UFCW – SAFEWAY
VARIABLE ANNUITY PENSION FUND
BOARD OF TRUSTEES MEETING
MARCH 7, 2023

UFCW AND SAFEWAY
VARIABLE ANNUITY PENSION FUND

AGENDA

MARCH 7, 2023

I. CALL TO ORDER

II. MINUTES (Pg. 4-8)
   A. REGULAR MEETING – DECEMBER 9, 2022

III. INVESTMENT CONSULTANT'S REPORT

IV. ACTUARY'S REPORT

V. ATTORNEYS' REPORT

VI. ADMINISTRATIVE MANAGER'S REPORT (Pg. 10-14)

VII. INVOICES (Pg. 16-17)

VIII. OTHER FUND BUSINESS

IX. NEXT MEETING DATE AND LOCATION

X. ADJOURNMENT

MINUTES

UFCW – Safeway Variable Annuity Pension Fund

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MINUTES OF THE MEETING OF THE
BOARD OF TRUSTEES OF THE
UFCW AND SAFEWAY VARIABLE ANNUITY PENSION FUND
VIA VIDEO CONFERENCE
DECEMBER 9, 2022

The following Trustees were present:

UNION TRUSTEES	**EMPLOYER TRUSTEES**
M. Federici – Chairman	
J. Chorpenning	D. Dosenbach – Secretary
D. Blitzstein (Alternate)	W. Wescott
	J. Williams (Alternate)

Also present were:

Associated Administrators, LLC	W. Antoshak, D. Jensen, B. Maiorano, R. McKnight, A. Sims
Cheiron	G. Kalwarski, H. Merlak, K. Woodrich
Investment Performance Services, LLC	J. Carroll
Milliman, Inc.	V. Harte, A. Shapiro
Schulte Roth & Zabel LLP	S. Bernstein, R. Richman
Slevin & Hart, P.C.	S. Sanchez, B. Slevin

I. CALL TO ORDER

A quorum being present, the meeting was called to order.

II. MINUTES

The Trustees reviewed the minutes of the regular meetings held on August 10, 2022 and September 23, 2022, which were pre-circulated.

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

> **RESOLVED that the minutes of the regular meetings held on August 10, 2022 and September 23, 2022 are approved, as presented.**

III. INVESTMENT CONSULTANT'S REPORT

The Trustees welcomed Jennifer Carroll from Investment Performance Services to the meeting.

Ms. Carroll reported that she continues to work with Fund Co-Counsel and the investment managers to finalize the investment manager contracts. She noted that the American Realty Advisors contract has been fully executed and this investment was funded as of October 1, 2022. Ms. Carroll stated the proposed Investment Policy Statement is currently under review by Co-Counsel and IPS expects to present it for the Trustees' review at the next Board meeting. Trustee Blitzstein requested that IPS provide updated capital market assumptions and risk return profiles for the Trustees' review at the next meeting, considering the current market trends and the dramatic changes in capital markets and interest rates.

The Trustees thanked Ms. Carroll for her report.

IV. ACTUARY'S REPORT

Mr. Victor Harte of Milliman, Inc. was welcomed to the meeting. Mr. Harte stated the January 1, 2022 actuarial valuation is in progress and Milliman expects to complete it before the next Board of Trustees meeting.

Mr. Harte reported on the contribution amounts paid by Safeway to date. The Trustees, Milliman and Cheiron discussed the amount of additional contributions to be remitted by

Safeway prior to March 1, 2023 and Safeway's contribution schedule for 2023. Trustee Dosenbach stated that Safeway will be remitting a $5 million contribution to the Fund by the end of December 2022. Mr. Harte stated that Milliman and Cheiron would coordinate to determine the additional amount of tax-deductible contributions that Safeway could make prior to March 2023. Trustee Dosenbach stated that Safeway would make an additional contribution payment in January 2023, based on Milliman's and Cheiron's determination of the appropriate amount..

The Trustees thanked Mr. Harte for his report.

V. <u>ATTORNEY'S REPORT</u>

A. <u>Investment Rate of Return Amendment</u>

Ms. Sanchez reported on the Plan's definition of Actual Investment Rate of Return. The Trustees discussed this definition and the Fund's 2021 and 2022 investment returns. The Trustees agreed on the concept of neutrality – meaning that there would be no increase or decrease on the value of benefits or the value of the stabilization reserve as a result of actual returns in 2021 and 2022.

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

> **RESOLVED to amend the Plan document to provide that the Investment Rate of Return for 2021 and 2022 will be 5.5%; and**
>
> **FURTHER RESOLVED to delegate authority to Chairman and Secretary to review and execute the above-referenced Plan Amendment.**

B. <u>Investment Policy Statement</u>

Ms. Sanchez reported on the Fund's Investment Policy Statement.

C. <u>Investment Manager Agreements</u>

Ms. Sanchez reported on the Fund's Investment Manager Agreements.

D. PNC Custodian Agreement

Ms. Sanchez reported on the Custodian Agreement with PNC.

E. IRS Determination Letter Application

Ms. Sanchez reported on the status of the IRS determination letter application.

The Trustees thanked Co-Counsel for their report.

VI. ADMINISTRATIVE MANAGER'S REPORT

Ms. Sims presented the Administrative Manager's Report for the third quarter 2022. The report indicated regular employer contributions of $7,756,894 and a stabilization reserve employer contribution of $4,000,000, resulting in total income of $11,756,894 for the quarter. Expenses for the third quarter 2022 totaled $267,686, resulting in a surplus of $11,489,208 for the quarter.

VII. INVOICES

The Trustees reviewed the list of invoices dated December 9, 2022. It was 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 December 9, 2022 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Form 5500 Filed

Ms. Sims reported the Form 5500 had been filed on October 14, 2022.

B. PBGC Premium Filing – 2021 & 2022

Ms. Sims reported the PBGC premiums have been paid for 2021 and 2022. She noted the total premium for Plan Year 2021 was $0, and for Plan Year 2022, the total premium was $507,760 .

IX. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting on March 7, 2023 via video conference.

X. ADJOURNMENT

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

Respectfully submitted,

Mark Federici, Chairman

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ADMINISTRATIVE MANAGER’S REPORT

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UFCW AND SAFEWAY

VARIABLE ANNUITY PENSION FUND

FOURTH QUARTER 2022

ADMINISTRATIVE MANAGER'S REPORT

2022
QUARTERLY RECAPS

	FIRST 2022	SECOND 2022	THIRD 2022	FOURTH 2022	TOTAL
INTEREST & DIVIDENDS	$0	$0	$0	$0	$0
CONTRIBUTIONS *	$0	$0	$7,756,894	$1,607,353	$9,364,247
STABILIZATION RESERVE	$0	$0	$4,000,000	$5,000,000	$9,000,000
INTEREST INCOME	$0	$0	$0	$3,607	$3,607
REALIZED G/L	$0	$0	$0	$0	$0
UNREALIZED G/L	$0	$0	$0	($36,131)	($36,131)
MISCELLANEOUS	$0	$0	$0	$0	$0
TOTAL INCOME	$0	$0	$11,756,894	$6,574,829	$18,331,723

BENEFIT EXPENSES					
PENSION BENEFITS	$0	$0	$0	$0	$0
SUBTOTAL	$0	$0	$0	$0	$0

OPERATING EXPENSES					
ADMINISTRATION	$92,744	$91,175	$88,535	$90,369	$362,823
OTHER	$276	$297	$179,102	$1,051,889	$1,231,564
SUBTOTAL	$93,020	$91,472	$267,637	$1,142,258	$1,594,387

TOTAL EXPENSES	$93,020	$91,472	$267,637	$1,142,258	$1,594,387

TOTAL INCOME	$0	$0	$11,756,894	$6,574,829	$18,331,723
TOTAL EXPENSES	$93,020	$91,472	$267,637	$1,142,258	$1,594,387
SURPLUS (DEFICIT)	($93,020)	($91,472)	$11,489,257	$5,432,571	$16,737,336

* Contributions received in 3rd quarter apply to 2021

2021
QUARTERLY RECAPS

	FIRST 2021	SECOND 2021	THIRD 2021	FOURTH 2021	TOTAL
INTEREST & DIVIDENDS	$0	$0	$0	$0	$0
CONTRIBUTIONS	0	0	0	0	0
STABILIZATION RESERVE	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0
TOTAL INCOME	$0	$0	$0	$0	$0
BENEFIT EXPENSES					
PENSION BENEFITS	$0	$0	$0	$0	$0
SUBTOTAL	$0	$0	$0	$0	$0
OPERATING EXPENSES					
ADMINISTRATION	$88,510	$92,390	$90,893	$88,489	$360,282
OTHER	0	142	276	232	650
SUBTOTAL	$88,510	$92,532	$91,169	$88,721	$360,932
TOTAL EXPENSES	$88,510	$92,532	$91,169	$88,721	$360,932
TOTAL INCOME	$0	$0	$0	$0	$0
TOTAL EXPENSES	$88,510	$92,532	$91,169	$88,721	$360,932
SURPLUS (DEFICIT)	($88,510)	($92,532)	($91,169)	($88,721)	($360,932)

FOURTH QUARTER 2022
EXPENSES

BENEFIT EXPENSES

CATEGORY	AMOUNT
PENSION BENEFITS	$0
SUBTOTAL	$0

OPERATING EXPENSES

CATEGORY	AMOUNT
ADMINISTRATION	$90,369
ACCOUNTING	$26,188
ACCURINT	
ACTUARIAL & CONSULTING	$215,192
BONDING & INSURANCE	$252
CONFERENCE	
FIDUCIARY LIABILITY INSURANCE	$3,328
I.F.E.B.P.	
INV PERFORMANCE	
LEGAL	$292,462
MEETING	
OFFICE SUPPLIES	
PBGC	$507,760
PNC	
POSTAGE	
PRINTING	$5,146
SEGALL BRYANT & HAMILL	
STATUTORY REP	
TELEPHONE	
ASSET MANAGEMENT FEE	$1,561
SUBTOTAL	$1,142,258
TOTAL EXPENSES	$1,142,258

PENSION ROLL
FOURTH QUARTER 2022

PENSION ROLL		RETIREES	MONTHLY PAYOUT
PENSION ROLL AS OF:		0	$0
DEATH AS OF:		0	$0
PEN. APPROVED AS OF:		0	$0
ADJUSTMENTS AS OF:		0	$0
PENSION ROLL AS OF:		0	$0

PENSION DISTRIBUTION	RETIREES	MONTHLY PAYOUT
NORMAL	0	$0
EARLY - NON REDUCED	0	$0
EARLY - REDUCED	0	$0
30 & OUT	0	$0
DISABILITY	0	$0
DEF. VESTED	0	$0
EARLY VESTED	0	$0
PRE-RETIREMENT JOINT & SURVIVOR	0	$0
POST RETIREMENT JOINT & SURVIVOR	0	$0
GUARANTEED PAY	0	$0
ALTERNATE PAYEE - QDRO	0	$0
DEATH BENEFIT ANNUITY	0	$0
	0	
TOTAL	0	$0

PROPRIETARY INFORMATION: THIS REPORT BELONGS TO UFCW AND SAFEWAY VARIABLE ANNUITY PENSION FUND

INVOICES

UFCW AND SAFEWAY VARIABLE ANNUITY PENSION FUND

INVOICES

MARCH 7, 2023

1. **Associated Administrators, LLC**

10/01/2022	September 2022 Admin Fees	$	28,472.83
11/01/2022	October 2022 Admin Fees		29,132.85
12/01/2022	November 2022 Admin Fees		30,435.93
01/01/2023	December 2022 Admin Fees		30,837.00

2. **Calibre CPA Group**

10/24/2022	Progress Billing for professional services rendered in connection with the audit of the financial statements and preparation of Form 5500 for the year ended December 31, 2022	$	18,500.00
10/24/2022	Billing for additional professional services rendered September 15, 2022 through October 17, 2022		2,720.00
12/21/2022	Final billing for professional services rendered in connection with the audit of financial statements and preparation of Form 5500 for the year ended December 31, 2022		1,460.15

3. **Cheiron**

12/09/2022	Non-Retainer Services – November 2022	$	10,455.00
12/09/2022	Retainer Services – December 2022		6,500.00
01/24/2023	Non-Retainer Services – December 2022		13,485.00
01/24/2023	Retainer Services – January 2023		6,500.00
02/22/2023	Non-Retainer Services – January 2023		5,305.00
02/22/2023	Retainer Services – February 2023		6,500.00

4. **Investment Performance Services**

09/07/2021	Fee for professional services for the quarter ending 09/30/2021	$	12,500.00
12/08/2021	Fee for professional services for the quarter ending 12/31/2021		12,500.00
03/08/2022	Fee for professional services for the quarter ending 03/31/2022		12,500.00
12/12/2022	Fee for professional services for the quarter ending 12/31/2022		12,500.00
03/06/2023	Fee for professional services for the quarter ending 03/31/2023		12,500.00

5. **Milliman**

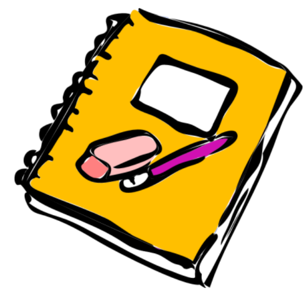
12/16/2022	Professional Services rendered through November 30, 2022	$	17,727.64
01/23/2023	Professional Services rendered through December 31, 2022		52,631.68
02/23/2023	Professional Services rendered through January 31, 2023		16,369.65

6. **Schulte, Roth & Zabel LLP**

12/06/2022	Professional Services rendered through November 30, 2022	$	9,257.50
01/31/2023	Professional Services rendered through December 31, 2022		8,567.50
02/17/2023	Professional Services rendered through January 31, 2023		4,140.00

7. **Slevin & Hart, P.C.**

12/15/2022	Professional Services rendered through November 30, 2022	$	16,072.00
01/25/2023	Professional Services rendered through December 31, 2022		7,982.72
02/21/2023	Professional Services rendered through January 31, 2023		12,330.00



MEETING NOTES