

Sheet Metal Workers' National Pension Fund

Plan Status Under IRC Section 432 as of January 1, 2026



Except as may be required by law, this valuation certification should not otherwise be copied or reproduced in any form and should only be shared with other parties in its entirety as necessary for the proper administration of the Fund and in meeting filing requirements of federal government agencies.



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March 20, 2026

Board of Trustees
Sheet Metal Workers' National Pension Fund
3180 Fairview Park Drive, Suite 400
Falls Church, Virginia 22042

Dear Trustees:

As required by ERISA Section 305 and Internal Revenue Code (IRC) Section 432, we have completed the Plan's actuarial status certification as of January 1, 2026. As of January 1, 2026, the Plan is in neither critical status nor endangered status. We have filed the Form 15315 with the Internal Revenue Service on March 20, 2026 certifying the status of the Plan. This document summarizes the information used to determine that status and provides a projection of the Plan's funded status and credit balance.

This report was prepared for the exclusive use and benefit of the Board, based upon information provided by the Fund Office and the Fund's other service providers. The actuarial calculations are based on the Actuarial Valuation as of January 1, 2025 in accordance with generally accepted actuarial principles and practices. Additional assumptions required for the projections and sources of financial information used are summarized in this report.

The measurements shown in this document 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); differences in statutory interpretation and changes in plan provisions or applicable law.

The actuarial calculations were performed under the supervision of William J. Gitterman, FSA, MAAA, Enrolled Actuary, who meets the Qualification Standards of the American Academy of Actuaries to issue the actuarial opinions included in this report.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. Any statutory interpretation on which the certification is based reflects Segal's understanding as an actuarial firm. The Board is encouraged to discuss any issues raised in this report with the Fund's legal, tax and other advisors before taking, or refraining from taking, any action.

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

Sincerely,

Segal



Ryan S. Carney, FSA, MAAA, EA
Senior Vice President and Benefits Consultant



William J. Gitterman, FSA, MAAA, EA
Vice President and Consulting Actuary

cc: Lori Wood
Tearyn Loving, Esq.
Debbie Elkins
Tim Myers

Actuarial Status Certification as of January 1, 2026: Key Results

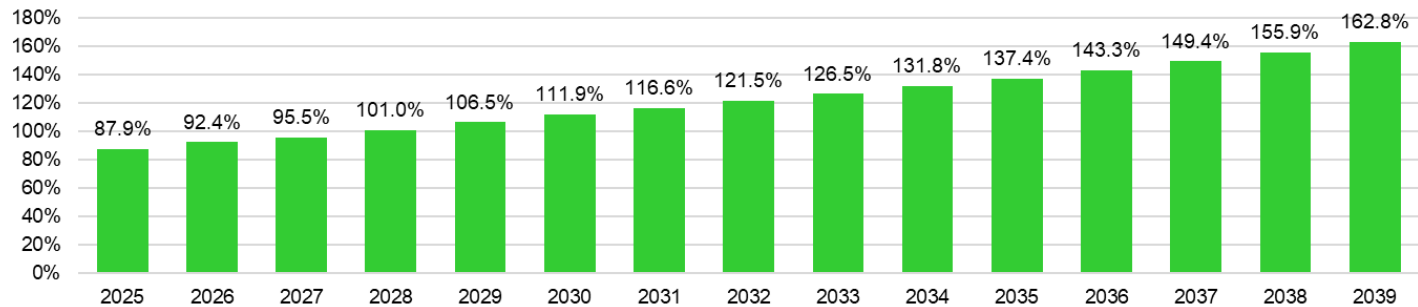
Item	Description	Result
Certified zone status		Green
Assets ¹	Actuarial value of assets (AVA)	\$8,933,618,895
	Market value of assets (MVA)	9,263,378,352
Funded percentage	Unit credit accrued liability	9,662,257,074
	Funded percentage (AVA)	92.4%
	Funded percentage (MVA)	95.8%
Funding Standard Account	Funding credit balance as of the end of the prior year	\$1,653,586,936
Investment return	Assumed rate of return	7.00%
	Actual rate of return (AVA)	7.00%
	Actual rate of return (MVA)	12.49%
Plan of Benefits Changes	<p>The following changes were adopted effective January 1, 2026:</p> <ul style="list-style-type: none"> • The benefit accrual rate (VBAR) includes a one-time increase from 0.5% to 1.0% for the 2026 Plan year. • A 13th check was paid to all pensioners and beneficiaries in December 2025. 	

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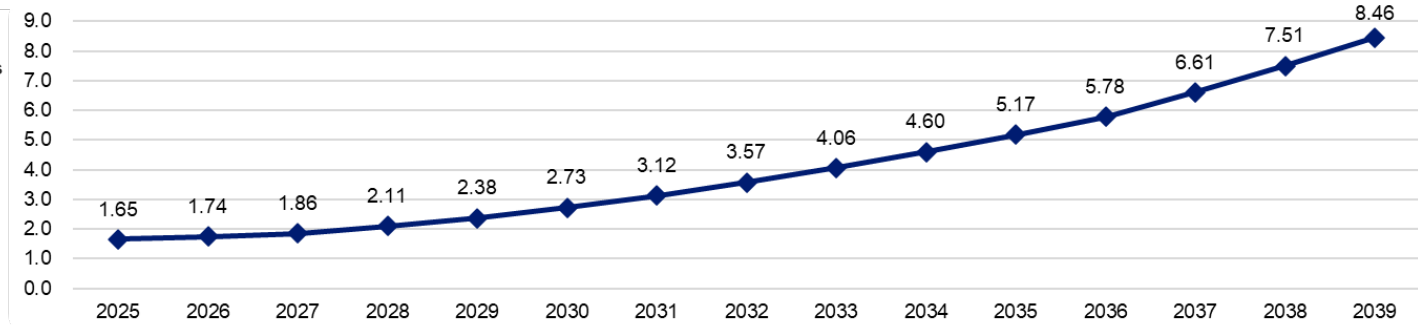
Based on the projections completed for this zone status, the Plan is projected to remain in the Green Zone (neither critical nor endangered) throughout the projection period.

Plan Year beginning January 1	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Investment Return	12.49%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Interest Rate Assumption	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Accrual Rate (VBAR)	0.50%	1.00%	1.25%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%	0.86%
Total Hours (Millions)	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0	115.0

PPA Funded Percentage
 Beginning of year



Credit Balance
 End of year, \$Billions



Projections, by their nature, are not a guarantee of future results. These projections are intended to serve as estimates of future outcomes, based on the information available to us at the time the modeling is undertaken and completed. Actual experience may differ due to such factors as demographic experience, the economy, stock market performance and the regulatory environment. Trustees making decisions about changes in benefits and contributions need to consider many factors in addition to the current year's results, such as the risk of changes in employment levels and investment losses.

Actuarial Assumptions and Methodology

The actuarial assumptions and plan of benefits are as used in the January 1, 2025 actuarial valuation certificate, dated October 21, 2025, 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.

Plan of benefits

The following changes were adopted effective January 1, 2026:

- The benefit accrual rate (VBAR) includes a one-time increase from 0.5% to 1.0% for the 2026 Plan year.
- A 13th check was paid to all pensioners and beneficiaries in December 2025.

Asset information

The financial information as of December 31, 2025, including contribution income, benefit payments and administrative expenses for the Plan Year ended December 31, 2025, was based on an unaudited financial statement provided by the Fund Office on February 12, 2026.

For projections after that date, the administrative expenses were projected to increase by 2.5% per year from the 2025 assumption, with an additional increase of 5.5% in 2031 to reflect increases in the PBGC premium rate. The benefit payments were projected based on the January 1, 2025 actuarial valuation. The projected net investment return was assumed to be 7.00% of the average market value of assets for future 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

The projected industry activity assumption takes into account information provided by the plan sponsor as required by Internal Revenue Code Section 432, historical and current contribution levels and projections in employment levels and professional judgment. Based on this information, for 2026 and all future years, total contribution hours of 115.0 million are assumed (approximately 65,156 active participants and 1,765 hours per active participant per year).

Future normal costs

Based on the plan changes, assumed industry activity and the unit credit cost method, we have determined the Normal Cost based on an open group forecast assuming new entrants have a similar demographic mix to recent entrants to the Plan. The Normal Cost for the 2026 Plan Year recognizes an Applicable Percentage (benefit accrual multiplier) of 1.00%. The Normal Cost for the 2027 Plan Year recognizes an Applicable Percentage (benefit accrual multiplier) of 1.25%, based on the preliminary rate of return for the 2025 Plan Year. Normal Costs for 2028 and thereafter were adjusted to reflect the long-term average expected Applicable Percentage of 0.86%. This average is based on the assumed probability of three-year average market investment returns corresponding to the ranges in the Plan's variable benefit accrual formula. For this purpose, market investment returns after 2025 were based upon stochastic projections using the Plan's target investment allocation and capital market assumptions provided by the Plan's Investment Manager in 2025.

Elections under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010

This status certification reflects the elections made by the Board of Trustees as permitted under the Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Act of 2010. The Plan Actuary certified to the Plan Sponsor that the Plan was projected to have sufficient assets to timely pay expected benefits and anticipated expenditures over the amortization period, taking into account the changes in the funding standard account elected.

Actuarial models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

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