FOUNDRY PARTNERS

A Presentation for

FELRA & UFCW Pension Fund

Investment Review

May 23, 2013

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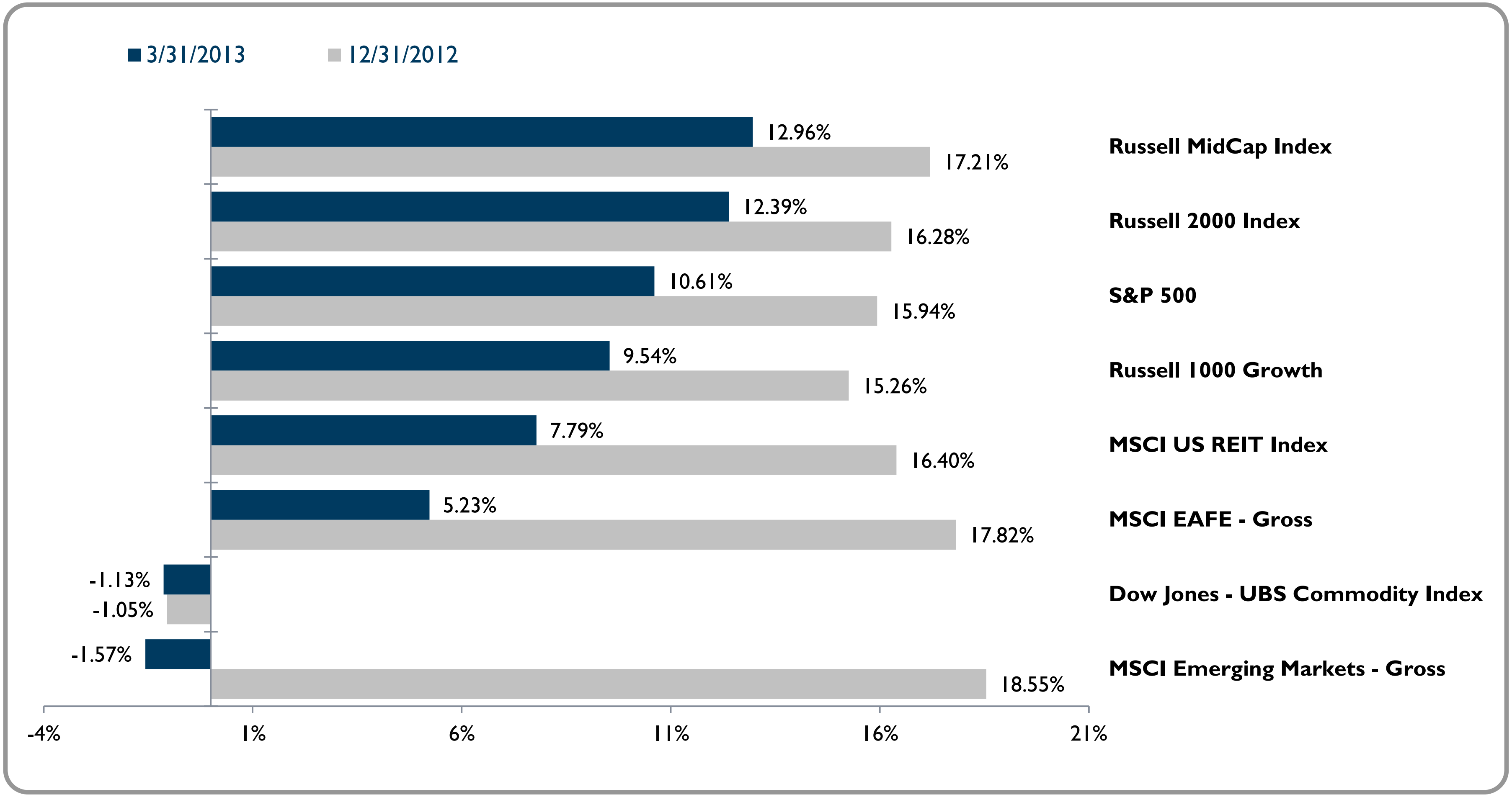
Year To Date Market Returns



Active Growth

Source: FactSet

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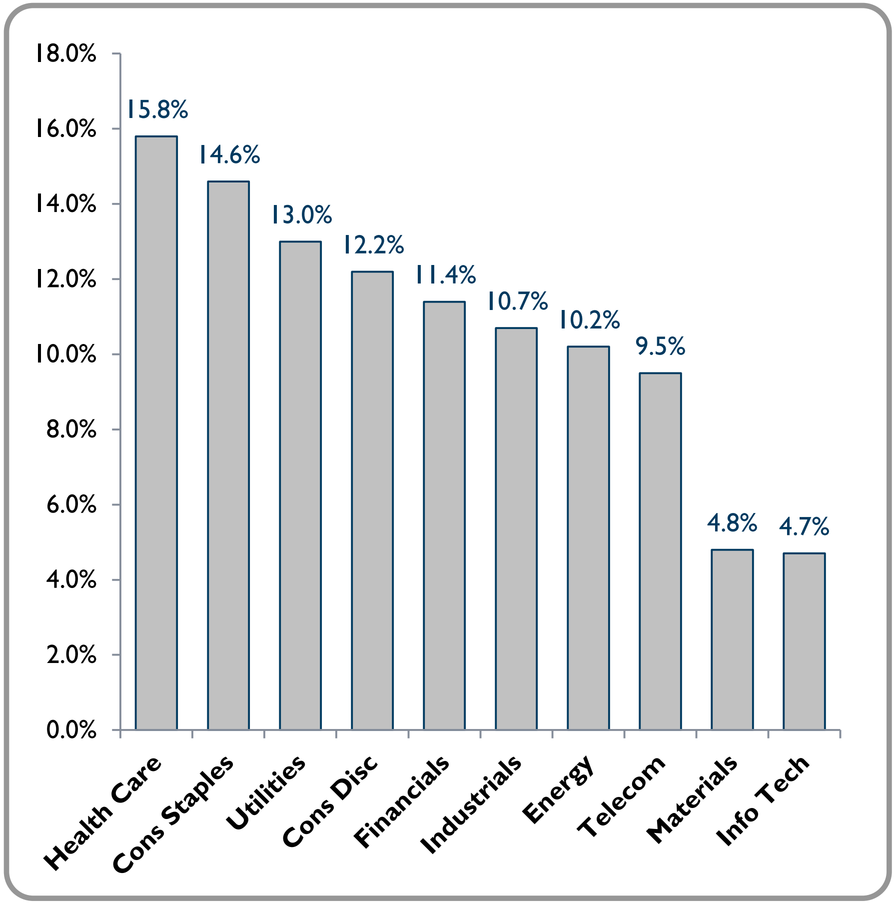
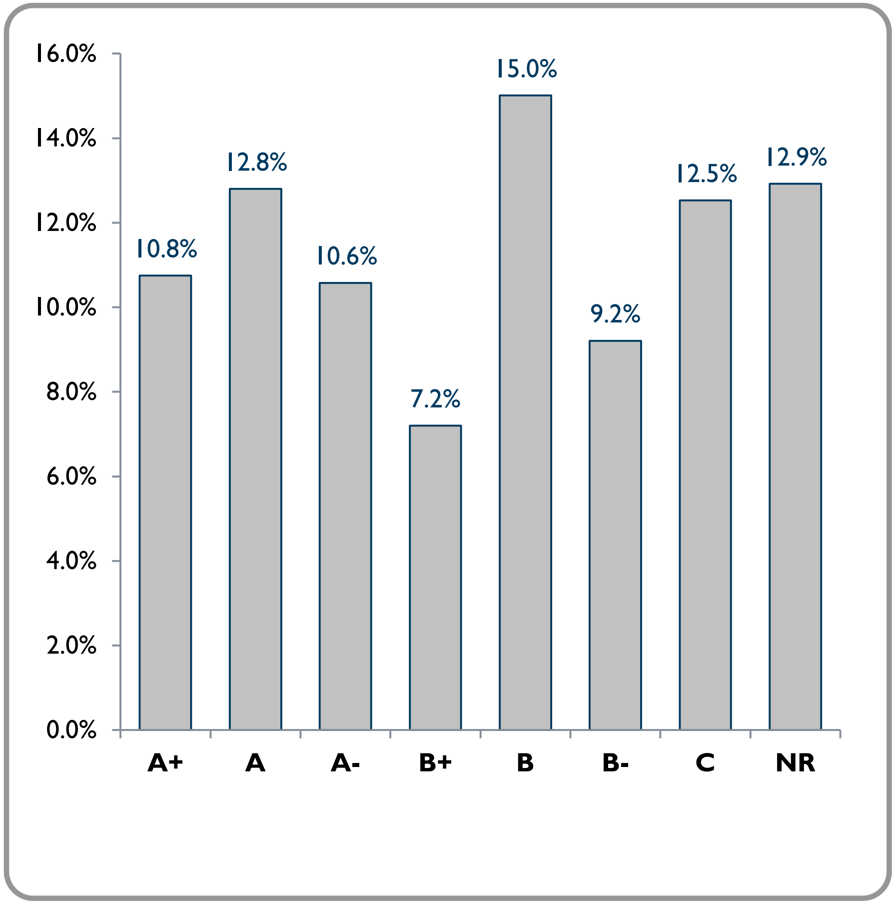
S&P 500 Sector Performance
YTD as of 3/31/13



S&P 500 Performance by Quality
YTD as of 3/31/13



Active Growth

Source: FactSet

Economic & Financial Mkt. Overview

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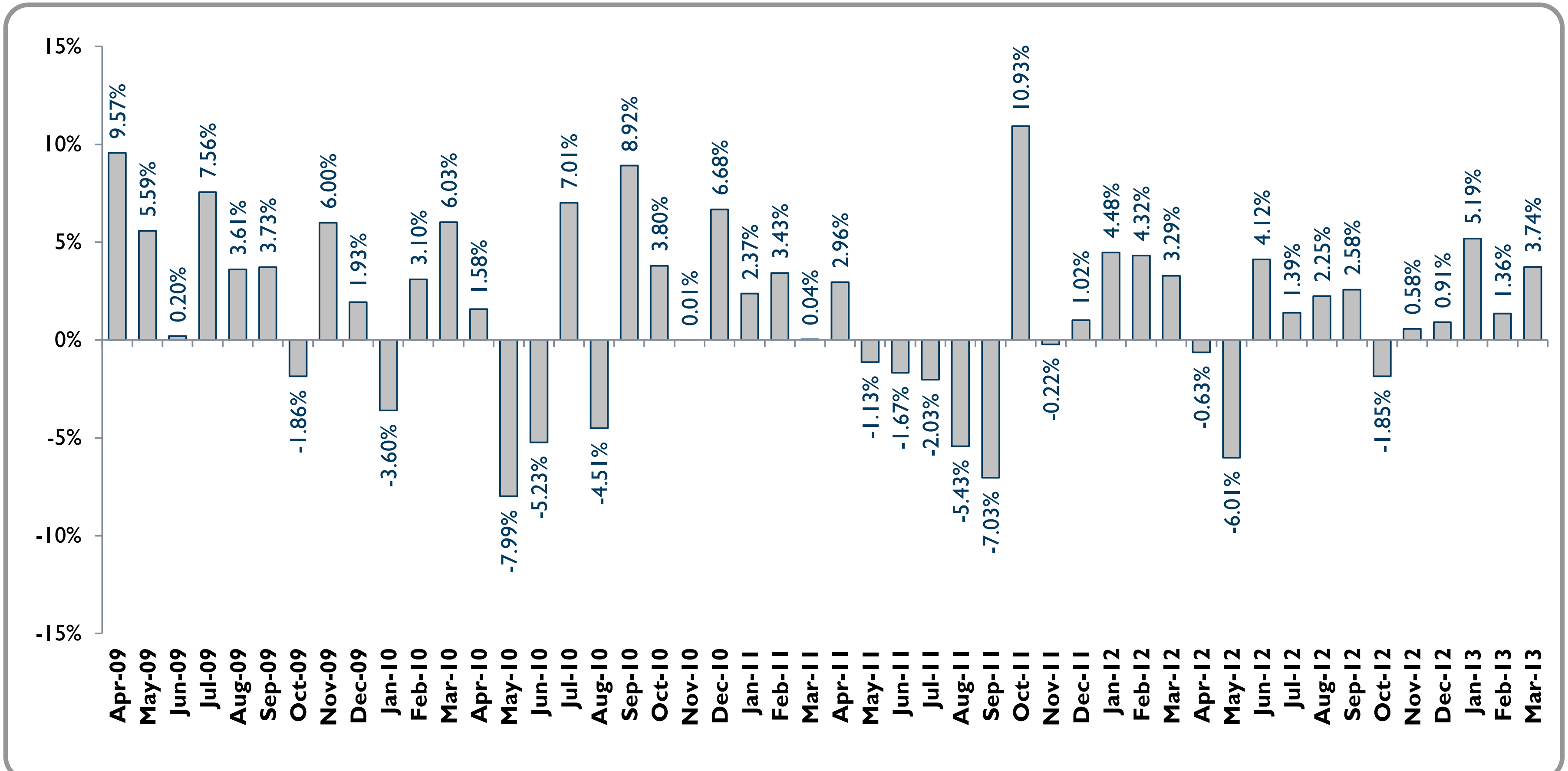
Historical Monthly S&P 500 Performance



Source: FactSet

Active Growth

FELRA & UFCW – Pension Fund

	Latest 3 Months	YTD	1 Year	3 Year	Annualized Since Inception*
FELRA & UFCW Pension Fund	**8.14%**	**8.14%**	**5.62%**	**10.77%**	**11.55%**
Russell 1000 Growth	9.54%	9.54%	10.09%	13.06%	14.26%

*Performance Inception: 11/30/2009

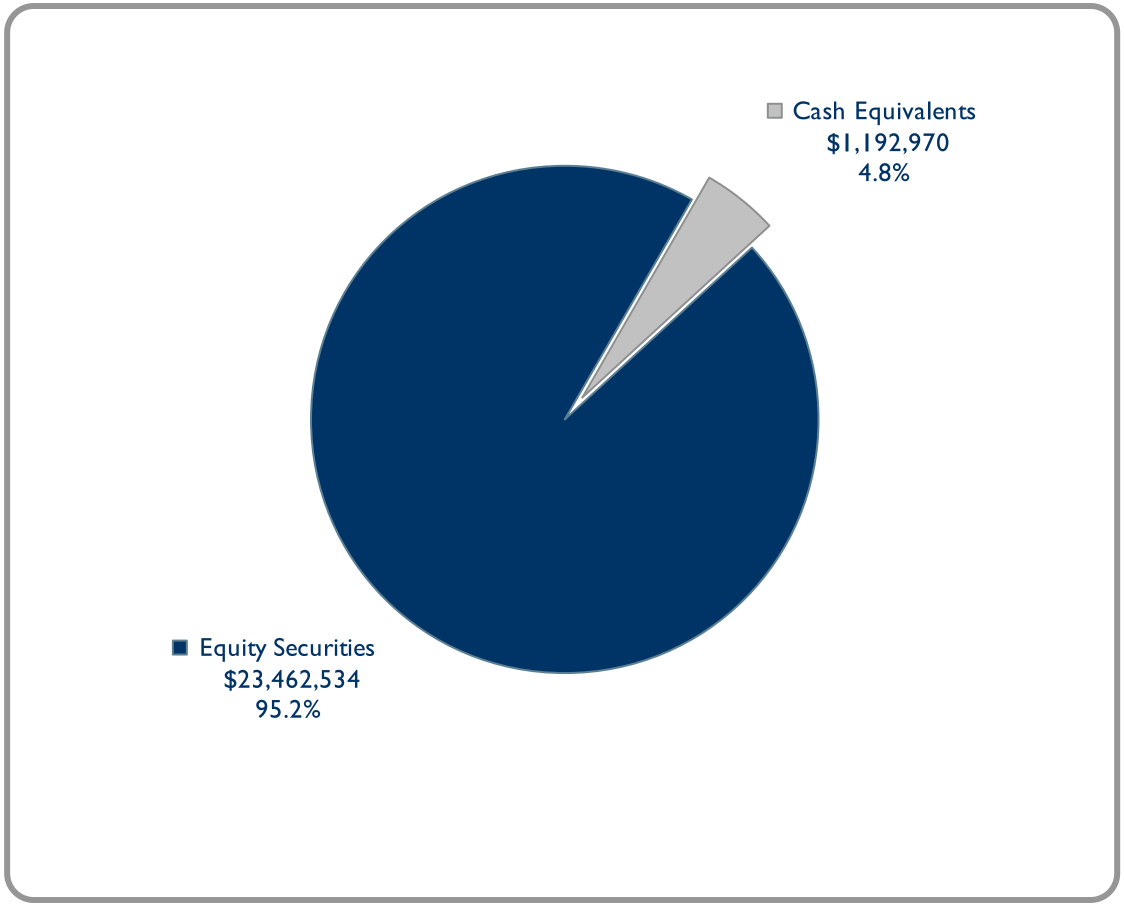
Additional Information

Past performance is not a guarantee of future results. The returns do not reflect the deduction of investment advisory fees but do assume the reinvestment of dividends and capital gains. The client's returns will be reduced by the advisory fees and any other expenses it may incur in the management of the account.

Active Growth Asset Allocation

As of March 31, 2013

Market Value: $ 24,655,504



Active Growth Portfolio Overview

As of March 31, 2013

Portfolio Characteristics

	Portfolio	Russell 1000 Growth
# of Holdings	59	574
Average Wtd. Market Cap (mils)	$86,989.98	$93,711.96
Dividend Yield (%)	1.15	1.66
Wtd. Harmonic Avg. P/E	18.94	18.76
Wtd. Harmonic Avg. Forward P/E	16.58	16.30
LT Future EPS Growth Rate	13.79	13.97
LT Debt/Capital	27.15	35.33

Risk Management

- Russell 1000 Growth benchmark considerations
- Fundamental research
- Diversification
  - Typically holds 45-65 stocks
  - Positions limited to the greater of 5% or benchmark weight
  - Sector +/- 10% benchmark weightings
  - Greater than $2 billion in market capitalization
- Rigorous sell discipline
  - Changing fundamentals
  - Valuations exceed expected growth
  - Financial reporting issues/management concerns
  - Portfolio diversification
  - Deteriorating relative strength

Source: FactSet

Active Growth Portfolio Overview

As of March 31, 2013

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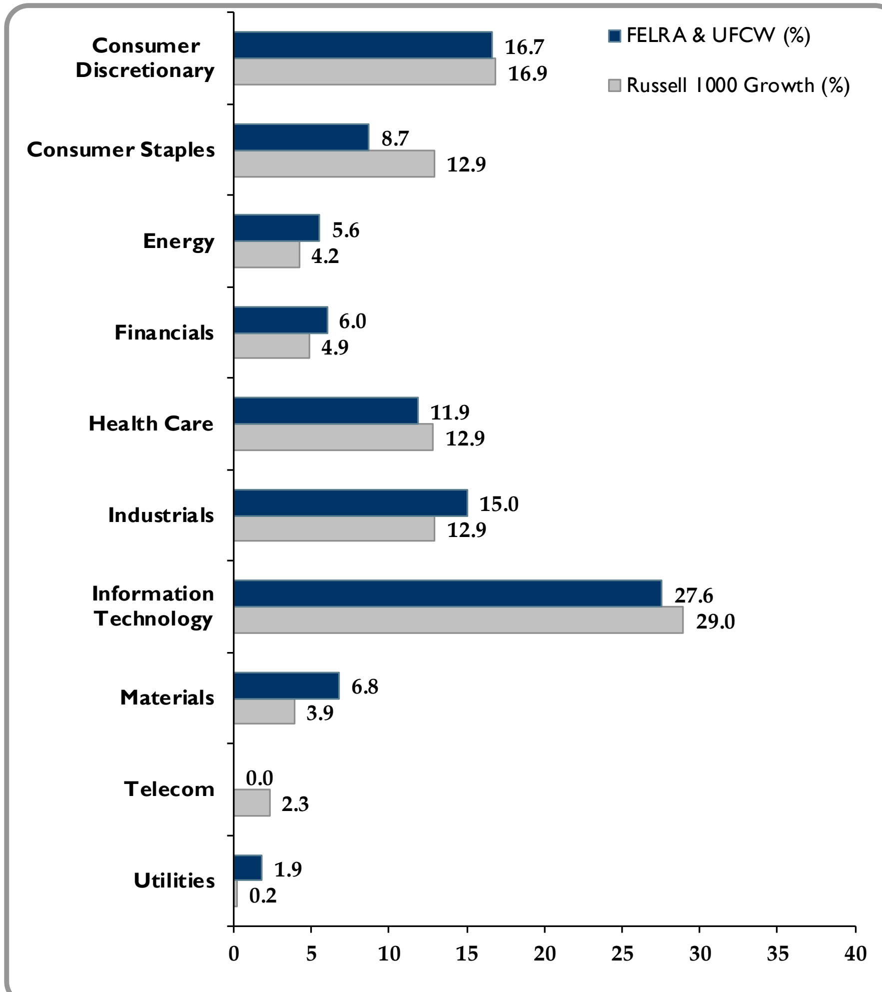
Top Ten Holdings

Apple Inc.	4.22%
International Business Machines Corp.	3.92%
Google Inc. Cl A	2.50%
QUALCOMM Inc.	2.46%
Ametek Inc.	2.34%
MasterCard Inc. Cl A	2.34%
Gilead Sciences Inc.	2.33%
Fiserv Inc.	2.28%
Oracle Corp.	2.27%
Microsoft Corp.	2.22%

Sector Diversification



Source: FactSet

Active Growth Purchases & Sales

January 1 – March 31, 2013

Portfolio Buys

- Hanesbrands Inc.
- salesforce.com inc.
- Starbucks Corp.
- Walt Disney Co.
- Cerner Corp.

Portfolio Sales

- Express Scripts Holding Co
- Alexion Pharmaceuticals Inc.
- DSW Inc. Cl A
- Teradata Corp.
- PVH Corp.
- EMC Corp.

Buy Discipline

- Market capitalizations > $2 billion
- Acceleration and/or sustainability of EPS growth
- Strong balance sheet & cash flow
- Favorable risk/reward
- Competitive advantage
- Quality of management

Sell Discipline

- Excessive valuation
- Fundamental change
- Portfolio diversification
- Relative strength score
- Financial reporting issues

Active Growth Portfolio Commentary

As of March 31, 2013

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Market Review

Despite a trio of consumer headwinds early in the year – payroll tax hike, tax refund delays and rising gasoline prices, equities advanced driven by a domestic economy displaying signs of strength and easy monetary policy. With an impressive gain of 10.6%, the S&P 500 Index finished the first quarter on a strong note, closing at an all-time high. While the rally was broad-based early in the year, global cyclicals quickly faded and gave way to better performance by defensive areas. Commodity prices are weak and have weighed heavily on stocks within the Materials sector. Given value-oriented leadership, the Russell 1000 Growth Index lagged other indices with its 9.5% gain for the quarter. Foundry Partners Active Growth strategy underperformed its benchmark during the period. Sector returns within the Russell 1000 Growth Index varied between a range of +2.5% to +16.9%. The best performing sectors were Healthcare, Utilities, Energy and Consumer Staples, while Information Technology, Materials and Financials were the weakest performing sectors in the benchmark.

Portfolio Review

For the quarter, Industrials, Information Technology and Financials were the best performing sectors relative to the strategy's benchmark. Within Industrials, Fortune Brands Home & Security Inc. (+28.1%), Ametek Inc. (+15.6%), Union Pacific Corp. (+13.9%) and Stericycle Inc. (+13.8%) contributed favorably to performance as U.S. housing and the industrial economy showed signs of recovery. While Information Technology was the worst performing sector in the first quarter, the portfolio's underweight sector positioning along with exposure to International Business Machines Corp. (+11.8%), Google Inc. (+12.3%) and Fiserv Inc. (+11.2%) helped performance. The Information Technology sector as a whole continues to be weighed down by the poor performance of Apple Inc., its biggest constituent. In Financials, the portfolio's exposure to the credit card companies was a source of strength in the quarter. Two of the portfolio's holdings, American Express Co. (+17.8%) and Discover Financial Services (+16.3%), are outperformers within the industry due to their ability to gain market share.

Energy, Consumer Staples and Consumer Discretionary were the portfolio's worst performing sectors relative to its benchmark. Within Energy, the oilfield services and drilling areas continue to lag on stagnant oil prices and the portfolio's exposure to this area through Ensco PLC (+2.1%) and Schlumberger Ltd. (+8.5%) limited performance. The Consumer Staples sector has benefitted from excitement over recent mergers & acquisition activity and investor's preference for defensive growth characteristics. The portfolio's underweight position in this richly valued sector detracted from performance along with exposure to Beam Inc. (+4.4%) and Estee Lauder Cos. (+7.3%), both of which have underperformed within the sector. The Consumer Discretionary sector continues to benefit from an improving domestic economy and strength in the auto and homebuilding industries. While Home Depot Inc. (+13.4%) was a robust performer and is positively impacted by the rebound in housing expenditures, its good performance was overshadowed by DSW Inc. (-2.9%), Starbucks Corp. (+6.6%) and PVH Corp. (-3.8%). PVH Corp. was sold during the quarter due to slowing growth.

Outlook

While quarterly earnings were better than expected and the tone is improving, many companies are expecting only modest growth this year and continue to characterize their operating environment as "uncertain" or "cautiously optimistic." We believe Fed policy offers downside protection, but limited upside through mid-year. As investors have piled in, equities have discounted a lot of good news and will be vulnerable to a correction. The shorter term outlook is dubious, particularly if U.S. economic activity slows as federal spending cuts take effect, potentially giving markets an excuse to retrace some of their gains. The portfolio is currently structured with overweight sector positions in Materials, Energy and Utilities. Underweight sector positions include Consumer Staples, Consumer Discretionary, Telecommunication Services and Information Technology.

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- A cohesive team of investment professionals whose diverse backgrounds and experience broaden and strengthen the firm's vision.
- Headquartered in Minneapolis, MN with an additional office in Cleveland, OH.

Assets by Style as of 3/31/13
Total Firm Assets: $2.09 B

U.S. Equity*

- Value $447 M
- Core $55 M
- Growth $588 M
- Sub-Advised $988 M

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Institutional Product Offering

U.S. Equity

VALUE	CORE	GROWTH
Large Cap Value	Active Core	Active Growth
All Cap Value	All Cap Core	Mid Cap Growth
Small Cap Value		
Micro Cap Value		

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