

IMPORTANT—PLEASE READ SFDCP FUND CHANGES

The San Francisco Deferred Compensation Plan (SFDCP) consistently strives to provide you with a diverse selection of quality investment options at a low cost. As part of these ongoing efforts, the Retirement Board, in conjunction with SFDCP staff and investment consultants, continually evaluate fund performance, fund expenses, risk, consistency of investment style and fund manager changes.

As a result, the SFDCP will be updating its core investment lineup on **March 9, 2018**. These changes have been thoughtfully designed to provide you with enhanced and more diversified investment options, and will also reduce average fund fees across the SFDCP. Information on the fund changes is provided in the table below.

NOTE: No action is required by you. Account balances in current fund options—and future contributions—will be automatically transferred to the corresponding new fund options on March 9, 2018, unless you elect otherwise.

Existing Funds Being Mapped to a NEW Fund Manager

Balances in the mapped fund will be automatically transferred to the new fund on March 9, 2018. New fund(s) are available for trading the next business day.

CURRENT SFDCP FUND NAME (TO BE MAPPED)	CURRENT UNDERLYING MANAGER(S)	CURRENT NET EXPENSE RATIO	NEW SFDCP FUND NAME	NEW UNDERLYING FUND MANAGER(S)	NEW NET EXPENSE RATIO
SFDCP Large Cap Core Equity—S&P 500 Index Portfolio	Vanguard Institutional Index	0.02%	SFDCP Large Cap Equity S&P 500 Index Fund	Northern Trust S&P 500 Index CIT	0.0135%
SFDCP Large Cap Core Equity—Active Portfolio	Fidelity ContraFund	0.68%	SFDCP Large Cap Growth Equity Fund	T.Rowe Price Growth Stock and Vanguard Growth Index	0.29%
SFDCP Small Cap Core Equity Portfolio	Vanguard Small Cap Value Index and Vanguard Small Cap Growth Index	0.06%	SFDCP Small–Mid Cap Equity Index Fund*	Northern Trust Dow Jones Completion/Extended Market Index CIT	0.04%
SFDCP Small Cap Value Portfolio	Vanguard Small Cap Value Index				
SFDCP Small Cap Growth Portfolio	Vanguard Small Cap Growth Index				
SFDCP International Equity Portfolio*	American Funds EuroPacific Growth	0.50%	SFDCP International Equity Fund*	American Funds EuroPacific Growth and Schroders QEP CIT	0.55%

NEW Fund Options

No existing funds are being automatically transferred to these new investment options. To invest in these new funds, you will need to initiate an allocation change after March 9, 2018.

SFDCP FUND NAME	UNDERLYING FUND MANAGER(S)	NET EXPENSE RATIO
SFDCP Bond Index Fund	Northern Trust Bloomberg Aggregate Index CIT	0.0255%
SFDCP Small-Mid Cap Equity Fund	Westfield Capital Harbor SMID Growth and Delaware/Macquarie SMID Value	0.775%
SFDCP International Equity Index Fund	Northern Trust MSCI EAFE Index CIT	0.035%

Unchanged Funds

Current funds that will stay in the Plan.

SFDCP FUND NAME	UNDERLYING FUND MANAGER(S)	NET EXPENSE RATIO
SFDCP Stable Value (Portfolio) Fund*	Galliard Capital Management	0.35%
SFDCP Core Bond (Portfolio) Fund*	Baird Core Plus Bond	0.30%
SFDCP Large Cap Social Equity (Portfolio) Fund	Vanguard FTSE Social Index	0.12%
SFDCP Large Cap Value Equity (Portfolio) Fund*	LSV Conservative Value Equity	0.35%
SFDCP Large Cap Growth Equity (Portfolio) Fund*	T.Rowe Price Growth Stock and Vanguard Growth Index	0.29%
SFDCP Mid Cap Core Equity Portfolio to SFDCP Active Equity Fund (Name Change Only)	Fidelity Low-Priced Stock	0.58%
SFDCP Real Estate (Portfolio) Fund	Morgan Stanley IF U.S. Real Estate	1.00%

Changes within SFDCP's Target Date Funds

SFDCP's Target Date Funds, which are comprised of core SFDCP investment options, as well as other funds, will be impacted by the fund changes. These changes will be made automatically, and **there is nothing you are required to do.**

Changes within SFDCP's GoalMaker Asset Allocation Program

SFDCP's age- and risk-based asset allocation program, GoalMaker®, comprised of the indicated (*) SFDCP investment options above, will also be impacted by the fund changes. These changes will be made automatically, and **there is nothing you are required to do.**

Transition Date

On March 9, 2018, all participant balances in the existing funds that are being mapped will be automatically transferred to the new fund(s), unless a participant elects otherwise. Participants may begin trading in any of the new fund(s) on the next business day.

What do I need to do?

If you do NOT want your existing balance in the mapped fund(s) to be automatically transferred to the new fund(s), you may transfer out of the old fund into any of the other SFDCP investment options, as long as this is done before **1 p.m. PT on March 8, 2018.**

Questions?

If you have any questions about these changes, please call **888-733-2748** (888-SFDCP-4U) to speak to a customer service representative.

SFDCP Fund Fact Sheets and information regarding the Target Date Funds and GoalMaker are available at **sfdc.org** under the "Investments" section. You may also request a copy of the Fund Fact Sheets by contacting the above toll-free information line.

Investors should consider the fund's investment objectives, risks, charges and expenses before investing. The prospectus, and if available, the summary prospectus, contain complete information about the investment options available through your plan. Please call **877-PRU-2100** (877-778-2100) for a free prospectus, and if available, a summary prospectus that contain this and other information about our mutual funds. You should read the prospectus and the summary prospectus, if available, carefully before investing. You can lose money when investing in securities.

Collective Investment Trusts (CITs) are bank-administered trusts, subject to regulation under applicable banking laws, that hold collective assets that invest for a specific style, such as Growth. CITs are not registered with the Securities and Exchange Commission and available only to qualified retirement plans, such as 401(k) plans, or eligible government plans and their participants. All investing involves various risks including the possible loss of principal.

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