Recently, AFM-EPF participants have received emails from individuals who have attacked Fund Trustees and have misrepresented information about the Fund—either by cherry-picking or presenting things without any factual context—while making judgments not supported by data and ignoring facts that don’t serve their agendas.

We recognize that the financial status of our Fund and the security of our participants’ pension benefits is a concern shared by all. We have heard from you that these third-party communications are causing both confusion and distress among Fund participants.

Today, we want to set the record straight on some important issues. We also call upon those who do not support the long-term interests of the Fund, and who are promoting their own selfish interests, to cease making false and misleading attacks, and to redirect themselves toward responsible, productive efforts to protect the pension benefits of their fellow Fund participants.

We are committed to ensuring that all participants have access to timely and accurate information about the Fund and its financial status. You can find additional information on our website at www.afm-epf.org.

AFM-EPF Actuaries Analyzing Federal Legislation to Assist Troubled Multiemployer Pension Funds

On November 16, we informed you of the Butch Lewis Act, which was introduced by U.S. Senator Sherrod Brown to address the severe challenges being faced by multiemployer pension funds across the nation. Congressional Democrats have stated their intent to include this legislation in the omnibus spending bill that must be passed by a now-extended deadline of December 22.

When this legislation was first introduced, the AFM-EPF Trustees, immediately and not due to any prompting, directed our actuaries to determine if the bill would, if enacted, provide the Fund with the financial support required to avoid insolvency. This analysis is currently underway.
If it is determined that the Butch Lewis Act helps protect our participants’ pension benefits, then the Trustees would support it, as we would any legislative proposal that provides relief to the AFM-EPF.

**OCIO Approach Streamlines Investment Strategy, Expected to Generate Increased Returns**

The Fund’s Trustees recognize the need for both expert advice and the ability to respond quickly to often rapidly-changing conditions in the financial markets. As detailed in our recently updated FAQs, we recently made the decision to streamline our investment structure and process by shifting to an OCIO (Outsourced Chief Investment Officer) model. The respected firm of Cambridge Associates, LLC has been engaged to oversee day-to-day decisions for the Fund’s investment portfolio, acting within parameters established by the Fund’s Investment Committee and Board of Trustees.

Meketa Investment Group will no longer serve in the role of Investment Advisor and will instead, under a reduced fee structure, adopt the role of Independent Monitoring Fiduciary for the OCIO.

We expect that, over the long term, this approach will allow us to be more responsive to new and changing market dynamics, and will lead to higher investment returns after fees.

**AFM-EPF Investment Expenses are Lower Than Those of Other Union Pension Funds**

The Trustees closely monitor investment fees and make every reasonable effort to keep them to a minimum. According to Greenwich Associates’ most recent survey of union pension funds (2016), AFM-EPF’s active investment manager fees are lower than the average in every asset class. Trustees have also reduced investment fees by moving assets into passive index funds where it makes sense to do so.

Here are a few examples from the Greenwich survey:
AFM-EPF Administrative Expenses Closely Monitored, Comparable with Other Entertainment Industry Funds

Despite the false claims made by others, the data proves that AFM-EPF’s administrative expenses are actually in line with other large pension plans in the entertainment industry. The chart below shows that we fall right in the middle of our peers. Since each plan has its own fiscal year end, for this analysis we used the fiscal year (shown in parentheses in the table) that contained as much of calendar year 2015 as possible.

<table>
<thead>
<tr>
<th>Fund Name (Fiscal Year)</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screen Actors Guild - Producers Pension Plan (12/31/15)</td>
<td>$24,579,312</td>
</tr>
<tr>
<td>Producer-Writers Guild of America Pension Plan (12/31/15)</td>
<td>$11,063,943</td>
</tr>
<tr>
<td>Motion Picture Industry Pension Plan (12/31/15)</td>
<td>$10,727,344</td>
</tr>
<tr>
<td>AFM-EPF (3/31/2016)</td>
<td>$10,101,627</td>
</tr>
<tr>
<td>Directors Guild of America - Producer Pension Plan Basic Benefit Plan (12/31/15)</td>
<td>$8,958,566</td>
</tr>
<tr>
<td>AFTRA Retirement Plan (11/30/15)</td>
<td>$7,841,966</td>
</tr>
<tr>
<td>IATSE National Pension Fund (12/31/15)</td>
<td>$4,420,282</td>
</tr>
</tbody>
</table>

It's important to remember that our Plan was the only stand-alone pension plan in this group. All other entities administered a health fund, and, in most cases, other ancillary funds among which general administrative expenses, including staff salaries, are shared. When comparing administrative expenses, we adjusted the Form 5500 numbers to account for that. We also removed PBGC premiums, depreciation and professional fees to make this more of an "apples
to apples" comparison. Any comparison that doesn’t account for these critical factors is totally inaccurate and misleading.

Being in the middle of our peers is an accomplishment because we run a far more complicated Plan than many of our peers – we have thousands more collective bargaining agreements and interact with thousands more employers than most. When you compare our Plan's administrative expenses to six other similar entertainment industry plans, we have the lowest expenses per number of collective bargaining agreements, the second lowest per number of employers and the third lowest per number of participants.

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