

Frequently Asked Questions about Target Date Funds

Why is the City making this change?

The City of San Diego Defined Contribution Plans Trustee Board regularly reviews the investment options to ensure you have options available to assist you in reaching your retirement savings needs. A Target Date Fund provides a single choice to provide a diversified investment for your savings.

How does this impact me?

On May 31, 2018, if you have monies in a LifeStrategy Fund those will be transferred to a Target Date Fund that corresponds to the year you turn 65 years of age.

What is a Target Date Fund?

Target Date Funds consist of a vast number of underlying investments that varies depending on your anticipated retirement date. Experienced professionals make investment decisions for the fund. This diversification helps smooth the market's ups and downs. By selecting the year you will retire, the Target Date Fund adjusts the investment risk as you get closer to retirement and through retirement.

If the City automatically places my monies into a Target Date Fund, is that where I should leave my money?

Not necessarily. Based on our Plan Document language, the City has made the assumption that you will not be accessing your account until you are 65 years of age. That may or may not be accurate in your case. See "How Do I Pick a Target Date Fund for me?"

Is it mandatory that I invest in a Target Date Fund?

No. You have the option to select the Target Date Fund for you as one choice, make it part of your fund selections, or make selections from any of the other available funds. You can choose to leave the monies in that fund or make a change. You may want to consult a financial advisor for advice on your specific circumstances.

How do I pick the Target Date Fund for me?

Target Date Fund selection is based on the date you plan to retire and begin taking withdrawals from your account. The City plans indicate age 65 as that date. However, that may or may not be accurate for you.

If you plan to retire at 55 and immediately begin accessing your account, you may want to pick the Target Date Fund that contains the year in which you turn 55 years of age. If you plan to

retire at 60 but not access the account until you are 63, then you may want to select the Target Date Fund that contains the year you turn 63 years of age.

How many Target Date Funds should I select?

It is recommended that you invest in only one Target Date Fund. This date represents your anticipated retirement and accessing of this account.

How do Target Date Funds assist with diversifying my account?

A Target Date Fund is already diversified for you in one single choice. Not only for now, but the Target Date Fund will be adjusted for you throughout your remaining employment years and into retirement.

My friend talked to an investment advisor and selected a Target Date Fund. Is that the right one for me?

Only if you and your friend are the same age and plan to retire and access your accounts at the same time. A Target Date Fund selection is a personal decision based on your individual age and needs.

Should I include any of the other available funds in my fund selections?

This is a personal decision. It is important to have a diversified fund selection. One Target Date Fund does provide you with a diversified selection in one easy choice. However, you may want to include some of the other offered funds, depending on your individual circumstances. To assist you with this decision you should contact an investment professional.

Are there any transfer fees for changing my fund options?

Generally, no. For further information on frequent trading please check the prospectus for the individual fund which is available on the Wells Fargo website.

How do I make a change to my fund selections?

If you have not previously made changes to your fund, it can be accomplished through one of the two ways described below:

1. Online: wellsfargo.com

Is this the first time accessing your account online? Select "Enroll" at the top of the page to get started. If you do not have any other accounts with Wells Fargo, check the box indicating that you do not have an account number. If you have other Wells Fargo

accounts that you access online, sign on to your retirement plan account with the same username and password that you use to access your other accounts. Then, select your retirement plan name.

If you do not see your retirement plan account on the “Account Summary” screen after signing on, select the “More” button at the top of the page. Choose “Accounts and Settings” and then “Profile and Settings.” Expand the “Manage online settings” menu and select “Add Online Account Access.” Your retirement plan account should be available to add.

2. Call Wells Fargo: 1-800-SAVE-123 (1-800-728-3123)

To access your account by phone, you will need your Social Security number (SSN) and your personal identification number (PIN), which is initially the last four digits of your SSN. You will be required to change your PIN the first time you call. Representatives are available to answer questions or help you make changes to your account Monday through Friday from 4 a.m. to 8 p.m. Pacific Time.