SHEET METAL WORKERS' NATIONAL PENSION FUND
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015

CALIBRE
CPA GROUP
Bethesda, MD

Sheet Metal Workers' National Pension Fund and its Subsidiaries

Consolidated Financial Statements

December 31, 2015 and 2014

Contents

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Report of Independent Auditors

To the Board of Trustees of
Sheet Metal Workers' National Pension Fund

We have audited the accompanying consolidated financial statements of the Sheet Metal Workers' National Pension Fund (the Plan) and its subsidiaries, which comprise the consolidated statements of net assets available for pension benefits as of December 31, 2015 and 2014, and the related consolidated statements of changes in net assets available for pension benefits for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

The Plan's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial status of the Plan as of December 31, 2015 and 2014, and the consolidated changes in its financial status for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The accompanying information presented on pages 23 through 27 is for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Calibre CPA Group, PLLC

Bethesda, MD
October 10, 2016

Sheet Metal Workers' National Pension Plan and its Subsidiaries

Consolidated Statements of Net Assets Available for Pension Benefits

December 31, 2015 and 2014

	2015	2014
Assets		
Investments - at fair value		
Corporate and privately held stocks	$ 1,047,102,963	$ 1,046,927,642
Corporate obligations	333,233,901	309,449,773
United States Government and government agency obligations	220,096,138	228,797,374
Insurance company contracts	7,771,039	10,406,512
Pooled trust funds	265,570,592	70,396,142
Common collective trusts	554,467,729	515,559,474
Mutual funds	233,492,897	433,822,632
Limited partnerships	135,870,183	107,568,553
Hedge funds	407,984,331	408,195,305
Real estate	21,600,000	21,600,000
Short-term investments	97,186,886	225,881,474
Foreign obligations	303,439	594,677
Securities loaned to third parties		
Corporate stocks	421,170,882	306,961,569
Mutual funds	-	142,240,678
Corporate obligations	55,480,275	48,570,486
United States Government and government agency obligations	96,190,195	86,372,339
Collateral held for securities on loan	590,108,673	598,196,246
Total investments	4,487,630,123	4,561,540,876
Net assets held in 401(h) account	1,016,772	1,256,427
Receivables		
Contributions	45,146,651	40,151,788
Employer withdrawal liability - net	19,786,725	28,268,777
Accrued interest and dividends	7,155,428	6,731,806
Receivable for investment securities sold	7,684,994	31,721,108
Rent receivable	102,419	57,323
Due from affiliated organizations	615,226	619,436
Other receivables	4,006	4,029
Total receivables	80,495,449	107,554,267
Prepaid expenses, deposits and other assets	3,778,985	4,513,322
Cash		
NBF escrow accounts	12,716,513	14,314,994
Operating cash accounts	65,412,477	48,695,969
Total cash	78,128,990	63,010,963
Total assets	4,651,050,319	4,737,875,855
Liabilities and Net Assets		
Liabilities		
Accounts payable and withholdings	2,535,802	2,601,904
Settlement of securities purchased	55,083,000	99,098,625
Unprocessed/undistributed contributions	2,255,407	2,726,990
Deferred lease incentive	535,080	516,827
Notes payable	7,080,807	7,232,939
Obligations to 401(h) medical account	1,016,772	-
Obligations to refund collateral	590,108,673	598,196,246
Total liabilities	658,615,541	710,373,531
Net assets available for pension benefits	$ 3,992,434,778	$ 4,027,502,324

See accompanying notes to consolidated financial statements.

Sheet Metal Workers' National Pension Plan and its Subsidiaries

Consolidated Statements of Changes in Net Assets Available for Pension Benefits

Years Ended December 31, 2015 and 2014

	2015	2014
Additions		
Investment income		
Net appreciation (depreciation) in fair value of investments	$ (72,270,172)	$ 180,077,119
Interest and dividend income	65,103,273	62,369,036
Rental income, net of expenses of $3,285,599 and $3,214,367, respectively	53,021	326,556
	(7,113,878)	242,772,711
Less: investment expenses	(9,485,726)	(10,578,291)
Total investment income - net	(16,599,604)	232,194,420
Contributions		
Employer contributions	460,954,494	410,794,776
Liquidated damages	127,567	166,463
Withdrawal liability income	1,216,152	4,080,466
Less: amounts deemed uncollectible	(5,001,359)	(7,959,360)
Total contributions	457,296,854	407,082,345
Settlement income	23,299	426,275
Total additions	440,720,549	639,703,040
Deductions		
Benefits		
Pension benefits	447,295,036	439,333,036
COLA benefits	13,818,343	14,415,815
Death benefits	273,122	271,343
Total benefits	461,386,501	454,020,194
Pension Benefit Guaranty Corporation expense	3,516,084	1,631,268
Administrative expenses - net	10,885,510	10,383,497
Total deductions	475,788,095	466,034,959
Net change	(35,067,546)	173,668,081
Net assets available for pension benefits		
Beginning of year	4,027,502,324	3,853,834,243
End of year	$ 3,992,434,778	$ 4,027,502,324

See accompanying notes to consolidated financial statements.

NOTE 1. DESCRIPTION OF THE PLAN

The Sheet Metal Workers' National Pension Fund (the Plan) is a defined benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, that has been established to provide retirement benefits for participants who are represented for the purpose of collective bargaining by the International Association of Sheet Metal, Air, Rail and Transportation Workers' (SMART). In addition, other classes of participants who work for a contributing employer, who may not be represented for the purpose of collective bargaining by SMART, may participate under the terms and conditions established by the Trustees. The Plan is entirely financed from employer contributions and investment earnings.

A Normal Retirement Pension benefit is calculated considering a participant's work in Covered Employment. Over the years the benefit formula was changed in response to funding issues. Prior to 2000, a participant could earn a maximum of 12 months of Pension Credit in a year and the value for that credit was generally dependent on the final earned contribution rate (valued in increments). For work performed on or after January 2000, the formula was changed to provide a benefit based on a participant's contribution hours each Plan Year. This percentage is referred to as the "Applicable Rate," which is detailed in both the Plan Document, and for years on or after March 2008, under the terms of the Rehabilitation Plan and later the Funding Improvement Plan.

For participant's that separate from the Plan in 1997 or later in order to qualify for a Normal Retirement Pension (payable at age 65) he/she must earn a minimum of 5 years of service. For participant's that separate from the Plan prior to 1997 he/she must earn a minimum of 10 years of service or earn a minimum of 10 years of pension credit (which includes no less than 5 years of future service credit) is required to qualify for a pension. A Year of Service is defined as a calendar year in which a participant works a minimum of 870 hours in covered employment within a specified timeframe.

In order to qualify for a Disability Benefit a participant must meet the following conditions:

- Not attained age 55;
- Provide an approval from the U.S. Social Security Administration for Social Security Disability Insurance Benefits;

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

- Must earn a minimum of 10 years of pension credit, which includes at least 5 years of future service credit, and earn a minimum of 435 hours of work in covered employment within the 24-months of his/her disability onset;

- Not have worked in non-signatory employment; and

- Is not deemed a person for whom contributions are not required to be made under the Rehabilitation Plan.

If a participant meets these conditions the amount of the monthly benefit will be equal to the early retirement pension he or she would have qualified for but for age. (e.g. 55/30 Pension, Special Early Retirement Pension, Standard Early Retirement Pension or Unsubsidized Early Retirement Pension).

Provided a participant earns the minimum service requirements he/she will qualify for a monthly pension for his/her lifetime, provided he/she is not working in disqualifying employment. In the event of a retiree's death any continuation would be under the terms of the elected option. The earliest a participant can qualify for a pension is the month following receipt of an application, except in the case of a required mandatory distribution. Under the terms of the Plan, a participant must commence receipt of benefits the April 1st of the calendar year following attainment of age 70½.

Pension payments are subject to involuntary "cash out" in the event the actuarial present value of the monthly benefit is $1,000 or less. Additionally, the same opportunity exists on a voluntary basis if the actuarial present value of a pension is more than $1,000 and less than $5,000.

PRE-RETIREMENT DEATH BENEFITS:

In the event that a participant qualified for pension and dies prior to retirement, his/her spouse will be eligible for a monthly survivor's benefit representing the amount payable to the spouse under the 50% Joint and Survivor Annuity Option. This benefit is payable as early as the month following death; however, in the event the participant died prior to attaining age 55, the spousal benefit is actuarially reduced due to early distribution. The spouse is also given the option of delaying payment to the date the participant would have attained age 55 or 65 to avoid reductions for early retirement pension.

In the event a participant is not married and dies prior to receiving pension, a $5,000 lump sum death benefit will be payable if the following conditions are met:

- The participant has attained vested status;

- He/she worked 435 hours in covered employment within the 24-month period preceding death;

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

- He/she had not been employed in non-signatory employment; and

- A QDRO has not been filed with the Plan assigning a portion of the pension to an alternate payee.

This brief description of the Plan is provided for general information purposes only. Participants should refer to the Summary Plan Description or Plan Rules for a more complete summary of the Plan.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The consolidated financial statements include the accounts of the Plan's subsidiaries, which hold title to various real estate investments. All significant inter-company accounts and transactions have been eliminated for purposes of consolidation.

Method of Accounting - The consolidated financial statements have been prepared using the accrual basis of accounting.

Investments - Investments are carried at fair value. The fair value of a financial instrument is the amount that would be received to sell that asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date (the exit price).

Purchases and sales of the investments are reflected on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

Employer Contributions - Employer contributions receivable at year-end are based on actual contributions received subsequent to year-end and an estimate for those employers who are delinquent.

Estimates - The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the consolidated financial statements. Actual results could differ from those estimates. As explained above, the fair value of certain investments are estimated primarily by investment managers and consultants. Those estimated values may differ from the values that would have been used had readily determinable market values existed, and it is at least reasonably possible that these values may prove, even in the near term, to not represent the actual market value.

Property and Equipment - Property and equipment is expensed when purchased.

Benefits - Benefit payments are recorded when paid.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncement - In 2015, Accounting Standards Update (ASU) 2015-07 and ASU 2015-12 were issued by the Financial Accounting Standards Board. ASU 2015-07 removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the net asset value per share practical expedient. ASU 201-12 simplifies and makes more effective the investment disclosure requirements. ASU 2015-07 becomes effective for plan years beginning after December 15, 2016 and ASU 2015-12 became effective for plan years beginning after December 15, 2015. The Plan has elected early implementation of these standards. Previously reported financial information has been restated to present that information on a comparative basis.

Reclassification - Certain amounts on the 2014 consolidated statement of net assets available for pension benefits and the 2014 consolidated statement of changes in net assets available for pension benefits have been reclassified to conform to the 2015 presentation. These reclassifications had no effect on the net assets previously reported at December 31, 2014.

NOTE 3. TAX STATUS

The Internal Revenue Service (IRS) issued a favorable determination letter on March 11, 2015 which stated that the Plan and its underlying trust qualify under the applicable provisions of the Internal Revenue Code (IRC) and therefore are exempt from income taxes.

The Plan has been amended for various tax law changes since receiving its latest IRS determination letter. However, the Plan's administrator and the Plan's tax counsel believe the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Therefore, they believe the Plan is qualified and the related trust is tax-exempt.

The Plan has established a limited liability company and a 501(c)(25) corporation to hold title to its real estate investment properties.

The Plan accounts for income taxes in accordance with the Accounting Standards Codification (ASC) Topic *Income Taxes*. These provisions provide consistent guidance for the accounting for uncertainty in income taxes recognized in an entity's consolidated financial statements and prescribed a threshold of "more likely than not" for recognition and derecognition of tax positions taken or expected to be taken in a tax return. The Plan performed an evaluation of uncertain tax positions for the years ended December 31, 2015 and 2014, and determined that there were no matters that would require recognition in the consolidated financial statements or that may have an effect on its tax-exempt status. As of December 31, 2015, the statute of limitations for tax years 2012 through 2014 remains open with the U.S. Federal jurisdiction and the various states and local jurisdictions in which the Plan files returns.

NOTE 4. RELATED PARTY TRANSACTIONS

The Plan has contracted with several affiliated organizations with common participants under administrative service agreements to provide for contribution collections, field audit, legal and benefit payment services. The administrative reimbursement for the years ended December 31, 2015 and 2014 was $1,878,661 and $1,927,238, respectively.

The following represents the amount charged to each affiliated organization for the administrative service agreements for the years ended December 31, 2015 and 2014:

	2015	2014
SMART Local Unions and Councils Pension Plan - Canada	$ 62,231	$ 55,588
SMART Local Unions and Councils Pension Plan - USA	272,837	218,670
Sheet Metal Workers' Occupational Health Institute Trust	16,632	86,265
National Energy Management Institute Committee	24,660	190,666
International Training Institute	541,744	439,120
Stabilization Agreement of the Sheet Metal Industry	826,218	806,580
International Association of Sheet Metal, Air, Rail and Transit Workers	5,524	3,652
Sheet Metal Workers' International Scholarship Fund	4,595	3,763
Sheet Metal Workers' Association Accidental Death and Dismemberment Plan	21,374	19,758
Sheet Metal Workers' National Supplemental Savings Plan	102,846	103,176
Total	$ 1,878,661	$ 1,927,238

During the years ended December 31, 2015 and 2014, the Plan also paid certain reimbursable expenses on behalf of affiliated organizations.

Total amounts due from the affiliated organizations to the Plan at December 31, 2015 and 2014 were as follows:

	2015	2014
SMART Local Unions and Councils Pension Plan - USA	$ 136,613	$ 26,356
Sheet Metal Workers' Occupational Health Institute Trust	1,964	66,023
National Energy Management Institute Committee	796	167,075
International Training Institute	204,741	89,315
Stabilization Agreement of the Sheet Metal Industry	158,375	165,362
International Association of Sheet Metal, Air, Rail and Transit Workers	6,347	2,008
Sheet Metal Workers' International Scholarship Fund	1,180	348
Sheet Metal Workers’ Association Accidental Death and Dismemberment Plan	6,614	12,282
Sheet Metal Workers' National Supplemental Savings Plan	67,080	68,904
SMART Local Unions and Councils Pension Plan - Canada	31,516	21,763
Total	$ 615,226	$ 619,436

NOTE 4. RELATED PARTY TRANSACTIONS (CONTINUED)

Additionally, at December 31, 2015 and 2014, the Plan owed $2,255,407 and $2,726,990, respectively, of unprocessed and undistributed contributions collected on behalf of affiliated organizations as follows:

	2015	2014
Sheet Metal Workers' National Supplemental Savings Plan	$ 175,234	$ 89,446
Sheet Metal Workers' Occupational Health Institute Trust	67,472	59,652
National Energy Management Institute Committee	102,096	99,766
International Training Institute	410,406	443,255
Stabilization Agreement of the Sheet Metal Industry	1,126,045	1,589,637
Stabilization Agreement of the Sheet Metal Industry II	1,553	(17,317)
Sheet Metal Workers' International Scholarship Fund	11,717	18,645
Refunds to employers	360,884	443,906
Total	$ 2,255,407	$ 2,726,990

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Plan reports fair value using a hierarchy for observable independent market inputs and unobservable market assumptions about fair value measurements. Observable inputs are inputs that are based on market data obtained from sources independent of the Plan. Unobservable inputs are inputs that reflect the Plan's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is measured in three levels based on the reliability of inputs:

Level 1 - quoted prices in active markets for identical investment.

Level 2 - quoted prices in an inactive market or other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credits risk, etc.).

Level 3 - significant unobservable inputs (including the Plan's own assumptions in determining the fair value of investments).

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following is a summary of the inputs used as of December 31, 2015 and 2014, in valuing investments carried at fair value on a recurring basis, after the implementation of ASU 2015-07 and ASU 2015-12 as described in the accounting policies footnote is as follows:

Description	12/31/15 Total	Quoted Market Price for Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate and privately held stocks	$ 1,468,273,845	$ 1,466,149,218	$ -	$ 2,124,627
Corporate obligations	388,714,176	-	388,714,176	-
United States Government and government agency obligations	316,286,333	126,073,770	190,212,563	-
Foreign obligations	303,439	-	303,439	-
Insurance company contracts	7,771,039	-	7,182,181	588,858
Mutual funds	183,376,364	183,376,364	-	-
Real estate	21,600,000	-	-	21,600,000
Short-term investments	97,186,886	-	97,186,886	-
Collateral held for securities on loan	590,108,673	-	590,108,673	-
	3,073,620,755	$ 1,775,599,352	$ 1,273,707,918	$ 24,313,485
Investments measured at net asset value*	1,414,009,368			
Total	$ 4,487,630,123			

Description	12/31/14 Total	Quoted Market Price for Assets (level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Corporate and privately held stocks	$ 1,353,889,211	$ 1,351,830,033	$ -	$ 2,059,178
Corporate obligations	358,020,259	-	358,020,259	-
United States Government and government agency obligations	315,169,713	134,328,096	180,841,617	-
Foreign obligations	594,677	-	594,677	-
Insurance company contracts	10,406,512	-	9,830,028	576,484
Mutual funds	526,508,308	526,508,308	-	-
Real estate	21,600,000	-	-	21,600,000
Short-term investments	225,881,474	-	225,881,474	-
Collateral held for securities on loan	598,196,246	-	598,196,246	-
	3,410,266,400	$ 2,012,666,437	$ 1,373,364,301	$ 24,235,662
Investments measured at net asset value*	1,151,274,476			
Total	$ 4,561,540,876			

*In accordance with Accounting Standards Codification, investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated statements of net assets available for pension benefits.

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

A reconciliation of the beginning and ending balances for the year ended December 31, 2015 and 2014 of the net assets whose fair value has been determined using significant unobservable inputs (Level 3) is as follows:

Changes in Level 3 Category	Real Estate	Insurance Co. Contracts	Privately held Stocks
Beginning balance - 1/1/2015	$ 21,600,000	$ 576,484	$ 2,059,178
Net gains			
Realized	-	17,213	-
Unrealized	-	-	65,449
Purchases	-	-	-
Sales	-	(4,839)	-
Ending balance - 12/31/2015	$ 21,600,000	$ 588,858	$ 2,124,627

Changes in Level 3 Category	Real Estate	Insurance Co. Contracts	Privately held Stocks
Beginning balance - 1/1/2014	$ 21,600,000	$ 570,852	$ 2,096,088
Net gains			
Realized	-	30,588	594,991
Unrealized	-	-	(631,901)
Purchases	-	-	-
Sales	-	(24,956)	-
Ending balance - 12/31/2014	$ 21,600,000	$ 576,484	$ 2,059,178

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Corporate stock and U.S. Treasury bills: The fair value of the Plan's investments in corporate stock and U.S. Treasury bills are valued using the quoted prices of identical investments on the active markets they are traded.

Corporate, foreign and other government agency obligations: The fair value of the Plan's investments in corporate, foreign and other government agency obligations are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

Mutual funds - The fair value of the Plan's investments in mutual funds are valued using the quoted prices of identical investments on the active markets they are traded.

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Short term investments: Valued at amortized cost, which approximates fair value.

Insurance company contracts: Valued based on estimated amounts reported by the insurance company that holds the contracts.

Collateral held for securities on loan: Consists of cash, letters of credit issued by an entity other than the borrower, and securities. The collateral is marked to market daily based on the value of the underlying inputs.

Privately held stock: Value estimated based on independent audits of the investments and amounts reported by the investment manager or other investment consultants as applicable to the respective investment.

Real estate: Investments in real estate have been estimated based upon valuations performed by real estate valuation professionals.

Authoritative guidance on fair value measurements permits the Plan to measure the fair value of an investment in an investment entity that does not have a readily determinable fair value based upon the net asset value per share (NAV) of the investment. This guidance does not apply if it is probable that the investment will be sold at a value different than NAV.

The Plan's investment in these investment entities is subject to the terms of the respective agreements. Income or loss from investments in these investment entities is net of the Plan's proportionate share of fees and expenses incurred or charged by these investment entities.

The Plan's risk of loss in these entities is limited to its investment. The Plan may increase or decrease its level of investment in these entities at its discretion. The Plan typically has the ability to redeem its investment from these entities on a daily or quarterly basis but longer lock-up periods can apply to certain investments.

The following table summarizes the Plan's investments in certain entities that calculate net asset value per share as fair value measurement as of December 31, 2015 and 2014 by investment strategy:

	Fair Value		Unfunded	Redemption	Redemption Notice
	2015	2014	Commitments	Frequency	Period
a. Hedge funds	$ 407,984,331	$ 408,195,305	$ 23,800,000	varies	varies
b. Pooled trust funds	265,570,592	70,396,142	-	varies	varies
c. Common collective trusts	554,467,729	515,559,474	-	varies	varies
d. Limited partnerships	135,870,183	107,568,553	68,500,000	varies	varies
e. Mutual funds	50,116,533	49,555,002	-	quarterly	one year

The following summarizes the investment strategy for the Plan's investments in the table presented above which do not report as a direct filing entity (DFE) to the Department of Labor.

NOTE 5. INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

a. The hedge fund category is comprised of investments in hedge funds of funds. Two investments totaling approximately $204,500,000 utilize a multi strategy trading and capital structure arbitrage. The underlying investments are primarily comprised of public and private obligations, short term investments and investment funds. These underlying investments are valued using a variety of techniques and assumptions. One of the Plan's investments has no redemption restrictions and may be redeemed daily while the other has no restriction on redemptions and may be redeemed quarterly with a redemption notice of 95 days. Investments representing the remaining $203,250,000 of the investment in hedge funds utilize a long/short trading strategy. The underlying investments are primarily comprised of equity hedge fund portfolios and are valued based on the net asset value as reported by the respective investment manager. These investments have no redemption restrictions. Redemption frequency varies between quarterly and annually with notice periods that vary from 65 to 95 days.

b. The Plan's investment in pooled trust funds is comprised of two investments in 2015 and one investment in 2014. These investments primarily invest in equity securities in emerging markets or developing countries. These investments are valued based on the underlying value of the securities which are primarily obtained from national and international exchanges. One investment can be redeemed monthly with a 15-day notification period. The second investment can be redeemed daily with no redemption restrictions.

c. The common collective trust category is comprised of three investments, one of which reports as DFE. The second investment in AEW Core Property Trust (U.S.), Inc., which was qualifies as a real estate investment trust under the Internal Revenue Code of 1986, as amended, and is intended to be an open-end, long-term investment vehicle. This entity invests in real estate assets. The investment is valued at estimated fair valued based on the price that would be received to sell an asset between marketplace participants at the measurement date. Redemptions of these first two investments are restricted to quarterly with a 45-day notification period. The third investment is managed by Chevy Chase Trust Investment Advisors. Its objective is to replicate the performance of the Standard and Poor's 500 index through investing in a widely recognized and traded index of common stocks. This investment can be redeemed daily.

d. The Plan's investment in the limited partnership category consists of numerous individual investments. These investments seek to achieve long term-growth of capital consistent with risk reduction through diversification. The Plan estimates the fair value of their investments in limited partnerships based on the audited capital accounts and their respective percentage ownership as reported by the investment manager. These investments are subject to various restrictions on redemption and frequency. No one investment in this category exceeds 1% of total Plan investments.

e. The mutual fund category is comprised of one investment in an entity that invests primarily in commercial real estate developments and acquisitions. The value is based on the appraised values of the underlying real estate. Redemptions are restricted to quarterly with a one-year notification period.

NOTE 6. PENSION BENEFITS

The Plan participates in SMART Local Unions and Councils Pension Plan (LUC), a multiemployer defined benefit retirement plan, which covers employees of the Sheet Metal Workers' National Pension Fund. The risks of participating in this multiemployer plan are different from a single-employer plan in the following aspects:

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
c. If the Plan chooses to stop participating in some of its multiemployer plans, it may be required to pay those plans an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

The Plan's participation in LUC for the annual periods ended December 31, 2015 and 2014 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employee Identification Number (EIN) and the three-digit plan number, if applicable. The most recent Pension Protection Act (PPA) zone status available in 2015 and 2014 for LUC's year-end is as of November 30, 2014 and 2013, respectively. The zone status is based on information that the Plan received from LUC and is certified by the LUC's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions of the Plan			Surcharge Imposed
		2014	2013		2015	2014	2013	
SMART Local Unions and Councils' Pension Plan	53-6001972 33	Green	Green	N/A	$ 653,078	$ 648,938	$ 612,302	N/A

The Plan was listed in LUC's 2014 Form 5500 as providing more than 5% of the total contributions for the plan's year-end.

NOTE 7. ACTUARIAL INFORMATION

The most recent actuarial valuations of the Plan were made as of December 31, 2015 and 2014 by The Segal Company. Information shown in the reports included the following:

	December 31, 2015	December 31, 2014
Actuarial present value of accumulated plan benefits		
Vested benefits		
Participants or beneficiaries currently receiving payments	$ 4,065,913,451	$ 4,003,649,767
Other vested benefits	2,813,081,617	2,640,847,873
	6,878,995,068	6,644,497,640
Non-vested benefits	351,773,870	342,886,486
Total actuarial present value of accumulated plan benefits	7,230,768,938	6,987,384,126
Net assets available for pension benefits	3,992,434,778	4,027,502,324
Excess of actuarial present value of accumulated plan benefits over net assets available for pension benefits	$ 3,238,334,160	$ 2,959,881,802

As reported by the actuary, the changes in the present value of accumulated plan benefits during the years ended December 31, 2015 and 2014 were as follows:

	December 31, 2015	December 31, 2014
Actuarial present value of accumulated plan benefits at beginning of year	$ 6,987,384,126	$ 6,671,514,903
Increase (decrease) during the period attributed to		
Benefits paid	(461,386,501)	(454,020,194)
Interest	506,751,816	483,337,860
Benefits accumulated, experience gains or loss	193,752,081	120,909,495
Change in actuarial assuptions	-	162,217,674
Plan amendments	4,267,416	3,424,388
Actuarial present value of accumulated plan benefits at end of year	$ 7,230,768,938	$ 6,987,384,126

Contribution rates increased according to the Rehabilitation Plan. Since benefit accruals are tied directly to contribution rates, the contribution rate increases are treated as plan amendments.

NOTE 7. ACTUARIAL INFORMATION (CONTINUED)

Some of the more significant actuarial assumptions and methods used in estimating the present value of accumulated plan benefits were:

Mortality Rate - Healthy: RP-2014 Blue Collar Employee Mortality Tables (sex district), with ages set forward 1 year, projected generationally using scale MP-2014. Disabled Mortality: RP- 2014 Disabled Retiree Mortality Tables (sex district), with ages set forward 1 year, projected generationally using scale MP-2014.

Rates of Retirement - Ages 55 to 70. Terminated vested participants are assumed to retire at the earliest possible retirement age.

Investment rate of return - 7.5%

Cost Method - Unit credit cost method.

Percent married - 80%

Administrative expense - $14,500,000 and $14,100,000 at December 31, 2015 and 2014, respectively.

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 actuarial results. Through December 31, 2015, the Plan's actuary has determined the Plan has met the minimum funding requirements of ERISA.

The Plan is certified in endangered (yellow zone) status.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 8. PRIORITIES UPON TERMINATION

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC). The PBGC provides financial assistance to plans to help them avoid insolvency. Should a plan become insolvent, the PBGC guarantees certain benefits to participants; however, the benefits guaranteed are generally only a portion of the normal pension benefit. In addition, no benefit increases as a result of plan amendments in effect for less than five years are guaranteed.

NOTE 9. 401(h) ACCOUNT

The Plan was amended to include a medical-benefit component in addition to the normal retirement benefits to fund a portion of the postretirement obligations for retirees and their beneficiaries in accordance with Section 401(h) of the IRC. A separate account has been established and maintained in the Plan for the net assets related to the medical-benefit component (401(h) account). In accordance with IRC Section 401(h), the Plan's investments in the 401(h) account may not be used for, or diverted to, any purpose other than providing health benefits for retirees and their beneficiaries. The related obligations for health benefits are not included in this Plan's financial statements. Employer contributions to the 401(h) account are determined periodically and are at the discretion of the Plan Sponsor.

Certain portion of the Plan's net assets are restricted to fund a portion of postretirement health benefits for retirees and their beneficiaries in accordance with IRC Section 401(h).

The following is a reconciliation of net assets available for pension benefits per the financial statements to the Form 5500:

	December 31, 2015	December 31, 2014
Net assets available for pension benefits per the financial statements	$ 3,992,434,778	$ 4,027,502,324
Net assets held in 401(h) account included as assets in Form 5500	1,016,772	-
Net assets available for benefits per the Form 5500	$ 3,993,451,550	$ 4,027,502,324

The net assets of the 401(h) account included in Form 5500 are not available to pay pension benefits but can be used only to pay retiree health benefits.

The following is a reconciliation of the changes in net assets per the financial statements to the Form 5500:

For the Year Ended December 31, 2015	Amounts Per Financial Statements	401 (h) Account	Amounts Per Form 5500
Contributions	$ 457,296,854	$ 7,435,096	$ 464,731,950
Benefits	$ 461,386,501	$ 6,418,324	$ 467,804,825

NOTE 10. WITHDRAWAL LIABILITY

The Plan assesses withdrawal liability to employers who have withdrawn from the Plan in accordance with plan provisions and related regulations. Amounts assessed as withdrawal liability contributions are recorded as receivable when collection of the assessment appears reasonably certain. Once the receivable is recorded, a portion of each payment received reduces the receivable and a portion is recorded as interest income on withdrawal liability contributions. The payment status of each employer is reviewed semiannually by the Plan's legal counsel and an allowance for doubtful collection is recorded if warranted. At December 31, 2015 and 2014, $19,786,725 and $28,268,777, respectively, was recorded as receivable.

NOTE 11. NOTES PAYABLE

The Plan has a note payable to Tristate Capital Bank collateralized by real estate. The Plan amended the loan agreement and note in October 2014. The terms of the note provide for payments of principal and interest payable monthly equal to 3% above the LIBOR Monthly Rate. The principal owed on this note is $7,080,807 and $7,232,939 as of December 31, 2015 and 2014, respectively. The note, scheduled to mature in October, 2016, was refinanced subsequent to year end.

NOTE 12. LITIGATION

The Plan is involved in legal proceedings and claims of various types. In the opinion of the Plan’s management, the amount of ultimate liability with respect to these actions will not materially affect the financial status of the Plan.

NOTE 13. SECURITIES LENDING ACTIVITIES

The Trustees of the Plan have entered into an agreement with the Plan’s custodial bank as of January 1, 1998, which authorizes the bank to lend securities held in the Plan’s accounts to third parties. The bank must obtain collateral from the borrower in the form of cash, letters of credit issued by an entity other than the borrower, or acceptable securities.

Both the collateral and the securities loaned are marked-to-market on a daily basis so that all loaned securities are fully collateralized at all times. In the event that the loaned securities are not returned by the borrower, the bank will, at their own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, will credit the Plan’s accounts with cash equal to the fair value of the loaned securities.

Effective September 1, 2003, the split in income derived from the securities lending activities is 70% and 30% between the Plan and the custodial bank. “Interest and dividend income” reported in the accompanying statement of changes in net assets available for pension benefits includes $2,799,871 and $1,958,860 earned by the Plan during the years ended December 31, 2015 and 2014, respectively, in connection with the securities lending program.

NOTE 13. SECURITIES LENDING ACTIVITIES (CONTINUED)

Although the Plan's securities lending activities are collateralized as described above, and although the terms of the securities lending agreement with the custodial bank requires it to comply with government rules and regulations related to the lending of securities held by ERISA plans, the securities lending program involves both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize their loan upon a sudden material change in the fair value of the loaned securities or the collateral, or that the bank's investment of cash collateral received from the borrowers of the Plan's securities may be subject to unfavorable market fluctuations. 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, respectively.

At December 31, 2015 and 2014, the fair value of securities loaned was $572,841,352 and $584,145,072, respectively, while the cash collateral held was $590,108,673 and $598,196,246, respectively.

The Plan has segregated securities on loan to third parties from other investments on the statement of net assets available for pension benefits and has also reported the cash collateral held for securities on loan, and a corresponding liability to return the collateral.

NOTE 14. MINIMUM FUTURE RENTAL INCOME

The Plan's real estate subsidiaries lease office space to various tenants. At December 31, 2015, the minimum rental revenue related to all non-cancelable leases with unrelated parties was as follows:

Year Ending December 31,	2016	$ 2,264,455
	2017	2,263,420
	2018	2,240,421
	2019	2,027,345
	2020	1,926,371
	Thereafter	8,236,520
		$ 18,958,532

NOTE 15. FUTURE MINIMUM LEASE PAYMENTS

In August of 2012, the Plan entered into an operating lease agreement for office space in Fairfax, Virginia. The lease is for a period of 128 months and includes an eight month rent abatement period, as well as, a tenant improvement allowance. The agreement terminates on March 31, 2023.

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Minimum annual rental and lease commitments under the leases at December 31, 2015 are as follows:

December 31,	2016	$ 637,402
	2017	659,711
	2018	682,801
	2019	706,699
	2020	731,434
	Thereafter	1,740,389
		$ 5,158,436

Total rental expense was $637,269 and $637,272 for the years ended December 31, 2015 and 2014, respectively.

NOTE 16. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the consolidated statements of net assets available for benefits.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to the uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the consolidated financial statements.

NOTE 17. SUBSEQUENT EVENTS

Subsequent events have been evaluated through October 10, 2016, which is the date the consolidated financial statements were available to be issued. No additional adjustment to or disclosure is necessary in the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

Sheet Metal Workers' National Pension Fund and its Subsidiaries

Schedule of Corporate Stocks, Corporate and Foreign Obligations, and United States Government and Government Agency Obligations

December 31, 2015

Investment Manager	Corporate Stocks	Corporate/Foreign Obligations	United States Government and Government Agency Obligations	Total
Apex Capital Management	$ 79,455,623	$ -	$ -	$ 79,455,623
BNY Mellon (Mid Cap)	268,063,878	-	-	268,063,878
BNY Mellon (Small Cap)	217,759,295	-	-	217,759,295
Blackrock	220,725	81,410,196	98,539,851	180,170,772
Cambiar	62,657,073	-	-	62,657,073
Clarion	73,199,177	-	-	73,199,177
Columbia	99,681,865	-	-	99,681,865
Delaware	66,832,527	-	-	66,832,527
Delaware International	141,943,580	-	-	141,943,580
Harding Loevner ADRS	154,758,707	-	-	154,758,707
MET Wet Core Fixed	1,724,372	52,372,056	84,560,895	138,657,323
NFJ	72,194,314	-	-	72,194,314
NFJ Large Cap	54,189,870	-	-	54,189,870
Penn Capital	63,512	63,744,178	-	63,807,690
Directly held investments	2,124,627	-	-	2,124,627
Sage Advisory	-	19,607,401	15,116,251	34,723,652
Seix	594,600	71,726,616	-	72,321,216
WAMCO SMA	3,371,190	100,157,168	118,069,336	221,597,694
Westfield Capital (Large Cap)	88,536,926	-	-	88,536,926
Westfield Capital (Mid Cap)	80,901,984	-	-	80,901,984
	$ 1,468,273,845	$ 389,017,615	$ 316,286,333	$ 2,173,577,793

Sheet Metal Workers' National Pension Plan and its Subsidiaries

Schedules of Investment Manager Fees

Years Ended December 31, 2015 and 2014

	2015		2014	
	Fees	Assets Under Management At End of Year	Fees	Assets Under Management At End of Year
* Abbey Capital Fund	$ -	$ 59,340,711	$ -	$ 59,418,580
* AEW Partners LP	-	14,924,996	(37,500)	14,345,362
* AFL-CIO Equity Index Fund	-	432,092,193	-	426,260,199
Apex Capital Management	356,390	82,774,292	325,477	79,279,410
Blackrock	321,329	159,958,745	314,159	158,190,621
BNY Mellon	251,611	688,189,853	110,771	263,374,745
* Berens Capital Fund	-	40,724,896	-	43,353,815
Cambiar	246,100	67,309,715	336,271	66,022,762
Clarion	355,137	73,650,535	323,338	71,233,681
Columbia LC Growth	396,599	101,337,304	451,993	113,628,304
CRM	-	-	362,363	1,037
* Cramer, Rosenthal McGlynn, LP	-	772,939	-	1,713,233
Delaware	356,169	68,535,711	385,454	72,517,997
Delaware International	618,220	147,947,892	386,196	148,504,048
* Goldman Sachs Private Equity	-	18,805,023	-	20,708,496
* Grosvenor Enhanced L/S Equity	-	47,607,520	-	48,078,639
* Grosvenor Institutional Partner, L.P.	-	50,168,563	-	50,282,303
Harding Loevner	725,381	159,321,179	660,534	160,857,457
Hancock Separate Account	43,590	3,715,600	56,848	5,310,180
HGK	163,256	9,724	322,247	62,911,405
* Invesco Capital Management, Inc.	-	1,965,174	7,471	2,524,828
IWS Russell Mid Cap Value	-	-	-	118,342,230
Janus	-	-	121,284	21,553
* McMorgan Infrastructure Fund I, L.P.	-	16,047,359	-	1,823,122
* Mesirow Hedge Fund	-	145,355,742	-	148,506,033
MHR Institutional Advisors II, L.P.	-	756,989	-	1,466,547
MET West Core Fixed Fund	242,416	134,029,113	235,741	133,330,746
NFJ Small Cap	472,809	75,580,378	476,746	79,740,890
NFJ Large Cap	225,324	55,691,848	290,761	60,177,771
Penn Capital	365,900	68,295,823	274,992	73,888,495
PIMCO	-	-	494,884	296,660
* Private Advisors	-	114,955,462	-	108,838,238
Russell Mid Cap Growth	-	-	-	118,145,254
Sage Advisory	88,362	35,277,835	87,517	35,025,942
Seix	285,151	74,864,531	241,734	77,739,098
* Siguler Guff Distressed Opportunities Fund II (E), LP	-	16,533,205	-	-
Thornburg	-	23	172,410	897
* TownSquare Real Estate, L.P.	-	15,895,935	-	14,704,662
Wall Street	-	25,286	-	21,747
WAMCO SMA	491,822	212,572,674	19,971	211,238,554
Wells Mid Cap	92,718	92,441	531,886	168,560
Westfield Large Capital Growth	426,786	91,453,208	502,691	108,180,085
Westfield Small Capital Growth	526,517	84,473,552	523,244	85,262,493
* Vanguard	-	183,416,786	-	302,356,363
* Vontobel Global Emerging Markets	-	265,570,592	-	70,396,142
Total	$ 7,051,587	$ 3,810,041,347	$ 7,979,483	$ 3,618,189,184

*The investment fees relating to these investments were $4,362,166 and $4,155,234 for the years ended December 31, 2015 and 2014, respectively, and were deducted directly from the accounts.

Sheet Metal Workers' National Pension Plan
and its Subsidiaries

Schedules of Investment Expenses

Years Ended December 31, 2015 and 2014

	2015	2014
Investment consulting fees and expenses		
Gallagher Fiduciary Advisors, LLC	$ -	$ 113,300
Graystone	1,840,530	1,948,667
BNY Mellon	341,304	309,487
Zeno Consulting Group	46,875	36,250
Custodian fees		
BNY Mellon	191,674	176,930
Insurance contract administration charges and management fees	13,756	14,174
Investment manager fees	7,051,587	7,979,483
	$ 9,485,726	$ 10,578,291

Sheet Metal Workers' National Pension Plan and its Subsidiaries

Schedules of Legal Fees and Expenses

Years Ended December 31, 2015 and 2014

	2015	2014
Slevin & Hart, P.C.	$ 1,070,465	$ 959,112
Jennings Sigmond	323,058	329,959
Jeffrey Dubin	535,132	554,201
Others	224,870	116,331
	$ 2,153,525	$ 1,959,603

Sheet Metal Workers' National Pension Plan and its Subsidiaries

Schedules of Administrative Expenses

Years Ended December 31, 2015 and 2014

	2015	2014
Actuarial fees	$ 254,750	$ 255,250
Administrative charges - John Hancock	132,539	108,260
Audit and accounting fees	88,900	86,700
Bank charges	55,706	80,125
Computer processing	738,172	829,940
Consulting	323,957	202,896
Employee fringe benefits	1,116,528	1,135,855
Employer contributions compliance	1,057,620	833,932
Equipment rental and maintenance	44,589	62,421
Insurance	48,163	52,771
Legal fees and expenses	2,153,525	1,959,603
Local union collection service	140,093	129,256
Office supplies and expense	175,596	138,113
Office lease	637,269	637,272
Pension contribution	653,078	648,938
Postage/Mailing	337,752	414,965
Printing	135,840	289,898
Salaries	3,931,470	3,953,786
Reimbursement of legal costs	(376,376)	(529,198)
Seminars	19,754	12,484
Social Security Administration	18,737	1,250
Storage	10,809	11,597
Subscriptions and periodicals	28,405	25,203
Taxes - payroll	297,055	290,884
Taxes - other	21,078	28,960
Telephone	58,323	69,266
Third party administrative fees	151,583	24,000
Travel and meetings	30,590	23,620
Trustee liability insurance	455,363	489,164
Trustee meeting expense	23,303	43,524
	12,764,171	12,310,735
Less: administrative reimbursements from affiliated organizations	(1,878,661)	(1,927,238)
Total	$ 10,885,510	$ 10,383,497