Warehouse Employees Union Local No. 730
Pension Trust Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE WAREHOUSE EMPLOYEES UNION LOCAL NO. 730 PENSION TRUST FUND DECEMBER 12, 2017 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
R. Brooks	M. Bull – Secretary
R. Johnson	L. Johnson
	J. Paradis
	B. Pounds – Alternate

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
A. Cochran – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
R. Sichel – Investment Performance Services, LLC

I. CALL TO ORDER

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

II. MINUTES

The Trustees read the minutes of the last regular meeting held on September 29, 2017.

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

> **RESOLVED that the minutes of the last regular meeting held on September 29, 2017 are approved as presented.**

III. FINANCIAL REPORT

The Trustees welcomed Mr. Rich Sichel of Investment Performance Services (IPS) to the meeting.

A. Custodian Bank – PNC Bank, NA

Ms. Cochran noted a copy of the PNC Summary of Activity report for the period January 1, 2017 through September 30, 2017 as contained in the meeting booklet.

B. Master Consulting Report

1. Investment Performance

Mr. Sichel reviewed the overall performance of the Fund's investment managers noting that the investment performance of the total portfolio for the period January 1, 2017 to September 30, 2017 was 12.1% gross of fees.

2. Asset Allocation

Mr. Sichel reviewed the Fund's asset allocation as of September 30, 2017: U.S. Equities 26.1%, U.S. Small/Mid Cap 9.7%, International Equities 10.1%, Fixed Income Core 2.5%, Fixed Income High Yield 7.3%, Real Estate 25.4%, Hedge Fund of Funds 2.4%, Opportunistic Investments 5.1%, Global Tactical Asset Allocation 6.2%, Private Equity 0.7% and cash 4.5%.

3. **Commission Recapture Provider**

Mr. Sichel said that the Fund's commission recapture provider ConvergEx Group was recently purchased by Cowen, Inc. As a result of this transaction, ConvergEx's Plan Sponsor Division, renamed Cowen Execution Services, LLC, was moved into Cowen and Company, LLC. He said that IPS recommended that the Fund agree to the assignment to Cowen and Company. Mr. Sichel said that the notice sent by Cowen is structured as a negative consent; therefore, agreeing to the assignment requires no action. Mr. Sichel said that given the continued reduction of trading costs, IPS is evaluating the benefits of ongoing participation in a commission recapture program. He stated he would provide a recommendation regarding the continuation of the program once IPS' analysis is complete.

C. **Quarterly Performance Report**

Mr. Sichel presented the preliminary quarterly performance report for the period ended September 30, 2017. He noted the assets held by the investment managers on September 30, 2017 were as follows: Rothschild – LCV held $12,224,863; Hardman Johnston Asset Management held $15,758,179; Northern Trust 14,468,030; Atlanta Capital held $15,799,685; Hardman Johnston International Equity held $7,650,988; Acadian held $8,830,761; C.S. McKee held $4,007,284; Penn Core held $11,842,440; PRISA III held $28,906,620; American Core Realty Fund held $12,291,880; Mesirow Institutional Multi-Strategy Fund, L.P. held $3,770,523; MDF Special Investments SPC, Ltd. held $152,953; Corbin ERISA Opportunity Fund held $8,300,228; BlackRock Financial Management held $10,107,753; Hamilton Lane $1,063,106; and the cash account held $7,299,101. Mr. Sichel reviewed the summary of investment results for the period ended June 30, 2017, including trailing quarter, trailing year-to-date, and trailing one, three and five-year periods.

The Trustees thanked Mr. Sichel for his report and he was excused from the meeting.

IV. COUNSEL REPORT

Mr. Burton and Mr. DeLancey said there were no legal matters pending before the Board of Trustees at this time.

V. ADMINISTRATIVE MANAGER'S REPORT

A. Third Quarter 2017

Ms. Cochran presented the Administrative Manager's Report for the third quarter 2017. Such report indicated contribution income of $966,593, miscellaneous income of $1,557, interest and dividend income of $481,214 and withdrawal liability payments of $165,919, producing a total income of $1,615,283. Expenses included $4,705,243 of pension benefit expense and $527,160 of operating expense, producing a total expense of $5,232,403 for the quarter. This resulted in a net deficit of $3,617,120 for the quarter. Ms. Cochran noted that contributions were made on behalf of 375 active Plan participants and that there were no contribution delinquencies to report.

Ms. Cochran reviewed the pension applications requiring Trustee approval.

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 third quarter 2017 report were approved for payment as presented.**

B. **Administrative Services Contract Renewal**

Ms. Cochran reviewed the letter that was distributed at the September 29, 2017 meeting which noted that the administrative services contract between the Fund and Associated Administrators, LLC will expire on December 31, 2017 and provides detailed information in support of the request for a three-year renewal. The Trustees tabled the request at the last Board meeting.

Upon MOTION made and seconded, the Trustees voted unanimous approval of the following:

RESOLVED to approve an extension of the administrative services contract with Associated Administrators, LLC, for the period January 1, 2018 through December 31, 2020, with 3% annual fee increases.

Ms. Cochran thanked the Board of Trustees for the contract renewal and said a contractual amendment would be prepared and sent to Co-Counsel for review.

VI. INVOICES

Ms. Cochran presented a list of invoices dated December 12, 2017. She noted that 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 12, 2017 are approved for payment as presented.

VII. OTHER FUND BUSINESS

A. Cheiron Fee Request

Ms. Cochran reviewed Cheiron's 2018 fee request letter for services, as contained in the meeting booklet. She said Cheiron is requesting a 2.2% increase for retainer services over the prior year.

Upon MOTION made and seconded, the Trustees voted unanimous approval of the following:

> **RESOLVED to approve the 2018 retainer agreement with Cheiron at an annual fee of $19,328.06, with approved non-retainer services to be charged at their hourly rates, which range from $102 to $496 per hour.**

B. Form 5500 – Plan Year Ended December 31, 2016

Ms. Cochran reported that the Form 5500 for the Plan year ended December 31, 2016 was filed on October 9, 2017.

C. Summary Plan Information Report for the Plan Year Ended December 31, 2016

Ms. Cochran reported that the 104(d) Multiemployer Plan Summary Report was mailed to participating employers on November 8, 2017.

D. Giant Recycling, Giant Warehouse, and Union Staff Contribution Increase Letters

Ms. Cochran said contribution rate increase letters were mailed to the employers on November 30, 2017.

E. Washington Food and Supply

Ms. Cochran said a contribution rate increase letter was mailed to the employer on October 1, 2017.

F. Pension Benefit Guarantee Corporation (PBGC) 2017 Comprehensive Filing

Ms. Cochran stated that the 2016 Comprehensive Filing with the PBGC was made on October 11, 2017. The Fund paid a premium of $58,100.00.

G. 2017 Retiree Information Form (RIF)

Ms. Cochran reported that 12 forms remain outstanding. She provided a copy of the list to Trustee Brooks.

H. Cyber Liability Policy

Ms. Cochran reported that proposals had been provided by Union Insurance Group (UIG) from carriers BCS and Chubb. The Trustees requested that the Administrative Manager ask UIG for background information regarding BCS and the company's rating. The Trustees tabled the discussion until the additional information is provided along with the proposals from the Meltzer Group.

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

> **RESOLVED to provide all cyber liability proposals once available to Chairman and Secretary and for Chairman and Secretary to make a recommendation regarding the selection of a cyber liability policy to the Board of Trustees.**

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected March 5, 2018 as their next regular meeting date immediately following the companion Legal Fund meeting in Landover, Maryland.

IX. ADJOURNMENT

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

Respectfully submitted,

Michael Bull
Secretary