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UFCW Unions and Participating Employers Pension Fund

2013 Principal Actuarial Valuation Results

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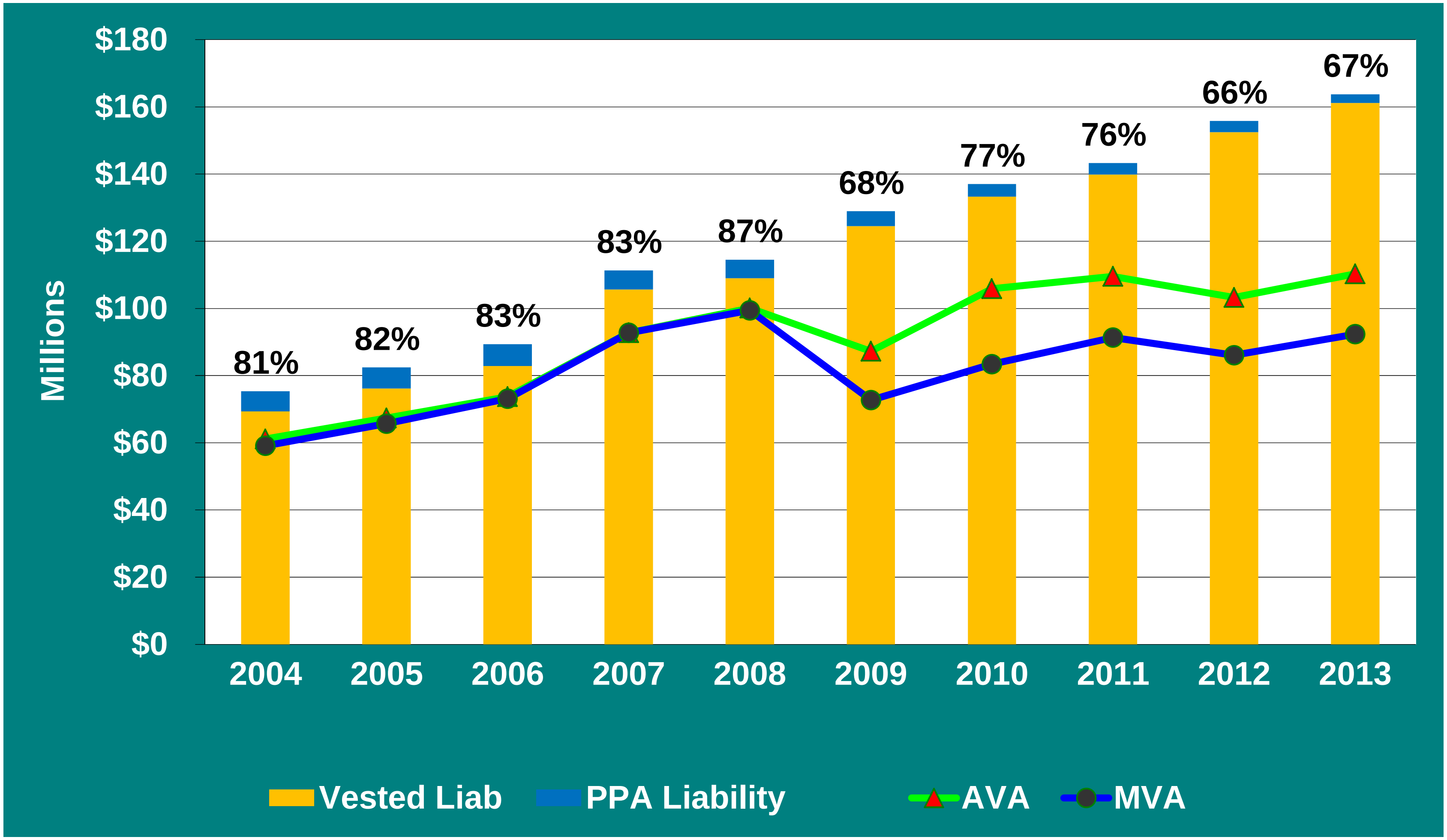
September 18, 2013

Topics

- Historical Review
  - Assets and Liabilities
  - Minimum Funding
  - Participants
  - Annual Cash Flows
  - Gain/(Loss) Experience
- Principal 2013 Valuation Results
- Key Results
- Projections
- Disclosure

Historical Assets and Liabilities



Ratios at the top of the bars are actuarial assets / PPA liabilities.

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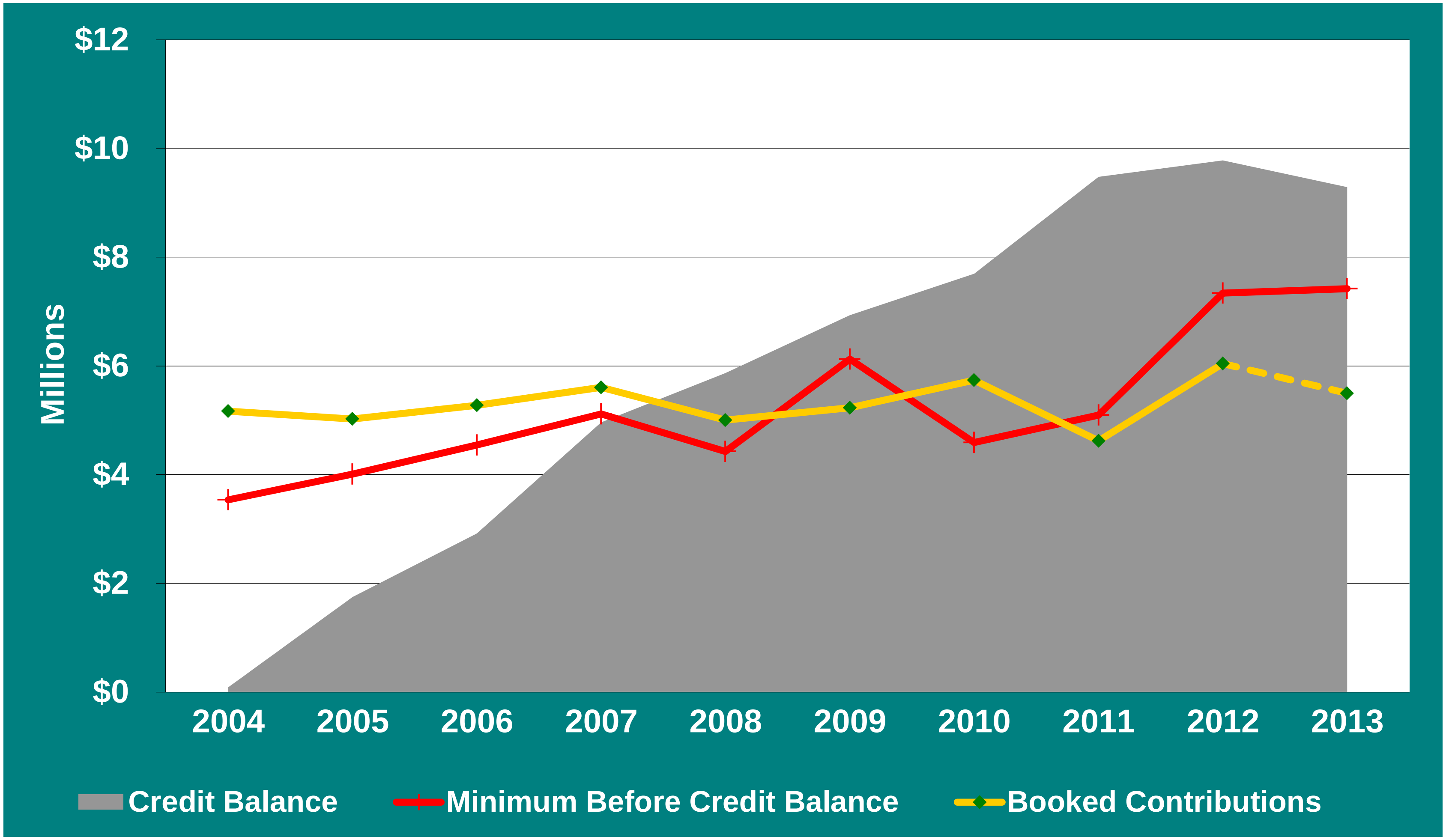
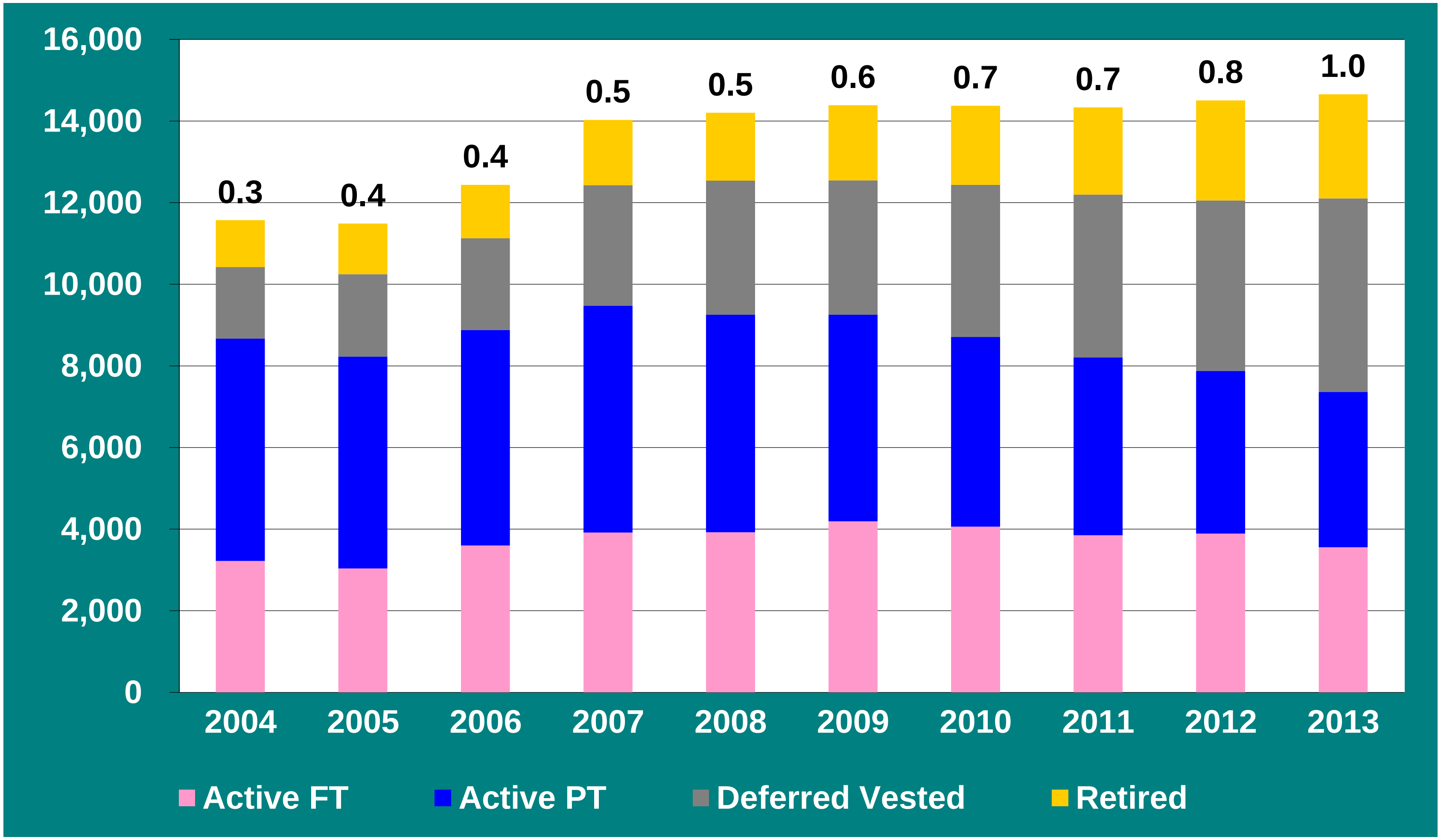
Historical Minimum Funding



Historical Participants



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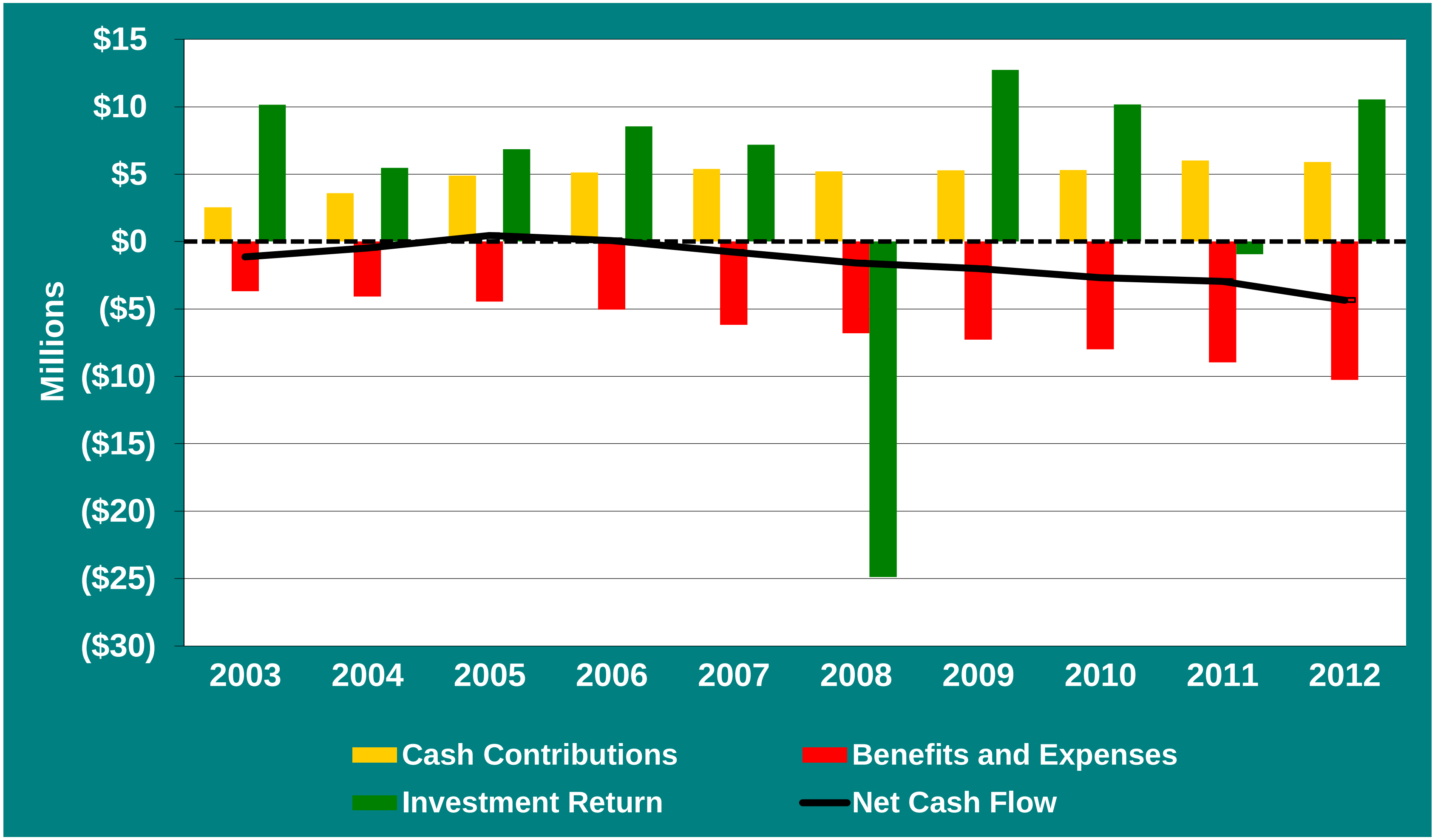
Historical Cash Flows



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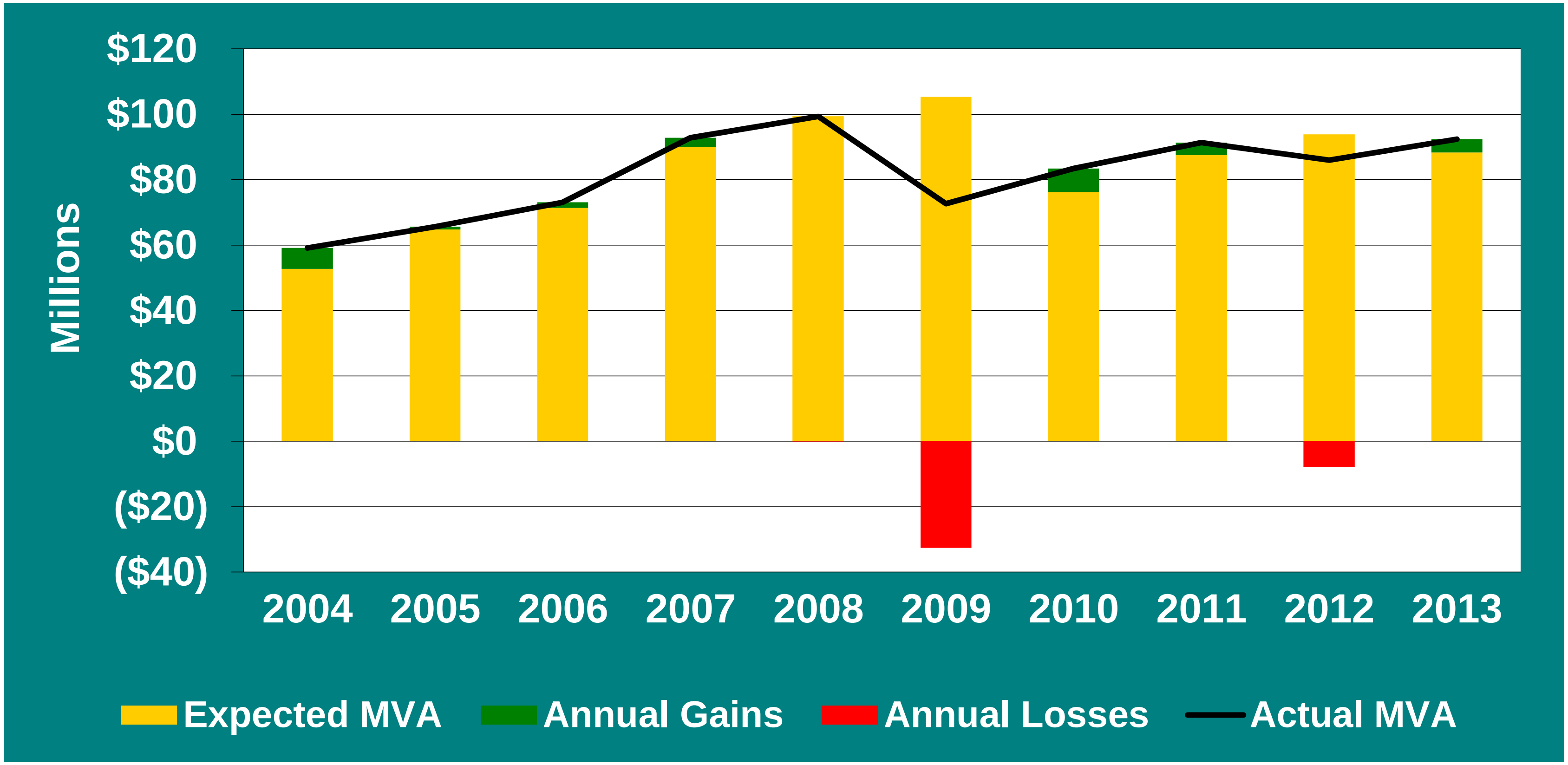
Historical Asset Experience



Total Gain/(Loss)	$ (13.4)
As a % of 1/1/2013 Assets	-14.5%
$ Weighted Annualized Ret.	6.34%

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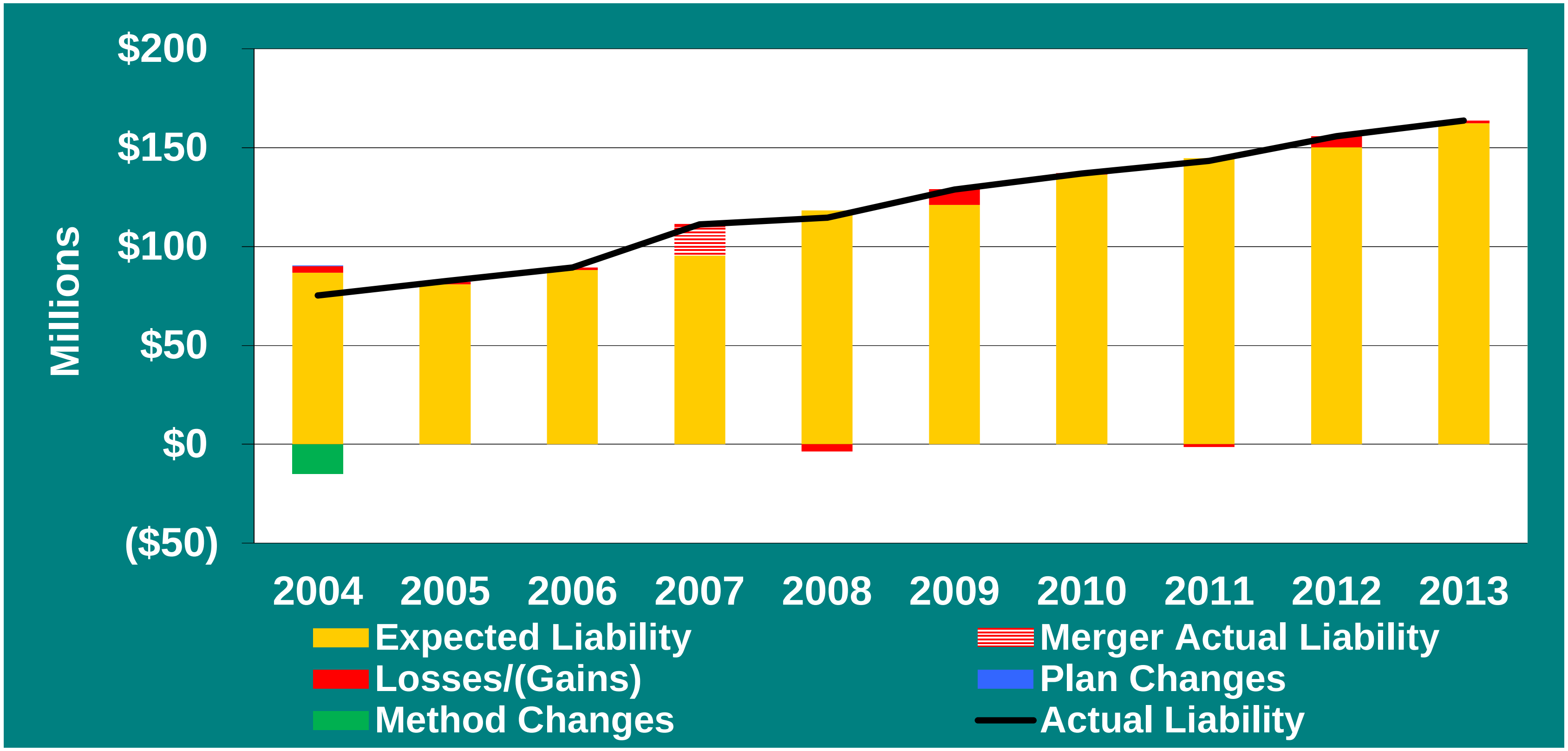
Historical Liability Experience



Total Plan Changes	$	0.7
as a % of Liability		0.5%
Total Method Changes	$	(15.0)
as a % of Liability		-9.2%
Total Liab Loss/(Gain)	$	18.0
as a % of Liability		11.0%

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Principal 2013 Valuation Results

		2012		2013	% Chg.
Liabilities					
Actuarial Liability (UC for Funding)	$	155,812,450	$	163,768,441	5.1%
Accrued Liability (for PPA and FAS35)	$	155,812,450	$	163,768,441	5.1%
Vested Liability	$	152,512,927	$	161,150,910	5.7%
Assets					
Market	$	86,037,616	$	92,362,622	7.4%
Actuarial	$	103,245,139	$	110,307,589	6.8%
Unfunded (using actuarial value of assets)					
Actuarial	$	52,567,311	$	53,460,852	1.7%
Accrued	$	52,567,311	$	53,460,852	1.7%
Vested	$	49,267,788	$	50,843,321	3.2%
Minimim Funding					
Credit Balance at Beginning of Year	$	9,781,878	$	9,291,435	-5.0%
Minimum Funding Requirement before Credit Balance		7,339,405		7,422,871	1.1%
Minimum Funding Contribution*		6,044,307		*5,500,000*	-9.0%
Credit Balance at End of Year	$	9,291,435	$	8,147,266	-12.3%
Participants					
Active		7,875		7,358	-6.6%
Deferred Vested		4,180		4,745	13.5%
Retired		2,455		2,557	4.2%

* *estimated*

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Key Results

- MVA returned 10.9%
  AVA returned 9.8% *(assumption = 8.0%)*

- Asset Gain of $2.1 million
  Liability Loss of $1.5 million

- The PPA funding ratio (AVA/AL) increased from 66.3% to 67.4%

- The credit balance decreased from $9.8 million to $9.3 million and is expected to decrease to $8.1 million as of 1/1/2014

- Overall net losses and decline in hours since 2010 are likely to lead to not meeting “schedule progress” for 2014 PPA certification

Projection

2013 Valuation with Bargained Increases

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MFD 2016
Insolvent PYB none
Emergence 2041

Discount Assump 8.00% New Entrant Profile 1 Contributions B

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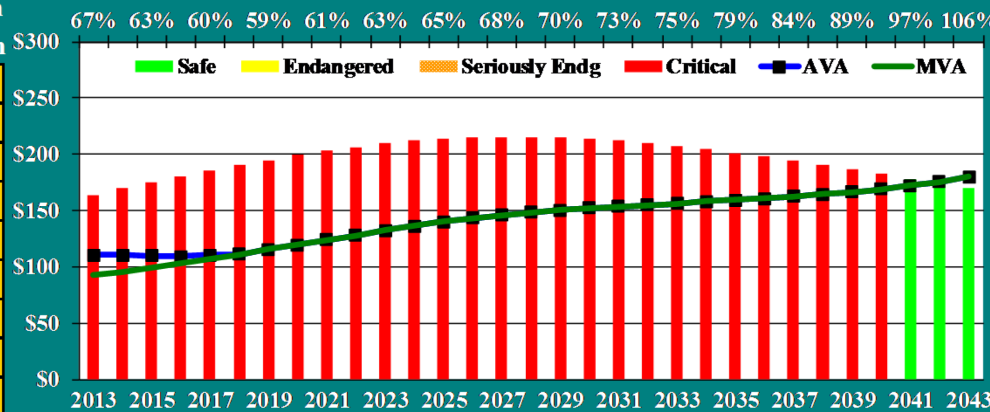
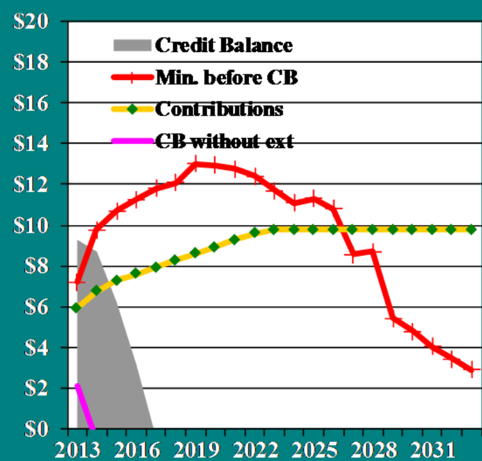
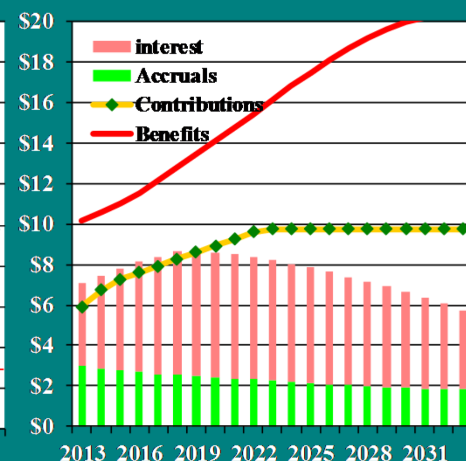
PYB	Return	Cont	Ben	Mem grwth
2013	8.00%	0.0%	0%	0%
2014	8.00%	0.0%	0%	0%
2015	8.00%	0.0%	0%	0%
2016	8.00%	0.0%	0%	0%
2017	8.00%	0.0%	0%	0%
2018	8.00%	0.0%	0%	0%
2019	8.00%	0.0%	0%	0%
2020	8.00%	0.0%	0%	0%
2021	8.00%	0.0%	0%	0%
2022	8.00%	0.0%	0%	0%
2023	8.00%	0.0%	0%	0%
2024	8.00%	0.0%	0%	0%
2025	8.00%	0.0%	0%	0%
2026	8.00%	0.0%	0%	0%
2027	8.00%	0.0%	0%	0%
2028	8.00%	0.0%	0%	0%
2029	8.00%	0.0%	0%	0%
2030	8.00%	0.0%	0%	0%
2031	8.00%	0.0%	0%	0%
2032	8.00%	0.0%	0%	0%
AVE	8.00%			







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Projection

2013 Valuation with Bargained Increases Plus Future RP Increases

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MFD 2019
Insolvent PYB none
Emergence 2030

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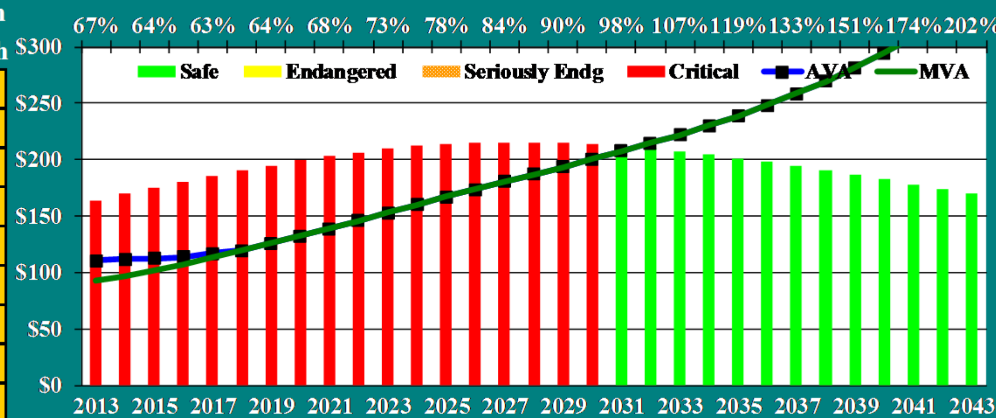
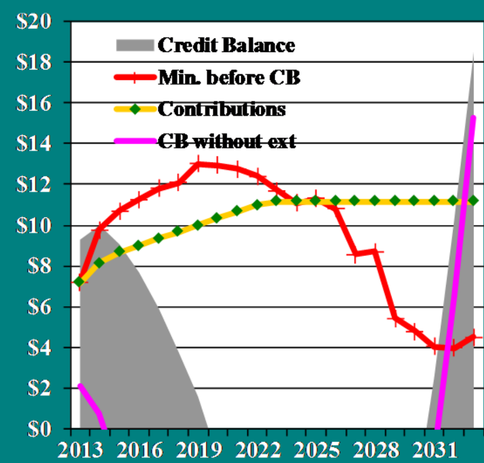
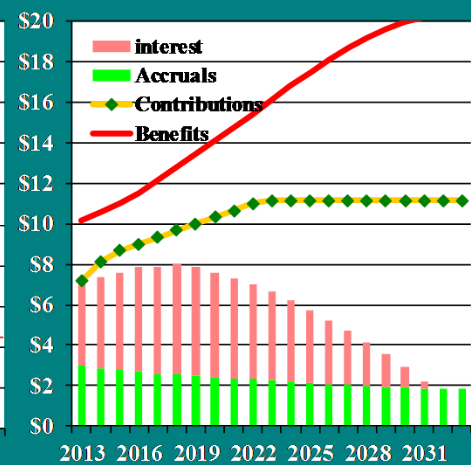
Discount Assump 8.00% New Entrant Profile 1 Contributions S

PYB	Return	Cont	Ben	Mem grwth
2013	8.00%	0.0%	0%	0%
2014	8.00%	0.0%	0%	0%
2015	8.00%	0.0%	0%	0%
2016	8.00%	0.0%	0%	0%
2017	8.00%	0.0%	0%	0%
2018	8.00%	0.0%	0%	0%
2019	8.00%	0.0%	0%	0%
2020	8.00%	0.0%	0%	0%
2021	8.00%	0.0%	0%	0%
2022	8.00%	0.0%	0%	0%
2023	8.00%	0.0%	0%	0%
2024	8.00%	0.0%	0%	0%
2025	8.00%	0.0%	0%	0%
2026	8.00%	0.0%	0%	0%
2027	8.00%	0.0%	0%	0%
2028	8.00%	0.0%	0%	0%
2029	8.00%	0.0%	0%	0%
2030	8.00%	0.0%	0%	0%
2031	8.00%	0.0%	0%	0%
2032	8.00%	0.0%	0%	0%
AVE	8.00%			







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Required Disclosures

- *In preparing this presentation, we relied without audit, on information supplied by the Fund Office and the Fund auditor.*

- *The actuarial assumptions, data and methods are those used in the preparation of the January 1, 2013 actuarial valuation report.*

- *The assumptions reflect our understanding of the likely future experience of the Plan and the assumptions as a whole represent our best estimate for the future experience of the Plan. The results of this report are dependent upon future experience conforming to these assumptions. To the extent that future experience deviates from the actuarial assumptions, the true cost of the plan could vary from our results.*

- *I certify that, to the best of my knowledge, this report and its contents, which are work products of Cheiron, Inc., are complete and have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as a credentialed actuary, I meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.*

- *Cheiron's report was prepared solely for the Trustees of the UFCW Unions and Participating Employers Pension Fund for the purposes described therein, except that the plan auditor may rely on the report solely for the purpose of completing an audit related to the matters herein. Cheiron does not intend to benefit any other person who receives the report and assumes no duty or liability to such a person.*