Mid-Atlantic UFCW and Participating Employers Pension Fund

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MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF TRUSTEES OF THE
MID-ATLANTIC UFCW AND PARTICIPATING EMPLOYERS
PENSION FUND
JULY 19, 2017
VIA CONFERENCE CALL

The following Trustees were present:

UNION TRUSTEES	EMPLOYER TRUSTEES
M. Federici - Chairman	J. Paradis - Secretary
T. Hipkins	D. Dosenbach
C. Hoffmann	W. Meisen
G. Murphy, Jr.	

Also present were:

H. Burton - Morgan, Lewis & Bockius, LLP
J. Chorpenning - UFCW Local 27
L. DuVall - Associated Administrators, LLC
W. Jensen - Associated Administrators, LLC
D. Russell - Investment Performance Services
S. Sanchez - Slevin & Hart, P.C.
R. Sichel - Investment Performance Services

I. CALL TO ORDER

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

It was noted that this is a special meeting to review the recommendations from Investment Performance Service regarding additional diversification of the Fund's investment portfolio.

II. INVESTMENT PERFORMANCE SERVICES ("IPS")

The Trustees welcomed Mr. Richard Sichel and Mr. David Russell of IPS to the conference call.

Mr. Sichel said that the recommendations from IPS had been distributed at the July 13, 2017 Board of Trustees meeting.

Mr. Sichel reviewed the revised recommended target asset allocation, which is 25% to Large Cap Equities, 10% to Small to Midcap Equities, 10% to High Yield Fixed Income, 10% to Real Estate, 5% to Value Added Real Estate, 5% to Opportunistic Investments, 5% to Private Equities, and 30% to Global Tactical Asset Allocation.

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

> **RESOLVED to approve the revised asset allocation as recommended by Investment Performance Services.**

A. Small/Mid Cap Equity Portfolio

For the Small/Mid Cap Equity Portfolio, Great Lakes and Rothschild were interviewed at the July 13, 2017 meeting for investment of an $8 million dollar allocation in the Small/Midcap Equity Portfolio, based on the target allocation just adopted. Mr. Sichel advised that either manager would be a good choice for the Fund. After discussion,

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

> **RESOLVED to hire Rothschild for an $8 million dollar allocation for Small/Mid Cap Equity, subject to completion of an acceptable contract.**

B. Value Added/Core Plus Real Estate Proposal

Mr. Sichel outlined the proposal submitted by Intercontinental at the July 13, 2017 meeting. Intercontinental offers a Core Plus Real Estate product, with 50% of the portfolio considered core real estate, and approximately 40% of the portfolio allocated to leverage investments. It is the added leverage that qualifies it as a “Core Plus” real estate investment. He recommended hiring Intercontinental with a $4 million dollar allocation.

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

> **RESOLVED to hire Intercontinental Real Estate Corporation with a $4 million dollar allocation to Value Added/Core Plus Real Estate, subject to completion of an acceptable contract.**

C. Opportunistic Investment

Mr. Sichel said that the two opportunistic investment firms which had presented at the meeting on July 13, 2017 could both be hired with an allocation for the asset class split between both firms. He recommended a $3 million dollar commitment to Corbin and a $2 million dollar commitment to EntrustPermal.

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

> **RESOLVED to hire Corbin Capital Partners with a $3 million dollar commitment and to hire EntrustPermal with a $2 million dollar commitment, subject to completion of acceptable contracts.**

D. Private Equity

Mr. Sichel said that an $8 million dollar allocation to Private Equity is recommended by IPS. He outlined the proposals of Portfolio Advisors and CM Grosvenor and stated that either manager would be a good choice for the Fund. After discussion,

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

> **RESOLVED to approve an $8 million dollar allocation to CM Grosvenor, subject to completion of an acceptable contract.**

Mr. Sichel said that the source of funding for new managers would be First Eagle Global Tactical Asset Allocation ("GTAA") and incoming cash flow from contributions that are exceeding expenses.

III. ADJOURNMENT

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

Respectfully submitted,

Jason Paradis, Secretary

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