UFCW – GIANT
VARIABLE ANNUITY FUND
BOARD OF TRUSTEES MEETING
JUNE 27, 2023

UFCW-GIANT
VARIABLE ANNUITY FUND

AGENDA

JUNE 27, 2023

I. CALL TO ORDER

II. MINUTES – (Pg. 4-9)
    A. REGULAR MEETING – MARCH 17, 2023

III. INVESTMENT CONSULTANT'S REPORT

IV. ACTUARY'S REPORT – (Pg. 11-21)

V. ATTORNEYS' REPORT – (Pg. 23-26)

VI. ADMINISTRATIVE MANAGER'S REPORT – (Pg. 28-32)

VII. INVOICES – (Pg. 34)

VIII. OTHER FUND BUSINESS – (Pg. 36)
    A. CHEIRON 2023 PROPOSED FEE LETTER
    B. ANNUAL FUNDING NOTICE
    C. FIDUCIARY INSURANCE POLICY RENEWAL

IX. NEXT MEETING DATE AND LOCATION

X. ADJOURNMENT

MINUTES

UFCW – Giant Variable Annuity Fund

911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

8400 Corporate Drive, Suite 430
Landover, Maryland 20785-2361
Telephone: (301) 459-3020
(800) 638-2972
www.associated-admin.com

MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
UFCW - GIANT VARIABLE ANNUITY FUND
VIA VIDEO CONFERENCE
MARCH 17, 2023

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
M. Federici - Chairman	M. Goble
J. Chorpenning	J. Paradis - Secretary
D. Blitzstein (Alternate)	

Also present were:

Associated Administrators, LLC	W. Antoshak, D. Jensen, B. Maiorano, R. McKnight, C. Murphy, A. Sims
Cheiron	H. Merlak, K. Woodrich
Investment Performance Services, LLC	C. McDonough
Proskauer Rose LLP	J. Alex, J. Rigterink
Slevin & Hart, P.C.	A. Dietrich, S. Sanchez

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the last regular meeting held on December 21, 2022 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 December 21, 2022 are approved, as presented.

III. INVESTMENT CONSULTANT'S REPORT

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

A. Master Consulting Report – December 31, 2022

Mr. McDonough reviewed the IPS report for the period ending December 31, 2022. Such report indicated a beginning market value of $18,096,439, net cash flow of negative $1,173,513, and a net investment loss of $55,577, resulting in an ending market value of $16,867,349 as of December 31, 2022. The Trustees discussed the impact of the pending negotiation of the PNC custodial agreement on the timing of funding the remaining investments. The Trustees concluded that that if the PNC custodial agreement is not finalized shortly, the Trustees should explore retaining another custodian given the impact on funding.

B. Asset Allocation Policy Review

Mr. McDonough reviewed IPS's capital market assumptions for various asset classes and annualized expected returns over the next 10-20 years, which had been revised by the IPS Investment Committee as of January 2023. He noted that IPS develops and utilizes capital market assumptions for various asset classes to help determine the optimal mix of assets for the investment portfolio. Based on these changes, Mr. McDonough provided IPS's recommendation that the Trustees consider adopting a new asset allocation. Mr. McDonough reviewed the asset allocation described in the Fund's current Investment Policy Statement and presented alternative portfolio options for Trustees' consideration, as detailed in the IPS Q4 Master Consulting Report, which was circulated in advance to the Trustees.

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

RESOLVED to adopt Portfolio B which reflects a target of 7.5% to US Large Cap Equity, 5% to US Small/Mid Cap Equity, 5% to International

Equity, 52.5% to Intermediate Fixed Income, 7.5% to High Yield Fixed Income, 5% to Global Tactical Asset Allocation, 5% to Real Estate – Core, 7.5% to Real Estate- Value Add, and 5% to Private Equity with an expected return (net of fees) of 5.98% and a risk assessment of 5.48 (representing the projected volatility of returns, as measured by calculating the standard deviation).

C. Investment Consultant Fee Request

Mr. McDonough presented a fee increase request letter, dated February 27, 2023, that was sent to Chairman and Secretary for consideration. He reported that the current agreement/fee of $50,000 between IPS and the Fund was effective January 1, 2021. Mr. McDonough noted that IPS is requesting an increase in its fee to $110,000, effective January 1, 2023, for a three year period.

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

RESOLVED to propose an amended fee structure to IPS that reflects an increase to $90,000 for the 2023 Plan Year, $100,000 for the 2024 Plan Year, and $110,000 for the 2025 Plan Year.

IV. ACTUARY'S REPORT

The Trustees welcomed Mr. Heath Merlak of Cheiron to the meeting.

Mr. Merlak presented the Recap of 2022 Valuation Results and Experience Study report dated March 17, 2023. He reviewed the summary of principal results, including the liabilities, assets, funded ratios and minimum required contribution ("MRC"). Mr. Merlak reported that the January 1, 2021 funding target was $0, and that the January 1, 2022 funding target was $11,988,869. The funded percentage of the Fund as of January 1, 2022, was 98.59%.

Mr. Merlak stated that quarterly contributions are required in 2023 since the plan has a shortfall as of January 1, 2022. He noted that the expected quarterly contributions for 2023 would be $3,104,586, subject to discount based on the valuation date.

Mr. Merlak reported that at the direction of the Trustees, Cheiron performed an experience study to compare actual plan experience against the plan's actuarial assumptions. He said that actuarial assumptions are intended to be long-term in nature and should be reasonable both individually and in the aggregate. Mr. Merlak and Mr. Woodrich reviewed the results of the study with the Trustees. As a result of the study, Cheiron recommended new assumptions for the plan, including new assumptions relating to retirement rates, termination rates, disability rates, marital status and payment form election. He noted that Cheiron examines any external influences on each assumption such as the pandemic and its short or long-term impact and considers any potential future trends to recommend adjustments to each of the demographic assumptions.

Mr. Merlak concluded that if the proposed assumptions were implemented as recommended by Cheiron, the plan's funding target liability would decrease by approximately $800,000 for the 2023 Valuation, and the plan's funding target normal cost would decrease by approximately $150,000. He noted that while the proposed retirement rates increased normal cost, the other proposed assumption changes decreased normal cost.

V. ATTORNEY'S REPORT

A. Investment Manager Agreements

Ms. Sanchez reported on the Fund's Investment Manager Agreements.

B. Custodial Agreement with PNC

Ms. Sanchez reported on the custodial agreement with PNC.

C. Cyber Security Addendum and Questionnaire

Ms. Sanchez reported on the DOL's guidance on cybersecurity for benefit plans.

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

> **RESOLVED to approve sending cybersecurity questionnaires and contract addenda to the Fund's providers.**

D. Stabilization Reserve Policy

Ms. Sanchez reported on the Stabilization Reserve Policy.

E. **Summary Plan Description**

Ms. Sanchez reported on the current status of the Summary Plan Description.

F. **End of the COVID-19 National Emergency**

Ms. Sanchez reported on the expected end of the COVID-19 National Emergency.

G. **SECURE Act 2.0**

Ms. Sanchez reported on the provisions relating to the SECURE 2.0 Act of 2022. She provided an overview of the action items for Trustee consideration.

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

> **RESOLVED to amend the Plan document to increase the Plan's involuntary cash-out limit from $5,000 to $7,000, effective for distributions beginning in 2024.**

The Trustees thanked Ms. Sanchez for her report.

VI. ADMINISTRATIVE MANAGERS REPORT

Ms. Sims presented the Administrative Managers Report for the fourth quarter 2022. The report indicated total employer contributions of $19,305,322 and total expenses of $2,278,813, for a surplus of $17,026,509 for the year-to-date through December 31, 2022.

VII. INVOICES

The Trustees reviewed the list of invoices dated March 17, 2023. 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 March 17, 2023 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. <u>Calibre - Audit Engagement Letter 2022</u>

Ms. Sims presented the Calibre Audit Engagement Letter for the Plan Year ended December 21, 2022. She noted Calibre is requesting a fee increase of $3,375 which represents a 15% increase, for a total estimated annual fee not to exceed $25,875.

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

> **RESOLVED to approve the Calibre Audit Engagement Letter for the Plan Year ended December 31, 2022 for a fee not to exceed $25,875.**

IX. NEXT MEETING DATE AND LOCATION

The Trustees decided to hold their next regular Board meetings on the following dates:

Tuesday, June 27, 2023 at 2:30 P.M.

Wednesday, September 27, 2023 at 2:30 P.M.

Monday, December 11, 2023 at 2:30 P.M.

X. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis, Secretary

ACTUARY'S REPORT

UFCW-Giant Variable Annuity Fund

Classic Values, Innovative Advice

Updated 2022 Valuation Results

June 27, 2023

Heath Merlak, FSA, EA, MAAA
Kevin Woodrich, FSA, EA, MAAA

Overview

- Updated 2022 Valuation Results
- Contribution Schedule

Updated 2022 Valuation Results

- After the March 17, 2023, meeting, a group of participants, “RSP,” were identified that should be included in the Fund since the plan inception.

- After reviewing the plan document and with advice from co-counsel, it was determined:

  – RSP employees would first become participants in the plan effective January 1, 2022, if they met the eligibility requirements stated in the plan document (hired on or before January 1, 2021, and worked 1,000 hours during 2021), and

  – Will require a plan amendment to include these participants retro-actively to January 1, 2021, based on any reciprocal service.

Updated 2022 Valuation Results

The impact for the actuarial valuations include the following:

- **2022 Valuation**
  - Increase to active count by 154 for a total of 9,713
  - Funded status <u>remained</u> at 98.59%
  - This increased normal cost (and minimum required contribution) for the plan year by approximately $50,000
- **2023 Valuation:**
  - If the plan is amended to grant benefits earned in 2021 for the RSP group, anticipate minimal liability increase similar to change in 2022 normal cost of $50,000 (approximately 0.2% of estimated total liabilities)

Updated 2022 Actuarial Valuation Results

Summary of Principal Results	1/1/2021	1/1/2022
Liabilities		
Funding Target Liability (FTL)	$ 0	$ 11,989,395
Target Normal Cost (TNC)	12,114,212	12,453,254
Funding Shortfall	0	168,852
Shortfall Amortization Charge	0	15,604
Effective Interest Rate	5.83%	5.62%
Assets		
Market Value of Assets (MVA)	$ 0	$ 11,820,543 [1]
Actuarial Value of Assets (AVA)	0	11,820,543
Funded Ratios		
Funded Percentage (AVA/FTL)	100.00%	98.59%
Adjusted Funding Target Attainment Percentage	100.00%	98.59%
Funding Target Attainment Percentage	100.00%	98.59%
Minimum Required Contribution (MRC)	$ 12,114,212	$ 12,468,858
Bargaining Contribution Obligation[2]	$ 12,114,212	$ 12,468,858
Quarterly Contribution	0	0

[1] Reflects contribution receivables discounted to January 1, 2022.

[2] Based on our understanding that plan sponsor is to contribute the cost of benefits.

2022 Plan Year Contribution

Summary of Contributions

If contribute on last possible day…..

Minimum Required Contribution (MRC) - 2022 Plan Year			
	Date		Amount
Minimum Required Contribution	01/01/2022	$	12,468,858
Contribution During 2022 Plan Year to MRC*	08/29/2022	$	33,101
Remaining Contribution Due if Paid on	**09/15/2023**	$	13,651,460
Maximum Deductible Contribution			
Maximum Deductible Contribution Limit		$	18,723,673
Stabilization Reserve Contribution			6,000,000
Contribution Made during 2022 towards MRC			33,101
Maximum Deductible Contribution Limit Remaining		$	12,690,572
Amount of Remaining Contribution that is deductible for 2022		$	12,690,572
Amount of Remaining Contribution that should be allocated to 2023			960,888
Total Amount of Remaining Contribution		$	13,651,460

* Excludes $6 million made for Stabilization Reserve

2023 Quarterly Contributions

Summary of Contributions

- Quarterly contributions required in 2023 since Plan was less than 100% funded as of January 1, 2022. No quarterlies anticipated for 2024+.
- Results have been updated to reflect the 1st quarterly contribution of $3.3 million paid April 14, 2023, and the final 2022 valuation results.

2023 Quarterly Contributions

Summary of Contributions

- The schedule on the following page outlines the IRS minimum approach which is based on the prior year results
- Quarterly contributions are based on the lesser of:
  1) 100% of the prior year's required contribution
  2) 90% of the current year's required contribution (if available)

2023 Quarterly Contributions

Summary of Contributions

IRS Minimum Approach - 4 Quarterlies Plus True-up by 9/15/2024				
	Date	Contribution Amount		Amount Discounted to Valuation Date
Minimum Required Contribution (estimated)	01/01/2023			$ 12,450,000
1st Quarterly Contribution	04/14/2023	3,300,000		$ 3,251,038
2nd Quarterly Contribution	07/14/2023	2,934,430		$ 2,852,964
3rd Quarterly Contribution	10/13/2023	3,117,215	*	$ 2,990,912
4th Quarterly Contribution	01/15/2024	3,117,215	*	$ 2,950,387
Remaining Amount Payable for the 2023 Plan Year after Quarterly Contributions				$ 404,699
Remaining Contribution Due if Paid on	**09/15/2024**	$ 442,995	*	$ 404,699

* Will be adjusted based on actual 2023 MRC.

Summary of Contributions

Table V-5
Schedule of Required Contributions

Payment Due Date	Plan Year Ending December 31, 2021	Plan Year Ending December 31, 2022	Plan Year Ending December 31, 2023
2/28/2022		$ 6,000,000 [1]	
8/29/2022	$ 13,309,217	$ 33,101	
1/15/2023			
4/14/2023			$ 3,300,000 [2]
7/14/2023			$ 2,934,430 [2]
9/15/2023		$ 13,651,460	
10/13/2023			$ 3,117,215 [2]
1/15/2024			$ 3,117,215 [2]
9/15/2024			TBD
Discount to BOY	$ (1,195,005)	$ (1,267,608)	N/A
Total	$ 12,114,212	$ 18,416,953	TBD

[1] Stabilization Reserve contribution; ignored for funding policy contribution determination.

[2] The final contribution for the 2023 plan year, due no later than September 15, 2024, has not yet been determined.

Reliance

The presentation was prepared solely for the Trustees of the UFCW-Giant Variable Annuity Fund for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty to or liability such other users.

This analysis was based on the current assumptions and methods and membership data used in performing the preliminary January 1, 2022 Actuarial Valuation and estimated financial data through December 31, 2022, except as otherwise noted. Assumptions, methods, and participant valuation data will be outlined in the January 1, 2022 Actuarial Valuation Report. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.

This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

The results of this presentation rely on future Plan experience conforming to the underlying assumptions and methods outlined in this presentation. To the extent that the actual Plan experience deviates from the underlying assumptions and methods, or there are any changes in Plan provisions or applicable laws, the results would vary accordingly.

Kevin Woodrich, FSA, EA, MAAA
Principal Consulting Actuary

Heath Merlak, FSA, EA, MAAA
Principal Consulting Actuary

ATTORNEYS' REPORT

STABILIZATION RESERVE POLICY

UFCW-Giant Variable Annuity Fund

The Board of Trustees of the UFCW-Giant Variable Annuity Fund (the "Fund") hereby adopts the following Stabilization Reserve Policy, effective January 1, 2021.

Section I
Purpose

The purpose of the Stabilization Reserve is to mitigate potential reductions to the benefits of active participants and retirees resulting from an Actual Investment Rate of Return that is below the Floor Rate in a given Plan Year.

The Stabilization Reserve will be held as a separate notional account under the Fund (the "Stabilization Reserve Account"). The Stabilization Reserve Account will be invested in accordance with the Fund's Investment Policy Statement for the Stabilization Reserve and the Stabilization Reserve shall not be taken into account for purposes of calculating the Employer's contribution obligation to the Plan as required by the MOA.

Section II
Definitions

A. Actual Investment Rate of Return means, for a Plan Year, the percentage, rounded down to the nearest 1/100th of 1%, as determined annually by the Plan's actuary pursuant to the formula adopted by the Board of Trustees. The Actual Investment Rate of Return shall be calculated without considering investment returns or assets attributable to the Stabilization Reserve Account or the Excess Contribution Account. Solely for the purpose of determining allocations to the Stabilization Reserve Account, to the extent the Actual Investment Rate of Return exceeds the Ceiling Rate for a Plan Year, the dollar amount that results from applying such excess rate of return to the Main Fund Account, if any, will be allocated to the Stabilization Reserve Account. For the avoidance of doubt, the Actual Investment Rate of Return in excess of the Ceiling Rate, if any, shall not be used for the calculation of the Annual Adjustment Rate.

B. Ceiling Rate means 9.0%. To the extent the Actual Investment Rate of Return exceeds the Ceiling Rate for a Plan Year, the dollar amount that results from applying such excess rate of return to the Main Fund Account, if any, will be allocated to the Stabilization Reserve Account and such excess returns will not be reflected in the calculation of the Annual Adjustment Rate.

C. Floor Rate means 2.0%. If the Actual Investment Rate of Return is less than the Floor Rate, the Stabilization Reserve Account will be utilized as described in this Stabilization Reserve Policy.

D. Floor Rate Benefit Payment. The monthly benefit payment of a Pensioner or surviving Spouse that is calculated by applying the Annual Adjustment Rate to the monthly benefit payment for such Plan Year, but calculated on the basis that the Actual Investment Rate of Return for a given Plan Year is equal to the Floor Rate.

E. Floor Rate Accrued Benefit. The Accrued Benefit of an active Participant that is calculated by applying the Annual Adjustment Rate to his Accrued Benefit for such Plan Year, but calculated on the basis that the Actual Investment Rate of Return for a given Plan Year is equal to the Floor Rate.

F. Stabilization Reserve means a notional reserve account that is funded with: (1) an initial, one-time contribution by the Employer, as described in Section I(c)(4) of the MOA; (2) to the extent that the Actual Investment Rate of Return exceeds the Ceiling Rate for a Plan Year, the dollar amount that results from applying such excess rate of return to the Main Fund Account, if any; (3) any additional amounts designated by the Employer, in its sole discretion; (4) any additional amounts agreed upon by the Employer and the Unions; and (5) earnings on all of the foregoing. The Stabilization Reserve Account may be used as permitted in accordance with the Stabilization Reserve Policy adopted by the Trustees.

All other capitalized terms in this Stabilization Reserve Policy of the Fund shall have the same meaning as under the Fund's Plan document unless otherwise defined herein.

Section III
Use of Stabilization Reserve to Restore Benefits

A. Priority Group 1: Pensioners and Surviving Spouses in Pay Status.

If, after application of the Annual Adjustment Rate to a Pensioner's or surviving Spouse's monthly benefit payment for a Plan Year, such monthly benefit payment is less than the Pensioner's or surviving Spouse's Floor Rate Benefit Payment, then to the extent available, the Stabilization Reserve will be used to restore the monthly benefit payment of each such Pensioner and surviving Spouse to such individual's Floor Rate Benefit Payment. If the Stabilization Reserve is insufficient to restore the benefit payments to all such Pensioners and surviving Spouses, then the available Stabilization Reserve will be applied to proportionately restore the monthly benefit payment of each Pensioner and surviving Spouse to the fullest extent available.

B. Priority Group 2: Active Participants Within Two Years of Attainment of Normal Retirement Age

(1) Solely to the extent there are Stabilization Reserve assets available after the benefit payments of Pensioners and surviving Spouses have been restored as described under Section III(A) above, if after application of the Annual Adjustment Rate to an active Participant's Accrued Benefit for a Plan Year, such Accrued Benefit is less than his Floor Rate Accrued Benefit, then to the extent available, the Stabilization Reserve will be used to restore the Accrued Benefit for each active Participant who is within two years of attainment of Normal Retirement Age or any time thereafter (determined as of the last day of the immediately preceding Plan Year) to the amount of his Floor Rate Accrued Benefit, ***provided that*** the Stabilization Reserve will be applied only if there are sufficient

assets in the Stabilization Reserve to restore the Accrued Benefit for all such active Participants to the full amount of their Floor Rate Accrued Benefit.

(2) For the avoidance of doubt, if there are not sufficient assets in the Stabilization Reserve to restore active Participants described in Section III(B)(1) to the full amount of their Floor Rate Accrued Benefit, no portion of the Stabilization Reserve will be applied.

C. Priority Group 3: Active Participants With More Than Two Years Until Attainment of Normal Retirement Age

(1) Solely to the extent there are Stabilization Reserve assets available after the benefits of Pensioners, surviving Spouses, and active Participants have been restored as described in Sections III(A) and III(B)(1) above, if after application of the Annual Adjustment Rate to an active Participant's Accrued Benefit for a Plan Year, such Accrued Benefit is less than his Floor Rate Accrued Benefit, then to the extent available, the Stabilization Reserve will be used to restore the Accrued Benefit for each active Participant who is not described in Section III(B)(1) above to the amount of his Floor Rate Accrued Benefit, ***provided that*** the Stabilization Reserve will be applied only if there are sufficient assets in the Stabilization Reserve to restore the Accrued Benefit for all such active Participants to the full amount of their Floor Rate Accrued Benefit.

(2) For the avoidance of doubt, if there are not sufficient assets in the Stabilization Reserve to restore active Participants described in Section III(C)(1) to the full amount of their Floor Rate Accrued Benefit, no portion of the Stabilization Reserve will be applied.

Section IV
Alternate Use of Stabilization Reserve

In the event the Stabilization Reserve reaches a level that the Board of Trustees determines, in its discretion, to be in excess of the amount necessary or appropriate, the Board of Trustees may allocate assets from the Stabilization Reserve to the Main Fund, as determined by the Board of Trustees in its discretion.

Section V
Miscellaneous

A. The Stabilization Reserve and the restoration payments made pursuant to this Policy are not part of the Accrued Benefit attributable to any Participant, Pensioner, or surviving Spouse in pay status, and no Participant, Pensioner, or surviving Spouse shall be entitled to any amounts credited to the Stabilization Reserve at any time or to any payments made under the Stabilization Reserve except as otherwise expressly set forth herein.

B. The underlying Accrued Benefit attributable to any Participant, Pensioner, and surviving Spouse in pay status will continue to be adjusted pursuant to the Annual Adjustment Rate and is not impacted by the Stabilization Reserve other than as expressly set forth herein.

C. This Stabilization Reserve Policy is not part of the Plan document and does not provide Participants, Pensioners, or surviving Spouses with any right to additional benefits beyond those provided in the Plan document. This Stabilization Reserve Policy does not provide vested benefit rights to Participants, Pensioners, or surviving Spouses beyond those reflected in the Plan document.

D. This Stabilization Reserve Policy is intended to memorialize the intention of the Trustees with respect to the Stabilization Reserve and may be amended at any time by the Trustees.

UFCW-Giant Variable Annuity Fund

By: ___________________________ By: ______________________________

Union Trustee Employer Trustee

Dated: __________________ Dated: ____________________

125798118v22

ADMINISTRATIVE MANAGER’S REPORT

`

UFCW-GIANT

VARIABLE ANNUITY FUND

FIRST QUARTER 2023

ADMINISTRATIVE MANAGER'S REPORT

PROPRIETARY INFORMATION: THIS REPORT BELONGS TO UFCW - GIANT VARIABLE ANNUITY FUND

2023
QUARTERLY RECAPS

	FIRST 2023	SECOND 2023	THIRD 2023	FOURTH 2023	TOTAL
CONTRIBUTIONS	$0				$0
STABILIZATION RESERVE	$0				$0
INTEREST INCOME	$6,434				$6,434
REALIZED G/L	($6,718)				($6,718)
UNREALIZED G/L	($29,988)				($29,988)
MISCELLANEOUS	$0				$0
TOTAL INCOME	($30,272)	$0	$0	$0	($30,272)

BENEFIT EXPENSES					
PENSION BENEFITS	$0				$0
SUBTOTAL	$0	$0	$0	$0	$0
OPERATING EXPENSES					
ADMINISTRATION	$153,569				$153,569
OTHER	$143,120				$143,120
SUBTOTAL	$296,689	$0	$0	$0	$296,689
TOTAL EXPENSES	$296,689	$0	$0	$0	$296,689

TOTAL INCOME	($30,272)	$0	$0	$0	($30,272)
TOTAL EXPENSES	$296,689	$0	$0	$0	$296,689
SURPLUS (DEFICIT)	($326,961)	$0	$0	$0	($326,961)

2022
QUARTERLY RECAPS

	FIRST 2022	SECOND 2022	THIRD 2022	FOURTH 2022	TOTAL
CONTRIBUTIONS *	$0	$0	$13,342,318	$0	$13,342,318
STABILIZATION RESERVE	$6,000,000	$0	$0	$0	$6,000,000
INTEREST INCOME **	$0	$0	$0	$12,142	$12,142
REALIZED G/L	$0	$0	$0	$0	$0
UNREALIZED G/L ***	$0	$0	$0	($49,138)	($49,138)
MISCELLANEOUS	$0	$0	$0	$0	$0
TOTAL INCOME	$6,000,000	$0	$13,342,318	($36,996)	$19,305,322

BENEFIT EXPENSES					
PENSION BENEFITS	$0	$0	$0	$0	$0
SUBTOTAL	$0	$0	$0	$0	$0
OPERATING EXPENSES					
ADMINISTRATION	$161,935	$158,004	$155,359	$156,149	$631,447
OTHER	$264	$4,483	$357,532	$1,285,087	$1,647,366
SUBTOTAL	$162,199	$162,487	$512,891	$1,441,236	$2,278,813
TOTAL EXPENSES	$162,199	$162,487	$512,891	$1,441,236	$2,278,813

TOTAL INCOME	$6,000,000	$0	$13,342,318	($36,996)	$19,305,322
TOTAL EXPENSES	$162,199	$162,487	$512,891	$1,441,236	$2,278,813
SURPLUS (DEFICIT)	$5,837,801	($162,487)	$12,829,427	($1,478,232)	$17,026,509

* All Contributions except $33,101.00 apply to 2021

** 3rd & 4th quarter interest income is combined

*** 3rd & 4th quarter unrealized G/L is combined

FIRST QUARTER 2023
EXPENSES

BENEFIT EXPENSES

CATEGORY	AMOUNT
PENSION BENEFITS	$0
SUBTOTAL	$0

OPERATING EXPENSES

CATEGORY	AMOUNT
ADMINISTRATION	$153,569
ACCOUNTING	$1,590
ACCURINT	
ACTUARIAL & CONSULTING	$43,113
BONDING & INSURANCE	$1,979
CONFERENCE	
FIDUCIARY LIABILITY INSURANCE	$7,480
I.F.E.B.P.	
INV PERFORMANCE	25,000
LEGAL	61,463
MEETING	
OFFICE SUPPLIES	
PBGC	
PNC	
POSTAGE	
PRINTING	
UPS EXPENSE	41
SEGALL BRYANT & HAMILL	
STATUTORY REP	
TELEPHONE	
ASSET MANAGEMENT FEE	2,454
SUBTOTAL	$296,689
TOTAL EXPENSES	$296,689

AVG. RETIREES

AVG. MONTHLY PAYOUT

PENSION ROLL
FIRST QUARTER 2023

PENSION ROLL		RETIREES	MONTHLY PAYOUT
PENSION ROLL AS OF:		0	$0
DEATH AS OF:		0	$0
PEN. APPROVED AS OF:		0	$0
ADJUSTMENTS AS OF:		0	$0
PENSION ROLL AS OF:		0	$0

PENSION DISTRIBUTION	RETIREES	MONTHLY PAYOUT
NORMAL	0	$0
EARLY - NON REDUCED	0	$0
EARLY - REDUCED	0	$0
30 & OUT	0	$0
DISABILITY	0	$0
DEF. VESTED	0	$0
EARLY VESTED	0	$0
PRE-RETIREMENT JOINT & SURVIVOR	0	$0
POST RETIREMENT JOINT & SURVIVOR	0	$0
GUARANTEED PAY	0	$0
ALTERNATE PAYEE - QDRO	0	$0
DEATH BENEFIT ANNUITY	0	$0
TOTAL	0	$0

INVOICES

UFCW-GIANT
VARIABLE ANNUITY FUND

INVOICES

JUNE 27, 2023

1. **Associated Administrators, LLC**

02/01/2023	January 2023 Admin Fee	$	50,210.21
03/01/2023	February 2023 Admin Fee		51,692.55
04/01/2023	March 2023 Admin Fee		51,665.50

2. **Cheiron**

03/20/2023	Retainer Services – March 2023	$	6,250.00
03/20/2023	Non-Retainer Services – March 2023		13,903.75
04/27/2023	Retainer Services – April 2023		6,250.00
04/27/2023	Non-Retainer Services – April 2023		15,230.00
05/30/2023	Retainer Services – May 2023		6,250.00
05/30/2023	Non-Retainer Services – May 2023		8,316.25

3. **Investment Performance Services, LLC**

06/10/2023	Fee for Professional Services for the Quarter Ending 06/30/2023 including fee increase effective January 1, 2023	$	32,500.00

4. **Proskauer Rose LLP**

06/12/2023	For services rendered for the period ending May 31, 2023	$	155,377.50

5. **Slevin & Hart, P.C.**

03/17/2023	For professional services rendered through February 28, 2023	$	14,025.00
04/21/2023	For professional services rendered through March 31, 2023		25,382.04
05/23/2023	For professional services rendered through April 30, 2023		23,570.00

OTHER FUND BUSINESS

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.

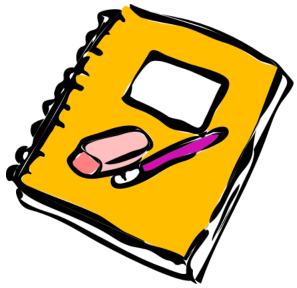
Sincerely,
Cheiron

Kevin J. Woodrich, FSA, EA
Principal Consulting Actuary

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

Accepted and Agreed To:

____________________ ____________________
Signature Date



MEETING NOTES