



SOLANO AND NAPA COUNTIES
ELECTRICAL WORKERS BENEFIT FUNDS



November 2014
Solano-Napa Counties Electrical Workers Profit Sharing Plan
QUALIFIED DEFAULT INVESTMENT ALTERNATIVE (QDIA)
REQUIRED ANNUAL EMPLOYEE NOTICE

Purpose of this Default Notice

The Board of Trustees of the Solano-Napa Counties Electrical Workers Profit Sharing Plan has adopted a qualified retirement plan to help you attain financial security during your retirement years. As a participant, you decide how your retirement plan dollars will be invested. On January 1, 2010 the Trustees added to your list of options several mutual funds commonly referred to as "target funds." These funds are geared towards your age. That is, they have target dates that represent the approximate date you may plan on retiring. The closer you get to the target date (the older you get) the more the portion of the mutual fund invested in stocks (which are considered riskier than bonds or other fixed income investments) is decreased and invested automatically in the fixed income (less risky) portion of the target fund. While there is never any guarantee that stocks will do better or worse than bonds as a long-term investment, traditionally stock investments are considered to be more volatile, meaning gains or losses in a short period of time can be significant. Consequently, as you approach retirement age, stability in your account will be enhanced by the reduction of stocks. This reduction is done automatically by the mutual fund manager.

The default fund for all contributions prior to January 1, 2010 was the MetLife Stable Value Fund, which has a guaranteed interest return that changes each quarter. If you had not made an election regarding where you wanted your contributions deposited prior to that date, the MetLife Stable Value Fund is where they were deposited. As a Participant, you can elect to direct your new contributions into any of the various mutual funds offered by the Plan and change that election at any time. You can also direct that your existing account balance be moved into any of the available funds. However, if you've never made such an election, contributions to your Plan account prior to January 1, 2010 remain in the old default, the MetLife Stable Value Fund, and contributions after January 1, 2010 will be deposited in the target fund appropriate to your date of birth, as described above.

If you've made an election at any time in the past, your contributions will continue to be deposited in the fund(s) that you elected. **The default fund applies only if you have not made an election. Elections can be changed at any time. Remember, you have the ability to pick the funds that you want your contributions to be invested in. Only if you fail to make an election does the default fund rule apply, as explained more fully below.**

If you do not make an investment election, your contributions will be invested in the Qualified Default Investment Alternative (QDIA).

This Qualified Default Investment Alternative (QDIA) Employee Notice:

1. describes when the QDIA is used;
2. provides details regarding the QDIA selected;
3. outlines your right to direct the investment of your plan dollars to other investments available in the Plan or to elect not to have contributions withheld from your pay, if applicable; and
4. explains how you can obtain more information regarding those additional investment alternatives.

Keep this notice with your Summary Plan Description and other retirement plan documents.

When the default fund will be used

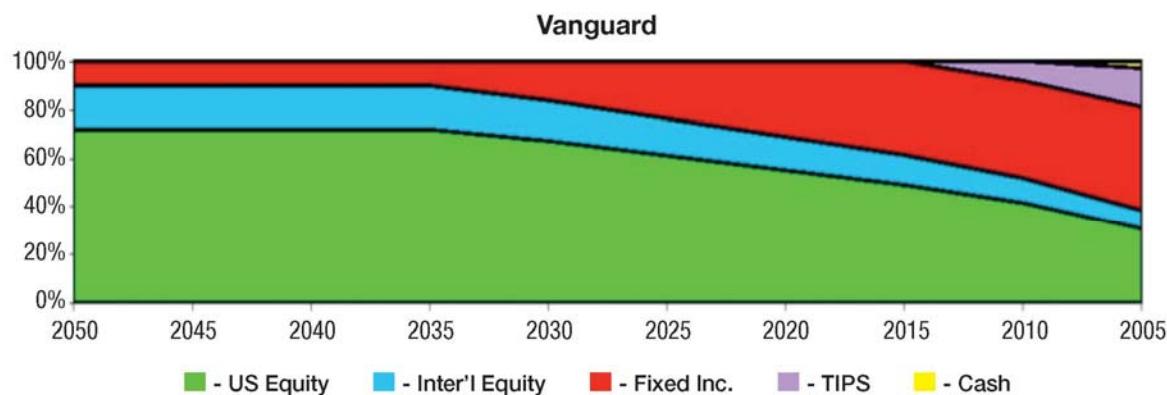
You can invest your plan dollars in any of the investment alternatives available in your Plan. In the absence of an investment election, your future contributions will be invested in the Plan's QDIA target fund applicable to you under the following circumstance(s):

The Plan contains an automatic enrollment feature and you did not make an investment election during the notice period. An hourly amount under the collective bargaining agreement as part of your compensation will be contributed to the plan.

- ⟨ If the asset allocation you complete on your enrollment form does not equal 100% or you choose an investment option that is not available in the plan, some or all of your contributions will be invested in the QDIA.

Effective January 1, 2010 the QDIA for your Plan is:

Vanguard Target Retirement Funds (Detailed Below) — Invest in a combination of stocks, bonds and cash. These funds use a simple fund of funds structure that seeks to build appropriate asset allocation from preselected stock, bond, and money market portfolios based on the target retirement year. The allocation between funds and asset classes automatically becomes more conservative over time (as the retirement year nears). The fund handles investment selection, asset allocation, and rebalancing through retirement. The majority of assets are invested in index funds. The annual expense ratios for these funds are between 0.16% and 0.18%. The expense ratio is the percentage amount of your portfolio that is charged against your account balance by the mutual fund family to cover their management fees and operating expenses. There are no commissions or other fees that you pay in connection with buying or selling this investment.



The Following paragraphs describe each of the funds available through your Plan:

MetLife Stable Value Fund - The Fund is not publicly traded and is available only to retirement plans. The underlying investment is designed to produce regular income and conservation of principal on a guaranteed basis. A guaranteed rate of return is offered for each calendar quarter and is announced in the first month of each quarter. The assets underlying the fund are held in a separate account outside of MetLife. The specific investments are monitored and controlled by the Wilmington Trust Retirement and Institutional Services Company, which is Trustee of the

fund. MetLife, the insurance company, has issued a policy that guarantees that the rate announced at the beginning of each quarter will be attained. In other words, if the investments of the fund don't earn the guaranteed rate, the insurance company, MetLife, is under contract to make up the difference from its corporate assets. The average guaranteed rate for 2009 was 3.16%, for 2010 was 2.97%, for 2011 was 2.33%, for 2012 was 1.91%, for 2013 was 1.51%, and for 2014 was 1.51%.

The fund invests all of its assets in bonds and short-term and medium-term credit instruments, among different managers, with varying duration and investment grades. Because of the guaranteed rate, the concept of an expense ratio is not relevant to this fund.

Dodge & Cox Balanced Fund (DODBX) - This investment seeks regular income, conservation of principal, and an opportunity for long-term growth of principal and income. The fund invests in a diversified portfolio of common stocks, preferred stocks, and fixed income securities. It primarily invests in companies that appear to be temporarily undervalued by the stock market and have a favorable outlook for long-term growth. The Fund's annual expense ratio is 0.53%.

T. Rowe Price Institutional Large Cap Growth Fund (TRLGX) - The investment seeks to provide long-term capital appreciation through investments in common stocks of growth companies. In taking a growth approach to investment selection, the fund will normally invest at least 80% of its net assets (including any borrowings for investment purposes) in the common stocks of large-cap companies. It defines a large-cap company as one whose market capitalization is larger than the median market capitalization of companies in the Russell 1000 Growth Index, a widely used benchmark of the largest U.S. growth stocks. The fund is non-diversified. The Fund's annual expense ratio is 0.56%.

Dodge & Cox Stock Fund (DODGX) - The investment seeks long-term growth of principal and income. The fund invests primarily in a diversified portfolio of common stocks. It normally will invest at least 80% of its total assets in common stocks, including depositary receipts evidencing ownership of common stocks. The fund may also purchase other types of securities, for example, preferred stocks, and debt securities which are convertible into common stock. The Fund's annual expense ratio is 0.52%.

Dodge & Cox International Stock (DODFX) - This investment seeks long-term growth of principal and income. The fund generally invests primarily in a diversified portfolio of equity securities issued by non-U.S. companies from at least three different foreign countries, including emerging markets. It normally invests at least 80% of its total assets in common stocks, preferred stocks, securities convertible into common stocks, and securities that carry the right to buy common stocks of non-U.S. companies. The fund invests primarily in medium-to-large well established companies based on standards of the applicable market. The Fund's annual expense ratio is 0.64%.

American Small World (RLLGX) - The investment seeks long-term growth of capital. The fund invests at least 80% of net assets in growth-oriented common stocks and other equity-type securities (such as preferred stocks, convertible preferred stocks and convertible bonds) of companies with small market capitalizations, measured at the time of purchase. The investment adviser currently defines "small market capitalization" companies to be companies with market capitalizations of \$4.0 billion or less. The fund invests a significant portion of its assets outside the United States, including emerging markets. The Fund's annual expense ratio is 0.72%.

Dodge & Cox Income Fund (DODIX) - This investment seeks a high and stable rate of current income, consistent with long-term preservation of capital. The fund normally invests in a diversified portfolio of high-quality bonds and other fixed-income securities. At least 65% of the fund's total assets will be invested in fixed income securities rated A or better by either Standard & Poor's Ratings Group (S&P), Fitch Ratings (Fitch), or Moody's Investors Service (Moody's), or equivalently rated by any other nationally recognized statistical rating organization (NRSRO). It may also invest in interest rate derivatives such as U.S. Treasury futures in keeping with the fund's objective. The Fund's annual expense ratio is 0.43%.

Vanguard Target Date Income Fund (VTINX) - This investment seeks current income and some capital appreciation. The fund invests in other Vanguard mutual funds according to an asset allocation designed for investors currently in retirement. At any given time, its asset allocation may be affected by a variety of factors, such as whether the underlying funds are accepting additional investments. The Fund's annual expense ratio is 0.16%.

Vanguard Target Date 2010 Fund (VTENX) - This investment seeks to provide growth of capital and current income consistent with its current allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire in or within a few years of 2010 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.16%.

Vanguard Target Date 2015 Fund (VTXVX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2015 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.16%.

Vanguard Target Date 2020 Fund (VTWNX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2020 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.16%.

Vanguard Target Date 2025 Fund (VTTVX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2025 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.17%.

Vanguard Target Date 2030 Fund (VTHRX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2030 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.17%.

Vanguard Target Date 2035 Fund (VTTHX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2035 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.18%.

Vanguard Target Date 2040 Fund (VFORX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2040 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.18%.

Vanguard Target Date 2045 Fund (VTIVX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2045 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.18%.

Vanguard Target Date 2050 Fund (VFIFX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2050 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.18%.

Vanguard Target Date 2055 Fund (VFFVX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund primarily invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2055 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated

to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.18%.

Vanguard Target Date 2060 Fund (VTSX) - The investment seeks to provide capital appreciation and current income consistent with its current asset allocation. The fund invests in other Vanguard mutual funds according to an asset allocation strategy designed for investors planning to retire and leave the work force in or within a few years of 2060 (the target year). Its asset allocation will become more conservative over time, meaning that the percentage of assets allocated to stocks will decrease while the percentage of assets allocated to bonds and other fixed income investments will increase. The Fund's annual expense ratio is 0.18%.

Making investment elections

To change how your account balance is invested or how your future contributions will be invested, you must either use one of the automated systems described below or mail an "Election and Allocation Form" to the Plan's recordkeeper, named below. You may change (switch) from the QDIA investment to any of the other investment(s) without financial penalty. However, ongoing investment and account fees may apply.

There are two categories of assets for which you may provide investment instructions — future contributions and existing account balances.

- You may change investment elections for your future contributions.
- You may change the investment elections for your existing account balance.

For all participants: You may make investment elections for either your existing account balance or your future contributions by using either of the following methods:

1. Logging in to the Plan's web site at www.kandg.com (you will need your personal secure log-in identifiers). Once logged in, you will see a menu bar. Under the "Manage Account" menu, you can
 - a. Change your future elections by going to "Manage Account ⑧ Investment Elections ⑧ Future Elections". This will show a page with all the investment options available and allow you to enter percentages for any of the options you choose.
 - b. Change the investment of your existing account balance by going to "Manage Account ⑧ Exchanges ⑧ Rebalance Account". This page looks very similar to the Future Elections page and works in the same manner.
2. Submitting a hard-copy election/allocation form.

If you need a copy of your personal log-in instructions or an election/allocation form, contact the Plan's recordkeeper, Kaufmann and Goble Associates, at 1-800-767-1170 during regular business hours. Your login instructions and/or forms will then be mailed to your home address of record. Changes placed through the web site are processed on each day the investment markets are open. Election forms are processed as they are received, usually within two to three days.

For further information please contact any of the following:

**Ken deCesare, Deanna Avila or Paul Pratico at
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160 W. Santa Clara St., Ste. 1550
San Jose, CA 95113
1-800-767-1170**