

Burnt Hills-Ballston Lake Central Schools 403B Plan NOTICE REGARDING QUALIFIED DEFAULT INVESTMENT ALTERNATIVE

When an employee satisfies the eligibility requirements of the Burnt Hills-Ballston Lake Central Schools 403B Plan (“Plan”), he or she is entitled to participate in the Plan. Under the Plan, employees direct their own Plan investments.

The Plan offers participants and beneficiaries the opportunity to invest in a broad range of investment alternatives, sufficient to permit investment in a diversified portfolio. You have the right to choose from among these alternatives. To secure information about these options:

- Go to www.bcgbenefits.com

If you do not affirmatively make an investment election, the Plan provides for your contributions and other money in your Plan Account to be invested in what is known as a “Qualified Default Investment Alternative”. You (or your beneficiaries) have the right to direct investments out of the Qualified Default Investment Alternative with the same frequency available for other Plan investments (but no less frequently than quarterly). Burnt Hills-Ballston Lake Central Schools’s Plan permits investment direction Daily.

Information Regarding the Qualified Default Investment Fund

As of October 12, 2016, the Qualified Default Investment Alternative is the fund(s) indicated below.

Investment Name (TICKER)	Birthdate Ranges	% to be Invested
Vanguard Target Retirement Income Fund (Inv) (VTINX)	If your DOB is before 12/31/45	100%
Vanguard Target Retirement 2015 Fund (Inv) (VTXVX)	Between 12/31/45 and 12/31/55	100%
Vanguard Target Retirement 2025 Fund (Inv) (VTTVX)	Between 12/31/55 and 12/31/65	100%
Vanguard Target Retirement 2035 Fund (Inv) (VTTHX)	Between 12/31/65 and 12/31/75	100%
Vanguard Target Retirement 2045 Fund (Inv) (VTIVX)	If your DOB is after 12/31/75	100%

- The qualified default investment alternative is a target maturity fund. This investment seeks varying degrees of long-term appreciation and capital preservation through a mix of equity and fixed-income investments. Allocations, which will change over time, are based on the participant’s target retirement date and generally become more conservative (i.e., decreasing risk of losses) with increasing age.

Primary Risks

The qualified default investment is subject to several stock and bond market risks, any of which could cause an investor to lose money. However, because bonds and short-term investments usually are less volatile than stocks, and because a significant portion of the qualified default investment’s assets may be in bonds and short-term investments, the overall level of risk should be low to moderate. Where assets are substantially allocated to bonds and money market instruments, an investment is primarily subject to the following risks: *interest rate risk*, which is the chance that bond prices overall will decline because of rising interest rates; *income risk*, which is the chance that an underlying fund’s income will decline because of falling interest rates; *credit risk*, which is the chance that the issuer of a security will fail to pay interest and principal in a timely manner, or that negative perceptions of the issuer’s ability to make such payments will cause the price of that security to decline, thus reducing the underlying fund’s return; and *call risk*, which is the chance that during periods of falling interest rates, issuers of callable bonds may call (repay) securities with higher coupons or interest rates before their maturity dates. An underlying fund would then lose potential price appreciation and would be forced to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the fund’s income. For mortgage-backed securities, this risk is known as *prepayment risk*.

Because a significant portion of the qualified default investment’s assets is allocated to Equity Funds, the default investment is also subject to *stock market risk*, which is the chance that stock prices overall will decline. Stock markets tend to move in

cycles, with periods of rising prices and periods of falling prices. The default investment may also be subject to the following risks associated with investments in foreign stocks: *currency risk*, which is the chance that the value of a foreign investment, measured in U.S. dollars, will decrease because of unfavorable changes in currency exchange rates; *country risk*, which is the chance that domestic events – such as political upheaval, financial troubles, or natural disasters – will weaken a country’s securities markets; and *regional risk*, which is the chance that an entire region – for example, the European or Pacific region – will be hurt by political upheaval, financial troubles, or natural disasters. The default investment is also subject to *manager risk*, which is the chance that poor security selection will cause one or more of the underlying funds – and, thus, the investment itself – to underperform relevant benchmarks or other investments with a similar investment objective.

The Funds are also subject to *asset allocation risk*, which is the chance that the selection of underlying investments and the allocation of assets to those investments will cause the investment to underperform other funds with a similar investment objective.

See reverse side for Important Information about Fees and Expenses.

Fees and Expenses

Vanguard Target Retirement Income Fund (Inv)	Website: www.vanguard.com	Exp. Ratios		
		Gross: 0.14% (01/28/2016)		
		Net: 0.14%		
Management Fee: NA	12b-1 Fee: NA	Other Expenses: 0.14%	Transaction Fee: NA	Redemption Fees: NA
Sales Charge: NA	Deferred Sales Charge: NA			
Vanguard Target Retirement 2015 Fund (Inv)	Website: www.vanguard.com	Exp. Ratios		
		Gross: 0.14% (01/28/2016)		
		Net: 0.14%		
Management Fee: NA	12b-1 Fee: NA	Other Expenses: 0.14%	Transaction Fee: NA	Redemption Fees: NA
Sales Charge: NA	Deferred Sales Charge: NA			
Vanguard Target Retirement 2025 Fund (Inv)	Website: www.vanguard.com	Exp. Ratios		
		Gross: 0.15% (01/28/2016)		
		Net: 0.15%		
Management Fee: NA	12b-1 Fee: NA	Other Expenses: 0.15%	Transaction Fee: NA	Redemption Fees: NA
Sales Charge: NA	Deferred Sales Charge: NA			
Vanguard Target Retirement 2035 Fund (Inv)	Website: www.vanguard.com	Exp. Ratios		
		Gross: 0.15% (01/28/2016)		
		Net: 0.15%		
Management Fee: NA	12b-1 Fee: NA	Other Expenses: 0.15%	Transaction Fee: NA	Redemption Fees: NA
Sales Charge: NA	Deferred Sales Charge: NA			
Vanguard Target Retirement 2045 Fund (Inv)	Website: www.vanguard.com	Exp. Ratios		
		Gross: 0.16% (01/28/2016)		
		Net: 0.16%		
Management Fee: NA	12b-1 Fee: NA	Other Expenses: 0.16%	Transaction Fee: NA	Redemption Fees: NA
Sales Charge: NA	Deferred Sales Charge: NA			

Fee/Expense Definitions

- Management fee -- The management fee is the cost of the day-to-day operation and management of the fund.
- Redemption fee -- The redemption fee is an amount charged when money is withdrawn from the fund. The amount of a redemption fee is generally relative to the amount of time that the investment was held, so that longer-held investments incur smaller rates of charge.
- Transaction fee -- The costs incurred when buying or selling securities. These include brokers' commissions and spreads (the difference between the price the dealer paid for a security and the price at which it can be sold).
- Front-end sales charge -- A one-time deduction from an investment made into the fund. The amount is generally relative to the amount of the investment, so that larger investments incur smaller rates of charge.
- Deferred sales charge -- Imposed when investors redeem shares. The percentage charged generally declines the longer shares are held, and it is usually applied to the lower of the beginning price or ending price.

The identifying information for your Default Investment Alternative is not available. Please contact your Plan Account Manager at Benefit Consultants Group at 800-524-401(k) for more information.

Additional information about fees and expenses may be found in the Prospectus and other materials you have received or will receive about the investment.