

I B E W L O C A L U N I O N S

SAVINGS AND SECURITY PLAN NEWSLETTER

ANNUAL REVIEW

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Financial markets staged a remarkable recovery in 2009, helping to ease the effects of 2008's treacherous decline that extended through 2009's first quarter. Unprecedented rescue efforts by governments around the globe stimulated the rally. Investors who had fled from all but the safest of investments in 2008 dove back into riskier stocks leading to the biggest gains in such areas as small company, international and REIT stocks. The Plan funds have participated greatly in this recovery. In comparing their performance with that of their benchmark index, many have outperformed significantly. T. Rowe Price Mid Cap Value posted the highest annual gain of 46.68%, beating its index by an impressive 12.47%.

Harbor International returned 38.57% for the year, 6.79% ahead of the EAFE international index.

Primecap gained 34.60% for the year, beating the S&P 500 Index by 8.14%. Dodge & Cox Stock also outperformed the S&P 500 with its annual return of 31.27%. Cohen & Steers Realty was up 32.73% for 2009, surpassing the NAREIT index by 4.72%.

The Stable Value Fund, which provides a guarantee of principal and interest for participant withdrawals, produced a return of 3.07% for the year.

The enclosed statement reflects activity from October 1, 2009 through December 31, 2009. Your next statement will reflect activity from January 1, 2010 through March 31, 2010.

M E S S A G E F R O M T H E P R E S I D E N T

Dear Participant:

The selection and monitoring of the Plan funds is one of Scarborough's most important responsibilities. I want to describe the process that we undertake so you can see what goes into it. Obviously, the results of this process directly lead to the investment performance of your retirement account with us.

The process of selecting the funds in the Plan is a very deliberate one, with clear cut guidelines and objectives. Before introducing or replacing a fund in the Plan, we look at the following:

- Performance over the long term, consistency of performance and how it compares with its benchmark and other funds in the same category

- The amount of risk the managers took to achieve the performance. There are standard statistical measures prepared by the rating agencies
- The tenure of the managers, their reputation and their adherence to the objectives of the fund
- Annual expenses, with the average stock fund charging 1.50%, all of our funds are well below 1.00%. As you know, expenses are an area we have always stressed as important to your investment return
- The value added by the manager over the benchmark index

After the funds have been selected, we have an ongoing responsibility to monitor their performance. Each quarter, we track

MODEL PORTFOLIO PERFORMANCE

	<i>10 Yr. Average Annual Portfolio Return*</i>
Conservative	4.55%
Conservative Growth	4.78%
Moderate Growth	4.88%
Growth	5.11%
Aggressive Growth	5.17%

* Returns as of December 31, 2009

Includes investment management expenses but not plan expenses.

PLAN ENHANCEMENTS

As a result of our ongoing review of the Plan's investment options, we are pleased to announce four enhancements that will be effective on or about April 1, 2010. As always, our goal is to provide participants access to a diversified group of top performing, low cost funds.

Addition of Pimco Total Return Institutional Fund

The Pimco Total Return Fund is a core bond fund giving investors exposure to the global fixed income markets. While it predominantly invests in Treasury Bonds, Agency Mortgages and Corporate Bonds, it also has the flexibility to invest in Inflation Protected Securities, High Yield, Emerging Market and non-US Dollar Bonds when Pimco identifies opportunities in these areas.

We are adding a bond fund to diversify the Plan's fixed income offerings, currently represented by the Stable Value Fund.

As many of you know, the Stable Value Fund provides a consistent and competitive rate of return with no fluctuation in principal. The Pimco Total Return Fund is a diversified portfolio of high quality bonds that is actively managed to provide excess return in a risk controlled framework. Unlike Stable Value, the principal value of a bond mutual fund does fluctuate, although typically not to the extent of a stock mutual fund.

The benefits of adding the Pimco Total Return fund include the steady income that bonds can provide and the potential for capital growth while offering diversification to the overall portfolio by serving as a hedge against volatility in other asset classes, such as stock.

The fluctuation of principal is largely influenced by changes in interest rates. Generally, when interest rates decrease, the

values of existing bonds increase. On the other hand, when interest rates increase, the values of existing bonds decrease. However, active management can take steps to lessen the impact of rising interest rates. Since the fund's inception in 1987, it has only had negative calendar year returns twice.

Manager William Gross and the Pimco team are considered among the best in the fixed income industry. We feel their experience, knowledge, and strategy make this fund a good choice for maximizing returns while controlling volatility through periods of rising interest rates.

This fund will become available for investment but no money will be automatically moved into the fund. Our model portfolios will be adjusted to move a portion of the Stable Value Fund into the Pimco Total Return Fund.

Addition of Pimco All Asset Institutional Fund

The objective of this fund is to stay ahead of inflation. The fund seeks to exceed inflation, as measured by the Consumer Price Index (CPI), by 5% each year. We feel this focus on inflation is important since inflation is one of the primary risks that retirees face when trying to make their money last.

The Pimco All Asset Fund is a "fund of funds," meaning that it invests only in other Pimco funds. The manager shifts the allocation between funds (asset classes) based on data including projected growth trends in the U.S. and foreign economies, forecasts for interest rates, trends in inflation and relative valuations between equity and fixed income markets. While the fund can invest up to 50% in stock, it often holds much less (5.1% as of 9/30/09).

Scarborough's Mission

We are dedicated to helping IBEW members enjoy a financially secure retirement.

Scarborough provides members with access to low cost, top performing investments and personalized retirement plans that address their individual needs.

Our role does not end when an IBEW member retires, its just the beginning.

FOR THE NEW YEAR

The fund's ability to adapt its portfolio to the economic environment is a big attraction. Additionally, the fund will invest in asset classes that are currently not covered by other funds in the Plan such as inflation linked bonds, commodities, high yield bonds, convertible bonds and emerging market bonds. By adding this fund, participants will gain exposure to many new types of investments, without having to invest in several funds to achieve this.

This fund will become available for investment but no money will be automatically moved into the fund. Our model portfolios will be revised to include an allocation to this fund. We currently use a Constant Mix asset allocation strategy, whereby a model portfolio with fixed allocations is recommended based on one's age, risk tolerance, goals, etc. As the market changes the allocations over time, we recommend rebalancing back to the original allocation, after establishing that it is still suitable. While we feel it is prudent to maintain the bulk of the portfolio as a constant mix of stock, bond, and stable value funds, we feel that participants can benefit from having a small portion that uses a more active allocation approach.

Replacement of Vanguard Growth & Income Fund with Vanguard 500 Index Fund

The role of the Vanguard Growth & Income Fund in the Plan has been to provide our portfolios with a core base of large, well-established U.S. companies. The Plan offers other large company stock funds but their prospectuses allow them more flexibility to assume more risk to invest in medium and small company as well as international stocks. We have traditionally used the Growth & Income Fund because its management attempts to build a portfolio with similar risk to the S&P 500 Index but seeks to outperform the index on an annual basis.

The fund has been in the Plan for many years and it accomplished this goal until recently. According to Morningstar, in the 109 trailing one-year periods, calculated monthly, over the past decade, it has outperformed the S&P 500 Index in 96 of them or 88% of the time. This is impressive, however in more recent periods the annual returns have underperformed the index. Since this fund is not designed to greatly beat the index over time and it has recently lagged the index, we are replacing the fund with the Vanguard 500 Index Signal Fund.

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PIMCO TOTAL RETURN INSTITUTIONAL (PTTRX) PERFORMANCE

As of December 31, 2009	1 Year	3 Years	5 Years	10 Years
PIMCO Total Return Institutional	13.83%	9.18%	6.85%	7.65%

PIMCO ALL ASSET INSTITUTIONAL (PAAIX) PERFORMANCE

As of December 31, 2009	1 Year	3 Years	5 Years	10 Years
PIMCO All Asset Institutional	22.99%	4.15%	4.84%	n/a

VANGUARD 500 INDEX (VIFSX) PERFORMANCE

As of December 31, 2009	1 Year	3 Years	5 Years	10 Years
Vanguard 500 Index	26.62%	-5.58%	0.43%	-0.96%

OAKMARK EQUITY & INCOME I (OAKBX) PERFORMANCE

As of December 31, 2009	1 Year	3 Years	5 Years	10 Years
Oakmark Equity & Income I	19.84%	3.99%	6.24%	9.81%

PERFORMANCE OF FUNDS IN THE IBEW PLAN

As of December 31, 2009	1 Year	3 Years	5 Years	10 Years
Vanguard Asset Allocation Fund	18.07%	-7.09%	-0.42%	1.50%
Vanguard Growth & Income Fund	22.60%	-7.73%	-0.99%	-1.35%
Dodge & Cox Stock Fund	31.27%	-9.34%	-0.69%	5.65%
Vanguard PRIMECAP Fund	34.60%	0.55%	4.44%	3.34%
T.Rowe Price Mid-Cap Value Fund	46.68%	-1.17%	4.57%	10.54%
Vanguard Explorer Fund	36.45%	-4.99%	0.62%	3.48%
Harbor International Fund	38.57%	-1.08%	9.19%	7.26%
Cohen & Steers Realty Shares Fund	32.73%	-10.89%	2.16%	11.28%*
BNY Mellon Stable Value Fund	3.07%	3.69%	3.72%	4.29%

*The mutual funds past performance is no guarantee of future results and does not reflect Plan administrative expenses. The investment rate of return and principal value of an investment in mutual funds will fluctuate and when redeemed may be worth more or less than the original investment. The Stable Value fund past performance does reflect Plan administrative expenses. * 10 year return is for retail share class (CSRSX)

PLAN ENHANCEMENTS FOR THE NEW YEAR (CONT...)

The strategy of the Vanguard 500 Index Fund is to buy and hold the stocks in the S&P 500 Index. By using this fund, we will ensure that this core portion of the portfolio will closely match the performance of the index. This fund is very popular among 401(k) plans and is ranked in the top ten funds in size with over \$92 billion in assets. As a member of the IBEW and a participant in the Plan, you will have access to the Signal Shares which are 50% less expensive than the regular Investor Shares.

Any balances in the Vanguard Growth & Income Fund will be automatically transferred to the Vanguard 500 Index Fund. You will receive a separate notification containing the date on which the transfer will occur.

Replacement of Vanguard Asset Allocation Fund with Oakmark Equity & Income Fund

The managers of the Vanguard Asset Allocation Fund allocate the fund's assets among S&P 500 stocks, U.S. Treasury Bonds, and cash. The mix is determined using valuation models and can lead to extreme shifts toward stocks at times. A heavy allocation to stocks in 2008 led to increased volatility.

Due to this, we decided to replace it with another Asset Allocation fund with a better performance record and a more stable allocation between stocks and bonds. Funds in this category seek to provide a "one-stop" allocation by investing in both stocks and

bonds within the same fund.

After comparing several Moderate Allocation Funds, we have selected the Oakmark Equity & Income Fund for several reasons. The Oakmark fund uses an "all-cap" strategy on the stock side so there is large-cap, mid-cap, and small-cap stock exposure, which is an enhancement over the Vanguard fund as it only invests in large-cap stocks. On the bond side, the Oakmark fund invests primarily in U.S. Treasury Bonds while holding small positions in Corporate and High Yield Bonds whereas the Vanguard fund is limited only to Treasury Bonds. Therefore, the Oakmark fund offers more diversification within its "one-stop" allocation.

In looking at the historical returns, the Oakmark fund has achieved high relative returns with lower risk and volatility. Management keeps the stock / bond mix close to 60% / 40% and runs the fund as if it will be the only fund in the investor's portfolio.

Any balances currently invested in the Vanguard Asset Allocation Fund will be automatically transferred to the Oakmark Equity & Income Fund. You will receive a separate notification containing the date on which the transfer will occur.

If you would like more information on these funds, visit our website to obtain fund fact sheets. You may also call us at 800-223-7608 to learn more about the funds and get advice on how to include them in your account.

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each fund's performance with its industry benchmark. We are pleased to report that the Plan's funds, for the most part, have outperformed their benchmarks.

Sometimes they don't and we have to consider replacing them. Other times, we look for further diversification and add new asset classes. Several years ago, for example, we added a real estate fund.

The article that begins on page 2 describes some steps we are taking in both categories for enhancing the Plan by adding two new funds from the PIMCO fund family and replacing two funds with others that have outperformed the current ones. PIMCO is one of the leading investment management

companies in the U.S with assets under management totaling \$940 billion. We are very pleased with this enhancement as the managers of these funds have excellent reputations in the industry and we are glad that we are able to present you with the opportunity to invest in them.

I encourage you to review these enhancements and contact our Retirement Planning Specialists to determine how they will best fit within your account.

Sincerely,



PLAN ENHANCEMENTS

As a result of our ongoing review of the Plan's investment options, we are pleased to announce four enhancements that will be effective on or about April 1, 2010. As always, our goal is to provide participants access to a diversified group of top performing, low cost funds.

Fund Additions:

- Pimco Total Return
- Pimco All Asset

Fund Replacements:

- Vanguard 500 Index Fund will replace Vanguard Growth & Income Fund
- Oakmark Equity and Income Fund will replace Vanguard Asset Allocation Fund

SUMMARY OF NEW INVESTMENT OPTIONS

Fund / Fund Type	Investment Objective	Degree Of Risk
Pimco Total Return Institutional Shares (diversified bond fund) PTTRX	Seeks maximum total return, consistent with preservation of capital and prudent investment management.	Low to Moderate – Depends on bond market trends; low to moderate price fluctuations.
Oakmark Equity and Income (moderate allocation fund) OAKBX	Seeks income as well as preservation and growth of capital.	Moderate – Depends on stock and bond market trends; moderate price fluctuations.
Pimco All Asset Institutional Shares (dynamic allocation fund) PAAIX	Seeks maximum after-inflation returns.	Moderate - Depends on stock and bond market trends; moderate price fluctuations.
Vanguard 500 Index Signal® Shares (large-cap blend fund) VIFSX	Seeks to track the performance of the S&P 500 Index.	Moderate to High – Depends on stock market trends; moderate to high price fluctuations.

Pimco Total Return

The Pimco Total Return Fund seeks to maximize income and capital appreciation within a risk-controlled framework. It is a core bond fund giving investors exposure to the global fixed income markets. While it predominantly invests in Treasury Bonds, Agency Mortgages and Corporate Bonds, it also has the flexibility to invest in Inflation Protected Securities, High Yield, Emerging Market and non-US Dollar Bonds when Pimco identifies opportunities in these areas.

Oakmark Equity and Income

The Oakmark Equity and Income Fund seeks income as well as preservation and growth of capital. The fund is primarily composed of U.S. stocks and bonds. The fund uses an "all-cap" strategy on the stock side so there is large-cap, mid-cap, and small-cap stock exposure. On the bond side, the Oakmark fund invests primarily in U.S. Treasury Bonds while holding small positions in Corporate and High Yield Bonds. Management keeps the stock / bond mix close to 60% / 40% and runs the fund as if it will be the only fund in the investor's portfolio.

Pimco All Asset

The Pimco All Asset Fund targets solid after-inflation returns, aiming to surpass the Consumer Price Index by 5% per year over the long-term. The fund actively allocates across a range of traditional and alternative asset classes which can shift in and out of favor over time. By investing in a variety of asset classes and strategies, the fund may enhance diversification, which helps manage risk. Pimco All Asset is a "fund of funds" which means the underlying investments are other Pimco funds, each representing an asset class.

Vanguard 500 Index

The Vanguard 500 Index Fund employs an indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The fund attempts to replicate the index by investing in all, or substantially all of the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

Scarborough is pleased to announce the following new investment managers in the Plan:

Pimco, headquartered in Newport Beach, California, was founded in 1971 and has current assets under management of over \$940 billion. Renowned for its bond management expertise, Pimco has also developed a range of innovative investment strategies in other asset classes including stocks, commodities and real estate.

Oakmark funds are managed by Harris Associates L.P., founded in 1976 and based in Chicago, Illinois. Harris Associates manages separate accounts as well as the Oakmark Funds. The first Oakmark fund began in 1991 and Oakmark's assets under management total over \$27 billion. The value investment philosophy is the driving force at Oakmark. They believe that investing in quality companies that are trading at a discount provides the most profit potential while reducing risk.