

2023 Notice of Qualified Default Investment SPC MECHANICAL CORPORATION (691870)

If you are an eligible Participant in the [Name of Plan] (the “Plan”), you may make contributions (called “salary deferrals”) directly from your paycheck into the Plan. The ability to make salary deferrals provides you with an easy method to save for retirement on a tax-deferred basis. If you make salary deferrals to the Plan, you will not be taxed on any earnings earned on those contributions until you withdraw those amounts from the Plan.

The Plan allows you to direct the investment of your Plan account within the available investment options under the Plan. If you do not elect to invest your Plan account, such amounts will automatically be invested in the Plan’s default investment fund. This default investment is intended to meet the requirements of a qualified default investment alternative (“QDIA”) under Department of Labor regulations. For this purpose, the Plan’s default investment fund is the Vanguard Target Retirement Fund Investor Shares.

RETIREMENT FUND OBJECTIVE:

Vanguard Target Retirement Funds consist of twelve separate life-cycle funds that offer a simpler way for you to invest for retirement. Each fund is a multifund portfolio designed for a specific retirement time frame—you simply consider choosing the fund that most closely corresponds to the year in which you plan to retire. The fund's asset allocation will automatically adjust—both now and in the future—relying on Vanguard's investment strategies and extensive research. Each of the no-load, low-cost mutual funds invest in a diversified combination of underlying Vanguard funds, chosen from among five options. Through these underlying funds, you have a well-diversified portfolio that potentially offers exposure to small-, mid-, and large-cap domestic and international stocks, as well as domestic and international bonds. The asset mix gradually and automatically becomes more conservative, reducing the proportion invested in stocks, as you approach and enter retirement.

These funds seek to provide capital appreciation and current income consistent with their current asset allocations.

The following table shows the default fund that corresponds to your age and details the way in which each fund’s portfolio is allocated among the various asset classes. The table also lists the relative risk/reward potential and expense ratio for each fund.

If you were born...	You are defaulted into Target Retirement Fund	Your default fund’s target investment allocation (as of 03/31/2022)			Overall Risk Level	Acquired Fees & Expenses* (as of 03/31/2022)
		Stocks	Bonds	Short-term reserves		
After 2002	2070	90.00%	10.00%	0.00%	Moderate-Aggressive	0.08%
1998-2002	2065	90.40%	9.60%	0.00%	Moderate-Aggressive	0.08%
1993-1997	2060	90.40%	9.60%	0.00%	Moderate-Aggressive	0.08%
1988-1992	2055	90.50%	9.50%	0.00%	Moderate-Aggressive	0.08%
1983-1987	2050	90.40%	9.60%	0.00%	Moderate-Aggressive	0.08%
1978-1982	2045	87.90%	12.10%	0.00%	Moderate-Aggressive	0.08%
1973-1977	2040	80.40%	19.60%	0.00%	Moderate-Aggressive	0.08%
1968-1972	2035	73.20%	26.80%	0.00%	Moderate-Aggressive	0.08%
1963-1967	2030	65.80%	34.20%	0.00%	Moderate-Aggressive	0.08%
1958-1962	2025	62.30%	34.90%	2.80%	Moderate	0.08%
1953-1957	2020	58.20%	31.60%	10.20%	Moderate	0.08%
Before 1953	Income Fund	30.00%	52.90%	17.10%	Conservative - Moderate	0.08%

**This figure represents a weighted average of the expense ratios and any fees charged by the underlying mutual funds in which the Target Retirement Funds invest. The Target Retirement Funds do not charge any expenses or fees of their own. “Acquired” is a term that the Securities and Exchange Commission applies to any mutual fund whose shares are owned by another fund.*

RISK AND RETURN CHARACTERISTICS:

Investments in Target Retirement Funds are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in the Target Retirement Fund is not guaranteed at any time, including on or after the target date. Diversification does not ensure a profit or protect against a loss. An investment in these funds is subject to the price fluctuations inherent in the stock and bond markets, so you could lose money if you sell shares after prices have fallen.

Each fund invests in broadly diversified Vanguard funds. These funds are subject to the risks associated with those underlying funds. All funds are subject to risk, including the possible loss of the money you invest. Bond funds are subject to interest rate, credit, and inflation risk. Stocks of companies based in emerging markets are subject to national and regional political and economic risks and to the risk of currency fluctuations. These risks are especially high in emerging markets. Because the funds invest in Vanguard Total International Bond Index Fund, each is subject to currency hedging risk, which is the chance that currency hedging transactions may not perfectly offset the fund's foreign currency exposures and may eliminate any chance for a fund to benefit from favorable fluctuations in those currencies. Vanguard Total International Bond Index Fund will incur expenses to hedge its currency exposures. Because the funds invest in Vanguard Short-Term Inflation-Protected Securities Index Fund, each is subject to the risks associated with U.S. Treasury securities. U.S. government backing of Treasury or agency securities applies only to the underlying securities and does not prevent share-price fluctuations. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest. Diversification does not ensure a profit or protect against a loss.

Past performance is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors' shares, when sold, may be worth more or less than their original cost.

See the prospectuses for more information on risk and Underlying Funds.

Even if your Plan account is invested in the Plan's default investment fund, you have the continuing right to change your default investment and elect to have your Plan account invested in any other available investment options under the Plan. You may elect to transfer amounts from the default investment fund without incurring a financial penalty.

To learn more about the available investments under the Plan, including additional information concerning the Plan's default investment fund and the procedures for changing how your Plan account is invested; please contact your Plan Administrator.