UFCW Mid-Atlantic Pension (MAP)

Asset Allocation Review

April 15, 2014

Presented by Investment Performance Services, LLC

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INVESTMENT PERFORMANCE SERVICES, LLC
ASSET ALLOCATION ASSUMPTIONS

10-Year Annualized Expectations

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

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

IPS Investment Committee (01/14).

INVESTMENT PERFORMANCE SERVICES, LLC

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Asset Allocation Alternatives

Asset Class	Benchmark	Asset Allocations			
		Current	Lower Equity	Recommended	Higher Equity
U.S. Equity	Russell 3000 Index	0	0	25	45
Intermediate Investment Grade Bonds	Barclays Gov't/Credit 1-3 Year Index	0	10	0	0
Short Duration High Yield Bonds	ML 1-3 Year BB Index	0	10	10	10
Real Estate	NCREIF NFI-ODCE	0	10	10	10
Global Tactical Asset Allocation (GTAA)	65%MSCI World/35%CitigroupWGBI	100	70	55	35
Cash	T-Bill	0	0	0	0
	Effective "Equity" allocation	65.0%	45.5%	60.8%	67.8%
	Forecasted Return	7.75%	7.13%	8.04%	8.26%
	Forecasted Risk (Standard Deviation)	12.50	9.30	13.00	15.31

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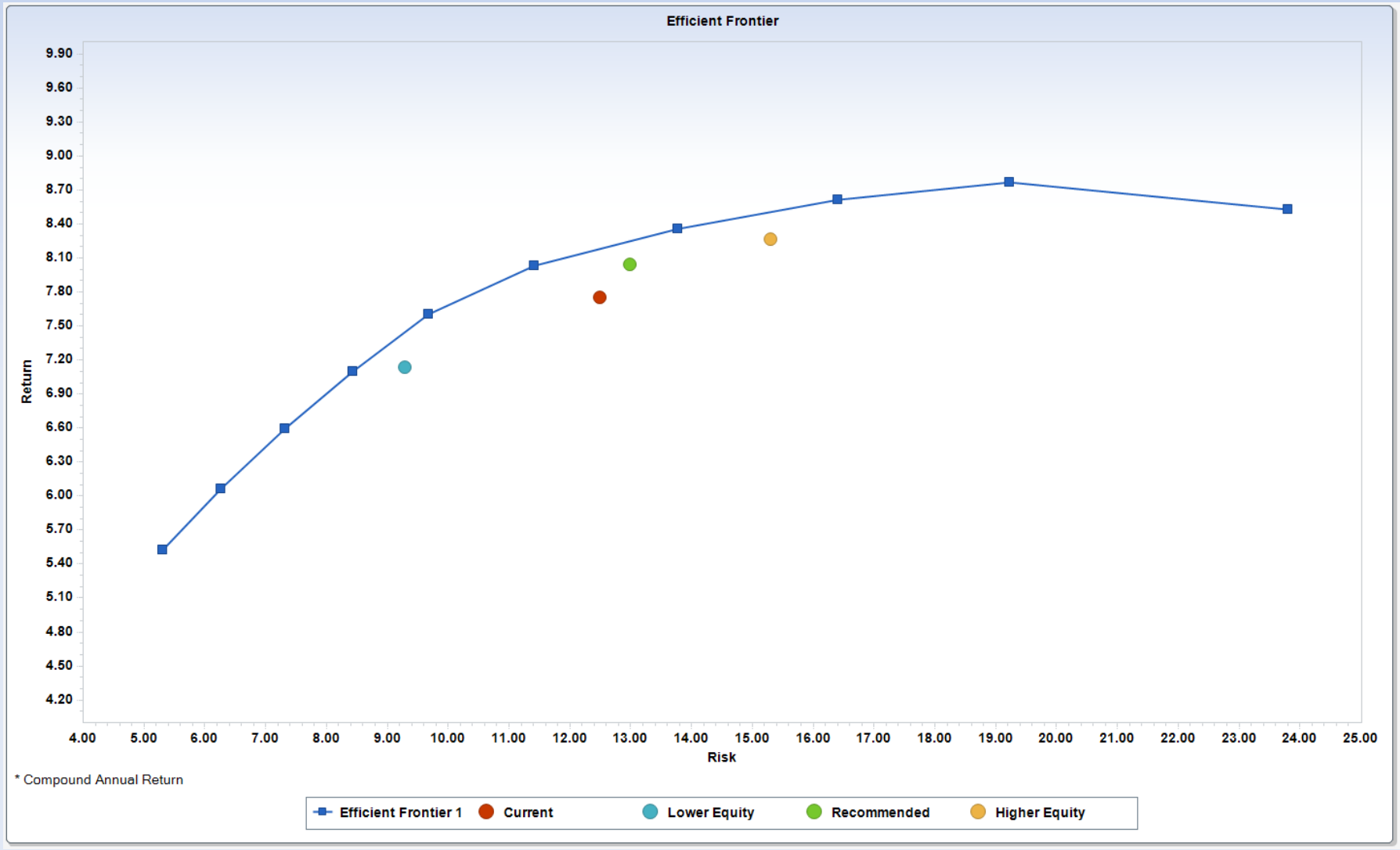

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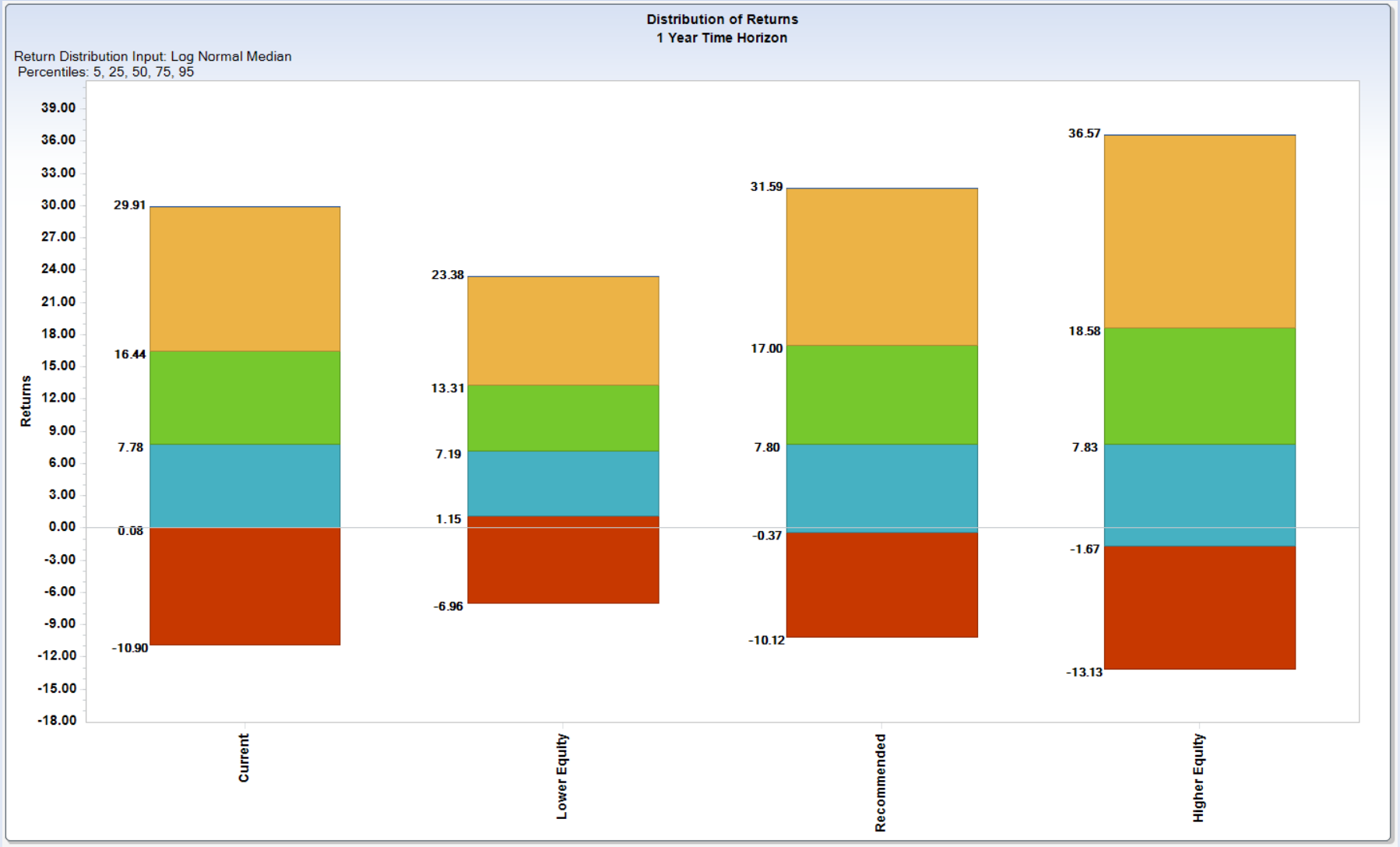

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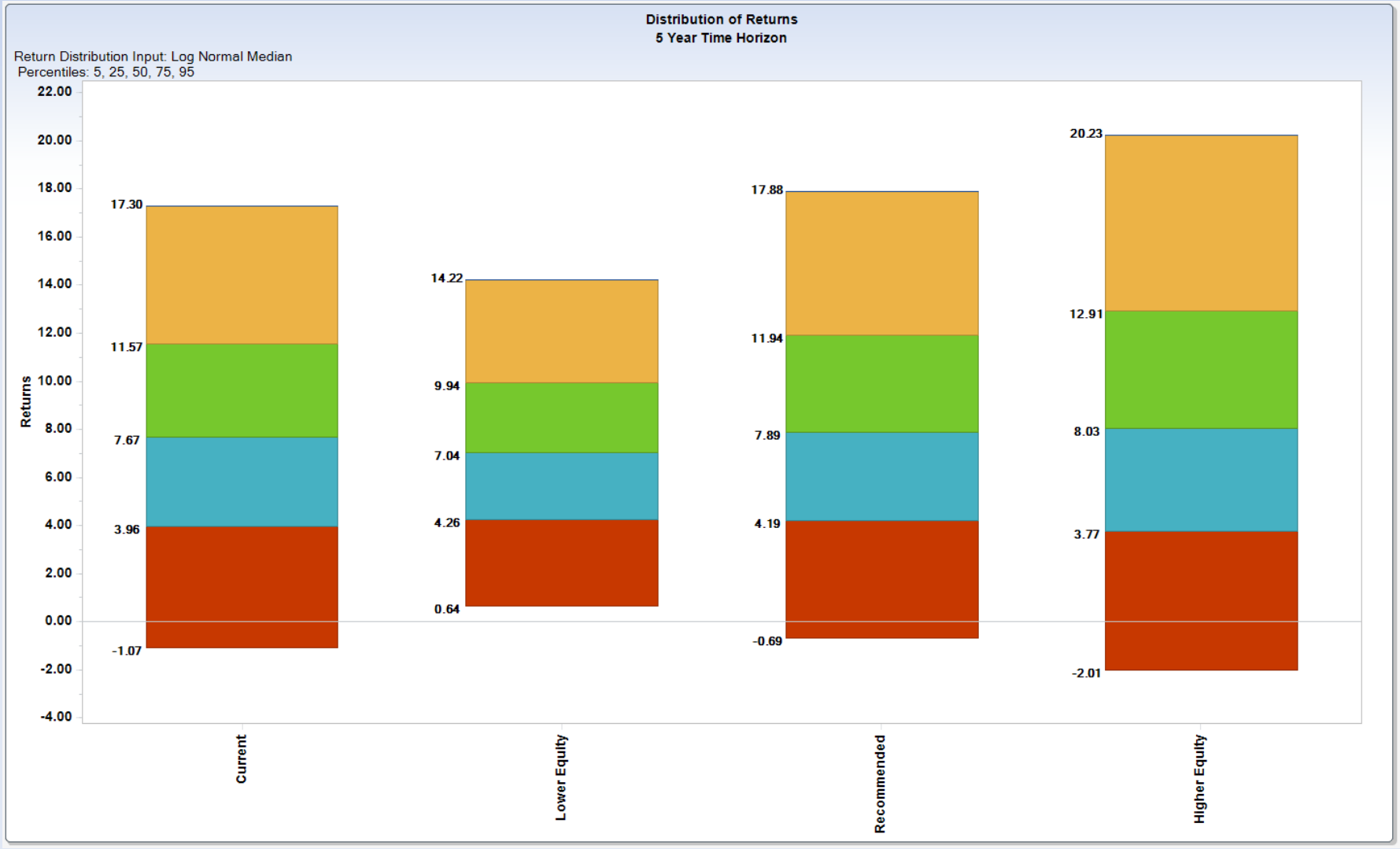
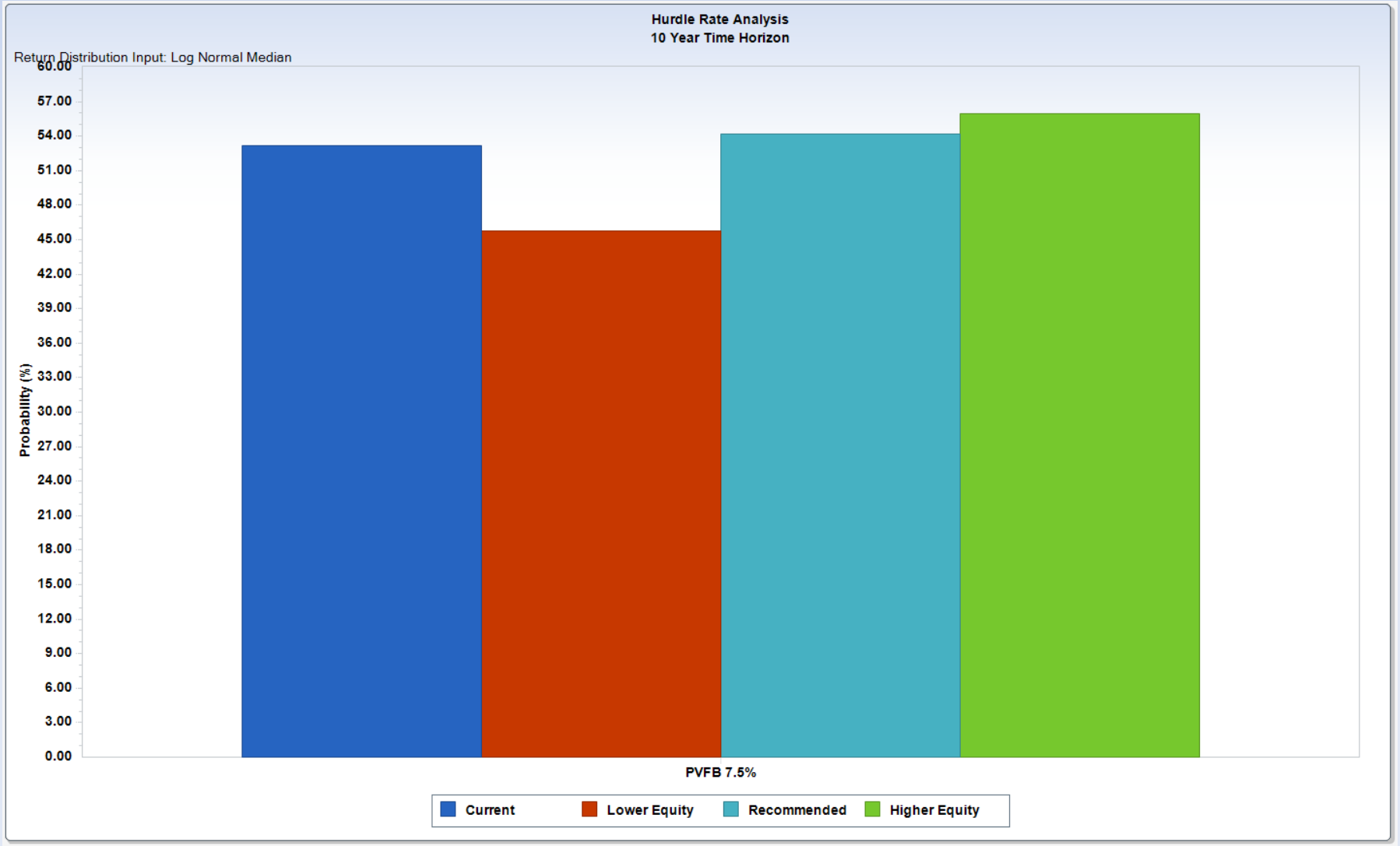
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