

CENTRAL STATES PENSION FUND  
FINANCIAL AND ANALYTICAL INFORMATION  
DECEMBER 31, 2020

DECEMBER 2020 FIGURES ARE SUBJECT TO ADDITIONAL YEAR-END ADJUSTMENTS

**CENTRAL STATES PENSION FUND**  
**FINANCIAL AND ANALYTICAL INFORMATION**  
**DECEMBER 31, 2020**

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**PENSION FUND  
FINANCIAL REPORT**  
December 31, 2020 and the Twelve Months Then Ended  
Does Not Include Final Year End Adjustments  
Dollars in Thousands

1. Net assets were \$10,408,811 at December 31, 2020, compared to \$12,309,907 at December 31, 2019, a decrease of \$1,901,096 compared to a decrease of \$858,137 for the same period last year.

The \$1,042,959 difference is due to \$958,200 less net investment income combined with \$84,759 more net operating loss.

2. A comparison of Full-Time Equivalent (FTE) actives and retirees follows:

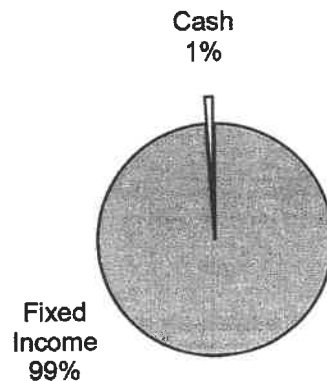
	Actives	Retirees
As of:		
November 2020	45,233	197,112
December 2019	48,326	198,513
 Eleven-months average:		
November 2020	45,303	197,820
November 2019	50,962	199,431
% decrease	(11.10)%	(0.81)%

3. For the twelve months ended December 2020, the Fund's net operating loss was \$2,224,218 compared to a loss of \$2,139,459 for the same period in 2019, or an \$84,759 unfavorable change:

- (\$82,223) less contributions due to a decrease in FTEs and withdrawal liability income,
- (\$5,605) more benefits and
- \$3,069 less general and administrative expenses.

4. During the twelve months ended December 2020 and 2019, the Fund withdrew \$2,206,159 and \$2,128,907 respectively, from investment assets to fund the cash operating deficits.

5. Investment asset allocation as of December 31, 2020:



Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Financial Position  
 December 31, 2020  
 (Dollar amounts in thousands)

	December 31, 2020	(1)	December 31, 2019	Change in Net Assets	
				Dollars	Percentage
Investments:					
Cash equivalents	\$ 235,845		189,913	45,932	0.4
Fixed income	10,004,846		10,345,350	(340,504)	(2.8)
Equity	5,354		1,414,435	(1,409,081)	(11.4)
Other	40		97,535	(97,495)	(0.8)
Total investments	10,246,085		12,047,233	(1,801,148)	(14.6)
Investment related assets	1,691,552		2,440,536	(748,984)	(6.0)
Employer contributions receivable, net	54,021		63,404	(9,383)	(0.1)
Other assets	6,656		4,976	1,680	-
Total assets	11,998,314		14,556,149	(2,557,835)	(20.7)
Investment related liabilities	1,494,428		2,162,154	667,726	5.4
Other liabilities	95,075		84,088	(10,987)	(0.1)
Total liabilities	1,589,503		2,246,242	656,739	5.3
<b>NET ASSETS</b>	<b>\$ 10,408,811</b>		<b>12,309,907</b>	<b>(1,901,096)</b>	<b>(15.4)</b>

Note(s):  
 (1) Does not include final year end adjustments.

Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Financial Operations  
 December 31, 2020  
 (Tabular dollar amounts in thousands)

	Year-to-Date		Change from Prior Year	
	2020	2019	Dollars	Percentage
<b><u>INCOME &amp; EXPENSES</u></b>				
Contributions (includes W/L)	\$ 659,339	741,562	(82,223) (2)	(11.1)
Benefits	2,842,184	2,836,579	(5,605)	(0.2)
General and administrative expenses	41,373	44,442	3,069	6.9
Operating gain(loss)	(2,224,218)	(2,139,459)	(84,759)	N/A
Net investment income(loss)	323,122	1,281,322	(958,200)	N/A
Change in net assets	\$ (1,901,096)	(858,137)	(1,042,959)	N/A

**OPERATING STATISTICS**

Benefits to contributions	431.1 %	382.5 %
General and administrative expenses to:		
Contributions	6.3 %	6.0 %
Benefits	1.5 %	1.6 %
Eleven-month average FTEs	45,303	50,962
Contributions per average FTE	\$ 14,554	14,551
Benefits per average FTE	\$ 62,737	55,661
Pensioners and beneficiaries - current month	196,854	198,513
Current month average benefit per pensioner and beneficiary	\$ 1,198	1,185

**Note(s):**

- (1) Does not include final year end adjustments.
- (2) Decrease in FTEs and W/L.

Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Current and Projected Operations  
 For Year Ending December 31, 2021  
 (Dollar amounts in thousands)

	January 2021	Projection Remainder of 2021	Year Ending December 2021
Contributions (includes W/L)	\$ 66,600	573,200	639,800
Benefits	237,000	2,609,800	2,846,800
General and administrative expenses	3,500	38,700	42,200
Change in net assets before net investment income(loss)	\$ (173,900)	(2,075,300)	(2,249,200)

**Assumptions Used in 2021 Projections**

Contributions - No change in plan mix and \$126.3 million in estimated withdrawal liability income.

Benefits - Level benefits.

General and administrative expenses - 2% increase over 2020.

Central States, Southeast and Southwest Areas Pension Fund  
Statement of Net Assets  
(In thousands)

	December 31,	
	2020	(1)
	2019	2018
<b>ASSETS</b>		
Investments:		
Cash equivalents	235,845	189,913
Fixed income	10,004,846	10,345,350
Equity	5,354	1,414,435
Other	40	97,535
Total investments	<u>10,246,085</u>	<u>12,047,233</u>
Receivables:		
Employer contributions, less allowance for uncollectible contributions (2)	54,021	63,404
Interest and dividends	55,376	71,061
Other, including investment related	419,022	342,127
Total receivables	<u>528,419</u>	<u>476,592</u>
Cash	1,406	438
Assets held in securities lending program	1,217,310	2,027,590
Other, primarily fixed assets - net	5,094	4,296
Total assets	<u>11,998,314</u>	<u>14,556,149</u>
<b>LIABILITIES</b>		
Liability to return collateral held under securities lending agreements	1,217,310	2,027,590
Investment related	273,984	131,539
Accounts payable and accrued expenses (3)	85,621	73,490
Deferred withdrawal liability receipts	12,588	13,623
Total liabilities	<u>1,589,503</u>	<u>2,246,242</u>
<b>NET ASSETS</b>	<u>\$ 10,408,811</u>	<u>\$ 13,168,044</u>

Note(s):

(1) Does not include final year end adjustments.

(2) Allowance for uncollectible contributions:

Reserve for YRC (2009 deferral) included in above allowance:

(3) Includes a liability for 401(h) plan assets:

\$	65,848	58,896	58,637
\$	35,269	35,269	36,669
\$	67,287	65,910	59,757

Central States, Southeast and Southwest Areas Pension Fund  
Statement of Changes in Net Assets  
(In thousands)

	December		Twelve Months Ended December	
	2020	(1)	2019	(1)
<b>Revenue:</b>				
Contributions	\$ 42,368		40,727	554,886
Withdrawal liability	43,892		29,069	186,676 (2)
Total revenue	<u>86,260</u>		<u>69,796</u>	<u>741,562</u>
<b>Benefits and expenses:</b>				
Benefits to participants	236,005		236,614	2,836,579
General and administrative expenses	3,685		3,701	44,442
Total benefits and expenses	<u>239,690</u>		<u>240,315</u>	<u>2,881,021</u>
Operating gain(loss)	(153,430)		(170,519)	(2,139,459)
<b>Investment income(loss):</b>				
Interest, dividends and other	17,507		23,952	301,117
Realized and unrealized gain(loss) on investments, net	(5,016)		29,846	994,052
Investment expenses	(816)		(1,129)	(13,847)
Net investment income(loss)	<u>11,675</u>		<u>52,669</u>	<u>1,281,322</u>
Change in net assets	(141,755)		(117,850)	(858,137)
<b>NET ASSETS:</b>				
Beginning of period	<u>10,550,566</u>		<u>12,427,757</u>	<u>13,168,044</u>
End of period	<u>\$ 10,408,811</u>		<u>12,309,907</u>	<u>12,309,907</u>

**Note(s):**

(1) Does not include final year end adjustments.

(2) Includes \$45.6 million from Marsh Supermarkets Inc.



Central States, Southeast and Southwest Areas Pension Fund  
Statement of Changes in Net Assets  
(in thousands)

	Years Ended			
	2019	2018	2017	2016
Revenue:				
Contributions	\$ 554,886	586,194	621,562	612,393
Withdrawal liability	186,676	556,449 (1)	187,985	162,981
Total revenue	<u>741,562</u>	<u>1,142,643</u>	<u>809,547</u>	<u>775,374</u>
Benefits and expenses:				
Benefits to participants	2,836,579	2,830,161	2,813,547	2,809,605
General and administrative expenses	44,442	44,236	46,006	47,599
Total benefits and expenses	<u>2,881,021</u>	<u>2,874,397</u>	<u>2,859,553</u>	<u>2,857,204</u>
Operating gain(loss)	(2,139,459)	(1,731,754)	(2,050,006)	(2,081,830)
Investment income(loss):				
Interest, dividends and other	301,117	312,387	294,896	336,410
Realized and unrealized gain(loss)	994,052	(407,175)	1,525,729	927,577
on investments, net	(13,847)	(17,066)	(26,500)	(40,832)
Investment expenses	<u>1,281,322</u>	<u>(111,854)</u>	<u>1,794,125</u>	<u>1,223,155</u>
Net investment income(loss)	(858,137)	(1,843,608)	(255,881)	(858,675)
Change in net assets				
<b>NET ASSETS:</b>				
Beginning of period	<u>13,168,044</u>	<u>15,011,652</u>	<u>15,267,533</u>	<u>16,126,208</u>
End of period	<u>\$ 12,309,907</u>	<u>13,168,044</u>	<u>15,011,652</u>	<u>15,267,533</u>

Note(s):

(1) Includes \$416.9 million from The Kroger Co. and \$47.7 million from Southstar LLC.

Central States, Southeast and Southwest Areas Pension Fund  
Statement of Cash Receipts and Disbursements  
(In thousands)

	December		Twelve Months Ended December	
	2020	(1)	2020	(1)
<b>Operations:</b>				
Contributions	\$ 42,074	50,531	511,681	554,895
Benefits paid, net (2)(3)	(236,003)	(31,290)	(2,842,046)	(2,836,717)
	(193,929)	19,241	(2,330,365)	(2,281,822)
Payroll	(1,795)	(1,496)	(15,097)	(15,507)
Employee benefits	(568)	(689)	(6,992)	(7,399)
Fees, services and software	(472)	(389)	(3,759)	(4,388)
Rent, including equipment	(98)	(181)	(1,004)	(1,679)
Office (4)	(173)	(237)	(13,887)	(14,420)
Withdrawal liability receipts	44,448	29,841	163,390	194,804 (5)
Other	(2,924)	(2,884)	2,975	44
	38,418	23,965	125,626	151,455
Net from operations	(155,511)	43,206	(2,204,739)	(2,130,367)
<b>Investments:</b>				
Net sales(purchases)	138,924	(66,182)	1,947,568	1,847,559
Interest and dividends	13,969	25,579	269,350	296,838
Management fees	(1,046)	(2,270)	(11,211)	(15,546)
Investments, net	151,847	(42,873)	2,205,707	2,128,851
Change in cash	(3,664)	333	968	(1,516)
<b>Cash:</b>				
Beginning of period	5,070	105	438	1,954
End of period	\$ 1,406	438	1,406	438
<b>Note(s):</b>				
(1) Does not include final year end adjustments.	\$ 1	(691)	137	(138)
(2) Includes change in overdraft:	\$ 0	206,015	0	0
(3) Includes timing for EFT funding:	\$ 0	0	(11,173)	(11,008)
(4) Includes PBGC payment:				
(5) Includes \$45.6 million from Marsh Supermarkets Inc.				

Central States, Southeast and Southwest Areas Pension Fund  
Statement of Cash Receipts and Disbursements  
(In thousands)

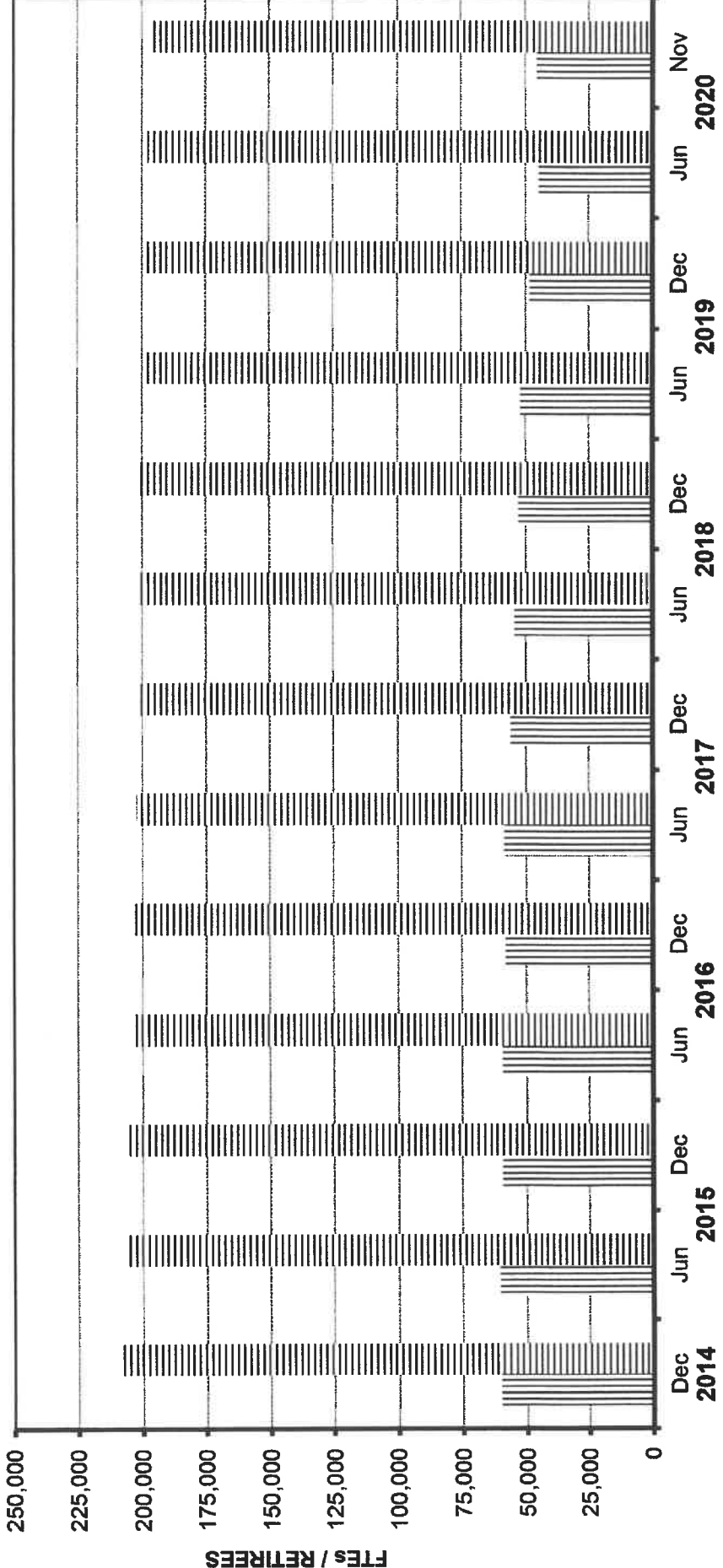
	Years Ended			
	2019	2018	2017	2016
<b>Operations:</b>				
Contributions	\$ 554,895	588,551	623,525	609,598
Benefits paid, net (1)	<u>(2,836,717)</u>	<u>(2,830,037)</u>	<u>(2,813,694)</u>	<u>(2,809,397)</u>
	<u>(2,281,822)</u>	<u>(2,241,486)</u>	<u>(2,190,169)</u>	<u>(2,199,799)</u>
<b>Payroll</b>				
Employee benefits	(15,507)	(15,297)	(16,777)	(16,401)
Fees, services and software	(7,399)	(7,095)	(7,696)	(7,623)
Rent, including equipment	(4,388)	(4,218)	(4,196)	(6,427)
Office (2)	(1,679)	(1,237)	(1,408)	(1,380)
Withdrawal liability receipts	(14,420)	(14,628)	(14,063)	(14,405)
Other	194,804	565,749 (3)	179,764	161,234
	44	(2,032)	(2,669)	(548)
	<u>151,455</u>	<u>521,242</u>	<u>132,955</u>	<u>114,450</u>
<b>Net from operations</b>	<u>(2,130,367)</u>	<u>(1,720,244)</u>	<u>(2,057,214)</u>	<u>(2,085,349)</u>
<b>Net sales(purchases)</b>	1,847,559	1,435,950	1,796,324	1,786,994
Interest and dividends	296,838	304,571	290,993	339,149
Management fees	<u>(15,546)</u>	<u>(20,038)</u>	<u>(28,933)</u>	<u>(41,767)</u>
Investments, net	<u>2,128,851</u>	<u>1,720,483</u>	<u>2,058,384</u>	<u>2,084,376</u>
<b>Change in cash</b>	(1,516)	239	1,170	(973)
<b>Cash:</b>				
Beginning of period	<u>1,954</u>	<u>1,715</u>	<u>545</u>	<u>1,518</u>
End of period	<u>\$ 438</u>	<u>1,954</u>	<u>1,715</u>	<u>545</u>

**Note(s):**

- (1) Includes change in overdraft: \$ (136)
- (2) Includes PBGC payment: \$ (11,008)
- (3) Includes \$416.9 million from The Kroger Co. and \$47.7 million from Southstar LLC.

# Central States Pension Fund

Full Time Equivalents vs. Retirees  
December 2014 Through November 2020



|| FTEs    = RETIREES