

Date prepared November 15, 2021
Plan name City of Seattle Voluntary Deferred Compensation Plan and Trust
Questions? Call 855-550-1757
Visit us online cityofseattlederferredcomp.com



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To sign up for paperless statements and confirmations, visit the online service center at cityofseattlederferredcomp.com.

Important information about the funds in your retirement account

With the assistance of the Plan's investment consultant, the City of Seattle Voluntary Deferred Compensation Plan and Trust Committee regularly reviews the breadth of the Plan's investment offerings, the quality of the investments, and the competitiveness of fees, in an effort to continually improve the Plan's offering to employees. In a recent review, the Committee identified several opportunities to enhance Plan value by reducing investment fees and replacing several investment funds with similar competitive offerings. Important information regarding these changes is outlined below.

What to expect

On December 16, 2021, the changes on the enclosed insert will be made to the Plan's investment lineup automatically. No action is required.

Next steps

To learn more about these changes, the City of Seattle has set up virtual webinars where employees can learn more about the updates and ask any questions they might have. Meetings are scheduled for Monday December 6, 2021 and Friday December 10, 2021 from 12:00 p.m. to 12:55 p.m. Pacific Time. Webex Invitation links can be found on bit.ly/dcpeducation

If you would like to invest your assets in another fund other than what 's indicated on the enclosed insert, you can do so before 1 p.m. Pacific time on December 15, 2021. Any assets remaining after this time will be directed to the new fund as indicate.

Keep in mind

If you're enrolled in ProAccount , you don't need to take any action. These changes will be incorporated in your portfolio and the service will manage the fund changes according to your Risk Tolerance Questionnaire on file.

We're here to help

If you have any questions or need additional information, contact the Nationwide Solutions Center at 855-550-1757. Specialists are available Monday through Friday, 5 a.m. to 8 p.m. and Saturday, 6 a.m. to 3 p.m. Pacific time.

▶ **The following investment options will be added to your Plan on December 16, 2021:**

| Investment Addition Name | Expense Ratio |
|---------------------------------------|---------------|
| Vanguard US Growth (VWUAX) | 0.28% |
| Vanguard Target Retire 2015 Trust I | 0.065% |
| Vanguard Target Retire 2020 Trust I | 0.065% |
| Vanguard Target Retire 2025 Trust I | 0.065% |
| Vanguard Target Retire 2030 Trust I | 0.065% |
| Vanguard Target Retire 2035 Trust I | 0.065% |
| Vanguard Target Retire 2040 Trust I | 0.065% |
| Vanguard Target Retire 2045 Trust I | 0.065% |
| Vanguard Target Retire 2050 Trust I | 0.065% |
| Vanguard Target Retire 2055 Trust I | 0.065% |
| Vanguard Target Retire 2060 Trust I | 0.065% |
| Vanguard Target Retire 2065 Trust I | 0.065% |
| Vanguard Target Retire Income Trust I | 0.065% |

Vanguard Target Retirement Funds

The City of Seattle Voluntary Deferred Compensation Plan and Trust (Plan) is eligible to access a lower cost version of the Vanguard Target Date funds. Starting on December 16, 2021, the Plan will offer the “Trust” class of the funds instead of the “Institutional” class. The primary difference between these is a 28% reduction in fees from 0.09% to 0.065%. Each participant who currently holds the Vanguard Target Retirement “Institutional” class will automatically be transitioned to the “Trust” class on the date noted above.

What is a “Trust”?

Vanguard Target Retirement Trusts, also referred to as a “Collective Investment Trusts” (CITs), are comparable to the Vanguard Target Retirement mutual funds offered today, but with lower fees. CITs are professionally managed, are held to a fiduciary standard, and are subject to stringent regulation. The reporting requirements for CITs differ from mutual funds, however up-to-date information about performance, investment details and fees will be accessible through your login at cityofseattlederferredcomp.com.

Other Fund Updates

The American Growth Fund of America and the Fidelity Contrafund, both US Large Cap Growth funds will be transferred to the Vanguard US Growth fund, which was selected due to strong performance and lower fees.

In addition, the the Principal Diversified Real Asset fund will be removed from the plan. Those with assets invested in the Principal Diversified Real Asset fund will be transitioned to an age-appropriate Target Retirement Trust.

► **Your assets in the existing investment options will be directed as follows on December 16, 2021:**

| ASSETS INVESTED IN AND CONTRIBUTIONS TO: | | WILL BE DIRECTED TO: | |
|---|---------------|---|---------------|
| Current Investment Name | Expense Ratio | New Investment Name | Expense Ratio |
| American Funds Growth Fund of America R6 (RGAGX) | 0.30% | Vanguard US Growth (VWUAX) | 0.28% |
| Fidelity Contrafund (FCNTX)* | 0.61% | Vanguard US Growth (VWUAX) | 0.28% |
| Vanguard Institutional Target Retirement 2015 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2015 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2020 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2020 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2025 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2025 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2030 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2030 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2035 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2035 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2040 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2040 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2045 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2045 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2050 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2050 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2055 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2055 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2060 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2060 Trust I | 0.065% |
| Vanguard Institutional Target Retirement 2065 Fund - Institutional Shares | 0.09% | Vanguard Target Retire 2065 Trust I | 0.065% |
| Vanguard Institutional Target Retirement Income Fund - Institutional Shares | 0.09% | Vanguard Target Retire Income Trust I | 0.065% |
| Principal Diversified Real Asset (PDRDX) | 0.74% | Age Appropriate Vanguard Target Retire Investment | 0.065% |

*Expense ratio is reflected as net of revenue share.

If you'd like a fund prospectus, please call us at 855-550-1757 or log onto your account at cityofseattledeferredcomp.com. Before investing, carefully read the fund prospectus and consider the fund's investment objectives, risks, charges and expenses. There is no guarantee fund objectives will be met.

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