			Outstanding balance	
c Amortization charges as of valuation date:				
(1) All bases except funding waivers and certain bases for which the amortization period has been extended	9c(1)		187,437,375	40,216,249
(2) Funding waivers	9c(2)		0	0
(3) Certain bases for which the amortization period has been extended	9c(3)		0	0
d Interest as applicable on lines 9a, 9b, and 9c			9d	6,210,733
e Total charges. Add lines 9a through 9d			9e	94,935,483
Credits to funding standard account:				
f Prior year credit balance, if any			9f	0
g Employer contributions. Total from column (b) of line 3			9g	10,375,993
			Outstanding balance	
h Amortization credits as of valuation date	9h		26,818,362	3,591,089
i Interest as applicable to end of plan year on lines 9f, 9g, and 9h			9i	584,273
j Full funding limitation (FFL) and credits:				
(1) ERISA FFL (accrued liability FFL)		9j(1)	224,391,672	
(2) "RPA '94" override (90% current liability FFL)		9j(2)	349,376,719	
(3) FFL credit			9j(3)	0
k (1) Waived funding deficiency			9k(1)	0
(2) Other credits			9k(2)	0
l Total credits. Add lines 9f through 9i, 9j(3), 9k(1), and 9k(2)			9l	14,551,355
m Credit balance: If line 9l is greater than line 9e, enter the difference			9m	
n Funding deficiency: If line 9e is greater than line 9l, enter the difference			9n	80,384,128

9 o Current year's accumulated reconciliation account:		
(1) Due to waived funding deficiency accumulated prior to the 2016 plan year	9o(1)	0
(2) Due to amortization bases extended and amortized using the interest rate under section 6621(b) of the Code:		
(a) Reconciliation outstanding balance as of valuation date	9o(2)(a)	0
(b) Reconciliation amount (line 9c(3) balance minus line 9o(2)(a))	9o(2)(b)	0
(3) Total as of valuation date	9o(3)	0
10 Contribution necessary to avoid an accumulated funding deficiency. (See instructions.)	10	80,384,128
11 Has a change been made in the actuarial assumptions for the current plan year? If "Yes," see instructions		☒ Yes ☐ No

CK550

Segal Consulting

November 29, 2017

Internal Revenue Service
Employee Plans Compliance Unit
Group 7602 (TEGE:EP:EPCU)
230 S. Dearborn Street
Room 1700 - 17th Floor
Chicago, IL 60604

To Whom It May Concern:

As required by ERISA Section 305 and the Internal Revenue Code (IRC) Section 432, we have completed the actuarial status certification as of September 1, 2017 for the following plan:

Name of Plan: Local 807 Labor-Management Pension Fund
Plan number: EIN 51-6099111 / PN 002
Plan sponsor: Board of Trustees, Local 807 Labor-Management Pension Fund
Address: 32-43 49th Street, Long Island City, New York 11103
Phone number: 718.726.2525

As of September 1, 2017, the Plan is in critical and declining status.

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

If you have any questions on the attached certification, you may contact me at the following:

Segal Consulting
333 West 34th Street, 3rd Floor
New York, NY 10001
Phone number: 212.251.5000

Sincerely,

Nicholas J. Laccetti

Nicholas J. Laccetti, MAAA, FCA
Senior Vice President and Actuary
Enrolled Actuary No. 17-02263

EIN 51-6099111 / PN 002

November 29, 2017

Illustration Supporting Actuarial Certification of Status (Schedule MB, line 4b)

ACTUARIAL STATUS CERTIFICATION AS OF SEPTEMBER 1, 2017 UNDER IRC SECTION 432

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared an actuarial status certification under Internal Revenue Code Section 432 for the Local 807 Labor-Management Pension Fund as of September 1, 2017 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing and compliance requirements under federal law. This certification may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial certification may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; differences in statutory interpretation and changes in plan provisions or applicable law.

This certification is based on the September 1, 2016 actuarial valuation, dated August 17, 2017. This certification reflects the changes in the law made by the Multiemployer Pension Reform Act of 2014 (MPRA). Additional assumptions required for the projections (including those under MPRA), and sources of financial information used are summarized in Exhibit VI.

Segal Consulting does not practice law and, therefore, cannot and does not provide legal advice. Any statutory interpretations on which this certification is based reflect Segal's understanding as an actuarial firm.

This certification was based on the assumption that the Plan was qualified as a multiemployer plan for the year.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial certification is complete and accurate. As required by IRC Section 432(b)(3)(B)(iii), the projected industry activity is based on information provided by the plan sponsor. In addition, as allowed by IRC Section 432(b)(3)(B), in my opinion, the contributions used for Insolvency Projections are reasonable. In my opinion, the projections are based on reasonable actuarial estimates, assumptions and methods that (other than projected industry activity) offer my best estimate of anticipated experience under the Plan.

Nicholas J. Laccetti, MAAA, FCA
Senior Vice President and Actuary
Enrolled Actuary No. 17-02263

Certificate Contents

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EXHIBIT V	Solvency Projection
EXHIBIT VI	Actuarial Assumptions and Methodology

EIN 51-6099111 / PN 002

EXHIBIT I
Status Determination as of September 1, 2017

Status	Condition	Component Result	Final Result
Critical Status:			
I. Initial critical status tests:			
C1.	A funding deficiency is projected in four years?	Yes	Yes
C2. (a)	A funding deficiency is projected in five years,	Yes	
(b)	AND the present value of vested benefits for non-actives is more than present value of vested benefits for actives,	Yes	
(c)	AND the normal cost plus interest on unfunded actuarial accrued liability (unit credit basis) is greater than contributions for current year?	Yes	Yes
C3. (a)	A funding deficiency is projected in five years,	Yes	
(b)	AND the funded percentage is less than 65%?	Yes	Yes
C4. (a)	The funded percentage is less than 65%,	Yes	
(b)	AND the present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over seven years?	No	No
C5.	The present value of assets plus contributions is less than the present value of benefit payments and administrative expenses over five years?	No	No
II. In Critical Status?			**Yes**
III. Determination of critical and declining status:			
C6. (a)	Any of (C1) through (C5) are Yes?	Yes	
(b)	AND EITHER Insolvency is projected within 15 years using assumptions described in Exhibit VI.B?	Yes	Yes
(c)	OR		
	(i) The ratio of inactives to actives is at least 2 to 1,	Yes	
	(ii) AND insolvency is projected within 20 years using assumptions described in Exhibit VI.B?	Yes	Yes
(d)	OR		
	(i) The funded percentage is less than 80%,	Yes	
	(ii) AND insolvency is projected within 20 years using assumptions described in Exhibit VI.B?	Yes	Yes
In Critical and Declining Status?			**Yes**

EXHIBIT I (continued)
Status Determination as of September 1, 2017

Status	Condition	Component Result	Final Result
Endangered Status:			
E1. (a)	Is not in critical status,	No	
(b)	AND the funded percentage is less than 80%?	Yes	No
E2. (a)	Is not in critical status,	No	
(b)	AND a funding deficiency is projected in seven years?	Yes	No
In Endangered Status? (Yes when either (E1) or (E2) is Yes)			**No**
In Seriously Endangered Status?			**No**
Neither Critical Status Nor Endangered Status:			
Neither Critical nor Endangered Status?			**No**

EIN 51-6099111 / PN 002

Documentation Regarding Progress Under Rehabilitation Plan (Schedule MB, line 4c)

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

The Rehabilitation Plan's annual standard is that, based on reasonable assumptions, the Fund is projected to not become insolvent before 2026. Based on the assumptions in this certification, a projected insolvency first occurs in the Plan year beginning August 1, 2029 as shown in Exhibit V and therefore meets this standard.

EXHIBIT II
Summary of Actuarial Valuation Projections

The actuarial factors as of September 1, 2017 (based on projections from the September 1, 2016 valuation certificate):

		Benefit Payments	Administrative Expenses	Total
I.	**Financial Information**			
	1. Market value of assets			$146,959,183
	2. Actuarial value of assets			147,543,984
	3. Reasonably anticipated contributions including reasonably anticipated withdrawal liability payments			
	a. Upcoming year			9,828,683
	b. Present value for the next five years			39,808,142
	c. Present value for the next seven years			51,344,886
II.	**Liabilities**			
	1. Present value of vested benefits for active participants			55,984,082
	2. Present value of vested benefits for non-active participants			272,741,026
	3. Total unit credit accrued liability			328,998,704
	4. Present value of payments	**Benefit Payments**	**Administrative Expenses**	**Total**
	a. Next five years	$117,959,318	$5,487,777	$123,447,095
	b. Next seven years	153,507,322	7,246,407	160,753,729
	5. Unit credit normal cost plus expenses			3,034,060
	6. Ratio of inactive participants to active participants			5.4571
III.	**Funded Percentage** (I.2)/(II.3)			44.8%
IV.	**Funding Standard Account**			
	1. Credit Balance as of the end of prior year			($45,628,883)
	2. Years to projected funding deficiency			0
V.	**Years to Projected Insolvency**			13

EIN 51-6099111 / PN 002

EXHIBIT III
Funding Standard Account Projection

The table below presents the Funding Standard Account Projection for the Plan Years beginning September 1.

	Year Beginning September 1,					
	2016	**2017**	**2018**	**2019**	**2020**	**2021**
1. Credit balance (BOY)	($14,037,722)	($45,628,883)	($79,201,840)	($115,403,239)	($154,793,109)	($176,651,291)
2. Interest on (1)	(1,052,829)	(3,422,166)	(5,940,138)	(8,655,243)	(11,609,483)	(13,248,847)
3. Normal cost	1,187,467	1,163,718	1,140,444	1,117,635	1,095,282	1,073,376
4. Administrative expenses	1,226,285	1,238,548	1,250,933	1,263,442	1,276,076	1,288,837
5. Net amortization charges	35,259,982	35,102,232	35,048,360	35,331,478	16,128,962	10,295,999
6. Interest on (3), (4) and (5)	2,825,530	2,812,837	2,807,980	2,828,441	1,387,524	949,366
7. Expected contributions	9,629,904	9,828,683	9,654,580	9,480,478	9,318,811	9,157,145
8. Interest on (7)	331,028	337,861	331,876	325,891	320,334	314,777
9. Full-funding limit credit	0	0	0	0	0	0
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	($45,628,883)	($79,201,840)	($115,403,239)	($154,793,109)	($176,651,291)	($194,035,794)
	2022	**2023**	**2024**	**2025**	**2026**	
1. Credit balance (BOY)	($194,035,794)	($212,882,134)	($233,300,550)	($248,481,299)	($264,526,717)	
2. Interest on (1)	(14,552,685)	(15,966,160)	(17,497,541)	(18,636,097)	(19,839,504)	
3. Normal cost	1,051,908	1,030,870	1,010,253	990,048	970,247	
4. Administrative expenses	1,301,725	1,314,742	1,327,889	1,341,168	1,354,580	
5. Net amortization charges	10,295,998	10,295,997	3,863,087	3,078,055	5,459,343	
6. Interest on (3), (4) and (5)	948,722	948,121	465,092	405,696	583,813	
7. Expected contributions	8,995,478	8,833,812	8,684,581	8,126,304	7,912,262	
8. Interest on (7)	309,220	303,662	298,532	279,342	271,984	
9. Full-funding limit credit	0	0	0	0	0	
10. Credit balance (EOY): (1) + (2) – (3) – (4) – (5) – (6) + (7) + (8) + (9)	($212,882,134)	($233,300,550)	($248,481,299)	($264,526,717)	($284,549,958)	

EXHIBIT IV

Funding Standard Account – Projected Bases Assumed Established After September 1, 2016

Schedule of Funding Standard Account Bases

Type of Base	Date Established	Base Established	Amortization Period	Amortization Payment
Actuarial gain	9/1/2017	($1,496,954)	15	($157,754)
Actuarial gain	9/1/2018	(511,161)	15	(53,868)
Actuarial loss	9/1/2019	2,686,547	15	283,118
Actuarial gain	9/1/2020	(807,282)	15	(85,074)
Actuarial gain	9/1/2021	(820,815)	15	(86,500)

EXHIBIT V
Solvency Projection

The table below presents the projected Market Value of Assets for the Plan Years beginning September 1, 2016 through 2029.

	Year Beginning September 1,						
	2016	2017	2018	2019	2020	2021	2022
1. Market Value at beginning of year	$151,975,903	$146,959,183	$136,984,599	$127,158,027	$117,271,625	$107,310,207	$97,030,927
2. Contributions	8,443,862	8,705,120	9,102,112	9,475,795	9,841,101	10,184,762	10,506,778
3. Withdrawal liability payments	1,186,042	1,123,563	1,123,563	1,123,563	1,123,563	1,123,563	1,123,563
4. Benefit payments	27,708,903	28,667,030	28,187,720	27,895,509	27,605,124	27,521,051	27,409,499
5. Administrative expenses	1,314,420	1,287,750	1,300,628	1,313,634	1,326,770	1,340,038	1,353,438
6. Interest earnings	14,376,699	10,151,513	9,436,101	8,723,383	8,005,812	7,273,484	6,517,685
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$146,959,183	$136,984,599	$127,158,027	$117,271,625	$107,310,207	$97,030,927	$86,416,016
	2023	2024	2025	2026	2027	2028	2029
1. Market Value at beginning of year	$86,416,016	$75,511,051	$64,238,897	$52,071,983	$39,236,776	$25,667,130	$11,399,751
2. Contributions	10,807,149	11,104,138	11,381,147	11,638,177	11,875,226	12,113,889	12,334,237
3. Withdrawal liability payments	1,123,563	1,123,563	714,517	649,705	649,705	649,705	649,705
4. Benefit payments	27,208,311	27,056,845	26,959,306	26,901,824	26,904,163	26,819,761	26,647,086
5. Administrative expenses	1,366,972	1,380,642	1,394,448	1,408,392	1,422,476	1,436,701	1,451,068
6. Interest earnings	5,739,606	4,937,632	4,091,176	3,187,127	2,232,062	1,225,489	169,537
7. Market Value at end of year: (1)+(2)+(3)-(4)-(5)+(6)	$75,511,051	$64,238,897	$52,071,983	$39,236,776	$25,667,130	$11,399,751	($3,544,924)

EXHIBIT VI
Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the September 1, 2016 actuarial valuation certificate, dated August 17, 2017, except as specifically described below. We also assumed that experience would emerge as projected, except as described below. The calculations are based on a current understanding of the requirements of ERISA Section 305 and IRC Section 432.

A. Actuarial Assumptions and Plan provisions Except as Modified by Section B.

Asset Information:

The financial information as of August 31, 2017 was based on an unaudited financial statement provided by the Fund Auditor.

For projections after that date, the assumed administrative expenses were increased by 1% per year and the benefit payments were projected based on the September 1, 2016 actuarial valuation. The projected net investment return was assumed to be 7.5% of the average market value of assets for the 2017 – 2029 Plan Years. Any resulting investment gains or losses, due to the operation of the asset valuation method are amortized over 15 years in the Funding Standard Account.

Projected Industry Activity:

As required by Internal Revenue Code Section 432, assumptions with respect to projected industry activity are based on information provided by the plan sponsor. Based on this information, the number of active participants is assumed to decrease 2% annually and, on the average, contributions will be made for each active for 1,850 hours each year.

In addition to projections of industry activity directly linked to the level of ongoing employment, these determinations also project the following contribution amounts derived from withdrawal liability assessments, based on information from the Trustees:

Plan Year ending August 31:	Amount
2018 - 2025	1,123,563
2026	714,517
2027 - 2031	649,705
2032	630,502
2033	566,702
2034	384,273
2035	202,420
2036	20,567

Future Normal Costs: Based on the assumed industry activity and the assumption that replacement employees will have the same entry age as employees leaving the work force, the Entry Age Normal Cost method used in the valuation results in level Normal Costs per active. Therefore, we have assumed that the normal cost in future years will be the same as in the 2016 Plan Year adjusted in accordance with industry activity.

B. Assumptions for Solvency Projection

Assumptions for this purpose are the same as shown in Section A with the following exceptions:

In accordance with the current rehabilitation plan, employers are assumed to agree to annual $0.45 contribution rate increases upon the conclusion of their current CBA.

Technical Issues

Segal Consulting ("Segal") does not practice law and, therefore, cannot and does not provide legal advice.

Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. Due to the complexity of the statute and the significance of its ramifications, Segal recommends that the Board of Trustees consult with legal counsel when making any decisions regarding compliance with ERISA and the Internal Revenue Code

8636330v1/01544.001

EIN 51-6099111 / PN 002

Documentation Regarding Progress Under Rehabilitation Plan (Schedule MB, line 4c)

This certification also notifies the IRS that the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan, based on information received from the sponsor and based on the annual standards of the rehabilitation plan.

The Rehabilitation Plan's annual standard is that, based on reasonable assumptions, the Fund is projected to not become insolvent before 2026. Based on the assumptions in this certification, a projected insolvency first occurs in the Plan year beginning August 1, 2029 as shown in Exhibit V and therefore meets this standard.

EXHIBIT 8 - STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Mortality Rates	Healthy:	RP-2014 Blue Collar Employee and Annuitant Mortality Tables (adjusted back to 2006) with generational Scale MP-2017 from 2006
	Disabled:	RP-2014 Disabled Annuitant Mortality Table (adjusted back to 2006) with generational Scale MP-2017 from 2006
	The above mortality tables reasonably reflects the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using generational projection under Scale MP-2016 to anticipate future mortality improvement.	
	The mortality rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of and the projected number based on the prior year's assumption over the most recent years.	

Termination Rates

	Rate (%)					
	Mortality[1]		Withdrawal[2] Years of Service			
Age	Male	Female	Less than 2 years	2-4 Years	5-9 Years	10 Years or More
20	0.07	0.02	17.99	14.19	0.00	0.00
25	0.07	0.02	21.74	17.14	12.96	0.00
30	0.06	0.02	18.61	13.58	8.39	4.84
35	0.07	0.03	16.78	11.02	7.15	5.02
40	0.10	0.05	15.91	10.35	6.01	4.15
45	0.16	0.09	15.48	9.47	5.82	3.73
50	0.26	0.13	15.60	8.90	5.32	3.49
55	0.38	0.19	13.52	7.82	2.59	0.88
60	0.64	0.31	13.63	7.84	2.12	0.20

[1] Mortality rates are shown from the base table and do not reflect any mortality projection.

[2] Withdrawal rates cut out at early retirement age.

The termination rates were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior year's assumption over the most recent years.

Retirement Rates

Age	Annual Retirement Rates
55 – 61	2%
62	6
63	5
64	11
65	16
66	18
67	11
68	22
69	14
70	100

* *if eligible*

The retirement rates were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent years.

Description of Weighted Average Retirement Age

Age 66, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential past or future retirement age times the probability of surviving from entry age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the September 1, 2017 actuarial valuation.

Retirement Rates for Inactive Vested Participants	(see table below)

Age*	Annual Retirement Rates	Age*	Annual Retirement Rates
55	24%	63	10%
56	6	64	3
57	4	65	53
58	2	66	29
59	10	67	13
60	7	68	5
61	2	69	13
62	20	70	100

* *if eligible*

The retirement rates for inactive vested participants were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent years.

Future Benefit Accruals	Employees are assumed to work 1,850 hours per year. The future benefit accruals were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual benefit accruals over the most recent years.
Unknown Data for Participants	Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.
Definition of Active Participants	Active participants are defined as those with at least 250 hours in the most recent credit year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.
Exclusion of Inactive Vested Participants	None
Percent Married	50%
Age of Spouse	Females three years younger than males.

Benefit Election	60% of participants assumed to elect the Single Life Annuity, 20% assumed to elect 50% Joint and Survivor Annuity, and 20% assumed to elect 75% Joint-and-Survivor Annuity. The benefit elections were based on historical and current demographic data, adjusted to reflect the plan design, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual option election patterns over the past several years.
Delayed Retirement	Inactive vested participants who are assumed to commence receipt of benefits after attaining normal retirement age qualify for delayed retirement increases.
Net Investment Return	7.00% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Consulting, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$1,500,000, payable monthly, for the year beginning September 1, 2017 (equivalent to $1,446,296 payable at the beginning of the year) The annual administrative expenses were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.
Actuarial Value of Assets	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus pension credits. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined as if the current benefit accrual rate had always been in effect.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.
Current Liability Assumptions	*Interest:* 3.03%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1: RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g): 8.48%, for the Plan Year ending August 31, 2017* *On current (market) value of assets (Schedule MB, line 6h): 10.10%, for the Plan Year ending August 31, 2017*
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a March 15 contribution date.

Justification for Change in Actuarial Assumptions

(Schedule MB, line 11)

For purposes of determining current liability, the current liability interest rate was changed from 3.11% to 3.03% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 413(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Based on past experience and future expectations, the following actuarial assumptions were changed:

> Mortality rates for healthy participants, previously RP-2014 Blue Collar Mortality Tables (adjusted back to 2006) with generational projection using Scale MP 2016 from 2006.

> Mortality rates for disabled participants, previously RP-2014 Disabled Annuitant Mortality Table (adjusted back to 2006) with generational projection using Scale MP 2016 from 2006.

> Retirement rates for each participants, previously:

Age*	Annual Retirement Rates
55 – 61	2%
62 – 63	6
64	12
65	15
66	16
67	7
68	16
69	19
70	100

* *if eligible*

Justification for Change in Actuarial Assumptions

(Schedule MB, line 11) (Cont'd)

> Retirement rates for inactive vested participants, previously:

Age*	Annual Retirement Rates	Age*	Annual Retirement Rates
55	28%	63	12%
56 – 57	4	64	3
58	2	65	52
59	10	66	29
60	9	67	12
61	2	68	6
62	20	69	13
		70	100

* *if eligible*

> Benefit election, previously 60% of participants assumed to elect Single Life Annuity and 40% assumed to elect 50% Joint-and-Survivor Annuity

> Annual administrative expenses, previously $1,275,000 per year

> Net investment return, previously 7.50%

EXHIBIT 9 - SUMMARY OF PLAN PROVISIONS

(SCHEDULE MB, LINE 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year	September 1 through August 31
Pension Credit Year	February 1 through January 31
Plan Status	Ongoing plan
Regular Pension	• *Age Requirement:* 65 • *Service Requirement:* 15 pension credits *Amount:* The total accrued benefit is the sum of each year's accrual based on 1. The highest contribution rate prior to February 1, 2010 for service earned prior to February 1, 2010. 2. The highest contribution rate that was made for at least 250 hours during the pension credit year for service from February 1, 2010 to January 31, 2012. 3. For service on and after February 1, 2012, the accrual rate is lesser of: (a) 1% of product of number of hours for which contributions are due on behalf of the participant in credit year based on the contribution rate in effect on September 1, 2011, or (b) Accrual rate under the Plan as of September 1, 2011. The accrual rate effective May 1, 2001 for contribution rates $4.315 or more per hour, $165 for each pension credit less than 25 plus $20.49 for each pension credit greater than 25. Lower benefit levels have been established for employees at lower contribution levels. *Delayed Retirement Amount:* Regular pension accrued at Normal Retirement Age (NRA), increased by 1.0% for each month greater than NRA, and 1.5% for each month greater than age 70.
Early Retirement	• *Age Requirement:* 55 • *Service Requirement:* 15 pension credits • *Amount:* Regular pension accrued, actuarially, reduced from age 65
Vesting	• *Age Requirement:* None • *Service Requirement:* Five pension credits or 5 years of vesting service • *Amount:* Regular or early pension accrued based on plan in effect and contribution rate when last active • *Normal Retirement Age:* Later of age 65 or the participant's 5th anniversary of participation.

Spouse's Pre-Retirement Death Benefit	• *Age Requirement: None* • *Service Requirement: 5 pension credits or 5 years of vesting service* • *Amount: 50% of the benefit employee would have received had he or she retired the day before he or she died and elected the joint and survivor option. If the employee died prior to eligibility for an early retirement pension, the spouse's benefit is deferred to the date employee would have first been eligible to retire.* • *Charge for Coverage: None*
Optional Forms of Benefits	50% Joint-and-Survivor 75% Joint-and-Survivor Single Life Annuity
Participation	Earliest of February 1 or August 1 after completion of 1,000 hours during a 12 consecutive month period.
Pension Credit	(see table below)
Vesting Credit	One year of vesting service for at least 1,000 hours.
Contribution Rate	Rates as of September 1, 2017 vary from $1.50 to $10.37 per hour, with an average rate of $6.9393.
Changes in Plan Provisions	None

Pension Credit

Hours Worked Per Year	Pension Credit
Under 250	0
250 – 499	1/4
500 – 749	1/2
750 – 999	3/4
1,000 and over	1

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EXHIBIT 5 - SCHEDULE OF PROJECTION OF EXPECTED BENEFIT PAYMENTS

(SCHEDULE MB, LINE 8b(1))

Plan Year	Expected Annual Benefit Payments[1]
2017	$29,660,601
2018	29,017,862
2019	28,540,864
2020	28,141,176
2021	27,855,072
2022	27,565,261
2023	27,223,633
2024	26,930,258
2025	26,688,239
2026	26,376,318

[1] Assuming as of the valuation date:

- no additional accruals,
- experience is in line with valuation assumptions, and
- no new entrants are covered by the plan.

EXHIBIT 6 - SCHEDULE OF ACTIVE PARTICIPANT DATA

(SCHEDULE MB, LINE 8b(2))

The participant data is for the year ended January 31, 2017.

		Pension Credits								
Age	**Total**	**1-4**	**5-9**	**10-14**	**15 - 19**	**20 - 24**	**25 - 29**	**30 - 34**	**35 - 39**	**40 & over**
Under 25	–	–	–	–	–	–	–	–	–	–
25 - 29	10	9	1	–	–	–	–	–	–	–
30 - 34	34	21	6	7	–	–	–	–	–	–
35 - 39	43	19	8	13	3	–	–	–	–	–
40 - 44	68	16	10	17	18	7	–	–	–	–
45 - 49	94	12	15	21	25	15	6	–	–	–
50 - 54	134	20	16	27	25	26	11	9	–	–
55 - 59	115	7	8	22	22	28	14	10	4	–
60 - 64	81	1	6	23	10	16	9	11	4	1
65 - 69	35	1	3	4	7	9	6	1	4	–
70 & over	5	1	1	1	–	1	1	–	–	–
Unknown	73	61	12	–	–	–	–	–	–	–
Total	**692**	**168**	**86**	**135**	**110**	**102**	**47**	**31**	**12**	**1**

Note: Excludes 66 participants with less than one pension credit.

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan amendment	09/01/2009	$529,467	7	$3,053,191
Actuarial loss	09/01/2009	5,822,349	7	33,574,806
Combined and offset base	09/01/2009	24,741,614	3.22	74,134,349
Plan amendment	09/01/2010	41,383	8	264,410
Actuarial loss	09/01/2010	784,017	8	5,009,309
Actuarial loss	09/01/2011	180,307	9	1,256,975
Actuarial loss	09/01/2012	2,392,142	10	17,977,501
Actuarial loss	09/01/2013	1,072,777	11	8,607,512
Assumption changes	09/01/2014	718,260	12	6,104,254
Actuarial loss	09/01/2016	8,293	14	77,601
Assumption changes	09/01/2016	2,268,417	14	21,227,054
Actuarial loss	09/01/2017	159,514	15	1,554,540
Assumption changes	09/01/2017	1,497,709	15	14,595,873
Total		**$40,216,249**		**$187,437,375**

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Assumption changes	09/01/2010	$51,752	8	$330,656
Plan amendment	09/01/2011	2,522,660	9	17,586,215
Actuarial gain	09/01/2014	428,664	12	3,643,077
Actuarial gain	09/01/2015	588,013	13	5,258,414
Total		**$3,591,089**		**$26,818,362**

Justification for Change in Actuarial Assumptions

(Schedule MB, line 11)

For purposes of determining current liability, the current liability interest rate was changed from 3.11% to 3.03% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 413(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Based on past experience and future expectations, the following actuarial assumptions were changed:

> Mortality rates for healthy participants, previously RP-2014 Blue Collar Mortality Tables (adjusted back to 2006) with generational projection using Scale MP 2016 from 2006.

> Mortality rates for disabled participants, previously RP-2014 Disabled Annuitant Mortality Table (adjusted back to 2006) with generational projection using Scale MP 2016 from 2006.

> Retirement rates for each participants, previously:

Age*	Annual Retirement Rates
55 – 61	2%
62 – 63	6
64	12
65	15
66	16
67	7
68	16
69	19
70	100

* *if eligible*

Justification for Change in Actuarial Assumptions

(Schedule MB, line 11) (Cont'd)

> Retirement rates for inactive vested participants, previously:

Age*	Annual Retirement Rates	Age*	Annual Retirement Rates
55	28%	63	12%
56 – 57	4	64	3
58	2	65	52
59	10	66	29
60	9	67	12
61	2	68	6
62	20	69	13
		70	100

* *if eligible*

> Benefit election, previously 60% of participants assumed to elect Single Life Annuity and 40% assumed to elect 50% Joint-and-Survivor Annuity

> Annual administrative expenses, previously $1,275,000 per year

> Net investment return, previously 7.50%

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Independent Auditor's Report

Board of Trustees
Local 807 Labor-Management Pension Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Local 807 Labor-Management Pension Fund (the "Plan") which comprise the statements of net assets available for benefits as of August 31, 2018 and 2017, and the related statements of changes in net assets available for benefits for the years ended August 31, 2018 and 2017, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of August 31, 2018, and the changes therein for the year ended August 31, 2018 and its financial status as of August 31, 2017, and its changes therein for the year ended August 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 19 through 35 is presented for purposes of additional analysis and is not a required part of the financial statements. The supplemental information on pages 19 through 32 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Schultheis & Panettieri LLP

Hauppauge, New York
February 27, 2019

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

AUGUST 31, 2018 AND 2017

	2018	2017
Assets		
Investments at fair value		
Interest bearing cash	$ 3,249,095	$ 4,917,984
U.S. government securities	23,913,125	23,216,098
Corporate debt instruments	17,926,946	19,180,576
Corporate stock	19,747,139	16,977,293
Partnership/joint venture interests	13,800,683	12,321,954
Real estate	1,485,000	1,485,000
Common/collective trust funds	27,096,987	32,655,117
Pooled separate accounts	11,572,442	15,045,248
Registered investment companies	15,097,393	17,000,341
Total investments	133,888,810	142,799,611
Receivables		
Employers' contributions	1,094,700	781,200
Employers' withdrawal liability	19,789,596	11,876,742
Accrued interest/dividends	225,262	201,455
Cash	4,447,864	3,342,465
Other assets	173,140	168,682
Total assets	159,619,372	159,170,155
Liabilities		
Accounts payable	353,674	98,406
Related organizations	41,332	75,574
Net trades pending settlement	115,252	160,250
Total liabilities	510,258	334,230
Net assets available for benefits	$ 159,109,114	$ 158,835,925

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

YEARS ENDED AUGUST 31, 2018 AND 2017

	2018	2017
Additions to net assets attributed to:		
Investment income		
Net appreciation in fair value of investments	$ 8,098,193	$ 11,378,249
Interest/dividends	3,996,776	3,257,626
Rent - net of related expenses	146,187	139,677
Total investment income	12,241,156	14,775,552
Less investment expenses	(385,293)	(398,853)
Net investment income	11,855,863	14,376,699
Contributions		
Employers'	8,815,351	8,443,862
Employers' withdrawal liability	9,473,496	906,482
Total additions	30,144,710	23,727,043
Deductions from net assets attributed to:		
Benefits paid directly to participants or beneficiaries	27,611,270	27,708,903
Administrative expenses	2,260,251	1,314,420
Total deductions	29,871,521	29,023,323
Net increase (decrease)	273,189	(5,296,280)
Net assets available for benefits		
Beginning of year	158,835,925	164,132,205
End of year	$ 159,109,114	$ 158,835,925

Note 1 - Description of Plan and Significant Accounting Policies

The following description of the Local 807 Labor-Management Pension Fund (the "Plan") provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan first became effective December 1, 1950 and is a defined benefit pension plan established under an Agreement and Declaration of Trust pursuant to collective bargaining agreements between the Truck Drivers Local Union No. 807 International Brotherhood of Teamsters (the "Union") and various employers and employer associations in the transportation industry in the New York Metropolitan Area. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

Management has evaluated subsequent events through the date of the auditor's report, the date the financial statements were available to be issued.

Purpose

The purpose of the Plan is to provide retirement and death benefits to eligible participants.

Participation

A participant is a pensioner, beneficiary or individual employed by an employer subject to a collective bargaining agreement or participation agreement, employees of Local 807 Labor-Management Health Fund (the "Health Fund") and certain employees of the Union.

Benefits

In general, participants with five or more years vesting service are entitled to monthly pension benefits beginning at normal retirement age 65. The Plan permits early retirement at ages 55-64 and other forms of retirement based on age and years of credited service (pension credits).

Pension credits are based on hours worked in covered employment. A participant may accumulate up to a maximum of 1 credit per year for every 250 hours worked.

Monthly pension benefits are based on employer contribution rates.

Note 1 - Description of Plan and Significant Accounting Policies (cont'd)

Death benefit

Participants whose annuity start date is before September 1, 2011 and are receiving a pension are eligible to receive a lump sum death benefit payment equal to $1,000.

Plan termination

The Trustees expect and intend to continue the Plan indefinitely, but reserve the right to amend or terminate it as provided for by the applicable Trust Agreement and Plan provisions. If the Plan is terminated, Plan assets will be allocated to provide benefits to those eligible under the terms of the Plan in the order of priority specified in the Plan and as otherwise required by law. The priority of benefits depends on a participant's status as retired or active, vested or unvested, and age at the time of Plan termination. Certain benefits are insured by the Pension Benefit Guaranty Corporation ("PBGC"). Whether all participants receive their benefits on Plan termination would depend on the sufficiency of the Plan's net assets to provide those benefits and may also depend on the level and type of benefits guaranteed by the PBGC.

Basis of accounting

The financial statements are presented on the accrual basis of accounting.

Investment valuation and income recognition

The Plan's investments are stated at fair value. See "Fair value measurements" footnote for additional information.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation/(depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Administrative expense allocation

The administrative office is occupied by the Health Fund, Pension Fund and the 807 Profit Sharing Plan (the "Fringe Benefit Funds"). Certain expenses not specifically applicable to a particular entity are allocated based on the estimated benefit received by each entity. Amounts reported as receivable from related organizations or payable to related organizations generally include balances for shared expenses.

Reimbursements paid to related organizations for the years ended August 31, 2018 and 2017 were $573,645 and $529,248, respectively.

Note 1 - Description of Plan and Significant Accounting Policies (cont'd)

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Note 2 - Cash

At times throughout the year the Plan may have, on deposit in banks, amounts in excess of FDIC insurance limits. The Plan has not experienced any losses in such accounts and the Trustees believe it is not exposed to any significant credit risks.

Note 3 - Fair value measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices, in active markets, for identical assets that the Plan has the ability to access.

Level 2 inputs to the valuation methodology include: quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, inputs other than quoted prices that are observable for the asset, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 inputs are generally based on the best information available which may include the reporting entity's own assumptions and data.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Interest bearing cash: Valued at cost.

Note 3 - Fair value measurements (cont'd)

U.S. government securities, corporate debt instruments, corporate stocks and registered investment companies: Valued at the closing price reported in the active market in which the securities are traded.

Real estate: Value is based on an independent appraisal using the income capitalization approach.

Investments measured at net asset value: Partnership/joint venture interests, common/collective trust funds and pooled separate accounts values are estimated by management of the trust / account.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the tables below are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

Note 3 - Fair value measurements (cont'd)

The following table sets forth, by level within the fair value hierarchy, the Plan's investments, as of August 31, 2018, with fair value measurements on a recurring basis:

	2018	Level 1	Level 2	Level 3
Interest bearing cash	$ 3,249,095	$ 3,249,095	$ -	$ -
Investments at fair value as determined by quoted market price				
U.S. government securities	23,913,125	12,119,486	11,793,639	-
Corporate debt instruments	17,926,946	-	17,926,946	-
Corporate stock	19,747,139	19,747,139	-	-
Registered investment companies	15,097,393	15,097,393	-	-
Investments at estimated fair value				
Real estate	1,485,000	-	-	1,485,000
Total assets in the fair value hierarchy	81,418,698	50,213,113	29,720,585	1,485,000
Investments measured at net asset value	52,470,112			
Investments at fair value	$ 133,888,810	$ 50,213,113	$ 29,720,585	$ 1,485,000

Note 3 - Fair value measurements (cont'd)

The following table sets forth, by level within the fair value hierarchy, the Plan's investments, as of August 31, 2017, with fair value measurements on a recurring basis:

	2017	Level 1	Level 2	Level 3
Interest bearing cash	$ 4,917,984	$ 4,917,984	$ -	$ -
Investments at fair value as determined by quoted market price				
U.S. government securities	23,216,098	11,246,075	11,970,023	-
Corporate debt instruments	19,180,576	-	19,180,576	-
Corporate stock	16,977,293	16,977,293	-	-
Registered investment companies	17,000,341	17,000,341	-	-
Investments at estimated fair value				
Real estate	1,485,000	-	-	1,485,000
Total assets in the fair value hierarchy	82,777,292	50,141,693	31,150,599	1,485,000
Investments measured at net asset value	60,022,319			
Investments at fair value	$ 142,799,611	$ 50,141,693	$ 31,150,599	$ 1,485,000

The following table provides a summary of the changes in fair value on a recurring basis for Level 3 assets for the year ended August 31, 2018:

Description	Total	Real Estate
Opening balance	$ 1,485,000	$ 1,485,000
Total investment income included in changes in net assets	-	-
Closing balance	$ 1,485,000	$ 1,485,000
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at the end of the reporting period	$ -	$ -

Note 3 - Fair value measurements (cont'd)

The following table provides a summary of the changes in fair value on a recurring basis for Level 3 assets for the year ended August 31, 2017:

Description	Total	Investment type
Opening balance	$ 1,485,000	$ 1,485,000
Total investment income included in changes in net assets	-	-
Closing balance	$ 1,485,000	$ 1,485,000
Change in unrealized gains or losses for the period included in earnings (or changes in net assets) for assets held at the end of the reporting period	$ -	$ -

Total gains or losses attributable to the change in unrealized gains or losses relating to Level 3 assets still held as of August 31, 2018 and 2017 are included in the "Net appreciation (depreciation) in investments" category in the Statements of Changes in Net Assets Available for Benefits.

The following table represents quantitative information about significant unobservable inputs used in the fair value measurements of the directly held or underlying assets of the Plan's significant Level 3 investments:

Investment	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Values	Weighted Average
Investment Property - Lot 19 32-43 49th Avenue Long Island City NY	$ 1,485,000	Income Capitalization	Future potential net income using discounted cash flow analysis	N/A	N/A

Note 4 - Risks and uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the financial statements.

Note 5 - Party-in-interest transactions

Certain Plan investments are held by the manager of the investment, therefore, transactions relating to those investments qualify as exempt party-in-interest transactions and are identified as such on the supplemental schedules of investments.

Note 6 - Partnerships

The Plan invests in the WCM Focused International Growth Fund, L.P. (WCM), which is a Delaware limited partnership for income tax purposes. The investment objective of WCM is long term capital appreciation. WCM will normally invest at least 75% of its net assets in equity securities of non-U.S. domiciled companies or depository receipts of non-U.S. domiciled companies. The fund may invest in companies of any size; however, investments will generally be in companies with large capitalizations. Limited partners' withdrawals may be made as of the last day of any calendar month on at least 5 days' written notice to the General Partner. The partnership shall continue unless terminated earlier in accordance with the provisions of the Limited Partnership Agreement. As of August 31, 2018 and 2017, the estimated fair value of the Plan's investment was $13,800,683 and $12,321,954, respectively.

Note 7 - Common / collective trust investments

The following common collective trust funds (collectively the "SSGA Funds"), were formed by State Street Bank. State Street Bank is trustee, custodian, and recordkeeper of the SSGA Funds and has exclusive management and control of the SSGA Funds. State Street Global Advisors ("SSGA"), a division of State Street Bank is the SSGA Funds' investment manager.

The investment objective of the SSGA Russell 2000 Index lending funds is to approximate as closely as practicable, before expenses, the performance of the Russell 2000 Index over the long term. The lending fund also engages in securities lending activity. As of August 31, 2018 and 2017, the estimated fair value of the Plan's investment in the lending fund was $7,900,238 and $12,066,759, respectively.

The investment objective of the SSGA Russell 1000 Growth Index non-lending fund is to approximate as closely as practicable, before expenses, the performance of the Russell 1000 Index over the long term. As of August 31, 2018 and 2017, the estimated fair value of the Plan's investment was $19,196,749 and $20,316,880, respectively.

The per unit net asset values of the SSGA Funds are determined each business day. Issuances and redemptions may be made on such days consistent with the terms of the underlying investment funds. Withdrawal safeguards imposed in the past have been lifted but SSGA will monitor market conditions and evaluate the need for withdrawal safeguards as appropriate.

Note 8 - Pooled separate account

The Plan invests in the Prudential Prisa Account which is a pooled separate account investing primarily in real estate investments. The contract states that withdrawal requests will be scheduled for payment on the next valuation date after at least 90 days written request for withdrawal. The valuation date is the last business day in each calendar quarter. In the event the total withdrawal requests exceed the total cash available to honor such requests, available cash will be pro-rated among those contract-holders eligible for withdrawals. As of August 31, 2018 and 2017, the estimated fair value of the Plan's investment was $11,572,442 and $15,045,248, respectively.

Note 9 - Employers' contributions

In accordance with collective bargaining agreements, employers are required to make contributions to the Plan on behalf of employees performing covered work.

Note 10 - Real estate / Rental income

The Plan, along with the Local 807 Labor-Management Health Fund and 32-43 49th Street Holding Corporation, owns real estate located at 32-43 49th Street, Long Island City, New York. This real estate is treated as an investment of the Plan. Unrealized appreciation and depreciation is recorded based on the fair market value of the building as determined by an independent appraisal.

The investment property is leased to Best Buy, Inc., an unrelated third party, under a lease that has five year options to extend. The tenant exercised all options to extend the lease through January 31, 2029. In addition to the annual base rent, the tenant is subject to escalation charges as stated in the lease. Effective February 1, 2014, annual base rent under the current option is $303,839, plus escalations of $146,733. The Plan receives $94,190, plus escalations of $50,157 as its share of the annual rent. Rental income received for the years ended August 31, 2018 and 2017 was $146,187 and $139,677, respectively. Included in the current year rental income of $146,187 is a retroactive payment of $1,840.

Future minimum base lease payments due to the Plan for the years ending August 31 are as follows:

2019	$	98,402
2020		101,411
2021		101,411
2022		101,411
2023		101,411
2024 and thereafter		585,415
Total	$	1,089,461

Note 11 - Employers withdrawal liability receivable

Withdrawal liability is assessed to employers who have withdrawn from the Plan in accordance with Plan rules and regulations. The withdrawal liability receivable is recorded when collection is assured. During the year ended August 31, 2018, there were four new employer withdrawals assessed totaling $12,625,000, including $881,000 of interest for a net withdrawal liability of $11,744,000. During the year ended August 31, 2017, there were two new employer withdrawals assessed totaling $596,000, including $32,000 of interest for a net withdrawal liability of $564,000. Withdrawal liabilities are payable quarterly plus interest at 7.50%. For the years ended August 31, 2018 and 2017, the withdrawal liability principal payments were $1,145,221 and $843,916, respectively and the write-offs were $890,642 and $0, respectively.

As of August 31, 2018 and 2017, withdrawal liability receivable was $19,789,596 (net of $3,286,936 of deferred interest) and $11,876,742 (net of $5,944,834 of deferred interest), respectively.

Effective June, 2014, there will be no re-allocation to remaining contributing employers of any collectible amounts due to settlement of withdrawal liabilities.

Note 12 - Lease commitments

The Fringe Benefit Funds lease office space from 32-43 49th Street Holding Corporation, a related party. The lease term expires December 31, 2019. The monthly base rent for the calendar years 2018 and 2017 were $13,236 and $12,850, respectively.

The Plan's portion of the rent is 33%. Additionally, the Plan pays its portion of maintenance costs. Total occupancy expense for the years ended August 31, 2018 and 2017 was $60,798 and $60,613, respectively.

Future minimum annual lease obligations as of August 31, 2018 are as follows:

2019	$ 53,461
2020	17,995
Total	$ 71,456

Note 13 - Reconciliation of financial statements to Form 5500

For financial statement purposes, investment expenses are reported as a reduction of investment income. The reporting requirements of the Department of Labor require these fees be shown as administrative expenses.

Note 13 - Reconciliation of financial statements to Form 5500 (cont'd)

The following is a reconciliation of the reclassifications:

	Per Financial Statements	Reclassification	Per Form 5500
Investment income (loss)	$ 11,855,863	$ 385,293	$ 12,241,156
Contributions	18,288,847	-	18,288,847
Total additions	30,144,710	385,293	30,530,003
Benefits paid directly to participants or beneficiaries	27,611,270	-	27,611,270
Administrative expenses	2,260,251	385,293	2,645,544
Total deductions	29,871,521	385,293	30,256,814
Net increase (decrease)	$ 273,189	$ -	$ 273,189

In addition to the above reclassifications, the Plan's investments have been reclassified for Form 5500 purposes in accordance with the Department of Labor's plan asset regulations. See the Schedule Reconciling the Statement of Net Assets Available for Benefits to Form 5500 on page 33.

Note 14 - Accumulated plan benefits

The latest available calculations of the actuarial present value of accumulated plan benefits were made by consulting actuaries as of September 1, 2017 and 2016. Details of accumulated plan benefit information as of such dates are as follows:

	September 1, 2017	September 1, 2016
Actuarial present value of accumulated plan benefits:		
Vested benefits:		
Participants currently receiving benefit payments	$ 218,616,602	$ 213,992,714
Other vested participants	127,587,346	116,768,019
Total vested benefits	346,203,948	330,760,733
Nonvested benefits	524,184	275,281
Total actuarial present value of accumulated plan benefits	$ 346,728,132	$ 331,036,014

Note 14 - Accumulated plan benefits (cont'd)

The changes in the actuarial present value of accumulated plan benefits from the previous benefit information date were as follows:

	September 1, 2017	September 1, 2016
Actuarial present value of accumulated plan benefits - Beginning of year	$ 331,036,014	$ 312,026,509
Increase (decrease) during the year attributable to:		
Benefits accumulated and actuarial gains or losses	5,416,378	3,875,849
Interest due to the decrease in the discount period	23,702,027	22,258,254
Benefits paid	(27,708,903)	(28,153,461)
Change of assumptions	14,282,616	21,028,863
Net increase (decrease) in actuarial present value of accumulated plan benefits	15,692,118	19,009,505
Actuarial present value of accumulated plan benefits - End of year	$ 346,728,132	$ 331,036,014

Through September 1, 2017, the Plan met minimum funding standard requirements under ERISA.

The significant methods and assumptions underlying the actuarial computations are as follows:

Actuarial cost method	Entry Age Normal
Assumed rate of return on investments	7.00%
Mortality rate	1.35 times the RP-2016 Blue Collar Healthy Annuitant Mortality Table
Normal retirement	65

As of September 1, 2017 the actuary has certified that the Plan is in the critical and declining status as identified under the Pension Protection Act of 2006.

Note 15 - Rehabilitation Plan

On November 29, 2010, the Plan was certified by its actuaries to be in Critical Status under the Pension Protection Act of 2006 (the "PPA") for the plan year beginning September 1, 2010. The Board of Trustees determined that based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Plan could not be reasonably expected to emerge from Critical Status within the time frame prescribed by law. Therefore, the Trustees adopted reasonable measures in their Rehabilitation Plan to forestall insolvency and/or emerge from Critical Status over a projected period of time.

Some of the reasonable measures adopted were as follows:

Contribution rates were increased by $.45 per hour per year for any collective bargaining agreement ("CBA") that became effective after September 1, 2011 and increased by $.39 per hour per year for any CBA that becomes effective on or after June 1, 2018. The increases are considered supplemental and may not cause any increases in future service accruals in some cases. In addition, the rate may be evaluated and adjusted annually based on financial conditions of contributing employers and actual Plan experience.

Contributing employers became obligated to pay a 5% contribution surcharge to the Plan for work performed on or after January 26, 2011. The 5% surcharge increased to 10% beginning with contributions received on or after September 1, 2011 and will continue until the earlier of (1) the date the Plan emerges from critical status; (2) the effective date of a CBA that is in compliance with this Rehabilitation Plan; or (3) the date contribution increases become effective with respect to an employer because the bargaining parties fail to adopt a CBA in compliance with the Rehabilitation Plan within the time period required by ERISA. The surcharges will continue until the CBA is signed and the required increase in contributions will be retroactive to the date the CBA is effective.

The active participant benefit accrual rate after February 1, 2012, will be the lesser of 1% of the product of (a) the number of hours for which contributions are due in a Plan Credit Year or (b) the contribution rate in effect for his employer prior to its first contribution increase on or after September 1, 2011, or, the accrual rate as of September 1, 2011. In addition, the following benefits will be eliminated: subsidies previously afforded to early retirement pensions, all Service Pensions, the 60-month guarantee, the Disability Pension for those with an annuity starting date after August 31, 2011, the Death Benefit provided and the Social Security Level Income Option of the Plan. In addition, all future contribution increases after September 1, 2011 will not be used towards the calculation of future benefit accruals.

The benefits of retired participants whose annuity started before September 1, 2011 will not be eliminated or reduced. Non-active participants, who have terminated or will terminate covered service or whose annuity starting date is on or after September 1, 2011, will have their benefits reduced by factors detailed in the Rehabilitation Plan.

Note 15 - Rehabilitation Plan (cont'd)

The original Rehabilitation Period was 24 years beginning September 1, 2013 and ending August 31, 2037. Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules. Based on the results and assumptions used in the valuation, projections show that the Plan is not expected to emerge from critical status within the Rehabilitation period. Therefore, the Plan's new Rehabilitation period is September 1, 2013 through August 31, 2048. The annual standards detailed in the Rehabilitation Plan were projected to be met for the next several years. The Board of Trustees will review and update the Rehabilitation Plan annually and will continue to consider all available options including, but not limited to, reducing Plan expenses, taking advantage of any changes in the law, or exploring a merger with another plan.

Note 16 - Multiemployer Pension Reform Act

On June 29, 2018, the Board of Trustees submitted an application to the US Treasury Department for approval to reduce benefits under the Plan as allowed by the Multiemployer Pension Reform Act of 2014 "MPRA". The Plan has requested a 39.5% benefit reduction for retirees under age 80 currently in pay status, new retirees entering pay status after May 1, 2019 and a partial reduction for those between the ages of 75 and 80, as allowed by law. In February 2019, the Plan withdrew its application and is planning on preparing a new submission.

Note 17 - Tax status

The Plan has received a determination letter from the IRS dated January 29, 2016, stating that the Plan is qualified under Section 401(a) and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code. The Trustees believe that the Plan, including amendments subsequent to the IRS determination, is currently designed and operated in compliance with the requirements of the Internal Revenue Code. Therefore, they believe that the Plan was qualified and the related trust was tax exempt as of the financial statement date.

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF INTEREST BEARING CASH

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b)	(c) - DESCRIPTION INTEREST BEARING CASH		(d)	(e)
	ISSUER	INTEREST RATE	MATURITY DATE	COST	CURRENT VALUE
*	MORGAN STANLEY BANK N.A.	VARIABLE	ON DEMAND	$ 3,249,095	$ 3,249,095
*	WCM FOCUSED INTERNATIONAL GROWTH FUND L.P.	VARIABLE	ON DEMAND	797,088	797,088
				$ 4,046,183	$ 4,046,183

* PARTY-IN-INTEREST

HOLDINGS OF CERTAIN INVESTMENTS WERE DETERMINED TO BE PLAN ASSETS FOR FORM 5500 PURPOSES AND ARE SEPARATELY IDENTIFIED HERE BASED ON THE ALLOCATION OF UNDERLYING ASSETS PROVIDED BY THE INVESTMENT MANAGER, AS OF THE DATE OF THEIR LATEST AUDITED FINANCIAL STATEMENTS.

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF U.S. GOVERNMENT SECURITIES

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION U.S. GOVERNMENT SECURITIES			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
UNITED STATES TREASURY NOTE FLOATING RATE	2.23%	01/31/2019	$ 113,000	$ 113,284	$ 113,086
UNITED STATES TREASURY NOTE	1.63%	12/31/2019	1,500,000	1,516,758	1,481,775
UNITED STATES TREASURY NOTE FLOATING RATE	2.09%	01/31/2020	390,000	389,968	389,942
UNITED STATES TREASURY NOTE	1.50%	05/15/2020	250,000	250,371	245,400
UNITED STATES TREASURY NOTE	2.50%	05/31/2020	315,000	314,606	314,348
UNITED STATES TREASURY NOTE	2.63%	07/31/2020	1,000,000	1,000,508	999,840
UNITED STATES TREASURY NOTE	1.63%	07/31/2020	250,000	251,621	245,343
FEDERAL NATIONAL MTG ASSN POOL 745525	5.50%	05/01/2021	1,250,000	21,924	20,746
UNITED STATES TREASURY NOTE	2.63%	06/15/2021	1,788,000	1,785,765	1,784,996
UNITED STATES TREASURY NOTE	2.13%	12/31/2022	300,000	303,516	292,512
UNITED STATES TREASURY NOTE	2.75%	05/31/2023	1,043,000	1,041,052	1,043,688
FNMA REMIC TRUST 2010-42 AC	4.00%	10/25/2024	1,100,000	10,762	10,399
UNITED STATES TREASURY NOTE	2.88%	05/31/2025	1,235,000	1,234,615	1,240,360
GOVERNMENT NATIONAL MTG ASSN POOL 004787	4.50%	09/20/2025	1,000,000	133,317	127,967
UNITED STATES TREASURY NOTE-INFLATION INDEXED	0.38%	07/15/2027	403,000	397,278	402,191
UNITED STATES TREASURY NOTE	2.75%	02/15/2028	1,250,000	1,239,991	1,238,825
FEDERAL NATIONAL MTG ASSN POOL AR8266	2.00%	04/01/2028	700,000	212,914	202,137
UNITED STATES TREASURY NOTE	2.88%	05/15/2028	379,000	376,833	379,443
UNITED STATES TREASURY NOTE	2.88%	08/15/2028	470,000	471,682	470,898
UNITED STATES TREASURY NOTE	2.88%	08/15/2028	661,000	657,566	662,263
FEDERAL NATIONAL MTG ASSN POOL MA1138	3.50%	07/01/2032	31,000	12,929	12,174
FEDERAL NATIONAL MTG ASSN POOL MA1652	3.50%	11/01/2033	200,000	99,712	96,501
FEDERAL NATIONAL MTG ASSN POOL 759098	5.50%	01/01/2034	3,000,000	264,122	261,295
FHLMC 20 YR GOLD C91816	3.50%	03/01/2035	112,000	70,863	67,921
FHLMC 20 YR GOLD C91820	3.50%	03/01/2035	89,000	55,133	52,954
FHLMC 20 YR GOLD C91844	3.50%	09/01/2035	229,000	150,103	143,338
FEDERAL NATIONAL MTG ASSN POOL AS6709	3.50%	02/01/2036	118,000	80,185	76,297
FHLMC 20 YR GOLD C91925	3.50%	03/01/2037	253,000	228,239	221,955
FEDERAL NATIONAL MTG ASSN POOL BJ3807	3.50%	01/01/2038	57,000	56,591	55,291
FHLMC 20 YR GOLD C91993	3.50%	05/01/2038	36,000	35,398	35,346
UNITED STATES TREASURY BOND	3.50%	02/15/2039	100,000	107,594	108,539
FEDERAL NATIONAL MTG ASSN POOL MA0185	5.50%	08/01/2039	1,000,000	61,912	61,969
FEDERAL NATIONAL MTG ASSN POOL MA0190	5.00%	09/01/2039	2,000,000	30,994	30,243
GOVERNMENT NATIONAL MTG ASSN POOL 737635	5.00%	08/20/2040	1,550,000	407,702	402,200
GOVERNMENT NATIONAL MTG ASSN POOL 760306	4.00%	09/20/2041	150,000	34,605	33,927
GNMA REMIC TRUST 2014-54 A	2.50%	10/16/2041	100,000	6,192	6,090
FEDERAL NATIONAL MTG ASSN POOL AX5312	4.00%	01/01/2042	43,000	25,113	24,036
FEDERAL NATIONAL MTG ASSN POOL MA0969	3.50%	01/01/2042	750,000	155,884	150,793
GOVERNMENT NATIONAL MTG ASSN POOL 774435	3.50%	07/20/2042	600,000	310,523	306,054
GOVERNMENT NATIONAL MTG ASSN POOL 774439	3.50%	07/20/2042	400,000	275,948	271,977
FHLMC 30 YR GOLD T65091	3.00%	08/01/2042	800,000	335,209	332,974
FHLMC 30 YR GOLD U91884	3.00%	08/01/2043	1,056,547	463,977	441,143
FEDERAL NATIONAL MTG ASSN POOL AU5874	4.00%	09/01/2043	139,000	77,267	75,526
FHLMC 30 YR GOLD G08567	4.00%	01/01/2044	578,248	227,599	222,357
FHLMC 30 YR GOLD Q26076	4.00%	05/01/2044	152,489	91,156	89,007
FHLMC 30 YR GOLD Q26215	4.00%	05/01/2044	277,064	108,597	106,031
FEDERAL NATIONAL MORTGAGE ASSOC RELOCATION LOAN BC5090	4.00%	10/01/2044	99,000	54,384	51,860
FHLMC 30 YR GOLD G08623	3.50%	01/01/2045	4,232,934	2,350,130	2,232,160
FHLMC 30 YR GOLD Q33134	3.50%	04/01/2045	2,000,000	1,102,789	1,049,111
FHLMC 30 YR GOLD V82155	4.00%	12/01/2045	543,000	382,144	364,280
FHLMC 30 YR GOLD G08693	3.50%	02/01/2046	1,144,064	815,640	774,755
FEDERAL NATIONAL MTG ASSN POOL AS7568	4.50%	07/01/2046	132,000	84,706	80,692

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF U.S. GOVERNMENT SECURITIES

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION U.S. GOVERNMENT SECURITIES			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
FHLMC 30 YR GOLD G08720	4.50%	08/01/2046	49,000	35,235	34,232
FHLMC 30 YR GOLD G60703	4.00%	09/01/2046	250,000	212,319	201,588
FEDERAL NATIONAL MTG ASSN POOL AS8142	4.00%	10/01/2046	221,000	187,153	177,571
FEDERAL NATIONAL MTG ASSN POOL AS8157	4.50%	10/01/2046	273,000	203,579	191,765
FHLMC 15 YR GOLD Q46279	3.50%	02/01/2047	605,000	561,344	539,946
FHLMC 30 YR GOLD G60857	4.00%	02/01/2047	198,000	163,563	158,412
FHLMC 30 YR GOLD G08764	4.50%	05/01/2047	560,000	467,557	450,404
FEDERAL NATIONAL MTG ASSN POOL BE3702	4.00%	06/01/2047	94,000	86,493	84,995
FHLMC 30 YR GOLD Q49553	4.00%	07/01/2047	91,000	86,985	84,033
FHLMC 30 YR GOLD Q50883	4.50%	09/01/2047	112,000	107,610	105,156
FHLMC 30 YR GOLD Q51334	4.00%	10/01/2047	352,000	338,641	332,107
FEDERAL NATIONAL MTG ASSN POOL CA1218	4.50%	02/01/2048	72,000	71,803	71,344
FEDERAL NATIONAL MTG ASSN POOL CA1378	4.00%	03/01/2048	165,000	165,240	164,288
FEDERAL NATIONAL MTG ASSN POOL BJ9176	4.00%	05/01/2048	63,000	63,115	63,253
FEDERAL NATIONAL MTG ASSN POOL CA1711	4.50%	05/01/2048	627,000	643,103	643,039
UNITED STATES TREASURY BOND	3.13%	05/15/2048	690,000	709,377	706,037
			$ 41,791,346	$ 24,390,788	$ 23,913,125

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LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - PREFERRED

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - PREFERRED			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
TOYOTA MOTOR CREDIT CORP	2.10%	01/17/2019	$ 100,000	$ 99,915	$ 99,850
SIMON PROPERTY GROUP LP	2.20%	02/01/2019	75,000	74,858	74,921
INTERNATIONAL BUSINESS MACHINES CORP	1.95%	02/12/2019	100,000	99,758	99,776
CISCO SYSTEMS INC	2.13%	03/01/2019	100,000	99,929	99,873
AETNA INC	2.20%	03/15/2019	70,000	69,930	69,867
ELI LILLY & CO	1.95%	03/15/2019	100,000	99,827	99,736
ROYAL BANK OF CANADA	2.15%	03/15/2019	70,000	69,973	69,878
GILEAD SCIENCES INC	2.05%	04/01/2019	70,000	69,879	69,780
BERKSHIRE HATHAWAY INC	2.10%	08/14/2019	100,000	99,991	99,582
PRUDENTIAL FINANCIAL INC	2.35%	08/15/2019	100,000	99,920	99,636
HOME DEPOT INC/THE	1.80%	06/05/2020	250,000	249,855	245,900
WALT DISNEY CO/THE	1.80%	06/05/2020	250,000	249,710	244,990
BANK OF MONTREAL	2.10%	06/15/2020	500,000	499,955	492,395
JOHN DEERE CAPITAL CORP	1.95%	06/22/2020	250,000	249,848	246,040
HERSHEY CO/THE	4.13%	12/01/2020	250,000	268,670	257,543
AFIN 2016-2 C	2.42%	06/20/2021	107,000	107,150	106,127
CARMX 2016-3 B	1.90%	04/15/2022	186,000	180,936	181,032
MANUFACTURERS & TRADERS TRUST CO	2.50%	05/18/2022	250,000	249,650	242,580
AMCAR 2016-4 C	2.41%	07/08/2022	100,000	99,106	98,381
AMCAR 2017-1 C	2.71%	08/18/2022	71,000	70,985	70,200
HYUNDAI AUTO RECV TR 2016-B C	2.19%	11/15/2022	219,000	214,660	214,585
SDART 2017-3 C	2.93%	12/15/2022	216,000	215,982	213,363
FORDO 16-C-C	1.93%	04/15/2023	229,000	227,199	224,200
AMOT 2018-2 A	3.24%	05/15/2023	164,000	163,999	164,594
BANK OF NY MELLON CORP	2.66%	05/16/2023	80,000	80,000	77,861
SSM HEALTH CARE CORP	3.69%	06/01/2023	100,000	100,000	100,556
CITIBANK CCIT 2014-A5 A5	2.68%	06/07/2023	400,000	398,062	396,384
CABMT 2015-2 A1	2.25%	07/17/2023	312,000	306,973	308,456
AMCAR 2018-1 C	3.50%	01/18/2024	57,000	56,998	57,054
APPLE INC	3.00%	02/09/2024	55,000	54,976	54,397
SYNCT 2018-1 B	3.17%	03/15/2024	78,000	77,998	77,696
BURLINGTON NORTHERN SANTA FE LLC	3.75%	04/01/2024	70,000	69,771	71,112
CAMERON INTERNATIONAL CORP	3.70%	06/15/2024	100,000	99,769	97,261
WOART 2018-B A4	3.20%	06/17/2024	179,000	178,995	178,375
WFNMT 2017-C M	2.66%	08/15/2024	60,000	58,976	59,089
TRI-STATE GENERATION & TRANSMISSION ASSOCIATION INC	3.70%	11/01/2024	80,000	80,176	79,022
WFNMT 2016-A M	2.33%	04/15/2025	84,000	83,986	80,900
PNC BANK NA	3.25%	06/01/2025	260,000	267,127	254,886
DISCOVER CARD EXECUTION NOTE TRUST	3.03%	08/15/2025	199,000	197,383	197,929
SYNCT 2017-2 A	2.62%	10/15/2025	202,000	203,199	196,809
US AIRWAYS 2013-1 CLASS A PASSTHROUGH TRUST	3.95%	11/15/2025	109,000	84,114	80,945
BANK OF NEW YORK MELLON CORP/THE	2.80%	05/04/2026	425,000	423,491	403,555
NSTAR ELECTRIC CO	3.20%	05/15/2027	46,000	45,965	44,596
NOVARTIS CAPITAL CORP	3.10%	05/17/2027	250,000	247,773	241,410
UNITED AIRLINES 2014-1 CLASS APASS THROUGH TRUST	4.00%	10/11/2027	80,000	66,633	67,328
AMERICAN AIRLINES 2016-2 CLASSAA PASS THROUGH TRU	3.20%	12/15/2029	250,000	230,500	219,832
SPIRIT AIRLINES PASS THROUGH TRUST 2017-1AA	3.38%	08/15/2031	45,000	44,154	42,847
SBA 100098	3.33%	03/25/2038	500,000	132,974	131,007
SBA100100	3.68%	06/25/2038	500,000	225,623	218,040

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - PREFERRED

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - PREFERRED			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
TRI-STATE GENERATION & TRANSMISSION ASSOCIATION INC	4.70%	11/01/2044	95,000	97,878	96,810
MSBAM2012-C6AS	3.48%	11/17/2045	115,000	121,949	114,893
CITIGRP COML MTG TR 2013-GCJ11B	3.73%	04/10/2046	81,000	80,595	79,852
SOUTHERN CALIFORNIA EDISON CO	4.13%	03/01/2048	110,000	107,165	107,263
CGCMT 2015-GC29 A4	3.19%	04/10/2048	97,000	95,193	95,099
CITY OF HOPE	4.38%	08/15/2048	45,000	45,000	45,427
SCRT 2017-2 MA	3.00%	08/25/2056	205,000	194,853	185,908
			$ 9,196,000	$ 8,489,934	$ 8,347,428

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LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - OTHER

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - OTHER			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
RALPH LAUREN CORP	2.13%	09/26/2018	$ 200,000	$ 203,102	$ 199,960
BANK OF AMERICA CORP	2.60%	01/15/2019	100,000	100,279	100,011
GOLDMAN SACHS GROUP INC/THE	7.50%	02/15/2019	250,000	274,698	255,300
XILINX INC	2.13%	03/15/2019	70,000	69,634	69,810
AMERICAN EXPRESS CREDIT CORP	2.13%	03/18/2019	80,000	79,849	79,838
SUNTRUST BANKS INC	2.50%	05/01/2019	100,000	99,911	99,959
BP CAPITAL MARKETS PLC	2.24%	05/10/2019	75,000	75,000	74,790
CVS HEALTH CORP	2.25%	08/12/2019	100,000	99,944	99,478
NEXTERA ENERGY CAPITAL HOLDINGS INC	2.40%	09/15/2019	100,000	99,825	99,516
CONSOLIDATED EDISON INC	2.00%	03/15/2020	250,000	249,918	246,050
DOMINION ENERGY INC	2.58%	07/01/2020	75,000	75,077	73,979
SANTANDER UK GROUP HOLDINGS PLC	3.13%	01/08/2021	70,000	69,989	69,173
REGIONS FINANCIAL CORP	3.20%	02/08/2021	200,000	199,790	199,258
AMERICAN EXPRESS CREDIT CORP	2.25%	05/05/2021	300,000	299,817	292,920
WEC ENERGY GROUP INC	3.38%	06/15/2021	50,000	49,980	50,198
DISCOVER BANK	3.20%	08/09/2021	100,000	99,732	99,084
KROGER CO/THE	2.95%	11/01/2021	100,000	99,968	98,716
AIRCASTLE LTD	5.50%	02/15/2022	95,000	98,413	99,288
ALABAMA POWER CO	2.45%	03/30/2022	250,000	249,795	243,068
QUALCOMM INC	3.00%	05/20/2022	500,000	499,810	494,005
CHARTER COMMUNICATIONS OPER	4.46%	07/23/2022	145,000	145,000	147,955
INTERNATIONAL LEASE FINANCE CORP	5.88%	08/15/2022	100,000	113,750	106,519
ALABAMA POWER CO	5.88%	12/01/2022	200,000	245,700	217,562
WELLS FARGO & CO	3.07%	01/24/2023	95,000	95,064	92,976
MARVELL TECHNOLOGY GROUP LTD	4.20%	06/22/2023	50,000	49,898	49,928
EQT MIDSTREAM PARTNERS LP	4.75%	07/15/2023	100,000	99,761	101,457
CNH INDUSTRIAL NV	4.50%	08/15/2023	90,000	91,941	91,112
FEDEX CORP	4.00%	01/15/2024	75,000	74,871	76,822
AMERICAN TOWER CORP	5.00%	02/15/2024	95,000	106,954	99,782
BANK OF AMERICA CORP	3.11%	03/05/2024	95,000	94,904	94,661
KINROSS GOLD CORP	5.95%	03/15/2024	70,000	73,063	71,925
JUNIPER NETWORKS INC	4.50%	03/15/2024	75,000	74,885	76,641
HOSPITALITY PROPERTIES TRUST	4.65%	03/15/2024	70,000	69,778	70,071
JPMORGAN CHASE & CO	3.56%	04/23/2024	105,000	104,255	104,614
CELGENE CORP	3.63%	05/15/2024	100,000	99,659	98,838
AT&T INC	3.49%	06/12/2024	125,000	125,000	125,199
JPMORGAN CHASE & CO	3.80%	07/23/2024	155,000	155,000	155,473
PACIFIC GAS & ELECTRIC CO	3.40%	08/15/2024	100,000	99,925	95,915
CBS CORP	3.70%	08/15/2024	100,000	99,760	97,428
CROWN CASTLE INTERNATIONAL CORP	3.20%	09/01/2024	60,000	57,343	57,320
TRINITY INDUSTRIES INC	4.55%	10/01/2024	100,000	99,974	96,978
ANDEAVOR LOGISTICS LP / TESOROLOGISTICS FINANCE CORP	5.25%	01/15/2025	50,000	52,125	51,188
UNION PACIFIC CORP	3.25%	01/15/2025	100,000	99,669	97,786
COMCAST CORP	3.38%	02/15/2025	100,000	99,912	97,525
REALTY INCOME CORP	3.88%	04/15/2025	70,000	69,650	69,980
HAWAIIAN AIRLINES 2013-1 CLASSA PASS THROUGH CERTIFICATES	3.90%	01/15/2026	125,000	94,319	92,469
CITIGROUP INC	3.40%	05/01/2026	250,000	249,495	239,398
EAGLE MATERIALS INC	4.50%	08/01/2026	95,000	99,201	95,161
CITIGROUP INC	3.20%	10/21/2026	250,000	249,853	234,703
WELLS FARGO & CO	3.00%	10/23/2026	250,000	249,423	233,730
BUCKEYE PARTNERS LP	3.95%	12/01/2026	120,000	109,823	110,453
HEXCEL CORP	3.95%	02/15/2027	240,000	238,942	235,795

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - OTHER

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002

FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - OTHER			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
PHYSICIANS REALTY LP	4.30%	03/15/2027	100,000	98,956	97,614
MERCURY GENERAL CORP	4.40%	03/15/2027	55,000	54,916	53,610
RPM INTERNATIONAL INC	3.75%	03/15/2027	110,000	109,844	105,312
DOLLAR GENERAL CORP	3.88%	04/15/2027	250,000	249,815	245,665
BRIGHTHOUSE FINANCIAL INC	3.70%	06/22/2027	60,000	53,893	53,611
EQT CORP	3.90%	10/01/2027	55,000	53,685	51,769
HUDSON PACIFIC PROPERTIES LP	3.95%	11/01/2027	90,000	89,863	85,054
CITIGROUP INC	3.89%	01/10/2028	105,000	106,172	102,341
LINCOLN NATIONAL CORP	3.80%	03/01/2028	90,000	89,790	87,474
STORE CAPITAL CORP	4.50%	03/15/2028	95,000	94,539	93,527
ENABLE MIDSTREAM PARTNERS LP	4.95%	05/15/2028	55,000	54,558	54,650
VODAFONE GROUP PLC	4.38%	05/30/2028	90,000	88,831	89,495
MORGAN STANLEY	3.59%	07/22/2028	55,000	55,000	52,409
FORD MOTOR CO	6.38%	02/01/2029	250,000	285,515	260,250
GOLDMAN SACHS GROUP INC	3.81%	04/23/2029	105,000	105,000	100,449
HESS CORP	7.88%	10/01/2029	30,000	36,839	36,558
TORONTO-DOMINION BANK	3.63%	09/15/2031	55,000	54,857	52,193
BANK OF MONTREAL	3.80%	12/15/2032	60,000	60,000	56,394
HESS CORP	7.13%	03/15/2033	100,000	117,586	116,630
PLAINS ALL AMERICAN PIPELINE LP / PAA FINANCE CORP	6.65%	01/15/2037	90,000	103,018	100,930
DISCOVERY COMMUNICATIONS LLC	5.00%	09/20/2037	50,000	48,845	48,752
CVS HEALTH CORP	4.78%	03/25/2038	60,000	59,167	59,796
ENBRIDGE ENERGY PARTNERS LP	7.50%	04/15/2038	40,000	49,196	51,190
ENERGY TRANSFER PARTNERS LP	5.80%	06/15/2038	70,000	69,012	72,503
TIME WARNER INC	4.90%	06/15/2042	60,000	60,755	56,188
MOTOROLA SOLUTIONS INC	5.50%	09/01/2044	130,000	130,801	123,295
ALBEMARLE CORP	5.45%	12/01/2044	45,000	48,201	47,533
SYSCO CORP	4.50%	04/01/2046	80,000	80,091	79,928
GSMS 2014-GC24 C	4.53%	09/10/2047	110,000	110,088	108,352
PPL CAPITAL FUNDING INC	4.00%	09/15/2047	120,000	118,546	110,422
WESTLAKE CHEMICAL CORP	4.38%	11/15/2047	60,000	59,387	54,923
RABOBANK NEDERLAND	11.00%	08/31/2058	85,000	114,410	90,372
ENBRIDGE INC	6.25%	03/01/2078	50,000	50,000	48,564
			$ 9,680,000	$ 9,844,604	$ 9,579,518

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE STOCK - PREFERRED

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION PREFERRED STOCK	(d)	(e)
ISSUER	NO. OF SHARES	COST	CURRENT VALUE
COBANK ACB 6.25% SER F	1,000	$ 106,450	$ 104,300
		$ 106,450	$ 104,300

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE STOCK - COMMON

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION COMMON STOCK NO. OF SHARES	(d) COST	(e) CURRENT VALUE
	3M COMPANY	2,280	$ 317,504	$ 480,898
	ABBOTT LABORATORIES	7,430	320,500	496,621
	ABBVIE INC COM	6,270	360,711	601,795
	AIR PROD & CHEM INC	3,125	445,712	519,656
	ALTRIA GROUP INC	7,205	289,663	421,637
	AMGEN INC	3,075	545,112	614,416
	AUTOMATIC DATA PROCESSING INC	1,205	85,805	176,834
	BB & T CORP	14,890	574,467	769,217
	BLACKROCK INC	840	255,898	402,410
	BROADCOM INC	755	199,189	165,368
	CHEVRON CORP	2,355	273,766	278,973
	CISCO SYS INC	18,080	406,881	863,682
	CROWN CASTLE INTL CORP	4,615	388,864	526,248
	ELI LILLY & CO	930	98,068	98,255
	EXXON MOBIL CORP	3,010	255,607	241,312
	HASBRO INC	1,845	100,512	183,227
	HOME DEPOT INC	3,865	452,776	775,976
	HONEYWELL INTERNATIONAL INC	4,190	535,699	666,461
	HP INC COM	6,980	158,247	172,057
	ILL TOOL WORKS INC	2,150	265,776	298,592
	JOHNSON & JOHNSON	4,460	394,344	600,717
	JPMORGAN CHASE & CO	8,165	525,066	935,546
	LOCKHEED MARTIN CORP	1,835	264,627	587,952
	LYONDELLBASELL NV CL-A	3,040	248,024	342,851
	MARSH & MCLENNAN COS INC	4,315	340,561	365,178
	MAXIM INTEGRATED PRODUCTS INC	3,435	106,459	207,714
	MC CORMICK AND CO NON VOTING	1,340	130,979	167,339
	MC DONALDS CORP	3,042	488,174	493,504
	MEDTRONIC PLC SHS	3,965	317,928	382,266
	MICROSOFT CORP	8,190	308,846	919,983
	NEXTERA ENERGY INC	4,560	426,318	775,656
	PAYCHEX INC	7,265	330,158	532,161
	PEPSICO INC NC	4,985	512,182	558,370
	PFIZER INC	10,960	360,664	455,059
	PHILLIPS 66 COM	1,990	215,467	235,835
	REALTY INCOME CORP	3,435	205,329	201,188
	SEMPRA ENERGY	3,415	391,136	396,413
	SIMON PPTY GROUP INC	1,455	234,858	266,309
	STARBUCKS CORP WASHINGTON	6,655	342,663	355,710
	TEXAS INSTRUMENTS	7,065	486,827	794,107
	U S BANCORP COM NEW	4,455	230,785	241,060
	VALERO ENERGY CP DELA NEW	2,505	160,135	295,289
	VENTAS INC	1,630	88,508	97,588
*	WCM FOCUSED INTERNATIONAL GROWTH FUND L.P.	5,305	9,286,003	13,118,266
	WEC ENERGY GROUP INC COM	6,335	297,257	428,119
	WILLIAMS CO INC	8,560	259,351	253,290
			$ 23,283,406	$ 32,761,105

* PARTY-IN-INTEREST

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE STOCK - COMMON

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION COMMON STOCK NO. OF SHARES	(d) COST	(e) CURRENT VALUE

HOLDINGS OF CERTAIN INVESTMENTS WERE DETERMINED TO BE PLAN ASSETS FOR FORM 5500 PURPOSES AND ARE SEPARATELY IDENTIFIED HERE BASED ON THE ALLOCATION OF UNDERLYING ASSETS PROVIDED BY THE INVESTMENT MANAGER, AS OF THE DATE OF THEIR LATEST AUDITED FINANCIAL STATEMENTS.

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF REAL ESTATE

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b) ISSUER	(c) - DESCRIPTION REAL ESTATE NO. OF SHARES	(d) COST	(e) CURRENT VALUE
INVESTMENT PROPERTY - LOT 19 32-43 49TH AVENUE LONG ISLAND CITY NY	-	$ 1,025,665	$ 1,485,000
		$ 1,025,665	$ 1,485,000

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF COMMON/COLLECTIVE TRUST FUNDS

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION COMMON TRUST FUNDS NO. OF SHARES	(d) COST	(e) CURRENT VALUE
*	RUSSELL 2000 (R) INDX SL FUND	64,871	$ 2,645,602	$ 7,900,238
*	RUSSELL 1000 (R) GROWTH INDX NL FUND	185,342	5,621,290	19,196,749
			$ 8,266,892	$ 27,096,987

* PARTY-IN-INTEREST

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF POOLED SEPARATE ACCOUNTS

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION POOLED SEPARATE ACCOUNTS UNITS	(d) COST	(e) CURRENT VALUE
*	PRUDENTIAL PRISA	186	$ 11,015,591	$ 11,572,442
			$ 11,015,591	$ 11,572,442

* PARTY-IN-INTEREST

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF REGISTERED INVESTMENT COMPANIES

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b) ISSUER	(c) - DESCRIPTION REGISTERED INVESTMENT COMPANIES NO. OF SHARES	(d) COST	(e) CURRENT VALUE
LAZARD GLB LSTD INFR PTF INST	975,284	$ 13,570,119	$ 15,097,393
		$ 13,570,119	$ 15,097,393

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE RECONCILING THE STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS TO FORM 5500

AUGUST 31, 2018

	Per Financial Statements	Reclassification	Per Form 5500
Assets			
Investments			
Interest bearing cash	$ 3,249,095	$ 797,088	$ 4,046,183
U.S. government securities	23,913,125	-	23,913,125
Corporate debt instruments	17,926,946	-	17,926,946
Corporate stock	19,747,139	13,118,266	32,865,405
Partnership/joint venture interests	13,800,683	(13,800,683)	-
Real estate	1,485,000	-	1,485,000
Common/collective trust funds	27,096,987	-	27,096,987
Pooled separate accounts	11,572,442	-	11,572,442
Registered investment companies	15,097,393	-	15,097,393
Receivables	21,109,558	204,015	21,313,573
Cash	4,447,864	-	4,447,864
Other assets	173,140	-	173,140
Total assets	159,619,372	318,686	159,938,058
Liabilities			
Operating payables	395,006	-	395,006
Other liabilities	115,252	318,686	433,938
Total liabilities	510,258	318,686	828,944
Net assets available for benefits	$ 159,109,114	$ -	$ 159,109,114

The Plan's holdings in various investments were determined to be plan assets for Form 5500 purposes. This schedule reconciles audited financial statement amounts, plus the Plan's share of amounts provided by the investment managers to the Form 5500 Schedule H amounts.

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULES OF INVESTMENT EXPENSES

YEARS ENDED AUGUST 31, 2018 AND 2017

	2018	2017
Building Appraisal Cost	$ 3,500	$ 1,330
Bahl & Gaynor	65,157	61,487
Bradford & Marzec	51,107	55,204
Lynch, Jones, & Ryan and other commission rebates	(8,869)	(1,508)
Morgan Stanley Smith Barney	75,498	81,349
Prudential Insurance	152,468	155,855
State Street Global Advisors	23,017	6,278
Weaver Barksdale	23,415	24,119
Wedge Capital Management	-	14,739
Total investment expenses	$ 385,293	$ 398,853

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULES OF ADMINISTRATIVE EXPENSES

YEARS ENDED AUGUST 31, 2018 AND 2017

	2018	2017
Payroll	$ 251,310	$ 257,770
Payroll taxes	19,256	18,784
Employee benefits	145,539	131,222
Occupancy	60,798	60,613
Office	35,867	31,090
Printing	13,598	13,306
Legal	716,980	262,809
Accounting	55,175	49,375
Payroll audits	40,115	25,882
Actuarial consulting	672,226	233,669
Consulting	27,398	30,108
Computer	33,920	15,136
Insurance	187,707	184,311
Conferences and meetings	362	345
Total administrative expenses	$ 2,260,251	$ 1,314,420

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF INTEREST BEARING CASH

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b)	(c) - DESCRIPTION INTEREST BEARING CASH		(d)	(e)
	ISSUER	INTEREST RATE	MATURITY DATE	COST	CURRENT VALUE
*	MORGAN STANLEY BANK N.A.	VARIABLE	ON DEMAND	$ 3,249,095	$ 3,249,095
*	WCM FOCUSED INTERNATIONAL GROWTH FUND L.P.	VARIABLE	ON DEMAND	797,088	797,088
				$ 4,046,183	$ 4,046,183

* PARTY-IN-INTEREST

HOLDINGS OF CERTAIN INVESTMENTS WERE DETERMINED TO BE PLAN ASSETS FOR FORM 5500 PURPOSES AND ARE SEPARATELY IDENTIFIED HERE BASED ON THE ALLOCATION OF UNDERLYING ASSETS PROVIDED BY THE INVESTMENT MANAGER, AS OF THE DATE OF THEIR LATEST AUDITED FINANCIAL STATEMENTS.

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF U.S. GOVERNMENT SECURITIES

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION U.S. GOVERNMENT SECURITIES			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
UNITED STATES TREASURY NOTE FLOATING RATE	2.23%	01/31/2019	$ 113,000	$ 113,284	$ 113,086
UNITED STATES TREASURY NOTE	1.63%	12/31/2019	1,500,000	1,516,758	1,481,775
UNITED STATES TREASURY NOTE FLOATING RATE	2.09%	01/31/2020	390,000	389,968	389,942
UNITED STATES TREASURY NOTE	1.50%	05/15/2020	250,000	250,371	245,400
UNITED STATES TREASURY NOTE	2.50%	05/31/2020	315,000	314,606	314,348
UNITED STATES TREASURY NOTE	2.63%	07/31/2020	1,000,000	1,000,508	999,840
UNITED STATES TREASURY NOTE	1.63%	07/31/2020	250,000	251,621	245,343
FEDERAL NATIONAL MTG ASSN POOL 745525	5.50%	05/01/2021	1,250,000	21,924	20,746
UNITED STATES TREASURY NOTE	2.63%	06/15/2021	1,788,000	1,785,765	1,784,996
UNITED STATES TREASURY NOTE	2.13%	12/31/2022	300,000	303,516	292,512
UNITED STATES TREASURY NOTE	2.75%	05/31/2023	1,043,000	1,041,052	1,043,688
FNMA REMIC TRUST 2010-42 AC	4.00%	10/25/2024	1,100,000	10,762	10,399
UNITED STATES TREASURY NOTE	2.88%	05/31/2025	1,235,000	1,234,615	1,240,360
GOVERNMENT NATIONAL MTG ASSN POOL 004787	4.50%	09/20/2025	1,000,000	133,317	127,967
UNITED STATES TREASURY NOTE-INFLATION INDEXED	0.38%	07/15/2027	403,000	397,278	402,191
UNITED STATES TREASURY NOTE	2.75%	02/15/2028	1,250,000	1,239,991	1,238,825
FEDERAL NATIONAL MTG ASSN POOL AR8266	2.00%	04/01/2028	700,000	212,914	202,137
UNITED STATES TREASURY NOTE	2.88%	05/15/2028	379,000	376,833	379,443
UNITED STATES TREASURY NOTE	2.88%	08/15/2028	470,000	471,682	470,898
UNITED STATES TREASURY NOTE	2.88%	08/15/2028	661,000	657,566	662,263
FEDERAL NATIONAL MTG ASSN POOL MA1138	3.50%	07/01/2032	31,000	12,929	12,174
FEDERAL NATIONAL MTG ASSN POOL MA1652	3.50%	11/01/2033	200,000	99,712	96,501
FEDERAL NATIONAL MTG ASSN POOL 759098	5.50%	01/01/2034	3,000,000	264,122	261,295
FHLMC 20 YR GOLD C91816	3.50%	03/01/2035	112,000	70,863	67,921
FHLMC 20 YR GOLD C91820	3.50%	03/01/2035	89,000	55,133	52,954
FHLMC 20 YR GOLD C91844	3.50%	09/01/2035	229,000	150,103	143,338
FEDERAL NATIONAL MTG ASSN POOL AS6709	3.50%	02/01/2036	118,000	80,185	76,297
FHLMC 20 YR GOLD C91925	3.50%	03/01/2037	253,000	228,239	221,955
FEDERAL NATIONAL MTG ASSN POOL BJ3807	3.50%	01/01/2038	57,000	56,591	55,291
FHLMC 20 YR GOLD C91993	3.50%	05/01/2038	36,000	35,398	35,346
UNITED STATES TREASURY BOND	3.50%	02/15/2039	100,000	107,594	108,539
FEDERAL NATIONAL MTG ASSN POOL MA0185	5.50%	08/01/2039	1,000,000	61,912	61,969
FEDERAL NATIONAL MTG ASSN POOL MA0190	5.00%	09/01/2039	2,000,000	30,994	30,243
GOVERNMENT NATIONAL MTG ASSN POOL 737635	5.00%	08/20/2040	1,550,000	407,702	402,200
GOVERNMENT NATIONAL MTG ASSN POOL 760306	4.00%	09/20/2041	150,000	34,605	33,927
GNMA REMIC TRUST 2014-54 A	2.50%	10/16/2041	100,000	6,192	6,090
FEDERAL NATIONAL MTG ASSN POOL AX5312	4.00%	01/01/2042	43,000	25,113	24,036
FEDERAL NATIONAL MTG ASSN POOL MA0969	3.50%	01/01/2042	750,000	155,884	150,793
GOVERNMENT NATIONAL MTG ASSN POOL 774435	3.50%	07/20/2042	600,000	310,523	306,054
GOVERNMENT NATIONAL MTG ASSN POOL 774439	3.50%	07/20/2042	400,000	275,948	271,977
FHLMC 30 YR GOLD T65091	3.00%	08/01/2042	800,000	335,209	332,974
FHLMC 30 YR GOLD U91884	3.00%	08/01/2043	1,056,547	463,977	441,143
FEDERAL NATIONAL MTG ASSN POOL AU5874	4.00%	09/01/2043	139,000	77,267	75,526
FHLMC 30 YR GOLD G08567	4.00%	01/01/2044	578,248	227,599	222,357
FHLMC 30 YR GOLD Q26076	4.00%	05/01/2044	152,489	91,156	89,007
FHLMC 30 YR GOLD Q26215	4.00%	05/01/2044	277,064	108,597	106,031
FEDERAL NATIONAL MORTGAGE ASSOC RELOCATION LOAN BC5090	4.00%	10/01/2044	99,000	54,384	51,860
FHLMC 30 YR GOLD G08623	3.50%	01/01/2045	4,232,934	2,350,130	2,232,160
FHLMC 30 YR GOLD Q33134	3.50%	04/01/2045	2,000,000	1,102,789	1,049,111
FHLMC 30 YR GOLD V82155	4.00%	12/01/2045	543,000	382,144	364,280
FHLMC 30 YR GOLD G08693	3.50%	02/01/2046	1,144,064	815,640	774,755
FEDERAL NATIONAL MTG ASSN POOL AS7568	4.50%	07/01/2046	132,000	84,706	80,692

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF U.S. GOVERNMENT SECURITIES

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002

FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION U.S. GOVERNMENT SECURITIES			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
FHLMC 30 YR GOLD G08720	4.50%	08/01/2046	49,000	35,235	34,232
FHLMC 30 YR GOLD G60703	4.00%	09/01/2046	250,000	212,319	201,588
FEDERAL NATIONAL MTG ASSN POOL AS8142	4.00%	10/01/2046	221,000	187,153	177,571
FEDERAL NATIONAL MTG ASSN POOL AS8157	4.50%	10/01/2046	273,000	203,579	191,765
FHLMC 15 YR GOLD Q46279	3.50%	02/01/2047	605,000	561,344	539,946
FHLMC 30 YR GOLD G60857	4.00%	02/01/2047	198,000	163,563	158,412
FHLMC 30 YR GOLD G08764	4.50%	05/01/2047	560,000	467,557	450,404
FEDERAL NATIONAL MTG ASSN POOL BE3702	4.00%	06/01/2047	94,000	86,493	84,995
FHLMC 30 YR GOLD Q49553	4.00%	07/01/2047	91,000	86,985	84,033
FHLMC 30 YR GOLD Q50883	4.50%	09/01/2047	112,000	107,610	105,156
FHLMC 30 YR GOLD Q51334	4.00%	10/01/2047	352,000	338,641	332,107
FEDERAL NATIONAL MTG ASSN POOL CA1218	4.50%	02/01/2048	72,000	71,803	71,344
FEDERAL NATIONAL MTG ASSN POOL CA1378	4.00%	03/01/2048	165,000	165,240	164,288
FEDERAL NATIONAL MTG ASSN POOL BJ9176	4.00%	05/01/2048	63,000	63,115	63,253
FEDERAL NATIONAL MTG ASSN POOL CA1711	4.50%	05/01/2048	627,000	643,103	643,039
UNITED STATES TREASURY BOND	3.13%	05/15/2048	690,000	709,377	706,037
			$ 41,791,346	$ 24,390,788	$ 23,913,125

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - PREFERRED

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - PREFERRED			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
TOYOTA MOTOR CREDIT CORP	2.10%	01/17/2019	$ 100,000	$ 99,915	$ 99,850
SIMON PROPERTY GROUP LP	2.20%	02/01/2019	75,000	74,858	74,921
INTERNATIONAL BUSINESS MACHINES CORP	1.95%	02/12/2019	100,000	99,758	99,776
CISCO SYSTEMS INC	2.13%	03/01/2019	100,000	99,929	99,873
AETNA INC	2.20%	03/15/2019	70,000	69,930	69,867
ELI LILLY & CO	1.95%	03/15/2019	100,000	99,827	99,736
ROYAL BANK OF CANADA	2.15%	03/15/2019	70,000	69,973	69,878
GILEAD SCIENCES INC	2.05%	04/01/2019	70,000	69,879	69,780
BERKSHIRE HATHAWAY INC	2.10%	08/14/2019	100,000	99,991	99,582
PRUDENTIAL FINANCIAL INC	2.35%	08/15/2019	100,000	99,920	99,636
HOME DEPOT INC/THE	1.80%	06/05/2020	250,000	249,855	245,900
WALT DISNEY CO/THE	1.80%	06/05/2020	250,000	249,710	244,990
BANK OF MONTREAL	2.10%	06/15/2020	500,000	499,955	492,395
JOHN DEERE CAPITAL CORP	1.95%	06/22/2020	250,000	249,848	246,040
HERSHEY CO/THE	4.13%	12/01/2020	250,000	268,670	257,543
AFIN 2016-2 C	2.42%	06/20/2021	107,000	107,150	106,127
CARMX 2016-3 B	1.90%	04/15/2022	186,000	180,936	181,032
MANUFACTURERS & TRADERS TRUST CO	2.50%	05/18/2022	250,000	249,650	242,580
AMCAR 2016-4 C	2.41%	07/08/2022	100,000	99,106	98,381
AMCAR 2017-1 C	2.71%	08/18/2022	71,000	70,985	70,200
HYUNDAI AUTO RECV TR 2016-B C	2.19%	11/15/2022	219,000	214,660	214,585
SDART 2017-3 C	2.93%	12/15/2022	216,000	215,982	213,363
FORDO 16-C-C	1.93%	04/15/2023	229,000	227,199	224,200
AMOT 2018-2 A	3.24%	05/15/2023	164,000	163,999	164,594
BANK OF NY MELLON CORP	2.66%	05/16/2023	80,000	80,000	77,861
SSM HEALTH CARE CORP	3.69%	06/01/2023	100,000	100,000	100,556
CITIBANK CCIT 2014-A5 A5	2.68%	06/07/2023	400,000	398,062	396,384
CABMT 2015-2 A1	2.25%	07/17/2023	312,000	306,973	308,456
AMCAR 2018-1 C	3.50%	01/18/2024	57,000	56,998	57,054
APPLE INC	3.00%	02/09/2024	55,000	54,976	54,397
SYNCT 2018-1 B	3.17%	03/15/2024	78,000	77,998	77,696
BURLINGTON NORTHERN SANTA FE LLC	3.75%	04/01/2024	70,000	69,771	71,112
CAMERON INTERNATIONAL CORP	3.70%	06/15/2024	100,000	99,769	97,261
WOART 2018-B A4	3.20%	06/17/2024	179,000	178,995	178,375
WFNMT 2017-C M	2.66%	08/15/2024	60,000	58,976	59,089
TRI-STATE GENERATION & TRANSMISSION ASSOCIATION INC	3.70%	11/01/2024	80,000	80,176	79,022
WFNMT 2016-A M	2.33%	04/15/2025	84,000	83,986	80,900
PNC BANK NA	3.25%	06/01/2025	260,000	267,127	254,886
DISCOVER CARD EXECUTION NOTE TRUST	3.03%	08/15/2025	199,000	197,383	197,929
SYNCT 2017-2 A	2.62%	10/15/2025	202,000	203,199	196,809
US AIRWAYS 2013-1 CLASS A PASSTHROUGH TRUST	3.95%	11/15/2025	109,000	84,114	80,945
BANK OF NEW YORK MELLON CORP/THE	2.80%	05/04/2026	425,000	423,491	403,555
NSTAR ELECTRIC CO	3.20%	05/15/2027	46,000	45,965	44,596
NOVARTIS CAPITAL CORP	3.10%	05/17/2027	250,000	247,773	241,410
UNITED AIRLINES 2014-1 CLASS APASS THROUGH TRUST	4.00%	10/11/2027	80,000	66,633	67,328
AMERICAN AIRLINES 2016-2 CLASSAA PASS THROUGH TRU	3.20%	12/15/2029	250,000	230,500	219,832
SPIRIT AIRLINES PASS THROUGH TRUST 2017-1AA	3.38%	08/15/2031	45,000	44,154	42,847
SBA 100098	3.33%	03/25/2038	500,000	132,974	131,007
SBA100100	3.68%	06/25/2038	500,000	225,623	218,040

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - PREFERRED

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002

FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - PREFERRED			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
TRI-STATE GENERATION & TRANSMISSION ASSOCIATION INC	4.70%	11/01/2044	95,000	97,878	96,810
MSBAM2012-C6AS	3.48%	11/17/2045	115,000	121,949	114,893
CITIGRP COML MTG TR 2013-GCJ11B	3.73%	04/10/2046	81,000	80,595	79,852
SOUTHERN CALIFORNIA EDISON CO	4.13%	03/01/2048	110,000	107,165	107,263
CGCMT 2015-GC29 A4	3.19%	04/10/2048	97,000	95,193	95,099
CITY OF HOPE	4.38%	08/15/2048	45,000	45,000	45,427
SCRT 2017-2 MA	3.00%	08/25/2056	205,000	194,853	185,908
			$ 9,196,000	$ 8,489,934	$ 8,347,428

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LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - OTHER

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - OTHER			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
RALPH LAUREN CORP	2.13%	09/26/2018	$ 200,000	$ 203,102	$ 199,960
BANK OF AMERICA CORP	2.60%	01/15/2019	100,000	100,279	100,011
GOLDMAN SACHS GROUP INC/THE	7.50%	02/15/2019	250,000	274,698	255,300
XILINX INC	2.13%	03/15/2019	70,000	69,634	69,810
AMERICAN EXPRESS CREDIT CORP	2.13%	03/18/2019	80,000	79,849	79,838
SUNTRUST BANKS INC	2.50%	05/01/2019	100,000	99,911	99,959
BP CAPITAL MARKETS PLC	2.24%	05/10/2019	75,000	75,000	74,790
CVS HEALTH CORP	2.25%	08/12/2019	100,000	99,944	99,478
NEXTERA ENERGY CAPITAL HOLDINGS INC	2.40%	09/15/2019	100,000	99,825	99,516
CONSOLIDATED EDISON INC	2.00%	03/15/2020	250,000	249,918	246,050
DOMINION ENERGY INC	2.58%	07/01/2020	75,000	75,077	73,979
SANTANDER UK GROUP HOLDINGS PLC	3.13%	01/08/2021	70,000	69,989	69,173
REGIONS FINANCIAL CORP	3.20%	02/08/2021	200,000	199,790	199,258
AMERICAN EXPRESS CREDIT CORP	2.25%	05/05/2021	300,000	299,817	292,920
WEC ENERGY GROUP INC	3.38%	06/15/2021	50,000	49,980	50,198
DISCOVER BANK	3.20%	08/09/2021	100,000	99,732	99,084
KROGER CO/THE	2.95%	11/01/2021	100,000	99,968	98,716
AIRCASTLE LTD	5.50%	02/15/2022	95,000	98,413	99,288
ALABAMA POWER CO	2.45%	03/30/2022	250,000	249,795	243,068
QUALCOMM INC	3.00%	05/20/2022	500,000	499,810	494,005
CHARTER COMMUNICATIONS OPER	4.46%	07/23/2022	145,000	145,000	147,955
INTERNATIONAL LEASE FINANCE CORP	5.88%	08/15/2022	100,000	113,750	106,519
ALABAMA POWER CO	5.88%	12/01/2022	200,000	245,700	217,562
WELLS FARGO & CO	3.07%	01/24/2023	95,000	95,064	92,976
MARVELL TECHNOLOGY GROUP LTD	4.20%	06/22/2023	50,000	49,898	49,928
EQT MIDSTREAM PARTNERS LP	4.75%	07/15/2023	100,000	99,761	101,457
CNH INDUSTRIAL NV	4.50%	08/15/2023	90,000	91,941	91,112
FEDEX CORP	4.00%	01/15/2024	75,000	74,871	76,822
AMERICAN TOWER CORP	5.00%	02/15/2024	95,000	106,954	99,782
BANK OF AMERICA CORP	3.11%	03/05/2024	95,000	94,904	94,661
KINROSS GOLD CORP	5.95%	03/15/2024	70,000	73,063	71,925
JUNIPER NETWORKS INC	4.50%	03/15/2024	75,000	74,885	76,641
HOSPITALITY PROPERTIES TRUST	4.65%	03/15/2024	70,000	69,778	70,071
JPMORGAN CHASE & CO	3.56%	04/23/2024	105,000	104,255	104,614
CELGENE CORP	3.63%	05/15/2024	100,000	99,659	98,838
AT&T INC	3.49%	06/12/2024	125,000	125,000	125,199
JPMORGAN CHASE & CO	3.80%	07/23/2024	155,000	155,000	155,473
PACIFIC GAS & ELECTRIC CO	3.40%	08/15/2024	100,000	99,925	95,915
CBS CORP	3.70%	08/15/2024	100,000	99,760	97,428
CROWN CASTLE INTERNATIONAL CORP	3.20%	09/01/2024	60,000	57,343	57,320
TRINITY INDUSTRIES INC	4.55%	10/01/2024	100,000	99,974	96,978
ANDEAVOR LOGISTICS LP / TESOROLOGISTICS FINANCE CORP	5.25%	01/15/2025	50,000	52,125	51,188
UNION PACIFIC CORP	3.25%	01/15/2025	100,000	99,669	97,786
COMCAST CORP	3.38%	02/15/2025	100,000	99,912	97,525
REALTY INCOME CORP	3.88%	04/15/2025	70,000	69,650	69,980
HAWAIIAN AIRLINES 2013-1 CLASSA PASS THROUGH CERTIFICATES	3.90%	01/15/2026	125,000	94,319	92,469
CITIGROUP INC	3.40%	05/01/2026	250,000	249,495	239,398
EAGLE MATERIALS INC	4.50%	08/01/2026	95,000	99,201	95,161
CITIGROUP INC	3.20%	10/21/2026	250,000	249,853	234,703
WELLS FARGO & CO	3.00%	10/23/2026	250,000	249,423	233,730
BUCKEYE PARTNERS LP	3.95%	12/01/2026	120,000	109,823	110,453
HEXCEL CORP	3.95%	02/15/2027	240,000	238,942	235,795

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE DEBT INSTRUMENTS - OTHER

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002

FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b)	(c) - DESCRIPTION CORPORATE DEBT INSTRUMENTS - OTHER			(d)	(e)
ISSUER	INTEREST RATE	MATURITY DATE	PAR OR MATURITY VALUE	COST	CURRENT VALUE
PHYSICIANS REALTY LP	4.30%	03/15/2027	100,000	98,956	97,614
MERCURY GENERAL CORP	4.40%	03/15/2027	55,000	54,916	53,610
RPM INTERNATIONAL INC	3.75%	03/15/2027	110,000	109,844	105,312
DOLLAR GENERAL CORP	3.88%	04/15/2027	250,000	249,815	245,665
BRIGHTHOUSE FINANCIAL INC	3.70%	06/22/2027	60,000	53,893	53,611
EQT CORP	3.90%	10/01/2027	55,000	53,685	51,769
HUDSON PACIFIC PROPERTIES LP	3.95%	11/01/2027	90,000	89,863	85,054
CITIGROUP INC	3.89%	01/10/2028	105,000	106,172	102,341
LINCOLN NATIONAL CORP	3.80%	03/01/2028	90,000	89,790	87,474
STORE CAPITAL CORP	4.50%	03/15/2028	95,000	94,539	93,527
ENABLE MIDSTREAM PARTNERS LP	4.95%	05/15/2028	55,000	54,558	54,650
VODAFONE GROUP PLC	4.38%	05/30/2028	90,000	88,831	89,495
MORGAN STANLEY	3.59%	07/22/2028	55,000	55,000	52,409
FORD MOTOR CO	6.38%	02/01/2029	250,000	285,515	260,250
GOLDMAN SACHS GROUP INC	3.81%	04/23/2029	105,000	105,000	100,449
HESS CORP	7.88%	10/01/2029	30,000	36,839	36,558
TORONTO-DOMINION BANK	3.63%	09/15/2031	55,000	54,857	52,193
BANK OF MONTREAL	3.80%	12/15/2032	60,000	60,000	56,394
HESS CORP	7.13%	03/15/2033	100,000	117,586	116,630
PLAINS ALL AMERICAN PIPELINE LP / PAA FINANCE CORP	6.65%	01/15/2037	90,000	103,018	100,930
DISCOVERY COMMUNICATIONS LLC	5.00%	09/20/2037	50,000	48,845	48,752
CVS HEALTH CORP	4.78%	03/25/2038	60,000	59,167	59,796
ENBRIDGE ENERGY PARTNERS LP	7.50%	04/15/2038	40,000	49,196	51,190
ENERGY TRANSFER PARTNERS LP	5.80%	06/15/2038	70,000	69,012	72,503
TIME WARNER INC	4.90%	06/15/2042	60,000	60,755	56,188
MOTOROLA SOLUTIONS INC	5.50%	09/01/2044	130,000	130,801	123,295
ALBEMARLE CORP	5.45%	12/01/2044	45,000	48,201	47,533
SYSCO CORP	4.50%	04/01/2046	80,000	80,091	79,928
GSMS 2014-GC24 C	4.53%	09/10/2047	110,000	110,088	108,352
PPL CAPITAL FUNDING INC	4.00%	09/15/2047	120,000	118,546	110,422
WESTLAKE CHEMICAL CORP	4.38%	11/15/2047	60,000	59,387	54,923
RABOBANK NEDERLAND	11.00%	08/31/2058	85,000	114,410	90,372
ENBRIDGE INC	6.25%	03/01/2078	50,000	50,000	48,564
			$ 9,680,000	$ 9,844,604	$ 9,579,518

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LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE STOCK - PREFERRED

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b) ISSUER	(c) - DESCRIPTION PREFERRED STOCK NO. OF SHARES	(d) COST	(e) CURRENT VALUE
COBANK ACB 6.25% SER F	1,000	$ 106,450	$ 104,300
		$ 106,450	$ 104,300

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE STOCK - COMMON

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION COMMON STOCK NO. OF SHARES	(d) COST	(e) CURRENT VALUE
	3M COMPANY	2,280	$ 317,504	$ 480,898
	ABBOTT LABORATORIES	7,430	320,500	496,621
	ABBVIE INC COM	6,270	360,711	601,795
	AIR PROD & CHEM INC	3,125	445,712	519,656
	ALTRIA GROUP INC	7,205	289,663	421,637
	AMGEN INC	3,075	545,112	614,416
	AUTOMATIC DATA PROCESSING INC	1,205	85,805	176,834
	BB & T CORP	14,890	574,467	769,217
	BLACKROCK INC	840	255,898	402,410
	BROADCOM INC	755	199,189	165,368
	CHEVRON CORP	2,355	273,766	278,973
	CISCO SYS INC	18,080	406,881	863,682
	CROWN CASTLE INTL CORP	4,615	388,864	526,248
	ELI LILLY & CO	930	98,068	98,255
	EXXON MOBIL CORP	3,010	255,607	241,312
	HASBRO INC	1,845	100,512	183,227
	HOME DEPOT INC	3,865	452,776	775,976
	HONEYWELL INTERNATIONAL INC	4,190	535,699	666,461
	HP INC COM	6,980	158,247	172,057
	ILL TOOL WORKS INC	2,150	265,776	298,592
	JOHNSON & JOHNSON	4,460	394,344	600,717
	JPMORGAN CHASE & CO	8,165	525,066	935,546
	LOCKHEED MARTIN CORP	1,835	264,627	587,952
	LYONDELLBASELL NV CL-A	3,040	248,024	342,851
	MARSH & MCLENNAN COS INC	4,315	340,561	365,178
	MAXIM INTEGRATED PRODUCTS INC	3,435	106,459	207,714
	MC CORMICK AND CO NON VOTING	1,340	130,979	167,339
	MC DONALDS CORP	3,042	488,174	493,504
	MEDTRONIC PLC SHS	3,965	317,928	382,266
	MICROSOFT CORP	8,190	308,846	919,983
	NEXTERA ENERGY INC	4,560	426,318	775,656
	PAYCHEX INC	7,265	330,158	532,161
	PEPSICO INC NC	4,985	512,182	558,370
	PFIZER INC	10,960	360,664	455,059
	PHILLIPS 66 COM	1,990	215,467	235,835
	REALTY INCOME CORP	3,435	205,329	201,188
	SEMPRA ENERGY	3,415	391,136	396,413
	SIMON PPTY GROUP INC	1,455	234,858	266,309
	STARBUCKS CORP WASHINGTON	6,655	342,663	355,710
	TEXAS INSTRUMENTS	7,065	486,827	794,107
	U S BANCORP COM NEW	4,455	230,785	241,060
	VALERO ENERGY CP DELA NEW	2,505	160,135	295,289
	VENTAS INC	1,630	88,508	97,588
*	WCM FOCUSED INTERNATIONAL GROWTH FUND L.P.	5,305	9,286,003	13,118,266
	WEC ENERGY GROUP INC COM	6,335	297,257	428,119
	WILLIAMS CO INC	8,560	259,351	253,290
			$ 23,283,406	$ 32,761,105

* PARTY-IN-INTEREST

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF CORPORATE STOCK - COMMON

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION COMMON STOCK NO. OF SHARES	(d) COST	(e) CURRENT VALUE

HOLDINGS OF CERTAIN INVESTMENTS WERE DETERMINED TO BE PLAN ASSETS FOR FORM 5500 PURPOSES AND ARE SEPARATELY IDENTIFIED HERE BASED ON THE ALLOCATION OF UNDERLYING ASSETS PROVIDED BY THE INVESTMENT MANAGER, AS OF THE DATE OF THEIR LATEST AUDITED FINANCIAL STATEMENTS.

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF REAL ESTATE

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002

FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b) ISSUER	(c) - DESCRIPTION REAL ESTATE NO. OF SHARES	(d) COST	(e) CURRENT VALUE
INVESTMENT PROPERTY - LOT 19 32-43 49TH AVENUE LONG ISLAND CITY NY	-	$ 1,025,665	$ 1,485,000
		$ 1,025,665	$ 1,485,000

CK624

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF COMMON/COLLECTIVE TRUST FUNDS

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION COMMON TRUST FUNDS NO. OF SHARES	(d) COST	(e) CURRENT VALUE
*	RUSSELL 2000 (R) INDX SL FUND	64,871	$ 2,645,602	$ 7,900,238
*	RUSSELL 1000 (R) GROWTH INDX NL FUND	185,342	5,621,290	19,196,749
			$ 8,266,892	$ 27,096,987

* PARTY-IN-INTEREST

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF POOLED SEPARATE ACCOUNTS

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a)	(b) ISSUER	(c) - DESCRIPTION POOLED SEPARATE ACCOUNTS UNITS	(d) COST	(e) CURRENT VALUE
*	PRUDENTIAL PRISA	186	$ 11,015,591	$ 11,572,442
			$ 11,015,591	$ 11,572,442

* PARTY-IN-INTEREST

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

SCHEDULE OF REGISTERED INVESTMENT COMPANIES

AUGUST 31, 2018

EIN 51-6099111, PLAN NO. 002
FORM 5500, SCHEDULE H, LINE 4I - ASSETS HELD FOR INVESTMENT PURPOSES AT END OF YEAR

(a) NOT APPLICABLE

(b) ISSUER	(c) - DESCRIPTION REGISTERED INVESTMENT COMPANIES NO. OF SHARES	(d) COST	(e) CURRENT VALUE
LAZARD GLB LSTD INFR PTF INST	975,284	$ 13,570,119	$ 15,097,393
		$ 13,570,119	$ 15,097,393

FIND

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

Rehabilitation Plan

Background on the Pension Fund

Local 807 Labor-Management Pension Fund (the "Fund" or the "Plan") covers Teamsters in a variety of industries including, but not limited to wholesale building supply distributors, compressed gas distributors, exposition facilitators, and public warehouse/distribution companies. The signatory companies in many of these industries have experienced declines in workforce forcing bankruptcies due to non-union competition, deregulation of the trucking industry, the economic condition of the country, downturn in construction in the greater New York City area, improvements of technology and outsourcing of jobs. For year ending August 31, 1993, active work for which employers made contributions to the Fund was 3,749,000 hours. That number declined to 1,546,363 hours by year ending August 31, 2010. As of August 31, 1993, the Fund had 2,120 active participants, 1,116 inactive vested participants and 4,050 pensioners and beneficiaries, a ratio of 2.44 nonactive participants for every 1 active participant. By August 31, 2010, there were only 900 active participants, 1,026 inactive vested participants and 3,337 pensioners and beneficiaries resulting in a ratio of 4.85 nonactive participants for every 1 active participant. There have been a significant number of bankruptcies and withdrawals of contributing companies to the Fund. The ratio of actives to inactive participants declined further in the Plan Year commencing September 1, 2010 due to the downturn of the United States economy and the slumping building industry in the New York City area.

The Fund's covered population also has aged over the years. The average age of active employees at the beginning of 2002 was 45.0 years old; that average grew to 49.1 years old in 2010. The average pensioner was 72.3 years old in 2002 and it was 74.9 years old in 2010. This leads to a smaller and older workforce generating employer contributions to the Pension Fund for a shorter period of time to provide lifetime monthly benefits to pensioners and beneficiaries who are living longer.

Due to the recent stock market volatility, the Fund has experienced lower investment returns than usual. For the ten years ended August 31, 2002, the Fund had a five year average investment return of 3.54% and a ten year average investment return of 6.55%. For the ten years ended August 31, 2010, the Fund had a five year average investment return of -0.86% and a ten year average investment return of -0.46%. In 2009 alone, the Fund experienced a negative 18.32% return resulting in a loss of more than $45,000,000.

The Trustees have sought to address these issues over recent years. To deal with the impact of the investment losses and other detrimental factors, the Trustees recommended that the bargaining parties obtain additional contributions into the Fund. Over the past five years, for example, the Pension Fund contribution rates for all contributing Employers increased by an average of 6.5% per year. The Trustees also amended the Plan in September, 2001 to cap the accrual rate at the $4.315 contribution rate. In 2010, the Trustees adopted a career average method of calculating future accruals, equating such accruals on a more reasonable basis to contributions, all in an effort to better fund the Plan.

The significant investment loss of 2008, coupled with the cash flow issues related to the reduction in active participants, has led the Fund to a position of possible insolvency, or at best, a significantly longer period of time to emerge from Critical Status than required by ERISA § 305.

Rehabilitation Plan Development

Section 305 of the Employee Retirement Income Security Act (ERISA) and Section 432 of the Internal Revenue Code (IRC), as added by the Pension Protection Act of 2006 ("PPA"), require the Trustees of a multiemployer pension fund that has been certified by its actuary as being in Critical Status (also known as the "Red Zone") to develop a Rehabilitation Plan. Generally, the Rehabilitation Plan should enable a fund to cease to be in Critical Status by the end of the Rehabilitation Period. However, if the Trustees determine, based upon the exhaustion of all reasonable measures that a fund cannot reasonably be expected to emerge by the end of the Rehabilitation Period, the Rehabilitation Plan should be designed to enable the fund to cease to be in Critical Status at a later date if possible, or to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions, and may adopt such reasonable measures as the Trustees deem necessary.

On November 29, 2010, the Fund was certified by its actuaries to be in Critical Status for the Plan Year beginning September 1, 2010. As required by law, the Board of Trustees forwarded a Notice of Critical Status ("Notice") to the Teamsters Local Union No. 807 (the "Union") and the employers contributing to the Fund ("Employers") (referred to collectively as the "bargaining parties"), participants, beneficiaries, the Pension Benefit Guaranty Corporation and the Department of Labor. The Notice advised that (1) the Fund is in Critical Status for the 2010 Plan Year; (2) all of the adjustable benefits supported under the Plan could be eliminated or reduced pursuant to a Rehabilitation Plan; (3) any reductions pursuant to the Rehabilitation Plan would apply only to participants and beneficiaries whose benefit commencement date is after December 27, 2010; and (4) Employers are obligated to pay a 5% contribution surcharge to the Fund, for work performed on and after January 26, 2011. The 5% surcharge will increase to 10% beginning with contributions received on or after September 1, 2011 and will continue until the earlier of (1) the date the Fund emerges from Critical Status; (2) the effective date of a collective bargaining agreement ("CBA") that is in compliance with this Rehabilitation Plan; or (3) the date the contribution increases described below become effective with respect to an Employer because the bargaining parties fail to adopt a CBA in compliance with the Rehabilitation Plan within the time period required by Section 305(e)(C)(ii) of ERISA. The surcharges will continue until the CBA is signed, and the required increase in contributions will be retroactive to the date the CBA is effective.

The schedule of contribution increases and benefit reductions attached to this Rehabilitation Plan (Schedule "A") and embodied herein will be provided to the bargaining parties no later than the thirtieth day after the Board of Trustees adopt this Rehabilitation Plan. Any new CBA entered into by the bargaining parties or any other agreement calling for participation in the Fund after it is so provided must reflect the terms of the most recently issued Schedule A. If the bargaining parties cannot reach an agreement concerning the adoption of Schedule A, Schedule A is to be treated as the Default Schedule and will become effective on the date specified in ERISA Section 305(e)(3)(C)(ii). In the case of an Employer that contributes to the Fund only with respect to employees not covered by a CBA, that Employer's agreement with the Fund providing for contributions to the Fund will be treated as a CBA that expires on August 31, 2011.

The Board of Trustees will review the Fund's Rehabilitation Plan annually and will update the Rehabilitation Plan as required by law. In addition, the Board of Trustees will continue to consider all options available to the Fund, including but not limited to reducing Fund expenditures, taking advantage of any changes in law, or exploring a merger with another plan. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

This Rehabilitation Plan:

1. specifies the Rehabilitation Period;

2. describes alternatives the Trustees considered when preparing the Rehabilitation Plan;

3. explains why the Trustees concluded that there are no reasonable measures that would enable the Plan to emerge from Critical Status in the time frame prescribed by ERISA § 305;

4. includes remedies and a schedule of benefits and contributions (Schedule A) that are projected to enable the Fund to postpone the projected date of insolvency and/or cause the Fund to emerge from Critical Status;

5. explains that the Default Schedule will be put into effect automatically if the bargaining parties do not agree on an acceptable schedule in a timely manner; and

6. sets out the annual standard to be achieved under the Rehabilitation Plan and explains that the Rehabilitation Plan will be updated from time to time.

Rehabilitation Period

The Fund's Rehabilitation Period is the 24 year period beginning on September 1, 2013 and ending on August 31, 2037.

Rehabilitation Plan Standard

The Fund's Board of Trustees has determined that based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from Critical Status within the time frame prescribed by ERISA § 305 (the "Prescribed Period"). Accordingly, pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees is adopting reasonable measures in this Rehabilitation Plan to forestall insolvency (as defined by ERISA Section 4245) and/or emerge from Critical Status over a projected period of time.

The Board of Trustees considered a number of actions, options, and alternatives that might permit the Fund to emerge from Critical Status by the end of the Prescribed Period. The Trustees have determined the remedies necessary for such a result as being unreasonable measures that would be untenable or counter productive and adverse to the Fund and its participants. The remedies considered included the following:

- The Fund's actuary projected that if there were no changes to the Plan's current schedule of benefits, Employers would need to increase their current contribution rates by at least 27.5% per year for the next ten years to emerge from Critical Status by September 1, 2023. This means the current $4.7065 average hourly contribution rate would need to increase to an average contribution rate of $53.43 per hour.
- The Fund's actuary projected that if future accrual rates are reduced to the minimum level allowed by law in a default schedule (the equivalent of 1% of contributions), all adjustable benefits are eliminated and all future contribution increases are supplemental (meaning that the increased rates do not increase the future credit multiplier in the Plan), Employers would need to increase their current contribution rates by at least 21.5% per year, compounded each year, from the start of the next collective bargaining agreement through September 1, 2023 to emerge from critical status. This means the current $4.7065 average contribution rate would need to increase to an average of $33.00 per hour.

The Trustees concluded that there are no reasonable measures that will enable the Plan to emerge from Critical Status in the Prescribed Period for the following reasons:

- The Trustees noted that the final contribution rates needed to emerge from critical status by September 1, 2023 were more than the current hourly wage rates for the majority of the participants in this Fund. Even higher final rates would be needed to emerge from critical status at a later date.
- The Trustees noted that a complete freeze of future benefit accruals would provide little incentive for participants to support contribution rate increases, especially since those increases would need to be financed by reductions in health fund contributions and wages.
- The Trustees noted the financial pressure on current contributing Employers, and how any significant increases in future contributions would put the operation of these companies in question, thus jeopardizing the future contribution source of

the Fund. Significant increases would likely result in withdrawals of contributing Employers requiring even larger and more unreasonable contribution rate increases from any remaining contributing Employers to enable the Plan to emerge from Critical Status.

Trustee-Approved Rehabilitation Plan Remedies

The Board of Trustees concluded that annual contribution rate increases in excess of those called for under Schedule A were not reasonable and could trigger a mass withdrawal and significant losses to the Fund and its participants. Therefore, the Trustees concluded that contributions required to ever emerge from Critical Status within the time frame prescribed by ERISA would be unreasonable and the Rehabilitation Plan could only reasonably be expected to forestall insolvency or emerge from Critical Status over a much longer period of time. Based on this, the Trustees have adopted the following reasonable measures to forestall insolvency, and/or eventually emerge from Critical Status which the Trustees have determined to be the most the Fund can reasonably take given the financial condition of the various industries in which the contributing employers are engaged and the need to maintain active participant support for the Plan.

Schedule of Contribution Rate Increases and Benefit Changes

Contribution Rate Increases for Contributing Employers

Contribution rate increases of 45 cents per hour per year will be required for any collective bargaining agreement that becomes effective after September 1, 2011. All increases in hourly rates will be supplemental after September 1, 2011, and therefore will not cause any increase in future service accruals, except as provided herein.

The impact of these increases in contribution rates will be evaluated annually and will be adjusted based on the financial conditions of the signatory employers and experience of the Fund.

Collective bargaining agreements between the union and contributing employers that are agreed to after September 1, 2011 will not be accepted by the Trustees unless they include terms consistent with this Schedule.

Benefit Changes for Active Participants

The accrual rate as defined in Article III of the Plan Document after February 1, 2012 will be the lesser of 1% of the product of (a) the number of hours for which contributions are due on behalf of the participant in a Plan Credit Year and (b) the contribution rate in effect for his employer prior to its first contribution increase on or after September 1, 2011 (regardless of surcharges) or the accrual rate under the plan as of September 1, 2011.

Non-protected and adjustable benefits for all participants and whose annuity starting date is on or after September 1, 2011, are eliminated as follows:

1. Those retiring on an Early Retirement Pension shall have their benefits reduced in accordance with Schedule B attached to this Rehabilitation Plan eliminating all subsidies previously afforded.

2. All Service Pensions will no longer be available.

3. The 60-month guarantee will no longer apply.

4. Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Schedule C attached to this Rehabilitation Plan will apply.

5. All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.

6. The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.

7. The Death Benefit provided in Section 3.19 of the Plan.

8. Eliminate the Social Security Level Income Option pursuant to Section 3.17 of the Plan.

Benefit Changes for Non-active Participants

Notwithstanding any other terms of this Rehabilitation Plan or the Schedules provided under it, the benefits of retired participants whose annuity starting date was before Sēptember 1, 2011 will not be eliminated or reduced, regardless of a subsequent resumption of Covered Employment.

Participants who have terminated (or will terminate) covered service or whose annuity starting date is on or after September 1, 2011, will have their benefits reduced in accordance with the benefit changes described in this Rehabilitation Plan, effective as of the earliest date permitted after the provision of legally required advance notice.

The benefits of a beneficiary (e.g. surviving spouse) or of an Alternate Payee under a QDRO will be determined on the same basis as those of the participant under this Rehabilitation Plan.

Reciprocal Pension Benefits

To the extent that a participant's pension benefit is greater than what is provided under the terms of this Rehabilitation Plan as a result of the impact from an existing reciprocal agreement, that agreement is deemed to be amended by the terms of this Rehabilitation Plan such that no benefit paid to a participant by this Fund is greater than the benefits prescribed herein.

Adoption and Automatic Implementation of Schedule A

Consistent with Section 305(c)(7) of ERISA, if a collective bargaining agreement providing for contributions to the Fund that was in effect on September 1, 2011 expires and after receiving the Rehabilitation Plan Schedule, the bargaining parties fail to adopt contribution terms consistent with the Rehabilitation Plan, Schedule A and its contribution provisions will be implemented automatically as the default schedule180 days after the date on which the collective bargaining agreement expires. Any CBA that expired prior to September 1, 2011 and has not been renewed with a successor agreement, will be considered expired as of September 1, 2011 for the sake of this paragraph.

Automatic Employer Surcharges

Pursuant to Section 305(e)(7) of ERISA, each employer otherwise obligated to make contributions in the initial critical year shall be obligated to pay to the Plan a surcharge equal to 5 percent (5%) of contributions otherwise required under the applicable CBA. Beginning with contributions received on or after September 1, 2011 and for each succeeding plan year in which the Plan is in critical status, the surcharge shall be 10 percent (10%) of the contributions.

The surcharges will continue until the earlier of (1) the date the Fund emerges from Critical Status; (2) the effective date of a CBA that is in compliance with this Rehabilitation Plan; or (3) the date the contribution increases provided herein become effective with respect to an Employer because the bargaining parties fail to adopt a CBA in compliance with the Rehabilitation Plan within the time period required by Section 305(e)(C)(ii) of ERISA. The surcharges will continue until the CBA is signed, and the required increase in contributions will be retroactive to the date the CBA is effective.

The surcharge under this paragraph shall not apply to an employer until 30 days after the employer has been notified that the Plan is in critical status and that the surcharge is in effect. Notwithstanding any provision of the Plan to the contrary, the amount of any surcharge under this paragraph shall not be the basis for any benefit accrual under the Plan.

The surcharges are due and payable on the same schedule as contributions. Any failure to make a surcharge payment shall be treated as a delinquent contribution under Section 1145 of ERISA.

Annual Standards for Meeting the Rehabilitation Requirements

Based on reasonable assumptions, and implementation of the provisions of Schedule A hereof, the Fund is projected to emerge from critical status by September 1, 2037. The Trustees recognize the possibility that actual experience could be less favorable on an annual basis than the reasonable assumptions used for the Rehabilitation Plan. Therefore, the Trustees are establishing the following annual standards:

Determination for Year Ending August 31	Projected Credit Balance (in millions)
2014	$43
2015	21
2016	-3
2017	-27
2018	-52
2019	-78
2020	-106
2021	-134
2022	-144
2023	-148
2024	-151
2025	-154
2026	-150
2027	-143
2028	-134
2029	-128
2030	-119
2031	-110
2032	-99
2033	-87
2034	-73
2035	-57
2036	-40
2037	-21
2038	0

Restrictions on Plan Changes While in Critical Status

While the Plan is in Critical Status the following shall apply: (1) A CBA cannot be accepted that adversely affects the Plan's funding status; (2) Amendments cannot be passed that are inconsistent with the Rehabilitation Plan; (3) Amendments cannot be passed that increase benefits, unless they are paid for with contributions not required by the Rehabilitation Plan; (4) Amendments cannot be passed that increase the liabilities of the Plan, unless required by law; (5) The Plan cannot pay benefits such as lump sums or Social Security level-income options and (6) no annuity purchases can be made (small lump sum distributions permitted if consistent with the Plan).

Annual Updating of Rehabilitation Plan

Each year the Fund's actuary will review and certify the status of the Fund under applicable ERISA and IRC funding rules and, starting with the 2013 plan year, whether the Fund is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. If it is determined that it is necessary in light of updated information, the Trustees will revise the Rehabilitation Plan and present updated schedules to the bargaining parties. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with the schedule in effect at the time of the renewal or extension.

SCHEDULE A

1. Contribution Increases

$.45 per hour in each contract year.

2. Future Benefit Accruals

The accrual rate as defined in Article III of the Plan Document after February 1, 2012 will be the lesser of 1% of the product of (a) the number of hours for which contributions are due on behalf of a participant in a Plan Credit Year and (b) the contribution rate in effect for his employer prior to its first contribution increase (regardless of surcharges) on or after September 1, 2011 required to be made with respect to a participant or the accrual rate under the Plan as of September 1, 2011.

3. Adjustable Benefits

- Those retiring before Early Retirement Pension shall have their benefits reduced in accordance with Schedule B attached to this Rehabilitation Plan eliminating all subsidies previously afforded.
- All Service Pensions will no longer be available.
- The 60-month guarantee will no longer apply.
- Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Schedule C attached to this Rehabilitation Plan will apply.
- All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.
- The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.
- The Death Benefit provided in Section 3.19 of the Plan.
- The Social Security Level Income Option pursuant to Section 3.17 of the Plan is eliminated.

SCHEDULE B

Early Retirement Factors for Rehabilitation Plan

Early retirement benefit is calculated by multiplying the Regular Pension benefit by the factor below corresponding with the age of a participant at Early Retirement date.

Age	Factor
55	36.59%
56	40.12%
57	44.07%
58	48.48%
59	53.43%
60	58.99%
61	65.26%
62	72.35%
63	80.39%
64	89.54%

Note: Reductions for fractional ages are interpolated based on the above.

SCHEDULE C

J&S Factors for Rehabilitation Plan

50% joint and survivor:

88% plus 0.4% for each full year that the spouse's age is greater than the Participant's age or minus 0.4% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

75% joint and survivor:

83% plus 0.5% for each full year that the spouse's age is greater than the Participant's age or minus 0.5% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

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LOCAL 807 LABOR-MANAGEMENT PENSION FUND

First Amended Rehabilitation Plan

Background on the Pension Fund

Local 807 Labor-Management Pension Fund (the "Fund" or the "Plan") covers Teamsters in a variety of industries including, but not limited to wholesale building supply distributors, compressed gas distributors, exposition facilitators, and public warehouse/distribution companies. The signatory companies in many of these industries have experienced declines in workforce forcing bankruptcies due to non-union competition, deregulation of the trucking industry, the economic condition of the country, downturn in construction in the greater New York City area, improvements of technology and outsourcing of jobs. For year ending August 31, 1993, active work for which employers made contributions to the Fund was 3,749,000 hours. That number declined to 1,546,363 hours by year ending August 31, 2010. As of August 31, 1993, the Fund had 2,120 active participants, 1,116 inactive vested participants and 4,050 pensioners and beneficiaries, a ratio of 2.44 nonactive participants for every 1 active participant. By August 31, 2010, there were only 900 active participants, 1,026 inactive vested participants and 3,337 pensioners and beneficiaries resulting in a ratio of 4.85 nonactive participants for every 1 active participant. There have been a significant number of bankruptcies and withdrawals of contributing companies to the Fund. The ratio of actives to inactive participants declined further in the Plan Year commencing September 1, 2010 due to the downturn of the United States economy and the slumping building industry in the New York City area.

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Rehabilitation Plan Development

Section 305 of the Employee Retirement Income Security Act (ERISA) and Section 432 of the Internal Revenue Code (IRC), as added by the Pension Protection Act of 2006 ("PPA"), require the Trustees of a multiemployer pension fund that has been certified by its actuary as being in Critical Status (also known as the "Red Zone") to develop a Rehabilitation Plan. Generally, the Rehabilitation Plan should enable a fund to cease to be in Critical Status by the end of the Rehabilitation Period. However, if the Trustees determine, based upon the exhaustion of all reasonable measures that a fund cannot reasonably be expected to emerge by the end of the Rehabilitation Period, the Rehabilitation Plan should be designed to enable the fund to cease to be in Critical Status at a later date if possible, or to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions, and may adopt such reasonable measures as the Trustees deem necessary.

On November 29, 2010, the Fund was certified by its actuaries to be in Critical Status for the Plan Year beginning September 1, 2010. As required by law, the Board of Trustees forwarded a Notice of Critical Status ("Notice") to the Teamsters Local Union No. 807 (the "Union") and the employers contributing to the Fund ("Employers") (referred to collectively as the "bargaining parties"), participants, beneficiaries, the Pension Benefit Guaranty Corporation and the Department of Labor. The Notice advised that (1) the Fund is in Critical Status for the 2010 Plan Year; (2) all of the adjustable benefits supported under the Plan could be eliminated or reduced pursuant to a Rehabilitation Plan; (3) any reductions pursuant to the Rehabilitation Plan would apply only to participants and beneficiaries whose benefit commencement date is after December 27, 2010; and (4) Employers are obligated to pay a 5% contribution surcharge to the Fund, for work performed on and after January 26, 2011. The 5% surcharge will increase to 10% beginning with contributions received on or after September 1, 2011 and will continue until the earlier of (1) the date the Fund emerges from Critical Status; (2) the effective date of a collective bargaining agreement ("CBA") that is in compliance with this Rehabilitation Plan; or (3) the date the contribution increases described below become effective with respect to an Employer because the bargaining parties fail to adopt a CBA in compliance with the Rehabilitation Plan within the time period required by Section 305(e)(C)(ii) of ERISA. The surcharges will continue until the CBA is signed, and the required increase in contributions will be retroactive to the date the CBA is effective.

The schedule of contribution increases and benefit reductions attached to this Rehabilitation Plan (Schedule "A") and embodied herein will be provided to the bargaining parties no later than the thirtieth day after the Board of Trustees adopt this Rehabilitation Plan. Any new CBA entered into by the bargaining parties or any other agreement calling for participation in the Fund after it is so provided must reflect the terms of the most recently issued Schedule A. If the bargaining parties cannot reach an agreement concerning the adoption of Schedule A, Schedule A is to be treated as the Default Schedule and will become effective on the date specified in ERISA Section 305(e)(3)(C)(ii). In the case of an Employer that contributes to the Fund only with respect to employees not covered by a CBA, that Employer's agreement with the Fund providing for contributions to the Fund will be treated as a CBA that expires on August 31, 2011.

The Board of Trustees will review the Fund's Rehabilitation Plan annually and will update the Rehabilitation Plan as required by law. In addition, the Board of Trustees will continue to consider all options available to the Fund, including but not limited to reducing Fund expenditures, taking advantage of any changes in law, or exploring a merger with another plan. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

This Rehabilitation Plan:

1. specifies the Rehabilitation Period;

2. describes alternatives the Trustees considered when preparing the Rehabilitation Plan;

3. explains why the Trustees concluded that there are no reasonable measures that would enable the Plan to emerge from Critical Status in the time frame prescribed by ERISA § 305;

4. includes remedies and a schedule of benefits and contributions (Schedule A) that are projected to enable the Fund to postpone the projected date of insolvency and/or cause the Fund to emerge from Critical Status;

5. explains that the Default Schedule will be put into effect automatically if the bargaining parties do not agree on an acceptable schedule in a timely manner; and

6. sets out the annual standard to be achieved under the Rehabilitation Plan and explains that the Rehabilitation Plan will be updated from time to time.

Rehabilitation Period

The Fund's Rehabilitation Period is the 35 year period beginning on September 1, 2013 and ending on August 31, 2048.

Rehabilitation Plan Standard

The Fund's Board of Trustees has determined that based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from Critical Status within the time frame prescribed by ERISA § 305 (the "Prescribed Period"). Accordingly, pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees is adopting reasonable measures in this Rehabilitation Plan to forestall insolvency (as defined by ERISA Section 4245) and/or emerge from Critical Status over a projected period of time.

The Board of Trustees considered a number of actions, options, and alternatives that might permit the Fund to emerge from Critical Status by the end of the Prescribed Period. The Trustees have determined the remedies necessary for such a result as being unreasonable measures that would be untenable or counter productive and adverse to the Fund and its participants. The remedies considered included the following:

- The Fund's actuary projected that if there were no changes to the Plan's current schedule of benefits, Employers would need to increase their current contribution rates by at least 27.5% per year for the next ten years to emerge from Critical Status by September 1, 2023. This means the current $4.7065 average hourly contribution rate would need to increase to an average contribution rate of $53.43 per hour.
- The Fund's actuary projected that if future accrual rates are reduced to the minimum level allowed by law in a default schedule (the equivalent of 1% of contributions), all adjustable benefits are eliminated and all future contribution increases are supplemental (meaning that the increased rates do not increase the future credit multiplier in the Plan), Employers would need to increase their current contribution rates by at least 21.5% per year, compounded each year, from the start of the next collective bargaining agreement through September 1, 2023 to emerge from critical status. This means the current $4.7065 average contribution rate would need to increase to an average of $33.00 per hour.

The Trustees concluded that there are no reasonable measures that will enable the Plan to emerge from Critical Status in the Prescribed Period for the following reasons:

- The Trustees noted that the final contribution rates needed to emerge from critical status by September 1, 2023 were more than the current hourly wage rates for the majority of the participants in this Fund. Even higher final rates would be needed to emerge from critical status at a later date.
- The Trustees noted that a complete freeze of future benefit accruals would provide little incentive for participants to support contribution rate increases, especially since those increases would need to be financed by reductions in health fund contributions and wages.
- The Trustees noted the financial pressure on current contributing Employers, and how any significant increases in future contributions would put the operation of these companies in question, thus jeopardizing the future contribution source of

the Fund. Significant increases would likely result in withdrawals of contributing Employers requiring even larger and more unreasonable contribution rate increases from any remaining contributing Employers to enable the Plan to emerge from Critical Status.

Trustee-Approved Rehabilitation Plan Remedies

The Board of Trustees concluded that annual contribution rate increases in excess of those called for under Schedule A were not reasonable and could trigger a mass withdrawal and significant losses to the Fund and its participants. Therefore, the Trustees concluded that contributions required to ever emerge from Critical Status within the time frame prescribed by ERISA would be unreasonable and the Rehabilitation Plan could only reasonably be expected to forestall insolvency or emerge from Critical Status over a much longer period of time. Based on this, the Trustees have adopted the following reasonable measures to forestall insolvency, and/or eventually emerge from Critical Status which the Trustees have determined to be the most the Fund can reasonably take given the financial condition of the various industries in which the contributing employers are engaged and the need to maintain active participant support for the Plan.

Schedule of Contribution Rate Increases and Benefit Changes

Contribution Rate Increases for Contributing Employers

Contribution rate increases of 45 cents per hour per year will be required for any collective bargaining agreement that becomes effective after September 1, 2011. All increases in hourly rates will be supplemental after September 1, 2011, and therefore will not cause any increase in future service accruals, except as provided herein.

The impact of these increases in contribution rates will be evaluated annually and will be adjusted based on the financial conditions of the signatory employers and experience of the Fund.

Benefit Changes for Active Participants

The accrual rate as defined in Article III of the Plan Document after February 1, 2012 will be the lesser of 1% of the product of (a) the number of hours for which contributions are due on behalf of the participant in a Plan Credit Year and (b) the contribution rate in effect for his employer prior to its first contribution increase on or after September 1, 2011 (regardless of surcharges) or the accrual rate under the plan as of September 1, 2011.

Non-protected and adjustable benefits for all participants and whose annuity starting date is on or after September 1, 2011, are eliminated as follows:

1. Those retiring on an Early Retirement Pension shall have their benefits reduced in accordance with Schedule B attached to this Rehabilitation Plan eliminating all subsidies previously afforded.

2. All Service Pensions will no longer be available.

3. The 60-month guarantee will no longer apply.

4. Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Schedule C attached to this Rehabilitation Plan will apply.

5. All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.

6. The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.

7. The Death Benefit provided in Section 3.19 of the Plan.

8. Eliminate the Social Security Level Income Option pursuant to Section 3.17 of the Plan.

Benefit Changes for Non-active Participants

Notwithstanding any other terms of this Rehabilitation Plan or the Schedules provided under it, the benefits of retired participants whose annuity starting date was before September 1, 2011 will not be eliminated or reduced, regardless of a subsequent resumption of Covered Employment.

Participants who have terminated (or will terminate) covered service or whose annuity starting date is on or after September 1, 2011, will have their benefits reduced in accordance with the benefit changes described in this Rehabilitation Plan, effective as of the earliest date permitted after the provision of legally required advance notice.

The benefits of a beneficiary (e.g. surviving spouse) or of an Alternate Payee under a QDRO will be determined on the same basis as those of the participant under this Rehabilitation Plan.

Automatic Implementation of Schedule

If a collective bargaining agreement providing for contributions under the Fund that was in effect on September 1, 2011 expires and after receiving the Rehabilitation Plan Schedule, the bargaining parties fail to adopt contribution terms consistent with the Rehabilitation Plan, Schedule A will be implemented automatically 180 days after the date on which the collective bargaining agreement expires. Any CBA that expired prior to September 1, 2011 and has not been renewed with a successor agreement, will be considered expired as of September 1, 2011 for the sake of this paragraph.

In the event of such automatic implementation of Schedule A, the next annual increase of contributions provided in Schedule A shall occur twelve (12) months after the expiration of the last collective bargaining agreement and NOT the anniversary date of the automatic implementation of Schedule A.

In addition to the authority of the Trustees to automatically implement the provisions of Schedule A, the Board reserves the right to reject any collective bargaining agreement that is not in full compliance with this Rehabilitation Plan and/or ERISA, and thereby terminate participation in the Fund by that employer.

Annual Standards for Meeting the Rehabilitation Requirements

Based on reasonable assumptions, and implementation of the provisions of Schedule A hereof, the Fund is projected to emerge from critical status by September 1, 2048. The Trustees recognize the possibility that actual experience could be less favorable on an annual basis than the reasonable assumptions used for the Rehabilitation Plan. Therefore, the Trustees are establishing the following annual standards:

Determination for Year Ending August 31	Projected Credit Balance (in millions)
2014	$25
2015	-2
2016	-29
2017	-57
2018	-88
2019	-119
2020	-153
2021	-168
2022	-177
2023	-187
2024	-196
2025	-199
2026	-200
2027	-204
2028	-205
2029	-203
2030	-202
2031	-200
2032	-197
2033	-194
2034	-189
2035	-184

2036	-177
2037	-170
2038	-161
2039	-151
2040	-140
2041	-128
2042	-115
2043	-101
2044	-86
2045	-70
2046	-53
2047	-35
2048	-17
2049	0

Surcharges to be Included in the Calculation of Withdrawal Liability Payments

All surcharges previously collected by the Fund from a withdrawing employer shall be included in the calculation of withdrawal liability payments under ERISA Section 4219(c)(1)(C) as if comprising a part of the Employer's obligation to contribute.

Minimum Funding Deficiencies

In the event an Employer withdraws during a Plan Year when the Fund has a minimum funding deficiency, the Employer shall be responsible for its pro-rata share of such deficiency in addition to any withdrawal liability obligation.

Annual Updating of Rehabilitation Plan

Each year the Fund's actuary will review and certify the status of the Fund under applicable ERISA and IRC funding rules and, starting with the 2013 plan year, whether the Fund is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. If it is determined that it is necessary in light of updated information, the Trustees will revise the Rehabilitation Plan and present updated schedules to the bargaining parties. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with the schedule in effect at the time of the renewal or extension.

SCHEDULE A

1. Contribution Increases

$.45 per hour in each contract year.

2. Future Benefit Accruals

The accrual rate as defined in Article III of the Plan Document after February 1, 2012 will be the lesser of 1% of the product of (a) the number of hours for which contributions are due on behalf of a participant in a Plan Credit Year and (b) the contribution rate in effect for his employer prior to its first contribution increase (regardless of surcharges) on or after September 1, 2011 required to be made with respect to a participant or the accrual rate under the plan as of September 1, 2011.

3. Adjustable Benefits

- Those retiring before Early Retirement Pension shall have their benefits reduced in accordance with Schedule B attached to this Rehabilitation Plan eliminating all subsidies previously afforded.
- All Service Pensions will no longer be available.
- The 60-month guarantee will no longer apply.
- Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Schedule C attached to this Rehabilitation Plan will apply.
- All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.
- The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.
- The Death Benefit provided in Section 3.19 of the Plan.
- The Social Security Level Income Option pursuant to Section 3.17 of the Plan is eliminated.

SCHEDULE B

Early Retirement Factors for Rehabilitation Plan

Early retirement benefit is calculated by multiplying the Regular Pension benefit by the factor below corresponding with the age of a participant at Early Retirement date.

Age	Factor
55	36.59%
56	40.12%
57	44.07%
58	48.48%
59	53.43%
60	58.99%
61	65.26%
62	72.35%
63	80.39%
64	89.54%

Note: Reductions for fractional ages are interpolated based on the above.

SCHEDULE C

J&S Factors for Rehabilitation Plan

50% joint and survivor:

88% plus 0.4% for each full year that the spouse's age is greater than the Participant's age or minus 0.4% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

75% joint and survivor:

83% plus 0.5% for each full year that the spouse's age is greater than the Participant's age or minus 0.5% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

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LOCAL 807 LABOR-MANAGEMENT PENSION FUND

Second Amended Rehabilitation Plan

Background on the Pension Fund

Local 807 Labor-Management Pension Fund (the "Fund" or the "Plan") covers Teamsters in a variety of industries including, but not limited to wholesale building supply distributors, compressed gas distributors, exposition facilitators, and public warehouse/distribution companies. The signatory companies in many of these industries have experienced declines in workforce forcing bankruptcies due to non-union competition, deregulation of the trucking industry, the economic condition of the country, downturn in construction in the greater New York City area, improvements of technology and outsourcing of jobs. For year ending August 31, 1993, active work for which employers made contributions to the Fund was 3,749,000 hours. That number declined to 1,546,363 hours by year ending August 31, 2010. As of August 31, 1993, the Fund had 2,120 active participants, 1,116 inactive vested participants and 4,050 pensioners and beneficiaries, a ratio of 2.44 nonactive participants for every 1 active participant. By August 31, 2010, there were only 900 active participants, 1,026 inactive vested participants and 3,337 pensioners and beneficiaries resulting in a ratio of 4.85 nonactive participants for every 1 active participant. There have been a significant number of bankruptcies and withdrawals of contributing companies to the Fund. The ratio of actives to inactive participants declined further in the Plan Year commencing September 1, 2010 due to the downturn of the United States economy and the slumping building industry in the New York City area.

The Fund's covered population also has aged over the years. The average age of active employees at the beginning of 2002 was 45.0 years old; that average grew to 49.1 years old in 2010. The average pensioner was 72.3 years old in 2002 and it was 74.9 years old in 2010. This leads to a smaller and older workforce generating employer contributions to the Pension Fund for a shorter period of time to provide lifetime monthly benefits to pensioners and beneficiaries who are living longer.

Due to the stock market volatility in 2008 and 2009, the Fund experienced negative investment returns. In 2009 alone, the Fund experienced a negative 18.32% return resulting in a loss of more than $45,000,000.

The Trustees have sought to address these issues over recent years. To deal with the impact of the investment losses and other detrimental factors, the Trustees recommended that the bargaining parties obtain additional contributions into the Fund. For the plan five years ending August 31, 2010, for example, the Pension Fund contribution rates for all contributing Employers increased by an average of 6.5% per year. The Trustees also amended the Plan in September, 2001 to cap the accrual rate at the $4.315 contribution rate. In 2010, the Trustees adopted a career average method of calculating future accruals.

equating such accruals on a more reasonable basis to contributions, all in an effort to better fund the Plan.

The significant investment loss of 2008, coupled with the cash flow issues related to the reduction in active participants, has led the Fund to a position of probable insolvency, or at best, a significantly longer period of time to emerge from Critical Status than required by ERISA § 305.

Rehabilitation Plan Development

Section 305 of the Employee Retirement Income Security Act (ERISA) and Section 432 of the Internal Revenue Code (IRC), as added by the Pension Protection Act of 2006 ("PPA"), require the Trustees of a multiemployer pension fund that has been certified by its actuary as being in Critical Status (also known as the "Red Zone") to develop a Rehabilitation Plan. Generally, the Rehabilitation Plan should enable a fund to cease to be in Critical Status by the end of the Rehabilitation Period. However, if the Trustees determine, based upon the exhaustion of all reasonable measures that a fund cannot reasonably be expected to emerge by the end of the Rehabilitation Period, the Rehabilitation Plan should be designed to enable the fund to cease to be in Critical Status at a later date if possible, or to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions, and may adopt such reasonable measures as the Trustees deem necessary.

On November 29, 2010, the Fund was certified by its actuaries to be in Critical Status for the Plan Year beginning September 1, 2010. As required by law, the Board of Trustees forwarded a Notice of Critical Status ("Notice") to the Teamsters Local Union No. 807 (the "Union") and the employers contributing to the Fund ("Employers") (referred to collectively as the "bargaining parties"), participants, beneficiaries, the Pension Benefit Guaranty Corporation and the Department of Labor. The Notice advised that (1) the Fund is in Critical Status for the 2010 Plan Year; (2) all of the adjustable benefits supported under the Plan could be eliminated or reduced pursuant to a Rehabilitation Plan; (3) any reductions pursuant to the Rehabilitation Plan would apply only to participants and beneficiaries whose benefit commencement date is after December 27, 2010; and (4) Employers are obligated to pay a 5% contribution surcharge to the Fund, for work performed on and after January 26, 2011. The 5% surcharge will increase to 10% beginning with contributions received on or after September 1, 2011 and will continue until the earlier of (1) the date the Fund emerges from Critical Status; (2) the effective date of a collective bargaining agreement ("CBA") that is in compliance with this Rehabilitation Plan; or (3) the date the contribution increases described below become effective with respect to an Employer because the bargaining parties fail to adopt a CBA in compliance with the Rehabilitation Plan within the time period required by Section 305(e)(C)(ii) of ERISA. The surcharges will continue until the CBA is signed, and the required increase in contributions will be retroactive to the date the CBA is effective.

The schedule of contribution increases and benefit reductions attached to this Rehabilitation Plan (Schedule "A") and embodied herein will be provided to the bargaining parties no later than the thirtieth day after the Board of Trustees adopt this Rehabilitation Plan. Any new CBA entered into by the bargaining parties or any other agreement calling for participation in the Fund after it is so provided must reflect the terms of the most recently issued Schedule A. If the bargaining parties cannot reach an agreement concerning the adoption of Schedule A, Schedule A is to be treated as the Default Schedule and will become effective on the date specified in ERISA Section 305(e)(3)(C)(ii). In the case of an Employer that contributes to the Fund only with respect to employees not covered by a CBA, that Employer's agreement with the Fund providing for contributions to the Fund will be treated as a CBA that expires on August 31, 2011.

The Board of Trustees will review the Fund's Rehabilitation Plan annually and will update the Rehabilitation Plan as required by law. In addition, the Board of Trustees will continue to consider all options available to the Fund, including but not limited to reducing Fund expenditures, taking advantage of any changes in law, or exploring a merger with another plan. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

This Rehabilitation Plan:

1. specifies the Rehabilitation Period;

2. describes alternatives the Trustees considered when preparing the Rehabilitation Plan;

3. explains why the Trustees concluded that there are no reasonable measures that would enable the Plan to emerge from Critical Status in the time frame prescribed by ERISA § 305;

4. includes remedies and a schedule of benefits and contributions (Schedule A) that are projected to enable the Fund to postpone the projected date of insolvency and/or cause the Fund to emerge from Critical Status;

5. explains that the Default Schedule will be put into effect automatically if the bargaining parties do not agree on an acceptable schedule in a timely manner; and

6. sets out the annual standard to be achieved under the Rehabilitation Plan and explains that the Rehabilitation Plan will be updated from time to time.

Rehabilitation Period

The Fund's Rehabilitation Period begins on September 1, 2013 and ends on August 31, 2048

Rehabilitation Plan Standard

The Fund's Board of Trustees has determined that based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from Critical Status within the time frame prescribed by ERISA § 305 (the "Prescribed Period"). Accordingly, pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees is adopting reasonable measures in this Rehabilitation Plan to forestall insolvency (as defined by ERISA Section 4245) and/or emerge from Critical Status over a projected period of time.

The Board of Trustees considered a number of actions, options, and alternatives that might permit the Fund to emerge from Critical Status by the end of the Prescribed Period. The Trustees have determined the remedies necessary for such a result as being unreasonable measures that would be untenable or counter productive and adverse to the Fund and its participants. The remedies considered included the following:

-
- The Fund's actuary projected that if there were no changes to the Plan's current Rehabilitation schedule of benefits, i.e., accrual rates at the minimum level allowed by law in a default schedule (the equivalent of 1% of contributions), all adjustable benefits are eliminated and all future contribution increases are supplemental (meaning that the increased rates do not increase the future credit multiplier in the Plan), Employers would need to increase their current contribution rates by at least $0.75 each year, from the start of the next collective bargaining agreement through September 1, 2048 to emerge from critical status. This means the current $5.4022 average contribution rate would need to increase to an average of $29.00 per hour by the end the Rehabilitation Period.

The Trustees concluded that there are no reasonable measures that will enable the Plan to emerge from Critical Status in the Prescribed Period for the following reasons:

- The Trustees noted that the final contribution rates needed to emerge from critical status by September 1, 2048 were more than the current hourly wage rates for the majority of the participants in this Fund. Even higher final rates would be needed to emerge from critical status at a later date.
- The Trustees noted that a complete freeze of future benefit accruals would provide little incentive for participants to support contribution rate increases, especially since those increases would need to be financed by reductions in health fund contributions and wages.
- The Trustees noted the financial pressure on current contributing Employers, and how any significant increases in future contributions would put the operation of these companies in question, thus jeopardizing the future contribution source of the Fund. Significant increases would likely result in withdrawals of contributing Employers requiring even larger and more unreasonable contribution rate increases from any remaining contributing Employers to enable the Plan to emerge from Critical Status.

Trustee-Approved Rehabilitation Plan Remedies

The Board of Trustees concluded that annual contribution rate increases in excess of those called for under Schedule A were not reasonable and could trigger a mass withdrawal and significant losses to the Fund and its participants. Therefore, the Trustees concluded that contributions required to ever emerge from Critical Status within the time frame prescribed by ERISA would be unreasonable and the Rehabilitation Plan could only reasonably be expected to forestall insolvency or emerge from Critical Status over a much longer period of time. Based on this, the Trustees have adopted the following reasonable measures to forestall insolvency, and/or eventually emerge from Critical Status which the Trustees have determined to be the most the Fund can reasonably take given the financial condition of the various industries in which the contributing employers are engaged and the need to maintain active participant support for the Plan.

Schedule of Contribution Rate Increases and Benefit Changes

Contribution Rate Increases for Contributing Employers

Contribution rate increases of $0.45 per hour per year will be required for any collective bargaining agreement that becomes effective after September 1, 2011. All increases in hourly rates will be supplemental after September 1, 2011, and therefore will not cause any increase in future service accruals, except as provided herein.

The impact of these increases in contribution rates will be evaluated annually and will be adjusted based on the financial conditions of the signatory employers and experience of the Fund.

Benefit Changes for Active Participants

The accrual rate as defined in Article III of the Plan Document after February 1, 2012 will be the lesser of 1% of the product of (a) the number of hours for which contributions are due on behalf of the participant in a Plan Credit Year and (b) the contribution rate in effect for his employer prior to its first contribution increase on or after September 1, 2011 (regardless of surcharges) or the accrual rate under the plan as of September 1, 2011.

Non-protected and adjustable benefits for all participants and whose annuity starting date is on or after September 1, 2011, are eliminated as follows:

1. Those retiring on an Early Retirement Pension shall have their benefits reduced in accordance with Schedule B attached to this Rehabilitation Plan eliminating all subsidies previously afforded.

2. All Service Pensions will no longer be available.

3. The 60-month guarantee will no longer apply.

4. Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Schedule C attached to this Rehabilitation Plan will apply.

5. All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.

6. The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.

7. The Death Benefit provided in Section 3.19 of the Plan.

8. Eliminate the Social Security Level Income Option pursuant to Section 3.17 of the Plan.

Benefit Changes for Non-active Participants

Notwithstanding any other terms of this Rehabilitation Plan or the Schedules provided under it, the benefits of retired participants whose annuity starting date was before September 1, 2011 will not be eliminated or reduced, regardless of a subsequent resumption of Covered Employment.

Participants who have terminated (or will terminate) covered service or whose annuity starting date is on or after September 1, 2011, will have their benefits reduced in accordance with the benefit changes described in this Rehabilitation Plan, effective as of the earliest date permitted after the provision of legally required advance notice.

The benefits of a beneficiary (e.g. surviving spouse) or of an Alternate Payee under a QDRO will be determined on the same basis as those of the participant under this Rehabilitation Plan.

Automatic Implementation of Schedule

If a collective bargaining agreement providing for contributions under the Fund that was in effect on September 1, 2011 expires and after receiving the Rehabilitation Plan Schedule, the bargaining parties fail to adopt contribution terms consistent with the Rehabilitation Plan, Schedule A will be implemented automatically 180 days after the date on which the collective bargaining agreement expires. Any CBA that expired prior to September 1, 2011 and has not been renewed with a successor agreement, will be considered expired as of September 1, 2011 for the sake of this paragraph.

In the event of such automatic implementation of Schedule A, the next annual increase of contributions provided in Schedule A shall occur twelve (12) months after the expiration of the last collective bargaining agreement and NOT the anniversary date of the automatic implementation of Schedule A.

In addition to the authority of the Trustees to automatically implement the provisions of Schedule A, the Board reserves the right to reject any collective bargaining agreement that is not in full compliance with this Rehabilitation Plan and/or ERISA, and thereby terminate participation in the Fund by that employer.

Annual Standards for Meeting the Rehabilitation Requirements

Prior to the adoption of the measures outlined in this Rehabilitation Plan, and based on reasonable assumptions, the Fund was projected to become insolvent during the plan year ending August 31, 2026. This Rehabilitation Plan is expected to delay the projected insolvency date by seven years to the plan year ending August 31, 2033, based on reasonable assumptions.

The point of projected insolvency will vary each year as actual experience differs from the assumptions. The Trustees recognize the possibility that actual experience could be less favorable on an annual basis than the reasonable assumptions used for the Rehabilitation Plan. Consequently, the annual standard for meeting the requirements of this Rehabilitation Plan is for updated actuarial projections each year to show, based on reasonable assumptions, that under the Rehabilitation Plan (as amended from time to time) the Fund will not be expected to become insolvent before 2026.

Surcharges to be Included in the Calculation of Withdrawal Liability Payments

Only surcharges accrued for plan years beginning before December 31, 2014, according to Section 109 of the Multiemployer Pension Reform Act of 2014, collected by the Fund from a withdrawing employer shall be included in the calculation of withdrawal liability payments under ERISA Section 4219(c)(1)(C) as if comprising a part of the Employer's obligation to contribute.

Annual Updating of Rehabilitation Plan

Each year the Fund's actuary will review and certify the status of the Fund under applicable ERISA and IRC funding rules and whether the Fund is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. If the Trustees determine that it is necessary in light of updated information, the Trustees will revise the Rehabilitation Plan and present updated schedules to the bargaining parties. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with the schedule in effect at the time of the renewal or extension.

SCHEDULE A

1. Contribution Increases

$.45 per hour in each contract year.

2. Future Benefit Accruals

The accrual rate as defined in Article III of the Plan Document after February 1, 2012 will be the lesser of 1% of the product of (a) the number of hours for which contributions are due on behalf of a participant in a Plan Credit Year and (b) the contribution rate in effect for his employer prior to its first contribution increase (regardless of surcharges) on or after September 1, 2011 required to be made with respect to a participant or the accrual rate under the plan as of September 1, 2011.

3. Adjustable Benefits

- Those retiring before Early Retirement Pension shall have their benefits reduced in accordance with Appendix A attached to this Rehabilitation Plan eliminating all subsidies previously afforded.
- All Service Pensions will no longer be available.
- The 60-month guarantee will no longer apply.
- Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Appendix B attached to this Rehabilitation Plan will apply.
- All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.
- The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.
- The Death Benefit provided in Section 3.19 of the Plan.
- The Social Security Level Income Option pursuant to Section 3.17 of the Plan is eliminated.

APPENDIX A

Early Retirement Factors for Rehabilitation Plan

Early retirement benefit is calculated by multiplying the Regular Pension benefit by the factor below corresponding with the age of a participant at Early Retirement date.

Age	Factor
55	36.59%
56	40.12%
57	44.07%
58	48.48%
59	53.43%
60	58.99%
61	65.26%
62	72.35%
63	80.39%
64	89.54%

Note: Reductions for fractional ages are interpolated based on the above.

APPENDIX B

J&S Factors for Rehabilitation Plan

50% joint and survivor:

88% plus 0.4% for each full year that the spouse's age is greater than the Participant's age or minus 0.4% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

75% joint and survivor:

83% plus 0.5% for each full year that the spouse's age is greater than the Participant's age or minus 0.5% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

Third Amended Rehabilitation Plan

Background on the Pension Fund

Local 807 Labor-Management Pension Fund (the "Fund" or the "Plan") covers Teamsters in a variety of industries including, but not limited to wholesale building supply distributors, compressed gas distributors, exposition facilitators, and public warehouse/distribution companies. The signatory companies in many of these industries have experienced declines in workforce forcing bankruptcies due to non-union competition, deregulation of the trucking industry, the economic condition of the country, downturn in construction in the greater New York City area, improvements of technology and outsourcing of jobs. For year ending August 31, 1993, active work for which employers made contributions to the Fund was 3,749,000 hours. That number declined to 1,546,363 hours by year ending August 31, 2010. As of August 31, 1993, the Fund had 2,120 active participants, 1,116 inactive vested participants and 4,050 pensioners and beneficiaries, a ratio of 2.44 nonactive participants for every 1 active participant. By August 31, 2017, there were only 692 active participants, 919 inactive vested participants and 2,860 pensioners and beneficiaries in pay status resulting in a ratio of 5.46 nonactive participants for every 1 active participant. There have been a significant number of withdrawals of contributing companies to the Fund.

The Fund's covered population also has aged over the years. The average age of active employees at the beginning of 2002 was 45.0 years old; that average grew to 49.1 years old in 2010. The average age of active employees at the beginning of the September 1, 2017 Plan Year was 50.3 years old. The average pensioner was 72.3 years old in 2002 and it was 76.9 years old in 2017. This leads to a smaller and older workforce generating employer contributions to the Pension Fund for a shorter period of time to provide lifetime monthly benefits to pensioners and beneficiaries who are living longer.

Due to the stock market volatility in 2008 and 2009, the Fund experienced negative investment returns. In 2009 alone, the Fund experienced a negative 18.32% return resulting in a loss of more than $45,000,000.

The Trustees have sought to address these issues over recent years. To deal with the impact of the investment losses and other detrimental factors, the Trustees recommended that the bargaining parties obtain additional contributions into the Fund. For the plan five years ending August 31, 2010, for example, the Pension Fund contribution rates for all contributing Employers increased by an average of 6.5% per year. The Trustees also amended the Plan in September, 2001 to cap the accrual rate at the $4.315 contribution rate. In 2010, the Trustees adopted a career average method of calculating future accruals, equating such accruals on a more reasonable basis to contributions, all in an effort to better fund the Plan.

The significant investment loss of 2008, coupled with the cash flow issues related to the reduction in active participants, has led the Fund to a position of probable insolvency, or at best, a significantly longer period of time to emerge from Critical Status than required by ERISA § 305.

Rehabilitation Plan Development

Section 305 of the Employee Retirement Income Security Act (ERISA) and Section 432 of the Internal Revenue Code (IRC), as added by the Pension Protection Act of 2006 ("PPA"), require the Trustees of a multiemployer pension fund that has been certified by its actuary as being in Critical Status (also known as the "Red Zone") to develop a Rehabilitation Plan. Generally, the Rehabilitation Plan should enable a fund to cease to be in Critical Status by the end of the Rehabilitation Period. However, if the Trustees determine, based upon the exhaustion of all reasonable measures that a fund cannot reasonably be expected to emerge by the end of the Rehabilitation Period, the Rehabilitation Plan should be designed to enable the fund to cease to be in Critical Status at a later date if possible, or to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions, and may adopt such reasonable measures as the Trustees deem necessary.

On November 29, 2010, the Fund was certified by its actuaries to be in Critical Status for the Plan Year beginning September 1, 2010. As required by law, the Board of Trustees forwarded a Notice of Critical Status ("Notice") to the Teamsters Local Union No. 807 (the "Union") and the employers contributing to the Fund ("Employers") (referred to collectively as the "bargaining parties"), participants, beneficiaries, the Pension Benefit Guaranty Corporation and the Department of Labor. The Notice advised that (1) the Fund is in Critical Status for the 2010 Plan Year; (2) all of the adjustable benefits supported under the Plan could be eliminated or reduced pursuant to a Rehabilitation Plan; (3) any reductions pursuant to the Rehabilitation Plan would apply only to participants and beneficiaries whose benefit commencement date is after December 27, 2010; and (4) Employers are obligated to pay a 5% contribution surcharge to the Fund, for work performed on and after January 26, 2011. The 5% surcharge will increase to 10% beginning with contributions received on or after September 1, 2011 and will continue until the earlier of (1) the date the Fund emerges from Critical Status; (2) the effective date of a collective bargaining agreement ("CBA") that is in compliance with this Rehabilitation Plan; or (3) the date the contribution increases described below become effective with respect to an Employer because the bargaining parties fail to adopt a CBA in compliance with the Rehabilitation Plan within the time period required by Section 305(e)(C)(ii) of ERISA. The surcharges will continue until the CBA is signed, and the required increase in contributions will be retroactive to the date the CBA is effective.

The schedule of contribution increases and benefit reductions attached to this Rehabilitation Plan (Schedule "A") and embodied herein will be provided to the bargaining parties no later than the thirtieth day after the Board of Trustees adopt this Rehabilitation Plan. Any new CBA entered into by the bargaining parties or any other agreement calling for participation in the Fund after it is so provided must reflect the terms of the most recently issued Schedule A. If the bargaining parties cannot reach an agreement concerning the adoption of Schedule A, Schedule A is to be treated as the Default Schedule and will become effective on the date specified in ERISA Section 305(e)(3)(C)(ii). In the case of an Employer that contributes to the Fund only with respect to employees not covered by a CBA, that Employer's agreement with the Fund providing for contributions to the Fund will be treated as a CBA that expires on August 31, 2011.

The Board of Trustees will review the Fund's Rehabilitation Plan annually and will update the Rehabilitation Plan as required by law. In addition, the Board of Trustees will continue to consider all options available to the Fund, including but not limited to reducing Fund expenditures, taking advantage of any changes in law, or exploring a merger with another plan. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

This Rehabilitation Plan:

1. specifies the Rehabilitation Period;

2. describes alternatives the Trustees considered when preparing the Rehabilitation Plan;

3. explains why the Trustees concluded that there are no reasonable measures that would enable the Plan to emerge from Critical Status in the time frame prescribed by ERISA § 305;

4. includes remedies and a schedule of benefits and contributions (Schedule A) that are projected to enable the Fund to postpone the projected date of insolvency and/or cause the Fund to emerge from Critical Status;

5. explains that the Default Schedule will be put into effect automatically if the bargaining parties do not agree on an acceptable schedule in a timely manner; and

6. sets out the annual standard to be achieved under the Rehabilitation Plan and explains that the Rehabilitation Plan will be updated from time to time.

Rehabilitation Period

The Fund's Rehabilitation Period begins on September 1, 2013 and ends on August 31, 2048.

Rehabilitation Plan Standard

The Fund's Board of Trustees has determined that based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from Critical Status within the time frame prescribed by ERISA § 305 (the "Prescribed Period"). Accordingly, pursuant to ERISA Section 305(c)(3)(A)(ii), the Board of Trustees is adopting reasonable measures in this Rehabilitation Plan to forestall insolvency (as defined by ERISA Section 4245) and/or emerge from Critical Status over a projected period of time.

The Board of Trustees considered a number of actions, options, and alternatives that might permit the Fund to emerge from Critical Status by the end of the Prescribed Period. The Trustees have determined the remedies necessary for such a result as being unreasonable measures that would be untenable or counter productive and adverse to the Fund and its participants. The remedies considered included the following:

- The Fund's actuary projected that if there were no changes to the Plan's current Rehabilitation schedule of benefits, i.e., accrual rates at the minimum level allowed by law in a default schedule (the equivalent of 1% of contributions), all adjustable benefits are eliminated and all future contribution increases are supplemental (meaning that the increased rates do not increase the future credit multiplier in the Plan), Employers would need to increase their current contribution rates by at least $1.20 each year, from the start of the next collective bargaining agreement through September 1, 2048, the end of the Rehabilitation Period, to emerge from critical status. This means the current $6.94 average hourly contribution rate would need to increase by $1.20 per year in order to emerge from critical status by the end the Rehabilitation Period. At the end of the Rehabilitation Period, the average hourly contribution rate would be $42.94 per hour.

The Trustees concluded that there are no reasonable measures that will enable the Plan to emerge from Critical Status in the Prescribed Period for the following reasons:

- The Trustees noted that the final contribution rates needed to emerge from critical status by September 1, 2048 were more than the current hourly wage rates for the majority of the participants in this Fund. Even higher final rates would be needed to emerge from critical status at a later date.
- The Trustees noted that a complete freeze of future benefit accruals would provide little incentive for participants to support contribution rate increases, especially since those increases would need to be financed by reductions in health fund contributions and wages.
- The Trustees noted the financial pressure on current contributing Employers, and how any significant increases in future contributions would put the operation of these companies in question, thus jeopardizing the future contribution source of the Fund. Significant increases would likely result in withdrawals of contributing Employers requiring even larger and more unreasonable contribution rate

increases from any remaining contributing Employers to enable the Plan to emerge from Critical Status.

Trustee-Approved Rehabilitation Plan Remedies

The Board of Trustees concluded that annual contribution rate increases in excess of those called for under Schedule A were not reasonable and could trigger a mass withdrawal and significant losses to the Fund and its participants. Therefore, the Trustees concluded that contributions required to ever emerge from Critical Status within the time frame prescribed by ERISA would be unreasonable and the Rehabilitation Plan could only reasonably be expected to forestall insolvency or emerge from Critical Status over a much longer period of time. Based on this, the Trustees have adopted the following reasonable measures to forestall insolvency, and/or eventually emerge from Critical Status which the Trustees have determined to be the most the Fund can reasonably take given the financial condition of the various industries in which the contributing employers are engaged and the need to maintain active participant support for the Plan.

Schedule of Contribution Rate Increases and Benefit Changes

Contribution Rate Increases for Contributing Employers

Contribution rate increases of $0.45 per hour per year will be required for any collective bargaining agreement that becomes effective after September 1, 2011.

Contribution rate increases of $0.39 per hour per year will be required for any collective bargaining agreement that becomes effective on or after June 1, 2018, capped at thirty (30) increases.

All increases in hourly rates will be supplemental after September 1, 2011, and therefore will not cause any increase in future service accruals, except as provided herein.

The impact of these increases in contribution rates will be evaluated annually and will be adjusted based on the financial conditions of the signatory employers and experience of the Fund.

Benefit Changes for Active Participants

For service on or after February 1, 2012, the accrual rate is the lesser of: (a) one percent (1%) of the product of the number of hours which contributions are due on behalf of the Participant in a credit year and the contribution rate in effect for his employer prior to its first contribution increase on or before September 1, 2011 (regardless of surcharge) or (b) the accrual rate under the Plan as of September 1, 2011.

Non-protected and adjustable benefits for all participants and whose annuity starting date is on or after September 1, 2011, are eliminated as follows:

1. Those retiring on an Early Retirement Pension shall have their benefits reduced in accordance with Schedule B attached to this Rehabilitation Plan eliminating all subsidies previously afforded.

2. All Service Pensions will no longer be available.

3. The 60-month guarantee will no longer apply.

4. Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Schedule C attached to this Rehabilitation Plan will apply.

5. All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.

6. The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.

7. The Death Benefit provided in Section 3.19 of the Plan.

8. Eliminate the Social Security Level Income Option pursuant to Section 3.17 of the Plan.

Benefit Changes for Non-active Participants

Notwithstanding any other terms of this Rehabilitation Plan or the Schedules provided under it, the benefits of retired participants whose annuity starting date was before September 1, 2011 will not be eliminated or reduced, regardless of a subsequent resumption of Covered Employment.

Participants who have terminated (or will terminate) covered service or whose annuity starting date is on or after September 1, 2011, will have their benefits reduced in accordance with the benefit changes described in this Rehabilitation Plan, effective as of the earliest date permitted after the provision of legally required advance notice.

The benefits of a beneficiary (e.g. surviving spouse) or of an Alternate Payee under a QDRO will be determined on the same basis as those of the participant under this Rehabilitation Plan.

Automatic Implementation of Schedule

If a collective bargaining agreement providing for contributions under the Fund that was in effect on September 1, 2011 expires and after receiving the Rehabilitation Plan Schedule, the bargaining parties fail to adopt contribution terms consistent with the Rehabilitation Plan, Schedule A will be implemented automatically 180 days after the date on which the collective bargaining agreement expires. Any CBA that expired prior to September 1, 2011 and has not been renewed with a successor agreement, will be considered expired as of September 1, 2011 for the sake of this paragraph.

In the event of such automatic implementation of Schedule A, the next annual increase of contributions provided in Schedule A shall occur twelve (12) months after the expiration of the last collective bargaining agreement and NOT the anniversary date of the automatic implementation of Schedule A.

In addition to the authority of the Trustees to automatically implement the provisions of Schedule A, the Board reserves the right to reject any collective bargaining agreement that is not in full compliance with this Rehabilitation Plan and/or ERISA, and thereby terminate participation in the Fund by that employer.

Annual Standards for Meeting the Rehabilitation Requirements

Prior to the adoption of the measures outlined in this Rehabilitation Plan, and based on reasonable assumptions, the Fund was projected to become insolvent during the plan year ending August 31, 2026. This Rehabilitation Plan is expected to delay the projected insolvency date by seven years to the plan year ending August 31, 2033, based on reasonable assumptions.

The point of projected insolvency will vary each year as actual experience differs from the assumptions. The Trustees recognize the possibility that actual experience could be less favorable on an annual basis than the reasonable assumptions used for the Rehabilitation Plan. Consequently, the annual standard for meeting the requirements of this Rehabilitation Plan is for updated actuarial projections each year to show, based on reasonable assumptions, that under the Rehabilitation Plan (as amended from time to time) the Fund will not be expected to become insolvent before 2026.

Surcharges to be Included in the Calculation of Withdrawal Liability Payments

Only surcharges accrued for plan years beginning before December 31, 2014, according to Section 109 of the Multiemployer Pension Reform Act of 2014, collected by the Fund from a withdrawing employer shall be included in the calculation of withdrawal liability payments under ERISA Section 4219(c)(1)(C) as if comprising a part of the Employer's obligation to contribute.

Annual Updating of Rehabilitation Plan

Each year the Fund's actuary will review and certify the status of the Fund under applicable ERISA and IRC funding rules and whether the Fund is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. If the Trustees determine that it is necessary in light of updated information, the Trustees will revise the Rehabilitation Plan and present updated schedules to the bargaining parties. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with the schedule in effect at the time of the renewal or extension.

SCHEDULE A

1. Contribution Increases

$.39 per hour in each contract year.

2. Future Benefit Accruals

For service on or after February 1, 2012, the accrual rate as defined in Article III of the Plan Document is the lesser of: (a) one percent (1%) of the product of the number of hours which contributions are due on behalf of the Participant in a credit year and the contribution rate in effect for his employer prior to its first contribution increase on or before September 1, 2011 (regardless of surcharge) on September 1, 2011, or (b) the accrual rate under the Plan as of September 1, 2011.

3. Adjustable Benefits

- Those retiring before Early Retirement Pension shall have their benefits reduced in accordance with Appendix A attached to this Rehabilitation Plan eliminating all subsidies previously afforded.
- All Service Pensions will no longer be available.
- The 60-month guarantee will no longer apply.
- Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Appendix B attached to this Rehabilitation Plan will apply.
- All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.
- The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.
- The Death Benefit provided in Section 3.19 of the Plan.
- The Social Security Level Income Option pursuant to Section 3.17 of the Plan is eliminated.

APPENDIX A

Early Retirement Factors for Rehabilitation Plan

Early retirement benefit is calculated by multiplying the Regular Pension benefit by the factor below corresponding with the age of a participant at Early Retirement date.

Age	Factor
55	36.59%
56	40.12%
57	44.07%
58	48.48%
59	53.43%
60	58.99%
61	65.26%
62	72.35%
63	80.39%
64	89.54%

Note: Reductions for fractional ages are interpolated based on the above.

APPENDIX B

J&S Factors for Rehabilitation Plan

50% joint and survivor:

88% plus 0.4% for each full year that the spouse's age is greater than the Participant's age or minus 0.4% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

75% joint and survivor:

83% plus 0.5% for each full year that the spouse's age is greater than the Participant's age or minus 0.5% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

Resolution
To Adopt Third Amended Rehabilitation Plan of the Local 807 Labor-Management Pension Fund

Whereas, the enrolled actuary of the Local 807 Labor-Management Pension Fund (Fund) certified the Fund to be in Critical Status for the Plan Year beginning September 1, 2011 pursuant to Section 305 of the Employee Retirement Income Security Act (ERISA) and Section 432 of the Internal Revenue Code (IRC), as amended by the Pension Protection Act of 2006 (PPA).

Whereas, the ERISA section 305 and Internal Revenue Code section 432 require pension plans in Critical Status to adopt a Rehabilitation Plan; and

Whereas, the Board of Trustees adopted a Third Amended Rehabilitation Plan at their meeting of May 22, 2018; and

Now, Therefore, we, the Board of Trustees of the Local 807 Labor-Management Pension Fund, hereby adopt the attached Rehabilitation Plan and authorize the Fund Manager to mail a copy of the Schedule to all contributing employers and the Teamsters Local 807.

[redacted]

Union Trustee	Employer Trustee
Dated: ____________	Dated: 6/25/18

CK672

LOCAL 807 LABOR-MANAGEMENT PENSION FUND

Fourth Amended Rehabilitation Plan

Background on the Pension Fund

Local 807 Labor-Management Pension Fund (the "Fund" or the "Plan") covers Teamsters in a variety of industries including, but not limited to wholesale building supply distributors, compressed gas distributors, exposition facilitators, and public warehouse/distribution companies. The signatory companies in many of these industries have experienced declines in workforce forcing bankruptcies due to non-union competition, deregulation of the trucking industry, the economic condition of the country, downturn in construction in the greater New York City area, improvements of technology and outsourcing of jobs. For year ending August 31, 1993, active work for which employers made contributions to the Fund was 3,749,000 hours. That number declined to 1,546,363 hours by year ending August 31, 2010, and 1,270,352 by year ending August 31, 2018. As of August 31, 1993, the Fund had 2,120 active participants, 1,116 inactive vested participants and 4,050 pensioners and beneficiaries, a ratio of 2.44 nonactive participants for every 1 active participant. By August 31, 2018, there were only 695 active participants, 754 inactive vested participants and 2,746 pensioners and beneficiaries in pay status resulting in a ratio of 5.04 nonactive participants for every one active participant. There have been a significant number of withdrawals of contributing companies to the Fund.

The Fund's covered population also has aged over the years. The average age of active employees at the beginning of 2002 was 45.0 years old; that average grew to 49.1 years old in 2010. The average age of active employees at the beginning of the September 1, 2018 Plan Year was 57.0 years old. The average pensioner was 72.3 years old in 2002 and was 77.1 years old in 2018. This leads to a smaller and older workforce generating employer contributions to the Pension Fund for a shorter period to provide lifetime monthly benefits to pensioners and beneficiaries who are living longer.

Due to the stock market volatility in 2008 and 2009, the Fund experienced negative investment returns. In 2009 alone, the Fund experienced a negative 18.32% return resulting in a loss of more than $45,000,000.

The Trustees have sought to address these issues over recent years. To deal with the impact of the investment losses and other detrimental factors, the Trustees recommended that the bargaining parties obtain additional contributions into the Fund. For the plan five years ending August 31, 2010, for example, the Pension Fund contribution rates for all contributing Employers increased by an average of 6.5% per year. The Trustees also amended the Plan in September 2001 to cap the accrual rate at the $4.315 contribution rate. In 2010, the Trustees adopted a career average method of calculating future accruals, equating such accruals on a more reasonable basis to contributions, all in an effort to better fund the Plan.

The significant investment loss of 2008, coupled with the cash flow issues related to the reduction in active participants, has led the Fund to a position of probable insolvency, or at best, a significantly longer period of time to emerge from Critical Status than required by ERISA § 305.

Rehabilitation Plan Development

Section 305 of the Employee Retirement Income Security Act (ERISA) and Section 432 of the Internal Revenue Code (IRC), as added by the Pension Protection Act of 2006 ("PPA"), require the Trustees of a multiemployer pension fund that has been certified by its actuary as being in Critical Status (also known as the "Red Zone") to develop a Rehabilitation Plan. Generally, the Rehabilitation Plan should enable a fund to cease to be in Critical Status by the end of the Rehabilitation Period. However, if the Trustees determine, based upon the exhaustion of all reasonable measures that a fund cannot reasonably be expected to emerge by the end of the Rehabilitation Period, the Rehabilitation Plan should be designed to enable the fund to cease to be in Critical Status at a later date if possible, or to forestall possible insolvency. The Rehabilitation Plan must be based on reasonably anticipated experience and on reasonable actuarial assumptions and may adopt such reasonable measures as the Trustees deem necessary.

On November 29, 2010, the Fund was certified by its actuaries to be in Critical Status for the Plan Year beginning September 1, 2010. As required by law, the Board of Trustees forwarded a Notice of Critical Status ("Notice") to the Teamsters Local Union No. 807 (the "Union") and the employers contributing to the Fund ("Employers") (referred to collectively as the "bargaining parties"), participants, beneficiaries, the Pension Benefit Guaranty Corporation and the Department of Labor. The Notice advised that (1) the Fund was in Critical Status for the 2010 Plan Year; (2) all of the adjustable benefits supported under the Plan could be eliminated or reduced pursuant to a Rehabilitation Plan; (3) any reductions pursuant to the Rehabilitation Plan would apply only to participants and beneficiaries whose benefit commencement date was after December 27, 2010; and (4) Employers were obligated to pay a 5% contribution surcharge to the Fund for work performed on and after January 26, 2011. The 5% surcharge was increased to 10% beginning with contributions received on or after September 1, 2011 and was to continue until the earlier of (1) the date the Fund emerges from Critical Status; (2) the effective date of a collective bargaining agreement ("CBA") that was in compliance with this Rehabilitation Plan; or (3) the date the contribution increases described below became effective with respect to an Employer because the bargaining parties fail to adopt a CBA in compliance with the Rehabilitation Plan within the time period required by Section 305(e)(C)(ii) of ERISA. The surcharges were to continue until the CBA was signed, and the required increase in contributions were retroactive to the date the CBA was effective.

The schedule of contribution increases and benefit reductions attached to this Fourth Amended Rehabilitation Plan (Schedule "A") and embodied herein will be provided to the bargaining parties no later than the thirtieth day after the Board of Trustees adopt this Rehabilitation Plan. Any new CBA entered into by the bargaining parties or any other agreement calling for participation in the Fund after it is so provided must reflect the terms of the most recently issued Schedule A. If the bargaining parties cannot reach an agreement concerning the adoption of Schedule A, Schedule A is to be treated as the Default Schedule and will become effective on the date specified in ERISA Section 305(e)(3)(C)(ii). In the case of an Employer that contributes to the Fund only with respect to employees not covered by a CBA, that Employer's agreement with the Fund providing for contributions to the Fund will be treated as a CBA that expired on August 31, 2011.

The Board of Trustees will review the Fund's Rehabilitation Plan annually and will update the Rehabilitation Plan as required by law. In addition, the Board of Trustees will continue to consider all options available to the Fund, including but not limited to reducing Fund expenditures, taking advantage of any changes in law, or exploring a merger with another plan. The Board of Trustees has the sole discretion to amend and construe this Rehabilitation Plan.

This Rehabilitation Plan:

1. specifies the Rehabilitation Period;

2. describes alternatives the Trustees considered when preparing the Rehabilitation Plan;

3. explains why the Trustees concluded that there are no reasonable measures that would enable the Plan to emerge from Critical Status in the time frame prescribed by ERISA § 305;

4. includes remedies and a schedule of benefits and contributions (Schedule A) that are projected to enable the Fund to postpone the projected date of insolvency and/or cause the Fund to emerge from Critical Status;

5. explains that the Default Schedule will be put into effect automatically if the bargaining parties do not agree on an acceptable schedule in a timely manner; and

6. sets out the annual standard to be achieved under the Rehabilitation Plan and explains that the Rehabilitation Plan will be updated from time to time.

Rehabilitation Period

The Fund's Rehabilitation Period begins on September 1, 2013 and ends on August 31, 2048.

Rehabilitation Plan Standard

The Fund's Board of Trustees has determined that based on reasonable actuarial assumptions, and upon exhaustion of all reasonable measures, the Fund cannot be reasonably expected to emerge from Critical Status within the time frame prescribed by ERISA § 305 (the "Prescribed Period"). Accordingly, pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees is adopting reasonable measures in this Rehabilitation Plan to forestall insolvency (as defined by ERISA Section 4245) and/or emerge from Critical Status over a projected period.

The Board of Trustees considered a number of actions, options, and alternatives that might permit the Fund to emerge from Critical Status by the end of the Prescribed Period. The Trustees have determined the remedies necessary for such a result as being unreasonable measures that would be untenable or counter productive and adverse to the Fund and its participants. The remedies considered included the following:

- The Fund's actuary projected that if there were no changes to the Plan's current Rehabilitation schedule of benefits, i.e., accrual rates at the minimum level allowed by law in a default schedule (the equivalent of 1% of contributions), all adjustable benefits are eliminated and all future contribution increases are supplemental (meaning that the increased rates do not increase the future credit multiplier in the Plan), Employers would need to increase their current contribution rates by at least $1.30 each year, from the start of the next collective bargaining agreement through September 1, 2048, the end of the Rehabilitation Period, to emerge from critical status. This means the current $7.37 average hourly contribution rate would need to increase by $1.30 per year in order to emerge from critical status by the end the Rehabilitation Period. At the end of the Rehabilitation Period, the average hourly contribution rate would be $45.07 per hour.

The Trustees concluded that there are no reasonable measures that will enable the Plan to emerge from Critical Status in the Prescribed Period for the following reasons:

- The Trustees noted that the final contribution rates needed to emerge from critical status by September 1, 2048 were more than the current hourly wage rates for the majority of the participants in this Fund. Even higher final rates would be needed to emerge from critical status at a later date.
- The Trustees noted that a complete freeze of future benefit accruals would provide little incentive for participants to support contribution rate increases, especially since those increases would need to be financed by reductions in health fund contributions and wages.
- The Trustees noted the financial pressure on current contributing Employers, and how any significant increases in future contributions would put the operation of these companies in question, thus jeopardizing the future contribution source of the Fund. Significant increases would likely result in withdrawals of contributing Employers requiring even larger and more unreasonable contribution rate

increases from any remaining contributing Employers to enable the Plan to emerge from Critical Status.

Trustee-Approved Rehabilitation Plan Remedies

The Board of Trustees concluded that annual contribution rate increases in excess of those called for under Schedule A were not reasonable and could trigger a mass withdrawal and significant losses to the Fund and its participants. Therefore, the Trustees concluded that contributions required to ever emerge from Critical Status within the time frame prescribed by ERISA would be unreasonable and the Rehabilitation Plan could only reasonably be expected to forestall insolvency or emerge from Critical Status over a much longer period. Based on this, the Trustees have adopted the following reasonable measures to forestall insolvency, and/or eventually emerge from Critical Status which the Trustees have determined to be the most the Fund can reasonably take given the financial condition of the various industries in which the contributing employers are engaged and the need to maintain active participant support for the Plan.

Schedule of Contribution Rate Increases and Benefit Changes

Contribution Rate Increases for Contributing Employers

Contribution rate increases of $0.45 per hour per year will be required for any collective bargaining agreement that becomes effective after September 1, 2011.

Contribution rate increases of $0.39 per hour per year will be required for any collective bargaining agreement that becomes effective on or after June 1, 2018.

Contribution rate increases of $0.25 per hour per year will be required for any collective bargaining agreement that becomes effective on or after January 1, 2020.

The total number of $0.39 and $0.25 increases are capped at twenty-five (25) increases.

All increases in hourly rates will be supplemental after September 1, 2011, and therefore will not cause any increase in future service accruals, except as provided herein.

The impact of these increases in contribution rates will be evaluated annually and will be adjusted based on the financial conditions of the signatory employers and experience of the Fund.

Benefit Changes for Active Participants

For service on or after February 1, 2012, the accrual rate is the lesser of: (a) one percent (1%) of the product of the number of hours which contributions are due on behalf of the Participant in a credit year and the contribution rate in effect for his employer prior to its first contribution increase on or before September 1, 2011 (regardless of surcharge) or (b) the accrual rate under the Plan as of September 1, 2011.

Non-protected and adjustable benefits for all participants and whose annuity starting date is on or after September 1, 2011, are eliminated as follows:

1. Those retiring on an Early Retirement Pension shall have their benefits reduced in accordance with Schedule B attached to this Rehabilitation Plan eliminating all subsidies previously afforded.

2. All Service Pensions will no longer be available.

3. The 60-month guarantee will no longer apply.

4. Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Schedule C attached to this Rehabilitation Plan will apply.

5. All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.

6. The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.

7. The Death Benefit provided in Section 3.19 of the Plan.

8. Eliminate the Social Security Level Income Option pursuant to Section 3.17 of the Plan.

Benefit Changes for Non-active Participants

Notwithstanding any other terms of this Rehabilitation Plan or the Schedules provided under it, the benefits of retired participants whose annuity starting date was before September 1, 2011 will not be eliminated or reduced, regardless of a subsequent resumption of Covered Employment.

Participants who have terminated (or will terminate) covered service or whose annuity starting date is on or after September 1, 2011, will have their benefits reduced in accordance with the benefit changes described in this Rehabilitation Plan, effective as of the earliest date permitted after the provision of legally required advance notice.

The benefits of a beneficiary (e.g. surviving spouse) or of an Alternate Payee under a QDRO will be determined on the same basis as those of the participant under this Rehabilitation Plan.

Automatic Implementation of Schedule

If a collective bargaining agreement providing for contributions under the Fund that was in effect on September 1, 2011 expires and after receiving the Rehabilitation Plan Schedule, the bargaining parties fail to adopt contribution terms consistent with the Rehabilitation Plan, Schedule A will be implemented automatically 180 days after the date on which the collective bargaining agreement expires. Any CBA that expired prior to September 1, 2011 and has not been renewed with a successor agreement, will be considered expired as of September 1, 2011 for the sake of this paragraph.

In the event of such automatic implementation of Schedule A, the next annual increase of contributions provided in Schedule A shall occur twelve (12) months after the expiration of the last collective bargaining agreement and NOT the anniversary date of the automatic implementation of Schedule A.

In addition to the authority of the Trustees to automatically implement the provisions of Schedule A, the Board reserves the right to reject any collective bargaining agreement that is not in full compliance with this Rehabilitation Plan and/or ERISA, and thereby terminate participation in the Fund by that employer.

Annual Standards for Meeting the Rehabilitation Requirements

Prior to the adoption of the measures outlined in this Rehabilitation Plan, and based on reasonable assumptions, the Fund was projected to become insolvent during the plan year ending August 31, 2026. This Rehabilitation Plan is expected to delay the projected insolvency date based on reasonable assumptions.

The point of projected insolvency will vary each year as actual experience differs from the assumptions. The Trustees recognize the possibility that actual experience could be less favorable on an annual basis than the reasonable assumptions used for the Rehabilitation Plan. Consequently, the annual standard for meeting the requirements of this Rehabilitation Plan is for updated actuarial projections each year to show, based on reasonable assumptions, that under the Rehabilitation Plan (as amended from time to time) the Fund will not be expected to become insolvent before 2026.

Surcharges to be Included in the Calculation of Withdrawal Liability Payments

Only surcharges accrued for plan years beginning before December 31, 2014, according to Section 109 of the Multiemployer Pension Reform Act of 2014, collected by the Fund from a withdrawing employer shall be included in the calculation of withdrawal liability payments under ERISA Section 4219(c)(1)(C) as if comprising a part of the Employer's obligation to contribute.

Annual Updating of Rehabilitation Plan

Each year the Fund's actuary will review and certify the status of the Fund under applicable ERISA and IRC funding rules and whether the Fund is making the scheduled progress in meeting the requirements of the Rehabilitation Plan. If the Trustees determine that it is necessary in light of updated information, the Trustees will revise the Rehabilitation Plan and present updated schedules to the bargaining parties. Notwithstanding subsequent changes in benefit and contribution schedules, a schedule provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement shall remain in effect for the duration of that collective bargaining agreement. However, a collective bargaining agreement that is renewed or extended will need to include terms consistent with the schedule in effect at the time of the renewal or extension.

SCHEDULE A

1. Contribution Increases

$0.25 per hour in each contract year.

2. Future Benefit Accruals

For service on or after February 1, 2012, the accrual rate as defined in Article III of the Plan Document is the lesser of: (a) one percent (1%) of the product of the number of hours which contributions are due on behalf of the Participant in a credit year and the contribution rate in effect for his employer prior to its first contribution increase on or before September 1, 2011 (regardless of surcharge) on September 1, 2011, or (b) the accrual rate under the Plan as of September 1, 2011.

3. Adjustable Benefits

- Those retiring before Early Retirement Pension shall have their benefits reduced in accordance with Appendix A attached to this Rehabilitation Plan eliminating all subsidies previously afforded.
- All Service Pensions will no longer be available.
- The 60-month guarantee will no longer apply.
- Actuarial reduction for a Joint and Survivor Pension will reflect the elimination of the 60-month guarantee. The Joint and Survivor Factors set forth in Appendix B attached to this Rehabilitation Plan will apply.
- All future contribution increases after September 1, 2011 will not be used towards the calculation of any future accruals.
- The Disability Pension will not be payable to anyone who has an Annuity Starting Date of September 1, 2011 or later and who has not submitted a complete application, with all required information, prior to that date.
- The Death Benefit provided in Section 3.19 of the Plan.
- The Social Security Level Income Option pursuant to Section 3.17 of the Plan is eliminated.

APPENDIX A

Early Retirement Factors for Rehabilitation Plan

Early retirement benefit is calculated by multiplying the Regular Pension benefit by the factor below corresponding with the age of a participant at Early Retirement date.

Age	Factor
55	36.59%
56	40.12%
57	44.07%
58	48.48%
59	53.43%
60	58.99%
61	65.26%
62	72.35%
63	80.39%
64	89.54%

Note: Reductions for fractional ages are interpolated based on the above.

APPENDIX B

J&S Factors for Rehabilitation Plan

50% joint and survivor:

88% plus 0.4% for each full year that the spouse's age is greater than the Participant's age or minus 0.4% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

75% joint and survivor:

83% plus 0.5% for each full year that the spouse's age is greater than the Participant's age or minus 0.5% for each full year that the spouse's age is less than the Participant's age with a maximum factor of 99%.

Segal Consulting

Local 807 Labor-Management Pension Fund

Actuarial Valuation and Review as of September 1, 2018

CK684

Segal Consulting

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T 212.251.5000 www.segalco.com

June 24, 2019

Board of Trustees
Local 807 Labor-Management Pension Fund
32-43 49th Street
Long Island City, New York 11103

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of September 1, 2018. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the Fund Office, under the direction of Teresa Casanova. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Joel R. Leary, ASA, FCA, MAAA, Enrolled Actuary.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

[redacted]

cc: Fund Administrator
Fund Counsel
Fund Auditor

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Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account

The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.

Zone Information

The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.

Solvency Projections

Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.

Withdrawal Liability

ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

Plan Provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant Information	An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial Information	Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial Assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

- The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.
- ERISA requires a plan's enrolled actuary to provide a statement in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that an appropriate statement can be included.
- Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting has no discretionary authority with respect to the management of assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

		2017		2018
Certified Zone Status		*Critical*		*Critical*
Demographic Data:	• Number of active participants	692	↑	695
	• Number of inactive participants with vested rights	935	↓	754
	• Number of retired participants and beneficiaries	2,813	↓	2,746
Assets:	• Market value of assets (MVA)	$146,959,183		$139,319,518
	• Actuarial value of assets (AVA)	147,543,512		138,574,773
	• AVA as a percent of MVA	100.4%		99.5%
Cash Flow:	• Projected employer contributions at the negotiated rates	$8,883,692		$9,473,149
	• Actual contributions including withdrawal liability payments	10,375,993		--
	• Projected benefit payments and expenses	31,106,935		29,999,111
	• Insolvency projected in Plan Year ending August 31	2028		2030
Statutory Funding Information:	• Minimum required contribution	$91,093,017		$127,436,231
	• Maximum deductible contribution	613,199,660		636,233,169
	• Annual Funding Notice percentage	42.6%		42.1%
	• FSA deficiency as of August 31	$45,628,883		$80,384,128
Cost Elements on an FSA Cost Basis:	• Normal cost, including administrative expenses	$2,879,618		$3,614,528
	• Actuarial accrued liability	353,791,408		336,775,033
	• Unfunded actuarial accrued liability (based on AVA)	$206,247,896		$198,200,260
Withdrawal Liability:[1]	• Present value of vested benefits	410,057,215		389,092,202
	• Unfunded present value of vested benefits (based on MVA)	263,098,032		249,772,684

1 Using the assumptions described in *Section 2: Withdrawal Liability Assumptions*.

Comparison of Funded Percentages

	Funded Percentages as of September 1		2018	
	2017	2018	Liabilities	Assets
1. Present Value of Future Benefits	40.7%	40.1%	$345,994,376	$138,574,773
2. Actuarial Accrued Liability	41.7%	41.1%	336,775,033	138,574,773
3. PPA'06 Liability and Annual Funding Notice	42.6%	42.0%	329,865,553	138,574,773
4. Accumulated Benefits Liability	42.4%	42.2%	329,865,553	139,319,518
5. Withdrawal Liability	35.8%	35.8%	389,092,202	139,319,518
6. Current Liability	29.6%	29.2%	544,592,004	159,109,114

Notes:

1. The value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants. Used to develop the actuarial accrued liability, based on the long-term funding investment return assumption of 7.00% and the actuarial value of assets. The funded percentage using market value of assets is 40.5% for 2017 and 40.3% for 2018.
2. The portion of the present value of future benefits allocated by the actuarial cost method to years prior to the valuation date. Based on the long-term funding investment return assumption of 7.00% and the actuarial value of assets. The funded percentage using market value of assets is 41.5% for 2017 and 41.4% for 2018.
3. The present value of benefits earned through the valuation date (accrued benefits) defined by PPA'06, based on the long-term funding investment return assumption of 7.00% and compared to the actuarial value of assets.
4. The present value of accrued benefits for disclosure in the audited financial statements, based on the long-term funding investment return assumption of 7.00%, and compared to the market value of assets.
5. The present value of vested benefits for withdrawal liability purposes based on the blended interest rate and other assumptions described in *Section 2: Withdrawal Liability Assumptions* and compared to the market value of assets. Includes the unamortized value of the Rehabilitation Plan reductions.
6. The present value of accrued benefits based on a government-prescribed mortality table and investment return assumption of 3.03% for 2017 and 3.01% for 2018, and compared to the market value of assets, including withdrawal liability payments receivable. Used to develop the maximum tax-deductible contribution and shown on the Schedule MB if less than 70%.

Disclosure: These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions.

This September 1, 2018 actuarial valuation report is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected unless specifically identified, and will affect future results. Segal is prepared to work with the Trustees to analyze the effects of any subsequent developments. The current year's actuarial valuation results follow.

A. Developments Since Last Valuation

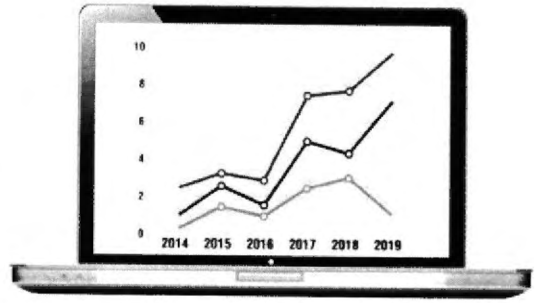
1. The rate of return on the market value of plan assets was 8.74% for the 2017 plan year. The rate of return on the actuarial value of assets was 7.72%. Given the current interest rate environment, target asset allocation and expectations of future investment returns for various asset classes, we will continue to evaluate the Plan's anticipated investment returns relative to the assumed long-term rate of return on investments of 7.00%.
2. There was a $14.7 million experience gain primarily due to the data clean up of the inactive vested participants by the Fund Office that was completed with the MPRA suspension application.
3. The assumptions for mortality rates, retirement rates, and annual administrative expenses have been revised. See *Section 4 Exhibit 8* for more information.
4. The 2018 certification, issued on November 29, 2018, based on the liabilities calculated in the 2017 actuarial valuation, projected to August 31, 2018, and estimated asset information as of August 31, 2018, classified the Plan as Critical and is also Critical and Declining (in the *Red Zone*) because there is a deficiency in the FSA and the Plan was projected to be insolvent within 15 years. This projection was based on the Trustees' industry activity assumption that the active population will decline by 2% annually reaching an ultimate level of 450 and, on average, contributions will be made for 1,850 hours per year for each active participant.

B. Funded Percentage and Funding Standard Account

1. Based on this September 1, 2018 actuarial valuation, the funded percentage that will be reported on the 2018 Annual Funding Notice is 42.0%.
2. The funding deficiency in the FSA as of August 31, 2018 was $80,384,128, an increase of $34,755,245 from the prior year.

C. Solvency Projections

The Plan is projected to be unable to pay benefits within 12 years (i.e., the year ending August 31, 2030), assuming experience is consistent with the September 1, 2018 assumptions. This is two years later than projected in the September 1, 2017 valuation. This projection does not take into account future contribution rate increases required under the Rehabilitation Plan. We are working with the Trustees to evaluate a possible benefit suspension under MPRA to address this this cash-flow crisis. Reflecting future rate increases required under the Rehabilitation Plan, the Plan is projected to be insolvent in the year ending August 31, 2032.



D. Funding Concerns and Risks

1. The imbalance between the benefit levels in the Plan and the resources available to pay for them is being monitored.
2. The growing funding deficiency and the projected inability to pay benefits need prompt attention.
3. We are working with the Trustees to develop alternatives to address this situation including updating the Rehabilitation Plan if needed and exploring a possible benefit suspension under MPRA.
4. The actions already taken to address this issue include plan changes and scheduled contribution rate increases per the Rehabilitation Plan.
5. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have included a list of various risks that may affect the Plan in *Section 2*.

E. Withdrawal Liability

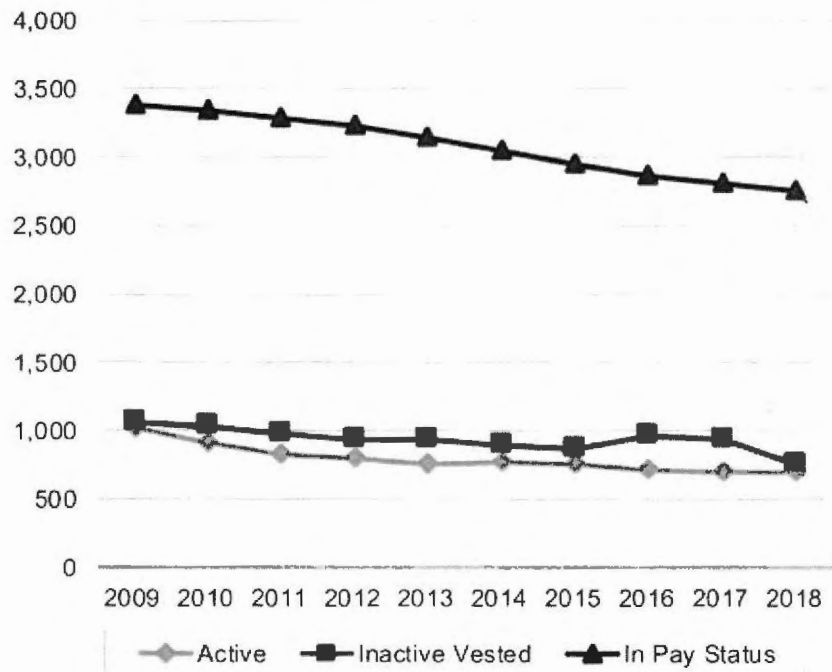
1. The unfunded present value of vested benefits for withdrawal liability purposes (UVB) is $249,772,684 (using the assumptions outlined in *Section 2: Withdrawal Liability Assumptions*). Compared to $263,098,032 as of the prior year, the decrease of $13,325,348 is primarily due to the investment gain on a market value basis and the data clean up of the inactive vested participants.
2. The Trustees have adopted the method outlined in PBGC Technical Update 10-3 to account for benefit reductions implemented by the Rehabilitation Plan. The unamortized value of those benefit reductions is included in the unfunded vested benefit amount shown above.

Section 2: Actuarial Valuation Results

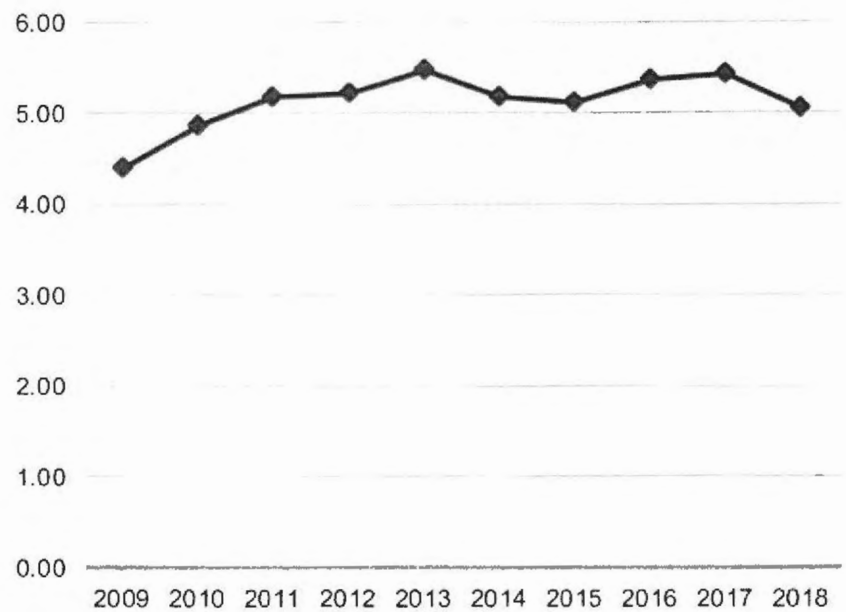
Participant Information

- The Actuarial Valuation is based on demographic data as of August 31, 2018.
- There are 4,195 total participants in the current valuation, compared to 4,440 in the prior valuation.
- The ratio of non-actives to actives has decreased to 5.04 from 5.40 in the prior year and is largely due to a clean up of the inactive vested participant data by the Fund Office.
- More details on the historical information are included in *Section 3, Exhibits A* and *B*.

POPULATION AS OF AUGUST 31



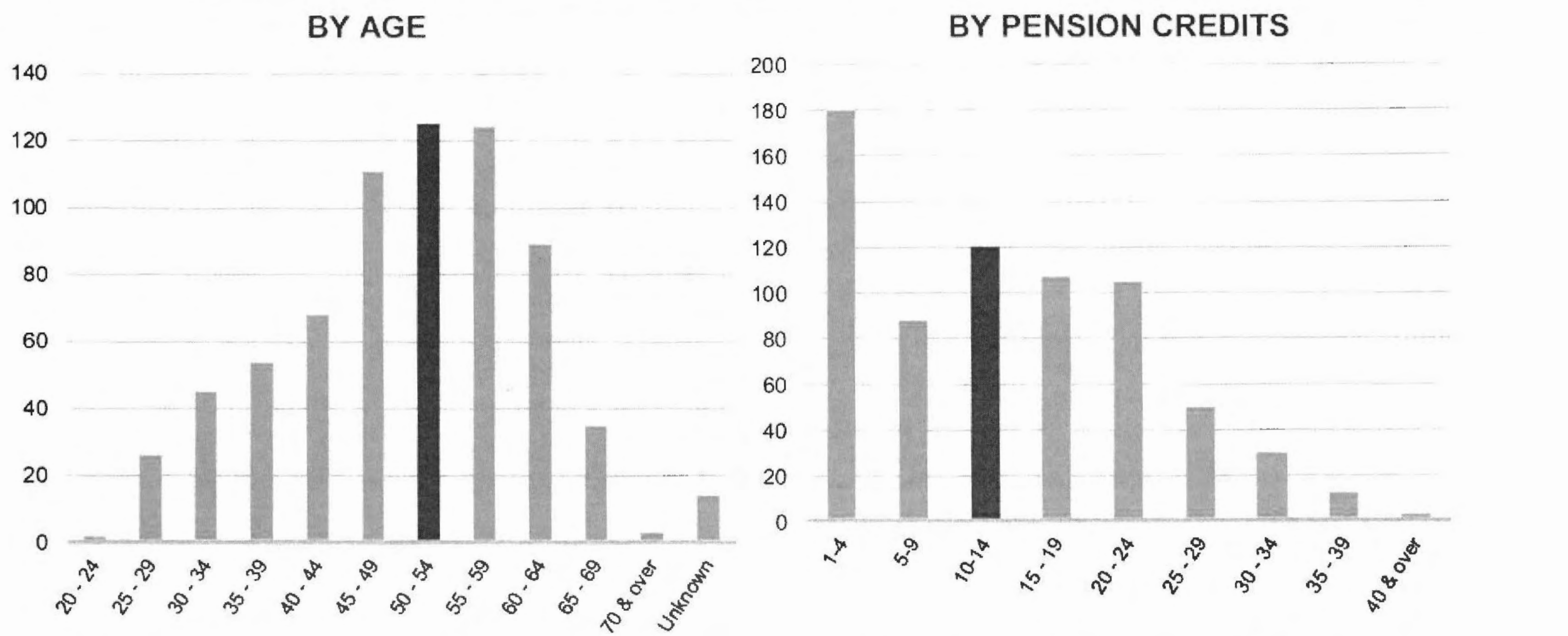
RATIO OF NON-ACTIVES TO ACTIVES AS OF AUGUST 31



Active Participants

- There are 695 active participants this year, an increase of 0.4% compared to 692 in the prior year.
- The age and service distribution is included in *Section 4, Exhibit 6*.

Distribution of Active Participants as of August 31, 2018

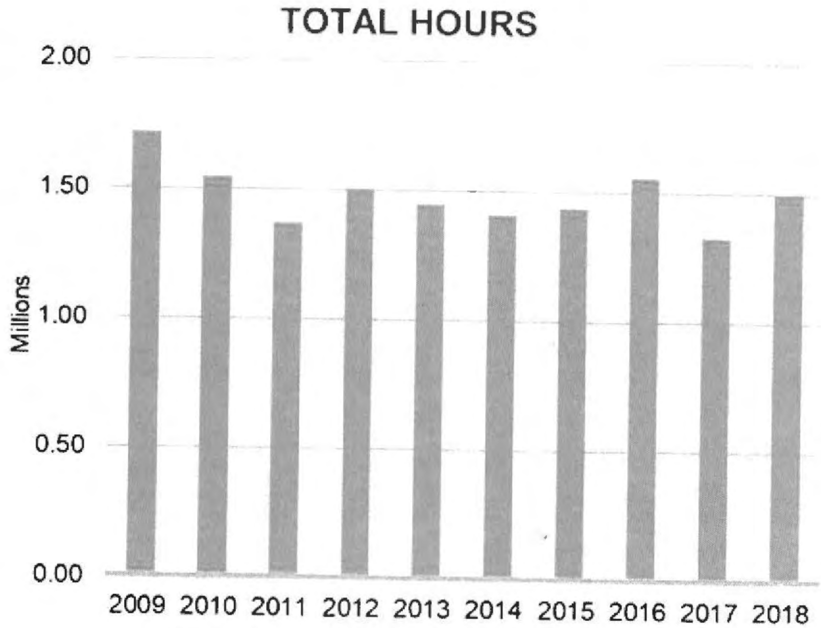


Average age	50.1
Prior year average age	50.3
Difference	-0.2

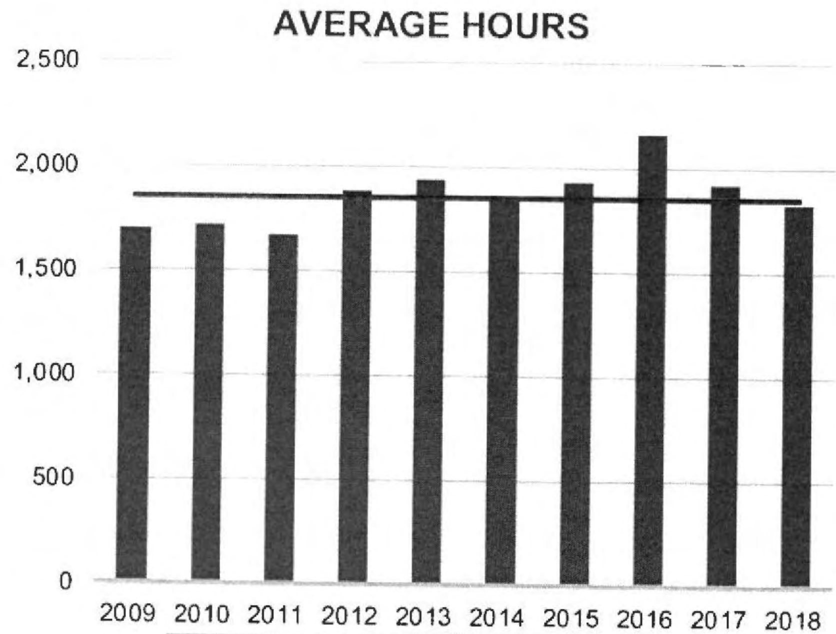
Average pension credits	13.6
Prior year average pension credits	13.9
Difference	-0.3

Historical Employment

- The 2018 zone certification was based on an industry activity assumption of a reduction in active participant levels of 5.6% in 2018 and 2% annually thereafter and, on average, contributions will be made for each active for 1,850 hours each year.
- The valuation is based on 695 actives and a long-term employment projection of 1,850 hours.



Historical Average Total Hours	
Last year	1,270,352
Last five years	1,400,404
Last 10 years	1,459,483
Long-term assumption	1,285,750



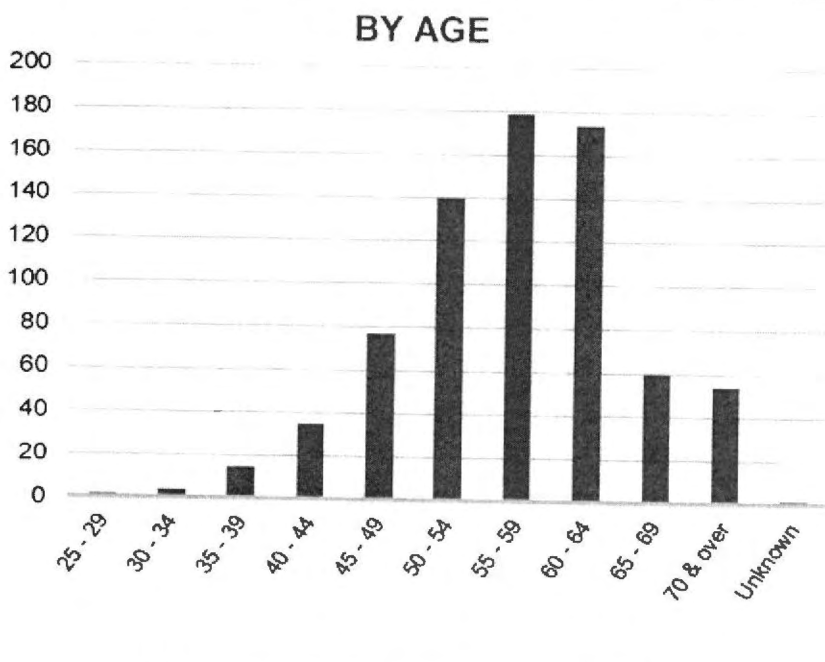
Historical Average Hours	
Last year	1,828
Last five years	1,938
Last 10 years	1,860
Long-term assumption	1,850

Note: The total hours of contributions are based on total contributions divided by the average contribution rate for the year, which may differ from the hours reported to the Fund Office.

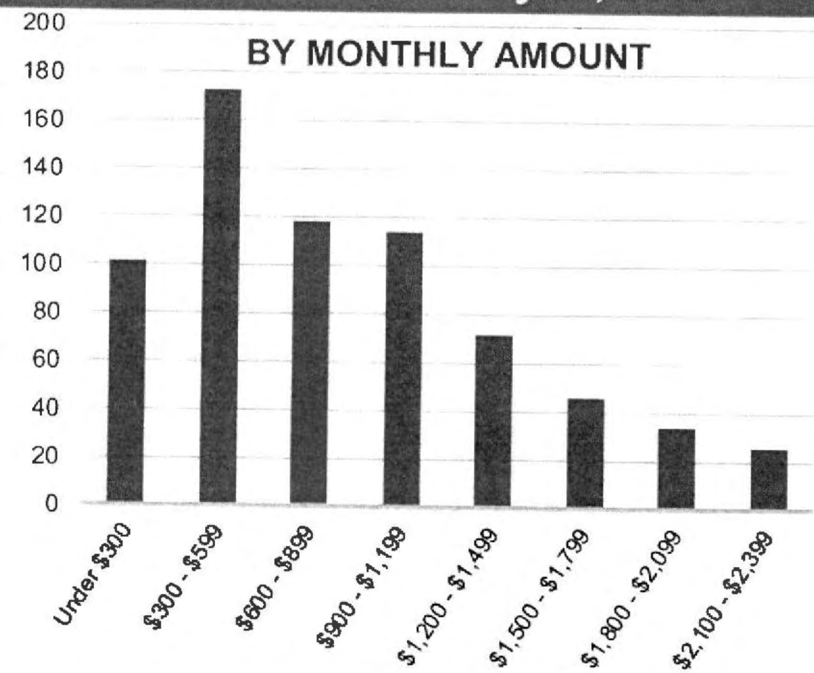
Inactive Vested Participants

- A participant who is not currently active and has satisfied the requirements for, but has not yet commenced, a pension is considered an "inactive vested" participant.
- There are 739 inactive vested participants this year, a decrease of 19.6% compared to 919 last year. This was due to the data clean up by the Fund Office that was completed with the MPRA suspension application.
- This excludes 15 beneficiaries entitled to future benefits this year and 16 last year.

Distribution of Inactive Vested Participants as of January 31, 2018



Average age	57.0
Prior year average age	62.2
Difference	-5.2

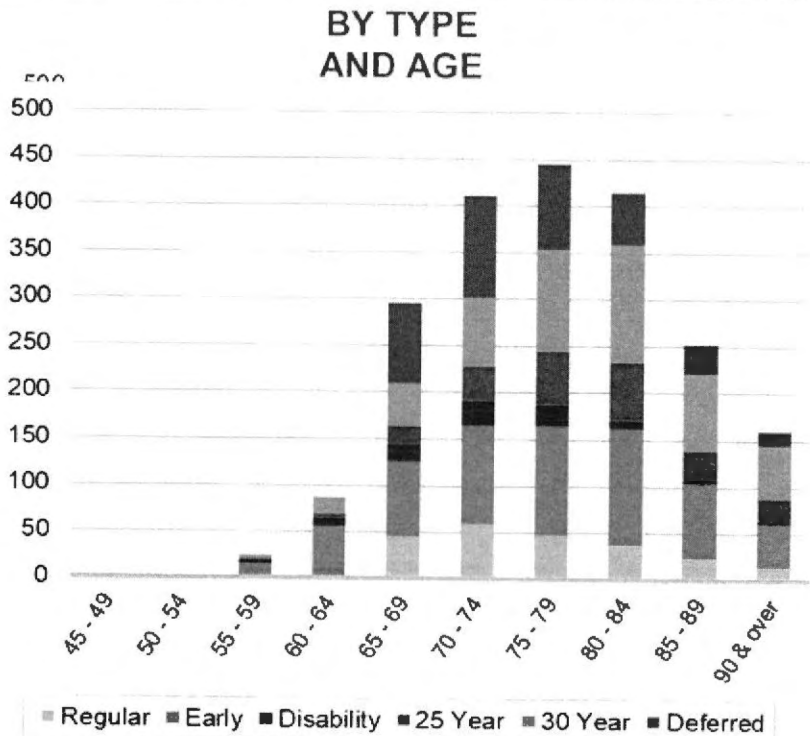


Average amount	$1,066
Prior year average amount	$989
Difference	$77

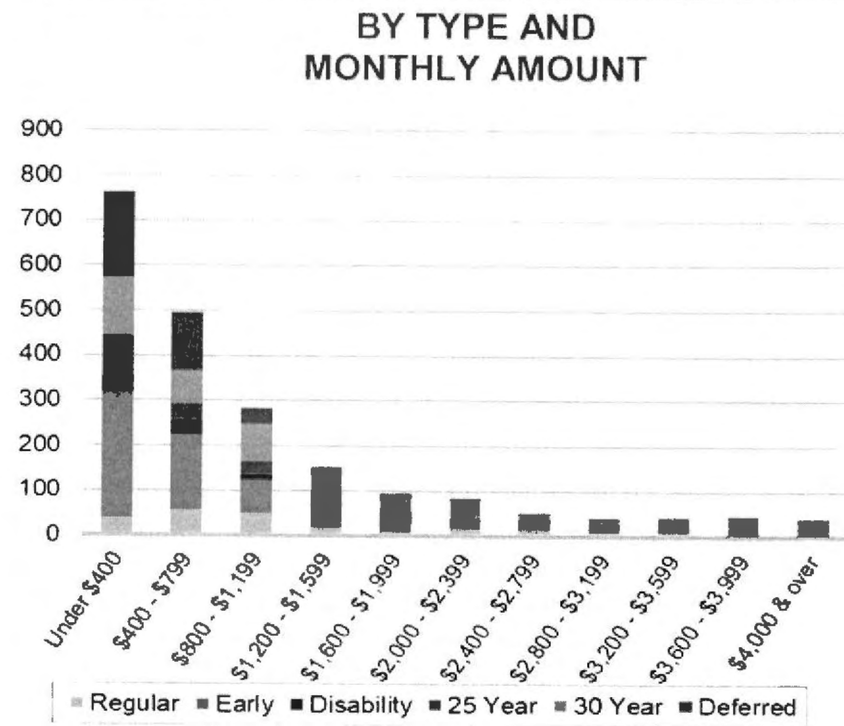
Pay Status Information

- There are 2,090 pensioners and 648 beneficiaries this year, compared to 2,166 and 639, respectively, in the prior year.
- Monthly benefits for the Plan Year ending August 31, 2018 total $2,251,426, as compared to $2,280,000 in the prior year.

Distribution of Pensioners as of August 31, 2018



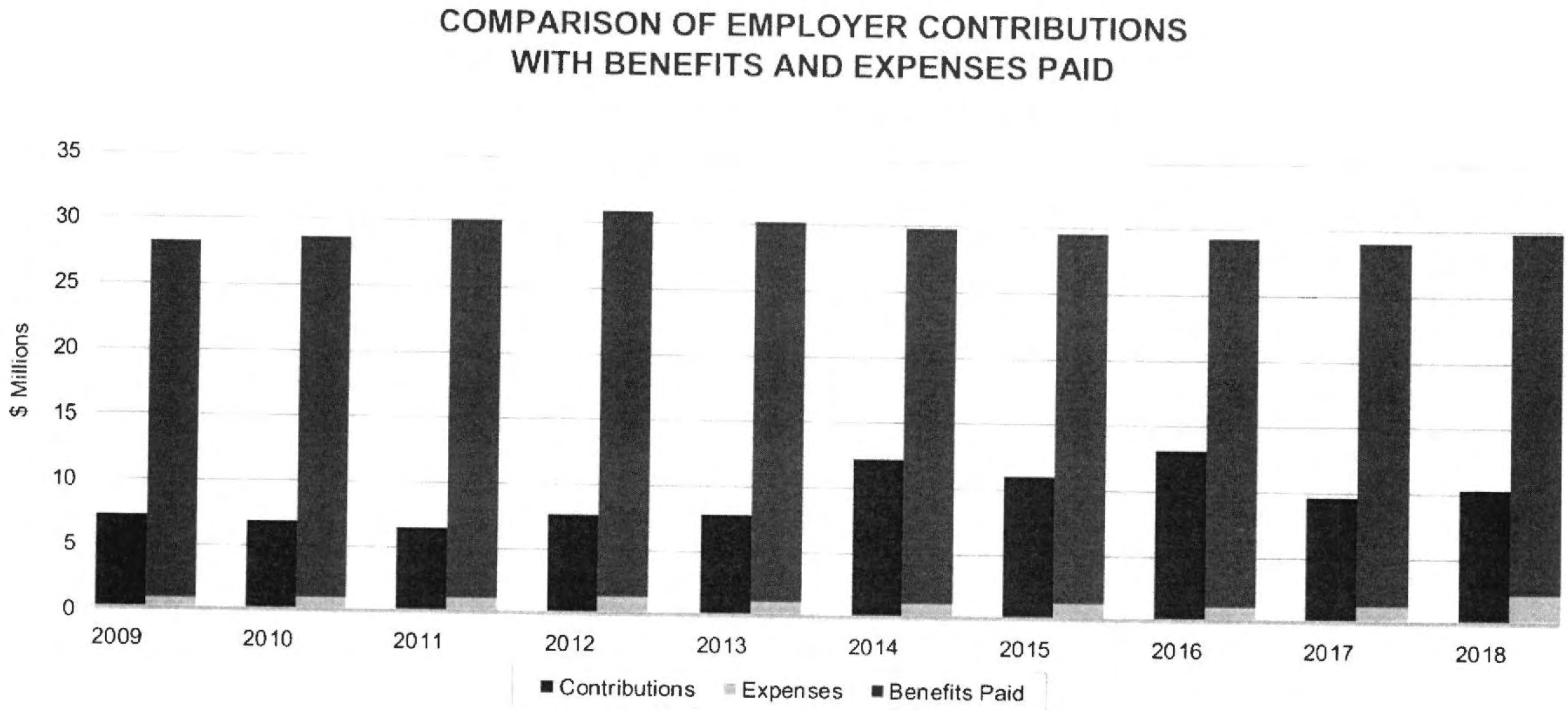
Average age	77.1
Prior year average age	76.9
Difference	0.2



Average amount	$976
Prior year average amount	$963
Difference	$13

Financial Information

- Benefits and expenses are funded solely from contributions and investment earnings.
- For the most recent year, benefit payments and expenses were 2.9 times contributions.
- Additional detail is in *Section 3, Exhibit F.*



Determination of Actuarial Value of Assets

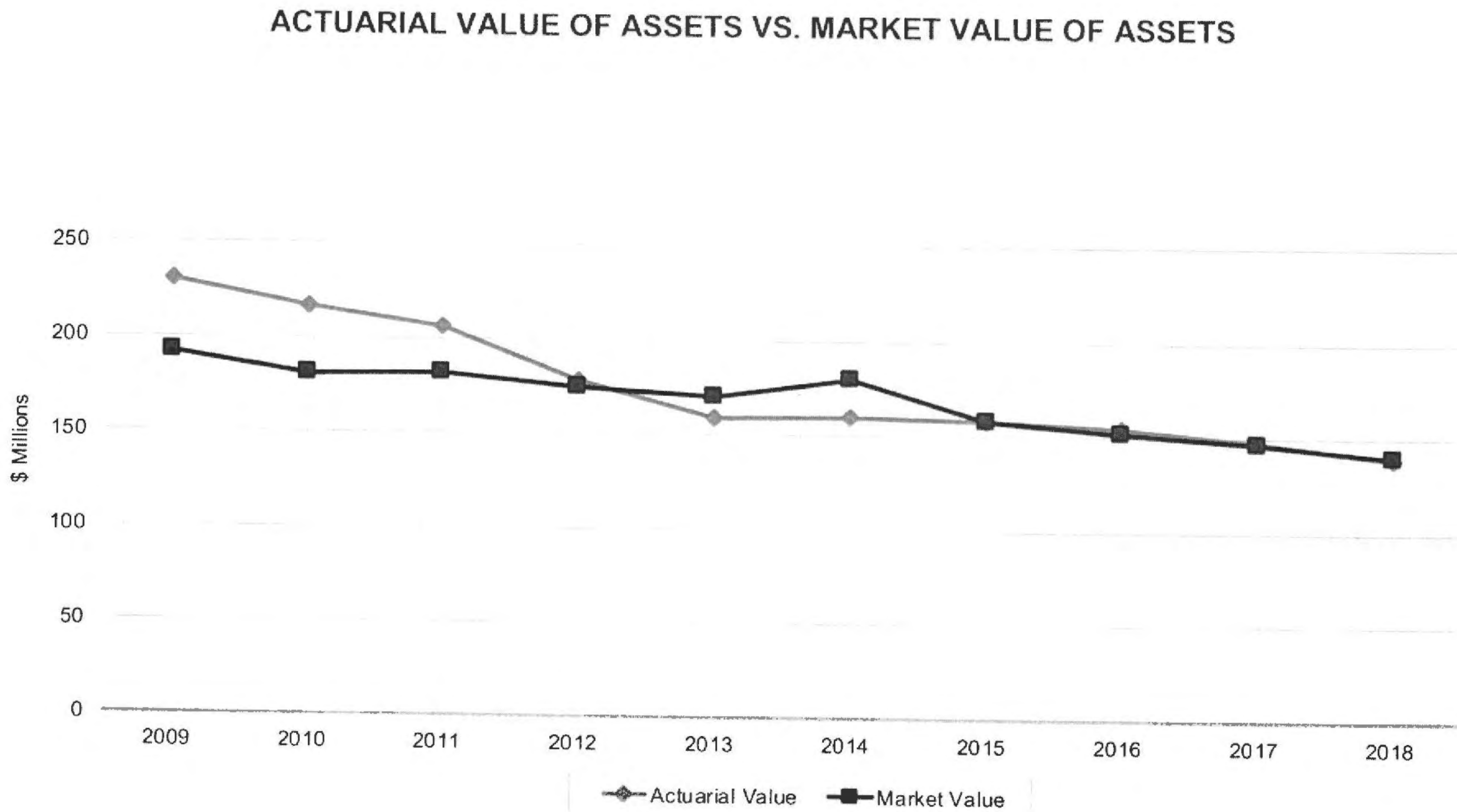
- The asset valuation method gradually recognizes annual market value fluctuations to help mitigate volatility in the actuarial cost calculations.
- Less volatility in the actuarial cost better aligns with negotiated contribution rates.
- The return on the market value of assets for the year ending August 31, 2018 was 8.74%, which produced a gain of $2,355,267 when compared to the assumed return of 7.00%.

1	Market value of assets, August 31, 2018			$139,319,518
		Original Amount[1]	Unrecognized Return[2]	
2	Calculation of unrecognized return			
	(a) Year ended August 31, 2018	$2,355,267	$1,884,214	
	(b) Year ended August 31, 2017	3,818,336	2,291,002	
	(c) Year ended August 31, 2016	-329,297	-131,719	
	(d) Year ended August 31, 2015	-16,493,756	-3,298,751	
	(e) Year ended August 31, 2014	15,780,415	0	
	(f) Total unrecognized return			$744,745
3	Preliminary actuarial value: **(1) - (2f)**			138,574,773
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of August 31, 2018: **(3) + (4)**			138,574,773
6	Actuarial value as a percentage of market value: **(5) ÷ (1)**			99.5%
7	Amount deferred for future recognition: **(1) - (5)**			$744,745

[1] Total return minus expected return on a market value basis

[2] Recognition at 20% per year over 5 years

Asset History for Years Ended August 31



Actuarial Experience

- Assumptions should reflect experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the contribution requirement as an experience gain or loss.
- Assumptions are not changed if experience is believed to be a short-term development that will not continue over the long term.
- The net experience variation for the year was 4.3% of the projected actuarial accrued liability from the prior valuation, and was significant when compared to that liability. This was primarily due to the data clean up of the inactive vested participants by the Fund Office that was completed with the MPRA suspension application.

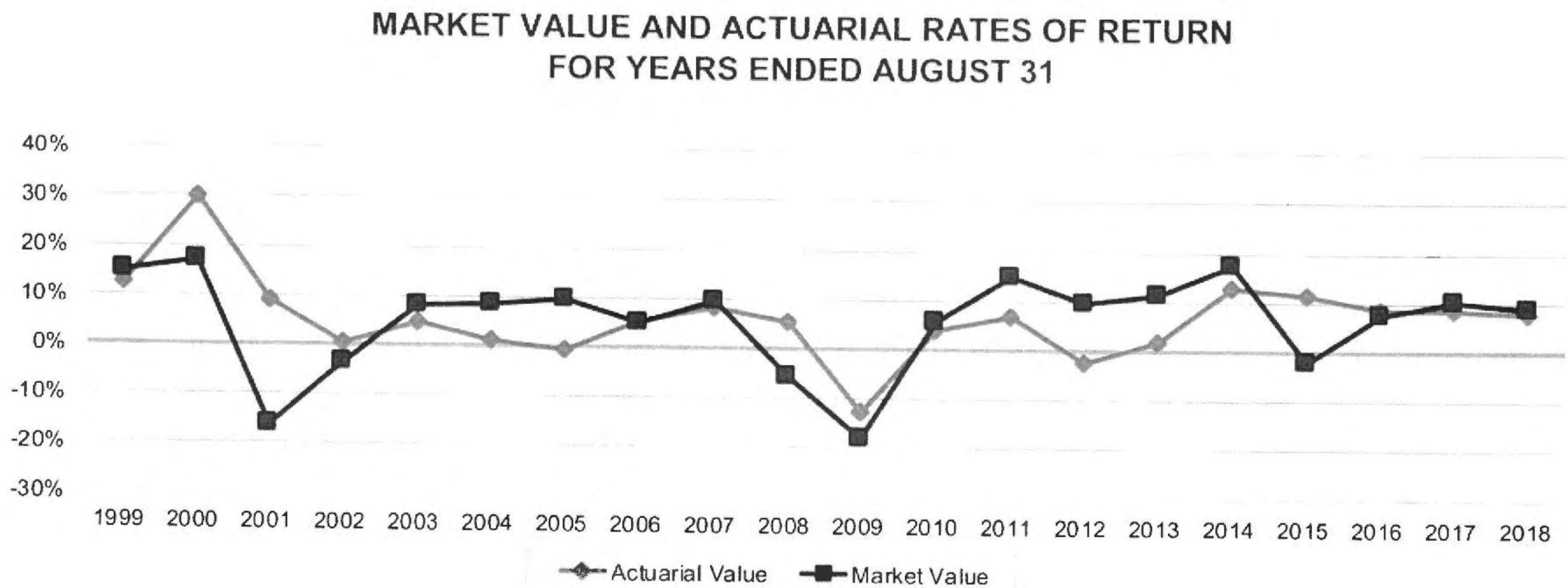
EXPERIENCE FOR THE YEAR ENDED AUGUST 31, 2018

1	Gain from investments	
	a. Net investment income	$10,526,789
	b. Average actuarial value of assets	136,307,123
	c. Rate of return: **a ÷ b**	7.72%
	d. Assumed rate of return	7.00%
	e. Expected net investment income: **b x d**	$9,541,499
	f. Actuarial gain from investments: a - e	985,290
2	Loss from administrative expenses	-784,345
3	Net gain from other experience	14,663,403
4	**Net experience gain: 1f + 2 + 3**	**$14,864,349**

- Net investment income consists of expected investment income at the actuarially assumed rate of return, net of investment expenses, and an adjustment for market value changes.
- The actuarial value of assets does not yet fully recognize past investment gains and losses, which will affect future actuarial investment returns.

Historical Investment Returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.00% considers past experience, the Trustees' asset allocation policy and future expectations.



Average Rates of Return	Actuarial Value	Market Value
Most recent year return:	7.72%	8.74%
Most recent five-year average return:	9.84%	8.09%
Ten-year average return:	3.17%	5.09%
20-year average return:	5.63%	4.56%

Non-Investment Experience

Administrative Expenses

- Administrative expenses for the year ended August 31, 2018 totaled $2,260,251, as compared to the assumption of $1,500,000. The increase was primarily due to the expenses associated with the MPRA suspension application.

Mortality Experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The number of deaths for nondisabled pensioners over the past year was 137 compared to 121.8 projected deaths per year. The number of deaths for disabled pensioners over the past year was 6 compared to 5.0 projected deaths. The average number of deaths for pensioners is too small to be statistically credible. The mortality table used was published by the Society of Actuaries and is appropriate for the valuation of this plan.

Other Experience

- Other differences between projected and actual experience include the extent of turnover among the participants, and retirement experience (earlier or later than projected).

Actuarial Assumptions

- The following assumptions were changed with this valuation:
  - Administrative expenses were increased to $2,200,000 for the year beginning September 1, 2018, $1,800,000 for 2019, and $1,300,000 for 2020 with 1.5% inflation thereafter.
  - Effective September 1, 2018, the mortality assumption was updated to use generation Scale MP-2018.
  - The retirement rates for active and inactive vested participants were revised based on past experience and future expectations.
- These changes increased the normal cost by 0.5% and a de minimis increase in actuarial accrued liability.
- Details on actuarial assumptions and methods are in *Section 4, Exhibit 8.*

Plan Provisions

- There were no changes in plan provisions for FSA purposes since the prior valuation.
- A summary of plan provisions is in *Section 4, Exhibit 9.*

Contribution Rate Changes

- The average contribution rate per hour as of this valuation increased to $7.3678.

Pension Protection Act of 2006

2018 Actuarial Status Certification

- PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively. Details are shown in *Section 3, Exhibit K*.
- The 2018 certification, completed on November 29, 2018, was based on the liabilities calculated in the September 1, 2017 actuarial valuation, adjusted for subsequent events and projected to August 31, 2018, and estimated asset information as of August 31, 2018. The Trustees provided an industry activity assumption of an active population declining 5.6% in 2018 and 2% annually thereafter, with contributions made for 1,850 hours per year for each active participant.
- This Plan was classified as critical and is also critical and declining (in the *Red Zone*) because there is a deficiency in the FSA and the Plan was projected to be insolvent within 15 years.
- In addition, the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan.

Year	Zone Status
2008	GREEN
2009	GREEN
2010	RED
2011	RED
2012	RED
2013	RED
2014	RED
2015	RED
2016	RED (C&D)
2017	RED (C&D)
2018	RED (C&D)

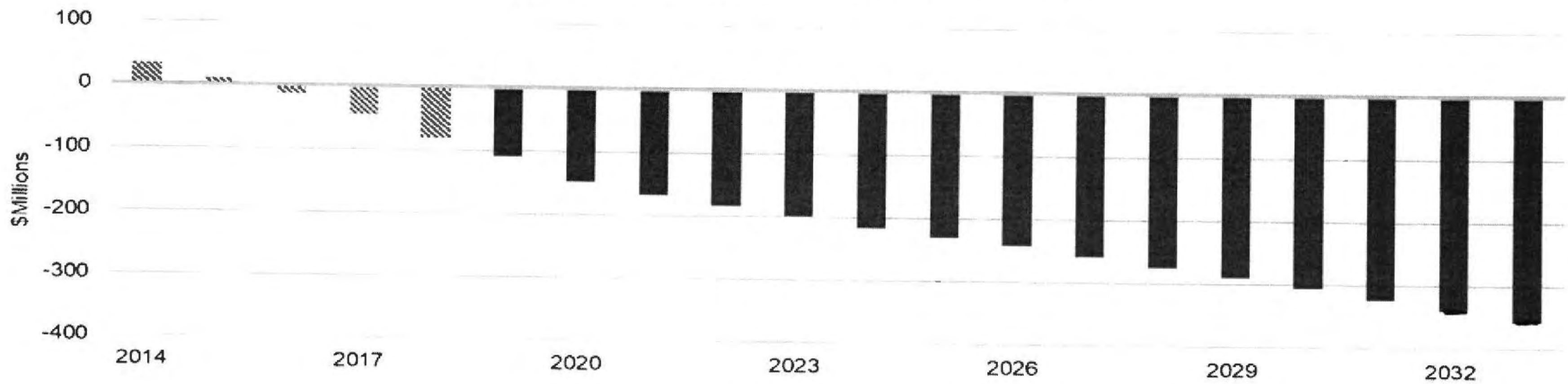
Rehabilitation Plan

- The Plan's Rehabilitation period began September 1, 2013 and ends August 31, 2048.
- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- Based on this valuation, projections show the Plan is not expected to emerge from critical status within the Rehabilitation Period.
- The annual standards detailed in the Rehabilitation Plan of avoiding insolvency before 2024 is projected to be met.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress. We are working with the Trustees to update the Rehabilitation Plan including exploring a potential benefit suspension under MPRA.

Funding Standard Account (FSA)

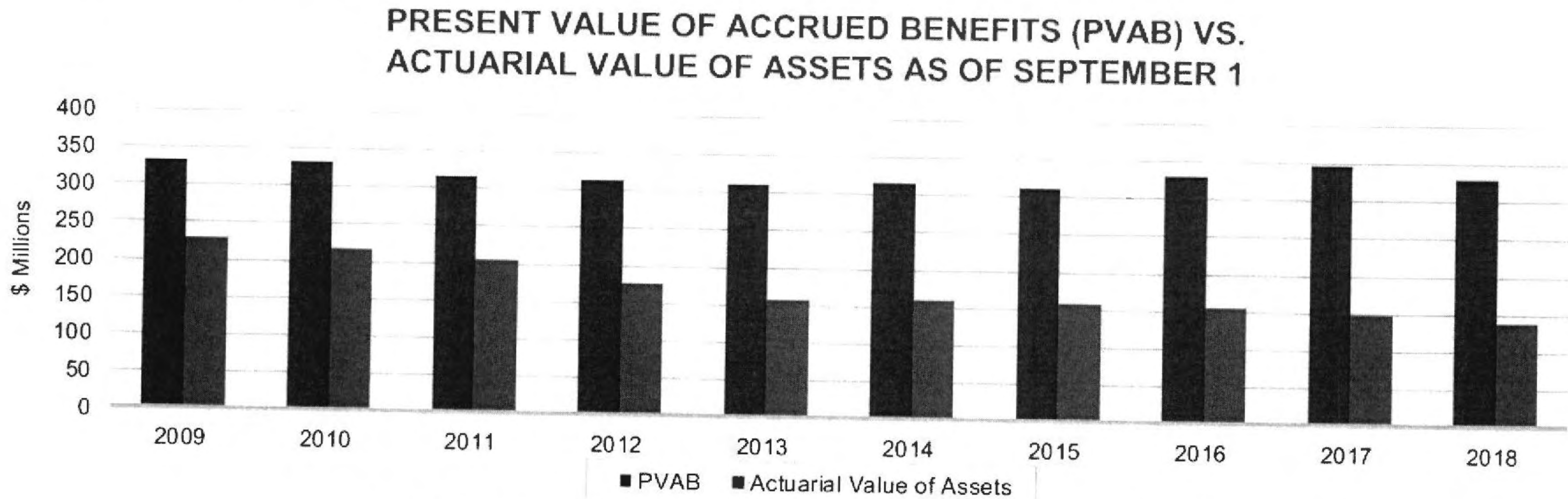
- The minimum funding requirement for the year beginning September 1, 2018 is $127,436,231.
- Based on the assumption that 695 participants will work an average of 1,850 hours at a $7.3678 average contribution rate, the contributions projected for the year beginning September 1, 2018 are $9,473,149. The funding deficiency is projected to increase by approximately $29.5 million to $109.9 million as of August 31, 2019.
- A 15-year projection indicates the funding deficiency will continue to grow, assuming that:
  - The Plan will earn a market rate of return equal to 7.00% each year.
  - All other experience emerges as assumed, no assumption changes are made,
  - There are no plan amendments or changes in law/regulation, and
  - Administrative expenses are projected to increase 1.5% per year.
- The projection is based on a declining number of active employees and 1,850 hours per capita, with future normal cost increasing by 0.2% per year.

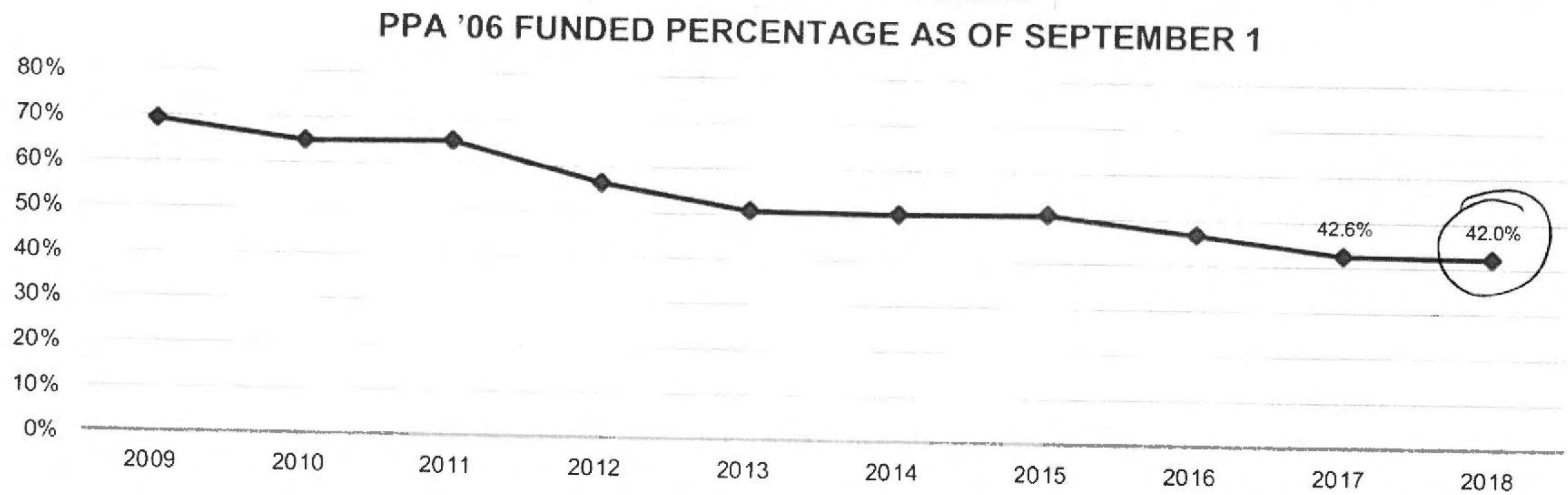
CREDIT BALANCE AS OF AUGUST 31



Additional scenarios would demonstrate sensitivity to risk from investment return, employment and other factors.

PPA'06 Funded Percentage Historical Information

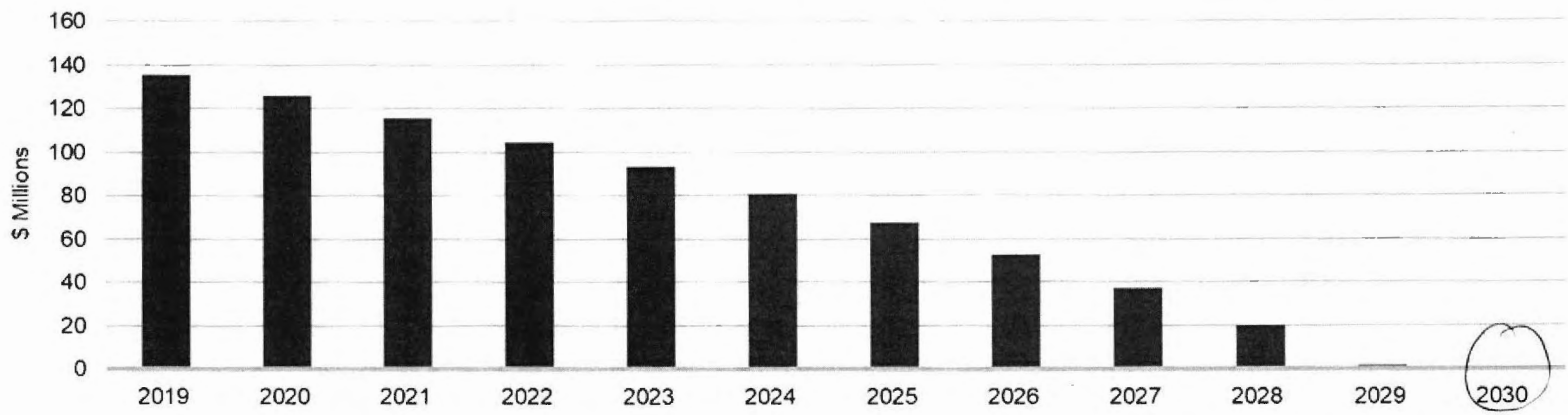




Solvency Projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due. MPRA classifies red zone plans that are projected to become insolvent within 15 or 20 years as "critical and declining." See *Section 3, Exhibit K* for more information.
- This Plan was certified as critical and declining based on a projected insolvency in 11 years.
- Based on this valuation, assets are projected to be exhausted in 2030, as shown below. This is two years later than projected in the prior year valuation.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumptions. This projection does not reflect the contribution rate increases under the Rehabilitation Plan. Reflecting future rate increases required under the Rehabilitation Plan, the Plan is projected to be insolvent in the year ending August 31, 2032.
- The Plan is operating under a Rehabilitation Plan that is intended to forestall insolvency.

PROJECTED ASSETS AS OF AUGUST 31



Additional scenarios would demonstrate sensitivity to investment return, employment and other alternative assumptions.

Funding Concerns

- The imbalance between the benefit levels in the Plan and the resources available to pay for them must be monitored.
- The growing funding deficiency and the projected inability to pay benefits need prompt attention.
- We are working with the Trustees to develop alternatives to address this situation including updating the Rehabilitation Plan if needed and exploring a possible benefit suspension under MPRA.
- The actions already taken to address this issue include plan changes and scheduled contribution rate increases per the Rehabilitation Plan.
- Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have included a list of various risks that may affect the Plan.

Risk

- The actuarial valuation results are dependent on a single set of assumptions; however, there is a risk that emerging results may differ significantly as actual experience proves to be different from the current assumptions.
- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but have included a brief discussion of some risks that may affect the Plan.
- A more detailed assessment of the risks would provide the Trustees with a better understanding of the risks inherent in the Plan. This assessment may include scenario testing, sensitivity testing, stress testing and stochastic modeling.
- A detailed risk assessment could be important for your Plan because:
  - the Plan assets are quickly diminishing.
  - retired participants account for most of the Plan's liabilities leaving limited options for reducing Plan costs in the event of adverse experience.
  - the Trustees may want to consider the options available under MPRA.
- Investment Risk (the risk that returns will be different than expected)
- Withdrawal Liability Payment Risk
- Other Demographic Risk (the risk that participant experience will be different than assumed)
- Maturity Measures

  The risk associated with a pension plan increases as it becomes more mature, meaning that the actives represent a smaller portion of the liabilities of the plan. When this happens, there is a greater risk that fluctuations in the experience of the non-active participants or of the assets of the plan can result in large swings in the contribution requirements.
- In addition to Plan risks, external risks include legislative, regulatory or financial reporting changes that could impact the Plan's funding and disclosure requirements.

Withdrawal Liability

- As of August 31, 2018, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is $382,989,271.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after September 1, 2011. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $389,092,202 as of August 31, 2018.
- The $13,325,348 decrease in the unfunded present value of vested benefits from the prior year is primarily due to the actuarial gain for the year ended August 31, 2018.

		August 31	
		2017	2018
1	PVVB measured for withdrawal purposes	$403,410,828	$382,989,271
2	Unamortized value of Affected Benefits Pools	6,646,387	6,102,931
3	Total present value of vested benefits: **1 + 2**	410,057,215	389,092,202
4	Market Actuarial value of assets	146,959,183	139,319,518
5	Unfunded present value of vested benefits (UVB): **3 - 4**, not less than $0	$263,098,032	$249,772,684

Withdrawal Liability Assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- The interest rate is based on a blend, which includes rates selected based on estimated annuity purchase rates for benefits being settled, because withdrawal liability is a final settlement of an employer's obligations to the Plan. For benefits that could be settled immediately, because assets on hand are sufficient, the annuity purchase rates are those promulgated by PBGC under ERISA Sec. 4044 for multiemployer plans terminating by mass withdrawal on the measurement date. For benefits that cannot be settled immediately because they are not currently funded, the calculation uses rates equal to the interest rate used for plan funding calculations.

Interest	For liabilities up to market value of assets, 2.53% for 25 years and 2.64% beyond (2.44% for 20 years and 2.74% beyond, in the prior year valuation). For liabilities in excess of market value of assets, same as used for plan funding as of September 1, 2018 (the corresponding funding rate as of a year earlier was used for the prior year's value).
Administrative Expenses	Calculated as prescribed by PBGC formula (29 CFR Part 4044, Appendix C); not applicable to those liabilities determined using funding interest rates.
Mortality	Same as used for plan funding as of September 1, 2018 (the corresponding mortality rates as of a year earlier were used for the prior year's value)
Retirement Rates	Same as used for plan funding as of September 1, 2018 (the corresponding retirement rates as of a year earlier were used for the prior year's value)

Section 3: Supplementary Information

EXHIBIT A – TABLE OF PLAN COVERAGE

Category	Year Ended August 31 2017	Year Ended August 31 2018	Change from Prior Year
Participants in Fund Office tabulation	758	751	-0.9%
Less: Participants with less than one pension credit	66	56	N/A
Active participants in valuation:			
• Number	692	695	0.4%
• Average age	50.3	50.1	-0.2
• Average pension credits	13.9	13.6	-0.3
• Average contribution rate for upcoming year	$6.9393	$7.3678	6.17%
• Number with unknown age and/or service information	73	14	-80.8%
• Total active vested participants	524	515	-1.7%
Inactive participants with rights to a pension:			
• Number	919	739	-19.6%
• Average age	62.2	57.0	-5.2
• Average estimated monthly benefit	$989	$1,066	7.8%
• Beneficiaries with rights to deferred payments	16	15	-6.3%
Pensioners:			
• Number in pay status	2,166	2,090	-3.5%
• Average age	76.9	77.1	0.2
• Average monthly benefit	$963	$976	1.3%
• Number of alternate payees in pay status	24	24	0.0%
• Number in suspended status	8	8	0.0%
Beneficiaries:			
• Number in pay status	639	648	1.4%
• Average age	78.6	79.1	0.6
• Average monthly benefit	$303	$325	7.3%
Total Participants	**4,440**	**4,195**	-5.5%

EXHIBIT B – PARTICIPANT POPULATION

Year Ended August 31	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of Non-Actives to Actives
2009	1,014	1,055	3,387	4.38
2010	900	1,026	3,337	4.85
2011	823	977	3,284	5.18
2012	799	936	3,228	5.21
2013	745	928	3,147	5.47
2014	762	892	3,047	5.17
2015	746	866	2,950	5.12
2016	714	954	2,866	5.35
2017	692	935	2,813	5.42
2018	695	754	2,746	5.04

EXHIBIT C – EMPLOYMENT HISTORY

Year Ended August 31	Total Hours of Contributions[1]		Active Participants		Average Hours of Contributions	
	Number	Percent Change	Number	Percent Change	Number	Percent Change
2009	1,720,548	-16.8%	1,014	-3.3%	1,697	-13.9%
2010	1,546,363	-10.1%	900	-11.2%	1,718	1.2%
2011	1,373,063	-11.2%	823	-8.6%	1,668	-2.9%
2012	1,506,274	9.7%	799	-2.9%	1,885	13.0%
2013	1,446,566	-4.0%	745	-6.8%	1,942	3.0%
2014	1,410,162	-2.5%	762	2.3%	1,851	-4.7%
2015	1,438,233	2.0%	746	-2.1%	1,928	4.2%
2016	1,554,780	8.1%	714	-4.3%	2,174	13.0%
2017	1,328,491	-14.6%	692	-3.1%	1,920	-11.8%
2018	1,270,352	-4.4%	695	0.4%	1,828	-4.8%
			Five-year average hours:		**1,938**	
			Ten-year average hours:		**1,860**	

[1] The total hours of contributions are based on total contributions divided by the average contribution rate for the year, which may differ from the hours reported to the Fund Office.

EXHIBIT D – NEW PENSION AWARDS

Year Ended August 31	Total		Regular		Early		Disability		25 Year		30 Year		Deferred	
	Number	Average Monthly Amount	Number	Average Monthly Amount	Number	Average Monthly Amount	Number	Average Monthly Amount	Number	Average Monthly Amount	Number	Average Monthly Amount	Number	Average Monthly Amount
2009	70	$1,206	11	$1,073	14	$948	5	$1,552	5	$1,557	15	$1,954	20	$723
2010	89	1,441	10	1,393	20	1,766	–	–	9	1,418	18	2,495	32	667
2011	107	1,796	16	2,135	22	925	2	1,798	7	2,053	35	3,082	25	471
2012	82	1,215	20	1,289	25	1,041	–	–	4	1,368	6	3,297	27	834
2013	51	749	12	1,060	13	782	–	–	–	–	–	–	26	589
2014	44	754	9	1,262	9	747	–	–	–	–	–	–	26	580
2015	60	1,093	16	1,788	19	1,014	–	–	–	–	–	–	25	710
2016	54	1,075	13	1,500	20	1,191	–	–	–	–	–	–	21	700
2017	53	1,171	17	1,994	11	1,144	–	–	–	–	–	–	25	624
2018	57	1,162	20	1,743	16	1,285	–	–	–	–	–	–	21	517

EXHIBIT E – PROGRESS OF PENSION ROLLS OVER THE PAST TEN YEARS

IN PAY STATUS AT YEAR END

Year	Number	Average Age	Average Amount	Terminations[1]	Additions[2]
2009	2,741	74.6	$751	156	70
2010	2,686	74.9	778	144	89
2011	2,616	74.9	833	177	107
2012	2,557	75.2	864	141	82
2013	2,494	75.6	873	114	51
2014	2,399	76.1	891	139	44
2015	2,303	76.4	914	160	64
2016	2,214	76.6	936	143	54
2017	2,166	76.9	963	103	55
2018	2,090	77.1	976	143	67

[1] Terminations include pensioners who died or were suspended during the prior plan year.

[2] Additions to the pension rolls include new pensions awarded and suspended pensioners who have been reinstated.

EXHIBIT F – SUMMARY STATEMENT OF INCOME AND EXPENSES ON AN ACTUARIAL BASIS

	Year Ended August 31, 2017		Year Ended August 31, 2018	
Contribution income:				
• Employer contributions	$8,443,862		$8,815,351	
• Withdrawal liability	1,186,042		1,560,642	
Net contribution income		*$9,629,904*		*$10,375,993*
Investment income:				
• Expected investment income	$10,758,236		$9,541,499	
• Adjustment toward market value	1,537,828		985,290	
Net investment income		*12,296,064*		*10,526,789*
Total income available for benefits		**$21,925,968**		**$20,902,782**
Less benefit payments and expenses:				
• Pension benefits	-$27,708,903		-$27,611,270	
• Administrative expenses	-1,314,420		-2,260,251	
Total benefit payments and expenses		*-$29,023,323*		*-$29,871,521*
Change in actuarial value of assets		**-$7,097,355**		**-$8,968,739**
Actuarial value of assets		**$147,543,512**		**$138,574,773**
Market value of assets		**$146,959,183**		**$139,319,518**

EXHIBIT G – INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE

Year Ended August 31	Actuarial Value Investment Return		Market Value Investment Return		Year Ended August 31	Actuarial Value Investment Return		Market Value Investment Return	
	Amount	Percent[1]	Amount	Percent		Amount	Percent[1]	Amount	Percent
1999	$32,593,357	12.42%	$47,058,801	14.76%	2009	-$34,867,728	-12.73%	-$45,016,697	-18.32%
2000	81,834,042	29.71%	59,512,080	17.18%	2010	8,037,106	3.69%	10,326,551	5.76%
2001	29,277,005	8.67%	-62,881,065	-16.28%	2011	13,604,781	6.71%	24,761,516	14.84%
2002	1,199,191	0.35%	-11,203,792	-3.71%	2012	-4,948,828	-2.56%	16,223,983	9.65%
2003	15,178,041	4.65%	22,386,314	8.28%	2013	3,153,095	1.91%	18,022,130	11.16%
2004	2,946,148	0.92%	23,032,687	8.45%	2014	18,835,084	12.72%	27,727,402	17.41%
2005	-2,324,160	-0.76%	26,801,814	9.73%	2015	16,885,950	11.34%	-3,820,930	-2.26%
2006	15,090,705	5.36%	13,791,691	4.89%	2016	12,772,694	8.61%	10,745,723	7.28%
2007	22,473,083	8.12%	26,072,256	9.44%	2017	12,296,064	8.57%	14,376,699	10.21%
2008	14,984,096	5.39%	-16,025,521	-5.71%	2018	10,526,789	7.72%	11,855,863	8.74%
					Total	$269,546,515		$213,747,505	
		Most recent five-year average return:					**9.84%**		**8.09%**
		Most recent ten-year average return:					**3.17%**		**5.09%**
		20-year average return:					**5.63%**		**4.56%**

Note: Each year's yield is weighted by the average asset value in that year.

[1] The investment return for 2000 includes the effect of a change in the method for determining the actuarial value of assets.

EXHIBIT H – ANNUAL FUNDING NOTICE FOR PLAN YEAR BEGINNING SEPTEMBER 1, 2018 AND ENDING AUGUST 31, 2019

	2018 Plan Year	2017 Plan Year	2016 Plan Year
Actuarial valuation date	September 1, 2018	September 1, 2017	September 1, 2016
Funded percentage	42.0%	42.6%	46.7%
Value of assets	$138,574,773	$147,543,512	$154,640,867
Value of liabilities	329,865,553	346,728,132	331,036,014
Fair market value of assets as of plan year end	Not available	139,319,518	146,959,183

Critical or Endangered Status

The Plan was in critical status in the plan year because a funding deficiency exists.

EXHIBIT I – FUNDING STANDARD ACCOUNT

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, and changes in actuarial assumptions and funding methods. The FSA is credited with employer contributions and withdrawal liability payments.
- Increases or decreases in the unfunded actuarial accrued liability are amortized over 15 years except that short-term benefits, such as 13th checks, are amortized over the scheduled payout period.
- On August 31, 2018, the FSA had a funding deficiency of $80,384,128, as shown on the 2017 Schedule MB. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency.

FSA FOR THE YEAR ENDED AUGUST 31, 2018

	Charges			Credits	
1	Prior year funding deficiency	$45,628,883	**6**	Prior year credit balance	$0
2	Normal cost, including administrative expenses	2,879,618	**7**	Employer contributions	10,375,993
3	Total amortization charges	40,216,249	**8**	Total amortization credits	3,591,089
4	Interest to end of the year	6,210,733	**9**	Interest to end of the year	584,273
5	*Total charges*	*$94,935,483*	**10**	Full-funding limitation credit	0
			11	*Total credits*	*$14,551,355*
				Credit balance (Funding deficiency): 11 - 5	-$80,384,128

EXHIBIT J – MAXIMUM DEDUCTIBLE CONTRIBUTION

- Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan's funded level that are considered in the development of the maximum deductible contribution amount.
- One of the limits is the excess of 140% of "current liability" over assets. "Current liability" is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date. This limit is significantly higher than the current contribution level.
- Contributions in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.
- The Trustees should review the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts with Fund Counsel.

1	Normal cost, including administrative expenses	$3,614,528
2	Amortization of unfunded actuarial accrued liability	26,373,138
3	Preliminary maximum deductible contribution: **1 + 2**, with interest to the end of the plan year	$32,086,803
4	Full-funding limitation (FFL)	367,192,800
5	Preliminary maximum deductible contribution, adjusted for FFL: **lesser of 3 and 4**	32,086,803
6	Current liability for maximum deductible contribution, projected to the end of the plan year	538,080,738
7	Actuarial value of assets, projected to the end of the plan year	117,079,864
8	Excess of 140% of current liability over projected assets at end of plan year: **[140% of (6)] - (7),** not less than zero	636,233,169
9	End of year minimum required contribution	127,436,231
Maximum deductible contribution: greatest of 5, 8, and 9		**$636,233,169**

EXHIBIT K – PENSION PROTECTION ACT OF 2006

PPA'06 Zone Status

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of the "zones" described below.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

Critical Status **(*Red Zone*)**	A plan is classified as being in critical status (the *Red Zone*) if: • The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or • There is a projected FSA deficiency within four years, or • There is a projected inability to pay benefits within five years, or • The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or • As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the *Red Zone* within the next five years and the plan sponsor elects to be in critical status. A critical status plan is further classified as being in *critical and declining status* if: • The ratio of inactives to actives is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or • The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or • There is an inability to pay benefits projected within 15 years. Any amortization extensions are ignored for testing initial entry into the *Red Zone*. The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency. Trustees of *Red Zone* plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within 10 years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.
Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone*.

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years must elect whether or not to enter the *Red Zone* for the current year.

Section 4: Certificate of Actuarial Valuation

JUNE 24, 2019

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared an actuarial valuation of the Local 807 Labor-Management Pension Fund as of September 1, 2018 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached *Exhibit 8*.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in *Exhibit 1*. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and [redacted]ination, offer my best estimate of anticipated experience under the plan.

Vice President and Actuary
Enrolled Actuary No. 17-06166

EXHIBIT 1 – SUMMARY OF ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

Pensioners as of the valuation date (including 648 beneficiaries in pay status and eight pensioners in suspended status)		2,746
Participants inactive during year ended August 31, 2018 with vested rights (including one participant with unknown age)		754
Participants active during the year ended August 31, 2018 (including 14 participants with unknown age)		695
• Fully vested	515	
• Not vested	180	
Total participants		**4,195**

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$3,614,528
Actuarial present value of projected benefits		345,994,376
Present value of future normal costs		9,219,343
Actuarial accrued liability		336,775,033
• Pensioners and beneficiaries[1]	$213,769,865	
• Inactive participants with vested rights	56,964,353	
• Active participants	66,040,815	
Actuarial value of assets ($139,319,518 at market value as reported by Schultheis & Panettieri, LLP)		$138,574,773
Unfunded actuarial accrued liability		198,200,260

[1] Includes liabilities for 24 former spouses in pay status.

EXHIBIT 2 – ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of September 1, 2017 and as of September 1, 2018. In addition, the factors that affected the change between the two dates follow.

	Benefit Information Date	
	September 1, 2017	**September 1, 2018**
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$218,616,602	$213,769,865
• Other vested benefits	127,587,346	115,591,447
• Total vested benefits	$346,203,948	$329,361,312
Actuarial present value of non-vested accumulated plan benefits	524,184	504,241
Total actuarial present value of accumulated plan benefits	**$346,728,132**	**$329,865,553**

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Plan amendments	$0
Benefits accumulated, net experience gain or loss, changes in data	-$12,543,815
Benefits paid	-27,611,270
Changes in actuarial assumptions	68,464
Interest	23,224,042
Total	**-$16,862,579**

EXHIBIT 3 – CURRENT LIABILITY

The table below presents the current liability for the Plan Year beginning September 1, 2018.

Item[1]		Amount
Retired participants and beneficiaries receiving payments		$301,250,544
Inactive vested participants		116,524,333
Active participants		
• Non-vested benefits	$1,722,397	
• Vested benefits	125,094,730	
• *Total active*		*$126,817,127*
Total		**$544,592,004**

Expected increase in current liability due to benefits accruing during the plan year	$5,261,259
Expected release from current liability for the plan year	27,868,732
Expected plan disbursements for the plan year, including administrative expenses of $2,200,000	30,068,732

Current value of assets[2]	$159,109,114
Percentage funded for Schedule MB	29.2%

[1] The actuarial assumptions used to calculate these values are shown in Exhibit 8.

[2] Includes $19,789,596 in withdrawal liability payments receivable.

EXHIBIT 4 – INFORMATION ON PLAN STATUS AS OF SEPTEMBER 1, 2018

Plan status (as certified on November 29, 2018, for the 2018 zone certification)	***Critical***
Scheduled progress (as certified on November 29, 2018, for the 2018 zone certification)	Yes
Actuarial value of assets for FSA	$138,574,773
Accrued liability under unit credit cost method	329,865,553
Funded percentage for monitoring plan's status	42.0%
Year in which insolvency is expected	2030

EXHIBIT 5 – SCHEDULE OF PROJECTION OF EXPECTED BENEFIT PAYMENTS

(SCHEDULE MB, LINE 8b(1))

Plan Year	Expected Annual Benefit Payments[1]
2018	$27,799,071
2019	27,454,217
2020	27,138,417
2021	26,894,324
2022	26,694,297
2023	26,397,528
2024	26,180,628
2025	25,972,338
2026	25,696,214
2027	25,514,776

[1] Assuming as of the valuation date:

- no additional accruals,
- experience is in line with valuation assumptions, and
- no new entrants are covered by the plan.

EXHIBIT 6 – SCHEDULE OF ACTIVE PARTICIPANT DATA

(SCHEDULE MB, LINE 8b(2))

The participant data is for the year ended January 31, 2018.

		Pension Credits								
Age	Total	1-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34	35 - 39	40 & over
Under 25	1	1	–	–	–	–	–	–	–	–
25 - 29	26	20	6	–	–	–	–	–	–	–
30 - 34	45	32	8	5	–	–	–	–	–	–
35 - 39	54	27	12	12	3	–	–	–	–	–
40 - 44	68	17	13	14	16	8	–	–	–	–
45 - 49	111	29	15	23	22	19	3	–	–	–
50 - 54	125	21	13	20	22	26	15	8	–	–
55 - 59	124	9	10	21	23	27	18	10	5	1
60 - 64	89	8	7	19	13	18	8	10	5	1
65 - 69	35	1	3	6	8	6	6	2	2	1
70 & over	3	1	1	–	–	1	–	–	–	–
Unknown	14	14	–	–	–	–	–	–	–	–
Total	**695**	**180**	**88**	**120**	**107**	**105**	**50**	**30**	**12**	**3**

Note: Excludes 56 participants with less than one pension credit.

EXHIBIT 7 – FUNDING STANDARD ACCOUNT

The table below presents the FSA for the Plan Year ending August 31, 2019.

Charges			Credits		
1	Prior year funding deficiency	$80,384,128	**6**	Prior year credit balance	$0
2	Normal cost, including administrative expenses	3,614,528	**7**	Amortization credits	5,116,346
3	Amortization charges	40,216,971	**8**	Interest on **6 and 7**	358,144
4	Interest on **1, 2 and 3**	8,695,094	**9**	Full-funding limitation credit	0
5	**Total charges**	**$132,910,721**	**10**	**Total credits**	**$5,474,490**

Minimum contribution with interest required to avoid a funding deficiency: **5 - 10**, not less than zero $127,436,231

Full Funding Limitation (FFL) and Credits	
ERISA FFL (accrued liability FFL)	$215,941,823
RPA'94 override (90% current liability FFL)	367,192,800
FFL credit	0

EXHIBIT 7 – FUNDING STANDARD ACCOUNT *(CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan amendment	09/01/2009	$529,467	6	$2,700,385
Actuarial loss	09/01/2009	5,822,349	6	29,695,130
Combined and offset base	09/01/2009	24,741,613	2.22	52,850,226
Plan amendment	09/01/2010	41,383	7	238,639
Actuarial loss	09/01/2010	784,016	7	4,521,062
Actuarial loss	09/01/2011	180,307	8	1,152,035
Actuarial loss	09/01/2012	2,392,142	9	16,676,333
Actuarial loss	09/01/2013	1,072,777	10	8,062,166
Assumption changes	09/01/2014	718,260	11	5,763,014
Actuarial loss	09/01/2016	8,293	13	74,160
Assumption changes	09/01/2016	2,268,417	13	20,285,742
Actuarial loss	09/01/2017	159,514	14	1,492,678
Assumption changes	09/01/2017	1,497,709	14	14,015,035
Assumption changes	09/01/2018	724	15	7,058
Total		**$40,216,971**		**$157,533,663**

EXHIBIT 7 – FUNDING STANDARD ACCOUNT *(CONTINUED)*

Schedule of FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Assumption changes	09/01/2010	$51,751	7	$298,427
Plan amendment	09/01/2011	2,522,660	8	16,118,004
Actuarial gain	09/01/2014	428,664	11	3,439,422
Actuarial gain	09/01/2015	588,013	12	4,997,329
Actuarial gain	09/01/2018	1,525,258	15	14,864,349
Total		**$5,116,346**		**$39,717,531**

EXHIBIT 8 – STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Mortality Rates	Healthy:	RP-2014 Blue Collar Employee and Annuitant Mortality Tables (adjusted back to 2006) with generational Scale MP-2018 from 2006
	Disabled:	RP-2014 Disabled Annuitant Mortality Table (adjusted back to 2006) with generational Scale MP-2018 from 2006

The above mortality tables reasonably reflects the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using generational projection under Scale MP-2018 to anticipate future mortality improvement.

The mortality rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of and the projected number based on the prior year's assumption over the most recent years.

Termination Rates

	Rate (%)					
	Mortality[1]		Withdrawal[2] Years of Service			
Age	Male	Female	Less than 2 years	2-4 Years	5-9 Years	10 Years or More
20	0.07	0.02	17.99	14.19	0.00	0.00
25	0.07	0.02	21.74	17.14	12.96	0.00
30	0.06	0.02	18.61	13.58	8.39	4.84
35	0.07	0.03	16.78	11.02	7.15	5.02
40	0.10	0.05	15.91	10.35	6.01	4.15
45	0.16	0.09	15.48	9.47	5.82	3.73
50	0.26	0.13	15.60	8.90	5.32	3.49
55	0.38	0.19	13.52	7.82	2.59	0.88
60	0.64	0.31	13.63	7.84	2.12	0.20

[1] Mortality rates are shown from the base table and do not reflect any mortality projection.

[2] Withdrawal rates cut out at early retirement age.

The termination rates were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior year's assumption over the most recent years.

Retirement Rates

Age*	Annual Retirement Rates
55 – 61	2%
62	10
63	6
64	14
65	16
66	20
67	14
68	21
69	17
70	100

* *if eligible*

The retirement rates were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent years.

Description of Weighted Average Retirement Age

Age 66, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential past or future retirement age times the probability of surviving from entry age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the September 1, 2018 actuarial valuation.

Retirement Rates for Inactive Vested Participants

Age[1]	Annual Retirement Rates	Age[1]	Annual Retirement Rates
55	16%	63 - 64	4%
56	11	65	52
57 - 58	1	66	29
59	6	67	18
60	9	68	8
61	4	69	7
62	17	70	100

[1] *if eligible*

The retirement rates for inactive vested participants were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent years.

Future Benefit Accruals

Employees are assumed to work 1,850 hours per year.

The future benefit accruals were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual benefit accruals over the most recent years.

Unknown Data for Participants

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Definition of Active Participants

Active participants are defined as those with at least 250 hours in the most recent credit year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.

Exclusion of Inactive Vested Participants

None

Percent Married

50%

Age of Spouse

Females three years younger than males.

Benefit Election

60% of participants assumed to elect the Single Life Annuity, 20% assumed to elect 50% Joint and Survivor Annuity, and 20% assumed to elect 75% Joint-and-Survivor Annuity.

The benefit elections were based on historical and current demographic data, adjusted to reflect the plan design, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual option election patterns over the past several years.

Delayed Retirement

Inactive vested participants who are assumed to commence receipt of benefits after attaining normal retirement age qualify for delayed retirement increases.

Net Investment Return

7.00%

The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Consulting, as well as the Plan's target asset allocation.

Annual Administrative Expenses

$2,200,000, payable monthly, for the year beginning September 1, 2018 (equivalent to $2,121,235 payable at the beginning of the year). For the year beginning September 1, 2019, $1,800,000, and for 2020 onward, $1,300,000 (with 1.5% annual inflation)

The annual administrative expenses were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.

Actuarial Value of Assets

The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.

Actuarial Cost Method

Entry Age Normal Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus pension credits. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined as if the current benefit accrual rate had always been in effect.

Benefits Valued

Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.

Current Liability Assumptions

Interest: 3.01%, within the permissible range prescribed under IRC Section 431(c)(6)(E)

Mortality: Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1(a)(2): RP-2014 employee and annuitant mortality tables adjusted backward to the base year (2006) using Scale MP-2014, projected forward generationally using Scale MP-2016.

Estimated Rate of Investment Return

On actuarial value of assets (Schedule MB, line 6g): 7.64%, for the Plan Year ending August 31, 2018

On current (market) value of assets (Schedule MB, line 6h): 8.64%, for the Plan Year ending August 31, 2018

FSA Contribution Timing (Schedule MB, line 3a)

Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a March 15 contribution date.

Justification for Change in Actuarial Assumptions

(Schedule MB, line 11)

For purposes of determining current liability, the current liability interest rate was changed from 3.03% to 3.01% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 413(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Based on past experience and future expectations, the following actuarial assumptions were changed:

- Mortality rates for healthy participants, previously RP-2014 Blue Collar Mortality Tables (adjusted back to 2006) with generational projection using Scale MP 2017 from 2006.
- Mortality rates for disabled participants, previously RP-2014 Disabled Annuitant Mortality Table (adjusted back to 2006) with generational projection using Scale MP 2017 from 2006.
- Retirement rates for active participants, previously:

Age[1]	Annual Retirement Rates
55 – 61	2%
62	6
63	5
64	11
65	16
66	18
67	11
68	22
69	14
70	100

[1] *if eligible*

Justification for Change in Actuarial Assumptions (Schedule MB, line 11) (Cont'd)

- Retirement rates for inactive vested participants, previously:

Age[1]	Annual Retirement Rates	Age[1]	Annual Retirement Rates
55	24%	63	10%
56	6	64	3
57	4	65	53
58	2	66	29
59	10	67	13
60	7	68	5
61	21	69	13
62	20	70	100

[1] *if eligible*

- Annual administrative expenses, previously $1,500,000 year.

EXHIBIT 9 – SUMMARY OF PLAN PROVISIONS

(SCHEDULE MB, LINE 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year — September 1 through August 31

Pension Credit Year — February 1 through January 31

Plan Status — Ongoing plan

Regular Pension

- *Age Requirement:* 65
- *Service Requirement:* 15 pension credits

Amount: The total accrued benefit is the sum of each year's accrual based on

1. The highest contribution rate prior to February 1, 2010 for service earned prior to February 1, 2010.
2. The highest contribution rate that was made for at least 250 hours during the pension credit year for service from February 1, 2010 to January 31, 2012.
3. For service on and after Fèbruary 1, 2012, the accrual rate is lesser of:
   (a) 1% of product of number of hours for which contributions are due on behalf of the participant in credit year based on the contribution rate in effect on September 1, 2011, or
   (b) Accrual rate under the Plan as of September 1, 2011.

The accrual rate effective May 1, 2001 for contribution rates $4.315 or more per hour, $165 for each pension credit less than 25 plus $20.49 for each pension credit greater than 25. Lower benefit levels have been established for employees at lower contribution levels.

Delayed Retirement Amount: Regular pension accrued at Normal Retirement Age (NRA), increased by 1.0% for each month greater than NRA, and 1.5% for each month greater than age 70.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* Regular pension accrued, actuarially, reduced from age 65

Vesting

- *Age Requirement:* None
- *Service Requirement:* Five pension credits or 5 years of vesting service
- *Amount:* Regular or early pension accrued based on plan in effect and contribution rate when last active
- *Normal Retirement Age:* Later of age 65 or the participant's 5th anniversary of participation.

Spouse's Pre-Retirement Death Benefit

- *Age Requirement:* None
- *Service Requirement:* 5 pension credits or 5 years of vesting service
- *Amount*: 50% of the benefit employee would have received had he or she retired the day before he or she died and elected the joint and survivor option. If the employee died prior to eligibility for an early retirement pension, the spouse's benefit is deferred to the date employee would have first been eligible to retire.
- *Charge for Coverage:* None

Optional Forms of Benefits

50% Joint-and-Survivor

75% Joint-and-Survivor

Single Life Annuity

Participation

Earliest of February 1 or August 1 after completion of 1,000 hours during a 12 consecutive month period.

Pension Credit

Hours Worked Per Year	Pension Credit
Under 250	0
250 – 499	1/4
500 – 749	1/2
750 – 999	3/4
1,000 and over	1

Vesting Credit

One year of vesting service for at least 1,000 hours.

Contribution Rate

The average contribution rate as of September 1, 2018 is $7.3678.

Changes in Plan Provisions

None

8930189v1/01544.001

Segal Consulting

Local 807 Labor-Management Pension Fund

Actuarial Valuation and Review as of September 1, 2017

Segal Consulting

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T 212.251.5000 www.segalco.com

April 25, 2018

Board of Trustees
Local 807 Labor-Management Pension Fund
32-43 49th Street
Long Island City, New York 11103

Dear Trustees:

We are pleased to submit the Actuarial Valuation and Review as of September 1, 2017. It establishes the funding requirements for the current year and analyzes the preceding year's experience. It also summarizes the actuarial data and includes the actuarial information that is required to be filed with Form 5500 to federal government agencies.

The census information upon which our calculations were based was prepared by the Fund Office, under the direction of Al Fernandez. That assistance is gratefully acknowledged. The actuarial calculations were completed under the supervision of Joel R. Leary, ASA, FCA, MAAA, Enrolled Actuary.

We look forward to reviewing this report with you at your next meeting and to answering any questions you may have.

Sincerely,

Segal Consulting, a Member of The Segal Group

[redacted]

Nicholas J. Laccetti, MAAA, FCA, EA
Senior Vice President and Actuary

Alan Sofge
Vice President

cc: Fund Administrator
Fund Counsel
Fund Auditor

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Local 807 Labor-Management Pension Fund Actuarial Valuation and Review as of September 1, 2017

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Introduction

There are several ways of evaluating funding adequacy for a pension plan. In monitoring the Plan's financial position, the Trustees should keep in mind all of these concepts.

Funding Standard Account	The ERISA Funding Standard Account (FSA) measures the cumulative difference between actual contributions and the minimum required contributions. If actual contributions exceed the minimum required contributions, the excess is called the credit balance. If actual contributions fall short of the minimum required contributions, a funding deficiency occurs.
Zone Information	The Pension Protection Act of 2006 (PPA'06) called on plan sponsors to actively monitor the projected FSA credit balance, the funded percentage (the ratio of the actuarial value of assets to the present value of benefits earned to date) and cash flow sufficiency. Based on these measures, plans are then categorized as critical (*Red Zone*), endangered (*Yellow Zone*), or neither (*Green Zone*). The Multiemployer Pension Reform Act of 2014 (MPRA), among other things, made the zone provisions permanent.
Solvency Projections	Pension plan funding anticipates that, over the long term, both contributions and investment earnings will be needed to cover benefit payments and expenses. To the extent that contributions are less than benefit payments, investment earnings and fund assets will be needed to cover the shortfall. In some situations, a plan may be faced with insufficient assets to cover its current obligations and may need assistance from the Pension Benefit Guaranty Corporation (PBGC). MPRA provides options for some plans facing insolvency.
Withdrawal Liability	ERISA provides for assessment of withdrawal liability to employers who withdraw from a multiemployer plan based on unfunded vested benefit liabilities.

Important Information about Actuarial Valuations

An actuarial valuation is a budgeting tool with respect to the financing of future uncertain obligations of a pension plan. As such, it will never forecast the precise future contribution requirements or the precise future stream of benefit payments. In any event, it is an estimated forecast — the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal Consulting ("Segal") relies on a number of input items. These include:

Plan Provisions

Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may require the award of a Social Security disability pension as a condition for receiving a disability pension from the plan. If so, changes in the Social Security law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for the Trustees to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.

Participant Information

An actuarial valuation for a plan is based on data provided to the actuary by the plan. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. For most plans, it is not possible nor desirable to take a snapshot of the actual workforce on the valuation date. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.

Financial Information

Part of the cost of a plan will be paid from existing assets – the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the auditor. Some plans include assets, such as private equity holdings, real estate, or hedge funds, that are not subject to valuation by reference to transactions in the marketplace. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.

Actuarial Assumptions

In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results and will have no impact on the actual cost of the plan (the total of benefits and expenses paid out over time). In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Given the above, the user of Segal's actuarial valuation (or other actuarial calculations) needs to keep the following in mind:

The actuarial valuation is prepared for use by the Trustees. It includes information for compliance with federal filing requirements and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.

An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.

Actuarial results in this report are not rounded, but that does not imply precision.

Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in employment levels and investment losses, not just the current valuation results.

ERISA requires a plan's enrolled actuary to provide a statement for inclusion in the plan's annual report disclosing any event or trend that the actuary has not taken into account, if, to the best of the actuary's knowledge, such an event or trend may require a material increase in plan costs or required contribution rates. If the Trustees are currently aware of any event that was not considered in this valuation and that may materially increase the cost of the Plan, they must advise Segal, so that we can evaluate it and take it into account.

A certification of "zone" status under PPA'06 is a separate document from the actuarial valuation.

Segal does not provide investment, legal, accounting, or tax advice. This valuation is based on Segal's understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Trustees should look to their other advisors for expertise in these areas.

While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.

Segal's report shall be deemed to be final and accepted by the Trustees upon delivery and review. Trustees should notify Segal immediately of any questions or concerns about the final content.

As Segal Consulting has no discretionary authority with respect to the management or assets of the Plan, it is not a fiduciary in its capacity as actuaries and consultants with respect to the Plan.

Section 1: Actuarial Valuation Summary

Summary of Key Valuation Results

		2016	[illegible]
Certified Zone Status		*Critical*	*Critical*
Demographic Data:	• Number of active participants	714	692
	• Number of inactive participants with vested rights	954	935
	• Number of retired participants and beneficiaries	2,866	2,813
Assets:	• Market value of assets (MVA)	$151,975,903	$146,959,183
	• Actuarial value of assets (AVA)	154,640,867	147,543,512
	• AVA as a percent of MVA	101.8%	100.4%
Cash Flow:	• Projected employer contributions at the negotiated rates	$8,879,222	$8,883,692
	• Actual contributions including withdrawal liability payments	9,629,904	--
	• Projected benefit payments and expenses	30,215,241	31,106,935
	• Insolvency projected in Plan Year ending August 31,	2028	2028
Statutory Funding Information:	• Minimum required contribution	$55,589,815	$91,093,017
	• Maximum deductible contribution	596,623,925	613,199,660
	• Annual Funding Notice percentage	46.7%	42.6%
	• FSA deficiency as of August 31,	$14,037,722	$45,628,883
Cost Elements on an FSA Cost Basis:	• Normal cost, including administrative expenses	$2,413,752	$2,879,618
	• Actuarial accrued liability	338,327,966	353,791,408
	• Unfunded actuarial accrued liability (based on AVA)	$183,687,099	$206,247,896
Withdrawal Liability:[1]	• Present value of vested benefits	401,758,145	410,057,215
	• Unfunded present value of vested benefits (based on MVA)	249,782,242	263,098,032

[1] Using the assumptions described in *Section 2: Withdrawal Liability Assumptions*.

Comparison of Funded Percentages

	Funded Percentages as of September 1		2017	
	2016	2017	Liabilities	Assets
1. Present Value of Future Benefits	44.7%	40.7%	$362,880,123	$147,543,512
2. Actuarial Accrued Liability	45.7%	41.7%	353,791,408	147,543,512
3. PPA'06 Liability and Annual Funding Notice	46.7%	42.6%	346,728,132	147,543,512
4. Accumulated Benefits Liability	45.9%	42.4%	346,728,132	146,959,183
5. Withdrawal Liability	37.8%	35.8%	410,057,215	146,959,183
6. Current Liability	30.9%	29.6%	536,604,543	158,835,925

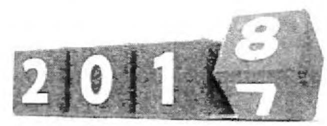
Notes:

1. The value of benefits earned through the valuation date (accrued benefits) plus the value of benefits projected to be earned in the future for current participants. Used to develop the actuarial accrued liability, based on the long-term funding investment return assumption of 7.00% for 2017 and 7.50% for 2016 and the actuarial value of assets. The funded percentage using market value of assets is 44.0% for 2016 and 40.5% for 2017.
2. The portion of the present value of future benefits allocated by the actuarial cost method to years prior to the valuation date based on the long-term funding investment return assumption of 7.00% for 2017 and 7.50% for 2016 and the actuarial value of assets. The funded percentage using market value of assets is 44.9% for 2016 and 41.5% for 2017.
3. The present value of benefits earned through the valuation date (accrued benefits) defined by PPA'06, based on the long-term funding investment return assumption of 7.00% for 2017 and 7.50% for 2016 and compared to the actuarial value of assets.
4. The present value of accrued benefits for disclosure in the audited financial statements, based on the long-term funding investment return assumption of 7.00% for 2017 and 7.50% for 2016 and compared to the market value of assets.
5. The present value of vested benefits for withdrawal liability purposes, based on the blended interest rate and other assumptions described in *Section 2: Withdrawal Liability Assumptions*, the present value of vested benefits, and compared to the market value of assets. Includes the unamortized value of the Rehabilitation Plan reductions.
6. The present value of accrued benefits based on a government-prescribed mortality table and investment return assumption of 3.11% for 2016 and 3.03% for 2017, and compared to the market value of assets, including withdrawal liability payments receivable. Used to develop the maximum tax-deductible contribution and shown on the Schedule MB if less than 70%.

Disclosure: These measurements are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations or the need for or the amount of future contributions.

This September 1, 2017 actuarial valuation report is based on financial and demographic information as of that date. Changes subsequent to that date are not reflected unless specifically identified, and will affect future results. Segal is prepared to work with the Trustees to analyze the effects of any subsequent developments. The current year's actuarial valuation results follow.

A. Developments Since Last Valuation



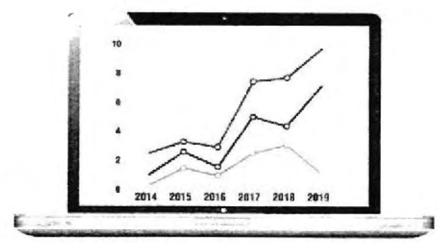
1. The rate of return on the market value of plan assets was 10.21% for the plan year ended August 31, 2017. The rate of return on the actuarial value of assets was 8.57%. Given the low fixed income interest rate environment, target asset allocation and expectations of future investment returns for various asset classes, we will continue to monitor the Plan's actual and anticipated investment returns relative to the assumed long-term rate of return on investments. The assumption for net investment return was revised with this valuation from 7.50% to 7.00%.
2. Additionally, the assumptions for mortality rates, retirement rates, benefit election and annual administrative expenses have been revised. See *Section 4, Exhibit 8* for more information.
3. The 2017 certification, issued on November 29, 2017, based on the liabilities calculated in the 2016 actuarial valuation, projected to August 31, 2017, and estimated asset information as of August 31, 2017, classified the Plan as critical and is also critical and declining (in the *Red Zone*) because there is a deficiency in the FSA and the Plan was projected to be insolvent within 15 years. This projection was based on the Trustees' industry activity assumption that the active population will decline by 2% annually and, on average, contributions will be made for 1,850 hours per year for each active participant.

B. Funded Percentage and Funding Standard Account

1. Based on this September 1, 2017 actuarial valuation, the funded percentage that will be reported on the 2017 Annual Funding Notice is 42.6%.
2. The funding deficiency in the FSA as of August 31, 2017 was $45,628,883, an increase of $31,591,161 from the prior year.

C. Solvency Projections

The Plan is projected to be unable to pay benefits within 11 years (i.e., the year ending August 31, 2028), assuming experience is consistent with the September 1, 2017 assumptions. This is the same as projected in the September 1, 2016 valuation. This projection does not take into account future contribution rate increases required under the Rehabilitation Plan. We are working with the Trustees to evaluate a possible benefit suspension under MPRA to address this this cash-flow crisis. Reflecting future rate increases required under the Rehabilitation Plan, the Plan is projected to be insolvent in the year ending August 31, 2029.



D. Funding Concerns and Risks

1. The imbalance between the benefit levels in the Plan and the resources available to pay for them is being monitored.
2. The growing funding deficiency and the projected inability to pay benefits need prompt attention.
3. We are working with the Trustees to develop alternatives to address this situation including updating the Rehabilitation Plan if needed and exploring a possible benefit suspension under MPRA.
4. The actions already taken to address this issue include plan changes and scheduled contribution rate increases per the Rehabilitation Plan.
5. Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have included a list of various risks that may affect the Plan in *Section 2*.

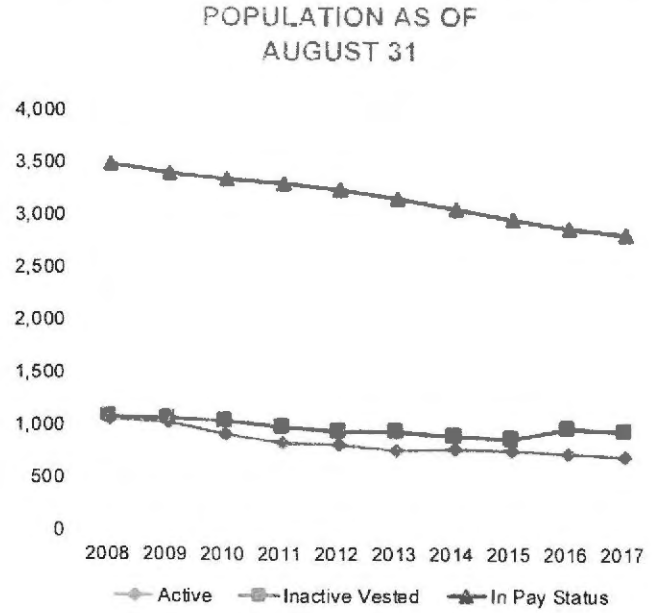
E. Withdrawal Liability

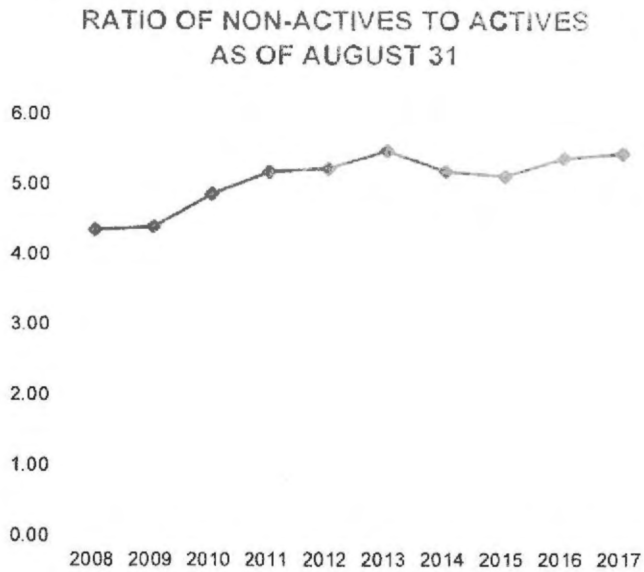
1. The unfunded present value of vested benefits for withdrawal liability purposes (UVB) is $263,098,032 (using the assumptions outlined in *Section 2: Withdrawal Liability Assumptions*). Compared to $249,782,242 as of the prior year, the increase of $13,315,790 is primarily due to changes in assumptions, and partially offset by the investment gain on a market value basis.
2. The Trustees have adopted the method outlined in PBGC Technical Update 10-3 to account for benefit reductions implemented by the Rehabilitation Plan. The unamortized value of those benefit reductions is included in the unfunded vested benefit amount shown above.

Section 2: Actuarial Valuation Results

Participant Information

- The Actuarial Valuation is based on demographic data as of August 31, 2017.
- There are 4,440 total participants in the current valuation, compared to 4,534 in the prior valuation.
- The ratio of non-actives to actives has increased to 5.42 from 5.40 in the prior year.
- More details on the historical information are included in *Section 3, Exhibits A* and *B*.





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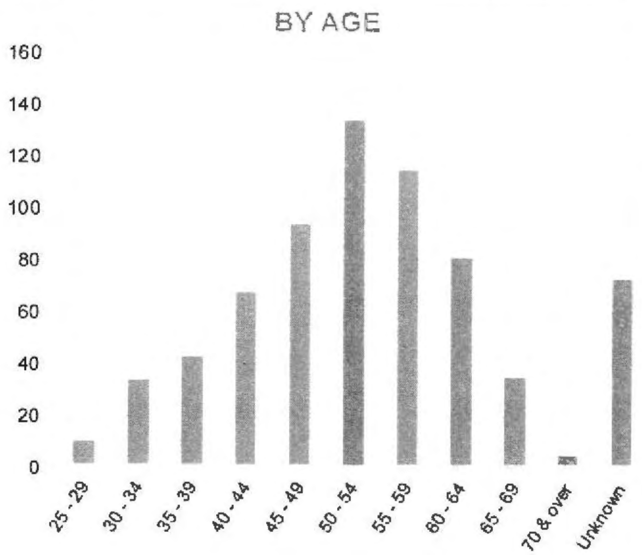
Active Participants

- There were 692 active participants this year, a decrease of 3.1% compared to 714 in the prior year.
- The age and service distribution is included in *Section 4, Exhibit 6*.

Distribution of Active Participants as of January 31, 2017

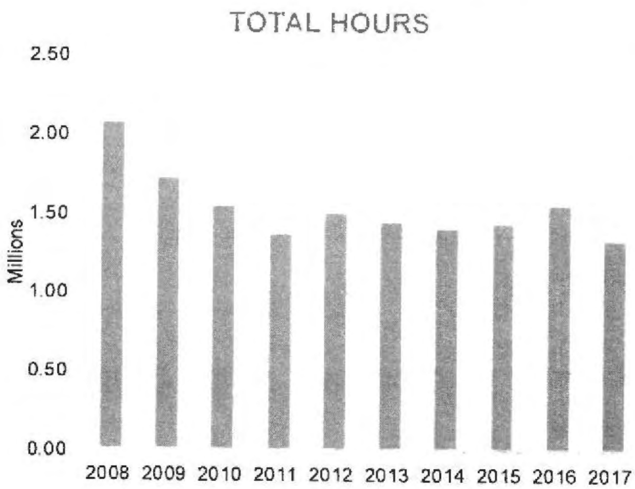


Average age	50.3
Prior year average age	50.9
Difference	-0.6

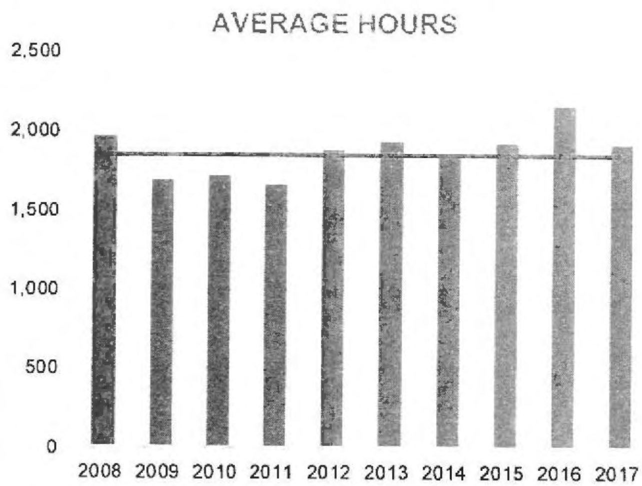
Average pension credits	13.9
Prior year average pension credits	14.4
Difference	-0.5

Historical Employment

- The charts below show a history of hours worked over the last ten years. Additional detail is in *Section 3, Exhibit C.*
- The 2017 zone certification was based on an industry activity assumption of a reduction in active participant levels of 2% annually and, on the average, contributions will be made for each active for 1,850 hours each year.
- The valuation is based on 692 actives and a long-term employment projection of 1,850 hours.



Historical Average Total Hours	
Last year	1,328,491
Last five years	1,435,646
Last 10 years	1,539,183
Long-term assumption	1,280,200



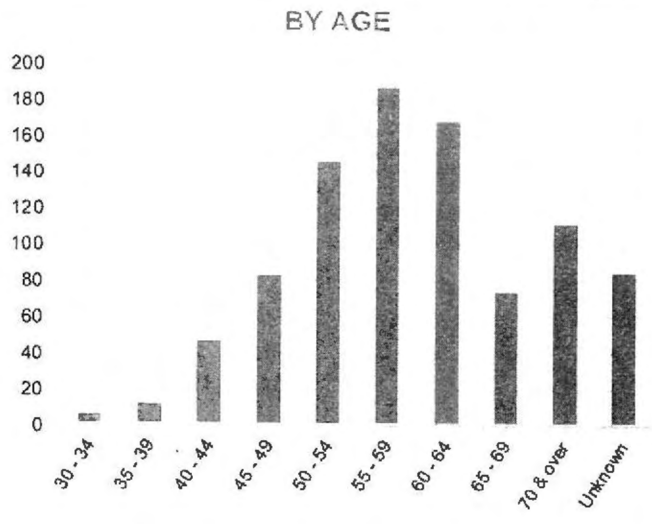
Historical Average Hours	
Last year	1,920
Last five years	1,961
Last 10 years	1,874
Long-term assumption	1,850

Note: The total hours of contributions are based on total contributions divided by the average contribution rate for the year, which may differ from the hours reported to the Fund Office.

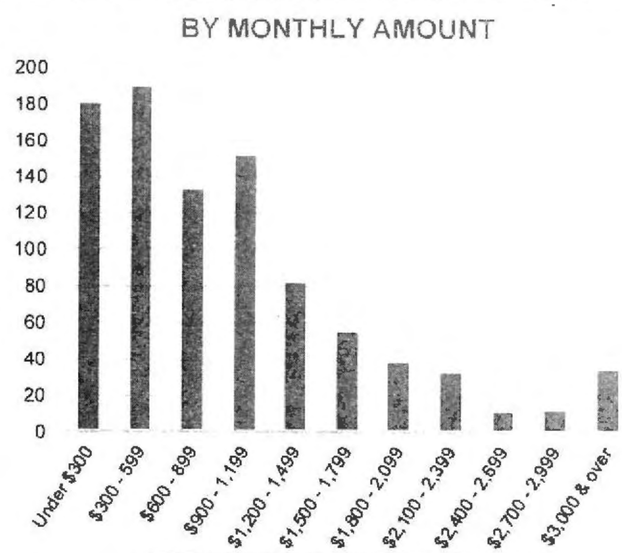
Inactive Vested Participants

- A participant who is not currently active and has satisfied the requirements for, but has not yet commenced, a pension is considered an "inactive vested" participant.
- There were 919 inactive vested participants this year, a decrease of 2.0% compared to 938 last year.
- This excludes 16 beneficiaries entitled to future benefits this year, the same as in the prior year.

Distribution of Inactive Vested Participants as of August 31, 2017



Average age	62.2
Prior year average age	58.6
Difference	3.6



Average amount	$989
Prior year average amount	$951
Difference	$38

New Pensions Awarded

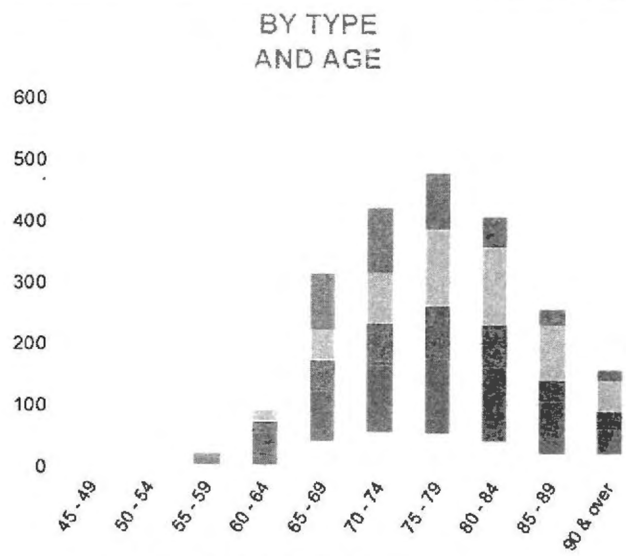
Year Ended August 31	Total		Regular		Early		Disability		25 Year		30 Year		Deferred	
	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount	Number	Average Amount
2008	85	$1,260	20	$1,258	19	$1,296	5	$773	5	$2,646	16	$1,635	20	$703
2009	70	1,206	11	1,073	14	948	5	1,552	5	1,557	15	1,954	20	723
2010	89	1,441	10	1,393	20	1,766	–	–	9	1,418	18	2,495	32	667
2011	107	1,796	16	2,135	22	925	2	1,798	7	2,053	35	3,082	25	471
2012	82	1,215	20	1,289	25	1,041	–	–	4	1,368	6	3,297	27	834
2013	51	749	12	1,060	13	782	–	–	–	–	–	–	26	589
2014	44	754	9	1,262	9	747	–	–	–	–	–	–	26	580
2015	60	1,093	16	1,788	19	1,014	–	–	–	–	–	–	25	710
2016	54	1,075	13	1,500	20	1,191	–	–	–	–	–	–	21	700
2017	53	1,171	17	1,994	11	1,144	–	–	–	–	–	–	25	624

Pay Status Information

There were 2,166 pensioners and 639 beneficiaries this year, compared to 2,214 and 646, respectively, in the prior year.

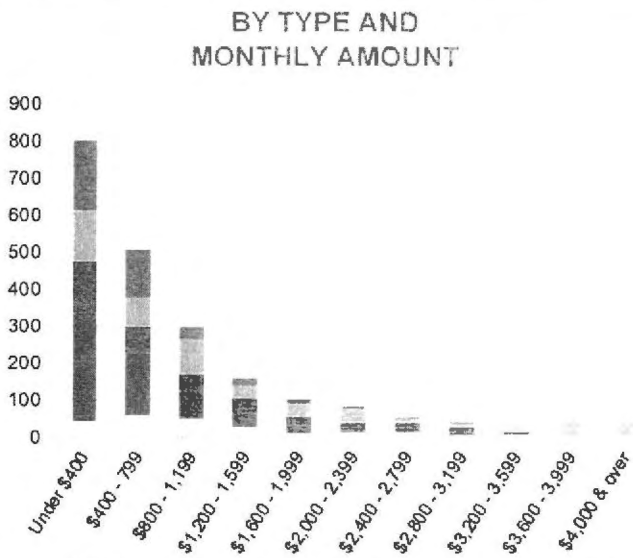
Monthly benefits for the Plan Year ending August 31, 2017 total $2,280,000, as compared to $2,269,436 in the prior year.

Distribution of Pensioners as of August 31, 2017



Regular ■ Early ■ Disability ■ 25 Year ■ 30 Year ■ Deferred

Average age	76.9
Prior year average age	77.0
Difference	-0.1



Regular ■ Early ■ Disability ■ 25 Year ■ 30 Year ■ Deferred

Average amount	$963
Prior year average amount	$936
Difference	$27

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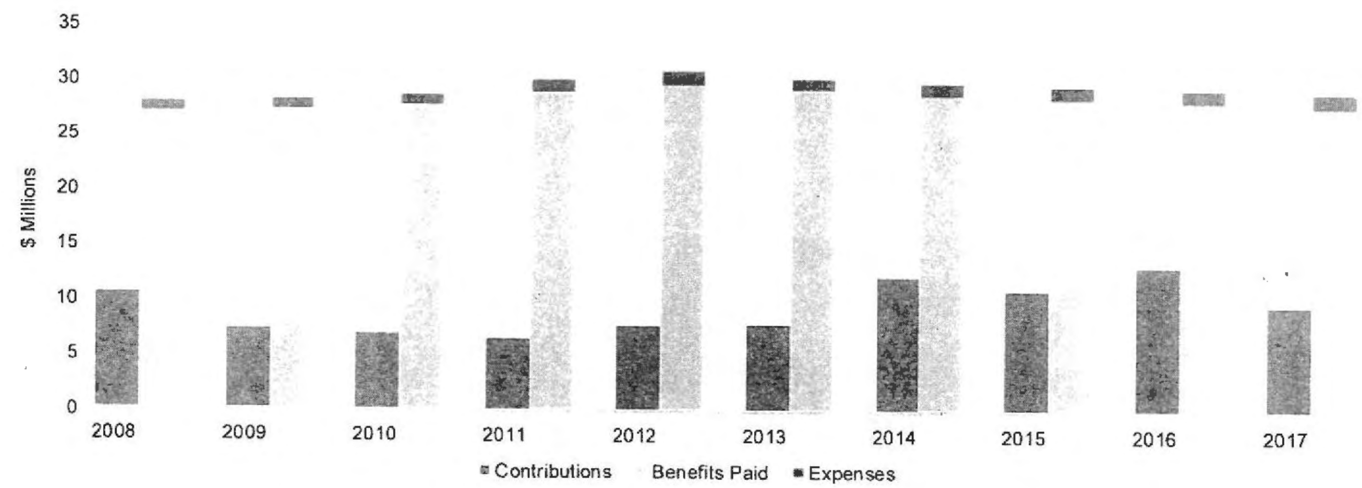
Financial Information

- Benefits and expenses are funded solely from contributions and investment earnings.
- Additional detail is in *Section 3, Exhibit E.*
- For the most recent year, benefit payments and expenses were 3.0 times contributions.

COMPARISON OF EMPLOYER CONTRIBUTIONS
WITH BENEFITS AND EXPENSES PAID



Determination of Actuarial Value of Assets

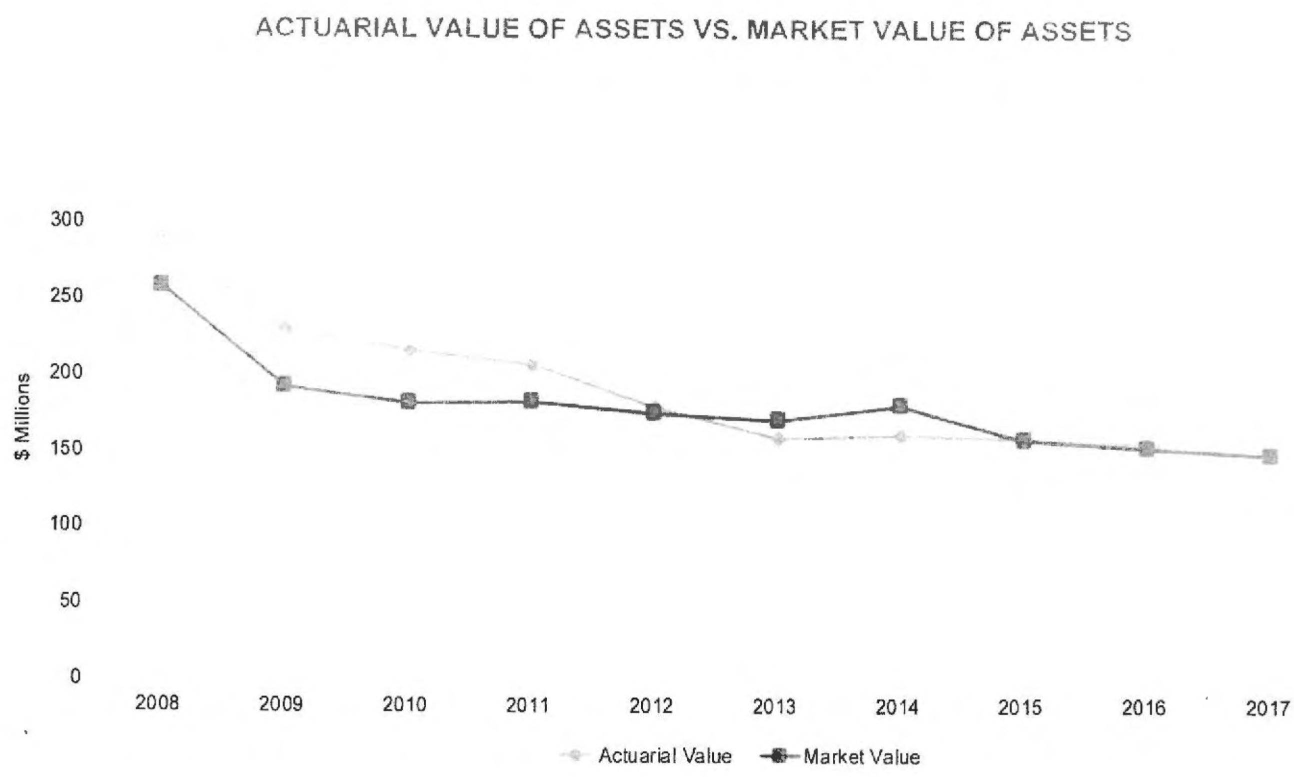
- The asset valuation method gradually recognizes annual market value fluctuations to help mitigate volatility in the actuarial cost calculations.
- Less volatility in the actuarial cost better aligns with negotiated contribution rates.

1	Market value of assets, August 31, 2017			$146,959,183
2	Calculation of unrecognized return	Original Amount*	Unrecognized Return**	
	(a) Year ended August 31, 2017	$3,818,336	$3,054,669	
	(b) Year ended August 31, 2016	-329,297	-197,578	
	(c) Year ended August 31, 2015	-16,493,756	-6,597,502	
	(d) Year ended August 31, 2014	15,780,415	3,156,083	
	(e) Year ended August 31, 2013	5,912,804	0	
	(f) Total unrecognized return			-$584,329
3	Preliminary actuarial value: (1) - (2f)			147,543,512
4	Adjustment to be within 20% corridor			0
5	Final actuarial value of assets as of August 31, 2017: (3) + (4)			147,543,512
6	Actuarial value as a percentage of market value: (5) ÷ (1)			100.4%
7	Amount deferred for future recognition: (1) - (5)			-$584,329

* Total return minus expected return on a market value basis

** Recognition at 20% per year over 5 years

Asset History for Years Ended August 31



Actuarial Experience

- Assumptions should reflect experience and should be based on reasonable expectations for the future.
- Each year actual experience is compared to that projected by the assumptions. Differences are reflected in the contribution requirement as an experience gain or loss.
- Assumptions are not changed if experience is believed to be a short-term development and that, over the long run, experience will return to assumed levels.
- The net experience variation for the year was not significant when compared to that liability.

EXPERIENCE FOR THE YEAR ENDED AUGUST 31, 2017

1	Gain from investments	$1,537,828
2	Loss from administrative expenses	-40,757
3	Net loss from other experience	-3,051,611
4	**Net experience loss: 1 + 2 + 3**	**-$1,554,540**

Actuarial Value Investment Experience

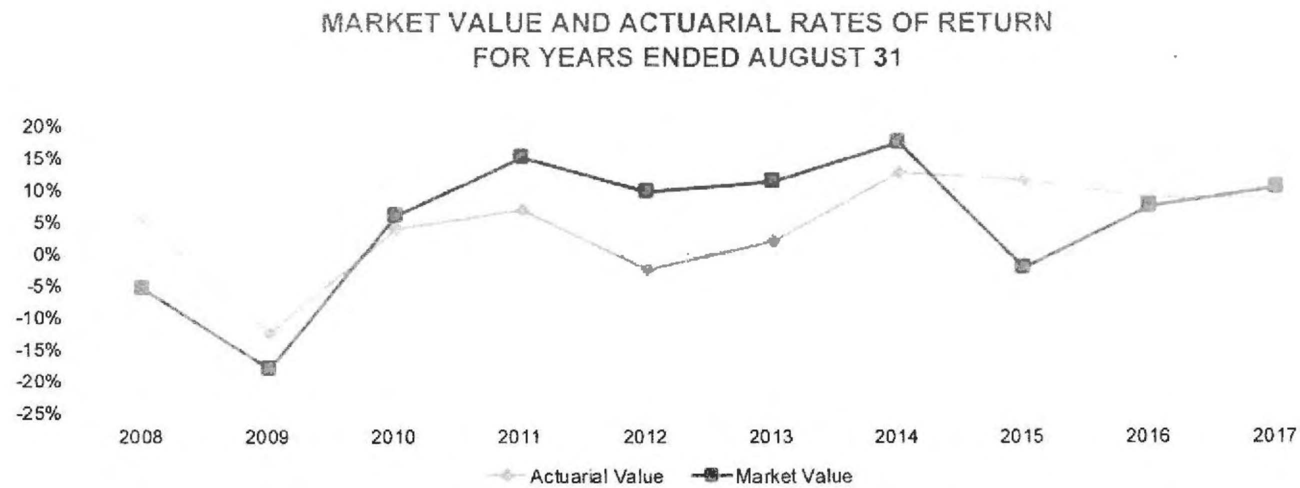
- Net investment income consists of expected investment income at the actuarially assumed rate of return, and an adjustment for market value changes. Investment expenses are subtracted.
- The actuarial value of assets does not yet fully recognize past investment gains and losses, which will affect future actuarial investment returns.

INVESTMENT EXPERIENCE FOR THE YEAR ENDED AUGUST 31, 2017

1	Net investment income	$12,296,064
2	Average actuarial value of assets	143,443,141
3	Rate of return: 1 ÷ 2	8.57%
4	Assumed rate of return	7.50%
5	Expected net investment income: 2 x 4	$10,758,236
6	**Actuarial gain from investments: 1 - 5**	**$1,537,828**

Historical Investment Returns

- Actuarial planning is long term. The obligations of a pension plan are expected to continue for the lifetime of all its participants.
- The assumed long-term rate of return of 7.00% considers past experience, the Trustees' asset allocation policy and future expectations.



Average Rates of Return	Actuarial Value	Market Value
Most recent year return:	8.57%	10.21%
Most recent five-year average return:	8.48%	8.62%
Ten-year average return:	3.17%	3.15%

Non-Investment Experience

Administrative Expenses

- Administrative expenses for the year ended August 31, 2017 totaled $1,314,420, as compared to the assumption of $1,275,000.

Mortality Experience

- Mortality experience (more or fewer than expected deaths) yields actuarial gains or losses.
- The average number of deaths for nondisabled pensioners over the past year was 115 compared to 120 projected deaths. The number of deaths for disabled pensioners over the past year was 8 compared to 5.4 projected deaths. However, the number of deaths for pensioners is too small to be statistically credible. The mortality table used was published by the Society of Actuaries and is appropriate for the valuation of this plan.

Other Experience

- Other differences between projected and actual experience include the extent of turnover among the participants and retirement experience (earlier or later than projected).

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Actuarial Assumptions

- The following assumptions were changed with this valuation:
  - Annual administrative expenses were increased to $1,500,000 for the year beginning September 1, 2017.
  - Effective September 1, 2017, the mortality assumption was updated to use generational Scale MP-2017 for anticipation of future longevity improvement.
  - The assumption for benefit election was modified to reflect 20% of participants retiring would elect the 75% Joint and Survivor option.
  - The retirement rates for active and inactive vested participants were revised based on past experience and future expectations.
  - The net investment return assumption was revised from 7.5% to 7.0%.
- These changes increased the actuarial accrued liability by 4.3% and increased the normal cost by 13.7%.
- Details on actuarial assumptions and methods are in *Section 4, Exhibit 8*

Plan Provisions

- There were no changes in plan provisions for FSA purposes since the prior valuation.
- A summary of plan provisions is in *Section 4, Exhibit 9.*

Contribution Rate Changes

- The average contribution rate is $6.94 per hour as of this valuation.

Pension Protection Act of 2006

2017 Actuarial Status Certification

PPA'06 requires trustees to actively monitor their plans' financial prospects to identify emerging funding challenges so they can be addressed effectively. Details are shown in *Section 3, Exhibit J.*

- The 2017 certification, completed on November 29, 2017, was based on the liabilities calculated in the September 1, 2016 actuarial valuation, adjusted for subsequent events and projected to August 31, 2017, and estimated asset information as of August 31, 2017. The Trustees provided an industry activity assumption of an active population declining 2% annually with contributions made for 1,850 hours per year for each active participant.
- This Plan was classified as critical and is also critical and declining (in the *Red Zone*) because there is deficiency in the FSA and the Plan was projected to be insolvent within 15 years.
- In addition, the Plan is making the scheduled progress in meeting the requirements of its rehabilitation plan.

2008	GREEN
2009	GREEN
2010	RED
2011	RED
2012	RED
2013	RED
2014	RED
2015	RED
2016	RED (C&D)
2017	RED (C&D)

Rehabilitation Plan Update

- The Plan's Rehabilitation Period began September 1, 2013 and ends August 31, 2048.
- Section 432(e)(3)(B) requires that the Trustees annually update the Rehabilitation Plan and Schedules.
- Based on this valuation, projections show the Plan is not expected to emerge from critical status within the Rehabilitation Period.
- The annual standard detailed in the Rehabilitation Plan of avoiding insolvency before 2024 is projected to be met.
- Segal will continue to assist the Trustees to evaluate and update the Rehabilitation Plan and to prepare the required assessment of Scheduled Progress. We are working with the Trustees to update the Rehabilitation Plan including exploring a potential benefit suspension under MPRA.

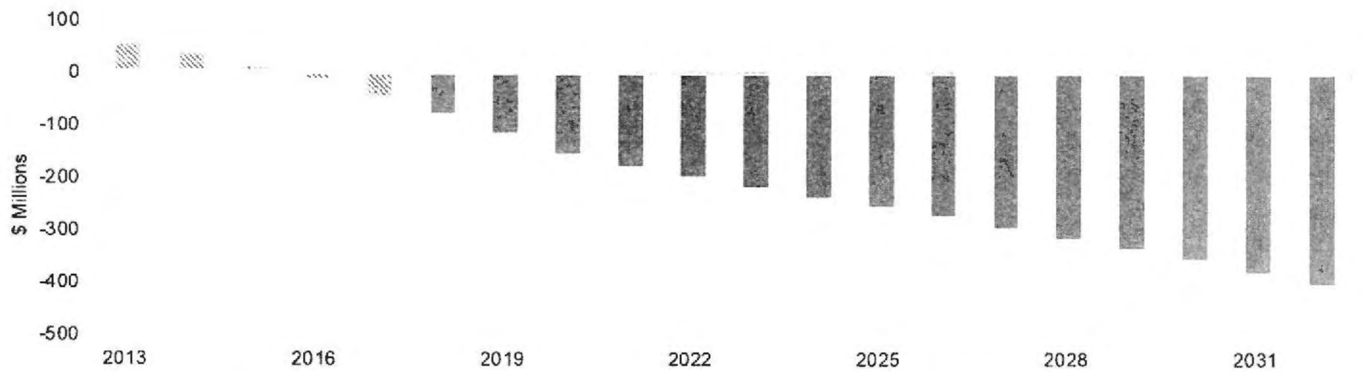
Funding Standard Account (FSA)

- On August 31, 2017, the FSA had a funding deficiency of $45,628,883, as shown on the 2016 Schedule MB. Contributions meet the legal requirement on a cumulative basis if that account shows no deficiency.
- Employers contributing to plans in critical status will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations under the Rehabilitation Plan, including negotiation of bargaining agreements consistent with Schedules provided by the Trustees.
- The minimum funding requirement for the year beginning September 1, 2017 is $91,093,018.
- Based on the assumption that 692 participants will work an average of 1,850 hours at a $6.9393 average contribution rate, the contributions projected for the year beginning September 1, 2017 are $8,883,692. In addition, withdrawal liability payments are projected to be $1,360,771. The funding deficiency is projected to increase by approximately $34,890,995 to $80,519,878 as of August 31, 2018.
- A summary of the ERISA minimum funding requirements and the FSA for the year ended August 31, 2017 is included in *Section 3, Exhibit H.*

Funding Standard Account Projection

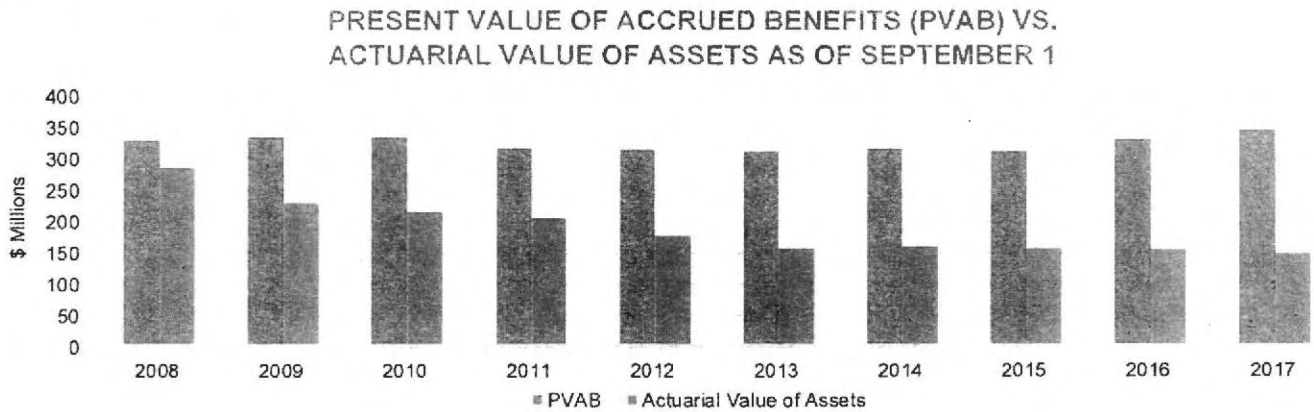
- A 15-year projection indicates the funding deficiency will continue to grow assuming that:
  - The Plan will earn a market rate of return equal to 7.00% each year.
  - All other experience emerges as assumed, no assumption changes are made,
  - There are no plan amendments or changes in law regulation, and
  - Administrative expenses are projected to increase 1.0% per year.
- The projection is based on a declining number of active employees (2% annually) and 1,850 hours per capita with future normal cost increasing by 0.2% per year.

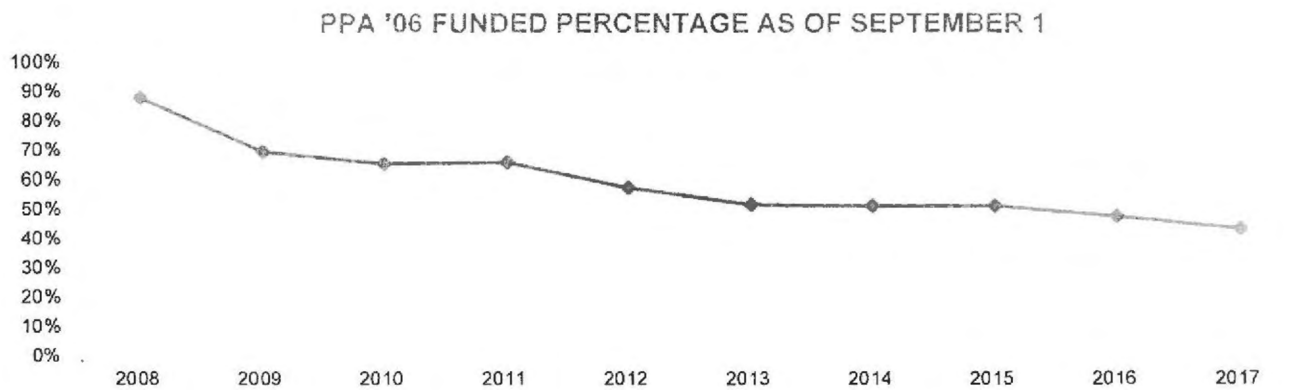
CREDIT BALANCE AS OF AUGUST 31



Additional scenarios would demonstrate sensitivity to investment return, employment and other alternative assumptions.

PPA'06 Funded Percentage Historical Information

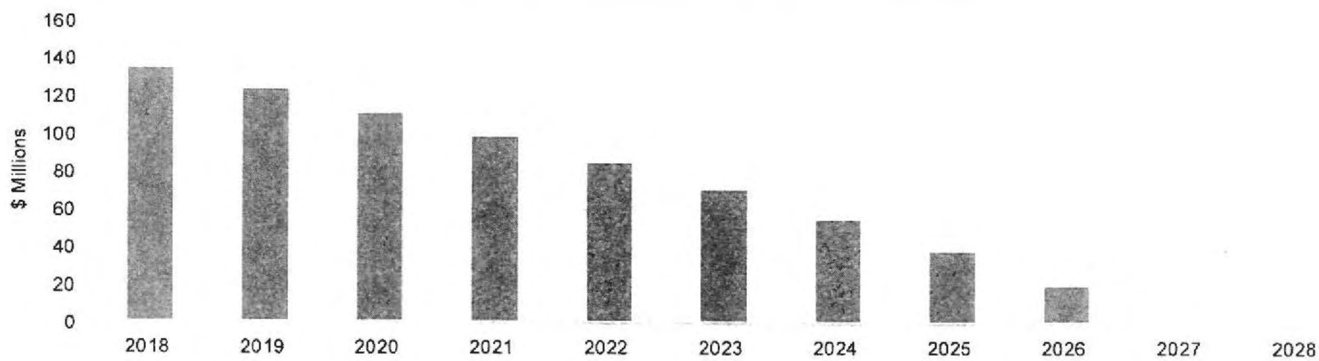




Solvency Projection

- PPA'06 requires Trustees to monitor plan solvency - the ability to pay benefits and expenses when due. MPRA classifies red zone plans that are projected to become insolvent within 15 or 20 years as "critical and declining." See *Section 3, Exhibit J* for more information.
- This Plan was certified as critical and declining based on a projected insolvency in 13 years.
- Based on this valuation, assets are projected to be exhausted in 2028, as shown below. This is the same year projected in the prior year.
- This projection is based on the negotiated contribution rates, the current valuation assumptions and the Trustees' industry activity assumptions. This projection does not reflect the contribution rate increases under the Rehabilitation Plan. Reflecting future rate increases required under the Rehabilitation Plan, the Plan is projected to be insolvent in the year ending August 31, 2029.
- The Plan is operating under a Rehabilitation Plan that is intended to forestall insolvency.

PROJECTED ASSETS AS OF AUGUST 31



Additional scenarios would demonstrate sensitivity to investment return, employment and other alternative assumptions.

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Funding Concerns

- The imbalance between the benefit levels in the Plan and the resources available to pay for them must be monitored.
- The growing funding deficiency and the projected inability to pay benefits need prompt attention.
- We are working with the Trustees to develop alternatives to address this situation including updating the Rehabilitation Plan if needed and exploring a possible benefit suspension under MPRA.
- The actions already taken to address this issue include plan changes and scheduled contribution rate increases per the Rehabilitation Plan.
- Since the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have included a list of various risks that may affect the Plan.

Risk

- We have not been engaged to perform a detailed analysis of the potential range of the impact of risk relative to the Plan's future financial condition, but we have included a brief list of some risks that may affect the Plan:
  - Investment Risk (the risk that returns will be different than expected)
  - Contribution Risk (the risk that actual contributions will be different from projected contributions)
  - Longevity Risk (the risk that mortality experience will be different than expected)
  - Demographic Risk (the risk that participant experience will be different than assumed)

Withdrawal Liability

- As of August 31, 2017, the preliminary actuarial present value of vested plan benefits for withdrawal liability purposes is $403,410,828.
- Reductions in accrued benefits or contribution surcharges for a plan in critical status (*Red Zone*) are disregarded in determining an employer's allocation of the UVB. The Trustees have adopted a method for calculating the UVB effective for withdrawals that occur on and after September 1, 2011. The method is based on the PBGC's Technical Update 10-3, which describes how to account for the effect of benefit reductions that are implemented as part of a Rehabilitation Plan ("Affected Benefits") when a pension plan is in critical status.
- The unamortized value of all Affected Benefits pools (as shown in the chart below) is also included in the total present value of vested benefits of $410,057,215 as of August 31, 2017.
- The $13,315,790 increase in the unfunded present value of vested benefits from the prior year is primarily due to changes in assumptions.

		August 31	
		2016	2017
1	Present value of vested benefits (PVVB) measured as of valuation date	$394,606,217	$403,410,828
2	Unamortized value of Affected Benefits pools	7,151,928	6,646,387
3	Total present value of vested benefits: 1 + 2	$401,758,145	$410,057,215
4	Market value of assets	151,975,903	146,959,183
5	Unfunded present value of vested benefits (UVB): 3 - 4, not less than $0	$249,782,242	$263,098,032

Withdrawal Liability Assumptions

- The actuarial assumptions and methods are reasonable (taking into account the experience of the Plan and reasonable expectations) and, in combination, represent the actuary's best estimate of anticipated experience under the Plan to determine the unfunded vested benefits for withdrawal liability purposes.
- The interest rate is based on a blend, which includes rates selected based on estimated annuity purchase rates for benefits being settled, because withdrawal liability is a final settlement of an employer's obligations to the Plan. For benefits that could be settled immediately, because assets on hand are sufficient, the annuity purchase rates are those promulgated by PBGC under ERISA Sec. 4044 for multiemployer plans terminating by mass withdrawal on the measurement date. For benefits that cannot be settled immediately because they are not currently funded, the calculation uses rates equal to the interest rate used for plan funding calculations.

Interest	For liabilities up to market value of assets, 2.44% for 20 years and 2.74% beyond (2.50% for 20 years and 2.85% beyond, in the prior year valuation). For liabilities in excess of market value of assets, same as used for plan funding as of September 1, 2017 (the corresponding funding rate as of a year earlier was used for the prior year's value).
Administrative Expenses	Calculated as prescribed by PBGC formula (29 CFR Part 4044, Appendix C); not applicable to those liabilities determined using funding interest rates.
Mortality	Same as used for plan funding as of September 1, 2017 (the corresponding mortality rates as of a year earlier were used for the prior year's value)
Retirement Rates	Same as used for plan funding as of September 1, 2017 (the corresponding retirement rates as of a year earlier were used for the prior year's value)

Disclosure Requirements

Annual Funding Notice

- The actuarial information to be provided in the annual funding notice is shown in *Section 3, Exhibit G*.
- The value of plan benefits earned to date as of September 1, 2017 is $346,728,132 using the long-term funding interest rate of 7.00%. As the actuarial value of assets is $147,543,512, the Plan's funded percentage is 42.6%, compared to 46.7% in the prior year.

Current Liability

- The Plan's current liability as of September 1, 2017 is $536,604,543 using an interest rate of 3.03%. As the market value of assets, including withdrawal liability payments receivable, is $158,835,925, the funded current liability percentage is 29.6%. This is required to be disclosed on the 2017 Schedule MB of IRS Form 5500 since it is less than 70%. Details are shown in *Section 4, Exhibit 3*.

Accounting Information

- The Financial Accounting Standards Board (FASB) requires determination of the present value of accumulated plan benefits - the single-sum value of the benefits, vested or not, earned by participants as of the valuation date. Additional details on the present value of the accumulated plan benefits can be found in *Section 4, Exhibit 2*.

Section 3: Supplementary Information

EXHIBIT A - TABLE OF PLAN COVERAGE

Category	Year Ended August 31		Change from [illegible]
	2016	2017	
Participants in Fund Office tabulation	791	758	-4.2%
Less: Participants with less than one pension credit	77	66	N/A
Active participants in valuation:			
• Number	714	692	-3.1%
• Average age	50.9	50.3	-0.6
• Average pension credits	14.4	13.9	-0.5
• Average contribution rate for upcoming year	6.3560	6.9393	9.2%
• Number with unknown age and/or service information	68	73	7.4%
• Total active vested participants	566	524	-7.4%
Inactive participants with rights to a pension:			
• Number	938	919	-2.0%
• Average age	58.6	62.2	3.7
• Average estimated monthly benefit	$951	$989	4.0%
• Beneficiaries with rights to deferred payments	16	16	0.0%
Pensioners:			
• Number in pay status	2,214	2,166	-2.2%
• Average age	76.6	76.9	0.3
• Average monthly benefit	$936	$963	2.9%
• Number of alternate payees in pay status	23	24	4.3%
• Number in suspended status	6	8	33.3%
Beneficiaries:			
• Number in pay status	646	639	-1.1%
• Average age	78.0	78.6	0.6
• Average monthly benefit	$306	$303	-0.7%
Total Participants	**4,534**	**4,440**	-2.1%

EXHIBIT B - PARTICIPANT POPULATION

[illegible]	Active Participants	Inactive Vested Participants	Pensioners and Beneficiaries	Ratio of [illegible] to [illegible]
2008	1,049	1,077	3,477	4.34
2009	1,014	1,055	3,387	4.38
2010	900	1,026	3,337	4.85
2011	823	977	3,284	5.18
2012	799	936	3,228	5.21
2013	745	928	3,147	5.47
2014	762	892	3,047	5.17
2015	746	866	2,950	5.12
2016	714	954	2,866	5.35
2017	692	935	2,813	5.42

EXHIBIT C - EMPLOYMENT HISTORY

	Total Hours of Contributions[1]		Active Participants		Average Hours of Contributions	
Year	Number	Percent Change	Number	Percent Change	Number	Percent Change
2008	2,067,352	2.3%	1,049	-5.3%	1,971	8.1%
2009	1,720,548	-16.8%	1,014	-3.3%	1,697	-13.9%
2010	1,546,363	-10.1%	900	-11.2%	1,718	1.2%
2011	1,373,063	-11.2%	823	-8.6%	1,668	-2.9%
2012	1,506,274	9.7%	799	-2.9%	1,885	13.0%
2013	1,446,566	-4.0%	745	-6.8%	1,942	3.0%
2014	1,410,162	-2.5%	762	2.3%	1,851	-4.7%
2015	1,438,233	2.0%	746	-2.1%	1,928	4.2%
2016	1,554,780	8.1%	714	-4.3%	2,178	13.0%
2017	1,328,491	-14.6%	692	-3.1%	1,920	-11.8%
			Five-year average hours:		**1,964**	
			Ten-year average hours:		**1,876**	

1 The total hours of contributions are based on total contributions divided by the average contribution rate for the year, which may differ from the hours reported to the Fund Office.

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EXHIBIT D – PROGRESS OF PENSION ROLLS OVER THE PAST TEN YEARS

IN PAY STATUS AT YEAR END

Year	Number	Average Age	Average Amount	Terminations[1]	Additions[2]
2008	2,827	74.2	$727	147	55
2009	2,741	74.6	751	156	70
2010	2,686	74.9	778	144	89
2011	2,616	74.9	833	177	107
2012	2,557	75.2	864	141	82
2013	2,494	75.6	873	114	51
2014	2,399	76.1	891	139	44
2015	2,303	76.4	914	160	64
2016	2,214	76.6	936	143	54
2017	2,166	76.9	963	103	55

1 Terminations include pensioners who died or were suspended during the prior plan year.
2 Additions to the pension rolls include new pensions awarded and suspended pensioners who have been reinstated.

EXHIBIT E - SUMMARY STATEMENT OF INCOME AND EXPENSES ON AN ACTUARIAL BASIS

	Year Ended August 31, 2016		Year Ended [illegible]	
Contribution income:				
• Employer contributions	$8,399,235		$8,443,862	
• Withdrawal liability payments	4,743,832		1,186,042	
Net contribution income		*$13,143,067*		*$9,629,904*
Investment income:				
• Expected investment income	$11,122,870		$10,758,236	
• Adjustment toward market value	1,649,824		1,537,828	
Net investment income		*12,772,694*		*12,296,064*
Total income available for benefits		**$25,915,761**		**$21,925,968**
Less benefit payments and expenses:				
• Pension benefits	-$28,153,461		-$27,708,903	
• Administrative expenses	-1,204,147		-1,314,420	
Total benefit payments and expenses		*-$29,357,608*		*-$29,023,323*
Change in reserve for future benefits		**-$3,441,847**		**-$7,097,355**

EXHIBIT F - INVESTMENT RETURN – ACTUARIAL VALUE VS. MARKET VALUE

	Actuarial Value Investment Return		Market Value Investment Return			Actuarial Value Investment Return		Market Value Investment Return	
Year Ended August 31	Amount	Percent[1]	Amount	Percent	Year Ended August 31	Amount	Percent[1]	Amount	Percent
1998	$22,473,670	8.71%	$26,488,651	8.53%	2008	$14,984,096	5.39%	-$16,025,521	-5.71%
1999	32,593,357	12.42%	47,058,801	14.76%	2009	-34,867,728	-12.73%	-45,016,697	-18.32%
2000	81,834,042	29.71%	59,512,080	17.18%	2010	8,037,106	3.69%	10,326,551	5.76%
2001	29,277,005	8.67%	-62,881,065	-16.28%	2011	13,604,781	6.71%	24,761,516	14.84%
2002	1,199,191	0.35%	-11,203,792	-3.71%	2012	-4,948,828	-2.56%	16,223,983	9.65%
2003	15,178,041	4.65%	22,386,314	8.28%	2013	3,153,095	1.91%	18,022,130	11.16%
2004	2,946,148	0.92%	23,032,687	8.45%	2014	18,835,084	12.72%	27,727,402	17.41%
2005	-2,324,160	-0.76%	26,801,814	9.73%	2015	16,885,950	11.34%	-3,820,930	-2.26%
2006	15,090,705	5.36%	13,791,691	4.89%	2016	12,772,694	8.61%	10,745,723	7.28%
2007	22,473,083	8.12%	26,072,256	9.44%	2017	12,296,064	8.57%	14,376,699	10.21%
					Total	$281,493,396		$228,380,293	
		Most recent five-year average return:					**8.48%**		**8.62%**
		Most recent ten-year average return:					**3.17%**		**3.15%**
		20-year average return:					**5.74%**		**4.70%**

Note: Each year's yield is weighted by the average asset value in that year.

[1] The investment return for 2000 includes the effect of a change in the method for determining the actuarial value of assets.

EXHIBIT G - ANNUAL FUNDING NOTICE FOR PLAN YEAR BEGINNING SEPTEMBER 1, 2017 AND ENDING AUGUST 31, 2018

	2017 Plan Year	2016 Plan Year	[illegible]
Actuarial valuation date	September 1, 2017	September 1, 2016	September 1, 2015
Funded percentage	42.6%	46.7%	50.7%
Value of assets	$147,543,512	$154,640,867	$158,082,714
Value of liabilities	346,728,132	331,036,014	312,026,509
Fair market value of assets as of plan year end	Not available	146,959,183	151,975,903

Critical or Endangered Status

The Plan was in critical status in the plan year because a funding deficiency exists.

EXHIBIT H - FUNDING STANDARD ACCOUNT

- ERISA imposes a minimum funding standard that requires the Plan to maintain an FSA. The accumulation of contributions in excess of the minimum required contributions is called the FSA credit balance. If actual contributions fall short on a cumulative basis, a funding deficiency has occurred. For a plan that is in critical status under PPA'06, employers will generally not be penalized if a funding deficiency develops, provided the parties fulfill their obligations in accordance with the Rehabilitation Plan developed by the Trustees and the negotiated bargaining agreements reflect that Rehabilitation Plan.
- The FSA is charged with the normal cost and the amortization of increases or decreases in the unfunded actuarial accrued liability due to plan amendments, experience gains or losses, and changes in actuarial assumptions and funding methods. The FSA is credited with employer contributions and withdrawal liability payments. All items, including the prior credit balance or deficiency, are adjusted with interest at the actuarially assumed rate.
- Increases or decreases in the unfunded actuarial accrued liability are amortized over 15 years except that short-term benefits, such as 13th checks, are amortized over the scheduled payout period.

FSA FOR THE YEAR ENDED AUGUST 31, 2017

	Charges			Credits	
1	Prior year funding deficiency	$14,037,722	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	2,413,752	7	Employer contributions	9,629,904
3	Total amortization charges	38,917,176	8	Total amortization credits	3,657,194
4	Interest to end of the year	4,152,649	9	Interest to end of the year	605,318
5	*Total charges*	*$59,521,299*	10	Full-funding limitation credit	0
			11	*Total credits*	*$13,892,416*
				Credit balance (Funding deficiency): 11 - 5	**-$45,628,883**

EXHIBIT I - MAXIMUM DEDUCTIBLE CONTRIBUTION

Employers that contribute to defined benefit pension plans are allowed a current deduction for payments to such plans. There are various measures of a plan's funded level that are considered in the development of the maximum deductible contribution amount.

One of the limits is the excess of 140% of "current liability" over assets. "Current liability" is one measure of the actuarial present value of all benefits earned by the participants as of the valuation date. This limit is significantly higher than the current contribution level.

Contributions in excess of the maximum deductible amount are not prohibited; only the deductibility of these contributions is subject to challenge and may have to be deferred to a later year. In addition, if contributions are not fully deductible, an excise tax in an amount equal to 10% of the non-deductible contributions may be imposed. However, the plan sponsor may elect to exempt the non-deductible amount up to the ERISA full-funding limitation from the excise tax.

The Trustees should review the interpretation and applicability of all laws and regulations concerning any issues as to the deductibility of contribution amounts with Fund Counsel.

1	Normal cost, including administrative expenses	$2,879,618
2	Amortization of unfunded actuarial accrued liability	27,443,982
3	Preliminary maximum deductible contribution: **1 + 2**, with interest to the end of the plan year	$32,446,252
4	Full-funding limitation (FFL)	349,376,719
5	Preliminary maximum deductible contribution, adjusted for FFL: **lesser of 3 and 4**	32,446,252
6	Current liability for maximum deductible contribution, projected to the end of the plan year	527,645,882
7	Actuarial value of assets, projected to the end of the plan year	125,504,575
8	Excess of 140% of current liability over projected assets at end of plan year: [140% of (6)] - (7), not less than zero	613,199,660
9	End of year minimum required contribution	91,093,017
Maximum deductible contribution: greatest of 5, 8, and 9		**$613,199,660**

PPA'06 Zone Status

- Based on projections of the credit balance in the FSA, the funded percentage, and cash flow sufficiency tests, plans are categorized in one of three "zones": critical status, endangered status, or neither.
- The funded percentage is determined using the actuarial value of assets and the present value of benefits earned to date, based on the actuary's best estimate assumptions.

Critical Status ***(Red Zone)***	A plan is classified as being in critical status (the *Red Zone*) if: • The funded percentage is less than 65%, and either there is a projected FSA deficiency within five years or the plan is projected to be unable to pay benefits within seven years, or • There is a projected FSA deficiency within four years, or • There is a projected inability to pay benefits within five years, or • The present value of vested benefits for inactive participants exceeds that for actives, contributions are less than the value of the current year's benefit accruals plus interest on existing unfunded accrued benefit liabilities, and there is a projected FSA deficiency within five years, or • As permitted by the Multiemployer Pension Reform Act of 2014, the plan is projected to be in the *Red Zone* within the next five years and the plan sponsor elects to be in critical status. A critical status plan is further classified as being in critical and declining status if: • The ratio of inactives to actives is at least 2 to 1, and there is an inability to pay benefits projected within 20 years, or • The funded percentage is less than 80%, and there is an inability to pay benefits projected within 20 years, or • There is an inability to pay benefits projected within 15 years. Any amortization extensions are ignored for testing initial entry into the *Red Zone*. The Trustees are required to adopt a formal Rehabilitation Plan, designed to allow the plan to emerge from critical status by the end of the rehabilitation period. If they determine that such emergence is not reasonable, the Rehabilitation Plan must be designed to emerge as of a later time or to forestall possible insolvency. Trustees of *Red Zone* plans have tools, such as the ability to reduce or eliminate early retirement subsidies, to remedy the situation. Accelerated forms of benefit payment (such as lump sums) are prohibited. However, unless the plan is critical and declining, Trustees may not reduce benefits of participants who retired before being notified of the plan's critical status (other than rolling back recent benefit increases) or alter core retirement benefits payable at normal retirement age.

Endangered Status (*Yellow Zone*)	A plan not in critical status (*Red Zone*) is classified as being in endangered status (the *Yellow Zone*) if: • The funded percentage is less than 80%, or • There is a projected FSA deficiency within seven years. A plan that has both of the endangered conditions present is classified as seriously endangered. Trustees of a plan that was in the *Green Zone* in the prior year can elect not to enter the *Yellow Zone* in the current year (although otherwise required to do so) if the plan's current provisions would be sufficient (with no further action) to allow the plan to emerge from the *Yellow Zone* within 10 years. The Trustees are required to adopt a formal Funding Improvement Plan, designed to improve the current funded percentage, and avoid a funding deficiency as of the emergence date.
Green Zone	A plan not in critical status (the *Red Zone*) nor in endangered status (the *Yellow Zone*) is classified as being in the *Green Zone*.

Early Election of Critical Status	Trustees of a *Green* or *Yellow Zone* plan that is projected to enter the *Red Zone* within the next five years must elect whether or not to enter the *Red Zone* for the current year.

Section 4: Certificate of Actuarial Valuation

APRIL 25, 2018

CERTIFICATE OF ACTUARIAL VALUATION

This is to certify that Segal Consulting, a Member of The Segal Group, Inc. ("Segal") has prepared an actuarial valuation of the Local 807 Labor-Management Pension Fund as of September 1, 2017 in accordance with generally accepted actuarial principles and practices. It has been prepared at the request of the Board of Trustees to assist in administering the Fund and meeting filing requirements of federal government agencies. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Trustees and may only be provided to other parties in its entirety.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

The valuation is based on the assumption that the Plan is qualified as a multiemployer plan for the year and on information supplied by the auditor with respect to contributions and assets and reliance on the Plan Administrator with respect to the participant data. Segal Consulting does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report and we have no reason to believe there are facts or circumstances that would affect the validity of these results. Adjustments for incomplete or apparently inconsistent data were made as described in the attached *Exhibit 8*.

I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in this actuarial valuation is complete and accurate, except as noted in *Exhibit 1*. Each prescribed assumption for the determination of Current Liability was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and [redacted], offer my best estimate of anticipated experience under the plan.

[redacted]

Vice President and Actuary
Enrolled Actuary No. 17-06166

EXHIBIT 1 - SUMMARY OF ACTUARIAL VALUATION RESULTS

The valuation was made with respect to the following data supplied to us by the Plan Administrator:

Pensioners as of the valuation date (including 639 beneficiaries in pay status and eight pensioners in suspended status)		2,813
Participants inactive during year ended August 31, 2017 with vested rights (including 85 participants with unknown age)		935
Participants active during the year ended August 31, 2017 (including 73 participants with unknown age)		692
• Fully vested	524	
• Not vested	168	
Total participants		[illegible]

The actuarial factors as of the valuation date are as follows:

Normal cost, including administrative expenses		$2,879,618
Actuarial present value of projected benefits		362,880,123
Present value of future normal costs		9,088,715
Actuarial accrued liability		353,791,408
• Pensioners and beneficiaries[1]	$218,616,602	
• Inactive participants with vested rights	69,040,224	
• Active participants	66,134,582	
Actuarial value of assets ($146,959,183 at market value as reported by Schultheis & Panettieri LLP)		$147,543,512
Unfunded actuarial accrued liability		206,247,896

[1] Includes liabilities for 24 former spouses in pay status.

EXHIBIT 2 - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The actuarial present value of accumulated plan benefits calculated in accordance with FASB ASC 960 is shown below as of September 1, 2016 and as of September 1, 2017. In addition, the factors that affected the change between the two dates follow.

	Benefit Information Date	
	September 1, 2016	[illegible]
Actuarial present value of vested accumulated plan benefits:		
• Participants currently receiving payments	$213,992,714	$218,616,602
• Other vested benefits	116,768,019	127,587,346
• Total vested benefits	$330,760,733	$346,203,948
Actuarial present value of non-vested accumulated plan benefits	275,281	524,184
Total actuarial present value of accumulated plan benefits	**$331,036,014**	**$346,728,132**

Factors	[illegible]
Benefits accumulated, net experience gain or loss, changes in data	$5,416,378
Benefits paid	-27,708,903
Changes in actuarial assumptions	14,282,616
Interest	23,702,027
Total	**$15,692,118**

EXHIBIT 3 - CURRENT LIABILITY

The table below presents the current liability for the Plan Year beginning September 1, 2017.

Item[1]		
Retired participants and beneficiaries receiving payments		$289,057,878
Inactive vested participants		127,410,158
Active participants		
• Non-vested benefits	$1,596,175	
• Vested benefits	118,540,332	
• *Total active*		*$120,136,507*
Total		**$536,604,543**

Expected increase in current liability due to benefits accruing during the plan year	$4,817,172
Expected release from current liability for the plan year	29,693,565
Expected plan disbursements for the plan year, including administrative expenses of $1,500,000	31,193,565
Current value of assets[2]	$158,835,925
Percentage funded for Schedule MB	29.6%

[1] The actuarial assumptions used to calculate these values are shown in Exhibit 8.

[2] Includes $11,876,742 in withdrawal liability payments receivable.

EXHIBIT 4 - INFORMATION ON PLAN STATUS AS OF SEPTEMBER 1, 2017

Plan status (as certified on November 29, 2017, for the 2017 zone certification)	***Critical***
Scheduled progress (as certified on November 29, 2017, for the 2017 zone certification)	Yes
Actuarial value of assets for FSA	$147,543,512
Accrued liability under unit credit cost method	346,728,132
Funded percentage for monitoring plan's status	42.6%
Year in which insolvency is expected	2029

EXHIBIT 5 - SCHEDULE OF PROJECTION OF EXPECTED BENEFIT PAYMENTS

(SCHEDULE MB, LINE 8b(1))

Plan Year	Expected Annual Benefit Payments[1]
2017	$29,660,601
2018	29,017,862
2019	28,540,864
2020	28,141,176
2021	27,855,072
2022	27,565,261
2023	27,223,633
2024	26,930,258
2025	26,688,239
2026	26,376,318

[1] Assuming as of the valuation date:

- no additional accruals,
- experience is in line with valuation assumptions, and
- no new entrants are covered by the plan.

EXHIBIT 6 - SCHEDULE OF ACTIVE PARTICIPANT DATA
(SCHEDULE MB, LINE 8b(2))

The participant data is for the year ended January 31, 2017.

		Pension Credits								
Age	Total	1-4	5-9	10-14	15 - 19	20 - 24	25 - 29	30 - 34	[illegible]	[illegible]
Under 25	–	–	–	–	–	–	–	–	–	–
25 - 29	10	9	1	–	–	–	–	–	–	–
30 - 34	34	21	6	7	–	–	–	–	–	–
35 - 39	43	19	8	13	3	–	–	–	–	–
40 - 44	68	16	10	17	18	7	–	–	–	–
45 - 49	94	12	15	21	25	15	6	–	–	–
50 - 54	134	20	16	27	25	26	11	9	–	–
55 - 59	115	7	8	22	22	28	14	10	4	–
60 - 64	81	1	6	23	10	16	9	11	4	1
65 - 69	35	1	3	4	7	9	6	1	4	–
70 & over	5	1	1	1	–	1	1	–	–	–
Unknown	73	61	12	–	–	–	–	–	–	–
Total	**692**	**168**	**86**	**135**	**110**	**102**	**47**	**31**	**12**	**1**

Note: Excludes 66 participants with less than one pension credit.

EXHIBIT 7 - FUNDING STANDARD ACCOUNT

The table below presents the FSA for the Plan Year ending August 31, 2018.

	Charges			Credits	
1	Prior year funding deficiency	$45,628,883	6	Prior year credit balance	$0
2	Normal cost, including administrative expenses	2,879,618	7	Amortization credits	3,591,089
3	Amortization charges	40,216,249	8	Interest on 6 and 7	251,376
4	Interest on 1, 2 and 3	6,210,733	9	Full-funding limitation credit	0
5	Total charges	$94,935,483	10	Total credits	$3,842,465

Minimum contribution with interest required to avoid a funding deficiency: 5 - 10, not less than zero	$91,093,018

Full Funding Limitation (FFL) and Credits	
ERISA FFL (accrued liability FFL)	$224,391,672
RPA'94 override (90% current liability FFL)	349,376,719
FFL credit	0

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

Schedule of FSA Bases (Charges) (Schedule MB, Line 9c)

Type of Base	Date Established	Amortization Amount	Years Remaining	Outstanding Balance
Plan amendment	09/01/2009	$529,467	7	$3,053,191
Actuarial loss	09/01/2009	5,822,349	7	33,574,806
Combined and offset base	09/01/2009	24,741,614	3.22	74,134,349
Plan amendment	09/01/2010	41,383	8	264,410
Actuarial loss	09/01/2010	784,017	8	5,009,309
Actuarial loss	09/01/2011	180,307	9	1,256,975
Actuarial loss	09/01/2012	2,392,142	10	17,977,501
Actuarial loss	09/01/2013	1,072,777	11	8,607,512
Assumption changes	09/01/2014	718,260	12	6,104,254
Actuarial loss	09/01/2016	8,293	14	77,601
Assumption changes	09/01/2016	2,268,417	14	21,227,054
Actuarial loss	09/01/2017	159,514	15	1,554,540
Assumption changes	09/01/2017	1,497,709	15	14,595,873
Total		**$40,216,249**		**$187,437,375**

EXHIBIT 7 - FUNDING STANDARD ACCOUNT (*CONTINUED)*

[illegible] FSA Bases (Credits) (Schedule MB, Line 9h)

Type of Base	Date Established	Amortization Amount	Years Remaining	[illegible]
Assumption changes	09/01/2010	$51,752	8	$330,656
Plan amendment	09/01/2011	2,522,660	9	17,586,215
Actuarial gain	09/01/2014	428,664	12	3,643,077
Actuarial gain	09/01/2015	588,013	13	5,258,414
Total		**$3,591,089**		**$26,818,362**

EXHIBIT 8 - STATEMENT OF ACTUARIAL ASSUMPTIONS/METHODS

(SCHEDULE MB, LINE 6)

Mortality Rates	Healthy:	RP-2014 Blue Collar Employee and Annuitant Mortality Tables (adjusted back to 2006) with generational Scale MP-2017 from 2006
	Disabled:	RP-2014 Disabled Annuitant Mortality Table (adjusted back to 2006) with generational Scale MP-2017 from 2006

The above mortality tables reasonably reflects the mortality experience of the Plan as of the measurement date. These mortality tables were then adjusted to future years using generational projection under Scale MP-2016 to anticipate future mortality improvement.

The mortality rates were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of and the projected number based on the prior year's assumption over the most recent years.

Termination Rates

	Rate (%)					
	Mortality[1]		Withdrawal[2]			
			Years of Service			
Age	Male	Female	Less than 2 years	2-4 Years	5-9 Years	10 Years or More
20	0.07	0.02	17.99	14.19	0.00	0.00
25	0.07	0.02	21.74	17.14	12.96	0.00
30	0.06	0.02	18.61	13.58	8.39	4.84
35	0.07	0.03	16.78	11.02	7.15	5.02
40	0.10	0.05	15.91	10.35	6.01	4.15
45	0.16	0.09	15.48	9.47	5.82	3.73
50	0.26	0.13	15.60	8.90	5.32	3.49
55	0.38	0.19	13.52	7.82	2.59	0.88
60	0.64	0.31	13.63	7.84	2.12	0.20

[1] Mortality rates are shown from the base table and do not reflect any mortality projection.

[2] Withdrawal rates cut out at early retirement age.

The termination rates were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior year's assumption over the most recent years.

Retirement Rates

Age	Annual Retirement Rates*
55 – 61	2%
62	6
63	5
64	11
65	16
66	18
67	11
68	22
69	14
70	100

* *if eligible*

The retirement rates were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent years.

Description of Weighted Average Retirement Age

Age 66, determined as follows: The weighted average retirement age for each participant is calculated as the sum of the product of each potential past or future retirement age times the probability of surviving from entry age to that age and then retiring at that age, assuming no other decrements. The overall weighted retirement age is the average of the individual retirement ages based on all the active participants included in the September 1, 2017 actuarial valuation.

Retirement Rates for Inactive Vested Participants

Age*	Annual Retirement Rates	Age*	Annual Retirement Rates
55	24%	63	10%
56	6	64	3
57	4	65	53
58	2	66	29
59	10	67	13
60	7	68	5
61	2	69	13
62	20	70	100

* *if eligible*

The retirement rates for inactive vested participants were based on historical and current demographic data, adjusted to reflect estimated future experience and professional judgment. As part of the analysis, a comparison was made between the actual number of retirements by age and the projected number based on the prior years' assumption over the most recent years.

Future Benefit Accruals

Employees are assumed to work 1,850 hours per year.

The future benefit accruals were based on historical and current demographic data, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual benefit accruals over the most recent years.

Unknown Data for Participants

Same as those exhibited by participants with similar known characteristics. If not specified, participants are assumed to be male.

Definition of Active Participants

Active participants are defined as those with at least 250 hours in the most recent credit year and who have accumulated at least one pension credit, excluding those who have retired as of the valuation date.

Exclusion of Inactive Vested Participants

None

Percent Married

50%

Age of Spouse

Females three years younger than males.

Benefit Election	60% of participants assumed to elect the Single Life Annuity, 20% assumed to elect 50% Joint and Survivor Annuity, and 20% assumed to elect 75% Joint-and-Survivor Annuity. The benefit elections were based on historical and current demographic data, adjusted to reflect the plan design, estimated future experience and professional judgment. As part of the analysis, a comparison was made between the assumed and the actual option election patterns over the past several years.
Delayed Retirement	Inactive vested participants who are assumed to commence receipt of benefits after attaining normal retirement age qualify for delayed retirement increases.
Net Investment Return	7.00% The net investment return assumption is a long-term estimate derived from historical data, current and recent market expectations, and professional judgment. As part of the analysis, a building block approach was used that reflects inflation expectations and anticipated risk premiums for each of the portfolio's asset classes as provided by Segal Marco Consulting, as well as the Plan's target asset allocation.
Annual Administrative Expenses	$1,500,000, payable monthly, for the year beginning September 1, 2017 (equivalent to $1,446,296 payable at the beginning of the year) The annual administrative expenses were based on historical and current data, adjusted to reflect estimated future experience and professional judgment.
Actuarial Value of Assets	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual market return and the projected market return, and is recognized over a five-year period. The actuarial value is further adjusted, if necessary, to be within 20% of the market value.
Actuarial Cost Method	Entry Age Normal Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus pension credits. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by service, with Normal Cost determined as if the current benefit accrual rate had always been in effect.
Benefits Valued	Unless otherwise indicated, includes all benefits summarized in *Exhibit 9*.
Current Liability Assumptions	*Interest:* 3.03%, within the permissible range prescribed under IRC Section 431(c)(6)(E) *Mortality:* Mortality prescribed under IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1: RP-2000 tables projected forward to the valuation year plus seven years for annuitants and 15 years for nonannuitants
Estimated Rate of Investment Return	*On actuarial value of assets (Schedule MB, line 6g): 8.48%, for the Plan Year ending August 31, 2017* *On current (market) value of assets (Schedule MB, line 6h): 10.10%, for the Plan Year ending August 31, 2017*
FSA Contribution Timing (Schedule MB, line 3a)	Unless otherwise noted, contributions are paid periodically throughout the year pursuant to collective bargaining agreements. The interest credited in the Funding Standard Account is therefore assumed to be equivalent to a March 15 contribution date.

Justification for Change in Actuarial Assumptions

(Schedule MB, line 11)

For purposes of determining current liability, the current liability interest rate was changed from 3.11% to 3.03% due to a change in the permissible range and recognizing that any rate within the permissible range satisfies the requirements of IRC Section 413(c)(6)(E) and the mortality tables were changed in accordance with IRS Regulations 1.431(c)(6)-1 and 1.430(h)(3)-1.

Based on past experience and future expectations, the following actuarial assumptions were changed:

Mortality rates for healthy participants, previously RP-2014 Blue Collar Mortality Tables (adjusted back to 2006) with generational projection using Scale MP 2016 from 2006.

Mortality rates for disabled participants, previously RP-2014 Disabled Annuitant Mortality Table (adjusted back to 2006) with generational projection using Scale MP 2016 from 2006.

Retirement rates for each participants, previously:

Age*	Annual Retirement Rates
55 – 61	2%
62 – 63	6
64	12
65	15
66	16
67	7
68	16
69	19
70	100

* *if eligible*

Justification for Change in Actuarial Assumptions

(Schedule MB, line 11) (Cont'd)

Retirement rates for inactive vested participants, previously:

Age*	Annual Retirement Rates	Age*	Annual Retirement Rates
55	28%	63	12%
56 – 57	4	64	3
58	2	65	52
59	10	66	29
60	9	67	12
61	2	68	6
62	20	69	13
		70	100

* *if eligible*

Benefit election, previously 60% of participants assumed to elect Single Life Annuity and 40% assumed to elect 50% Joint-and-Survivor Annuity

Annual administrative expenses, previously $1,275,000 per year

Net investment return, previously 7.50%

EXHIBIT 9 - SUMMARY OF PLAN PROVISIONS

(SCHEDULE MB, LINE 6)

This exhibit summarizes the major provisions of the Plan included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year September 1 through August 31

Pension Credit Year February 1 through January 31

Plan Status Ongoing plan

Regular Pension

- *Age Requirement:* 65
- *Service Requirement:* 15 pension credits

Amount: The total accrued benefit is the sum of each year's accrual based on

1. The highest contribution rate prior to February 1, 2010 for service earned prior to February 1, 2010.
2. The highest contribution rate that was made for at least 250 hours during the pension credit year for service from February 1, 2010 to January 31, 2012.
3. For service on and after February 1, 2012, the accrual rate is lesser of:
   (a) 1% of product of number of hours for which contributions are due on behalf of the participant in credit year based on the contribution rate in effect on September 1, 2011, or
   (b) Accrual rate under the Plan as of September 1, 2011.

The accrual rate effective May 1, 2001 for contribution rates $4.315 or more per hour, $165 for each pension credit less than 25 plus $20.49 for each pension credit greater than 25. Lower benefit levels have been established for employees at lower contribution levels.

Delayed Retirement Amount: Regular pension accrued at Normal Retirement Age (NRA), increased by 1.0% for each month greater than NRA, and 1.5% for each month greater than age 70.

Early Retirement

- *Age Requirement:* 55
- *Service Requirement:* 15 pension credits
- *Amount:* Regular pension accrued, actuarially, reduced from age 65

Vesting

- *Age Requirement:* None
- *Service Requirement:* Five pension credits or 5 years of vesting service
- *Amount:* Regular or early pension accrued based on plan in effect and contribution rate when last active
- *Normal Retirement Age:* Later of age 65 or the participant's 5th anniversary of participation.

Spouse's Pre-Retirement Death Benefit	• *Age Requirement: None* • *Service Requirement: 5 pension credits or 5 years of vesting service* • *Amount: 50% of the benefit employee would have received had he or she retired the day before he or she died and elected the joint and survivor option. If the employee died prior to eligibility for an early retirement pension, the spouse's benefit is deferred to the date employee would have first been eligible to retire.* • *Charge for Coverage: None*
Optional Forms of Benefits	50% Joint-and-Survivor 75% Joint-and-Survivor Single Life Annuity
Participation	Earliest of February 1 or August 1 after completion of 1,000 hours during a 12 consecutive month period.
Pension Credit	

Hours Worked Per Year	Pension Credit
Under 250	0
250 – 499	1/4
500 – 749	1/2
750 – 999	3/4
1,000 and over	1

Vesting Credit	One year of vesting service for at least 1,000 hours.
Contribution Rate	Rates as of September 1, 2017 vary from $1.50 to $10.37 per hour, with an average rate of $6.9393.
Changes in Plan Provisions	None

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