

# California Firefighters Benefit Trust

(Formerly Southern California Firefighters Benefit Trust)

Administered By: Benefit Programs Administration

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[www.FirefighterTrust.org](http://www.FirefighterTrust.org)

## NOTICE OF INVESTMENT SELECTION PERIOD – ANNUAL 2022

Date: April 1, 2022

TO: Participants in the California Firefighters Benefit Trust  
with an Individual Employee Account

RE: **Change of Investment Selection for Individual Employee Account**

Dear Participant:

For 30 days from the date of this letter, you have the opportunity to change the investment selection in your individual Employee Account in the California Firefighters Benefit Trust (the “CFBT”). To make a change to your previous selection or to make an initial selection, you must complete the Portfolio Selection Form (the “Selection Form”), posted on the Trust website at [www.FirefighterTrust.org](http://www.FirefighterTrust.org), by choosing one of the investment options and signing the Selection Form. Your spouse must also sign the Selection Form, if applicable. Return the Selection Form to the Trust Office (address above) postmarked **NO LATER THAN 30 DAYS FROM THE DATE OF THIS COVER LETTER**. Participants who do not submit a new Selection Form will remain in their previous investment. If you are receiving this packet as a new Employee Account Beneficiary and you do not return the Selection Form, your Employee Account will be invested in the default selection, which is the Conservative Growth Portfolio.

Background: The California Firefighters Benefit Trust. The CFBT offers a tax-favored way of saving employer lump sum contributions,<sup>1</sup> such as your accrued leave cash-out or San Diego Option C funds, transferred to the Trust annually or at retirement.<sup>2</sup> The Trust Office maintains an individual recordkeeping account in your name, which is called your “Employee Account.” The Trust Office credits all employer lump sum contributions, made on your behalf, to your Employee Account.<sup>3</sup> These mandatory lump sum contributions are made pursuant to a provision in your labor agreement.

Investment of Your Employee Account. An “Informational Bulletin” is posted on the Trust website at [www.FirefighterTrust.org](http://www.FirefighterTrust.org) to provide additional information on the investment options. The CFBT Board of Trustees has established the following choices for investment of your Employee Account:

1. *Money Market Portfolio* – this investment option has the lowest volatility and has the lowest expected return in the long-term.

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<sup>1</sup> If you are an Eligible Retiree, your Employee Account may also contain unused amounts of your pooled account monthly benefits that were rolled into your Employee Account. If you terminated employment without attaining eligibility for the monthly pooled account benefit, your Employee Account may also contain your monthly payroll contributions.

<sup>2</sup> Contributions from payroll are also received on behalf of all active employee participants. These amounts are invested in a pooled account and provide monthly benefits after retirement according to a formula described in the Medical Expense Reimbursement Plan. For more information, call the Trust Office.

<sup>3</sup> Active employees with an Employee Account balance of \$3,000 or more have the option to transfer funds to the pooled account and earn additional monthly benefits through conversion of your transferred funds at retirement based on the conversion factors in the Active Service Unit Conversion Table (Appendix B to the Plan. If you are interested in conversion, contact the Trust Office or check the Trust website for more information on this option.

2. *Bond Portfolio* – this investment option has a higher expected return than the Money Market Portfolio, but is a more conservative choice than the Portfolios with a blended stock/bond make-up (see #3-4 below).
3. *Conservative Growth Portfolio* -- this investment is somewhat more aggressive in its allocation than the Bond Portfolio. The Conservative Growth Portfolio has a target allocation of assets to stocks, which makes it more volatile than the Bond Portfolio. However, due to the allocation of some assets to stocks, the Conservative Growth Portfolio also has a higher return potential than the Bond Portfolio. The target asset allocation of this portfolio is 25% equity, 65% fixed income and 10% cash. In contrast to the target date portfolios (described below) this investment does not become more conservative over time; this investment is a “static” investment portfolio which targets the same asset allocation (stated above) at all times. The asset allocation will be maintained within +/-5 percentage points of this target allocation.
4. “*Target Retirement Portfolios*” – there are three portfolios which include a mixture of stocks and bonds and automatically adjust from aggressive to conservative (from more to less stocks) as the year of your selected target date approaches. For example, the Target 2030 Retirement Portfolio will become more conservative as the year 2030 approaches. The target date portfolios will become 0% stocks and roll over into the Bond Portfolio within one year of attaining the target date. Review the Informational Bulletin on the Trust website for information on these Portfolios. You may select from the following three Target Date Portfolios: Target 2030 Retirement Portfolio; Target 2040 Retirement Portfolio; and Target 2050 Retirement Portfolio.

Default Selection. When your Employee Account is/was initially established, failure to return the Selection Form and make an investment selection would have resulted in a default selection being made on your behalf.<sup>4</sup> Failure to return the Selection Form for an established account will result in your Employee Account remaining invested in the same investment selection as last year. You can only change your investment selection once a year. This is your chance to have an impact on the investment of your Employee Account.

Informational Material. The CFBT Board of Trustees wants you to fully understand your options; please carefully review the Informational Bulletin to make an informed decision. The Trust website also includes historical return information for the various investment options that you can review in making your decision. We recommend that you seek assistance from your personal accountant or investment advisor if you have questions related to your personal circumstances. The Trust Office cannot give investment advice to participants. Trust participants with questions on the mechanics of completing and returning the Selection Form can call the Trust Office at (844) 353-7839. Participants with any other question about the Trust can contact one of the following firefighter Trustees:

Brandon Lucore  
Fallbrook Trustee  
(760) 497-2430  
[brandon.lucore@gmail.com](mailto:brandon.lucore@gmail.com)

Matt Mathis  
Riverside Trustee  
(951) 317-4075  
[rcfa.mathis@gmail.com](mailto:rcfa.mathis@gmail.com)

Ron Saathoff  
San Diego Trustee  
(619) 563-6161  
[saathoffrl@gmail.com](mailto:saathoffrl@gmail.com)

Warmest regards,  
Brandon Lucore, Chairman  
Board of Trustees, California Firefighters Benefit Trust

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<sup>4</sup> Default selections are described in the Informational Bulletin.