SHEET METAL WORKERS' NATIONAL PENSION FUND
3180 FAIRVIEW PARK DRIVE, SUITE 400
FALLS CHURCH, VIRGINIA 22042
TELEPHONE 1-800-231-4622

April 2025

2024 ANNUAL FUNDING NOTICE FOR THE SHEET METAL WORKERS' NATIONAL PENSION FUND

Introduction

This Notice includes important information about the funded status of your multiemployer pension plan, the Sheet Metal Workers' National Pension Fund (the "Plan" or "NPF"). This Notice also contains general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide 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, 2024 and ending December 31, 2024 (the "2024 Plan Year"). Federal law requires that you receive this Notice.

How Well Funded Is Your Plan

The law requires the administrator of the NPF to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the Valuation Date for the Plan Year to get this percentage. In general, the higher the percentage, the better funded the plan. Your Plan's funded percentage for the 2024 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	2024	2023	2022
Valuation Date	January 1, 2024	January 1, 2023	January 1, 2022
Funded Percentage	85.6%	82.1%	81.5%
Value of Assets*	$7,798,704,066	$7,248,889,930	$6,843,965,531
Value of Liabilities*	$9,109,283,572	$8,824,196,100	$8,398,448,425

* **NOTE:** The "Value of Assets" figures above reflect the actuarial (smoothed) value of assets reported in the NPF's Actuarial Valuation and Review ("Valuation") as of the applicable Valuation Date. The "Value of Liabilities" figures above reflect the "actuarial accrued liability" reported in the Valuation 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. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the 2024 Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years.

Year Ended December 31	2024	2023	2022
Fair Market Value of Assets	$8,239,756,068**	$7,521,585,807	$6,576,005,315

** **NOTE:** The fair market value figure for December 31, 2024 above is based on an unaudited financial statement provided by the Plan's Fund Office. This figure may change when an audit of the Plan's December 31, 2024 financial statement is completed.

The Plan's Green Zone Status for 2024

The Plan was not in endangered, critical, or critical and declining status in the Plan Year.

Under federal pension law a plan generally will be considered to be in "endangered" status if the plan is not in critical status and, as of the beginning of the plan year, the funded percentage of the plan is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent and other factors apply. A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status (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 or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan's Green Zone Status for 2025

The Plan's actuary has certified that the Plan was not in endangered, critical nor critical and declining status for the 2025 Plan Year because the Plan had previously emerged from critical status, was not projected to have an accumulated funding deficiency for the 2025 Plan Year or any of 9 succeeding Plan Years (without regard to the use of the shortfall method but taking into account any extension of amortization periods under ERISA §304(d)), was not projected to become insolvent for the 2025 Plan Year or any of the 30 succeeding Plan Years, and had a funded percentage for 2025 of greater than 80%. In other words, the Plan was certified to be in the **Green Zone** for 2025.

Participant and Beneficiary Information

The total number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the last day of the two preceding Plan Years is shown in the chart below, along with the number who were current employees, retired and receiving benefits, and retired or no longer working for the employer and have a right to future benefits.

Plan Year Ended December 31	2024*	2023	2022
1. Current employees	65,119	63,530	61,272
2. Employees retired and beneficiaries receiving benefits	54,758	50,745	50,269
3. Former employees with a right to future benefits	34,679	34,690	34,912
4. Total (1+2+3)	154,556	148,965	146,453

* Estimated

Average Return on Plan Assets for Plan Year

The average return on Plan Assets during the Plan Year ended December 31, 2024 was estimated to be 8.83% based on preliminary unaudited financial statements.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is such that the Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent Plan participants and investment income generated by the Plan's investments. The funding policy is designed to comply with the funding requirements of ERISA and the Internal Revenue Code. The Plan's Board of Trustees monitors the Plan's funding requirements with the assistance of the Plan's actuary.

Pension plans also have investment policies. 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, 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) equal to the Plan's assumed actuarial rate of return, which currently is 7.25%.

The Plan's assets were allocated among the following categories of investments, as of the end of the 2024 Plan Year. These allocations are percentages of total assets:

Asset Allocations	Percentage
Stocks	24.48%
Investment grade debt instruments	17.98%
High-yield debt Instruments	3.64%
Real estate	7.41%
Other	46.49%

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the Form 5500 search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling 202.693.8673. Or you may obtain a copy of the Plan's annual report by visiting the NPF's website at www.smwnpf.org or making a written request to the Fund Office. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your plan administrator if you want information about your accrued benefits. Your plan administrator is identified below under "Where To Get More Information About Your Plan."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The Board of Trustees, as the NPF's plan administrator, is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see "Benefit Payments Guaranteed by the PBGC," below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and 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.

Benefit Payments Guaranteed by the PBGC

The maximum benefit that the PBGC guarantees is set by law. Only benefits that you have earned a right to receive and that cannot be forfeited (called vested benefits) are guaranteed. There are separate insurance programs with different benefit guarantees and other provisions for single-employer plans and multiemployer plans. Your Plan is covered by PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1*:* If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

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

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

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/prac/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information About Your Plan," on the following page.

Where to Get More Information About Your Plan

For more information about this Notice, you may contact the NPF's Board of Trustees or the Fund Office, by email at BOT@smwnpf.org, or by telephone at 1.800.231.4622, or by mail at 3180 Fairview Park Drive, Suite 400, Falls Church, VA 22042. 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 526112463.