# "Retirement Preparation"

## **Make Sure You Are Ready For Retirement**



INVESTMENT MANAGEMENT



RETIREMENT PLAN CONSULTING

# Personalized Investment Advice & Retirement Education

## J.W. THOMPSON INVESTMENTS -

As your plan's dedicated provider of retirement plan education and personalized investment advice, John & Jay Thompson work directly with the members of Local 94 to help you understand how to make the most of your retirement savings.

Our services range from answering questions about your account, to performing a comprehensive investment analysis that answers the question **"What Funds Should I Be Invested In?"** 

As a member of Local 94, you pay nothing out-of-pocket for any of these services. Through a pro-active partnership between John Hancock your plan's service provider, and J.W. Thompson Investments, we bring you our retirement planning insight and industry expertise to help with your retirement savings goals.

### John Wm. Thompson

Managing Partner and Chief Investment Officer Mr. Thompson is a Certified Retirement Counselor and holds the following FINRA Securities Licenses:

FINRA Series 7 – General Securities Representative FINRA Series 24 – General Securities Principal FINRA Series 63 – Uniform Securities Agent FINRA Series 65 – Registered Investment Advisor

## Jay Thompson

Vice President Retirement Plans Mr. Thompson holds the following FINRA Securities Licenses:

FINRA Series 7 – General Securities Representative FINRA Series 63 – Uniform Securities Agent FINRA Series 65 – Registered Investment Advisor

# Personalized Retirement Advice

## **Detailed Investment Advice:**

How J.W. Thompson Investments Answers the Question ... "What Funds Should I Be Invested In?"

- J.W. Thompson Investments works directly with you to create a detailed investment "road map" that provides specific recommendations and personalized retirement advice. During the Investment Analysis stage, JWTI works with you to identify key financial components such as: "Current versus Future Expenses and Income Needs" "Retirement Savings Outside of the Annuity Fund", as well as "Central Pension Projections" and "Social Security Benefits."
- Once complete JWTI provides participants with an Investment Analysis Report that details an explanation of investment reallocations necessary to achieve a specific target model. Additionally JWTI will preview participant action plans on an annual basis and provide feed back and adjustments should situations warrant.



#### Choose the right mix

The mix of investments you choose in the Local 94 Annully Fund can make a big difference in the size of your monthly benefit when you retire. The following table shows how your Plan account would grow based on a 4%, 6%, or 10% average annual rate of return, and hypothetical monthly benefits you would get based on each rate of return. It is important to note that investments that offer potential higher rates of neturn may also invoke a higher degree of risk.

	LOW RISK	$\leftarrow$	HIGH RISK
If your retirement plan account grows at	4% Hypothetical	6% Hypothetical	10% Hypothetica
Your hypothetical total from the Local 94 Annuity Fund	\$81,938	\$86,455	\$96,070
Your hypothetical month	hly benefits		
From the Local 94 Annuity Fund	\$407	\$429	\$477
From Social Security benefits	\$2,025	\$2,025	\$2,025
From your other pension plan	\$841	\$841	\$841
Total hypothetical monthly benefits at retirement age of 65*	\$3,273	\$3,295	\$3,343

"These totals and benefits are based on your hypothetical total at age 65, your SSRA, or of your next birthday whichever is applicable.

Local 94 Annuity Fund hypothetical balances are determined using your balance as of December 31, 2015 and contributions make to your account for the 12 months prior to December 33, 2015, adjusted for salary open-these values are projected until you are age 65, or your next birthday following, at a growth nate of 4%, 6% or 10% and decounted at an inflation nate of 3%. Local 94 Annuity Fund hypothetical at an inflation nate of 3%.

hypothetical balance, the current 30 year US Treasury Bond rate as an Annuty Rate and a Life Expectancy calculated using the IRC 417(e) Mortality (Liniseo) table.

The Social Security Estimate above is based on annual compensation as of the last plan year end. Please logon to mylite (https://www.social Security website where you may request an actual benefit estimate.

Projected total account monthly benefit from your Central Pension Fund is based

#### Review results and returns

Clearly you can't avoid risk- It's a large part of investing, But, you can have manage it. And one of the best ways to do that is by making sure you've properly allocated your assets. Over the long term, a diversified portfolio can help you benefit from top performs with learning exposure to poor performers, though deventionation does not necessarily prevent you from long money.

	Best Performer	Middle Performer	Worst Performer
2002	10.26	1.78	-21.54
2003	31.06	4.10	1.15
2004	11.95	4.34	1.33
2005	6.12	3.07	2.43
2006	15.72	4.85	4.33
2007	6.97	5.14	5.00
2008	5.24	2.06	-37.31
2009	28.34	5.93	0.21
2010	16.93	6.54	0.13
2011	7.84	1.03	0.10
2012	16.42	4.21	0.11
2013	33.55	0.07	-2.02
2014	12.56	5.97	0.03
2015	0.55	0.48	0.05
St	ocks Bonds	Cash	

Socie, bonts, and cash equivalents are measured by the Russell 3000 holes. Backly, Capital Agengate Bond holes, and Arent Lynch S-month Tessaury Bill holes, respectively Investore samost house device) in hose unmanaged incloses. Pase partometros dose not guarantee tutue results on the results of any fund in your Plan, which will fuctuate with m conditions.



## Local 94 Investment Analysis Report

### **Proposed Target Asset Allocation**

(Action Plan)

mix of asset classes is es	dividual securities often reflec ssential in creating a well-bala		investment category, or "asset class." De gy.	termining an app	propriate
Detailed Asset Allocation	Carrot	Target	Asset Class	Durrent %	Tan
	Larrest		Large Growth	2.52	
			Large Blend     Large Value	1.11	
			Large Value     Mid Growth	0.68	
			<ul> <li>Mid Blend</li> </ul>	0.80	
			<ul> <li>Mid Value</li> <li>Small Growth</li> </ul>	1.33	
			Snall Blend	6.22	
			<ul> <li>Small Value</li> </ul>	0.42	
			RETs     Unclassified Stock	2.96 0.20	
			<ul> <li>Large Foreign</li> </ul>	1.55	
			Emerging Markets     Gothal Stack	0.01	
			<ul> <li>Gotal Stock</li> <li>Internediate-/Long-Term Bend</li> </ul>	8.68	
			Short Tarm Band	0.51	
			<ul> <li>High-Yield Bond</li> <li>Foreign Band</li> </ul>	4,70	
			Intermediate-Term Manicipal Bond	0.00	
			Long-Term Municipal Bond	0.01	
			<ul> <li>Tax-Free High-Yield Bond</li> <li>Other Bond</li> </ul>	0.00 43.69	
			Cash and Equiv	14.13	
			<ul> <li>Sector (Commodities)</li> <li>Uncombraned Extertic</li> </ul>	0.00	
			Other,Net Dassified	4.79	
				100.00	
					Current 6.55
Risk and Return	# <u>;</u>				
Risk and Return	.6		Espected Retu Standard Dev	m	4.82
Risk and Return	10 11			m	4.82 0.36
Risk and Return			Stantard Dev Sharpe Ratio		
Risk and Return		• • •	Dansterl Dev Sharpe Ratio O Target A B Carrent J	docation Porticle Allocation	
Risk and Return		• • •	Standard Dev Skarpe Ratio © Target A	docation Porticle Allocation	
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## Wealth Report Summary

(Probability of Goals)

Release date 04-30-2016   Intestment Audysis - current assets & investments 5/3/2016	Page 6 of 25	(Current vs Proposed St	
Wealth Report			
Summary			
Wealth Summary	and the second		Prepared by THO
This graph shows calculated estimates of the value of your investments over time. These estimates are		Relaaze dats 05.30.2015   Investment Avalysis - current assets & investments \$10,20016 Historical Asset Allocation Performance	Page
returns, and the contributions and withdrawals you plan to make. All values are in today's dollars. Beca different market scenarios are represented in the table: an extended buil market scenario (10% dance per centile), a median scenario (30% chance of achieving at least this wealth or 50th percentile), and an chance of achieving at least this wealth or 10th percentile). Path performance is not a guarantee of flut.	if achieving at least this wealth or 90th extended bear market scenario (90%	SAM Diversified Plus: Income & Mod Growth	
assumptions in the Disclosure Statement for more information.	- 334	This report demonstrates how money invested in the asset allocation shown in the T	arget Asset Allocation Report wou
	Target Allocation: Wealth Percentile	have performed over a long investing horizon and during two shorter-term periods of Please read the disclosures for important information on how these results were gen	generally poor market performanc erated.
	Probability of Success 100.00%		
	Carrent Allocation 	Long-Term Performance This graph shaws how \$100,000 invested I I I I I I I I I I I I I I I I I I I	
	Probability of Success 100.00% Wealth Percentile 10th 50th 10th	would have performed over the part 15 years.	Apr 30 2901 Apr 30 2015 28 Asset Mix S&P North American Natural
	1 Year 1.5M 1.7M 1.9M 3 Year 1.6M 1.9M 2.3M	pron.	Besources TR - Russell 1000 Value TR USD
	5 Year 1.8M 2.2M 2.7M 10 Year 2.0M 2.8M 3.8M		M Asset Mix Return % Asset Mix Risk (Stind Dev)
	30 Year Z.SM 4.8M 7.9M		Start Balance \$
	A CARLES AND AND A CARLES	2002   2004   2006   2008   2010   2012   2014   201	6
	- 16	Bear Market Performance	
1 1 1 1 1 2016 2021 2026 2028 2026 2041	- 19	This graph shows how \$100,000 arwested would have performed during two years of a	125 Aug 31 2008 Aug 31 2010
Probability of Achieving Goals	- 19	This graph shows how \$100,000 invested	
Probability of Achieving Geals	- 10 Intel conditions. 100% Dearog	This graph shows how \$100,000 arwested would have performed during two years of a	Asset Mix     SkP Morth American Natural     Secures TR     Pausel 1000 Value TR USD     Acset Mix Return %
Probability of Achieving Geals	100% Chance Fair Good High	The proof allows the FERIO Description of the second secon	Int     = Accet Mix       SRP North Removant Rutural Resources TR       *     - Rescent 1000 Value TR USD       *     Accet Mix Removant Rutural Russel 1000 Value TR USD       *     Accet Mix Rutural Russel 1000 Value TR USD       *     Start Balance S       End Belance S
Probability of Ankieving Gasts The chart shows the likelihood that your goals will be met based on the asset mix, investments, and m Poor	100% Chance	This graph shows how \$100,000 arwested would have performed during two years of a	Inst     = Accet Mix
Probability of Activity Gasts The chart shows the likelihood that your goals will be met based on the asset mix, investments, and m Pior	100% Chance Fair Good High	The paget above two \$10000 neural a neural n	Aug 31 New 20 2006
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# **Retirement** Distribution Options

## **Understanding Your Distribution Options:**

At retirement there are various distribution options available to you through the Local 94 Annuity Fund.

J.W. Thompson Investments helps members understand these options and decide which option is best suited for the specific retirement income needs. Outlined below are the specific distribution options available to you through the plan as explained on the "Distribution Election Form".

- Life-Time Annuity Payment The annuity option is available to members who are interested in a payment stream insured for their life in retirement. The annuity payment options available to you include Single and Joint Life benefit payouts. These products are intended for immediate retirement income and require advanced retirement planning to determine which option might be the most appropriate for your specific income needs. Please note that additional options such as death benefit payouts and period certain options can be incorporated into an annuity contract with the underwriter once this option is selected.
- IRA Rollover This option allows you to transfer your Local 94 Annuity Fund to an Individual Retirement Account (IRA) where you can take a portion of your distribution as a cash payment and elect to have the remaining balance invested in stocks, bonds, mutual funds, or even life time annuity investments.
- Personal Distribution This option allows you to take either a lump-sum cash distribution or "one time" partial cash distribution from the Fund. In this case you are required to pay the minimum 20% Federal Income Tax withholding and any state tax withholding, if required. There may also be an additional early withdrawal penalty of 10% if personal distributions are initiated prior to age 59 ½.
- Scheduled Systematic Distribution Payments This option is available in either monthly, quarterly, semi-annual or annual payments and allows you to have your benefit payed out over a period of 10, 15, 20, 25, or 30 years in total.
- Annual Interest Payment This option allows you to have the interest or investment income earned during the prior year paid to you in an annual payment. In this case you will be required to adhere to the tax and penalty requirements as outlined under the personal distribution option.

# Contact Information - JWTI

## If You Have Questions About Your Account

Or Would Like to Begin Your Personalized Investment Analysis

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