Mid-Atlantic UFCW and Participating Employers Pension Fund

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**MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF THE
MID-ATLANTIC UFCW AND PARTICIPATING EMPLOYERS
PENSION FUND
SEPTEMBER 18, 2014
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
P. Hardcastle – Cheiron
J. Harrison – UFCW Local 27
M. Herwig - PNC Bank
W. Jensen – Associated Administrators, LLC
J. Lewis – UFCW Local 400
E. Masten – UFCW Local 27
C. Murphy – Associated Administrators, LLC
J. Paradis – Ahold USA
R. Sichel – Investment Performance Services
B. Slevin – Slevin & Hart, P.C.
D. White – Giant Food
C. Wiszynski – UFCW Local 400
K. Woodrich - Cheiron

I. CALL TO ORDER

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

II. MINUTES

The Trustees read the minutes of the last regular meetings held on June 20, 2014, and the policy committee minutes of July 18, 2014, 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 June 20, 2014 and the policy committee minutes of July 18, 2014 were approved, subject to review by Fund 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 $11,961,273, earnings of $1,315,798, receipts of $9,405,320, and disbursements of $703,247, resulting in an ending market value of $21,979,144 as of August 31, 2014.

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

B. Investment Performance Services

The Trustees welcomed Mr. Rich 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 $19,272,968. The performance was 4.5% for the second quarter 2014.

Mr. Sichel then reviewed the Preliminary Performance for the period ended August 31, 2014. He noted the ending market value was $21,878,040.

Mr. Sichel next reviewed the Transition Summary report dated September 18, 2014. Mr. Sichel noted that the Vanguard and American Realty contracts have been approved by Co-

Counsel and were pending execution by the Trustees. He noted that the Chartwell contract had been executed by the Trustees, but that the manager requires the investment policy statement and addendum specific to the portfolio prior to fund and the investment policy was pending adoption/execution by the Trustees. He further noted that First Eagle was funded with $8.5 million from PIMCO effective August 1, 2014.

After discussion,

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

RESOLVED to adopt the recommendations by IPS.

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

IV. ACTUARY'S REPORT

The Trustees welcomed Mr. Kevin Woodrich of Cheiron to the meeting. Mr. Woodrich reviewed the Schedule B to the 5500.

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

V. ATTORNEYS' REPORT

A. Investment Policy

Mr. Slevin reported that counsel had worked with IPS on an investment policy. He discussed the issue of who will make investment decisions.

B. Determination Letter Application

Mr. Slevin discussed the application to the IRS for a determination of tax qualification. He discussed an issue of interpretation that had arisen in the context of the FELRA & UFCW Pension Fund. The Trustees agreed that if a participant had the same amount of full-time and part-time service, the death benefit amount is to be calculated by totaling the full-time and part-time death benefit amounts and then dividing by 2 to arrive at the amount of the death benefit. This clarification should be included in the restated Plan.

C. Investment Contracts

Mr. Slevin discussed the status of the contracts with American Realty Advisors, First Eagle, and Chartwell.

D. Fund Documentation

Mr. Slevin discussed 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."

VI. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2014

Mr. Jensen presented the administrative manager's report for the second quarter 2014, which had been pre-circulated. Such report indicated contribution income of $3,230,859 and interest and dividend income of $133,382, resulting in a total income of $3,364,241. Total expenses were $281,029, producing a net operating surplus of $3,083,212 for the first quarter 2014. Contributions were remitted on behalf of 17,955 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 were 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. NEXT MEETING DATE AND LOCATION

The Trustee noted that their next meeting was scheduled for December 11, 2014 to be held in Landover, Maryland.

IX. ADJOURNMENT

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

Respectfully submitted,

Ward Kraemer, Secretary

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