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Market Discussion Points 1Q | 2014

Financial Market Performance

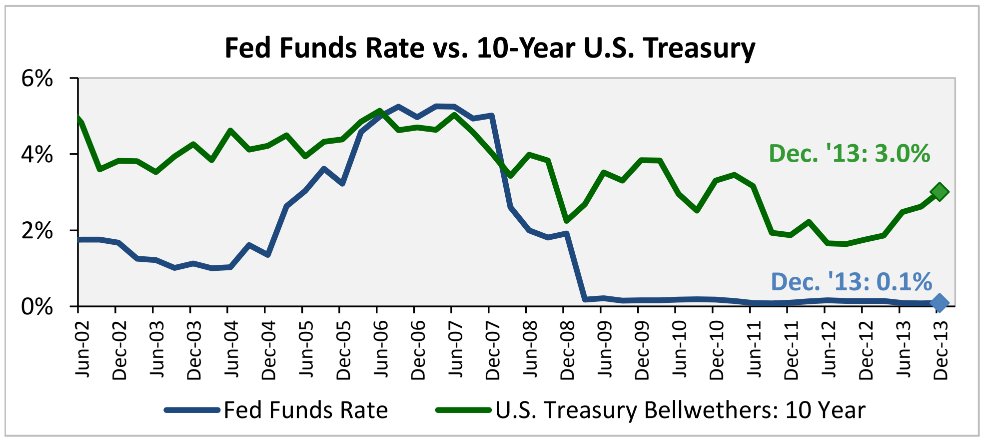
Periods Ending March 31, 2014

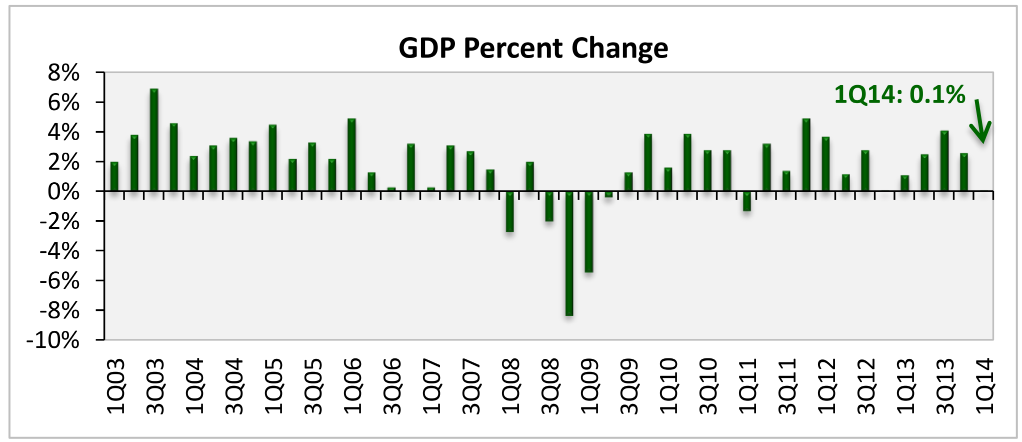
Strategy	Sector	Index	Quarter	YTD	2013	2012	2011	2010	2009	1-Year	3-Year	5-Year	10-Year
Stocks	**US Large Cap**	S&P 500 Index	1.8	1.8	32.4	16.1	2.1	15.1	26.4	21.9	14.7	21.2	7.4
	US Small Cap	Russell 2000	1.1	1.1	38.8	16.3	-4.2	26.8	27.2	24.9	13.2	24.3	8.5
	All Country	MSCI All Country World (net)	1.1	1.1	22.8	16.1	-7.3	12.7	34.6	16.6	8.5	17.8	7.0
	Non-US Developed	MSCI EAFE (net)	0.7	0.7	22.8	17.3	-12.1	7.8	31.8	17.6	7.2	16.0	6.5
	Emerging Markets	MSCI EM (net)	-0.4	-0.4	-2.6	18.2	-18.4	18.9	78.5	-1.4	-2.9	14.5	10.1
Bonds	**Treasury**	Barclays US Govt Index	1.3	1.3	-2.6	2.0	9.0	5.5	-2.2	-1.2	3.2	2.7	4.0
	Broad Market	Barclays Aggregate	1.8	1.8	-2.0	4.2	7.8	6.5	5.9	-0.1	3.7	4.8	4.5
	High Yield	Barclays HY BaB 2% Issuer Cap	2.9	2.9	6.2	15.0	6.0	13.9	45.2	6.8	8.8	15.6	7.9
	Global Bonds	Citigroup WGBI	2.7	2.7	-4.0	1.6	6.4	5.2	2.6	1.4	1.9	3.8	4.2
Global Tactical Asset Allocation (GTAA)		65% MSCI World /35% Citi WGBI	1.8	1.8	15.1	10.9	-1.2	9.8	20.1	12.7	7.5	13.3	6.2
Real Estate	**Core**	NCREIF ODCE Index	2.5	2.5	14.0	10.9	16.0	16.4	-29.8	13.8	13.1	7.3	7.2
Hedge Funds	**Diversified FOFs**	HFRI HFOF Composite	0.4	0.4	9.0	4.8	-5.7	5.7	11.5	5.9	2.3	4.9	3.1
	Equity Long-Short	HFRI Equity Hedge	1.3	1.3	14.3	7.4	-8.4	10.5	24.6	10.3	3.7	9.5	5.0
Commodities	**Commodities**	Goldman Sachs Commodity Index	2.9	2.9	-1.2	0.1	-1.2	9.0	13.5	1.1	-3.4	6.8	0.0

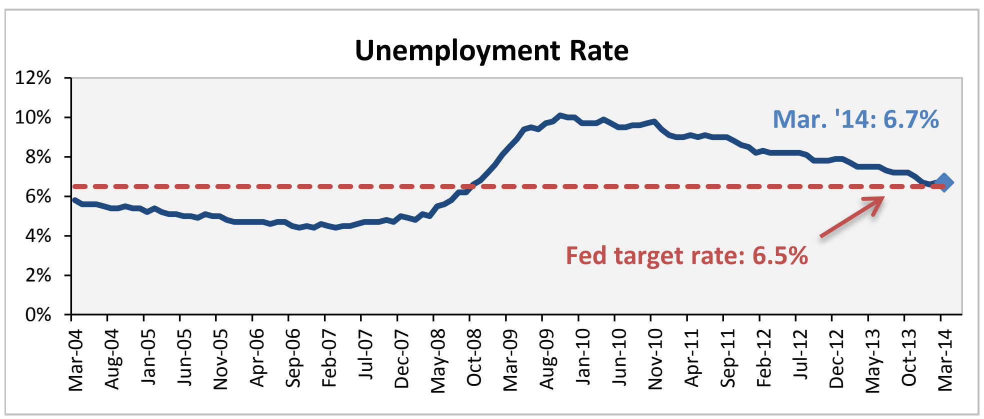
INVESTMENT PERFORMANCE SERVICES, LLC

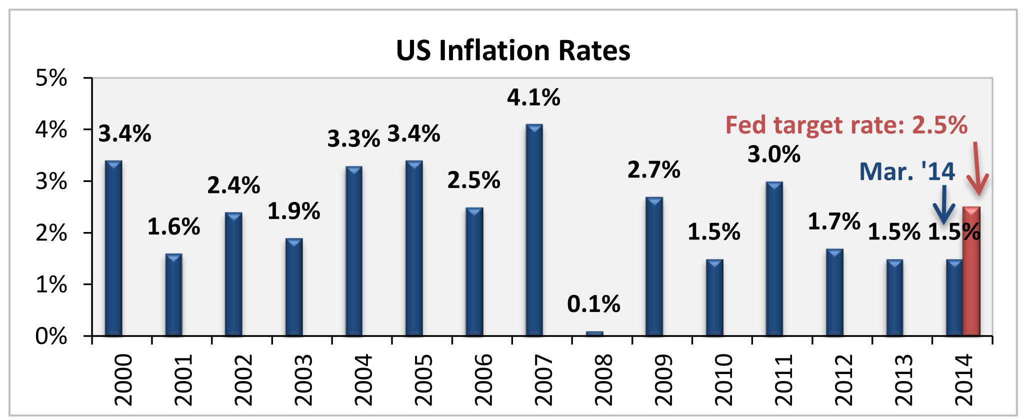
U.S. Economy

The U.S. economic recovery continues, but at a frustratingly sluggish pace as low job growth continues to restrict overall economic growth. Headline unemployment is unchanged from the end of the year at 6.7%, or about 10.7 million Americans. That, however, is not the entire story. Job growth slowed in the first quarter with an average of 129,000 jobs created per month vs. 205,000 average for the previous six months. The broader measure of unemployment, U-6, which includes part-time workers looking for a full-time job is at 12.7%. Some 7.4 million part-time workers would prefer a full-time job, and the balance are workers who have quit looking for work. It is reported that half of the unemployed are under age 35, which is the biggest consumer group. The lack of wages in this group is stifling consumer spending. The DOL also reports that the labor force participation rate is 63.2%, a 35 year low. Consumer confidence grew to 82.3% in March, up from 78.3% in January, but expectations by consumers were 50/50 believing that the economy was going to get better or worse. Weakness in existing home sales, particularly by first-time buyers, is an additional employment-related drag on the recovery. The Case-Shiller 20-city Home Price Index was down for the last three months in a row and was -0.2% for the 1st quarter, after a robust 13.2% gain in 2013. GDP growth, after three revisions, was at 2.6% for the fourth quarter, down from 4.1% in the 3rd quarter of last year. Inflation remains low at 1.5%. Short-term interest rates remain low and the Federal Reserve indicates they will keep them low through the balance of the year. The 10-year Treasury rate declined from just over 3.0% at year-end to 2.7% at the end of the quarter, pushing up bond prices. Commodity prices, which fell dramatically last year, rebounded in the first quarter, with gold up 6.7%, natural gas up 12%, pork products up 31%, corn up 17% and coffee up a whopping 58%.





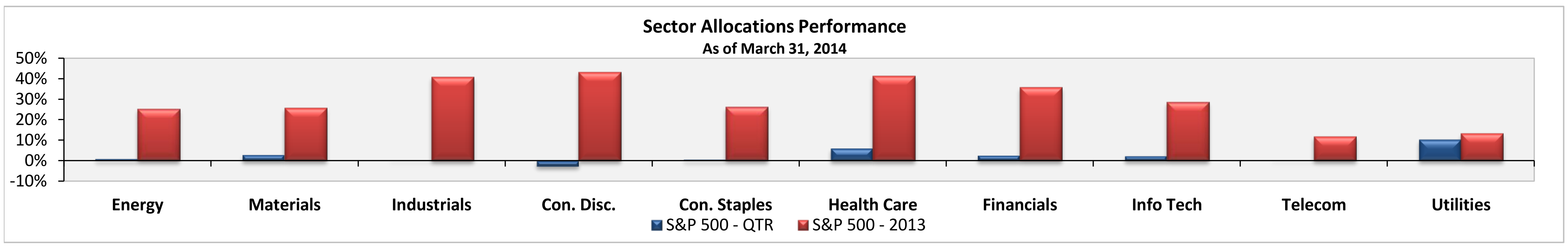


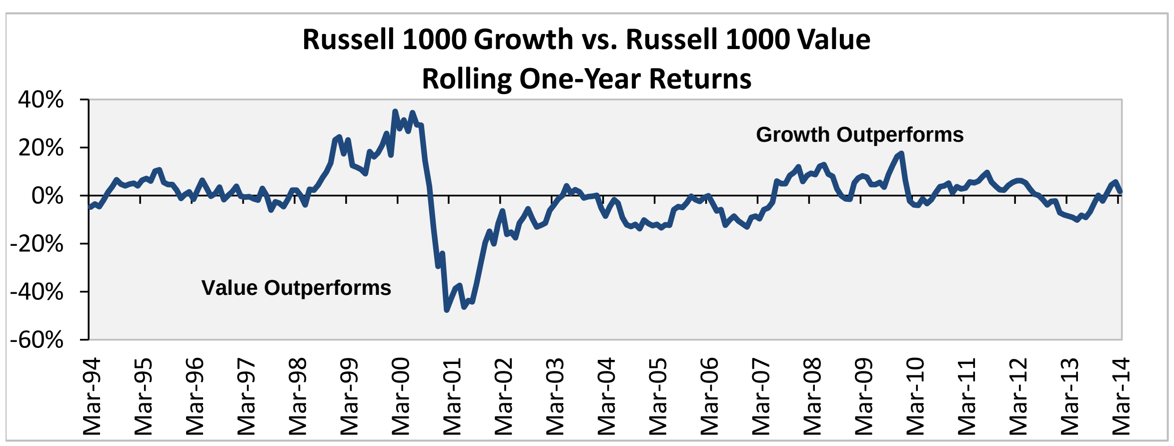


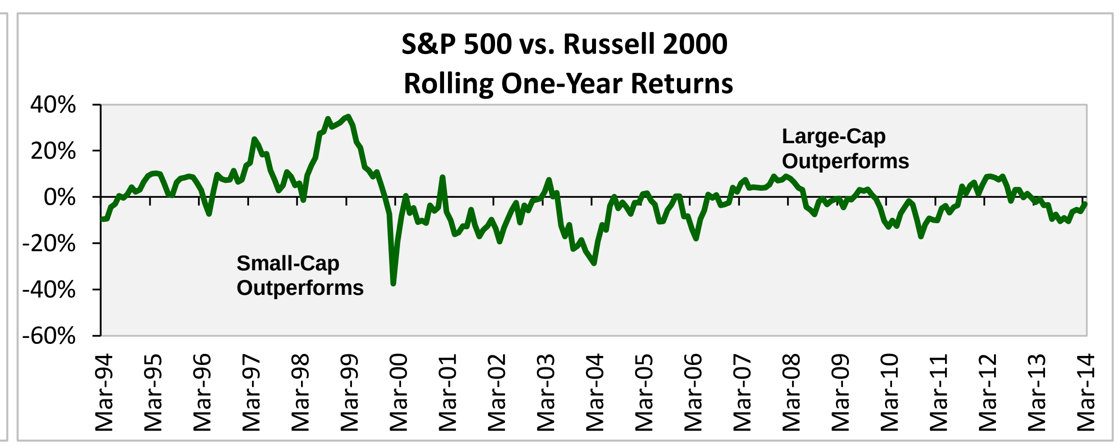
U.S. Equity Market

We experienced a little bit of everything in the equity markets in the first quarter. We had a market decline from year-end through early February, followed by a recovery and new highs in early March. The S&P 500 finished the 1st quarter up 1.8%, but the Dow Jones Industrial Average was down 0.15% for the quarter. Mid-cap stocks out-performed both the large- and small-cap sectors, and value trumped growth. Earnings per share growth continues, but at a slower pace than last year. Earnings remain near all time highs, and 1,078 companies increased their dividend in Q1, the largest number since 1979. The average dividend yield on the S&P 500 is now 2.48%. Price/Earnings multiples are near long-term averages with the S&P 500 trailing P/E ratio at 17.7 times and forward P/E estimates at 15.6 times earnings. This would suggest that the market is fairly valued, but not necessarily over-valued. The nice thing about an average is that you know that about half the time the numbers were higher and about half the time the numbers were lower, so the equity pricing "glass" is either half-full or half-empty depending on your point of view. There has been a steady flow of assets from stocks to bonds since 2008, totaling about $1.3 trillion until last year when the trend reversed. About $5 billion has moved from bonds into equities and equity ETFs in the past 12 months. The REIT industry, which got crushed last year, staged a rebound and the Wilshire REIT Index was up 10.1% for the quarter. Utilities and Health Care have been the leading sectors in the S&P so far this year.

		1Q 14	YTD	2013	2012	2011	2010	2009	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	1.8	1.8	32.4	16.1	2.1	15.1	26.4	21.9	14.7	21.2	7.4
	Russell 1000	2.1	2.1	33.1	16.4	1.5	16.1	28.4	22.4	14.8	21.7	7.8
	Russell 1000 Value	3.0	3.0	32.5	17.5	0.4	15.5	19.7	21.6	14.8	21.8	7.6
	Russell 1000 Growth	1.1	1.1	33.5	15.3	2.6	16.7	37.2	23.2	14.6	21.7	7.9
Mid Cap	Russell Mid-Cap	3.5	3.5	34.8	17.3	-1.6	25.5	40.5	23.5	14.4	25.5	10.0
	Russell Mid-Cap Value	5.2	5.2	33.5	18.5	-1.4	24.8	34.2	22.9	15.2	26.3	10.2
	Russell Mid-Cap Growth	2.1	2.1	35.8	15.8	-1.7	26.4	46.3	24.2	13.5	24.7	9.5
Small Cap	Russell 2000	1.1	1.1	38.8	16.3	-4.2	26.8	27.2	24.9	13.2	24.3	8.5
	Russell 2000 Value	1.8	1.8	34.5	18.1	-5.5	24.5	20.5	22.6	12.7	23.3	8.1
	Russell 2000 Growth	0.5	0.5	43.3	14.6	-2.9	29.1	34.5	27.2	13.6	25.2	8.9
Total Market	Wilshire 5000	2.0	2.0	33.1	16.1	1.0	17.2	28.3	22.4	14.4	21.7	7.9
	Russell 3000	2.0	2.0	33.6	16.4	1.0	16.9	28.3	22.6	14.6	21.9	7.9







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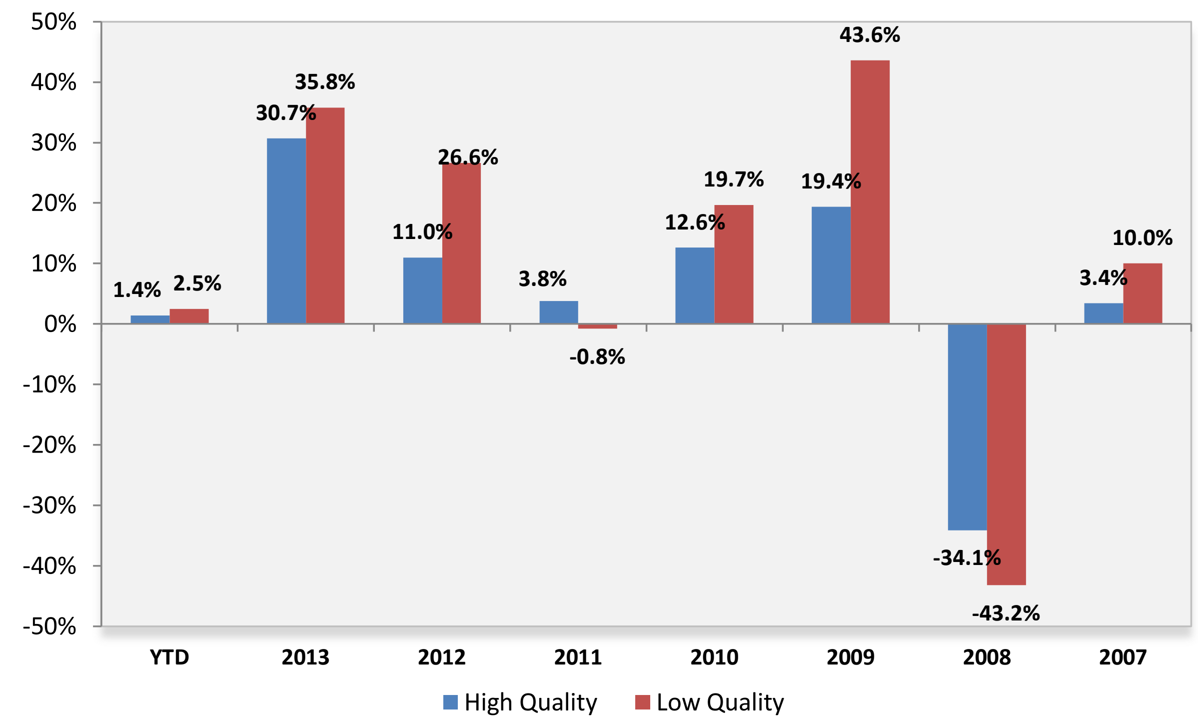
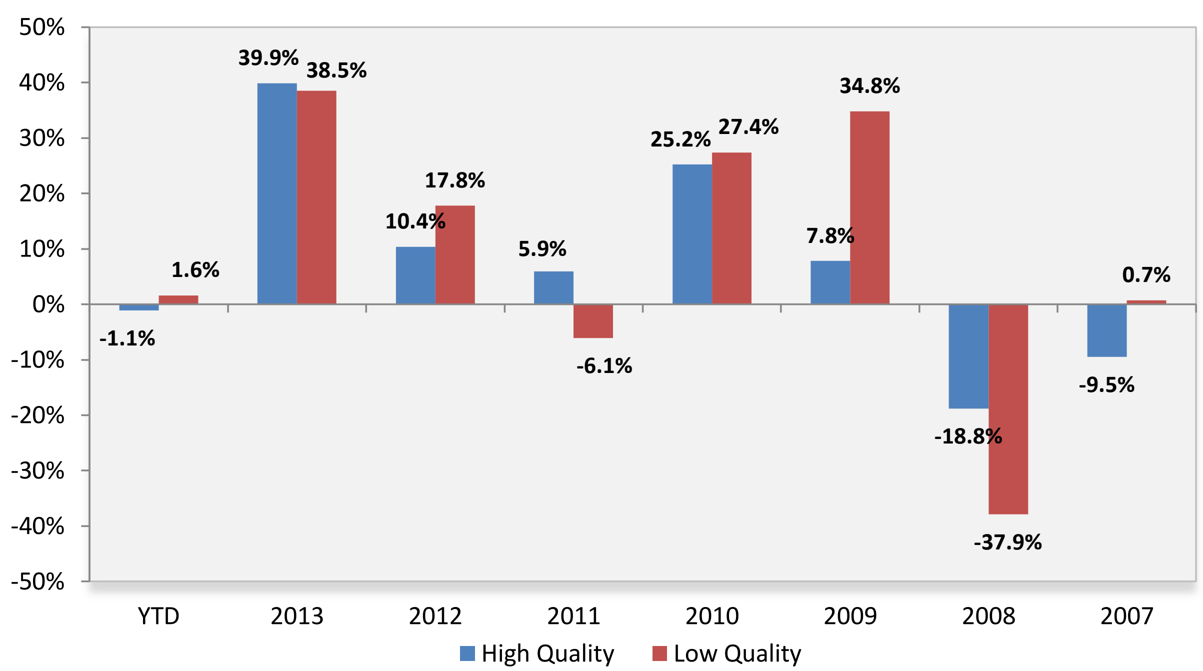
U.S. Stock Returns by Quality

Periods ending March 31, 2014

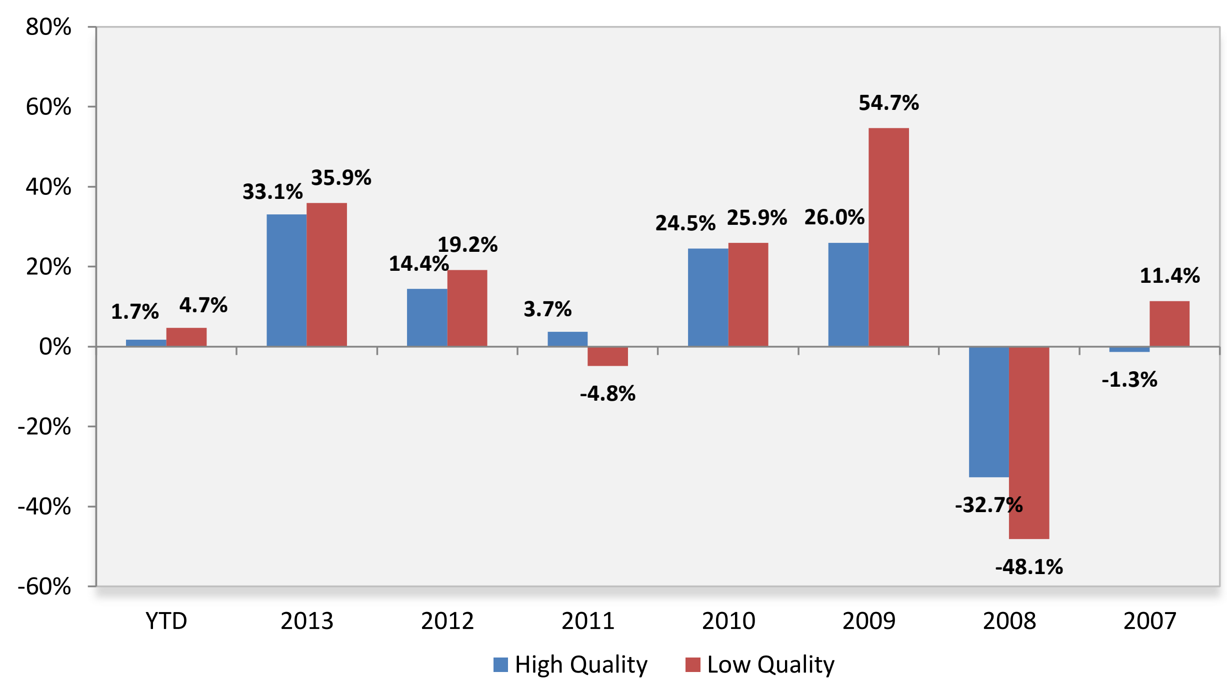
Large Cap Stock Returns by Quality



Small Cap Stock Returns by Quality



Midcap Stock Returns by Quality



Sources: Standard & Poor's, Wilshire Atlas, Atlanta Capital. Standard & Poor's Quality Rankings are utilized to capture the long-term growth and stability of a company's earnings and dividends in a single measure. The High Earnings Stability and Low Earnings Stability portfolios are provided to compare the aggregate of all companies with B+ or Better S&P Rankings to those with B or Below S&P Rankings. The material is based upon information that S&P, Wilshire and Atlanta Capital considers to be reliable, but neither S&P, Wilshire nor Atlanta Capital warrants its completeness, accuracy or adequacy and it should not be relied upon as such. Rates of return are calculated using a market capitalization weighted-methodology. Performance during certain periods reflects strong stock market performance that is not typical and may not be repeated. Past performance does not predict future results. The information contained herein has been provided for informational and illustrative purposes only and is not intended to be, nor should it be considered, investment advice.

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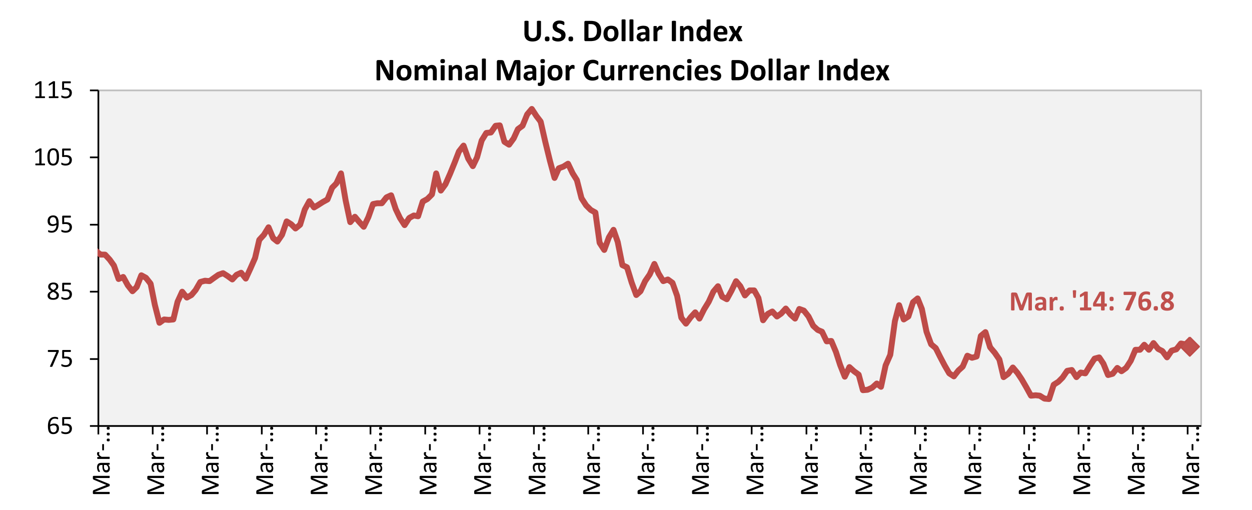
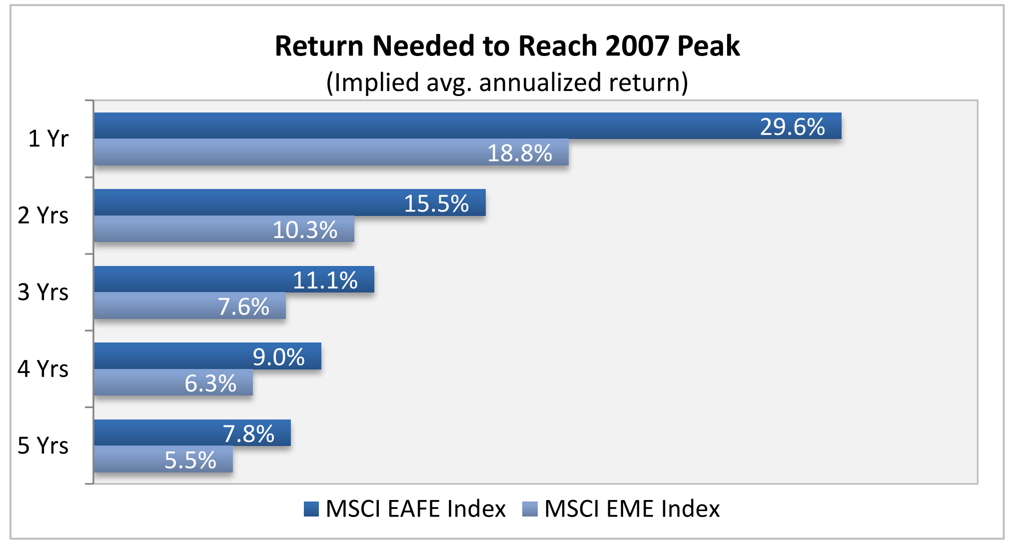
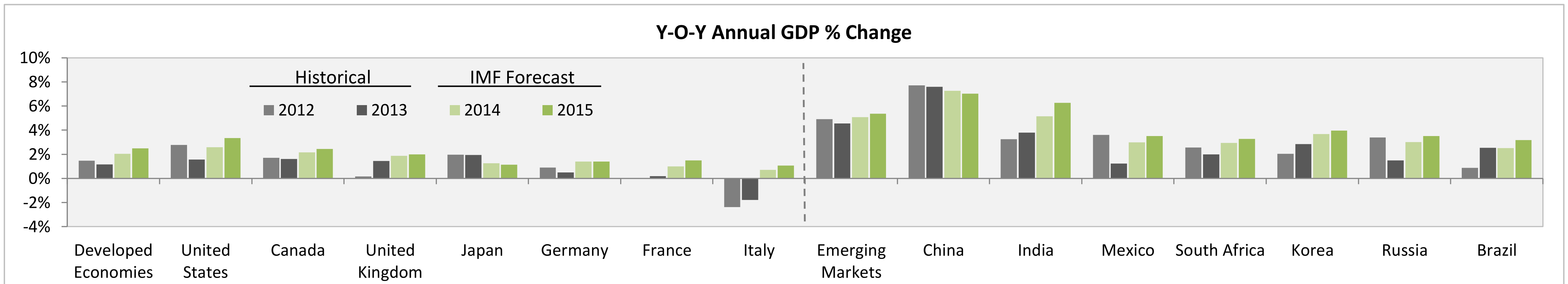
International Equity Market

The European economic woes and the Russia/Ukrainian crisis both plagued equity returns in the European Union. Stocks in France were up 3%, but Germany was off 0.3%, and the UK markets were off 0.8%. EU-imposed austerity programs have hurt GDP growth and unemployment remains high at about 12%, but interest rate cuts in most countries are being used as stimulus while inflation remains below 2%. In Asia, the economic slowdown in China was the big news in the first quarter; the Chinese equity markets were down 5.9% and Japan was down 5.5%. Emerging markets overall were down 0.4%, but variation was high among different EM countries: Brazil was up 2.9%, Russia down 14.5%, India up 8.2%, China down 5.9%, Mexico down 5% and Korea down 2%.

		1Q 14	YTD	2013	2012	2011	2010	2009	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	1.1	1.1	22.8	16.1	-7.3	12.7	34.6	16.6	8.5	17.8	7.0
	MSCI World Small Cap (net)	2.9	2.9	28.7	18.1	-11.3	26.3	50.1	20.7	9.7	23.7	9.7
	MSCI World ex US (net)	0.5	0.5	15.3	16.8	-13.7	11.2	41.4	12.3	4.1	15.5	7.1
Developed ex US	MSCI EAFE (net)	0.7	0.7	22.8	17.3	-12.1	7.8	31.8	17.6	7.2	16.0	6.5
	MSCI EAFE Value (net)	1.2	1.2	22.9	17.7	-12.2	3.3	34.2	20.2	7.2	16.1	6.4
	MSCI EAFE Growth (net)	0.1	0.1	22.5	16.9	-12.1	12.3	29.4	14.9	7.2	15.9	6.6
	MSCI EAFE Small Cap (net)	3.4	3.4	29.3	20.0	-15.9	22.0	46.8	23.3	9.4	21.7	8.6
Emerging Markets	MSCI Emerging Markets (net)	-0.4	-0.4	-2.6	18.2	-18.4	18.9	78.5	-1.4	-2.9	14.5	10.1





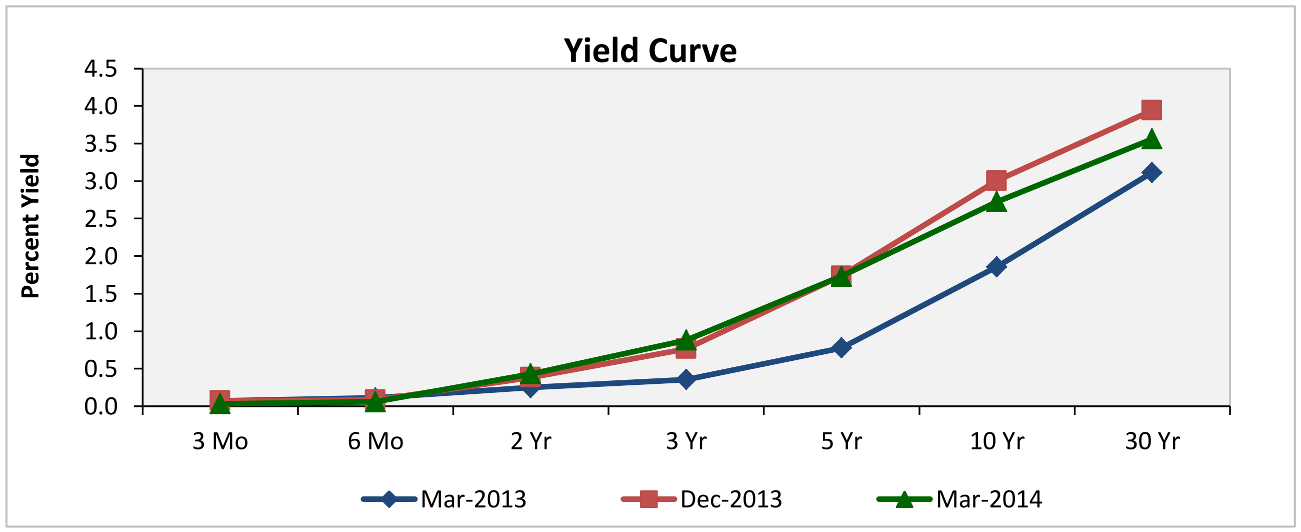


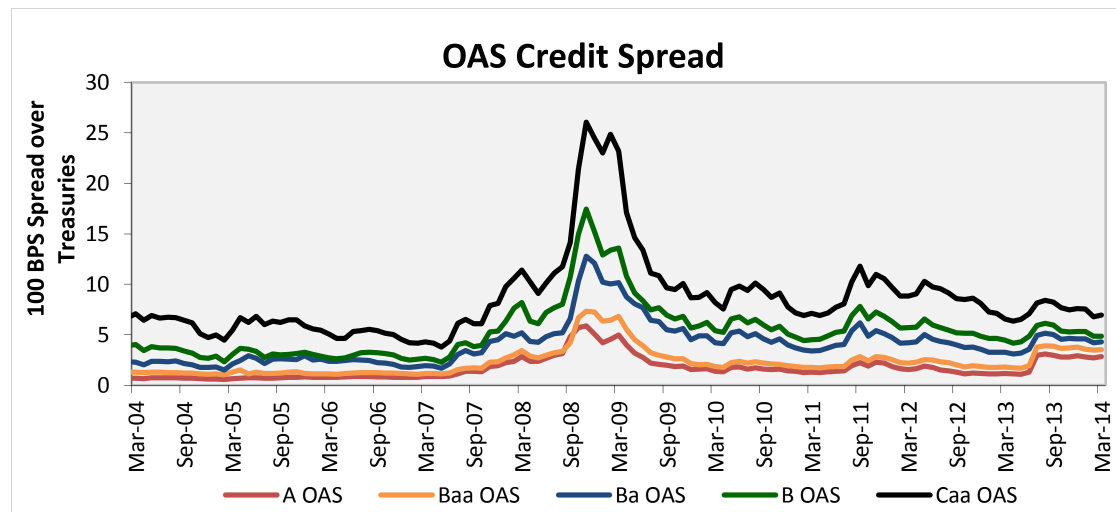
Top right chart: Data as of December 31, 2013. **Bottom chart:** Annual percentages of constant price GDP are year-on-year changes; the base year is country-specific. **Source:** International Monetary Fund, World Economic Outlook Database, October 2013.

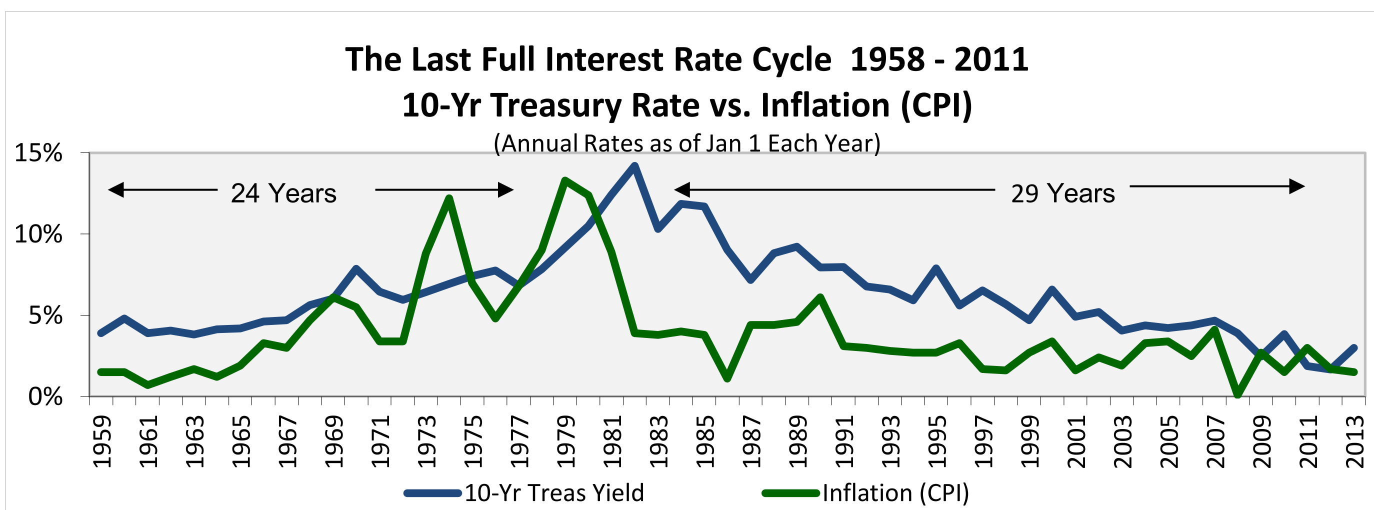
Bond Market

After five quarters of the 10-year Treasury yield moving up, and ending 2013 at just over 3%, the 10-year moved down to 2.73% in the 1st quarter, giving bond prices a boost. The entire yield curve flattened and the spread between the 10-year Treasury and the 30-year Treasury fell to a 5-year low. The Barclays US Aggregate Index was up 1.8% for the quarter, recovering much of its losses from last year. Duration has been extended due to the lower prepayment rates on mortgages, as mortgage rates continue an upward climb and housing price gains have slowed. High yield spreads declined to 358 basis points, driven by near historic low default rates and investors continuing to seek yield. The Barclays High Yield Ba/B (2% issuer capped) Index was up 2.9% for the quarter. Floating rate bank loans also saw spreads narrow and the S&P LSTA Leveraged Loan Index returned 1.4% for the quarter.

	Yield	Duration	1Q 14	YTD	2013	2012	2011	2010	2009	1-Year	3-Year	5-Year	10-Year
Barclays Aggregate	2.4	5.7	1.8	1.8	-2.0	4.2	7.8	6.5	5.9	-0.1	3.7	4.8	4.5
Barclays Govt/Credit	2.1	5.8	2.0	2.0	-2.4	4.8	8.7	6.6	4.5	-0.3	4.2	5.1	4.4
Barclays Int Agg	2.1	4.4	1.2	1.2	-1.0	3.6	6.0	6.1	6.5	0.0	3.0	4.2	4.2
Barclays Int Govt/Credit	1.6	3.9	1.0	1.0	-0.9	3.9	5.8	5.9	5.2	-0.1	3.1	4.2	3.9
Barclays HY Ba/B2% Capped	4.6	4.2	2.9	2.9	6.2	15.0	6.0	13.9	45.2	6.8	8.8	15.6	7.9
Barclays Mortgage	3.1	5.6	1.6	1.6	-1.4	2.6	6.2	5.4	5.9	0.2	2.8	3.6	4.6
Barclays Treasury	1.4	5.1	1.3	1.3	-2.7	2.0	9.8	5.9	-3.6	-1.3	3.4	2.7	4.1
Barclays US TIPS	2.3	6.8	1.9	1.9	-8.6	7.0	13.6	6.3	11.4	-6.5	3.5	4.9	4.5
91 day T-Bills	0.0	0.3	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1	1.6







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Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 3/31/2014						
Yield Change	10 Year Treasury	Barclays Aggregate	Barclays Intermd. Gov/Corp	Barclays 1-3 yr Gov/Corp	ML Defensive US HY BB/B ND	ML Short Duration US HY BB/B 1-3 yr
(bps)	S010	US Aggregate	US Gov/Credit	US Gov/Credit	H4ND	J1A4
-150	17.73	11.01	7.53	3.62	10.32	5.23
-100	12.80	8.15	5.56	2.62	8.41	4.33
-50	7.88	5.29	3.59	1.63	6.50	3.43
-25	5.41	3.86	2.61	1.13	5.55	2.98
0	2.95	2.43	1.62	0.63	4.59	2.53
25	0.49	1.00	0.64	0.13	3.64	2.08
50	-1.98	-0.43	-0.35	-0.37	2.68	1.63
100	-6.90	-3.29	-2.32	-1.36	0.77	0.73
150	-11.83	-6.15	-4.29	-2.36	-1.14	-0.17
200	-16.75	-9.01	-6.26	-3.35	-3.05	-1.07
250	-21.68	-11.87	-8.23	-4.35	-4.96	-1.97
300	-26.60	-14.73	-10.20	-5.34	-6.87	-2.87
350	-31.53	-17.59	-12.17	-6.34	-8.78	-3.77
400	-36.45	-20.45	-14.14	-7.33	-10.69	-4.67
450	-41.38	-23.31	-16.11	-8.33	-12.60	-5.57
500	-46.30	-26.17	-18.08	-9.32	-14.51	-6.47
Duration	9.850	5.720	3.940	1.990	3.820	1.800

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 3/31/2014 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 as of 3/31/2014 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.

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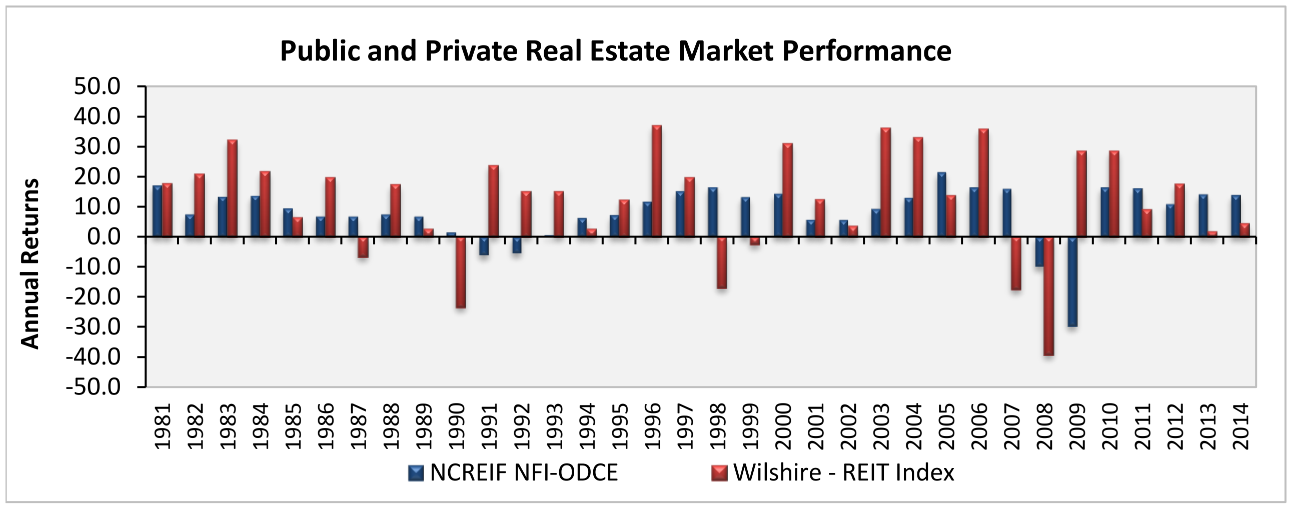
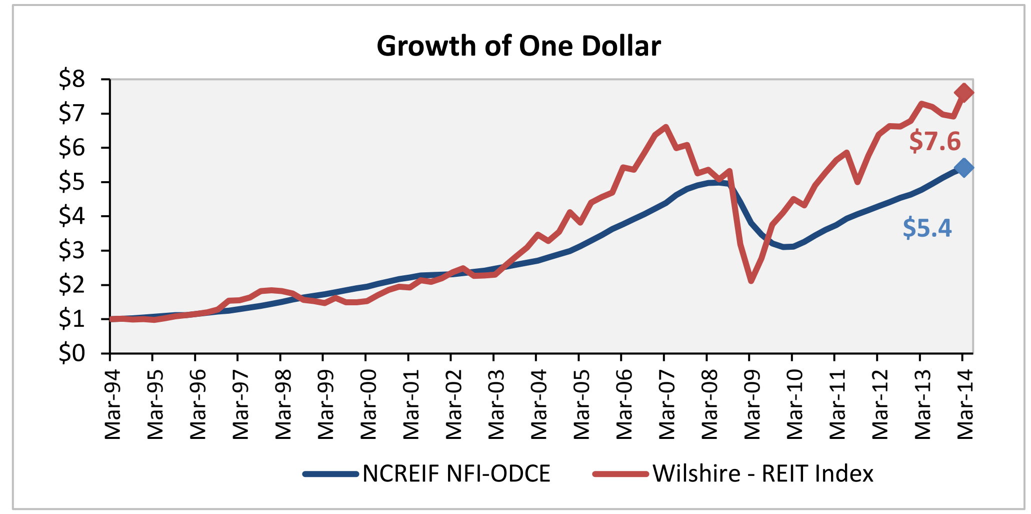
Real Estate Market

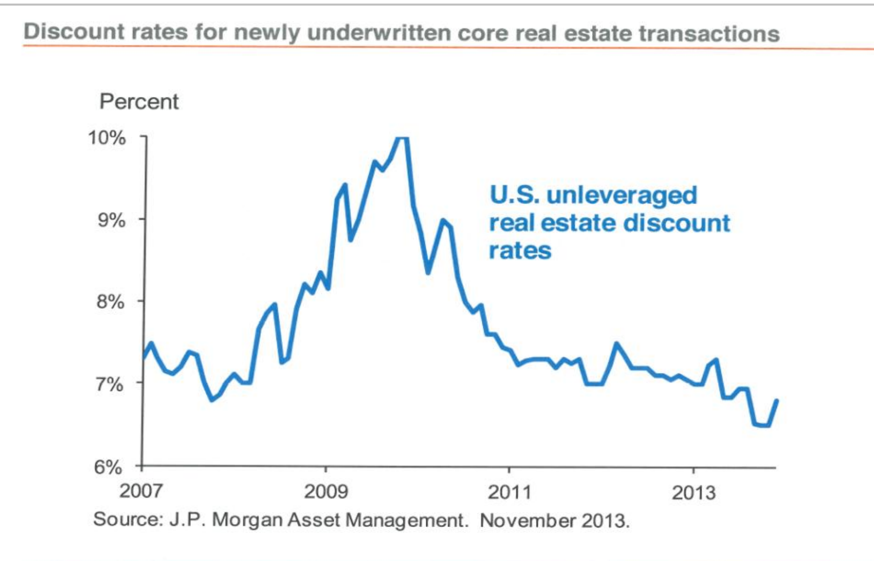
The returns on private real estate funds, as measured by the National Council of Real Estate Investment Fiduciaries (NCREIF) index of Open-Ended Diversified Core Equity (ODCE) funds, were up a little more than 3% per quarter in 2013, and NCREIF forecasts that trend to continue. Despite a substantial queue to get into most ODCE funds, the real estate industry has shown remarkable discipline in not over-paying for properties just to deploy capital. Although capitalization rates (Net Operating Income/Price), which is the inverse of a Price/Earnings ratio, have come down, they are still not at unreasonable levels. Publicly-traded REITs took a hit in 2013 but have recovered with a 10.1% return in the 1st quarter of 2014. The REIT Share Price to Net Asset Value (an estimate of the market value of the underlying real estate assets) is at about a 5% discount. REITs have seen this Share Price/NAV ratio go from -43.6% in the middle of the 2009 real estate crisis to about a 25% premium as investors stretched for high yielding stocks in subsequent years. REITs were still selling at a 15% premium to NAV in early 2013.

		1Q 14	YTD	2013	2012	2011	2010	2009	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE	2.5	2.5	14.0	10.9	16.0	16.4	-29.8	13.8	13.1	7.3	7.2
US Public	Wilshire REIT	10.1	10.1	1.9	17.6	9.2	28.6	28.6	4.4	10.5	29.2	8.2





	Total return (incl. income) 2014	Total return (incl. income) 2015	Total return (incl. income) 2016	Total return (incl. income) 2014 to 2018 (per year)
National, All Property Types (NPI)	8.7	7.7	7.2	7.5
Office	8.2	7.8	7.3	7.4
Retail	8.5	7.7	7.6	7.6
Industrial	10.0	8.4	7.5	8.0
Apartment	8.0	6.7	6.4	7.0

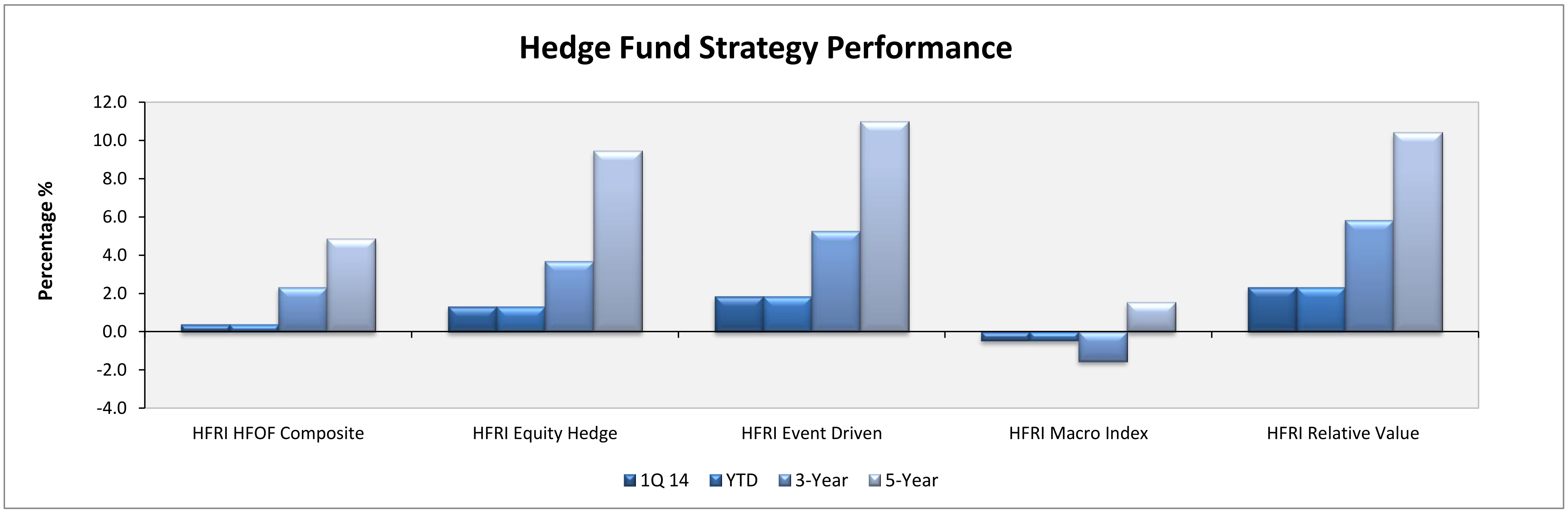


Bottom left chart: Average of respondents' forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NECREIF Property Index Q1 2014.

Hedge Fund of Funds Market

The hedge fund industry had a lot to deal with in the first quarter. Equity market volatility picked up with a correction in late January before reaching new highs. Bonds saw rates decline from year-end levels. Agricultural commodities staged a 16.5% rally from last years' declines (coffee up 58%), while heating oil and gas lost ground. The trend reversals whipsawed macro systematic and trend following strategies. Equity hedge strategies in the technology, healthcare and energy sectors had a good quarter, but short biased strategies were hurt by the end of the quarter equity rally. Fixed income relative value strategies seemed to work as rates declined and spreads narrowed during the quarter. In the event driven space, a slow quarter of M&A activity constrained merger arbitrage strategies, but distressed was aided by continuing low default rates, a recovering economy and rates declining. Activists had a lackluster quarter. Emerging market strategies struggled as China's economic slowdown hurt Asia. Japanese equities were off 5.5% for the quarter. Russia's annexation of Crimea hurt in Europe, where the Russian and Eastern Europe block of emerging markets were down 8.8% for the quarter.

Strategy	Index	1Q 14	YTD	2013	2012	2011	2010	2009	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	0.4	0.4	9.0	4.8	-5.7	5.7	11.5	5.9	2.3	4.9	3.1
Equity Long-Short	HFRI Equity Hedge	1.3	1.3	14.3	7.4	-8.4	10.5	24.6	10.3	3.7	9.5	5.0
Event Driven	HFRI Event Driven	1.8	1.8	12.5	8.9	-3.3	11.9	25.0	10.5	5.3	11.0	6.8
Global Macro	HFRI Macro Index	-0.5	-0.5	-0.5	-0.1	-4.2	8.1	4.3	-2.1	-1.5	1.5	3.8
Relative Value	HFRI Relative Value	2.3	2.3	7.1	10.6	0.1	11.4	25.8	6.3	5.8	10.4	6.5



Data gathered from sources deemed to be reliable but not guaranteed. All indexes are trademarked by owner.

FELRA and UFCW Benefit Funds
Health & Welfare, Severance, Scholarship, and Legal Funds

Master Consulting Services Report

Period Ending
March 31, 2014

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Summary of Cash Flows

Sources of Portfolio Growth	First Quarter	Year-To-Date	One Year
Beginning Market Value	$55,902,323	$55,902,323	$58,558,601
Net Additions/Withdrawals	$11,164,743	$11,164,743	$5,556,346
Investment Earnings	$579,178	$579,178	$3,531,298
Ending Market Value	$67,646,244	$67,646,244	$67,646,244

* Total assets represent the combined value of the Health & Welfare, Severance, Scholarship and Legal Funds.

*Fiscal year end is 12/31.

Asset Allocation vs. Target
As Of March 31, 2014

	Current	%	Policy	%	Policy Range	Difference	Difference
Domestic Equity	$7,168,207	10.6%	--	--	--	10.6%	$7,168,207
International Equity	$2,082,406	3.1%	--	--	--	3.1%	$2,082,406
Investment Grade Fixed Income	$5,139,764	7.6%	--	--	--	7.6%	$5,139,764
High Yield Fixed Income	$2,481,655	3.7%	--	--	--	3.7%	$2,481,655
Real Estate	$3,399,742	5.0%	--	--	--	5.0%	$3,399,742
GTAA	$11,097,353	16.4%	--	--	--	16.4%	$11,097,353
Cash	$35,589,033	52.6%	--	--	--	52.6%	$35,589,033
HFOF/Cash	$688,083	1.0%	--	--	--	1.0%	$688,083
Total	**$67,646,244**	**100.0%**					

Note: HFOF/Cash is comprised of 64% money market fund and 36% Meridian MDEF and Segregated Funds per the Fund's PNC statement.

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending March 31, 2014 3 Mo	YTD	1 Yr	Inception Return	Since
Composite	**$67,646,244**	**100.0%**	**1.0%**	**1.0%**	**5.4%**	**6.6%**	**Jan-13**
Total Fund Domestic Equity	**$7,168,207**	**10.6%**	**2.2%**	**2.2%**	**23.6%**	**28.6%**	**Jan-13**
S&P 500			*1.8%*	*1.8%*	*21.9%*	*27.0%*	*Jan-13*
Total Fund International Equity	**$2,082,406**	**3.1%**	**2.8%**	**2.8%**	**21.3%**	**21.6%**	**Jan-13**
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Jan-13*
Total Fund Investment Grade Fixed Income	**$5,139,764**	**7.6%**	**2.5%**	**2.5%**	**1.5%**	**1.6%**	**Jan-13**
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*
Total Fund High Yield Fixed Income	**$2,481,655**	**3.7%**	**3.0%**	**3.0%**	**6.8%**	**7.4%**	**Jan-13**
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
Total Fund Real Estate	**$3,399,742**	**5.0%**	**2.6%**	**2.6%**	**12.4%**	**11.7%**	**Jan-13**
NCREIF ODCE Index			*2.5%*	*2.5%*	*13.8%*	*13.2%*	*Jan-13*
Total Fund GTAA	**$11,097,353**	**16.4%**	**0.1%**	**0.1%**	**7.4%**	**8.7%**	**Jan-13**
60% MSCI World Index/40% Citigroup WGBI			*1.9%*	*1.9%*	*11.8%*	*12.3%*	*Jan-13*
Total Fund Cash	**$35,589,033**	**52.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Jan-13**
Total Fund HFOF/Cash	**$688,083**	**1.0%**					

* Investment performance represents the actual results of the combined assets of the Health & Welfare, Severance, Scholarship and Legal Funds.

Total Health & Welfare

Summary of Cash Flows

Sources of Portfolio Growth	First Quarter	Year-To-Date	One Year
Beginning Market Value	$42,275,323	$42,275,323	$42,298,408
Net Additions/Withdrawals	$13,487,823	$13,487,823	$11,765,796
Investment Earnings	$305,128	$305,128	$2,004,070
Ending Market Value	$56,068,274	$56,068,274	$56,068,274

	Ending March 31, 2014					Inception	
	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	Return	Since
Total Health & Welfare	**$56,068,274**	**100.0%**	**0.6%**	**0.6%**	**4.4%**	**5.6%**	**Jan-13**
H&W Domestic Equity	$5,349,784	9.5%	2.1%	2.1%	23.3%	28.3%	Jan-13
S&P 500			*1.8%*	*1.8%*	*21.9%*	*27.0%*	*Jan-13*
H&W International	$101,888	0.2%	2.8%	2.8%	21.3%	21.7%	Dec-12
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Dec-12*
H&W Core Bond	$4,128,171	7.4%	2.4%	2.4%	1.4%	1.5%	Jan-13
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*
H&W High Yield Bond	$2,021,337	3.6%	3.0%	3.0%	7.1%	7.7%	Jan-13
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
HW GTAA	$10,578,081	18.9%	0.3%	0.3%	7.2%	8.7%	Jan-13
60% MSCI World Index/40% Citigroup WGBI			*1.9%*	*1.9%*	*11.8%*	*12.3%*	*Jan-13*
H&W Cash	$33,889,014	60.4%	0.0%	0.0%	0.0%	0.0%	Jan-13

Note: Allocations are based on each Fund's PNC statements.

Health & Welfare Fund
Asset Allocation vs. Target
As of March 31, 2014

	Current	Current %	Policy	%	Policy Range	Difference	Difference
Domestic Equity	$5,349,784	9.5%	-	-	-	9.5%	$5,349,784
International Equity	$101,888	0.2%	-	-	-	0.2%	$101,888
Investment Grade Fixed Income	$4,128,171	7.4%	-	-	-	7.4%	$4,128,171
High Yield Fixed Income	$2,021,337	3.6%	-	-	-	3.6%	$2,021,337
GTAA	$10,578,081	18.9%	-	-	-	18.9%	$10,578,081
Cash	$33,889,014	60.4%	-	-	-	60.4%	$33,889,014
Total	**$56,068,275**	**100.0%**					

Asset Allocation

- An asset allocation review will be presented at the July 18, 2014 Policy Committee meeting.

Recommendations: 1) Review asset allocation materials and consider the risk/return tradeoff of alternative asset allocations. For additional diversification and potential higher returns, consider other asset classes. The Fund's expected cash flow needs should be closely analyzed to determine the potential allocation to these asset classes. 2) Rebalance based on asset allocation decisions.

Total Severance

Summary of Cash Flows

Sources of Portfolio Growth	First Quarter	Year-To-Date	One Year
Beginning Market Value	$12,650,715	$12,650,715	$15,256,223
Net Additions/Withdrawals	-$2,543,805	-$2,543,805	-$6,083,339
Investment Earnings	$260,294	$260,294	$1,194,320
Ending Market Value	$10,367,204	$10,367,204	$10,367,204

	Ending March 31, 2014					Inception	
	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	Return	Since
Total Severance	**$10,367,204**	**100.0%**	**2.3%**	**2.3%**	**9.8%**	**9.7%**	**Jan-13**
Severance Domestic Equity	$1,652,985	15.9%	2.2%	2.2%	23.4%	28.6%	Jan-13
S&P 500			*1.8%*	*1.8%*	*21.9%*	*27.0%*	*Jan-13*
Severance International Equity	$1,860,796	17.9%	2.8%	2.8%	21.3%	21.7%	Dec-12
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Dec-12*
Severance Core Bond	$818,110	7.9%	2.3%	2.3%	1.2%	1.3%	Jan-13
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*
Severance High Yield Bond	$426,051	4.1%	2.9%	2.9%	6.6%	7.3%	Jan-13
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
Severance Real Estate	$3,341,709	32.2%	2.6%	2.6%	12.4%	12.0%	Jan-13
NCREIF-ODCE			*2.5%*	*2.5%*	*13.8%*	*13.2%*	*Jan-13*
Severance GTAA	$519,272	5.0%	-0.6%	-0.6%	10.5%	8.9%	Jan-13
Custom Benchmark Alpha I Fund			*2.0%*	*2.0%*	*8.3%*	*9.9%*	*Jan-13*
Severance HFOF/Cash	$687,557	6.6%					
Severance Cash	$1,060,724	10.2%	0.0%	0.0%	0.0%	0.0%	Jan-13

Note: Allocations are based on each Fund's PNC statements.

Severance Fund
Asset Allocation vs. Target
As of March 31, 2014

	Current	Current %	Policy	%	Policy Range	Difference	Difference
Domestic Equity	$1,652,985	15.9%	-	-	-	15.9%	$1,652,985
International Equity	$1,860,796	17.9%	-	-	-	17.9%	$1,860,796
Investment Grade Fixed Income	$818,110	7.9%	-	-	-	7.9%	$818,110
High Yield Fixed Income	$426,051	4.1%	-	-	-	4.1%	$426,051
Real Estate	$3,341,709	32.2%	-	-	-	32.2%	$3,341,709
GTAA	519,272	5.0%	-	-	-	5.0%	$519,272
HFOF/Cash	$687,557	6.6%	-	-	-	6.6%	$687,557
Cash	$1,060,724	10.2%	-	-	-	10.2%	$1,060,724
Total	$10,367,204	100.0%					

Note: HFOF/Cash is comprised of 64% money market fund and 36% Meridian MDEF and Segregated Funds per the Fund's PNC statement.

Asset Allocation

- An asset allocation review will be presented at the July 18, 2014 Policy Committee meeting.

Recommendations: 1) Review asset allocation materials and consider the risk/return tradeoff of alternative asset allocations. For additional diversification and potential higher returns, consider other asset classes. The Fund's expected cash flow needs should be closely analyzed to determine the potential allocation to these asset classes. 2) Rebalance based on asset allocation decisions.

Total Scholarship

Summary of Cash Flows

Sources of Portfolio Growth	First Quarter	Year-To-Date	One Year
Beginning Market Value	$478,919	$478,919	$486,531
Net Additions/Withdrawals	-$9,955	-$9,955	-$70,361
Investment Earnings	$11,148	$11,148	$63,942
Ending Market Value	$480,111	$480,111	$480,111

	Ending March 31, 2014					Inception	
	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	Return	Since
Total Scholarship	**$480,111**	**100.0%**	**2.4%**	**2.4%**	**14.8%**	**16.7%**	**Jan-13**
Scholarship Domestic Equity	$165,438	34.5%	2.2%	2.2%	22.4%	27.5%	Jan-13
S&P 500			*1.8%*	*1.8%*	*21.9%*	*27.0%*	*Jan-13*
Scholarship International Equity	$119,722	24.9%	2.8%	2.8%	21.3%	21.7%	Jan-13
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Jan-13*
Scholarship Core Bond	$85,373	17.8%	2.4%	2.4%	1.4%	1.5%	Jan-13
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*
Scholarship High Yield Bond	$34,267	7.1%	3.0%	3.0%	7.1%	7.6%	Jan-13
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
Scholarship Real Estate	$58,033	12.1%	2.5%	2.5%	12.4%	11.2%	Jan-13
NCREIF-ODCE			*2.5%*	*2.5%*	*13.8%*	*13.2%*	*Jan-13*
Scholarship HFOF/Cash	$530	0.1%					
Scholarship Cash	$16,747	3.5%	0.0%	0.0%	0.0%	0.0%	Jan-13

Note: Allocations are based on each Fund's PNC statements.

Scholarship Fund
Asset Allocation vs. Target
As of March 31, 2014

	Current	Current %	Policy	%	Policy Range	Difference	Difference
Domestic Equity	$165,438	34.5%	-	-	-	34.5%	$165,438
International Equity	$119,722	24.9%	-	-	-	24.9%	$119,722
Investment Grade Fixed Income	$85,373	17.8%	-	-	-	17.8%	$85,373
High Yield Fixed Income	$34,267	7.1%	-	-	-	7.1%	$34,267
Real Estate	$58,033	12.1%	-	-	-	12.1%	$58,033
HFOF/Cash	$530	0.1%	-	-	-	0.1%	$530
Cash	$16,747	3.5%	-	-	-	3.5%	$16,747
Total	$480,110	100.0%					

Note: HFOF/Cash is comprised of 64% money market fund and 36% Meridian MDEF and Segregated Funds per the Fund's PNC statement.

Asset Allocation

- An asset allocation review will be presented at the July 18, 2014 Policy Committee meeting.

Recommendations: 1) Review asset allocation materials and consider the risk/return tradeoff of alternative asset allocations. For additional diversification and potential higher returns, consider other asset classes. The Fund's expected cash flow needs should be closely analyzed to determine the potential allocation to these asset classes. 2) Rebalance based on asset allocation decisions.

Total Fund Legal

Summary of Cash Flows

Sources of Portfolio Growth	First Quarter	Year-To-Date	One Year
Beginning Market Value	$497,369	$497,369	$728,433
Net Additions/Withdrawals	$230,680	$230,680	$628
Investment Earnings	$2,607	$2,607	$1,596
Ending Market Value	$730,657	$730,657	$730,657

	Ending March 31, 2014					Inception	
	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	Return	Since
Total Fund Legal	**$730,657**	**100.0%**	**0.4%**	**0.4%**	**0.2%**	**0.3%**	**Jan-13**
Legal Core Bond	$108,109	14.8%	2.4%	2.4%	1.4%	1.5%	Jan-13
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*
Legal Cash	$622,548	85.2%	0.0%	0.0%	0.0%	0.0%	Jan-13

Note: Allocations are based on each Fund's PNC statements.

Legal Fund
Asset Allocation vs. Target
As of March 31, 2014

	Current	Current %	Policy	%	Policy Range	Difference	Difference
Investment Grade Fixed Income	108,109	14.8%	-	-	-	14.8%	$108,109
Cash	622,548	85.2%	-	-	-	85.2%	$622,548
Total	730,657	100.0%					

Asset Allocation

- An asset allocation review will be presented at the July 18, 2014 Policy Committee meeting.

Recommendations: 1) Review asset allocation materials and consider the risk/return tradeoff of alternative asset allocations. For additional diversification and potential higher returns, consider other asset classes. The Fund's expected cash flow needs should be closely analyzed to determine the potential allocation to these asset classes. 2) Rebalance based on asset allocation decisions.

Gross of Fees

	Market Value	% of Portfolio	Ending March 31, 2014 3 Mo	YTD	1 Yr	Inception Return	Since
Composite	**$67,646,244**	**100.0%**	**1.0%**	**1.0%**	**5.4%**	**6.6%**	**Jan-13**
Total Fund Domestic Equity	**$7,168,207**	**10.6%**	**2.2%**	**2.2%**	**23.6%**	**28.6%**	**Jan-13**
S&P 500			*1.8%*	*1.8%*	*21.9%*	*27.0%*	*Jan-13*
INTECH	$2,098,323	3.1%	1.5%	1.5%	25.5%	28.0%	Jan-13
Russell 1000 Growth			*1.1%*	*1.1%*	*23.2%*	*27.1%*	*Jan-13*
NWQ Investment Management Company	$2,210,714	3.3%	1.5%	1.5%	21.6%	25.9%	Jan-13
Russell 1000 Value			*3.0%*	*3.0%*	*21.6%*	*28.3%*	*Jan-13*
Westwood Management	$2,621,059	3.9%	3.4%	3.4%	23.7%	31.1%	Jan-13
Russell 2500			*2.3%*	*2.3%*	*24.0%*	*30.8%*	*Jan-13*
Cadence Capital Management	$238,111	0.4%	0.2%	0.2%	23.5%	29.0%	Jan-13
Russell 2000			*1.1%*	*1.1%*	*24.9%*	*31.2%*	*Jan-13*
Total Fund International Equity	**$2,082,406**	**3.1%**	**2.8%**	**2.8%**	**21.3%**	**21.6%**	**Jan-13**
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Jan-13*
Globeflex Capital	$2,082,406	3.1%	2.8%	2.8%	21.3%	21.6%	Jan-13
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Jan-13*
Total Fund Investment Grade Fixed Income	**$5,139,764**	**7.6%**	**2.5%**	**2.5%**	**1.5%**	**1.6%**	**Jan-13**
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*
Segall, Bryant and Hamill	$5,139,764	7.6%	2.5%	2.5%	1.5%	1.6%	Jan-13
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*

Gross of Fees

	Market Value	% of Portfolio	Ending March 31, 2014 3 Mo	YTD	1 Yr	Inception Return	Since
Total Fund High Yield Fixed Income	**$2,481,655**	**3.7%**	**3.0%**	**3.0%**	**6.8%**	**7.4%**	**Jan-13**
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
Fountain Capital Management	$2,481,655	3.7%	3.0%	3.0%	6.8%	7.4%	Jan-13
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
Total Fund Real Estate	**$3,399,742**	**5.0%**	**2.6%**	**2.6%**	**12.4%**	**11.7%**	**Jan-13**
NCREIF ODCE Index			*2.5%*	*2.5%*	*13.8%*	*13.2%*	*Jan-13*
American Realty Advisors	$3,399,742	5.0%	2.6%	2.6%	12.4%	11.7%	Jan-13
NCREIF-ODCE			*2.5%*	*2.5%*	*13.8%*	*13.2%*	*Jan-13*
Total Fund GTAA	**$11,097,353**	**16.4%**	**0.1%**	**0.1%**	**7.4%**	**8.7%**	**Jan-13**
60% MSCI World Index/40% Citigroup WGBI			*1.9%*	*1.9%*	*11.8%*	*12.3%*	*Jan-13*
Windhaven	$10,578,081	15.6%	0.3%	0.3%	7.2%	8.7%	Jan-13
60% MSCI World Index/40% Citigroup WGBI			*1.9%*	*1.9%*	*11.8%*	*12.3%*	*Jan-13*
Mellon CF Global Expanded Alpha I	$519,272	0.8%	-0.6%	-0.6%	10.5%	8.9%	Jan-13
Custom Benchmark Alpha I Fund			*2.0%*	*2.0%*	*8.3%*	*9.9%*	*Jan-13*
Total Fund Cash	**$35,589,033**	**52.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Jan-13**
H&W Cash	$33,889,014	50.1%	0.0%	0.0%	0.0%	0.0%	Jan-13
Severance Cash	$1,060,724	1.6%	0.0%	0.0%	0.0%	0.0%	Jan-13
Scholarship Cash	$16,747	0.0%	0.0%	0.0%	0.0%	0.0%	Jan-13
Legal Cash	$622,548	0.9%	0.0%	0.0%	0.0%	0.0%	Jan-13
Total Fund HFOF/Cash	**$688,083**	**1.0%**					
Meridian MDF Special Investments	$688,083	1.0%					

Account Information	
Account Name	**INTECH**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**US Equity**
Benchmark	**Russell 1000 Growth**
Universe	**eA US Large Cap Growth Equity Gross**

INTECH
March 31, 2014

Sources of Portfolio Growth	First Quarter	One Year
Beginning Market Value	$2,069,565	$1,686,303
Net Additions/Withdrawals	$0	$0
Investment Earnings	$28,758	$412,020
Ending Market Value	$2,098,323	$2,098,323

											Calendar Years										Inception	
	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	Return	Since
INTECH	1.5%	35	1.5%	35	25.5%	40	--	--	--	--	34.2%	52	--	--	--	--	--	--	--	--	28.0%	Jan-13
Russell 1000 Growth	*1.1%*	*43*	*1.1%*	*43*	*23.2%*	*58*	*14.6%*	*39*	*21.7%*	*33*	*33.5%*	*56*	*15.3%*	*55*	*2.6%*	*22*	*16.7%*	*46*	*37.2%*	*33*	*27.1%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - INTECH

Manager Summary

- IPS conducted a due diligence meeting with INTECH on February 10, 2014.

Recommendation: None.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	**NWQ Investment Management Company**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**US Equity**
Benchmark	**Russell 1000 Value**
Universe	**eA US Large Cap Value Equity Gross**

NWQ Investment Management Company
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$2,177,330	$1,687,671
Net Additions/Withdrawals	$0	-$33,861
Investment Earnings	$33,383	$556,904
Ending Market Value	$2,210,714	$2,210,714

											Calendar Years										Inception	
	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	Return	Since
NWQ Investment Management Company	1.5%	83	1.5%	83	21.6%	65	--	--	--	--	31.3%	70	--	--	--	--	--	--	--	--	25.9%	Jan-13
Russell 1000 Value	*3.0%*	*33*	*3.0%*	*33*	*21.6%*	*65*	*14.8%*	*48*	*21.8%*	*46*	*32.5%*	*60*	*17.5%*	*30*	*0.4%*	*51*	*15.5%*	*35*	*19.7%*	*75*	*28.3%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - NWQ Investment Management

Manager Summary

- IPS conducted due diligence meetings with NWQ on March 11, 2013 and January 13, 2014.
- On April 14, 2014, TIAA-CREF entered into an agreement to purchase Nuveen Investments from Madison Dearborn Partners. Nuveen Investments is NWQ's parent company. Clients were asked to sign a consent of assignment regarding the ownership change

Recommendation: 1) Terminate. Consider candidates for replacement. 2) Sign consent form, subject to review by fund counsel.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	**Westwood Management**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**US Equity**
Benchmark	**Russell 2500**
Universe	**eA US Mid Cap Equity Gross**

Westwood Management
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$2,786,943	$2,061,558
Net Additions/Withdrawals	-$260,000	-$270,000
Investment Earnings	$94,116	$829,501
Ending Market Value	$2,621,059	$2,621,059

											Calendar Years										Inception	
	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	Return	Since
Westwood Management	3.4%	30	3.4%	30	23.7%	57	--	--	--	--	35.7%	52	--	--	--	--	--	--	--	--	31.1%	Jan-13
Russell 2500	*2.3%*	*52*	*2.3%*	*52*	*24.0%*	*54*	*13.9%*	*50*	*25.3%*	*34*	*36.8%*	*43*	*17.9%*	*31*	*-2.5%*	*60*	*26.7%*	*33*	*34.4%*	*66*	*30.8%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - Westwood Management

Manager Summary

- IPS conducted due diligence meetings with Westwood on January 30, 2013, December 13, 2013, and May 7, 2014.

Recommendation: None.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	**Cadence Capital Management**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**US Equity**
Benchmark	**Russell 2000**
Universe	**eA US Small Cap Equity Gross**

Cadence Capital Management
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$237,725	$180,936
Net Additions/Withdrawals	$0	-$9,222
Investment Earnings	$386	$66,397
Ending Market Value	$238,111	$238,111

											Calendar Years										Inception	
	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	Return	Since
Cadence Capital Management	0.2%	74	0.2%	74	23.5%	77	--	--	--	--	37.3%	74	--	--	--	--	--	--	--	--	29.0%	Jan-13
Russell 2000	*1.1%*	*59*	*1.1%*	*59*	*24.9%*	*67*	*13.2%*	*73*	*24.3%*	*74*	*38.8%*	*65*	*16.3%*	*49*	*-4.2%*	*67*	*26.9%*	*58*	*27.2%*	*71*	*31.2%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - Cadence Capital Management

Manager Summary

Recommendation: Terminate. Allocate proceeds to Westwood.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	**Globeflex Capital**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**International**
Benchmark	**MSCI EAFE**
Universe	

Globeflex Capital
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$2,029,991	$1,644,561
Net Additions/Withdrawals	$0	$0
Investment Earnings	$52,415	$437,846
Ending Market Value	$2,082,406	$2,082,406

						Calendar Years					Inception	
	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	2013	2012	2011	2010	2009	Return	Since
Globeflex Capital	2.8%	2.8%	21.3%	--	--	24.3%	--	--	--	--	21.6%	Jan-13
MSCI EAFE	*0.7%*	*0.7%*	*17.6%*	*7.2%*	*16.0%*	*22.8%*	*17.3%*	*-12.1%*	*7.8%*	*31.8%*	*18.5%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - GlobeFlex Capital

Manager Summary

- IPS conducted due diligence meetings with GlobeFlex on January 30, 2013 and July 25, 2013.

Recommendation: None.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	**Segall, Bryant and Hamill**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**US Fixed Income**
Benchmark	**Barclays Aggregate**
Universe	

Segall, Bryant and Hamill
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$7,048,737	$11,361,650
Net Additions/Withdrawals	-$2,075,000	-$6,348,753
Investment Earnings	$166,028	$126,868
Ending Market Value	$5,139,764	$5,139,764

						Calendar Years					Inception	
	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	2013	2012	2011	2010	2009	Return	Since
Segall, Bryant and Hamill	2.5%	2.5%	1.5%	--	--	-0.5%	--	--	--	--	1.6%	Jan-13
Barclays Aggregate	*1.8%*	*1.8%*	*-0.1%*	*3.7%*	*4.8%*	*-2.0%*	*4.2%*	*7.8%*	*6.5%*	*5.9%*	*-0.2%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - Segall Bryant and Hamill

Manager Summary

- IPS conducted due diligence meetings with Segall Bryant and Hamill on February 1, 2013 and September 5, 2013.
- 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 an on-site due diligence meeting with Segall Bryant and Hamill on April 24, 2014.

Recommendation: Consider changing 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.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	Fountain Capital Management
Account Structure	Separate Account
Investment Style	Active
Inception Date	1/01/13
Account Type	US Fixed Income High Yield
Benchmark	BofA Merrill Lynch US High Yield BB-B Rated
Universe	

Fountain Capital Management
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$2,584,290	$3,125,702
Net Additions/Withdrawals	-$180,000	-$885,500
Investment Earnings	$77,365	$241,453
Ending Market Value	$2,481,655	$2,481,655

						Calendar Years					Inception	
	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	2013	2012	2011	2010	2009	Return	Since
Fountain Capital Management	3.0%	3.0%	6.8%	--	--	6.1%	--	--	--	--	7.4%	Jan-13
BofA Merrill Lynch US High Yield BB-B Rated	*3.0%*	*3.0%*	*6.9%*	*8.5%*	*15.8%*	*6.3%*	*14.7%*	*5.4%*	*14.5%*	*46.1%*	*7.5%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - Fountain Capital Management

Manager Summary

- IPS conducted a due diligence meeting with Fountain on March 11, 2014.

Recommendation: None.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	American Realty Advisors
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	1/01/13
Account Type	Real Estate
Benchmark	NCREIF-ODCE
Universe	

American Realty Advisors
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$3,323,051	$2,993,032
Net Additions/Withdrawals	$0	$0
Investment Earnings	$76,691	$406,710
Ending Market Value	$3,399,742	$3,399,742

						Calendar Years					Inception	
	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	2013	2012	2011	2010	2009	Return	Since
American Realty Advisors	2.6%	2.6%	12.4%	--	--	12.0%	--	--	--	--	11.7%	Jan-13
NCREIF-ODCE	*2.5%*	*2.5%*	*13.8%*	*13.1%*	*7.3%*	*13.9%*	*10.9%*	*16.0%*	*16.4%*	*-29.8%*	*13.2%*	*Jan-13*

Returns are gross of fees.
Information on PNC statements lag one quarter.

FELRA & UFCW Health and Welfare - American Realty Advisors

Manager Summary

- IPS conducted a due diligence meeting with American Realty Advisors on November 13, 2013.

Recommendation: None.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Cumulative Periods
as of March 31, 2014

	Quarter	One Year	Three Years	Five Years	Seven Years
American Realty Advisors - Core Real Estate Fund*	3.2	13.1	12.4	5.8	2.9
NCREIF NFI-ODCE - NCREIF NFI-ODCE	2.5	13.8	13.1	7.3	3.1

	Calendar Year 2013	Calendar Year 2012	Calendar Year 2011	Calendar Year 2010	Calendar Year 2009
American Realty Advisors - Core Real Estate Fund*	12.4	11.3	15.1	11.2	-30.0
NCREIF NFI-ODCE - NCREIF NFI-ODCE	14.0	10.9	16.0	16.4	-29.8

*Manager composite returns as provided by Compass.

Account Information	
Account Name	Windhaven
Account Structure	Separate Account
Investment Style	Active
Inception Date	1/01/13
Account Type	Global Allocations
Benchmark	60% MSCI World Index/40% Citigroup WGBI
Universe	

Windhaven
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$10,545,457	$9,526,980
Net Additions/Withdrawals	$0	$0
Investment Earnings	$32,624	$1,051,101
Ending Market Value	$10,578,081	$10,578,081

						Calendar Years					Inception	
	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	2013	2012	2011	2010	2009	Return	Since
Windhaven	0.3%	0.3%	7.2%	--	--	10.7%	--	--	--	--	8.7%	Jan-13
60% MSCI World Index/40% Citigroup WGBI	*1.9%*	*1.9%*	*11.8%*	*7.1%*	--	*13.5%*	*10.2%*	*-0.6%*	--	--	*12.3%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Health and Welfare - Windhaven GTAA

Manager Summary

- IPS conducted an on-site due diligence meeting with Windhaven on October 24, 2012.

Recommendation: Terminate. Allocate proceeds following a review of asset allocation.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Account Information	
Account Name	**Mellon CF Global Expanded Alpha I**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**Global Allocations**
Benchmark	**Custom Benchmark Alpha I Fund**
Universe	**eA Global TAA Gross**

Mellon CF Global Expanded Alpha I
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$1,035,395	$925,510
Net Additions/Withdrawals	-$500,000	-$500,000
Investment Earnings	-$16,123	$93,762
Ending Market Value	$519,272	$519,272

						Calendar Years					Inception	
	3 Mo	YTD	1 Yr	3 Yrs	5 Yrs	2013	2012	2011	2010	2009	Return	Since
Mellon CF Global Expanded Alpha I	-0.6%	-0.6%	10.5%	--	--	11.9%	--	--	--	--	8.9%	Jan-13
Custom Benchmark Alpha I Fund	*2.0%*	*2.0%*	*8.3%*	--	--	*10.3%*	--	--	--	--	*9.9%*	*Jan-13*

Returns are net of fees.
Information on PNC statements lag one quarter.

FELRA & UFCW Health and Welfare - Mellon CF Global Expanded Alpha I

Manager Summary

Recommendation: Terminate. Allocate proceeds following a review of asset allocation.

Compliance Summary

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Cumulative Periods
as of March 31, 2014

	Quarter	One Year	Three Years
Mellon Capital Management Corporation - Global Expanded Alpha Strategy*	-4.7	2.1	4.6

	Calendar Year 2013	Calendar Year 2012	Calendar Year 2011
Mellon Capital Management Corporation - Global Expanded Alpha Strategy*	11.9	11.3	-0.6

*Manager composite returns as provided by Compass.

Account Information	
Account Name	**Meridian MDF Special Investments**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**1/01/13**
Account Type	**Hedge Fund**
Benchmark	
Universe	

Meridian MDF Special Investments
March 31, 2014

Sources of Portfolio Growth	First Quarter	Inception 1/1/13
Beginning Market Value	$655,179	$397,651
Net Additions/Withdrawals	$0	-$165,787
Investment Earnings	$32,904	$456,220
Ending Market Value	$688,083	$688,083

FELRA & UFCW Health and Welfare - Meridian MDF Special Investments

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

Checklist compliance monitoring will begin when the manager has received the Investment Policy Statement and signed the Manager Addendum.

Investment Policy Statement

- The current investment policy statement was adopted April 2009.

Custody Bank

- The current custodian is PNC Bank.

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.

FELRA and UFCW Benefit Funds
Health & Welfare, Severance, Scholarship, and Legal Fun

Appendix

Net of Fees

			Ending March 31, 2014			Inception	
	Market Value	% of Portfolio	3 Mo	YTD	1 Yr	Return	Since
Composite	**$67,646,244**	**100.0%**	**0.9%**	**0.9%**	**5.1%**	**6.2%**	**Jan-13**
Total Fund Domestic Equity	**$7,168,207**	**10.6%**	**2.0%**	**2.0%**	**22.7%**	**27.7%**	**Jan-13**
S&P 500			*1.8%*	*1.8%*	*21.9%*	*27.0%*	*Jan-13*
INTECH	$2,098,323	3.1%	1.4%	1.4%	24.9%	27.4%	Jan-13
Russell 1000 Growth			*1.1%*	*1.1%*	*23.2%*	*27.1%*	*Jan-13*
NWQ Investment Management Company	$2,210,714	3.3%	1.4%	1.4%	20.9%	25.1%	Jan-13
Russell 1000 Value			*3.0%*	*3.0%*	*21.6%*	*28.3%*	*Jan-13*
Westwood Management	$2,621,059	3.9%	3.2%	3.2%	22.7%	30.0%	Jan-13
Russell 2500			*2.3%*	*2.3%*	*24.0%*	*30.8%*	*Jan-13*
Cadence Capital Management	$238,111	0.4%	-0.1%	-0.1%	22.3%	27.7%	Jan-13
Russell 2000			*1.1%*	*1.1%*	*24.9%*	*31.2%*	*Jan-13*
Total Fund International Equity	**$2,082,406**	**3.1%**	**2.6%**	**2.6%**	**20.4%**	**20.7%**	**Jan-13**
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Jan-13*
Globeflex Capital	$2,082,406	3.1%	2.6%	2.6%	20.4%	20.7%	Jan-13
MSCI EAFE			*0.7%*	*0.7%*	*17.6%*	*18.5%*	*Jan-13*
Total Fund Investment Grade Fixed Income	**$5,139,764**	**7.6%**	**2.5%**	**2.5%**	**1.3%**	**1.4%**	**Jan-13**
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*
Segall, Bryant and Hamill	$5,139,764	7.6%	2.5%	2.5%	1.3%	1.4%	Jan-13
Barclays Aggregate			*1.8%*	*1.8%*	*-0.1%*	*-0.2%*	*Jan-13*

Net of Fees

	Market Value	% of Portfolio	Ending March 31, 2014			Inception	
			3 Mo	YTD	1 Yr	Return	Since
Total Fund High Yield Fixed Income	**$2,481,655**	**3.7%**	**2.9%**	**2.9%**	**6.3%**	**6.8%**	**Jan-13**
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
Fountain Capital Management	$2,481,655	3.7%	2.9%	2.9%	6.3%	6.8%	Jan-13
BofA Merrill Lynch US High Yield BB-B Rated			*3.0%*	*3.0%*	*6.9%*	*7.5%*	*Jan-13*
Total Fund Real Estate	**$3,399,742**	**5.0%**	**2.3%**	**2.3%**	**11.1%**	**10.7%**	**Jan-13**
NCREIF ODCE Index			*2.5%*	*2.5%*	*13.8%*	*13.2%*	*Jan-13*
American Realty Advisors	$3,399,742	5.0%	2.3%	2.3%	11.1%	10.7%	Jan-13
NCREIF-ODCE			*2.5%*	*2.5%*	*13.8%*	*13.2%*	*Jan-13*
Total Fund GTAA	**$11,097,353**	**16.4%**	**0.0%**	**0.0%**	**6.8%**	**8.1%**	**Jan-13**
60% MSCI World Index/40% Citigroup WGBI			*1.9%*	*1.9%*	*11.8%*	*12.3%*	*Jan-13*
Windhaven	$10,578,081	15.6%	0.2%	0.2%	6.6%	8.1%	Jan-13
60% MSCI World Index/40% Citigroup WGBI			*1.9%*	*1.9%*	*11.8%*	*12.3%*	*Jan-13*
Mellon CF Global Expanded Alpha I	$519,272	0.8%	-0.8%	-0.8%	9.6%	8.0%	Jan-13
Custom Benchmark Alpha I Fund			*2.0%*	*2.0%*	*8.3%*	*9.9%*	*Jan-13*
Total Fund Cash	**$35,589,033**	**52.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Jan-13**
H&W Cash	$33,889,014	50.1%	0.0%	0.0%	0.0%	0.0%	Jan-13
Severance Cash	$1,060,724	1.6%	0.0%	0.0%	0.0%	0.0%	Jan-13
Scholarship Cash	$16,747	0.0%	0.0%	0.0%	0.0%	0.0%	Jan-13
Legal Cash	$622,548	0.9%	0.0%	0.0%	0.0%	0.0%	Jan-13
Total Fund HFOF/Cash	**$688,083**	**1.0%**					
Meridian MDF Special Investments	$688,083	1.0%					

FELRA UFCW Health and Welfare Fund
Customized Benchmark

Total Fund GTAA

Start	**End**	
Dec-12		50% ACWI IMI (HH Developed Markets/Unhedged Emerging Markets)
		20% WGBI GDP (HH)
		10% BC Global Inflation-Linked Index (HH)
		5% BC US Intermediate Credit
		5% BC US Corp HY
		5% JPM GBI EM Local Debt
		5% DJ-UBS Commodity Index (TR)

Mellon CF Global Expanded Alpha I

Start	**End**	
Dec-12		50% ACWI IMI (HH Developed Markets/Unhedged Emerging Markets)
		20% WGBI GDP (HH)
		10% BC Global Inflation-Linked Index (HH)
		5% BC US Intermediate Credit
		5% BC US Corp HY
		5% JPM GBI EM Local Debt
		5% DJ-UBS Commodity Index (TR)

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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