

WESTERN CONFERENCE OF TEAMSTERS PENSION PLAN
Financial Statements
December 31, 2024 and 2023
With Independent Auditor's Reports

Western Conference of Teamsters Pension Plan
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December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Participants and Trustees of
Western Conference of Teamsters Pension Plan:

Opinion

We have audited the financial statements of the Western Conference of Teamsters Pension Plan, an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 ("ERISA"), which comprise the statements of net assets available for benefits as of December 31, 2024 and 2023, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2024 and 2023, and the changes in its net assets available for benefits for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Conference of Teamsters Pension Plan's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Western Conference of Teamsters Pension Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Western Conference of Teamsters Pension Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

WithumSmith+Brown, PC

September 10, 2025

Western Conference of Teamsters Pension Plan
Statements of Net Assets Available for Benefits
December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Investments - at fair value		
103-12 investment entities	\$ 244,925,822	\$ 1,709,821,338
Cash and cash equivalents	813,677,961	950,889,703
Common/collective trusts	2,245,053,625	23,919,655,115
Corporate debt securities	25,611,930,735	3,205,057,696
Equity securities	47,197,419	766,021,145
Insurance company contracts	4,557,815,524	4,715,128,523
Limited partnerships	11,922,926,609	12,422,626,747
Mutual funds	1,433,438,187	1,162,000,489
Other private equity	2,619,677,603	3,227,905,791
Pooled separate accounts	65,889,823	63,106,034
Real estate	1,794,846,372	1,760,932,078
U.S. Government and Government Agency obligations	4,440,652,358	1,493,870,895
	<u>55,798,032,038</u>	<u>55,397,015,554</u>
Securities on loan		
Insurance company contracts	-	789,520,456
Total securities on loan	-	789,520,456
Fair value of collateral held for securities on loan	-	808,288,125
Total investments	<u>55,798,032,038</u>	<u>56,994,824,135</u>
Receivables		
Due from broker for securities sold	49,692,288	79,580,888
Contributions due from employers	197,100,000	197,900,000
Accrued investment income	330,667,321	91,696,898
Withdrawal liability receivable - net	168,026	31,475
Swaps receivable from counterparties	15,512,721	4,372,425
Total receivables	<u>593,140,356</u>	<u>373,581,686</u>
Other assets	<u>11,349,506</u>	<u>10,622,775</u>
Cash	<u>7,993,800</u>	<u>8,304,136</u>
Total assets	<u>56,410,515,700</u>	<u>57,387,332,732</u>
Liabilities and Net Assets		
Liabilities		
Liability to return collateral held for securities on loan	-	854,242,994
Securities sold, not yet purchased	493,725,007	704,334,244
Due to broker for securities purchased	33,615,696	106,691,429
Swaps payable to counterparties	86,374,745	-
Accrued tax expense	-	20,000,000
Accounts payable and other accrued expenses	18,488,388	15,096,862
Total liabilities	<u>632,203,836</u>	<u>1,700,365,529</u>
Net assets available for benefits	<u>\$ 55,778,311,864</u>	<u>\$ 55,686,967,203</u>

The Notes to Financial Statements are an integral part of these statements.

Western Conference of Teamsters Pension Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Additions		
Investment income		
Interest, dividends and other investment income	\$ 2,173,578,638	\$ 1,056,681,599
Net (depreciation) appreciation in fair value of investments	(690,540,748)	5,385,912,195
Net appreciation in fair value of collateral held for securities on loan	<u>662,127</u>	<u>722,306</u>
	1,483,700,017	6,443,316,100
Less: Investment expenses	<u>(341,224,149)</u>	<u>(367,499,575)</u>
Investment income - net	1,142,475,868	6,075,816,525
Employer contributions	2,646,428,563	2,564,373,671
Employer withdrawal liability income	811,452	360,476
Other income	<u>663,054</u>	<u>743,516</u>
Total additions	<u>3,790,378,937</u>	<u>8,641,294,188</u>
Deductions		
Pension benefits	3,455,297,334	3,314,987,023
Administrative expenses	137,269,143	128,160,266
Income tax expense	<u>106,467,799</u>	<u>120,152,936</u>
Total deductions	<u>3,699,034,276</u>	<u>3,563,300,225</u>
Changes in net assets available for benefits	91,344,661	5,077,993,963
Net assets available for benefits		
Beginning of year	<u>55,686,967,203</u>	<u>50,608,973,240</u>
End of year	<u>\$ 55,778,311,864</u>	<u>\$ 55,686,967,203</u>

The Notes to Financial Statements are an integral part of these statements.

Western Conference of Teamsters Pension Plan
Notes to Financial Statements
December 31, 2024 and 2023

1. DESCRIPTION OF THE PLAN

The following description of the Western Conference of Teamsters Pension Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Summary Plan Description for complete information.

General

The Plan was established pursuant to the Western Conference of Teamsters Pension Agreement and Declaration of Trust dated April 26, 1955, to provide and maintain retirement, death, and termination benefits for employees in collective bargaining units represented by local unions affiliated with the Western Conference of Teamsters. The Plan defines the retirement, death, and termination benefits to be provided; the conditions of eligibility for those benefits; the terms of payment; and other necessary or appropriate items. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Board of Trustees

The Plan is administered by a Board of Trustees (the “Trustees”) composed of 13 union trustees and 13 employer trustees. The Trustees are selected from the various geographic areas and industries served by the Plan.

Plan Administration

The Trustees have engaged a third-party administrator to perform administrative and managerial functions for the Plan and to implement the policies of the Trustees. The Trustees have also contracted with the third-party administrator for services relating to the testing of contributing employers’ records. The purpose of the testing is to determine that the proper amount of contributions has been remitted to the Plan. The fees for these services are included in the Administrative Offices expense.

Insurance Company

The Plan is party to two group annuity contracts with Prudential Insurance Company of America (“Prudential”): one is a participating annuity contract (GA-8216); the other is an investment-only contract (GA-8217) (see Note 13). Benefit payments and administrative services are provided under both contracts.

Vesting

Participants become vested when they have completed (1) five years of service if at least one year of service was after 1990, or (2) ten years of service if all years of service were before 1991. A participant earns a year of service when they work 500 covered hours in a Plan year.

Special vesting rules apply to participants working as seasonal employees in the food processing industry, participants over the age of 52 who enter the Plan as part of a new group, active participants over the age of 65 and participants working in non-covered employment at a contributing employer. Benefits earned by a non-vested participant may be permanently forfeited under certain circumstances.

Retirement Benefits

The Plan’s normal retirement benefits are determined using a two-step defined benefit formula.

The first formula is the five-year-average benefit formula. This formula is used to determine an eligible participant’s retirement benefits for service before 1987. Under this formula, monthly retirement benefits are based on the length of a participant’s service and the rate of employer contributions payable for the participant’s last five years of service. Although service after 1986 is not recognized for this formula, employer contribution rates payable on behalf of active participants through the end of 1991 are recognized in determining retirement benefits.

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The second formula is the contribution-account benefit formula. This formula is used to determine an eligible participant's retirement benefits for contributory service after 1986 and, if the participant is first covered by the Plan after 1986, for non-contributory service when applicable. Under this formula, monthly retirement benefits are based on a percentage of total employer contributions payable for all the participant's non-forfeited service after 1986.

Beginning in 2009, the benefit accrual rates were reduced to 1.2% for all participants, regardless of years of service. In January 2020, the Trustees adopted a benefit accrual rate increase from 1.2% to 1.5% for the year 2020, only. In January 2021, the Plan adopted a benefit accrual rate increase from 1.5% to 1.6% for the years 2021 through 2023. With the establishment of a dedicated bond portfolio, as described in Note 12, the Plan resolved to continue the benefit accrual rate of 1.6% through 2025. In 2026, the benefit accrual rate will revert back to 1.2%.

Early Retirement Benefits

The Plan allows certain eligible participants to retire early and receive a retirement benefit equal to 100% of the normal retirement benefit. The subsidized early retirement benefits provided under the Plan are subject to payment of increased contribution surcharges under the Program for Enhanced Early Retirement ("PEER").

The three conditions for early retirement benefits eligibility are that a participant:

- Is a vested participant,
- Has reached the earliest retirement date, and
- Has retired from employment.

Disability Retirement Benefits

Participants eligible for disability retirement benefits receive a benefit in the amount of the early retirement benefit, if eligible, but no less than 85% of their normal retirement benefit.

To be eligible for disability retirement benefits, a participant must:

- Be vested or an age pensioner,
- Meet the recent coverage requirement,
- Be receiving disability insurance benefits under the Federal Social Security Act,
- Be under age 65 when meeting the first three conditions, and
- Remain continuously disabled from the disability onset date to the date of meeting the first three conditions.

Other Benefits

Surviving spouses and children are entitled to monthly survivor benefits under certain conditions. Also, beneficiaries of retired and non-retired participants are entitled to death benefits under certain conditions, as determined under the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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Investment Valuation, Transactions, and Income Recognition

General

Investments are carried at fair value, which is determined, presented, and disclosed in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 820, *Fair Value Measurements and Disclosures*. Under FASB ASC 820, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

FASB ASC 820 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Plan. Unobservable inputs reflect the Plan's assumptions about inputs that market participants would use in pricing the investments developed based on the best information available in the circumstances. The fair value hierarchy is categorized into three levels, based on the inputs, as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities that the Plan has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active, quoted prices for similar investments in active markets or model-based valuations for which all significant assumptions are observable and can be corroborated by observable market data.

Level 3 - Valuations based on unobservable inputs that are supported by little or no market activity and are significant to the overall fair value measurement. Values are determined using proprietary pricing models, discounted cash flow models that include the investment entities' own judgments and estimations, or some other pricing method using unobservable inputs.

Inputs and Valuation Methods

In determining fair value, FASB ASC 820 allows various valuation approaches. The specific methods used for each of the Plan's investment classes are presented below.

103-12 investment entities: 103-12 investment entities are valued based on the net asset values and have been determined based on the unit values of the funds, which are determined by dividing the funds' net assets at fair value by the units outstanding at the valuation date. The net asset value is being used as a practical expedient to estimate fair value.

Cash and cash equivalents: The value of temporary cash held in short-term investment funds is based on quoted prices for similar assets in active markets (Level 1). Temporary cash held in banks is valued at cost, which approximates fair value (Level 2).

Common/collective trusts: Common/collective trusts hold investments in domestic and foreign equity securities, debt securities, and units in other affiliated and unaffiliated commingled trusts. The underlying assets may be valued based on quoted market prices, independent pricing services, or by dealers making a market for certain securities. The unit values of the common/collective trusts are determined by dividing the underlying net asset values (assets less liabilities) by the outstanding number of units. The net asset value is being used as a practical expedient to estimate fair value.

Corporate debt securities: The fair value of corporate debt securities is generally determined based on a model that uses inputs such as interest-rate yield curves, which are similar to the valued obligations in terms of issuer, maturity, and seniority (Level 2).

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Equity securities: The fair value of equity securities is generally based on quoted market prices in active markets (Level 1).

Futures contracts and options: Futures contracts and options that are publicly traded in active markets are valued at closing prices as of the last business day of the year (Level 1). Other futures contracts and options are valued at their fair value, as determined in good faith in accordance with the procedures adopted by the investment manager. Such procedures include obtaining quotes from pricing agents and utilizing pricing models based on available market data (Level 2).

Insurance company contracts: The insurance company contracts consist of investments of various types, including U.S. Government and Government Agency obligations, corporate debt securities, cash and cash equivalents, real estate, pooled separate accounts, mortgages, and unallocated insurance contracts. The insurance company contract investments in corporate debt securities and U.S. Government and Government Agency obligations are valued as described in the sections of this note entitled *corporate debt securities* and *U.S. Government and Government Agency obligations*.

Limited partnerships (private equity) and other private equity: Limited partnerships and other private equity funds are valued using net asset value, which approximates fair value. Net asset value of these funds is based on the underlying assets' fair values, which represent the assets less liabilities divided by the total shares or units outstanding. The net asset value is being used as a practical expedient to estimate fair value. The Plan has an investment in EnerVest Energy Institutional Fund XIV-A, LP. The fair value of this investment is based on two methodologies: (1) the Legacy Valuation Methodology, which uses discounted cash flows based on a risk-adjusted 10% discount rate of the future net cash flows utilizing a 10-year forward price curve for oil and gas; and (2) an Updated Valuation Methodology, which is based on an average of unrisked and risked present value ranges (Level 3).

Mutual funds: The fair value of the mutual funds is generally based on quoted prices in active markets (Level 1).

Pooled separate accounts (insurance company contracts): The investments in the Prudential Temporary Investment Account, Union Mortgage Account, PRISA, PRISA II, PRIVEST, and PREDS are valued based on the net asset value of the underlying assets and liabilities of the accounts. Net asset value is being used as a practical expedient to estimate fair value.

Pooled separate account (other): The investment in pooled separate account (other) is valued based on the net asset value of the underlying assets and liabilities of the accounts. Net asset value is being used as a practical expedient to estimate fair value.

Mortgages (insurance company contracts): The Plan's units in the Prudential Mortgage Investment Separate Account ("MORISA") are valued based on the net asset value of the underlying assets and liabilities of MORISA. Net asset value is being used as a practical expedient to estimate fair value.

Real estate (other): Investments in real estate accounts are valued at estimated fair value based on appraisal reports prepared by independent real estate appraisers and/or the account's investment manager (Level 3).

Swap agreements: Swap agreements are recorded on the contract date. Amounts payable or receivable under the swap agreements are included on a net basis as a receivable from or payable to the swap counterparty on the statements of net assets available for benefits. Because no market quotations are readily available, swap agreements are valued at estimated fair value, as determined by the investment manager, utilizing pricing models based on available market data (Level 2).

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Unallocated insurance contracts: Investments in the Prudential Fixed-Dollar Account are stated at the principal amount invested plus income earned (Level 2).

U.S. Government and Government Agency obligations: The fair value of U.S. Government and Government Agency obligations is generally based on quoted market prices in active markets (Level 1). When quoted prices are not available, valuation is determined using a market-based model in which valuation consideration is given to yield or price of comparable securities, coupon rate, maturity, credit quality and dealer-provided prices (Level 2).

Collateral held for securities on loan: Cash collateral for securities on loan with the custodial bank has been reinvested in various types of debt securities for which values are determined using a model-based approach. Cash collateral for securities on loan through Prudential have been reinvested in Prudential's PGIM Short-Term Bond Fund (Level 2). The Plan divested from securities on loan during the year ended December 31, 2024.

Valuation Methods, Consistency

The valuation techniques used in the accompanying financial statements have been consistently applied.

Transactions and Income Recognition - Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions Receivable

Employer contributions earned and not paid prior to year-end are recorded as employer contributions receivable. Management has evaluated contributions receivable and believes all amounts are fully collectible. Therefore, an estimate for current expected credit losses is not provided.

The collectability of contributions due as a result of payroll audits is uncertain. In determining the amount of the allowance as of the financial statement date, management developed a loss rate based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. At December 31, 2024 and 2023, management believes its historical loss rate is a reasonable and supportive forecast for current and future economic and industry conditions.

Withdrawal Liability Income and Receivable

Withdrawal liability refers to the amount an employer is obligated to pay when it withdraws from the Plan, as determined under ERISA. Withdrawal liability income is recognized when the withdrawal liability amount has been assessed. The collectability of withdrawal liability receivable is uncertain. In determining the amount of the allowance as of the financial statement date, management developed a loss rate based on management's historical collection experience, adjusted for management's expectations about current and future economic conditions. At December 31, 2024 and 2023, management believes its historical loss rate is a reasonable and supportive forecast for current and future economic and industry conditions.

Pension Benefits

Pension benefits are recorded when paid.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated Plan benefits are those future periodic payments, including lump-sum distributions, which are attributable under the Plan's provisions to the service that participants have rendered. Accumulated Plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of participants who have died, and (c) present active participants or their beneficiaries.

Western Conference of Teamsters Pension Plan
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Equipment and Other Fixed Assets

The Plan's computer equipment and other fixed assets are recorded at cost. Furniture and computer equipment are depreciated using the straight-line method. Internally developed software is amortized using the straight-line method. Enhancements to internally developed software that result in additional functionality are capitalized.

Depreciation and amortization are calculated using the following estimated useful lives:

<u>Description</u>	<u>Estimated Life (Years)</u>
Furniture	7
Computer equipment	3
Internally developed software	5

Depreciation and amortization expense for the years ended December 31, 2024 and 2023 totaled \$717,335 and \$639,930, respectively. Equipment and other fixed assets are included in other assets on the statements of net assets available for benefits.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Risks and Uncertainties

The actuarial present value of accumulated Plan benefits is calculated based on certain assumptions pertaining to interest rates, participant demographics and other assumptions, all of which are subject to change. Due to the inherent uncertainty of the assumption process, it is at least reasonably possible that changes in these assumptions in the near-term would be material to the disclosure to the financial statements of the actuarial present value of accumulated Plan benefits.

The Plan invests in various investment securities, including private equity, infrastructure, real estate, and other real assets. Such investments are exposed to various risks, such as interest rate, market, liquidity, credit, and fluctuations in commodities prices, as follows:

- Interest rate risk arises when the changes in interest rates affect future cash flows or the fair value of financial instruments.
- Market risk is the risk that the fair value of future cash flows of the underlying investments will fluctuate because of the changes in market prices.
- Liquidity risk is the risk that the investments may not be able to generate sufficient cash resources to settle their obligations as they come due.
- Credit risk is the potential loss to the investment securities if counterparties fail to perform pursuant to the terms of their obligations.

Due to the level of risk associated with certain investments and the level of uncertainty with respect to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect the amounts reported in the statements of net assets available for benefits and the statements of changes in net assets available for benefits.

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3. PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect; however, the right to discontinue the Plan is reserved to the Trustees. Termination shall not permit any part of the Plan assets to be used for, or diverted to, purposes other than the exclusive benefit of the pensioners, beneficiaries, and participants, including the payment of reasonable operating expenses. In the event of termination, the net assets of the Plan will be allocated to pay benefits in priorities as prescribed by ERISA and its related regulations. Whether or not a particular participant will receive full benefits should the Plan terminate at some future time will depend on the sufficiency of the Plan's net assets at that time and the priority of those benefits.

Certain benefits under the Plan are guaranteed by Prudential (see Note 13). In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation ("PBGC") if the Plan terminates. Generally, the PBGC guarantees most vested normal-age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. The PBGC does not guarantee all types of benefits, and the amount of any individual participant's benefit protection is subject to certain limitations, particularly with respect to benefit increases as a result of Plan amendments in effect for less than five years. Some benefits may be fully or partially provided, while other benefits may not be provided at all.

4. TAX STATUS

The Plan obtained its latest determination letter, dated June 30, 2015, in which the Internal Revenue Service ("IRS") stated that the Plan, as then designed, was in compliance with the applicable requirements under Section 401(a) of the Internal Revenue Code and was, therefore, exempt from federal income taxes under the provisions of Section 501(a). The Plan has been amended since receiving the determination letter. However, the Trustees and the Plan's counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements, except as noted below as it relates to unrelated business taxable income and alternative minimum tax.

Accounting principles generally accepted in the United States of America require management to evaluate the tax positions taken by the Plan and to recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Plan and has concluded that, as of December 31, 2024 and 2023, there are no uncertain positions taken, or expected to be taken, that would require recognition of a liability or disclosure in the financial statements. The Plan is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

The Plan is invested in certain investment funds that generate unrelated business taxable income ("UBTI") and alternative minimum tax ("AMT"). The Plan is required to file an annual tax return with the Internal Revenue Service and the applicable states and to pay federal and state income tax on the UBTI/AMT. For the years ended December 31, 2024 and 2023, the federal AMT and state UBTI taxes paid (including estimated tax payments, penalties and interest) totaled \$106,467,799 and \$120,152,936. During the years ending December 31, 2024 and 2023, the Plan made estimated tax payments of \$85,000,000 and \$30,000,000 for the 2024 and 2023 tax years, respectively. At December 31, 2024 and 2023, the Plan had accrued tax expense of \$0 and \$20,000,000 related to the 2024 and 2023 tax years, respectively.

As a result of the Tax Cuts and Jobs Act of 2017 ("TCJA") signed into law in December 2017 and related final regulations issued in November 2020, certain provisions related to UBTI were amended and impact how the Plan calculates its federal tax liability for tax years beginning on and after January 1, 2018.

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For tax years prior to 2018, the Plan had the ability to aggregate all of its UBTI-generating income and deductions and report the net UBTI on its federal tax return. TCJA and related IRS regulations require the Plan to compute UBTI separately for each unrelated trade or business activity. Under the IRS regulations, certain investment activities and partnership interests are permitted to be aggregated as one separate business activity. Investment activities that do not meet the IRS *de minimis* or participation tests are aggregated by industry sector based on their respective NAICS 2-digit code.

The IRS regulations provide the new ordering rule for plans with both Pre-2018 and Post-2017 Net Operating Losses ("NOL"). For each unrelated trade or business activity, the Plan can apply its Pre-2018 NOL from total UBTI before deducting any Post-2017 NOL from the UBTI generated by that same unrelated trade or business activity.

At December 31, 2024 and 2023, the Plan had no remaining Pre-2018 NOL. Following is a summary of the Plan's remaining Post-2017 NOL as of December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Post-2017 NOL at beginning of year	\$ 18,213,265	\$ 6,094,876
Post-2017 NOL utilized during the year	(671,368)	(1,091,203)
Post-2017 NOL generated during the year	<u>12,046,823</u>	<u>13,209,592</u>
Post-2017 NOL at end of year	<u>\$ 29,588,720</u>	<u>\$ 18,213,265</u>

The Post-2017 NOL may only be utilized by those investment activities that generated the NOL; however, the Pre-2018 NOL may be utilized to offset any UBTI. UBTI loss carryforwards generally can be carried forward up to 20 years. A deferred tax asset relating to the accumulated loss carryforward of approximately \$10.9 million and \$6.7 million as of December 31, 2024 and 2023, respectively, has been recorded, less a 100% valuation allowance. The valuation allowance is based on all available evidence that the deferred tax asset will not be realized due to the uncertain nature of the UBTI being generated on an annual basis. As of the date of this report, the potential tax expense for 2024 is unknown because the investment entities that may generate UBTI/AMT have not yet reported their results for 2024. The Plan also has AMT credit carryforwards for the amount of AMT the Plan has paid in the past. These credits may be utilized to reduce the Plan's tax burden if the Plan's UBTI exceeds AMT during a given tax year. As December 31, 2024 and 2023, the Plan had approximately \$45.4 million and \$51.8 million in AMT credit carryforwards available for use in the future.

5. FUNDING POLICY

The Trust Agreement provides that the Trustees shall establish and adjust the levels of prospective Plan benefits so that the employer contributions received by the Plan will always meet the minimum funding standards of Section 302 of ERISA and Section 412 of the Internal Revenue Code of 1986. The Trustees have established a funding policy that specifies funding targets that may result in more rapid funding than prescribed by the minimum funding standards and that provides for benefit adjustments based on specified funding targets.

Employer contributions are determined from employment hours reported by participating employers and the contractual employer contribution rates in effect.

The Plan's actuary has advised that the minimum funding requirements of ERISA are being met as of January 1, 2024 and 2023 and that the Plan is not endangered nor in critical status under the Pension Protection Act of 2006.

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6. MAJOR EMPLOYER

During the years ended December 31, 2024 and 2023, approximately 47% and 48%, respectively, of contributions were received from one employer.

7. ACTUARIAL INFORMATION

The actuarial present value of accumulated Plan benefits, as determined by the Plan's actuary as of December 31, 2023, is as follows:

	<u>In Thousands</u>
Actuarial present value of accumulated	
Plan benefits	
Vested benefits	
Participants currently receiving payments	\$ 30,490,935
Other participants	<u>22,766,576</u>
Total vested benefits	53,257,511
Non-vested benefits	<u>5,888,878</u>
Total actuarial present value	
of accumulated Plan benefits	<u>\$ 59,146,389</u>

The changes in actuarial present value of accumulated Plan benefits, as determined by the Plan's actuary for the year ended December 31, 2023, is as follows:

	<u>In Thousands</u>
Actuarial present value of accumulated	
Plan benefits at beginning of year	\$ <u>53,673,726</u>
Increase (decrease) during the year	
attributable to	
Benefits accumulated	1,852,036
Data updates	37,544
Actuarial (gain)/loss	229,470
Interest	3,457,963
Benefits paid	(3,314,987)
Plan changes	790,054
Change in actuarial assumptions	<u>2,420,583</u>
Net change	<u>5,472,663</u>
Actuarial present value of accumulated	
Plan benefits at end of year	<u>\$ 59,146,389</u>

The computations of the actuarial present value of accumulated Plan benefits were made by the Plan's actuary as of January 1, 2024. Had the valuation been made as of December 31, 2023, there would be no material differences. No Plan amendments were adopted on January 1, 2024, that would impact the actuarial present value of accumulated Plan benefits.

The method used in the valuation was the unit-credit actuarial cost method. The significant actuarial assumptions used are as follows:

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Assumed rates of return on the investments and the rates used to discount liabilities specifically backed by dedicated asset investments are determined separately from the remaining Plan assets. As of January 1, 2017, the fixed dollar account and 82/84 annuity account are treated as nondedicated assets for purposes of the actuarial valuation.

Strategic bond account:	3.97% (2024); 3.54% (2023).
Bond dedication:	5.20%
Assumed rates of return on remaining investments and the rates used to discount remaining liabilities:	6.50%, net of investment expenses.
Expenses:	\$131 million (2024); \$129 million (2023).
Rates of age retirements:	Tables developed from Plan experience based on years of service, eligibility for PEER and other factors.
Rates of employee terminations:	Tables developed from Plan experience based on separate rates for non-seasonal and seasonal employees.
Rates of mortality for retirements:	PRI-2012 Total Dataset Amount-Weighted mortality tables for men and women and adjustment factors modified to reflect Plan experience projected using Scale MP-2021.
Rates of mortality for disability retirements:	PRI-2012 Total Dataset Amount-Weighted Disabled Retiree mortality tables for men and women projected using Scale MP-2021.
Survivor benefit cost:	Family composition tables from the 27th Actuarial Valuation published by the Railroad Retirement Board.

The above actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated Plan benefits. Pension benefits in excess of the present assets of the Plan are dependent on contributions received under collective bargaining agreements with employers and on income from investments.

Because information on the accumulated Plan benefits at December 31, 2024, and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2024, and the changes in its financial status for the year then ended, but only present the net assets available for benefits and the changes therein as of and for the year ended December 31, 2024. The complete financial status is presented as of December 31, 2023.

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8. INVESTMENTS AT FAIR VALUE HIERARCHY

Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2024, are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets in the fair value hierarchy				
Cash and cash equivalents	\$ -	\$ 813,677,961	\$ -	\$ 813,677,961
Corporate debt securities	-	25,611,930,735	-	25,611,930,735
Equity securities	35,294,748	11,902,671	-	47,197,419
Insurance company contracts				
Cash and cash equivalents	97,648	98,801,949	-	98,899,597
Corporate debt securities	-	924,996,566	-	924,996,566
Unallocated insurance contracts	-	45,639,043	-	45,639,043
U.S. Government and				
Government Agency obligations	645,690,226	315,733,002	-	961,423,228
Total insurance company contracts	645,787,874	1,385,170,560	-	2,030,958,434
Limited partnership	-	-	28,563,677	28,563,677
Mutual funds	1,433,438,187	-	-	1,433,438,187
Real estate	-	-	1,794,846,372	1,794,846,372
U.S. Government and				
Government Agency obligations	2,431,710,173	2,008,942,185	-	4,440,652,358
Total assets in the fair value hierarchy	\$ 4,546,230,982	\$ 29,831,624,112	\$ 1,823,410,049	36,201,265,143
Investments measured at net asset value				
103-12 investment entities				244,925,822
Common/collective trusts				2,245,053,625
Insurance company contracts				
Pooled separate accounts				2,526,703,986
Mortgages				153,104
Limited partnerships				11,894,362,932
Other private equity				2,619,677,603
Pooled separate account				65,889,823
Total investments measured at net asset value				19,596,766,895
Total investments at fair value				\$ 55,798,032,038

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Assets measured at fair value on a recurring basis, based on their fair value hierarchy at December 31, 2023, are as follows:

	Level 1	Level 2	Level 3	Total
Assets in the fair value hierarchy				
Cash and cash equivalents	\$ 1,957,716	\$ 948,931,987	\$ -	\$ 950,889,703
Collateral for securities on loan	-	808,288,125	-	808,288,125
Corporate debt securities	-	3,205,057,696	-	3,205,057,696
Equity securities	756,815,242	9,205,903	-	766,021,145
Insurance company contracts				
Cash and cash equivalents	-	115,952,213	-	115,952,213
Corporate debt securities	-	1,165,188,245	-	1,165,188,245
Unallocated insurance contracts	-	52,416,247	-	52,416,247
U.S. Government and				
Government Agency obligations	578,063,098	182,116,986	-	760,180,084
Total insurance company contracts	578,063,098	1,515,673,691	-	2,093,736,789
Limited partnership	-	-	84,115,883	84,115,883
Mutual fund	1,162,000,489	-	-	1,162,000,489
Real estate	-	-	1,760,932,078	1,760,932,078
U.S. Government and				
Government Agency obligations	942,403,416	551,467,479	-	1,493,870,895
Total assets in the fair value hierarchy	\$ 3,441,239,961	\$ 7,038,624,881	\$ 1,845,047,961	12,324,912,803
Investments measured at net asset value				
103-12 investment entities				1,709,821,338
Common/collective trusts				23,919,655,115
Insurance company contracts				
Pooled separate accounts				3,407,183,377
Mortgages				3,728,813
Limited partnerships				12,338,510,864
Other private equity				3,227,905,791
Pooled separate account				63,106,034
Total investments measured at net asset value				44,669,911,332
Total investments at fair value				\$ 56,994,824,135
Liabilities				
Liability to return collateral held for securities on loan	\$ -	\$ 854,242,994	\$ -	\$ 854,242,994

Changes in Fair Value of Level 3 Assets

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. The Plan evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total net assets available for benefits.

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Changes in Level 3 assets for the years ended December 31, 2024 and 2023 were as follows:

<u>December 31, 2024</u>	<u>Purchases</u>	<u>Transfers Into Level 3</u>
Limited partnership	\$ 707,299	\$ -
Real estate	32,373,000	-
Total	<u>\$ 33,080,299</u>	<u>\$ -</u>
<u>December 31, 2023</u>	<u>Purchases</u>	<u>Transfers Into Level 3</u>
Limited partnership	\$ 982,433	\$ -
Real estate	69,795,000	-
Total	<u>\$ 70,777,433</u>	<u>\$ -</u>

For fair value measurements categorized within Level 3 of the fair value hierarchy, the following tables present quantitative information about the significant unobservable inputs used. These tables do not include investments valued at net asset value or its equivalent; refer to Note 11 for the required disclosures for the investments valued at net asset value or its equivalent.

<u>Instrument</u>	<u>Fair Value at December 31, 2024</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range of Significant Input Values</u>
Real estate	\$ 1,794,846,372	Appraisals and Discounted Cash Flows	Discount Rates Capitalization Rates Expense Growth Rates	6.50%–10.00% 5.25%–8.00% 3.00%
Limited partnership	\$ 28,563,677	Discounted Cash Flows Independent Reserve Report	Risk Adjusted Present Value Proven Undeveloped Oil Reserves Probable Reserves Oil Reserves	10% 75% 50%
<u>Instrument</u>	<u>Fair Value at December 31, 2023</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range of Significant Input Values</u>
Real estate	\$ 1,760,932,078	Appraisals and Discounted Cash Flows	Discount Rates Capitalization Rates Expense Growth Rates	6.35%–9.50% 5.00%–7.25% 3.00%
Limited partnership	\$ 84,115,883	Discounted Cash Flows Independent Reserve Report	Risk Adjusted Present Value Proven Undeveloped Oil Reserves Probable Reserves Oil Reserves	10% 75% 50%

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9. FINANCIAL INSTRUMENTS

As part of the total investment strategy, and to meet the primary objectives established by the Trustees, several of the Plan's investment managers utilize derivative financial instruments. Risks associated with derivatives vary widely, but generally may be categorized as market risk, credit risk and interest rate risk. Market risk is defined as that risk associated with fluctuations in market price. Credit risk is defined as that risk associated with an entity not paying. Interest rate risk is defined as risk associated with changes in general interest rates or yield curves that could adversely affect the fair value of an investment.

Some of the Plan's investment managers enter into options, warrants and rights, futures, swaps, and forward currency exchange contracts. The Plan uses futures, options, and swaps for hedging purposes and not on a speculative basis, but the use of these instruments would be considered trading securities for purposes of reporting. The Plan uses futures, swaps and forwards for bona-fide hedging purposes and to manage duration, yield curve, convexity, spread risk and credit risk with portfolios.

In addition, investment managers utilize currency forward transactions to protect or partially protect against fluctuations in exchange rates between countries when purchasing non-dollar issues for the portfolio. These instruments are helpful in eliminating volatility that may be experienced by the portfolio due to changes in exchange rates. By purchasing or selling the proper amount of these instruments, the investment manager is able to capture the underlying value of the foreign security without taking on the additional risk of currency.

An option is a contract that grants the right, but not the obligation, to exercise a specific purchase or sales transaction at a stated exercise price. Warrants and rights are investment instruments similar to options. A futures contract is a standardized agreement between two parties to buy and sell an asset at a set price on a future date. The Plan enters into financial futures contracts solely for the purpose of hedging its existing portfolio securities, or securities the Plan intends to purchase, against fluctuations in fair value caused by changes in prevailing interest rates or as substitutes for cash securities permitted under the relative account guidelines. Upon entering into a financial futures contract, the Plan is required to pledge to the broker an amount in cash, United States government securities or other assets equal to a certain percentage of the contract amounts (initial margin deposit).

Subsequent payments, known as "variation margin," are made or received by the Plan each day, depending on the daily fluctuations in the fair value of the underlying security. The Plan recognizes an unrealized gain or loss equal to the daily variation margin. Should market conditions move unexpectedly, the Plan may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. When the contract is closed, the Plan recognizes a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.

The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts, interest rates, and the underlying hedged assets. The variation margin receivable/payable is included in accrued investment income on the statements of net assets available for benefits.

The Plan has entered into overnight index swap agreements. Under such agreements, one party makes payments based on a set rate while the other party makes payments based on a floating rate tied to an overnight index, such as the Federal Funds Effective Rate or the Secured Overnight Financing Rate (SOFR). Such transactions transfer both the credit risk and market risk of the underlying asset.

The Plan has entered into total return swap agreements. Under such agreements, one party makes payments based on a set rate while the other party makes payments based on the total return of the underlying asset. Such transactions transfer both the credit risk and market risk of the underlying asset.

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The Plan may sell a security it does not own in anticipation of a decline in the fair value of that security. When the Plan sells a security short, it must borrow the security sold short and deliver it to the broker-dealer through which the short sale was made. A gain, limited to the price at which the Plan sold the security short, or a loss, unlimited in size, will be recognized upon termination of the short sale.

Total open contracts and unrealized gain (loss) by category at December 31, 2024 consisted of the following:

<u>Type</u>	<u>Position</u>	<u>Notional/ Contractual Amount</u>	<u>Unrealized Gain (Loss)</u>
Futures			
U.S. Treasury Bond futures	Long	\$ 4,079,338,472	\$ (43,843,970)
U.S. Treasury Bond futures	Short	(2,781,623,928)	37,837,918
Total futures		<u>\$ 1,297,714,544</u>	<u>\$ (6,006,052)</u>
Swaps			
Overnight Index swaps	Long	\$ 4,121,508,741	\$ 12,594,226
Overnight Index swaps	Short	(407,984,207)	(2,846,287)
Total Return swaps	Long	<u>1,095,069,288</u>	<u>(77,394,550)</u>
Total swaps		<u>\$ 4,808,593,822</u>	<u>\$ (67,646,611)</u>

Total open contracts and unrealized gain (loss) by category at December 31, 2023, consisted of the following:

<u>Type</u>	<u>Position</u>	<u>Notional/ Contractual Amount</u>	<u>Unrealized Gain (Loss)</u>
Futures			
U.S. Treasury Bond futures	Long	\$ 1,562,015,610	\$ 59,480,896
Secured Overnight Financing Rate (SOFR)	Long	22,512,631	31,788
U.S. Treasury Bond futures	Short	<u>(934,239,906)</u>	<u>(12,267,934)</u>
Total futures		<u>\$ 650,288,335</u>	<u>\$ 47,244,750</u>
Swaps			
Total Return swaps	Short	<u>\$ 4,372,425</u>	<u>\$ (95,736)</u>
Total swaps		<u>\$ 4,372,425</u>	<u>\$ (95,736)</u>

The accompanying financial statements reflect these unrealized gains and losses, not the gross value or notional amount of the underlying securities. At December 31, 2024 and 2023, approximately \$60,500,000 and \$33,400,000, respectively, had been pledged against the futures contracts to cover the initial margin and collateral requirements.

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10. SECURITIES LENDING

The Trustees authorized the Plan to enter into securities lending agreements with Prudential (the “Lending Agents”) to lend securities to third parties. The Lending Agents must obtain collateral from the borrowers in the form of cash or securities issued or guaranteed by the United States Government or its agencies equal to at least 102% (105% for foreign loans) of the market value of the loaned securities plus accrued income. The market value of the collateral is marked to market daily. Except as noted below, if the market value of the collateral is less than the minimum percentage (100%), the Lending Agents require that additional collateral be delivered the following day to meet the required percentage of the market value of the loaned securities, plus accrued interest. During the time the securities are on loan, the Plan will continue to receive the interest and dividends, or amounts equivalent thereto, on the loaned securities. The right to terminate the loan is given to both the lenders and the borrowers, subject to appropriate notice.

Upon termination of the loan, the borrowers will return to the lenders’ securities identical to the loaned securities and the collateral held by lenders will be returned to the borrowers. The Plan divested from securities on loan during the year ended December 31, 2024. The fair value of the securities on loan as of December 31, 2023 was \$789,520,456.

The Lending Agents are authorized to invest and reinvest any and all cash collateral. Cash collateral may be invested or reinvested in accordance with the investment guidelines set forth in the securities lending agreements. Prudential invested a portion of the cash collateral in Prudential’s PGIM Core Short-Term Bond Fund (Prudential Bond Account), an approved vehicle for reinvested cash collateral.

As the Plan divested from securities lending during the year ended December 31, 2024, there was no liability to return securities lending collateral as of the year then ended. For the year ended December 31, 2023, the liability to return securities lending collateral, unrealized gain (losses) and fair value of collateral were as follows:

<u>As of December 31, 2023</u>	<u>Liability to Return Collateral</u>	<u>Unrealized Gains (Losses)</u>	<u>Fair Value of Collateral</u>
Collateral for securities on loan			
Prudential bond account	\$ 854,242,994	\$ (45,954,869)	\$ 808,288,125
Total	<u>\$ 854,242,994</u>	<u>\$ (45,954,869)</u>	<u>\$ 808,288,125</u>

As shown on the statements of changes in net assets available for benefits, the net appreciation on the reinvested collateral for the years ended December 31, 2024 and 2023, totaled \$662,127 and \$722,306, respectively.

Although the Plan’s securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrowers of securities will be unable to collateralize their loan upon a sudden material change in the fair value of the loaned securities or collateral. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts. To minimize risk, the Plan restricts counterparties to the highest quality firms. If a loan of securities is terminated and such securities are returned, the Plan could sustain realized losses on the collateral if it were necessary to liquidate collateral invested in the Prudential Bond Account.

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The Plan earned securities lending income (net of fees) totaling \$2,239,960 and \$7,680,670, respectively, for the years ended December 31, 2024 and 2023. These amounts are included in investment income on the statements of changes in net assets available for benefits.

11. INVESTMENTS IN CERTAIN ENTITIES THAT CALCULATE NET ASSET VALUE

The Plan utilizes net asset value ("NAV") per share (or its equivalent), as a practical expedient, to measure fair value when the investment does not have a readily determinable fair value, and the net asset value is calculated in a manner consistent with investment company accounting. The fair value of the following investments was measured using NAV (or its equivalent).

Investment Type	Fair Value at December 31,			Redemption Frequency (if currently eligible)	Redemption Notice Period	Remaining Commitment at December 31,	
	2024	2023				2024	2023
103-12 investment entities	\$ -	\$ 924,158,837	(a)	Semi-monthly	10 days	\$ -	\$ -
103-12 investment entities	-	555,108,480	(a)	Monthly	None-5 days	-	-
103-12 investment entities	<u>244,925,822</u>	<u>230,554,021</u>	(a)	See (l)	See (l)	-	-
Total 103-12 investment entities	<u>244,925,822</u>	<u>1,709,821,338</u>					
Common/collective trusts	2,209,259,641	18,156,583,055	(b)	Daily	None-30 days	-	-
Common/collective trusts	<u>35,793,984</u>	<u>5,763,072,060</u>	(b)	Weekly	1-2 days	-	-
Total common/collective trusts	<u>2,245,053,625</u>	<u>23,919,655,115</u>					
Limited partnerships							
Fixed income	1,940,946,744	1,888,777,551	(c)	Not permitted	N/A	808,600,000	1,009,900,000
Infrastructure	1,671,859,090	1,579,654,299	(d)	Quarterly	90 days	-	-
Infrastructure	1,200,160,674	1,063,616,327	(d)	Not permitted	N/A	14,600,000	14,600,000
Private equity	72,802,236	877,207,349	(e)	Monthly	15 days	-	-
Private equity	6,486,125,375	6,276,332,188	(e)	Not permitted	N/A	1,801,500,000	2,201,000,000
Real assets	<u>522,468,813</u>	<u>652,923,150</u>	(f)	Not permitted	N/A	213,600,000	235,900,000
Total limited partnerships	<u>11,894,362,932</u>	<u>12,338,510,864</u>					
Other private equity							
Fixed income	405,184,831	359,370,382	(g)	Daily	90 days	-	-
Fixed income	-	702,088,167	(g)	Monthly	2 days	-	-
Fixed income	118,976,655	108,606,237	(g)	Semi-annually	180 days	-	-
Fixed income	698,767,563	725,275,204	(g)	Not permitted	N/A	4,800,000	4,800,000
Private equity	120,371,199	134,268,723	(h)	Not permitted	N/A	1,400,000	1,400,000
Real estate	438,807,376	413,350,122	(i)	Quarterly	N/A	2,000,000	-
Real estate	<u>837,569,979</u>	<u>784,946,956</u>	(i)	See (i)	See (i)	-	-
Total other private equity	<u>2,619,677,603</u>	<u>3,227,905,791</u>					
Pooled separate accounts	724,537,775	584,789,104	(j)	Daily	15 days	-	-
Pooled separate accounts	65,889,823	1,009,723,077	(j)	Monthly	30-90 days	-	-
Pooled separate accounts	<u>1,802,166,211</u>	<u>1,875,777,230</u>	(j)	Quarterly	90 days	-	-
Total pooled separate accounts	<u>2,592,593,809</u>	<u>3,470,289,411</u>					
Mortgage fund	153,104	3,728,813	(k)	Quarterly	15 days	-	-
	<u>\$ 19,596,766,895</u>	<u>\$ 44,669,911,332</u>				<u>\$ 2,846,500,000</u>	<u>\$ 3,467,600,000</u>

(a) These investments are direct filing entities with the Department of Labor; therefore, information regarding the investments' strategy is not disclosed.

(b) This class includes investments in common/collective trust funds that invest in domestic equities, international equities, commodities, and fixed-income securities. The investment managers adopt a strategy in order to track or exceed the following indices: FTSE T-Bill 3-Month Index, S&P 500 Index, Dow Jones U.S. Completion Total Stock Market Index, MSCI All Country World Index ex-U.S., Russell 1000 Index and Russell 3000 Index.

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- (c) This class of investments consists of limited partnerships that invest in various types of fixed-income securities directly or indirectly through other limited partnerships. The strategies used by the limited partnerships include investments in mezzanine securities, first-lien senior-secured debt, investments in distressed debt, bank loans and distressed residential real estate loans. Redemptions are not permitted over the term of the investment. The limited partnerships in this category are in liquidation or have terms that extend through September 2032, with possible extensions based on the limited partnership agreements. One of the investments representing approximately 5% of this class allows for redemptions every 3 years with a 180-day notice requirement. The first available redemptions in this investment would be available December 31, 2025.
- (d) This class of investments consists of limited partnerships that invest in domestic and international infrastructure-related projects. These investments seek to provide superior returns through various domestic and international infrastructure projects, such as wind farms, wastewater plants, airports, and electrical distribution. The fund that permits redemption is open-ended, and the terms are indefinite. Where redemptions are not currently permitted, the fund is open-ended with redemptions permitted after a six-year lock-out, or the term of the investment is through December 2024, with a possible extension based on the limited partnership agreement.
- (e) This class of investments consists of limited partnerships that are considered private equity investments. The managers in this class utilize various investment strategies in order to achieve superior returns and capital appreciation. Investments may be made directly by the limited partnership or indirectly through a fund-of-funds investment structure. Strategies utilized by these managers include active investments, investments in middle-market business, investments in transportation-related companies, and domestic and international equity and equity-related investments, as well as U.S. agency mortgage-backed securities, which are levered to outperform the S&P 500. The investments permit monthly redemptions or do not permit redemptions over the term of the investment. The limited partnerships in this category are in liquidation or have terms that extend through December 2032, with possible extensions based on the limited partnership agreements.
- (f) This investment class consists of limited partnerships that invest in real assets, including oil and gas-focused investments and commodities. The oil and gas investments include U.S. and international privately negotiated equity and equity-related investments, and investments in known energy-producing, on-shore regions of North America. These investments seek to provide a diverse portfolio of energy and energy-related infrastructure investments. The commodity-focused investment seeks to outperform the Bloomberg Commodity Index Total Return USD. Redemptions are not permitted over the term of the investment. The limited partnerships in this category are in liquidation or have terms that extend through July 2028, with possible extensions based on the limited partnership agreements.
- (g) This class of investments includes limited liability companies and other private equity funds that focus on fixed-income investments. These funds make direct or indirect investments that seek to generate current income and capital appreciation while minimizing the risk of loss of principal through lending to middle-market companies, commercial lending, and high-yield structured finance securities.

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December 31, 2024 and 2023

- (h) This investment class represents limited liability companies and other private equity investments that focus on real estate ventures, venture capital and corporate finance transactions. The strategy of the real estate venture fund is to acquire, own and manage residential rental real estate, primarily single-family homes, in various major markets in the United States. The venture capital investments generate capital returns by making direct equity-oriented investments in venture capital companies or investing in limited partnerships that make equity-oriented investments in venture capital companies. These investments can include early-stage investments in businesses still in the conceptual stage, businesses where products may not be fully developed and revenues and/or profits may be several years away, and later-stage venture capital investments in need of additional growth capital. The corporate finance investment seeks to generate capital returns through investing directly or indirectly in management buy-in, management buy-out and leveraged buy-out transactions. Redemptions are not permitted over the term of the investment. The investments in this category have terms that extend through March 2029, with possible extensions based on the underlying agreements.
- (i) This class of investments includes two limited liability companies that directly own timber-producing real estate and related assets, or real estate devoted to agricultural use. A request for a partial withdrawal from the timber-related investment may be made at any time, and the investment manager will sell such investments allocated to the Plan's account, as it determines it necessary, to obtain funds for each partial withdrawal.
- (j) These investments are open-ended funds and direct filing entities with the Department of Labor; therefore, information regarding the investment strategy is not disclosed.
- (k) This represents the Prudential Mortgage Investment Separate Account. The fund's investments are composed primarily of commercial mortgage loans secured by income-producing properties.

12. 2024 BOND DEDICATION

At their December 6, 2023, Board of Trustees meeting, the Trustees adopted a resolution to establish a dedicated bond portfolio. The portfolio is designed to provide cash flows beginning in 2024 that match 30 years' worth of estimated benefit payments equal to those anticipated benefit payments for all retirees and survivors that were in pay status as of January 1, 2023. The assumed future net internal rate of return for this portfolio is 5.125%. The portfolio began funding benefits March 1, 2024.

Furthermore, in 2024, the Trustees expanded the dedication to include those retirees and beneficiaries who retired in 2023. As of December 31, 2024, the dedicated bond portfolio held approximately \$30.6 billion in assets.

13. NET ASSETS AVAILABLE FOR BENEFITS

The Plan allocates net assets available for benefits between Retired and Survivor Guaranteed Annuities and certain Non-Guaranteed Benefits for Retirees and Survivors and Future Retirees and Survivors. Effective January 1, 1998, the Plan entered into two insurance company group annuity contracts with Prudential, which superseded the group annuity contract in effect since 1955. Under one contract, Prudential guarantees retirement benefits to a closed group of annuitants and their beneficiaries (Retired and Survivor Guaranteed Annuities). The initial contribution to this contract was approximately \$7.46 billion, representing an amount equal to 105% of the Contract Liability Amount as of the effective date of the contract. This contract will remain in full force and effect until such date that there are no further annuities or other guaranteed payments payable under the contract. The contract will terminate at that time, and the remaining assets held under the contract, if any, less any expenses or other fees, will be transferred back to the general Plan assets. Non-Guaranteed Benefits are covered by the remaining Plan assets, including a second contract that consists of separate investment accounts managed by Prudential.

Western Conference of Teamsters Pension Plan
Notes to Financial Statements
December 31, 2024 and 2023

The net assets available for benefits allocated between the Retired and Survivor Guaranteed Annuities and Non-Guaranteed Benefits for Retirees and Survivors and Future Retirees and Survivors are summarized as follows:

	December 31,	
	2024	2023
Retired and survivor		
Guaranteed annuities	\$ 401,400,078	\$ 496,384,508
Non-guaranteed benefits		
for retirees and survivors and		
future retirees and survivors	55,376,911,786	55,190,582,695
Net assets available for benefits	<u>\$ 55,778,311,864</u>	<u>\$ 55,686,967,203</u>

14. EMPLOYER WITHDRAWAL LIABILITY

The Plan complies with the provisions of the Multiemployer Pension Plan Amendment Act of 1980 ("MPPAA"), which requires imposition of withdrawal liability on a contributing employer that partially or completely withdraws from the Plan. Under the provisions of MPPAA, a portion of the Plan's unfunded vested liability would be allocated to a withdrawing employer. The Plan's actuary has advised the Plan that, as of December 31, 2023 and 2022, the Plan did not have unfunded vested benefit liability for withdrawal liability purposes.

For the years ended December 31, 2024 and 2023, employers who have withdrawn from the Plan have been assessed a withdrawal liability of approximately \$1,900,000 and \$4,100,000, respectively. Due to the poor financial condition of some withdrawing employers, it is likely that the withdrawn employers assessed withdrawal liability will file for bankruptcy, become insolvent, or otherwise default on their withdrawal liability payment obligations. accounting principles generally accepted in the United States of America state that the amounts assessed against employers withdrawing from the Plan may be recorded as a receivable, net of the current expected credit losses. The Trustees of the Plan are concerned that, even with their best efforts at estimating the current expected credit loss amounts, the amount of withdrawal liability that will actually be received may vary significantly. In accordance with the Plan's accounting policy, the Plan has recorded a receivable of \$168,026 and \$31,475, as of December 31, 2024 and 2023, respectively. During the years ended December 31, 2024 and 2023, the Plan recorded approximately \$811,000 and \$360,000 in withdrawal liability revenue.

15. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500. Benefit obligations currently payable represent payments to be issued subsequent to the end of the year for participants whose benefits were approved for payment prior to year-end.

	December 31,	
	2024	2023
Net assets available for benefits per the financial statements	\$ 55,778,311,864	\$ 55,686,967,203
Benefit obligations currently payable	(14,363,382)	(13,487,046)
Net assets available for benefits per Form 5500	<u>\$ 55,763,948,482</u>	<u>\$ 55,673,480,157</u>

Western Conference of Teamsters Pension Plan
Notes to Financial Statements
December 31, 2024 and 2023

The following is a reconciliation of benefits paid to or for participants per the financial statements to the Form 5500 for the year ended December 31, 2024:

Benefits paid to or for participants per the financial statements	\$ 3,455,297,334
Add: Amounts currently payable at end of year	14,363,382
Less: Amounts currently payable at beginning of year	<u>(13,487,046)</u>
Benefits paid to or for participants per the Form 5500	<u>\$ 3,456,173,670</u>

16. SUBSEQUENT EVENTS

On June 30, 2025, the San Diego County Teamsters Pension Plan was merged into the Plan subject to the terms and conditions of the merger agreement between the Plans. As of June 30, 2025, the Plan received approximately \$4.3 million in net assets from the San Diego County Teamsters Pension Plan. As of the most recently available actuarial valuation report from June 30, 2023, the San Diego County Teamsters Pension Plan had approximately \$9.5 million in actuarial present value of accumulated Plan benefits which has been transferred to the Plan.

In preparing these financial statements, management of the Plan has evaluated events and transactions that occurred after December 31, 2024, for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through September 10, 2025, the date that the financial statements were available to be issued, and no other items have come to the attention of management that requires recognition or disclosure.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Participants and Trustees of
Western Conference of Teamsters Pension Plan:

We have audited the financial statements as of and for the years ended December 31, 2024 and 2023, and have issued our report thereon dated September 10, 2025, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of administrative expenses for the years ended December 31, 2024 and 2023 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In our opinion, the information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole, and the form and content are presented in conformity with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

September 10, 2025

Western Conference of Teamsters Pension Plan
Schedules of Administrative Expenses
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Accounting and auditing	\$ 591,225	\$ 518,039
Actuarial fees	699,977	770,070
Administrative offices (Note 1)	79,944,256	74,551,853
Banking	55,891	47,522
Chairman/Co-Chairman office expenses	1,066,211	1,025,925
Consultants' fees	146,252	138,096
Data-processing-related expenses		
Communications	558,526	484,054
Depreciation and amortization	717,335	639,930
IT support and operations	7,635,287	5,977,062
Maintenance and supplies	1,339,226	1,074,648
Delinquency collection fees	562,779	443,818
Insurance	1,907,220	1,638,742
Interest	5,655	-
Legal fees	2,655,698	3,169,949
Pension Benefit Guaranty Corporation premiums	23,489,857	21,958,405
Printing and postage	1,679,134	1,850,622
Prudential administrative fees	13,745,411	13,472,689
Trustees' travel and meetings	469,203	398,842
	<u>\$ 137,269,143</u>	<u>\$ 128,160,266</u>

See Independent Auditor's Report on Supplementary Information.