Mid-Atlantic UFCW and Participating Employers Pension Fund

Master Consulting Services Report

Period Ended
December 31, 2016

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Market Discussion Points 4Q | 2016

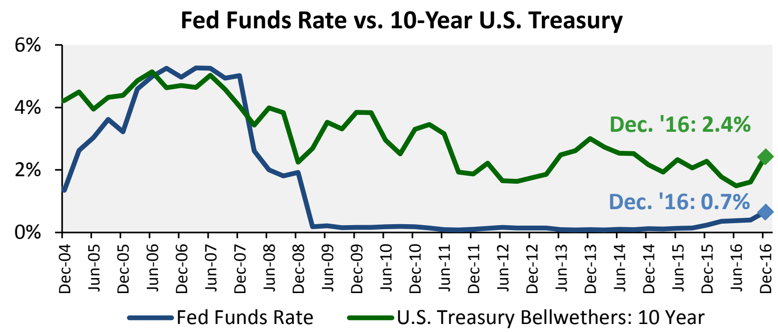
Financial Market Performance

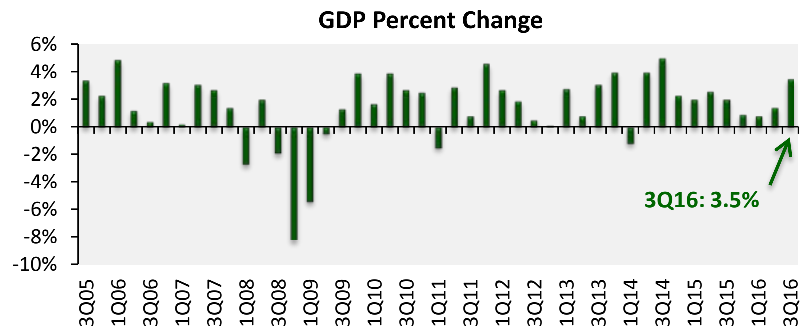
Periods Ending December 31, 2016

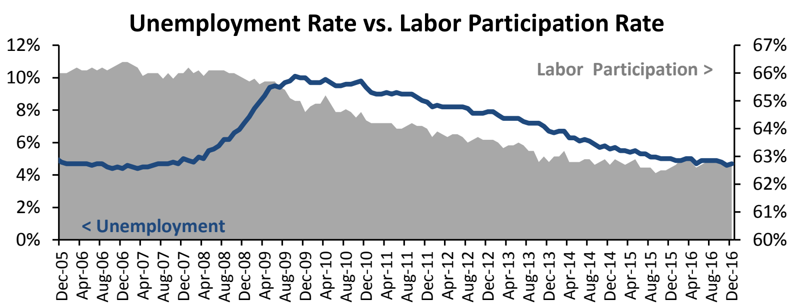
Strategy	Sector	Index	QTR	YTD	2015	2014	2013	2012	2011	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	3.8	12.0	1.4	13.7	32.4	16.0	2.1	12.0	8.9	14.7	7.0	7.7
	US Small Cap	Russell 2000	8.8	21.3	-4.4	4.9	38.8	16.4	-4.2	21.3	6.7	14.5	7.1	8.2
	All Country	MSCI All Country World (net)	1.2	7.9	-2.4	4.2	22.8	16.1	-7.4	7.9	3.1	9.4	3.6	-
	Non-US Developed	MSCI EAFE (net)	-0.7	1.0	-0.8	-4.9	22.8	17.3	-12.1	1.0	-1.6	6.5	0.8	4.2
	Emerging Markets	MSCI EM (net)	-4.2	11.2	-14.9	-2.2	-2.6	18.2	-18.4	11.2	-2.6	1.3	1.8	-
Bonds	**Treasury**	Bloomberg Barclays US Govt	-3.7	1.1	0.9	4.9	-2.6	2.0	9.0	1.1	2.3	1.2	3.9	4.9
	Broad Market	Bloomberg Barclays Aggregate	-3.0	2.7	0.6	6.0	-2.0	4.2	7.8	2.7	3.0	2.2	4.4	5.3
	High Yield	Bloomberg Barclays HY BaB 2% IC	1.1	14.1	-2.7	3.5	6.2	15.0	6.0	14.1	4.7	7.0	7.1	-
	Global Bonds	Citigroup WGBI	-8.5	1.6	-3.6	-0.5	-4.0	1.7	6.4	1.6	-0.8	-1.0	3.0	4.1
Global Tactical Asset		65% MSCI World /35% Citi WGBI	-1.9	5.6	-1.6	3.1	15.1	10.9	-1.2	5.6	2.3	6.5	3.9	5.5
Real Estate	**Core**	NCREIF ODCE Equal Weighted	2.2	9.3	15.1	12.4	13.3	11.0	16.0	9.3	12.2	12.2	5.6	8.9
Hedge Funds	**Diversified FOFs**	HFRI HFOF Composite	1.1	0.7	-0.3	3.4	9.0	4.8	-5.7	0.7	1.3	3.5	1.3	4.6
	Equity Long-Short	HFRI Equity Hedge	1.3	5.5	-1.0	1.8	14.3	7.4	-8.4	5.5	2.1	5.5	2.9	7.9
Commodities	**Commodities**	Goldman Sachs Commodity	5.8	11.4	-32.9	-33.1	-1.2	0.1	-1.2	11.4	-20.6	-13.1	-8.1	-1.9

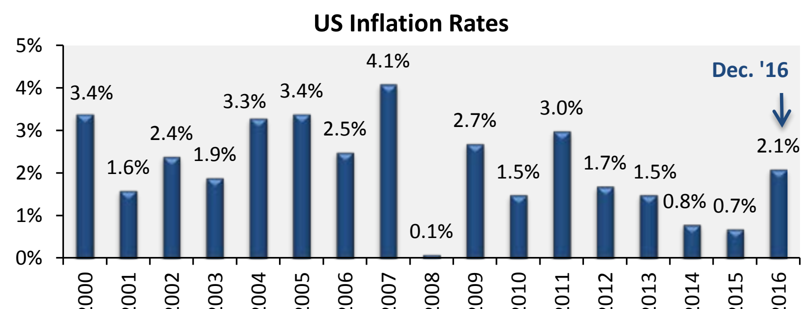
U.S. Economy

We have noted previously that consumer consumption represents the majority of US Gross Domestic Product (GDP) at 69%, with corporate investment at 12%, housing at 4%, government spending at 18% and net exports at a negative 3%. The consumer segment has shown steady and marked improvements across the board; consumer confidence jumped 4.7 points to 98.2, which is the highest level since December of 2007. Employment grew at an average of 200,000 jobs per month during 2016. The official unemployment rate continues to decline slowly and is hovering around 4.5%, which is considered “full employment.” Car sales in 2016 reached the same record in 2015 at 18 million units with light-duty trucks leading sales. Wage growth was about 3% for 2016, with inflation hovering near 2%, so there is real wage growth. The number of people moving from part-time to full-time employment also continues to rise. Household debt service is at all-time lows. Household net worth and the average 401K balance are at all-time highs, up almost 50% from the 2007 prior highs. On the housing front, new home sales are up over 12% for the year, the average price for a single family home hit new highs and the housing affordability index is still very low at 12.4% of household income. The average 30-year fixed rate mortgage moved to 4.2% in December, up from 3.5% earlier this year, but interest rates are still very low by historical standards. The corporate sector of the economy has finally shown a rebound after five quarters of earnings declines. Corporate earnings are projected to increase by 9-10% in 2017. Energy sector earnings, which have been a drag on the S&P 500 since June 2015, turned positive as oil prices have risen and stabilized at the $45-$65 per barrel level. The world has a good level of oil reserves, but supply now equals demand with OPEC and other producers agreeing to limit production. The U.S. government is still providing economic fiscal stimulus with deficit spending, but at only a 3.2% deficit for 2016. Despite two small rate hikes by the Federal Reserve over the past twelve months, interest rates are still very low and still clearly in the “stimulus” range.



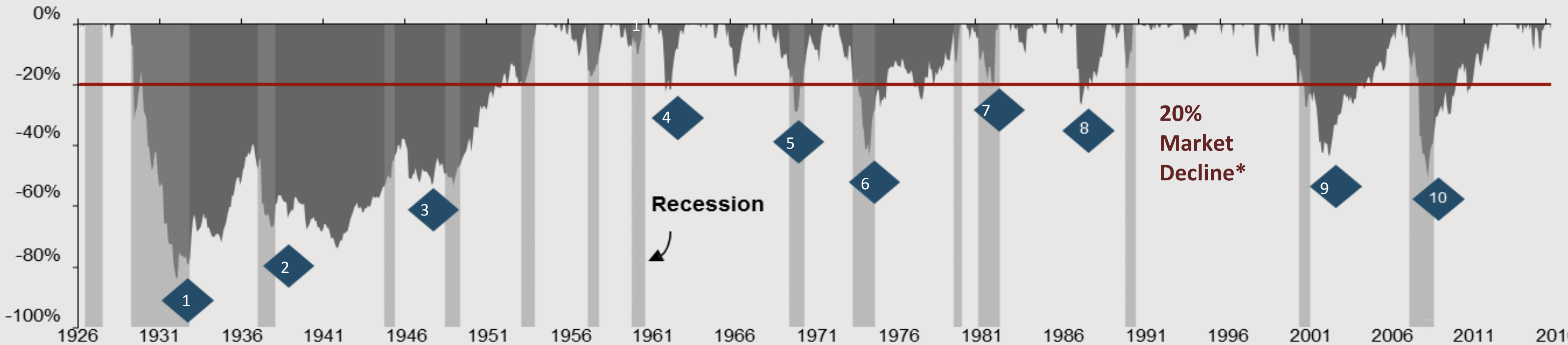






Current Bull Market: Historical Context

S&P 500 composite declines from all-time highs



Characteristics of bull and bear markets

	Market Corrections	Bear markets			Macro environment				Bull markets		
		Market peak	Bear return*	Duration (months)*	Recession	Commodity spike	Aggressive Fed	Extreme valuations	Bull begin date	Bull return	Duration (months)
1	Crash of 1929 - Excessive leverage, irrational exuberance	Sep 1929	-86%	33	◆			◆	Jul 1926	152%	38
2	1937 Fed Tightening - Premature policy tightening	Mar 1937	-60%	63	◆		◆		Mar 1935	129%	24
3	Post WWII Crash - Post-war demobilization, recession fears	May 1946	-30%	37	◆			◆	Apr 1942	158%	50
4	Flash Crash of 1962 - Flash crash, Cuban Missile Crisis	Dec 1961	-28%	7				◆	Oct 1960	39%	14
5	Tech Crash of 1970 - Economic overheating, civil unrest	Nov 1968	-36%	18	◆	◆	◆		Oct 1962	103%	74
6	Stagflation - OPEC oil embargo	Jan 1973	-48%	21	◆	◆			May 1970	74%	32
7	Volcker Tightening - Whip Inflation Now	Nov 1980	-27%	21	◆	◆	◆		Mar 1978	62%	33
8	1987 Crash - Program trading, overheating markets	Aug 1987	-34%	3				◆	Aug 1982	229%	61
9	Tech Bubble - Extreme valuations, .com boom/bust	Mar 2000	-49%	31	◆			◆	Oct 1990	417%	115
10	Global Financial Crisis - Leverage/housing, Lehman collapse	Oct 2007	-57%	17	◆	◆	◆		Oct 2002	101%	61
	Current Cycle								Mar 2009	231%	95
	Averages	-	**-45%**	**25**					-	**154%**	**54**

Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management.
*A bear market is defined as a 20% or more decline from the previous market high. The bear return is the peak to trough return over the cycle. Periods of "Recession" are defined using NBER business cycle dates. "Commodity spikes" are defined as significant rapid upward moves in oil prices. Periods of "Extreme valuations" are those where S&P 500 last 12 months' P/E levels were approximately two standard deviations above long-run averages, or time periods where equity market valuations appeared expensive given the broader macroeconomic environment. "Aggressive Fed Tightening" is defined as Federal Reserve monetary tightening that was unexpected and/or significant in magnitude.
Guide to the Markets – U.S. Data are as of December 31, 2016.

Asset Class Performance "Quilt"

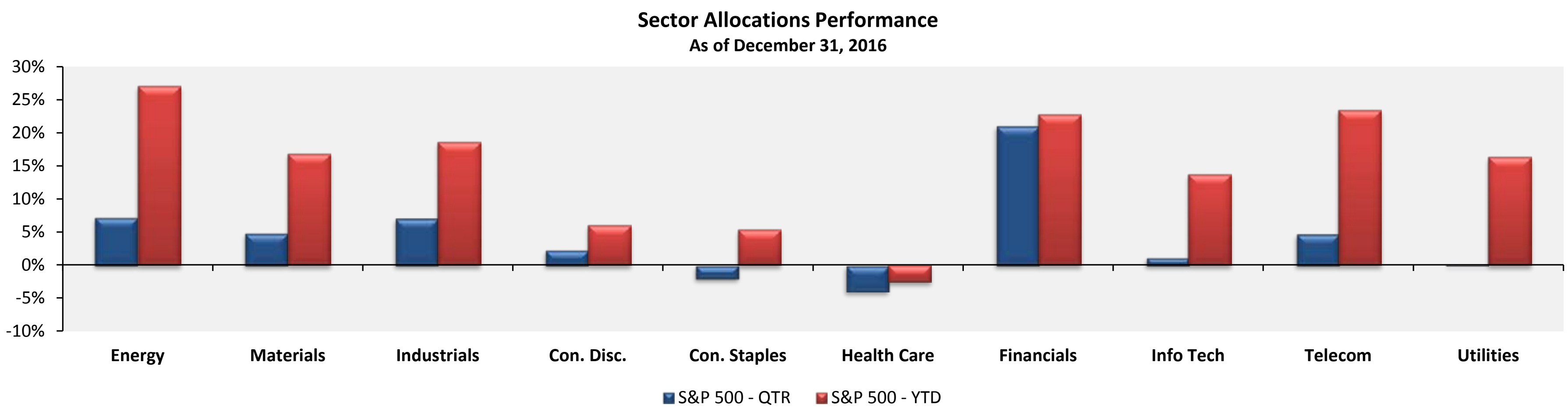
2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
RE 13.5%	Fx Inc 8.4%	Fx Inc 10.3%	EM Equity 55.8%	EM Equity 25.6%	EM Equity 34.0%	EM Equity 32.2%	EM Equity 39.4%	Fx Inc 5.2%	EM Equity 78.5%	Small Cap 26.9%	RE 16.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE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

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

U.S. Equity Market

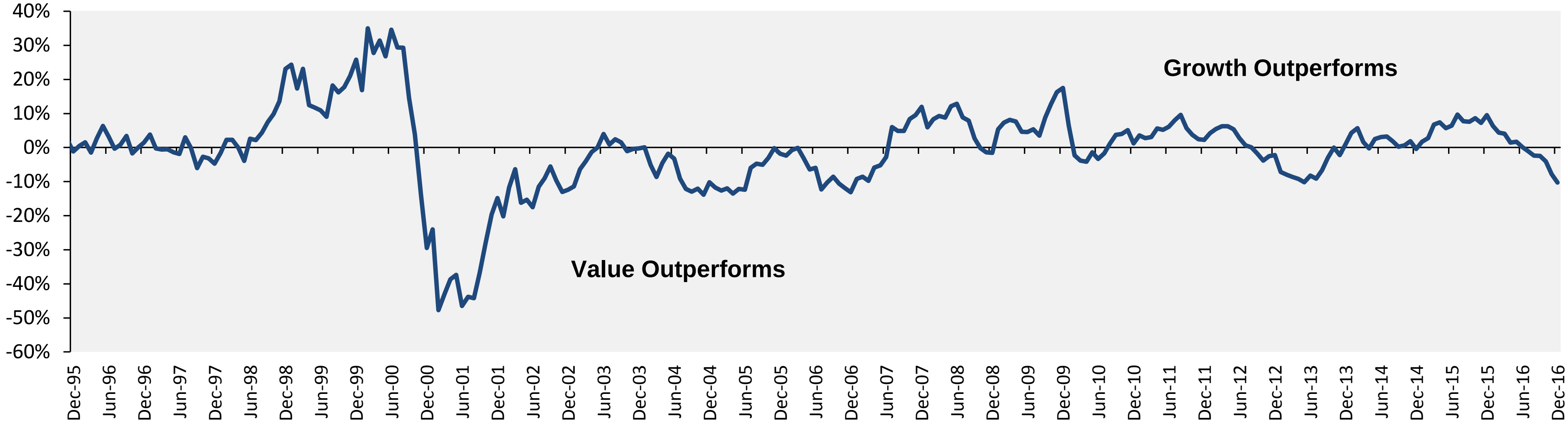
The surprise Trump victory in the Presidential election also created a surprise rally in the US stock market. The S&P 500 returned 2.0% in December, pushing the 4th quarter return to 3.8% and the calendar year return to 12%. Strong market rallies are usually led by growth stocks, but this year value stocks clearly dominated with the Russell 1000 Value index returning 17.3% vs. the Russell 1000 Growth up 7.1%. Small cap stocks had the same style tilt, but small cap also dominated large cap with the Russell 2000 Value index up 31.7% for the year vs. the Russell 2000 Growth index up 11.3%. The value rally was driven by three sectors all traditionally considered value-oriented: financials, up 22.8% for the year, benefited from the December interest rate hike; energy rose 27.4% for the year due to the rising price of crude oil; and materials rose 16.7% due to a rebound in most commodity prices. The improved earnings forecast for stocks overall supported gains in most sectors. Healthcare was the exception and was down 2.7% for the year. Healthcare stocks were hurt by the uncertainty of what a repeal of the Affordable Care Act under the Trump administration will mean for the healthcare market. The estimated forward P/E ratio of the S&P 500 at year-end was 16.9 times compared to the 25-year average of 15.9 times, so the market does not appear materially overvalued. The current market rally is now 95 months long (starting in March 2009) and is the second longest and second strongest, exceeded only by the Tech bubble from 1990-2000.

Sector	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	3.8	12.0	1.4	13.7	32.4	16.0	2.1	12.0	8.9	14.7	7.0
	Russell 1000	3.8	12.1	0.9	13.3	33.1	16.4	1.5	12.1	8.6	14.7	7.1
	Russell 1000 Value	6.7	17.3	-3.8	13.5	32.5	17.5	0.4	17.3	8.6	14.8	5.7
	Russell 1000 Growth	1.0	7.1	5.7	13.1	33.5	15.3	2.6	7.1	8.6	14.5	8.3
Mid Cap	Russell Mid-Cap	3.2	13.8	-2.4	13.2	34.8	17.3	-1.6	13.8	7.9	14.7	7.9
	Russell Mid-Cap Value	5.5	20.0	-4.8	14.7	33.5	18.5	-1.4	20.0	9.5	15.7	7.6
	Russell Mid-Cap Growth	0.5	7.3	-0.2	11.9	35.8	15.8	-1.7	7.3	6.2	13.5	7.8
Small Cap	Russell 2000	8.8	21.3	-4.4	4.9	38.8	16.4	-4.2	21.3	6.7	14.5	7.1
	Russell 2000 Value	14.1	31.7	-7.5	4.2	34.5	18.1	-5.5	31.7	8.3	15.1	6.3
	Russell 2000 Growth	3.6	11.3	-1.4	5.6	43.3	14.6	-2.9	11.3	5.1	13.7	7.8
Total Market	Wilshire 5000	4.5	13.4	0.7	12.7	33.1	16.1	1.0	13.4	8.8	14.7	7.2
	Russell 3000	4.2	12.7	0.5	12.6	33.6	16.4	1.0	12.7	8.4	14.7	7.1

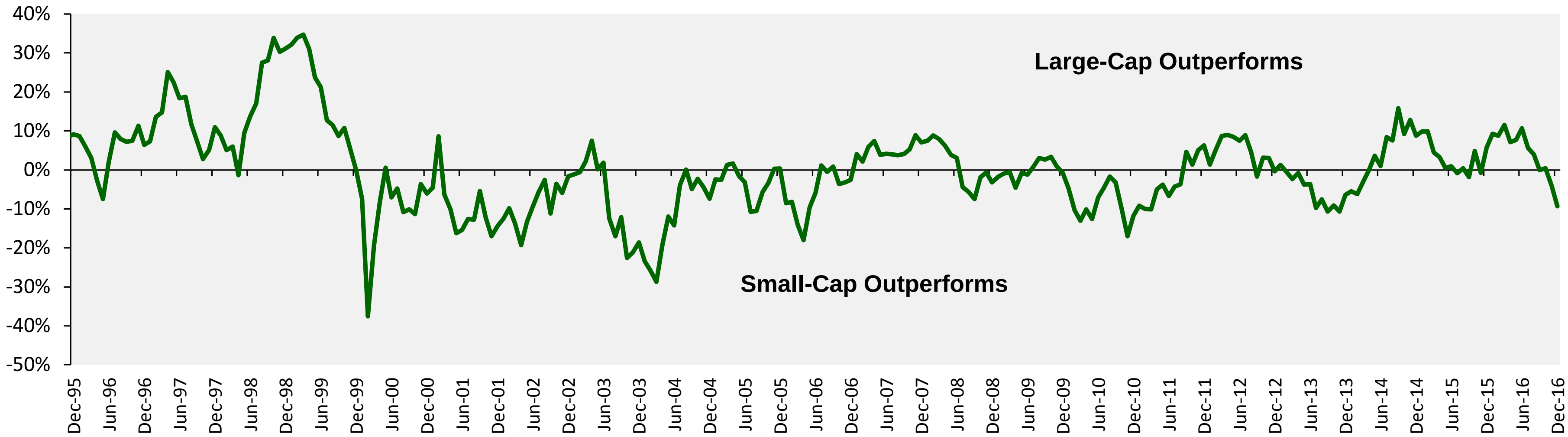


U.S. Equity Market

Russell 1000 Growth vs. Russell 1000 Value
Rolling One-Year Returns



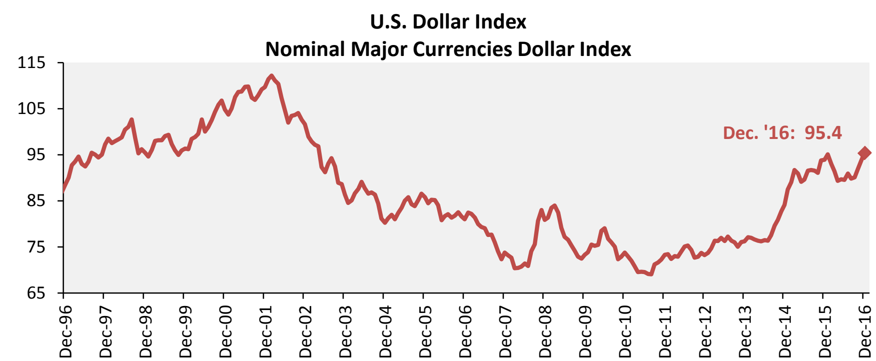
S&P 500 vs. Russell 2000
Rolling One-Year Returns

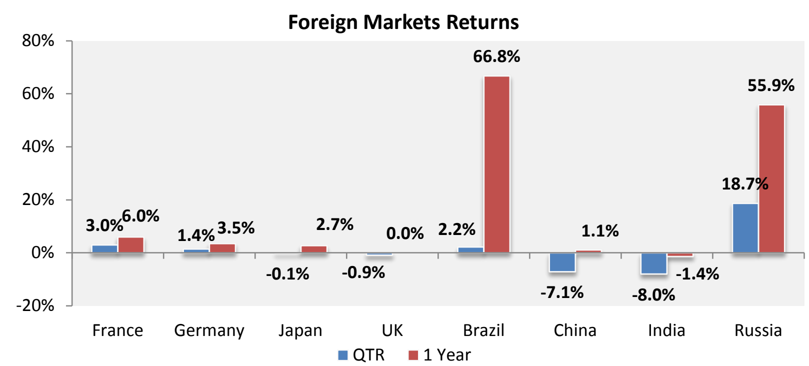


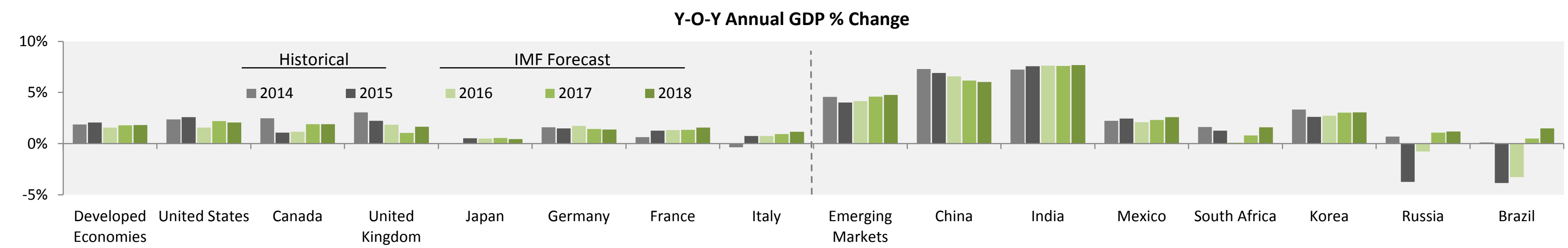
International Equity Market

Developed non-U.S. markets, in particular the Eurozone, are experiencing a slow recovery, reminiscent of where the U.S. was in late 2009 and 2010. In the Eurozone, loan demand is up, GDP is sluggish at 1.4% and unemployment is high but steadily declining. The European central bank is keeping interest rates low and providing additional stimulus through bond buying. Concerns about immigration, political upheaval with Brexit in the UK, Italy's rejection of Prime Minister Renzi's constitutional reforms, OPEC oil production cuts and rising oil prices, and the strong US dollar negatively impacted nearly all of Europe. On a broad scale the MSCI EAFE index was up 1.0% for the year, but there were wide disparities at the country level. The UK market was down 0.1% for the year and the British pound fell 16% against the U.S. Dollar since the Brexit announcement. Developed Europe overall was down 0.6%. Germany showed a bit more resilience and was up 2.8%. Other areas of the world were also mixed, with local politics and local economic activity driving returns. The MSCI Emerging Market Index was up 9.7% but again there were wide disparities in returns by country. In the western hemisphere, Brazil and Chile were up 66% and 22% respectively, but Mexico was down 9% on concerns about the trading relationship with the U.S. post the Trump election. Canada was up 24.6%. Asia was mixed, with China flat at 0.9% for the year, India down 1.4%, Korea up 8.7%, Indonesia up 17% and Thailand up 26.6% for the year.

Sector	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	1.2	7.9	-2.4	4.2	22.8	16.1	-7.4	7.9	3.1	9.4	3.6
	MSCI World Small Cap (net)	1.8	11.6	-1.0	1.8	28.7	18.1	-11.3	11.6	4.0	11.3	5.6
	MSCI World ex US (net)	-1.3	4.5	-5.7	-3.9	15.3	16.8	-13.7	4.5	-1.8	5.0	1.0
	MSCI World ex US Small Cap (net)	-3.5	3.9	2.6	-4.0	19.7	18.5	-18.5	3.9	0.8	7.7	2.9
Developed ex US	MSCI EAFE (net)	-0.7	1.0	-0.8	-4.9	22.8	17.3	-12.1	1.0	-1.6	6.5	0.8
	MSCI EAFE Value (net)	4.2	5.0	-5.7	-5.4	23.0	17.7	-12.2	5.0	-2.1	6.3	-0.2
	MSCI EAFE Growth (net)	-5.5	-3.0	4.1	-4.4	22.6	16.9	-12.1	-3.0	-1.2	6.7	1.6
	MSCI EAFE Small Cap (net)	-2.9	2.2	9.6	-5.0	29.3	20.0	-15.9	2.2	2.1	10.6	3.0
Emerging Markets	MSCI Emerging Markets (net)	-4.2	11.2	-14.9	-2.2	-2.6	18.2	-18.4	11.2	-2.6	1.3	1.8







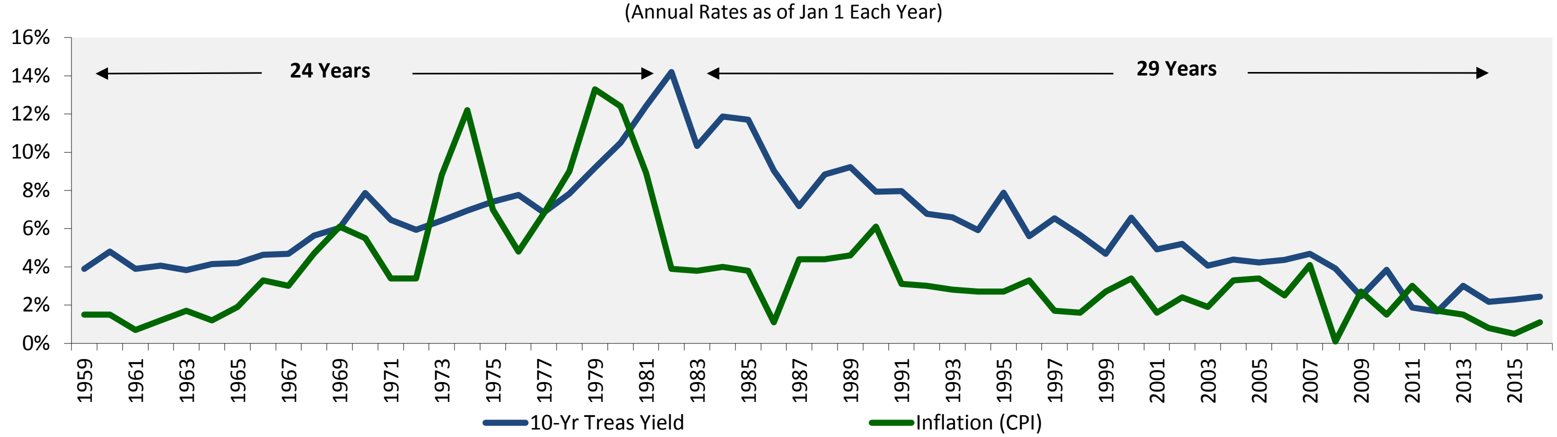
Top left chart: The major currencies index is a weighted average of the foreign exchange values of the U.S. dollar against a subset of currencies in the broad index that circulate widely outside the country of issue. The weights are derived from those in the broad index. **Top right chart:** Data as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

U.S. Bond Market

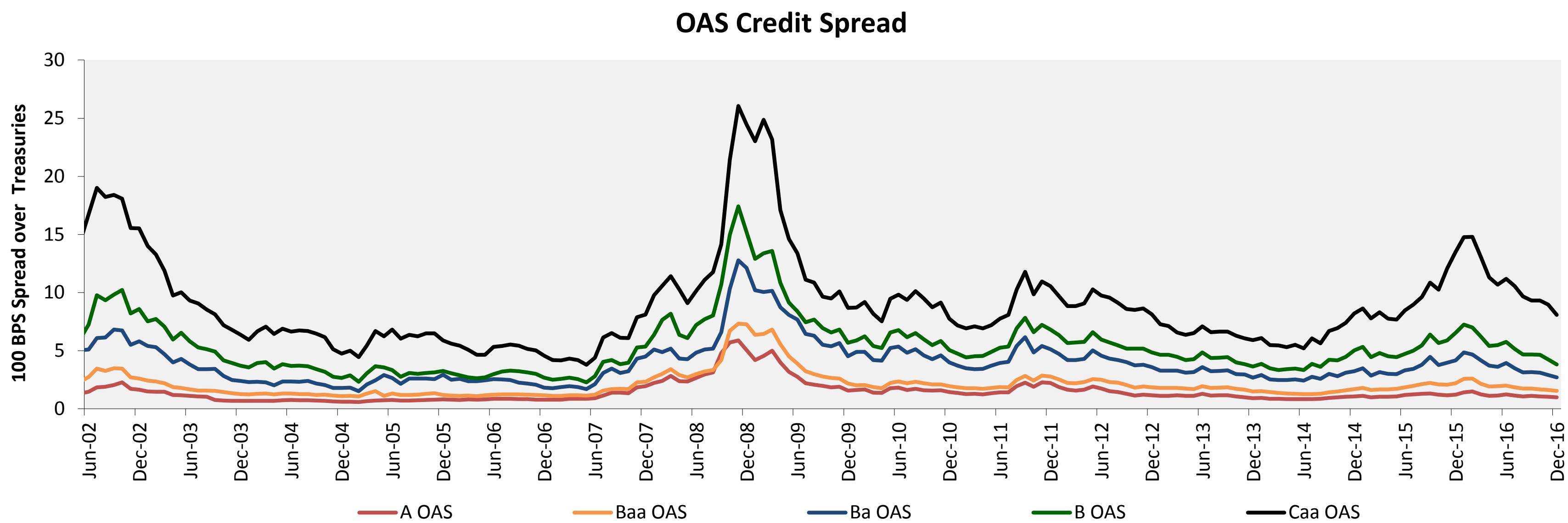
In the first nine months of 2016, a flattening yield curve rallied bond prices across the board. That trend reversed in the 4th quarter with the 5-year Treasury yield moving from 1.15% to 1.93% and the 10-year Treasury yield moving from 1.60% to 2.44%. With yields moving up, the value of bonds declined and the Bloomberg Barclays Aggregate Bond index posted a 3% loss in the 4th quarter to return 2.7% for the year. The Bloomberg Barclays Aggregate Bond index also continues to extend its duration, moving from 5.68 years at the end of 2015 to 5.89 years at the end of 2016. Duration is a measure of sensitivity to interest rate moves and a longer duration indicates higher volatility relative to interest rate moves. High Yield bonds benefited from the interest rate spreads between high yield bonds and Treasuries narrowing, and prices rallied. The broad Bloomberg Barclays Corporate High Yield index returned 17.1% for the year and the higher quality Bloomberg Barclays High Yield Ba/B 2% Issuer Capped index was up 14.1%. The shorter duration Merrill Lynch BofA High Yield 1-3 year Cash Pay BB index was up 8.5% for the year.

Index	Yield	Duration	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	2.61	5.9	-3.0	2.7	0.6	6.0	-2.0	4.2	7.8	2.7	3.0	2.2	4.4
Bloomberg Barclays Govt/Credit	2.51	6.4	-3.4	3.1	0.2	6.0	-2.4	4.8	8.7	3.1	3.0	2.3	4.4
Bloomberg Barclays Int Agg	2.37	4.3	-2.1	2.0	1.2	4.1	-1.0	3.6	6.0	2.0	2.4	2.0	4.0
Bloomberg Barclays Int Govt/Credit	2.11	4.1	-2.1	2.1	1.1	3.1	-0.9	3.9	5.8	2.1	2.1	1.9	3.8
Bloomberg Barclays HY Ba/B 2% IC	5.23	4.3	1.1	14.1	-2.7	3.5	6.2	15.0	6.0	14.1	4.7	7.0	7.1
BofA ML HY Cash Pay BB 1-3 Yr.	4.24	1.7	0.9	8.5	1.2	1.9	5.6	10.2	4.4	8.5	3.8	5.4	6.3
Bloomberg Barclays Mortgage	2.85	4.6	-2.0	1.7	1.5	6.1	-1.4	2.6	6.2	1.7	3.1	2.1	4.3
Bloomberg Barclays Treasury	1.89	6.1	-3.8	1.0	0.8	5.1	-2.8	2.0	9.8	1.0	2.3	1.2	4.0
Bloomberg Barclays US TIPS	2.20	4.9	-2.4	4.7	-1.4	3.6	-8.6	7.0	13.6	4.7	2.3	0.9	4.4
BofA ML 91 day T-Bills	0.50	0.2	0.1	0.3	0.1	0.0	0.1	0.1	0.1	0.3	0.1	0.1	0.8

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
Jun-02
Dec-02
Jun-03
Dec-03
Jun-04
Dec-04
Jun-05
Dec-05
Jun-06
Dec-06
Jun-07
Dec-07
Jun-08
Dec-08
Jun-09
Dec-09
Jun-10
Dec-10
Jun-11
Dec-11
Jun-12
Dec-12
Jun-13
Dec-13
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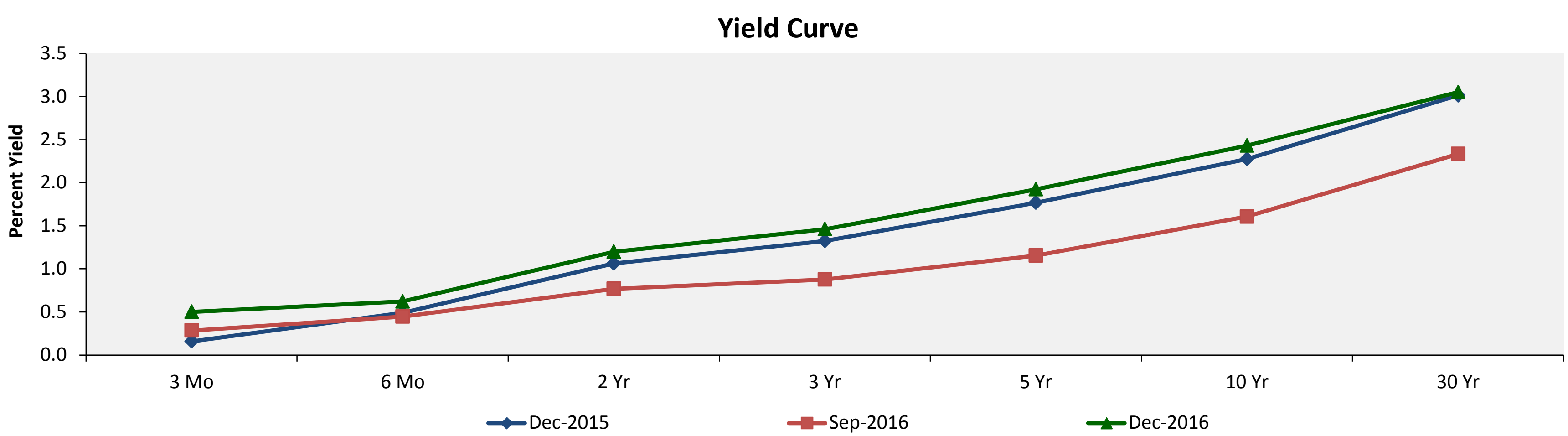
Jun-16
Dec-16
A OAS
Baa OAS
Ba OAS
B OAS
Caa OAS



Yield Curve
Percent Yield
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
3 Mo
6 Mo
2 Yr
3 Yr
5 Yr
10 Yr
30 Yr
Dec-2015
Sep-2016
Dec-2016

Interest Rate Sensitivity

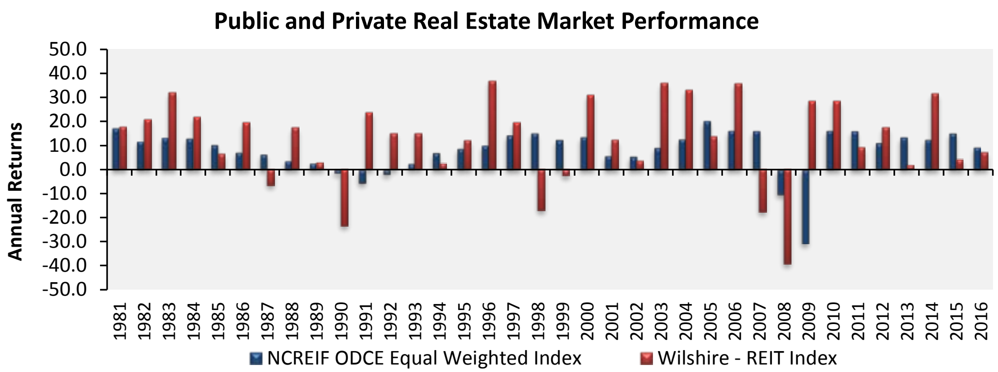
12 Month Holding Period - Annualized Returns as of 12/31/2016							
Yield Change (bps)	10 Year Treasury	Bloomberg Barclays Aggregate US Aggregate	Bloomberg Barclays Int Govt/Credit US Int Govt/Credit	ML Gov/Corp Master	ML 1-3 yr Gov/Corp	Defensive ML US HY BB/B ND	Short Duration ML US HY BB/B 1-3 yr
-150	15.71	11.72	8.19	11.93	4.28	11.37	6.76
-100	11.28	8.68	6.16	8.78	3.33	9.31	5.92
-50	6.86	5.65	4.14	5.64	2.39	7.26	5.08
-25	4.64	4.13	3.12	4.06	1.91	6.23	4.66
0	2.43	2.61	2.11	2.49	1.44	5.20	4.24
25	0.22	1.09	1.10	0.92	0.97	4.17	3.82
50	-2.00	-0.43	0.09	-0.66	0.50	3.15	3.40
100	-6.42	-3.46	-1.94	-3.80	-0.45	1.09	2.56
150	-10.85	-6.50	-3.97	-6.95	-1.40	-0.97	1.72
200	-15.27	-9.53	-5.99	-10.09	-2.34	-3.02	0.88
250	-19.70	-12.57	-8.02	-13.24	-3.29	-5.08	0.04
300	-24.12	-15.60	-10.04	-16.38	-4.23	-7.13	-0.80
350	-28.55	-18.64	-12.07	-19.53	-5.18	-9.19	-1.64
400	-32.97	-21.67	-14.09	-22.67	-6.12	-11.24	-2.48
450	-37.40	-24.71	-16.12	-25.82	-7.07	-13.30	-3.32
500	-41.82	-27.74	-18.14	-28.96	-8.01	-15.35	-4.16
Duration	8.85	6.07	4.05	6.29	1.89	4.11	1.68

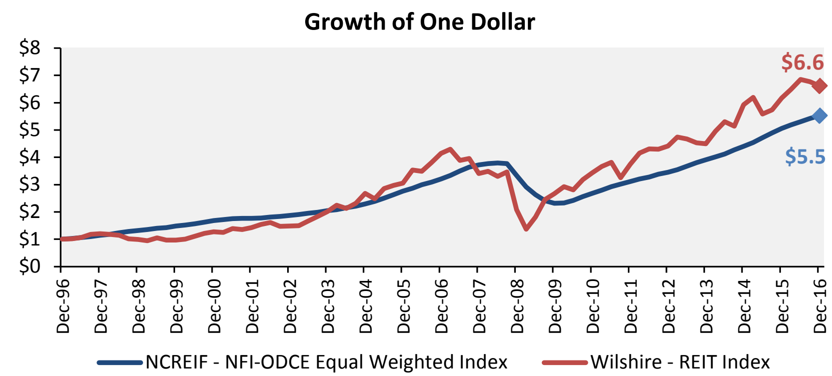
FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2016 was used as the base case annualized return. The annualized return sensitivity to a uniform increase or decrease in the yield curve was calculated by taking the index's Macaulay's (Modified) Duration to Worst as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

Real Estate Market

The NCREIF ODCE Equal-Weighted index, which is comprised of 33 "core" open-ended real estate funds, posted a 2.2% return for the 4th quarter and was up 9.3% for the year. The return from income was 1.1% for the quarter. Apartment rents were up 3.2% year over year on average, and vacancy rates dropped to 4.0%. The industrial and office sectors also are seeing increased demand as the economy improves, with little speculative supply coming into the market and that is dominated by "build to suit" for company specific needs. Retail seems to be an area of modest concern, especially for shopping centers anchored by large retailers that are impacted adversely by a shift to internet purchases at the expense of their in-store sales. Capitalization rates (the inverse of a “Price to Earnings” ratio) have continued to remain low. With interest rates now in a rising trend, future performance will rely heavily on income and income growth as opposed to lower cap rates. Therefore, future performance may be lower than recent years.

Sector	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted	2.2	9.3	15.1	12.4	13.3	11.0	16.0	9.3	12.2	12.2	5.6
US Public	Wilshire REIT	-2.3	7.2	4.2	31.8	1.9	17.6	9.2	7.2	13.8	12.0	4.8





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

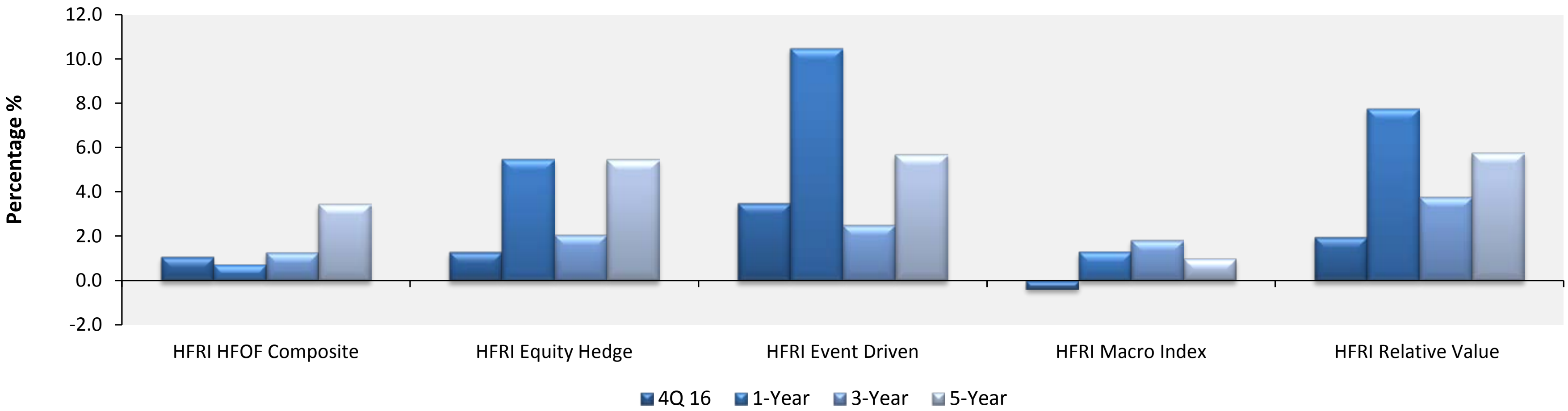
Bottom chart: Average of respondents’ forecasts of the NCREIF Property Index (NPI) and sub-indices by property type. **Source:** Pension Real Estate Association Consensus Forecast Survey of the NCREIF Property Index Q4 2016.

Hedge Fund of Funds Market

Hedge funds generated mostly positive returns during a divergent fourth quarter across several asset classes, as U.S. equities and high yield bonds continued to gain while non-U.S. equities and investment grade bonds largely sold off. The HFRI Fund of Funds Composite rose 1.06% for the quarter, pushing the index into positive territory for the calendar year but up only 71 basis points for 2016. As was the case with traditional active managers, much of the disappointing performance among funds of hedge funds occurred during the first half of 2016. The environment for hedge fund managers appeared to improve in the latter half of the year as equity volatility increased, correlations among sectors and stocks fell, and Treasury yields began to rise, causing losses in the bond market. During the last six months of the year, the HFRI Fund of Funds Composite was up 3.4%, while the Bloomberg Barclays US Aggregate declined 2.5%. Though this is a short-term period, hedge funds have shown long-term negative correlation with bonds, which should be additive to investor portfolios in a rising interest rate environment. The market over the last six months was especially beneficial for long/short equity and event driven strategies; the HFRI Equity Hedge was up 5.9% from July-December and the HFRI Event Driven was up 8.1% over the same period.

Strategy	Index	4Q 16	YTD	2015	2014	2013	2012	2011	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI HFOF Composite	1.1	0.7	-0.3	3.4	9.0	4.8	-5.7	0.7	1.3	3.5	1.3
Equity Long-Short	HFRI Equity Hedge	1.3	5.5	-1.0	1.8	14.3	7.4	-8.4	5.5	2.1	5.5	2.9
Event Driven	HFRI Event Driven	3.5	10.5	-3.6	1.1	12.5	8.9	-3.3	10.5	2.5	5.7	4.1
Global Macro	HFRI Macro Index	-0.4	1.3	-1.3	5.6	-0.4	-0.1	-4.2	1.3	1.8	1.0	2.8
Relative Value	HFRI Relative Value	2.0	7.8	-0.3	4.0	7.1	10.6	0.2	7.8	3.8	5.8	5.2

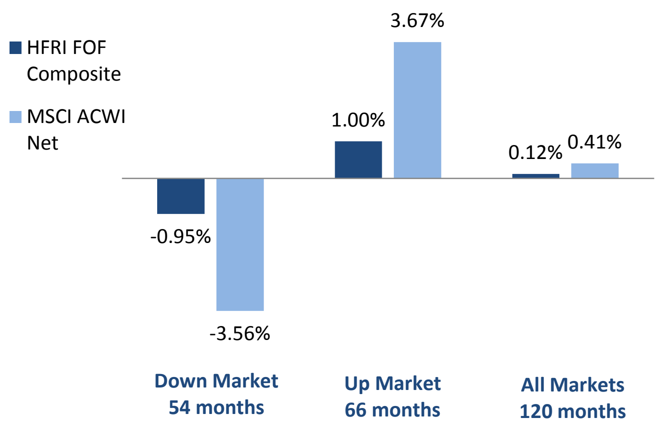
Hedge Fund Strategy Performance



Hedge Fund of Funds Market

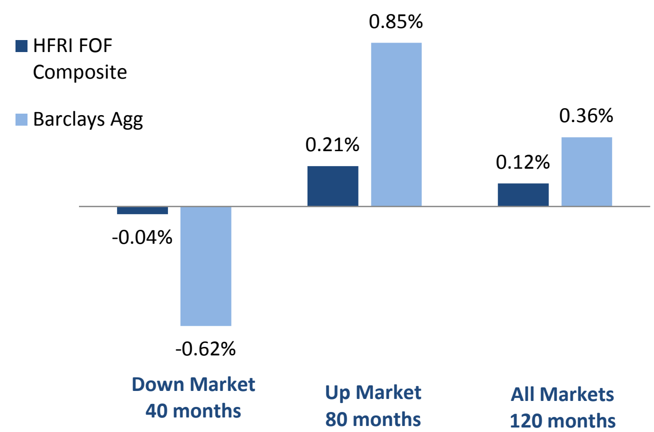
Up/Down Capture vs. Equity

Average Returns
January 2007 - December 2016



Up/Down Capture vs. Bonds

Average Returns
January 2007 - December 2016



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

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

Source: Corbin Capital Partners

Mid-Atlantic UFCW and Participating Employers Pension Fund

Master Consulting Services Report

Period Ended

December 31, 2016

Summary of Cash Flows

	Fourth Quarter	One Year	Three Years	Inception 3/31/13
Beginning Market Value	$55,580,311	$38,221,167	$11,961,276	$0
Net Cash Flow	$3,108,450	$16,372,528	$41,476,355	$52,985,056
Net Investment Change	$673,309	$4,768,376	$5,924,440	$6,377,014
Ending Market Value	$59,362,070	$59,362,070	$59,362,070	$59,362,070

Performance Summary (Gross of Fees)

			Ending December 31, 2016					Inception	
	Market Value	% of Portfolio	2016 Q4	1 Yr	3 Yrs	5 Yrs	10 Yrs	Return	Since
Composite	**$59,362,070**	**100.0%**	**1.3%**	**10.3%**	**5.6%**	**--**	**--**	**4.4%**	**Mar-13**
Total Equity	**$16,178,420**	**27.3%**	**4.1%**	**12.7%**	**--**	**--**	**--**	**7.1%**	**Nov-14**
CRSP US Total Market TR USD			*4.1%*	*12.7%*	*--*	*--*	*--*	*7.0%*	*Nov-14*
Total Short Duration High Yield	**$6,675,760**	**11.2%**	**0.8%**	**6.7%**	**--**	**--**	**--**	**2.7%**	**Nov-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.9%*	*8.5%*	*--*	*--*	*--*	*4.3%*	*Nov-14*
Total Real Estate	**$6,541,933**	**11.0%**	**1.2%**	**7.1%**	**--**	**--**	**--**	**9.1%**	**Jul-15**
NCREIF ODCE Equal Weighted Index			*2.2%*	*9.3%*	*--*	*--*	*--*	*11.1%*	*Jul-15*
Total GTAA	**$29,066,641**	**49.0%**	**0.1%**	**11.4%**	**5.5%**	**--**	**--**	**4.3%**	**Mar-13**
65% MSCI World Index/35% CitigroupWGBI			*-1.9%*	*5.6%*	*2.3%*	*--*	*--*	*4.7%*	*Mar-13*
Total Fund Cash	**$899,317**	**1.5%**	**0.1%**	**0.3%**	**0.2%**	**--**	**--**	**0.2%**	**Mar-13**

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Difference	Difference
Large Cap Equity	$16,178,420	27.3%	25.0%	20.0% - 30.0%	2.3%	$1,337,903
Short Duration Hi Yield Fxd Income	$6,675,760	11.2%	10.0%	5.0% - 15.0%	1.2%	$739,553
Real Estate	$6,541,933	11.0%	10.0%	5.0% - 15.0%	1.0%	$605,726
GTAA	$29,066,641	49.0%	55.0%	50.0% - 60.0%	-6.0%	-$3,582,498
Cash	$899,317	1.5%	--	--	1.5%	$899,317
Total	**$59,362,070**	**100.0%**	**100.0%**			

Asset Allocation

- At the April 28, 2014 meeting, an asset allocation review was presented and discussed. The Policy Committee approved new asset allocation targets of 25% US equity, 10% short duration high yield bonds, 10% real estate, and 55% GTAA.
- On January 30, 2015, excess cash reserves of $3.3M were transferred to First Eagle (GTAA) for investment.
- An asset allocation review was provided for the April 29, 2015 Policy Committee meeting.
- In May, 2015, excess cash reserves of $3.1M were transferred to First Eagle (GTAA) $1.6M (5/29) , Chartwell (SDHY) $500,000 (5/21), and Vanguard U.S. Stock Market Index Fund (equity) $1.0M (5/26) for investment.
- On July 1, 2015, American Realty Advisors (real estate) called $3M of the $6M committed. Funding sources were Vanguard ($2M) and Chartwell ($1M). On January 4, 2016, the remaining $3M was called and funded. The commitment is fully funded.
- In September 2015, excess cash reserves of $3.3M were transferred to First Eagle (GTAA) $2.0M and Vanguard U.S. Stock Market Index Fund (equity) $1.3M for investment.
- On February 29, 2016, excess cash reserves of $5.9M were transferred to First Eagle (GTAA) $3.0M, Vanguard U.S. Stock Market Index Fund (equity) $2.0M, and Chartwell (SDHY) $900,000 for investment.
- On June 30, 2016, excess cash reserves of $3.8M were transferred to First Eagle (GTAA) $2.8M (for investment on July 1, 2016) and Vanguard U.S. Stock Market Index Fund (equity) $1.0M for investment.
- During the 3Q 2016, excess cash reserves of $4.0M were transferred to First Eagle (GTAA) $2.0M (for investment on September 1, 2016) and Vanguard U.S. Stock Market Index Fund (equity) $1.0M, and Chartwell (SDHY) $1.0M, for investment.
- During the 4Q 2016, excess cash reserves of $3.0M were transferred to Vanguard U.S. Stock Market Index Fund (equity) $2.0M, and Chartwell (SDHY) $1.0M, for investment.
- At the Board of Trustees meeting on January 26, 2017, due to the positive cash flow, the Fund's GTAA allocation is slightly below the permitted range (49% vs. 50% minimum). Trustees agreed to have all new cash allocated to First Eagle (GTAA) until further notice.

Recommendation: Due to the growth of the Fund, consider other asset classes and a reduction in GTAA for additional diversification.

Account Information	
Account Name	**Vanguard Index Trust Total Stk Mkt**
Account Structure	**Mutual Fund**
Investment Style	**Passive**
Inception Date	**10/31/14**
Account Type	**Equity**
Benchmark	**CRSP US Total Market TR USD**
Universe	**Large Cap MStar MF**

Vanguard Index Trust Total Stk Mkt

Ending December 31, 2016

	Fourth Quarter	**Inception 10/31/14**
Beginning Market Value	$13,583,845	$0
Net Cash Flow	$2,000,000	$14,224,654
Net Investment Change	$594,575	$1,953,766
Ending Market Value	$16,178,420	$16,178,420

									Ending December 31, 2016										**Inception**	
	2016 Q4	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	2016	Rank	2015	Rank	2014	Rank	2013	Rank	2012	Rank	Return	Since
Vanguard Index Trust Total Stk Mkt	4.1%	41	12.7%	31	--	--	--	--	12.7%	31	0.5%	45	--	--	--	--	--	--	7.1%	Oct-14
CRSP US Total Market TR USD	*4.1%*	*41*	*12.7%*	*31*	*8.4%*	*20*	*14.6%*	*23*	*12.7%*	*31*	*0.4%*	*46*	*12.6%*	*32*	*33.6%*	*41*	*16.2%*	*39*	*7.0%*	*Oct-14*

Note: Returns are gross of fees.

Mid-Atlantic UFCW Unions and Participating Employers Pension Fund - Vanguard Total US Stock Market Index

Correspondence Summary

- On October 31, 2014, manager received $5.4M from PIMCO All Asset Fund. In November 2014, manager received an additional $2.45M from the cash account.
- On May 26, 2015, manager received $1.0M from cash reserves.
- On July 1, 2015, $2M was transferred to American Realty Advisors (real estate) to partially fund a capital call.
- On September 24, 2015, manager received $1.3M from cash reserves.
- On February 29, 2016, manager received $2.0M from cash reserves.
- On June 30, 2016, manager received $1.0M from cash reserves.
- On August 1, 2016, manager received $1.0M from cash reserves.
- On November 30, 2016, manager received $2.0M from cash reserves.

Manager Summary

Recommendation: None.

Compliance Summary

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

Account Information	
Account Name	**Chartwell Short Duration High Yld**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**10/31/14**
Account Type	**US Fixed Income High Yield**
Benchmark	**BofA ML - U.S. HY Cash Pay 1-3 Yr BB**
Universe	

Chartwell Short Duration High Yld
Ending December 31, 2016

	Fourth Quarter	Inception 10/31/14
Beginning Market Value	$5,621,082	$0
Net Cash Flow	$1,000,000	$6,383,867
Net Investment Change	$54,678	$291,893
Ending Market Value	$6,675,760	$6,675,760

					Ending December 31, 2016					Inception	
	2016 Q4	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
Chartwell Short Duration High Yld	0.8%	6.7%	--	--	6.7%	-0.3%	--	--	--	2.7%	Oct-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*0.9%*	*8.5%*	*3.8%*	*5.4%*	*8.5%*	*1.2%*	*1.9%*	*5.5%*	*10.2%*	*4.3%*	*Oct-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index	*0.8%*	*8.8%*	*3.7%*	*4.7%*	*8.8%*	*1.1%*	*1.5%*	*4.3%*	*8.0%*	*4.4%*	*Oct-14*

Note: Returns are gross of fees.

Mid-Atlantic UFCW Unions and Participating Employers Pension Fund - Chartwell Short Duration High Yield

Correspondence Summary

- On October 21, 2014, $2.2M was received from cash reserves. On November 7, 2014, manager received $1.8M from PIMCO All Asset Fund.
- On May 21, 2015, manager received $500,000 from cash reserves.
- On July 1, 2015, $1M was transferred to American Realty Advisors (real estate) to partially fund a capital call.
- On February 29, 2016, manager received $900,000 from cash reserves.
- On August 31, 2016, manager received $1.0M from cash reserves.
- On November 30, manager received $1.0M from cash reserves.

Manager Summary

- IPS conducted due diligence meetings with Chartwell on March 24, 2015 and November 20, 2015.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

Items of Interest: Acquisition · In an email dated December 6, 2016, Chartwell stated in October, they sent out an announcement of their intention to acquire the Domestic Fixed Income business from Aberdeen Asset Management. The deal was contingent on Aberdeen's ability to deliver a predetermined percentage of client assets and revenues from their clients via consent agreements. The manager stated unfortunately, Aberdeen fell significantly short of the required levels needed to close. Chartwell executive management, along with their parent company TriState Capital, has decided to no longer pursue the acquisition. This action will have no effect on Chartwell's existing business and investment teams. **Personnel Departures -** During the fourth quarter of 2016, John Heffern, Senior Portfolio Manager, and David Reidinger, Portfolio Analyst, both of the Equity Growth team, left Chartwell to pursue other career opportunities. Frank Sustersic joined Chartwell's Equity Growth team as a Senior Portfolio Manager.

Account Information	
Account Name	**American Core Realty Fund**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**7/01/15**
Account Type	**Real Estate**
Benchmark	**NCREIF ODCE Equal Weighted Index**
Universe	

American Core Realty Fund
Ending December 31, 2016

	Fourth Quarter	**Inception 7/1/15**
Beginning Market Value	$6,482,301	$0
Net Cash Flow	$0	$6,000,000
Net Investment Change	$59,632	$541,933
Ending Market Value	$6,541,933	$6,541,933

					Ending December 31, 2016					Inception	
	2016 Q4	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
American Core Realty Fund	1.2%	7.1%	--	--	7.1%	--	--	--	--	9.1%	Jul-15
NCREIF ODCE Equal Weighted Index	*2.2%*	*9.3%*	*12.3%*	*12.2%*	*9.3%*	*15.2%*	*12.4%*	*13.3%*	*11.0%*	*11.1%*	*Jul-15*

Note: Returns are gross of fees.

Mid-Atlantic UFCW Unions and Participating Employers Pension Fund - American Core Realty Fund

Correspondence Summary

- Total commitment is $6M. On July 1, 2015, manager was funded with $3M. Funding sources were Vanguard ($2M) and Chartwell ($1M). On January 4, 2016, the remaining $3M was called and funded from cash reserves. The commitment is fully funded.

Manager Summary

- 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 proposed a change in the Fund's structure from a Delaware Limited Liability Company (LLC) to a Delaware Limited Partnership (LP). ARA 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. A sufficient number of the Fund's Members (66.7%) 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.
- IPS conducted due diligence meetings with American Realty Advisors on October 20, 2015 and July 27, 2016.

Recommendation: None.

Compliance Summary

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

Items of Interest: None.

Account Information	
Account Name	**First Eagle Global Value Fund**
Account Structure	**Commingled Fund**
Investment Style	**Active**
Inception Date	**7/31/14**
Account Type	**Other**
Benchmark	**65% MSCI World Index/35% CitigroupWGBI**
Universe	

First Eagle Global Value Fund

Ending December 31, 2016

	Fourth Quarter	**Inception 7/31/14**
Beginning Market Value	$29,102,925	$0
Net Cash Flow	$0	$26,800,000
Net Investment Change	-$36,284	$2,266,641
Ending Market Value	$29,066,641	$29,066,641

					Ending December 31, 2016					**Inception**	
	2016 Q4	1 Yr	3 Yrs	5 Yrs	2016	2015	2014	2013	2012	Return	Since
First Eagle Global Value Fund	0.1%	11.4%	--	--	11.4%	0.2%	--	--	--	4.2%	Jul-14
65% MSCI World Index/35% CitigroupWGBI	*-1.9%*	*5.6%*	*2.3%*	*6.5%*	*5.6%*	*-1.6%*	*3.1%*	*15.1%*	*10.9%*	*1.1%*	*Jul-14*

Note: Returns are gross of fees.

Mid-Atlantic UFCW Unions and Participating Employers Pension Fund - First Eagle Global Value Fund

Correspondence Summary

- On July 31, 2014, $8.5M was received from PIMCO All Asset Fund.
- On October 31, 2014, $3.6M was received from PIMCO All Asset Fund.
- On January 30, 2015, $3.3M was received from cash reserves.
- On May 29, 2015, manager received $1.6M from cash reserves.
- On September 30, 2015, manager received $2.0M from cash reserves for investment on October 1, 2015.
- On February 29, 2016, manager received $3,000,000 from cash reserves.
- On June 30, 2016, manager received $2,800,000 from cash reserves for investment on July 1, 2016.
- On August 31, 2016, manager received $2,000,000 from cash reserves for investment on September 1, 2016.

Manager Summary

- IPS conducted due diligence meetings with First Eagle on February 6, 2015 and December 21, 2016.
- IPS conducted an on-site due diligence meeting with First Eagle on September 9, 2015.
- On January 12, 2016, the Fund received communication from First Eagle Investment Management, LLC regarding a subpoena from the Employee Benefits Security Administration (EBSA), U.S. Department of Labor (DOL). According to the manager, the requests in the subpoena are broad in nature and the EBSA indicated, "this inquiry should not be construed as an indication that any violations of law have occurred or as a reflection upon any person involved in the matter."
- On January 22, 2016, IPS sent a memo to the Fund regarding the subpoena received by First Eagle. IPS has reviewed the notice and has communicated with the manager. IPS will continue to monitor the situation and receive updates from the manager. No action is recommended at this time.

Recommendation: None.

Mid-Atlantic UFCW Unions and Participating Employers Pension Fund - First Eagle Global Value Fund (cont.)

Compliance Summary

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

Items of Interest: Personnel Addition - Manager stated David P. O'Connor joined the Firm as General Counsel and Head of Legal and Compliance effective January 4, 2017. **Personnel Departures -** Manager stated Mark Goldstein, General Counsel and Head of Legal and Compliance, left the Firm on December 31, 2016. Two analysts left the firm, Giorgio Caputo and Robert Hordon. **Legal -** Manager stated FEIM and its affiliates are subject to periodic examinations and investigations by various regulatory authorities. In December 2015, the Employee Benefits Security Administration of the Department of Labor required FEIM to provide documents and records relating to a broad range of requests. As previously noted, a shareholder suit has been filed against FEIM alleging that the investment advisory fees charged breached its fiduciary duty to the First Eagle Global Fund and the First Eagle Overseas Fund. FEIM believes the case to be absolutely without merit; that the allegations are factually incorrect; and is contesting the suit strongly. FEIM is listed as one of 32,000+ Shareholder Defendants in a complaint filed in connection with The Official Committee of Unsecured Creditors of Tribune Company v. FitzSimons. This matter relates to the Tribune bankruptcy and they believe virtually all persons who were shareholders of Tribune Company in 2007 and tendered or exchanged shares of Tribune stock are named as defendants. **E&O Insurance -** Manager stated First Eagle Investment Management, LLC carries $60 million of Directors and Officers errors and omissions coverage. Their E&O insurance policies are as follows: $10,000,000 Everest National Ins.; $10mil (in excess of $10mil) Nationwide; $10mil (in excess of $20mil) C.N.A.; $10mil (in excess of $30mil) AXIS Insurance Company; $10mil (in excess of $40mil) Berkley; $10mil (in excess of $50mil) Endurance. Manager noted the Firm has an additional $20 million in coverage through a fidelity bond with Great American Insurance Co. The Firm has ERISA Bond insurance with the Federal Insurance Company.

Account Information	
Account Name	**Cash**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**3/31/13**
Account Type	**Cash**
Benchmark	
Universe	

Cash

Ending December 31, 2016

	Fourth Quarter	Inception 3/31/13
Beginning Market Value	$790,159	$0
Net Cash Flow	$108,450	$896,199
Net Investment Change	$708	$3,118
Ending Market Value	$899,317	$899,317

Custody Bank

- PNC Bank.

Investment Policy Statement

- Investment policy statement was adopted in August 2014.

Commingled Funds

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

Mid-Atlantic UFCW and Participating Employers Pension Fund

Appendix

Performance Smmary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2016					Inception	
			2016 Q4	1 Yr	3 Yrs	5 Yrs	10 Yrs	Return	Since
Composite	**$59,362,070**	**100.0%**	**1.3%**	**10.3%**	**5.6%**	**--**	**--**	**4.4%**	**Mar-13**
Total Equity	**$16,178,420**	**27.3%**	**4.1%**	**12.7%**	**--**	**--**	**--**	**7.1%**	**Nov-14**
CRSP US Total Market TR USD			*4.1%*	*12.7%*	*--*	*--*	*--*	*7.0%*	*Nov-14*
Vanguard Index Trust Total Stk Mkt	$16,178,420	27.3%	4.1%	12.7%	--	--	--	7.1%	Oct-14
CRSP US Total Market TR USD			*4.1%*	*12.7%*	*--*	*--*	*--*	*7.0%*	*Oct-14*
Total Short Duration High Yield	**$6,675,760**	**11.2%**	**0.8%**	**6.7%**	**--**	**--**	**--**	**2.7%**	**Nov-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.9%*	*8.5%*	*--*	*--*	*--*	*4.3%*	*Nov-14*
Chartwell Short Duration High Yld	$6,675,760	11.2%	0.8%	6.7%	--	--	--	2.7%	Oct-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.9%*	*8.5%*	*--*	*--*	*--*	*4.3%*	*Oct-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.8%*	*8.8%*	*--*	*--*	*--*	*4.4%*	*Oct-14*
Total Real Estate	**$6,541,933**	**11.0%**	**1.2%**	**7.1%**	**--**	**--**	**--**	**9.1%**	**Jul-15**
NCREIF ODCE Equal Weighted Index			*2.2%*	*9.3%*	*--*	*--*	*--*	*11.1%*	*Jul-15*
American Core Realty Fund	$6,541,933	11.0%	1.2%	7.1%	--	--	--	9.1%	Jul-15
NCREIF ODCE Equal Weighted Index			*2.2%*	*9.3%*	*--*	*--*	*--*	*11.1%*	*Jul-15*
Total GTAA	**$29,066,641**	**49.0%**	**0.1%**	**11.4%**	**5.5%**	**--**	**--**	**4.3%**	**Mar-13**
65% MSCI World Index/35% CitigroupWGBI			*-1.9%*	*5.6%*	*2.3%*	*--*	*--*	*4.7%*	*Mar-13*
First Eagle Global Value Fund	$29,066,641	49.0%	0.1%	11.4%	--	--	--	4.2%	Jul-14
65% MSCI World Index/35% CitigroupWGBI			*-1.9%*	*5.6%*	*--*	*--*	*--*	*1.1%*	*Jul-14*
Total Fund Cash	**$899,317**	**1.5%**	**0.1%**	**0.3%**	**0.2%**	**--**	**--**	**0.2%**	**Mar-13**
Cash	$899,317	1.5%	0.1%	0.3%	0.2%	--	--	0.2%	Mar-13

Performance Smmary (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2016					Inception	
			2016 Q4	1 Yr	3 Yrs	5 Yrs	10 Yrs	Return	Since
Composite	**$59,362,070**	**100.0%**	**1.1%**	**9.6%**	**5.1%**	**--**	**--**	**4.0%**	**Mar-13**
Total Equity	**$16,178,420**	**27.3%**	**4.1%**	**12.5%**	**--**	**--**	**--**	**6.9%**	**Nov-14**
CRSP US Total Market TR USD			*4.1%*	*12.7%*	*--*	*--*	*--*	*7.0%*	*Nov-14*
Vanguard Index Trust Total Stk Mkt	$16,178,420	27.3%	4.1%	12.5%	--	--	--	6.9%	Oct-14
CRSP US Total Market TR USD			*4.1%*	*12.7%*	*--*	*--*	*--*	*7.0%*	*Oct-14*
Total Short Duration High Yield	**$6,675,760**	**11.2%**	**0.7%**	**6.2%**	**--**	**--**	**--**	**2.2%**	**Nov-14**
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.9%*	*8.5%*	*--*	*--*	*--*	*4.3%*	*Nov-14*
Chartwell Short Duration High Yld	$6,675,760	11.2%	0.7%	6.2%	--	--	--	2.2%	Oct-14
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.9%*	*8.5%*	*--*	*--*	*--*	*4.3%*	*Oct-14*
BBgBarc 1-3 Yr BB U.S. Constrained Index			*0.8%*	*8.8%*	*--*	*--*	*--*	*4.4%*	*Oct-14*
Total Real Estate	**$6,541,933**	**11.0%**	**0.9%**	**5.9%**	**--**	**--**	**--**	**7.9%**	**Jul-15**
NCREIF ODCE Equal Weighted Index			*2.2%*	*9.3%*	*--*	*--*	*--*	*11.1%*	*Jul-15*
American Core Realty Fund	$6,541,933	11.0%	0.9%	5.9%	--	--	--	7.9%	Jul-15
NCREIF ODCE Equal Weighted Index			*2.2%*	*9.3%*	*--*	*--*	*--*	*11.1%*	*Jul-15*
Total GTAA	**$29,066,641**	**49.0%**	**-0.1%**	**10.5%**	**4.8%**	**--**	**--**	**3.8%**	**Mar-13**
65% MSCI World Index/35% CitigroupWGBI			*-1.9%*	*5.6%*	*2.3%*	*--*	*--*	*4.7%*	*Mar-13*
First Eagle Global Value Fund	$29,066,641	49.0%	-0.1%	10.5%	--	--	--	3.3%	Jul-14
65% MSCI World Index/35% CitigroupWGBI			*-1.9%*	*5.6%*	*--*	*--*	*--*	*1.1%*	*Jul-14*
Total Fund Cash	**$899,317**	**1.5%**	**0.1%**	**0.3%**	**0.2%**	**--**	**--**	**0.2%**	**Mar-13**
Cash	$899,317	1.5%	0.1%	0.3%	0.2%	--	--	0.2%	Mar-13

Footnotes

- Pimco All Asset Fund Instl FD funded 3/19/13.
- Values, flows and returns for all commingled funds, mutual funds, and partnerships are provided by the firm managing the assets and cannot be verified by IPS.

Index Disclosure

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

ERISA Pension Investment Conference

April 19 – 22, 2016

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

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

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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