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 SEPTEMBER 29, 2017 LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
T. Richardson – Chairman
R. Brooks
R. Johnson
A. Smith – Alternate

EMPLOYER TRUSTEES
J. Paradis
L. Johnson

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
A. Cochran – Associated Administrators, LLC
B. Davis – Associated Administrators, LLC
M. DeLancey – Blank Rome LLP
P. Hardcastle – Cheiron
B. Hicks – Investment Performance Services, LLC

I. CALL TO ORDER

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

Ms. Cochran said that Trustee Bull was not able to attend the meeting but granted his proxy to Trustee Paradis.

II. MINUTES

The Trustees read the minutes of the last regular meeting held on June 28, 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 June 28, 2017 are approved as presented.**

III. FINANCIAL REPORT

The Trustees welcomed Mr. Brian Hicks 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 June 30, 2017 as contained in the meeting booklet.

B. Master Consulting Report

1. Investment Performance

Mr. Hicks 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 June 30, 2017 was 8.3% gross of fees.

2. Asset Allocation

Mr. Hicks reviewed the Fund's asset allocation as of June 30, 2017: U.S. Equities 35.1%, International Equities 9.6%, Fixed Income Core 2.6%, Fixed Income High Yield 7.3%, Real Estate 25.9%, Hedge Fund of Funds 2.4%, Opportunistic Investments 5.0%, Global Tactical Asset Allocation 6.1%, and cash 6.0%.

C. Quarterly Performance Report

Mr. Hicks presented the preliminary quarterly performance report for the period ended June 30, 2017. He noted the assets held by the investment managers on June 30, 2017 were as follows: Rothschild – LCV held $11,939,921; Westfield Capital Management held $13,792,846; Johnston Asset Management held $15,340,296; Atlanta Capital held $15,426,799; Johnston International Equity held $7,101,715; Acadian held $8,397,211; C.S. McKee held $4,208,648; Penn Core held $11,825,906; PRISA III held $29,557,923; American Core Realty Fund held $12,244,998; Mesirow Institutional Multi-Strategy Fund, L.P. held $3,742,241; MDF Special Investments SPC, Ltd. held $164,847; Corbin ERISA Opportunity Fund held $8,143,569; BlackRock Financial Management held $9,782,197; and the cash account held $9,678,194. Mr. Hicks 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. Hicks for his report and he was excused from the meeting.

IV. ACTUARY REPORT

The Trustees welcomed Mr. Peter Hardcastle of Cheiron to the meeting. He distributed his report titled "MPRA Suspensions." Mr. Hardcastle discussed the projected 2017 PPA

Certification noting the Critical and Declining status. Due to the status of the Fund, he discussed potential suspension possibilities that may be available under the Multiemployer Pension Reform Act.

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

V. COUNSEL REPORT

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

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2017

Ms. Cochran presented the Administrative Manager's Report for the second quarter 2017. Such report indicated contribution income of $929,985, miscellaneous income of $37,949, interest and dividend income of $573,491 and withdrawal liability payments of $165,919, producing a total income of $1,707,344. Expenses included $4,561,022 of pension benefit expense and $331,052 of operating expense, producing a total expense of $4,892,074 for the quarter. This resulted in a net deficit of $3,184,730 for the quarter. Ms. Cochran noted that contributions were made on behalf of 383 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 second quarter 2017 report were approved for payment as presented.

B. <u>Administrative Services Contract Renewal</u>

Ms. Cochran distributed and reviewed her letter dated September 29, 2017 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 for action at the next regularly scheduled Board meeting.

VII. <u>INVOICES</u>

Ms. Cochran presented a list of invoices dated September 29, 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 September 29, 2017 are approved for payment as presented.

VIII. <u>OTHER FUND BUSINESS</u>

A. <u>Cyber Liability Policy</u>

Ms. Cochran noted that an application for Cyber Liability proposals was submitted on June 20, 2017 to the broker, Union Insurance Group. Ms. Cochran reported no proposals have been received at this time. The Trustees directed the Administrative Manager to request that the Meltzer Group solicit proposals for cyber liability insurance.

B. **International Foundation of Employee Benefit Plans – Annual Membership**

Ms. Cochran reported receipt of the Fund's 2018 membership renewal invoice for the International Foundation of Employee Benefit Plans. The renewal fee is $1,205.00.

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

> **RESOLVED to approve the Fund's 2018 renewal with the International Foundation of Employee Benefits Plans at a fee of $1,205.00.**

C. **2017 Retiree Information Form (RIF)**

Ms. Cochran reported that the second request for RIF responses was mailed to retirees on August 24, 2017.

D. **International Brotherhood of Teamsters Data Request**

Ms. Cochran reported receipt of the annual data request. The Trustees approved sending the requested information normally sent on an annual basis and publically available.

E. *For Your Benefit* Newsletter

Ms. Cochran stated that the Fund Office mailed the September 2017 *For Your Benefit* newsletter to Plan participants.

IX. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 12, 2017 as their next regular meeting date immediately following the companion Legal Fund meeting in Landover, Maryland.

X. ADJOURNMENT

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

Respectfully submitted,

Tyrone Richardson
Chairman