



Warehouse Employees Local #730 Welfare Fund

Master Consulting Services Report

**Period Ended
June 30, 2018**

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Market Discussion Points

2Q | 2018



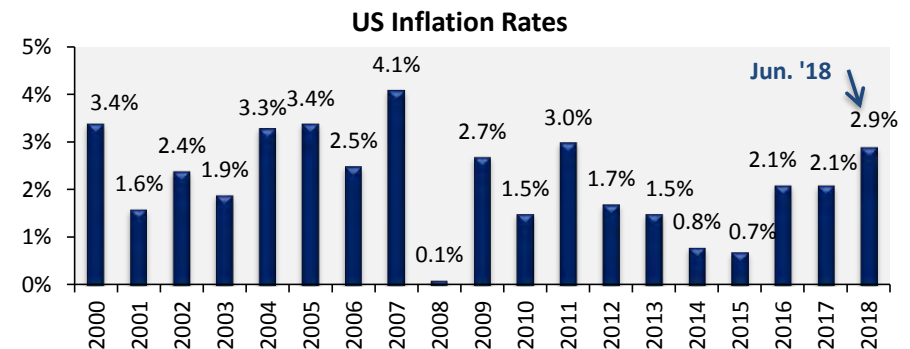
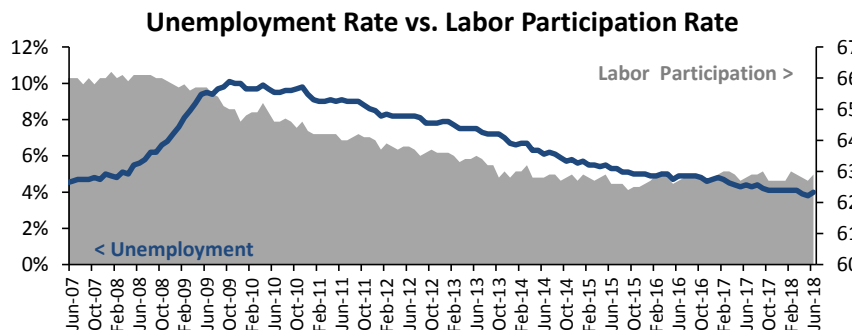
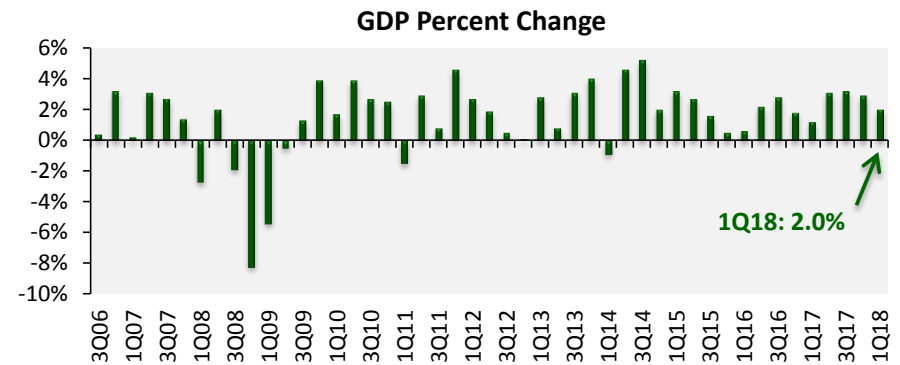
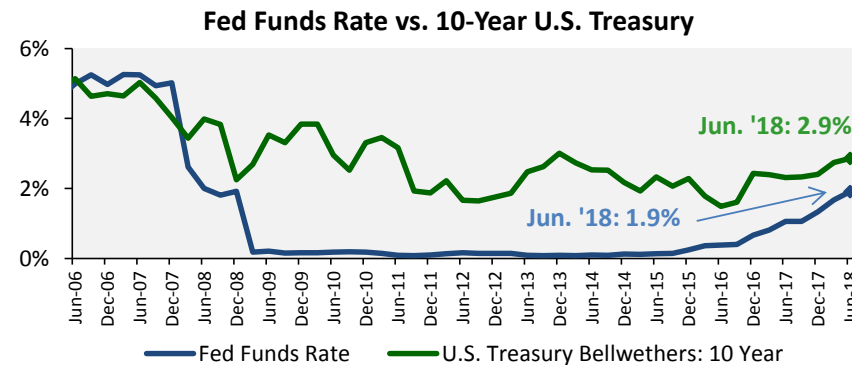
Financial Market Performance

Periods Ending June 30, 2018

Strategy	Sector	Index	QTR	YTD	2017	2016	2015	2014	2013	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	US Large Cap	S&P 500	3.4	2.7	21.8	12.0	1.4	13.7	32.4	14.4	11.9	13.4	10.2	6.5
	US Small Cap	Russell 2000	7.8	7.7	14.7	21.3	-4.4	4.9	38.8	17.6	11.0	12.5	10.6	8.0
	All Country	MSCI All Country World (net)	0.5	-0.4	24.0	7.9	-2.4	4.2	22.8	10.7	8.2	9.4	5.8	-
	Non-US Developed	MSCI EAFE (net)	-1.2	-2.8	25.0	1.0	-0.8	-4.9	22.8	6.8	4.9	6.4	2.8	4.3
	Emerging Markets	MSCI EM (net)	-8.0	-6.7	37.3	11.2	-14.9	-2.2	-2.6	8.2	5.6	5.0	2.3	-
	Int'l Small Cap	MSCI EAFE Small Cap (net)	-1.6	-1.3	33.0	2.2	9.6	-5.0	29.3	12.4	10.1	11.3	6.8	-
Bonds	Treasury	Bloomberg Barclays US Govt	0.1	-1.1	2.3	1.1	0.9	4.9	-2.6	-0.6	1.0	1.5	2.9	4.3
	Broad Market	Bloomberg Barclays Aggregate	-0.2	-1.6	3.5	2.7	0.6	6.0	-2.0	-0.4	1.7	2.3	3.7	4.7
	Intermediate	Bloomberg Barclays Gov/Credit Int.	0.0	-1.0	2.1	2.1	1.1	3.1	-0.9	-0.6	1.2	1.6	3.1	4.3
	High Yield	Bloomberg Barclays HY BaB 2% IC	0.6	-0.5	6.9	14.1	-2.7	3.5	6.2	1.8	4.8	5.2	7.5	-
	Short Duration HY	BofA ML HY Cash Pay BB 1-3 YR	0.8	0.6	3.6	8.5	1.2	1.9	5.6	1.7	3.8	4.1	6.2	-
	Global Bonds	Citigroup WGBI	-3.4	-0.9	7.5	1.6	-3.6	-0.5	-4.0	1.9	2.8	1.1	2.1	4.3
GTAA	Unconstrained	65% MSCI World /35% Citi WGBI	-0.1	0.0	17.0	5.6	-1.6	3.0	15.3	7.9	6.6	6.9	5.2	5.3
Real Estate	Core	NCREIF ODCE Equal Weighted	2.1	4.3	7.7	9.3	15.2	12.4	13.3	8.5	9.6	11.1	5.1	8.4
Hedge Fund of Funds	Diversified FOFs	HFRI HFOF Composite	0.8	1.0	7.8	0.5	-0.3	3.4	9.0	5.5	2.1	3.5	1.4	4.0
	Equity Long-Short	HFRI Equity Hedge	0.9	1.2	13.3	5.5	-1.0	1.8	14.3	8.2	4.9	5.8	3.7	7.1
Commodities	Commodities	Goldman Sachs Commodity	8.0	10.4	5.8	11.4	-32.9	-33.1	-1.2	30.0	-4.4	-9.4	-12.4	0.6

U.S. Economy

The U.S. economy continues to enjoy steady growth, with consumer confidence indicators hovering at historical highs. Employment and job creation remains strong despite the unemployment rate creeping up to 4.0% from 3.8%. Hourly wage growth rose to 2.7% over the last 12 months. Consumer spending lagged a bit in the 1st quarter of 2018, but rebounded in the 2nd quarter. Housing starts and permits continue to trend stronger, despite slightly higher mortgage rates. GDP for the 2nd quarter is estimated to be 2.9% and the Federal Reserve Banks are forecasting between 3.1% and 4.0% GDP growth for the second half of the year. CPI inflation is estimated to be 2.4% for the 2nd quarter. The business sector of the U.S. economy is also experiencing solid growth, with profits forecasted to be up an annualized 20% in the 2nd quarter of 2018 following a 23.2% annualized growth rate in the 1st quarter. Healthy corporate earnings growth has been bolstered, in great part, by the recent tax cuts. 2019 should see a reversion to a lower, but still healthy rate of growth. As of the end of March, 79% of company's earnings reports exceeded expectations. Sales revenues are estimated to be growing at 6.4% on an annualized basis. A modest detractor from GDP growth is the price of oil, as crude prices increased to about \$70 per barrel at the end of the second quarter. A 10% increase in oil prices detracts about 0.2% from GDP growth. The growing worry about protective tariffs and a global trade war has not had any measurable impact on economic indicators yet, but investors are concerned.



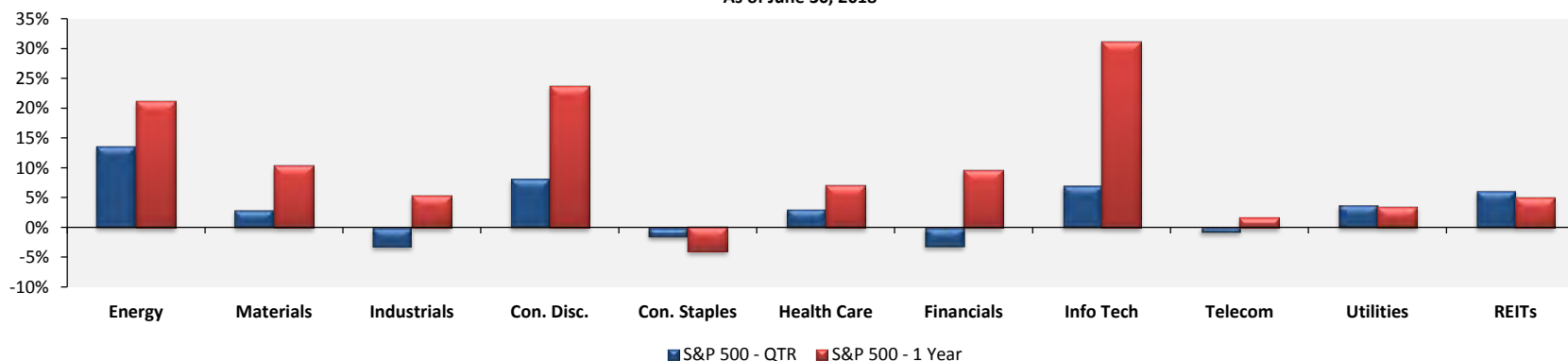
Source: Top Left - The Federal Reserve; Top Right - Bureau of Economics, U.S. Department of Commerce; Bottom Left and Right: Bureau of Labor Statistics

U.S. Equity Market

Stock market volatility, which spiked in the first quarter of the year, moderated significantly in the second quarter. Nonetheless, equity volatility has been significantly higher thus far in 2018 compared to the historically low levels reached in 2017. The S&P 500 had 36 trading days in the first half of this year with a 1% (up or down) move; there were only eight such days in all of 2017. Stock market valuations, as measured by the price/earnings ratio, do not appear to be overvalued. At the end of 2017, the P/E ratio of the S&P 500 Index was slightly rich at about 18x, compared to the long-term average P/E of 16x. The market volatility in the 1st quarter of 2018 lowered the S&P 500's P/E ratio to about 16.4x. During the 2nd quarter, with the combination of significant increases in corporate earnings (the "E" in the P/E ratio) and a 3.4% increase in prices, the P/E ratio hovered at about 17x as of June 30, 2018. This would suggest that the US stock market is not overvalued and continued earnings growth can drive stock prices higher with the need for market P/E multiple expansion. Strong consumer demand and increased corporate capital expenditures also support this thesis. The S&P 500 index was up 3.4% during the 2nd quarter and is up 2.7% for the first six months of 2018. The growth vs. value style of investing continues to matter as the Russell 1000 Growth Index was up 5.8% in Q2 and 7.3% year to date. In comparison, the Russell 1000 Value Index was up only 1.2% in Q2 and is down 1.7% year to date. Just as we saw in 2015, growth indices are being driven by a few stocks (notably the "FAANG" stocks – Facebook, Apple, Amazon, Netflix and Google, as well as Microsoft), which are responsible for much of the S&P 500's YTD return. Without the FAANGs, the rest of the stocks in the S&P 500 have actually detracted from the index's YTD return. Small cap stocks, which generally are less sensitive to exports and tariffs, rallied significantly, as the Russell 2000 rose 7.8% during Q2, bringing the index into positive territory YTD.

<u>Sector</u>	<u>Index</u>	<u>2Q 18</u>	<u>YTD</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Large Cap	S&P 500	3.4	2.7	21.8	12.0	1.4	13.7	32.4	14.4	11.9	13.4	10.2
	Russell 1000	3.6	2.9	21.7	12.1	0.9	13.3	33.1	14.5	11.6	13.4	10.2
	Russell 1000 Value	1.2	-1.7	13.7	17.3	-3.8	13.5	32.5	6.8	8.3	10.4	8.5
	Russell 1000 Growth	5.8	7.3	30.2	7.1	5.7	13.1	33.5	22.5	15.0	16.4	11.8
Mid Cap	Russell Mid-Cap	2.8	2.4	18.5	13.8	-2.4	13.2	34.8	12.3	9.6	12.2	10.2
	Russell Mid-Cap Value	2.4	-0.2	13.3	20.0	-4.8	14.7	33.5	7.6	8.8	11.3	10.1
	Russell Mid-Cap Growth	3.2	5.4	25.3	7.3	-0.2	11.9	35.8	18.5	10.7	13.4	10.5
Small Cap	Russell 2000	7.8	7.7	14.7	21.3	-4.4	4.9	38.8	17.6	11.0	12.5	10.6
	Russell 2000 Value	8.3	5.4	7.8	31.7	-7.5	4.2	34.5	13.1	11.2	11.2	9.9
	Russell 2000 Growth	7.2	9.7	22.2	11.3	-1.4	5.6	43.3	21.9	10.6	13.7	11.2
Total Market	Wilshire 5000	3.8	3.0	21.0	13.4	0.7	12.7	33.1	14.7	11.9	13.4	10.2
	Russell 3000	3.9	3.2	21.1	12.7	0.5	12.6	33.6	14.8	11.6	13.3	10.2

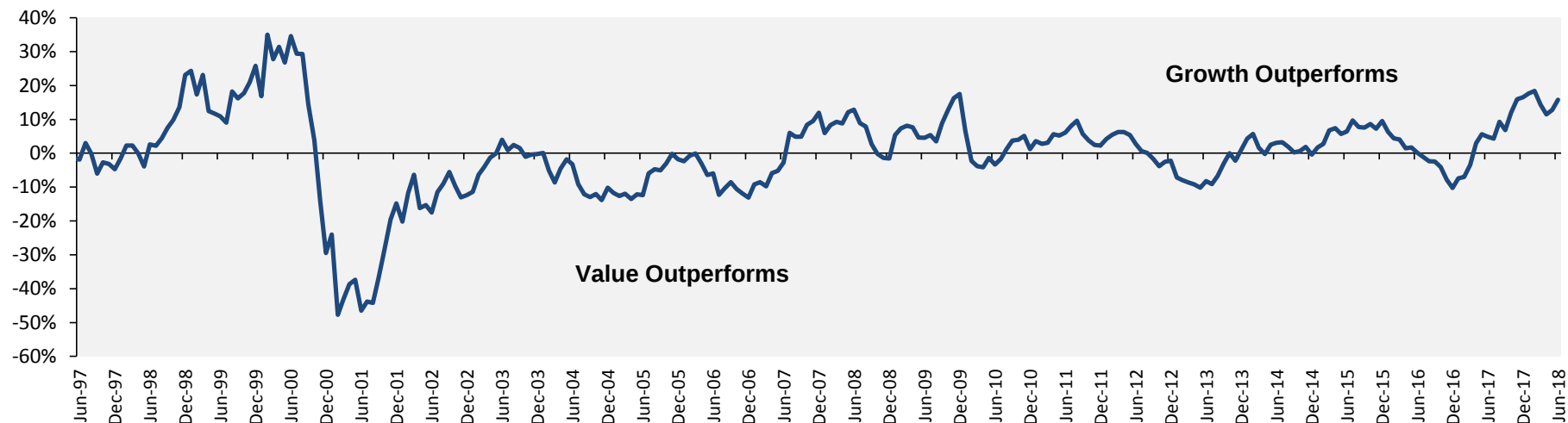
Sector Allocations Performance
As of June 30, 2018



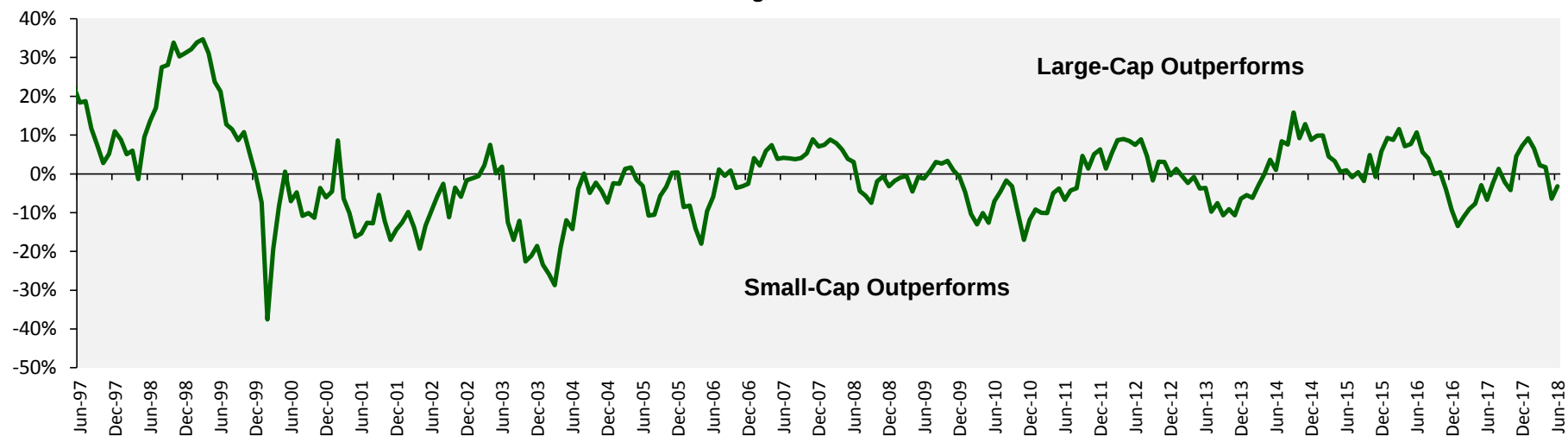
*S&P 500 (GICS Real Estate) Index performance began August 2016.

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

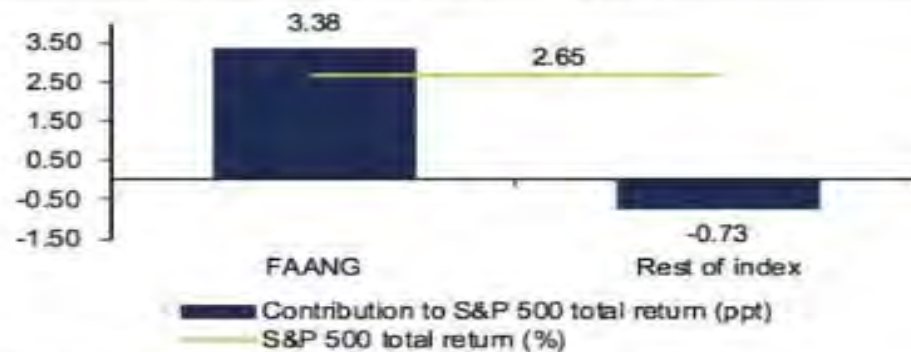
Exhibit 3: 10 stocks have contributed more than 100% of S&P 500's YTD return
as of June 28, 2018

Ticker	Company	Cons. 2019E sales growth	Total return	Mkt cap weight	% of SPX Return
AMZN	Amazon.com Inc.	23 %	45 %	2.1 %	36 %
MSFT	Microsoft Corp.	10	16	2.9	18
AAPL	Apple Inc.	4	10	3.8	15
NFLX	Netflix Inc.	24	106	0.4	15
FB	Facebook Inc.	27	11	1.9	8
GOOGL	Alphabet Inc.	18	7	2.8	7
MA	Mastercard Inc.	12	31	0.6	7
V	Visa Inc.	11	17	0.9	6
ADBE	Adobe Systems Inc.	19	37	0.4	5
NVDA	NVIDIA Corp.	14	25	0.5	5
Top 10 contributors		16 %	20 %	16 %	122 %
S&P 500		5	3	100	100

Source: FactSet, Goldman Sachs Global Investment Research

Chart 5: Excluding FAANG stocks, index returns would have been negative

FAANG stocks' contribution to the S&P 500 1H18 total return



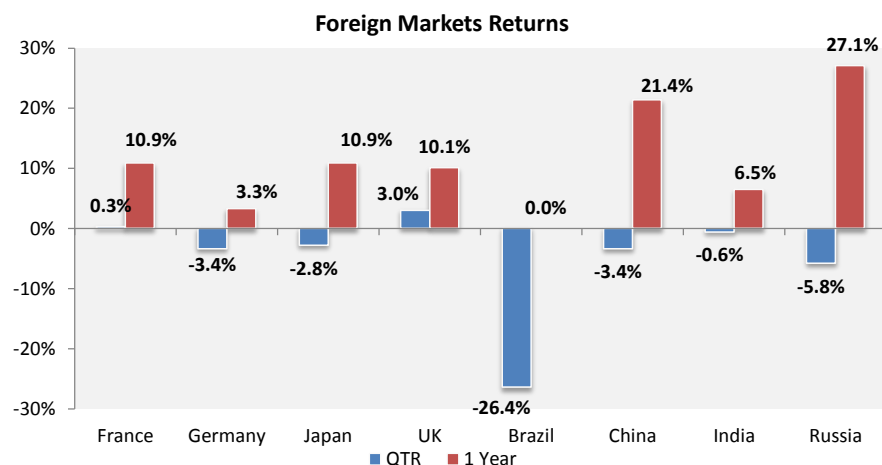
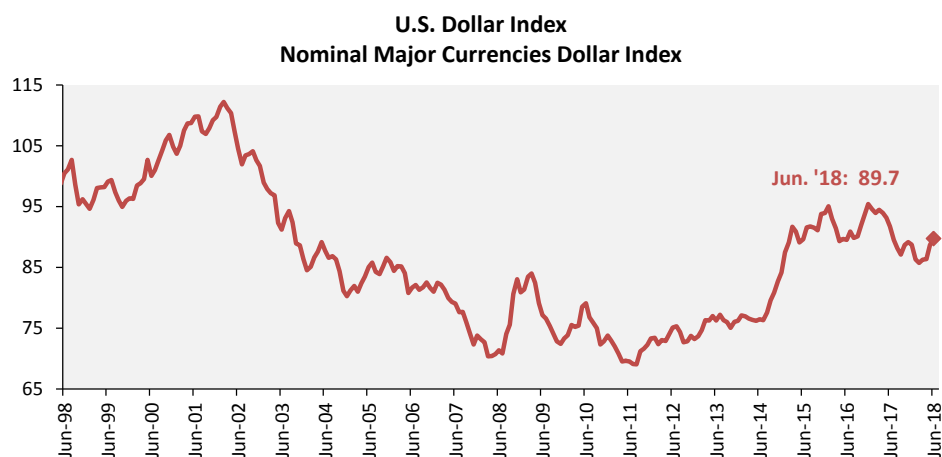
Note: FAANG = FB, AAPL, AMZN, NFLX, GOOG/GOOGL

Source: S&P, BofA Merrill Lynch US Equity & US Quant Strategy

International Equity Market

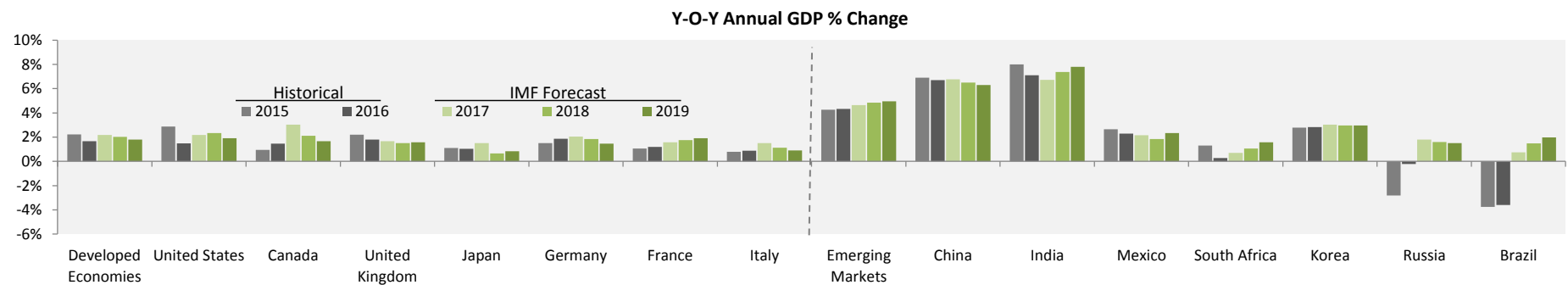
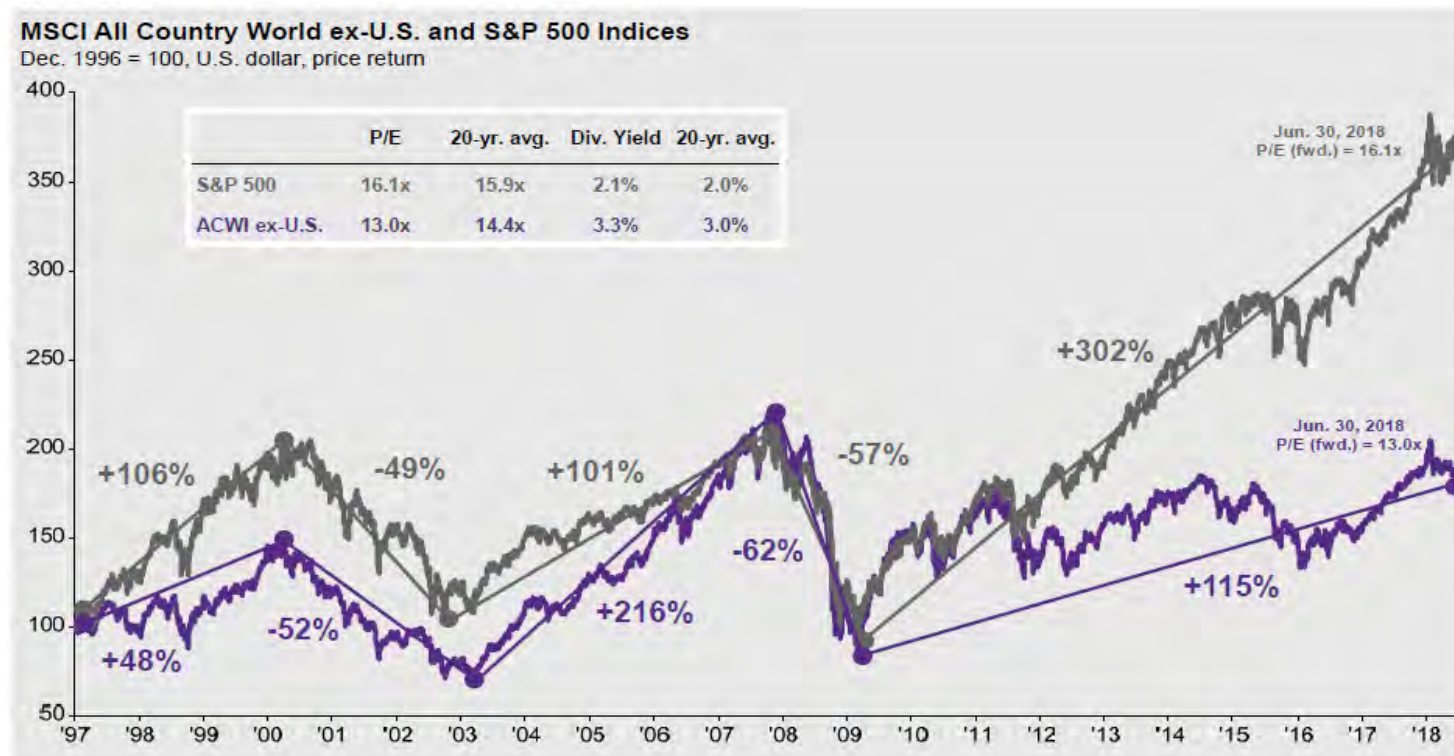
The U.S. imposition of tariffs on steel, aluminum and the fear of a global trade war dampened global investors' appetite for equities outside the U.S. in Q2. Europe also is contending with the uncertainty regarding multiple events, including the Italian banking crisis, the UK's "Brexit" strategy, immigration, and a slow economic recovery. The MSCI EAFE Index was down 1.2% in Q2 bringing its YTD return down to -2.75%. Many small cap companies outside the US conduct operations primarily in their own domestic markets and may be less export-sensitive, thereby making many of them less sensitive to trade issues. International small cap indices fared a bit better than their large-cap counterparts during the quarter, with the MSCI ex US Small Cap Index down 0.9% in Q2 and down 1.4% year to date. Emerging markets struggled with a strong US Dollar and sold off significantly during the quarter, with the MSCI Emerging Markets index declining 8%.

Sector	Index	2Q 18	YTD	2017	2016	2015	2014	2013	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	0.5	-0.4	24.0	7.9	-2.4	4.2	22.8	10.7	8.2	9.4	5.8
	MSCI World Small Cap (net)	1.9	1.5	23.8	11.6	-1.0	1.8	28.7	13.8	9.3	10.8	8.5
	MSCI World ex US (net)	-0.9	-3.8	27.2	4.5	-5.7	-3.9	15.3	7.3	5.1	6.0	2.5
	MSCI World ex US Small Cap (net)	-2.6	-1.4	31.6	3.9	2.6	-4.0	19.7	10.6	7.9	9.0	5.8
Developed ex US	MSCI EAFE (net)	-1.2	-2.8	25.0	1.0	-0.8	-4.9	22.8	6.8	4.9	6.4	2.8
	MSCI EAFE Value (net)	-2.6	-4.6	21.4	5.0	-5.7	-5.4	23.0	4.3	3.3	5.4	2.2
	MSCI EAFE Growth (net)	0.1	-0.9	28.9	-3.0	4.1	-4.4	22.6	9.4	6.4	7.4	3.5
	MSCI EAFE Small Cap (net)	-1.6	-1.3	33.0	2.2	9.6	-5.0	29.3	12.4	10.1	11.3	6.8
Emerging Markets	MSCI Emerging Markets (net)	-8.0	-6.7	37.3	11.2	-14.9	-2.2	-2.6	8.2	5.6	5.0	2.3



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 June 30, 2018.

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 2017.

U.S. Bond Market

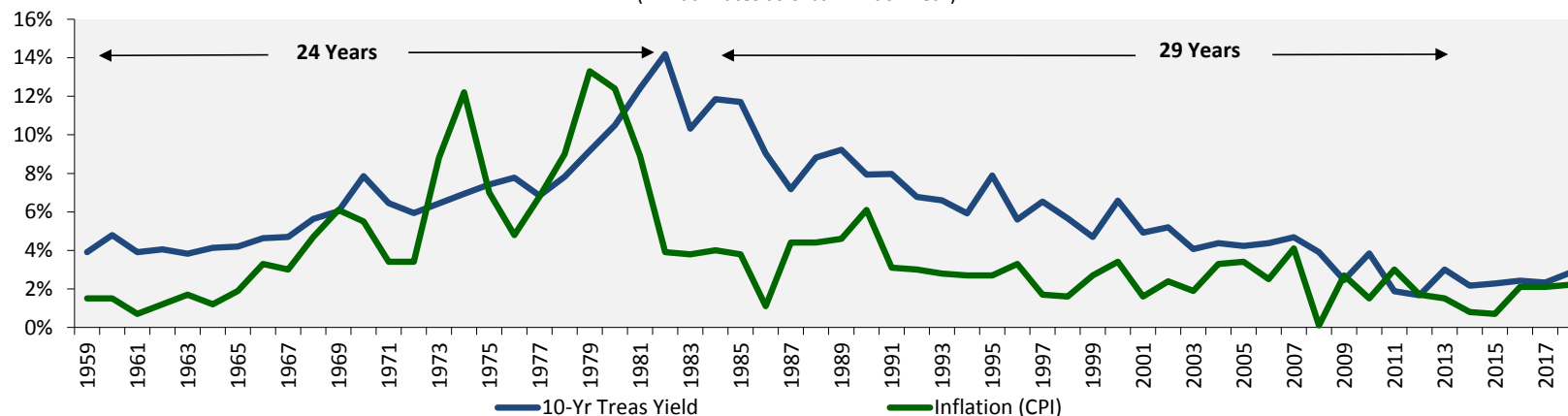
Rising rates both by actions of the Federal Reserve in short-term rates and by market forces in the longer part of the yield curve created a stiff headwind for bonds. The yield curve moved up broadly with two-year maturities moving up 0.64% year-to-date to 2.52%, five-year maturities up 0.52% to 2.73% and 10-year maturities up 0.44% to 2.85%. The 10-year briefly moved above 3.0% during the quarter. Longer duration benchmarks are all negative year-to-date, but short duration high yield fared better. The spread between US Treasuries and investment grade corporate bonds also widened by about 0.14% during the quarter to +1.23%. The Bloomberg Barclays U.S. Intermediate Gov't/Credit index was flat in the 2nd quarter at 0.01%, but is down 0.97% year-to-date. The US Aggregate Index was down 0.16% in the 2nd quarter and is down 1.62% year-to-date. U.S. High Yield Corporate bonds fared much better due to higher coupons and were up 1.03% in the 2nd quarter and are up 0.16% year-to-date.

<u>Index</u>	<u>Yield</u>	<u>Duration</u>	<u>2Q 18</u>	<u>YTD</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Bloomberg Barclays Aggregate	3.29	6.3	-0.2	-1.6	3.5	2.7	0.6	6.0	-2.0	-0.4	1.7	2.3	3.7
Bloomberg Barclays Govt/Credit	3.24	6.5	-0.3	-1.9	4.0	3.1	0.2	6.0	-2.4	-0.6	1.8	2.3	3.8
Bloomberg Barclays Int Agg	3.16	4.7	0.1	-1.0	2.3	2.0	1.2	4.1	-1.0	-0.3	1.3	1.8	3.3
Bloomberg Barclays Int Govt/Credit	3.02	4.0	0.0	-1.0	2.1	2.1	1.1	3.1	-0.9	-0.6	1.2	1.6	3.1
Bloomberg Barclays HY Ba/B 2% IC	5.99	4.4	0.6	-0.5	6.9	14.1	-2.7	3.5	6.2	1.8	4.8	5.2	7.5
BofA ML HY Cash Pay BB 1-3 Yr.	4.35	1.7	0.8	0.6	3.6	8.5	1.2	1.9	5.6	1.7	3.8	4.1	6.2
Bloomberg Barclays Mortgage	3.41	6.0	0.2	-1.0	2.5	1.7	1.5	6.1	-1.4	0.2	1.5	2.3	3.5
Bloomberg Barclays Treasury	2.71	6.1	0.1	-1.1	2.3	1.0	0.8	5.1	-2.8	-0.7	1.0	1.5	3.0
Bloomberg Barclays US TIPS	2.95	7.8	0.8	0.0	3.0	4.7	-1.4	3.6	-8.6	2.1	1.9	1.7	3.0
BofA ML 91 day T-Bills	1.78	0.2	0.5	0.8	0.9	0.3	0.1	0.0	0.1	1.4	0.7	0.4	0.4

The Last Full Interest Rate Cycle 1958 - 2011

10-Yr Treasury Rate vs. Inflation (CPI)

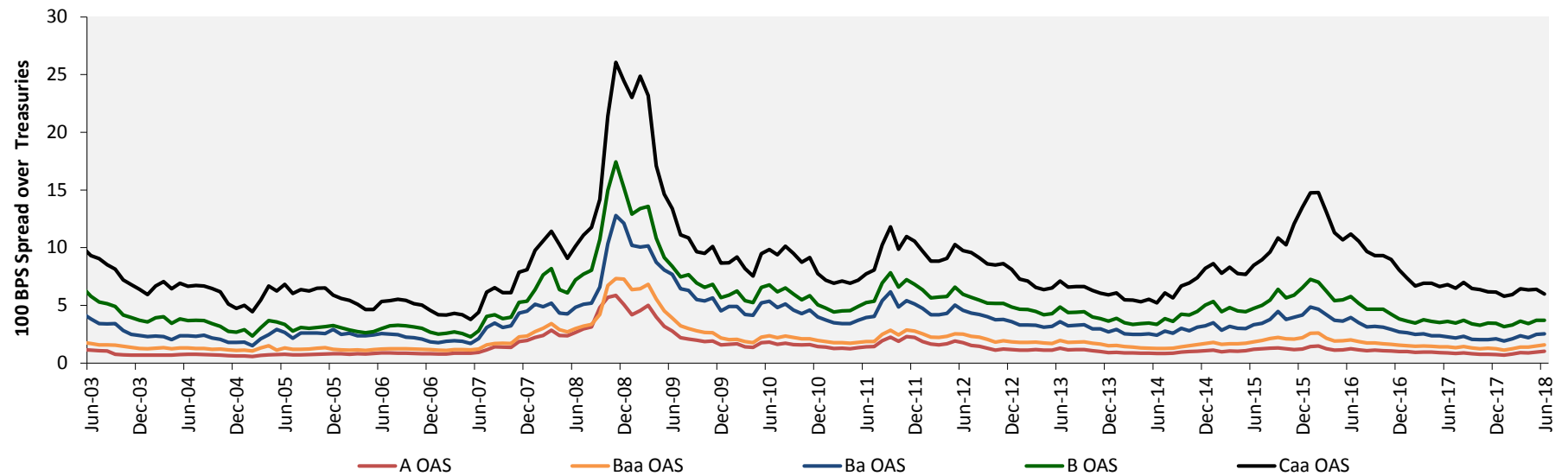
(Annual Rates as of Jan 1 Each Year)



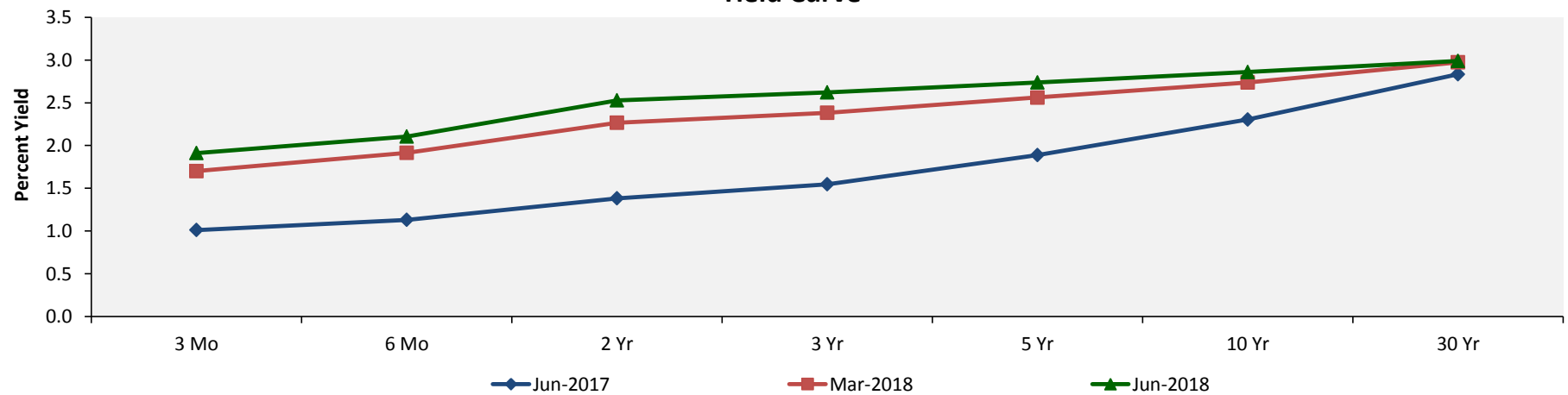
Source: Bloomberg Barclays

Bond Market

OAS Credit Spread



Yield Curve



Source: Bloomberg Barclays

Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 6/30/2018

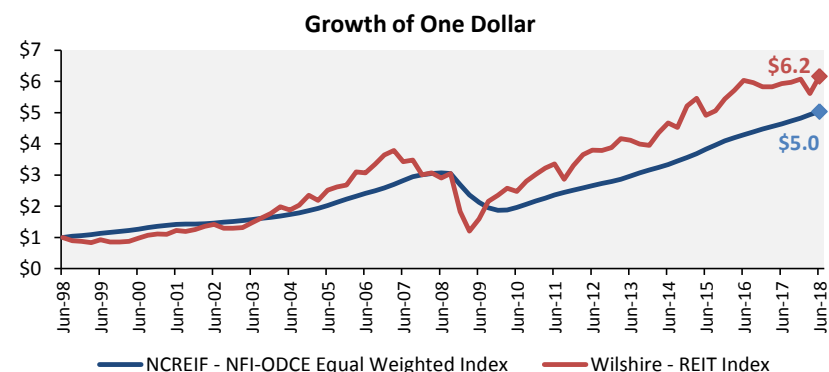
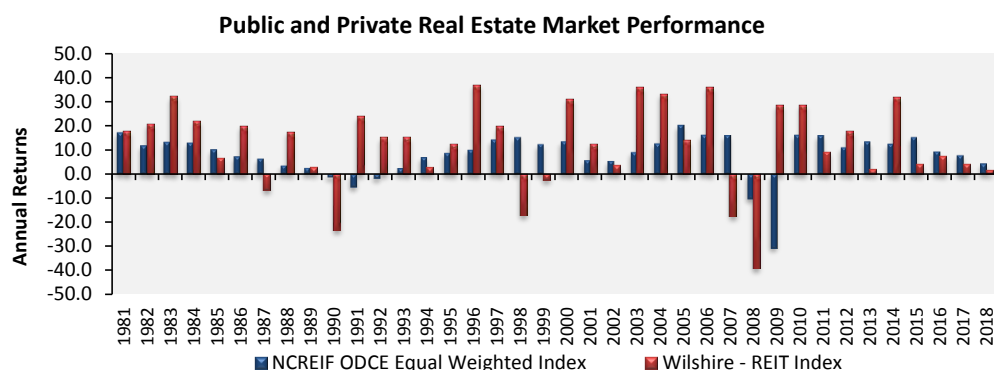
Yield Change	10 Year Treasury	Bloomberg Barclays Aggregate	Bloomberg Barclays Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
(bps)		US Aggregate	US Int Govt/Credit				
-150	15.62	12.77	9.01	12.92	5.58	12.44	7.48
-100	11.36	9.61	7.01	9.70	4.63	10.27	6.64
-50	7.11	6.45	5.02	6.49	3.69	8.11	5.81
-25	4.98	4.87	4.02	4.88	3.21	7.02	5.39
0	2.85	3.29	3.02	3.27	2.74	5.94	4.97
25	0.72	1.71	2.02	1.66	2.27	4.86	4.55
50	-1.41	0.13	1.03	0.06	1.80	3.78	4.14
100	-5.66	-3.03	-0.97	-3.16	0.85	1.61	3.30
150	-9.92	-6.19	-2.97	-6.38	-0.09	-0.56	2.47
200	-14.17	-9.35	-4.96	-9.59	-1.04	-2.72	1.63
250	-18.43	-12.51	-6.96	-12.81	-1.99	-4.89	0.80
300	-22.68	-15.67	-8.95	-16.02	-2.93	-7.05	-0.04
350	-26.94	-18.83	-10.95	-19.24	-3.88	-9.22	-0.88
400	-31.19	-21.99	-12.94	-22.45	-4.82	-11.38	-1.71
450	-35.45	-25.15	-14.94	-25.67	-5.77	-13.55	-2.55
500	-39.70	-28.31	-16.93	-28.88	-6.71	-15.71	-3.38
Duration	8.51	6.32	3.99	6.43	1.89	4.33	1.67

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 6/30/2018 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 6/30/2018 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

Real estate, as an asset class, recovered strongly since 2009 and achieved new highs in market value since before the crisis. Coupled with attractive income, total returns from income have been very strong, both absolutely and in comparison to other asset classes. However, one of the major components of return from this cycle, cap rate compression, has probably run its course. While cap rates could go modestly lower, real estate returns will now depend on income for the majority of total return. Income returns of approximately 5% and appreciation of 1-3%, indicate an expected total return of 6-8% for the longer term. The income return of 5% is relatively attractive when compared against other asset classes. Unless interest rates rise substantially, the income component of real estate will continue to be appealing to investors, especially foreign investors, and keep valuations at high levels. PREA forecast returns show moderation from that of recent years but are still desirable.

Sector	Index	2Q 18	YTD	2017	2016	2015	2014	2013	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	2.1	4.3	7.7	9.3	15.2	12.4	13.3	8.5	9.6	11.1	5.1
US Public	Wilshire REIT	9.7	1.5	4.2	7.2	4.2	31.8	1.9	3.9	7.8	8.4	7.8



	Total return (incl. income) 2018	Total return (incl. income) 2019	Total return (incl. income) 2020	Total return (incl. income) 2018 to 2022 (per year)
National, All Property Types (NPI)	6.2	5.0	4.4	5.2
Office	5.8	4.3	3.3	4.5
Retail	4.6	4.2	3.8	4.5
Industrial	9.5	6.6	5.4	6.6
Apartment	5.8	4.9	4.4	5.2

Bottom chart: 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 Q2 2018.

Hedge Fund of Funds Market

During the second quarter and first half of 2018, hedge fund strategies were broadly positive, though somewhat lackluster. The HFRI Fund of Funds Composite has risen 1% YTD through June, providing a diversification benefit to investment grade fixed income portfolios, which are broadly negative this year. Event driven strategies were the best performer in Q2 and the first half of 2018, driven by record-high global M&A activity. Gains were broad based among activist, merger arbitrage and distressed sub-strategies. Q2 saw a slowdown in market volatility following a spike in February, and US equity markets churned higher while their counterparts abroad were broadly negative. This led to mixed results for long/short equity strategies, which remain positive (+1.2%) YTD through June. Global macro is the lone negatively-performing strategy YTD shown in the table below. Macro strategies vary widely by manager, but generally the strategy has been hurt by macro uncertainties from the developing trade wars and broadly declining commodity prices (ex-energy) this year.

<u>Strategy</u>	<u>Index</u>	<u>2Q 18</u>	<u>YTD</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Fund of Funds	HFRI HFOF Composite	0.8	1.0	7.8	0.5	-0.3	3.4	9.0	5.5	2.1	3.5	1.4
Equity Long-Short	HFRI Equity Hedge	0.9	1.2	13.3	5.5	-1.0	1.8	14.3	8.2	4.9	5.8	3.7
Event Driven	HFRI Event Driven	2.2	2.3	7.6	10.6	-3.6	1.1	12.5	5.8	4.6	4.8	4.7
Global Macro	HFRI Macro Index	-0.2	-1.8	2.2	1.0	-1.3	5.6	-0.4	1.2	0.2	1.2	1.1
Relative Value	HFRI Relative Value	1.1	1.5	5.1	7.7	-0.3	4.0	7.1	3.9	3.7	4.4	5.1
Credit	HFRI Credit Index	0.6	1.5	6.0	8.6	-1.0	3.0	9.0	4.2	4.2	4.5	5.4

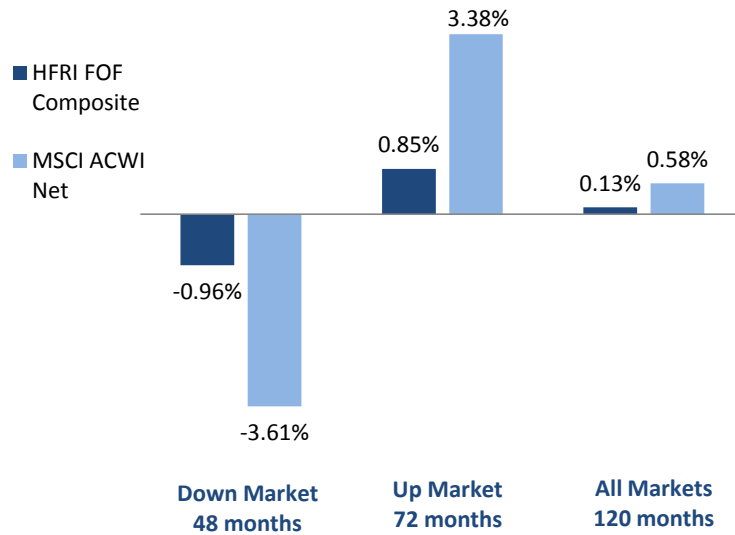
Hedge Fund Strategy Performance



Hedge Fund of Funds Market

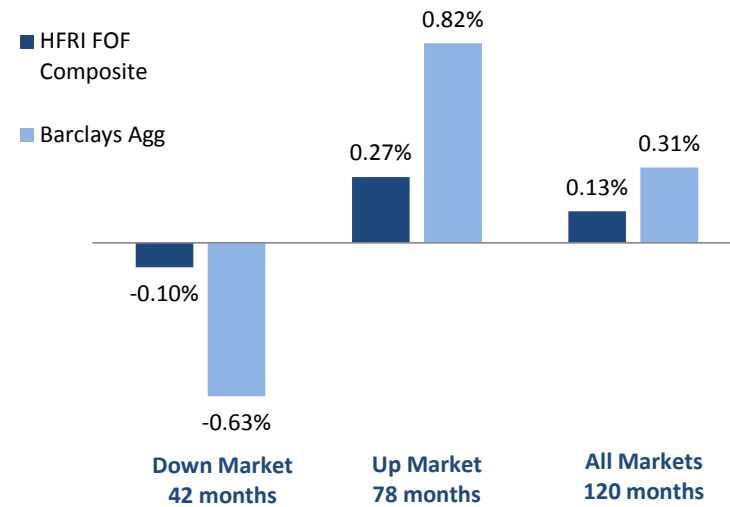
Up/Down Capture vs. Equity

Average Returns
July 2008 - June 2018



Up/Down Capture vs. Bonds

Average Returns
July 2008 - June 2018





Warehouse Local #730 Welfare Fund

Master Consulting Services Report

Period Ended

June 30, 2018

Warehouse Local #730 Welfare Fund
Master Consulting Services Report as of June 30, 2018

Total Plan Growth of Assets

Summary of Cash Flows

	Second Quarter	Year-To-Date	One Year	Three Years	Five Years	Seven Years	Ten Years
Beginning Market Value	\$6,969,047	\$6,818,560	\$6,909,739	\$11,736,262	\$16,175,924	\$20,104,918	\$18,376,872
Net Cash Flow	\$368,755	\$539,705	\$368,801	-\$4,870,025	-\$10,529,069	-\$16,069,921	-\$16,227,341
Net Investment Change	\$24,430	\$3,968	\$83,692	\$495,995	\$1,715,377	\$3,327,234	\$5,212,701
Ending Market Value	\$7,362,232	\$7,362,232	\$7,362,232	\$7,362,232	\$7,362,232	\$7,362,232	\$7,362,232

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

Warehouse Local #730 Welfare Fund

Master Consulting Services Report as of June 30, 2018

Total Plan Performance (Gross of Fees)

	Market Value	% of Portfolio	Ending June 30, 2018						
			2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Composite	\$7,362,232	100.0%	0.3%	0.1%	1.3%	2.3%	3.1%	3.5%	3.5%
Total Investment Grade Fixed Income	\$3,589,672	48.8%	0.0%	-0.8%	-0.2%	1.5%	1.8%	2.0%	3.0%
<i>BBgBarc US Govt/Credit Int TR</i>			<i>0.0%</i>	<i>-1.0%</i>	<i>-0.6%</i>	<i>1.2%</i>	<i>1.6%</i>	<i>1.9%</i>	<i>3.1%</i>
Total Short Duration High Yield Fixed Income	\$2,848,396	38.7%	0.5%	0.4%	2.0%	2.8%	--	--	--
<i>BofA ML - U.S. HY Cash Pay 1-3 Yr BB</i>			<i>0.8%</i>	<i>0.6%</i>	<i>1.7%</i>	<i>3.8%</i>	<i>4.1%</i>	<i>4.5%</i>	<i>6.2%</i>
Total Real Estate	\$392,871	5.3%	2.1%	4.4%	8.2%	8.8%	10.5%	10.9%	4.8%
<i>NCREIF ODCE Equal Weighted Index</i>			<i>2.1%</i>	<i>4.3%</i>	<i>8.5%</i>	<i>9.6%</i>	<i>11.1%</i>	<i>11.4%</i>	<i>5.1%</i>
Total Cash	\$531,293	7.2%	0.3%	0.6%	0.9%	0.4%	0.3%	0.2%	0.2%
<i>91 Day T-Bills</i>			<i>0.5%</i>	<i>0.8%</i>	<i>1.4%</i>	<i>0.7%</i>	<i>0.4%</i>	<i>0.3%</i>	<i>0.3%</i>

	Fiscal Year Ends December 31											
	YTD	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Composite	0.1%	3.5%	3.3%	1.8%	3.8%	3.7%	6.0%	5.0%	6.2%	2.4%	-2.7%	6.8%
<i>Benchmark</i>	<i>0.0%</i>	<i>2.9%</i>	<i>5.1%</i>	<i>1.4%</i>	<i>4.4%</i>	<i>3.8%</i>	<i>6.4%</i>	<i>6.2%</i>	<i>7.7%</i>	<i>4.3%</i>	<i>-5.1%</i>	<i>7.0%</i>

Warehouse Local #730 Welfare Fund
Master Consulting Services Report as of June 30, 2018

Current vs. Policy As of June 30, 2018						
	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	\$3,589,672	48.8%	50.0%	45.0% - 55.0%	-1.2%	-\$91,444
Short Duration High Yield Fixed Income	\$2,848,396	38.7%	40.0%	35.0% - 45.0%	-1.3%	-\$96,497
Real Estate	\$392,871	5.3%	5.0%	0.0% - 10.0%	0.3%	\$24,759
Cash	\$531,293	7.2%	5.0%	0.0% - 10.0%	2.2%	\$163,181
Total	\$7,362,232	100.0%	100.0%			

- Policy effective October 1, 2017.

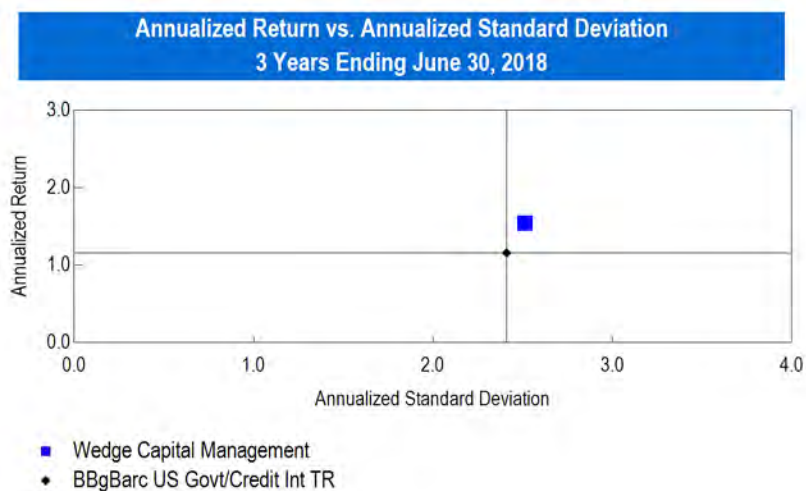
Asset Allocation

- Asset allocation reviews were presented to the Board of Trustees at the 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 and March 5, 2018 meetings.
- An asset allocation review was presented at the January 15, 2016 meeting. Given the continued cash need expectation and following a thorough review of the asset allocation materials, the Trustees adopted Policy of 45% investment grade fixed income, 40% short duration high yield, 5% real estate, and 10% cash. New Policy was effective April 1, 2016. Due to the elimination of HY, the BOT elected to terminate Penn Capital. A full redemption was submitted effective March 31, 2016. PENN proceeds of \$983,477 were transferred to the cash account on March 31, 2016.
- To rebalance closer to Policy, \$1.4M was transferred to Chartwell (SDHY) from cash (\$0.4M) and investment grade fixed income manager Wedge Capital - (\$1.0M) on May 5, 2016.
- An asset allocation review was presented at the March 27, 2017 meeting illustrating the impact of eliminating the real estate allocation. The Trustees elected to maintain the current Policy and not rebalance any assets at this time.
- To rebalance closer to Policy, a redemption request for \$435,000 was submitted to American Realty Advisors (real estate) effective September 30, 2017.
- At the September 29, 2017 meeting, the Trustees elected to invest \$50K from the American Realty redemption of \$435K with Chartwell (SDHY) and the remaining proceeds to Wedge (Fixed income). Funding occurred on September 30, 2017. The Trustees also decided to adopt new Policy of 50% intermediate fixed income, 40% SDHY, 5% real estate and 5% cash. Effective date is October 1, 2017.
- An Asset allocation was presented at the March 5, 2018 meeting. As of January 31, 2018 the Fund's cash allocation was 3.2% above Policy. It was recommended to allocate \$100,000 each to Wedge and Chartwell. Decision: Agreed. Transfers occurred on March 14, 2018.

Recommendation: None.

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	eV US Interm Duration Fixed Inc Gross

Wedge Capital Management		
Ending June 30, 2018		
	Second Quarter	Inception 12/31/14
Beginning Market Value	\$3,388,686	\$0
Net Cash Flow	\$200,000	\$3,339,590
Net Investment Change	\$987	\$250,083
Ending Market Value	\$3,589,672	\$3,589,672



3 Years Ending June 30, 2018				
	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Wedge Capital Management	1.5%	2.5%	111.4%	92.1%
BBgBarc US Govt/Credit Int TR	1.2%	2.4%	100.0%	100.0%

	Gross of Fees											Inception Date
	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014	2013	Inception	
Wedge Capital Management	0.0%	-0.8%	-0.2%	1.5%	--	2.6%	2.2%	1.5%	--	--	1.6%	Dec-14
BBgBarc US Govt/Credit Int TR	0.0%	-1.0%	-0.6%	1.2%	--	2.1%	2.1%	1.1%	--	--	1.2%	Dec-14

	Net of Fees									
	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014	2013
Wedge Capital Management	0.0%	-0.9%	-0.4%	1.3%	--	2.3%	2.0%	1.3%	--	--
BBgBarc US Govt/Credit Int TR	0.0%	-1.0%	-0.6%	1.2%	--	2.1%	2.1%	1.1%	--	--

Warehouse Employees Local #730 Welfare Fund - Wedge Capital Management

Correspondence/Transfer Summary

- On December 1, 2014, manager was funded with \$6,814,090 from the termination of Atlanta Capital.
- On May 6, 2016, \$1.0M was transferred to Chartwell (SDHY) to rebalance closer to Policy.
- On October 5, 2017, manager received \$385,000 from American Realty proceeds to rebalance closer to Policy.
- On March 14, 2018, manager received \$100,000 from the cash account to rebalance closer to Policy.
- On June 14, 2018, manager received \$100,000 from the cash account to rebalance closer to Policy.

Manager Summary

- IPS conducted an on-site due diligence meeting with Wedge Capital on August 11, 2017.

Recommendation: None.

Compliance Summary

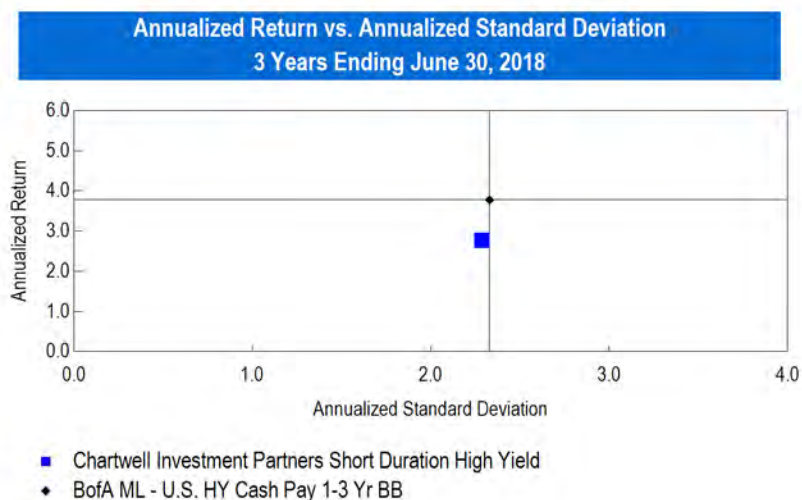
Exceptions: None.

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 June 30, 2018		
	Second Quarter	Inception 8/31/13
Beginning Market Value	\$2,734,093	\$0
Net Cash Flow	\$100,000	\$2,444,500
Net Investment Change	\$14,303	\$403,896
Ending Market Value	\$2,848,396	\$2,848,396



3 Years Ending June 30, 2018				
	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	2.8%	2.3%	73.6%	83.6%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	3.8%	2.3%	100.0%	100.0%

	Gross of Fees											
	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014	2013	Inception	Inception Date
Chartwell Investment Partners Short Duration High Yield	0.5%	0.4%	2.0%	2.8%	--	3.9%	6.7%	-0.8%	1.6%	--	3.0%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	0.8%	0.6%	1.7%	3.8%	--	3.6%	8.5%	1.2%	1.9%	--	3.8%	Aug-13
BBgBarc 1-3 Yr BB U.S. Constrained Index	0.8%	0.7%	2.0%	4.0%	--	3.9%	8.8%	1.1%	1.5%	--	3.7%	Aug-13

	Net of Fees									
	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014	2013
Chartwell Investment Partners Short Duration High Yield	0.4%	0.2%	1.5%	2.3%	--	3.3%	6.2%	-1.3%	1.1%	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	0.8%	0.6%	1.7%	3.8%	--	3.6%	8.5%	1.2%	1.9%	--
BBgBarc 1-3 Yr BB U.S. Constrained Index	0.8%	0.7%	2.0%	4.0%	--	3.9%	8.8%	1.1%	1.5%	--

Warehouse Employees Local #730 Welfare Fund - Chartwell Investment Partners Short Duration High Yield

Correspondence/Transfer Summary

- On August 15, 2013, manager was funded with \$3.2M from Atlanta Capital (investment grade fixed income).
- On May 6, 2016, \$1.4M was received from Chartwell (SDHY) - \$1.0M and the cash account -\$400,000 to rebalance closer to Policy.
- On October 5, 2017, \$50,000 was received from American Realty proceeds to rebalance closer to Policy.
- On March 14, 2018, manager received \$100,000 from the cash account to rebalance closer to Policy.
- On June 14, 2018, manager received \$100,000 from the cash account to rebalance closer to Policy.

Manager Summary

- IPS conducted a due diligence meeting with Chartwell on March 22, 2017.
- 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: Personnel Changes – The manager stated during the second quarter of 2018, Mark Tindall, Mark Long, and Steven Binder joined Chartwell as a result of the acquisition of Columbia Partners. Mark Tindall is the Portfolio Manager for the Large Cap Growth strategy. Mark Long is the Senior Portfolio Analyst for the Large Cap Growth strategy. Steven Binder is the Director of Taft Hartley Services.

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 Index
Universe	

Annualized Return vs. Annualized Standard Deviation 5 Years Ending June 30, 2018



American Core Realty Fund, LLC

Ending June 30, 2018

	Second Quarter	Inception 7/1/08
Beginning Market Value	\$385,889	\$2,000,000
Net Cash Flow	\$0	-\$1,623,507
Net Investment Change	\$6,981	\$16,377
Ending Market Value	\$392,871	\$392,871

3 Years Ending June 30, 2018

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	8.8%	1.3%	90.5%	--
NCREIF ODCE Equal Weighted Index	9.6%	1.2%	100.0%	--

5 Years Ending June 30, 2018

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	10.5%	1.7%	93.6%	--
NCREIF ODCE Equal Weighted Index	11.1%	1.4%	100.0%	--

Gross of Fees

	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014	2013	Inception	Inception Date
American Core Realty Fund, LLC	2.1%	4.4%	8.2%	8.8%	10.5%	8.1%	7.1%	15.4%	11.6%	12.4%	4.8%	Jul-08
NCREIF ODCE Equal Weighted Index	2.1%	4.3%	8.5%	9.6%	11.1%	7.8%	9.3%	15.2%	12.4%	13.3%	5.1%	Jul-08

Net of Fees

	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014	2013
American Core Realty Fund, LLC	1.8%	3.8%	7.0%	7.6%	9.3%	6.9%	5.9%	14.1%	10.4%	11.1%
NCREIF ODCE Equal Weighted Index	2.1%	4.3%	8.5%	9.6%	11.1%	7.8%	9.3%	15.2%	12.4%	13.3%

Warehouse Employees Local #730 Welfare Fund - American Core Realty Fund

Correspondence/Transfer Summary

- On April 1, 2014, \$300,000 was transferred to investment grade fixed income (Atlanta Capital) for rebalancing.
- At the June 19, 2015 meeting, the Trustees elected to redeem \$350,000 from ARA (real estate) for cash needs and to rebalance allocations closer to Policy. Proceeds were received on September 30, 2015.
- To rebalance closer to Policy, a redemption request for \$435,000 was submitted to American Realty Advisors (real estate) effective September 30, 2017.
- Income is re-invested.

Manager Summary

- IPS conducted due diligence meetings with American Realty Advisors on July 27, 2016, June 21, 2017 (on-site) and June 4, 2018.

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: Investment Policy Statement – The manager stated they do not see a need for a change in the Fund's current investment policy statement. However, minor edits were made to update the Core Fund's investment policy statement for 2018. **Derivative Securities** – The manager stated question 5 is not applicable as no derivative securities were held in the portfolio during Second Quarter 2018.

Account Information	
Account Name	PNC Cash Account
Account Structure	Separate Account
Investment Style	Active
Inception Date	1/01/98
Account Type	Cash
Benchmark	91 Day T-Bills
Universe	

PNC Cash Account		
Ending June 30, 2018		
	Second Quarter	Inception 1/1/98
Beginning Market Value	\$460,378	\$1,375,630
Net Cash Flow	\$68,755	-\$1,024,721
Net Investment Change	\$2,159	\$180,384
Ending Market Value	\$531,293	\$531,293

	Gross of Fees											
	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2017	2016	2015	2014	2013	Inception	Inception Date
PNC Cash Account	0.3%	0.6%	0.9%	0.4%	0.3%	0.6%	0.1%	0.0%	0.0%	0.0%	1.9%	Jan-98
91 Day T-Bills	0.5%	0.8%	1.4%	0.7%	0.4%	0.9%	0.3%	0.0%	0.0%	0.0%	1.9%	Jan-98

Compliance Summary

Cash and money market accounts are not monitored for compliance by IPS.

Commission Recapture Provider

- Cowen Execution Services, LLC.
- On April 3, 2017, Cowen Group announced the signing of a definitive agreement to acquire ConvergeEx Group. IPS contacted John Seyler at ConvergeEx to discuss the transaction. Per ConvergeEx, there will be no impact to existing ConvergeEx 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, ConvergeEx Group, was recently purchased by Cowen, Inc. As a result of this transaction, ConvergeEx'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 has evaluated the benefits of ongoing participation in a commission recapture program and suggests Funds continue to participate in them. The IPS investment committee is currently working on a process to potentially enhance the managers' utilization of these programs. When the work is complete, additional information will be communicated to clients.

Custody Bank

- The current custodian is PNC Bank.

Investment Policy Statement

- The current investment policy statement was adopted and signed on September 21, 2006.

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.

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Warehouse Local #730 Welfare Fund

Appendix

Warehouse Local #730 Welfare Fund
Master Consulting Services Report as of June 30, 2018

Performance Summary (Gross of Fees) - Annualized

			Ending June 30, 2018								
	Market Value	% of Portfolio	2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Composite	\$7,362,232	100.0%	0.3%	0.1%	1.3%	2.3%	3.1%	3.5%	3.5%	4.4%	Jan-98
Total Investment Grade Fixed Income	\$3,589,672	48.8%	0.0%	-0.8%	-0.2%	1.5%	1.8%	2.0%	3.0%	4.2%	Jan-98
BBgBarc US Govt/Credit Int TR			0.0%	-1.0%	-0.6%	1.2%	1.6%	1.9%	3.1%	4.4%	Jan-98
Wedge Capital Management	\$3,589,672	48.8%	0.0%	-0.8%	-0.2%	1.5%	--	--	--	1.6%	Dec-14
BBgBarc US Govt/Credit Int TR			0.0%	-1.0%	-0.6%	1.2%	--	--	--	1.2%	Dec-14
Total Short Duration High Yield Fixed Income	\$2,848,396	38.7%	0.5%	0.4%	2.0%	2.8%	--	--	--	3.0%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			0.8%	0.6%	1.7%	3.8%	--	--	--	3.8%	Aug-13
Chartwell Investment Partners Short Duration High Yield	\$2,848,396	38.7%	0.5%	0.4%	2.0%	2.8%	--	--	--	3.0%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			0.8%	0.6%	1.7%	3.8%	--	--	--	3.8%	Aug-13
BBgBarc 1-3 Yr BB U.S. Constrained Index			0.8%	0.7%	2.0%	4.0%	--	--	--	3.7%	Aug-13
Total Real Estate	\$392,871	5.3%	2.1%	4.4%	8.2%	8.8%	10.5%	10.9%	4.8%	4.8%	Jul-08
NCREIF ODCE Equal Weighted Index			2.1%	4.3%	8.5%	9.6%	11.1%	11.4%	5.1%	5.1%	Jul-08
American Core Realty Fund, LLC	\$392,871	5.3%	2.1%	4.4%	8.2%	8.8%	10.5%	10.9%	4.8%	4.8%	Jul-08
NCREIF ODCE Equal Weighted Index			2.1%	4.3%	8.5%	9.6%	11.1%	11.4%	5.1%	5.1%	Jul-08
Total Cash	\$531,293	7.2%	0.3%	0.6%	0.9%	0.4%	0.3%	0.2%	0.2%	1.9%	Jan-98
91 Day T-Bills			0.5%	0.8%	1.4%	0.7%	0.4%	0.3%	0.3%	1.9%	Jan-98
PNC Cash Account	\$531,293	7.2%	0.3%	0.6%	0.9%	0.4%	0.3%	0.2%	0.2%	1.9%	Jan-98
91 Day T-Bills			0.5%	0.8%	1.4%	0.7%	0.4%	0.3%	0.3%	1.9%	Jan-98

Warehouse Local #730 Welfare Fund
Master Consulting Services Report as of June 30, 2018

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2018					
			2018 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs
Composite	\$7,362,232	100.0%	0.3%	-0.1%	0.9%	1.9%	2.7%	3.2%
Total Investment Grade Fixed Income	\$3,589,672	48.8%	0.0%	-0.9%	-0.4%	1.3%	1.6%	1.8%
BBgBarc US Govt/Credit Int TR			0.0%	-1.0%	-0.6%	1.2%	1.6%	1.9%
Wedge Capital Management	\$3,589,672	48.8%	0.0%	-0.9%	-0.4%	1.3%	--	--
BBgBarc US Govt/Credit Int TR			0.0%	-1.0%	-0.6%	1.2%	--	--
Total Short Duration High Yield Fixed Income	\$2,848,396	38.7%	0.4%	0.2%	1.5%	2.3%	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			0.8%	0.6%	1.7%	3.8%	--	--
Chartwell Investment Partners Short Duration High Yield	\$2,848,396	38.7%	0.4%	0.2%	1.5%	2.3%	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			0.8%	0.6%	1.7%	3.8%	--	--
BBgBarc 1-3 Yr BB U.S. Constrained Index			0.8%	0.7%	2.0%	4.0%	--	--
Total Real Estate	\$392,871	5.3%	1.8%	3.8%	7.0%	7.6%	9.3%	9.7%
NCREIF ODCE Equal Weighted Index			2.1%	4.3%	8.5%	9.6%	11.1%	11.4%
American Core Realty Fund, LLC	\$392,871	5.3%	1.8%	3.8%	7.0%	7.6%	9.3%	9.7%
NCREIF ODCE Equal Weighted Index			2.1%	4.3%	8.5%	9.6%	11.1%	11.4%
Total Cash	\$531,293	7.2%	0.3%	0.6%	0.9%	0.4%	0.3%	0.2%
91 Day T-Bills			0.5%	0.8%	1.4%	0.7%	0.4%	0.3%
PNC Cash Account	\$531,293	7.2%	0.3%	0.6%	0.9%	0.4%	0.3%	0.2%
91 Day T-Bills			0.5%	0.8%	1.4%	0.7%	0.4%	0.3%

Benchmark History

As of June 30, 2018

Composite

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

Warehouse Local #730 Welfare Fund

Footnotes

- The following composite returns prior to 1st quarter 2010 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 1st quarter 2008 and cannot be calculated for prior time periods.
- Values, flows and returns for all commingled funds, mutual funds and partnerships are provided by the firm managing the assets and cannot be independently verified. Separately managed account returns are calculated by IPS using custodian data.

Index Disclosure

- Barclays Int Govt/Credit – Index listed for illustration purposes.
- Barclays 1-3 Yr BB U.S. Constrained Index – Index listed for illustration purposes.
- NCREIF ODCE Equal Weighted Index - During 2nd Quarter 2014 IPS changed the NCREIF ODCE index to the NCREIF ODCE Equal Weighted Index. The NCREIF ODCE equal weighted index is a better benchmark for comparison in client reports and more representative of the investment opportunities in the real estate class. The cap weighted index is biased and returns are influenced by several large contributors.

ERISA Pension Investment Conference

April 24 – 27, 2018

- The following investment managers and providers attended and helped to defray the cost of IPS' annual ERISA Pension Investment 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 who may pay to attend EPIC.

Aberdeen Asset Management
Amalgamated Bank of Chicago
American Realty Advisors
ASB Capital Management
Atlanta Capital Management
BlackRock
Boyd Watterson
Brown Advisory
Chartwell Investment Partners
Christenson Investment Partners
Corbin Capital Partners
Corry Capital Advisors
Earnest Partners
Eaton Vance Management
EnTrustPermal
First Eagle Investment Mgmt.
Foundry Partners
Fred Alger Management
GAMCO Asset Management
GCM Grosvenor

Glouston Capital Partners
GoldenTree Asset Management
Great Lakes Advisors
Hach Rose Schirripa & Cheverie
Hamilton Lane Advisors
Hardman Johnston Global Advisors
HPS Investment Partners
Intercontinental Real Estate Corp.
Invesco Advisers, Inc.
Janus Henderson Investors
JP Morgan Asset Management
Kearney Capital LLC
Lord Abbett & Co.
LSV Asset Management
MacKay Shields
McMorgan & Company
MEPT/Bentall Kennedy
National Investment Services
Neuberger Berman
Patriot Financial Partners

PENN Capital Management
PNC Capital Advisors
Post Advisory Group
Principal Global Investors
Quantitative Management Associates
Rothschild Asset Management
Ryan Labs Asset Management
Schroders Investment Management
Segall Bryant & Hamill
Sierra Investment Partners
Smith Graham & Co.
The Boston Company
BNY Mellon Asset Management
Ullico Investment Company
Vista Underwriting Partners
Victory Capital Management
Washington Capital Management
WEDGE Capital Management
Wellington Management Company
Westfield Capital Management
William Blair & Company



Warehouse Local #730 Welfare Fund

Preliminary Monthly Performance Analysis

Period Ended
July 31, 2018

Warehouse Local #730 Welfare Fund
Preliminary Monthly Report as of July 31, 2018

Summary of Cash Flows		
	Last Month	Year-To-Date
Beginning Market Value	\$7,362,232	\$6,818,560
Net Cash Flow	\$198,793	\$738,498
Net Investment Change	\$19,527	\$23,495
Ending Market Value	\$7,580,553	\$7,580,553

Warehouse Local #730 Welfare Fund
Preliminary Monthly Report as of July 31, 2018

Current vs. Policy As of July 31, 2018						
	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	\$3,590,634	47.4%	50.0%	45.0% - 55.0%	-2.6%	-\$199,643
Short Duration High Yield Fixed Income	\$2,866,287	37.8%	40.0%	35.0% - 45.0%	-2.2%	-\$165,934
Real Estate	\$392,871	5.2%	5.0%	0.0% - 10.0%	0.2%	\$13,843
Cash	\$730,762	9.6%	5.0%	0.0% - 10.0%	4.6%	\$351,734
Total	\$7,580,553	100.0%	100.0%			

- Policy effective October 1, 2017.
- Real Estate market value is as of 6/30/18.

Warehouse Local #730 Welfare Fund
Preliminary Monthly Report as of July 31, 2018

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending July 31, 2018	
			1 Mo	YTD
Composite	\$7,580,553	100.0%	0.3%	0.3%
Total Investment Grade Fixed Income	\$3,590,634	47.4%	0.0%	-0.8%
BBgBarc US Govt/Credit Int TR			0.0%	-0.9%
Wedge Capital Management	\$3,590,634	47.4%	0.0%	-0.8%
BBgBarc US Govt/Credit Int TR			0.0%	-0.9%
Total Short Duration High Yield Fixed Income	\$2,866,287	37.8%	0.6%	1.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			0.7%	1.3%
Chartwell Investment Partners Short Duration High Yield	\$2,866,287	37.8%	0.6%	1.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			0.7%	1.3%
BBgBarc 1-3 Yr BB U.S. Constrained Index			0.6%	1.3%
Total Real Estate	\$392,871	5.2%		
American Core Realty Fund, LLC	\$392,871	5.2%		
Total Cash	\$730,762	9.6%	0.2%	0.7%
91 Day T-Bills			0.2%	1.0%
PNC Cash Account	\$730,762	9.6%	0.2%	0.7%
91 Day T-Bills			0.2%	1.0%

Note: Real estate market value is as of 6/30/18.

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
