Warehouse Employees Local #730 Welfare Fund

Master Consulting Services Report

Period Ended
June 30, 2016

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Market Discussion Points 2Q | 2016

INVESTMENT PERFORMANCE SERVICES, LLC

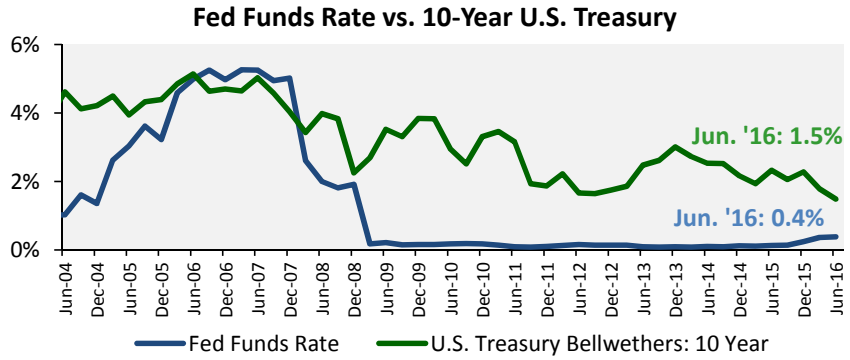
Financial Market Performance

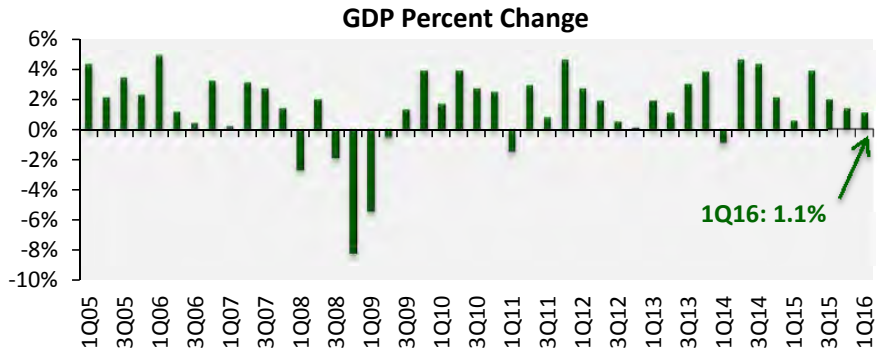
Periods Ending June 30, 2016

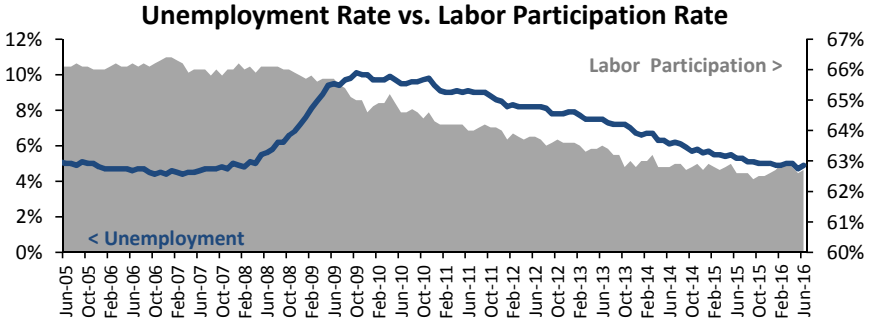
Strategy	Sector	Index	QTR	YTD	2015	2014	2013	2012	2011	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500 Index	2.5	3.8	1.4	13.7	32.4	16.0	2.1	4.0	11.7	12.1	7.4	7.9
	US Small Cap	Russell 2000	3.8	2.2	-4.4	4.9	38.8	16.4	-4.2	-6.7	7.1	8.4	6.2	7.6
	All Country	MSCI All Country World (net)	1.0	1.2	-2.4	4.2	22.8	16.1	-7.4	-3.7	6.0	5.4	4.3	-
	Non-US Developed	MSCI EAFE (net)	-1.5	-4.4	-0.8	-4.9	22.8	17.3	-12.1	-10.2	2.1	1.7	1.6	4.0
	Emerging Markets	MSCI EM (net)	0.7	6.4	-14.9	-2.2	-2.6	18.2	-18.4	-12.1	-1.6	-3.8	3.5	-
Bonds	**Treasury**	Barclays US Govt Index	2.0	5.2	0.9	4.9	-2.6	2.0	9.0	6.0	3.5	3.4	4.7	5.4
	Broad Market	Barclays Aggregate	2.2	5.3	0.6	6.0	-2.0	4.2	7.8	6.0	4.1	3.8	5.1	5.7
	High Yield	Barclays HY BaB 2% Issuer Cap	4.2	7.5	-2.7	3.5	6.2	15.0	6.0	1.9	4.5	6.0	7.2	-
	Global Bonds	Citigroup WGBI	3.4	10.7	-3.6	-0.5	-4.0	1.7	6.4	11.3	2.7	1.2	4.2	4.8
Global Tactical Asset		65% MSCI World /35% Citi WGBI	1.9	4.2	-1.6	3.1	15.1	10.9	-1.2	2.2	5.6	4.9	4.7	5.7
Real Estate	**Core**	NCREIF ODCE Equal Weighted	2.2	4.7	15.1	12.4	13.3	11.0	16.0	12.3	13.0	12.7	5.9	9.0
Hedge Funds	**Diversified FOFs**	HFRI HFOF Composite	0.6	-2.6	-0.3	3.4	9.0	4.8	-5.7	-5.4	1.9	1.6	1.6	4.7
	Equity Long-Short	HFRI Equity Hedge	1.4	-0.4	-1.0	1.8	14.3	7.4	-8.4	-5.0	3.1	2.3	2.9	8.0
Commodities	**Commodities**	Goldman Sachs Commodity Index	12.7	9.9	-32.9	-33.1	-1.2	0.1	-1.2	-26.1	-19.8	-14.0	-10.2	-1.5

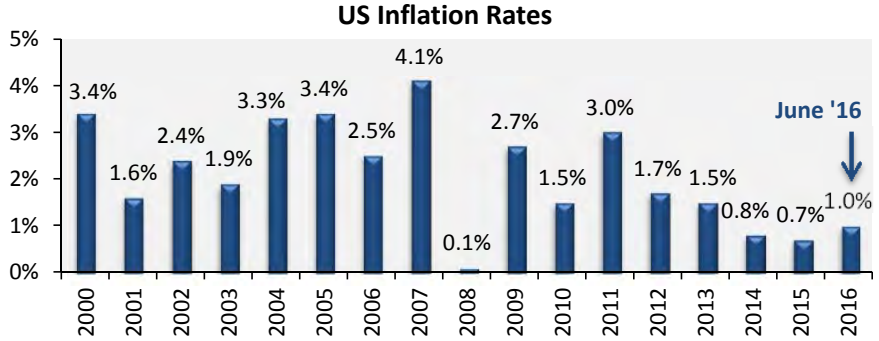
U.S. Economy

One can hardly discuss the economy or finance without mentioning the United Kingdom's close vote to pull out of the European Union. The British exit or "Brexit," is surely going to have a long-term impact on both the British and European economies. Domestically, there seems to be a preponderence of positive economic indicators, especially in the consumer sector of the economy, which is about 70% of total GDP. Job growth looks strong with the Non-Farm Payroll Report for June coming in at 287,000 jobs added vs. a forecast of under 200,000, but the unemployment rate crept up a bit, from 4.7% to 4.9%. This is a higher rate of job growth than the average over the past two years. Wages grew 2.6% year-over-year, which is the biggest increase since 2009. Existing home sales hit a nine-year high and the median home price was up 4.7% vs. last June. The percentage of Americans with subprime credit scores has fallen to the lowest level in a decade, which moved millions of consumers out of the subprime ranks. The household debt service ratio is hovering at about 10%, which is lower than the last lowest level back in the 1980's. There are still some troubling and contradictory indicators; however, most of which are in the corporate sector of the economy. U.S. industrial production is negative year-over-year and the Conference Board of Leading Indicators is up only 1.2%, the lowest rate since 2012. Six of the ten sectors in the S&P 500 Index are forecasted to have lower corporate earnings growth this quarter, which would make this the fifth consecutive quarter of negative earnings growth. We remain in one of the longest, but by far the slowest, economic recoveries in the post-WWII era.

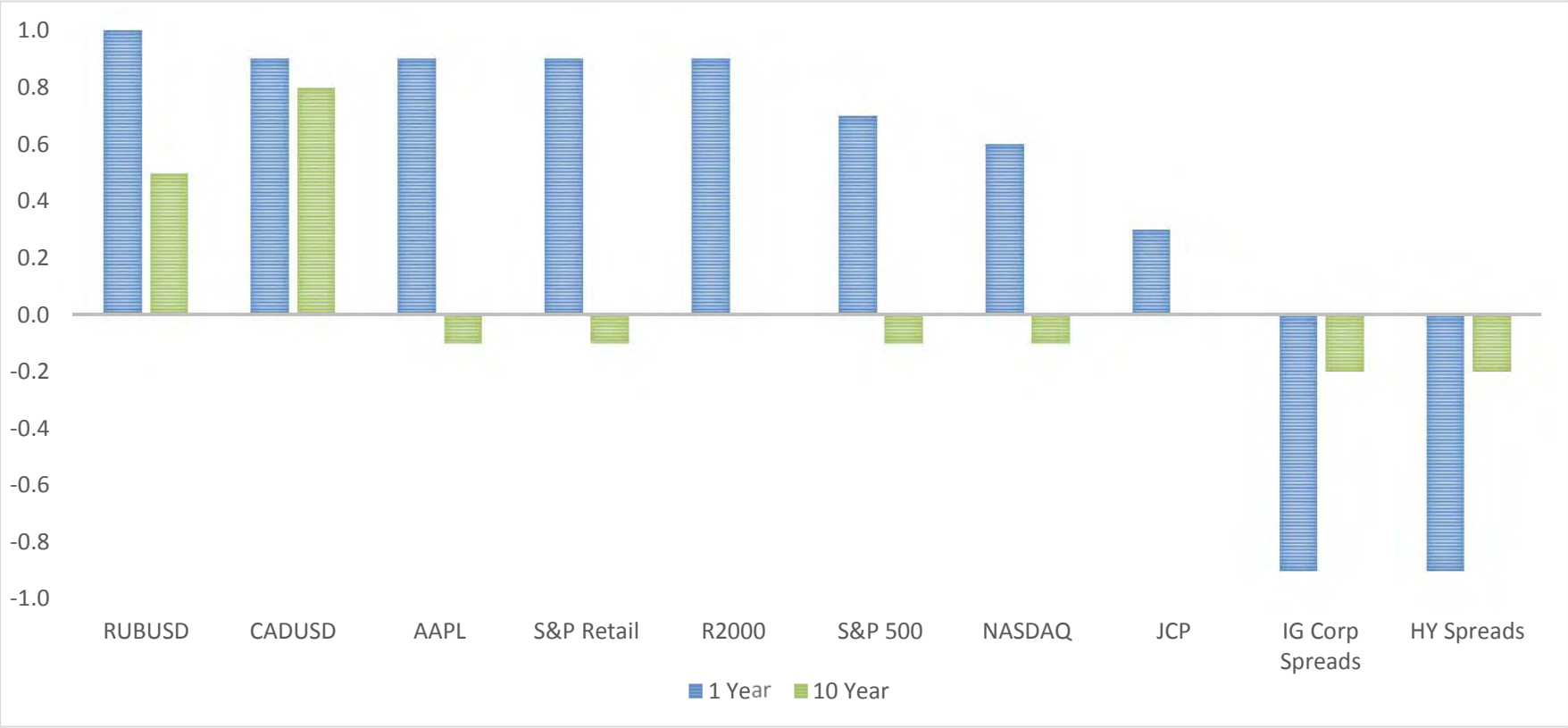






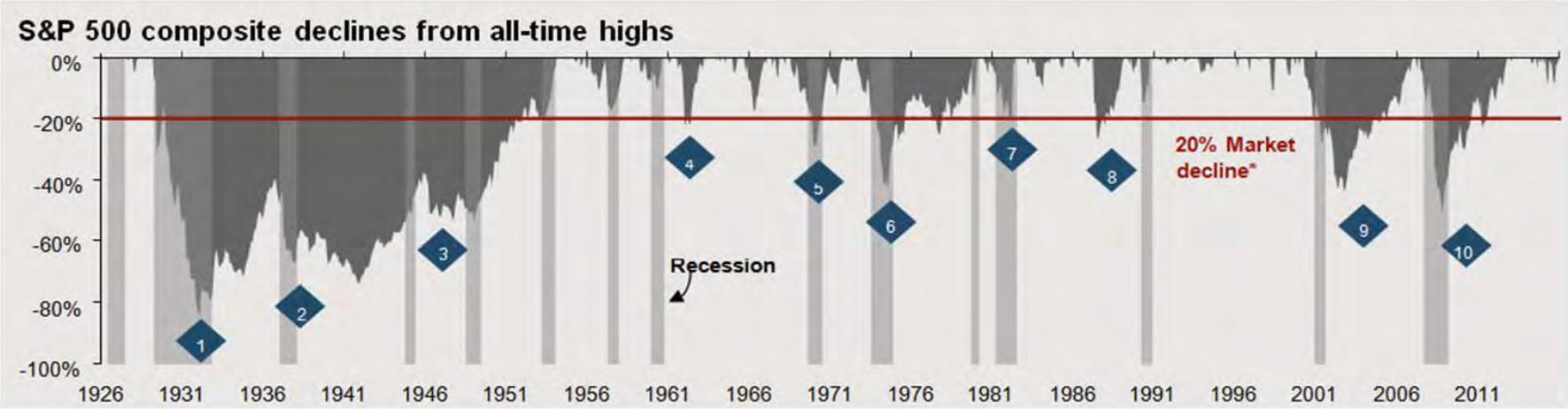


Short & Long Term Correlations to Oil



Source: Strategas.

Current Bull Market: Historical Context



Characteristics of bull and bear markets

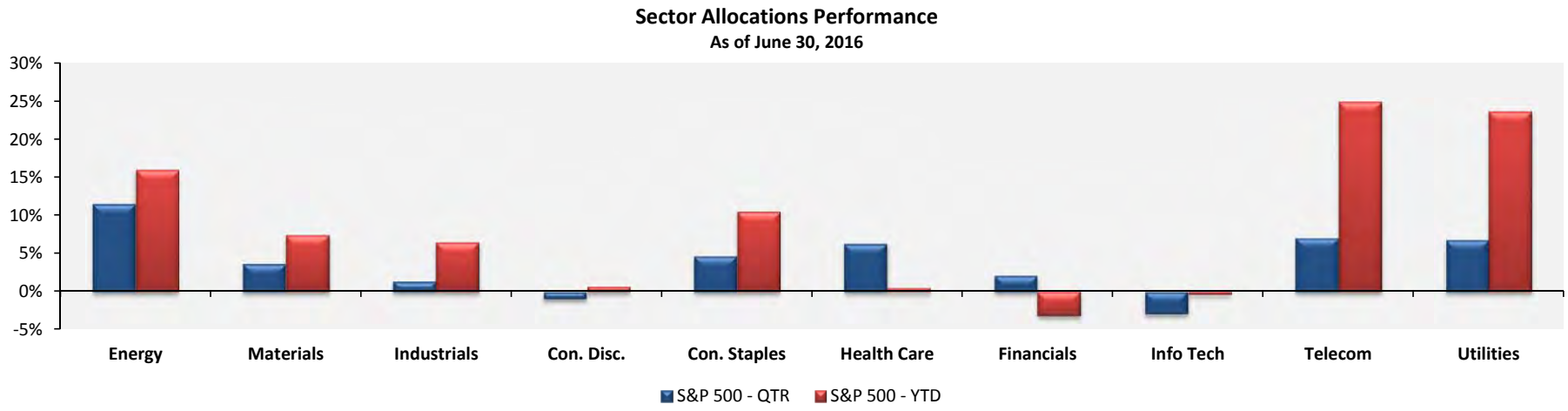
	Bear markets			Macro environment				Bull markets		
Market Corrections	Market peak	Bear return*	Duration (months)*	Recession	Commodity spike	Aggressive Fed	Extreme valuations	Bull begin date	Bull return	Duration (months)
1 Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	33					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					Mar1978	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	210%	89
Averages	-	**-45%**	**25**					-	**152%**	**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. "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 June 30, 2016.

U.S. Equity Market

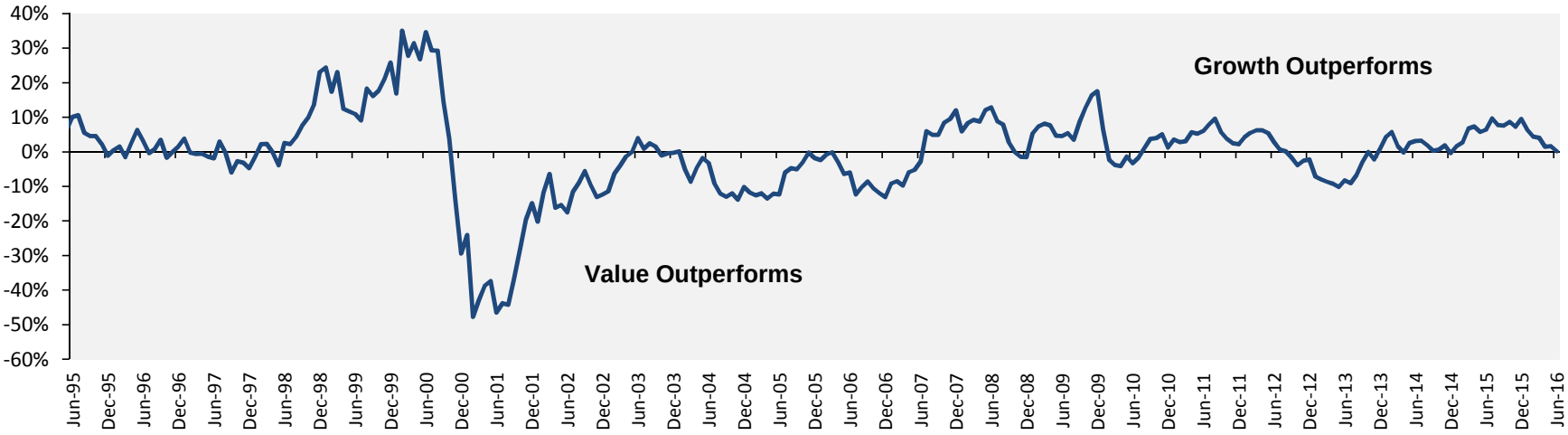
In late June, the UK Brexit vote created some immediate negative volatility for the global equity markets. The US stock market was among the most resilient markets, losing only about 6% before rallying to new all-time highs. Investors recognized that US companies as a whole still have more than 70% of their sales domestically and the US consumer is doing just fine. The S&P 500 Index, a proxy for large cap stocks, returned 2.5% for the quarter and is up 3.8% year to date. The Russell 2000 Index, a proxy for small cap stocks, was up 3.8% for the quarter and is up 2.2% year to date. Value stocks have far outperformed growth stocks so far this year, with the Russell 1000 Value Index up 6.3% vs. the Russell 1000 Growth up only 1.4%. Equities do not appear to be significantly overpriced even as they make new highs. The Price/Earnings ratio (P/E), a measure of stock valuation, is slightly above long term averages with the current forward P/E ratio at about 16.6 times earnings vs. the 25-year average P/E ratio of 15.9 times earnings. The longer-term Shiller Cyclically Adjusted Price Earnings Ratio ("CAPE"), which uses trailing 10-year corporate earnings adjusted for inflation, is at 26.0 times earnings vs. the 25-year average CAPE ratio of 25.8 times earnings. Equity market volatility as measured by the VIX index ended the quarter at 15.6% which is about 14% lower than at the beginning of the year. The S&P Goldman Sachs Commodity Index was up 12.7% for the quarter and is up 9.9% year to date on the increase in the price of oil so far this year, after being down 33% last year. Gold closed the quarter at $1,324 per troy ounce, up $263.20, or almost 25% since the beginning of the year.

		2Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	2.5	3.8	1.4	13.7	32.4	16.0	2.1	4.0	11.7	12.1	7.4
	Russell 1000	2.5	3.7	0.9	13.3	33.1	16.4	1.5	2.9	11.5	11.9	7.5
	Russell 1000 Value	4.6	6.3	-3.8	13.5	32.5	17.5	0.4	2.9	9.9	11.4	6.1
	Russell 1000 Growth	0.6	1.4	5.7	13.1	33.5	15.3	2.6	3.0	13.1	12.4	8.8
Mid Cap	Russell Mid-Cap	3.2	5.5	-2.4	13.2	34.8	17.3	-1.6	0.6	10.8	10.9	8.1
	Russell Mid-Cap Value	4.8	8.9	-4.8	14.7	33.5	18.5	-1.4	3.3	11.0	11.7	7.8
	Russell Mid-Cap Growth	1.6	2.2	-0.2	11.9	35.8	15.8	-1.7	-2.1	10.5	10.0	8.1
Small Cap	Russell 2000	3.8	2.2	-4.4	4.9	38.8	16.4	-4.2	-6.7	7.1	8.4	6.2
	Russell 2000 Value	4.3	6.1	-7.5	4.2	34.5	18.1	-5.5	-2.6	6.4	8.2	5.2
	Russell 2000 Growth	3.2	-1.6	-1.4	5.6	43.3	14.6	-2.9	-10.8	7.7	8.5	7.1
Total Market	Wilshire 5000	2.8	4.0	0.7	12.7	33.1	16.1	1.0	3.0	11.3	11.6	7.5
	Russell 3000	2.6	3.6	0.5	12.6	33.6	16.4	1.0	2.1	11.1	11.6	7.4

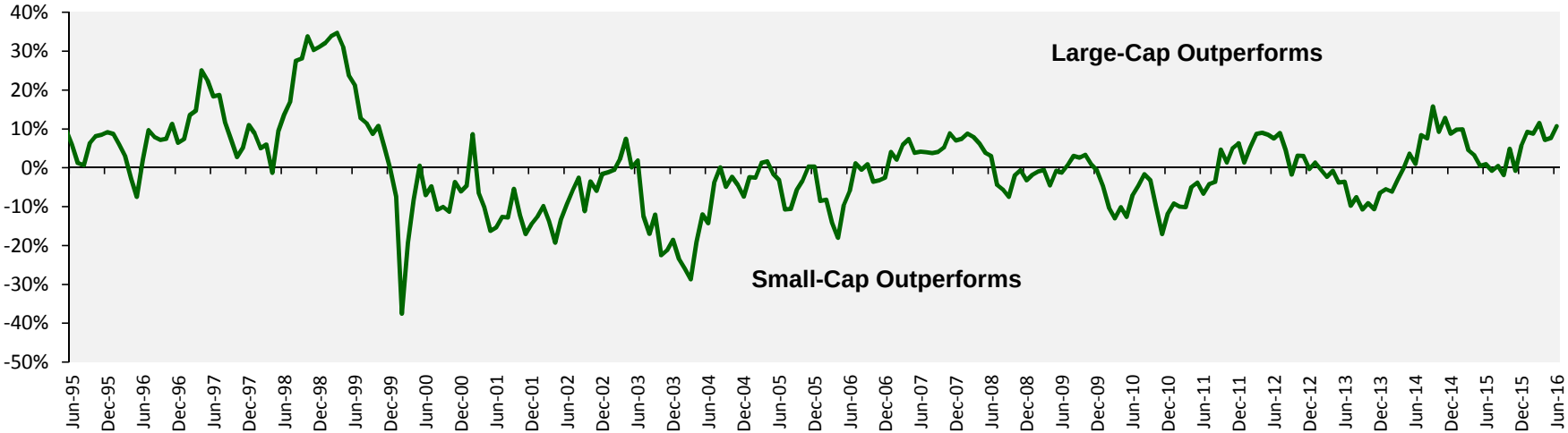


U.S. Equity Market

Russell 1000 Growth vs. Russell 1000 Value
Rolling On



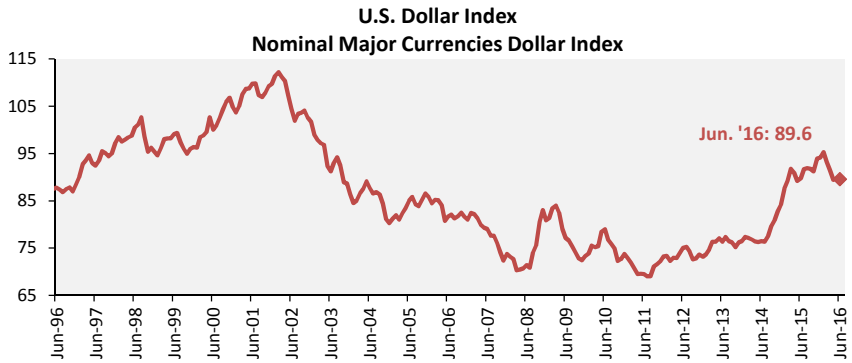
S&P 500 vs. Russell 2000
Rolling One-Year Returns

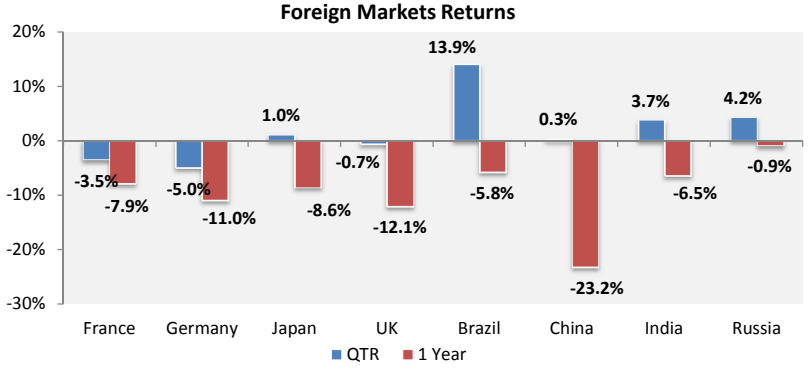


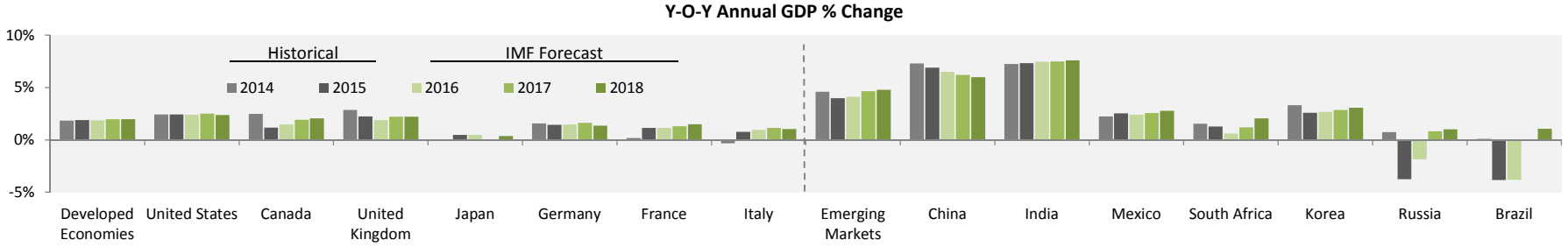
International Equity Market

The UK Brexit vote had a much bigger impact in Europe than it did in the US. The UK stock market (FTSE 100) declined 3.6% in June and is down 3.1% year to date. The British Pound hit generational lows and is down 15% in value vs. the U.S. Dollar since the beginning of the year. The MSCI EAFE Index (the largest 22 developed countries in the world, excluding the US) returned -1.5% for the 2nd quarter, -4.4% year to date, and is down 10.2% over the last twelve months. Italy and Spain's equity markets were particularly hard hit with banking woes and their markets are down 20.9% and 11.4%, respectively, this year. Europe as a whole was down 3.5% for the 2nd quarter and is down 6.0% year to date. They still have significant economic issues and unemployment is still above 10%. At the same time, emerging markets are starting to recover from last year's drubbing and are up 6.6% year to date. Asia is also seeing a similar turnaround, with most countries up significantly (Indonesia +15.8%, Thailand +20.2%) with the exception of India which is up 1.1% and China which is down 4.5% for the first six months of the year. Latin America is up an astounding 25.5% year to date with the Brazilian stock market up 46.3% (18.6% in local currency, with the balance due to currency translation into US dollar terms). Mexico is the laggard in the region with a 6.9% decline in the 2nd quarter and less than a 1% return year to date.

		2Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	1.0	1.2	-2.4	4.2	22.8	16.1	-7.4	-3.7	6.0	5.4	4.3
	MSCI World Small Cap (net)	1.5	2.2	-1.0	1.8	28.7	18.1	-11.3	-4.7	6.8	5.8	6.0
	MSCI World ex US (net)	-0.6	-1.0	-5.7	-3.9	15.3	16.8	-13.7	-10.2	1.2	0.1	1.9
	MSCI World ex US Small Cap (net)	-0.9	-0.2	2.6	-4.0	19.7	18.5	-18.5	-5.5	4.9	2.3	4.1
Developed ex US	MSCI EAFE (net)	-1.5	-4.4	-0.8	-4.9	22.8	17.3	-12.1	-10.2	2.1	1.7	1.6
	MSCI EAFE Value (net)	-2.8	-6.7	-5.7	-5.4	23.0	17.7	-12.2	-15.4	-0.1	0.1	0.2
	MSCI EAFE Growth (net)	-0.2	-2.2	4.1	-4.4	22.6	16.9	-12.1	-4.8	4.2	3.2	2.9
	MSCI EAFE Small Cap (net)	-2.6	-3.2	9.6	-5.0	29.3	20.0	-15.9	-3.7	7.3	4.8	3.6
Emerging Markets	MSCI Emerging Markets (net)	0.7	6.4	-14.9	-2.2	-2.6	18.2	-18.4	-12.1	-1.6	-3.8	3.5





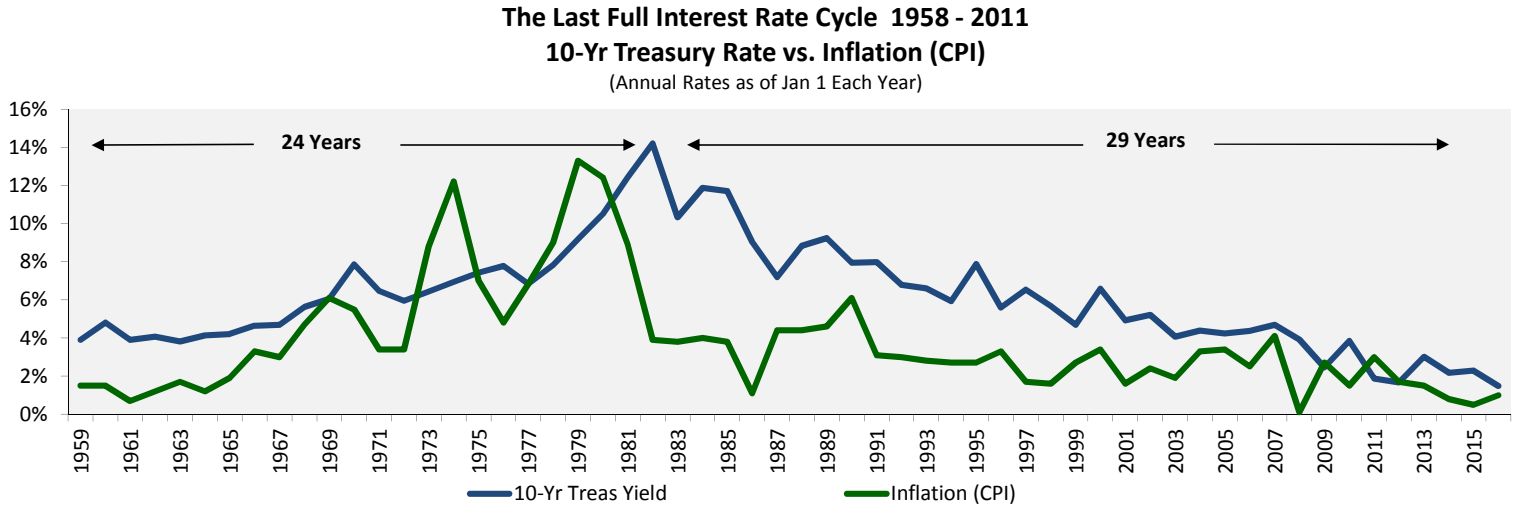


Top left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Top right chart:** Data as of June 30, 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, April 2016.

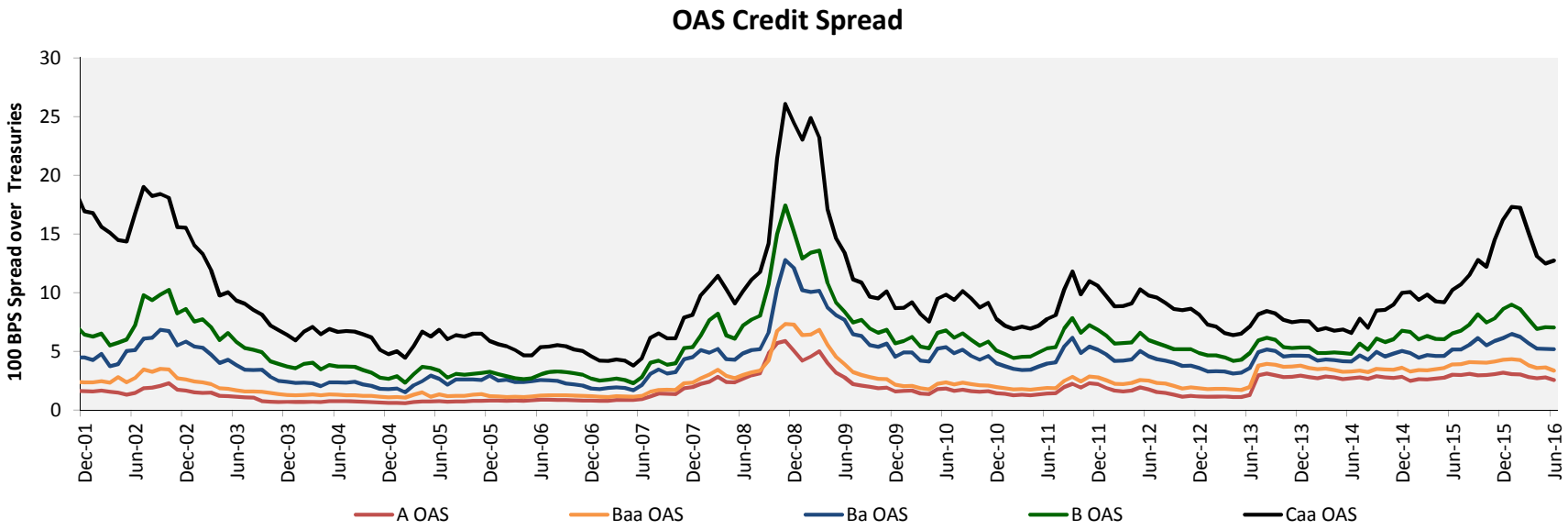
U.S. Bond Market

The yield curve flattened with the 5-year Treasury yield falling to 1.0% and the 10-year Treasury yield declining to 1.5% at quarter-end (only to fall further in July to a low of 1.36%). The 30-year Treasury yielded 4.0% at the end of 2015 and fell to a 2.3% yield as of June 30. The short end of the curve ticked up a bit with the 1-year T-bill yielding 0.5% vs 0.1% at the beginning of the year. The decline in Treasury rates is due to a global flight to quality, which bid up bond prices in the US due to high demand. This drop in yields pushed the Barclays Aggregate Bond Index up 2.2% for the quarter and 5.3% year to date. The shorter duration Barclays Intermediate Govt/Credit Index was up 1.6% for the quarter and 4.1% year to date. High yield bond spreads are at about 6.7% above Treasury rates and defaults remain low at about 3.6%. The Barclays High Yield Index was up 5.5% for the quarter and 9.1% year to date, as the oil and materials sectors rebounded from the overselling that occurred last year and on higher oil prices. Oil moved up about $11.29 per barrel so far this year to $48.33 per barrel at the end of the quarter. The BofA Merrill Lynch BB Rated 1-3 Year Index was up 2.8% for the quarter and is up 5.0% year to date. Globally, 36% of all government bonds, some $113 billion worth, have negative yields and 74% of all government bonds globally are yielding less than 1%. The growth in the global bond market in the past 25 years has been astounding. In 1990, the total value of bonds worldwide was about $12 trillion and the U.S. accounted for 61% of the global bond market. Today, the U.S. bond market is valued at about $37 trillion (38% of the market), developed countries outside the U.S. are now $42 trillion (44% of the market) and emerging markets are $16 trillion (17% of the market). Note that emerging market debt alone is now larger than the entire global bond market was 25 years ago. Interestingly, emerging market debt has been the best performing bond sector over the past five years with an average annual return of 7.9%, besting even the US high yield sector which returned 7.0% for the same period. Due to low inflation, TIPS has been the worst performing sector over the last five years, returning only 3.9%.

	Yield	Duration	2Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Barclays Aggregate	1.91	5.47	2.2	5.3	0.6	6.0	-2.0	4.2	7.8	6.0	4.1	3.8	5.1
Barclays Govt/Credit	1.85	6.69	2.7	6.2	0.2	6.0	-2.4	4.8	8.7	6.7	4.2	4.1	5.2
Barclays Int Agg	1.64	3.56	1.4	3.8	1.2	4.1	-1.0	3.6	6.0	4.4	3.2	3.0	4.7
Barclays Int Govt/Credit	1.41	4.08	1.6	4.1	1.1	3.1	-0.9	3.9	5.8	4.3	3.0	2.9	4.5
Barclays HY Ba/B 2% Capped	6.03	4.40	4.2	7.5	-2.7	3.5	6.2	15.0	6.0	1.9	4.5	6.0	7.2
ML HY Cash Pay BB 1-3 Yr.	5.15	1.74	2.8	5.0	1.2	1.9	5.6	10.2	4.4	3.8	4.3	4.9	6.5
Barclays Mortgage	2.08	2.46	1.1	3.1	1.5	6.1	-1.4	2.6	6.2	4.3	3.8	3.0	5.0
Barclays Treasury	1.11	6.37	2.1	5.4	0.8	5.1	-2.8	2.0	9.8	6.2	3.5	3.5	4.9
Barclays US TIPS	1.47	5.26	1.7	6.2	-1.4	3.6	-8.6	7.0	13.6	4.4	2.3	2.6	4.8
91 day T-Bills	0.3	0.25	0.1	0.2	0.1	0.0	0.1	0.1	0.1	0.2	0.1	0.1	1.0



Bond Market


OAS Credit Spread
100 BPS Spread over Treasuries
30
25
20
15
10
5
0
Dec-01
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
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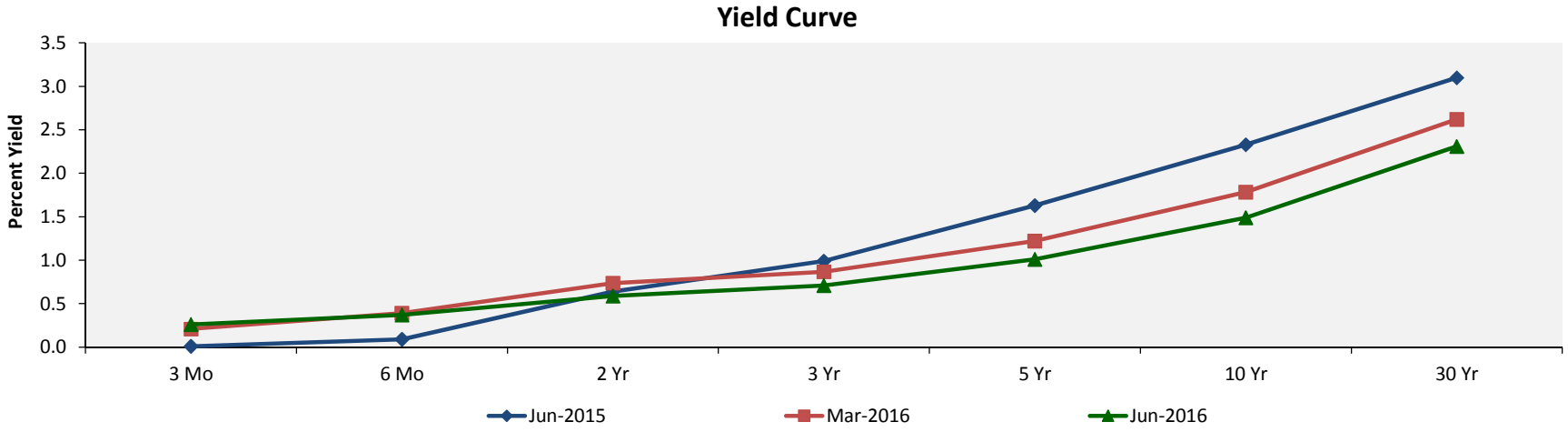
Ba OAS
B OAS
Caa OAS


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
Jun-2015
Mar-2016
Jun-2016

Interest Rate Sensitivity

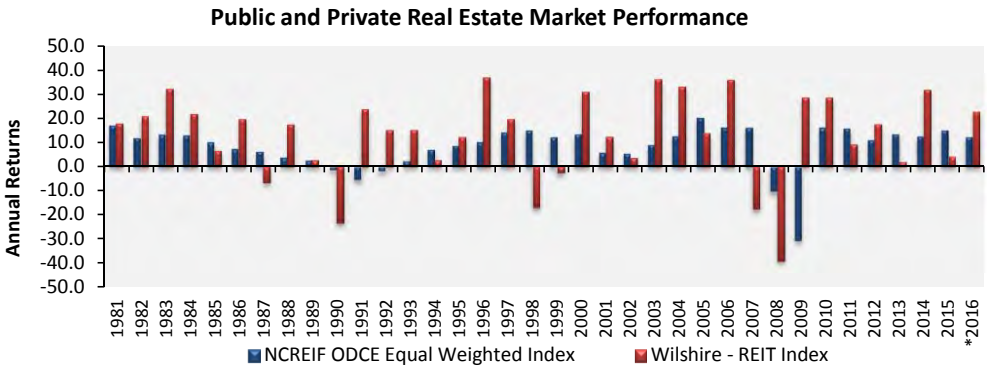
12 Month Holding Period - Annualized Returns as of 6/30/2016						
Yield Change	10 Year Treasury	Barclays Aggregate	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	ML Defensive US HY BB/B ND	ML Short Duration US HY BB/B 1-3 yr
(bps)	S010	US Aggregate	B0A0	B1A0	H4ND	J1A4
-150	16.83	10.65	11.86	3.74	12.79	7.76
-100	11.77	7.73	8.51	2.81	10.48	6.89
-50	6.72	4.82	5.17	1.88	8.18	6.02
-25	4.19	3.36	3.49	1.42	7.02	5.59
0	1.66	1.90	1.82	0.95	5.87	5.15
25	-0.87	0.44	0.15	0.49	4.72	4.72
50	-3.40	-1.02	-1.53	0.02	3.57	4.28
100	-8.45	-3.93	-4.87	-0.91	1.26	3.41
150	-13.51	-6.85	-8.22	-1.84	-1.05	2.54
200	-18.56	-9.76	-11.56	-2.77	-3.35	1.67
250	-23.62	-12.68	-14.91	-3.70	-5.66	0.80
300	-28.67	-15.59	-18.25	-4.63	-7.96	-0.07
350	-33.73	-18.51	-21.60	-5.56	-10.27	-0.94
400	-38.78	-21.42	-24.94	-6.49	-12.57	-1.81
450	-43.84	-24.34	-28.29	-7.42	-14.88	-2.68
500	-48.89	-27.25	-31.63	-8.35	-17.18	-3.55
Duration	10.110	5.830	6.690	1.860	4.610	1.740

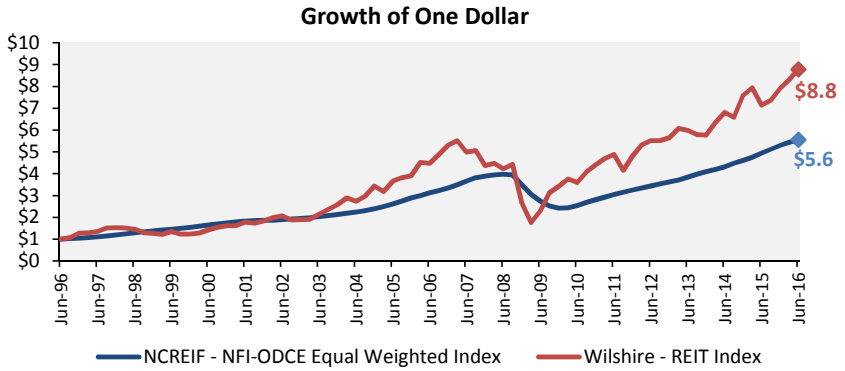
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 6/30/2016 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as of 6/30/2016 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

Real estate as an asset class has recovered strongly since 2008 and achieved new highs in market value. Coupled with attractive income, total returns from income have been very strong, both absolutely and in comparison to other asset classes. However, one of the major components of return from this cycle - cap rate compression - has probably run its course. While cap rates could go modestly lower, real estate returns will now depend on income return and its growth for the majority of total return. Income returns of approximately 5% and appreciation of 1-3% mean total returns of 6-8% for the longer term. The income return of 5% is relatively attractive when compared against other asset classes. Unless interest rates rise substantially, the income component of real estate will continue to be attractive to investors, especially foreign investors, and keep valuations at high levels. PREA forecast returns show moderation from that of recent years but are still attractive.

		2Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	2.2	4.7	15.1	12.4	13.3	11.0	16.0	12.3	13.0	12.7	5.9
US Public	Wilshire REIT	5.6	11.1	4.2	31.8	1.9	17.6	9.2	22.8	13.6	12.5	7.0





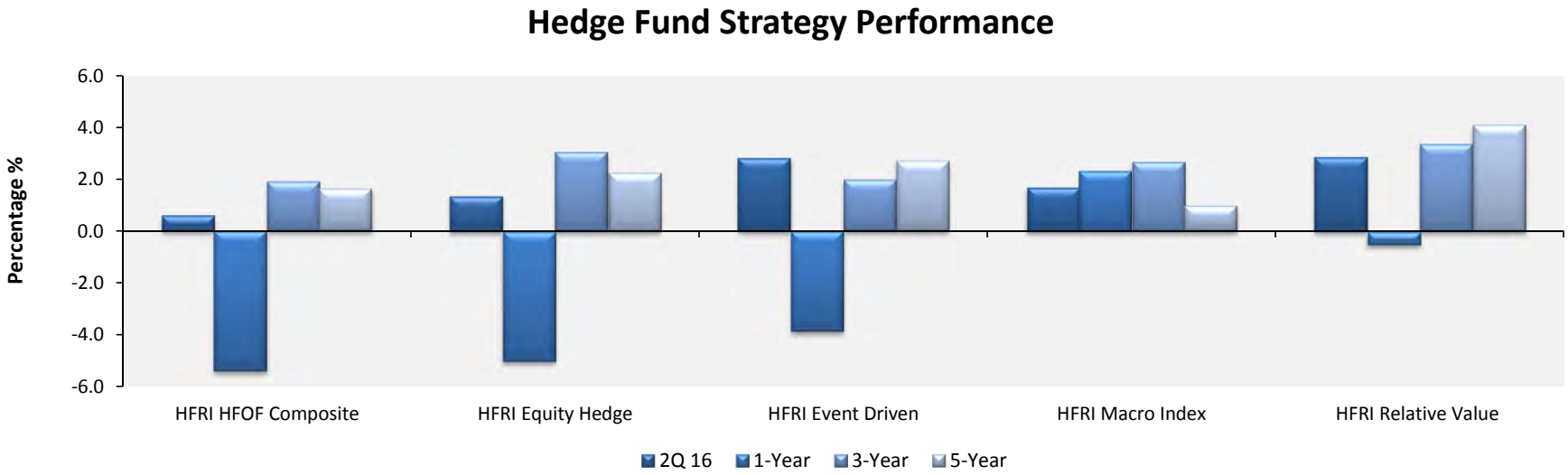
	Total return (incl. income) 2016	Total return (incl. income) 2017	Total return (incl. income) 2018	Total return (incl. income) 2016 to 2020 (per year)
National, All Property Types (NPI)	8.4	6.8	5.7	6.7
Office	8.1	6.5	5.4	6.4
Retail	8.9	6.9	5.7	6.9
Industrial	9.6	7.5	6.1	7.1
Apartment	8.1	6.6	5.5	6.5

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 2016.

Hedge Fund of Funds Market

Hedge funds produced positive results broadly across strategies during the second quarter. The HFRI Fund of Funds Composite rose 61 basis points in Q2, but remains negative YTD. The first two months of the quarter saw generally positive results in global equity and fixed income markets before a sharp increase in volatility and a sell-off in risk assets towards the end of June, driven by the Brexit vote. Relative value and event driven strategies led the way during Q2, though the positive results were driven primarily by credit-focused event and relative value strategies rather than those focused on equity. Credit markets held up well during the quarter, high yield spreads tightened slightly and distressed credits and the energy sector outpaced the broader market. Event-focused equity strategies did not fare as well. M&A activity has continued to slow this year, with several high-profile deals falling through; the HFRI Merger Arbitrage index declined 56 bps during Q2 and is up just 15 bps YTD. After showing strong performance in March and April, activist equity strategies declined in May and June; the HFRI Activist Index declined 33 bps in Q2 and is down 1.92% YTD. Traditional long/short equity posted gains in Q2, however dispersion among managers and strategies in the space continues to be high; cyclical stocks, especially those in the metals and energy sectors, rose significantly during the quarter, while funds focused on the financials sector and Europe/UK lagged.

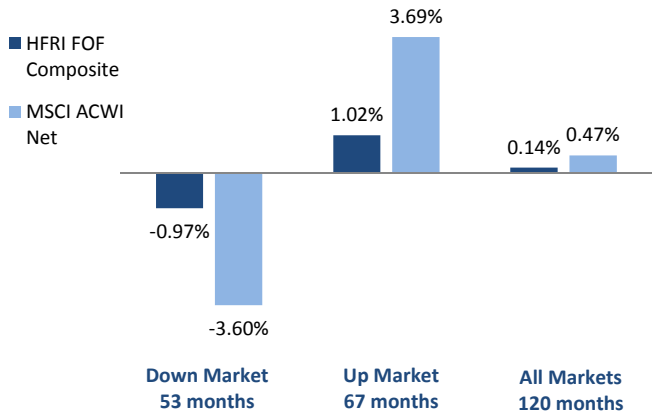
Strategy	Index	2Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	0.6	-2.6	-0.3	3.4	9.0	4.8	-5.7	-5.4	1.9	1.6	1.6
Equity Long-Short	HFRI Equity Hedge	1.4	-0.4	-1.0	1.8	14.3	7.4	-8.4	-5.0	3.1	2.3	2.9
Event Driven	HFRI Event Driven	2.8	2.1	-3.6	1.1	12.5	8.9	-3.3	-3.9	2.0	2.7	3.9
Global Macro	HFRI Macro Index	1.7	3.3	-1.3	5.6	-0.4	-0.1	-4.2	2.3	2.7	1.0	3.4
Relative Value	HFRI Relative Value	2.9	2.4	-0.3	4.0	7.1	10.6	0.2	-0.5	3.4	4.1	5.3



Hedge Fund of Funds Market

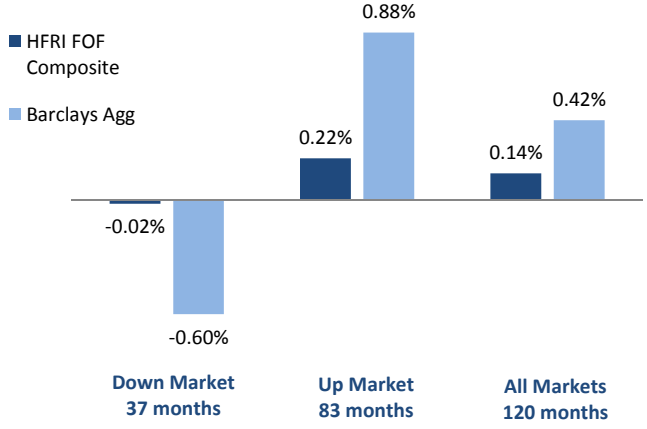
Up/Down Capture vs. Equity

Average Returns
July 2006 - June 2016



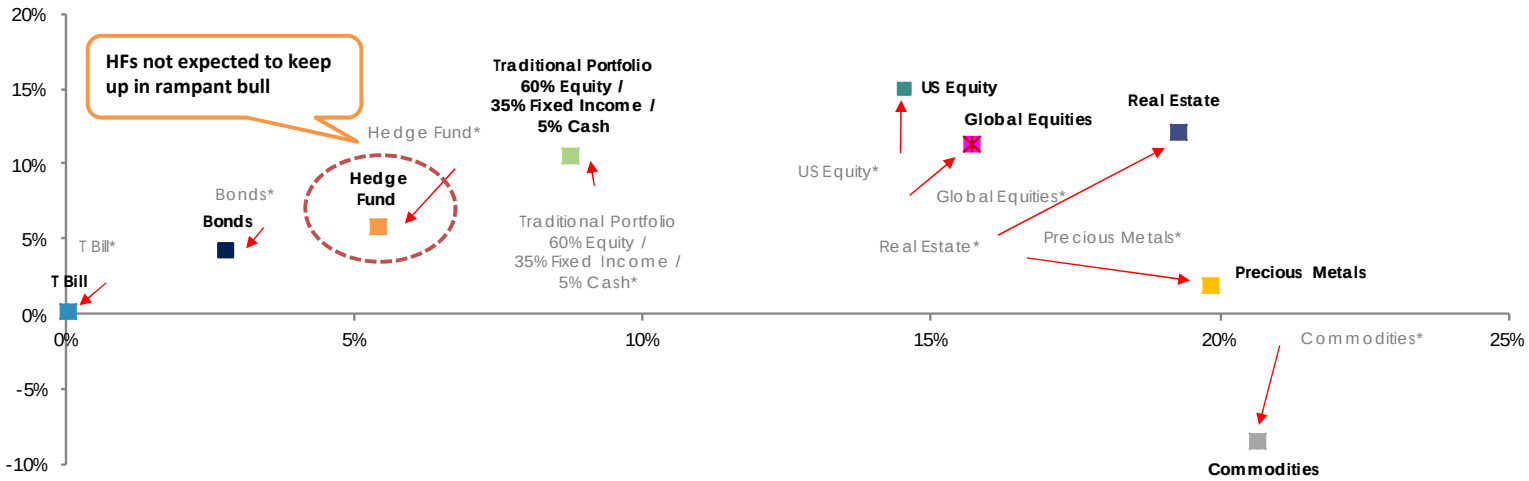
Up/Down Capture vs. Bonds

Average Returns
July 2006 - June 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 Welfare Fund

Master Consulting Services Report

Period Ended

June 30, 2016

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	$8,926,275	$9,863,940	$11,736,262	$16,175,924	$20,104,918	$17,501,809	$18,284,250
Net Cash Flow	-$1,120,793	-$2,154,975	-$4,026,256	-$9,685,299	-$15,226,151	-$14,865,433	-$17,259,798
Net Investment Change	$127,376	$223,893	$222,851	$1,442,233	$3,054,090	$5,296,482	$6,908,406
Ending Market Value	$7,932,858	$7,932,858	$7,932,858	$7,932,858	$7,932,858	$7,932,858	$7,932,858

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

Total Plan Performance (Gross of Fees)

	Market Value	% of Portfolio	Ending June 30, 2016						
			2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Composite	**$7,932,858**	**100.0%**	**1.6%**	**2.8%**	**2.8%**	**3.8%**	**4.1%**	**4.7%**	**4.2%**
Total Investment Grade Fixed Income	**$3,660,095**	**46.1%**	**1.8%**	**4.4%**	**5.0%**	**3.1%**	**2.8%**	**3.4%**	**4.4%**
Barclays Int Govt/Credit			*1.6%*	*4.1%*	*4.3%*	*3.0%*	*2.9%*	*3.8%*	*4.5%*
Total Short Duration High Yield Fixed Income	**$3,055,554**	**38.5%**	**2.2%**	**3.5%**	**0.9%**	**--**	**--**	**--**	**--**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*2.8%*	*5.0%*	*3.8%*	*4.3%*	*4.9%*	*7.2%*	*--*
Total Real Estate	**$748,311**	**9.4%**	**1.3%**	**3.9%**	**10.6%**	**12.4%**	**12.2%**	**9.2%**	**--**
NCREIF ODCE Equal Weighted Index			*2.2%*	*4.7%*	*12.2%*	*13.0%*	*12.7%*	*10.6%*	*5.9%*
Total Cash	**$468,898**	**5.9%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.9%**
91 Day T-Bills			*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.9%*

	Fiscal Year Ends December 31											
	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Composite	**2.8%**	**1.8%**	**3.8%**	**3.7%**	**6.0%**	**5.0%**	**6.2%**	**2.4%**	**-2.7%**	**6.8%**	**7.9%**	**3.0%**
Benchmark	*4.4%*	*1.4%*	*4.4%*	*3.8%*	*6.4%*	*6.2%*	*7.7%*	*4.3%*	*-5.1%*	*7.0%*	*7.4%*	*2.5%*

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$3,660,095	46.1%	45.0%	35.0% - 55.0%	1.1%	$90,309
Short Duration High Yield Fixed Income	$3,055,554	38.5%	40.0%	30.0% - 50.0%	-1.5%	-$117,589
Real Estate	$748,311	9.4%	5.0%	0.0% - 15.0%	4.4%	$351,668
Cash	$468,898	5.9%	10.0%	0.0% - 20.0%	-4.1%	-$324,388
Total	**$7,932,858**	**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, and January 15, 2016 meetings.
- At the September 25, 2014 meeting, Trustees agreed to utilize PENN Capital (high yield) for cash needs to rebalance allocations closer to target.
- An asset allocation review was presented at the March 19, 2015 meeting.
- 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.
- During the 2nd quarter of 2015, $955,000 was transferred to the cash account for benefit payments from the following managers: Wedge ($600,000), Chartwell ($255,000), PENN ($100,000).
- On July 1, 2015, $600,000 was transferred to the cash account from Wedge Capital ($420,000) and Chartwell ($180,000) for benefit obligations.
- At the September 18, 2015 meeting, sources for on-going cash needs were discussed. The Trustees elected to terminate the Fund's investment in SSgA S&P 500 Index Fund and use the proceeds to offset cash needs. On January 6, 2015, SSgA S&P Fund was liquidated. Proceeds of $1.2M were transferred to the PNC cash account.
- 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.

Recommendation: None.

Account Information	
Account Name	**Wedge Capital Management**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**12/31/14**
Account Type	**Fixed**
Benchmark	**Barclays Int Govt/Credit**
Universe	**eA US Interm Duration Fixed Inc Gross**

Wedge Capital Management
Ending June 30, 2016

	Second Quarter	Inception 12/31/14
Beginning Market Value	$4,888,761	$0
Net Cash Flow	-$1,300,000	$3,396,590
Net Investment Change	$71,334	$263,506
Ending Market Value	$3,660,095	$3,660,095

	Gross of Fees										Inception	
	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011	Return	Since
Wedge Capital Management	1.8%	4.4%	5.0%	--	--	1.5%	--	--	--	--	3.9%	Dec-14
Barclays Int Govt/Credit	*1.6%*	*4.1%*	*4.3%*	--	--	*1.1%*	--	--	--	--	*3.4%*	*Dec-14*

	Net of Fees									
	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011
Wedge Capital Management	1.7%	4.2%	4.8%	--	--	1.3%	--	--	--	--
Barclays Int Govt/Credit	*1.6%*	*4.1%*	*4.3%*	--	--	*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.
- During the 2nd quarter of 2015, $600,000 was transferred to the cash account for benefit obligations.
- On July 1, 2015, $420,000 was transferred to the cash account for benefit obligations.
- On August 13, 2015, $450,000 was transferred to the cash account for benefit obligations.
- 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.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

Items of Interest: Form ADV – On June 15, 2016, Wedge filed an amendment to Form ADV. This document has been updated to reflect WEDGE's change of address. Additional amendments include enhancing the disclosures on best execution and delayed settlements as well as adding disclosures around cross trades. The Material Changes page is included in the compliance report behind the checklist. Manager stated a copy of the amendment to Form ADV is being delivered to the Fund.

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, 2016

	Second Quarter	Inception 8/31/13
Beginning Market Value	$1,606,937	$0
Net Cash Flow	$1,400,000	$2,852,500
Net Investment Change	$48,616	$203,054
Ending Market Value	$3,055,554	$3,055,554

	Gross of Fees										Inception	
	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011	Return	Since
Chartwell Investment Partners Short Duration High Yield	2.2%	3.5%	0.9%	--	--	-0.8%	1.6%	--	--	--	2.5%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*2.8%*	*5.0%*	*3.8%*	--	--	*1.2%*	*1.9%*	--	--	--	*3.8%*	*Aug-13*
Barclays 1-3 Yr BB U.S. Constrained Index	*2.9%*	*5.6%*	*4.3%*	--	--	*1.1%*	*1.5%*	--	--	--	*3.7%*	*Aug-13*

	Net of Fees									
	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011
Chartwell Investment Partners Short Duration High Yield	2.1%	3.3%	0.4%	--	--	-1.3%	1.1%	--	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*2.8%*	*5.0%*	*3.8%*	--	--	*1.2%*	*1.9%*	--	--	--
Barclays 1-3 Yr BB U.S. Constrained Index	*2.9%*	*5.6%*	*4.3%*	--	--	*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).
- During the 2nd quarter of 2015, $255,000 was transferred to the cash account for benefit obligations.
- On July 1, 2015, $180,000 was transferred to the cash account for benefit obligations.
- On August 12, 2015, $450,000 was transferred to the cash account for benefit obligations.
- 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

- On January 7, 2014, Chartwell announced it has entered into an agreement to be acquired by TriState Capital Holdings, Inc., a Pittsburgh based bank holding company. The transaction closed on March 6, 2014. Clients were asked to sign a consent of assignment regarding the ownership change.
- IPS conducted due diligence meetings with Chartwell on March 24, 2015 and November 20, 2015.

Recommendation: None.

Compliance Summary

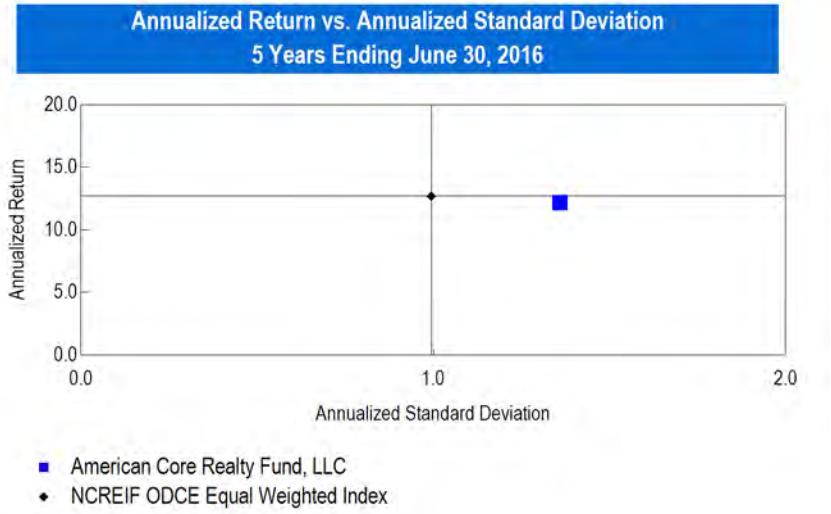
Exceptions: None.

Action to be taken: None.

Items of Interest: Personnel Additions - Chartwell has added twelve employees in the 2nd quarter 2016, due to the recent acquisition of The Killen Group, Inc. (TKG), an investment management firm based in Berwyn, Pa and the advisor to The Berwyn Funds: George J. Cipolloni III, CFA, Senior Portfolio Manager (Berwyn Funds), Lee S. Grout, CFA, Senior Portfolio Manager (Berwyn Funds), Robert E. Killen, Senior Portfolio Manager (Berwyn Funds), Mark J. Saylor, CFA, Senior Portfolio Manager (Berwyn Funds), Peter Toscani, CFA, Portfolio Analyst (Berwyn Funds), Michael P. Magee, COO – Retail Division, Allen Chapracki, Director of Analytics and Product Management, Luis A. Sepulveda, Jr., Trader (Berwyn Funds), Neil Walker, CPA, Controller (Berwyn Funds), Patricia McCabe, Compliance Officer, Melissa L. Haupt, Manager of Client Services and Communications, Rebecca Johnson, Administration. **Ownership Changes -** TriState Capital's acquisition of The Killen Group closed on April 29, 2016. All of The Killen Group's assets and employees became part of Chartwell. As previously communicated, The Killen Group's investment team has become the fifth investment team under the Chartwell umbrella. **Form ADV Changes -** As communicated in December 2015, Chartwell's parent company, TriState Capital Holdings, Inc. (NASDAQ: TSC) entered into an agreement to acquire The Killen Group, Inc. (TKG), an investment management firm based in Berwyn, Pennsylvania and the advisor to The Berwyn Funds. The transaction closed on April 29, 2016 and, TKG, with assets under management of $2.0 billion, became part of Chartwell Investment Partners. The TKG investment team, led by George Cipolloni, Lee Grout, Bob Killen, and Mark Saylor, has become the fifth investment team under the Chartwell umbrella, working independently, and exchanging their thoughts with members of existing product teams; Small/Mid/Smid Growth, Small/Mid/Smid Value, Dividend Value/Covered Call and High Grade/High Yield Fixed Income. Bob Killen, a new Chartwell employee, acts as the General Partner of Focus Limited Partners ("Focus"), a privately offered Limited Partnership for qualified investors. Focus invests in common stock and may hold shares of one or more mutual funds managed by Chartwell. Focus is traded on Chartwell's trade desk, but is treated as a personal account of Mr. Killen since Chartwell is not the Adviser of Focus and the account does not follow any of Chartwell's investment strategies. The General Partner of Focus also receives a performance fee. Chartwell has policies and procedures in place to insure that no favoritism is shown to the private fund by looking for potential front running, scalping or any other favorable treatment of the Private Fund's trades. Item 10 of the ADV 2A explains the compliance oversight in further detail.

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	



American Core Realty Fund, LLC
Ending June 30, 2016

	Second Quarter	Inception 7/1/08
Beginning Market Value	$741,053	$2,000,000
Net Cash Flow	$0	-$1,188,507
Net Investment Change	$7,258	-$63,183
Ending Market Value	$748,311	$748,311

3 Years Ending June 30, 2016

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	12.4%	1.7%	94.4%	--
NCREIF ODCE Equal Weighted Index	13.0%	1.1%	100.0%	--

5 Years Ending June 30, 2016

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	12.2%	1.4%	94.7%	--
NCREIF ODCE Equal Weighted Index	12.7%	1.0%	100.0%	--

Gross of Fees

	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011	Inception Return	Inception Since
American Core Realty Fund, LLC	1.3%	3.9%	10.6%	12.4%	12.2%	15.4%	11.6%	12.4%	11.3%	15.1%	4.1%	Jul-08
NCREIF ODCE Equal Weighted Index	*2.2%*	*4.7%*	*12.2%*	*13.0%*	*12.7%*	*15.2%*	*12.4%*	*13.3%*	*11.0%*	*16.0%*	*4.3%*	*Jul-08*

Net of Fees

	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011
American Core Realty Fund, LLC	1.0%	3.4%	9.4%	11.2%	10.9%	14.1%	10.4%	11.1%	10.1%	13.8%
NCREIF ODCE Equal Weighted Index	*2.2%*	*4.7%*	*12.2%*	*13.0%*	*12.7%*	*15.2%*	*12.4%*	*13.3%*	*11.0%*	*16.0%*

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.

Manager Summary

- On September 25, 2014, American Realty Advisors (ARA) contacted investors in the American Core Realty Fund ("ACRF") regarding a potential change to the Fund's structure. ARA proposed a change in the Fund's structure from a Delaware Limited Liability Company (LLC) to a Delaware Limited Partnership (LP). ARA stated that this conversion will not affect the rights of any of the existing investors in ACRF, and no changes to the management or performance of the fund are anticipated. A sufficient number of the Fund's Members (66.7%) approved these changes during the fourth quarter of 2014. Effective January 1, 2015, the Core Fund was converted to a limited partnership named American Core Realty Fund, LP, and ACRF Management, LLC, a wholly-owned subsidiary of American, became the Core Fund's General Partner.
- IPS conducted due diligence meetings with American Realty Advisors on October 20, 2015 and July 27, 2016.

Recommendation: None.

Compliance Summary

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

Items of Interest: None.

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, 2016

	Second Quarter	Inception 1/1/98
Beginning Market Value	$1,689,523	$1,375,630
Net Cash Flow	-$1,220,793	-$1,080,951
Net Investment Change	$168	$174,220
Ending Market Value	$468,898	$468,898

	Gross of Fees										Inception	
	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011	Return	Since
PNC Cash Account	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	Jan-98
91 Day T-Bills	*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.0%*	*2.0%*	*Jan-98*

Commission Recapture Provider

- ConvergEx Group.

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

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2016							Inception	
			2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Composite	**$7,932,858**	**100.0%**	**1.6%**	**2.8%**	**2.8%**	**3.8%**	**4.1%**	**4.7%**	**4.2%**	**4.6%**	**Jan-98**
Total Investment Grade Fixed Income	**$3,660,095**	**46.1%**	**1.8%**	**4.4%**	**5.0%**	**3.1%**	**2.8%**	**3.4%**	**4.4%**	**4.7%**	**Jan-98**
Barclays Int Govt/Credit			*1.6%*	*4.1%*	*4.3%*	*3.0%*	*2.9%*	*3.8%*	*4.5%*	*4.9%*	*Jan-98*
Wedge Capital Management	$3,660,095	46.1%	1.8%	4.4%	5.0%	--	--	--	--	3.9%	Dec-14
Barclays Int Govt/Credit			*1.6%*	*4.1%*	*4.3%*	--	--	--	--	*3.4%*	*Dec-14*
Total Short Duration High Yield Fixed Income	**$3,055,554**	**38.5%**	**2.2%**	**3.5%**	**0.9%**	**--**	**--**	**--**	**--**	**2.5%**	**Aug-13**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*2.8%*	*5.0%*	*3.8%*	--	--	--	--	*3.8%*	*Aug-13*
Chartwell Investment Partners Short Duration High Yield	$3,055,554	38.5%	2.2%	3.5%	0.9%	--	--	--	--	2.5%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*2.8%*	*5.0%*	*3.8%*	--	--	--	--	*3.8%*	*Aug-13*
Barclays 1-3 Yr BB U.S. Constrained Index			*2.9%*	*5.6%*	*4.3%*	--	--	--	--	*3.7%*	*Aug-13*
Total Real Estate	**$748,311**	**9.4%**	**1.3%**	**3.9%**	**10.6%**	**12.4%**	**12.2%**	**9.2%**	**--**	**4.1%**	**Jul-08**
NCREIF ODCE Equal Weighted Index			*2.2%*	*4.7%*	*12.2%*	*13.0%*	*12.7%*	*10.6%*	--	*4.3%*	*Jul-08*
American Core Realty Fund, LLC	$748,311	9.4%	1.3%	3.9%	10.6%	12.4%	12.2%	9.2%	--	4.1%	Jul-08
NCREIF ODCE Equal Weighted Index			*2.2%*	*4.7%*	*12.2%*	*13.0%*	*12.7%*	*10.6%*	--	*4.3%*	*Jul-08*
Total Cash	**$468,898**	**5.9%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.9%**	**2.0%**	**Jan-98**
91 Day T-Bills			*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.9%*	*2.0%*	*Jan-98*
PNC Cash Account	$468,898	5.9%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.9%	2.0%	Jan-98
91 Day T-Bills			*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.9%*	*2.0%*	*Jan-98*

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2016				
			2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs
Composite	**$7,932,858**	**100.0%**	**1.5%**	**2.6%**	**2.4%**	**3.5%**	**3.8%**
Total Investment Grade Fixed Income	**$3,660,095**	**46.1%**	**1.7%**	**4.2%**	**4.8%**	**2.9%**	**2.6%**
Barclays Int Govt/Credit			*1.6%*	*4.1%*	*4.3%*	*3.0%*	*2.9%*
Wedge Capital Management	$3,660,095	46.1%	1.7%	4.2%	4.8%	--	--
Barclays Int Govt/Credit			*1.6%*	*4.1%*	*4.3%*	--	--
Total Short Duration High Yield Fixed Income	**$3,055,554**	**38.5%**	**2.1%**	**3.3%**	**0.4%**	**--**	**--**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*2.8%*	*5.0%*	*3.8%*	--	--
Chartwell Investment Partners Short Duration High Yield	$3,055,554	38.5%	2.1%	3.3%	0.4%	--	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*2.8%*	*5.0%*	*3.8%*	--	--
Barclays 1-3 Yr BB U.S. Constrained Index			*2.9%*	*5.6%*	*4.3%*	--	--
Total Real Estate	**$748,311**	**9.4%**	**1.0%**	**3.4%**	**9.4%**	**11.2%**	**10.9%**
NCREIF ODCE Equal Weighted Index			*2.2%*	*4.7%*	*12.2%*	*13.0%*	*12.7%*
American Core Realty Fund, LLC	$748,311	9.4%	1.0%	3.4%	9.4%	11.2%	10.9%
NCREIF ODCE Equal Weighted Index			*2.2%*	*4.7%*	*12.2%*	*13.0%*	*12.7%*
Total Cash	**$468,898**	**5.9%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**
91 Day T-Bills			*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*
PNC Cash Account	$468,898	5.9%	0.0%	0.0%	0.1%	0.0%	0.0%
91 Day T-Bills			*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*

Warehouse Local #730 Welfare Fund Benchmark History

As of June 30, 2016

Composite		
4/1/2016	Present	Barclays Int Govt/Credit 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% / Barclays Int Govt/Credit 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% / Barclays Int Govt/Credit 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% / Barclays Int Govt/Credit 75% / NCREIF ODCE Equal Weighted Index 10%
7/1/2006	6/30/2008	S&P 500 25% / Barclays Int Govt/Credit 75%
7/1/2004	6/30/2006	S&P 500 25% / Citi Treasury Index, 1-3 Y 37.5% / Barclays Int Govt/Credit 37.5%
1/1/2004	6/30/2004	S&P 500 20% / Citi Treasury Index, 1-3 Y 40% / Barclays Int Govt/Credit 40%
4/1/2001	12/31/2003	S&P 500 10% / Citi Treasury Index, 1-3 Y 45% / Barclays Int Govt/Credit 45%
1/1/1998	3/31/2001	S&P 500 10% / Citi Treasury Index, 1-3 Y 90%

Warehouse Local #730 Welfare Fund

FOOTNOTE

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

Warehouse Local #730 Welfare Fund

Preliminary Monthly Performance Analysis

Period Ended

August 31, 2016

Summary of Cash Flows

	Quarter-To-Date	Year-To-Date
Beginning Market Value	$7,932,858	$9,863,940
Net Cash Flow	-$791,084	-$2,946,060
Net Investment Change	$55,617	$279,510
Ending Market Value	$7,197,390	$7,197,390

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$3,338,368	46.38%	45.00%	35.00% - 55.00%	1.38%	$99,543
Short Duration High Yield Fixed Income	$2,832,838	39.36%	40.00%	30.00% - 50.00%	-0.64%	-$46,118
Real Estate	$748,311	10.40%	5.00%	0.00% - 15.00%	5.40%	$388,441
Cash	$277,874	3.86%	10.00%	0.00% - 20.00%	-6.14%	-$441,866
Total	**$7,197,390**	**100.00%**	**100.00%**			

Policy targets are effective 4/1/16.

Performance Summary

	Market Value	% of Portfolio	Ending August 31, 2016 QTD	YTD
Composite	**$7,197,390**	**100.0%**	**0.7%**	**3.5%**
Total Investment Grade Fixed Income	**$3,338,368**	**46.4%**	**0.2%**	**4.6%**
Barclays Int Govt/Credit			*0.0%*	*4.1%*
Wedge Capital Management	$3,338,368	46.4%	0.2%	4.6%
Barclays Int Govt/Credit			*0.0%*	*4.1%*
Total Short Duration High Yield Fixed Income	**$2,832,838**	**39.4%**	**1.6%**	**5.2%**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*2.0%*	*7.1%*
Chartwell Investment Partners Short Duration High Yield	$2,832,838	39.4%	1.6%	5.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*2.0%*	*7.1%*
Barclays 1-3 Yr BB U.S. Constrained Index			*1.7%*	*7.5%*
Total Real Estate	**$748,311**	**10.4%**	**0.0%**	**3.9%**
American Core Realty Fund, LLC	$748,311	10.4%	0.0%	3.9%
Total Cash	**$277,874**	**3.9%**	**0.0%**	**0.1%**
91 Day T-Bills			*0.0%*	*0.2%*
PNC Cash Account	$277,874	3.9%	0.0%	0.1%
91 Day T-Bills			*0.0%*	*0.2%*

Warehouse Local #730 Welfare Fund

FOOTNOTES

- American Realty is valued quarterly. Market values shown are as of 6/30/16.
- 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.

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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