INVESTMENT RATE OF RETURN POLICY

UFCW-Giant Variable Annuity Fund

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

Section I
Purpose

The purpose of this Investment Rate of Return Policy is to describe the formula for determining the Actual Investment Rate of Return to be applied under the UFCW-Giant Variable Annuity Plan document ("Plan").

All other capitalized terms in this Investment Rate of Return Policy of the Fund shall have the same meaning as under the Fund's Plan document unless otherwise defined below.

Section II
Definition and Formula

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 described in Section II(B) below. In the event that the assets of the Stabilization Reserve Account and/or the Excess Contribution Account are subject to a different asset allocation policy than the Main Fund Account, 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.

B. The formula for use by the Fund actuary in determining the Actual Investment Rate of Return is as follows:

- The Investment Return for a Plan Year, denoted as i, is determined such that $B = A \times (1 + i) + C_1 \times (1 + i)^{(11.5/12)} + C_2 \times (1 + i)^{(10.5/12)} + C_3 \times (1 + i)^{(9.5/12)} + \ldots + C_{12} \times (1 + i)^{(0.5/12)}$, where:
  - "$C_{1,2,3\ldots}$" are the net amounts of contributions minus benefit payments minus administrative expenses for January (C_1), February (C_2), March (C_3),…. December (C_{12}), as reflected in the audited financial statements of the Plan prepared by the Plan Administrator; and
  - "A" is the market value of the Plan assets as of the last day of the Plan Year prior to the Plan Year for which the Investment Return is being determined, as reflected in the audited financial statements of the Plan prepared by the Plan Administrator; and
  - "B" is the market value of the Plan assets as of the last day of the Plan Year for which the Investment Return is being determined, as reflected in the audited financial statements of the Plan prepared by the Plan Administrator.

Notwithstanding the foregoing, the Actual Investment Rate of Return for the 2021 Plan Year will be 5.5%.

UFCW-Giant Variable Annuity Fund

By: ______________________________ By: ______________________________

Union Trustee Employer Trustee

Dated: ____________________ Dated: ____________________

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