



WESTERN UNITE HERE & EMPLOYERS PENSION FUND

ANNUAL FUNDING NOTICE

Introduction

This notice provides key details about your multiemployer pension plan, the Western UNITE HERE & Employers 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:

- Zenith American Solutions
- **Phone:** 702-369-0000
- **Address:** 1901 S Las Vegas Blvd, Las Vegas, NV 89104
- **Email:** support@culinarypension.org

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

- **Plan Number:** 001
- **Plan Sponsor Name:** Western UNITE HERE & Employers Pension Fund
- **Employer Identification Number:** 93-4160766

What if I have questions about the PBGC and the pension insurance program's 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 the 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 preceding plan year. In future years, the chart will include the Plan's funded percentage in the two previous Plan Years. It also lists the value of the Plan's assets and liabilities for those years.

ANNUAL FUNDING NOTICE

For Western UNITE HERE & Employers Pension Fund (Continued)

PPA Funded Percentage		
	2025	2024
Valuation Date	January 1, 2025	January 1, 2024
Funded Percentage	81%	85%
Value of Assets	\$3,852,113,149	\$3,798,091,048
Value of Liabilities	\$4,731,771,186	\$4,458,807,264

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 the preceding Plan Year compared to the actuarial value of the Plan's assets on January 1. Since the Plan was established January 1, 2024, the asset value is also shown as of January 1, 2024.

- **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	December 31, 2024	January 1, 2024
Fair Market Value of Assets	\$3,943,413,218	\$3,672,782,989	\$3,451,219,173

The December 31, 2025 fair market value of assets figure is preliminary based on investment values provided by the Plan's investment consultant with adjustments reported in the Plan's December 31, 2025 unaudited financial statements for uninvested cash, contributions receivable, prepaid expenses, and miscellaneous liabilities.

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 or meets other endangered status criteria. The plan's trustees must adopt a funding improvement plan. However, a plan will not be treated as in endangered status if the plan actuary certifies that (1) the plan is projected to no longer be in endangered status as of the end of the tenth plan year ending after the plan year to which the certification relates, and (2) the plan was not in critical or endangered status for the immediately preceding plan year.
- **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.

ANNUAL FUNDING NOTICE

For Western UNITE HERE & Employers Pension Fund (Continued)

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

The Plan is also not in endangered, critical, or critical and declining status for the Plan Year ending December 31, 2026.

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 preceding plan year. Since the Plan was established effective January 1, 2024, the participant count is also shown as of January 1, 2024. The numbers for the plan year ending in 2025 reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries for relevant plan year	December 31, 2025	December 31, 2024	January 1, 2024
1. Participants currently employed	69,000	68,730	63,604
2. Participants and beneficiaries receiving benefits	47,000	47,239	45,750
3. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	<u>36,000</u>	<u>35,960</u>	<u>36,237</u>
4. Total number of covered participants and beneficiaries (<i>Lines 1 + 2 + 3 = 4</i>)	152,000	151,929	145,591

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 maintains a funding policy in order to promote the purpose of the Plan and ensure compliance with ERISA. Each employer contributes to the Plan such amounts and at such times as are required by the applicable provisions of the collective bargaining agreements or such other agreements as are approved by the Trustees. Employer contributions are based on hourly or monthly contribution rates and are made on a monthly basis. The Plan maintains a funding standard account pursuant to Internal Revenue Code section 431(b), and monitors the balance in the funding standard account and the Plan's funded status as reflected in the annual valuation report prepared by an enrolled actuary retained by the Plan. The Plan also maintains an investment policy as described below.

Investment Policy

Pension plans also have investment policies that provide guidelines 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.

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

ANNUAL FUNDING NOTICE

For Western UNITE HERE & Employers Pension Fund (Continued)

Asset Allocations	Percentage
1. Cash (interest bearing and non-interest bearing)	4.4%
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	8.5%
6. Real estate (other than employer real property)	12.2%
7. Loans (other than to participants)	0.6%
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 master investment trusts	
12. Value of interest in 103-12 investment entities	8.6%
13. Value of interest in registered investment companies (e.g., mutual funds)	
14. Value of funds held in insurance co. general account (unallocated contracts)	
15. Employer-related investments:	
Employer Securities	
Employer real property	
16. Buildings and other property used in plan operation	
17. Other	7.9%

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 by phone at (925) 398-7060 x8586 or by mail at 1182 Market Street, Suite 320, San Francisco, California 94102.

The average return on assets for the Plan Year was 9.92%.

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, 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 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.

ANNUAL FUNDING NOTICE

For
Western UNITE HERE & Employers Pension Fund
(Continued)

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 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.

Benefit Payments Guaranteed by the PBGC

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

What the PBGC Guarantees

The 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.

ANNUAL FUNDING NOTICE

For
Western UNITE HERE & Employers Pension Fund
(Continued)

What the PBGC Does Not Guarantee

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

The 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 the 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 \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 the 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 \times 10 \text{ years} = \177.50

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