Maryland Race Track Employees Pension Fund

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Annual Funding Notice
For
Maryland Race Track Employees Pension Fund

Introduction

This notice provides key details about your multiemployer pension plan (the "Plan") for the plan year beginning January 1, 2025 and ending December 31, 2025 ("Plan Year").

This is an informational notice. You do not need to respond or take any action.

This notice includes:

- Information about your Plan's funding status.
- Details on your benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency.

What if I have questions about this notice, my Plan, or my benefits?

Contact your plan administrator at:

- Associated Administrators, LLC
- **Phone:** (410) 683-6500
- **Address:** 911 Ridgebrook Road, Sparks, MD 21152-9451

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

- **Plan Number:** 001
- **Plan Sponsor Name:** Maryland Race Track Employees Pension Fund
- **Employer Identification Number:** 52-6118068

The Plan received over $26.7 million in Special Financial Assistance (SFA) from the PBGC on July 1, 2024 as allowed for under the American Rescue Plan Act. The SFA money is phased into the Plan's financial calculations over time and is not included in all asset values and funded percentages set forth in this notice. With the SFA money, the Plan is projected to remain solvent indefinitely.

What if I have questions about PBGC and the pension insurance program guarantees?

Visit www.pbgc.gov/prac/multiemployer for more information. For specific information about your pension plan or pension benefits, you should contact your employer or plan administrator as PBGC does not have that information.

Federal law requires your Plan to provide this notice every year regardless of funding status. This notice does not mean your Plan is terminating.

How Well Funded Is Your Plan?

The law requires the Plan's administrator to explain how well the Plan is funded, using a measure called the "funded percentage." The funded percentage is calculated by dividing Plan assets by Plan liabilities. In general, the higher the percentage, the better funded the plan. The chart below shows the Plan's funded percentage for the Plan Year and the two preceding plan years. It also lists the value of the Plan's assets and liabilities for those years.

Funded Percentage

	2025	2024	2023
Valuation Date	January 1, 2025	January 1, 2024	January 1, 2023
Funded Percentage	44.9%	44.0%	47.0%
Value of Assets	$26,872,250	$26,603,595	$28,114,652
Value of Liabilities	$59,768,292	$60,409,671	$59,735,401

The funded percentage and the value of assets shown in the chart above do not include the Special Financial Assistance (SFA) money received on July 1, 2024. The SFA money is included in the chart below.

Year-End Fair Market Value of Assets

To provide further insight into the Plan's financial position, the chart below shows the fair market value of the Plan's assets on the last day of the 2025 Plan Year and the two preceding plan years as compared to the actuarial value of the Plan's assets on the first day of those years.

- **Actuarial values (shown in the chart above)** account for market fluctuations over time. Unlike market values, actuarial values do not change daily with stock or market shifts.
- **Market values (shown in the chart below)** fluctuate based on investment performance, providing a more immediate snapshot of the plan's funding status. The estimated December 31, 2025 asset value in the chart below includes the Plan's SFA monies.

	December 31, 2025	December 31, 2024	December 31, 2023
Fair Market Value of Assets	$52,516,110 (estimated)	$51,513,262	$25,068,063

Endangered, Critical, or Critical and Declining Status

Under federal pension law, a plan's funding status determines the steps a plan must take to strengthen its finances and continue paying benefits:

- **Endangered:** The plan's funded percentage drops below 80 percent. The plan's trustees must adopt a funding improvement plan.
- **Critical:** The plan's funded percentage falls below 65 percent or meets other financial distress criteria. The plan's trustees must implement a rehabilitation plan.

- **Critical and Declining:** A plan in critical status is also designated as critical and declining if projected to become insolvent—meaning it will no longer have enough assets to pay out benefits—within 15 years (or within 20 years under a special rule). The plan's trustees must continue to implement the rehabilitation plan, and may seek government approval to amend the plan, including reducing current and future benefits.

Under the law, due to receipt of Special Financial Assistance (SFA) the Plan is deemed to be in critical status for the Plan Year ending December 31, 2025, and will continue to be deemed to be in critical status through December 31, 2051. As such, the Plan's efforts to improve its funding situation, including its rehabilitation plan, remain in effect. The Plan's Board of Trustees adopted its initial rehabilitation plan on November 26, 2010. The rehabilitation plan is reviewed annually and was last updated in 2024.

You may obtain a copy of the Plan's updated rehabilitation plan, and the actuarial and financial data showing actions taken to improve the Plan's funding. You may obtain this information by contacting the Plan's administrator, Associated Administrators, LLC, 911 Ridgebrook Road, Sparks, MD 21152-9451 or call 410-683-6500.

For the plan year ending December 31, 2026, the Plan is certified as being in deemed critical status. A separate notification of that status has or will be provided to you.

Participant and Beneficiary Information

The following chart shows the number of participants and beneficiaries covered by the Plan on the last day of the 2025 Plan Year and the two preceding plan years. The numbers for the 2025 Plan Year reflect the plan actuary's reasonable, good faith estimate.

Number of participants and beneficiaries on last day of relevant plan year	**2025**	**2024**	**2023**
1. Last day of plan year	December 31	December 31	December 31
2. Participants currently employed	287	287	317
3. Participants and beneficiaries receiving benefits	635	564	566
4. Participants and beneficiaries entitled to future benefits (but not receiving benefits)	392	454	435
5. Total number of covered participants and beneficiaries (*Lines 2 + 3 + 4 = 5*)	1,314	1,305	1,318

Funding & Investment Policies

Funding Policy

Every pension plan must establish a funding policy to meet its objectives. The funding policy relates to how much money is needed to pay promised benefits. The Plan's funding policy is to collect the contributions that the employers are required to make under applicable law and collective bargaining agreements.

Investment Policy

Pension plans also have investment policies that provide guidelines for making investment management decisions. The Plan's assets are invested by the Trustees in consultation with professional investment advisors and in accordance with the Plan's Investment Policy Statement. The Plan's Investment Policy

Statement calls for targeting the asset allocation of its non-SFA assets in approximately the following percentages: 35% stocks, 50% bonds, and 15% real estate. The Plan's SFA assets are invested only in investment grade bonds.

As of the end of the Plan Year, the Plan's total assets (including SFA assets) were allocated among the following investment categories as percentages of total assets:

Asset Allocations	**Percentage**
1. Cash (interest and non-interest bearing)	4.53%
2. U.S. Government securities	7.56%
3. Corporate debt instruments (other than employer securities):	
Preferred	0%
All other	54.10%
4. Corporate stocks (other than employer securities):	
Preferred	0%
Common	6.59%
5. Partnership/joint venture interests	6.99%
6. Real estate (other than employer real property)	0%
7. Loans (other than to participants)	0%
8. Participant loans	0%
9. Value of interest in common and collective trusts	11.51%
10. Value of interest in pooled separate accounts	4.45%
11. Value of interest in master trust investment accounts	0%
12. Value of interest in 103-12 investment entities	0%
13. Value of interest in registered investment companies, like mutual funds	4.27%
14. Value of funds held in insurance company general account (unallocated contracts)	0%
15. Employer-related investments:	
Employer securities	0%
Employer real property	0%
16. Buildings and other property used in plan operation	0%
17. Other	0%

For information about the Plan's investment in any of the following types of investments - common/collective trusts, pooled separate accounts, or 103-12 investment entities - contact the Plan's administrator, Associated Administrators, LLC, 911 Ridgebrook Road, Sparks, MD 21152-9451 or call 410-683-6500.

The Plan's non-SFA assets and its SFA assets are separately invested. The average return on non-SFA assets for the Plan Year was 9.4% and the average return on SFA assets for the Plan Year was 6.2% These values are estimated and calculated by the Plan's actuary.

Events Having a Material Effect on Assets or Liabilities

By law this notice must contain an explanation of new events that have a material effect on plan liabilities or assets. The Plan received Special Financial Assistance (SFA) from the PBGC in the amount of $26,715,415 on July 1, 2024.

Because the Plan received SFA, the Plan is required to be administered in accordance with conditions described in PBGC regulations. These conditions relate to benefit increases; allocation of plan assets; reductions in employer contribution rates; diversion of contributions to, and allocation of expenses to, other benefit plans; transfers or mergers; and withdrawal liability. Under certain circumstances, a plan may request approval from the PBGC for an exception from the conditions relating to benefit increases, reductions in employer contribution rates, transfers or mergers, and withdrawal liability.

Right to Request a Copy of the Annual Report

Pension plans must file an annual report, called the Form 5500, with the U.S. Department of Labor. The Form 5500 includes financial and other information about these pension plans.

You can get a copy of your Plan's Form 5500:

- **Online:** Visit www.efast.dol.gov to search for your Plan's Form 5500.
- **By Mail:** Submit a written request to your plan administrator.
- **By Phone:** Call (202) 693-8673 to speak with a representative of the U.S. Department of Labor, Employee Benefits Security Administration's Public Disclosure Room.

The Form 5500 does not include personal information, such as your accrued benefits. For details about your accrued benefits, contact your plan administrator.

Summary of Rules Governing Insolvent Plans

Federal law has a number of special rules that apply to financially troubled multiemployer plans that become insolvent, either as ongoing plans or plans terminated by mass withdrawal. Even though the Plan received SFA money and is not expected to become insolvent, 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 PBGC, below), the plan must apply to PBGC for financial assistance. 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 PBGC

Only vested benefits—those that you've earned and cannot forfeit—are guaranteed.

What PBGC Guarantees

PBGC guarantees "basic benefits" including:

- Pension benefits at normal retirement age.
- Most early retirement benefits.
- Annuity benefits for survivors of plan participants.
- Disability benefits for disabilities that occurred before the earlier of the date the plan terminated or the sponsor's bankruptcy date.

What PBGC Does Not Guarantee

PBGC does not guarantee certain types of benefits, including:

- A participant's pension benefit or benefit increase until it has been part of the plan for 60 full months. Any month in which the multiemployer plan was insolvent or terminated due to mass withdrawal does not count toward this 60-month requirement.
- Any benefits above the normal retirement benefit.
- Disability benefits in non-pay status.
- Non-pension benefits, such as health insurance, life insurance, death benefits, vacation pay, or severance pay.

Determining Guarantee Amounts

The maximum benefit PBGC guarantees is set by law. Your plan is covered by PBGC's multiemployer program. The maximum PBGC guarantee is $35.75 per month, multiplied by a participant's years of credited service.

PBGC guarantees a monthly benefit based on the plan's monthly benefit accrual rate and your years of credited service. The guarantee is calculated as follows:

1. Take 100 percent of the first $11 of the Plan's monthly benefit accrual rate.
2. Take 75 percent of the next $33 of the accrual rate.
3. Add both amounts together.
4. Multiply the total by your years of credited service to determine your guaranteed monthly benefit.

Example 1: Participant with a Monthly $600 Benefit and 10 Years of Service.

1. Find the accrual rate: $600/10 = $60 accrual rate.
2. Apply PBGC formula:
    a. Take 100 percent of the first $11= $11
    b. Take 75 percent of the next $33 = $24.75

3. Add the two amounts together: $11 + $24.75 = $35.75
4. Multiply by years of credited service: $35.75 x 10 years = $357.50

In this example, the participant's guaranteed monthly benefit is $357.50.

Example 2: Participant with a $200 Monthly Benefit and 10 Years of Service.

1. Find the accrual rate: $200/10 = $20 accrual rate.
2. Apply PBGC formula:
    a. Take 100 percent of the first $11= $11
    b. Take 75 percent of the next $9 = $6.75
3. Add the two amounts together: $11 + $6.75 = $17.75
4. Multiply by years of credited service: $17.75 x 10 years = $177.50

In this example, the participant's guaranteed monthly benefit is $177.50