11724 NE 195th St. Suite 300
Bothell, WA 98011-3145
(206) 282-4500
(800) 225-7620
www.soundretirementtrust.com

SOUND RETIREMENT TRUST

January 28, 2022

Re: Sound Retirement Trust ("Trust")

Dear Participant:

Enclosed is the Sound Retirement Trust's Annual Funding Notice for the Plan Year October 1, 2020 through September 30, 2021. You do not need to take any action as a result of receiving this notice – it is informational only.

We want to provide you with some additional information that may help you better understand the notice.

- The Annual Funding Notice reports the Trust's funded percentage for the past Plan Years of 2020, 2019, and 2018. The Notice is required to provide general information about what could happen to pension plans that may be experiencing financial trouble. The Notice also discusses insolvent pension plans and the benefit guarantees provided by the Pension Benefit Guaranty Corporation. This language is included because it is required by law. It does not indicate that this situation applies to the Trust.

- As a result of recent bargaining and Trustees' actions, we are pleased to let you know that the Trust's funded percentage has dramatically improved. The Trust was certified in December as emerging out of Critical Status ("Red Zone") – it is now in the **Green Zone** for the Plan Year October 1, 2021. The funded percentage as of October 1, 2021 is estimated to be 90.4% and it should continue to increase in the coming years.

You are also being provided information about: (1) returning to work after you retire, (2) participants who reach age 70 ½ and are not receiving a pension, and (3) death benefits for surviving spouses.

For more information regarding these notices please contact the Plan Administrator, Zenith American Solutions, Inc. at (206) 282-4500, option 2, then option 3 or (800) 225-7620, option 2, then option 3.

Sincerely,

Board of Trustees

Encl.

ANNUAL FUNDING NOTICE

FOR

SOUND RETIREMENT TRUST

Introduction

This notice includes important information about the funding status of your multiemployer pension plan, the Sound Retirement Trust (referred to as the "Plan"). It also includes general information about the benefit payments guaranteed by the Pension Benefit Guaranty Corporation ("PBGC"), a federal insurance agency. All traditional pension plans (called "defined benefit pension plans") must provide this notice every year regardless of their funding status. This notice does not mean that the Plan is terminating. It is provided for informational purposes and you are not required to respond in any way. This notice is required by federal law. This notice is for the plan year beginning October 1, 2020 and ending September 30, 2021 (referred to hereafter as "Plan Year").

How Well Funded Is Your Plan

The law requires the administrator of the Plan to tell you how well the Plan is funded, using a measure called the "funded percentage." The Plan divides its assets by its liabilities on the valuation date for the Plan Year to get this percentage. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and each of the two preceding plan years is shown in the chart below. The chart also states the value of the Plan's assets and liabilities for the same period.

	2020-2021 Plan Year	**2019-2020 Plan Year**	**2018-2019 Plan Year**
Valuation Date	October 1, 2020	October 1, 2019	October 1, 2018
Funded Percentage	73.8%	69.3%	71.3%
Value of Assets	$2,574,217,613	$2,358,885,695	$2,379,664,664
Value of Liabilities	$3,489,512,019	$3,405,144,916	$3,336,894,911

Year-End Fair Market Value of Assets

The asset values in the chart above are measured as of the Valuation Date. They also are "actuarial values." Actuarial values differ from market values in that they do not fluctuate daily based on changes in the stock or other markets. Actuarial values smooth out those fluctuations and can allow for more predictable levels of future contributions. Despite the fluctuations, market values tend to show a clearer picture of a plan's funded status at a given point in time. The asset values in the chart below are market values and are measured on the last day of the Plan Year. The chart also includes the year-end market value of the Plan's assets for each of the two preceding plan years.

	September 30, 2021	September 30, 2020	September 30, 2019
Fair Market Value of Assets	$2,818,138,818*	$2,574,217,613	$2,358,885,695

* *At the time of this notice, audited assets for September 30, 2021 are not available. The value listed above represents the plan's best estimate of the value of assets.*

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan generally is in "endangered" status if its funded percentage is less than 80 percent. A plan is in "critical" status if the funded percentage is less than 65 percent (other factors may also apply). A plan is in "critical and declining" status if it is in critical status and is projected to become insolvent (run out of money to pay benefits) within 15 years (or within 20 years if a special rule applies). If a pension plan enters endangered status, the trustees of the plan are required to adopt a funding improvement plan. Similarly, if a pension plan enters critical status or critical and declining status, the trustees of the plan are required to adopt a rehabilitation plan. Funding improvement and rehabilitation plans establish steps and benchmarks for pension plans to improve their funding status over a specified period of time. The plan sponsor of a plan in critical and declining status may apply for approval to amend the plan to reduce current and future payment obligations to participants and beneficiaries.

The Plan was in critical status in the Plan Year ending September 30, 2021 because it was in critical status last year and is projected to have a funding deficiency during the next 10 years. To improve the Plan's funding, the Trustees adopted a Rehabilitation Plan on December 14, 2010 and have since updated it annually. The last change to the Rehabilitation Plan was adopted on December 5, 2019 to increase contributions. Also, every September the Board of Trustees has voted to extend the current Rehabilitation Plan to participants who left employment during the Plan Year, but before their bargaining parties had adopted the current Rehabilitation Plan. You may get a copy of the Rehabilitation Plan, any updates to such plan, and the actuarial and financial data that demonstrates any action taken by the Plan toward fiscal improvement by contacting the Plan Administrator at the address or telephone number below in the "Where to Get More Information" section.

For the plan year ending September 30, 2022, the Plan has emerged from Critical Status and is now considered Safe (not Endangered or Critical).

Participant Information

The total number of participants and beneficiaries covered by the Plan on the valuation date was 104,471. Of this number, 40,616 were current employees, 21,530 were retired and receiving benefits, and 42,325 were retired or no longer working for the employer and have a right to future benefits.

Funding & Investment Policies

Every pension plan must have a procedure to establish a funding policy for plan objectives. A funding policy relates to how much money is needed to pay promised benefits. The funding policy of the Plan is to maintain a balance such that Plan resources will fund Plan obligations. Plan resources include accumulated Plan assets plus expected future contributions and investment income. Plan obligations include benefit payments to current and future retirees and beneficiaries and expected expenses from Plan assets.

Pension plans also have investment policies. These generally are written guidelines or general instructions for making investment management decisions. The general investment objective of the Plan is the preservation of capital plus a return from capital appreciation and current income that meet its actuarial assumptions, over the long term. With the assistance of an independent investment consultant, the Trustees select professional investment managers and/or commingled funds and allocate the assets of the Plan to seek to achieve the stated investment objectives and to control risk and establish reasonable guidelines for each asset class and investment account, specifying acceptable and/or prohibited investments, limits on asset and asset class exposures, risk constraints and investment return objectives. With the assistance of an independent investment consultant, the Trustees have also adopted benchmarks for each investment manager and each asset class and regularly monitor the performance of each manager and each commingled fund, as well as their compliance with the investment policy.

Under the Plan's investment policy, the Plan's assets were allocated among the following categories of investments, as of the end of the Plan Year. These allocations are percentages of total assets:

Asset Allocations	**Percentage**
Stocks	26.6%
Investment grade debt instruments	12.2%
High-yield debt instruments	8.9%
Real estate	6.0%
Other*	46.3%

*Other includes commodities, infrastructure, private markets, risk parity, Parametric, Kroger Escrow, and cash

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain a written explanation of new events that have a material effect on plan liabilities or assets. This is because such events can significantly impact the funding condition of a plan. In connection with Kroger withdrawing from the Plan, the Board of Trustees have transferred the liabilities and assets relating to Kroger's participants to the UFCW Consolidated Pension Fund on June 30, 2021. This transaction decreased the liabilities of Sound Retirement Trust by approximately $745 million and the assets by approximately $202 million, which greatly increased the funding of the Plan. Also, annual contributory hours are expected to decrease from 65 million to 41 million due to the withdrawal of Kroger.

Over the next few years, it is expected that all of the remaining bargaining groups in the Plan will bargain into the new Sound Variable Annuity Pension Trust (SVAPT) for future accruals. Even after a bargaining group starts to earn future accruals in the SVAPT, contributions will still be going into the Plan for funding purposes. As of September 30, 2021, approximately 80% of the contributory hours are now earning future accruals in the SVAPT.

Right to Request a Copy of the Annual Report

Pension plans must file annual reports with the US Department of Labor. The report is called the "Form 5500." These reports contain financial and other information. You may obtain an electronic copy of your Plan's annual report by going to www.efast.dol.gov and using the search tool. Annual reports also are available from the US Department of Labor, Employee Benefits Security Administration's Public Disclosure Room at 200 Constitution Avenue, NW, Room N-1513, Washington, DC 20210, or by calling (202) 693-8673. Or you may obtain a copy of the Plan's annual report by making a written request to the Plan Administrator. Annual reports do not contain personal information, such as the amount of your accrued benefit. You may contact your Plan Administrator if you want information about your accrued benefits. Your Plan Administrator is identified below under "Where to Get More Information."

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. The plan administrator is required by law to include a summary of these rules in the annual funding notice. A plan is insolvent for a plan year if its available financial resources are not sufficient to pay benefits when due for that plan year. An insolvent plan must reduce benefit payments to the highest level that can be paid from the plan's available resources. If such resources are not enough to pay benefits at the level specified by law (see Benefit Payments Guaranteed by the PBGC, below), the plan must apply to the PBGC for financial assistance. The PBGC will loan the plan the amount necessary to pay benefits at the guaranteed level. Reduced benefits may be restored if the plan's financial condition improves.

A plan that becomes insolvent must provide prompt notice of its status to participants and beneficiaries, contributing employers, labor unions representing participants, and 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 PBGC's multiemployer program. Specifically, the PBGC guarantees a monthly benefit payment equal to 100 percent of the first $11 of the Plan's monthly benefit accrual rate, plus 75 percent of the next $33 of the accrual rate, times each year of credited service. The PBGC's maximum guarantee, therefore, is $35.75 per month times a participant's years of credited service.

Example 1: If a participant with 10 years of credited service has an accrued monthly benefit of $600, the accrual rate for purposes of determining the PBGC guarantee would be determined by dividing the monthly benefit by the participant's years of service ($600/10), which equals $60. The guaranteed amount for a $60 monthly accrual rate is equal to the sum of $11 plus $24.75 (.75 x $33), or $35.75. Thus, the participant's guaranteed monthly benefit is $357.50 ($35.75 x 10).

Example 2: If the participant in Example 1 has an accrued monthly benefit of $200, the accrual rate for purposes of determining the guarantee would be $20 (or $200/10). The guaranteed amount for a $20 monthly accrual rate is equal to the sum of $11 plus $6.75 (.75 x $9), or $17.75. Thus, the participant's guaranteed monthly benefit would be $177.50 ($17.75 x 10).

The PBGC guarantees pension benefits payable at normal retirement age and some early retirement benefits. In addition, the PBGC guarantees qualified preretirement survivor benefits (which are preretirement death benefits payable to the surviving spouse of a participant who dies before starting to receive benefit payments). In calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under a plan within 60 months before the earlier of the plan's termination or insolvency (or benefits that were in effect for less than 60 months at the time of termination or insolvency). Similarly, the PBGC does not guarantee benefits above the normal retirement benefit, disability benefits not in pay status, or non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

For additional information about the PBGC and the pension insurance program guarantees, go to the Multiemployer Page on PBGC's website at www.pbgc.gov/multiemployer. Please contact your employer or plan administrator for specific information about your pension plan or pension benefit. PBGC does not have that information. See "Where to Get More Information," below.

Where to Get More Information

For more information about this notice, you may contact the Plan Administrator, Zenith American Solutions, Inc., at 11724 NE 195th Street, Suite 300, Bothell, WA 98011-3145, (206) 282-4500, option 2, then option 3 or (800) 225-7620, option 2, then option 3. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 91-6069306. For more information about the PBGC, go to PBGC's website, www.pbgc.gov.

SOUND RETIREMENT TRUST

Special Notice to Retirees

I. Suspension of Benefits While Continuing to Work in the Industry

This notice is to advise Retired Participants of the Sound Retirement Trust (the "Trust") that employment during retirement may result in the temporary suspension of your pension benefits in accordance with the U.S. Department of Labor regulation, 29 CFR sections 2530.203-3. That regulation also contains provisions to protect your right to receive your nonforfeitable pension benefit. You may read or obtain a copy of that regulation at the Trust Office.

For former participants in the Washington Meat Industry Pension Trust ("Washington Meat Trust"), the Washington Meat Trust's rules will apply to the suspension of benefits with respect to benefits earned as of June 30, 2014. Otherwise, the following rules will apply.

If you retire and then go back to work under certain circumstances, your pension payments may be suspended. If you are under age 70½, you must notify the Trust Office immediately if you return to work. You will generally not receive a pension payment for any month during which you perform more than 58 hours of work which is in the "industry," in the State of Washington, and in a trade or craft in which you were employed at any time while a Plan Participant. The "industry" means any type of business engaged in by any of the Employers who contribute to the Plan and includes employers not party to the Trust. The suspension will not apply if you are age 70½ or older, or to benefits earned before January 1, 1982 under this Trust. You should contact the Trust Office if you have any question about whether a certain type of employment would bring about a suspension of pension payments.

When you again retire, you must notify the Trust Office so monthly pension payments can begin again. Benefits earned before your return to work will be paid in the same form and amount as was being paid before you returned to work. Please note, however, that if the Trust mistakenly paid you any amount while your pension payments were permitted to be suspended, the Trust may offset any pension payments after the suspension by the total amount improperly paid during the suspension period.

If you are receiving a Disability pension benefit and have not attained age 65, you will be deemed to have recovered from the disability if you return to any gainful employment — and your benefits will cease regardless of the hours worked. A Disability Pensioner on a Trial Work Period is not subject to the suspension of pension payments described in this section.

If a determination is made that your benefits are suspendible and you disagree with that determination, you may file a claim in accordance with the claim procedures found in the SPD. If you do not have a copy of the SPD, please contact the Trust Office to request one.

If you return to Covered Employment (working for a Contributing Employer in a position covered by the collective bargaining agreement) and earn at least one year of Credited Service, you will receive additional pension benefits in the following Plan Year (or when your pension is no longer suspended, if later).

II. Notice to Participants Age 70 ½ or Older Not Receiving A Pension

This notice is to advise Participants of the Sound Retirement Trust (the "Trust") that section 401(a)(9) of the Internal Revenue Code requires that all eligible pension plan participants must start receiving benefits no later than April 1st of the calendar year following the calendar year in which they reach age 70½ (your "mandatory commencement date"). **You should contact the Trust Office prior to reaching age 70 ½ to determine whether benefits are payable to you under these requirements and to receive an application. Remember, the Trust is required to begin your benefits as of your mandatory commencement date even if you are still working and do not file an application.**

III. Death Benefits for Surviving Spouse

Pre-Retirement

This notice is to advise Participants that if you die after you become eligible for a Regular or Early Retirement pension but before you retire, the survivor benefit is calculated as if you had retired the day before your death and elected the 50% Spouse Pension. The survivor benefits will begin as of the first of the month on or immediately after receipt of your spouse's application. If you die before you are eligible for Early Retirement, the survivor benefit is based on whatever pension you had earned by the date of death, but payments are calculated as if you had lived to retire at the earliest opportunity, and died the next day. In that case, survivor benefit payments will not start until the date on which you would first have been eligible to retire.

Post-Retirement

If you die after you retire, the form of payment you elect when you retire will govern the death benefit which is payable.

Joint and Survivor Benefit

If the Retiree's Spouse dies before the Retiree, on or after June 1, 1998, the monthly amount payable to the Retiree will be increased to the monthly amount that would have been payable if the Retiree and Spouse had originally elected a benefit for the Retiree's lifetime only. Such increase shall be effective as of the first day of the month next following the Spouse's death.

To request a pre-retirement death benefit application, please contact the Trust Office at (206) 282-4500, option 2, then option 3 or (800) 225-7620, option 2, then option 3.