TEAMSTERS PENSION TRUST FUND OF PHILADELPHIA AND VICINITY

Financial Statements

December 31, 2020 and 2019

With Independent Auditor's Report

withum

ADVISORY TAX AUDIT

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ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Teamsters Pension Trust Fund of Philadelphia and Vicinity:

Report on the Financial Statements

We have audited the accompanying financial statements of Teamsters Pension Trust Fund of Philadelphia and Vicinity (the "Fund"), which comprise the statements of net assets available for benefits as of December 31, 2020 and 2019 and the related statements of changes in net assets available for benefits for the years then ended and the related notes to financial statements.

Management's Responsibility for the Financial Statements

The Fund's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Teamsters Pension Trust Fund of Philadelphia and Vicinity's net assets available for benefits as of December 31, 2020 and 2019, and the changes therein for the years then ended, and its financial status as of December 31, 2019, and the changes therein for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

WithumSmith+Brown, PC

July 30, 2021

Teamsters Pension Trust Fund of Philadelphia and Vicinity
Statements of Net Assets Available for Benefits
December 31, 2020 and 2019

	2020	2019
Assets		
Investments - at fair value	$ 1,853,936,518	$ 1,820,853,108
Investments on loan under securities lending agreement		
Corporate stocks	128,525,542	-
Government bonds	10,617,425	-
Corporate bonds	1,133,476	-
Total investments on loan under securities lending agreement	140,276,443	-
Total investments - at fair value	1,994,212,961	1,820,853,108
Securities lending collateral received as cash and invested	143,506,808	-
Receivables		
Employers' contributions	14,611,989	13,363,071
Participants' contributions	46,293	59,033
Interest and dividends	2,357,001	2,067,785
Due from broker for investments sold	4,601,029	4,216,369
Total receivables	21,616,312	19,706,258
Cash and cash equivalents	50,344,863	33,451,339
Other assets	93,229	95,601
Total assets	2,209,774,173	1,874,106,306
Liabilities		
Accounts payable and accrued expenses	1,166,621	1,141,342
Due to broker for investments purchased	14,618,642	14,164,197
Obligation to refund collateral received as cash	143,506,808	-
Total liabilities	159,292,071	15,305,539
Net assets available for benefits	$ 2,050,482,102	$ 1,858,800,767

The Notes to Financial Statements are an integral part of these statements.

Teamsters Pension Trust Fund of Philadelphia and Vicinity
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2020 and 2019

	2020	2019
Additions		
Investment income		
Net appreciation in fair value of investments	$ 231,045,852	$ 307,891,843
Interest and dividends	22,314,288	20,379,403
Securities lending income	262,387	7,413
	253,622,527	328,278,659
Investment expenses	(6,184,075)	(6,315,510)
Total investment income	247,438,452	321,963,149
Contributions		
Employers	144,596,979	137,407,029
Participants	692,404	675,200
Withdrawal liability	1,969,829	2,363,806
Total contributions	147,259,212	140,446,035
Other income	24,182	56,434
Total additions	394,721,846	462,465,618
Deductions		
Benefits paid	199,180,843	195,935,574
Administrative expenses	3,859,668	3,658,903
Total deductions	203,040,511	199,594,477
Net increase	191,681,335	262,871,141
Net assets available for benefits		
Beginning of year	1,858,800,767	1,595,929,626
End of year	$ 2,050,482,102	$ 1,858,800,767

The Notes to Financial Statements are an integral part of these statements.

1. PLAN DESCRIPTION AND FUNDING

The Teamsters Pension Trust Fund of Philadelphia and Vicinity (the "Fund") is a multiemployer defined benefit pension plan covering all eligible employees working for employers who have a collective bargaining agreement with a local union which is party to the Fund and, further, the employers have agreed to make contributions to the Fund on the employees' behalf. The Fund provides normal and early retirement benefits and spousal and disability benefits if an employee terminates after meeting certain service requirements. In the event of termination of the Fund, the funds shall be allocated in accordance with priorities established by the Pension Benefit Guaranty Corporation ("PBGC"). The Fund is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

Information about the Fund, including funding policy, vesting and benefit provisions, and the PBGC's benefit guarantee is contained in the Summary Plan Description. Copies are available from the Plan Administrator.

On March 30, 2020 and March 29, 2019, the Fund's actuary certified that for the Fund's years beginning January 1, 2020 and January 1, 2019, respectively, the Fund was in endangered status (yellow zone) under the Pension Protection Act of 2006. Fund management has adopted a funding improvement plan pursuant to IRC section 432(c).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the determination of the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

Demand deposits and highly liquid investments with a maturity of three months or less when acquired are considered cash equivalents.

Investment Valuation and Income Recognition

Investments are presented at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment policies have been established by management of the Fund. Although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methods could result in a different fair value measurement at the reporting date. The changes in the difference between the fair value and the cost of investments and the realized gain (loss) on sale of investments are reflected in the statements of changes in net assets available for benefits as net appreciation in fair value of investments. Investment transactions are recognized as of the trade date, and the cost of investments sold is determined on a weighted average basis. Interest income is recorded on the accrual basis, and dividend income is recognized as of the ex-dividend date.

Contributions from Employers

These amounts are based upon remittance reports filed by the employers. Contributions receivable represents contributions which relate to days worked on or before December 31, but not received by year end.

The Trustees have established a policy requiring audits of the payroll records of covered employers who are selected by random sampling and judgmental methods. These audits are conducted on covered employers' payroll records based upon reports filed with the Fund for the calendar year prior to the audit date. These audits are in addition to the Fund's normal verification procedures applied to contributions reports filed for the current year. Contributions related to payroll audit findings are recorded when received.

Effective January 31, 2014, the Fund reached an agreement with several delinquent employers on a payment agreement to recover delinquent contributions of $1,578,368. These delinquent contributions accrue interest at 7.75% and are paid in accordance with the agreed upon terms.

Management believes all contributions receivable are collectible, and no allowance for uncollectible accounts has been provided.

Actuarial Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those estimated future periodic payments that are attributable to covered services accrued by a participant to the valuation date. Accumulated plan benefits include benefits expected to be paid to (a) retired or vested terminated employees (members) or their beneficiaries and (b) present members or vested beneficiaries. Benefits for retired or vested terminated employees or their beneficiaries are based on plan provisions in effect at the date of termination and reflect employees' years of credited service. The accumulated plan benefits for active employees reflect current plan provisions and years of credited service prior to the valuation date. For benefit accrual purposes, after January 1, 1976, members receive a full year's credit if they are credited with at least 1,800 hours of covered service and a prorated credit if they are credited with at least 750 hours but less than 1,800 hours of service annually. They receive no credit for less than 750 hours of service annually. Benefits payable under all circumstances - retirement, death, disability, and termination - are included to the extent they are deemed attributable to member-covered service rendered to the valuation date.

Employers' Withdrawal Liability

The Fund complies with provisions of the Multiemployer Pension Plan Amendments Act of 1980 that require imposition of "Withdrawal Liability" on a contributing employer that partially or totally withdraws from the Fund. The Trustees adopted the presumptive method set forth in ERISA Section 4211(b) to allocate potential employers' liabilities. Due to historical collections of withdrawal liability and determination of when the Fund is entitled to the monies, revenue from withdrawal liability is recorded when payments are received.

Recognition of Benefits

Benefits are recognized when paid.

Accounting Pronouncements Adopted

In August 2018, the Financial Accounting Standard Board (“FASB”) issued Accounting Standards Update (“ASU”) 2018-13, *Fair Value Measurement* (Topic 820): *Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement,* which includes amendments intended to improve the effectiveness of disclosure requirements for recurring and nonrecurring fair value measurements.

The standard removes, modifies and adds certain disclosure requirements and affects companies that are required to include fair value measurement disclosures. The amendments in this update are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. The Fund implemented ASU 2018-13 for the year ended December 31, 2020 which did not have a material impact on the financial statements.

Subsequent Events

In preparing these financial statements, management of the Fund has evaluated events and transactions that occurred after December 31, 2020 for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through July 30, 2021, the date that the financial statements were available to be issued, and no items have come to the attention of management that require recognition or disclosure.

3. ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

The Fund's actuary estimates the actuarial present value of accumulated plan benefits, which is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits earned by the participants to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

As of December 31, 2019, the actuarial present value of accumulated plan benefits is as follows:

Actuarial present value of accumulated plan benefits	
Vested benefits	
Participants currently receiving payments	$ 1,633,475,135
Other participants	803,077,760
	2,436,552,895
Nonvested benefits	87,549,053
Total actuarial present value of accumulated plan benefits before administrative expenses - December 31, 2019	2,524,101,948
Actuarial present value of administrative expenses	29,545,688
Total actuarial present value of accumulated plan benefits - December 31, 2019	$ 2,553,647,636

The change in the actuarial present value of accumulated plan benefits for the year ended December 31, 2019 is as follows:

Actuarial present value of accumulated plan benefits at January 1, 2019	$ 2,536,018,021	*
Increase (decrease) attributable to		
Benefits paid	(195,935,575)	
Reduction in discount period	182,986,599	
Benefits accumulated plus actuarial (gain)/loss	30,578,591	
	17,629,615	
Actuarial present value of accumulated plan benefits - December 31, 2019	$ 2,553,647,636	ˆ

* Administrative expenses of $28,474,156 and $29,545,688 are included in the January 1, 2019 and January 1, 2020 actuarial present value of accumulated plan benefits, respectively.

The significant assumptions underlying the actuarial computations are as follows:

- Actuarial cost method - The Unit Credit Actuarial Cost Method was used to determine the actuarial present value of accumulated plan benefits (both vested and nonvested).
- Investment return - 7.5% (net of investment-related administrative expenses).
- Administrative expenses - Equal to the average of the last two years of actual expenses, increased by 2% from the prior year and rounded to nearest $100,000 assumed payable at the beginning of the year.
- Salary increases - None
- Mortality rates:
    - Health participants - RP-2014 employee / annuitant blue collar mortality table adjusted to reflect mortality improvement scale MP-2017 from 2006 base year to 2019, projected forward on a generational basis using 50% of the ultimate MP-2017 rate with ages set forward 2 years for males and females.
    - Disabled participants - RP-2014 disabled annuitant mortality tables adjusted to reflect Mortality Improvement Scale MP-2017 from 2006 base year and projected forward using MP-2017 on a generational basis with ages set forward 2 years for males and females.
- Termination rates:

  Rates of termination (for reasons other than death, disability, or retirement) were assumed to vary among three groups: (1) UPS, (2) other multiplier members, and (3) non-multiplier members. Within each group, rates were assumed to vary according to length of service. Sample termination rates are shown below:

Years of Service	UPS	Multiplier	Non-Multiplier
0	28.0%	40.0%	40.0%
1-3	7.0%	17.0%	17.0%
3-4	4.0%	15.0%	15.0%
4-6	4.0%	12.0%	12.0%
6-10	3.0%	8.0%	8.0%
10+	1.0%	5.0%	5.0%

- Retirement rates - For active members who are either 65 years of age and have accrued 5 years or more of vesting service or 55 years of age and have accrued 25 years or more of benefit service, the retirement rates are as follows:

Age	Rate of Retirement
50-54	4%
55	20%
56-60	12%
61	15%
62-64	20%
65-69	30%
70 and older	100%

For all other active members, the retirement rates are as follows:

Age	Rate of Retirement
50-54	4%
55-58	6%
59-60	8%
61	15%
62-64	20%

- Marital status - 80% are assumed to be married. A spouse is assumed to be three years younger for a male participant and three years older for a female participant.

The actuarial assumptions are based on the presumption that the Fund will continue. Were the Fund to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits. The actuary reported that the Fund met the minimum funding standards as of January 1, 2020. The computations of the actuarial present value of accumulated plan benefits were made as of January 1, 2019. Had the valuation been performed as of December 31, 2019, there would be no material difference.

4. TAX STATUS

The Fund obtained its latest determination letter dated May 31, 2016, in which the Internal Revenue Service stated that the Fund, as then designed, was qualified under Section 401(a) of the Internal Revenue Code ("IRC") and, therefore, the related trust was exempt from taxation. Once qualified, the Fund is required to operate in conformity with the IRC to maintain its qualification. Management believes the Fund is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Fund was qualified, and the related trust was exempt from income tax, as of the financial statement date. However, the Fund is subject to income tax on unrelated business income. For the years ended December 31, 2020 and 2019, the Fund did not earn any unrelated business income.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken and recognize a tax liability if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Fund and has concluded that as of December 31, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition in the financial statements. The Fund is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. In addition, there have been no tax related interest or penalties for the periods presented in these financial statements.

5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 - Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Valuation methodologies used to determine the fair value of investments are determined as follows:

Corporate stocks, mutual funds, and certain U.S. government and agency securities: Shares are valued based on quoted market prices which represent the net asset value (“NAV”) of shares held by the Plan at year end.

Certain U.S. government and agency securities, corporate and other bonds, certain other investments, and investments of securities lending collateral: Shares are valued using quoted prices of like assets, corroborated market data, indices, and/or yield curves.

Forward contracts: Forward contracts are traded on the OTC market. The fair value of forward contracts is determined using observable inputs, such as currency exchange rates or commodity prices, applied to notional amounts stated in the applicable contracts. Forward contracts are generally categorized in level 2 of the fair value hierarchy.

Money market funds: Money market funds are valued at cost, which approximates fair value.

Real estate equity funds, investment funds, and certain other investments (including common collective trusts, hedge funds, fund of funds, and other alternative investments) that are not publicly traded: Shares are valued based on the NAV of the underlying investments of the fund or trust and are excluded from the hierarchy table but shown for reconciliation to the statements of net assets available for benefits.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. There have been no changes in the methodology used at December 31, 2020 and 2019. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. For the years ended December 31, 2020 and 2019, there were no transfers in or out of Level 3.

As of December 31, 2020 and 2019, assets measured at fair value on a recurring basis are summarized by level within the fair value hierarchy as follows:

	2020			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Corporate and other bonds	$ -	$ 150,862,360	$ -	$ 150,862,360
Corporate stocks	600,834,039	-	-	600,834,039
Money market funds	-	15,085,228	-	15,085,228
Mutual funds	88,369,448	-	-	88,369,448
U.S. government and agency securities	59,207,330	57,284,658	-	116,491,988
Other investments	-	16,706,672	-	16,706,672
Total investments in the fair value hierarchy	748,410,817	239,938,918	-	988,349,735
*Investments measured at net asset value	-	-	-	1,005,863,226
Investments at fair value	748,410,817	239,938,918	-	1,994,212,961
Securities lending collateral received as cash and invested	-	143,506,808	-	143,506,808
Total assets measured at fair value	$ 748,410,817	$ 383,445,726	$ -	$ 2,137,719,769

	2019			
	Level 1	**Level 2**	**Level 3**	**Total Fair Value**
Corporate and other bonds	$ -	$ 143,820,150	$ -	$ 143,820,150
Corporate stocks	514,412,035	-	-	514,412,035
Money market funds	-	19,262,020	-	19,262,020
Mutual funds	1,724,619	-	-	1,724,619
U.S. government and agency securities	46,931,619	89,295,575	-	136,227,194
Other investments	-	56,694,032	-	56,694,032
Total investments in the fair value hierarchy	563,068,273	309,071,777	-	872,140,050
*Investments measured at net asset value	-	-	-	948,713,058
Investments at fair value	563,068,273	309,071,777	-	1,820,853,108
Total assets measured at fair value	$ 563,068,273	$ 309,071,777	$ -	$ 1,820,853,108

*Funds are valued using net asset value and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to line items presented in the statements of net assets available for benefits.

Investment policies, guidelines, and procedures have been established by the Trustees of the Fund and may be modified or amended only at the direction of the Trustees. In establishing and determining the reasonableness of investment valuations, the Fund enlists the assistance of independent appraisers, fiduciaries, and investment managers who review the performance of investments to ensure adherence to those policies, guidelines, and procedures.

Investments are monitored by management, as assisted by the Fund's independent fiduciary, to review pricing models and methodologies, to analyze changes in fair value from period to period, to report valuations and changes in valuations to the Trustees, and to verify compliance with the presentation of investments in accordance with generally accepted accounting principles.

The fair values as of December 31, 2020 and 2019 of the following investments have been determined using the NAV per unit of the investment:

	2020		2019	
	Fair Value	Unfunded Commitments	Fair Value	Unfunded Commitments
Multi-strategy hedge funds				
BPIF Non-Taxable L.P. (a)	$ 17,191,935	$ -	$ 16,325,153	$ -
Blackstone Park Avenue Non-Taxable Fund L.P. (b)	20,154,908	-	17,055,033	-
	37,346,843	-	33,380,186	-
Real estate funds				
Townsend Real Estate Alpha Fund III (c)	3,724,418	11,550,000	1,809,281	13,200,000
Sentinel Real Estate Fund (d)	5,087,074	-	5,176,085	-
GMAM (e)	26,022,170	2,341,149	25,516,199	2,334,090
	34,833,662	13,891,149	32,501,565	15,534,090
International fund				
Sprucegrove All Country World ex U.S. CIT (f)	58,685,000	-	55,055,000	-
Sprucegrove US International Pooled Fund (g)	63,003,786	-	60,346,845	-
	121,688,786	-	115,401,845	-
Fixed income funds				
Alliance Bernstein Securitized Asset Securities (h)	54,760,793	-	66,030,399	-
	54,760,793	-	66,030,399	-
Limited partnerships				
Boyd Watterson GSA Fund, LP (i)	27,310,519	-	26,990,533	-
Boyd Watterson State Government Fund, LP (j)	23,143,674		11,710,387	6,250,000
DCM Private Equity Fund IV, LLC (k)	33,593,616	1,213,946	24,564,832	5,679,060
Siguler Guff Trade Finance Opportunities Fund, LP (l)	3,055,031	1,047,521	8,516,040	1,047,521
Siguler Guff Secondary Opportunities Fund (m)	-	-	5,330	3,076,781
Siguler Guff Energy Mezzanine Co-Investment Fund (n)	6,316,603	507,951	9,539,061	-
Siguler Guff Small Buyout Opportunities Fund III (o)	14,423,690	3,084,235	12,049,690	5,148,596
Siguler Guff SG Delta Energy Co-Investment Fund, LP (p)	17,417,605	1,600,000	16,887,613	2,150,000
Siguler Guff Energy Opportunities Holdings, LP (q)	9,713,312	6,570,000	8,540,457	7,970,000
Siguler Guff-Small Buyout Opportunities Fund IV (r)	6,811,077	19,200,000	1,116,960	23,862,500
EJF Sidecar Fund Small Financial Equities LTD (s)	16,978,253	972,024	17,867,480	972,024
Banner Ridge Secondary Fund III (Offshore), LP (t)	18,820,389	10,692,749	3,816,948	21,787,238
Banner Ridge Secondary Fund III Co, LP (u)	3,171,414	2,588,200	573,707	4,469,214
Banner Ridge DSCO Fund I (v)	944,801	20,000,000	-	-
Taurus Private Markets Fund (w)	392,221	4,475,000	186,865	4,687,500
	182,092,205	71,951,626	142,365,903	87,100,434
Domestic Equity Funds				
EB DV Large Cap Growth Stock Index Fund (x)	148,887,905	-	107,544,989	-
EB DV Small Cap Growth Stock Index Fund (y)	12,514,856	-	9,270,470	-
ED DV SMID Cap Stock Index (z)	69,039,079	-	57,508,808	-
BNY Mellon AFL-CIO Large Cap Stock Index Fund (aa)	344,699,097	-	384,708,893	-
	575,140,937	-	559,033,160	-
	$ 1,005,863,226	$ 85,842,775	$ 948,713,058	$ 102,634,524

a) The fund is organized for the primary purpose of developing and actively managing an investment portfolio of non-traditional portfolio managers by investing substantially all of its assets through a “master-feeder” structure in Blackstone Partners Non-Taxable Offshore Master Fund Ltd. Withdrawal requests must be received at least 90 days prior to a withdrawal date in the case of Class A interests, 60 days prior to a withdrawal date in the case of Class B interests, or 95 days prior to a withdrawal date in the case of Class C interests, Class E Interest, or Class F interests, following the first anniversary date of its initial contribution. Payment of the withdrawal proceeds to limited partners will generally be made within 30 days after the applicable withdrawal date. The general partner, in its discretion, may restrict the withdrawal.

b) The fund is organized for the primary purpose of developing and actively managing an investment portfolio of non-traditional portfolio managers by investing substantially all of its assets through a “master-feeder” structure in Blackstone Park Avenue Non-Taxable Offshore Master Fund Ltd. Withdrawals are permitted annually with 95-days’ notice, following the first anniversary date of its initial contribution. The general partner, in its discretion, may restrict the withdrawal.

c) The Partnership identifies, acquires, holds, manages, and disposes of investments in real estate private equity funds for income and capital appreciation. Redemption is not allowed for this investment.

d) The fund continues to acquire, manage and dispose of a portfolio of primarily institutional quality, multifamily communities located throughout the United States. The fund’s portfolio is actively managed through the continuous evaluation of property market cycles, national and regional macro and microeconomic trends and property-specific characteristics. The Manager seeks to create diversification within the portfolio through the acquisition of investments in a variety of markets as well as through acquisitions of residential rental communities located both in in-fill and suburban locations. With written notice, payouts are paid pro rata based upon availability of funds. The Fund then has a 27-month period for such redemption requests to be satisfied, provided that the General Partner may further suspend the payment of a redemption if the General Partner determines in good faith that the payment of the redemption is reasonably expected to be prejudicial to the non-redeeming Limited Partners or the Partnership as a whole.

e) Includes investments in real estate properties and real estate limited partnerships that invest in U.S. and international real estate. Redemption is not allowed for the underlying assets for this investment.

f) The fund seeks to outperform the MSCI EAFE Index over a full market cycle. Daily liquidity occurs with 10 days’ notice for redemptions exceeding $5 million.

g) The fund is an open-ended investment fund primarily involved in investing in a diversified portfolio of global equity securities issued by companies listed on recognized international stock exchanges. investment objective of this fund is to maximize the long-term rate of return while seeking to preserve the investment capital of the Fund. Daily liquidity occurs with 10 days’ notice for redemptions exceeding $5 million.

h) The fund is designed to take advantage of a continually evolving set of opportunities in securitized assets with a focus on mortgage credit, concentrated on legacy RMBS, legacy and new issue CMBS, CSE Credit Risk Transfer securities, and residential mortgage loans. Redemptions are done quarterly with 90 days’ notice. General Partner may limit withdrawals so they do not exceed 25% of assets.

i) The fund was formed to operate as a perpetual life, open-end, commingled collective investment fund and intends to invest primarily in real estate primarily leased to the U.S. federal government either through the General Services Administration (“GSA”) or other federal government agencies. Redemption requests must be made at least 60 days prior to a calendar quarter end and shall only be permitted in increments of $250,000.

j) The fund was formed to operate as a perpetual life, open-end, commingled collective investment fund and intends to invest primarily in real estate primarily leased to the state government agencies. Redemption requests must be made at least 60 days prior to a calendar quarter end and shall only be permitted in increments of $250,000.

k) The fund-of-fund vehicle makes investments in private equity partnerships through primary investments, secondary investments and co-investment entities in order to provide capital appreciation to members. No member shall have any right to withdraw from the fund, and the fund shall continue until the later of (i) the tenth anniversary of the last day of commitment period and (ii) the first anniversary of the date on which each Private Equity Investment has liquidated its assets or has otherwise been disposed of and no distribution received by the fund remains subject to recall by any private equity investment.

l) The Partnership invests directly or indirectly (through a joint venture) in a trade finance transaction or a related transaction, hedging instruments, and temporary investments, with a primary focus on investments in trade finance regulatory capital transactions. No partner shall have any right to withdraw from the partnership without the express written consent of the General Partner, which may be withheld in its sole discretion.

m) The Partnership invests substantially all of its investable assets in a limited partnership interest in the master fund which invests directly or indirectly in a portfolio of underlying companies, securities, derivative instruments or in an operating company or other business organization. The investments do not allow redemptions until the term of the Master Fund expires on September 22, 2025.

n) The Partnership invests in assets in limited liability company interests in SG Energy Mezzanine Co-Investment Holdings, LLC. There are no restrictions on redemption of this investment. Redemptions occur within 5 business days of prior notice.

o) The Partnership invests in pooled investment vehicles managed by investment managers and direct investments primarily focused on buyout, recapitalization, and growth equity transactions. Portfolio investments typically involve direct or indirect securities of private companies doing business in the United States and Canada generally with less than $150 million of revenue and $15 million of EBITDA. Redemption is not allowed for this investment.

p) The Partnership executes its investment strategy by investing its assets in special purpose vehicles managed by the Manager, each of which have been established to invest in Dienerian Resources Inc., any corporate successor thereto, or any entity formed to facilitate any investment in or relating to Dienerian to finance the drilling, completion, and equipping of wells owned by Dienerian on land owned by Dienerian. There are no restrictions on redemption of this investment.

q) The partnership invests substantially all of its investable assets in a limited partnership interest in Siguler Guff Energy Opportunities Fund, LP (the “Master Fund”). Redemptions are not allowed for this investment.

r) The partnership invests in pooled investment vehicles managed by investment managers and direct investments primarily focused on buyout, recapitalization, and growth equity transactions. Investments typically involve direct or indirect securities of private companies doing business in the United States and Canada generally with less than $110 million of revenue and $15 million of EBITDA. Redemptions are not allowed for this investment.

s) This fund invests substantially all of its assets through a master-feeder structure in EJF Sidecar Fund, Series LLC - Small Financial Equities Series. Redemption is not allowed for this investment.

t) The fund was formed as the Offshore Feeder that invests substantially all of its assets in Banner Ridge Secondary Master Fund III, LP, a Delaware limited partnership. The Master Fund has been organized for the purpose of purchasing, selling, investing and trading in securities primarily issued by investment funds that are managed by independent portfolio managers through secondary and primary transactions. Redemptions are not allowed for these investments.

u) The fund has been organized for the purpose of purchasing, selling, investing and trading in securities primarily issued by investment funds that are managed by independent portfolio managers through secondary and primary transactions. Redemptions are not allowed for these investments.

v) The fund was formed as the Offshore Feeder that invests substantially all of its assets in Banner Ridge DSCO Fund I, LP, a Delaware limited partnership. The Master Fund has been organized for the purpose of purchasing, selling, investing and trading in securities primarily issued by investment funds that are managed by independent portfolio managers through secondary and primary transactions. Redemptions are not allowed for these investments.

w) The fund is a private equity fund-of-funds organized with the principal investment objective of acquiring, holding, funding and disposing of privately negotiated interests in private investment funds. Redemption is not allowed for this investment.

x) The fund is constructed to mirror the Russell 1000 Growth Index (the “Index”) to provide long-term capital growth. The fund seeks to match the performance of the index by investing in a portfolio of large capitalization equity securities. Redemption requires written notice one business day prior to the business day that has been established for the purpose of admission and withdrawal for cash contributions or cash withdrawals.

y) The fund is constructed to mirror the Russell 2000 Growth Index to provide long-term capital growth. The fund seeks to match the performance of the index by investing in a portfolio of small capitalization equity securities. Redemption requires written notice one business day prior to the business day that has been established for the purpose of admission and withdrawal for cash contributions or cash withdrawals.

z) The fund is constructed to mirror the Russell 2500 Index to provide long-term capital growth. The Fund seeks to match the performance of the index by investing in a portfolio of small and mid-capitalization equity securities. Redemption requires written notice one business day prior to the business day that has been established for the purpose of admission and withdrawal for cash contributions or cash withdrawals.

aa) The fund is constructed to mirror the S&P 500 Index. The fund seeks to match the performance of the index by investing in a portfolio of large capitalization equity securities. Redemption requires written notice one business day prior to the business day that has been established for the purpose of admission and withdrawal for cash contributions or cash withdrawals.

6. DERIVATIVES

Derivatives are financial arrangements or instruments, such as futures contracts, forward currency contracts, and swaps or option contracts, whose values are dependent upon or derived from one or more underlying assets. Underlying assets may include stocks, bonds, commodities, currencies, interest rates, and market indexes. The derivatives themselves are contracts between two or more parties based upon the underlying asset.

The Fund utilized derivative financial instruments in connection with its investment activities as they provided a flexible and low-cost way to structure portfolios, managed interest and foreign exchange rate risk, and captured market mispricing. Investments in derivative contracts are subject to additional risks that can result in the loss of all or part of an investment. The Fund's derivative activity and exposure to derivative contracts were classified by the primary underlying risks: interest rate, credit, foreign currency exchange rate, and equity and debt price risks.

All changes in the values of derivatives were settled on a regular basis, usually daily. This daily settlement process acted to ensure performance of all parties to the investment contracts and mitigates credit risk. The Fund recorded its derivative activities at fair value. Gains and losses from derivatives were included in net appreciation in fair value of investments on the statements of changes in net assets available for benefits.

Forward Contracts

The Fund entered into forward contracts to hedge itself against foreign currency exchange rate risk for its foreign currency denominated assets and liabilities due to adverse foreign currency fluctuations against the U.S. dollar. When entering into a forward currency contract, the Fund agreed to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. As of December 31, 2020, the Fund no longer held forward currency contract positions. The fair value of the forward currency contracts was included in investments on the Fund's statements of net assets available for benefits and fair value hierarchy table. The Fund may be required to post collateral on derivatives if the Fund is in a net liability position with the counterparty exceeding certain amounts. Additionally, counterparties could have immediately terminated derivatives contracts if the Fund failed to maintain sufficient asset coverage for its contracts or its net assets decline by stated percentages.

The following table identifies the fair value of derivative instruments included in the statements of net assets available for benefits in investments held and included in other investments in Note 5:

	2020		2019	
Primary Underlying Risk	**Derivative Assets**	**Derivative Liabilities**	**Derivative Assets**	**Derivative Liabilities**
Equity and debt price				
Forward currency contracts	$ -	$ -	$ 12,407,902	$ 12,527,144

During the years ended December 31, 2020 and 2019, the Fund recognized net appreciation (depreciation) from derivative instruments of $(51,070) and $27,925, respectively, which is included in net appreciation in fair value of investments on the statements of changes in net assets available for benefits and categorized by primary underlying risk as follows:

	2020	2019
Primary Underlying Risk	**Gains (Losses)**	**Gains (Losses)**
Equity and debt price		
Forward currency contracts	$ (51,070)	$ 27,925

7. RISKS AND UNCERTAINTIES

The Fund invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of these securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Financial instruments that subject the Fund to concentrations of credit risk include cash which is deposited in financial institutions. While the Fund attempts to limit its financial exposure, its deposit balances with financial institutions may, at times, exceed the limits insured by agencies of the U.S. government. The Fund has not experienced, and management does not anticipate experiencing any credit losses on such deposits.

Fund contributions are determined, and the actuarial present values of benefit obligations are reported based on certain assumptions pertaining to interest rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could materially affect the amounts reported and disclosed in the financial statements.

The 2019 novel coronavirus (or “COVID-19”) has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. Following the COVID-19 outbreak in March 2020, the financial markets have experienced significant volatility, therefore affecting the values of investment securities. These economic and market conditions and other effects of the COVID-19 outbreak may continue to cause volatility. The extent of any adverse impact of the COVID-19 outbreak on the Plan's financial status and changes therein cannot be predicted as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

8. RELATED PARTY TRANSACTIONS

The Fund and the Teamsters Health and Welfare Fund of Philadelphia and Vicinity (the “Health and Welfare Fund”) maintain a corporation known as Administrative Service Professionals, Inc. (“ASP”). The Fund owns 28% of ASP. ASP provides administrative services to the Fund for a negotiated fixed amount, based upon the number of members. During 2020 and 2019, the Fund paid ASP $1,892,000 and $2,188,000, respectively, which is included in administrative expenses.

9. SECURITIES LENDING PROGRAM

The Trustees of the Fund have entered into an agreement with BMO Harris Bank (the “bank”), which authorizes the bank to lend securities held in the Fund's accounts to third parties.

The bank must obtain collateral from the borrower in the form of cash, letters of credit issued by an entity other than the borrower, or acceptable securities, and the value of collateral obtained must be at least 102% of the value of securities loaned. Both the collateral and the securities loaned are marked-to-market on a daily basis so that at least 102% of the value of the loaned securities has been received from the borrower. In the event that the loaned securities are not returned by the borrower, the bank will, at its own expense, either replace the loaned securities or, if unable to purchase those securities on the open market, credit the Fund's accounts with cash equal to the market value of the loaned securities. Once cash collateral is received by the custodian bank, it is invested, and the investments are subject to market and credit risk. The custodial bank is not responsible for any losses on invested collateral.

Although the Fund's securities lending activities are collateralized as described above, and although the terms of the securities lending agreement with the custodial bank require the bank to comply with government rules and regulations related to the lending of securities held by ERISA plans, the securities lending program involves both market and credit risks. In this context, market risk refers to the possibility that the borrowers of securities will be unable to collateralize their loan upon a sudden material change in the fair value of the loaned securities or the collateral, or that the bank's investment of cash collateral received from the borrowers of the Fund's securities may be subject to unfavorable market fluctuations. Credit risk refers to the possibility that counter-parties involved in the securities lending program may fail to perform in accordance with the terms of their contracts. To date, the Fund has experienced no material losses in connection with the securities lending program.

In June 2019, the Fund temporarily suspended its securities lending program. The Fund re-instated the securities lending program effective January 2020 with the transition to a new custodian.

At December 31, 2020, the collateral received for loaned securities was as follows:

Received as cash and invested	$ 143,506,808

In order to present the statements of net assets available for benefits in accordance with accounting principles generally accepted in the United States of America, the fair value of loaned securities is separately identified, the value of investments of cash received as collateral is reflected as an asset, and the obligation to refund the cash collateral received is reflected as a liability.

The custodial bank is authorized to invest and reinvest, on behalf of the Fund, any and all cash collateral in one or more investment vehicles approved in the agreement. By contract, a large portion of earnings from the cash collateral is rebated from the borrower of the securities, and the balance of the earnings is divided between the custodial bank and the Fund. Shortfalls arising from these investment activities are solely the responsibility of the Fund. Income earned by the Fund during 2020 and 2019 reported in the statements of changes in net assets available for benefits was $262,387 and $7,413, respectively, in connection with the securities lending program. The income earned was determined as follows:

	2020	2019
Gross earnings on collateral	$ 735,479	$ 28,464
Rebate from securities borrower	(298,840)	(17,511)
Net earnings on collateral	436,639	10,953
Fees paid to custodial bank	(174,252)	(3,540)
Net earnings by the Fund	$ 262,387	$ 7,413

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Trustees,
Teamsters Pension Trust Fund of Philadelphia and Vicinity:

We have audited the financial statements of Teamsters Pension Trust Fund of Philadelphia and Vicinity as of and for the years ended December 31, 2020 and 2019, and have issued our report thereon dated July 30, 2021, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole.

The accompanying schedules of professional fees and administrative expenses for the years ended December 31, 2020 and 2019 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

WithumSmith+Brown, PC

July 30, 2021

Teamsters Pension Trust Fund of Philadelphia and Vicinity
Schedules of Professional Fees and Administrative Expenses
Years Ended December 31, 2020 and 2019

	2020	2019
Administrative expenses		
Administrator fee - ASP	$ 1,892,000	$ 2,188,000
Insurance	876,064	780,945
Payroll audit - legal services	396,473	(25,465)
Actuarial and consulting	316,115	288,341
Legal	263,699	269,520
Auditing and accounting	55,379	58,909
Postage	19,517	29,652
Educational conferences and trustee meetings	15,703	32,685
Data processing equipment rental and supplies	8,562	5,772
Printing	7,721	24,020
Employment verification	5,051	2,022
General office	2,651	3,769
Dues and subscriptions	733	733
Total administrative expenses	$ 3,859,668	$ 3,658,903

See Independent Auditor’s Report on Supplementary Information.