

PORAC RETIREE MEDICAL TRUST PORTFOLIO SELECTION FORM

Participant Name _____

Social Security Number _____

Signature _____

Date _____

After your initial Portfolio option is implemented, you may change your investment only during the annual investment selection period, which typically occurs in June or July of each year. Portfolio selection applies to all existing assets, earnings/losses and future contributions credited to your Employee Account. Your Employee Account will not be credited with investment earnings/losses until the Trust Office transfers your contributions to the investment Portfolio that you select. Please refer to the accompanying Informational Bulletin for an explanation of the Portfolio options and a description of the default selection. You may select only one Portfolio.

Portfolio Options:

(Participant should check one box and initial on the line)

_____ **Money Market Portfolio¹**

_____ **Bond Portfolio²**

_____ **Pooled Stock/Bond Portfolio²**

_____ **Convert to Active Service Units: \$ _____ or Entire Employee Account Balance (insert dollar amount or circle entire balance)**
Please Note: this election is irrevocable upon receipt of this form at the Trust Office

Portfolio Allocations

Money Market	Fixed Income	Equity
100%		
	20% money mkt/80% fixed	
		40% fixed inc./60% equity ³

¹None of the Portfolios, including the Money Market Portfolio, are covered by FDIC Insurance.

²The Bond and Pooled Stock/Bond Portfolios may experience fluctuations in investment returns and principal value. The investment may be worth more or less than its original cost when sold. No guarantee is made regarding future performance of these investments.

³This is the target allocation and may fluctuate +/- 10 percentage points.

Please read the "Cover Letter to the Portfolio Selection Form" before you complete this Portfolio Selection Form. You must deliver this Portfolio Selection Form to the **Trust Office of the PORAC Retiree Medical Trust by the deadline in that Cover Letter**. (See below for instructions on how to return the Form to the Trust Office.) If you do not return this Portfolio Selection Form by the due date, your account will remain invested to your current Portfolio selection. If you need to know your current Portfolio selection, please contact the Trust Office. *If you are receiving this Portfolio Selection Form for a new Employee Account and do not return this Form by the due date, then your account will be invested in the Money Market Portfolio, which is the default Portfolio.*

EMPLOYEE ACCOUNT – PORTFOLIO OPTIONS INFORMATION

The following **three** Portfolio options allow participants to select a Portfolio that best suits their time horizon and personal risk tolerance. Participants may also convert their Employee Account into Active Service Units to increase their monthly benefit level after retirement, or to attain eligibility for monthly benefits.

Money Market Portfolio:

This Portfolio invests Employee Account funds in very short maturity debt instruments, the majority being U.S. government issues. The Portfolio seeks to earn competitive money market interest rates while offering high credit quality and liquidity.

Bond Portfolio:

This Portfolio invests Employee Account funds in several bond funds to earn competitive yields with a generally lower level of price fluctuation than the Pooled Stock/Bond Portfolio. The Bond Portfolio invests assets in securities with high credit quality, the majority being U.S. government issues.

Pooled Stock/Bond Portfolio:

This Portfolio option is invested in a “balanced” equities (i.e., stocks) and fixed income (i.e., bonds and cash) allocation. The rationale for equities is to seek higher multi-year returns than those available in the Money Market or Bond Portfolios. While equities offer the potential for higher returns, equities are generally more volatile than bonds in their price movements. The greater the equities proportion in a portfolio, the greater the risk of principal fluctuation due to market conditions. The equities assets are focused on large, established U.S. companies and from time to time may also include allocations to other equity sectors, such as smaller companies and non-U.S. companies. There can be no guarantee that allocating funds in equities over a multi-year period will indeed generate higher returns than the Bond Portfolio or Money Market Portfolio. Approximately 60% of the assets will be allocated to equities.

The fixed income assets in the Pooled Stock/Bond Portfolio consist of a diversified selection of income-producing bonds and may include money market assets. The bonds are focused on high-grade, intermediate-maturity U.S. issues, including Treasuries, corporate and mortgage-backed bonds. Other sectors may be included for diversification and potential yield enhancement. Approximately 40% of the assets will be allocated to fixed income.

Conversion to Active Service Units:

One other option, aside from selecting one of the three Portfolios listed above, is to convert the balance of the Employee Account, or a portion thereof, into Active Service Units (ASU). Converting the Employee Account to ASUs allows you to increase your monthly benefit level. If you are not eligible for the lifetime¹ monthly benefit, the conversion to ASUs might also help you qualify, by purchasing years of Active Service with your Employee Account funds. The Employee Account is converted to ASUs at actuarial cost, which is based on your age on the date of conversion election. To find out the actuarial cost of conversion, please refer to Appendix C at the back of the Summary Plan Description (SPD), “Leave Conversion Tables.” Please contact the Trust Office for more information.

¹ The Plan is designed to provide monthly reimbursement benefits to Eligible Retirees until death. However, this feature is not guaranteed. The Trustees reserve the right to modify (up or down), limit or terminate benefits as necessary to preserve the financial soundness of the Trust.

INSTRUCTIONS ON HOW TO RETURN THE FORM

You must complete and return the "Portfolio Selection Form" to the Trust Office at the address shown below. **The Trust Office must receive your Portfolio Selection Form within 30 days of the date of the Cover Letter to the Portfolio Selection Form.** You may also return the Portfolio Selection Form via fax or email. Contact information for the Trust Office is as follows:

PORAC Retiree Medical Trust
c/o Benefit Programs Administration
1200 Wilshire Blvd., Fifth Floor
Los Angeles, CA 90017-1906 Phone:
(877) 808-5994
Fax: (562) 463-5894
Email: PORACRMT@bpabenefits.com

You may want to seek assistance from your personal accountant or investment adviser to make an informed decision, in light of your personal circumstances. If you would like further information about Employee Accounts, the Portfolio choices, and the conversion to ASUs, you may refer to the enclosed "Informational Bulletin to the Employee Account Initial Enrollment Packet." If you need a new copy of the Bulletin, please contact the Trust Office at the phone or email above.