April 29, 2021

Dear Participants:

The Board of Trustees of the Carpenters Retirement Trust of Western Washington is providing the attached 2020 Annual Funding Notice for the Carpenters Retirement Plan of Western Washington ("Plan") as required by the Pension Protection Act of 2006.

The intent of the Annual Funding Notice is to provide funded status and asset information about the Plan, general participant and financial information, and information on Pension Benefit Guaranty Corporation (PBGC) guaranteed benefits. The Annual Funding Notice provides funded percentages using the Plan's actuarial value of assets, which smooths investment gains and losses over five years. The 2020 Annual Funding Notice indicates the Plan had an 82% funded percentage as of January 1, 2020 using the smoothed, actuarial value of assets. Using the Plan's market value of assets, the Plan's funded percentage as of January 1, 2020 was 85%.

During 2020, the Plan experienced an estimated investment return of –1.1%. The negative investment return for 2020 was the result of Plan assets managed by Allianz Global Investors as previously described in the letter mailed to you on February 17, 2021. Despite this investment loss, the Plan was estimated to be 81% funded on January 1, 2021 based on unaudited market value of assets and preliminary liabilities. The Plan's actuary has certified the Plan to be in the Green Zone for the 2021 Certification of Status.

Looking forward, the Plan's funded percentage is expected to trend upward and is projected to be fully funded (i.e. 100% funded percentage) in 2031 and the Plan's Zone Status is expected to remain in the Green Zone for the foreseeable future. The projections provided by the Plan's actuary assume future plan experience matches expectations, including future investment returns of 7% per year.

The Board of Trustees made several strategic changes which are expected to improve the financial outlook of the Carpenters Retirement Plan and the Carpenters Individual Account Pension Plan, including hiring Allan Biller and Associates as the Plans' investment consultant and adding participant-directed investments to the Carpenters Individual Account Pension Plan. Watch your mail for more about these important pension-related changes.

This information is being provided as a supplement to the attached Annual Funding Notice. We encourage you to read the attached Notice for more information on the Plan. If you have any questions, please contact the Plan administrator.

Sincerely yours,

Board of Trustees
Carpenters Retirement Trust of
Western Washington

2020 Annual Funding Notice
For
Carpenters Retirement Trust of Western Washington

Introduction

This notice includes important information about the funding status of your multiemployer pension plan (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, 2020 and ending December 31, 2020 ("Plan Year").

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 for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

Funded Percentage			
	2020	2019	2018
Valuation Date	January 1, 2020	January 1, 2019	January 1, 2018
Funded Percentage	82.0%	82.1%	81.6%
Value of Assets	$1,631,365,978	$1,535,642,212	$1,489,345,107
Value of Liabilities	$1,988,919,646	$1,869,600,735	$1,824,112,790

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they 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. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years.

	December 31, 2020	December 31, 2019	December 31, 2018
Fair Market Value of Assets	$1,623,613,350[1]	$1,698,208,987	$1,461,429,198

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 Plan Year.

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 22,058. Of this number, 9,231 were current employees, 7,575 were retired and receiving benefits, and 5,252 were retired or no longer working for the employer and have a right to future benefits.

Funding & 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 funding policy of the Plan is to confirm that the minimum funding requirements of ERISA are being satisfied and to determine that anticipated employer contributions will not exceed the amounts deductible under the Internal Revenue Code. Each employer makes contributions monthly pursuant to collective bargaining agreements.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries, who make specific investments in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries who are responsible for plan investments with guidelines or general instructions concerning investment management decisions. The investment policy of the Plan is to provide a secure Trust Fund from which can be paid reasonable administrative costs of the Trust and retirement benefits to participants and their beneficiaries, as prescribed in the Trust, with a view to controlling the cost to the Trust consistent with prudent management. The objectives shall be accomplished utilizing a strategy of domestic and international equities, domestic and international fixed income, real assets, private equity, and opportunistic investments in a mix that is conducive to participation in rising markets while allowing for protection in falling markets. Contributions to the Trust will be invested with the objective of achieving a minimum annualized return (defined as income plus capital gains or losses) of the actuarial return assumption.

[1] The December 31, 2020 fair market value of assets figure is an estimate based on the plan administrator's unaudited financial statements. The final figure may differ from this estimate based on the Plan's final audit issued for the Plan Year.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. Note that this asset allocation is based on calculations of fair market value of assets as of December 31, 2020 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
Stocks	34.32%
Investment grade debt instruments	4.21%
High-yield debt instruments	0.83%
Real estate	0.00%
Other	60.64%

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-1515, 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.

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 Randy Parker by phone at (206) 441-6514, or by mail at Carpenters Trusts of Western Washington, 2200 Sixth Avenue, Suite 300, Seattle, Washington 98121. For identification purposes, the official plan number is 001 and the plan sponsor's name and employer identification number or "EIN" are: Board of Trustees of the Carpenters Retirement Trust of Western Washington, 91-6029051.