Warehouse Employees Local No. 730 Welfare Fund

Master Consulting Services Report

Period Ended
December 31, 2019

TABLE OF CONTENTS

Tab A	**Market Commentary**
Tab B	**MCS Commentary, Recommendations, and Compliance Summary**
Tab C	**Appendix**
Tab D	**January Preliminary Monthly Performance Update**
Tab E	**Asset Allocation Review**
Tab F	**Glossary of Investment Terminology**

The information contained in this report is proprietary and confidential information.
You are hereby notified that any dissemination, distribution, or copying of this document is strictly prohibited.

This page left blank intentionally.

Market Discussion Points

4Q | 2019

INVESTMENT PERFORMANCE SERVICES, LLC

Financial Market Performance

Periods Ending December 31, 2019

Strategy	Sector	Index	QTR	YTD	2018	2017	2016	2015	2014	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	9.1	31.5	-4.4	21.8	12.0	1.4	13.7	31.5	15.3	11.7	13.6	6.1
	US Small Cap	Russell 2000	9.9	25.5	-11.0	14.7	21.3	-4.4	4.9	25.5	8.6	8.2	11.8	7.6
	All Country	MSCI All Country World (net)	9.0	26.6	-9.4	24.0	7.9	-2.4	4.2	26.6	12.4	8.4	8.8	-
	Non-US Developed	MSCI EAFE (net)	8.2	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.0	9.6	5.7	5.5	3.3
	Emerging Markets	MSCI EM (net)	11.8	18.4	-14.6	37.3	11.2	-14.9	-2.2	18.4	11.6	5.6	3.7	6.7
	Int'l Small Cap	MSCI EAFE Small Cap (net)	11.5	25.0	-17.9	33.0	2.2	9.6	-5.0	25.0	10.9	8.9	8.7	7.6
Bonds	**Treasury**	Bloomberg Barclays US Govt	-0.8	6.8	0.9	2.3	1.1	0.9	4.9	6.8	3.3	2.4	3.0	4.6
	Broad Market	Bloomberg Barclays Aggregate	0.2	8.7	0.0	3.5	2.7	0.6	6.0	8.7	4.0	3.1	3.8	5.0
	Intermediate	Bloomberg Barclays Gov/Credit Int.	0.4	6.8	0.9	2.1	2.1	1.1	3.1	6.8	3.2	2.6	3.1	4.5
	High Yield	Bloomberg Barclays HY BaB 2% IC	2.5	15.2	-1.9	6.9	14.1	-2.7	3.5	15.2	6.5	6.1	7.4	6.9
	Short Duration HY	BofA ML HY Cash Pay BB 1-3 YR	1.5	8.7	1.4	3.6	8.5	1.2	1.9	8.7	4.5	4.6	5.6	-
	Global Bonds	FTSE WGBI	-0.4	5.9	-0.8	7.5	1.6	-3.6	-0.5	5.9	4.1	2.0	1.9	4.2
GTAA	**Unconstrained**	65% MSCI World /35% FTSE WGBI	5.4	19.8	-5.7	17.0	5.6	-1.6	3.0	19.8	9.8	6.6	7.0	4.8
Real Estate	**Core**	NCREIF ODCE Equal Weighted (net)	1.3	5.2	7.3	6.9	8.4	14.2	11.4	5.2	6.5	8.4	10.5	7.0
Hedge Fund of Funds	**Diversified FOFs**	HFRI FOF Composite	3.0	8.3	-4.0	7.8	0.5	-0.3	3.4	8.3	3.9	2.4	2.8	3.4
	Equity Long-Short	HFRI Equity Hedge	5.7	13.7	-7.1	13.3	5.5	-1.0	1.8	13.7	6.2	4.6	4.7	5.0
Commodities	**Commodities**	Goldman Sachs Commodity	8.3	17.6	-13.8	5.8	11.4	-32.9	-33.1	17.6	2.4	-4.3	-5.4	-0.3

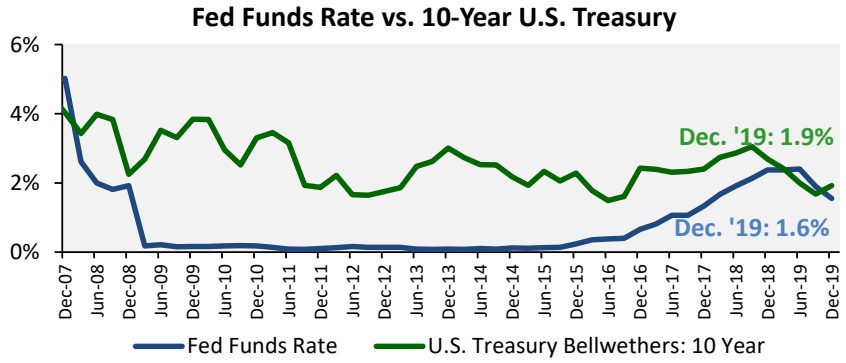
Asset Class Performance "Quilt"

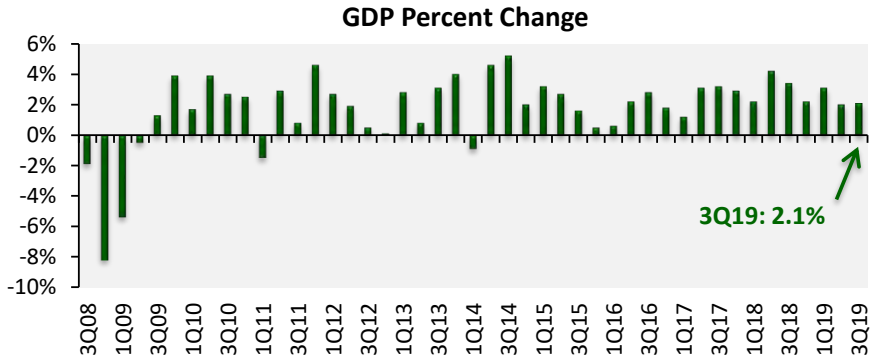
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EM Equity 34.0%	EM Equity 32.2%	EM Equity 39.4%	Fx Inc 5.2%	EM Equity 78.5%	Small Cap 26.9%	RE 15.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE 14.2%	Small Cap 21.3%	EM 37.3%	RE 7.3%	Large Cap 31.5%
RE 19.0%	Int'l 26.3%	RE 15.0%	RE -11.1%	HY 57.5%	Mid Cap 25.5%	Fx Inc 7.8%	Int'l 17.3%	Mid Cap 34.8%	Mid Cap 13.2%	Large Cap 1.4%	HY 17.5%	Int'l 25.0%	SD HY 1.4%	Mid Cap 30.5%
Int'l 13.5%	Small Cap 18.4%	Int'l 11.2%	SD HY -14.0%	Mid Cap 40.5%	EM Equity 18.9%	HY 4.4%	Mid Cap 17.3%	Large Cap 32.4%	RE 11.4%	SD HY 1.2%	Mid Cap 13.8%	Large Cap 21.8%	Fx Inc 0.0%	Small Cap 25.5%
Mid Cap 12.6%	Large Cap 15.8%	HFoF 10.3%	HFoF -21.4%	SD HY 36.1%	HY 15.2%	SD HY 4.4%	Small Cap 16.3%	Int'l 22.8%	Fx Inc 6.0%	Fx Inc 0.6%	Large Cap 12.0%	Mid Cap 18.5%	HY -2.3%	Int'l 22.0%
HFoF 7.5%	Mid Cap 15.3%	GTAA 9.9%	GTAA -25.4%	Int'l 31.8%	RE 15.1%	Large Cap 2.1%	Large Cap 16.1%	GTAA 15.3%	Small Cap 4.9%	HFoF -0.3%	EM 11.2%	GTAA 17.0%	HFoF -4.0%	GTAA 19.8%
Large Cap 4.9%	GTAA 15.1%	Fx Inc 7.0%	HY -26.4%	Small Cap 27.2%	Large Cap 15.1%	GTAA -0.9%	HY 15.6%	RE 12.4%	HFoF 3.4%	Int'l -0.8%	SD HY 8.5%	Small Cap 14.7%	Large Cap -4.4%	EM 18.4%
Small Cap 4.6%	RE 15.1%	Mid Cap 5.6%	Small Cap -33.8%	Large Cap 26.5%	SD HY 11.7%	Mid Cap -1.6%	GTAA 10.9%	HFoF 9.0%	GTAA 3.0%	GTAA -1.6%	RE 8.4%	HFoF 7.8%	GTAA -5.7%	HY 14.4%
GTAA 3.6%	HY 11.7%	Large Cap 5.5%	Large Cap -37.0%	GTAA 20.1%	GTAA 9.8%	Small Cap -4.2%	SD HY 10.2%	HY 7.4%	HY 2.5%	Mid Cap -2.4%	GTAA 5.6%	HY 7.5%	Mid Cap -9.1%	Fx Inc 8.7%
HY 2.7%	HFoF 10.4%	SD HY 3.9%	Mid Cap -41.5%	HFoF 11.5%	Int'l 7.8%	HFoF -5.7%	RE 9.9%	SD HY 5.6%	SD HY 1.9%	Small Cap -4.4%	Fx Inc 2.7%	RE 6.9%	Small Cap -11.0%	SD HY 8.7%
Fx Inc 2.4%	SD HY 9.9%	HY 2.2%	Int'l -43.4%	Fx Inc 5.9%	Fx Inc 6.5%	Int'l -12.1%	HFoF 4.8%	Fx Inc -2.0%	EM Equity -2.2%	HY -4.6%	Int'l 1.0%	SD HY 3.6%	Int'l -13.8%	HFoF 8.3%
SD HY 2.4%	Fx Inc 4.3%	Small Cap -1.6%	EM Equity -53.3%	RE -31.3%	HFoF 5.7%	EM Equity -18.4%	Fx Inc 4.2%	EM Equity -2.6%	Int'l -4.9%	EM Equity -14.9%	HFoF 0.5%	Fx Inc 3.5%	EM -14.6%	RE 5.2%

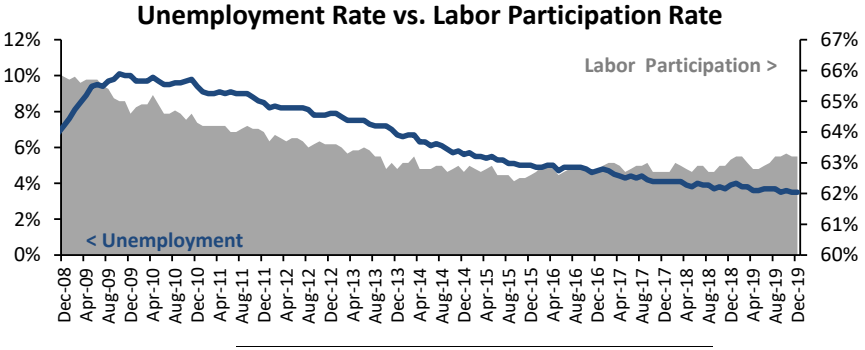
Source: NCREIF, Wilshire. Large Cap Equity: S&P 500 Index, Mid Cap Equity: Russell Midcap Index, Small Cap Equity: Russell 2000 Index, International Equity: MSCI EAFE Index, Emerging Markets: MSCI EM Index, Fixed Income: Barclays Aggregate Index, High Yield Fixed Income: Merrill Lynch High Yield Master II Index, Short Duration High Yield Fixed Income: ML High Yield Cash Pay 1-3 Yr BB Index, Real Estate: NCREIF ODCE Equal Weighted Index, Hedge Fund of Funds: HFRI FOF Index, Global Tactical Asset Allocation: 65%MSCI World Equity/35% Citi World Gov't Bond Index. Inception date for the ML High Yield Cash Pay 1-3 Yr BB Index was January 1, 2005. Past performance is not indicative of future returns.

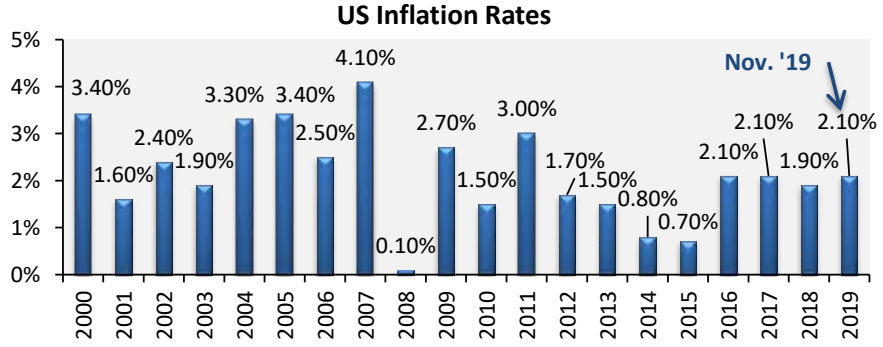
U.S. Economy

The year was characterized by slowing economic growth, accommodative monetary policy, low inflation, and rising asset prices across most geographies and markets. U.S GDP grew at 2.1% in the 3rd quarter, in line with growth from the 2nd quarter and down from 3.1% in the 1st quarter. Current projections for the 4th quarter suggest economic growth will remain close to the 2% level. Despite slowing growth, there have been few signs that a recession in the U.S. is imminent. Nonetheless, the U.S. Federal Reserve (Fed) made three "mid-cycle adjustment" rate cuts in 2019, including one in the 4th quarter. In a further accommodating move, the Fed began expanding its balance sheet for the first time in several years in order to provide necessary short-term liquidity for the repo and money markets. Fed Chairman Powell indicated the Fed is now on hold, unless there is a material change in outlook. Outside the U.S., the European Central Bank also cut rates and instituted a quantitative easing program during 2019. Much of the recent slowdown in investment spending and manufacturing activity is attributable to rising trade tensions between the U.S. and China over the course of 2018 and 2019. Positive developments on the U.S. - China trade front during the 4th quarter, including a "Phase One" agreement, boosted optimism that trade policy uncertainty may be less of a headwind in 2020. This could result in increased business activity and stabilization of economic growth in the U.S. Markets saw the J.P Morgan Global Manufacturing PMI exceed 50 for the first time in several months at year end. In 2019, a healthy U.S. consumer offset slower business activity. The labor market remains robust, marked by the lowest unemployment rate in nearly 50 years, with little translation of wage growth into price inflation. Low unemployment coupled with Fed-induced low interest rates is supporting consumer spending as illustrated by strong housing starts and new home sales. Further, the December reading of the University of Michigan's consumer sentiment index reached its highest level since May.





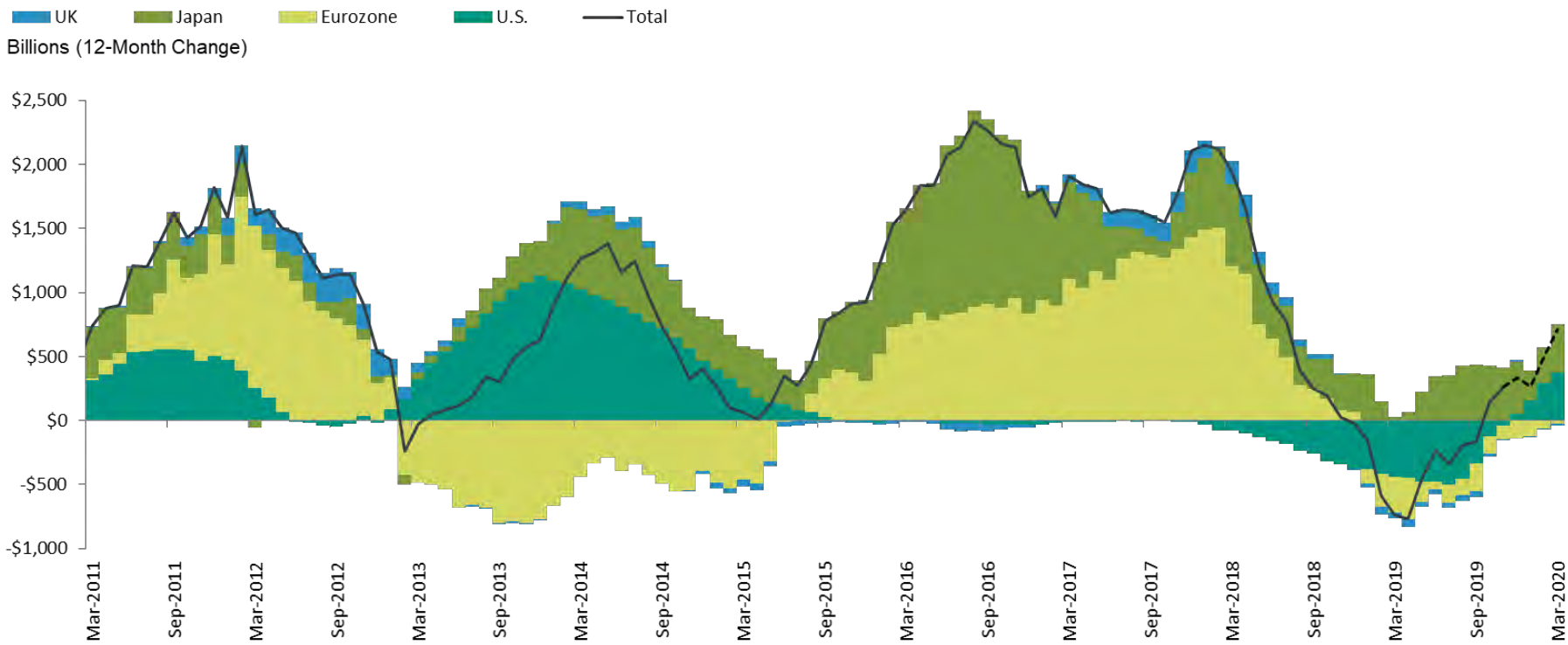




Source: Top Left - The Federal Reserve; Top Right - Bureau of Economics, U.S. Department of Commerce; Bottom Left and Right: Bureau of Labor Statistics

Expansion of Central Bank Balance Sheets Have Supported Asset Prices

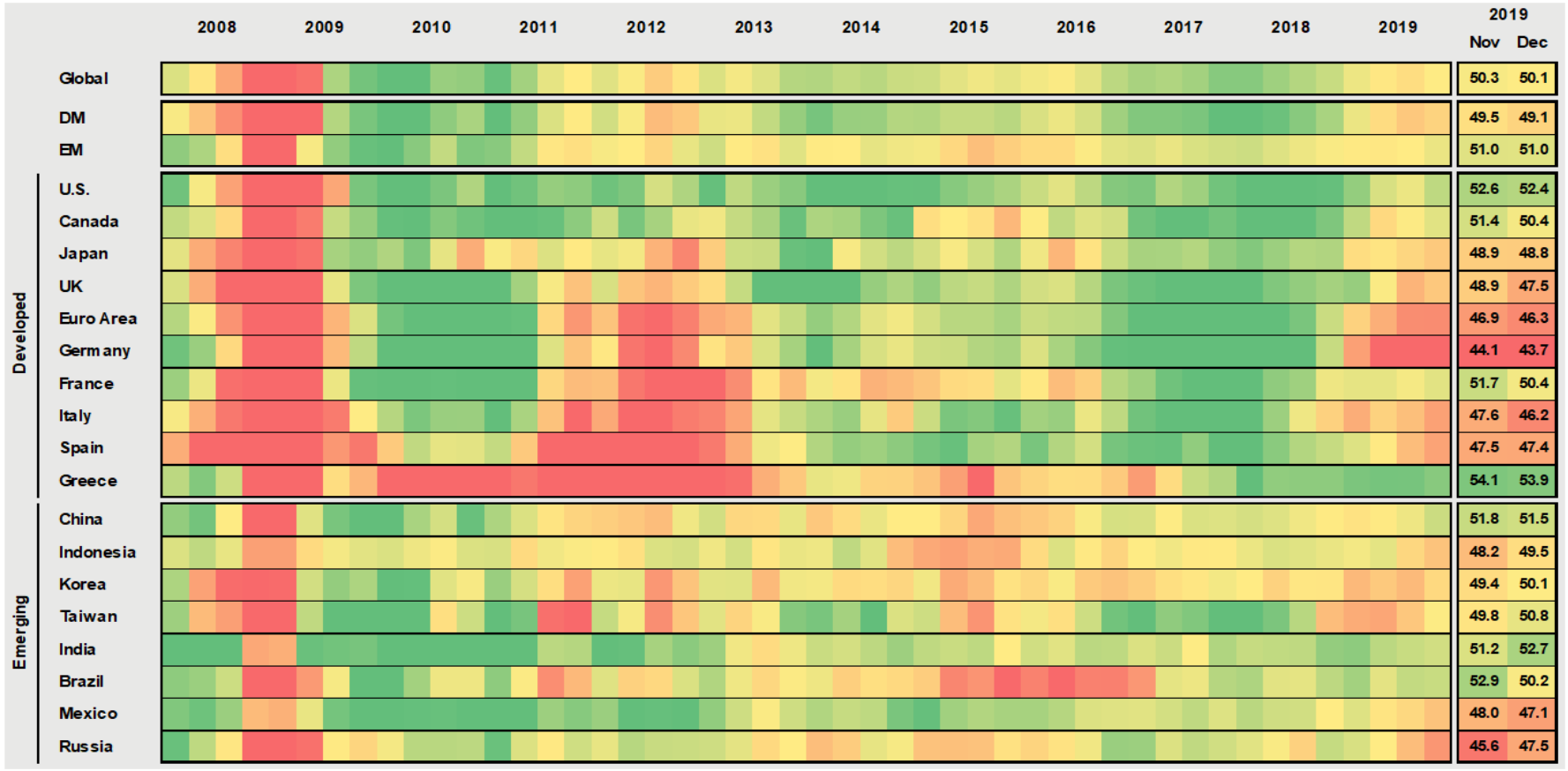
Central Bank Balance Sheets



Source: Dotted line estimates future central bank assets: Federal Reserve to purchase $60B of Treasury bills per month in 2020 Q1, European Central Bank (ECB) to purchase €20B per month in Q1, Bank of England to maintain constant balance sheet, Bank of Japan to purchase at annualized rate of average purchases over last 12 months. Source: Haver Analytics, Fidelity Investments (AART), as of 11/30/19.

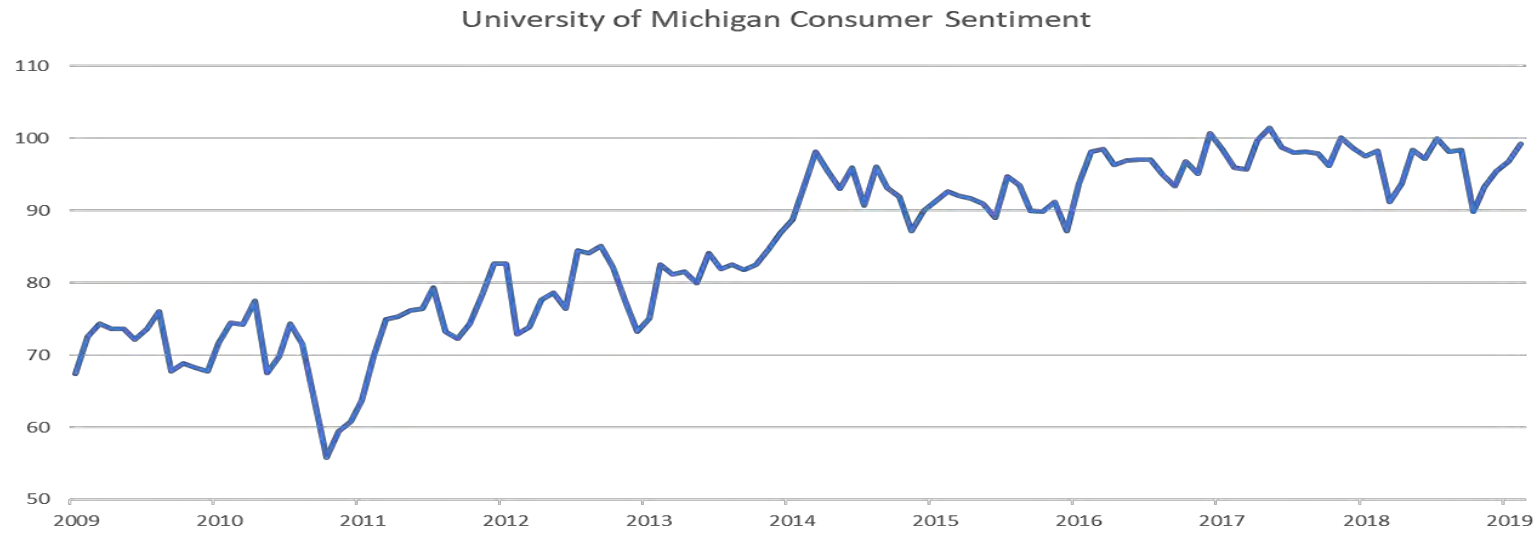
Global PMIs Beginning to Firm

Global Purchasing Manager's Index for manufacturing, quarterly

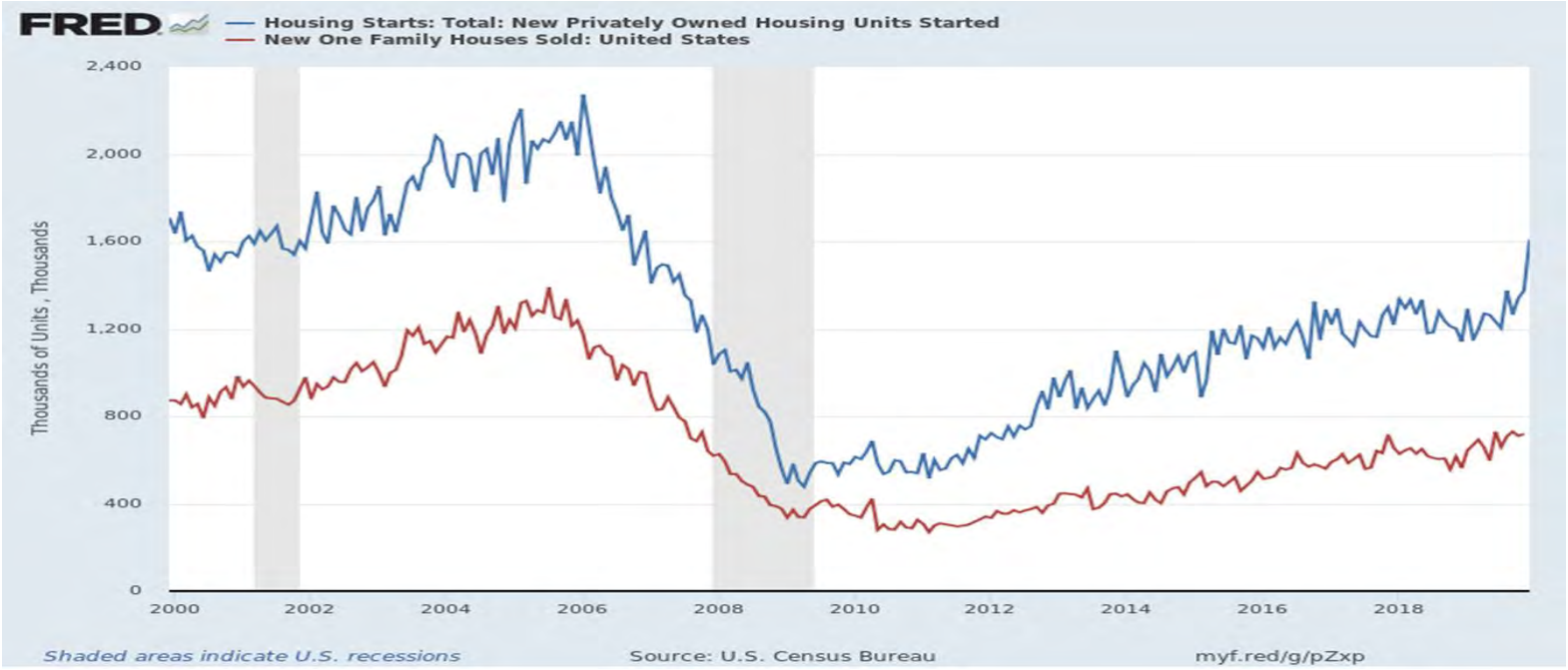


Note: Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. Heat map is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. Data for Canada, Indonesia and Mexico are back-tested and filled in from December 2007 to November 2010 for Canada and May 2011 for Indonesia and Mexico due to lack of existing PMI figures for these countries. DM and EM represent developed markets and emerging markets, respectively.
Source: Markit, J.P. Morgan Asset Management., Guide to the Markets – U.S. Data are as of January 22, 2020.

The U.S. Consumer Remains Strong



Source: University of Michigan



Key Policy Issues for 2020 Presidential Election

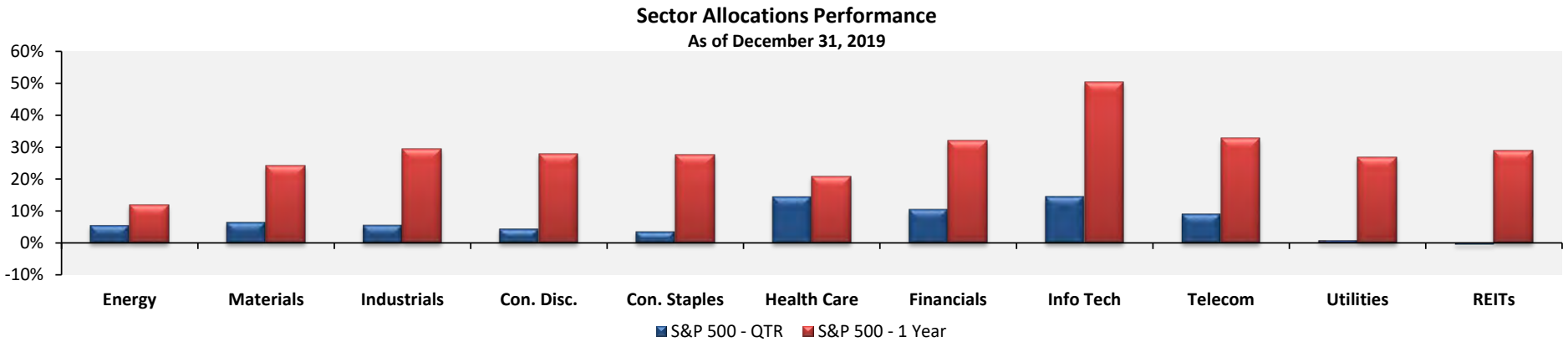
Policy Issue	Progressive Democrat	Moderate Democrat	Trump
Tax Policy	Ultra-Millionaire Tax Real Corporate Profits Tax	Reverse Trumps' tax reform	Status Quo
Trade	Economic Patriotism	Re-write laws with US first	
Healthcare	Medicare for All; Drug Pricing Reforms	Protect & Build on the Affordable Care Act	
Financials	Hold Wall Street accountable	No overt agenda to go after Wall Street	
Energy	Curb emissions and promote clean energy	Clean Energy Revolution	
Technology	Break up Big Tech	Open to investigating breaking up Big Tech	

Source: Neuberger Berman, Cornerstone Macro, The Guardian, elizabethwarren.com, joebiden.com

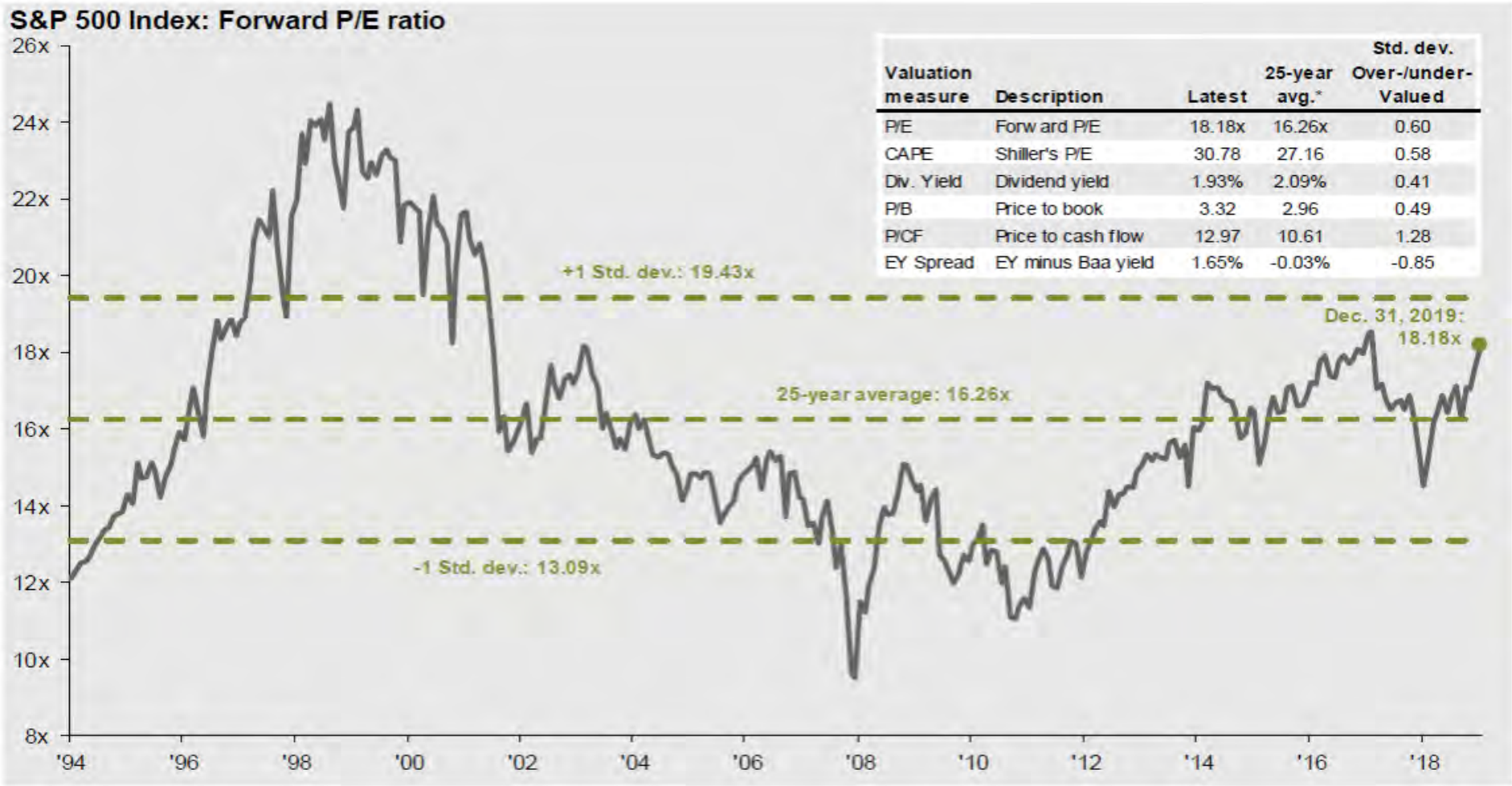
U.S. Equity Market

U.S. equities were undeterred by falling corporate earnings for 2019. The S&P 500 posted another strong quarter, returning 9.1% and finished 2019 with its second-best year (31.5%) of the 2010s. As measured by the Russell 2000, small cap U.S. equities (25.5%) lagged large caps in 2019; however, small companies finished the year strong, with small caps returning 9.9% for the 4th quarter as trade deal optimism grew. Growth stocks continued their domination over value, with the Russell 1000 Growth returning 36.4% while the Russell 1000 Value returned 26.5%. Similar outperformance of growth over value could be seen in mid and small cap stocks for the year. For the quarter, bond proxies such as REITs (-0.5%) and Utilities (0.8%) struggled as the yield curve steepened to its widest point of the year. Information technology was the best performing sector, up 14.4% for the 4th quarter and 50.3% on the year, accounting for nearly a third of the S&P 500's 2019 total return. Two companies, Apple and Microsoft, together accounted for 17% of S&P 500 total return in 2019. For the year, every sector returned in excess of 20% except energy which rose 12%. The majority of U.S. equity gains in 2019 were attributable to multiple expansion as opposed to earnings growth. As a result, the S&P 500 was valued at 18.2x on a forward P/E basis at year-end, up from 14.4x at the start of 2019 and above the 25-year average forward P/E of 16.3x.

Sector	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	9.1	31.5	-4.4	21.8	12.0	1.4	13.7	31.5	15.3	11.7	13.6
	Russell 1000	9.0	31.4	-4.8	21.7	12.1	0.9	13.3	31.4	15.1	11.5	13.5
	Russell 1000 Value	7.4	26.5	-8.3	13.7	17.3	-3.8	13.5	26.5	9.7	8.3	11.8
	Russell 1000 Growth	10.6	36.4	-1.5	30.2	7.1	5.7	13.1	36.4	20.5	14.6	15.2
Mid Cap	Russell Mid-Cap	7.1	30.5	-9.1	18.5	13.8	-2.4	13.2	30.5	12.1	9.3	13.2
	Russell Mid-Cap Value	6.4	27.1	-12.3	13.3	20.0	-4.8	14.7	27.1	8.1	7.6	12.4
	Russell Mid-Cap Growth	8.2	35.5	-4.8	25.3	7.3	-0.2	11.9	35.5	17.4	11.6	14.2
Small Cap	Russell 2000	9.9	25.5	-11.0	14.7	21.3	-4.4	4.9	25.5	8.6	8.2	11.8
	Russell 2000 Value	8.5	22.4	-12.9	7.8	31.7	-7.5	4.2	22.4	4.8	7.0	10.6
	Russell 2000 Growth	11.4	28.5	-9.3	22.2	11.3	-1.4	5.6	28.5	12.5	9.3	13.0
Total Market	Wilshire 5000	9.1	31.0	-5.3	21.0	13.4	0.7	12.7	31.0	14.5	11.4	13.4
	Russell 3000	9.1	31.0	-5.2	21.1	12.7	0.5	12.6	31.0	14.6	11.2	13.4



U.S. Equity Valuations Above Historical Averages

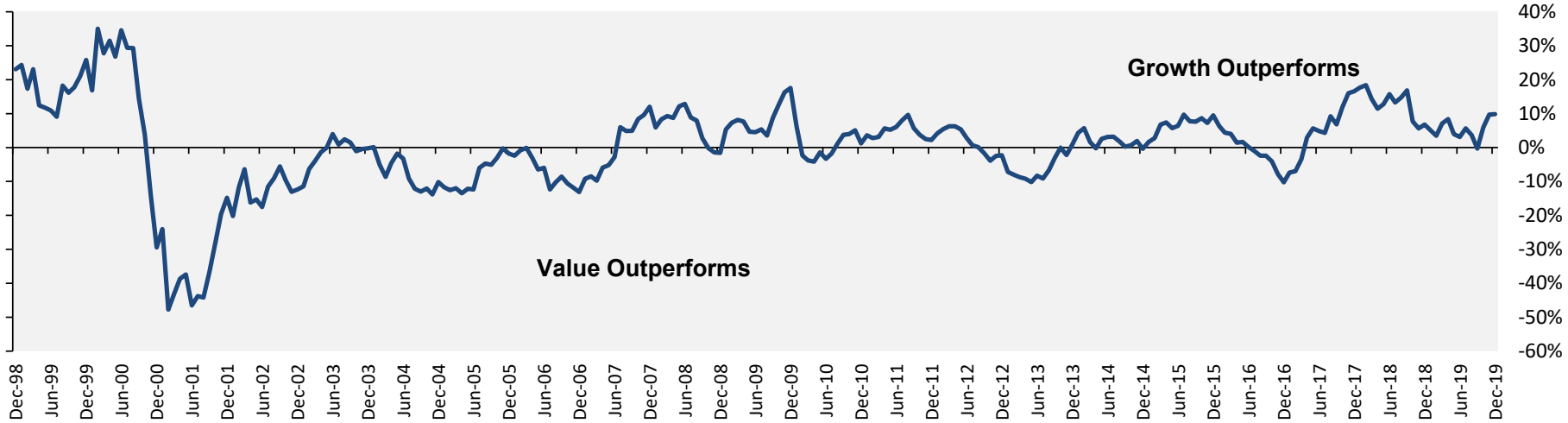


Valuation measure	Description	Latest	25-year avg.*	Std. dev. Over-/under-Valued
P/E	Forward P/E	18.18x	16.26x	0.60
CAPE	Shiller's P/E	30.78	27.16	0.58
Div. Yield	Dividend yield	1.93%	2.09%	0.41
P/B	Price to book	3.32	2.96	0.49
P/CF	Price to cash flow	12.97	10.61	1.28
EY Spread	EY minus Baa yield	1.65%	-0.03%	-0.85

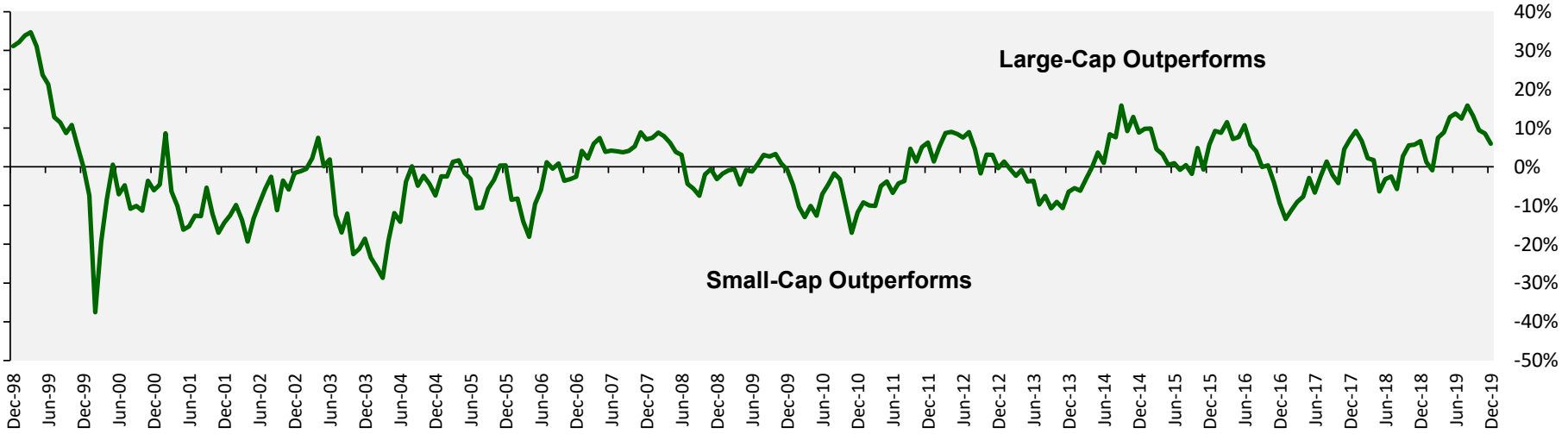
Source: FactSet, FRB, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Data are as of December 31, 2019.

U.S. Equity Market

Russell 1000 Growth vs. Russell 1000 Value
Rolling One-Year Returns



S&P 500 vs. Russell 2000
Rolling One-Year Returns

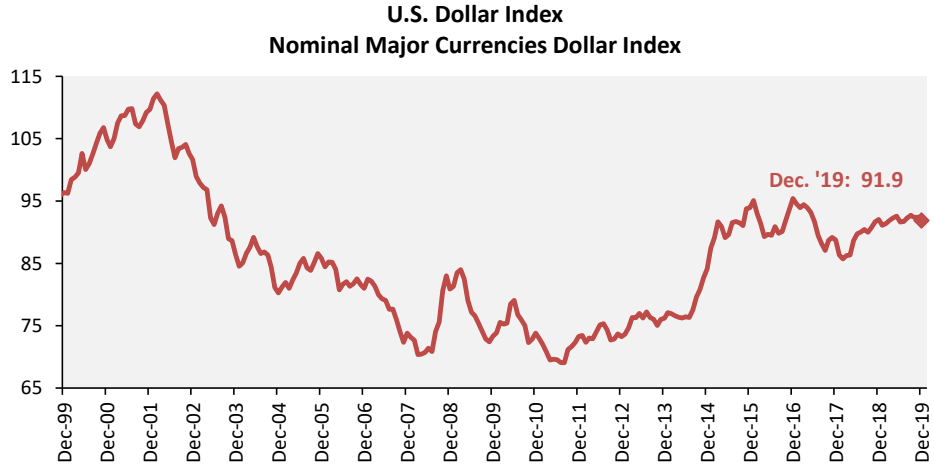


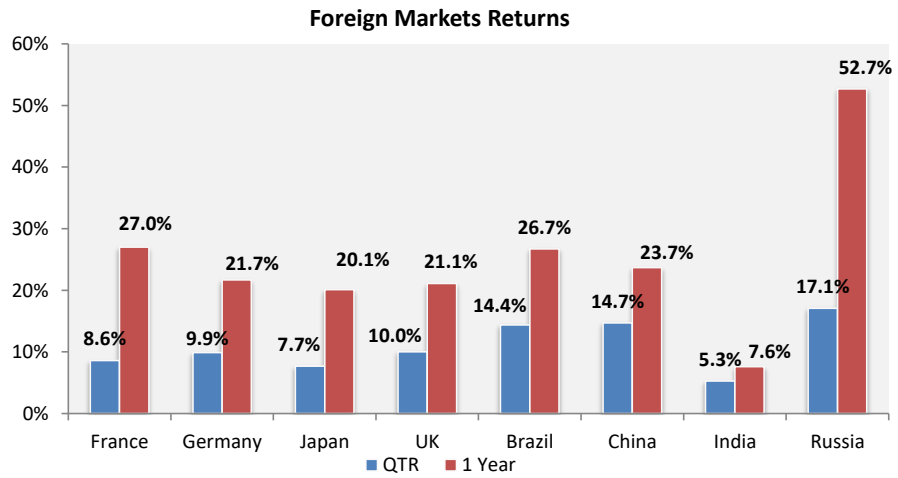
U.S. Equity Market

International Equity Market

While international equity markets kept pace with U.S. equities in the 4th quarter, they lagged for the full year, continuing the decade-long trend of U.S. equity outperformance. Non-U.S. developed markets, as measured by the MSCI EAFE, finished the quarter returning 8.2%, taking the return for 2019 to 22.0%. Within Europe, manufacturing activity is showing signs of possibly bottoming, especially in Germany, which returned 9.9% for the quarter and 21.7% for 2019. Some clarity surrounding the Brexit situation allowed the U.K to return 10.0% for the 4th quarter and 21.1% for the year. Japan lagged most developed markets in the 4th quarter with a return of 7.7% as growth was expected to slow sharply following a tax on private consumption. Given they are more highly leveraged to global growth, emerging markets lagged for most of the year on concerns related to U.S.-China trade negotiations. However, progress on the trade front led to an 11.8% return for emerging markets in the 4th quarter, resulting in an 18.4% gain for 2019. Emerging markets were also supported by rising global liquidity through the Fed and ECB easing and some slight U.S. Dollar weakness. China, the largest emerging market country, ended on a high note, returning 14.7% for the quarter and 23.7% for 2019.

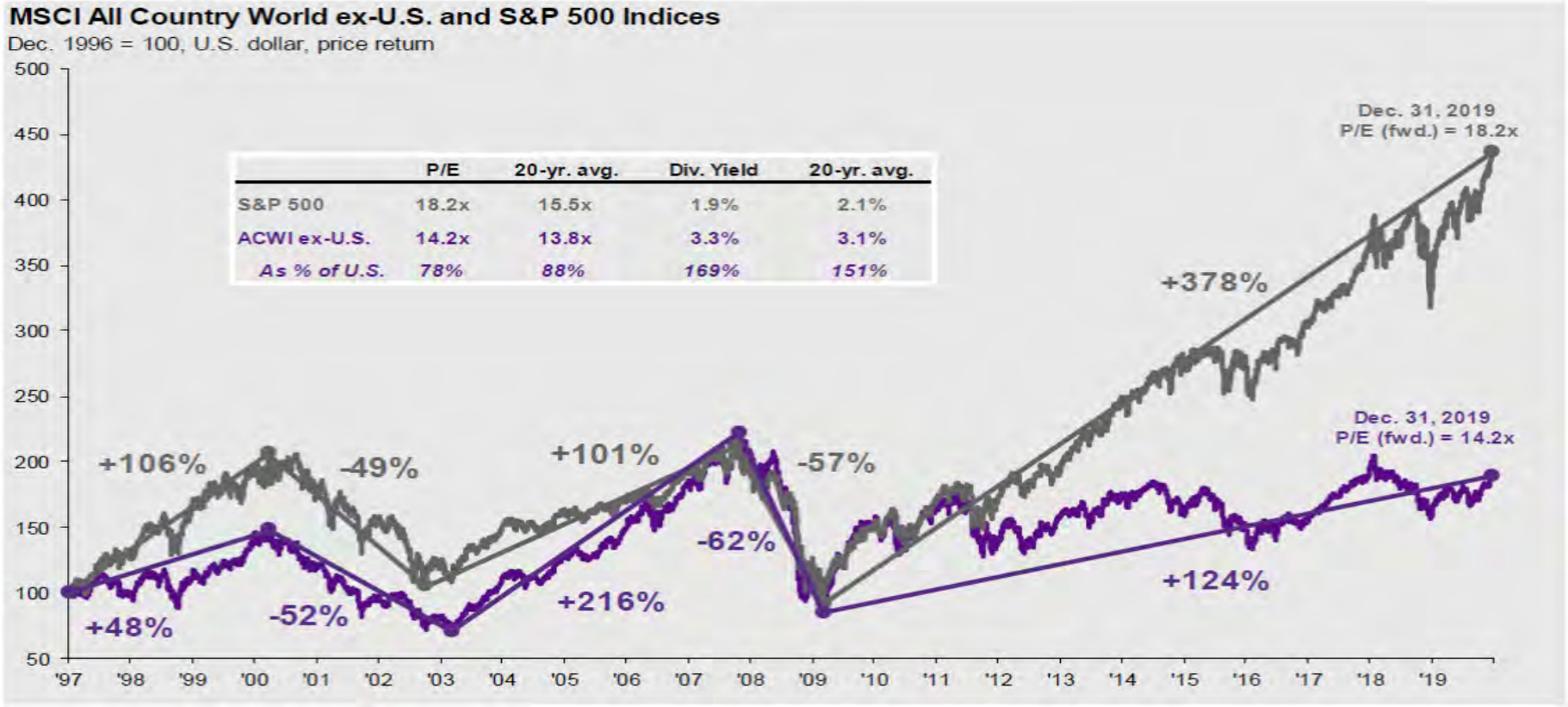
Sector	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	9.0	26.6	-9.4	24.0	7.9	-2.4	4.2	26.6	12.4	8.4	8.8
	MSCI World Small Cap (net)	9.7	24.7	-14.4	23.8	11.6	-1.0	1.8	24.7	9.7	7.9	9.7
	MSCI World ex US (net)	8.9	21.5	-14.2	27.2	4.5	-5.7	-3.9	21.5	9.9	5.5	5.0
	MSCI World ex US Small Cap (net)	11.0	22.4	-18.2	31.6	3.9	2.6	-4.0	22.4	9.7	7.0	6.9
Developed ex US	MSCI EAFE (net)	8.2	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.0	9.6	5.7	5.5
	MSCI EAFE Value (net)	7.8	16.1	-14.8	21.4	5.0	-5.7	-5.4	16.1	6.3	3.5	4.0
	MSCI EAFE Growth (net)	8.5	27.9	-12.8	28.9	-3.0	4.1	-4.4	27.9	12.8	7.7	7.0
	MSCI EAFE Small Cap (net)	11.5	25.0	-17.9	33.0	2.2	9.6	-5.0	25.0	10.9	8.9	8.7
Emerging Markets	MSCI Emerging Markets (net)	11.8	18.4	-14.6	37.3	11.2	-14.9	-2.2	18.4	11.6	5.6	3.7

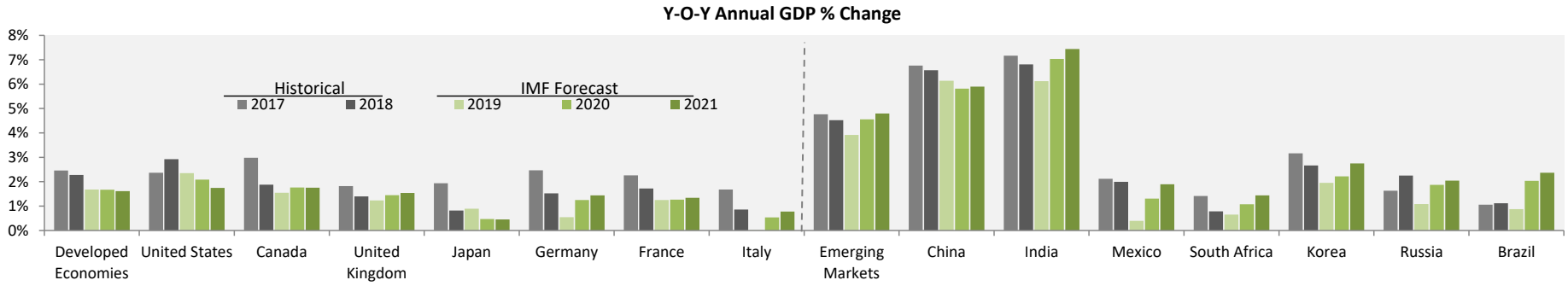




Left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. Source: The Federal Reserve. Right chart: Data as of December 31, 2019.

International Equity Market



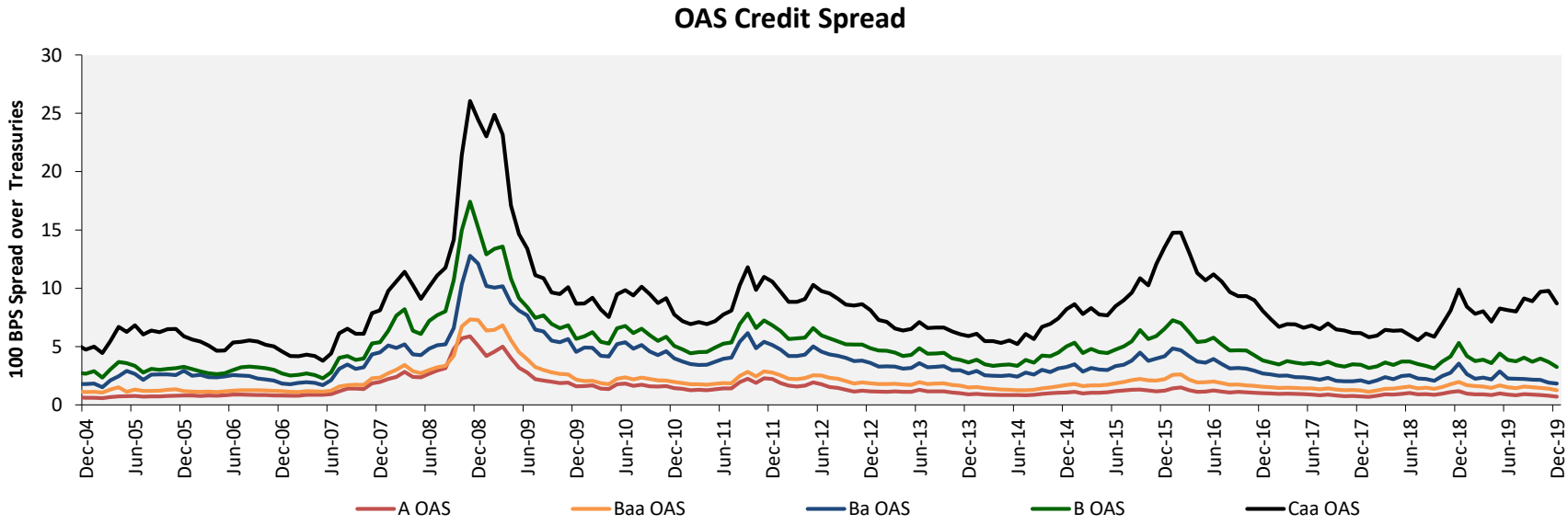


Top chart: Source - MSCI, Standard & Poor's, FactSet, J.P. Morgan Asset Management. Bottom chart: Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific. Source: International Monetary Fund, World Economic Outlook Database, October 2019.

U.S. Bond Market

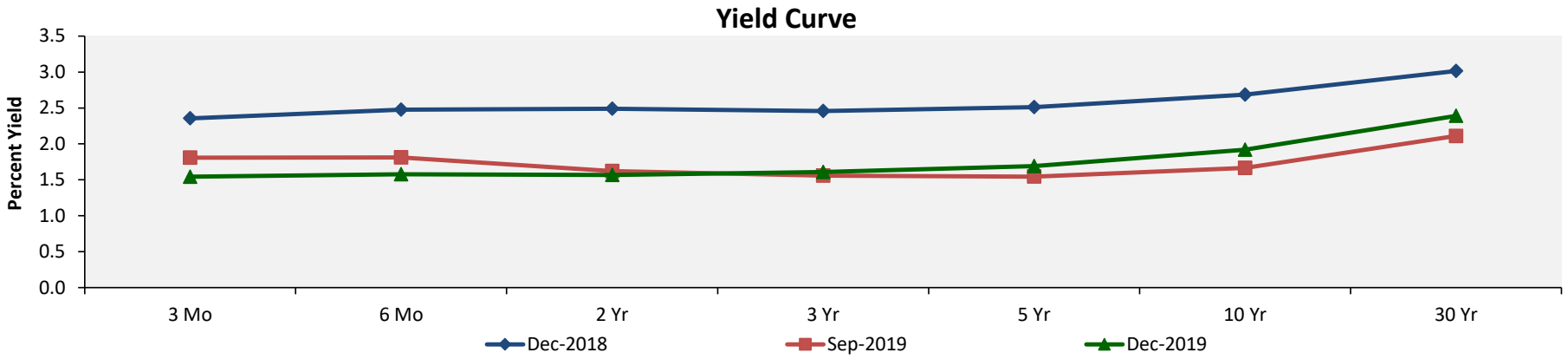
The combination of lower central bank policy rates, low growth and inflation expectations, and scarcity of bond supply pressured yields lower in 2019, resulting in better than expected returns for most segments of the fixed income market. The Fed cut rates at three consecutive meetings between July and October, driving yields on the short end of the curve lower while longer dated maturities drifted slightly higher. This resulted in a steeper yield curve and reversed the inversion between 3-month and 10-year yields seen throughout the 3rd quarter. Rates finished the year lower by approximately 60 to 100 basis points across the curve relative to the start of the year. The Bloomberg Barclays US Aggregate Index returned 0.2% for the 4th quarter and 8.7% for 2019. Longer duration portfolios tended to outperform for the year given the decline in interest rates. High yield was the best performing segment of the market as spreads tightened 190 bps during the year, resulting in a return of 15.2% for the Bloomberg Barclays High Yield Ba/B Index. High yield spreads now sit well below their long-term average. Curiously, overall high yield spreads disguise what has been an interesting dispersion between higher quality high yield (BB/B) and lower quality (CCC). While spreads on higher quality high yield securities declined throughout the year, lower quality issues actually saw spreads widen in the second half of the year as the market became more selective on credit issues.

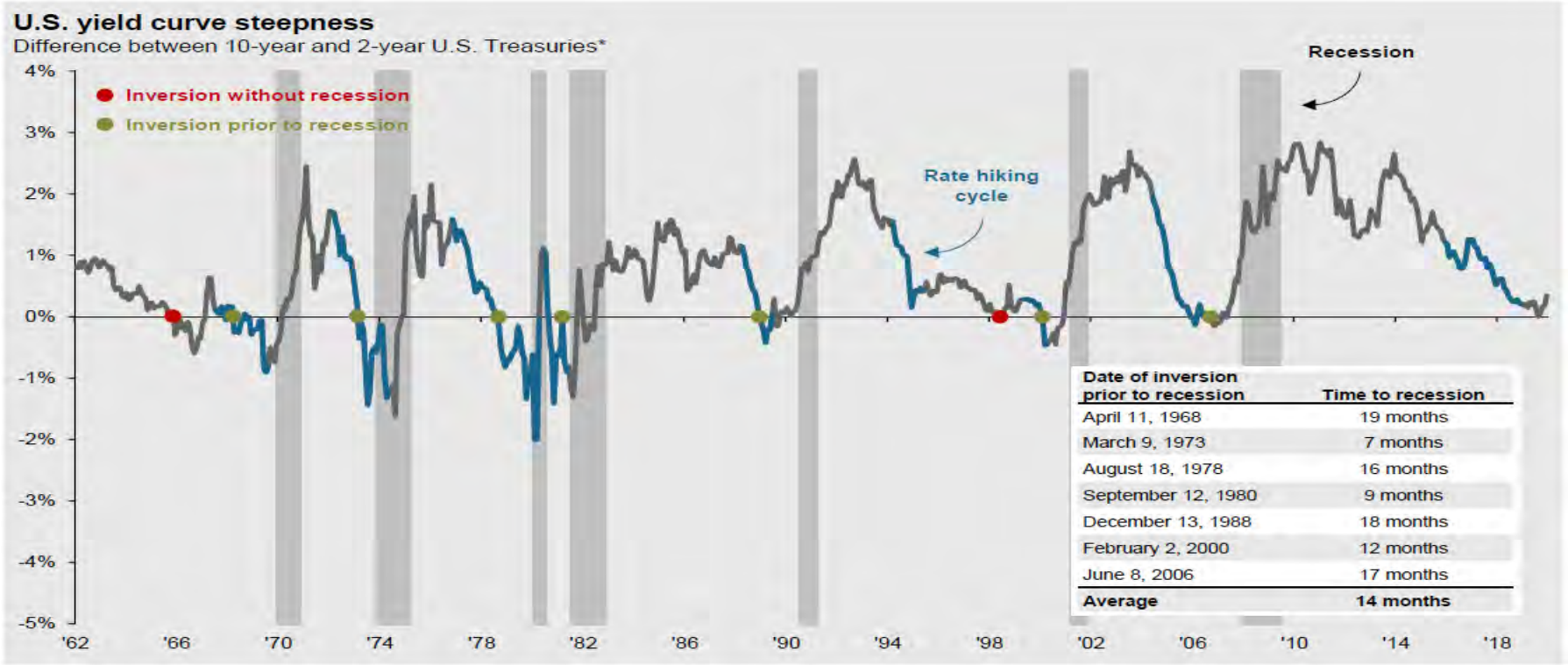
Index	Yield	Duration	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	2.31	6.2	0.2	8.7	0.0	3.5	2.7	0.6	6.0	8.7	4.0	3.1	3.8
Bloomberg Barclays Govt/Credit	2.22	6.9	0.0	9.7	-0.4	4.0	3.1	0.2	6.0	9.7	4.4	3.2	4.0
Bloomberg Barclays Int Agg	2.14	4.1	0.5	6.7	0.9	2.3	2.0	1.2	4.1	6.7	3.3	2.6	3.2
Bloomberg Barclays Int Govt/Credit	1.93	3.9	0.4	6.8	0.9	2.1	2.1	1.1	3.1	6.8	3.2	2.6	3.1
Bloomberg Barclays HY Ba/B 2% IC	4.30	3.1	2.5	15.2	-1.9	6.9	14.1	-2.7	3.5	15.2	6.5	6.1	7.4
BofA ML HY Cash Pay BB 1-3 Yr.	4.21	1.4	1.5	8.7	1.4	3.6	8.5	1.2	1.9	8.7	4.5	4.6	5.6
Bloomberg Barclays Mortgage	2.54	4.3	0.7	6.4	1.0	2.5	1.7	1.5	6.1	6.4	3.3	2.6	3.2
Bloomberg Barclays Treasury	1.80	6.5	-0.8	6.9	0.9	2.3	1.0	0.8	5.1	6.9	3.3	2.4	3.1
Bloomberg Barclays US TIPS	1.99	7.4	0.8	8.4	-1.3	3.0	4.7	-1.4	3.6	8.4	3.3	2.6	3.4
BofA ML 91 day T-Bills	1.55	0.3	0.5	2.3	1.9	0.9	0.3	0.1	0.0	2.3	1.7	1.1	0.6



Source: Bloomberg Barclays

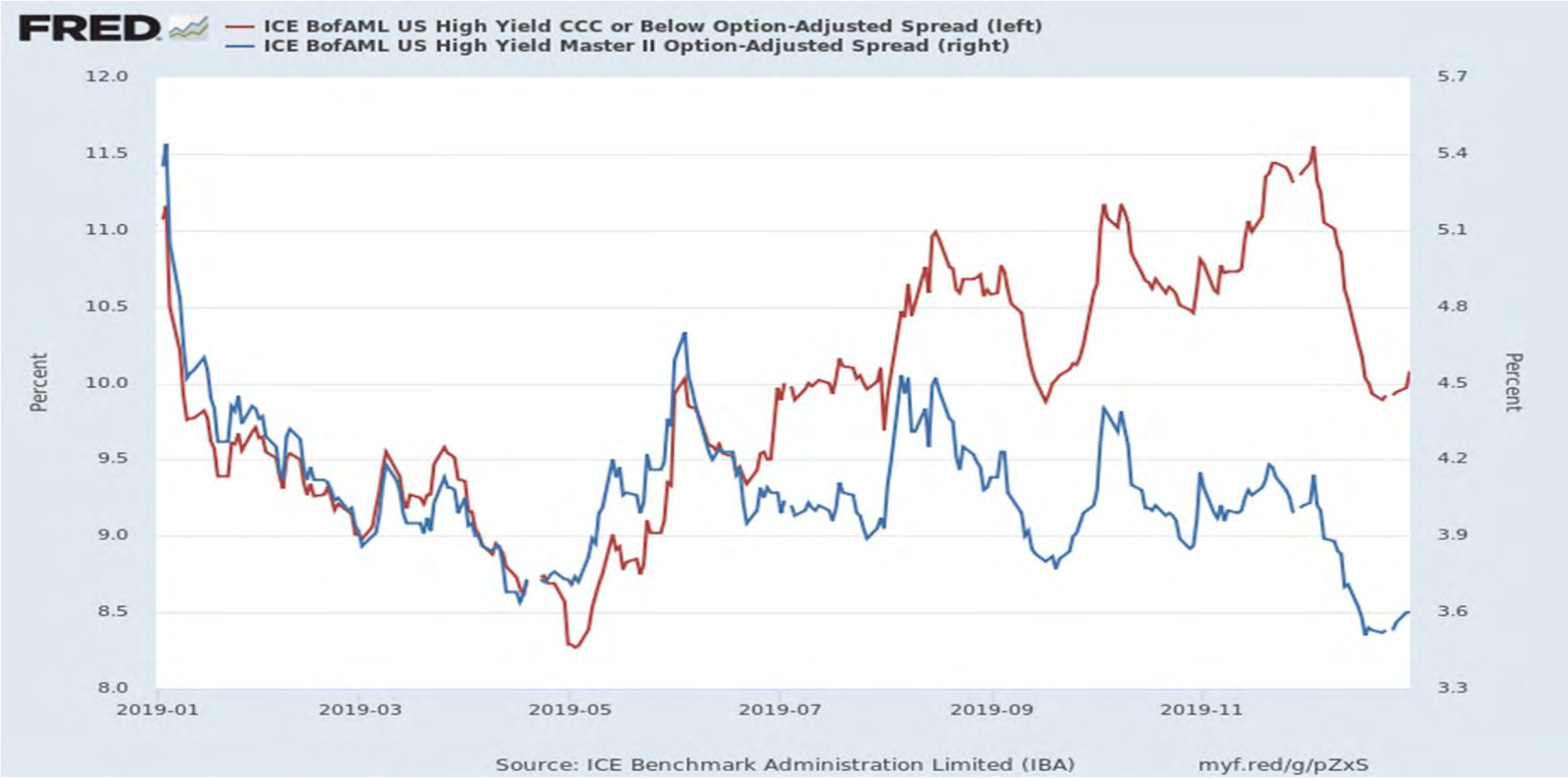
U.S. Yield Curve





Source: Top Chart - Bloomberg Barclays. Bottom Chart - FactSet, Federal Reservse, J.P. Morgan Asset Management. Data are as of December 31, 2019.

Market Favoring Higher Quality



Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 12/31/2019							
Yield Change (bps)	10 Year Treasury	Bloomberg Barclays Aggregate US Aggregate	Bloomberg Barclays Int Govt/Credit US Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
-150	15.41	11.55	7.84	12.59	4.52	8.96	6.34
-100	10.91	8.47	5.87	9.14	3.59	7.42	5.63
-50	6.41	5.39	3.90	5.70	2.67	5.89	4.92
-25	4.16	3.85	2.92	3.97	2.20	5.12	4.57
0	1.91	2.31	1.93	2.25	1.74	4.35	4.21
25	-0.34	0.77	0.95	0.53	1.28	3.58	3.86
50	-2.59	-0.77	-0.04	-1.20	0.82	2.82	3.50
100	-7.09	-3.85	-2.01	-4.64	-0.11	1.28	2.79
150	-11.59	-6.93	-3.98	-8.09	-1.04	-0.26	2.08
200	-16.09	-10.01	-5.95	-11.53	-1.96	-1.79	1.37
250	-20.59	-13.09	-7.92	-14.98	-2.89	-3.33	0.66
300	-25.09	-16.17	-9.89	-18.42	-3.81	-4.86	-0.05
350	-29.59	-19.25	-11.86	-21.87	-4.74	-6.40	-0.76
400	-34.09	-22.33	-13.83	-25.31	-5.66	-7.93	-1.47
450	-38.59	-25.41	-15.80	-28.76	-6.59	-9.47	-2.18
500	-43.09	-28.49	-17.77	-32.20	-7.51	-11.00	-2.89
Duration	9.00	6.16	3.94	6.89	1.85	3.07	1.42

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2019 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as of 12/31/2019 multiplied by the percentage point change in the yield curve (basis point change divided by 100) and then appropriately adding or subtracting this implied percentage change in the value of the index (due to the shift in the yield curve) to the base case annualized return. This is a rough approximation of the annual return sensitivity to parallel shifts in the yield curve. **SOURCE:** PENN Capital Internal Research.

Real Estate Market

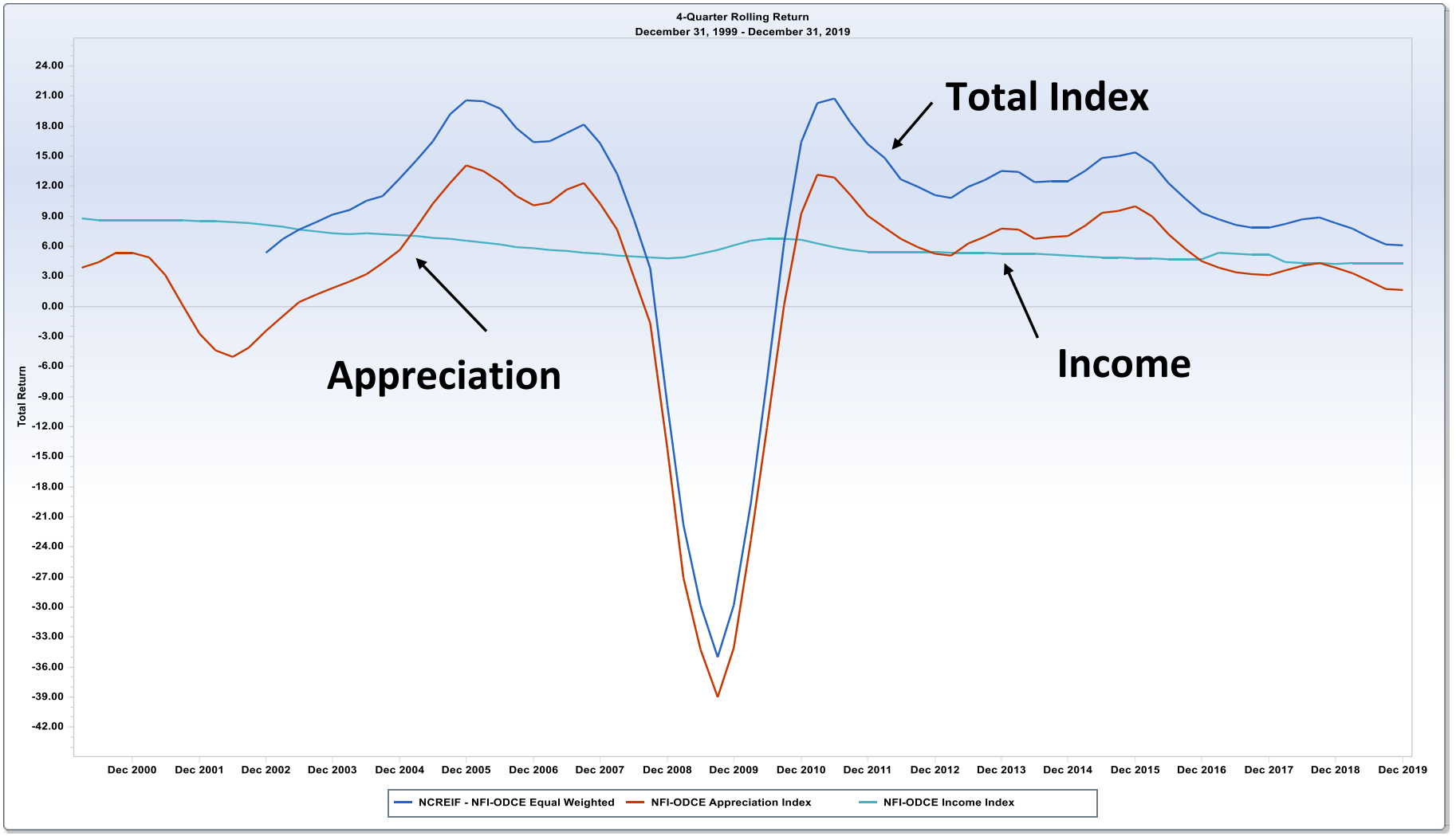
Private real estate, as measured by the NCREIF ODCE Equal Weighted Index, returned 1.5% (1.3% net) in the fourth quarter, consisting of income gains of 1.0% and modest appreciation of 0.5%. Consistent with expectations, income has been the primary driver of return, accounting for 4.3% of the 6.0% total return in 2019. The prospective low interest rates for the foreseeable future should be supportive of real estate valuations going forward, while the income component remains attractive to investors seeking sources of yield in a low rate environment. Additionally, fundamentals such as occupancy, new supply and rent growth all appear healthy. Assuming income of 4-5% per year and appreciation of 1-3%, expectations for total returns of 5%-8% from core real estate appear reasonable.

Sector	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted (net)	1.3	5.2	7.3	6.9	8.4	14.2	11.4	5.2	6.5	8.4	10.5
	NCREIF ODCE Income Index	1.1	4.3	4.3	5.1	4.7	4.8	5.1	4.3	4.6	4.6	5.1
	NCREIF ODCE Appreciation Index	0.5	1.6	3.9	3.1	4.5	10.0	7.0	1.6	2.9	4.6	6.1

	Total return (incl. income) 2019	Total return (incl. income) 2020	Total return (incl. income) 2021	Total return (incl. income) 2019 to 2023 (per year)
National, All Property Types (NPI)	6.4	5.7	4.9	5.6
Office	6.2	5.6	4.4	5.2
Retail	2.5	3.5	4.4	4.1
Industrial	12.5	8.7	6.5	7.9
Apartment	5.6	5.7	5.1	5.6

Source: Average of respondents' forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NCREIF Property Index Q4 2019.

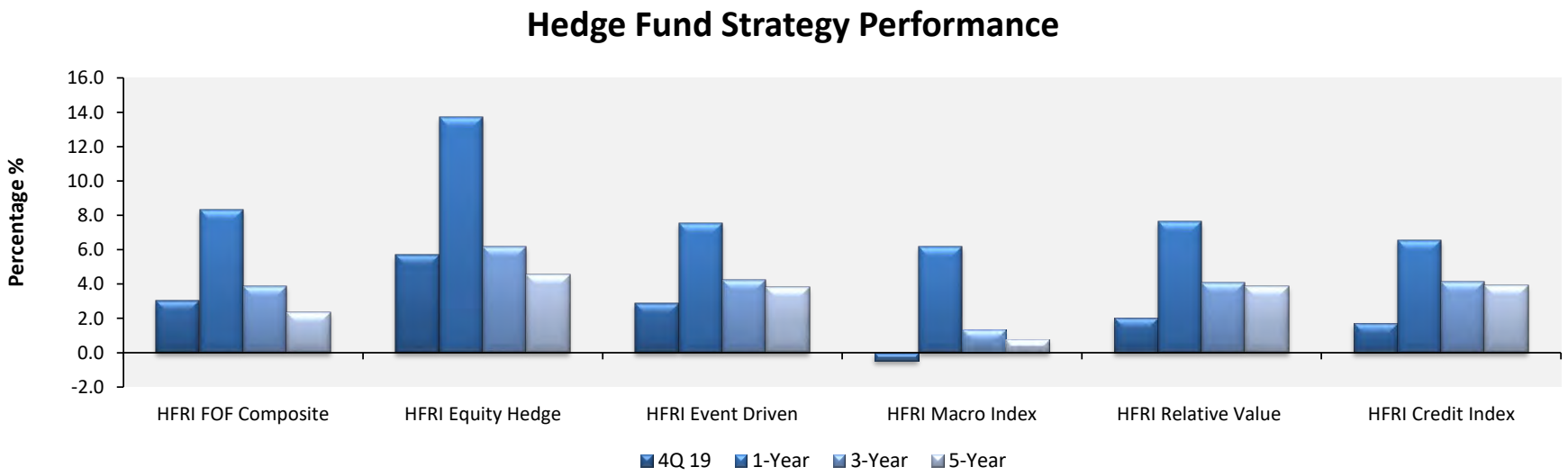
Real Estate Market



Hedge Fund of Funds Market

Hedge fund returns were broadly positive during the fourth quarter and calendar year 2019, benefiting from strong returns across asset classes. The HFRI Fund of Funds Composite rose 8.3% on the year, and the sub-strategy returns shown below were generally range-bound between 6-8%. Equity-oriented strategies were the clear outlier in a year that saw outsized global equity returns, as the HFRI Equity Hedge was up 5.7% during the fourth quarter and 13.7% for the year. Hedge fund of funds manager returns were more dispersed for the year and largely a function of how much directional equity risk they were willing to take, as well as how hedged their portfolios were. Higher levels of equity risk and less hedging generally served managers well in 2019, though many hedge fund of funds managers were more cautious in their positioning given the high level of equity market valuations and the current late stage of economic expansion. Outside of equity strategies, relative value and event driven strategies were the best performers for the year, returning 7.6% and 7.5%, respectively. Credit-oriented strategies, while broadly positive on the year, generally lagged high yield bond indices in a strong year for high yield corporate credit. Managers positioned for rising interest rates coming into 2019 through high levels of loan exposure (floating rate) performed relatively worse than the broader markets, and stressed/distressed credit opportunities remained limited during the year.

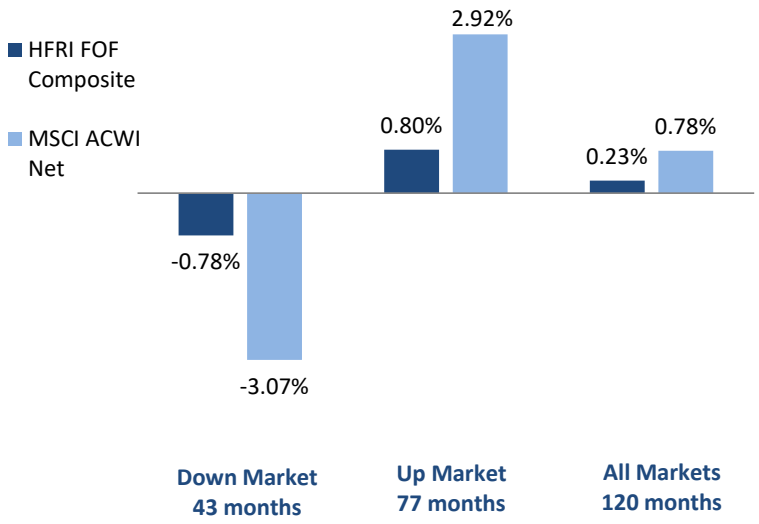
Strategy	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI FOF Composite	3.0	8.3	-4.0	7.8	0.5	-0.3	3.4	8.3	3.9	2.4	2.8
Equity Long-Short	HFRI Equity Hedge	5.7	13.7	-7.1	13.3	5.5	-1.0	1.8	13.7	6.2	4.6	4.7
Event Driven	HFRI Event Driven	2.9	7.5	-2.1	7.6	10.6	-3.6	1.1	7.5	4.2	3.8	4.9
Global Macro	HFRI Macro Index	-0.5	6.2	-4.1	2.2	1.0	-1.3	5.6	6.2	1.3	0.8	1.2
Relative Value	HFRI Relative Value	2.0	7.6	-0.4	5.1	7.7	-0.3	4.0	7.6	4.1	3.9	5.2
Credit	HFRI Credit Index	1.7	6.5	0.0	6.0	8.6	-1.0	3.0	6.5	4.1	3.9	5.4



Hedge Fund of Funds Market

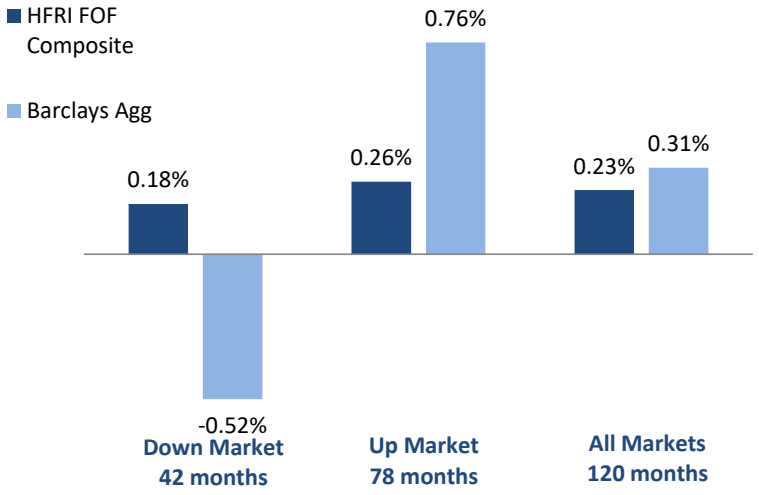
Up/Down Capture vs. Equity

Average Returns
December 2009 - December 2019



Up/Down Capture vs. Bonds

Average Returns
December 2009 - December 2019



Warehouse Employees Local No. 730 Welfare Fund

Master Consulting Services Report

Period Ended

December 31, 2019

Total Fund Growth of Assets

	Fourth Quarter	Fiscal Year-To-Date	Three Years	Five Years	Seven Years	Ten Years
Beginning Market Value	$9,571,604	$8,546,539	$6,913,986	$13,439,506	$17,367,207	$18,230,165
Net Cash Flow	$314,289	$821,110	$2,104,299	-$4,915,902	-$9,940,366	-$13,962,987
Net Investment Change	$61,888	$580,133	$929,496	$1,424,178	$2,520,940	$5,680,603
Ending Market Value	$9,947,782	$9,947,782	$9,947,782	$9,947,782	$9,947,782	$9,947,782

- The Fund's fiscal year end is December 31st.

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2019					
			2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**$9,947,782**	**100.0%**	**0.7%**	**6.7%**	**3.9%**	**3.4%**	**3.5%**	**4.1%**
Total Investment Grade Fixed Income	**$4,692,610**	**47.2%**	**0.2%**	**7.0%**	**3.5%**	**2.9%**	**2.3%**	**3.0%**
Total Short Duration High Yield Fixed Income	**$3,770,297**	**37.9%**	**1.1%**	**8.0%**	**4.3%**	**3.7%**	**--**	**--**
Total Real Estate	**$837,374**	**8.4%**	**1.5%**	**6.3%**	**7.7%**	**9.1%**	**9.9%**	**10.7%**
Total Cash Equivalents	**$647,500**	**6.5%**						

	Fiscal Year Ending December 31st										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total Fund	**6.7%**	**1.6%**	**3.5%**	**3.3%**	**1.8%**	**3.8%**	**3.7%**	**6.0%**	**5.0%**	**6.2%**	**2.4%**
Total Fund Benchmark	*7.2%*	*1.5%*	*2.8%*	*5.0%*	*1.4%*	*4.3%*	*3.8%*	*6.4%*	*6.1%*	*7.7%*	*4.2%*

Current vs. Policy						
	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$4,692,610	47.2%	50.0%	40.0% - 55.0%	-2.8%	-$281,281
Short Duration High Yield Fixed Income	$3,770,297	37.9%	40.0%	30.0% - 45.0%	-2.1%	-$208,815
Real Estate	$837,374	8.4%	5.0%	0.0% - 10.0%	3.4%	$339,985
Cash Equivalents	$647,500	6.5%	5.0%	0.0% - 20.0%	1.5%	$150,111
Total	**$9,947,782**	**100.0%**	**100.0%**			

- The Policy is effective October 1, 2017.

Warehouse Employees Local No. 730 Welfare Fund – Asset Allocation

- Asset allocation reviews were presented and discussed with the Board of Trustees at the following meetings: December 5, 2007, April 1, 2009, March 11, 2010, May 2, 2013, March 14, 2014, March 19, 2015, January 15, 2016, March 27, 2017, September 29, 2017, March 5, 2018, and March 27, 2019.

- At the December 12, 2017 meeting, the Trustees adopted the following Policy: 50% investment grade fixed income, 40% short duration high yield fixed income, 5% real estate, and 5% cash.

- At the March 5, 2018 meeting, the Board of Trustees elected to rebalance $200k from cash to investment grade fixed income ($100k) and short duration high yield ($100k).

- At the September 14, 2018 meeting, the Board of Trustees elected to rebalance $350k from cash to investment grade fixed income ($200k) and short duration high yield ($150k).

- At the December 20, 2018 meeting, the Trustees elected to amend Policy Ranges to allow for more cash. The Trustees adopted the following Policy Ranges: 40-55% intermediate fixed income, 30-45% SDHY, 0-10% real estate, and 0-20% cash.

- At the March 27, 2019 meeting, the Trustees elected to rebalance $1.1M from cash to investment grade fixed income ($600k) and short duration high yield ($500k). The Trustees also elected to commit an additional $400k to real estate. Following the meeting, the recommendation was revised due to the anticipated cash needs of the Fund. Investment grade fixed income received $300k and short duration high yield $250k.

- At the December 3, 2019 meeting, the Trustees elected to rebalance $500k from cash to investment grade fixed income ($250k) and short duration high yield ($250k).

Recommendations: None.

This page left blank intentionally.

Warehouse Employees Local No. 730 Welfare Fund – Recent Portfolio Activity

2019 – 1Q

- None.

2019 – 2Q

- On May 8, 2019, $550K excess cash transferred to WEDGE Capital Management investment grade fixed income ($300K) and Chartwell Investment Partners short duration high yield ($250K) for rebalancing.

2019 – 3Q

- On July 1, 2019, $400K excess cash transferred to American Realty Advisors to satisfy a capital call.

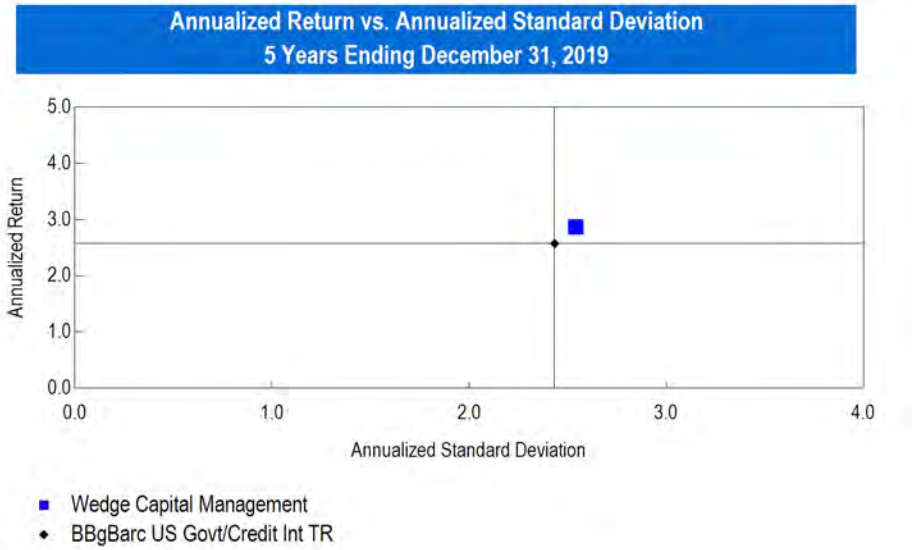
2019 – 4Q

- On December 13, 2019, $500K excess cash transferred to WEDGE Capital Management investment grade fixed income ($250K) and Chartwell Investment Partners short duration high yield ($250K) for rebalancing.

Account Information	
Account Name	**Wedge Capital Management**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**12/31/14**
Account Type	**Fixed**
Benchmark	**BBgBarc US Govt/Credit Int TR**
Universe	

Wedge Capital Management
Ending December 31, 2019

	Fourth Quarter	Inception 12/31/14
Beginning Market Value	$4,431,945	$0
Net Cash Flow	$250,000	$4,089,590
Net Investment Change	$10,665	$603,020
Ending Market Value	$4,692,610	$4,692,610



3 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Wedge Capital Management	3.5%	2.1%	106.1%	79.5%
BBgBarc US Govt/Credit Int TR	3.2%	2.1%	100.0%	100.0%

5 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Wedge Capital Management	2.9%	2.5%	107.8%	95.8%
BBgBarc US Govt/Credit Int TR	2.6%	2.4%	100.0%	100.0%

Gross of Fees

	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015	Inception	Inception Date
Wedge Capital Management	0.2%	7.0%	3.5%	2.9%	7.0%	1.1%	2.6%	2.2%	1.5%	2.9%	Dec-14
BBgBarc US Govt/Credit Int TR	*0.4%*	*6.8%*	*3.2%*	*2.6%*	*6.8%*	*0.9%*	*2.1%*	*2.1%*	*1.1%*	*2.6%*	*Dec-14*

Net of Fees

	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015
Wedge Capital Management	0.2%	6.7%	3.3%	2.6%	6.7%	0.9%	2.3%	2.0%	1.3%
BBgBarc US Govt/Credit Int TR	*0.4%*	*6.8%*	*3.2%*	*2.6%*	*6.8%*	*0.9%*	*2.1%*	*2.1%*	*1.1%*

Warehouse Employees Local No. 730 Welfare Fund - Wedge Capital Management

Manager Summary

- IPS conducted due diligence meetings with Wedge Capital on August 11, 2017, January 14, 2019, June 13, 2019 and July 19, 2019.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

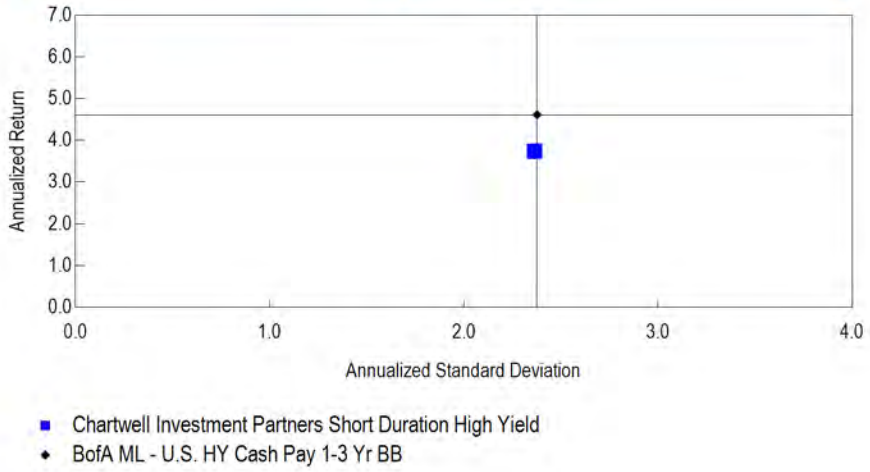
Items of Interest: None.

Account Information	
Account Name	**Chartwell Investment Partners Short Duration High Yield**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**8/31/13**
Account Type	**US Fixed Income High Yield**
Benchmark	**BofA ML - U.S. HY Cash Pay 1-3 Yr BB**
Universe	

Chartwell Investment Partners Short Duration High Yield
Ending December 31, 2019

	Fourth Quarter	Inception 8/31/13
Beginning Market Value	$3,481,976	$0
Net Cash Flow	$250,000	$3,094,500
Net Investment Change	$38,321	$675,797
Ending Market Value	$3,770,297	$3,770,297

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2019



3 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	4.3%	2.2%	94.0%	79.6%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	4.5%	2.3%	100.0%	100.0%

5 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	3.7%	2.4%	80.0%	86.8%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	4.6%	2.4%	100.0%	100.0%

Gross of Fees

	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015	Inception	Inception Date
Chartwell Investment Partners Short Duration High Yield	1.1%	8.0%	4.3%	3.7%	8.0%	1.2%	3.9%	6.7%	-0.8%	3.7%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*1.5%*	*8.7%*	*4.5%*	*4.6%*	*8.7%*	*1.4%*	*3.6%*	*8.5%*	*1.2%*	*4.4%*	*Aug-13*

Net of Fees

	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015
Chartwell Investment Partners Short Duration High Yield	1.0%	7.4%	3.8%	3.2%	7.4%	0.7%	3.3%	6.2%	-1.3%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*1.5%*	*8.7%*	*4.5%*	*4.6%*	*8.7%*	*1.4%*	*3.6%*	*8.5%*	*1.2%*

Warehouse Employees Local No. 730 Welfare Fund - Chartwell Investment Partners Short Duration High Yield

Manager Summary

- IPS conducted due diligence meetings with Chartwell on March 22, 2017, October 8, 2018, January 7, 2019 and August 29, 2019.
- On January 25, 2018, Chartwell announced their planned acquisition of the public equity and fixed income businesses of Columbia Partners, an investment management firm based in Chevy Chase, MD. While a consent to assignment was required on the part of Columbia Partners' clients, no action is required on the part of Chartwell clients. The transaction closed on April 9, 2018.

Recommendation: None.

Compliance Summary

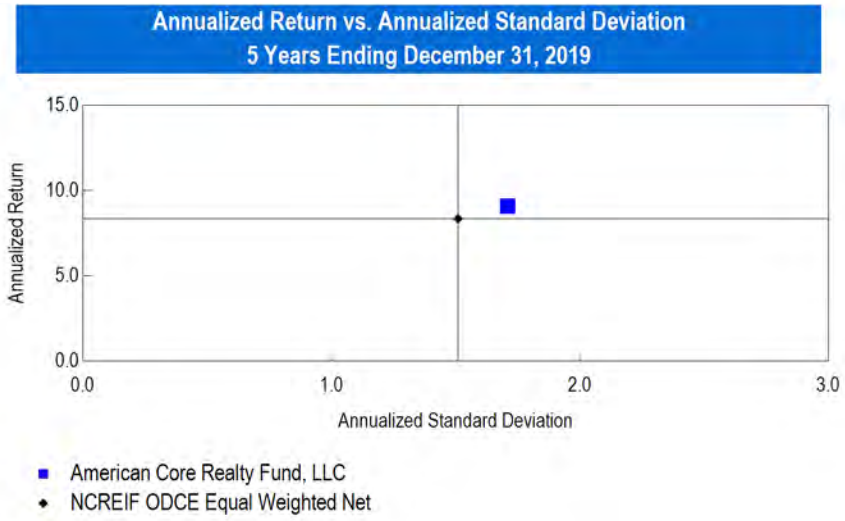
Exceptions: None.

Action to be taken: None.

Items of Interest: None.

Account Information	
Account Name	**American Core Realty Fund, LLC**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**7/01/08**
Account Type	**Real Estate**
Benchmark	**NCREIF ODCE Equal Weighted Net**
Universe	

Income is reinvested.



American Core Realty Fund, LLC
Ending December 31, 2019

	Fourth Quarter	Inception 7/1/08
Beginning Market Value	$827,590	$2,000,000
Net Cash Flow	$0	-$1,223,507
Net Investment Change	$9,785	$60,881
Ending Market Value	$837,374	$837,374

3 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	7.7%	0.6%	120.6%	--
NCREIF ODCE Equal Weighted Net	6.5%	0.6%	100.0%	--

5 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	9.1%	1.7%	110.3%	--
NCREIF ODCE Equal Weighted Net	8.3%	1.5%	100.0%	--

Gross of Fees

	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015	Inception	Inception Date
American Core Realty Fund, LLC	1.5%	6.3%	7.7%	9.1%	6.3%	8.7%	8.1%	7.1%	15.4%	5.1%	Jul-08
NCREIF ODCE Equal Weighted Net	*1.3%*	*5.2%*	*6.5%*	*8.3%*	*5.2%*	*7.3%*	*6.9%*	*8.3%*	*14.2%*	*4.4%*	*Jul-08*

Net of Fees

	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015
American Core Realty Fund, LLC	1.2%	5.1%	6.5%	7.9%	5.1%	7.5%	6.9%	5.9%	14.1%
NCREIF ODCE Equal Weighted Net	*1.3%*	*5.2%*	*6.5%*	*8.3%*	*5.2%*	*7.3%*	*6.9%*	*8.3%*	*14.2%*

Warehouse Employees Local No. 730 Welfare Fund - American Core Realty Fund, LLC

Manager Summary

- IPS conducted due diligence meetings with American Realty Advisors on June 21, 2017, June 4, 2018 and August 19, 2019.

Recommendation: None.

Compliance Summary

Manager verified that the portfolio is currently, and has been during the past quarter, in compliance with the firm's commingled investment vehicle investment guidelines and/or offering document governing the management of the investment. With respect to the portfolio(s) under management, manager acknowledges sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and /or offering document guidelines.

Items of Interest: None.

Commission Recapture Provider

- Cowen and Company, LLC.
- On April 3, 2017, Cowen Group announced the signing of a definitive agreement to acquire ConvergEx Group. IPS contacted John Seyler at ConvergEx to discuss the transaction. Per ConvergEx, there will be no impact to existing ConvergEx clients and a consent to assignment is not required. The transaction closed on June 1, 2017. Following the acquisition, the name changed to Cowen Execution Services, LLC.
- Your Fund's commission recapture provider, ConvergEx Group, was recently purchased by Cowen, Inc. As a result of the this transaction, CovergEx's Plan Sponsor Division, renamed Cowen Execution Services, LLC, will be moved into Cowen and Company, LLC. You may have received correspondence from Cowen regarding "assignment" of your current agreement with Cowen Execution Services to Cowen and Company . IPS has been in contact with Cowen and recommends that you agree to the assignment. The notice sent by Cowen is structured as a negative consent; therefore, agreeing to the assignment requires no action.
- IPS previously evaluated the benefits of ongoing participation in a commission recapture program and suggested Funds continue to participate in them. To potentially enhance the managers' utilization of your commission recapture program, in July, 2019, IPS provided draft notices to your Fund Administrator to send to the investment managers.

Custody Bank

- The current custodian is PNC Bank.

Investment Policy Statement

- The current investment policy statement was adopted and signed on June 8, 2018.

Commingled Funds

- Commingled Fund: Due to the commingled fund structure, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy. However, all investment managers have verified that the portfolio and individual holdings are currently, and have been during the past quarter, in compliance with the firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment.

Warehouse Employees Local No. 730 Welfare Fund

Appendix

Performance Detail (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2019							
			2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund	**$9,947,782**	**100.0%**	**0.7%**	**6.7%**	**3.9%**	**3.4%**	**3.5%**	**4.1%**	**4.4%**	**Jan-98**
Total Investment Grade Fixed Income	**$4,692,610**	**47.2%**	**0.2%**	**7.0%**	**3.5%**	**2.9%**	**2.3%**	**3.0%**	**4.3%**	**Jan-98**
Wedge Capital Management	$4,692,610	47.2%	0.2%	7.0%	3.5%	2.9%	--	--	2.9%	Dec-14
BBgBarc US Govt/Credit Int TR			*0.4%*	*6.8%*	*3.2%*	*2.6%*	--	--	*2.6%*	*Dec-14*
Total Short Duration High Yield Fixed Income	**$3,770,297**	**37.9%**	**1.1%**	**8.0%**	**4.3%**	**3.7%**	**--**	**--**	**3.7%**	**Aug-13**
Chartwell Investment Partners Short Duration High Yield	$3,770,297	37.9%	1.1%	8.0%	4.3%	3.7%	--	--	3.7%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.5%*	*8.7%*	*4.5%*	*4.6%*	--	--	*4.4%*	*Aug-13*
Total Real Estate	**$837,374**	**8.4%**	**1.5%**	**6.3%**	**7.7%**	**9.1%**	**9.9%**	**10.7%**	**5.1%**	**Jul-08**
American Core Realty Fund, LLC	$837,374	8.4%	1.5%	6.3%	7.7%	9.1%	9.9%	10.7%	5.1%	Jul-08
NCREIF ODCE Equal Weighted Net			*1.3%*	*5.2%*	*6.5%*	*8.3%*	*9.3%*	*10.5%*	*4.4%*	*Jul-08*
Total Cash Equivalents	**$647,500**	**6.5%**								
PNC Cash Account	$647,500	6.5%								

Performance Detail (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2019					
			2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**$9,947,782**	**100.0%**	**0.6%**	**6.3%**	**3.5%**	**3.0%**	**3.1%**	**3.8%**
Total Investment Grade Fixed Income	**$4,692,610**	**47.2%**	**0.2%**	**6.7%**	**3.3%**	**2.6%**	**2.1%**	**2.7%**
Wedge Capital Management	$4,692,610	47.2%	0.2%	6.7%	3.3%	2.6%	--	--
BBgBarc US Govt/Credit Int TR			*0.4%*	*6.8%*	*3.2%*	*2.6%*	--	--
Total Short Duration High Yield Fixed Income	**$3,770,297**	**37.9%**	**1.0%**	**7.4%**	**3.8%**	**3.2%**	**--**	**--**
Chartwell Investment Partners Short Duration High Yield	$3,770,297	37.9%	1.0%	7.4%	3.8%	3.2%	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.5%*	*8.7%*	*4.5%*	*4.6%*	--	--
Total Real Estate	**$837,374**	**8.4%**	**1.2%**	**5.1%**	**6.5%**	**7.9%**	**8.7%**	**9.5%**
American Core Realty Fund, LLC	$837,374	8.4%	1.2%	5.1%	6.5%	7.9%	8.7%	9.5%
NCREIF ODCE Equal Weighted Net			*1.3%*	*5.2%*	*6.5%*	*8.3%*	*9.3%*	*10.5%*
Total Cash Equivalents	**$647,500**	**6.5%**						
PNC Cash Account	$647,500	6.5%						

Benchmark History

Total Fund		
10/1/2017	Present	BBgBarc US Govt/Credit Int TR 50% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 40% / NCREIF ODCE Equal Weighted Net 5% / 91 Day T-Bills 5%
4/1/2016	9/30/2017	BBgBarc US Govt/Credit Int TR 45% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 40% / NCREIF ODCE Equal Weighted Net 5% / 91 Day T-Bills 10%
9/1/2013	3/31/2016	S&P 500 10% / BBgBarc US Govt/Credit Int TR 55% / FTSE BB/B Ex Split B/CCC Index 10% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 20% / NCREIF ODCE Equal Weighted Net 5%
7/1/2010	8/31/2013	S&P 500 10% / BBgBarc US Govt/Credit Int TR 75% / NCREIF ODCE Equal Weighted Net 5% / FTSE BB/B Ex Split B/CCC Index 10%
7/1/2008	6/30/2010	S&P 500 15% / BBgBarc US Govt/Credit Int TR 75% / NCREIF ODCE Equal Weighted Net 10%
7/1/2006	6/30/2008	S&P 500 25% / BBgBarc US Govt/Credit Int TR 75%
7/1/2004	6/30/2006	S&P 500 25% / FTSE Treasury 1-3 Yrs TR 37.5% / BBgBarc US Govt/Credit Int TR 37.5%
1/1/2004	6/30/2004	S&P 500 20% / FTSE Treasury 1-3 Yrs TR 40% / BBgBarc US Govt/Credit Int TR 40%
4/1/2001	12/31/2003	S&P 500 10% / FTSE Treasury 1-3 Yrs TR 45% / BBgBarc US Govt/Credit Int TR 45%
1/1/1998	3/31/2001	S&P 500 10% / FTSE Treasury 1-3 Yrs TR 90%

Index Disclosure

- NCREIF ODCE Equal Weighted Net Index - During 4Q2018 the real estate benchmark changed from the NCREIF ODCE Equal Weighted Index to NCREIF ODCE Equal Weighted Net Index for all historical time periods since inception.

Footnotes

- The following composite returns prior to 1Q2010 do not include cash in the calculation of returns.
    - Total Domestic Equity
    - Total Domestic Fixed Investment Grade
    - Total Real Estate
- The net of fees returns in this report are estimated. Fees do not include: the investment consulting fee paid to IPS, investment manager incentive fees, custodian fees, or other administrative costs.
- Net of fee calculations began 1Q2008 and cannot be calculated for prior time periods.
- Values, flows and returns for all commingled funds, mutual funds, partnerships, and all other alternative assets are provided by the firm managing the assets and cannot be independently verified by IPS.
- Separately managed account returns are calculated by IPS using custodian data.

This page left blank intentionally.

Warehouse Employees Local No. 730 Welfare Fund

Preliminary Monthly Performance Update

Period Ended

January 31, 2020

Total Fund Growth of Assets

	Fiscal Year-To-Date
Beginning Market Value	$9,947,782
Net Cash Flow	$2,232
Net Investment Change	$85,663
Ending Market Value	$10,035,677

Current vs. Policy						
	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$4,767,137	47.5%	50.0%	40.0% - 55.0%	-2.5%	-$250,702
Short Duration High Yield Fixed Income	$3,780,754	37.7%	40.0%	30.0% - 45.0%	-2.3%	-$233,517
Real Estate	$837,374	8.3%	5.0%	0.0% - 10.0%	3.3%	$335,591
Cash Equivalents	$650,411	6.5%	5.0%	0.0% - 20.0%	1.5%	$148,628
Total	**$10,035,677**	**100.0%**	**100.0%**			

- The Policy is effective October 1, 2017.

Performance Detail (Gross of Fees)

	Ending January 31, 2020		
	Market Value	% of Portfolio	Fiscal YTD
Total Fund	**$10,035,677**	**100.0%**	**0.9%**
Total Investment Grade Fixed Income	**$4,767,137**	**47.5%**	**1.6%**
Wedge Capital Management	$4,767,137	47.5%	1.6%
BBgBarc US Govt/Credit Int TR			*1.4%*
Total Short Duration High Yield Fixed Income	**$3,780,754**	**37.7%**	**0.3%**
Chartwell Investment Partners Short Duration High Yield	$3,780,754	37.7%	0.3%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*
Total Real Estate	**$837,374**	**8.3%**	
American Core Realty Fund, LLC	$837,374	8.3%	
Total Cash Equivalents	**$650,411**	**6.5%**	
PNC Cash Account	$650,411	6.5%	

Performance Detail (Net of Fees)

	Ending January 31, 2020		
	Market Value	% of Portfolio	Fiscal YTD
Total Fund	**$10,035,677**	**100.0%**	**0.8%**
Total Investment Grade Fixed Income	**$4,767,137**	**47.5%**	**1.6%**
Wedge Capital Management	$4,767,137	47.5%	1.6%
BBgBarc US Govt/Credit Int TR			*1.4%*
Total Short Duration High Yield Fixed Income	**$3,780,754**	**37.7%**	**0.2%**
Chartwell Investment Partners Short Duration High Yield	$3,780,754	37.7%	0.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*
Total Real Estate	**$837,374**	**8.3%**	
American Core Realty Fund, LLC	$837,374	8.3%	
Total Cash Equivalents	**$650,411**	**6.5%**	
PNC Cash Account	$650,411	6.5%	

Footnotes

- The following composite returns prior to 1Q2010 do not include cash in the calculation of returns.
    - Total Domestic Equity
    - Total Domestic Fixed Investment Grade
    - Total Real Estate
- The net of fees returns in this report are estimated. Fees do not include: the investment consulting fee paid to IPS, investment manager incentive fees, custodian fees, or other administrative costs.
- Net of fee calculations began 1Q2008 and cannot be calculated for prior time periods.
- Values, flows and returns for all commingled funds, mutual funds, partnerships, and all other alternative assets are provided by the firm managing the assets and cannot be independently verified by IPS.
- Separately managed account returns are calculated by IPS using custodian data.
- Real estate market value is as of December 31, 2019.
- The information contained in this report is proprietary and confidential information. You are hereby notified that any dissemination, distribution, or copying of this document is strictly prohibited.

ASSET ALLOCATION REVIEW

Warehouse Employees Local No. 730 Welfare Fund

Annualized Expected Returns over 10-20 years

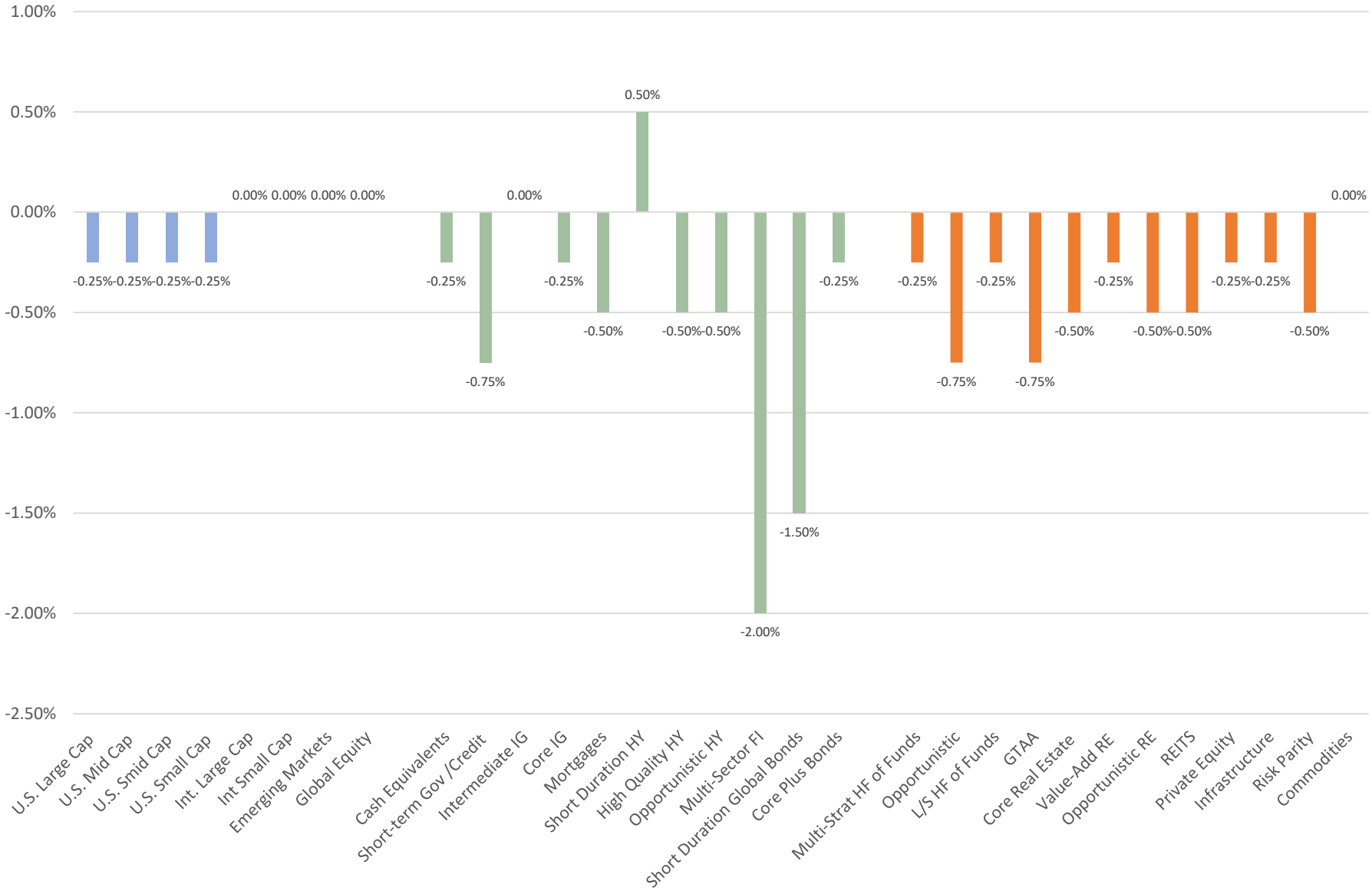
Equity Asset Class	Return	Risk
U.S. Large Cap	6.75%	15.25
U.S. Mid Cap	7.00%	17.25
U.S. Smid Cap	7.13%	18.75
U.S. Small Cap	7.25%	20.75
International Large Cap	7.50%	16.75
International Small Cap	7.75%	20.25
Emerging Markets	8.75%	21.50
Global Equity	7.50%	17.25

Fixed Income Asset Class	Return	Risk
Cash Equivalents	1.75%	0.50
Short-term Gov /Credit	2.00%	2.25
Intermediate Investment Grade	3.00%	3.75
Core Investment Grade	3.00%	4.75
Mortgages	3.50%	6.00
Short Duration High Quality High Yield	5.00%	6.50
High Quality High Yield	5.00%	7.75
Opportunistic High Yield	5.25%	8.50
Multi-Sector Fixed Income	2.50%	6.00
Short Duration Global Bonds	2.00%	6.00
Core Plus Bonds	3.25%	5.50

Alternatives Asset Class	Return	Risk
Multi-Strategy Hedge Fund of Funds	4.25%	6.00
Opportunistic Strategies	7.00%	10.50
Long Short Equity Hedge Fund of Funds	5.25%	9.50
Global Tactical Asset Allocation	5.75%	12.75
Core Real Estate	6.50%	10.00
Value-Add Real Estate	7.75%	12.00
Opportunistic Real Estate	9.50%	14.50
REITS	6.25%	20.00
Diversified Private Equity	9.75%	20.00
Core Infrastructure	6.00%	12.00
Core+/Value Add Infrastructure	8.00%	15.00
Risk Parity	5.50%	16.00
Commodities	3.75%	18.00

- IPS Investment Committee January 2020.
- Inflation expectation 2.00%.
- The above chart represents an annualized return forecast for different asset classes using index returns (net of fees). These forecasts are forward-looking assumptions based on reasonable beliefs of the IPS Investment Committee, but are not a guarantee of future performance. Actual results may differ from the forecast above.
- The information contained in this report is proprietary and confidential information. You are hereby notified that any dissemination, distribution, or copying of this document is strictly prohibited.

Change in Expected Returns[1]



1 January 2020 vs. July 2019

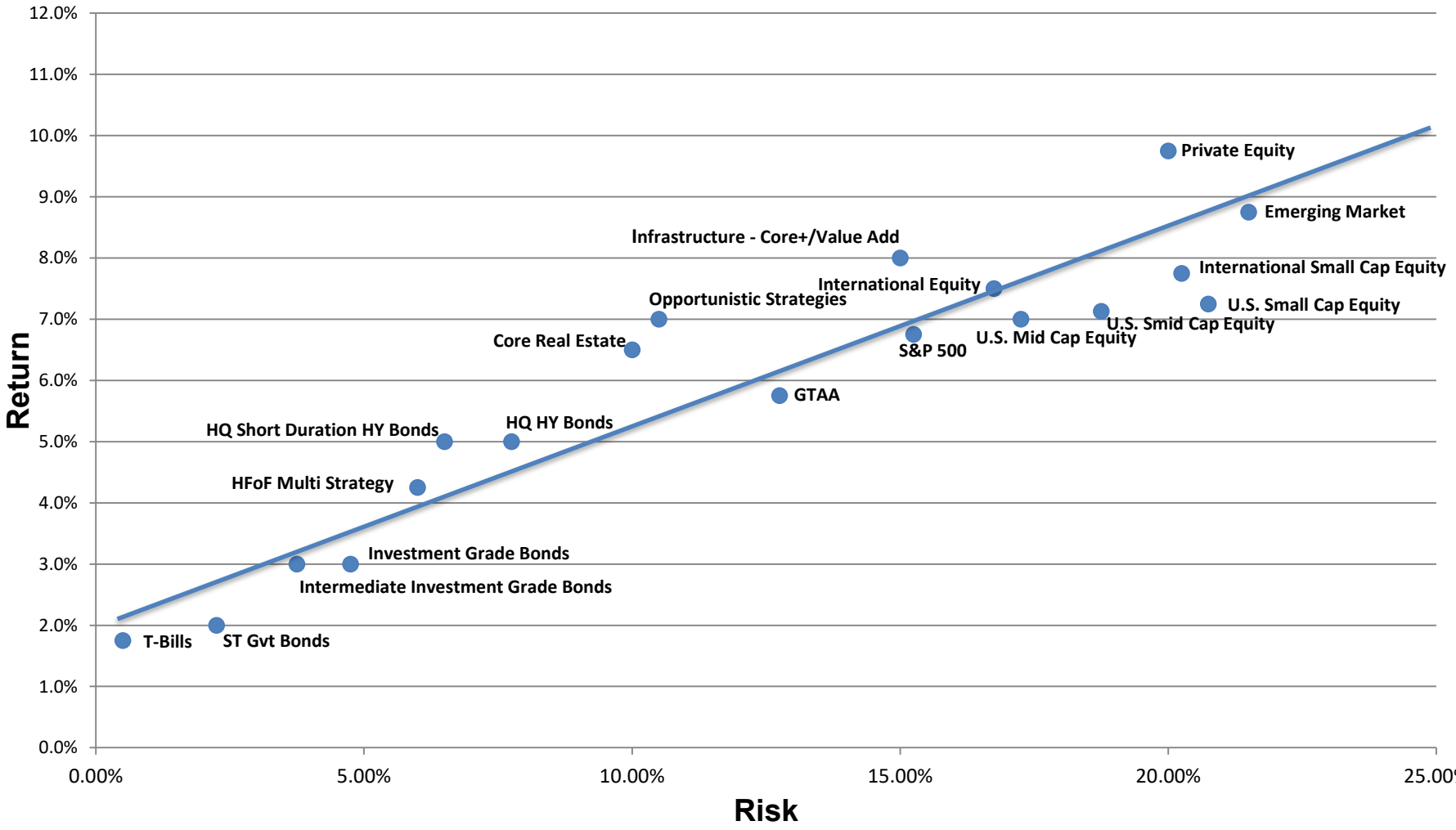
Asset Class Constraints

Total Domestic Equity	**20%**	**Max**
Cash	**5%**	**Max**
Fixed Investment Grade (Includes Short Term & Intermediate)	**20%**	**Min**
High Quality High Yield Bonds (Includes Short Duration)	**30%**	**Max**
Real Estate – Core	**10%**	**Max**
Real Estate – Value Add	**5%**	**Max**
Hedge Fund of Funds – Multi Strategy	**5%**	**Max**
Opportunistic Strategies	**5%**	**Max**

The Asset Allocation modeling requires the mathematical construction of an efficient frontier of various portfolios with distinct asset allocations and risk and return characteristics. The modeling process also requires the imposition of constraints, so that the efficient frontier represents a prudently diversified portfolio with adequate consideration of the liquidity needs and investment time horizon. Unconstrained optimization frequently generates allocations that have superior risk/reward characteristics, but the resulting allocations may not be adequately diversified and/or may have high allocations to illiquid investments.

The constraints shown are used for modeling purposes only. They should not be construed as suggested or recommended allocations, or limits on allocations, to any asset class or investment strategy. Each client fund has different facts, circumstances, time horizon, risk tolerance levels, return objectives, investment preferences, cash flows, and liquidity requirements. As such, each client's investment policy may differ materially from the constraints shown above.

2020 Capital Market Assumptions



Asset Class Correlations

Assumption table:	US Large Cap Equity	US Mid Cap Equity	US Smid Cap Equity	US Small Cap Equity	Int'l Equity	Int'l Small Cap Equity	Emerging Markets Equity	Cash	Short Term Govt / Credit	Interm. Invest. Grade	Core Invest. Grade	Short Duration High Yield	High Yield	Real Estate Core	Real Estate Value Add	Private Equity	HFoF Multi-Strategy	Opp. Strategies	GTAA
US Large Cap Equity	1.00																		
US Mid Cap Equity	0.96	1.00																	
US Smid Cap Equity	0.93	0.98	1.00																
US Small Cap Equity	0.90	0.95	0.98	1.00															
Int'l Equity	0.87	0.86	0.81	0.76	1.00														
Int'l Small Cap Equity	0.82	0.84	0.80	0.75	0.95	1.00													
Emerging Markets Equity	0.76	0.77	0.72	0.68	0.88	0.86	1.00												
Cash	-0.10	-0.11	-0.11	-0.10	-0.03	-0.10	0.02	1.00											
Short Term Govt / Credit	-0.09	-0.09	-0.11	-0.14	0.04	0.03	0.09	0.00	1.00										
Int. Investment Grade	0.01	0.02	-0.03	-0.07	0.11	0.11	0.16	0.09	0.82	1.00									
Core Investment Grade	0.00	0.02	-0.03	-0.07	0.10	0.10	0.14	0.05	0.74	0.98	1.00								
Short Duration High Yield	0.59	0.66	0.60	0.54	0.63	0.66	0.64	-0.12	0.20	0.31	0.27	1.00							
High Yield	0.68	0.74	0.69	0.64	0.72	0.72	0.70	-0.14	0.11	0.26	0.25	0.92	1.00						
Real Estate Core	0.18	0.13	0.13	0.14	0.10	0.05	0.00	0.22	-0.29	-0.25	-0.21	-0.25	-0.14	1.00					
Real Estate Value Add	0.18	0.13	0.13	0.14	0.10	0.05	0.0	0.22	-0.29	-0.25	-0.24	-0.25	-0.14	0.99	1.00				
Private Equity	0.90	0.95	0.98	0.99	0.76	0.75	0.68	-0.10	-0.14	-0.07	-0.07	0.54	0.64	0.14	0.14	1.00			
HFoF Multi-Strategy	0.71	0.74	0.70	0.64	0.79	0.83	0.78	0.00	-0.06	-0.03	-0.04	0.59	0.63	0.19	0.19	0.64	1.00		
Opportunistic Strategies	0.71	0.77	0.73	0.68	0.75	0.75	0.72	-0.14	0.09	0.23	0.22	0.91	0.98	-0.17	-0.17	0.68	0.64	1.00	
GTAA	0.93	0.90	0.85	0.81	0.96	0.92	0.86	-0.04	0.11	0.20	0.19	0.63	0.72	0.11	0.11	0.81	0.74	0.75	1.00

A correlation of 1.00 indicates two series move perfectly together while a -1.00 shows they move perfectly opposite one another.

Efficient Frontier Analysis

Efficient Frontier Report										
Asset	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Portfolio 10
US Large Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.14	2.87	8.00	20.00
US Mid Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Smid Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Small Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Int'l Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Int'l Small Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Emerging Markets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00
Short Term Govt / Credit	78.08	69.46	62.94	46.29	26.78	5.96	0.00	0.00	0.00	0.00
Int. Investment Grade	0.00	0.00	0.00	10.89	25.35	40.22	41.10	28.16	20.00	0.00
Core Investment Grade	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00
Short Duration High Yield	3.42	9.38	15.46	16.86	18.00	23.82	33.76	43.97	52.00	10.00
High Yield	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00
Real Estate Core	8.50	10.00	9.32	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Real Estate Value Add	0.00	1.40	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Private Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HFoF Multi-Strategy	5.00	4.76	1.72	3.24	5.00	5.00	5.00	5.00	0.00	0.00
Opp. Strategies	0.00	0.00	0.55	2.72	4.87	5.00	5.00	5.00	5.00	5.00
GTAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return	2.64	2.99	3.33	3.67	4.01	4.35	4.68	5.01	5.32	5.59
Risk	1.82	1.88	2.05	2.31	2.66	3.06	3.55	4.18	4.92	6.31
Return/Risk	1.46	1.59	1.62	1.59	1.51	1.42	1.32	1.20	1.08	0.89

* Compound annual return.

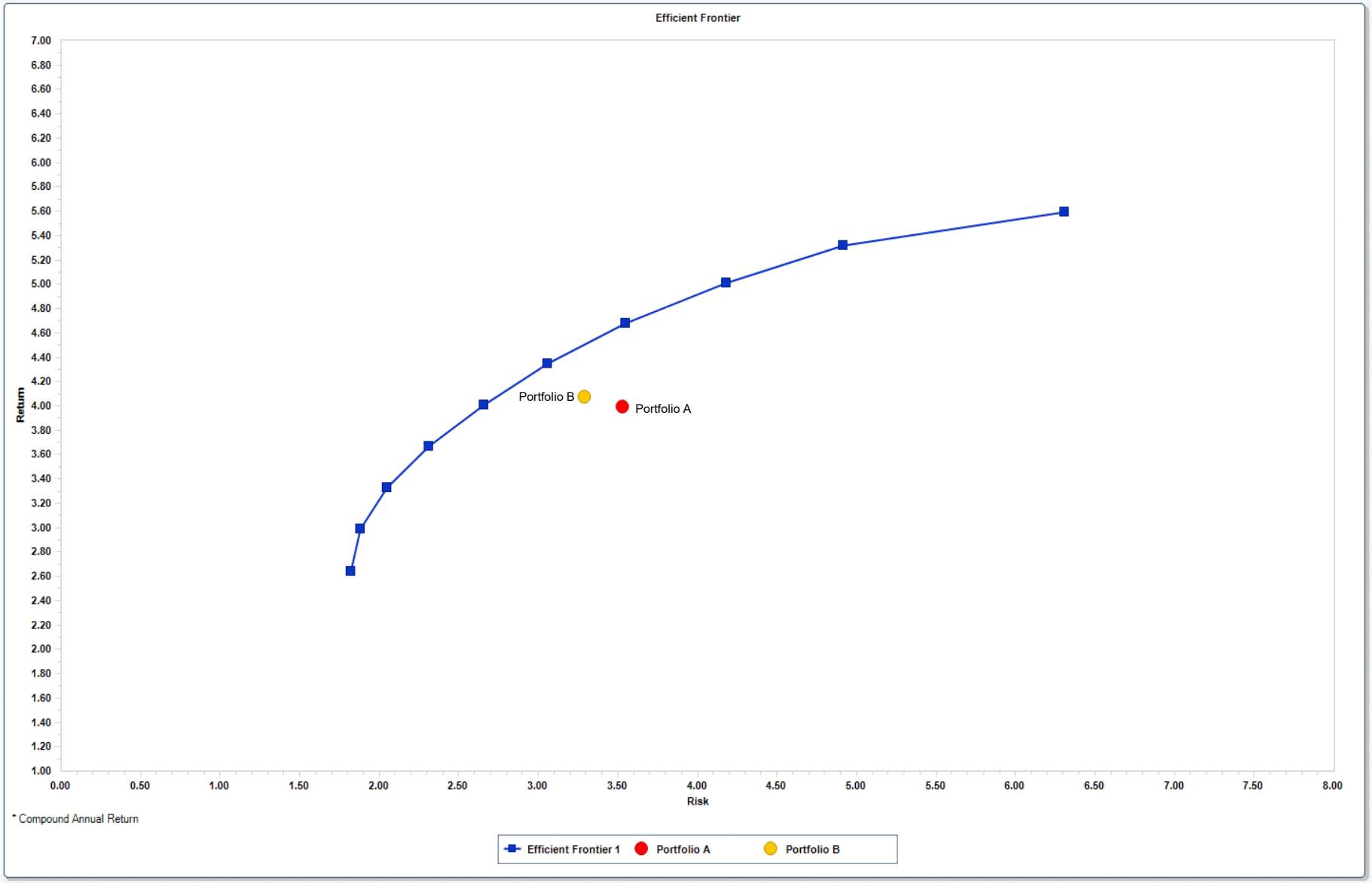
* Returns based on a geometric calculation.

Current Policy Comparison

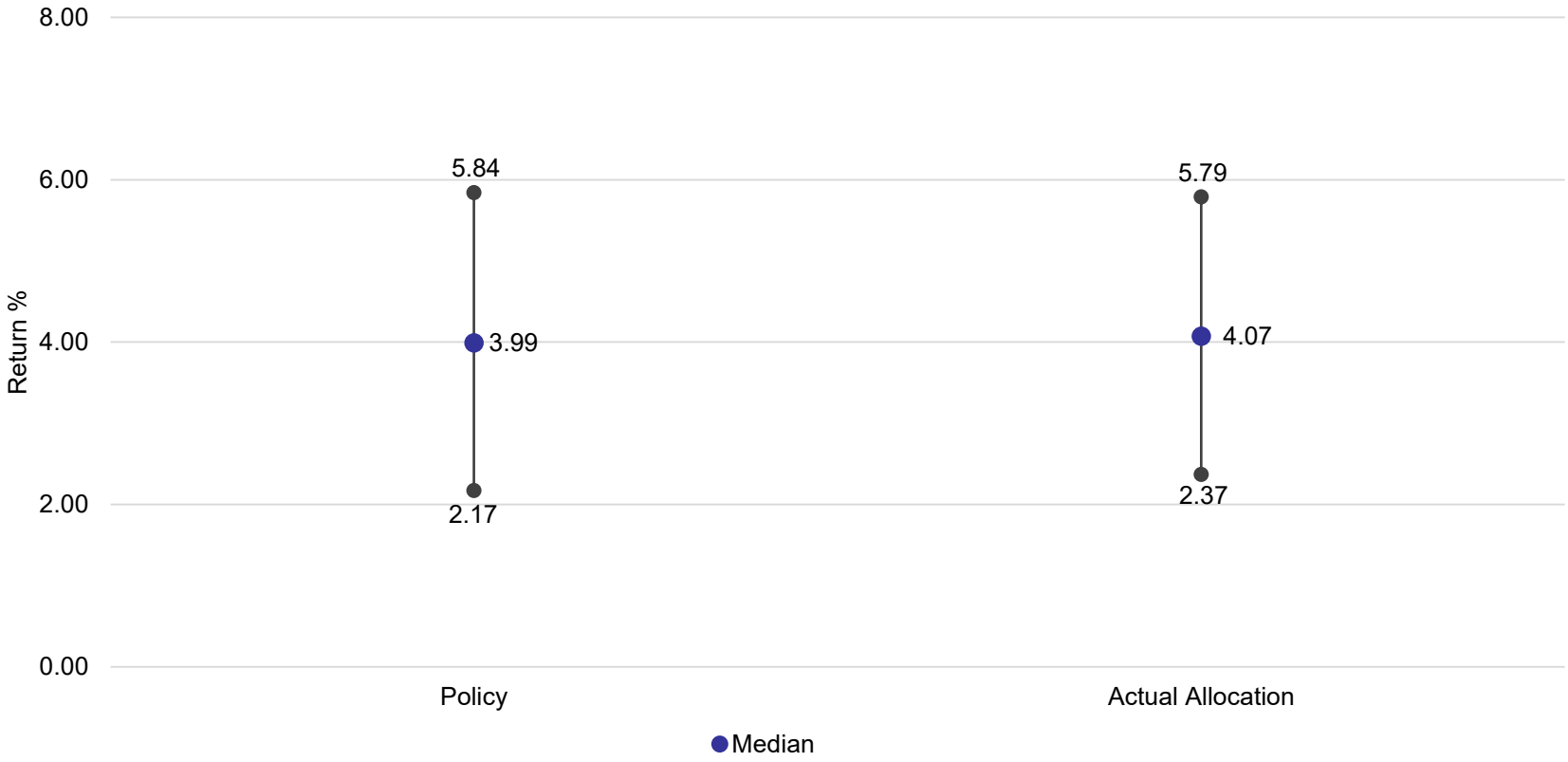
	Fixed Income Interm	SDHY	Real Estate	Cash	Expected Return	Risk	Comments
Warehouse Employees Local No. 730 Welfare Fund Portfolio A	50.0	40.0	5.0	5.0	3.99%	3.53	Policy
Actual Portfolio B	47.2	37.9	8.4	6.5	4.07%	3.29	Allocation as of December 31, 2019

Scenarios are shown for illustrative purposes.

Efficient Frontier Comparison

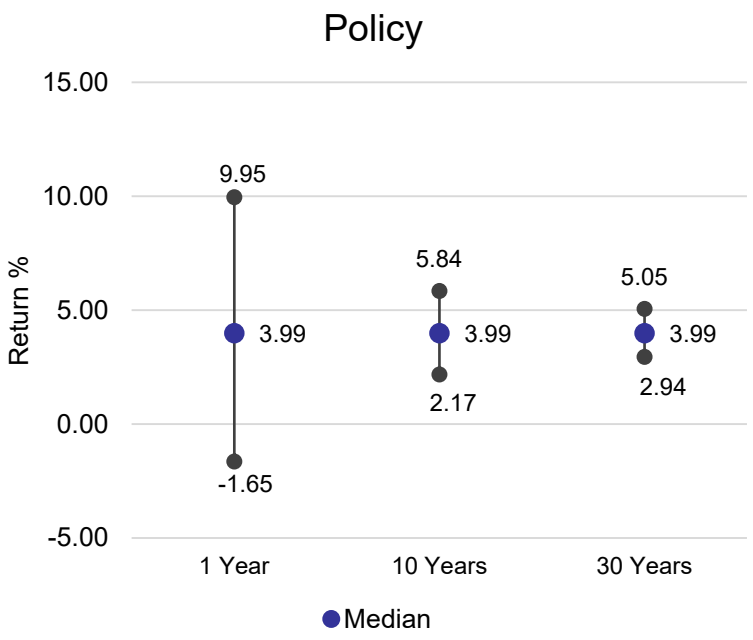


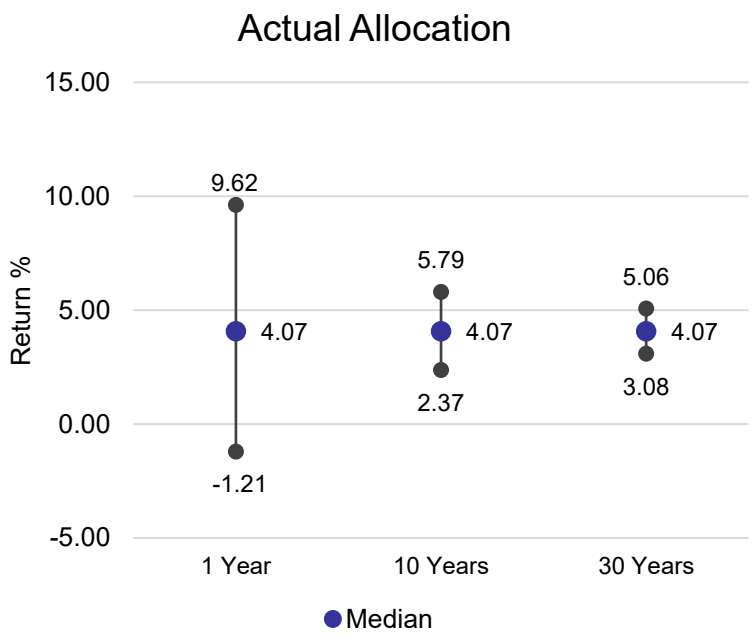
Potential Distribution of Returns – 10 Year Horizon



Potential distribution of returns is based on the Parametric Method. Best and worst outcomes are based on the 5th and 95th percentile, respectively.

Potential Distribution of Returns





Potential distribution of returns is based on the Parametric Method. Best and worst outcomes are based on the 5th and 95th percentile, respectively.

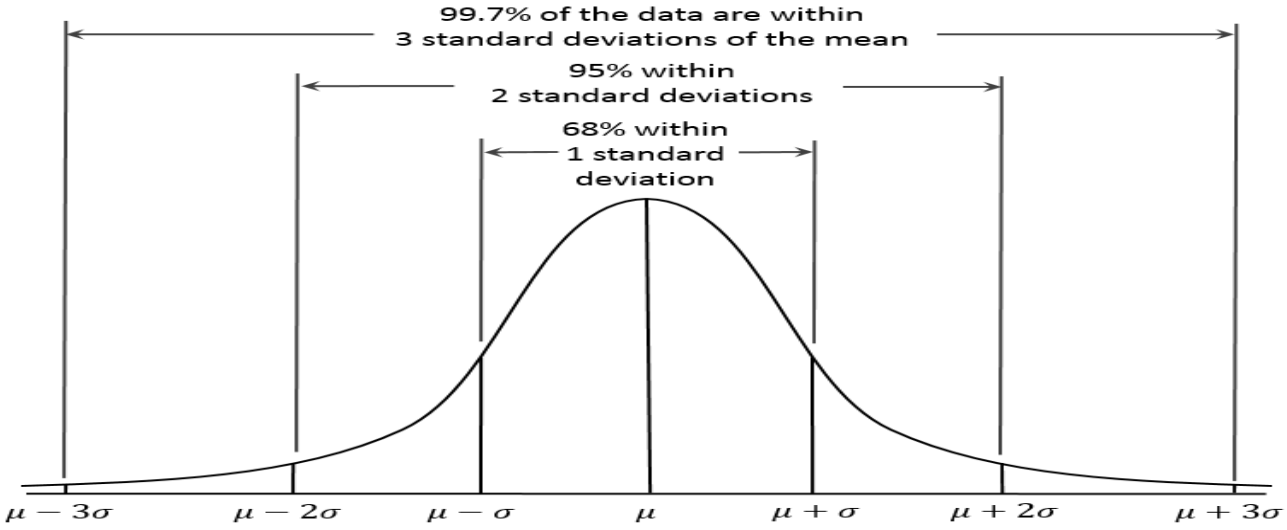
APPENDIX

Explanation of Methodology

- The analysis in this presentation utilizes the parametric method, also known as the variance-covariance method

- The parametric method assumes a normal distribution of returns, commonly refereed to as a bell-shaped curve.
  - For a normal distribution, 68% of the observations are within +/- one standard deviation, 95% are within +/- two standard deviations, and 99.7% are within +/- three standard deviations

- The chart below shows a normal distribution



- In reality, financial returns are not “normal;” they exhibit positive skewness (you get more positive returns above the mean than a normal distribution would predict) and kurtosis (the extreme “tails” of both positive and negative returns occur more often and are more extreme than a normal distribution would predict).

This page left blank intentionally.

Disclaimer:

This report has been prepared by Investment Performance Services, LLC ("IPS"). Certain information, including information relating to market indices, was provided by sources external to IPS and may not have been verified. While IPS has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of source information contained herein. Information provided in this report is as of the date of the report unless noted otherwise, and IPS is under no obligation to update the information or communicate that any updates have been made. If this report contains information regarding a matter that is outside of the description of services in the written agreement between IPS and the Fund, such information is included for informational purposes only and, the inclusion of such information does not alter or expand the scope of the services provided by IPS.

The Fund's performance is attributable to factors other than the advice of IPS because, among other things, (a) IPS may act in an advisory capacity (i.e., IPS may not have discretion over Fund assets), (b) the Fund may or may not follow advice provided by IPS, and (c) returns may include investments made prior to the Fund's relationship with IPS. Nothing contained herein constitutes investment, legal, accounting, actuarial, or tax advice, or a recommendation to buy, sell, or hold a security or pursue a particular investment vehicle or any trading strategy. Past performance is no guaranty of future results.

© 2020 by Investment Performance Services, LLC. All rights reserved.

EPIC

April 30 - May 3, 2019

The following investment managers and providers attended and helped to defray the cost of IPS' annual conference EPIC. EPIC is an educational conference addressing various issues related to employee benefit plans. IPS does not give preferential treatment to investment managers or any other provider that pays to attend EPIC.

Aberdeen Standard Investments
Amalgamated Bank of Chicago
American Realty Advisors
ASB Real Estate Investments
Atlanta Capital Management
BlackRock Financial Management
BNY Mellon Asset Management (Mellon)
Boyd Watterson Asset Management
Brown Advisory
Capital Institutional Services, Inc. (CAPIS)
Chartwell Investment Partners
Christenson Investment Partners
Corbin Capital Partners
Corry Capital Advisors
Eaton Vance Management
EnTrust Global
First Eagle Investment Mgmt.
Foundry Partners
Fred Alger Management
GAMCO Asset Management
GCM Grosvenor
Gerding Edlen
Glouston Capital Partners
GoldenTree Asset Management
Great Lakes Advisors
Hamilton Lane Advisors
HarbourVest Partners
Hardman Johnston Global Advisors
Intercontinental Real Estate Corp.
Invesco Advisers, Inc.
Janus Henderson Investors
JP Morgan Asset Management
Kearney Capital LLC
Kelson Group
Lazard Asset Management
Loomis, Sayles & Company
Lord Abbett & Co.
LSV Asset Management
MacKay Shields
McMorgan & Company
MEPT/Bentall Kennedy
National Investment Services
Neuberger Berman
Nuveen
Patriot Financial Partners
PENN Capital Management
Piedmont Investment Advisors
PNC Capital Advisors
Post Advisory Group
Quantitative Management Associates
Quest Investment Management
Rothschild Asset Management
Ryan Labs Asset Management
Segall Bryant & Hamill
Sierra Investment Partners
Smith Graham & Co.
Ullico Investment Company
U.S. Bank
Victory Capital Management
Washington Capital Management
WEDGE Capital Management
Wellington Management Company
Westfield Capital Management
William Blair & Company

Glossary of Investment Terminology

Total Return	The annual return on an investment including appreciation, depreciation and income (interest, dividends, net operating income).
Alpha	The excess return (positive or negative) generated by active portfolio management and security selection, relative to a benchmark.
Beta	A historical measure of an investment's volatility relative to the market. The beta of the market is 1.0 (as represented by a benchmark such as the S&P 500 Index). A beta of greater than 1.0 indicates an investment with greater volatility than the benchmark. A beta of less than 1.0 indicates less volatility than the benchmark.
Standard Deviation	Standard deviation is a statistical measurement of the dispersion of a set of data from its mean. The more spread apart the data are, the greater the standard deviation.
Risk	For an investment portfolio, risk is typically defined as the volatility of the returns, as measured by calculating the standard deviation. The risk does not necessarily indicate the risk of loss, but does indicate the risk of inconsistent returns.
Capture Ratio	Calculates how well a manager performs in a rising or falling market as a percentage of a benchmark. In a rising market, a percentage of 100 or better is preferred, and indicates the manager exceeded the benchmark (upside capture ratio). In a falling market, a percentage of less than 100 is preferred, indicating that the manager lost less than the benchmark (downside capture ratio).
Correlation	A statistical measure of how two asset classes perform in relation to each other. Asset classes with a correlation of 1.0 have perfect positive correlation (exactly the same). Assets with perfect negative correlation of -1.0 will perform equally but in opposite directions.
Efficient Frontier	A series of portfolios with the maximum expected return for any level of risk, which is calculated based on assumptions of risk, return and correlation. These portfolios are shown graphically on a risk and return chart, and represent the most efficient tradeoff between risk and return.
Market Cap	The dollar value of a corporation, which is calculated by multiplying the share price and the number of outstanding shares.
Large Cap	Stocks which typically have a market capitalization of $10 billion or higher.
Mid Cap	Stocks which typically have a market capitalization of $2 to $10 billion.
Small Cap	Stocks which typically have a market capitalization of $2 billion or less.
Geometric Calculation	Geometric Calculations are used when determining an annualized investment return and tends to dampen the effect of very high or very low values. The result is a number that is smaller than (or equal to) the arithmetic average of the values.
Compound Annual Returns	Compound annual returns show the annual investment return, assuming the investment grew at a constant rate, and reflects the impact of the time in the calculation of an investment return.
Return/Risk Ratio	The return/risk ratio is the expected return of an investment divided by the expected standard deviation (risk). When comparing return/risk ratios a higher value is presumed to be better than a lower value