

Important Disclosure – Participant vs. Default Investment Elections

What constitutes participant investment directions? First Mercantile considers the following actions to constitute participant investment directions:

1. Participant selection of investment options
2. Participant-initiated transfer of amounts from one investment fund to another
3. Participant-initiated change in the default rebalancing frequency, or
4. Participant inclusion in a mapped conversion, i.e., balances transferred from a previous provider to a new provider, where participants are invested in funds with investment objectives similar to the funds invested at the previous provider.

Why is this important? If you fall into any of these categories you will be treated as having made investment elections with respect to your account and you will not be affected by changes to the default investment option*. This holds true if you fall into the fourth category because your account was mapped over to First Mercantile, even if you have never made an investment election with respect to your account*. If you do not fall into one of these four categories, you should be aware that you will be affected by changes to the default investment option. For example, if a new investment option is selected as the default for future contributions, your future contributions and existing balances will automatically be invested in this new investment option.

*Exception – Regardless of the above, you will be treated as having default investment elections in the event your plan sponsor specifies to First Mercantile to treat you as having default investment elections.