FELRA and UFCW Benefit Funds
VEBA, Severance, Scholarship and Legal Funds

Master Consulting Services Report

Period Ended
December 31, 2019

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Market Discussion Points 4Q | 2019

Financial Market Performance

Periods Ending December 31, 2019

Strategy	Sector	Index	QTR	YTD	2018	2017	2016	2015	2014	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	9.1	31.5	-4.4	21.8	12.0	1.4	13.7	31.5	15.3	11.7	13.6	6.1
	US Small Cap	Russell 2000	9.9	25.5	-11.0	14.7	21.3	-4.4	4.9	25.5	8.6	8.2	11.8	7.6
	All Country	MSCI All Country World (net)	9.0	26.6	-9.4	24.0	7.9	-2.4	4.2	26.6	12.4	8.4	8.8	-
	Non-US Developed	MSCI EAFE (net)	8.2	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.0	9.6	5.7	5.5	3.3
	Emerging Markets	MSCI EM (net)	11.8	18.4	-14.6	37.3	11.2	-14.9	-2.2	18.4	11.6	5.6	3.7	6.7
	Int'l Small Cap	MSCI EAFE Small Cap (net)	11.5	25.0	-17.9	33.0	2.2	9.6	-5.0	25.0	10.9	8.9	8.7	7.6
Bonds	**Treasury**	Bloomberg Barclays US Govt	-0.8	6.8	0.9	2.3	1.1	0.9	4.9	6.8	3.3	2.4	3.0	4.6
	Broad Market	Bloomberg Barclays Aggregate	0.2	8.7	0.0	3.5	2.7	0.6	6.0	8.7	4.0	3.1	3.8	5.0
	Intermediate	Bloomberg Barclays Gov/Credit Int.	0.4	6.8	0.9	2.1	2.1	1.1	3.1	6.8	3.2	2.6	3.1	4.5
	High Yield	Bloomberg Barclays HY BaB 2% IC	2.5	15.2	-1.9	6.9	14.1	-2.7	3.5	15.2	6.5	6.1	7.4	6.9
	Short Duration HY	BofA ML HY Cash Pay BB 1-3 YR	1.5	8.7	1.4	3.6	8.5	1.2	1.9	8.7	4.5	4.6	5.6	-
	Global Bonds	FTSE WGBI	-0.4	5.9	-0.8	7.5	1.6	-3.6	-0.5	5.9	4.1	2.0	1.9	4.2
GTAA	**Unconstrained**	65% MSCI World /35% FTSE WGBI	5.4	19.8	-5.7	17.0	5.6	-1.6	3.0	19.8	9.8	6.6	7.0	4.8
Real Estate	**Core**	NCREIF ODCE Equal Weighted (net)	1.3	5.2	7.3	6.9	8.4	14.2	11.4	5.2	6.5	8.4	10.5	7.0
Hedge Fund of Funds	**Diversified FOFs**	HFRI FOF Composite	3.0	8.3	-4.0	7.8	0.5	-0.3	3.4	8.3	3.9	2.4	2.8	3.4
	Equity Long-Short	HFRI Equity Hedge	5.7	13.7	-7.1	13.3	5.5	-1.0	1.8	13.7	6.2	4.6	4.7	5.0
Commodities	**Commodities**	Goldman Sachs Commodity	8.3	17.6	-13.8	5.8	11.4	-32.9	-33.1	17.6	2.4	-4.3	-5.4	-0.3

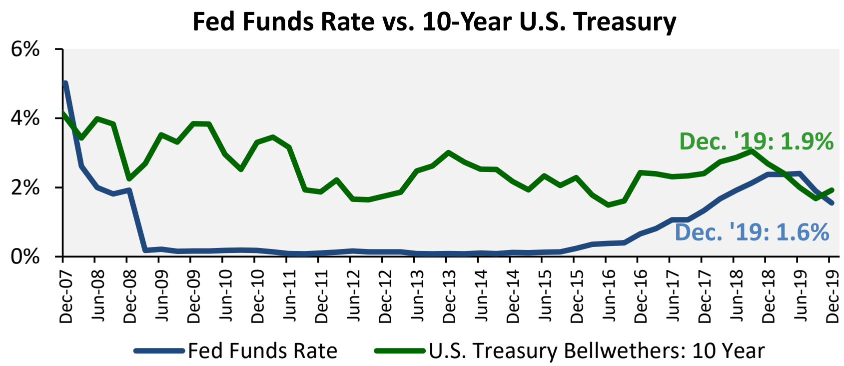
Asset Class Performance "Quilt"

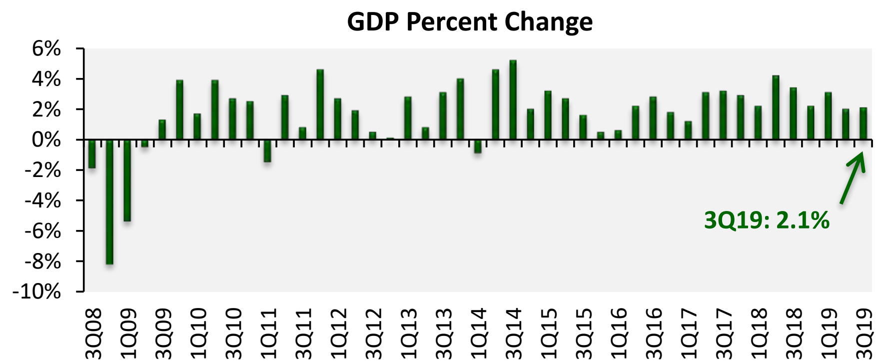
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
EM Equity 34.0%	EM Equity 32.2%	EM Equity 39.4%	Fx Inc 5.2%	EM Equity 78.5%	Small Cap 26.9%	RE 15.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE 14.2%	Small Cap 21.3%	EM 37.3%	RE 7.3%	Large Cap 31.5%
RE 19.0%	Int'l 26.3%	RE 15.0%	RE -11.1%	HY 57.5%	Mid Cap 25.5%	Fx Inc 7.8%	Int'l 17.3%	Mid Cap 34.8%	Mid Cap 13.2%	Large Cap 1.4%	HY 17.5%	Int'l 25.0%	SD HY 1.4%	Mid Cap 30.5%
Int'l 13.5%	Small Cap 18.4%	Int'l 11.2%	SD HY -14.0%	Mid Cap 40.5%	EM Equity 18.9%	HY 4.4%	Mid Cap 17.3%	Large Cap 32.4%	RE 11.4%	SD HY 1.2%	Mid Cap 13.8%	Large Cap 21.8%	Fx Inc 0.0%	Small Cap 25.5%
Mid Cap 12.6%	Large Cap 15.8%	HFoF 10.3%	HFoF -21.4%	SD HY 36.1%	HY 15.2%	SD HY 4.4%	Small Cap 16.3%	Int'l 22.8%	Fx Inc 6.0%	Fx Inc 0.6%	Large Cap 12.0%	Mid Cap 18.5%	HY -2.3%	Int'l 22.0%
HFoF 7.5%	Mid Cap 15.3%	GTAA 9.9%	GTAA -25.4%	Int'l 31.8%	RE 15.1%	Large Cap 2.1%	Large Cap 16.1%	GTAA 15.3%	Small Cap 4.9%	HFoF -0.3%	EM 11.2%	GTAA 17.0%	HFoF -4.0%	GTAA 19.8%
Large Cap 4.9%	GTAA 15.1%	Fx Inc 7.0%	HY -26.4%	Small Cap 27.2%	Large Cap 15.1%	GTAA -0.9%	HY 15.6%	RE 12.4%	HFoF 3.4%	Int'l -0.8%	SD HY 8.5%	Small Cap 14.7%	Large Cap -4.4%	EM 18.4%
Small Cap 4.6%	RE 15.1%	Mid Cap 5.6%	Small Cap -33.8%	Large Cap 26.5%	SD HY 11.7%	Mid Cap -1.6%	GTAA 10.9%	HFoF 9.0%	GTAA 3.0%	GTAA -1.6%	RE 8.4%	HFoF 7.8%	GTAA -5.7%	HY 14.4%
GTAA 3.6%	HY 11.7%	Large Cap 5.5%	Large Cap -37.0%	GTAA 20.1%	GTAA 9.8%	Small Cap -4.2%	SD HY 10.2%	HY 7.4%	HY 2.5%	Mid Cap -2.4%	GTAA 5.6%	HY 7.5%	Mid Cap -9.1%	Fx Inc 8.7%
HY 2.7%	HFoF 10.4%	SD HY 3.9%	Mid Cap -41.5%	HFoF 11.5%	Int'l 7.8%	HFoF -5.7%	RE 9.9%	SD HY 5.6%	SD HY 1.9%	Small Cap -4.4%	Fx Inc 2.7%	RE 6.9%	Small Cap -11.0%	SD HY 8.7%
Fx Inc 2.4%	SD HY 9.9%	HY 2.2%	Int'l -43.4%	Fx Inc 5.9%	Fx Inc 6.5%	Int'l -12.1%	HFoF 4.8%	Fx Inc -2.0%	EM Equity -2.2%	HY -4.6%	Int'l 1.0%	SD HY 3.6%	Int'l -13.8%	HFoF 8.3%
SD HY 2.4%	Fx Inc 4.3%	Small Cap -1.6%	EM Equity -53.3%	RE -31.3%	HFoF 5.7%	EM Equity -18.4%	Fx Inc 4.2%	EM Equity -2.6%	Int'l -4.9%	EM Equity -14.9%	HFoF 0.5%	Fx Inc 3.5%	EM -14.6%	RE 5.2%

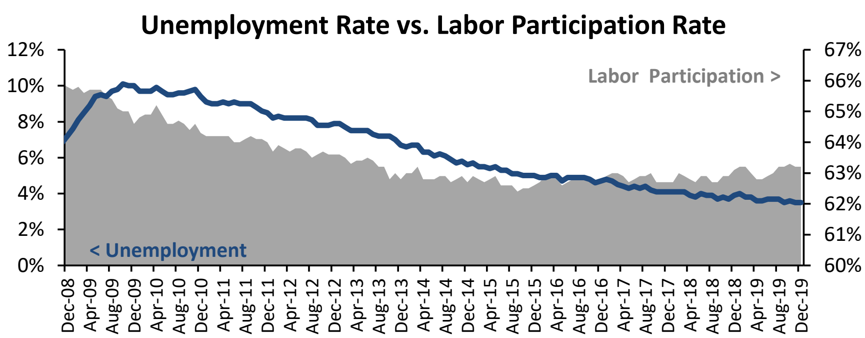
Source: NCREIF, Wilshire. Large Cap Equity: S&P 500 Index, Mid Cap Equity: Russell Midcap Index, Small Cap Equity: Russell 2000 Index, International Equity: MSCI EAFE Index, Emerging Markets: MSCI EM Index, Fixed Income: Barclays Aggregate Index, High Yield Fixed Income: Merrill Lynch High Yield Master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

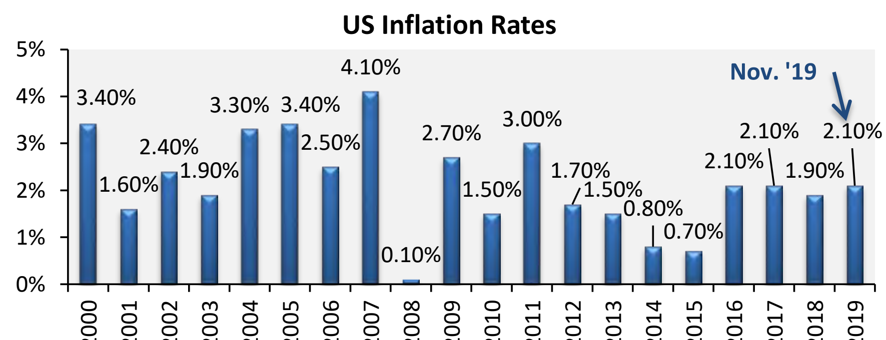
U.S. Economy

The year was characterized by slowing economic growth, accommodative monetary policy, low inflation, and rising asset prices across most geographies and markets. U.S GDP grew at 2.1% in the 3rd quarter, in line with growth from the 2nd quarter and down from 3.1% in the 1st quarter. Current projections for the 4th quarter suggest economic growth will remain close to the 2% level. Despite slowing growth, there have been few signs that a recession in the U.S. is imminent. Nonetheless, the U.S. Federal Reserve (Fed) made three “mid-cycle adjustment” rate cuts in 2019, including one in the 4th quarter. In a further accommodating move, the Fed began expanding its balance sheet for the first time in several years in order to provide necessary short-term liquidity for the repo and money markets. Fed Chairman Powell indicated the Fed is now on hold, unless there is a material change in outlook. Outside the U.S., the European Central Bank also cut rates and instituted a quantitative easing program during 2019. Much of the recent slowdown in investment spending and manufacturing activity is attributable to rising trade tensions between the U.S. and China over the course of 2018 and 2019. Positive developments on the U.S. - China trade front during the 4th quarter, including a “Phase One” agreement, boosted optimism that trade policy uncertainty may be less of a headwind in 2020. This could result in increased business activity and stabilization of economic growth in the U.S. Markets saw the J.P Morgan Global Manufacturing PMI exceed 50 for the first time in several months at year end. In 2019, a healthy U.S. consumer offset slower business activity. The labor market remains robust, marked by the lowest unemployment rate in nearly 50 years, with little translation of wage growth into price inflation. Low unemployment coupled with Fed-induced low interest rates is supporting consumer spending as illustrated by strong housing starts and new home sales. Further, the December reading of the University of Michigan’s consumer sentiment index reached its highest level since May.





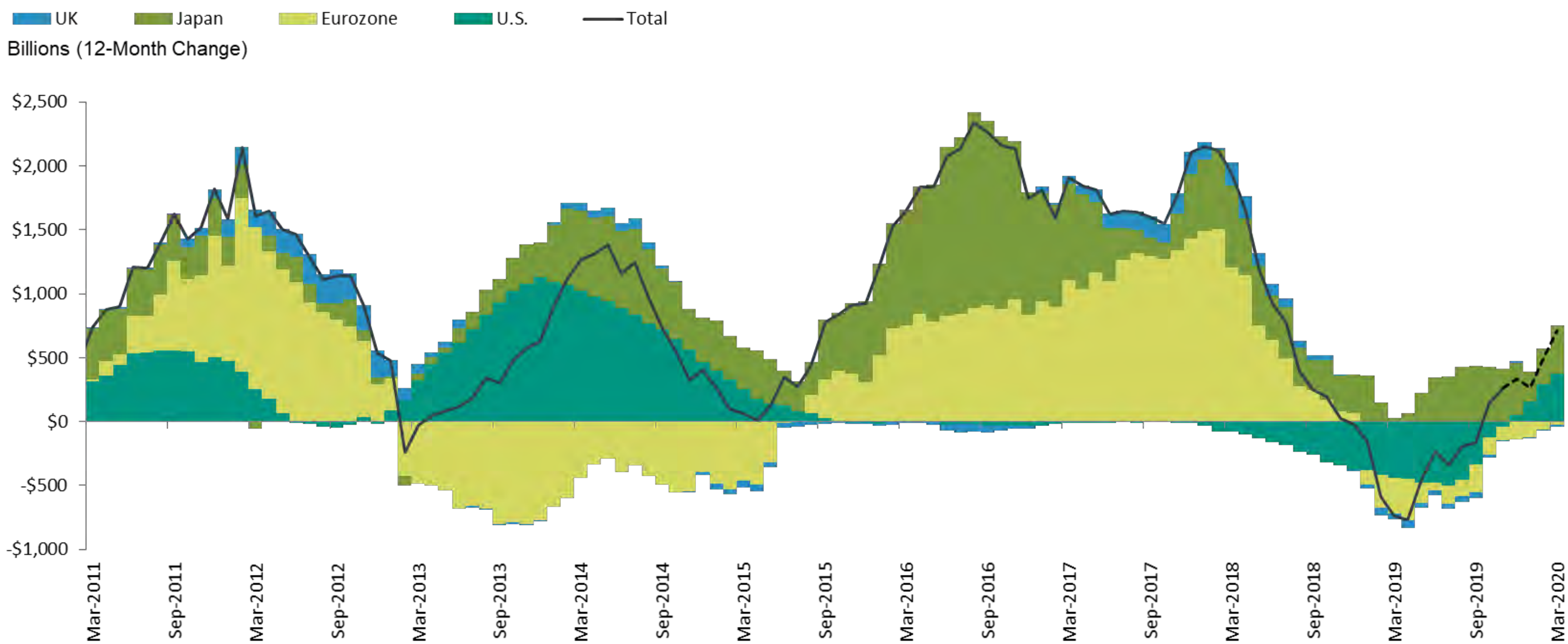




Source: Top Left - The Federal Reserve; Top Right - Bureau of Economics, U.S. Department of Commerce; Bottom Left and Right: Bureau of Labor Statistics

Expansion of Central Bank Balance Sheets Have Supported Asset Prices

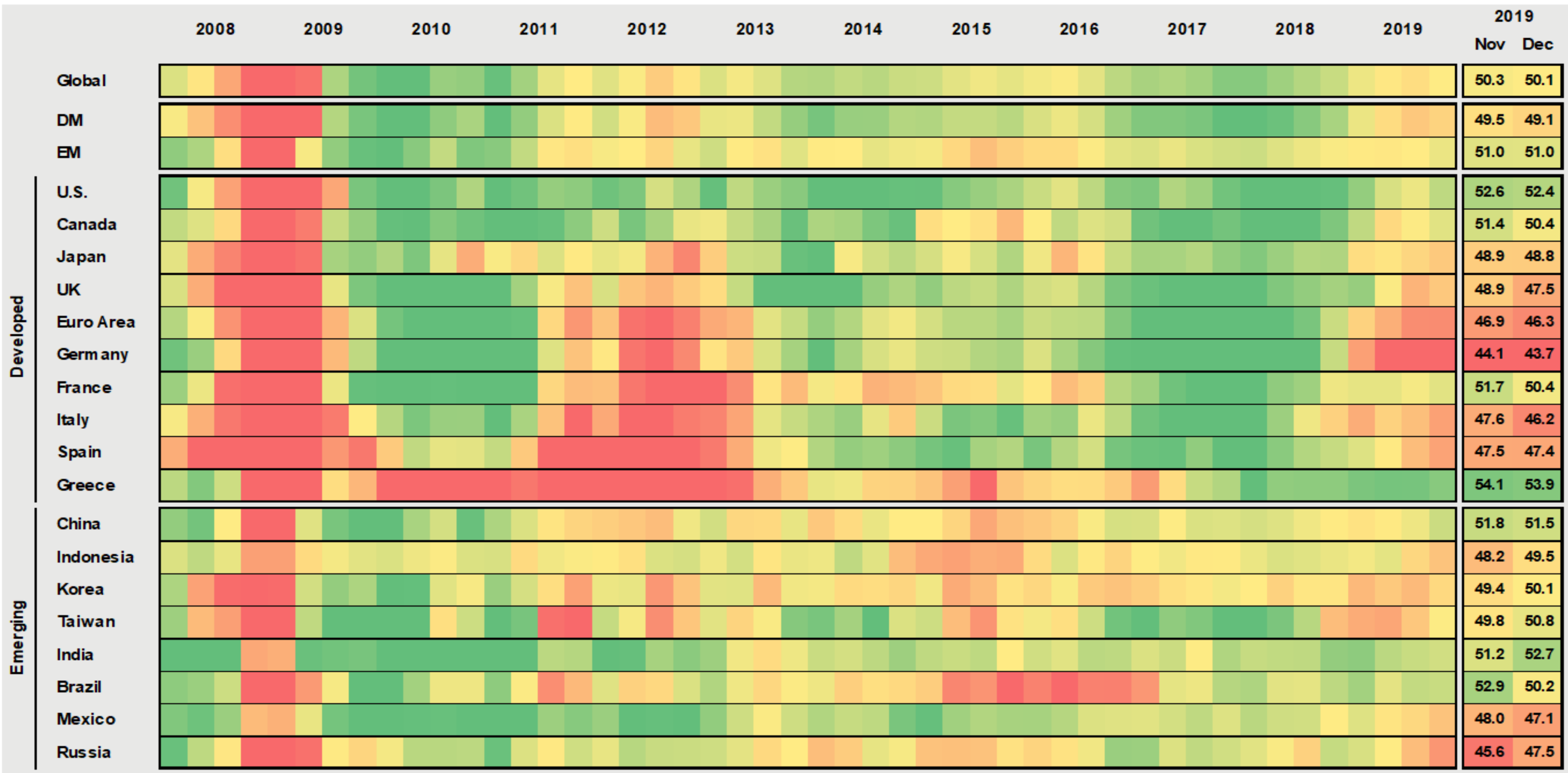
Central Bank Balance Sheets



Source: Dotted line estimates future central bank assets: Federal Reserve to purchase $60B of Treasury bills per month in 2020 Q1, European Central Bank (ECB) to purchase €20B per month in Q1, Bank of England to maintain constant balance sheet, Bank of Japan to purchase at annualized rate of average purchases over last 12 months. Source: Haver Analytics, Fidelity Investments (AART), as of 11/30/19.

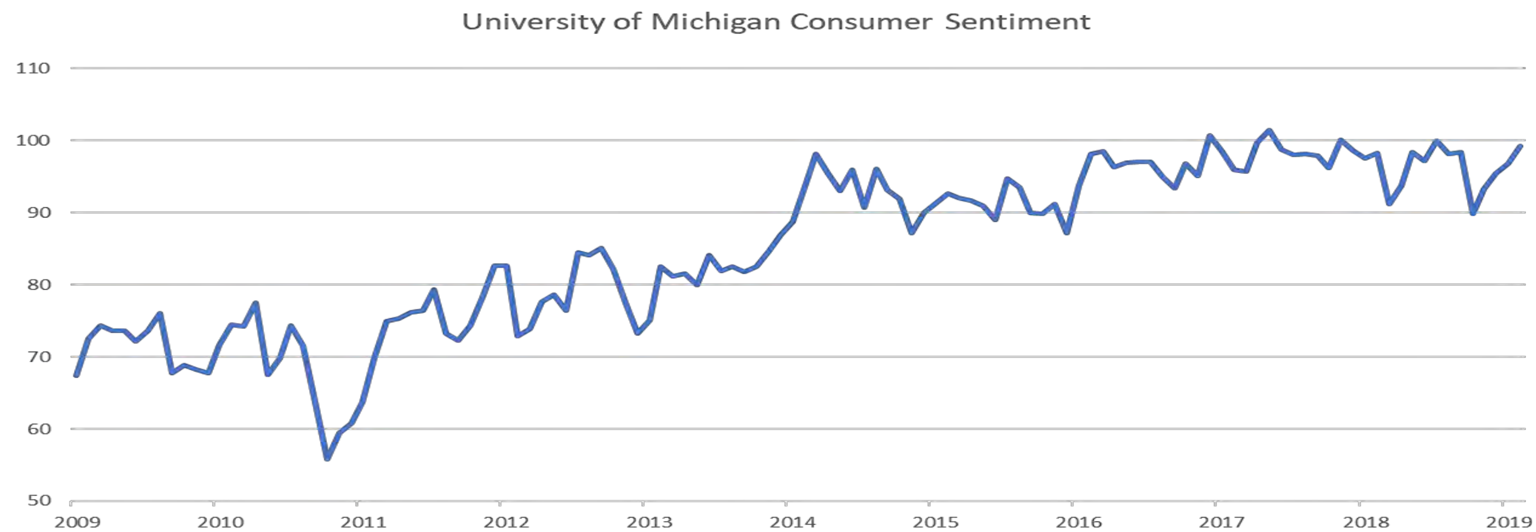
Global PMIs Beginning to Firm

Global Purchasing Manager's Index for manufacturing, quarterly

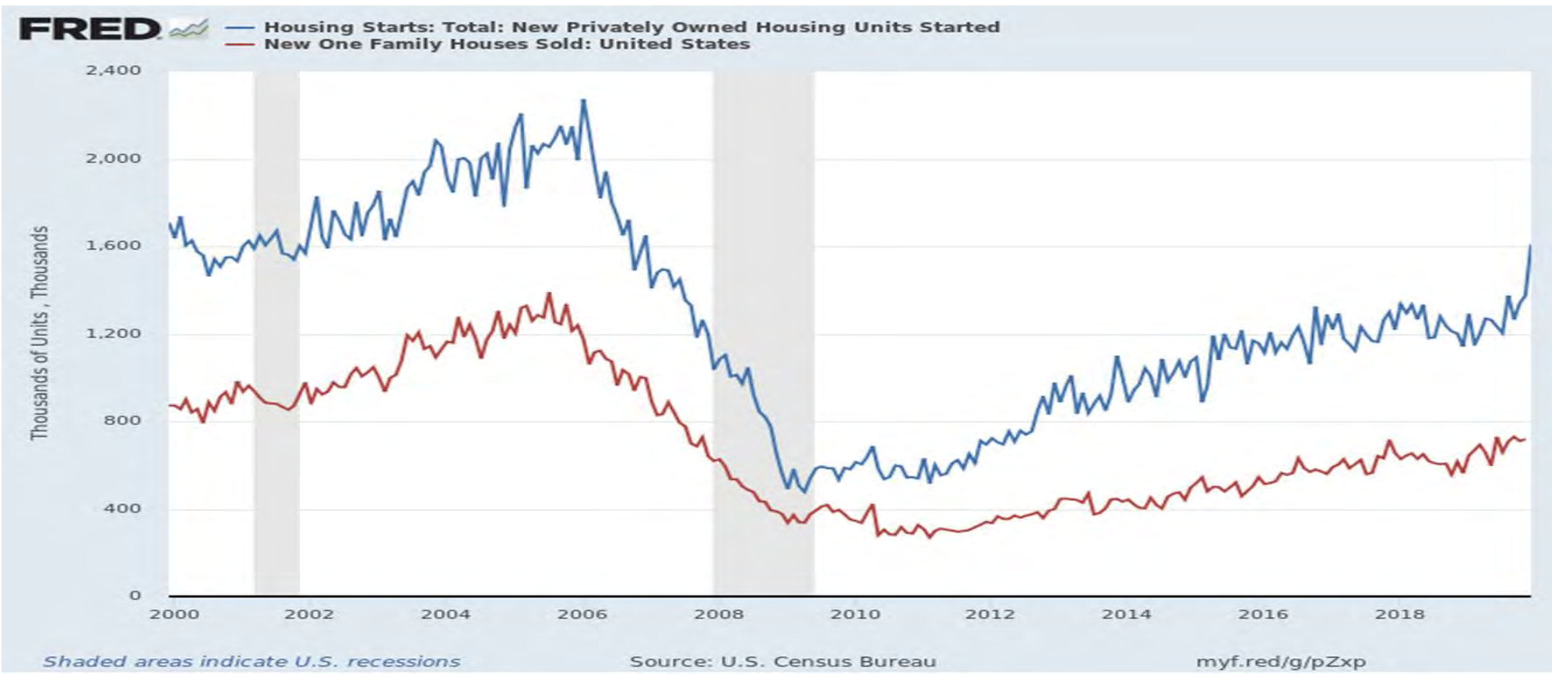


Note: Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. Heat map is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. Data for Canada, Indonesia and Mexico are back-tested and filled in from December 2007 to November 2010 for Canada and May 2011 for Indonesia and Mexico due to lack of existing PMI figures for these countries. DM and EM represent developed markets and emerging markets, respectively.
Source: Markit, J.P. Morgan Asset Management., Guide to the Markets – U.S. Data are as of January 22, 2020.

The U.S. Consumer Remains Strong



Source: University of Michigan



Key Policy Issues for 2020 Presidential Election

2020 Election Timeline

4Q 2019	Feb. 2020	Mar. 2020	Jul. 2020	Aug. 2020	Nov. 2020
Impeachment, Democratic primary debates	Iowa caucuses	Super Tuesday	Democratic National Convention	Republican National Convention	Election Day

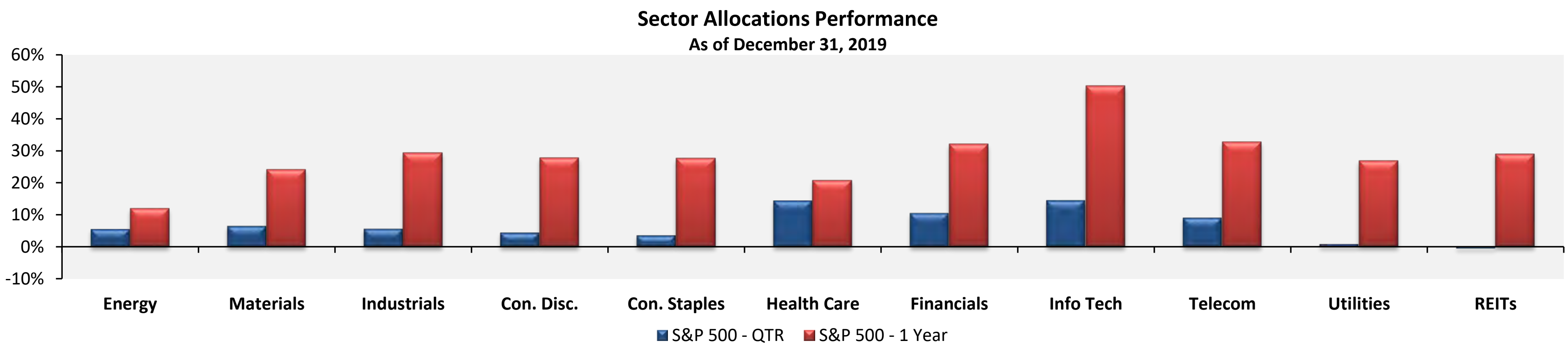
Policy Issue	Progressive Democrat	Moderate Democrat	Trump
Tax Policy	Ultra-Millionaire Tax Real Corporate Profits Tax	Reverse Trumps' tax reform	
Trade	Economic Patriotism	Re-write laws with US first	
Healthcare	Medicare for All; Drug Pricing Reforms	Protect & Build on the Affordable Care Act	
Financials	Hold Wall Street accountable	No overt agenda to go after Wall Street	Status Quo
Energy	Curb emissions and promote clean energy	Clean Energy Revolution	
Technology	Break up Big Tech	Open to investigating breaking up Big Tech	

Source: Neuberger Berman, Cornerstone Macro, The Guardian, elizabethwarren.com, joebiden.com

U.S. Equity Market

U.S. equities were undeterred by falling corporate earnings for 2019. The S&P 500 posted another strong quarter, returning 9.1% and finished 2019 with its second-best year (31.5%) of the 2010s. As measured by the Russell 2000, small cap U.S. equities (25.5%) lagged large caps in 2019; however, small companies finished the year strong, with small caps returning 9.9% for the 4th quarter as trade deal optimism grew. Growth stocks continued their domination over value, with the Russell 1000 Growth returning 36.4% while the Russell 1000 Value returned 26.5%. Similar outperformance of growth over value could be seen in mid and small cap stocks for the year. For the quarter, bond proxies such as REITs (-0.5%) and Utilities (0.8%) struggled as the yield curve steepened to its widest point of the year. Information technology was the best performing sector, up 14.4% for the 4th quarter and 50.3% on the year, accounting for nearly a third of the S&P 500's 2019 total return. Two companies, Apple and Microsoft, together accounted for 17% of S&P 500 total return in 2019. For the year, every sector returned in excess of 20% except energy which rose 12%. The majority of U.S. equity gains in 2019 were attributable to multiple expansion as opposed to earnings growth. As a result, the S&P 500 was valued at 18.2x on a forward P/E basis at year-end, up from 14.4x at the start of 2019 and above the 25-year average forward P/E of 16.3x.

Sector	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	9.1	31.5	-4.4	21.8	12.0	1.4	13.7	31.5	15.3	11.7	13.6
	Russell 1000	9.0	31.4	-4.8	21.7	12.1	0.9	13.3	31.4	15.1	11.5	13.5
	Russell 1000 Value	7.4	26.5	-8.3	13.7	17.3	-3.8	13.5	26.5	9.7	8.3	11.8
	Russell 1000 Growth	10.6	36.4	-1.5	30.2	7.1	5.7	13.1	36.4	20.5	14.6	15.2
Mid Cap	Russell Mid-Cap	7.1	30.5	-9.1	18.5	13.8	-2.4	13.2	30.5	12.1	9.3	13.2
	Russell Mid-Cap Value	6.4	27.1	-12.3	13.3	20.0	-4.8	14.7	27.1	8.1	7.6	12.4
	Russell Mid-Cap Growth	8.2	35.5	-4.8	25.3	7.3	-0.2	11.9	35.5	17.4	11.6	14.2
Small Cap	Russell 2000	9.9	25.5	-11.0	14.7	21.3	-4.4	4.9	25.5	8.6	8.2	11.8
	Russell 2000 Value	8.5	22.4	-12.9	7.8	31.7	-7.5	4.2	22.4	4.8	7.0	10.6
	Russell 2000 Growth	11.4	28.5	-9.3	22.2	11.3	-1.4	5.6	28.5	12.5	9.3	13.0
Total Market	Wilshire 5000	9.1	31.0	-5.3	21.0	13.4	0.7	12.7	31.0	14.5	11.4	13.4
	Russell 3000	9.1	31.0	-5.2	21.1	12.7	0.5	12.6	31.0	14.6	11.2	13.4



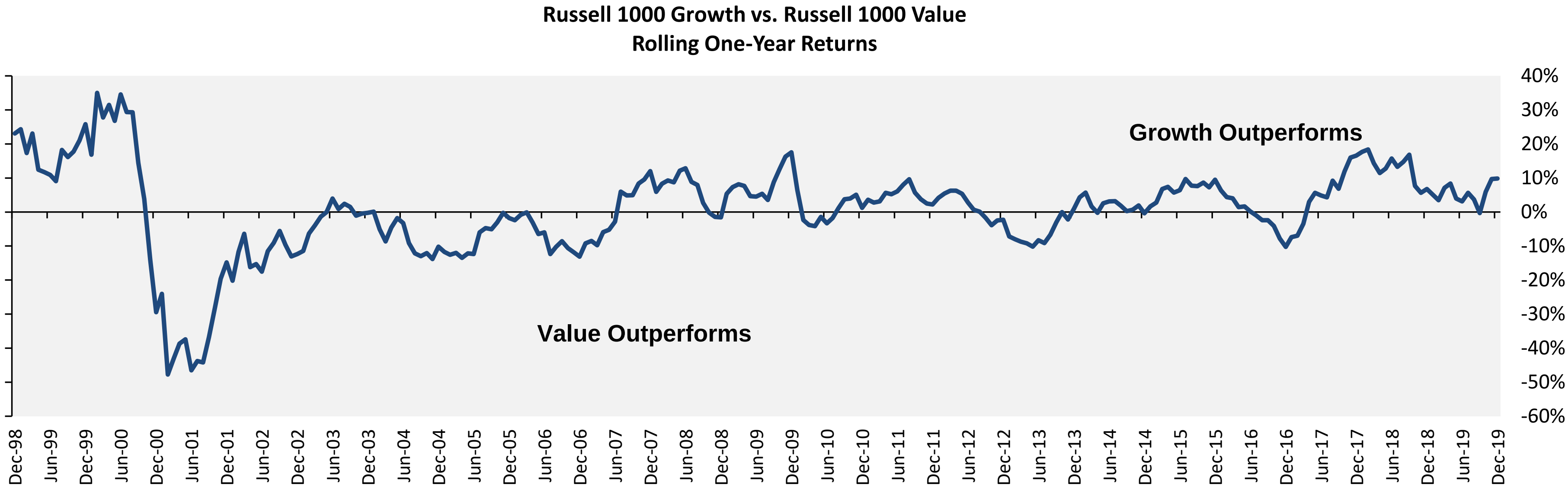
U.S. Equity Valuations Above Historical Averages

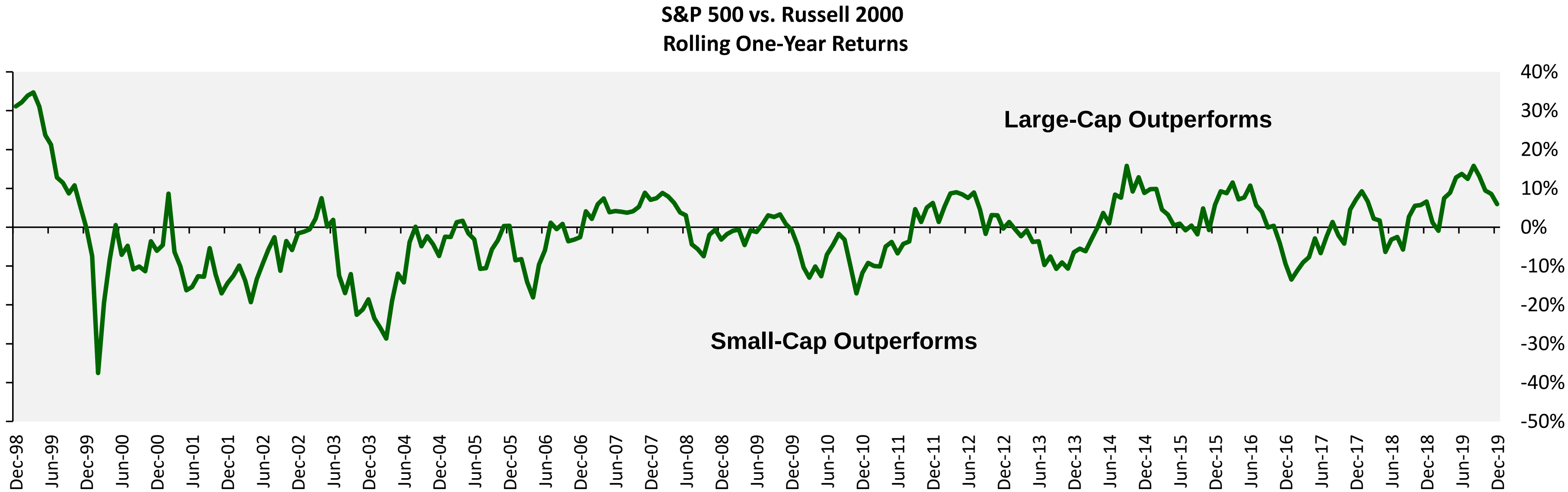
S&P 500 Index: Forward P/E ratio

Valuation measure	Description	Latest	25-year avg.*	Std. dev. Over-/under-Valued
P/E	Forward P/E	18.18x	16.26x	0.60
CAPE	Shiller's P/E	30.78	27.16	0.58
Div. Yield	Dividend yield	1.93%	2.09%	0.41
P/B	Price to book	3.32	2.96	0.49
P/CF	Price to cash flow	12.97	10.61	1.28
EY Spread	EY minus Baa yield	1.65%	-0.03%	-0.85

Source: FactSet, FRB, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Data are as of December 31, 2019.

U.S. Equity Market



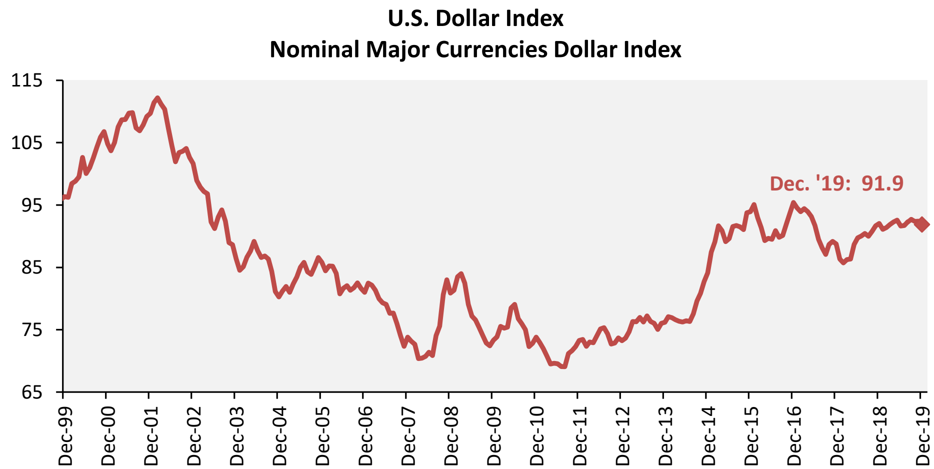


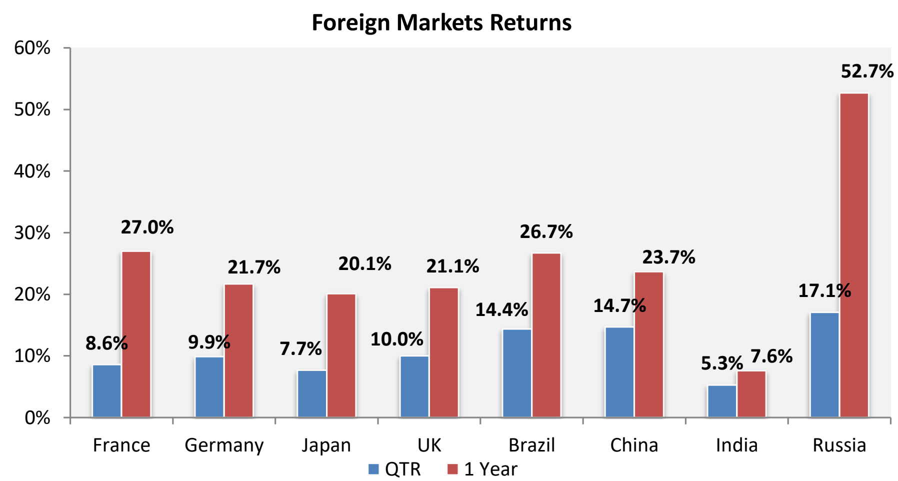
U.S. Equity Market

International Equity Market

While international equity markets kept pace with U.S. equities in the 4th quarter, they lagged for the full year, continuing the decade-long trend of U.S. equity outperformance. Non-U.S. developed markets, as measured by the MSCI EAFE, finished the quarter returning 8.2%, taking the return for 2019 to 22.0%. Within Europe, manufacturing activity is showing signs of possibly bottoming, especially in Germany, which returned 9.9% for the quarter and 21.7% for 2019. Some clarity surrounding the Brexit situation allowed the U.K to return 10.0% for the 4th quarter and 21.1% for the year. Japan lagged most developed markets in the 4th quarter with a return of 7.7% as growth was expected to slow sharply following a tax on private consumption. Given they are more highly leveraged to global growth, emerging markets lagged for most of the year on concerns related to U.S.-China trade negotiations. However, progress on the trade front led to an 11.8% return for emerging markets in the 4th quarter, resulting in an 18.4% gain for 2019. Emerging markets were also supported by rising global liquidity through the Fed and ECB easing and some slight U.S. Dollar weakness. China, the largest emerging market country, ended on a high note, returning 14.7% for the quarter and 23.7% for 2019.

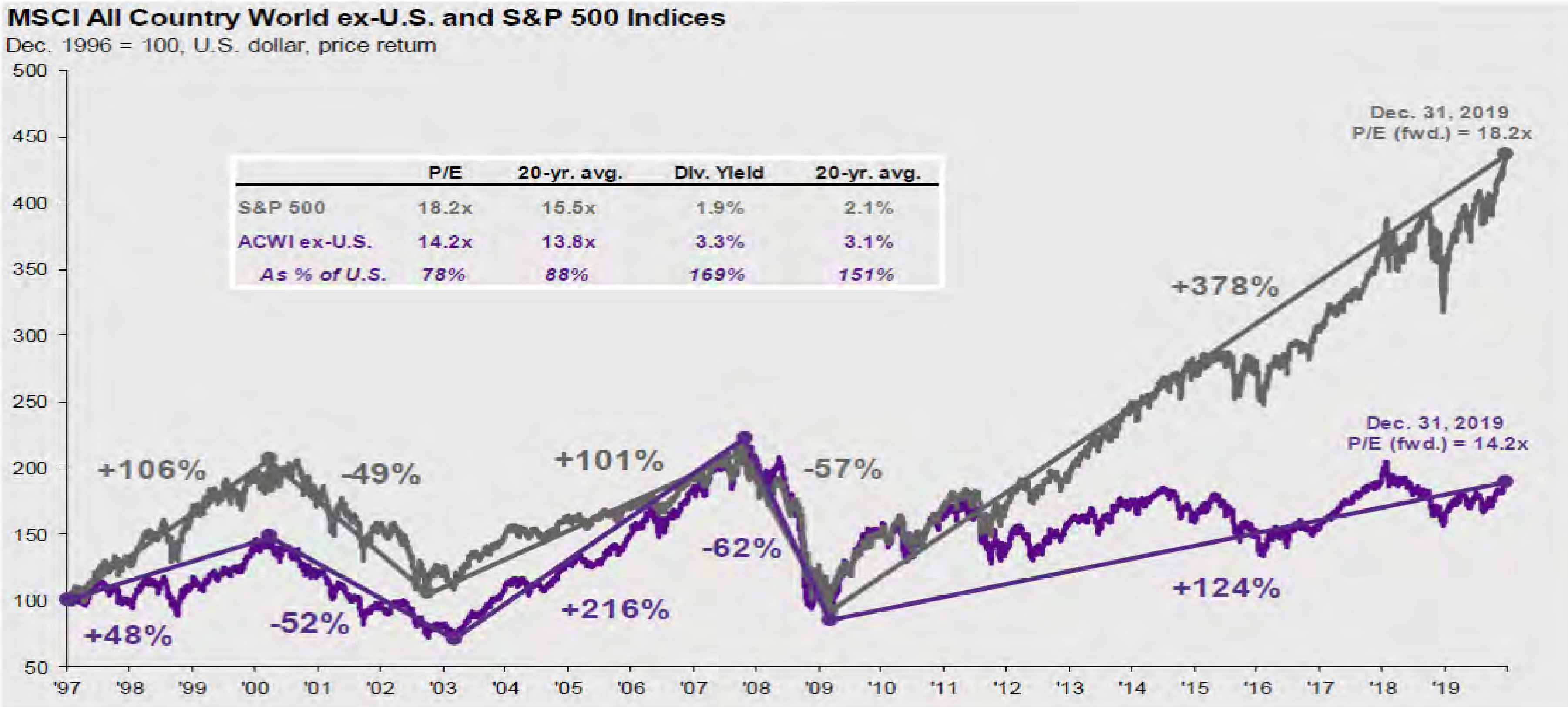
Sector	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	9.0	26.6	-9.4	24.0	7.9	-2.4	4.2	26.6	12.4	8.4	8.8
	MSCI World Small Cap (net)	9.7	24.7	-14.4	23.8	11.6	-1.0	1.8	24.7	9.7	7.9	9.7
	MSCI World ex US (net)	8.9	21.5	-14.2	27.2	4.5	-5.7	-3.9	21.5	9.9	5.5	5.0
	MSCI World ex US Small Cap (net)	11.0	22.4	-18.2	31.6	3.9	2.6	-4.0	22.4	9.7	7.0	6.9
Developed ex US	MSCI EAFE (net)	8.2	22.0	-13.8	25.0	1.0	-0.8	-4.9	22.0	9.6	5.7	5.5
	MSCI EAFE Value (net)	7.8	16.1	-14.8	21.4	5.0	-5.7	-5.4	16.1	6.3	3.5	4.0
	MSCI EAFE Growth (net)	8.5	27.9	-12.8	28.9	-3.0	4.1	-4.4	27.9	12.8	7.7	7.0
	MSCI EAFE Small Cap (net)	11.5	25.0	-17.9	33.0	2.2	9.6	-5.0	25.0	10.9	8.9	8.7
Emerging Markets	MSCI Emerging Markets (net)	11.8	18.4	-14.6	37.3	11.2	-14.9	-2.2	18.4	11.6	5.6	3.7





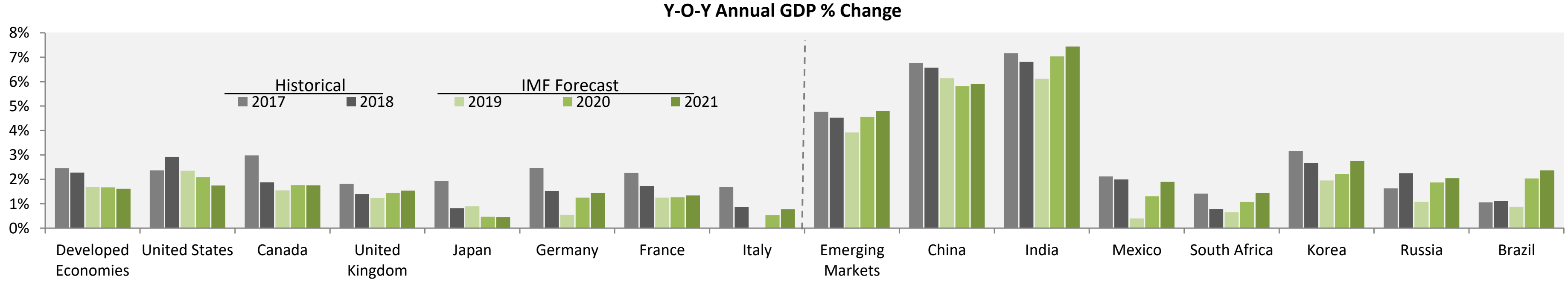
Left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. Source: The Federal Reserve. Right chart: Data as of December 31, 2019.

International Equity Market



	P/E	20-yr. avg.	Div. Yield	20-yr. avg.
S&P 500	18.2x	15.5x	1.9%	2.1%
ACWI ex-U.S.	14.2x	13.8x	3.3%	3.1%
As % of U.S.	*78%*	*88%*	*169%*	*151%*

Y-O-Y Annual GDP % Change

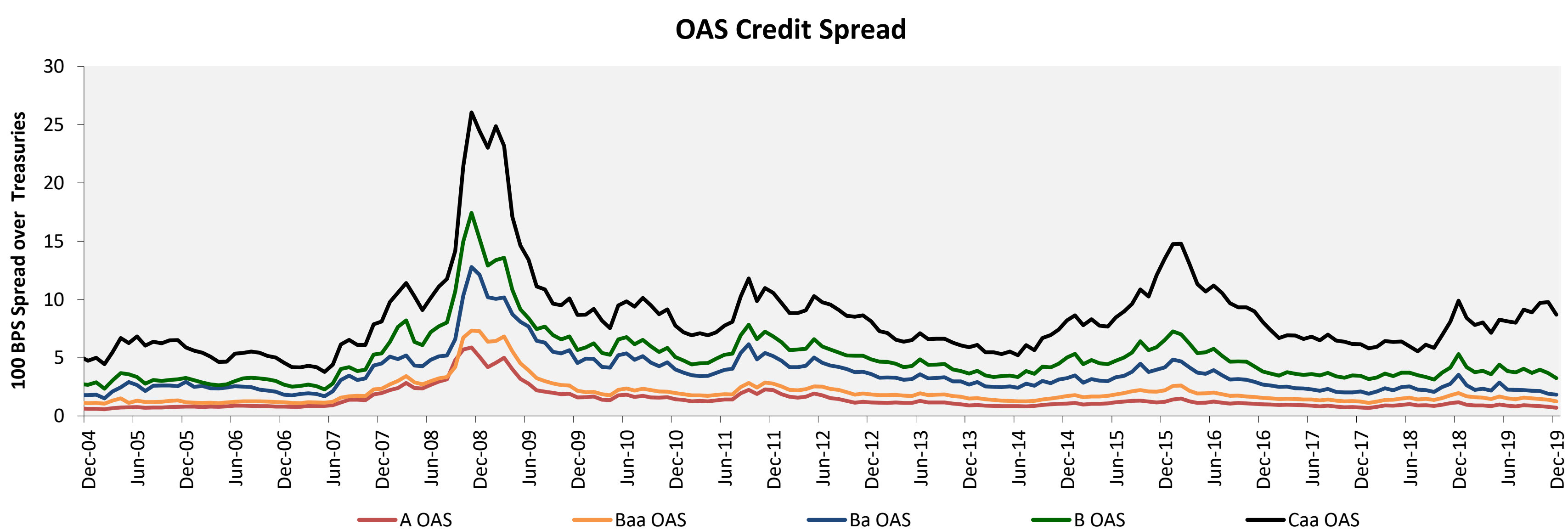


Top chart: Source - MSCI, Standard & Poor's, FactSet, J.P. Morgan Asset Management. Bottom chart: Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific. Source: International Monetary Fund, World Economic Outlook Database, October 2019.

U.S. Bond Market

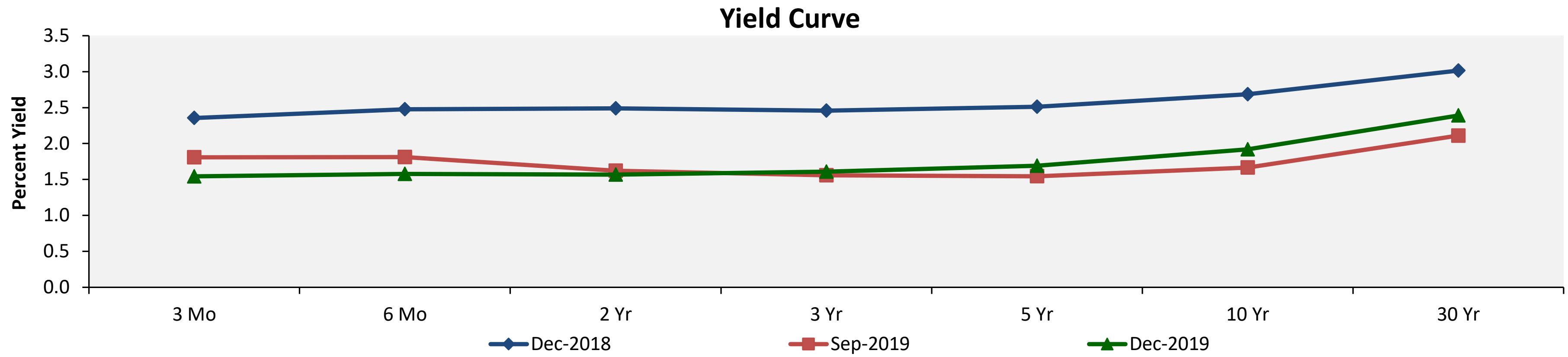
The combination of lower central bank policy rates, low growth and inflation expectations, and scarcity of bond supply pressured yields lower in 2019, resulting in better than expected returns for most segments of the fixed income market. The Fed cut rates at three consecutive meetings between July and October, driving yields on the short end of the curve lower while longer dated maturities drifted slightly higher. This resulted in a steeper yield curve and reversed the inversion between 3-month and 10-year yields seen throughout the 3rd quarter. Rates finished the year lower by approximately 60 to 100 basis points across the curve relative to the start of the year. The Bloomberg Barclays US Aggregate Index returned 0.2% for the 4th quarter and 8.7% for 2019. Longer duration portfolios tended to outperform for the year given the decline in interest rates. High yield was the best performing segment of the market as spreads tightened 190 bps during the year, resulting in a return of 15.2% for the Bloomberg Barclays High Yield Ba/B Index. High yield spreads now sit well below their long-term average. Curiously, overall high yield spreads disguise what has been an interesting dispersion between higher quality high yield (BB/B) and lower quality (CCC). While spreads on higher quality high yield securities declined throughout the year, lower quality issues actually saw spreads widen in the second half of the year as the market became more selective on credit issues.

Index	Yield	Duration	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	2.31	6.2	0.2	8.7	0.0	3.5	2.7	0.6	6.0	8.7	4.0	3.1	3.8
Bloomberg Barclays Govt/Credit	2.22	6.9	0.0	9.7	-0.4	4.0	3.1	0.2	6.0	9.7	4.4	3.2	4.0
Bloomberg Barclays Int Agg	2.14	4.1	0.5	6.7	0.9	2.3	2.0	1.2	4.1	6.7	3.3	2.6	3.2
Bloomberg Barclays Int Govt/Credit	1.93	3.9	0.4	6.8	0.9	2.1	2.1	1.1	3.1	6.8	3.2	2.6	3.1
Bloomberg Barclays HY Ba/B 2% IC	4.30	3.1	2.5	15.2	-1.9	6.9	14.1	-2.7	3.5	15.2	6.5	6.1	7.4
BofA ML HY Cash Pay BB 1-3 Yr.	4.21	1.4	1.5	8.7	1.4	3.6	8.5	1.2	1.9	8.7	4.5	4.6	5.6
Bloomberg Barclays Mortgage	2.54	4.3	0.7	6.4	1.0	2.5	1.7	1.5	6.1	6.4	3.3	2.6	3.2
Bloomberg Barclays Treasury	1.80	6.5	-0.8	6.9	0.9	2.3	1.0	0.8	5.1	6.9	3.3	2.4	3.1
Bloomberg Barclays US TIPS	1.99	7.4	0.8	8.4	-1.3	3.0	4.7	-1.4	3.6	8.4	3.3	2.6	3.4
BofA ML 91 day T-Bills	1.55	0.3	0.5	2.3	1.9	0.9	0.3	0.1	0.0	2.3	1.7	1.1	0.6



Source: Bloomberg Barclays

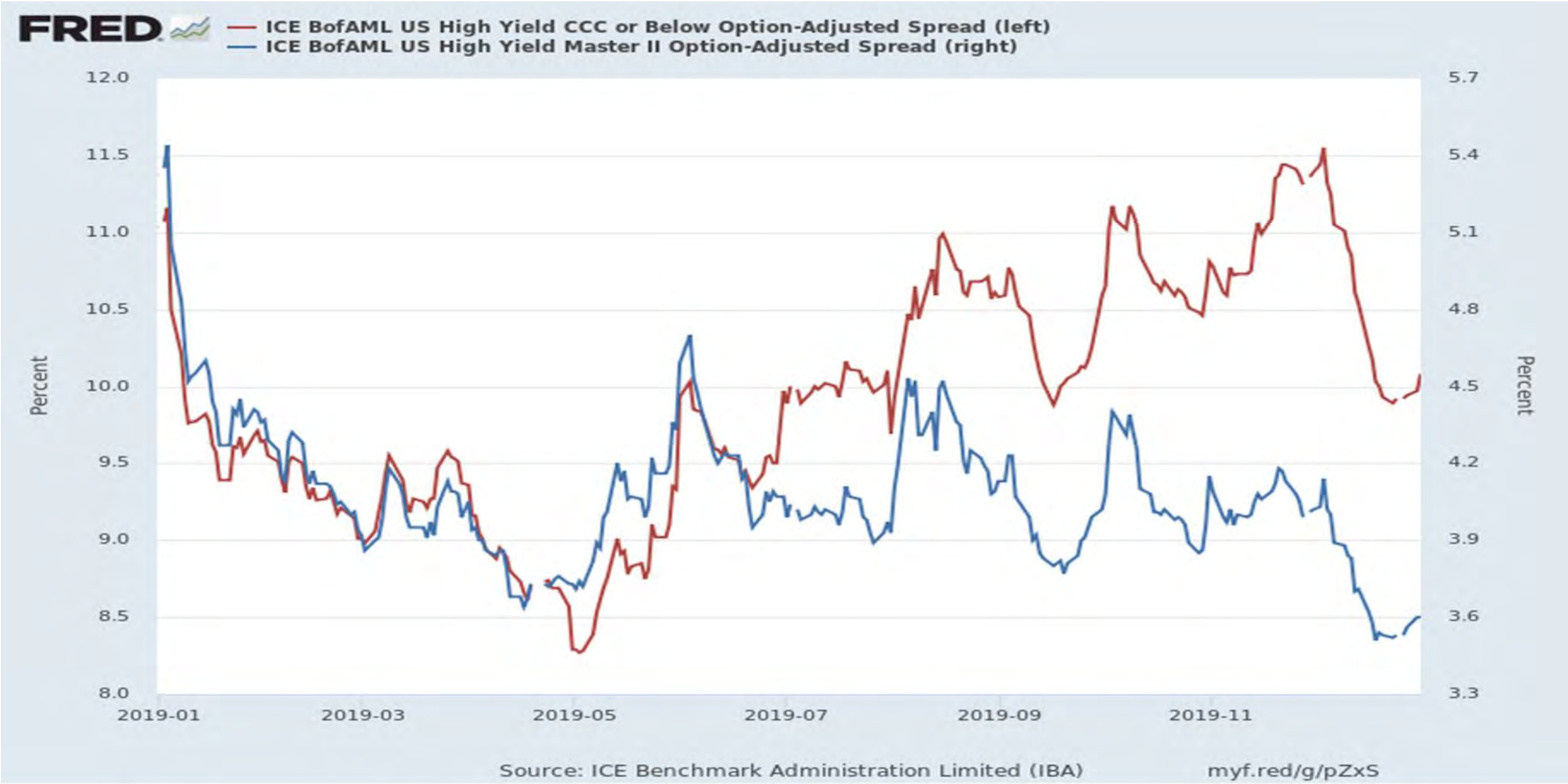
U.S. Yield Curve



Date of inversion prior to recession	Time to recession
April 11, 1968	19 months
March 9, 1973	7 months
August 18, 1978	16 months
September 12, 1980	9 months
December 13, 1988	18 months
February 2, 2000	12 months
June 8, 2006	17 months
Average	**14 months**

Source: Top Chart - Bloomberg Barclays. Bottom Chart - FactSet, Federal Reservse, J.P. Morgan Asset Management. Data are as of December 31, 2019.

Market Favoring Higher Quality

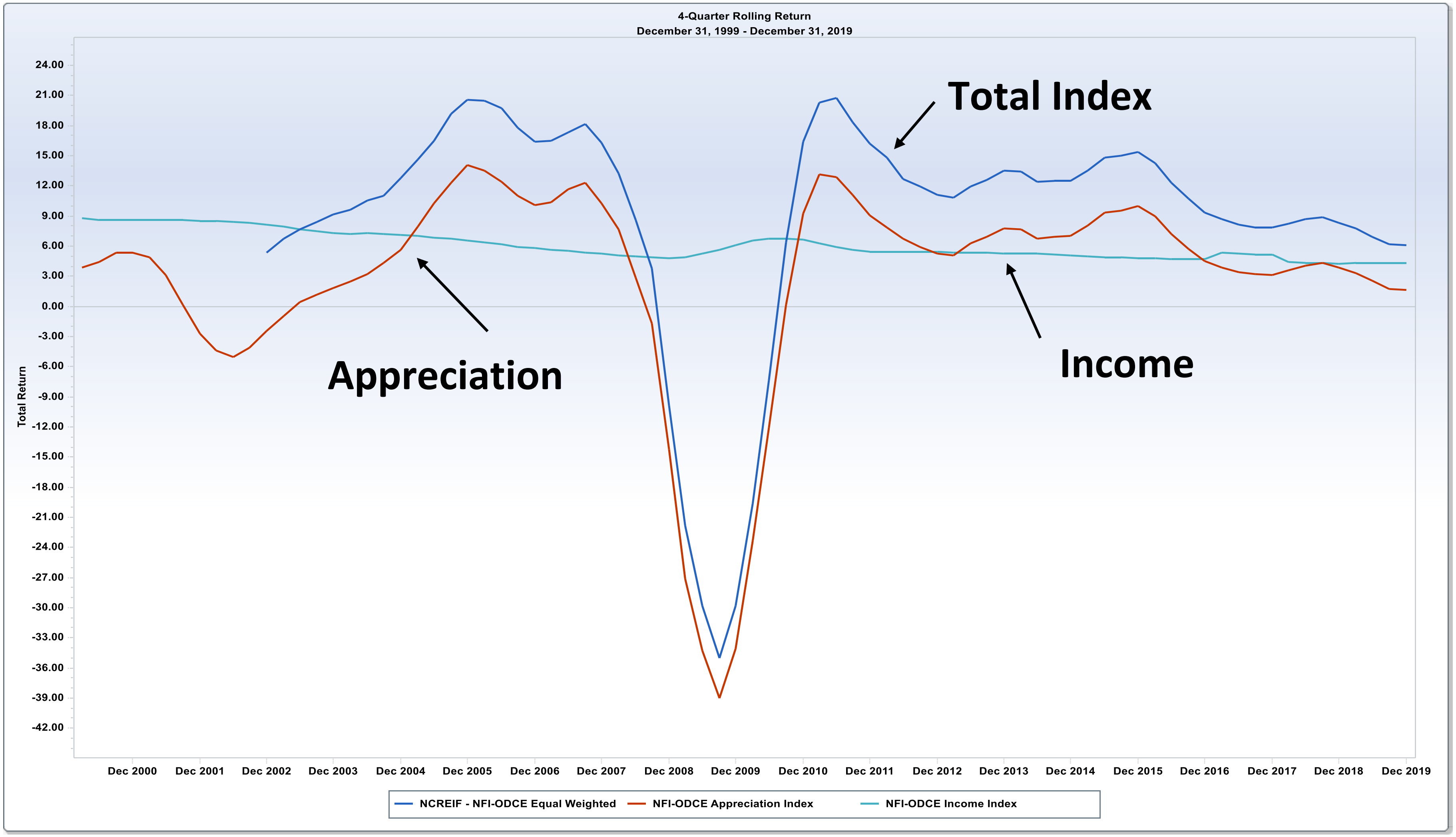


Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 12/31/2019							
Yield Change	10 Year Treasury	Bloomberg Barclays Aggregate	Bloomberg Barclays Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
(bps)		US Aggregate	US Int Govt/Credit				
-150	15.41	11.55	7.84	12.59	4.52	8.96	6.34
-100	10.91	8.47	5.87	9.14	3.59	7.42	5.63
-50	6.41	5.39	3.90	5.70	2.67	5.89	4.92
-25	4.16	3.85	2.92	3.97	2.20	5.12	4.57
0	1.91	2.31	1.93	2.25	1.74	4.35	4.21
25	-0.34	0.77	0.95	0.53	1.28	3.58	3.86
50	-2.59	-0.77	-0.04	-1.20	0.82	2.82	3.50
100	-7.09	-3.85	-2.01	-4.64	-0.11	1.28	2.79
150	-11.59	-6.93	-3.98	-8.09	-1.04	-0.26	2.08
200	-16.09	-10.01	-5.95	-11.53	-1.96	-1.79	1.37
250	-20.59	-13.09	-7.92	-14.98	-2.89	-3.33	0.66
300	-25.09	-16.17	-9.89	-18.42	-3.81	-4.86	-0.05
350	-29.59	-19.25	-11.86	-21.87	-4.74	-6.40	-0.76
400	-34.09	-22.33	-13.83	-25.31	-5.66	-7.93	-1.47
450	-38.59	-25.41	-15.80	-28.76	-6.59	-9.47	-2.18
500	-43.09	-28.49	-17.77	-32.20	-7.51	-11.00	-2.89
Duration	9.00	6.16	3.94	6.89	1.85	3.07	1.42

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2019 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as of 12/31/2019 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.

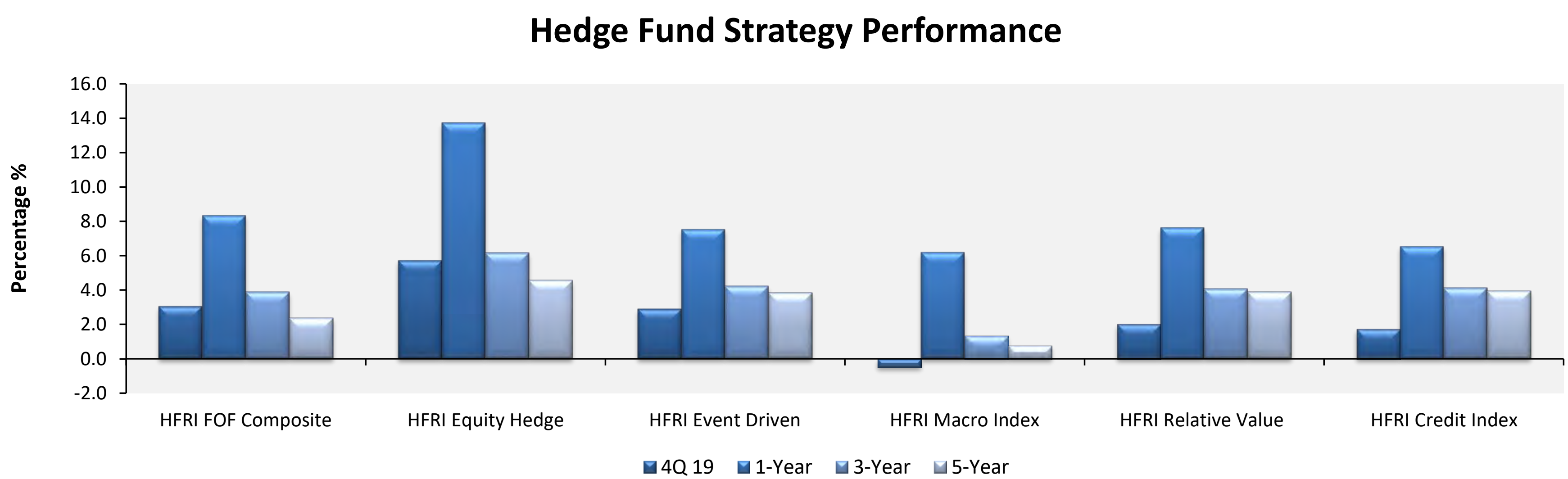
Real Estate Market



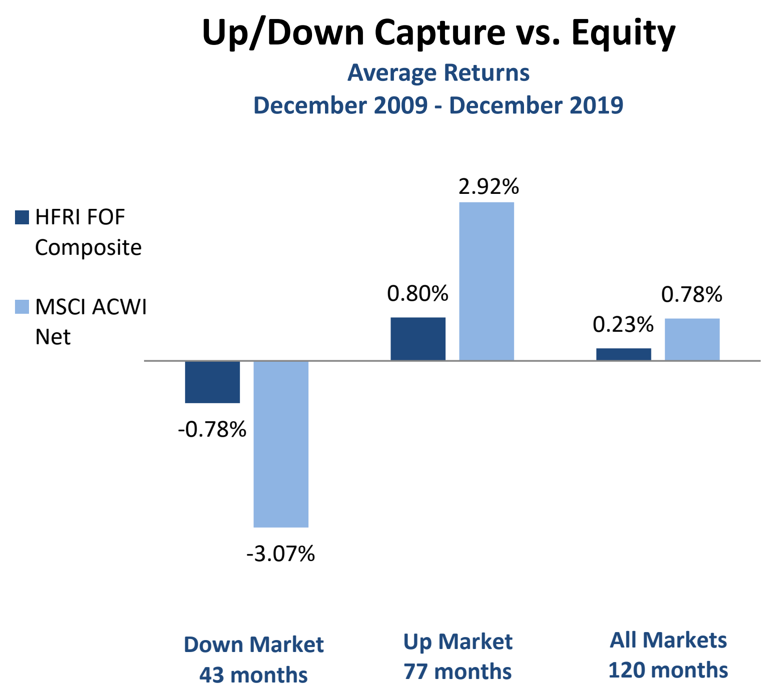
Hedge Fund of Funds Market

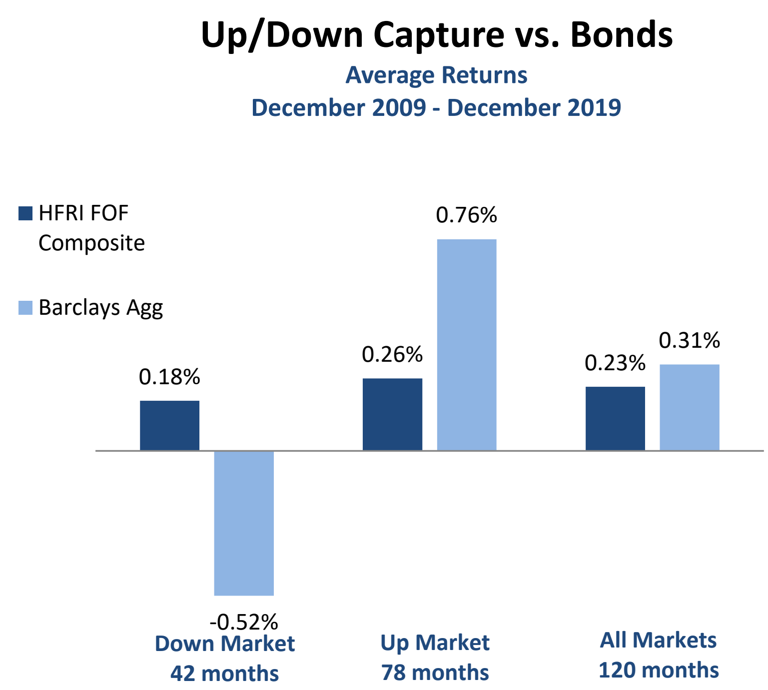
Hedge fund returns were broadly positive during the fourth quarter and calendar year 2019, benefiting from strong returns across asset classes. The HFRI Fund of Funds Composite rose 8.3% on the year, and the sub-strategy returns shown below were generally range-bound between 6-8%. Equity-oriented strategies were the clear outlier in a year that saw outsized global equity returns, as the HFRI Equity Hedge was up 5.7% during the fourth quarter and 13.7% for the year. Hedge fund of funds manager returns were more dispersed for the year and largely a function of how much directional equity risk they were willing to take, as well as how hedged their portfolios were. Higher levels of equity risk and less hedging generally served managers well in 2019, though many hedge fund of funds managers were more cautious in their positioning given the high level of equity market valuations and the current late stage of economic expansion. Outside of equity strategies, relative value and event driven strategies were the best performers for the year, returning 7.6% and 7.5%, respectively. Credit-oriented strategies, while broadly positive on the year, generally lagged high yield bond indices in a strong year for high yield corporate credit. Managers positioned for rising interest rates coming into 2019 through high levels of loan exposure (floating rate) performed relatively worse than the broader markets, and stressed/distressed credit opportunities remained limited during the year.

Strategy	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI FOF Composite	3.0	8.3	-4.0	7.8	0.5	-0.3	3.4	8.3	3.9	2.4	2.8
Equity Long-Short	HFRI Equity Hedge	5.7	13.7	-7.1	13.3	5.5	-1.0	1.8	13.7	6.2	4.6	4.7
Event Driven	HFRI Event Driven	2.9	7.5	-2.1	7.6	10.6	-3.6	1.1	7.5	4.2	3.8	4.9
Global Macro	HFRI Macro Index	-0.5	6.2	-4.1	2.2	1.0	-1.3	5.6	6.2	1.3	0.8	1.2
Relative Value	HFRI Relative Value	2.0	7.6	-0.4	5.1	7.7	-0.3	4.0	7.6	4.1	3.9	5.2
Credit	HFRI Credit Index	1.7	6.5	0.0	6.0	8.6	-1.0	3.0	6.5	4.1	3.9	5.4



Hedge Fund of Funds Market





Real Estate Market

Private real estate, as measured by the NCREIF ODCE Equal Weighted Index, returned 1.5% (1.3% net) in the fourth quarter, consisting of income gains of 1.0% and modest appreciation of 0.5%. Consistent with expectations, income has been the primary driver of return, accounting for 4.3% of the 6.0% total return in 2019. The prospective low interest rates for the foreseeable future should be supportive of real estate valuations going forward, while the income component remains attractive to investors seeking sources of yield in a low rate environment. Additionally, fundamentals such as occupancy, new supply and rent growth all appear healthy. Assuming income of 4-5% per year and appreciation of 1-3%, expectations for total returns of 5%-8% from core real estate appear reasonable.

Sector	Index	4Q 19	YTD	2018	2017	2016	2015	2014	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted (net)	1.3	5.2	7.3	6.9	8.4	14.2	11.4	5.2	6.5	8.4	10.5
	NCREIF ODCE Income Index	1.1	4.3	4.3	5.1	4.7	4.8	5.1	4.3	4.6	4.6	5.1
	NCREIF ODCE Appreciation Index	0.5	1.6	3.9	3.1	4.5	10.0	7.0	1.6	2.9	4.6	6.1

	Total return (incl. income) 2019	Total return (incl. income) 2020	Total return (incl. income) 2021	Total return (incl. income) 2019 to 2023 (per year)
National, All Property Types (NPI)	6.4	5.7	4.9	5.6
Office	6.2	5.6	4.4	5.2
Retail	2.5	3.5	4.4	4.1
Industrial	12.5	8.7	6.5	7.9
Apartment	5.6	5.7	5.1	5.6

Source: Average of respondents' forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NCREIF Property Index Q4 2019.

FELRA and UFCW Benefit Funds

VEBA, Severance, Scholarship and Legal Funds

Master Consulting Services Report

Period Ended

December 31, 2019

Total Fund Growth of Assets

	Fourth Quarter	Fiscal Year-To-Date	Three Years	Five Years	Inception 1/1/13
Beginning Market Value	$34,538,748	$31,103,087	$58,280,078	$66,858,326	$56,700,141
Net Cash Flow	$4,252,714	$5,971,429	-$24,231,484	-$37,006,533	-$32,971,934
Net Investment Change	$626,603	$2,343,549	$5,369,471	$9,566,272	$15,689,859
Ending Market Value	$39,418,065	$39,418,065	$39,418,065	$39,418,065	$39,418,065

- The Fund's fiscal year end is December 31st.
- Total assets represent the combined value of the VEBA, Severance, Scholarship and Legal Funds.

Performance Summary (Gross of Fees) - Annualized

			Ending December 31, 2019					
	Market Value	% of Portfolio	2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	**$39,418,065**	**100.0%**	**1.8%**	**6.7%**	**5.0%**	**4.4%**	**4.5%**	**Jan-13**
Total Domestic Large Cap Equity	**$4,873,323**	**12.4%**	**9.0%**	**30.8%**	**14.6%**	**11.2%**	**13.3%**	**Jan-13**
Total Investment Grade Fixed Income	**$10,388,538**	**26.4%**	**0.3%**	**6.6%**	**3.4%**	**2.8%**	**2.7%**	**Jan-13**
Total Short Duration High Yield Fixed Income	**$3,672,416**	**9.3%**	**1.1%**	**7.8%**	**4.4%**	**4.0%**	**3.9%**	**Sep-14**
Total Real Estate	**$2,644,675**	**6.7%**	**2.4%**	**6.9%**	**7.4%**	**8.5%**	**9.4%**	**Jan-13**
Total Cash Equivalents	**$17,839,113**	**45.3%**	**0.4%**	**1.9%**	**1.6%**	**1.0%**	**0.7%**	**Jan-13**

- February 1, 2015 represents the inception of the Policy and investment manager structure for each Fund.
- Investment performance represents the actual results of the combined assets of the VEBA, Severance, Scholarship and Legal Funds.

Asset Allocation

	Current	Current
Domestic Large Cap Equity	$4,873,323	12.4%
Investment Grade Fixed Income	$10,388,538	26.4%
Short Duration High Yield Fixed Income	$3,672,416	9.3%
Real Estate	$2,644,675	6.7%
Cash Equivalents	$17,839,113	45.3%
Total	**$39,418,065**	**100.0%**

Total Fund Growth of Assets

	Fourth Quarter	Fiscal Year-To-Date	Three Years	Five Years
Beginning Market Value	$29,396,962	$27,544,017	$55,118,478	$56,545,312
Net Cash Flow	$5,634,024	$5,878,640	-$24,465,081	-$29,886,181
Net Investment Change	$606,265	$2,214,595	$4,983,855	$8,978,120
Ending Market Value	$35,637,252	$35,637,252	$35,637,252	$35,637,252

	Ending December 31, 2019							
	Market Value	% of Portfolio	2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total VEBA Fund	**$35,637,252**	**100.0%**	**2.0%**	**7.1%**	**5.1%**	**4.5%**	**4.4%**	**Jan-13**
Domestic Large Cap Equity	$4,862,599	13.6%	9.0%	30.7%	14.6%	11.2%	13.3%	Jan-13
CRSP US Total Market TR USD			*9.0%*	*30.8%*	*14.6%*	*11.2%*	*14.4%*	*Jan-13*
S&P 500			*9.1%*	*31.5%*	*15.3%*	*11.7%*	*14.7%*	*Jan-13*
Investment Grade Fixed Income	$8,800,905	24.7%	0.3%	6.7%	3.4%	2.8%	2.7%	Jan-13
Custom Benchmark Segall			*0.4%*	*6.8%*	*3.2%*	*2.6%*	*2.3%*	*Jan-13*
Short Duration High Yield Fixed Income	$3,527,332	9.9%	1.1%	7.8%	4.4%	4.0%	3.9%	Nov-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.5%*	*8.7%*	*4.5%*	*4.6%*	*4.5%*	*Nov-14*
Real Estate	$2,594,352	7.3%	2.4%	6.9%	7.4%	8.5%	8.5%	Dec-14
NCREIF ODCE Equal Weighted Net			*1.3%*	*5.2%*	*6.5%*	*8.3%*	*8.3%*	*Dec-14*
Veba Cash	$15,852,064	44.5%	0.5%	2.0%	1.5%	1.0%	0.7%	Jan-13

Note: Allocations are based on data from the PNC custody statements.

Current vs. Policy						
	Current	Current	Policy	Policy Range	Difference	Difference
Domestic Large Cap Equity	$4,862,599	13.6%	20.0%	5.0% - 50.0%	-6.4%	-$2,264,852
Investment Grade Fixed Income	$8,800,905	24.7%	35.0%	20.0% - 80.0%	-10.3%	-$3,672,133
Short Duration High Yield Fixed Income	$3,527,332	9.9%	20.0%	10.0% - 40.0%	-10.1%	-$3,600,119
Real Estate	$2,594,352	7.3%	20.0%	0.0% - 30.0%	-12.7%	-$4,533,098
Cash Equivalents	$15,852,064	44.5%	5.0%	0.0% - 25.0%	39.5%	$14,070,201
Total	**$35,637,252**	**100.0%**	**100.0%**			

- The Policy is effective January 2, 2020.
- Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the Policy.

FELRA and UFCW VEBA Fund - Asset Allocation & Portfolio Activity

- Asset allocation reviews were presented and discussed with the Board of Trustees at the following meetings: July 18, 2014, August 29, 2014, April 10, 2015 and July 18, 2019.
- In January 2018, $1.0M transferred from SBH ($450k), Chartwell ($250k) and Vanguard ($300k) for cash needs.
- In February 2018, $2.0M transferred from SBH ($900k), Chartwell ($500k) and Vanguard ($600k) for cash needs.
- In April 2018, $3.5M transferred from SBH ($1.575M), Chartwell ($875k) and Vanguard ($1.05M) for cash needs.
- In June 2018, $2.0M transferred from SBH ($900k), Chartwell ($460k) and Vanguard ($640k) for cash needs.
- A redemption from ARA was submitted effective June 30, 2018 in the amount of $460k. The proceeds were received and transferred to SBH on July 2, 2019 for rebalancing.
- In June 2019, $10.0M cash transferred to SBH ($6.0M), Chartwell ($2.0M) and Vanguard ($2.0M) for rebalancing.
- At the July 18, 2019 meeting, the Trustees adopted a Policy: 20% large cap equity (from 25%), 35% investment grade fixed income (from 40%), 20% short duration high yield, 20% real estate (from 10%) and 5% cash. To rebalance to Policy, $3.5M was committed to ARA and funded effective January 2, 2020.
- On November 7, 2019, $4.5M transferred from SBH ($2.475M), Chartwell ($900k) and Vanguard ($1.125M) for cash needs.

Recommendations: None.

Total Fund Growth of Assets	Fourth Quarter	Fiscal Year-To-Date	Three Years	Five Years
Beginning Market Value	$4,572,763	$2,937,615	$2,458,731	$9,450,881
Net Cash Flow	-$1,518,112	$36,268	$428,286	-$6,752,219
Net Investment Change	$16,822	$97,591	$184,457	$372,812
Ending Market Value	$3,071,474	$3,071,474	$3,071,474	$3,071,474

	Ending December 31, 2019							
	Market Value	% of Portfolio	2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Severance Fund	**$3,071,474**	**100.0%**	**0.4%**	**3.5%**	**2.3%**	**2.1%**	**3.5%**	**Jan-13**
Investment Grade Fixed Income	$1,260,883	41.1%	0.2%	6.5%	3.4%	2.7%	2.7%	Jan-13
Custom Benchmark Segall			*0.4%*	*6.8%*	*3.2%*	*2.6%*	*2.3%*	*Jan-13*
Short Duration High Yield Fixed Income	$120,864	3.9%	1.1%	7.8%	4.4%	4.0%	3.9%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.5%*	*8.7%*	*4.5%*	*4.6%*	*4.5%*	*Sep-14*
Severance Cash	$1,689,727	55.0%	0.5%	2.0%	1.4%	0.9%	0.6%	Jan-13

Note: Allocations are based on data from the PNC custody statements.

Current vs. Policy						
	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$1,260,883	41.1%	65.0%	10.0% - 80.0%	-23.9%	-$735,575
Short Duration High Yield Fixed Income	$120,864	3.9%	30.0%	15.0% - 60.0%	-26.1%	-$800,578
Cash Equivalents	$1,689,727	55.0%	5.0%	0.0% - 40.0%	50.0%	$1,536,154
Total	**$3,071,474**	**100.0%**	**100.0%**			

- Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the Policy.

FELRA and UFCW Severance Fund - Asset Allocation & Portfolio Activity

- In January 2018, $500k transferred from SBH ($325k) and Chartwell ($175k) for cash needs.
- In February 2018, $2.09M transferred from cash to SBH ($1.43M) and Chartwell ($660k) for rebalancing.
- In July 2018, $200k transferred from SBH ($136k) and Chartwell ($64k) for cash needs.
- In September 2018, $700k transferred from SBH ($476k), Chartwell ($210k) and HFoF/cash ($14k) for cash needs.
- In October 2018, $600k transferred from SBH ($360k) and Chartwell ($240k) for cash needs.
- In November 2018, $250k transferred from SBH ($187.5k) and Chartwell ($62.5k) for cash needs.
- In June 2019, $1.0M cash transferred to SBH for rebalancing.
- In August 2019, $100k transferred from SBH for cash needs.

Recommendations: None.

Total Fund Growth of Assets

	Fourth Quarter	Fiscal Year-To-Date	Three Years	Five Years
Beginning Market Value	$129,163	$170,840	$285,639	$393,614
Net Cash Flow	-$12,744	-$63,231	-$197,444	-$332,782
Net Investment Change	$2,449	$11,259	$30,673	$58,036
Ending Market Value	$118,868	$118,868	$118,868	$118,868

Ending December 31, 2019

	Market Value	% of Portfolio	2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Scholarship Fund	**$118,868**	**100.0%**	**2.1%**	**8.1%**	**5.4%**	**4.9%**	**6.5%**	**Jan-13**
Domestic Large Cap Equity	$10,725	9.0%	9.0%	30.7%	14.6%	11.3%	13.2%	Jan-13
CRSP US Total Market TR USD			*9.0%*	*30.8%*	*14.6%*	*11.2%*	*14.4%*	*Jan-13*
S&P 500			*9.1%*	*31.5%*	*15.3%*	*11.7%*	*14.7%*	*Jan-13*
Investment Grade Fixed Income	$18,321	15.4%	0.3%	6.6%	3.4%	2.8%	2.7%	Jan-13
Custom Benchmark Segall			*0.4%*	*6.8%*	*3.2%*	*2.6%*	*2.3%*	*Jan-13*
Short Duration High Yield Fixed Income	$24,220	20.4%	1.1%	7.8%	4.4%	4.0%	3.9%	Nov-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.5%*	*8.7%*	*4.5%*	*4.6%*	*4.5%*	*Nov-14*
Real Estate	$50,322	42.3%	2.4%	6.9%	7.4%	8.5%	9.3%	Jan-13
NCREIF ODCE Equal Weighted Net			*1.3%*	*5.2%*	*6.5%*	*8.3%*	*9.3%*	*Jan-13*
Scholarship Cash	$15,280	12.9%	0.4%	1.9%	1.3%	0.8%	0.6%	Jan-13

Note: Allocations are based on data from the PNC custody statements.

Current vs. Policy

	Current	Current	Policy	Policy Range	Difference	Difference
Domestic Large Cap Equity	$10,725	9.0%	10.0%	2.5% - 20.0%	-1.0%	-$1,161
Investment Grade Fixed Income	$18,321	15.4%	40.0%	20.0% - 80.0%	-24.6%	-$29,226
Short Duration High Yield Fixed Income	$24,220	20.4%	30.0%	5.0% - 60.0%	-9.6%	-$11,441
Real Estate	$50,322	42.3%	20.0%	0.0% - 40.0%	22.3%	$26,549
Cash Equivalents	$15,280	12.9%	--	--	12.9%	$15,280
Total	**$118,868**	**100.0%**	**100.0%**			

- Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the Policy.

FELRA and UFCW Scholarship Fund - Asset Allocation & Portfolio Activity

- In May 2018, $25k transferred from SBH ($12k), Chartwell ($10.5k) and Vanguard ($2.5k) for cash needs.
- A redemption from ARA was submitted effective June 30, 2018 in the amount of $40k. The proceeds were received and transferred to SBH on July 2, 2019 for rebalancing.
- In July 2018, $20k transferred from SBH ($10k), Chartwell ($8k) and Vanguard ($2k) for cash needs.
- In November 2018, $5k transferred from SBH for cash needs.
- In January 2019, $4k transferred from SBH for cash needs.
- In February 2019, $10k transferred from SBH for cash needs.
- In May 2019, $20k transferred from SBH ($13k) and Chartwell ($7k) for cash needs.
- In June 2019, $15k transferred from SBH ($9.75k) and Chartwell ($5.25k) for cash needs.
- In October 2019, $4k transferred from SBH for cash needs.
- In November 2019, $4k transferred from SBH for cash needs.
- In December 2019, $15k transferred from SBH for cash needs.

Recommendations: None.

Total Fund Growth of Assets	Fourth Quarter	Fiscal Year-To-Date	Three Years	Five Years
Beginning Market Value	$439,859	$450,617	$417,238	$468,535
Net Cash Flow	$149,545	$119,752	$140,703	$79,317
Net Investment Change	$1,068	$20,103	$32,531	$42,620
Ending Market Value	$590,472	$590,472	$590,472	$590,472

	Ending December 31, 2019							
	Market Value	% of Portfolio	2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Legal Fund	**$590,472**	**100.0%**	**0.2%**	**4.6%**	**2.5%**	**1.9%**	**1.5%**	**Jan-13**
Investment Grade Fixed Income	$308,430	52.2%	0.2%	6.6%	3.4%	2.8%	2.7%	Jan-13
Custom Benchmark Segall			*0.4%*	*6.8%*	*3.2%*	*2.6%*	*2.3%*	*Jan-13*
Legal Cash	$282,042	47.8%	0.3%	1.7%	1.1%	0.7%	0.5%	Jan-13

Note: Allocations are based on data from the PNC custody statements.

Current vs. Policy

	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$308,430	52.2%	100.0%	30.0% - 100.0%	-47.8%	-$282,042
Cash Equivalents	$282,042	47.8%	--	--	47.8%	$282,042
Total	**$590,472**	**100.0%**	**100.0%**			

- Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the Policy.

FELRA and UFCW Legal Fund - Asset Allocation & Portfolio Activity

- In June 2019, $185k transferred from cash to SBH for rebalancing.
- In August 2019, $125k transferred from SBH for cash needs.

Recommendations: None.

Performance Detail (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2019					
			2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	**$39,418,065**	**100.0%**	**1.8%**	**6.7%**	**5.0%**	**4.4%**	**4.5%**	**Jan-13**
Total Domestic Large Cap Equity	**$4,873,323**	**12.4%**	**9.0%**	**30.8%**	**14.6%**	**11.2%**	**13.3%**	**Jan-13**
Vanguard U.S. Stock Market Index Fund	$4,873,323	12.4%	9.0%	30.8%	14.6%	11.2%	11.4%	Nov-14
CRSP US Total Market TR USD			*9.0%*	*30.8%*	*14.6%*	*11.2%*	*11.3%*	*Nov-14*
Total Investment Grade Fixed Income	**$10,388,538**	**26.4%**	**0.3%**	**6.6%**	**3.4%**	**2.8%**	**2.7%**	**Jan-13**
Segall, Bryant and Hamill	$10,388,538	26.4%	0.3%	6.6%	3.4%	2.8%	2.7%	Jan-13
Custom Benchmark Segall			*0.4%*	*6.8%*	*3.2%*	*2.6%*	*2.3%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$3,672,416**	**9.3%**	**1.1%**	**7.8%**	**4.4%**	**4.0%**	**3.9%**	**Sep-14**
Chartwell Investment Partners Short Duration High Yield	$3,672,416	9.3%	1.1%	7.8%	4.4%	4.0%	3.9%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.5%*	*8.7%*	*4.5%*	*4.6%*	*4.5%*	*Sep-14*
Total Real Estate	**$2,644,675**	**6.7%**	**2.4%**	**6.9%**	**7.4%**	**8.5%**	**9.4%**	**Jan-13**
American Realty Advisors	$2,644,675	6.7%	2.4%	6.9%	7.4%	8.5%	9.4%	Jan-13
NCREIF ODCE Equal Weighted Net			*1.3%*	*5.2%*	*6.5%*	*8.3%*	*9.3%*	*Jan-13*
Total Cash Equivalents	**$17,839,113**	**45.3%**	**0.4%**	**1.9%**	**1.6%**	**1.0%**	**0.7%**	**Jan-13**
Veba Cash	$15,852,064	40.2%	0.5%	2.0%	1.5%	1.0%	0.7%	Jan-13
Severance Cash	$1,689,727	4.3%	0.5%	2.0%	1.4%	0.9%	0.6%	Jan-13
Scholarship Cash	$15,280	0.0%	0.4%	1.9%	1.3%	0.8%	0.6%	Jan-13
Legal Cash	$282,042	0.7%	0.3%	1.7%	1.1%	0.7%	0.5%	Jan-13

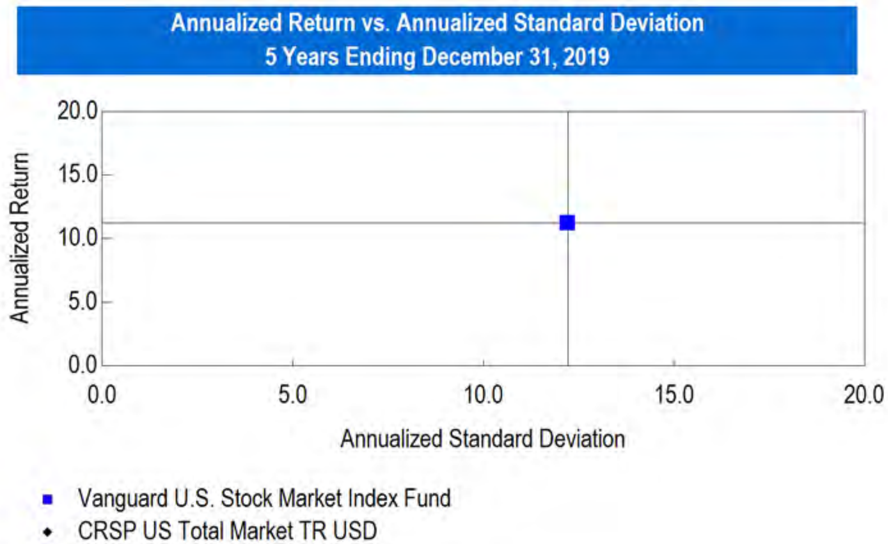
Account Information

Account Name	**Vanguard U.S. Stock Market Index Fund**
Account Structure	**Mutual Fund**
Investment Style	**Passive**
Inception Date	**11/01/14**
Account Type	**Equity**
Benchmark	**CRSP US Total Market TR USD**
Universe	

Vanguard U.S. Stock Market Index Fund

December 31, 2019

	Fourth Quarter	Inception 11/1/14
Beginning Market Value	$5,559,592	--
Net Cash Flow	-$1,125,000	$369,570
Net Investment Change	$438,731	$4,503,754
Ending Market Value	$4,873,323	$4,873,323



3 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Vanguard U.S. Stock Market Index Fund	14.6%	12.4%	100.0%	99.7%
CRSP US Total Market TR USD	14.6%	12.4%	100.0%	100.0%

5 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Vanguard U.S. Stock Market Index Fund	11.2%	12.2%	100.0%	99.9%
CRSP US Total Market TR USD	11.2%	12.2%	100.0%	100.0%

					Calendar Years						
	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015	Inception	Inception Date
Vanguard U.S. Stock Market Index Fund	9.0%	30.8%	14.6%	11.2%	30.8%	-5.1%	21.2%	12.7%	0.4%	11.4%	Nov-14
CRSP US Total Market TR USD	*9.0%*	*30.8%*	*14.6%*	*11.2%*	*30.8%*	*-5.2%*	*21.2%*	*12.7%*	*0.4%*	*11.3%*	*Nov-14*

Note: Returns are gross of fees.

FELRA & UFCW Benefit Funds - Vanguard U.S. Stock Market Index Fund

Manager Summary

Recommendation: None.

Compliance Summary

Mutual Fund not monitored for compliance by Investment Performance Services.

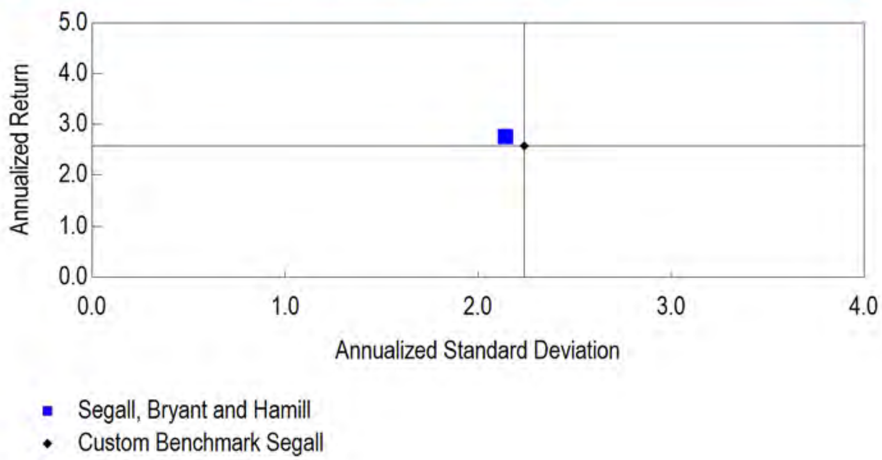
Account Information

Account Name	**Segall, Bryant and Hamill**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**US Fixed Income**
Benchmark	**Custom Benchmark Segall**
Universe	

Segall, Bryant and Hamill
December 31, 2019

	Fourth Quarter	Inception 1/1/13
Beginning Market Value	$12,853,524	$11,361,650
Net Cash Flow	-$2,498,000	-$3,262,351
Net Investment Change	$33,014	$2,289,238
Ending Market Value	$10,388,538	$10,388,538

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2019



3 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall, Bryant and Hamill	3.4%	1.9%	98.0%	81.2%
Custom Benchmark Segall	3.2%	2.1%	100.0%	100.0%

5 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall, Bryant and Hamill	2.8%	2.1%	98.8%	87.3%
Custom Benchmark Segall	2.6%	2.2%	100.0%	100.0%

	2019 Q4	1 Yr	3 Yrs	5 Yrs	Calendar Years 2019	2018	2017	2016	2015	Inception	Inception Date
Segall, Bryant and Hamill	0.3%	6.6%	3.4%	2.8%	6.6%	1.3%	2.4%	2.2%	1.3%	2.7%	Jan-13
Custom Benchmark Segall	*0.4%*	*6.8%*	*3.2%*	*2.6%*	*6.8%*	*0.9%*	*2.1%*	*2.1%*	*1.1%*	*2.3%*	*Jan-13*

Note: Returns are gross of fees.

FELRA & UFCW Benefit Funds - Segall, Bryant and Hamill

Manager Summary

- IPS conducted due diligence meetings with Segall Bryant and Hamill on June 7, 2017, June 20, 2017, August 28, 2018, January 11, 2019 and April 24, 2019.

Recommendation: None.

Compliance Summary

Exception #1: Investment Objectives and Guidelines states: Fixed income securities must be rated at least BBB-Baa3/BBB- or higher by Fitch, Moody's or Standard & Poor's. If a security is rated by all three agencies, two of the agencies must rate the security BBB- or Baa3 or above at the time of purchase. If only two of the rating agencies rate a security, the lower rating applies. If only one of the rating agencies rates a security, that rating will apply. If a security's rating falls below BBB-/Baa3/BBB-, the fixed income manager will immediately notify the trustees in writing of the event and describe its plan for dealing with the security. Should the manager decide to continue to hold the downgraded issue, the manager will report to the Trustees no less than quarterly in writing as to the status of the security and keep the Trustees fully informed of the improvement/deterioration of the valuation as well as to any change in their recommendation.

Four inherited bonds held as of 12/31/2019 are currently below investment grade with a total market value of $31,395 (0.30% of the portfolio).

Manager Response Summary: The manager provided a table with the inherited bonds that are currently below investment grade and in default in 4Q19 checklist. The manager stated Countrywide Home Loans and GMAC Mortgage CORP Loan are currently being monitored for sale and have not received an adequate bid. Twin Reefs Pass-Through securities are in strategic reorganization and the status of securities is uncertain. The manager noted they have received DPS 144 A Washington Mutual stock from Washington Mutual Series 2006-AR8 class 1A5 5.942% due 08/25/2046 out of escrow and have sold the shares. The manager noted they may receive additional shares. The manager noted that eight bonds have paid down and are no longer in the manager's portfolio. SBH has contacted the custodian who stated the bonds have fully paid down, however DTC has not received notice of a final pay down. This is typical when the underlying company intends to make future cash distributions. Fractional units are left as current face to keep the accounts from "falling off" as holder of the bonds. See Compliance Report for the table with responses from manager regarding sale details.

Action to be taken: Based on the follow-up information and comments provided by the manager, no action is required.

Items of Interest: None.

Account Information

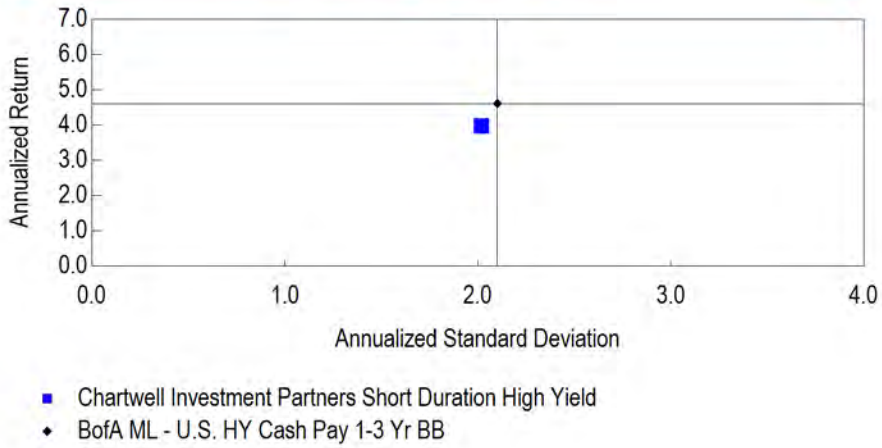
Account Name	Chartwell Investment Partners Short Duration High Yield
Account Structure	Separate Account
Investment Style	Active
Inception Date	9/30/14
Account Type	US Fixed Income High Yield
Benchmark	BofA ML - U.S. HY Cash Pay 1-3 Yr BB
Universe	

Chartwell Investment Partners Short Duration High Yield

December 31, 2019

	Fourth Quarter	Inception 9/30/14
Beginning Market Value	$4,528,965	--
Net Cash Flow	-$900,000	$2,358,227
Net Investment Change	$43,452	$1,314,189
Ending Market Value	$3,672,416	$3,672,416

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2019



3 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	4.4%	1.6%	95.0%	81.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	4.5%	1.7%	100.0%	100.0%

5 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	4.0%	2.0%	87.1%	97.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	4.6%	2.1%	100.0%	100.0%

					Calendar Years						
	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015	Inception	Inception Date
Chartwell Investment Partners Short Duration High Yield	1.1%	7.8%	4.4%	4.0%	7.8%	1.2%	4.2%	7.2%	-0.3%	3.9%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*1.5%*	*8.7%*	*4.5%*	*4.6%*	*8.7%*	*1.4%*	*3.6%*	*8.5%*	*1.2%*	*4.5%*	*Sep-14*

Note: Returns are gross of fees.

FELRA & UFCW Benefit Funds - Chartwell Investment Partners Short Duration High Yield

Manager Summary

- IPS conducted due diligence meetings with Chartwell on March 22, 2017, October 8, 2018, January 7, 2019 and August 29, 2019.
- On January 25, 2018, Chartwell announced their planned acquisition of the public equity and fixed income businesses of Columbia Partners, an investment management firm based in Chevy Chase, MD. While a consent to assignment was required on the part of Columbia Partners' clients, no action is required on the part of Chartwell clients. The transaction closed on April 9, 2018.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

Items of Interest: None.

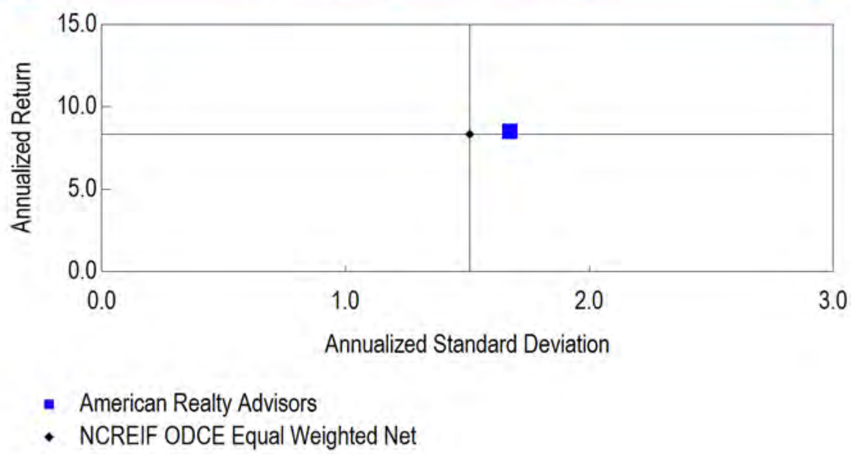
Account Information	
Account Name	American Realty Advisors
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	1/01/13
Account Type	Real Estate
Benchmark	NCREIF ODCE Equal Weighted Net
Universe	

Income is reinvested.

American Realty Advisors
December 31, 2019

	Fourth Quarter	Inception 1/1/13
Beginning Market Value	$2,583,792	$2,993,032
Net Cash Flow	$0	-$2,500,000
Net Investment Change	$60,883	$2,151,643
Ending Market Value	$2,644,675	$2,644,675

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2019



3 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Realty Advisors	7.4%	1.0%	114.7%	--
NCREIF ODCE Equal Weighted Net	6.5%	0.6%	100.0%	--

5 Years Ending December 31, 2019

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Realty Advisors	8.5%	1.7%	102.3%	--
NCREIF ODCE Equal Weighted Net	8.3%	1.5%	100.0%	--

					Calendar Years						
	2019 Q4	1 Yr	3 Yrs	5 Yrs	2019	2018	2017	2016	2015	Inception	Inception Date
American Realty Advisors	2.4%	6.9%	7.4%	8.5%	6.9%	7.6%	7.6%	7.8%	12.7%	9.4%	Jan-13
NCREIF ODCE Equal Weighted Net	*1.3%*	*5.2%*	*6.5%*	*8.3%*	*5.2%*	*7.3%*	*6.9%*	*8.3%*	*14.2%*	*9.3%*	*Jan-13*

Note: Returns are gross of fees.

Note: Information on PNC statements lag one quarter.

FELRA & UFCW Benefit Funds - American Realty Advisors

Manager Summary

- IPS conducted due diligence meetings with American Realty Advisors on June 21, 2017, June 4, 2018 and August 19, 2019.

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.

Investment Policy Statement

- The current investment policy statement was adopted June 4, 2015.

Custody Bank

- The current custodian is PNC Bank.

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.

FELRA and UFCW Benefit Funds
VEBA, Severance, Scholarship and Legal Funds

Appendix

Performance Detail (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2019					
			2019 Q4	Fiscal YTD	3 Yrs	5 Yrs	Inception	Inception Date
Total Fund	**$39,418,065**	**100.0%**	**1.8%**	**6.6%**	**4.9%**	**4.2%**	**4.4%**	**Jan-13**
Total Domestic Large Cap Equity	**$4,873,323**	**12.4%**	**9.0%**	**30.8%**	**14.6%**	**11.2%**	**13.1%**	**Jan-13**
Vanguard U.S. Stock Market Index Fund	$4,873,323	12.4%	9.0%	30.8%	14.6%	11.2%	11.4%	Nov-14
CRSP US Total Market TR USD			*9.0%*	*30.8%*	*14.6%*	*11.2%*	*11.3%*	*Nov-14*
Total Investment Grade Fixed Income	**$10,388,538**	**26.4%**	**0.2%**	**6.4%**	**3.2%**	**2.6%**	**2.5%**	**Jan-13**
Segall, Bryant and Hamill	$10,388,538	26.4%	0.2%	6.4%	3.2%	2.6%	2.5%	Jan-13
Custom Benchmark Segall			*0.4%*	*6.8%*	*3.2%*	*2.6%*	*2.3%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$3,672,416**	**9.3%**	**1.0%**	**7.3%**	**3.9%**	**3.5%**	**3.4%**	**Sep-14**
Chartwell Investment Partners Short Duration High Yield	$3,672,416	9.3%	1.0%	7.3%	3.9%	3.5%	3.4%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.5%*	*8.7%*	*4.5%*	*4.6%*	*4.5%*	*Sep-14*
Total Real Estate	**$2,644,675**	**6.7%**	**2.4%**	**6.9%**	**7.4%**	**8.5%**	**9.3%**	**Jan-13**
American Realty Advisors	$2,644,675	6.7%	2.4%	6.9%	7.4%	8.5%	9.3%	Jan-13
NCREIF ODCE Equal Weighted Net			*1.3%*	*5.2%*	*6.5%*	*8.3%*	*9.3%*	*Jan-13*
Total Cash Equivalents	**$17,839,113**	**45.3%**	**0.4%**	**1.9%**	**1.6%**	**1.0%**	**0.7%**	**Jan-13**
Veba Cash	$15,852,064	40.2%	0.5%	2.0%	1.5%	1.0%	0.7%	Jan-13
Severance Cash	$1,689,727	4.3%	0.5%	2.0%	1.4%	0.9%	0.6%	Jan-13
Scholarship Cash	$15,280	0.0%	0.4%	1.9%	1.3%	0.8%	0.6%	Jan-13
Legal Cash	$282,042	0.7%	0.3%	1.7%	1.1%	0.7%	0.5%	Jan-13

Benchmark History

Segall, Bryant and Hamill		
9/1/2014	Present	BBgBarc US Govt/Credit Int TR 100%
1/1/2013	8/31/2014	BBgBarc US Aggregate TR 100%

Index Disclosure

- NCREIF ODCE Equal Weighted Net Index - During 4Q2018 the real estate benchmark was changed from NCREIF ODCE Equal Weighted Index to NCREIF ODCE Equal Weighted Net Index for all historical time periods since inception.

Footnotes

- Values, flows and returns for all commingled funds, mutual funds, partnerships, and all other alternative assets are provided by the firm managing the assets and cannot be verified by IPS.
- The net of fees returns in this report are estimated. Fees do not include: the investment consulting fee paid to IPS, investment manager incentive fees, custodian fees, or other administrative costs.

Disclaimer:

This report has been prepared by Investment Performance Services, LLC (“IPS”). Certain information, including information relating to market indices, was provided by sources external to IPS and may not have been verified. While IPS has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of source information contained herein. Information provided in this report is as of the date of the report unless noted otherwise, and IPS is under no obligation to update the information or communicate that any updates have been made. If this report contains information regarding a matter that is outside of the description of services in the written agreement between IPS and the Fund, such information is included for informational purposes only and, the inclusion of such information does not alter or expand the scope of the services provided by IPS.

The Fund’s performance is attributable to factors other than the advice of IPS because, among other things, (a) IPS may act in an advisory capacity (i.e., IPS may not have discretion over Fund assets), (b) the Fund may or may not follow advice provided by IPS, and (c) returns may include investments made prior to the Fund’s relationship with IPS. Nothing contained herein constitutes investment, legal, accounting, actuarial, or tax advice, or a recommendation to buy, sell, or hold a security or pursue a particular investment vehicle or any trading strategy. Past performance is no guaranty of future results.

EPIC

April 30 - May 3, 2019

The following investment managers and providers attended and helped to defray the cost of IPS' annual 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 that pays to attend EPIC.

Aberdeen Standard Investments
Amalgamated Bank of Chicago
American Realty Advisors
ASB Real Estate Investments
Atlanta Capital Management
BlackRock Financial Management
BNY Mellon Asset Management (Mellon)
Boyd Watterson Asset Management
Brown Advisory
Capital Institutional Services, Inc. (CAPIS)
Chartwell Investment Partners
Christenson Investment Partners
Corbin Capital Partners
Corry Capital Advisors
Eaton Vance Management
EnTrust Global
First Eagle Investment Mgmt.
Foundry Partners
Fred Alger Management
GAMCO Asset Management
GCM Grosvenor
Gerding Edlen
Glouston Capital Partners
GoldenTree Asset Management
Great Lakes Advisors
Hamilton Lane Advisors
HarbourVest Partners
Hardman Johnston Global Advisors
Intercontinental Real Estate Corp.
Invesco Advisers, Inc.
Janus Henderson Investors
JP Morgan Asset Management
Kearney Capital LLC
Kelson Group
Lazard Asset Management
Loomis, Sayles & Company
Lord Abbett & Co.
LSV Asset Management
MacKay Shields
McMorgan & Company
MEPT/Bentall Kennedy
National Investment Services
Neuberger Berman
Nuveen
Patriot Financial Partners
PENN Capital Management
Piedmont Investment Advisors
PNC Capital Advisors
Post Advisory Group
Quantitative Management Associates
Quest Investment Management
Rothschild Asset Management
Ryan Labs Asset Management
Segall Bryant & Hamill
Sierra Investment Partners
Smith Graham & Co.
Ullico Investment Company
U.S. Bank
Victory Capital Management
Washington Capital Management
WEDGE Capital Management
Wellington Management Company
Westfield Capital Management
William Blair & Company

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