



Warehouse Employees Local #730 Welfare Fund

Master Consulting Services Report

**Period Ended
June 30, 2017**

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Market Discussion Points

2Q | 2017



Financial Market Performance

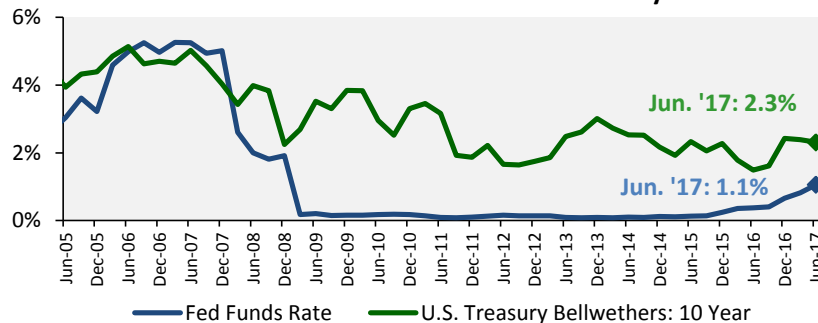
Periods Ending June 30, 2017

<u>Strategy</u>	<u>Sector</u>	<u>Index</u>	<u>QTR</u>	<u>YTD</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>1-Yr</u>	<u>3-Yr</u>	<u>5-Yr</u>	<u>10-Yr</u>	<u>20-Yr</u>
Stocks	US Large Cap	S&P 500	3.1	9.3	12.0	1.4	13.7	32.4	16.0	17.9	9.6	14.6	7.2	7.2
	US Small Cap	Russell 2000	2.5	5.0	21.3	-4.4	4.9	38.8	16.4	24.6	7.4	13.7	6.9	8.0
	All Country	MSCI All Country World (net)	4.3	11.5	7.9	-2.4	4.2	22.8	16.1	18.8	4.8	10.5	3.7	-
	Non-US Developed	MSCI EAFE (net)	6.1	13.8	1.0	-0.8	-4.9	22.8	17.3	20.3	1.2	8.7	1.0	4.3
	Emerging Markets	MSCI EM (net)	6.3	18.4	11.2	-14.9	-2.2	-2.6	18.2	23.7	1.1	4.0	1.9	-
	Int'l Small Cap	MSCI EAFE Small Cap (net)	8.1	16.7	2.2	9.6	-5.0	29.3	20.0	23.2	5.6	12.9	3.4	-
Bonds	Treasury	Bloomberg Barclays US Govt	1.2	1.9	1.1	0.9	4.9	-2.6	2.0	-2.2	2.0	1.3	3.9	4.9
	Broad Market	Bloomberg Barclays Aggregate	1.5	2.3	2.7	0.6	6.0	-2.0	4.2	-0.3	2.5	2.2	4.5	5.2
	High Yield	Bloomberg Barclays HY BaB 2% IC	2.2	4.5	14.1	-2.7	3.5	6.2	15.0	10.9	4.4	6.6	7.3	-
	Global Bonds	Citigroup WGBI	2.9	4.5	1.6	-3.6	-0.5	-4.0	1.7	-4.1	-1.0	-0.2	3.5	4.4
Global Tactical Asset		65% MSCI World /35% Citi WGBI	3.6	8.5	5.6	-1.6	3.1	15.1	10.9	9.9	3.2	7.3	4.1	5.4
Real Estate	Core	NCREIF ODCE Equal Weighted	1.8	3.6	9.3	15.2	12.4	13.3	11.0	8.2	11.6	11.8	5.1	8.8
Hedge Funds	Diversified FOFs	HFRI HFOF Composite	0.6	3.0	0.5	-0.3	3.4	9.0	4.8	6.3	1.5	3.8	0.9	4.2
	Equity Long-Short	HFRI Equity Hedge	2.1	6.1	5.5	-1.0	1.8	14.3	7.4	12.3	3.0	6.3	2.7	7.8
Commodities	Commodities	Goldman Sachs Commodity	-5.5	-10.2	11.4	-32.9	-33.1	-1.2	0.1	-9.0	-24.8	-13.7	-9.7	-2.0

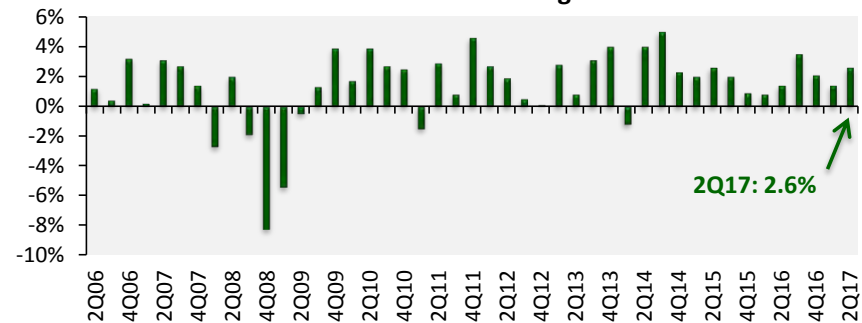
U.S. Economy

For the last several quarters we have commented on the continued improvement of virtually all of the consumer-related economic indicators. This is important because nearly 70% of Gross Domestic Product (GDP) growth is driven by consumers. At the end of last year, we noted that the business-related economic indicators have also improved dramatically. Business investment is the second largest contributor to GDP. Let's first consider the current state of the consumer: household debt service ratio is at about 10%, the lowest in 40 years; the Housing Affordability Index is at 14% of income, near the all-time low of 10% in 2012; household net worth is the highest ever and is 40% higher than in 2007; the number of consumers with sub-prime FICO scores is at an all-time low; unemployment is at 4.3% compared to a 50-year average of 6.2%, and wage growth is at 2.4%. Business-related economic indicators are starting to look just as favorable: S&P 500 earnings per share growth, after being held back by energy prices in last half of 2015 and the first half of 2016, turned positive in the second half of 2016 and that growth has carried forward into 2017. Positive earnings surprises are high, with 79% of companies reporting earnings higher than analysts' estimates. Earnings growth is estimated at 6.7% and is forecasted to be 8.7% overall for 2017. Firms intending to expand have jumped from 11% to 25% in the last year, with 30% indicating increased capital expenditures. The Institute for Supply Management survey of new orders for the services sector jumped from 58% to 63%. The next big positive just might be the surprising recovery in Europe and Asia, which could be reflected in increased sales and earnings for companies with significant overseas operations.

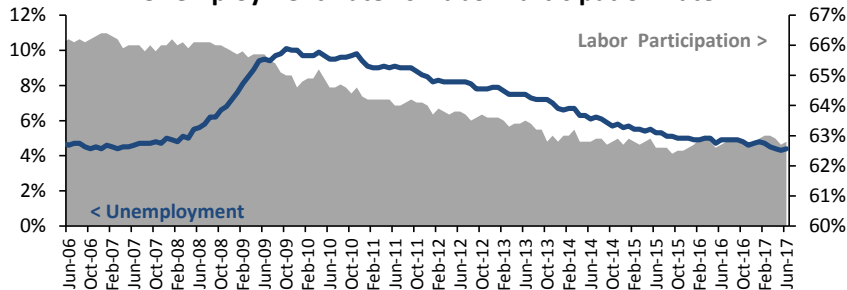
Fed Funds Rate vs. 10-Year U.S. Treasury



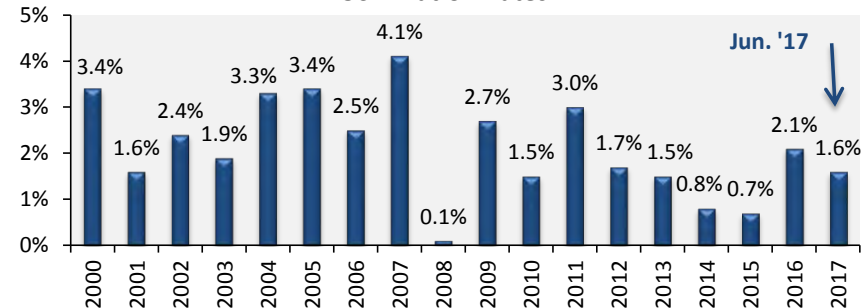
GDP Percent Change



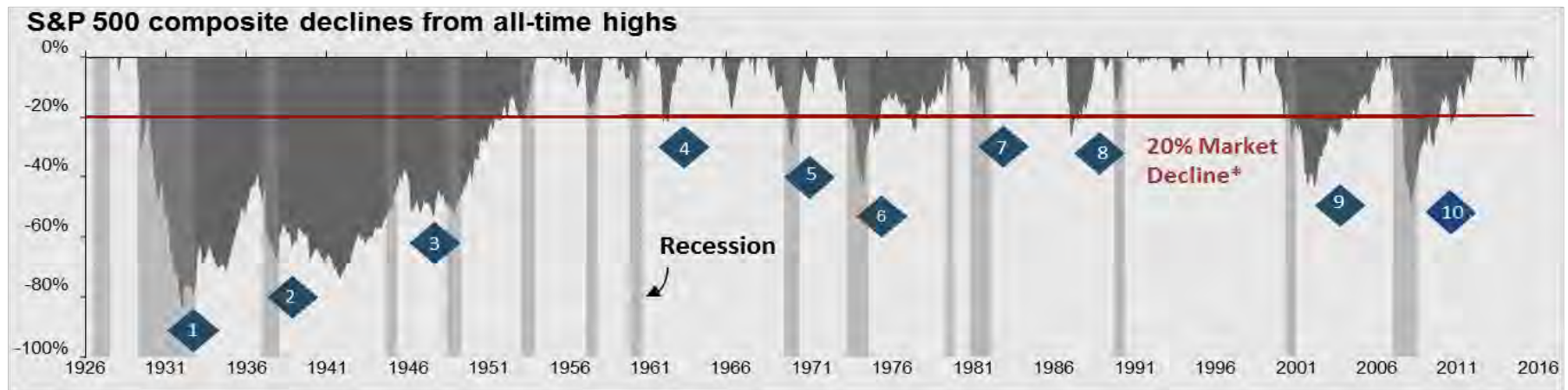
Unemployment Rate vs. Labor Participation Rate



US Inflation Rates



Current Bull Market: Historical Context



Characteristics of bull and bear markets										
Market Corrections	Bear markets			Macro environment				Bull markets		
	Market peak	Bear return*	Duration (months)*	Recession	Commodity spike	Aggressive Fed	Extreme valuations	Bull begin date	Bull return	Duration (months)
1 Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	32	◆			◆	Jul 1926	152%	37
2 1937 Fed Tightening - Premature policy tightening	Mar 1937	-60%	61	◆		◆		Mar 1935	129%	23
3 Post WWII Crash - Post-war demobilization, recession fears	May 1946	-30%	36	◆			◆	Apr 1942	158%	49
4 Flash Crash of 1962 - Flash crash, Cuban Missile Crisis	Dec 1961	-28%	6				◆	Oct 1960	39%	13
5 Tech Crash of 1970 - Economic overheating, civil unrest	Nov 1968	-36%	17	◆	◆	◆		Oct 1962	103%	73
6 Stagflation - OPEC oil embargo	Jan 1973	-48%	20	◆	◆			May 1970	74%	31
7 Volcker Tightening - Whip Inflation Now	Nov 1980	-27%	20	◆	◆	◆		Mar 1978	62%	32
8 1987 Crash - Program trading, overheating markets	Aug 1987	-34%	3				◆	Aug 1982	229%	60
9 Tech Bubble - Extreme valuations, .com boom/bust	Mar 2000	-49%	30	◆			◆	Oct 1990	417%	113
10 Global Financial Crisis - Leverage/housing, Lehman collapse	Oct 2007	-57%	17	◆	◆	◆		Oct 2002	101%	60
Current Cycle								Mar 2009	258%	99
Averages	-	-45%	24					-	156%	54

Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.

*A bear market is defined as a 20% or more decline from the previous market high. The bear return is the peak to trough return over the cycle. Periods of "Recession" are defined using NBER business cycle dates. "Commodity spikes" are defined as significant rapid upward moves in oil prices. Periods of "Extreme valuations" are those where S&P 500 last 12 months' P/E levels were approximately two standard deviations above long-run averages, or time periods where equity market valuations appeared expensive given the broader macroeconomic environment. "Aggressive Fed Tightening" is defined as Federal Reserve monetary tightening that was unexpected and/or significant in magnitude. Bear and Bull returns are price returns.

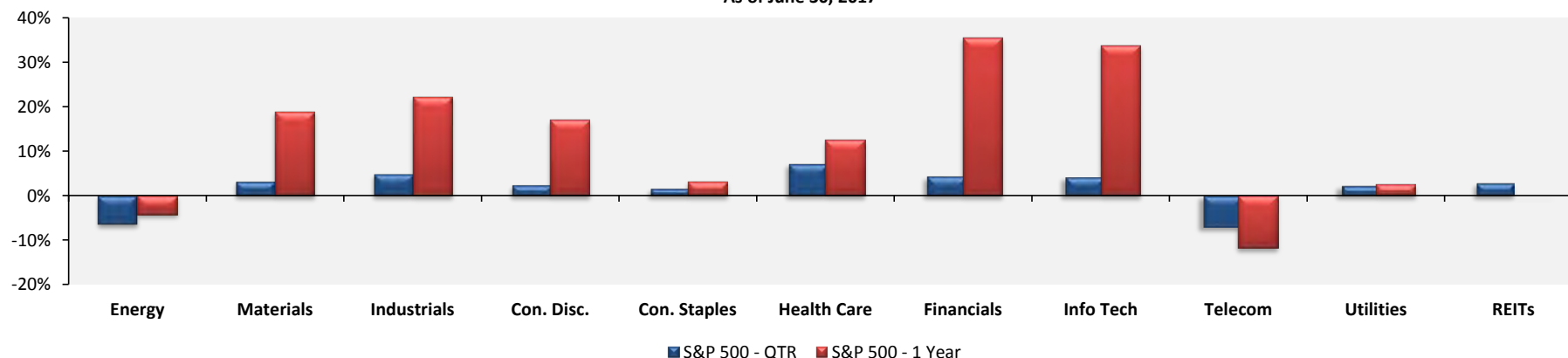
Guide to the Markets – U.S. Data are as of June 30, 2017.

U.S. Equity Market

The US Stock market continues to be very positive. The S&P 500 and the Russell 1000 Indices are both up 3.1% for the 2nd quarter and up 9.3% year to date. Over the past year both indices are up approximately 18%. There has been a reversal of the large vs. small size rotation and the growth vs. value styles. In 2016, small cap stocks outperformed large cap stocks by a wide margin with the Russell 2000 up 21% vs. Russell 1000 up 12%, but that trend reversed in the first six months of 2017, with the Russell 1000 up 9.3% vs. the Russell 2000 up 5.0%. In 2016, the Russell 1000 Value index was up 17.4% vs. the Russell 1000 Growth up only 7.1%. For the first six months of 2017, the Russell 1000 Value only earned 4.7% while the Russell 1000 Growth is up 14.0%. Stock market valuations, as measured by the 12 month forward-looking Price/Earnings ratio (P/E), is at about 17.5 times earnings. The 20-year average P/E is about 16.0 times earnings, so the stock market may be slightly overvalued. Most investors do not seem concerned as the VIX Index, which measures the implied volatility of the stock market (also commonly referred to as the "Fear Index") is at an exceptionally low level, having closed on July 24th at its lowest level since December 1993.

<u>Sector</u>	<u>Index</u>	<u>2Q 17</u>	<u>YTD</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Large Cap	S&P 500	3.1	9.3	12.0	1.4	13.7	32.4	16.0	17.9	9.6	14.6	7.2
	Russell 1000	3.1	9.3	12.1	0.9	13.3	33.1	16.4	18.0	9.3	14.7	7.3
	Russell 1000 Value	1.3	4.7	17.3	-3.8	13.5	32.5	17.5	15.5	7.4	13.9	5.6
	Russell 1000 Growth	4.7	14.0	7.1	5.7	13.1	33.5	15.3	20.4	11.1	15.3	8.9
Mid Cap	Russell Mid-Cap	2.7	8.0	13.8	-2.4	13.2	34.8	17.3	16.5	7.7	14.7	7.7
	Russell Mid-Cap Value	1.4	5.2	20.0	-4.8	14.7	33.5	18.5	15.9	7.5	15.1	7.2
	Russell Mid-Cap Growth	4.2	11.4	7.3	-0.2	11.9	35.8	15.8	17.1	7.8	14.2	7.9
Small Cap	Russell 2000	2.5	5.0	21.3	-4.4	4.9	38.8	16.4	24.6	7.4	13.7	6.9
	Russell 2000 Value	0.7	0.5	31.7	-7.5	4.2	34.5	18.1	24.9	7.0	13.4	5.9
	Russell 2000 Growth	4.4	10.0	11.3	-1.4	5.6	43.3	14.6	24.4	7.6	14.0	7.8
Total Market	Wilshire 5000	3.0	8.7	13.4	0.7	12.7	33.1	16.1	18.5	9.3	14.6	7.3
	Russell 3000	3.0	8.9	12.7	0.5	12.6	33.6	16.4	18.5	9.1	14.6	7.3

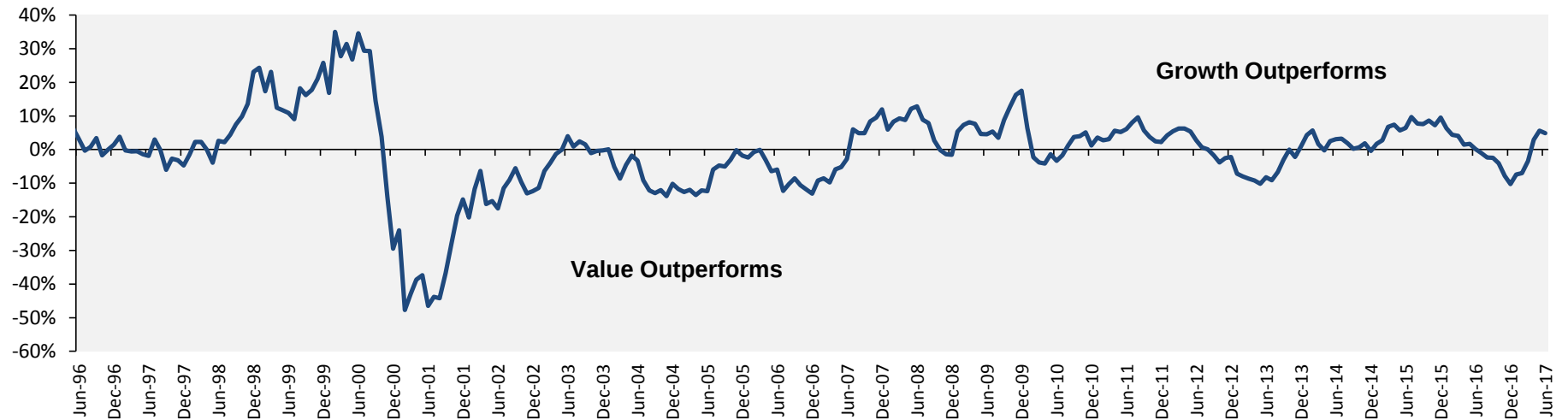
Sector Allocations Performance
As of June 30, 2017



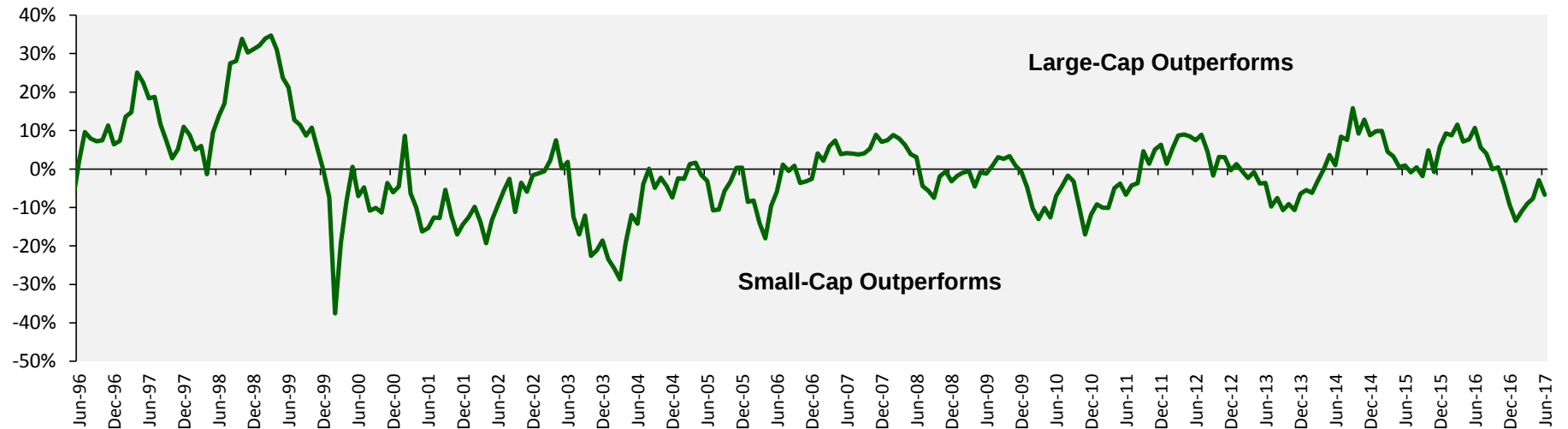
*S&P 500 (GICS Real Estate) Index performance began August 2016.

U.S. Equity Market

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



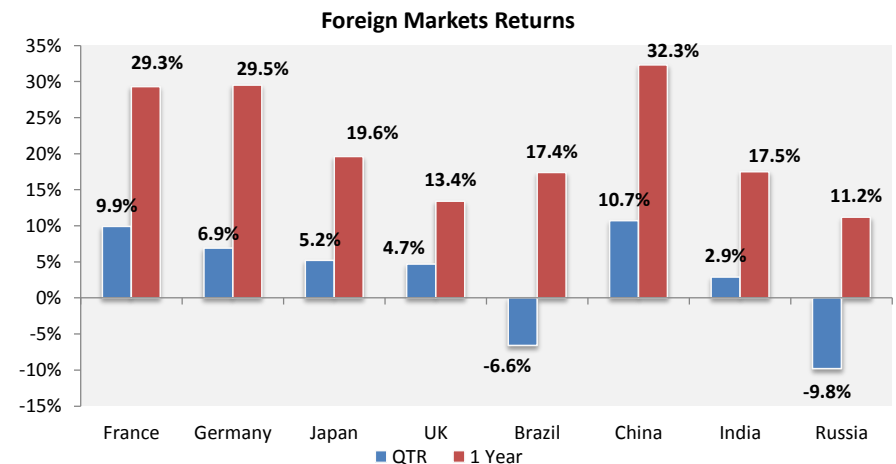
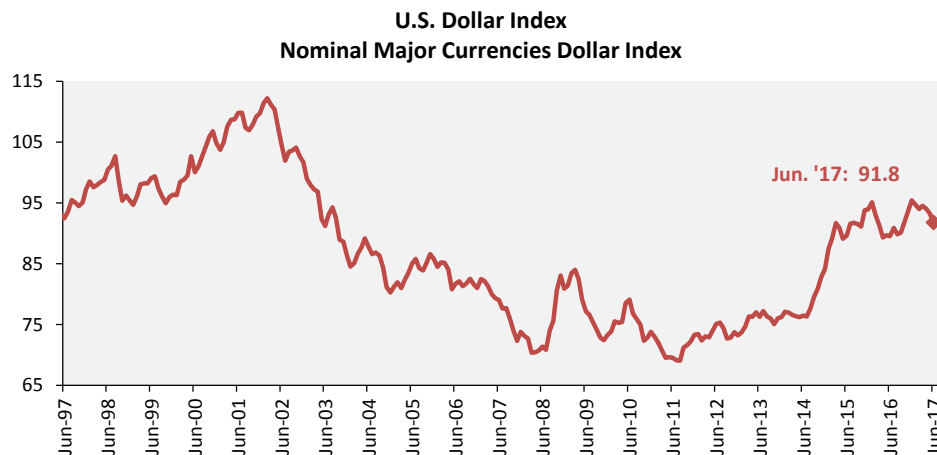
**S&P 500 vs. Russell 2000
Rolling One-Year Returns**



International Equity Market

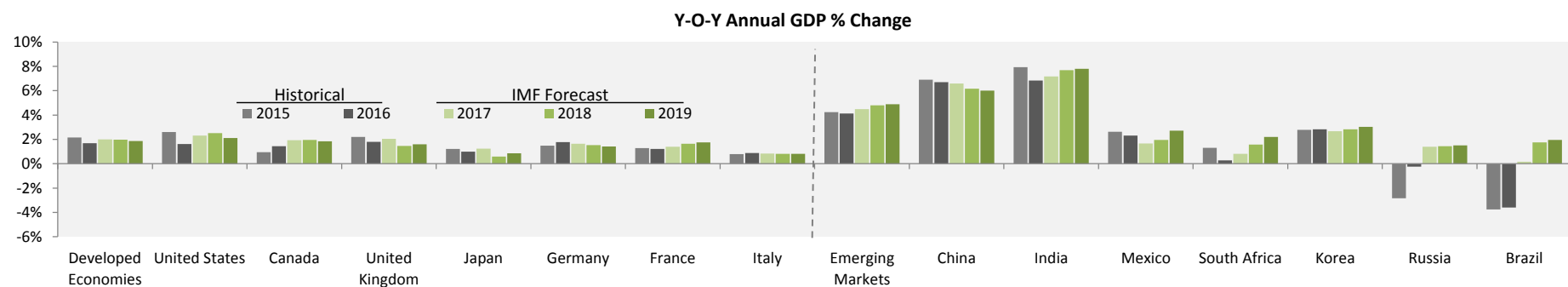
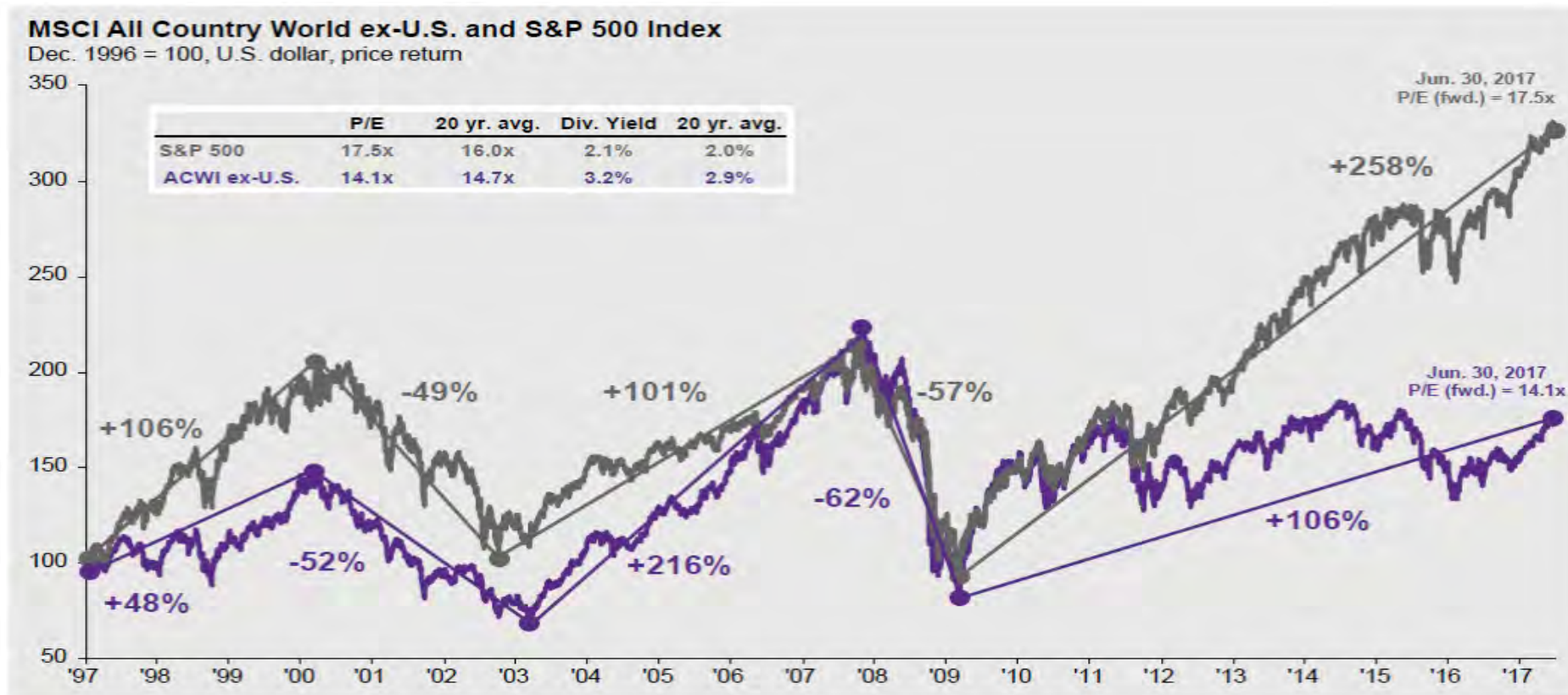
Following the 2008 financial crisis, the countries outside of the United States experienced similar economic difficulties to the US. They also went through the same fiscal restructuring and increased regulatory oversight regime - Dodd-Frank in the US and the Basel Accords in Europe. Our Federal Reserve lowered interest rates and bought lots of distressed assets to create stimulus and the European regulators did the same but at a much slower pace. It worked in the US and our economy has clearly recovered. The same is true for Europe and most other developed countries, except that it has taken much longer for the stimulus to work and for their economies to show clear signs of recovery. The S&P 500 has climbed 258% since the low in March of 2009. Over the same period the MSCI All Country World Ex-US Stock Index has only increased by 106%. It appears that Europe, China, Japan and emerging markets have all turned the corner in terms of earnings growth and other economic indicators. The Eurozone's biggest economy, Germany, is leading the way with the Business Climate Index reaching its highest point since 1991. There is strong job growth and consumer confidence in Europe is at a 10-year high. 2017 annual earnings per share growth is expected to be almost double the U.S. rate. The Euro has risen 5% relative to the U.S. dollar. Greece and immigration resettlement costs are still a headwind, however. This economic recovery is being reflected in stock price increases. The MSCI EAFE (the large cap stocks of 22 developed countries) was up 13.8% in the first half of 2017 and is up 20.3% for the last twelve months. Small-cap stocks outside the US as represented by the MSCI World ex-US Small Cap Index are up 15.6% year to date and 20.3% for the last twelve months. Emerging market stocks were up 18.4% year to date and are up 23.7% over the last year.

Sector	Index	2Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	4.3	11.5	7.9	-2.4	4.2	22.8	16.1	18.8	4.8	10.5	3.7
	MSCI World Small Cap (net)	4.1	10.4	11.6	-1.0	1.8	28.7	18.1	20.5	5.2	12.1	5.4
	MSCI World ex US (net)	5.8	14.1	4.5	-5.7	-3.9	15.3	16.8	20.5	0.8	7.2	1.1
	MSCI World ex US Small Cap (net)	6.2	15.6	3.9	2.6	-4.0	19.7	18.5	20.3	3.3	10.0	2.9
Developed ex US	MSCI EAFE (net)	6.1	13.8	1.0	-0.8	-4.9	22.8	17.3	20.3	1.2	8.7	1.0
	MSCI EAFE Value (net)	4.8	11.1	5.0	-5.7	-5.4	23.0	17.7	25.0	-0.6	8.1	-0.1
	MSCI EAFE Growth (net)	7.5	16.7	-3.0	4.1	-4.4	22.6	16.9	15.7	2.8	9.2	2.1
	MSCI EAFE Small Cap (net)	8.1	16.7	2.2	9.6	-5.0	29.3	20.0	23.2	5.6	12.9	3.4
Emerging Markets	MSCI Emerging Markets (net)	6.3	18.4	11.2	-14.9	-2.2	-2.6	18.2	23.7	1.1	4.0	1.9



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. **Right chart:** Data as of June 30, 2017.

International Equity Market



Top chart: Source - 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, April 2017.

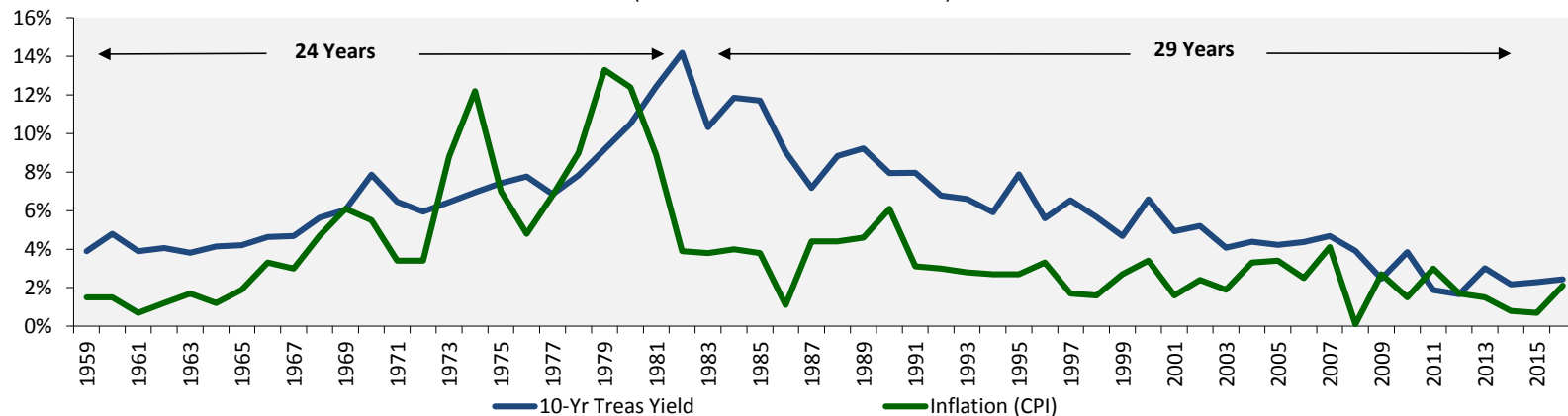
U.S. Bond Market

The Federal Reserve has been reasonably transparent and predictable thus far with each of their four 0.25% rate hikes. The Fed may influence short term rates, but market supply and demand forces determine longer-term rates. While the short end of the yield curve has moved up 0.41% year to date, the longer part of the curve has declined slightly creating a "flattening" of the yield curve. The 5-year Treasury rate declined by 0.05%, the 10-year Treasury declined by 0.14% and the 30-year Treasury rate has declined 0.23% in the first six months of 2017. Two key factors driving the flattening of the curve are investors' low expectations for inflation, and foreign buyers. A substantial number of foreign countries have negative or zero interest rates, thus U.S. Treasury rates look very attractive. With the Euro strengthening against the U.S dollar, they can invest without any currency hedging cost and benefit from the Euro's appreciation. Lower yields on the longer-term bonds also mean that the price of those bonds will appreciate, resulting in longer duration (higher interest rate sensitivity) bonds doing well so far this year. The Bloomberg Barclays Aggregate's duration has crept up from 4.5 years on average to its current 6.0 years. This longer duration has produced a 2.3% YTD return through June in 2017. Corporate bond yield spreads continue to narrow due to very low default rates and improving balance sheets due to recent increases in corporate earnings. The spread between Treasury yields and investment grade corporate bond yields have narrowed by 0.14% so far in 2017, while high yield corporate spreads have narrowed 0.45% year to date. With low inflation expectations, Treasury Inflation Protected Securities (TIPS) are yielding very low rates.

<u>Index</u>	<u>Yield</u>	<u>Duration</u>	<u>1Q 17</u>	<u>YTD</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Bloomberg Barclays Aggregate	2.55	6.0	1.5	2.3	2.7	0.6	6.0	-2.0	4.2	-0.3	2.5	2.2	4.5
Bloomberg Barclays Govt/Credit	2.43	6.6	1.7	2.7	3.1	0.2	6.0	-2.4	4.8	-0.4	2.6	2.3	4.6
Bloomberg Barclays Int Agg	2.35	4.3	0.9	1.6	2.0	1.2	4.1	-1.0	3.6	-0.2	2.0	1.9	4.0
Bloomberg Barclays Int Govt/Credit	2.08	4.1	0.9	1.7	2.1	1.1	3.1	-0.9	3.9	-0.2	1.9	1.8	3.9
Bloomberg Barclays HY Ba/B 2% IC	4.87	4.0	2.2	4.5	14.1	-2.7	3.5	6.2	15.0	10.9	4.4	6.6	7.3
BofA ML HY Cash Pay BB 1-3 Yr.	3.63	1.6	1.4	2.4	8.5	1.2	1.9	5.6	10.2	5.8	4.0	4.9	6.3
Bloomberg Barclays Mortgage	2.87	4.7	0.9	1.4	1.7	1.5	6.1	-1.4	2.6	-0.1	2.2	2.0	4.3
Bloomberg Barclays Treasury	1.90	6.2	1.2	1.9	1.0	0.8	5.1	-2.8	2.0	-2.3	2.0	1.3	4.1
Bloomberg Barclays US TIPS	2.23	5.4	-0.4	0.9	4.7	-1.4	3.6	-8.6	7.0	-0.6	0.6	0.3	4.3
BofA ML 91 day T-Bills	1.02	0.2	0.2	0.3	0.3	0.1	0.0	0.1	0.1	0.5	0.2	0.2	0.6

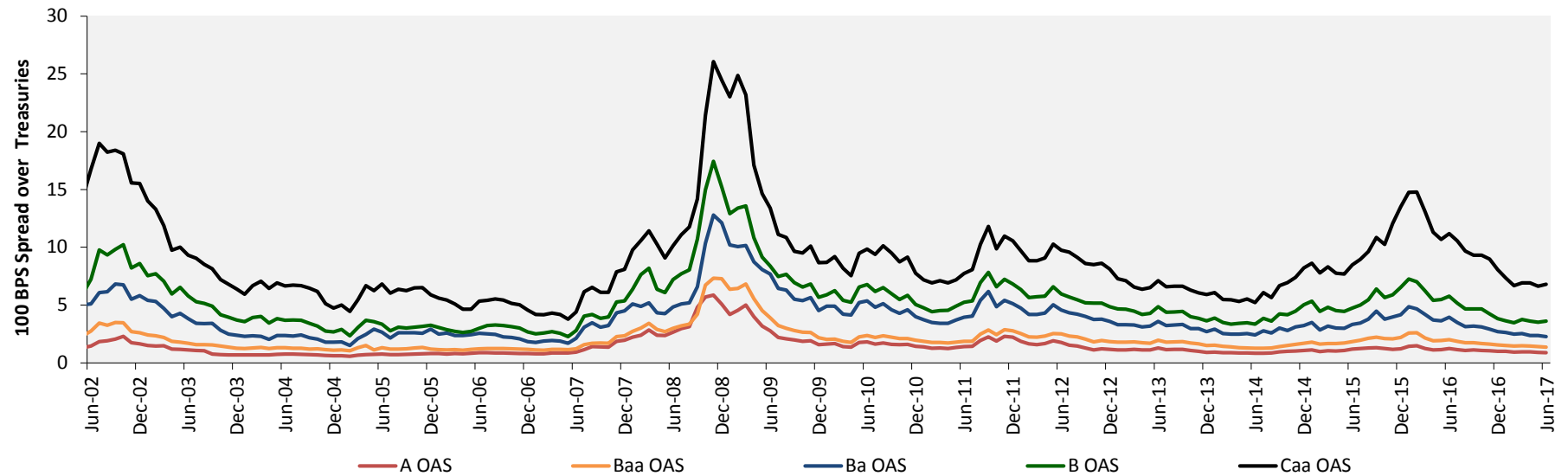
The Last Full Interest Rate Cycle 1958 - 2011
10-Yr Treasury Rate vs. Inflation (CPI)

(Annual Rates as of Jan 1 Each Year)

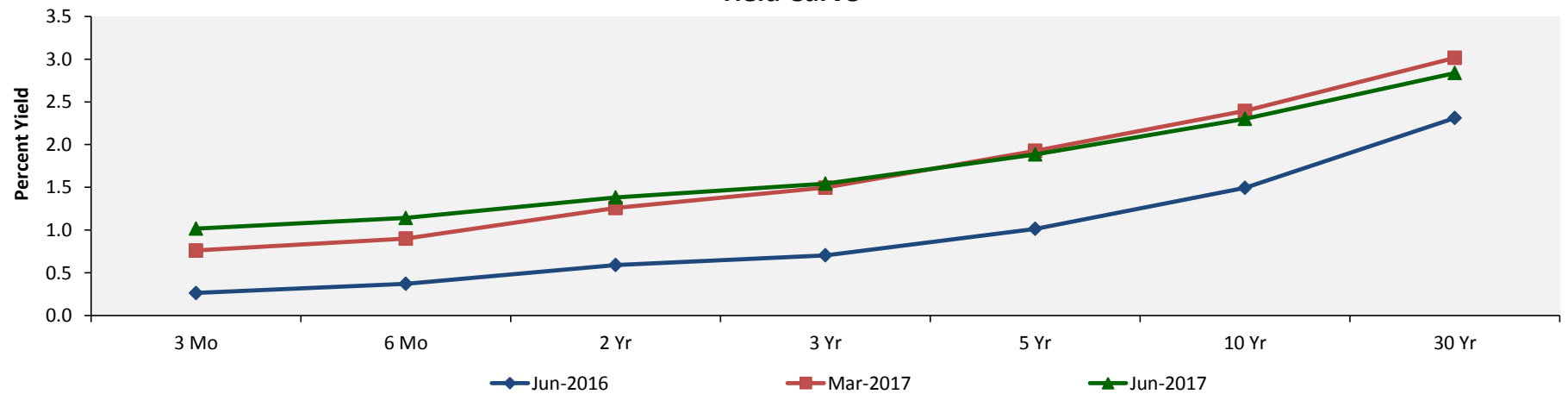


Bond Market

OAS Credit Spread



Yield Curve



Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 6/30/2017

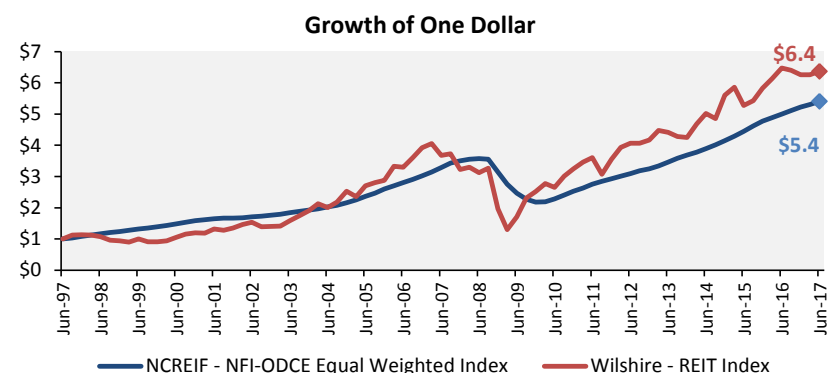
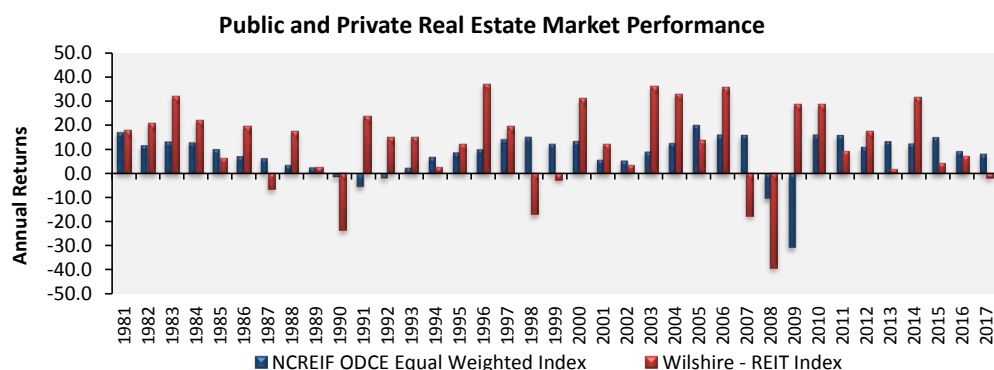
Yield Change	10 Year Treasury	Bloomberg Barclays Aggregate	Bloomberg Barclays Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
(bps)		US Aggregate	US Int Govt/Credit				
-150	15.41	11.81	8.19	11.98	4.33	10.46	6.09
-100	11.04	8.72	6.15	8.79	3.41	8.57	5.27
-50	6.67	5.64	4.12	5.61	2.50	6.69	4.45
-25	4.49	4.09	3.10	4.01	2.04	5.74	4.04
0	2.30	2.55	2.08	2.42	1.58	4.80	3.63
25	0.12	1.01	1.06	0.83	1.12	3.86	3.22
50	-2.07	-0.54	0.04	-0.77	0.67	2.92	2.81
100	-6.44	-3.62	-1.99	-3.95	-0.25	1.03	1.99
150	-10.81	-6.71	-4.03	-7.14	-1.17	-0.86	1.17
200	-15.18	-9.79	-6.06	-10.32	-2.08	-2.74	0.35
250	-19.55	-12.88	-8.10	-13.51	-3.00	-4.63	-0.47
300	-23.92	-15.96	-10.13	-16.69	-3.91	-6.51	-1.29
350	-28.29	-19.05	-12.17	-19.88	-4.83	-8.40	-2.11
400	-32.66	-22.13	-14.20	-23.06	-5.74	-10.28	-2.93
450	-37.03	-25.22	-16.24	-26.25	-6.66	-12.17	-3.75
500	-41.40	-28.30	-18.27	-29.43	-7.57	-14.05	-4.57
Duration	8.74	6.17	4.07	6.37	1.83	3.77	1.64

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 6/30/2017 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 6/30/2017 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

The last several years have featured a one-time reduction in the risk-free rate, spread compression, and recovering fundamentals. Yield compression is unlikely to recur as the risk free rate is unlikely to fall further and spreads have also contracted. Only 10% of the US real estate market is showing any yield compression. As a result, more modest returns that depend heavily on income will be the norm as real estate markets normalize. Due to the high pricing of gateway markets, secondary markets are appealing to investors. Real estate pricing is resilient during tightening cycles and the outlook for rent growth is favorable. Supply growth is low in comparison to past cycles.

Sector	Index	2Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	1.8	3.6	9.3	15.2	12.4	13.3	11.0	8.2	11.6	11.8	5.1
US Public	Wilshire REIT	1.8	1.8	7.2	4.2	31.8	1.9	17.6	-1.7	8.3	9.3	5.6

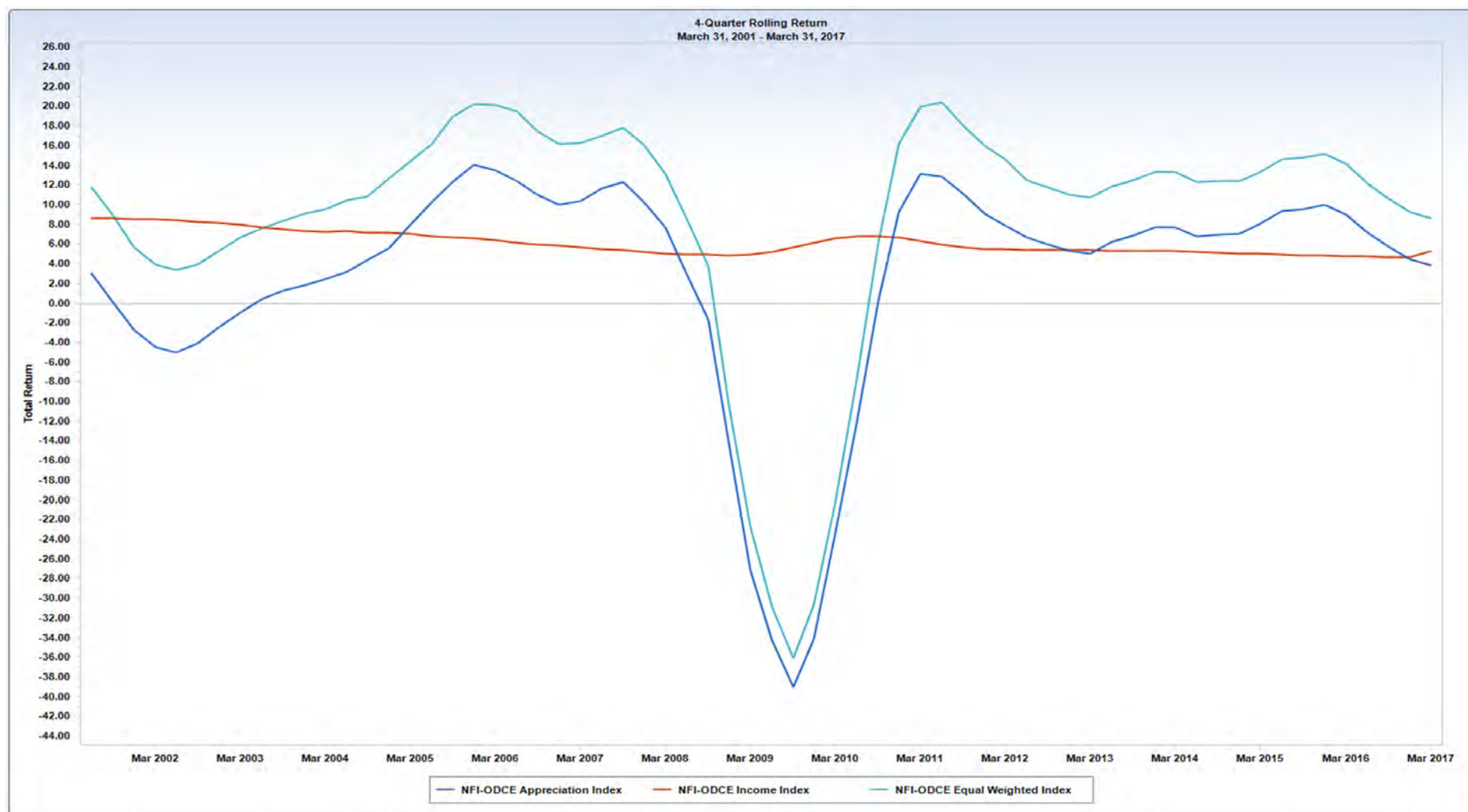


	Total return (incl. income) 2017	Total return (incl. income) 2018	Total return (incl. income) 2019	Total return (incl. income) 2017 to 2021 (per year)
National, All Property Types (NPI)	6.3	5.4	5.1	5.6
Office	5.8	5.3	4.7	5.0
Retail	5.8	5.1	5.1	5.4
Industrial	8.9	6.5	5.8	6.6
Apartment	5.7	5.0	5.0	5.4

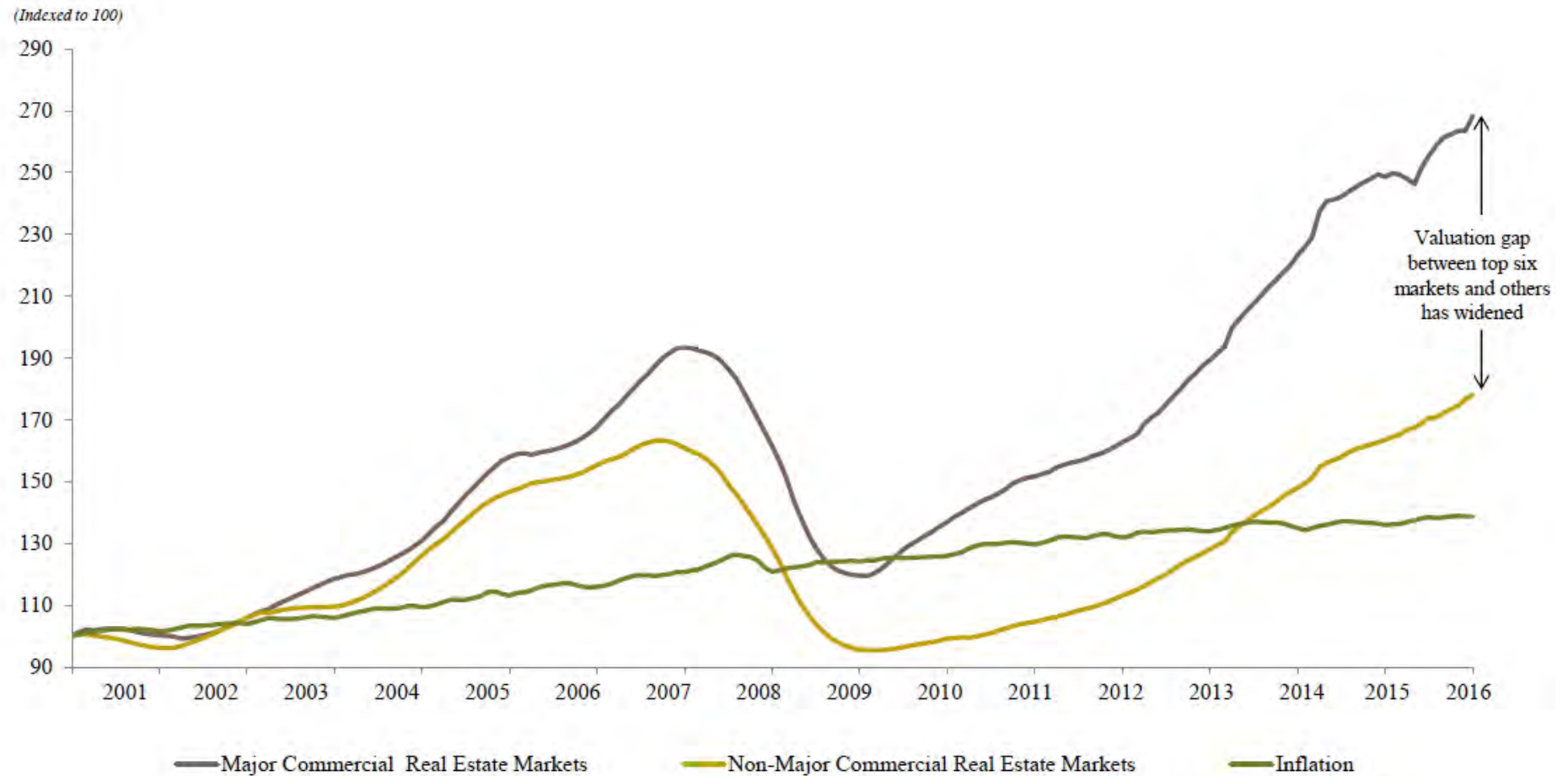
Bottom chart: Average of respondents' forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NCREIF Property Index Q2 2017.

Real Estate Market

The chart below shows the trend of recent quarters indicating the expected slowdown from the torrid pace of recent years. Most sectors of the institutional real estate market are viewed as fully priced but especially in the gateway markets of New York, San Francisco and Boston. The income stream of real estate has adjusted to the low interest rate environment although spreads against 10-Year Treasury are near historical norms. However, the income rate of return has declined from the 8% level when IPS first focused on real estate as an asset class in the late 1990s to 4½% today.



Real Estate Market



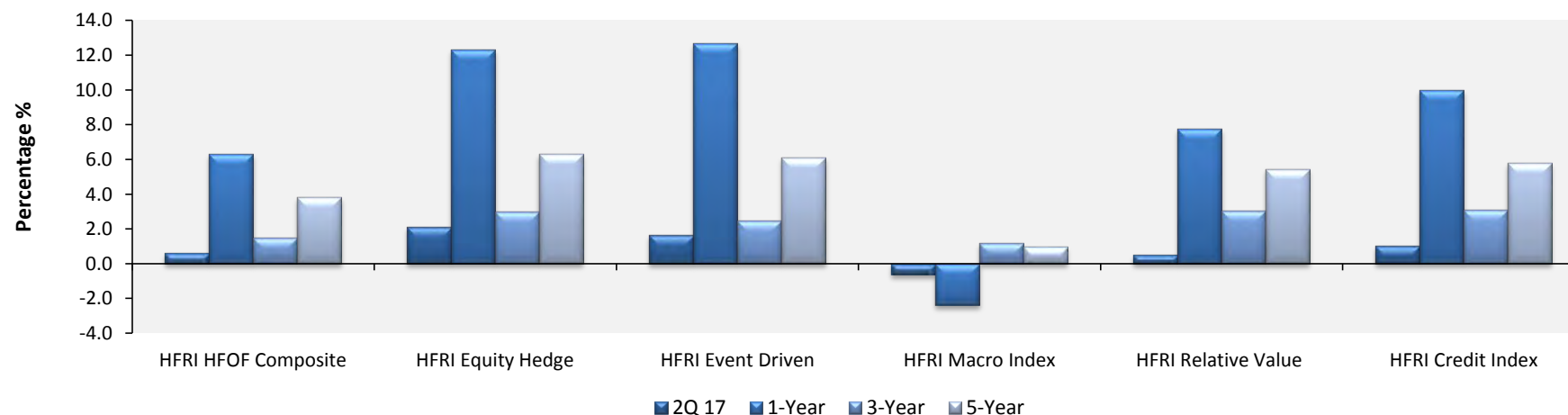
Source: Oaktree

Hedge Fund of Funds Market

Hedge funds provided modestly positive returns during the second quarter, and the HFRI Fund of Funds Composite is up 3% YTD through June. Continued slow economic growth expectations have generally kept interest rate increases in check, and equity volatility remains historically low. On July 24th, the VIX (a measure of stock market volatility) closed at its lowest level since December 1993. While this continues to not be the most ideal environment for hedge funds, managers continue to find pockets of opportunity in markets and Fund of Funds should continue to provide good diversification benefits to investors. Most asset classes were broadly positive globally during the quarter, with non-US equities leading the way for the second straight quarter; unsurprisingly, equity hedge was again the best-performing hedge fund strategy in Q2. Investment grade bonds have generally been negative during the past twelve-month period, while the HFRI FOF Composite is up over 6% over the same period, with equity hedge, event driven and credit yielding low-double digit returns. The HFRI Credit Index is up 3.4% YTD, outperforming investment grade fixed income while trailing high yield bonds. Hedge Fund Research (HFR) reports that investors increased hedge fund allocations during Q2 for the first time in six quarters, with much of the flows into strategies with minimal equity beta, non-directional strategies and diversified credit. Despite falling commodity prices this year and the relative underperformance of systematic strategies, global macro strategies saw significant increases in allocation, as investors aim to become more defensive and protect against potential equity market declines.

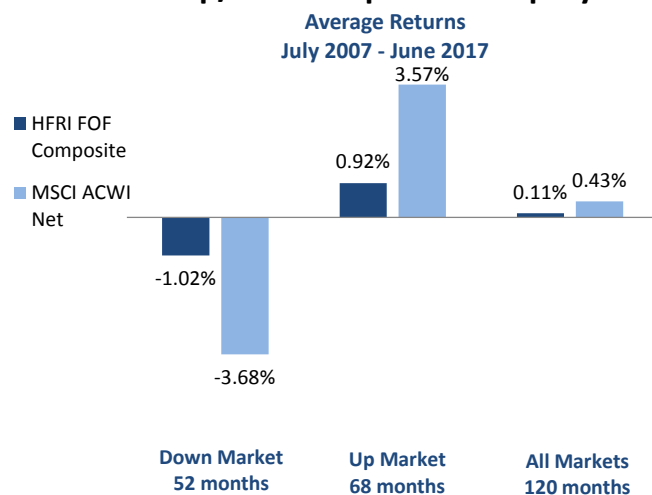
<u>Strategy</u>	<u>Index</u>	<u>2Q 17</u>	<u>YTD</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Fund of Funds	HFRI HFOF Composite	0.6	3.0	0.5	-0.3	3.4	9.0	4.8	6.3	1.5	3.8	0.9
Equity Long-Short	HFRI Equity Hedge	2.1	6.1	5.5	-1.0	1.8	14.3	7.4	12.3	3.0	6.3	2.7
Event Driven	HFRI Event Driven	1.7	4.1	10.6	-3.6	1.1	12.5	8.9	12.7	2.5	6.1	3.6
Global Macro	HFRI Macro Index	-0.6	-0.7	1.0	-1.3	5.6	-0.4	-0.1	-2.4	1.2	1.0	2.2
Relative Value	HFRI Relative Value	0.5	2.7	7.7	-0.3	4.0	7.1	10.6	7.7	3.1	5.4	4.8
Credit	HFRI Credit Index	1.0	3.4	8.6	-1.0	3.0	9.0	10.6	10.0	3.1	5.8	N/A

Hedge Fund Strategy Performance

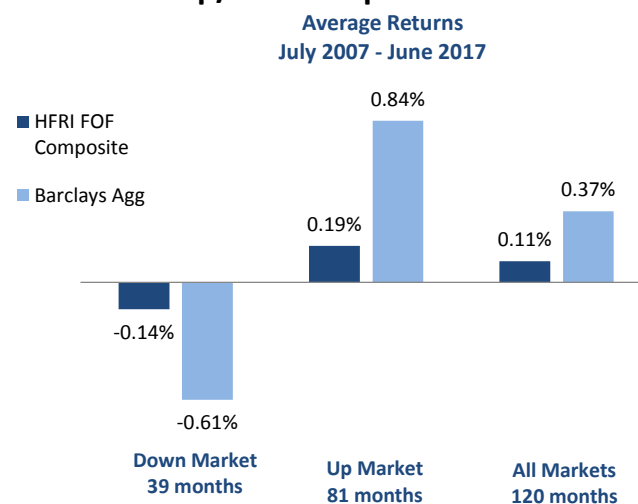


Hedge Fund of Funds Market

Up/Down Capture vs. Equity



Up/Down Capture vs. Bonds



Comparison of Long-Term vs. Post Financial Crisis Asset Class Performance

*Represents asset class performance from Jan 1991 - Dec 2015 vs. Jan 2009 - Dec 2015



Source: Corbin Capital Partners



Warehouse Local #730 Welfare Fund

Master Consulting Services Report

Period Ended

June 30, 2017

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	\$6,775,712	\$6,913,986	\$7,932,858	\$14,748,941	\$18,732,772	\$19,134,191	\$18,434,467
Net Cash Flow	\$61,320	-\$152,698	-\$1,212,571	-\$8,580,499	-\$14,030,853	-\$16,669,954	-\$16,866,769
Net Investment Change	\$72,707	\$148,452	\$189,452	\$741,297	\$2,207,820	\$4,445,503	\$5,342,041
Ending Market Value	\$6,909,739	\$6,909,739	\$6,909,739	\$6,909,739	\$6,909,739	\$6,909,739	\$6,909,739

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

Warehouse Local #730 Welfare Fund

Master Consulting Services Report as of June 30, 2017

Total Plan Performance (Gross of Fees)

	Market Value	% of Portfolio	Ending June 30, 2017						
			2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Composite	\$6,909,739	100.0%	1.1%	2.2%	2.8%	2.7%	3.5%	4.2%	3.5%
Total Investment Grade Fixed Income	\$3,011,567	43.6%	1.1%	1.9%	-0.2%	2.1%	1.8%	2.4%	3.8%
<i>BBgBarc US Govt/Credit Int TR</i>			0.9%	1.7%	-0.2%	1.9%	1.8%	2.6%	3.9%
Total Short Duration High Yield Fixed Income	\$2,645,341	38.3%	1.0%	2.2%	5.4%	2.5%	--	--	--
<i>BofA ML - U.S. HY Cash Pay 1-3 Yr BB</i>			1.4%	2.4%	5.8%	4.0%	4.9%	5.7%	6.3%
Total Real Estate	\$795,357	11.5%	2.0%	4.3%	7.5%	10.7%	11.2%	12.2%	--
<i>NCREIF ODCE Equal Weighted Index</i>			1.8%	3.7%	8.2%	11.6%	11.8%	13.1%	5.1%
Total Cash	\$457,474	6.6%	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%	0.4%
<i>91 Day T-Bills</i>			0.2%	0.4%	0.5%	0.2%	0.2%	0.1%	0.4%

	Fiscal Year Ends December 31											
	YTD	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Composite	2.2%	3.3%	1.8%	3.8%	3.7%	6.0%	5.0%	6.2%	2.4%	-2.7%	6.8%	7.9%
<i>Benchmark</i>	2.0%	5.1%	1.4%	4.4%	3.8%	6.4%	6.2%	7.7%	4.3%	-5.1%	7.0%	7.4%

Warehouse Local #730 Welfare Fund
Master Consulting Services Report as of June 30, 2017

Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	\$3,011,567	43.6%	45.0%	35.0% - 55.0%	-1.4%	-\$97,816
Short Duration High Yield Fixed Income	\$2,645,341	38.3%	40.0%	30.0% - 50.0%	-1.7%	-\$118,555
Real Estate	\$795,357	11.5%	5.0%	0.0% - 15.0%	6.5%	\$449,870
Cash	\$457,474	6.6%	10.0%	0.0% - 20.0%	-3.4%	-\$233,500
Total	\$6,909,739	100.0%	100.0%			

- Policy targets are effective April 1, 2016.

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, and March 27, 2017 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 asset allocation targets of 45% investment grade fixed income, 40% short duration high yield, 5% real estate, and 10% cash. New targets are 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 new targets, \$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 target asset allocation and not rebalance any assets at this time.
- To rebalance closer to new targets, a redemption request for \$435,000 was submitted to American Realty Advisors (real estate) effective September 30, 2017.
- An asset allocation review will be presented at today's meeting.

Recommendation: Discuss the reallocation of \$435,000 proceeds to be received from American Realty Advisors (real estate) approximately on September 30, 2017.

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	eA US Interm Duration Fixed Inc Gross

Wedge Capital Management		
Ending June 30, 2017		
	Second Quarter	Inception 12/31/14
Beginning Market Value	\$3,129,295	\$0
Net Cash Flow	-\$150,000	\$2,754,590
Net Investment Change	\$32,272	\$256,977
Ending Market Value	\$3,011,567	\$3,011,567

	Gross of Fees										Inception	
	2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Wedge Capital Management	1.1%	1.9%	-0.2%	--	--	2.2%	1.5%	--	--	--	2.3%	Dec-14
BBgBarc US Govt/Credit Int TR	0.9%	1.7%	-0.2%	--	--	2.1%	1.1%	--	--	--	2.0%	Dec-14

	Net of Fees									
	2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012
Wedge Capital Management	1.0%	1.8%	-0.4%	--	--	2.0%	1.3%	--	--	--
BBgBarc US Govt/Credit Int TR	0.9%	1.7%	-0.2%	--	--	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 targets.

Manager Summary

- IPS conducted due diligence meetings with Wedge Capital on February 6, 2015 and November 24, 2015.
- IPS conducted an on-site due diligence meeting with Wedge Capital on August 11, 2017.

Recommendation: None.

Compliance Summary

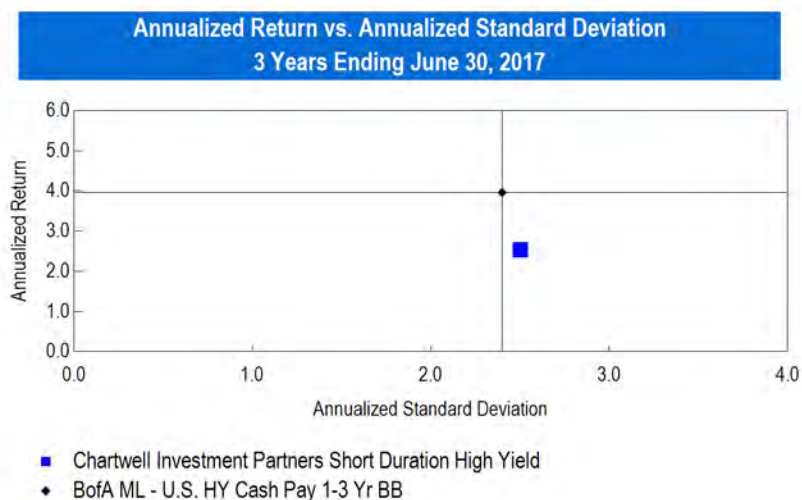
Exceptions: None.

Action to be taken: None.

Items of Interest: Personnel Addition - Manager stated that Ben Singer-Scott was added as an Equity Analyst to the large cap team.

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, 2017		
	Second Quarter	Inception 8/31/13
Beginning Market Value	\$2,768,734	\$0
Net Cash Flow	-\$150,000	\$2,294,500
Net Investment Change	\$26,607	\$350,841
Ending Market Value	\$2,645,341	\$2,645,341



3 Years Ending June 30, 2017				
	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	2.5%	2.5%	71.7%	123.6%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	4.0%	2.4%	100.0%	100.0%

	Gross of Fees										Inception	
	2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Chartwell Investment Partners Short Duration High Yield	1.0%	2.2%	5.4%	2.5%	--	6.7%	-0.8%	1.6%	--	--	3.3%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	1.4%	2.4%	5.8%	4.0%	--	8.5%	1.2%	1.9%	--	--	4.3%	Aug-13
BBgBarc 1-3 Yr BB U.S. Constrained Index	1.2%	2.6%	5.6%	4.0%	--	8.8%	1.1%	1.5%	--	--	4.2%	Aug-13

	Net of Fees									
	2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012
Chartwell Investment Partners Short Duration High Yield	0.9%	2.0%	4.9%	2.0%	--	6.2%	-1.3%	1.1%	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	1.4%	2.4%	5.8%	4.0%	--	8.5%	1.2%	1.9%	--	--
BBgBarc 1-3 Yr BB U.S. Constrained Index	1.2%	2.6%	5.6%	4.0%	--	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 targets.

Manager Summary

- IPS conducted due diligence meetings with Chartwell on November 20, 2015 and March 22, 2017.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

Items of Interest: Personnel Addition - During 2nd Quarter 2017, Mario Davila joined Chartwell as Mid South Regional Director.

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, 2017



American Core Realty Fund, LLC

Ending June 30, 2017

	Second Quarter	Inception 7/1/08
Beginning Market Value	\$782,143	\$2,000,000
Net Cash Flow	\$0	-\$1,188,507
Net Investment Change	\$13,214	-\$16,136
Ending Market Value	\$795,357	\$795,357

3 Years Ending June 30, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	10.7%	2.0%	90.8%	--
NCREIF ODCE Equal Weighted Index	11.6%	1.5%	100.0%	--

5 Years Ending June 30, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	11.2%	1.7%	93.5%	--
NCREIF ODCE Equal Weighted Index	11.8%	1.3%	100.0%	--

Gross of Fees

Inception

	2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
American Core Realty Fund, LLC	2.0%	4.3%	7.5%	10.7%	11.2%	7.1%	15.4%	11.6%	12.4%	11.3%	4.4%	Jul-08
NCREIF ODCE Equal Weighted Index	1.8%	3.7%	8.2%	11.6%	11.8%	9.3%	15.2%	12.4%	13.3%	11.0%	4.7%	Jul-08

Net of Fees

	2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012
American Core Realty Fund, LLC	1.7%	3.7%	6.3%	9.5%	10.0%	5.9%	14.1%	10.4%	11.1%	10.1%
NCREIF ODCE Equal Weighted Index	1.8%	3.7%	8.2%	11.6%	11.8%	9.3%	15.2%	12.4%	13.3%	11.0%

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 targets. Proceeds were received on September 30, 2015.
- To rebalance closer to new targets, a redemption request for \$435,000 was submitted to American Realty Advisors (real estate) effective September 30, 2017.

Manager Summary

- IPS conducted due diligence meetings with American Realty Advisors on October 20, 2015 and July 27, 2016.
- IPS conducted an on-site due diligence meeting with American Realty Advisors on June 21, 2017.

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: Personnel Departure - Manager stated during the Second Quarter 2017, Greg Blomstrand departed the Fund's portfolio management team. Mr. Blomstrand's responsibilities had been gradually assumed by other members of the portfolio team over previous quarters.

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, 2017		
	Second Quarter	Inception 1/1/98
Beginning Market Value	\$95,541	\$1,375,630
Net Cash Flow	\$361,320	-\$1,093,522
Net Investment Change	\$614	\$175,367
Ending Market Value	\$457,474	\$457,474

	Gross of Fees										Inception	
	2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
PNC Cash Account	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	1.9%	Jan-98
91 Day T-Bills	0.2%	0.4%	0.5%	0.2%	0.2%	0.3%	0.0%	0.0%	0.0%	0.1%	1.9%	Jan-98

Commission Recapture Provider

- Cowen Execution Services, LLC.
- On April 3, 2017, Cowen Group announced the signing of a definitive agreement to acquire ConvergeEx Group. The transaction is expected to close by the end of the second quarter of 2017, following customary closing conditions and regulatory approvals. 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.

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, 2017

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2017							Inception	
			2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Composite	\$6,909,739	100.0%	1.1%	2.2%	2.8%	2.7%	3.5%	4.2%	3.5%	4.5%	Jan-98
Total Investment Grade Fixed Income	\$3,011,567	43.6%	1.1%	1.9%	-0.2%	2.1%	1.8%	2.4%	3.8%	4.5%	Jan-98
BBgBarc US Govt/Credit Int TR			0.9%	1.7%	-0.2%	1.9%	1.8%	2.6%	3.9%	4.6%	Jan-98
Wedge Capital Management	\$3,011,567	43.6%	1.1%	1.9%	-0.2%	--	--	--	--	2.3%	Dec-14
BBgBarc US Govt/Credit Int TR			0.9%	1.7%	-0.2%	--	--	--	--	2.0%	Dec-14
Total Short Duration High Yield Fixed Income	\$2,645,341	38.3%	1.0%	2.2%	5.4%	2.5%	--	--	--	3.3%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			1.4%	2.4%	5.8%	4.0%	--	--	--	4.3%	Aug-13
Chartwell Investment Partners Short Duration High Yield	\$2,645,341	38.3%	1.0%	2.2%	5.4%	2.5%	--	--	--	3.3%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			1.4%	2.4%	5.8%	4.0%	--	--	--	4.3%	Aug-13
BBgBarc 1-3 Yr BB U.S. Constrained Index			1.2%	2.6%	5.6%	4.0%	--	--	--	4.2%	Aug-13
Total Real Estate	\$795,357	11.5%	2.0%	4.3%	7.5%	10.7%	11.2%	12.2%	--	4.4%	Jul-08
NCREIF ODCE Equal Weighted Index			1.8%	3.7%	8.2%	11.6%	11.8%	13.1%	--	4.7%	Jul-08
American Core Realty Fund, LLC	\$795,357	11.5%	2.0%	4.3%	7.5%	10.7%	11.2%	12.2%	--	4.4%	Jul-08
NCREIF ODCE Equal Weighted Index			1.8%	3.7%	8.2%	11.6%	11.8%	13.1%	--	4.7%	Jul-08
Total Cash	\$457,474	6.6%	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%	0.4%	1.9%	Jan-98
91 Day T-Bills			0.2%	0.4%	0.5%	0.2%	0.2%	0.1%	0.4%	1.9%	Jan-98
PNC Cash Account	\$457,474	6.6%	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%	0.4%	1.9%	Jan-98
91 Day T-Bills			0.2%	0.4%	0.5%	0.2%	0.2%	0.1%	0.4%	1.9%	Jan-98

Warehouse Local #730 Welfare Fund

Master Consulting Services Report as of June 30, 2017

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2017					
			2017 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs
Composite	\$6,909,739	100.0%	1.0%	2.0%	2.4%	2.3%	3.2%	3.9%
Total Investment Grade Fixed Income	\$3,011,567	43.6%	1.0%	1.8%	-0.4%	1.9%	1.6%	2.2%
BBgBarc US Govt/Credit Int TR			0.9%	1.7%	-0.2%	1.9%	1.8%	2.6%
Wedge Capital Management	\$3,011,567	43.6%	1.0%	1.8%	-0.4%	--	--	--
BBgBarc US Govt/Credit Int TR			0.9%	1.7%	-0.2%	--	--	--
Total Short Duration High Yield Fixed Income	\$2,645,341	38.3%	0.9%	2.0%	4.9%	2.0%	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			1.4%	2.4%	5.8%	4.0%	--	--
Chartwell Investment Partners Short Duration High Yield	\$2,645,341	38.3%	0.9%	2.0%	4.9%	2.0%	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			1.4%	2.4%	5.8%	4.0%	--	--
BBgBarc 1-3 Yr BB U.S. Constrained Index			1.2%	2.6%	5.6%	4.0%	--	--
Total Real Estate	\$795,357	11.5%	1.7%	3.7%	6.3%	9.5%	10.0%	11.0%
NCREIF ODCE Equal Weighted Index			1.8%	3.7%	8.2%	11.6%	11.8%	13.1%
American Core Realty Fund, LLC	\$795,357	11.5%	1.7%	3.7%	6.3%	9.5%	10.0%	11.0%
NCREIF ODCE Equal Weighted Index			1.8%	3.7%	8.2%	11.6%	11.8%	13.1%
Total Cash	\$457,474	6.6%	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%
91 Day T-Bills			0.2%	0.4%	0.5%	0.2%	0.2%	0.1%
PNC Cash Account	\$457,474	6.6%	0.1%	0.2%	0.3%	0.1%	0.1%	0.1%
91 Day T-Bills			0.2%	0.4%	0.5%	0.2%	0.2%	0.1%

Warehouse Local #730 Welfare Fund Benchmark History

As of June 30, 2017

Composite

4/1/2016	Present	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
- Net of fee returns are net of investment manager fees and are estimated. 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 25 – 28, 2017

- 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.

Amalgamated Bank of Chicago
American Realty Advisors
ASB Capital Management
Atlanta Capital Management
Baird Advisors / Baird Inv. Mgmt.
BlackRock Financial Mgmt.
Boyd Watterson
Brown Advisory
Chartwell Investment Partners
Christenson Investment Partners
Columbia Partners
Corbin Capital Partners
Corry Capital Advisors
Eaton Vance Management
EnTrustPermal
First Eagle Investment Mgmt.
Foundry Partners
Fred Alger Management

GAMCO Asset Management
Great Lakes Advisors
Grosvenor Capital Management
Hamilton Lane Advisors
Intercontinental Real Estate Corp.
Invesco
Janus Capital
Johnston Asset Management
JP Morgan Asset Management
Kearney Capital Management
Lazard Asset Management
Loomis, Sayles & Company
Lord Abbett
MacKay Shields
McMorgan & Company
MEPT/Bentall Kennedy
National Investment Services
Neuberger Berman

Nuveen Asset Management
Patriot Financial Partners
PENN Capital Management
Post Advisory Group
Principal Global Investors
Rothschild Asset Management
Ryan Labs Asset Management
Segall Bryant & Hamill
Sierra Investment Partners
The Bank of New York Mellon
The Boston Company
Ullico Investment Company
Victory Capital Management
Washington Capital Management
WEDGE Capital Management
Wellington Management Company
Westfield Capital Management



**ASSET ALLOCATION
AND FUND STRUCTURE REVIEW**

**Warehouse Local #730
Welfare Fund**

September 29, 2017

INVESTMENT PERFORMANCE SERVICES, LLC

Richard Sichel, Jr. – President

10 – 20 Years Annualized Expectations

Equity Asset Class	Return	Risk
U.S. Large Cap	7.25%	16.00
U.S. Mid Cap	7.50%	18.00
U.S. Smid Cap	7.50%	21.00
U.S. Small Cap	7.75%	24.00
International Large Cap	7.75%	18.00
International Small Cap	8.25%	22.00
Emerging Markets	9.75%	25.00
Global Equity	7.50%	17.50

Fixed Income Asset Class	Return	Risk
Cash Equivalents	2.00%	0.50
Short-term Gov /Credit	2.50%	2.50
Intermediate Investment Grade	3.00%	4.00
Core Investment Grade	3.25%	5.00
Mortgages	4.00%	4.00
Short Duration High Quality High Yield	5.50%	6.00
High Quality High Yield	6.00%	9.00
Multi-Sector Fixed Income	4.50%	6.00
Short Duration Global Bonds	3.50%	5.50
Core Plus Bonds	3.75%	5.80

Alternatives Asset Class	Return	Risk
Multi-Strategy Hedge Fund of Funds	4.50%	6.00
Opportunistic Strategies	8.00%	8.50
Long Short Equity Hedge Fund of Funds	6.00%	10.00
Global Tactical Asset Allocation	7.00%	12.50
Core Real Estate	7.75%	7.50
Value -Add Real Estate	9.00%	9.50
REITS	7.75%	21.00
Private Equity FOF	10.00%	16.00
Private Equity Secondaries	10.00%	14.00
Infrastructure	7.00%	13.50
Risk Parity	6.50%	16.00
Commodities	3.75%	18.50

- IPS Investment Committee Jan 2017.
- Inflation expectation 2.50%.
- 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.

Warehouse Local #730 Welfare Fund

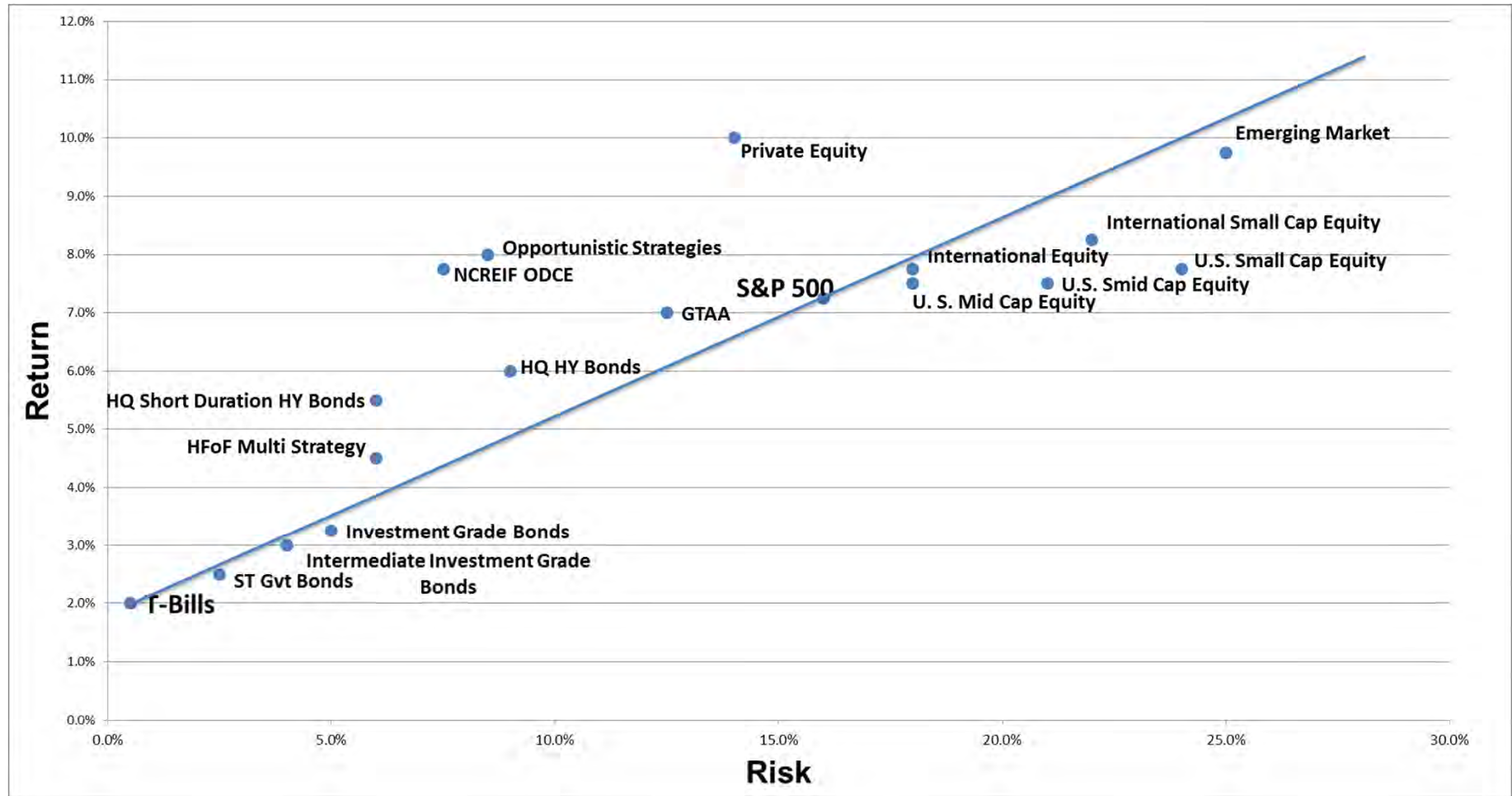
Model Asset Class Constraints

Total Domestic Equity	20% Max
Domestic Large Cap Equity	0% Min
Small, Mid and Smid Cap Equity	0% Max
International Equity Large Cap	0% Max
Fixed Investment Grade	10% Min
High Quality High Yield Bonds	30% Max
Real Estate - Core	10% Max
Real Estate – Value Add	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.

IPS 2017 Capital Market Assumptions



Investment Performance Services, LLC

Asset Class Correlations

Assumption table:

	Large Stocks	Mid Stocks	Smid Stocks	Small Stocks	REIT	Intern'l	Global Stocks	Emerg	Intern'l Small	T-BILL	ST Gvt/Credit	Interm Inv Grd	Core Inv Grd	SD HY	HY	Mult Fx Inc	SD Global Bnd	RE	VA	PE	HFoF Multi	Opp	HFoF LS	GTAA	Risk Parity	Comm	Infra
Return	7.25	7.50	7.50	7.75	7.75	7.75	7.50	9.75	8.25	2.00	2.50	3.00	3.25	5.50	6.00	4.50	3.50	7.75	9.00	10.00	4.50	8.00	6.00	7.00	6.50	3.75	7.00
Risk	16.00	18.00	21.00	24.00	21.00	18.00	17.50	25.00	22.00	0.50	2.50	4.00	5.00	6.00	9.00	6.00	5.50	7.50	9.50	14.00	6.00	8.50	10.00	12.50	16.00	18.50	13.50
Correlations																											
Large Stocks	1.00																										
Mid Stocks	0.94	1.00																									
Smid Stocks	0.93	0.96	1.00																								
Small Stocks	0.91	0.94	0.97	1.00																							
REITS	0.73	0.77	0.76	0.74	1.00																						
International Stocks	0.88	0.87	0.82	0.78	0.66	1.00																					
Global Stocks	0.94	0.93	0.90	0.86	0.71	0.96	1.00																				
Emerging Markets	0.77	0.79	0.74	0.70	0.58	0.87	0.89	1.00																			
International Small Cap Stocks	0.83	0.84	0.81	0.76	0.63	0.94	0.93	0.86	1.00																		
T-Bill	-0.16	-0.17	-0.16	-0.15	-0.12	-0.12	-0.13	-0.06	-0.18	1.00																	
Short Term Gvt/Credit	-0.08	-0.07	-0.11	-0.14	0.04	0.07	0.01	0.12	0.06	0.42	1.00																
Intermediate Investment Grade	0.03	0.05	-0.01	-0.05	0.25	0.15	0.11	0.20	0.15	0.12	0.78	1.00															
Core Investment Grade	0.02	0.03	-0.02	-0.07	0.26	0.13	0.09	0.18	0.13	0.07	0.71	0.96	1.00														
Short Duration HQ High Yield	0.60	0.67	0.62	0.55	0.55	0.65	0.66	0.67	0.69	-0.16	0.20	0.32	0.29	1.00													
High Quality High Yield	0.68	0.74	0.70	0.65	0.67	0.73	0.74	0.72	0.73	-0.17	0.10	0.27	0.25	0.92	1.00												
Multi Strategy Fixed Income	0.29	0.27	0.22	0.18	0.36	0.46	0.41	0.47	0.46	0.11	0.66	0.75	0.73	0.35	0.35	1.00											
Short Duration Global Bonds	0.32	0.31	0.26	0.22	0.39	0.50	0.45	0.51	0.50	0.10	0.65	0.74	0.72	0.39	0.40	0.98	1.00										
Core Real Estate	0.12	0.09	0.08	0.09	0.11	0.05	0.07	-0.03	0.02	0.09	-0.24	-0.16	-0.13	-0.16	-0.08	-0.08	-0.08	1.00									
Value-Add Real Estate	0.14	0.10	0.10	0.11	0.13	0.07	0.08	-0.02	0.03	0.09	-0.23	-0.15	-0.12	-0.17	-0.08	-0.07	-0.07	0.98	1.00								
Private Equity	0.91	0.94	0.97	0.98	0.74	0.78	0.86	0.70	0.76	-0.15	-0.14	-0.05	-0.07	0.55	0.65	0.18	0.22	0.09	0.11	1.00							
Multi Strategy HFoF	0.71	0.74	0.68	0.63	0.39	0.77	0.78	0.75	0.80	-0.11	-0.06	-0.01	-0.03	0.62	0.65	0.18	0.22	0.12	0.13	0.63	1.00						
Opportunistic Strategies	0.72	0.78	0.74	0.69	0.71	0.76	0.78	0.75	0.76	-0.19	0.09	0.25	0.23	0.90	0.97	0.36	0.40	-0.10	-0.10	0.69	0.65	1.00					
Long/Short Equity HFoF	0.86	0.89	0.86	0.81	0.56	0.89	0.92	0.89	0.90	-0.14	-0.03	0.00	-0.03	0.69	0.73	0.28	0.32	0.03	0.04	0.81	0.91	0.76	1.00				
GTAA	0.92	0.89	0.86	0.81	0.72	0.95	0.96	0.86	0.92	-0.09	0.14	0.24	0.22	0.64	0.71	0.56	0.60	0.07	0.08	0.81	0.72	0.75	0.87	1.00			
Risk Parity	0.55	0.52	0.47	0.43	0.53	0.69	0.66	0.67	0.67	0.07	0.52	0.61	0.59	0.45	0.48	0.94	0.94	-0.02	0.00	0.43	0.38	0.50	0.52	0.78	1.00		
Commodities	0.49	0.51	0.47	0.42	0.31	0.58	0.59	0.65	0.58	0.04	0.16	0.11	0.07	0.49	0.50	0.42	0.45	0.12	0.13	0.42	0.60	0.51	0.65	0.60	0.53	1.00	
Infrastructure	0.78	0.73	0.68	0.63	0.60	0.84	0.83	0.73	0.77	-0.06	0.11	0.27	0.29	0.52	0.60	0.53	0.56	0.11	0.13	0.63	0.63	0.62	0.71	0.86	0.71	0.50	1.00

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

Warehouse Local #730 Welfare Fund

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 Stocks	0.00	0.00	0.00	3.64	6.83	9.84	12.78	15.83	18.88	20.00
US Mid Cap Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Smid Cap Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Small Cap Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
International Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
International Small Cap	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	3.60	0.00	0.00	0.00	0.00
Short Term Gvt/Credit	74.06	68.74	61.19	56.36	45.57	35.98	29.57	17.96	6.35	0.00
Intermd Investment Grade Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Core Investment Grade Bonds	0.00	0.00	0.00	0.00	7.60	15.58	22.66	31.21	39.77	45.00
Short Duration HY Bonds	8.57	11.64	18.81	20.00	20.00	20.00	20.00	20.00	20.00	0.00
High Quality High Yield Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00
HF of F - Multi Strategy	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Opportunistic Strategies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GTAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Real Estate - Core	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Real Estate - Value Add	2.37	4.62	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
Return	3.46	3.72	3.96	4.21	4.45	4.69	4.93	5.16	5.39	5.60
Risk	2.01	2.03	2.12	2.36	2.74	3.19	3.68	4.19	4.72	5.50
Return/Risk	1.72	1.83	1.87	1.79	1.62	1.47	1.34	1.23	1.14	1.02

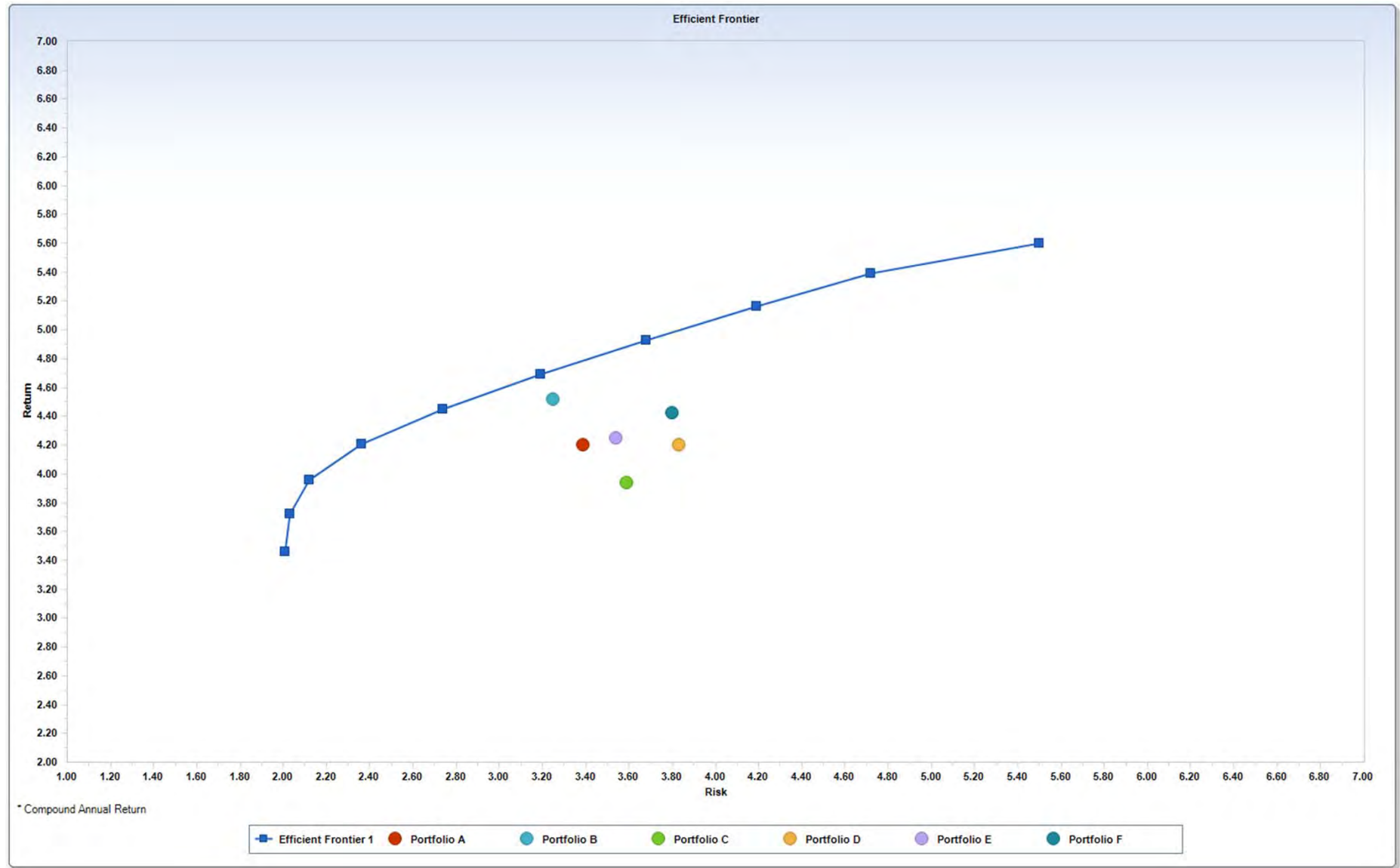
* Compound annual return.

* Returns based on a geometric calculation.

	% Asset Class Target											
	US LC Equity	Fixed Income Int	SD HY	High Yield	Opp	Real Estate	Hedge FOF	GTAA	Cash	Expected Return	Risk	Comments
Warehouse Local #730 Welfare Fund - A	0.0	45.0	40.0	0.0	0.0	5.0	0.0	0.0	10.0	4.20%	3.39	Investment Policy Targets
Actual Allocation - B	0.0	43.6	38.3	0.0	0.0	11.5	0.0	0.0	6.6	4.52%	3.25	Actual Allocation as of June 30, 2017
Scenario 1 - C	0.0	50.0	40.0	0.0	0.0	0.0	0.0	0.0	10.0	3.94%	3.59	Increase intermediate fixed income; eliminate core real estate
Scenario 2 - D	0.0	40.0	50.0	0.0	0.0	0.0	0.0	0.0	10.0	4.20%	3.83	Decrease intermediate fixed income; increase SDHY; eliminate core real estate
Scenario 3 - E	0.0	50.0	40.0	0.0	0.0	5.0	0.0	0.0	5.0	4.25%	3.54	Increase intermediate fixed income; reduce cash
Scenario 4 - F	0.0	50.0	45.0	0.0	0.0	5.0	0.0	0.0	0.0	4.42%	3.80	Increase intermediate fixed income and SDHY; eliminate cash

Scenarios are shown for illustrative purposes.

Warehouse Local #730 Welfare Fund



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
