Mid-Atlantic UFCW and Participating Employers Pension Fund

Master Consulting Services Report

Period Ended
June 30, 2014

Summary of Cash Flows

Sources of Portfolio Growth	Second Quarter	Year-To-Date	Inception 3/31/13
Beginning Market Value	$15,465,266	$11,961,276	$0
Net Additions/Withdrawals	$3,027,331	$6,157,577	$18,178,574
Investment Earnings	$780,371	$1,154,115	$1,094,393
Ending Market Value	$19,272,968	$19,272,968	$19,272,968

Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	2014 Q2	YTD	Ending June 30, 2014 1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception Return	Since
Composite	**$19,272,968**	**100.0%**	**4.5%**	**6.8%**	**11.4%**	**--**	**--**	**--**	**5.3%**	**Mar-13**
Total GTAA	**$19,220,302**	**99.7%**	**4.5%**	**6.9%**	**11.5%**	**--**	**--**	**--**	**5.4%**	**Mar-13**
Pimco All Asset Fund Instl FD	$19,220,302	99.7%	4.5%	6.9%	11.5%	--	--	--	5.4%	Mar-13
Barclays-U.S. TIPS 1-10 Year Index			*2.9%*	*4.0%*	*3.6%*	--	--	--	*-1.7%*	*Mar-13*
Total Fund Cash	**$52,666**	**0.3%**	**0.0%**	**0.3%**	**0.3%**	**--**	**--**	**--**	**0.3%**	**Mar-13**
Cash	$52,666	0.3%	0.0%	0.3%	0.3%	--	--	--	0.3%	Mar-13

Asset Allocation

- At the April 28, 2014 meeting, an asset allocation review was presented and discussed. The Investment Committee approved new asset allocation targets of 25% US equity, 10% short duration high yield bonds, 10% real estate, and 55% GTAA.
- 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 April 28, 2014 meeting, a GTAA manager search was reviewed and managers presentations were heard. The Trustees elected to retain First Eagle for the 55% GTAA allocation. On July 31, 2014, $8.5M was transferred from PIMCO All Asset Fund to First Eagle (GTAA).
- At the May 7, 2014 teleconference meeting, a real estate manager search was reviewed and managers' presentations were heard. The Trustees elected to retain American Realty Advisors for the 10% real estate allocation.

Recommendation: Proceed with restructuring Fund assets to new targets and managers, subject to review of contracts by counsel.
Decision: Approved by the Investment Committee (in process).

Account Information	
Account Name	**Pimco All Asset Fund Instl FD**
Account Structure	**Mutual Fund**
Investment Style	**Active**
Inception Date	**3/31/13**
Account Type	**Other**
Benchmark	**Barclays-U.S. TIPS 1-10 Year Index**
Universe	

Pimco All Asset Fund Instl FD

Ending June 30, 2014

Sources of Portfolio Growth	Second Quarter	Inception 3/31/13
Beginning Market Value	$15,441,713	$0
Net Additions/Withdrawals	$2,998,222	$18,126,500
Investment Earnings	$780,368	$1,093,802
Ending Market Value	$19,220,302	$19,220,302

		Ending June 30, 2014									Inception	
	2014 Q2	YTD	1 Yr	3 Yrs	5 Yrs	2013	2012	2011	2010	2009	Return	Since
Pimco All Asset Fund Instl FD	4.5%	6.9%	11.5%	--	--	--	--	--	--	--	5.4%	Mar-13
Barclays-U.S. TIPS 1-10 Year Index	*2.9%*	*4.0%*	*3.6%*	--	--	--	--	--	--	--	*-1.7%*	*Mar-13*

Note: Returns are net of fees.

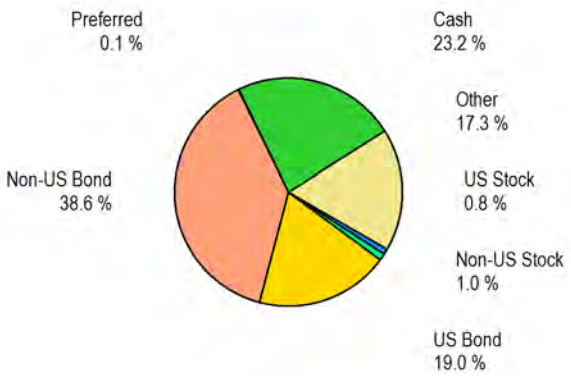
Pimco All Asset Fund Instl FD

$19.2 Million and 99.7% of Fund

Description:

The investment seeks maximum real return, consistent with preservation of real capital and prudent investment management.
The fund normally invests substantially all of its assets in Institutional Class or Class M shares of any funds of the Trust or PIMCO Equity Series, an affiliated open-end investment company, except other funds of funds, or shares of any actively-managed funds of the PIMCO ETF Trust, an affiliated investment company. The fund's investment in a particular Underlying PIMCO Fund normally will not exceed 50% of its total assets. It is non-diversified.

Mutual Fund Allocation as of 03/31/2014



Portfolio Fund Information as of 03/31/2014	
Ticker	PAAIX
Morningstar Category	Tactical Allocation
Average Market Cap ($mm)	30,434.31
Net Assets ($mm)	28,280.88
% Assets in Top 10 Holdings	57.88
Total Number of Holdings	50
Manager Name	Robert D. Arnott
Manager Tenure	12
Expense Ratio	0.88%
Closed to New Investors	No

Top Holdings as of 03/31/2014	
PIMCO INCOME INSTL	10.47%
PIMCO EM FDMTL INDEXPLUS AR STRAT INSTL	7.33%
PIMCO EMERGING LOCAL BOND INSTL	7.27%
PIMCO EMERGING MARKETS CURRENCY INSTL	7.22%
PIMCO HIGH YIELD INSTL	4.61%
PIMCO HIGH YIELD SPECTRUM INSTL	4.48%
PIMCO WLDWD FDMTL ADVTG AR STRAT INSTL	4.41%
PIMCO LONG-TERM CREDIT INSTITUTIONAL	4.11%
PIMCO INTL FDMTL IDXPLUS® AR STRAT INSTL	4.01%
PIMCO EMG INTL LOWVOL RAFI®-PLUS AR INST	3.97%

Mid-Atlantic UFCW Unions and Participating Employers Pension Fund - PIMCO All Asset Fund Instl FD

Manager Summary

- IPS conducted due diligence meetings with PIMCO on April 24, 2013 and January 22, 2014.
- Nic Johnson replaced Mihir Worah in a leadership role within the Real Return Team in May 2013.
- On December 5, 2013, Chris Dialynas, Portfolio Manager of Unconstrained Bond Fund and head of high yield, announced he will be taking a sabbatical. In January 2014, PIMCO announced Mohamed A. El-Erian, Chief Investment Officer and Chief Executive Officer of PIMCO, is leaving the firm in Mid-March. Sudi Mariappa will re-join PIMCO as a Managing Director and Portfolio Manager. During the restructuring following the departure of Mohamad El-Erian, Mihir Worah became one of the Deputy CIOs of the firm. Worah previously held a leadership role within the investment process for PIMCO's All Asset Fund.
- On July 31, 2014, $8.5M was transferred from PIMCO All Asset Fund to First Eagle (GTAA).

Recommendation: 1) Terminate due to on-going personnel changes. 2) Proceed with restructuring Fund assets to new targets and managers, subject to review of contracts by counsel. Decision: Approved by the Investment Committee (in process).

Compliance Summary

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. Checklist compliance monitoring will begin when the Investment Policy Statement and Manager Addendum are signed.

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

Cash
Ending June 30, 2014

Sources of Portfolio Growth	Second Quarter	Inception 3/31/13
Beginning Market Value	$23,553	$0
Net Additions/Withdrawals	$29,109	$52,074
Investment Earnings	$3	$591
Ending Market Value	$52,666	$52,666

Custody Bank

- 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.

Mid-Atlantic UFCW and Participating Employers Pension Fund

Footnotes

Pimco All Asset Fund Instl FD funded 3/19/13.