

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

1855 Gateway Blvd., Suite 350, Concord, CA 94520-8445 • Phone 925/356-8921 • Fax 925/356-8938 • Toll Free 800/780-8984
tfo@ncpttf.com • www.ncpttf.com

DATE: November 2016

TO: Participants of the Northern California Pipe Trades (“NCPT”) Supplemental 401(k) Retirement Plan

FROM: Board of Trustees

SUBJECT: Annual Notice regarding the Default Investment Option

The purpose of this Notice is to describe how your Individual Account with the NCPT Supplemental 401(k) Retirement Plan (“Plan”) is invested and how it will continue to be invested if you do not provide the Plan with investment instructions. **If you have already invested your Individual Account outside the Balanced Pooled Fund, this Notice does not affect you and no action is required.**

As a Participant or Beneficiary in the Plan, you have the right to decide how to invest your Individual Account in any of the investment choices offered by the Plan. You can change the way your current balance and future contributions are invested at any time, provided that you’ve met the Plan’s educational requirement. If you haven’t already done so, you can meet the educational requirement by either attending a live educational seminar or by signing a notarized waiver form. Both the seminars and the waiver form (and accompanying educational material) are provided by the Plan’s Investment Advisor, Mammini Company. Contact information for the Mammini Company appears at the end of this notice.

Once you’ve satisfied the educational requirement, changes can be made by either: 1) submitting a completed Participant Directed Allocation Form (also called the “Election and Allocation Form”), available at the Trust Fund Office’s website at www.ncpttf.com; 2) using the Plan’s website at www.kandg.com; or 3) through the Plan’s toll-free number 800/293-1170. There are no transaction fees for electing one of the other investment options available to the Plan. However, there is a \$25 per quarter charge to any Participant that elects to self-direct his or her investments outside the Balanced Pooled Fund. If you do not provide investment instructions to the Plan, your assets will continue to be invested in the Plan’s Balanced Pooled Fund (Default Investment Option). This option is known as the “Qualified Default Investment Alternative” or “QDIA”.

This Balanced Pooled Fund is designed for investors seeking a balance between capital growth, current income and preservation of principal. It will attempt to maintain an approximate mix of 15 percent in cash/stable value, 45 percent fixed income and 40 percent equities. The current approximate allocation is listed below:

Fixed Income:	Pct	Equities:	Pct
MetLife Stable Value Fund	15%	American Funds Washington Mutual Inv R5	6%
Vanguard Total Bond Market Index Instl	26%	Vanguard 500 Index Fund Admiral	12%
American Funds American High Inc Trust R5	7%	American Funds Growth Fd of America R5	6%
PIMCO Real Return Fund Instl	7%	JHancock Disciplined Value Mid Cap R6	4%
American Funds Capital World Bond R5	5%	Principal MidCap Fund Instl	4%
		American Funds EuroPacific Growth R5	8%
Total Fixed Income	60%	Total Equities	40%

Estimated Expense Ratio 0.64 (1.00 equals 1 percent)

Please note that the allocation can change at any time. It is at the sole discretion of the Plan Trustees and the above information is solely to provide a guideline allocation. The estimated expense ratio of the Balance Pooled Fund for 2017 is 0.64 percent. The 0.64 percent includes the Plan's operating expenses such as legal, administrative, and auditing.

Investment in the Balanced Pooled Fund involves investment risks, including the possible loss of the principal amount invested. Investments in the Balanced Pooled Fund are not guaranteed by any governmental entity (such as certain bank accounts having FDIC protection) or by any financial institution. In some years, the Balanced Pooled Fund has increased in value; in other years, such as in 2008, the Balanced Pooled Fund decreased in value. Although the name of the Fund is the "Balanced Pooled Fund," that does not mean that the Fund is invested in the same percentage in each investment category. As evidenced by the current allocation listed above, the percentages in equities funds (stocks) and fixed income funds (including bonds and the stable value fund) can vary from those shown. Although the percentage now shows a greater percentage investment in fixed income securities, the specific percentages could change. Moreover, the percentages invested in different types of equities, such as large company stock vs. small or mid-size company stock, as well as the percentage invested in fixed income, could change. There is more of a possibility that there will be fluctuations in the value of the Fund than if it were invested only in fixed income investments or cash equivalents. Further, this Fund includes international investments, which involves additional risks, such as currency fluctuations, economic instability and political developments. A Balanced Pooled Fund is, however, considered less risky than Funds that invest only in stocks, and riskier than Funds that invest only in fixed income securities. Notwithstanding the attempt of the Balance Pooled Fund to be diversified in its investments, that does not assure an increase in value or protect against loss.

To obtain information about the other investment options that are available under the Plan, please contact the Plan's Investment Consultant, Mammini Company, at 888/547-6972 or at the mailing address listed below:

Mammini Company
9750 Miramar Road, Suite 300
San Diego, CA 92126-4563

Additional information, including prospectuses, can be obtained at www.kandg.com.