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 SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE UFCW UNIONS AND PARTICIPATING EMPLOYERS PENSION FUND VIA VIDEO CONFERENCE May 15, 2023

The following Trustees were present:

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

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

Also present were:

B. Antoshak - Associated Administrators, LLC
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
J. Mink - Investment Performance Services
C. McDonough – Investment Performance Services
C. Murphy - Associated Administrators, LLC
R. Murray - Cheiron
S. Sanchez - Slevin & Hart P.C.
A. Sims - Associated Administrators, LLC
B. Warren - Cheiron

I. CALL TO ORDER

Mr. Ianniello reported that Trustee Richard Wildt had given his proxy to Trustee Chorpenning for this meeting. A quorum being present, the Chairman called the meeting to order.

II. FINANCIAL ANALYSIS FOR INVESTMENT STRATEGY

The Trustees welcomed Ms. Jennifer Mink and Mr. Chris McDonough from IPS to the meeting.

Ms. Mink stated that, in response to the Trustees' request at the last meeting, IPS has prepared alternative investment scenarios for the Trustees' consideration for the one to three year period until the Fund's expected receipt of Special Financial Assistance ("SFA") money.

Mr. McDonough provided a year-to-date market update and Ms. Mink stated that, as of March 31, 2023, the Fund's investment assets totaled $104.1 million.

Mr. McDonough presented options for allocating assets amounting to one, two, or three years of cash flow needs to a short-term fixed-income strategy. He noted that the cash flow needs of the Fund are approximately $1.1 million per month. Mr. McDonough noted that the Fund potentially could achieve returns of 4% to 5% on a short-term fixed-income strategy. He stated IPS's view that de-risking the Fund's current investment portfolio for the short term by moving an amount equal to two years of expected expenses to a short duration fixed income portfolio with Segall Bryant makes sense.

Mr. Hardcastle presented Cheiron's funding projections, assuming the Fund receives SFA assets at the end of 2024 to quantify the downside risk that can be tolerated with the expectation that the Fund will be fully funded by 12/31/2051 and the level of assets needed on 12/31/2024 to achieve that goal.

The Trustees discussed the option to move assets equal to 18 months of the Fund's cash flow needs to Segall Bryant & Hamill's US Government Bond Account. Ms. Mink noted that 18 months of cash flow is approximately $20 million. After discussion,

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

> **RESOLVED, to move $20 million from the Fund's equity investment portfolios to Segall Bryant & Hamill's short-term US Government Bond Portfolio.**

III. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary

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