FELRA & UFCW
Pension Fund

2017 Preliminary Actuarial Valuation Results

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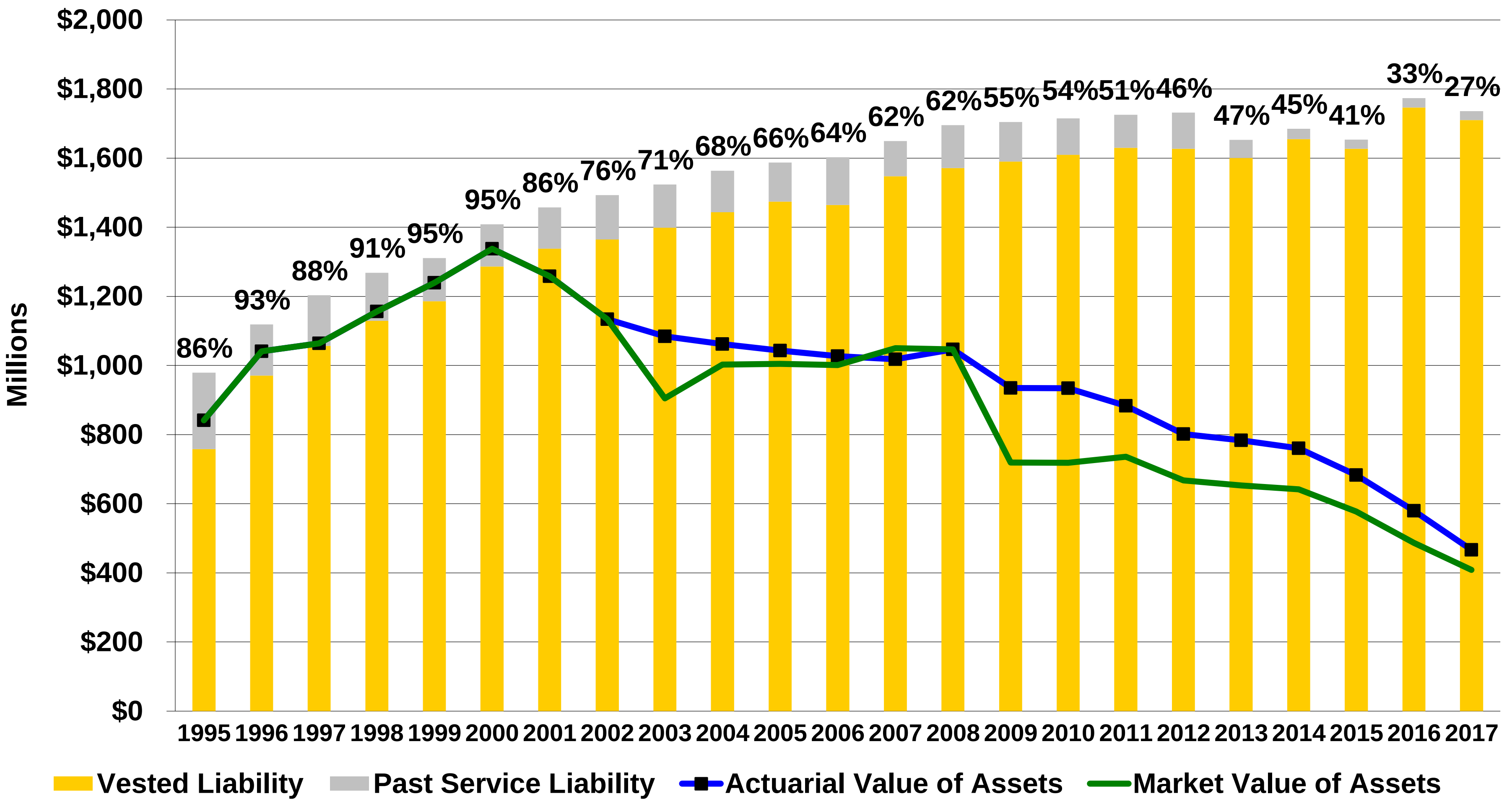
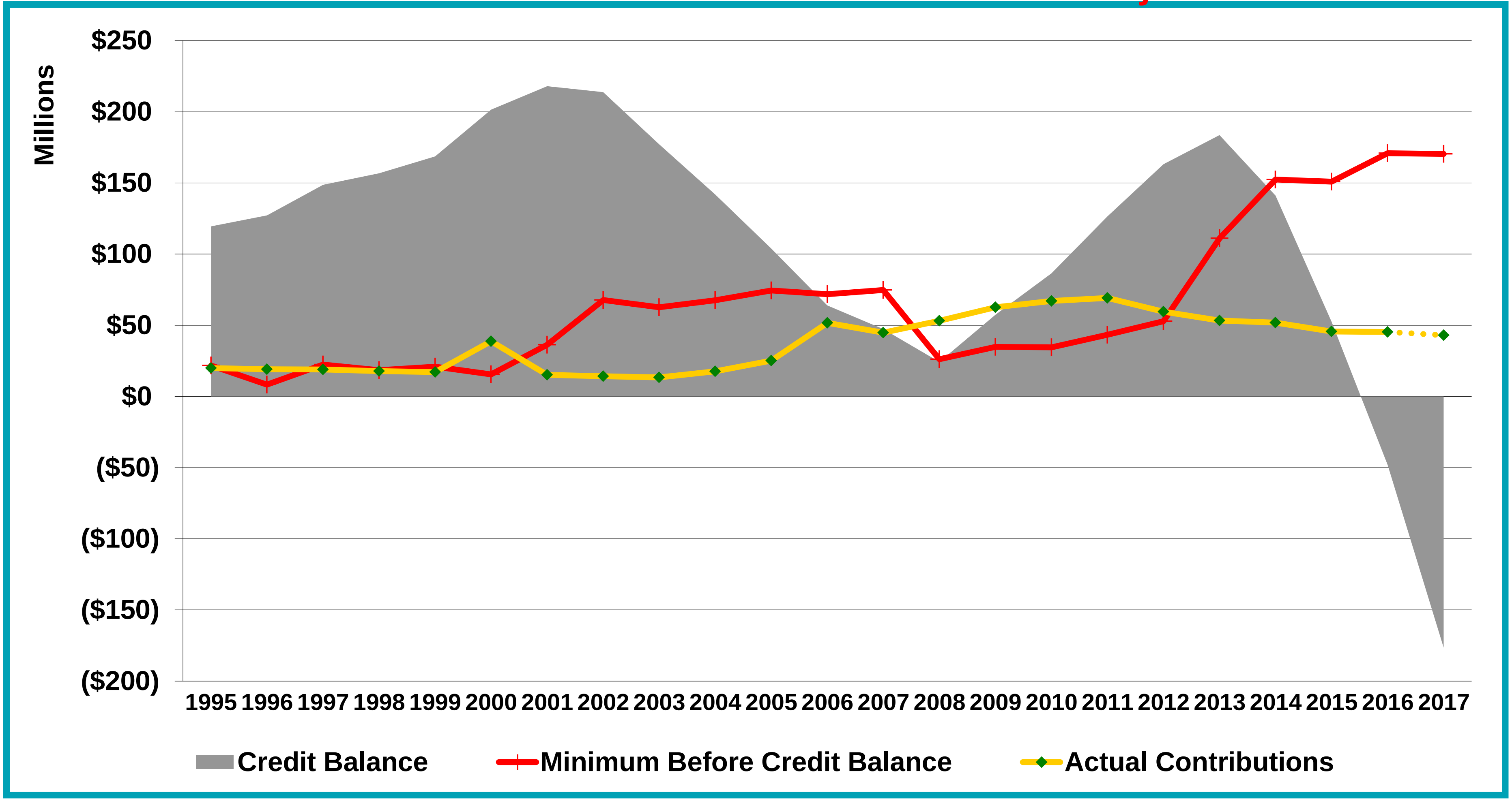
Historical Review - Assets and Liabilities

DRAFT – Subject to Review



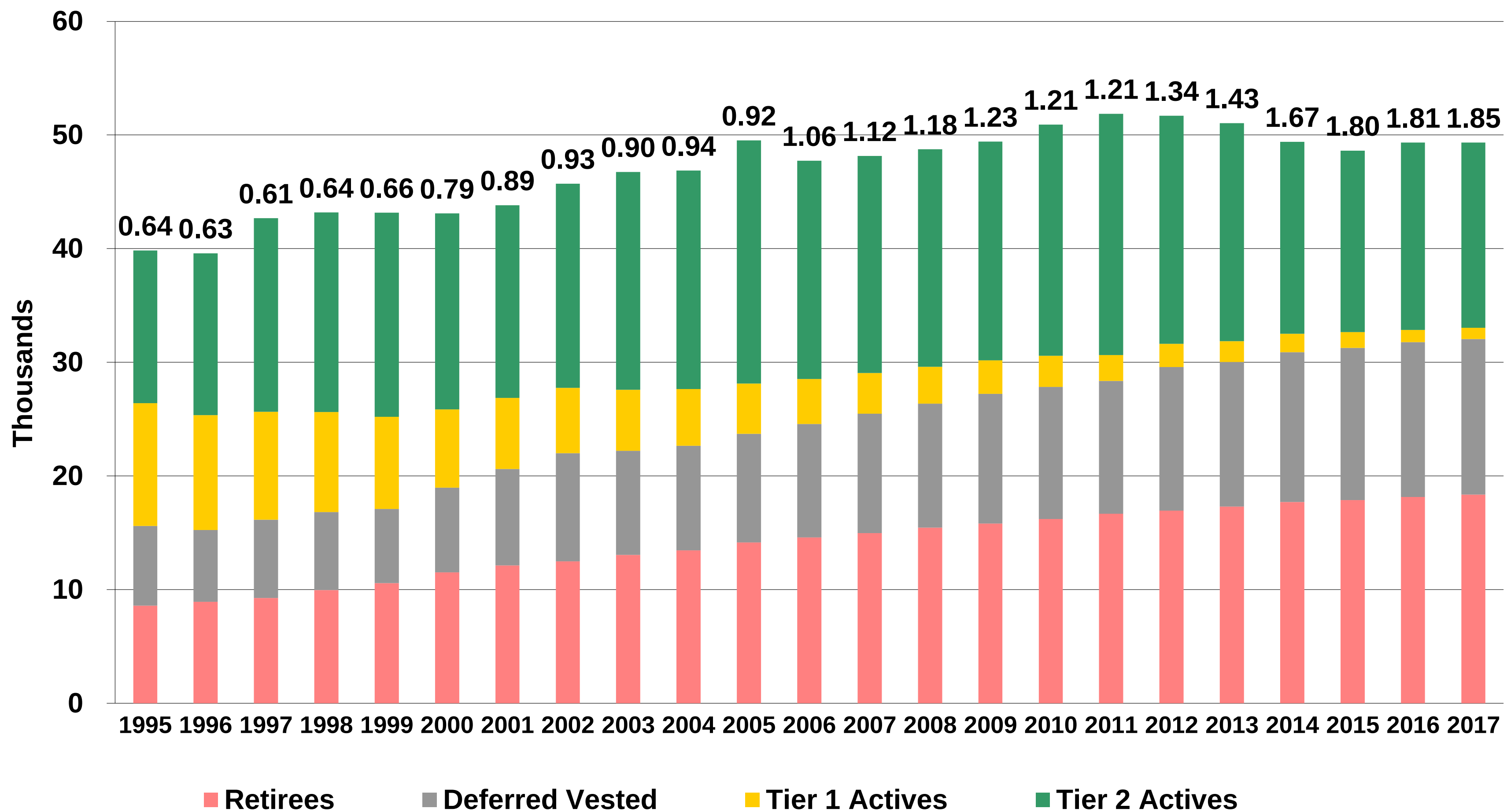
Historical Review - Minimum Funding

DRAFT – Subject to Review



Historical Review - Plan Membership

DRAFT – Subject to Review



Historical Review - Gains and (Losses)

DRAFT – Subject to Review

Year	Liability Amount	Liability %	MVA Amount	MVA %	Other* Amount	Other* %	Total Amount
1995	$ 36.92	3.8%	$ 167.47	19.9%	$ (146.27)	(14.9%)	$ 58.12
1996	(42.81)	(3.8%)	(20.90)	(2.0%)	(1.11)	(0.1%)	(64.82)
1997	(24.32)	(2.0%)	54.13	5.1%	(0.56)	(0.0%)	29.25
1998	(6.41)	(0.5%)	47.15	4.1%	1.39	0.1%	42.13
1999	(22.67)	(1.7%)	66.07	5.3%	(67.17)	(5.1%)	(23.77)
2000	(24.86)	(1.8%)	(102.75)	(7.7%)	-	0.0%	(127.61)
2001	(6.02)	(0.4%)	(141.36)	(11.2%)	-	0.0%	(147.38)
2002	(10.95)	(0.7%)	(223.94)	(19.8%)	179.15	15.8%	(55.74)
2003	(15.51)	(1.0%)	119.00	13.1%	-	0.0%	103.49
2004	(1.65)	(0.1%)	16.68	1.7%	-	0.0%	15.03
2005	1.57	0.1%	9.59	1.0%	-	0.0%	11.16
2006	6.56	0.4%	40.52	4.0%	(39.45)	(2.5%)	7.63
2007	(5.49)	(0.3%)	(3.83)	(0.4%)	(31.84)	(1.9%)	(41.16)
2008	0.28	0.0%	(333.60)	(31.9%)	71.93	6.9%	(261.39)
2009	(0.99)	(0.1%)	11.30	1.6%	38.17	5.3%	48.48
2010	(4.66)	(0.3%)	29.52	4.1%	(56.66)	(7.9%)	(31.80)
2011	(3.42)	(0.2%)	(55.80)	(7.6%)	-	0.0%	(59.22)
2012	16.91	1.0%	15.08	2.3%	61.99	3.6%	93.98
2013	4.92	0.3%	28.04	4.3%	(49.68)	(3.0%)	(16.72)
2014	19.54	1.2%	(21.02)	(3.3%)	-	0.0%	(1.48)
2015	4.52	0.3%	(35.12)	(6.1%)	(141.38)	(8.6%)	(171.98)
2016	10.63	0.6%	(1.69)	(0.3%)	-	0.0%	8.94
Total	**(67.91)**	**(3.9%)**	**(335.44)**	**(82.1%)**	**(181.48)**	**(10.5%)**	**(584.86)**

** Plan, assumption and funding method changes*

Summary of Principal Results

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Table I-1
Summary of Principal Results

	January 1, 2016	January 1, 2017	Change
Participant Counts			
Actives* Tier I	1,071	985	(8.03%)
Tier II	16,483	16,303	(1.09%)
Total	17,554	17,288	(1.52%)
Terminated Vesteds	13,616	13,680	0.47%
In Pay Status	18,158	18,362	1.12%
Total	49,328	49,330	0.00%
Financial Information			
(1) Market Value of Assets (MVA)	$ 486,641,825	$ 408,705,177	(16.02%)
(2) Actuarial Value of Assets (AVA)	579,480,770	466,729,375	(19.46%)
(3) Total Present Value of Future Benefits	$ 1,774,213,754	$ 1,736,875,996	(2.10%)
(4) Actuarial Liability	$ 1,773,643,455	$ 1,736,030,322	(2.12%)
(5) Unfunded Actuarial Liability [(2) - (4)]	(1,194,162,685)	(1,269,300,947)	N/A
(6) Funding Ratio on AVA Basis [(2) ÷ (4)]	32.7%	26.9%	N/A
(7) Accrued Liability / PPA Liability	$ 1,771,604,263	$ 1,734,267,445	(2.11%)
(8) Unfunded Accrued Benefit [(2) - (7)]	(1,192,123,493)	(1,267,538,070)	N/A
(9) Funding Ratio on AVA Basis [(2) ÷ (7)]	32.7%	26.9%	N/A
(10) Funding Ratio on MVA Basis [(1) ÷ (7)]	27.5%	23.6%	N/A
(11) Present Value of Vested Benefits	$ 1,746,553,649	$ 1,709,948,085	(2.10%)
Contributions and Cash Flows			
Employer Contributions (Actual / *Estimated*)	$ 45,356,451	*$ 43,000,000*	(5.20%)
ERISA Minimum Required Contribution	216,887,219	359,269,009	N/A
ERISA Maximum Deductible Contribution	3,325,900,022	3,459,277,218	4.01%
ERISA Credit Balance at Start of Year	(48,053,233)	(176,470,796)	267.24%
Prior Year Benefit Payouts	$ 143,157,717	$ 146,238,867	2.15%
Prior Year Administrative Expenses	4,925,490	4,999,233	1.50%
Prior Year Total Investment Return (Net of Expenses)	6,374,488	22,945,768	N/A

* Effective January 1, 2013, benefit accruals were ceased for active participants employed by Giant and Safeway. Any new hires after January 1, 2013 for Giant and Safeway are included in the active count above (5,081 as of January 1, 2017) since contributions are made on their behalf but no liability is due.

Assumptions and Methods/Reliance

The purpose of this presentation is to present the January 1, 2017 Actuarial Valuation results to the FELRA & UFCW Pension Fund Board of Trustees. Other users of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any such other users.

The assumptions reflect our understanding of the likely future experience of the Fund and the assumptions taken individually represent our best estimate for the future experience of the Fund. The results of this presentation are dependent upon future experience conforming to these assumptions. Future valuation reports may differ significantly from the current results presented in this presentation due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law. For complete details on the assumptions and methods, refer to the January 1, 2016 Actuarial Valuation Report.

In preparing our presentation, we relied on information (some oral and some written) supplied by the auditor and 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.

To the best of our knowledge, this presentation and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in herein. This presentation does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

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