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

Master Consulting Services Report

Period Ended
September 30, 2017

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Market Discussion Points 3Q | 2017

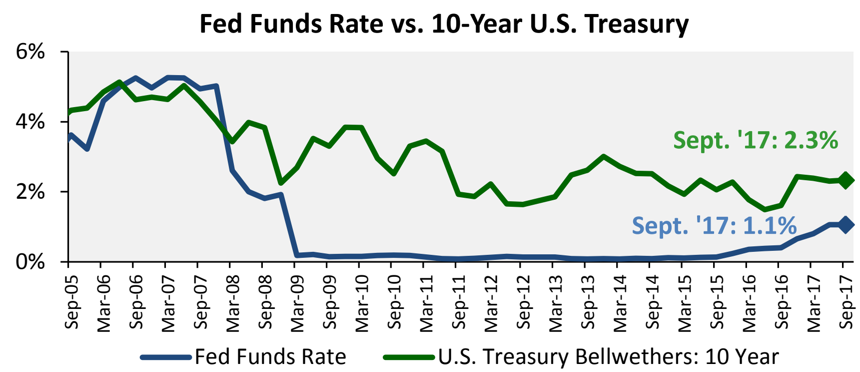
Financial Market Performance

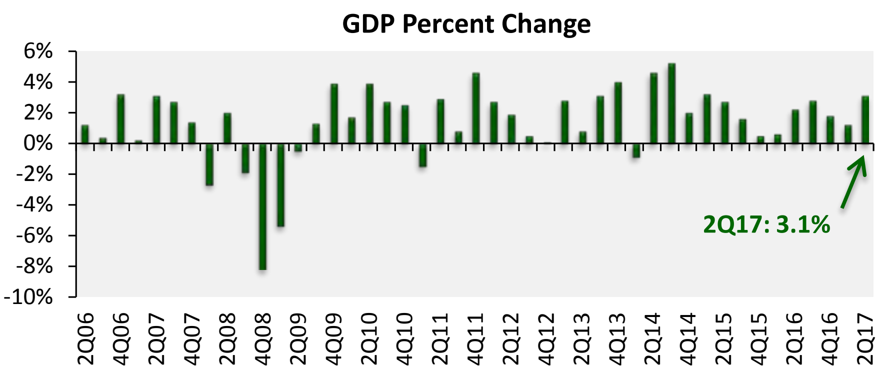
Periods Ending September 30, 2017

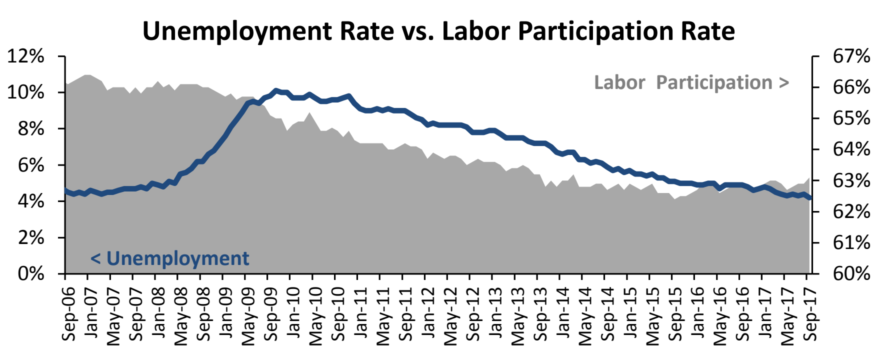
Strategy	Sector	Index	QTR	YTD	2016	2015	2014	2013	2012	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	4.5	14.2	12.0	1.4	13.7	32.4	16.0	18.6	10.8	14.2	7.4	7.0
	US Small Cap	Russell 2000	5.7	10.9	21.3	-4.4	4.9	38.8	16.4	20.7	12.2	13.8	7.9	7.5
	All Country	MSCI All Country World (net)	5.2	17.3	7.9	-2.4	4.2	22.8	16.1	18.6	7.4	10.2	3.9	-
	Non-US Developed	MSCI EAFE (net)	5.4	20.0	1.0	-0.8	-4.9	22.8	17.3	19.1	5.0	8.4	1.3	4.6
	Emerging Markets	MSCI EM (net)	7.9	27.8	11.2	-14.9	-2.2	-2.6	18.2	22.5	4.9	4.0	1.3	-
	Int'l Small Cap	MSCI EAFE Small Cap (net)	7.5	25.4	2.2	9.6	-5.0	29.3	20.0	21.8	11.1	12.9	4.6	-
Bonds	**Treasury**	Bloomberg Barclays US Govt	0.4	2.3	1.1	0.9	4.9	-2.6	2.0	-1.6	2.0	1.3	3.6	4.7
	Broad Market	Bloomberg Barclays Aggregate	0.9	3.1	2.7	0.6	6.0	-2.0	4.2	0.1	2.7	2.1	4.3	5.1
	High Yield	Bloomberg Barclays HY BaB 2% IC	1.9	6.5	14.1	-2.7	3.5	6.2	15.0	7.7	5.6	6.0	7.4	-
	Global Bonds	Citigroup WGBI	1.8	6.4	1.6	-3.6	-0.5	-4.0	1.7	-2.7	0.9	-0.4	3.0	4.4
Global Tactical Asset		65% MSCI World /35% Citi WGBI	3.8	12.6	5.6	-1.6	3.0	15.3	10.9	10.6	5.4	7.0	4.2	5.7
Real Estate	**Core**	NCREIF ODCE Equal Weighted	1.9	5.5	9.3	15.2	12.4	13.3	11.0	7.8	11.0	11.6	4.9	8.7
Hedge Funds	**Diversified FOFs**	HFRI HFOF Composite	2.4	5.6	0.5	-0.3	3.4	9.0	4.8	6.5	2.3	3.9	1.1	4.0
	Equity Long-Short	HFRI Equity Hedge	3.6	9.8	5.5	-1.0	1.8	14.3	7.4	11.1	4.6	6.3	2.9	7.4
Commodities	**Commodities**	Goldman Sachs Commodity	7.2	-3.8	11.4	-32.9	-33.1	-1.2	0.1	1.8	-19.6	-14.4	-10.0	-2.1

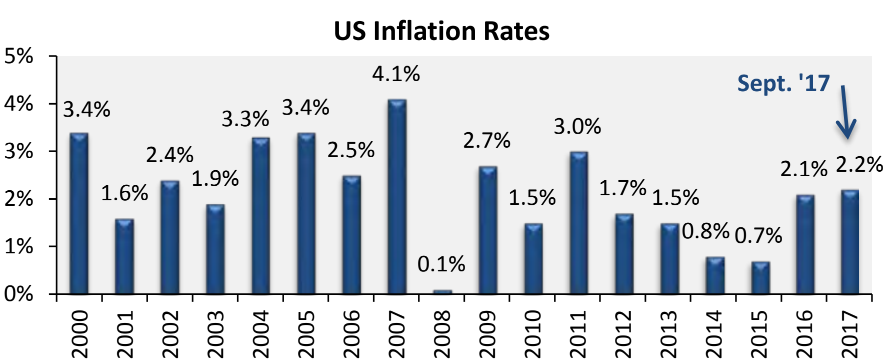
U.S. Economy

The current state of the U.S. economy can best be described as continual upward progress. While there have been some setbacks from multiple natural disasters around the world, including five back-to-back hurricanes in the U.S., typhoons in Asia and earthquakes in Mexico, not to mention political tensions between the US and North Korea, the economic indicators just keep getting better. We are now approaching our ninth straight year of economic expansion. Unemployment is down to 4.2%, which is the lowest level since 2000. Labor shortages are appearing in multiple sectors across all compensation levels. This is driving wage increases to near 3%. Inflation is benign at just below 2%. Consumer debt is near all-time lows, as is the housing affordability index due to low interest rates. GDP is growing at about 2.2% year over year through September, but was 3% last quarter. Corporate earnings for the S&P 500 increased by 7.1% over the last year and are forecasted to be up 10.8% for the next 12 months. The third quarter earnings season has been strong with 79% of the companies in the S&P 500 reporting earnings higher than analysts' estimates. Expectations are high for continued economic expansion from consumer and corporate spending and tax reform. These positive economic indicators are not just here in the U.S., but are significantly improving globally. Economic growth and positive fundamentals are accelerating in a low inflation and low interest rate environment in Europe, Asia and emerging markets.





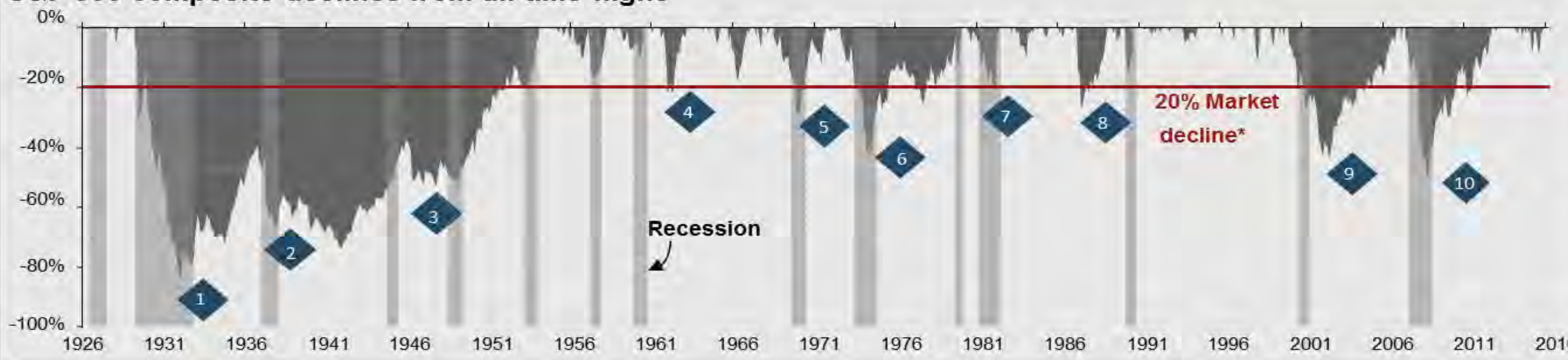




Source: Top Left - The Federal Reserve; Top Right - Bureau of Economics, U.S. Department of Commerce; Bottom Left and Right: Bureau of Labor Statistics

Current Bull Market: Historical Context

S&P 500 composite declines from all-time highs



Characteristics of bull and bear markets

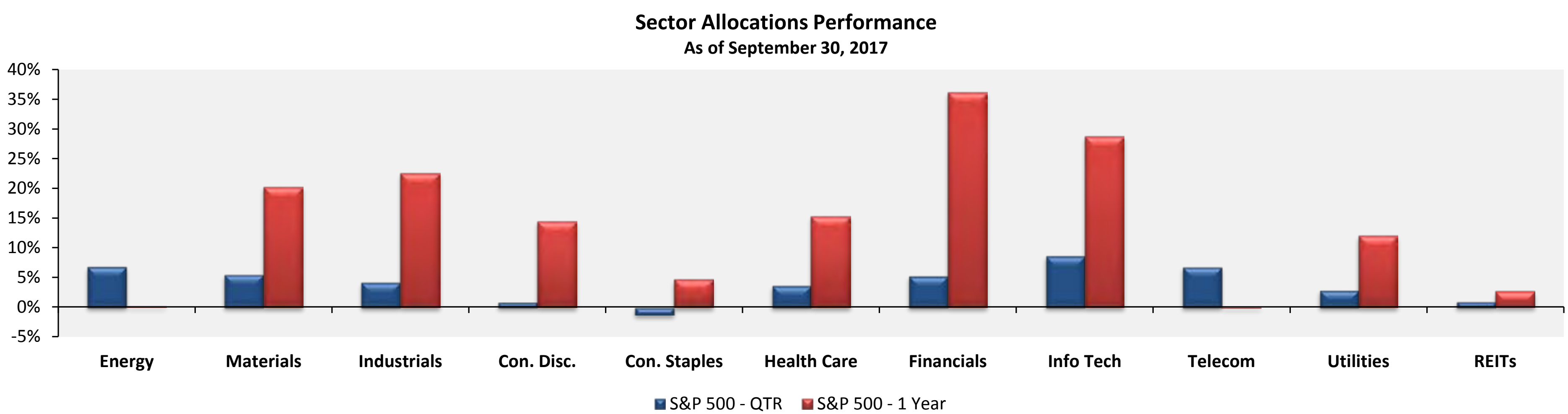
Market Corrections	Bear markets: Market peak	Bear markets: Bear return*	Bear markets: Duration (months)*	Macro environment: Recession	Macro environment: Commodity spike	Macro environment: Aggressive Fed	Macro environment: Extreme valuations	Bull markets: Bull begin date	Bull markets: Bull return	Bull markets: Duration (months)
1 Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	32	◆			◆	Jul 1926	152%	37
2 1937 Fed Tightening - Premature policy tightening	Mar 1937	-60%	61	◆		◆		Mar 1935	129%	23
3 Post WWII Crash - Post-war demobilization, recession fears	May 1946	-30%	36	◆			◆	Apr 1942	158%	49
4 Flash Crash of 1962 - Flash crash, Cuban Missile Crisis	Dec 1961	-28%	6				◆	Oct 1960	39%	13
5 Tech Crash of 1970 - Economic overheating, civil unrest	Nov 1968	-36%	17	◆	◆	◆		Oct 1962	103%	73
6 Stagflation - OPEC oil embargo	Jan 1973	-48%	20	◆	◆			May 1970	74%	31
7 Volcker Tightening - Whip Inflation Now	Nov 1980	-27%	20	◆	◆	◆		Mar 1978	62%	32
8 1987 Crash - Program trading, overheating markets	Aug 1987	-34%	3				◆	Aug 1982	229%	60
9 Tech Bubble - Extreme valuations, .com boom/bust	Mar 2000	-49%	30	◆			◆	Oct 1990	417%	113
10 Global Financial Crisis - Leverage/housing, Lehman collapse	Oct 2007	-57%	17	◆	◆	◆		Oct 2002	101%	60
Current Cycle								Mar 2009	272%	102
Averages	-	**-45%**	**24**					-	**158%**	**54**

Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.
*A bear market is defined as a 20% or more decline from the previous market high. The bear return is the peak to trough return over the cycle. Periods of "Recession" are defined using NBER business cycle dates. "Commodity spikes" are defined as significant rapid upward moves in oil prices. Periods of "Extreme valuations" are those where S&P 500 last 12 months' P/E levels were approximately two standard deviations above long-run averages, or time periods where equity market valuations appeared expensive given the broader macroeconomic environment. "Aggressive Fed Tightening" is defined as Federal Reserve monetary tightening that was unexpected and/or significant in magnitude. Bear and Bull returns are price returns.
Guide to the Markets – U.S. Data are as of September 30, 2017.

U.S. Equity Market

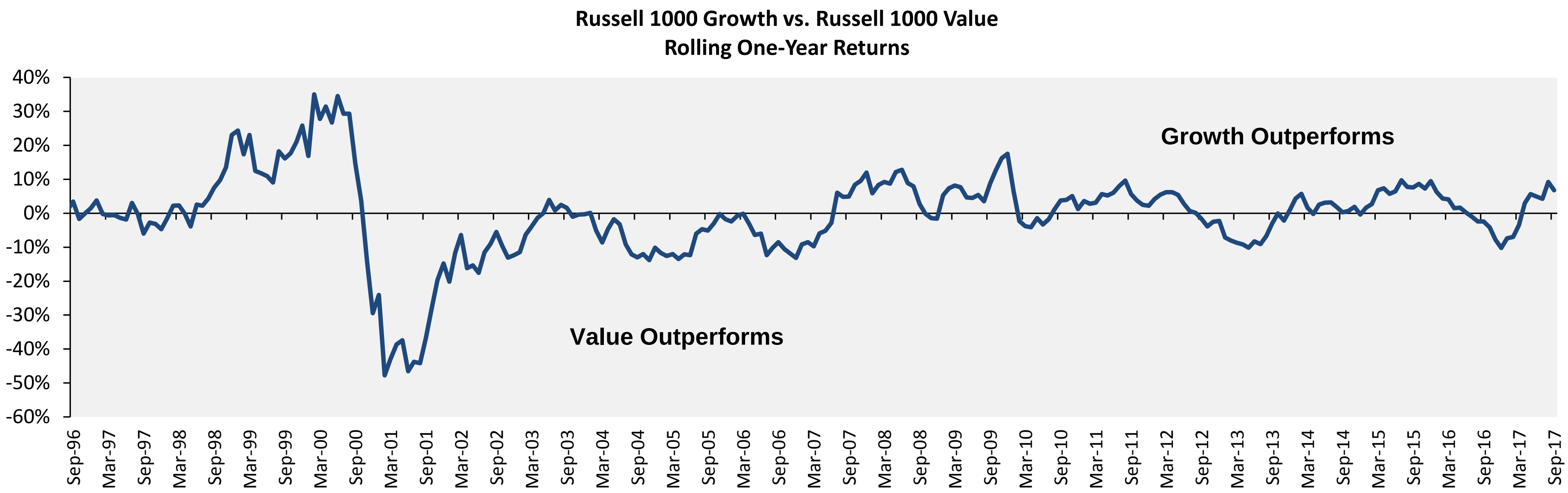
The S&P 500 index was up 4.5% in the third quarter and is up 14.2% year to date. Since the last market bottom in March 2009, the S&P 500 is now up 337%. This is the second longest and second highest bull market since 1929. It is surpassed only by the tech bubble, which lasted 14 months longer and was up a total of 417%. Valuations at the peak of the tech bubble in 2000 were much higher than current valuations. The forward S&P 500 price/earnings ratio at the peak of the tech bubble was about 27 times earnings compared to the current forward S&P 500 price/earnings ratio of about 17.7 times earnings. The long term historic average price/earnings ratio for the S&P 500 is about 16 times earnings. Small cap stocks have lagged large cap stocks this year with the Russell 2000 index up 10.9% year to date. The growth style of investing has dominated the value style with the Russell 1000 Growth index up 20.7% year to date and the Russell 1000 Value index up only 7.9%. Year to date, the technology and health care sectors have performed the best, with energy and telecom providing a significant drag.

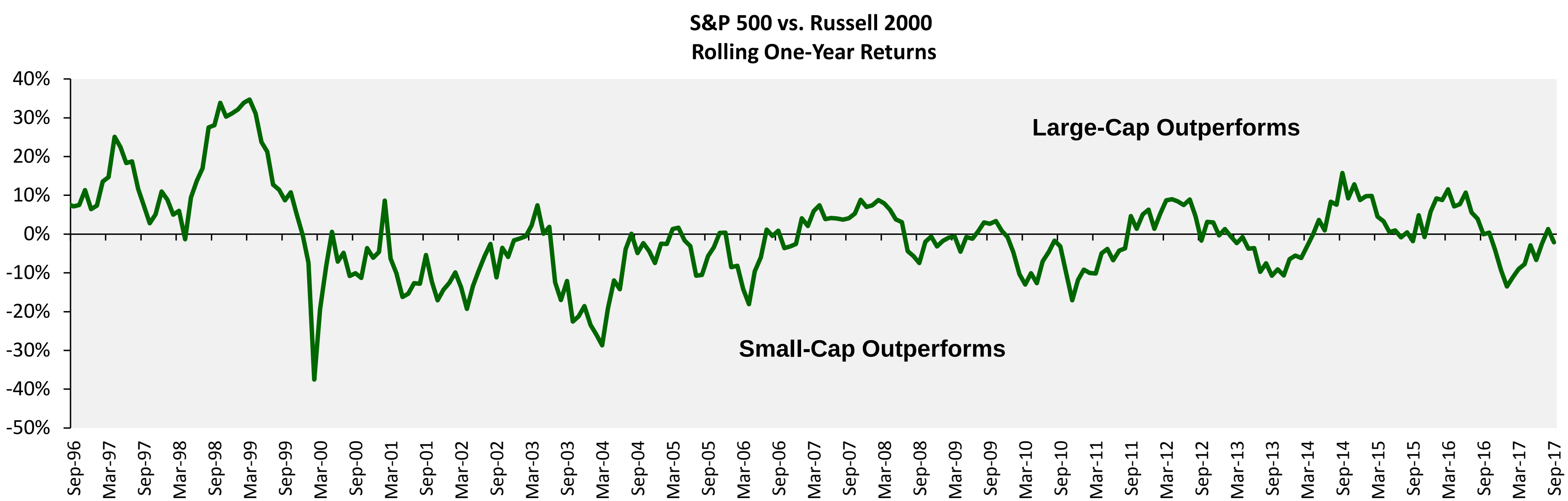
Sector	Index	3Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	4.5	14.2	12.0	1.4	13.7	32.4	16.0	18.6	10.8	14.2	7.4
	Russell 1000	4.5	14.2	12.1	0.9	13.3	33.1	16.4	18.5	10.6	14.3	7.6
	Russell 1000 Value	3.1	7.9	17.3	-3.8	13.5	32.5	17.5	15.1	8.5	13.2	5.9
	Russell 1000 Growth	5.9	20.7	7.1	5.7	13.1	33.5	15.3	21.9	12.7	15.3	9.1
Mid Cap	Russell Mid-Cap	3.5	11.7	13.8	-2.4	13.2	34.8	17.3	15.3	9.5	14.3	8.1
	Russell Mid-Cap Value	2.1	7.4	20.0	-4.8	14.7	33.5	18.5	13.4	9.2	14.3	7.9
	Russell Mid-Cap Growth	5.3	17.3	7.3	-0.2	11.9	35.8	15.8	17.8	10.0	14.2	8.2
Small Cap	Russell 2000	5.7	10.9	21.3	-4.4	4.9	38.8	16.4	20.7	12.2	13.8	7.9
	Russell 2000 Value	5.1	5.7	31.7	-7.5	4.2	34.5	18.1	20.6	12.1	13.3	7.1
	Russell 2000 Growth	6.2	16.8	11.3	-1.4	5.6	43.3	14.6	21.0	12.2	14.3	8.5
Total Market	Wilshire 5000	4.6	13.7	13.4	0.7	12.7	33.1	16.1	18.9	11.0	14.3	7.6
	Russell 3000	4.6	13.9	12.7	0.5	12.6	33.6	16.4	18.7	10.7	14.2	7.6



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

U.S. Equity Market

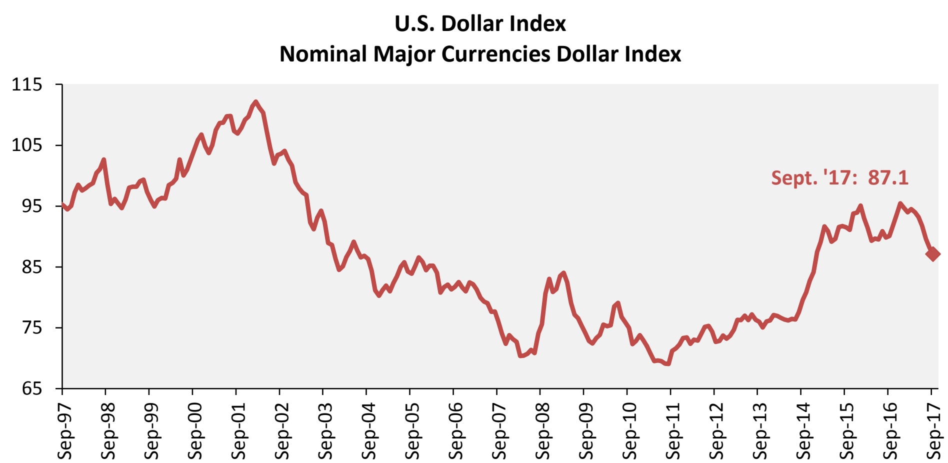


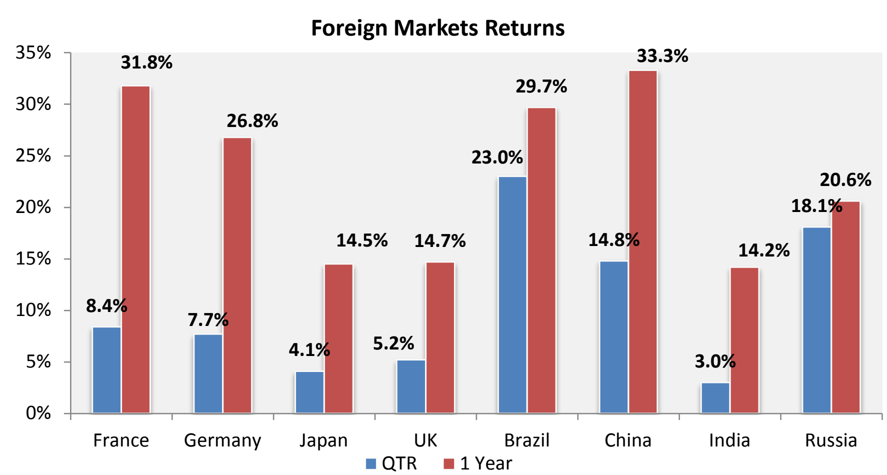


International Equity Market

Since 2015, the Eurozone economy has implemented the same quantitative easing program that turned the U.S. economy around to combat ultralow inflation and slow growth. They are starting to see the fruits of their labor as Eurozone GDP has improved to 2.3%. Unemployment is down from 12% in 2014 to 9.3%. The European Central Bank is finally starting to raise interest rates, a sign that they are confident in continued growth. Japan and the rest of Asia have had similar economic turnarounds. Investors have responded to the materially improved growth by driving up stock prices. The 22 largest developed countries outside the U.S., as represented by the MSCI Europe, Australia, and Far East (EAFE) index is up 20.0% year to date, surpassing the performance of the S&P 500 which is up 14.2%. All areas of the globe contributed, with the MSCI Asia index up 32.2% year to date. Like most economic recoveries, small cap stocks have led the way with the MSCI World ex-US Small Cap index up 23.5% year to date. Growth is accelerating especially in emerging markets; the MSCI Emerging Markets index is up 27.8% year to date.

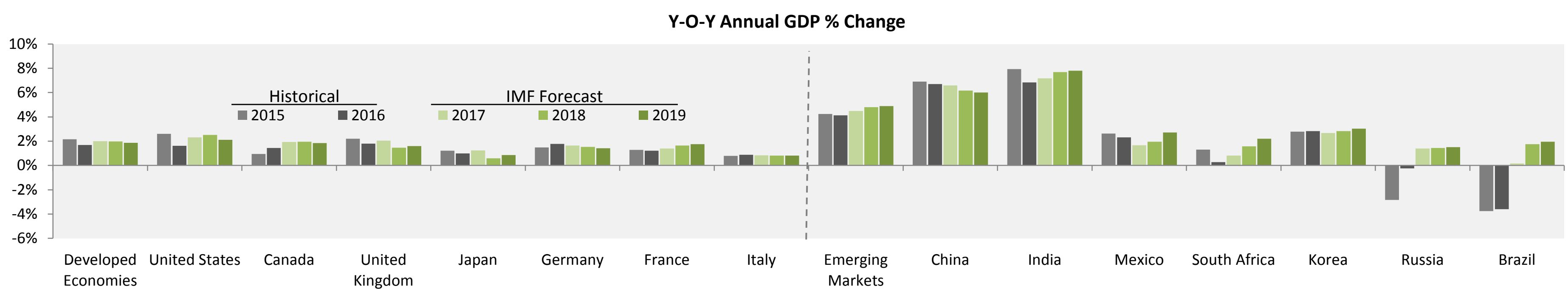
Sector	Index	3Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	5.2	17.3	7.9	-2.4	4.2	22.8	16.1	18.6	7.4	10.2	3.9
	MSCI World Small Cap (net)	6.2	17.2	11.6	-1.0	1.8	28.7	18.1	19.2	9.6	11.9	6.1
	MSCI World ex US (net)	6.2	21.1	4.5	-5.7	-3.9	15.3	16.8	19.6	4.7	7.0	1.3
	MSCI World ex US Small Cap (net)	6.9	23.5	3.9	2.6	-4.0	19.7	18.5	19.2	8.1	9.7	3.6
Developed ex US	MSCI EAFE (net)	5.4	20.0	1.0	-0.8	-4.9	22.8	17.3	19.1	5.0	8.4	1.3
	MSCI EAFE Value (net)	5.9	17.6	5.0	-5.7	-5.4	23.0	17.7	22.5	3.5	7.8	0.5
	MSCI EAFE Growth (net)	4.9	22.4	-3.0	4.1	-4.4	22.6	16.9	15.7	6.5	8.9	2.1
	MSCI EAFE Small Cap (net)	7.5	25.4	2.2	9.6	-5.0	29.3	20.0	21.8	11.1	12.9	4.6
Emerging Markets	MSCI Emerging Markets (net)	7.9	27.8	11.2	-14.9	-2.2	-2.6	18.2	22.5	4.9	4.0	1.3





Left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Right chart:** Data as of September 30, 2017. **Source:** The Federal Reserve

International Equity Market



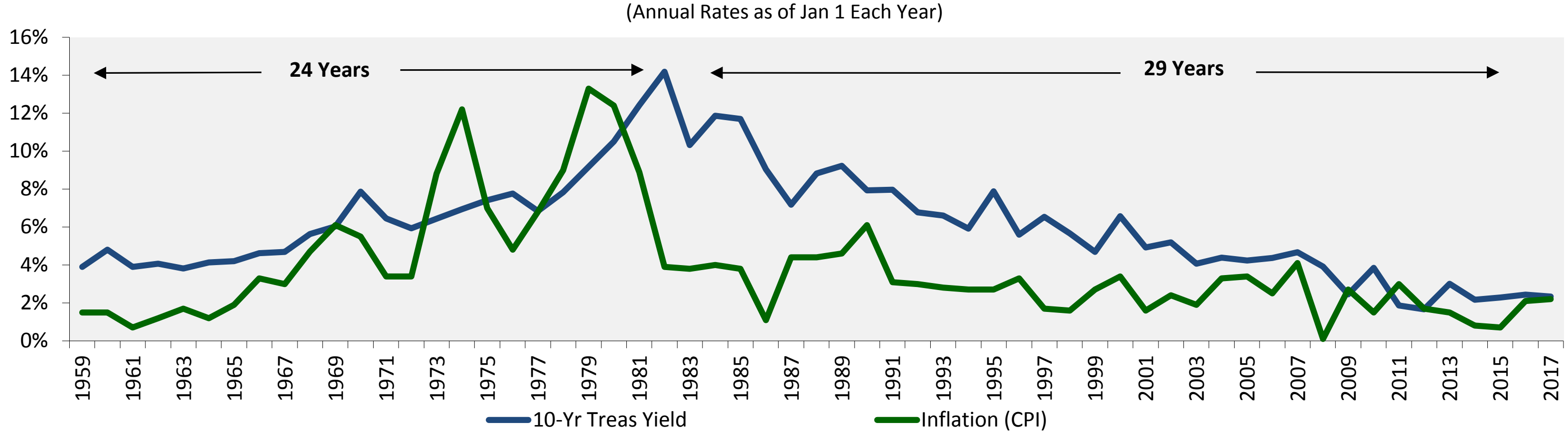
Top chart: Source - MSCI, Standard & Poor's, FactSet, J.P. Morgan Asset Management. **Bottom chart:** Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific. Source: International Monetary Fund, World Economic Outlook Database, April 2017.

U.S. Bond Market

With improving economies and low interest rates globally, most central banks, including the U.S. Federal Reserve, have been raising rates. The U.S. had three 0.25% rate hikes and expectations are that there will be another 0.25% rate hike before the end of 2017 and three more in 2018. That would put the short-term Fed rate at 2.0% to 2.5% by the end of 2018. Central banks may control short-term rates, but the market determines longer term bond prices and yields. In the first six months of 2017, the yield curve flattened, with 10-year Treasury rates dropping to a low of 2.14%. The 10-Year Treasury yield increased slightly to 2.33% at the end of September. Foreign investors were buying U.S. Treasuries in the first half of the year because their home country rates were zero or negative. This buying pushed bond prices up and yields down. With global bond rates also rising, foreign investors can now invest at home without worrying about currency hedging. The reduced buying pressure has allowed U.S. bond yields to rise slightly, resulting in the yield curve rising across all maturities in the third quarter. Rising rates equate to lower bond prices and the Bloomberg Barclays Aggregate bond index returned a negative 0.50% in September, but has returned 3.14% for the first nine months of 2017. Higher quality (BB and B rated) high yield bonds as measured by the Barclays High Yield Ba/B 2% capped index has returned 6.5% year to date. High yield spreads, the difference between the average high yield bond yield and similar maturity US Treasuries, are 3.65% with defaults running below 1%.

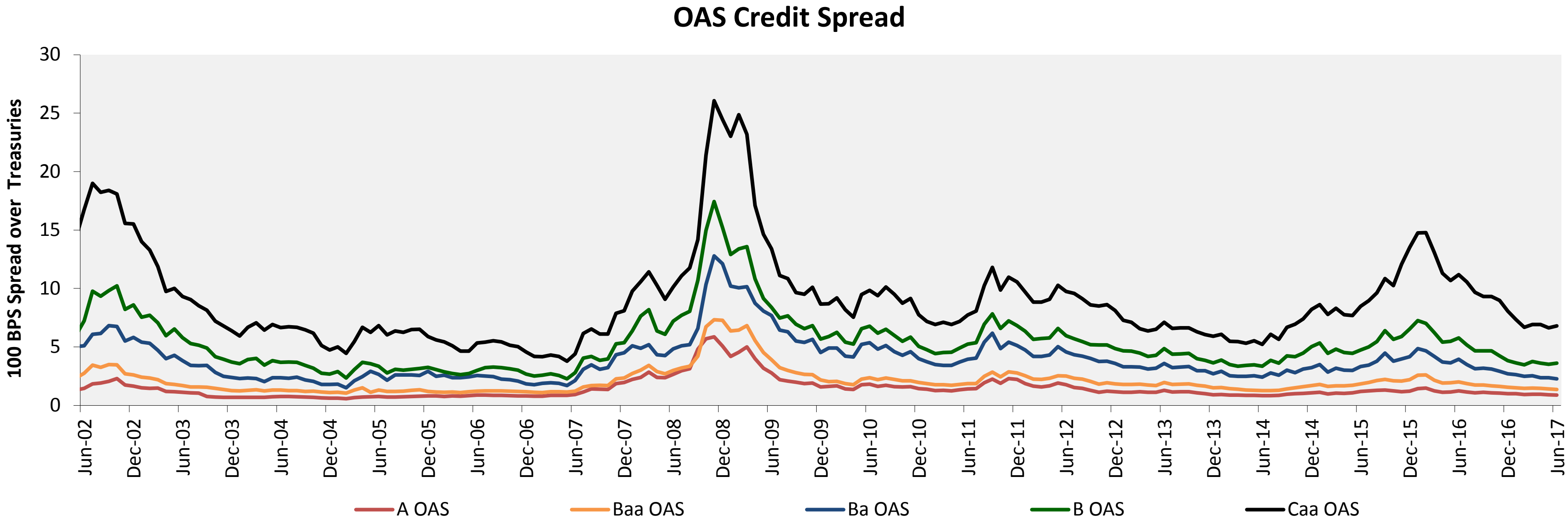
Index	Yield	Duration	3Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	2.54	6.2	0.9	3.1	2.7	0.6	6.0	-2.0	4.2	0.1	2.7	2.1	4.3
Bloomberg Barclays Govt/Credit	2.44	6.4	0.8	3.5	3.1	0.2	6.0	-2.4	4.8	0.0	2.8	2.1	4.3
Bloomberg Barclays Int Agg	2.31	4.3	0.7	2.3	2.0	1.2	4.1	-1.0	3.6	0.3	2.3	1.8	3.8
Bloomberg Barclays Int Govt/Credit	2.09	4.0	0.6	2.3	2.1	1.1	3.1	-0.9	3.9	0.2	2.1	1.6	3.6
Bloomberg Barclays HY Ba/B 2% IC	4.71	3.6	1.9	6.5	14.1	-2.7	3.5	6.2	15.0	7.7	5.6	6.0	7.4
BofA ML HY Cash Pay BB 1-3 Yr.	3.57	1.6	1.1	3.6	8.5	1.2	1.9	5.6	10.2	4.5	4.6	4.5	6.2
Bloomberg Barclays Mortgage	2.73	4.9	1.0	2.3	1.7	1.5	6.1	-1.4	2.6	0.3	2.4	2.0	4.1
Bloomberg Barclays Treasury	1.94	6.0	0.4	2.3	1.0	0.8	5.1	-2.8	2.0	-1.7	2.0	1.2	3.7
Bloomberg Barclays US TIPS	2.38	7.8	0.9	1.7	4.7	-1.4	3.6	-8.6	7.0	-0.7	1.6	0.0	3.9
BofA ML 91 day T-Bills	1.05	0.2	0.3	0.6	0.3	0.1	0.0	0.1	0.1	0.7	0.3	0.2	0.5

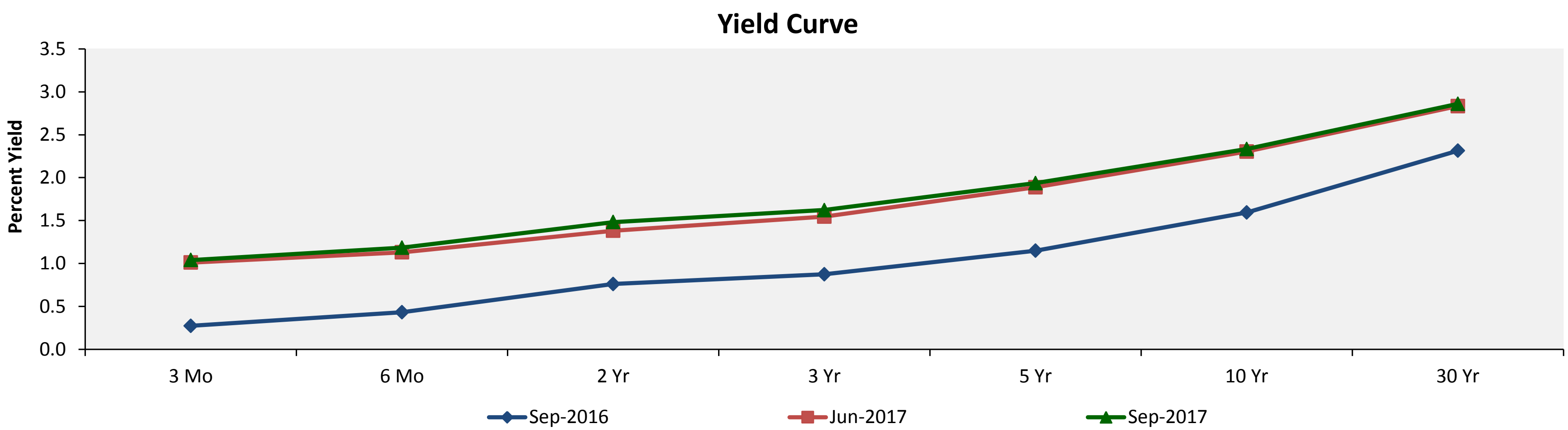
The Last Full Interest Rate Cycle 1958 - 2011
10-Yr Treasury Rate vs. Inflation (CPI)
(Annual Rates as of Jan 1 Each Year)



Source: Bloomberg Barclays

Bond Market





Source: Bloomberg Barclays

Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 9/30/2017

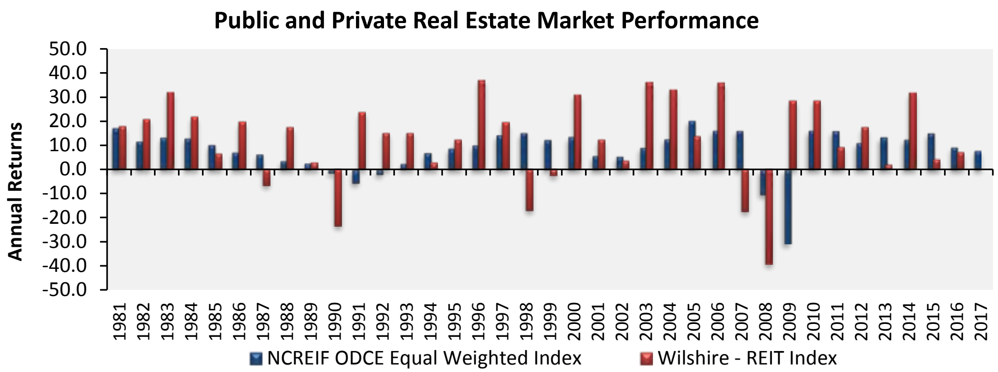
Yield Change (bps)	10 Year Treasury	Bloomberg Barclays Aggregate US Aggregate	Bloomberg Barclays Int Govt/Credit US Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
-150	15.50	11.79	8.02	12.20	4.49	10.14	5.97
-100	11.11	8.71	6.04	8.95	3.54	8.28	5.17
-50	6.72	5.63	4.07	5.71	2.60	6.42	4.37
-25	4.53	4.09	3.08	4.08	2.12	5.49	3.97
0	2.33	2.55	2.09	2.46	1.65	4.56	3.57
25	0.14	1.01	1.10	0.84	1.18	3.63	3.17
50	-2.06	-0.53	0.12	-0.79	0.71	2.70	2.77
100	-6.45	-3.61	-1.86	-4.03	-0.24	0.84	1.97
150	-10.84	-6.69	-3.84	-7.28	-1.19	-1.02	1.17
200	-15.23	-9.77	-5.81	-10.52	-2.13	-2.88	0.37
250	-19.62	-12.85	-7.79	-13.77	-3.08	-4.74	-0.43
300	-24.01	-15.93	-9.76	-17.01	-4.02	-6.60	-1.23
350	-28.40	-19.01	-11.74	-20.26	-4.97	-8.46	-2.03
400	-32.79	-22.09	-13.71	-23.50	-5.91	-10.32	-2.83
450	-37.18	-25.17	-15.69	-26.75	-6.86	-12.18	-3.63
500	-41.57	-28.25	-17.66	-29.99	-7.80	-14.04	-4.43
Duration	8.78	6.16	3.95	6.49	1.89	3.72	1.60

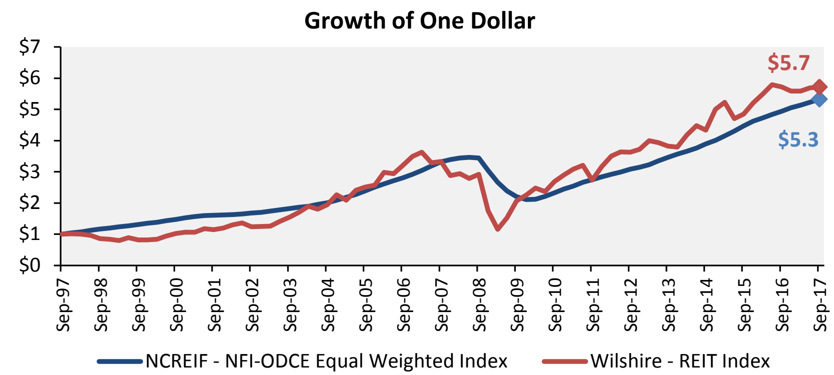
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 9/30/2017 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as of 9/30/2017 multiplied by the percentage point change in the yield curve (basis point change divided by 100) and then appropriately adding or subtracting this implied percentage change in the value of the index (due to the shift in the yield curve) to the base case annualized return. This is a rough approximation of the annual return sensitivity to parallel shifts in the yield curve. **SOURCE:** PENN Capital Internal Research.

Real Estate Market

After several years of stellar performance, real estate has returned to its long-term return of 6-8%, coupling a cash yield of 4-5% and appreciation of 1-2%. Due to the high pricing of gateway markets, some markets may see some depreciation in appraisals; however, for this same reason, secondary markets are appealing to investors. Real estate pricing is resilient during tightening cycles and the outlook for rent growth is favorable. Supply growth is low in comparison to past cycles. The income stream of real estate has adjusted to the low interest rate environment with spreads against the 10-Year Treasury at historical norms. Given the solid income stream and positive long-term outlook, real estate should retain a place in a fund's asset allocation.

Sector	Index	3Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	1.9	5.5	9.3	15.2	12.4	13.3	11.0	7.8	11.0	11.6	4.9
US Public	Wilshire REIT	0.6	2.4	7.2	4.2	31.8	1.9	17.6	0.1	9.7	9.5	5.6



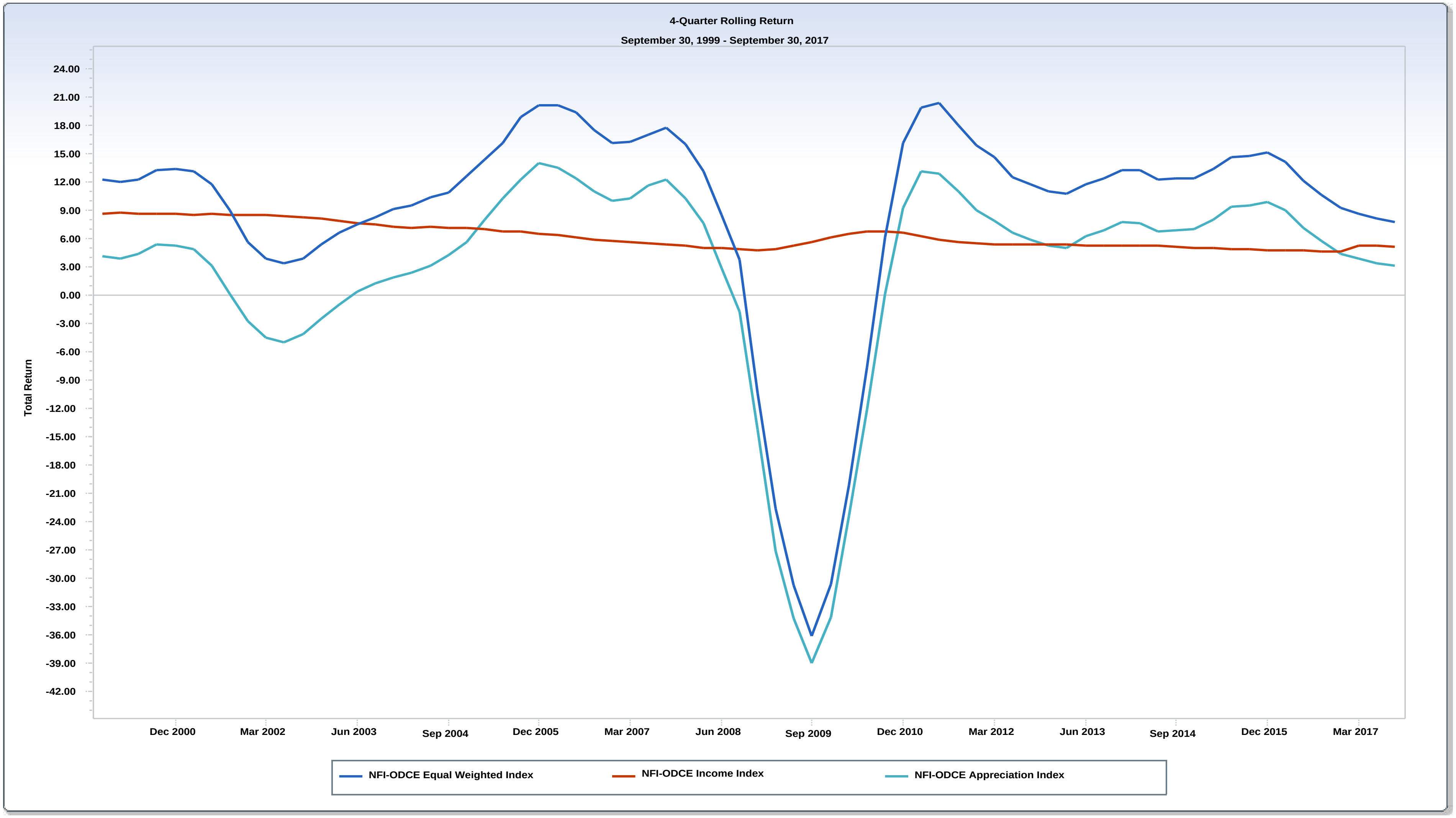


	Total return (incl. income) 2017	Total return (incl. income) 2018	Total return (incl. income) 2019	Total return (incl. income) 2017 to 2021 (per year)
National, All Property Types (NPI)	6.4	5.2	4.8	5.3
Office	5.8	4.9	4.2	4.7
Retail	6.0	4.8	4.8	5.1
Industrial	9.7	6.4	5.7	6.5
Apartment	5.6	4.9	4.8	5.3

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 Q3 2017.

Real Estate Market

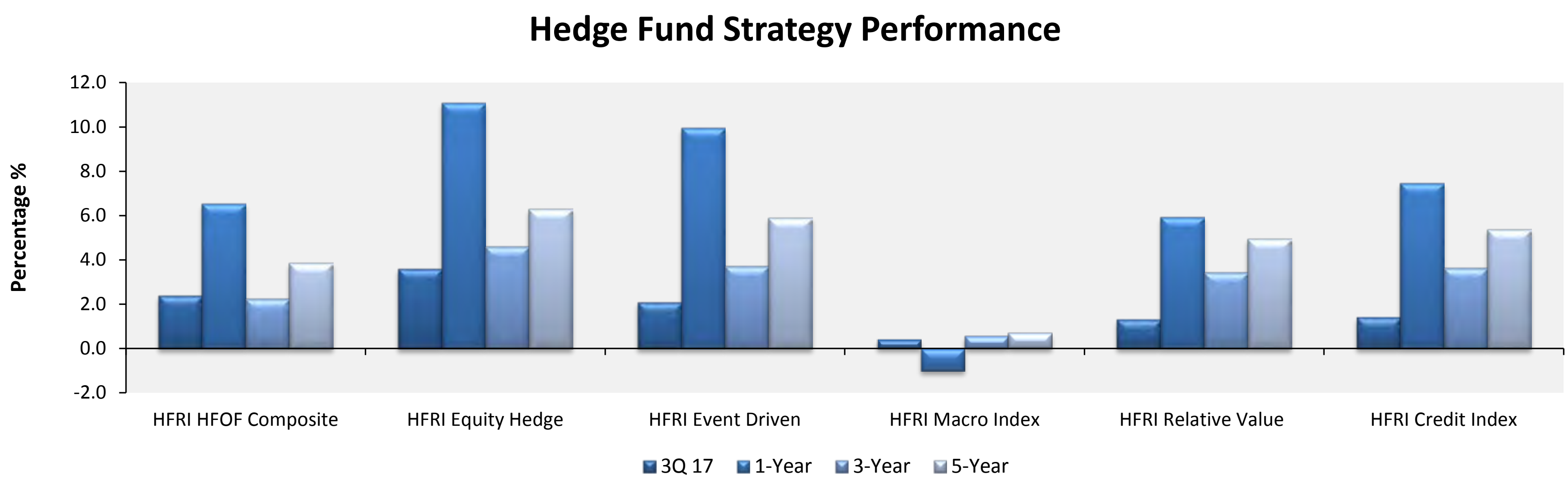
The chart below shows the trend of recent quarters indicating the expected slowdown from the torrid pace of recent years. Most sectors of the institutional real estate market are viewed as fully priced, especially in the gateway markets of New York, San Francisco and Boston. The income stream of real estate has adjusted to the low interest rate environment, although spreads against the 10-Year Treasury are near historical norms. However, the income rate of return has declined from the 8% level when IPS first focused on real estate as an asset class in the late 1990s to 4.5% today.



Hedge Fund of Funds Market

Hedge fund returns were broadly positive during the third quarter and are on pace for their best annual return since 2013. The HFRI Fund of Funds Composite rose 2.4% during the quarter, outpacing bonds for both the quarter and year-to-date. For the twelve months ended 9/30, the HFRI is up 6.5% while bonds, as represented by the Bloomberg Barclays Aggregate, are up just 0.1%. As they have been all year, hedged equity strategies were the best-performing hedge fund strategy in the third quarter and are up nearly 10% year-to-date. Correlations among U.S. stocks have steadily declined this year, providing an improved environment for hedge funds and active stock pickers in general. Steady economic growth and more normalized central bank policies around the globe have generally provided a tailwind for hedge fund strategies in 2017. Macro strategies have been the sole laggard this year, hurt by broadly declining commodity prices and historically low volatility. Many hedge fund managers are expecting increases in volatility and are positioning their portfolios to take advantage of rising volatility. The "long volatility" trade to this point has been detrimental to returns, however, given the historically low levels of volatility. In late July, the VIX (a measure of stock market volitility) closed at its lowest level since December 1993. Hedge funds have historically performed better in rising interest rate environments, and the returns of the asset class relative to bonds over the past several months have been encouraging.

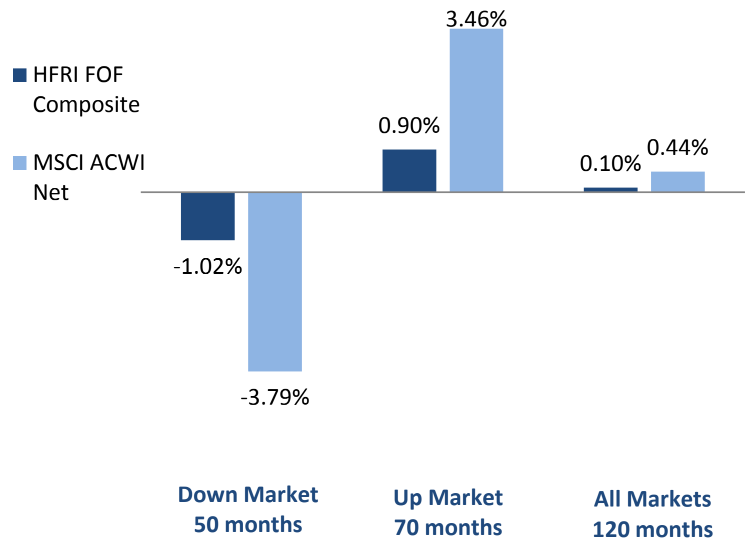
Strategy	Index	3Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	2.4	5.6	0.5	-0.3	3.4	9.0	4.8	6.5	2.3	3.9	1.1
Equity Long-Short	HFRI Equity Hedge	3.6	9.8	5.5	-1.0	1.8	14.3	7.4	11.1	4.6	6.3	2.9
Event Driven	HFRI Event Driven	2.1	6.2	10.6	-3.6	1.1	12.5	8.9	10.0	3.7	5.9	4.0
Global Macro	HFRI Macro Index	0.4	-0.4	1.0	-1.3	5.6	-0.4	-0.1	-1.0	0.6	0.7	2.0
Relative Value	HFRI Relative Value	1.3	4.0	7.7	-0.3	4.0	7.1	10.6	5.9	3.4	5.0	4.9
Credit	HFRI Credit Index	1.4	4.7	8.6	-1.0	3.0	9.0	10.6	7.5	3.7	5.4	-



Hedge Fund of Funds Market

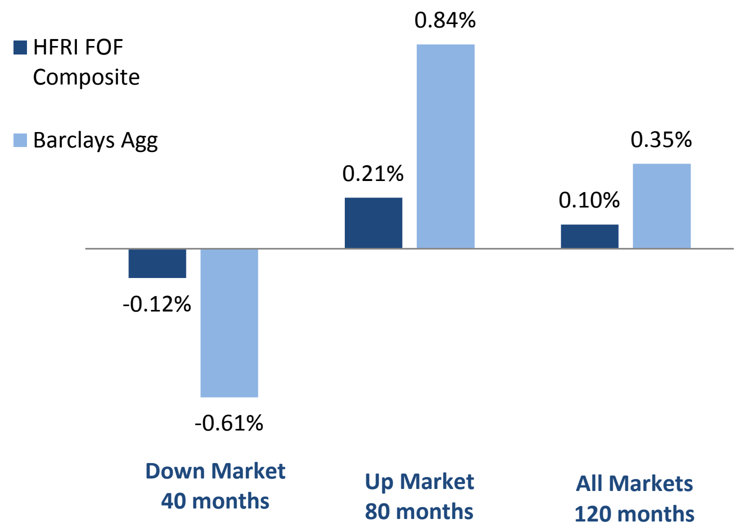
Up/Down Capture vs. Equity

Average Returns
October 2007 - September 2017



Up/Down Capture vs. Bonds

Average Returns
October 2007 - September 2017



FELRA and UFCW Benefit Funds

VEBA, Severance, Scholarship and Legal Funds

Master Consulting Services Report

Period Ending

September 30, 2017

Summary of Cash Flows

	Third Quarter	Year-To-Date	One Year	Three Years	Inception 1/1/13
Beginning Market Value	$31,780,480	$58,280,078	$59,690,677	$65,341,992	$56,700,141
Net Cash Flow	-$4,723,553	-$32,838,839	-$34,564,217	-$44,847,545	-$41,579,289
Net Investment Change	$538,308	$2,153,996	$2,468,775	$7,100,789	$12,474,384
Ending Market Value	$27,595,236	$27,595,236	$27,595,236	$27,595,236	$27,595,236

- Total assets represent the combined value of the VEBA, Severance, Scholarship and Legal Funds.
- Fiscal year end is 12/31.

Asset Allocation
As of September 30, 2017

	Current	%
Domestic Equity	$5,914,634	21.4%
Investment Grade Fixed Income	$9,582,105	34.7%
Short Duration High Yield Fixed Income	$5,030,212	18.2%
Real Estate	$4,704,567	17.0%
Cash	$2,267,662	8.2%
HFOF/Cash	$96,056	0.3%
Total	**$27,595,236**	**100.0%**

Note: HFOF/Cash is comprised of Meridian MDEF and Segregated Funds per the Fund's PNC statement.

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending September 30, 2017 2017 Q3	YTD	1 Yr	3 Yrs	Inception Return	Since
Composite	**$27,595,236**	**100.0%**	**1.6%**	**5.0%**	**5.5%**	**4.3%**	**4.6%**	**Jan-13**
Total Fund Domestic Equity	**$5,914,634**	**21.4%**	**4.5%**	**13.7%**	**18.4%**	**9.4%**	**13.3%**	**Jan-13**
CRSP US Total Market TR USD			*4.5%*	*14.0%*	*18.6%*	*10.7%*	*15.0%*	*Jan-13*
S&P 500			*4.5%*	*14.2%*	*18.6%*	*10.8%*	*15.1%*	*Jan-13*
Total Fund Investment Grade Fixed Income	**$9,582,105**	**34.7%**	**0.7%**	**2.6%**	**0.6%**	**2.4%**	**2.4%**	**Jan-13**
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$5,030,212**	**18.2%**	**1.7%**	**4.0%**	**5.1%**	**3.8%**	**3.8%**	**Sep-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Sep-14*
Total Fund Real Estate	**$4,704,567**	**17.0%**	**1.7%**	**4.7%**	**6.3%**	**9.5%**	**10.2%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*1.9%*	*5.6%*	*7.9%*	*11.1%*	*11.7%*	*Jan-13*
Total Fund Cash	**$2,267,662**	**8.2%**	**0.2%**	**0.6%**	**0.7%**	**0.3%**	**0.2%**	**Jan-13**
Total Fund HFOF/Cash	**$96,056**	**0.3%**						

- February 1, 2015 represents the inception of the new asset allocation targets 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.

Summary of Cash Flows

	Third Quarter	Year-To-Date	One Year	Three Years
Beginning Market Value	$28,041,118	$55,118,478	$55,340,215	$51,204,428
Net Cash Flow	-$3,812,052	-$32,449,491	-$32,987,135	-$33,157,837
Net Investment Change	$502,550	$2,062,629	$2,378,536	$6,685,025
Ending Market Value	$24,731,616	$24,731,616	$24,731,616	$24,731,616

	Ending September 30, 2017						Inception	
	Market Value	% of Portfolio	2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Total VEBA Fund	**$24,731,616**	**100.0%**	**1.7%**	**5.2%**	**5.8%**	**4.5%**	**4.4%**	**Jan-13**
Domestic Equity	$5,902,072	23.9%	4.6%	13.7%	18.4%	9.5%	13.3%	Jan-13
CRSP US Total Market TR USD			*4.5%*	*14.0%*	*18.6%*	*10.7%*	*15.0%*	*Jan-13*
S&P 500			*4.5%*	*14.2%*	*18.6%*	*10.8%*	*15.1%*	*Jan-13*
Core Bond	$8,196,595	33.1%	0.7%	2.6%	0.5%	2.4%	2.3%	Jan-13
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Short Duration Hi Yield Bond	$4,299,215	17.4%	1.7%	4.0%	5.1%	--	3.7%	Nov-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Nov-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.1%*	*3.7%*	*4.6%*	*4.7%*	*4.7%*	*Nov-14*
Real Estate	$4,624,433	18.7%	1.7%	4.7%	6.3%	--	9.2%	Dec-14
NCREIF ODCE Equal Weighted Index			*1.9%*	*5.6%*	*7.9%*	*11.1%*	*10.9%*	*Dec-14*
VEBA Cash	$1,709,302	6.9%	0.3%	0.6%	0.7%	0.3%	0.2%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*

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

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
U.S. Large Cap Equity	$5,902,072	23.9%	25.0%	5.0% - 50.0%	-1.1%	-$280,832
Investment Grade Fixed Income	$8,196,595	33.1%	40.0%	20.0% - 80.0%	-6.9%	-$1,696,052
Short Duration Hi Yield	$4,299,215	17.4%	20.0%	10.0% - 40.0%	-2.6%	-$647,108
Real Estate	$4,624,433	18.7%	10.0%	0.0% - 20.0%	8.7%	$2,151,271
Cash	$1,709,302	6.9%	5.0%	0.0% - 25.0%	1.9%	$472,721
Total	**$24,731,616**	**100.0%**	**100.0%**			

Note: Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the stated targets.

Asset Allocation - FELRA and UFCW VEBA Fund

- Asset allocation reviews were provided for July 18, 2014; August 29, 2014 and April 10, 2015 Policy Committee meeting.
- In March 2016, $1.75M was transferred to cash from SDHY ($875,000) and Core Bonds ($875,000).
- In May 2016, $2.0M was transferred to cash from SDHY ($400,000), domestic equity ($600,000), and Core Bonds ($1,000,000).
- In December 2016, $1.0M was transferred to cash from domestic equity.
- In January and February 2017, $9.5M was transferred to cash from SDHY ($2.375M), domestic equity ($2.850M), and Core Bonds ($4.275M).
- In April, May and June 2017, $18M was transferred to cash from SDHY ($4.4M), domestic equity ($5.5M), and Core Bonds ($8.1M).
- In July, August and September 2017, $2.2M was transferred to cash from SDHY ($550,000), domestic equity ($660,000), and Core Bonds ($990,000).
- To rebalance closer to targets, a $2M redemption request was submitted to American Realty Advisors (real estate) effective September 30, 2017. Redemption occurred on October 1, 2017 and was transferred to cash.

Recommendations: None.

Summary of Cash Flows

	Third Quarter	Year-To-Date	One Year	Three Years
Beginning Market Value	$3,147,616	$2,458,731	$3,457,176	$13,201,862
Net Cash Flow	-$985,263	-$340,162	-$1,341,627	-$11,390,515
Net Investment Change	$30,369	$74,153	$77,172	$381,374
Ending Market Value	$2,192,722	$2,192,722	$2,192,722	$2,192,722

	Ending September 30, 2017						Inception	
	Market Value	% of Portfolio	2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Total Severance Fund	**$2,192,722**	**100.0%**	**1.0%**	**2.8%**	**3.4%**	**2.5%**	**4.3%**	**Jan-13**
Core Bond	$1,086,422	49.5%	0.7%	2.7%	0.6%	2.4%	2.3%	Jan-13
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Short Duration High Yield	$668,833	30.5%	1.7%	3.9%	5.0%	3.8%	3.8%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.1%*	*3.7%*	*4.6%*	*4.7%*	*4.7%*	*Sep-14*
HFOF/Cash	$96,056	4.4%						
Severance Cash	$341,411	15.6%	0.2%	0.4%	0.5%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*

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

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$1,086,422	49.5%	65.0%	10.0% - 80.0%	-15.5%	-$338,847
Short Duration High Yield	$668,833	30.5%	30.0%	15.0% - 60.0%	0.5%	$11,017
HFOF/Cash	$96,056	4.4%	--	--	4.4%	$96,056
Cash	$341,411	15.6%	5.0%	0.0% - 40.0%	10.6%	$231,775
Total	**$2,192,722**	**100.0%**	**100.0%**			

Note: HFOF/Cash is comprised of Meridian MDEF and Segregated Funds per the Fund's PNC Statement.

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

Asset Allocation - UFCW and FELRA Severance

- In February 2016, $250,000 was transferred to cash from SDHY ($75,000) and core bonds ($175,000).
- In March 2016, $499,419 was transferred to cash from SDHY ($140,000), core bonds ($330,000), and HFOF cash ($29,419).
- In April 2016, $400,000 was transferred to cash from SDHY ($120,000) and core bonds ($280,000).
- In July 2016, $2,400,000 was transferred from cash to SDHY ($960,000) and core bonds ($1,400,000).
- In August 2016, $250,000 was transferred to cash from SDHY ($241,000) and HFoF/Cash ($9,000).
- In September 2016, $250,000 was transferred to cash from SDHY ($75,000), HFoF/Cash ($17,000), and core bonds ($158,000).
- In October 2016, $350,000 was transferred to cash from SDHY ($115,000) and core bonds ($234,500).
- In November 2016, $500,000 was transferred to cash from SDHY ($175,000) and core bonds ($325,000).
- In December 2016, $250,000 was transferred to cash from SDHY ($220,000) and core bonds ($430,000).
- In December 2016, Tremont Recovery amount of $39,527 was transferred to the HFOF/Cash account at PNC. The Tremont Recovery payment is reflected as a gain in the Hedge Fund of Funds group.
- In January 2017, $1.2M was transferred to cash from SDHY ($406,000), HFoF/Cash ($39,000), and core bonds ($755,000).
- In February 2017, $2.0M was transferred from cash to SDHY ($800,000) and core bonds ($1.2M).
- In June 2017, $416,734 was transferred to cash from SDHY ($140,000), HFoF/Cash ($16,734), and core bonds ($260,000).
- In July, August and September 2017, $500,000 was transferred to cash from SDHY ($195,000) and core bonds ($305,000).

Recommendations: None.

Summary of Cash Flows

	Third Quarter	Year-To-Date	One Year	Three Years
Beginning Market Value	$268,210	$285,639	$294,750	$434,338
Net Cash Flow	-$32,676	-$56,917	-$66,452	-$233,908
Net Investment Change	$3,548	$10,361	$10,784	$38,652
Ending Market Value	$239,083	$239,083	$239,083	$239,083

	Ending September 30, 2017						Inception	
	Market Value	% of Portfolio	2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Total Scholarship Fund	**$239,083**	**100.0%**	**1.4%**	**3.8%**	**4.0%**	**4.1%**	**6.9%**	**Jan-13**
Domestic Equity	$12,564	5.3%	4.6%	13.8%	18.5%	9.6%	13.2%	Jan-13
CRSP US Total Market TR USD			*4.5%*	*14.0%*	*18.6%*	*10.7%*	*15.0%*	*Jan-13*
S&P 500			*4.5%*	*14.2%*	*18.6%*	*10.8%*	*15.1%*	*Jan-13*
Core Bond	$70,837	29.6%	0.7%	2.7%	0.6%	2.4%	2.4%	Jan-13
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Short Duration Hi Yield Fund	$62,164	26.0%	1.7%	3.9%	5.0%	--	3.7%	Nov-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Nov-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.1%*	*3.7%*	*4.6%*	*4.7%*	*4.7%*	*Nov-14*
Real Estate	$80,134	33.5%	1.7%	4.7%	6.3%	9.5%	10.1%	Jan-13
NCREIF ODCE Equal Weighted Index			*1.9%*	*5.6%*	*7.9%*	*11.1%*	*11.7%*	*Jan-13*
Scholarship Cash	$13,384	5.6%	0.2%	0.3%	0.4%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*

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

Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
U.S. Large Cap Equity	$12,564	5.3%	10.0%	2.5% - 20.0%	-4.7%	-$11,345
Investment Grade Fixed Income	$70,837	29.6%	40.0%	20.0% - 80.0%	-10.4%	-$24,796
Short Duration Hi Yield Fund	$62,164	26.0%	30.0%	5.0% - 60.0%	-4.0%	-$9,561
Real Estate	$80,134	33.5%	20.0%	0.0% - 40.0%	13.5%	$32,317
Cash	$13,384	5.6%	--	--	5.6%	$13,384
Total	**$239,083**	**100.0%**	**100.0%**			

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

Asset Allocation - UFCW and FELRA Scholarship

- In January 2016, $14,545 was transferred to cash from core bonds ($14,500) and HFoF ($45).
- In April 2016, $10,000 was transferred to cash from core bonds ($4,000) and SDHY ($6,000).
- In June 2016, $25,000 was transferred to cash from core bonds ($12,500) and SDHY ($12,500).
- In August 2016, $10,000 was transferred to cash from core bonds.
- In October 2016, $15,000 was transferred to cash from core bonds ($8,250) and SDHY ($6,750).
- In January 2017, $25,000 was transferred to cash from core bonds ($15,000) and SDHY ($10,000).
- In June 2017, $25,000 was transferred to cash from core bonds ($12,500) and SDHY ($12,500).
- In September 2017, $10,000 was transferred to cash from core bonds ($5,000) and SDHY ($5,000).

Recommendations: None.

Summary of Cash Flows

	Third Quarter	Year-To-Date	One Year	Three Years
Beginning Market Value	$323,542	$417,238	$598,545	$501,366
Net Cash Flow	$106,438	$7,732	-$169,003	-$88,244
Net Investment Change	$1,838	$6,849	$2,276	$18,695
Ending Market Value	$431,818	$431,818	$431,818	$431,818

	Ending September 30, 2017						Inception	
	Market Value	% of Portfolio	2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Total Legal Fund	**$431,818**	**100.0%**	**0.6%**	**1.6%**	**0.8%**	**1.2%**	**0.9%**	**Jan-13**
Core Bond	$228,252	52.9%	0.7%	2.7%	0.6%	2.4%	2.4%	Jan-13
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Legal Cash	$203,566	47.1%	0.2%	0.3%	0.4%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*

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

Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$228,252	52.9%	100.0%	30.0% - 100.0%	-47.1%	-$203,566
Cash	$203,566	47.1%	--	--	47.1%	$203,566
Total	**$431,818**	**100.0%**	**100.0%**			

Note:Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the stated targets.

Asset Allocation - UFCW and FELRA Legal Benefits Fund

- In June 2016, $50,000 was transferred to cash from core bonds.

Recommendations: None.

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending September 30, 2017				Inception	
			2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Composite	**$27,595,236**	**100.0%**	**1.6%**	**5.0%**	**5.5%**	**4.3%**	**4.6%**	**Jan-13**
Total Fund Domestic Equity	**$5,914,634**	**21.4%**	**4.5%**	**13.7%**	**18.4%**	**9.4%**	**13.3%**	**Jan-13**
CRSP US Total Market TR USD			*4.5%*	*14.0%*	*18.6%*	*10.7%*	*15.0%*	*Jan-13*
S&P 500			*4.5%*	*14.2%*	*18.6%*	*10.8%*	*15.1%*	*Jan-13*
Vanguard U.S. Stock Market Index Fund	$5,914,634	21.4%	4.5%	13.7%	18.4%	--	9.9%	Nov-14
CRSP US Total Market TR USD			*4.5%*	*14.0%*	*18.6%*	*--*	*10.0%*	*Nov-14*
Total Fund Investment Grade Fixed Income	**$9,582,105**	**34.7%**	**0.7%**	**2.6%**	**0.6%**	**2.4%**	**2.4%**	**Jan-13**
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Segall, Bryant and Hamill	$9,582,105	34.7%	0.7%	2.6%	0.6%	2.4%	2.4%	Jan-13
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$5,030,212**	**18.2%**	**1.7%**	**4.0%**	**5.1%**	**3.8%**	**3.8%**	**Sep-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Sep-14*
Chartwell Investment Partners Short Duration High Yield	$5,030,212	18.2%	1.7%	4.0%	5.1%	3.8%	3.8%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.1%*	*3.7%*	*4.6%*	*4.7%*	*4.7%*	*Sep-14*
Total Fund Real Estate	**$4,704,567**	**17.0%**	**1.7%**	**4.7%**	**6.3%**	**9.5%**	**10.2%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*1.9%*	*5.6%*	*7.9%*	*11.1%*	*11.7%*	*Jan-13*
American Realty Advisors	$4,704,567	17.0%	1.7%	4.7%	6.3%	9.5%	10.2%	Jan-13
NCREIF ODCE Equal Weighted Index			*1.9%*	*5.6%*	*7.9%*	*11.1%*	*11.7%*	*Jan-13*

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending September 30, 2017				Inception	
			2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Total Fund Cash	**$2,267,662**	**8.2%**	**0.2%**	**0.6%**	**0.7%**	**0.3%**	**0.2%**	**Jan-13**
VEBA Cash	$1,709,302	6.2%	0.3%	0.6%	0.7%	0.3%	0.2%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Severance Cash	$341,411	1.2%	0.2%	0.4%	0.5%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Scholarship Cash	$13,384	0.0%	0.2%	0.3%	0.4%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Legal Cash	$203,566	0.7%	0.2%	0.3%	0.4%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Total Fund HFOF/Cash	**$96,056**	**0.3%**						
Meridian MDF Special Investments	$96,056	0.3%						

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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
September 30, 2017

	Third Quarter	Inception 11/1/14
Beginning Market Value	$6,303,498	--
Net Cash Flow	-$660,000	$2,689,070
Net Investment Change	$271,136	$3,225,564
Ending Market Value	$5,914,634	$5,914,634

						Calendar Years					Inception	
	2017 Q3	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Vanguard U.S. Stock Market Index Fund	4.5%	13.7%	18.4%	--	--	12.7%	0.4%	--	--	--	9.9%	Nov-14
CRSP US Total Market TR USD	*4.5%*	*14.0%*	*18.6%*	--	--	*12.7%*	*0.4%*	--	--	--	*10.0%*	*Nov-14*

Note: Returns are gross of fees.

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

Manager Summary

Recommendation: None.

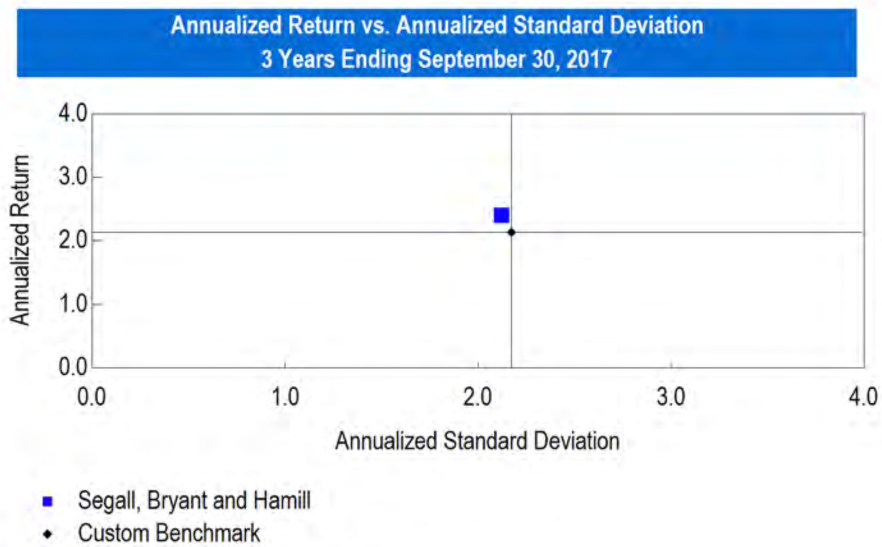
Compliance Summary

Commingled 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
Universe	

Segall, Bryant and Hamill
September 30, 2017

	Third Quarter	Inception 1/1/13
Beginning Market Value	$10,806,729	$11,361,650
Net Cash Flow	-$1,300,000	-$3,496,101
Net Investment Change	$75,375	$1,716,555
Ending Market Value	$9,582,105	$9,582,105



3 Years Ending September 30, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall, Bryant and Hamill	2.4%	2.1%	101.4%	89.1%
Custom Benchmark	2.1%	2.2%	100.0%	100.0%

	2017 Q3	YTD	1 Yr	3 Yrs	5 Yrs	Calendar Years 2016	2015	2014	2013	2012	Inception Return	Since
Segall, Bryant and Hamill	0.7%	2.6%	0.6%	2.4%	--	2.2%	1.3%	5.9%	-0.5%	--	2.4%	Jan-13
Custom Benchmark	*0.6%*	*2.3%*	*0.2%*	*2.1%*	--	*2.1%*	*1.1%*	*5.2%*	*-2.0%*	--	*1.8%*	*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 January 19, 2016 and June 7, 2017.
- IPS conducted an on-site due diligence meeting with Segall Bryant and Hamill on June 20, 2017.

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.

Thirteen inherited bonds held as of 9/30/2017 are currently below investment grade with a total market value of $33,858 (0.01% of the portfolio) and one bond is in default with a total market value of $200 (0.001% 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 an email dated December 5, 2017. The manager stated Countrywide Home Loans, First Horizon Alternative MT, and GMAC Mortgage CORP Loan are currently being monitored for sale and have not received 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.

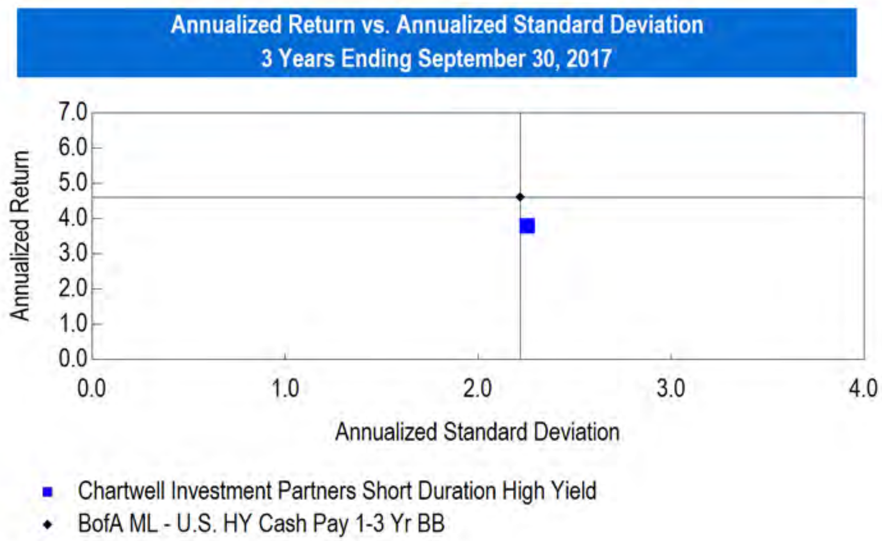
Account Information

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	**eA US Short Duration Fixed Inc Gross**

Chartwell Investment Partners Short Duration High Yield

September 30, 2017

	Last Three Months	**Inception 9/30/14**
Beginning Market Value	$5,688,285	--
Net Cash Flow	-$750,000	$4,000,477
Net Investment Change	$91,928	$1,029,735
Ending Market Value	$5,030,212	$5,030,212



3 Years Ending September 30, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	3.8%	2.3%	88.6%	113.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	4.6%	2.2%	100.0%	100.0%

						Calendar Years					Inception	
	2017 Q3	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Chartwell Investment Partners Short Duration High Yield	1.7%	4.0%	5.1%	3.8%	--	7.2%	-0.3%	--	--	--	3.8%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*1.1%*	*3.6%*	*4.5%*	*4.6%*	--	*8.5%*	*1.2%*	--	--	--	*4.6%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index	*1.1%*	*3.7%*	*4.6%*	*4.7%*	--	*8.8%*	*1.1%*	--	--	--	*4.7%*	*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 November 20, 2015 and March 22, 2017.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

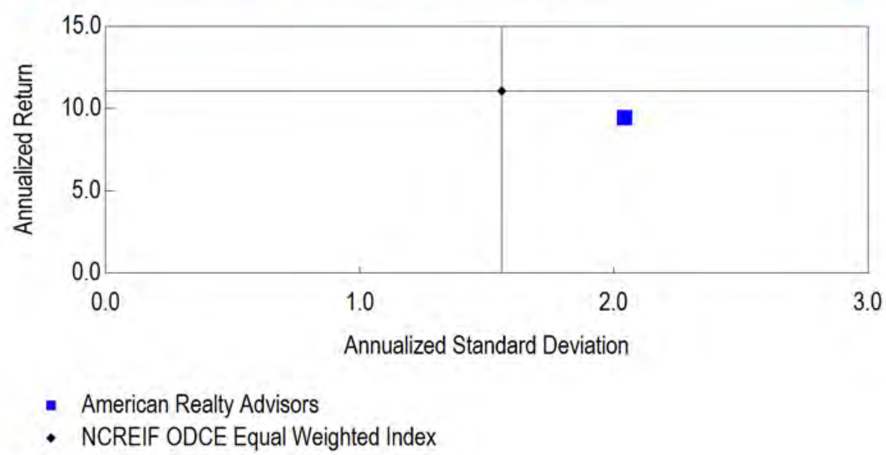
Items of Interest: Personnel Changes - The manager stated that during the third quarter of 2017, Ben Sun, Small/Mid Cap Growth Portfolio Analyst, left to pursue another career opportunity. Theresa Tran joined the firm as a Small/Mid Cap Growth Senior Portfolio Analyst.

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 Index**
Universe	

American Realty Advisors
September 30, 2017

	Third Quarter	Inception 1/1/13
Beginning Market Value	$4,626,403	$2,993,032
Net Cash Flow	$0	$0
Net Investment Change	$78,164	$1,711,535
Ending Market Value	$4,704,567	$4,704,567

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2017



3 Years Ending September 30, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Realty Advisors	9.5%	2.0%	84.2%	--
NCREIF ODCE Equal Weighted Index	11.1%	1.6%	100.0%	--

						Calendar Years					Inception	
	2017 Q3	YTD	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
American Realty Advisors	1.7%	4.7%	6.3%	9.5%	--	7.8%	12.7%	11.6%	12.0%	--	10.2%	Jan-13
NCREIF ODCE Equal Weighted Index	*1.9%*	*5.6%*	*7.9%*	*11.1%*	--	*9.3%*	*15.2%*	*12.4%*	*13.3%*	--	*11.7%*	*Jan-13*

Note: Returns are gross of fees.

Note: Information on PNC statements lag one quarter.

FELRA & UFCW Benefit Funds - American Realty Advisors

- Quarterly income is being reinvested.

Manager Summary

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

Recommendation: None.

Compliance Summary

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

Items of Interest: None.

Account Information	
Account Name	**Meridian MDF Special Investments**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**Hedge Fund**
Benchmark	
Universe	

Meridian MDF Special Investments
September 30, 2017

	Third Quarter	**Inception 1/1/13**
Beginning Market Value	$88,964	$397,651
Net Cash Flow	$0	-$774,998
Net Investment Change	$7,092	$473,404
Ending Market Value	$96,056	$96,056

FELRA & UFCW Benefit Funds - Meridian MDF Special Investments

Manager Summary

Recommendation: A full redemption request for Meridian Diversified ERISA Fund was submitted. Liquidity of the MDF Special Investments is at the discretion of the manager.

Compliance Summary

Commingled Fund not monitored for Compliance by Investment Performance Services.

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 Summary (Net of Fees)

	Market Value	% of Portfolio	Ending September 30, 2017				Inception	
			2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Composite	**$27,595,236**	**100.0%**	**1.6%**	**4.9%**	**5.4%**	**4.1%**	**4.4%**	**Jan-13**
Total Fund Domestic Equity	**$5,914,634**	**21.4%**	**4.5%**	**13.7%**	**18.4%**	**9.4%**	**13.0%**	**Jan-13**
CRSP US Total Market TR USD			*4.5%*	*14.0%*	*18.6%*	*10.7%*	*15.0%*	*Jan-13*
S&P 500			*4.5%*	*14.2%*	*18.6%*	*10.8%*	*15.1%*	*Jan-13*
Vanguard U.S. Stock Market Index Fund	$5,914,634	21.4%	4.5%	13.7%	18.4%	--	9.9%	Nov-14
CRSP US Total Market TR USD			*4.5%*	*14.0%*	*18.6%*	*--*	*10.0%*	*Nov-14*
Total Fund Investment Grade Fixed Income	**$9,582,105**	**34.7%**	**0.7%**	**2.5%**	**0.4%**	**2.2%**	**2.2%**	**Jan-13**
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Segall, Bryant and Hamill	$9,582,105	34.7%	0.7%	2.5%	0.4%	2.2%	2.2%	Jan-13
Custom Benchmark			*0.6%*	*2.3%*	*0.2%*	*2.1%*	*1.8%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$5,030,212**	**18.2%**	**1.6%**	**3.6%**	**4.6%**	**3.3%**	**3.3%**	**Sep-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Sep-14*
Chartwell Investment Partners Short Duration High Yield	$5,030,212	18.2%	1.6%	3.6%	4.6%	3.3%	3.3%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.1%*	*3.6%*	*4.5%*	*4.6%*	*4.6%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.1%*	*3.7%*	*4.6%*	*4.7%*	*4.7%*	*Sep-14*
Total Fund Real Estate	**$4,704,567**	**17.0%**	**1.7%**	**4.7%**	**6.3%**	**9.5%**	**10.0%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*1.9%*	*5.6%*	*7.9%*	*11.1%*	*11.7%*	*Jan-13*
American Realty Advisors	$4,704,567	17.0%	1.7%	4.7%	6.3%	9.5%	10.0%	Jan-13
NCREIF ODCE Equal Weighted Index			*1.9%*	*5.6%*	*7.9%*	*11.1%*	*11.7%*	*Jan-13*

Performance Summary (Net of Fees)

	Market Value	% of Portfolio	Ending September 30, 2017				Inception	
			2017 Q3	YTD	1 Yr	3 Yrs	Return	Since
Total Fund Cash	**$2,267,662**	**8.2%**	**0.2%**	**0.6%**	**0.7%**	**0.3%**	**0.2%**	**Jan-13**
VEBA Cash	$1,709,302	6.2%	0.3%	0.6%	0.7%	0.3%	0.2%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Severance Cash	$341,411	1.2%	0.2%	0.4%	0.5%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Scholarship Cash	$13,384	0.0%	0.2%	0.3%	0.4%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Legal Cash	$203,566	0.7%	0.2%	0.3%	0.4%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.3%*	*0.6%*	*0.7%*	*0.3%*	*0.2%*	*Jan-13*
Total Fund HFOF/Cash	**$96,056**	**0.3%**						
Meridian MDF Special Investments	$96,056	0.3%						

Benchmark History
As of September 30, 2017

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%

Footnotes

- Values, flows and returns for all commingled funds, mutual funds, and partnerships are provided by the firm managing the assets and cannot be verified by IPS.

Index Disclosures

- NCREIF ODCE Equal Weighted Index -During 2nd Quarter 2014 IPS changed the NCREIF ODCE Index to the NCREIF ODCE Equal Weighted Index. The NCREIF ODCE Equal Weighted Index is a better benchmark for comparison in client reports and more representative of the investment opportunities in the real estate class. The cap weighted index is biased and returns are influenced by several large contributors.
- Barclays 1-3 Yr BB U.S. Constrained Index is used for illustrative purposes only.

ERISA Pension Investment Conference

April 25 – 28, 2017

- **The following investment managers and providers attended and helped to defray the cost of IPS' annual ERISA Pension Investment Conference ("EPIC"). EPIC is an educational conference addressing various issues related to employee benefit plans. IPS does not give preferential treatment to investment managers or any other provider who may pay to attend EPIC.**

Amalgamated Bank of Chicago
American Realty Advisors
ASB Capital Management
Atlanta Capital Management
Baird Advisors / Baird Inv. Mgmt.
BlackRock Financial Mgmt.
Boyd Watterson
Brown Advisory
Chartwell Investment Partners
Christenson Investment Partners
Columbia Partners
Corbin Capital Partners
Corry Capital Advisors
Eaton Vance Management
EnTrustPermal
First Eagle Investment Mgmt.
Foundry Partners
Fred Alger Management
GAMCO Asset Management
Great Lakes Advisors
Grosvenor Capital Management
Hamilton Lane Advisors
Intercontinental Real Estate Corp.
Invesco
Janus Capital
Johnston Asset Management
JP Morgan Asset Management
Kearney Capital Management
Lazard Asset Management
Loomis, Sayles & Company
Lord Abbett
MacKay Shields
McMorgan & Company
MEPT/Bentall Kennedy
National Investment Services
Neuberger Berman
Nuveen Asset Management
Patriot Financial Partners
PENN Capital Management
Post Advisory Group
Principal Global Investors
Rothschild Asset Management
Ryan Labs Asset Management
Segall Bryant & Hamill
Sierra Investment Partners
The Bank of New York Mellon
The Boston Company
Ullico Investment Company
Victory Capital Management
Washington Capital Management
WEDGE Capital Management
Wellington Management Company
Westfield Capital Management

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FELRA and UFCW Benefit Funds

VEBA, Severance, Scholarship, and Legal Funds

Preliminary Performance

Period Ending

October 31, 2017

Summary of Cash Flows
Ending October 31, 2017

	Last Month	Year-To-Date
Beginning Market Value	$27,595,236	$58,280,078
Net Cash Flow	-$201,711	-$33,040,550
Net Investment Change	$222,947	$2,376,944
Ending Market Value	$27,616,472	$27,616,472

- Total assets represent the combined value of the VEBA, Severance, Scholarship and Legal Funds.

- Fiscal year end is 12/31.

	Market Value	% of Portfolio	Ending October 31, 2017 1 Mo	Ending October 31, 2017 YTD
Composite	**$27,616,472**	**100.0%**	**0.6%**	**5.6%**
Total Fund Domestic Equity	**$6,042,879**	**21.9%**	**2.2%**	**16.2%**
CRSP US Total Market TR USD			*2.2%*	*16.4%*
S&P 500			*2.3%*	*16.9%*
Vanguard U.S. Stock Market Index Fund	$6,042,879	21.9%	2.2%	16.2%
CRSP US Total Market TR USD			*2.2%*	*16.4%*
Total Fund Investment Grade Fixed Income	**$9,286,616**	**33.6%**	**0.0%**	**2.7%**
Custom Benchmark			*0.0%*	*2.3%*
Segall, Bryant and Hamill	$9,286,616	33.6%	0.0%	2.7%
Custom Benchmark			*0.0%*	*2.3%*
Total Short Duration High Yield Fixed Income	**$4,839,633**	**17.5%**	**0.2%**	**4.2%**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*	*3.7%*
Chartwell Investment Partners Short Duration High Yield	$4,839,633	17.5%	0.2%	4.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*	*3.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.2%*	*3.9%*
Total Fund Real Estate	**$2,780,852**	**10.1%**	**2.8%**	**7.6%**
American Realty Advisors	$2,780,852	10.1%	2.8%	7.6%

	Market Value	% of Portfolio	Ending October 31, 2017 1 Mo	Ending October 31, 2017 YTD
Total Fund Cash	**$4,570,431**	**16.5%**	**0.0%**	**0.6%**
VEBA Cash	$3,924,517	14.2%	0.0%	0.7%
91 Day T-Bills			*0.1%*	*0.7%*
Severance Cash	$251,715	0.9%	0.0%	0.4%
91 Day T-Bills			*0.1%*	*0.7%*
Scholarship Cash	$7,253	0.0%	0.1%	0.4%
91 Day T-Bills			*0.1%*	*0.7%*
Legal Cash	$386,946	1.4%	0.1%	0.4%
91 Day T-Bills			*0.1%*	*0.7%*
Total Fund HFOF/Cash	**$96,061**	**0.3%**		
Meridian MDF Special Investments	$96,061	0.3%		

- On 10/1/17 American Realty Advisors made a distribution of $2,000,000.

INVESTMENT PERFORMANCE SERVICES, LLC

FELRA and UFCW VEBA Fund

Preliminary Performance

Period Ending

October 31, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$24,731,616	$55,118,478
Net Cash Flow	$211,044	-$32,238,447
Net Investment Change	$218,099	$2,280,729
Ending Market Value	$25,160,760	$25,160,760

			Ending October 31, 2017	
	Market Value	% of Portfolio	1 Mo	YTD
Total VEBA Fund	**$25,160,760**	**100.0%**	**0.7%**	**5.9%**
Domestic Equity	$6,030,044	24.0%	2.2%	16.2%
CRSP US Total Market TR USD			*2.2%*	*16.4%*
Core Bond	$8,200,578	32.6%	0.0%	2.7%
Custom Benchmark			*0.0%*	*2.3%*
Short Duration Hi Yield Bond	$4,307,600	17.1%	0.2%	4.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*	*3.7%*
Real Estate	$2,698,021	10.7%	2.8%	7.6%
VEBA Cash	$3,924,517	15.6%	0.0%	0.7%
91 Day T-Bills			*0.1%*	*0.7%*

- On 10/1/17 sold $2,000,000 of Real Estate

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
U.S. Large Cap Equity	$6,030,044	24.0%	25.0%	5.0% - 50.0%	-1.0%	-$260,146
Investment Grade Fixed Income	$8,200,578	32.6%	40.0%	20.0% - 80.0%	-7.4%	-$1,863,726
Short Duration Hi Yield	$4,307,600	17.1%	20.0%	10.0% - 40.0%	-2.9%	-$724,552
Real Estate	$2,698,021	10.7%	10.0%	0.0% - 20.0%	0.7%	$181,945
Cash	$3,924,517	15.6%	5.0%	0.0% - 25.0%	10.6%	$2,666,479
Total	**$25,160,760**	**100.0%**	**100.0%**			

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

INVESTMENT PERFORMANCE SERVICES, LLC

UFCW and FELRA Severance Fund

Preliminary Performance

Period Ending

October 31, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$2,192,722	$2,458,731
Net Cash Flow	-$589,866	-$930,029
Net Investment Change	$1,473	$75,626
Ending Market Value	$1,604,328	$1,604,328

	Ending October 31, 2017			
	Market Value	% of Portfolio	1 Mo	YTD
Total Severance Fund	**$1,604,328**	**100.0%**	**0.1%**	**2.8%**
Core Bond	$786,804	49.0%	0.0%	2.7%
Custom Benchmark			*0.0%*	*2.3%*
Short Duration High Yield	$469,748	29.3%	0.1%	4.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*	*3.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.2%*	*3.9%*
HFOF/Cash	$96,061	6.0%		
Severance Cash	$251,715	15.7%	0.0%	0.4%
91 Day T-Bills			*0.1%*	*0.7%*

- On 10/1/17 sold $200,000 of SDHY Bond.

- On 10/1/17 sold $300,000 of Core Bond.

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Difference	Difference
Investment Grade Fixed Income	$786,804	49.0%	65.0%	-16.0%	10.0% - 80.0%	-16.0%	-$256,009
Short Duration High Yield	$469,748	29.3%	30.0%	-0.7%	15.0% - 60.0%	-0.7%	-$11,551
HFOF/Cash	$96,061	6.0%	--	6.0%	--	6.0%	$96,061
Cash	$251,715	15.7%	5.0%	10.7%	0.0% - 40.0%	10.7%	$171,499
Total	**$1,604,328**	**100.0%**	**100.0%**				

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

UFCW and FELRA Scholarship Fund

Preliminary Performance

Period Ending

October 31, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$239,083	$285,639
Net Cash Flow	-$6,138	-$63,055
Net Investment Change	$2,682	$13,043
Ending Market Value	$235,627	$235,627

Ending October 31, 2017

	Market Value	% of Portfolio	1 Mo	YTD
Total Scholarship Fund	**$235,627**	**100.0%**	**1.1%**	**5.0%**
Domestic Equity	$12,836	5.4%	2.2%	16.3%
CRSP US Total Market TR USD			*2.2%*	*16.4%*
S&P 500			*2.3%*	*16.9%*
Core Bond	$70,872	30.1%	0.0%	2.8%
Custom Benchmark			*0.0%*	*2.3%*
Short Duration Hi Yield Fund	$62,285	26.4%	0.2%	4.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*	*3.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.2%*	*3.9%*
Real Estate	$82,381	35.0%	2.8%	7.6%
Scholarship Cash	$7,253	3.1%	0.1%	0.4%
91 Day T-Bills			*0.1%*	*0.7%*

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
U.S. Large Cap Equity	$12,836	5.4%	10.0%	2.5% - 20.0%	-4.6%	-$10,727
Investment Grade Fixed Income	$70,872	30.1%	40.0%	20.0% - 80.0%	-9.9%	-$23,379
Short Duration Hi Yield Fund	$62,285	26.4%	30.0%	5.0% - 60.0%	-3.6%	-$8,403
Real Estate	$82,381	35.0%	20.0%	0.0% - 40.0%	15.0%	$35,255
Cash	$7,253	3.1%	--	--	3.1%	$7,253
Total	**$235,627**	**100.0%**	**100.0%**			

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

INVESTMENT PERFORMANCE SERVICES, LLC

UFCW and FELRA Legal Benefits Fund

Preliminary Performance

Period Ending

October 31, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$431,818	$417,238
Net Cash Flow	$183,250	$190,981
Net Investment Change	$241	$7,090
Ending Market Value	$615,309	$615,309

			Ending October 31, 2017	
	Market Value	% of Portfolio	1 Mo	YTD
Total Legal Fund	**$615,309**	**100.0%**	**0.1%**	**1.6%**
Core Bond	$228,363	37.1%	0.0%	2.8%
Custom Benchmark			*0.0%*	*2.3%*
Legal Cash	$386,946	62.9%	0.1%	0.4%
91 Day T-Bills			*0.1%*	*0.7%*

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

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$228,363	37.1%	100.0%	30.0% - 100.0%	-62.9%	-$386,946
Cash	$386,946	62.9%	--	--	62.9%	$386,946
Total	**$615,309**	**100.0%**	**100.0%**			

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