INVESTMENT PERFORMANCE SERVICES, LLC

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

Master Consulting Services Report

Period Ended
March 31, 2017

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Market Discussion Points 1Q | 2017

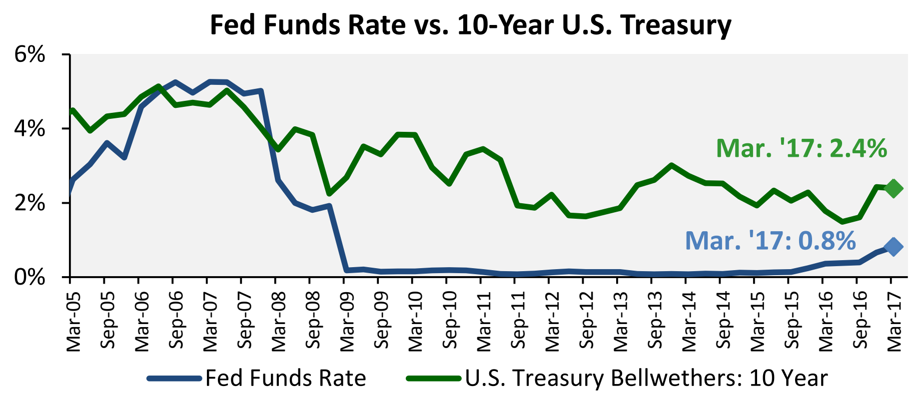
Financial Market Performance

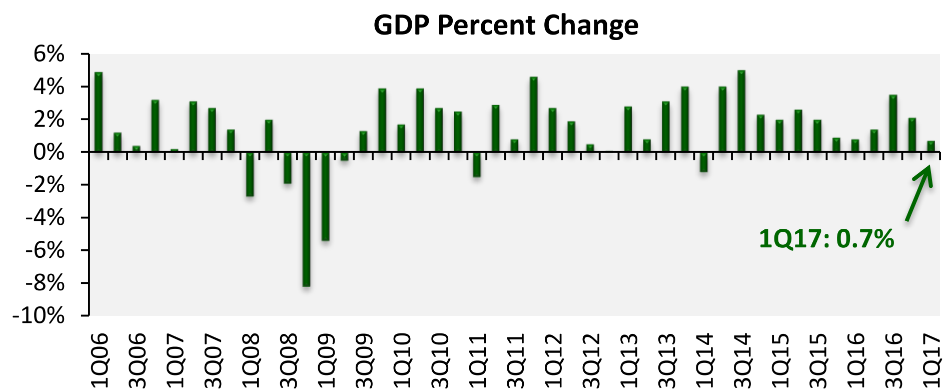
Periods Ending March 31, 2017

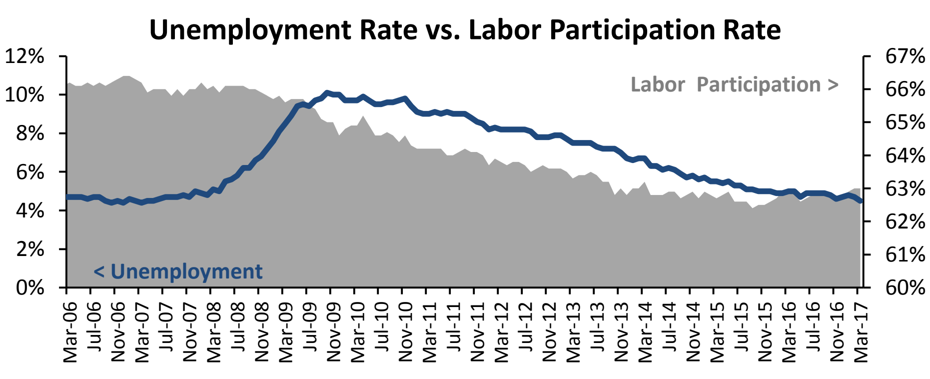
Strategy	Sector	Index	QTR	YTD	2016	2015	2014	2013	2012	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	6.1	6.1	12.0	1.4	13.7	32.4	16.0	17.2	10.4	13.3	7.5	7.9
	US Small Cap	Russell 2000	2.5	2.5	21.3	-4.4	4.9	38.8	16.4	26.2	7.2	12.4	7.1	8.7
	All Country	MSCI All Country World (net)	6.9	6.9	7.9	-2.4	4.2	22.8	16.1	15.0	5.1	8.4	4.0	-
	Non-US Developed	MSCI EAFE (net)	7.2	7.2	1.0	-0.8	-4.9	22.8	17.3	11.7	0.5	5.8	1.1	4.6
	Emerging Markets	MSCI EM (net)	11.4	11.4	11.2	-14.9	-2.2	-2.6	18.2	17.2	1.2	0.8	2.7	-
Bonds	**Treasury**	Bloomberg Barclays US Govt	0.7	0.7	1.1	0.9	4.9	-2.6	2.0	-1.3	2.0	1.6	3.8	5.0
	Broad Market	Bloomberg Barclays Aggregate	0.8	0.8	2.7	0.6	6.0	-2.0	4.2	0.4	2.7	2.3	4.3	5.4
	High Yield	Bloomberg Barclays HY BaB 2% IC	2.3	2.3	14.1	-2.7	3.5	6.2	15.0	13.0	4.5	6.5	7.1	-
	Global Bonds	Citigroup WGBI	1.6	1.6	1.6	-3.6	-0.5	-4.0	1.7	-3.7	-1.2	-0.6	3.0	4.4
Global Tactical Asset		65% MSCI World /35% Citi WGBI	4.7	4.7	5.6	-1.6	3.1	15.1	10.9	8.1	3.3	5.9	4.1	5.8
Real Estate	**Core**	NCREIF ODCE Equal Weighted	1.8	1.8	9.3	15.2	12.4	13.3	11.0	8.6	12.0	12.0	5.4	8.9
Hedge Funds	**Diversified FOFs**	HFRI HFOF Composite	2.3	2.3	0.5	-0.3	3.4	9.0	4.8	6.2	1.8	3.2	1.2	4.4
	Equity Long-Short	HFRI Equity Hedge	3.8	3.8	5.5	-1.0	1.8	14.3	7.4	11.5	3.0	4.9	3.0	8.0
Commodities	**Commodities**	Goldman Sachs Commodity	-5.1	-5.1	11.4	-32.9	-33.1	-1.2	0.1	8.5	-22.7	-15.0	-9.0	-1.8

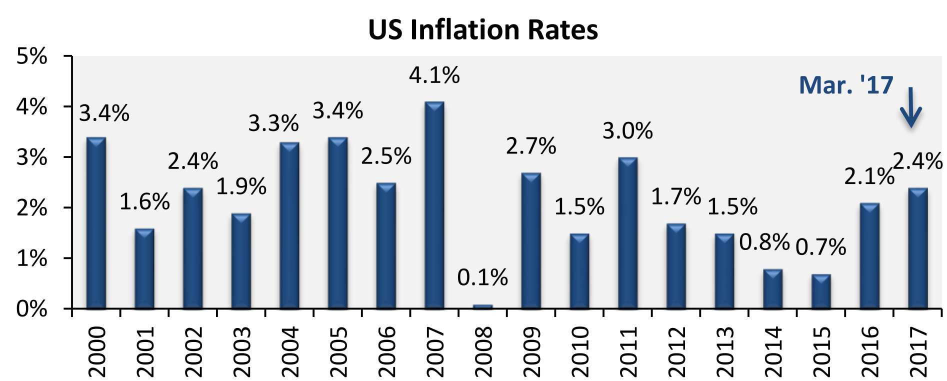
U.S. Economy

Nearly all economic indicators remain positive for the US economy. Inflation, as measured by the Consumer Price Index, continues its slow climb upwards in the first quarter of 2017 at 2.8% for the trailing one-year period. Unemployment remains low at 4.7% while job growth remains robust at 209,000 jobs added per month on average for the first quarter. This combination has resulted in more part-time workers finding full-time jobs and wage growth is moving higher. Housing prices continue to move higher, up 5.7% over the past 12 months. Mortgage rates has moved a bit higher with interest rates, but dropped a bit in March. The Housing Affordability Index remains at all-time lows as a percentage of wages. We are still early in the corporate earnings season, but the earnings growth increases seen in the fourth quarter of 2016 seem to have carried over into the first quarter of 2017.



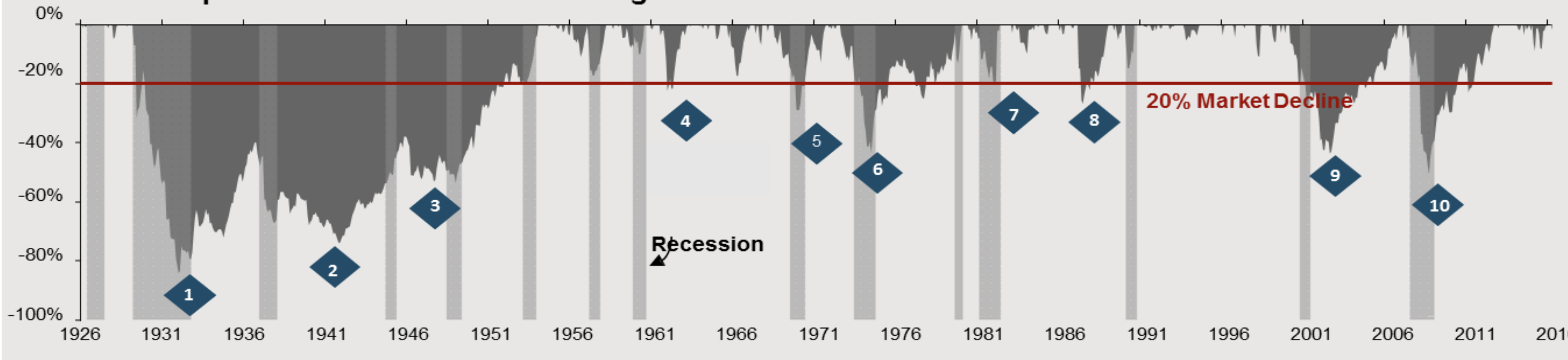






Current Bull Market: Historical Context

S&P 500 composite declines from all-time highs



Characteristics of bull and bear markets

Market Corrections	Bear markets: Market peak	Bear markets: Bear return*	Bear markets: Duration (months)*	Macro environment: Recession	Macro environment: Commodity spike	Macro environment: Aggressive Fed	Macro environment: Extreme valuations	Bull markets: Bull begin date	Bull markets: Bull return	Bull markets: Duration (months)
1 Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	33	◆			◆	Jul 1926	152%	38
2 1937 Fed Tightening - Premature policy tightening	Mar 1937	-60%	63	◆		◆		Mar 1935	129%	24
3 Post WWII Crash - Post-war demobilization, recession fears	May 1946	-30%	37	◆			◆	Apr 1942	158%	50
4 Flash Crash of 1962 - Flash crash, Cuban Missile Crisis	Dec 1961	-28%	7				◆	Oct 1960	39%	14
5 Tech Crash of 1970 - Economic overheating, civil unrest	Nov 1968	-36%	18	◆	◆	◆		Oct 1962	103%	74
6 Stagflation - OPEC oil embargo	Jan 1973	-48%	21	◆	◆			May 1970	74%	32
7 Volcker Tightening - Whip Inflation Now	Nov 1980	-27%	21	◆	◆	◆		Mar 1978	62%	33
8 1987 Crash - Program trading, overheating markets	Aug 1987	-34%	3				◆	Aug 1982	229%	61
9 Tech Bubble - Extreme valuations, .com boom/bust	Mar 2000	-49%	31	◆			◆	Oct 1990	417%	115
10 Global Financial Crisis - Leverage/housing, Lehman collapse	Oct 2007	-57%	17	◆	◆	◆		Oct 2002	101%	61
Current Cycle								Mar 2009	249%	98
Averages	-	**-45%**	**25**					-	**156%**	**55**

Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.
*A bear market is defined as a 20% or more decline from the previous market high. The bear return is the peak to trough return over the cycle. Periods of "Recession" are defined using NBER business cycle dates. "Commodity spikes" are defined as significant rapid upward moves in oil prices. Periods of "Extreme valuations" are those where S&P 500 last 12 months' P/E levels were approximately two standard deviations above long-run averages, or time periods where equity market valuations appeared expensive given the broader macroeconomic environment. "Aggressive Fed Tightening" is defined as Federal Reserve monetary tightening that was unexpected and/or significant in magnitude.
Guide to the Markets – U.S. Data are as of March 31, 2017.

Asset Class Performance "Quilt"

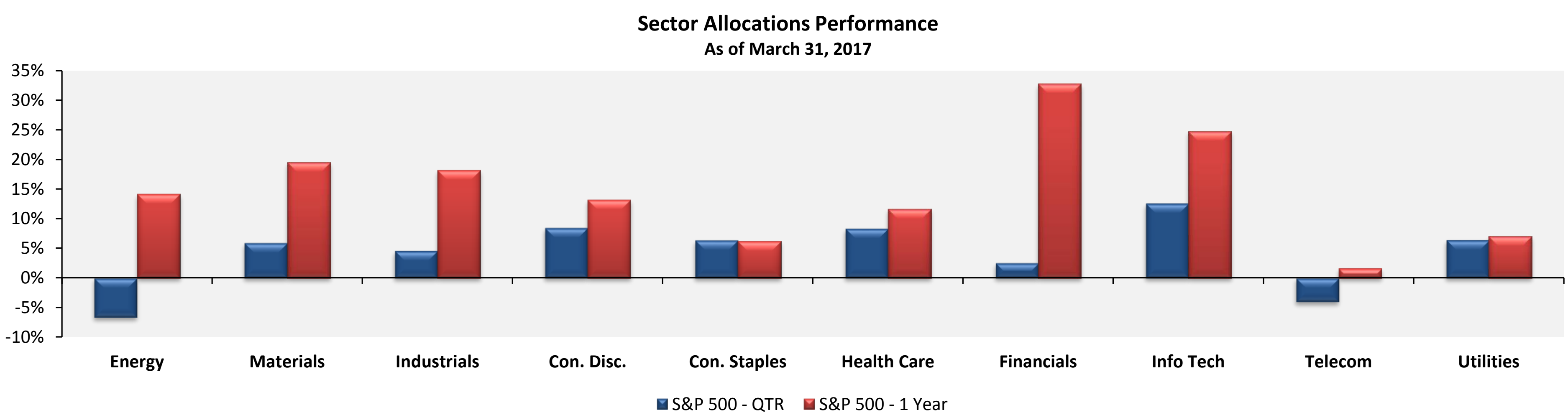
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RE 13.5%	Fx Inc 8.4%	Fx Inc 10.3%	EM Equity 55.8%	EM Equity 25.6%	EM Equity 34.0%	EM Equity 32.2%	EM Equity 39.4%	Fx Inc 5.2%	EM Equity 78.5%	Small Cap 26.9%	RE 16.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE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

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

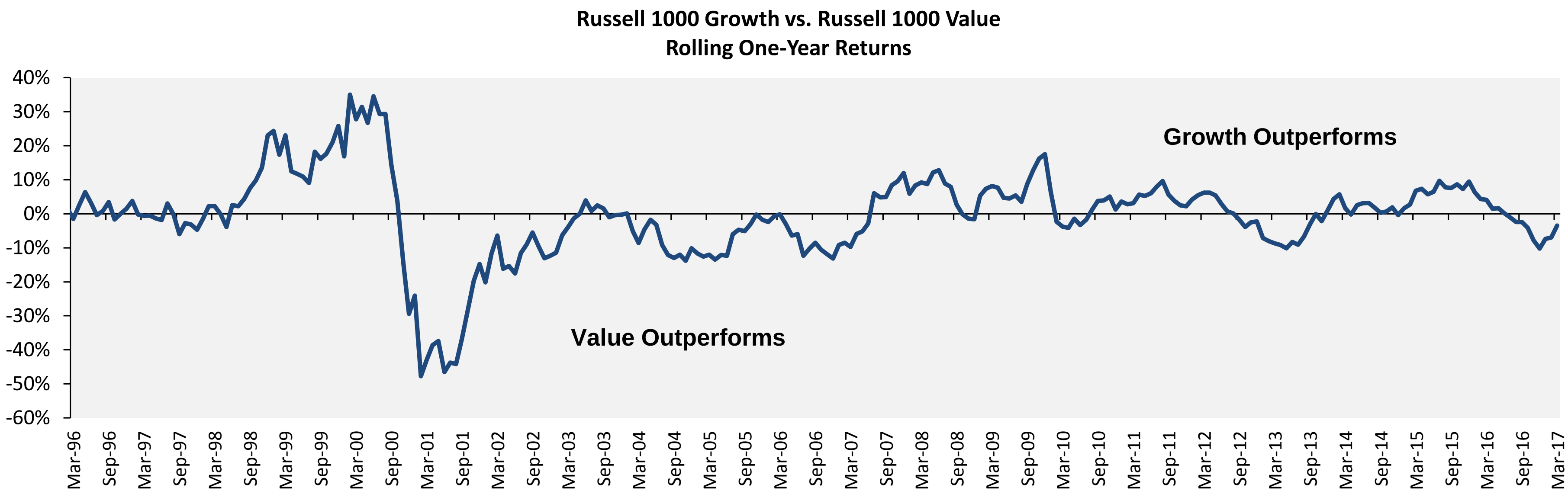
U.S. Equity Market

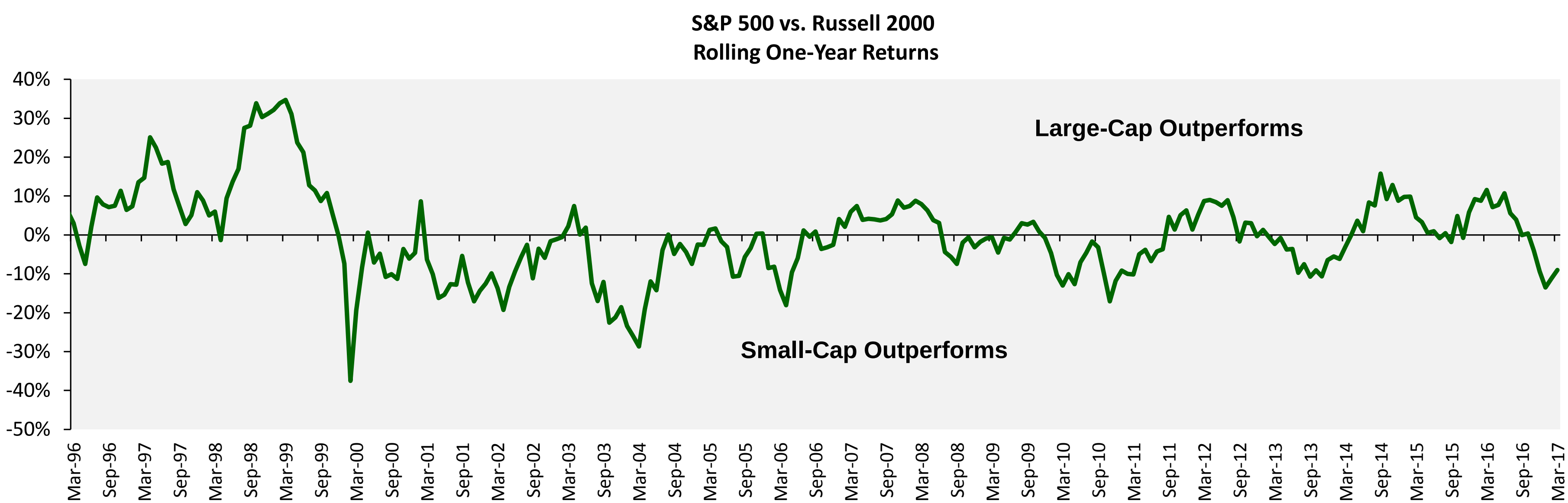
The fundamentals for the US equity market remain strong and that was reflected in the S&P 500 Index moving up 6.1% in the first quarter of 2017. Small cap stocks, which were up significantly last year, posted a 2.5% return for the quarter. In 2016, the value style significantly outperformed the growth style by wide margins, but reversed in the first quarter of 2017 with the Russell 1000 Growth Index returning 8.9% vs. 3.3% for the Russell 1000 Value Index. Small cap has a similar reversal with the Russell 2000 Growth Index up 5.4 vs. -0.1% for the Russell 2000 Value Index. Some market pundits are worried about market valuations with the Price/Earnings Ratio at about 18 times earnings. This is a bit above the long-term averages, but with increased earnings, the market has the potential to grow by 7-9% without any further P/E Ratio expansion. Nonetheless, it is always wise to remember the stock and bond markets move on emotion and frequently ignore fundamentals.

Sector	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	6.1	6.1	12.0	1.4	13.7	32.4	16.0	17.2	10.4	13.3	7.5
	Russell 1000	6.0	6.0	12.1	0.9	13.3	33.1	16.4	17.4	10.0	13.3	7.6
	Russell 1000 Value	3.3	3.3	17.3	-3.8	13.5	32.5	17.5	19.2	8.7	13.1	5.9
	Russell 1000 Growth	8.9	8.9	7.1	5.7	13.1	33.5	15.3	15.8	11.3	13.3	9.1
Mid Cap	Russell Mid-Cap	5.2	5.2	13.8	-2.4	13.2	34.8	17.3	17.0	8.5	13.1	7.9
	Russell Mid-Cap Value	3.8	3.8	20.0	-4.8	14.7	33.5	18.5	19.8	8.9	14.1	7.5
	Russell Mid-Cap Growth	6.9	6.9	7.3	-0.2	11.9	35.8	15.8	14.1	7.9	12.0	8.1
Small Cap	Russell 2000	2.5	2.5	21.3	-4.4	4.9	38.8	16.4	26.2	7.2	12.4	7.1
	Russell 2000 Value	-0.1	-0.1	31.7	-7.5	4.2	34.5	18.1	29.4	7.6	12.5	6.1
	Russell 2000 Growth	5.4	5.4	11.3	-1.4	5.6	43.3	14.6	23.0	6.7	12.1	8.1
Total Market	Wilshire 5000	5.6	5.6	13.4	0.7	12.7	33.1	16.1	18.4	10.0	13.2	7.6
	Russell 3000	5.7	5.7	12.7	0.5	12.6	33.6	16.4	18.1	9.8	13.2	7.5



U.S. Equity Market

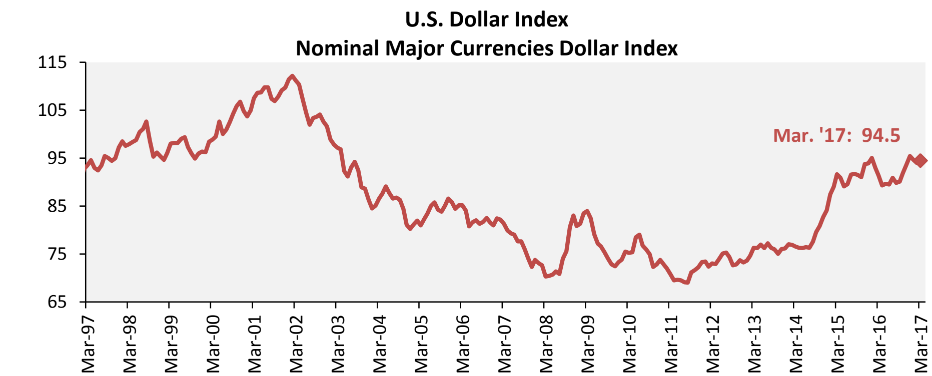


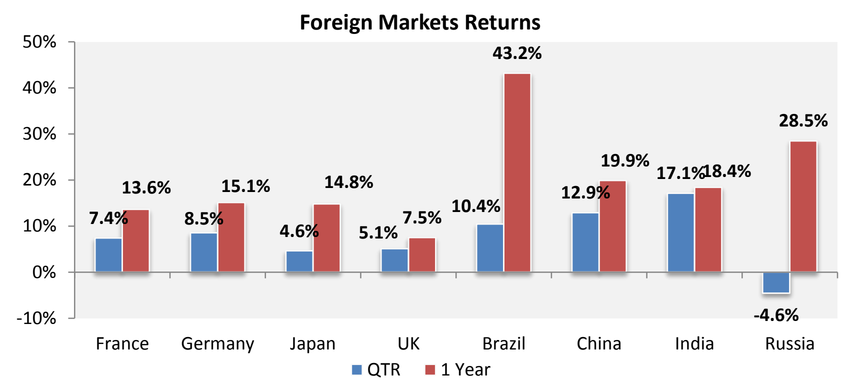


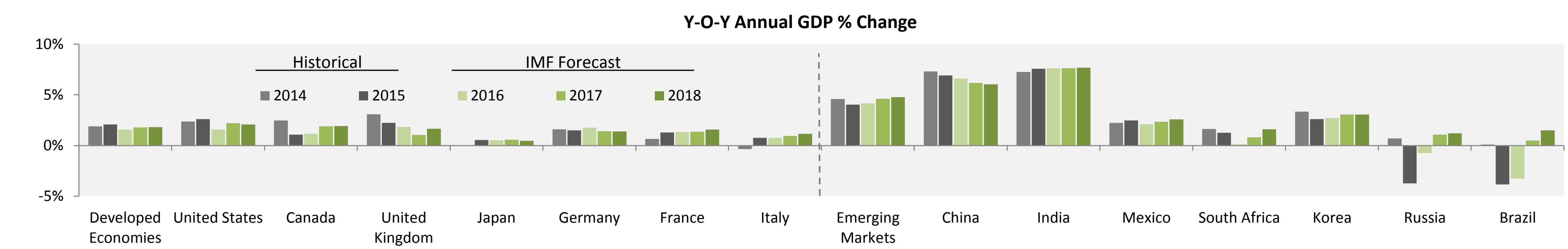
International Equity Market

It appears that Europe and other developed countries have weathered their economic malaise and starting to show material signs of economic recovery in both consumer sentiment and economic indicators. The MSCI EAFE Index was up 7.3% in the first quarter, beating the S&P 500 by a few points. Emerging Markets have also rebounded with the MSCI Emerging Markets Index up 11.4% for the quarter. This is a broad global trend as the Emerging Asia Index was up 13.4% and the Latin American Index was up 12.1%. Emerging Europe was quite mixed. For example, Poland was up 17.7%, but Russia was down 4.6% and Greece down 3.5%.

Sector	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	6.9	6.9	7.9	-2.4	4.2	22.8	16.1	15.0	5.1	8.4	4.0
	MSCI World Small Cap (net)	6.0	6.0	11.6	-1.0	1.8	28.7	18.1	17.5	5.0	9.7	5.7
	MSCI World ex US (net)	7.9	7.9	4.5	-5.7	-3.9	15.3	16.8	13.1	0.6	4.4	1.4
	MSCI World ex US Small Cap (net)	8.8	8.8	3.9	2.6	-4.0	19.7	18.5	12.3	2.5	6.7	3.1
Developed ex US	MSCI EAFE (net)	7.2	7.2	1.0	-0.8	-4.9	22.8	17.3	11.7	0.5	5.8	1.1
	MSCI EAFE Value (net)	6.1	6.1	5.0	-5.7	-5.4	23.0	17.7	16.0	-0.6	5.6	0.1
	MSCI EAFE Growth (net)	8.5	8.5	-3.0	4.1	-4.4	22.6	16.9	7.5	1.5	6.0	2.0
	MSCI EAFE Small Cap (net)	8.0	8.0	2.2	9.6	-5.0	29.3	20.0	11.0	3.6	9.2	3.0
Emerging Markets	MSCI Emerging Markets (net)	11.4	11.4	11.2	-14.9	-2.2	-2.6	18.2	17.2	1.2	0.8	2.7







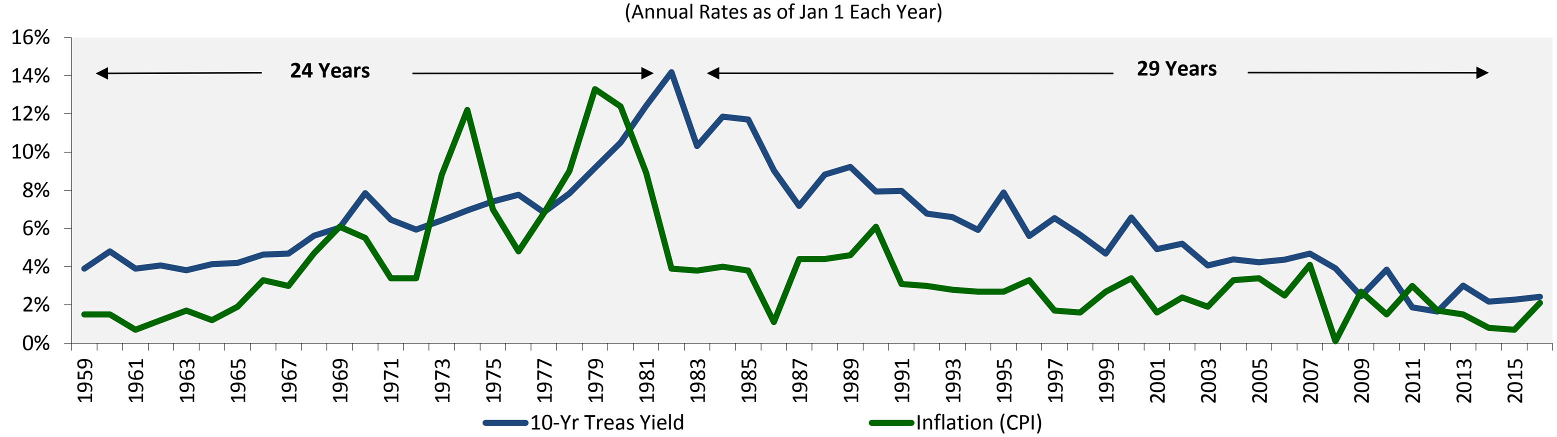
Top left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Top right chart:** Data as of December 31, 2016. **Bottom chart:** Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific. **Source:** International Monetary Fund, World Economic Outlook Database, October 2016.

U.S. Bond Market

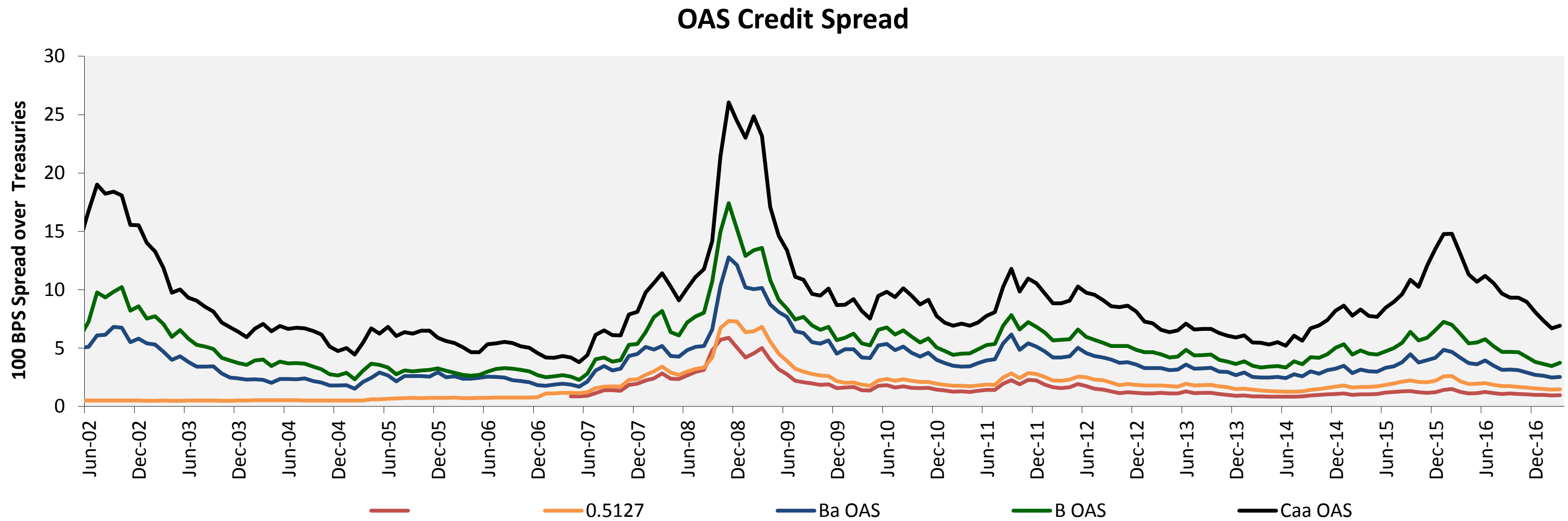
The Federal Reserve increased the Federal Funds rate by 25 basis points (0.25%) in March. While this increased almost all short-term interest rates by a similar amount, the 5-year Treasury remained unchanged at 1.93% from year-end, but longer term rates actually declined slightly. The 10-year Treasury bond ended the quarter at 2.39% vs. 2.44% at the end of 2016. Interest rate prognosticators are expecting two or three more rate hikes before the end of 2017. Many of the bond indexes had very slight losses in March, but were in positive territory for the quarter. The US Intermediate Govt/Credit Index returned 0.78% for the quarter and the Corporate High Yield Index was up 2.70%. The spread in returns between investment grade and high yield narrowed by 26 basis (0.26%) points during the quarter.

Index	Yield	Duration	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	2.61	6.0	0.8	0.8	2.7	0.6	6.0	-2.0	4.2	0.4	2.7	2.3	4.3
Bloomberg Barclays Govt/Credit	2.49	6.5	1.0	1.0	3.1	0.2	6.0	-2.4	4.8	0.5	2.7	2.5	4.3
Bloomberg Barclays Int Agg	2.38	4.4	0.7	0.7	2.0	1.2	4.1	-1.0	3.6	0.4	2.3	2.0	3.9
Bloomberg Barclays Int Govt/Credit	2.10	4.1	0.8	0.8	2.1	1.1	3.1	-0.9	3.9	0.4	2.0	1.9	3.8
Bloomberg Barclays HY Ba/B 2% IC	5.10	4.2	2.3	2.3	14.1	-2.7	3.5	6.2	15.0	13.0	4.5	6.5	7.1
BofA ML HY Cash Pay BB 1-3 Yr.	3.86	1.7	1.0	1.0	8.5	1.2	1.9	5.6	10.2	7.2	3.8	4.9	6.3
Bloomberg Barclays Mortgage	2.91	5.0	0.5	0.5	1.7	1.5	6.1	-1.4	2.6	0.2	2.7	2.0	4.2
Bloomberg Barclays Treasury	1.91	6.1	0.7	0.7	1.0	0.8	5.1	-2.8	2.0	-1.4	2.1	1.6	3.9
Bloomberg Barclays US TIPS	2.27	5.7	1.3	1.3	4.7	-1.4	3.6	-8.6	7.0	1.5	2.0	1.0	4.2
BofA ML 91 day T-Bills	0.76	0.2	0.1	0.1	0.3	0.1	0.0	0.1	0.1	0.4	0.2	0.1	0.7

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



Bond Market



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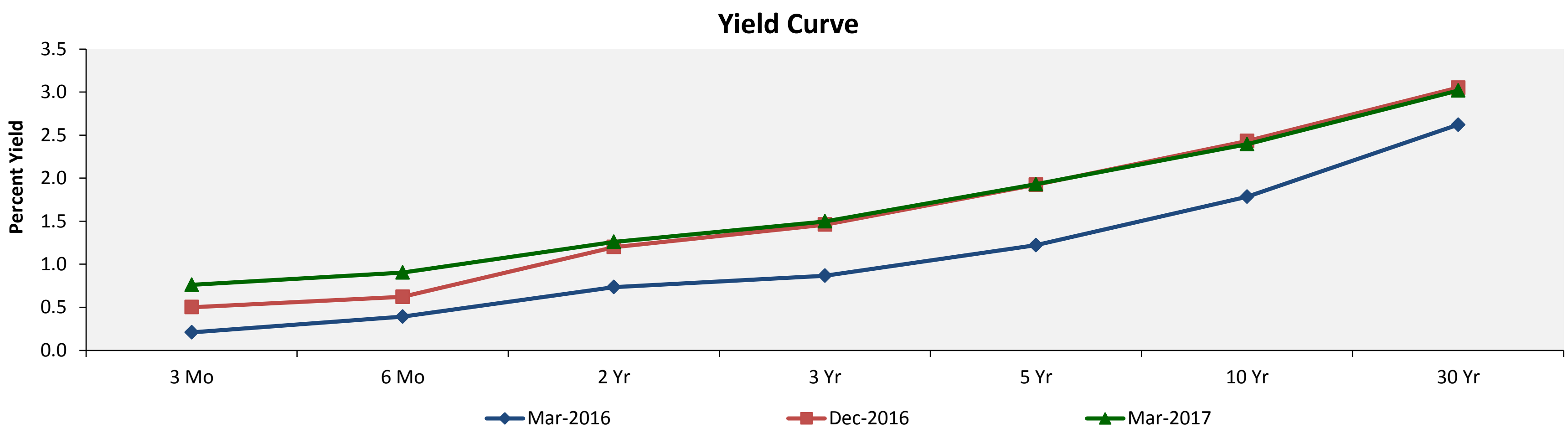
Ba OAS
B OAS
Caa OAS



Yield Curve
Percent Yield
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
3 Mo
6 Mo
2 Yr
3 Yr
5 Yr
10 Yr
30 Yr
Mar-2016
Dec-2016
Mar-2017

Interest Rate Sensitivity

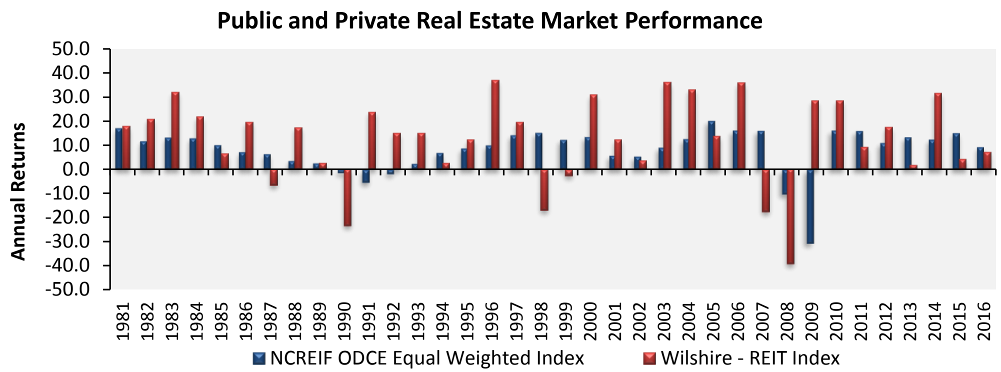
12 Month Holding Period - Annualized Returns as of 3/31/2017							
Yield Change	10 Year Treasury	Bloomberg Barclays Aggregate	Bloomberg Barclays Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
(bps)		US Aggregate	US Int Govt/Credit				
-150	15.55	11.81	8.19	11.97	4.35	11.12	6.35
-100	11.16	8.74	6.16	8.81	3.40	9.11	5.52
-50	6.78	5.68	4.13	5.65	2.45	7.10	4.69
-25	4.58	4.14	3.12	4.07	1.98	6.10	4.28
0	2.39	2.61	2.10	2.49	1.50	5.09	3.86
25	0.20	1.08	1.09	0.91	1.03	4.09	3.45
50	-2.00	-0.46	0.07	-0.67	0.55	3.08	3.03
100	-6.38	-3.52	-1.96	-3.83	-0.40	1.07	2.20
150	-10.77	-6.59	-3.99	-6.99	-1.35	-0.94	1.37
200	-15.15	-9.65	-6.02	-10.15	-2.30	-2.95	0.54
250	-19.54	-12.72	-8.05	-13.31	-3.25	-4.96	-0.29
300	-23.92	-15.78	-10.08	-16.47	-4.20	-6.97	-1.12
350	-28.31	-18.85	-12.11	-19.63	-5.15	-8.98	-1.95
400	-32.69	-21.91	-14.14	-22.79	-6.10	-10.99	-2.78
450	-37.08	-24.98	-16.17	-25.95	-7.05	-13.00	-3.61
500	-41.46	-28.04	-18.20	-29.11	-8.00	-15.01	-4.44
Duration	8.77	6.13	4.06	6.32	1.90	4.02	1.66

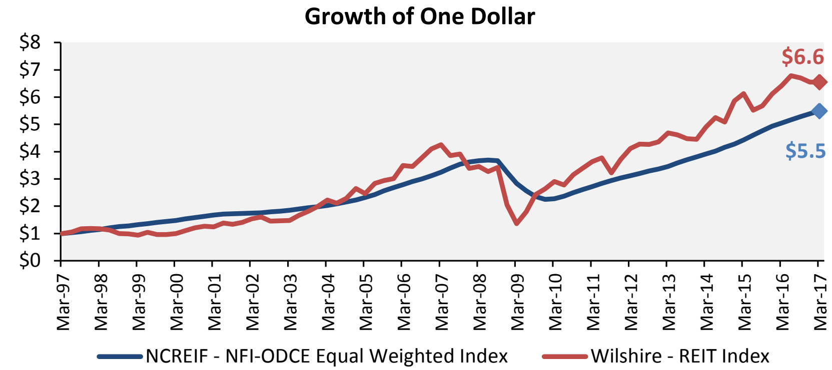
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2016 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as of 12/31/2016 multiplied by the percentage point change in the yield curve (basis point change divided by 100) and then appropriately adding or subtracting this implied percentage change in the value of the index (due to the shift in the yield curve) to the base case annualized return. This is a rough approximation of the annual return sensitivity to parallel shifts in the yield curve. **SOURCE:** PENN Capital Internal Research.

Real Estate Market

With the fuel of lower cap rates spent, total returns will depend upon Net Operating Income growth that is driven by the growth of rents. This will be one of the keys for the foreseeable future. Fortunately, the outlook for rent growth is positive. The hottest area is warehousing (Amazon effect), followed by office, retail and apartments. The vacancy rate for warehousing is 8.4%, the lowest since 2000 as reported by CBRE. However, apartment supply is weighing on the market and impacting rents. Over all property types, the occupancy rate is at a 15 year high. Rents in 2017-2018 will also be positively impacted by leases up for renewal with rents coming up to current rates. The environment is favorable for NOI growth. Forecasts of 5-6% are typical for 2017 and 2018 but can vary by manager.

Sector	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	1.8	1.8	9.3	15.2	12.4	13.3	11.0	8.6	12.0	12.0	5.4
US Public	Wilshire REIT	0.0	0.0	7.2	4.2	31.8	1.9	17.6	2.0	10.2	9.8	4.4



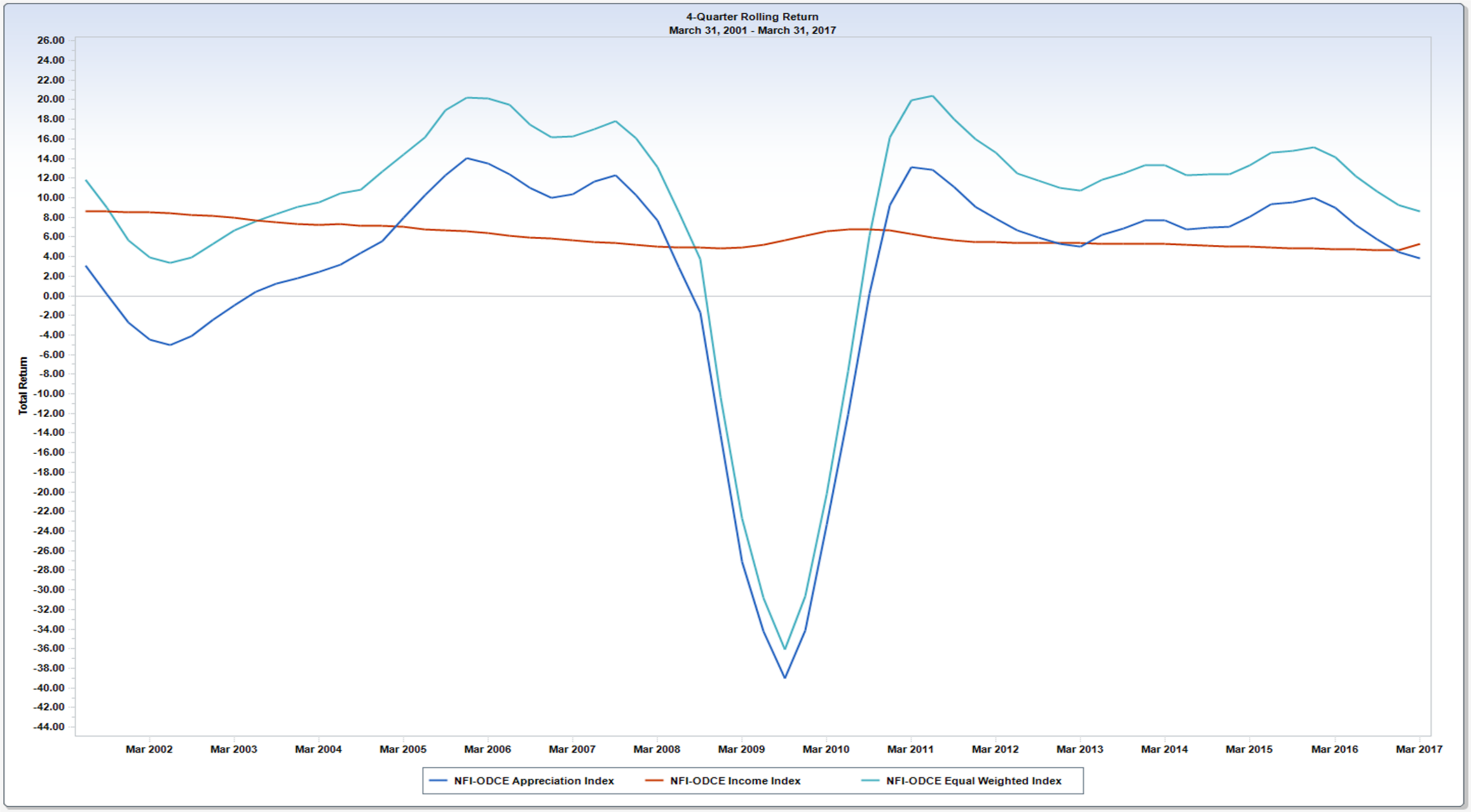


	Total return (incl. income) 2016	Total return (incl. income) 2017	Total return (incl. income) 2018	Total return (incl. income) 2016 to 2020 (per year)
National, All Property Types (NPI)	8.3	6.9	5.7	6.4
Office	7.1	6.6	5.5	5.9
Retail	9.4	7.0	5.8	6.9
Industrial	10.9	7.8	6.4	7.3
Apartment	7.6	6.7	5.6	6.1

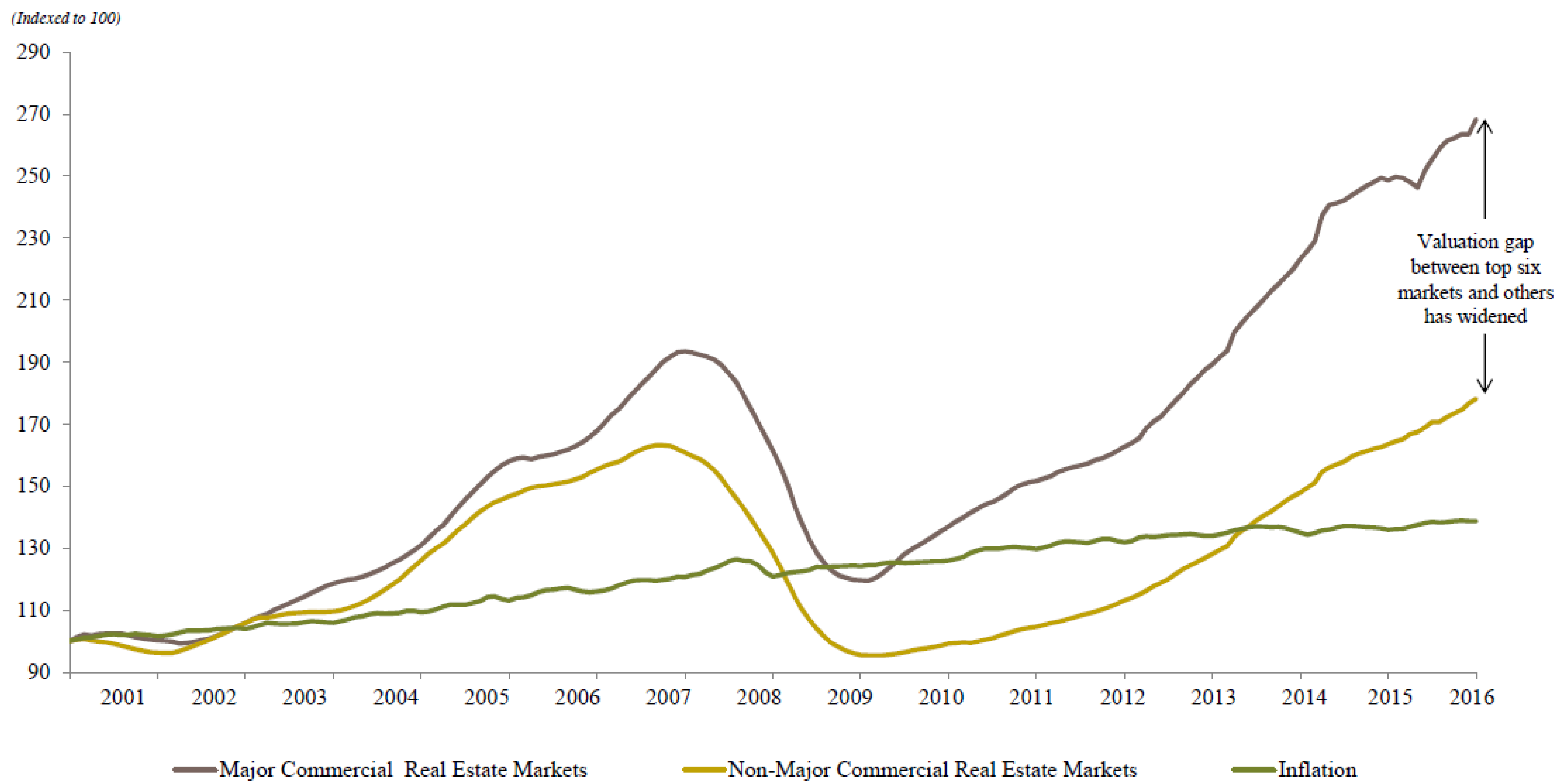
Bottom chart: Average of respondents' forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NCREIF Property Index Q4 2016.

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 but 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 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 1990's to 4½% today.



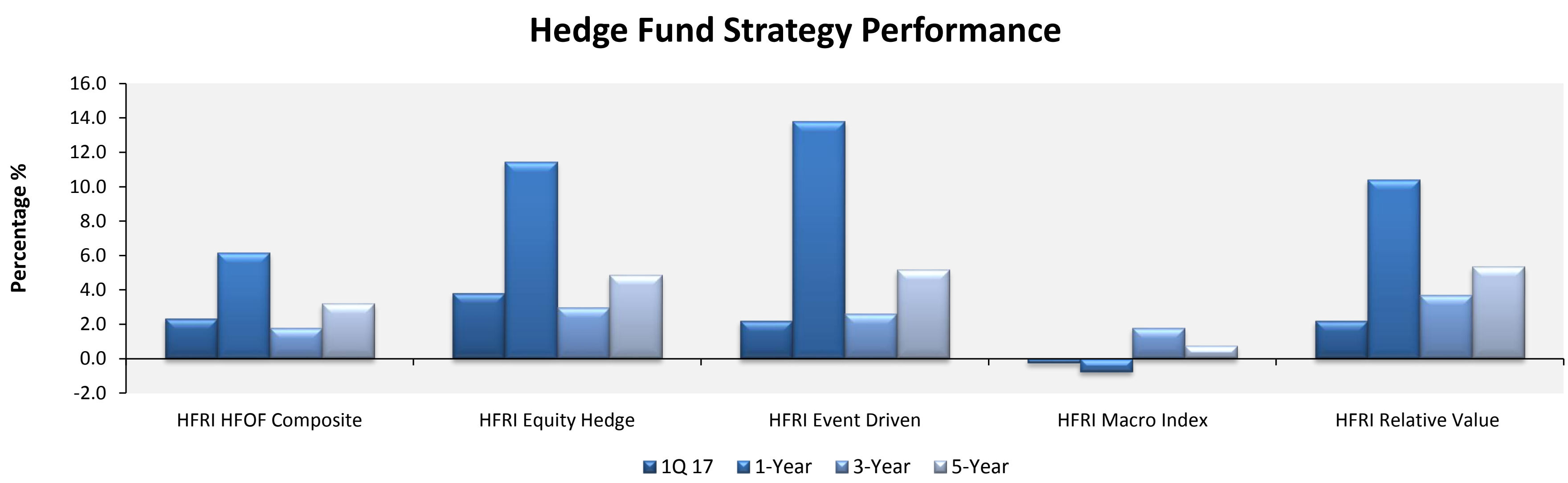
Real Estate Market



Hedge Fund of Funds Market

Hedge funds are off to a relatively good start in 2017. With a strong first quarter of 2017 and the relatively poor first quarter of 2016 rolling off the past 12-month period, the return of the HFRI Fund of Funds Index for the past year stands at 6.2%, a significant increase from the 0.5% return for the 12-month period ended December 2016. The solid first quarter is not enough to move the needle on longer-term results for the index, but is another step in the right direction for an asset class that has encountered a difficult environment for success in recent years. The historically negative correlation between hedge funds and investment grade bonds appears to be adding value as interest rates began to climb in the latter half of 2016. Over the past six months ended March 2017, the Bloomberg Barclays Aggregate declined by more than 2%, while the HFRI Fund of Funds Composite rose nearly 3% over the same period. Aside from global macro, most broad hedge fund strategies yielded positive returns during the first quarter of 2017. Hedged equity strategies were the strongest performer, benefiting from rising equity markets globally (particularly in international and emerging markets) and declining stock correlations. Increasing dispersion among fixed income securities has also created opportunities for relative value fixed income managers, and the HFRI Relative Value Index rose 2.2% during the quarter. In general, hedge fund managers should continue to benefit from a rising interest rate environment, modest increases in equity volatility and lower correlations / heightened levels of dispersion between securities.

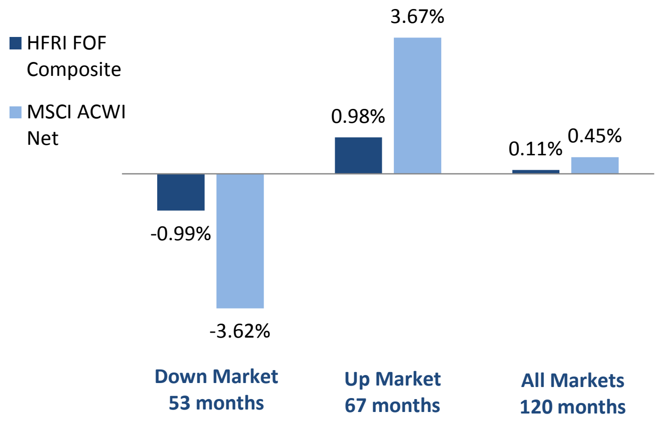
Strategy	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	2.3	2.3	0.5	-0.3	3.4	9.0	4.8	6.2	1.8	3.2	1.2
Equity Long-Short	HFRI Equity Hedge	3.8	3.8	5.5	-1.0	1.8	14.3	7.4	11.5	3.0	4.9	3.0
Event Driven	HFRI Event Driven	2.2	2.2	10.6	-3.6	1.1	12.5	8.9	13.8	2.6	5.2	3.9
Global Macro	HFRI Macro Index	-0.2	-0.2	1.0	-1.3	5.6	-0.4	-0.1	-0.8	1.8	0.8	2.7
Relative Value	HFRI Relative Value	2.2	2.2	7.7	-0.3	4.0	7.1	10.6	10.4	3.7	5.4	5.1



Hedge Fund of Funds Market

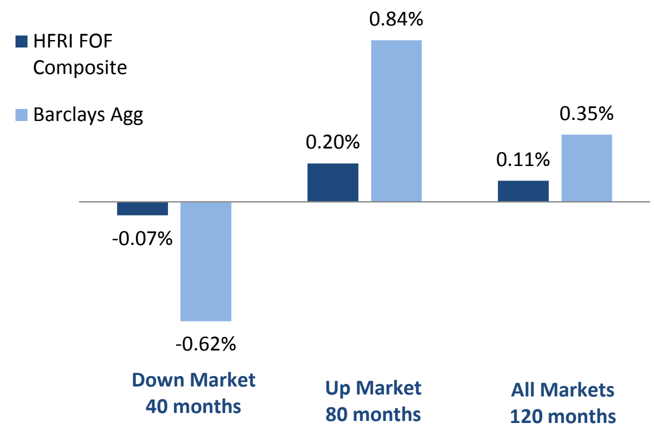
Up/Down Capture vs. Equity

Average Returns
April 2007 - March 2017



Up/Down Capture vs. Bonds

Average Returns
April 2007 - March 2017



Comparison of Long-Term vs. Post Financial Crisis Asset Class Performance

***Represents asset class performance from Jan 1991 - Dec 2015 vs. Jan 2009 - Dec 2015**

Source: Corbin Capital Partners

INVESTMENT PERFORMANCE SERVICES, LLC

FELRA and UFCW Benefit Funds

VEBA, Severance, Scholarship and Legal Funds

Master Consulting Services Report

Period Ending

March 31, 2017

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Summary of Cash Flows

	First Quarter	One Year	Three Years	Inception 1/1/13
Beginning Market Value	$58,280,078	$56,473,854	$67,646,244	$56,700,141
Net Cash Flow	-$9,646,026	-$10,219,043	-$24,313,766	-$18,386,477
Net Investment Change	$1,054,005	$3,433,245	$6,355,578	$11,374,392
Ending Market Value	$49,688,056	$49,688,056	$49,688,056	$49,688,056

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

Asset Allocation vs. Target
As Of March 31, 2017

	Current	%
Domestic Equity	$11,575,455	23.3%
Investment Grade Fixed Income	$19,013,358	38.3%
Short Duration High Yield Fixed Income	$10,168,915	20.5%
Real Estate	$4,536,294	9.1%
Cash	$4,284,293	8.6%
HFOF/Cash	$109,742	0.2%
Total	**$49,688,056**	**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 March 31, 2017 2017 Q1	Ending March 31, 2017 1 Yr	Ending March 31, 2017 3 Yrs	Inception Return	Inception Since
Composite	**$49,688,056**	**100.0%**	**1.9%**	**6.2%**	**3.5%**	**4.4%**	**Jan-13**
Total Fund Domestic Equity	**$11,575,455**	**23.3%**	**5.7%**	**18.0%**	**7.2%**	**13.0%**	**Jan-13**
CRSP US Total Market TR USD			*5.8%*	*18.1%*	*9.7%*	*14.8%*	*Jan-13*
S&P 500			*6.1%*	*17.2%*	*10.4%*	*15.0%*	*Jan-13*
Total Fund Investment Grade Fixed Income	**$19,013,358**	**38.3%**	**0.8%**	**0.6%**	**2.5%**	**2.3%**	**Jan-13**
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$10,168,915**	**20.5%**	**1.3%**	**7.1%**	**--**	**3.5%**	**Sep-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*--*	*4.5%*	*Sep-14*
Total Fund Real Estate	**$4,536,294**	**9.1%**	**0.9%**	**5.9%**	**10.1%**	**10.6%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.2%*	*Jan-13*
Total Fund Cash	**$4,284,293**	**8.6%**	**0.2%**	**0.4%**	**0.2%**	**0.1%**	**Jan-13**
Total Fund HFOF/Cash	**$109,742**	**0.2%**					

- 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

	First Quarter	One Year	Three Years
Beginning Market Value	$55,118,478	$52,852,456	$56,068,274
Net Cash Flow	-$11,519,457	-$11,569,513	-$17,317,851
Net Investment Change	$1,030,927	$3,347,005	$5,879,525
Ending Market Value	$44,629,948	$44,629,948	$44,629,948

	Ending March 31, 2017					Inception	
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	Return	Since
Total VEBA Fund	**$44,629,948**	**100.0%**	**2.0%**	**6.4%**	**3.6%**	**4.2%**	**Jan-13**
Domestic Equity	$11,563,811	25.9%	5.8%	18.0%	7.2%	13.0%	Jan-13
CRSP US Total Market TR USD			*5.8%*	*18.1%*	*9.7%*	*14.8%*	*Jan-13*
S&P 500			*6.1%*	*17.2%*	*10.4%*	*15.0%*	*Jan-13*
Core Bond	$17,079,387	38.3%	0.8%	0.6%	2.5%	2.2%	Jan-13
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Short Duration Hi Yield Bond	$9,109,339	20.4%	1.3%	7.2%	--	3.3%	Nov-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*3.8%*	*4.4%*	*Nov-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.3%*	*7.3%*	*3.9%*	*4.6%*	*Nov-14*
Real Estate	$4,459,026	10.0%	0.9%	5.9%	--	9.5%	Dec-14
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*11.6%*	*Dec-14*
VEBA Cash	$2,418,384	5.4%	0.2%	0.4%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*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	$11,563,811	25.9%	25.0%	5.0% - 50.0%	0.9%	$406,324
Investment Grade Fixed Income	$17,079,387	38.3%	40.0%	20.0% - 80.0%	-1.7%	-$772,592
Short Duration Hi Yield	$9,109,339	20.4%	20.0%	10.0% - 40.0%	0.4%	$183,350
Real Estate	$4,459,026	10.0%	10.0%	0.0% - 20.0%	0.0%	-$3,969
Cash	$2,418,384	5.4%	5.0%	0.0% - 25.0%	0.4%	$186,887
Total	**$44,629,948**	**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

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. Due to the timing of contributions and withdrawals from the Fund, it was agreed that a minimum of approximately $2M cash on hand should be maintained. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation targets of 25% US large cap equities, 40% intermediate fixed income, 20% short duration high yield, 10% real estate, and 5% cash. Asset allocation targets were approved by the Full Board on September 18, 2014.
- At the July 18, 2014 Policy Committee meeting, the Trustees elected to transfer $15M from cash to SBH (investment grade fixed income). The transfer occurred on August 1, 2014.
- As a result of restructuring, the following investment managers were terminated effective October 31, 2014: INTECH, NWQ, Cadence, Westwood, Globeflex, Windhaven and Fountain. The rebalancing of proceeds to the Fund’s new asset allocation targets began in November 2014.
- An asset allocation review was provided for April 10, 2015 Policy Committee meeting.
- In January 2015, $4.2M in cash was allocated to equity ($1.3M), SDHY ($1.0M), Core Bonds ($2.0).
- In April 2015, $500,000 was transferred to cash from Core Bonds.
- In June 2015, $6.0M in cash was allocated to equity ($2.0M), SDHY ($2.0M), Core Bonds ($2.0).
- In July 2015, $5.0M was transferred to cash from equity ($2.5M), SDHY ($1.25M), Core Bonds ($1.25M).
- 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).

Recommendations: None.

Summary of Cash Flows

	First Quarter	One Year	Three Years
Beginning Market Value	$2,458,731	$2,568,707	$10,367,204
Net Cash Flow	$1,693,972	$1,530,431	-$6,644,099
Net Investment Change	$17,779	$71,343	$447,377
Ending Market Value	$4,170,482	$4,170,482	$4,170,482

	Ending March 31, 2017					Inception	
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	Return	Since
Total Severance Fund	**$4,170,482**	**100.0%**	**1.1%**	**2.9%**	**2.4%**	**4.4%**	**Jan-13**
Core Bond	$1,623,028	38.9%	0.8%	0.6%	2.6%	2.2%	Jan-13
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Short Duration High Yield	$981,745	23.5%	1.3%	7.0%	--	3.5%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*3.8%*	*4.5%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.3%*	*7.3%*	*3.9%*	*4.7%*	*Sep-14*
HFOF/Cash	$109,742	2.6%					
Severance Cash	$1,455,967	34.9%	0.1%	0.3%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*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	$1,623,028	38.9%	65.0%	10.0% - 80.0%	-26.1%	-$1,087,786
Short Duration High Yield	$981,745	23.5%	30.0%	15.0% - 60.0%	-6.5%	-$269,400
HFOF/Cash	$109,742	2.6%	--	--	2.6%	$109,742
Cash	$1,455,967	34.9%	5.0%	0.0% - 40.0%	29.9%	$1,247,443
Total	**$4,170,482**	**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

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. At the July 18, 2014 Policy Committee meeting, the decision was made to retain Chartwell Partners for a short duration high yield mandate of $3M. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation targets of 65% intermediate fixed income, 30% short duration high yield, and 5% cash. Asset allocation targets were approved by the Full Board on September 18, 2014.
- On September 2, 2014, Chartwell (SDHY) was funded from cash with an initial $3M allocation.
- As a result of restructuring, the following investment managers were terminated effective October 31, 2014: INTECH, NWQ, Cadence, Westwood, Globeflex, Mellon Global Alpha, and Fountain. The rebalancing of proceeds to the Fund's new asset allocation targets began in November 2014.
- An asset allocation review was provided for April 10, 2015 Policy Committee meeting.
- In January 2015, $1,500,000 was allocated to core bonds.
- In February 2015, $1,000,000,000 was transferred to cash from SDHY ($400,000) and core bonds ($600,000).
- In March 2015, $800,000 was transferred to cash from SDHY ($425,000) and core bonds ($375,000).
- In April 2015, $600,000 was transferred to cash from SDHY ($360,000) and core bonds ($240,000).
- In June 2015, $500,000 was transferred to cash from SDHY ($300,000) and core bonds ($200,000).
- In July 2015, $600,000 was transferred to cash from SDHY ($162,961), core bonds ($300,000), and HFOF cash ($137,039).
- In December 2015, $1,750,000 was transferred to cash from SDHY ($612,500) and core bonds ($1,137,500).
- 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).

Recommendations: None.

Summary of Cash Flows

	First Quarter	One Year	Three Years
Beginning Market Value	$285,639	$332,568	$480,111
Net Cash Flow	-$13,734	-$70,813	-$240,316
Net Investment Change	$3,142	$13,292	$35,251
Ending Market Value	$275,047	$275,047	$275,047

	Ending March 31, 2017					Inception	
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	Return	Since
Total Scholarship Fund	**$275,047**	**100.0%**	**1.1%**	**4.3%**	**3.4%**	**7.1%**	**Jan-13**
Domestic Equity	$11,646	4.2%	5.8%	18.1%	7.4%	12.9%	Jan-13
CRSP US Total Market TR USD			*5.8%*	*18.1%*	*9.7%*	*14.8%*	*Jan-13*
S&P 500			*6.1%*	*17.2%*	*10.4%*	*15.0%*	*Jan-13*
Core Bond	$86,792	31.6%	0.9%	0.7%	2.5%	2.2%	Jan-13
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Short Duration Hi Yield Fund	$77,835	28.3%	1.3%	7.1%	--	3.3%	Nov-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*3.8%*	*4.4%*	*Nov-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.3%*	*7.3%*	*3.9%*	*4.6%*	*Nov-14*
Real Estate	$77,268	28.1%	0.9%	5.9%	10.0%	10.4%	Jan-13
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.2%*	*Jan-13*
Scholarship Cash	$21,506	7.8%	0.0%	0.2%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*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	$11,646	4.2%	10.0%	2.5% - 20.0%	-5.8%	-$15,858
Investment Grade Fixed Income	$86,792	31.6%	40.0%	20.0% - 80.0%	-8.4%	-$23,227
Short Duration Hi Yield Fund	$77,835	28.3%	30.0%	5.0% - 60.0%	-1.7%	-$4,679
Real Estate	$77,268	28.1%	20.0%	0.0% - 40.0%	8.1%	$22,258
Cash	$21,506	7.8%	--	--	7.8%	$21,506
Total	**$275,047**	**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

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. IPS was informed an annual 5% payout is needed. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation targets of 10% US large cap equity, 40% intermediate fixed income, 30% short duration high yield, and 20% real estate. Asset allocation targets were approved by the Full Board on September 18, 2014.
- As a result of restructuring, the following investment managers were terminated effective October 31, 2014: INTECH, NWQ, Cadence, Westwood, Globeflex and Fountain. The rebalancing of proceeds to the Fund's new asset allocation targets began in November 2014.
- An asset allocation review was provided for April 10, 2015 Policy Committee meeting.
- In March 2015, $15,000 was transferred to cash from SDHY.
- In June 2015, $25,000 was transferred to cash from SDHY ($15,000) and Core Bonds ($10,000).
- In October 2015, $15,000 was transferred to cash from core bonds.
- 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).

Recommendations: None.

Summary of Cash Flows

	First Quarter	One Year	Three Years
Beginning Market Value	$417,238	$720,122	$730,657
Net Cash Flow	$193,193	-$109,455	-$134,457
Net Investment Change	$2,155	$1,919	$16,386
Ending Market Value	$612,586	$612,586	$612,586

	Ending March 31, 2017					Inception	
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	Return	Since
Total Legal Fund	**$612,586**	**100.0%**	**0.4%**	**0.6%**	**1.0%**	**0.8%**	**Jan-13**
Core Bond	$224,151	36.6%	0.9%	0.7%	2.5%	2.2%	Jan-13
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Legal Cash	$388,435	63.4%	0.1%	0.1%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*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	$224,151	36.6%	100.0%	30.0% - 100.0%	-63.4%	-$388,435
Cash	$388,435	63.4%	--	--	63.4%	$388,435
Total	**$612,586**	**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

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. IPS was informed assets are to be highly liquid. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation target of 100% intermediate fixed income. Asset allocation targets were approved by the Full Board on September 18, 2014.
- On November 3, 2014, all assets were invested with SBH (investment grade fixed income) to rebalance closer to targets.
- An asset allocation review was provided for April 10, 2015 Policy Committee meeting.
- In March 2015, $50,000 was transferred to cash from core bonds.
- In June 2016, $50,000 was transferred to cash from core bonds.

Recommendations: None.

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Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending March 31, 2017			Inception	
			2017 Q1	1 Yr	3 Yrs	Return	Since
Composite	**$49,688,056**	**100.0%**	**1.9%**	**6.2%**	**3.5%**	**4.4%**	**Jan-13**
Total Fund Domestic Equity	**$11,575,455**	**23.3%**	**5.7%**	**18.0%**	**7.2%**	**13.0%**	**Jan-13**
CRSP US Total Market TR USD			*5.8%*	*18.1%*	*9.7%*	*14.8%*	*Jan-13*
S&P 500			*6.1%*	*17.2%*	*10.4%*	*15.0%*	*Jan-13*
Vanguard U.S. Stock Market Index Fund	$11,575,455	23.3%	5.7%	18.0%	--	8.7%	Nov-14
CRSP US Total Market TR USD			*5.8%*	*18.1%*	*--*	*8.8%*	*Nov-14*
Total Fund Investment Grade Fixed Income	**$19,013,358**	**38.3%**	**0.8%**	**0.6%**	**2.5%**	**2.3%**	**Jan-13**
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Segall, Bryant and Hamill	$19,013,358	38.3%	0.8%	0.6%	2.5%	2.3%	Jan-13
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$10,168,915**	**20.5%**	**1.3%**	**7.1%**	**--**	**3.5%**	**Sep-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*--*	*4.5%*	*Sep-14*
Chartwell Investment Partners Short Duration High Yield	$10,168,915	20.5%	1.3%	7.1%	--	3.5%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*--*	*4.5%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.3%*	*7.3%*	*--*	*4.7%*	*Sep-14*
Total Fund Real Estate	**$4,536,294**	**9.1%**	**0.9%**	**5.9%**	**10.1%**	**10.6%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.2%*	*Jan-13*
American Realty Advisors	$4,536,294	9.1%	0.9%	5.9%	10.1%	10.6%	Jan-13
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.2%*	*Jan-13*

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending March 31, 2017 2017 Q1	1 Yr	3 Yrs	Inception Return	Since
Total Fund Cash	**$4,284,293**	**8.6%**	**0.2%**	**0.4%**	**0.2%**	**0.1%**	**Jan-13**
VEBA Cash	$2,418,384	4.9%	0.2%	0.4%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Severance Cash	$1,455,967	2.9%	0.1%	0.3%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Scholarship Cash	$21,506	0.0%	0.0%	0.2%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Legal Cash	$388,435	0.8%	0.1%	0.1%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Total Fund HFOF/Cash	**$109,742**	**0.2%**					
Meridian MDF Special Investments	$109,742	0.2%					

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
March 31, 2017

	First Quarter	Inception 11/1/14
Beginning Market Value	$13,748,174	--
Net Cash Flow	-$2,850,000	$8,849,070
Net Investment Change	$677,281	$2,726,385
Ending Market Value	$11,575,455	$11,575,455

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Vanguard U.S. Stock Market Index Fund	5.7%	18.0%	--	--	12.7%	0.4%	--	--	--	8.7%	Nov-14
CRSP US Total Market TR USD	*5.8%*	*18.1%*	--	--	*12.7%*	*0.4%*	--	--	--	*8.8%*	*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

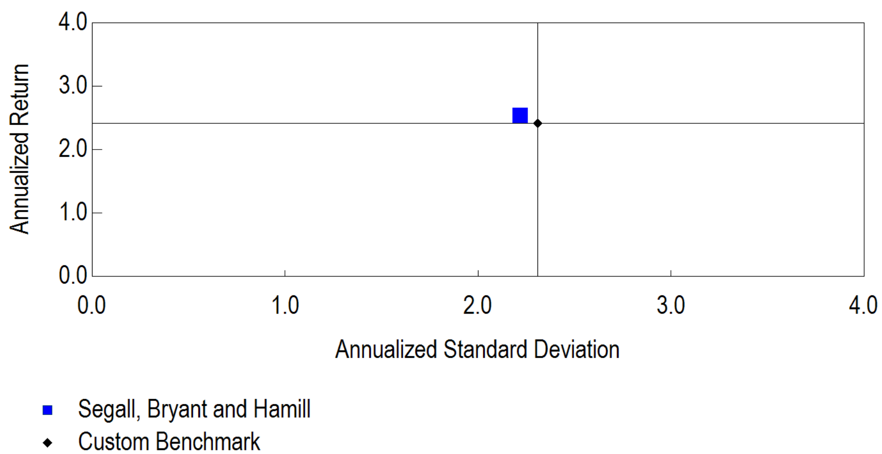
Commingled Fund not monitored for Compliance by Investment Performance Services.

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
March 31, 2017

	First Quarter	Inception 1/1/13
Beginning Market Value	$22,686,859	$11,361,650
Net Cash Flow	-$3,845,000	$6,176,399
Net Investment Change	$171,500	$1,475,308
Ending Market Value	$19,013,358	$19,013,358

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2017



3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall, Bryant and Hamill	2.5%	2.2%	97.9%	89.3%
Custom Benchmark	2.4%	2.3%	100.0%	100.0%

	2017 Q1	1 Yr	3 Yrs	5 Yrs	Calendar Years 2016	2015	2014	2013	2012	Inception Return	Since
Segall, Bryant and Hamill	0.8%	0.6%	2.5%	--	2.2%	1.3%	5.9%	-0.5%	--	2.3%	Jan-13
Custom Benchmark	*0.8%*	*0.4%*	*2.4%*	--	*2.1%*	*1.1%*	*5.2%*	*-2.0%*	--	*1.6%*	*Jan-13*

Note: Returns are gross of fees.

FELRA & UFCW Benefit Funds - Segall Bryant and Hamill

Correspondence/Transfer Summary

- At the July 18, 2014 meeting, the Policy Committee approved changing the manager's benchmark to the Barclays Intermediate Government/Credit Index to shorten the duration of the fixed income portfolio and potentially reduce interest rate risk. Benchmark change is effective September 1, 2014.

Manager Summary

- IPS conducted a due diligence meeting with Segall Bryant and Hamill on January 19, 2016.

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 3/31/2017 are currently below investment grade with a total market value of $44,110 (0.23% 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 May 15, 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 CUSIPs 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 CUSIPs. 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: Form ADV Changes - The manager stated there have been no significant changes to the ADV.

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

March 31, 2017

	Last Three Months	**Inception 9/30/14**
Beginning Market Value	$12,022,773	--
Net Cash Flow	-$1,991,000	$9,302,977
Net Investment Change	$137,142	$865,938
Ending Market Value	$10,168,915	$10,168,915

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Chartwell Investment Partners Short Duration High Yield	1.3%	7.1%	--	--	7.2%	-0.3%	--	--	--	3.5%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*1.0%*	*7.2%*	--	--	*8.5%*	*1.2%*	--	--	--	*4.5%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index	*1.3%*	*7.3%*	--	--	*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: Retirement - During the first quarter of 2017, Robert Mory, Southeast Regional Director, retired. **Personnel Departure -** Albert Stewart, Southwest Regional Director, left to pursue another career opportunity within TriState Capital Bank, the manager's parent company. **Form ADV Changes -** The manager stated there were no material changes other than the removal of an affiliate advisor disclosure for Edward Antoian and Zeke Capital Advisors with whom we no longer share office space nor have any contractual affiliation. Since the affiliate broker-dealer, Chartwell TSC Securities Corp. commenced operations in March 2017, the manager added related disclosure in ADV 2A, Item 10, page 11.

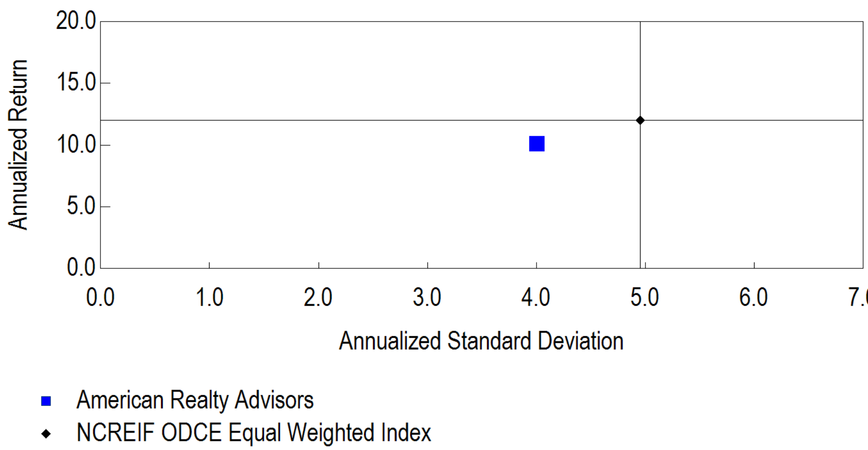
Account Information	
Account Name	American Realty Advisors
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	1/01/13
Account Type	Real Estate
Benchmark	NCREIF ODCE Equal Weighted Index
Universe	

American Realty Advisors

March 31, 2017

	First Quarter	Inception 1/1/13
Beginning Market Value	$4,494,944	$2,993,032
Net Cash Flow	$0	$0
Net Investment Change	$41,350	$1,543,262
Ending Market Value	$4,536,294	$4,536,294

Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2017



3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Realty Advisors	10.1%	2.0%	82.5%	--
NCREIF ODCE Equal Weighted Index	12.0%	1.4%	100.0%	--

	2017 Q1	1 Yr	3 Yrs	5 Yrs	Calendar Years 2016	2015	2014	2013	2012	Inception Return	Since
American Realty Advisors	0.9%	5.9%	10.1%	--	7.8%	12.7%	11.6%	12.0%	--	10.6%	Jan-13
NCREIF ODCE Equal Weighted Index	*1.8%*	*8.6%*	*12.0%*	--	*9.3%*	*15.2%*	*12.4%*	*13.3%*	--	*12.2%*	*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

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

Recommendation: None.

Compliance Summary

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

Items of Interest: None.

Account Information	
Account Name	**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
March 31, 2017

	First Quarter	Inception 1/1/13
Beginning Market Value	$141,747	$397,651
Net Cash Flow	-$39,000	-$758,264
Net Investment Change	$6,994	$470,355
Ending Market Value	$109,742	$109,742

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)

			Ending March 31, 2017			Inception	
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	Return	Since
Composite	**$49,688,056**	**100.0%**	**1.9%**	**6.0%**	**3.3%**	**4.2%**	**Jan-13**
Total Fund Domestic Equity	**$11,575,455**	**23.3%**	**5.7%**	**18.0%**	**7.0%**	**12.7%**	**Jan-13**
CRSP US Total Market TR USD			*5.8%*	*18.1%*	*9.7%*	*14.8%*	*Jan-13*
S&P 500			*6.1%*	*17.2%*	*10.4%*	*15.0%*	*Jan-13*
Vanguard U.S. Stock Market Index Fund	$11,575,455	23.3%	5.7%	18.0%	--	8.7%	Nov-14
CRSP US Total Market TR USD			*5.8%*	*18.1%*	*--*	*8.8%*	*Nov-14*
Total Fund Investment Grade Fixed Income	**$19,013,358**	**38.3%**	**0.7%**	**0.4%**	**2.3%**	**2.1%**	**Jan-13**
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Segall, Bryant and Hamill	$19,013,358	38.3%	0.7%	0.4%	2.3%	2.1%	Jan-13
Custom Benchmark			*0.8%*	*0.4%*	*2.4%*	*1.6%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$10,168,915**	**20.5%**	**1.2%**	**6.6%**	**--**	**3.0%**	**Sep-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*--*	*4.5%*	*Sep-14*
Chartwell Investment Partners Short Duration High Yield	$10,168,915	20.5%	1.2%	6.6%	--	3.0%	Sep-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*--*	*4.5%*	*Sep-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.3%*	*7.3%*	*--*	*4.7%*	*Sep-14*
Total Fund Real Estate	**$4,536,294**	**9.1%**	**0.9%**	**5.9%**	**10.1%**	**10.3%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.2%*	*Jan-13*
American Realty Advisors	$4,536,294	9.1%	0.9%	5.9%	10.1%	10.3%	Jan-13
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.2%*	*Jan-13*

Performance Summary (Net of Fees)

	Market Value	% of Portfolio	Ending March 31, 2017			Inception	
			2017 Q1	1 Yr	3 Yrs	Return	Since
Total Fund Cash	**$4,284,293**	**8.6%**	**0.2%**	**0.4%**	**0.2%**	**0.1%**	**Jan-13**
VEBA Cash	$2,418,384	4.9%	0.2%	0.4%	0.2%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Severance Cash	$1,455,967	2.9%	0.1%	0.3%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Scholarship Cash	$21,506	0.0%	0.0%	0.2%	0.1%	0.1%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Legal Cash	$388,435	0.8%	0.1%	0.1%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*Jan-13*
Total Fund HFOF/Cash	**$109,742**	**0.2%**					
Meridian MDF Special Investments	$109,742	0.2%					

Benchmark History
As of March 31, 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 19 – 22, 2016

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

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

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

Preliminary Performance

Period Ending

April 30, 2017

Summary of Cash Flows

Ending April 30, 2017

	Last Month	Year-To-Date
Beginning Market Value	$49,688,056	$58,280,078
Net Cash Flow	-$10,150,639	-$19,796,666
Net Investment Change	$334,751	$1,388,756
Ending Market Value	$39,872,168	$39,872,168

- 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 April 30, 2017 1 Mo	YTD
Composite	**$39,872,168**	**100.0%**	**0.7%**	**2.6%**
Total Fund Domestic Equity	**$8,547,868**	**21.4%**	**0.9%**	**6.6%**
CRSP US Total Market TR USD			*1.1%*	*6.9%*
S&P 500			*1.0%*	*7.2%*
Vanguard U.S. Stock Market Index Fund	$8,547,868	21.4%	0.9%	6.6%
CRSP US Total Market TR USD			*1.1%*	*6.9%*
Total Fund Investment Grade Fixed Income	**$14,619,669**	**36.7%**	**0.7%**	**1.5%**
Custom Benchmark			*0.6%*	*1.4%*
Segall, Bryant and Hamill	$14,619,669	36.7%	0.7%	1.5%
Custom Benchmark			*0.6%*	*1.4%*
Total Short Duration High Yield Fixed Income	**$7,830,135**	**19.6%**	**0.8%**	**2.1%**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.7%*	*1.7%*
Chartwell Investment Partners Short Duration High Yield	$7,830,135	19.6%	0.8%	2.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.7%*	*1.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.6%*	*1.9%*
Total Fund Real Estate	**$4,626,403**	**11.6%**	**2.0%**	**2.9%**
American Realty Advisors	$4,626,403	11.6%	2.0%	2.9%

	Market Value	% of Portfolio	Ending April 30, 2017 1 Mo	Ending April 30, 2017 YTD
Total Fund Cash	**$4,138,351**	**10.4%**	**0.0%**	**0.2%**
VEBA Cash	$2,709,133	6.8%	0.0%	0.2%
91 Day T-Bills			*0.1%*	*0.2%*
Severance Cash	$1,206,044	3.0%	0.0%	0.1%
91 Day T-Bills			*0.1%*	*0.2%*
Scholarship Cash	$18,039	0.0%	0.0%	0.1%
91 Day T-Bills			*0.1%*	*0.2%*
Legal Cash	$205,135	0.5%	0.0%	0.1%
91 Day T-Bills			*0.1%*	*0.2%*
Total Fund HFOF/Cash	**$109,742**	**0.3%**		
Meridian MDF Special Investments	$109,742	0.3%		

INVESTMENT PERFORMANCE SERVICES, LLC

UFCW and FELRA Legal Benefits Fund

Preliminary Performance

Period Ending

April 30, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$612,586	$417,238
Net Cash Flow	-$183,381	$9,812
Net Investment Change	$1,724	$3,879
Ending Market Value	$430,928	$430,928

			Ending April 30, 2017	
	Market Value	% of Portfolio	1 Mo	YTD
Total Legal Fund	**$430,928**	**100.0%**	**0.3%**	**0.7%**
Core Bond	$225,793	52.4%	0.7%	1.6%
Custom Benchmark			*0.6%*	*1.4%*
Legal Cash	$205,135	47.6%	0.0%	0.1%
91 Day T-Bills			*0.1%*	*0.2%*

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	$225,793	52.4%	100.0%	30.0% - 100.0%	-47.6%	-$205,135
Cash	$205,135	47.6%	--	--	47.6%	$205,135
Total	**$430,928**	**100.0%**	**100.0%**			

UFCW and FELRA Scholarship Fund

Preliminary Performance

Period Ending

April 30, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$275,047	$285,639
Net Cash Flow	-$3,476	-$17,210
Net Investment Change	$2,893	$6,035
Ending Market Value	$274,464	$274,464

	Ending April 30, 2017			
	Market Value	% of Portfolio	1 Mo	YTD
Total Scholarship Fund	**$274,464**	**100.0%**	**1.1%**	**2.2%**
Domestic Equity	$11,746	4.3%	0.9%	6.7%
CRSP US Total Market TR USD			*1.1%*	*6.9%*
S&P 500			*1.0%*	*7.2%*
Core Bond	$87,428	31.9%	0.7%	1.6%
Custom Benchmark			*0.6%*	*1.4%*
Short Duration Hi Yield Fund	$78,448	28.6%	0.8%	2.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.7%*	*1.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.6%*	*1.9%*
Real Estate	$78,802	28.7%	2.0%	2.9%
Scholarship Cash	$18,039	6.6%	0.0%	0.1%
91 Day T-Bills			*0.1%*	*0.2%*

Allocation vs. Targets and Policy						
	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
U.S. Large Cap Equity	$11,746	4.3%	10.0%	2.5% - 20.0%	-5.7%	-$15,701
Investment Grade Fixed Income	$87,428	31.9%	40.0%	20.0% - 80.0%	-8.1%	-$22,358
Short Duration Hi Yield Fund	$78,448	28.6%	30.0%	5.0% - 60.0%	-1.4%	-$3,891
Real Estate	$78,802	28.7%	20.0%	0.0% - 40.0%	8.7%	$23,910
Cash	$18,039	6.6%	--	--	6.6%	$18,039
Total	**$274,464**	**100.0%**	**100.0%**			

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

UFCW and FELRA Severance Fund

Preliminary Performance

Period Ending

April 30, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$4,170,482	$2,458,731
Net Cash Flow	-$250,616	$1,443,356
Net Investment Change	$20,318	$38,097
Ending Market Value	$3,940,184	$3,940,184

	Ending April 30, 2017			
	Market Value	% of Portfolio	1 Mo	YTD
Total Severance Fund	**$3,940,184**	**100.0%**	**0.5%**	**1.6%**
Core Bond	$1,634,917	41.5%	0.7%	1.6%
Custom Benchmark			*0.6%*	*1.4%*
Short Duration High Yield	$989,480	25.1%	0.8%	2.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.7%*	*1.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.6%*	*1.9%*
HFOF/Cash	$109,742	2.8%		
Severance Cash	$1,206,044	30.6%	0.0%	0.1%
91 Day T-Bills			*0.1%*	*0.2%*

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Difference	Difference
Investment Grade Fixed Income	$1,634,917	41.5%	65.0%	-23.5%	10.0% - 80.0%	-23.5%	-$926,203
Short Duration High Yield	$989,480	25.1%	30.0%	-4.9%	15.0% - 60.0%	-4.9%	-$192,575
HFOF/Cash	$109,742	2.8%	--	2.8%	--	2.8%	$109,742
Cash	$1,206,044	30.6%	5.0%	25.6%	0.0% - 40.0%	25.6%	$1,009,035
Total	**$3,940,184**	**100.0%**	**100.0%**				

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

FELRA and UFCW VEBA Fund

Preliminary Performance

Period Ending

April 30, 20107

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$44,629,948	$55,118,478
Net Cash Flow	-$9,713,166	-$21,232,623
Net Investment Change	$309,811	$1,340,738
Ending Market Value	$35,226,593	$35,226,593

			Ending April 30, 2017	
	Market Value	% of Portfolio	1 Mo	YTD
Total VEBA Fund	**$35,226,593**	**100.0%**	**0.7%**	**2.7%**
Domestic Equity	$8,536,121	24.2%	0.8%	6.6%
CRSP US Total Market TR USD			*1.1%*	*6.9%*
Core Bond	$12,671,535	36.0%	0.7%	1.5%
Custom Benchmark			*0.6%*	*1.4%*
Short Duration Hi Yield Bond	$6,762,204	19.2%	0.7%	2.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.7%*	*1.7%*
Real Estate	$4,547,600	12.9%	2.0%	2.9%
VEBA Cash	$2,709,133	7.7%	0.0%	0.2%
91 Day T-Bills			*0.1%*	*0.2%*

- On 4/7/17 sold $2,400,000 of SDHY Bond.
- On 4/7/17 sold $3,100,000 of Domestic Equity.
- On 4/7/17 sold $4,500,000 of Core Bond

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
U.S. Large Cap Equity	$8,536,121	24.2%	25.0%	5.0% - 50.0%	-0.8%	-$270,527
Investment Grade Fixed Income	$12,671,535	36.0%	40.0%	20.0% - 80.0%	-4.0%	-$1,419,102
Short Duration Hi Yield	$6,762,204	19.2%	20.0%	10.0% - 40.0%	-0.8%	-$283,114
Real Estate	$4,547,600	12.9%	10.0%	0.0% - 20.0%	2.9%	$1,024,941
Cash	$2,709,133	7.7%	5.0%	0.0% - 25.0%	2.7%	$947,803
Total	**$35,226,593**	**100.0%**	**100.0%**			

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

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