A Message from the SMW National Pension Fund Board of Trustees

We are all in unsettling times. The priority of the Board is the health and safety of our staff as well as continuing to serve our participants.

Currently, the SMWNPF office staff are working remotely with rotating staff shifts in the office. While it is our goal to remain completely operational during this global pandemic, you may experience some delays in processing or response time, and we ask for your patience as we all navigate this unprecedented time.

We are mailing April payments to retirees and beneficiaries early to ensure that all benefits are in hand by April 1. At this time, we are not aware of any reductions in the US Postal System or in banking institutions that would cause a delay, but we wanted to get these payments out early to be sure.

Our switchboard is open, and staff remain available to assist you.

We understand that the news we are hearing regarding the economy and the stock market is concerning. Below is a message from our Investment Consultants regarding the impact on the Fund.

If you have questions or concerns, please contact the Fund Office at 800-231-4622 or by email at info@smwnbf.org.

Thank you for your continued support.

From Our Investment Consultants on the State of the Fund:

The concerns resulting from the outbreak of the COVID-19 virus have led to challenging times. The health risk is real and heartbreaking, and the near term economic impacts have been material. This pandemic, which was further compounded by an oil price war, has contributed to a significant decline in the global financial markets. The pandemic itself was not something we could predict, but history has shown time and time again that it is normal for markets to experience periods of turbulence (Exhibit 1). Over its history, through contributions, and investment performance, the Fund has weathered several economic downturns. Difficult as it may seem right now, we are confident that this will turn out to not be any different.
While we acknowledge that the timing of a recovery is uncertain, we also believe the markets are close to pricing the most of negative economic outcomes. We see global policymakers taking bold monetary and fiscal actions to support market liquidity and restore confidence. On the other side of recession could be a cyclical recovery based on the strength in US labor and housing markets, and strong consumer balance sheets.

Our investment strategy has always revolved around achieving the long term goals of the Fund. During times of uncertainty, it becomes even more paramount to be disciplined and stick to the strategy which recommends prudent rebalancing, and diversification. For those closer to retirement, rest assured the Fund has plenty of assets (over $5.6 Billion as of 12/31/2019) and will have no issues paying your monthly pensions. A strong year of investment performance in 2019 helped to shore up its funding status.

The Fund is not immune to economic shocks or recessions, but we have taken steps to further diversify its risk exposures. Consistent with our approach, the Fund enjoyed investment gains as stocks reached new highs in 2019 and has invested in asset classes that may offer some investment protection during volatile times.

As seasoned investment professionals, we have experienced numerous periods of extreme market volatility over the years and will undoubtedly do so many times in the future. We also know that a long-term strategy should not be abandoned in the midst of a dramatic sell-off. As a result, we caution against overreacting to headlines from a portfolio standpoint, and we feel that the near-term volatility has even created an opportunity for long-term investors.