Warehouse Employees Local No. 730 Welfare Fund

Master Consulting Services Report

Period Ended
December 31, 2020

TABLE OF CONTENTS

INVESTMENT PERFORMANCE SERVICES, LLC

Warehouse Employees Local No. 730 Welfare Fund

Master Consulting Services Report

Period Ended

December 31, 2020

Total Fund Growth of Assets

	Fourth Quarter	Fiscal Year-To-Date	Three Years	Five Years	Seven Years	Ten Years
Beginning Market Value	$11,908,639	$9,947,782	$6,818,560	$9,863,940	$15,220,707	$19,559,470
Net Cash Flow	$744,672	$2,287,097	$4,714,999	$1,176,549	-$4,939,847	-$11,879,984
Net Investment Change	$166,865	$585,296	$1,286,617	$1,779,687	$2,539,315	$5,140,689
Ending Market Value	$12,820,175	$12,820,175	$12,820,175	$12,820,175	$12,820,175	$12,820,175

- The Fund's fiscal year end is December 31st.

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2020					
			2020 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**$12,820,175**	**100.0%**	**1.4%**	**5.4%**	**4.5%**	**4.1%**	**3.7%**	**4.1%**
Total Fund Benchmark			*1.7%*	*5.5%*	*4.7%*	*4.4%*	*3.9%*	*4.4%*
Total Investment Grade Fixed Income	**$6,005,117**	**46.8%**	**0.6%**	**7.6%**	**5.2%**	**4.1%**	**3.5%**	**3.2%**
Total Short Duration High Yield Fixed Income	**$4,887,462**	**38.1%**	**2.8%**	**5.1%**	**4.7%**	**4.9%**	**3.6%**	**--**
Total Real Estate	**$752,417**	**5.9%**	**1.4%**	**1.6%**	**5.5%**	**6.3%**	**8.3%**	**9.7%**
Total Cash Equivalents	**$1,175,180**	**9.2%**						

	Fiscal Year Ending December 31st										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund	**5.4%**	**6.7%**	**1.6%**	**3.5%**	**3.3%**	**1.8%**	**3.8%**	**3.7%**	**6.0%**	**5.0%**	**6.2%**
Total Fund Benchmark	*5.5%*	*7.2%*	*1.5%*	*2.8%*	*5.0%*	*1.4%*	*4.3%*	*3.8%*	*6.4%*	*6.1%*	*7.7%*

Current vs. Policy

	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$6,005,117	46.8%	50.0%	40.0% - 55.0%	-3.2%	-$404,970
Short Duration High Yield Fixed Income	$4,887,462	38.1%	40.0%	30.0% - 45.0%	-1.9%	-$240,608
Real Estate	$752,417	5.9%	5.0%	0.0% - 10.0%	0.9%	$111,408
Cash Equivalents	$1,175,180	9.2%	5.0%	0.0% - 20.0%	4.2%	$534,171
Total	**$12,820,175**	**100.0%**	**100.0%**			

- The Policy is effective October 1, 2017.
- Cash Equivalents include a cash account of $43K from American Core Realty and a Cash In Transit account of $46K from American Core Realty that posted in January 2021.

Warehouse Employees Local No. 730 Welfare Fund - Asset Allocation

- Asset allocation reviews were presented and discussed with the Board of Trustees at the following meetings: December 5, 2007, April 1, 2009, March 11, 2010, May 2, 2013, March 14, 2014, March 19, 2015, January 15, 2016, March 27, 2017, September 29, 2017, March 5, 2018, March 27, 2019, and March 3, 2020.
- At the April 10, 2020 meeting by teleconference, IPS made the following recommendation: Request American Core Realty Fund distribute income effective July 1, 2020. Decision: Approved. Status: Income distributions began in September 2020.
- At the June 18, 2020 teleconference meeting, IPS made the following recommendations: 1) Rebalance the real estate allocation closer to Policy. Decision: Approved. The Trustees elected to redeem $300K from American Core Realty effective September 30, 2020. American Core Realty has a withdrawal queue. Status: In Process. 2) Rebalance $350K from cash to investment grade fixed income (Wedge) and $250K to short duration high yield (Chartwell). Decision: Approved. Status: Transfers were completed on June 25, 2020.
- At the September 1, 2020 teleconference meeting, IPS made the following recommendation: Rebalance $250K from cash to investment grade fixed income (Wedge) and $250K to short duration high yield (Chartwell). Decision: Approved. Status: Transfers were completed on September 3, 2020.
- At the December 10, 2020 meeting, IPS made the following recommendation: Rebalance $500K from cash to investment grade fixed income (Wedge) and $300K to short duration high yield (Chartwell). Decision: Approved. Status: Transfers were completed on December 16, 2020.

Recommendation: 1) Depending on near-term cash needs, consider rebalancing allocation closer to Policy and 2) Consider adding real estate - value added allocation and retain Boyd Watterson State Government Fund.

Warehouse Employees Local No. 730 Welfare Fund - Recent Portfolio Activity

2020 - 1Q

- None.

2020 - 2Q

- On June 25, 2020, $200K excess cash transferred to investment grade fixed income (WEDGE) and $350K to short duration high yield (Chartwell) for rebalancing.

2020 - 3Q

- On September 3, 2020, $250K excess cash transferred to investment grade fixed income (WEDGE) and $250K to short duration high yield (Chartwell) for rebalancing.
- Effective September 30, 2020, American Realty made a partial redemption of $30K. Cash posted October 2, 2020.

2020 - 4Q

- On December 16, 2020, $500K excess cash transferred to investment grade fixed income (WEDGE) and $300K to short duration high yield (Chartwell) for rebalancing.
- Effective December 31, 2020, American Realty made a partial redemption of $41K. Cash posted January 5, 2021.

Real Estate Redemptions (In Millions) as of December 31, 2020					
Manager	Redemption Type	Effective Date	Requested $	Received $	Remaining $
American Core Realty Fund, LLC	Partial	Sep-20	$0.30	$0.07	$0.23
Total			$0.30	$0.07	$0.23

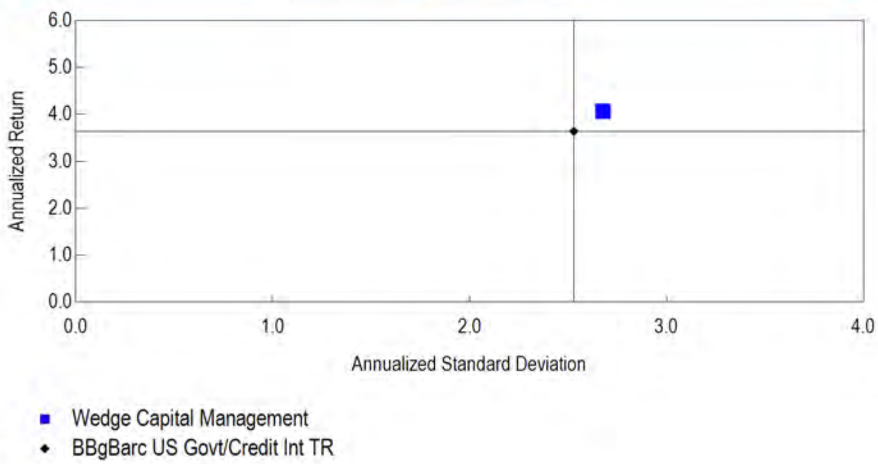
Account Information

Account Name	**Wedge Capital Management**
Account Structure	**Separate Account**
Investment Style	**Active**
Inception Date	**12/31/14**
Account Type	**Investment Grade Fixed Income**
Benchmark	**BBgBarc US Govt/Credit Int TR**
Universe	

Wedge Capital Management
Ending December 31, 2020

	Fourth Quarter	Inception 12/31/14
Beginning Market Value	$5,473,813	$0
Net Cash Flow	$500,000	$5,039,590
Net Investment Change	$31,304	$965,528
Ending Market Value	$6,005,117	$6,005,117

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2020



3 Years Ending December 31, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Wedge Capital Management	5.2%	2.5%	109.9%	84.2%
BBgBarc US Govt/Credit Int TR	4.7%	2.4%	100.0%	100.0%

5 Years Ending December 31, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Wedge Capital Management	4.1%	2.7%	110.4%	96.4%
BBgBarc US Govt/Credit Int TR	3.6%	2.5%	100.0%	100.0%

Gross of Fees

	2020 Q4	1 Yr	3 Yrs	5 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
Wedge Capital Management	0.6%	7.6%	5.2%	4.1%	7.6%	7.0%	1.1%	2.6%	2.2%	3.6%	Dec-14
BBgBarc US Govt/Credit Int TR	*0.5%*	*6.4%*	*4.7%*	*3.6%*	*6.4%*	*6.8%*	*0.9%*	*2.1%*	*2.1%*	*3.2%*	*Dec-14*

Net of Fees

	2020 Q4	1 Yr	3 Yrs	5 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
Wedge Capital Management	0.5%	7.3%	4.9%	3.8%	7.3%	6.7%	0.9%	2.3%	2.0%	3.4%	Dec-14
BBgBarc US Govt/Credit Int TR	*0.5%*	*6.4%*	*4.7%*	*3.6%*	*6.4%*	*6.8%*	*0.9%*	*2.1%*	*2.1%*	*3.2%*	*Dec-14*

Warehouse Employees Local No. 730 Welfare Fund - Wedge Capital Management

Manager Summary

- IPS conducted due diligence meetings with Wedge Capital on January 14, 2019, June 13, 2019, July 19, 2019, March 6, 2020, April 7, 2020, July 14, 2020 and January 20, 2021.

Recommendation: None.

Compliance Summary

Exceptions: None.

Action to be taken: None.

Items of Interest: Personnel Departure - Effective December 31, 2020, Jim Walters retired from the Fixed Income Team. **Ownership Change -** Brian Pratt is no longer a General Partner, as he passed away in November, 2020. **Form ADV -** A routine amendment was performed in December 2020, which is included in the ownership change above.

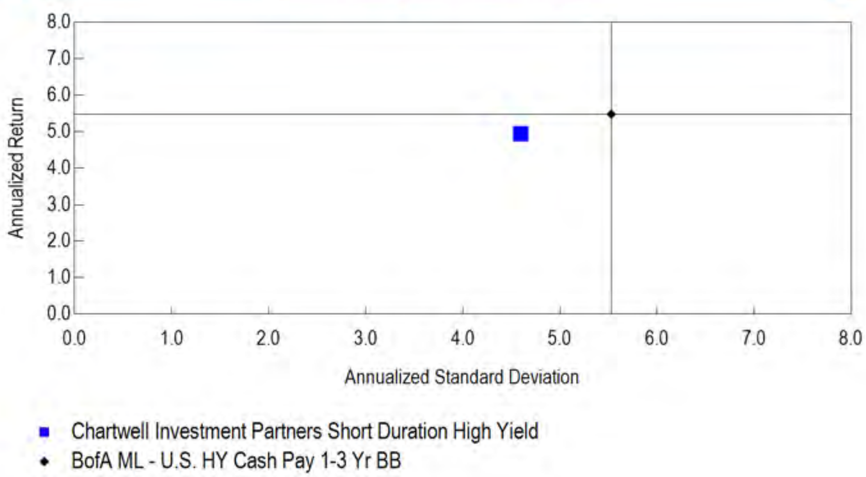
Account Information

Account Name	Chartwell Investment Partners Short Duration High Yield
Account Structure	Separate Account
Investment Style	Active
Inception Date	8/31/13
Account Type	Short Duration High Yield Fixed Income
Benchmark	BofA ML - U.S. HY Cash Pay 1-3 Yr BB
Universe	

Chartwell Investment Partners Short Duration High Yield
Ending December 31, 2020

	Fourth Quarter	Inception 8/31/13
Beginning Market Value	$4,460,945	$0
Net Cash Flow	$300,000	$3,994,500
Net Investment Change	$126,517	$892,962
Ending Market Value	$4,887,462	$4,887,462

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2020



3 Years Ending December 31, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	4.7%	5.9%	85.9%	79.9%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	5.1%	7.1%	100.0%	100.0%

5 Years Ending December 31, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Chartwell Investment Partners Short Duration High Yield	4.9%	4.6%	85.5%	79.9%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	5.5%	5.5%	100.0%	100.0%

Gross of Fees

	2020 Q4	1 Yr	3 Yrs	5 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
Chartwell Investment Partners Short Duration High Yield	2.8%	5.1%	4.7%	4.9%	5.1%	8.0%	1.2%	3.9%	6.7%	3.8%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*3.6%*	*5.4%*	*5.1%*	*5.5%*	*5.4%*	*8.7%*	*1.4%*	*3.6%*	*8.5%*	*4.5%*	*Aug-13*

Net of Fees

	2020 Q4	1 Yr	3 Yrs	5 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
Chartwell Investment Partners Short Duration High Yield	2.7%	4.5%	4.2%	4.4%	4.5%	7.4%	0.7%	3.3%	6.2%	3.3%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB	*3.6%*	*5.4%*	*5.1%*	*5.5%*	*5.4%*	*8.7%*	*1.4%*	*3.6%*	*8.5%*	*4.5%*	*Aug-13*

Warehouse Employees Local No. 730 Welfare Fund - Chartwell Investment Partners Short Duration High Yield

Manager Summary

- IPS conducted due diligence meetings with Chartwell on October 8, 2018, January 7, 2019, August 29, 2019, March 25, 2020, July 13, 2020, October 12, 2020 and January 19, 2021.

Recommendation: None.

Compliance Summary

Exceptions: None.

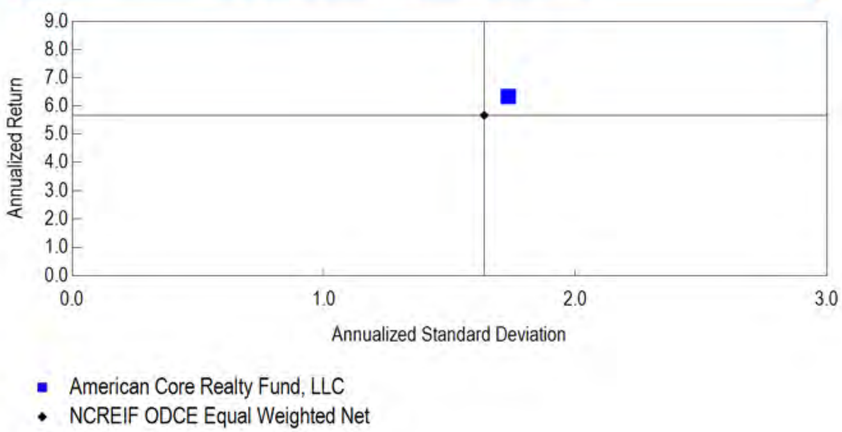
Action to be taken: None.

Items of Interest: None.

Account Information	
Account Name	American Core Realty Fund, LLC
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	7/01/08
Account Type	Real Estate - Core
Benchmark	NCREIF ODCE Equal Weighted Net
Universe	

Income is distributed.

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2020



American Core Realty Fund, LLC
Ending December 31, 2020

	Fourth Quarter	Inception 7/1/08
Beginning Market Value	$789,610	$2,000,000
Net Cash Flow	-$46,197	-$1,311,894
Net Investment Change	$9,003	$64,310
Ending Market Value	$752,417	$752,417

3 Years Ending December 31, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	5.5%	2.0%	122.4%	84.4%
NCREIF ODCE Equal Weighted Net	4.4%	1.9%	100.0%	100.0%

5 Years Ending December 31, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
American Core Realty Fund, LLC	6.3%	1.7%	111.7%	84.4%
NCREIF ODCE Equal Weighted Net	5.7%	1.6%	100.0%	100.0%

Gross of Fees

	2020 Q4	1 Yr	3 Yrs	5 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
American Core Realty Fund, LLC	1.4%	1.6%	5.5%	6.3%	1.6%	6.3%	8.7%	8.1%	7.1%	4.8%	Jul-08
NCREIF ODCE Equal Weighted Net	*1.2%*	*0.8%*	*4.4%*	*5.7%*	*0.8%*	*5.2%*	*7.3%*	*6.9%*	*8.3%*	*4.1%*	*Jul-08*

Net of Fees

	2020 Q4	1 Yr	3 Yrs	5 Yrs	2020	2019	2018	2017	2016	Inception	Inception Date
American Core Realty Fund, LLC	1.1%	0.5%	4.3%	5.2%	0.5%	5.1%	7.5%	6.9%	5.9%	3.7%	Jul-08
NCREIF ODCE Equal Weighted Net	*1.2%*	*0.8%*	*4.4%*	*5.7%*	*0.8%*	*5.2%*	*7.3%*	*6.9%*	*8.3%*	*4.1%*	*Jul-08*

Warehouse Employees Local No. 730 Welfare Fund - American Core Realty Fund, LLC

Correspondence Summary

- A partial redemption request for $300,000 was submitted effective September 30, 2020; pending available liquidity in withdrawal queue, proceeds will be used for rebalancing purposes.

Manager Summary

- ARA has implemented a withdrawal queue effective June 30, 2020.
- IPS conducted due diligence meetings with American Realty Advisors on June 4, 2018, August 19, 2019 and April 9, 2020.

Recommendation: Request income be reinvested.

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: Liquidity - The manager stated due to the disruption in the financial markets related to COVID-19, the American Core Realty Fund restricted redemptions for the 4Q 2020 and paid a portion of timely redemption requests on January 5, 2021. Unpaid portions of timely redemption requests will be considered for March 31, 2021. **Personnel Additions -** The manager stated during the Fourth Quarter 2020, Megan Burrows, Executive Vice President, Asset Management joined the Firm, and there were no changes or departures in the quarter to the Fund's portfolio management team. In an email dated January 4, 2021, the manager stated Jonas Sylvester will be joining the firm as Chief Operating Officer (COO) effective January 4, 2021.

Investment Policy Statement

- The current investment policy statement was adopted and signed on June 8, 2018.

Custody Bank

- The current custodian is PNC Bank.
- Separate account market values and flows are derived from the custodian statement.

Commission Recapture Provider

- Cowen and Company, LLC.
- On April 3, 2017, Cowen Group announced the signing of a definitive agreement to acquire ConvergEx Group. IPS contacted John Seyler at ConvergEx to discuss the transaction. Per ConvergEx, there will be no impact to existing ConvergEx clients and a consent to assignment is not required. The transaction closed on June 1, 2017. Following the acquisition, the name changed to Cowen Execution Services, LLC.
- The Fund's commission recapture provider, ConvergEx Group, was recently purchased by Cowen, Inc. As a result of the this transaction, CovergEx's Plan Sponsor Division, renamed Cowen Execution Services, LLC, will be moved into Cowen and Company, LLC. The Fund may have received correspondence from Cowen regarding "assignment" of the current agreement with Cowen Execution Services to Cowen and Company . IPS has been in contact with Cowen and recommends that the Fund agrees to the assignment. The notice sent by Cowen is structured as a negative consent; therefore, agreeing to the assignment requires no action.
- IPS previously evaluated the benefits of ongoing participation in a commission recapture program and suggested Funds continue to participate in them. To potentially enhance the managers' utilization of the commission recapture program, in July, 2019, as a courtesy IPS provided draft notices for fund Administrator to consider sending to the investment managers.

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.
- Commingled Fund market values and flows are derived from managers' statement.

Warehouse Employees Local No. 730 Welfare Fund

Appendix

Performance Detail (Gross of Fees) - Annualized

			Ending December 31, 2020							
	Market Value	% of Portfolio	2020 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund	**$12,820,175**	**100.0%**	**1.4%**	**5.4%**	**4.5%**	**4.1%**	**3.7%**	**4.1%**	**4.5%**	**Jan-98**
Total Fund Benchmark			*1.7%*	*5.5%*	*4.7%*	*4.4%*	*3.9%*	*4.4%*	*4.7%*	*Jan-98*
Total Investment Grade Fixed Income	**$6,005,117**	**46.8%**	**0.6%**	**7.6%**	**5.2%**	**4.1%**	**3.5%**	**3.2%**	**4.5%**	**Jan-98**
Wedge Capital Management	$6,005,117	46.8%	0.6%	7.6%	5.2%	4.1%	--	--	3.6%	Dec-14
BBgBarc US Govt/Credit Int TR			*0.5%*	*6.4%*	*4.7%*	*3.6%*	--	--	*3.2%*	*Dec-14*
Total Short Duration High Yield Fixed Income	**$4,887,462**	**38.1%**	**2.8%**	**5.1%**	**4.7%**	**4.9%**	**3.6%**	**--**	**3.8%**	**Aug-13**
Chartwell Investment Partners Short Duration High Yield	$4,887,462	38.1%	2.8%	5.1%	4.7%	4.9%	3.6%	--	3.8%	Aug-13
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*3.6%*	*5.4%*	*5.1%*	*5.5%*	*4.3%*	--	*4.5%*	*Aug-13*
Total Real Estate	**$752,417**	**5.9%**	**1.4%**	**1.6%**	**5.5%**	**6.3%**	**8.3%**	**9.7%**	**4.8%**	**Jul-08**
American Core Realty Fund, LLC	$752,417	5.9%	1.4%	1.6%	5.5%	6.3%	8.3%	9.7%	4.8%	Jul-08
NCREIF ODCE Equal Weighted Net			*1.2%*	*0.8%*	*4.4%*	*5.7%*	*7.7%*	*9.1%*	*4.1%*	*Jul-08*
Total Cash Equivalents	**$1,175,180**	**9.2%**								
PNC Cash Account	$1,086,269	8.5%								
Cash - American Realty	$42,716	0.3%								
Cash In Transit-ARA	$46,194	0.4%								

Performance Detail (Net of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2020					
			2020 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**$12,820,175**	**100.0%**	**1.3%**	**5.0%**	**4.1%**	**3.7%**	**3.3%**	**3.7%**
Total Fund Benchmark			*1.7%*	*5.5%*	*4.7%*	*4.4%*	*3.9%*	*4.4%*
Total Investment Grade Fixed Income	**$6,005,117**	**46.8%**	**0.5%**	**7.3%**	**4.9%**	**3.8%**	**3.3%**	**3.0%**
Wedge Capital Management	$6,005,117	46.8%	0.5%	7.3%	4.9%	3.8%	--	--
BBgBarc US Govt/Credit Int TR			*0.5%*	*6.4%*	*4.7%*	*3.6%*	*--*	*--*
Total Short Duration High Yield Fixed Income	**$4,887,462**	**38.1%**	**2.7%**	**4.5%**	**4.2%**	**4.4%**	**3.1%**	**--**
Chartwell Investment Partners Short Duration High Yield	$4,887,462	38.1%	2.7%	4.5%	4.2%	4.4%	3.1%	--
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*3.6%*	*5.4%*	*5.1%*	*5.5%*	*4.3%*	*--*
Total Real Estate	**$752,417**	**5.9%**	**1.1%**	**0.5%**	**4.3%**	**5.2%**	**7.1%**	**8.5%**
American Core Realty Fund, LLC	$752,417	5.9%	1.1%	0.5%	4.3%	5.2%	7.1%	8.5%
NCREIF ODCE Equal Weighted Net			*1.2%*	*0.8%*	*4.4%*	*5.7%*	*7.7%*	*9.1%*
Total Cash Equivalents	**$1,175,180**	**9.2%**						
PNC Cash Account	$1,086,269	8.5%						
Cash - American Realty	$42,716	0.3%						
Cash In Transit-ARA	$46,194	0.4%						

Account	Fee Schedule	Market Value As of 12/31/2020	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Total Investment Grade Fixed Income	**-**	**$6,005,117**	**46.8%**	**--**	**--**
Wedge Capital Management	0.25% of Assets	$6,005,117	46.8%	$15,013	0.25%
Total Short Duration High Yield Fixed Income	**-**	**$4,887,462**	**38.1%**	**--**	**--**
Chartwell Investment Partners Short Duration High Yield	0.50% of First 20.0 Mil, 0.40% of Next 30.0 Mil, 0.30% Thereafter	$4,887,462	38.1%	$24,437	0.50%
Total Real Estate	**-**	**$752,417**	**5.9%**	**--**	**--**
American Core Realty Fund, LLC	1.10% of Assets	$752,417	5.9%	$8,277	1.10%
Total Cash Equivalents	**-**	**$1,175,180**	**9.2%**	**--**	**--**
PNC Cash Account	-	$1,086,269	8.5%	--	--
Cash - American Realty	-	$42,716	0.3%	--	--
Cash In Transit-ARA	-	$46,194	0.4%	--	--
Investment Management Fee		**$12,820,175**	**100.0%**	**$47,727**	**0.37%**

- The above fees may not include incentive fees.

Benchmark History

Total Fund		
10/1/2017	Present	BBgBarc US Govt/Credit Int TR 50% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 40% / NCREIF ODCE Equal Weighted Net 5% / 91 Day T-Bills 5%
4/1/2016	9/30/2017	BBgBarc US Govt/Credit Int TR 45% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 40% / NCREIF ODCE Equal Weighted Net 5% / 91 Day T-Bills 10%
9/1/2013	3/31/2016	S&P 500 10% / BBgBarc US Govt/Credit Int TR 55% / FTSE BB/B Ex Split B/CCC Index 10% / BofA ML - U.S. HY Cash Pay 1-3 Yr BB 20% / NCREIF ODCE Equal Weighted Net 5%
7/1/2010	8/31/2013	S&P 500 10% / BBgBarc US Govt/Credit Int TR 75% / NCREIF ODCE Equal Weighted Net 5% / FTSE BB/B Ex Split B/CCC Index 10%
7/1/2008	6/30/2010	S&P 500 15% / BBgBarc US Govt/Credit Int TR 75% / NCREIF ODCE Equal Weighted Net 10%
7/1/2006	6/30/2008	S&P 500 25% / BBgBarc US Govt/Credit Int TR 75%
7/1/2004	6/30/2006	S&P 500 25% / FTSE Treasury 1-3 Yrs TR 37.5% / BBgBarc US Govt/Credit Int TR 37.5%
1/1/2004	6/30/2004	S&P 500 20% / FTSE Treasury 1-3 Yrs TR 40% / BBgBarc US Govt/Credit Int TR 40%
4/1/2001	12/31/2003	S&P 500 10% / FTSE Treasury 1-3 Yrs TR 45% / BBgBarc US Govt/Credit Int TR 45%
1/1/1998	3/31/2001	S&P 500 10% / FTSE Treasury 1-3 Yrs TR 90%

Index Disclosures

- Total Fund Benchmark - The Total Fund Benchmark is comprised of the respective market indices for each asset class weighted at the percentage the asset class represents in the Policy. It is important to acknowledge that not all asset classes have a corresponding market index due to the specialized nature of the asset class (i.e. private equity, private debt, infrastructure, hedge funds) and/or the specialized nature of the investment (opportunistic investments, global tactical asset allocation, absolute return strategies). In such cases, a traditional asset class index may be used as a proxy in the Total Fund Benchmark. The Total Fund Benchmark illustrates how an indexed portfolio with a similar allocation to that of the Policy would have performed during a specific period. The Total Fund Benchmark does not account for ongoing changes in the allocation percentages of the Total Fund resulting from market gains/losses, cash flows, and rebalancing during the same period. While a useful tool in examining performance, due to the static nature of the allocation percentages in the Total Fund Benchmark, the fact that not all asset classes have a representative index, and considering that some indices in the Total Fund Benchmark are not investable, the Total Fund Benchmark should not be used as the primary measure of a Total Fund's success or failure.
- NCREIF ODCE Equal Weighted Net Index - During 4Q2018 the real estate benchmark changed from the NCREIF ODCE Equal Weighted Index to NCREIF ODCE Equal Weighted Net Index for all historical time periods since inception.

Footnotes

- The following composite returns prior to 1Q2010 do not include cash in the calculation of returns.
  - Total Domestic Equity
  - Total Domestic Fixed Investment Grade
  - Total Real Estate
- The net of fees returns in this report are estimated. Fees do not include: the investment consulting fee paid to IPS, custodian fees, or other administrative costs.
- Net of fee calculations began 1Q2008 and cannot be calculated for prior time periods.
- Values, flows and returns for all commingled funds, mutual funds, partnerships, and all other alternative assets are provided by the firm managing the assets and cannot be independently verified by IPS.
- Separately managed account returns are calculated by IPS using custodian data.
- Cash - American Realty holds cash distributions from the manager. Distributions made in December 2020 are in Cash In Transit-ARA until January 2021.

Warehouse Employees Local No. 730 Welfare Fund

Preliminary Monthly Performance Update

Period Ended

January 31, 2021

Total Fund Growth of Assets

	Fiscal Year-To-Date
Beginning Market Value	$12,820,175
Net Cash Flow	$162,594
Net Investment Change	$5,712
Ending Market Value	$12,988,481

- The Fund's fiscal year end is December 31st.

Current vs. Policy

	Current	Current	Policy	Policy Range	Difference	Difference
Investment Grade Fixed Income	$5,998,911	46.2%	50.0%	40.0% - 55.0%	-3.8%	-$495,330
Short Duration High Yield Fixed Income	$4,899,371	37.7%	40.0%	30.0% - 45.0%	-2.3%	-$296,021
Real Estate	$752,417	5.8%	5.0%	0.0% - 10.0%	0.8%	$102,993
Cash Equivalents	$1,337,782	10.3%	5.0%	0.0% - 20.0%	5.3%	$688,358
Total	**$12,988,481**	**100.0%**	**100.0%**			

- The Policy is effective October 1, 2017.

Performance Detail (Gross of Fees)

	Market Value	% of Portfolio	Ending January 31, 2021 Fiscal YTD
Total Fund	**$12,988,481**	**100.0%**	**0.0%**
Total Investment Grade Fixed Income	**$5,998,911**	**46.2%**	**-0.1%**
Wedge Capital Management	$5,998,911	46.2%	-0.1%
BBgBarc US Govt/Credit Int TR			*-0.3%*
Total Short Duration High Yield Fixed Income	**$4,899,371**	**37.7%**	**0.2%**
Chartwell Investment Partners Short Duration High Yield	$4,899,371	37.7%	0.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*
Total Real Estate	**$752,417**	**5.8%**	
American Core Realty Fund, LLC	$752,417	5.8%	
Total Cash Equivalents	**$1,337,782**	**10.3%**	
PNC Cash Account	$1,248,872	9.6%	
Cash - American Realty	$88,911	0.7%	

Performance Detail (Net of Fees)

	Market Value	% of Portfolio	Ending January 31, 2021 Fiscal YTD
Total Fund	**$12,988,481**	**100.0%**	**0.0%**
Total Investment Grade Fixed Income	**$5,998,911**	**46.2%**	**-0.1%**
Wedge Capital Management	$5,998,911	46.2%	-0.1%
BBgBarc US Govt/Credit Int TR			*-0.3%*
Total Short Duration High Yield Fixed Income	**$4,899,371**	**37.7%**	**0.2%**
Chartwell Investment Partners Short Duration High Yield	$4,899,371	37.7%	0.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*
Total Real Estate	**$752,417**	**5.8%**	
American Core Realty Fund, LLC	$752,417	5.8%	
Total Cash Equivalents	**$1,337,782**	**10.3%**	
PNC Cash Account	$1,248,872	9.6%	
Cash - American Realty	$88,911	0.7%	

Footnotes

- Real estate market value is as of December 31, 2020 plus or minus flows.
- Cash - American Realty holds cash distributions from the manager.
- Separately managed account returns are calculated by IPS using custodian data.
- Values, flows and returns for all commingled funds, mutual funds, partnerships, and all other alternative assets are provided by the firm managing the assets and cannot be independently verified by IPS.
- The net of fees returns in this report are estimated. Fees do not include: the investment consulting fee paid to IPS, custodian fees, or other administrative costs.
- The information contained in this report is proprietary and confidential information. You are hereby notified that any dissemination, distribution, or copying of this document is strictly prohibited.

ASSET ALLOCATION REVIEW

Warehouse Employees Local No. 730 Welfare Fund

March 26, 2021

Annualized Expected Returns over 10-20 years

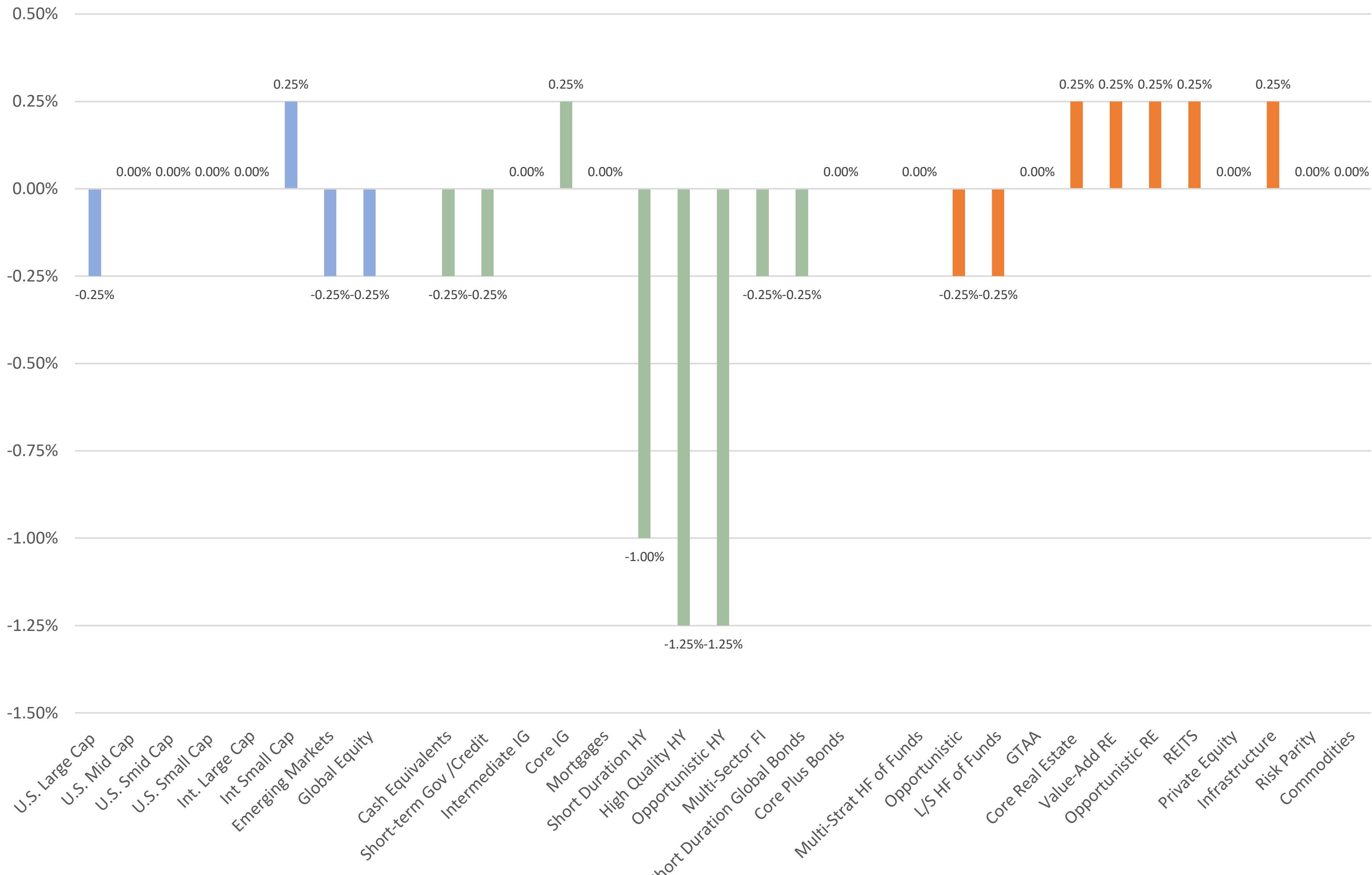
Equity Asset Class	Return	Risk
U.S. Large Cap	6.50%	15.00
U.S. Mid Cap	7.00%	17.00
U.S. Smid Cap	7.13%	18.50
U.S. Small Cap	7.25%	20.25
International Large Cap	7.50%	16.25
International Small Cap	8.00%	19.50
Emerging Markets	8.50%	21.00
Global Equity	7.25%	17.00

Fixed Income Asset Class	Return	Risk
Cash Equivalents	1.25%	0.50
Short-term Gov / Credit	1.25%	1.50
Intermediate Investment Grade	2.00%	2.75
Core Investment Grade	2.25%	3.75
Mortgages	2.50%	5.00
Short Duration High Quality High Yield	3.75%	6.00
High Quality High Yield	4.50%	7.50
Opportunistic High Yield	5.00%	8.75
Multi-Sector Fixed Income	1.50%	6.50
Short Duration Global Bonds	1.75%	6.00
Core Plus Bonds	2.50%	5.25

Alternatives Asset Class	Return	Risk
Multi-Strategy Hedge Fund of Funds	4.25%	5.75
Opportunistic Strategies	7.50%	10.50
Long Short Equity Hedge Fund of Funds	5.00%	9.00
Global Tactical Asset Allocation	5.50%	12.00
Core Real Estate	6.25%	10.00
Value-Add Real Estate	7.75%	12.00
Opportunistic Real Estate	9.50%	14.50
REITS	6.00%	20.00
Diversified Private Equity	9.75%	20.00
Core Infrastructure	6.00%	11.00
Core+/Value Add Infrastructure	8.00%	14.00
Risk Parity	5.50%	16.00
Commodities	3.75%	17.00

- IPS Investment Committee January 2021.
- Inflation expectation 2.2%.
- 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.
- The information contained in this report is proprietary and confidential information. You are hereby notified that any dissemination, distribution, or copying of this document is strictly prohibited.

Change in Expected Returns[1]



1 January 2021 vs. July 2020

Asset Class Constraints

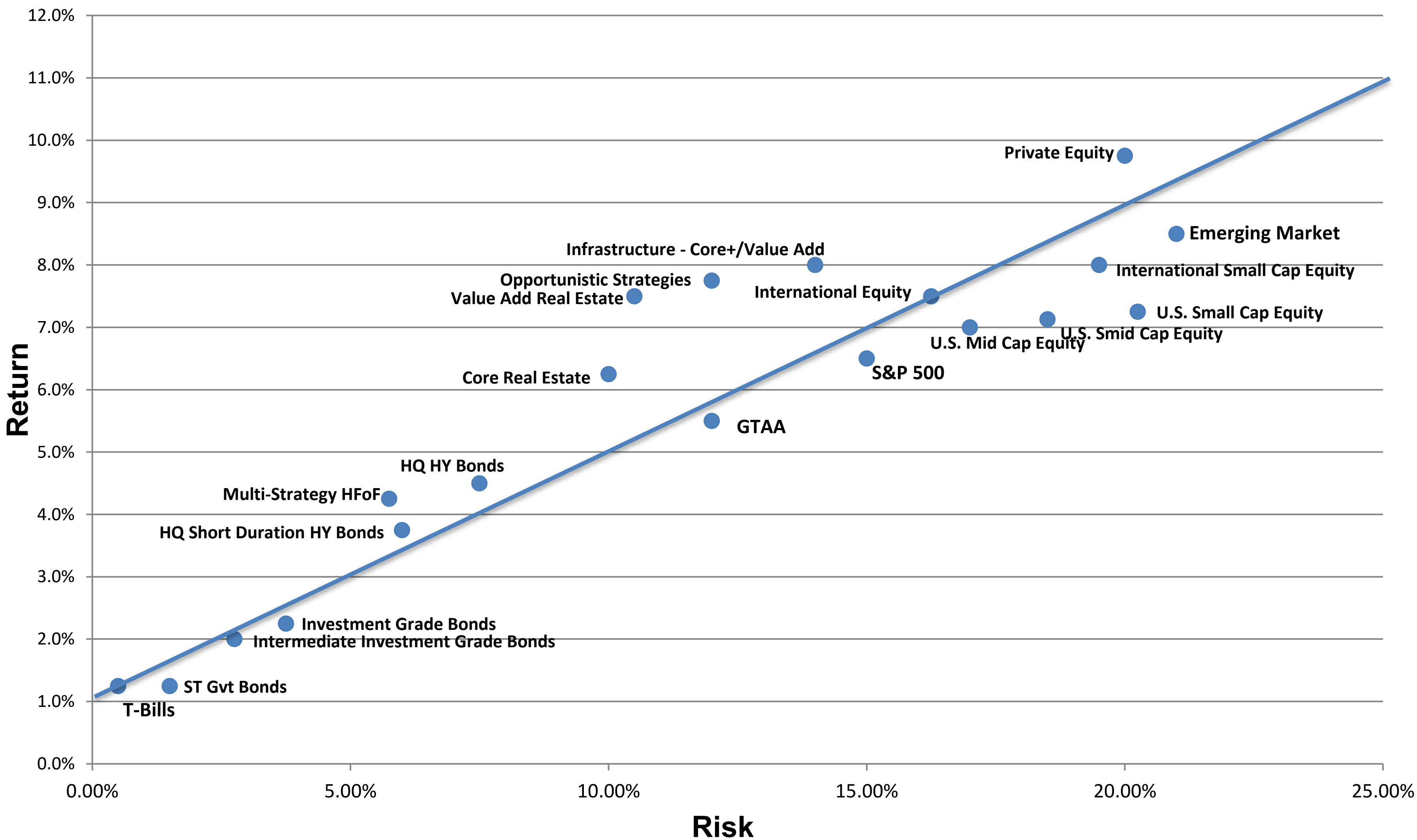
Total Domestic Equity	20%	Max
Cash	5%	Max
Fixed Investment Grade (Includes Short Term & Intermediate)	20%	Min
High Quality High Yield Bonds (Includes Short Duration)	30%	Max
Real Estate – Core	10%	Max
Real Estate – Value Add	5%	Max
Hedge Fund of Funds – Multi Strategy	5%	Max
Opportunistic Strategies	5%	Max

The Asset Allocation modeling requires the mathematical construction of an efficient frontier of various portfolios with distinct asset allocations and risk and return characteristics. The modeling process also requires the imposition of constraints, so that the efficient frontier represents a prudently diversified portfolio with adequate consideration of the liquidity needs and investment time horizon. Unconstrained optimization frequently generates allocations that have superior risk/reward characteristics, but the resulting allocations may not be adequately diversified and/or may have high allocations to illiquid investments.

The constraints shown are used for modeling purposes only. They should not be construed as suggested or recommended allocations, or limits on allocations, to any asset class or investment strategy. Each client fund has different facts, circumstances, time horizon, risk tolerance levels, return objectives, investment preferences, cash flows, and liquidity requirements. As such, each client's investment policy may differ materially from the constraints shown above.

IPS Investment Committee January 2019.

2021 Capital Market Assumptions



Asset Class Correlations

Assumption table:	US Large Cap Equity	US Mid Cap Equity	US Smid Cap Equity	US Small Cap Equity	Int'l Equity	Int'l Small Cap Equity	Emerging Markets Equity	Cash	Short Term Govt / Credit	Interm. Invest. Grade	Core Invest. Grade	Short Duration High Yield	High Yield	Real Estate Core	Real Estate Value Add	Private Equity	HFoF Multi-Strategy	Opp. Strategies	GTAA
US Large Cap Equity	1.00																		
US Mid Cap Equity	0.96	1.00																	
US Smid Cap Equity	0.94	0.98	1.00																
US Small Cap Equity	0.91	0.95	0.98	1.00															
Int'l Equity	0.88	0.87	0.82	0.78	1.00														
Int'l Small Cap Equity	0.84	0.86	0.82	0.78	0.96	1.00													
Emerging Markets Equity	0.77	0.79	0.74	0.70	0.88	0.87	1.00												
Cash	-0.10	-0.12	-0.12	-0.11	-0.04	-0.11	0.00	1.00											
Short Term Govt / Credit	-0.12	-0.11	-0.14	-0.17	0.01	-0.01	0.06	0.39	1.00										
Int. Investment Grade	-0.01	0.01	-0.04	-0.08	0.08	0.08	0.13	0.12	0.82	1.00									
Core Investment Grade	-0.01	0.01	-0.04	-0.08	0.07	0.07	0.12	0.07	0.76	0.98	1.00								
Short Duration High Yield	0.62	0.69	0.65	0.59	0.66	0.69	0.65	-0.13	0.16	0.28	0.26	1.00							
High Yield	0.71	0.77	0.73	0.68	0.73	0.74	0.71	-0.14	0.08	0.24	0.24	0.93	1.00						
Real Estate Core	0.18	0.13	0.14	0.15	0.11	0.05	0.01	0.20	-0.28	-0.25	-0.20	-0.21	-0.11	1.00					
Real Estate Value Add	0.18	0.13	0.14	0.15	0.11	0.05	0.01	0.20	-0.28	-0.25	-0.20	-0.21	-0.11	0.99	1.00				
Private Equity	0.91	0.95	0.98	0.99	0.78	0.78	0.70	-0.11	-0.17	-0.08	-0.08	0.59	0.68	0.15	0.15	1.00			
HFoF Multi-Strategy	0.74	0.78	0.74	0.69	0.80	0.83	0.78	-0.03	-0.07	-0.02	-0.01	0.64	0.68	0.19	0.19	0.69	1.00		
Opportunistic Strategies	0.73	0.80	0.76	0.71	0.76	0.77	0.73	-0.15	0.07	0.21	0.21	0.92	0.98	-0.14	-0.14	0.71	0.69	1.00	
GTAA	0.93	0.91	0.86	0.82	0.97	0.93	0.87	-0.05	0.08	0.18	0.17	0.66	0.74	0.11	0.11	0.82	0.76	0.76	1.00

A correlation of 1.00 indicates two series move perfectly together while a -1.00 shows they move perfectly opposite one another.

Efficient Frontier Analysis

Efficient Frontier Report										
Asset	Portfolio 1	Portfolio 2	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7	Portfolio 8	Portfolio 9	Portfolio 10
US Large Cap Equity	0.00	0.00	0.00	0.00	0.00	1.85	4.73	7.86	12.47	20.00
US Mid Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Smid Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
US Small Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Int'l Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Int'l Small Cap Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Emerging Markets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cash	5.00	5.00	5.00	5.00	5.00	5.00	0.00	0.00	0.00	0.00
Short Term Govt / Credit	85.31	80.29	70.73	48.90	21.06	0.00	0.00	0.00	0.00	0.00
Int. Investment Grade	0.00	0.00	2.15	16.93	37.48	49.79	29.27	0.00	0.00	0.00
Core Investment Grade	0.00	0.00	0.00	0.00	0.00	0.00	16.94	38.19	32.53	25.00
Short Duration High Yield	0.00	0.00	1.91	5.65	11.46	18.36	19.07	15.58	0.30	0.00
High Yield	0.00	0.00	0.00	0.00	0.00	0.00	4.99	13.37	29.70	30.00
Real Estate Core	4.69	2.93	5.20	8.52	10.00	10.00	10.00	10.00	10.00	10.00
Real Estate Value Add	0.00	4.05	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Private Equity	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HFoF Multi-Strategy	5.00	4.51	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Opp. Strategies	0.00	3.22	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
GTAA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Return	1.67	2.06	2.45	2.84	3.23	3.61	3.99	4.35	4.71	5.06
Risk	1.28	1.37	1.59	1.91	2.30	2.80	3.47	4.21	5.05	5.99
Return/Risk	1.30	1.50	1.54	1.48	1.40	1.29	1.15	1.04	0.93	0.84

* Compound annual return.

* Returns based on a geometric calculation.

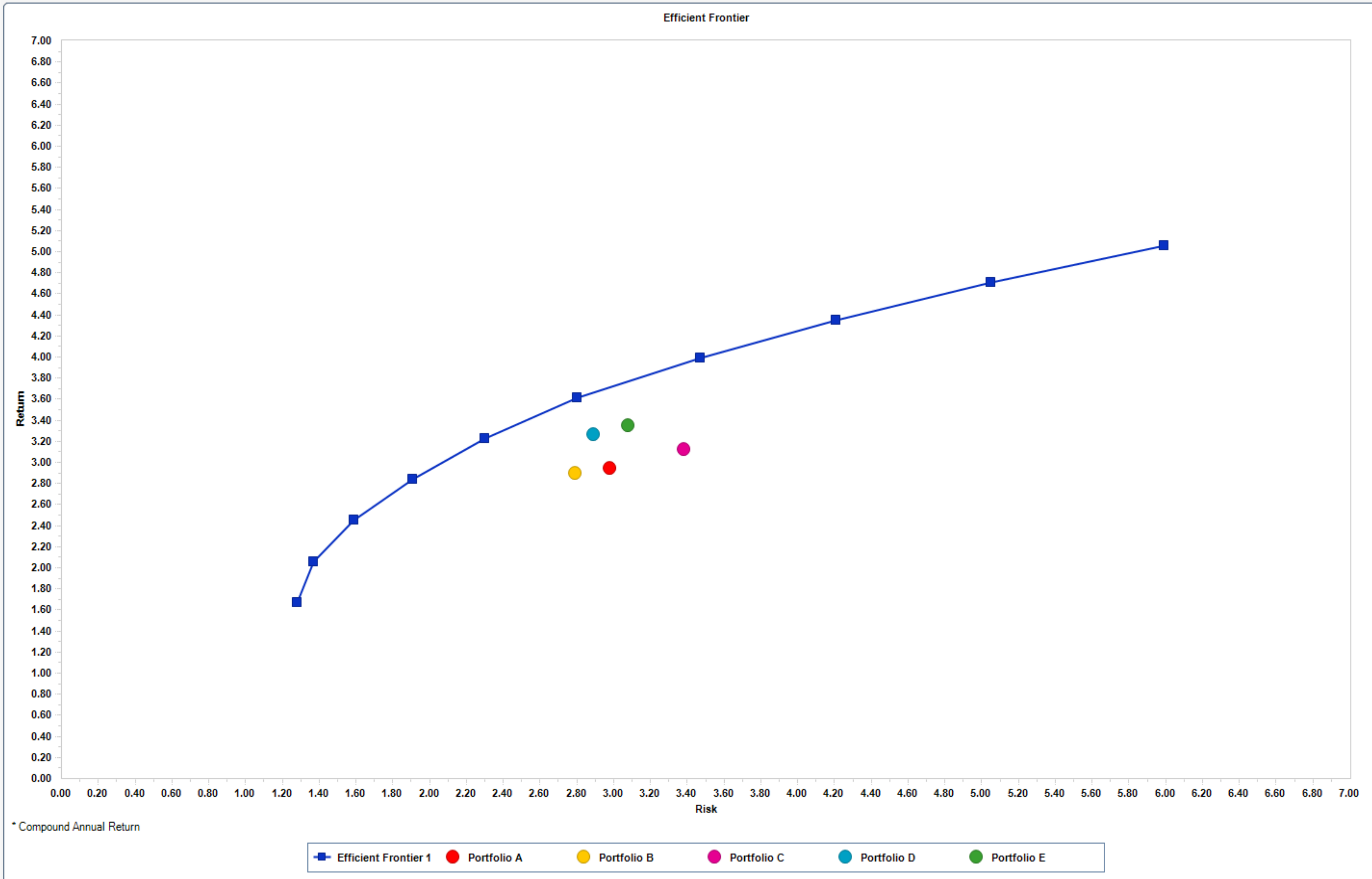
Current Policy Comparison

		% Fixed Income Target		% Alternatives Target					
		Fixed Income Interm	SDHY	Real Estate Core	Real Estate Value Add	Cash	Expected Return (net of fees)	Risk	Comments
1	Warehouse Employees Local No. 730 Welfare Fund Portfolio A	50.0	40.0	5.0	0.0	5.0	2.94%	2.98	Current Policy
2	Portfolio B	46.2	37.7	5.8	0.0	10.3	2.90%	2.79	Allocation as of January 31, 2021
3	Portfolio C	40.0	50.0	5.0	0.0	5.0	3.12%	3.38	Increased return. Increased risk.
4	Portfolio D	45.0	40.0	5.0	5.0	5.0	3.26%	2.89	Increased return. Increased risk.
5	Portfolio E	40.0	45.0	5.0	5.0	5.0	3.35%	3.08	Increased return. Increased risk.

Scenarios are shown for illustrative purposes.

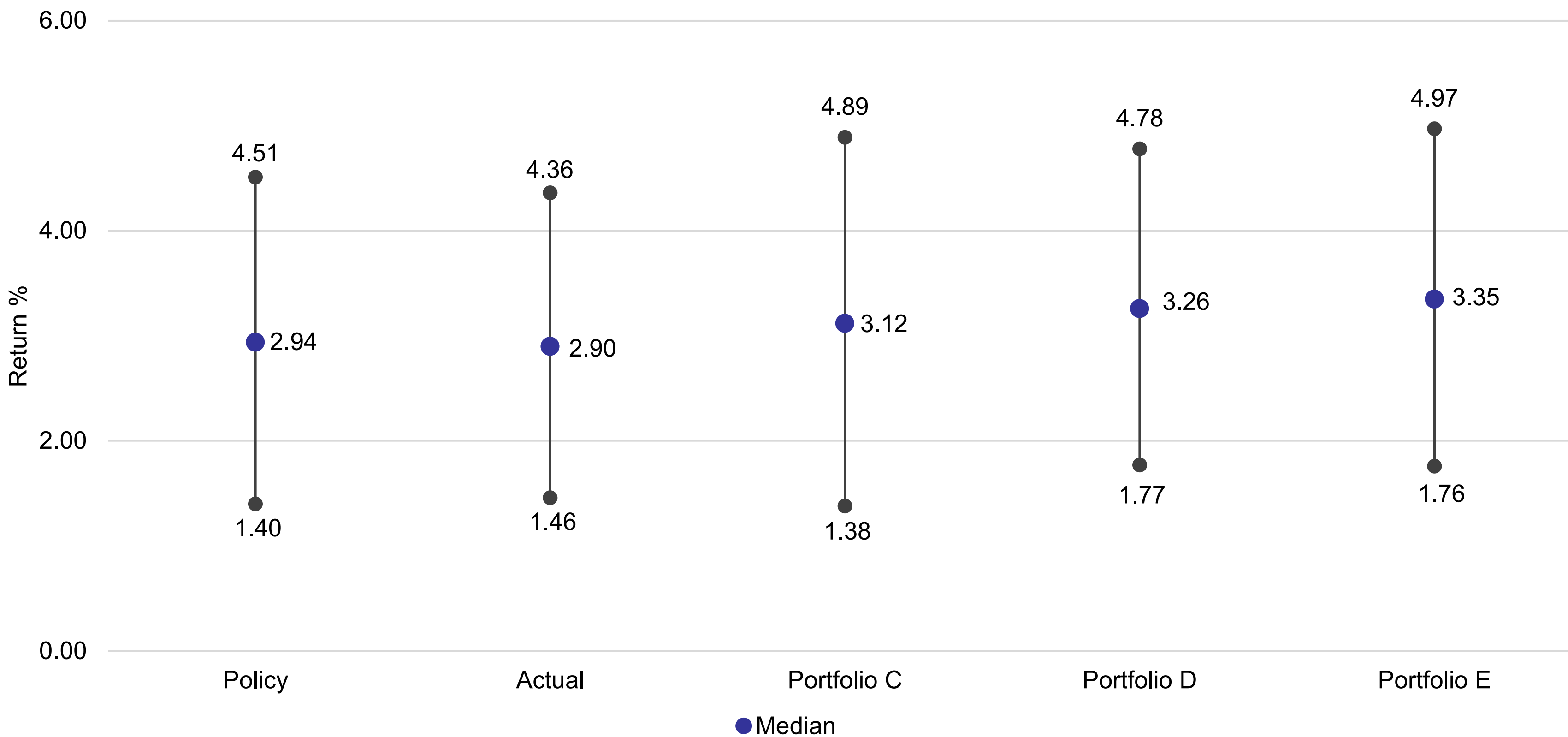
Green	Increase allocation
Red	Decrease allocation
Blue	New asset class

Efficient Frontier Comparison



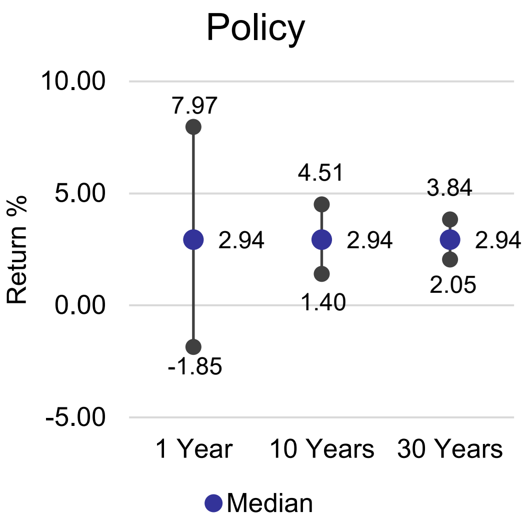
* Compound Annual Return

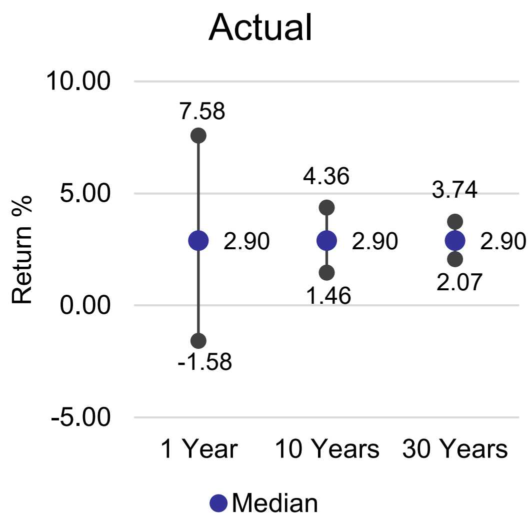
Potential Distribution of Returns – 10 Year Horizon

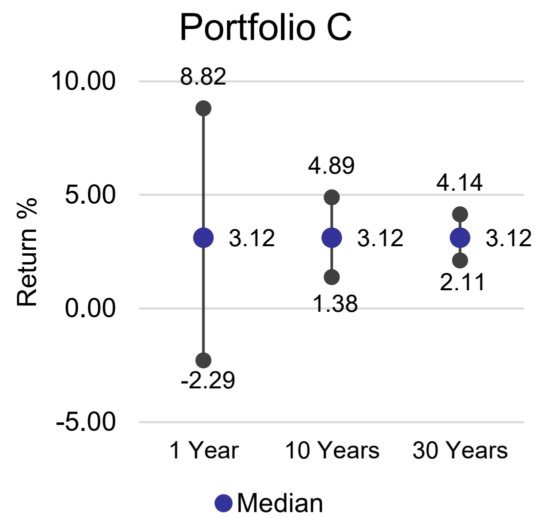


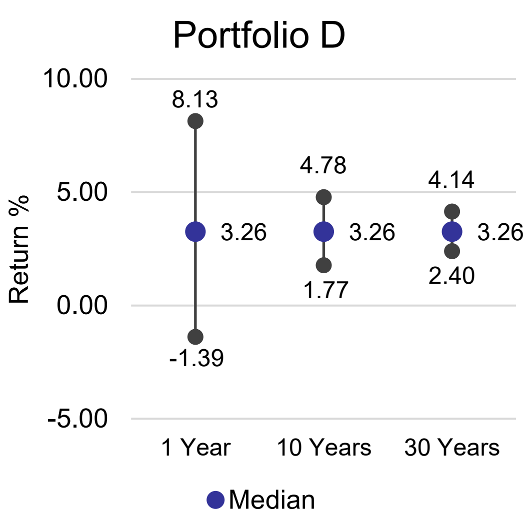
Potential distribution of returns is based on the Parametric Method. Best and worst outcomes are based on the 5th and 95th percentile, respectively.

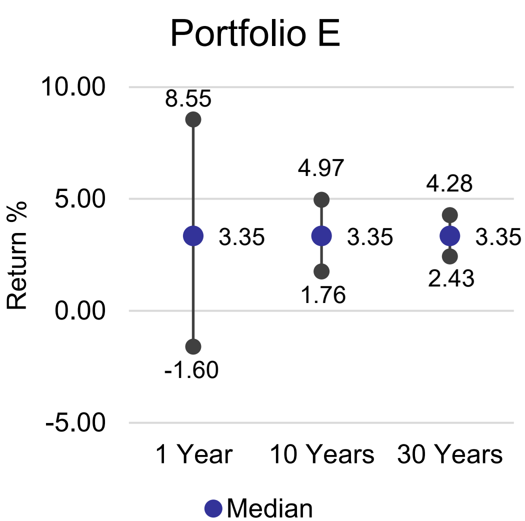
Potential Distribution of Returns











Potential distribution of returns is based on the Parametric Method. Best and worst outcomes are based on the 5th and 95th percentile, respectively.

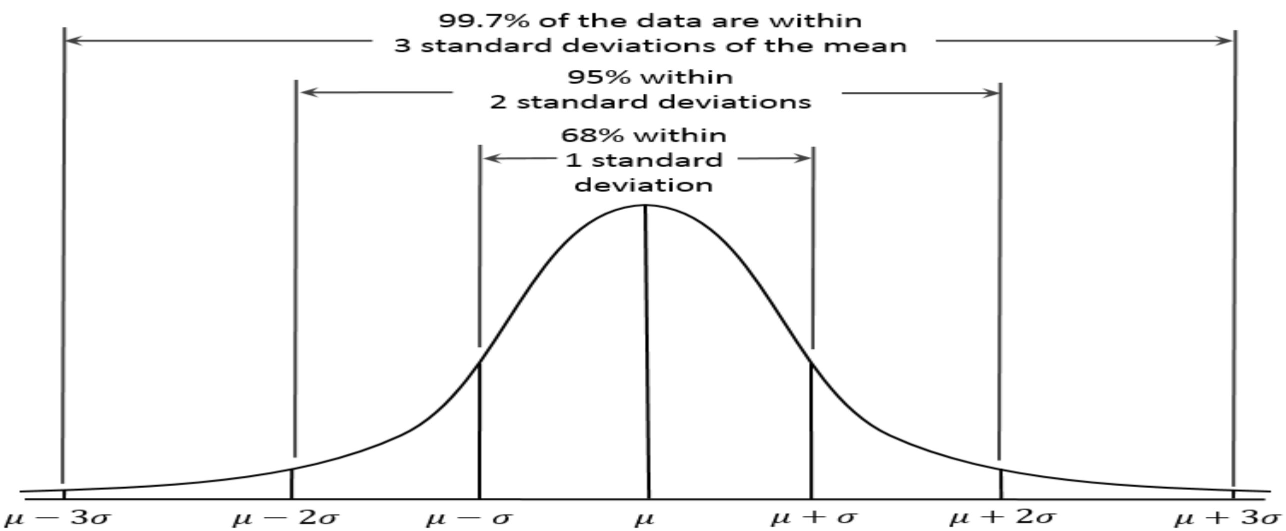
APPENDIX

Explanation of Methodology

- The analysis in this presentation utilizes the parametric method, also known as the variance-covariance method

- The parametric method assumes a normal distribution of returns, commonly refereed to as a bell-shaped curve.
  - For a normal distribution, 68% of the observations are within +/- one standard deviation, 95% are within +/- two standard deviations, and 99.7% are within +/- three standard deviations

- The chart below shows a normal distribution



- In reality, financial returns are not “normal;” they exhibit positive skewness (you get more positive returns above the mean than a normal distribution would predict) and kurtosis (the extreme “tails” of both positive and negative returns occur more often and are more extreme than a normal distribution would predict).

Memo

To: Board of Trustees – Warehouse Employees Local Union #730 Health and Welfare Trust Fund

From: Richard Sichel

CC: Alicia Cochran, James Kimble, Esq., Merle DeLancey, Esq.

Date: March 26, 2021

Re: Boyd Watterson – State Government Fund, L.P.

Organizational Background

Boyd Watterson is headquartered in Cleveland, OH and reports $13.8 billion in total firm assets under management (as of 12/31/20). Effective July 1, 2014 Boyd Watterson became an independent firm after a previous “merger” with National Investment Services (“NIS”) and Wood Asset Management, whose combined investment products were sold under the Titanium Asset Management (“Titanium”) name. Boyd Watterson has approximately 100 employees and is independent and employee-owned.

Boyd Watterson is led by Brian L. Gevry, CEO. Brian Convery, Deputy Chief Investment Officer, leads portfolio management for the State Government Fund. He is supported by Gevry, Robert Law, CIO – Real Estate, Al Iudicello, Chief Strategy Officer, Casey Wendeln, Portfolio Manager, Thomas Cicotello, Portfolio Manager, and approximately 30 staff across acquisitions, asset management and research/capital markets. Boyd Watterson has continued to add to its real estate investment team with the growth of the GSA and State Government Funds, hiring eleven new employees in 2019.

Stephen Perry is Boyd Watterson’s Executive Vice President on the real estate team. Prior to joining the management team in 2014, Stephen was the Administrator of the GSA. Prior to heading the GSA, Stephen was appointed the head of the Ohio Department of Administrative Services and served in the Governors Cabinet. Stephen has extensive direct experience with both state and federal property leasing. Al Iudicello, Chief Strategy Officer, was also a member of the GSA senior management team and worked with Stephen at the GSA.

Boyd Watterson has a strong commitment to using union labor. Bill Sweeney, the former Administrator of the National Plumbers and Pipefitters Pension, has joined the firm to assist in contracting negotiations for building improvements.

Boyd Watterson has obtained a firm credit rating of AA+ and a GSA Fund rating of BBB- from Standard and Poor’s. Boyd Watterson reports that the Fund increased the capacity on its line of credit to $500 million in early 2020.

GSA Fund Background

The Boyd Watterson GSA Fund is the precursor fund to the Boyd Watterson State Government Fund ("State Fund") and utilizes a similar strategy. The GSA Fund has approximately $4.9 billion in gross assets ($2.8 billion net). After initially implementing a soft-close in 2018 (limiting capacity only to the clients of investment consulting firms, including IPS, that have clients already invested in the Fund), Boyd Watterson fully reopened the GSA Fund to all eligible investors in December 2019. Performance for the GSA Fund as of December 31, 2020 is shown below.

Boyd Watterson – GSA Real Estate Fund (Net)	YTD 2020	1-year	3-year	5-year	Since Inception (10/2013)
Income	5.70	5.70	6.25	6.80	6.51
Total Return	6.01	6.01	7.48	7.82	7.51

State Government Fund, LP Overview

The Boyd Watterson State Government Fund launched in February 2018. The Fund's investment objective is to provide a high level of income, stable capital values and modest appreciation in excess of CPI rates. Boyd Watterson's State Government Fund is modeled after its GSA Fund. As of December 31, 2020, the Fund has $1,262 million in gross assets ($707 million net) across more than 80 properties, with approximately 160 investors.

The firm regards state government properties as an attractive alternative to their federal counterparts due to increased diversification and greater annual rent increases. Federal agency leases are generally fixed price leases for the term of the lease with only CPI and tax base increases. Many state agencies sign leases with annual rent increases in excess of CPI. Additionally, state agencies lack the "full faith and credit" of the US Government present in the GSA Fund, thus the rents reflect the state's credit rating and the base rents are higher than US Government rents.

Boyd Watterson has developed multi-factor evaluation criteria to identify favorable states for investment and has assembled an initial list of 24 priority states. The firm anticipates that acquisition of state properties will more typically be in state capitals, which are often considered secondary and tertiary markets, (e.g., Virginia Beach, Tallahassee, Rochester, Albany, Austin, Olympia, Sacramento, etc.). The 24 priority states collectively have more potential rentable space than the US Government, so Boyd Watterson expects the fund could easily accommodate $4 billion in assets.

Key members of Boyd Watterson leadership team formerly worked for Duff and Phelps and while at that firm developed a real estate portfolio management system including asset characteristics and history, property level and fund cash flows and expenses. It is integrated with the CoStar Real Estate Property Database and also has compliance and client service reporting modules. When they left Duff and Phelps to form Boyd Watterson, they were allowed to take this system with them and over the years hired process engineers to continue its development. The software development team is led by Jim Walker. Boyd Watterson believes this system to be a significant competitive information advantage and the Townsend Real Estate Group has commented on its robustness and complete integration of information.

This system has made the identification and evaluation of all GSA properties possible and rather than waiting for properties to come the market and bidding on them, they contact current owners and solicit their interest in selling. They have taken the same approach with state-owned properties and currently have leasing terms, values and ownership data on virtually every property in the US that is leased by state governments.

To protect Boyd Watterson's substantial investment in this software, property data, competitor data and their investment process, they have implemented a multilayer process to protect their intellectual property, including:

- Limited access to the software and data by non-essential users,
- No research leaves the premises
- No disk or flash drives on computers
- All emails are monitored
- Strict confidentiality clauses in the employee handbook which references specific state and federal statutes regarding theft of intellectual property,
- Employee training
- Employment agreements with confidentiality clauses for all shareholders

They have used this data to research and conduct analysis of every state's leases and have the ability to sort them by key factors to identify potential acquisitions. As noted above, their approach to State Fund property acquisition is to identify specific attractive properties and to contact the current owners and make them offers. They then become either the only buyer offer or the preferred buyer. Due to their credit rating and availability of credit, they can also make offers with no financing contingencies, giving them an additional competitive advantage in the acquisition process.

The criteria Boyd Watterson uses in the individual property screening process for their top 12 priority states are:

- <u>Credit quality</u>; underlying credit rating of Aa3 or higher from Moody's or AA- or higher from S&P or Fitch
- <u>Outlook</u> by the credit rating agencies: trends in population growth, wages, jobs, business earnings, new business starts, debt per capital, educational levels, number of colleges and universities, etc.
- <u>Budget and fiscal factors</u>; public pension funding levels[1] and contributions, spending on infrastructure, education, healthcare, etc. Boyd Watterson's large staff in municipal fixed income management has been a significant competitive advantage in the evaluation of state finances and forecasted future trends listed above.
- <u>Local inventory</u> of properties. They consider only states with over 150 million square feet of leased space.
- <u>Lease contract terms</u> and state laws regarding priority of lease payments and termination clauses.

[1] Boyd Watterson has taken each state's pension liabilities and recalculated them using the same standard actuarial assumptions so that realistic liability comparisons can be made.

- Current lease rates, term of lease and price escalation rates.

To minimize risk, the portfolio will stagger leases in geographically diverse properties and invest in states with landlord friendly statutes and lower potential for privatization of services. Critical service agencies, which have a history of increasing funding, will be targeted. Specifically, Boyd Watterson has identified justice, law enforcement, health & human services, legally required services and mission critical services, as particular areas of interest.

There are few national competitors in this space. Boyd Watterson is currently the third largest owner of state assets within their GSA fund. Currently the four largest owners of state assets are Vine Street with 30 state assets, Fall Capital with 25 assets, Government REIT which owns 20 assets, and Hellman which owns 12 assets. The rest of the market is high net worth investors and public/private single-state funds that target specific locations, such as the greater San Francisco Bay area, Olympia, Washington, or Austin, Texas, as examples.

Current acquisition capitalization rates are above 6.5%, well above current capitalization rates being paid for the average commercial real estate property fund. This is due to state property transactions being driven exclusively by brokers retained by sellers to find buyers, not by investors looking for assets.

Additional fund characteristics for the State Fund are noted below:

- Portfolio leverage – the State Fund has a credit line to facilitate the acquisition of properties. Property specific leverage cannot exceed a loan-to-value of 75%, while aggregate (total) leverage is targeted at 50% of fund assets with a range of 40% to 60%. Aggregate leverage is permitted to temporarily exceed 50% (up to a maximum of 60%) for a period of no longer than six months to accommodate new investment contributions so as not to impair the fund's returns. As of December 31, 2020, the Fund's leverage ratio was 39.8%.
- Properties will initially be valued at the cost of acquisition and subsequently by a qualified independent appraiser with the MAI designation. Appraisals will take place at least once annually from the date of acquisition.
- No more than 20% of the fund will be invested in any one state, with the exception of California, which has a 30% maximum due to the size of the California market compared to other states.
- Investment in any single asset is limited to a maximum of 10% of the Fund's gross asset value (GAV).
- CBRE will serve as property manager. They are also the property manager for the GSA Fund.
- A maximum of 15% of annualized rental revenue may be generated by non-state government tenants.

Performance

Boyd Watterson – State Government Fund (Net)	2020	2019	2018	Since Inception (03/2018)
Income	7.64	6.99	5.01*	6.73
Total Return	8.13	11.49	5.34*	8.54
NCREIF ODCE Equal Weighted (net) Index	0.75	5.18	7.31	4.05

*February 2018 inception – December 2018

Boyd Watterson's expectations for cash flow and total return are shown below. These expectations are based on:

- Higher capitalization rates (driven by higher rental income and annual increases),
- Higher net operating income
- Modestly higher fund leverage (50% average vs 40% average for the GSA Fund)

	State Govt. Fund	GSA Fund	Levered Core Fund
Net Operating Income	7.20%	7.00%	4.60%
Fund Leverage	1.82x (at 45%)	1.67x (at 40%)	1.33x (at 25%)
Levered Cap Rate	13.10%	11.70%	6.10%
Less Interest Cost	-3.60%	-2.60%	-1.20%
Less Management Fees	-1.25%	-1.25%	-1.00%
Less Administrative Fees	-0.10%	-0.10%	-0.10%
Net Income Return	**8.15%**	**7.75%**	**3.80%**
Plus Principal Return	1.8% (1.00% x 1.82)	0.8% (0.5% x 1.67)	0.8% (0.6% x 1.33)
Total Targeted Return (Net)	**10.00%**	**8.50%**	**4.60%**

Legal, Regulatory and ERISA Considerations

- Boyd Watterson is registered with the SEC and has had no material litigation or regulatory issues. A copy of their current ADV and brochure are on file.
- The State Fund is structured as a Delaware Limited Partnership and is an open-ended, commingled fund.
- Boyd Watterson meets the definition of an "investment manager" as that term is used in section 3(38) of ERISA and accepts fiduciary responsibility under ERISA for the management of this fund.

Fund Terms

- Legal Entity: Delaware Limited Partnership (open-ended commingled fund) Commingled Investment Trust which will qualify for tax purposes as a REIT with UBTI blocker.
- Minimum Investment: $1 million.
- Fees: Standard management fee is 1.25% on invested capital with no incentive fee. IPS clients are eligible to receive a discounted management fee of 1.15% for calendar year 2021. Beginning January 1, 2022, the management fee will revert to the standard 1.25% fee.
- Distributions: Investors may request the net income for distribution quarterly or reinvestment.
- Redemptions: Quarterly with 60 days' notice; $250,000 minimum redemption (subject to the Fund's ability to provide liquidity from leverage, sales, new subscriptions, and cash holdings).

Risks

In addition to the typical risks of investing in real estate, there are several important differences between Boyd Watterson's US Government GSA Fund and their State Fund.

Tenant renewal rates for state government offices are currently 84%, which is lower than federal agency occupied buildings which is about 95%. Boyd Waterson indicates that renewal rate can be maintained at a higher than average rate by selecting agencies that are required services or mission critical and not at risk for budget cuts or downsizing. Active asset selection is effective as Vine Street has had a 95% renewal rate over 25 years and Fall Capital has had a 99% renewal rate over 20 years.

The US Government GSA Fund lease payments are a "full faith and credit" obligation of the U.S. Government and are not subject to budget reductions or sequester limitations. The lease payments made by individual states are subject to budget constraints. Most state lease terms specifically condition lease payment on budget passage and funding authorizations. On several occasions, individual states have withheld lease payments due to budget or funding delays. However, once a state's budget has passed, revenue has been immediately released and all rent payment arrearages have been cleared in every case.

Moody's bond rating service formally addresses the lease payment issue in their "Outlook" rating of individual states, noting that if a state ever defaults on a lease (and none ever has) then upon renewal, or the issuance of other new leases, investors would factor the default risk in to lease pricing. This could be devastating to the state's credit rating and to the future leasing cost for that state. As a practical matter, Moody's believes that state leases should be considered as fully guaranteed by the state.

Political risk is also greater at the state level. Regime change, shifting budget priorities, population shifts, job creation/ unemployment, and commodity prices can all impact an individual state's finances much more severely than at the national level.

Liquidity, defined as the existence of a large number of ready buyers, may be lower for the State Fund than the GSA Fund or other commercial property funds. Boyd Watterson is already the 3rd largest owner of state assets and will quickly be the largest. There are no other national firms with significant assets in this space. Most owners of state assets are high net worth individuals or small, local, state-specific funds. While this unique investment strategy may be a "first mover" strategic advantage, it also creates higher liquidity risk if several large investors decide to withdraw from the fund.

Leverage, at 40-50%, will be slightly higher in the State Fund than their GSA Fund, but is in line with many other value-added real estate funds.

Summary:

The Boyd Watterson State Fund is a unique investment strategy with several very attractive qualities similar to their GSA Fund. The State Fund offers better cash flow and overall a total return that should approximate a 1.5% premium above the GSA Fund. They have several competitive advantages, such as better information, the availability of credit, active solicitation of sellers and little national competition. The risks are a bit higher with the State Fund than the GSA Fund: slightly higher leverage, lack of state vs. federal guarantees, and potentially less liquidity; however, the stability and reliability of the lease income is still significantly more attractive than a typical commercial real estate fund.

Recommendation:

IPS Manager Research recommends the Investment Committee approve the Boyd Watterson State Fund as a value-added real estate fund for client use where appropriate (**Approved by the IPS Investment Committee on January 18, 2018**).

EPIC

April 30 – May 3, 2019

IPS does not sell products or services to investment managers. However, investment managers may pay IPS to attend and to help defray the cost of IPS' annual conference EPIC. EPIC is an educational conference addressing various issues related to benefit plans. IPS does not give preferential treatment to investment managers or any other provider that pays to attend and help defray the costs of EPIC.

It is important to note that no fees are paid to IPS by any investment manager to be included in a search or database. The only requirement placed upon the manager is their willingness to submit and maintain data concerning their firm, its investment products, and performance results.

Boyd Watterson attended and helped defray the cost of EPIC.

Fee disclosure: IPS believes the proposed fee is reasonable for the strategy and relative to the respective peer group. IPS has not received a placement fee for recommending the investment.

Disclaimer:

This report has been prepared by Investment Performance Services, LLC (“IPS”). Certain information, including information relating to market indices, was provided by sources external to IPS and may not have been verified. While IPS has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of source information contained herein. Information provided in this report is as of the date of the report unless noted otherwise, and IPS is under no obligation to update the information or communicate that any updates have been made. If this report contains information regarding a matter that is outside of the description of services in the written agreement between IPS and the Fund, such information is included for informational purposes only and, the inclusion of such information does not alter or expand the scope of the services provided by IPS.

The Fund’s performance is attributable to factors other than the advice of IPS because, among other things, (a) IPS may act in an advisory capacity (i.e., IPS may not have discretion over Fund assets), (b) the Fund may or may not follow advice provided by IPS, and (c) returns may include investments made prior to the Fund’s relationship with IPS. Nothing contained herein constitutes investment, legal, accounting, actuarial, or tax advice, or a recommendation to buy, sell, or hold a security or pursue a particular investment vehicle or any trading strategy. Past performance is no guaranty of future results.

EPIC

April 30 - May 3, 2019

The following investment managers and providers attended and helped to defray the cost of IPS' annual 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 that pays to attend EPIC.

Aberdeen Standard Investments
Amalgamated Bank of Chicago
American Realty Advisors
ASB Real Estate Investments
Atlanta Capital Management
BlackRock Financial Management
BNY Mellon Asset Management (Mellon)
Boyd Watterson Asset Management
Brown Advisory
Capital Institutional Services, Inc. (CAPIS)
Chartwell Investment Partners
Christenson Investment Partners
Corbin Capital Partners
Corry Capital Advisors
Eaton Vance Management
EnTrust Global
First Eagle Investment Mgmt.
Foundry Partners
Fred Alger Management
GAMCO Asset Management
GCM Grosvenor
Gerding Edlen
Glouston Capital Partners
GoldenTree Asset Management
Great Lakes Advisors
Hamilton Lane Advisors
HarbourVest Partners
Hardman Johnston Global Advisors
Intercontinental Real Estate Corp.
Invesco Advisers, Inc.
Janus Henderson Investors
JP Morgan Asset Management
Kearney Capital LLC
Kelson Group
Lazard Asset Management
Loomis, Sayles & Company
Lord Abbett & Co.
LSV Asset Management
MacKay Shields
McMorgan & Company
MEPT/Bentall Kennedy
National Investment Services
Neuberger Berman
Nuveen
Patriot Financial Partners
PENN Capital Management
Piedmont Investment Advisors
PNC Capital Advisors
Post Advisory Group
Quantitative Management Associates
Quest Investment Management
Rothschild Asset Management
Ryan Labs Asset Management
Segall Bryant & Hamill
Sierra Investment Partners
Smith Graham & Co.
Ullico Investment Company
U.S. Bank
Victory Capital Management
Washington Capital Management
WEDGE Capital Management
Wellington Management Company
Westfield Capital Management
William Blair & Company

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