INVESTMENT PERFORMANCE SERVICES, LLC

FELRA and UFCW Pension Fund

Investment Manager Review
Global Fixed Income Style Manager Review
For the Period Ending March 31, 2014

Executive Summary

Manager Search Process

- First, we assist the Trustees in specifying the characteristics of the investment manager that will satisfy the needs of the Fund. This is accomplished within the confines of the Board's investment and diversification guidelines.

- IPS develops a list of qualified candidates for each asset class and investment style. Investment manager candidates are thoroughly researched from various sources, including the Wilshire Compass database, Morningstar mutual fund database, and industry/public information. This information is scrutinized for fit against specific selection criteria. The purpose of this due diligence discipline is to reduce the immense list of potential candidates to a manageable group of firms with an impartial eye on meeting all selection criteria.

- Consistency of performance is a key component of the search process. IPS is mindful of the mathematics of an investment loss which requires the achievement of higher rates of performance to recover from a loss. Investment managers that "hit singles and doubles but seldom strike out" are preferred. IPS believes that managers who can provide this profile of performance will rank well when longer time periods are considered.

- Consistency of results among the manager's total accounts is critical as the Pension trustees are hiring the investment firm, not a unique portfolio manager of record.

- It is important to note that no fees of any kind are paid to IPS by any investment manager. The only requirement placed upon the manager is their willingness to submit and maintain data concerning their firm, its investment products, and performance results.

- For every investment manager search, IPS sends a Request for Information (RFI) to each potential candidate, regarding the product characteristics, performance, personnel, investment process and other relevant criteria, as part of the IPS due diligence process. A copy of the RFI for each manager has been provided to the Fund's Administrator and additional copies can be provided to the Trustees upon request.

- The next step can be a presentation of background information regarding the top firms meeting all the selection criteria. From this list, the very best firms will be asked to make personal interviews and presentations by their principals and/or managers who will actually manage the fund's assets. We will assist in the review of these candidates to help the Board of Trustees choose the best candidates.

- The last meeting is the personal presentation of the final group of candidates who appear to best meet the needs of the Trustees and their objectives. The manager presentation is a very important step in the trustee's process of evaluating and comparing the candidates. The conclusion of the search process is the selection of the firm(s) by the client to manage the assets. IPS does not recommend any particular firm to be hired, but rather conducts due diligence so that a client can make an informed decision.

- Finally, when needed, we will assist the client in the coordination and transition between the custodian and new manager to insure a carefully supervised transfer of assets.

- Importantly, as part of our ongoing performance evaluation reports, we will review the manager transfer as it occurs, and ensure the accurate accounting of the changes made.

Perspective on Performance and Risk Data

The Manager Profiles include historical performance results. It is important to remember that past performance is not to be construed as a guarantee of future performance. The key to using historical performance data is to develop an expectation of returns during various market environments and to determine which type of return (and thus which type of manager) best suits the client's needs. We use historical data to "look behind" the managers' numbers for consistency of returns and to inspect how they preserve capital over full market cycles and in declining markets.

Included within the Manager Profiles are the following: firm's history, fund styles, fees, volatility, relative performances, and risk measures. This information is critical when comparing the candidates among each other. The material is presented in a consistent fashion to ensure there is a level playing field.

FELRA & UFCW Pension Fund
Investment Manager Comparison Summary
Global Fixed Income Style

Investment Manager/ Location	Year Established/ Ownership	Total/ Taft-Hartley Assets under Management (1)	Taft Hartley # of Accounts	Assets in Style/ Commingled Assets (1)	Investment Vehicle/ Minimum Invest. (2)
Franklin Templeton Investment New York, NY	1947 Publicly Traded	$886,940 $1,879	16	$124,978 $457	Commingled $10,000,000
Wellington Management Boston, MA	1979 Partnership	$868,631 $7,844	173	$2,247 $139	Commingled $5,000,000

(1) As of 3/31/14 and in millions.
(2) Commingled funds have proprietary investment policies that govern their investment activities. Those policies may differ from those of their separately managed clients.

FELRA and UFCW Pension Fund
Investment Manager Comparison Summary
Global Fixed Income Style

Firm Name	Separate Acct. Fee	Commingled Fee	Portfolio Duration	# of Issues	Credit Quality
Franklin Templeton Investments New York, NY	N/A	62 Bps First $50M 51 Bps Next $50M 45 Bps on Balance	1.7	267	A-
Wellington Management Boston, MA	N/A	46 Bps	1.9	346	Aa3

FELRA and UFCW Pension Fund
Investment Manager Review
Global Fixed Income Style

Comparison for Periods Ending 3/31/2014

	QTR	YTD	1 Year	3 Year	5 Year	7 Year	10 Year
Franklin Templeton Investments-Templeton Global Bond Plus	0.91	0.91	2.17	5.41	10.31	9.95	9.70
Wellington Management - World Bond	1.34	1.34	1.80	N/A	N/A	N/A	N/A
Citi-World Gvt Bd Index	**2.67**	**2.67**	**1.37**	**1.91**	**3.84**	**4.90**	**4.23**

The investment policy guidelines of each individual portfolio within the composite results presented above may differ among each other. In addition, the investment policy guidelines of commingled and institutional mutual funds may differ from investment guidelines governing separately managed portfolios. Composite results are reported gross of investment management fees. Rankings represent the percentile in a universe of intermediate fixed income composites.

FELRA and UFCW Pension Fund
Investment Manager Review
Global Fixed Income Style

Comparison for Periods Ending 12/31	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Franklin Templeton Investments - Templeton Global Bond Plus	2.90	17.24	-1.52	13.72	20.16	7.92	12.32	14.83	-2.31	15.70	23.59	20.52
Wellington Management - World Bond	0.49	9.96	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Citi - World Gvt Bd Index	**-4.00**	**1.65**	**6.35**	**5.17**	**2.55**	**10.89**	**10.95**	**6.11**	**-6.87**	**10.36**	**14.93**	**19.50**

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FELRA and UFCW Pension Fund
Investment Manager Comparison Summary
Global Fixed Income Style

Firm Name	Beta Ratio 3 Yr/ 5 Yr (1)	Sharpe Ratio 3 Yr/ 5 Yr (2)	Tracking Error 3 Yr/ 5 Yr (3)	Information Ratio 3 Yr/ 5 Yr (4)	Consistency 3 Yr/ 5 Yr (5)	Standard Deviation 3 Yr/ 5 Yr (6)	Up Mkt Capture Ratio 3 Yr/ 5 Yr (7)	Down Mkt Capture Ratio 3 Yr/ 5 Yr (7)
Franklin Templeton Investments	0.91 0.55	0.56 1.17	8.44 8.58	0.41 0.73	61% 60%	9.5 8.7	132% 133%	80% 44%
Wellington Management	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Citi - World Gvt Bd Index						**4.8** **6.0**		

(1) Beta Ratio - Indicates the volatility of a portfolio relative to a benchmark. For example, a portfolio with a beta value of 1.25 in an up market is expected to perform 25% better than the benchmark; a portfolio with a beta of .80 in an up market is expected to perform 20% worse than the benchmark; and a portfolio with a beta 1.0 is expected to perform in line with the benchmark.

(2) Sharpe Ratio - A measure of the excess return per unit of risk. The ratio is calculated by subtracting the risk-free rate (i.e. T-Bills) from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The greater a portfolio's ratio, the better its risk-adjusted performance.

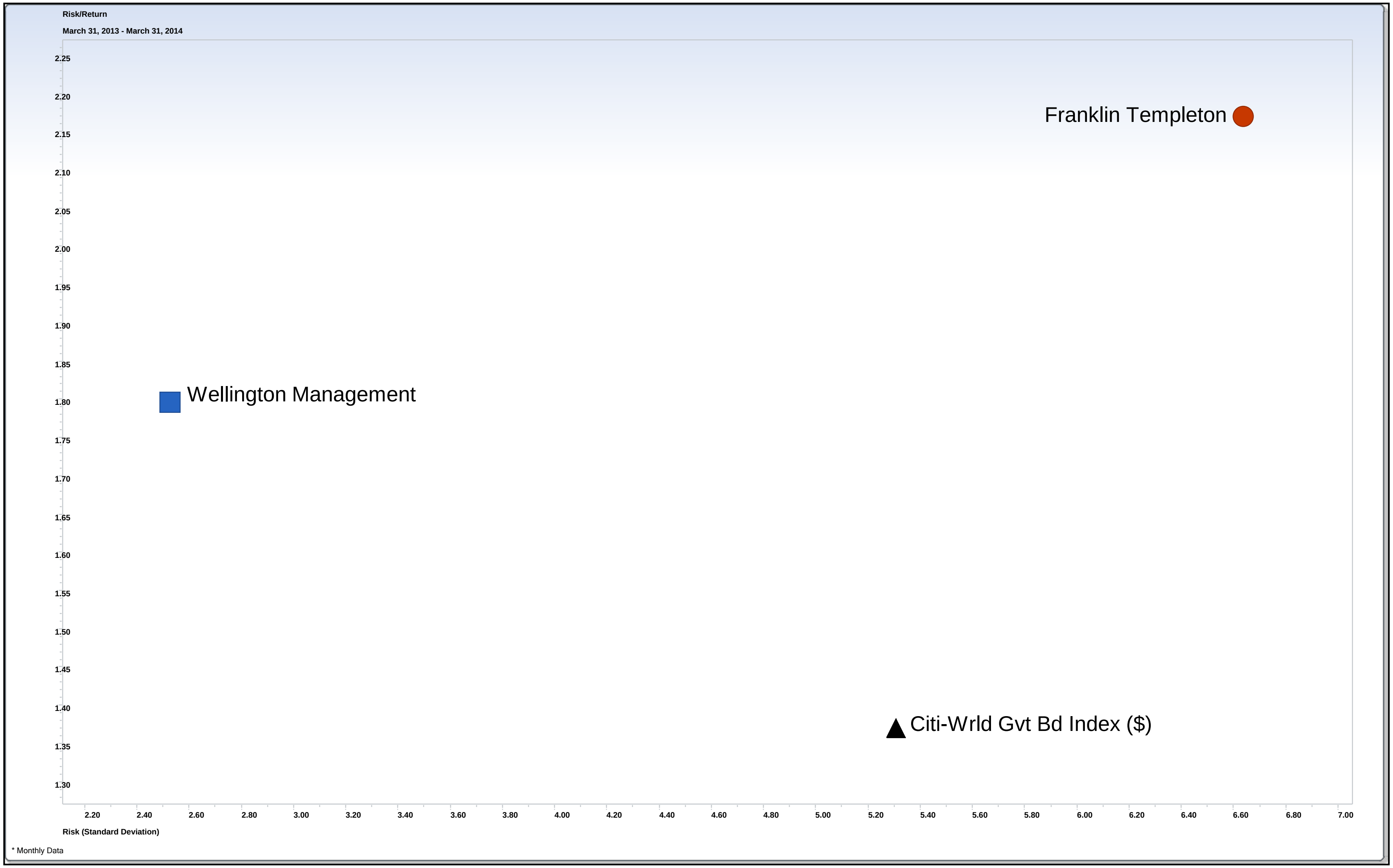
(3) Tracking Error - A measure of how closely a portfolio's return follows its benchmark. The statistic is measured by the standard deviation of the difference between the portfolio and index returns. The higher the tracking error, the higher the variability of the portfolio returns around the benchmark. For example, a tracking error of 2.00 indicates the portfolio's return is 200 basis points higher than the associated benchmark.

(4) Information Ratio - The ratio compares the annualized returns of the portfolio with the benchmark, by taking the excess return divided by tracking error. The ratio indicates the risk-adjusted excess return of the manager over the benchmark. The higher the ratio, the higher the excess return of the manager given the level of risk.

(5) Consistency is defined as the percentage of months the manager outperformed the index.

(6) Standard Deviation - A statistical measure of dispersion about an average depicting how widely returns varied over a certain period of time. An investment manager with a measure in excess of the index historically had volatility greater than the index.

(7) Capture ratios and calculations are based on monthly performance results provided by the investment managers to the Wilshire Compass data base. Up and down market capture ratios indicate the percentage of the “market's” performance captured by an investment manager. For example, a manager with a downside capture of 80% generated a return that was less negative than the market (i.e. benchmark -1.0% vs. manager -.8%); a manager with a downside capture of 120% generated a return that was more negative than the market (i.e. benchmark -1.0% vs. manager -1.2%); and a manager with a downside capture of -100% generated a positive return in a negative market environment (i.e. benchmark -1.0% vs. manager +1.0%).


Risk/Return
March 31, 2013 - March 31, 2014
2.25
2.20
2.15
2.10
2.05
2.00
1.95
1.90
1.85
1.80
1.75
1.70
1.65
1.60
1.55
1.50
1.45
1.40
1.35
1.30
Franklin Templeton
Wellington Management
Citi-Wrld Gvt Bd Index ($)
2.20
2.40
2.60
2.80
3.00
3.20
3.40
3.60
3.80
4.00
4.20
4.40
4.60
4.80
5.00
5.20
5.40
5.60
5.80
6.00
6.20
6.40
6.60
6.80
7.00
Risk (Standard Deviation)
* Monthly Data