FELRA and UFCW Pension Fund

April 16, 2019

INVESTMENT PERFORMANCE SERVICES, LLC

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FELRA And UFCW Pension Fund

Preliminary Monthly Performance Analysis

Period Ended

February 28, 2019

Total Plan Growth of Assets

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$188,976,313	$193,196,024
Net Cash Flow	-$10,657,559	-$22,299,061
Net Investment Change	$2,871,972	$10,293,763
Ending Market Value	$181,190,726	$181,190,726

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

Allocation vs. Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Domestic Equity	$43,186,258	23.8%	30.0%	20.0% - 40.0%	-6.2%	-$11,170,960
Investment Grade Bonds	$104,235,436	57.5%	25.0%	10.0% - 40.0%	32.5%	$58,937,754
Opportunistic Fixed Income	--	--	10.0%	0.0% - 20.0%	-10.0%	-$18,119,073
Short Duration High Yield Bonds	$896	0.0%	5.0%	0.0% - 10.0%	-5.0%	-$9,058,640
Real Estate	--	--	10.0%	0.0% - 30.0%	-10.0%	-$18,119,073
Global Tactical Asset Allocation	$28,825,678	15.9%	15.0%	0.0% - 30.0%	0.9%	$1,647,069
Cash Equivalents / Other	$4,766,619	2.6%	5.0%	0.0% - 20.0%	-2.4%	-$4,292,918
Hedge Fund of Funds	$175,840	0.1%	0.0%	0.0% - 0.0%	0.1%	$175,840
International Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Emerging Markets Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Total	**$181,190,726**	**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 February 28, 2019 1 Mo	Ending February 28, 2019 YTD
Total Fund	**$181,190,726**	**100.0%**	**1.5%**	**5.3%**
Total Fund Domestic Equity	**$43,186,258**	**23.8%**	**4.5%**	**14.3%**
S&P 500			*3.2%*	*11.5%*
Russell 2000			*5.2%*	*17.0%*
Wedge Capital Management	$27,760,242	15.3%	5.0%	15.4%
Russell 1000 Value			*3.2%*	*11.2%*
Vanguard Total Stock Mkt Idx Fund	$15,426,017	8.5%	3.5%	12.5%
CRSP US Total Market TR USD			*3.5%*	*12.4%*
Total Investment Grade Fixed Income	**$104,235,436**	**57.5%**	**0.3%**	**0.8%**
Custom Benchmark Fixed Income			*0.2%*	*0.5%*
Segall Bryant & Hamill	$104,235,436	57.5%	0.3%	0.8%
Custom Benchmark Segall			*0.2%*	*0.5%*
Total Short Duration High Yield Fixed Income	**$896**	**0.0%**		
Chartwell Short Duration High Yield	$896	0.0%		
Total Fund Hedge Fund of Funds	**$175,840**	**0.1%**		
LumX Asset Management	$175,840	0.1%		
Total Fund GTAA	**$28,825,678**	**15.9%**	**2.1%**	**9.4%**
65% MSCI World Index/35% CitigroupWGBI			*1.6%*	*7.3%*
First Eagle Global Value	$28,825,678	15.9%	2.1%	9.4%
65% MSCI World Index/35% CitigroupWGBI			*1.6%*	*7.3%*

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending February 28, 2019 1 Mo	Ending February 28, 2019 YTD
Total Fund Cash	**$2,738,251**	**1.5%**	**0.1%**	**0.1%**
PNC STIF	$2,738,251	1.5%	0.2%	0.3%
91 Day T-Bills			*0.2%*	*0.4%*
Total Fund Other	**$2,028,368**	**1.1%**		
EnTrust Capital Diversified Peru Class X	$2,028,368	1.1%		
MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11	$0	0.0%		

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending February 28, 2019	
			1 Mo	YTD
Total Fund	**$181,190,726**	**100.0%**	**1.5%**	**5.2%**
Total Fund Domestic Equity	**$43,186,258**	**23.8%**	**4.5%**	**14.3%**
S&P 500			*3.2%*	*11.5%*
Russell 2000			*5.2%*	*17.0%*
Wedge Capital Management	$27,760,242	15.3%	5.0%	15.3%
Russell 1000 Value			*3.2%*	*11.2%*
Vanguard Total Stock Mkt Idx Fund	$15,426,017	8.5%	3.5%	12.5%
CRSP US Total Market TR USD			*3.5%*	*12.4%*
Total Investment Grade Fixed Income	**$104,235,436**	**57.5%**	**0.3%**	**0.8%**
Custom Benchmark Fixed Income			*0.2%*	*0.5%*
Segall Bryant & Hamill	$104,235,436	57.5%	0.3%	0.8%
Custom Benchmark Segall			*0.2%*	*0.5%*
Total Short Duration High Yield Fixed Income	**$896**	**0.0%**		
Chartwell Short Duration High Yield	$896	0.0%		
Total Fund Hedge Fund of Funds	**$175,840**	**0.1%**		
LumX Asset Management	$175,840	0.1%		
Total Fund GTAA	**$28,825,678**	**15.9%**	**2.0%**	**9.2%**
65% MSCI World Index/35% CitigroupWGBI			*1.6%*	*7.3%*
First Eagle Global Value	$28,825,678	15.9%	2.0%	9.2%
65% MSCI World Index/35% CitigroupWGBI			*1.6%*	*7.3%*

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending February 28, 2019 1 Mo	Ending February 28, 2019 YTD
Total Fund Cash	**$2,738,251**	**1.5%**	**0.1%**	**0.1%**
PNC STIF	$2,738,251	1.5%	0.2%	0.3%
91 Day T-Bills			*0.2%*	*0.4%*
Total Fund Other	**$2,028,368**	**1.1%**		
EnTrust Capital Diversified Peru Class X	$2,028,368	1.1%		
MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11	$0	0.0%		

Footnotes

- In 1/19, $10,000,000 was transferred from Vanguard Total Stock Mkt Idx to PNC STIFF.
- In 1/19, Franklin Templeton GLobal Bond was terminated and fund totalling $29,417,080 were transferred to PNC STIFF.
- In 1/19, JPM Morgan Real Estate made a final distribution of $7,289,459 and was fully liquidated.
- In 2/19, $33,334,628 was transferred from PNC STIFF ($29,000,000) and Chartwell SDHY ($4,334,628) to Segall Bryant and Hamill.
- In 2/19, $4,000,000 was transferred from Wedge to PNC STIFF.

FELRA and UFCW Pension Fund
Asset Allocation
and Glide Path Updated to December 31, 2018

Presented by Investment Performance Services, LLC

April 16, 2018

Richard Sichel, Jr., President

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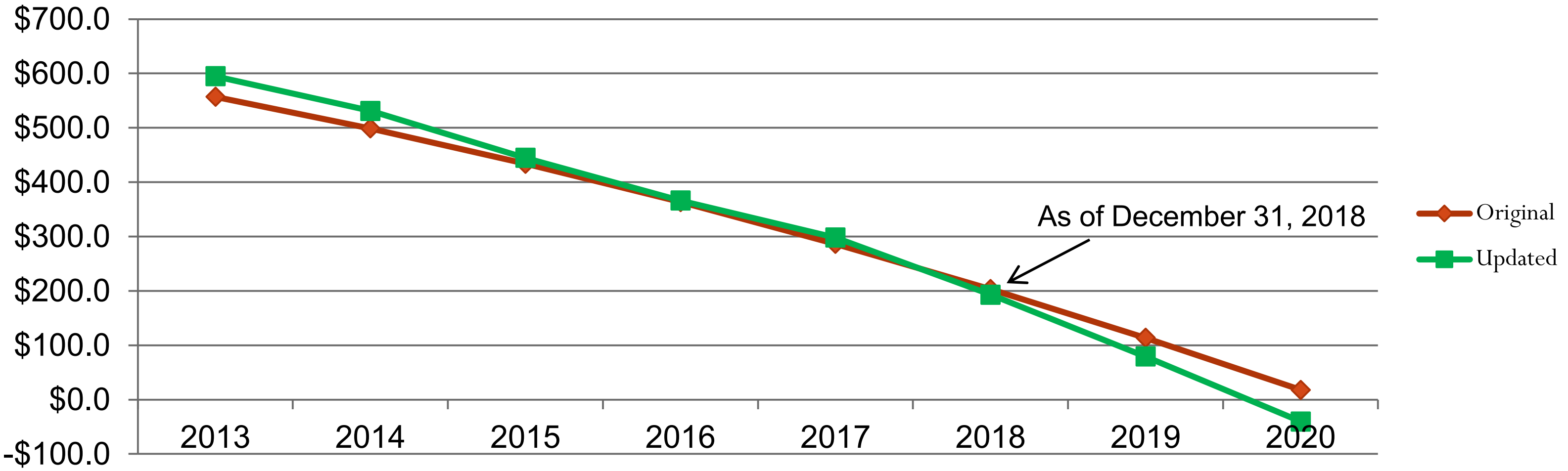
The FELRA Pension Plan's Cash Flow Projections:

<u>Updated Forecast - December 31, 2018</u>

Reflects Market Values as of December 31, 2018 and 2019 Asset Class Return Assumptions

	Beginning Market Value ($ million)	Actual (%)	Actual ($)	Plan Cash Flows: Contrib	Plan Cash Flows: Benefit Payments	Plan Cash Flows: Admin Costs	Plan Cash Flows: Net Plan Cash Flow	Year End 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**	Actual as of 12/31/2018
2019	$193.2	3.2%	$6.2	$41.7	($156.6)	($5.3)	($120.20)	$79.2	Cashflows updated
2020	$79.2	3.2%	$2.5	$40.1	($156.6)	($5.5)	($122.0)	-$40.3	per Cheiron on 10/2/18
Totals			$201.5	$367.3	($1,226.00)	($38.20)	($881.12)		

Pension "Glide Path" of Asset Values
Original 2012 Forecast vs. December 31, 2018 Actual



* Updated cash flows were provided by Cheiron on October 2, 2018.

Recommended Asset Allocation Glide Path

FELRA Glide Path - December 31, 2018

As of December 31, 2018				Recommended	
	IPS 2019* Long Term Assumptions	Jan 1, 2018 Target Allocation	Actual Allocation 12/31/2018	Jul 1, 2019 Target Allocation	Jan 1, 2020 Target Allocation
Total Equity		**30.0%**	**26.2%**	**0.0%**	**0.0%**
US Equity	**7.25%**	30.0%	26.2%	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%**	**53.5%**	**95.0%**	**90.0%**
US Interm Gov/Credit	**3.25%**	25.0%	36.4%	95.0%	90.0%
Opportunistic Bond	**4.00%**	10.0%	14.9%	0.0%	0.0%
Sh Dur HY Bonds	**5.00%**	5.0%	2.2%	0.0%	0.0%
Real Estate	**7.00%**	**10.0%**	**3.8%**	**0.0%**	**0.0%**
Hedge FOFs	**4.75%**	**0.0%**	**0.1%**	**0.0%**	**0.0%**
GTAA	**6.75%**	**15.0%**	**13.7%**	**0.0%**	**0.0%**
Cash	**2.50%**	5.0%	2.7%	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 December 31, 2018

U.S. Equity	**Recommendation**	**Action**
Wedge Capital	Liquidate	Liquidate 6/30/19*
Vanguard Total Market	Liquidate	Liquidate 6/30/19*

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	Liquidation in progress $7 million @ 3/31/18 $7 million @ 6/30/18 Balance @ 12/31/18

Hedge Fund of Funds	**Status**
EnTrust	Terminated
Mesirow	Terminated

GTAA	**Recommendation**	
First Eagle	Liquidate	Liquidate 06/30/19*

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