PLAN A CAREER. REALIZE A FUTURE.

JOINT ANNUITY FUND OF LOCAL UNION No. 164, I.B.E.W.

NECA
NATIONAL ELECTRICAL CONTRACTORS ASSOCIATION

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
WHETHER YOUR RETIREMENT IS 40 YEARS AWAY OR ON THE HORIZON, IT IS IMPORTANT TO TAKE STOCK OF YOUR SITUATION AND TAKE CHARGE.

Industry professionals estimate that some Americans will spend nearly one third of their lives in retirement. Fortunately, we are pleased to offer the Joint Annuity Fund of Local Union No. 164, I.B.E.W. to help you work toward your retirement goals and prepare for the future.
WHAT DO YOU SEE YOURSELF DOING WHEN YOU RETIRE?

Perhaps you’re looking forward to spending more time with your family and friends, and sharing your hobbies with others. Or maybe you hope to travel and enjoy the great outdoors! No matter how big or small your retirement goals may be, it takes preparation to achieve them.

As a general rule, financial professionals recommend that retirees accumulate at least enough in their retirement account to replace 75–80 percent of their pre-retirement income. For example, someone who earns $40,000 per year would need a minimum of $30,000 per year during retirement to maintain a similar lifestyle.

Social Security, income from an employer-sponsored pension plan, personal savings and personal investments, like an IRA, may aid in covering expenses after retirement; however, most often these are only part of the overall retirement income picture. Your Joint Annuity Fund can play an important role in reaching your retirement goals. It offers you tools, education and investment options that can help you take steps today to work toward what life has in store tomorrow.

What’s your number?

Have you figured out how much you should have accumulated to maintain your current lifestyle after retirement? According to the 2016 Retirement Confidence Survey (conducted by the Employee Benefit Research Institute and Mathew Greenwald & Associates), only 48 percent of Americans have done the math. The chart below can give you an idea of the retirement income needs of those employees who have calculated their number.

To figure out your number, visit www.ibew164annuity.com to access various calculators to determine a suitable amount for your situation.

Note: Employee Benefit Research Institute and Mathew Greenwald & Associates are not affiliates of McCready and Keene and are not OneAmerica companies.

Retirement preparation by the numbers

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>39%</td>
<td>Of workers who have done a retirement needs calculation (compared with 17 percent who have not) say they are very confident that they will be able to accumulate the amount they need.</td>
</tr>
<tr>
<td>69%</td>
<td>Of workers say they (and/or their spouses) are currently saving for retirement.</td>
</tr>
<tr>
<td>31%</td>
<td>Of all workers think they need to accumulate at least $500K by the time they retire to live comfortably in retirement.</td>
</tr>
<tr>
<td>26%</td>
<td>Of workers believe they will be 70 or older when they retire.</td>
</tr>
</tbody>
</table>

**MAKE YOUR MONEY WORK FOR YOU**

Because your contributions are invested before you pay taxes, you could potentially have more money working for you. In addition, because the Joint Annuity Fund is a qualified retirement plan, you do not have to pay taxes on any investment earnings until you withdraw money from the plan. It is important to remember, though, that the tax is deferred and when you take a distribution it will be taxed as ordinary income. Additionally, if you make a withdrawal before age 59½ you may also have to pay an additional 10 percent tax penalty on top of ordinary income taxes.

**The benefits of compounding**

Compounding is a way to make your money work for you when your principal investment generates a gain that is reinvested and experiences an additional earning. When the new balance (the original investment plus the gain) generates further earnings, the initial gain increases the total return of your initial investment. When the following gains are reinvested, future positive gains are further compounded.

**Compounding example**

![Graph showing compound interest growth]

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year one</td>
<td>Let’s assume a person invests $1,000 and the $1,000 earns 8 percent rate of return. After one year, the total is $1,080.</td>
</tr>
<tr>
<td>Year two</td>
<td>The second year, both the original $1,000 and $80 earnings (total $1,080) earn 8 percent rate of return, so now the total is $1,166.</td>
</tr>
<tr>
<td>Year three</td>
<td>The third year, all the earnings and original $1,000 (total $1,166) earn 8 percent rate of return. The total is now $1,260.</td>
</tr>
<tr>
<td>Year ten</td>
<td>At an 8 percent annual rate of return, the original $1,000 would more than double to $2,159 in 10 years.</td>
</tr>
</tbody>
</table>

**Note:** All numeric examples are hypothetical. These hypothetical investment returns are for educational purposes only and are not indicative of any particular investment or performance. Hypothetical returns assume reinvestment of earnings. Actual returns or principal value will vary. Balances shown are before reduction for taxes.
CHOOSE YOUR INVESTMENTS

An important and sometimes confusing step in retirement preparation is choosing which options to invest in. Because each investor has different goals and different circumstances, there is no set strategy that works for everyone.

Investment types

There are different types of investments in which you may choose to invest your retirement plan contributions. The three main types are:

- **Stocks**: have historically had the greatest risk and highest returns among the three major investment types.
- **Bonds**: are generally less volatile than stocks but offer more modest returns.
- **Cash equivalents**: such as certificates of deposit and treasury bills — are generally the most conservative investments, but offer a lower potential for return than the other major investment types.

Another type of investment, called an Asset Allocation investment, provides investors with a blended portfolio of different types of investments in a single option. These investments are a good option for investors who would prefer to allow professional money managers to make adjustments to their investments as the market fluctuates.

Understanding risk and return

Investment risk is the potential for an investment to lose value. Return is the change in value on an investment. Higher returns are usually associated with greater risks, while investments with lower returns generally have a lower risk level. Understanding the relationship between risk and return is very important as you develop your investment strategy.

The amount of investment risk you are willing to take, also known as your “risk tolerance,” is a personal decision, which can be shaped by many factors including the amount of time you have until retirement, also known as your “time horizon.”

- **Risk tolerance**: Some people are comfortable taking on the risk of frequent ups and downs of the stock market in return for potentially greater long-term returns. Others prefer the possibility of a slow, steady return with lower risk investments. Understanding your personal attitude toward risk can help you find the right mix of investments for your portfolio.
- **Time horizon**: The longer you have until retirement, the more risk you can potentially afford to take.

**Risk versus Return**

In the investment world, risk refers to the elements that determine whether an investment’s value or return will be lower or higher than expected. Generally, the greater the risk, the greater the potential return. The risk/return meter above shows the relative risk and return characteristics of different investment types.
Mixing it up with diversification

Because different investment types have varying levels of risk and return, it is important to make sure you have a good mix of investments in your portfolio. This strategy, called diversification, aims to balance risk and reward by allocating assets according to your goals, risk tolerance and investment horizon.

Note: Each group of investments carries its own unique risks. Before investing, please read each fund prospectus for a detailed explanation of the risks, fees, and costs associated with each underlying investment. Although you might reduce volatility and risk with diversification, you can’t eliminate investment risk altogether. Please note that the use of diversification or asset allocation does not assure a profit or guarantee against a loss. Bond funds have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the fund. • Money market funds are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other federal government agency. Although they seek to preserve the value of your investment at $1.00 per share, it’s possible to lose money by investing in money market funds. • Funds investing in stocks of small, mid-sized, and emerging companies may have less liquidity than those investing in larger, established companies and may be subject to greater price volatility and risk than the overall stock market. • Investing in international markets involves risks not associated with investing solely in the U.S., such as currency fluctuation, potential political and diplomatic instability, liquidity risks, and differences in accounting, taxes, and regulations.

Hands off approach

For those who wish to take a more “hands off” approach to investing, your plan offers Target Date investment options through the American Funds Target Date Funds. These funds consist of a series of target retirement date funds in five-year increments where you select the fund that most closely aligns with your retirement year. For example, an American Funds 2030 Target Date may be appropriate for someone planning to retire in or around 2030.

Note: These investment options have similar risk/return characteristics as compared to the Stocks, Bonds and Cash Equivalents previously discussed. Additional information on these, and all investments, can be found on Morningstar or by logging into your retirement account.

Target Date Funds are designed for people who plan to retire and begin taking withdrawals during or near a specific year. These funds use a strategy that reallocates equity exposure to a higher percentage of fixed investments; the funds will shift assets from equities to fixed-income investments over time. As a result, the funds become more conservative over time as you approach retirement. It’s important to remember that no strategy can assure a profit or prevent a loss in a declining market and the principal value of the Target Date Funds is not guaranteed at any time, including the target date. Target Date Funds are designed to provide diversification and asset allocation across several types of investments and asset classes, primarily by investing in underlying funds. Therefore, in addition to the expenses of the Target Date Funds, an investor is indirectly paying a proportionate share of the applicable fees and expenses of the underlying funds. The principal amounts invested into these funds are not guaranteed at any point and may lose value.

Middle of the road approach

There is a tool available for those who would like some guidance with regards to investment strategy, but would still like the ability to make changes or manually select investment options if desired.

My OneCheck™ Online from MasteryPOINT Financial Technologies is available to you by logging in to your account at
www.ibew164annuity.com. This tool includes resources to help you create your personal retirement strategy:

- **Strategy Builder:** The My OneCheck Online Strategy Builder web tool is designed to help you create a retirement action plan and provides recommendations from MasteryPOINT that may move you closer to your retirement goals.

- **Retirement education information:** The education section of the My OneCheck Online tool provides information on retirement preparation concepts and the advantages of your retirement plan.

- **Calculators:** The calculators offered as part of My OneCheck Online are helpful retirement preparation and financial resources. This includes calculators such as a “Distribution Planner” and “Paycheck Calculator.”

**Note:** MasteryPOINT’s My OneCheck Online Retirement Income Strategy (RIS) tool is a sophisticated retirement planning tool designed to provide you with valuable help in reaching your retirement goals. However, My OneCheck Online forecasts and projections are derived from mathematical modeling techniques of the economic and financial markets that may or may not reflect actual conditions and events. The asset projections and suggestions of asset allocation strategies furnished through the My OneCheck Online RIS tool are based on information and assumptions you provide about your current financial, personal and family status, and expected returns as well the historical performance of various asset categories available within your plan. While My OneCheck Online can provide you with insights on which investment asset categories offered by your Plan appear to best fit your retirement needs, you are solely responsible for using your own best judgment to choose the investments that are most suitable for you.

**Methodology**

The My OneCheck Online RIS tool generates retirement wealth and retirement income projections based on current account balances, current salary, retirement age, life expectancy, current savings rates and rate of return assumptions entered by the participant. The risk questionnaire provides a series of questions that are used to determine the user’s tolerance for risk. Base on his/her answers to the questions, the tool assigns each user a conservative, moderate, or aggressive risk profile. The tool then displays a suggested mix of assets that may be appropriate for the user’s time horizon to retirement and risk profile. Consult with your financial professional to discuss how other investment options can be combined with your MasteryPOINT My OneCheck Online asset level suggestions to best meet your overall retirement or other financial goals.

**Limitations and key assumptions**

- There can be no assurance that any of the suggestions for modification of participant savings level, participant retirement age, participant retirement goal, or participant risk level will generate any specific level of retirement date wealth or income in retirement.
- These illustrations are hypothetical and are based on the information and variables you provide. Investing involves risk including the potential for loss of principal. Past performance is not a guarantee of future results. Your actual investment experience will vary.
- Any investment involves risk and there is no assurance that the investment objective of any investment option will be achieved. Before investing, understand that your investments are subject to market risk, including possible loss of principal.
- The use of diversification and asset allocation as part of an overall investment strategy does not assure a profit, or protect against loss in a declining market.
- Monthly retirement plan contributions are made at the end of each month prior to retirement at the specified rate you selected. Your retirement plan assets grow at the pre- and post-retirement rates of return you select.
- Your salary growth before retirement is calculated at an annual rate of 3%. Contributions into the Plan before retirement will also grow at the same rate. Income growth after retirement is set to the inflation rate.
- After retirement, your growth-adjusted salary is withdrawn from your retirement plan balance each month. This amount is indicated as withdrawn before investment growth is applied for the month.
- Monthly compounding is applied to rates of return and inflation. These values are applied at the rate you select, divided by 12 for growth of retirement plan balances.
- Social Security is calculated based on your current salary. An earnings base for up to 35 working years prior to retirement date is calculated. Your current Social Security benefits are calculated from your assumed
earnings base and that of your spouse (whether non-working spouse or working spouse if his/her age and salary are specified). A 2.5% annual growth factor is applied to your Social Security benefits after retirement. The calculated benefit is added to your retirement plan balance at the end of each month during retirement. Benefits are reduced for early retirement and increased for late retirement according to current Social Security regulations.

- If you are married and do not explicitly exclude the spouse Social Security benefit, a spousal benefit equal to one half of your benefit will be computed and added to your balance.
- If you retire before your normal retirement age (65, 66, or 67 depending on your age), your Social Security benefit will be reduced by the standard reduction formula. If you retire before age 62, your benefit may be reduced even further. The program does not consider your salary and Social Security contribution history. As a result, your computed benefit when you retire early may be less than your actual benefit. Contact the Social Security Administration for a more accurate benefit estimate.
- Your federal tax rate is calculated based upon your current salary (including spouse salary, if entered) and assumes only the standard deduction. State taxes are not considered in the analysis.

Other risks and limitations

MasteryPOINT My OneCheck Online cannot independently monitor, review, or update the recommendations or projections you receive from it, nor does it have the capability to monitor or review the investment decisions you make based on its recommendations or projections. Because MasteryPOINT My OneCheck Online utility depends on the completeness, accuracy and timeliness of the information you provide, you are solely responsible for reviewing and updating information within MasteryPOINT My OneCheck Online. You understand that you must provide complete and accurate information when requested by MasteryPOINT My OneCheck Online in order to get meaningful results from it.

Important: The projections or other information generated by this RIS tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guaranteed. RIS does not evaluate every possible investment or retirement strategy you could use, particularly when considering investments outside of your employer-sponsored pension plan. As a result, the recommendations of RIS may not have considered investments or strategies that would produce similar or superior results. Additionally, the results provided by RIS may vary with each use and over time depending on the assumptions you enter.

Schlindwein Associates, LLC is an independent Registered Investment Advisor, and neither Schlindwein Associates, LLC nor MasteryPOINT are affiliates of McCready and Keene and are not companies of OneAmerica.
**WHAT TYPE OF INVESTOR ARE YOU?**

Based on your personal situation and comfort level with investing, this questionnaire will help you select your investor profile. Answer these questions and total your score at the bottom. The total score recommends which of the five risk profiles that may be most appropriate for you.

<table>
<thead>
<tr>
<th>Question</th>
<th>1 year</th>
<th>2–4 years</th>
<th>5–7 years</th>
<th>8–10 years</th>
<th>11+ years</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>I expect to begin withdrawing money from my retirement account in:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>I want a lump sum distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once I begin withdrawing money from my retirement account, I expect the withdrawals to last:</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>I would take money out of my retirement account to pay for a large, unexpected expense.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>To meet my financial goals, my investments must grow at a high rate of return.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>I prefer investments that are a low risk, even if the returns are lower than the rate of inflation (the rise in prices over time).</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>I prefer an investment strategy designed to grow steadily and avoid sharp ups and downs.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>When it comes to investing, protecting the money I have is my highest priority.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>I am unwilling to wait several years to recover from losses I could incur in an extended down market.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>I always choose investments with the highest possible return, even if the investments may frequently experience large declines in value because of higher risk.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>If I had $1,000 invested in an account, and its value dropped to $850 after six months, I would move all my money to a more conservative account.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL**
Selecting an investor model to suit your style

Conservative strategy

Score 10–19
The conservative investment strategy seeks to provide high current income and low long-term capital appreciation.

Moderate strategy

Score 20–26
The moderate strategy seeks to provide high current income and moderate long-term capital appreciation.

Balanced strategy

Score 27–33
The balanced strategy seeks to provide above average capital appreciation and a moderate level of current income.

Growth strategy

Score 34–40
The growth investment strategy seeks to provide high long-term capital appreciation with low current income.

Equity growth strategy

Score 41–50
An equity growth strategy seeks to provide high long-term capital appreciation.

Note: Not all plans offer investment options in all categories.

Note: While diversification through an asset allocation strategy is a useful technique that can help to manage overall portfolio risk and volatility, there is no certainty or assurance that a diversified portfolio will enhance overall return or outperform one that is not diversified. An investment made according to asset allocation models neither guarantees a profit nor eliminates the possibility of loss.
MANAGING YOUR PLAN

Select your investment options
To make your fund selections, visit www.ibew164annuity.com and click on “View Account” to enter your user name and PIN number on the website. First time users will enter their full Social Security Number (SSN) as their user name and their PIN number. New members will receive a letter with their PIN number once their initial employer contributions have been received. You can change your user name and PIN under the Plan Services tab once you have logged into the McCready and Keene website. If you do not change your user name and PIN, it will remain the same.

Review your plan regularly
Like other important things in life, your retirement account requires periodic monitoring and review. As your life and priorities change, certain life events may change your risk tolerance and retirement goals. Any of these events might signal a need to re-evaluate your investment choices.

Events that signal a need to re-evaluate your plan choices
- Marriage
- Birth or adoption of a child
- Change of employment for you or your spouse
- Divorce
- Financial emergency
- Death of a spouse
- Approaching retirement

In addition to reviewing your account when major life events happen, it is also a good idea to do a review annually (perhaps with a financial professional) to determine whether or not you are still on track to reach your goals. This is a good habit because there will be tweaks you may want to make along the way such as rebalancing your investment mix. Manage your account today at www.ibew164annuity.com or call 1-800-442-4015.

Questions?
For assistance or questions about balance information or to make fund transfers, contact the Participant Service Center at 1-800-442-4015 to speak with a representative between 8:00 a.m. – 8:00 p.m. Eastern Time (ET), Monday thru Friday.

For distributions, change of address or change of beneficiary, contact Fabian & Byrn, LLC at 1-877-228-4202.

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