

# SACRAMENTO AREA ELECTRICAL WORKERS TRUST FUNDS

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DATE: November 2020

TO: Participant of the I.B.E.W. Local 340 Defined Contribution Plan  
(known as the Sacramento Area Electrical Workers Pension and Profit Sharing Plan)

FROM: Board of Trustees

SUBJECT: 2021 Annual Notice regarding the Default Investment Option

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The purpose of this Notice is to describe how your Individual account with the I.B.E.W. Local 340 Defined Contribution Plan is invested, and how it will continue to be invested, if you do not provide the Plan with investment instructions. **If you have already invested your Individual Account outside the Trustee-Directed Account, no action on your part is necessary.**

As a participant or beneficiary in the Plan, you have the right to decide how to invest your Individual Account in any of the investment choices offered by the Plan. You can change the way your current balance and future contributions are invested at any time, provided that you have met the Plan's educational requirement by attending a Plan sponsored Investment Education Meeting and completing a Participant Self-Directed Election/Allocation Form.

Changes can be made by either, 1) using the Plan's web site at [www.kandg.com](http://www.kandg.com), or 2) through the toll-free automated voice number 1-800-293-1170, or 3) submitting a "Participant Self-Directed Election/Allocation Form", available through United Administrative Services at 1-408-288-4400. The Plan's website and automated phone system require a Plan Code, Userid, and PIN which can be obtained by contacting Kaufmann and Goble Associates at (800) 767-1170. There are no transaction fees for electing any of the investment options available to the Plan. Until you have provided investment instructions to the Plan, your assets will be invested in the Plan's Trustee-Directed Account (the Default Investment Option). This option is known as the "Qualified Default Investment Alternative", or "QDIA".

The Trustee-Directed Account is designed for investors seeking a balance between capital growth, current income and preservation of principal. The actual current allocation is listed below:

Asset Class (Sept. 30, 2020)	Percent
Money Market Funds	1.90%
Managed Equities	63.60%
Active Fixed Income	27.00%
Alternatives	7.50%
<b>Total</b>	<b>100.00%</b>

**Estimated investment expense ratio: 0.56 (where 1.00 equals 1 percent)**

Please note that the allocation can change at any time. It is at the sole discretion of the Plan Trustees and the above information is given solely to provide a guideline allocation. The estimated expense ratio of the Trustee-Directed Account is 0.56 percent. This fee includes the Plan's operating expenses such as legal, administrative, auditing, etc.

Investment in the Trustee-Directed Account involves investment risks, including the possible loss of the principal amount invested. Investments in the Trustee-Directed Account are not guaranteed by any governmental entity (such as certain bank accounts having FDIC protection) or by any financial institution. In some years, the Trustee-Directed Account has increased in value; in other years, it has decreased in value. The percentage in equities (stocks) and fixed income securities (such as stable value funds and bonds) will vary. Moreover, the percentage in different types of equity investments (such as large companies (often described as "large cap") vs. small/mid-size company investments) and/or fixed income could change. There is more of a possibility that there will be fluctuations in the value of the Fund than if it were invested only in fixed income investments or cash equivalents. Further, this Fund includes international investments that involve additional risks, such as currency fluctuations, economic instability and political developments. In summary, the Trustee-Directed Account is considered less risky than Funds that invest only in stocks, and riskier than Funds that invest only in fixed income securities. (These same risks may apply to your Self-Directed Investment Account too.)

To obtain information about the other investment options that are available under the Plan, please contact Thomas Goode, Morgan Stanley Wealth Management, 5390 Kietzke Lane, Suite 200, Reno, NV 89511, Phone: 1-800-755-6635

Additional information, including prospectuses, can be obtained at [www.kandg.com](http://www.kandg.com)