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 MARCH 26, 2026 (DRAFT)

The following Trustees were present:

UNION TRUSTEES
D. Blitzstein
M. Federici
J. Harrison
C. Hoffman

EMPLOYER TRUSTEES
W. Seehafer - Chairperson
G. Dufault
J. Nesse

Also present were:

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

I. CALL TO ORDER

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

II. MINUTES

Mr. Ianniello presented the minutes of the regular meeting held on December 17, 2025, and the special meeting held on January 16, 2026, both of which had been 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 December 17, 2025, and the special meeting held on January 16, 2026, are approved as presented.**

III. FINANCIAL REPORT

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

A. Cash Flow Summary - Combined

Ms. Mink presented the Master Consulting report as of December 31, 2025. She reviewed fourth-quarter cash flow, noting a beginning market value of $279,664,078, a negative net cash flow of $4,799,600, and a net investment gain of $3,730,849, resulting in an ending value of $278,595,327 for the SFA and non-SFA assets. She noted that all asset allocations were within the Fund's Investment Policy range. Ms. Mink reported that, as of December 31, 2025, the Fund's combined balance was $278,595,327 and the return was 9.9%.

B. SFA Portfolio

Ms. Mink presented the Master Consulting report for the SFA Portfolio as of December 31, 2025. She reported a beginning market value of $186,912,990, a negative net cash flow of $5,445,136, and a net investment gain of $2,402,907, resulting in an ending value of $183,870,761 as of December 31, 2025, with a return of 2.1% since inception.

C. Legacy Portfolio

Ms. Mink presented the Master Consulting report for the Legacy Portfolio as of December 31, 2025. She reported a beginning market value of $92,751,087, net cash flow of $645,536, and net investment gain of $1,327,942, resulting in an ending value of $94,724,566 as of December 31, 2025, reflecting a 17.7% return.

D. <u>Asset Allocation and Rebalancing</u>

Ms. Mink reported on the asset allocation and rebalancing decision the Trustees made between meetings, based on IPS's recommendation memo dated February 11, 2026. IPS recommended and the Trustees agreed to, rebalancing the investment grade fixed income allocation closer to the policy target by transferring $1.5 million from the operating cash account to Chartwell Investment Partners.

Ms. Mink reported on the Loomis Sayles fee reduction, which was implemented retroactive to October 1, 2025. She also reported on a billing error by Chartwell (due to a failure to aggregate the Fund's investment with the FELRA Fund's investment) that resulted in a fee overpayment by the Fund of approximately $10,000 dollars. She noted that this overpayment was corrected as a credit on Chartwell's subsequent invoices. Ms. Mink reported that Westfield was briefly out of compliance with the Investment Policy limits due to the growth of an investment but the manager is taking corrective action and nothing additional is required from the Board.

Ms. Mink provided a preliminary January 31, 2026 update, noting that Fund's combined legacy and SFA assets stood at $279,034,228, with a year-to-date return of 0.6%.

Ms. Mink discussed the current asset allocations under the Fund's Investment Policy and presented several portfolio alternatives, including IPS's recommended Portfolio D, which would reduce the Fixed Income Intermediate allocation from 20% to 17.5% and the Short Duration High Yield allocation from 7.5% to 5%, while increasing the Real Estate Value allocation from 2.5% to 5% and the International Equity allocation from 5% to 7.5%.

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

RESOLVED, to approve Portfolio D, as recommended by IPS.

Mr. Blitzstein asked whether there had been any commingling of assets between the Fund's SFA accounts and non-SFA accounts since the Fund's receipt of SFA and Mr. Ianniello confirmed that there has been no commingling.

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

IV. ACTUARY'S REPORT

The Trustees welcomed Mr. Peter Hardcastle and Mr. Robert Murray of Cheiron to the meeting.

A. Asset Portfolio Analysis

Mr. Hardcastle reviewed Cheiron's report on the projected impact of the Shoppers store closures that were announced in the second half of 2025, based on the Trustees' selection of Portfolio D, as presented by IPS. He reviewed both deterministic and stochastic projections regarding the Fund's solvency as of 2052, noting that the deterministic projection reflected a funded percentage of 154% and the stochastic projections reflected that the Fund was more likely to be fully funded than to be insolvent in 2052. Mr. Hardcastle also reviewed Cheiron's projections that factored in three 10-cent-per-hour contribution increases, starting in July 2026 and ending in July 2028. Cheiron calculated the number of additional 10-cent-per-hour contributions, starting in July 2029, required to bring the 2052 funded ratio to 100%.

Mr. Seehafer asked whether the Trustees would be agreeable to sharing Cheiron's report, and other reports from Fund providers, with Shoppers, upon Shoppers' request. Mr. Federici said that the Trustees could discuss scheduling a special meeting with representatives of Shoppers in order to share and discuss certain Fund information in preparation for bargaining.

B. Retainer Fee Increase

Mr. Hardcastle presented Cheiron's fee increase request. Cheiron proposed the following fees: 2026 - $47,530.00, 2027 - $48,960.00, and 2028 - $50,430.00, representing 3%

increases over the triennium. The Trustees excused Mr. Hardcastle and Mr. Murray from the meeting. After discussion,

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

> **RESOLVED, to approve the three-year retainer fee increase with Cheiron at the following annual rates: 2026 - $47,530.00, 2027 - $48,960.00, and 2028 - $50,430.00.**

The Trustees welcomed Mr. Hardcastle and Mr. Murray back to the meeting.

Mr. Hardcastle stated that the Fund's annual actuarial certification was due March 31, 2026 and stated that the Fund would be in critical status as required by law due to its receipt of SFA. He also noted that the format of the certification would be different for 2026.

Mr. Ianniello noted that the Fund office is working with Cheiron on the annual funding notice. The Trustees asked that co-counsel prepare a cover letter to participants to be sent with the annual funding notice.

The Trustees thanked Cheiron for their report and excused them from the meeting.

V. ATTORNEYS' REPORT

A. Investment Manager Update

Ms. Sanchez reported on the investment documents for IFM, First Eagle, and Grosvenor.

B. Investment Manager Billing Update

Ms. Sanchez provided an update on how the Investment Managers bill the Fund. Mr. Seehafer asked that IPS provide an explanation for why certain managers are not willing to invoice the Fund and instead deduct their fees directly from the investment portfolio.

C. Cybersecurity Update

Ms. Sanchez reported on the Fund providers' responses to the cybersecurity questionnaire and to the contract addenda.

D. Payroll Audit Engagement Letter

Ms. Sanchez provided an update on the Payroll Audit Engagement letter.

E. Fidelity Bond Policy

Ms. Sanchez reported that the Fidelity Bond policy was reviewed.

VI. ADMINISTRATIVE MANAGER'S REPORT – Fourth Quarter 2025 Report

A. Fourth Quarter 2025 Report

Mr. Ianniello presented the Administrative Manager's Report for the Fourth Quarter of 2025, which had been pre-circulated. The report showed total income of $3,269,032 and total expenses of $4,952,635, resulting in a net deficit of $1,323,603 for the quarter. He noted that the Fund received contributions on behalf of 1,240 Plan participants. He then reviewed the Stipend Income & Expenses, which showed stipend income of $31,500 and stipend expenses of $31,698 for 23 Plan participants.

Mr. Ianniello reported no delinquencies in the Fourth Quarter of 2025.

B. Pension Applications

Mr. Ianniello presented the list of pension applications submitted for approval in the Fourth Quarter of 2025.

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

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

C. Invoices

Mr. Ianniello presented a list of pre-circulated invoices dated March 26, 2026, and noted that no additions, deletions, or changes were made.

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

> **RESOLVED, that the invoices listed, dated March 26, 2026, are approved for payment.**

VII. OTHER FUND BUSINESS

A. Fiduciary Liability Renewal

Mr. Ianniello reported on the proposed renewal of the Fund's fiduciary insurance, which includes a $5M limit of liability under the primary policy with Chubb and a $5M limit under the excess policy with Ulico/Markel. These limits and terms are the same as those in the previous policy.

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

> **RESOLVED to renew the Fund's fiduciary policies with Chubb and Ulico/Markel at $5 million in limits of liability each and to pay the Fiduciary Liability Policy premiums of $63,695 for the period from 3/30/2026 through 3/30/2027.**

The Trustees agreed to consider whether the limits of liability should be increased in connection with reviewing the renewal proposals for 2027.

B. Appeal P26/101-3093

The Trustees reviewed appeal P26/101-3093 and the related file.

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

RESOLVED, that appeal P26/101-3093 is denied.

C. CAPIS Recapture Services

Mr. Ianniello reported that the Fund received a $135.68 check from CAPIS Recapture Services.

VIII. 2026 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled for June 23, 2026, via Zoom.

IX. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary