FELRA & UFCW
Pension Fund

Classic Values, Innovative Advice

Actuarial Presentation

July 18, 2019

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Tier 1 Actives – Retirement Experience

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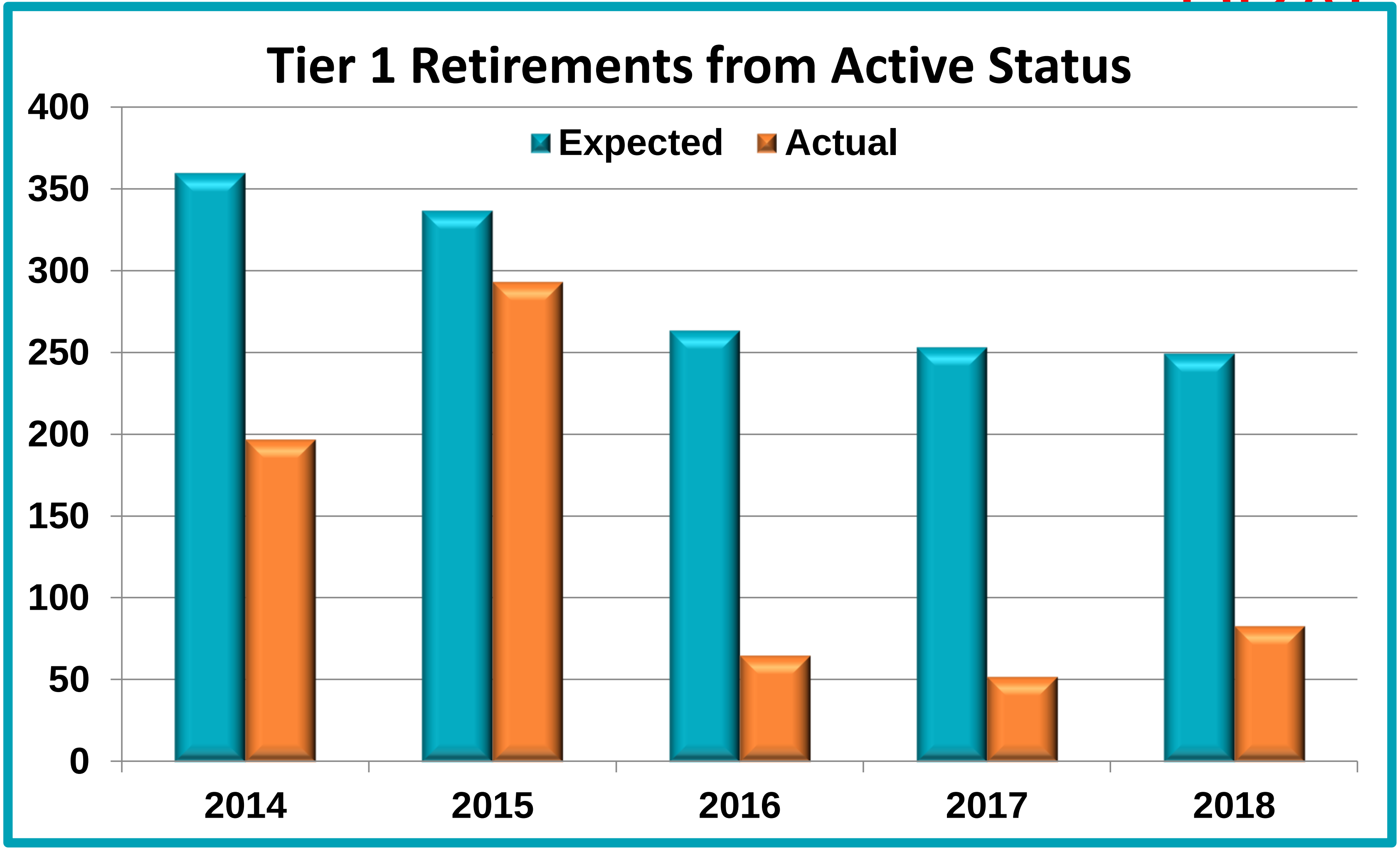

Terminated Vested – Retirement Experience

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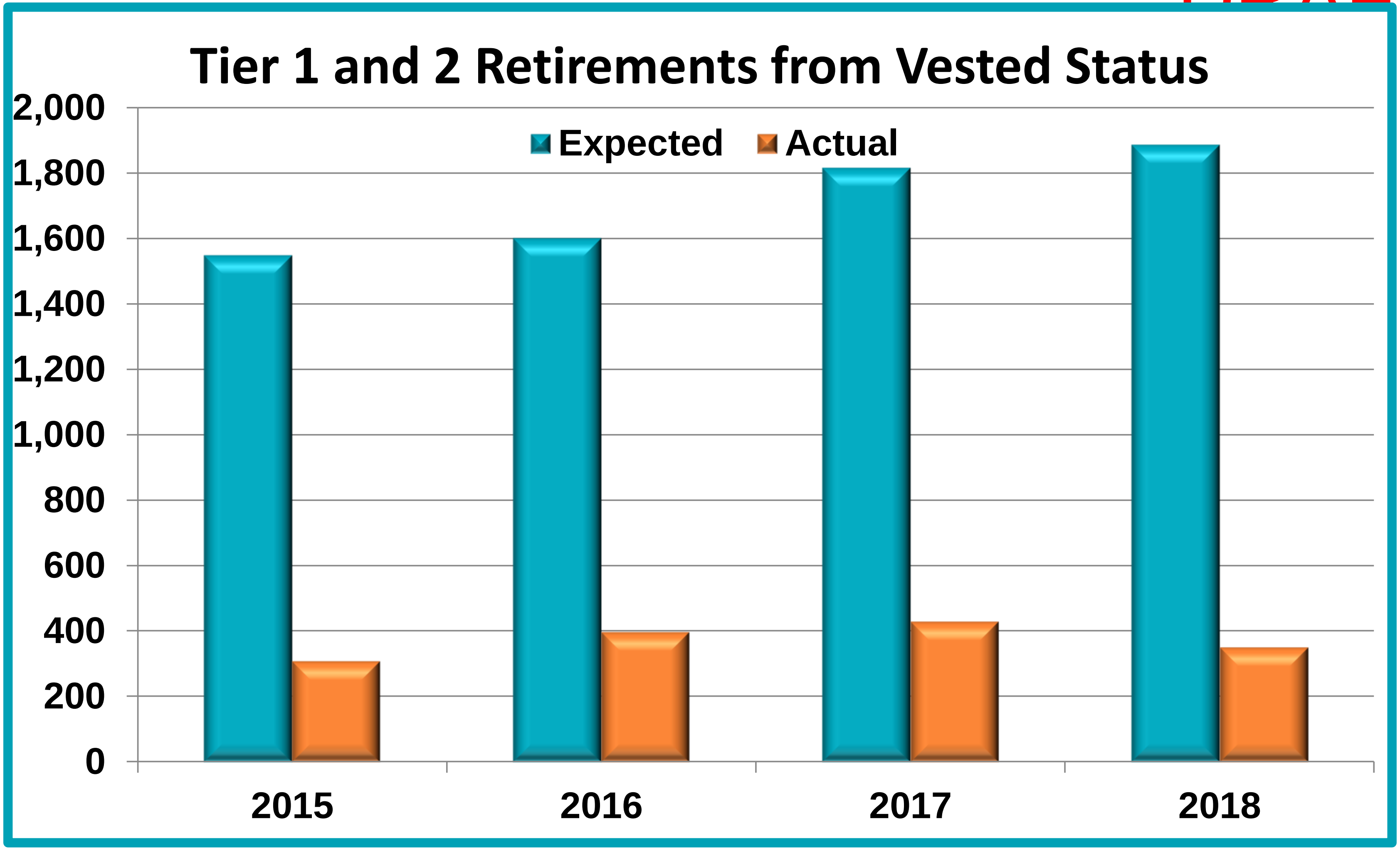

Projected Insolvency = February 2021

Assumes **$0.06** to MAP / **$0.00** to FELRA effective 11/1/2018 for Safeway (4/1/2019 for Giant)

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FELRA & UFCW Pension Fund

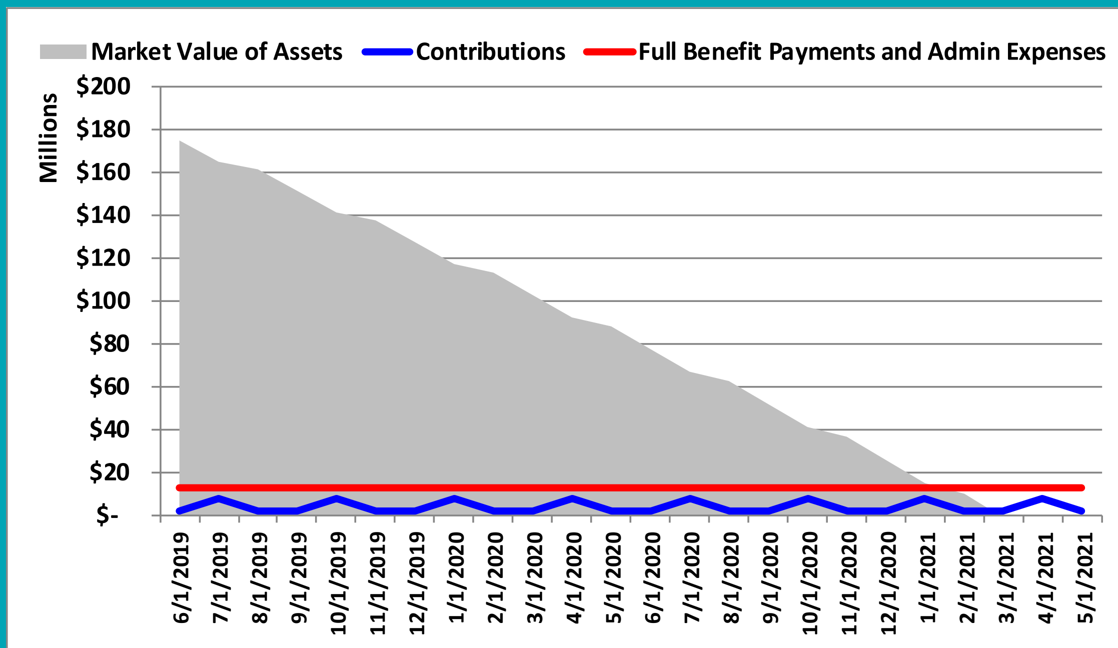
	Return	
2019	6.0%	<-- for period after 06/01/2019
2020	6.0%	

11/1/2018 Contribution Increase to MAP (4/1/2019 for Ahold) $ 0.06

Projected Insolvency Month February-21

Active Membership Change 0.0% per year

Amount Needed to Push to Jan 2021 $ 0.0 mil



Based on preliminary asset information of $174.9 million as of 06/01/2019 (IPS of $162.4 million plus $12.5 million from PNC).

Subject to Attorney / Client Privilege Work Product

Projected Insolvency = February 2021

Assumes **$0.03** to MAP / **$0.03** to FELRA effective 11/1/2018 for Safeway (4/1/2019 for Giant)

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FELRA & UFCW Pension Fund

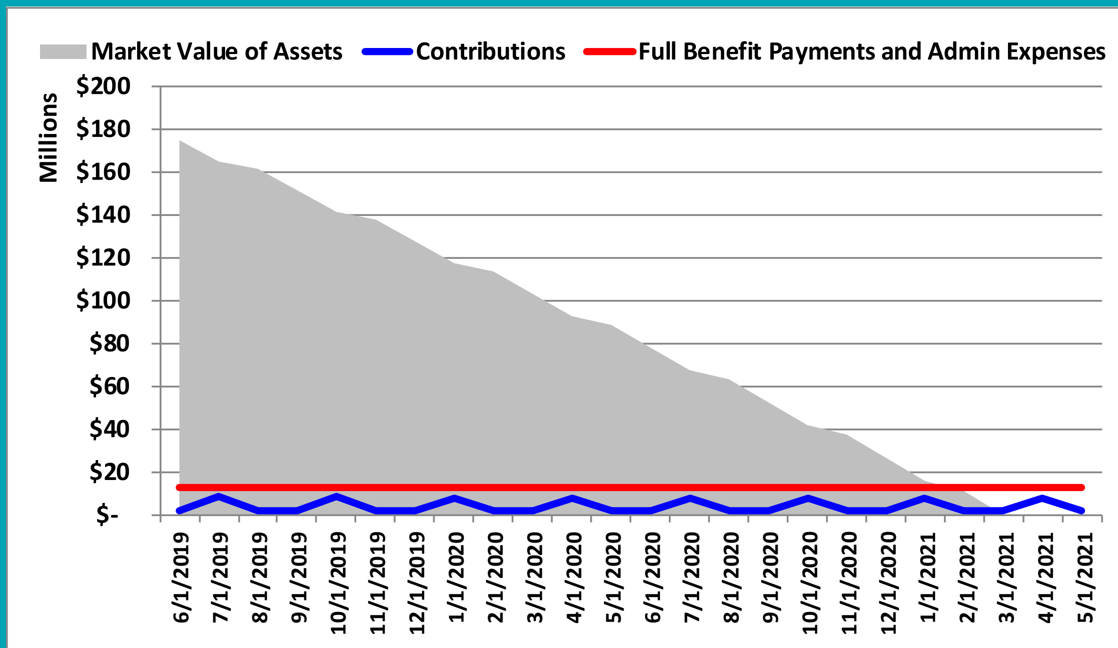
	Return
2019	6.0% <-- for period after 06/01/2019
2020	6.0%

11/1/2018 Contribution Increase to MAP (4/1/2019 for Ahold) $ 0.03

Projected Insolvency Month February-21

Active Membership Change 0.0% per year

Amount Needed to Push to Jan 2021 $ 0.0 mil



Based on preliminary asset information of $174.9 million as of 06/01/2019 (IPS of $162.4 million plus $12.5 million from PNC).

Projected Insolvency = March 2021

Assumes **$0.00** to MAP / **$0.06** to FELRA effective 11/1/2018 for Safeway (4/1/2019 for Giant)

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FELRA & UFCW Pension Fund

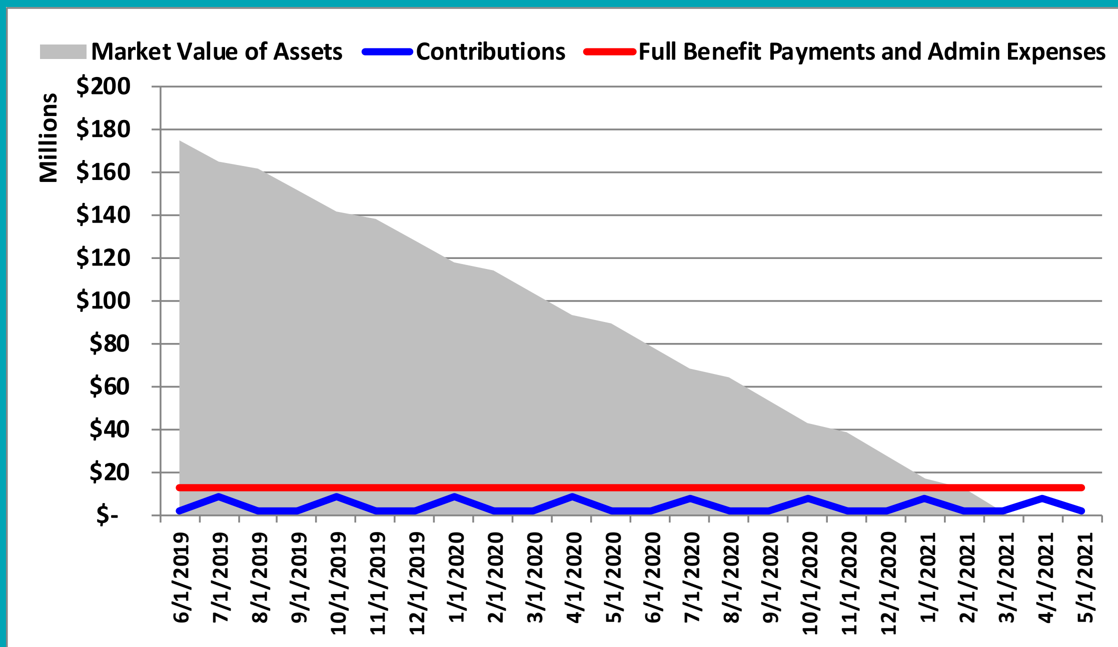
	Return	
2019	6.0%	<-- for period after 06/01/2019
2020	6.0%	

11/1/2018 Contribution Increase to MAP (4/1/2019 for Ahold) $ -

Active Membership Change 0.0% per year

Projected Insolvency Month March-21

Amount Needed to Push to Jan 2021 $ 0.0 mil



Based on preliminary asset information of $174.9 million as of 06/01/2019 (IPS of $162.4 million plus $12.5 million from PNC).

Projected Insolvency

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- Investment returns are becoming less impactful as assets decrease

Assumed Return after June 1, 2019	Projected Insolvency Date			Projected 1/1/2021 MVA ($mil)		
	$0.06 MAP / $0.00 FELRA	$0.03 MAP / $0.03 FELRA	$0.00 MAP / $0.06 FELRA	$0.06 MAP / $0.00 FELRA	$0.03 MAP / $0.03 FELRA	$0.00 MAP / $0.06 FELRA
6%	Feb 2021	Feb 2021	Mar 2021	$ 14.8	$ 15.7	$ 16.9
0%	Feb 2021	Feb 2021	Feb 2021	$ 5.8	$ 6.6	$ 7.8
(5%)	Dec 2020	Dec 2020	Jan 2021	$ (1.3)	$ (0.5)	$ 0.7

Projected Insolvency

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- Cash flows (contributions, benefit payments, and administrative expenses) differing from assumed will have biggest impact
  - Dependent upon future retirement experience

Disclaimer

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These projections are based on the census data, assumptions and methods used in performing the January 1, 2018 valuation with adjustments to account for retirement experience in 2018. As noted, this projection assumes no membership decline.

In preparing these projections, 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.

These projections 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 credentialed actuaries, we 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. We are not attorneys, and our firm does not provide any legal services or advice.

These projections were prepared solely for the FELRA & UFCW Pension Fund for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty of liability to such other users.

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