



CARPENTERS TRUSTS

of Western Washington

Health and Security Retirement Vacation Industry Fund

February 17, 2021

Dear Carpenters Trusts of Western Washington Participant,

We are writing to notify you of an investment loss to your two retirement plans and the Health & Security Plan in the spring of 2020. This loss was due to investments with a management firm called Allianz Global Investors (AllianzGI). Our plans are recovering, and the Carpenters Retirement Trust will be certified as a “Green Zone Plan” for the 2021 Plan Year. The loss from AllianzGI has not jeopardized the long-term health of the plans; however, it was an upsetting loss and we want to let you know what happened, how it will affect you, and what we are doing about it. You should also know that while the Carpenters Health & Security Trust held an investment with AllianzGI, the loss will not impact the medical benefits you receive.

We have included a one-page overview of the situation and have posted more detailed information on our website at www.ctww.org/allianz. Please read through the information, and if you have questions about the situation or how it impacts your retirement, please contact our Retirement Services team at: (206) 441-6514 or (800) 552-0635 from 8:00 a.m. to 5:00 p.m. PST, Monday through Friday; or email pension@ctww.org.

We want to assure you that we take the stewardship of your retirement funds very seriously. We are taking all available steps to recover lost funds to maintain the long-term health of your retirement dollars. This includes severing all ties with AllianzGI and filing a lawsuit against AllianzGI seeking to recover investment losses on your behalf.

While this news is extremely disappointing, these funds were built to last and we will stand by you and care for your retirement over the long haul. We will continue to provide information about the lawsuit and related issues, and we encourage you to reach out with questions.

Sincerely,

Board of Trustees
Carpenters Trusts of Western Washington



WHAT HAPPENED?

- ▶ **Retirement plan assets declined in 2020**— In March, the overall value of Carpenters Trusts of Western Washington investments declined sharply due to Allianz Global Investors (AllianzGI) losses. Since March, there has been good recovery, due to a healthier market and strategic investment changes made by the Board of Trustees.
- ▶ **Investments with Allianz Global Investors failed**— The significant decline was due to investments managed by AllianzGI. Though AllianzGI funds had performed well over the past six years, they failed in a short period from February to March of 2020. The failure of the AllianzGI funds was due to AllianzGI’s breaches of the duties it owed to the Carpenters Trusts.



WHAT DOES THIS MEAN FOR YOU?

- ▶ **Carpenters Individual Account Pension Plan**— Account balances declined in the Spring of 2020 and have recovered some as the market improved, though losses have not yet fully reversed. The unit value for these accounts is adjusted monthly based on investment returns from the previous month. You will continue to see investment returns reflected in your quarterly benefit statements.
- ▶ **Carpenters Retirement Plan**— Benefits you earned prior to 2017 are unaffected. The Sustainable Income Benefit (SIB) you have earned since 2017 will be adjusted in January of 2022 to reflect 2020 returns. The stabilization reserve has enough assets to shore up benefits so that retirees currently receiving checks will not see a reduction in their retirement income.

Questions About Your Retirement Plan?

Call: (206) 441-6514 or (800) 552-0635
8:00 AM – 5:00 PM, M-F

Email: pension@ctww.org

WHAT IS BEING DONE ABOUT IT?

- ▶ **We are suing to recover losses**— We divested completely from AllianzGI. The losses we incurred are completely unacceptable. Therefore, Carpenters Trusts has filed a lawsuit against AllianzGI seeking to recover investment losses on your behalf. Other pension plans across the country have also filed similar lawsuits.

IS OUR RETIREMENT HEALTHY FOR THE LONG-TERM?

- ▶ **Yes**— We have a diversified portfolio designed to weather short-term volatility and we are also taking the opportunity to review the overall investment strategy. The loss from the AllianzGI funds is unacceptable but it has not jeopardized the long-term health of the two retirement trusts. The Carpenters Retirement Trust will be certified as a “Green Zone Plan” for the 2021 Plan Year and is expected to remain in the Green Zone in future years.



MORE INFORMATION IS AVAILABLE ONLINE AND BY CONTACTING RETIREMENT SERVICES



Visit www.ctww.org/allianz for detailed information

FOR QUESTIONS:

Call: (206) 441-6514

Email: pension@ctww.org