Warehouse Local #730 Legal Fund

Investment Performance Analysis

Period Ended
December 31, 2016

TABLE OF CONTENTS

Market Discussion Points 4Q | 2016

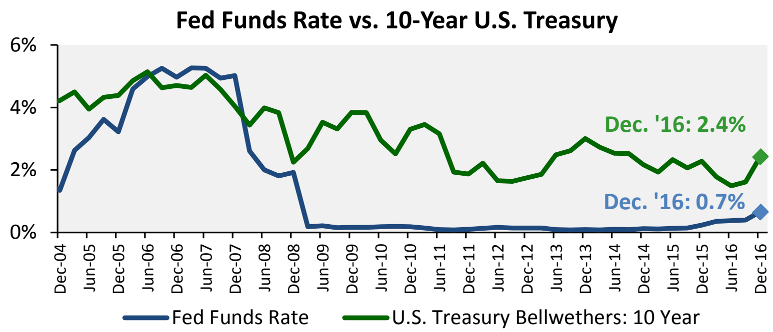
Financial Market Performance

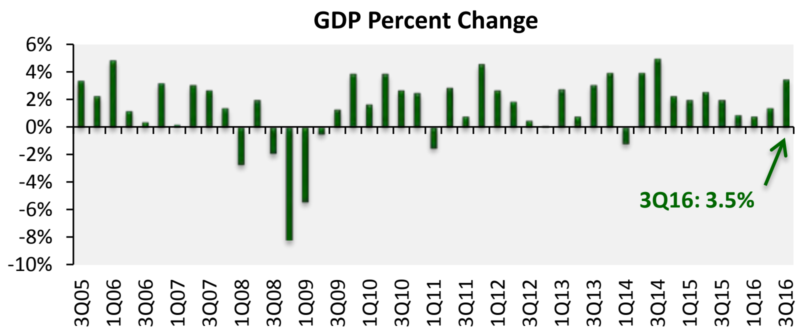
Periods Ending December 31, 2016

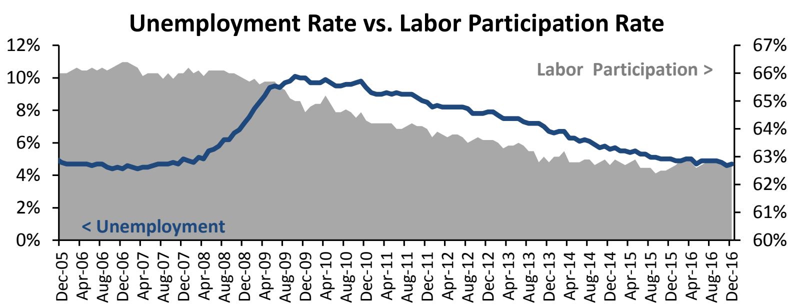
Strategy	Sector	Index	QTR	YTD	2015	2014	2013	2012	2011	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	3.8	12.0	1.4	13.7	32.4	16.0	2.1	12.0	8.9	14.7	7.0	7.7
	US Small Cap	Russell 2000	8.8	21.3	-4.4	4.9	38.8	16.4	-4.2	21.3	6.7	14.5	7.1	8.2
	All Country	MSCI All Country World (net)	1.2	7.9	-2.4	4.2	22.8	16.1	-7.4	7.9	3.1	9.4	3.6	-
	Non-US Developed	MSCI EAFE (net)	-0.7	1.0	-0.8	-4.9	22.8	17.3	-12.1	1.0	-1.6	6.5	0.8	4.2
	Emerging Markets	MSCI EM (net)	-4.2	11.2	-14.9	-2.2	-2.6	18.2	-18.4	11.2	-2.6	1.3	1.8	-
Bonds	**Treasury**	Bloomberg Barclays US Govt	-3.7	1.1	0.9	4.9	-2.6	2.0	9.0	1.1	2.3	1.2	3.9	4.9
	Broad Market	Bloomberg Barclays Aggregate	-3.0	2.7	0.6	6.0	-2.0	4.2	7.8	2.7	3.0	2.2	4.4	5.3
	High Yield	Bloomberg Barclays HY BaB 2% IC	1.1	14.1	-2.7	3.5	6.2	15.0	6.0	14.1	4.7	7.0	7.1	-
	Global Bonds	Citigroup WGBI	-8.5	1.6	-3.6	-0.5	-4.0	1.7	6.4	1.6	-0.8	-1.0	3.0	4.1
Global Tactical Asset		65% MSCI World /35% Citi WGBI	-1.9	5.6	-1.6	3.1	15.1	10.9	-1.2	5.6	2.3	6.5	3.9	5.5
Real Estate	**Core**	NCREIF ODCE Equal Weighted	2.2	9.3	15.1	12.4	13.3	11.0	16.0	9.3	12.2	12.2	5.6	8.9
Hedge Funds	**Diversified FOFs**	HFRI HFOF Composite	1.1	0.7	-0.3	3.4	9.0	4.8	-5.7	0.7	1.3	3.5	1.3	4.6
	Equity Long-Short	HFRI Equity Hedge	1.3	5.5	-1.0	1.8	14.3	7.4	-8.4	5.5	2.1	5.5	2.9	7.9
Commodities	**Commodities**	Goldman Sachs Commodity	5.8	11.4	-32.9	-33.1	-1.2	0.1	-1.2	11.4	-20.6	-13.1	-8.1	-1.9

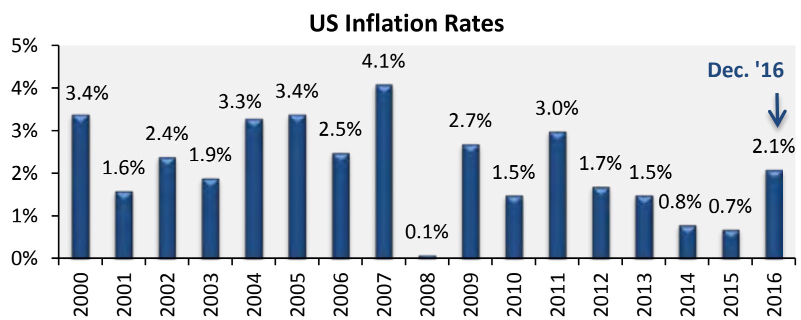
U.S. Economy

We have noted previously that consumer consumption represents the majority of US Gross Domestic Product (GDP) at 69%, with corporate investment at 12%, housing at 4%, government spending at 18% and net exports at a negative 3%. The consumer segment has shown steady and marked improvements across the board; consumer confidence jumped 4.7 points to 98.2, which is the highest level since December of 2007. Employment grew at an average of 200,000 jobs per month during 2016. The official unemployment rate continues to decline slowly and is hovering around 4.5%, which is considered "full employment." Car sales in 2016 reached the same record in 2015 at 18 million units with light-duty trucks leading sales. Wage growth was about 3% for 2016, with inflation hovering near 2%, so there is real wage growth. The number of people moving from part-time to full-time employment also continues to rise. Household debt service is at all-time lows. Household net worth and the average 401K balance are at all-time highs, up almost 50% from the 2007 prior highs. On the housing front, new home sales are up over 12% for the year, the average price for a single family home hit new highs and the housing affordability index is still very low at 12.4% of household income. The average 30-year fixed rate mortgage moved to 4.2% in December, up from 3.5% earlier this year, but interest rates are still very low by historical standards. The corporate sector of the economy has finally shown a rebound after five quarters of earnings declines. Corporate earnings are projected to increase by 9-10% in 2017. Energy sector earnings, which have been a drag on the S&P 500 since June 2015, turned positive as oil prices have risen and stabilized at the $45-$65 per barrel level. The world has a good level of oil reserves, but supply now equals demand with OPEC and other producers agreeing to limit production. The U.S. government is still providing economic fiscal stimulus with deficit spending, but at only a 3.2% deficit for 2016. Despite two small rate hikes by the Federal Reserve over the past twelve months, interest rates are still very low and still clearly in the "stimulus" range.



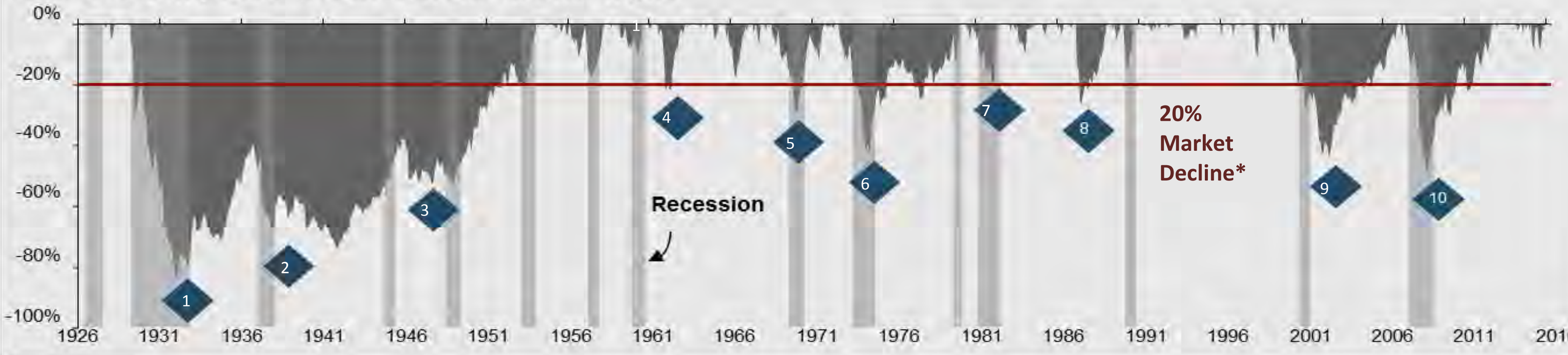






Current Bull Market: Historical Context

S&P 500 composite declines from all-time highs



Characteristics of bull and bear markets

Market Corrections	Bear markets: Market peak	Bear markets: Bear return*	Bear markets: Duration (months)*	Macro environment: Recession	Macro environment: Commodity spike	Macro environment: Aggressive Fed	Macro environment: Extreme valuations	Bull markets: Bull begin date	Bull markets: Bull return	Bull markets: Duration (months)
1 Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	33	◆			◆	Jul 1926	152%	38
2 1937 Fed Tightening - Premature policy tightening	Mar 1937	-60%	63	◆		◆		Mar 1935	129%	24
3 Post WWII Crash - Post-war demobilization, recession fears	May 1946	-30%	37	◆			◆	Apr 1942	158%	50
4 Flash Crash of 1962 - Flash crash, Cuban Missile Crisis	Dec 1961	-28%	7				◆	Oct 1960	39%	14
5 Tech Crash of 1970 - Economic overheating, civil unrest	Nov 1968	-36%	18	◆	◆	◆		Oct 1962	103%	74
6 Stagflation - OPEC oil embargo	Jan 1973	-48%	21	◆	◆			May 1970	74%	32
7 Volcker Tightening - Whip Inflation Now	Nov 1980	-27%	21	◆	◆	◆		Mar 1978	62%	33
8 1987 Crash - Program trading, overheating markets	Aug 1987	-34%	3				◆	Aug 1982	229%	61
9 Tech Bubble - Extreme valuations, .com boom/bust	Mar 2000	-49%	31	◆			◆	Oct 1990	417%	115
10 Global Financial Crisis - Leverage/housing, Lehman collapse	Oct 2007	-57%	17	◆	◆	◆		Oct 2002	101%	61
Current Cycle								Mar 2009	231%	95
Averages	-	**-45%**	**25**					-	**154%**	**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.
Guide to the Markets – U.S. Data are as of December 31, 2016.

Asset Class Performance "Quilt"

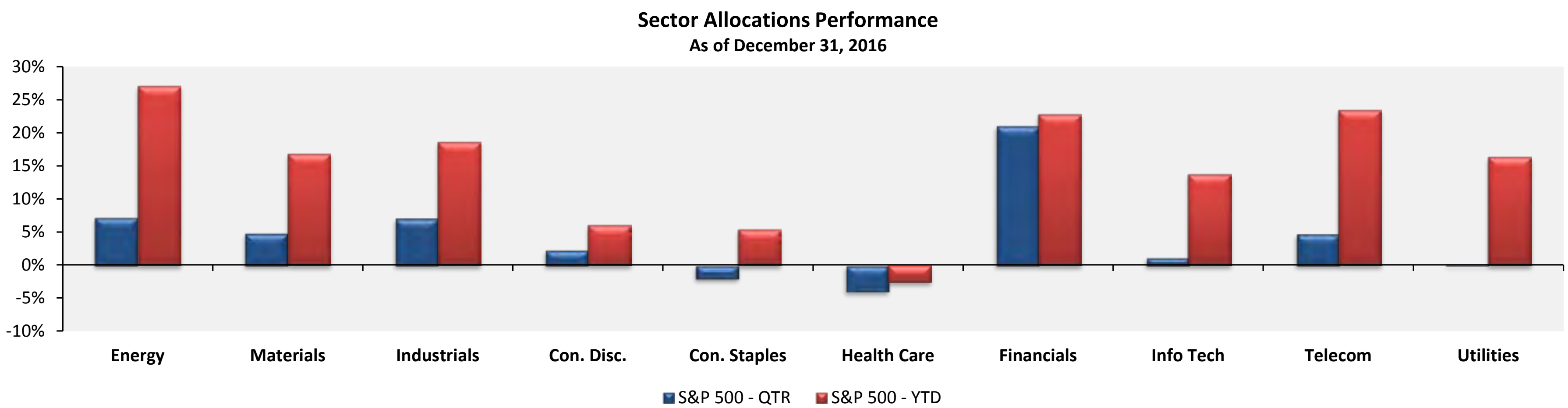
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RE 13.5%	Fx Inc 8.4%	Fx Inc 10.3%	EM Equity 55.8%	EM Equity 25.6%	EM Equity 34.0%	EM Equity 32.2%	EM Equity 39.4%	Fx Inc 5.2%	EM Equity 78.5%	Small Cap 26.9%	RE 16.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE 15.1%	Small Cap 21.3%
Fx Inc 11.6%	RE 5.7%	RE 5.3%	Small Cap 47.3%	Mid Cap 20.2%	RE 20.2%	Int'l 26.3%	RE 16.1%	RE -10.4%	HY 57.5%	Mid Cap 25.5%	Fx Inc 7.8%	Int'l 17.3%	Mid Cap 34.8%	Mid Cap 13.2%	Large Cap 1.4%	HY 17.5%
Mid Cap 8.3%	HY 4.5%	HFoF 1.0%	Mid Cap 40.1%	Int'l 20.2%	Int'l 13.5%	Small Cap 18.4%	Int'l 11.2%	SD HY -14.0%	Mid Cap 40.5%	EM Equity 18.9%	HY 4.4%	Mid Cap 17.3%	Large Cap 32.4%	RE 12.4%	SD HY 1.2%	Mid Cap 13.8%
HFoF 4.1%	HFoF 2.8%	HY -1.9%	Int'l 38.6%	Small Cap 18.3%	Mid Cap 12.6%	RE 16.2%	HFoF 10.3%	HFoF -21.4%	SD HY 36.1%	RE 16.1%	SD HY 4.4%	Small Cap 16.3%	Int'l 22.8%	Fx Inc 6.0%	Fx Inc 0.6%	Large Cap 12.0%
Small Cap -3.0%	Small Cap 2.5%	EM Equity -6.2%	Large Cap 28.7%	GTAA 13.2%	HFoF 7.5%	Large Cap 15.8%	GTAA 9.9%	GTAA -25.4%	Int'l 31.8%	HY 15.2%	Large Cap 2.1%	Large Cap 16.1%	GTAA 15.3%	Small Cap 4.9%	HFoF -0.3%	EM 11.2%
HY -5.2%	EM Equity -2.6%	GTAA -7.2%	HY 28.1%	RE 12.6%	Large Cap 4.9%	Mid Cap 15.3%	Fx Inc 7.0%	HY -26.4%	Small Cap 27.2%	Large Cap 15.1%	GTAA -0.9%	HY 15.6%	RE 13.3%	HFoF 3.4%	Int'l -0.8%	RE 9.3%
GTAA -8.1%	Mid Cap -5.6%	Int'l -15.9%	GTAA 26.7%	Large Cap 10.9%	Small Cap 4.6%	GTAA 15.1%	Mid Cap 5.6%	Small Cap -33.8%	Large Cap 26.5%	SD HY 11.7%	Mid Cap -1.6%	RE 11.0%	HFoF 9.0%	GTAA 3.0%	GTAA -1.6%	SD HY 8.5%
Large Cap -9.1%	GTAA -10.8%	Mid Cap -16.2%	HFoF 11.6%	HY 10.8%	GTAA 3.6%	HY 11.7%	Large Cap 5.5%	Large Cap -37.0%	GTAA 20.1%	GTAA 9.8%	Small Cap -4.2%	GTAA 10.9%	HY 7.4%	HY 2.5%	Mid Cap -2.4%	GTAA 5.6%
Int'l -14.2%	Large Cap -11.9%	Small Cap -20.5%	RE 9.1%	HFoF 6.9%	HY 2.7%	HFoF 10.4%	SD HY 3.9%	Mid Cap -41.5%	HFoF 11.5%	Int'l 7.8%	HFoF -5.7%	SD HY 10.2%	SD HY 5.6%	SD HY 1.9%	Small Cap -4.4%	Fx Inc 2.7%
EM Equity -30.8%	Int'l -21.5%	Large Cap -22.1%	Fx Inc 4.1%	Fx Inc 4.3%	Fx Inc 2.4%	SD HY 9.9%	HY 2.2%	Int'l -43.4%	Fx Inc 5.9%	Fx Inc 6.5%	Int'l -12.1%	HFoF 4.8%	Fx Inc -2.0%	EM Equity -2.2%	HY -4.6%	Int'l 1.0%
					SD HY 2.4%	Fx Inc 4.3%	Small Cap -1.6%	EM Equity -53.3%	RE -30.7	HFoF 5.7%	EM Equity -18.4%	Fx Inc 4.2%	EM Equity -2.6%	Int'l -4.9%	EM Equity -14.9%	HFoF 0.7%

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

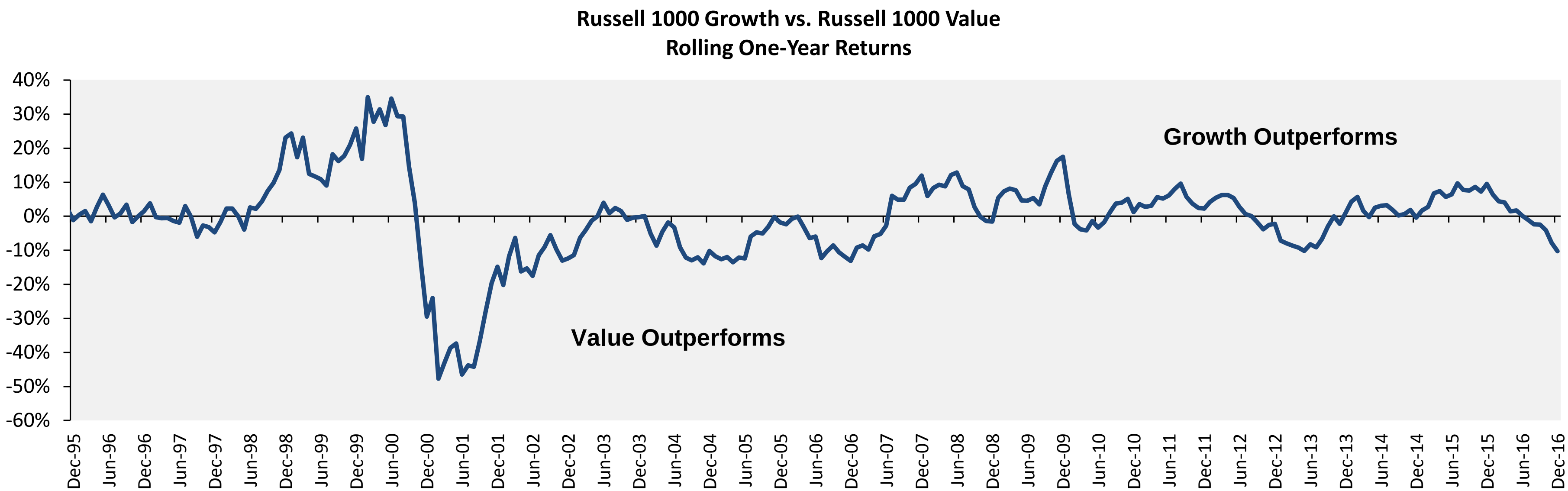
U.S. Equity Market

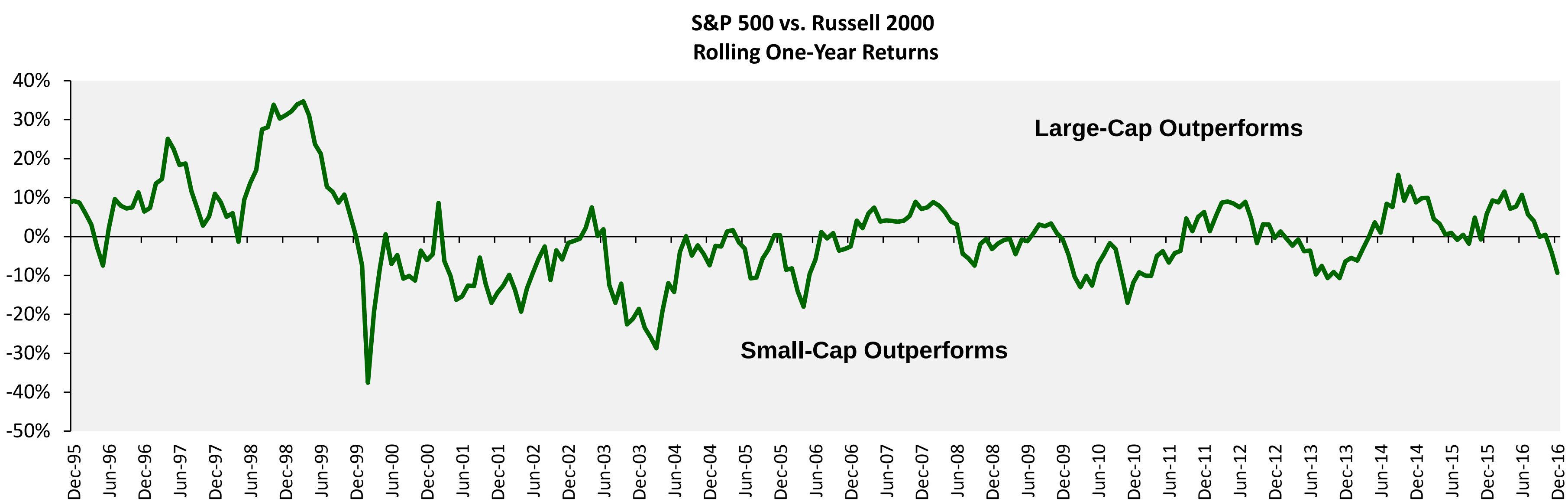
The surprise Trump victory in the Presidential election also created a surprise rally in the US stock market. The S&P 500 returned 2.0% in December, pushing the 4th quarter return to 3.8% and the calendar year return to 12%. Strong market rallies are usually led by growth stocks, but this year value stocks clearly dominated with the Russell 1000 Value index returning 17.3% vs. the Russell 1000 Growth up 7.1%. Small cap stocks had the same style tilt, but small cap also dominated large cap with the Russell 2000 Value index up 31.7% for the year vs. the Russell 2000 Growth index up 11.3%. The value rally was driven by three sectors all traditionally considered value-oriented: financials, up 22.8% for the year, benefited from the December interest rate hike; energy rose 27.4% for the year due to the rising price of crude oil; and materials rose 16.7% due to a rebound in most commodity prices. The improved earnings forecast for stocks overall supported gains in most sectors. Healthcare was the exception and was down 2.7% for the year. Healthcare stocks were hurt by the uncertainty of what a repeal of the Affordable Care Act under the Trump administration will mean for the healthcare market. The estimated forward P/E ratio of the S&P 500 at year-end was 16.9 times compared to the 25-year average of 15.9 times, so the market does not appear materially overvalued. The current market rally is now 95 months long (starting in March 2009) and is the second longest and second strongest, exceeded only by the Tech bubble from 1990-2000.

Sector	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	3.8	12.0	1.4	13.7	32.4	16.0	2.1	12.0	8.9	14.7	7.0
	Russell 1000	3.8	12.1	0.9	13.3	33.1	16.4	1.5	12.1	8.6	14.7	7.1
	Russell 1000 Value	6.7	17.3	-3.8	13.5	32.5	17.5	0.4	17.3	8.6	14.8	5.7
	Russell 1000 Growth	1.0	7.1	5.7	13.1	33.5	15.3	2.6	7.1	8.6	14.5	8.3
Mid Cap	Russell Mid-Cap	3.2	13.8	-2.4	13.2	34.8	17.3	-1.6	13.8	7.9	14.7	7.9
	Russell Mid-Cap Value	5.5	20.0	-4.8	14.7	33.5	18.5	-1.4	20.0	9.5	15.7	7.6
	Russell Mid-Cap Growth	0.5	7.3	-0.2	11.9	35.8	15.8	-1.7	7.3	6.2	13.5	7.8
Small Cap	Russell 2000	8.8	21.3	-4.4	4.9	38.8	16.4	-4.2	21.3	6.7	14.5	7.1
	Russell 2000 Value	14.1	31.7	-7.5	4.2	34.5	18.1	-5.5	31.7	8.3	15.1	6.3
	Russell 2000 Growth	3.6	11.3	-1.4	5.6	43.3	14.6	-2.9	11.3	5.1	13.7	7.8
Total Market	Wilshire 5000	4.5	13.4	0.7	12.7	33.1	16.1	1.0	13.4	8.8	14.7	7.2
	Russell 3000	4.2	12.7	0.5	12.6	33.6	16.4	1.0	12.7	8.4	14.7	7.1



U.S. Equity Market

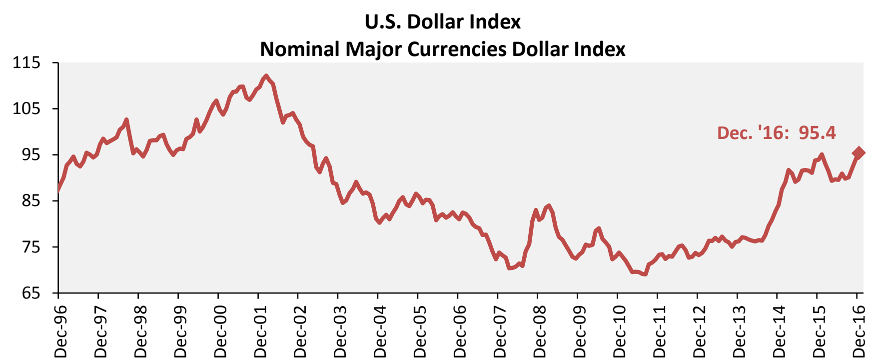


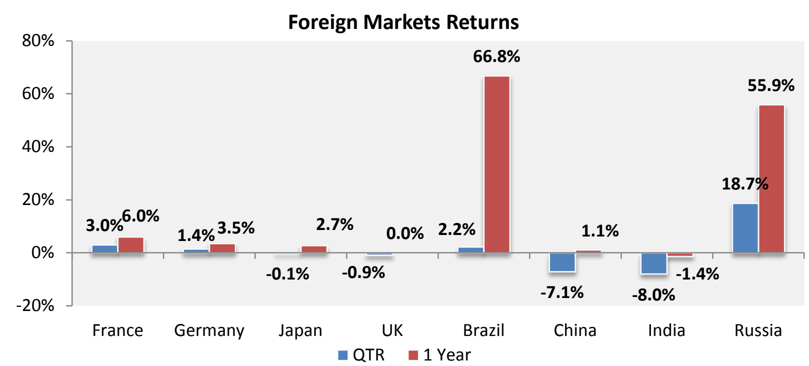


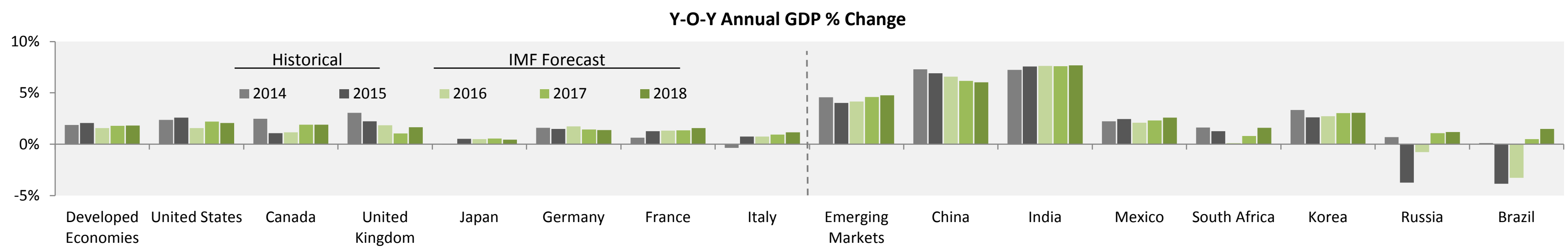
International Equity Market

Developed non-U.S. markets, in particular the Eurozone, are experiencing a slow recovery, reminiscent of where the U.S. was in late 2009 and 2010. In the Eurozone, loan demand is up, GDP is sluggish at 1.4% and unemployment is high but steadily declining. The European central bank is keeping interest rates low and providing additional stimulus through bond buying. Concerns about immigration, political upheaval with Brexit in the UK, Italy's rejection of Prime Minister Renzi's constitutional reforms, OPEC oil production cuts and rising oil prices, and the strong US dollar negatively impacted nearly all of Europe. On a broad scale the MSCI EAFE index was up 1.0% for the year, but there were wide disparities at the country level. The UK market was down 0.1% for the year and the British pound fell 16% against the U.S. Dollar since the Brexit announcement. Developed Europe overall was down 0.6%. Germany showed a bit more resilience and was up 2.8%. Other areas of the world were also mixed, with local politics and local economic activity driving returns. The MSCI Emerging Market Index was up 9.7% but again there were wide disparities in returns by country. In the western hemisphere, Brazil and Chile were up 66% and 22% respectively, but Mexico was down 9% on concerns about the trading relationship with the U.S. post the Trump election. Canada was up 24.6%. Asia was mixed, with China flat at 0.9% for the year, India down 1.4%, Korea up 8.7%, Indonesia up 17% and Thailand up 26.6% for the year.

Sector	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	1.2	7.9	-2.4	4.2	22.8	16.1	-7.4	7.9	3.1	9.4	3.6
	MSCI World Small Cap (net)	1.8	11.6	-1.0	1.8	28.7	18.1	-11.3	11.6	4.0	11.3	5.6
	MSCI World ex US (net)	-1.3	4.5	-5.7	-3.9	15.3	16.8	-13.7	4.5	-1.8	5.0	1.0
	MSCI World ex US Small Cap (net)	-3.5	3.9	2.6	-4.0	19.7	18.5	-18.5	3.9	0.8	7.7	2.9
Developed ex US	MSCI EAFE (net)	-0.7	1.0	-0.8	-4.9	22.8	17.3	-12.1	1.0	-1.6	6.5	0.8
	MSCI EAFE Value (net)	4.2	5.0	-5.7	-5.4	23.0	17.7	-12.2	5.0	-2.1	6.3	-0.2
	MSCI EAFE Growth (net)	-5.5	-3.0	4.1	-4.4	22.6	16.9	-12.1	-3.0	-1.2	6.7	1.6
	MSCI EAFE Small Cap (net)	-2.9	2.2	9.6	-5.0	29.3	20.0	-15.9	2.2	2.1	10.6	3.0
Emerging Markets	MSCI Emerging Markets (net)	-4.2	11.2	-14.9	-2.2	-2.6	18.2	-18.4	11.2	-2.6	1.3	1.8







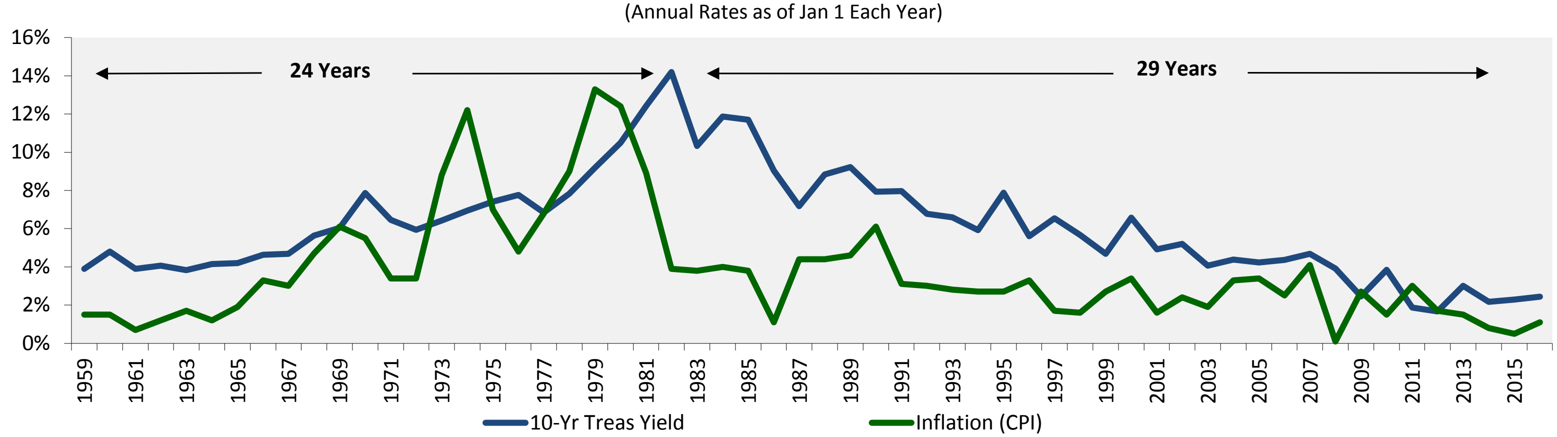
Top left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Top right chart:** Data as of December 31, 2016. **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 2016.

U.S. Bond Market

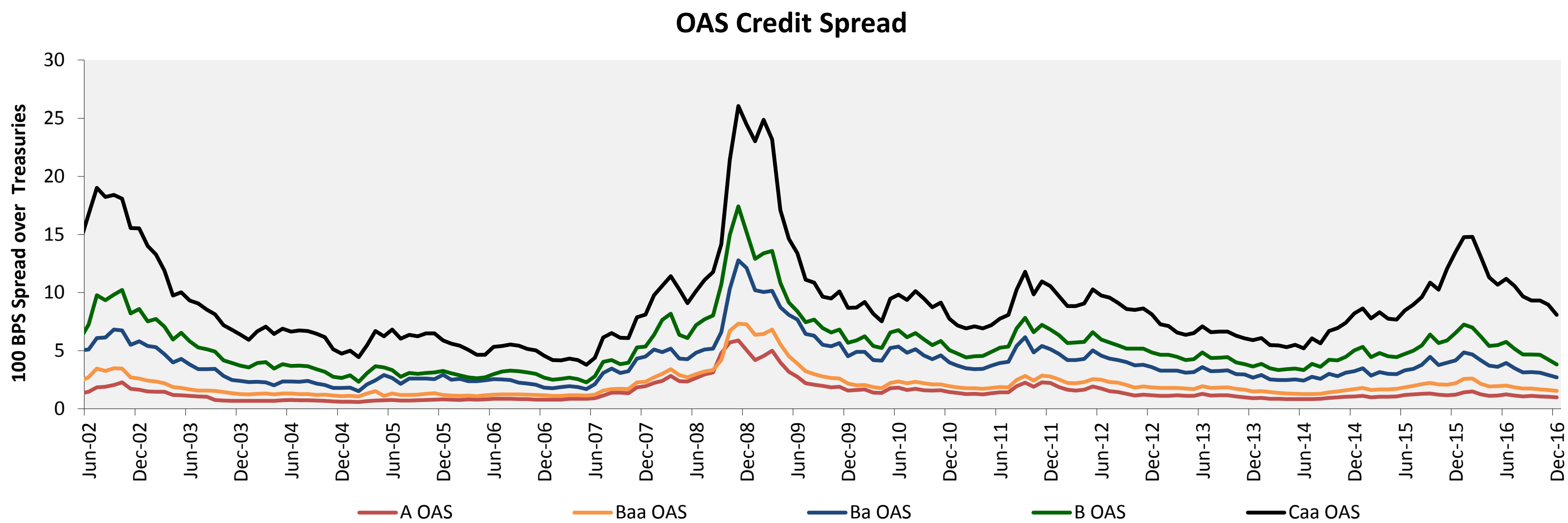
In the first nine months of 2016, a flattening yield curve rallied bond prices across the board. That trend reversed in the 4th quarter with the 5-year Treasury yield moving from 1.15% to 1.93% and the 10-year Treasury yield moving from 1.60% to 2.44%. With yields moving up, the value of bonds declined and the Bloomberg Barclays Aggregate Bond index posted a 3% loss in the 4th quarter to return 2.7% for the year. The Bloomberg Barclays Aggregate Bond index also continues to extend its duration, moving from 5.68 years at the end of 2015 to 5.89 years at the end of 2016. Duration is a measure of sensitivity to interest rate moves and a longer duration indicates higher volatility relative to interest rate moves. High Yield bonds benefited from the interest rate spreads between high yield bonds and Treasuries narrowing, and prices rallied. The broad Bloomberg Barclays Corporate High Yield index returned 17.1% for the year and the higher quality Bloomberg Barclays High Yield Ba/B 2% Issuer Capped index was up 14.1%. The shorter duration Merrill Lynch BofA High Yield 1-3 year Cash Pay BB index was up 8.5% for the year.

Index	Yield	Duration	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	2.61	5.9	-3.0	2.7	0.6	6.0	-2.0	4.2	7.8	2.7	3.0	2.2	4.4
Bloomberg Barclays Govt/Credit	2.51	6.4	-3.4	3.1	0.2	6.0	-2.4	4.8	8.7	3.1	3.0	2.3	4.4
Bloomberg Barclays Int Agg	2.37	4.3	-2.1	2.0	1.2	4.1	-1.0	3.6	6.0	2.0	2.4	2.0	4.0
Bloomberg Barclays Int Govt/Credit	2.11	4.1	-2.1	2.1	1.1	3.1	-0.9	3.9	5.8	2.1	2.1	1.9	3.8
Bloomberg Barclays HY Ba/B 2% IC	5.23	4.3	1.1	14.1	-2.7	3.5	6.2	15.0	6.0	14.1	4.7	7.0	7.1
BofA ML HY Cash Pay BB 1-3 Yr.	4.24	1.7	0.9	8.5	1.2	1.9	5.6	10.2	4.4	8.5	3.8	5.4	6.3
Bloomberg Barclays Mortgage	2.85	4.6	-2.0	1.7	1.5	6.1	-1.4	2.6	6.2	1.7	3.1	2.1	4.3
Bloomberg Barclays Treasury	1.89	6.1	-3.8	1.0	0.8	5.1	-2.8	2.0	9.8	1.0	2.3	1.2	4.0
Bloomberg Barclays US TIPS	2.20	4.9	-2.4	4.7	-1.4	3.6	-8.6	7.0	13.6	4.7	2.3	0.9	4.4
BofA ML 91 day T-Bills	0.50	0.2	0.1	0.3	0.1	0.0	0.1	0.1	0.1	0.3	0.1	0.1	0.8

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
100 BPS Spread over Treasuries
30
25
20
15
10
5
0
Jun-02
Dec-02
Jun-03
Dec-03
Jun-04
Dec-04
Jun-05
Dec-05
Jun-06
Dec-06
Jun-07
Dec-07
Jun-08
Dec-08
Jun-09
Dec-09
Jun-10
Dec-10
Jun-11
Dec-11
Jun-12
Dec-12
Jun-13
Dec-13
Jun-14
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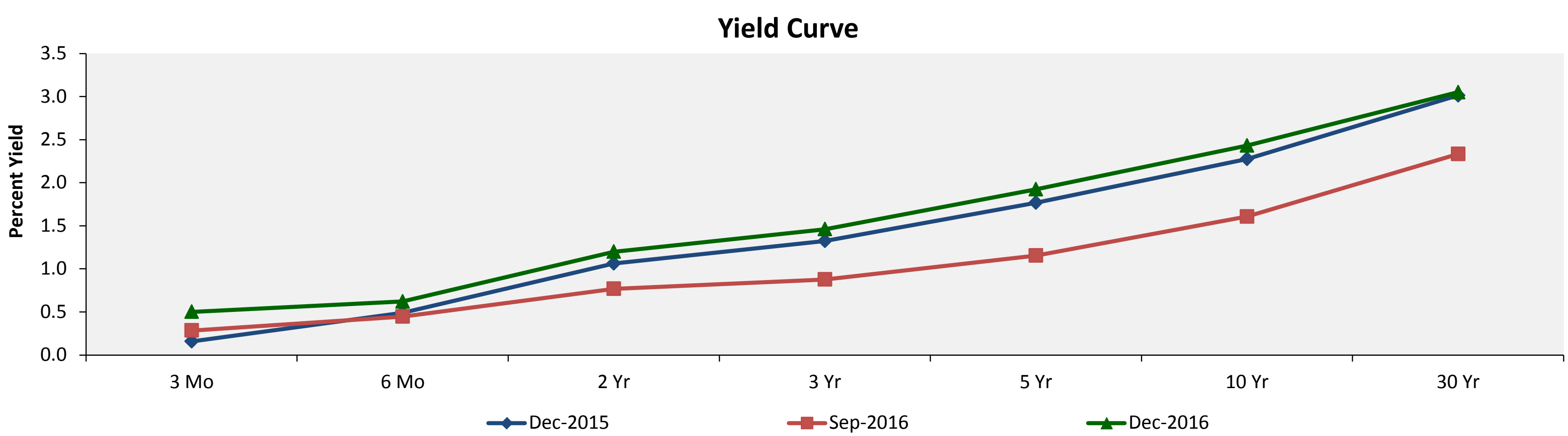
Jun-15
Dec-15
Jun-16
Dec-16
A OAS
Baa OAS
Ba OAS
B OAS
Caa OAS


Yield Curve
Percent Yield
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
3 Mo
6 Mo
2 Yr
3 Yr
5 Yr
10 Yr
30 Yr
Dec-2015
Sep-2016
Dec-2016

Interest Rate Sensitivity

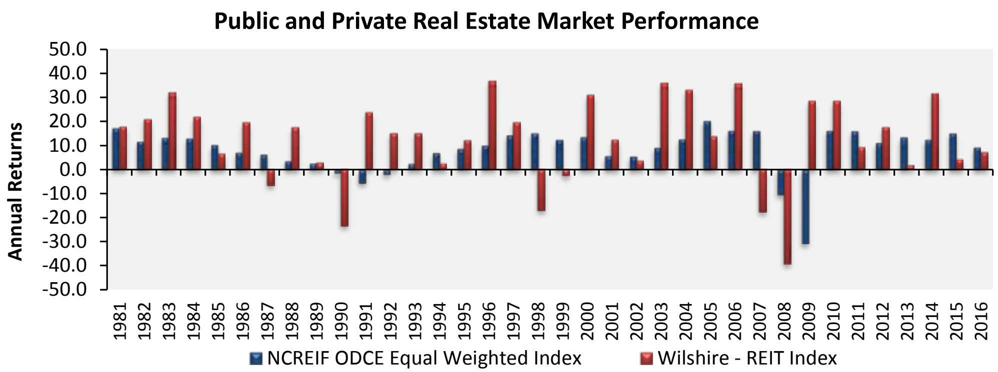
12 Month Holding Period - Annualized Returns as of 12/31/2016							
Yield Change (bps)	10 Year Treasury	Bloomberg Barclays Aggregate US Aggregate	Bloomberg Barclays Int Govt/Credit US Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
-150	15.71	11.72	8.19	11.93	4.28	11.37	6.76
-100	11.28	8.68	6.16	8.78	3.33	9.31	5.92
-50	6.86	5.65	4.14	5.64	2.39	7.26	5.08
-25	4.64	4.13	3.12	4.06	1.91	6.23	4.66
0	2.43	2.61	2.11	2.49	1.44	5.20	4.24
25	0.22	1.09	1.10	0.92	0.97	4.17	3.82
50	-2.00	-0.43	0.09	-0.66	0.50	3.15	3.40
100	-6.42	-3.46	-1.94	-3.80	-0.45	1.09	2.56
150	-10.85	-6.50	-3.97	-6.95	-1.40	-0.97	1.72
200	-15.27	-9.53	-5.99	-10.09	-2.34	-3.02	0.88
250	-19.70	-12.57	-8.02	-13.24	-3.29	-5.08	0.04
300	-24.12	-15.60	-10.04	-16.38	-4.23	-7.13	-0.80
350	-28.55	-18.64	-12.07	-19.53	-5.18	-9.19	-1.64
400	-32.97	-21.67	-14.09	-22.67	-6.12	-11.24	-2.48
450	-37.40	-24.71	-16.12	-25.82	-7.07	-13.30	-3.32
500	-41.82	-27.74	-18.14	-28.96	-8.01	-15.35	-4.16
Duration	8.85	6.07	4.05	6.29	1.89	4.11	1.68

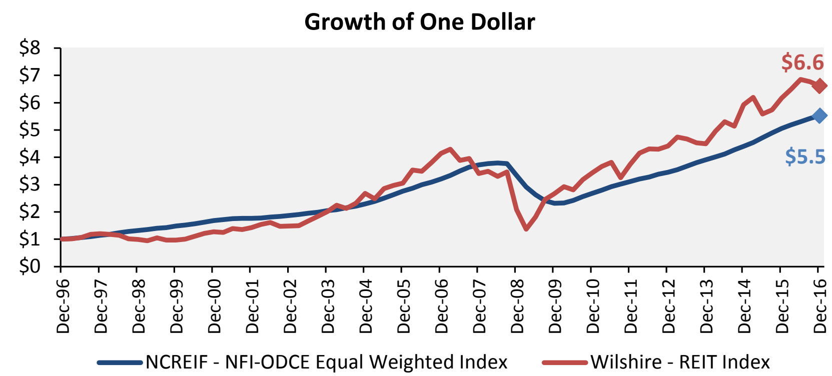
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2016 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as of 12/31/2016 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 NCREIF ODCE Equal-Weighted index, which is comprised of 33 "core" open-ended real estate funds, posted a 2.2% return for the 4th quarter and was up 9.3% for the year. The return from income was 1.1% for the quarter. Apartment rents were up 3.2% year over year on average, and vacancy rates dropped to 4.0%. The industrial and office sectors also are seeing increased demand as the economy improves, with little speculative supply coming into the market and that is dominated by "build to suit" for company specific needs. Retail seems to be an area of modest concern, especially for shopping centers anchored by large retailers that are impacted adversely by a shift to internet purchases at the expense of their in-store sales. Capitalization rates (the inverse of a "Price to Earnings" ratio) have continued to remain low. With interest rates now in a rising trend, future performance will rely heavily on income and income growth as opposed to lower cap rates. Therefore, future performance may be lower than recent years.

Sector	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	2.2	9.3	15.1	12.4	13.3	11.0	16.0	9.3	12.2	12.2	5.6
US Public	Wilshire REIT	-2.3	7.2	4.2	31.8	1.9	17.6	9.2	7.2	13.8	12.0	4.8





	Total return (incl. income) 2016	Total return (incl. income) 2017	Total return (incl. income) 2018	Total return (incl. income) 2016 to 2020 (per year)
National, All Property Types (NPI)	8.3	6.9	5.7	6.4
Office	7.1	6.6	5.5	5.9
Retail	9.4	7.0	5.8	6.9
Industrial	10.9	7.8	6.4	7.3
Apartment	7.6	6.7	5.6	6.1

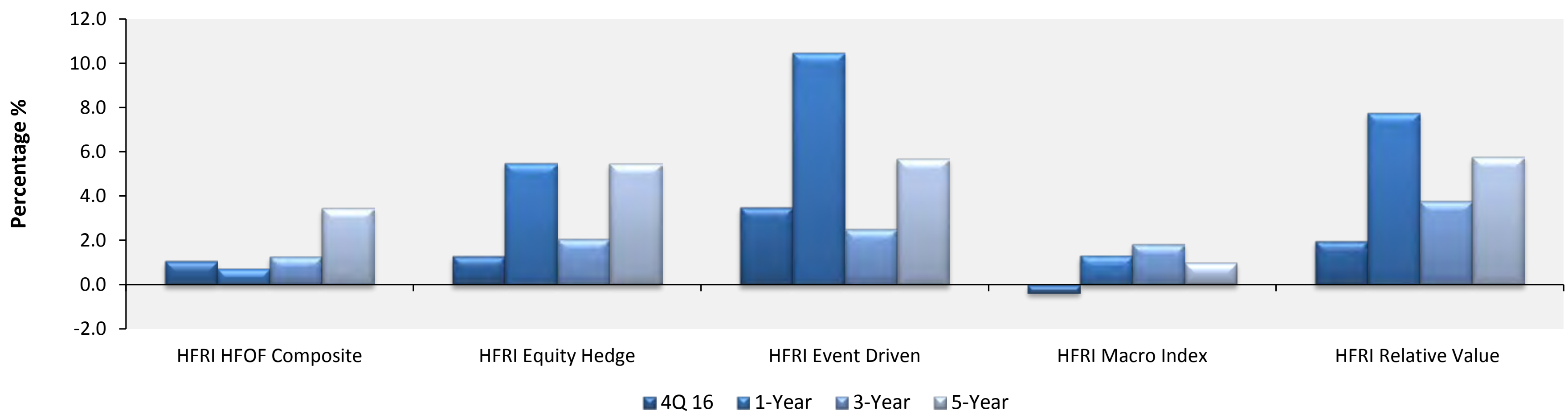
Bottom chart: Average of respondents' forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NCREIF Property Index Q4 2016.

Hedge Fund of Funds Market

Hedge funds generated mostly positive returns during a divergent fourth quarter across several asset classes, as U.S. equities and high yield bonds continued to gain while non-U.S. equities and investment grade bonds largely sold off. The HFRI Fund of Funds Composite rose 1.06% for the quarter, pushing the index into positive territory for the calendar year but up only 71 basis points for 2016. As was the case with traditional active managers, much of the disappointing performance among funds of hedge funds occurred during the first half of 2016. The environment for hedge fund managers appeared to improve in the latter half of the year as equity volatility increased, correlations among sectors and stocks fell, and Treasury yields began to rise, causing losses in the bond market. During the last six months of the year, the HFRI Fund of Funds Composite was up 3.4%, while the Bloomberg Barclays US Aggregate declined 2.5%. Though this is a short-term period, hedge funds have shown long-term negative correlation with bonds, which should be additive to investor portfolios in a rising interest rate environment. The market over the last six months was especially beneficial for long/short equity and event driven strategies; the HFRI Equity Hedge was up 5.9% from July-December and the HFRI Event Driven was up 8.1% over the same period.

Strategy	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	1.1	0.7	-0.3	3.4	9.0	4.8	-5.7	0.7	1.3	3.5	1.3
Equity Long-Short	HFRI Equity Hedge	1.3	5.5	-1.0	1.8	14.3	7.4	-8.4	5.5	2.1	5.5	2.9
Event Driven	HFRI Event Driven	3.5	10.5	-3.6	1.1	12.5	8.9	-3.3	10.5	2.5	5.7	4.1
Global Macro	HFRI Macro Index	-0.4	1.3	-1.3	5.6	-0.4	-0.1	-4.2	1.3	1.8	1.0	2.8
Relative Value	HFRI Relative Value	2.0	7.8	-0.3	4.0	7.1	10.6	0.2	7.8	3.8	5.8	5.2

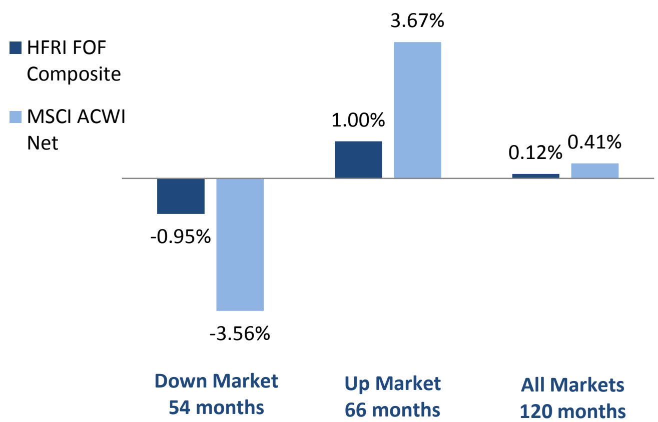
Hedge Fund Strategy Performance



Hedge Fund of Funds Market

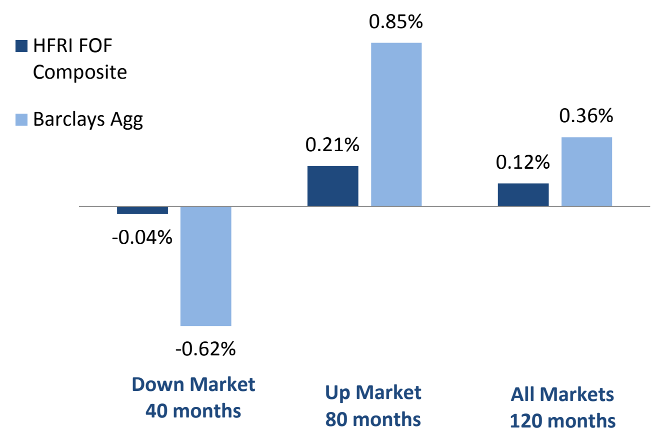
Up/Down Capture vs. Equity

Average Returns
January 2007 - December 2016



Up/Down Capture vs. Bonds

Average Returns
January 2007 - December 2016



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 Legal Fund

Investment Performance Analysis

Period Ended
December 31, 2016

Total Plan Growth of Assets

Summary of Cash Flows

	Fourth Quarter	One Year	Three Years	Five Years	Seven Years	Since 1/1/08
Beginning Market Value	$936,932	$806,120	$803,598	$806,296	$679,548	$521,361
Net Cash Flow	$277,023	$394,822	$379,683	$359,382	$450,726	$554,893
Net Investment Change	-$3,926	$9,088	$26,749	$44,352	$79,755	$133,775
Ending Market Value	$1,210,029	$1,210,029	$1,210,029	$1,210,029	$1,210,029	$1,210,029

*The fund's fiscal year ends December 31.

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Difference
Investment Grade Fixed Income	$732,434	60.5%	90.0%	-29.5%	-$356,593
Cash	$477,596	39.5%	10.0%	29.5%	$356,593
Total	**$1,210,029**	**100.0%**	**100.0%**		

Total Plan Performance (Gross of Fees)

			Ending December 31, 2016						Inception	
	Market Value	% of Portfolio	2016 Q4	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Composite	**$1,210,029**	**100.0%**	**-0.4%**	**1.1%**	**1.1%**	**1.1%**	**1.5%**	**2.5%**	**3.1%**	**Apr-95**
Total Investment Grade Fixed Income	**$732,434**	**60.5%**	**-0.5%**	**1.2%**	**1.2%**	**1.2%**	**1.6%**	**--**	**2.6%**	**Oct-07**
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*-1.0%*	*1.6%*	*1.4%*	*1.4%*	*2.0%*	*--*	*2.8%*	*Oct-07*
Atlanta Capital Management	$732,434	60.5%	-0.5%	1.2%	1.2%	1.2%	1.6%	--	1.8%	Jul-09
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*-1.0%*	*1.6%*	*1.4%*	*1.4%*	*2.0%*	*--*	*2.2%*	*Jul-09*
Total Cash	**$477,596**	**39.5%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**	**0.1%**	**--**	**--**	**Oct-07**
91 Day T-Bills			*0.1%*	*0.3%*	*0.1%*	*0.1%*	*0.1%*	*--*	*--*	*Oct-07*
PNC Prime Money Market Fund	$477,596	39.5%	0.0%	0.1%	0.1%	0.1%	0.1%	0.8%	2.3%	Apr-95
91 Day T-Bills			*0.1%*	*0.3%*	*0.1%*	*0.1%*	*0.1%*	*0.7%*	*2.4%*	*Apr-95*

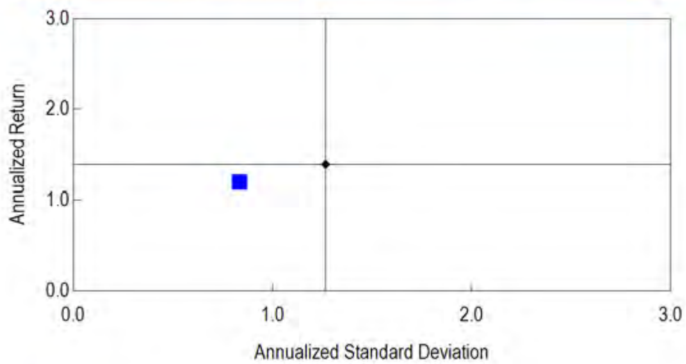
	Fiscal Year Ends December 31											Inception	
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Return	Since
Composite	**1.1%**	**0.9%**	**1.3%**	**0.3%**	**1.8%**	**2.0%**	**2.8%**	**5.2%**	**3.9%**	**5.2%**	**4.3%**	**3.1%**	**Apr-95**
Total Investment Grade Fixed Income	**1.2%**	**1.0%**	**1.3%**	**0.3%**	**2.1%**	**2.3%**	**3.3%**	**6.0%**	**4.5%**	**--**	**--**	**2.6%**	**Oct-07**
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*1.6%*	*1.0%*	*1.5%*	*0.3%*	*2.5%*	*3.1%*	*4.2%*	*4.9%*	*4.6%*	*7.3%*	*4.2%*	*2.8%*	*Oct-07*
Atlanta Capital Management	1.2%	1.0%	1.3%	0.3%	2.1%	2.3%	3.3%	--	--	--	--	1.8%	Jul-09
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*1.6%*	*1.0%*	*1.5%*	*0.3%*	*2.5%*	*3.1%*	*4.2%*	*4.9%*	*4.6%*	*7.3%*	*4.2%*	*2.2%*	*Jul-09*
Total Cash	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**	**0.2%**	**2.5%**	**--**	**--**	**--**	**Oct-07**
91 Day T-Bills	*0.3%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.0%*	*0.1%*	*0.1%*	*1.3%*	*4.4%*	*5.0%*	*0.3%*	*Oct-07*
PNC Prime Money Market Fund	0.1%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	2.5%	4.8%	4.3%	2.3%	Apr-95
91 Day T-Bills	*0.3%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.0%*	*0.1%*	*0.1%*	*1.3%*	*4.4%*	*5.0%*	*2.4%*	*Apr-95*

Account Information	
Account Name	**Atlanta Capital Management**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**7/01/09**
Account Type	**US Fixed Income**
Benchmark	**BofA Merrill Lynch US Corp & Gov 1-5 Yrs**
Universe	**eA US Short Duration Fixed Inc Gross**

Atlanta Capital Management
Ending December 31, 2016

	Fourth Quarter	Inception 7/1/09
Beginning Market Value	$736,467	$571,388
Net Cash Flow	$0	$70,000
Net Investment Change	-$4,033	$91,045
Ending Market Value	$732,434	$732,434

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2016



3 Years Ending December 31, 2016

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Atlanta Capital Management	1.2%	0.9%	68.4%	51.0%
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	1.4%	1.4%	100.0%	100.0%

5 Years Ending December 31, 2016

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Atlanta Capital Management	1.2%	0.8%	69.7%	52.8%
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	1.4%	1.3%	100.0%	100.0%

	Gross of Fee Performance																Inception	
	2016 Q4	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	Return	Since
Atlanta Capital Management	-0.5%	70	1.2%	80	1.2%	62	1.2%	66	1.2%	80	1.0%	44	1.3%	42	0.3%	78	2.1%	60	1.8%	Jul-09
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*-1.0%*	*90*	*1.6%*	*52*	*1.4%*	*45*	*1.4%*	*53*	*1.6%*	*52*	*1.0%*	*36*	*1.5%*	*31*	*0.3%*	*80*	*2.5%*	*49*	*2.2%*	*Jul-09*

Account Information	
Account Name	**PNC Prime Money Market Fund**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**4/01/95**
Account Type	**Cash**
Benchmark	**91 Day T-Bills**
Universe	

PNC Prime Money Market Fund
Ending December 31, 2016

	Fourth Quarter	**Since 10/1/07**
Beginning Market Value	$200,465	$171,131
Net Cash Flow	$277,023	$301,703
Net Investment Change	$107	$4,761
Ending Market Value	$477,596	$477,596

	Gross of Fee Performance									Inception	
	2016 Q4	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
PNC Prime Money Market Fund	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%	2.3%	Apr-95
91 Day T-Bills	*0.1%*	*0.3%*	*0.1%*	*0.1%*	*0.3%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*2.4%*	*Apr-95*

Warehouse Local #730 Legal Fund

Appendix

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2016 2016 Q4	1 Yr	3 Yrs	5 Yrs
Composite	**$1,210,029**	**100.0%**	**-0.5%**	**1.0%**	**1.0%**	**1.0%**
Total Investment Grade Fixed Income	**$732,434**	**60.5%**	**-0.6%**	**1.1%**	**1.0%**	**1.0%**
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*-1.0%*	*1.6%*	*1.4%*	*1.4%*
Atlanta Capital Management	$732,434	60.5%	-0.6%	1.1%	1.0%	1.0%
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*-1.0%*	*1.6%*	*1.4%*	*1.4%*
Total Cash	**$477,596**	**39.5%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**
91 Day T-Bills			*0.1%*	*0.3%*	*0.1%*	*0.1%*
PNC Prime Money Market Fund	$477,596	39.5%	0.0%	0.1%	0.1%	0.1%
91 Day T-Bills			*0.1%*	*0.3%*	*0.1%*	*0.1%*

Warehouse Local #730 Legal Fund Benchmark History
As of December 31, 2016

Composite		
4/1/2009	Present	BofA Merrill Lynch US Corp & Gov 1-5 Yrs 90% / 91 Day T-Bills 10%
4/1/1995	3/31/2009	BofA Merrill Lynch US Corp & Gov 1-5 Yrs

Warehouse Local #730 Legal Fund

FOOTNOTE

- The PNC Prime Money Market Fund transferred $195,000 to the PNC Limited Maturity Bond Fund on 4/15/08.

- Atlanta Capital was funded on 6/19/2009 with $567,765.47 from the PNC Limited Maturity Bond Fund, which as a result was terminated, and $2,234.53 from the PNC Prime Money Market Fund.

- The following composite returns prior to 1st quarter 2010 do not include cash in the calculation of returns.
  - Total Domestic Fixed

- 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.

ERISA Pension Investment Conference

April 19 – 22, 2016

- 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	Fred Alger Management	Patriot Financial Partners
American Realty Advisors	Great Lakes Advisors	PENN Capital Management
ASB Capital Management	Grosvenor Capital Management	PIMCO
Atlanta Capital Management	Hamilton Lane Advisors	Post Advisory Group
Baird Advisors / Baird Inv. Mgmt.	HGK Asset Management	Principal Global Investors
BlackRock Financial Mgmt.	Intercontinental Real Estate Corp.	Rainier Investment Management
Boyd Watterson	Invesco	Rothschild Asset Management
Brown Advisory	Janus Capital	Ryan Labs Asset Management
Chartwell Investment Partners	Johnston Asset Management	Segall Bryant & Hamill
Christenson Investment Partners	JP Morgan Asset Management	Sierra Investment Partners
Columbia Partners	Kearney Capital Management	The Bank of New York Mellon
Corbin Capital Partners	Loomis, Sayles & Company	The Boston Company
Earnest Partners	Lord Abbett	The Yucaipa Companies
Eaton Vance Management	LSV Asset Management	Ullico Investment Company
EnTrust Capital	MacKay Shields	Victory Capital Mgmt.
Evanston Capital Management	MEPT/Bentall Kennedy	Washington Capital Management
Federated Investors	National Investment Services	WEDGE Capital Management
First Eagle Investment Mgmt.	Nikko Asset Management	Westfield Capital Management
Foundry Partners	Nuveen Asset Management	William Blair & Company