



SOLANO AND NAPA COUNTIES  
**ELECTRICAL WORKERS BENEFIT FUNDS**



DATE: June 2013

TO: Participants of the Solano-Napa Counties Electrical Workers 401(a) Profit Sharing Plan

FROM: The Board of Trustees

SUBJECT: Annual Notice Regarding the Expenses of the Plan

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The Board of Trustees of the Solano-Napa Counties Electrical Workers 401(a) Plan is pleased to provide you with this Notice, which includes a significant amount of detail regarding the expenses associated with the Plan. It is provided once each year (since 2012), and is required by Department of Labor regulations.

The purpose of the notice is to provide an answer to the question “What fees do I pay when participating in the Solano-Napa Counties Electrical Workers 401(a) Plan?”

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. You’ll learn:

- 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 performance of plan investments 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. Almost all 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 needs and goals.

If you have any questions concerning the information that follows, contact the Plan Administrative Office at 925-208-9980.

## **Solano-Napa Counties Electrical Workers 401(a) Profit Sharing Plan**

### **General Information Concerning the Plan and Its Operating Expenses**

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 the Plan Administrative Office at 925-208-9980.

### **Plan Information**

The Plan is intended to be an ERISA Section 404(c) plan. This simply means that you “exercise control” over some or all of the investments in your Plan account. The fiduciaries of the Plan may be relieved of liability, or responsibility, for any losses that you may experience as a direct result of your investment decisions.

As a Plan participant, you may request certain information from Kaufmann and Goble Associates, 160 West Santa Clara Street, Suite 1550, San Jose, CA 95113, Phone: 800-767-1170. This information includes: annual operating expenses of the Plan investments; copies of prospectuses, financial statements, reports, or other materials relating to Plan investments that have been provided to the Plan; a list of assets contained in each Plan investment portfolio; the value of those assets and fund units or shares; and the past and current performance of each Plan investment. Much of this information is also available on the Plan website at [www.kandg.com](http://www.kandg.com) (User Id and Password required). Contact Kaufmann and Goble for information related to using the web site.

You give investment directions for your Plan account, selecting from investment choices provided under the Plan, as determined by The Board of Trustees of the Plan.

You may change your investment choices at any time. Such changes will take effect on the next day the investment markets are open.

### **Other Plan-related Expenses**

Retirement plans have different types of expenses.

**Administration expenses** – These are charges for services such as legal, accounting and recordkeeping expenses.

In this Plan, such expenses are paid partly through the Plan sponsor and partly by participants. A participant's share of these expenses is allocated on a per capita basis. Your share of these expenses is a flat amount, **\$10.00 per month**, charged quarterly.

The Plan benefits from revenue sharing, and these payments go to offset the administration expenses. The term “revenue sharing” refers to payments made indirectly to the Plan by one or more of the Plan’s investment options. Any such payments are due to a contractual agreement between the sponsors of the Plan’s investment options and the Plan’s other service providers. In the absence of revenue sharing, a participant's share of these expenses would be higher.

**Individual expenses** – These are expenses you may incur that depend on your individual situation.

In this Plan, there are presently no such types of expenses. However there might be individual expenses in the future. Individual expenses could include items such as charges for the Plan to review a qualified domestic relations order (QDRO) prepared in connection with a participant's divorce or review of a hardship application. In the event there are charges adopted for these types of Plan administration, notice of the amount(s) will be provided.

## Investment Options —03/31/2013

## Document Summary

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.

**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.

Finally, the table shows fee and expense information for each investment option. Expense information is provided in the gray area below each investment. This section also contains a reference to a web site where you can find additional information about the investment.

- Past performance does not guarantee how the investment option will perform in the future. Your investment in these options could lose money. 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.
- Shareholder-type Fees, where they exist, are in addition to Total Annual Operating Expenses. Such fees are only incurred in specific circumstances.

Table 1 - Variable Return Investments								
Name	Average Annual Total Return as of 03/31/2013				Benchmark			
	1 yr.	5 yr.	10 yr.	Since Inception	1 yr.	5 yr.	10 yr.	Since Inception
<b>STOCK</b>								
American Funds SMALLCAP World Fund (R6)	14.25%	4.82%	13.40%	20.18%	11.61%	3.10%	10.29%	N/A Morningstar Global Index
Additional information may be found at: <a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=831681812">www.dolfeedisclosure.com?c=kaufmann&amp;f=831681812</a>								
Total annual operating expense: 0.73% (\$7.30 per \$1,000).								
<b>Note on Performance</b> : Performance for this investment for the period prior to 05/01/2009 is based on a different share class for the investment.								
Dodge & Cox International Stock Fund	11.28%	1.09%	13.43%	8.04%	11.31%	0.14%	10.61%	N/A Morningstar Developed Markets ex US Index
Additional information may be found at: <a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=256206103">www.dolfeedisclosure.com?c=kaufmann&amp;f=256206103</a>								
Total annual operating expense: 0.64% (\$6.40 per \$1,000).								
Dodge & Cox Stock Fund	20.35%	4.63%	9.09%	10.93%	13.44%	5.51%	8.22%	N/A Morningstar Large Cap Index
Additional information may be found at: <a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=256219106">www.dolfeedisclosure.com?c=kaufmann&amp;f=256219106</a>								
Total annual operating expense: 0.52% (\$5.20 per \$1,000).								
Nuveen Winslow Large-Cap Growth Fund (I)	5.44%	N/A	N/A	17.58%	13.44%	5.51%	8.22%	16.74% Morningstar Large Cap Index
Additional information may be found at: <a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=670725662">www.dolfeedisclosure.com?c=kaufmann&amp;f=670725662</a>								
Total annual operating expense: 0.89% (\$8.90 per \$1,000).								

### Table 1 - Variable Return Investments

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**Table 1 - Variable Return Investments**

Name	Average Annual Total Return as of 03/31/2013				Benchmark			
	1 yr.	5 yr.	10 yr.	Since Inception	1 yr.	5 yr.	10 yr.	Since Inception
MetLife Stable Value Fund	1.80%	2.79%	3.62%	N/A	0.07%	0.23%	1.58%	N/A
						Morningstar Cash Index		
Additional information may be found at: <a href="http://www.dolfeedisclosure.com?c=kaufmann&amp;f=CTF088121">www.dolfeedisclosure.com?c=kaufmann&amp;f=CTF088121</a>								
Total annual operating expense: 1.13% (\$11.30 per \$1,000).								

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 [http://www.dol.gov/ebsa/publications/401k\\_employee.html](http://www.dol.gov/ebsa/publications/401k_employee.html). Fees and expenses are only one of 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.