ANNUAL FUNDING NOTICE

For

Monterey Peninsula Restaurant & Hotel Pension Fund

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning August 1, 2024 and ending July 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:

- Monterey Culinary Pension Fund
- **Phone:** (831) 375-3468
- **Address:** 702 Forest Avenue Suite C, Pacific Grove, California 93950

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

- **Plan Number:** 001
- **Plan Sponsor Name:** Board of Trustees of the Monterey Peninsula Restaurant & Hotel Pension Fund
- **Employer Identification Number:** 51-6029899.

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 two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

	Funded Percentage		
	2024	2023	2022
Valuation Date	August 1	August 1	August 1
Funded Percentage	104%	102%	102%
Value of Assets	$67,652,341	$64,811,615	$62,724,850
Value of Liabilities	$65,118,894	$63,422,008	$61,273,862

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 July 31.

- **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.

	July 31, 2025	July 31, 2024	July 31, 2023
Fair Market Value of Assets	$71,382,186[1]	$67,037,151	$62,367,799

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, under a law enacted in 2014, 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.

---

1 The July 31, 2025 fair market value of assets is an estimate based on the Plan's unaudited financial statements. The final figure following completion of the Plan's regular audit by a certified public accounting firm may differ from this estimate.

ANNUAL FUNDING NOTICE

For

Monterey Peninsula Restaurant & Hotel Pension Fund

(Continued)

The Plan was not in endangered, critical, or critical and declining status in the Plan Year, and is not in endangered, critical or critical and declining status for the plan year ending July 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 two preceding plan years. The numbers for the plan year ending in 2025 reflect the plan administrator's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	2025	2024	2023
1. Last day of plan year	July 31	July 31	July 31
2. Participants currently employed	1,112	1,066	1,020
3. Participants and beneficiaries receiving benefits	991	969	947
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	873	907	941
5. Total number of covered participants and beneficiaries (*Lines 2 + 3 + 4 = 5*)	2,976	2,942	2,908

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's funding policy 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 or subscription agreements.

Investment Policy

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The investment policy of the Plan is to achieve a favorable rate of return using absolute and relative measures against inflation and appropriate capital market indices over market cycles, preserve capital, outperform the median Taft/Hartley fund in a representative performance universe and exceed a minimum average rate of return objective of 2-3% above the inflation rate.

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
Cash (Interest bearing and non-interest bearing)	1.9%
Corporate debt instruments (other than employer securities):	
Preferred	0.0%
All other	17.2%
Real estate (other than employer real property)	13.3%
Value of interest in common/collective trusts	22.5%
Value of interest in registered investment companies (e.g., mutual funds)	45.1%

The average return on assets for the Plan Year was 9.5%.

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 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 annuity benefits for survivors of plan participants including 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.