Segal Consulting

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May 21, 2018

Board of Trustees
UFCW Unions and Participating Employers Health and Welfare Fund
Landover, Maryland

Re: **Reserve Determination through April 30, 2018**

Dear Trustees:

Attached is a report which provides the calculation of the Fund's reserve position based on PNC statements for the period May 1, 2017 through April 30, 2018.

At this time, no action is required because the Fund is currently at 3.63 months, which is between two and four months of reserves.

We look forward to reviewing this information with you further. Please let us know if you have questions.

Sincerely,

Mitch Bramstaedt	Christopher Heppner, ASA, MAAA
Senior Vice President	Senior Vice President and Consulting Actuary
Midwest Regional Leader	

cc: Mr. Josh Timm

mwb/ch/tw/baa

Attachment (5745173)

5745172v1/13783.005

Segal Consulting

United Food and Commercial Workers (UFCW) Unions and Participating Employers Health and Welfare Fund

Reserve Determination Report

PNC Statements Through April 30, 2018

Administrative Manager’s Reports Through December 31, 2017

May 2018

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Most Recent Reserve Position Based on PNC Statements

- To date, the reserve adjustments under the August 25, 2017 MOA are all zero.

Historical Reserve Position based on PNC Statements												
	5/31/2017	6/30/2017	7/31/2017	8/31/2017	9/30/2017	10/31/2017	11/30/2017	12/31/2017	1/31/2018	2/28/2018	3/31/2018	4/30/2018
A) PNC Statement (Beginning of Month)	$5,732,375	$6,393,797	$5,397,806	$5,612,963	$5,671,043	$6,282,247	$6,281,330	$6,311,466	$6,432,670	$6,944,961	$7,422,444	$7,688,789
B) PNC Receipts and Earnings	$3,881,504	$3,180,143	$3,292,857	$0	$0	$3,806,463	$4,023,665	$3,475,091	$3,303,463	$2,451,058	$2,533,022	$2,609,186
C) PNC Disbursements	($3,220,082)	($4,176,134)	($3,077,700)	$0	$0	($3,807,380)	($3,993,529)	($3,353,887)	($2,791,172)	($1,973,575)	($2,266,677)	($2,431,666)
D) Monthly Surplus/(Deficit) (B)+(C)	$661,422	($995,991)	$215,156	$58,080	$611,204	($917)	$30,136	$121,204	$512,291	$477,483	$266,345	$177,520
1) PNC Statement (End of Month) (A)+(D)	**$6,393,797**	**$5,397,806**	**$5,612,963**	**$5,671,043**	**$6,282,247**	**$6,281,330**	**$6,311,466**	**$6,432,670**	**$6,944,961**	**$7,422,444**	**$7,688,789**	**$7,866,309**
A) Kroger Roanoke Retirees Adjustment [1]	$33,771	$77,716	$27,587	($25,395)	($44,706)	($96,917)	($120,312)	($137,604)	($148,880)	($148,880)	($148,880)	($148,880)
B) Unrealized Amortized Reserve Adjustments	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2) Total Adjustments (A)+(B)	**$33,771**	**$77,716**	**$27,587**	**($25,395)**	**($44,706)**	**($96,917)**	**($120,312)**	**($137,604)**	**($148,880)**	**($148,880)**	**($148,880)**	**($148,880)**
3) Total MOB Assets After Adjustments (1)+(2)	**$6,427,568**	**$5,475,522**	**$5,640,550**	**$5,645,648**	**$6,237,541**	**$6,184,413**	**$6,191,154**	**$6,295,066**	**$6,796,081**	**$7,273,564**	**$7,539,909**	**$7,717,429**
4) MOB Expenses[2]	**$26,699,227**	**$25,554,322**	**$25,554,322**	**$25,554,322**	**$24,952,679**	**$24,952,679**	**$24,952,679**	**$25,518,174**	**$25,518,174**	**$25,518,174**	**$25,518,174[3]**	**$25,518,174[3]**
5) Number of Reserve Months (3) / (4) * 12	**2.89**	**2.57**	**2.65**	**2.65**	**3.00**	**2.97**	**2.98**	**2.96**	**3.20**	**3.42**	**3.55**	**3.63**

[1] *Includes incurred but not reported claims less any payments already made by Kroger.*
[2] *Based on paid expenses as provided in Associated's AMRs for the prior twelve-month period.*
[3] *The MOB Expenses will be updated when the AMR through March 31, 2018 becomes available.*

- The reserves and assets reflect the one-time lump sum payment of $315,000 in September 2017 by Shoppers per the MOA dated August 25, 2017.