

Kim Roberts Hedgpeth
Executive Director



July 1, 2021

Dear Participating Musician/Beneficiary,

I am extremely pleased to include your July 2021 residual distribution from the Film Musicians Secondary Markets Fund. This residual payment is made to you by the Motion Picture and Television Producers who are operating under the AFM Basic Theatrical Motion Picture Agreement and/or the AFM Basic Television Motion Picture Agreement negotiated by the American Federation of Musicians.

The enclosed residuals payment covers the Fund's 2021 fiscal year of April 1, 2020 through March 31, 2021. This was a difficult year for film and television musicians, as employment evaporated when the industry shut down in response to the pandemic, with jobs slowly returning as production emerged from the crisis.

However, there was one bright spot during this difficult year: Contributions received at the Fund during FY2021 exceeded all prior years, resulting in more than \$124 Million in residuals collected during this fiscal year as compared to \$114.6 Million during FY2020 and \$115.6 Million during FY2019. We hope this one bright spot helps, in some small way, to ease the burdens from this challenging last year. We encourage you to check your statement carefully.

PLEASE UPDATE YOUR BENEFICIARY INFORMATION: Is your beneficiary information up to date? If not, please take a moment to update your beneficiary information. You can find more information about the Fund's Beneficiary policies by visiting our website at <https://www.fmsmf.org/beneficiary>. Or email us at participantservices@fmsmf.org with any questions or concerns you may have.

ENHANCED COMMUNICATIONS: We hope you're already receiving *Music Notes*, the Fund's e-newsletter which is emailed to participants several times each year. If not, this is a great time to ensure we have your current email address. Also, if you are a current AFM member, please look for news and information from the Fund which is published in *International Musician* from time to time to provide updates to working musicians. And, if you have not already done so, please be sure to follow us on Facebook, Twitter and Instagram!

A general overview of the Fund's fiscal performance is provided in the Unaudited Summary of Financial Activities found on the reverse side of this letter. The final independent auditor's financial report for Fiscal Year 2021 will be available on the Fund's website later this year.

PROTECT YOURSELF AND GO-PAPERLESS: If you received this statement through the mail in hard copy, please consider enrolling in the "Go Paperless" option to receive all of your annual information (except year end tax forms) electronically. ***We strongly urge all Fund participants to enroll in the Fund's Go-Paperless program. Due to recent upticks in reports of lost, delayed or stolen checks through regular mail, it is in the best interest of all participants to ensure their residuals and statements are protected through safe, instant and secure Go-Paperless/Direct Deposit. For more information on how to enroll in Go-Paperless, please visit www.fmsmf.org/gopaperless, or email us at participantservices@fmsmf.org for assistance.***

(Please see reverse side)

Unaudited Summary of Financial Activities

Estimates as of July 1 for FYE March 31, 2021

	<u>Fiscal Year Ended 3/31/21</u>	
Collected Contributions	\$	124,467,355
Required contribution to AFM Employers Pension Fund	\$	(1,848,947)
Amounts set aside pending verifications	\$	(1,170,727)
Contributions available for distribution	\$	121,447,681
Operating Expenses*	\$	(8,361,052)
Retired unclaimed distributions	\$	2,392,772
Interest/Dividends earned after expenses	\$	1,059,042
Required contribution to AFM Employers Pension Fund on net earnings	\$	(22,273)
Cost Basis Adjustment on Investments	\$	523,633
Available for distribution after Adjustments	\$	117,039,803
Estimated Employers' share of payroll taxes	\$	(8,000,000)
Reserve for omissions**	\$	(1,744,262)
Projected Distribution Amount	\$	107,295,541

Note: * Expenses include reissued disbursements to Participants of previous years' retired unclaimed residuals in the amount of \$624,914.
** New beginning balance of \$1,850,000 set for September 2021 omissions distribution.

Enclosed with this mailing you will also find:

- A check (or Direct Deposit voucher) for your share of the annual disbursement.
- Your individual Participant's Statement.

Please note that the enclosed check is valid for a period of 90 days from the date of issue and cannot be cashed beyond that time. For this reason, we strongly encourage you to cash the check at your earliest convenience. We will reissue checks that expire a few times per year, and encourage you to avoid delay by cashing this check as soon as possible. And as noted above, **Go Paperless** is a safe and convenient option for you to avoid the inconvenience of managing paper checks.

If you have questions or if we can be of service, please feel free to email us at participantservices@fmsmf.org or contact us toll-free at 1-888-443-6763 and follow the prompts to speak to a Participant Services Associate.

On behalf of the staff at the Fund, we look forward to continuing our work on behalf of the Fund's Participants, and welcome your feedback on how we can better serve you and the motion picture music community as a whole.

Each year, new films and television programs report residuals into the Fund for the first time and new musicians are added to the Fund's rolls as a result. We thank all musicians, both new and returning, for your contributions to the motion picture and television industry and wish you good health and a better and brighter 2021.

Sincerely,

Kim Roberts Hedgpeth

Executive Director