Connecticut Carpenters Pension Fund

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ANNUAL FUNDING NOTICE
for the Connecticut Carpenters Pension Fund
for the "2017 Short Plan Year" beginning April 1, 2017 and ending December 31, 2017

Introduction

This notice includes important information about the funding status of your multiemployer pension plan, the Connecticut Carpenters Pension Plan[1] (the "Plan"). This notice 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; nor does it change the fact that the Plan has merged as outlined in footnote 1, below. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law, and it is for the "short" plan year beginning April 1, 2017 and ending December 31, 2017 (the "2017 Short Plan Year"). Prior to April 1, 2017, the Plan Year began on April 1st and ended on the immediately following March 31st.

How Well Funded Is Your Plan

The law requires the administrator of your Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan obtains this percentage for a plan year by dividing the Plan's assets by its liabilities on the applicable "Valuation Date" (i.e., the beginning of the respective plan year). In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the 2017 Short Plan Year and each of the two preceding plan years is shown in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2017 Short Plan Year	2016 Plan Year	2015 Plan Year
Valuation Date	April 1, 2017	April 1, 2016	April 1, 2015
Funded percentage	80.4%	80.4%	81.5%
Value of Assets	$472,809,164	$456,747,296	$443,039,145
Value of Liabilities	$588,107,678	$567,947,313	$543,436,588

1 **Please keep in mind that the Plan merged into the New England Carpenters Pension Plan effective as of January 1, 2018. Despite the merger, the Plan is still legally required to provide this notice for the Short Plan Year, which ended during 2017. As an individual or entity entitled to receive this notice, be aware that future notices of this type will be provided to you by the New England Carpenters Pension Plan.**

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date (again, the beginning of the respective plan year) and are "actuarial values," not market 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 as of a given point in time. The asset values noted directly below are market values and are measured as of the last day of the applicable plan year, rather than as of the Valuation Date. As of December 31, 2017, the unaudited fair market value of the Plan's assets was $491,692,732. As of March 31, 2017, the fair market value of the Plan's assets was $448,934,952. As of March 31, 2016, the fair market value of the Plan's assets was $406,908,740.

Please note that the December 31, 2017 fair market value of assets disclosed in the previous paragraph is reported on an unaudited basis since this notice is required to be distributed before the normal completion time of the audit which is currently in progress. The fair market values of assets reported in the previous paragraph include investments and other assets, reduced by liabilities, and are labeled as Net Assets Available for Benefits on the Plan's financial statements.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan 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 (i.e., 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 (which is also known as being in the "Green Zone") in the 2017 Short Plan Year.

Participant Information

The total number of participants in the Plan as of the Plan's most recent Valuation Date (again, April 1, 2017) was 7,047. Of this number, 2,611 were active participants, 3,304 were retired or separated from service and receiving benefits, and 1,132 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan 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 funding policy of the Plan is to assure that annual contributions to the Plan will be made in an amount not less than the ERISA minimum funding requirement and not more than the amount that would be deductible for federal income tax purposes. Contributions to the Plan are made by participating employers at rates established by collective bargaining agreements with the union that represents Plan participants.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries. Plan trustees delegate this responsibility to investment managers hired with the help of the Plan's investment consultant. 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 who are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is designed to achieve a 7-½% return (net of fees), while maintaining sufficient diversification and reasonable risk levels.

According to its current investment policy, the Plan's target asset allocation is as shown below:

Asset Class	Target	Permissible Range	Benchmark
Domestic Equity	35%	30%-40%	Russell 3000 Index
International Equity	15%	10%-20%	MSCI ACWI ex-US Index
Core Fixed Income	15%	10%-20%	Barclays Aggregate
High Yield	5%	2%- 8%	Barclays Corporate U.S. High Yield
Global Fixed	5%	2%- 8%	Barclays Global Aggregate Unhedged
Real Estate	10%	5%-15%	ODCE eqW NCREIF
Alternatives (Low Volatility)	10%	5%-15%	Treasury Bills + 3%
Alternatives (Alpha Generating)	5%	2%-8%	S&P 500 Index + 3%

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 2017 Short Plan Year. These allocations are estimated percentages based on estimated and unaudited total assets:

Asset Allocations	Percentage
1. Interest-bearing cash	1.49%
2. U.S. government securities	0.04%
3. Corporate debt instruments (other than employer securities):	
Preferred	0.44%
All other	0.02%
4. Corporate stocks (other than employer securities):	
Preferred	
Common	22.81%
5. Partnership/joint venture interests	15.84%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	55.69%

10. Value of interest in pooled separate accounts	
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g., mutual funds)	
14. Value of funds held in insurance co. general account (unallocated contracts)	0.99%
15. Employer-related investments:	
Employer Securities	
Employer real property	
16. Buildings and other property used in plan operation	0.18%
17. Other	2.50%

For information about the Plan's investment in any of the following types of investments as described in the chart above - common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities you may contact the plan administrator.

Events with Material Effect on Assets or Liabilities

By law, this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. As described in footnote 1 on page 1, effective immediately after the end of the 2017 Short Plan Year (i.e., January 1, 2018), the Connecticut Carpenters Pension Plan was merged into the New England Carpenters Pension Plan, along with the Rhode Island Carpenters Pension Plan. Under the terms of the merger, as approved by the Pension Benefit Guaranty Corporation or PBGC by letter dated December 21, 2017, all of the assets previously held under the Connecticut Carpenters Pension Fund (as detailed in the chart in the Section entitled "How Well Funded Is Your Plan") were legally vested in, and merged into, the New England Carpenters Pension Fund as of January 1, 2018. The combined assets as of January 1, 2018 on a market value basis are $2,434,544,469. The projected value of assets and value of liabilities as of December 31, 2018 for the merged plans are $2,510,161,934 and $3,092,049,762, respectively.

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. You may obtain an electronic copy of the Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function or you may obtain a copy of the Plan's annual report by making a written request to the plan administrator. Individual information, such as the amount of your accrued benefit under the Plan, is not contained in the annual report. If you are seeking information regarding your benefits under the Plan, contact the plan administrator. Your plan administrator is identified below in the Section entitled "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 this 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 a level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC, by law, 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 notification 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 any available 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 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 vested 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 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 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. The PBGC's general website is www.pbgc.gov, and its toll-free telephone number is 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). Please contact the plan administrator (see the contact information below) for specific information about the Plan or any pension benefits which may be payable to you. PBGC does not have that information.

Where to Get More Information

For more information about this notice, you may contact:

Richard Monarca, CT Fund Director
New England Carpenters Pension Fund
10 Broadway, Hamden, CT 06518
Telephone: (203) 281-5511

For identification purposes, the official plan number of the Connecticut Carpenters Pension Plan was 001 and the plan sponsor's employer identification number or "EIN" was 06-0738583.

As the Connecticut Carpenters Pension Plan has merged as described in detail earlier, future notices such as this will be provided by the New England Carpenters Pension Plan. The official plan number of the New England Carpenters Pension Plan is 001 and the plan sponsor's employer identification number or "EIN" is 51-6040899.