

**Annual Funding Notice
For
American Federation of Musicians and Employers' Pension Fund ("AFM-EPF")**

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning January 1, 2025 and ending December 31, 2025 ("Plan Year").

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my Plan, or my benefits?

Contact your plan administrator at:

- Board of Trustees of the American Federation of Musicians and Employers' Pension Fund
- **Phone:** (212) 284-1200
- **Address:** 14 Penn Plaza, 12th Floor, P.O. Box 2673, New York, New York 10117-0262
- **Email:** PensionSupport@afmepf.org

To better assist you, provide your plan administrator with the following information when you contact them:

- **Plan Number:** 001
- **Plan Sponsor Name:** Board of Trustees of the American Federation of Musicians and Employers' Pension Fund
- **Employer Identification Number:** 51-6120204

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires all traditional pension plans, also known as defined benefit pension plans, to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan's administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the plan. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

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	Funded Percentage*		
	January 1, 2025 to December 31, 2025	January 1, 2024 to December 31, 2024	January 1, 2023 to December 31, 2023
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	49%	46%	48%
Value of Assets	\$1,768,883,013	\$1,653,602,785	\$1,696,264,511
Value of Liabilities	\$3,635,362,019	\$3,603,063,838	\$3,532,154,924

*In accordance with Treasury Department guidance, the funded percentage and asset values in the chart above do not reflect the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act in August 2024. **If the amount held in the special financial assistance account (which reflects the remaining portion of the special financial assistance) were to be reflected in the above chart, the funded percentage for the Plan Year would be 88% and the value of assets would be \$3,207,090,544.**

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the fair market value of the Plan's assets on the last day of the Plan Year and each of the two preceding plan years as compared to the actuarial value of the Plan's assets on the 31st of December. Additionally, the asset values in the chart above do not include the amount of the special financial assistance account, which reflects the remaining portion of the special financial assistance paid to the Plan by the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status.

	December 31, 2025 ^{(1),(2)}	December 31, 2024 ⁽²⁾	December 31, 2023
Fair Market Value of Assets	\$3,229,442,643	\$3,125,144,105	\$1,655,415,601

⁽¹⁾ Estimated

⁽²⁾ Includes the amount of the Plan's special financial assistance account.

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.
- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.
- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—

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within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan. The plan's sponsor may seek approval to amend the plan, including reducing current and future benefits.

The Plan was in critical status in the Plan Year because the Plan received special financial assistance from the Pension Benefit Guaranty Corporation under the American Rescue Plan Act.

To improve the Plan's funding situation, the trustees adopted its initial rehabilitation plan (the "Rehabilitation Plan") on April 15, 2010, which was intended to help the Plan improve its funded status through various benefit reductions and, generally, a 9% increase in the rate of employer contributions. The Rehabilitation Plan originally employed reasonable measures to enable the Plan to emerge from critical status at a later date than the 10-year rehabilitation period. As the Plan was not projected to emerge from critical status (either during the 10-year rehabilitation period that began April 1, 2013 or otherwise), the Rehabilitation Plan was restated in 2016 to employ reasonable measures to forestall insolvency and it does not have a definite term. The Rehabilitation Plan was further updated in 2018 to require an additional 10% increase in the rate of contributions in collective bargaining agreements, or extensions thereof, that expire on or after August 1, 2018 and after the bargaining parties received notice of the update. The additional 10% in the rate of contributions is not used to calculate any participant's benefits under the Plan, but will be used solely to improve the financial health of the Plan.

The Rehabilitation Plan was further updated in 2024 to reflect the Plan's receipt of special financial assistance in 2024 under the American Rescue Plan Act. This update did not change the contribution schedule or the Plan's benefit provisions under the prior updates to the Rehabilitation Plan. Due to the receipt of special financial assistance, the Plan is deemed under the law to remain in critical status through December 31, 2051, even if it would otherwise have emerged prior to that date. The purpose of special financial assistance is to provide the Plan with the additional funding it needs so that it is projected to be able to pay benefits and administrative expenses through 2051. Accordingly, the objective of the Rehabilitation Plan is for the Plan to be able to pay benefits and administrative expenses through 2051.

The Trustees have taken the following legally permitted actions to prevent insolvency: reducing benefits in the Rehabilitation Plan adopted in 2010, changing investment advisors and managers, modifying investment asset allocation, increasing contributions in the Rehabilitation Plan adopted in 2010 and in the 2018 update, reducing administrative expenses and advocating for a legislative solution.

You may request a copy of the Plan's rehabilitation plan by contacting the plan administrator. You can also ask for any updates to the rehabilitation plan and the actuarial and financial data showing actions taken to improve the Plan's funding. You may get this information by contacting the Fund Office at (212) 284-1200 or PensionSupport@afmepf.org. A copy of the Updated and Restated Rehabilitation Plan is available by written request to the Fund Office and can also be accessed on the Plan's website (www.afm-epf.org).

Because the Plan is in critical status for the Plan Year ending December 31, 2025, a separate notification of that status has been provided in this mailing.

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Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the Plan Year and the two preceding plan years. The numbers for the Plan Year reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	December 31, 2025	December 31, 2024	December 31, 2023
1. Last day of plan year	31 st of December	31 st of December	31 st of December
2. Participants currently employed	18,754	19,513	19,021
3. Participants and beneficiaries receiving benefits	19,791	19,019	18,705
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	14,519	14,079	14,260
5. Total number of covered participants and beneficiaries <i>(Lines 2 + 3 + 4 = 5)</i>	53,064	52,611	51,986

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan's funding policy is to fund it in accordance with the updated Rehabilitation Plan.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is to achieve the Plan's goals to generate return on investments that can reasonably be expected to (i) maintain Plan solvency for as long as reasonably possible or (ii) if and when the Plan is projected to maintain its solvency indefinitely, satisfy its benefit liabilities and other obligations at appropriate and achievable funding levels, in both cases, consistent with the investment risk tolerance of the Trustees and their desire to preserve capital by avoiding undue and unjustified risk. Special financial assistance assets have an additional objective to cover benefit payment outflows and plan expenses until their depletion, when the benefit payments and plan expenses will be paid out by the Plan's non-special financial assistance assets. The Plan intends to meet these goals by having its Outsourced Chief Investment Officer ("OCIO") select multiple managers and investment vehicles with complementary or diverse investment styles, with each investment intended to play a specific role in the portfolio and each being managed by an investment expert possessing the requisite investment experience, expertise and skill necessary to manage the particular assets, and in the investment style, for which it is selected. The OCIO is charged with the responsibility of selecting and monitoring these

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professional investment managers and/or commingled vehicles and of allocating the assets of the Plan among those investment managers and vehicles, within established parameters. These established asset allocation parameters seek to achieve the stated investment objectives and to control risk. The Trustees also establish performance benchmarks and guidelines for the OCIO, specifying acceptable and/or prohibited investments, limits on asset and asset class exposures, risk constraints and investment return objectives. The OCIO does the same for the investment managers and commingled funds. The Board regularly monitors the performance of the OCIO, as well as its compliance with the investment policy.

The investment policy was adjusted to reflect the receipt of special financial assistance under the American Rescue Plan Act and to comply with investment requirements for plans that received special financial assistance under the American Rescue Plan Act. Under applicable special financial assistance regulations, at least two-thirds (67%) of the special financial assistance must be invested in investment grade bonds and up to one-third (33%) may be invested in stocks. In addition, one year of projected benefit payments and administrative expenses are required to be invested in investment grade fixed income.

As of the end of the Plan Year, the Plan's assets, including special financial assistance assets, were allocated among the following investment categories as percentages of total assets:

Asset Allocations	Percentage
1. Cash (interest and non-interest bearing)	3.00%
2. U.S. Government securities	8.00%
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	7.85%
4. Corporate stocks (other than employer securities):	
Preferred	
Common	1.74%
5. Partnership/joint venture interests	33.12%
6. Real estate (other than employer real property)	
7. Loans (other than to participants)	
8. Participant loans	
9. Value of interest in common and collective trusts	43.36%
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, like mutual funds	2.92%
14. Value of funds held in insurance company general account (unallocated contracts)	
15. Employer-related investments:	
Employer securities	
Employer real property	
16. Buildings and other property used in plan operation	0.01%
17. Other	

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 Plan Administrator at (212) 284-1200 or PensionSupport@afmepf.org.

The average return on assets for the Plan Year was 9.6%.

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Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the **Form 5500**, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan's Form 5500. The annual report may also be obtained through the Fund's website www.afm-epf.org.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call [\(202\) 693-8673](tel:(202)693-8673) to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

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 PBGC, below), the plan must apply to PBGC for financial assistance. 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.

Benefit Payments Guaranteed by PBGC

Only vested benefits—those that you've earned and cannot forfeit—are guaranteed.

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

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What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is \$35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first \$11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next \$33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly \$600 Benefit and 10 Years of Service.

1. Find the accrual rate: $\$600/10 = \60 accrual rate.
2. Apply PBGC formula:
 - a. Take 100 percent of the first \$11= \$11
 - b. Take 75 percent of the next \$33 = \$24.75
3. Add the two amounts together: $\$11 + \$24.75 = \$35.75$
4. Multiply by years of credited service: $\$35.75 \times 10 \text{ years} = \357.50

In this example, the participant's guaranteed monthly benefit is \$357.50.

Example 2: Participant with a \$200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $\$200/10 = \20 accrual rate.
2. Apply PBGC formula:
 - a. Take 100 percent of the first \$11= \$11
 - b. Take 75 percent of the next \$9 = \$6.75
3. Add the two amounts together: $\$11 + \$6.75 = \$17.75$
4. Multiply by years of credited service: $\$17.75 \times 10 \text{ years} = \177.50

In this example, the participant's guaranteed monthly benefit is \$177.50