



**Summit Strategies Group**

*8182 Maryland Avenue, 6th Floor*

*St. Louis, Missouri 63105*

*314.727.7211*

**Central Pennsylvania Teamsters**

Investment Review

June 30, 2017

## Economic & Capital Market Highlights

June 30, 2017

### Economy

The second quarter of 2017 was characterized by continued economic strength throughout the world. Increased corporate sales and earnings growth, combined with high consumer and business confidence, set the stage for global equity indices to reach new all-time highs. In June, the US Federal Reserve looked past below-expected inflation readings and raised interest rates 25 basis points for the fourth time this cycle, bringing the Federal Funds rate target to 1.00% - 1.25%. The Federal Open Market Committee (FOMC) also announced that it would begin reducing its \$4.5 trillion balance sheet, most likely later in 2017. Continued progress in the labor market supported the interest rate hike, as the unemployment rate reached its lowest level since May 2001 and 194,000 jobs were added per month, above the average of 185,000 per month since 2010.

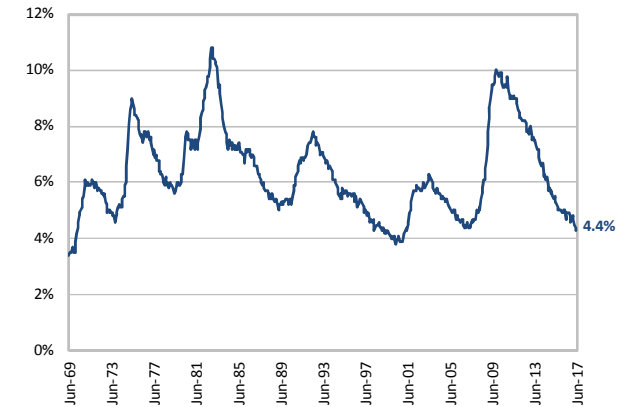
### Capital Markets

Strong global equity market performance continued, supported by gains across all major markets. Emerging markets were the best-performing equity region (MSCI EM, +6.3%), benefiting from currency appreciation and upward revisions in emerging market growth forecasts. Fixed income markets were supported by expectations for continued accommodative central bank policy, with yields declining modestly across the middle and long end of the curve despite the Federal Reserve rate hike. Within fixed income, credit outperformed treasuries as spreads continued to tighten to their lowest levels since the financial crisis.

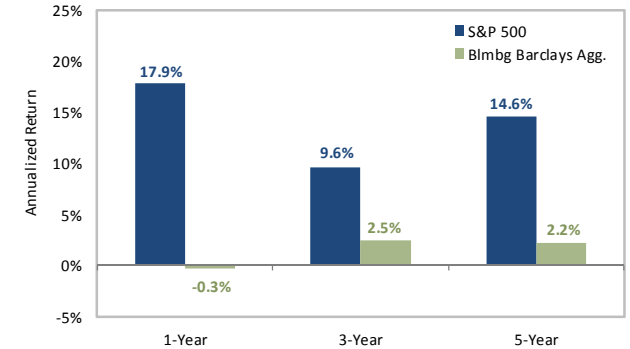
### Market Performance (Returns in USD)

		Quarter	1 Year	3 Year	5 Year
MSCI ACWI IMI	Global Equity	4.2%	19.0%	4.9%	10.7%
Russell 3000	US Equity	3.0%	18.5%	9.1%	14.6%
S&P 500	US Large Cap Equity	3.1%	17.9%	9.6%	14.6%
Russell 1000	US Large Cap Equity	3.1%	18.0%	9.3%	14.7%
Russell 1000 Value	US Large Cap Value Equity	1.3%	15.5%	7.4%	13.9%
Russell 1000 Growth	US Large Cap Growth Equity	4.7%	20.4%	11.1%	15.3%
Russell 2000	US Small Cap Core Equity	2.5%	24.6%	7.4%	13.7%
Russell 2000 Value	US Small Cap Value Equity	0.7%	24.9%	7.0%	13.4%
Russell 2000 Growth	US Small Cap Growth Equity	4.4%	24.4%	7.6%	14.0%
MSCI EAFE	Int'l Developed Large Cap Equity	6.1%	20.3%	1.1%	8.7%
MSCI EAFE Small Cap	Int'l Developed Small Cap Equity	8.1%	23.2%	5.6%	12.9%
MSCI Emerging Markets	Emerging Market Equity	6.3%	23.7%	1.1%	4.0%
Alerian MLP	Master Limited Partnerships	-6.4%	0.4%	-11.2%	1.8%
Blmbg Barc. US Aggregate	US Core Fixed Income	1.4%	-0.3%	2.5%	2.2%
Blmbg. Barc. US Treasury	US Treasuries	1.2%	-2.3%	2.0%	1.3%
Blmbg Barc. US Credit	US Corporate Bonds	2.4%	1.8%	3.4%	3.7%
Blmbg Barc. US MBS	US Mortgage Backed Securities	0.9%	-0.1%	2.2%	2.0%
Blmbg. Barc. High Yield	US High Yield Bonds	2.2%	12.7%	4.5%	6.9%

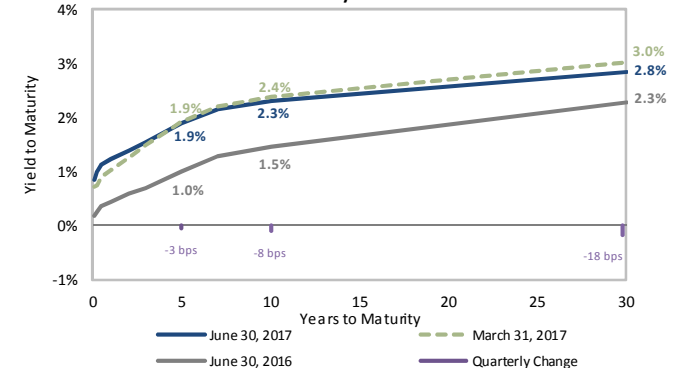
Unemployment Rate



Stocks vs. Bonds  
Recent Historical Performance



Treasury Yield Curve



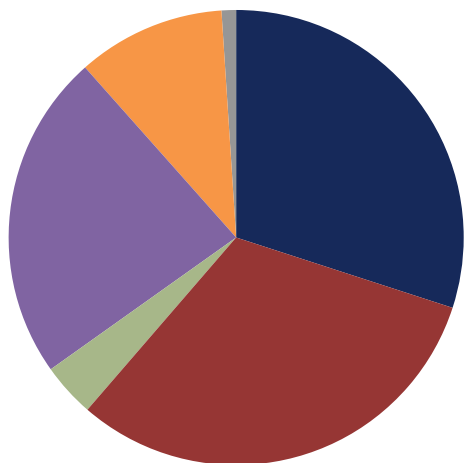
# Central Pennsylvania Teamsters

Retirement Income Plan 1987: Portfolio Summary

As of June 30, 2017

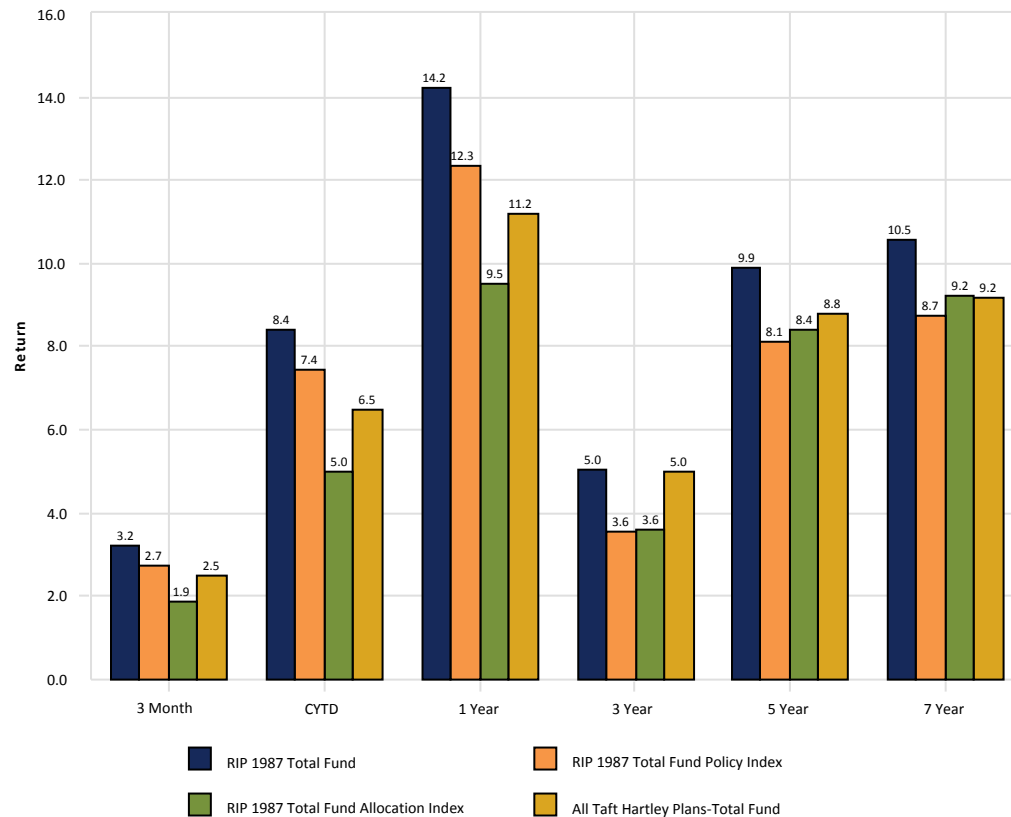
## Asset Allocation

June 30, 2017 : \$1,235,850,650



	Market Value (\$)	Allocation (%)
US Equity	370,745,505	30.00
International Equity	387,340,485	31.34
Energy MLPs	47,293,804	3.83
Fixed Income	287,623,741	23.27
Real Estate	130,083,691	10.53
Cash	12,763,426	1.03

## Comparative Performance



## Year to Date Financial Reconciliation

	Market Value As of 01/01/2017	Net Flows	Return On Investment	Market Value As of 06/30/2017
RIP 1987 Total Fund	1,191,393,243	-53,968,479	98,425,887	1,235,850,650

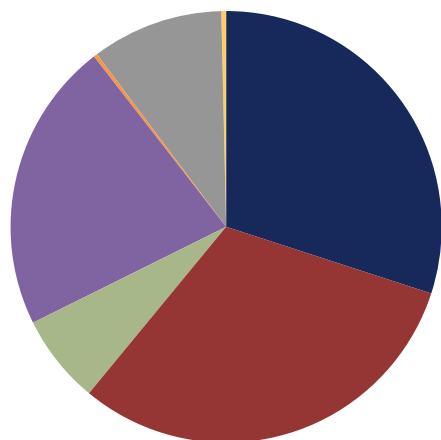
# Central Pennsylvania Teamsters

Defined Benefit Plan: Portfolio Summary

As of June 30, 2017

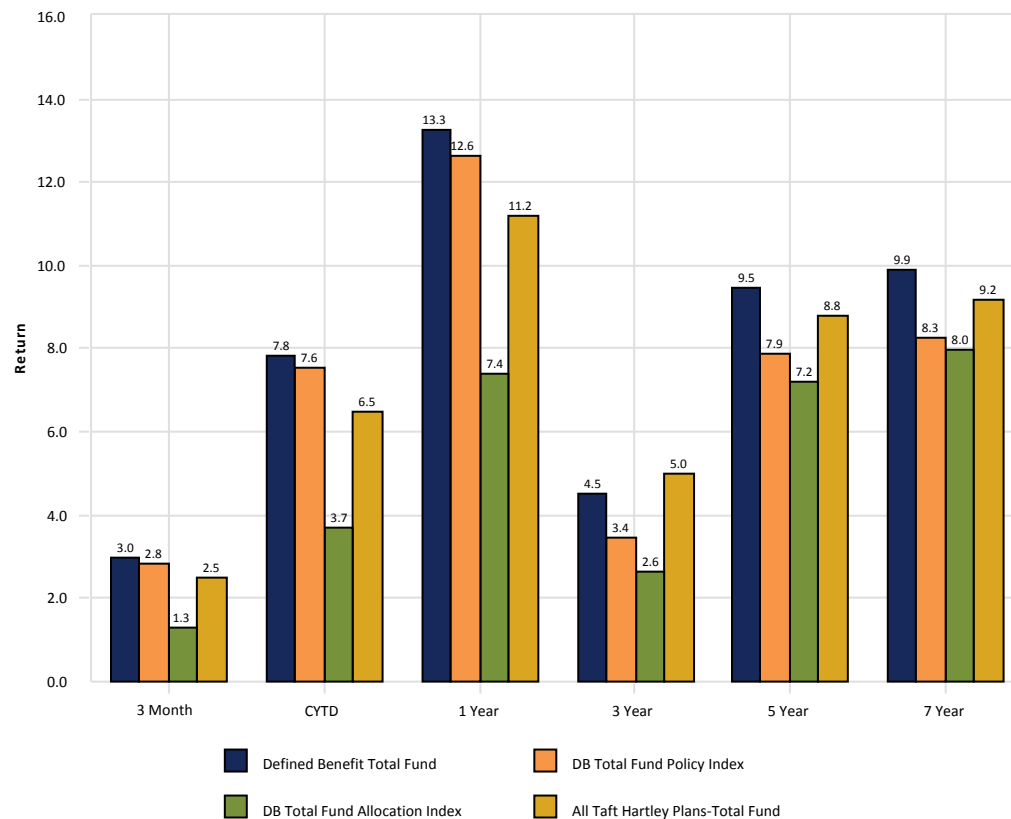
## Asset Allocation

June 30, 2017 : \$1,016,163,100



	Market Value (\$)	Allocation (%)
US Equity	304,756,213	29.99
International Equity	314,873,308	30.99
Energy MLPs	68,019,739	6.69
Fixed Income	221,616,973	21.81
Hedge Fund	2,912,504	0.29
Real Estate	100,327,644	9.87
Cash	3,656,719	0.36

## Comparative Performance



## Year to Date Financial Reconciliation

	Market Value As of 01/01/2017	Net Flows	Return On Investment	Market Value As of 06/30/2017
Defined Benefit Total Fund	957,079,111	-15,382,468	74,466,456	1,016,163,100

## DISCLAIMER

---

Summit Strategies Group (Summit) has prepared this report for the exclusive use by the client for which it was prepared. The information herein was obtained from various sources, such as the client's custodian(s) accounting statements, commercially available databases, and other economic and financial market data sources. While Summit believes these sources to be reliable, Summit does not guarantee nor shall be liable for the market values, returns, or other information contained in this report. The market commentary, portfolio holdings, and characteristics are as of the date shown and are subject to change. Past performance is not an indication of future performance. No graph, chart, or formula can, in and of itself, be used to determine which securities or investments to buy or sell. Any forward-looking projection contained herein is based on assumptions that Summit believes may be reasonable, but are subject to a wide range of risks, uncertainties, and the possibility of loss. Accordingly, there is no assurance that any estimated performance figures will occur in the amounts and during the periods indicated, or at all. Actual results and performance will differ from those expressed or implied by such forward-looking projections. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.