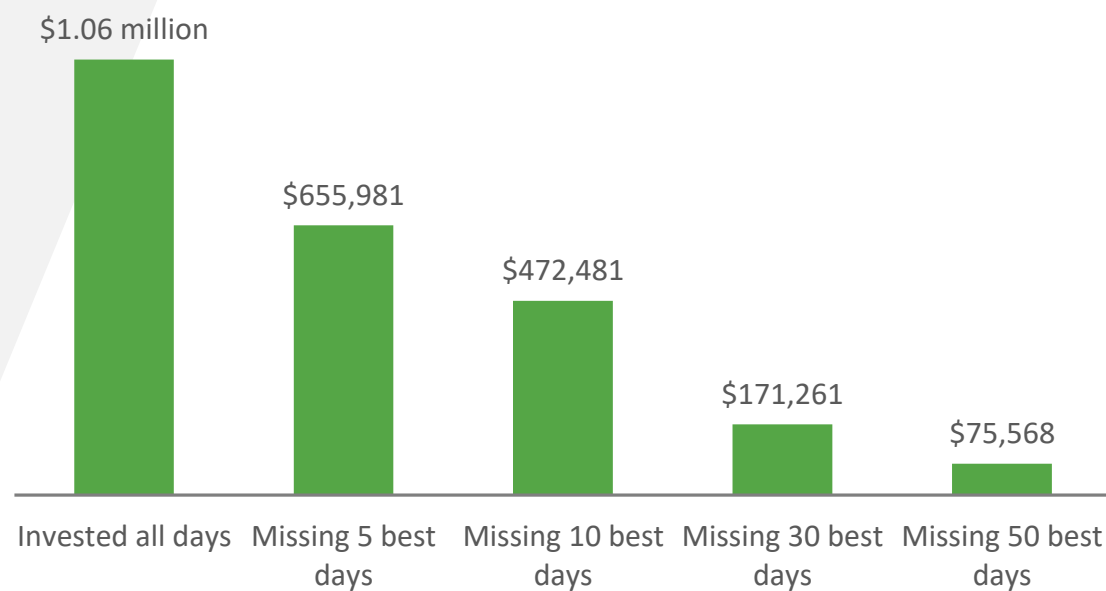
Source: Fidelity Investments & Morningstar Inc, 2023. Hypothetical value of assets held in untaxed portfolios invested in US stocks, bonds, or short-term investments. Actual historical data were used to compute the growth of \$100 invested in these portfolios for the 50-year period ending in December 2022. Stocks, bonds, and short-term investments are represented by total returns of the IA SBBI US Large Stock Total Return from 1/1926-1/1987 and DJ US Total Stock Market Total Return from 2/1987-12/2022, US Intermediate -Term Government Bond Index from 1/1973 - 12/1975; Barclays Aggregate Bond from 1/1975 - 12/2022, and 30-Day T-Bills. Past performance is no guarantee of future results.

Missing out on the best days can cost investors

Investors who missed out on just a handful of the market's best days significantly reduced their portfolio's value

Hypothetical growth of \$10,000 invested in the S&P 500 Index

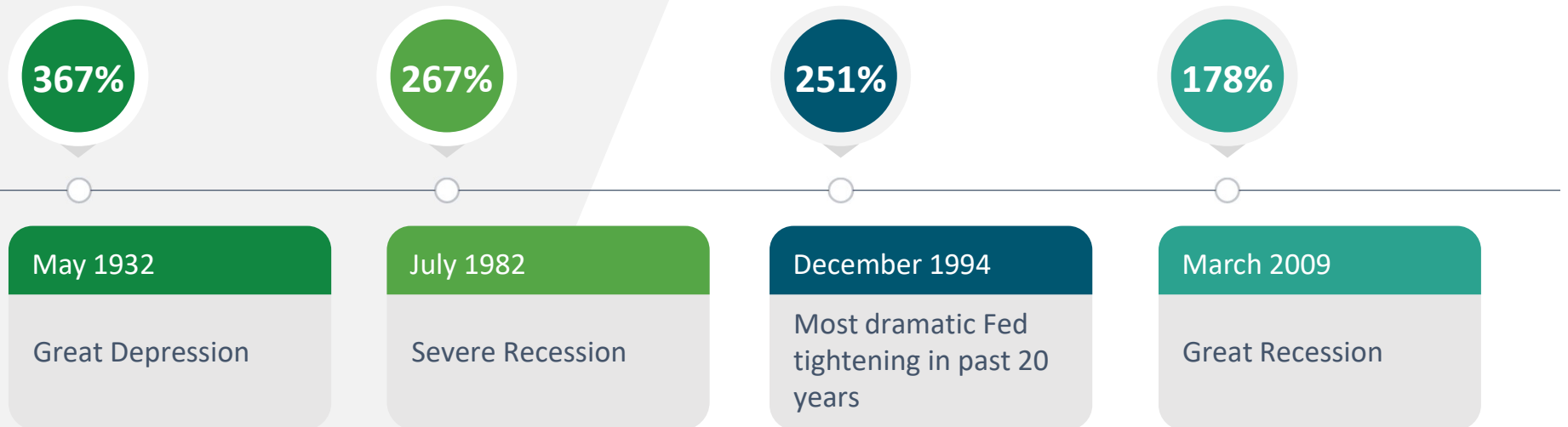
JANUARY 1, 1980 – JUNE 30, 2022



Past performance is no guarantee of future results. Source: . Source: FMRCo, Asset Allocation Research Team, as of June 30, 2022. See footnote 2 for details.

Investing consistently, even in bad times

Subsequent 5-year return



Past performance is no guarantee of future results. Sources: Ibbotson, Factset, FMRCo, Asset Allocation Research Team as of January 1, 2019. US stock market returns represented by total return of S&P 500® Index. It is not possible to invest in an index. First three dates determined by best five-year market return subsequent to the month shown.

CONTRIBUTION TYPES

Saving in the Northrop Grumman Savings Plan

1

PRE-TAX
CONTRIBUTIONS

2

ROTH
CONTRIBUTIONS

3

AFTER-TAX
CONTRIBUTIONS

+ ROTH IN-PLAN CONVERSIONS

CONTRIBUTION TYPES

	Pretax	Roth	After-Tax
IRS Limits	\$22,500 combined limit in 2023 (\$30,000 if age 50+)		Subject to plan limits; up to \$66,000* in 2023 (\$73,500 if age 50+) for total contributions
Company Match Eligible	Yes	Yes	Yes
Taxation at Contribution	No Contributions deducted before taxes	Yes Contributions deducted after taxes	Yes Contributions deducted after taxes
Taxation at Distribution	Yes Pay taxes on contributions and any earnings	No Contributions and any earnings are tax free***	Partially Contributions are tax free; any earnings are taxable

*Includes pretax, after-tax, Roth, company match, and non-elective contributions based on years of service

**A distribution from a Roth 401(k) is federally tax free and penalty free, provided the five-year aging requirement has been satisfied and one of the following conditions is met: age 59½, disability, or death.

Total Savings Opportunity in your Northrop Grumman Savings Plan



Pretax

Roth

\$22,500
(\$30,000 if age 50+)

After-Tax*
that can be
converted to Roth
through a Roth In-
Plan Conversion

**Company
Contributions**

\$66,000
(\$73,500 if
age 50+)

*After-Tax contributions may be limited to a lesser amount due to legally required nondiscrimination testing.

YOUR APPROACH



NGSP Core Investment Options

Investment options to the left have potentially more inflation risk and less investment risk

Investment options to the right have potentially less inflation risk and more investment risk



Stable Value	Bond	Balanced	Domestic Equity	International/ Global	Company Stock
NGSP Stable Value Fund	Diversified NGSP U.S. Fixed Income Fund	NGSP Balanced Fund	Large Blend NGSP U.S. Equity Fund	Diversified NGSP International Equity Fund	NGSP Northrop Grumman Stock Fund
			Small Blend NGSP Small Cap Equity Fund	Emerging Markets NGSP Emerging Markets Equity Fund	

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 May 31, 2023. There may be a number of funds in each category and each may have a significantly different risk profile as compared to other funds within that category as well as compared to funds in other categories on the spectrum. 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' future styles. Investment options are listed in alphabetical order within each investment category. Risk associated with the investment options can vary significantly within each particular investment category and the relative risk of categories may change under certain economic conditions. For a more complete discussion of risk associated with the mutual fund options, please read the prospectuses before making your investment decisions. The spectrum does not represent actual or implied performance.

YOUR APPROACH



NGSP Retirement Path Fund Investment Options

Investment options to the left have potentially more inflation risk and less investment risk

Investment options to the right have potentially less inflation risk and more investment risk

Retirement Path Funds

NGSP Target Retirement Path Fund	NGSP 2030 Retirement Path Fund	NGSP 2045 Retirement Path Fund
NGSP 2020 Retirement Path Fund	NGSP 2035 Retirement Path Fund	NGSP 2050 Retirement Path Fund
NGSP 2025 Retirement Path Fund	NGSP 2040 Retirement Path Fund	NGSP 2055 Retirement Path Fund
		NGSP 2060 Retirement Path Fund
		NGSP 2065 Retirement Path Fund

The Retirement Path Funds 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 Retirement Path Fund change 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 small cap and foreign securities. Principal invested is not guaranteed at any time, including at or after their target dates.

YOUR APPROACH



Fidelity BrokerageLink®

**Self-directed
Account**

**Flexibility of a
Brokerage Account**

**Expanded
Investment
Options**

- Additional fees apply to a brokerage account; please refer to the fact sheet and commission schedule for a complete listing of brokerage fees.
- The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink®.
- 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.

BrokerageLink includes investments beyond those in your plan's lineup. You should compare investments and share classes that are available in your plan's lineup with those available through BrokerageLink, and determine the available investment and share class that is appropriate for your situation. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.

Fidelity® Personalized Planning & Advice



A personalized approach to planning and investing

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Expected retirement age



Savings and income



Social Security and medical



Tolerance for risk

Your team of investment professionals will



Create an investment strategy based on your personal information



Select your investments



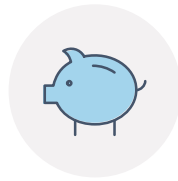
Keep you on track and up to date with any changes in the market or in your plan

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Best practices to follow and pitfalls to avoid



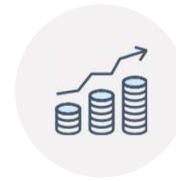
Keep perspective—
downturns are
normal and
typically short



**Create a plan you
can live with—**
through market
ups and downs



**Focus on time
in the market—**
not trying to time
the market



**It's a good idea to
keep investing—**
even in bad times



**Get help managing
a down market**

Help is here



Sign up for a
complimentary 1:1
consultation



Try planning tools on
NetBenefits



Explore Retirement
Planning resources
on Total Rewards
Gateway



Call the Northrop
Grumman Benefits
Center at
800-894-4194

UPCOMING EVENTS



June 23rd

Questions on today's topic?
Join the follow-up Ask Fidelity Session on Friday, June 23rd



July 19th

Maximize Social Security

- Learn how Social Security fits into your retirement paycheck
 - Identify Social Security claiming strategies
 - Create your retirement income plan



August 16th

Creating the Retirement You Want

Whether you're planning for retirement as a couple or on your own, it's important to plan for higher retirement expenses (especially healthcare costs) and be strategic about when to claim Social Security.

RESOURCES



<https://totalrewards.northropgrumman.com/page/74/well-being-webinars>



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- [Investing for Beginners](#)
 - [slides](#)
- [Make the Most of Your Northrop Grumman Savings Plan \(slides\)](#)
- [Retirement Basics \(slides\)](#)
- [Discover the Potential of your HSA \(slides\)](#)

For Anthem Participants Only

- [Anxiety](#)
- [Depression](#)
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- [Total Health, Total You](#)



Monthly Newsletter

Get caught up on the latest news, webinars and updates to help your overall well-being.

Family Care Support

Find help for child and elder care planning, special needs support, discounted tutoring and school support on NGCare.

Connect with Engage

Join your colleagues on company wide challenges, earn points for financial, physical, social, and emotional well-being activities, redeem points for quarterly rewards and more.

Well-being Incentive Program

If you're enrolled in a Northrop Grumman medical plan don't miss your opportunity to earn \$500!

Financial Education

Visit NetBenefits and join Fidelity for Monthly Web Workshops to learn more about budgeting, investing, planning and more or schedule a One-on-One Consultation.

Corporate Citizenship

Small Acts of Inclusion – Connect with or provide support to achieve a more inclusive culture

Employee Resource Groups (ERGs) – Fosters belonging and personal and professional development

Volunteerism – Giving back to the community

Diversity, Equity & Inclusion - Leverages our diverse and inclusive workforce to achieve equity in conjunction with superior business

NGCare

Confidential guidance and support to help employees and family members 24 hours a day, 7 days a week - up to eight counseling sessions per issue, per year.

**Visit My Well-being on
Total Rewards Gateway for more resources**



Thank you!



Important information

1. Returns include the reinvestment of dividends and other earnings. This chart is for illustrative purposes only and does not represent actual or implied performance of any investment option. Stocks are represented by the Standard & Poor's 500 Index (S&P 500® Index). The 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 US equity performance. Bonds are represented by the Bloomberg Barclays US Intermediate Government Bond Index, which is an unmanaged index that includes the reinvestment of interest income. Short-term instruments are represented by US Treasury bills, which are backed by the full faith and credit of the US government. Indexes are unmanaged, and you cannot invest directly in an index. Foreign stocks are represented by the Morgan Stanley Capital International Europe, Australasia, Far East Index for the period from 1970 to the last calendar year. Foreign stocks prior to 1970 are represented by the S&P 500® Index. 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 an investor's goals. You should choose your own investments based on your particular objectives and situation. Be sure to review your decisions periodically to make sure they are still consistent with your goals.

²The S&P 500® Index, a market capitalization-weighted index of common stocks, is a registered trademark of The McGraw-Hill Companies, Inc., and has been licensed for use by Fidelity Distributors Corporation. This example is for illustrative purposes only and does not represent the performance of any security. Consider your current and anticipated investment horizon when making an investment decision, as the illustration may not reflect this. The return used in this example is not guaranteed.

Indexes are unmanaged. It is not possible to invest directly in an index.

Bloomberg Barclays US 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.

Bloomberg Barclays US Intermediate Government Bond Index is a market value-weighted index of US government fixed-rate debt issues with maturities between one and 10 years.

The CBOE Dow Jones Volatility Index is a key measure of market expectations of near-term volatility conveyed by S&P 500® Index option prices.

DJ US Total Stock Market Total Return Index measures the performance of all US equity securities with readily available prices. It represents the top 95% of the US stock market based on market capitalization. The index is float-adjusted market capitalization weighted.

IA SBBi US Large Stock Total Return USD Ext Index tracks the monthly return of S&P 500. The history data from 1926 to 1969 is calculated by Ibbotson.

MSCI EAFE Index is a market capitalization-weighted index that is designed to measure the investable equity market performance for global investors in developed markets, excluding the United States and Canada.

MSCI ACWI (All Country World Index) ex USA Index is a market capitalization-weighted index designed to measure the investable equity market performance for global investors of large- and mid-cap stocks in developed and emerging markets, excluding the United States.

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.

Important information

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

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Past performance is no guarantee of future results.

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