



SAN MATEO COUNTY CHAPTER  
NATIONAL ELECTRICAL  
CONTRACTORS ASSOCIATION

SAN MATEO COUNTY

## ELECTRICAL WORKERS JOINT TRUST FUNDS



LOCAL UNION 617  
INTERNATIONAL BROTHERHOOD  
OF ELECTRICAL WORKERS

DATE: July 2022

TO: Participants of the San Mateo County Electrical Construction Industry Retirement Plan

FROM: The Board of Trustees

SUBJECT: Annual Notice Regarding the Expenses of the Plan

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This notice is intended to comply with requirements set by the Department of Labor and contains important information about how the San Mateo County Electrical Construction Industry Retirement Plan (the "Plan") allocates expenses and costs among participants and about the fees and expenses associated with your investment elections.

In fact, there are several types of costs associated with your participation in the Plan. While expenses for items like the collection and reconciliation of employer contributions, the keeping of participant records, the processing and delivery of benefit payments and the expenses associated with auditing and legal counsel are more obvious, there are other costs that Plan participants pay. And those expenses have an impact on the size of your account balance at retirement.

The information that follows is intended to provide you with a better understanding of expenses associated with your participation in the Plan. This includes:

- How administration expenses are handled.
- What costs are associated with elective Plan features.
- What fees are associated with the Plan's investment options.

In addition, you'll learn about rights you may have with respect to the Plan's operation, how the Plan's investments' performance compares to broad-based benchmarks, and where to go for additional information concerning the Plan's investments.

The fees and expenses associated with the Plan are not unusual. Most defined contribution Plans have such costs. Further, the fees and expenses associated with the Plan are reviewed regularly to make sure that they are competitive and reasonable. The objective of this communication is simply to provide you with more and better information for making investment and other Plan-related decisions.

Remember, too, that investment-related fees should be placed in context. A somewhat higher fee may be perfectly appropriate if an investment better suits your retirement needs and goals.

If you have any questions concerning the information that follows, contact United Administrative Services at 408-288-4400.

# San Mateo County Electrical Construction Industry Retirement Plan

This document contains important information concerning your retirement plan. The first section provides information about the Plan in general, including any expenses you might incur through participation in the Plan or through taking advantage of different Plan features. The second section provides information about the Plan's investment alternatives, including any fees or expenses associated with those investments.

If you have questions concerning any of this information, contact United Administrative Services at 408-288-4400.

## Plan Information

The Plan has seven investment options, there are five model funds that are designed to provide you and 'age-balanced' investment mix as you progress toward retirement, and the traditional Fixed Fund, and the Equity Fund. The investment mix of each fund will change over time per recommendations of the Plan's Investment Advisor approved by the Board of Trustees. The Fixed Fund generally contains a combination of bonds of varying durations and types, as well as other fixed-return investments such as loans secured by real estate. The Equity Fund is presently invested primarily in the common stock of both foreign and domestic companies but may also include a small proportion of other equity instruments such as real estate.

You become fully vested in your retirement account once you have three (3) years of service in the Plan in which at least 1,000 hours were worked without an intervening five-year break. Fractional vesting credits are granted after 300 hours of work in any year. Until you are fully vested, your contributions will be placed in the model options according to your age-group and no changes may be made.

Once you are fully vested, you can choose to have **future contributions** invested into whatever combination of all of the seven investment options that you wish. You can also switch among these combinations as often as you wish.

Once you are fully vested, you may also **change the investment balance** of your existing account once every 30 days. You may move your money and invest them into whatever combination of all of the seven investment options.

Please refer to your Summary Plan Description or contact United Administrative Services for more detailed information with regard to executing these changes on your behalf.

# San Mateo County Electrical Construction Industry Retirement Plan

## Plan-related Expenses

Retirement Plans have different types of expenses.

**Administration expenses** — These are charges for services such as legal, administrative, investment consulting, accounting and recordkeeping expenses.

In this Plan, these expenses are paid through daily expense accruals. The term “expense accrual” refers to an offset to the daily-calculated price of each of the Plan’s seven investment options. In more detail,

- At the end of each day on which the investment markets are open, the market value of all Plan investments are determined, for all of the investment options.
- These market values are offset by the amount of each Fund’s daily expense accrual. The amounts are determined in such a manner that they will accumulate over time to a value that will be sufficient to cover the ongoing expenses charged by the Plan’s service providers.
- The daily price of each Fund is then determined by dividing the market value of each Fund, less the daily expense accrual of that Fund, by the number of shares of the Fund.

In the absence of the expense accruals, each participant's share of the Plan's expenses would have to be deducted from his or her account balance.

**Individual expenses** — These are expenses you may incur if you take advantage of certain Plan features. Presently, the only such feature in the Plan is related to the Participant Loan program.

*Participant Loans* - money that you borrow from and repay to your account. A charge of **\$15.00** will be deducted from each of your loan repayments and paid to United Administrative Services as a loan service charge. The remainder of your loan repayment will be re-invested into your Plan account. Other charges may be made in the case of delinquent payments.

# San Mateo County Electrical Construction Industry Retirement Plan

## Investment Options

This document includes important information to help you compare the investment options under your retirement Plan. If you want additional information about your investment options, you can go to the specific Internet Web site addresses shown below or you can contact United Administrative Services at 408-288-4400. A free paper copy of the information available on the Web pages can be obtained by contacting NWPS (formerly Kaufmann and Goble Associates, Inc). at 800-767-1170.

## Document Summary

This section provides information about each investment's return (i.e., how much money an investor might have made) over certain time periods. You can also determine the fees and expenses you will pay if you invest in an option.

Some of the terms and concepts in this document may be confusing to Plan participants who are not familiar with investing. The glossary at <http://www.investmentterms.com/> will provide help in understanding the concepts.

## Performance and Expense Information

**Table 1** provides information about Plan investment options that do not have a fixed or stated rate of return. The value of these investments may go up or down. The table shows how these options have performed over time.

Each investment in the table also has a "benchmark". The benchmark allows you to compare an investment's performance to the performance of a widely used collection of investments. While you cannot invest in a benchmark, the performance of the benchmark will give you an idea of how well the investment did in the same time period.

**Table 2** shows expense information for each investment option. This section also contains a reference to a web page where you can find additional information about the investment.

Some other points to keep in mind:

- Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. Some information about an option's principal risks is available on the Web pages.
- Total Annual Operating Expenses are expenses that reduce the rate of return of the investment option.
- Some Plans have Shareholder Fees. Where they exist, they are in addition to Total Annual Operating Expenses. Such fees are only incurred in specific circumstances. The Plan's two options have had no associated Shareholder Fees over the past year and none are anticipated in the future.

# San Mateo County Electrical Construction Industry Retirement Plan

## Investment Options

| <b>Table 1 - Variable Return Investments</b> |                                                 |        |        |                   |           |        |        |                                                                                                  |  |
|----------------------------------------------|-------------------------------------------------|--------|--------|-------------------|-----------|--------|--------|--------------------------------------------------------------------------------------------------|--|
| Name/<br>Type of Option                      | Average Annual Total Return as of<br>12/31/2021 |        |        |                   | Benchmark |        |        |                                                                                                  |  |
|                                              | 1yr.                                            | 2yr.   | 3yr.   | Inception<br>Date | 1yr.      | 2yr.   | 3yr.   |                                                                                                  |  |
| <b>BLENDDED</b>                              |                                                 |        |        |                   |           |        |        |                                                                                                  |  |
| Conservative Model                           | 6.05%                                           | 8.92%  | 10.51% | 01/2018           | 5.62%     | 8.52%  | 10.68% | Conservative Policy Index†                                                                       |  |
| Moderate Conservative Model                  | 8.55%                                           | 10.95% | 12.68% | 01/2018           | 7.85%     | 10.26% | 12.50% | Conservative to Moderate Policy Index †                                                          |  |
| Moderate Model                               | 10.39%                                          | 12.13% | 14.12% | 01/2018           | 10.11%    | 11.99% | 14.30% | Moderate Policy Index †                                                                          |  |
| Moderate Aggressive Model                    | 12.81%                                          | 13.88% | 15.93% | 01/2018           | 12.41%    | 13.70% | 16.10% | Moderate to Aggressive Policy Index †                                                            |  |
| Aggressive Model                             | 14.76%                                          | 15.18% | 17.58% | 01/2018           | 14.74%    | 15.39% | 17.89% | Aggressive Policy Index †                                                                        |  |
| Name/<br>Type of Option                      | Average Annual Total Return as of<br>12/31/2021 |        |        |                   | Benchmark |        |        |                                                                                                  |  |
|                                              | 1yr.                                            | 3 yr.  | 5yr.   | Inception<br>Date | 1yr.      | 3 yr.  | 5yr.   |                                                                                                  |  |
| The Equity Fund                              | 22.64%                                          | 23.23% | 16.11% | 1/1995            | 21.24%    | 21.58% | 15.28% | 70% Russell 3000 Index<br>20% MSCI AC World ex US(Net)<br>10% NCREIF Property Index              |  |
| The Fixed Fund                               | 2.31%                                           | 3.19%  | 2.71%  | 07/1995           | 0.47%     | 2.09%  | 1.97%  | 80% 90 Day U.S. Treasury Bill<br>10% Barc.U.S.Aggregate Index<br>10% HFRI FOF: Diversified Index |  |

† Details on model funds benchmarks:

|                                                     |                         |                                                   |                         |
|-----------------------------------------------------|-------------------------|---------------------------------------------------|-------------------------|
|                                                     |                         | <b><u>Moderate Policy Index</u></b>               | <b><u>Weigh (%)</u></b> |
|                                                     |                         | Blmdg. Barc. U.S. Aggregate Index                 | 45.00                   |
|                                                     |                         | Blmbg Barc. U.S. Corp High Yield                  | 5.00                    |
|                                                     |                         | Russell 3000 Index                                | 40.00                   |
|                                                     |                         | MSCI AC Word ex USA (net)                         | 10.00                   |
|                                                     |                         | <b><u>Moderate to Aggressive Policy Index</u></b> |                         |
|                                                     |                         | Blmdg. Barc. U.S. Aggregate Index                 | 36.00                   |
|                                                     |                         | Blmbg Barc. U.S. Corp High Yield                  | 4.00                    |
|                                                     |                         | Russell 3000 Index                                | 48.00                   |
|                                                     |                         | MSCI AC Word ex USA (net)                         | 12.00                   |
|                                                     |                         | <b><u>Aggressive Policy Index</u></b>             |                         |
|                                                     |                         | Blmdg. Barc. U.S. Aggregate Index                 | 27.00                   |
|                                                     |                         | Blmbg Barc. U.S. Corp High Yield                  | 3.00                    |
|                                                     |                         | Russell 3000 Index                                | 56.00                   |
|                                                     |                         | MSCI AC Word ex USA (net)                         | 14.00                   |
| <b><u>Conservative Policy Index</u></b>             | <b><u>Weigh (%)</u></b> |                                                   |                         |
| Blmdg. Barc. U.S. Aggregate Index                   | 63.00                   |                                                   |                         |
| Blmbg Barc. U.S. Corp High Yield                    | 7.00                    |                                                   |                         |
| Russell 3000 Index                                  | 24.00                   |                                                   |                         |
| MSCI AC Word ex USA (net)                           | 6.00                    |                                                   |                         |
| <b><u>Conservative to Moderate Policy Index</u></b> |                         |                                                   |                         |
| Blmdg. Barc. U.S. Aggregate Index                   | 54.00                   |                                                   |                         |
| Blmbg Barc. U.S. Corp High Yield                    | 6.00                    |                                                   |                         |
| Russell 3000 Index                                  | 32.00                   |                                                   |                         |
| MSCI AC Word ex USA (net)                           | 8.00                    |                                                   |                         |

# San Mateo County Electrical Construction Industry Retirement Plan

## Investment Options

| Table 2 – Fees and Expenses |                                                                                                                                                                 |                |                       |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-----------------------|
| Name/ Type of Option        | Total Annual Operating Expenses<br>As a<br>%                                                                                                                    | Per<br>\$1,000 | Shareholder-Type Fees |
| <b>BLENDED</b>              |                                                                                                                                                                 |                |                       |
| Conservative Model          | 0.32%                                                                                                                                                           | \$3.20         | None                  |
|                             | Additional information may be found at:<br><a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=F5505">www.dolfeedisclosure.com?c=kaufmann&amp;f=F5505</a> |                |                       |
| Moderate Conservative Model | 0.30%                                                                                                                                                           | \$3.00         | None                  |
|                             | Additional information may be found at:<br><a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=F5507">www.dolfeedisclosure.com?c=kaufmann&amp;f=F5507</a> |                |                       |
| Moderate Model              | 0.26%                                                                                                                                                           | \$2.60         | None                  |
|                             | Additional information may be found at:<br><a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=F5508">www.dolfeedisclosure.com?c=kaufmann&amp;f=F5508</a> |                |                       |
| Moderate Aggressive Model   | 0.26%                                                                                                                                                           | \$2.60         | None                  |
|                             | Additional information may be found at:<br><a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=F5506">www.dolfeedisclosure.com?c=kaufmann&amp;f=F5506</a> |                |                       |
| Aggressive Model            | 0.21%                                                                                                                                                           | \$2.10         | None                  |
|                             | Additional information may be found at:<br><a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=F5504">www.dolfeedisclosure.com?c=kaufmann&amp;f=F5504</a> |                |                       |
| The Equity Fund             | 0.32%                                                                                                                                                           | \$3.20         | None                  |
|                             | Additional information may be found at:<br><a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=F2322">www.dolfeedisclosure.com?c=kaufmann&amp;f=F2322</a> |                |                       |
| The Fixed Fund              | 0.19%                                                                                                                                                           | \$1.90         | None                  |
|                             | Additional information may be found at:<br><a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=F2323">www.dolfeedisclosure.com?c=kaufmann&amp;f=F2323</a> |                |                       |

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the Department of Labor's Web site for an example showing the long-term effect of fees and expenses at <https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/publications/a-look-at-401k-plan-fees.pdf>. Fees and expenses are only one of the many factors to consider when you decide to invest in an option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

Please visit <http://www.investmentterms.com/> for a glossary of investment terms relevant to the investment options under this Plan. This glossary is intended to help you better understand your options.