

Hello, this is Wayne McCaffery.

After considerable contemplation I felt it my duty to provide, for your consideration, my interpretation of the Variable Fund option. Keep in mind that there exist a million variations and exceptions on all that I say, but I am taking a mega-view of the Variable

The CORE Fund is a combination of a guaranteed minimum benefit, a floor if you will, and the potential of an enhanced benefit through the Money Purchase method of calculating retirement benefits.

It is important to remember that the CORE Fund participant enjoys a guaranteed floor to their benefits not only *at* retirement but also *in* retirement.

Opting out of the CORE Fund and into the Variable Fund does two things. One: In so doing the participant forfeits the guaranteed benefit floor *at* retirement and *during* retirement for that portion of their pension. Two: The Variable does offer a hope of a larger benefit than the CORE.

The hope today of an enhanced initial retirement benefit through the Variable Fund is a matter of market timing. Today, with the modern asset allocation of the CORE fund, the potential of out performance by the Variable Fund is small and possible only with the acceptance of significant additional downside risk.

Long and short? The Variable Fund increases risks by eliminating the benefit floor, and provides only a limited hope of a retirement package larger than what the CORE would provide. Choosing the Variable Fund is a case of **significantly increasing risks without a reasonable expectation of a commensurate increased benefit**. This is a choice best not made available to our participants. Making this option available is an implied endorsement of the option.

Thank you for your consideration,

Wayne McCaffery