MID-ATLANTIC PENSION FUND MEETING

MID-ATLANTIC UFCW AND PARTICPATING EMPLOYERS PENSION FUND

AGENDA

APRIL 3, 2014

I. CALL TO ORDER
   A. RESIGNATION/APPOINTMENT OF TRUSTEE

II. MINUTES (pg. 1 – 8)
   A. MINUTES OF AUGUST 27, 2013
   B. MINUTES OF DECEMBER 18, 2013

III. FINANCIAL REPORT
   A. PNC BANK
   B. INVESTMENT PERFORMANCE SERVICES

IV. ACTUARY'S REPORT (pg. 9)
   A. 2014 RETAINER FEE

V. ATTORNEY'S REPORT

VI. ADMINISTRATIVE MANAGER'S REPORT (4Q13) (pg. 10 – 18)

VII. INVOICES (pg. 19)

VIII. OTHER FUND BUSINESS
   A. MISCELLANEOUS CORRESPONDENCE

IX. NEXT MEETING DATE AND LOCATION

X. ADJOURNMENT

MINUTES

Mid-Atlantic UFCW and Participating Employers
Pension Fund

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Sparks, Maryland 21152-9451
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MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF THE
MID-ATLANTIC UFCW AND PARTICIPATING EMPLOYERS
PENSION FUND
AUGUST 27, 2013 IN
LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
D. Blitzstein
G. Murphy, Jr.
J. Slivosky

EMPLOYER TRUSTEES
W. Kraemer – Secretary
J. Champion
D. Gillis
F. Stegman

Also present were:

M. Boyle – UFCW Local 400
H. Burton – Morgan, Lewis & Bockius, LLP
W. Jensen – Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
J. Paradis – Ahold USA
B. Slevin – Slevin & Hart, P.C.
L. Walsh – Associated Administrators, LLC

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

I. MINUTES

The Trustees read the minutes of the last regular meeting held on May 23, 2013, which had been pre-circulated. After discussion,

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 May 23, 2013 were approved as presented.

II. 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, 2013 to July 31, 2013. Such report indicated a beginning balance of $0, earnings of $248,818, receipts of $8,479,540, and disbursements of $321,699, resulting in an ending balance of $7,909,023 as of July 31, 2013.

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

III. ATTORNEY'S REPORT

A. Agreement and Declaration of Trust

Mr. Slevin provided a status update on the Agreement and Declaration of Trust.

B. Plan Document

Mr. Slevin discussed the status of the Plan. The Trustees asked that it be completed as soon as possible.

C. Cost Sharing Agreement

Mr. Slevin presented a revised restated cost sharing agreement. The Trustees discussed the allocation of costs between this Fund and the FELRA and UFCW Pension Fund and Counsel was asked to review the draft agreement.

D. Situs and Statute of Limitations

Mr. Slevin discussed the situs for participant lawsuits against the Fund and the Statute of Limitations.

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

RESOLVED to amend the Plan so that benefit lawsuits are to be brought by participants in Maryland Federal Court and are subject to a three-year statute of limitations.

E. Fiduciary Insurance Broker

Mr. Slevin reported that the Fund's insurance broker, A & R Associates, had transferred their fiduciary insurance business to Segal Select.

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

RESOLVED to designate Segal Select as the broker of record.

Mr. Slevin stated that Segal Select had provided a quote for fiduciary insurance coverage. The Chairman and Secretary were authorized to act on the quote between meetings.

IV. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees selected December 18,2 013 as the next meeting date, immediately following the meeting of the reciprocal FELRA and UFCW Pension Fund in Landover, Maryland.

Respectfully submitted,
Ward Kraemer, Secretary

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MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF THE MID-ATLANTIC UFCW AND PARTICIPATING EMPLOYERS PENSION FUND DECEMBER 18, 2013 IN LANDOVER, MARYLAND

The following Trustees were present:

UNION TRUSTEES
M. Federici – Chairman
T. Hipkins
G. Murphy, Jr.
J. Slivosky

EMPLOYER TRUSTEES
W. Kraemer – Secretary
J. Champion
F. Stegman

Also present were:

M. Boyle – UFCW Local 400
H. Burton – Morgan, Lewis & Bockius, LLP
S. Goodman – Slevin & Hart, P.C.
M. Herwig – PNC Bank
G. Kalwarski - Cheiron
W. Jensen – Associated Administrators, LLC
C. Murphy – Associated Administrators, LLC
J. Paradis – Ahold USA
K. Woodrich – Cheiron

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

I. CALL TO ORDER

A. Resignation/Appointment of Trustee

Mr. Jensen reported that he had received correspondence from Trustee Blitzstein resigning as a Trustee effective December 31, 2013. Mr. Murphy requested that Trustee Blitzstein's resignation be effective as of the date of the meeting and that Thomas Hipkins be appointed as his replacement effective the same date. The Trustees accepted Trustee Murphy's request and Mr. Hipkins was welcomed to the Board of Trustees.

II. 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, 2013 to November 30, 2013. Such report indicated a beginning balance of $0, earnings of $47,650, receipts of $12,211,039, and disbursements of $494,055, resulting in an ending balance of $11,669,334 as of November 30, 2013.

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

III. ACTUARY'S REPORT

The Trustees welcomed Mr. Chris Mietlicki and Mr. Kevin Woodrich of Cheiron to the meeting. They reviewed the January 2013 valuation results. Mr. Woodrich reported that the present Value of Future Benefits was $84,351,689 effective January 1, 2013. Cheiron will review the contributions under the updated administrative report and report to the Board on the expected funding status at the next meeting.

The Trustees thanked the representatives from Cheiron for their report and they were excused from the meeting.

IV. ATTORNEY'S REPORT

A. Investment Consultant Contract

Ms. Goodman reported that the proposed Investment Consultant agreement between Investment Performance Services and the Fund was prepared for execution. The Trustees discussed the reporting format for the MAP Fund. The Trustees requested a separate investment report from IPS for the MAP Fund on a quarterly basis.

B. MAP Investment Policy

Mr. Burton noted the need for a separate investment policy for MAP.

C. Defense of Marriage Act ("DOMA")

Ms. Goodman reviewed the DOMA regulations with the Trustees in light of the decision in the Windsor case decided by the Supreme Court.

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

RESOLVED to amend the Plan to the extent required by law to recognize same sex spouses.

The Fund Office will review and revise the benefit forms as necessary. Cheiron will review the cost of extending this change to the 66% and 100% joint and survivor benefits.

D. **Plan Amendment**

Ms. Goodman and Mr. Burton discussed the Plan amendment on venue and forum.

E. **Policies**

Ms. Goodman discussed the status of the draft suspension of benefits policy, cost-sharing agreement and withdrawal liability policy.

F. **Cheiron Agreement**

Ms. Goodman advised that the Cheiron retainer agreement for 2013 was ready for signature. The Trustees signed the agreement.

G. **Tax Filing**

Ms. Goodman discussed the status of the tax filing application.

H, **Investment Agreements**

Ms. Goodman reviewed the status of the Segal Bryant and Windhaven investment agreements.

V. **ADMINISTRATIVE MANAGER'S REPORT**

A. **First Quarter 2013**

Mr. Jensen presented the administrative manager's report for the first quarter 2013, which had been pre-circulated. Such report indicated contribution income of $3,972,121 and miscellaneous income of $11,608, resulting in a total income of $3,983,729. Total expenses were $70,576, producing a net operating surplus of $3,913,153 for the first quarter 2013. Contributions were remitted on behalf of 18,680 plan participants.

B. **Second Quarter 2013**

Mr. Jensen presented the administrative manager's report for the second quarter 2013, which had been pre-circulated. Such report indicated contribution income of $4,470,370 and miscellaneous income of $38,357, resulting in a total income of $4,508,727. Total expenses were $70,082, producing a net operating surplus of $4,438,645 for the second quarter 2013. Contributions were remitted on behalf of 18,475 plan participants.

C. **Third Quarter 2013**

Mr. Jensen presented the administrative manager's report for the second quarter 2013, which had been pre-circulated. Such report indicated contribution income of $3,324,292 and miscellaneous income of $68,649, resulting in a total income of $3,392,941. Total expenses were $227,878, producing a net operating surplus of $3,165,063 for the third quarter 2013. Contributions were remitted on behalf of 18,334 plan participants.

VI. INVOICES

The Trustees reviewed the list of invoices dated December 18, 2013. It was noted there were no additions, deletions or changes to the list. Associated will request Cheiron include detail on the retainer versus non-retainer services.

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

> **RESOLVED that the invoices on the list dated December 18, 2013 were approved for payment.**

VII. OTHER FUND BUSINESS

A. **Memorandum of Agreement**

Mr. Jensen reported that a Memorandum of Agreement ("MOA") was reached between Safeway, Giant and UFCW Local's 400 and 27.

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

> **RESOLVED to approve the Memorandum of Agreement as presented.**

B. **Miscellaneous Correspondence**

1. **Waiver of Recourse**

Mr. Jensen reported that the Waiver of Recourse invoices for the fiduciary insurance were sent to the Trustees on November 7, 2013.

2. Information Request

Mr. Jensen reported that he had received an information request from Ahold and that the request had been forwarded to the Fund's Actuary for response.

VIII. NEXT MEETING DATE AND LOCATION

After discussion, the Trustees decided to leave the date and location of the next meeting to the call of the Chairman.

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

Respectfully submitted,
Ward Kraemer, Secretary

ACTUARY'S REPORT

January 31, 2014

VIA ELECTRONIC MAIL

Policy Committee of the Mid-Atlantic UFCW & Participating Employer Pension Fund
c/o Mr. William R. Jensen
President
Associated Administrators, LLC
4301 Garden City Drive, Suite 201
Landover, Maryland 20785

Re: 2014 Retainer Fees

Dear Trustees:

This letter represents our proposed fees for the year 2014, pursuant to the Consulting Agreement between Cheiron and the Mid-Atlantic UFCW & Participating Employer Pension Fund.

A) **Retainer** –Our proposed annual fee for 2014 retainer services is $49,740 ($4,145 per month) effective January 1, 2014. This represents a 1.5% increase totaling $740 from our 2013 fee. The retainer fee covers the following services for the Mid-Atlantic Fund:

1. Conduct an annual valuation of the Mid-Atlantic UFCW & Participating Employer Pension Fund including all standard required exhibits and disclosures as well as a detailed review and summary discussion of the Fund's assets and liabilities, funded status, historical trends, and future projections. This will result in a formal written report.
2. Attend one annual Board of Trustees meeting for the purpose of presenting the annual valuation report. The presentation will include an historical trend analysis and deterministic and stochastic forecast projections using Cheiron's proprietary ***P-scan*** interactive modeling tool.
3. Attend up to three additional Trustee/Policy Committee meetings per year.
4. Respond to the annual disclosure request of the Fund auditor.
5. Prepare the Schedule MB attachment to the annual Form 5500 filing.
6. Provide other Fund professionals any additional information required from the Fund auditor in regard to the standard annual government and PBGC filings. Ad-hoc brief discussions with other Fund professionals that do not require follow-up work or communications.

B) **Non-Retainer** – W ith respect to special consulting projects, Cheiron's hourly billing rates for our actuarial analysts and consultants will range between $144 and $465 per hour for 2014.

We look forward to working with you and the Trustees during 2014.

Sincerely,
Cheiron

Gene M. Kalwarski, FSA, EA
Principal Consulting Actuary

cc: Kevin J. Woodrich, FSA, EA

ADMINISTRATIVE MANAGER'S REPORT

MID-ATLANTIC UFCW

AND PARTICIPATING EMPLOYERS

PENSION FUND

FOURTH QUARTER 2013

ADMINISTRATIVE MANAGER'S REPORT

FULL TIME
FOURTH QUARTER 2013

CONTRIBUTIONS

COMPANY	RATE	PARTICIPANTS	CONTRIBUTIONS
GIANT	$365.89	891	$978,022
GIANT TIER 2	0.30	2,972	399,299
GIANT SERVICE CLERKS L. 27	0.20	17	1,513
SAFEWAY	365.89	415	455,534
SAFEWAY DELAWARE	0.30	97	15,303
SAFEWAY TIER 2[1]	0.30	2,079	318,915
SAFEWAY SERVICE CLERKS L. 27[1]	0.20	32	3,102
TOTAL		6,503	$2,171,688

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

FULL TIME
FOURTH QUARTER 2013
EXPENSES

BENEFIT EXPENSES

CATEGORY	AMOUNT
PENSION BENEFITS	$0
SUBTOTAL	$0

OPERATING EXPENSES

CATEGORY	AMOUNT
ADMINISTRATION	$24,666
ACTUARIAL & CONSULTING	29,729
BONDING & INSURANCE	16,785
LEGAL	14,408
MEETING	3
PNC	256
PRINTING	241
TELEPHONE	26
SUBTOTAL	$86,114
TOTAL EXPENSES	$86,114

AVG. FULL TIME RETIREES ______ AVG. MONTHLY PAYOUT ______

FULL TIME
FOURTH QUARTER 2013
QUARTERLY RECAP

	FIRST 2013	SECOND 2013	THIRD 2013	FOURTH 2013	TOTAL
CONTRIBUTIONS	$2,270,988	$2,237,489	$2,169,827	$2,171,688	$8,849,992
MISCELLANEOUS	0	0	0	0	0
TOTAL INCOME	$2,270,988	$2,237,489	$2,169,827	$2,171,688	$8,849,992
BENEFIT EXPENSES					
PENSION BENEFITS	$0	$0	$0	$0	$0
SUBTOTAL	$0	$0	$0	$0	$0
OPERATING EXPENSES					
ADMINISTRATION	$25,408	$24,873	$24,654	$24,666	$99,601
OTHER	0	47	57,010	61,448	118,505
SUBTOTAL	$25,408	$24,920	$81,664	$86,114	$218,106
TOTAL EXPENSES	$25,408	$24,920	$81,664	$86,114	$218,106
TOTAL INCOME	$2,270,988	$2,237,489	$2,169,827	$2,171,688	$8,849,992
TOTAL EXPENSES	$25,408	$24,920	$81,664	$86,114	$218,106
SURPLUS (DEFICIT)	$2,245,580	$2,212,569	$2,088,163	$2,085,574	$8,631,886
AVERAGE INCOME	$113.99	$112.82	$110.66	$111.32	$112.20
AVERAGE EXPENSES	$1.28	$1.26	$4.16	$4.41	$2.78
SURPLUS (DEFICIT)	$112.71	$111.56	$106.50	$106.91	$109.42
TOTAL PARTICIPANTS	6,641	6,611	6,536	6,503	6,573

PART TIME
FOURTH QUARTER 2013

CONTRIBUTIONS

COMPANY	RATE	PARTICIPANTS	CONTRIBUTIONS
GIANT	$135.47	187	$75,864
GIANT TIER 2	0.30	7,368	675,368
GIANT SERVICE CLERKS L. 27	0.20	201	10,618
SAFEWAY	135.47	32	13,141
SAFEWAY DELAWARE	0.30	158	14,644
SAFEWAY TIER 2[1]	0.30	3,454	360,543
SAFEWAY SERVICE CLERKS L. 27[1]	0.20	198	12,792
TOTAL		11,598	$1,162,970

[1]INCLUDES ADJUSTMENTS FOR PRIOR MONTHS WITH PRIOR RATES

PART TIME
FOURTH QUARTER 2013
EXPENSES

BENEFIT EXPENSES

CATEGORY	AMOUNT
PENSION BENEFITS	$0
SUBTOTAL	$0

OPERATING EXPENSES

CATEGORY	AMOUNT
ADMINISTRATION	$44,181
ACTUARIAL & CONSULTING	52,851
BONDING & INSURANCE	29,841
LEGAL	25,613
MEETING	6
PNC	454
PRINTING	429
TELEPHONE	45
SUBTOTAL	$153,420
TOTAL EXPENSES	$153,420

AVG. PART TIME RETIREES AVG. MONTHLY PAYOUT

PART TIME
FOURTH QUARTER 2013
QUARTERLY RECAP

	FIRST 2013	SECOND 2013	THIRD 2013	FOURTH 2013	TOTAL
CONTRIBUTIONS	$1,162,061	$1,173,056	$1,154,465	$1,162,970	$4,652,552
MISCELLANEOUS	0	0	0	0	0
TOTAL INCOME	$1,162,061	$1,173,056	$1,154,465	$1,162,970	$4,652,552
BENEFIT EXPENSES					
PENSION BENEFITS	$0	$0	$0	$0	$0
SUBTOTAL	$0	$0	$0	$0	$0
OPERATING EXPENSES					
ADMINISTRATION	$45,168	$45,078	$44,862	$44,181	$179,289
OTHER	0	84	101,352	109,239	210,675
SUBTOTAL	$45,168	$45,162	$146,214	$153,420	$389,964
TOTAL EXPENSES	$45,168	$45,162	$146,214	$153,420	$389,964
TOTAL INCOME	$1,162,061	$1,173,056	$1,154,465	$1,162,970	$4,652,552
TOTAL EXPENSES	$45,168	$45,162	$146,214	$153,420	$389,964
SURPLUS (DEFICIT)	$1,116,893	$1,127,894	$1,008,251	$1,009,550	$4,262,588
AVERAGE INCOME	$32.17	$32.96	$32.62	$33.42	$32.79
AVERAGE EXPENSES	$1.25	$1.27	$4.13	$4.41	$2.77
SURPLUS (DEFICIT)	$30.92	$31.69	$28.49	$29.01	$30.02
TOTAL PARTICIPANTS	12,039	11,864	11,798	11,598	11,825

COMBINED
2013
QUARTERLY RECAPS

	FIRST 2013	SECOND 2013	THIRD 2013	FOURTH 2013	TOTAL
CONTRIBUTIONS[1]	$3,972,121	$4,470,370	$3,324,292	$3,334,658	$15,101,441
INTEREST & DIVIDENDS	11,608	38,357	68,649	1	118,615
MISCELLANEOUS	0	0	0	0	0
TOTAL INCOME	$3,983,729	$4,508,727	$3,392,941	$3,334,659	$15,220,056
BENEFIT EXPENSES					
PENSION BENEFITS	$0	$0	$0	$0	$0
SUBTOTAL	$0	$0	$0	$0	$0
OPERATING EXPENSES					
ADMINISTRATION	$70,576	$69,951	$69,516	$68,847	$278,890
OTHER	0	131	158,362	170,687	329,180
SUBTOTAL	$70,576	$70,082	$227,878	$239,534	$608,070
TOTAL EXPENSES	$70,576	$70,082	$227,878	$239,534	$608,070
TOTAL INCOME	$3,983,729	$4,508,727	$3,392,941	$3,334,659	$15,220,056
TOTAL EXPENSES	$70,576	$70,082	$227,878	$239,534	$608,070
SURPLUS (DEFICIT)	$3,913,153	$4,438,645	$3,165,063	$3,095,125	$14,611,986
TOTAL PARTICIPANTS	18,680	18,475	18,334	18,101	18,398

[1]1st Qtr - Includes Safeway start up contributions - $539,072.19
2nd Qtr - Includes Giant start up contributions - $1,059,825.25

DELINQUENCIES
FOURTH QUARTER 2013

NONE

INVOICES

MID-ATLANTIC UFCW & PARTICIPATING EMPLOYES PENSION FUND

INVOICES

April 3, 2014

1. **Cheiron**

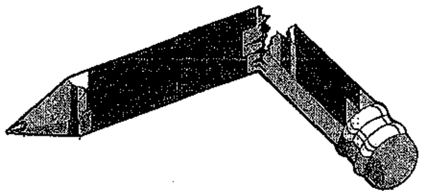
12/11/13	Retainer Services rendered – 11/13	$	4,083.33
12/11/13	Non-Retainer Services rendered – 11/13		2,930.00
01/17/14	Retainer Services rendered – 12/13		4,083.33
01/17/14	Non-Retainer Services rendered - 12/13		1,364.00
02/24/14	Retainer Services rendered – 01/14		4,083.33
02/24/14	Non-Retainer Services rendered – 01/14		1,568.50

2. **Morgan, Lewis & Bockius, L.L.P.**

11/30/13	Professional Services rendered – 10/13	$	1,170.00
03/11/14	Professional Services rendered – 01/14		4,686.00

4. **Slevin & Hart P.C.**

11/26/13	Professional Services rendered – 10/13	$	3,528.55
12/23/13	Professional Services rendered – 11/13		2,015.50
01/29/14	Professional Services rendered – 12/13		2,437.90
02/27/14	Professional Services rendered – 01/14		1,740.11



MEETING NOTES