ANNUAL FUNDING NOTICE (2015 Notice Year)
For the

International Union of Operating Engineers Local No. 132 Pension Fund

This notice includes important information about the funding status of your pension plan, the International Union of Operating Engineers Local No. 132 Pension Fund ("the Plan") and general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation (the "PBGC"), a federal agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is for the plan year beginning April 1, 2015 and ending March 31, 2016 (referred to hereafter as the "Plan Year" or "Notice Year").

How well Funded is your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage". The Plan divides its assets by its liabilities on the Valuation Date for the plan year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Year	2013	2014	2015
Valuation Date	4/1/2013	4/1/2014	4/1/2015
1. Actuarial value of plan assets	$224,967,977	$252,917,356	$276,510,915
2. Value of plan liabilities	$276,175,758	$291,401,063	$301,226,865
3. Funded % = (1) ÷ (2)	81.5%	86.8%	91.8%
4. (Under) Over funded = (1) - (2)	($51,207,781)	($38,483,707)	($24,715,950)

Year-end Fair Market Value of Assets

Asset values in line (1) in the chart above are measured as of the Valuation Date. They also are "actuarial values". Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years[1]:

Valuation Date	3/31/2014	3/31/2015	3/31/2016
Market value of plan assets	$268,777,350	$290,156,521	$281,457,170

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80%. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

On June 13, 2015 the Plan's enrolled actuary certified that the Plan was not endangered and not critical for the 2015 Plan Year. Furthermore, on June 6, 2016 the Plan's enrolled actuary certified that the Plan was not endangered or critical for the 2016 Plan Year.

Participant Information

The total number of participants in the plan as of the Plan's Valuation Date (April 1, 2015) was **3,833**. Of this number, **1,703** were active participants, **1,072** were retired or separated from service and receiving benefits, **338** were beneficiaries of deceased members and receiving benefits and **720** were retired or

[1] **NOTE**: The market value shown at 3/31/2015 in the prior annual funding notice (i.e. 2014 Notice Year) was an estimated and unaudited value as of that date. The value shown above for that date is the final audited fair market value. Due to the timing of this notice the market value shown above as of 3/31/2016 is unaudited.

separated from service and entitled to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The current funding policy provides that contributions shall be made only by employers on behalf of participants. Neither contributions by a participant nor contributions by an employer in his own behalf shall be permitted under the Plan.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. A summary of the investment policy of the Plan is:

- It is the policy of the Trustees to invest the assets of the Plan with care in those vehicles which should preserve the principal while recognizing the need for income and appreciation with minimal risk.
- This policy will be carried out by the Trustees in a prudent manner with the assistance of professional, Investment Managers, consultants, insurance companies or banks.
- The performance of these investments will be reviewed periodically using various evaluation techniques that prove reliable and face-to-face discussion and review among the parties.
- Common stock investments in any one company shall be limited to 5% of total Plan assets at purchase price and to 5% of total outstanding shares of any company.
- Bond investments shall be limited to federal or federal agency obligations or corporate bonds of the first four quality ratings at the time of purchase. In no event shall debt securities of any one corporation exceed 5% of total Plan assets.
- The normal benchmark guidelines are: 55% for US equities [range: 45-75%]; 10% for international equities [range 0-20%]; 20% for core fixed income [range: 10-30%]; 5% for high yield bonds [range 0-20%]; 10% for real estate [range: 0-20%]; and 0% for cash [range: 0-10%].
- The Plan will not engage in investment transactions involving stock options, short sales, derivatives, purchase on margin, letter stocks, venture capital, unregistered or restricted stock, commodities (including gold or currency futures), fixed income futures and

options, etc. or other transactions prohibited by law, unless receiving Board of Trustee approval.

In accordance with the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total unaudited assets:

	Market Value	% Market
1. Domestic Equities & Equity Funds	$161,067,908	57.23%
2. International Equities	20,477,085	7.28%
3. Fixed income securities	46,142,234	16.39%
4. Real Estate	52,269,943	18.57%
5. Other Assets	1,500,000	0.53%
6. Total Investments at: 3/31/2016	**$281,457,170**	**100.00%**

Events having a Material Effect on Assets or Liabilities

Federal law requires trustees to provide in this notice a written explanation of events, taking effect in the current plan year, which are expected to have a material effect on plan liabilities or assets. Material effect events are occurrences that tend to have a significant impact on a plan's funding condition. An event is material if it, for example, is expected to increase or decrease total plan assets or total plan liabilities by five percent or more.

At this time the Trustees of the Plan are aware of no events that may have a material effect on the assets or liabilities of the Plan.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202-693-8673. For 2009 and subsequent plan years, you may obtain an electronic copy of the Plan's annual report by going to http://www.efast.dol.gov/welcome.html . As always, you may obtain a copy of the Plan's annual report by making a ***written request*** to the Plan's contract administrator at the address shown below. Please note, individual information, such as the amount of your accrued benefit, is not contained in the annual report. If you are seeking information regarding your benefits under the Plan please send such ***written request*** to the Plan's contract administrator:

International Union of Operating Engineers Local No. 132 Pension Fund
636 Fourth Avenue
Huntington, WV 25701-1324

Phone: 800-642-3525 Fax: 304-697-7919 web site: www.iuoe132.org

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see "Benefits Payments Guaranteed by the PBGC" below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and the PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, include loss of a lump sum option.

In the immediate future, the Plan is not expected to become insolvent, based on reasonable actuarial assumptions for future liabilities and the current market value of plan assets coupled with future employer contributions (including withdrawal liability payments, if any).

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only vested benefits are guaranteed.

Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

> **Example 1**: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).
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> **Example 2**: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this notice, you may contact the Plan's contract administrator at the address shown below:

International Union of Operating Engineers Local No. 132 Pension Fund
636 Fourth Avenue
Huntington, WV 25701-1321

Phone: 800-642-3525 Fax: 304-697-7919 web site: www.iuoe132.org

For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 55-6015364. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).