

Plan News

Changes are coming to your employer's Plan effective July 8th and 9th, 2021

Understand what's changing, why and when it's happening.



As part of its continuing commitment to provide participants with a high quality defined contribution plan, the City of San José and the Plan's independent Investment Consultant recently completed a review of the investment options offered in the Plan. Based upon a desire to simplify the investment menu, enhance the fund options, and reduce plan expenses for participants, the City has decided to make changes to the investment options offered in the Plan.

What's changing?

The following investment options are being discontinued within the Plan. If you have an existing balance in the discontinued fund below, your existing balance and any future contributions will be automatically redirected from the discontinued fund to the designated replacement fund as follows:

Discontinued Fund	Expense Ratio	Maps to	Replacement Fund	Expense Ratio*
Templeton Global Bond Fund R6 Shares (Fund #3289)	0.51%	→	Loomis Sayles Core Plus Bond Fund N Share Class (Fund #3871)	0.38%
AMG Yacktman Fund Class I Shares (Fund #2926)	0.75%	→	Vanguard® Equity Income Fund Admiral™ Shares (Fund #7926)	0.18%
American Funds Growth Fund of America R5 Shares (Fund #803)	0.36%	→	T. Rowe Price Large Cap Growth Fund I Shares (Fund #2467)	0.56%
Fidelity Advisor New Insights Fund I Shares (Fund#1600)	0.84%	→	T. Rowe Price Large Cap Growth Fund - I Shares (Fund #2467)	0.56%
JP Morgan Mid Cap Value Fund L Shares (Fund #816)	0.75%	→	MFS Mid Cap Value Fund R6 Shares (Fund #6912)	0.68%
Emerald Growth Fund Institutional Shares (Fund #4733)	0.71%	→	Hood River Small Cap Growth Fund Retirement Shares (Fund #D809)	0.99%
Invesco Oppenheimer Developing Markets Fund Y Shares (Fund #1954)	1.00%	→	American Funds EuroPacific Growth Fund R6 Shares (Fund #1723)	0.46%
DFA International Small Company Fund I Shares (Fund #2751)	0.52%	→	Vanguard Total International Stock Index Fund Institutional Shares (Fund #9772)	0.08%

VY Clarion Real Estate Fund I Shares (Fund #682)	0.68%	→	Vanguard Mid Cap Index Fund Institutional Shares (Fund #1197)	0.04%
Parnassus Core Equity Fund Institutional Shares (Fund #2453)	0.63%	→	Vanguard FTSE Social Index Fund Institutional Shares (Fund #1215)	0.12%

Similarly, the Vanguard Total Stock Market Index Fund is being mapped to other investment options in the Plan. In this case, the fund is being mapped according to the percentages shown to more appropriately place participants within funds that reflect the underlying investments of this broader index. This mapping will take place as follows:

Discontinued Fund	Expense Ratio	Maps to	Replacement Fund	Expense Ratio*
Vanguard Total Stock Market Index Fund – Investor Shares (Fund #2208)	0.03%	Map 75% →	Vanguard Institutional Index Fund Institutional Shares (Fund #566)	0.035%
		Map 18% →	Vanguard Mid Cap Index Fund Institutional Shares (Fund #1197)	0.04%
		Map 7% →	Vanguard Small Cap Index Fund Institutional Shares (Fund #1198)	0.04%

If you are invested in one of the Vanguard Target Retirement Funds, your existing balance and any future contributions will be automatically redirected from the discontinued fund below to the designated replacement fund to take advantage of the reduced expenses this new share class provides:

Discontinued Fund	Expense Ratio	Maps to	Replacement Fund	Expense Ratio*
Vanguard® Target Retirement Income Fund Investor Shares (Fund #795)	0.12%	→	Vanguard® Target Retirement Income Fund Institutional Shares (Fund #4711)	0.09%
Vanguard® Target Retirement 2015 Fund Investor Shares (Fund #791)	0.13%	→	Vanguard® Target Retirement 2015 Fund Institutional Shares (Fund #4701)	0.09%
Vanguard® Target Retirement 2020 Fund Investor Shares (Fund #1296)	0.13%	→	Vanguard® Target Retirement 2020 Fund Institutional Shares (Fund #4702)	0.09%
Vanguard® Target Retirement 2025 Fund Investor Shares (Fund #926)	0.13%	→	Vanguard® Target Retirement 2025 Fund Institutional Shares (Fund #4703)	0.09%

Vanguard® Target Retirement 2030 Fund Investor Shares (Fund #1297)	014%	→	Vanguard® Target Retirement 2030 Fund Institutional Shares (Fund #4704)	0.09%
Vanguard® Target Retirement 2035 Fund Investor Shares (Fund #793)	0.14%	→	Vanguard® Target Retirement 2035 Fund Institutional Shares (Fund #4705)	0.09%
Vanguard® Target Retirement 2040 Fund Investor Shares (Fund #1298)	0.14%	→	Vanguard® Target Retirement 2040 Fund Institutional Shares (Fund #4706)	0.09%
Vanguard® Target Retirement 2045 Fund Investor Shares (Fund #794)	0.15%	→	Vanguard® Target Retirement 2045 Fund Institutional Shares (Fund #4707)	0.09%
Vanguard® Target Retirement 2050 Fund Investor Shares (Fund #1299)	0.15%	→	Vanguard® Target Retirement 2050 Fund Institutional Shares (Fund #4708)	0.09%
Vanguard® Target Retirement 2055 Fund Investor Shares (Fund #2473)	0.15%	→	Vanguard® Target Retirement 2055 Fund Institutional Shares (Fund #4709)	0.09%
Vanguard® Target Retirement 2060 Fund Investor Shares (Fund #3447)	0.15%	→	Vanguard® Target Retirement 2060 Fund Institutional Shares (Fund #4710)	0.09%
Vanguard® Target Retirement 2065 Fund Investor Shares (Fund #8995)	0.15%	→	Vanguard® Target Retirement 2065 Fund Institutional Shares (Fund #8985)	0.09%

The City has also elected to remove the existing City of San José risk-based model portfolios. These funds were invested in the core investment options of the Plan and are being mapped to a target date fund that most closely matches the asset allocation (or the investment risk) associated with each portfolio. The resulting changes are as follows:

Discontinued Fund	Expense Ratio	Maps to	Replacement Fund	Expense Ratio*
San José Conservative Portfolio (Fund #1278)	0.31%	→	Vanguard Target Retirement Income Fund – Institutional Shares (Fund #4711)	0.09%
San José Moderate Portfolio (Fund #1279)	0.39%	→	Vanguard Target Retirement 2025 Fund – Institutional Shares (Fund #4703)	0.09%
San José Aggressive Portfolio (Fund #1277)	0.43%	→	Vanguard Target Retirement 2040 Fund – Institutional Shares (Fund #4706)	0.09%

*Expense ratios are as of 04/30/2021.

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the Fund

name refers to the approximate year (the target date) when an investor in the Fund would retire and leave the work force. The Fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date.

As mentioned below, this may be a good time to review your account. If the target date fund referenced directly above does not match your retirement year and/or goals, you can always transfer your account to an investment option(s) that is more appropriate to your personal situation.

Lastly, the City has opted to add the following two investment options to the Plan. These funds are being added to round out the spectrum of investment options within the Plan.

Newly Added Fund	Expense Ratio*
Fidelity US Bond Index Fund (Fund #D110)	0.025%
Vanguard International Value Fund – Investor Class (Fund #8633)	0.35%

*Expense ratios are as of 04/30/2021.

When will the changes occur?

The changes will take place on **July 8, 2021**, at the close of the New York Stock Exchange (generally 1:00 p.m. Pacific Standard Time) and **July 9, 2021**, at the close of the New York Stock Exchange (generally 1:00 p.m. Pacific Standard Time). The mapping of the Vanguard Total Stock Market Index – Institutional (#2208) will be processed on **July 9, 2021**.

What do I need to do?

Nothing! Your existing balance and any future contributions will be automatically redirected from the discontinued fund to the designated replacement fund as noted in the table above. However, we would encourage you to take this opportunity to review your account and confirm your portfolio continues to reflect your overall objectives.

If you prefer to be invested in other available funds, you must transfer your balance and/or change your allocation elections for future contributions before 1:00 p.m. PST on **July 8, 2021**. Changes to your account can be made online at sanjose.beready2retire.com or by speaking with a Customer Service Associate at (800) 584-6001.

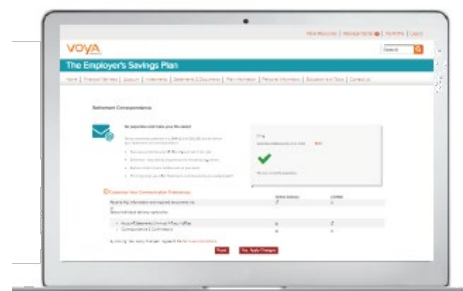
Questions?

Call (800) 584-6001 to speak with a Voya Customer Service Representative Monday–Friday from 5 a.m. – 6 p.m. PST. If you'd like to speak with one of our local representatives¹ or schedule an appointment, please call (877) 464-4748 or book a phone meeting via the online appointment tool, <https://csj.timetap.com/>.

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¹Investment adviser representatives and registered representatives of, and securities and investment advisory services offered through, Voya Financial Advisors, Inc. (member SIPC).

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