

U.A. Local No. 393 Benefit Funds

PLUMBERS, STEAMFITTERS & REFRIGERATION FITTERS

1731 Technology Drive, Suite 570 ■ San Jose, CA 95110

P.O. Box 2460 ■ San Jose, CA 95109-2460

Phone (408) 588-3751 ■ Fax (408) 436-8210

DATE: December 1, 2021

TO: U.A. Local No.393 Defined Contribution Plan (Part B) Participants and Beneficiaries

FROM: Board of Trustees

SUBJECT: 2022 Annual Notice regarding the Default Investment Option

The purpose of this Notice is to describe how your Individual account with the U.A. Local No. 393 Defined Contribution Plan is invested, and how it will continue to be invested, if you do not provide the Plan with investment instructions.

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. Please note, you are only permitted to self-direct your Individual Account after you have

- attended an education meeting provided by the plan appointed investment advisor, or
- submitted a waiver form.

You can change the way your current balance and future contributions are invested at any time. **If you have already invested your Individual Account outside the Balanced Pooled Account, no action on your part is necessary.**

You may direct the investment of your Individual Account by

1. using the Plan's web site at www.kandg.com,
2. through the toll-free automated voice number 1-800-293-1170, or
3. submitting an "Investment Election and Allocation Form", available from the Administration Office at 408-588-3770 or **www.UALocal393Benefits.org**

There are no transaction fees for electing any of the investment options available to the Plan. To obtain information about the other investment options that are available under the Plan, please contact Don Grijalva at 408-533-9113 or at his mailing address: 575 Market Street, Suite 3900, San Francisco, CA 94105 or log onto **www.kandg.com**.

Until you have provided investment instructions to the Plan, your assets will be automatically invested, by default, into the Plan's Balanced Pooled Account (the default investment option for old and current participants who already have an account balance prior to October 1, 2021). This option is known as the "Qualified Default Investment Alternative", or "QDIA".

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

(continued on back)

Investment Type:	Percentage
Stocks	52%
Bonds	45%
Cash or Cash Equivalent	3%
Total	100%

Estimated investment expense ratio: 0.35 (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 Balanced Pooled Account is 0.35 percent. This fee measures how much of a fund's assets are used for the Plan's operating expenses such as legal, administrative, auditing, etc.

Investment in the Balanced Pooled Account involves investment risks, including the possible loss of the principal amount invested. Investments in the Balanced Pooled 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 Balanced Pooled 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 Balanced Pooled Account is considered less risky than Funds that invest only in stocks, and riskier than Funds that invest only in fixed income securities. Notwithstanding the attempt of the Balanced Pooled Account to be diversified in its investments, that does not assure an increase in value or protect against loss.

Additional information, including prospectuses, can be obtained at www.kandg.com