FELRA and UFCW Pension Fund

Master Consulting Services Report

Period Ended
June 30, 2020

TABLE OF CONTENTS

Page 03 Market Commentary

Page 23 MCS Commentary, Recommendations, and Compliance Summary

Page 39 Preliminary August Performance Update

Page 47 Glossary of Investment Terminology

Market Discussion 2Q | 2020

INVESTMENT PERFORMANCE SERVICES, LLC

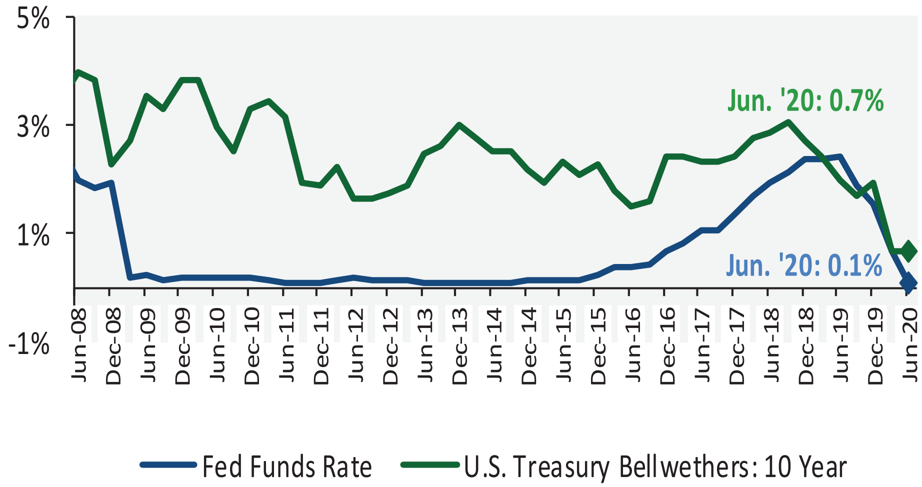
Financial Market Performance

Periods Ending June 30, 2020

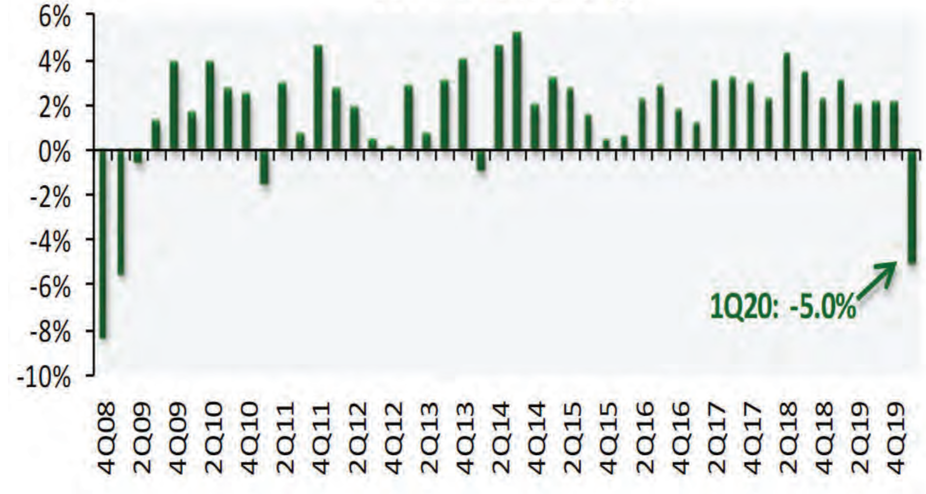
Strategy	Sector	Index	QTR	YTD	2019	2018	2017	2016	2015	1-Yr	3-Yr	5-Yr	10-Yr	20-Yr
Stocks	**US Large Cap**	S&P 500	20.5	-3.1	31.5	-4.4	21.8	12.0	1.4	7.5	10.7	10.7	14.0	5.9
	US Small Cap	Russell 2000	25.4	-13.0	25.5	-11.0	14.7	21.3	-4.4	-6.6	2.0	4.3	10.5	6.7
	All Country	MSCI All Country World (net)	19.2	-6.3	26.6	-9.4	24.0	7.9	-2.4	2.1	6.1	6.5	9.2	-
	Non-US Developed	MSCI EAFE (net)	14.9	-11.4	22.0	-13.8	25.0	1.0	-0.8	-5.1	0.8	2.1	5.7	2.9
	Emerging Markets	MSCI EM (net)	18.1	-9.8	18.4	-14.6	37.3	11.2	-14.9	-3.4	1.9	2.9	3.3	6.6
	Int'l Small Cap	MSCI EAFE Small Cap (net)	19.9	-13.1	25.0	-17.9	33.0	2.2	9.6	-3.5	0.5	3.8	8.0	6.5
Bonds	**Treasury**	Bloomberg Barclays US Govt	0.5	8.6	6.8	0.9	2.3	1.1	0.9	10.3	5.5	4.1	3.3	4.8
	Broad Market	Bloomberg Barclays Aggregate	2.9	6.1	8.7	0.0	3.5	2.7	0.6	8.7	5.3	4.3	3.8	5.1
	Intermediate	Bloomberg Barclays Gov/Credit Int.	2.8	5.3	6.8	0.9	2.1	2.1	1.1	7.1	4.4	3.5	3.1	4.6
	High Yield	Bloomberg Barclays HY BaB 2% IC	10.4	-2.3	15.2	-1.9	6.9	14.1	-2.7	2.1	4.2	5.0	6.7	6.8
	Short Duration HY	BofA ML HY Cash Pay BB 1-3 YR	7.3	-1.0	8.7	1.4	3.6	8.5	1.2	1.9	3.3	3.9	5.0	-
	Global Bonds	FTSE WGBI	2.0	4.1	5.9	-0.8	7.5	1.6	-3.6	4.6	4.0	3.7	2.4	4.4
GTAA	**Unconstrained**	65% MSCI World /35% FTSE WGBI	13.3	-1.4	19.8	-5.7	17.0	5.6	-1.6	4.6	6.3	6.2	7.6	4.8
Real Estate	**Core**	NCREIF ODCE Equal Weighted (net)	-1.5	-0.8	5.2	7.3	6.9	8.4	14.2	1.7	5.1	6.7	10.0	6.7
Hedge Fund of Funds	**Diversified FOFs**	HFRI FOF Composite	7.5	-2.0	8.4	-4.0	7.8	0.5	-0.3	0.1	2.1	1.4	2.8	3.1
	Equity Long-Short	HFRI Equity Hedge	13.3	-3.2	13.7	-7.1	13.3	5.5	-1.0	0.8	3.0	3.1	4.6	4.4
Commodities	**Commodities**	Goldman Sachs Commodity	10.5	-36.3	17.6	-13.8	5.8	11.4	-32.9	-33.9	-8.7	-12.5	-8.5	-3.9

U.S. Economy

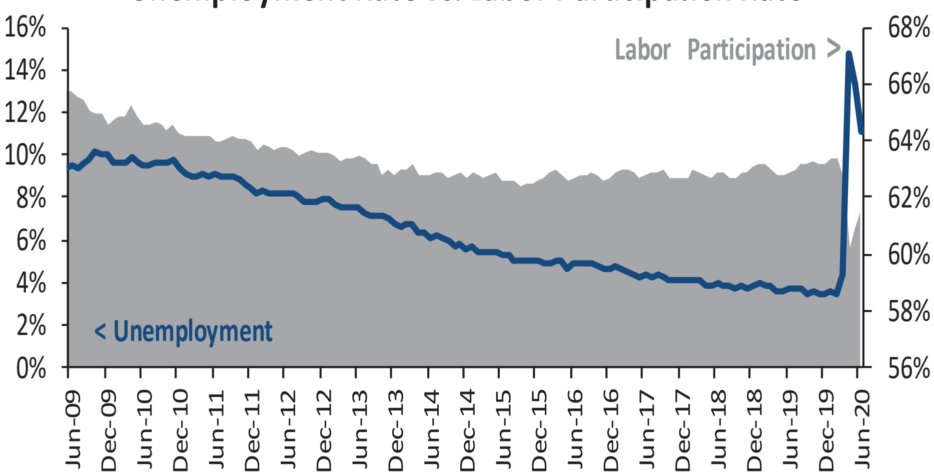
Fed Funds Rate vs. 10-Year U.S. Treasury



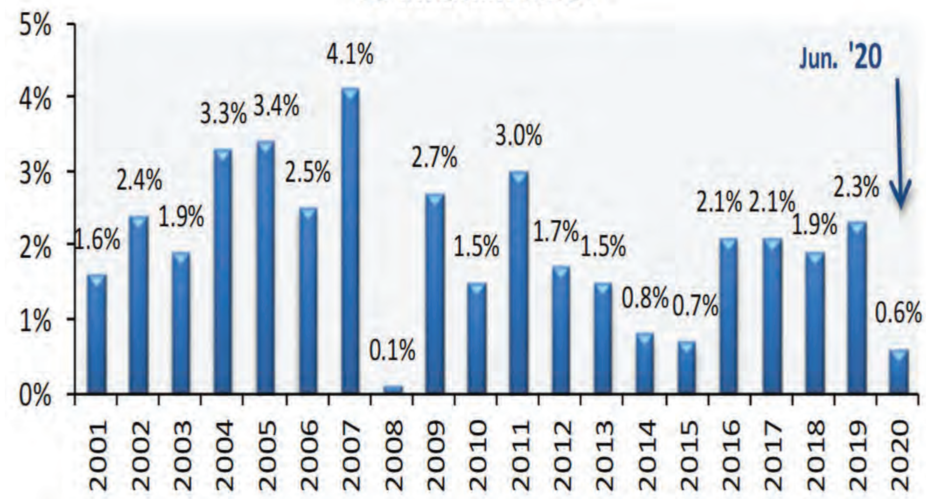
GDP Percent Change



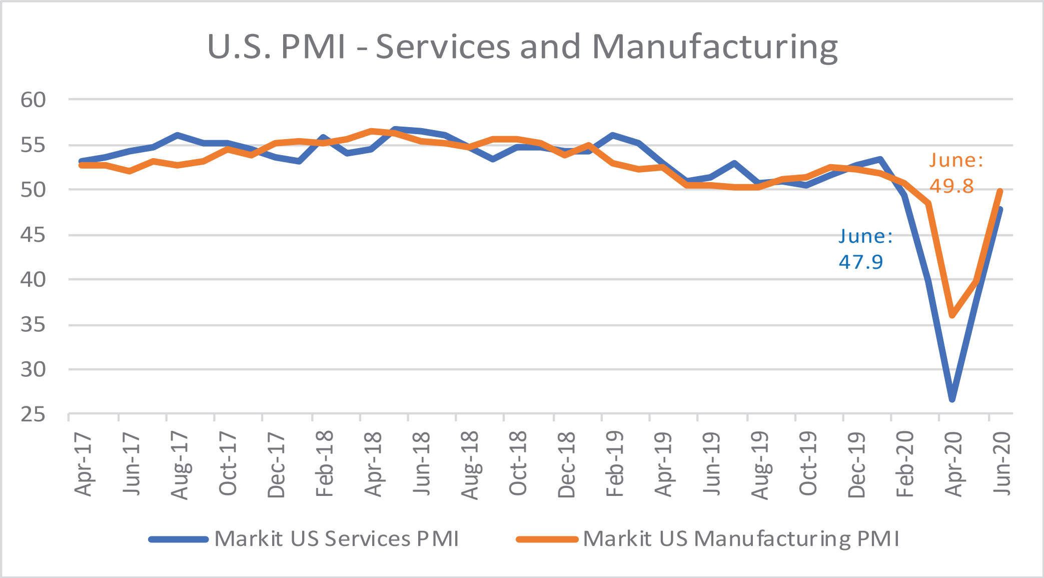
Unemployment Rate vs. Labor Participation Rate



US Inflation Rates



U.S. Economy



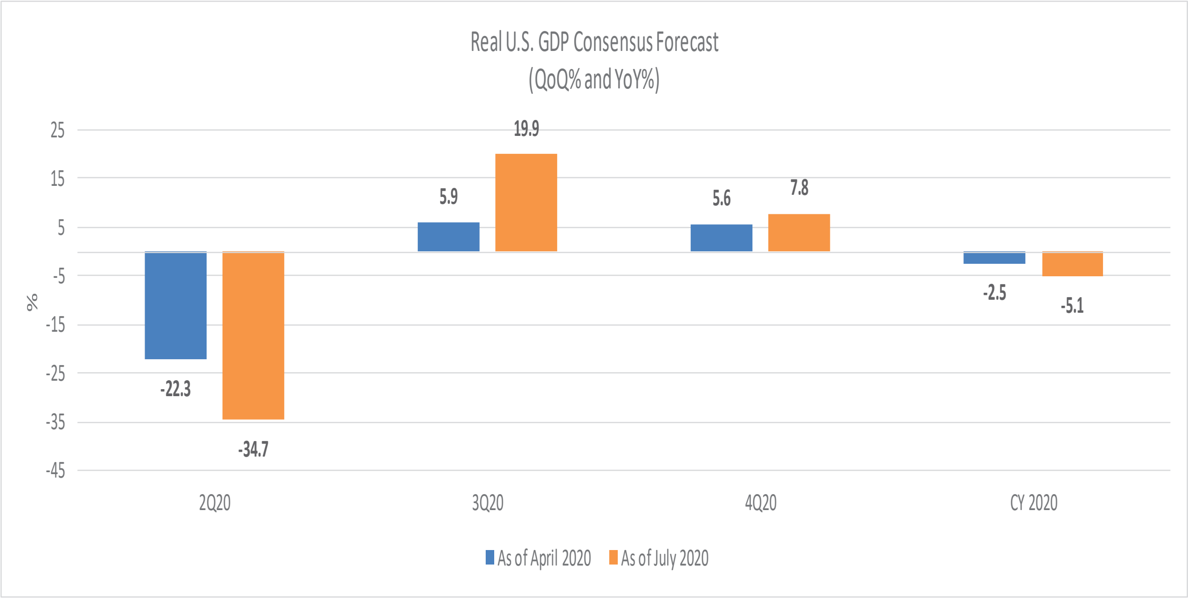
Source: Bloomberg

Economic Activity Has Rebounded

- U.S. economic activity appeared to bottom in April with the Markit Services PMI falling to 26.7 and the Manufacturing PMI falling to 36.1
- As quarantine restrictions have been lifted, activity has rebounded with the Services PMI reaching 47.9 and the Manufacturing PMI rebounding to 49.8 in June; however, readings remain below 50 indicating the economy is still in contraction
- With COVID-19 cases spiking in certain parts of the country, the “V” shaped recovery in economic activity could be derailed in the third quarter

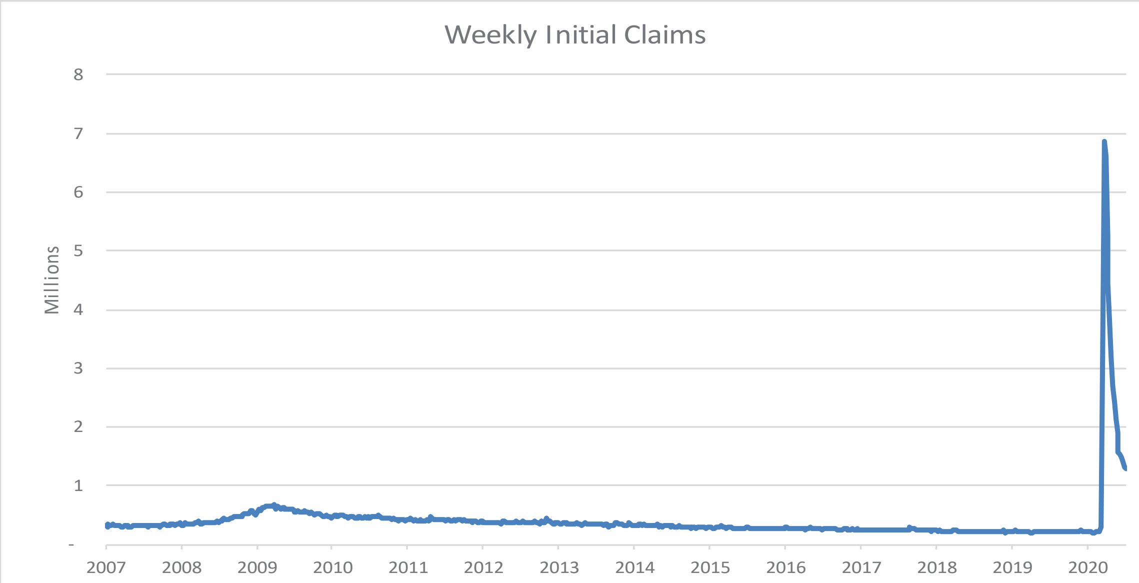
Recession Likely Steep but Short

- Consensus estimates for U.S. GDP growth have been volatile with analysts now projecting a greater contraction in 2Q20 (-34.7%) than had been projected in April (-22.3%)
- Consensus expectations are for growth to rebound dramatically in 3Q20 (+19.9%) and 4Q20 (+7.8%)
- Despite expectations for a strong recovery in the second half of 2020, the consensus estimate is a year-over-year decline in growth of 5.1% for CY 2020



Source: Bloomberg

U.S. Economy



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

Record Number of Unemployment Claims

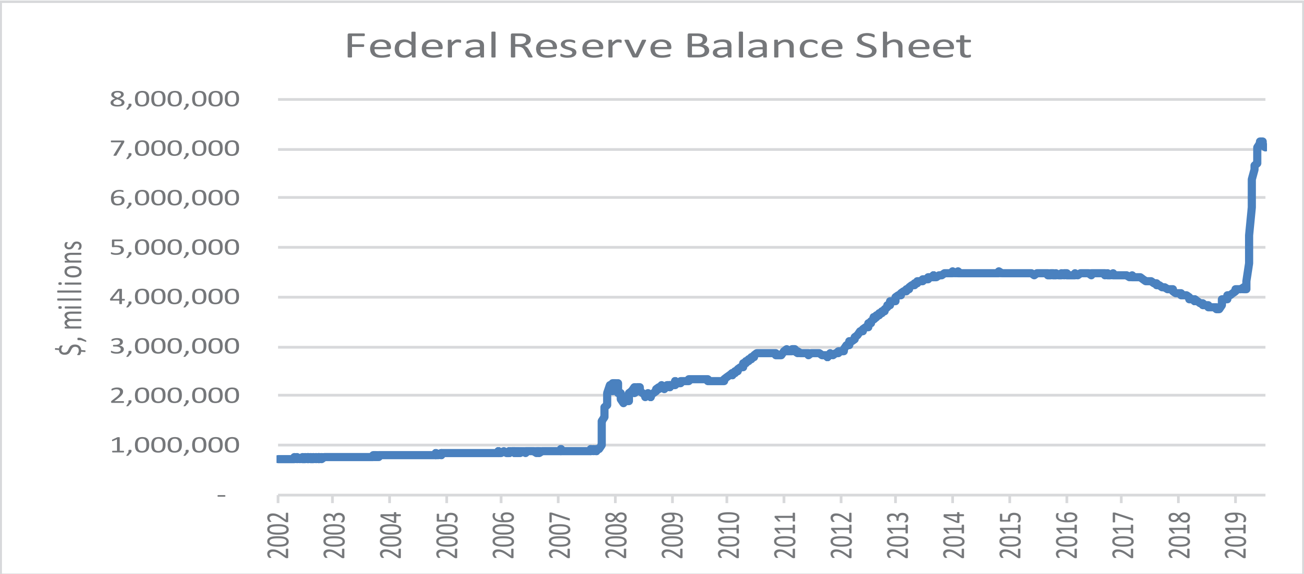
- The shutdown caused by the COVID-19 pandemic has resulted in a record number of unemployment claims
- Over 50 million workers filed initial unemployment claims since mid-March
- The number of new weekly claims has declined from a peak of 6.9 million filed the week of March 28th to 1.3 million for the week of July 11th, although the pace of the decline has slowed in recent weeks

Unemployment Rate Reaches Record High

- The significant number of initial jobless claims due to the COVID-19 pandemic resulted in an unemployment rate of 14.7% in April, the highest level since the Great Depression
- As parts of the country have emerged from lockdown, nonfarm payroll rose by 4.8 million in June, well ahead of expectations for an increase of 2.9 million
- Combined with 2.7 million of new jobs in May, the unemployment rate dropped to 11.1% in June
- Expanded unemployment benefits provided through the CARES fiscal package are set to expire in July

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

U.S. Economy



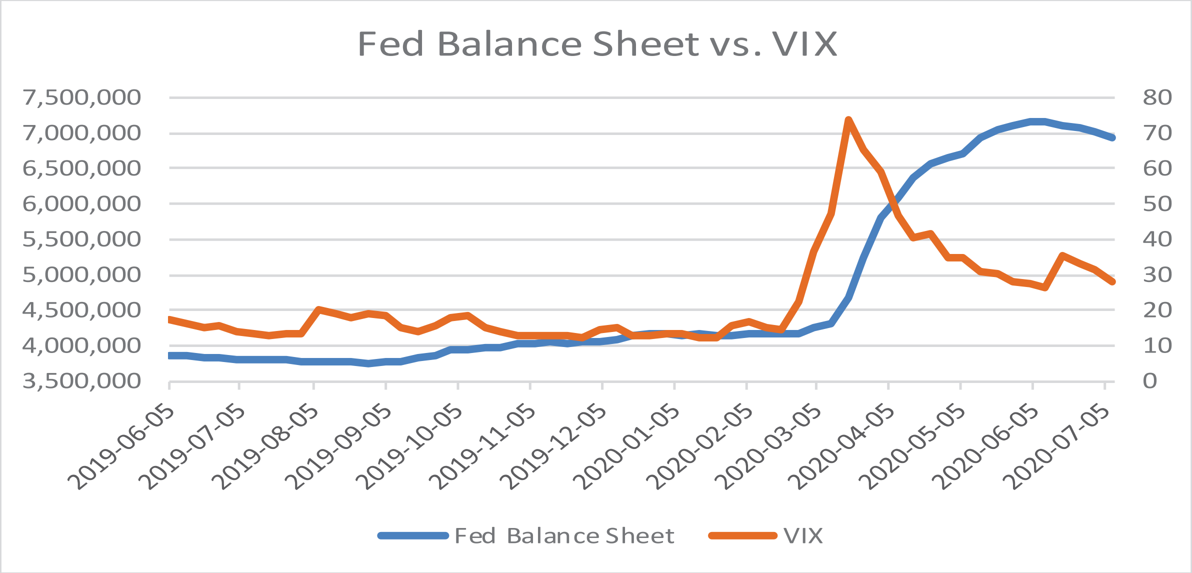
Source: Board of Governors of the Federal Reserve System (US), Assets: Total Assets: Total Assets (Less Eliminations from Consolidation): Wednesday Level [WALCL], retrieved from FRED, Federal Reserve Bank of St. Louis

Unprecedented Monetary Support

- The Federal Reserve's balance sheet has grown from $3 trillion in March to more than $7 trillion currently as the central bank delivered massive monetary accommodation through the purchase of corporate and municipal bonds and loans to businesses in order to support the economy

Fed Intervention Helped Calm Markets

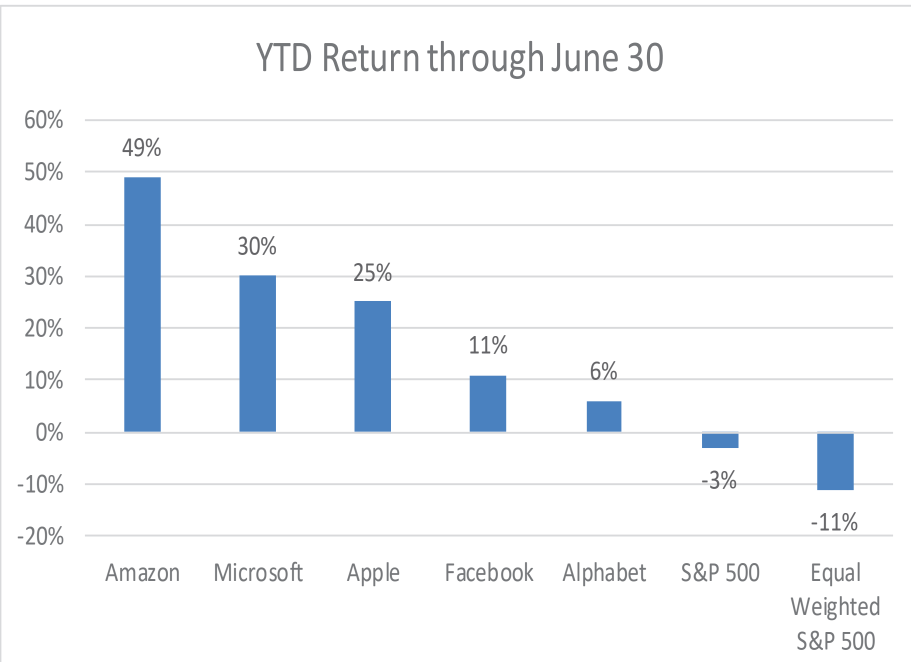
- Equity market volatility, as measured by the VIX, spiked during 1Q20 to levels not experienced since the GFC, peaking at 82.7 on March 16th
- VIX declined to below 30 over the course of 2Q20 as central bank intervention supported markets
- At 27.7 as of June 30, the VIX is still elevated relative to the average level of 17.3 for the last 10 years



Source: Board of Governors of the Federal Reserve System (US), Assets: Total Assets: Total Assets (Less Eliminations from Consolidation): Wednesday Level [WALCL], Chicago Board Options Exchange, CBOE Volatility Index: VIX [VIXCLS], retrieved from FRED, Federal Reserve Bank of St. Louis

U.S. Equity Market

Sector	Index	2Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Large Cap	S&P 500	20.5	(3.1)	31.5	(4.4)	21.8	12.0	1.4	7.5	10.7	10.7	14.0
	Russell 1000	21.8	(2.8)	31.4	(4.8)	21.7	12.1	0.9	7.5	10.6	10.5	14.0
	Russell 1000 Value	14.3	(16.3)	26.5	(8.3)	13.7	17.3	(3.8)	(8.8)	1.8	4.6	10.4
	Russell 1000 Growth	27.8	9.8	36.4	(1.5)	30.2	7.1	5.7	23.3	19.0	15.9	17.2
Mid Cap	Russell Mid-Cap	24.6	(9.1)	30.5	(9.1)	18.5	13.8	(2.4)	(2.2)	5.8	6.8	12.4
	Russell Mid-Cap Value	20.0	(18.1)	27.1	(12.3)	13.3	20.0	(4.8)	(11.8)	(0.5)	3.3	10.3
	Russell Mid-Cap Growth	30.3	4.2	35.5	(4.8)	25.3	7.3	(0.2)	11.9	14.8	11.6	15.1
Small Cap	Russell 2000	25.4	(13.0)	25.5	(11.0)	14.7	21.3	(4.4)	(6.6)	2.0	4.3	10.5
	Russell 2000 Value	18.9	(23.5)	22.4	(12.9)	7.8	31.7	(7.5)	(17.5)	(4.4)	1.3	7.8
	Russell 2000 Growth	30.6	(3.1)	28.5	(9.3)	22.2	11.3	(1.4)	3.5	7.9	6.9	12.9
Total Market	Wilshire 5000	21.9	(3.3)	31.0	(5.3)	21.0	13.4	0.7	6.8	10.1	10.3	13.7
	Russell 3000	22.0	(3.5)	31.0	(5.2)	21.1	12.7	0.5	6.5	10.0	10.0	13.7

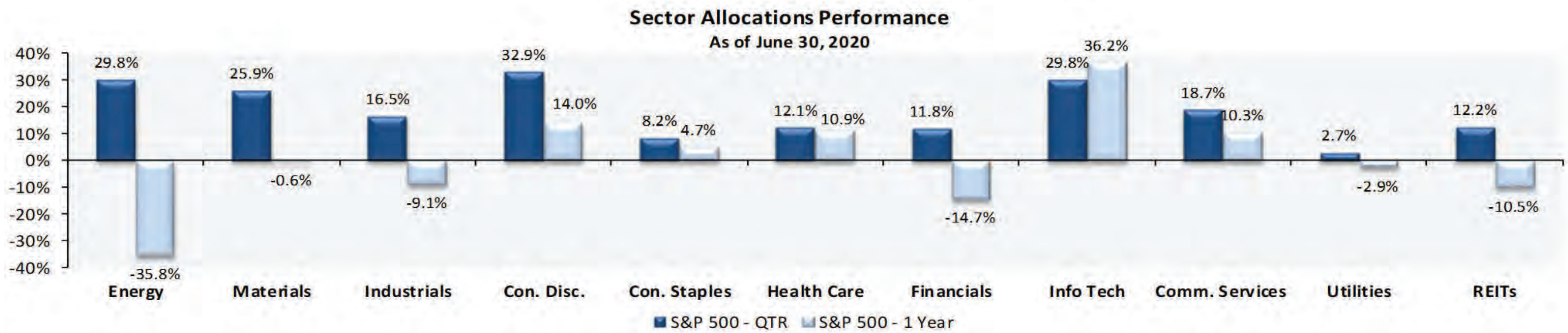


- U.S. equities had their best quarter in over 20 years as accommodative monetary policy and fiscal stimulus helped the S&P 500 rally 38% from the March market low to the end of 2Q20
- YTD performance for the S&P 500 has largely been driven by five large tech companies (shown in chart on the left) which represent 22% of the index and have largely benefited from stay-at-home orders
- As measured by the Russell 2000 Index, small cap U.S. equities (+25.4%) outperformed large caps, although large caps continue to be ahead over longer periods
- Growth stocks continued their domination over value, with the Russell 1000 Growth Index returning 27.8% while the Russell 1000 Value Index returned 14.3%

U.S. Equity Market

Strong Recovery in Most Sectors

- While all sectors rose during the quarter, defensive sectors (consumer staples and utilities) largely lagged the broader market
- The energy sector rebounded from a 50% decline in 1Q20 as crude oil returned 92% during 2Q20; however, the sector is still down 36% over the last 12 months
- Information technology was the best performing sector for the quarter (+30%) and over the last year (+36%)



Strong Quarterly Returns Often Followed by Additional Gains

- 2Q20 was the fourth best quarterly return for the S&P 500 since 1950
- Historically, the best performing quarters have been followed by additional gains

Best Quarter For The S&P 500 Index Since 1998

Big Quarterly Gains Historically See Continued Strength

Quarter	Quarterly Gain >15%	S&P 500 Index Return: Next Quarter	S&P 500 Index Return: Next Two Quarters	S&P 500 Index Return: Next Four Quarters
Q3 1970	15.8%	9.3%	19.1%	16.8%
Q1 1975	21.6%	14.2%	0.6%	23.3%
Q4 1982	16.8%	8.8%	19.5%	17.3%
Q4 1985	16.0%	13.1%	18.7%	14.6%
Q1 1987	20.5%	4.2%	10.3%	-11.2%
Q2 1997	16.9%	7.0%	9.6%	28.1%
Q4 1998	20.9%	4.6%	11.7%	19.5%
Q2 2009	15.2%	15.0%	21.3%	12.1%
Q2 2020	20.0%	?	?	?
	Average	9.5%	13.9%	15.1%
	Median	9.0%	15.2%	17.0%
	% Positive	100.0%	100.0%	87.5%

Source: LPL Research, FactSet 06/30/2020 (1950 - Current)
All indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

U.S. Equity Market

Valuation measure	Description	Latest	25-year avg.*	Std. dev. Over-/under-Valued
P/E	Forward P/E	21.72x	16.39x	1.69
CAPE	Shiller's P/E	28.96	27.32	0.27
Div. Yield	Dividend yield	1.93%	2.07%	0.38
P/B	Price to book	3.32	2.97	0.48
P/CF	Price to cash flow	14.89	10.64	2.16
EY Spread	EY minus Baa yield	1.02%	0.02%	-0.51

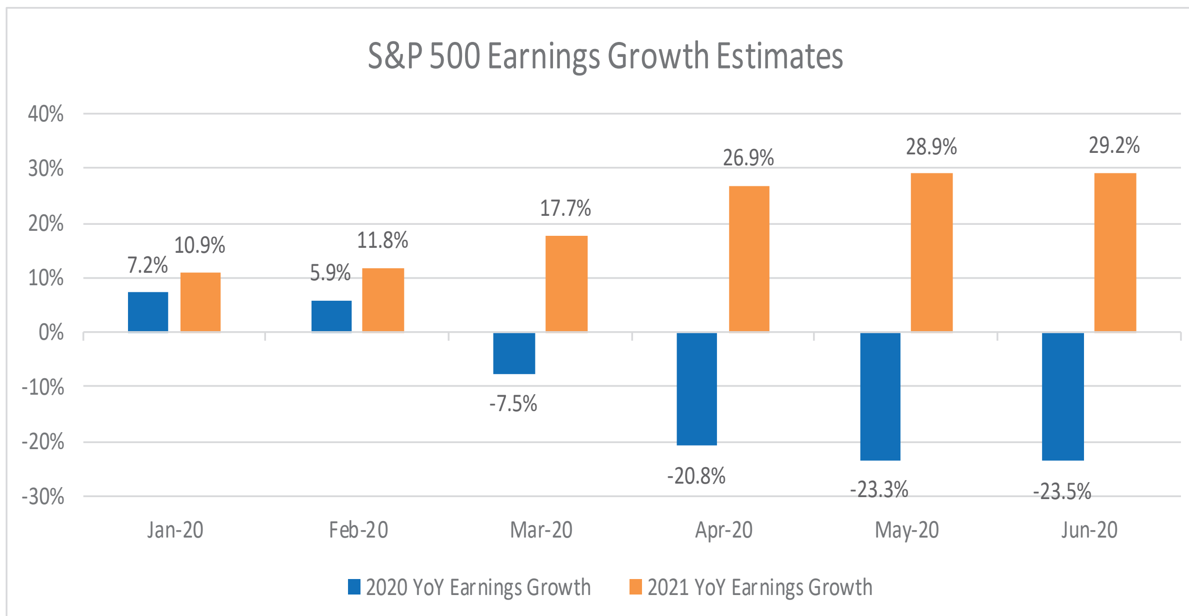
Source: J.P. Morgan Asset Management

U.S. Stocks Trading at Multi-Year High Valuations

- The forward P/E of the S&P 500 increased from 15.4x at the end of 1Q20 to 21.7x at the end of 2Q20 as prices rapidly recovered while near term earnings estimates have declined
- As a result, stocks are now trading at valuations well above the long-term average of 16.4x

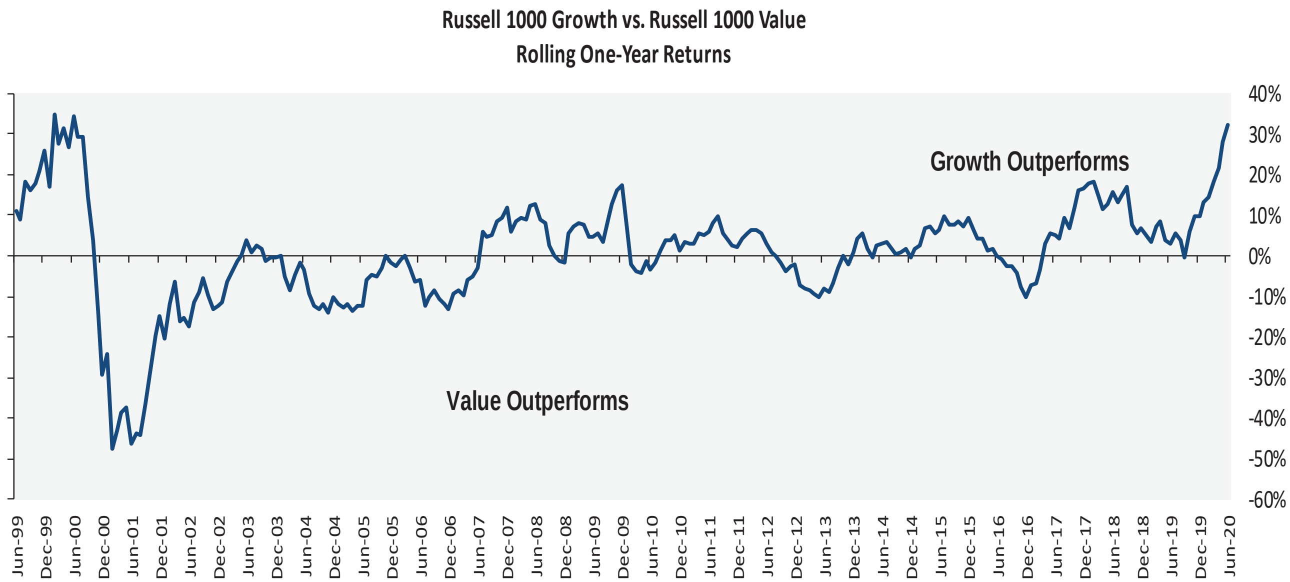
Market Expects a Fast Earnings Recovery

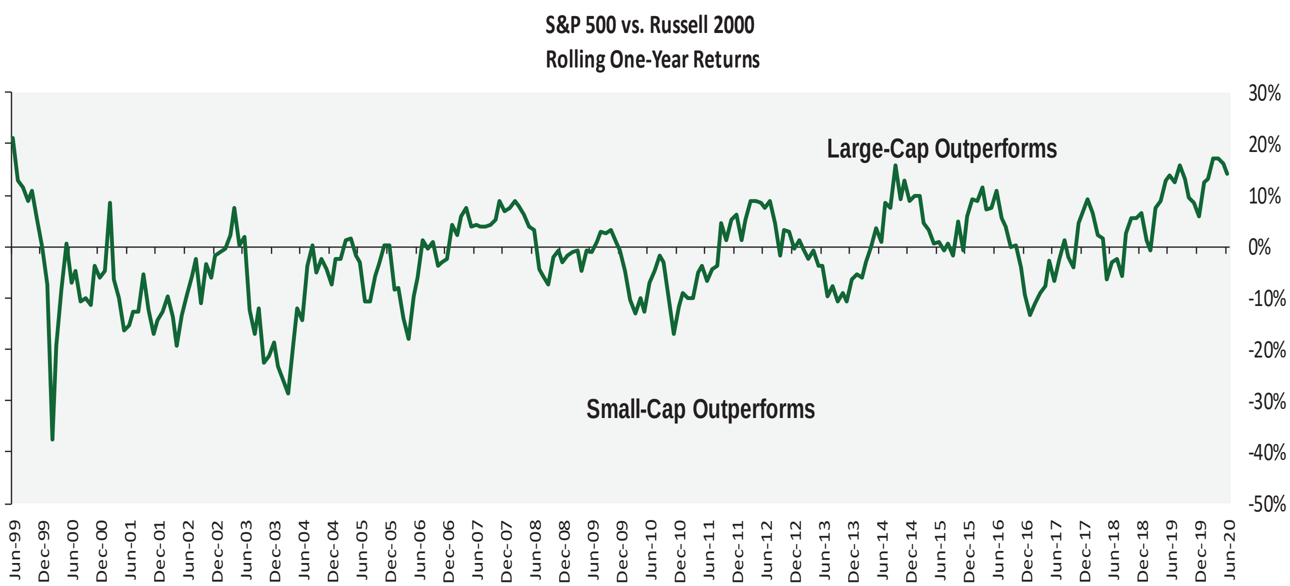
- S&P 500 earnings are projected to decline by over 24% in 2020 based on the most recent estimates by analysts
- Expectations are for a quick recovery in earnings in 2021 as economies recover from the impact of the COVID pandemic
- Consensus is for S&P 500 earnings to grow by 29% in 2021 to return to an all time high



Source: Bloomberg

U.S. Equity Market

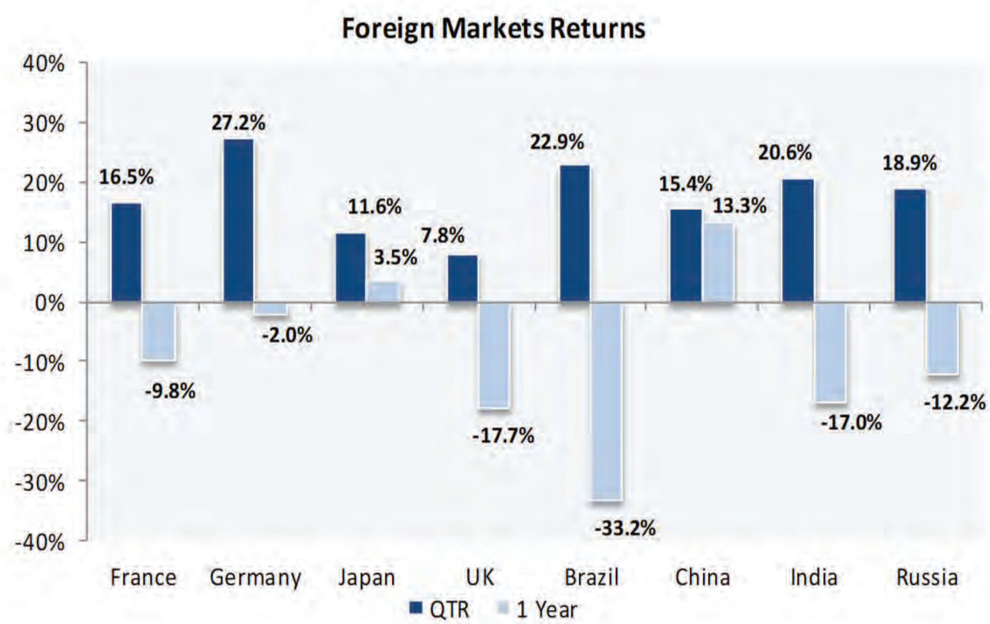




- The magnitude of the outperformance of growth vs. value is at the highest level in 20 years as growth stocks outperformed during both the 1Q20 market sell-off and the subsequent recovery in 2Q20
- Value indices have been negatively impacted by their high exposure to the energy and financial sectors, both of which have lagged the broader market
- The energy sector, which represents over 6% of the large value index and less than 1% of the large growth index, has returned -35% over the last 12 months and is the only sector with negative performance over the last three years
- Conversely, technology, the best performing sector over the last year, represents 44% of the large growth index and 10% of the large value index

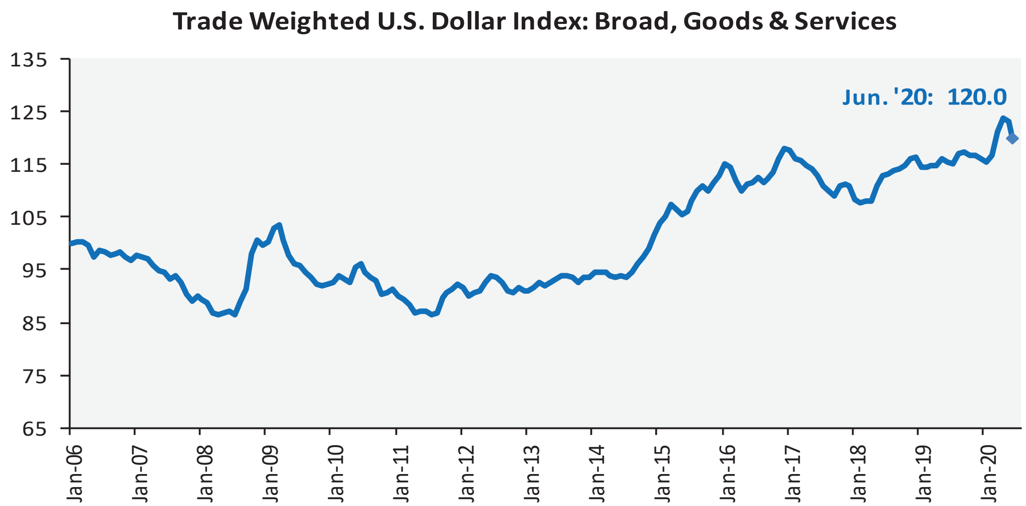
International Equity Market

Sector	Index	2Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Global	MSCI AC World Index (net)	19.2	(6.3)	26.6	(9.4)	24.0	7.9	(2.4)	2.1	6.1	6.5	9.2
	MSCI World Small Cap (net)	24.9	(12.9)	24.7	(14.4)	23.8	11.6	(1.0)	(5.5)	1.4	3.7	8.6
	MSCI World ex US (net)	16.1	(11.0)	21.5	(14.2)	27.2	4.5	(5.7)	(4.8)	1.1	2.3	5.0
Periods Ending Jun	MSCI World ex US Small Cap (net)	22.8	(12.8)	22.4	(18.2)	31.6	3.9	2.6	(4.3)	(0.2)	2.5	6.1
Developed ex US	MSCI EAFE (net)	14.9	(11.4)	22.0	(13.8)	25.0	1.0	(0.8)	(5.1)	0.8	2.1	5.7
	MSCI EAFE Value (net)	12.4	(19.3)	16.1	(14.8)	21.4	5.0	(5.7)	(14.5)	(4.4)	(1.6)	3.5
	MSCI EAFE Growth (net)	17.0	(3.5)	27.9	(12.8)	28.9	(3.0)	4.1	4.2	5.9	5.5	7.8
	MSCI EAFE Small Cap (net)	19.9	(13.1)	25.0	(17.9)	33.0	2.2	9.6	(3.5)	0.5	3.8	8.0
Emerging Markets	MSCI Emerging Markets (net)	18.1	(9.8)	18.4	(14.6)	37.3	11.2	(14.9)	(3.4)	1.9	2.9	3.3



- Similar to the U.S. Federal Reserve, central banks across the globe unleashed massive levels of stimulus to combat the impact of the pandemic on their economies
- Despite strong gains in most markets, international equities again underperformed vs. U.S. markets in 2Q20
- Developed non-U.S. markets returned 14.9% as measured by the MSCI EAFE Index while emerging markets returned 18.1% as measured by the MSCI Emerging Market Index
- As was the case in the U.S., small caps led large cap and growth outperformed value
- Among developed market countries, Germany performed strongly, up 27%, while the U.K. lagged (+8%)

International Equity Market



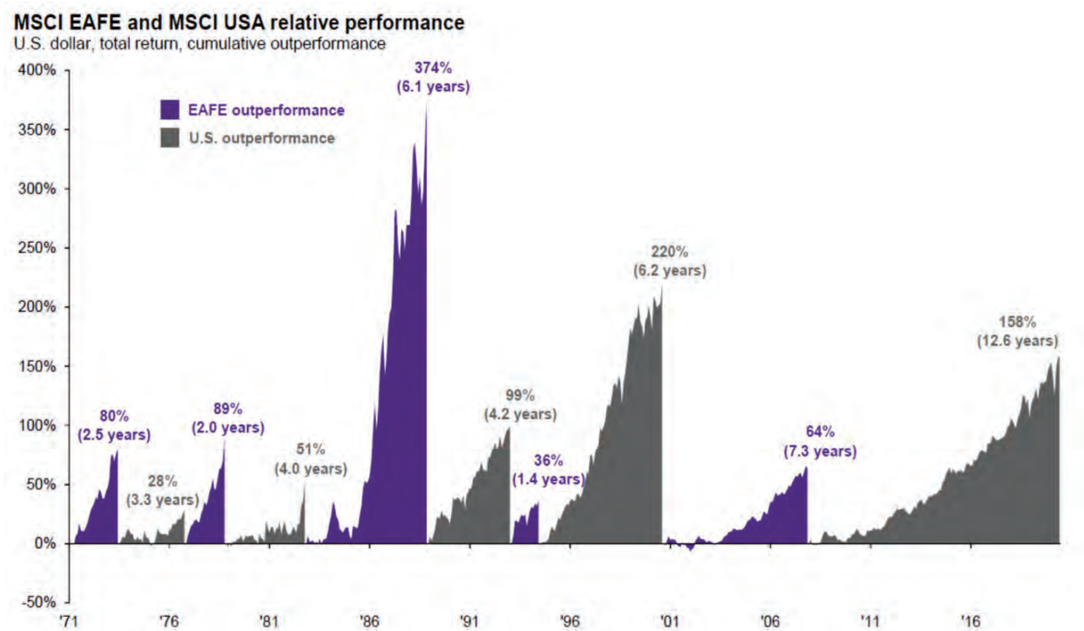
Source: Board of Governors of the Federal Reserve System (US)

U.S. Dollar Retreats From Multi-year High

- Despite reaching a multi-year high of 123.6 in April, the U.S. Dollar depreciated to 120.0 in 2Q20 as the safe haven buying experienced in 1Q20 began to fade
- The Euro specifically appreciated relative to the dollar as the ECB exceeded expectations with their bond buying stimulus program
- With the dollar still stronger relative to the start of the year, non-U.S. equity returns for U.S. Dollar investors are lower than local currency returns in most markets

Unprecedented Period of U.S. Equity Market Outperformance

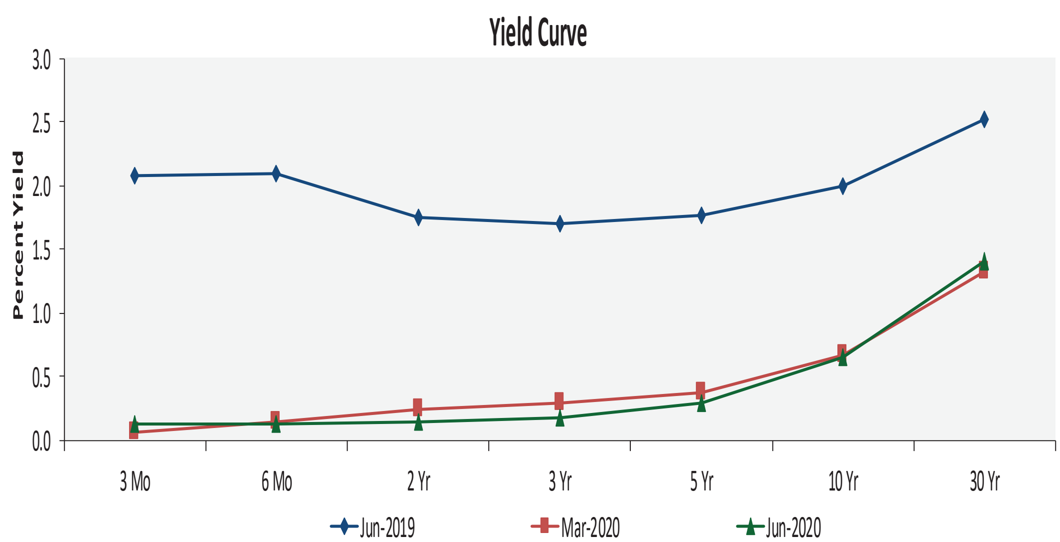
- U.S. equity markets have now outperformed developed non-U.S. markets by 158% cumulatively over the last 12.6 years
- Notably, while the length of the period of outperformance is longer than any other period over the last 50 years, the magnitude is less than that of the U.S. outperformance in late 1990s and the period of non-U.S. outperformance in late 1980s



Source: J.P. Morgan Asset Management

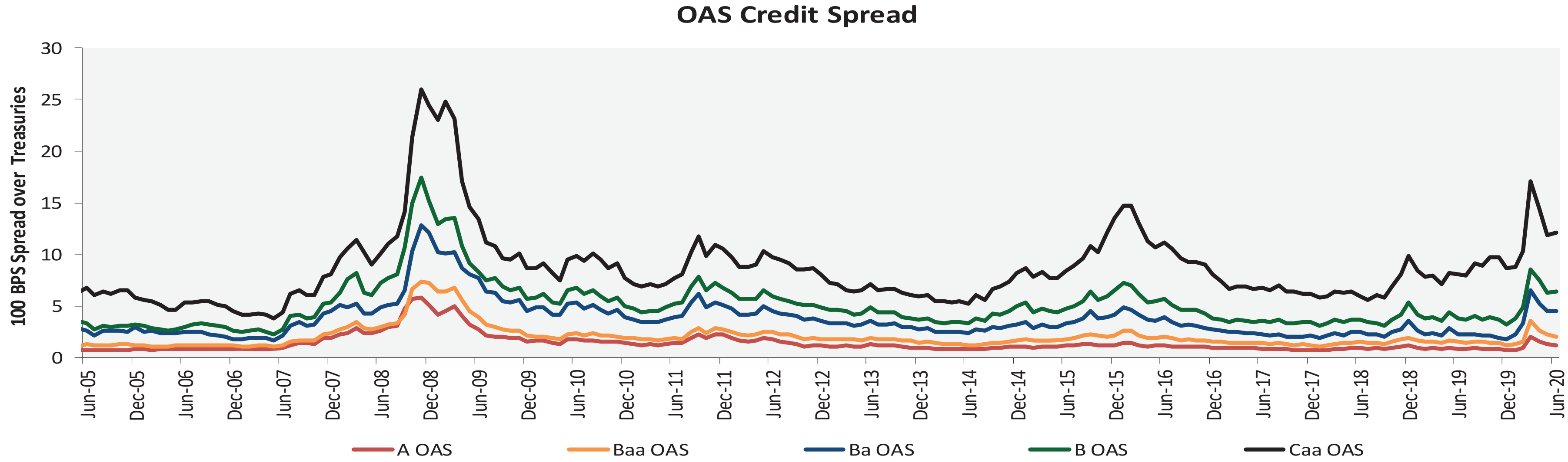
Bond Market

Index	Yield	Duration	2Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Bloomberg Barclays Aggregate	1.25	6.3	2.9	6.1	8.7	0.0	3.5	2.7	0.6	8.7	5.3	4.3	3.8
Bloomberg Barclays Govt/Credit	1.20	7.5	3.7	7.2	9.7	(0.4)	4.0	3.1	0.2	10.0	5.9	4.7	4.1
Bloomberg Barclays Int Agg	0.97	3.9	2.1	4.7	6.7	0.9	2.3	2.0	1.2	6.6	4.3	3.4	3.1
Bloomberg Barclays Int Govt/Credit	0.74	4.1	2.8	5.3	6.8	0.9	2.1	2.1	1.1	7.1	4.4	3.5	3.1
Bloomberg Barclays U.S. Corporate	2.15	8.5	9.0	5.0	14.5	(2.5)	6.4	6.1	(0.7)	9.5	6.3	5.8	5.5
Bloomberg Barclays HY Ba/B 2% IC	5.88	4.3	10.4	(2.3)	15.2	(1.9)	6.9	14.1	(2.7)	2.1	4.2	5.0	6.7
BofA ML HY Cash Pay BB 1-3 Yr.	6.12	1.8	7.3	(1.0)	8.7	1.4	3.6	8.5	1.2	1.9	3.3	3.9	5.0
Bloomberg Barclays Mortgage	1.36	3.3	0.7	3.5	6.4	1.0	2.5	1.7	1.5	5.7	4.0	3.2	3.1
Bloomberg Barclays Treasury	0.50	7.0	0.5	8.7	6.9	0.9	2.3	1.0	0.8	10.5	5.6	4.1	3.4
Bloomberg Barclays US TIPS	0.72	7.7	4.2	6.0	8.4	(1.3)	3.0	4.7	(1.4)	8.3	5.1	3.8	3.5
BofA ML 91 day T-Bills	0.14	0.3	0.0	0.6	2.3	1.9	0.9	0.3	0.1	1.6	1.8	1.2	0.6



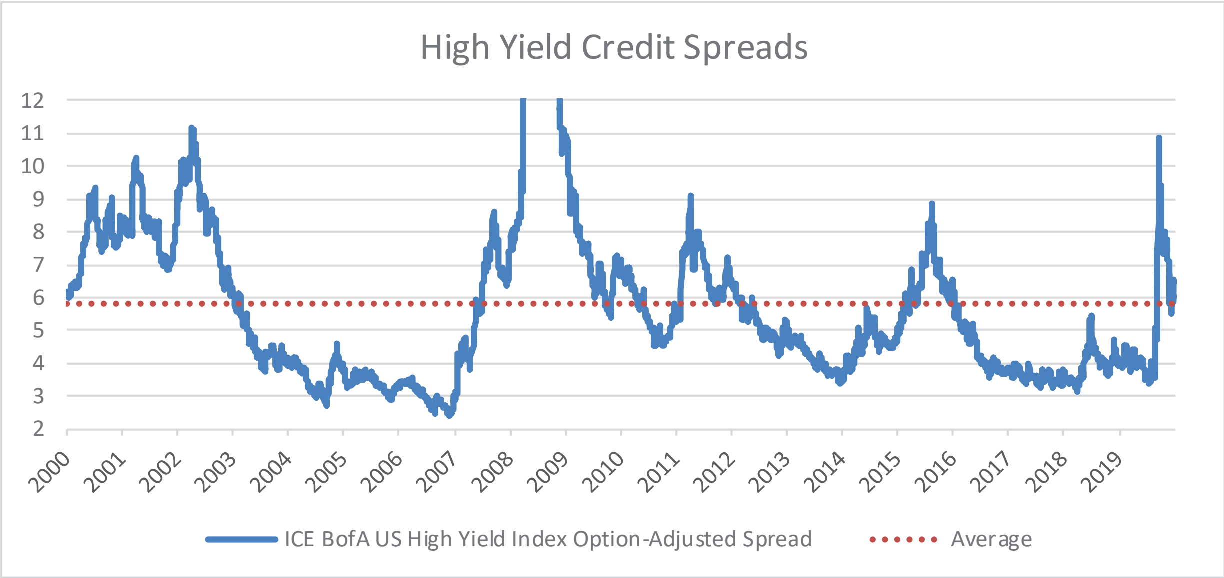
- Treasury yields were largely unchanged during the quarter as quantitative easing and low yields globally kept rates near record lows
- The U.S. Federal Reserve is projecting no rate hikes through 2022
- Significant central bank support both in the U.S. and globally resulted in tighter spreads for credit sectors
- As a result, credit outperformed Treasuries with high yield (+10.4%) outperforming investment grade (9.0%)

Bond Market



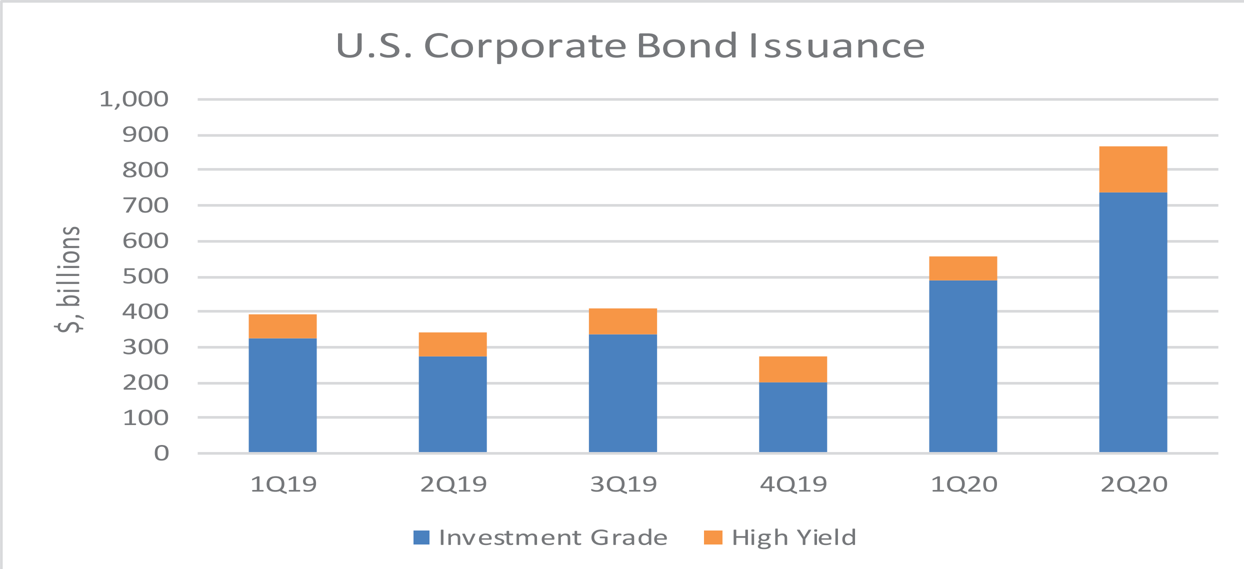
High Yield Spreads Tighten During 2Q20

- Fed support and a restart of the economy allowed high yield markets to retrace a large percentage of the widening that occurred in 1Q20
- At 6.44% at the end of 2Q20, spreads are over 400 bps tighter relative to the YTD wide seen in March; however, they remain well above the level at the start of the year (3.60%) and slightly above the 20-year average of 5.80%



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, June 30, 2020.

Bond Market



Source: SIFMA

Federal Reserve Support Results in Record Issuance

- The Federal Reserve facilities for buying corporate debt have led to a record level of issuance for investment grade and high yield companies seeking to take advantage of historically low borrowing rates to shore up liquidity given COVID related earnings uncertainty

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 6/30/2020							
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	14.98	10.72	6.86	12.40	3.26	11.85	8.84
-100	10.20	7.56	4.82	8.67	2.31	9.70	7.93
-50	5.43	4.41	2.78	4.94	1.37	7.55	7.03
-25	3.04	2.83	1.76	3.08	0.89	6.48	6.57
0	0.65	1.25	0.74	1.21	0.42	5.40	6.12
25	-1.74	-0.33	-0.28	-0.66	-0.05	4.33	5.67
50	-4.13	-1.91	-1.30	-2.52	-0.53	3.25	5.22
100	-8.90	-5.06	-3.34	-6.25	-1.47	1.10	4.31
150	-13.68	-8.22	-5.38	-9.98	-2.42	-1.05	3.41
200	-18.45	-11.37	-7.42	-13.71	-3.36	-3.20	2.50
250	-23.23	-14.53	-9.46	-17.44	-4.31	-5.35	1.60
300	-28.00	-17.68	-11.50	-21.17	-5.25	-7.50	0.69
350	-32.78	-20.84	-13.54	-24.90	-6.20	-9.65	-0.22
400	-37.55	-23.99	-15.58	-28.63	-7.14	-11.80	-1.12
450	-42.33	-27.15	-17.62	-32.36	-8.09	-13.95	-2.03
500	-47.10	-30.30	-19.66	-36.09	-9.03	-16.10	-2.93
Duration	9.55	6.31	4.08	7.46	1.89	4.30	1.81

FOR ILLUSTRATIVE PURPOSES ONLY: For each index the current yield to worst as of 6/30/2020 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 6/30/2020 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	2Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
US Private	NCREIF ODCE Equal Weighted (net)	(1.5)	(0.8)	5.2	7.3	6.9	8.4	14.2	1.7	5.1	6.7	10.0
	NCREIF ODCE Income Index	0.9	1.9	4.3	4.3	5.1	4.7	4.8	4.1	4.2	4.5	5.0
	NCREIF ODCE Appreciation Index	(2.5)	(2.5)	1.6	3.9	3.2	4.5	10.0	(1.8)	1.6	3.0	5.7

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)	-4.0%	3.6%	7.6%	4.7%
Office	-4.8%	2.9%	7.3%	4.2%
Retail	-11.2%	0.4%	5.9%	1.9%
Industrial	1.9%	6.6%	9.0%	7.0%
Apartment	-2.2%	5.1%	8.6%	5.4%

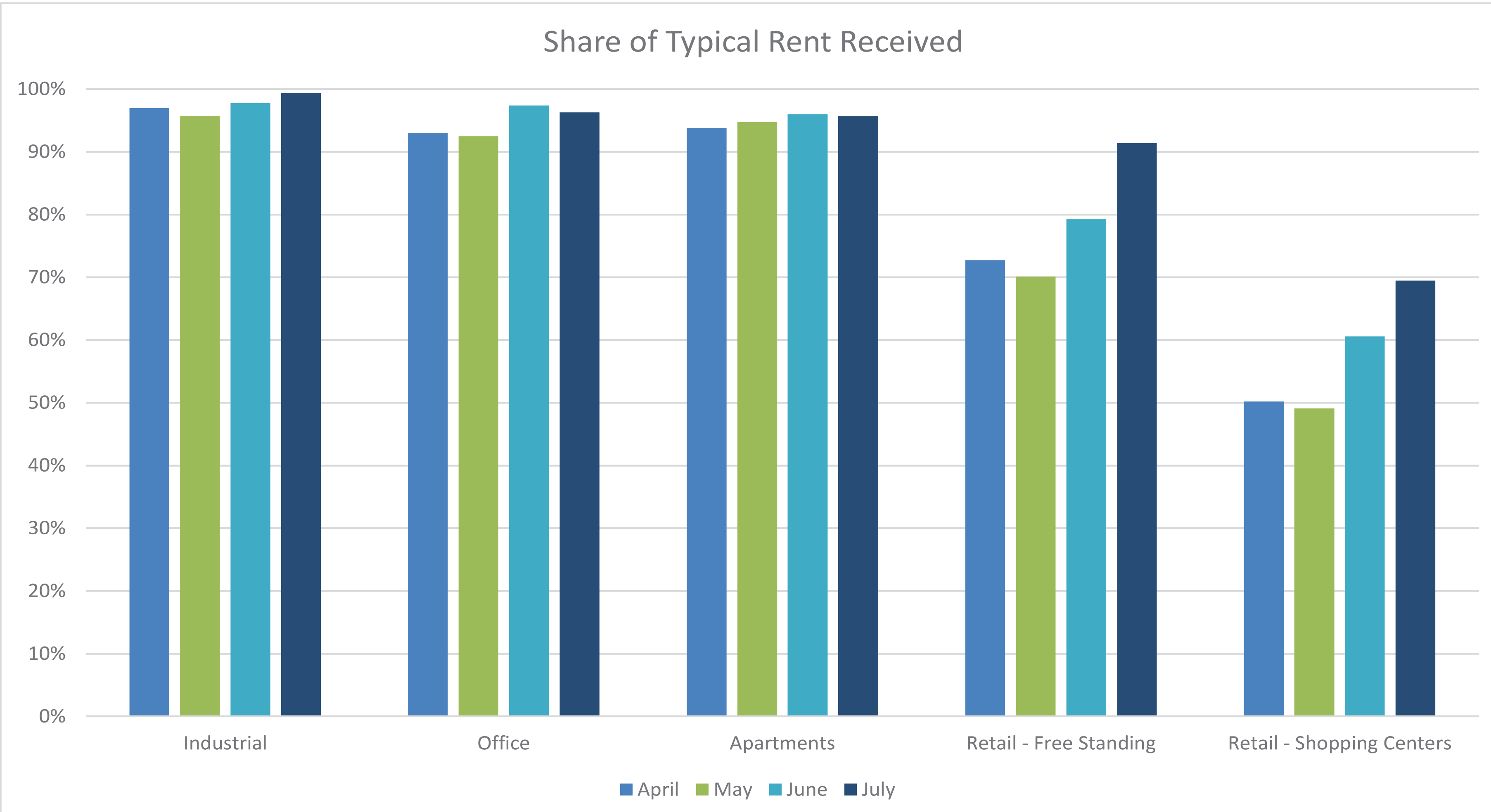
Source: Pension Real Estate Association (PREA) Consensus Forecast Survey of the NCREIF Property Index.

Real Estate Market Performance Review

- Private real estate, as measured by the NCREIF ODCE Equal Weighted Index, returned -1.3% (-1.5% net) in 2Q20
- For the quarter, -2.5% of appreciation was partially offset by 0.9% of income
- Real estate appreciation is now negative over the trailing one-year period for the first time since June 2010
- Real estate investors have adjusted return expectations due to the COVID pandemic and are now forecasting a -4.0% return for 2020 and 4.7% over the next five years
- As recently as 1Q20, investors were forecasting real estate returns of 6% for 2020
- Investors expect the retail and office segments to be most impacted while industrial is expected to be the best performing sector

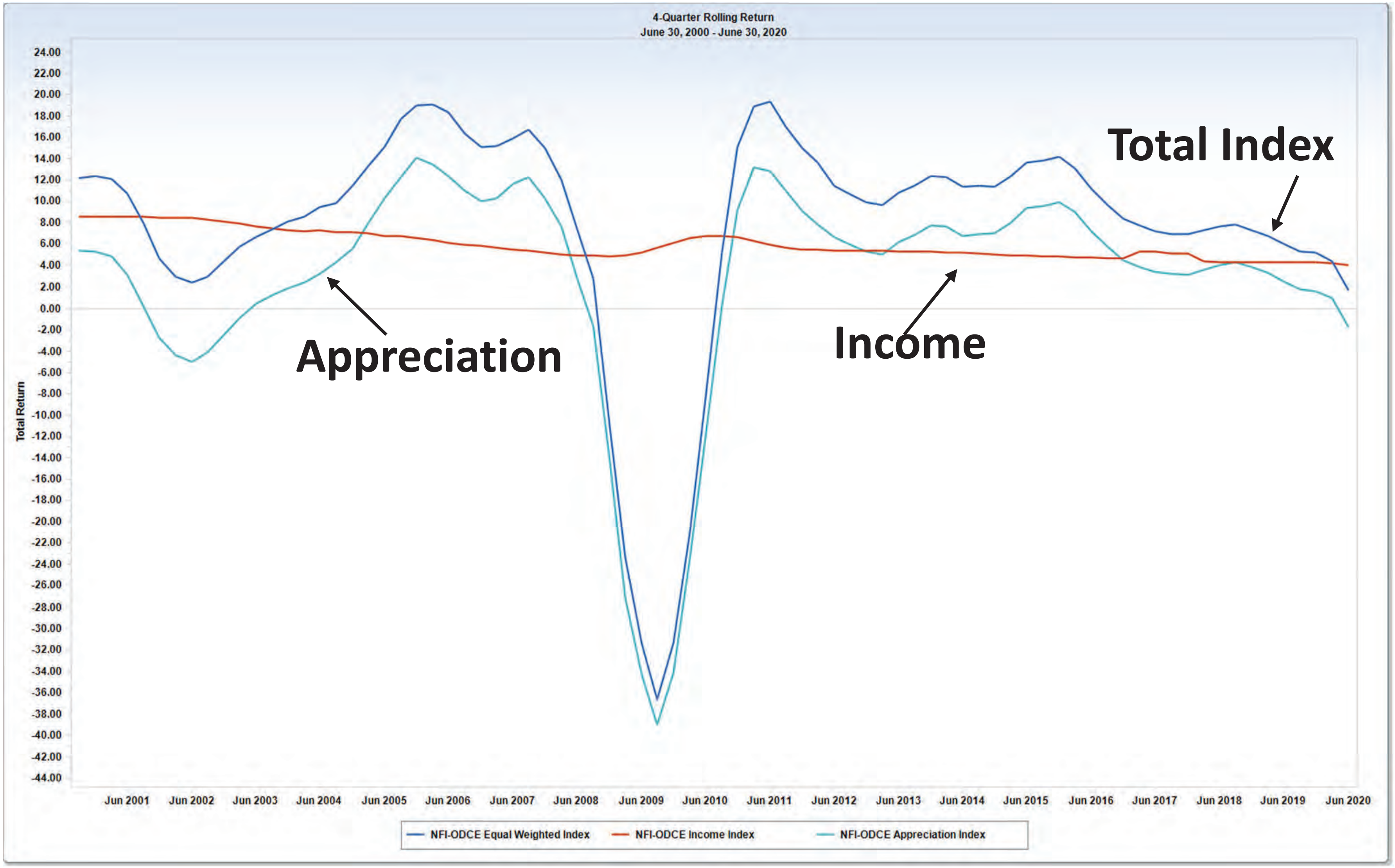
Real Estate Market

- Rent collections have improved since April across all real estate sectors based on a survey of listed REITs which own and operate between 10% and 20% of commercial real estate in the U.S.
- While retail rent collections have improved significantly since May as the U.S. economy reopens, shopping centers continue to be significantly negatively impacted with less than 70% of typical rents collected for July



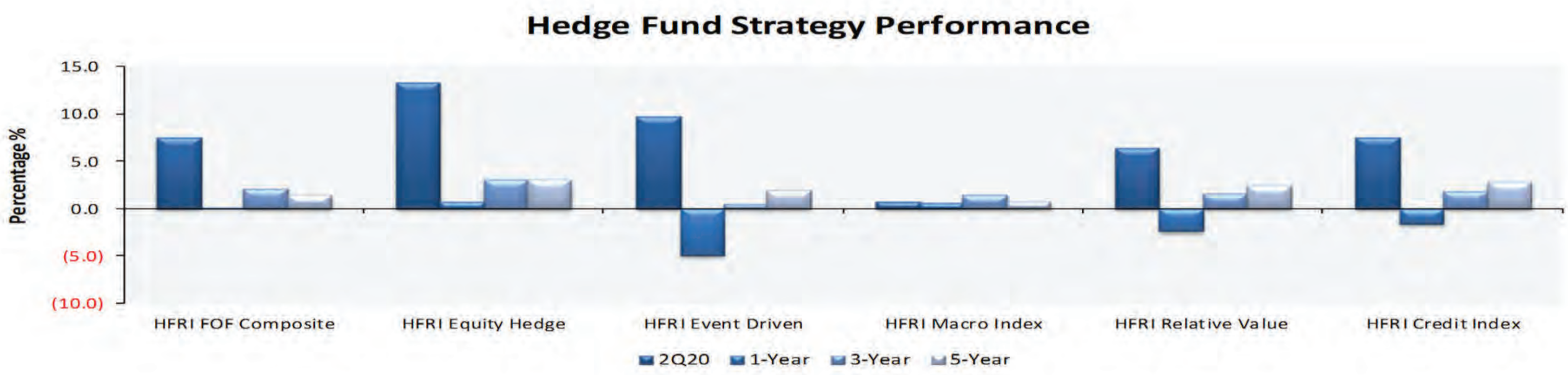
Source: Nareit July 2020 Rent Survey

Real Estate Market



Hedge Fund Market

Strategy	Index	2Q20	YTD	2019	2018	2017	2016	2015	1-Year	3-Year	5-Year	10-Year
Fund of Funds	HFRI FOF Composite	7.5	(2.0)	8.4	(4.0)	7.8	0.5	(0.3)	0.1	2.1	1.4	2.8
Equity Long-Short	HFRI Equity Hedge	13.3	(3.2)	13.7	(7.1)	13.3	5.5	(1.0)	0.8	3.0	3.1	4.6
Event Driven	HFRI Event Driven	9.7	(6.7)	7.5	(2.1)	7.6	10.6	(3.6)	(4.9)	0.5	1.9	4.0
Global Macro	HFRI Macro Index	0.8	(0.9)	6.5	(4.1)	2.2	1.0	(1.3)	0.7	1.4	0.7	1.3
Relative Value	HFRI Relative Value	6.4	(4.2)	7.4	(0.4)	5.1	7.7	(0.3)	(2.4)	1.6	2.4	4.4
Credit	HFRI Credit Index	7.6	(3.2)	6.5	(0.0)	6.0	8.6	(1.0)	(1.6)	1.9	2.8	4.6



Hedge Fund Market Performance Review

- Hedge funds rebounded in Q2 in tandem with global equity and credit markets; the HFRI Fund of Funds Composite return in April of 3.41% was its highest monthly return since February 2000, helping the index to a Q2 return of 7.48%
- Equity-oriented strategies were the best performers for the quarter; the HFRI Equity Hedge index rose 13.3%, with technology-focused strategies continuing to outperform and energy-oriented strategies recovering, particularly in April as the HFRI Equity Hedge Energy/Materials Index rose 14.5% on the month
- The HFRI Event Driven Index was up 9.7% in Q2 but remains down 6.7% YTD; the pervasive “risk-on” sentiment helped drive strong Q2 results in equity-oriented event strategies, particularly in activist equity and merger arbitrage, where M&A deal spreads contracted
- HFRI reports that about half of all hedge funds posted positive returns in the first half of 2020, and the significant return dispersion witnessed in March remains evident in YTD results through June: the top decile of HFRI constituents gained 25% on average YTD, while the bottom decile declined 28%

FELRA and UFCW Pension Fund

Master Consulting Services Report

Period Ended

June 30, 2020

Total Fund Growth of Assets

	Second Quarter	Fiscal Year-To-Date	One Year	Three Years	Five Years	Seven Years	Ten Years
Beginning Market Value	$79,812,842	$105,667,131	$156,086,751	$332,574,360	$506,374,069	$581,715,949	$630,938,322
Net Cash Flow	-$25,451,087	-$50,306,148	-$103,148,092	-$308,500,592	-$519,304,669	-$708,039,310	-$941,115,145
Net Investment Change	$2,213,062	$1,213,833	$3,636,157	$32,501,048	$69,505,416	$182,898,178	$366,751,639
Ending Market Value	$56,574,816	$56,574,816	$56,574,816	$56,574,816	$56,574,816	$56,574,816	$56,574,816

- 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	Ending June 30, 2020						
			2020 Q2	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	**$56,574,816**	**100.0%**	**3.1%**	**1.8%**	**3.9%**	**5.4%**	**5.6%**	**7.1%**	**8.1%**
Total Investment Grade Fixed Income	**$53,142,918**	**93.9%**	**3.3%**	**1.9%**	**3.5%**	**2.6%**	**2.6%**	**2.5%**	**3.3%**
Total Cash Equivalents	**$1,567,014**	**2.8%**	**0.1%**	**0.6%**	**1.5%**	**1.3%**	**0.9%**	**0.7%**	**0.5%**
Total Other	**$1,864,885**	**3.3%**							

	Fiscal Year Ending December 31st										
	Fiscal YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total Fund	**1.8%**	**10.2%**	**-1.6%**	**12.0%**	**8.1%**	**3.0%**	**6.0%**	**14.9%**	**12.5%**	**0.6%**	**13.6%**

Current vs. Policy						
	Current	Current	Policy	Policy Range	Difference	Difference
Domestic Equity	--	--	20.0%	0.0% - 40.0%	-20.0%	-$11,314,963
International Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Emerging Markets Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Global Tactical Asset Allocation	--	--	15.0%	0.0% - 30.0%	-15.0%	-$8,486,222
Investment Grade Fixed Income	$53,142,918	93.9%	45.0%	0.0% - 100.0%	48.9%	$27,684,251
Opportunistic Fixed Income	--	--	10.0%	0.0% - 20.0%	-10.0%	-$5,657,482
Short Duration High Yield Fixed Income	--	--	5.0%	0.0% - 10.0%	-5.0%	-$2,828,741
Real Estate	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Hedge Fund of Funds	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Cash Equivalents / Other	$3,431,898	6.1%	5.0%	0.0% - 20.0%	1.1%	$603,157
Total	**$56,574,816**	**100.0%**	**100.0%**			

- The Policy is effective September 25, 2019.
- 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.

Recommendation: None.

FELRA and UFCW Pension Fund – Recent Portfolio Activity

2019 - 3Q

- On July 30, 2019, $10.0M transferred from investment grade fixed income (SBH) to cash (PNC STIF).
- On August 29, 2019, $6.0M transferred from investment grade fixed income (SBH - $3.0M) and domestic equity (WEDGE - $3.0M) to cash (PNC STIF).
- On September 27, 2019, proceeds of the domestic equity (Vanguard) termination totaling $12,784,123 transferred to cash (PNC STIF). Of those proceeds, $1.2M was reinvested with investment grade fixed income (SBH).

2019 - 4Q

- On October 31, 2019, $10.0M transferred from domestic equity (WEDGE) to cash (PNC STIF).
- On November 26, 2019, Wedge was terminated, with all assets (approximately $9.6M) transferred to cash (PNC STIF).
- Effective November 31, 2019, $12.0M was redeemed from global tactical asset allocation (First Eagle) to cash (PNC STIF).

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).

Performance Detail (Gross of Fees) - Annualized

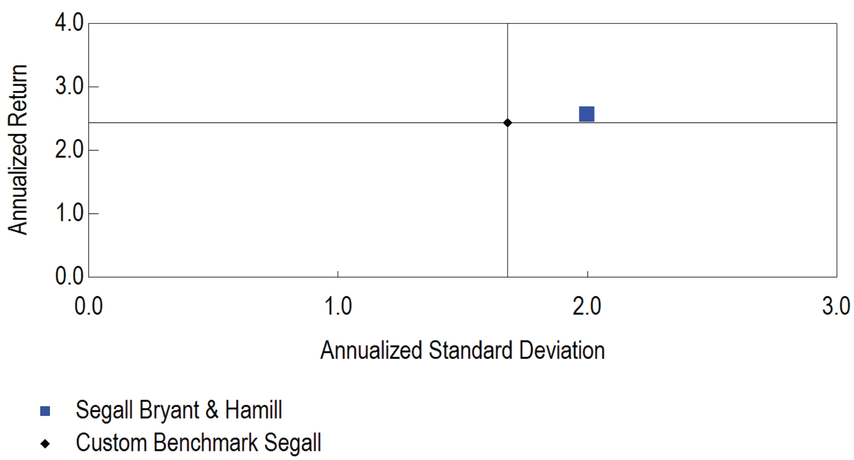
			Ending June 30, 2020								
	Market Value	% of Portfolio	2020 Q2	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund	**$56,574,816**	**100.0%**	**3.1%**	**1.8%**	**3.9%**	**5.4%**	**5.6%**	**7.1%**	**8.1%**	**6.3%**	**Jan-97**
Total Investment Grade Fixed Income	**$53,142,918**	**93.9%**	**3.3%**	**1.9%**	**3.5%**	**2.6%**	**2.6%**	**2.5%**	**3.3%**	**3.4%**	**Jun-07**
Segall Bryant & Hamill	$53,142,918	93.9%	3.3%	1.9%	3.5%	2.6%	2.6%	2.5%	2.9%	3.8%	Jan-09
Custom Benchmark Segall			*1.2%*	*2.9%*	*4.2%*	*2.7%*	*2.4%*	*2.4%*	*2.7%*	*3.3%*	*Jan-09*
Total Cash Equivalents	**$1,567,014**	**2.8%**	**0.1%**	**0.6%**	**1.5%**	**1.3%**	**0.9%**	**0.7%**	**0.5%**	**--**	**Jul-06**
PNC STIF	$1,567,014	2.8%	0.1%	0.6%	1.5%	1.3%	0.9%	0.7%	0.5%	1.6%	Jul-06
Total Other	**$1,864,885**	**3.3%**									
EnTrust Capital Diversified Peru Class X	$1,864,885	3.3%									

Account Information	
Account Name	Segall Bryant & Hamill
Account Structure	Separate Account
Investment Style	Active
Inception Date	1/01/09
Account Type	Investment Grade Fixed Income
Benchmark	Custom Benchmark Segall
Universe	

Segall Bryant & Hamill
Ending June 30, 2020

	Second Quarter	Inception 1/1/09
Beginning Market Value	$75,907,666	$41,048,647
Net Cash Flow	-$25,000,000	-$2,282,036
Net Investment Change	$2,235,252	$14,376,307
Ending Market Value	$53,142,918	$53,142,918

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2020



3 Years Ending June 30, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall Bryant & Hamill	2.6%	2.0%	84.1%	42.3%
Custom Benchmark Segall	2.7%	1.3%	100.0%	100.0%

5 Years Ending June 30, 2020

	Anlzd Return	Anlzd Standard Deviation	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Segall Bryant & Hamill	2.6%	2.0%	92.5%	67.9%
Custom Benchmark Segall	2.4%	1.7%	100.0%	100.0%

	2020 Q2	YTD	1 Yr	3 Yrs	5 Yrs	Calendar Years 2019	2018	2017	2016	2015	Inception	Inception Date
Segall Bryant & Hamill	3.3%	1.9%	3.5%	2.6%	2.6%	4.2%	1.1%	2.6%	2.4%	1.3%	3.8%	Jan-09
Custom Benchmark Segall	*1.2%*	*2.9%*	*4.2%*	*2.7%*	*2.4%*	*4.0%*	*0.8%*	*2.1%*	*2.1%*	*1.1%*	*3.3%*	*Jan-09*

Note: Returns are gross of fees.

FELRA & UFCW Pension Fund - Segall Bryant & Hamill

Manager Summary

- IPS conducted due diligence meetings with Segall Bryant and Hamill on August 28, 2018, January 11, 2019, April 24, 2019, March 24, 2020 and July 7, 2020.

Recommendation: None.

Compliance Summary

Exception #1: Policy Addendum states - Fixed Income securities in an individual company's portfolio are required to have credit ratings limited to BBB- or Baa3 and above as established by at least two of the three bond rating agencies.

Three inherited bonds held as of June 30, 2020, are currently below investment grade with a total market value of $804.10 (0.002% of the portfolio) and two bonds are in default with a total market value of $800.10 (0.002% of the portfolio).

Manager Response Summary: The manager provided a table with the inherited bonds that are currently below investment grade and in default in the 2Q2020 compliance report. The manager noted ESC Lehman Brothers Holdings Security is in liquidation and recovery is uncertain. Twin Reefs Pass-Securities are under strategic reorganization and the status of the securities is uncertain. DPS 144 A Washington Mutual bankruptcy proceedings have closed.

Action to be taken: Based on comments provided by the manager, no action is required.

Exception #2: Policy Addendum states - Fixed Income securities in an individual company's portfolio are required to have credit ratings limited to BBB- or Baa3 and above as established by at least two of the three bond rating agencies.

Security #1: Occidental Petroleum (OXY), 4.850% due on 3/15/2021, cusip #674599CZ6. Units - 1,038,000. Cost - $1,070,478. Mkt value as of 06/30/2020 - $1,030,215 (1.96% of the portfolio). Current Ratings: BB+ (S&P), Ba2 (Moody's), BB (Fitch). Moody's was downgraded from Ba1 on 06/25/2020 to Ba2. Fitch was upgraded from BB- on 06/25/2020 to BB.

Security #2: Apache Corp (APA), 3.625% due on 2/01/2021, cusip #037411AX3. Units - 1,070,000. Cost - $1,081,078. Mkt value as of 06/30/2020 - $1,059,407 (2.01% of the portfolio). Current Ratings: BB+ (S&P), Ba1 (Moody's), BB+ (Fitch). Moody's was downgraded from Baa3 on 05/18/2020 to Ba1. Fitch was downgraded from BBB on 06/01/2020 to BB+.

Manager Response Summary: Segall Bryant & Hamill stated that the portfolio holds a position in Occidental Petroleum (Oxy) bonds. These bonds were downgraded to below invstment grade, making the holding inconsistent with the fixed income strategy and out of compliance guidelines. The current holding represents less than 1% of the overall portfolio. Oxy was in the midst of executing the acquisition of Anadarko when the combination of reduced demand from the negative economic effects of the Coronavirus and increase supply from the price war between Saudi Arabia and Russia pushed oil prices down from $54 a barrel to $20 a barrel. Adding further to the selling pressure in the bonds were the actions of the rating agencies, which downgraded the bonds to below investment grade. Segall Bryant & Hamill believe the company has enough sources of near-term liquidity to provide time to work through the issues facing them in the new oil environment. They also believe the bonds are selling at depressed prices because of forced liquidations. The manager confirms that they are awaiting more appropriate levels to exit the position. The manager did participate in a tender offer in all OXY 2021 maturity bonds, effective July 9, 2020 with a July 13, 2020 repurchase date. The portfolio holds a position in Apache Corporation bonds. These bonds were downgraded to below investment grade, making the holding inconsistent with the fixed income strategy and out of compliance of the guidelines. The rating agencies express concern over the ability of APA to maintain investment grade credit metrics given the sharp decline in oil pricing and its impact on the company's cash flow. The manager views the decline in value of Apache's outstanding bonds relative to their underlying asset value as shortsighted and anticipates the company to have abundant liquidity necessary to deal with their cash needs and maturities in order to persevere during this low-price environment. The manager believes the bonds are selling at depressed prices because of forced liquidations. This is the reason the manager is not immediately liquidating the bonds, awaiting more appropriate levels to exit the position.

Action to be taken: Based on comments provided by the manager, no action is required.

Items of Interest: None.

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.
- As a result of 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 agree to the assignment. The notice sent by Cowen is structured as a negative consent; therefore, agreeing to the assignment requires no action.

Custody Bank

- The current custodian is PNC Bank.

Investment Policy Statement

- Investment policy statement was adopted in August 2014.

Commingled Funds

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

Proxy Voting

- Pursuant to its Agreement with the Fund, responsibility for the exercise of ownership rights including the right to vote proxies is delegated to Marco Consulting Group, which is expected to vote all proxies in accordance with applicable law and the fiduciary responsibility provisions of ERISA. To enable the Trustees to monitor proxy voting, the Investment Managers shall submit to Marco any proxies for the Fund, on a monthly basis.
- Effective April 17, 2020, Segal Marco Advisors proxy voting services were terminated.

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
		($1,119,709,497)	$248,529,875	

Performance Detail (Net of Fees) - Annualized

			Ending June 30, 2020								
	Market Value	% of Portfolio	2020 Q2	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Inception	Inception Date
Total Fund	**$56,574,816**	**100.0%**	**3.0%**	**1.8%**	**3.7%**	**5.0%**	**5.1%**	**6.5%**	**7.4%**	**5.9%**	**Jan-97**
Total Investment Grade Fixed Income	**$53,142,918**	**93.9%**	**3.2%**	**1.9%**	**3.4%**	**2.5%**	**2.4%**	**2.4%**	**3.1%**	**3.2%**	**Jun-07**
Segall Bryant & Hamill	$53,142,918	93.9%	3.2%	1.9%	3.4%	2.5%	2.4%	2.4%	2.7%	3.6%	Jan-09
Custom Benchmark Segall			*1.2%*	*2.9%*	*4.2%*	*2.7%*	*2.4%*	*2.4%*	*2.7%*	*3.3%*	*Jan-09*
Total Cash Equivalents	**$1,567,014**	**2.8%**	**0.1%**	**0.6%**	**1.5%**	**1.3%**	**0.9%**	**0.7%**	**0.5%**	**--**	**Jul-06**
PNC STIF	$1,567,014	2.8%	0.1%	0.6%	1.5%	1.3%	0.9%	0.7%	0.5%	1.6%	Jul-06
Total Other	**$1,864,885**	**3.3%**									
EnTrust Capital Diversified Peru Class X	$1,864,885	3.3%									

Account	Fee Schedule	Market Value As of 6/30/2020	% of Portfolio	Estimated Annual Fee ($)	Estimated Annual Fee (%)
Total Investment Grade Fixed Income	**-**	**$53,142,918**	**93.9%**	**--**	**--**
Segall Bryant & Hamill	0.15% of Assets	$53,142,918	93.9%	$79,714	0.15%
Total Cash Equivalents	**-**	**$1,567,014**	**2.8%**	**--**	**--**
PNC STIF	-	$1,567,014	2.8%	--	--
Total Other	**-**	**$1,864,885**	**3.3%**	**--**	**--**
EnTrust Capital Diversified Peru Class X	0.50% of Assets	$1,864,885	3.3%	$9,324	0.50%
Investment Management Fee		**$56,574,816**	**100.0%**	**$89,039**	**0.16%**

Benchmark History

Segall Bryant & Hamill		
4/1/2018	Present	BBgBarc US Govt/Credit 1-3 Yr. TR 100%
9/1/2013	3/31/2018	BBgBarc US Govt/Credit Int TR 100%
1/1/2009	8/31/2013	BBgBarc US Aggregate TR 100%

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, investment manager incentive fees, custodians 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

August 31, 2020

Total Fund Growth of Assets

	Last Month	Quarter-To-Date	Fiscal Year-To-Date
Beginning Market Value	$52,486,920	$56,574,816	$105,667,131
Net Cash Flow	-$10,709,547	-$14,959,901	-$65,266,049
Net Investment Change	$52,461	$214,919	$1,428,752
Ending Market Value	$41,829,834	$41,829,834	$41,829,834

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

Current vs. Policy

	Current	Current	Policy	Policy Range	Difference	Difference
Domestic Equity	--	--	20.0%	0.0% - 40.0%	-20.0%	-$8,365,967
International Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Emerging Markets Equity	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Global Tactical Asset Allocation	--	--	15.0%	0.0% - 30.0%	-15.0%	-$6,274,475
Investment Grade Fixed Income	$37,364,066	89.3%	45.0%	0.0% - 100.0%	44.3%	$18,540,641
Opportunistic Fixed Income	--	--	10.0%	0.0% - 20.0%	-10.0%	-$4,182,983
Short Duration High Yield Fixed Income	--	--	5.0%	0.0% - 10.0%	-5.0%	-$2,091,492
Real Estate	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Hedge Fund of Funds	--	--	0.0%	0.0% - 0.0%	0.0%	$0
Cash Equivalents / Other	$4,465,768	10.7%	5.0%	0.0% - 20.0%	5.7%	$2,374,276
Total	**$41,829,834**	**100.0%**	**100.0%**			

- The Policy is effective September 25, 2019.
- Cash Equivalents / Other includes PNC STIF, and EnTrust Capital Diversified Peru Class X.

Performance Detail (Gross of Fees)

	Market Value	% of Portfolio	Ending August 31, 2020 1 Mo	QTD	Fiscal YTD
Total Fund	**$41,829,834**	**100.0%**	**0.1%**	**0.4%**	**2.2%**
Total Investment Grade Fixed Income	**$37,364,066**	**89.3%**	**0.1%**	**0.5%**	**2.4%**
Segall Bryant & Hamill	$37,364,066	89.3%	0.1%	0.5%	2.4%
Custom Benchmark Segall			*0.0%*	*0.2%*	*3.1%*
Total Cash Equivalents	**$2,607,616**	**6.2%**	**0.0%**	**0.0%**	**0.6%**
PNC STIF	$2,607,616	6.2%	0.0%	0.0%	0.6%
Total Other	**$1,858,152**	**4.4%**			
EnTrust Capital Diversified Peru Class X	$1,858,152	4.4%			

Performance Detail (Net of Fees)

	Market Value	% of Portfolio	Ending August 31, 2020 1 Mo	QTD	Fiscal YTD
Total Fund	**$41,829,834**	**100.0%**	**0.1%**	**0.4%**	**2.2%**
Total Investment Grade Fixed Income	**$37,364,066**	**89.3%**	**0.1%**	**0.4%**	**2.3%**
Segall Bryant & Hamill	$37,364,066	89.3%	0.1%	0.4%	2.3%
Custom Benchmark Segall			*0.0%*	*0.2%*	*3.1%*
Total Cash Equivalents	**$2,607,616**	**6.2%**	**0.0%**	**0.0%**	**0.6%**
PNC STIF	$2,607,616	6.2%	0.0%	0.0%	0.6%
Total Other	**$1,858,152**	**4.4%**			
EnTrust Capital Diversified Peru Class X	$1,858,152	4.4%			

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, investment manager incentive fees, custodian fees, or other administrative costs.
- In August 2020, $5.0M transferred from investment grade fixed income (SBH) to cash.

Disclaimer:

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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