ASSET ALLOCATION
AND FUND STRUCTURE REVIEW

FELRA and UFCW Benefit Legal Fund

August 29, 2014

INVESTMENT PERFORMANCE SERVICES, LLC

Richard Sichel, Jr. – President

INVESTMENT PERFORMANCE SERVICES, LLC
ASSET ALLOCATION ASSUMPTIONS
10-Year Annualized Expectations

Asset Class	Return	Risk
Equity		
U.S. Large Cap Stocks	8.00%	19.00
U.S. Mid Cap Stocks	8.50%	22.00
U.S. Smid Cap Stocks	8.50%	24.00
U.S. Small Cap Stocks	8.50%	25.00
International Stocks	8.25%	20.75
Fixed Income		
Cash Equivalents	1.00%	0.50
Bonds- Short Term Government /Credit	2.00%	2.50
Bonds- Intermediate	3.00%	4.00
Bonds- Core	3.25%	5.00
Bonds- High Quality Short Duration High Yield	5.50%	5.75
Bonds- High Quality High Yield	6.00%	10.00
Alternatives		
Hedge Fund of Funds – Multi-Strategy	7.25%	8.00
Global Tactical Asset Allocation	7.75%	12.50
Real Estate – Core	8.00%	9.00

The above chart represents an annualized return forecast for different asset classes using index returns (net of fees). These forecasts are forward-looking assumptions based on reasonable beliefs of the IPS Investment Committee but are not a guarantee of future performance. Actual results may differ from the forecast above.

IPS Investment Committee (05/14).

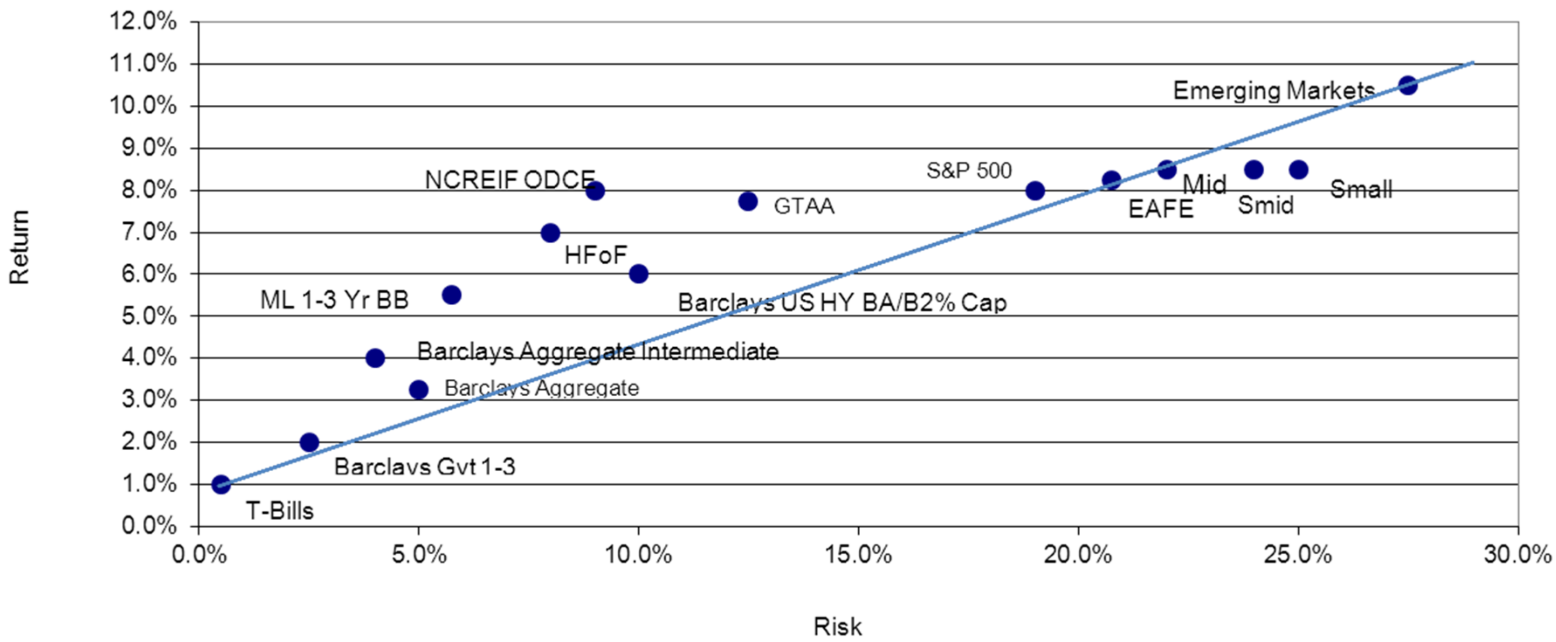
INVESTMENT
PERFORMANCE
SERVICES, LLC

Investment Performance Services, LLC
Model Asset Class Constraints

Total Domestic Equity	20%	Max
Domestic Large Cap Equity	0%	Max
Small, Mid and Smid Cap Equity	0%	Max
International Equity	0%	Max
Fixed Investment Grade	10%	Min
High Quality High Yield Bonds (Includes Short Duration)	30%	Max
Real Estate Equity	0%	Max
Hedge Fund of Funds	0%	Max
Global Tactical Asset Allocation	0%	Max
Emerging Markets	0%	Max
Private Equity	0%	Max
Global Bonds	0%	Max

IPS Investment Committee (05/14)

	Capital Market Assumptions - December 2013														
	Emerging Markets	Large Stocks	Smid Stocks	Mid Stocks	Small Stocks	Internat'l Stocks	ST Gvt Credit	Intermed Bonds	Core Bonds	SD HY Bonds	HY	RE	HF of F	GTAA	T-BILL
Return	10.50	8.00	8.50	8.50	8.50	8.25	2.00	3.00	3.25	5.50	6.00	8.00	7.25	7.75	1.00
Risk	27.50	19.00	24.00	22.00	25.00	20.75	2.50	4.00	5.00	5.75	10.00	9.00	8.00	12.50	0.50



FELRA and UFCW Benefit Legal Fund
Asset Class Correlations
August 29, 2014

Assumption table:	Large Stocks	Smid Stocks	Mid Stocks	Small Stocks	Internat'l Stocks	ST Gvt Credit	Intermed Bonds	Core Bonds	SD HY Bonds	HY	RE	HF of F	GTAA	T-BILL
Return	8.00	8.50	8.50	8.50	8.25	2.00	3.00	3.25	5.50	6.00	8.00	7.25	7.75	1.00
Risk	19.00	24.00	22.00	25.00	20.75	2.50	4.00	5.00	5.75	10.00	9.00	8.00	12.50	0.50
Correlations														
Large Cap Stocks	1.00													
Smid Cap Stocks	0.95	1.00												
Mid Cap Stocks	0.96	0.98	1.00											
Small Cap Stocks	0.93	0.98	0.96	1.00										
International Stocks	0.89	0.85	0.88	0.81	1.00									
Short Term Gov't Credit	-0.05	-0.09	-0.06	-0.11	0.06	1.00								
Intermediate Bonds	0.07	0.03	0.06	-0.01	0.15	0.83	1.00							
Core Bonds	0.04	0.00	0.04	-0.03	0.13	0.76	0.98	1.00						
Short Duration High Yield Bonds	0.63	0.64	0.70	0.58	0.66	0.18	0.35	0.31	1.00					
High Yield Bonds	0.68	0.69	0.73	0.65	0.70	0.12	0.30	0.27	0.93	1.00				
Real Estate	0.15	0.12	0.12	0.12	0.11	-0.18	-0.14	-0.12	-0.15	-0.07	1.00			
Hedge Fund of Funds	0.70	0.69	0.74	0.65	0.79	-0.04	0.00	-0.02	0.63	0.63	0.17	1.00		
GTAA	0.93	0.88	0.91	0.84	0.97	0.14	0.25	0.22	0.65	0.70	0.11	0.74	1.00	
T-Bill	-0.10	-0.12	-0.12	-0.11	-0.04	0.32	0.07	0.04	-0.17	-0.17	0.28	0.00	-0.05	1.00

A Correlation of 1.00 indicates two series move perfectly together
while a -1.00 shows they move perfectly opposite one another.

FELRA and UFCW Benefit Legal Fund
Asset Allocation Review

Efficient Frontier Report

Asset	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Portfolio 10
Large Cap Stocks	0.50	0.47	0.44	3.15	5.20	7.16	9.61	13.77	18.19	20.00
Smid Cap Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mid Cap Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Small Cap Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
International Stocks	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Short Term Gov't Credit	85.56	75.70	65.84	51.89	30.63	18.72	0.00	0.00	0.00	0.00
Intermediate Bonds	0.00	0.00	0.00	9.95	29.17	44.12	60.39	27.49	0.00	0.00
Core Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	28.74	51.81	50.00
Short Duration High Yield Bonds	8.94	18.83	28.71	30.00	30.00	30.00	30.00	30.00	30.00	0.00
High Yield Bonds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.00
Real Estate	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Hedge Fund of Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GTAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
T-Bill	5.00	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00
Return	2.32	2.67	3.02	3.37	3.71	4.05	4.39	4.72	5.04	5.31
Risk	2.31	2.38	2.58	2.92	3.37	3.86	4.39	5.01	5.67	7.07
Return/Risk	1.00	1.12	1.17	1.15	1.10	1.05	1.00	0.94	0.89	0.75

* Compound annual return.

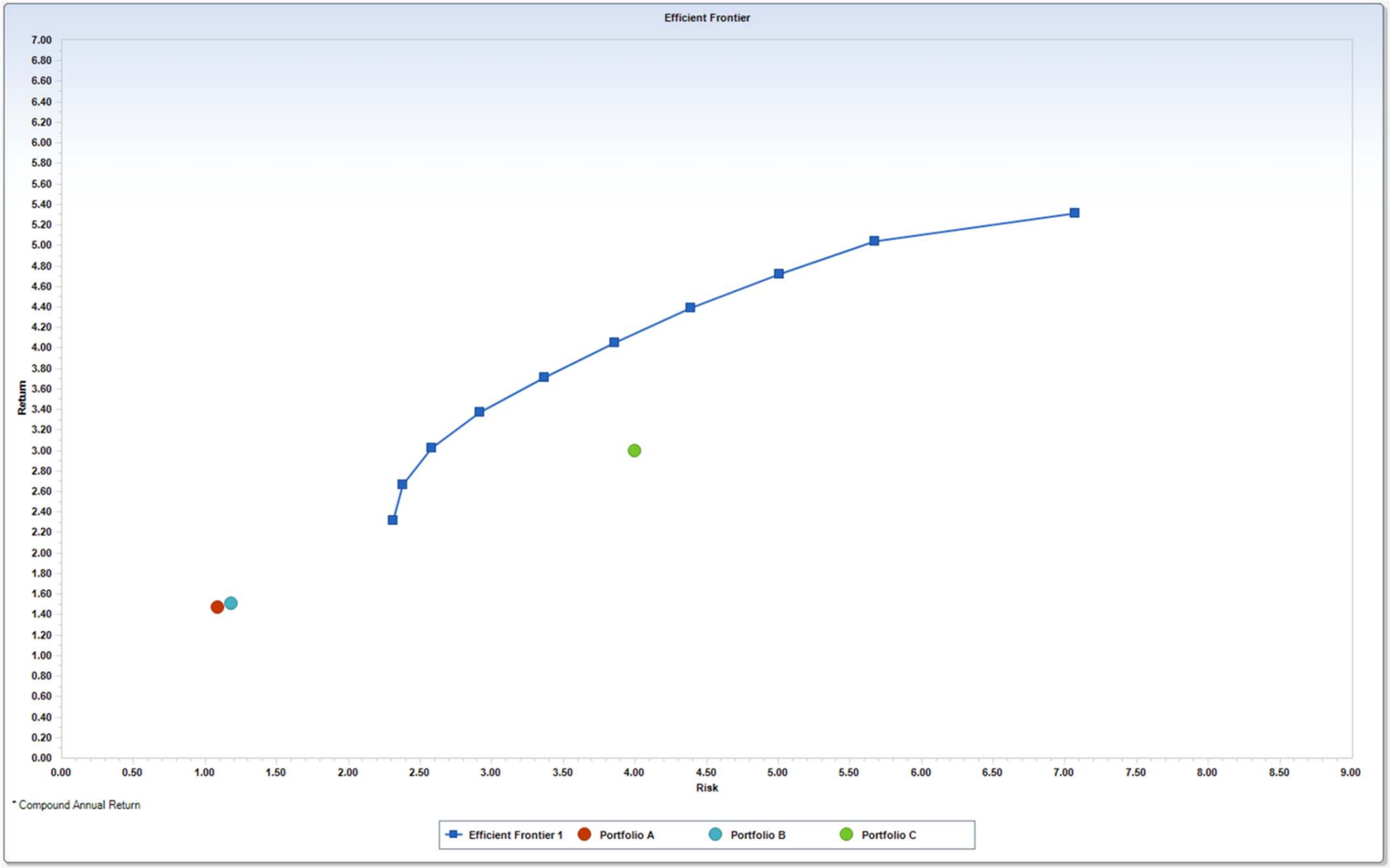
* Returns based on a geometric calculation.

FELRA and UFCW Benefit Legal Fund
Asset Allocation Review

	% Asset Class Target													
	US LC Equity	Small Cap Equity	Internat'l Eq	Fixed Income Interm	Fixed Income	SD HY	High Yield	Real Estate	Hedge FOF	GTAA	Cash	Expected Return	Risk	Comments
Felra and UFCW Benefit Legal Fund - A	0.0	0.0	0.0	0.0	20.0	0.0	0.0	0.0	0.0	0.0	80.0	1.47%	1.09	Policy Targets
Scenario 1 - B	0.0	0.0	0.0	0.0	21.9	0.0	0.0	0.0	0.0	0.0	**78.1**	1.51%	1.18	Actual July 31, 2014 allocation.
Scenario 2 - C	0.0	0.0	0.0	**100.0**	**0.0**	0.0	0.0	0.0	0.0	0.0	**0.0**	3.00%	4.00	Increased return

* 0% allocation to fixed income represents a change to intermediate.

FELRA and UFCW Benefit Legal Fund
Asset Allocation Review



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