SHEET METAL WORKERS' NATIONAL PENSION FUND
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2013 ANNUAL FUNDING NOTICE FOR THE SHEET METAL WORKERS' NATIONAL PENSION FUND

Introduction

This Notice includes important information about the funded status of your pension plan, the Sheet Metal Workers' National Pension Fund (the "Plan" or "NPF") (EIN 52 6112463/Plan No. 001). This Notice also contains general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal agency. All traditional pension plans (called "defined benefit pension plans") must provide the Annual Funding Notice every year regardless of their funding status. This Notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This Notice is for the Plan Year beginning January 1, 2013 and ending December 31, 2013 (the "2013 Plan Year"). Federal law requires that you receive this Notice.

How Well Funded Is Your Plan

Under federal law, the NPF must report how well it is funded by using a measure called the "funded percentage." This percentage is obtained by dividing the Plan's assets by its liabilities on the Valuation Date for the Plan Year. In general, the higher the percentage, the better funded the plan. Your Plan's funded percentage for the 2013 Plan Year and each of the two preceding Plan Years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
Plan Year	2013	2012	2011
Valuation Date	January 1, 2013	January 1, 2012	January 1, 2011
Funded Percentage	57.4%	56.7%	57.8%
Value of Assets *	$3,711,928,315	$3,545,634,566	$3,512,613,358
Value of Liabilities*	$6,463,106,428	$6,248,255,880	$6,073,684,438

***NOTE:** The "Value of Assets" figures above reflect the actuarial (smoothed) value (rather than the market value) of assets reported in the NPF's Actuarial Valuation and Review as of the applicable Valuation Date. The "market value" of assets is discussed in the following section.

Also, the asset values above reflect the special funding relief elected under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. The "Value of Liabilities" figures above reflect the "actuarial accrued liability" reported in the NPF's Actuarial Valuation and Review as of the applicable Valuation Date.

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date for the Plan Year and are actuarial values, not market values. Because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values that are designed to smooth out those fluctuations for funding purposes. While actuarial values fluctuate less than market values, they are estimates. The asset values below are market values and are measured as of the last day of the Plan Year, rather than as of the Valuation Date. Substituting the market value of assets for the actuarial value used in the above chart would show a clearer picture of a Plan's funded status as of a given point in time, such as on the Valuation Date. The fair market value of the Plan's assets as of the last day of the 2013 Plan Year and each of the two preceding Plan Years is shown in the following table:

Year Ended	December 31, 2013	December 31, 2012	December 31, 2011
Fair Market Value of Assets	$3,788,873,736**	$3,226,583,524	$2,954,695,472

****NOTE:** The fair market value figure for December 31, 2013 above is taken from the Plan actuary's Actuarial Certification of Plan Status as of January 1, 2014 under IRC Section 432 ("2014 Actuarial Status Certification"). As discussed in the 2014 Actuarial Status Certification, the Plan's actuary estimated the market value of assets as of January 1, 2014 using the preliminary value of investment income provided by the Plan's investment professionals. The fair market value figure may change when an audit of the Plan's December 31, 2013 financial statements is completed.

The Plan's Critical Status for 2013

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent or in "critical" status if the plan has an accumulated funding deficiency for the plan year, not taking into account any extension of amortization periods under Internal Revenue Code section 431(d), or the plan is projected to have an accumulated funding deficiency for any of the 3 succeeding plan years (4 succeeding plan years if the funded percentage of the plan is 65 percent or less), not taking into account any extension of amortization periods under section 431(d). A plan ceases to be in "critical" status when the plan actuary certifies that the plan is not projected to have an accumulated funding deficiency for the current plan year or any of the 9 succeeding plan years, without regard to the use of the shortfall method but taking into account any extension of amortization periods under Internal Revenue Code section 431(d). In other words, for determining whether a plan enters into critical status, the plan actuary must disregard the amortization extension under Internal Revenue Code Section 431(d), but is required to take into account the extension in determining whether the plan has ceased to be in "critical" status.

If a pension plan enters endangered status (commonly referred to as the "Yellow Zone"), the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status (commonly referred to as the "Red Zone"), the trustees of the plan are required to adopt a rehabilitation plan. Rehabilitation and funding improvement plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time.

The NPF was in critical status in the 2013 Plan Year (i.e., the Plan Year ending December 31, 2013) because, among other things, the Plan's actuary projected that the Plan would have an accumulated funding deficiency in four years (ignoring any amortization extensions). The actuary also determined that the Plan did not meet the statutory criteria for emergence from critical status in the 2013 Plan Year because the Plan was in critical status in the preceding year (the 2012 Plan Year), and the actuary projected that the Plan would have an accumulated funding deficiency within 10 years (taking into account any amortization extensions).

In an effort to improve the Plan's funding situation, the Trustees adopted a Rehabilitation Plan, which contained a Default Schedule and Alternative Schedules (as amended from time to time to reflect experience). The Rehabilitation Plan, which included the Schedules and modifications that were made since it was first adopted, was designed to enable the Plan to emerge from critical status at the end of its Rehabilitation Period (the thirteen-year period beginning on January 1, 2011 (i.e., the first day of the plan year following the second anniversary of the date the Rehabilitation Plan was adopted)).

For the current Plan Year (2014), the Plan's actuary has certified that the Plan emerged from critical status because it projected that the Plan would not have an accumulated funding deficiency for the 2014 Plan Year or any of the 9 succeeding Plan Years (taking into account the Plan's amortization extension). Also for the current Plan Year (2014) the Plan's actuary certified that the Plan is in endangered (Yellow Zone) status for the 2014 Plan Year because the NPF's funded percentage is less than 80%.

The Rehabilitation Plan used a combination of Contribution Rate increases and/or reductions in adjustable benefits (e.g., early retirement benefits, optional benefit forms, and scheduled benefit increases that had been in effect for more than five years before the Plan was initially certified to be in critical status). The exact combination depended upon whether the bargaining parties (the Local Union and Employer(s) who are parties to the Collective Bargaining Agreement) adopted the Default Schedule or an Alternative Schedule, as well as any amendments that have been made by the Trustees. Some modifications and updates to the Rehabilitation Plan were made in 2013. These modifications are described below under the heading "Recent Rehabilitation Plan Modifications." Because the NPF emerged from critical status in 2014 and entered into endangered status, the Rehabilitation Plan and Schedules ceased to be in effect for the 2014 Plan Year. However, benefit adjustments that were made under the Rehabilitation Plan and Schedules were, and remain, permanent.

You may obtain a copy of the Plan's Rehabilitation Plan (including the Schedules, prior versions, and any amendments or modifications) and the actuarial and financial data that demonstrate the actions taken by the Plan toward fiscal improvement by contacting the Fund Administrator (see "Where to Get More Information" below). A copy of the most recent Rehabilitation Plan (including the Schedules) may also be viewed on the NPF's website at www.smwnpf.org.

As noted above, in January 2014, the plan's actuary certified that the NPF emerged from critical status and is in endangered status for the 2014 Plan Year. In January of this year, you received a Notice from the NPF advising you that the NPF emerged from critical status and entered into endangered status for the 2014 Plan Year. The Trustees adopted a Funding Improvement Plan and Funding Improvement Plan Schedule, effective March 1, 2014. A copy of the current Funding Improvement Plan and Funding Improvement Plan Schedule may be viewed on the NPF's website at www.smwnpf.org.

Recent Rehabilitation Plan Modifications

This section summarizes the substantive Rehabilitation Plan modifications that were made in 2013.

A. *Clarification Regarding Funding Policy*

Since its adoption, the Rehabilitation Plan has served as the funding policy adopted by the Trustees. In 2013, the Rehabilitation Plan was amended to clarify that it serves as the funding policy until such time as the NPF has emerged from critical status, which it did in 2014.

B. *Changes Affecting Persons For Whom No Contributions are Required*

The Rehabilitation Plan was amended to include within the category of "Persons for Whom Contributions Were Not Required to be Made" a Participant who, effective July 1, 2013, works under a classification of employment for which contributions to the NPF have ceased to be made under the terms of a collective bargaining agreement (regardless of whether the contributions ceased to be made before July 1, 2013).

C. *Effect of Emergence*

The Rehabilitation Plan was amended to clarify that upon emergence from critical status, the Rehabilitation Plan and Schedules associated with it shall terminate, except that the reductions made to adjustable benefits are permanent and would remain in full force and effect after the NPF ceased to be in critical status.

D. *Work Under Multiple Schedules*

The Rehabilitation Plan was amended to provide that if a Participant works under a different Schedule than his Home Local Schedule (while the Plan is in critical status), the Participant's benefit adjustments (e.g., early retirement pension benefits, 60 Certain Payments, and other payment options) would be determined under his Home Local Schedule, unless he has 3,500 or more Hours of Work in Covered Employment under a different Schedule within a five (5) consecutive Calendar Year period preceding the date the Plan ceases to be in critical status.

Participant Information

The total number of participants in the Plan as of the Plan's valuation date (January 1, 2013) was 135,540. Of this number: (i) 55,440 were active participants; (ii) 34,161 were retired or separated participants entitled to future benefits; (iii) 37,165 were retired or separated participants receiving benefits, and 8,774 were deceased participants whose beneficiaries are receiving or entitled to receive benefits.

The terms used in the above paragraph have the same meaning given such terms in the instructions to IRS Form 5500 (Annual Return/Report).

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the pension plan's objectives. A funding policy relates to the level of contributions needed to pay for benefits provided under the plan currently and over the years. The former funding policy for the 2013 Plan Year was to utilize a combination of benefit adjustments and contribution rate increases to enable the Plan to emerge from "critical status" by the end of the Plan's Rehabilitation Period. As previously noted, the Plan emerged from critical status in 2014. For the current Plan Year (2014), the funding policy, in general terms, is to meet the benchmarks required for plans in endangered status through the implementation of the Funding Improvement Plan and Funding Improvement Plan Schedule.

Once money is contributed to the Plan, the money is invested by Plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is adopted by the Trustees, but the discretionary authority to allocate and invest the vast majority of the Plan's assets has been delegated to an "Investment Manager" within the meaning of ERISA. In summary, the investment policy states that the Plan's objective is for the Investment Manager to obtain a long-term annualized rate of return (net of fees) of 8.2%. This is greater than the Fund's assumed actuarial rate of return, which currently is 7.5%.

The Plan's assets were allocated among the following categories of investments, as of the end of the 2013 Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (Interest bearing and non-interest bearing)	2.94%
2. U.S. Government securities	8.27%
3. Corporate debt instruments (other than employer securities):	
Preferred	2.95%
All other	5.89%
4. Corporate stocks (other than employer securities):	
Preferred	0.001%
Common	43.85%
5. Partnership/joint venture interests	8.45%
6. Real estate (other than employer real property)	1.46%
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common/collective trusts	13.43%
10. Value of interest in pooled separate accounts	
11. Value of interest in master trust investment accounts	
12. Value of interest in 103-12 investment entities	
13. Value of interest in registered investment companies (e.g., mutual funds)	9.55%
14. Value of funds held in insurance co. general account (unallocated contracts)	0.30%
15. Employer-related investments:	
Employer Securities	
Employer real property	
16. Buildings and other property used in plan operation	
17. Other	2.91%

For information about any of the following types of investments as described in the chart above – common/collective trusts, pooled separate accounts, master trust investment accounts, or 103-12 investment entities – contact the Fund Administrator at fundadministrator@smwnpf.org, or 703.739.7000 or by writing to 8403 Arlington Boulevard, Suite 300, Fairfax, VA 22031.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report called the Form 5500 that contains financial and other information about the plan. Copies of the annual report are available from the US Department of Labor ("DOL"), Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. For 2009 and subsequent Plan Years, you may obtain an electronic copy of the Plan's Annual Report by going to www.efast.dol.gov and using the Form 5500 search function. If you contact the DOL, it may help to give the DOL the EIN and Plan No. listed in the header of this Notice. Also, you may obtain a copy of the Plan's Annual Report by making a written request to the Fund Administrator. Individual information, such as the amount of your accrued benefit under the Plan, is not contained in the Annual Report. If you are seeking information regarding your benefits under the Plan, contact the plan administrator identified below under "Where To Get More Information."

Summary of Rules Governing Plans in Reorganization and Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans. The plan administrator is required by law to include a summary of these rules in the Annual Funding Notice, even if a plan is not, or expected to be, in reorganization or insolvent. (NPF is not, nor expected to be in reorganization or insolvent.) Under so-called "plan reorganization rules," a plan with adverse financial experience may need to increase required contributions and may, under certain circumstances, reduce benefits that are not eligible for the PBGC's guarantee (generally, benefits that have been in effect for less than 60 months). If a plan is in reorganization status, it must provide notification that the plan is in reorganization status and that, if contributions are not increased, accrued benefits under the plan may be reduced or an excise tax may be imposed (or both). The plan is required to furnish this notification to each contributing employer and the labor organization.

Despite these special plan reorganization rules, a plan in reorganization could become insolvent. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and PBGC. In addition, participants and beneficiaries also must receive information regarding whether, and how, their benefits will be reduced or affected, including loss of a lump sum option. This information will be provided for each year the plan is insolvent.

The Plan's current Funding Improvement Plan is intended to prevent the Plan from entering reorganization status or becoming insolvent.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that can not be forfeited (called vested benefits) are guaranteed. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $500, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($500/10), which equals $50. The guaranteed amount for a $50 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Where to Get More Information

For more information about this Notice, you may contact the NPF's Board of Trustees or Fund Administrator, Marc LeBlanc, by email at BOT@smwnpf.org, or by telephone at 1.800.231.4622, or by mail at 8403 Arlington Boulevard, Suite 300, Fairfax, VA 22031. For identification purposes, the official plan number ("Plan No.") is 001 and the plan sponsor's name and employer identification number or "EIN" are: Board of Trustees of the Sheet Metal Workers' National Pension Fund/EIN 52 6112463. For more information about the PBGC, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1.800.400.7242 (ITTY/TDD users may call the Federal relay service toll free at 1.800.877.8339 and ask to be connected to 1.800.400.7242).