INVESTMENT PERFORMANCE SERVICES, LLC

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

Master Consulting Services Report

Period Ended
December 31, 2014

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Market Discussion Points 4Q | 2014

Financial Market Performance

Periods Ending December 31, 2014

Strategy	Sector	Index	QTR	YTD	2014	2013	2012	2011	2010	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	US Large Cap	S&P 500 Index	4.9	13.7	13.7	32.4	16.0	2.1	15.1	13.7	20.4	15.4	7.7	9.8
	US Small Cap	Russell 2000	9.7	4.9	4.9	38.8	16.3	-4.2	26.8	4.9	19.2	15.5	7.8	9.6
	All Country	MSCI All Country World (net)	0.4	4.2	4.2	22.8	16.1	-7.3	12.7	4.2	14.1	9.2	6.1	-
	Non-US Developed	MSCI EAFE (net)	-3.6	-4.9	-4.9	22.8	17.3	-12.1	7.8	-4.9	11.1	5.3	4.4	5.0
	Emerging Markets	MSCI EM (net)	-4.5	-2.2	-2.2	-2.6	18.2	-18.4	18.9	-2.2	4.0	1.8	8.4	-
Bonds	Treasury	Barclays US Govt Index	1.9	4.9	4.9	-2.6	2.0	9.0	5.5	4.9	1.4	3.7	4.3	5.9
	Broad Market	Barclays Aggregate	1.8	6.0	6.0	-2.0	4.2	7.8	6.5	6.0	2.7	4.4	4.7	6.2
	High Yield	Barclays HY BaB 2% Issuer Cap	-0.3	3.5	3.5	6.2	15.0	6.0	13.9	3.5	8.1	8.8	7.2	-
	Global Bonds	Citigroup WGBI	-1.5	-0.5	-0.5	-4.0	1.6	6.4	5.2	-0.5	-1.0	1.7	3.1	5.3
Global Tactical Asset Allocation		65% MSCI World /35% Citi WGBI	0.1	3.1	3.1	15.1	10.9	-1.2	9.8	3.1	9.6	7.4	5.3	6.7
Real Estate	Core	NCREIF ODCE Equal Weighted (Preliminary)	3.1	12.4	12.4	13.3	11.0	16.0	16.1	12.4	12.3	13.8	6.7	8.7
Hedge Funds	Diversified FOFs	HFRI HFOF Composite	0.8	3.2	3.2	9.0	4.8	-5.7	5.7	3.2	5.6	3.3	3.0	5.8
	Equity Long-Short	HFRI Equity Hedge	0.4	2.3	2.3	14.3	7.4	-8.4	10.5	2.3	7.9	4.9	4.7	10.3
Commodities	Commodities	Goldman Sachs Commodity Index	-27.7	-33.1	-33.1	-1.2	0.1	-1.2	9.0	-33.1	-12.9	-6.5	-4.8	1.9

INVESTMENT PERFORMANCE SERVICES LLC

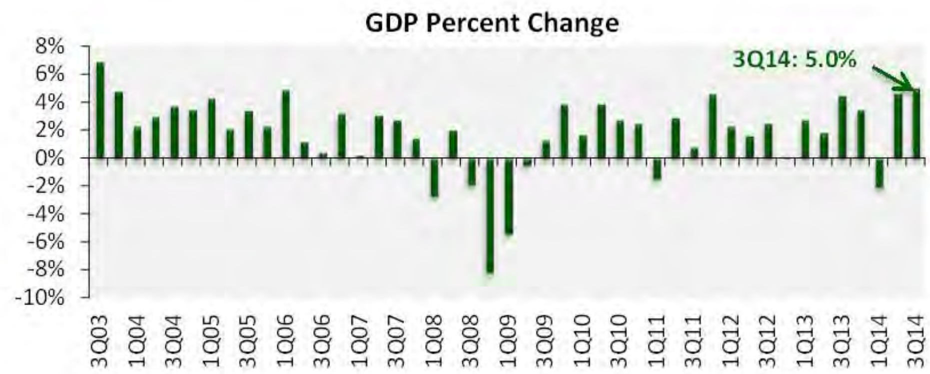
Asset Class Performance "Quilt"

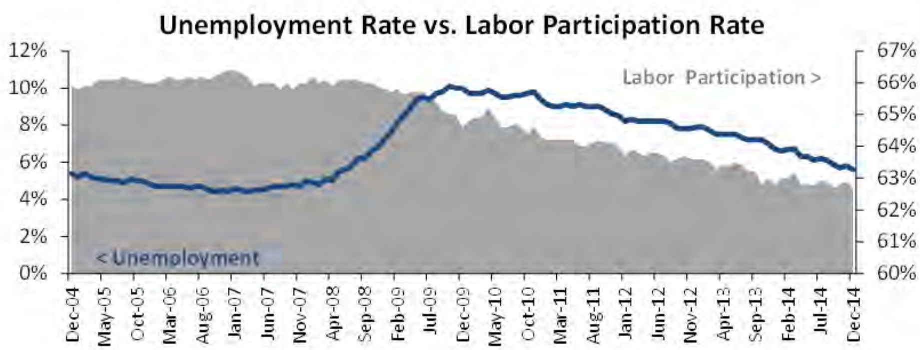
											10-yrs. '05 - '14	
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	4Q14	Cum.	Ann.
MSCI EME 34.5%	REITs 35.1%	MSCI EME 39.8%	Barclays Agg 5.2%	MSCI EME 79.0%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Russell 2000 38.8%	REITs 28.0%	REITs 12.9%	MSCI EME 132.0%	MSCI EME 8.8%
Bberg Cmdty 21.4%	MSCI EME 32.6%	Bberg Cmdty 16.2%	Cash 1.8%	MSCI EAFE 32.5%	Russell 2000 26.9%	Barclays Agg 7.8%	MSCI EME 18.6%	S&P 500 32.4%	S&P 500 13.7%	Russell 2000 9.7%	REITs 122.3%	REITs 8.3%
MSCI EAFE 14.0%	MSCI EAFE 26.9%	MSCI EAFE 11.6%	Market Neutral 1.1%	REITs 28.0%	MSCI EME 19.2%	Market Neutral 4.5%	MSCI EAFE 17.9%	MSCI EAFE 23.3%	Barclays Agg 6.0%	S&P 500 4.9%	Russell 2000 111.3%	Russell 2000 7.8%
REITs 12.2%	Russell 2000 18.4%	Market Neutral 9.3%	Asset Alloc. -24.0%	Russell 2000 27.2%	Bberg Cmdty 16.8%	S&P 500 2.1%	Russell 2000 16.3%	Asset Alloc. 15.0%	Asset Alloc. 5.2%	Asset Alloc. 2.0%	S&P 500 109.5%	S&P 500 7.7%
Asset Alloc. 8.3%	S&P 500 15.8%	Asset Alloc. 7.4%	Russell 2000 -33.8%	S&P 500 26.5%	S&P 500 15.1%	Cash 0.1%	S&P 500 16.0%	Market Neutral 9.3%	Russell 2000 4.9%	Barclays Agg 1.8%	Asset Alloc. 91.7%	Asset Alloc. 6.7%
Market Neutral 6.1%	Asset Alloc. 15.2%	Barclays Agg 7.0%	Bberg Cmdty -35.6%	Asset Alloc. 22.2%	Asset Alloc. 12.5%	Asset Alloc. -0.6%	Asset Alloc. 11.3%	REITs 2.9%	Cash 0.0%	Market Neutral 1.0%	MSCI EAFE 61.5%	MSCI EAFE 4.9%
S&P 500 4.9%	Market Neutral 11.2%	S&P 500 5.5%	S&P 500 -37.0%	Bberg Cmdty 18.9%	MSCI EAFE 8.2%	Russell 2000 -4.2%	Barclays Agg 4.2%	Cash 0.0%	Market Neutral -0.5%	Cash 0.0%	Barclays Agg 58.4%	Barclays Agg 4.7%
Russell 2000 4.6%	Cash 4.8%	Cash 4.8%	REITs -37.7%	Barclays Agg 5.9%	Barclays Agg 6.5%	MSCI EAFE -11.7%	Market Neutral 0.9%	Barclays Agg -2.0%	MSCI EME -1.8%	MSCI EAFE -3.5%	Market Neutral 54.0%	Market Neutral 4.4%
Cash 3.0%	Barclays Agg 4.3%	Russell 2000 -1.6%	MSCI EAFE -43.1%	Market Neutral 4.1%	Cash 0.1%	Bberg Cmdty -13.3%	Cash 0.1%	MSCI EME -2.3%	MSCI EAFE -4.5%	MSCI EME -4.4%	Cash 15.7%	Cash 1.5%
Barclays Agg 2.4%	Bberg Cmdty 2.1%	REITs -15.7%	MSCI EME -53.2%	Cash 0.1%	Market Neutral -0.8%	MSCI EME -18.2%	Bberg Cmdty -1.1%	Bberg Cmdty -9.5%	Bberg Cmdty -17.0%	Bberg Cmdty -12.1%	Bberg Cmdty -17.1%	Bberg Cmdty -1.9%

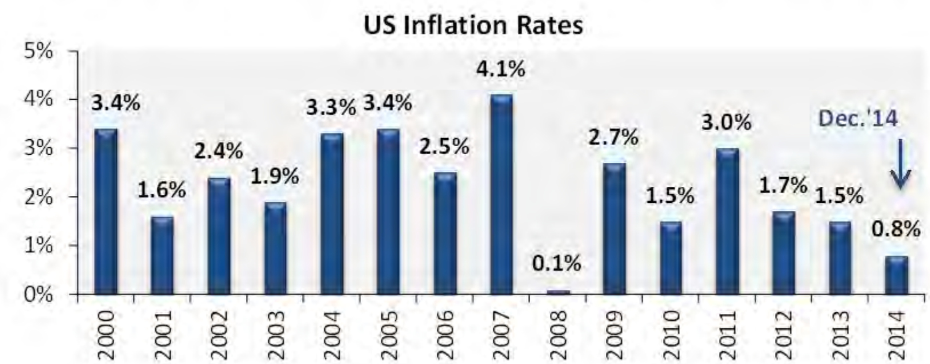
Source: Russell, MSCI, Bloomberg, Standard & Poor's, Credit Suisse, Barclays Capital, NAREIT, FactSet, J.P. Morgan Asset Management. The "Asset Allocation" portfolio assumes the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Barclays Capital Aggregate, 5% in the Barclays 1-3m Treasury, 5% in the CS/Tremont Equity Market Neutral Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Balanced portfolio assumes annual rebalancing. All data represents total return for stated period. Past performance is not indicative of future returns. Data are as of 12/31/14, except for the CS/Tremont Equity Market Neutral Index, which reflects data through 11/30/14. "10-yrs" returns represent period of 12/31/04 – 12/31/14 showing both cumulative (Cum.) and annualized (Ann.) over the period. J.P. Morgan Guide to the Markets – U.S. Data are as of 12/31/14.

U.S. Economy

Investors could use some good news and received some during the fourth quarter. The decline in oil prices has been reflected at the gas pumps, and consumers can tangibly feel the savings. December's unemployment rate fell to 5.6% and job creation was at 252,000. While this too is good news, the number of people working part-time that are looking for full-time jobs is still high. GDP is expanding at an annual rate of 5.0% and it's components - consumer, business and government - were up. The U.S. dollar continues to strengthen. Housing prices have been flat in the second half of the year, but are still estimated to be up 4.5% over the past 12 months. Inflation is expected to be under 1% for the year. Corporate earnings continue to beat expectations, with 78% of the S&P 500 companies ahead of estimates for earnings per share. However, investors are nervous and react quickly to adverse news, which increases volatility. We saw the equity markets take a significant dip in December before recovering by year-end. The biggest surprise was that interest rates in the longer part of the yield curve decreased, with the 10-Year Treasury declining from 3.03% at the beginning of the year to 2.17% at year-end. Intermediate rates in the 2-3 year range actually rose by about 30 basis points.







U.S. Equity Market

The headlines in the financial press would have you believe that equity markets had another outstanding year. The S&P 500 did in fact hit an all time high on December 29, 2014 at 2090.57 and returned 13.7% for the year, but these gains were very narrowly focused on U.S. large cap stocks and were driven by a few key sectors. With the precipitous drop in the price of oil from about $90 per barrel to under $50 a barrel, the energy sector declined over 8% as measured by the S&P 500. Industry and sector mattered as exemplified by coal mining stocks being down 33% while airline stocks were up 84%. Another large dispersion was between large and small cap stocks. The Russell 1000 was up 13.3%, while the Russell 2000 was up just 4.9% despite rallying 9.7% in the 4th quarter. There has also been explosive growth in the use of index funds and ETFs as the preferred method for investors to access the equity markets. Index funds and ETFs now account for more than 32% of the market, up from 17% in 2007. Vanguard alone reported record inflow to their index funds of nearly $300 million in 2014. In terms of index outperformance, 2014 was also the worst year for active managers since the tech boom in 1998-99. There was little style rotation with growth and value fairly close in return across all capitalizations.

		4Q 14	YTD	2014	2013	2012	2011	2010	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	4.9	13.7	13.7	32.4	16.0	2.1	15.1	13.7	20.4	15.4	7.7
	Russell 1000	4.9	13.3	13.3	33.1	16.4	1.5	16.1	13.3	20.6	15.6	8.0
	Russell 1000 Value	5.0	13.5	13.5	32.5	17.5	0.4	15.5	13.5	20.9	15.4	7.3
	Russell 1000 Growth	4.8	13.1	13.1	33.5	15.3	2.6	16.7	13.1	20.3	15.8	8.5
Mid Cap	Russell Mid-Cap	5.9	13.2	13.2	34.8	17.3	-1.6	25.5	13.2	21.4	17.2	9.6
	Russell Mid-Cap Value	6.1	14.7	14.7	33.5	18.5	-1.4	24.8	14.7	22.0	17.4	9.4
	Russell Mid-Cap Growth	5.8	11.9	11.9	35.8	15.8	-1.7	26.4	11.9	20.7	16.9	9.4
Small Cap	Russell 2000	9.7	4.9	4.9	38.8	16.3	-4.2	26.8	4.9	19.2	15.5	7.8
	Russell 2000 Value	9.4	4.2	4.2	34.5	18.1	-5.5	24.5	4.2	18.3	14.3	6.9
	Russell 2000 Growth	10.1	5.6	5.6	43.3	14.6	-2.9	29.1	5.6	20.1	16.8	8.5
Total Market	Wilshire 5000	5.3	12.7	12.7	33.1	16.1	1.0	17.2	12.7	20.3	15.5	8.0
	Russell 3000	5.2	12.6	12.6	33.6	16.4	1.0	16.9	12.6	20.5	15.6	7.9

Equity Performance "Quilt"

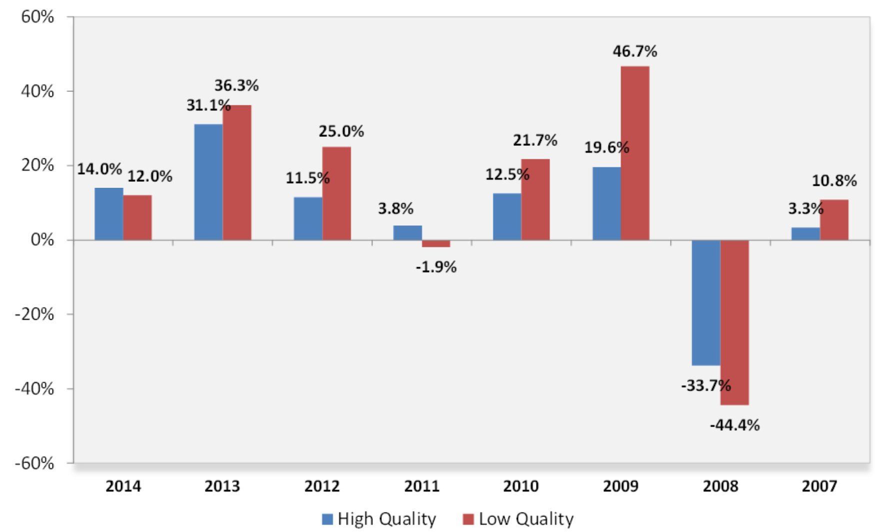
											10 yrs '05-'14	
2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	4Q'14	Cum.	Ann.
Mid Value 12.6%	Small Value 23.5%	Large Growth 11.8%	Small Value -28.9%	Mid Growth 46.3%	Small Growth 29.1%	Large Growth 2.6%	Mid Value 18.5%	Small Growth 43.3%	Mid Value 14.7%	Small Growth 10.1%	Mid Value 165.4%	Mid Value 10.3%
Mid Growth 12.1%	Large Value 22.2%	Mid Growth 11.4%	Large Value -36.8%	Large Growth 37.2%	Mid Growth 26.4%	Large Value 0.4%	Small Value 18.1%	Mid Growth 35.7%	Large Value 13.5%	Small Value 9.4%	Mid Growth 154.0%	Mid Growt 9.8%
Large Value 7.1%	Mid Value 20.2%	Small Growth 7.0%	Large Growth -38.4%	Small Growth 34.5%	Mid Value 24.8%	Mid Value -1.4%	Large Value 17.5%	Small Value 34.5%	Large Growth 13.0%	Mid Value 6.1%	Small Growth 145.7%	Small Growt 9.4%
Large Growth 5.3%	Small Growth 13.3%	Large Value -0.2%	Mid Value -38.4%	Mid Value 34.2%	Small Value 24.5%	Mid Growth -1.7%	Mid Growth 15.8%	Large Growth 33.5%	Mid Growth 11.9%	Mid Growth 5.8%	Small Value 128.3%	Small Value 8.6%
Small Value 4.7%	Mid Growth 10.7%	Mid Value -1.4%	Small Growth -38.5%	Small Value 20.6%	Large Growth 16.7%	Small Growth -2.9%	Large Growth 15.3%	Mid Value 33.5%	Small Growth 5.6%	Large Value 5.0%	Large Growth 112.5%	Large Growt 7.8%
Small Growth 4.2%	Large Growth 9.1%	Small Value -9.8%	Mid Growth -44.3%	Large Value 19.7%	Large Value 15.5%	Small Value -5.5%	Small Growth 14.6%	Large Value 32.5%	Small Value 4.2%	Large Growth 4.8%	Large Value 107.7%	Large Value 7.6%

Source: FactSet, Russell Investment Group, J.P. Morgan Asset Management. All data are based on Russell Indexes and represent total return for stated period. Each style is representative of corresponding Russell style index. Past performance is not indicative of future returns. Data are as of 12/31/14. Large Value = Russell 1000 Value Index; Large Growth = Russell 1000 Growth Index; Mid Value = Russell Mid Cap Value Index; Mid Growth = Russell Mid Cap Growth Index; Small Value = Russell 2000 Value Index; Small Growth = Russell 2000 Growth Index. J.P. Morgan Guide to the Markets – U.S. Data are as of 12/31/14.

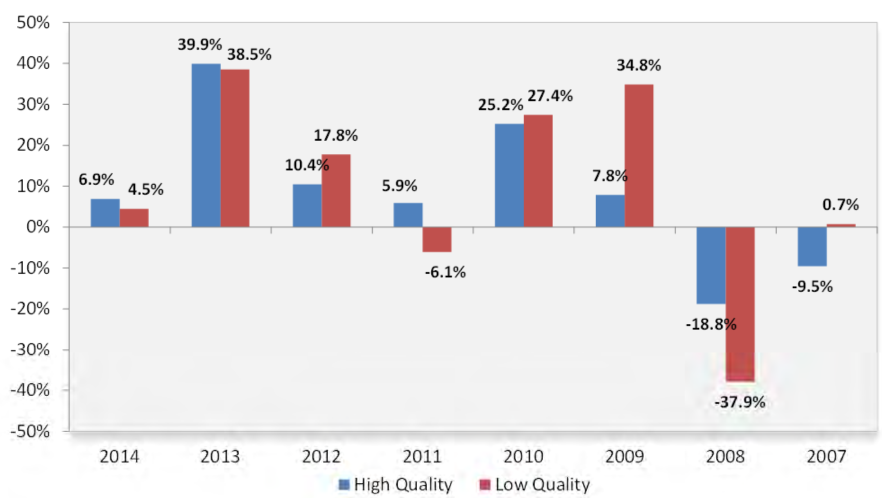
INVESTMENT PERFORMANCE SERVICES, LLC

U.S. Stock Returns by Quality

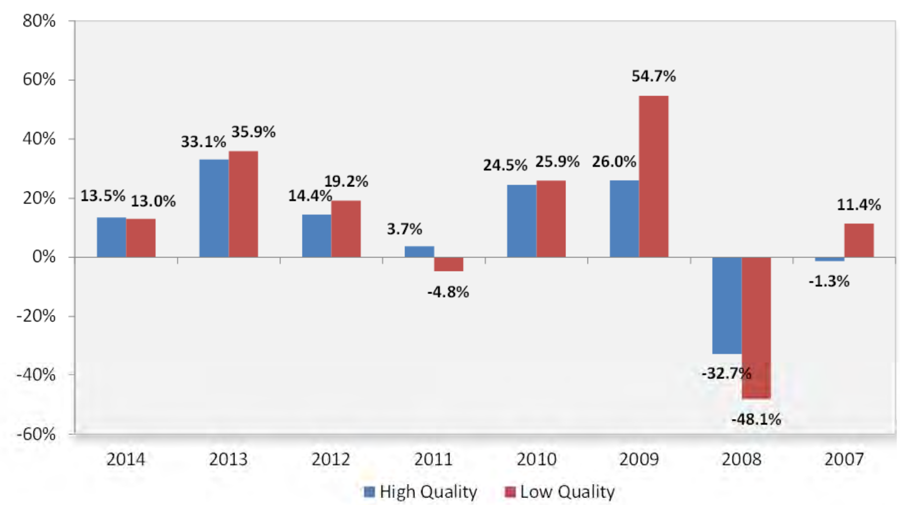
Large Cap Stock Returns by Quality



Small Cap Stock Returns by Quality



Midcap Stock Returns by Quality



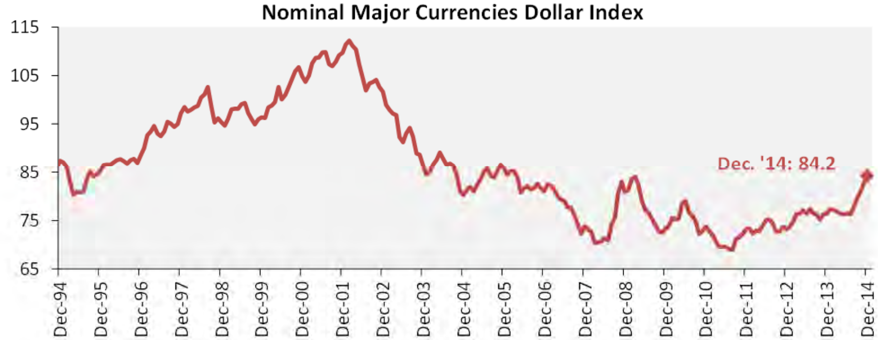
Sources: Standard & Poor's, Wilshire Atlas, Atlanta Capital. Standard & Poor's Quality Rankings are utilized to capture the long-term growth and stability of a company's earnings and dividends in a single measure. The High Earnings Stability and Low Earnings Stability portfolios are provided to compare 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.

International Equity Market

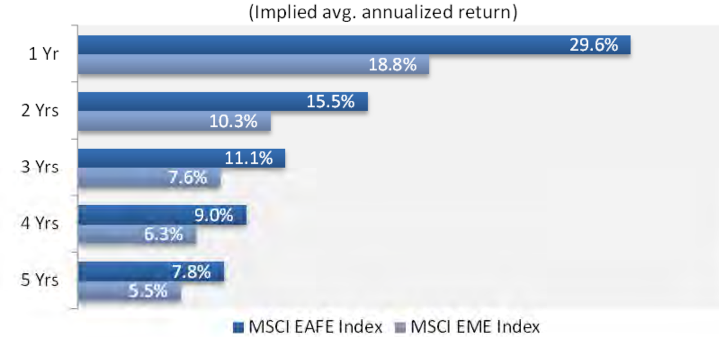
The slowdown in economic growth in Europe and the strengthening U.S. dollar provided a backdrop for negative equity returns in the Eurozone. The MSCI EAFE Index was down 4.9%, low GDP growth resulted in the MSCI Europe ex-UK Index being down 6.5% for the year and the UK was down 5.4%. The European Central Bank is taking action, lowering interest rates further to the point were some rates are now negative. The decline in oil prices hit Russia the hardest and their equity markets declined 46%, with most of that drop occurring in the fourth quarter. In Asia, despite a slowdown in GDP growth, China was up 8% and India was up 23.9%.

		4Q 14	YTD	2014	2013	2012	2011	2010	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	0.4	4.2	4.2	22.8	16.1	-7.3	12.7	4.2	14.1	9.2	6.1
	MSCI World Small Cap (net)	1.8	1.8	1.8	28.7	18.1	-11.3	26.3	1.8	15.6	11.6	8.1
	MSCI World ex US (net)	-3.9	-3.9	-3.9	15.3	16.8	-13.7	11.2	-3.9	9.0	4.4	5.1
Developed ex US	MSCI EAFE (net)	-3.6	-4.9	-4.9	22.8	17.3	-12.1	7.8	-4.9	11.1	5.3	4.4
	MSCI EAFE Value (net)	-4.9	-5.4	-5.4	22.9	17.7	-12.2	3.3	-5.4	11.0	4.4	3.9
	MSCI EAFE Growth (net)	-2.3	-4.4	-4.4	22.5	16.9	-12.1	12.3	-4.4	11.0	6.2	4.9
	MSCI EAFE Small Cap (net)	-2.3	-4.9	-4.9	29.3	20.0	-15.9	22.0	-4.9	13.8	8.6	6.0
Emerging Markets	MSCI Emerging Markets (net)	-4.5	-2.2	-2.2	-2.6	18.2	-18.4	18.9	-2.2	4.0	1.8	8.4

U.S. Dollar Index
Nominal Major Currencies Dollar Index



Return Needed to Reach 2007 Peak
(Implied avg. annualized return)



Y-O-Y Annual GDP % Change

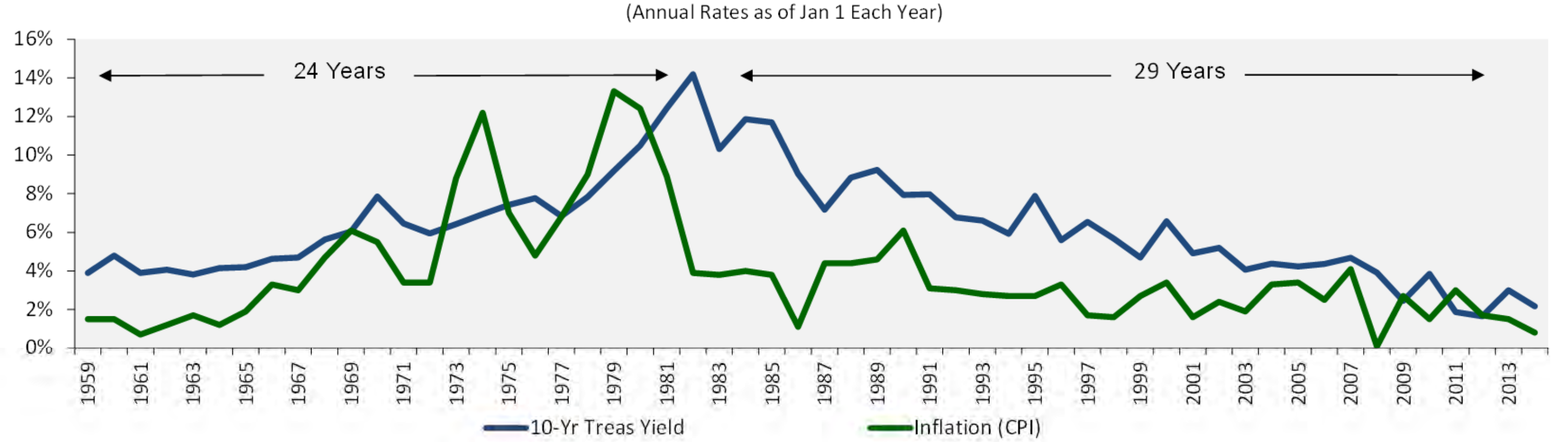
Top left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Top right chart:** Data as of December 31, 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 2014.

Bond Market

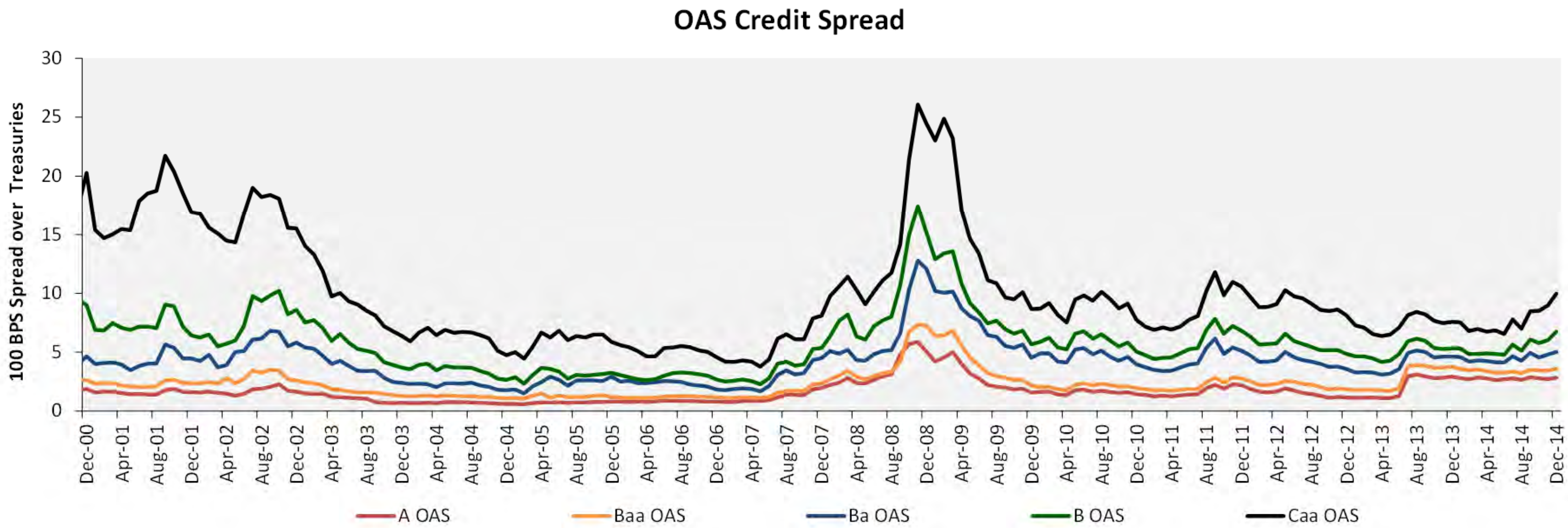
The Federal Reserve finished their "quantitative easing" bond buying in October without much fanfare. The surprise was a significant flattening of the yield curve with the 2-year Treasury yield increasing by about 28 basis points from 0.38% to 0.66% while the 10-Year Treasury yield dropped from 3.03% at the beginning of the year to 2.17%. This led to a modest rally in longer-term bond prices. The Barclays Intermediate Govt/Credit posted a 3.9% return while the longer duration Barclays Aggregate posted a 6.0% return for the year. Corporate high yield bonds were hit hard by the declines in energy-sector bonds, which is 17% of the benchmark. Overall spreads widened in the U.S. high yield sector by 101 basis points, resulting in negative returns for most high yield indexes in the fourth quarter, but the Barclays High Yield Ba/B 2% Capped Index was still up 3.5% for the year. The consensus is that the Federal Reserve will announce the beginning of modest and measured rate hikes sometime in 2015.

	Yield	Duration	4Q 14	YTD	2014	2013	2012	2011	2010	1-Year	3-Year	5-Year	10-Year
Barclays Aggregate	2.2	5.6	1.8	6.0	6.0	-2.0	4.2	7.8	6.5	6.0	2.7	4.4	4.7
Barclays Govt/Credit	2.1	6.1	1.8	6.0	6.0	-2.4	4.8	8.7	6.6	6.0	2.8	4.7	4.7
Barclays Int Agg	2.0	4.0	1.2	4.1	4.1	-1.0	3.6	6.0	6.1	4.1	2.2	3.7	4.3
Barclays Int Govt/Credit	1.7	3.9	0.9	3.1	3.1	-0.9	3.9	5.8	5.9	3.1	2.0	3.5	4.1
Barclays HY Ba/B2% Capped	5.9	4.5	-0.3	3.5	3.5	6.2	15.0	6.0	13.9	3.5	8.1	8.8	7.2
Barclays Mortgage	2.6	4.4	1.8	6.1	6.1	-1.4	2.6	6.2	5.4	6.1	2.4	3.7	4.7
Barclays Treasury	1.4	5.6	1.9	5.1	5.1	-2.7	2.0	9.8	5.9	5.1	1.4	3.9	4.4
Barclays US TIPS	2.0	5.8	0.0	3.6	3.6	-8.6	7.0	13.6	6.3	3.6	0.4	4.1	4.4
91 day T-Bills	0.0	0.2	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.1	1.5

The Last Full Interest Rate Cycle 1958 - 2011
10-Yr Treasury Rate vs. Inflation (CPI)
(Annual Rates as of Jan 1 Each Year)



Bond Market


OAS Credit Spread
100 BPS Spread over Treasuries
30
25
20
15
10
5
0
Dec-00
Apr-01
Aug-01
Dec-01
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Aug-02
Dec-02
Apr-03
Aug-03
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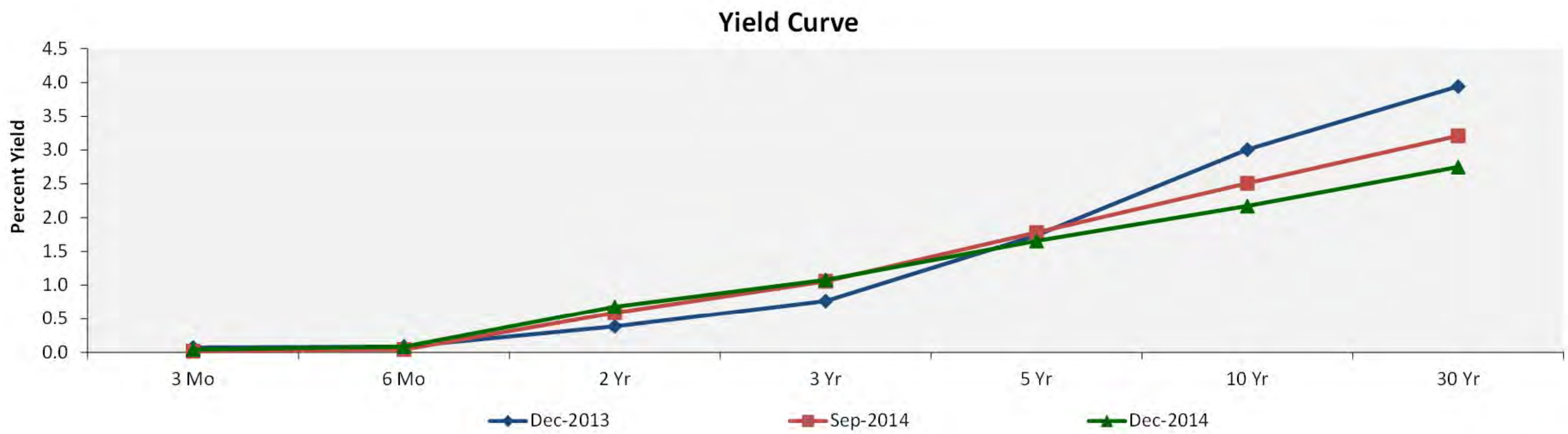

Yield Curve
Percent Yield
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
3 Mo
6 Mo
2 Yr
3 Yr
5 Yr
10 Yr
30 Yr
Dec-2013
Sep-2014
Dec-2014

Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 12/31/2014						
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	17.07	10.58	7.34	3.63	11.98	6.44
-100	12.17	7.80	5.38	2.67	9.86	5.56
-50	7.27	5.03	3.43	1.71	7.74	4.68
-25	4.82	3.64	2.45	1.23	6.68	4.24
0	2.37	2.25	1.47	0.75	5.62	3.80
25	-0.08	0.86	0.49	0.27	4.56	3.36
50	-2.53	-0.53	-0.49	-0.21	3.50	2.92
100	-7.43	-3.30	-2.44	-1.17	1.38	2.04
150	-12.33	-6.08	-4.40	-2.13	-0.74	1.16
200	-17.23	-8.85	-6.35	-3.09	-2.86	0.28
250	-22.13	-11.63	-8.31	-4.05	-4.98	-0.60
300	-27.03	-14.40	-10.26	-5.01	-7.10	-1.48
350	-31.93	-17.18	-12.22	-5.97	-9.22	-2.36
400	-36.83	-19.95	-14.17	-6.93	-11.34	-3.24
450	-41.73	-22.73	-16.13	-7.89	-13.46	-4.12
500	-46.63	-25.50	-18.08	-8.85	-15.58	-5.00
Duration	9.800	5.550	3.910	1.920	4.240	1.760

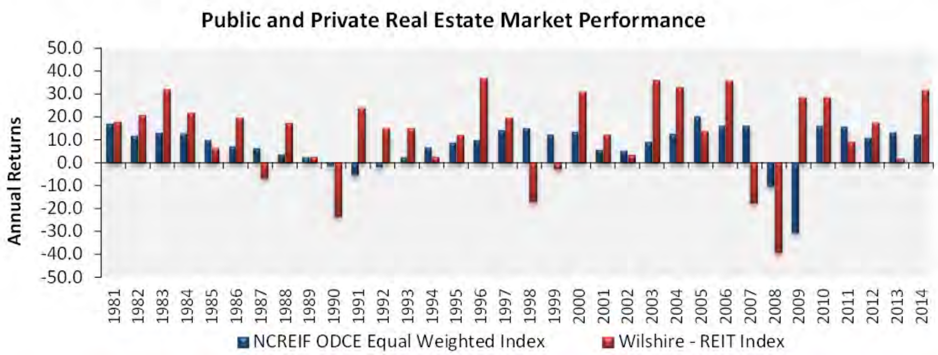
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2014 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration as of 12/31/2014 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.

INVESTMENT PERFORMANCE SERVICES, LLC

Real Estate Market

Commercial real estate posted good returns again this year. The recovering economy, reasonable economic growth and constrained supply all helped to generate positive returns. The NCREIF ODCE Equal-Weighted Index was up 12.4% for 2014 and represents the fifth straight year of recovery since the 2008-2009 downturn. The first part of this recovery was led by multi-family demand, but more recently industrial and retail have rebounded. Occupancy rates remain high and new construction has high pre-construction lease rates or is build-to-suit. All indicators are that reasonable rent increases are being obtained and there is no excess capacity being developed. As shown below, a survey of NCREIF constituents indicated they expect returns in the 9% range in 2015, and declining slightly to the 8.0-8.5% range over the next 3-5 years. REITS have been particularly attractive to individual investors due to their high current dividend yield, but were hard hit by the small cap stock retrenchment in late 2013 and early 2014; they have since rebounded remarkably over the course of 2014.

		4Q 14	YTD	2014	2013	2012	2011	2010	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted (Pre.)	3.1	12.4	12.4	13.3	11.0	16.0	16.1	12.4	12.3	13.8	6.7
US Public	Wilshire REIT	15.1	31.8	31.8	1.9	17.6	9.2	28.6	31.8	16.4	17.3	8.3



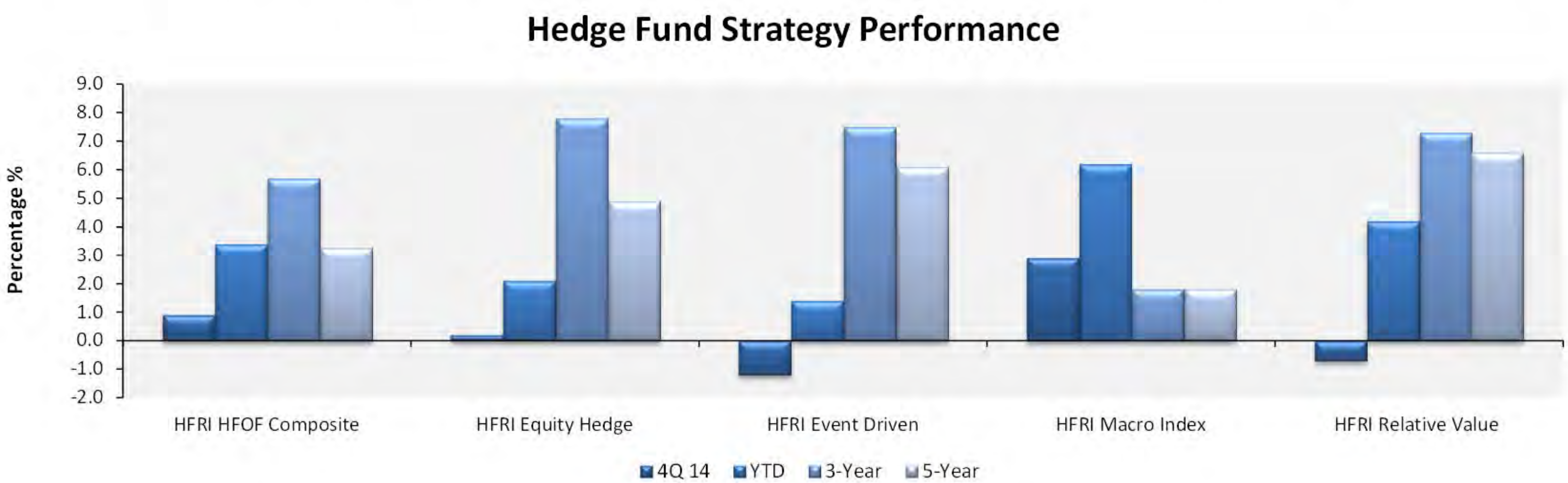
	Total return (incl. income) 2014	Total return (incl. income) 2015	Total return (incl. income) 2016	Total return (incl. income) 2014 to 2018 (per year)
National, All Property Types (NPI)	10.8	9.1	8.0	8.4
Office	10.5	9.2	8.5	8.6
Retail	11.9	9.2	8.0	8.6
Industrial	11.7	9.8	8.5	8.9
Apartment	9.6	8.6	7.1	7.7

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 Q2 2014.

Hedge Fund of Funds Market

Hedge funds closed 2014 with little fanfare, as the HFRI FOF Composite rose 0.9% during the quarter to close the year at 3.35%. Following a relatively good year in 2013, this was hardly a banner year for hedge funds. Outside of a spike in mid-October and mid-December, equity volatility remained low for most of the year, which made for a difficult environment for long/short equity managers. Shorting continued to be difficult in 2014 as most stocks rose and low quality stocks outperformed high quality. Equities outside the US were largely negative. Relative value strategies provided better performance as did macro, which was the best performing hedge fund strategy after three consecutive negative years, aided in 2014 by the long US Dollar trade and short oil prices. Many predicted a rise in interest rates in 2014. That did not happen, though the consensus is that we should see rates increase mid-2015. Hedge funds have historically performed well in rising rate environments, mitigating interest rate risk, as well as in markets with increasing equity volatility. Volatility has picked up over the last few months as QE ended in the US, and may remain higher than the persistent low volatility environment of the past two years. The market dislocations this creates should provide both long and short opportunities to hedge fund managers. Hedge fund flows continue to be strong, as the asset class took in over $112 billion from investors in 2014, per a report from industry database eVestment. Their report notes that similar flows are expected in 2015, as investors look to continue diversifying from traditional asset classes.

Strategy	Index	4Q 14	YTD	2014	2013	2012	2011	2010	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	0.9	3.4	3.4	9.0	4.8	-5.7	5.7	3.4	5.7	3.3	3.0
Equity Long-Short	HFRI Equity Hedge	0.2	2.1	2.1	14.3	7.4	-8.4	10.5	2.1	7.8	4.9	4.7
Event Driven	HFRI Event Driven	-1.2	1.4	1.4	12.5	8.9	-3.3	11.9	1.4	7.5	6.1	5.7
Global Macro	HFRI Macro Index	2.9	6.2	6.2	-0.4	-0.1	-4.2	8.1	6.2	1.8	1.8	4.4
Relative Value	HFRI Relative Value	-0.7	4.2	4.2	7.1	10.6	0.1	11.4	4.2	7.3	6.6	6.3



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

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INVESTMENT PERFORMANCE SERVICES, LLC

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

Master Consulting Services Report

Period Ending
December 31, 2014

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Summary of Cash Flows

Sources of Portfolio Growth	Fourth Quarter	Year-To-Date	One Year
Beginning Market Value	$65,341,992	$55,902,323	$55,902,323
Net Additions/Withdrawals	$766,343	$9,272,053	$9,272,053
Investment Earnings	$749,991	$1,683,950	$1,683,950
Ending Market Value	$66,858,326	$66,858,326	$66,858,326

* 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 December 31, 2014

	Current	%
Domestic Equity	$12,857,934	19.2%
Investment Grade Fixed Income	$23,454,584	35.1%
Short Duration High Yield Fixed Income	$13,261,284	19.8%
Real Estate	$3,696,928	5.5%
Cash	$13,291,435	19.9%
HFOF/Cash	$296,160	0.4%
Total	**$66,858,326**	**100.0%**

Note: HFOF/Cash is comprised of 41% money market fund and 59% Meridian MDEF and Segregated Funds per the Fund's PNC statement.

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	Ending December 31, 2014			Inception	
			2014 Q4	YTD	1 Yr	Return	Since
Composite	**$66,858,326**	**100.0%**	**1.1%**	**2.8%**	**2.8%**	**5.0%**	**Jan-13**
Total Fund Domestic Equity	**$12,857,934**	**19.2%**	**3.0%**	**6.4%**	**6.4%**	**19.3%**	**Jan-13**
S&P 500			*4.9%*	*13.7%*	*13.7%*	*22.7%*	*Jan-13*
CRSP US Total Market TR USD			*5.2%*	*12.6%*	*12.6%*	*22.7%*	*Jan-13*
Total Fund Investment Grade Fixed Income	**$23,454,584**	**35.1%**	**1.0%**	**5.9%**	**5.9%**	**2.6%**	**Jan-13**
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$13,261,284**	**19.8%**	**0.6%**	**--**	**--**	**-1.0%**	**Sep-14**
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.1%*	*Sep-14*
Total Fund Real Estate	**$3,696,928**	**5.5%**	**3.1%**	**11.6%**	**11.6%**	**11.8%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*3.1%*	*12.4%*	*12.4%*	*12.9%*	*Jan-13*
Total Fund Cash	**$13,291,435**	**19.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Jan-13**
Total Fund HFOF/Cash	**$296,160**	**0.4%**					

- February 1, 2015 represents the start of the new asset allocation and investment manager structure for each Fund.
- 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	Fourth Quarter	Year-To-Date	One Year
Beginning Market Value	$51,204,428	$42,275,323	$42,275,323
Net Additions/Withdrawals	$4,712,754	$13,110,528	$13,110,528
Investment Earnings	$628,131	$1,159,460	$1,159,460
Ending Market Value	$56,545,312	$56,545,312	$56,545,312

	Ending December 31, 2014					Inception	
	Market Value	% of Portfolio	2014 Q4	YTD	1 Yr	Return	Since
Total Health & Welfare	**$56,545,312**	**100.0%**	**1.1%**	**2.2%**	**2.2%**	**4.3%**	**Jan-13**
H&W Domestic Equity	$12,833,796	22.7%	3.1%	6.2%	6.2%	19.2%	Jan-13
S&P 500			*4.9%*	*13.7%*	*13.7%*	*22.7%*	*Jan-13*
CRSP US Total Market TR USD			*5.2%*	*12.6%*	*12.6%*	*22.7%*	*Jan-13*
H&W Core Bond	$20,047,714	35.5%	1.0%	5.6%	5.6%	2.5%	Jan-13
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
H&W Short Duration Hi Yield	$10,150,702	18.0%	--	--	--	-0.4%	Nov-14
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.2%*	*Nov-14*
H&W Real Estate	$3,633,958	6.4%	--	--	--	--	Dec-14
H&W Cash	$9,879,142	17.5%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*

Note: Allocations are based on data from the PNC custody statements.

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

	Current	Current %	Policy	%	Difference	Difference
Domestic Equity	$12,833,796	22.7%	$14,136,328	25.0%	-2.3%	$-1,302,532
Investment Grade Fixed Income	$20,047,714	35.5%	$22,618,125	40.0%	-4.5%	$-2,570,411
Short Duration Hi Yld	$10,150,702	18.0%	$11,309,062	20.0%	-2.0%	$-1,158,360
Real Estate	$3,633,958	6.4%	$5,654,531	10.0%	-3.6%	$-2,020,573
Cash	$9,879,142	17.5%	$2,827,266	5.0%	12.5%	$7,051,876
Total	**$56,545,312**	**100.0%**	**$56,545,312**	**100.0%**		

Asset Allocation - Health and Welfare

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. Due to the timing of contributions and withdrawals from the Fund, it was agreed that a minimum of approximately $2M cash on hand should be maintained. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation targets of 25% US large cap equities, 40% intermediate fixed income, 20% short duration high yield, 10% real estate, and 5% cash. Asset allocation targets were approved by the Full Board on September 18, 2014.
- Current managers for FELRA Pension Fund will be used for US equity allocation (Vanguard Total US Stock Market Index) and short duration high yield allocation (Chartwell Investment Partners).
- At the July 18, 2014 Policy Committee meeting, the Trustees elected to transfer $15M from cash to SBH (investment grade fixed income). The transfer occurred on August 1, 2014.
- As a result of restructuring, the following investment managers were terminated effective October 31, 2014: INTECH, NWQ, Cadence, Westwood, Globeflex, Windhaven and Fountain. The rebalancing of proceeds to the Fund's new asset allocation targets began in November 2014.

Recommendations: Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the stated targets.

Total Severance

Summary of Cash Flows

Sources of Portfolio Growth	Fourth Quarter	Year-To-Date	One Year
Beginning Market Value	$13,201,862	$12,650,715	$12,650,715
Net Additions/Withdrawals	-$3,869,847	-$3,701,371	-$3,701,371
Investment Earnings	$118,865	$501,537	$501,537
Ending Market Value	$9,450,881	$9,450,881	$9,450,881

	Ending December 31, 2014					Inception	
	Market Value	% of Portfolio	2014 Q4	YTD	1 Yr	Return	Since
Total Severance	**$9,450,881**	**100.0%**	**1.0%**	**4.9%**	**4.9%**	**7.1%**	**Jan-13**
Severance Core Bond	$2,939,183	31.1%	1.0%	5.6%	5.6%	2.5%	Jan-13
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Severance Short Duration High Yield Bond	$2,975,523	31.5%	0.7%	--	--	-0.9%	Sep-14
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.1%*	*Sep-14*
Barclays Int Govt/Credit			*0.9%*	*3.1%*	*3.1%*	*0.4%*	*Sep-14*
Severance HFOF/Cash	$295,631	3.1%					
Severance Cash	$3,240,544	34.3%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*

Note: Allocations are based on data from the PNC custody statements.

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

	Current	Current %	Policy	%	Difference	Difference
Investment Grade Fixed Income	$2,939,183	31.1%	$6,143,073	65.0%	-33.9%	$-3,203,890
Severance Short Duration High Yield Bond	$2,975,523	31.5%	$2,835,264	30.0%	1.5%	$140,259
HFOF/Cash	$295,631	3.1%	-	-	3.1%	$295,631
Cash	$3,240,544	34.3%	$472,544	5.0%	29.3%	$2,768,000
Total	**$9,450,881**	**100.0%**	**$9,450,881**	**100.0%**		

Note: HFOF/Cash is comprised of 41% money market fund and 59% Meridian MDEF and Segregated Funds per the Fund's PNC statement.

Asset Allocation - Severance

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. At the July 18, 2014 Policy Committee meeting, the decision was made to retain Chartwell Partners for a short duration high yield mandate of $3M. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation targets of 65% intermediate fixed income, 30% short duration high yield, and 5% cash. Asset allocation targets were approved by the Full Board on September 18, 2014.
- Current manager for FELRA Pension Fund was used for the short duration high yield allocation (Chartwell Investment Partners).
- On September 2, 2014, Chartwell (SDHY) was funded from cash with an initial $3M allocation.
- As a result of restructuring, the following investment managers were terminated effective October 31, 2014: INTECH, NWQ, Cadence, Westwood, Globeflex, Mellon Global Alpha, and Fountain. The rebalancing of proceeds to the Fund's new asset allocation targets began in November 2014.

Recommendations: Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the stated targets.

Total Scholarship

Summary of Cash Flows

Sources of Portfolio Growth	Fourth Quarter	Year-To-Date	One Year
Beginning Market Value	$434,338	$478,919	$478,919
Net Additions/Withdrawals	-$41,652	-$101,198	-$101,198
Investment Earnings	$928	$15,894	$15,894
Ending Market Value	$393,614	$393,614	$393,614

	Ending December 31, 2014					Inception	
	Market Value	% of Portfolio	2014 Q4	YTD	1 Yr	Return	Since
Total Scholarship	**$393,614**	**100.0%**	**0.3%**	**3.4%**	**3.4%**	**10.6%**	**Jan-13**
Scholarship Domestic Equity	$24,140	6.1%	3.1%	6.5%	6.5%	18.9%	Jan-13
S&P 500			*4.9%*	*13.7%*	*13.7%*	*22.7%*	*Jan-13*
CRSP US Total Market TR USD			*5.2%*	*12.6%*	*12.6%*	*22.7%*	*Jan-13*
Scholarship Core Bond	$155,395	39.5%	1.0%	5.8%	5.8%	2.6%	Jan-13
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Scholarship Short Duration Hi Yield Fund	$135,057	34.3%	--	--	--	-0.4%	Nov-14
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.2%*	*Nov-14*
Scholarship Real Estate	$62,971	16.0%	3.1%	11.2%	11.2%	11.3%	Jan-13
NCREIF ODCE Equal Weighted Index			*3.1%*	*12.4%*	*12.4%*	*12.9%*	*Jan-13*
Scholarship HFOF/Cash	$545	0.1%					
Scholarship Cash	$15,507	3.9%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*

Note: Allocations are based on data from the PNC custody statements.

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

	Current	Current %	Policy	%	Difference	Difference
Domestic Equity	$24,140	6.1%	$39,362	10.0%	-3.9%	$-15,222
Investment Grade Fixed Income	$155,395	39.5%	$157,446	40.0%	-0.5%	$-2,051
Short Duration Hi Yld	$135,057	34.3%	$118,085	30.0%	4.3%	$16,973
Real Estate	$62,971	16.0%	$78,723	20.0%	-4.0%	$-15,752
HFOF/Cash	$545	0.1%	-	-	0.1%	$545
Cash	$15,507	3.9%	-	-	3.9%	$15,507
Total	$393,615	100.0%	$393,615	100.0%		

Note: HFOF/Cash is comprised of 41% money market fund and 59% Meridian MDEF and Segregated Funds per the Fund's PNC statement.

Asset Allocation - Scholarship

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. IPS was informed an annual 5% payout is needed. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation targets of 10% US large cap equity, 40% intermediate fixed income, 30% short duration high yield, and 20% real estate. Asset allocation targets were approved by the Full Board on September 18, 2014.
- Current managers for FELRA Pension Fund will be used for US equity allocation (Vanguard Total US Stock Market Index) and short duration high yield allocation (Chartwell Investment Partners).
- As a result of restructuring, the following investment managers were terminated effective October 31, 2014: INTECH, NWQ, Cadence, Westwood, Globeflex and Fountain. The rebalancing of proceeds to the Fund's new asset allocation targets began in November 2014.

Recommendations: Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the stated targets.

Total Fund Legal

Summary of Cash Flows

Sources of Portfolio Growth	Fourth Quarter	Year-To-Date	One Year
Beginning Market Value	$501,366	$497,369	$497,369
Net Additions/Withdrawals	-$34,589	-$35,584	-$35,584
Investment Earnings	$1,758	$6,750	$6,750
Ending Market Value	$468,535	$468,535	$468,535

	Ending December 31, 2014					Inception	
	Market Value	% of Portfolio	2014 Q4	YTD	1 Yr	Return	Since
Total Fund Legal	**$468,535**	**100.0%**	**0.3%**	**1.1%**	**1.1%**	**0.5%**	**Jan-13**
Legal Core Bond	$312,293	66.7%	1.0%	5.8%	5.8%	2.6%	Jan-13
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Legal Cash	$156,241	33.3%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*

Note: Allocations are based on data from the PNC custody statements.

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

	Current	Current %	Policy	%	Difference	Difference
Investment Grade Fixed Income	312,293	66.7%	468,534	100.0%	-33.3%	$-156,241
Cash	156,241	33.3%	-	0.0%	33.3%	$156,241
Total	468,534	100.0%	468,534	100.0%	0.0%	$0

Asset Allocation - Legal

- An asset allocation review was presented and discussed at the July 18, 2014 Policy Committee meeting. On July 23, 2014, a teleconference was held to review the cash needs of the Fund. IPS was informed assets are to be highly liquid. On August 29, 2014, a revised asset allocation review was presented via teleconference. The Policy Committee adopted asset allocation target of 100% intermediate fixed income. Asset allocation targets were approved by the Full Board on September 18, 2014.
- On November 3, 2014, all assets were invested with SBH (investment grade fixed income) to rebalance closer to targets.

Recommendations: Due to the timing and size of the contributions and withdrawals, the Fund's allocations may vary widely from the stated targets.

Gross of Fees

	Market Value	% of Portfolio	Ending December 31, 2014 2014 Q4	YTD	1 Yr	Inception Return	Since
Composite	**$66,858,326**	**100.0%**	**1.1%**	**2.8%**	**2.8%**	**5.0%**	**Jan-13**
Total Fund Domestic Equity	**$12,857,934**	**19.2%**	**3.0%**	**6.4%**	**6.4%**	**19.3%**	**Jan-13**
S&P 500			*4.9%*	*13.7%*	*13.7%*	*22.7%*	*Jan-13*
CRSP US Total Market TR USD			*5.2%*	*12.6%*	*12.6%*	*22.7%*	*Jan-13*
Vanguard U.S. Stock Market Index Fund	$12,857,934	19.2%	--	--	--	3.6%	Nov-14
CRSP US Total Market TR USD			*5.2%*	*12.6%*	*12.6%*	*2.4%*	*Nov-14*
Total Fund Investment Grade Fixed Income	**$23,454,584**	**35.1%**	**1.0%**	**5.9%**	**5.9%**	**2.6%**	**Jan-13**
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Segall, Bryant and Hamill	$23,454,584	35.1%	1.0%	5.9%	5.9%	2.6%	Jan-13
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$13,261,284**	**19.8%**	**0.6%**	**--**	**--**	**-1.0%**	**Sep-14**
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.1%*	*Sep-14*
Chartwell Short Duration Hi Yld Fund	$13,261,284	19.8%	0.6%	--	--	-1.0%	Sep-14
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.1%*	*Sep-14*
Total Fund Real Estate	**$3,696,928**	**5.5%**	**3.1%**	**11.6%**	**11.6%**	**11.8%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*3.1%*	*12.4%*	*12.4%*	*12.9%*	*Jan-13*
American Realty Advisors	$3,696,928	5.5%	3.1%	11.6%	11.6%	11.8%	Jan-13
NCREIF ODCE Equal Weighted Index			*3.1%*	*12.4%*	*12.4%*	*12.9%*	*Jan-13*

Gross of Fees

	Market Value	% of Portfolio	Ending December 31, 2014			Inception	
			2014 Q4	YTD	1 Yr	Return	Since
Total Fund Cash	**$13,291,435**	**19.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Jan-13**
H&W Cash	$9,879,142	14.8%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Severance Cash	$3,240,544	4.8%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Scholarship Cash	$15,507	0.0%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Legal Cash	$156,241	0.2%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Total Fund HFOF/Cash	**$296,160**	**0.4%**					
Meridian MDF Special Investments	$296,160	0.4%					

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Account Information	
Account Name	**Vanguard U.S. Stock Market Index Fund**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**11/01/14**
Account Type	**Equity**
Benchmark	**CRSP US Total Market TR USD**
Universe	

Vanguard U.S. Stock Market Index Fund
December 31, 2014

Sources of Portfolio Growth	Fourth Quarter	Inception 11/1/14
Beginning Market Value	--	--
Net Additions/Withdrawals	$12,490,597	$12,490,597
Investment Earnings	$367,337	$367,337
Ending Market Value	$12,857,934	$12,857,934

											Calendar Years										Inception	
	2014 Q4	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2014	Rank	2013	Rank	2012	Rank	2011	Rank	2010	Rank	Return	Since
Vanguard U.S. Stock Market Index Fund	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.6%	Nov-14
CRSP US Total Market TR USD	*5.2%*	--	*12.6%*	--	*12.6%*	--	*20.5%*	--	*15.7%*	--	*12.6%*	--	*33.6%*	--	*16.2%*	--	*0.7%*	--	*17.9%*	--	*2.4%*	*Nov-14*

FELRA & UFCW Benefit Funds - Vanguard U.S. Stock Market Index Fund

Manager Summary

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	**Custom Benchmark**
Universe	

Segall, Bryant and Hamill

December 31, 2014

Sources of Portfolio Growth	Fourth Quarter	Inception 1/1/13
Beginning Market Value	$20,006,499	$11,361,650
Net Additions/Withdrawals	$3,240,595	$11,650,842
Investment Earnings	$207,490	$442,092
Ending Market Value	$23,454,584	$23,454,584

						Calendar Years					Inception	
	2014 Q4	YTD	1 Yr	3 Yrs	5 Yrs	2014	2013	2012	2011	2010	Return	Since
Segall, Bryant and Hamill	1.0%	5.9%	5.9%	--	--	5.9%	-0.5%	--	--	--	2.6%	Jan-13
Custom Benchmark	*0.9%*	*5.2%*	*5.2%*	--	--	*5.2%*	*-2.0%*	--	--	--	*1.5%*	*Jan-13*

Returns are gross of fees.

FELRA & UFCW Benefit Funds - Segall Bryant and Hamill

Correspondence/Transfer Summary

- At the July 18, 2014 meeting, the Policy Committee 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, 2014.

Manager Summary

- IPS conducted a due diligence meeting with Segall Bryant and Hamill on September 4, 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	**Chartwell Short Duration Hi Yld Fund**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**9/01/14**
Account Type	**US Fixed Income High Yield**
Benchmark	**BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index**
Universe	**eA US Short Duration Fixed Inc Gross**

Chartwell Short Duration Hi Yld Fund
December 31, 2014

Sources of Portfolio Growth	Last Three Months	Inception 9/1/14
Beginning Market Value	$2,955,660	--
Net Additions/Withdrawals	$10,336,188	$13,336,188
Investment Earnings	-$30,564	-$74,904
Ending Market Value	$13,261,284	$13,261,284

						Calendar Years					Inception	
	2014 Q4	YTD	1 Yr	3 Yrs	5 Yrs	2014	2013	2012	2011	2010	Return	Since
Chartwell Short Duration Hi Yld Fund	0.6%	--	--	--	--	--	--	--	--	--	-1.0%	Sep-14
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index	*0.7%*	*1.9%*	*1.9%*	*5.8%*	*6.7%*	*1.9%*	*5.5%*	*10.2%*	*4.4%*	*11.7%*	*-0.1%*	*Sep-14*

Returns are gross of fees.

FELRA & UFCW Benefit Funds - Chartwell Investment Partners

Manager Summary

- On January 7, 2014, Chartwell announced it has entered into an agreement to be acquired by TriState Capital Holdings, Inc., a Pittsburgh based bank holding company. The transaction closed on March 6, 2014. Clients were asked to sign a consent of assignment regarding the ownership change.
- IPS conducted an on-site due diligence meeting with Chartwell on February 28, 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 Equal Weighted Index**
Universe	

American Realty Advisors
December 31, 2014

Sources of Portfolio Growth	Fourth Quarter	Inception 1/1/13
Beginning Market Value	$3,586,708	$2,993,032
Net Additions/Withdrawals	$0	$0
Investment Earnings	$110,220	$703,896
Ending Market Value	$3,696,928	$3,696,928

						Calendar Years					Inception	
	2014 Q4	YTD	1 Yr	3 Yrs	5 Yrs	2014	2013	2012	2011	2010	Return	Since
American Realty Advisors	3.1%	11.6%	11.6%	--	--	11.6%	12.0%	--	--	--	11.8%	Jan-13
NCREIF ODCE Equal Weighted Index	*3.1%*	*12.4%*	*12.4%*	*12.3%*	*13.8%*	*12.4%*	*13.3%*	*11.0%*	*16.0%*	*16.1%*	*12.9%*	*Jan-13*

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

Cumulative Periods
as of December 31, 2014

	Quarter	One Year	Three Years	Five Years	Seven Years
American Realty Advisors - Core Real Estate Fund*	1.8	11.6	11.7	12.3	2.4
NCREIF - NFI-ODCE Equal Weighted Index	3.1	12.4	12.2	13.8	2.4

	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 Equal Weighted Index	13.3	11.0	16.0	16.1	-30.7

*Manager composite returns as provided by Compass.

FELRA & UFCW Benefit Funds - American Realty Advisors

Manager Summary

- IPS conducted due diligence meetings with American Realty Advisors on August 26, 2014 and October 2, 2014.

- On September 25, 2014, American Realty Advisors (ARA) contacted investors in the American Core Realty Fund ("ACRF") regarding a potential change to the Fund's structure. ARA is proposing a change in the Fund's structure from a Delaware Limited Liability Company (LLC) to a Delaware Limited Partnership (LP). Per ARA, this conversion is being facilitated to allow non-US investors into the fund. ARA requires 66.7% of the membership units to consent to this conversion for it to occur. If this percentage is reached, the conversion will be effective at the end of the calendar quarter during which the required consent is received. ARA has stated that this conversion will not affect the rights of any of the existing investors in ACRF, and no changes to the management or performance of the fund are anticipated. According to ARA, they will be paying for all of the costs of the conversion and none of the costs will be paid by the fund or its investors. A sufficient number of the Fund's Members approved these changes during the fourth quarter of 2014. Effective January 1, 2015, the Core Fund was converted to a limited partnership named American Core Realty Fund, LP, and ACRF Management, LLC, a wholly-owned subsidiary of American, became the Core Fund's General Partner.

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	**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
December 31, 2014

Sources of Portfolio Growth	Fourth Quarter	Inception 1/1/13
Beginning Market Value	$295,655	$397,651
Net Additions/Withdrawals	$0	-$565,787
Investment Earnings	$505	$464,297
Ending Market Value	$296,160	$296,160

FELRA & UFCW Benefit Funds - 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 August 2014.

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.

INVESTMENT PERFORMANCE SERVICES, LLC

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

Appendix

Net of Fees

	Market Value	% of Portfolio	Ending December 31, 2014			Inception	
			2014 Q4	YTD	1 Yr	Return	Since
Composite	**$66,858,326**	**100.0%**	**1.1%**	**2.6%**	**2.6%**	**4.7%**	**Jan-13**
Total Fund Domestic Equity	**$12,857,934**	**19.2%**	**3.0%**	**5.8%**	**5.8%**	**18.6%**	**Jan-13**
S&P 500			*4.9%*	*13.7%*	*13.7%*	*22.7%*	*Jan-13*
CRSP US Total Market TR USD			*5.2%*	*12.6%*	*12.6%*	*22.7%*	*Jan-13*
Vanguard U.S. Stock Market Index Fund	$12,857,934	19.2%	--	--	--	3.6%	Nov-14
CRSP US Total Market TR USD			*5.2%*	*12.6%*	*12.6%*	*2.4%*	*Nov-14*
Total Fund Investment Grade Fixed Income	**$23,454,584**	**35.1%**	**0.9%**	**5.7%**	**5.7%**	**2.4%**	**Jan-13**
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Segall, Bryant and Hamill	$23,454,584	35.1%	0.9%	5.7%	5.7%	2.4%	Jan-13
Custom Benchmark			*0.9%*	*5.2%*	*5.2%*	*1.5%*	*Jan-13*
Total Short Duration High Yield Fixed Income	**$13,261,284**	**19.8%**	**0.6%**	**--**	**--**	**-1.0%**	**Sep-14**
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.1%*	*Sep-14*
Chartwell Short Duration Hi Yld Fund	$13,261,284	19.8%	0.6%	--	--	-1.0%	Sep-14
BofA Merrill Lynch - U.S. High Yield Cash Pay 1-3 Yr BB Index			*0.7%*	*1.9%*	*1.9%*	*-0.1%*	*Sep-14*
Total Fund Real Estate	**$3,696,928**	**5.5%**	**3.1%**	**11.3%**	**11.3%**	**11.1%**	**Jan-13**
NCREIF ODCE Equal Weighted Index			*3.1%*	*12.2%*	*12.2%*	*12.8%*	*Jan-13*
American Realty Advisors	$3,696,928	5.5%	3.1%	11.3%	11.3%	11.1%	Jan-13
NCREIF ODCE Equal Weighted Index			*3.1%*	*12.2%*	*12.2%*	*12.8%*	*Jan-13*

Net of Fees

	Market Value	% of Portfolio	Ending December 31, 2014 2014 Q4	YTD	1 Yr	Inception Return	Since
Total Fund Cash	**$13,291,435**	**19.9%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Jan-13**
H&W Cash	$9,879,142	14.8%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Severance Cash	$3,240,544	4.8%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Scholarship Cash	$15,507	0.0%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Legal Cash	$156,241	0.2%	0.0%	0.0%	0.0%	0.0%	Jan-13
91 Day T-Bills			*0.0%*	*0.0%*	*0.0%*	*0.0%*	*Jan-13*
Total Fund HFOF/Cash	**$296,160**	**0.4%**					
Meridian MDF Special Investments	$296,160	0.4%					

FELRA UFCW Health and Welfare Fund
Customized Benchmark

Segall Bryant & Hamill

Jan-09	Aug-13	100	Barclays Aggregate
Sep-13		100	Barclays Intermediate Govt/Credit

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

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.

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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