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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE PRINTING LOCAL 72 INDUSTRY PENSION FUND OCTOBER 1, 2021

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEE**
Paul Atwill, Co-Chairman	Jay Goldscher, Chairman (via telephone)
Dennis Larkin	

Also present were:

Barry Bryant - Dahab Associates (via telephone)
Brian Goddu - The McKeogh Company (via telephone)
Rich Cartier – Manning & Napier
Brian Hartsell - The McKeogh Company (via telephone)
Mary Jones - PNC Bank (via telephone)
Greg Moore Esq. - O'Donoghue & O'Donoghue, LLP (via telephone)
Kathy Phillips - Associated Administrators, LLC
Jacob Szewczyk Esq. - O'Donoghue & O'Donoghue, LLP
Theodora Washington – PNC Bank (via telephone)
Dawn Welch - Associated Administrators, LLC

A quorum being present, Chairperson Goldscher called the meeting to order at 10:30AM.

I. MINUTES

The Trustees reviewed the minutes of the regular meeting held June 11, 2021, 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 11, 2021, are approved as presented.

II. INVESTMENT REVIEW

A. PNC Bank

The Trustees welcomed Ms. Jones and Ms. Washington of PNC Bank to the meeting via teleconference Ms. Jones reviewed the "GlobeTax Reclaims Status" report. She noted that GlobeTax is currently pursuing nine tax reclamation claims on behalf of the Fund, which are anticipated to be paid between January and August 2022. The estimated reclaim amount is

$10,812.78. Ms. Jones announced that she will be retiring October 8th, 2021 and that Ms. Washington will be her replacement.

The Trustees thanked Ms. Jones for her report, and she and Ms. Washington were excused from the meeting.

B. Investment Consultant Report

The Trustees welcomed Mr. Barry Bryant of Dahab Associates to the meeting via teleconference. Mr. Bryant reviewed the "Printing Local 72 Pension Performance Review June 2021" report with the Trustees, a copy of which is filed with these minutes. As of June 30, 2021, the Fund's market value of assets was $10,770,222. In the first quarter 2021, the Fund had a net withdrawal of $630,000, net investment gains of $584,132, and income of $46,700, resulting in an increase of $630,832 in market value during the second quarter 2021.

During the second quarter 2021, the Fund had an investment return of 5.8% net of fees, as compared to the Aggregate Index return of 5.5%, ranking in the 10th percentile of the Taft-Hartley universe. During the last-year period, the Fund had an investment return of 23.4% compared to the Aggregate Index return of 20.9%. The Fund's large cap equities gained 8.2% last quarter, 0.6% above the Manning & Napier Equity Index's return of 7.6% and ranked in the 45th percentile of the Large Cap universe.

The Trustees thanked Mr. Bryant for his presentation and excused him from the meeting.

C. Investment Manager Report

The trustees welcomed Rich Cartier from Manning & Napier to the meeting. Mr. Cartier reviewed the "Investment Performance Review for August 31, 2021". He noted that the economy accelerated in the 2nd Quarter fueled by the further easing of COVID-19 restrictions, widespread vaccinations, and a combination of fiscal and monetary policies. The U.S. equity markets finished the quarter near all-time highs and outperformed the broad international equity indices. Within the U.S. large capitalization market, all sectors except Utilities posted gains, with Real Estate, Information Technology, and Energy leading the way. Fixed income markets rebounded by providing positive returns. The Fund's return, year to date, is 7.74 % net of fees as of August 31, 2021.

III. ADMINISTRATIVE MANAGER'S REPORT

A. Financial Statement

Ms. Welch reviewed the Administrative Managers Report for July 2021. The report for the period ending July 31, 2021, indicated total income of $160,799 and total expenses of $287,545, producing a net loss of $126,746. The Fund's net assets as of July 2021 were $12,017,727.05.

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

RESOLVED to approve the July 30, 2021, Financial Report as presented.

B. Delinquency Report

There were no delinquent employers to report.

C. Withdrawal Liability

The Trustees reviewed the Withdrawal Liability reports included in the meeting booklet.

D. Invoices

Ms. Welch presented a list of invoices paid from May 1, 2021, to July 31, 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 to approve the invoices paid from May 1, 2021 to July 31, 2021, as presented.

E. Payroll Audit Status Report

The Trustees reviewed the payroll audit status report as provided by Calibre CPA Group, PLLC ("Calibre"). The report noted that the H&W Printing audit continues to be on hold because H&W is not being cooperative with the audit. They informed the auditor that the bookkeeper passed away and they would need time to locate the records prior to the audit. They also stated that they felt they were being harassed. Fund Counsel Szewczyk advised the Trustees that he would draft a demand letter to H&W for their compliance in the payroll audit process. Calibre is also having trouble contacting Caslon Press, which is now closed, for their exit audit.

IV. FUND ACTUARY REPORT

The Trustees welcomed Mr. Brian Hartsell and Mr. Brian Goddu from The McKeogh Company to the meeting via telephone.

A. 5500 Filing

Mr. Hartsell informed the Trustees that they are currently working on the 5500 that is due in December.

B. American Rescue Act

Mr. Hartsell informed the Trustees that on July 9, 2021, the PBGC released interim final regulations related to the special financial assistance ("SFA") aspect of the American Rescue Plan Act ("ARPA") of 2021. The Printing Local 72 Industry Pension Fund ("Plan") is eligible for the SFA. The PBGC has set up six priority groups and based on current projections the Plan is eligible to apply with Priority Group 5 beginning February 11, 2023. The SFA will be the amount required for the Plan to pay all benefits due during the period beginning on the date of payment of the SFA payment and ending on the last day of the Plan year ending in 2051. The amount of SFA will be dictated in part by actuarial factors and assumptions in place when the application is submitted. The most important factor will be the rate of return used to project future investment income. The ARPA dictates that the lesser of the long-term discount rate used in the most recent actuarial certification status filed before January 1, 2021, and the third segment rate from the 24-month average corporate bond yield curve for any month selected by the Plan within the 4-month period ending with the month in which the SFA application is filed, plus 200 basis points. Calculation of the third segment rate (plus 200 base points) from May to September 2021 range from 5.36% to 5.49%. The Plan's funding rate used in the 2020 actuarial certification was 7.00%, so the application will likely be based on corporate bond yields. Since this rate is tied to an index it will continually change over the next 2 years. There are several other factors will affect the projected amount of aid between now and the application date: (1) the Plan's investment experience, (2) demographic experience (mortality, turnover, etc.), (3) employer withdrawal and resulting withdrawal liability payments, (4) changes to the contribution base units, and (5) changes to the assumptions.

The SFA regulation requires the Plan to use the 2020 actuarial certification assumptions. However, the Plan can propose changes to the actuarial assumptions if it is determined that the use of one or more of the actuarial assumptions is unreasonable. The Plan would be required to describe in the application why the original assumption is no longer reasonable, assert that the Plan proposes to use a changed assumption, and demonstrate in the application why the changed assumption is reasonable.

Mr. Hartsell noted that additional information would be provided during the application process and any changes to the interim final regulations will be shared with the Trustees.

The Trustees thanked Mr. Hartsell and Mr. Goddu for their report.

V. FUND COUNSEL REPORT

Mr. Szewczyk advised the Trustees that a letter was sent to BeneSys, the company that acquired Carday, demanding that they make the Fund whole for the overpayments that were made in error due to miscalculations by Carday. The errors included: (1) continuing payments to an alternate payee under a qualified domestic relations order after her entitlement to benefits ended, and (2) calculating Early Retirement Pension benefits using a Participant's age rounded to the nearest full year rather than using their age at the time of commencing benefits. These errors caused the Fund to overpay $68,262.23 in benefits. Mr. Szewczyk noted that he spoke to Counsel for Benesys and they had just received the demand letter and requested a couple of days to review. He informed the Trustees that they would be informed of the response as soon as it is received.

VI. PENSION AWARDS

The following pensions were awarded by the Pension Committee from January 1, 2021, to July 31, 2021:

RATIFICATIONS

<u>Retiree: Leonard Ellington</u>
Deferred Vested, Actuarially Adjusted Life Annuity Option
Age: 67
D.O.B.: 09/27/53
Spouse D.O.B.: 04/26/55
Future Service: 4.48
Benefit Amount: $262.00
Effective Date: 07/01/2021

<u>Retiree: Stephen McKenzie</u>
Early Deferred Vested – Life Annuity Option
Age: 62
D.O.B.: 06/12/59
Spouse D.O.B.: 02/18/62

Future Service: 11.00
Benefit Amount: $312.00
Effective Date: 08/01/2021

Retiree: Edgar Pannell
Deferred Vested, Actuarially Adjusted – Life Annuity Option
Age: 68
D.O.B.: 04/25/1953
Spouse D.O.B.: 09/20/60
Future Service: 9.46
Benefit Amount: $331.0
Effective Date: 08/01/2021

After review and discussion of the above pensions, and upon Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to ratify the pensions approved by the Pension Committee, as detailed above.

VII. OTHER FUND BUSINESS

Ms. Welch presented the following:

A. Early Retirement Pension Calculation Correction

The Early Retirement Pensions that were underpaid due to Carday using the Participant's age rounded to the nearest full year rather than using their age at the time of commencing benefits were corrected, and a one-time payment was made to any participants who were underpaid for the amount they were underpaid, including interest, on August 1, 2021.

Letters were also sent to the early retirement pensioners that were overpaid on August 21, 2021, informing them of the overpayment and the amount that their monthly pension benefit would be going forward. Their pensions were adjusted on September 1, 2021.

B. Record Retention Policy

The revised Records Retention Policy discussed at the June 11, 2021, Board meeting was circulated to the Trustees and unanimously approved via email poll on June 14, 2021.

VIII. NEXT MEETING DATE AND LOCATION

The next regular meeting of the Board of Trustees was scheduled for Friday January 14, 2021, at 10:30 a.m. in Landover, Maryland.

IX. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:50 a.m.

Respectfully submitted,

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Jay Goldscher, Chairman	Paul Atwill, Co-Chairman