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 JUNE 14, 2021

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
J. Ferrer
V. Marsh

Also present were:

L. DuVall - Associated Administrators, LLC
A. Hanson – UFCW Local 400
P. Hardcastle – Cheiron
C. Hoffman – UFCW Local 400
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, the Chairman called the meeting to order.

II. MINUTES

Mr. Ianniello presented the minutes of the regular meeting held on March 18, 2021 and the Appeals Committee meeting of April 2, 2021, 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 March 18, 2021 and the Appeals Committee meeting of April 2, 2021 are approved as presented.**

III. FINANCIAL REPORT

A. PNC Report

Mr. Ianniello reviewed the PNC Summary of Activity report for the period January 1, 2021 to March 31, 2021. The report showed a beginning market value of $124,329,359, receipts of $1,170,750, disbursements of $4,164,580, and an investment gain of $4,280,700, producing an ending market value of $125,616,227 as of March 31, 2021.

B. Investment Performance Services ("IPS")

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

1. Master Consulting Services Report – March 31, 2021

Ms. Mink reviewed the Master Consulting Services Report for the period ended March 31, 2021, which had been pre-circulated. The report indicated a beginning market value of $124,330,802, a negative net cash flow of $2,993,831, and net investment change of $4,279,256, producing an ending market value of $125,616,227 for the first quarter. The Fund had a 3.6% return gross of fees for the first quarter 2021. Ms. Mink noted that IPS is continuing to monitor Segall Bryant due to a change in ownership.

2. Preliminary Monthly Performance Update – April 30, 2021

Ms. Mink reviewed the Preliminary Performance Update for the period ended April 30, 2021, which had been pre-circulated. The report showed the Fund had a beginning market value of $125,616,227 as of April 30, 2021, a negative net cash flow of $1,101,698, and net investment gain of $3,321,911, producing an ending market value of $127,836,440 for the period ending April 30, 2021. The return as of April 30, 2021 was 2.7%. The year-to-date of return was 6.3% gross of fees.

Ms. Mink noted the recent rebalancing of $1.5 million from Segall Bryant's investment grade fixed income portfolio to Hardman Johnston's international equity portfolio on April 1st. She discussed the $7M commitment to Boyd Watterson's Value-Add real estate portfolio and noted the manager has a contribution queue. Ms. Mink reported that the Fund's Core and Value-Add Real Estate allocations will rebalance closer to the investment policy targets as the previously approved distributions and capital calls are made. Ms. Mink recommended that $1.5 million be redeemed from Corbin Opportunistic Strategies effective September 30, 2021 for rebalancing purposes.

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

> **RESOLVED, to redeem $1,500,000 from Corbin Opportunistic Strategies, effective September 30, 2021.**

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

IV. ATTORNEY'S REPORT

A. American Rescue Plan Act ("ARPA")

Mr. Slevin reported on ARPA and the draft regulations relating to ARPA.

B. Rehabilitation Plan

Mr. Slevin reported on the Fund's 2020 Rehabilitation Plan.

C. Delinquency Policy

Ms. Sanchez reported on a proposed amendment to the Fund's delinquency policy. After discussion,

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

> **RESOLVED, to delegate to the Chairman and Secretary the authority to make a determination on whether to approve the proposed delinquency policy amendment.**

D. Cybersecurity

Mr. Kimble reported on sub-regulatory guidance the Department Of Labor ("DOL") issued in April related to cyber security best practices for plan fiduciaries. Mr. Kimble stated that he would work with Co-Counsel to draft a cyber security policy.

D. Investment Policy Amendment

Ms. Sanchez reported on an asset allocation amendment to the Fund's investment policy statement.

D. Boyd Watterson Investment Documents

Ms. Sanchez reported on the investment documents regarding the Fund's Boyd Watterson State Government Fund investment.

E. Cheiron Amendment

Ms. Sanchez reported on an amendment to the Fund's agreement with Cheiron.

F. Annual Funding Notice and Critical Status Notice

Ms. Sanchez reported on the Fund's Annual Funding Notice and Critical Status Notice.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. First Quarter 2021 Report

Mr. Ianniello presented the Administrative Manager's Report for the first quarter 2021, which had been pre-circulated. The report showed total income of $1,492,972 and total expenses of $4,106,022, producing a net deficit of $2,613,050 for the quarter. He noted that the Fund received contributions on behalf of 1,704 Plan participants. He reviewed the Stipend Income & Expenses, which showed stipend income of $112,950 and stipend expenses of $113,517 on behalf of 69 Plan participants.

B. Pension Applications

Mr. Ianniello presented a list of pension applications submitted for approval during the first quarter 2021.

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 2021 are approved for payment.

Mr. Ianniello then presented a work snapshot for the first quarter noting that 68 pension applications were received and 19 pension estimates were sent. He stated that 1,646 communications had been sent to the Participants.

VII. INVOICES

Mr. Ianniello presented a list of invoices dated June 14, 2021. 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 June 14, 2021 are approved for payment.

VIII. OTHER FUND BUSINESS

A. Local 27 and Local 400 Contribution Rates

Mr. Ianniello noted that in May 2021, Cheiron provided new pension contribution rates for Local 27 and Local 400, effective January 1, 2020 and January 1, 2021. Notices were mailed to Local 27 and Local 400 on May 13, 2021, requesting contribution payments at the increased rates, retroactive to January 1, 2020 and January 1, 2021, respectively. Ms. Walsh noted that Associated has implemented safeguards, including a yearly review of the rates, and notifications to the Unions, to avoid a future delay in providing notice of updated contribution rates to the Unions. After discussion,

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

RESOLVED to table the subject of retroactive application of the contribution rates, pending further review.

B. Shoppers Food Warehouse

Mr. Ianniello reported that he had sent correspondence to Shoppers/UNFI on April 9, 2021, advising that the Company's Collective Bargaining Agreements with UFCW Local 400 and UFCW Local 27 are more than 180 days past expiration and that the contribution rate increase under the current Rehabilitation Plan schedule was applicable to Shoppers effective January 1, 2021. Mr. Ianniello noted that Shoppers last contribution rate increase to $1.45 per hour was effective July 30, 2019. Shoppers' contribution rate increase effective January 7, 2021 is $1.56 per hour.

Mr. Seehafer acknowledged receipt of the letter and advised that it is under review.

C. <u>Eddie's Withdrawal Liability</u>

Mr. Ianniello reported that Eddie's owner contacted the Fund office to inquire about the possibility of a lump sum withdrawal liability settlement. Mr. Ianniello noted that Eddie's plans to submit a settlement proposal for the Trustees' consideration.

D. <u>Waiver of Recourse</u>

Mr. Ianniello noted that the Waiver of Recourse invoices relating to the Fund's fiduciary insurance renewal were sent to the Trustees on April 12, 2021. He asked that the Trustees remit their premiums as soon as possible to the Fund's broker, Segal Select.

E. <u>Seehafer Retirement</u>

Mr. Seehafer said he would be retiring from UNFI effective July 31, 2021 and noted that his ongoing participation on the Board of Trustees would be decided at a future date.

F. <u>Cowen Recapture</u>

Mr. Ianniello reported that commission recapture payments of $544.72 were received from Cowen in the first quarter 2021.

IX. <u>NEXT MEETING DATE AND LOCATION</u>

The Trustees noted that the next regular meeting is scheduled for September 22, 2021 and tentatively is scheduled to be held in-person in the offices of UFCW Local 400.

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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