Warehouse Local #730 Legal Fund

Investment Performance Analysis

Period Ended
June 30, 2016

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Market Discussion Points 2Q | 2016

INVESTMENT PERFORMANCE SERVICES, LLC

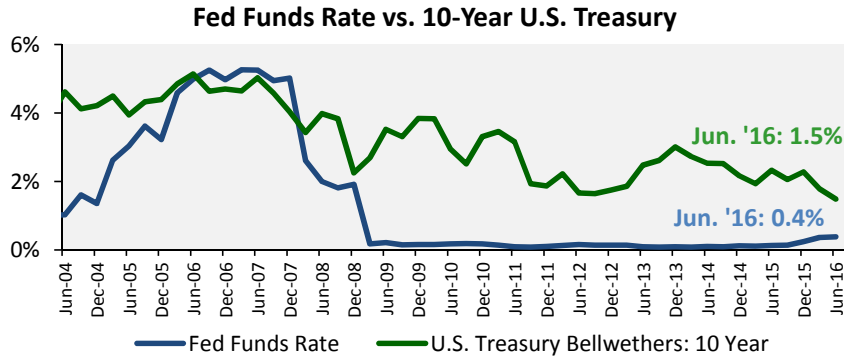
Financial Market Performance

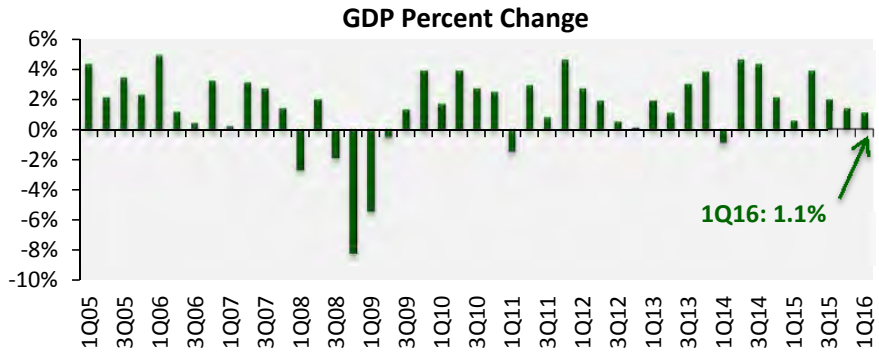
Periods Ending June 30, 2016

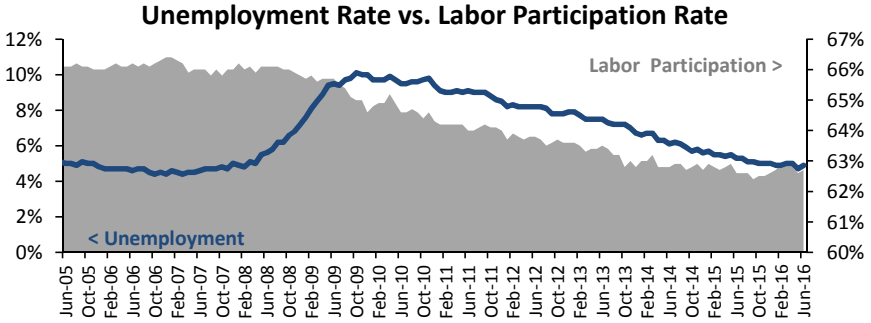
Strategy	Sector	Index	QTR	YTD	2015	2014	2013	2012	2011	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500 Index	2.5	3.8	1.4	13.7	32.4	16.0	2.1	4.0	11.7	12.1	7.4	7.9
	US Small Cap	Russell 2000	3.8	2.2	-4.4	4.9	38.8	16.4	-4.2	-6.7	7.1	8.4	6.2	7.6
	All Country	MSCI All Country World (net)	1.0	1.2	-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

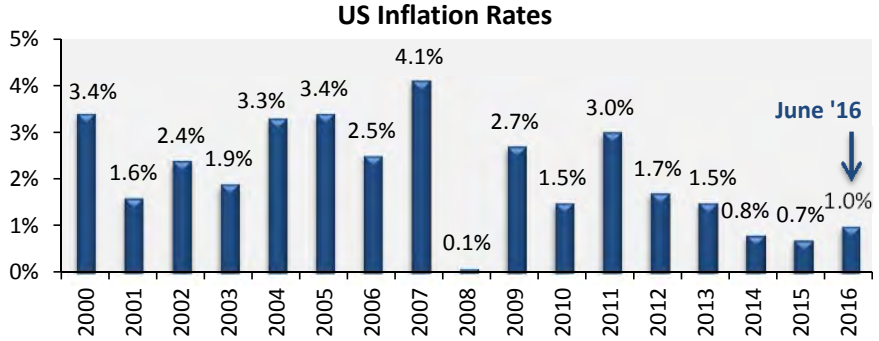
U.S. Economy

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.

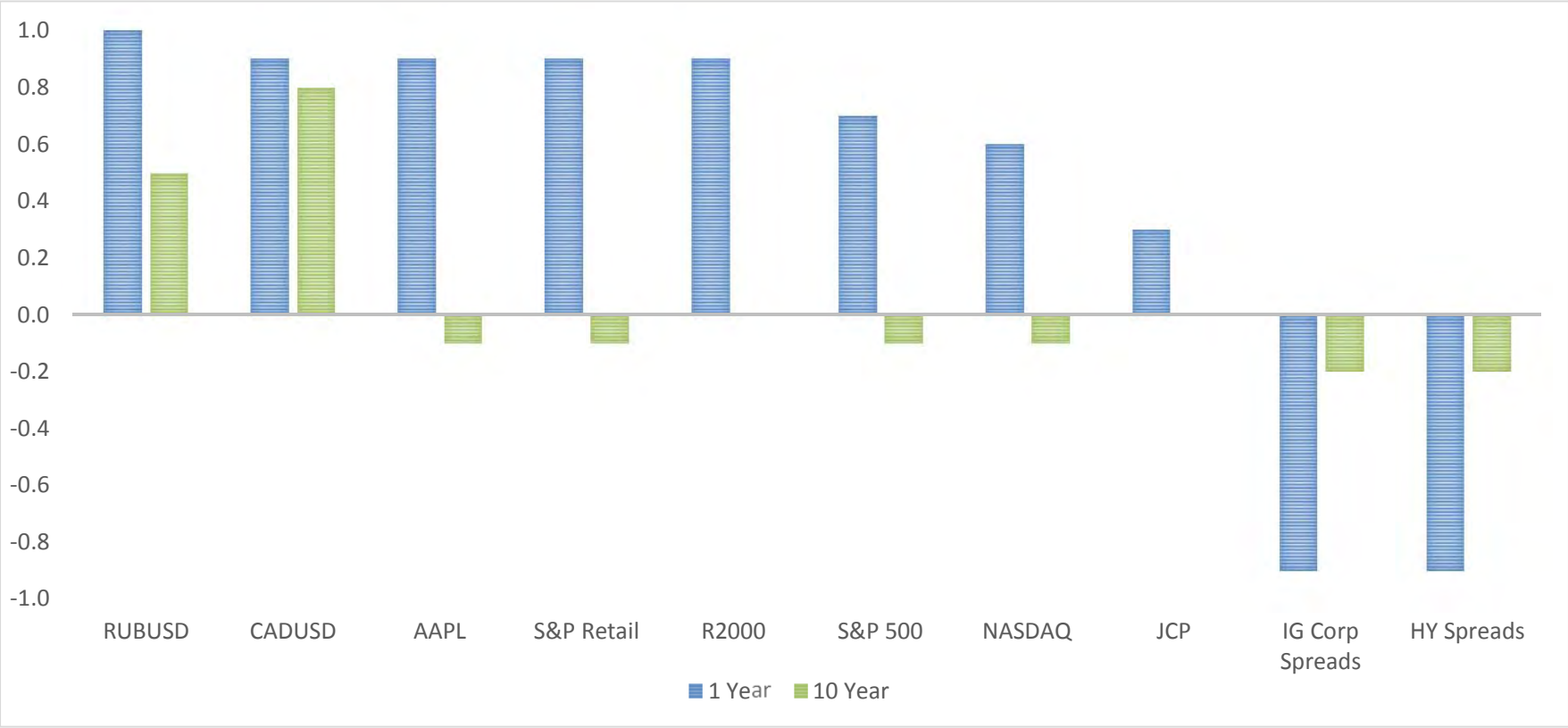






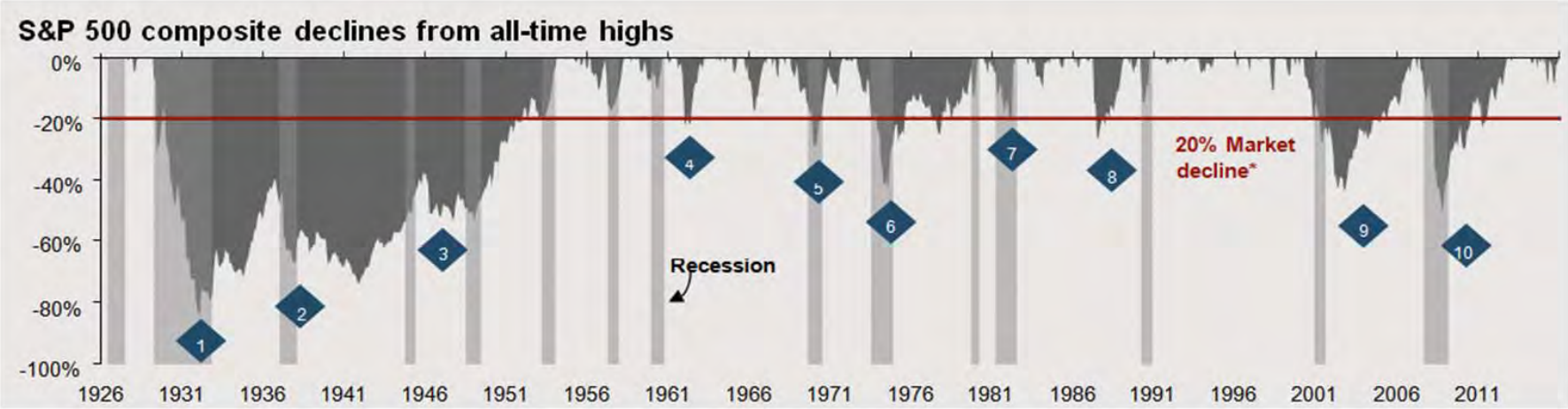


Short & Long Term Correlations to Oil



Source: Strategas.

Current Bull Market: Historical Context



Characteristics of bull and bear markets

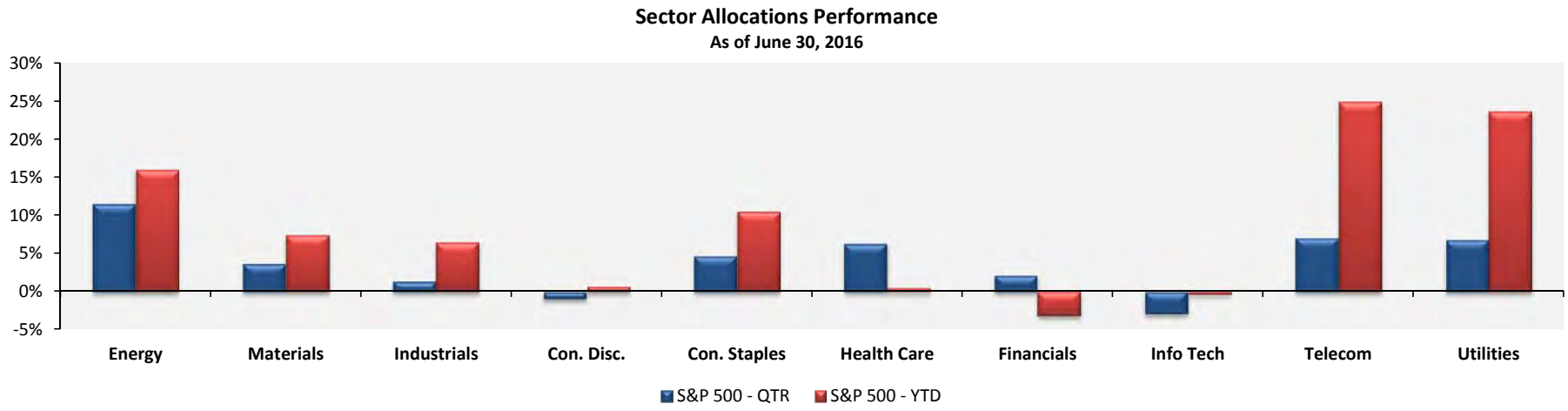
	Bear markets			Macro environment				Bull markets		
Market Corrections	Market peak	Bear return*	Duration (months)*	Recession	Commodity spike	Aggressive Fed	Extreme valuations	Bull begin date	Bull return	Duration (months)
1 Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	33					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

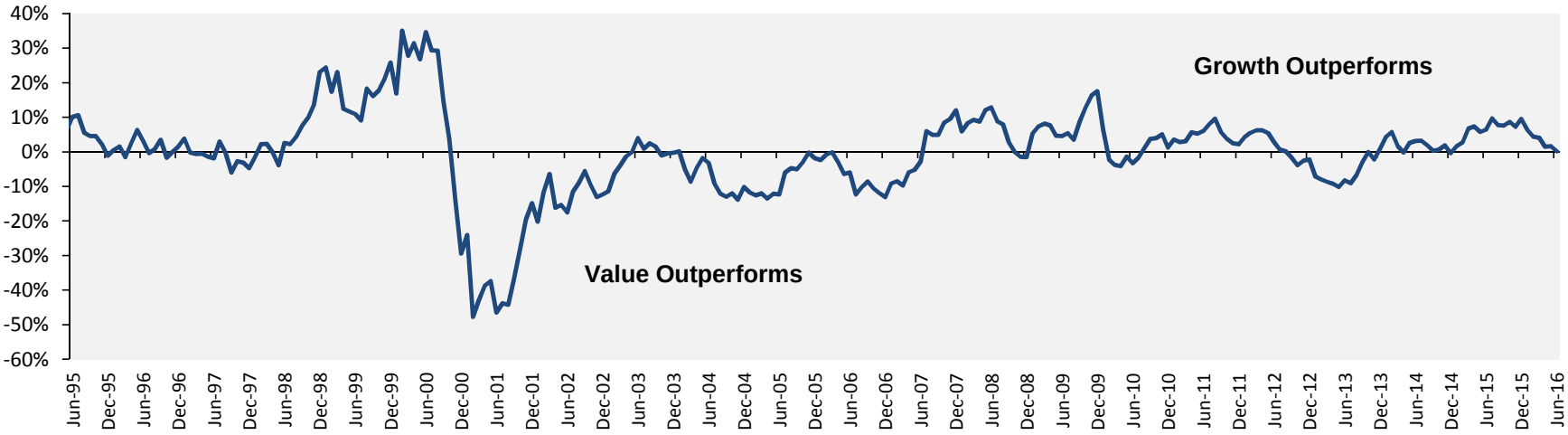
In late June, the UK Brexit vote created some immediate negative volatility for the global equity markets. The US stock market was among the most resilient markets, losing only about 6% before rallying to new all-time highs. Investors recognized that US companies as a whole still have more than 70% of 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

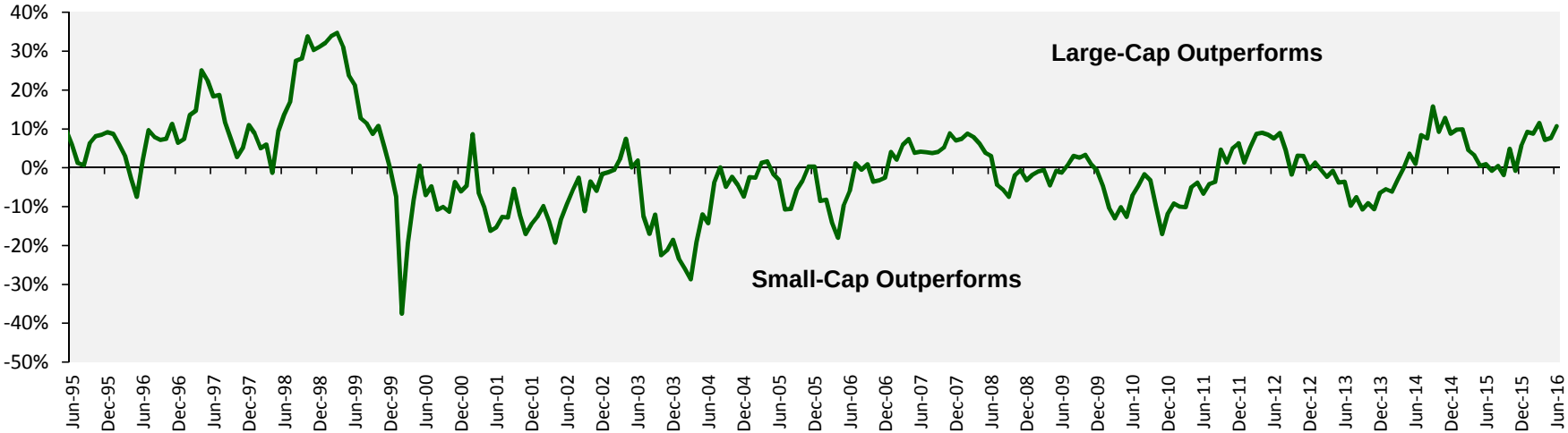


U.S. Equity Market

Russell 1000 Growth vs. Russell 1000 Value
Rolling On



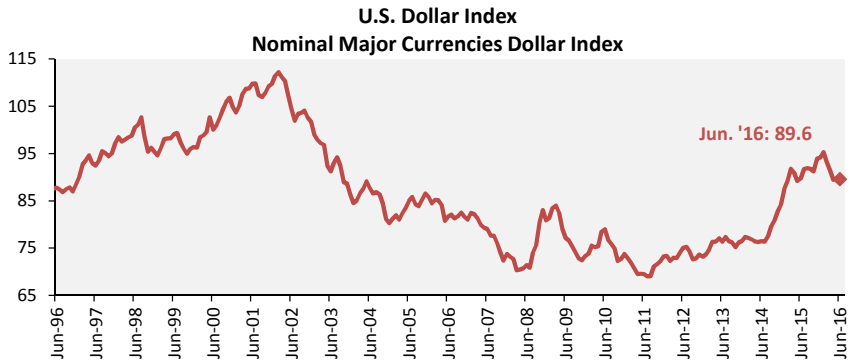
S&P 500 vs. Russell 2000
Rolling One-Year Returns

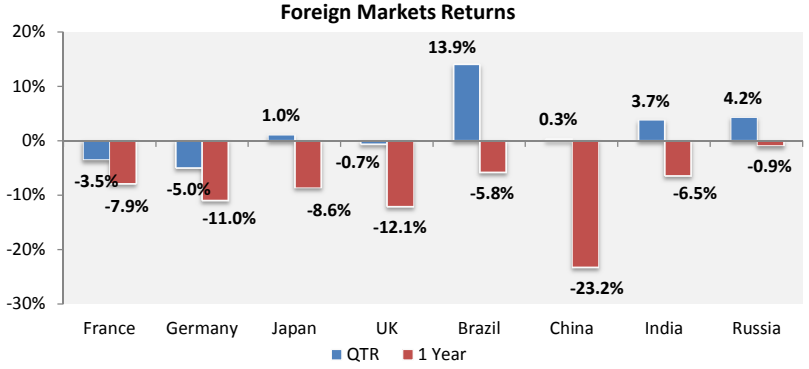


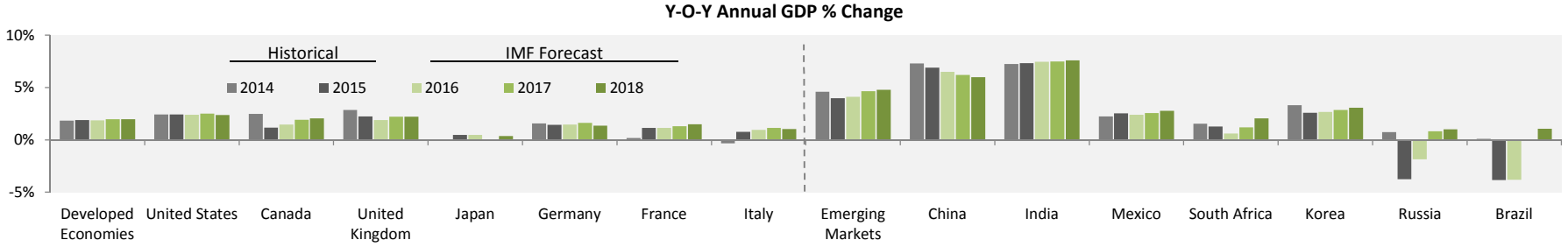
International Equity Market

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





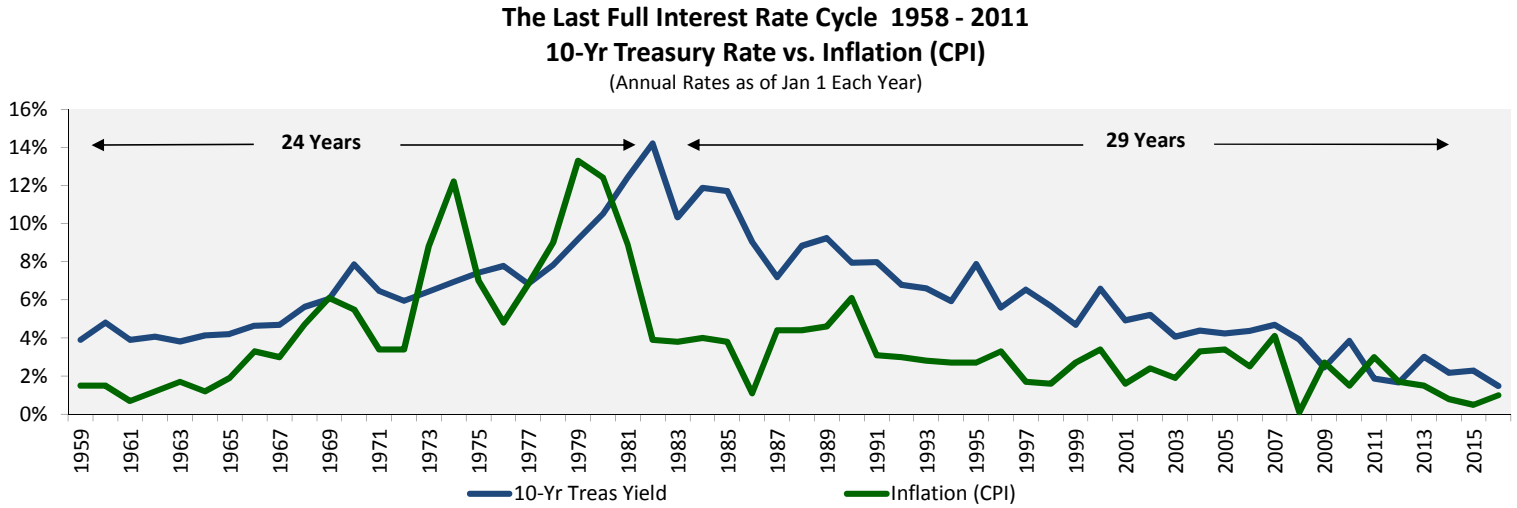


Top left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Top right chart:** Data as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

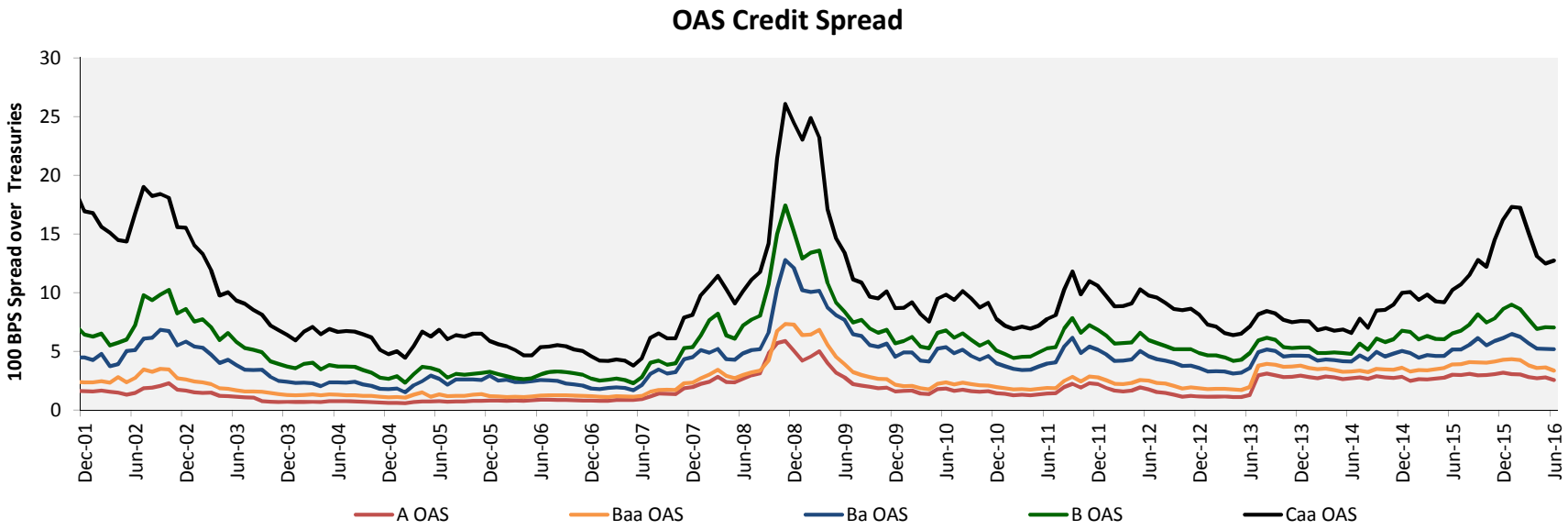
U.S. Bond Market

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
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Jun-12
Dec-12
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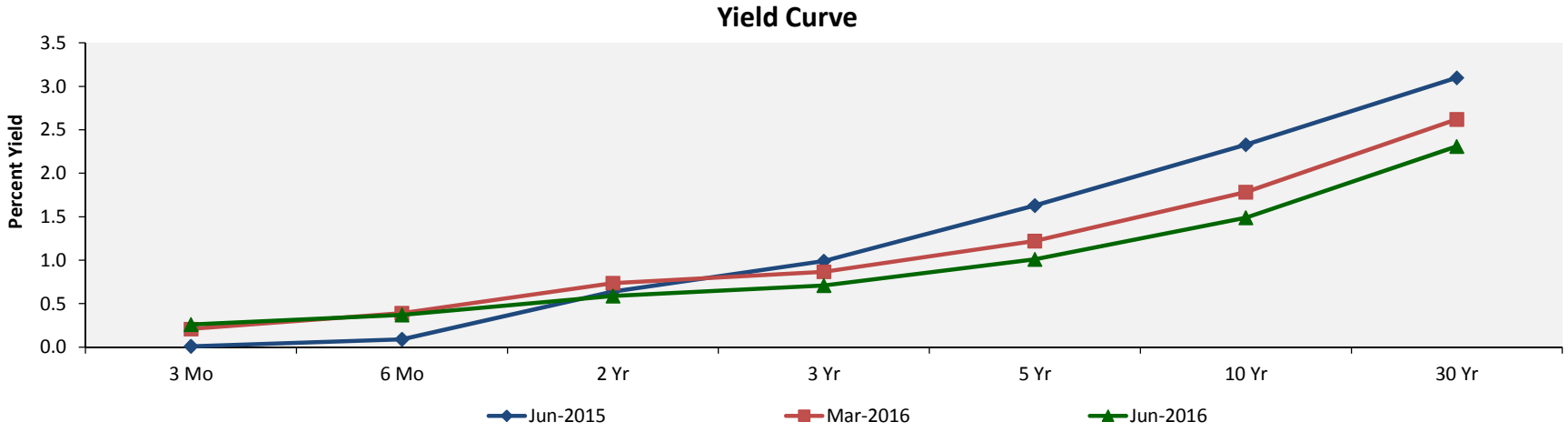
Ba OAS
B OAS
Caa OAS


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

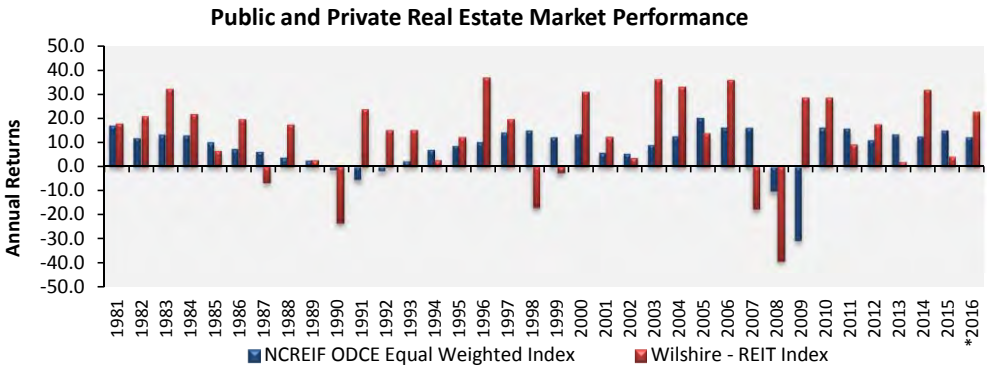
12 Month Holding Period - Annualized Returns as of 6/30/2016						
Yield Change	10 Year Treasury	Barclays Aggregate	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	ML Defensive US HY BB/B ND	ML Short Duration US HY BB/B 1-3 yr
(bps)	S010	US Aggregate	B0A0	B1A0	H4ND	J1A4
-150	16.83	10.65	11.86	3.74	12.79	7.76
-100	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

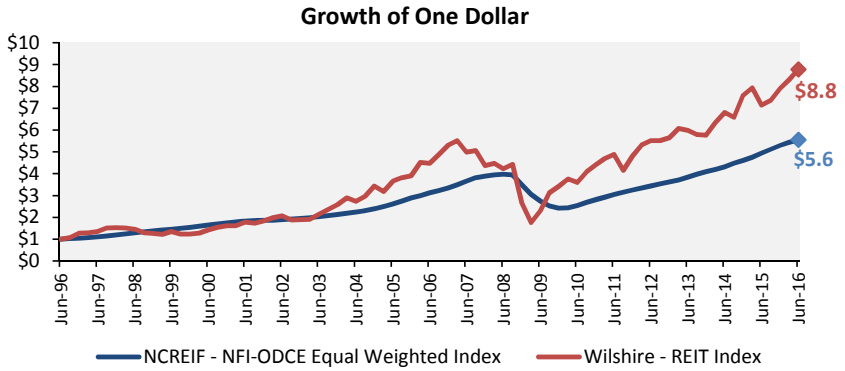
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 6/30/2016 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as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





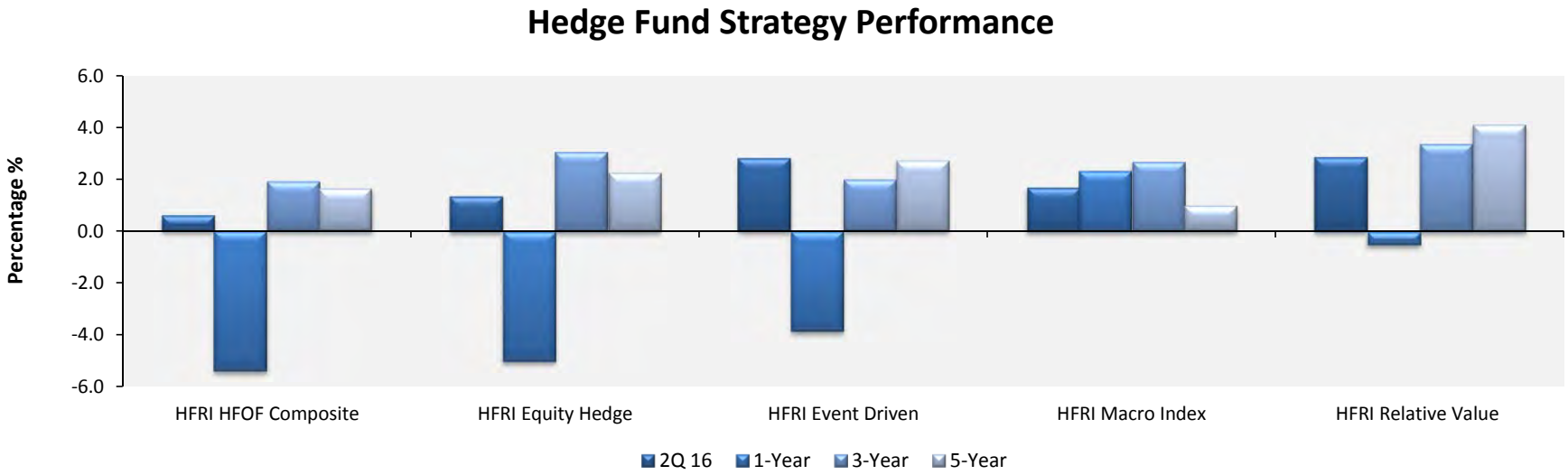
	Total return (incl. income) 2016	Total return (incl. income) 2017	Total return (incl. income) 2018	Total return (incl. income) 2016 to 2020 (per year)
National, All Property Types (NPI)	8.4	6.8	5.7	6.7
Office	8.1	6.5	5.4	6.4
Retail	8.9	6.9	5.7	6.9
Industrial	9.6	7.5	6.1	7.1
Apartment	8.1	6.6	5.5	6.5

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.

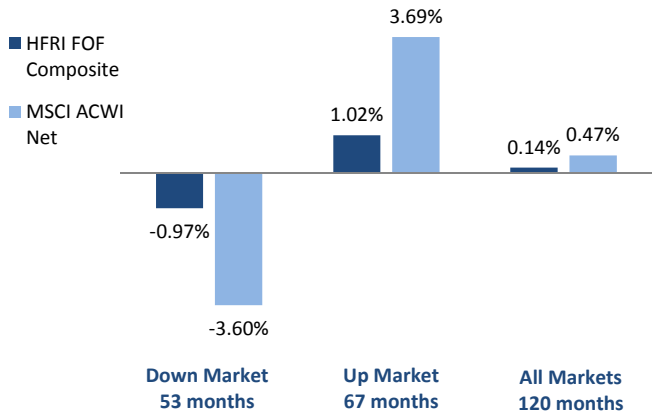
Strategy	Index	2Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	0.6	-2.6	-0.3	3.4	9.0	4.8	-5.7	-5.4	1.9	1.6	1.6
Equity Long-Short	HFRI Equity Hedge	1.4	-0.4	-1.0	1.8	14.3	7.4	-8.4	-5.0	3.1	2.3	2.9
Event Driven	HFRI Event Driven	2.8	2.1	-3.6	1.1	12.5	8.9	-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

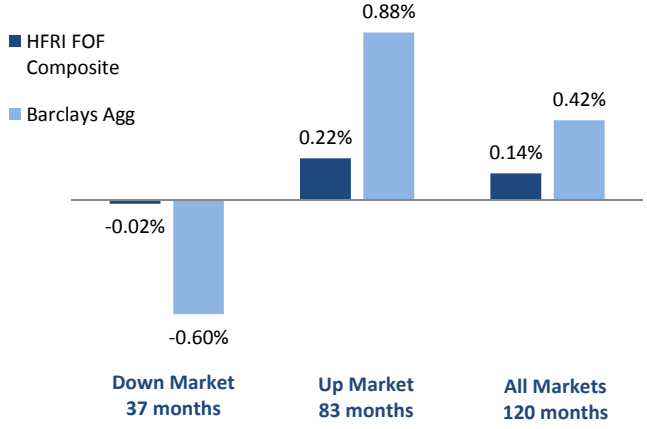
Up/Down Capture vs. Equity

Average Returns
July 2006 - June 2016



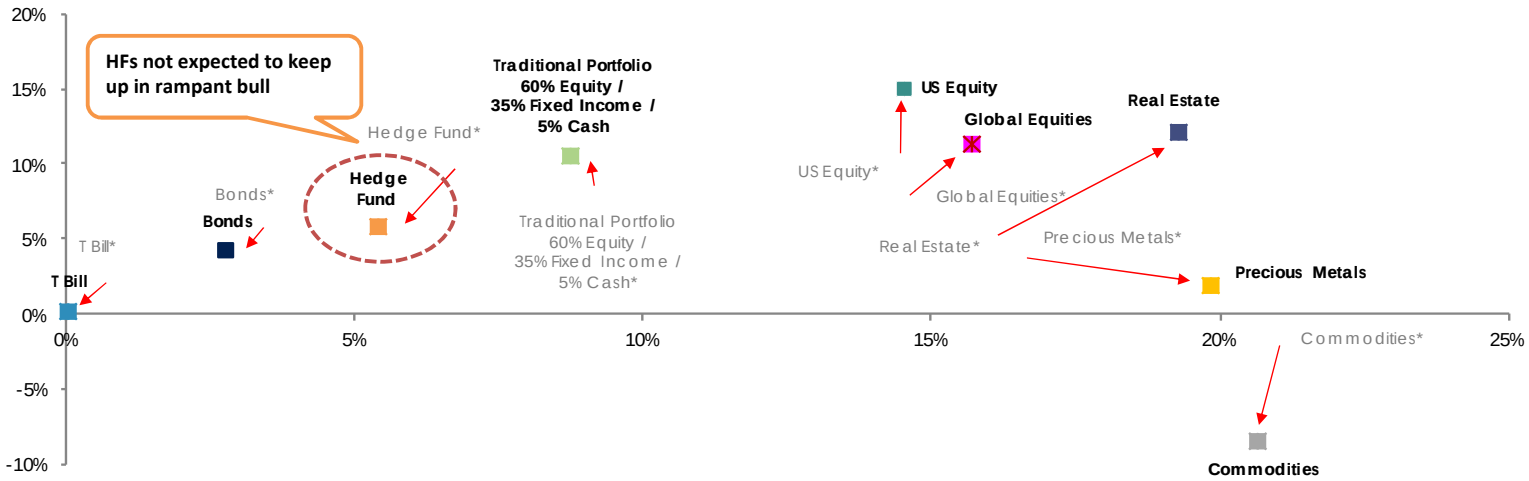
Up/Down Capture vs. Bonds

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 Legal Fund

Investment Performance Analysis

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	Since 1/1/08
Beginning Market Value	$812,985	$806,120	$798,912	$804,024	$789,033	$521,361
Net Cash Flow	$13,049	$12,235	$18,407	-$7,738	-$13,195	$172,306
Net Investment Change	$4,755	$12,435	$13,472	$34,504	$54,951	$137,122
Ending Market Value	$830,790	$830,790	$830,790	$830,790	$830,790	$830,790

*The fund's fiscal year ends December 31.

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Difference
Investment Grade Fixed Income	$735,935	88.6%	90.0%	-1.4%	-$11,776
Cash	$94,855	11.4%	10.0%	1.4%	$11,776
Total	**$830,790**	**100.0%**	**100.0%**		

Total Plan Performance (Gross of Fees)

	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	**$830,790**	**100.0%**	**0.6%**	**1.5%**	**1.7%**	**1.4%**	**1.4%**	**1.8%**	**2.8%**	**3.2%**	**Apr-95**
Total Investment Grade Fixed Income	**$735,935**	**88.6%**	**0.6%**	**1.7%**	**1.9%**	**1.5%**	**1.5%**	**2.0%**	**--**	**2.8%**	**Oct-07**
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*1.0%*	*2.6%*	*2.6%*	*2.0%*	*1.8%*	*2.5%*	--	*3.1%*	*Oct-07*
Atlanta Capital Management	$735,935	88.6%	0.6%	1.7%	1.9%	1.5%	1.5%	2.0%	--	2.0%	Jul-09
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*1.0%*	*2.6%*	*2.6%*	*2.0%*	*1.8%*	*2.5%*	--	*2.5%*	*Jul-09*
Total Cash	**$94,855**	**11.4%**	**0.0%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**	**0.1%**	**--**	**--**	**Oct-07**
91 Day T-Bills			*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	--	--	*Oct-07*
PNC Prime Money Market Fund	$94,855	11.4%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	1.1%	2.4%	Apr-95
91 Day T-Bills			*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.1%*	*0.9%*	*2.4%*	*Apr-95*

	Fiscal Year Ends December 31												Inception	
	YTD	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	Return	Since
Composite	**1.5%**	**0.9%**	**1.3%**	**0.3%**	**1.8%**	**2.0%**	**2.8%**	**5.2%**	**3.9%**	**5.2%**	**4.3%**	**1.7%**	**3.2%**	**Apr-95**
Total Investment Grade Fixed Income	**1.7%**	**1.0%**	**1.3%**	**0.3%**	**2.1%**	**2.3%**	**3.3%**	**6.0%**	**4.5%**	**--**	**--**	**--**	**2.8%**	**Oct-07**
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*2.6%*	*1.0%*	*1.5%*	*0.3%*	*2.5%*	*3.1%*	*4.2%*	*4.9%*	*4.6%*	*7.3%*	*4.2%*	*1.4%*	*3.1%*	*Oct-07*
Atlanta Capital Management	1.7%	1.0%	1.3%	0.3%	2.1%	2.3%	3.3%	--	--	--	--	--	2.0%	Jul-09
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*2.6%*	*1.0%*	*1.5%*	*0.3%*	*2.5%*	*3.1%*	*4.2%*	*4.9%*	*4.6%*	*7.3%*	*4.2%*	*1.4%*	*2.5%*	*Jul-09*
Total Cash	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.1%**	**0.1%**	**0.1%**	**0.2%**	**2.5%**	**--**	**--**	**--**	**--**	**Oct-07**
91 Day T-Bills	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.0%*	*0.1%*	*0.1%*	*1.3%*	*4.4%*	*5.0%*	*3.2%*	*0.3%*	*Oct-07*
PNC Prime Money Market Fund	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%	2.5%	4.8%	4.3%	1.7%	2.4%	Apr-95
91 Day T-Bills	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.0%*	*0.1%*	*0.1%*	*1.3%*	*4.4%*	*5.0%*	*3.2%*	*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 June 30, 2016

	Second Quarter	Inception 7/1/09
Beginning Market Value	$731,197	$571,388
Net Cash Flow	$0	$70,000
Net Investment Change	$4,738	$94,546
Ending Market Value	$735,935	$735,935

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2016

3 Years Ending June 30, 2016

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Atlanta Capital Management	1.5%	0.8%	66.5%	47.5%
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	2.0%	1.3%	100.0%	100.0%

5 Years Ending June 30, 2016

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Atlanta Capital Management	1.5%	0.8%	67.9%	46.9%
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	1.8%	1.2%	100.0%	100.0%

Gross of Fee Performance

	2016 Q2	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	2011	Rank	Inception Return	Inception Since
Atlanta Capital Management	0.6%	71	1.7%	62	1.9%	60	1.5%	62	1.5%	59	1.0%	44	1.3%	42	0.3%	78	2.1%	60	2.3%	40	2.0%	Jul-09
BofA Merrill Lynch US Corp & Gov 1-5 Yrs	*1.0%*	*29*	*2.6%*	*14*	*2.6%*	*18*	*2.0%*	*30*	*1.8%*	*40*	*1.0%*	*36*	*1.5%*	*31*	*0.3%*	*80*	*2.5%*	*49*	*3.1%*	*19*	*2.5%*	*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 June 30, 2016

	Second Quarter	Since 10/1/07
Beginning Market Value	$81,788	$171,131
Net Cash Flow	$13,049	-$80,883
Net Investment Change	$17	$4,607
Ending Market Value	$94,855	$94,855

	Gross of Fee Performance										Inception	
	2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2015	2014	2013	2012	2011	Return	Since
PNC Prime Money Market Fund	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	2.4%	Apr-95
91 Day T-Bills	*0.1%*	*0.1%*	*0.2%*	*0.1%*	*0.1%*	*0.0%*	*0.0%*	*0.0%*	*0.1%*	*0.0%*	*2.4%*	*Apr-95*

Warehouse Local #730 Legal Fund

Appendix

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending June 30, 2016 2016 Q2	YTD	1 Yr	3 Yrs	5 Yrs
Composite	**$830,790**	**100.0%**	**0.5%**	**1.5%**	**1.5%**	**1.3%**	**1.2%**
Total Investment Grade Fixed Income	**$735,935**	**88.6%**	**0.6%**	**1.6%**	**1.7%**	**1.4%**	**1.3%**
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*1.0%*	*2.6%*	*2.6%*	*2.0%*	*1.8%*
Atlanta Capital Management	$735,935	88.6%	0.6%	1.6%	1.7%	1.4%	1.3%
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*1.0%*	*2.6%*	*2.6%*	*2.0%*	*1.8%*
Total Cash	**$94,855**	**11.4%**	**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 Prime Money Market Fund	$94,855	11.4%	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 Legal Fund Benchmark History
As of June 30, 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
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

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Warehouse Local #730 Legal Fund

Preliminary Monthly Performance Analysis

Period Ended
August 31, 2016

Summary of Cash Flows

	Quarter-To-Date	Year-To-Date
Beginning Market Value	$830,790	$806,120
Net Cash Flow	$10,240	$22,476
Net Investment Change	-$896	$11,539
Ending Market Value	$840,134	$840,134

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$735,013	87.49%	90.00%	0.00% - 100.00%	-2.51%	-$21,108
Cash	$105,121	12.51%	10.00%	0.00% - 100.00%	2.51%	$21,108
Total	**$840,134**	**100.00%**	**100.00%**			

Performance Summary

	Ending August 31, 2016			
	Market Value	% of Portfolio	QTD	YTD
Composite	**$840,134**	**100.0%**	**-0.1%**	**1.4%**
Total Investment Grade Fixed Income	**$735,013**	**87.5%**	**-0.1%**	**1.6%**
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*-0.1%*	*2.5%*
Atlanta Capital Management	$735,013	87.5%	-0.1%	1.6%
BofA Merrill Lynch US Corp & Gov 1-5 Yrs			*-0.1%*	*2.5%*
Total Cash	**$105,121**	**12.5%**	**0.0%**	**0.1%**
91 Day T-Bills			*0.0%*	*0.2%*
PNC Prime Money Market Fund	$105,121	12.5%	0.0%	0.1%
91 Day T-Bills			*0.0%*	*0.2%*

Warehouse Local #730 Legal Fund

Footnotes

- Values, flows and returns for all commingled funds, mutual funds and partnerships are provided by the firm managing the assets and cannot be independently cannot be independently verified. Separately managed account returns are calculated by IPS using custodian data.