United Food and Commercial Workers Unions and Participating Employers Pension 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 UNIONS AND PARTICIPATING EMPLOYERS PENSION FUND VIA VIDEO CONFERENCE SEPTEMBER 25, 2025 (DRAFT)

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
J. Chorpenning- Secretary	W. Seehafer - Chairperson
D. Blitzstein	G. Dufault
M. Federici	M. Lucki
J. Harrison	J. Nesse
C. Hoffman	

Also present were:

B. Antoshak – Associated Administrators, LLC
M. Buckberg – Withum
A. Dietrich - Slevin & Hart P.C.
P. Hardcastle - Cheiron
J. Herron - Associated Administrators, LLC
T. Hipkins – Local 27
M. Keadle - Withum
J. Kimble - Morgan, Lewis and Bockius, LLP
C. McDonough - Investment Performance Services
B. McKiver – Local 400
C. Murphy - Associated Administrators, LLC
R. Murray – Cheiron
S. Sanchez - Slevin & Hart P.C.
A. Sims - Associated Administrators, LLC
B. Warren – Cheiron
M. Wilson – Local 400

I. CALL TO ORDER

A quorum being present, Chairman Seehafer called the meeting to order.

Appointment of Trustees

Ms. Sims reported receiving correspondence from Shoppers appointing Mr. Gary Dufault as an Employer Trustee, replacing Ms. Leticia Howard, effective June 26, 2025. She also received correspondence from Local 27 appointing Ms. Jennifer Harrison as a Labor Trustee, replacing Mr. Richard Wildt, effective July 1, 2025. The Board welcomed Ms. Harrison and Mr. Dufault to the meeting.

II. MINUTES

Ms. Sims presented the previously circulated minutes of the regular meeting held on June 25, 2025.

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

> **RESOLVED, that the minutes of the regular meeting held on June 25, 2025, are approved as presented.**

III. AUDITOR'S REPORT

The Trustees welcomed Mr. Mark Buckberg and Mr. Matthew Keadle from Withum to the meeting.

Financial Statement Year End 2024

Mr. Keadle presented the Financial Statements for the period ending December 31, 2024. He stated that Withum issued an unmodified opinion on the financial statements, confirming that they conform to generally accepted accounting principles.

Mr. Keadle reported that assets as of December 31, 2024, totaled $94,773,862, and liabilities amounted to $643,477, resulting in net assets available for benefits of $94,130,385. Mr. Buckberg reviewed the Notes to Financial Statements, the Schedule of Assets Held for Investment Purposes, the Employer Contributions Schedule, and the Administrative Expenses Schedule.

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

> **RESOLVED, to delegate to the Chair and Secretary the authority to approve and sign the final Form 5500.**

The Trustees thanked Mr. Buckberg and Mr. Keadle for their report and excused them from the meeting.

IV. FINANCIAL REPORT

The Trustees welcomed Mr. Chris McDonough from IPS to the meeting.

A. Cash Flow Summary

Mr. McDonough presented the Master Consulting report as of June 30, 2025. He reviewed the cash flow for the second quarter, ending June 30, 2025, noting a beginning market value of $88,388,485, negative net cash flow of $3,246,886 and investment earnings of $5,273,733, with an ending value of $90,415,332. The Fund's overall performance as of June 30, 2025 was 5.1%. He noted that all asset allocations are within the ranges specified in the Fund's Investment Policy.

Mr. McDonough stated that the Fund's preliminary ending market value as of July 31, 2025 was $90.1 million, with a gross return of 6.1%.

B. SFA Asset Allocation Review

Mr. McDonough reported that the Fund's SFA assets had been received from the government and transferred to the Loomis Sayles cash match portfolio. Trustee Blitzstein suggested inviting Loomis to each future September Board meeting to report on the status of the cash match portfolio, and the Trustees agreed. Mr. Blitzstein reiterated that the SFA assets received by the Fund must be held completely separate from the Fund's non-SFA "legacy" assets. Ms. Sims confirmed that the SFA and legacy funds were held in separate accounts and were accounted for separately by the Fund office, and Mr. McDonough confirmed the same for IPS, stating that they would be shown separately on the IPS reports.

C. Chartwell Fee Schedule

Mr. McDonough reported on the Chartwell Short Duration High Yield Fees and stated that Chartwell is offering reduced fee schedule options for IPS clients. He presented several options for the Fund to consider and stated IPS's recommendation that the Fund agree to a fee of 40 bp on assets up to $20 million and 30 bp on assets over $20 million.

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

> **RESOLVED, to adopt as the Fee Structure with Chartwell .40% up to $20 million and .30% over $20 million.**

Mr. McDonough presented IPS's asset allocation review and discussed various options for asset allocation changes with the Board. After further discussion, Mr. McDonough agreed that IPS would circulate a memorandum with updated options to the Trustees between meetings.

The Trustees thanked Mr. McDonough for his report.

V. ACTUARY'S REPORT

The Trustees welcomed Mr. Peter Hardcastle, Mr. Brett Warren, and Mr. Robert Murray from Cheiron to the meeting.

A. SFA Discussion

Mr. Hardcastle reported that the Fund received the SFA money on August 25, 2025, and it has been invested with Loomis, Sayles & Company as directed by the Board. He stated that Cheiron projects the SFA assets will cover approximately ten years of benefit payments and administrative expenses.

Ms. Sims stated that since receipt, the SFA money has been used to pay outstanding administrative expenses and the 2025 PBGC premium. The Trustees discussed the annual reporting requirement to PBGC regarding SFA assets, noting that the first Annual Statement of Compliance (ASOC) is due on March 31, 2027.

The Trustees discussed using SFA assets to pay investment manager fees and asked for information regarding which managers automatically deduct their fees from the investment assets and which submit an invoice sent to the Fund office for payment.

On Motion made and Seconded, the Trustees voted unanimously to approve the following:

> **RESOLVED, to direct Fund counsel to negotiate amendments to the agreements with any managers that currently deduct fees from investment assets to require that, going forward, those managers submit invoices for payment by the Fund.**

B. <u>Preliminary 2025 Valuation</u>

Mr. Warren reviewed the 2025 Preliminary Actuarial Valuation Results. Mr. Warren reported that there were 1,656 active participants, 6,217 deferred vested participants, and 3,858 participants in pay status, totaling 11,731 participants as of January 1, 2025. Mr. Warren stated that the market value of the assets as of January 1, 2025, was $93,897,413, the actuarial value of the assets was $100,793,955, and the present value of accrued benefits and accrued liabilities was $258,595,001. The Pension Protection Act funding ratio was 39%.

The Trustees discussed the ongoing decline in revenue resulting from the increased number of Shoppers store closures, including the five closures in recent weeks. Mr. Hardcastle stated that an effect of these closures is that the original CBU decline assumptions used by Cheiron for the SFA application are no longer accurate.

Mr. Blitzstein asked if the recent store closures would trigger a partial withdrawal. Mr. Hardcastle replied that under the current Fund rules, a partial withdrawal would require a 70% decline in CBUs over the testing period.

The Trustees discussed their concerns regarding the impact on the Fund of Shoppers' recent store closures and any future store closures. They also discussed the option to amend the Fund's Withdrawal Liability Rules to adopt the "Retail Food Rule" for partial withdrawals. Mr. Seehafer said that if the Trustees intend to vote on a motion to amend the Withdrawal Liability

Rules, the Employer Trustees would need to recuse themselves from consideration of the issue and appoint an independent fiduciary to act in their place.

After further discussion, Mr. Federici made a motion to amend the Fund's Withdrawal Liability Rules to adopt the "Retail Food Rule" for partial withdrawal liability. The motion was seconded and the Union Trustees voted in favor of the motion. The Employer Trustees recused themselves from voting on this motion and, therefore, the motion did not pass.

Mr. Seehafer stated that he would notify Shoppers of the need to appoint an independent Employer Trustee within ten days.

The Trustees thanked Cheiron for their report.

VI. ATTORNEY'S REPORT

A. Chartwell Addendum

Ms. Sanchez reported on the Chartwell investment management agreement.

B. Cybersecurity Update

Ms. Sanchez reported on Segal's review of the cybersecurity questionnaire responses submitted by the Fund's providers. She noted that Withum has not submitted a response and Mr. Buckburg asked that the questionnaire be sent to him directly.

C. Financial Statement Draft Review

Ms. Sanchez reported on co-counsel's review of the draft audited financial statements.

D. McKay Shields Amendment

Ms. Sanchez reported that the McKay Shields Investment Agreement was executed between meetings.

E. Withum Engagement Letters

Ms. Sanchez reported that the Withum engagement letter was executed between meetings.

F. IPS Agreement

Ms. Sanchez reported that the IPS Agreement amendment relating to the expanded services and new fee structure approved by the Board had been executed between meetings.

G. Investment Policy Amendment

Ms. Sanchez reported that the asset allocation amendment to the Fund's Investment Policy, reflecting the changes approved by the Board, was executed between meetings.

VII. ADMINISTRATIVE MANAGER'S REPORT – Second Quarter 2025 Report

A. Second Quarter 2025 Report

Ms. Sims presented the Administrative Manager's Report for the Second Quarter of 2025, which had been pre-circulated. The report showed a total income of $1,381,510 and total expenses of $4,667,354, producing a net deficit of $3,285,844 for the quarter. She noted that the Fund received contributions on behalf of 1,410 Plan participants. Next, she reviewed the Stipend Income & Expenses, which showed a stipend income of $36,900 and stipend expenses of $37,131 for 27 Plan participants.

Ms. Sims reported no delinquencies for the Second Quarter of 2025.

B. Pension Applications

Ms. Sims presented the list of pension applications submitted for approval during the Second Quarter of 2025.

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

> **RESOLVED, that the pension applications contained in the Administrative Manager's Report for the Second Quarter of 2025 are approved for payment.**

C. Invoices

Ms. Sims presented a list of pre-circulated invoices dated September 25, 2025. She noted 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 September 25, 2025, are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Pension Appeal – P24/112-4725

The Trustees considered appeal P25/114-1803 and reviewed the related file.

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

> **RESOLVED, to delegate to the Chairman and Secretary the authority to decide the appeal.**

B. CAPIS Recapture

Ms. Sims reported that the Fund received a $214.44 check from CAPIS recapture services.

C. PBGC PAA Filing

Ms. Sims reported that the PBGC PAA filing was completed and the Fund paid $455,871.00 on September 8, 2025.

IX. 2025 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled for December 17, 2025, via Zoom.

X. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary