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**Central Pennsylvania Teamsters**

Investment Review

September 30, 2018

## Economic & Capital Market Highlights

September 30, 2018

### Economy

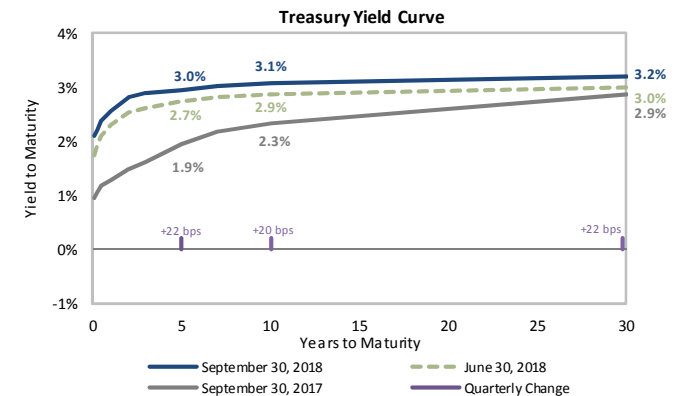
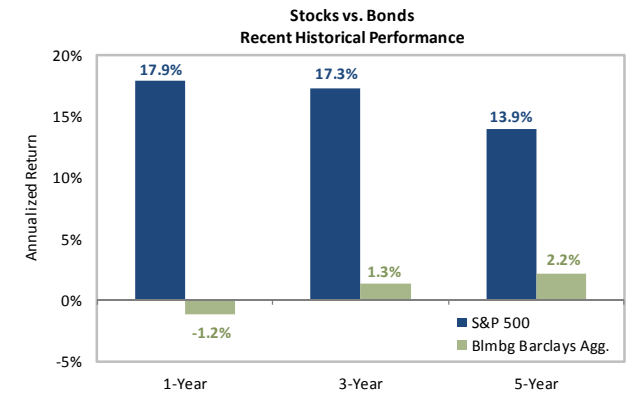
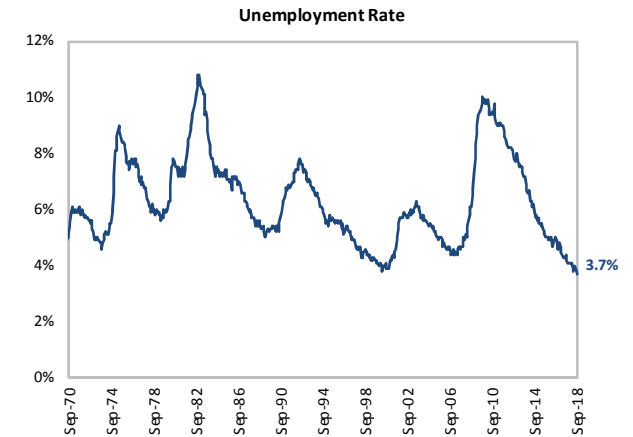
Economic data released during the third quarter was generally positive, with the global expansion concluding its 9th year at the end of September. Growth remained at or above potential across regions, with the US accelerating as tax cuts and increased government spending have supported growth. The US unemployment rate reached its lowest level since 1969 (3.7%) and job openings reached their highest level on record, signaling a historically-tight labor market. Citing continued progress in the economy, the Federal Reserve once again raised interest rates by 25 bps, bringing short-term interest rates to a target range of 2.00% to 2.25% at the end of September.

### Capital Markets

Global equity markets returned 3.9% during the quarter, as US stocks generated strong gains and international markets were modestly positive. Continued strong demand for US equities, in particular large cap technology stocks, has increased US valuations relative to international markets to highs last seen during the early 2000s Tech Bubble. In fixed income markets, returns have been muted year-to-date and negative over the past year as yields have risen. Notably, there have been increasing occurrences of periods with negative equity and fixed income performance in 2018. This performance pattern often occurs late in market cycles and highlights the value of diversifying beyond equity and fixed income asset classes.

### Market Performance (Returns in USD)

		Quarter	1 Year	3 Year	5 Year
MSCI ACWI IMI	Global Equity	3.9%	9.6%	13.5%	8.7%
Russell 3000	US Equity	7.1%	17.6%	17.1%	13.5%
S&P 500	US Large Cap Equity	7.7%	17.9%	17.3%	13.9%
Russell 1000	US Large Cap Equity	7.4%	17.8%	17.1%	13.7%
Russell 1000 Value	US Large Cap Value Equity	5.7%	9.5%	13.6%	10.7%
Russell 1000 Growth	US Large Cap Growth Equity	9.2%	26.3%	20.6%	16.6%
Russell 2000	US Small Cap Core Equity	3.6%	15.2%	17.1%	11.1%
Russell 2000 Value	US Small Cap Value Equity	1.6%	9.3%	16.1%	9.9%
Russell 2000 Growth	US Small Cap Growth Equity	5.5%	21.1%	18.0%	12.1%
MSCI EAFE	Int'l Developed Large Cap Equity	1.4%	2.7%	9.2%	4.4%
MSCI EAFE Small Cap	Int'l Developed Small Cap Equity	-0.9%	3.7%	12.4%	8.0%
MSCI Emerging Markets	Emerging Market Equity	-1.1%	-0.8%	12.4%	3.6%
Alerian MLP	Master Limited Partnerships	6.6%	4.9%	4.4%	-2.7%
Blmbg Barc. US Aggregate	US Core Fixed Income	0.0%	-1.2%	1.3%	2.2%
Blmbg Barc. US Treasury	US Treasuries	-0.6%	-1.6%	0.2%	1.3%
Blmbg Barc. US Credit	US Corporate Bonds	0.9%	-1.1%	3.0%	3.4%
Blmbg Barc. US MBS	US Mortgage Backed Securities	-0.1%	-0.9%	1.0%	2.0%
Blmbg Barc. High Yield	US High Yield Bonds	2.4%	3.0%	8.1%	5.5%
NCREIF ODCE (net)	Core Real Estate	1.9%	7.7%	7.8%	9.7%



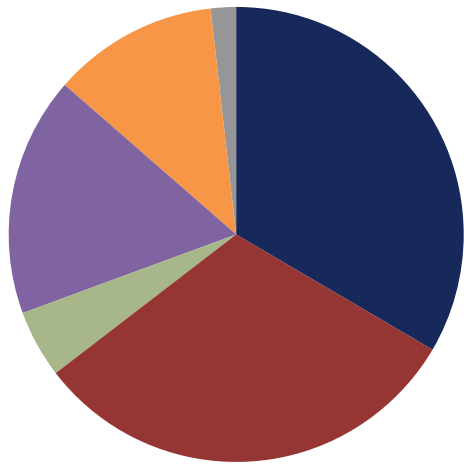
# Central Pennsylvania Teamsters

Retirement Income Plan 1987: Portfolio Summary

As of September 30, 2018

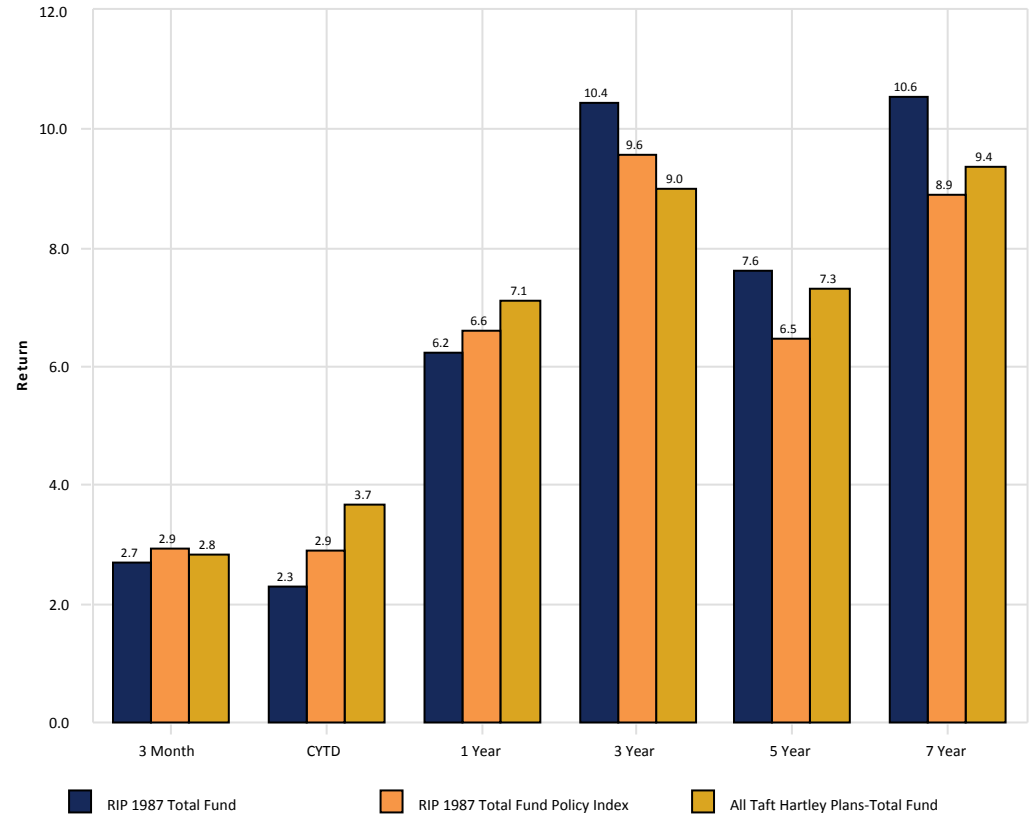
## Asset Allocation

September 30, 2018 : \$1,212,392,147



	Market Value (\$)	Allocation (%)
US Equity	405,504,547	33.45
International Equity	377,312,157	31.12
Energy MLPs	58,471,580	4.82
Fixed Income	206,468,143	17.03
Real Estate	142,838,333	11.78
Cash	21,797,387	1.80

## Comparative Performance



## Year to Date Financial Reconciliation

	Market Value As of 01/01/2018	Net Flows	Return On Investment	Market Value As of 09/30/2018
RIP 1987 Total Fund	1,283,471,476	-99,012,987	27,933,657	1,212,392,147

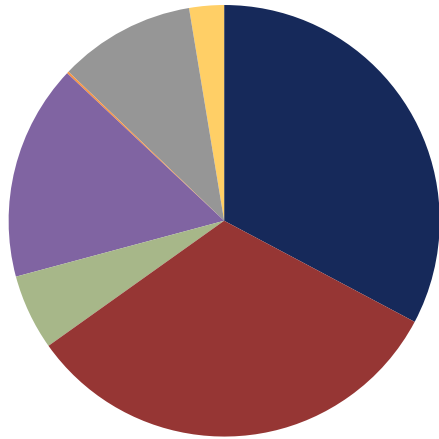
# Central Pennsylvania Teamsters

Defined Benefit Plan: Portfolio Summary

As of September 30, 2018

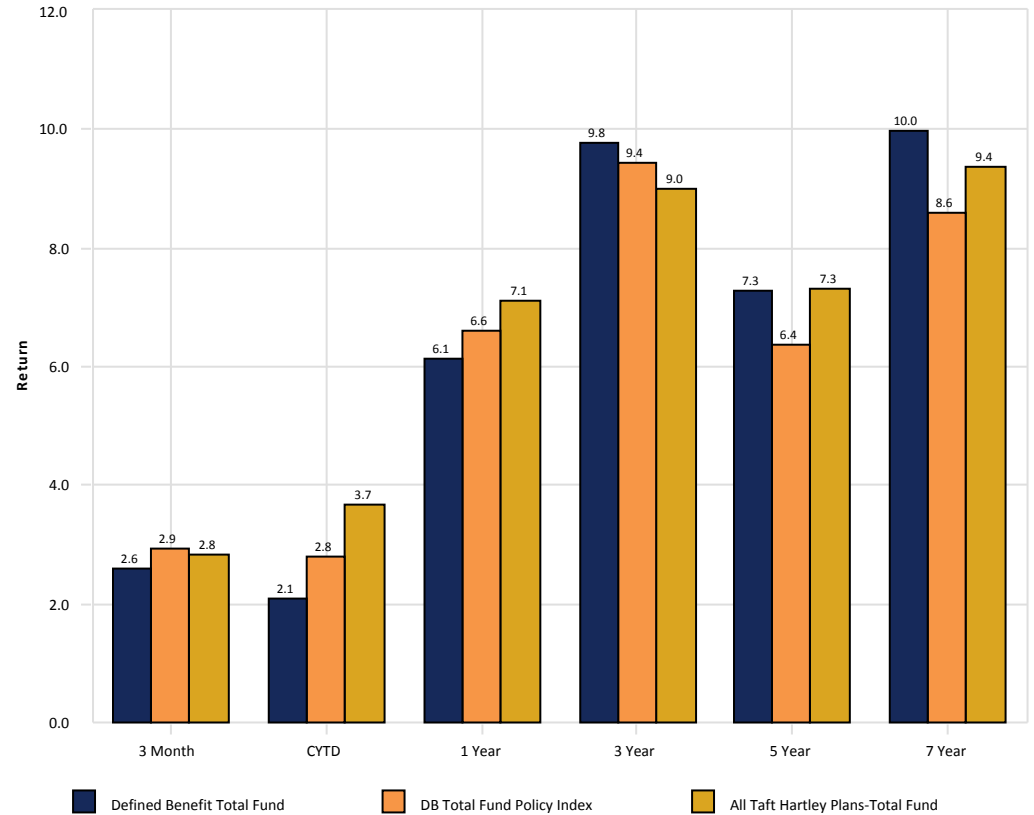
## Asset Allocation

September 30, 2018 : \$1,077,986,594



	Market Value (\$)	Allocation (%)
US Equity	353,191,096	32.76
International Equity	349,205,282	32.39
Energy MLPs	61,163,376	5.67
Fixed Income	174,263,324	16.17
Hedge Fund	1,657,572	0.15
Real Estate	110,311,638	10.23
Cash	28,194,306	2.62

## Comparative Performance



## Year to Date Financial Reconciliation

	Market Value As of 01/01/2018	Net Flows	Return On Investment	Market Value As of 09/30/2018
Defined Benefit Total Fund	1,081,075,706	-25,372,975	22,283,864	1,077,986,594

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