

**IBEW LOCAL 332 PENSION PLAN, PART B**  
Minutes of Special Meeting

February 18, 2016

A Special Meeting of the Board of Trustees of the IBEW Local 332 Defined Contribution Pension Trust Fund was held on Thursday, February 18, 2016 at the NECA Office in San Jose, California.

1. Call to Order

The meeting was called to order by Gerald Pfeiffer.

2. Roll Call

Union Trustees

Gerald Pfeiffer  
Pete Reyes, Jr.  
Larry Vasquez

Management Trustees

Tom Barrow  
Vic Castello  
Bill Pfeiffer  
Tim Daniels

Also in Attendance:

Katie Roselin, Kraw Law Group  
Sid Kaufmann, Kaufmann and Goble  
Michael Vukson, Wells Fargo Advisors  
Debbie Wolfe, Administrative Office

3. Purpose of Special Meeting

Mr. Vukson thanked the Trustees and Professionals for attending the Special Meeting. He said the purpose of the meeting was to review investments expenses for the Defined Contribution Plan, to receive an overview of how money comes into the Plan from these investments from the Recordkeeper, and to receive an update from Legal Counsel about a recent regulatory changes and trends.

Mr. Vukson distributed and the Trustees reviewed in depth a handout which listed the mutual funds offered in the Part B Plan including the fund's name, the expense ratio, the individual fund balance as of 2/10/16, the individual fund expense, the individual fund and model total, and the individual fund and model total expenses. Also reviewed were the funds that have 12b-1 fees and SubTA Fees. Mr. Vukson's handout is attached to these Minutes.

Mr. Vukson reported that Kaufmann and Goble receives 12b-1 fees from the funds, the company pays its fee out of those funds and then remits the remainder of the 12b-1 fees back to the Plan on a quarterly basis. Mr. Kaufmann explained the process in detail.

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Mr. Kaufmann informed the Trustees that if the Plan were to purchase retail shares, it would be no better off and it may be better off than buying institutional shares because of the asset-based fees. He said with the current procedure, the Plan can pay its expenses and no additional fees must be paid by participants, other than the flat \$10.00 per month.

Mr. Vukson and Mr. Kaufmann discussed with the Trustees possible uses for the funds held in the F account (holding account), including paying administrative expenses or a participant dividend.

The Trustees discussed the possibility of selecting managers that would agree to be paid based on results, similar to PIMCO. It was reported that not many investment managers want to go to a results-based fee. Mr. Vukson said fees need to be balanced with results.

Ms. Roselin reminded the Trustees of a Supreme Court case *Tibble v. Edison* that was discussed at a prior meeting which held that Trustees as fiduciaries have an ongoing duty and responsibility to monitor the appropriateness of the investment options offered by the plan. She said she is seeing a change in the auditing of Defined Contribution Plans by the Department of Labor. Ms. Roselin discussed that there appears to be more focus on plan expenses related to investments.

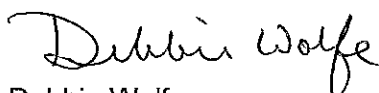
In response to a question from Trustee Costello, Ms. Roselin noted that the Trustees are doing the necessary due diligence relating to this matter.

Next, Mr. Vukson discussed Target Date Funds, which he said are good for members. These are risk and age-based investments that increase in conservative investments as age increases. Mr. Vukson said when added to the portfolio, Target Date Funds would be a fourth investment option for the members, along with the 3 models. He said the Target Date Funds would be the QDIA or default option going forward. He said, however, that he did not recommend moving everything out of the models immediately. If implemented, Mr. Vukson said the Trustees would need to make a decision on what age to use as the default. It was suggested that age 65 be used as the default, the normal retirement age.

Mr. Vukson said he would discuss Glide Path at a future meeting.

With no further business, the meeting was adjourned at 11:10 a.m.

Respectfully submitted.



Debbie Wolfe  
Recording Secretary

# I.B.E.W. Local 332 401(k) Fund Analysis

Fund Name	Expense Ratio	Individual Fund Balance 2/10/16	Individual Fund Expense	Ind Fund & Model Total	Ind Fund & Model Total Expense
I.B.E.W. Stable Value	0.63%	\$ 47,790,184.46	\$ 301,078.16	\$ 69,182,745.02	\$ 435,851.29
JPMorgan Core Bond (PGOBX)	0.74%	\$ 3,680,122.69	\$ 27,232.91	\$ 3,680,122.69	\$ 27,232.91
PIMCO Total Return (PTTRX)	0.46%	\$ 1,778,664.47	\$ 8,181.86	\$ 48,488,118.18	\$ 223,045.34
MainStay Total Return (MTMIX)	0.60%	\$ 649,911.23	\$ 3,899.47	\$ 47,359,364.94	\$ 284,156.19
Templeton Global Bond (TPINX)	0.89%	\$ 1,236,297.09	\$ 11,003.04	\$ 1,236,297.09	\$ 11,003.04
Dodge & Cox Stock (DODGX)	0.52%	\$ 11,324,189.93	\$ 58,885.79	\$ 26,101,804.72	\$ 135,729.38
Vanguard Institutional Index (VINIX)	0.04%	\$ 13,392,805.17	\$ 5,357.12	\$ 13,392,805.17	\$ 5,357.12
Vanguard Total Intl. Stock Index (VTIAX)	0.12%	\$ 1,467,061.67	\$ 1,760.47	\$ 1,467,061.67	\$ 1,760.47
Vanguard Extended Market Index (VIEIX)	0.08%	\$ 5,209,245.25	\$ 4,167.40	\$ 22,692,470.08	\$ 18,153.98
MainStay Large Cap Growth (MLAIX)	0.74%	\$ 11,451,416.28	\$ 84,740.48	\$ 26,229,031.07	\$ 194,094.83
Loomis Sayles Small Cap Growth (LCGRX)	1.19%	\$ 7,385,228.48	\$ 87,884.22	\$ 7,385,228.48	\$ 87,884.22
DFA US Targeted Value Portfolio (DFTPX)	0.63%	\$ 4,026,776.10	\$ 25,368.69	\$ 4,026,776.10	\$ 25,368.69
American Funds EuroPacific Growth (AEPGX)	0.83%	\$ 6,446,401.47	\$ 53,505.13	\$ 47,403,524.19	\$ 393,449.25
Prudential Retirement Real Estate	1.00%	\$ 12,705,140.66	\$ 127,051.41	\$ 40,667,827.26	\$ 406,678.27
Ferguson Wellman	0.33%			\$ 34,875,791.04	\$ 115,090.11
Credit Suisse Commodity	0.50%			\$ 13,981,343.30	\$ 69,906.72
Conservative Model		\$ 128,972,507.93			
Moderate Model		\$ 141,588,496.05			
Aggressvie Model		\$ 9,065,862.06			
<b>Grand Total</b>		<b>\$ 408,170,310.99</b>			<b>\$ 2,434,761.82</b>

Fund Name	12b-1 Fee	12b-1 Total (Ind & Model)	SubTA Fees	SubTA Total <sup>1</sup>	Member Charge <sup>2</sup>
I.B.E.W. Stable Value	0.25%	\$ 172,956.86	0.00%	\$ -	
JPMorgan Core Bond (PGOBX)	0.25%	\$ 9,200.31	0.25%	\$ 9,200.31	
PIMCO Total Return (PTTRX)	0.00%	\$ -	0.15%	\$ 72,732.18	
MainStay Total Return (MTMIX)	0.00%	\$ -	0.20%	\$ 94,718.73	
Templeton Global Bond (TPINX)	0.25%	\$ 3,090.74	0.15%	\$ 1,854.45	
Dodge & Cox Stock (DODGX)	0.00%	\$ -	0.10%	\$ 26,101.80	
Vanguard Institutional Index (VINIX)	0.00%	\$ -	0.00%	\$ -	
Vanguard Total Intl. Stock Index (VTIAX)	0.00%	\$ -	0.00%	\$ -	
Vanguard Extended Market Index (VIEIX)	0.00%	\$ -	0.00%	\$ -	
MainStay Large Cap Growth (MLAIX)	0.00%	\$ -	0.15%	\$ 39,343.55	
Loomis Sayles Small Cap Growth (LCGRX)	0.25%	\$ 18,463.07	0.15%	\$ 11,077.84	
DFA US Targeted Value Portfolio (DFTPX)	0.00%	\$ -	0.25%	\$ 10,066.94	
American Funds EuroPacific Growth (AEPGX)	0.25%	\$ 118,508.81	\$12 part fee/yr	\$ 42,000.00	
		<b>\$ 322,219.79</b>		<b>\$ 307,095.79</b>	<b>\$ 420,000.00</b>

**TOTAL INCOMING FEES: \$1,049,315.59**

<sup>1</sup>Upfront commissions not included

<sup>2</sup>\$120/year x 3500 members