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UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA

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Dear NWCU Members,

Today, a [letter was posted](#) by Carpenters Trusts of Western Washington that described a substantial loss due to a failure of Allianz Global Investors (AllianzGI) funds, and a lawsuit against AllianzGI to recover those losses. I want to make sure that you understand what happened, as well as the actions we are taking to recover and protect your assets.

What's the good news? When you receive your quarterly statement, you will see the Trust's investments performed well in the final quarter of 2020, making up for many of the losses experienced due to the AllianzGI investment losses. ***This does not lessen our resolve to recover the maximum amount of funds possible on your behalf.*** The plans remain healthy, and over the past 30 years have averaged a 7.9% return, gross of fees. 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.

Are we the only ones affected by AllianzGI losses? No. Sadly, this has hit many benefits plans throughout the nation. Other plans were affected much more than ours. Many other benefits plans have also sued AllianzGI—including pension plans for truckers, teachers, and subway workers. Read more about the large-scale impact of AllianzGI's mismanagement here: <https://www.reuters.com/article/us-health-coronavirus-allianz-investors-idUSKBN26J2K8>.

Why didn't we learn of this sooner? This is a fair question—it is also concerning that some of you learned about this case on social media. In short, we jumped into solution mode. We immediately started working in partnership with the Carpenters Trusts of Western Washington to investigate and gather details of the ongoing situation and file a lawsuit against AllianzGI on your behalf to ensure the pending lawsuit is strong and effective. Last month, the lawsuit hit the media and many of you have asked good questions. We (and the Carpenters Trusts of Western Washington) will answer as fully as possible, without jeopardizing the investigation and legal actions we are taking on your behalf. ***Our primary objective is to keep your benefits healthy.***

After the Carpenters Trusts of Western Washington learned of the losses in late March 2020, they consulted with several law firms that were pursuing a variety of lawsuits against AllianzGI and filed their own lawsuit against AllianzGI in November 2020. They have since begun exploring additional options to ensure that every tool at our disposal is used to recover the plan

assets. In December 2020, we asked the Carpenters Trusts of Western Washington to send you notification of the lawsuit, as well as information about the plan loss. They have worked hard to put together FAQs for you, now [posted online](#).

Did the Union advocate for an allocation to benefits because of this loss? Fair question, but no. The losses and their effects on the retirement plans were not yet actualized in the funding status (calculated at the end of the previous year) that we presented to membership at the time of allocation discussion. Our pensions and healthcare funds needed contributions and they will always need contributions to thrive and survive as prior years have shown. ***Retirement and health funds cannot remain healthy in any environment without steady contribution increases.***

What are you doing about this and who are you holding accountable? We are taking every legal action available to recover the losses to the funds and have implemented heightened safeguards to ensure this never happens again. Like you, I have been a participant in this fund for more than 21 years. I would fight hard for you no matter what, but please know that I, and the other Labor Trustees, also have a personal stake in this. ***These losses are unacceptable, and we are fighting hard to get your money back.*** We are also grateful to be working with a new investment adviser who is aware of this loss and is committed to providing heightened safeguards to help us prevent a future loss of this kind.

I still have questions. I strongly encourage you to reach out to the Carpenters Trusts of Western Washington with any questions you have about your individual account or the situation in general. They have a dedicated team that can answer your questions. You can reach them (Monday - Friday; 8:00am-5:00pm) at 800-552-0635, 206-441-6514, or pension@ctww.org. There is also more information at <https://www.ctww.org/allianz>

As the lawsuit progresses, we will keep you informed of key milestones and the impacts on your accounts. Fair warning—lawsuits take a long time and we understand that can be frustrating when you are looking for answers. Thank you for your encouragement as we navigate this legal recovery on your behalf. I will reach out as soon as there is progress to share.

Carpenters Union members work difficult jobs that build the nation. We fight hard to provide Carpenters the opportunity to retire with dignity and we will continue to fight on your behalf.

In solidarity,



Evelyn Shapiro
Executive Secretary-Treasurer



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