Warehouse Employees Union Local No. 730
Pension Trust Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (800) 730-2241
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Telephone: (800) 730-2241
www.associated-admin.com

Agenda
June 10, 2021
(At approximately 9:30 AM)

I. Call to Order

II. Minutes, Regular Meeting – March 26, 2021

III. Financial Report – Investment Performance Services

IV. Actuary Report

V. Co-Counsel Report

VI. Administrative Manager Report

VII. Invoices

VIII. Other Fund Business

IX. Next Meeting Date and Location

X. Adjournment

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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
MARCH 26, 2021
VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks – Chairman	M. Bull – Secretary
F. Myers	J. Paradis
T. Richardson	H. Sebhat
J. Lacy – Alternate	M. Goble – Alternate

Also present were:

K. Barshinger – Associated Administrators, LLC
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
M. Deveney – Cheiron
P. Hardcastle – Cheiron
J. Kimble – Morgan, Lewis & Bockius, LLP
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. MINUTES

The Trustees read the minutes of the last regular meeting held on December 10, 2020. 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 December 10, 2020 are approved as presented.**

III. FINANCIAL REPORT

A. Custodian Bank – PNC Bank, NA

The Trustees reviewed a copy of the PNC Summary of Activity report for the period January 1, 2020 through December 31, 2020.

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

1. Investment Performance

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

Mr. Sichel reviewed the financial markets generally and the investment returns of the Fund's investment managers. He noted that for the period January 1, 2020 to December 31, 2020 the Fund's total investment return was 14.2%, gross of fees.

2. Asset Allocation

Mr. Sichel reviewed the Fund's asset allocation as of December 31, 2020: U.S. Equities 30.7%, U.S. Small/Mid Cap 10.5%, International Equities 8.2%, Fixed Income Core 1.4%, Fixed Income High Yield 6.7%, Real Estate 21.1%, Opportunistic Strategies 8.6%, Global Tactical Asset Allocation 4.7%, Private Equity 4.9% and cash 3.2%.

3. Quarterly Performance Report

Mr. Sichel presented the preliminary quarterly performance report for the period ended December 31, 2020. He noted the assets held by the investment managers on December 31, 2020 were as follows: Rothschild – Hardman Johnston Global Advisors held $16,015,183; Northern Trust held $19,773,187; Great Lakes Advisors held $14,785,679; Atlanta Capital held $17,229,594; Hardman Johnston International Equity held $7,436,308; Acadian held $6,131,822; JPMCB Global Allocation Fund held $7,820,158; C.S. McKee held $2,248,789; Penn Core held $10,975,251; American Core Realty Fund held $5,912,013; PRISA III held $26,929,638; Boyd Watterson $1,987,722 Corbin ERISA Opportunity Fund held $14,221,327; Hamilton Lane $8,118,835; and the cash account held $5,264,326. Mr. Sichel reviewed the summary of investment results for the period ended December 31, 2020, including trailing quarter, trailing year-to-date, and trailing one, three and five-year periods.

4. Rebalancing Recommendation

Mr. Sichel directed the Trustees to the asset allocation chart in the meeting booklet, which listed two scenarios for the Trustees' consideration.

Mr. Sichel reviewed the scenarios and recommended Portfolio C, which would increase the International Equity asset allocation from 7.5% to 10.0% and reduce the Fixed Income Intermediate asset allocation from 5.0% to 2.5%.

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

> **RESOLVED, to accept the recommendation of IPS to adopt Portfolio C, increasing the International Equity asset**

allocation from 7.5% to 10.0% and reducing the Fixed Income Intermediate asset allocation from 5.0% to 2.5%.

5. **Investment Manager Presentations – Fixed Income High Yield**

Mr. Sichel said that the Trustees voted at the March 26, 2021 meeting to terminate Penn Capital, Fixed Income High Yield manager, in accordance with IPS' recommendation. He noted that Penn Capital would not be notified of the termination until a replacement manager had been selected and the contract negotiated. Mr. Sichel directed the Trustees to the manager summaries in the meeting booklet. He noted two potential replacement investment managers, Loomis, Sayles and Company, L.P. and Segall Bryant and Hamill. He reviewed each manager in detail, including the minimum investment, liquidity terms, annualized returns, and management fees. Mr. Sichel noted that this is a new commingled fund for Segal Bryant and Hamill.

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

RESOLVED, to engage Loomis, Sayles and Company, L.P. upon Fund Counsel review of a contract and as soon as administratively, to be funded by a full transfer of the assets held by Penn Capital.

The Trustees thanked Mr. Sichel for his report, and he was excused from the meeting.

IV. ACTUARY REPORT

The Trustees welcomed Mr. Peter Hardcastle and Mr. Matt Deveney of Cheiron to the meeting.

A. American Rescue Plan Act of 2021 (ARP)

Mr. Hardcastle and Mr. Deveney provided a summary of the multiemployer pension plan special financial assistance provisions of ARP, noting that PBGC is expected to issue additional guidance by mid-July 2021. Until the guidance is issued, it is unclear exactly how ARP will affect the Fund. Mr. Hardcastle discussed ARP's provisions regarding priority consideration of special financial assistance applications, noting that there is a provision allowing for priority consideration if PBGC "determines it is appropriate based on other similar circumstances." Mr. Hardcastle, Mr. DeLancey, and Mr. Kimble recommended that the Trustees write to PBGC and assert that the Fund should be eligible for special priority consideration because of the Fund's pending MPRA application. The Trustees directed Fund Counsel to prepare and send a letter to the PBGC requesting a determination that the Fund is eligible for priority consideration of an application for special financial assistance under ARP.

Regarding the MPRA application, Mr. Hardcastle and Mr. Deveney confirmed that the application was submitted to the Department of Treasury on February 26, 2021. They said that they do not recommend withdrawing the application at this time

B. **<u>Fee Request</u>**

Mr. Hardcastle reviewed Cheiron's 2021 fee request letter for services, as contained in the meeting booklet. He said Cheiron is requesting a 1.5% increase for retainer services over the prior year.

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

> **RESOLVED to approve the 2021 retainer agreement with Cheiron at an annual fee of $20,370.21, with approved non-retainer services to be charged at their hourly rates, which range from $107 to $515 per hour.**

The Trustees thanked Mr. Hardcastle and Mr. Deveney for their report. Mr. Hardcastle and Mr. Deveney were excused from the meeting.

V. COUNSEL REPORT

Mr. DeLancey and Mr. Kimble said there were no legal matters pending before the Board of Trustees at this time.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the fourth quarter 2020. The report showed contribution income of $1,125,299, miscellaneous income of $1,070, and interest and dividend income of $596,842, producing a total income of $1,723,211. Expenses included $5,187,981 of pension benefit expense and $440,096 of operating expense, producing a total expense of $5,628,077 for the quarter. This resulted in a net deficit of $3,904,866 for the quarter. Ms. Cochran noted that contributions were made on behalf of 293 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 fourth quarter 2020 report are approved for payment as presented.**

VII. INVOICES

Ms. Cochran presented a list of invoices dated March 26, 2021. 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 March 26, 2020 are approved for payment as presented.**

VIII. OTHER FUND BUSINESS

A. Blank Rome LLP Fee Request

Ms. Cochran noted receipt of an email dated February 3, 2021 in which Mr. DeLancey requests an increase in hourly rates to be effective April 1, 2021. He is requesting an hourly rate of $660.00.

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

> **RESOLVED to approve the Blank Rome LLP hourly rate of $660.00 effective April 1, 2021.**

B. Cyber Liability Policy

The Trustees reviewed the proposal provided by NFP regarding the renewal of the Cyber Liability policy. She noted the original policy expired March 12, 2021 but that the policy was extended until March 31, 2021 so that the Trustees could take action on the renewal at this meeting. There was one proposal from the incumbent carrier, Beazley. Ms. Cochran said there was a 16% increase in the premium due to overall industry losses, market trend inflation in claims adjustment cost and the impact of the pandemic. She said the broker attempted to obtain quotes from three other carriers and all declined to provide proposals.

After a discussion, on MOTION made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED to approve the Cyber Liability Policy with Beazley for the period March 5, 2021 through March 5, 2022 with an annual premium of $2,441.10.**

Ms. Cochran advised that the policy covers the Warehouse Local 730 Legal and Health and Welfare Trust Funds and that the premium would be pro-rated as directed by the Fund auditor.

C. **Form 1099R**

Ms. Cochran reported that Associated mailed the 1099R Forms to participants on January 27, 2021.

D. **Eight O'Clock Coffee Credit Request**

Ms. Cochran reported that the Fund received a March 5, 2021 letter from Eight O'Clock Coffee requesting a credit for an overpayment of contributions. The employer remitted the wrong contribution rate for the month of February 2021 resulting in an overpayment of $37,306.00.

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

> **RESOLVED to approve the credit request from Eight O'Clock Coffee in the amount of $37,306.00.**

E. **Notice of Proposed Reduction of Benefits**

Ms. Cochran reported that Associated mailed the MPRA-required notices regarding the proposed benefit reductions to participants on March 4, 2021.

F. 2020 Retiree Information Form (RIF)

Ms. Cochran reported that Associated mailed the second request for RIF responses to retirees on December 10, 2020.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected June 10, 2021 as their next regular meeting date immediately following the companion Legal Fund meeting via teleconference.

X. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary

THE WAREHOUSE EMPLOYEES UNION LOCAL 730 - PENSION FUND
SUMMARY OF ACTIVITY
JANUARY 01, 2021 to MARCH 31, 2021

MANAGER	MARKET VALUE 1/1/2021	INTER ACCOUNT TRANSFERS	RECEIPTS	TOTAL GAIN OR LOSS	DISBURSEMENTS	MARKET VALUE 3/31/2021
PRISA	$26,929,638	126,053	0	764,379	0	$27,567,964
						$0
WESTFIELD - CLOSED	$0	0	0	0	0	
						$0
PENN CAPITAL	$10,975,251	163,102	0	57,346	0	$10,869,495
						$0
HARDMAN JOHNSTON	$16,015,183	27,000	0	290,251	0	$16,278,434
GREAT LAKES	$14,785,679	77,278	0	1,559,391	0	$16,267,793
CS McKEE / NORTH SQUARE	$2,248,789	10,477	0	47,666	0	$2,190,646
ATLANTA CAP	$17,229,594	32,002	0	1,471,582	0	$18,669,174
						$0
NORTHERN TRUST	$19,773,187	0	0	199,160	0	$19,972,347
ROTHSCHILD LCV	$0	0	0	0	0	$0
CASH RESERVE	$4,118,440	1,705,903	1,612,449	1,376	5,502,642	$1,935,526
Cash in Transit * ***	$1,145,887	1,929,091	0	0	0	$3,074,978
CORBIN ERISA *	$14,221,327	1,500,000	0	834,228	0	$13,555,555
						$0
HAMILTON LANE	$8,118,835	154,578	0	0	0	$7,964,257
						$0
BLACKROCK	$0	0	0	0	0	$0
						$0
BOYD WATTERSON	$1,987,722	23,941	0	42,510	0	$2,006,291
						$0
MESIROW - CLOSED	$0	0	0	0	0	
						$0
ACADIAN	$6,131,822	0	0	465,669	0	$6,597,491
						$0
HARDMAN JOHNSTON INT'L	$7,436,308	0	0	283,754	0	$7,152,554
						$0
JP MORGAN	$7,820,158	0	0	184,107	0	$8,004,265
						$0
AMER CORE REALTY	$5,912,013	1,520,562	0	93,729	0	$4,485,180
TOTAL	$164,849,835	$0	$1,612,449	$5,632,307	$5,502,642	$166,591,950

WAREHOUSE EMPLOYEES UNION
LOCAL NO. 730
PENSION TRUST FUND

FIRST QUARTER 2021

ADMINISTRATIVE MANAGER'S REPORT

FIRST QUARTER 2021
CONTRIBUTIONS

EMPLOYER	RATE	HOURS	PARTICIPANTS	CONTRIBUTIONS
EIGHT O'CLOCK COFFEE	$ 4.44	29,586.25	54	$ 131,363
GIANT RECYCLING	$ 6.98	11,095.80	23	$ 77,449
GIANT WAREHOUSE	$ 7.59	118,579.10	209	$ 900,016
GIANT WAREHOUSE - VACATION RELIEF	$ 1.00	51,159.70		$ 51,160
UNION LOCAL 730	$ 7.59	1,352.00	3	$ 10,262
WASHINGTON FOOD	$ 3.64	1,657.00	4	$ 6,031
TOTAL		**213,429.85**	**293**	**$ 1,176,281**

FIRST QUARTER 2021
EXPENSES

BENEFIT EXPENSES

CATEGORY	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	$ 5,173,660	$ 24.24	91.90%
SUB TOTAL	**$ 5,173,660**	**$ 24.24**	**91.90%**

OPERATING EXPENSES

CATEGORY	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACADIAN ASSET MNGMT FEE	$ 7,260	$ 0.034	0.129%
ACCURINT	$ 8	$ -	0.000%
ACTUARY	$ 124,597	$ 0.584	2.213%
ADMINISTRATION	$ 31,282	$ 0.147	0.556%
AMERICAN CORE REALTY MNGMT FEE[1]	$ 16,561	$ 0.078	0.294%
ATLANTA CAPITAL MNGMT FEE	$ 30,152	$ 0.141	0.536%
C.S. MCKEE MNGMT FEE	$ 1,400	$ 0.007	0.025%
CYBER LIABILITY INSURANCE	$ 1,465	$ 0.007	0.026%
HARDMAN JOHNSTON ASSET MNGMT FEE	$ 20,113	$ 0.094	0.357%
INVESTMENT PERFORMANCE SERVICES	$ 25,000	$ 0.117	0.444%
JOHNSTON IE/MELLON MNGMT FEE[1]	$ 13,502	$ 0.063	0.240%
LEGAL	$ 86,328	$ 0.404	1.533%
MEETING	$ 350	$ 0.002	0.006%
NORTHERN TRUST CO	$ 1,435	$ 0.007	0.025%
PENN CAPITAL MNGMT FEE[1]	$ 8,885	$ 0.042	0.158%
PNC INVESTMENT MNGMT FEE	$ 1,171	$ 0.005	0.021%
PRINTING	$ 9	$ -	0.000%
PRUDENTIAL FINANCIAL MNGMT FEE[1]	$ 86,366	$ 0.405	1.534%
SUB TOTAL	**$ 455,884**	**$ 2.137**	**8.10%**

TOTAL EXPENSES	**$ 5,629,544**	**$ 26.38**	**100.00%**

[1]Self-billed fees

AVG MTHLY RETIREES	1,070	**AVG MONTHLY RETIREE BENEFIT AMOUNT**	$ 1,612

2021
QUARTERLY RECAP

INCOME	FIRST 2021	SECOND 2021	THIRD 2021	FOURTH 2021	TOTAL
CONTRIBUTIONS	$ 1,176,281	$ -	$ -	$ -	$ 1,176,281
INTEREST & DIVIDENDS	$ 367,178	$ -	$ -	$ -	$ 367,178
WITHDRAWAL LIABILITY	$ 331,837			$ -	$ 331,837
MISCELLANEOUS INCOME[1]	$ 61,863	$ -	$ -	$ -	$ 61,863
TOTAL INCOME	**$ 1,937,159**	**$ -**	**$ -**	**$ -**	**$ 1,937,159**

BENEFIT EXPENSES					
PENSION BENEFITS	$ 5,173,660	$ -	$ -	$ -	$ 5,173,660
SUB TOTAL	$ 5,173,660	$ -	$ -	$ -	$ 5,173,660

OPERATING EXPENSES					
ADMINISTRATION	$ 31,282	$ -	$ -	$ -	$ 31,282
MISCELLANEOUS	$ 424,602	$ -	$ -	$ -	$ 424,602
SUB TOTAL	$ 455,884	$ -	$ -	$ -	$ 455,884

TOTAL EXPENSES	**$ 5,629,544**	**$ -**	**$ -**	**$ -**	**$ 5,629,544**

TOTAL INCOME	$ 1,937,159	$ -	$ -	$ -	$ 1,937,159
TOTAL EXPENSES	$ 5,629,544	$ -	$ -	$ -	$ 5,629,544
SURPLUS (DEFICIT)	**$ (3,692,385)**	**$ -**	**$ -**	**$ -**	**$ (3,692,385)**

AVERAGE HOURLY INCOME	$ 9.08	$ -	$ -	$ -	$ 9.08
AVERAGE HOURLY EXPENSE	$ 26.38	$ -	$ -	$ -	$ 26.38
SURPLUS (DEFICIT)	$ (17.30)	$ -	$ -	$ -	$ (17.30)

TOTAL PARTICIPANTS	**293**	**0**	**0**	**0**	**293**

[1]Commission recapture rebate - $887.95, Litigation settlements - $60,975.46

2020
QUARTERLY RECAP

INCOME	FIRST 2020	SECOND 2020	THIRD 2020	FOURTH 2020	TOTAL
CONTRIBUTIONS	$ 1,084,196	$ 1,115,418	$ 1,135,663	$ 1,125,299	$ 4,460,576
INTEREST & DIVIDENDS	$ 402,872	$ 440,563	$ 323,336	$ 596,842	$ 1,763,613
WITHDRAWAL LIABILITY	$ 165,919	$ 165,919	$ 165,919	$ -	$ 497,757
MISCELLANEOUS INCOME[1]	$ 3,278	$ 64,407	$ 813	$ 1,070	$ 69,568
TOTAL INCOME	**$ 1,656,265**	**$ 1,786,307**	**$ 1,625,731**	**$ 1,723,211**	**$ 6,791,514**
BENEFIT EXPENSES					
PENSION BENEFITS	$ 5,182,728	$ 5,237,704	$ 5,428,427	$ 5,187,981	$ 21,036,840
SUB TOTAL	$ 5,182,728	$ 5,237,704	$ 5,428,427	$ 5,187,981	$ 21,036,840
OPERATING EXPENSES					
ADMINISTRATION	$ 30,383	$ 30,458	$ 30,579	$ 30,458	$ 121,878
MISCELLANEOUS	$ 308,320	$ 327,102	$ 531,530	$ 409,638	$ 1,576,590
SUB TOTAL	$ 338,703	$ 357,560	$ 562,109	$ 440,096	$ 1,698,468
TOTAL EXPENSES	**$ 5,521,431**	**$ 5,595,264**	**$ 5,990,536**	**$ 5,628,077**	**$ 22,735,308**
TOTAL INCOME	$ 1,656,265	$ 1,786,307	$ 1,625,731	$ 1,723,211	$ 6,791,514
TOTAL EXPENSES	$ 5,521,431	$ 5,595,264	$ 5,990,536	$ 5,628,077	$ 22,735,308
SURPLUS (DEFICIT)	**$ (3,865,166)**	**$ (3,808,957)**	**$ (4,364,805)**	**$ (3,904,866)**	**$ (15,943,794)**
AVERAGE HOURLY INCOME	$ 8.26	$ 8.47	$ 7.76	$ 8.21	$ 8.18
AVERAGE HOURLY EXPENSE	$ 27.55	$ 26.52	$ 28.58	$ 26.84	$ 27.37
SURPLUS (DEFICIT)	$ (19.29)	$ (18.05)	$ (20.82)	$ (18.63)	$ (19.19)
TOTAL PARTICIPANTS	**304**	**301**	**296**	**293**	**299**

[1]Commission recapture rebate - $549.44, Litigation settlement - $20.81, Withdrawal liability calculation fee - $500.00

FIRST QUARTER 2021
CONTRACT INFORMATION

COMPANY	CURRENT RATE	RATE EFF. DATE	NEXT RATE CHANGE DATE	CBA EXPIRATION
EIGHT O'CLOCK COFFEE	$ 4.44	07-01-20	07-01-21	07-17-27
GIANT RECYCLING	$ 6.98	01-01-21	01-01-22	06-25-22
GIANT WAREHOUSE	$ 7.59	01-01-21	01-01-22	05-15-27
UNION LOCAL 730	$ 7.59	01-01-21	01-01-22	FOLLOWS GIANT WAREHOUSE CBA
WASHINGTON FOOD	$ 3.64	11-01-20	TBD	10-31-21

FIRST QUARTER 2021
RATE DIVERSIONS

COMPANY	BENEFIT	IMPROVEMENT DIVERSION	FUNDING DIVERSION	REHAB PLAN	TOTAL
EIGHT O'CLOCK COFFEE	$ 1.50	$ -	$ 1.00	$ 1.94	$ 4.44
GIANT RECYCLING	$ 2.82	$ 0.11	$ 1.00	$ 3.05	$ 6.98
GIANT WAREHOUSE	$ 3.17	$ 0.11	$ 1.00	$ 3.31	$ 7.59
UNION LOCAL 730	$ 3.17	$ 0.11	$ 1.00	$ 3.31	$ 7.59
WASHINGTON FOOD	$ 1.05	$ -	$ 1.00	$ 1.59	$ 3.64

PENSION
DELINQUENCY REPORT
As of March 31, 2021

NONE

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND
FIRST QUARTER 2021

APPLICATIONS SUBMITTED FOR APPROVAL

RETIRE DATE	AWARD DATE	NAME	BIRTH DATE	AGE	SEX	SERVICE	EMPLOYER	TYPE / OPTION	MONTHLY AMOUNT
1/1/2021	1/1/2021	AKUJI, ZAZRA	12/28/1960	60	M	22.370	GIANT FOOD WAREHOUSE	DEFERRED VESTED / 120 MONTH REDUCTION	$3,062.72
2/1/2021	3/1/2021	COLLINS,JAMES,E,JR	1/5/1961	60	M	21.000	GIANT FOOD WAREHOUSE	DEFERRED VESTED / 120 MONTH REDUCTION	$1,780.86
1/1/2021	1/1/2021	DAVIS,ANGELA	5/16/1962	58	F	0.000	PRE-RET BENE OF MERCURY LEMONS	PRE-RETIREMENT / LIFE ANNUITY	$201.14
2/1/2021	3/1/2021	HALL,SYLVIA	10/22/1966	54	F	0.000	ALT PAYEE OF JAMES COLLINS	QDRO / 120 MONTH REDUCTION	$539.48
2/1/2021	2/1/2021	GOLAS,JOSEPH,A	1/3/1961	60	M	21.789	JESSUP LOGISTICS	DEFERRED VESTED / 66 2/3% JOINT & SURVIVOR	$3,047.07
1/1/2021	1/1/2021	LAMASTER,EMERY,D,III	12/23/1960	60	M	14.208	JESSUP LOGISTICS	DEFERRED VESTED / 10 YEAR CERTAIN	$1,674.53
2/1/2021	3/1/2021	MASON,LEON	6/21/1958	62	M	22.155	GIANT FOOD WAREHOUSE	NORMAL / 120 MONTH REDUCTION	$3,114.72
2/1/2021	2/1/2021	MCFADDEN,WARREN	1/9/1961	60	M	8.759	GIANT FOOD WAREHOUSE	DEFERRED VESTED / 120 MONTH REDUCTION	$786.81
1/1/2021	2/1/2021	MILES,MARC,A,SR	12/16/1960	60	M	5.475	GIANT FOOD WAREHOUSE	DEFERRED VESTED / 10 YEAR CERTAIN	$648.02
11/1/2020	12/2/2020	MILLER,DIANNE**	9/2/1946	74	F	0.000	BENE OF ALFRED MILLER	BENEFICIARY / LIFE ANNUITY	$866.27
1/1/2021	1/1/2021	MONICO,FRANK,W,SR	12/9/1960	60	M	15.507	JESSUP LOGISTICS	DEFERRED VESTED / 120 MONTH REDUCTION	$2,877.61
4/1/2020	1/1/2021	O'LEARY,KAREN	8/1/1963	56	F	0.000	ALT PAYEE OF RUSSELL O'LEARY	QDRO / LIFE ANNUITY	$1,212.38
12/1/2020	2/1/2021	PAYNE,KENNETH	11/25/1960	60	M	11.636	GIANT FOOD WAREHOUSE	DEFERRED VESTED / 120 MONTH REDUCTION	$1,599.47
3/1/2021	3/1/2021	PIERCE,RONALD	2/9/1961	60	M	10.354	GIANT FOOD WAREHOUSE	DEFERRED VESTED / 120 MONTH REDUCTION	$1,568.42
1/1/2021	2/1/2021	WATT,DAN	12/19/1960	60	M	21.896	GIANT FOOD WAREHOUSE	DEFERRED VESTED / 120 MONTH REDUCTION	$2,791.03
8/1/2020	3/1/2021	WHITE,ROBERT	7/30/1960	60	M	12.000	ADAMS BURCH INC.	DEFERRED VESTED / 60 MONTH REDUCTION	$149.62
Total									**$25,920.15**

** Supplemental Payment

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND
FIRST QUARTER 2021

CHANGES AND ADJUSTMENTS

NAME	COMMENT	FROM	TO
ARNETT,FRED	120 MONTH REDUCTION	$3,897.52	$2,143.64
BARNES, DEBRA	AGE 62 INCREASE	$1,250.41	$1,274.57
CRIGER,DANIEL	AGE 62 INCREASE	$4,574.42	$4,654.68
DARBY,RONALD,D	ADDITIONAL CREDIT INCREASE	$5,097.47	$5,116.36
DAVIS,JOSEPH	AGE 62 INCREASE	$408.73	$421.91
HOFFMAN,VINCENT	AGE 62 INCREASE	$2,567.79	$2,656.33
KILGORE,JAMES	84 MONTH REDUCTION	$1,992.00	$1,087.91
LATSON,CHERYL	AGE 62 INCREASE	$416.32	$674.82
O'LEARY,RUSSELL,,JR	ADDITIONAL CREDIT INCREASE	$2,379.19	$2,382.14
SMITH,FRANK,T,JR	AGE 62 INCREASE	$3,801.67	$4,598.07
STALLINGS,ROBERT	AGE 62 INCREASE	$2,936.63	$3,003.18
TERRY,WILLIAM,D	ADDITIONAL CREDIT INCREASE	$4,981.60	$4,991.93
YATES,JOHN	120 MONTH REDUCTION	$3,813.30	$2,097.32
TOTAL		$38,117.05	$35,102.86
DIFFERENCE			**-$3,014.19**

WAREHOUSE EMPLOYEES LOCAL NO. 730 PENSION TRUST FUND
FIRST QUARTER 2021

NEW ADMINISTRATIVE HOLD

PENSIONER	REASON	SUSPEND DATE	MONTHLY AMOUNT	TOTAL AMOUNT TO DATE
NONE				
TOTAL			**$0.00**	**$0.00**

REINSTATEMENTS

PENSIONER	REASON	REINSTATE DATE	AMOUNT	RETROACTIVE AMOUNT
NONE				
TOTAL			**$0.00**	**$0.00**

STILL PENDING ADMINISTRATIVE HOLDS

PENSIONER	REASON	SUSPEND DATE	AMOUNT	TOTAL AMOUNT TO DATE
NONE				
TOTAL			**$0.00**	**$0.00**

WAREHOUSE EMPLOYEES LOCAL NO. 730 PENSION TRUST FUND
FIRST QUARTER 2021

DECEASED

PENSIONER	DATE	AMOUNT
BONENBERGER,SINJA	1/26/2021	-$87.52
BROWN,ARTHUR	11/9/2020	-$1,073.61
CHRISTOPHER,EUGENE	1/29/2021	-$764.88
MCCOY,WILLIE	8/19/2020	-$927.13
MILLER,ALFRED,A,JR	10/21/2020	-$1,299.40
SPIKER,RONALD	12/4/2020	-$136.01
WARREN,RUSHELL	12/2/2020	-$43.58
WILLIAMS,LOUISE	5/30/2019	-$427.82
TOTAL		**-$4,759.95**

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND
FIRST QUARTER 2021

PENSION ROLL

		PENSIONERS	MONTHLY PAYOUT
PENSION ROLL AS OF 12/31/2020:	12/31/2020	1059	$1,703,956.24
DEATHS REPORTED IN THE	1ST QUARTER	-8	-$4,759.95
DELETES IN THE	1ST QUARTER	0	$0.00
PENSION CHANGES IN THE	1ST QUARTER		-$3,014.19
PENSIONS TO BE APPROVED	1ST QUARTER	16	$25,920.15
REINSTATEMENTS	1ST QUARTER	0	$0.00
PENSION ROLL AS OF 03/31/2021:	3/31/2021	1067	$1,722,102.25

TOTAL PENSIONERS
AS OF MARCH 31, 2021

LIFE ONLY	236	$196,699.10
60R	121	$40,406.62
84R	92	$78,482.37
96R	6	$8,203.54
120R	381	$1,040,057.92
5 YEAR CERTAIN	4	$7,294.48
10 YEAR CERTAIN	33	$54,586.99
LIFE & 50% SURVIVOR	91	$147,596.10
LIFE & 66 2/3% SURVIVOR	50	$86,460.48
LIFE & 75% SURVIVOR	35	$48,747.44
BENEFICIARY TEMPORARY ANNUITY	2	$952.47
J&S TERMINATED/SPOUSE DECEASED	16	$12,614.74
TOTAL	**1067**	**$1,722,102.25**

Warehouse Employees Union Local No. 730 Pension Trust Fund

INVOICES
June 10, 2021

Acadian Asset Management, LLC

4/22/2021	Fee for investment services for the Quarter ending March 31, 2021	$	9,149.00

Atlanta Capital Management Co., LLC

4/30/2021	Fee for investment services for the Quarter ending March 31, 2021	$	32,671.00
1/29/2021	Fee for investment services for the Quarter ending December 31, 2020	$	30,152.00

Associated Administrators, LLC

5/6/2021	Retiree RIF Envelopes	$	129.13

Blank Rome LLP

5/7/2021	Fee for professional services rendered through April 30, 2021	$	4,455.00
4/6/2021	Fee for professional services rendered through March 31, 2021	$	5,970.60

Cheiron

4/26/2021	Actuarial services through March 31, 2020 - 1st quarter retainer/non retainer fee	$	153,330.05

Doyle Printing & Offset Co.

5/12/2021	Critical Status Notice- Copying and Mailing	$	2,773.85
4/8/2021	ARPA Notice - copy, mailing and postage	$	1,692.69
3/23/2021	MPRA Notices - copying and mailing	$	4,589.48

Great Lakes Advisors

4/21/2021	Fee for investment services rendered July 1, 2020 through March 31, 2021	$	48,409.65

Hardman Johnston Global Advisors

4/19/2021	Fee for investment services for the Quarter ending March 31, 2021	$	20,055.92

NFP (The Meltzer Group)

3/26/2021	Fee for Cyber Liability Insurance Policy through March 31, 2022	$	1,464.66

Morgan, Lewis & Bockius, LLP

5/12/2021	Fee for professional services rendered through April 30, 2021	$	10,395.00
4/8/2021	Fee for professional services rendered through March 31, 2021	$	6,270.00

Novak Francella, LLC

5/18/2021	Fee for Annual Audit services performed for plan year ended December 31, 2020	$	1,750.00
3/16/2021	Fee for Annual Audit services performed for plan year ended December 31, 2020	$	3,000.00

Warehouse Employees Union Local No. 730 Pension Trust

Actuarial Valuation Report as of January 1, 2020

Produced by Cheiron

February 2021

TABLE OF CONTENTS

February 26, 2021

Warehouse Employees Union
Local No. 730 Pension Trust
911 Ridgebrook Road
Sparks, Maryland 22102

Dear Trustees:

At your request, we have performed the January 1, 2020 Actuarial Valuation of the Warehouse Employees Union Local No. 730 Pension Trust (the "Fund"). This report contains information on the Fund's assets and liabilities and discloses contribution levels, including the minimum required amount as mandated by Federal law. This report is for the use of the Board of Trustees and its auditors in preparing financial reports in accordance with applicable law and accounting requirements.

Your attention is called to the introductory section in which we refer to the general approach employed in the preparation of this report. We also comment on the sources and reliability of both the data and the actuarial assumptions on which our findings are based. Those comments are the basis for our certification that this report is complete to the best of our knowledge and belief. The results of this report are only applicable to the 2020 Plan Year. Future results may differ significantly from the current plan year presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions (e.g. Covid-19); changes in assumptions; and changes in plan provisions or applicable law.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This report was prepared exclusively for the Fund for the purposes described herein. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other users.

Sincerely,
Cheiron

PR Hardcastle

Peter R. Hardcastle, CFA, FSA, MAAA, EA
Principal Consulting Actuary

Matthew Deveney, FSA, MAAA, EA
Consulting Actuary

FOREWORD

Cheiron has performed the Actuarial Valuation of the Warehouse Employees Union Local No. 730 Pension Trust as of January 1, 2020. The purpose of this report is to:

1) **Measure and disclose**, as of the valuation date, the financial condition of the Fund;

2) **Provide specific information** and documentation required by the Federal Government and the auditors of the Fund; and

3) **Review past and expected trends** in the financial conditions of the Fund.

An actuarial valuation establishes and analyzes fund assets, liabilities and contributions on a consistent basis, and traces the progress of both from one year to the next. It includes measurement of the fund's investment performance as well as an analysis of actuarial liability gains and losses.

Section I presents a summary of the key valuation results, general comments about the results, a review of historical trends including assets versus liabilities, minimum funding, participation and cash flows, and projection scenarios.

Section II discloses specific risks that may significantly affect the Plan's future financial condition.

Section III contains exhibits relating to the valuation of assets.

Section IV shows the various measures of liabilities.

Section V shows the development of the minimum and maximum contributions.

Section VI provides the calculation of unfunded vested benefits for withdrawal liability purposes as of January 1, 2020 that would be allocated to employers that withdrew during the 2020 calendar year.

Section VII provides the FASB Accounting Standard Codification (ASC) 960 Disclosure required by the Fund's auditor.

The appendices to this report contain a summary of the Fund's membership at the valuation date, a summary of the major provisions of the Fund, and the actuarial methods and assumptions used in the valuation.

In preparing our report, we relied on information (some oral and some written) supplied by Associated Administrators, LLC and Novak Francella, LLC. This information includes, but is not limited to, the fund provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

The actuarial assumptions reflect our understanding of the likely future experience of the Fund and the assumptions, taken individually, represent our best estimate for the future experience of the Fund. Future experience may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

Please note this valuation was prepared using census data and financial information as of the valuation date, January 1, 2020 and events following that date are not reflected.

SECTION I – SUMMARY

The table below sets out the principal results of this year's valuation and compares them to last year's results. Both years reflect that the Board adopted funding relief under Internal Revenue Code Sections 431(d) and 431(b)(8).

Table I-1
Summary of Principal Results

	January 1, 2019	January 1, 2020	Change
Participant Counts			
Actives	301	294	(2.3%)
Terminated Vesteds	738	703	(4.7%)
In Pay Status	1,001	1,030	2.9%
Total	2,040	2,027	(0.6%)
Financial Information			
Market Value of Assets	$ 153,296,273	$ 161,910,558	5.6%
Actuarial Value of Assets	158,236,069	154,623,680	(2.3%)
AVA as a % of MVA	103.2%	95.5%	
Entry Age Actuarial Liability	$ 279,273,711	$ 295,591,424	5.8%
Surplus (Unfunded Actuarial Liability)	(121,037,642)	(140,967,744)	N/A
Present Value of Accrued Benefits/Accrued Liability	$ 275,242,089	$ 290,601,829	5.6%
Accrued Benefit Surplus (Unfunded)	(117,006,020)	(135,978,149)	N/A
Accrued Benefit Funding Ratio (AVA Basis)	57.5%	53.2%	N/A
Present Value of Vested Benefits	$ 272,863,143	$ 288,102,507	5.6%
Vested Benefit Surplus (Unfunded)	(119,566,870)	(126,191,949)	N/A
Vested Benefit Funding Ratio (MVA Basis)	56.2%	56.2%	N/A
Contributions and Cash Flows			
ERISA Credit Balance (Beginning of Year)	$ (25,845,291)	$ (36,920,899)	42.9%
Employer Contributions (actual/*estimated*)	4,543,402	*4,734,628*	4.2%
ERISA Minimum Funding before Credit Balance	13,729,626	14,617,163	6.5%
Prior Year Benefit Payouts	$ 19,391,415	$ 20,567,862	6.1%
Prior Year Administrative Expenses	316,151	355,379	$ 0

SECTION I – SUMMARY

The following is an analysis of the Fund's recent past performance followed by historical results for the last ten years. After that, projections of future results are shown.

General Comments

Investment and liability experience and their effect on future costs traditionally have been the focus of year-to-year analyses.

- The Market Value of Assets (MVA) returned 17.22% during the year ending December 31, 2019. The total actuarial investment gain (the difference between actual and expected returns) was $13.4 million.

- For long-term planning and especially for minimum funding requirements, the Fund develops an Actuarial Value of Assets (AVA) to smooth investment gains and losses over time. Due to the continued phase-in of historical investment gains and losses of the past five years, the rate of return on the AVA was 8.51%, resulting in an actuarial gain of $0.8 million.

- For minimum funding requirements, the Fund's actuarial liability is determined using the Entry Age Normal Cost Method. Although the liability increased by $16.3 million (primarily due to assumption changes), it increased less than expected, resulting in a liability experience gain of $1.1 million.

- Effective with this valuation, we have updated the discount rate assumption from 8.00% to 7.00%. Changes were also made to the retirement and mortality rates, as well as the marital and forms of payment assumptions. The net impact of the assumption changes was a $15.7 million increase in the Actuarial Liability. Please refer to Appendix C for more details on the changes to the actuarial assumptions.

- The end of year minimum required contribution, before taking into account the credit balance, increased from $13.7 million to $14.6 million. The increase was mostly attributable to the assumption changes, which added an annual amortization charge of $1.6 million.

- During the 2019 Plan Year, the Fund's funding deficiency increased from $25.8 million to $36.9 million. Due to the Pension Protection Act of 2006 (PPA) no excise tax is due provided the Fund has a valid Rehabilitation Plan and all employers are complying with it.

PPA added a significant layer of new considerations related to the Fund's PPA funded status.

- For 2020, the Fund was certified as "Critical and Declining" under PPA as amended. This was caused by the current funding deficiencies and the projected insolvency within the next 13 years. The PPA status is re-determined annually.

- The Fund's funded ratio for PPA purposes is based on the accrued liability determined using the Unit Credit Cost Method. It decreased from 57.5% to 53.2% primarily due to the increase in liability for the assumption changes, as well as last year's negative cash flow (contributions less benefit payments and expenses) of approximately 11% of the assets.

SECTION I – SUMMARY

- The Board of Trustees of the Fund first adopted a Rehabilitation Plan (RP) on November 26, 2009. The Rehabilitation Plan is applicable for collective bargaining agreements and participation agreements renewed or extended after December 25, 2009. The Fund's Rehabilitation Period began on January 1, 2012.

  After the initial adoption of the Rehabilitation Plan, subsequent employer withdrawals resulted in a deterioration of the funding of the plan. Consequently, in 2014 the Trustees updated the Rehabilitation and adopted a "reasonable measures to forestall insolvency" approach for PPA compliance.

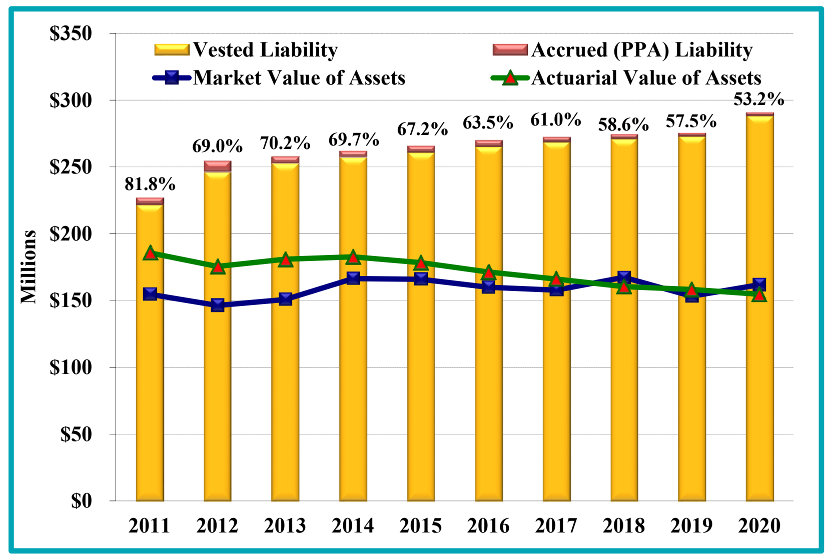
- In February 2010, the Trustees took a five-year extension of the Fund's amortization bases as of January 1, 2009 under Section 431(d) of the Code. The net impact on the Funding Standard Account is a $18.2 million smaller funding deficiency, as of January 1, 2020, from what it would be without the Section 431(d) extension. Unless indicated otherwise, throughout this report, the terms credit balance and funding deficiency refer to the amounts reflecting the 431(d) extension.

- The Unfunded Vested Benefits (UVB) on a market value basis increased from $119.6 million to $126.2 million. Under the provisions of the Multiemployer Pension Plan Amendment Act of 1980 (MPPAA) if the vested benefit liabilities exceed fund assets, an assessment of Withdrawal Liability may be made to any employer withdrawing from the Fund.

Historical Summary

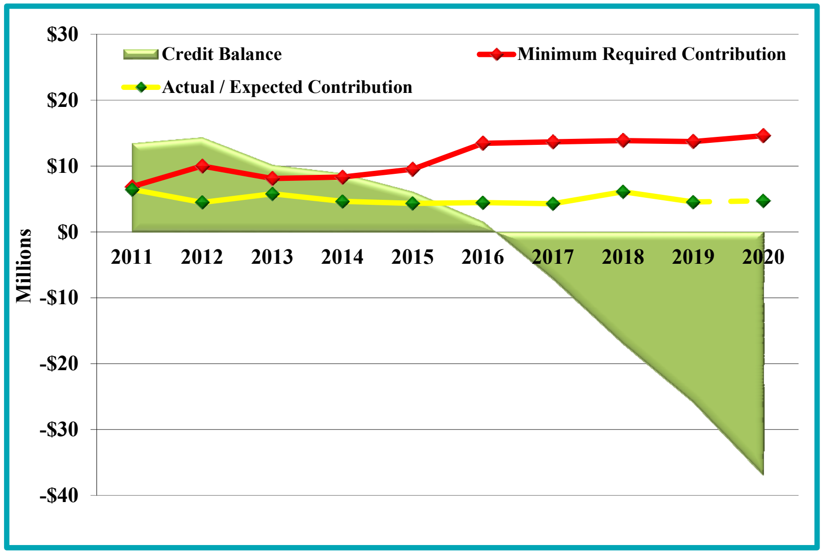
It is important to take a step back from the results and view them in the context of the Plan's recent history. Below are two charts which display key results in the valuations of the last ten years.

Assets & Liabilities: The following graph compares historical assets and liabilities. The gold bars represent the present value of vested benefits while the red bars add the additional non-vested benefits making up the Accrued Liability. The blue line is the Market Value of Assets and the green line is the Actuarial Value of Assets. The percentages shown on top of the bars represent the Fund's PPA funding ratio (AVA as a percentage of Accrued Liabilities).



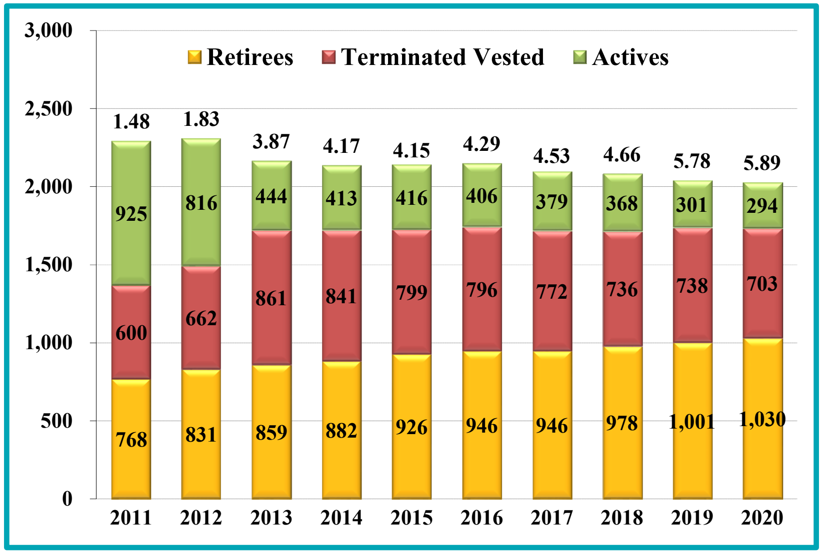
SECTION I – SUMMARY

Minimum Funding: The next graph shows the Credit Balance (green area) which is the accumulated contributions in excess of the Minimum Required Contribution before the Credit Balance (red line), and the Actual Contributions (yellow line).



On average, the contributions for the last ten years have been significantly lower than the minimum required contribution. This has caused a steep decline in the credit balance since 2012 leading to a funding deficiency beginning in 2017. Contributions, including expected Withdrawal Liability payments, are expected to again fall short of the minimum required contribution next year.

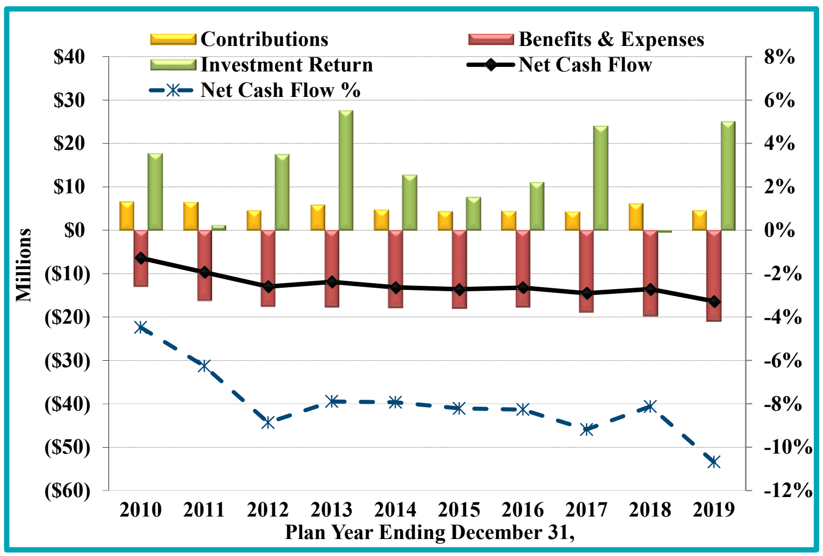
Participation: The following graph shows the participation of the Fund at successive valuation dates. The numbers above each bar represent the number of inactive members to active members (i.e., support ratio) at each valuation date. The support ratio increased significantly as of January 1, 2013 due to the withdrawal of two participating employers (Jessup and McKesson) during 2012. Another increase is noticeable as of January 1, 2019 as a result of the 2018 withdrawal of Adams Burch.



SECTION I – SUMMARY

Cash Flow: The following graph shows the Fund's cash flow, contributions less benefit payments and expenses, at successive valuation dates. This is a critical measure, as it reflects the ability to have funds available to meet benefit payments without having to make difficult investment decisions, especially during volatile markets.

The main consequence for a fund with negative cash flow is that the impact of market fluctuations will be more severe. This is because assets will have to be used to pay benefits in down markets. This means there will be less principal left to benefit from later favorable investment experience.

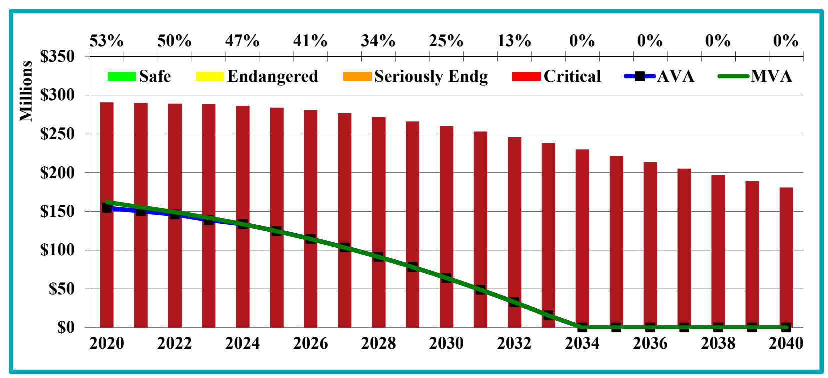


Future Outlook

In this section we move away from viewing a single year's results or historical trends and focus on the future of the Fund. In light of the Fund's "Critical and Declining" classification, this future outlook focuses on the projection of assets.

The following projection assumes participation remains constant, annual contribution increases of 4.9% through 2027, 2% through 2032, and 0% thereafter, the expected Withdrawal Liability payments from McKesson Drug continue, and all of the assumptions set out in Appendix C are realized including the return of 7% per year.

Under this scenario, the projection shows the Fund will exhaust its assets during 2033. This is three years later than last year's projection showed. This delay in insolvency is mainly the result of the return on the Market Value of Assets during 2019 exceeding last year's expected 8% return.



SECTION II – RISK ANALYSIS

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. In our opinion, the assumptions we are using are our best estimate of the Fund's long-term future experience.

Nonetheless, it is important to realize that future experience could deviate, sometimes significantly, from that predicted by our assumptions. This deviation of actual experience compared to expected experience can affect the future viability of the Fund and must be monitored closely.

This section of the report is intended to identify the primary risks to this fund, provide some background information about those risks and the factors that influence them, and provide an assessment of them.

Identification of Risks

The primary risk that every plan faces is future insolvency. This is the risk that its current assets and future contributions are or will be inadequate to fund all plan benefits. For some plans, this risk is small. For others it is significant. This insolvency risk can manifest itself in several different ways:

- An impending insolvency date, a near term date when its assets will be completely depleted,
- Funded ratios that are declining, especially if they are currently less than 100%, and
- Funded ratios that are never expected to exceed 100%.

As shown in the previous section, under the baseline projection scenario, the Fund is projected to become insolvent during the 2033 plan year. Once the Fund becomes insolvent, benefits are required to be reduced to the PBGC guaranteed level. While this will have little or no impact for some participants, it could result in significant reductions in the monthly benefit amount being paid for others.

The remainder of this section focuses on how the potential insolvency date could change thereby changing the amount of time before such benefit cuts would go into effect. The key items that will impact this date are:

- Investment returns,
- Contributions, and
- Withdrawal Liability payments.

Other risk factors that are not explicitly identified may also turn out to be important.

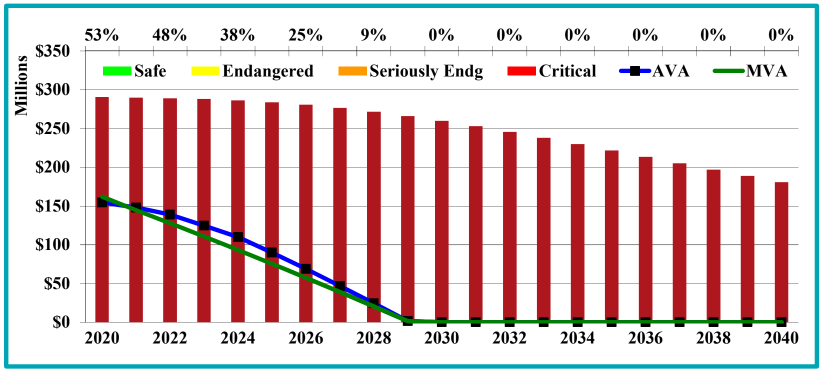
Investment Risk is the potential for investment returns to be different than expected. The current assumption for investment returns is 7.00% per year net of investment expenses. This is a long-term expectation. In any given year, investment returns can be greater than or less than this assumption. However, over time the geometric mean of the actual investment returns over time should be close to the assumption.

Lower investment returns than anticipated will decrease the expected future funding ratio and increase the FSA contribution requirement which will lower the credit balance in the future.

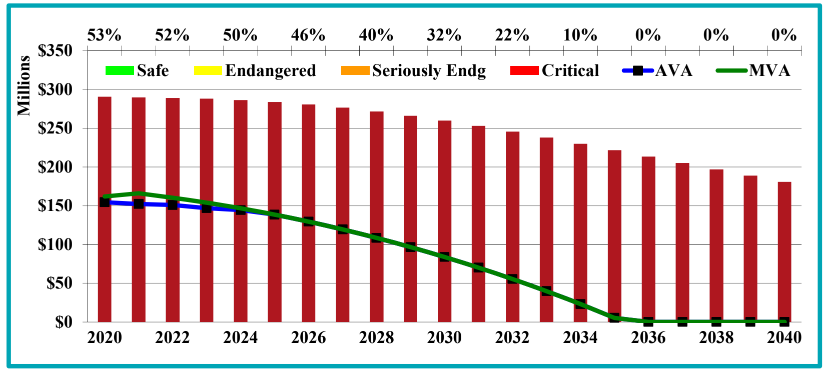
SECTION II – RISK ANALYSIS

The potential magnitude and volatility of future investment returns is influenced by economic conditions and the Fund's asset allocation. A plan with an investment portfolio generating higher expected rates of return may anticipate lower future contribution requirements; however, this approach also comes with higher amounts of volatility.

Due to the significant underfunding and large negative net cash flow, investment returns have a much less significant impact upon the projected insolvency date. The following projection illustrates the impact of investment returns by assuming a 0% return going forward. Under this scenario, the Fund is projected to be insolvent during the 2029 plan year, four years earlier than the baseline.



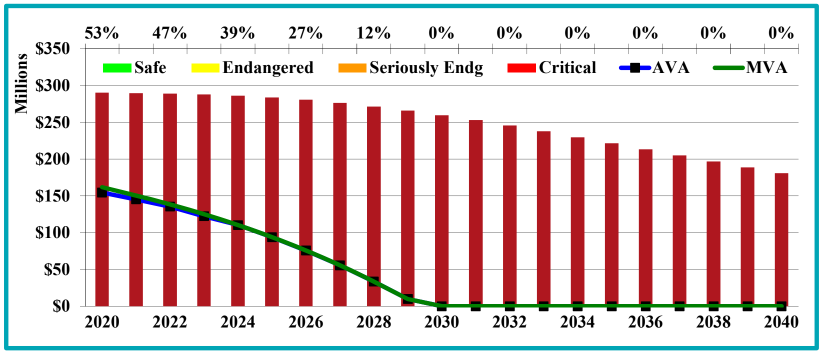
Alternatively, if the Fund were to earn 14% for the 2020 plan year, the insolvency date is pushed back to 2035, as shown in the following projection.



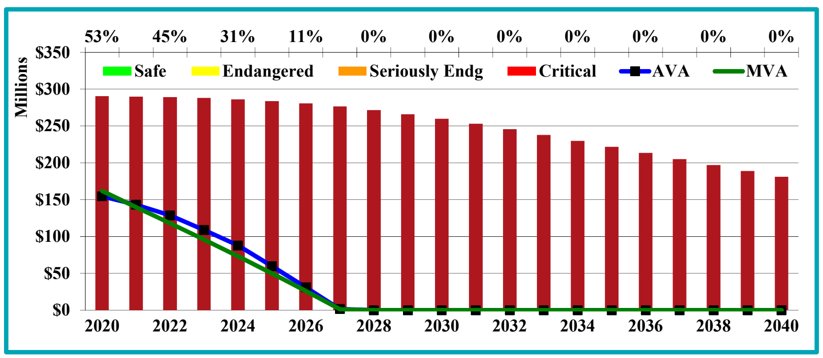
Contribution and Withdrawal Liability Payment risk is the potential for actual future money coming into the Fund to deviate from what is expected in the baseline projection. In particular, additional future withdrawals can reduce the regular contribution income. Additionally, bankruptcies can impact the willingness or ability of previously withdrawn employers to make their required withdrawal liability payments to the Fund.

SECTION II – RISK ANALYSIS

The following projection illustrates the contribution and withdrawal liability risk by showing the impact of fully eliminating all such income. In this projection the Fund is projected to be insolvent during the 2029 plan year.



The combination of no investment returns and the elimination of all future contribution and withdrawal liability income would move the insolvency into the 2027 plan year, as shown below.



SECTION III – ASSETS

Assets at Market Value

Market values represent "snap-shot" or "cash-out" values, which provide the principal basis for measuring financial performance from one year to the next.

Table III-1
Statement of Assets at Market Value, December 31

	2018	2019
Invested Assets		
Common Stocks	$ 34,941,233	$ 43,571,348
U.S. Government Agencies Notes and Bonds	860,220	668,067
Corporate Notes and Bonds	1,721,131	1,020,887
Limited Partnerships & DFEs	82,762,206	86,669,192
Common Collective Trusts	21,110,554	24,905,194
Temporary Investments	6,942,729	3,248,646
Total Investments:	$ 148,338,073	$ 160,083,334
Other Assets		
Employer Contributions Receivable	378,288	303,271
Accrued Interest and Dividends	74,708	60,372
Other Receivables	5,639	1,802
Prepaid Expenses	21,668	25,146
Cash	1,646,727	1,729,331
Accounts Payable	(125,220)	(146,937)
Accounts Receivable	2,956,390	0
Due to Broker	0	(145,761)
Total Non-Invested Assets:	$ 4,958,200	$ 1,827,224
Net Assets Available for Benefits	$ 153,296,273	$ 161,910,558

The table above shows the market value of assets taken into account for funding purposes. These values exclude receivable withdrawal liability payments because they are not "receivable" as defined by the IRS. At December 31, 2019, the amount including this receivable shown in the audited financial statement was $167,635,979.

Changes in Market Value

The components of asset change are:

- Contributions
- Benefit payments
- Expenses
- Investment income (realized and unrealized)

The specific changes during 2019 are presented below.

Table III-2 *
Changes in Market Values

Value of Assets - January 1, 2019	$ 153,296,273
Employer Contributions	3,879,728
Withdrawal Liability Payments	663,674
Investment Return (Gross)	26,225,080
Benefit Payments	(20,567,862)
Administrative Expenses	(355,379)
Investment Expenses	(1,230,956)
Value of Assets - January 1, 2020	$ 161,910,558

* On this table $1,000 of other income is classed as investment income.

SECTION III – ASSETS

Investment Performance

The following table calculates the actuarial investment gain/loss and the return for the plan year on a market value basis. The return is an appropriate measure for comparing the actual asset performance to the prior year's long-term 8% assumption.

Table III-3
Change in Market Value of Assets

Item	Market Value
January 1, 2019 value	$ 153,296,273
2019 Employer Contributions	3,879,728
2019 Withdrawal Liability Payments	663,674
2019 Benefit Payments	(20,567,862)
Actual Administrative Expenses	(355,379)
Expected Investment Earnings (8%)	11,621,113
Expected Value December 31, 2019	$ 148,537,547
Investment Gain / (Loss)	13,373,011
January 1, 2020 value	$ 161,910,558
Investment Return	17.22%

Assets at Actuarial Value

For long-term planning, actuaries developed an actuarial value of assets using smoothing techniques to mitigate the effects of short-term volatility exhibited by the capital markets. The asset valuation method, adopted with the 2007 valuation, phases in actuarial investment gains and losses over five years. The actuarial value of assets is then constrained, if necessary, so that it is not more than 120% of the market value and is not less than 80% of the market value. The asset valuation method is described more fully in Appendix C.

The table below shows the development of the actuarial value of assets.

Table III-4
Development of Actuarial Value of Assets

Market Value of Assets as of January 1, 2020				$ 161,910,558
Plan Year	**Investment Gains / (Losses)**	**Percent Recognized**	**Percent Deferred**	**Amount Deferred**
12/31/2015	(5,127,301)	100%	0%	0
12/31/2016	(1,210,474)	80%	20%	(242,095)
12/31/2017	11,936,534	60%	40%	4,774,614
12/31/2018	(13,240,083)	40%	60%	(7,944,050)
12/31/2019	13,373,011	20%	80%	10,698,409
Total				$ 7,286,878
Preliminary Actuarial Value of Assets January 1, 2020				$ 154,623,680
120% of MV, upper limit for actuarial value				194,292,670
80% of MV, lower limit for actuarial value				129,528,446
Actuarial Value of Assets January 1, 2020				$ 154,623,680
- as a percent of Market Value of Assets				95.5%

Asset Gain/(Loss)

The following table calculates the investment gain/loss and the return for the plan year on an actuarial value basis. This gain/loss is one component of the Fund's overall actuarial experience gain/loss, which is recognized for minimum funding requirements.

Over 2019, the Fund's assets at actuarial value produced an actuarial gain of $763,286.

Table III-5
Change in Actuarial Value of Assets

Item	Actuarial Value
January 1, 2019 value	$ 158,236,069
2019 Employer Contributions	3,879,728
2019 Withdrawal Liability Payments	663,674
2019 Benefit Payments	(20,567,862)
Expected Administrative Expenses	(353,198)
Expected Investment Earnings (8%)	12,001,983
Expected Value December 31, 2019	$ 153,860,394
Investment Gain / (Loss)	763,286
January 1, 2020 value	$ 154,623,680
Investment Return	8.51%

SECTION IV – LIABILITIES

In this section, we present detailed information on the Fund's liabilities including:

- **Disclosure** of the Fund's liabilities at January 1, 2019 and January 1, 2020; and
- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the purpose for which they are used.

- **Actuarial Liabilities:** Used in determining minimum funding requirements, maximum tax-deductible contributions, and long-term funding targets, this amount is calculated using the **Entry Age Normal Cost Method.**
- **Accrued Liabilities:** Used for communicating the current levels of liabilities, these liabilities represent the total amount of money needed to fully pay off all future obligations of the Fund using funding assumptions and assuming no further accrual of benefits. They are determined using the **Unit Credit Cost Method**.

  These liabilities are used for determining funded status under PPA. The law requires them to be compared to the actuarial value of assets to measure funded status. They can also be used to establish comparative benchmarks with other plans.

  The accrued liabilities must also be included in the Fund's financial statement for accounting disclosure purposes (FASB ASC Topic No. 960). However, the accounting disclosure must also include the present value of future administrative expenses. This sum is called the Present Value of Accumulated Benefits.

- **Vested Liabilities:** Used for administrative purposes in determining employer withdrawal liability, this liability represents that portion of the accrued liabilities, which are vested.
- **Current Liabilities:** Used for Federal Government compliance purposes, the calculation of this liability is defined by federal regulations and is used to determine maximum allowable tax-deductible contributions.

The table on the following page discloses each of these liabilities for the current valuation and the prior one. With respect to each disclosure, a subtraction of the appropriate value of fund assets yields, for each respective type, a **surplus or unfunded liability**.

SECTION IV – LIABILITIES

Table IV-1
Liabilities/Net Surplus (Unfunded)

	January 1, 2019	January 1, 2020
ACTUARIAL LIABILITY		
Active Participant Benefits	$ 47,049,955	$ 45,558,251
Retiree and Inactive Benefits	232,223,756	250,033,173
Actuarial Liability	**$ 279,273,711**	**$ 295,591,424**
Actuarial Value of Assets	158,236,069	154,623,680
Net Surplus (Unfunded)	**$ (121,037,642)**	**$ (140,967,744)**
ACCRUED LIABILITY		
Active Participant Benefits	$ 43,018,333	$ 40,568,656
Retiree and Inactive Benefits	232,223,756	250,033,173
Accrued Liability	**$ 275,242,089**	**$ 290,601,829**
Actuarial Value of Assets	158,236,069	154,623,680
Net Surplus (Unfunded)	**$ (117,006,020)**	**$ (135,978,149)**
VESTED LIABILITY		
Accrued Liability	$ 275,242,089	$ 290,601,829
Less Present Value of Non-Vested Benefits	2,378,946	2,499,322
Vested Liability	**$ 272,863,143**	**$ 288,102,507**
Actuarial Value of Assets	158,236,069	154,623,680
Net Surplus (Unfunded)	**$ (114,627,074)**	**$ (133,478,827)**
CURRENT LIABILITY (RPA 1994)		
Current Liability	**$ 474,757,777**	**$ 472,892,075**
Market Value of Assets	153,296,273	161,910,558
Net Surplus (Unfunded)	**$ (321,461,504)**	**$ (310,981,517)**

SECTION IV – LIABILITIES

Allocation of Liabilities by Type

The Fund's participants may qualify for a benefit upon death, termination, and disability as well as upon retirement. The value of the liabilities arising from each of these sources is shown in the following table.

Table IV-2
Allocation of Liabilities by Type

Benefit Type	Retirement	Termination	Death	Expenses	Total
Entry Age Normal Cost	$ 606,502	$ 172,199	$ 8,927	$ 366,579	$ 1,154,207
Entry Age Actuarial Liability					
Actives	$ 45,026,334	$ 271,679	$ 260,237	$ 0	$ 45,558,250
Terminated Vesteds	0	79,970,379	0	0	79,970,379
Retirees and Beneficiaries	163,612,871	0	6,449,924	0	170,062,795
Total	$ 208,639,205	$ 80,242,058	$ 6,710,161	$ 0	$ 295,591,424
Current Liability Normal Cost	$ 2,384,989	$ 261,838	$ 14,541	$ 0	$ 2,661,368
Current Liability					
Actives	$ 72,745,799	$ 3,621,221	$ 332,096	$ 0	$ 76,699,116
Terminated Vesteds	0	151,318,754	0	0	151,318,754
Retirees and Beneficiaries	235,739,438	0	9,134,767	0	244,874,205
Total	$ 308,485,237	$ 154,939,975	$ 9,466,863	$ 0	$ 472,892,075
Vested Current Liability					
Actives	$ 26,657,089	$ 45,812,957	$ 327,622	$ 0	$ 72,797,668
Terminated Vesteds	0	151,318,754	0	0	151,318,754
Retirees and Beneficiaries	235,739,438	0	9,134,767	0	244,874,205
Total	$ 262,396,527	$ 197,131,711	$ 9,462,389	$ 0	$ 468,990,627

SECTION IV – LIABILITIES

Changes in Liabilities

Each of the liabilities shown in the table below is subject to change at successive valuations as the experience of the Fund varies from that assumed in the valuation. The liabilities may change for any of several reasons, including:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments
- Interest on liabilities
- Benefits paid to retirees
- Participants leaving employment at rates different from expected
- Changes in actuarial assumptions
- Changes in actuarial methods

Table IV-3
Reconciliation of Liabilities

	Actuarial Liability	Accrued Liability
Liabilities as of January 1, 2019	$ 279,273,711	$ 275,242,089
Liabilities as of January 1, 2020	$ 295,591,424	$ 290,601,829
Liability Increase (Decrease)	$ 16,317,713	$ 15,359,740
Change Due due to:		
Plan Amendment	$ 0	$ 0
Assumption Change	15,725,253	14,691,479
Accrual of Benefits	708,045	1,091,725
Passage of Time (Interest less benefits paid)	1,023,791	731,956
Other Sources	0	0
Actuarial Liability (Gain) / Loss	(1,139,376)	(1,155,420)
Total Change	$ 16,317,713	$ 15,359,740

SECTION V – CONTRIBUTIONS

In this section, we present detailed information on the Fund's contributions from two perspectives:

- **Actuarially determined** contributions or actuarial cost and
- **Government Limits,** which could affect the above.

Actuarial Determined Contributions

For this Fund, the cost method used to calculate the actuarially determined contribution is the **Entry Age Normal Cost Method**. The actuarially determined contribution or cost is determined in two parts.

The first part is the **Entry Age Normal Cost**. This is the level cost of providing the benefits promised by the Fund to each individual participant in service at the valuation date assuming that contributions are made over the period of the participant's working life. The normal cost includes a provision for the Fund's expenses.

The second part is an amortization payment to pay off the unfunded actuarial liability. The unfunded actuarial liability is the difference between the actuarial assets of the Fund at the valuation date and the assets the Fund should hold as determined by the actuarial cost method. The amortization payment is determined using the amortization schedule established by the IRS minimum funding rules.

Government Limits

ERISA and the IRS tax code place various limits on the contributions made to qualified pension plans. The limits impact the minimum that must be paid, the maximum that can be deducted and the timing of contributions. Pension plans are required to retain an Enrolled Actuary to report on the progress of funding through completion of Schedule MB to Form 5500 on an annual basis. The actuarially determined contribution/cost for 2020 is shown in the following table compared to the various Government Limits and the estimated employer contributions (including withdrawal liability payments).

The table below summarizes the results of the tables on the following pages. It also shows the per capita actuarially determined contribution/actuarial cost and per capita expected contribution. The cost is almost three times the expected contribution.

Table V-1
Contributions for 2020

Actuarially Determined Contribution		
Entry Age Normal Cost	$	787,628
Administrative Expense		366,579
Amortization Payment		12,506,693
Interest to End of Year		956,263
Total	$	14,617,163
Government Limits		
Maximum Deductible Contribution	$	511,983,142
Minimum Required Contribution (before Credit Balance)	$	14,617,163
Funding Deficiency (with interest to End of Year)	$	39,505,362
Minimum Contribution (after Credit Balance)	$	54,122,525
Employer Contributions with Interest*	$	4,920,370
Count of Active Participants		294
Per Capita Actuarial Cost	$	49,718
Per Capita Contribution	$	16,736

* Estimated contributions of $4,734,628 (including interest to end of year)

SECTION V – CONTRIBUTIONS

Table V-2
Funding Standard Account for 2019 and 2020 Plan Years

	2019	2020
1. Charges For Plan Year		
a. Funding Deficiency	$ 25,845,291	$ 36,920,899
b. Normal Cost with Expenses	1,061,243	1,154,207
c. Amortization Charges	20,988,701	21,780,503
d. Interest on a. and b. to Year End	3,831,619	4,189,893
e. Additional Funding Charge	N/A	N/A
f. Interest Charge due to Late Quarterly Contributions	N/A	N/A
g. Total Charges	$ 51,726,854	$ 64,045,502
2. Credits For Plan Year		
a. Prior Year Credit Balance	$ 0	$ 0
b. Employer Contributions (actual/*expected*)	4,543,402	*4,734,628*
c. Amortization Credits	9,337,327	9,273,810
d. Interest on a., b., and c. to Year End	925,226	812,076
e. Full Funding Limit Credit	0	0
f. Total Credits	$ 14,805,955	$ 14,820,514
3. Credit Balance at End of Year [2. - 1., not less than $0]	$ 0	$ 0
4. Funding Deficiency at End of Year [1. – 2., not less than $0]	$ 36,920,899	$ 49,224,988

SECTION V – CONTRIBUTIONS

Table V-3
Calculation of the Maximum Deductible Contribution for the Plan Year Starting January 1, 2020

1. "Fresh Start" Method			
a.	Normal Cost with Expenses	$	1,154,207
b.	Net Charge to Amortize Unfunded Actuarial Liability Over 10 years		18,757,603
c.	Interest on a. and b.		1,393,827
d.	Total		21,305,637
e.	Minimum Required Contribution at Year End		54,122,525
f.	Larger of d. and e.		54,122,525
g.	Full Funding Limitation as of Year End		278,199,232
h.	Regular Maximum Deductible Contribution, lesser of f. and g.	$	54,122,525
2. 140% of Current Liability Calculation*			
a.	RPA 1994 Current Liability at Start of Year	$	472,892,075
b.	Present Value of Benefits Estimated to Accrue during Year		2,661,368
c.	Expected Benefit Payments		21,696,748
d.	Net Interest on a., b. and c. at Current Liability Interest Rate		13,711,126
e.	Expected Current Liability at End of Year, [a. + b. – c. + d.]		467,567,821
f.	140% of e.		654,594,949
g.	Actuarial Value of Assets		154,623,680
h.	Expected Expenses at Start of Year		366,579
i.	Net Interest on c., g. and h. at Valuation Interest Rate		10,051,454
j.	Estimated Value of Assets, [g. – c. – h. + i.]		142,611,807
k.	Unfunded Current Liability at Year End, [f. – j.]	$	511,983,142
3. Maximum Deductible Contribution at Year End, greater of 1. and 2.		$	511,983,142

* Based on combined mortality specified in Reg. §1.412(l)(7)-1 and an interest rate of 2.95%.

SECTION V – CONTRIBUTIONS

Table V-4
Development of Actuarial Gain/(Loss)
for the Year Ended December 31, 2019

1.	Unfunded Actuarial Liability at Start of Year	$ 121,037,642
2.	Normal Cost (with expenses) at Start of Year	$ 1,061,243
3.	Interest on 1. and 2. to End of Year	$ 9,767,911
4.	Employer Contributions for Year	$ 4,543,402
5.	Interest on 4. to End of Year	$ 178,241
6.	Change in Unfunded Actuarial Liability Due to Changes in Plan Design	$ 0
7.	Change in Unfunded Actuarial Liability Due to Changes in Assumptions	$ 15,725,253
8.	Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. - 5. + 6.+ 7.]	$ 142,870,406
9.	Actual Unfunded Actuarial Liability at End of Year, not less than zero	$ 140,967,744
10.	Actuarial Gain / (Loss) [8. – 9.]	$ 1,902,662
	(a) Liability Gain / (Loss)	$ 1,139,376
	(b) Asset Gain / (Loss)	$ 763,286

SECTION V – CONTRIBUTIONS

Table V-5
Schedule of Amortizations Required for Minimum Required Contribution
as of January 1, 2020

Type of Base	Date Established	1/1/2020 Outstanding Balance	Remaining Amortization Years [1]	Beginning of Year Amortization Amount
CHARGES				
1. Change in Actuarial Cost Method	01/01/1984	$ 281,787	1	$ 281,787
2. Increase in Employer Contributions	01/01/1986	3,096	1	3,096
3. Plan Amendments	01/01/1986	111,332	1	111,332
4. Increase in Employer Contributions	01/01/1987	177,553	2	91,779
5. Change in Actuarial Assumptions	01/01/1988	22,321	3	7,949
6. Increase in Employer Contributions	01/01/1988	292,141	3	104,038
7. Increase in Employer Contributions	01/01/1989	449,643	4	124,063
8. Increase in Employer Contributions	01/01/1990	465,170	5	106,029
9. Increase in Employer Contributions	01/01/1991	865,315	6	169,663
10. Plan Amendments	01/01/1992	25,964	7	4,503
11. Increase in Employer Contributions	01/01/1992	381,955	7	66,236
12. Change in Actuarial Cost Method	01/01/1992	171,398	1	171,398
13. Change in Actuarial Assumptions	01/01/1992	1,110,848	7	192,637
14. Increase in Employer Contributions	01/01/1993	661,891	8	103,594
15. Increase in Employer Contributions	01/01/1994	876,416	9	125,718
16. Increase in Employer Contributions	01/01/1995	761,800	10	101,367
17. Plan Amendments	01/01/1996	448,565	11	55,906
18. Increase in Employer Contributions	01/01/1996	859,677	11	107,144
19. Plan Amendments	01/01/1997	30,236	12	3,558
20. Increase in Employer Contributions	01/01/1997	942,588	12	110,910
21. Increase in Employer Contributions	01/01/1998	419,869	13	46,951
22. Plan Amendments	01/01/1998	7,622,932	13	852,421
23. Increase in Employer Contributions	01/01/1999	1,343,221	14	143,543
24. Plan Amendments	01/01/1999	3,031,880	14	324,000
25. Increase in Employer Contributions	01/01/2000	345,535	15	35,456
26. Plan Amendments	01/01/2001	297,970	16	29,479
27. Change in Actuarial Assumptions	01/01/2001	551,620	16	54,573

SECTION V – CONTRIBUTIONS

Table V-5
Schedule of Amortizations Required for Minimum Required Contribution
as of January 1, 2020

Type of Base	Date Established	1/1/2020 Outstanding Balance	Remaining Amortization Years [1]	Beginning of Year Amortization Amount
CHARGES				
28. Experience Loss	01/01/2001	$ 79,557	1	$ 79,557
29. Increase in Employer Contributions	01/01/2001	1,856,649	16	183,683
30. Plan Amendments	01/01/2002	481,951	17	46,135
31. Increase in Employer Contributions	01/01/2002	1,698,294	17	162,568
32. Experience Loss	01/01/2002	383,228	2	198,094
33. Increase in Employer Contributions	01/01/2003	1,910,252	18	177,480
34. Experience Loss	01/01/2003	2,322,775	3	827,194
35. Increase in Employer Contributions	01/01/2004	1,726,264	19	156,095
36. Experience Loss	01/01/2004	2,138,167	4	589,950
37. Increase in Employer Contributions	01/01/2005	1,956,679	20	172,614
38. Experience Loss	01/01/2005	2,182,429	5	497,452
39. Recognized Portion of the 2008 ENIL	01/01/2009	37,653,124	18	3,498,313
40. Bifurcation Base	01/01/2009	6,286,715	9	901,800
41. Bifurcation Base	01/01/2010	3,536,609	5	806,118
42. Recognized Portion of the 2008 ENIL	01/01/2011	5,445,651	18	505,950
43. Method Change	01/01/2011	2,064,947	1	2,064,947
44. Recognized Portion of the 2008 ENIL	01/01/2012	17,435,615	18	1,619,925
45. Assumption Change	01/01/2012	9,081,761	7	1,574,907
46. Recognized Portion of the 2008 ENIL	01/01/2013	5,828,197	18	541,492
47. Recognized Portion of the 2008 ENIL	01/01/2014	3,676,923	18	341,619
48. Experience Loss	01/01/2015	3,704,629	10	492,949
49. Experience Loss	01/01/2016	5,873,917	11	732,082
50. Experience Loss	01/01/2017	2,211,704	12	260,241
51. Experience Loss	01/01/2018	1,847,665	13	206,612
52. Assumption Change	01/01/2020	15,725,253	15	1,613,596
TOTAL CHARGES		$ 159,661,678		$ 21,780,503

SECTION V – CONTRIBUTIONS

Table V-5
Schedule of Amortizations Required for Minimum Required Contribution as of January 1, 2020

Type of Base	Date Established	1/1/2020 Outstanding Balance	Remaining Amortization Years	Beginning of Year Amortization Amount
CREDITS				
1. Change in Actuarial Assumptions	01/01/1994	$ 153,135	4	$ 42,252
2. Change in Actuarial Assumptions	01/01/1996	1,585,452	6	310,861
3. Change in Actuarial Assumptions	01/01/1999	137,966	9	19,791
4. Change in Actuarial Assumptions	01/01/2002	765,113	12	90,027
5. Experience Gain	01/01/2006	594,143	1	594,143
6. Experience Gain	01/01/2007	429,882	2	222,210
7. Experience Gain	01/01/2008	1,739,523	3	619,484
8. Method Change	01/01/2009	11,697,211	19	1,057,701
9. Recognized Portion of the 2008 ENIL	01/01/2010	6,712,160	18	623,620
10. Plan Amendment	01/01/2010	9,796,190	5	2,232,897
11. Bifurcation Base	01/01/2011	4,096,731	6	803,249
12. Bifurcation Base	01/01/2012	1,880,753	7	326,149
13. Bifurcation Base	01/01/2013	10,544,184	8	1,650,291
14. Bifurcation Base	01/01/2014	2,825,350	9	405,283
15. Experience Gain	01/01/2019	754,378	14	80,616
16. Experience Gain	01/01/2020	1,902,662	15	195,236
TOTAL CREDITS		55,614,833		$ 9,273,810
NET CHARGE		**$ 104,046,845**		**$ 12,506,693**

SECTION V – CONTRIBUTIONS

Table V-6
Accumulated Reconciliation Account and Balance Test
as of January 1, 2020

1. Amount due to Additional Interest Charges in prior years	$ 0
2. Amount due to Additional Funding Charges in prior years	NA
3. Reconciliation Account at Start of Year [1. + 2.]	$ 0
4. Net Outstanding Amortization Bases	$ 104,046,845
5. Funding Deficiency at Start of Year	$ 36,920,899
6. Unfunded Actuarial Liability at Start of Year from Funding Equation [4. – 3. + 5.]	$ 140,967,744
7. Actuarial Liability at Start of Year	$ 295,591,424
8. Actuarial Value of Assets at Start of Year	$ 154,623,680
9. Unfunded Actuarial Liability at Start of Year from Liability Calculation [7. – 8., Limited to Zero]	$ 140,967,744

The Fund passes the Balance Test because line 6. equals line 9.

SECTION V – CONTRIBUTIONS

Table V-7
Development of Full Funding Limitation
for Plan Year Starting January 1, 2020

	Minimum	Maximum
1. Entry Age Actuarial Liability Calculation		
a. Actuarial Liability	$ 295,591,424	$ 295,591,424
b. Normal Cost with Expenses	1,154,207	1,154,207
c. Lesser of Market Value and Actuarial Value of Assets	154,623,680	154,623,680
d. Credit Balance/(Funding Deficiency) at Start of Year	(36,920,899)	0
e. Actuarial Liability Full Funding Limit [a. + b. – c. + d.] x 1.07, limited to zero	$ 112,565,126	$ 152,070,488
2. Full Funding Limit Overide (RPA 1994)		
Interest Rate used to Calculate Current Liability	2.95%	2.95%
a. RPA 1994 Current Liabilty at Start of Year	$ 472,892,075	$ 472,892,075
b. Present Value of Benefits Estimated to Accrue during Year	2,661,368	2,661,368
c. Expected Benefit Payments	21,696,748	21,696,748
d. Net Interest on a., b. and c. at Current Liability Interest Rate	13,711,126	13,711,126
e. Expected Current Liability at End of Year, [a. + b. – c. + d.]	467,567,821	467,567,821
f. 90% of e.	420,811,039	420,811,039
g. Actuarial Value of Assets at Start of Year	154,623,680	154,623,680
h. Expected Expenses	366,579	366,579
i. Net Interest on c., g. and h. at Valuation Interest Rate	10,051,454	10,051,454
j. Estimated Value of Assets, [g. – c. – h. + i.]	142,611,807	142,611,807
k. RPA 1994 Full Funding Limit Override	$ 278,199,232	$ 278,199,232
3. Full Funding Limitation at End of Year, greater of 1e. and 2k.	$ 278,199,232	$ 278,199,232

SECTION VI – WITHDRAWAL LIABILITY

The Multi-Employer Pension Plan Amendments Act of 1980 (MPPAA) provides that a contributing employer who withdraws from a multi-employer pension plan, either partially or totally, will be liable to the fund for a share of the fund's Unfunded Vested Benefits (UVB) that exist as of the end of the plan year prior to the year in which the withdrawal occurs. The UVB is apportioned using the Presumptive Method as described in ERISA §4211(b)(1).

Vested Benefits are the benefits that the Fund cannot take away from participants. Vested Benefits belong to two groups of participants: those former employees who have retired and are currently receiving retirement benefits; and those employees and former employees who have not yet retired, but who have accumulated enough service to earn the right to receive a benefit when they do retire even if their employment is terminated prior to retirement.

The total liability for all Vested Benefits as of December 31, 2019 is $288,102,507. This liability has been determined using the actuarial assumptions shown in Appendix C for funding purposes. As of December 31, 2019, the Market Value of Assets applicable to the use of the Presumptive Method of allocating UVB was $161,910,558. Because the present value of Vested Benefits exceeds the assets of the Fund, there are Unfunded Vested Benefits as of December 31, 2019. Consequently, a participating employer who withdraws from the Fund during the plan year beginning January 1, 2020 may have a Withdrawal Liability, which will be based on its share of the Unfunded Vested Benefits.

In addition, a withdrawing employer will be assessed a portion of the Affected Benefit liability in accordance with the provisions of the Pension Protection Act. The Affected Benefit liability arose when the Fund removed certain Adjustable Benefits effective January 1, 2010. The unamortized balance of the Affected Benefit liability at December 31, 2019 is $174,977.

SECTION VII – FASB ASC 960 DISCLOSURES

Table VII-1
Present Value of Accumulated Benefits as of January 1, 2020 in Accordance with FASB ASC 960

		Amounts	Counts
1. Actuarial Present Value of Vested Benefits			
For Retirees and Beneficiaries	$	170,062,795	1,030
Terminated Vesteds		79,970,379	703
Active Participants		38,069,333	244
Total Vested Benefits	$	288,102,507	1,977
2. Non-vested Benefits	$	2,499,322	50
3. Present Value of Expected Administrative Expenses[1]	$	4,636,103	
4. Accumulated Benefits	$	295,237,932	2,027
5. Market Value of Assets	$	161,910,558	
6. Funded Ratios			
Vested Benefits		56%	
Accumulated Benefits		55%	

Reconciliation of Present Value of Accumulated Benefits

1. Actuarial Present Value at Start of Prior Year	$	275,242,089
2. Increase (Decrease) over Prior Year due to:		
Benefit Accruals	$	1,091,725
Benefit Payments		(20,567,862)
Increase for Interest		21,299,818
Liability Experience (Gains)/Losses		(1,155,420)
Changes in Assumptions		14,691,479
Plan Amendments		0
Total	$	15,359,740
3. Actuarial Present Value at End of Prior Year (w/o Administrative Expenses)	$	290,601,829
4. Present Value of Expected Administrative Expenses[1]	$	4,636,103
5. Actuarial Present Value at End of Prior Year (w/ Administrative Expenses)	$	295,237,932

[1] The present value of expected administrative expenses is equal to 1.60% of the Accrued Liability.

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided by Associated Administrators LLC (AA). Cheiron did not audit any of the data; however, the data was reviewed to ensure that it complies with generally accepted actuarial standards. The data is as of January 1, 2020.

The following is a list of data charts contained in this section:

- Age/Service Distribution for Active Participants
- Counts and Average Benefit Amount by Age for Retirees, Beneficiaries, and Disabled Participants
- Counts and Average Benefit Amount by Age for Terminated Vested Participants

Table A-1
Age/Service Distribution of Active Participants as of January 1, 2020

	COMPLETED YEARS OF CREDITED SERVICE							
AGE	0-4	5-9	10-14	15-19	20-24	25-29	30 & Up	Total
Under 25	9	0	0	0	0	0	0	9
25-29	6	3	0	0	0	0	0	9
30-34	11	15	8	0	0	0	0	34
35-39	11	13	10	8	1	0	0	43
40-44	6	4	13	6	6	0	0	35
45-49	1	3	13	5	7	3	0	32
50-54	5	3	7	9	15	6	12	57
55-59	2	3	11	10	5	7	10	48
60-64	1	1	4	2	6	3	2	19
65 & Up	1	1	3	1	0	0	2	8
Total	53	46	69	41	40	19	26	**294**

Average Age = **46.6** Average Service = **14.5**

APPENDIX A – MEMBERSHIP INFORMATION

Table A-2
Age/Benefit Distribution of Inactive Participants as of January 1, 2020

PENSIONERS AND BENEFICIARIES RECEIVING BENEFITS

	Normal, Early Deferred Vested Retirements		Surviving Spouses and Beneficiaries Receiving Benefits		Total	
Age	**Number**	**Monthly Benefit**	**Number**	**Monthly Benefit**	**Number**	**Monthly Benefit**
Under 55	12	$ 49,294	2	$ 952	14	$ 50,246
55-59	53	195,044	7	5,388	60	200,432
60-64	235	605,380	18	7,345	253	612,725
65-69	211	395,497	23	11,346	234	406,843
70-74	156	193,135	26	14,268	182	207,403
75-79	135	132,944	24	13,180	159	146,124
80 & Over	103	86,150	25	7,269	128	93,419
Total	905	$ 1,657,444	125	$ 59,748	**1,030**	**$ 1,717,192**

DEFERRED VESTED PARTICIPANTS AND SURVIVING SPOUSES ENTITLED TO FUTURE BENEFITS

Age	**Number**	**Monthly Benefit Payable at Normal Retirement Date**
Under 45	112	$ 117,125
45-49	107	144,713
50-54	184	383,392
55-59	224	461,291
60-64	53	53,042
65 & Over	23	11,248
Total	703	$ 1,170,811

APPENDIX A – MEMBERSHIP INFORMATION

Table A-3
Participant Reconciliation from January 1, 2019 to January 1, 2020

	Actives	Terminated Vested	Deferred Spouses	Retired	QDROs	Spouses	Total
1. **January 1, 2019 Valuation**	**301**	**722**	**16**	**849**	**22**	**130**	**2,040**
2. Additions							
a. New entrants	25						25
b. New spouse							0
c. New QDRO					6		6
d. Pickups						2	2
Total Additions	**25**	**0**	**0**	**0**	**6**	**2**	**33**
3. Reductions							
a. Terminated - not vested	(4)						(4)
b. Non-Participating							0
c. Lump sum							0
d. Deaths without beneficiary	(2)	(1)	(1)	(24)		(8)	(36)
e. Data corrections, missing			(3)	(1)	(1)	(1)	(6)
Total Reductions	**(6)**	**(1)**	**(4)**	**(25)**	**(1)**	**(9)**	**(46)**
4. Changes in status							
a. Terminated - vested	(16)	16					0
b. Returned to work	3	(3)					0
c. Retired	(11)	(44)		55			0
d. Died with beneficiary	(2)	(5)	6	(1)		2	0
e. Data corrections							0
Total Changes	**(26)**	**(36)**	**6**	**54**	**0**	**2**	**0**
5. **January 1, 2020 Valuation**	**294**	**685**	**18**	**878**	**27**	**125**	**2,027**

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

This summary of plan provisions provides an overview of the major provisions of the pension fund used in the actuarial valuation. It is not intended to replace the more precise language of the plan document and is not to be relied upon for calculating participant benefits.

1. Eligibility

Any employee on whose behalf contributions are made to the pension plan is eligible to participate in the Fund.

2. Normal Retirement

Eligibility: Age 60 with five years of service.

For service after the adoption or imposition of a Rehabilitation Benefit Schedule, the normal retirement age has been increased to age 62 with five years of service.

Amount: Percentage of Contributions

For service prior to the adoption or imposition of a Rehabilitation Benefit Schedule:

A monthly life annuity reducing to 55% of the original amount after 60 months, equal to (a) 4.17% of all contributions required to be made on a participant's behalf on and after January 1, 1978 plus (b) X% of all contributions required to be made on a participant's behalf prior to January 1, 1978, where "X" is determined from the following table:

Participant's Age on January 1, 1978	X%	Participant's Age on January 1, 1978	X%
60 or over	12.0	49	7.6
59	11.6	48	7.2
58	11.2	47	6.8
57	10.8	46	6.4
56	10.4	45	6.0
55	10.0	44	5.6
54	9.6	43	5.2
53	9.2	42	4.8
52	8.8	41	4.4
51	8.4	40 and under	4.17
50	8.0		

For those employers who elected through a collective bargaining agreement to make a supplemental contribution beginning January 1, 1998, the monthly life annuity above reduces to 55% of the original amount after 96 months instead of 60.

Effective for participants who earned an hour of service on or after January 1, 1999, 24 months is added to the number of months described above (i.e., 60 months and 96 months for a total of 84 and 120 months, respectively).

For service after the adoption or imposition of a Rehabilitation Benefit Schedule:

Preferred Schedule: 2.0% of all contributions required to be made on a participant's behalf on and after the date of adoption of the Preferred Schedule, reducing to 1.0% after the pension has been in effect for 60, 84, 96, or 120 months.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

Default Schedule: 1.0% of all contributions required to be made on a participant's behalf on and after the date of adoption or imposition of the Default Schedule.

3. Early Retirement Benefit

Eligibility: On completion of 30 years of service with the Fund.

Amount: Accrued normal retirement benefit payable immediately.

4. Postponed Retirement Benefit

A participant who elects to postpone his retirement of contributions benefit beyond his normal retirement date is entitled to a postponed retirement benefit, in lieu of his normal retirement benefit, in the amount of the normal retirement benefit calculated as if he had reached his normal retirement date on the day he actually retires.

5. Termination Benefit

Eligibility: Five credited years of service for vesting.

Amount: A deferred annuity in the amount of the participant's accrued normal benefit at termination commencing at the participant's normal retirement age.

6. Death Benefits

<u>Pre-Retirement Lump Sum Death Benefit</u>

Eligibility: Five continuous years of participation in the pension plan, and has had at least 40 weeks' payments into the trust fund by an employer.

Amount: $2.00 per paid week up to a maximum of $2,000 reduced by any disability benefits paid.

Eliminated after the adoption or imposition of a Rehabilitation Benefit Schedule.

<u>Pre-Retirement Spouse's Pension</u>

Eligibility: Available only to married participants who are eligible for a termination benefit, including vested terminated participants.

Amount: A life annuity to the participant's lawful spouse in the amount of the surviving spouse's benefit that would have been provided under the qualified joint and survivor annuity payable at what would have been the participant's earliest retirement date.

The pre-retirement spouse's benefit will be paid in addition to the lump sum death benefit.

APPENDIX B – SUMMARY OF MAJOR PLAN PROVISIONS

7. Normal Form of Pension

For participants who are married as of the normal retirement date, the normal retirement benefit is automatically payable as a joint and survivor annuity actuarially equivalent to the above benefit. The normal form of pension payable to a married employee who does not elect otherwise will be an actuarially reduced pension on the Joint and 50% Survivor basis.

8. Effective Date of Plan

August 15, 1965. Restated as of January 1, 2002.

9. Last Amended

Restated as of January 1, 2009 and executed on December 17, 2009. The Rehabilitation Plan was last amended in 2014 to adopt reasonable measures to forestall insolvency.

10. Contributions

Employee: None permitted or required.

Employer: On an hourly or weekly basis, on behalf of participating employees, as specified in the applicable collective bargaining agreement.

11. Changes since Last Valuation

None.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

A. Actuarial Assumptions

1. Rates of Investment Return

Funding purposes: 7.00%

Current Liability under RPA 1994: 2.95%

This interest rate is the top of the corridor established by law.

All investment returns are net of investment expenses.

2. Rates of Mortality

Funding:
SOA RP-2014 Blue Collar Mortality adjustment to 2006, generationally projected using scale MP-2019

Current Liability under RPA 1994:
The 2020 Static Mortality Table as prescribed under IRS Regulations.

3. Rates of Disability

None assumed.

4. Rates of Turnover

Double the combination of Sarason's Advanced Pension Tables. Sample rates:

Age	Rate
20	24.77%
22	22.62
24	20.47
25	19.40
26	18.02
28	15.25
30	12.49
35	8.21
40	5.24
45	2.57
50	0.00

5. Rates of Retirement

For individuals commencing from Active status:

	Less than 30 Years of Service		30 Years of Service	Over 30 Years of Service
Age	NRA = 60	NRA = 62		
<60	0%	0%	35%	15%
60	25%	0%	100%	100%
61	15%	0%	100%	100%
62	15%	25%	100%	100%
63 – 64	15%	15%	100%	100%
65+	100%	100%	100%	100%

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

6. Rates of Retirement (continued)

For individuals commencing from Inactive status:

Age	NRA of 60	NRA of 62
<60	0%	0%
60	50%	0%
61	25%	0%
62	25%	50%
63-64	25%	25%
65+	100%	100%

7. Marriage Rates

Percentage Married: Males – 61%
Females – 61%

Age Differences: Males are assumed to be three years older than spouse.

8. Payment Form Elections

Level Income Option – 65%
Single Life or Certain Annuity – 15%
Joint & Survivor Annuity – 20%

9. Administrative Expenses

$366,579 payable at the beginning of the year. Projected expenses incorporate an expense inflation assumption of 2% per year.
For financial disclosure under FASB ASC 960, the present value of future administrative expense is 1.60% of accrued liability. This amount is based on future projected cash flows of $180.85 per participant, mid-year, that increase 2% per year for inflation.

10. Active Participants

All non-retired participants who have hours worked during the plan year ending December 31, 2019.

11. Future Hours Worked By Active Participants

Each active participant will work average annual hours worked in the past three years, excluding the year of entry. No participant is assumed to work less than 870 hours per year.

12. Contribution Rate Used for Determination of Minimum Flat Benefit

The contribution rate in effect on January 1, 2020.

13. Contribution Rate Used for Determination of Percentage of Contributions Benefit

The contribution rate in effect on January 1, 2020.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

14. Participant Data

This report is based upon employee data furnished by the Fund Administrator. All non-retired participants who have hours worked during the plan year ending December 31, 2019 are assumed to be active participants as of January 1, 2020 unless identified as having been terminated.

15. Assets

Provided by the independent auditors' report as of December 31, 2019.

The Actuarial Value of Assets is based on the market value with an adjustment to smooth appreciation or depreciation in the market value over the past five years.

80% of the net appreciation or depreciation for the most recently completed plan year is removed from the value of the assets, 60% of the appreciation or depreciation for the year prior to that is removed, etc., until the fifth year prior to this plan year for which none of the appreciation or depreciation is removed. The actuarial value of assets is adjusted, if necessary, to be within 80% to 120% of the market value of the assets.

16. Rehabilitation Plan Benefit Schedule

In preparing our report and valuation results, all participating employers were valued under the Preferred Schedule as of January 1, 2020.

17. Choice of Assumptions

Economic: The expected investment return was chosen by modeling the Fund's current asset allocation with the Horizon Investment Survey. The expected 10-year return is 6.53% and the expected 20-year return is 7.34%. Historically the Fund has averaged 9.6% annual return over the past 10 years. Taking into account the historical returns and forward looking expectations, a long-term rate return of 7% is reasonable.

Demographic: The demographic assumptions were reviewed and updated to better reflect actual experience.

18. Changes in Assumptions since Last Valuation

The assumed retirement and mortality rates, as well as the forms of payment and marital assumptions were updated to better reflect actual experience.

The discount rate assumption was decreased from 8.00% to 7.00% to better reflect investment expectations.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

For funding calculations, the administrative expense assumption was changed from $353,198 to $366,579.

For financial disclosure under FASB Topic ASC 960, the present value of future administrative expense is based on future mid-year cash flows of $180.85 per participant that increase 2% per year for inflation. Last year we used $173.14 per participant, and a 3% inflation assumption.

The RPA '94 Current Liability interest rate was changed from 3.06% to 2.95% and the RPA '94 Current Liability mortality table was changed from the IRS 2019 Static Mortality Table to the IRS 2020 Static Mortality Table to comply with appropriate guidance.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

B. Actuarial Methods

1. Asset Valuation Method

The Actuarial Value of Assets is determined in accordance with Section 3.16 of Revenue Procedure 2000-40 using a five-year smoothing period. Specifically, the actuarial value of assets as of January 1, 2006 is set equal to the market value of assets. For each subsequent plan year, the actuarial value shall be the market value minus a decreasing fraction (4/5, 3/5, 2/5, 1/5) of each gain or loss for each of the preceding four plan years except for 2008 market losses which are recognized at 10% a year due to funding relief. Gains or losses prior to January 1, 2006 are ignored.

The resulting actuarial value of assets is then limited to be no greater than 120% and no less than 80% of the market value of assets on the valuation date.

2. Funding Method: Entry Age Normal Cost Method

Under the Entry Age Normal Cost Method, the individual Entry Age Normal cost is determined for each participant by calculating the level annual contribution required to fund that individual's expected benefits based on the current plan provisions over the participant's expected active working lifetime with the Fund at entry.

At the valuation date, the present value of future normal cost is calculated for each individual participant by multiplying the Entry Age Normal cost by the present value of the participant's expected future active working lifetime with the Fund. The cost for each participant is then summed to yield the present value of future normal costs.

The excess of the present value of future benefits for all individuals at the valuation date over the present value of future normal costs is called the Actuarial Liability, or past service liability.

The excess, if any, of the actuarial liability over the actuarial value of assets is known as the unfunded accrued liability. If the actuarial value of assets exceeds the actuarial liability, the Fund may have a surplus.

3. PRA 2010 Funding Relief

The Fund's Board of Trustees elected funding relief under §431(b)(8) of the Code and §304(b)(8) of ERISA, specifically:

- The "special amortization rule," which allows the Fund's investment losses for the plan year ended December 31, 2008 be separately amortized over 29 years.

4. Changes in Actuarial Methods Since Last Valuation

None.

APPENDIX C – ACTUARIAL ASSUMPTIONS AND METHODS

5. Reliance on Models

Cheiron utilizes ProVal, an actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate the liabilities, normal costs and projected benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this actuarial valuation.

Projections in this report were developed using *P-Scan*, our proprietary tool for developing deterministic projections to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the plan.

CHEIRON

Classic Values, Innovative Advice

FOR PLAN YEAR COMMENCING JANUARY 1, 2021

ANNUAL CERTIFICATION OF PLAN STATUS UNDER SECTION 432(b) OF THE INTERNAL REVENUE CODE, (SEC. 305(b) OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974)

FOR

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND

EIN: 52-6124754
PN: 001

Plan Year 1/1/2021

Fund Contact
Ms. Alicia Cochran
Account Executive
(410) 683-6500

March 31, 2021

CHEIRON

Board of Trustees of the Warehouse Employees Union
Local No. 730 Pension Trust Fund
911 Ridgebrook Road
Sparks, MD 21152-9451

March 31, 2021
EIN: 52-6124754
PN: 001
Tel: (410) 683-6500

Re: Annual Certification of Plan Status under Internal Revenue Code §432(b) and Employee Retirement Income Security Act of 1974 §305(b)

Dear Board of Trustees:

CERTIFICATION

As required by Section 432(b)(3) of the Internal Revenue Code ("Code") and Section 305(b)(3) of the Employee Retirement Income Security Act of 1974 ("ERISA"), we certify, for the plan year beginning January 1, 2021, that the Fund is classified as being in Critical and Declining status as this term is defined in Section 432(b) of the Code and Section 305(b) of ERISA as amended by the Multiemployer Pension Reform Act of 2014.

The rehabilitation period for the Rehabilitation Plan adopted by the Trustees on November 26, 2009 began on January 1, 2012 and requires all reasonable measures to forestall insolvency. As discussed in Appendix III, we certify that the Fund is making scheduled progress in meeting the requirements of its Rehabilitation Plan due to the exhaustion of all reasonable measures to forestall insolvency.

This certification is complete and has been prepared in accordance with the requirements of Section 432 of the Code, Section 305 of ERISA, and generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this certification. This certification does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

This certification was prepared exclusively for the Trustees of the Warehouse Employees Union Local 730 Pension Trust Fund and the Secretary of Treasury. It only certifies the condition of the Fund under Code Section 432 as added by the Pension Protection Act of 2006 and should be used only for that purpose. Other users of this certification are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to such other users.

In preparing this certification, we have relied on information (some oral and some written) supplied by the Fund Office staff and the Fund's investment manager. This information includes, but is not limited to, the plan provisions, employee data, financial information, and expectations of future industry activity. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Future analyses may differ significantly from those presented in this certification letter due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and, changes in plan provisions or applicable law.

The attached appendices show the results for the statutory tests and describe the methodologies and assumptions used to perform the tests. Please contact the undersigned with any questions.

Sincerely,
Cheiron

PRHardcastle

Peter R. Hardcastle, FSA, EA (20-05197)
Principal Consulting Actuary

Matthew Deveney, FSA, EA (20-07754)
Consulting Actuary

Attachments: Appendix I: Tests of Fund Status
Appendix II: Detail for Actuarial Certification
Appendix III: Scheduled Progress
Appendix IV: Methodology and Assumptions

cc: Secretary of the Treasury

APPENDIX I – TESTS OF FUND STATUS

	Critical Status – The Fund, which has a 431(d) five-year automatic extension, was certified as Critical last year and will remain Critical unless it meets the two conditions for emergence:	**Condition Met?**
1	The Fund is not projected to have an accumulated funding deficiency for the current plan year or the next nine plan years.	NO
2	The Fund is not projected to become insolvent within 30 years.	NO
	Critical and Declining Status – The Fund will be certified as Critical and Declining if it meets test 3.	
3	The Fund is in Critical Status and is projected to become insolvent within the current or the next 19 plan years since the funding level is below 80%.	YES

The Fund is certified to be in Critical and Declining status for 2021.

APPENDIX II – DETAIL FOR ACTUARIAL CERTIFICATION

A. *CREDIT BALANCE / FUNDING DEFICIENCY* *(Used for Test 1)*

(uses 431(d) five-year automatic extension)

Date	Credit Balance	Charges	Credits	Contributions
		adjusted with interest to end of year		
1/1/2021	($48,841,173)	$21,915,366	$9,683,999	$5,102,094
1/1/2022	($59,389,329)			

Because a funding deficiency is projected at year end, there is no need to project the funding standard account credit balance any further. The projected funding standard account is based on the methods and assumptions set out in Appendix IV.

The projection of future contributions is based on the Trustees' estimate of future industry activity multiplied by the contribution rates contained in the current collective bargaining agreements under which the Fund is maintained. Additionally, future Withdrawal Liability payments by McKesson Drug Corporation are included.

B. *SOLVENCY PROJECTION* *(Used for Tests 2 and 3)*

(assumes contribution increases continue at 4.9% per year through FYE 2027, and 2.0% per year through FYE 2032)

The chart below shows a projection of the assets of the Fund over the next 14 years. The projection indicates that the Fund is expected to run out of assets during the 2034 Plan Year.

Date	Market Value Assets	Projected Contributions	Projected Benefits and Expenses	Projected Investment Earnings
1/1/2021	$ 161,493,965	$ 4,932,380	$ 22,138,095	$ 10,712,563
1/1/2022	155,000,813	5,140,834	22,054,966	10,268,075
1/1/2023	148,354,756	5,360,386	22,711,544	9,787,813
1/1/2024	140,791,411	5,591,035	23,331,497	9,244,984
1/1/2025	132,295,933	5,832,386	23,912,367	8,638,619
1/1/2026	122,854,571	6,085,379	24,585,132	7,963,280
1/1/2027	112,318,097	6,350,015	25,019,256	7,219,895
1/1/2028	100,868,751	6,472,888	25,346,703	6,411,402
1/1/2029	88,406,338	6,590,765	25,468,579	5,538,895
1/1/2030	75,067,419	6,709,198	25,686,532	4,601,746
1/1/2031	60,691,832	6,828,089	25,781,497	3,596,279
1/1/2032	45,334,704	6,951,551	25,649,096	2,530,083
1/1/2033	29,167,243	6,453,796	25,327,684	1,392,293
1/1/2034	11,685,648	6,287,877	25,000,685	174,124
1/1/2035	0			

APPENDIX III – SCHEDULED PROGRESS

Pursuant to ERISA Section 305(e)(3)(A)(ii), the Board of Trustees has adopted a Rehabilitation Plan to forestall insolvency as defined in ERISA Section 4245. The Rehabilitation Plan removes some adjustable benefits and requires contribution increases from all employers to match those affordable to the largest employer. The current required increases are 4.9% per year. Currently, all active employers are increasing contribution rates by 4.9% annually. On this basis and also considering lack of guidance from the Internal Revenue Service, we are certifying that the Fund is making the scheduled progress in meeting the requirements of its Rehabilitation Plan as discussed in ERISA Section 305(b)(3)(A)(ii).

APPENDIX IV – METHODOLOGY AND ASSUMPTIONS

A. Actuarial Assumptions

1. Rates of Investment Return

7.00% net of investment expenses.

2. Administrative Expenses

$652,000 for 2021 as of the middle of the year, dropping to $390,000 for 2022 and increasing 2.0% per year thereafter.

3. Rates of Mortality

SOA RP-2014 Blue Collar Mortality Table using base year 2006 with generational improvements using scale MP-2019

4. Rates of Retirement

For individuals commencing from Active status:

Age	Less than 30 Years of Service NRA = 60	Less than 30 Years of Service NRA = 62	30 Years of Service	Over 30 Years of Service
<60	0%	0%	35%	15%
60	25%	0%	100%	100%
61	15%	0%	100%	100%
62	15%	25%	100%	100%
63 – 64	15%	15%	100%	100%
65+	100%	100%	100%	100%

For Individuals commencing from Inactive status:

Age	NRA of 60	NRA of 62
<60	0%	0%
60	50%	0%
61	25%	0%
62	25%	50%
63-64	25%	25%
65+	100%	100%

5. Rates of Turnover

Double the combination of Sarason's Advanced Pension Tables. Sample rates:

Age	Rate
20	24.77%
22	22.62
24	20.47
25	19.40
26	18.02
28	15.25
30	12.49
35	8.21
40	5.24
45	2.57
50	0.00

6. Rates of Disability

None assumed.

7. Marriage Rates

- 61% of participants are assumed to be married.
- Males are assumed to be three years older than spouse.

8. Payment Form Elections

Level Income Option – 65%
Single Life or Certain Annuity – 15%
Joint & Survivor Annuity – 20%

9. Active Participants

All non-retired participants who have hours worked during the plan year ending December 31, 2019.

10. Future Hours Worked By Active Participants

Each active participant will work average annual hours worked in the past three years, excluding the year of entry. No participant is assumed to work less than 870 hours per year.

11. Contribution Rate Used for Determination of Minimum Flat Benefit

The contribution rate in effect on January 1, 2020.

12. Contribution Rate Used for Determination of Percentage of Contributions Benefit

The contribution rate in effect on January 1, 2020.

13. Participant Data

This report is based upon employee data furnished by the Fund Administrator. All non-retired participants who have hours worked during the plan year ending December 31, 2019 are assumed to be active participants as of January 1, 2020 unless identified as having been terminated.

14. Rehabilitation Plan Benefit Schedule

In preparing our report and valuation results, all participating employers were valued under the Preferred Schedule as of January 1, 2020.

15. Projected Industry Activity

As required by Section 432 of the Code, assumptions with respect to projected industry activity are based on information provided by the Trustees. It is the Trustees' expectation that the contribution base units will remain level during the projection period. Further, each employer's current contribution rate is expected to increase by 4.9% annually through 2027, then 2% annually for the next five years, and remain flat thereafter. These contribution rate increases are not benefit bearing.

16. Justification for Assumptions

Economic: The expected investment return was chosen by modeling the Fund's current asset allocation with the Horizon Investment Survey. The expected 10-year return is 6.53% and the expected 20-year return is 7.34%. Historically the Fund has averaged 9.6% annual return over the past 10 years. Taking into account the historical returns and forward looking expectations, a long-term rate return of 7% is reasonable.

Demographic: The demographic assumptions were reviewed and updated to better reflect actual experience.

B. Actuarial Methods

1. Funding Method: Entry Age Normal Cost Method

Under the entry age normal actuarial cost method the individual entry age normal cost is determined for each participant by calculating the level annual contribution required to fund that individual's expected benefits based on the current plan provisions over the participant's expected active working lifetime with the Fund at entry.

At the valuation date the present value of future normal cost is calculated for each individual participant by multiplying the entry age normal cost by the present value of the participant's expected future active working lifetime with the Fund. The cost for each participant is then summed to yield the present value of future normal costs.

The excess of the present value of future benefits for all individuals at the valuation date over the present value of future normal costs is called the Actuarial Liability, or past service liability.

The excess, if any, of the Actuarial Liability over the Actuarial Value of Assets is known as the unfunded accrued liability. If the Actuarial Value of Assets exceeds the Actuarial Liability, the Fund may have a surplus.

2. Asset Valuation Method

The Actuarial Value of Assets is determined in accordance with Section 3.16 of Revenue Procedure 2000-40 using a five-year smoothing period. Specifically, the Actuarial Value of Assets as of January 1, 2006 is set equal to the Market Value of Assets. For each subsequent plan year, the actuarial value shall be the market value minus a decreasing fraction (4/5, 3/5, 2/5, 1/5) of each gain or loss for each of the preceding four plan years (with the exception of the 2008 loss which is recognized at a rate of 1/10 per plan year due to funding relief). Gains or losses prior to January 1, 2006 are ignored.

3. Disclosures Regarding Models Used

In accordance with Actuarial Standard of Practice No. 56 (Modeling), the following disclosures are made:

a. Valuation Software

Cheiron utilizes and relies upon ProVal, an actuarial valuation software leased from Winklevoss Technologies for the intended purpose of calculating liabilities and projected benefit payments. Projected expected results of future valuations in this report were developed using P-scan, our proprietary tool for the intended purpose of developing projections. As part of the review process for this certification, we have performed a number of tests to verify that the results are reasonable and appropriate. We are not aware of any material inconsistencies, unreasonable output resulting from the aggregation of assumptions, material limitations or known weaknesses that would affect this certification.

b. Projections

This certification includes projections of future cash flows and funded status for the purpose of determining a zone status for the Fund.

The projections are based on the January 1, 2020 actuarial valuation projected to December 31, 2020 using expected liabilities and preliminary, unaudited December 31, 2020 assets. These projections also assume the continuation of the plan provisions and actuarial assumptions in effect as of January 1, 2020.

The projections assume that all future assumptions are met except where indicated with respect to future investment returns. The future outcomes become increasingly uncertain over time, and therefore the general trends and not the absolute values should be considered in the review of these projections.

4. PRA 2010 Funding Relief

The Fund's Board of Trustees elected funding relief under § 431(b)(8) of the Code and § 304(b)(8) of ERISA. This included the "special amortization rule," which allows the Fund's investment losses for the plan year ended December 31, 2008 to be separately amortized over 29 years.

Warehouse Employees Union Local No. 730
Pension Trust Fund

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April 2021

Notice of Critical and Declining Status For

Warehouse Employees Union Local No. 730 Pension Trust Fund

This is to inform you that on March 31, 2021 the plan actuary certified to the U.S. Department of the Treasury, and also to the Fund's Board of Trustees, that the plan is in critical and declining status for the plan year beginning January 1, 2021. Federal law requires that you receive this notice.

Critical and Declining Status

The plan is considered to be in critical and declining status because it has funding or liquidity problems, or both. More specifically, the plan's actuary determined that the plan's funded percentage is less than 65%. In addition, the plan is projected to become insolvent and require financial assistance from the Pension Benefit Guaranty Corporation (PBGC) during the 2034 plan year. Insolvent means that the plan's available resources are not sufficient to pay benefits under the plan during the plan year for which they are due. Critical and declining status was introduced by the Multiemployer Pension Reform Act of 2014.

Rehabilitation Plan

Federal law requires pension plans in critical status to adopt a "Rehabilitation Plan" aimed at restoring the financial health of the plan. This is the twelfth year the plan has been in critical status and the sixth year it has been in critical and declining status. The Trustees adopted a revised Rehabilitation Plan ("RP") on March 3, 2020. The RP described the actions to be taken by the Plan's Trustees, and the benefit and contribution changes to be bargained by the bargaining parties, to forestall insolvency.

The Fund is required to review the RP annually. If the Trustees determine that modifications are necessary, they will revise the RP and the benefit and contribution schedules recommended under it. However, a schedule of contribution rates provided by the Trustees and relied upon by the bargaining parties in negotiating a collective bargaining agreement will remain in effect for the duration of that agreement, and benefits earned for the service performed under each bargaining agreement will be determined based on the schedule applicable to that agreement at the time the service is performed.

The Rehabilitation Plan period began on January 1, 2012. The Rehabilitation Plan is reviewed annually and updated as needed.

What Does This Mean For Me?

The Fund applied to the Secretary of the Treasury for approval to implement certain benefit reductions to avoid insolvency under the Multiemployer Pension Reform Act of 2014 (“MPRA”). As previously communicated, the Fund appears to be eligible for financial assistance under American Rescue Plan Act (“ARPA”). However, several details regarding the qualification for and timing of financial assistance have not yet been made public. We will monitor the guidance once issued and continue to keep you informed.

Where to Get More Information

For more information about this Notice, you may contact Warehouse Employees Union Local No. 730 Pension Trust Fund at 800-730-2241 or 911 Ridgebrook Road, Sparks, Maryland 21152. You have a right to receive a copy of the rehabilitation plan from the plan.

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ANNUAL FUNDING NOTICE

FOR

WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND

Introduction

This notice includes important funding information about your pension plan ("the Plan"). This notice also provides a summary of federal rules governing multiemployer plans in reorganization and insolvent plans and benefit payments guaranteed by the Pension Benefit Guaranty Corporation (PBGC), a federal agency. This notice is for the plan year beginning January 1, 2020 and ending December 31, 2020 (referred to hereafter as "Plan Year").

Funded Percentage

The funded percentage of a plan is a measure of how well that plan is funded. This percentage is obtained by dividing the Plan's assets by its liabilities on the valuation date for the plan year. In general, the higher the percentage, the better funded the plan. The Plan's funded percentage for the Plan Year and 2 preceding plan years is set forth in the chart below, along with a statement of the value of the Plan's assets and liabilities for the same period.

	2020	2019	2018
Valuation Date	January 1, 2020	January 1, 2019	January 1, 2018
Funded Percentage	53.2%	57.5%	58.6%
Value of Assets	$154,623,680	$158,236,069	$160,515,367
Value of Liabilities	$290,601,829	$275,242,089	$274,037,389

As required by law, the value of liabilities shown above reflects the Plan's 8.00% assumed rate of investment return for 2018 and 2019. The assumed rate of investment return for 2020 is 7.00%.

Fair Market Value of Assets

Asset values in the chart above are actuarial values, not market values. Market values tend to show a clearer picture of a plan's funded status as of a given point in time. However, because market values can fluctuate daily based on factors in the marketplace, such as changes in the stock market, pension law allows plans to use actuarial values for funding purposes. While actuarial values fluctuate less than market values, they are estimates. As of December 31, 2020, the estimated fair market value of the Plan's assets was $161,493,965. As of December 31, 2019, the fair market value of the Plan's assets was $161,910,558. As of December 31, 2018, the fair market value of the Plan's assets was $153,296,273.

Participant Information

The total number of participants in the plan as of the Plan's valuation date was 2,027. Of this number, 294 were active participants, 1,030 were retired or separated from service and receiving benefits, and 703 were retired or separated from service and entitled to future benefits.

Funding & Investment Policies

The law requires that every pension plan have a procedure for establishing a funding policy to carry out the plan objectives. A funding policy relates to the level of contributions needed to pay for benefits promised under the plan currently and over the years. The funding policy of the Trust is to collect the contributions that the employers are required to make under applicable law and the collective bargaining agreements.

Once money is contributed to the Plan, the money is invested by plan officials called fiduciaries. Specific investments are made in accordance with the Plan's investment policy. Generally speaking, an investment policy is a written statement that provides the fiduciaries that are responsible for plan investments with guidelines or general instructions concerning various types or categories of investment management decisions. The investment policy of the Plan is, generally, to invest the assets of the Plan among several asset classes and within permitted allocation ranges. The long-term goal of the Plan is to: (1) generate a net of fee return in excess of the Plan's actuarial assumed rate of return within acceptable levels of volatility, (2) maintain sufficient liquidity to fund benefit payments, and (3) preserve the principal value of the Plan.

In accordance with 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**
1. Interest-bearing cash	3.86
2. U.S. Government securities	0.60
3. Corporate debt instruments (other than employer securities):	
Preferred	0.00
All other	0.76
4. Corporate stocks (other than employer securities):	
Preferred	0.00
All other	28.12
5. Partnership/joint venture interests	45.30
6. Real estate (other than employer real property)	0.00
7. Loans (other than to participants)	0.00
8. Participant loans	0.00
9. Value of interest in common/collective trusts	16.83
10. Value of interest in pooled separate accounts	0.00

11. Value of interest in master trust investment accounts	0.00	
12. Value of interest in 103-12 investment entities	4.54	
13. Value of interest in registered investment companies (e.g., mutual funds)	0.00	
14. Value of funds held in insurance co. general account (unallocated contracts)	0.00	
15. Employer-related investments:		
Employer Securities	0.00	
Employer real property	0.00	
16. Buildings and other property used in plan operation	0.00	
17. Other	0.00	
Total Investments		100%

Endangered, Critical, or Critical and Declining Status

Under federal pension law a plan generally will be considered to be in "endangered" status if, at the beginning of the plan year, the funded percentage of the plan is less than 80 percent. A plan is considered to be in "critical" status if the percentage is less than 65 percent (other factors may also apply). A plan is considered to be 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. Rehabilitation and funding improvement 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 and declining" status for the Plan Year because the Plan is projected to be insolvent within the next 13 years. The Plan is projected to be insolvent in the 2033 Plan Year. Such insolvency may result in benefit reductions. In an effort to improve the Plan's funding situation, the trustees initially adopted a Rehabilitation Plan (RP) effective January 1, 2012. As circumstances change, the trustees have modified the RP. On March 3, 2020, the trustees adopted a revised RP. As with prior RPs, the current RP presents two schedules of Plan benefit reductions combined with contribution increases that are designed to forestall the date of insolvency. The Bargaining Parties must decide on one of the schedules, and then adopt it at their next scheduled negotiations.

You may obtain a copy of the Plan's RP and the actuarial and financial data that demonstrate any action taken by the plan toward fiscal improvement by contacting the Fund Manager.

If the Plan is in endangered, critical, or critical and declining status for the plan year ending December 31, 2021, separate notification of that status will be provided.

Right to Request a Copy of the Annual Report

A pension plan is required to file with the US Department of Labor an annual report (i.e., Form 5500) containing financial and other information about the plan. Copies of the annual report 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. For 2009 and subsequent plan years, you may obtain an electronic copy of the plan's annual report by going to www.efast.dol.gov and using the Form 5500 search function. Or you may obtain a copy of the Plan's annual report by making a written request to the 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. 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 vested benefits are guaranteed. 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 $500, 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 ($500/10), which equals $50. The guaranteed amount for a $50 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 calculating a person's monthly payment, the PBGC will disregard any benefit increases that were made under the 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 pre-retirement death benefits to a spouse or beneficiary (e.g., a qualified pre-retirement survivor annuity) if the participant dies after the plan terminates, 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.

Where to Get More Information

For more information about this notice, you may contact the Warehouse Employees Union Local No. 730 Pension Trust Fund by telephone at 800-730-2241 or by letter at 911 Ridgebrook Road, Sparks, Maryland 21152. For identification purposes, the official plan number is 001 and the plan sponsor's employer identification number or "EIN" is 52-6124754. For more information about the PBGC and benefit guarantees, go to PBGC's website, www.pbgc.gov, or call PBGC toll-free at 1-800-400-7242 (TTY/TDD users may call the Federal relay service toll free at 1-800-877-8339 and ask to be connected to 1-800-400-7242).