United Food and Commercial Workers Unions and Participating Employers Pension Fund

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MINOTES OF THE MEETING OF THE

BOARD OF TRUSTEES OF THE

UFCW UNIONS AND PARTICIPATING EMPLOYERS

PENSION FUND

VIA VIDEO CONFERENCE

JUNE 25, 2025

(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. Howard
M. Lucki
J. Nesse

Also present were:

P. Hardcastle - Cheiron
J. Herron - Associated Administrators, LLC
T. Hipkins – Local 27
J. Ianniello - Associated Administrators, LLC
C. McDonough - Investment Performance Services
B. McKiver – Local 400
C. Murphy - Associated Administrators, LLC
R. Murray – Cheiron
M. Petrovic - Morgan, Lewis and Bockius, LLP
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.

A. Appointment of Trustee

Mr. Ianniello reported receiving correspondence from Shoppers appointing Ms. Leticia Howard and Mr. John Nesse as Employer Trustees, replacing Ms. Margaret Lin and Ms. Valerie Marsh, effective March 27, 2025.

II. MINUTES

Mr. Ianniello presented the previously circulated minutes of the regular meeting held on March 19, 2025.

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

> **RESOLVED, that the minutes of the regular meeting held on March 19, 2025, are approved as presented.**

III. 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 March 31, 2025. He reviewed the cash flow for the first quarter of 2025, noting a beginning market value of $92,861,788, an investment loss of $1,058,924, an inflow of $4,802,687, and withdrawals of $8,293,991, resulting in a negative net cash flow of $3,491,305, with an ending value of $88,311,559. Mr. McDonough stated that the Fund's return as of March 31, 2025 was negative 1.1%. He noted that all asset allocations are within the range specified in the Fund's Investment Policy. Mr. McDonough presented various asset allocation policy options and stated that IPS would discuss these with the Board in more detail after the Fund receives its SFA proceeds.

A. Investment Grade Fixed Income Manager

Mr. McDonough presented four candidates for the Trustees to consider as replacements for the current Investment Grade Fixed Income Manager, Segall Bryant & Hamill (SBH), following concerns raised at the last Trustee meeting regarding the multiple ownership changes that have occurred at SBH in the past few years.

Mr. McDonough reviewed Chartwell Investment Partners, F/M Investments, LLC, Invesco, Ltd., and National Investment Services. Mr. McDonough discussed the strategy, investment terms, annualized returns and fees for all four potential managers.

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

> **RESOLVED, to hire Chartwell Investment Partners to replace SBH as the Fund's Intermediate Fixed Income Manager.**

B. <u>Investment Performance Services' ("IPS") Renewal</u>

Mr. McDonough presented IPS's proposed renewal, including a new service option called "Ex-MCS" (Expanded MCS), which provides the same services currently offered by IPS, along with additional services. He explained that under Ex-MCS, the Funds' asset allocations and performances would be reviewed more frequently (monthly vs. quarterly), and that IPS would identify and present investment manager-related recommendations for the Trustees' consideration without the need for formal manager interviews as are typically conducted by the Trustees. Mr. McDonough presented a chart that showed the current services and the additional services that would be provided under Ex-MCS. The current service renewal proposal is $100,000 per year, and the expanded services proposal is $125,000 per year. Mr. McDonough reiterated that decisions regarding hiring and terminating managers would still be the responsibility of the Board and IPS would not make these decisions. After discussion,

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

> **RESOLVED, to approve the EX-MCS service, at a rate of $125,000.00 per year, effective July 1, 2025.**

The Trustees thanked Mr. McDonough for his report and excused him from the meeting.

IV. ACTUARY'S REPORT

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

A. Special Financing Assistance ("SFA") Update

Mr. Hardcastle reported that the Fund had received additional information requests from PBGC in connection with the Fund's SFA application and Cheiron is coordinating with Associated and co-counsel on preparing responses. Mr. Hardcastle reminded the Trustees that the Fund submitted the SFA application on March 26, 2025 and the deadline for the PBGC to issue a decision is July 24, 2025.

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

V. ATTORNEYS' REPORT

A. Withum Engagement Letter Update

Ms. Sanchez reported on Withum's proposed 2025 Engagement letter.

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

> **RESOLVED, to delegate approval of the engagement letter to the Chair and Secretary.**

B. McKay Shields Agreement

Ms. Sanchez reported on the McKay Shields side letter.

C. Loomis Sayles Agreement

Ms. Sanchez reported on the Loomis Sayles agreement.

D. Cybersecurity Update

Ms. Sanchez reported on the status of the cybersecurity documents, including Segal's report on Fund provider questionnaire responses.

E. Associated Administrators Renewal Amendment

Ms. Sanchez reported on the Associated Administrators' agreement renewal amendment.

F. Annual Funding Notice

Ms. Sanchez report on co-counsel's review of the Annual Funding Notice ("AFN").

G. Critical Status Notice

Ms. Sanchez reported on co-counsel's review of the Critical Status Notice.

H. Investment Policy Statement Amendment

Ms. Sanchez reported on the Investment Policy Statement amendment.

I. Trust Agreement Amendment

Ms. Petrovic presented proposed Amendment #2 to the Trust Agreement regarding the appointment of Trustees.

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

> **RESOLVED, to adopt Amendment #2 to the Trust Agreement, as presented.**

J. Cyber Liability Insurance and Fiduciary Liability Insurance

Ms. Sanchez reported on the fiduciary liability insurance renewal policy and cyber liability insurance renewal policy.

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

A. First Quarter 2025 Report

Mr. Ianniello presented the Administrative Manager's Report for the First Quarter of 2025, which had been pre-circulated. The report showed a total income of $1,418,560 and total expenses of $4,425,741, producing a net deficit of $3,007,181 for the quarter. He noted that the Fund received contributions on behalf of 1,464 Plan participants. Next, he reviewed the Stipend Income & Expenses, which showed a stipend income of $41,850 and stipend expenses of $40,293 for 29 Plan participants.

Mr. Ianniello reported no delinquencies for the First Quarter of 2025.

B. Pension Applications

Mr. Ianniello presented the list of pension applications submitted for approval during the First 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 First Quarter of 2025 are approved for payment.**

C. Invoices

Mr. Ianniello presented a list of pre-circulated invoices dated June 25, 2025. He noted no additions, deletions, or changes to the list.

The Trustees reviewed the invoices dated June 25, 2025. Trustee Seehafer noted that there was an error with the Morgan Lewis & Bockius invoices, and he had spoken with Mr. Kimble regarding the mistakes.

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

> **RESOLVED, that the invoices on the list dated June 25, 2025, *excluding* the Morgan, Lewis, & Bockius invoices, are approved for payment; and**
>
> **FURTHER RESOLVED, to delegate to Chair and Secretary the authority to approve the Morgan, Lewis, & Bockius invoices as revised.**

VII. OTHER FUND BUSINESS

A. Pension Appeal – P24/112-4725

The Trustees considered appeal P24/112-4725 and reviewed the related file.

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

> **RESOLVED, the Trustees denied the appeal P24/112-4725 based on the rules of the Plan and the facts presented.**

B. Shoppers' Withdrawal Liability

Mr. Ianniello reported that the Shoppers Withdrawal Liability Estimate prepared by Cheiron was sent to Shoppers.

C. PNC Account for SFA Payments

The Trustees discussed the requirement to maintain a separate account for SFA funds. Mr. Ianniello requested that the Board approve the Fund office opening a separate PNC account for SFA assets, to avoid co-mingling SFA and non-SFA assets.

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

> **RESOLVED, to approve opening a new PNC account to hold the Fund's SFA assets.**

D. CAPIS Recapture

Mr. Ianniello reported that the Fund received a $196.36 check from TD Securities recapture services.

E. Cybersecurity Invoice Update

Mr. Ianniello reported that the Segal invoice for cybersecurity work has been corrected to address the issue discussed at the prior meeting.

VIII. 2025 MEETING DATES & LOCATIONS

The next regular Board meeting is scheduled for September 25, 2025, via Zoom.

IX. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning, Secretary