Warehouse Employees Union Local No. 730
Pension Trust Fund

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DRAFT

MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND SEPTEMBER 1, 2021 VIA TELECONFERENCE

The following Trustees were present:

UNION TRUSTEES
R. Brooks – Chairman
J. Lacy
F. Myers

EMPLOYER TRUSTEES
M. Bull – Secretary
H. Sebhat
J. Paradis
M. Goble – Alternate

Also present were:

A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
M. Deveney – Cheiron
P. Hardcastle – Cheiron
R. Grant – Associated Administrators, LLC
J. Kimble – Morgan, Lewis & Bockius, LLP
R. Sichel – Investment Performance Services, LLC
F. Stegman – Welfare Fund Trustee[1]

I. CALL TO ORDER

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

[1]Frank Stegman joined for the Counsel report only.

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held June 10, 2021.

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 June 10, 2021 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, 2021 through June 30, 2021.

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, 2021 to June 30, 2021 the Fund's total investment return was 10.4%, gross of fees.

2. Asset Allocation

Mr. Sichel reviewed the Fund's asset allocation as of June 30, 2021: U.S. Equities 32.9%, U.S. Small/Mid Cap 11.3%, International Equities 8.6%, Fixed Income Core 1.3%, Fixed Income High Yield 6.3%, Real Estate 17.9%, Opportunistic Strategies 8.1%, Global Tactical Asset Allocation 4.8%, Private Equity 4.3% and cash 4.5%.

3. **Quarterly Performance Report**

Mr. Sichel presented the preliminary quarterly performance report for the period ended June 30, 2021. He noted the assets held by the investment managers on June 30, 2021 were as follows: Rothschild – Hardman Johnston Global Advisors held $17,837,185; Northern Trust held $22,352,387; Great Lakes Advisors held $17,028,227; Atlanta Capital held $19,697,347; Hardman Johnston International Equity held $7,709,490; Acadian held $7,195,314; JPMCB Global Allocation Fund held $8,343,945; C.S. McKee held $2,205,886; Penn Capital held $10,972,585; PRISA III held $29,123,264; Boyd Watterson $2,041,839; Corbin ERISA Opportunity Fund held $14,109,348; Hamilton Lane $7,458,696; and the cash account held $7,766,956. Mr. Sichel reviewed the summary of investment results for the period ended June 30, 2021 including trailing quarter, trailing year-to-date, and trailing one, three and five-year periods.

4. **Corbin Capital Partners ("Corbin") – Ownership Change**

Mr. Sichel said Corbin planned an ownership change that will result in a change in control event. He said Corbin sent a letter requesting the client's acknowledgement and consent to the ownership change. Mr. Sichel said IPS recommends clients consent to the ownership change, subject to Counsel's review. Ms. Cochran said that Fund Counsel reviewed the letter and found it to be acceptable for Trustee signature.

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

RESOLVED to approve IPS' recommendation to execute the letter and consent to the ownership change of Corbin.

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

IV. ACTUARY REPORT

Mr. Matt Deveney and Mr. Peter Hardcastle reviewed Cheiron's report titled MPRA Suspension and Special Financial Assistance.

Mr. Hardcastle said that the Trustees approved by interim action to give authority to Fund Counsel to withdraw the Fund's application to suspend benefits under the Multiemployer Pension Reform Action of 2014 ("MPRA"). He said the Fund appears to be eligible for Special Financial Assistance ("SFA") under the American Rescue Plan Act of 2021, which will likely keep the Fund solvent through 2051. Mr. Deveney reviewed baseline projections associated with the MPRA Suspension versus SFA. He also reviewed the requirements of how the assets of SFA are required to be applied by the Fund. Mr. Deveney said he expects the Fund to be eligible to apply for SFA in March 2023.

Ms. Cochran noted a letter was mailed to participants regarding the withdrawal of the Fund's benefit suspension application.

V. COUNSEL REPORT

A. Cybersecurity Policy

Mr. Kimble said in early April 2021, the Department of Labor issued sub-regulatory guidance regarding best practices for plans with respect to cyber security measures. Included in the meeting booklet is a proposed Cybersecurity Policy and a Questionnaire for the Fund's service providers.

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

RESOLVED to accept Fund Counsel's Cybersecurity Policy and Questionnaire.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2021. The report showed contribution income of $1,180,806, miscellaneous income of $520, interest and dividend income of $320,581, and withdrawal liability payments of $165,919, producing a total income of $1,667,826. Expenses included $5,255,635 of pension benefit expense and $506,071 of operating expense, producing a total expense of $5,761,706 for the quarter. This resulted in a net deficit of $4,093,880 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 second quarter 2021 report are approved for payment as presented.

VII. INVOICES

Ms. Cochran presented a list of invoices dated September 1, 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 September 1, 2021 are approved for payment as presented.

VIII. **OTHER FUND BUSINESS**

A. Employer Contribution Rate Increase Letter

Ms. Cochran reported a contribution rate increase letter was mailed to Eight O'Clock Coffee for a rate change effective July 1, 2021.

B. Fiduciary Liability Insurance Renewal and Waiver of Recourse Premiums

Ms. Cochran noted interim action the Trustees took to renew the Fiduciary Liability policy for the period July 26, 2021 through July 26, 2022 with the incumbent carrier, Markel American Insurance Company/Ullico ("Ullico"), through the broker NFP Property & Casualty Service, Inc. ("NFP"). She said that there was an increase in the annual premium of $13,469 due to the increase in the limit of liability which was recommended by Segal and Fund Counsel. She reported that the Trustees approved the renewal via an electronic poll conducted in August 2021.

Ms. Cochran advised the Trustees that letters regarding their required payment of the Waiver of Recourse premium of $25 were emailed on August 26, 2021.

Ms. Cochran noted that the Trustees had requested the Administrative Manager to work with Segal as a broker to obtain proposals in addition to NFP. She said was advised by Segal that they were not able to obtain proposals as the carriers will only work with one broker per renewal.

Trustee Brooks said he would speak with NFP regarding the time frame the Trustees expect to have the proposals in advance of the policy expiration date. Ms. Cochran said she has expressed, each year, the Trustees expectations to have the proposals well in advance of the expiration date.

C. Pension Statements

Ms. Cochran reported that Annual Pension Statements were mailed to participants on June 17, 2021.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 17, 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