Food Employers Labor Relations Association
And United Food & Commercial Workers
Pension Fund

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE FELRA AND UFCW PENSION FUND SEPTEMBER 18, 2014 IN LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici – Chairman	W. Kraemer – Secretary
T. Hipkins	J. Champion
G. Murphy, Jr.	J. Paradis
J. Slivosky	F. Stegman

Also present were:

H. Burton – Morgan, Lewis & Bockius, LLP
M. Harris – UFCW Local 400
J. Harrison – UFCW Local 27
M. Herwig - PNC Bank
W. Jensen – Associated Administrators, LLC
J. Lewis – UFCW Local 400
E. Masten – UFCW Local 27
W. Meisen – Giant Food, LLC
C. Murphy – Associated Administrators, LLC
B. Slevin – Slevin & Hart, P.C.
D. White – Giant Food
C. Wiszynski – UFCW Local 400

I. CALL TO ORDER

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

II. MINUTES

The Trustees reviewed the minutes of the regular meeting held on June 20, 2014, the appeals committee meeting of June 17, 2014, and the policy committee of July 18, 2014, which were pre-circulated. After discussion,

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

> **RESOLVED that the minutes of the regular meeting held on June 20, 2014, the appeals committee meeting of June 17, 2014, and the policy committee of July 18, 2014, subject to approval of Co-Counsel.**

III. FINANCIAL REPORT

A. PNC Report

The Trustees welcomed Mr. Michael Herwig of PNC Bank to the meeting. He presented a summary of activity report for the period January 1, 2014 to August 31, 2014. Such report indicated a beginning balance of $1,816,847, receipts of $37,839,983, transfers from managers of $61,129,341, disbursements of $98,253,872, and earnings of $987, resulting in an ending balance of $2,533,286, as of August 31, 2014.

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

B. Investment Consultant's Report (Investment Performance Services)

1. Master Consulting Report

The Trustees welcomed Mr. Richard Sichel of Investment Performance Services to the meeting. Mr. Sichel reviewed the Master Consulting Report for the period ended June 30, 2014. Such report indicated an ending market value of $580,615,599 and a year-to-date performance of 3.7%.

Mr. Sichel then reviewed the Preliminary Performance report as of August 31, 2014. He noted that the ending market value is $569,143,661 and the year-to-date performance was 6.3%

2. Performance Summary

Mr. Sichel reviewed the performance of each manager. He recommended that Foundry Partners be terminated at the end of the year if it has not outperformed its index and the proceeds be transferred to the Vanguard Total Stock Market Index Fund. He further recommended that Windhaven be terminated and as a part of restructuring of assets, the proceeds be transferred to the new Global Tactical Asset Allocation ("GTAA") manager First Eagle. He noted Windhaven will be liquidated in September and approximately $28 million will be transferred to First Eagle, with the remaining proceeds transferred to the cash account. He also recommended that AQR and Putnam be terminated as a part of restructuring of assets, the proceeds be transferred to the new global fixed income manager Franklin Templeton. Mr. Sichel noted that Chartwell is being monitored due to an ownership change.

Mr. Sichel then reviewed the Transition Summary report dated September 18, 2014.

After discussion,
On Motion made and seconded, the Trustees voted unanimous approval of the following resolution:

RESOLVED to adopt the recommendations of IPS.

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

IV. ACTUARY'S REPORT

A. Schedule MB

Mr. Woodrich reviewed the Schedule MB with the Trustees, which is attached to the Form 5500.

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

V. ATTORNEY'S REPORT

A. Death Benefit – Majority of Service

Mr. Slevin discussed the case of a plan participant with the exact same amount of full time service and part time service and how to determine the death benefit amount. After discussion, it was determined that the full time and part time death benefit amount would be totaled and then divided by two to arrive at the amount of the death benefit. This clarification should be included in the Restated Plan.

B. Eddies Partial Withdrawal Liability

Mr. Slevin discussed the Eddies partial withdrawal liability demand. The Board agreed to stay the payment obligation while the data is reviewed.

C. A&P Withdrawal Liability Claim

Mr. Slevin discussed the status of the appeal of the bankruptcy court's denial of the Fund's claim to an administrative priority in the A&P bankruptcy.

D. Jones v. Stafford

Mr. Slevin advised of the status of Ms. Jones' appeal to the Fourth Circuit Court of Appeals.

E. Determination Letter Application

Mr. Slevin discussed the status of the submission to the IRS for determination of the Fund's tax qualification.

F. Investment Management Contracts

Mr. Slevin reviewed the status of the First Eagle, Franklin Templeton, and Chartwell contracts.

G. PBGC Inquiry

Mr. Slevin discussed the status of co-counsel's response to the PBGC's inquiry regarding the Fund.

H. Fund Documentation

Mr. Slevin advised of the status of the Summary Plan Description, benefit forms, and review by the Fund Office of documentation relating to use of the term "husband" or "wife." Mr. Slevin also discussed counsel's comments to the Fund's benefit application forms.

I. Withdrawal Liability Rules

Mr. Slevin discussed the status of the restated withdrawal liability rules.

VI. ADMINISTRATIVE MANAGER'S REPORT

A. 2Q14

Mr. Jensen presented the administrative manager's report for the second quarter 2014, which had been pre-circulated. Such report indicated contribution income of $13,018,593, interest and dividend income of $2,206,361, transfers from assets of $23,453,481, withdrawal liability payments of $166,678, and miscellaneous income of $55,672, producing total income of $38,720,785. Total expenses were $37,320,518, producing a net operating surplus of $1,400,267 for the second quarter 2014. Contributions were remitted on behalf of 18,253 plan participants.

Mr. Jensen then reviewed the pension applications contained in the administrative manager's second quarter report.

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 report are approved for payment.**

VII. INVOICES

The Trustees reviewed the list of invoices dated September 18, 2014. It was noted 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 18, 2014 are approved for payment.**

VIII. OTHER FUND BUSINESS

A. Miscellaneous Correspondence

1. SuperValu/Shoppers

Mr. Jensen reported that he had received correspondence from SuperValu/Shoppers requesting an estimated cost of a potential transfer of Shoppers' assets and liabilities from this Fund to the UFCW Unions and Participating Employers Pension Fund. After discussion, the Trustees tabled the mattter.

2. Class Action Settlement

Mr. Jensen said that the Fund had received an additional $977.62 as a result of the Motorola, Inc. Securities Litigation settlement.

IX. NEXT MEETING DATE AND LOCATION

The Trustees noted that their next regular meeting was scheduled for December 11, 2014 commencing at 9:00 a.m. in the Landover office of Associated Administrators, LLC.

X. ADJOURNMENT

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

Respectfully submitted,
Ward Kraemer, Secretary