United Food and Commercial Workers Unions
And Participating Employers
Pension Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS PENSION FUND VIA VIDEO CONFERENCE DECEMBER 12, 2023

(DRAFT)

The following Trustees were present:

UNION TRUSTEES
J. Chorpenning- Secretary
D. Blitzstein
M. Federici
C. Hoffman
R. Wildt

EMPLOYER TRUSTEES
W. Seehafer - Chairperson
L. Fiergola
P. Lin
V. Marsh

Also present were:

A. Dietrich – Slevin & Hart P.C.
P. Hardcastle - Cheiron
J. Herron - Associated Administrators, LLC
T. Hipkins – UFCW Local 27
J. Kimble - Morgan, Lewis and Bockius, LLP
B. McKiver - UFCW Local 400
J. Mink - Investment Performance Services
C. Murphy - Associated Administrators, LLC
R. Murray - Cheiron
A. Sims - Associated Administrators, LLC
B. Warren - Cheiron

I. CALL TO ORDER

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

II. MINUTES

Ms. Sims presented the minutes of the regular meeting held on September 20, 2023, which were previously 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 September 20, 2023, are approved as presented.**

III. FINANCIAL REPORT - INVESTMENT PERFORMANCE SERVICES ("IPS")

The Trustees welcomed Ms. Jennifer Mink of IPS to the meeting.

A. Cash Flow Summary

Ms. Mink presented the Master Consulting report as of September 30, 2023. She reviewed the cash flow for the third quarter of 2023, noting a beginning market value of $103,068,273, contributions of $24,281,547 and withdrawals of $27,649,991, producing a negative net cash flow of $3,368,444, and negative investment change of $751,768, for an ending value of $98,948,062.

Ms. Mink reviewed the Fiscal Year to Date, noting a beginning market value of $102,712,711, a negative net cash flow of $8,597,849, and a positive investment change of $4,833,199 for an ending value of $98,948,062.

B. Master Consulting Services Report – December 12, 2023

Ms. Mink noted that while the third quarter produced losses in many asset categories, returns have been positive since October. The Fund is up in almost every asset class year to date. Ms. Mink said the Fund's asset allocations are in the allowable range under the investment policy and long-term goals. She noted that commercial real estate continued to experience negative returns as many companies have not returned to full staffing in offices after the pandemic. Ms. Mink then discussed Loomis Sayles' performance. She recommended the Trustees monitor this investment manager to watch its performance for improvements. Ms. Mink reported that the Fund's withdrawal from Entrust was in process. The management fee has been reduced to 85 basis points as the investment is liquidated. She noted that the Fund's

Intercontinental investment is in a redemption queue. Ms. Mink discussed IPS's review of the Fund's custodial bank, PNC, and advised that IPS has no concerns regarding the long-term stability of the bank.

The Trustees thanked Ms. Mink for her report and excused her from the meeting.

IV. ACTUARY'S REPORT

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

A. SFA Update

Mr. Hardcastle discussed the ongoing Special Financial Assistance ("SFA") program. The Fund is currently number 49 on PBGC's SFA application waiting list. Mr. Hardcastle said he projected that the Fund may be eligible to file its SFA application in the fall of 2024.

Trustee Seehafer asked about the amount of cash held in the Fund's checking account. Mr. Hardcastle explained that excess cash in the checking account is being swept into an interest-bearing account each month. Trustee Blitzstein said he thought the Fund should pay the needed benefits out of the checking account, and move any excess to the Fund's investment portfolio.

B. Death Audit Request from PBGC

Mr. Hardcastle reported on Cheiron's review of the PBGC death audit" based on the census data submitted to PBGC by Cheiron. He said that the PBGC audit identified over 400 deceased participants, including 107 who appeared to have died prior to the effective date of the census file and some who had a date of death prior to the inception date of the Plan. He advised that he would work with the Fund office to validate the list of deceased participants identified by PBGC. He discussed the Fund's missing participant procedures and noted that most of the participants identified by PGBC as deceased are Deferred Vested participants. Cheiron will submit an updated census file to PBGC for review, with explanations regarding the participants in question, before the Fund submits its SFA application in the fall of 2024.

C. Shoppers Food Warehouse Hours

Mr. Hardcastle then discussed the Shoppers' Hours Worked report, which captured the hours for the first three quarters of 2023. He noted that the reported Hours Worked decreased in the 1st quarter of 2023 but were up for the 2nd and 3rd quarters, resulting in an overall increase of 2% for the year.

Mr. Hardcastle said the industry activity assumption will need to be determined for purposes of the SFA filing and the 2024 annual certification of zone status under the PPA. The Trustees discussed the due date for the PPA certification of zone status. Mr. Hardcastle stated the deadline for the PPA certification is March 31, 2024. He believes the Trustee meeting scheduled for March 4, 2024, should give Cheiron enough time to process the application before the deadline. The Trustees noted that discussion regarding the assumptions for purposes of the PPA Certification will be an item on the next Trustee Meeting's agenda.

The Trustees thanked the Cheiron representatives, and they were excused from the meeting.

V. ATTORNEYS' REPORT

A. Cybersecurity Update

Mr. Dietrich reported on review of the Cybersecurity questionnaires that the Fund Office received from providers.

B. Cybersecurity Excess Policy

Mr. Dietrich reported on the Excess Cyber Liability Insurance policy.

C. Rehab Plan Update

Mr. Dietrich reported on the Rehabilitation Plan update.

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

> **RESOLVED, to delegate approval of the Rehabilitation Plan update to Chairman and Secretary.**

D. Check Cashing Company Payment

Mr. Dietrich reported on a lawsuit filed against Associated Administrators, LLC, by a check cashing company.

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

> **RESOLVED, to ratify the decision of the Chairman and Secretary relating to the stopped payment on the check at issue in the lawsuit.**

E. Client Update Tax Form

Mr. Dietrich reported on a new IRS requirement relating to the submission of certain tax forms.

VI. ADMINISTRATIVE MANAGER'S REPORT – Third Quarter 2023 Report

A. Third Quarter 2023 Report

Ms. Sims presented the Administrative Manager's Report for the Third Quarter of 2023, which had been pre-circulated. The report showed a total income of $1,489,684 and total expenses of $4,286,306, producing a net deficit of $2,796,622 for the quarter. She noted that the Fund received contributions on behalf of 1,616 Plan participants. Next, she reviewed the stipend income and expenses, which showed a stipend income of $45,450 and stipend expenses of $45,726 for 34 Plan participants.

Ms. Sims reported that there were no delinquencies for the third quarter of 2023.

B. Pension Applications

Ms. Sims presented the list of pension applications submitted for approval during the third quarter of 2023.

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 third quarter of 2023 are approved for payment.

C. Invoices

Ms. Sims presented a list of invoices dated December 12, 2023, which were pre-circulated. 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 December 12, 2023, are approved for payment.

VII. OTHER FUND BUSINESS

A. Cowan Recapture

Ms. Sims reported that the Fund had received a $111.07 check from Cowan commission recapture services.

B. W-4P Mailing

Ms. Sims reported that the new W-4P form had been mailed to participants.

C. IFEBP Renewal

Ms. Sims presented the IFEBP membership renewals.

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

RESOLVED, to renew the Fund's membership with IFEBP.

VIII. 2024 MEETING DATES & LOCATIONS

After discussion, The Trustees selected the following dates and meeting locations for 2024:

March 4, 2024 – 10:00 a.m. – Virtual

June 3, 2023 – Time – TBD, Location – TBD

September 13, 2023 – Time – TBD, Location – TBD

December 5, 2023 – Time – TBD, Location – TBD

IX. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary