FELRA and UFCW Pension Fund

Master Consulting Services Report

Period Ended
December 31, 2020

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Market Discussion 4Q | 2020

Financial Market Performance

Periods Ending December 31, 2020

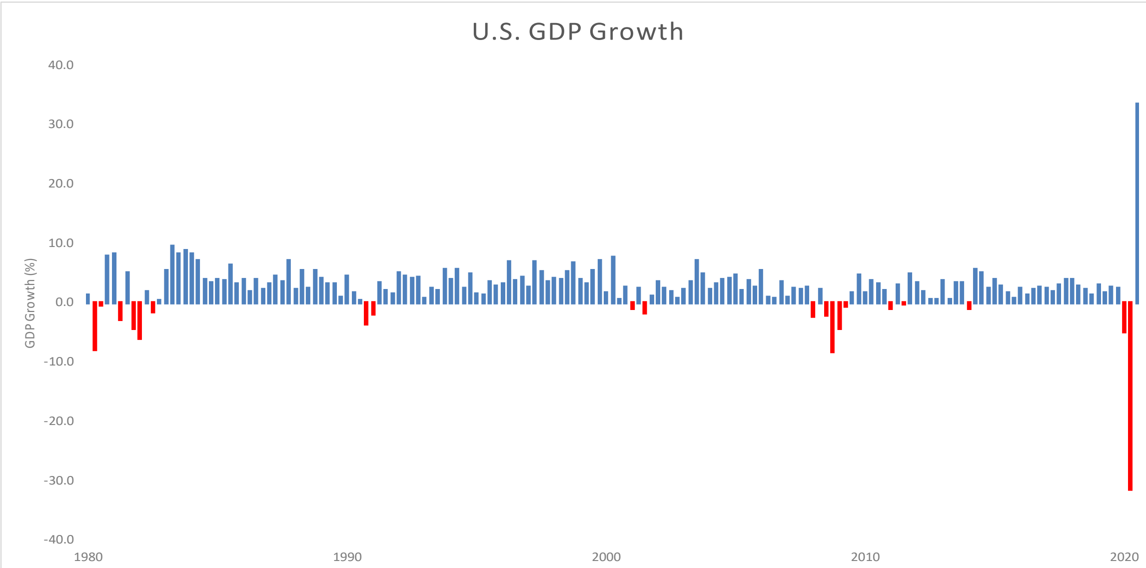
Strategy	Sector	Index	QTR	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	12.2	18.4	31.5	-4.4	21.8	12.0	1.4	18.4	14.2	15.2	13.9	7.5
	US Small Cap	Russell 2000	31.4	20.0	25.5	-11.0	14.7	21.3	-4.4	20.0	10.3	13.3	11.2	8.7
	All Country	MSCI All Country World (net)	14.7	16.3	26.6	-9.4	24.0	7.9	-2.4	16.3	10.1	12.3	9.1	-
	Non-US Developed	MSCI EAFE (net)	16.1	7.8	22.0	-13.8	25.0	1.0	-0.8	7.8	4.3	7.5	5.5	4.5
	Emerging Markets	MSCI EM (net)	19.7	18.3	18.4	-14.6	37.3	11.2	-14.9	18.3	6.2	12.8	3.6	9.6
	Int'l Small Cap	MSCI EAFE Small Cap (net)	17.3	12.3	25.0	-17.9	33.0	2.2	9.6	12.3	4.9	9.4	7.9	8.6
Bonds	**Treasury**	Bloomberg Barclays US Govt	-0.8	7.9	6.8	0.9	2.3	1.1	0.9	7.9	5.2	3.8	3.3	4.3
	Broad Market	Bloomberg Barclays Aggregate	0.7	7.5	8.7	0.0	3.5	2.7	0.6	7.5	5.3	4.4	3.8	4.8
	Intermediate	Bloomberg Barclays Gov/Credit Int.	0.5	6.4	6.8	0.9	2.1	2.1	1.1	6.4	4.7	3.6	3.1	4.3
	High Yield	Bloomberg Barclays HY BaB 2% IC	5.7	7.7	15.2	-1.9	6.9	14.1	-2.7	7.7	6.8	8.2	6.8	7.5
	Short Duration HY	BofA ML HY Cash Pay BB 1-3 YR	3.6	5.4	8.7	1.4	3.6	8.5	1.2	5.4	5.1	5.5	5.0	-
	Global Bonds	FTSE WGBI	2.8	10.1	5.9	-0.8	7.5	1.6	-3.6	10.1	5.0	4.8	2.3	4.6
GTAA	**Unconstrained**	65% MSCI World /35% FTSE WGBI	10.0	15.2	19.8	-5.7	17.0	5.6	-1.6	15.2	9.2	10.0	7.5	6.0
Real Estate	**Core**	NCREIF ODCE Equal Weighted (net)	1.2	0.8	5.2	7.3	6.9	8.4	14.2	0.8	4.4	5.7	9.1	6.4
Hedge Fund of Funds	**Diversified FOFs**	HFRI FOF Composite	7.5	10.3	8.4	-4.0	7.8	0.5	-0.3	10.3	4.7	4.4	3.3	3.7
	Equity Long-Short	HFRI Equity Hedge	14.5	17.5	13.7	-7.1	13.3	5.5	-1.0	17.5	7.5	8.2	5.3	5.4
Commodities	**Commodities**	Goldman Sachs Commodity	14.5	-23.7	17.6	-13.8	5.8	11.4	-32.9	-23.7	-8.2	-1.9	-8.8	-3.6

Asset Class Performance “Quilt”

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EM Equity 32.2%	EM Equity 39.4%	Fx Inc 5.2%	EM Equity 78.5%	Small Cap 26.9%	RE 15.0%	EM Equity 18.2%	Small Cap 38.8%	Large Cap 13.7%	RE 14.2%	Small Cap 21.3%	EM 37.3%	RE 7.3%	Large Cap 31.5%	Small Cap 20.0%
Int'l 26.3%	RE 15.0%	RE -11.1%	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%	Int'l 25.0%	SD HY 1.4%	Mid Cap 30.5%	Large Cap 18.4%
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 11.4%	SD HY 1.2%	Mid Cap 13.8%	Large Cap 21.8%	Fx Inc 0.0%	Small Cap 25.5%	EM 18.3%
Large Cap 15.8%	HFoF 10.3%	HFoF -21.4%	SD HY 36.1%	HY 15.2%	SD HY 4.4%	Small Cap 16.3%	Int'l 22.8%	Fx Inc 6.0%	Fx Inc 0.6%	Large Cap 12.0%	Mid Cap 18.5%	HY -2.3%	Int'l 22.0%	Mid Cap 17.1%
Mid Cap 15.3%	GTAA 9.9%	GTAA -25.4%	Int'l 31.8%	RE 15.1%	Large Cap 2.1%	Large Cap 16.1%	GTAA 15.3%	Small Cap 4.9%	HFoF -0.3%	EM 11.2%	GTAA 17.0%	HFoF -4.0%	GTAA 19.8%	GTAA 15.2%
GTAA 15.1%	Fx Inc 7.0%	HY -26.4%	Small Cap 27.2%	Large Cap 15.1%	GTAA -0.9%	HY 15.6%	RE 12.4%	HFoF 3.4%	Int'l -0.8%	SD HY 8.5%	Small Cap 14.7%	Large Cap -4.4%	EM 18.4%	HFoF 10.3%
RE 15.1%	Mid Cap 5.6%	Small Cap -33.8%	Large Cap 26.5%	SD HY 11.7%	Mid Cap -1.6%	GTAA 10.9%	HFoF 9.0%	GTAA 3.0%	GTAA -1.6%	RE 8.4%	HFoF 7.8%	GTAA -5.7%	HY 14.4%	Int'l 7.8%
HY 11.7%	Large Cap 5.5%	Large Cap -37.0%	GTAA 20.1%	GTAA 9.8%	Small Cap -4.2%	SD HY 10.2%	HY 7.4%	HY 2.5%	Mid Cap -2.4%	GTAA 5.6%	HY 7.5%	Mid Cap -9.1%	Fx Inc 8.7%	Fx Inc 7.5%
HFoF 10.4%	SD HY 3.9%	Mid Cap -41.5%	HFoF 11.5%	Int'l 7.8%	HFoF -5.7%	RE 9.9%	SD HY 5.6%	SD HY 1.9%	Small Cap -4.4%	Fx Inc 2.7%	RE 6.9%	Small Cap -11.0%	SD HY 8.7%	HY 6.2%
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 3.6%	Int'l -13.8%	HFoF 8.4%	SD HY 5.4%
Fx Inc 4.3%	Small Cap -1.6%	EM Equity -53.3%	RE -31.3%	HFoF 5.7%	EM Equity -18.4%	Fx Inc 4.2%	EM Equity -2.6%	Int'l -4.9%	EM Equity -14.9%	HFoF 0.5%	Fx Inc 3.5%	EM -14.6%	RE 5.2%	RE 0.8%

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. Economy



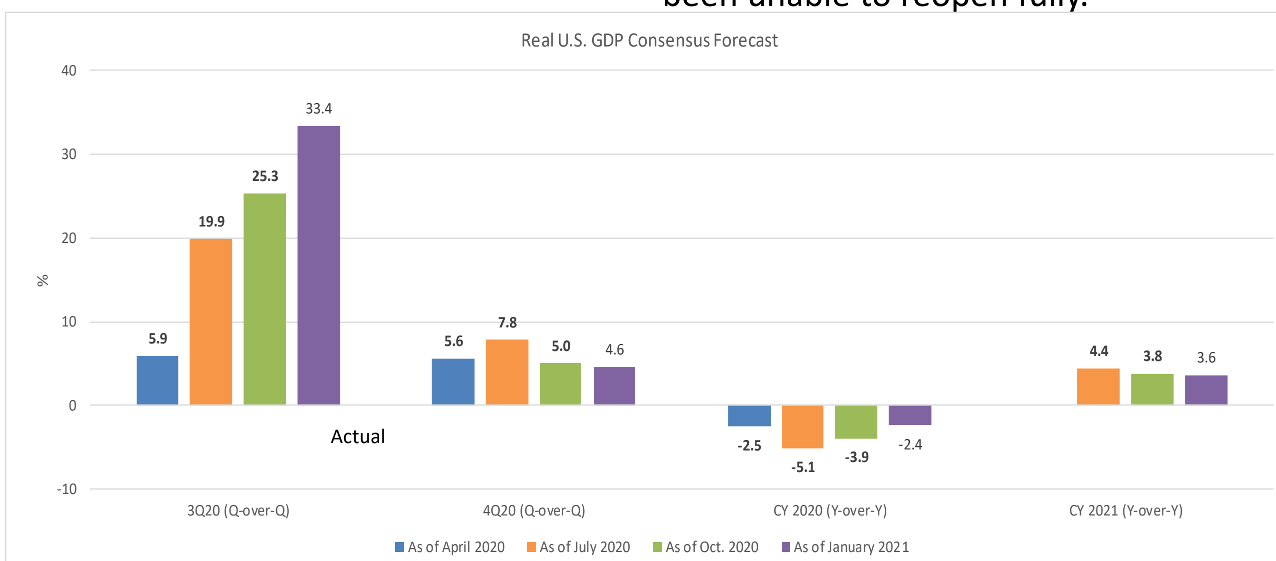
Source: U.S. Bureau of Economic Analysis, Real Gross Domestic Product, retrieved from FRED, Federal Reserve Bank of St. Louis

U.S. Experiences First Recession in Over a Decade

- Restrictions implemented in response to the COVID pandemic resulted in declines in U.S. GDP for the first two quarters of 2020, pushing the U.S. economy into a recession for the first time in over a decade.
- GDP growth surged by 33.4% in 3Q20 as restrictions were lifted and stimulus flowed through the economy.
- Despite the surge in the most recent quarter, growth remains well below trend as large segments of the economy have been unable to reopen fully.

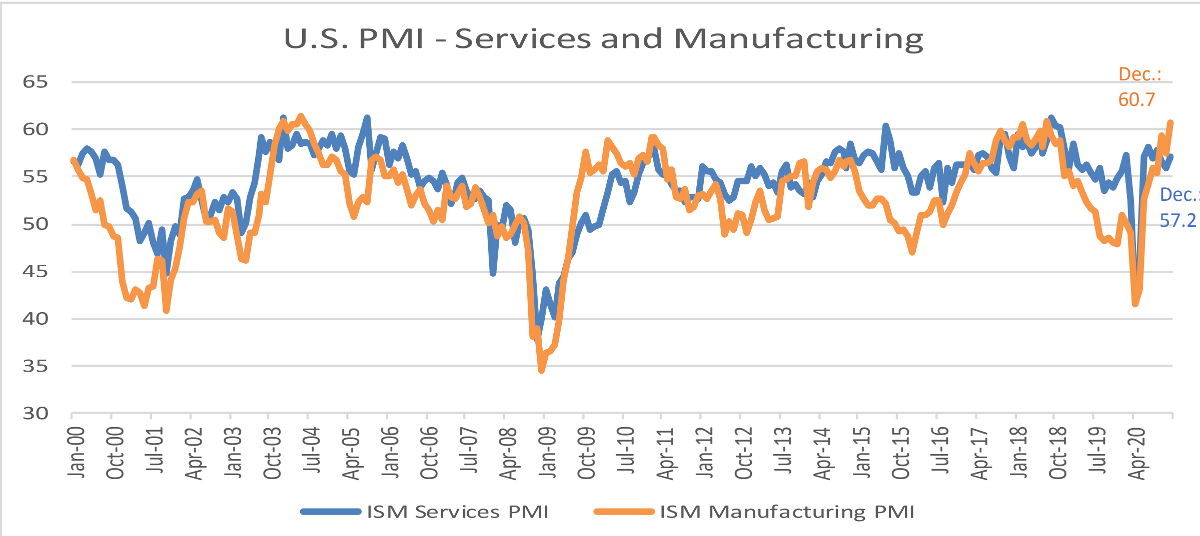
Above Trend Growth Expected in 2021

- Consensus estimates for U.S. GDP growth have been volatile, with actual 3Q20 growth of 33.4% well above expectations.
- While full year consensus for 2021 declined from 4.4% in July to 3.6% according to more recent projections, the expected growth rate still represents a premium to pre-COVID trends.



Source: Bloomberg

U.S. Economy



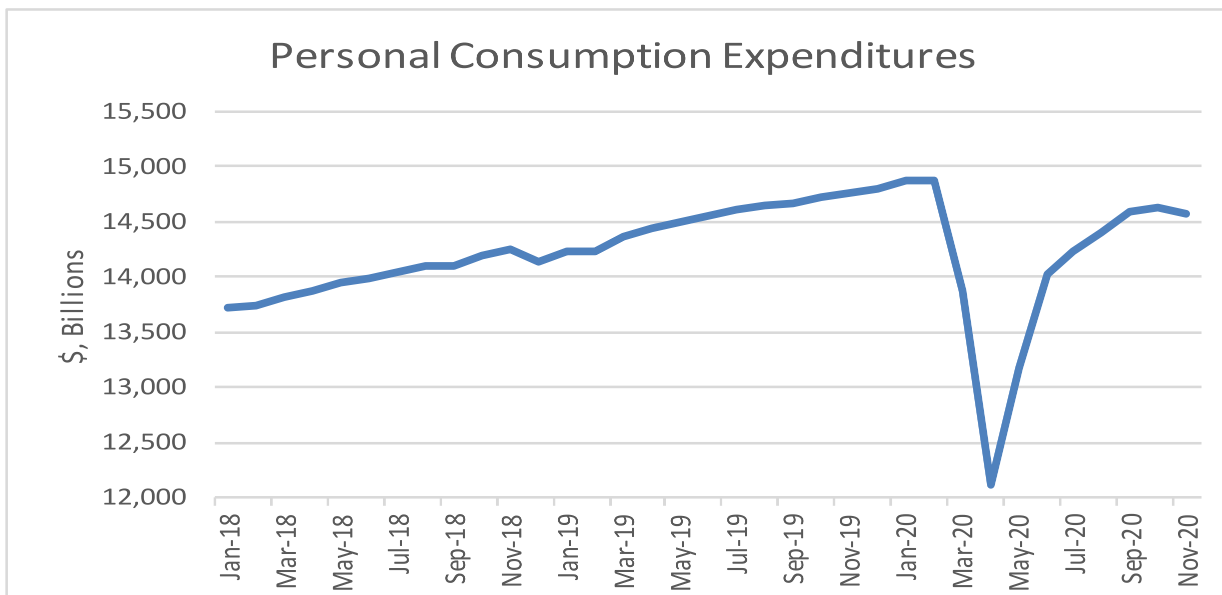
Source: Bloomberg

PMIs Suggest Robust Recovery in 2021

- Both services and manufacturing PMIs have rebounded steeply from the April lows.
- Recent readings have been strong despite additional lockdown measures, suggesting a robust economic recovery in 2021.
- The rebound in manufacturing activity continues to be more robust than services, which have been impacted to a greater degree by restrictions.

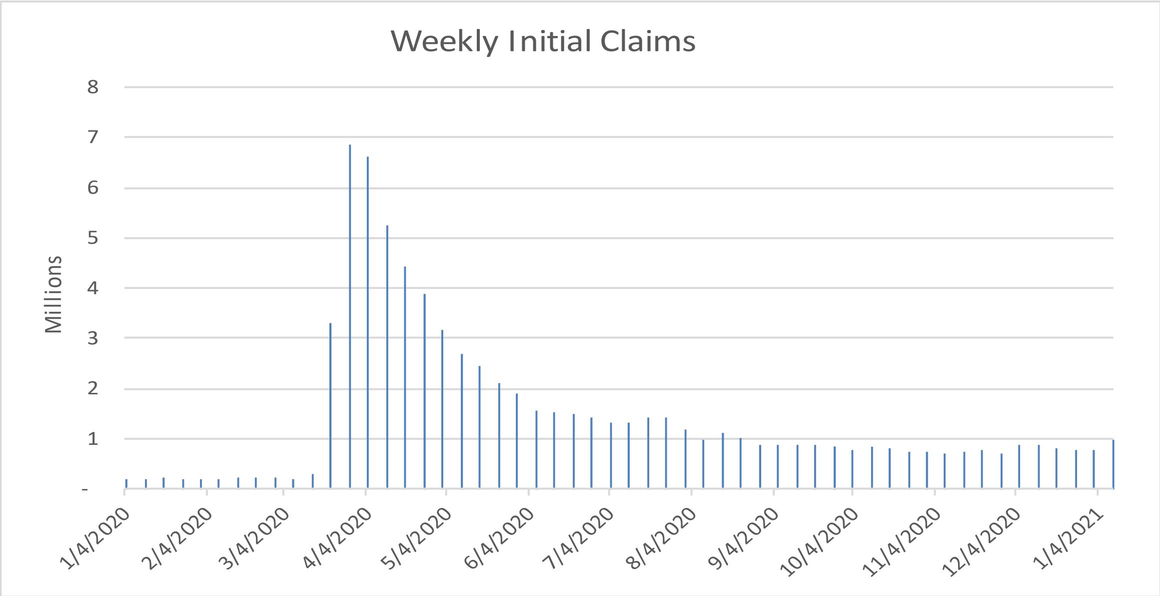
Consumer Spending Weakens

- Consumption has weakened in recent months as a second round of restrictions in response to rising COVID cases has negatively impacted consumer spending.
- With consumer savings rates elevated, spending should increase in coming months as restrictions are eased and additional fiscal stimulus is introduced.



Source: U.S. Bureau of Economic Analysis, Personal Consumption Expenditures [PCE], retrieved from FRED, Federal Reserve Bank of St. Louis

U.S. Economy



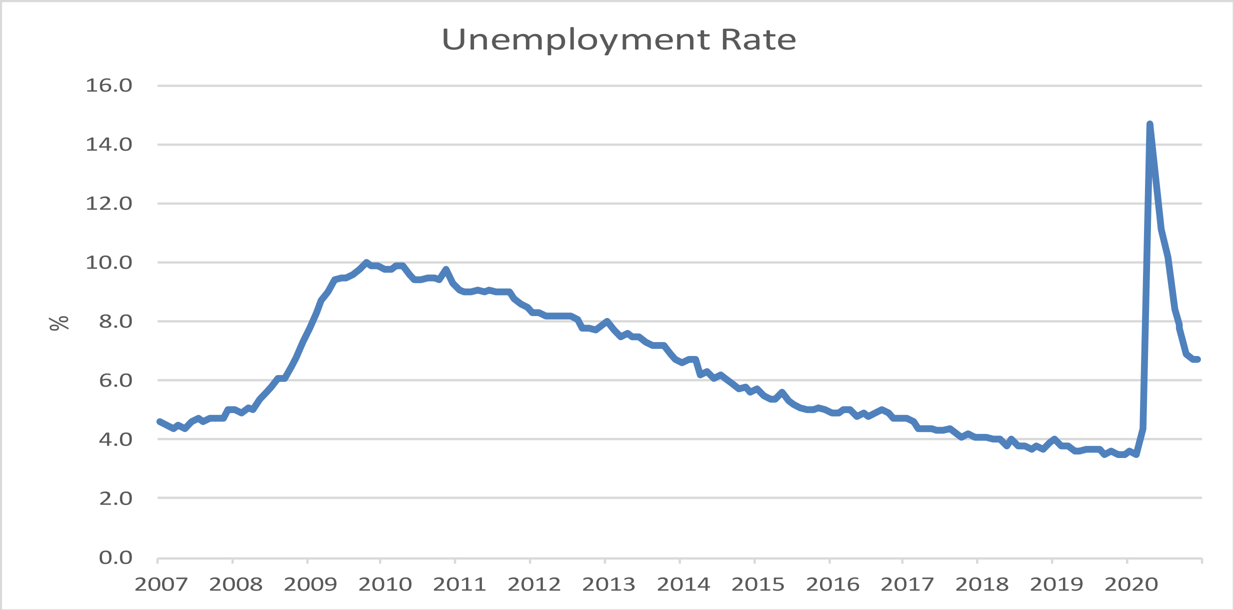
Source: U.S. Employment and Training Administration, Initial Claims [ICSA], retrieved from FRED, Federal Reserve Bank of St. Louis

Jobless Claims Remain Elevated

- The shutdown caused by the COVID-19 pandemic resulted in a record number of unemployment claims, as nearly 76 million workers filed initial claims since mid-March.
- Jobless claims leveled off in recent months but remain elevated relative to pre-COVID levels, and the pace of declines has slowed, suggesting that additional restrictions put in place in response to the second wave of COVID-19 have impacted the employment market.

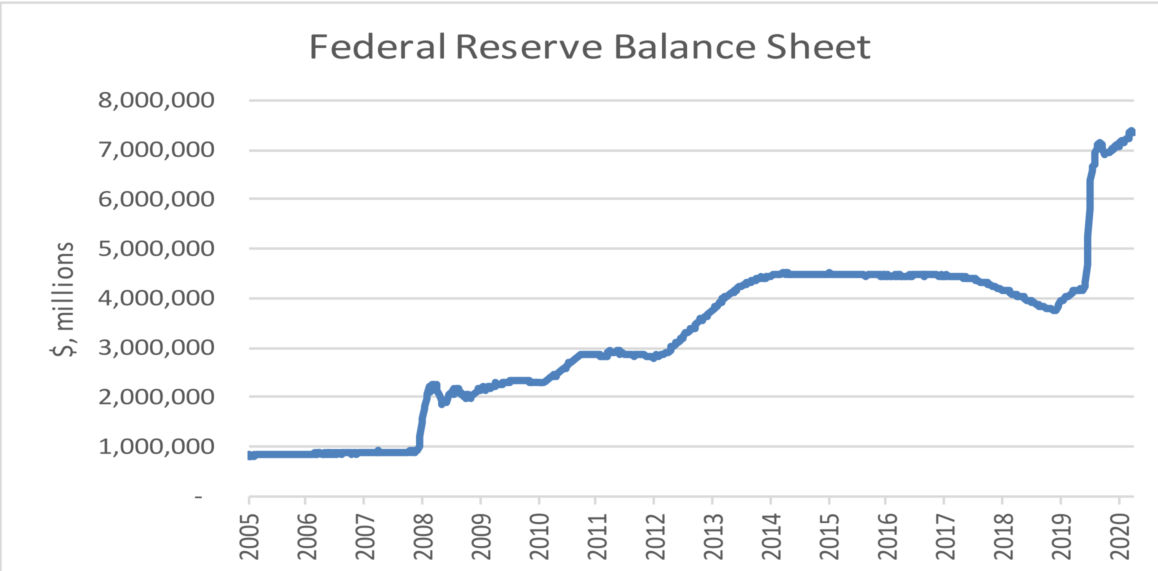
Unemployment Rate Well Above Pre-COVID Level

- Unemployment rate has recovered over 75% from the spike in Q1.
- The unemployment rate declined from a peak of 14.7% in April to 6.7% in December, but remains well above the pre-pandemic level of 3.5% in February.
- While 66% of jobs lost in the goods sector have been recovered, only 54% of those lost in the services sector have been regained.



Source: U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], retrieved from FRED, Federal Reserve Bank of St. Louis

U.S. Economy



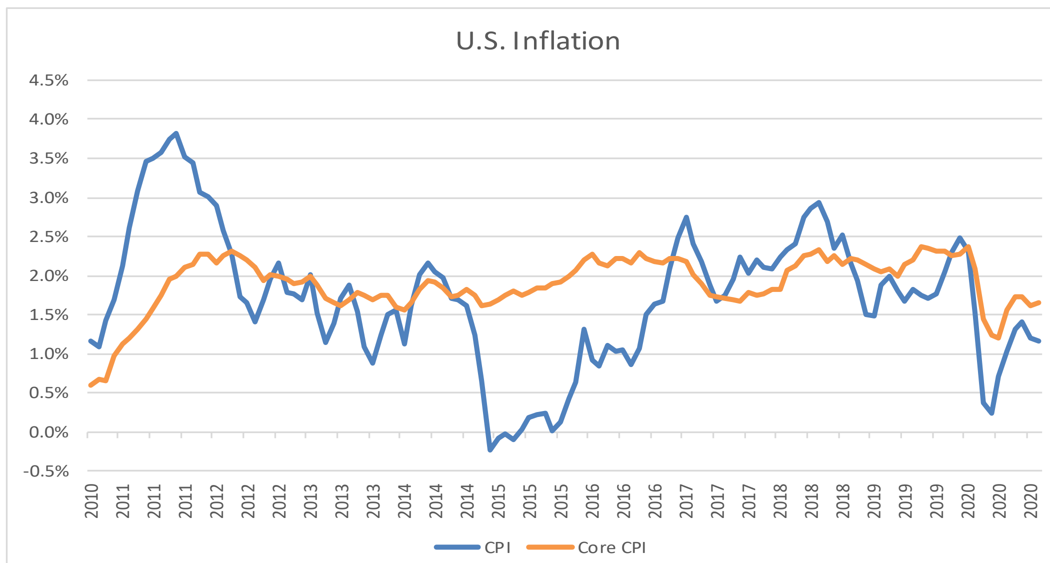
Source: Board of Governors of the Federal Reserve System (US), Assets: Total Assets: Total Assets (Less Eliminations from Consolidation): Wednesday Level [WALCL], retrieved from FRED, Federal Reserve Bank of St. Louis

Unprecedented Monetary Support

- During 2020, the Federal Reserve grew its balance sheet by approximately $3.2 trillion as the central bank delivered massive monetary accommodation.
- Additionally, it formed an explicit backstop to purchase corporate and municipal bonds in order to support financial markets.
- Globally, central banks injected nearly $8 trillion in liquidity into financial markets.
- At $7.4 trillion, the Fed's balance sheet represents approximately 35% of U.S. GDP.

Inflation Picks Up

- The onset of the recession and the collapse in oil prices triggered a decline in inflation, with CPI falling to 0.2% year-over-year in May.
- Inflation has since stabilized with CPI rising to 1.2% in November and Core CPI, which excludes food and energy, at 1.7%, up from 1.2% in May.
- The Fed, which previously targeted a 2% inflation rate, communicated a change in approach whereby they will now allow for higher inflation in an effort to eliminate employment shortfalls.



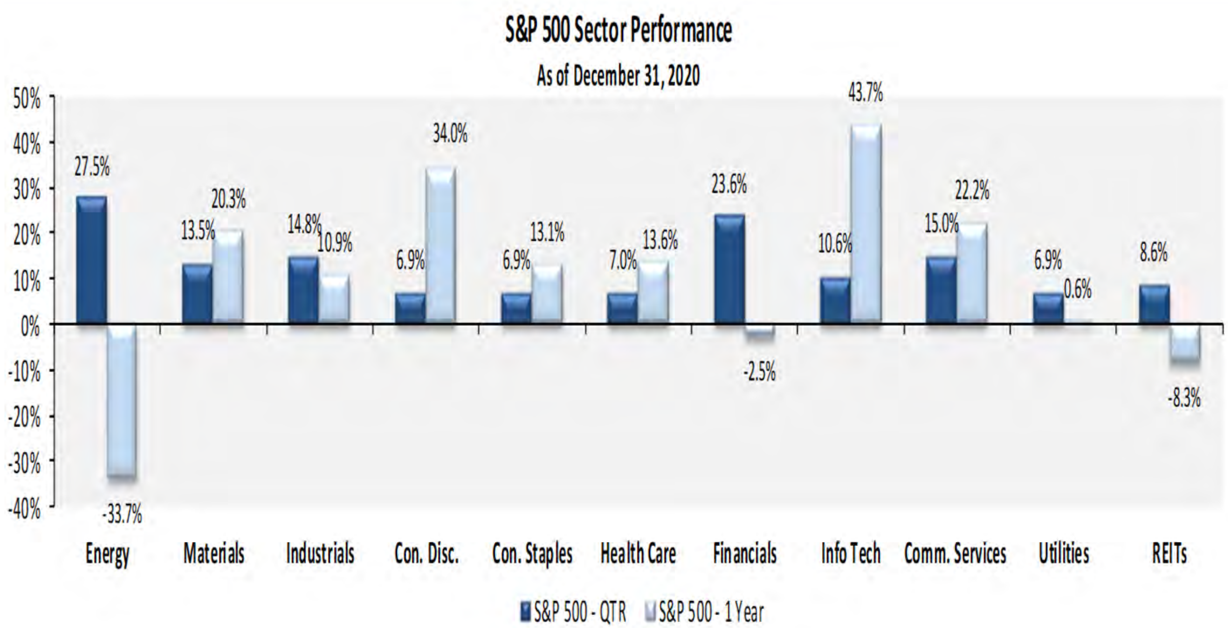
Source: CPI – U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items in U.S. City Average [CPIAUCSL]. Core CPI - U.S. Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers: All Items Less Food and Energy in U.S. City Average [CPILFESL] Retrieved from FRED, Federal Reserve Bank of St. Louis

U.S. Equity Market

Sector	Index	4Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	12.2	18.4	31.5	(4.4)	21.8	12.0	1.4	18.4	14.2	15.2	13.9
	Russell 1000	13.7	21.0	31.4	(4.8)	21.7	12.1	0.9	21.0	14.8	15.6	14.0
	Russell 1000 Value	16.3	2.8	26.5	(8.3)	13.7	17.3	(3.8)	2.8	6.1	9.7	10.5
	Russell 1000 Growth	11.4	38.5	36.4	(1.5)	30.2	7.1	5.7	38.5	23.0	21.0	17.2
Mid Cap	Russell Mid-Cap	19.9	17.1	30.5	(9.1)	18.5	13.8	(2.4)	17.1	11.6	13.4	12.4
	Russell Mid-Cap Value	20.4	5.0	27.1	(12.3)	13.3	20.0	(4.8)	5.0	5.4	9.7	10.5
	Russell Mid-Cap Growth	19.0	35.6	35.5	(4.8)	25.3	7.3	(0.2)	35.6	20.5	18.7	15.1
Small Cap	Russell 2000	31.4	20.0	25.5	(11.0)	14.7	21.3	(4.4)	20.0	10.3	13.3	11.2
	Russell 2000 Value	33.4	4.6	22.4	(12.9)	7.8	31.7	(7.5)	4.6	3.7	9.7	8.7
	Russell 2000 Growth	29.6	34.6	28.5	(9.3)	22.2	11.3	(1.4)	34.6	16.2	16.4	13.5
Total Market	Wilshire 5000	14.5	20.8	31.0	(5.3)	21.0	13.4	0.7	20.8	14.5	15.5	13.8
	Russell 3000	14.7	20.9	31.0	(5.2)	21.1	12.7	0.5	20.9	14.5	15.4	13.8

- U.S. equities closed the year with double digit positive returns for the quarter in the midst of a shift in market leadership.
- Large cap stocks (S&P 500) returned 12.2% for the quarter and 18.4% for the year.
- For most of the year, the S&P 500 return was largely driven by a handful of large tech stocks; however, in 4Q20, performance was more broad as evidenced by the outperformance of the equal weight S&P 500.
- As measured by the Russell 2000 Index, small cap U.S. equities were up 31.4% for the quarter and overtook large cap stocks for the year with a return of 20.0%
- Value stocks outperformed growth stocks for the quarter, with the Russell 1000 Value Index returning 16.3% while the Russell 1000 Growth Index returned 11.4%; however, growth stocks outperformed by a wide margin for the year.

U.S. Equity Market

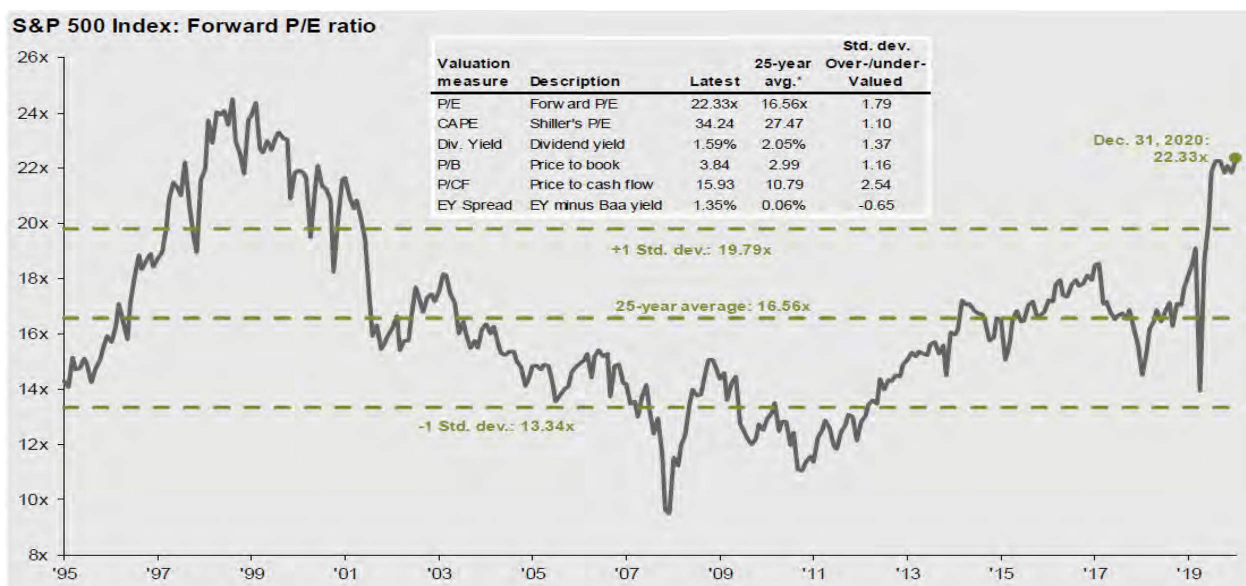


Positive Performance for All Sectors

- All sectors produced positive performance for the quarter, with energy (+27.5%) and financials (+23.6%) leading the way.
- Despite the strong performance in 4Q20, energy and financials, along with REITs, were the only sectors to produce negative returns for the year.
- Information technology (+43.7%) and consumer discretionary (+34.0%) were the best performing sectors for the year.

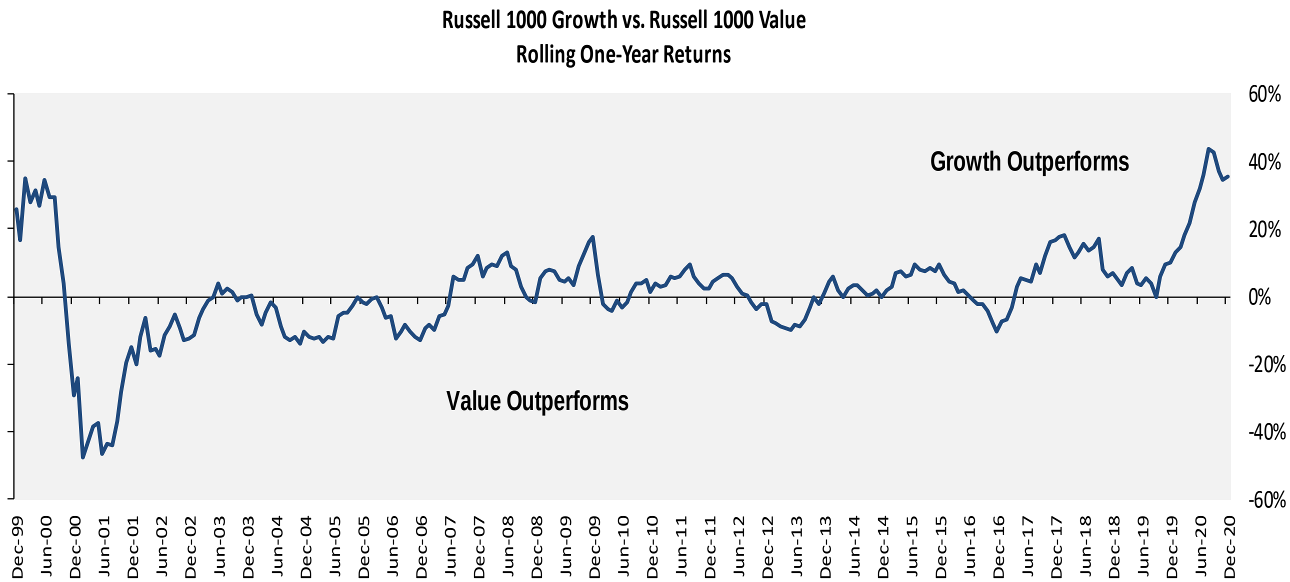
U.S. Stock Valuations at Highest Level in Nearly a Decade

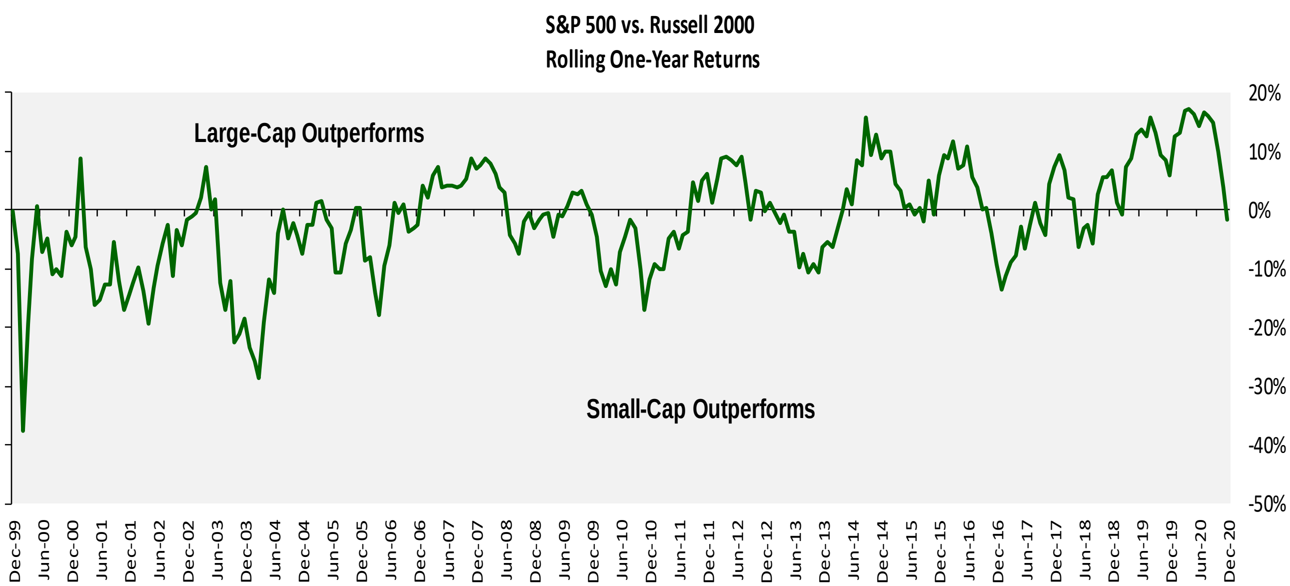
- The forward P/E of the S&P 500 increased from 18.2x at the start of the year to 22.3x at the end of 4Q20, as earnings fell 20% on the year while stock prices rapidly recovered from the 1Q20 sell- off.
- A strong earnings recovery in 2021 is likely critical given returns for the past two years have primarily been driven by multiple expansion.



Source: J.P. Morgan Asset Management

U.S. Equity Market

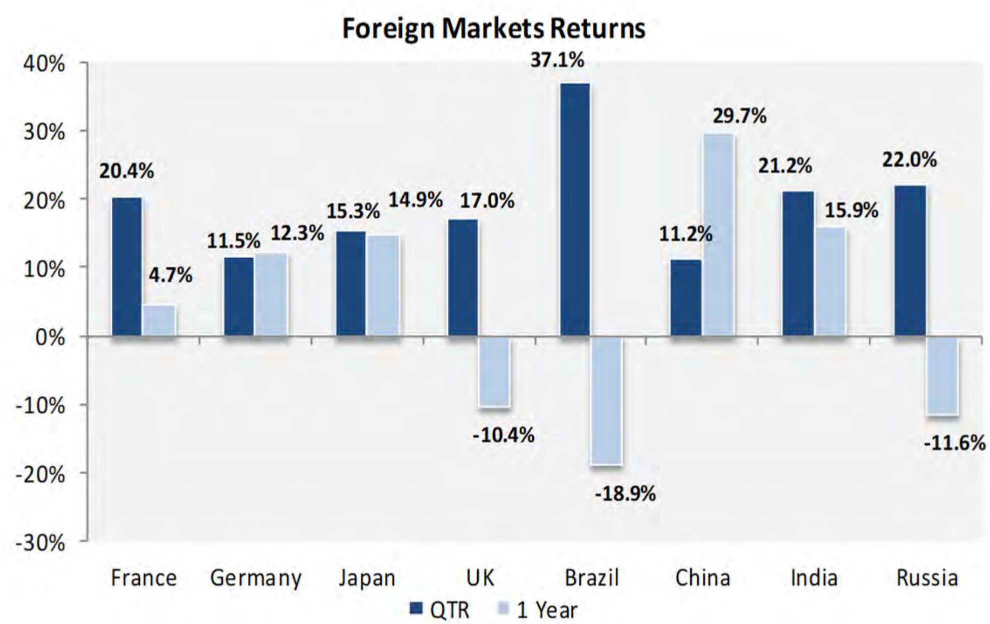




- 4Q20 marked a reversal of the recent trend of outperformance by growth and large cap stocks as both value and small caps outperformed.
- Despite outperforming in 4Q20, value continues to trail growth by a wide margin over longer periods, as value indices have been negatively impacted by their high exposure to the energy and financial sectors.
- The energy sector, which represents over 6% of the large value index and less than 1% of the large growth index, returned -34% over the last 12 months.
- Conversely, technology, the best performing sector over the last year (+44%), represents 44% of the large growth index and 10% of the large value index.

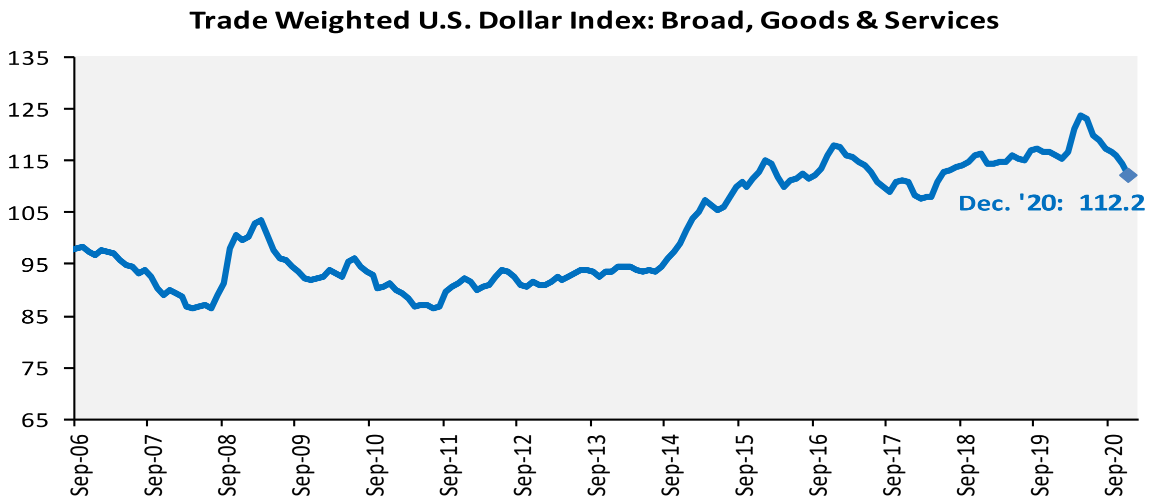
International Equity Market

Sector	Index	4Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	14.7	16.3	26.6	(9.4)	24.0	7.9	(2.4)	16.3	10.1	12.3	9.1
	MSCI World Small Cap (net)	23.7	16.3	24.7	(14.4)	23.8	11.6	(1.0)	16.3	7.5	11.4	8.8
	MSCI World ex US (net)	17.0	10.7	21.5	(14.2)	27.2	4.5	(5.7)	10.7	4.9	8.9	4.9
	MSCI World ex US Small Cap (net)	18.6	14.2	22.4	(18.2)	31.6	3.9	2.6	14.2	4.6	9.4	6.0
Developed ex US	MSCI EAFE (net)	16.1	7.8	22.0	(13.8)	25.0	1.0	(0.8)	7.8	4.3	7.5	5.5
	MSCI EAFE Value (net)	19.2	(2.6)	16.1	(14.8)	21.4	5.0	(5.7)	(2.6)	(1.2)	4.2	3.4
	MSCI EAFE Growth (net)	13.1	18.3	27.9	(12.8)	28.9	(3.0)	4.1	18.3	9.7	10.5	7.5
	MSCI EAFE Small Cap (net)	17.3	12.3	25.0	(17.9)	33.0	2.2	9.6	12.3	4.9	9.4	7.9
Emerging Markets	MSCI Emerging Markets (net)	19.7	18.3	18.4	(14.6)	37.3	11.2	(14.9)	18.3	6.2	12.8	3.6



- Despite strong gains in 4Q20, developed non-U.S. equities again underperformed vs. U.S. markets in 2020.
- For the quarter, developed non-U.S. markets as measured by the MSCI EAFE Index returned 16.1% while emerging markets returned 19.7% as measured by the MSCI Emerging Market Index.
- Among developed market countries, France (+20.4%) and the U.K. (+17.0%) were the best performers.
- In emerging markets, Brazil (+37.1%) and Russia (+22.0%) were the best performers.
- China, which is the largest country in the emerging market index, was up 29.7% for the year and was the only major economy to experience positive economic growth in 2020.

International Equity Market



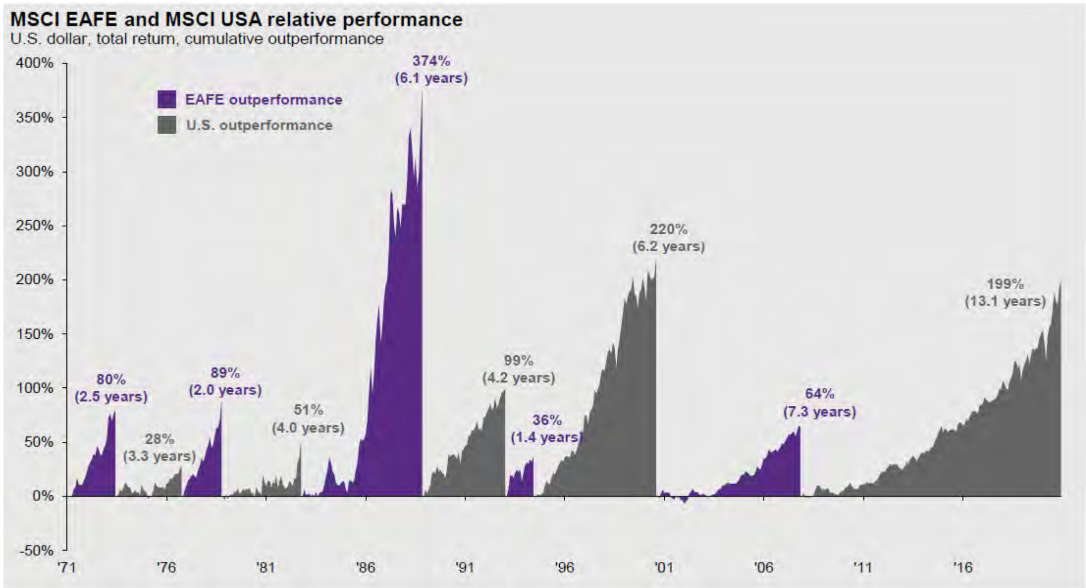
Source: Board of Governors of the Federal Reserve System (US)

U.S. Dollar Retreats From Multi-year High

- After reaching a multi-year high of 123.6 in April, the U.S. Dollar depreciated to 112.2 in 4Q20, as the safe haven buying experienced earlier in the year faded and the growth in fiscal and monetary stimulus weighed on the U.S. currency.

Unprecedented Period of U.S. Equity Market Outperformance

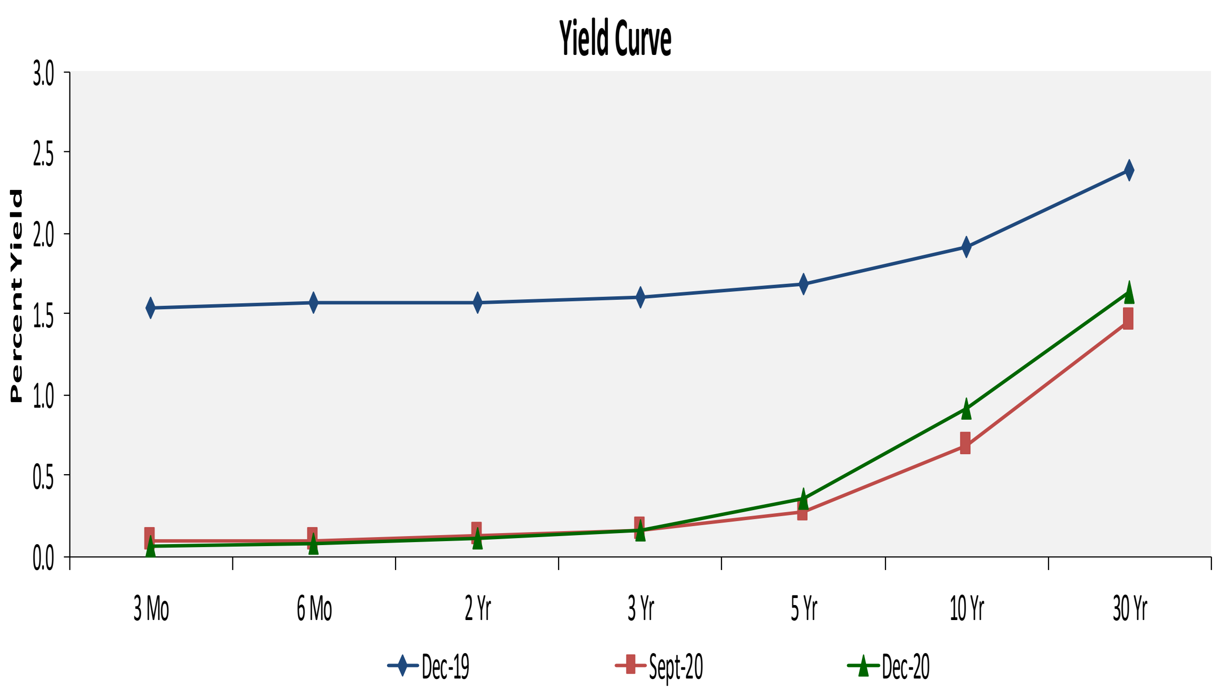
- U.S. equity markets have now outperformed developed non-U.S. markets by 199% cumulatively over the last 13.1 years.
- Notably, while the length of the period of outperformance is longer than any other period over the last 50 years, the magnitude is less than that of the U.S. outperformance in the late 1990s and the period of non-U.S. outperformance in late 1980s.



Source: J.P. Morgan Asset Management

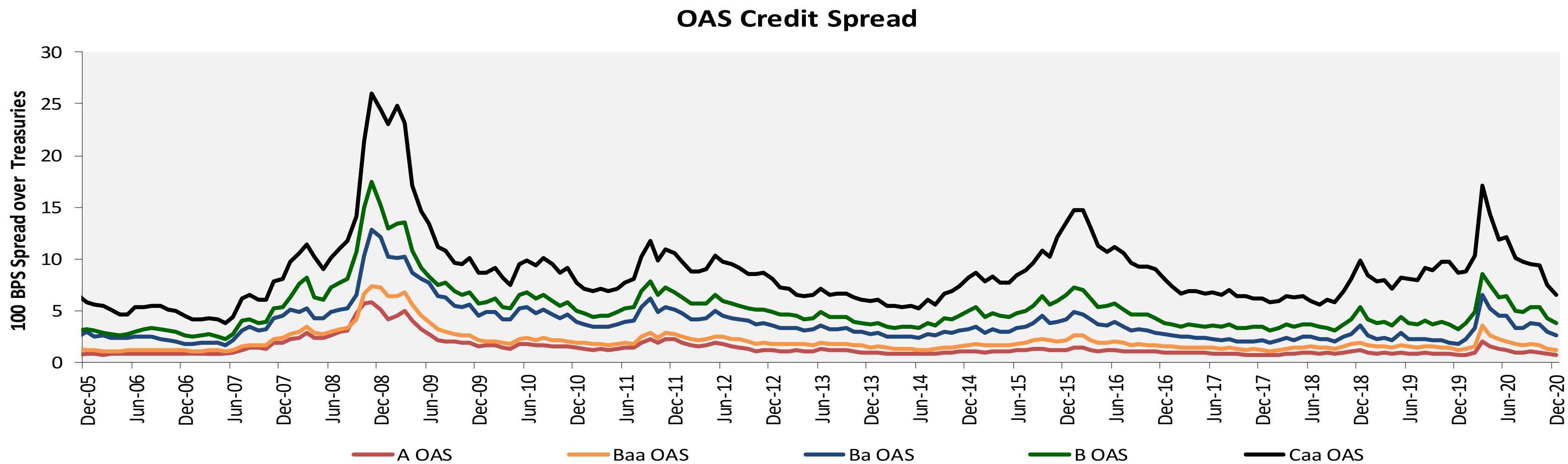
Bond Market

Index	Yield	Duration	4Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	1.12	6.4	0.7	7.5	8.7	0.0	3.5	2.7	0.6	7.5	5.3	4.4	3.8
Bloomberg Barclays Govt/Credit	1.07	7.6	0.8	8.9	9.7	(0.4)	4.0	3.1	0.2	8.9	6.0	5.0	4.2
Bloomberg Barclays Int Agg	0.83	3.9	0.4	5.6	6.7	0.9	2.3	2.0	1.2	5.6	4.4	3.5	3.1
Bloomberg Barclays Int Govt/Credit	0.59	4.1	0.5	6.4	6.8	0.9	2.1	2.1	1.1	6.4	4.7	3.6	3.1
Bloomberg Barclays U.S. Corporate	1.74	8.8	3.1	9.9	14.5	(2.5)	6.4	6.1	(0.7)	9.9	7.1	6.7	5.6
Bloomberg Barclays HY Ba/B 2% IC	3.67	3.5	5.7	7.7	15.2	(1.9)	6.9	14.1	(2.7)	7.7	6.8	8.2	6.8
BofA ML HY Cash Pay BB 1-3 Yr.	3.09	1.6	3.6	5.4	8.7	1.4	3.6	8.5	1.2	5.4	5.1	5.5	5.0
Bloomberg Barclays Mortgage	1.25	3.4	0.2	3.9	6.4	1.0	2.5	1.7	1.5	3.9	3.7	3.1	3.0
Bloomberg Barclays Treasury	0.57	7.1	(0.8)	8.0	6.9	0.9	2.3	1.0	0.8	8.0	5.2	3.8	3.3
Bloomberg Barclays US TIPS	0.69	7.6	1.6	11.0	8.4	(1.3)	3.0	4.7	(1.4)	11.0	5.9	5.1	3.8
BofA ML 91 day T-Bills	0.08	0.2	0.0	0.7	2.3	1.9	0.9	0.3	0.1	0.7	1.6	1.2	0.6



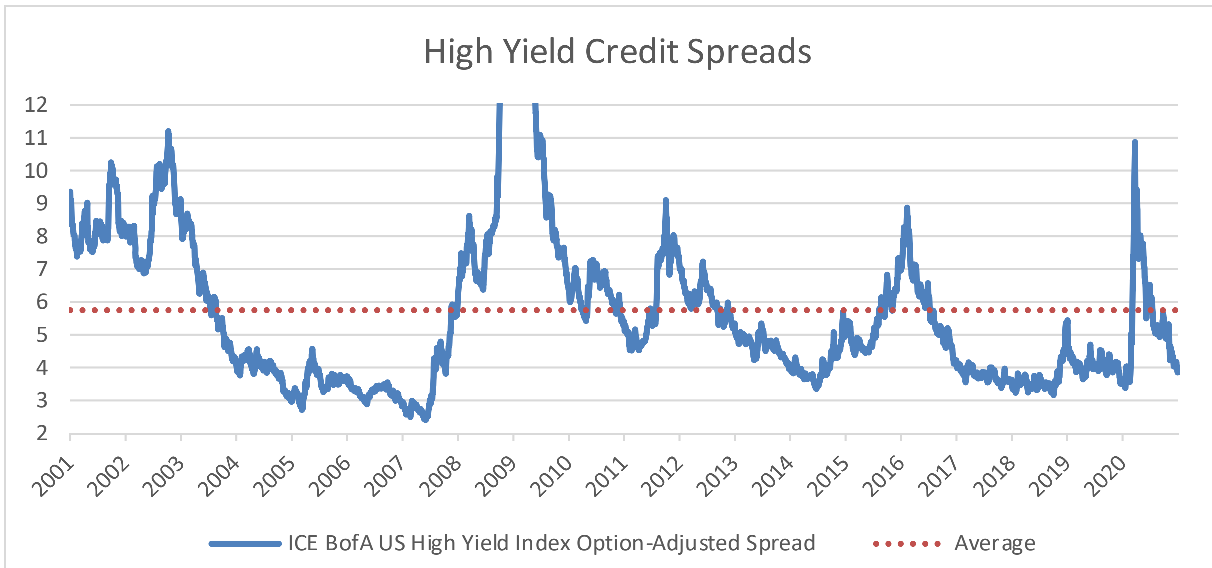
- For the quarter, the yield curve steepened with short rates anchored at historically low levels by the Fed Funds Rate while longer rates rose moderately.
- Significant central bank support both in the U.S. and globally resulted in tighter spreads for credit sectors.
- As a result, credit outperformed Treasuries, with high yield (+5.7%) outperforming investment grade credit (+3.1%).
- Within high yield, lower quality CCC (+9.9%) outperformed higher quality BB (+5.7%).

Bond Market



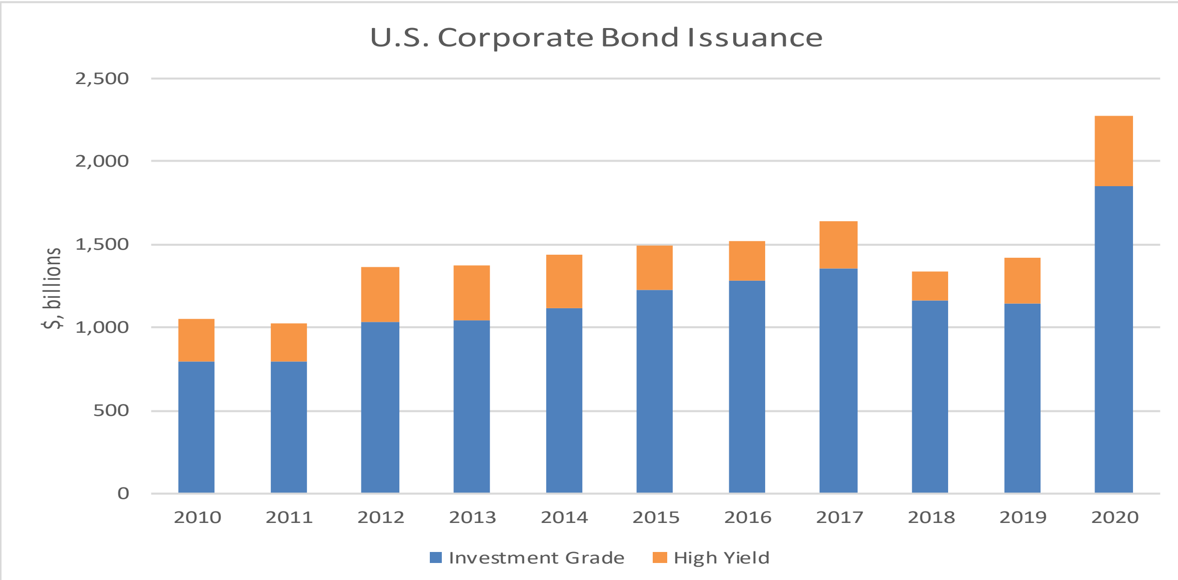
High Yield Spreads Tighten During 4Q20

- High yield markets continued to retrace the spread widening that occurred in 1Q20, declining by 155 bps in 4Q20 and finishing 2020 only a few dozen bps above where they started the year
- At 3.86% at the end of 4Q20, spreads are over 700 bps tighter relative to the YTD spread wide seen in March and well below the 20-year average of 5.75%.



Ice Data Indices, LLC, ICE BofA US High Yield Index Option-Adjusted Spread [BAMLH0A0HYM2], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/BAMLH0A0HYM2, Dec. 31 2020.

Bond Market



Source: SIFMA

Federal Reserve Support Results in Record Issuance

- Despite corporate debt issuance slowing in the second half of the year, full year issuance for investment grade ($1.9 trillion) and high yield ($421 billion) were the most on record as companies seek to take advantage of historically low borrowing rates and market liquidity created by the Federal Reserve facilities for buying corporate debt.

Bond Ratings

	Standard & Poor's	Moody's
Investment Grade	AAA	Aaa
	AA	Aa
	A	A
	BBB	Baa
High Quality High Yield	BB	Ba
	B	B
Low Quality High Yield	CCC	Caa
	CC	Ca
	C	C

Bond Market

Interest Rate Sensitivity

12 Month Holding Period - Annualized Returns as of 12/31/2020							
Yield Change (bps)	10 Year Treasury	Bloomberg Barclays Aggregate US Aggregate	Bloomberg Barclays Int Govt/Credit US Int Govt/Credit	ICE BofA Gov/Corp Master	ICE BofA 1-3 yr Gov/Corp	Defensive ICE BofA US HY BB/B ND	Short Duration ICE BofA US HY BB/B 1-3 yr
-150	15.04	10.75	6.76	12.45	3.07	8.90	5.46
-100	10.33	7.54	4.70	8.66	2.13	7.13	4.67
-50	5.62	4.33	2.65	4.87	1.19	5.37	3.88
-25	3.27	2.73	1.62	2.98	0.72	4.48	3.49
0	0.91	1.12	0.59	1.08	0.25	3.60	3.09
25	-1.45	-0.49	-0.44	-0.82	-0.22	2.72	2.70
50	-3.80	-2.09	-1.47	-2.71	-0.69	1.84	2.30
100	-8.51	-5.30	-3.52	-6.50	-1.63	0.07	1.51
150	-13.22	-8.51	-5.58	-10.29	-2.57	-1.70	0.72
200	-17.93	-11.72	-7.63	-14.08	-3.51	-3.46	-0.07
250	-22.64	-14.93	-9.69	-17.87	-4.45	-5.23	-0.86
300	-27.35	-18.14	-11.74	-21.66	-5.39	-6.99	-1.65
350	-32.06	-21.35	-13.80	-25.45	-6.33	-8.76	-2.44
400	-36.77	-24.56	-15.85	-29.24	-7.27	-10.52	-3.23
450	-41.48	-27.77	-17.91	-33.03	-8.21	-12.29	-4.02
500	-46.19	-30.98	-19.96	-36.82	-9.15	-14.05	-4.81
Duration	9.42	6.42	4.11	7.58	1.88	3.53	1.58

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 12/31/2020 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 12/31/2020 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

Sector	Index	4Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted (net)	1.2	0.8	5.2	7.3	6.9	8.4	14.2	0.8	4.4	5.7	9.1
	NCREIF ODCE EW Income Index	1.0	3.6	3.5	3.5	3.6	3.8	3.9	3.6	3.6	3.6	4.0
	NCREIF ODCE EW Appreciation Index	0.4	(2.4)	1.7	3.7	3.2	4.5	10.0	(2.4)	1.0	2.1	5.0

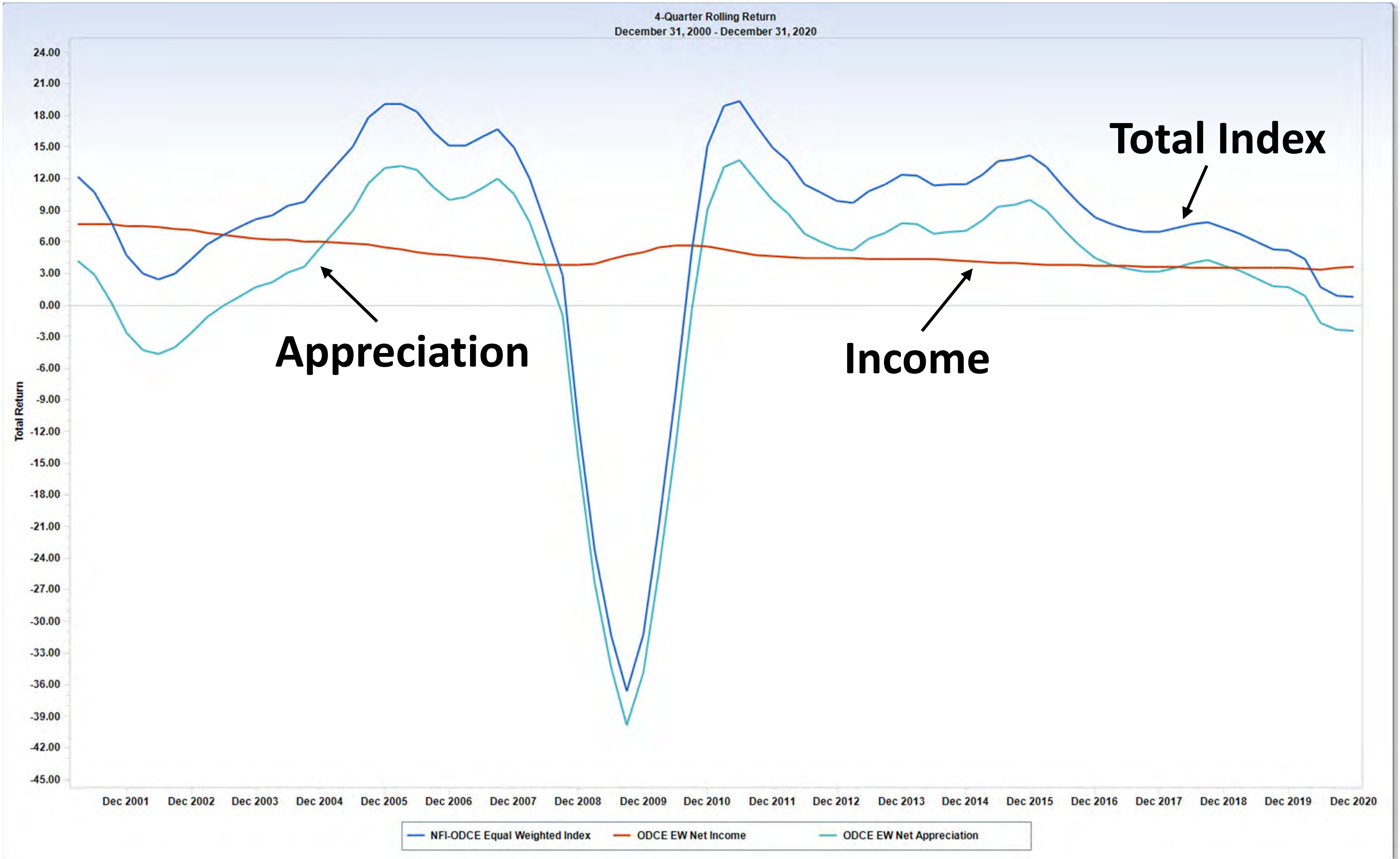
PREA Consensus Forecast Return

	Total return (incl. income) 2020	Total return (incl. income) 2021	Total return (incl. income) 2022	Total return (incl. income) 2020-2024
National, All Property Types (NPI)	0.1%	2.8%	6.9%	5.1%
Office	-1.0%	1.0%	6.3%	4.2%
Retail	-9.4%	-1.0%	5.0%	1.5%
Industrial	7.6%	7.8%	9.3%	8.2%
Apartment	1.0%	5.3%	7.1%	5.8%

Source: Pension Real Estate Association (PREA) Consensus Forecast Survey of the NCREIF Property Index, Q4 2020.

- Private real estate, as measured by the NCREIF ODCE Equal Weighted Index, returned 1.4% (1.2% net) in 4Q20.
- For the quarter, the return was made up of 0.4% of appreciation and 1.0% of income.
- Real estate appreciation is now negative over the trailing one-year period for the first time since June 2010.
- Real estate investors continue to adjust return expectations due to the COVID pandemic and are now forecasting a 2.8% return for 2021, up from 2.5% as of the end of 3Q20. Pre-COVID, investors were forecasting real estate returns of 5.1% for 2021.
- Investors expect the retail and office segments to be most negatively impacted while industrial is expected to be the best performing sector.

Real Estate Market



Hedge Fund Market

Strategy	Index	4Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI FOF Composite	7.6	10.3	8.4	(4.0)	7.8	0.5	(0.3)	10.3	4.7	4.5	3.3
Equity Long-Short	HFRI Equity Hedge	14.4	17.4	13.7	(7.1)	13.3	5.5	(1.0)	17.4	7.4	8.2	5.3
Event Driven	HFRI Event Driven	11.3	8.8	7.5	(2.1)	7.6	10.6	(3.6)	8.8	4.6	6.4	4.6
Global Macro	HFRI Macro Index	4.8	5.3	6.5	(4.1)	2.2	1.0	(1.3)	5.3	2.5	2.1	1.0
Relative Value	HFRI Relative Value	5.6	3.7	7.4	(0.4)	5.1	7.7	(0.3)	3.7	3.5	4.7	4.4
Credit	HFRI Credit Index	6.3	6.2	6.5	(0.0)	6.0	8.6	(1.0)	6.2	4.2	5.4	4.7

Hedge Fund Market Performance Review

- With most asset class values continuing their ascent in Q4 2020, hedge funds unsurprisingly finished the year with a flourish. The HFRI FOF Composite rose 7.6% in the quarter, finishing the year up 10.3%, its best year since 2009 when markets were recovering from the global financial crisis.
- As they did in September, HFOFs again protected capital well in the month of October when many global equity (primarily large caps) and fixed income indices were negative; the HFRI FOF Composite was up 31 basis points on the month.
- As with the previous two quarters, equity-oriented strategies were again among the best performers in Q4, helping the HFRI Equity Hedge to a calendar year return of 17.4%. Gains during the quarter were broad-based across sectors and geographies, led by small caps, growth-oriented strategies and those more heavily weighted towards commodity and energy exposure.
- Event Driven strategies fared well during the quarter, led by activist and special situations managers and aided by a backdrop of positive economic sentiment, tightening high yield spreads and a continuation of slowing corporate defaults.
- In a year that experienced higher than average volatility across nearly all asset classes due to the Covid-19 pandemic, hedge funds appear to have capitalized on the opportunities, providing a relatively high risk-adjusted return (as measured by Sharpe ratio) while outperforming investment grade and high yield bonds.

FELRA and UFCW Pension 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	$31,302,540	$105,667,131	$298,047,640	$444,859,095	$594,793,801	$681,079,700
Net Cash Flow	-$25,877,125	-$101,679,390	-$307,771,501	-$519,023,004	-$713,600,503	-$954,936,089
Net Investment Change	$298,053	$1,735,729	$15,447,331	$79,887,379	$124,530,171	$279,579,858
Ending Market Value	$5,723,469	$5,723,469	$5,723,469	$5,723,469	$5,723,469	$5,723,469

- The Fund's fiscal year end is December 31st.
- The present assumed actuarial rate effective January 1, 2016 as determined by the plan actuary is 7.0%.

Performance Summary (Gross of Fees) - Annualized

	Market Value	% of Portfolio	2020 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs
			Ending December 31, 2020					
Total Fund	**$5,723,469**	**100.0%**	**0.8%**	**3.1%**	**3.8%**	**6.2%**	**5.7%**	**6.7%**
Total Cash Equivalents	**$3,830,518**	**66.9%**	**0.0%**	**0.6%**	**1.2%**	**0.9%**	**0.7%**	**0.5%**
Total Other	**$1,892,951**	**33.1%**						

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	Fiscal Year Ending December 31st									
Total Fund	**3.1%**	**10.2%**	**-1.6%**	**12.0%**	**8.1%**	**3.0%**	**6.0%**	**14.9%**	**12.5%**	**0.6%**

Current vs. Policy						
	Current	Current	Policy	Policy Range	Difference	Difference
Domestic Large Cap Equity	--	--	7.5%	0.0% - 50.0%	-7.5%	-$429,260
International Equity	--	--	0.0%	0.0% - 5.0%	0.0%	$0
Global Tactical Asset Allocation	--	--	0.0%	0.0% - 25.0%	0.0%	$0
Investment Grade Fixed Income	$0	0.0%	50.0%	0.0% - 100.0%	-50.0%	-$2,861,735
Short Duration High Yield Fixed Income	--	--	20.0%	0.0% - 30.0%	-20.0%	-$1,144,694
Real Estate - Core	--	--	7.5%	0.0% - 20.0%	-7.5%	-$429,260
Real Estate - Value Add	--	--	0.0%	0.0% - 15.0%	0.0%	$0
Opportunistic Strategies	--	--	5.0%	0.0% - 100.0%	-5.0%	-$286,173
Private Equity	--	--	5.0%	0.0% - 100.0%	-5.0%	-$286,173
Cash Equivalents / Other	$5,723,469	100.0%	5.0%	0.0% - 100.0%	95.0%	$5,437,296
Total	**$5,723,469**	**100.0%**	**100.0%**			

- The Policy was adopted December 2020 and is effective December 2020.
- Cash Equivalents / Other includes PNC STIF and EnTrust Capital Diversified Peru Class X.

FELRA and UFCW Pension Fund – Asset Allocation

- Asset allocation and glide path reviews were presented and discussed with the Board of Trustees at the following meetings: April 27, 2016, August 3, 2016, January 26, 2017, March 5, 2017, May 31, 2017, July 13, 2017, January 10, 2018, March 3, 2018, June 4, 2018, and July 18, 2019.
- At the January 26, 2017 meeting, IPS recommended: 1) Eliminate the hedge fund of funds investments with EnTrust and Mesirow as soon as possible; 2) Submit a redemption schedule with JPM real estate to fully liquidate by December 31, 2018. Rebalance to the 15.0% policy ASAP, to 10.0% at December 31, 2017, and fully redeem by December 31, 2018. Recommendations were not approved at that time. Additional cash flow analysis and asset allocation information was sent to the Administrator and co-counsel. The Trustees elected to eliminate the Policy to reflect the ongoing liquidation of the Fund's assets. The effective date is January 1, 2017.
- On March 5, 2017, IPS sent a follow-up memo to the Board of Trustees regarding cash flow analysis and what order the Fund's portfolios should be liquidated so there is sufficient cash to pay benefits and administrative expenses.
- At the May 31, 2017 meeting, the Trustees voted to rebalance to the January 2017 recommended policy shown on page 3 of the report. To rebalance to those targets, terminate Gryphon (liquidated March 2018) and Vanguard EM (liquidated February 2018). Proceeds were used for cash flow needs. On approximately a quarterly basis, discuss additional potential changes to the asset allocation.
- At the January 10, 2018 meeting, the Trustees elected to adopt the Policy labeled January 1, 2018 (effective January 1, 2018). The only change compared to the current policy allocation was a further reduction to real estate (from 15.0% to 10.0%). In addition, the Trustees approved to fully liquidate the real estate allocation effective December 31, 2018. The liquidation of the approximately $38.0M was completed in four installments (3/31, 6/30, 9/30, 12/31). Any proceeds from the liquidation of real estate not needed for cash needs could be invested with investment grade fixed income (SBH).
- At the December 12, 2018 meeting, the recommendations to liquidate global bonds (Franklin Templeton) and short duration high yield fixed income (Chartwell) were approved. The portfolios were liquidated in January 2019 and February 2019 respectively.
- At the July 18, 2019 meeting, the Trustees elected to amend the Policy and Policy Ranges as follows: domestic equity – decrease Policy from 30.0% to 20.0% (no change to range of 20–40%) and investment grade fixed income – increase Policy from 25.0% to 45.0% (0–100%).
- At the September 25, 2019 meeting, the Trustees elected to liquidate: domestic equity (Wedge Capital), domestic equity (Vanguard), and global tactical asset allocation (First Eagle) and utilize the proceeds for cash needs. The Trustees also elected to modify the Policy Range for domestic equity to 0 – 40%.
- At the April 16, 2020 meeting, the Trustees approved: (1) The request from SBH to change the maximum of 20.0% to 75.0% for the amount of the portfolio that may be invested in non-rated bonds and bonds rated below A-. (2) The termination of Marco's proxy voting service, given the Fund does not own any separately managed equities.
- At the December 14, 2020 meeting, pending approval of the merger by PBGC, the Trustees elected to amend the Policy and Policy Ranges as follows: domestic large cap equity - decrease Policy from 20.0% to 7.5% and increase Policy Range from (0.0-40.0%) to (0.0-50.0%), international equity - increase Policy Range from (0.0-0.0%) to (0.0-5.0%), global tactical asset allocation - decrease Policy from 15.0% to 0.0% and decrease Policy Range from (0.0-30.0%) to (0.0-25.0%), investment grade fixed income - increase Policy from 45.0% to 50.0% (0.0-100.0%), short duration high yield fixed income - increase Policy from 5.0% to 20.0% and increase Policy Range from (0.0-10.0%) to (0.0-30.0%), real estate - core - increase Policy from 0.0% to 7.5% and increase Policy Range from (0.0-0.0%) to (0.0-20.0%), real estate - value add - 0.0% (0.0-0.15%), opportunistic strategies - 5.0% (0.0-100.0%), private equity - 5.0% (0.0-100.0%), cash equivalents / other - 5.0% - increase Policy Range from (0.0-20.0%) to (0.0-100.0%). The merger with the Mid-Atlantic UFCW and Participating Employers Pension Fund is effective January 1, 2021.

Recommendations: None.

FELRA and UFCW Pension Fund – Recent Portfolio Activity

2020 - 1Q

- In January 2020, $13,841,901 was transferred from global tactical asset allocation (First Eagle) to cash to complete the full redemption.

2020 - 2Q

- In April 2020, $10.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).
- In May 2020, $5.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).
- In June 2020, $10.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).

2020 - 3Q

- In July 2020, $11.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).
- In August 2020, $5.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).
- In September 2020, $10.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).

2020 - 4Q

- In October 2020, $11.5M transferred from investment grade fixed income (SBH) to cash (PNC STIF).
- In November 2020, $5.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).
- In December 2020, investment grade fixed income (SBH) was terminated and the proceeds ($11.14M) transferred to cash (PNC STIF).

Performance Detail (Gross of Fees) - Annualized

	Market Value	% of Portfolio	Ending December 31, 2020							
			2020 Q4	Fiscal YTD	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund	**$5,723,469**	**100.0%**	**0.8%**	**3.1%**	**3.8%**	**6.2%**	**5.7%**	**6.7%**	**6.2%**	**Jan-97**
Total Cash Equivalents	**$3,830,518**	**66.9%**	**0.0%**	**0.6%**	**1.2%**	**0.9%**	**0.7%**	**0.5%**	**--**	**Jul-06**
PNC STIF	$3,830,518	66.9%	0.0%	0.6%	1.2%	0.9%	0.7%	0.5%	1.6%	Jul-06
Total Other	**$1,892,951**	**33.1%**								
EnTrust Capital Diversified Peru Class X	$1,892,951	33.1%								

Investment Policy Statement

- Investment policy statement was adopted in August 2014.

Custody Bank

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

Proxy Voting Provider

- Effective April 17, 2020, Segal Marco Advisors proxy voting services were terminated.

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.
- IPS evaluated the benefits of ongoing participation in a commission recapture program and suggests Funds continue to participate in them. To potentially enhance the manager's 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 the manager's statement.

FELRA and UFCW Pension Fund

Appendix

FELRA and UFCW Pension Fund - Cash Flow Analysis

Quarter Ending	Beginning Market Value	Net Contributions / Withdrawals	Appreciation / Depreciation	Ending Market Value
Jun-08	$927,883,998	($22,279,057)	$3,761,688	$909,366,629
Sep-08	$909,366,629	($20,509,818)	($80,014,998)	$808,841,813
Dec-08	$808,841,813	($20,711,188)	($113,094,795)	$675,035,830
Mar-09	$675,035,830	($20,585,950)	($39,228,598)	$615,221,281
Jun-09	$615,221,281	($20,646,824)	$46,554,642	$641,129,099
Sep-09	$641,129,099	($15,477,240)	$51,866,729	$677,518,587
Dec-09	$677,518,587	($20,301,671)	$16,291,888	$673,508,804
Mar-10	$673,508,804	($23,964,727)	$24,806,670	$674,350,747
Jun-10	$674,350,747	($14,607,147)	($28,805,278)	$630,938,322
Sep-10	$630,938,322	($18,531,935)	$48,030,080	$660,436,468
Dec-10	$660,436,468	($19,020,364)	$39,663,596	$681,079,700
Mar-11	$681,079,700	($19,226,978)	$23,472,595	$685,325,318
Jun-11	$685,325,317	($19,226,221)	$7,939,126	$674,038,223
Sep-11	$674,038,223	($17,543,142)	($54,950,333)	$601,544,748
Dec-11	$601,544,748	($17,996,347)	$26,652,623	$610,201,024
Mar-12	$610,201,024	($18,424,045)	$41,651,407	$633,428,386
Jun-12	$633,428,386	($19,565,191)	($12,196,300)	$601,666,895
Sep-12	$601,666,895	($19,502,528)	$27,990,815	$610,155,182
Dec-12	$610,155,182	($19,736,735)	$13,322,360	$603,740,808
Mar-13	$603,740,808	($21,331,110)	$25,836,469	$608,246,166
Jun-13	$608,246,166	($22,971,241)	($3,558,977)	$581,715,949
Sep-13	$581,715,949	($22,792,009)	$29,121,566	$588,045,505
Dec-13	$588,045,505	($23,020,041)	$29,768,336	$594,793,801
Mar-14	$594,793,801	($22,948,172)	$11,617,817	$583,463,445
Jun-14	$583,463,445	($23,781,419)	$20,935,774	$580,617,800
Sep-14	$580,617,800	($23,973,486)	($7,324,690)	$549,319,624
Dec-14	$549,319,624	($24,616,981)	$6,603,834	$531,306,478
Mar-15	$531,306,478	($23,458,617)	$17,197,180	$525,045,041
Jun-15	$525,045,041	($24,143,915)	$5,472,944	$506,374,069
Sep-15	$506,374,069	($24,112,722)	($22,853,704)	$459,407,643
Dec-15	$459,407,643	($27,542,185)	$12,993,637	$444,859,095
Mar-16	$444,859,095	($26,773,145)	$1,631,135	$419,717,085
Jun-16	$419,717,085	($26,381,540)	$6,603,058	$399,938,603
Sep-16	$399,938,603	($36,893,297)	$12,191,625	$375,236,931
Dec-16	$375,236,931	($16,095,723)	$8,021,326	$367,162,534
Mar-17	$367,162,534	($26,515,622)	$12,883,529	$353,530,441
Jun-17	$353,530,441	($26,489,842)	$5,533,760	$332,574,360
Sep-17	$332,574,360	($26,197,063)	$8,419,541	$314,796,838
Dec-17	$314,796,838	($25,843,977)	$9,214,416	$298,167,277
Mar-18	$298,167,277	($25,673,057)	($709,162)	$271,785,057
Jun-18	$271,785,057	($23,495,940)	$2,668,486	$250,957,604
Sep-18	$250,957,604	($27,227,771)	$7,572,457	$231,312,290
Dec-18	$231,312,290	($24,743,983)	($13,372,282)	$193,196,024
Mar-19	$193,196,024	($33,290,012)	$11,059,732	$170,826,184
Jun-19	$170,826,184	($18,391,427)	$3,651,995	$156,086,751
Sep-19	$156,086,751	($25,879,043)	$901,985	$131,109,693
Dec-19	$131,109,693	($26,962,901)	$1,520,339	$105,667,131
Mar-20	$105,667,131	($24,855,060)	($999,229)	$79,812,842
Jun-20	$79,812,842	($25,451,087)	$2,213,062	$56,574,816
Sep-20	$56,574,816	($25,496,118)	$223,731	$31,302,540
Dec-20	$31,302,540	($25,877,125)	$298,053	$5,723,469
		($1,171,082,740)	$249,051,659	

Performance Detail (Net 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	**$5,723,469**	**100.0%**	**0.7%**	**2.9%**	**3.4%**	**5.7%**	**5.2%**	**6.1%**	**5.8%**	**Jan-97**
Total Cash Equivalents	**$3,830,518**	**66.9%**	**0.0%**	**0.6%**	**1.2%**	**0.9%**	**0.7%**	**0.5%**	**--**	**Jul-06**
PNC STIF	$3,830,518	66.9%	0.0%	0.6%	1.2%	0.9%	0.7%	0.5%	1.6%	Jul-06
Total Other	**$1,892,951**	**33.1%**								
EnTrust Capital Diversified Peru Class X	$1,892,951	33.1%								

Account	Fee Schedule	Market Value As of 12/31/2020	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Total Cash Equivalents	**-**	**$3,830,518**	**66.9%**	**--**	**--**
PNC STIF	-	$3,830,518	66.9%	--	--
Total Other	**-**	**$1,892,951**	**33.1%**	**--**	**--**
EnTrust Capital Diversified Peru Class X	0.50% of Assets	$1,892,951	33.1%	$9,465	0.50%
Investment Management Fee		**$5,723,469**	**100.0%**	**$9,465**	**0.17%**

Footnotes

- Montag & Caldwell was terminated on August 1, 2006 and funds were transferred to Capital Management Associates.
- Fountain was terminated and assets moved to Lazard High Yield on July 2, 2007.
- Ark was terminated and assets moved to Westwood on August 1, 2007.
- 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.
- NOF calculations began 3rd Quarter 2004 and cannot be calculated for prior time periods.
- Gottex Fund Management Holdings Ltd. values, flows, and returns are provided by Gottex and cannot be independently verified.
- Segall Bryant & Hamill hired with initial funding from Logan Circle Partners on November 14, 2008 in the amount of $39,669,926.
- On December 16, 2016 Tremont Recovery amount of $215,947 was transferred to the cash account. The Tremont Recovery payment is reflected as a gain in the Hedge Fund of Funds group.
- The following composite returns prior to 1st quarter 2010 do not include cash in the calculation of returns.
    - Total Fund Domestic Equity
    - Total Fund International Equity
    - Total Domestic Fixed Investment Grade
    - Total Fixed High Yield
    - Total Fund Real Estate
    - Total Fund Hedge Fund of Fund
    - Total Fund GTAA/Risk Parity
- 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.
- Total asset class inception returns may not be available if the performance history begins prior to December 2007.

FELRA and UFCW Pension Fund

Preliminary Monthly Performance Update

Period Ended

January 31, 2021

Total Fund Growth of Assets

	Fiscal Year-To-Date
Beginning Market Value	$5,723,469
Net Cash Flow	$138,070,640
Net Investment Change	-$352,356
Ending Market Value	$143,441,752

- The Fund's fiscal year end is December 31st.
- The merger of the Mid-Atlantic UFCW and Participating Employers Pension Fund into FELRA and UFCW Pension Fund was effective January 1, 2021. A total of $148,832,279 transferred into the Fund.

Current vs. Policy

	Current	Current	Policy	Policy Range	Difference	Difference
Domestic Large Cap Equity	$54,068,724	37.7%	7.5%	0.0% - 50.0%	30.2%	$43,310,592
International Equity	$5,243,754	3.7%	0.0%	0.0% - 5.0%	3.7%	$5,243,754
Global Tactical Asset Allocation	$26,530,267	18.5%	0.0%	0.0% - 25.0%	18.5%	$26,530,267
Investment Grade Fixed Income	$7,118,295	5.0%	50.0%	0.0% - 100.0%	-45.0%	-$64,602,581
Short Duration High Yield Fixed Income	$14,298,064	10.0%	20.0%	0.0% - 30.0%	-10.0%	-$14,390,287
Real Estate - Core	$9,711,945	6.8%	7.5%	0.0% - 20.0%	-0.7%	-$1,046,186
Real Estate - Value Add	$11,642,459	8.1%	0.0%	0.0% - 15.0%	8.1%	$11,642,459
Opportunistic Strategies	$6,853,300	4.8%	5.0%	0.0% - 100.0%	-0.2%	-$318,788
Private Equity	$3,607,461	2.5%	5.0%	0.0% - 100.0%	-2.5%	-$3,564,627
Cash Equivalents / Other	$4,367,484	3.0%	5.0%	0.0% - 100.0%	-2.0%	-$2,804,604
Total	**$143,441,752**	**100.0%**	**100.0%**			

- The Policy was adopted December 2020 and is effective December 2020.
- Cash Equivalents / Other includes PNC STIF, Cash MAP and EnTrust Capital Diversified Peru Class X.
- Full redemptions from real estate - core (ARA), real estate - value add (Intercontinental), and opportunistic strategies (Corbin) have been submitted with the liquidation to occur over time.

Performance Detail (Gross of Fees)

	Market Value	% of Portfolio	Ending January 31, 2021 Fiscal YTD
Total Fund	**$143,441,752**	**100.0%**	**-0.3%**
Total Domestic Large Cap Equity	**$54,068,724**	**37.7%**	**-0.3%**
Vanguard U.S. Stock Market Index Fund	$54,068,724	37.7%	-0.3%
CRSP US Total Market TR USD			*-0.3%*
Total International Equity	**$5,243,754**	**3.7%**	**-0.1%**
Hardman Johnston International Equity Group Trust	$5,243,754	3.7%	-0.1%
MSCI EAFE			*-1.1%*
MSCI ACWI ex USA			*0.2%*
MSCI EAFE Growth			*-1.4%*
Total Global Tactical Asset Allocation	**$26,530,267**	**18.5%**	**-1.3%**
First Eagle Global Value Fund, LP	$26,530,267	18.5%	-1.3%
65% MSCI World Index/35% CitigroupWGBI			*-1.1%*
65% MSCI World Value Index/35% CitigroupWGBI			*-1.1%*
Total Investment Grade Fixed Income	**$7,118,295**	**5.0%**	**-0.3%**
Segall Bryant & Hamill	$7,118,295	5.0%	-0.3%
BBgBarc US Govt/Credit Int TR			*-0.3%*
Total Short Duration High Yield Fixed Income	**$14,298,064**	**10.0%**	**0.2%**
Chartwell Investment Partners Short Duration High Yield	$14,298,064	10.0%	0.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*

Performance Detail (Gross of Fees)

	Market Value	% of Portfolio	Ending January 31, 2021 Fiscal YTD
Total Real Estate - Core	**$9,711,945**	**6.8%**	
American Core Realty Fund, LLC	$9,711,945	6.8%	
Total Real Estate - Value Add	**$11,642,459**	**8.1%**	
Intercontinental U.S. Real Estate Investment Fund, LLC	$11,642,459	8.1%	
Total Opportunistic Strategies	**$6,853,300**	**4.8%**	
Corbin ERISA Opportunity Fund, L.P.	$4,947,771	3.4%	4.4%
HFRI Credit Index			*1.6%*
EnTrustPermal Special Opp Fund IV Ltd. - Class A Shares	$1,905,529	1.3%	
Total Private Equity	**$3,607,461**	**2.5%**	
GCM Grosvenor Secondary Opportunities Fund II, L.P.	$3,607,461	2.5%	
Total Cash Equivalents	**$2,478,176**	**1.7%**	**0.0%**
PNC STIF (FELRA)	$1,869,999	1.3%	0.0%
PNC STIF (MAP)	$608,176	0.4%	0.0%
Total Other	**$1,889,308**	**1.3%**	
EnTrust Capital Diversified Peru Class X	$1,889,308	1.3%	

Performance Detail (Net of Fees)

	Market Value	% of Portfolio	Ending January 31, 2021 Fiscal YTD
Total Fund	**$143,441,752**	**100.0%**	**-0.3%**
Total Domestic Large Cap Equity	**$54,068,724**	**37.7%**	**-0.3%**
Vanguard U.S. Stock Market Index Fund	$54,068,724	37.7%	-0.3%
CRSP US Total Market TR USD			*-0.3%*
Total International Equity	**$5,243,754**	**3.7%**	**-0.1%**
Hardman Johnston International Equity Group Trust	$5,243,754	3.7%	-0.1%
MSCI EAFE			*-1.1%*
MSCI ACWI ex USA			*0.2%*
MSCI EAFE Growth			*-1.4%*
Total Global Tactical Asset Allocation	**$26,530,267**	**18.5%**	**-1.4%**
First Eagle Global Value Fund, LP	$26,530,267	18.5%	-1.4%
65% MSCI World Index/35% CitigroupWGBI			*-1.1%*
65% MSCI World Value Index/35% CitigroupWGBI			*-1.1%*
Total Investment Grade Fixed Income	**$7,118,295**	**5.0%**	**-0.3%**
Segall Bryant & Hamill	$7,118,295	5.0%	-0.3%
BBgBarc US Govt/Credit Int TR			*-0.3%*
Total Short Duration High Yield Fixed Income	**$14,298,064**	**10.0%**	**0.2%**
Chartwell Investment Partners Short Duration High Yield	$14,298,064	10.0%	0.2%
BofA ML - U.S. HY Cash Pay 1-3 Yr BB			*0.1%*

Performance Detail (Net of Fees)

	Market Value	% of Portfolio	Ending January 31, 2021 Fiscal YTD
Total Real Estate - Core	**$9,711,945**	**6.8%**	
American Core Realty Fund, LLC	$9,711,945	6.8%	
Total Real Estate - Value Add	**$11,642,459**	**8.1%**	
Intercontinental U.S. Real Estate Investment Fund, LLC	$11,642,459	8.1%	
Total Opportunistic Strategies	**$6,853,300**	**4.8%**	
Corbin ERISA Opportunity Fund, L.P.	$4,947,771	3.4%	4.3%
HFRI Credit Index			*1.6%*
EnTrustPermal Special Opp Fund IV Ltd. - Class A Shares	$1,905,529	1.3%	
Total Private Equity	**$3,607,461**	**2.5%**	
GCM Grosvenor Secondary Opportunities Fund II, L.P.	$3,607,461	2.5%	
Total Cash Equivalents	**$2,478,176**	**1.7%**	**0.0%**
PNC STIF (FELRA)	$1,869,999	1.3%	0.0%
PNC STIF (MAP)	$608,176	0.4%	0.0%
Total Other	**$1,889,308**	**1.3%**	
EnTrust Capital Diversified Peru Class X	$1,889,308	1.3%	

Index Disclosures

- HFRI Credit Index is listed for illustrative purposes.
- MSCI ACWI ex USA is listed for illustrative purposes.
- MSCI EAFE Growth is listed for illustrative purposes.
- 65% MSCI World Value Index/35% CitigroupWGBI is listed for illustrative purposes.

Footnotes

- 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.
- 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.
- 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 following managers are valued as of September 30, 2020, plus or minus flows:
  - EnTrustPermal Special Opp Fund IV
- The following managers are valued as of December 31, 2020, plus or minus flows:
  - Grosvenor GCM Secondary Opportunites Fund II
  - American Core Realty Fund, LLC
  - Intercontinental U.S. Real Estate Investment Fund, LLC

- In January 2021, a partial redemption of $1.71M transferred from cash in transit - ARA to cash MAP.
- In January 2021, $9.0M transferred from PNC STIF (MAP) to PNC STIF (FELRA) to pay benefits.

FELRA and UFCW Pension Fund
Glide Path Analysis

March 11, 2021

FELRA and UFCW Pension – Summary of Actions

- Based on cashflows provided by the actuary, the anticipated combined FELRA and Mid-Atlantic UFCW Pension Plan is expected to become insolvent during 2022

- Due to the short time frame to insolvency and low level of assets relative to liabilities, the investment return between now and the insolvency date of the Fund will have a minimal impact on extending the insolvency date

- In order to improve the liquidity of the Plan, the following actions were approved at the October 22, 2020 meeting:

  - **<u>Submit a full redemption to core real estate investment American Core Realty Fund.</u>** The redemption was submitted and is effective December 31, 2020. ARA has implemented a redemption queue. The timing of the receipt of the proceeds is TBD

  - **<u>Submit a full redemption request to Intercontinental U.S. Real Estate Investment Fund.</u>** The redemption was submitted and is effective March 31, 2021. Intercontinental does not currently have a redemption queue and proceeds are expected to be received in April 2021

  - **<u>Submit a full redemption to Corbin ERISA Opportunity Fund.</u>** The redemption was submitted and is effective December 31, 2020. The fund has a 25% investor level gate so the full redemption will be paid out over four quarters and with payments expected in February, May, August, and November

FELRA and UFCW Pension – Summary of Actions

- At the December 14, 2020 meeting, Policy and Policy Ranges for the combined assets for 2021 were approved
  - The Policy Ranges reflect the expectation that as the combined Fund approaches insolvency, the assets will be concentrated in investment grade fixed income and cash
  - The Policy Ranges also reflect the illiquid nature of the opportunistic and private equity allocations

		Policy Range	
Asset Class	**2021 Policy**	**Low**	**High**
Domestic Large Cap Equity	7.5%	0.0%	50.0%
International Equity	0.0%	0.0%	5.0%
Global Tactical Asset Allocation	0.0%	0.0%	25.0%
Investment Grade Fixed Income	50.0%	0.0%	100.0%
Shorth Duration High Yield	20.0%	0.0%	30.0%
Core Real Estate	7.5%	0.0%	20.0%
Value Add Real Estate	0.0%	0.0%	15.0%
Opportunistic Strategies	5.0%	0.0%	100.0%
Private Equity	5.0%	0.0%	100.0%
Cash/Other	5.0%	0.0%	100.0%

FELRA Pension Fund Glide Path

- According to data provided from the actuary, the combined Fund will require approximately $24 million of cash outflows per quarter beginning in 2Q21
- The table below summarizes the recommended sources of cash to meet the combined Fund's cash needs*

Asset Class	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
Large Cap Equity			$20.8m	$10.8m	$13.0m	$13.0m (eliminated)	
International Equity		$5.4m (eliminated)					
Investment Grade							$7.4m (eliminated)
Short Duration High Yield					$4.0m	$9.7m	$1.4m (eliminated)
Real Estate - Core	$1.7m	$1.7m	$1.7m	$1.7m	$1.7m	$1.7m (eliminated)	
Real Estate - Value Add		$11.8m (eliminated)					
Opportunistic	$1.2m from Corbin	$1.2m from Corbin	$1.2m from Corbin	$1.2m from Corbin			
GTAA	$8.3m	$3.6m		$10.0m	$5.6m (eliminated)		
Cash							$2.5m (eliminated)
Total	**$11.2m**	**$23.7m**	**$23.7m**	**$23.7m**	**$24.3m**	**$24.4m**	**$11.3m**

* The source of cash is based on assumptions regarding the estimated timing of receipt of redemption proceeds from real estate and opportunistic investments. The actual source of cash for any quarter may be adjusted if proceeds are not received at the anticipated time and/or due to the impact of the return on investments.

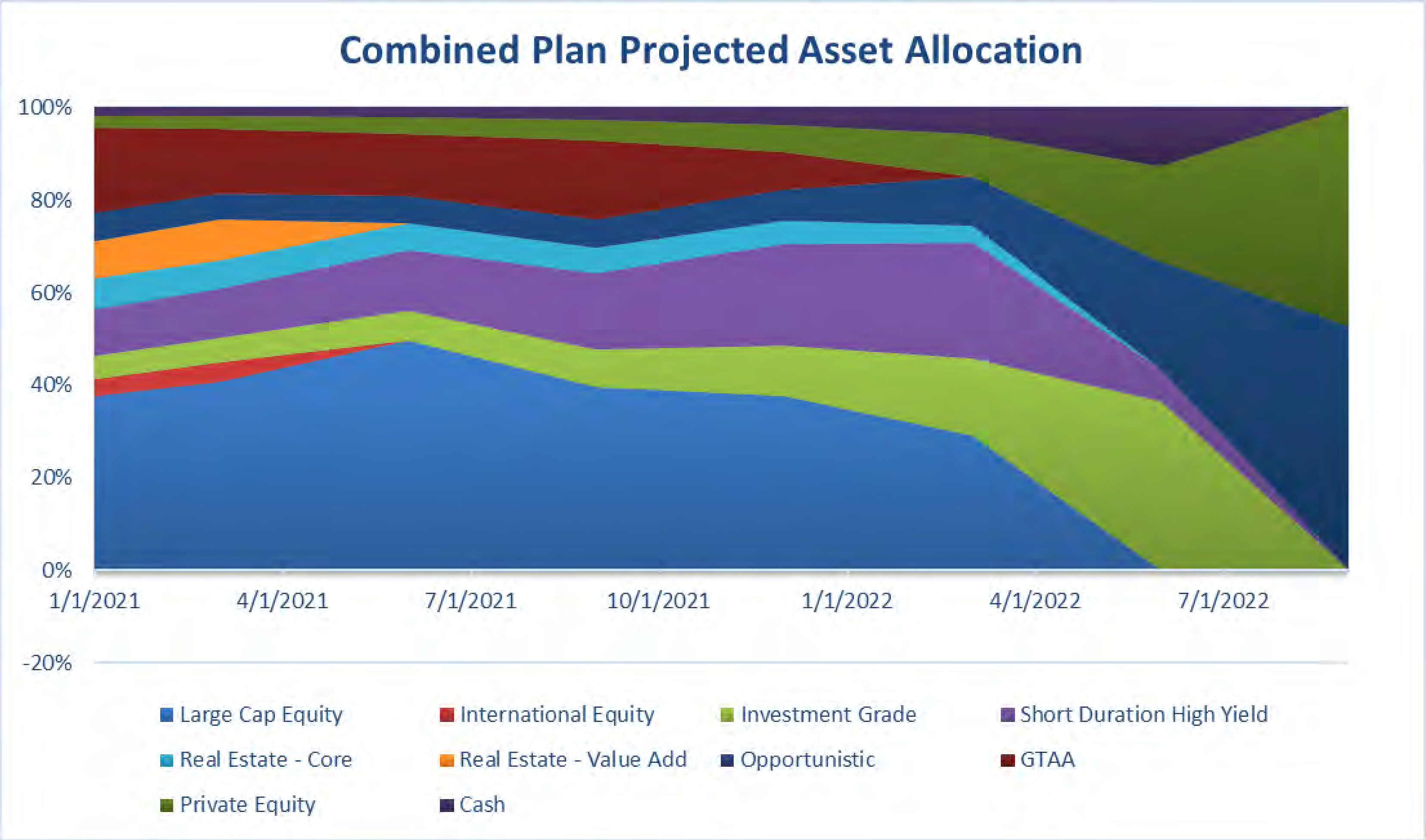
FELRA Pension Glide Path

- Based on the sources of cash flows identified on the previous page, the asset allocation of the combined Fund is expected to transition as shown in the table below and in the chart on the next page

- Due to the illiquidity of the asset classes, the combined Fund will likely have allocations to private equity and opportunistic remaining when it reaches insolvency in 2022 absent a secondary sale of those investments

Asset Class	1/31/2021	3/31/2021	6/30/2021	9/30/2021	12/31/2021	3/31/2022	6/30/2022	9/30/2022
Large Cap Equity	38%	41%	50%	40%	38%	29%		
International Equity	4%	4%						
Investment Grade	5%	5%	6%	8%	11%	17%	36%	
Short Duration High Yield	10%	11%	13%	16%	22%	25%	7%	
Real Estate - Core	7%	6%	6%	5%	5%	4%		
Real Estate - Value Add	8%	9%						
Opportunistic	6%	6%	6%	6%	7%	10%	23%	53%
GTAA	18%	14%	14%	17%	8%			
Private Equity	3%	3%	3%	4%	6%	9%	21%	47%
Cash	2%	2%	2%	3%	4%	6%	13%	

FELRA Pension Glide Path



Disclaimer:

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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