



BUILD A **SOLID RETIREMENT** PLAN

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 4 ANNUITY AND SAVINGS PLAN

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What you need to know about capital gains and dividend distributions

Dear participant,

The Board of Trustees of the International Union of Operating Engineers Local 4 Annuity and Savings Plan (the Plan) is providing you with this communication to inform you about potential capital gains and dividend distributions that may be posted to your account in the month of December 2021.

When are dividends and capital gains paid to investors?

Each mutual fund has a dividend/capital gains distribution policy that can be found in the fund's prospectus. Generally, the timing of dividend/capital gains distribution varies based on mutual fund type. Dividend/capital gains distributions from mutual funds are automatically reinvested in your Annuity and Savings Plan account.

Mutual funds are required to pay capital gains distributions on an annual basis. These capital gains represent any net profits realized by a fund from the sale of securities owned by the fund during the calendar year. In order for a fund to qualify as a regulated investment company for tax purposes, the fund must distribute any realized gains in the form of a dividend. Many stock-oriented mutual funds have capital gains in the month of December.

How is a mutual fund's share price affected when a dividend/capital gains distribution is paid?

You may notice a decline in the net asset value (NAV) or share price of some of the mutual funds you invest in through your Annuity and Savings Plan account at Empower. This decline may reflect a dividend/capital

gains distribution. The reason your account balance will temporarily decline is because, in order to provide you with your share of the dividend, the fund reduces its NAV by the amount of the distribution and uses that money to purchase additional shares of the fund that gets reinvested in your account. You now own more shares of the fund as purchased with the proceeds of the distribution.

Example

You own 100 shares of the XYZ mutual fund as follows:

Mutual fund	Total # of shares	Net asset value (NAV)	Total account value
XYZ Fund	100.0000	\$10	\$1,000

If the fund declares a capital gains distribution of \$1 per share, you are eligible for a dividend as follows:

$$100.0000 \text{ shares} \times \$1 = \$100$$

The fund reduces its NAV to \$9 per share on the ex-dividend date, and 11.1111 shares are reinvested into your account as follows: $\$100 \div \$9 = 11.1111$

Mutual fund total # of shares net:

Mutual fund	Total # of shares	Net asset value (NAV)	Total account value
XYZ Fund	111.1111	\$9	\$1,000

Assuming no change in market value, you still own \$1,000 of the mutual fund ($\$9 \times 11.1111 = \999.99). The result of the capital gains distribution is that you own more shares of the fund, but the value of each share is lower than before the distribution. Remember, this is a temporary decline during dividend processing.

What else do I need to know?

Keep in mind the example above is for illustrative purposes only. Market activity may also impact a mutual fund's NAV on the ex-dividend date, so the total change in a fund's NAV may be more or less than the dividend depending on market movements on the ex-dividend date.

In addition, the reinvested shares may not be posted to your account on the dividend payable date. This process may take up to three business days to complete, so there may be a temporary drop in account balance until the shares are reallocated to your Annuity and Savings Plan account. During this time your assets are fully invested in the market.

Which investment options in the Annuity and Savings Plan will have dividend/capital gains distribution paid in December 2021?

The following is a list of the investment options that are scheduled to have dividend/capital gains distributions paid in December:

Investment options

Investment option name	Ticker symbol	Income dividend payable date	Capital gains payable date
American Century One Choice 2025 - 2065 CITs	N/A	N/A	N/A
American Century in Retirement CIT	N/A	N/A	N/A
Dodge and Cox Income Fund	DODIX	12/20/21	12/21/21
American Funds Balanced R4	RLBEX	12/14/21	12/15/21
Boston Partners Small Cap Value II Inv	BPSCX	12/9/21	12/9/21
Dodge & Cox Stock Fund	DODGX	12/20/21	12/21/21
Oakmark International Investor	OAKIX	12/16/21	12/17/21
JPMorgan Emerging Markets Equity	JEMWX	12/13/21	12/14/21
T. Rowe Price Blue Chip Growth Advisor	PABGX	12/14/21	12/15/21
T. Rowe Price New Horizons	PRNHX	12/15/21	12/16/21
Vanguard 500 Index Admiral	VFIAX	12/20/21	12/21/21
Vanguard Selected Value Inv	VASVX	12/20/21	12/21/21
Franklin Small Mid-Cap Growth Fund	FSGAX	12/22/21	12/23/21

Investing involves risk, including possible loss of principle. Should you have questions, contact Empower at **800-743-5274**. Representatives are available weekdays between 8 a.m. and 8 p.m. Eastern time.

On December 31, 2020, Empower Retirement acquired the retirement business of Massachusetts Mutual Life Insurance Company. Following an initial transition period, Empower Retirement will become the sole administrator of this business. Empower Retirement refers to the products and services offered by Great-West Life & Annuity Insurance Company and its subsidiaries, including Empower Retirement, LLC. Empower Retirement is not affiliated with MassMutual or its affiliates.

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