UFCW and FELRA
Severance Fund

Classic Values, Innovative Advice

2017 Valuation Results and Discussion

January 10, 2018

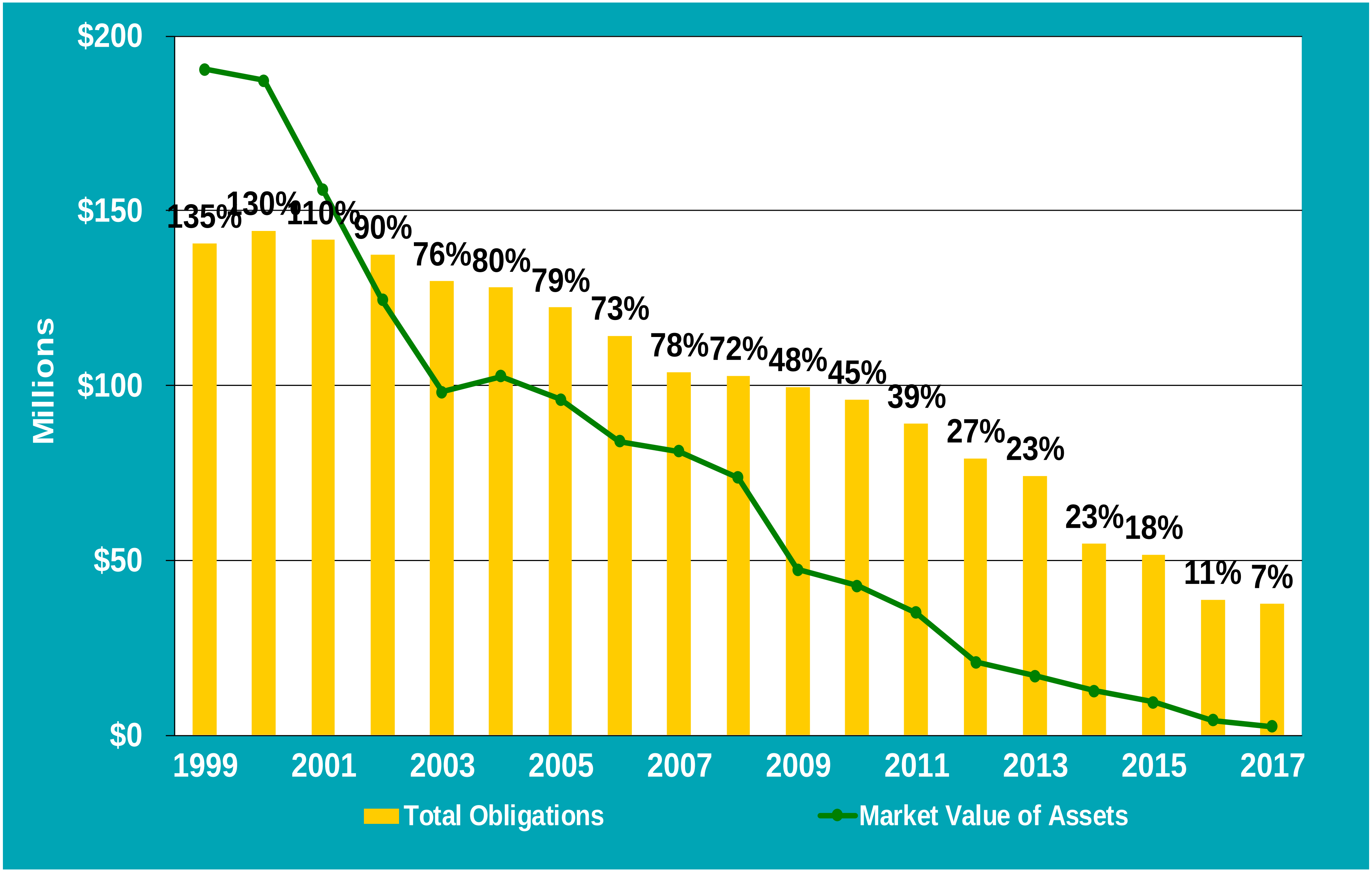
Christopher J. Mietlicki, ASA

FOR DISCUSSION PURPOSES

Topics

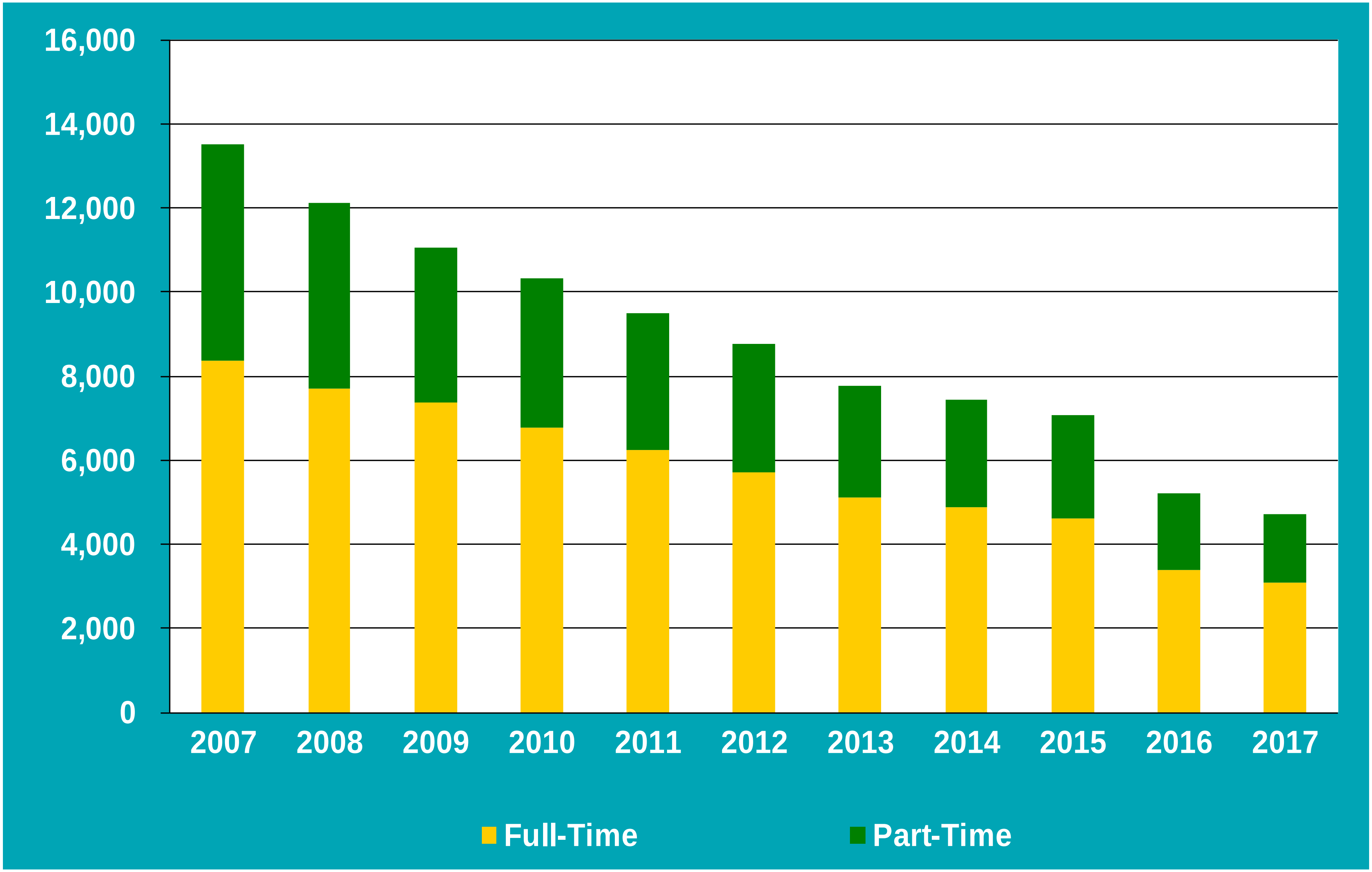
- Historical Information
- Items of Note
- Current Status
- Future Outlook

Historical Information - Assets and Liabilities



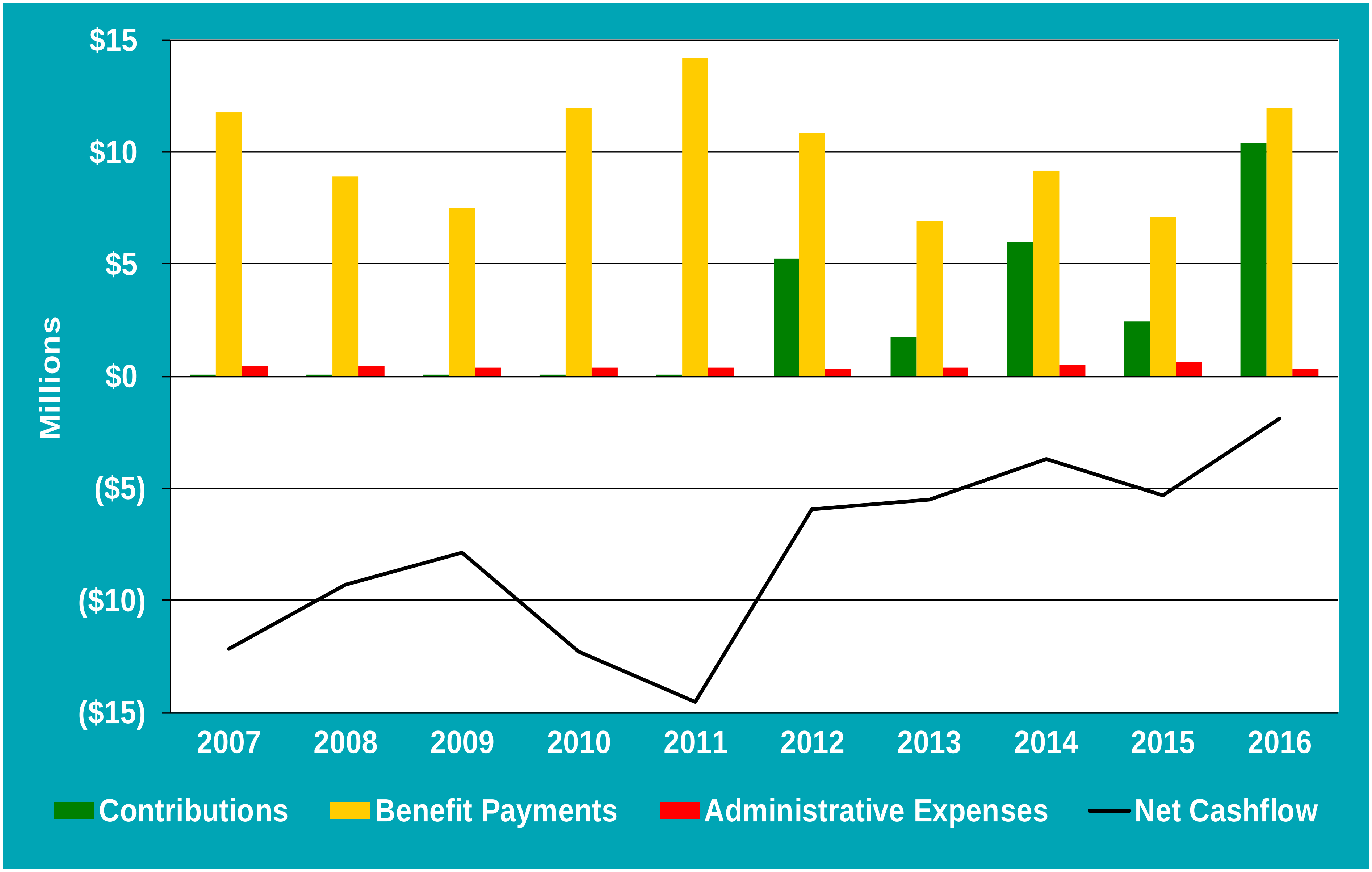
FOR DISCUSSION PURPOSES

Historical Information – Participant Counts



FOR DISCUSSION PURPOSES

Historical Information - Cashflows



FOR DISCUSSION PURPOSES

Items of Note

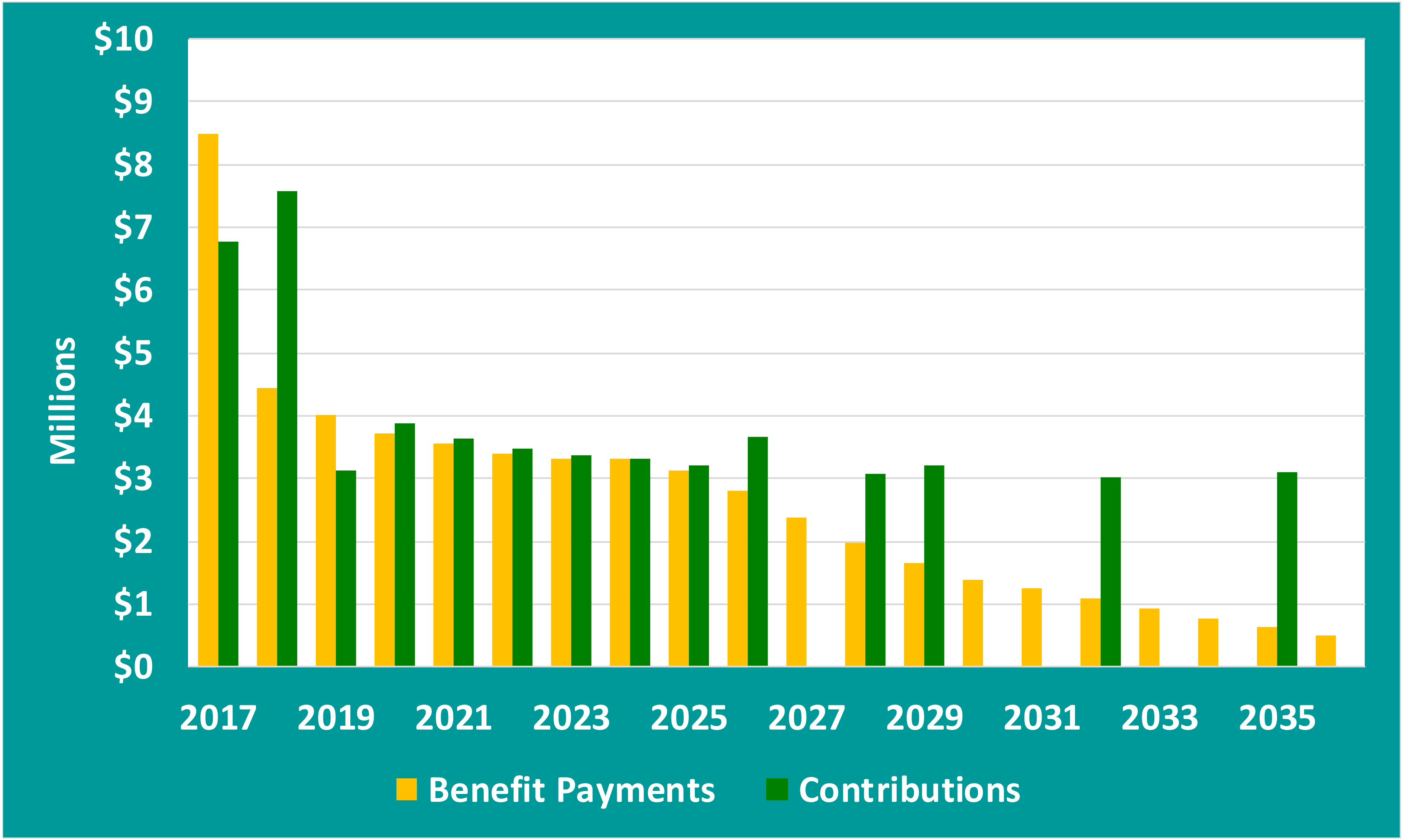
- Contributions mostly eliminated in 2000 bargaining
- Accruals were frozen as of 12/31/2013
- Giant retirement window late 2015
  - Discharged liability of $8.3 million
  - Additional contribution of $0.9 million
  - Contribution allocations modified
- Current funding arrangement
  - When assets fall below $2 million contributions are made to bring assets up to $5 million
  - Contributions allocations: Giant=71.2%, Safeway=27.7%, Local 27=0.7%, Local 400=0.4%
  - Additional payments made: July '14, July '15, May '16, Jan '17, Dec '17

Current Status ($millions)

		Estimated*
	1/1/2017	1/1/2018
Liability at:		
7.0% (fully funded and invested)	$ 37.6	$ 31.1
3.5% (current market rates)	$ 44.4	$ 37.2
0.0% (cash basis)	$ 54.6	$ 46.1
Assets	$ 2.5	$ 0.8

** based on 1/1/2017 valuation projections*

Projection – 0% return



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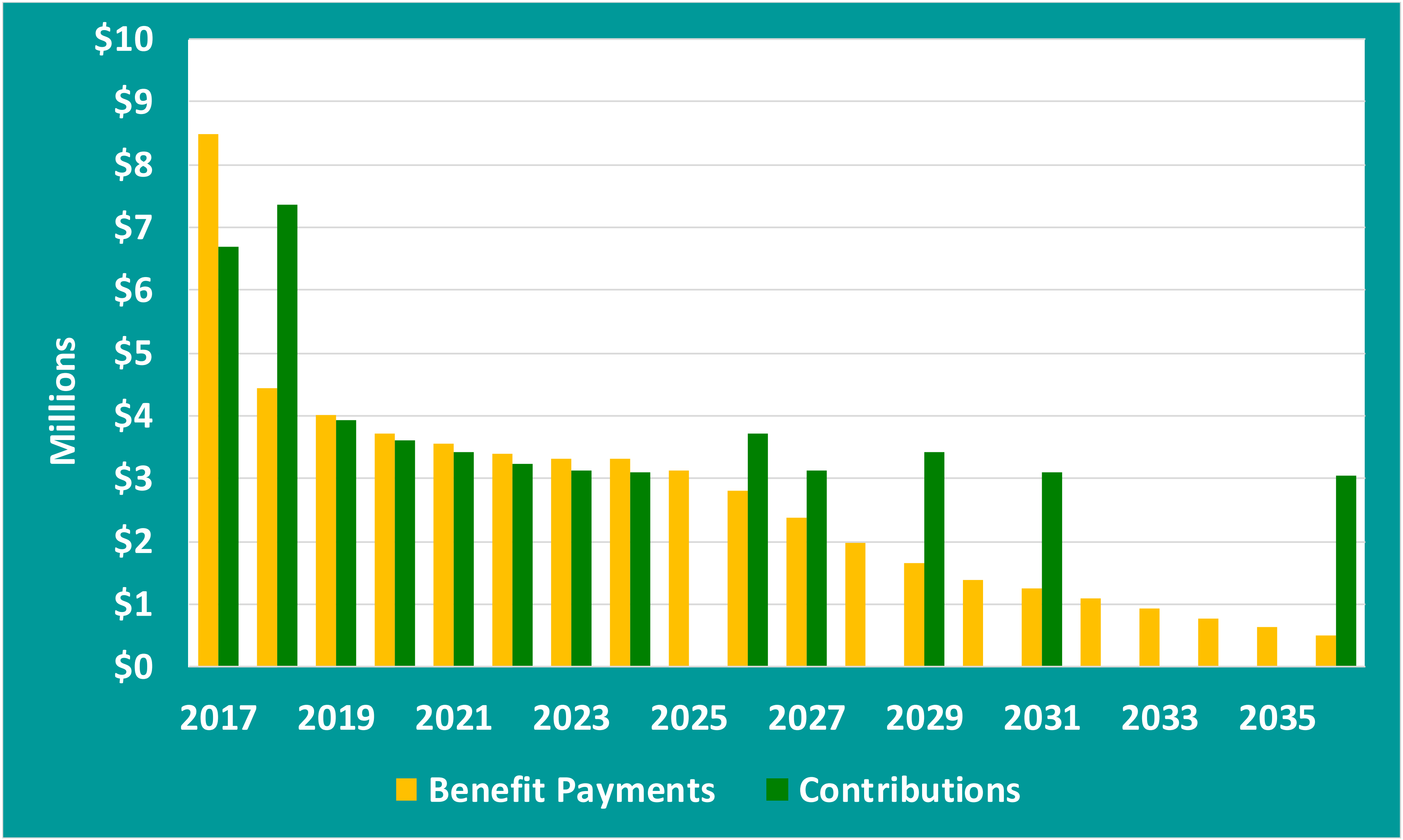
Projection – 7% return



FOR DISCUSSION PURPOSES

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 latest actuarial valuation report prepared for this plan as of January 1, 2017 unless otherwise noted.

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.

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. I am not an attorney, and our firm does not provide any legal services or advice.

Cheiron's report was prepared solely for the UFCW and FELRA Severance 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.