Food Employers Labor Relations Association and
United Food & Commercial Workers Pension Fund

Putnam Total Return

May 23, 2013

A world of investing.™

Putnam INVESTMENTS

A global investment firm inspired by balance

We are committed to innovation	and grounded in our heritage
We attract top, entrepreneurial talent	who work in a culture of collaboration
We are active money managers	and vigilant risk managers

POWER FINANCIAL CORPORATION

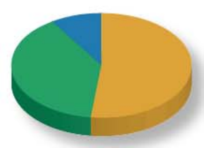
Putnam INVESTMENTS

Over $667B assets under administration

Wealth management 49%
Insurance 51%

All data as of 12/31/12.
Asset percentages reflect assets under management.

$135B assets under management



Fixed income 52%
Equity 39%
Global asset allocation 9%

Institutional 51%
Retail 49%

All data as of 3/31/13.

Putnam Total Return is the product of years of experience and innovation in multi-asset investing

The GAA group has continued to innovate new multi-asset products as solutions to investors' evolving needs

1937	1993	1994	1999	2006	2008
George Putnam Balanced Fund founded	Putnam Global Asset Allocation Group founded	Putnam Asset Allocation Funds suite	Putnam RetirementReady Funds (target maturity) suite	Putnam Total Return	Putnam Absolute Return Funds suite

Our expert asset allocation specialists have worked together for more than a decade, continually refining the investment process with new insights from hands-on market experience

		Years investing	Years at Putnam
James A. Fetch	Co-Head of Global Asset Allocation	19	19
Robert J. Kea, CFA	Co-Head of Global Asset Allocation	25	24
Robert J. Schoen	Co-Head of Global Asset Allocation	25	15
Jason R. Vaillancourt, CFA	Co-Head of Global Asset Allocation	20	13
Joshua B. Kutin, CFA	Portfolio Manager	15	15

Strategic Portfolio Research

Ryan J. Beaudoin, CFA
Adrian Chan, CFA

Quantitative/ Qualitative Analysis

4 Investment Associates

Portfolio Associates

John Murphy
Sean McDonough

Investment Strategies

Christian Galipeau
Brendan Murray
Seamus Young, CFA

Putnam Total Return:

A diversified, actively managed, multi-asset investment vehicle

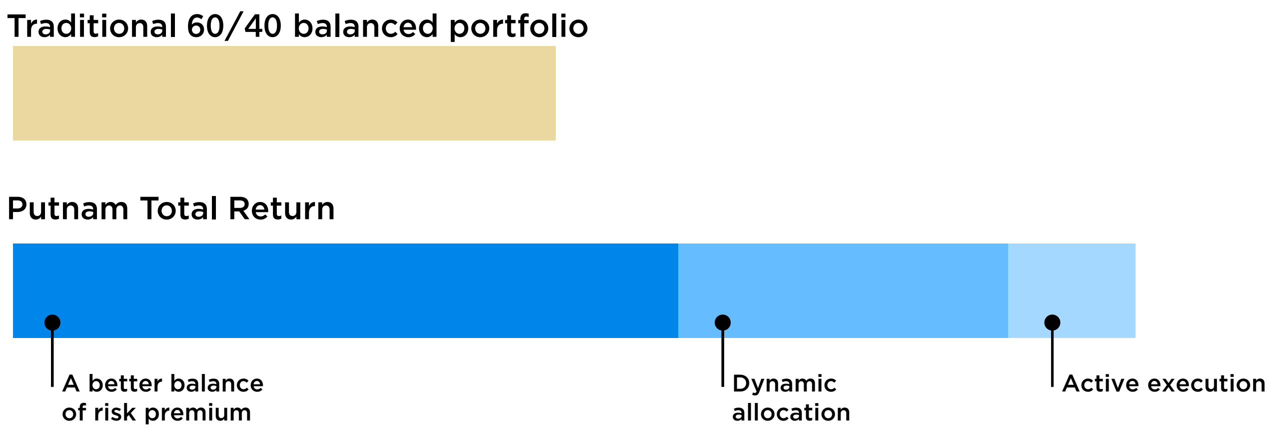
Objective:

- Seeks to outperform one-month LIBOR by 5%–8% over a full market cycle, gross of fees, while targeting a risk level of 10%*.
- Seeks to improve upon the risk/return efficiency of a traditionally balanced global portfolio through better diversification and active management.

Product highlights

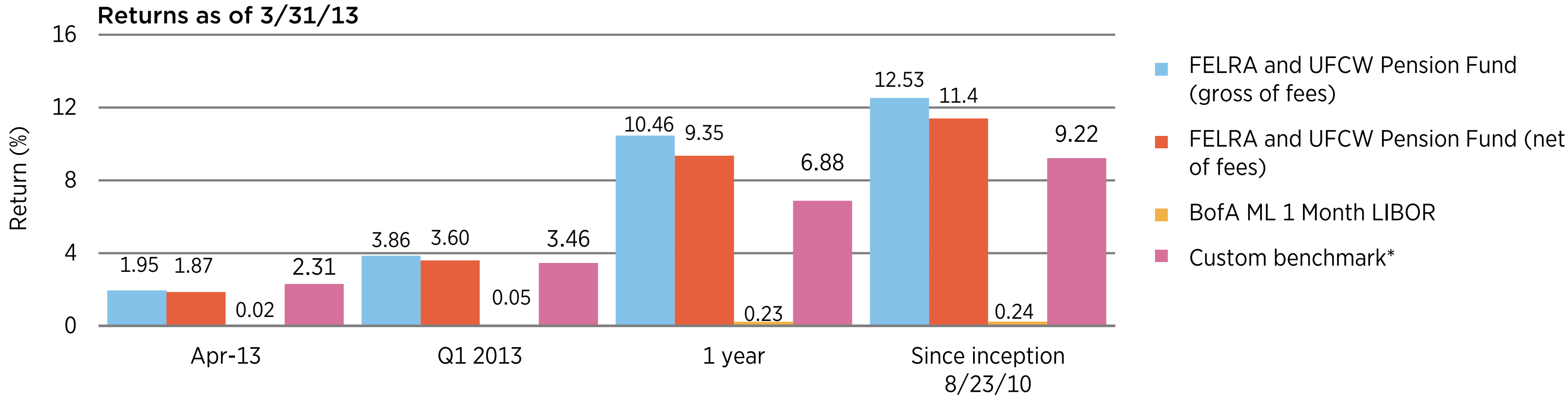
- **A better balance of risk premium**: A Risk Parity portfolio design that balances the sources of portfolio risk through the prudent use of leverage and the addition of other asset classes.
- **Dynamic allocation**: An active process that improves upon static asset allocation strategies by employing the flexibility to respond to changing economic environments and market valuations.
- **Active execution**: Implementation choices and incremental return strategies to diversify return sources and manage risk.

Long-term sources of return



* No assurance can be given that the investment objective or target return will be achieved or that an investor will receive a return of all or part of his or her investment. Actual results may differ materially from the target return. As with any investment there is a potential for profit as well as the possibility of loss. This strategy may use futures, forwards, swaps and other derivative instruments on equity, fixed income and commodity indices and currencies extensively to gain exposure to various markets. Strategies that use leverage extensively to gain exposure to various markets may not be suitable for all investors. Any use of leverage exposes the strategy to risk of loss. In some cases the risk may be substantial. Diversification does not assure a profit or protect against loss. It is possible to lose money in a diversified portfolio.

Performance



Historical performance as of 3/31/13

		FELRA and UFCW Pension Fund (gross of fees) (%)	FELRA and UFCW Pension Fund (net of fees) (%)	BofA ML 1 Month LIBOR (%)	Custom benchmark* (%)
2013	Q1	3.86	3.60	0.05	3.46
2012	Year	13.15	12.01	0.25	10.15
2011	Year	4.91	3.85	0.23	-0.63
2010	Year**	10.33	9.93	0.09	11.12

Portfolio value as of 3/31/13

FELRA and UFCW Pension Fund	$43,327,582

Source: Putnam Investments.
Performance returns greater than 1 year are annualized.
* Custom benchmark consists of: 60% MSCI World Net Dividends Index and 40% Citigroup World Government Bond Index.
**Time period for returns is 8/23/10-12/31/10.

World markets summary
Global market snapshot

Fixed income	2012 (%)	Q1 2013 (%)
US Treasury 2 Yr	0.25	0.08
US Treasury 5 Yr	2.22	0.18
US Treasury 10 Yr	4.26	-0.20
US Treasury 30 Yr	2.26	-2.69
Barclays Aggregate	4.22	-0.12
Bar TSY US INFL	6.98	-0.36
BarCap HY	15.81	2.89
BarCap Corp	10.08	-0.52
JPM EMBI+	18.04	-3.30
German 10 Yr*	7.56	1.34
UK 10 Yr*	3.85	0.96
Australia 10 Yr	7.91	-0.65
Japan 10 Yr*	3.61	2.57

Commodities & currencies	2012 (%)	Q1 2013 (%)
GSCI	0.08	0.55
Crude Oil†	-11.52	4.32
Gold Bullion†	6.08	-5.01
Copper	4.32	-5.33
$ per Euro	1.92	-2.85
¥ per $	-11.30	-7.91
US $ per Australian Dollar	1.63	0.24
$ per £	4.59	-6.59
Swiss Franc per $	2.49	-3.59

Equities	2012 (%)	Q1 2013 (%)
S&P 500	16.00	10.61
Dow Jones Industrials	10.24	11.93
NASDAQ	17.45	8.52
Russell 2000‡	14.63	12.03
MSCI EAFE (L)	17.89	9.78
MSCI Emerging Free (Local)	17.39	-0.44
Dow Jones Eurostoxx 50	19.57	0.00
DAX	29.06	2.40
CAC 40	20.37	2.69
FTSE MIB	12.18	-5.72
IBEX 35	2.78	-2.01
FTSE 100	9.97	9.85
S&P Toronto 60	8.07	3.26
All Ordinaries	18.84	8.04
Nikkei 225‡	22.94	19.27
TOPIX	20.86	21.46
Hang Seng	27.46	-1.22
SHCOMP‡	3.17	-1.43

	12/31/12	3/31/13
VIX Volatility Index	18.02	12.70

Source: Thomson Reuters.

* Correspond to respective 10 Yr bond prices.

† Correspond to respective GSCI Total Return indices.

‡ Price returns.

Total Return Performance Summary

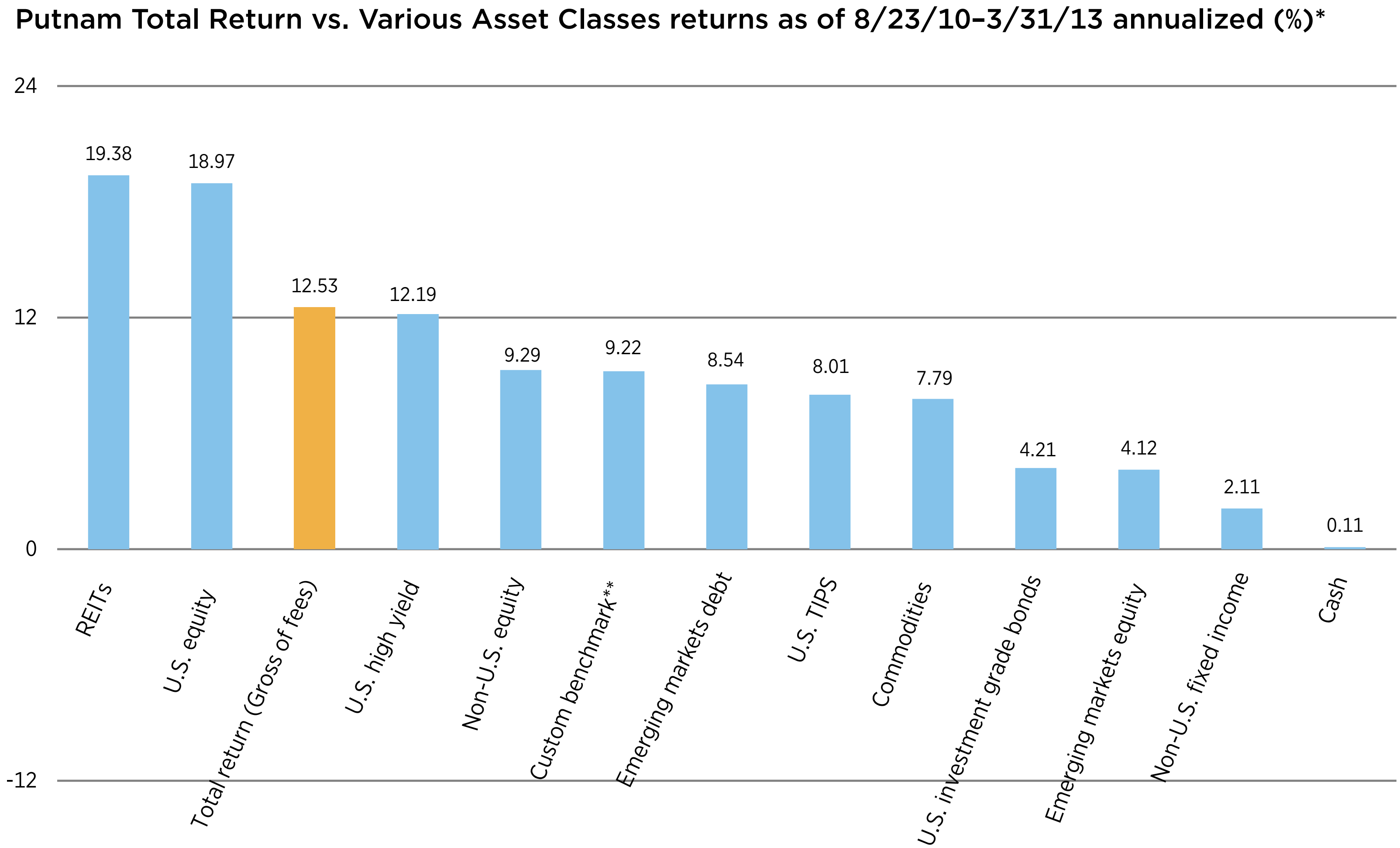
Q1 2013

- Stock markets around the world continued to deliver positive returns for the first three months of 2013, despite ongoing financial and economic troubles in the eurozone and fiscal challenges in the United States. Many of the so-called “tail risks” to global growth diminished significantly, including a disorderly collapse in Europe, an economic hard landing in China, and fallout from the fiscal cliff and sequestration budget cuts in the United States. With the strong performance in equity markets, U.S. Treasuries and investment grade fixed income lagged significantly, delivering negative returns.
- Total Return benefitted nicely from its diversified set of market exposures, as the portfolio beat its cash benchmark. Despite the strong rally in equities, it was encouraging the portfolio still paced slightly ahead of a global 60/40 balanced portfolio. An overweight position, as well as security selection within U.S. equities added substantial value. In addition, the active currency overlay performed well in the quarter. International equity security selection was a lone detractor.

2012

- Investors came into 2012 primarily worried about three main issues: a hard landing in China, a European sovereign default, and a potential double dip recession in the United States. Aggressive policy response essentially neutralized these issues for the time being, allowing 2012 to be a strong year for most asset classes. Equities were generally the best performing securities, with international and emerging-market equities generating the best returns. High yield was once again a strong performer as credit spreads continued to grind lower. Commodities underperformed other risky assets during the year, while safer assets, such as investment grade fixed income posted modest, albeit positive returns over the last 12 months.
- Putnam’s Total Return benefited nicely from the diversified set of beta exposures, as the portfolio outperformed its cash benchmark, but also outpaced global 60/40 on the year. On a relative basis, the portfolio benefited from being underweight U.S. investment grade fixed income and TIP’s. In addition, security selection within international equities was also strong during the year. A notable detractor on the year was that the fund utilized less leverage, thus having less total market exposure in a year that saw most asset classes generate positive returns.

Total Return vs. major market indices



Source: Putnam Investments.

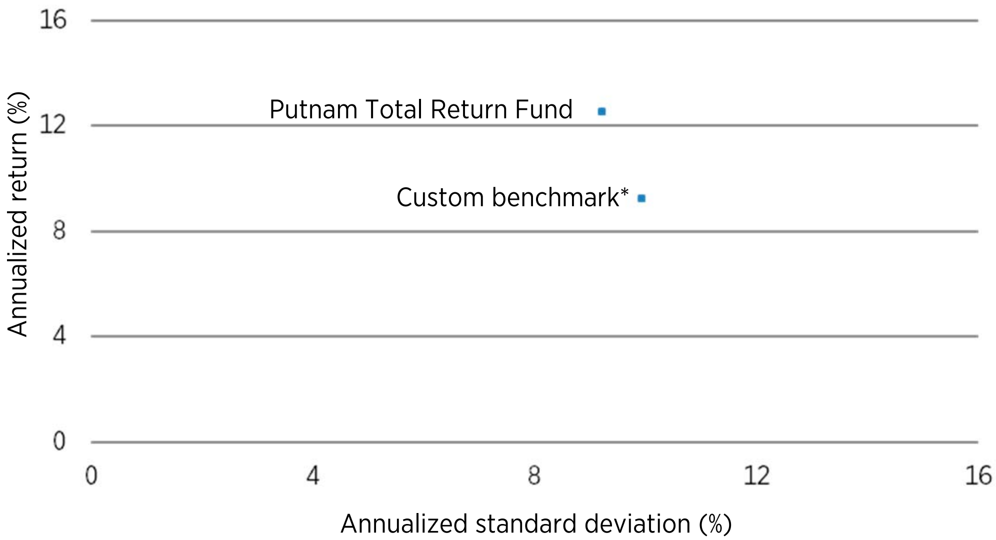
Indices are unmanaged and do not incur expenses. You cannot invest directly in an index.

* Asset classes returns are based on the following index proxies: US equity: Russell 3000 Index, Non US equity: MSCI EAFE Index, EM equity: MSCI EM Index, REITs: MSCI REIT Index, Commodities: GSCI Index, US inv. grade: Barclays Aggregate Bond Index, US HY: JP Morgan HY Developed Index, US TIPs: Barclays TIPs Index, EM Debt: JPM EM Global Bond Index, Non US fixed income: Citi WGB exUS Index, Cash: BofA ML91 day T-bill.

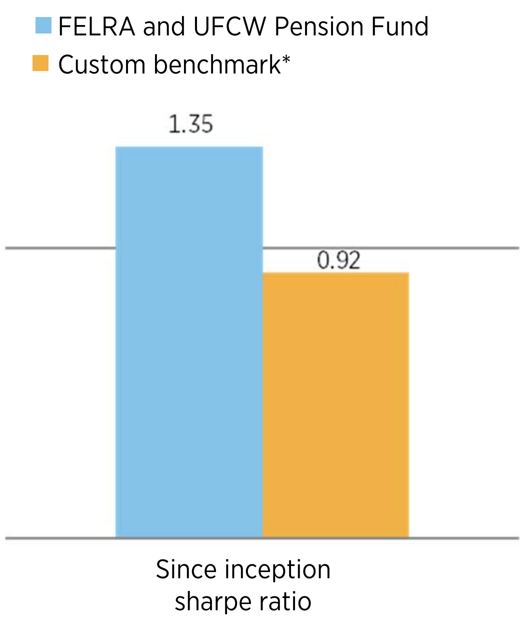
** Custom benchmark consists of: 60% MSCI World Net Dividends Index and 40% Citigroup World Government Bond Index.

Total Return vs. 60/40 benchmark

Total Return: risk vs. reward (8/23/10–3/31/13)



Risk efficiency comparison

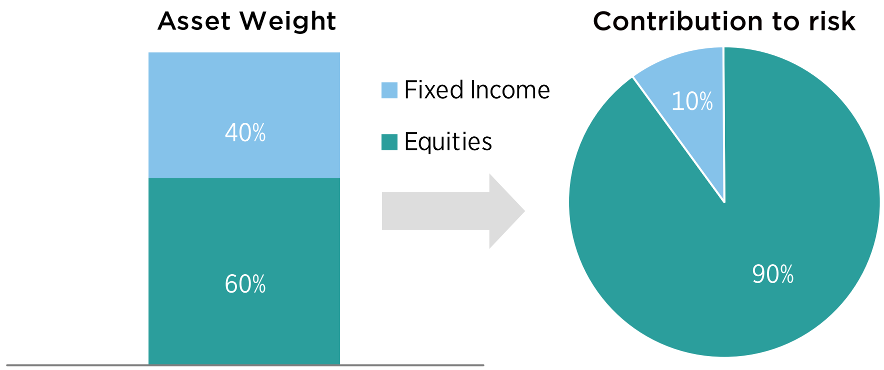


Source: Putnam Investments.
Indices are unmanaged and do not incur expenses. You cannot invest directly in an index.
* Custom index consists of: 60% MSCI World Net Dividends Index and 40% Citigroup World Government Bond Index.
Data as of 3/31/13.

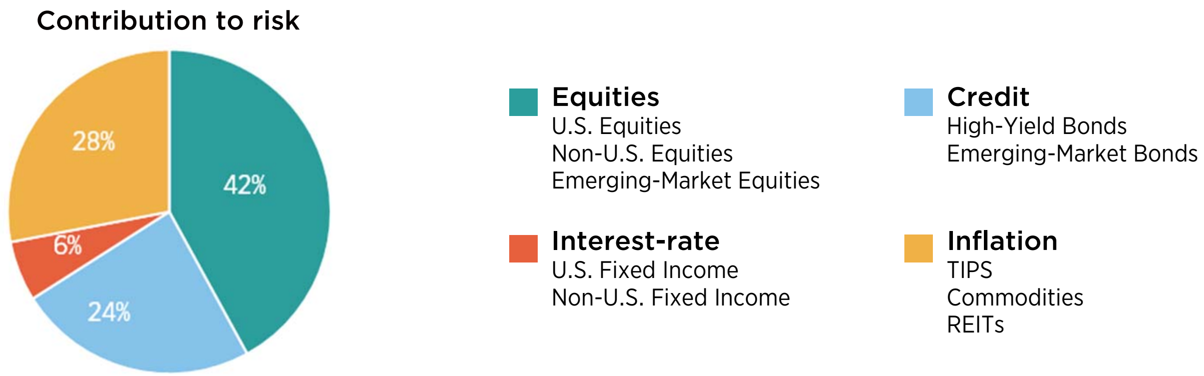
Total Return

A traditional balanced portfolio construction process results in concentrated risk

Traditional balanced fund has unbalanced equity risk



Putnam approach allocates to a dynamic balance of four major risk factors



Totals may not equal 100 due to rounding.
Illustrations are hypothetical and are not intended to represent Total Return's current allocation. A balanced fund is 60% in equities and 40% in bonds, as classified by Lipper. Risk contribution is from Putnam Research, which uses the historical standard deviation for the respective asset classes multiplied by the appropriate asset weight.

Current portfolio positioning

Your current portfolio is diversified across risk factors

Market Exposure	Risk factor weight (%)	Contribution to volatility (%)	Percent contribution volatility (%)
Portfolio volatility 5.75%			
Common factor risk		4.86	84.57
Equity	38.14	2.58	44.78
Rates	46.84	-0.69	-11.98
Credit	39.52	1.02	17.77
GSCI	17.64	1.14	19.75
DXY	-22.63	0.82	14.26
Active Implementation		**0.89**	**15.43**
Total		**5.75**	**100.00**

Your current portfolio is also diversified across multiple asset classes

Portfolio	Current weight (%)	Risk weight (%)
Cash	-52.52	0.00
U.S. TIPS	14.92	3.55
U.S. Investment Grade Bond	19.17	1.87
Non-U.S. Government Bond	28.36	3.93
U.S. High Yield	29.75	20.81
Emerging Market Bond	4.96	2.68
REITs	3.30	5.00
U.S. Equity	19.78	20.89
Non-U.S. Equity	11.99	13.30
Commodities	15.35	19.80
Emerging Markets Equity	4.96	8.18

Source: Putnam Investments.
Illustrations are hypothetical and are not intended to represent Total Return's current allocation. A balanced fund is 60% in equities and 40% in bonds, as classified by Lipper. Putnam Research generates the risk contribution using historical covariances for the respective asset classes and their corresponding portfolio asset weights.
Data as of 3/31/13.

Q2 2013 Outlook

Global macro
With the run up in equities, look to scale back risk pro-rata. With both realized and implied volatility at current levels, it may be an opportunity to buy volatility. Look to short Yen and sell gold.

Top down equity
Bull Regime remains intact. With valuation and seasonality neutral, we recommend a slight overweight stance in Q2.

Equity selection
Q1 was decidedly better for low beta security selection on a risk-adjusted basis. Despite the strong equity market rally, low beta sectors were some of the best performers. Traditional quant continued to perform well.

Regional allocation
Recommend reducing short exposure to U.K. equities, and replacing with U.S. over Europe. Remain relatively neutral on emerging markets. Look for opportunities to trim long/short government bond trades.

Fixed income
Interest Rate risk has not paid off lately, but with no strong catalyst to suggest a re-rating is imminent, the recent range is likely to remain in place. Yields reside in the middle of that range today. Credit remains attractive, though no longer cheap.

Commodities
Overall neutral outlook for commodity returns, while favoring energy. Look to sell gold.

Portfolio construction
Realized volatility continues to remain extremely low across most major asset classes. Correlations within risk assets have continued to ease. As dispersion within broad assets classes is more prevalent, security and market selection should provide larger alpha opportunities.

Putnam INVESTMENTS

Jason R. Vaillancourt, CFA

Co-Head of Global Asset Allocation
Portfolio Manager
Investment Management

Responsibilities at Putnam

Mr. Vaillancourt is Co-Head of the Global Asset Allocation group and, in partnership with other GAA Co-Heads, is responsible for overall strategy and positioning of Putnam's GAA products. In this role he is accountable for the research that drives the top-down views of GAA portfolios, including asset class, region, and sector decisions. Mr. Vaillancourt also has primary responsibility for international equity security selection within GAA portfolios, and his work contributes to Putnam's Capital Markets Outlook. He is a Portfolio Manager of Putnam Absolute Return 500 Fund, Putnam Absolute Return 700 Fund, Putnam Dynamic Asset Allocation Funds (Balanced, Conservative, and Growth), Putnam Dynamic Risk Allocation Fund, Putnam Retirement Income Lifestyle Funds, Putnam RetirementReady Funds, Putnam's Total Return institutional portfolio, and Putnam's 529 college savings plan. Mr. Vaillancourt, who joined Putnam in 2000, is a CFA charterholder and has been in the investment industry since 1993.

Experience

- Putnam Investments, MBA Summer Intern, 1999
- Fidelity Investments, Research Associate, Taxable Fixed Income, 1996–1998
- Independence Investment Associates, Assistant Portfolio Manager, 1993–1996

Education

- University of Chicago, M.B.A.
- Northeastern University, B.S.

Putnam INVESTMENTS

James A. Fetch

Co-Head of Global Asset Allocation
Portfolio Manager
Investment Management

Responsibilities at Putnam

Mr. Fetch is Co-Head of the Global Asset Allocation group and, in partnership with other GAA Co-Heads, is responsible for overall strategy and positioning of Putnam's GAA products. In this role he is accountable for portfolio construction and risk in GAA portfolios, and his work contributes to Putnam's Capital Markets Outlook. He is a Portfolio Manager of Putnam Absolute Return 500 Fund, Putnam Absolute Return 700 Fund, Putnam Dynamic Asset Allocation Funds (Balanced, Conservative, and Growth portfolios), Putnam Dynamic Risk Allocation Fund, Putnam Retirement Income Lifestyle Funds, Putnam RetirementReady Funds, Putnam's Total Return institutional portfolio, and Putnam's 529 college savings plan. Mr. Fetch has been in the investment industry since he joined Putnam in 1994 as a Portfolio Accountant. He joined the Global Asset Allocation group as an Investment Associate in 1996..

Experience

- Putnam Investments, Portfolio Accountant, 1994

Education

- University of Chicago, M.B.A.
- University of Notre Dame, B.S.

Robert J. Kea, CFA

Co-Head of Global Asset Allocation
Portfolio Manager
Investment Management

Responsibilities at Putnam

Mr. Kea is a Co-Head of the Global Asset Allocation group and, in partnership with other GAA Co-Heads, is responsible for overall strategy and positioning of Putnam's GAA products. In this role he is accountable for top-down equity views in GAA portfolios, and his work contributes to Putnam's Capital Market's Outlook. He is Portfolio Manager of Putnam Absolute Return 500 Fund, Putnam Absolute Return 700 Fund, Putnam Dynamic Asset Allocation Funds (Growth, Balanced, and Conservative), Putnam Dynamic Risk Allocation Fund, Putnam Retirement Income Lifestyle Funds, Putnam RetirementReady Funds, Putnam's Total Return institutional portfolio, and Putnam's 529 college savings plan. Mr. Kea, a CFA charterholder, joined Putnam in 1989 as an accountant for international funds. He has been in the investment industry since 1988.

Experience

- State Street Bank, Accountant, 1988-1989

Education

- Bentley College, M.B.A.
- University of Massachusetts, Amherst, B.A.

Putnam INVESTMENTS

Robert J. Schoen

Co-Head of Global Asset Allocation
Portfolio Manager
Investment Management

Responsibilities at Putnam

Mr. Schoen is Co-Head of the Global Asset Allocation group and, in partnership with other GAA Co-Heads, is responsible for overall strategy and positioning of Putnam's GAA products. In this role he is accountable for overseeing equity process and risk for GAA portfolios, and his work contributes to Putnam's Capital Markets Outlook. He is a Portfolio Manager of Putnam Absolute Return 500 Fund®, Putnam Absolute Return 700 Fund®, Putnam Dynamic Asset Allocation Funds (Growth, Balanced, and Conservative), Putnam Dynamic Risk Allocation Fund, Putnam Low Volatility Equity Fund, Putnam Retirement Income Lifestyle Funds, Putnam RetirementReady® Funds, Putnam Strategic Volatility Equity Fund, Putnam's Total Return institutional portfolio, and Putnam's 529 college savings plan. Mr. Schoen, who joined Putnam in 1997, has been in the investment industry since 1990.

Experience

- Financial Consultant, Self-employed, 1992–1997
- Signalert Corporation, Head of Research, 1990–1992

Education

- New York University, Stern School of Business, M.B.A.
- Tufts University, B.A.

Lauren A. Silk

Senior Client Service Manager
Global Institutional Management

Responsibilities at Putnam

Ms. Silk is a Senior Client Service Manager in Putnam's Global Institutional Management group. In this role, she serves as a liaison between institutional clients and Putnam's investment professionals, and provides day-to-day administration for institutional accounts. Ms. Silk joined Putnam in 2000 as a member of the Custody and Operations Services group and has been a member of the Client Service team since December 2009. She has been in the investment industry since 1990..

Experience

- Brown Brothers Harriman, Supervisor, Comptroller, 1992–2000
- Phoenix Investments, Settlements Analyst, 1994
- State Street Bank, Fund Accountant, 1990-1992

Education

- Bentley College, B.S.