FELRA and UFCW Pension Fund

July 18, 2019

INVESTMENT PERFORMANCE SERVICES, LLC

Richard I. Sichel, Jr. – President

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FELRA And UFCW Pension Fund

Preliminary Monthly Performance Analysis

Period Ended

May 31, 2019

Total Plan Growth of Assets

Summary of Cash Flows

	Last Month	Quarter-To-Date	Year-To-Date
Beginning Market Value	$168,102,801	$170,826,184	$193,056,463
Net Cash Flow	-$3,034,657	-$7,756,444	-$41,046,455
Net Investment Change	-$2,626,197	-$627,793	$10,431,939
Ending Market Value	$162,441,947	$162,441,947	$162,441,947

Note: The Fund's fiscal year end is 12/31.

Allocation vs. Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Domestic Equity	$32,389,932	19.9%	30.0%	20.0% - 40.0%	-10.1%	-$16,342,652
Investment Grade Fixed Income	$102,586,493	63.2%	25.0%	10.0% - 40.0%	38.2%	$61,976,006
Opportunistic Fixed Income	--	--	10.0%	0.0% - 20.0%	-10.0%	-$16,244,195
Short Duration High Yield Bonds	--	--	5.0%	0.0% - 10.0%	-5.0%	-$8,122,097
Real Estate	--	--	10.0%	0.0% - 30.0%	-10.0%	-$16,244,195
Global Tactical Asset Allocation	$23,392,411	14.4%	15.0%	0.0% - 30.0%	-0.6%	-$973,881
Cash Equivalents / Other	$4,049,427	2.5%	5.0%	0.0% - 20.0%	-2.5%	-$4,072,670
Hedge Fund of Funds	$23,684	0.0%	0.0%	0.0% - 0.0%	0.0%	$23,684
International Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Emerging Markets Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Total	**$162,441,947**	**100.0%**	**100.0%**			

Note: Cash Equivalents / Other includes PNC STIF, and EnTrust Capital Diversified Peru Class X.

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending May 31, 2019 1 Mo	QTD	YTD
Total Fund	**$162,441,947**	**100.0%**	**-1.7%**	**-0.6%**	**5.2%**
Total Fund Domestic Equity	**$32,389,932**	**19.9%**	**-6.1%**	**-2.5%**	**11.8%**
S&P 500			*-6.4%*	*-2.6%*	*10.7%*
Russell 2000			*-7.8%*	*-4.6%*	*9.3%*
Wedge Capital Management	$20,583,081	12.7%	-5.9%	-2.4%	12.3%
Russell 1000 Value			*-6.4%*	*-3.1%*	*8.5%*
Vanguard Total Stock Mkt Idx Fund	$11,806,851	7.3%	-6.4%	-2.7%	11.1%
CRSP US Total Market TR USD			*-6.4%*	*-2.7%*	*11.0%*
Total Investment Grade Fixed Income	**$102,586,493**	**63.2%**	**0.4%**	**0.7%**	**2.1%**
Custom Benchmark Fixed Income			*0.7%*	*0.9%*	*2.1%*
Segall Bryant & Hamill	$102,586,493	63.2%	0.4%	0.7%	2.1%
Custom Benchmark Segall			*0.7%*	*0.9%*	*2.1%*
Total Fund Hedge Fund of Funds	**$23,684**	**0.0%**			
LumX Asset Management	$23,684	0.0%			
Total Fund GTAA	**$23,392,411**	**14.4%**	**-4.0%**	**-2.2%**	**7.5%**
65% MSCI World Index/35% CitigroupWGBI			*-3.1%*	*-1.1%*	*7.5%*
First Eagle Global Value	$23,392,411	14.4%	-4.0%	-2.2%	7.5%
65% MSCI World Index/35% CitigroupWGBI			*-3.1%*	*-1.1%*	*7.5%*
Total Fund Cash	**$2,034,374**	**1.3%**	**0.2%**	**0.3%**	**0.5%**
PNC STIF	$2,034,374	1.3%	0.2%	0.3%	0.7%
91 Day T-Bills			*0.2%*	*0.4%*	*1.0%*
Total Fund Other	**$2,015,053**	**1.2%**			
EnTrust Capital Diversified Peru Class X	$2,015,053	1.2%			

Performance Summary (Net of Fees) - Annualized

			Ending May 31, 2019		
	Market Value	% of Portfolio	1 Mo	QTD	YTD
Total Fund	**$162,441,947**	**100.0%**	**-1.7%**	**-0.6%**	**5.1%**
Total Fund Domestic Equity	**$32,389,932**	**19.9%**	**-6.1%**	**-2.5%**	**11.7%**
S&P 500			*-6.4%*	*-2.6%*	*10.7%*
Russell 2000			*-7.8%*	*-4.6%*	*9.3%*
Wedge Capital Management	$20,583,081	12.7%	-6.0%	-2.4%	12.1%
Russell 1000 Value			*-6.4%*	*-3.1%*	*8.5%*
Vanguard Total Stock Mkt Idx Fund	$11,806,851	7.3%	-6.4%	-2.7%	11.0%
CRSP US Total Market TR USD			*-6.4%*	*-2.7%*	*11.0%*
Total Investment Grade Fixed Income	**$102,586,493**	**63.2%**	**0.4%**	**0.7%**	**2.1%**
Custom Benchmark Fixed Income			*0.7%*	*0.9%*	*2.1%*
Segall Bryant & Hamill	$102,586,493	63.2%	0.4%	0.7%	2.1%
Custom Benchmark Segall			*0.7%*	*0.9%*	*2.1%*
Total Fund Hedge Fund of Funds	**$23,684**	**0.0%**			
LumX Asset Management	$23,684	0.0%			
Total Fund GTAA	**$23,392,411**	**14.4%**	**-4.1%**	**-2.3%**	**7.1%**
65% MSCI World Index/35% CitigroupWGBI			*-3.1%*	*-1.1%*	*7.5%*
First Eagle Global Value	$23,392,411	14.4%	-4.1%	-2.3%	7.1%
65% MSCI World Index/35% CitigroupWGBI			*-3.1%*	*-1.1%*	*7.5%*
Total Fund Cash	**$2,034,374**	**1.3%**	**0.2%**	**0.3%**	**0.5%**
PNC STIF	$2,034,374	1.3%	0.2%	0.3%	0.7%
91 Day T-Bills			*0.2%*	*0.4%*	*1.0%*
Total Fund Other	**$2,015,053**	**1.2%**			
EnTrust Capital Diversified Peru Class X	$2,015,053	1.2%			

Footnotes

- In 5/19, $3,000,000 was transferred from Segall Bryant & Hamill to PNC STIFF.

FELRA and UFCW Pension Fund Asset Allocation and Glide Path Updated to March 31, 2019

Presented by Investment Performance Services, LLC

July 18, 2018

Richard Sichel, Jr.

President | Senior Consultant | Managing Partner

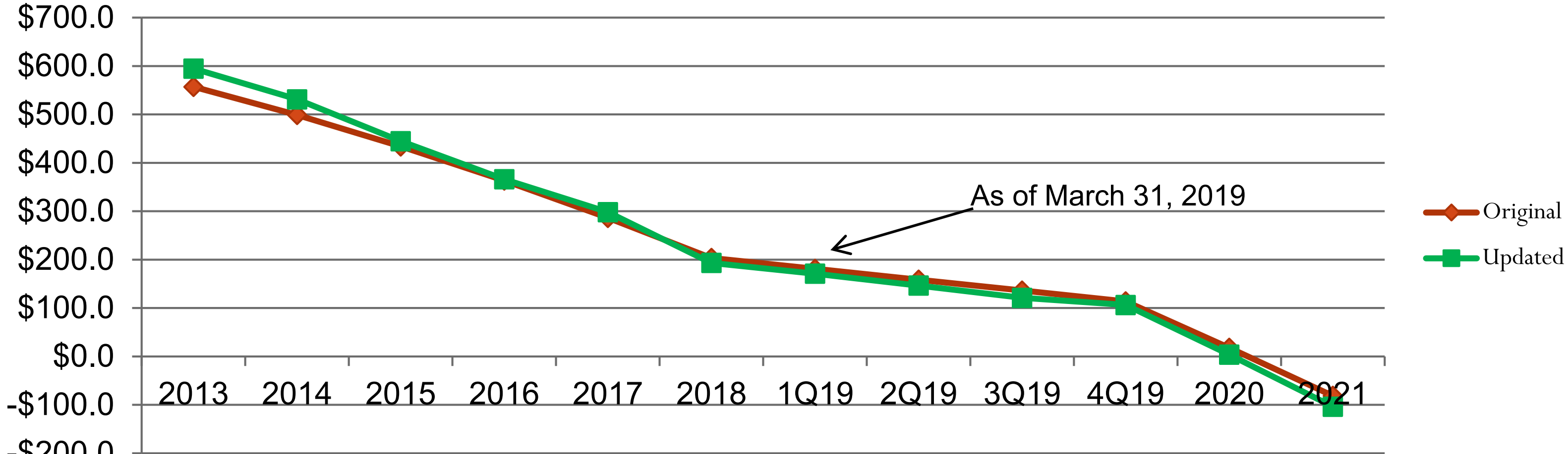
The FELRA Pension Plan's Cash Flow Projections:

Updated Forecast - March 31, 2019

Reflects Market Values as of March 31, 2019 and 2019 Asset Class Return Assumptions

	Beginning Market Value ($ million)	Actual (%)	Actual ($)	Plan Cash Flows: Contrib	Benefit Payments	Admin Costs	Net Plan Cash Flow	Ending Assets	
2013	$603.7	14.9%	$81.2	$56.1	($146.9)	($4.1)	($90.10)	$594.8	
2014	$594.8	5.9%	$31.8	$48.2	($150.1)	($4.4)	($95.32)	$531.3	
2015	$531.3	3.0%	$15.9	$48.2	($150.1)	($4.4)	($106.30)	$444.9	
2016	$444.9	7.8%	$34.7	$45.8	($153.4)	($4.5)	($112.10)	$366.1	
2017	$366.1	9.5%	$34.8	$45.5	($155.7)	($4.7)	($114.90)	$298.2	
2018	$298.2	-1.9%	($5.7)	$41.7	($156.6)	($5.3)	($120.2)	$193.2	
1Q2019	$193.2	5.8%	$11.2	$11.1	($36.3)	($1.3)	($26.4)	**$171.0**	Actual as of 3/31/2019
2Q2019	$171.0	3.2%	$5.5	$11.1	($36.3)	($1.3)	($26.4)	$150.1	Cashflows updated
3Q2019	$150.1	3.2%	$4.8	$11.1	($36.3)	($1.3)	($26.4)	$128.6	per Cheiron on 7/1/18
4Q2019	$128.6	3.2%	$4.1	$11.1	($36.3)	($1.3)	($26.4)	$106.3	
2020	$106.3	3.2%	$3.4	$43.8	($144.6)	($5.2)	($106.0)	$3.7	
2021	$3.7	3.2%	$0.1	$42.6	($144.9)	($5.3)	($107.6)	($103.8)	
Totals			$221.9	$416.4	($1,347.30)	($42.90)	($958.02)		

Pension "Glide Path" of Asset Values
Original 2012 Forecast vs. March 31, 2019 Actual



* Updated cash flows were provided by Cheiron on July 1, 2019.

Recommended Asset Allocation Glide Path

FELRA Glide Path - March 31, 2019

As of March 31, 2019				Recommended	
	IPS 2019* Long Term Assumptions	Mar 31, 2019 Target Allocation	Mar 31, 2019 Actual Allocation	Sept 1, 2019 Target Allocation	Jan 1, 2020 Target Allocation
Total Equity		**30.0%**	**19.4%**	**0.0%**	**0.0%**
US Equity	**7.25%**	30.0%	19.4%	0.0%	0.0%
Non-US Equity	**7.75%**	0.0%	0.0%	0.0%	0.0%
EM Equity	**9.00%**	0.0%	0.0%	0.0%	0.0%
Total Bonds		**40.0%**	**61.3%**	**95.0%**	**90.0%**
US Interm Gov/Credit	**3.25%**	25.0%	61.3%	95.0%	90.0%
Opportunistic Bond	**4.00%**	10.0%	0.0%	0.0%	0.0%
Sh Dur HY Bonds	**5.00%**	5.0%	0.0%	0.0%	0.0%
Real Estate	**7.00%**	**10.0%**	**0.0%**	**0.0%**	**0.0%**
Hedge FOFs	**4.75%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**
GTAA	**6.75%**	**15.0%**	**16.9%**	**0.0%**	**0.0%**
Cash	**2.50%**	5.0%	2.3%	5.0%	10.0%
Total		**100.0%**	**100.0%**	**100.0%**	**100.0%**
Forecasted Plan Return				**3.21%**	**3.18%**

*** Represents IPS's long-term, net of fee, index return assumptions.**

Manager Recommendations – Updated March 31, 2019

U.S. Equity	Recommendation	Action
Wedge Capital	Liquidate	Liquidate 9/30/19*
Vanguard Total Market	Liquidate	Liquidate 9/30/19*

International	Status
Gryphon	Terminated
Vanguard EM Index Fund	Terminated

Fixed Income	Recommendation
Segall Bryant Hamill	Retain
Chartwell Short Dur HY	Terminated
Templeton Global Bond	Terminated

Real Estate	Status
JPMorgan	Terminated

Hedge Fund of Funds	Status
EnTrust	Terminated
Mesirow	Terminated

GTAA	Recommendation	
First Eagle	Liquidate	Liquidate 09/30/19*

*Reinvest proceeds with SBH (investment grade fixed income) and/or use for the Fund's cash needs.