

SUMMARY ANNUAL REPORT

FOR SAN FRANCISCO ELECTRICAL WORKERS RETIREMENT SAVINGS PLAN

This is a summary of the annual report for the San Francisco Electrical Workers Retirement Savings Plan, E.I.N. 94-6062674, Plan No. 002, for the year ended December 31, 2015. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Basic Financial Statement

Benefits under the plan are provided through a trust fund. Plan expenses were \$10,323,652. These expenses included \$1,461,872 in administrative expenses, \$8,480,780 in benefits paid to or for participants and beneficiaries and \$381,000 in net transfers to other plans. A total of 2,699 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$309,274,319 as of December 31, 2015, compared to \$308,622,609 as of January 1, 2015. During the plan year the plan experienced an increase in its net assets of \$651,710. This increase includes unrealized appreciation or depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year, or the cost of assets acquired during the year. The plan had total income of \$10,975,362 including employer contributions of \$9,123,344, participant contributions of \$7,073,408, rollovers of \$795,541 realized losses of \$346,252 from the sale of assets, and losses from investments of \$5,670,679.

Your Rights To Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. An independent auditors' report;
2. financial information and information on payments to service providers;
3. loans or fixed income obligations in default or classified as uncollectible;
4. information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates; and
5. assets held for investment.

To obtain a copy of the full annual report, or any part thereof, write or call the office of E.I.S.B., Inc., the plan administrator, 720 Market Street, Suite 700, San Francisco, California 94102, (415) 263-3670. The charge to cover copying costs will be \$10.00 for the full annual report, or 25 cents per page for any part thereof.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan (720 Market Street, Suite 700, San Francisco, California 94102) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

San Francisco Electrical Workers Retirement Savings Plan
Notice of Changes to Plan
September 2016

The Trustees of the San Francisco Electrical Workers Retirement Savings Plan (“Plan”) have two changes to the Plan to bring to your attention.

A. Addition of Ability to Disclaim Death Benefits

When a married Plan Participant dies, the Participant’s surviving spouse or other designated beneficiary (in either case, the “Beneficiary”) will be awarded the balance of the Participant’s account as of the date of the Participant’s death. A Beneficiary may prefer to waive (referred to here as “disclaim”) the Participant’s account that would otherwise be awarded to the Beneficiary so that the next individual in line for beneficiary status (such as the Participant’s child or children) will be awarded the account. Because the Plan did not provide for a Beneficiary to disclaim the account award upon the Participant’s death, the Board has amended the Plan to allow for a disclaimer.

Therefore, your Summary Plan Description for the Plan (the “SPD”), effective January 1, 2015, is revised to include the following paragraph as the fourth and last paragraph to Section 7.1 (Designating a Beneficiary):

“Effective August 16, 2016, the beneficiary of a deceased Participant may disclaim any or all of the Participant’s remaining account as of the Participant’s death that the beneficiary would otherwise receive so that the amount disclaimed will instead be paid to the individual(s) who would receive the account had the beneficiary pre-deceased the Participant. The disclaiming beneficiary has no power to decide which other beneficiary will receive the Participant’s remaining account; it will be paid to whomever would receive it had the disclaiming beneficiary predeceased the Participant. The disclaimer must be completed on forms provided by the Plan Office, must be notarized, and must be returned to the Plan Office within nine months of the Participant’s death. Contact the Plan Office if you need disclaimer forms.”

B. Election of Annuity Form of Distribution by Beneficiary

A Beneficiary generally has the right to elect to have the deceased Participant’s remaining account as of date of death paid over to a commercial insurance company that will provide a life annuity form of distribution to the Beneficiary. Because the life annuity should be purchased by December 31 of the year following the year in which the Participant died, any life annuity election by a nonspouse Beneficiary must be made by October 31 of the year following the year in which the Participant died. This should provide the Plan Office sufficient time before year-end to seek quotes and purchase the commercial annuity for the nonspouse Beneficiary.

The Board has revised the Plan to provide for the October 31 deadline described above. Therefore, the SPD is revised to include the following sentence as the third sentence of Section 7.2 of the SPD:

“Any election of a life annuity form of distribution by a nonspouse beneficiary must be submitted to the Plan Office no later than October 31 of the year following the year in which the Participant died.”

Where to Get More Information

If you have any questions or concerns after reviewing this notice, please contact Nancy Finegan at EISB, Inc., 720 Market Street, Suite 700, San Francisco, CA 94102, Tel: 415-263-3670.

NORTHERN CALIFORNIA ELECTRICAL WORKERS PENSION TRUST

720 MARKET STREET, SUITE 700 • SAN FRANCISCO, CA 94102

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To: All Plan Participants
SFEW Retirement Savings Plan



Re: Investment Choices and Default Fund Information

Whether you will have adequate savings at retirement will depend in significant part on how much you choose to save and how you invest your savings. This memo explains how your account is invested if you have not specified an investment. The Plan is intended to be a plan described in §404(c) of the Employee Retirement Income Security Act of 1974, which means that the Plan's fiduciaries (generally, the Board of Trustees) may be relieved of liability for any losses you incur that are the direct and necessary result of your investment instructions. You have the right under the Plan to self-direct the investment of your account. If you need more information about how to direct the investment of your account, contact Fidelity Investments at 866-848-6466.

1. **Investment Choices.** Investment choices offered under the Plan, along with historical performance and fee information, can be found in the Fidelity Investment Participant Disclosure Notice that was recently distributed to all Plan Participants. A link to the notice is available on the EISB.org website under the Plan News section. Please note that a fund's past performance is not necessarily an indication of how the fund will perform in the future. You may also make changes to your investment elections for future contributions and/or exchange all or a portion of your existing balance into other options available under the Plan through NetBenefits or by phone. We encourage you to review your current investment choices and update as appropriate.

2. **Expenses Charged to Your Account.** Several types of fees are incurred to maintain the Plan, including recordkeeping and IRS compliance fees, fees for fund administration, audit and attorney fees, fund management fees, investment counseling fees for advising the Trustees, and fees to review qualified domestic relations orders when a participant's account must be allocated after a divorce. The cumulative effect of fees and expenses can substantially reduce the growth of your account. The amount of fees charged to your account each quarter is listed on your account statement. With several exceptions, all fees paid by the Plan are allocated to participant accounts on the basis of participant account balances. The exceptions are:

- ◆ Fees incurred to manage the mutual fund investments are charged by the fund itself and result in a reduced fund net asset value (or "NAV"). These fees are noted in the link provided above.
- ◆ The Trustee-Directed Portfolio (the default fund) is not a mutual fund, but charges investment management fees on a similar basis. That fee is noted in the link also provided above.
- ◆ The Plan reserves the right to charge your account with any extraordinary fees paid by the Plan that relate principally to your account, such as unusual attorney fees incurred for a QDRO review.
- ◆ Your account may be charged a short-term trading fee if you transfer assets into, then out of, an investment fund within a short period of time. Those funds that impose a short-term trading fee are identified in the link provided above. None of the funds impose any type of sales load or charge, redemption fee or similar fee.

3. **Pass-Through Voting.** The Plan allows you to exercise voting, tender and similar shareholder rights for the mutual funds you hold in your account. Materials will be sent to your home address in sufficient time for you to exercise your shareholder rights. Pass-through voting is not provided under the default fund.

4. **Trustee-Directed Fund is the Default Fund.** If you have not exercised control over your account by directing its investment, your account will be (or currently is) invested in the Trustee-Directed Fund (the "TDF"), which is the Plan's default fund. The TDF has target allocations of equity (30%), fixed income (65%) and commodities (5%). The equity portion consists of stocks which appear to be temporarily

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undervalued by the stock market but have a favorable outlook for long-term growth. The fixed income portion consists primarily of investment-grade debt securities, including government obligations, mortgage and asset-backed securities, and corporate bonds. Below-investment grade securities may also be held. The commodity portion gains broad exposure to commodity sectors through the use of exchange-traded futures. Dodge & Cox manages the equity and fixed income portion of the TDF, and Credit Suisse manages the commodities portion of the fund. Because of the TDF's significant investment in fixed assets, it is classified as a moderately conservative fund. The TDF pays its investment manager an annual fee of .32% of fund assets.

5. ***TDF Appropriate for Average Participant.*** The Trustees have determined that the TDF is appropriate for the average Plan participant. Because your investment objectives may not be consistent with that of the average Plan participant, you may want to consider self-directing your account to one or more of the other fund options. Upon request, the Fund Office can provide you a financial statement for the TDF, a statement of the value of a unit in the fund, and a list of assets comprising the TDF's portfolio along with the value of those assets. For information about the historical performance of this fund, please refer to the Fidelity Investment Participant Disclosure Notice.

6. ***You Can Transfer Out of the TDF at Any Time.*** At any time, you may redirect the investment of your account (including for your future contributions) to a fund other than the TDF by logging on to netbenefits.com (registration is easy if you are not yet registered) or by phoning Fidelity Investments at 866-848-6466. We encourage you to review your investment mix and deferral percentage and update as appropriate.

7. ***401(k) Election Changes.*** Each year, you must re-elect to contribute to your 401(k) account in an amount equal to a specified even dollar amount per hour. You will be provided a new election form for this purpose in November that will take effect for the next calendar year. Once effective, you cannot change your contribution election until the next year [except that you may revoke an election any time during the year].

8. ***To Learn More About Plan Investments.*** To learn more about all of the Plan's investment funds (including the TDF), contact Fidelity Investments at 866-848-6466, or click the following links on the internet:

- General information: netbenefits.com.
- Fund information (other than the default fund) relating to strategies, risk, list of assets, turnover, fees, performance and its prospectus: www.fidelity.com (insert ticker symbol into Quote box). You may also call 866-84-UNION to speak to a Service Representative.
- Glossary of terms: https://scs.fidelity.com/webxpress/help/topics/help_glossary.shtml.
- A general discussion about plan fees and expenses:
<http://www.dol.gov/ebsa/publications/understandingretirementfees.html>.