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 15, 2022

The following Trustees were present:

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

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

Also present were:

Y. Anwar – UFCW Local 400
J. Chorpenning – UFCW Local 27
J. Hack – UFCW Local 27
N. Hill – UFCW Local 27
D. Jensen – Associated Administrators, LLC
G. Kalwarski – Cheiron
M. Kreps – Groom Law Group
B. Maiorano – Associated Administrators, LLC
C. McDonough – Investment Performance Services
B. McKiver – UFCW Local 400
R. McKnight – Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
J. Nazario – UFCW Local 27
S. Sanchez – Slevin & Hart, P.C.
A. Sims – Associated Administrators, LLC
B. Slevin – Slevin & Hart, P.C.
L. Walsh – Associated Administrators, LLC
R. Wildt – UFCW Local 27
M. Wilson – UFCW Local 400
K. Woodrich – Cheiron

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on June 10, 2022, and the Appeals Committee meetings held on May 17, 2022 and June 29, 2022, all of which were pre-circulated.

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

> **RESOLVED that the minutes of the regular meeting held on June 10, 2022, and the Appeals Committee meetings held on May 17, 2022 and June 29, 2022, are approved, as presented.**

III. FINANCIAL REPORT

A. PNC Bank

Summary of Cash Activity Report – June 30, 2022

Ms. Sims presented the Summary of Cash Activity Report for the period January 1, 2022 to June 30, 2022, as provided by PNC. Such report indicated a beginning balance of $44,736,757, receipts of $1,306,467,459, disbursements of $74,327,357, and a loss on investments of $1,891,856, resulting in a balance of $1,274,985,003 as of June 30, 2022.

B. Investment Performance Services

The Trustees welcomed Mr. Chris McDonough of Investment Performance Services (“IPS”) to the meeting.

1. Master Consulting Report – June 30, 2022

Mr. McDonough reviewed the IPS report for the period ending June 30, 2022. Such report indicated a beginning market value of $91,926,567, net cash flow of $1,196,479,641, and a net investment loss of $2,599,726, resulting in an ending market value of $1,285,806,481 as of June 30, 2022. The performance for the second quarter was 0.1%, gross of fees.

2. Preliminary Performance Update – July 31, 2022

Mr. McDonough reviewed the IPS report for the period ending July 31, 2022. Such report indicated a beginning market value of $91,926,567, net cash flow of $1,188,931,596, and a net investment loss of $966,717, resulting in an ending market value of $1,279,891,447. The year-to-date performance through July 31, 2022 was negative 2.7%, gross of fees.

3. Short-Term Investment Strategy

Mr. McDonough presented IPS's recommended short-term strategy for investing the remaining non-SFA (legacy) assets in low risk investment grade bonds with an expected return of approximately 4%. After discussion, and

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

> **RESOLVED, to approve hiring Segall Bryant Hamill as an investment grade bond manager for the Fund's non-SFA assets.**

The Trustees agreed to schedule a special Board meeting for November 2, 2022 to continue discussing investment options and long-term investment strategy for the Fund's non-SFA assets.

C. <u>Auditor's Report</u>

The Trustees welcomed Mr. Joseph Herishen of Calibre CPA Group ("Calibre") to the meeting.

1. Financial Statements – December 31, 2021

Mr. Herishen presented the Financial Statements for the period ended December 31, 2021. He stated that the auditor's opinion was unmodified and the financial statements were in conformity with the generally accepted accounting principles.

Mr. Herishen reported that total assets as of December 31, 2021 were $106,173,616 and total liabilities were $267,964, producing net assets available for benefits of $105,905,652. Mr. Herishen reviewed the Notes to the Financial Statements, Schedule of Assets Held for Investment Purposes, Schedule of Employer Contributions, and Schedule of Administrative Expenses.

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

> **RESOLVED, to accept the Auditor's 2021 Financial Statements as presented.**

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

IV. <u>ATTORNEY'S REPORT</u>

A. <u>Special Financial Assistance ("SFA")</u>

B. Ms. Sanchez reported on the Fund's supplemented application for special financial assistance from the Pension Benefit Guaranty Corporation ("PBGC"). **Final Guidance**

Ms. Sanchez reported on the final guidance issued on the American Rescue Plan Act ("ARPA").

C. Loomis Sayles Contract and Ryan ALM Contract

Ms. Sanchez reported on the Fund's contracts with Loomis Sayles and Ryan ALM. The Trustees requested that they be notified when these contracts are finalized and the funding of the investments has been completed.

D. Investment Managers

Ms. Sanchez reported on the contracts with the investment managers selected at the June 10, 2022 Board of Trustees meeting.

E. Voluntary Correction Program ("VCP") Application

F. Ms. Sanchez reported on the Fund's VCP application that was submitted to the IRS. **Department of Labor ("DOL") Cybersecurity Best Practices**

Ms. Sanchez reported on the DOL's guidance related to cybersecurity best practices. After discussion,

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

RESOLVED, to issue an RFP for cybersecurity consulting services.

G. ACME Contributions

Ms. Sanchez reported on Acme's pre-withdrawal contributions to the Fund.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2022 Report

Ms. Sims presented the Administrative Manager's Report for Second Quarter 2022, which had been pre-circulated. Such report indicated interest and dividend income of $35,080, transfers from assets of $1,303,073,639, receipt of withdrawal liability payments of $14,188,209, and miscellaneous income of $24,144, producing total income of $1,317,321,072 for the quarter. Total expenses were $37,543,042, producing a surplus of $1,279,778,030.

Ms. Sims reviewed the pension applications contained in the Administrative Manager's Second Quarter 2022 Report.

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 2022 report are approved for payment.

VI. INVOICES

The Trustees reviewed the list of invoices dated September 15, 2022. It was noted 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 15, 2022 are approved for payment.

VII. OTHER FUND BUSINESS

A. Voluntary Correction Process ("VCP") Corrections

Ms. Sims reported that Associated expects to complete the corrections reflected in the Fund's VCP application by December 31, 2022.

B. PBGC Comprehensive Filing

Ms. Sims reported that the Fund office will work in conjunction with Fund Counsel to complete the PBGC Comprehensive Premium filing for the Fund.

C. Miscellaneous Correspondence

1. Federal Home Loan Corporation Settlement

Ms. Sims reported that the Fund had received a check in the amount of $398 as a result of the Fund's claim filed in the Federal Home Loan Corporation Litigation Settlement.

2. First Solar Inc Settlement

Ms. Sims reported that the Fund had received a check in the amount of $34 as a result of the Fund's claim filed in the First Solar Inc Litigation Settlement.

3. Seaworld Entertainment Settlement

Ms. Sims reported that the Fund had received a check in the amount of $19,875 as a result of the Fund's claim filed in the Seaworld Entertainment Litigation Settlement.

4. Terex Corporation Settlement

Ms. Sims reported that the Fund had received a check in the amount of $3,837 as a result of the Fund's claim filed in the Terex Corporation Litigation Settlement.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees noted that the next regular Board meeting is scheduled on the following date:

Monday, December 12, 2022

The meeting- will be held via video conference.

IX. ADJOURNMENT

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

Respectfully Submitted,

Jason Paradis, Secretary