WESTERN UNITE HERE AND EMPLOYERS PENSION FUND

ANNUAL FUNDING NOTICE

Introduction

This notice includes important information about the funding status of the Western UNITE HERE and Employers Pension Fund (the "Plan"). It also includes 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 this 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 required by federal law. This notice is for the plan year beginning January 1, 2024 and ending December 31, 2024 ("Plan Year").

The Western UNITE HERE and Employers Pension Plan was established effective January 1, 2024 as the result of the merger of the following five former Plans:

Southern Nevada Culinary and Bartenders Pension Plan
San Francisco Culinary, Bartenders & Service Employees Pension Plan
San Diego UNITE-HERE Pension Fund
UniteHERE Northwest Pension Trust Fund
Sacramento Independent Hotel, Restaurant & Tavern Employees Pension Trust

Each of the above former Plans is identified as a Plan Unit of the merged Plan effective January 1, 2024.

How Well Funded Is Your Plan

The law requires the administrator of the Plan 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. The Plan's funded percentage as of the beginning of the 2024 Plan Year is shown in the chart below. In subsequent years, the chart will also include the Plan's funded percentage in the two previous Plan Years. The chart also states the value of the Plan's assets and liabilities for the same period.

PPA Funded Percentage	
	2024
Valuation Date	January 1, 2024
Funded Percentage	85.18%
Value of Assets	$3,798,091,048
Value of Liabilities	$4,458,807,264

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Year-End Fair Market Value of Assets

The asset value in the chart on the previous page is measured as of the Valuation Date and is an "actuarial value". Actuarial values differ from market values in that actuarial values 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. Since the Plan was established effective January 1, 2024, the asset values in the chart below reflect the Plan's market value of assets as of the first and last day of the 2024 Plan Year.

	December 31, 2024	January 1, 2024
Fair Market Value of Assets	$3,619,527,500	$3,451,219,173

The December 31, 2024 fair market value of assets figure is preliminary, as reported on the Plan's unaudited financial statements. Based on the January 1, 2024 market value from audited financial statements and the December 31, 2024 market value from unaudited financial statements, the average return on Plan assets calculated for the 2024 Plan Year is 7.3%. The final December 31, 2024 asset figure and return on Plan assets may differ once the Plan's regular audit is issued for the Plan Year.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also 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, 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 was not in endangered, critical, or critical and declining status in the 2024 Plan Year.

Participant Information

Since the Plan was established effective January 1, 2024, the total number of participants and beneficiaries covered by the Plan are shown as of the first and last day of the 2024 Plan Year:

	12/31/2024[1]	1/1/2024
Active Participants	64,000	63,604
Retired or separated from service and		
Receiving benefits	46,000	45,750
Entitled to future benefits	36,000	36,237
Total	146,000	145,591

[1] The December 31, 2024 participant and beneficiary counts are estimated.

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Funding and 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 Plan maintains a funding policy that meets the requirements of ERISA. The funding policy also provides for the monitoring of the overall financial health of the Plan as well as the financial health and actuarial soundness of each individual Plan Unit.

Pension plans also have investment policies. These are generally written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to invest the Plan's assets in a diversified mix of investments in which prudent risks are rewarded with incremental returns while minimizing the risk of large losses. The investment policy is also designed to meet the cash flow needs of the Plan considering the liquidity structure of the Plan. Under the policy, the Plan also seeks to achieve a long-term rate of return on investments that is equal to or exceeds a Policy Benchmark return that is consistent with the Plan's asset mix.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the 2024 Plan Year. Note that this asset allocation is based on calculations of fair market value of assets as of December 31, 2024 which are preliminary and which are subject to change upon completion of the audited financial statements. These allocations are percentages of total assets:

Asset Allocations	Percentage
1. Cash (interest bearing and non-interest bearing)	1.3%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	
4. Corporate stocks (other than employer securities):	
Preferred	
Common	2.2%
5. Partnership/joint venture interests	9.9%
6. Real estate (other than employer real property)	11.9%
7. Loans (other than to participants)	0.4%
8. Participant loans	
9. Value of interest in common/collective trusts	54.5%
10. Value of interest in pooled separate accounts	1.1%
11. Value of interest in 103-12 investment entities	7.9%
12. Value of interest in registered investment companies (e.g., mutual funds)	
13. Value of funds held in insurance co. general account (unallocated contracts)	
14. Employer-related investments:	
Employer Securities	
Employer real property	
15. Buildings and other property used in plan operation	
16. Other	10.8%

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For information about the Plan's investment in any of the following types of investments – common/collective trusts, pooled separate accounts, or 103-12 investment entities - contact the Fund office by phone at (925) 398-7060 x8586 or by mail at 1182 Market Street, Suite 320, San Francisco, California 94102-4919.

Events Having a Material Effect on Assets or Liabilities

By law, this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. There were no events having a material effect on assets or liabilities.

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 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 making a written request to the plan administrator. 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."

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 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 the 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.

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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 the 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 the 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. The PBGC does not have that information. See "Where to Get More Information" about your Plan below.

Where to Get More Information

For more information about this notice, you may contact the Fund office by phone at (925) 398-7060 x8586 or by mail at 1182 Market Street, Suite 320, San Francisco, California 94102-4919. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 93-4160766.