

SOUTH CENTRAL ANNUITY FUND



Plan Highlights and Enrollment Information

Participation in the Plan is open to employees who:

- Are covered under a collective bargaining agreement
- Or non-bargaining employees who have a participation agreement

Other requirements may also have to be met, as described in your Plan Document.

The Plan's operation is simple:

- Your employer makes contributions to the Plan on your behalf as defined in the collective bargaining agreement
- You pay no current federal income tax on the pre-tax amount contributed to the Plan. You also pay no current federal income tax on the earnings the Plan generates. You only pay tax when you withdraw money from your account
- You decide how you want your account invested. Your Plan offers several investment alternatives. See the back page of this booklet for additional information regarding your investment alternatives

Please remember that although your account balance is subject to market risk, your contributions are always 100% vested.

Annuity Accounts

Generally, funds may be withdrawn from your account in these events:

- Retirement
- Death
- Disability
- Termination of Employment (no contributions for 24 consecutive months)

Simply complete the enclosed enrollment form and the accompanying investment election form. Return it to the designated person/entity on the "How to Enroll form". **Be sure you indicate how you want to invest your funds.** You have access to a dedicated professional team of experts to help you answer questions.

SVS, Inc. 1-800-273-3250

For questions regarding Statements, Account Balances, or obtaining a Personal Identification Number (PIN).

Benefit Resources 1-866-236-3148

For questions regarding Employer Contributions, Address changes and Request for Distributions.

RBC – Clift Group 1-866-722-0593

For questions regarding Investments, Retirement and Financial Planning.

You can access your account information by either the Internet at www.svsval.com or by the voice response unit at 1-800-827-4023. In order to access your account you will need:

- Your Social Security Number and
- Personal Identification Number (PIN)

To obtain a Personal Identification Number (PIN) call SVS at 1-800-273-3250.

See your Plan Document for detailed information about taking withdrawals from the Plan.

- Access virtually 24 hours a day, 7 days a week
- Account inquiry for balances
- Review and change of future investment direction
- Ability to request exchanges among investments
- Retirement Projections - Projects balances and future contributions to age 65 based on contributions and interest assumptions

- Change of Personal Identification Number (PIN)

SVS Representatives are available Monday-Friday from 9:00 a.m. – 5:00 p.m. (Central Time) at 1-800-273-3250.

This illustration, intended to show some of the advantages of contributions to an Annuity Retirement Plan, is based on the following assumptions:

Monthly Pay:	\$7,000	Marital Status:	Married
		Exemptions:	2

The tax calculations are only approximations of what you might pay. Consult your tax advisor for further information on how retirement Plan contributions may affect your particular tax status.

Per Hour Contribution	\$0	\$1.90	\$3.00	\$4.00	\$5.00
Current Monthly Pay	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Annuity Contribution (200 Hours)	0	\$380	\$600	\$800	\$1,000
Taxable Income	\$7,000	\$6,620	\$6,400	\$6,200	\$6,000
Less					
Federal Income Tax (25%)	\$1,750	\$1,655	\$1,600	\$1,550	\$1,500
State Income Tax	\$0	\$0	\$0	\$0	\$0
Social Security Tax (6.2%)	\$434	\$434	\$434	\$434	\$434
Take-Home Pay	\$4,816	\$4,531	\$4,366	\$4,216	\$4,066
Net Effect					
Annuity Contribution	\$0	\$380	\$600	\$800	\$1,000
Reduction in Take-Home Pay		\$285	\$450	\$600	\$750
Total Annual Contribution		\$4,560	\$7,200	\$9,600	\$12,000
Total Annual Cost to You		\$3,420	\$5,400	\$7,200	\$9,000

Annual Effect on Your Savings

Annual Rate of Return	6%	6%	6%	6%
10 Years	\$62,586	\$98,819	\$131,759	\$164,699
20 Years	\$176,453	\$278,611	\$371,481	\$464,351
30 Years	\$383,624	\$605,723	\$807,630	\$1,009,538

A description of each of the Funds is provided below to help you understand the investments available. Fund descriptions are from their prospectuses

STABLE VALUE FUND

Stable Asset Fund The objective of the Fund is to provide a competitive, short term, total rate of return with some degree of capital protection.

BOND FUND

Western Asset Core Plus Bond Fund (WAPSX) The Fund employs an “active management” investment approach designed to seek maximum total return, consistent with preservation of capital and prudent investment management. The Fund seeks to achieve its investment objective by investing in a diversified portfolio of fixed income instruments.

BALANCED FUND

Vanguard Wellington Fund (VWENX) The Fund invests 60% to 70% of its assets in dividend-paying and, to a lesser extent, non-dividend-paying common stocks of established, medium- size and large companies. In choosing these companies, the advisor seeks those that appear to be undervalued but have prospects for improvement. These stocks are commonly referred to as value stocks. The remaining 30% to 40% of the Fund's assets are invested mainly in fixed income securities that the advisor believes will generate a reasonable level of current income. These securities include investment-grade corporate bonds, with some exposure to U.S. Treasury and government agency bonds, and mortgage-backed securities.

TOTAL STOCK MARKET INDEX FUND

Total Stock Market Index Fund (VTSAX) The Fund employs a “passive management”—or indexing—investment approach designed to track the performance of the CRSP US Broad Market Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index. The Fund typically holds 1,200–1,300 of the stocks in its target index.

EQUITY INDEX FUND

Vanguard S&P 500 Index Fund (VFIAX) The Fund employs a “passive management”—or indexing—investment approach designed to track the performance of the Standard & Poor’s 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

MID CAP EQUITY INDEX FUND

Vanguard Mid Cap Index Fund (VIMAX) The Fund employs a “passive management”—or Indexing—investment approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of small and medium-size U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

SMALL CAP EQUITY FUND

Vanguard Small Cap Index Fund (VSMAX) The Fund employs a “passive management”—or indexing—investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of smaller U.S. companies. The Fund attempts to replicate the target index by investing all, or substantially all, of its assets in the stocks that make up the Index, holding each stock in approximately the same proportion as its weighting in the Index.

INTERNATIONAL EQUITY FUND

JPMorgan International Equity (JNEMX) The investment seeks total return from long-term capital growth and income. The fund invests at least 80% of the value of its assets in equity investments. It primarily invests in foreign companies of various market capitalizations, including foreign subsidiaries of U.S. companies. The fund may invest in securities across all market capitalizations, although it may invest a significant portion of its assets in companies of any one particular market capitalization category.

CONSERVATIVE ALLOCATION FUND

Vanguard Wellesley Income Fund, Admiral Class (VWIAX) The Fund invests approximately 60% to 65% of its assets in investment-grade fixed income securities that the advisor believes will generate a reasonable level of current income, including corporate, U.S. Treasury, and government agency bonds, as well as mortgage-backed securities. The remaining 35% to 40% of Fund assets are invested in common stocks of companies that have a history of above-average dividends or expectations of increasing dividends.

MODERATE ALLOCATION FUNDS

T. Rowe Price Capital Appreciation, (PRWCX) – The fund will normally invest at least 50% of its total assets in the common stocks of established U.S. companies that we believe have above-average potential for capital growth. The remaining assets are generally invested in convertible securities, corporate and government debt, bank loans (which represent an interest in amounts owed by a borrower to a syndicate of lenders), and may invest up to 25% of its total assets in foreign securities.

GROWTH ALLOCATION FUND

MFS Growth Allocation, R Class (MAGJX) – The investment objective of the fund is to seek a high level of total return consistent with a greater than moderate level of risk relative to the other asset allocation funds by MFS. The fund is designed to provide diversification among different asset classes by investing its assets in other mutual funds advised by MFS, referred to as underlying funds.

TARGET DATE FUNDS

American Funds Target Date Retirement Funds – Depending on the proximity to its target date, the fund will seek to achieve the following objectives to varying degrees: growth, income and conservation of capital. The fund will increasingly emphasize income and conservation of capital by investing a greater portion of its assets in bond, equity income and balanced funds as it approaches and passes its target date. In this way, the fund seeks to balance total return and stability over time.

Investment Election Form

The South Central Annuity Fund



Enter your personal information (Please print clearly)

Employee Surviving Beneficiary (attach notice of death form) Alternate Payee (attach a QDRO form)

Participant's Name (First, Middle Initial, Last)

Participant's Social Security Number (SSN)

Street Address

Apt. No.

Birthdate: mm – dd – yyyy

City

State

Zip

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Daytime Phone

Evening Phone

E-mail Address

Marital Status: Married Single or Legally Separated Check here to sign up for email notification*

Individual Fund Options (If you enter selections here, do not make a selection under any other option. If multiple Investment Options are selected, you will be defaulted as instructed above.)

First, select the individual funds in which you wish to invest. Then, enter the percentage of your contributions to be invested in each of those funds in the space provided. Make sure selections are whole percentages and total 100%. When they add up to 100%

Investment Options	Ticker Symbol	Choose Your Own All Contributions
Balanced Fund	VWENX	_____ %
Bond Fund	WAPSX	_____ %
Stable Value Fund		_____ %
S&P 500 Equity Index Fund	VFIAX	_____ %
Mid Cap Equity Index Fund	VIMAX	_____ %
Small Cap Equity Index Fund	VSMAX	_____ %
International Equity Fund	JNEMX	_____ %
Total Market Index Fund	VTSAX	_____ %
Allocation Fund - Conservative Allocation	VWIAX	_____ %
Allocation Fund - Moderate Allocation	PRWCX	_____ %
Allocation Fund - Growth Allocation	MAGJX	_____ %
2015 Target Date Retirement Fund	RFJTX	_____ %
2020 Target Date Retirement Fund	RRCTX	_____ %
2030 Target Date Retirement Fund	RFETX	_____ %
2040 Target Date Retirement Fund	RFGTX	_____ %
2050 Target Date Retirement Fund	RFITX	_____ %
2060 Target Date Retirement Fund	RFUTX	_____ %

Total contributions must add up to 100%

(ENTER WHOLE PERCENTAGES; 1% MINIMUM IN INVESTMENTS SELECTED; MULTIPLES OF 1% THEREAFTER)

Investment Election Form

The South Central Annuity Fund



Allocate Investments

- _____ Re-allocate existing money only - future allocations remain unchanged.
- _____ Re-allocate future contributions only.
- _____ Re-allocate BOTH - existing and future contribution

Sign, date and return your forms

Please provide your signature and mail to: The South Central Annuity Fund, 8441 Gulf Freeway Suite 304, Houston, TX 77017.

I understand I may revoke this election at any time or I may change this election as allowed by the Plan. I understand that the maximum annual limit on contributions is determined under the Plan document and the Internal Revenue Code. Any amounts contributed may be reduced or returned to me as required by these limitations.

X

Participant's Signature

Date

IMPORTANT NOTE: IF YOU ENROLL BY MAILING THIS FORM TO THE SOUTH CENTRAL ANNUITY FUND, BUT THEN SUBSEQUENTLY CHANGE YOUR ELECTIONS THROUGH THE PARTICIPANT WEBSITE, THE MOST RECENTLY DATED ACTIVITY WILL PREVAIL. FOR YOUR MAILING ADDRESS, PROVIDE EITHER A STREET ADDRESS OR P.O. BOX, NOT BOTH. IF YOU PROVIDE BOTH, THE FUND OFFICE WILL FOLLOW USPS GUIDELINES AND USE THE P.O. BOX AS YOUR MAILING ADDRESS.

If you have selected an investment strategy and one or more of the strategy's component investments listed on your form has been replaced, any contributions that would have been invested in that component investment will be invested according to the investment allocation in effect at the time the strategy is implemented and the new component will be listed on your confirmation form.

Investors should consider an investment's objectives, risks, charges and expenses carefully before investing. For questions regarding investments please contact the Clift Group with RBC Wealth Management at 1-866-722-0593.

***By selecting 'Email Notification' in Section 1 above, you are consenting to receive electronic notices regarding materials for your retirement plan. You will receive an email notification that will contain a link to our secure participant website log-in page. Once you log-in to your account, you will be able to view all available plan-related documents referenced in the electronic notice. You may view the documents online, save them to your personal computer, or print them for your records. Documents will be posted either in HTML or PDF format.**

By electing 'Email Notification,' you are verifying that you possess the ability to view and download HTML and PDF documents. These documents are required under Title I of ERISA and may include, for example, a Summary Plan Description (SPD), a Summary of Material Modification, individual benefit statements, investment related information, as well as any notice or communication required under the Internal Revenue Code (IRC), including but not limited to, loan notes, notices to interested parties and notices of available distribution options. In the event of an invalid email address, full mailbox, or spam settings, The South Central Annuity Fund office will send printed material via U.S. mail. The election or cancellation date of the email notification program may result in notifications remaining in their existing delivery method for a short period of time.