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
SEPTEMBER 24, 2020

The following Trustees were present:

UNION TRUSTEES
J. Chorpenning – Secretary
Y. Anwar
M. Federici
C. Hoffmann
R. Wildt

EMPLOYER TRUSTEE
B. Seehafer – Chairman
J. Born
V. Marsh

Also present were:

L. DuVall - Associated Administrators, LLC
A. Hanson – UFCW Local 400
P. Hardcastle - Cheiron
T. Hipkins - UFCW Local 27
J. Ianniello - Associated Administrators, LLC
N. Jacobs – UFCW Local 400
J. Kimble - Morgan, Lewis and Bockius, LLP
J. Mink - Investment Performance Services
C. Murphy - Associated Administrators, LLC
R. Murray - Cheiron
S. Sanchez - Slevin & Hart P.C.
B. Slevin - Slevin & Hart P.C.
L. Walsh – Associated Administrators, LLC
B. Warren – Cheiron

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 June 19, 2020 and the special meeting held on July 13, 2020, 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 June 19, 2020 and the special meeting held on July 13, 2020 are approved as presented.**

III. FINANCIAL REPORT

A. PNC Report

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2020 to June 30, 2020. The report showed a beginning market value of $121,697,183, receipts of $3,529,148, disbursements of $8,610,847, and an investment loss of $4,437,042, producing an ending market value of $112,178,442 as of June 30, 2020.

B. Investment Performance Services ("IPS")

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

1. Master Consulting Services Report – June 30, 2020

Ms. Mink reviewed the Master Consulting Services Report for the period ended June 30, 2020, which had been pre-circulated. The report showed the Fund's assets had a beginning market value of $103,462,236 as of June 30, 2020, net cash flow of negative $2,453,544, and net investment change of $11,169,751, producing an ending market value of $112,178,442 for the second quarter. The Fund had an 11.0% return gross of fees for the second quarter 2020. The year-to-date return was negative 3.4%.

2. July Performance Update – July 31, 2020

Ms. Mink reviewed the Preliminary Monthly Performance update as of July 31, 2020. The report showed the Fund's assets had a beginning market value of $112,178,442 as of June 30, 2020, net cash flow of negative $948,514, and net investment gain of $3,061,205, producing an ending market value of $114,291,133 as of July 31, 2020. The Fund had a 2.7% return gross of fees for the period. The year-to-date return was negative 0.7%.

3. **Asset Allocation**

Ms. Mink reviewed the Fund's asset allocation and presented an Amendment to the Investment Policy Statement for signature.

4. **Westfield Capital Management**

Ms. Mink reported that Westfield has requested a change to its investment guidelines to provide that the maximum single issuer position weight at market for issuers that represent less than 8% of the Russell 1000 Growth Index would be limited to the greater of 5% of the market value of the portfolio or the benchmark weight plus 250 basis points, capped at a maximum of 8% of the market value of the portfolio. The maximum single issuer position weight at market for issuers that represent more than 8% of the benchmark would be limited to the benchmark weight. Ms. Mink reported that IPS recommends that the Trustees agree to this requested change. After discussion,

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

> **RESOLVED, to approve the proposed change to Westfield's Investment Policy guidelines.**

5. **Other Business**

Ms. Mink reported that Loomis Sayles had voluntarily agreed to a reduction in its fee from 50 basis points to 47 basis points, resulting in a fee savings of approximately $1,380 annually, effective July 1, 2020. She further noted that Corbin has also voluntarily agreed to reduce its management fees by 10% from July 1, 2020 through December 31, 2020. The reduced management fees will revert to Corbin's regular management fees effective January 1, 2021.

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. Valuation Results

Mr. Hardcastle presented the draft January 1, 2020 valuation results, and reported that all outstanding data questions had been answered and Cheiron is now finalizing the valuation.

B. Rehabilitation Plan

Mr. Warren and Mr. Murray discussed the Fund's Rehabilitation Plan and noted that the Fund currently is not making scheduled progress under its Rehabilitation Plan. Mr. Slevin reported on the 2020 Rehabilitation Plan update. The Trustees discussed options relating to the 2020 Rehabilitation Plan update.

V. ATTORNEY'S REPORT

A. Independent Fiduciary

Mr. Slevin reported on proposed Trust amendment 1.

B. SuperValu Withdrawal Liability Estimate

Mr. Slevin reported on SuperValu's request for a withdrawal liability estimate. Mr. Seehafer requested that Cheiron produce two withdrawal liability estimates for the Trustees, including and excluding the contribution rate increases that were implemented in 2015, for informational purposes.

C. UNFI Non-Disclosure Agreement and Data Request

Ms. Sanchez reported on the non-disclosure agreement between UNFI and the Fund. Trustee Seehafer requested a report showing the pensions awarded during the First and Second Quarters of 2020.

D. Electronic Disclosures

Ms. Sanchez discussed the DOL regulations regarding the electronic disclosure of documents.

E. In-Person Signature Requirements

Ms. Sanchez reported on IRS guidance regarding in-person signature and witness requirements.

F. Audit Engagement Letter for Withum

Ms. Sanchez reported on the Withum audit engagement letter.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2020 Report

Mr. Ianniello presented the Administrative Manager's Report for the second quarter 2020, which had been pre-circulated. The report showed total income of $1,726,672 and total expenses of $4,040,759 producing a net deficit of $2,314,087 for the period. He noted that contributions were remitted on behalf of 1,918 Plan participants. He reviewed the Stipend Income & Expenses, which show stipend income of $97,650 and stipend expenses of $98,163 for payment to 64 Plan participants.

B. Pension Applications

Mr. Ianniello presented a list of pension applications submitted for approval during the second quarter 2020.

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 2020 are approved for payment.**

VII. INVOICES

Mr. Ianniello presented a list of invoices dated September 24, 2020. He noted there were 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 24, 2020 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Cowen Commission Recapture

Mr. Ianniello reported that the Fund received $413.71 on May 31, $536.44 on June 30, and $606.61 on July 31, in commission recapture payments.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees noted that the next regular meeting was scheduled for December 7, 2020 via video conference.

X. ADJOURNMENT

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

Respectfully Submitted,

Jason Chorpenning - Secretary

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