

Via Electronic Mail

June 13, 2023

Board of Trustees of the UFCW-Giant Variable Annuity Fund
c/o Ms. Anne-Marie Sims
Associated Administrators, LLC
911 Ridgebrook Road
Sparks, Maryland 21152

Re: 2023 Fees for Actuarial Services for the UFCW-Giant Variable Annuity Fund

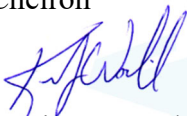
Dear Trustees:

This letter represents our proposed fees for the year 2023, pursuant to Section 2 of the Consulting Agreement between Cheiron and the UFCW-Giant Variable Annuity Fund.

- A) Retainer** – Historically our fee increases have been set with reference to the September CPI-U. The most recent increase, from September 2021 to September 2022, was 8.2%. Recognizing the stress of such an increase we are limiting our requested 2023 fee increase to 5%. We propose that our annual fee for retainer services effective January 1, 2023 increase from \$78,000 (\$6,500 per month) to \$81,900 (\$6,825.00 per month). Please note that we also did not increase 2022 fees in line with inflation. The two-year increase in inflation (September 2020 to September 2022) was 14.0%. The combination of our 2022 and proposed 2023 increase is 9.2%. We request that you consider the combined impact of limiting our 2022 and proposed 2023 increases as you review our proposal.
- B) Non-Retainer** – With respect to special consulting projects, Cheiron's hourly billing rates for our actuarial analysts and consultants will range between \$165 and \$525 per hour for 2023.

We look forward to working with you and the Trustees during 2023.

Sincerely,
Cheiron



Kevin J. Woodrich, FSA, EA
Principal Consulting Actuary

cc: Gene M. Kalwarski, Cheiron
Heath Merlak, Cheiron

Accepted and Agreed To:

Signature

Date