

RETIREMENT PLAN REVIEW SPECIAL REPORT

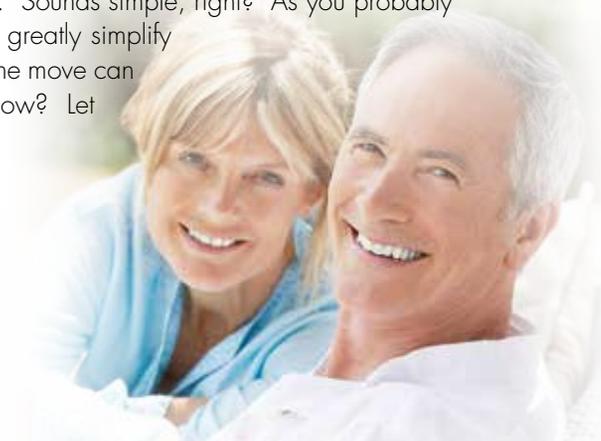
PCA RETIREMENT & BENEFITS, INC.

2nd Quarter 2014

How would you feel if PCA Retirement & Benefits, Inc. (RBI) permanently resolved a long-time retirement preparation and investing problem for you in one afternoon? Appreciative? Astounded? Relieved? Then hold on, because that's exactly what we aim to do!

Unless you are already fully invested in a PCA Target Retirement Fund, or choose to opt-out, on September 26, 2014, RBI is planning to re-invest everyone into an age appropriate Target Fund. Why? Because we really want to help you improve your financial readiness for retirement! Saving successfully for retirement essentially involves getting two things right. You have to contribute enough money, and you have to invest that money wisely. Sounds simple, right? As you probably already know, it's far from simple. But there is a way to greatly simplify investing! That's what 'Target Funds' are all about. This one move can permanently resolve your retirement investing dilemma. How? Let me explain...

Why INVESTMENT refresh?



By moving into a PCA Target Retirement Fund your account balance and your mutual fund allocations will immediately begin to be competently managed by experienced investment professionals — at no additional cost to you.

First, PCA Target Fund participants receive professional management. When you first began to invest, how did you arrive at a decision regarding the funds you selected? Did you read published articles, seek advice from a friend or family member, or did you just flip a coin? However you arrived at your decision, most would acknowledge that their fund choices have not always been the best. By moving into a PCA Target Retirement Fund your account balance and your mutual fund allocations will immediately begin to be competently managed by experienced investment professionals – at no additional cost to you. RBI will reset, or 'rebalance,' your allocations quarterly to minimize your exposure to inappropriate risk, and annually, RBI will gradually shift each fund's mix of assets to make the fund more conservative as you approach retirement. Never again will you have to ask, "What should I be invested in now?" All of the appropriate adjustments will happen automatically!

Second, PCA Target Fund participants receive enhanced diversification. Diversification is not 'putting all of your eggs in one basket.' Staking all of your retirement hopes on one company, sector, mutual fund, or fund manager is perilous. Yet many investors own just one or two funds. Investing in a PCA Target Fund alleviates this problem by investing you in multiple mutual funds holding hundreds of U.S. and International stocks and bonds, including exposure to major market sectors. PCA Target Funds hold 10-13 different funds, are managed by 16-18 different highly skilled fund managers, and are specifically designed to enhance your diversification. Are you appropriately diversified?

—Continued on the back



OPTING OUT OF THE INVESTMENT REFRESH PROCESS

I have had the pleasure of working at PCA Retirement & Benefits, Inc. for over ten years, and during my time here, I have come to realize the vast majority of retirement plan participants need help managing their investments. Only a small percentage of the people I have talked with have an adequate understanding of our investment options. Even less have a functional understanding of concepts like diversification, adjusting risk tolerances and maximizing risk adjusted performance. I am not inferring that



While the Investment Refresh process is ideal for the majority of our participants, there are some who desire a more hands on approach to investing... It is important to note that you have the ability to opt-out of the Investment Refresh Process.

our retirement plan participants are not intelligent. Many of our participants are experts in their respective areas of ministry. Regrettably, their expertise has not translated well to the complex world of investing.

Most of our participants need help and many of our ministry partners are quick to admit it. We recognize their dilemma and are concerned about their retirement readiness. It is this concern that has caused us to initiate what we are calling the *Investment Refresh* process. Through this initiative we are moving participants into an age appropriate PCA Target Retirement Fund. This type of fund will provide participants with the maximum level of assistance in managing their investments. A single Target Fund is comprised of several underlying funds and RBI will continually manage the mix of these underlying funds for our participants. By design, RBI will enhance growth opportunities within the PCA Target Retirement Funds when participants are young and then gradually transition to a more conservative approach as they enter their retirement years.

While the Investment Refresh process is ideal for the

majority of our participants, there are some who desire a more hands-on approach to investing. Over the years I have talked with participants who are married to investment experts. These spouses carefully manage the investments within their account. Additionally we have participants who work with financial planners who manage multiple investment accounts for them. Regardless of your situation, it is important to note that you have the ability to opt-out of the Investment Refresh process beginning on August 15, 2014 and concluding on September 15, 2014. During this time frame, participants will have two ways to opt-out. Both ways, paper form and on-line module, can be accessed through our website www.pcarbi.org.

- 1. Paper Form** – Participants who wish to opt-out of the Investment Refresh process can opt-out via the “Investment Refresh Opt-out Form”. This form can be found on the “Forms” section of the RBI website beginning on August 15th. This one page form requires your signature, printed name, Social Security number and the date of your signature. To process this form, our business partners will need to receive it via mail (PCA Service Center, 5446 California Ave, Suite 200, Seattle, WA 98136), fax (206-938-5987) or e-mail (pcateam@nwp401k.com) no later than 3:00pm ET on September 15th.
- 2. On-line Module** – Participants can also complete an on-line module beginning on August 15th within their on-line PCA Retirement Plan Account. To access your account, visit our website and click on the “**Log-in**” section of the RBI menu bar. Scroll down and click on the hyperlink section that reads “View my PCA Retirement Plan account”. This link will take you to the log-in portion of your Retirement Access account. Once you log-in you will notice a menu bar on the left hand column of the page. Find the “Investment Refresh” section and click on it. Read and follow the instructions on the page to opt-out of the Investment Refresh process. This module will need to be completed no later than 4:00pm ET on September 15th.

I am thrilled about this new initiative and our ability to immediately improve the retirement readiness for many of our participants. Best of all, no action is required for those who need help! We are here, however, for those who have questions. Give us a call at 800-789-8765 if you find yourself in this group – the sooner the better.

— Mark Melendez, *Client Services Manager*

INVESTMENT REFRESH PROCESS

Frequently Asked Questions

Q. What is Investment Refresh?

- A.** Investment Refresh is a onetime event when PCA Retirement & Benefits, Inc. (RBI) will move your existing assets and your future contributions into an age appropriate PCA Target Retirement Fund (TRF).

Q. What is a Target Retirement Fund?

- A.** A Target Retirement Fund is a single fund comprised of many underlying funds that automatically reset the investment mix according to your targeted retirement year. The longest dated funds begin with a more aggressive position, and gradually, grow more conservative as you age. RBI has tailored the TRFs for the specific risk and return needs of PCA ministry partners.

The PCA Target Retirement Funds are designed to provide you with a maximum level of investment assistance. No longer will you have to select an appropriate investment portfolio, monitor the portfolio and manage it over time. Those investment decisions can now be turned over to our experienced investment management team.

Q. Why is RBI changing my account to a TRF?

- A.** The majority of our ministry partners find investing to be one of the most difficult tasks within the PCA Retirement Plan. We want to alleviate this burden and simplify the retirement investing process, both now and in the future. Through our TRFs we will provide our ministry partners with an optimal investment mix and RBI will make gradual changes each year as investors approach their retirement date and beyond.

Q. Will all investments be moved into TRF?

- A.** Most investments will be moved into a TRF unless a participant opts out of the Investment Refresh process. There are two exceptions to this rule. If you are already invested in one or

two TRFs, your investments in those funds will not change.

Anyone invested in three or more TRFs will be moved into a single TRF. The second exception applies to investors in the Self-Directed Brokerage Account (SDBA) with Charles Schwab. If you have some of your assets within the SDBA, the portion invested with Charles Schwab will not be directed to a TRF. However, any portion held within the PCA Retirement Plan will be moved into a TRF.

Q. If I am already in a TRF, will my account change?

- A.** If you are invested in one or two TRFs, your account will not change. Those invested in three or more TRFs will have their assets transferred into a single age appropriate TRF.

Q. If I am in the Self-Directed Brokerage Account (SDBA) with Charles Schwab, will this be included in the Investment Refresh process?

- A.** No. Assets held with the SDBA will not be transferred to a TRF. Any retirement plan assets held outside SDBA will be transferred to a TRF unless you opt out.

Q. When will this change take place?

- A.** Most of our participants will be transitioned (i.e. initiate an investment election change and a transfer of existing assets) into a TRF on September 26, 2014.

Q. What do I need to do for Investment Refresh?

- A.** No action is required unless you want to opt out of the Investment Refresh process. RBI will automatically move most investors into an age appropriate TRF.

Q. Are there any fees that will be charged to my account related to this change?

- A.** No. There are no fees or expenses associated with the Investment Refresh process.

Q. Is it possible that I will lose money because of the Investment Refresh transaction?

- A.** No. Your account will be valued at the close of the market prior to the transaction. The market value of your current investments will then be transferred in its entirety to an age appropriate TRF. However like many of our investments options, TRF's are subject to market changes and possible loss.

Q. Will the performance of my account be better after Investment Refresh?

- A.** It depends on the investment mix within your retirement account. A properly allocated retirement portfolio will correctly balance both risk and return. TRFs are designed to maximize return

Looking for your 2nd QUARTER RETURN information?

Due to the special nature of this quarter's Retirement Plan Review, you will not find performance information on the investments held within the PCA Core Funds or PCA Target Retirement Date Funds. You can quickly access this information by visiting www.pcarbi.org and clicking on the "Fund Performance (Returns)" section under Retirement & Investments section in the menu bar. Additionally, you may obtain this information by speaking with a RBI Service Representative at 800-789-8765.



Why Investment Refresh *Continued from cover*

How do you know? By moving to a PCA Target Retirement Fund, you can rest assured that your retirement account will be well diversified.

Third, PCA Target Fund participants receive investment risk management. Extremely conservative investors try to avoid market risk by de-emphasizing stocks, but often fail to realize that by overemphasizing bonds they are inadvertently increasing their exposure to interest rate, inflation, and longevity risk – all of which can derail their long-term retirement hopes if they run out of money, or purchasing power! Being overprotective simply replaces short-term risk with long-term risk. On the other hand, aggressive investors take on too much risk and may face similar challenges if

markets decline in the early years of their retirement. By moving to a PCA Target Retirement Fund, you will become invested in an ‘age appropriate’ blend of asset classes mathematically designed to reduce your exposure to multiple retirement risks, and reduce your fear of running out of money in retirement.

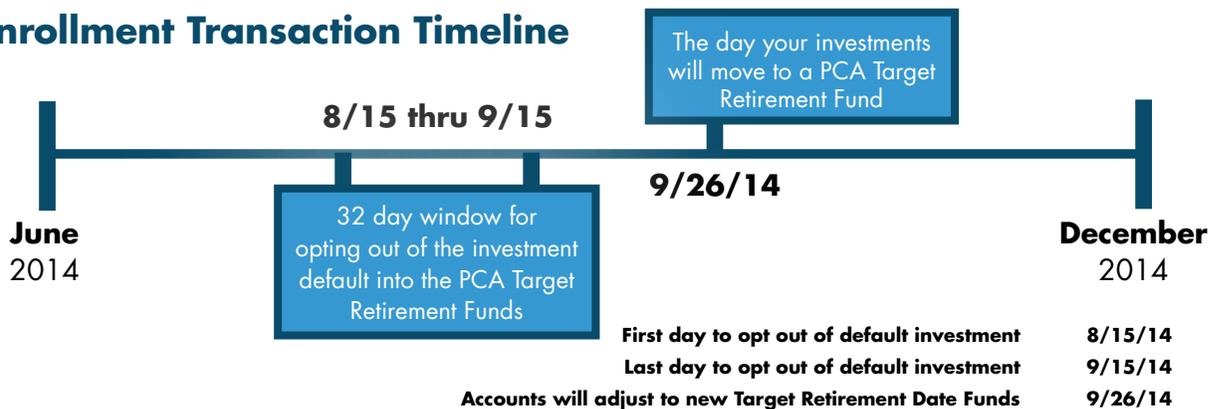
Imagine being moved to a PCA Target Retirement Fund and never having to consider all of these issues again! Relieved? Exactly. That is why PCA RBI is ‘refreshing’ your investment allocation! We are confident that moving to a PCA

Target Retirement Fund will improve your retirement outcome!

— Dave Andereg, *Financial Planning Advisor*

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Re-enrollment Transaction Timeline



REFRESH PROCESS — *Continued from page 3*

when you are young and mitigate the risk of loss when you near retirement. We cannot guarantee Investment Refresh will improve returns over the short term, but in the long run we believe Investment Refresh will improve your retirement outcome considering both risk and return.

Q. Will I be able to transfer my assets to a different fund(s) after the investment refresh process?

A. Yes - You are able to transfer to any investment PCA Retirement Plan options now and after the investment refresh process ends. There will be no fees or penalties associated to your initial transfer.

Q. When will I first see the change on my PCA Retirement Plan Statement?

A. The investment change(s) will be reflected on your 2014 third quarter statement. The statement will be mailed in mid-October.

Q. Do the TRFs have underlying investments in morally screened funds?

A. Yes! Many of the investment options held within the TRFs are morally screened funds. To determine how many morally screened funds you own or will own, please contact a PCA Service Representative by calling 800-789-8765.

Retirement PLAN REVIEW is a quarterly publication of *PCA Retirement & Benefits, Inc.*