Classic Values, Innovative Advice

UFCW and Participating Employers Pension Fund

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Topics

- Draft Valuation Results

- Rehabilitation Plan

Draft Valuation Results ($ in millions)

	2018	2019	Change
MV Assets 1/1	$120.4	$110.1	(8.6%)
AV Assets 1/1	$118.9	$118.6	(0.0%)
Liabilities 1/1	$202.1	$209.2	3.5%
Funding Ratio 1/1	58.9%	56.7%	
Beginning Credit Balance 1/1	($1.3)	($7.6)	
Minimum Contribution	$14.5	$16.0	
Contributions (over year)	$8.0	$6.9 est	
Ending Credit Balance 12/31	($7.6)	($17)	

2018 Experience

	Expected	Actual	Gain / (Loss)
Assets	$122.0	$118.6	($3.4)
Liabilities	$207.2	$209.2	($2.0)

- Assets returned (3.75%) on market value and 4.75% on actuarial value less than the assumed return of 7.75%
- The 3% underperformance on actuarial value led to the $3.4 million loss
- Liability loss attributable to data changes and experience
- The data changes resulted in a $1.1 million loss
- Experience resulted in a $0.9 million loss

Rehabilitation Plan

- Requirement to consider RP on an annual basis

- RP is operating under reasonable measures to emerge from critical status *eventually*

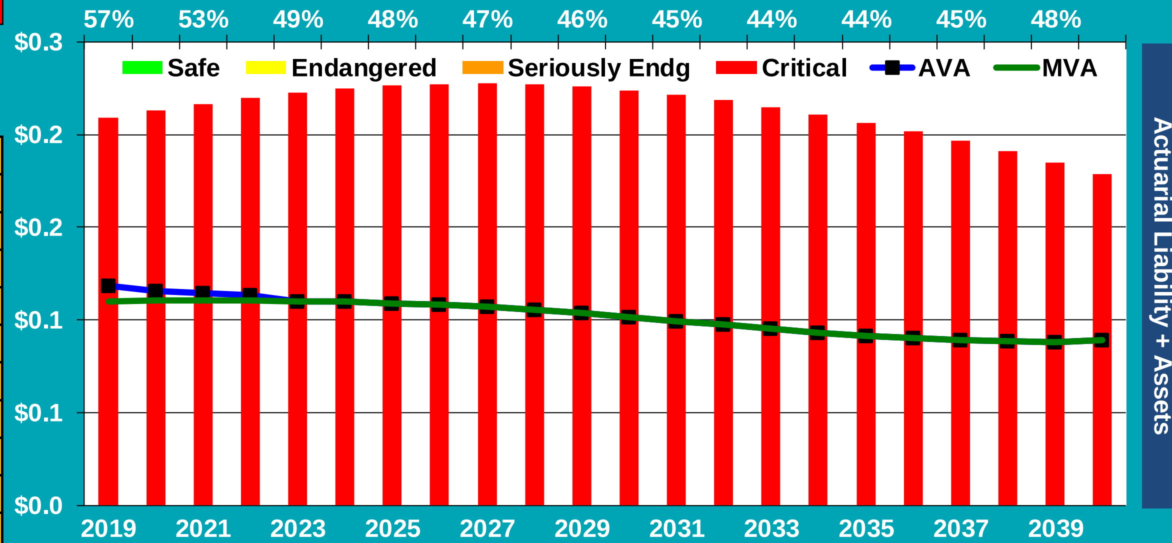
Emergence Projection (2019 val.)

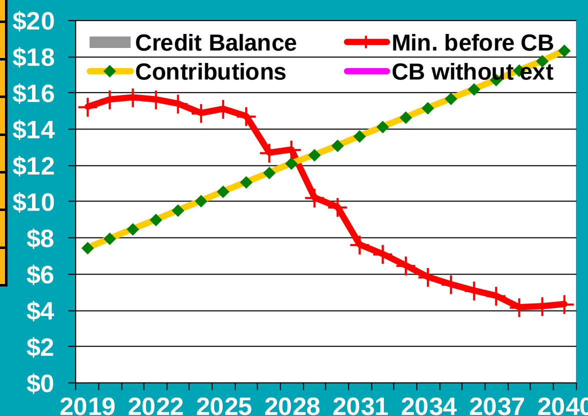
MFD	2019
Insolvent PYB	None
Emergence	2047

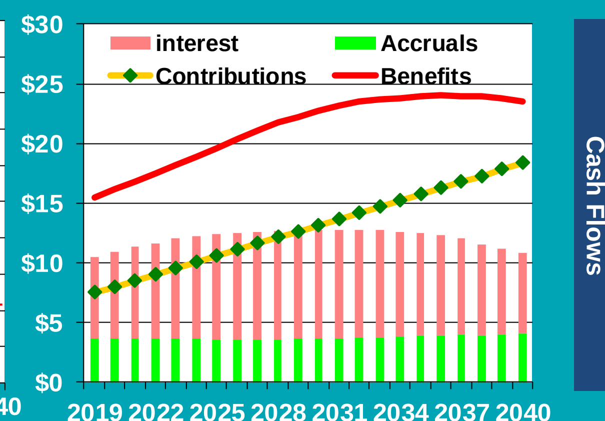
2019 Return	#N/A
New Entrant Profile	2
Elect Critical In	None

2017

PYB	Return	Cont	Ben	Mem Grwth
2019	7.75%	6.9%	0.0%	0.0%
2020	7.75%	6.5%	0.0%	0.0%
2021	7.75%	6.1%	0.0%	0.0%
2022	7.75%	5.7%	0.0%	0.0%
2023	7.75%	5.4%	0.0%	0.0%
2024	7.75%	5.1%	0.0%	0.0%
2025	7.75%	4.9%	0.0%	0.0%
2026	7.75%	4.7%	0.0%	0.0%
2027	7.75%	4.4%	0.0%	0.0%
2028	7.75%	4.3%	0.0%	0.0%
2029	7.75%	4.1%	0.0%	0.0%
2030	7.75%	3.9%	0.0%	0.0%
2031	7.75%	3.8%	0.0%	0.0%
2032	7.75%	3.6%	0.0%	0.0%
2033	7.75%	3.5%	0.0%	0.0%
2034	7.75%	3.4%	0.0%	0.0%
2035	7.75%	3.3%	0.0%	0.0%
2036	7.75%	3.2%	0.0%	0.0%
2037	7.75%	3.1%	0.0%	0.0%







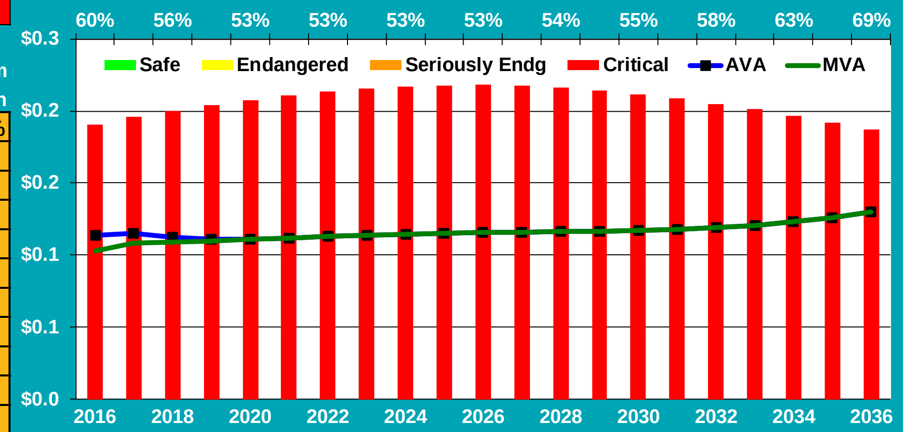
Emergence Projection (2016 val.)

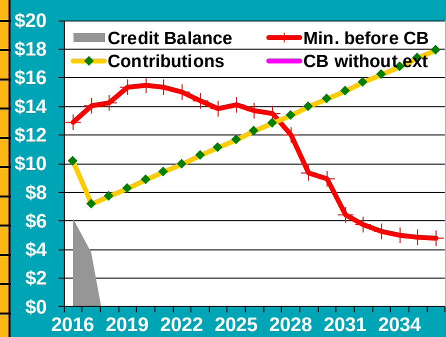
CHEIRON

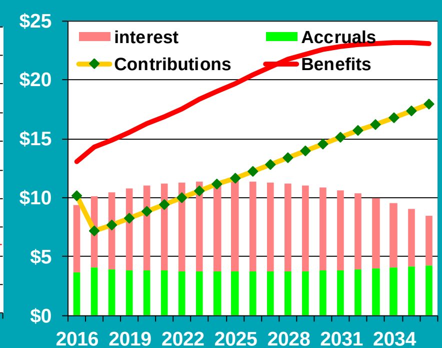
MFD	2017	Discount Assump	7.75%
Insolvent PYB	None	Liability Run	1
Emergence	2040	Apply Base Rate	No
		Base Rate	1.00
		Apply Max	No
		Apply to all Shoppers	No

2001

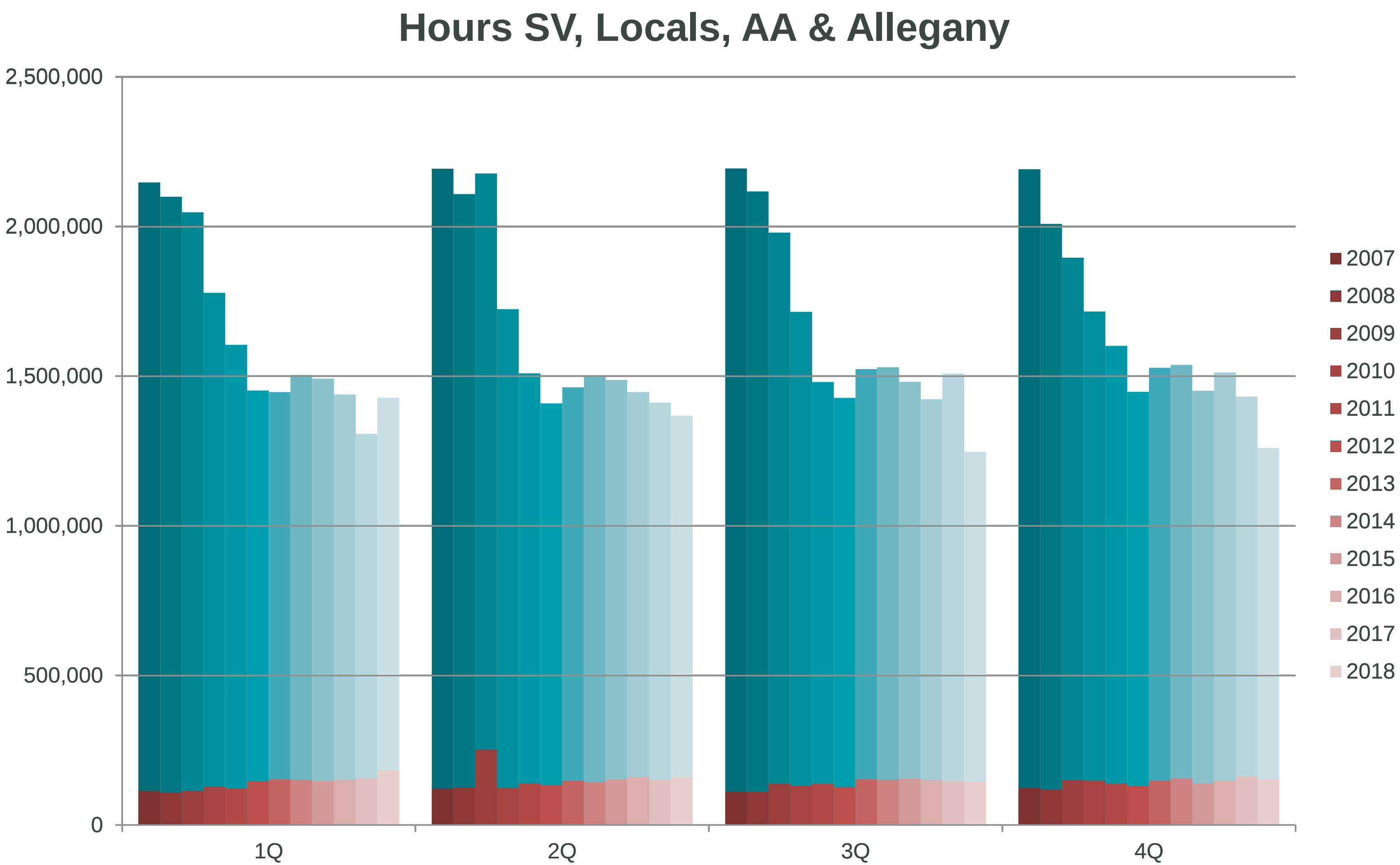
PYB	Return	Cont %	Cont $	Ben	Mem Grwth
2016	7.65%	8.7%	0	0.0%	-15.0%
2017	7.75%	8.0%	0	0.0%	0.0%
2018	7.75%	7.4%	0	0.0%	0.0%
2019	7.75%	6.9%	0	0.0%	0.0%
2020	7.75%	6.5%	0	0.0%	0.0%
2021	7.75%	6.1%	0	0.0%	0.0%
2022	7.75%	5.7%	0	0.0%	0.0%
2023	7.75%	5.4%	0	0.0%	0.0%
2024	7.75%	5.1%	0	0.0%	0.0%
2025	7.75%	4.9%	0	0.0%	0.0%
2026	7.75%	4.7%	0	0.0%	0.0%
2027	7.75%	4.4%	0	0.0%	0.0%
2028	7.75%	4.3%	0	0.0%	0.0%
2029	7.75%	4.1%	0	0.0%	0.0%
2030	7.75%	3.9%	0	0.0%	0.0%
2031	7.75%	3.8%	0	0.0%	0.0%
2032	7.75%	3.6%	0	0.0%	0.0%
2033	7.75%	3.5%	0	0.0%	0.0%
2034	7.75%	3.4%	0	0.0%	0.0%
2035	7.75%	3.3%	0	0.0%	0.0%
2036	7.75%	3.2%	0	0.0%	0.0%
2037	7.75%	3.1%	0	0.0%	0.0%
2038	7.75%	3.0%	0	0.0%	0.0%
2039	7.75%	2.9%	0	0.0%	0.0%
2040	7.75%	2.8%	0	0.0%	0.0%
2041	7.75%	2.7%	0	0.0%	0.0%
2042	7.75%	2.7%	0	0.0%	0.0%
2043	7.75%	2.6%	0	0.0%	0.0%
2044	7.75%	2.5%	0	0.0%	0.0%
2045	7.75%	2.5%	0	0.0%	0.0%
AVE	7.74%				







Hours 2007 to 2018 by Quarter



2.8% decline 2016/7, 6.3% decline 2017/8

P-Scan Stress Testing

Reliance

In preparing this presentation, we relied on information (some oral and some written) supplied by the Fund Office. This information includes, but is not limited to, the plan provisions, employee data, and financial information. This analysis was based on the current assumptions and methods, financial data, and membership data through 12/31/2018. Details regarding assumptions, methods, and participant valuation data are outlined in the 2018 Actuarial Valuation Report, which is required for a complete understanding of the results contained herein. Actual results can be expected to differ to the extent that future experience differs from the actuarial assumptions used.

This presentation and its contents 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 actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not an attorneys and our firm does not provide any legal services or advice.

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