Food Employers Labor Relations Association
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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
MAY 24, 2022

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	J. Paradis – Secretary
D. Blitzstein	D. Dosenbach
T. Hipkins	M. Goble
C. Hoffman	

Also present were:

P. Agrawal – Loomis Sayles (for part of the meeting)
F. Asselta – Columbia Threadneedle (for part of the meeting)
A. Babson – Wellington Management (for part of the meeting)
K. Brolly – Columbia Threadneedle (for part of the meeting)
J. Chorpenning – UFCW Local 27
P. Heffernan – Columbia Threadneedle (for part of the meeting)
D. Jensen – Associated Administrators, LLC
G. Kalwarski – Cheiron
D. Kennedy – Columbia Threadneedle (for part of the meeting)
E. Kleinerman – Wellington Management (for part of the meeting)
M. Kreps – Groom Law Group
C. McDonough – Investment Performance Services
R. McKnight – Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
A. Richardson – Wellington Management (for part of the meeting)
S. Sanchez – Slevin & Hart, P.C.
A. Sims – Associated Administrators, LLC
L. Walsh – Associated Administrators, LLC
J. Siegel – Loomis Sayles (for part of the meeting)
J. Teman – Loomis Sayles (for part of the meeting)
A. Trainor – Wellington Management (for part of the meeting)

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 May 13, 2022 titled "ARPA – Special Financial Assistance Due Diligence & Investment Manager Recommendations for FELRA Pension." The memo included an overview of The American Rescue Plan Act ("ARPA"), the Interim Final Rule and an analysis of investment approaches. Mr. McDonough explained that IPS believes a combined approach (cash-flow match for early period of liability payments and total return focus for the balance of assets) or a duration matching approach is the most appropriate strategy for most recipients of SFA assets. Mr. McDonough stated that these investment strategies provide a high level of certainty that near-term liabilities will be met while allowing for the potential to increase portfolio yield and total return through active management. He noted that these strategies also are attractive in the current rising interest rate environment. The Trustees discussed the investment strategies with Mr. McDonough.

A. Loomis Sayles

The Trustees welcomed Mr. Jonathan Siegel, Mr. Justin Teman and Ms. Pramila Agrawal of Loomis Sayles, to the meeting. Mr. Siegel provided an overview of Loomis Sayles, noting that it has been serving Taft-Hartley Trust Funds since 1962. He stated that proprietary investment research is integral to the Loomis investment process, with $109 million committed to proprietary research in 2021. Ms. Agrawal provided an overview of the different investment strategies available through Loomis, including All Cash Flow Match, Blended Approach and All Total Return. Ms. Agrawal reviewed the Blended Approach – a 3 Year Cash Flow Match plus Total Return, in particular. Loomis presented projections reflecting the Fund's non SFA assets returning 6.5%, the Cash Flow Match portfolio returning 3.8% and the Total Return portfolio returning 4.5%. Based on these projections, Loomis stated that the Fund's SFA assets are projected to last until 2031 and its non SFA assets are projected to last beyond 2051. Mr. Siegel presented the proposed fee schedule of 0.14% on the first $250 million and 0.10% on the value over $250 million

The Trustees thanked Loomis Sayles for their presentation and excused them from the meeting. Trustee Blitzstein noted he sits on another fund that hired Loomis Sayles. That fund also hired Ryan ALM to provide a custom benchmark. Ryan ALM would charge a flat $50,000 to provide the same service for the FELRA Pension Fund.

B. Columba Threadneedle Investments

The Trustees welcomed Mr. David Kennedy, Ms. Francine Asselta, Ms. Kathleen Brolly and Mr. Paul Heffernan of Columbia Threadneedle Investments, to the meeting. Mr. Kennedy provided an overview of Columbia Threadneedle, noting that it manages just under $700 billion in assets worldwide. Ms. Brolly reviewed with the Trustees their company's strategy for investing the SFA funds. She stated Columbia Threadneedle Investments recommends an actively managed duration-matched fixed income investment strategy with a custom liability benchmark, and she noted that, under this strategy, the Fund's total assets likely would not last until 2051. Mr. Heffernan presented the proposed fee schedule of 0.12% on the first $250 million, 0.10% on the next $250 million and 0.08% on the value thereafter.

The Trustees thanked Columbia Threadneedle for their presentation and excused them from the meeting.

C. Wellington Management

The Trustees welcomed Ms. Angelique Richardson, Ms. Elizabeth Kleinerman, Ms. Amy Trainor and Ms. Abigail Babson of Wellington, to the meeting. Ms. Richardson provided an overview of Wellington, noting that the firm manages $11.4 billion in Taft-Hartley assets. Ms. Kleinerman provided an overview of the firm's strategy for investing the SFA funds in a cash-match, and then a partial cash-match, strategy. She stated that the proposed fee schedule is 0.125% on the first $1 billion and 0.10% thereafter.

The Trustees thanked Wellington Management for their presentation and excused them from the meeting.

After discussion of the manager presentations, on Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

> **RESOLVED, to hire Loomis Sayles as an investment manager to manage the Fund's SFA assets using Loomis's blended strategy, including a 3-year cash match.**

The Trustees discussed the option of a 5-year cash match and asked Mr. McDonough to provide additional information on this option.

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

> **RESOLVED, to hire Ryan ALM to provide a custom benchmark for purposes of the portfolio to be managed by Loomis, contingent on Ryan agreeing to an annual fee of $50,000.**

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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