

SHEET METAL LOCAL 10 SUPPLEMENTAL RETIREMENT FUND

1681 East Cope Avenue, Suite B
Maplewood, MN 55109-2631

(651) 770-0991 1-800-396-2903
Fax (651) 770-1351



Important Reasons to Stay in the SMW 10 Supplemental Retirement Fund When You Retire

Did you know that you **do not need to take a lump sum distribution** from the Sheet Metal Local 10 Supplemental Retirement Fund when you retire? The Plan is designed so that you can keep your account and receive installment payouts in retirement. Here are the key points to consider before you withdraw from the Plan.

1. Why should I leave my money in the Plan?

There are four big reasons to keep your money in the SMW 10 Supplemental Retirement Fund after you retire: **1) low cost, 2) safety, 3) access to your money when you need it, and 4) flexible high-quality investments.** The Fund has \$300 million in assets and this size can work to your benefit.

- ✓ **Low cost:** The investment and administrative expenses of the Plan are below average and less than a typical account at an investment or insurance firm. All-in expenses of the Plan are 0.97%, which is **less than the typical outside managed account.**
- ✓ **Safety:** Your money is held in a Trust Fund that can only be used for your benefit. The rules from the Department of Labor protect your assets, even from bankruptcy. The Trustees meet every quarter to review the assets in the Plan and it is **audited each year by an independent CPA firm** to protect your account. You can't get that kind of oversight if you withdraw from the Plan.
- ✓ **Access to Account:** After you retire, you can **access your account at any time.** You can set up an automatic monthly payment to your bank account. You will have full and free access to your account whenever you need it.
- ✓ **Quality Investments:** The Trustees have hired **experienced professionals to manage the assets** in the Fund. An independent investment consultant also monitors each investment with the sole objective of selecting investments that benefit participants in the Plan.

2. What if I don't feel comfortable managing my account in retirement?

The Plan offers many ways for you to get help in managing your account, without leaving the Plan. Representatives from John Hancock are available to discuss your account, and you can **leave your account throughout retirement in the SMW 10 Core Fund** (the Core Fund), the risk-managed default investment option that was specifically designed for the Plan.

The Core Fund is a multi-manager multi-asset diversified investment vehicle that combines the opportunity for current income with long-term capital growth. The Core Fund seeks to achieve this objective by investing in a diversified portfolio of stocks, bonds, real estate, and other assets, with a current target allocation of 50% in stocks, 10% in absolute return assets, 5% in real return assets, 10% in real estate, and 25% in bonds. For more information, please read the SMW 10 Core Fund Investment Summary available from John Hancock by visiting www.johnhancock.com/myplan.

Think Again: Important Reasons to Stay in the SMW 10
Supplemental Retirement Fund When You Retire

3. What are the investment and administrative costs of the Plan?

The Fund holds many institutional investment options with low fees that are not available to retail investors. The expense ratios for each investment will vary, but the average all-in cost of the Plan is less than 0.91%, including administrative expenses. Most outside asset managers charge a management fee above the cost of the mutual funds or ETFs held in your account or will invest in higher cost funds with additional fees (such as 12b-1 fees).

4. I think I can do better on my own.

If you are comfortable managing your own money and you are willing to spend the time required to monitor your investments, this may be a good approach for you. But many participants do not have the desire or experience to do a good job of managing their account, so they must rely on a financial advisor. And many studies show that the performance of individual advisors has great variability, and their fees can impact the security of your retirement income.

The Plan also has **an investment option that is not available to you if you leave the Plan**. It is called the Anchor Fund. This stable return fund has a steady yield like a bank CD or a money market fund. The SRF is not guaranteed by the FDIC, but it is insured. If you compare the current 1.2% yield to the rate of a CD or money market fund, you will see that the SRF is a great place to invest when you expect to need the money in the next few years.

5. How do I know I can get my money when I need it?

Once you become eligible to receive a distribution (for example, when you retire) the Plan allows you to request a distribution from your account in an amount specified by you. You can also set up an installment payout and automatically receive a check each month. (Please see the Summary Plan Description for a description of your distribution options.)

6. Good investment advice is difficult to find, and it is not free.

There are many fine financial advisors, but please ask carefully about their fees; remember no one works for “free”. In fact, if your financial service provider says there is “no cost” for opening an account, run for the door. In addition to the expenses within investments like mutual funds, many advisors will charge commissions, or receive other fees that can add 0.25% to 1% or more to the cost of your account.

This is a participant-directed plan that is intended to comply with the requirements of Section 404(c) of the Employee Retirement Income Securities Act of 1974 (ERISA) and the Labor Department regulations governing Section 404(c) plans. If a participant-directed plan complies with Section 404(c), the fiduciaries of the Plan are generally relieved of liability for any losses that are the direct and necessary result of investment decisions made by you or your beneficiary for your own account.

You should consider the investment objectives, risks, and expenses of this fund carefully before investing. For copies of the investment summaries, prospectuses, collective fund booklets, factsheets, and other information about the investments in the Plan, where applicable, please contact John Hancock Retirement Service Center at (833) 38-UNION [(833) 388-6466] or by visiting www.johnhancock.com/myplan.