

# NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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**TO: ALL PARTICIPANTS**

**RE: ANNUAL NOTICE REGARDING THE DEFAULT INVESTMENT OPTIONS FOR THE NORTHERN CALIFORNIA PIPE TRADES SUPPLEMENTAL 401(k) RETIREMENT PLAN (“PLAN”)**

The purpose of this Annual Notice is to describe how your Individual Account with the Northern California Pipe Trades 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.**

**Right To Direct Investment/Default Investment.** As a Participant or Beneficiary (or Alternate Payee) 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 and subject to the terms of the Plan. If you have not already done so, you can meet the educational requirement by either attending an educational seminar (virtual at this time due to the COVID-19 Pandemic) 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 is included at the end of this notice.

**How To Make Changes.** Once you've satisfied the educational requirement, or completed a notarized waiver form, changes can be made by either:

- 1) submitting a completed Participant Investment Allocation Form available at [www.ncpttf.com](http://www.ncpttf.com); or [www.kandg.com](http://www.kandg.com); or
- 2) by calling 800/767-1170, option 4.

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.

**Failure To Direct Investments.** 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”. These monies, along with investments will remain invested in this QDIA until you elect to transfer your balance to another investment option or take a full distribution subject to Plan rules regarding permitted distributions.

**Description Of Default Investment.** 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% in cash/stable value, 45% fixed income, and 40% equities. The current approximate allocation is listed below:

<b>Fixed Income:</b>	<b>Pct</b>	<b>Equities:</b>	<b>Pct</b>
MetLife Stable Value Fund	15%	American Funds Washington Mutual Inv R5	6%
Vanguard Total Bond Market Index Instl	26%	Vanguard Institutional Index Fund	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%
<b>Total Fixed Income</b>	<b>60%</b>	<b>Total Equities</b>	<b>40%</b>
Estimated Expense Ratio 0.58 (1.00 equals 1%)			

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.

**Fees.** The estimated expense ratio of the Balance Pooled Fund for 2022 is 0.58%. The 0.58% includes the Plan's operating expenses such as legal, administrative, and auditing, etc.

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 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.

**Employee Retirement Income Security Act of 1974 ("ERISA").**

The Balanced Pool Funds used by the Plan satisfy the U.S. Department of Labor's rules for a QDIA. The QDIA rules specify that because you have an option to make an investment election, the Plan fiduciaries are protected from liability under ERISA, as amended for placing your contributions and balances in the default fund if you do not make an investment election.

**Where To Go For Further Investment Information.** 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](http://www.kandg.com).