Gallagher Fiduciary Advisors, LLC
A Subsidiary of Gallagher Benefit Services, Inc.

May 9, 2013

By Electronic Delievery
Mr. William R. Jensen, President
Associated Administrators, LLC
FELRA and UFCW Pension Fund
4301 Garden City Drive, Suite 201
Landover MD 20785-6102

Re: Request for Proposal – Investment Consulting Services

Dear Mr. Jensen:

Thank you for your Request for Proposal (RFP) to provide investment consulting services to the Food Employers Labor Relations Association and United Food and Commercial Workers Pension Fund (the "Fund"). We are pleased to be included in your search for an investment consultant and we're confident that our firm's expertise, experience and dedication will add significant value to the investment portfolio.

As you are aware, Gallagher Fiduciary Advisors, LLC ("GFA") recently completed an in-depth analysis of the pros and cons of the Board's shifting from a traditional investment consulting relationship to an arrangement utilizing an Outsourced Chief Investment Officer ("OCIO") and comparing numerous OCIO candidates. Through that exercise, we learned a considerable amount about the Fund, its portfolio and the Board.

As you know through that exercise, GFA is a multi-disciplinary investment consulting firm staffed by seasoned professionals. Taking into account the history of the legacy firms that formed GFA, we have provided investment advisory services for 35 years. GFA has offered customized investment consulting services to institutional investors, with a special focus on Taft-Hartley defined benefit, defined contribution, and health and welfare investment portfolios. This special focus on Taft-Hartley funds is not a sidelight, but a *primary, longstanding focus* of ours. We currently provide on-going investment consulting services to 160 client relationships (309 asset pools) with investment assets totaling more than $47 billion, plus discretionary services for additional clients in excess of $2 billion.

We believe that five features distinguish GFA as a full-service investment consulting firm:

- ***Special Focus on and Experience with Taft Hartley Funds*** – The overwhelming majority of our clients (by headcount and asset values) are Taft Hartley and union assets. Thus, we provide both extensive technical and practical understanding of your part of the world of institutional investing.

- ***Proactive Investment Advice*** – Many investment consulting firms do little more than provide clients with standard performance reports with superfluous analytics and offer reactionary advice concerning fund or investment manager performance. GFA prides itself on being proactive. This means we initiate proposals, make specific recommendations for concrete action and contractually accept co-fiduciary responsibility for our advice.

- ***Practical Experience as Fiduciaries*** – GFA often acts as a fiduciary decision-maker on behalf of clients – not just an adviser. Oftentimes, this is in the context of transactions or assets that are particularly challenging under ERISA's prudent person or prohibited transaction standards, including real estate, private equity and various other types of alternative investments. Thus, we bring a practical approach to our work, realizing what it means not merely to consult, but to make decisions. Our staff's experience in fiduciary process, investment management, accounting and law gives us a very strong background to work effectively with our clients and their other professionals. Organizations ranging from the U.S. Department of Labor to the Pension Benefit Guaranty Corporation to the World Bank and Asian Development Bank have engaged our firm, recognizing our expertise and independence.

- ***Senior Staff Assigned to Clients*** – We believe we regularly assign more senior staff to each client relationship than other consulting firms. This ensures that our clients get the best possible advice from more experienced perspectives. Our approach also provides better continuity of service and guarantees that our clients are getting GFA's best advice, rather than the view of one consultant. This approach costs us more and means that each consultant works with fewer clients, but our clients have historically appreciated the higher level of service.

- ***No Conflicts of Interest*** – We have built our business around meeting the needs of institutional investors for objective, independent investment advice. GFA is paid only one way – in "hard dollars" by our client funds. We do not receive soft dollars, brokerage commissions or "pay to play" money from investment managers, so we do not have conflicts of interest.

One further positive is that GFA is local. That means several things. First, we are available—conveniently located to serve your Fund. Second, it means cost savings and in fact, we propose **not** to pass through travel-related expenses insofar as the meetings are held locally. Finally, it means familiarity, insofar as several members of the Board and your legal counsel are very familiar with us, having worked together in many situations over the years.

Thank you for the opportunity to submit this response; we look forward to speaking with you soon.

Sincerely,

Mike Johnson, swt

Michael Johnson, CFA
Sr. Vice President & Area Director

cc: Samuel Halpern