MEMORANDUM

TO: All Plan Participants
    Beneficiaries Receiving Benefit Payments
    QDRO Alternate Payees
    Employers Obligated to Contribute
    Local Unions Representing Plan Participants

FROM: Board of Trustees
    Southern California IBEW-NECA Pension Trust Fund

DATE: October 26, 2018

RE: Information About Your Pension Plan (with regards to enclosed notice)

IMPORTANT: Enclosed, please find two government mandated notices. Federal law requires you be sent the Annual Funding Notice and the Notice of Endangered Status. If you are a retired Participant (Pensioner), beneficiary or QDRO Alternate Payee receiving pension payments, the Fund is required to send you these Notices but they in no fashion change the amounts of monthly benefits to be paid to you.

If you would like additional copies of any of these prior notices, please contact the Administrative Trust Funds Office. The documents are also available on the Trust Funds’ website at www.scibew-neca.org.
ANNUAL FUNDING NOTICE
For
Southern California IBEW-NECA Pension Trust 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 July 1, 2017 and ending June 30, 2018 ("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.

<table>
<thead>
<tr>
<th>Funded Percentage</th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valuation Date</td>
<td>July 1, 2017</td>
<td>July 1, 2016</td>
<td>July 1, 2015</td>
</tr>
<tr>
<td>Funded Percentage</td>
<td>71.4%</td>
<td>72.3%</td>
<td>75.7%</td>
</tr>
<tr>
<td>Value of Assets</td>
<td>$1,155,517,188</td>
<td>$1,129,825,931</td>
<td>$1,126,744,004</td>
</tr>
<tr>
<td>Value of Liabilities</td>
<td>$1,617,834,481</td>
<td>$1,562,289,894</td>
<td>$1,491,420,349</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fair Market Value of Assets</td>
<td>$1,156,831,010*</td>
<td>$1,114,856,777</td>
<td>$1,014,447,524</td>
</tr>
</tbody>
</table>

* The June 30, 2018 fair market value of assets figure is an estimate based on the Plan’s financial statements as provided by the Plan’s administrator. The final figure may differ from this estimate once the Plan’s regular audit is issued for the Plan Year.
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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.

On September 28, 2016 the actuary certified the Plan was in seriously endangered status for the plan year commencing July 1, 2016 and was projected to be in critical status for the plan year commencing July 1, 2018. In accord with applicable provisions of law, the Board of Trustees on September 28, 2016 elected that the Plan be treated as in critical status for the plan year commencing July 1, 2016. Also on September 28, 2016, the Board of Trustees adopted the current Rehabilitation Plan. On October 27, 2016 the Board of Trustees amended the Rehabilitation Plan to provide an additional Alternative Schedule requested by the bargaining parties. On April 26, 2018 the Board of Trustees updated the Rehabilitation Plan. This Rehabilitation Plan, as amended and updated, governs all benefits first payable on and after April 1, 2017.

Benefits first commencing on and after October 28, 2009 and prior to April 1, 2017 are governed by the prior Rehabilitation Plan and Funding Improvement Plan based upon the prior certifications of the actuary of critical status for the plan year commencing 2009, endangered status for the plan years commencing 2012, 2013 and 2014, and seriously endangered status for the plan year commencing 2015.

Notifications in terms of the various status determinations set forth above and explanations of the benefit changes were all mailed previously. Should you desire additional copies of prior notices, please contact the Administrative Trust Funds office at the nationwide toll free number (800) 824-6935 or at the primary business number (323) 221-5861. Materials on the current Rehabilitation Plan are also available on the Trust Funds' website at www.scibew-neca.org.

For the plan year beginning July 1, 2018, the actuary has certified the Plan as being in endangered status. A separate notice of endangered status will be provided.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 15,457. Of this number, 6,877 were current employees, 6,037 were retired and receiving benefits, and 2,543 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 for establishing 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 to maintain a balance such that plan resources will fund plan obligations. Plan resources include accumulated plan assets plus expected future contributions and investment income. Plan obligations are benefit payments to current and future retirees and beneficiaries, including benefits earned to date as well
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For 
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as benefits expected to be earned in the future. Plan obligations also include expected expenses paid from plan assets. In implementing this funding policy, the plan Trustees will work with professional advisors to adopt a prudent investment policy and to determine the actuarial value of plan obligations. Over time, the Trustees may adjust plan benefits in response to investment returns and other plan experience, or seek additional contributions from the bargaining units.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. 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. The investment policy of the Plan is to achieve a target allocation among asset categories of 29% equity, 12% GTAA, 13% fixed income, 31% private capital, 10% real estate and 5% hedge funds.

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:

<table>
<thead>
<tr>
<th>Asset Allocations</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Stocks</td>
<td>33.9%</td>
</tr>
<tr>
<td>Investment grade debt instruments</td>
<td>14.5%</td>
</tr>
<tr>
<td>High-yield debt instruments</td>
<td>15.3%</td>
</tr>
<tr>
<td>Real estate</td>
<td>12.6%</td>
</tr>
<tr>
<td>Other</td>
<td>23.7%</td>
</tr>
</tbody>
</table>

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. 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 the PBGC. In addition, participants
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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 eligible for PBGC guarantee. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by the 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 x $33), or $35.75. Thus, the participant’s guaranteed monthly benefit is $357.50 ($35.75 x 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 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 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 the 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. The 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 the Administrative Trust Funds Office if you have questions at (323) 221-5861 or the nationwide, toll-free number (800) 824-6935. Normal business hours are Monday through Friday, 8:30AM to 5:30PM. Voicemail message may be left at any time and calls will be returned by the end of the next business day. Fax communications may be directed to (323) 726-3520 and you may access the Trust Funds’ website at www.scibew-neca.org at any time. For identification purposes, the official plan number, “PN” is 001, the plan sponsor’s name and employer identification number or “EIN” is The Board of Trustees Southern California IBEW-NECA Pension Trust Fund and 95-6392774.
NOTICE OF ENDANGERED STATUS

For

Southern California IBEW-NECA Pension Plan as of July 1, 2018

To: All Participants, Beneficiaries, Participating Unions and Contributing Employers

This is to inform you that on September 28, 2018 the Plan actuary certified to the U.S. Department of the Treasury, and to the Board of Trustees, that the Southern California IBEW-NECA Pension Plan (Plan) is in endangered status for the Plan Year beginning July 1, 2018. Federal law requires that you receive this notice.

Endangered Status

The Plan’s actuary determined that the Plan is in endangered status because the funded percentage of the Plan is projected to be less than 80%.

Funding Improvement Plan

Federal law requires that pension plans in endangered status adopt a funding improvement plan aimed at improving the financial health of the plan. The law also requires the Plan to furnish the bargaining parties with proposed schedules that modify future contributions and/or benefit accrual rates in order to meet certain benchmarks for improving the Plan’s financial condition over a period of years. If it is determined that benefit reductions are necessary, you will receive a separate notice in the future identifying and explaining the effect of those reductions.

The Plan was certified to be in critical status for the plan year beginning July 1, 2017 and was operating under the Rehabilitation Plan adopted September 28, 2016. While a Funding Improvement Plan will replace that Rehabilitation Plan, it is not anticipated the Funding Improvement Plan to be adopted will include any benefit reductions or contribution increases beyond those contained within the current Rehabilitation Plan.

Where to Get More Information

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Sincerely,

The Board of Trustees

cc: U.S. Department of Labor
    U.S. Pension Benefit Guaranty Corporation

Southern California IBEW-NECA Pension Plan

October 26, 2018