INVESTMENT PERFORMANCE SERVICES, LLC

FELRA and UFCW Pension Fund

Master Consulting Services Report

Period Ended
March 31, 2017

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Market Discussion Points 1Q | 2017

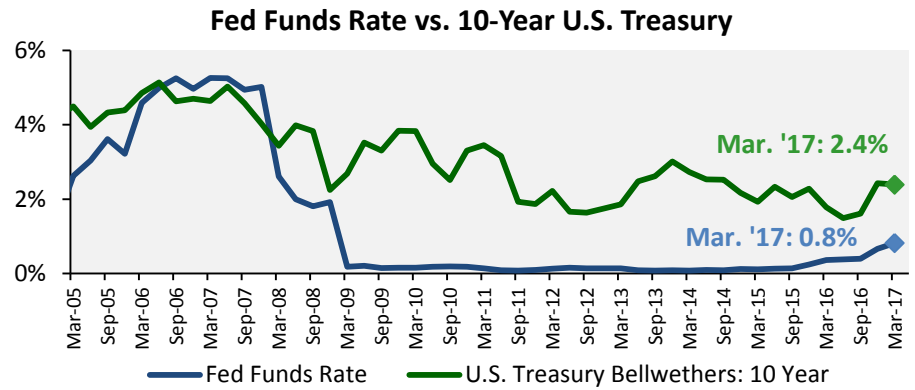
Financial Market Performance

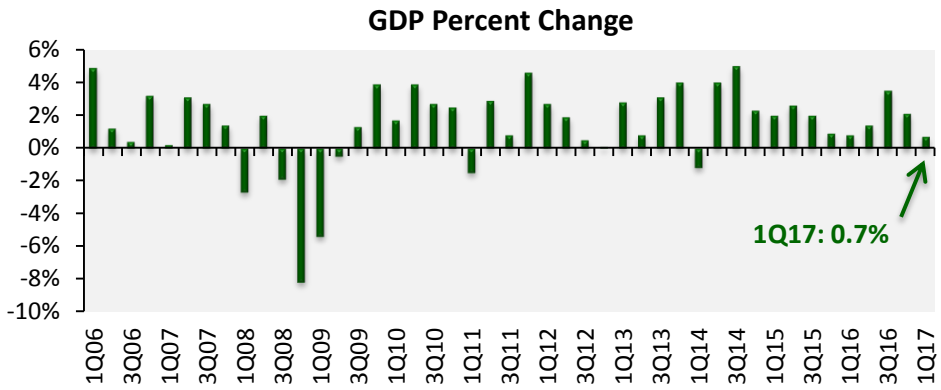
Periods Ending March 31, 2017

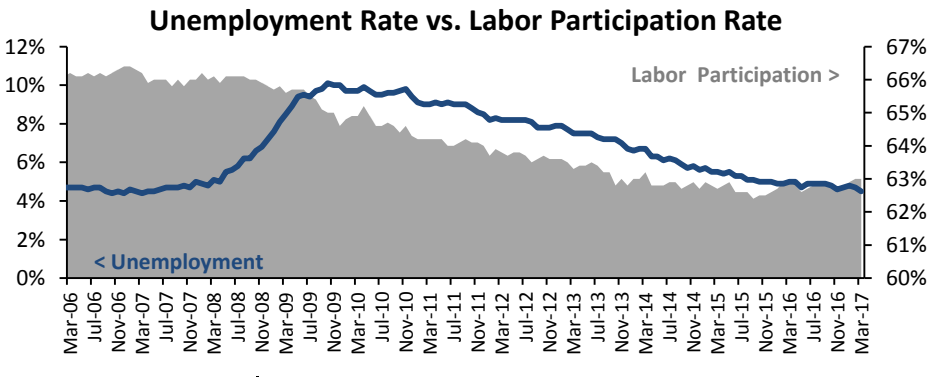
Strategy	Sector	Index	QTR	YTD	2016	2015	2014	2013	2012	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	6.1	6.1	12.0	1.4	13.7	32.4	16.0	17.2	10.4	13.3	7.5	7.9
	US Small Cap	Russell 2000	2.5	2.5	21.3	-4.4	4.9	38.8	16.4	26.2	7.2	12.4	7.1	8.7
	All Country	MSCI All Country World (net)	6.9	6.9	7.9	-2.4	4.2	22.8	16.1	15.0	5.1	8.4	4.0	-
	Non-US Developed	MSCI EAFE (net)	7.2	7.2	1.0	-0.8	-4.9	22.8	17.3	11.7	0.5	5.8	1.1	4.6
	Emerging Markets	MSCI EM (net)	11.4	11.4	11.2	-14.9	-2.2	-2.6	18.2	17.2	1.2	0.8	2.7	-
Bonds	**Treasury**	Bloomberg Barclays US Govt	0.7	0.7	1.1	0.9	4.9	-2.6	2.0	-1.3	2.0	1.6	3.8	5.0
	Broad Market	Bloomberg Barclays Aggregate	0.8	0.8	2.7	0.6	6.0	-2.0	4.2	0.4	2.7	2.3	4.3	5.4
	High Yield	Bloomberg Barclays HY BaB 2% IC	2.3	2.3	14.1	-2.7	3.5	6.2	15.0	13.0	4.5	6.5	7.1	-
	Global Bonds	Citigroup WGBI	1.6	1.6	1.6	-3.6	-0.5	-4.0	1.7	-3.7	-1.2	-0.6	3.0	4.4
Global Tactical Asset		65% MSCI World /35% Citi WGBI	4.7	4.7	5.6	-1.6	3.1	15.1	10.9	8.1	3.3	5.9	4.1	5.8
Real Estate	**Core**	NCREIF ODCE Equal Weighted	1.8	1.8	9.3	15.2	12.4	13.3	11.0	8.6	12.0	12.0	5.4	8.9
Hedge Funds	**Diversified FOFs**	HFRI HFOF Composite	2.3	2.3	0.5	-0.3	3.4	9.0	4.8	6.2	1.8	3.2	1.2	4.4
	Equity Long-Short	HFRI Equity Hedge	3.8	3.8	5.5	-1.0	1.8	14.3	7.4	11.5	3.0	4.9	3.0	8.0
Commodities	**Commodities**	Goldman Sachs Commodity	-5.1	-5.1	11.4	-32.9	-33.1	-1.2	0.1	8.5	-22.7	-15.0	-9.0	-1.8

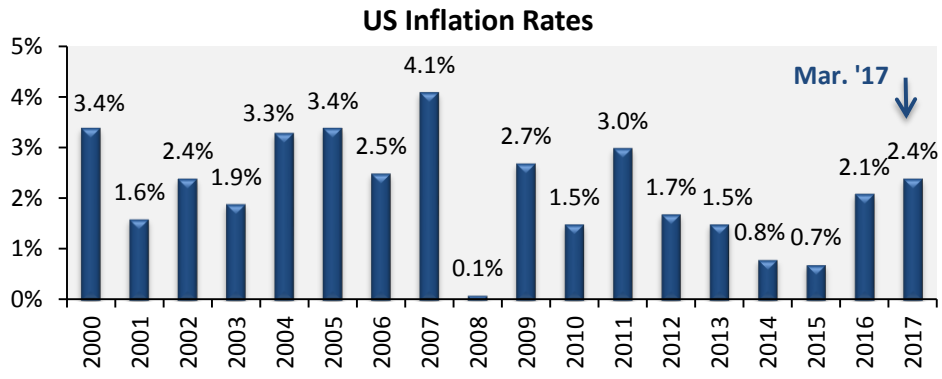
U.S. Economy

Nearly all economic indicators remain positive for the US economy. Inflation, as measured by the Consumer Price Index, continues its slow climb upwards in the first quarter of 2017 at 2.8% for the trailing one-year period. Unemployment remains low at 4.7% while job growth remains robust at 209,000 jobs added per month on average for the first quarter. This combination has resulted in more part-time workers finding full-time jobs and wage growth is moving higher. Housing prices continue to move higher, up 5.7% over the past 12 months. Mortgage rates has moved a bit higher with interest rates, but dropped a bit in March. The Housing Affordability Index remains at all-time lows as a percentage of wages. We are still early in the corporate earnings season, but the earnings growth increases seen in the fourth quarter of 2016 seem to have carried over into the first quarter of 2017.

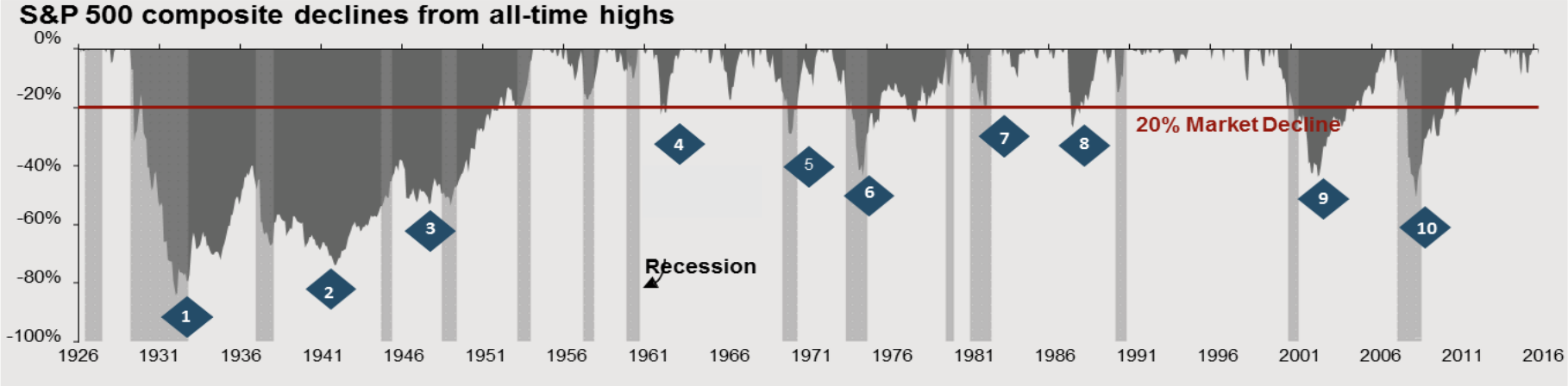








Current Bull Market: Historical Context



Characteristics of bull and bear markets

	Bear markets			Macro environment				Bull markets		
Market Corrections	**Market peak**	**Bear return***	**Duration (months)***	**Recession**	**Commodity spike**	**Aggressive Fed**	**Extreme valuations**	**Bull begin date**	**Bull return**	**Duration (months)**
1 Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	33	◆			◆	Jul 1926	152%	38
2 1937 Fed Tightening - Premature policy tightening	Mar 1937	-60%	63	◆		◆		Mar 1935	129%	24
3 Post WWII Crash - Post-war demobilization, recession fears	May 1946	-30%	37	◆			◆	Apr 1942	158%	50
4 Flash Crash of 1962 - Flash crash, Cuban Missile Crisis	Dec 1961	-28%	7				◆	Oct 1960	39%	14
5 Tech Crash of 1970 - Economic overheating, civil unrest	Nov 1968	-36%	18	◆	◆	◆		Oct 1962	103%	74
6 Stagflation - OPEC oil embargo	Jan 1973	-48%	21	◆	◆			May 1970	74%	32
7 Volcker Tightening - Whip Inflation Now	Nov 1980	-27%	21	◆	◆	◆		Mar 1978	62%	33
8 1987 Crash - Program trading, overheating markets	Aug 1987	-34%	3				◆	Aug 1982	229%	61
9 Tech Bubble - Extreme valuations, .com boom/bust	Mar 2000	-49%	31	◆			◆	Oct 1990	417%	115
10 Global Financial Crisis - Leverage/housing, Lehman collapse	Oct 2007	-57%	17	◆	◆	◆		Oct 2002	101%	61
Current Cycle								Mar 2009	249%	98
Averages	-	**-45%**	**25**					-	**156%**	**55**

Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.
*A bear market is defined as a 20% or more decline from the previous market high. The bear return is the peak to trough return over the cycle.
Periods of "Recession" are defined using NBER business cycle dates. "Commodity spikes" are defined as significant rapid upward moves in oil prices.
Periods of "Extreme valuations" are those where S&P 500 last 12 months' P/E levels were approximately two standard deviations above long-run averages, or time periods where equity market valuations appeared expensive given the broader macroeconomic environment. "Aggressive Fed Tightening" is defined as Federal Reserve monetary tightening that was unexpected and/or significant in magnitude.
Guide to the Markets – U.S. Data are as of March 31, 2017.

Asset Class Performance "Quilt"

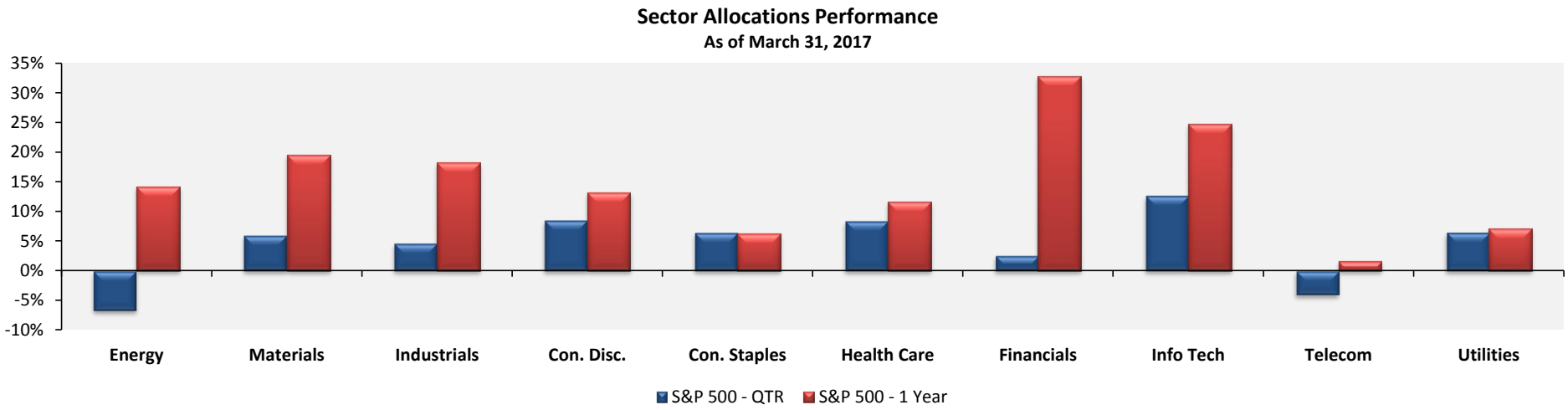
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RE 13.5%	Fx Inc 8.4%	Fx Inc 10.3%	EM Equity 55.8%	EM Equity 25.6%	EM Equity 34.0%	EM Equity 32.2%	EM Equity 39.4%	Fx Inc 5.2%	EM Equity 78.5%	Small Cap 26.9%	RE 16.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE 15.1%	Small Cap 21.3%
Fx Inc 11.6%	RE 5.7%	RE 5.3%	Small Cap 47.3%	Mid Cap 20.2%	RE 20.2%	Int'l 26.3%	RE 16.1%	RE -10.4%	HY 57.5%	Mid Cap 25.5%	Fx Inc 7.8%	Int'l 17.3%	Mid Cap 34.8%	Mid Cap 13.2%	Large Cap 1.4%	HY 17.5%
Mid Cap 8.3%	HY 4.5%	HFoF 1.0%	Mid Cap 40.1%	Int'l 20.2%	Int'l 13.5%	Small Cap 18.4%	Int'l 11.2%	SD HY -14.0%	Mid Cap 40.5%	EM Equity 18.9%	HY 4.4%	Mid Cap 17.3%	Large Cap 32.4%	RE 12.4%	SD HY 1.2%	Mid Cap 13.8%
HFoF 4.1%	HFoF 2.8%	HY -1.9%	Int'l 38.6%	Small Cap 18.3%	Mid Cap 12.6%	RE 16.2%	HFoF 10.3%	HFoF -21.4%	SD HY 36.1%	RE 16.1%	SD HY 4.4%	Small Cap 16.3%	Int'l 22.8%	Fx Inc 6.0%	Fx Inc 0.6%	Large Cap 12.0%
Small Cap -3.0%	Small Cap 2.5%	EM Equity -6.2%	Large Cap 28.7%	GTAA 13.2%	HFoF 7.5%	Large Cap 15.8%	GTAA 9.9%	GTAA -25.4%	Int'l 31.8%	HY 15.2%	Large Cap 2.1%	Large Cap 16.1%	GTAA 15.3%	Small Cap 4.9%	HFoF -0.3%	EM 11.2%
HY -5.2%	EM Equity -2.6%	GTAA -7.2%	HY 28.1%	RE 12.6%	Large Cap 4.9%	Mid Cap 15.3%	Fx Inc 7.0%	HY -26.4%	Small Cap 27.2%	Large Cap 15.1%	GTAA -0.9%	HY 15.6%	RE 13.3%	HFoF 3.4%	Int'l -0.8%	RE 9.3%
GTAA -8.1%	Mid Cap -5.6%	Int'l -15.9%	GTAA 26.7%	Large Cap 10.9%	Small Cap 4.6%	GTAA 15.1%	Mid Cap 5.6%	Small Cap -33.8%	Large Cap 26.5%	SD HY 11.7%	Mid Cap -1.6%	RE 11.0%	HFoF 9.0%	GTAA 3.0%	GTAA -1.6%	SD HY 8.5%
Large Cap -9.1%	GTAA -10.8%	Mid Cap -16.2%	HFoF 11.6%	HY 10.8%	GTAA 3.6%	HY 11.7%	Large Cap 5.5%	Large Cap -37.0%	GTAA 20.1%	GTAA 9.8%	Small Cap -4.2%	GTAA 10.9%	HY 7.4%	HY 2.5%	Mid Cap -2.4%	GTAA 5.6%
Int'l -14.2%	Large Cap -11.9%	Small Cap -20.5%	RE 9.1%	HFoF 6.9%	HY 2.7%	HFoF 10.4%	SD HY 3.9%	Mid Cap -41.5%	HFoF 11.5%	Int'l 7.8%	HFoF -5.7%	SD HY 10.2%	SD HY 5.6%	SD HY 1.9%	Small Cap -4.4%	Fx Inc 2.7%
EM Equity -30.8%	Int'l -21.5%	Large Cap -22.1%	Fx Inc 4.1%	Fx Inc 4.3%	Fx Inc 2.4%	SD HY 9.9%	HY 2.2%	Int'l -43.4%	Fx Inc 5.9%	Fx Inc 6.5%	Int'l -12.1%	HFoF 4.8%	Fx Inc -2.0%	EM Equity -2.2%	HY -4.6%	Int'l 1.0%
					SD HY 2.4%	Fx Inc 4.3%	Small Cap -1.6%	EM Equity -53.3%	RE -30.7	HFoF 5.7%	EM Equity -18.4%	Fx Inc 4.2%	EM Equity -2.6%	Int'l -4.9%	EM Equity -14.9%	HFoF 0.7%

Source: NCREIF, Wilshire. Large Cap Equity: S&P 500 Index, Mid Cap Equity: Russell Midcap Index, Small Cap Equity: Russell 2000 Index, International Equity: MSCI EAFE Index, Emerging Markets: MSCI EM Index, Fixed Income: Barclays Aggregate Index, High Yield Fixed Income: Merrill Lynch High Yield Master II Index, Short Duration High Yield Fixed Income: ML High Yield Cash Pay 1-3 Yr BB Index, Real Estate: NCREIF ODCE Equal Weighted Index, Hedge Fund of Funds: HFRI FOF Index, Global Tactical Asset Allocation: 65%MSCI World Equity/35% Citi World Gov't Bond Index. Inception date for the ML High Yield Cash Pay 1-3 Yr BB Index was January 1, 2005. Past performance is not indicative of future returns.

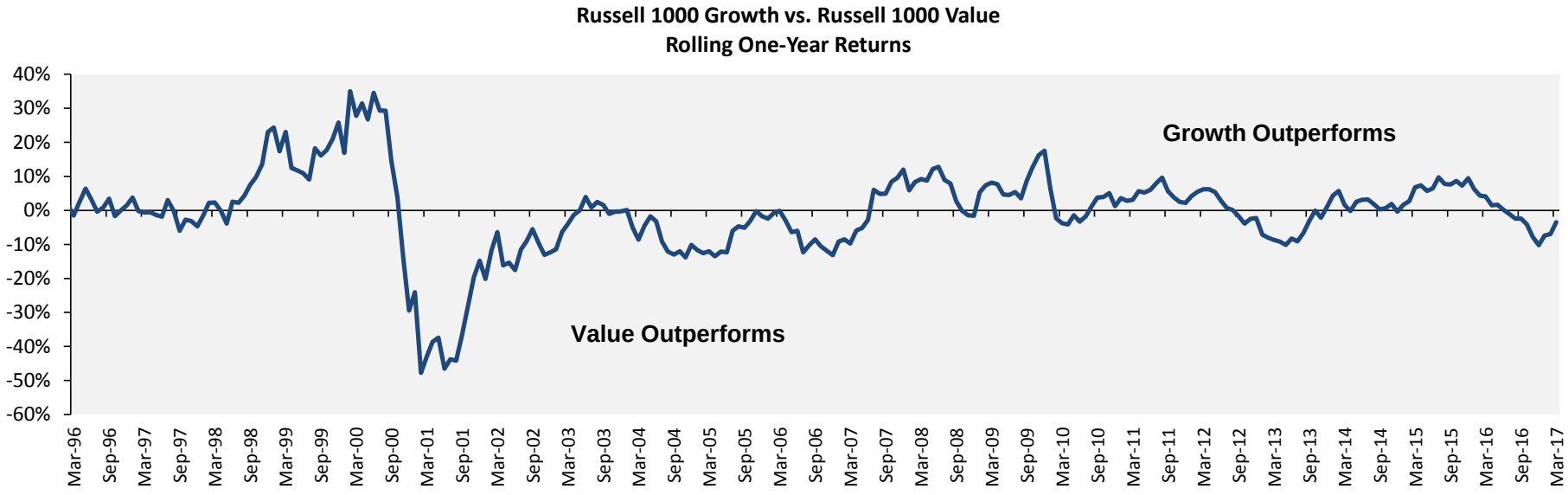
U.S. Equity Market

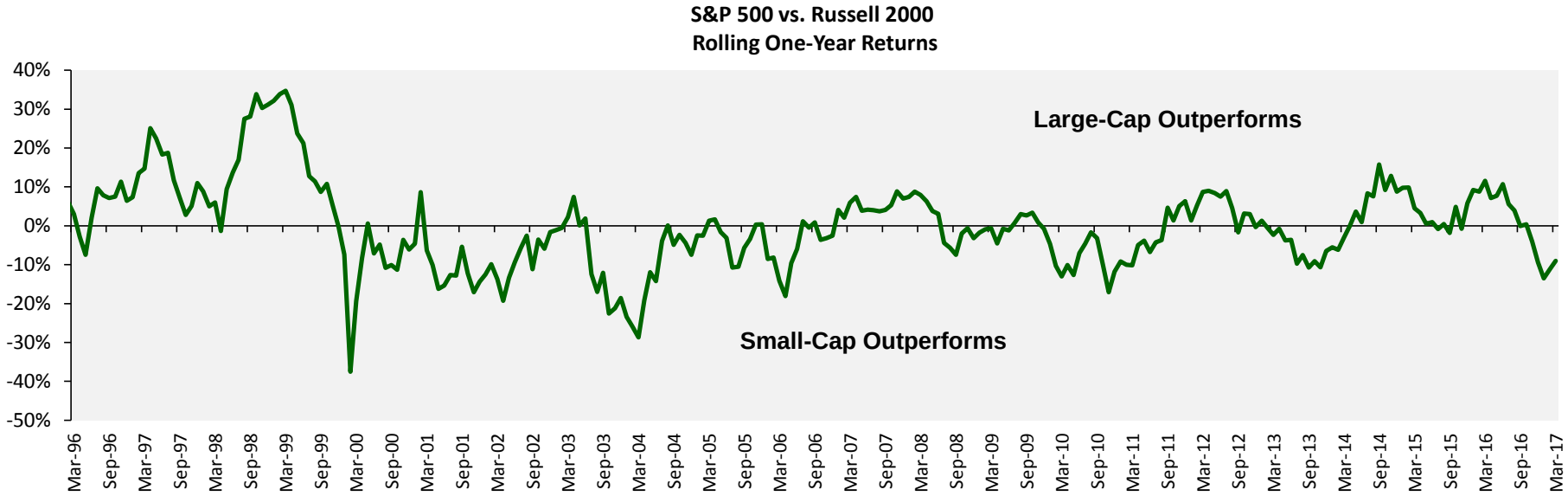
The fundamentals for the US equity market remain strong and that was reflected in the S&P 500 Index moving up 6.1% in the first quarter of 2017. Small cap stocks, which were up significantly last year, posted a 2.5% return for the quarter. In 2016, the value style significantly outperformed the growth style by wide margins, but reversed in the first quarter of 2017 with the Russell 1000 Growth Index returning 8.9% vs. 3.3% for the Russell 1000 Value Index. Small cap has a similar reversal with the Russell 2000 Growth Index up 5.4 vs. -0.1% for the Russell 2000 Value Index. Some market pundits are worried about market valuations with the Price/Earnings Ratio at about 18 times earnings. This is a bit above the long-term averages, but with increased earnings, the market has the potential to grow by 7-9% without any further P/E Ratio expansion. Nonetheless, it is always wise to remember the stock and bond markets move on emotion and frequently ignore fundamentals.

Sector	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	6.1	6.1	12.0	1.4	13.7	32.4	16.0	17.2	10.4	13.3	7.5
	Russell 1000	6.0	6.0	12.1	0.9	13.3	33.1	16.4	17.4	10.0	13.3	7.6
	Russell 1000 Value	3.3	3.3	17.3	-3.8	13.5	32.5	17.5	19.2	8.7	13.1	5.9
	Russell 1000 Growth	8.9	8.9	7.1	5.7	13.1	33.5	15.3	15.8	11.3	13.3	9.1
Mid Cap	Russell Mid-Cap	5.2	5.2	13.8	-2.4	13.2	34.8	17.3	17.0	8.5	13.1	7.9
	Russell Mid-Cap Value	3.8	3.8	20.0	-4.8	14.7	33.5	18.5	19.8	8.9	14.1	7.5
	Russell Mid-Cap Growth	6.9	6.9	7.3	-0.2	11.9	35.8	15.8	14.1	7.9	12.0	8.1
Small Cap	Russell 2000	2.5	2.5	21.3	-4.4	4.9	38.8	16.4	26.2	7.2	12.4	7.1
	Russell 2000 Value	-0.1	-0.1	31.7	-7.5	4.2	34.5	18.1	29.4	7.6	12.5	6.1
	Russell 2000 Growth	5.4	5.4	11.3	-1.4	5.6	43.3	14.6	23.0	6.7	12.1	8.1
Total Market	Wilshire 5000	5.6	5.6	13.4	0.7	12.7	33.1	16.1	18.4	10.0	13.2	7.6
	Russell 3000	5.7	5.7	12.7	0.5	12.6	33.6	16.4	18.1	9.8	13.2	7.5



U.S. Equity Market

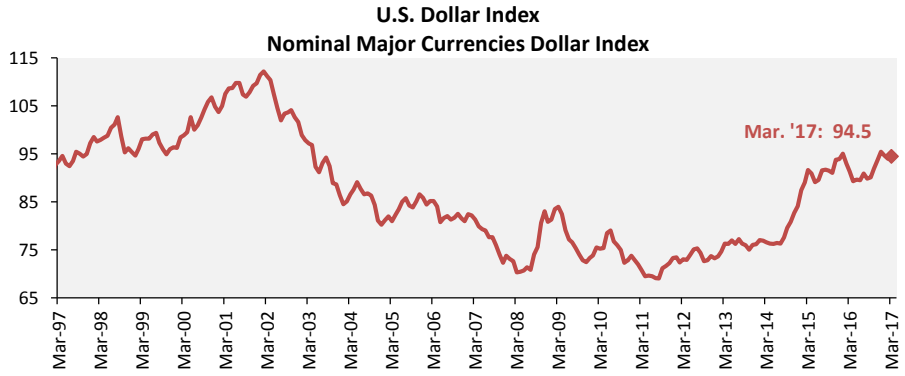


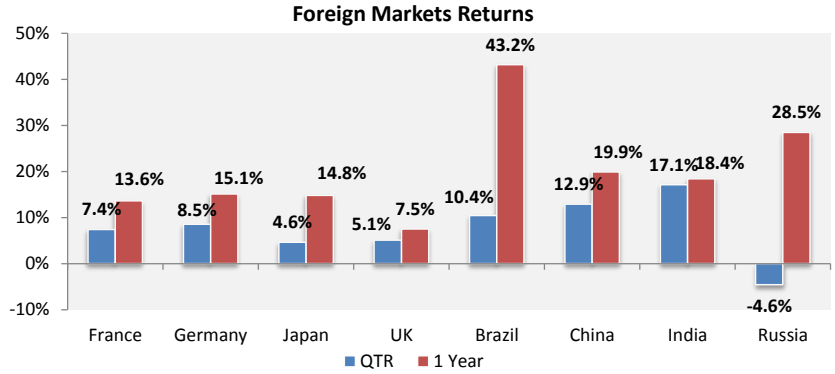


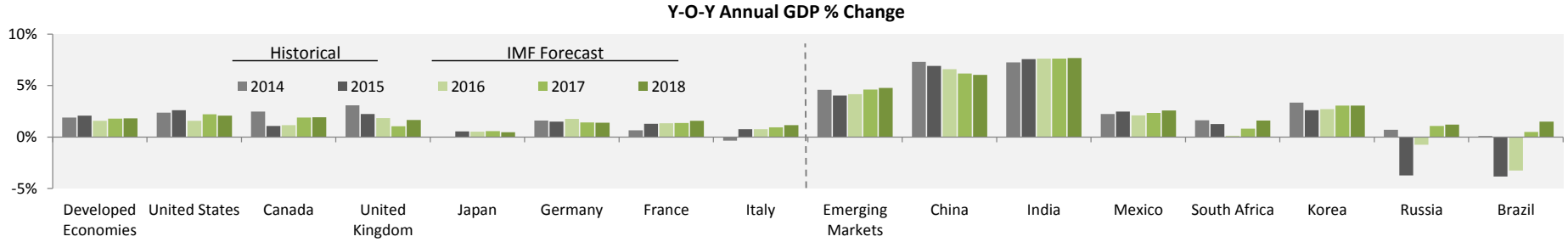
International Equity Market

It appears that Europe and other developed countries have weathered their economic malaise and starting to show material signs of economic recovery in both consumer sentiment and economic indicators. The MSCI EAFE Index was up 7.3% in the first quarter, beating the S&P 500 by a few points. Emerging Markets have also rebounded with the MSCI Emerging Markets Index up 11.4% for the quarter. This is a broad global trend as the Emerging Asia Index was up 13.4% and the Latin American Index was up 12.1%. Emerging Europe was quite mixed. For example, Poland was up 17.7%, but Russia was down 4.6% and Greece down 3.5%.

Sector	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	6.9	6.9	7.9	-2.4	4.2	22.8	16.1	15.0	5.1	8.4	4.0
	MSCI World Small Cap (net)	6.0	6.0	11.6	-1.0	1.8	28.7	18.1	17.5	5.0	9.7	5.7
	MSCI World ex US (net)	7.9	7.9	4.5	-5.7	-3.9	15.3	16.8	13.1	0.6	4.4	1.4
	MSCI World ex US Small Cap (net)	8.8	8.8	3.9	2.6	-4.0	19.7	18.5	12.3	2.5	6.7	3.1
Developed ex US	MSCI EAFE (net)	7.2	7.2	1.0	-0.8	-4.9	22.8	17.3	11.7	0.5	5.8	1.1
	MSCI EAFE Value (net)	6.1	6.1	5.0	-5.7	-5.4	23.0	17.7	16.0	-0.6	5.6	0.1
	MSCI EAFE Growth (net)	8.5	8.5	-3.0	4.1	-4.4	22.6	16.9	7.5	1.5	6.0	2.0
	MSCI EAFE Small Cap (net)	8.0	8.0	2.2	9.6	-5.0	29.3	20.0	11.0	3.6	9.2	3.0
Emerging Markets	MSCI Emerging Markets (net)	11.4	11.4	11.2	-14.9	-2.2	-2.6	18.2	17.2	1.2	0.8	2.7





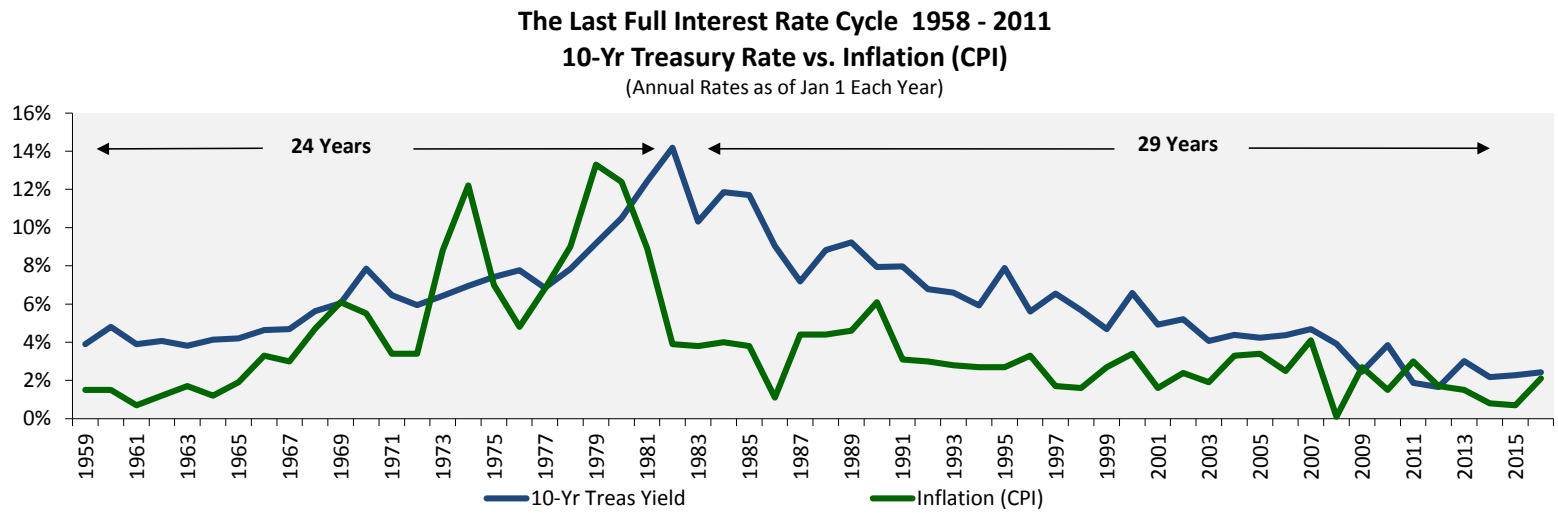


Top left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Top right chart:** Data as of December 31, 2016. **Bottom chart:** Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific. **Source:** International Monetary Fund, World Economic Outlook Database, October 2016.

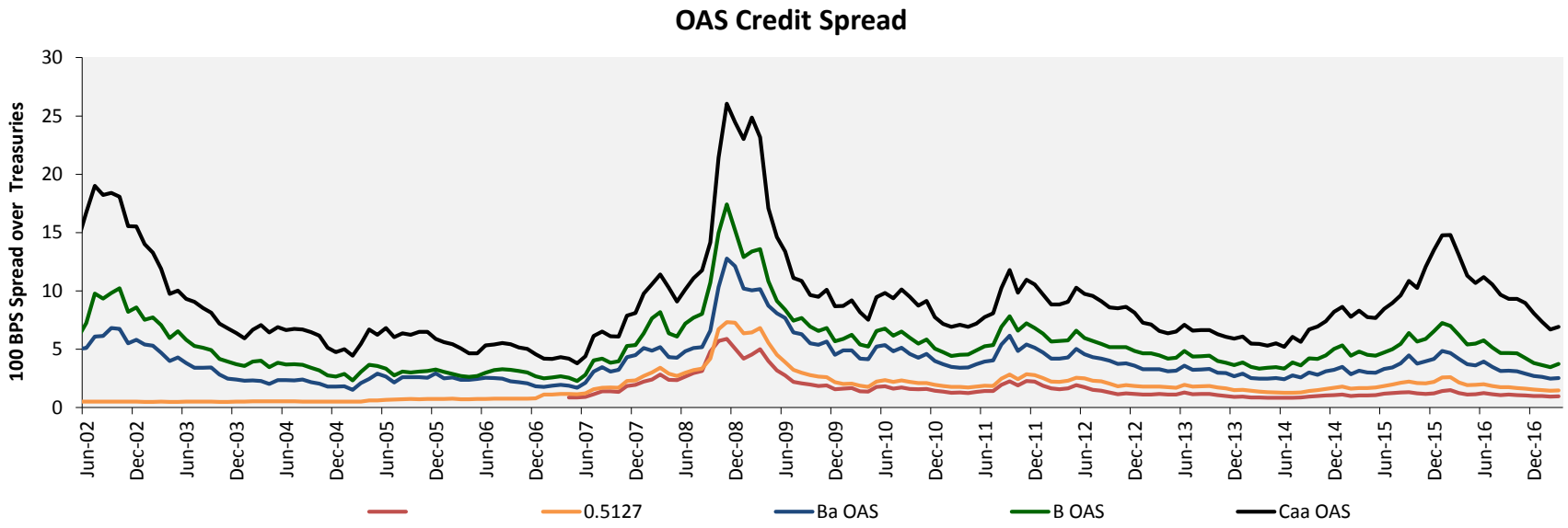
U.S. Bond Market

The Federal Reserve increased the Federal Funds rate by 25 basis points (0.25%) in March. While this increased almost all short-term interest rates by a similar amount, the 5-year Treasury remained unchanged at 1.93% from year-end, but longer term rates actually declined slightly. The 10-year Treasury bond ended the quarter at 2.39% vs. 2.44% at the end of 2016. Interest rate prognosticators are expecting two or three more rate hikes before the end of 2017. Many of the bond indexes had very slight losses in March, but were in positive territory for the quarter. The US Intermediate Govt/Credit Index returned 0.78% for the quarter and the Corporate High Yield Index was up 2.70%. The spread in returns between investment grade and high yield narrowed by 26 basis (0.26%) points during the quarter.

Index	Yield	Duration	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	2.61	6.0	0.8	0.8	2.7	0.6	6.0	-2.0	4.2	0.4	2.7	2.3	4.3
Bloomberg Barclays Govt/Credit	2.49	6.5	1.0	1.0	3.1	0.2	6.0	-2.4	4.8	0.5	2.7	2.5	4.3
Bloomberg Barclays Int Agg	2.38	4.4	0.7	0.7	2.0	1.2	4.1	-1.0	3.6	0.4	2.3	2.0	3.9
Bloomberg Barclays Int Govt/Credit	2.10	4.1	0.8	0.8	2.1	1.1	3.1	-0.9	3.9	0.4	2.0	1.9	3.8
Bloomberg Barclays HY Ba/B 2% IC	5.10	4.2	2.3	2.3	14.1	-2.7	3.5	6.2	15.0	13.0	4.5	6.5	7.1
BofA ML HY Cash Pay BB 1-3 Yr.	3.86	1.7	1.0	1.0	8.5	1.2	1.9	5.6	10.2	7.2	3.8	4.9	6.3
Bloomberg Barclays Mortgage	2.91	5.0	0.5	0.5	1.7	1.5	6.1	-1.4	2.6	0.2	2.7	2.0	4.2
Bloomberg Barclays Treasury	1.91	6.1	0.7	0.7	1.0	0.8	5.1	-2.8	2.0	-1.4	2.1	1.6	3.9
Bloomberg Barclays US TIPS	2.27	5.7	1.3	1.3	4.7	-1.4	3.6	-8.6	7.0	1.5	2.0	1.0	4.2
BofA ML 91 day T-Bills	0.76	0.2	0.1	0.1	0.3	0.1	0.0	0.1	0.1	0.4	0.2	0.1	0.7



Bond Market


OAS Credit Spread
100 BPS Spread over Treasuries
30
25
20
15
10
5
0
Jun-02
Dec-02
Jun-03
Dec-03
Jun-04
Dec-04
Jun-05
Dec-05
Jun-06
Dec-06
Jun-07
Dec-07
Jun-08
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Jun-09
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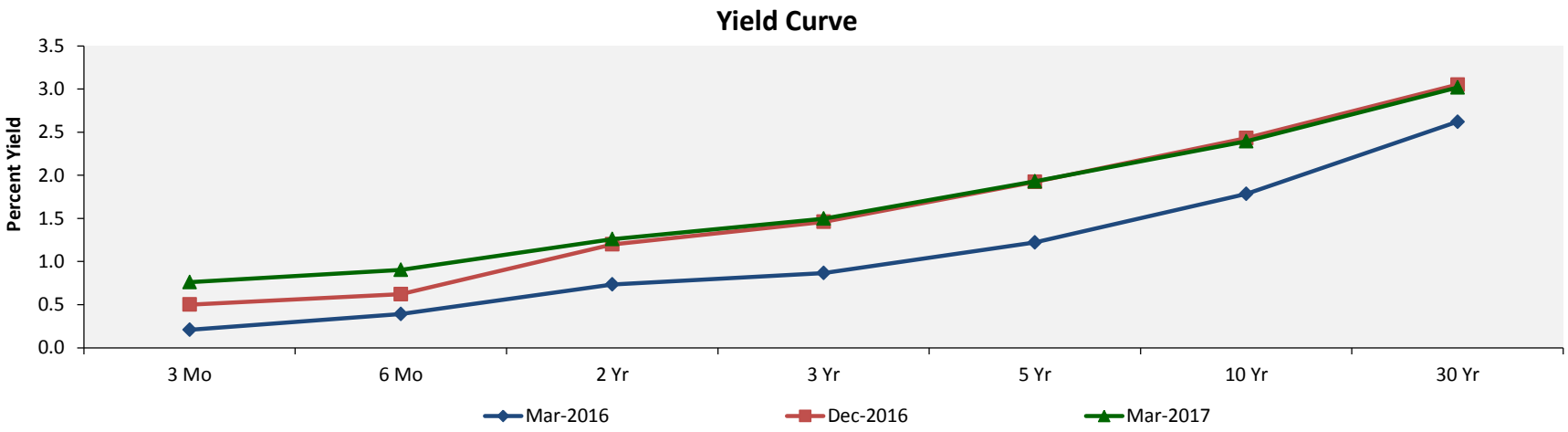
Jun-10
Dec-10
Jun-11
Dec-11
Jun-12
Dec-12
Jun-13
Dec-13
Jun-14
Dec-14
Jun-15
Dec-15
Jun-16
Dec-16
0.5127
Ba OAS
B OAS
Caa OAS


Yield Curve
Percent Yield
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
3 Mo
6 Mo
2 Yr
3 Yr
5 Yr
10 Yr
30 Yr
Mar-2016
Dec-2016
Mar-2017

Interest Rate Sensitivity

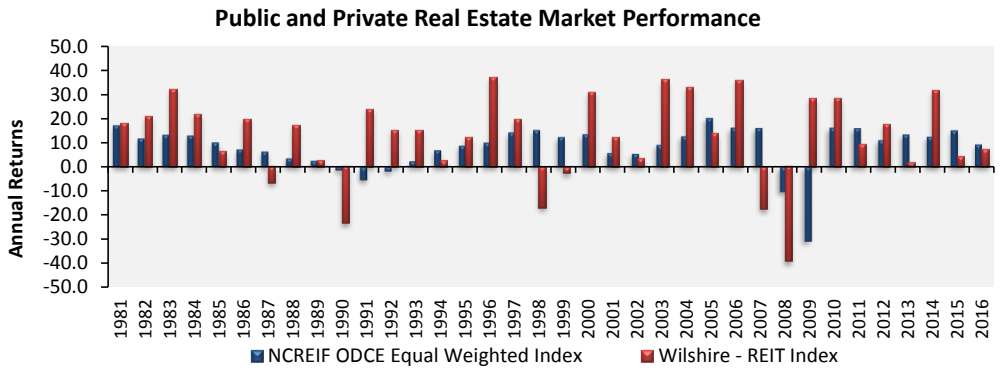
12 Month Holding Period - Annualized Returns as of 3/31/2017							
Yield Change (bps)	10 Year Treasury	Bloomberg Barclays Aggregate US Aggregate	Bloomberg Barclays Int Govt/Credit US Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
-150	15.55	11.81	8.19	11.97	4.35	11.12	6.35
-100	11.16	8.74	6.16	8.81	3.40	9.11	5.52
-50	6.78	5.68	4.13	5.65	2.45	7.10	4.69
-25	4.58	4.14	3.12	4.07	1.98	6.10	4.28
0	2.39	2.61	2.10	2.49	1.50	5.09	3.86
25	0.20	1.08	1.09	0.91	1.03	4.09	3.45
50	-2.00	-0.46	0.07	-0.67	0.55	3.08	3.03
100	-6.38	-3.52	-1.96	-3.83	-0.40	1.07	2.20
150	-10.77	-6.59	-3.99	-6.99	-1.35	-0.94	1.37
200	-15.15	-9.65	-6.02	-10.15	-2.30	-2.95	0.54
250	-19.54	-12.72	-8.05	-13.31	-3.25	-4.96	-0.29
300	-23.92	-15.78	-10.08	-16.47	-4.20	-6.97	-1.12
350	-28.31	-18.85	-12.11	-19.63	-5.15	-8.98	-1.95
400	-32.69	-21.91	-14.14	-22.79	-6.10	-10.99	-2.78
450	-37.08	-24.98	-16.17	-25.95	-7.05	-13.00	-3.61
500	-41.46	-28.04	-18.20	-29.11	-8.00	-15.01	-4.44
Duration	8.77	6.13	4.06	6.32	1.90	4.02	1.66

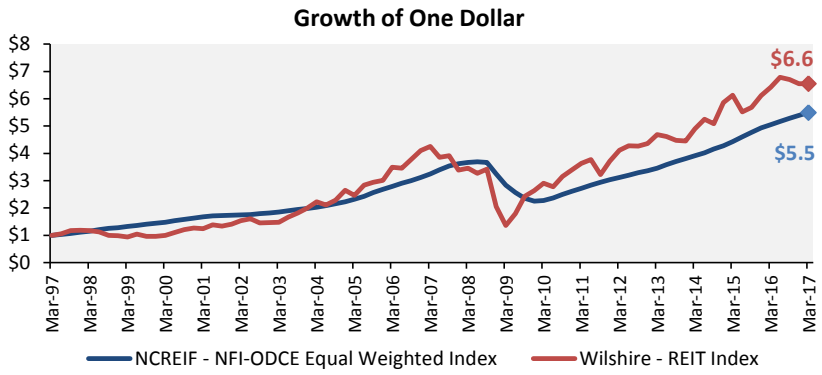
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2016 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as of 12/31/2016 multiplied by the percentage point change in the yield curve (basis point change divided by 100) and then appropriately adding or subtracting this implied percentage change in the value of the index (due to the shift in the yield curve) to the base case annualized return. This is a rough approximation of the annual return sensitivity to parallel shifts in the yield curve. **SOURCE:** PENN Capital Internal Research.

Real Estate Market

With the fuel of lower cap rates spent, total returns will depend upon Net Operating Income growth that is driven by the growth of rents. This will be one of the keys for the foreseeable future. Fortunately, the outlook for rent growth is positive. The hottest area is warehousing (Amazon effect), followed by office, retail and apartments. The vacancy rate for warehousing is 8.4%, the lowest since 2000 as reported by CBRE. However, apartment supply is weighing on the market and impacting rents. Over all property types, the occupancy rate is at a 15 year high. Rents in 2017-2018 will also be positively impacted by leases up for renewal with rents coming up to current rates. The environment is favorable for NOI growth. Forecasts of 5-6% are typical for 2017 and 2018 but can vary by manager.

Sector	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	1.8	1.8	9.3	15.2	12.4	13.3	11.0	8.6	12.0	12.0	5.4
US Public	Wilshire REIT	0.0	0.0	7.2	4.2	31.8	1.9	17.6	2.0	10.2	9.8	4.4



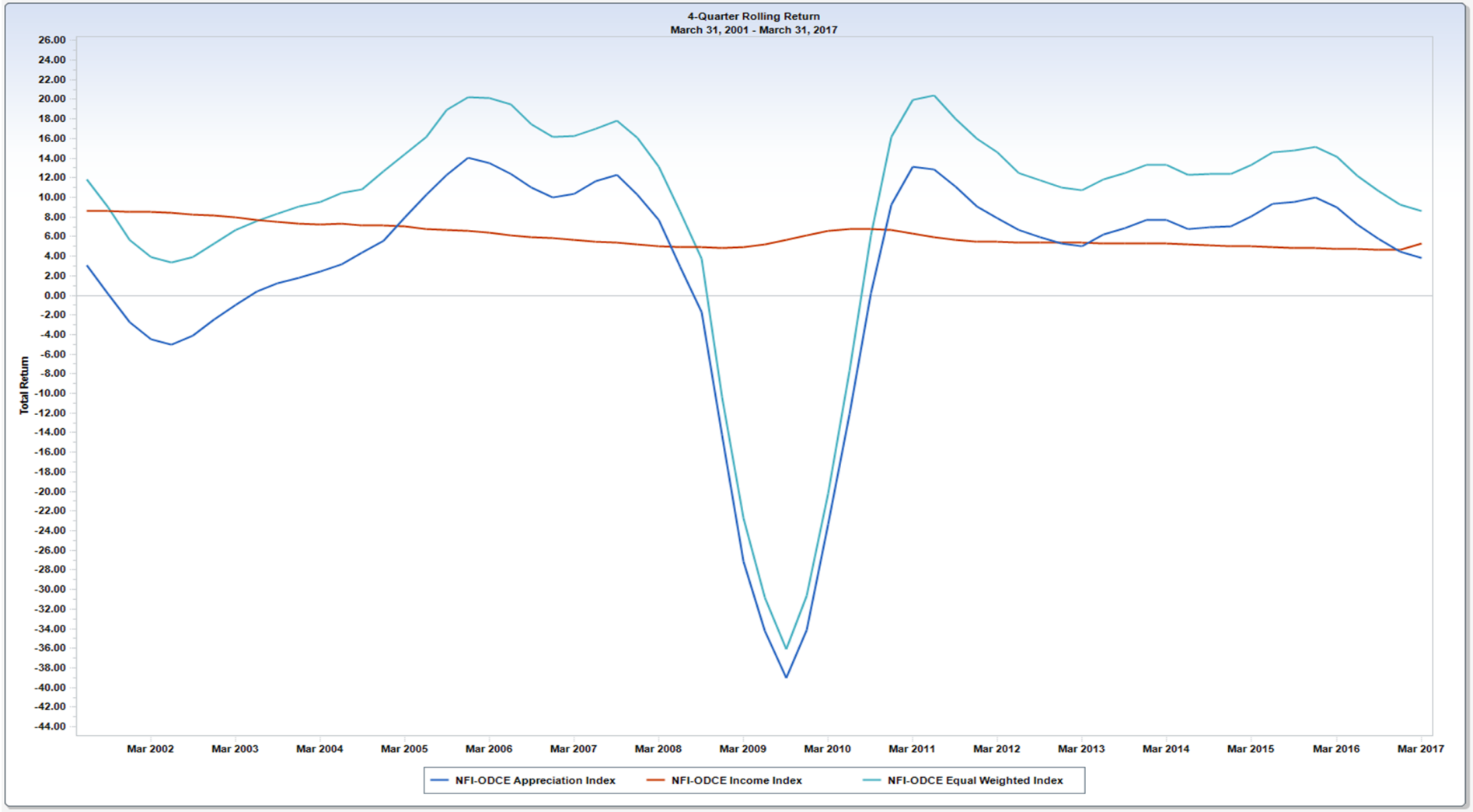


	Total return (incl. income) 2016	Total return (incl. income) 2017	Total return (incl. income) 2018	Total return (incl. income) 2016 to 2020 (per year)
National, All Property Types (NPI)	8.3	6.9	5.7	6.4
Office	7.1	6.6	5.5	5.9
Retail	9.4	7.0	5.8	6.9
Industrial	10.9	7.8	6.4	7.3
Apartment	7.6	6.7	5.6	6.1

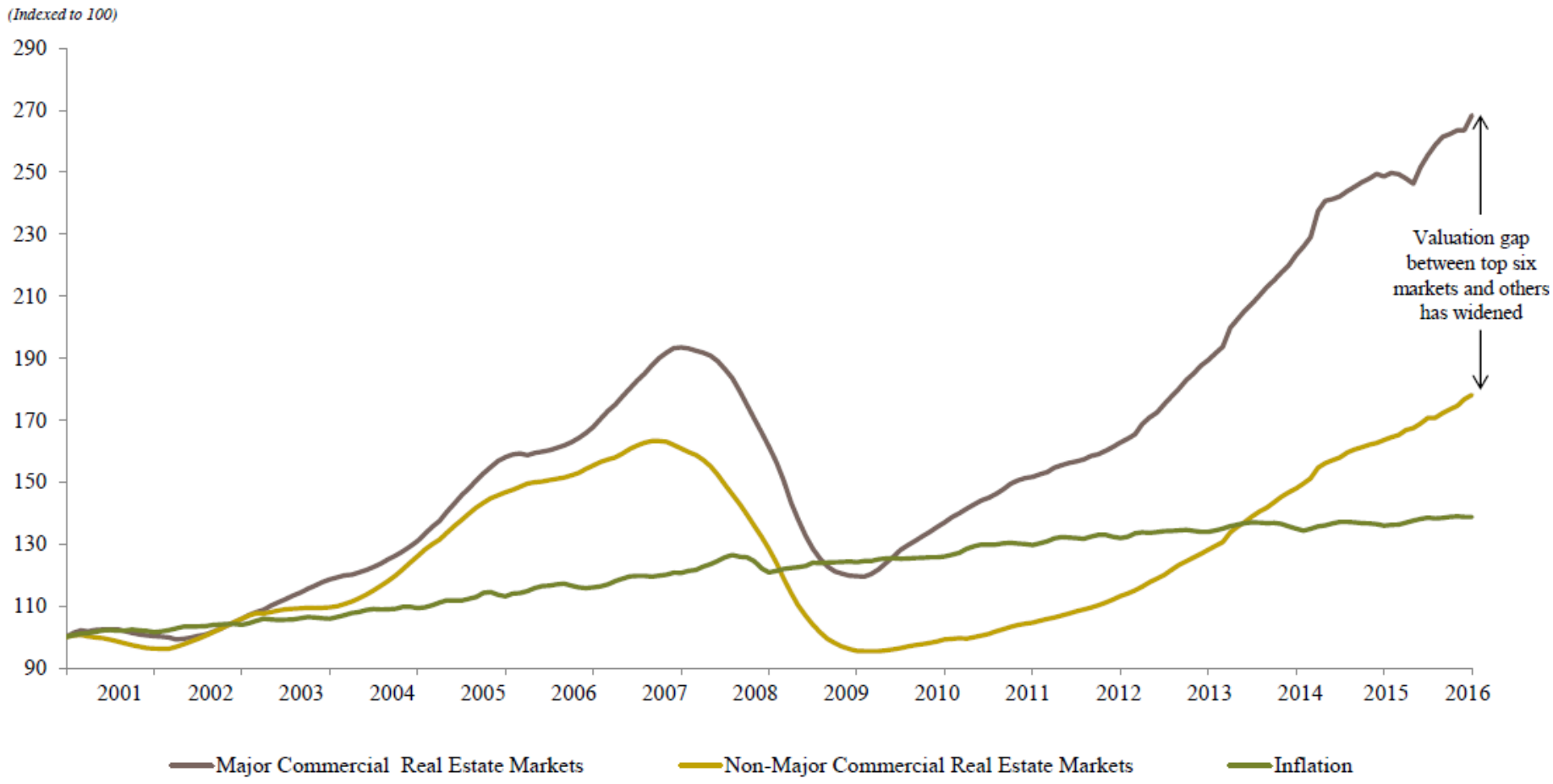
Bottom chart: Average of respondents' forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NCREIF Property Index Q4 2016.

Real Estate Market

The chart below shows the trend of recent quarters indicating the expected slowdown from the torrid pace of recent years. Most sectors of the institutional real estate market are viewed as fully priced but especially in the gateway markets of New York, San Francisco and Boston. The income stream of real estate has adjusted to the low interest rate environment although spreads against 10-Year Treasury are near historical norms. However, the income rate of return has declined from the 8% level when IPS first focused on real estate as an asset class in the late 1990's to 4½% today.



Real Estate Market

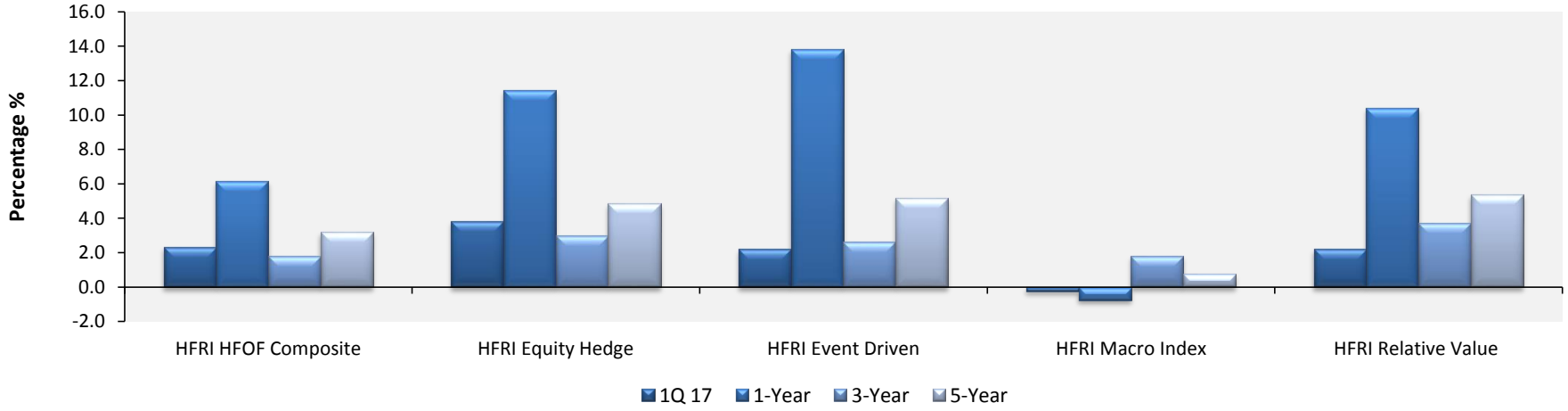


Hedge Fund of Funds Market

Hedge funds are off to a relatively good start in 2017. With a strong first quarter of 2017 and the relatively poor first quarter of 2016 rolling off the past 12-month period, the return of the HFRI Fund of Funds Index for the past year stands at 6.2%, a significant increase from the 0.5% return for the 12-month period ended December 2016. The solid first quarter is not enough to move the needle on longer-term results for the index, but is another step in the right direction for an asset class that has encountered a difficult environment for success in recent years. The historically negative correlation between hedge funds and investment grade bonds appears to be adding value as interest rates began to climb in the latter half of 2016. Over the past six months ended March 2017, the Bloomberg Barclays Aggregate declined by more than 2%, while the HFRI Fund of Funds Composite rose nearly 3% over the same period. Aside from global macro, most broad hedge fund strategies yielded positive returns during the first quarter of 2017. Hedged equity strategies were the strongest performer, benefiting from rising equity markets globally (particularly in international and emerging markets) and declining stock correlations. Increasing dispersion among fixed income securities has also created opportunities for relative value fixed income managers, and the HFRI Relative Value Index rose 2.2% during the quarter. In general, hedge fund managers should continue to benefit from a rising interest rate environment, modest increases in equity volatility and lower correlations / heightened levels of dispersion between securities.

Strategy	Index	1Q 17	YTD	2016	2015	2014	2013	2012	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	2.3	2.3	0.5	-0.3	3.4	9.0	4.8	6.2	1.8	3.2	1.2
Equity Long-Short	HFRI Equity Hedge	3.8	3.8	5.5	-1.0	1.8	14.3	7.4	11.5	3.0	4.9	3.0
Event Driven	HFRI Event Driven	2.2	2.2	10.6	-3.6	1.1	12.5	8.9	13.8	2.6	5.2	3.9
Global Macro	HFRI Macro Index	-0.2	-0.2	1.0	-1.3	5.6	-0.4	-0.1	-0.8	1.8	0.8	2.7
Relative Value	HFRI Relative Value	2.2	2.2	7.7	-0.3	4.0	7.1	10.6	10.4	3.7	5.4	5.1

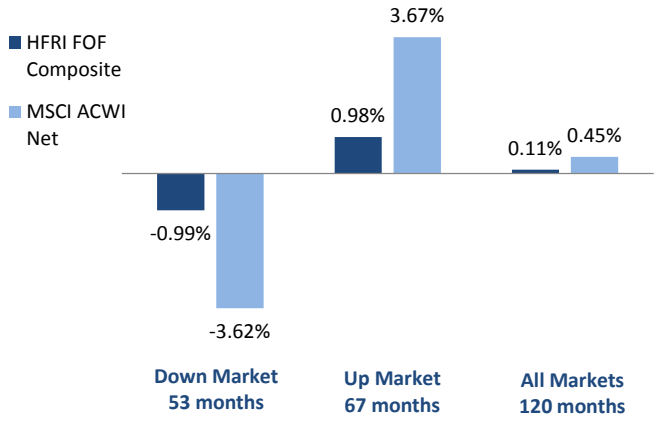
Hedge Fund Strategy Performance



Hedge Fund of Funds Market

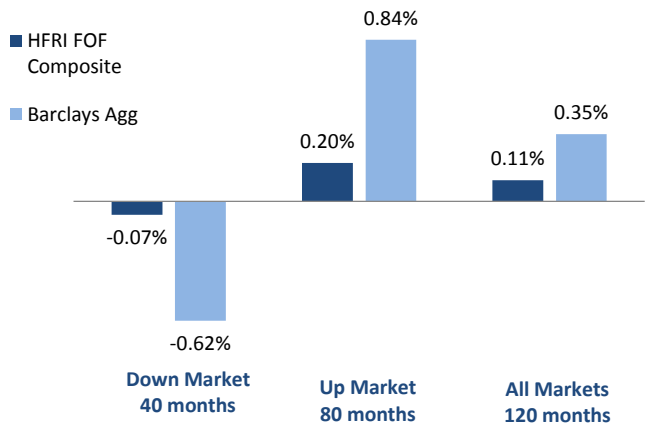
Up/Down Capture vs. Equity

Average Returns
April 2007 - March 2017



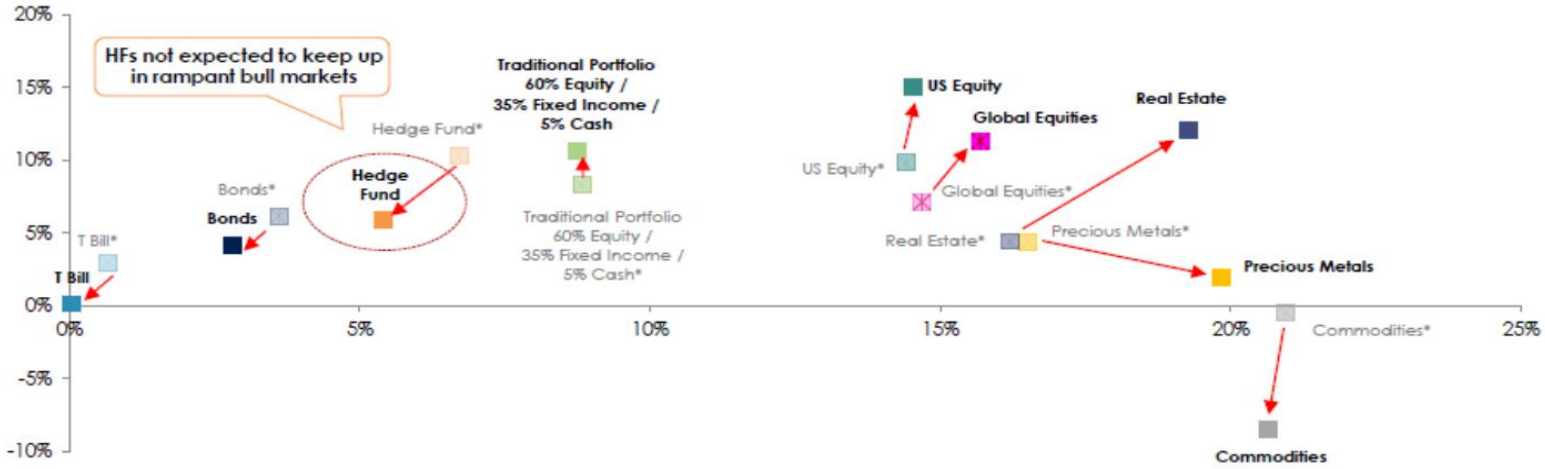
Up/Down Capture vs. Bonds

Average Returns
April 2007 - March 2017



Comparison of Long-Term vs. Post Financial Crisis Asset Class Performance

***Represents asset class performance from Jan 1991 - Dec 2015 vs. Jan 2009 - Dec 2015**



Source: Corbin Capital Partners

FELRA And UFCW Pension Fund

Master Consulting Services Report

Period Ended

March 31, 2017

Total Plan Growth of Assets

Summary of Cash Flows

	First Quarter	One Year	Three Years	Five Years	Seven Years	Ten Years
Beginning Market Value	$367,162,534	$419,717,085	$583,463,445	$633,428,386	$674,350,747	$1,022,480,857
Net Cash Flow	-$26,515,622	-$105,886,182	-$304,288,654	-$476,155,681	-$620,731,858	-$878,913,659
Net Investment Change	$12,921,698	$39,737,706	$74,393,818	$196,295,904	$299,949,721	$210,001,412
Ending Market Value	$353,568,610	$353,568,610	$353,568,610	$353,568,610	$353,568,610	$353,568,610

- The present assumed actuarial rate as determined by the plan actuary is 8.0%.
- The Fund's fiscal year end is 12/31.

Total Plan Performance (Gross of Fees) - Annualized

			Ending March 31, 2017					
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**$353,568,610**	**100.0%**	**3.7%**	**11.5%**	**6.3%**	**8.2%**	**8.3%**	**4.9%**
Benchmark			*4.1%*	*9.7%*	*5.9%*	*7.9%*	*8.1%*	*4.8%*
Total Fund Domestic Equity	**$95,547,597**	**27.0%**	**5.3%**	**18.5%**	**9.1%**	**12.2%**	**12.3%**	**6.8%**
S&P 500			*6.1%*	*17.2%*	*10.4%*	*13.3%*	*12.9%*	*7.5%*
Russell 2000			*2.5%*	*26.2%*	*7.2%*	*12.4%*	*12.3%*	*7.1%*
Total Fund International Equity	**$13,899,989**	**3.9%**	**7.3%**	**13.0%**	**1.3%**	**6.5%**	**5.1%**	**2.2%**
MSCI EAFE			*7.2%*	*11.7%*	*0.5%*	*5.8%*	*4.7%*	*1.1%*
Total Investment Grade Fixed Income	**$5,874,895**	**1.7%**	**0.8%**	**0.7%**	**2.3%**	**2.5%**	**4.0%**	**--**
Custom Benchmark Fixed Income			*0.8%*	*0.4%*	*2.0%*	*1.8%*	*3.1%*	*--*
Total Short Duration High Yield Fixed Income	**$4,497,619**	**1.3%**	**1.2%**	**7.7%**	**3.1%**	**5.1%**	**6.5%**	**--**
Custom Benchmark			*1.0%*	*7.2%*	*3.8%*	*5.3%*	*6.6%*	*--*
Total Fund Global Bond	**$31,631,072**	**8.9%**	**4.3%**	**10.4%**	**--**	**--**	**--**	**--**
Total Fund Real Estate	**$80,202,517**	**22.7%**	**1.9%**	**8.4%**	**11.4%**	**12.3%**	**13.6%**	**5.8%**
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.0%*	*13.5%*	*5.4%*
Total Fund Hedge Fund of Funds	**$55,496,101**	**15.7%**	**1.1%**	**5.3%**	**0.4%**	**3.6%**	**2.8%**	**1.6%**
HFRI Fund of Funds Composite Index			*2.4%*	*6.2%*	*1.8%*	*3.2%*	*2.5%*	*1.2%*
Total Fund GTAA	**$65,178,278**	**18.4%**	**5.6%**	**13.7%**	**5.7%**	**6.7%**	**6.5%**	**--**
65% MSCI World Index/35% CitigroupWGBI			*4.7%*	*8.1%*	*3.3%*	*5.9%*	*6.2%*	*4.1%*
Total Fund Cash	**$1,240,541**	**0.4%**	**0.1%**	**0.4%**	**0.2%**	**0.2%**	**0.1%**	**--**

	Fiscal Year Ends 12/31										
	Fiscal YTD	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Fund	**3.7%**	**8.1%**	**3.0%**	**6.0%**	**14.9%**	**12.5%**	**0.6%**	**13.6%**	**12.5%**	**-25.0%**	**8.3%**
Benchmark	*4.1%*	*7.3%*	*2.1%*	*5.8%*	*16.3%*	*11.5%*	*1.1%*	*12.6%*	*13.9%*	*-25.5%*	*8.2%*

Allocation vs. Targets and Policy

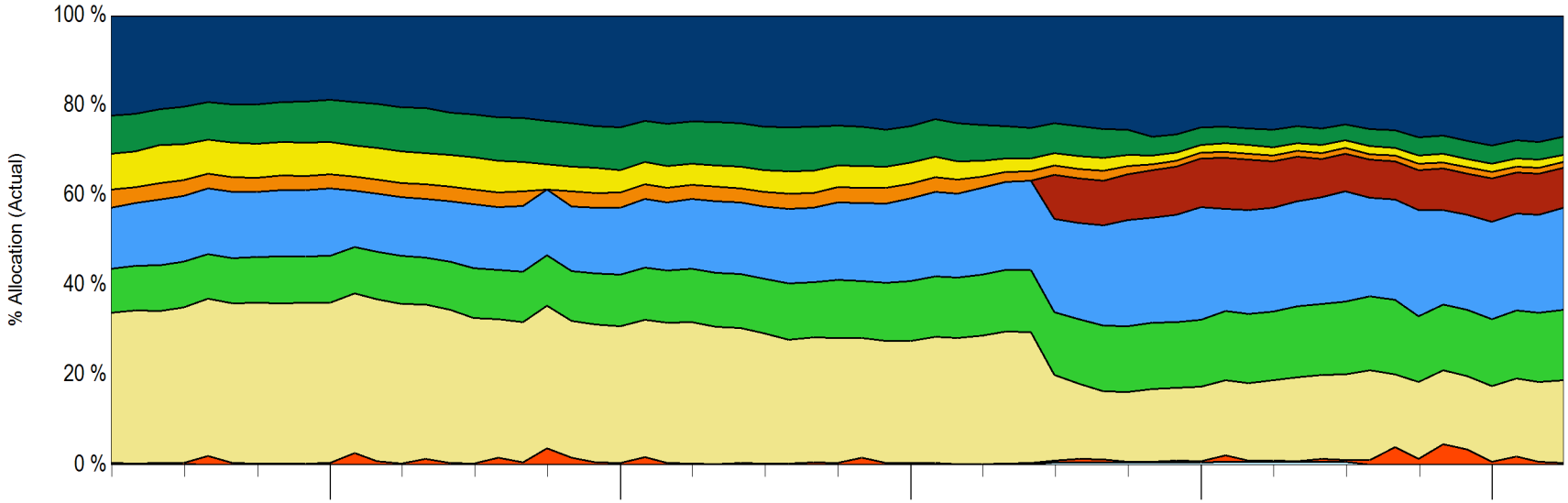
	Current Balance	Current Allocation
Domestic Equity	$95,547,597	27.0%
International Equities	$8,658,699	2.4%
Emerging Markets Equity	$5,241,290	1.5%
Investment Grade Fixed Income	$5,874,895	1.7%
Global Bonds	$31,631,072	8.9%
High Yield Fixed Income	$4,497,619	1.3%
Real Estate	$80,202,517	22.7%
Hedge Fund of Funds	$55,496,101	15.7%
Global Tactical Asset Allocation	$65,178,278	18.4%
Cash	$1,240,541	0.4%
Total	**$353,568,610**	**100.0%**

Asset Allocation

- At the June 10, 2013 meeting, an asset allocation and glide path review was presented and discussed. The Policy Committee approved new asset allocation targets of 30% US equity, 5% non US equity, 5% emerging market equity, 5% investment grade bonds, 10% global bonds, 4.5% short duration high yield bonds, 15% real estate, 10% HFOF, 10% GTAA, 5% risk parity, and 0.5% cash. A summary information (handout) for details on the transition process was distributed.
- At the April 28, 2014 meeting, a GTAA manager search was reviewed and manager presentations were heard. The Trustees elected to retain First Eagle for 2/3 of the GTAA assets (approximately $58M). Wellington (existing GTAA manager) will retain 1/3 of the GTAA assets (approximately $30M). On September 30, 2014, First Eagle was funded with $30M from Wellington. On September 30, 2014, $28M was transferred to First Eagle from the termination of Windhaven.
- At the April 28, 2014 meeting, an asset allocation and glide path review was presented and discussed. The Policy Committee approved new asset allocation targets of 30% US equity, 5% non US equity, 5% emerging market equity, 5% investment grade bonds, 10% global bonds, 4.5% short duration high yield bonds, 15% real estate, 10% HFOF, 15% GTAA, and 0.5% cash.
- At the May 7, 2014 teleconference meeting, a global fixed income manager search was reviewed and manager presentations were heard. The Trustees elected to retain Franklin Templeton for the 10% allocation to global fixed income. Funding will be from reallocation of assets related to GTAA manager changes and the elimination of risk parity. On June 12, 2015, Franklin Templeton was funded with $50M from termination of AQR and Putnam (GTAA managers).
- An asset allocation review and glide path presentation were provided for the April 10, 2015 Policy Committee meeting.
- In July and August 2015, $20M was transferred from GTAA managers (First Eagle and Wellington) to PNC STIF account ($14M) for cash needs and to equity (Vanguard Total Stock Fund) ($6M) for rebalancing.
- A redemption request for $15M was submitted to JP Morgan (real estate) effective December 31, 2015. Quarterly income will be distributed effective December 31, 2015.
- A draft of an asset allocation review and glide path presentation was included in the materials distributed at the April 27, 2016 meeting.
- A redemption request has been submitted to real estate manager JP Morgan ($20M) effective June 30, 2016. The following was received and used for cash needs: July 2016 - $10.9M, October 2016 - $10.7M.
- On August 3, 2016, a draft asset allocation review and glide path update was emailed to the Fund Administrator and Co-Counsel. The asset allocation/Glide Path with supplemental information was included in the materials with 3Q 2016 MCS report. The Trustees agreed with partial redemption requests which have since been submitted to HFoF managers EnTrust ($5M) and Mesirow ($6M) effective September 30, 2016. Proceeds were received in October and November 2016. The other recommendations were not approved at that time.
- At the January 26, 2017 meeting, an updated draft of the asset allocation/Glide Path was distributed and reviewed. IPS recommended: 1) Eliminate the HFoF investments with Entrust and Mesirow as soon as possible; 2) Submit a redemption schedule to JPM real estate to fully liquidate by 12/31/18. Rebalance to the 15% target ASAP, to 10% at 12/31/17, and fully redeem by 12/31/18. Recommendations were not approved at that time. Additional cash flow analysis and asset allocation information was sent to the Administrator and co-counsel. Trustees elected to eliminate the asset allocation targets and ranges to reflect the ongoing liquidation of the Fund's assets. The effective date is January 1, 2017.
- On March 5, 2017, IPS sent a follow-up memo to the Board of Trustees regarding cash flow analysis and what order the Fund's portfolios should be liquidated so there is sufficient cash to pay benefits and administrative expenses.
- An asset allocation and glide path review will be presented at the May 31, 2017 meeting.

Recommendation: Rebalance based on asset allocation decisions.

Asset Allocation History
5 Years Ending March 31, 2017



	2012			2013				2014				2015				2016				
Total Fund Domestic Equity	20.3	19.8	18.7	20.5	22.0	23.4	24.9	23.5	24.7	24.5	24.6	24.4	24.0	25.4	24.9	25.4	24.2	27.0	28.9	27.0
Total Fund International Equity	8.4	8.7	9.5	9.7	9.5	9.7	9.4	9.4	9.7	8.8	8.1	8.0	6.7	5.6	3.8	3.9	3.6	4.1	4.1	3.9
Total Investment Grade Fixed Income	8.0	7.5	7.1	7.0	7.2	5.6	5.0	4.7	4.8	4.8	4.7	3.5	2.8	2.5	1.8	1.8	1.7	1.9	1.9	1.7
Total Short Duration High Yield Fixed Income	3.5	3.2	3.1	3.2	3.3	0.0	3.4	3.2	3.3	3.4	3.3	2.5	2.0	1.8	1.3	1.3	1.3	1.4	1.4	1.3
Total Fund Global Bond	--	--	--	--	--	--	--	--	--	--	--	--	9.8	10.3	10.8	10.3	8.4	8.9	9.7	8.9
Total Fund Real Estate	14.7	14.5	15.0	13.1	14.2	14.6	14.9	15.5	16.1	17.4	18.4	19.3	20.7	23.5	25.1	23.1	24.5	23.7	21.7	22.7
Total Fund Hedge Fund of Funds	10.1	10.2	10.5	10.7	11.2	11.2	11.5	11.9	12.2	12.8	13.2	13.7	14.1	14.8	15.0	15.3	16.2	14.6	15.0	15.7
Total Fund GTAA	34.6	35.8	35.8	35.5	32.4	31.8	30.5	31.5	28.9	27.8	27.3	28.5	19.0	15.4	16.6	17.9	19.2	17.1	16.9	18.4
Total Fund Cash	0.3	0.2	0.3	0.2	0.2	3.6	0.3	0.2	0.3	0.4	0.4	0.2	0.5	0.2	0.2	0.3	0.4	1.3	0.6	0.4
Total Fund Special Investments	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
zzTotal Fund Other	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.6	0.6	--	--	--

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending March 31, 2017						Inception	
			2017 Q1	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Fund	**$353,568,610**	**100.0%**	**3.7%**	**11.5%**	**6.3%**	**8.2%**	**8.3%**	**4.9%**	**6.4%**	**Jan-97**
Benchmark			*4.1%*	*9.7%*	*5.9%*	*7.9%*	*8.1%*	*4.8%*	*6.7%*	*Jan-97*
Total Fund Domestic Equity	**$95,547,597**	**27.0%**	**5.3%**	**18.5%**	**9.1%**	**12.2%**	**12.3%**	**6.8%**	**7.3%**	**Jul-97**
S&P 500			*6.1%*	*17.2%*	*10.4%*	*13.3%*	*12.9%*	*7.5%*	*7.1%*	*Jul-97*
Russell 2000			*2.5%*	*26.2%*	*7.2%*	*12.4%*	*12.3%*	*7.1%*	*8.0%*	*Jul-97*
Wedge Capital Management	$29,623,736	8.4%	4.1%	18.8%	9.1%	12.8%	13.2%	6.8%	8.5%	Jan-05
Russell 1000 Value			*3.3%*	*19.2%*	*8.7%*	*13.1%*	*12.2%*	*5.9%*	*7.3%*	*Jan-05*
Vanguard Total Stock Mkt Idx Fund	$65,923,861	18.6%	5.8%	18.4%	--	--	--	--	9.6%	May-14
CRSP US Total Market TR USD			*5.8%*	*18.1%*	--	--	--	--	*9.4%*	*May-14*
Total Fund International Equity	**$13,899,989**	**3.9%**	**7.3%**	**13.0%**	**1.3%**	**6.5%**	**5.1%**	**2.2%**	**4.8%**	**Apr-97**
MSCI EAFE			*7.2%*	*11.7%*	*0.5%*	*5.8%*	*4.7%*	*1.1%*	*4.6%*	*Apr-97*
Gryphon International Investment	$8,658,699	2.4%	5.1%	10.2%	1.1%	6.0%	5.3%	3.6%	5.9%	Jan-05
MSCI EAFE			*7.2%*	*11.7%*	*0.5%*	*5.8%*	*4.7%*	*1.1%*	*4.2%*	*Jan-05*
MSCI EAFE Growth			*8.5%*	*7.4%*	*1.5%*	*6.0%*	*5.5%*	*2.0%*	*4.8%*	*Jan-05*
Vanguard Emerging Mkts Stock Lx Inst	$5,241,290	1.5%	11.1%	18.0%	--	--	--	--	1.1%	May-14
FTSE Emerging Markets			*10.2%*	*18.0%*	--	--	--	--	*1.2%*	*May-14*
Total Investment Grade Fixed Income	**$5,874,895**	**1.7%**	**0.8%**	**0.7%**	**2.3%**	**2.5%**	**4.0%**	**--**	**3.6%**	**Jun-07**
Custom Benchmark Fixed Income			*0.8%*	*0.4%*	*2.0%*	*1.8%*	*3.1%*	--	*4.1%*	*Jun-07*
Segall Bryant & Hamill	$5,874,895	1.7%	0.8%	0.7%	2.3%	2.1%	3.4%	--	4.2%	Jan-09
Custom Benchmark Segall			*0.8%*	*0.4%*	*2.0%*	*1.8%*	*3.1%*	--	*3.5%*	*Jan-09*

Performance Summary (Gross of Fees) - Annualized

			Ending March 31, 2017						Inception	
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Short Duration High Yield Fixed Income	**$4,497,619**	**1.3%**	**1.2%**	**7.7%**	**3.1%**	**5.1%**	**6.5%**	**--**	**6.5%**	**Jun-07**
Custom Benchmark			*1.0%*	*7.2%*	*3.8%*	*5.3%*	*6.6%*	--	*6.1%*	*Jun-07*
Chartwell Short Duration High Yield	$4,497,619	1.3%	1.2%	7.7%	3.1%	--	--	--	3.6%	Oct-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*3.8%*	--	--	--	*4.1%*	*Oct-13*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.3%*	*7.3%*	*3.9%*	--	--	--	*4.0%*	*Oct-13*
Total Fund Global Bond	**$31,631,072**	**8.9%**	**4.3%**	**10.4%**	**--**	**--**	**--**	**--**	**4.0%**	**Jun-15**
Franklin Templeton Global Bond Plus Trust	$31,631,072	8.9%	4.3%	10.4%	--	--	--	--	4.0%	Jun-15
Total Fund Real Estate	**$80,202,517**	**22.7%**	**1.9%**	**8.4%**	**11.4%**	**12.3%**	**13.6%**	**5.8%**	**8.4%**	**Oct-03**
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.0%*	*13.5%*	*5.4%*	*8.0%*	*Oct-03*
JP Morgan Real Estate Strategic Property - Core Investments	$80,202,517	22.7%	1.9%	8.4%	11.4%	12.3%	13.4%	6.3%	9.1%	Oct-03
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.0%*	*13.5%*	*5.4%*	*8.0%*	*Oct-03*
Total Fund Hedge Fund of Funds	**$55,496,101**	**15.7%**	**1.1%**	**5.3%**	**0.4%**	**3.6%**	**2.8%**	**1.6%**	**2.9%**	**Apr-04**
HFRI Fund of Funds Composite Index			*2.4%*	*6.2%*	*1.8%*	*3.2%*	*2.5%*	*1.2%*	*2.8%*	*Apr-04*
Entrust Capital Diversified Fund QP Ltd	$26,791,201	7.6%	1.1%	4.7%	-1.4%	2.9%	--	--	2.3%	Jan-11
HFRI Fund of Funds Composite Index			*2.4%*	*6.2%*	*1.8%*	*3.2%*	--	--	*2.2%*	*Jan-11*
T-Bills + 5%			*1.4%*	*5.4%*	*5.2%*	*5.1%*	--	--	*5.1%*	*Jan-11*
Mesirow Institutional Multi-Strategy Fund, L.P.	$27,935,595	7.9%	1.0%	5.6%	1.5%	3.9%	--	--	3.0%	Apr-11
HFRI Fund of Funds Composite Index			*2.4%*	*6.2%*	*1.8%*	*3.2%*	--	--	*2.1%*	*Apr-11*
T-Bills + 5%			*1.4%*	*5.4%*	*5.2%*	*5.1%*	--	--	*5.1%*	*Apr-11*
Gottex Fund Management Holdings Ltd.	$175,840	0.0%								
MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11	$593,465	0.2%								

Performance Summary (Gross of Fees) - Annualized

			Ending March 31, 2017						Inception	
	Market Value	% of Portfolio	2017 Q1	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Fund GTAA	**$65,178,278**	**18.4%**	**5.6%**	**13.7%**	**5.7%**	**6.7%**	**6.5%**	**--**	**6.5%**	**Apr-10**
65% MSCI World Index/35% CitigroupWGBI			*4.7%*	*8.1%*	*3.3%*	*5.9%*	*6.2%*	--	*6.2%*	*Apr-10*
First Eagle Global Value	$65,178,278	18.4%	5.6%	13.7%	--	--	--	--	5.6%	Sep-14
65% MSCI World Index/35% CitigroupWGBI			*4.7%*	*8.1%*	--	--	--	--	*2.2%*	*Sep-14*
Total Fund Cash	**$1,240,541**	**0.4%**	**0.1%**	**0.4%**	**0.2%**	**0.2%**	**0.1%**	**--**	**--**	**Jul-06**
PNC Stif	$1,240,541	0.4%	0.1%	0.4%	0.2%	0.1%	0.2%	1.5%	1.7%	Jul-06
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*0.1%*	*0.5%*	*0.9%*	*Jul-06*

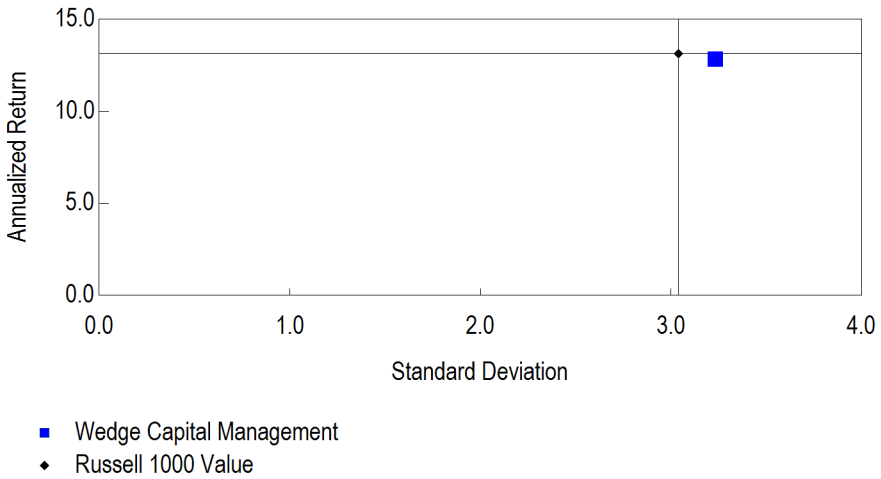
Account Information	
Account Name	**Wedge Capital Management**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/05**
Account Type	**US Stock Large Cap Value**
Benchmark	**Russell 1000 Value**
Universe	**eA US Large Cap Value Equity Gross**

Wedge Capital Management

Ending March 31, 2017

	Last Three Months	Inception 1/1/05
Beginning Market Value	$33,167,150	$72,145,281
Net Cash Flow	-$4,870,000	-$89,430,565
Net Investment Change	$1,326,586	$46,909,020
Ending Market Value	$29,623,736	$29,623,736

Annualized Return vs. Standard Deviation
5 Years Ending March 31, 2017



3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Wedge Capital Management	9.1%	11.2%	100.6%	97.2%
Russell 1000 Value	8.7%	10.6%	100.0%	100.0%

5 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Wedge Capital Management	12.8%	11.2%	98.2%	100.1%
Russell 1000 Value	13.1%	10.5%	100.0%	100.0%

									Calendar Years										Inception	
	2017 Q1	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	Return	Since
Wedge Capital Management	4.1%	44	18.8%	41	9.1%	36	12.8%	49	14.1%	59	0.2%	18	12.5%	45	35.6%	36	15.0%	57	8.5%	Jan-05
Russell 1000 Value	*3.3%*	*71*	*19.2%*	*35*	*8.7%*	*45*	*13.1%*	*43*	*17.3%*	*26*	*-3.8%*	*64*	*13.5%*	*33*	*32.5%*	*60*	*17.5%*	*30*	*7.3%*	*Jan-05*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Wedge Capital Management

Correspondence/Transfer Summary

- On the following dates funds were transferred to the PNC STIF account: 06/30/10 ($1.0M), 01/28/11 ($5.0M), 3/31/11 ($5.0M), 4/4/11 ($500,000), 4/29/11 ($2.0M), 6/29/11 ($1.25M) 7/28/11 ($2.5M) 9/30/11 ($575,000), 12/29/11 ($1M), 1/30/12 ($1.25M), 3/29/12 ($750,000), 4/27/12 ($750,000), 6/28/12 ($1.25M), 7/30/12 ($1M), 9/28/12 ($500,000), 10/30/12 ($1.3M), 12/28/12 ($1.36M), 01/30/14 ($1,840,000), 02/27/14 ($850,000), 03/24/14 ($1,600,000), 8/28/14 ($2,000,000), 10/31/14 ($900,000), 12/30/14 ($2,300,000), 01/29/15 ($2,300,000), 06/29/15 ($2,300,000), 11/30/15 ($1,130,000), 3/30/15 ($1,500,000), 4/29/16 ($2,000,000), 6/30/16 ($1,930,000), 1/30/17 ($1,980,000), 2/28/17 ($990,000), and 3/31/17 ($1,900,000).

Manager Summary

- IPS conducted due diligence meetings with Wedge Capital on November 24, 2015 and October 26, 2016.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

Items of Interest: Personnel Departure - Dennis Tong, mid cap equity analyst, in January 2017. **Retirement –** Michael Gardner, General Partner and Director of Research, retired from the firm effective March 31, 2017. **Ownership Change -** Donald Cleven, lead small cap analyst, was admitted to the partnership effective January 1, 2017. As mentioned, Michael Gardner, General Partner, retired effective March 31, 2017. **Form ADV -** WEDGE's annual amendment to Form ADV was filed on March 31, 2017. Revisions were considered immaterial since the last update on June 15, 2016. WEDGE amended Form ADV again on April 10, 2017 to reflect Michael Gardner's retirement. **Proxy Voting -** Manager stated Wedge does not vote the proxies for this account.

Account Information	
Account Name	**Vanguard Total Stock Mkt Idx Fund**
Account Structure	**Mutual Fund**
Investment Style	**Passive**
Inception Date	**5/31/14**
Account Type	**Equity**
Benchmark	**CRSP US Total Market TR USD**
Universe	

Vanguard Total Stock Mkt Idx Fund

Ending March 31, 2017

	Last Three Months	Inception 5/31/14
Beginning Market Value	$72,826,395	$0
Net Cash Flow	-$10,940,000	$51,211,210
Net Investment Change	$4,037,466	$14,712,651
Ending Market Value	$65,923,861	$65,923,861

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Vanguard Total Stock Mkt Idx Fund	5.8%	18.4%	--	--	12.9%	0.6%	--	--	--	9.6%	May-14
CRSP US Total Market TR USD	*5.8%*	*18.1%*	*9.7%*	*13.1%*	*12.7%*	*0.4%*	*12.6%*	*33.6%*	*16.2%*	*9.4%*	*May-14*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Vanguard Total Stock Mkt Index Fund

Correspondence/Transfer Summary

- On May 16, 2014, manager was funded with $25.6M from termination of NWQ Investment Management.
- On the following date, funds were transferred to the PNC STIF account for benefit payments: 9/29/14 ($1,500,000), 12/30/14 ($1,500,000), 01/15/15 ($1,500,000), 6/29/15 ($3,000,000), 3/24/16 ($3,200,000), 4/27/16 ($4,500,000), 6/30/16 ($4,300,000), 1/31/17 ($4,340,000), 2/24/17 ($2,200,000), and 3/31/17 ($4,400,000).
- On February 26, 2015, $24.4M was received from the termination of Foundry Partners.
- On August 7, 2015, $6M was received from the PNC Stif account.
- On December 31, 2015, $27.2M was received from the termination of INTECH and Westwood.

Manager Summary

Recommendation: None.

Compliance Summary

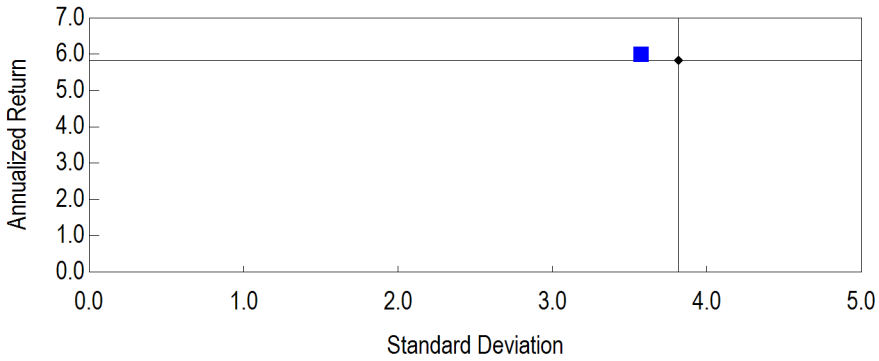
This is an index investment in a mutual fund; the manager will not sign the quarterly compliance questionnaires.

Account Information	
Account Name	**Gryphon International Investment**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/05**
Account Type	**International**
Benchmark	**MSCI EAFE**
Universe	**eA EAFE Equity Unhedged Gross**

Gryphon International Investment
Ending March 31, 2017

	Last Three Months	Inception 1/1/05
Beginning Market Value	$9,613,125	$37,146,939
Net Cash Flow	-$1,425,000	-$54,784,528
Net Investment Change	$470,574	$26,296,288
Ending Market Value	$8,658,699	$8,658,699

Annualized Return vs. Standard Deviation
5 Years Ending March 31, 2017



- Gryphon International Investment
- MSCI EAFE

3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Gryphon International Investment	1.1%	12.1%	86.6%	88.0%
MSCI EAFE	0.5%	12.2%	100.0%	100.0%

5 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Gryphon International Investment	6.0%	12.4%	83.6%	88.8%
MSCI EAFE	5.8%	13.2%	100.0%	100.0%

									Calendar Years										Inception	
	2017 Q1	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	Return	Since
Gryphon International Investment	5.1%	98	10.2%	68	1.1%	71	6.0%	82	0.8%	58	4.4%	30	-6.5%	83	23.0%	64	19.6%	59	5.9%	Jan-05
MSCI EAFE	*7.2%*	*70*	*11.7%*	*51*	*0.5%*	*82*	*5.8%*	*85*	*1.0%*	*54*	*-0.8%*	*76*	*-4.9%*	*71*	*22.8%*	*66*	*17.3%*	*81*	*4.2%*	*Jan-05*
MSCI EAFE Growth	*8.5%*	*27*	*7.4%*	*85*	*1.5%*	*64*	*6.0%*	*82*	*-3.0%*	*89*	*4.1%*	*32*	*-4.4%*	*58*	*22.5%*	*67*	*16.9%*	*85*	*4.8%*	*Jan-05*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Gryphon International Investment

Correspondence/Transfer Summary

- Received $36.4 million on 12-7-04.
- In January 2008, The Boston Company was terminated and $10.2 million was transferred to Gryphon.
- On April 1, 2010, $10M was transferred from Gryphon to Windhaven (GTAA manager).
- Funds were transferred to the PNC STIF account on the following dates: 1/28/11 ($4.3M), 3/31/11 ($2.6M), 4/29/11 ($5.0M), 9/29/14 ($5,500,000), 11/19/14 ($4,000,000), 3/31/15 ($3,500,000), 4/10/15 ($500,000), 4/30/15 ($3,675,000), 5/28/15 ($2,000,000), 9/30/15 ($2,000,000), 10/30/15 ($5,800,000), 3/30/16 ($450,000), 4/29/16 ($615,000), 6/30/16 ($600,000), 1/31/17 ($575,000), 2/28/17 ($290,000), and 3/31/17 ($560,000).

Manager Summary

Recommendation: Due to the ongoing cash needs, redeem as soon as possible. Status: Pending.

Compliance Summary

Exceptions : None.

Action to be taken: None.

Items of Interest: Compliance - With respect to the portfolio under management, the manager acknowledges sole fiduciary responsibility under ERISA for adherence with the Fund's investment policy provided a current investment policy statement for the Fund has been provided, and excepting matters which can only be addressed with knowledge of the full Fund portfolio, and proxy voting matters which have been delegated to Marco Consulting Group. **Proxy Voting -** The manager noted Gryphon International has not been appointed to vote proxies for the Fund.

Account Information	
Account Name	**Vanguard Emerging Mkts Stock Lx Inst**
Account Structure	**Mutual Fund**
Investment Style	**Passive**
Inception Date	**5/31/14**
Account Type	**International**
Benchmark	**FTSE Emerging Markets**
Universe	

Vanguard Emerging Mkts Stock Lx Inst

Ending March 31, 2017

	Last Three Months	Inception 5/31/14
Beginning Market Value	$5,492,511	$0
Net Cash Flow	-$835,000	$5,566,298
Net Investment Change	$583,779	-$325,008
Ending Market Value	$5,241,290	$5,241,290

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Vanguard Emerging Mkts Stock Lx Inst	11.1%	18.0%	--	--	11.9%	-14.4%	--	--	--	1.1%	May-14
FTSE Emerging Markets	*10.2%*	*18.0%*	*2.5%*	*1.5%*	*13.5%*	*-15.2%*	*1.6%*	*-3.5%*	*17.9%*	*1.2%*	*May-14*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Vanguard Emerging Mkts Stock Lx Intst.

Correspondence/Transfer Summary

- On May 8, 2014, manager received $14.8M from the liquidation of Vanguard EAFE ETF.
- Funds were transferred to the PNC STIF account on the following dates: 4/30/15 ($2,100,000), 6/29/15 ($800,000), 9/30/15 ($1,900,000), 10/30/15 ($2,000,000), 3/24/16 ($250,000), 4/27/16 ($375,000), 6/30/16 ($320,000), 1/31/17 ($330,000), 2/24/17 ($165,000), and 3/23/17 ($340,00).

Manager Summary

Recommendation: Due to the ongoing cash needs, redeem as soon as possible. Status: Pending.

Compliance Summary

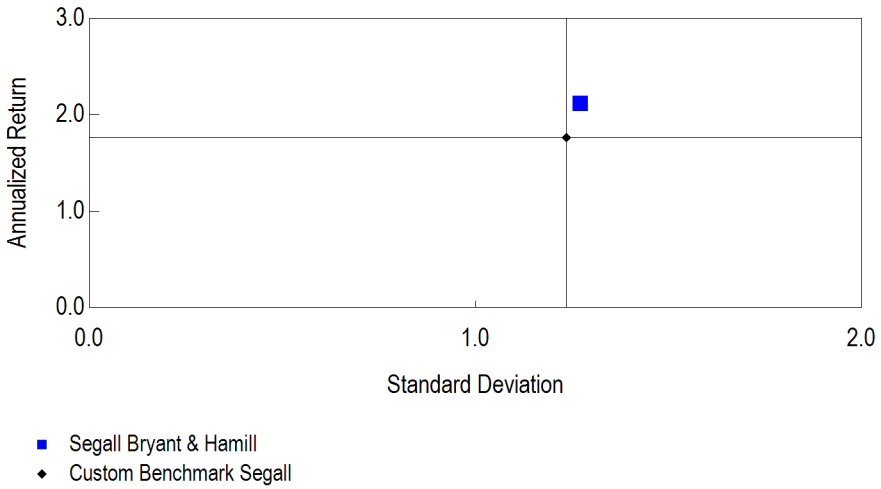
This is an index investment in a mutual fund; the manager will not sign the quarterly compliance questionnaires.

Account Information	
Account Name	**Segall Bryant & Hamill**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/09**
Account Type	**US Fixed Income Core**
Benchmark	**Custom Benchmark Segall**
Universe	**eA US Core Fixed Inc Gross**

Segall Bryant & Hamill
Ending March 31, 2017

	Last Three Months	Inception 1/1/09
Beginning Market Value	$6,827,883	$41,048,647
Net Cash Flow	-$1,005,000	-$43,751,663
Net Investment Change	$52,012	$8,577,911
Ending Market Value	$5,874,895	$5,874,895

Annualized Return vs. Standard Deviation
5 Years Ending March 31, 2017



3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall Bryant & Hamill	2.3%	2.1%	99.6%	82.7%
Custom Benchmark Segall	2.0%	2.2%	100.0%	100.0%

5 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall Bryant & Hamill	2.1%	2.4%	102.2%	88.9%
Custom Benchmark Segall	1.8%	2.4%	100.0%	100.0%

									Calendar Years										Inception	
	2017 Q1	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	Return	Since
Segall Bryant & Hamill	0.8%	80	0.7%	65	2.3%	96	2.1%	97	2.4%	85	1.3%	24	3.7%	90	-1.8%	71	4.7%	80	4.2%	Jan-09
Custom Benchmark Segall	*0.8%*	*82*	*0.4%*	*78*	*2.0%*	*99*	*1.8%*	*99*	*2.1%*	*93*	*1.1%*	*40*	*3.1%*	*95*	*-2.0%*	*83*	*4.2%*	*90*	*3.5%*	*Jan-09*

Note: Returns are gross of fees.

Custom Benchmark: Barclays Aggregate from Jan/09 to Aug/13 and Barclays Intermediate Govt/Credit from Sept/13 to present.

FELRA & UFCW Pension Fund - Segall Bryant & Hamill

Correspondence/Transfer Summary

- Manager was funded on November 5, 2008 with assets from terminated manager (Logan Circle).
- At the June 10, 2013 meeting, the Trustees approved changing the manager's benchmark to the Barclays Intermediate Government/Credit Index to shorten the duration of the fixed income portfolio and potentially reduce interest rate risk. Benchmark change is effective September 1, 2013.
- Manager offered a fee schedule with breakpoints of 20 bps for first $50M, 18 bps next $50 - $100M, and 15 bps over $100M. Fee for illiquid account is 10 bps. The new fee schedule has been adopted.
- In September 2013, SBH received $21.2M from the termination of IR&M to consolidate investment grade fixed income portfolios. $2.4M was also received from the IR&M transition account.
- On the following dates, funds were transferred to the PNC STIF account for benefit payments: 01/30/14 ($1,220,000), 02/27/14 ($450,000), 03/24/14 ($1,100,000), 9/29/14 ($1,500,000), 10/31/14 ($600,000), 12/30/14 ($1,400,000), 01/29/15 ($1,400,000), 2/26/15 ($1,800,000), 3/31/15 ($3,600,000), 4/30/15 ($2,625,000), 5/28/15 ($700,000), 6/29/15 ($850,000), 9/30/15 ($2,600,000), 10/30/15 ($2,800,000), 11/30/15 ($275,000), 12/31/15 (545,000), 3/30/16 ($350,000), 4/29/16 ($500,000), 6/30/16 ($440,000), 1/30/17 ($405,000), 2/28/17 ($200,000), and 3/30/17 ($400,000).

Manager Summary

- On November 18, 2013, SBH announced they have reached an agreement with Thoma Bravo, a private equity firm in Chicago, to replace Dougherty Financial's equity position in their firm. This provides Dougherty Financial Group an exit from their partnership and allows the firm to further their long-term strategic vision for SBH. Chief Executive Officer Phil Hildebrandt and Chief Investment Officer Ralph Segall remain in their roles. All current partners will remain in the new LLC. In addition, manager further states that additional employees have been made partners in the firm. Clients were asked to sign a consent of assignment regarding the ownership change.
- IPS conducted a due diligence meeting with Segall Bryant and Hamill on January 19, 2016.

Recommendation: None.

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FELRA & UFCW Pension Fund - Segall Bryant & Hamill (cont.)

Compliance Summary

Exception #1: Investment Objectives and Guidelines states: Fixed income securities must be rated at least BBB-Baa3/BBB- or higher by Fitch, Moody's or Standard & Poor's. If a security is rated by all three agencies, two of the agencies must rate the security BBB- or Baa3 or above at the time of purchase. If only two of the rating agencies rate a security, the lower rating applies. If only one of the rating agencies rates a security, that rating will apply. If a security's rating falls below BBB-/Baa3/BBB-, the fixed income manager will immediately notify the trustees in writing of the event and describe its plan for dealing with the security. Should the manager decide to continue to hold the downgraded issue, the manager will report to the Trustees no less than quarterly in writing as to the status of the security and keep the Trustees fully informed of the improvement/deterioration of the valuation as well as to any change in their recommendation.

Four inherited bonds held as of 3/31/2017 are currently below investment grade with a total market value of $11,977.25 (0.19% of the portfolio) and two bonds are in default with a total market value of $832.55 (0.014% of the portfolio).

Manager Response Summary: The manager provided a table with the inherited bonds that are currently below investment grade and in default in an email dated May 15, 2017. The manager noted one bond is currently being monitored for sale, but the manager has not received an adequate bid. The one Lehman Brothers bond in default is in liquidation and recovery is uncertain. Twin Reefs Pass-Securities are under strategic reorganization and the status of the securities is uncertain. The manager noted they received DPS 144 A Washington Mutual stock out of escrow and have sold the shares. The manager also noted they may receive additional shares.

Action to be taken: Based on the follow-up information and comments provided by the manager, no action is required.

Items of Interest: Form ADV Changes - The manager stated there have been no significant changes to the ADV.

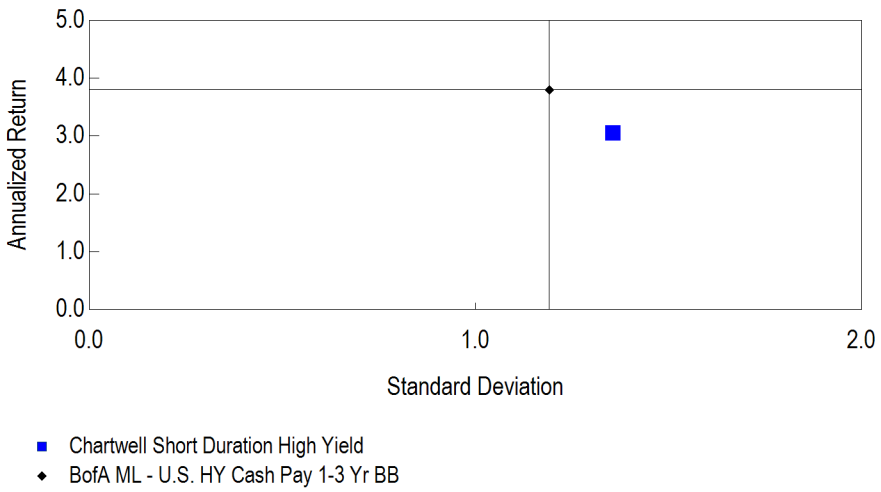
Account Information	
Account Name	**Chartwell Short Duration High Yield**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**10/01/13**
Account Type	**US Fixed Income High Yield**
Benchmark	**BofA ML - U.S. HY Cash Pay 1-3 Yr BB**
Universe	

Chartwell Short Duration High Yield

Ending March 31, 2017

	Last Three Months	Inception 10/1/13
Beginning Market Value	$5,200,222	$0
Net Cash Flow	-$765,000	$3,138,728
Net Investment Change	$62,397	$1,358,891
Ending Market Value	$4,497,619	$4,497,619

Annualized Return vs. Standard Deviation
3 Years Ending March 31, 2017



3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Short Duration High Yield	3.1%	2.7%	94.8%	124.4%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	3.8%	2.4%	100.0%	100.0%

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Chartwell Short Duration High Yield	1.2%	7.7%	3.1%	--	8.1%	-0.3%	1.5%	--	--	3.6%	Oct-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*1.0%*	*7.2%*	*3.8%*	*4.9%*	*8.5%*	*1.2%*	*1.9%*	*5.5%*	*10.2%*	*4.1%*	*Oct-13*
BBgBarc 1-3 Yr BB U.S. Constrained Index	*1.3%*	*7.3%*	*3.9%*	*4.3%*	*8.8%*	*1.1%*	*1.5%*	*4.3%*	*8.0%*	*4.0%*	*Oct-13*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Chartwell Short Duration High Yield

Correspondence/Transfer Summary

- On October 1, 2013, Chartwell received $19.5M from termination of Lazard Asset Management (high yield fixed income).
- On the following dates, funds were transferred to the PNC STIF account for benefit payments: 01/30/14 ($820,000), 03/24/14 ($700,000), 12/30/14 ($1,000,000), 01/29/15 ($1,000,000), 3/31/15 ($3,600,000), 4/30/15 ($2,100,000), 6/29/15 ($650,000), 9/30/15 ($1,900,000), 10/30/15 ($2,000,000), 11/30/15 ($200,000), 12/31/15 ($395,000), 3/30/16 ($250,000), 4/29/16 ($310,000), 6/30/16 ($300,000), 1/28/17 ($155,000), 1/31/17 ($310,000), and 3/31/17 ($300,000).

Manager Summary

- IPS conducted due diligence meetings with Chartwell on November 20, 2015 and March 22, 2017.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

Items of Interest: Retirement - During the first quarter of 2017, Robert Mory, Southeast Regional Director, retired. **Personnel Departure -** Albert Stewart, Southwest Regional Director, left to pursue another career opportunity within TriState Capital Bank, the manager's parent company. **Form ADV Changes -** The manager stated there were no material changes other than the removal of an affiliate advisor disclosure for Edward Antoian and Zeke Capital Advisors with whom we no longer share office space nor have any contractual affiliation. Since the affiliate broker-dealer, Chartwell TSC Securities Corp. commenced operations in March 2017, the manager added related disclosure in ADV 2A, Item 10, page 11.

Account Information	
Account Name	**Franklin Templeton Global Bond Plus Trust**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**6/30/15**
Account Type	**Fixed**
Benchmark	
Universe	

Franklin Templeton Global Bond Plus Trust

Ending March 31, 2017

	Last Three Months	Inception 6/30/15
Beginning Market Value	$35,434,465	$0
Net Cash Flow	-$5,160,000	$30,030,000
Net Investment Change	$1,356,607	$1,601,072
Ending Market Value	$31,631,072	$31,631,072

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Franklin Templeton Global Bond Plus Trust	4.3%	10.4%	--	--	6.5%	--	--	--	--	4.0%	Jun-15

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Franklin Templeton Global Bond Plus Trust

Correspondence/Transfer Summary

- On June 12, 2015, manager was funded with $50M from termination of AQR and Putnam (GTAA managers).
- Funds were transferred to the PNC STIF account on the following dates: 3/30/16 ($5,000,000), 4/28/16 ($2,700,000), 5/1/16 ($5,000,000), 6/30/16 ($2,110,000), 1/31/17 ($2,060,000), 2/28/17 ($1,000,000), and 3/31/17 ($2,100,000).

Manager Summary

- IPS conducted an on-site due diligence meeting with Franklin Templeton on April 1, 2015.

Recommendation: None.

Compliance Summary

Commingled Fund: Due to the commingled fund structure, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy.

Manager verified that the portfolio and individual holdings are in compliance with the firm's commingled investment vehicle guidelines. With respect to the portfolio(s) under management, Fiduciary Trust International of the South acknowledges sole fiduciary responsibility under ERISA for adherence with the investment policies of Franklin Templeton Global Bond Plus Trust.

Items of Interest: Organizational Changes - In a letter dated April 12, 2017, manager stated the following changes will go into effect on May 1, 2017: Ed Perks will be named CIO/Multi-Asset Solutions; Stephen Dover will be appointed Head of Equities; Mat Gulley will take on the role of Head of Alternative Strategies; Christopher Molumphy, CIO/Fixed Income, will add oversight of fixed income teams of Franklin Local Asset Management. Manager noted the Templeton Global Macro team under CIO Michael Hasenstab will remain unchanged and continue to report into CEO, Greg Johnson. **Form ADV Changes -** Manager stated the following amendment was implemented to Franklin Advisers, Inc. Form ADV during the past quarter ending March 31, 2017: Part 2: Made changes to the proxy voting section. **Legal -** Manager stated during the quarter ended December 31, 2016, Franklin Advisers, Inc. (FAV) has been named as a defendant in investment-management-related private litigation, which remains pending. To the best of FAV's knowledge, in that same time period, none of its advisory affiliate employees, officers or directors in such capacities, was named as a defendant in any material private litigation pertaining to FAV's investment management activities. For a summary of material, investment-management-related private litigation in which FAV and/or certain of its advisory affiliates were named as defendants, at any point in the past five years ended December 31, 2016, please see Appendix 2: Franklin Advisers, Inc. Litigation History. In addition, FAV and its advisory affiliates are from time to time named in litigation in the ordinary course of business. To the extent any such litigation is currently pending, as of the date of this response, none is reasonably expected to have a material adverse effect on FAV's financial condition or ability to provide investment management services. In addition, FAV is responding to a formal investigation by the U.S. Securities and Exchange Commission (SEC) relating to U.S. investment limits in connection with certain investments made by a Canadian affiliate on behalf of certain Canadian funds. Any findings or orders resulting from the investigation will be reported, to the extent required and permitted by law, on FAV's Form ADV filed with the SEC. Furthermore, during the past quarter ended March 31, 2017, FAV was not the subject of any investment-related proceedings, findings or orders brought or made by any U.S. federal or state regulatory agency, foreign financial regulatory authority or self-regulatory organization. For a summary of investment-related proceedings, findings or orders brought or made by any U.S. federal or state regulatory agency, foreign financial regulatory authority or self-regulatory organization against FAV and/or certain of its advisory affiliates in the past 10 years ended December 31, 2016, as well as certain other regulatory matters, please see Appendix 3: Franklin Advisers, Inc. Regulatory History. From time to time, FAV and its advisory affiliates receive subpoenas and inquiries from regulators, including requests for documents or information, and also may be the subject of governmental or regulatory examinations or investigations. Investment-related proceedings, findings or orders resulting from such subpoenas, inquiries, examinations or investigations if any, will be reported, to the extent required and permitted by law, on FAV's Form ADV filed with the U.S. Securities and Exchange Commission.

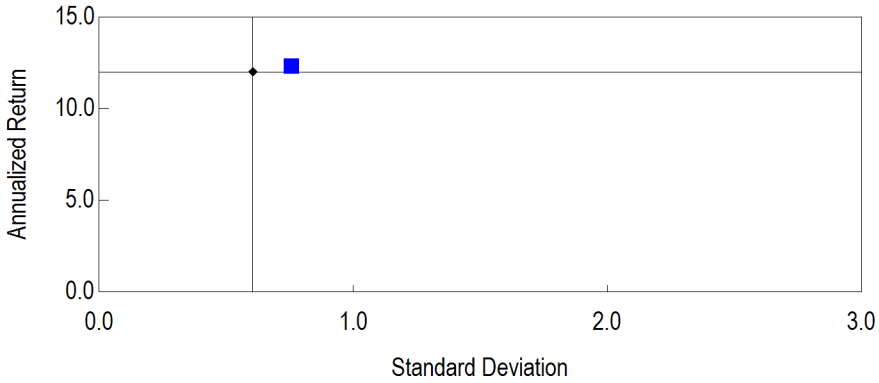
Account Information	
Account Name	**JP Morgan Real Estate Strategic Property - Core Investments**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**10/01/03**
Account Type	**Real Estate**
Benchmark	**NCREIF ODCE Equal Weighted Index**
Universe	

JP Morgan Real Estate Strategic Property -Core Investments

Ending March 31, 2017

	Last Three Months	Inception 10/1/03
Beginning Market Value	$79,553,423	$0
Net Cash Flow	-$638,736	-$7,579,901
Net Investment Change	$1,287,830	$87,782,418
Ending Market Value	$80,202,517	$80,202,517

Annualized Return vs. Standard Deviation
5 Years Ending March 31, 2017



- JP Morgan Real Estate Strategic Property - Core Investments
- NCREIF ODCE Equal Weighted Index

3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
JP Morgan Real Estate Strategic Property - Core Investments	11.4%	1.5%	94.2%	--
NCREIF ODCE Equal Weighted Index	12.0%	1.4%	100.0%	--

5 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
JP Morgan Real Estate Strategic Property - Core Investments	12.3%	1.5%	103.4%	--
NCREIF ODCE Equal Weighted Index	12.0%	1.2%	100.0%	--

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
JP Morgan Real Estate Strategic Property - Core Investments	1.9%	8.4%	11.4%	12.3%	8.4%	15.2%	11.1%	15.9%	12.1%	9.1%	Oct-03
NCREIF ODCE Equal Weighted Index	*1.8%*	*8.6%*	*12.0%*	*12.0%*	*9.3%*	*15.2%*	*12.4%*	*13.3%*	*11.0%*	*8.0%*	*Oct-03*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - JP Morgan Real Estate Strategic Property - Core Investments

Correspondence/Transfer Summary

- A redemption request for $15M was submitted effective December 31, 2015. Income is distributed effective December 31, 2015.
- Funds were transferred to the PNC STIF account on the following dates: 1/19/16 ($16.0M) and 1/4/17 ($638,635).
- A redemption request for $20M was submitted effective June 30, 2016. Proceeds were received in July 2016 ($10.9M) and October 2016 ($10.7M).

Manager Summary

- IPS conducted a due diligence meeting with JP Morgan on October 2, 2014.
- JPM announced a change to the fee structure of JPMCB Strategic Property Fund that lowers the effective investment management fee for investors that maintain a Fund net asset value (NAV) over $100 million. Effective January 1, 2016, the Fund's fee for these investors will be 100 bps per annum on the first $40M, 90 bps on the next $25M, and 85 bps on the balance of the NAV.

Recommendation: 1) Monitor due to QPAM status. 2) Due to ongoing cash needs, reduce to 15% allocation as soon as possible, 10% by December 31, 2017 (Status: In process), and liquidate by December 31, 2018 (Status: Pending).

Compliance Summary

Commingled Fund: Due to the commingled fund structure, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy.

Manager verified the portfolio is currently, and has been during the past quarter, in compliance with the firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment. With respect to the portfolio(s) under management, the manager acknowledges sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines.

Items of Interest: Personnel Departure - Manager stated Joe Azelby, Head of Global Real Assets ("GRA"), retired from the Firm in February 2017. The GRA organization now reports into Chris Hayward and Anton Pil, Managing Partners of the J.P. Morgan Global Alternatives platform. **Legal -** JPMorgan Chase & Co. and/or its subsidiaries (collectively, the "Firm") are defendants or putative defendants in numerous legal proceedings, including private civil litigations and regulatory/government investigations. The litigations range from individual actions involving a single plaintiff to class action lawsuits with potentially millions of class members. Investigations involve both formal and informal proceedings, by both governmental agencies and self-regulatory organizations. These legal proceedings are at varying stages of adjudication, arbitration or investigation, and involve each of the Firm's lines of business and geographies and a wide variety of claims (including common law tort and contract claims and statutory antitrust, securities and consumer protection claims), some of which present novel legal theories. Based on current knowledge, the Firm believes it has asserted meritorious defenses to the claims asserted against it in its currently outstanding legal proceedings, intends to defend itself vigorously in all such matters, and does not believe that any pending legal proceeding would have a material effect on the Firm's performance of the services contemplated by the questionnaire. For further discussion, please refer to JPMorgan Chase & Co.'s most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission. Manager stated on May 20, 2015, JPMorgan Chase & Co. entered a plea of guilty to a single violation of federal antitrust law and is currently awaiting sentencing by the court. In a press release issued on May 20, 2015, manager stated JPMorgan Chase & Co. announced settlements with the U.S. Department of Justice (DOJ) and the Federal Reserve (Fed) relating to the Firm's foreign exchange (FX) trading business. Under the DOJ resolution, JPMorgan Chase & Co. will plead guilty to a single antitrust violation and pay a fine of $550 million. Under the resolution with the Fed, the Firm will pay a fine of $342 million and has agreed to the entry of a Consent Order. Manager noted the Firm has previously reserved for these settlements. A copy of the press release is included in the 1Q 2017 Compliance Report.

Account Information	
Account Name	**Entrust Capital Diversified Fund QP Ltd**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**1/31/11**
Account Type	**Hedge Fund**
Benchmark	**HFRI Fund of Funds Composite Index**
Universe	

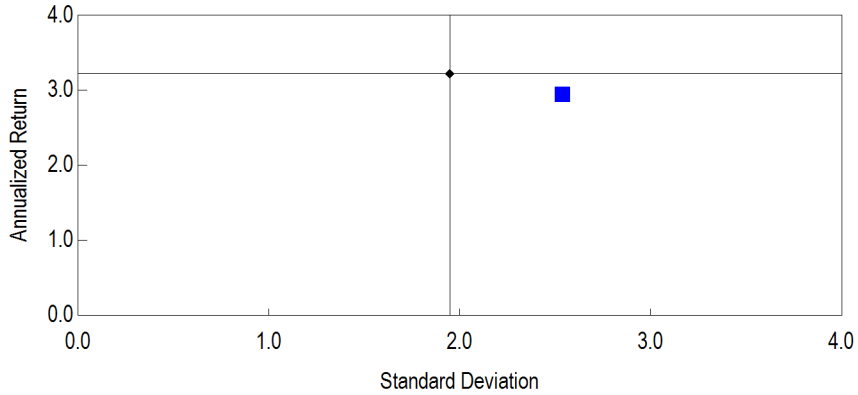
Entrust Capital Diversified Fund QP Ltd

Ending March 31, 2017

	Last Three Months	Inception 1/31/11
Beginning Market Value	$26,585,292	$0
Net Cash Flow	$0	$25,000,000
Net Investment Change	$205,909	$1,791,201
Ending Market Value	$26,791,201	$26,791,201

Market value is an estimate.

Annualized Return vs. Standard Deviation
5 Years Ending March 31, 2017



■ Entrust Capital Diversified Fund QP Ltd
◆ HFRI Fund of Funds Composite Index

3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Entrust Capital Diversified Fund QP Ltd	-1.4%	4.7%	33.9%	124.4%
HFRI Fund of Funds Composite Index	1.8%	3.9%	100.0%	100.0%

5 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Entrust Capital Diversified Fund QP Ltd	2.9%	5.1%	98.9%	111.2%
HFRI Fund of Funds Composite Index	3.2%	3.9%	100.0%	100.0%

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Entrust Capital Diversified Fund QP Ltd	1.1%	4.7%	-1.4%	2.9%	0.2%	-6.3%	3.2%	12.5%	8.7%	2.3%	Jan-11
HFRI Fund of Funds Composite Index	*2.4%*	*6.2%*	*1.8%*	*3.2%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*2.2%*	*Jan-11*
T-Bills + 5%	*1.4%*	*5.4%*	*5.2%*	*5.1%*	*5.3%*	*5.0%*	*5.0%*	*5.1%*	*5.1%*	*5.1%*	*Jan-11*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Entrust Capital Diversified Fund QP Ltd

Correspondence/Transfer Summary

- Manager was funded on January 31, 2011 with $30 million from terminated manager, Arden.
- A redemption request for $5M was submitted effective September 30, 2016. Proceeds were received on October 31, 2016.

Manager Summary

- IPS conducted on-site due diligence meetings with EnTrust Capital on September 9, 2015, June 23, 2016, and February 21, 2017.
- IPS conducted due diligence meetings with EnTrust Capital on October 22, 2015 and January 21, 2016.
- On January 22, 2016, EnTrust announced the firm will be combining their business with that of The Permal Group, a global alternative asset manager that was established in 1973 and acquired by Legg Mason in 2005. The new company will be called EnTrustPermal. Gregg S. Hymowitz will serve as the Chairman and Chief Executive Officer of EnTrustPermal, as well as continue to be the Chair of the EnTrustPermal Global Investment Committee. The transaction closed on May 2, 2016.

Recommendation: 1) Monitor performance for improvement. 2) Due to ongoing cash needs, redeem as soon as possible (Status: In process). Termination is effective June 30, 2017 with proceeds to become available starting July 2017 (paid over a few quarters).

Compliance Summary

Commingled Fund: Due to the commingled fund structure, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy.

Manager verified the portfolio is currently, and has been during the past quarter, in compliance with the firm's commingled investment vehicle guidelines and/or offering document governing the management of the investment. With respect to the portfolio(s) under management, the manager acknowledges sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines.

Items of Interest: Personnel Departures - During Q1 2017, Bruce Gimpel, Chief Operating Officer and member of the Management Committee, left the firm. Jill Zelenko, Chief Risk Officer, has stepped into the position of Chief Operating Officer in addition to her current role. Investment team members Jon Blumenfeld, Senior Vice President, Investment Research, and Vincent Molino, Senior Vice President, Operational Due Diligence, departed during the quarter. **Personnel Additions -** Frances White, Associate, Operational Due Diligence, Christina Classi, Associate, Operational Due Diligence, and Ethan Bicskei, Associate, Investment Research, joined the investment team during the quarter.

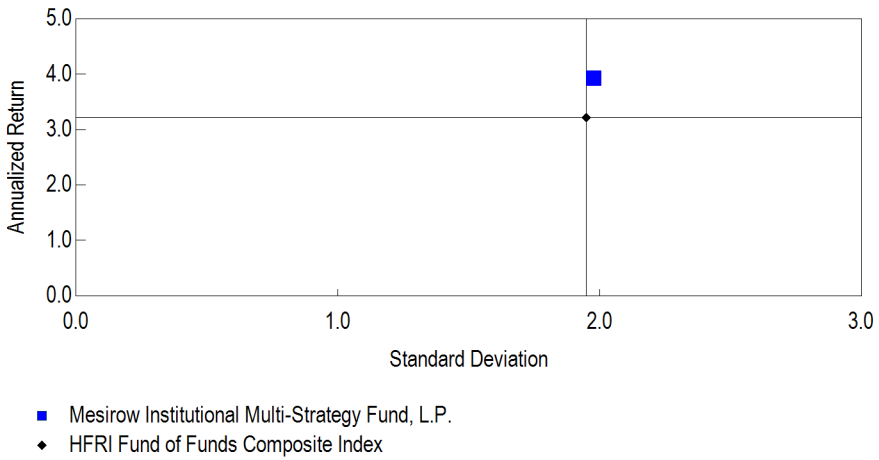
Account Information	
Account Name	**Mesirow Institutional Multi-Strategy Fund, L.P.**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**4/01/11**
Account Type	**Hedge Fund**
Benchmark	**HFRI Fund of Funds Composite Index**
Universe	

Mesirow Institutional Multi-Strategy Fund, L.P.

Ending March 31, 2017

	Last Three Months	Inception 4/1/11
Beginning Market Value	$27,730,422	$0
Net Cash Flow	$0	$24,000,000
Net Investment Change	$205,173	$3,935,595
Ending Market Value	$27,935,595	$27,935,595

Annualized Return vs. Standard Deviation
5 Years Ending March 31, 2017



3 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Mesirow Institutional Multi-Strategy Fund, L.P.	1.5%	4.1%	95.1%	106.2%
HFRI Fund of Funds Composite Index	1.8%	3.9%	100.0%	100.0%

5 Years Ending March 31, 2017

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Mesirow Institutional Multi-Strategy Fund, L.P.	3.9%	4.0%	111.3%	90.3%
HFRI Fund of Funds Composite Index	3.2%	3.9%	100.0%	100.0%

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Mesirow Institutional Multi-Strategy Fund, L.P.	1.0%	5.6%	1.5%	3.9%	1.3%	-2.0%	5.0%	11.0%	7.6%	3.0%	Apr-11
HFRI Fund of Funds Composite Index	*2.4%*	*6.2%*	*1.8%*	*3.2%*	*0.5%*	*-0.3%*	*3.4%*	*9.0%*	*4.8%*	*2.1%*	*Apr-11*
T-Bills + 5%	*1.4%*	*5.4%*	*5.2%*	*5.1%*	*5.3%*	*5.0%*	*5.0%*	*5.1%*	*5.1%*	*5.1%*	*Apr-11*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Mesirow Institutional Multi-Strategy Fund

Correspondence/Transfer Summary

- Manager funded on April 1, 2011 with $30.0 million from Arden ($15.0M), EIM Management ($13.0M), and PNC STIF ($2.0M).
- A redemption request for $6M was submitted effective September 30, 2016. Proceeds were received on November 10, 2016.

Manager Summary

- IPS conducted due diligence meetings with Mesirow on July 22, 2015 and August 13, 2015.

Recommendation: Due to ongoing cash needs, redeem as soon as possible (Status: In process). Termination is effective September 30, 2017 with proceeds to become available in mid November.

Compliance Summary

Commingled Fund: Due to the commingled fund structure, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy.

Manager verified the portfolio is currently, and has been during the past quarter, in compliance with Mesirow's commingled investment vehicle guidelines and/or offering document governing the management of the investment. With respect to the portfolio(s) under management, the manager acknowledges fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and/or offering document guidelines.

Items of Interest: Personnel Departures - Collier Bern, Senior Research Analyst, Manager Research, March 2017; Elizabeth Spargo, Senior Vice President, Portfolio Management, March 2017 and William Mirshak, Senior Vice President, Manager Research, January 2017. **April 2017 Promotions of Key Personnel** - Operational Due Diligence: Travis Alexander, Senior Vice President; Manager Research: Jamie Blanke, Managing Director, Tony Caruso, Senior Vice President, Taylor Kramer, Analyst, Amit Mane, Vice President, and Suchitra Sripada, Vice President; Information Technology: Vic Gulati, Managing Director, Chief Information Officer; Portfolio Management : Jill Hendricks, Vice President, Joe Ragsdale, Senior Portfolio Analyst, and Patrick Wagener, Managing Director; and Legal/Compliance: Emma Rodriguez-Ayala, Senior Managing Director, General Counsel. **Form ADV -** Manager stated there have been no material changes to Mesirow Advanced Strategies, Inc. (Mesirow) Form ADV since the last copy delivered that require communication with clients. **Legal -** Neither Mesirow nor any Mesirow employee at the present or during the past quarter has been named in litigation, a regulatory enforcement action, or investigation related to investment activities. **E&O Insurance –** Manager stated there have not been any changes during the first quarter of 2017.

Account Information	
Account Name	**First Eagle Global Value**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**9/01/14**
Account Type	**Other**
Benchmark	**65% MSCI World Index/35% CitigroupWGBI**
Universe	

First Eagle Global Value Ending March 31, 2017	Last Three Months	Inception 9/1/14
Beginning Market Value	$61,888,068	$0
Net Cash Flow	$0	$58,000,000
Net Investment Change	$3,290,210	$7,178,278
Ending Market Value	$65,178,278	$65,178,278

Note: GTAA Manager

					Calendar Years					Inception	
	2017 Q1	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
First Eagle Global Value	5.6%	13.7%	--	--	11.4%	0.1%	--	--	--	5.6%	Sep-14
65% MSCI World Index/35% CitigroupWGBI	*4.7%*	*8.1%*	*3.3%*	*5.9%*	*5.6%*	*-1.6%*	*3.1%*	*15.1%*	*10.9%*	*2.2%*	*Sep-14*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - First Eagle Global Value

Correspondence/Transfer Summary

- Manager was funded on September 30, 2014 with $58 million from termination of Windhaven ($28M) and from Wellington proceeds ($30M).
- On the following date, funds were transferred to the PNC STIF account for benefit payments: 7/03/15 ($12,000,000).
- A redemption request was submitted for $7.0M. Proceeds were received on August 1, 2016.
- In October 2016, $19.0M was received from the termination of Wellington to consolidate GTAA allocation with one manager.

Manager Summary

- IPS conducted due diligence meetings with First Eagle on December 21, 2016, April 13, 2017, and May 11, 2017.
- On January 12, 2016, First Eagle Investment Management, LLC contacted investors regarding a subpoena from the Employee Benefits Security Administration (EBSA), U.S. Department of Labor (DOL). According to the manager, the requests in the subpoena are broad in nature and the EBSA indicated, "this inquiry should not be construed as an indication that any violations of law have occurred or as a reflection upon any person involved in the matter."
- IPS reviewed the notice and has communicated with the manager. IPS will continue to monitor the situation and receive updates from the manager.
- On March 23, 2017, manager notified IPS the EBSA has completed their inquiry of First Eagle and there is no further action.

Recommendation: None.

FELRA & UFCW Pension Fund - First Eagle Global Value (cont.)

Compliance Summary

Commingled Fund: Due to the commingled fund structure, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy.

Manager verified that the portfolio is currently, and has been during the past quarter, in compliance with the firm's commingled investment vehicle guidelines and/or prospectus governing the management of the investment. With respect to the portfolio(s) under management, manager acknowledges sole fiduciary responsibility under ERISA for adherence with the commingled investment vehicle and /or prospectus guidelines.

Items of Interest: Personnel Additions - Manager stated in January 2017, David P. O'Connor joined the Firm as General Counsel and Head of Legal and Compliance, Jim Barling joined the Firm as Deputy Chief Compliance Officer, and David Wang joined the Global Value team as a research analyst. **Legal -** Manager stated FEIM and its affiliates are subject to periodic examinations and investigations by various regulatory authorities. In December 2015, and subsequently in December 2016, the Employee Benefits Security Administration of the Department of Labor required FEIM to provide documents and records relating to a broad range of requests. The DOL closed their investigation in March 2017 and informed the Firm that no action will be taken. As previously noted, a shareholder suit has been filed against FEIM alleging that the investment advisory fees charged breached its fiduciary duty to the First Eagle Global Fund and the First Eagle Overseas Fund. FEIM believes the case to be absolutely without merit; that the allegations are factually incorrect; and is contesting the suit strongly. FEIM and certain private funds it managed were listed among the 32,000+ former shareholder defendants in lawsuits related to the Tribune Company's LBO in 2007, and subsequent bankruptcy. They believe virtually all persons who were shareholders of the Tribune Company in 2007 and tendered or exchanged shares of Tribune stock were initially named as defendants.

Account Information	
Account Name	**Gottex Fund Management Holdings Ltd.**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**4/01/05**
Account Type	**Hedge Fund**
Benchmark	**HFRI Fund of Funds Composite Index**
Universe	

Gottex Fund Management Holdings Ltd. Ending March 31, 2017	Last Three Months	Inception 4/1/05
Beginning Market Value	$175,840	$25,494,521
Net Cash Flow	$0	-$29,843,078
Net Investment Change	$0	$4,524,397
Ending Market Value	$175,840	$175,840

Market value as of 12/31/16. Above market value does not include a cash balance of $27,120 as of 3/31/17 within the PNC custodian account.

Correspondence/Transfer Summary - Gottex Fund Management Holdings Ltd.

- Funded with $25 million during the 1st quarter of 2005.
- On March 30, 2011, $13 million was transferred to Transition Mesirow Cash account.
- Funds were transferred to Wellington on the following dates: 4/1/11 ($2.4M), 5/2/11 ($1.0M), 6/1/11 ($1.7M), 7/1/11 ($3M),and 9/1/11 ($3.4M) .
- On the following dates funds were transferred to the PNC STIF account: 9/30/11 ($661,449), 10/03/11 ($6,610), 11/01/11 ($811,880), 12/6/11 ($109,347), 01/31/12 ($212,680), 2/27/12 ($630,592), 4/06/12 ($214,089), 5/03/12 ($311,273), 6/06/12 ($10,684), 7/02/12 ($129,527), 8/06/12 ($10,432), 10/01/12 ($33,902).
- Per the November 9, 2012 memo from Artis (underlying manager of EIM), the Fund received 455 shares of KiOR (CUSIP 4972171 09) and the shares were transferred to a Merrill Lynch brokerage account. Artis/EIM no longer manages the shares distributed and they are now the Fund's responsibility. Westwood will accept the shares of KiOR in-kind (existing 455 shares already in ML account) and any future distributions.
- On September 30, 2014, the merger between Gottex Fund Management Holdings Ltd. and EIM Group was completed.

Manager Summary

- On January 14, 2016, the manager requested the Fund sign a consent to assignment due to the merger of Gottex Fund Management and EIM in September 2014. The Investment Management Agreement (IMA) that governs the relationship with FELRA was executed in January 2005 with EIM Management. IPS recommended the Fund sign the consent to agreement, subject to review by counsel.

Recommendation: A full redemption was submitted. As the remainder of the proceeds become available, use for cash flow needs.

Compliance Summary

Due to the customized separate HFoF structure, IPS does not monitor the fund of funds portfolio or the underlying managers' portfolios for compliance with the customized investment policy or the individual managers' policies.

Items of Interest: Compliance - The relationship was terminated as of September 30, 2010. **Manager did not return 4Q2014, 1Q2015, 2Q2015, 3Q2015, 4Q2015, 3Q2016, and 4Q2016 1Q2017 compliance checklist.** In an email dated March 29, 2017 the manager stated there are no changes in any of the answers from their prior checklists. The manager stated the only positions that they currently manage for the mutual client are illiquid hedge fund positions. There have been no changes in their firm that would in any way impact their ongoing monitoring of the illiquid positions.

Account Information	
Account Name	**MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11**
Account Structure	**Hedge Fund**
Investment Style	**Active**
Inception Date	**9/01/11**
Account Type	**Hedge Fund**
Benchmark	
Universe	

MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11

Ending March 31, 2017

	Last Three Months	Inception 9/1/11
Beginning Market Value	$555,297	$0
Net Cash Flow	$0	$422,968
Net Investment Change	$38,168	$170,497
Ending Market Value	$593,465	$593,465

Market Value is as of 12/31/2016.

Correspondence/Transfer Summary - MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11

- On September 13, 2011, Meridian made an in-kind transfer of assets valued at $2,261,541 they deemed illiquid from Diversified ERISA Fund to a segregated account - MDF Special Investment Fund.
- On December 9, 2011, Meridian made a cash distribution of $149,604 on December 9, 2011.
- On March 19, 2012, Meridian made an in-kind transfer of assets from the Diversified ERISA Fund valued at $497,158 they deemed illiquid to the segregated account, MDF Special Investments SPC, Ltd/MDEF June 2011.
- On May 8, 2012, Meridian made a cash distribution of $112,165.
- The balance of $715,128 held for the audit hold-back of Meridian Diversified ERISA Fund was paid out on July 26, 2012.
- On November 14, 2012, Meridian made a cash distribution of $200,100.
- On November 20, 2012, Meridian made a cash distribution of $168,134.
- On May 6, 2013, Meridian made a cash distribution of $600,338.
- On August 2, 2013, Meridian made a cash distribution of $46,051.
- On November 8, 2013, Meridian made a cash distribution of $259,357.
- On May 6, 2014, Meridian made a cash distribution of $239,338.
- On August 4, 2014, Meridian made a cash distribution of $95,972.
- On November 10, 2014, Meridian made a cash distribution of $113,768.
- On May 7, 2015, Meridian made a cash distribution of $83,258.
- On August 14, 2015, Meridian made a cash distribution of $16,105.
- On November 5, 2015, Meridian made a cash distribution of $131,453.
- On February 26, 2016, Meridian made a cash distribution of $16,101.
- On May 2, 2016, Meridian made a cash distribution of $50,370.
- On August 15, 2016, Meridian made a cash distribution of $94,766.
- On May 8, 2017, Meridian made a cash distribution of $85,335.

FELRA & UFCW Pension Fund - MDF Special Investment SPC, Ltd. - MDEF June 2011 / Pool 12/11

Manager Summary

Recommendation: A full redemption request for Meridian Diversified ERISA Fund was submitted. Liquidity of the MDF Special Investments is at the discretion of the manager.

Compliance Summary

Commingled Fund: Due to the commingled fund structures, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy.

Items of Interest: In an email dated March 30, 2017 manager stated as previously explained, IPS investors no longer own shares of Meridian Diversified ERISA Fund. They have all fully redeemed from that fund and as a result they own shares of MDF Special Investments, which are side pocket liquidating funds that are in wind down mode. As the managers are able to liquidate their holdings, cash distributions will be made to the shareholders until the entire position is realized in full. Manager noted that due to this they do not complete checklists.

Commission Recapture Provider

- The current provider is ConvergEx Group.
- On April 3, 2017, Cowen Group announced the signing of a definite agreement to acquire ConvergEx Group. The transaction is expected to close by the end of the second quarter of 2017, following customary closing conditions and regulatory approvals. IPS contacted John Seyler at ConvergEx to discuss the transaction. Per ConvergEx, there will be no impact to existing ConvergEx clients and a consent to assignment is not required.

Custody Bank

- The current custodian is PNC Bank.

Investment Policy Statement

- Investment policy statement was adopted in August 2014.

Commingled Funds

- Commingled Fund: Due to the commingled fund structure, IPS does not monitor the holdings within the commingled fund for compliance with the client's investment policy statement. The commingled fund is governed by its own investment policy.

Proxy Voting

- Pursuant to its Agreement with the Fund, responsibility for the exercise of ownership rights including the right to vote proxies is delegated to Marco Consulting Group, which is expected to vote all proxies in accordance with applicable law and the fiduciary responsibility provisions of ERISA. To enable the Trustees to monitor proxy voting, the Investment Managers shall submit to Marco any proxies for the Fund, on a monthly basis.

FELRA And UFCW Pension Fund

Appendix

FELRA and UFCW Pension Fund - Cash Flow Analysis

Quarter Ending	Beginning Market Value	Net Contributions / Withdrawals	Appreciation / Depreciation	Ending Market Value
Dec-05	$996,448,415	($24,449,161)	$22,129,988	$994,129,241
Mar-06	$994,129,241	($26,357,143)	$45,962,362	$1,013,734,460
Jun-06	$1,013,734,460	($25,324,483)	($2,232,645)	$986,177,332
Sep-06	$986,177,332	($22,875,369)	$25,905,305	$989,207,268
Dec-06	$989,207,268	($21,803,868)	$52,866,132	$1,020,269,531
Mar-07	$1,020,269,531	($22,305,382)	$24,516,708	$1,022,480,857
Jun-07	$1,022,480,857	($23,258,483)	$46,321,283	$1,045,543,657
Sep-07	$1,045,543,657	($22,459,914)	$11,331,636	$1,034,415,379
Dec-07	$1,034,415,379	($25,451,080)	($2,120,738)	$1,006,843,561
Mar-08	$1,006,843,561	($22,535,849)	($56,423,714)	$927,883,998
Jun-08	$927,883,998	($22,279,057)	$3,761,688	$909,366,629
Sep-08	$909,366,629	($20,509,818)	($80,014,998)	$808,841,813
Dec-08	$808,841,813	($20,711,188)	($113,094,795)	$675,035,830
Mar-09	$675,035,830	($20,585,950)	($39,228,598)	$615,221,281
Jun-09	$615,221,281	($20,646,824)	$46,554,642	$641,129,099
Sep-09	$641,129,099	($15,477,240)	$51,866,729	$677,518,587
Dec-09	$677,518,587	($20,301,671)	$16,291,888	$673,508,804
Mar-10	$673,508,804	($23,964,727)	$24,806,670	$674,350,747
Jun-10	$674,350,747	($14,607,147)	($28,805,278)	$630,938,322
Sep-10	$630,938,322	($18,531,935)	$48,030,080	$660,436,468
Dec-10	$660,436,468	($19,020,364)	$39,663,596	$681,079,700
Mar-11	$681,079,700	($19,226,978)	$23,472,595	$685,325,318
Jun-11	$685,325,317	($19,226,221)	$7,939,126	$674,038,223
Sep-11	$674,038,223	($17,543,142)	($54,950,333)	$601,544,748
Dec-11	$601,544,748	($17,996,347)	$26,652,623	$610,201,024
Mar-12	$610,201,024	($18,424,045)	$41,651,407	$633,428,386
Jun-12	$633,428,386	($19,565,191)	($12,196,300)	$601,666,895
Sep-12	$601,666,895	($19,502,528)	$27,990,815	$610,155,182
Dec-12	$610,155,182	($19,736,735)	$13,322,360	$603,740,808
Mar-13	$603,740,808	($21,331,110)	$25,836,469	$608,246,166
Jun-13	$608,246,166	($22,971,241)	($3,558,977)	$581,715,949
Sep-13	$581,715,949	($22,792,009)	$29,121,566	$588,045,505
Dec-13	$588,045,505	($23,020,041)	$29,768,336	$594,793,801
Mar-14	$594,793,801	($22,948,172)	$11,617,817	$583,463,445
Jun-14	$583,463,445	($23,781,419)	$20,935,774	$580,617,800
Sep-14	$580,617,800	($23,973,486)	($7,324,690)	$549,319,624
Dec-14	$549,319,624	($24,616,981)	$6,603,834	$531,306,478
Mar-15	$531,306,478	($23,458,617)	$17,197,180	$525,045,041
Jun-15	$525,045,041	($24,143,915)	$5,472,944	$506,374,069
Sep-15	$506,374,069	($24,112,722)	($22,853,704)	$459,407,643
Dec-15	$459,407,643	($27,542,185)	$12,993,637	$444,859,095
Mar-16	$444,859,095	($26,773,145)	$1,631,135	$419,717,085
Jun-16	$419,717,085	($26,381,540)	$6,603,058	$399,938,603
Sep-16	$399,938,603	($36,893,297)	$12,191,625	$375,236,931
Dec-16	$375,236,931	($16,095,723)	$8,021,326	$367,162,534
Mar-17	$367,162,534	($26,515,622)	$12,921,698	$353,568,610
		($1,022,029,065)	$379,149,258	

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending March 31, 2017						Inception	
			2017 Q1	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Fund	**$353,568,610**	**100.0%**	**3.6%**	**10.7%**	**5.5%**	**7.4%**	**7.6%**	**4.3%**	**6.0%**	**Jan-97**
Benchmark			*4.1%*	*9.7%*	*5.9%*	*7.9%*	*8.1%*	*4.8%*	*6.7%*	*Jan-97*
Total Fund Domestic Equity	**$95,547,597**	**27.0%**	**5.2%**	**18.2%**	**8.8%**	**11.7%**	**11.8%**	**6.4%**	**7.1%**	**Jul-97**
S&P 500			*6.1%*	*17.2%*	*10.4%*	*13.3%*	*12.9%*	*7.5%*	*7.1%*	*Jul-97*
Russell 2000			*2.5%*	*26.2%*	*7.2%*	*12.4%*	*12.3%*	*7.1%*	*8.0%*	*Jul-97*
Wedge Capital Management	$29,623,736	8.4%	4.0%	18.2%	8.6%	12.3%	12.7%	6.3%	8.0%	Jan-05
Russell 1000 Value			*3.3%*	*19.2%*	*8.7%*	*13.1%*	*12.2%*	*5.9%*	*7.3%*	*Jan-05*
Vanguard Total Stock Mkt Idx Fund	$65,923,861	18.6%	5.8%	18.2%	--	--	--	--	9.5%	May-14
CRSP US Total Market TR USD			*5.8%*	*18.1%*	--	--	--	--	*9.4%*	*May-14*
Total Fund International Equity	**$13,899,989**	**3.9%**	**7.2%**	**12.4%**	**0.8%**	**6.0%**	**4.6%**	**1.8%**	**4.6%**	**Apr-97**
MSCI EAFE			*7.2%*	*11.7%*	*0.5%*	*5.8%*	*4.7%*	*1.1%*	*4.6%*	*Apr-97*
Gryphon International Investment	$8,658,699	2.4%	4.9%	9.4%	0.4%	5.3%	4.6%	3.0%	5.3%	Jan-05
MSCI EAFE			*7.2%*	*11.7%*	*0.5%*	*5.8%*	*4.7%*	*1.1%*	*4.2%*	*Jan-05*
MSCI EAFE Growth			*8.5%*	*7.4%*	*1.5%*	*6.0%*	*5.5%*	*2.0%*	*4.8%*	*Jan-05*
Vanguard Emerging Mkts Stock Lx Inst	$5,241,290	1.5%	11.1%	17.8%	--	--	--	--	1.0%	May-14
FTSE Emerging Markets			*10.2%*	*18.0%*	--	--	--	--	*1.2%*	*May-14*
Total Investment Grade Fixed Income	**$5,874,895**	**1.7%**	**0.7%**	**0.6%**	**2.1%**	**2.3%**	**3.8%**	**--**	**3.4%**	**Jun-07**
Custom Benchmark Fixed Income			*0.8%*	*0.4%*	*2.0%*	*1.8%*	*3.1%*	--	*4.1%*	*Jun-07*
Segall Bryant & Hamill	$5,874,895	1.7%	0.7%	0.6%	2.1%	1.9%	3.2%	--	4.0%	Jan-09
Custom Benchmark Segall			*0.8%*	*0.4%*	*2.0%*	*1.8%*	*3.1%*	--	*3.5%*	*Jan-09*

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending March 31, 2017						Inception	
			2017 Q1	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Short Duration High Yield Fixed Income	**$4,497,619**	**1.3%**	**1.1%**	**7.2%**	**2.6%**	**4.6%**	**5.9%**	**--**	**6.1%**	**Jun-07**
Custom Benchmark			*1.0%*	*7.2%*	*3.8%*	*5.3%*	*6.6%*	*--*	*6.1%*	*Jun-07*
Chartwell Short Duration High Yield	$4,497,619	1.3%	1.1%	7.2%	2.6%	--	--	--	3.2%	Oct-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*1.0%*	*7.2%*	*3.8%*	*--*	*--*	*--*	*4.1%*	*Oct-13*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*1.3%*	*7.3%*	*3.9%*	*--*	*--*	*--*	*4.0%*	*Oct-13*
Total Fund Global Bond	**$31,631,072**	**8.9%**	**4.1%**	**9.8%**	**--**	**--**	**--**	**--**	**3.4%**	**Jun-15**
Franklin Templeton Global Bond Plus Trust	$31,631,072	8.9%	4.1%	9.8%	--	--	--	--	3.4%	Jun-15
Total Fund Real Estate	**$80,202,517**	**22.7%**	**1.6%**	**7.4%**	**10.3%**	**11.3%**	**12.5%**	**5.1%**	**7.9%**	**Oct-03**
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.0%*	*13.5%*	*5.4%*	*8.0%*	*Oct-03*
JP Morgan Real Estate Strategic Property - Core Investments	$80,202,517	22.7%	1.6%	7.4%	10.3%	11.3%	12.4%	5.2%	8.1%	Oct-03
NCREIF ODCE Equal Weighted Index			*1.8%*	*8.6%*	*12.0%*	*12.0%*	*13.5%*	*5.4%*	*8.0%*	*Oct-03*
Total Fund Hedge Fund of Funds	**$55,496,101**	**15.7%**	**0.8%**	**4.0%**	**-0.8%**	**2.4%**	**1.8%**	**0.8%**	**2.4%**	**Apr-04**
HFRI Fund of Funds Composite Index			*2.4%*	*6.2%*	*1.8%*	*3.2%*	*2.5%*	*1.2%*	*2.8%*	*Apr-04*
Entrust Capital Diversified Fund QP Ltd	$26,791,201	7.6%	0.8%	3.3%	-2.7%	1.6%	--	--	1.0%	Jan-11
HFRI Fund of Funds Composite Index			*2.4%*	*6.2%*	*1.8%*	*3.2%*	*--*	*--*	*2.2%*	*Jan-11*
T-Bills + 5%			*1.4%*	*5.4%*	*5.2%*	*5.1%*	*--*	*--*	*5.1%*	*Jan-11*
Mesirow Institutional Multi-Strategy Fund, L.P.	$27,935,595	7.9%	0.7%	4.3%	0.3%	2.7%	--	--	1.8%	Apr-11
HFRI Fund of Funds Composite Index			*2.4%*	*6.2%*	*1.8%*	*3.2%*	*--*	*--*	*2.1%*	*Apr-11*
T-Bills + 5%			*1.4%*	*5.4%*	*5.2%*	*5.1%*	*--*	*--*	*5.1%*	*Apr-11*
Gottex Fund Management Holdings Ltd.	$175,840	0.0%								
MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11	$593,465	0.2%								

Performance Summary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending March 31, 2017						Inception	
			2017 Q1	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Fund GTAA	**$65,178,278**	**18.4%**	**5.3%**	**12.8%**	**4.9%**	**5.9%**	**5.7%**	**--**	**5.7%**	**Apr-10**
65% MSCI World Index/35% CitigroupWGBI			*4.7%*	*8.1%*	*3.3%*	*5.9%*	*6.2%*	*--*	*6.2%*	*Apr-10*
First Eagle Global Value	$65,178,278	18.4%	5.3%	12.7%	--	--	--	--	4.7%	Sep-14
65% MSCI World Index/35% CitigroupWGBI			*4.7%*	*8.1%*	*--*	*--*	*--*	*--*	*2.2%*	*Sep-14*
Total Fund Cash	**$1,240,541**	**0.4%**	**0.1%**	**0.4%**	**0.2%**	**0.2%**	**0.1%**	**--**	**--**	**Jul-06**
PNC Stif	$1,240,541	0.4%	0.1%	0.4%	0.2%	0.1%	0.2%	1.5%	1.7%	Jul-06
91 Day T-Bills			*0.1%*	*0.4%*	*0.2%*	*0.1%*	*0.1%*	*0.5%*	*0.9%*	*Jul-06*

Benchmark History

As of March 31, 2017

Total Fund		
6/1/2015	Present	S&P 500 30% / MSCI EAFE 5% / BBgBarc US Int TR 5% / NCREIF ODCE Equal Weighted Index 15% / 65% MSCI World Index/35% CitigroupWGBI 15% / HFRI Fund of Funds Composite Index 10% / 91 Day T-Bills 0.5% / FTSE Emerging Markets 5% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 4.5% / JP Morgan Global Government Bond Index 10%
10/1/2014	5/31/2015	S&P 500 30% / MSCI EAFE 5% / BBgBarc US Int TR 5% / NCREIF ODCE Equal Weighted Index 15% / 65% MSCI World Index/35% CitigroupWGBI 15% / HFRI Fund of Funds Composite Index 10% / 91 Day T-Bills 0.5% / FTSE Emerging Markets 5% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 14.5%
9/1/2013	9/30/2014	S&P 500 18% / MSCI EAFE 9% / Russell 2500 5% / HFRI Fund of Funds Composite Index 9% / 60%MSCI World Index/40%Citigroup WGBI 35% / BBgBarc US Govt/Credit Int TR 10% / BofA Merrill Lynch US High Yield BB-B Rated 4% / NCREIF ODCE Equal Weighted Index 10%
1/1/2011	8/31/2013	S&P 500 18% / BBgBarc US Aggregate TR 10% / MSCI EAFE 9% / Russell 2500 5% / HFRI Fund of Funds Composite Index 9% / BofA Merrill Lynch US High Yield BB-B Rated 4% / 60%MSCI World Index/40%Citigroup WGBI 35% / NCREIF ODCE Equal Weighted Index 10%
1/1/2010	12/31/2010	S&P 500 25% / BBgBarc US Aggregate TR 13% / MSCI EAFE 14% / Russell 2500 8% / HFRI Fund of Funds Composite Index 19% / BofA Merrill Lynch US High Yield BB-B Rated 6% / NCREIF ODCE Equal Weighted Index 15%
4/1/2007	12/31/2009	S&P 500 25% / ZZMerrill Lynch BB/B High Yield 6% / ZZGlobal Alpha Index 5% / BBgBarc US Aggregate TR 13% / MSCI EAFE 14% / Russell 2500 8% / HFRI Fund of Funds Composite Index 14% / NCREIF ODCE Equal Weighted Index 15%
1/1/2005	3/31/2007	S&P 500 25% / Russell 2000 10% / MSCI EAFE 15% / BBgBarc US High Yield TR 6% / BBgBarc US Aggregate TR 18% / HFRI Fund of Funds Composite Index 14% / NCREIF ODCE Equal Weighted Index 12%
1/1/1997	12/31/2004	S&P 500 40% / ZZMerrill Lynch BB/B High Yield 5% / Russell 2000 10% / Citi WGBI 5% / BBgBarc US Aggregate TR 30% / MSCI EAFE 10%

Benchmark History
As of March 31, 2017

Total Investment Grade Fixed Income		
9/1/2013	Present	BBgBarc US Govt/Credit Int TR 100%
6/1/2007	8/31/2013	BBgBarc US Aggregate TR 100%

Benchmark History
As of March 31, 2017

Total Short Duration High Yield Fixed Income		
9/1/2013	Present	BofA ML - U.S. HY Cash Pay 1-3 Yr BB 100%
6/1/2007	8/31/2013	BofA Merrill Lynch US High Yield Cash Pay BB-B Rated 100%

Footnotes

- Montag & Caldwell was terminated on 8/1/2006 and funds were transferred to Capital Management Associates.

- Fountain was terminated and assets moved to Lazard High Yield on 7/2/07.

- Ark was terminated and assets moved to Westwood on 8/1/07.

- Net of fee returns are net of investment manager fees and are estimated. NOF calculations began 3rd. Quarter 2004 and cannot be calculated for prior time periods.

- Gottex Fund Management Holdings Ltd. values, flows, and returns are provided by Gottex and cannot be independently verified.

- Segall Bryant & Hamill hired with initial funding from Logan Circle Partners on 11/14/08 in the amount of $39,669,926.

- On 12/16/16 Tremont Recovery amount of $215,947 was transferred to the cash account. The Tremont Recovery payment is reflected as a gain in the Hedge Fund of Funds group.

- The following composite returns prior to 1st. quarter 2010 do not include cash in the calculation of returns.

    - Total Fund Domestic Equity

    - Total Fund International Equity

    - Total Domestic Fixed Investment Grade

    - Total Fixed High Yield

    - Total Fund Real Estate

    - Total Fund Hedge Fund of Fund

    - Total Fund GTAA/Risk Parity

- Separately managed account returns are calculated by IPS using custodian data.

- Hedge Fund of Funds returns are based on the manager provided estimated value.

- Values, flows and returns for all commingled funds, mutual funds, and partnerships are provided by the firm managing the assets and cannot be verified by IPS.

Index Disclosure

- Barclays 1-3 Yr BB U.S. Constrained Index - listed for illustrative purposes only.

- NCREIF ODCE Equal Weighted Index – During 2nd Quarter 2014 IPS changed the NCREIF ODCE index to the NCREIF ODCE Equal Weighted Index. The NCREIF ODCE equal weighted index is a better benchmark for comparison in client reports and more representative of the investment opportunities in the real estate class. The cap weighted index is biased and returns are influenced by several large contributors.

ERISA Pension Investment Conference

April 19 – 22, 2016

- **The following investment managers and providers attended and helped to defray the cost of IPS' annual ERISA Pension Investment Conference ("EPIC"). EPIC is an educational conference addressing various issues related to employee benefit plans. IPS does not give preferential treatment to investment managers or any other provider who may pay to attend EPIC.**

Amalgamated Bank of Chicago
American Realty Advisors
ASB Capital Management
Atlanta Capital Management
Baird Advisors / Baird Inv. Mgmt.
BlackRock Financial Mgmt.
Boyd Watterson
Brown Advisory
Chartwell Investment Partners
Christenson Investment Partners
Columbia Partners
Corbin Capital Partners
Earnest Partners
Eaton Vance Management
EnTrust Capital
Evanston Capital Management
Federated Investors
First Eagle Investment Mgmt.
Foundry Partners
Fred Alger Management
Great Lakes Advisors
Grosvenor Capital Management
Hamilton Lane Advisors
HGK Asset Management
Intercontinental Real Estate Corp.
Invesco
Janus Capital
Johnston Asset Management
JP Morgan Asset Management
Kearney Capital Management
Loomis, Sayles & Company
Lord Abbett
LSV Asset Management
MacKay Shields
MEPT/Bentall Kennedy
National Investment Services
Nikko Asset Management
Nuveen Asset Management
Patriot Financial Partners
PENN Capital Management
PIMCO
Post Advisory Group
Principal Global Investors
Rainier Investment Management
Rothschild Asset Management
Ryan Labs Asset Management
Segall Bryant & Hamill
Sierra Investment Partners
The Bank of New York Mellon
The Boston Company
The Yucaipa Companies
Ullico Investment Company
Victory Capital Mgmt.
Washington Capital Management
WEDGE Capital Management
Westfield Capital Management
William Blair & Company

FELRA And UFCW Pension Fund

Preliminary Performance

Period Ending

April 30, 2017

Summary of Cash Flows

	Last Month	Year-To-Date
Beginning Market Value	$353,568,610	$367,162,534
Net Cash Flow	-$11,423,501	-$37,939,123
Net Investment Change	$1,227,829	$14,149,527
Ending Market Value	$343,372,937	$343,372,937

Allocation vs. Targets and Policy

	Current Balance	Current Allocation
Domestic Equity	$89,523,454	26.1%
International Equities	$8,369,986	2.4%
Emerging Markets Equity	$4,964,367	1.4%
Investment Grade Fixed Income	$5,512,609	1.6%
Global Bonds	$29,258,067	8.5%
High Yield Fixed Income	$4,236,241	1.2%
Real Estate	$79,608,626	23.2%
Hedge Fund of Funds	$55,675,983	16.2%
Global Tactical Asset Allocation	$65,310,050	19.0%
Cash	$913,555	0.3%
Total	**$343,372,937**	**100.0%**

Gross of Fees

		Ending April 30, 2017		
	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	**$343,372,937**	**100.0%**	**0.4%**	**4.2%**
Total Fund Domestic Equity	**$89,523,454**	**26.1%**	**0.7%**	**6.0%**
S&P 500			*1.0%*	*7.2%*
Russell 2000			*1.1%*	*3.6%*
Wedge Capital Management	$27,583,643	8.0%	0.1%	4.2%
Russell 1000 Value			*-0.2%*	*3.1%*
Vanguard Total Stock Mkt Idx Fund	$61,939,811	18.0%	1.0%	6.9%
CRSP US Total Market TR USD			*1.1%*	*6.9%*
Total Fund International Equity	**$13,334,353**	**3.9%**	**2.7%**	**10.2%**
MSCI EAFE			*2.5%*	*10.0%*
Gryphon International Investment	$8,369,986	2.4%	3.5%	8.8%
MSCI EAFE			*2.5%*	*10.0%*
MSCI EAFE Growth			*3.0%*	*11.8%*
Vanguard Emerging Mkts Stock Lx Inst	$4,964,367	1.4%	1.4%	12.7%
FTSE Emerging Markets			*1.9%*	*12.4%*
Total Investment Grade Fixed Income	**$5,512,609**	**1.6%**	**0.6%**	**1.4%**
Custom Benchmark Fixed Income			*0.6%*	*1.4%*
Segall Bryant & Hamill	$5,512,609	1.6%	0.6%	1.4%
Custom Benchmark Segall			*0.6%*	*1.4%*

Gross of Fees

	Market Value	% of Portfolio	Ending April 30, 2017 1 Mo	YTD
Total Short Duration High Yield Fixed Income	**$4,236,241**	**1.2%**	**0.9%**	**2.1%**
Custom Benchmark			*0.7%*	*1.7%*
Chartwell Short Duration High Yield	$4,236,241	1.2%	0.9%	2.1%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.7%*	*1.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.6%*	*1.9%*
Total Fund Global Bond	**$29,258,067**	**8.5%**	**-0.5%**	**3.7%**
Franklin Templeton Global Bond Plus Trust	$29,258,067	8.5%	-0.5%	3.7%
Total Fund Real Estate	**$79,608,626**	**23.2%**	**0.2%**	**2.2%**
NCREIF ODCE Equal Weighted Index			*0.0%*	*1.8%*
JP Morgan Real Estate Strategic Property - Core Investments	$79,608,626	23.2%	0.2%	2.2%
NCREIF ODCE Equal Weighted Index			*0.0%*	*1.8%*
Total Fund Hedge Fund of Funds	**$55,675,983**	**16.2%**	**0.4%**	**1.5%**
HFRI Fund of Funds Composite Index			*0.7%*	*3.1%*
Entrust Capital Diversified Fund QP Ltd	$26,791,201	7.8%		
HFRI Fund of Funds Composite Index				
T-Bills + 5%				
Mesirow Institutional Multi-Strategy Fund, L.P.	$28,115,477	8.2%	0.7%	1.8%
HFRI Fund of Funds Composite Index			*0.7%*	*3.1%*
T-Bills + 5%			*0.5%*	*1.9%*
Gottex Fund Management Holdings Ltd.	$175,840	0.1%		
MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11	$593,465	0.2%		

Gross of Fees

		Ending April 30, 2017		
	Market Value	% of Portfolio	1 Mo	YTD
Total Fund GTAA	**$65,310,050**	**19.0%**	**0.3%**	**5.8%**
65% MSCI World Index/35% CitigroupWGBI			*1.4%*	*6.2%*
First Eagle Global Value	$65,310,050	19.0%	0.3%	5.8%
65% MSCI World Index/35% CitigroupWGBI			*1.4%*	*6.2%*
Total Fund Cash	**$913,555**	**0.3%**	**0.0%**	**0.2%**
PNC Stif	$913,555	0.3%	0.0%	0.2%
91 Day T-Bills			*0.1%*	*0.2%*

Net of Fees

	Market Value	% of Portfolio	Ending April 30, 2017 1 Mo	YTD
Total Fund	**$343,372,937**	**100.0%**	**0.3%**	**3.9%**
Total Fund Domestic Equity	**$89,523,454**	**26.1%**	**0.7%**	**5.9%**
S&P 500			*1.0%*	*7.2%*
Russell 2000			*1.1%*	*3.6%*
Wedge Capital Management	$27,583,643	8.0%	0.0%	4.1%
Russell 1000 Value			*-0.2%*	*3.1%*
Vanguard Total Stock Mkt Idx Fund	$61,939,811	18.0%	1.0%	6.8%
CRSP US Total Market TR USD			*1.1%*	*6.9%*
Total Fund International Equity	**$13,334,353**	**3.9%**	**2.7%**	**10.0%**
MSCI EAFE			*2.5%*	*10.0%*
Gryphon International Investment	$8,369,986	2.4%	3.4%	8.5%
MSCI EAFE			*2.5%*	*10.0%*
MSCI EAFE Growth			*3.0%*	*11.8%*
Vanguard Emerging Mkts Stock Lx Inst	$4,964,367	1.4%	1.4%	12.7%
FTSE Emerging Markets			*1.9%*	*12.4%*
Total Investment Grade Fixed Income	**$5,512,609**	**1.6%**	**0.6%**	**1.4%**
Custom Benchmark Fixed Income			*0.6%*	*1.4%*
Segall Bryant & Hamill	$5,512,609	1.6%	0.6%	1.4%
Custom Benchmark Segall			*0.6%*	*1.4%*

Net of Fees

	Market Value	% of Portfolio	Ending April 30, 2017 1 Mo	YTD
Total Short Duration High Yield Fixed Income	**$4,236,241**	**1.2%**	**0.8%**	**2.0%**
Custom Benchmark			*0.7%*	*1.7%*
Chartwell Short Duration High Yield	$4,236,241	1.2%	0.8%	2.0%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.7%*	*1.7%*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.6%*	*1.9%*
Total Fund Global Bond	**$29,258,067**	**8.5%**	**-0.6%**	**3.5%**
Franklin Templeton Global Bond Plus Trust	$29,258,067	8.5%	-0.6%	3.5%
Total Fund Real Estate	**$79,608,626**	**23.2%**	**0.0%**	**1.6%**
NCREIF ODCE Equal Weighted Index			*0.0%*	*1.8%*
JP Morgan Real Estate Strategic Property - Core Investments	$79,608,626	23.2%	0.0%	1.6%
NCREIF ODCE Equal Weighted Index			*0.0%*	*1.8%*
Total Fund Hedge Fund of Funds	**$55,675,983**	**16.2%**	**0.3%**	**1.1%**
HFRI Fund of Funds Composite Index			*0.7%*	*3.1%*
Entrust Capital Diversified Fund QP Ltd	$26,791,201	7.8%	0.0%	0.8%
HFRI Fund of Funds Composite Index			*0.7%*	*3.1%*
T-Bills + 5%			*0.5%*	*1.9%*
Mesirow Institutional Multi-Strategy Fund, L.P.	$28,115,477	8.2%	0.6%	1.4%
HFRI Fund of Funds Composite Index			*0.7%*	*3.1%*
T-Bills + 5%			*0.5%*	*1.9%*

Net of Fees

	Market Value	% of Portfolio	Ending April 30, 2017 1 Mo	YTD
Gottex Fund Management Holdings Ltd.	$175,840	0.1%		
MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11	$593,465	0.2%		
Total Fund GTAA	**$65,310,050**	**19.0%**	**0.2%**	**5.5%**
65% MSCI World Index/35% CitigroupWGBI			*1.4%*	*6.2%*
First Eagle Global Value	$65,310,050	19.0%	0.2%	5.5%
65% MSCI World Index/35% CitigroupWGBI			*1.4%*	*6.2%*
Total Fund Cash	**$913,555**	**0.3%**	**0.0%**	**0.2%**
PNC Stif	$913,555	0.3%	0.0%	0.2%
91 Day T-Bills			*0.1%*	*0.2%*

Footnotes

- Gottex Fund Mangement Holdings, Ltd. and MDF Special Investments SPC, Ltd. / MDEF June 2011 / Pool 12/11 market values are as of 12/31/17.
- EnTrust Diversified market value is as of 3/31/17.
- On 4/17/17 Vanguard Emerging Market transferred $350,000 to PNC STIFF.
- On 4/17/17 Vanguard Total Stock Market transferred $4,600,000 to PNC STIFF.
- On 4/27/17 Chartwell transferred $300,000 to PNC STIFF.
- On 4/27/17 SBH transferred $400,000 to PNC STIFF.
- On 4/27/17 Wedge transferred $2,060,000 to PNC STIFF.
- On 4/27/17 Gryphon transferred $590,000 to PNC STIFF.
- On 4/30/17 Franklin Templeton transferred $2,200,000 to PNC STIFF.
- On 4/30/17 JPMorgan Real Estate Strategic Property withdrew $595,936 to cash portion of account.

FELRA and UFCW Pension Fund Asset Allocation and Glide Path Updated to May 2017

Presented by Investment Performance Services, LLC

May, 2017

Richard Sichel, Jr., President

David A. Russell, CFA, Senior Investment Strategist

The FELRA Pension Plan's Cash Flow Projections:

Original Forecast - 2012

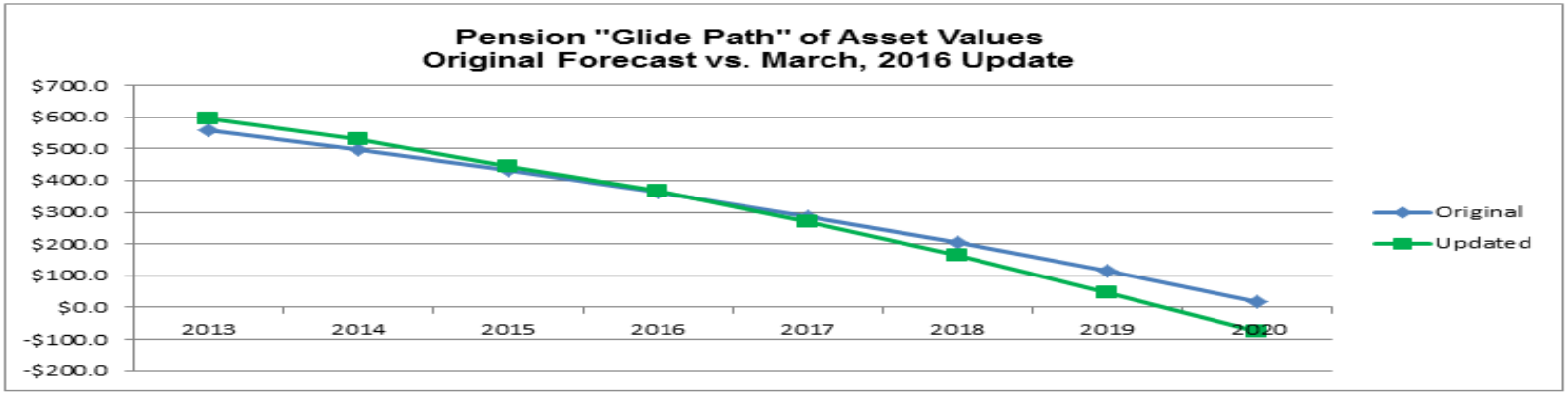
	Beginning Market Value ($ million)	Forecasted Return (%)	Forecasted Return ($)	Plan Cash Flows: Contrib	Plan Cash Flows: Benefit Payments	Plan Cash Flows: Admin Costs	Plan Cash Flows: Net Plan Cash Flow	Year End Assets
2013	$608.2	7.2%	$43.8	$56.1	($146.9)	($4.1)	($94.90)	$557.1
2014	$557.1	7.2%	$40.1	$56.1	($150.2)	($4.2)	($98.30)	$498.9
2015	$498.9	7.2%	$35.9	$56.2	($152.6)	($4.4)	($100.80)	$434.0
2016	$434.0	7.2%	$31.3	$56.5	($153.8)	($4.5)	($101.80)	$363.5
2017	$363.5	6.9%	$25.1	$56.9	($154.5)	($4.6)	($102.20)	$286.4
2018	$286.4	6.5%	$18.6	$57.6	($154.4)	($4.8)	($101.60)	$203.4
2019	$203.4	5.2%	$10.6	$58.4	($153.7)	($4.9)	($100.20)	$113.8
2020	$113.8	2.8%	$3.2	$58.5	($152.5)	($5.1)	($99.10)	$17.8

Updated Forecast - May, 2017

Reflects Market Values as of 12/31/2016 and 2017 Asset Class Return Assumptions

	Beginning Market Value ($ million)	Actual* / Forecast (%)	Actual* / Forecast ($)	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	14.2%	$81.2	Details not available			($90.10)	$594.8
2014	$594.8	5.3%	$31.8	$48.2	($150.1)	($4.4)	($95.32)	$531.3
2015	$531.3	2.3%	$12.2	$48.2	($150.1)	($4.4)	($106.30)	$444.9
2016	$444.9	**7.0%**	$31.1	$44.6	($154.0)	($5.1)	($114.50)	**$366.1**
2017	**$366.1**	5.8%	$21.1	$43.7	($156.4)	($5.2)	($117.90)	$269.3
2018	$269.3	5.5%	$14.9	$42.6	($157.7)	($5.4)	($120.50)	$163.7
2019	$163.7	2.9%	$4.7	$41.7	($158.0)	($5.5)	($121.80)	$46.6
2020	$46.6	2.8%	$1.3	$41.0	($157.6)	($5.7)	($122.30)	-$74.4

* Net of Fees Returns



Recommended Asset Allocation Glide Path

Updated May 2017

	IPS 2016 Return Assumptions	IPS 2017* Return Assumptions	2014 Target Allocation	2015 Target Allocation	Jan 2016 Target Allocation	Dec 2016 Actual Allocation	Recommended Jan 2017 Target Allocation	Recommended Jan 2018 Target Allocation	Recommended Jan 2019 Target Allocation	Recommended Jan 2020 Target Allocation
Total Equity			**40.0%**	**40.0%**	**40.0%**	**33.0%**	**30.0%**	**30.0%**	**0.0%**	**0.0%**
US Equity	**7.50%**	**7.25%**	30.0%	30.0%	30.0%	28.9%	30.0%	30.0%	0.0%	0.0%
Non-US Equity	**8.00%**	**7.75%**	5.0%	5.0%	5.0%	2.6%	0.0%	0.0%	0.0%	0.0%
EM Equity	**10.00%**	**9.75%**	5.0%	5.0%	5.0%	1.5%	0.0%	0.0%	0.0%	0.0%
Total Bonds			**19.5%**	**19.5%**	**19.5%**	**13.7%**	**35.0%**	**40.0%**	**95.0%**	**90.0%**
US Interm Gov/Credit	**3.00%**	**3.00%**	5.0%	5.0%	5.0%	1.9%	20.0%	25.0%	95.0%	90.0%
Opportunistic Bond	**4.50%**	**4.50%**	10.0%	10.0%	10.0%	9.4%	10.0%	10.0%	0.0%	0.0%
Sh Dur HY Bonds	**5.50%**	**5.50%**	4.5%	4.5%	4.5%	1.4%	5.0%	5.0%	0.0%	0.0%
Real Estate	**7.75%**	**7.75%**	**15.0%**	**15.0%**	**15.0%**	**21.7%**	**15.0%**	**10.0%**	**0.0%**	**0.0%**
Hedge FOFs	**6.00%**	**4.50%**	**10.0%**	**10.0%**	**10.0%**	**14.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
GTAA	**7.25%**	**7.00%**	**15.0%**	**15.0%**	**15.0%**	**16.9%**	**15.0%**	**15.0%**	**0.0%**	**0.0%**
Cash	**1.00%**	**1.00%**	0.5%	0.5%	0.5%	0.6%	5.0%	5.0%	5.0%	10.0%
Total			**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
2016 Forecasted Return			7.2%	7.2%	6.9%		5.9%	5.6%	2.9%	2.8%
2017 Forecasted Return			**7.2%**	**7.2%**	**6.9%**		**5.8%**	**5.5%**	**2.9%**	**2.8%**
Forecasted Standard Deviation					**11.53**		**8.41**	**8.36**	**2.39**	**2.27**
Projected Market Values - Beginning of Year in $millions					**$444.9**		**$366.1**	**$269.7**	**$164.4**	**$47.4**
Value At Risk (VaR) - Begining Asset Values in $millions					**-$77.2**		**-$47.0**	**-$34.7**	**-$6.5**	**-$2.1**

VaR = Maximum dollar loss over a 1-year time horizon at a 95% confidence level

* Based on updated return assumptions adopted the by IPS Investment Committee as of January 2017. Risk (Standard Deviation) has not changed.
The return assumptions are long-term and forward-looking, net-of-fee index expectations, based on reasonable beliefs of the IPS Investment Committee.
Actual results may differ from the forecast above.

Supplemental Information

Manager Recommendations - Updated May, 2017

U.S. Equity	Recommendation	Long Term
Wedge	Retain	Liquidate on 12/31/18
Vanguard Total Market	Retain	Liquidate on 12/31/18

International	Recommendation	Long Term
Gryphon	Due to ongoing cash needs, redeem as soon as possible (pending)	---
Vanguard EM Index Fund	Due to ongoing cash needs, redeem as soon as possible (pending)	---

Fixed Income	Recommendation	Long Term
Segall Bryant Hamill	Retain	Retain
Chartwell Short Dur HY	Retain	Liquidate 12/31/2018
Templeton Global Bond	Retain	Liquidate 12/31/2018

Real Estate	Recommendation	Long Term
JPMorgan	Due to ongoing cash needs, reduce to 15% allocation as soon as possible, 10% by December 31, 2017 (Status: In process) and liquidate by December 31, 2018 (Status: Pending)	Liquidate on 12/31/18

Hedge Fund of Funds	Recommendation	Long Term
EnTrust	Due to ongoing cash needs, redeem as soon as possible (Status: In process) Termination is effective June 30, 2017 with proceeds to become available starting July 2017 (paid over a few quarters).	---
Mesirow	Due to ongoing cash needs, redeem as soon as possible (Status: In process). Termination is effective Sept 30, 2017 with proceeds to become available in mid-November.	---

GTAA	Recommendation	Long Term
First Eagle	Retain	Liquidate 12/31/2018

Glossary of Investment Terminology

Total Return	The annual return on an investment including appreciation, depreciation and income (interest, dividends, net operating income).
Alpha	The excess return (positive or negative) generated by active portfolio management and security selection, relative to a benchmark.
Beta	A historical measure of an investment's volatility relative to the market. The beta of the market is 1.0 (as represented by a benchmark such as the S&P 500 Index). A beta of greater than 1.0 indicates an investment with greater volatility than the benchmark. A beta of less than 1.0 indicates less volatility than the benchmark.
Standard Deviation	Standard deviation is a statistical measurement of the dispersion of a set of data from its mean. The more spread apart the data are, the greater the standard deviation.
Risk	For an investment portfolio, risk is typically defined as the volatility of the returns, as measured by calculating the standard deviation. The risk does not necessarily indicate the risk of loss, but does indicate the risk of inconsistent returns.
Capture Ratio	Calculates how well a manager performs in a rising or falling market as a percentage of a benchmark. In a rising market, a percentage of 100 or better is preferred, and indicates the manager exceeded the benchmark (upside capture ratio). In a falling market, a percentage of less than 100 is preferred, indicating that the manager lost less than the benchmark (downside capture ratio).
Correlation	A statistical measure of how two asset classes perform in relation to each other. Asset classes with a correlation of 1.0 have perfect positive correlation (exactly the same). Assets with perfect negative correlation of -1.0 will perform equally but in opposite directions.
Efficient Frontier	A series of portfolios with the maximum expected return for any level of risk, which is calculated based on assumptions of risk, return and correlation. These portfolios are shown graphically on a risk and return chart, and represent the most efficient tradeoff between risk and return.
Market Cap	The dollar value of a corporation, which is calculated by multiplying the share price and the number of outstanding shares.
Large Cap	Stocks which typically have a market capitalization of $10 billion or higher.
Mid Cap	Stocks which typically have a market capitalization of $2 to $10 billion.
Small Cap	Stocks which typically have a market capitalization of $2 billion or less.
Geometric Calculation	Geometric Calculations are used when determining an annualized investment return and tends to dampen the effect of very high or very low values. The result is a number that is smaller than (or equal to) the arithmetic average of the values.
Compound Annual Returns	Compound annual returns show the annual investment return, assuming the investment grew at a constant rate, and reflects the impact of the time in the calculation of an investment return.
Return/Risk Ratio	The return/risk ratio is the expected return of an investment divided by the expected standard deviation (risk). When comparing return/risk ratios a higher value is presumed to be better than a lower value