



Important Information About Your Investment Options, Fees, and Other Expenses for the Adventist Healthcare Retirement Plan —Annual Fee Disclosure Statement as of June 2020

The Adventist Healthcare Retirement Plan (the “Plan”) is a great way to build savings for your future. Through the Plan you get:

- The convenience of **automatic savings** through payroll deductions and the opportunity for **tax advantages** through before-tax and Roth 403(b) contributions
- **Contributions from your company** that match a portion of your savings
- A **flexible, comprehensive investment line-up** that is monitored by the plan’s Investment Committee and includes options that are only available to large, institutional investors

You’ll want to make sure you are taking full advantage of the Plan by choosing a savings rate and investments in the plan to meet your long-term retirement needs. Use the tools available on the Plan’s website to explore how your savings and investment decisions impact your long-term savings goals.

Review this statement to learn more about fees and expenses, the Plan’s investment options, and where to go for more information or to take action. To learn more about the Plan, please see the Summary Plan Description available on the Plan’s website.

1. About Fees and Expenses

As with other investments, many fees and expenses for the Plan are paid by investors; in this case, participants in the plan. There are several types of fees:

- Some fees are **asset-based fees**. You won’t see these fees directly because they are charged to plan investment options and reduce your investment earnings. These fees are shown in Section 3 of this statement. Asset-based fees are utilized to pay for investment management fees and also may be applied to pay for services to the plan such as trustee, legal, accounting, recordkeeping, and participant services, as well as other expenses relating to the maintenance of the plan or plan funds.
- You also have **individual fees** that result in charges due to activity you have requested. (See the next page to learn more about individual fees.)
- When you decide to invest in any of the funds in the Adventist Healthcare Retirement Plan, there are no upfront sales loads or charges. However, a few of the plan’s investment options may have **redemption fees** that apply if you move money out of these funds before a minimum period of time or “holding period.” (Section 3 identifies any redemption fees that may apply to the plan’s investment options.)

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Individual Fees in the Adventist Healthcare Retirement Plan

- **Professional Management program fees:** If you sign up for the Professional Management Program offered by Alight Financial Advisors, LLC (AFA), you will be charged a fee that is based on the size of your account:

– Up to the first \$100,000	0.50% of assets
– The next \$100,001 to \$250,000	0.45% of assets
– \$250,001 or more	0.30% of assets

The fee is calculated based on the average amount of assets under management for the calendar month and is debited from your account at the start of the following month. If your entire plan balance is depleted at any time, the fee for that month will be taken at the time of the balance depletion.

- **Loan fees:** You will pay a \$50 fee whenever you take a general purpose loan from the Plan. You will pay a \$75 fee whenever you take a primary residence loan from the Plan. These fees are taken out of your loan proceeds.
- **Domestic relations order fees:** You will pay a \$300 fee when a domestic relations order is processed on your account. (This occurs when a court awards a portion of your account to another person due to a divorce settlement.) The fee will be deducted before the order is applied and the alternate payee will pay half of the fee (\$150) at the time of asset transfer.
- **Self-directed brokerage window fees:** If you establish a self-directed brokerage window account within the plan, you are charged a maintenance fee of \$20 per quarter. This fee is deducted from other assets you have in the plan rather than directly from your self-directed brokerage window account. Depending upon the investments purchased and sold in the self-directed brokerage window, other commissions and fees may apply and will be charged within your self-directed brokerage window account.

Learn more about applicable plan fees on the Plan's website.

Fees and expenses are important because they can substantially reduce the growth of your account over the long term. (You can find an example that illustrates this concept on the Department of Labor's website, <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees>.) But, fees are still only one of several factors to consider when making investment decisions. You also should carefully consider other key factors, including asset class and investment risk, investment objectives, principal investment strategies, and historical performance when selecting investment options.

2. The Plan's Investment Options

As a participant in the Adventist Healthcare Retirement Plan, you're responsible for investing your account in one or any combination of the Plan's investment options. Section 3 provides more specific information about the investment options, which include:

- **Target Retirement Date Funds** and the **Core Funds** that primarily provide you with investments that have returns that can change as the market goes up and down.
- An investment option that offers you a **fixed or stated return**, meaning that the return is set for a period of time.
- An **Annuity option** which is an insurance contract that allows you to receive a guaranteed stream of lifetime payments that begin when you retire.
- In addition, the plan will offer you a **Self-Directed Brokerage Window**, which provides access to a marketplace of retail investment options. The self-directed brokerage window is designed for participants who have a strong knowledge of the investment marketplace; want greater flexibility to create a more customized portfolio; and have the ability, time, and desire to personally research and evaluate different investments. The platform is provided through Alight Financial Solutions, a broker-dealer subsidiary of Alight Solutions LLC and member FINRA/SIPC.

Note: The plan's Investment Committee will not review the investments available through the self-directed brokerage window. You are solely responsible for your investments in the self-directed brokerage window. There is information available to all investors in these retail investments, for example a mutual fund prospectus. You can request that a copy of a fund prospectus be sent to you from the **www.AlightFinancialSolutions.com** website, by contacting an Alight Financial Solutions representative at **1-800-890-3200**, or by going to the fund's website directly.

There may be individual account maintenance fees applicable to the self-directed brokerage window and paid from the Core Funds as noted in the box on page 2. In addition, depending upon the investments purchased and sold in the self-directed brokerage window, other commissions and fees may apply and will be charged within your self-directed brokerage window account. Before you purchase or sell securities through the self-directed brokerage window you should find out about any fees associated with the purchase or sale of the particular investment you are trading. You can obtain a fee schedule of applicable trading fees and commissions online by logging into your account at **www.AHRP.com** or by contacting an Alight Financial Solutions representative at **1-800-890-3200**.

You may enroll in the self-directed brokerage window by completing an online enrollment election at **www.AHRP.com**.

You may change your investment elections as often as you like on any day the market is open. But keep in mind that some investments within the self-directed brokerage window may be subject to regulatory and fund company trading restrictions.

Choosing Your Investment Strategy

Ultimately, how you invest should depend on your age, lifestyle, accumulated wealth, years to retirement, and comfort level around risk. This statement only provides some information about your investment choices like fees, expenses, and historical returns. Your decisions should be based on the full picture, taking into account your individual situation, not just the information in this statement.

- **To Learn More About the Investment Options.** To learn more about the investment funds offered and fees that apply to these funds, visit the AHRP website. You can find fund facts, fund performance, and other fund information. You can also receive more information about the funds, including paper copies of the information that is provided online, by calling the AHRP Retirement Center at **1-800-730-AHRP**. Representatives are available from 8:00 a.m. to 5:00 p.m., Central Time, Monday through Friday.

Some of the information you can find on the website or request copies of includes:

- Copies of summary prospectuses or similar documents for funds that are not federally registered.
- Copies of any financial statements or reports, such as statements of additional information and shareholder reports, and of any other similar materials relating to the Plan's funds, to the extent such materials are provided to the Plan.
- A statement of the value of a share or unit of each fund as well as the date of the valuation.
- A list of the "plan assets" comprising the portfolio of each fund.

▪ **To Enroll or Make Changes to Your Investments.** You can enroll in the Adventist Healthcare Retirement Plan or make changes to your investments at any time by logging on to the plan's website. Once you have logged on you can:

- **Enroll**—simply go to Savings and Retirement > Contributions > Start Saving
- **Change your current investment mix or your investment elections for future contributions**—go to Savings and Retirement > Manage Investments > Change Investments and follow the instructions on the website

▪ To help you create an investment strategy, your company has designated Alight Financial Advisors (AFA), an independent Registered Investment Advisor, to provide fiduciary investment services to plan participants. An **Online Advice** tool can help you fine-tune your investing strategy, and the **Professional Management** program offers personalized portfolio management from professional investment advisors. Fees apply for the Professional Management program; see the **Individual Fees in the Adventist Healthcare Retirement Plan box** in Section 1. Note, AFA has hired Financial Engines Advisors L.L.C. (FEA) to provide sub-advisory services. AFA is a federally registered investment advisor. FEA is a federally registered investment advisor and is an independent company that is not affiliated with AFA. Neither AFA nor FEA guarantees future results.

If you are unable to log on to the website, you may also enroll or change investment options by calling the AHRP Retirement Center at **1-800-730-AHRP**. Representatives are available from 8:00 a.m. to 5:00 p.m., Central Time, Monday through Friday.

3. Investment-Related Information

The following table provides you with information on the investment options that have a variable rate of return. You'll find three things:

¹ Total asset-based fees are investment management company fees plus other plan-specific costs charged to the investment fund to cover administrative services, such as plan administration, trustee, accounting, legal, and other plan-level costs.

1. General information about the type of investment option
2. Fee information including asset-based fees¹ (often called the expense ratio) plus other shareholder-type fees or investment restrictions²
3. Historical performance for the fund and an appropriate benchmark for the same period of time

Keep in mind, however, that past performance does not guarantee how the investment option will perform in the future. Your investments in these options could lose money. Information about an option's principal risks is available on the plan's website.

Some of the plan's administrative expenses may have been paid by fees from one or more of the plan's investment funds. These expenses are included in the expense ratio (total asset based fees) provided in the table below.

For more information about this statement, you may contact the AHRP Retirement Center at **1-800-730-AHRP (1-800-730-2477)** or the plan administrator: Adventist Healthcare Retirement Plan 2130 Professional Dr, Suite 235 Roseville, CA 95661

Federal regulations require plan sponsors to provide this statement. It includes important information to help you understand your retirement plans and compare the investment options offered to you. Most or all of the fund information available in this statement is available to you by other means, and is provided by third parties. We have not independently verified the third-party information we are relaying in this statement.

² Shareholder-Type Fees and Investment Restrictions outlines any fees paid directly from your investment in this option (e.g., redemption fees) and any restrictions (e.g., purchase block provisions on trading that might exist for a specific investment option).

← General Information →

← Fee Information →

← Hist. Performance →

Fund Name/ Benchmark	Asset Class	Total Asset-Based Fees ¹	Annual Cost Per \$1,000 of Investment	Shareholder-Type Fees and Investment Restrictions ²	Average Annual Total Return as of 04/30/2020 (Fund and Benchmark)		
					1 yr.	5 yr.	10 yr.
Target Date Funds							
BlackRock LifePath® Index Retirement Fund F <i>Benchmark: LifePath Index Retirement Custom</i>	Premixed	0.155%	\$1.55	N/A	4.09%	4.16%	5.42%
					4.10%	4.13%	5.38%
BlackRock LifePath® Index 2025 Fund F <i>Benchmark: LifePath Index 2025 Custom</i>	Premixed	0.156%	\$1.56	N/A	1.63%	4.46%	6.37%
					1.65%	4.39%	6.29%
BlackRock LifePath® Index 2030 Fund F <i>Benchmark: LifePath Index 2030 Custom</i>	Premixed	0.157%	\$1.57	N/A	-0.34%	4.49%	6.64%
					-0.34%	4.39%	6.54%
BlackRock LifePath® Index 2035 Fund F <i>Benchmark: LifePath Index 2035 Custom</i>	Premixed	0.157%	\$1.57	N/A	-2.19%	4.52%	6.89%
					-2.17%	4.39%	6.76%
BlackRock LifePath® Index 2040 Fund F <i>Benchmark: LifePath Index 2040 Custom</i>	Premixed	0.158%	\$1.58	N/A	-3.88%	4.49%	7.08%
					-3.87%	4.34%	6.93%
BlackRock LifePath® Index 2045 Fund F <i>Benchmark: LifePath Index 2045 Custom</i>	Premixed	0.159%	\$1.59	N/A	-5.03%	4.45%	7.22%
					-5.02%	4.28%	7.07%
BlackRock LifePath® Index 2050 Fund F <i>Benchmark: LifePath Index 2050 Custom</i>	Premixed	0.159%	\$1.59	N/A	-5.57%	4.41%	7.35%
					-5.55%	4.24%	7.19%
BlackRock LifePath® Index 2055 Fund F <i>Benchmark: LifePath Index 2055 Custom</i>	Premixed	0.159%	\$1.59	N/A	-5.59%	4.40%	8.27%
					-5.61%	4.23%	8.15%
BlackRock LifePath® Index 2060 Fund F <i>Benchmark: LifePath Index 2060 Custom</i>	Premixed	0.160%	\$1.60	N/A	-5.58%	4.40%	n/a
					-5.61%	4.23%	n/a
Core Funds							
AHRP Capital Preservation ³ <i>Benchmark: 5-Year U.S. Treasury (Rolling CMT)</i>	Stable Value	0.430%	\$4.30	N/A	2.70%	2.56%	2.83%
					1.47%	1.80%	1.45%
BlackRock U.S. Debt Index Fund F <i>Benchmark: Bloomberg Barclays U.S. Aggregate Bond Index</i>	Bond	0.123%	\$1.23	N/A	10.77%	3.82%	4.02%
					10.84%	3.80%	3.96%
BlackRock Russell 3000® Index Fund F <i>Russell 3000® Index</i>	All Cap	0.111%	\$1.11	N/A	-1.08%	8.40%	11.35%
					-1.04%	8.33%	11.29%
BlackRock MSCI ACWI ex-U.S. IMI Index Fund F <i>Benchmark: MSCI EAFE NR USD</i>	International	0.150%	\$1.50	N/A	-11.80%	0.12%	n/a
					-11.34%	-0.17%	3.55%
Comerica SDA Total Market Bond Index Fund Cl D <i>Barclays Aggregate Bond® Index</i>	Bond	0.179%	\$1.79	N/A	11.23%	3.57%	3.63%
					10.84%	3.80%	3.96%
Comerica SDA U.S. Equity Market Fund Class D <i>Benchmark: S&P 1500® Index</i>	All Cap	0.193%	\$1.93	N/A	-0.32%	8.41%	11.07%
					-1.04%	8.33%	11.29%

Fund Name/ Benchmark	Asset Class	Total Asset- Based Fees ¹	Annual Cost Per \$1,000 of Investment	Shareholder-Type Fees and Investment Restrictions ²	Average Annual Total Return as of 04/30/2020 (Fund and Benchmark)		
					1 yr.	5 yr.	10 yr.
Comerica SDA International Equity Index Fund CIE <i>Benchmark: MSCI EAFE Net</i>	International	0.242%	\$2.42	N/A	-12.16%	-0.93%	2.86%
Prudential Income Flex Target Vanguard Balanced Index ⁴ <i>Benchmark: 60% S&P 500 TR/40% Barclays US Aggregate TR</i>	Other	1.36%	\$13.60	There is a 90 day purchase block restriction. After moving money out of this fund you must wait 90 days before moving money back into the fund.	2.86%	5.36%	n/a
					6.20%	7.49%	9.00%

¹ Total asset-based fees are investment management company fees plus other plan-specific costs charged to the investment fund to cover administrative services, such as plan administration, trustee, accounting, legal, and other plan-level costs.

² Shareholder-Type Fees and Investment Restrictions outlines any fees paid directly from your investment in this option (e.g., redemption fees) and any restrictions (e.g., purchase block provisions on trading that might exist for a specific investment option)

³ The current credited rate for the 12 months, beginning January 1, 2020, will be 2.70%. The Account's credited rate will be declared each January 1st and will be in effect for the following 12 months. The return credited by the plan to participants will be 0.10% less than the credited rate due to charges related to recordkeeping fees paid at the direction of the Plan Sponsor. This rate will apply to existing balances as well as to all deposits made by the participants during that time (i.e. contributions, transfers from other investment options and interest as it accrues). MetLife guarantees that the Account's rate will never be less than 1% while the contract remains active.

⁴ The Prudential IncomeFlex Target Vanguard Balanced Index Fund offers (i) availability of guaranteed lifetime income for you and, if you elect, your spouse; (ii) a balanced fund (60% equity/40% fixed income) for asset diversification, (iii) guarantees that a market drop will not reduce how much income you can withdraw in retirement, and (iv) complete access to your investment in the fund. The price of the guaranteed income payments is based on your age when you Lock-in and whether you elect to guarantee benefits for only you, or for both you and your spouse. In exchange for the protection provided by this fund, there is annual guarantee fee of 1.20%. You can stop participating in the fund at any time by removing all money from the fund with no fees or charges. Once you stop participating, the income guarantees expire, and you cannot invest in the fund for 90 calendar days except by payroll deduction. If you withdraw some but not all money from the fund, your guaranteed values will be proportionately reduced. Guarantees of an insurance company are subject to its long-term strength and claims paying ability. Your market value is not guaranteed.

4. Terms You Should Know

For definitions related to investments, go to the plan's website. You will find definitions in Retirement and Savings > Investment Summary > Fund Detail. Here are a few key terms and concepts to help you understand the information described in this statement.

Administrative fees: Fees paid to the recordkeeper to cover expense for things like keeping data on participants, communication materials, Internet services, and assisting participants with transactions; fees paid to a trustee to manage some operations of the plan including trading and holding assets; plus fees paid for legal and accounting services.

Asset-based fees: Fees that are charged as a percent of holdings in an investment to cover investment management fees plus any asset-based administrative service fees. Asset-based fees are also referred to as the expense ratio, or, more technically, the fund's total annual operating expenses. (See box on this page for an example of how asset-based fees work.)

Asset class: A specific category of assets or investments (such as stocks, bonds, or cash) as well as certain types of stocks (such as international stocks, large-cap stocks, etc.). Assets within the same class generally exhibit similar characteristics.

Benchmark: A standard against which the performance of a security, fund or investment manager can be measured. Generally, broad market and market –segment stock and bond indexes are used to evaluate the performance of an investment.

Core Funds: Each of these funds represents a single asset class. A combination of Core Funds is needed to have a diversified portfolio that will provide the most optimal long-term investment experience.

Designated Investment Advisor: This is the individual or organization that manages investments for individuals who choose to participate in the Professional Management program. In this case, it's Alight Financial Advisors.

Equity Wash: A transfer restriction for a stable value fund requiring monies transferred out to be invested in an equity fund or other non-competing fund for a specific period of time (usually 90 days) before the monies can be reinvested into a stable value fund or other competing fund.

Individual fees: These fees apply to your account and generally depend on transactions in your account, like taking a loan from the plan.

Investment management fees: The fee paid to the advisory firm or investment management company for the day-to-day investment managed of the securities in the fund's portfolio. These fees may also include costs such as advertising and promotion, administration, and other related services.

Professional Management Program: You have the option to sign up for the managed account services where the designated investment advisor will manage your investment mix for you. If you choose this service, the fees described in the **Individual Fees in the Adventist Healthcare Retirement Plan** box in Section 1 will apply.

Purchase Block: This transfer restriction applies when money is moved out of a fund and then cannot be moved back into the fund for a specific period of time (usually 30 to 90 days).

How Asset-Based Fees Work

Let's assume your current account balance is \$30,000, and you've invested in three funds as shown below. Here's an estimate of what you might pay annually in total asset-based fees.

Investment	Balance	Asset-Based Fees	
		As % of Assets	Dollar Amount
BlackRock LP 2040	\$17,000	0.158%	\$26.86
AHRP Capital Pres	\$10,000	0.43%	\$43.00
BlackRock MSCI ACWI	\$3,000	0.15%	\$4.50
Total	\$30,000	—	\$74.36

Because asset-based fees are accumulated daily, your actual cost will vary as your account value changes.

Revenue sharing explanation: A portion of a fund's total asset based fees, which the fund manager has designated to cover certain expenses paid to a third party, often the plan's recordkeeper. Revenue sharing arrangements generally exist to compensate the recordkeeper for providing services to plan participants that are typically performed by the investment manager for individual investors.

Target date funds: These funds are premixed, diversified investment strategies that are designed to be a single investment solution. They have a mix of underlying investments that are generally appropriate for a given retirement date.