

ANNUAL FUNDING NOTICE
For
The Steamfitters' Industry Pension Fund

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance 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 required by federal law. This notice is for the plan year beginning January 1, 2015 and ending December 31, 2015 ("Plan 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.

Funded Percentage			
	2015 Plan Year	2014 Plan Year	2013 Plan Year
Valuation Date	January 1	January 1	January 1
Funded percentage	85.9%	79.4%	66.43%
Value of Assets	\$361,977,211	\$317,146,490	\$263,365,214
Value of Liabilities	\$421,162,261	\$399,423,270	\$396,478,878

Year-End Fair Market Value of Assets

The asset values 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.

	December 31, 2015	December 31, 2014	December 31, 2013
Fair Market Value of Assets	\$373,127,160*	\$363,281,892	\$317,146,490

*The FMV of the Plan's assets as of December 31, 2015 is preliminary and subject to change during our annual audit process.

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 percent. 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.

The Plan was not in endangered, critical, or critical and declining status in the Plan Year.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2016, separate notification of that status has or will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 3,958. Of this number, 2,485 were current employees, 1,138 were retired and receiving benefits, and 335 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is funded by contributions made by employers pursuant to collective bargaining agreements with unions that represent the Plan's participants.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is:

Investment objectives:

Assets of the Fund shall be invested in a manner consistent with the fiduciary standards of the Employee Retirement Income Security Act of 1974 ("ERISA") and supporting regulations. The Fund's assets shall be invested in a manner consistent with the primary emphasis upon consistency of performance, i.e., the achievement of growth in such a manner as to protect Fund assets from excessive volatility in market value from year to year. Significant investment awareness must also be placed upon capital protection, i.e., the achievement of adequate investment growth such that the purchasing power of the principal amount of these assets is maintained over time. Sufficient liquidity shall be maintained to meet benefit payment obligations and other Fund expenses.

Investment Guidelines:

Each Investment Manager is a bank (trust company), insurance company, or registered investment advisor. Each Investment Manager shall at all times be registered in good standing as an investment advisor under the Investment Advisers Act of 1940. Each Investment Manager acknowledges in writing that it is a fiduciary of the Fund. Full discretion is granted to each Investment Manager with regard to the sector and security selection and the timing of any transactions; provided however that such discretion shall always be exercised in accordance with each Investment Manager's fiduciary responsibilities under ERISA.

Asset Allocation:

The Fund's assets are invested in the following asset classes and maintained within the corresponding ranges. The Trustees make appropriate adjustments if one or more of the limits are breached.

<u>Asset Class</u>	<u>Range</u>
Equities	50% +/- 30%
Fixed Income	50% +/- 30%
Alternatives	0%-15%

Standards of Investment Performance:

Each Investment Manager is reviewed regularly regarding performance, personnel,

strategy, research capabilities, organizational and business matters and other qualitative factors that may affect its ability to achieve the desired investment results. Consideration will be given to the extent to which performance results are consistent with the goals and objectives set forth in the Investment Policy and/or individual guidelines provided to an Investment Manager. The Fund's investment policy outlines prohibited investments as well as limits regarding the percentage of the Fund that may be invested in any one company and industry. Minimum credit quality guidelines are established and provided to investment managers. No investment may be made which violates the provisions of ERISA or the Internal Revenue Code.

The Trustees review the Fund's investment policy on a regular basis and make periodic changes when, based on all available information, it is prudent to do so.

Under 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 assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	.52%
2. U.S. government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	
4. Corporate stocks (other than employer securities):	
Preferred	
Common	48.76%
5. Partnership/joint venture interests	
6. Real estate (other than employer real property)	8.64%
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	16.80%
10. Value of interest in pooled separate accounts	
11. Value of interest in 103-12 investment entities	13.86%
12. Value of interest in registered investment companies (e.g., mutual funds)	11.42%
13. Value of funds held in insurance co. general account (unallocated contracts)	
14. Employer-related investments:	
Employer Securities	
Employer real property	
15. Buildings and other property used in plan operation	
16. Other	

For information about the Plan's investment in any of the following types of investments - common/ collective trusts, pooled separate accounts, or 103-12 investment entities - contact Kevin J. Driscoll, Plan Administrator, 5 Penn Plaza, 21st floor, New York, NY 10001-1887, (212) 465-8888.

Events with 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. For the plan year beginning on January 1, 2016 and ending on December 31, 2016, no such events are expected.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also 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. Or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator or accessing the annual report through our website at www.steamfitters.com. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information."

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 "Benefit 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 PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. 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 \$600, 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 ($\$600/10$), which equals \$60. The guaranteed amount for a \$60 monthly accrual rate is equal to the sum of \$11 plus \$24.75 ($.75 \times \$33$), or \$35.75. Thus, the participant's guaranteed monthly benefit is \$357.50 ($\35.75×10).

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 ($.75 \times \$9$), or \$17.75. Thus, the participant's guaranteed monthly benefit would be \$177.50 ($\17.75×10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a 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 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.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," below.

Where to Get More Information

For more information about this notice, you may contact Kevin J. Driscoll at 5 Penn Plaza, 21st floor, New York, NY 10001-1887, (212) 465-8888. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number (EIN) is The Steamfitters' Industry Pension Fund, 13-6149680.