The Steamfitters' Industry Fund Office

Construction & Metal Trades Divisions

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ANNUAL FUNDING NOTICE
For
The Metal Trades Branch Local 638 Pension Fund

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning July 1, 2025 and ending June 30, 2026 ("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:

- **William J. Turnbull**
- **Phone:** 212-465-8888
- **Address:** 27-08 40th Avenue, 2nd floor, Long Island City, NY 11101
- **Email:** fundoffice@steamny.com

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

- **Plan Number:** 001
- **Plan Sponsor Name:** The Metal Trades Branch Local 638 Pension Fund
- **Employer Identification Number:** 13-2541630

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.

Funded Percentage			
	2025 Plan Year	2024 Plan Year	2023 Plan Year
Valuation Date	July 1, 2025	July 1, 2024	July 1, 2023
Funded Percentage	90%	87%	86%
Value of Assets	$994,265,800	$919,370,552	$863,457,869
Value of Liabilities	$1,101,138,273	$1,060,870,633	$1,008,700,862

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 Valuation Date.

- **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.

	June 30, 2026	June 30, 2025	June 30, 2024
Fair Market Value of Assets	$1,173,112,520	$1,019,863,013	$920,106,683

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—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 not in endangered, critical, or critical and declining status in the Plan Year.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending June 30, 2027, a separate notification of that status has or will be provided.

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	2025 Plan Year	2024 Plan Year	2023 Plan Year
1. Last day of plan year	June 30, 2026	June 30, 2025	June 30, 2024
2. Participants currently employed	3,271	3,203	3,239
3. Participants and beneficiaries receiving benefits	1,735	1,671	1,574
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	1,693	1,654	1,630
5. Total number of covered participants and beneficiaries (Lines 2 + 3 + 4 = 5)	6,699	6,528	6,443

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 funding policy of the Plan is the Plan is funded by contributions made by employers pursuant to collective bargaining agreements with the unions that represent the Plan's participants.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's investment policy is:

Investment objectives:
Assets of the Fund shall be invested in a manner consistent with the fiduciary standards of the Employee Retirement Income Security Act of 1974 ("ERISA") and supporting regulations. The Fund's assets shall be invested in a manner consistent with the primary emphasis upon consistency of performance, i.e., the achievement of growth in such a manner as to protect Fund assets from excessive volatility in market value from year to year. Significant investment awareness must also be placed upon capital protection, i.e., the achievement of adequate investment growth such that the purchasing power of the principal amount of these assets is maintained over time. Sufficient liquidity shall be maintained to meet benefit payment obligations and other Fund expenses.

Investment Guidelines:
Each Investment Manager is a bank (trust company), insurance company, or registered investment advisor. Each Investment Manager shall at all times be registered in good standing as an investment advisor under the Investment Advisers Act of 1940. Each Investment Manager acknowledges in writing that it is a fiduciary of the Fund. Full discretion is granted to each Investment Manager with regard to the sector and security selection and the timing of any transactions; provided however that such discretion shall always be exercised in accordance with each Investment Manager's fiduciary responsibilities under ERISA.

Asset Allocation:
The Fund's assets are invested in the following asset classes and maintained within the corresponding ranges. The Trustees make appropriate adjustments if one or more of the limits are breached.

Asset Class	Range
Equities	50% +/- 15%
Fixed Income	50% +/- 20%
Alternatives	0%-50%

Standards of Investment Performance:
Each Investment Manager is reviewed regularly regarding performance, personnel, strategy, research

capabilities, organizational and business matters and other qualitative factors that may affect its ability to achieve the desired investment results. Consideration will be given to the extent to which performance results are consistent with the goals and objectives set forth in the Investment Policy and/or individual guidelines provided to an Investment Manager. The Fund's investment policy outlines prohibited investments as well as limits regarding the percentage of the fund that may be invested in any one company and industry. Minimum credit quality guidelines are established and provided to investment managers. No investment may be made which violates the provisions of ERISA or the Internal Revenue Code.

The Trustees review the Fund's investment policy on a regular basis and make periodic changes when, based on all available information, it is prudent to do so.

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

Asset Allocations	**Percentage**
1. Cash (interest and non-interest bearing)	.92%
2. U.S. Government securities	
3. Corporate debt instruments (other than employer securities):	
Preferred	
All other	2.51%
4. Corporate stocks (other than employer securities):	
Preferred	
Common	54.08%
5. Partnership/joint venture interests	14.76%
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	10.34%
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	10.40%
13. Value of interest in registered investment companies, like mutual funds	6.99%
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	
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 William J. Turnbull, Plan Administrator, 27-08 40th Avenue, 2nd floor, Long Island City, NY 11101-3725, (212)465-8888.

The average return on assets for the Plan Year was 15.7%.

Events Having a Material Effect on Assets or Liabilities

By law, this notice must include an explanation of any new events that materially affect the Plan's liabilities or assets. These events could affect the Plan's financial health or its ability to meet its obligations.

For the plan year beginning on July 1, 2026 and ending June 30, 2027, no such events are expected.

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.
- **By Mail**: Submit a written request to your plan administrator.
- **By Phone**: Call 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.

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:
   Take 100 percent of the first $11= $11
   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 x 10 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:
   Take 100 percent of the first $11= $11
   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 x 10 years = $177.50

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