

U.A. Local No. 393 Benefit Funds

PLUMBERS, STEAMFITTERS & REFRIGERATION FITTERS

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DATE: December 2021

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

FROM: Board of Trustees

SUBJECT: **Changes to your future contributions in the Plan**

Over the past several months, the Board of Trustees have been evaluating the U.A. Local No. 393 Part B Defined Contribution Plan's ("Plan") default investment option, which are currently the Target Date Funds, to determine if it continues to be the best option for Participants of this Plan.

This process has led to the decision to invest all future contributions to the Plan into the Balanced Pooled Account. This option is known as the Qualified Default Investment Alternative ("QDIA"). Going forward, the Balanced Pooled Account will replace the Target Date Funds as the Plan's "default" investment option. All current balances will remain unchanged and invested as they are currently. Effective with December Deposits to the Plan, they will be invested in the Balanced Pooled Account. **No action is required on your part.**

If eligible, 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 1-408-588-3770 or www.UALocal393Benefits.org.

As a participant or beneficiary in the Plan, you have the right to direct the investment of assets in your Individual Account to any other investment alternative under the Plan. 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 1-408-533-9113 or at his mailing address: Raymond James, 575 Market Street Suite 3900, San Francisco, CA 94105

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

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 includes 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