Warehouse Employees Union Local No. 730
Pension Trust Fund

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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND DECEMBER 1, 2023 VIA ZOOM

The following Trustees were present:

UNION TRUSTEES
W. Davis – Secretary
R. Brooks
F. Myers

EMPLOYER TRUSTEES
J. Paradis – Chairman
M. Bull
M. Kamara
M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
M. Deveney – Cheiron
P. Hardcastle – Cheiron
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
B. Saindon – Mooney, Green, Saindon, Murphy & Welch, P.C.
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held September 8, 2023.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the minutes of the last regular meeting held on September 8, 2023 are approved as presented.**

III. FINANCIAL REPORT

A. Investment Performance Services, LLC ("IPS")

The Trustees welcomed Mr. Rich Sichel of IPS to the meeting.

Mr. Sichel distributed his firm's report titled, "Master Consulting Services Report – September 30, 2023." Mr. Sichel reviewed the financial markets generally. Mr. Sichel reported that the Fund's total market value of assets as of September 30, 2023 was $140,292,975, and its year-to-date return -2.1%, compared to the -2.6% return for the index.

1. Asset Allocations

Mr. Sichel reviewed the Fund's asset allocation as of September 30, 2023: U.S. Equities 30.5%, U.S. Small/Mid Cap 10.6%, International Equities 8.8%, Fixed Income Core 2.2%, Fixed Income High Yield 5.3%, Real Estate 21.6%, Opportunistic Strategies 11.4%, Global Tactical Asset Allocation 5.0%, Private Equity 3.6% and cash 1.0%.

2. Quarterly Performance Report

Mr. Sichel presented the preliminary quarterly performance report for the period ended September 30, 2023. He noted the assets held by the investment managers on September 30, 2023 were as follows: Hardman Johnston Global Advisors held $14,257,474; Northern Trust held $14,723,961; Great Lakes Advisors held $13,861,927; Atlanta Capital held $14,809,255; Hardman Johnston International Equity held $5,762,310; Acadian held $6,638,105; JPMCB Global Allocation Fund held $7,023,223; C.S. McKee held $3,040,515; Loomis Sayles held $7,462,089; PRISA III held $24,361,448; Boyd Watterson $5,892,304; Corbin ERISA Opportunity Fund held $15,952,943; Hamilton Lane Secondary Fund IV-A $4,305,893; Hamilton Lane Secondary Fund VI-A $773,357 and the cash account held $1,428,171.

3. Monthly Funding

Mr. Sichel reviewed the current process used to determine the amount needed from investments to cover benefit expenses on a monthly basis. Mr. Sichel advised that there was a prior process by which the Fund set instructions with five investment managers to automatically draw a certain dollar amount when cash was needed. He recommended that the prior process be reinstated. He recommended drawing $250,000 monthly from the following managers: Hardman Johnston Global Advisors LLC, Northern Trust Company, Atlanta Capital Management Co., LLC, Great Lakes Advisors, and C.S. McKee, LP, providing a total of $1.25 million to the cash account in order to pay monthly benefit expenses.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve IPS' recommendation to transfer $250,000 on a monthly basis from the following investment managers, Hardman Johnston Global Advisors LLC, Northern Trust Company, Atlanta Capital Management Co., LLC, Great Lakes Advisors, and C.S. McKee, LP to the cash account in order to pay for benefit expenses.**

The Trustees thanked Mr. Sichel and he was excused from the meeting.

IV. ACTUARY

Mr. Deveney and Mr. Hardcastle reviewed their report titled, "2023 Valuation Results" which was provided prior to the meeting.

Mr. Deveney reviewed the Valuation report and provided a historical review of the assets and liabilities, minimum funding, participant counts, and annual cash flows. He discussed the 2023 actuarial valuation results including a summary of key results and Plan year experience. He said the Plan is projected to be insolvent in 2035 unless the Fund receives Special Financial Assistance under the American Rescue Plan Act.

Mr. Hardcastle discussed in detail the "lock in" application the Fund submitted to PBGC in March 2023.

The Trustees thanked Mr. Deveney and Mr. Hardcastle for their report.

V. COUNSEL REPORT

Ms. Saindon reported on the Rehabilitation Plan. She said that Fund Co-Counsel and the Actuary will work on updating the document.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2023. The report showed contribution income of $1,489,267, miscellaneous income of $387, interest and dividend income of $193,954, and withdrawal liability payments of $165,919, producing a total income of $1,849,527. Expenses included $5,492,905 of pension benefit expense and $228,193 of operating expense, producing a total expense of $5,721,098 for the quarter. This resulted in a net deficit of $3,871,571 for the quarter. Ms. Cochran noted that contributions were made on behalf of 316 active Plan participants and that there were no contribution delinquencies to report.

Ms. Cochran reviewed the pension applications requiring Trustee approval.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the pension applications contained in the Administrative Manager's third quarter 2023 report are approved for payment as presented.**

VII. INVOICES

Ms. Cochran presented a list of invoices dated December 1, 2023. She noted that there were no additions, deletions, or changes to the list.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED that the invoices on the list dated December 1, 2023 are approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Summary of Material Modifications ("SMM")

Ms. Cochran reported that Associated mailed a SMM regarding Trustee changes on October 11, 2023.

B. Employer Contribution Rate Increase Letter

Ms. Cochran reported that Associated mailed a contribution rate increase letter to Washington Food for the rate change that went into effect November 1, 2023.

C. Form 5500

Ms. Cochran reported that the Fund's Form 5500 for the Plan year ending December 31, 2022 was filed on October 14, 2023.

D. Summary Plan Information Report for the Plan Year Ended December 31, 2022

Ms. Cochran reported that Associated mailed the 104(d) Multiemployer Plan Summary of Information to participating employers and Local 730, on October 31, 2023.

E. Pension Benefit Guarantee Corporation ("PBGC") 2022 Comprehensive Filing

Ms. Cochran stated that Associated filed the 2021 Comprehensive Filing with PBGC on October 13, 2023. The Fund paid a PBGC premium of $68,530.00.

F. Cybersecurity Report

Ms. Cochran reported that Mr. Thomas DeMayo of PFK O'Connor Davies was unable to attend the meeting. Trustee Paradis reviewed and discussed the cybersecurity report provided prior to the meeting, "Vendor Due Diligence Assessment". He said the objective of the study was to review the cybersecurity programs of the Funds' vendors in accordance with the cybersecurity guidance issued by the Department of Labor ("DOL"). He said according to PFK, a detailed questionnaire will be developed to review new and current vendor controls.

Trustee Paradis noted that according to the report, six vendors were assessed with high maturity, meaning it meets all the security requirements specified by the DOL.

The report listed one vendor with a pending review. The Trustees discussed the ongoing approach for vendor compliance.

On MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve PFK O'Connor Davies to perform assessments every three years for vendors with a high maturity rating, every year for three consecutive years for a vendor that experiences a data breach, every year for vendors with a low maturity rating, and to perform an assessment for all new vendors.**

G. Administrative Services Contract Renewal

Ms. Cochran reported on the status of Associated's updated contract. She reported that a draft will be sent to co-counsel for review once finalized

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 13, 2024 as their next regular meeting date immediately following the companion Legal Fund meeting via Zoom.

X. ADJOURNMENT

There being no further business to come before the Trustees, the meeting was adjourned.

Respectfully submitted,

William Davis

Secretary