Food Employers Labor Relations Association
And United Food & Commercial Workers
Pension Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES
OF THE FELRA AND UFCW PENSION FUND
VIA VIDEO CONFERENCE
SEPTEMBER 6, 2022

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
D. Blitzstein
T. Hipkins
C. Hoffman

EMPLOYER TRUSTEES
J. Paradis – Secretary
D. Dosenbach
M. Goble

Also present were:

D. Jensen – Associated Administrators, LLC
G. Kalwarski – Cheiron
M. Kreps – Groom Law Group
C. McDonough – Investment Performance Services
R. McKnight – Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
S. Sanchez – Slevin & Hart, P.C.
A. Sims – Associated Administrators, LLC
L. Walsh – Associated Administrators, LLC

I. CALL TO ORDER

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

II. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Chris McDonough from Investment Performance Services ("IPS") to the meeting.

Mr. McDonough reviewed with the Trustees a memorandum from IPS dated September 6, 2022 titled "FELRA & UFCW Pension Fund – Asset Allocation Considerations." The memo included an overview of The American Rescue Plan Act ("ARPA"), the final rules issued by the Pension Benefit Guaranty

Corporation ("PBGC"), a proposed investment strategy for the Special Financial Assistance ("SFA") received by the Fund, and a proposed asset allocation policy for the non-SFA assets of the Fund. Mr. McDonough stated that at the August 29, 2022 special Board meeting, the Trustees confirmed that their investment objective going forward is to invest the Fund's assets in a manner that is designed to enable the Fund to pay all benefits and expenses while taking the least amount of risk. He reported that Loomis Sayles, the investment manager hired by the Board to manage the Fund's SFA portfolio, projects that a full cash flow match approach will cover monthly pension benefits for approximately 11 years and 9 months. After discussion, and

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

RESOLVED, to contract with Loomis for a full cash match strategy.

Mr. McDonough noted that, based on Cheiron's modelling projections, with a full cash match strategy for the Fund's SFA asses, the Non-SFA assets portfolio will need to earn approximately 5.4% in order to achieve the Board's objective of continuing to pay all Fund benefits and expenses in perpetuity. Mr. McDonough reviewed a table that showed the expected annual compound return and risk of several portfolio options for the Fund's non-SFA assets, with expected returns between approximately 5.2% and 6.4%. He said that IPS recommends that the Trustees adopt an allocation that includes intermediate fixed income and approve hiring Segall Bryant & Hamill ("SBH").

Mr. Kevin Woodrich and Mr. Gene Kawalski from Cheiron reviewed their report titled "Stochastic Projections of Non-SFA Assets."

After discussion, the Trustees asked IPS and Cheiron to coordinate on reviewing portfolio options for the Fund's non-SFA assets. Mr. McDonough stated that IPS will draft a proposed restated Investment Policy Statement for Trustee and Counsel review, to reflect the Fund's updated investment strategies and objectives.

III. ADJOURNMENT

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

Respectfully Submitted,

Jason Paradis, Secretary

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