

PORTFOLIO SELECTION FORM

Participant: _____ /____ /____
 Print Name Signature Social Sec # Date

Spouse: _____ /____ /____
 Print Name Signature Social Sec # Date

Check box if not married

➤ **Important Note:** If you are an active participant still contributing, you also have the option to transfer any portion of your Employee Account balance of \$3000.00 or more to the pooled account to be converted to Active Service Units at retirement to qualify for a higher monthly benefit level. Contact the Trust Office or Trust website, to access the Conversion Election Packet and form (see reverse for more details).

Current Asset Allocations

| Portfolio Selection: | MONEY MARKET | BONDS | STOCKS | RISK |
|---|----------------|-------------------------------|--------|--------------|
| <input type="checkbox"/> Money Market Portfolio* | 100% money mkt | | | Minimal |
| <input type="checkbox"/> Bond Portfolio | | 100% fixed income | | Low |
| <input type="checkbox"/> Conservative Growth Portfolio** | | 65% fixed 25% equity 10% cash | | Conservative |
| <input type="checkbox"/> Target 2030 Retirement Portfolio** | | 69% fixed 31% equity | | Conservative |
| <input type="checkbox"/> Target 2040 Retirement Portfolio** | | 41% fixed 59% equity | | Higher |
| <input type="checkbox"/> Target 2050 Retirement Portfolio** | | 26% fixed 74% equity | | Highest |

➤ Portfolios can be changed only one time annually during an investment selection period, generally in April. Portfolio selection applies to all existing assets and future contributions credited to your Employee Account. This Selection Form is due to the Trust Office, c/o Benefit Programs Administration, 1200 Wilshire Blvd 5th Floor, Los Angeles, CA 90017 or www.FirefighterTrust.org, no later than **30 days from the date of the "Notice of Investment Selection Period."** If you do not return the Selection Form by the due date, your Employee Account will be invested in the default investment designated for your situation, and you will not have an opportunity to change that investment until the following year. Please refer to the Informational Bulletin on the Trust website for an explanation of the investment options and a description of the default investments.

*None of the Portfolios, including the Money Market Portfolio, are covered by FDIC Insurance.
 **All Portfolios may experience fluctuations in investment returns and principal value. The investment may be worth more or less than their original cost when sold.
 No guarantee is made regarding future performance of these investments.

CALIFORNIA FIREFIGHTERS BENEFIT TRUST

PORTFOLIO OPTIONS

Money Market Portfolio:

This Portfolio invests in very short maturity debt instruments, the majority being US government issues. The Portfolio seeks to earn competitive money market interest rates while offering high credit quality and liquidity. This selection would be appropriate for an individual drawing down an account in a short time frame or who does not wish to experience principal fluctuations. Current money market interest rates will not exceed the administrative maintenance fee on the account; therefore, there will be a deduction from the account for fees.

Bond Portfolio:

The Bond Portfolio will be invested 100% in a diversified allocation of fixed income investments. This Portfolio is a somewhat more aggressive investment than the Money Market Portfolio. It is designed for participants with a slight risk tolerance or those who will be spending the funds and exhausting their Employee Account in the next several years. This Portfolio is intended to offer a potentially higher yield than the Money Market Portfolio, but can experience moderate changes in value from period to period and can experience negative returns on occasion.

Conservative Growth Portfolio:

This Portfolio targets an investment of 25% equities, 65% fixed income and 10% cash which focuses on income as the primary source of return along with liquidity and potential for capital appreciation through stock investments. Stock and bond investments are similar to those described below for the Target Date Portfolios. This selection would be appropriate for an individual drawing down an account within the next 4 to 10 years.

Target Date Portfolios:

The remaining choices are “balanced” stock and bond combinations. The longer the time to retirement, the higher the proportion of stocks. The rationale for inclusion of the stocks is to seek higher multi-year returns than those available in the Money Market or Bond Portfolios. While stocks offer the potential for higher returns, stocks are more volatile than bonds in their price movements. The greater the stock proportion in a Portfolio, the greater the principal fluctuation due to market conditions. There can be no guarantee that investing in stocks over a multi-year period will indeed generate higher returns than bonds or money market funds. The stock investments are focused on large, established U.S. companies and, from time-to-time, may also include allocations to other stock sectors, such as smaller companies and non-U.S. companies. The bond investments, within the Target Portfolios are focused on high-grade, intermediate-maturity U.S. issues, including Treasuries, corporate and mortgage-backed bonds. Other sectors may be included for diversification and potential yield enhancement.

Reducing the Percentage of Stock Allocations Annually:

The difference between the Target Date Portfolios is the percentage allocated to stocks, with greater proportion of stocks in portfolios with longer investment horizons, i.e., later target dates. Thus, shorter horizon portfolios, i.e., those with earlier target dates, will be less subject to market fluctuations than longer horizon ones. The stock allocation in each Target Portfolio will be reduced annually by the Investment Manager to lower Portfolio risk as retirement and spending needs approach.

Converting your Employee Account Balance to Active Service Units (For Actively Contributing Participants):

You have the option to transfer any portion of your Employee Account balance of \$3000.00 or more to the pooled account to be converted to Active Service Units at retirement and become eligible for a higher monthly benefit level at retirement. You may make this election only one time per calendar year. Your Employee Account funds are converted using the Active Service Unit Conversion Table in Appendix B to the Plan. The election to transfer your Employee Account funds to the pooled account is an **irrevocable election**; the funds cannot be transferred back to your Employee Account after the election is submitted. An Employee Account invested in a Target Portfolio with a longer time horizon may experience higher returns than the pooled investment portion of the Plan providing monthly benefit payments. The pooled account monthly benefit payments are not guaranteed at a particular level; the Board of Trustees reserves the right to adjust the Unit Multiplier for calculating monthly benefit levels up or down at any time for some specified groups or for all current and/or future Beneficiaries.