Warehouse Employee Union Local No. 730 Pension Trust

CHEIRON

Classic Values, Innovative Advice

# 2018 Valuation Results

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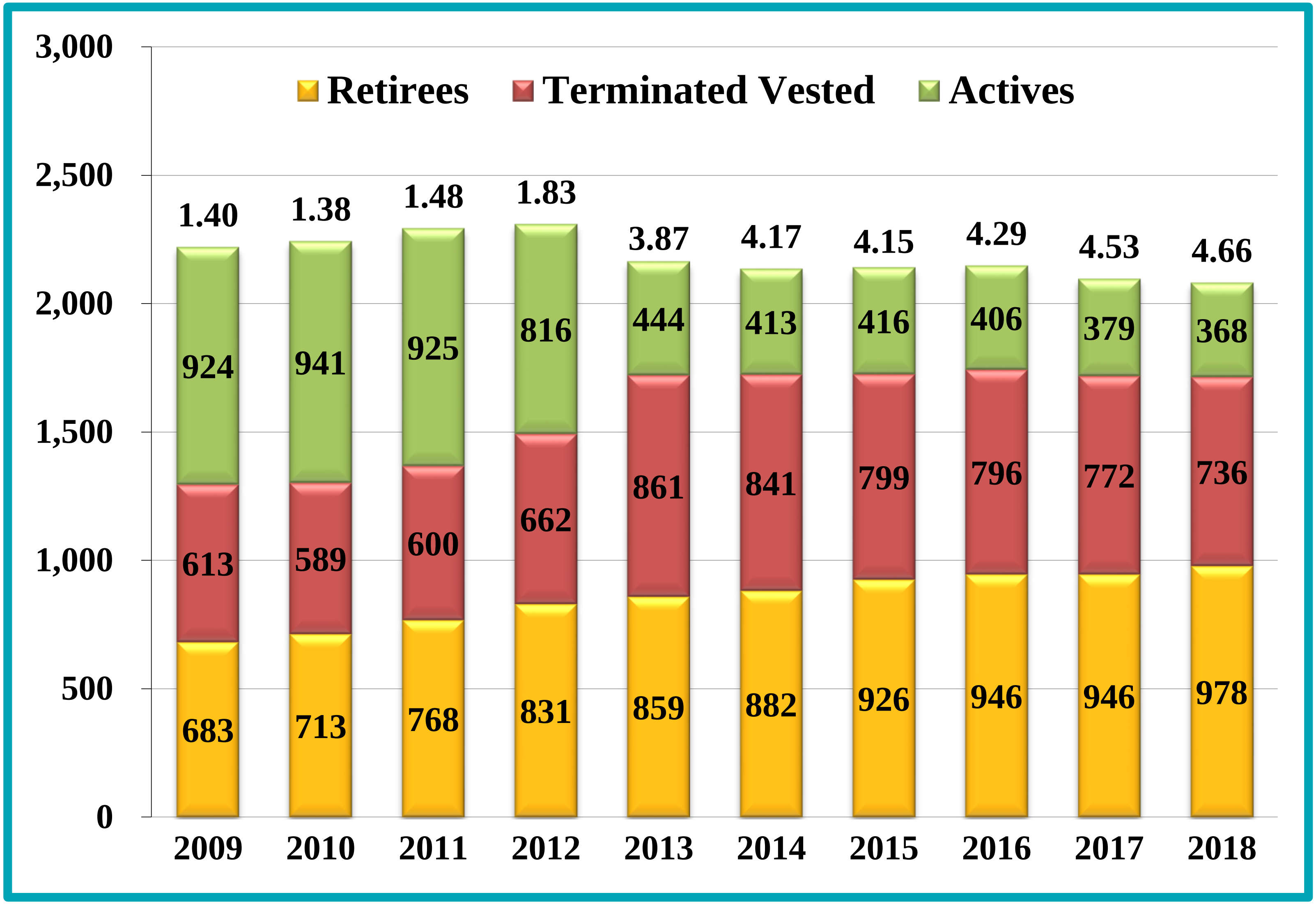
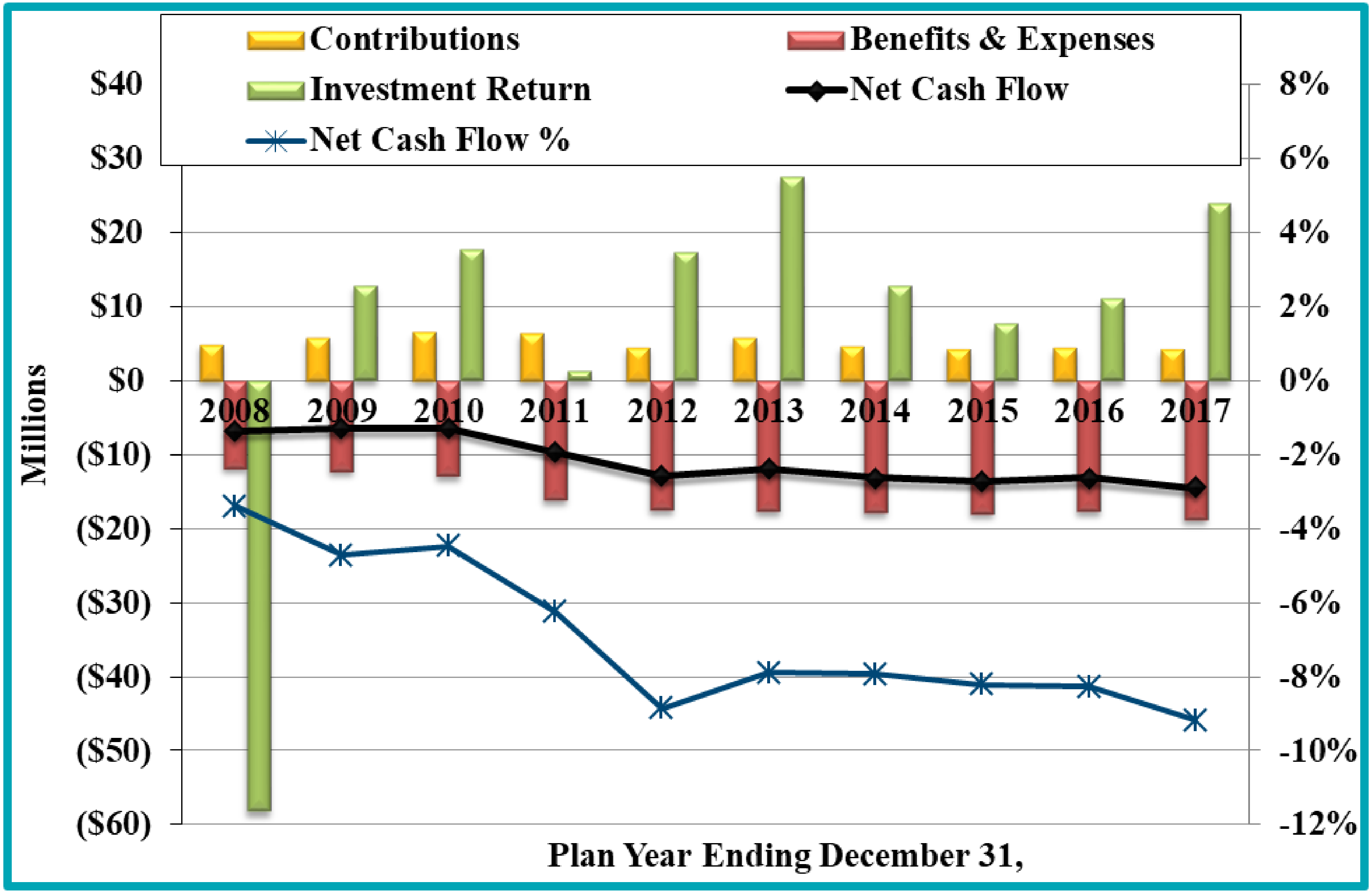
# Topics

- Trend Analysis
  - Membership
  - Cash Flows
  - Assets and Liabilities
  - Minimum Funding
- 2018 Valuation Results
- 2019 PPA Certification

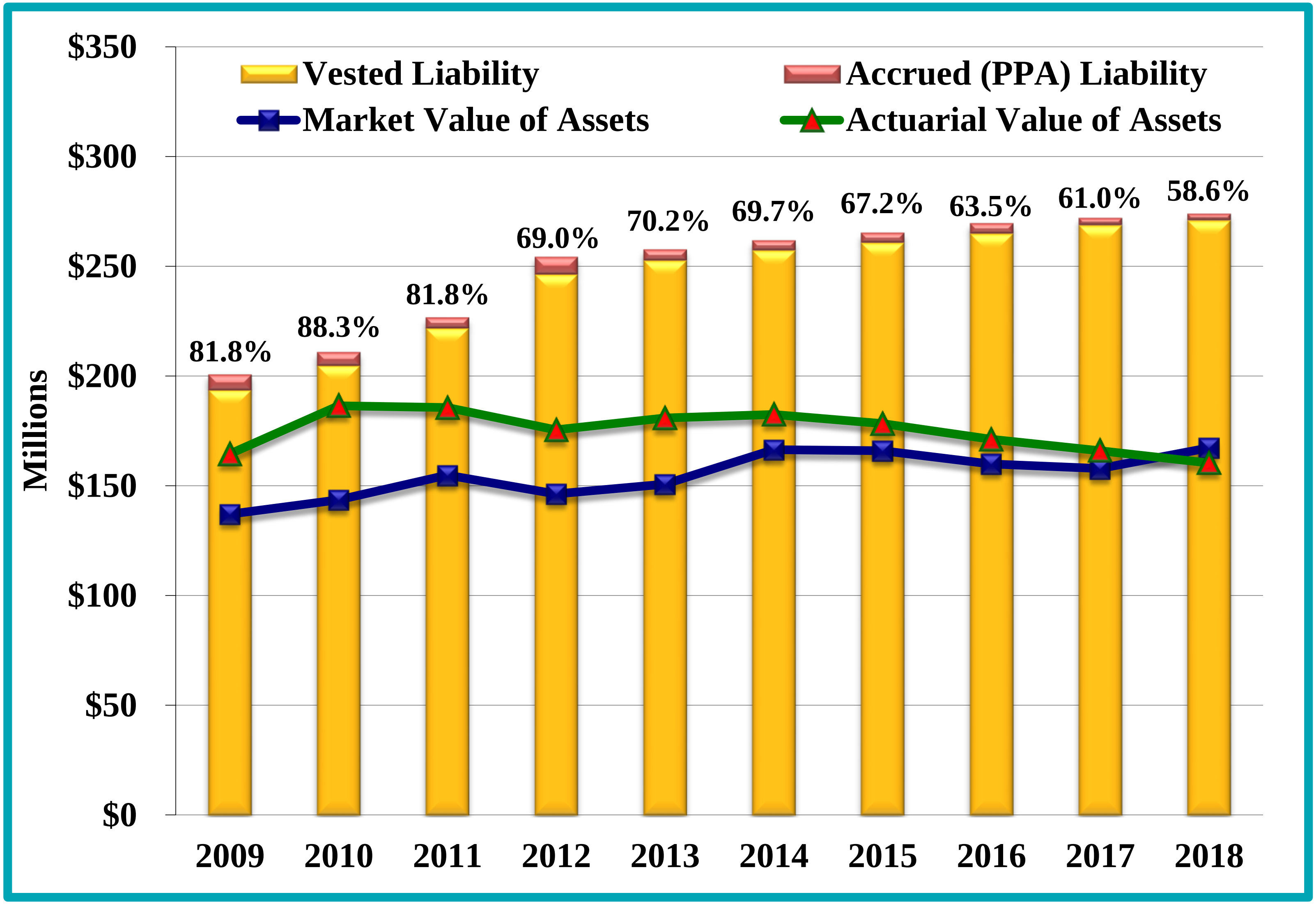


Retirees
Terminated Vested
Actives
3,000
2,500
2,000
1,500
1,000
500
0
1.40
1.38
1.48
1.83
3.87
4.17
4.15
4.29
4.53
4.66
924
941
925
816
444
413
416
406
379
368
613
589
600
662
861
841
799
796
772
736
683
713
768
831
859
882
926
946
946
978
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018

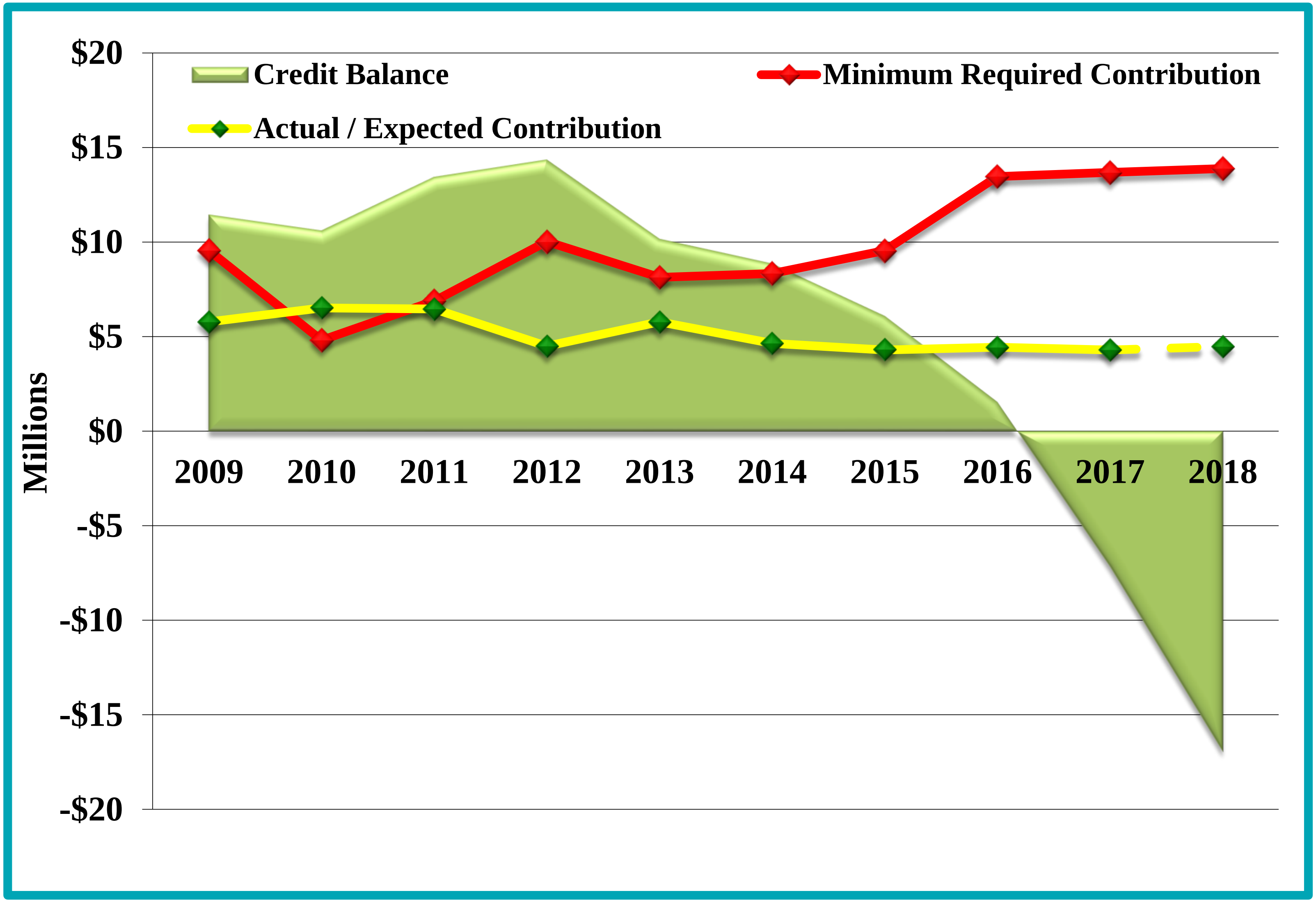
# Trend Analysis
## Annual Cash Flows



# Trend Analysis
## Assets and Liabilities



# Trend Analysis
## Minimum Funding



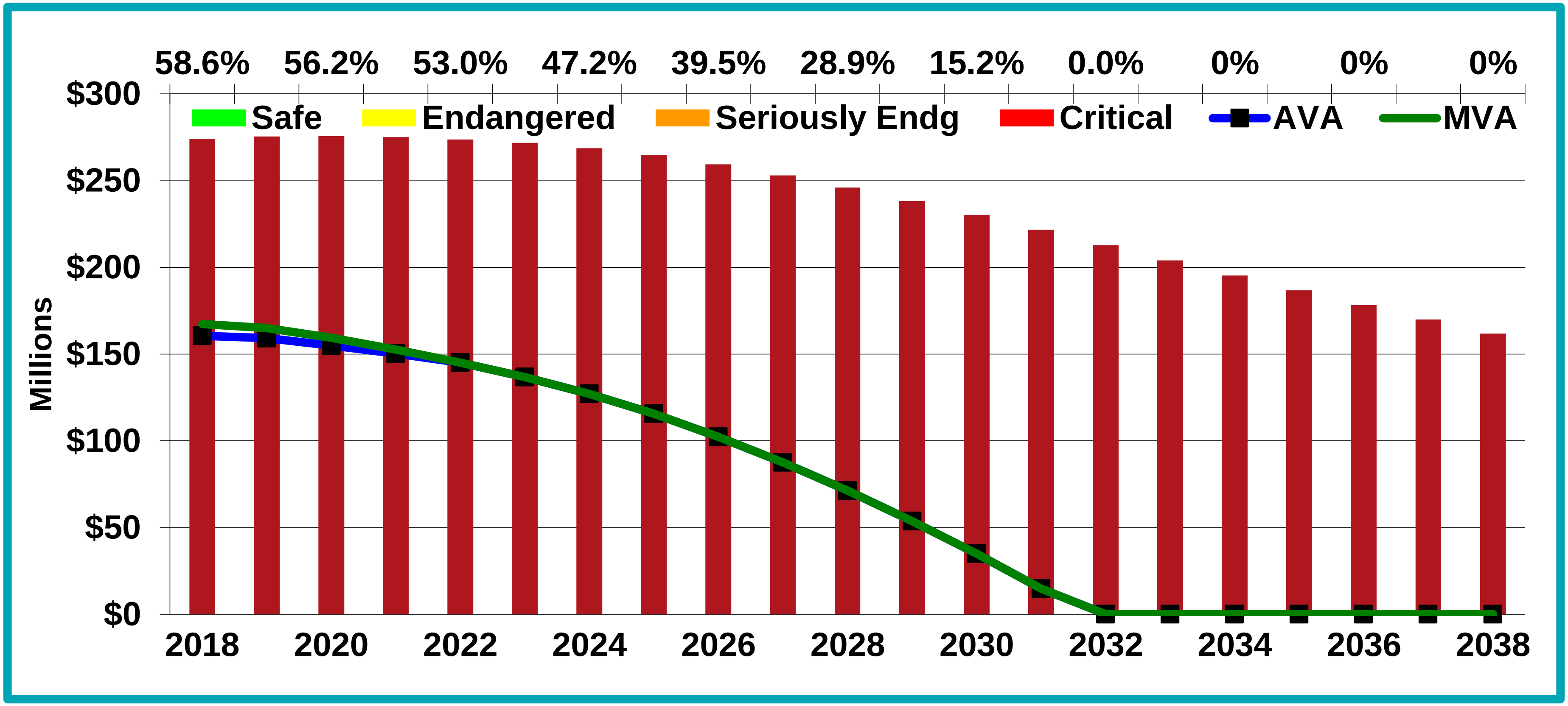
# 2018 Valuation Results

# 2018 Valuation Results
## Summary of Key Results ($ millions)

| | 2017 | 2018 | Change |
|---|---|---|---|
| Funding Actuarial Liability | $276.1 | $278.1 | 0.7% |
| Actuarial Value of Assets | $166.1 | $160.5 | -3.3% |
| Unfunded Actuarial Liability | $110.0 | $117.6 | N/A |
| Vested Liability | $268.7 | $270.9 | 0.8% |
| Market Value of Assets | $157.8 | $167.3 | 6.0% |
| Unfunded Vested Benefits | $110.9 | $103.6 | -6.6% |
| Minimum Required Contribution | $13.7 | $13.9 | 1.6% |
| Credit Balance at January 1 | ($7.2) | ($17.0) | |
| Contributions (actual / estimated) | $4.3 | $4.5 | 4.2% |
| Credit Balance at December 31 | ($17.0) | ($27.5) | |

- Asset Returns
  - 15.94% on Market Value
  - 5.61% on Actuarial Value *(compared to 8.0% assumption)*
- Actuarial assets show $3.8m loss
- Liability increase of $2.0m, was $1.8m less than expected
- The Plan's funding deficiency (negative Credit Balance) continued to grow
- Unfunded vested benefits of $103.9 million for withdrawal liability purposes
- Plan projected to be insolvent in 2031

# 2018 Valuation Results
## Projection of Insolvency




** Reflects the 2018 withdrawal by Adams Burch, and subsequent $1.7 million Withdrawal Liability settlement during the 2018 Plan Year*

# 2019 PPA Certification

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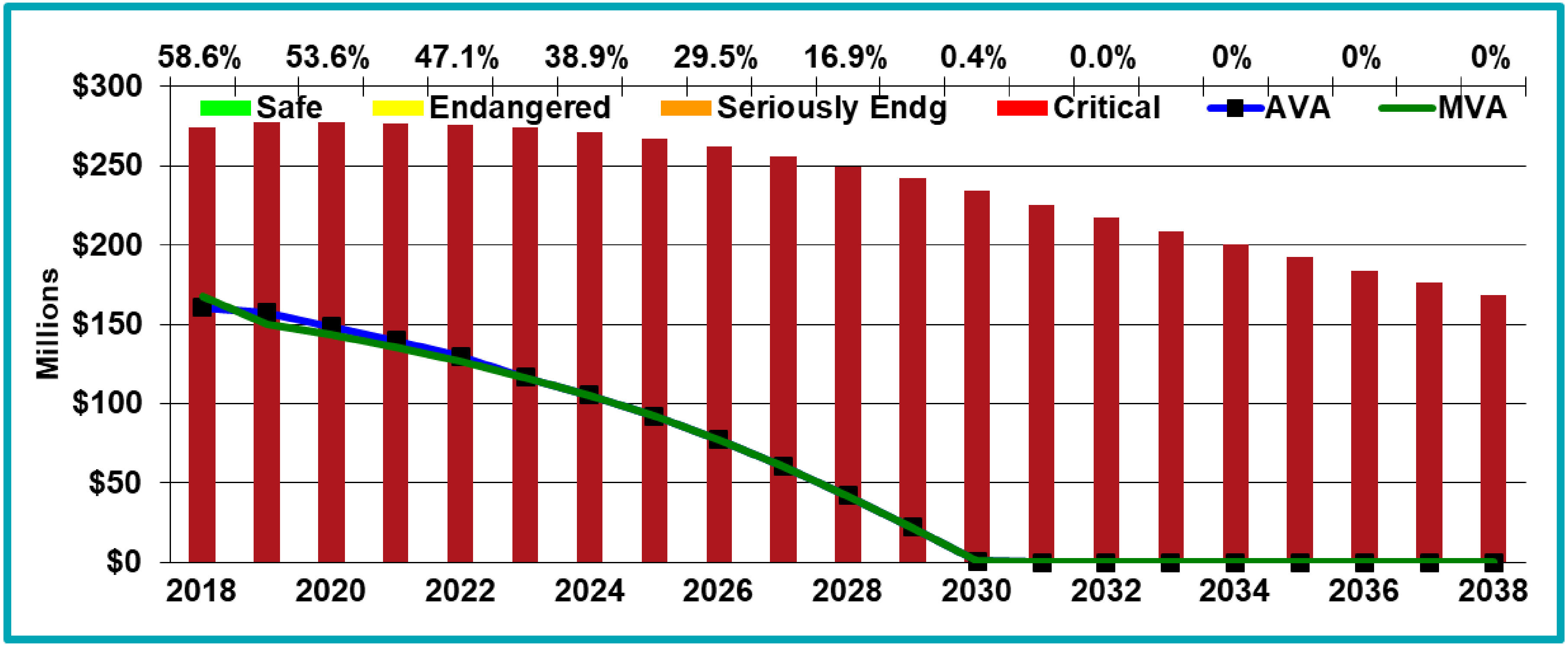
## Projection of Insolvency




*Reflects the 2018 asset return of -2% and a reduction of contributions due to the withdrawal of Adams Burch during the 2018 Plan Year*

# Reliance

*In preparing this presentation, we relied on information (some oral and some written) supplied by the Fund Office. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23. This analysis was based on the current assumptions and methods, financial data through 12/31/2017, and the 1/1/2018 membership data. Assumptions, methods, and participant valuation data are outlined in the 2018 Actuarial Valuation Report. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.*

*This presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. I am not an attorney, and our firm does not provide any legal services or advice.*

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