

CENTRAL STATES PENSION FUND  
FINANCIAL AND ANALYTICAL INFORMATION  
DECEMBER 31, 2022

DECEMBER 2022 FIGURES ARE SUBJECT TO ADDITIONAL YEAR-END ADJUSTMENTS

CENTRAL STATES PENSION FUND  
FINANCIAL AND ANALYTICAL INFORMATION  
DECEMBER 31, 2022

Financial Report	FR
Financial Statements:	
Executive Summaries	1-3
Financial Statements	4-5
Statement of Receipts and Disbursements	6
Graph	7

**PENSION FUND  
FINANCIAL REPORT**  
December 31, 2022 and the Twelve Months Then Ended  
Does Not Include Final Year End Adjustments  
Dollars in Thousands

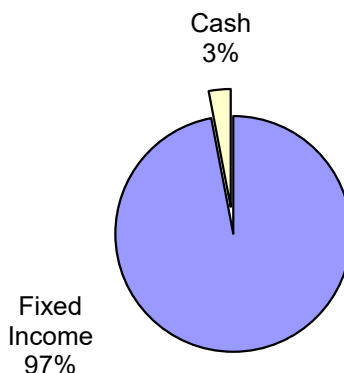
1. Net assets were \$41,466,875 at December 31, 2022, compared to \$8,158,228 at December 31, 2021, an increase of \$33,308,647 compared to a decrease of \$2,251,213 for the same period last year.

The \$35,559,860 difference is due to \$224,196 less net investment income offset by \$19,146 less net operating loss and includes recognition of Special Financial Assistance of \$35,764,910.

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

	Actives	Retirees
As of:		
November 2022	42,554	192,396
December 2021	43,091	194,354
Eleven-month average:		
November 2022	42,627	193,152
November 2021	43,887	195,303
% decrease	(2.87)%	(1.10)%

3. For the twelve months ended December 2022, the Fund's net operating loss was \$2,201,242 compared to a loss of \$2,220,388 for the same period in 2021, or a \$19,146 favorable change:
  - \$21,533 more contributions due to a \$33.3 million decrease to YRC deferral agreement reserve, combined with an extra billing week in 2022, offset by decreased withdrawal liability revenue,
  - (\$1,668) more benefits and
  - (\$719) more general and administrative expenses.
4. During the twelve months ended December 2022 and 2021, the Fund withdrew \$2,270,211 and \$2,215,851 respectively, from investment assets to fund the cash operating deficits.
5. Investment asset allocation as of December 31, 2022:



Central States, Southeast and Southwest Areas Pension Fund  
Executive Summary of Financial Position  
December 31, 2022  
(Dollar amounts in thousands)

	December 31, 2022 (1)	December 31, 2021	Change in Net Assets	
			Dollars	Percentage
Investments:				
Cash equivalents	\$ 309,328	384,739	(75,411)	(0.9)
Fixed income	5,021,046	7,584,552	(2,563,506)	(31.4)
Equity	2,364	5,685	(3,321)	-
Other	30	40	(10)	-
Total investments	<u>5,332,768</u>	<u>7,975,016</u>	<u>(2,642,248)</u>	<u>(32.3)</u>
Investment related assets	1,408,886	2,091,411	(682,525)	(8.4)
Employer contributions receivable, net	93,924	50,475	43,449 (2)	0.5
Special Financial Assistance	35,764,910	0	35,764,910	438.4
Other assets	<u>9,313</u>	<u>5,807</u>	<u>3,506</u>	<u>-</u>
Total assets	<u>42,609,801</u>	<u>10,122,709</u>	<u>32,487,092</u>	<u>398.2</u>
Investment related liabilities	1,073,522	1,869,486	795,964	9.8
Other liabilities	<u>69,404</u>	<u>94,995</u>	<u>25,591</u>	<u>0.3</u>
Total liabilities	<u>1,142,926</u>	<u>1,964,481</u>	<u>821,555</u>	<u>10.1</u>
<b>NET ASSETS</b>	<b>\$ <u>41,466,875</u></b>	<b><u>8,158,228</u></b>	<b><u>33,308,647</u></b>	<b><u>408.3</u></b>

Note(s):

(1) Does not include final year end adjustments.

(2) Includes a \$33.3 million reduction of YRC deferral agreement reserve combined with an extra billing week in 2022.

Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Financial Operations  
 December 31, 2022  
 (Tabular dollar amounts in thousands)

	Year-to-Date		Change from Prior Year		
	2022	(1)	2021	Dollars	Percentage
<b><u>INCOME &amp; EXPENSES</u></b>					
Contributions (includes W/L)	\$ 681,362		659,829	21,533 (2)	3.3
Benefits	2,836,792		2,835,124	(1,668)	(0.1)
General and administrative expenses	<u>45,812</u>		<u>45,093</u>	<u>(719)</u>	(1.6)
Operating gain(loss)	(2,201,242)		(2,220,388)	19,146	N/A
Special Financial Assistance	35,764,910		0	35,764,910	N/A
Net investment income(loss)	<u>(255,021)</u>		<u>(30,825)</u>	<u>(224,196)</u>	N/A
Change in net assets	<u>\$ 33,308,647</u>		<u>(2,251,213)</u>	<u>35,559,860</u>	N/A

**OPERATING STATISTICS**

Benefits to contributions	416.3 %	429.7 %
General and administrative expenses to:		
Contributions	6.7 %	6.8 %
Benefits	1.6 %	1.6 %
Eleven-month average FTEs	42,627	43,887
Contributions per average FTE	\$ 15,984	15,035
Benefits per average FTE	\$ 66,549	64,601
Pensioners and beneficiaries		
- current month	192,206	194,354
Current month average benefit per pensioner and beneficiary	\$ 1,226	1,212

**Note(s):**

- (1) Does not include final year end adjustments.  
 (2) Includes a \$33.3 million decrease to YRC deferral agreement reserve, combined with an extra billing week in 2022, offset by decreased withdrawal liability revenue.

Central States, Southeast and Southwest Areas Pension Fund  
 Executive Summary of Current and Projected Operations  
 For Year Ending December 31, 2023  
 (Dollar amounts in thousands)

	Projection		
	January 2023	Remainder of 2023	Year Ending December 2023
Contributions (includes W/L)	\$ 51,200	571,900	623,100
Benefits	236,600	2,603,700	2,840,300
General and administrative expenses	3,900	42,800	46,700
Change in net assets before net investment income(loss)	\$ <u>(189,300)</u>	<u>(2,074,600)</u>	<u>(2,263,900)</u>

Assumptions Used in 2023 Projections

Contributions - No change in plan mix and \$127.8 million in estimated withdrawal liability income.

Benefits - Level benefits.

General and administrative expenses - 2% increase over 2022.

FOR INTERNAL USE ONLY

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

	December 31, 2022	December 31, 2021	December 31, 2020
<b>ASSETS</b>			
Investments:			
Cash equivalents	\$ 309,328	384,739	235,845
Fixed income	5,021,046	7,584,552	10,004,846
Equity	2,364	5,685	5,354
Other	30	40	40
Total investments	5,332,768	7,975,016	10,246,085
Receivables:			
Employer contributions, less allowance for uncollectible contributions (2)	93,924	50,475	55,304
Special Financial Assistance	35,764,910	0	0
Interest and dividends	37,320	36,604	55,376
Other, including investment related	319,631	313,268	419,060
Total receivables	36,215,785	400,347	529,740
Cash	2,534	249	1,406
Assets held in securities lending program	1,054,047	1,741,733	1,217,310
Other, primarily fixed assets - net	4,667	5,364	5,094
Total assets	42,609,801	10,122,709	11,999,635
<b>LIABILITIES</b>			
Liability to return collateral held under securities lending agreements	1,054,047	1,741,733	1,217,310
Investment related	17,251	125,440	273,984
Accounts payable and accrued expenses (3)	71,181	80,175	86,312
Deferred withdrawal liability receipts	447	17,133	12,588
Total liabilities	1,142,926	1,964,481	1,590,194
<b>NET ASSETS</b>	\$ 41,466,875	8,158,228	10,409,441

Note(s):

(1) Does not include final year end adjustments.

(2) Allowance for uncollectible contributions:	\$ 39,713	71,292	64,796
Reserve for YRC (2009 deferral) included in above allowance:	\$ 0	33,291	34,211

(3) Includes a liability for 401(h) plan assets:	\$ 63,914	66,535	67,287
--	-----------	--------	--------

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

	December		Twelve Months Ended December	
	2022	(1)	2021	2021
Revenue:				
Contributions (2)(3)	\$ 60,617		39,740	547,937
Withdrawal liability	11,969		12,870	133,425
Total revenue	72,586		52,610	681,362
Benefits and expenses:				
Benefits to participants	235,630		235,952	2,836,792
General and administrative expenses	4,129		4,588	45,812
Total benefits and expenses	239,759		240,540	2,882,604
Operating gain(loss)	(167,173)		(187,930)	(2,201,242)
Special Financial Assistance	35,764,910		0	35,764,910
Investment income(loss):				
Interest, dividends and other	12,880		12,109	141,770
Realized and unrealized gain(loss) on investments, net	1,801		(20,668)	(390,286)
Investment expenses	(491)		(688)	(6,505)
Net investment income(loss)	14,190		(9,247)	(255,021)
Change in net assets	35,611,927		(197,177)	33,308,647
<b>NET ASSETS:</b>				
Beginning of period	5,854,948		8,355,405	8,158,228
End of period	\$ 41,466,875		8,158,228	41,466,875

Note(s):

(1) Does not include final year end adjustments.

(2) 2022 includes an extra billing week in December and year-to-date.

(3) Includes decreases to YRC deferral agreement reserve:	\$ 14,644	0	33,291	0
---	-----------	---	--------	---

FOR INTERNAL USE ONLY

5a



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

	Years Ended			
	2021	2020	2019	2018
Revenue:				
Contributions	\$ 502,066	496,513	554,886	586,194
Withdrawal liability	157,763	164,315	186,676	556,449 (1)
Total revenue	<u>659,829</u>	<u>660,828</u>	<u>741,562</u>	<u>1,142,643</u>
Benefits and expenses:				
Benefits to participants	2,835,124	2,842,184	2,836,579	2,830,161
General and administrative expenses	45,093	42,242	44,442	44,236
Total benefits and expenses	<u>2,880,217</u>	<u>2,884,426</u>	<u>2,881,021</u>	<u>2,874,397</u>
Operating gain(loss)	(2,220,388)	(2,223,598)	(2,139,459)	(1,731,754)
Investment income(loss):				
Interest, dividends and other	173,417	253,778	301,117	312,387
Realized and unrealized gain(loss) on investments, net	(195,566)	80,664	994,052	(407,175)
Investment expenses	(8,676)	(11,310)	(13,847)	(17,066)
Net investment income(loss)	<u>(30,825)</u>	<u>323,132</u>	<u>1,281,322</u>	<u>(111,854)</u>
Change in net assets	(2,251,213)	(1,900,466)	(858,137)	(1,843,608)
<b>NET ASSETS:</b>				
Beginning of period	<u>10,409,441</u>	<u>12,309,907</u>	<u>13,168,044</u>	<u>15,011,652</u>
End of period	<u>\$ 8,158,228</u>	<u>10,409,441</u>	<u>12,309,907</u>	<u>13,168,044</u>

Note(s):

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

FOR INTERNAL USE ONLY

5b

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

	December		Twelve Months Ended December	
	2022	(1) 2021	2022	(1) 2021
<b>Operations:</b>				
Contributions	\$ 42,954	40,731	500,218	507,265
Benefits paid, net (2)	<u>(235,971)</u>	<u>(236,622)</u>	<u>(2,836,780)</u>	<u>(2,835,418)</u>
	<u>(193,017)</u>	<u>(195,891)</u>	<u>(2,336,562)</u>	<u>(2,328,153)</u>
Payroll	(2,037)	(1,958)	(16,832)	(16,389)
Employee benefits	(624)	(605)	(7,497)	(7,427)
Fees, services and software	(628)	(484)	(5,460)	(4,235)
Rent, including equipment	(86)	(94)	(1,035)	(1,025)
Office (3)	(496)	(310)	(14,647)	(14,515)
Withdrawal liability receipts	5,638	12,536	118,025	161,633
Other	<u>(3,397)</u>	<u>(263)</u>	<u>(3,587)</u>	<u>(6,422)</u>
	<u>(1,630)</u>	<u>8,822</u>	<u>68,967</u>	<u>111,620</u>
Net from operations	<u>(194,647)</u>	<u>(187,069)</u>	<u>(2,267,595)</u>	<u>(2,216,533)</u>
<b>Investments:</b>				
Net sales(purchases)	187,737	176,626	2,136,708	2,032,017
Interest and dividends	9,478	11,704	139,767	192,845
Management fees	<u>(232)</u>	<u>(1,165)</u>	<u>(6,595)</u>	<u>(9,486)</u>
Investments, net	<u>196,983</u>	<u>187,165</u>	<u>2,269,880</u>	<u>2,215,376</u>
Change in cash	2,336	96	2,285	(1,157)
<b>Cash:</b>				
Beginning of period	<u>198</u>	<u>153</u>	<u>249</u>	<u>1,406</u>
End of period	<u>\$ 2,534</u>	<u>249</u>	<u>2,534</u>	<u>249</u>

Note(s):

(1) Does not include final year end adjustments.

(2) Includes change in overdraft:	\$ (342)	(670)	13	(294)
-----------------------------------	----------	-------	----	-------

(3) Includes PBGC premium:	\$ 0	0	(11,329)	(11,218)
----------------------------	------	---	----------	----------

FOR INTERNAL USE ONLY

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

	Years Ended			
	2021	2020	2019	2018
<b>Operations:</b>				
Contributions	\$ 507,265	511,681	554,895	588,551
Benefits paid, net (1)	(2,835,418)	(2,842,046)	(2,836,717)	(2,830,037)
	<u>(2,328,153)</u>	<u>(2,330,365)</u>	<u>(2,281,822)</u>	<u>(2,241,486)</u>
Payroll	(16,389)	(15,097)	(15,507)	(15,297)
Employee benefits	(7,427)	(6,992)	(7,399)	(7,095)
Fees, services and software	(4,235)	(3,759)	(4,388)	(4,218)
Rent, including equipment	(1,025)	(1,004)	(1,679)	(1,237)
Office (2)	(14,515)	(13,886)	(14,420)	(14,628)
Withdrawal liability receipts	161,633	163,390	194,804	565,749 (3)
Other	(6,422)	2,975	44	(2,032)
	<u>111,620</u>	<u>125,627</u>	<u>151,455</u>	<u>521,242</u>
Net from operations	(2,216,533)	(2,204,738)	(2,130,367)	(1,720,244)
<b>Investments:</b>				
Net sales(purchases)	2,032,017	1,947,567	1,847,559	1,435,950
Interest and dividends	192,845	269,350	296,838	304,571
Management fees	(9,486)	(11,211)	(15,546)	(20,038)
Investments, net	<u>2,215,376</u>	<u>2,205,706</u>	<u>2,128,851</u>	<u>1,720,483</u>
Change in cash	(1,157)	968	(1,516)	239
<b>Cash:</b>				
Beginning of period	<u>1,406</u>	<u>438</u>	<u>1,954</u>	<u>1,715</u>
End of period	<u>\$ 249</u>	<u>1,406</u>	<u>438</u>	<u>1,954</u>

**Note(s):**

(1) Includes change in overdraft:	\$ (294)	137	(138)	1,122
(2) Includes PBGC premium:	\$ (11,218)	(11,173)	(11,008)	(10,835)
(3) Includes \$416.9 million from The Kroger Co. and \$47.7 million from Southstar LLC.				

FOR INTERNAL USE ONLY

# Central States Pension Fund

Full Time Equivalents vs. Retirees  
December 2017 Through November 2022

