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FELRA & UFCW Pension Fund

Investment Performance Update: November 2012

December 19, 2012

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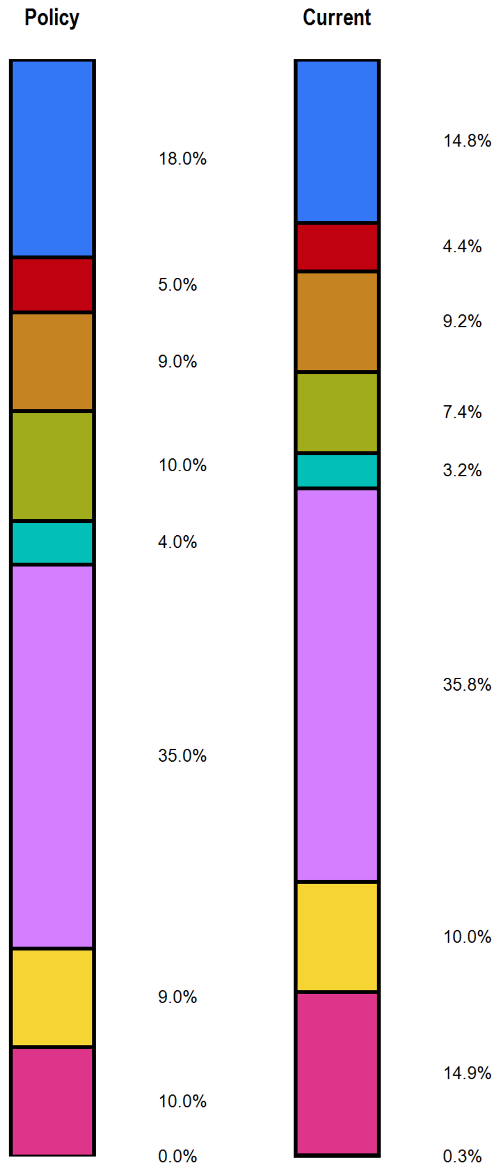
Executive Summary

- **Performance has been strong, as the Pension Fund has returned 11.1% YTD**

- **Equity Performance**
  - Domestic Equity has been a strong driver of return, but managers have trailed their benchmarks
  - International Equity has also been a solid contributor to return, with Gryphon 2.3% ahead of their benchmark
- **Fixed Income**
  - Composite performance has been almost 3% ahead of the BC Aggregate Index
  - Lazard's high quality portfolio has continued to lag the index, but high yield has done well
  - All other fixed income exposure has been positive, with investment grade corporate leading the way
- **Global Asset Allocation / Risk Parity**
  - This allocation (at the composite level) has been the best performer of all strategies YTD, returning 12.3%
  - Risk Parity has outpaced GAA
- **Hedge Funds**
  - Performance has been relatively disappointing but the Fund's managers have been better than their peers
- **Real Estate**
  - The real estate recovery has continued, with appreciation and income contributing to double digit returns YTD
  - **Think about bringing Real Estate back to the 10% target weight, as the Fund is currently overweight by 4.9% (14.9% current vs. 10% target)**

Asset Allocation vs. Target Policy

As of November 30, 2012



Asset Allocation vs. Target
As Of November 30, 2012

	Policy Range	Policy	%	Current	%	Difference*	%
Large Cap Equity	13.0% - 23.0%	$108,678,459	18.0%	$89,253,204	14.8%	-$19,425,255	-3.2%
Small/Mid Cap Equity	3.0% - 7.0%	$30,188,461	5.0%	$26,768,557	4.4%	-$3,419,904	-0.6%
International Equity	6.0% - 12.0%	$54,339,229	9.0%	$55,548,566	9.2%	$1,209,336	0.2%
Core Fixed Income	7.0% - 13.0%	$60,376,922	10.0%	$44,572,607	7.4%	-$15,804,315	-2.6%
High Yield	2.0% - 6.0%	$24,150,769	4.0%	$19,358,476	3.2%	-$4,792,293	-0.8%
Global Asset Allocation	25.0% - 45.0%	$211,319,226	35.0%	$216,447,116	35.8%	$5,127,890	0.8%
Fund of Funds	6.0% - 12.0%	$54,339,229	9.0%	$60,601,634	10.0%	$6,262,404	1.0%
Real Estate	6.0% - 14.0%	$60,376,922	10.0%	$89,677,521	14.9%	$29,300,599	4.9%
Cash	--	--	--	$1,541,538	0.3%	$1,541,538	0.3%
Total		**$603,769,217**	**100.0%**	**$603,769,217**	**100.0%**		

*Difference between Policy and Current Allocation

Investment Market Update: As of November 30, 2012

PERFORMANCE THROUGH 11/30/2012

Sector	Index	2008	2009	2010	2011	QTR 1	QTR 2	QTR 3	OCT	NOV	2012
Emerging FI	BC Emerging (USD)	-14.7%	34.2%	12.8%	7.0%	5.5%	1.4%	6.8%	1.2%	1.0%	16.8%
Large Cap Growth	R1000 Growth	-38.4%	37.2%	16.7%	2.6%	14.7%	-4.0%	6.1%	-2.9%	1.7%	15.3%
Large Cap	Russell 1000	-37.6%	28.4%	16.1%	1.5%	12.9%	-3.1%	6.3%	-1.7%	0.8%	15.2%
Large Cap Value	R1000 Value	-36.8%	19.7%	15.5%	0.4%	11.1%	-2.2%	6.5%	-0.5%	-0.0%	15.1%
Large Cap	S&P 500	-37.0%	26.5%	15.1%	2.1%	12.6%	-2.8%	6.4%	-1.8%	0.6%	15.0%
SMID Cap	R2500	-36.8%	34.4%	26.7%	-2.5%	13.0%	-4.1%	5.6%	-1.0%	1.5%	14.9%
EMD Loc.	GBI-EM Glob. Div.	-5.2%	22.0%	15.7%	-1.8%	8.3%	-1.2%	4.8%	0.5%	1.4%	14.3%
High Yield	BC HY	-26.2%	58.2%	15.1%	5.0%	5.3%	1.8%	4.5%	0.9%	0.8%	14.0%
Int. Equity	EAFE (net)	-43.4%	31.8%	7.8%	-12.1%	10.9%	-7.1%	6.9%	0.8%	2.4%	13.7%
Small Cap Value	R2000 Value	-28.9%	20.6%	24.5%	-5.5%	11.6%	-3.0%	5.7%	-1.3%	0.3%	13.3%
REITS	Wilshire REIT	-39.2%	28.6%	28.6%	9.2%	10.8%	3.7%	-0.1%	-0.9%	-0.4%	13.3%
Long Credit	BC Long Credit	-3.9%	16.8%	10.7%	17.1%	0.8%	5.0%	5.2%	2.1%	-0.4%	13.2%
Emerging	EM (net)	-53.3%	78.5%	18.9%	-18.4%	14.1%	-8.9%	7.7%	-0.6%	1.3%	12.7%
Small Cap	Russell 2000	-33.8%	27.2%	26.9%	-4.2%	12.4%	-3.5%	5.3%	-2.2%	0.5%	12.3%
Small Cap Growth	R2000 Growth	-38.5%	34.5%	29.1%	-2.9%	13.3%	-3.9%	4.8%	-3.1%	0.8%	11.4%
Diversified	Diversified*	-24.5%	24.1%	13.5%	1.3%	8.2%	-1.6%	4.6%	-0.8%	0.6%	11.1%
Long Gov/Credit	BC Long Gov/Credit	8.4%	1.9%	10.2%	22.5%	-2.1%	7.3%	3.1%	1.2%	0.3%	9.9%
Muni Bonds	BC Muni (unadj)	-2.5%	12.9%	2.4%	10.7%	1.7%	1.9%	2.3%	0.3%	1.6%	8.1%
Treasury STRIPS	BC 20+ STRIPS	59.5%	-36.0%	10.9%	58.5%	-11.3%	18.8%	-0.6%	-0.1%	1.6%	6.3%
Core FI	BC Aggregate	5.2%	5.9%	6.5%	7.8%	0.3%	2.1%	1.6%	0.2%	0.2%	4.4%
Int. Gov/Credit	BC Intermediate GC	5.1%	5.2%	5.9%	5.8%	0.6%	1.5%	1.4%	0.1%	0.3%	4.0%
Int. Core FI	BC Intermediate Agg	4.9%	6.5%	6.1%	6.0%	0.7%	1.3%	1.4%	0.0%	0.1%	3.6%
Global FI	Citigroup WGBI	10.9%	2.6%	5.2%	6.4%	-0.5%	0.9%	3.0%	-0.6%	-0.2%	2.6%
Gov/Credit	BC 1-5 Yr Gov/Cred	5.1%	4.6%	4.1%	3.1%	0.5%	0.6%	0.9%	0.0%	0.2%	2.2%
Commodities	DJ UBS Commodity	-35.6%	18.9%	16.8%	-13.3%	0.9%	-4.5%	9.7%	-3.9%	0.1%	1.6%
Gov/Credit	BC 1-3 Yr Gov/Cred	5.0%	3.8%	2.8%	1.6%	0.4%	0.2%	0.5%	0.0%	0.1%	1.2%

* 35% LC, 10% SC, 12% Intl, 3% Emerging, 25% FI, 5% HY, 5% Global FI, 5% REITS

Sources: Barclays, Bloomberg, Wilshire

Composite

Performance Summary

As of November 30, 2012

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception Return (%)	Inception Since
				Ending November 30, 2012							Inception	
Composite	**603,769,217**	**100.0**	**100.0**	**1.1**	**11.1**	**11.1**	**11.1**	**8.5**	**1.1**	**6.7**	**5.8**	**Jan-97**
Composite Allocation Index				*0.7*	*10.5*	*10.5*	*11.3*	*8.1*	*2.2*	*7.3*	--	*Jan-97*
Policy Index				*0.8*	*10.3*	*10.3*	*11.2*	*8.2*	*2.5*	*7.3*	--	*Jan-97*
Policy Index 2 with HFRI				*0.9*	*10.3*	*10.3*	*11.2*	*8.0*	*1.8*	--	--	*Jan-97*
Equity Composite	**116,021,761**	**19.2**	**23.0**	**0.9**	**11.6**	**11.6**	**10.7**	**10.7**	**0.4**	**6.4**	**5.5**	**Mar-97**
Russell 3000				*0.8*	*15.0*	*15.0*	*16.0*	*11.8*	*1.7*	*6.9*	*6.0*	*Mar-97*
Intech	9,784,491	1.6		3.2	18.6	18.6	18.1	14.6	2.8	7.7	4.7	Apr-01
Russell 1000 Growth				*1.7*	*15.3*	*15.3*	*14.9*	*12.5*	*3.1*	*6.8*	*3.5*	*Apr-01*
Wedge	34,489,803	5.7		0.7	13.3	13.3	12.2	12.0	0.6	--	5.0	Jan-05
Russell 1000 Value				*0.0*	*15.1*	*15.1*	*17.4*	*10.8*	*0.0*	*6.7*	*3.6*	*Jan-05*
NWQ	21,177,032	3.5		-1.6	6.7	6.7	5.0	5.5	-1.7	--	3.0	Jan-05
Russell 1000 Value				*0.0*	*15.1*	*15.1*	*17.4*	*10.8*	*0.0*	*6.7*	*3.6*	*Jan-05*
Westwood	26,768,557	4.4		1.6	10.8	10.8	11.7	13.8	6.7	--	6.8	Sep-07
Russell 2500				*1.5*	*14.9*	*14.9*	*15.1*	*15.0*	*3.7*	*9.7*	*3.2*	*Sep-07*
Fifth Third	23,801,878	3.9		1.7	12.6	12.6	10.2	10.0	--	--	9.7	Nov-09
Russell 1000 Growth				*1.7*	*15.3*	*15.3*	*14.9*	*12.5*	*3.1*	*6.8*	*14.3*	*Nov-09*
Int'l Equity Comp	**55,548,566**	**9.2**	**9.0**	**3.0**	**11.5**	**11.5**	**8.6**	**3.6**	**-2.8**	**7.2**	**4.3**	**Mar-97**
MSCI EAFE				*2.4*	*13.7*	*13.7*	*12.6*	*3.0*	*-4.7*	*7.5*	*4.2*	*Mar-97*
Vanguard EAFE ETF	23,799,585	3.9		2.7	--	--	--	--	--	--	7.0	May-12
MSCI EAFE				*2.4*	*13.7*	*13.7*	*12.6*	*3.0*	*-4.7*	*7.5*	*4.6*	*May-12*
Gryphon	31,748,980	5.3		3.3	16.0	16.0	13.9	5.2	-0.5	--	5.6	Jan-05
MSCI EAFE				*2.4*	*13.7*	*13.7*	*12.6*	*3.0*	*-4.7*	*7.5*	*3.2*	*Jan-05*

Performance Summary

As of November 30, 2012

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception Return (%)	Inception Since
				Ending November 30, 2012								
Domestic Fixed Income Comp	**63,931,083**	**10.6**	**14.0**	**0.5**	**7.3**	**7.3**	**9.3**	**8.4**	**6.4**	**6.4**	**7.5**	**Apr-97**
Barclays Aggregate				*0.2*	*4.4*	*4.4*	*5.5*	*5.7*	*6.0*	*5.4*	*6.4*	*Apr-97*
Lazard HY	19,358,476	3.2		0.8	7.3	7.3	10.0	9.4	8.5	10.1	6.0	Nov-98
BofA Merrill Lynch US High Yield BB-B Rated				*0.8*	*13.2*	*13.2*	*15.8*	*11.8*	*8.9*	*9.3*	*7.0*	*Nov-98*
IRM Transition	2,921,382	0.5		0.9	14.8	14.8	15.6	16.9	--	--	19.4	Jan-09
Barclays Aggregate				*0.2*	*4.4*	*4.4*	*5.5*	*5.7*	*6.0*	*5.4*	*6.3*	*Jan-09*
SBH	18,998,417	3.1		0.1	5.0	5.0	6.4	6.1	--	--	7.0	Dec-08
Barclays Aggregate				*0.2*	*4.4*	*4.4*	*5.5*	*5.7*	*6.0*	*5.4*	*7.1*	*Dec-08*
IRM	22,652,807	3.8		0.4	7.8	7.8	9.7	7.3	--	--	9.8	Dec-08
Barclays Aggregate				*0.2*	*4.4*	*4.4*	*5.5*	*5.7*	*6.0*	*5.4*	*7.1*	*Dec-08*
GAA Composite	**216,447,116**	**35.8**	**35.0**	**1.1**	**12.3**	**12.3**	**12.1**	**--**	**--**	**--**	**--**	**Apr-10**
Mellon GA I Index				*0.7*	*9.7*	*9.7*	*10.1*	*6.0*	*1.9*	*7.4*	*6.5*	*Apr-10*
Wellington Opportunistic	55,383,630	9.2		0.7	12.1	12.1	10.0	--	--	--	2.3	Oct-10
GMO GBAL Index				*0.9*	*10.5*	*10.5*	*10.8*	*6.7*	*1.7*	*6.2*	*6.2*	*Oct-10*
Putnam Total Return	41,464,447	6.9		1.0	12.5	12.5	13.5	--	--	--	12.0	Aug-10
Mellon GA I Index				*0.7*	*9.7*	*9.7*	*10.1*	*6.0*	*1.9*	*7.4*	*8.2*	*Aug-10*
AQR Global Risk Premium	44,054,445	7.3		2.3	16.6	16.6	18.8	--	--	--	11.9	Sep-10
Mellon GA I Index				*0.7*	*9.7*	*9.7*	*10.1*	*6.0*	*1.9*	*7.4*	*9.2*	*Sep-10*
Windhaven Diversified Growth	75,544,594	12.5		0.9	10.2	10.2	9.4	--	--	--	6.5	Apr-10
Mellon GA I Index				*0.7*	*9.7*	*9.7*	*10.1*	*6.0*	*1.9*	*7.4*	*6.5*	*Apr-10*

Performance Summary

As of November 30, 2012

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception Return (%)	Inception Since
				Ending November 30, 2012							Inception	
Hedge Fund Comp	**60,601,634**	**10.0**	**9.0**	**0.2**	**4.7**	**4.7**	**5.1**	**1.8**	**-1.2**	**--**	**2.5**	**Feb-04**
91 Day T-Bill + 3%				*0.3*	*2.8*	*2.8*	*3.1*	*3.1*	*3.4*	*4.7*	*4.8*	*Feb-04*
Entrust Capital Div. Fund	29,470,084	4.9		0.0	4.0	4.0	5.4	--	--	--	-0.7	Jan-11
91 Day T-Bill + 3%				*0.3*	*2.8*	*2.8*	*3.1*	*3.1*	*3.4*	*4.7*	*3.1*	*Jan-11*
Mesirow Multi-Strategy Fund, Lp	29,729,689	4.9		0.5	5.4	5.4	5.4	--	--	--	-0.5	Mar-11
91 Day T-Bill + 3%				*0.3*	*2.8*	*2.8*	*3.1*	*3.1*	*3.4*	*4.7*	*3.1*	*Mar-11*
Meridian	853,828	0.1		0.0	0.0	0.0	-0.7	0.3	-2.4	--	2.6	Nov-04
91 Day T-Bill + 3%				*0.3*	*2.8*	*2.8*	*3.1*	*3.1*	*3.4*	*4.7*	*4.8*	*Nov-04*
EIM	548,033	0.1		-0.3	6.3	6.3	0.6	-0.9	-2.5	--	2.4	Feb-05
LIBOR + 4%				*0.4*	*4.1*	*4.1*	*4.5*	*4.4*	*5.1*	*6.3*	*6.6*	*Feb-05*
Real Estate Comp	**89,677,521**	**14.9**	**10.0**	**1.0**	**10.9**	**10.9**	**12.5**	**13.0**	**-0.6**	**--**	**5.8**	**Sep-03**
NCREIF ODCE				*0.0*	*8.4*	*8.4*	*11.6*	*12.2*	*-1.1*	*6.7*	*6.5*	*Sep-03*
J.P. Morgan	76,524,061	12.7		1.0	10.9	10.9	12.5	12.9	0.1	--	7.5	Nov-03
NCREIF ODCE				*0.0*	*8.4*	*8.4*	*11.6*	*12.2*	*-1.1*	*6.7*	*6.4*	*Nov-03*
Principal Group	13,153,460	2.2		0.7	11.0	11.0	12.3	13.7	-1.5	--	6.2	Oct-03
NCREIF ODCE				*0.0*	*8.4*	*8.4*	*11.6*	*12.2*	*-1.1*	*6.7*	*6.3*	*Oct-03*
Cash Composite	**1,541,538**	**0.3**	**0.0**									
91 Day T-Bills												
Cash Account	1,541,538	0.3		0.0	0.4	0.4	0.4	0.2	0.9	1.9	2.9	Jan-97
91 Day T-Bills				*0.0*	*0.1*	*0.1*	*0.1*	*0.1*	*0.4*	*1.7*	*2.6*	*Jan-97*

(1) Investment Policy Index

(2) Investment Policy Index with HFRI

(3) Meridian investment is comprised of the Diversified ERISA Fund, Ltd. Class N Shares, MDF Special Investments SPC, Ltd/MDEF and the MDEF/RSBM Segregated Portfolios.

(4) EnTrust Capital Div. Fund is not available for November. The market value and performance are stated as of October 31.

(5) EIM is preliminary for November.