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Central Pennsylvania Teamsters

Investment Review

December 31, 2017

Economic & Capital Market Highlights

December 31, 2017

Economy

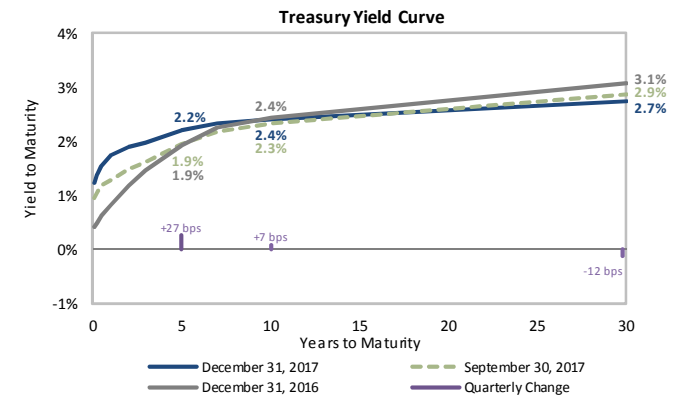
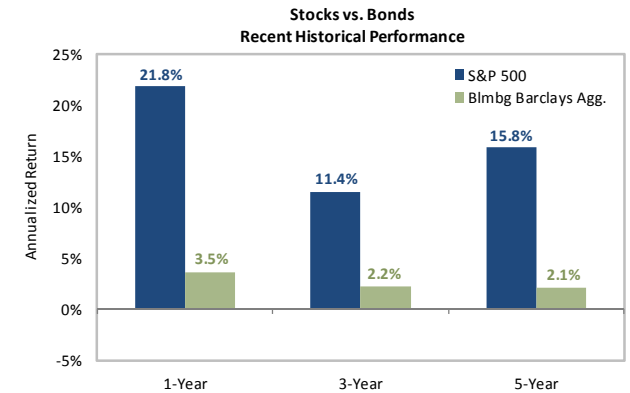
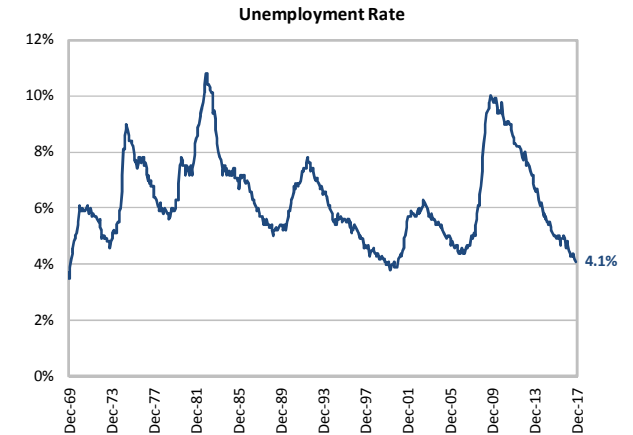
The trend of rising growth and positive economic data reports continued during the fourth quarter, capping one of the strongest years for the global economy since the 2008-2009 financial crisis. Rising corporate sales and earnings growth, high consumer and business confidence, and ongoing central bank accommodation pushed global equity indices to new all-time highs. In the US, further progress in the labor market and overall economy prompted the Federal Reserve to raise short-term interest rates by 25 basis points for the third time in 2017. With the unemployment rate reaching its lowest level since 2000 and signs pointing to upward pressures on inflation, the Fed has communicated that it will likely proceed with three additional interest rate hikes in 2018. Growth trends have also been positive outside the US, with both developed and emerging economies experiencing positive economic performance.

Capital Markets

Global equity markets gained during each month of 2017, and overall the calendar year was the strongest for MSCI ACWI IMI since 2009. Emerging markets remained the best-performing equity region (MSCI EM, +7.4%), benefiting from continued improvement in fundamentals and currency appreciation versus the dollar. Fixed income markets generally earned their coupon payments and the slope of the yield curve continued to decline, with the spread between 10- and 2- year Treasuries reaching its lowest level since 2007. Within fixed income, credit continued to outperform treasuries as spreads tightened 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	5.7%	23.9%	9.5%	11.0%
Russell 3000	US Equity	6.3%	21.1%	11.1%	15.6%
S&P 500	US Large Cap Equity	6.6%	21.8%	11.4%	15.8%
Russell 1000	US Large Cap Equity	6.6%	21.7%	11.2%	15.7%
Russell 1000 Value	US Large Cap Value Equity	5.3%	13.7%	8.7%	14.0%
Russell 1000 Growth	US Large Cap Growth Equity	7.9%	30.2%	13.8%	17.3%
Russell 2000	US Small Cap Core Equity	3.3%	14.6%	10.0%	14.1%
Russell 2000 Value	US Small Cap Value Equity	2.0%	7.8%	9.5%	13.0%
Russell 2000 Growth	US Small Cap Growth Equity	4.6%	22.2%	10.3%	15.2%
MSCI EAFE	Int'l Developed Large Cap Equity	4.2%	25.0%	7.8%	7.9%
MSCI EAFE Small Cap	Int'l Developed Small Cap Equity	6.1%	33.0%	14.2%	12.9%
MSCI Emerging Markets	Emerging Market Equity	7.4%	37.3%	9.1%	4.3%
Alerian MLP	Master Limited Partnerships	-0.9%	-6.5%	-9.3%	-0.1%
Blmbg Barc. US Aggregate	US Core Fixed Income	0.4%	3.5%	2.2%	2.1%
Blmbg Barc. US Treasury	US Treasuries	0.1%	2.3%	1.4%	1.3%
Blmbg Barc. US Credit	US Corporate Bonds	1.0%	6.2%	3.6%	3.2%
Blmbg Barc. US MBS	US Mortgage Backed Securities	0.2%	2.5%	1.9%	2.0%
Blmbg Barc. High Yield	US High Yield Bonds	0.5%	7.5%	6.4%	5.8%



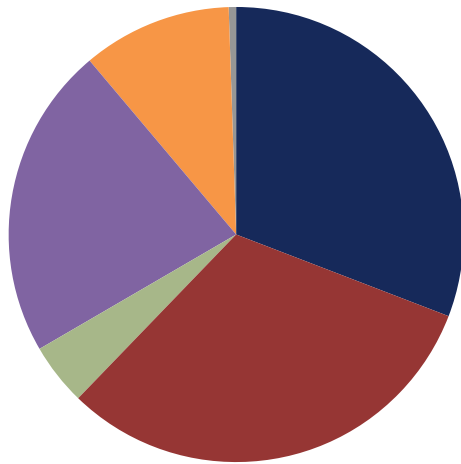
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Retirement Income Plan 1987: Portfolio Summary

As of December 31, 2017

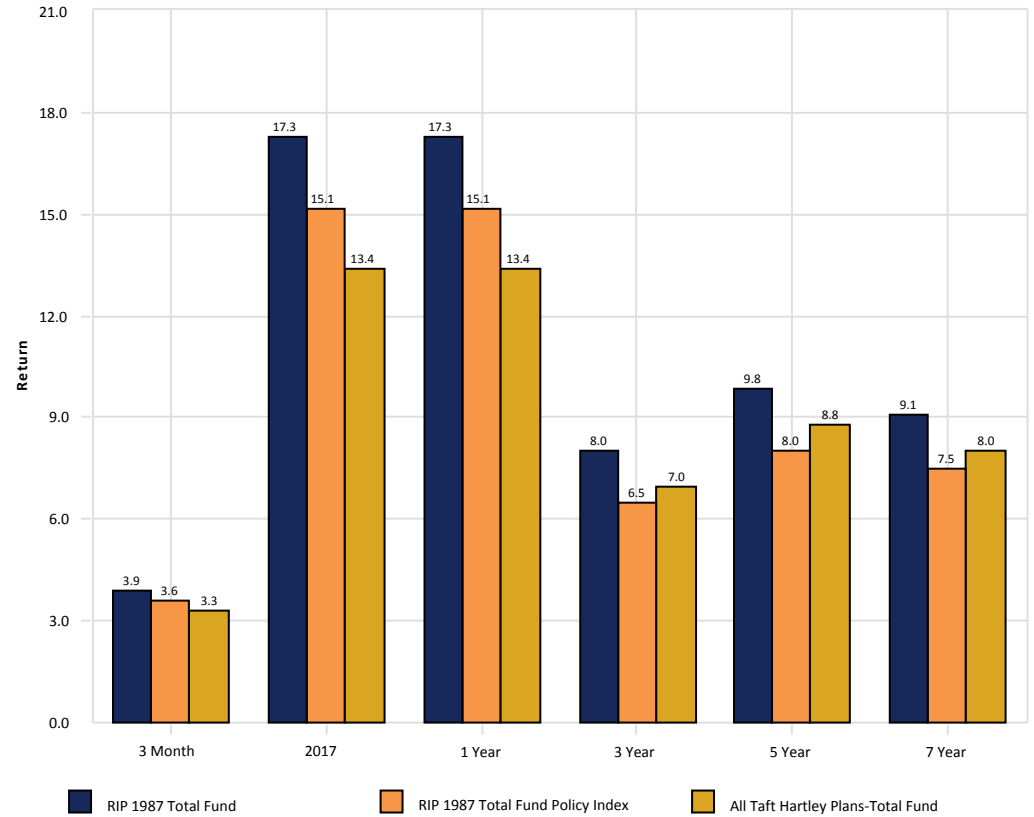
Asset Allocation

December 31, 2017 : \$1,283,471,476



	Market Value (\$)	Allocation (%)
US Equity	395,829,144	30.84
International Equity	402,634,067	31.37
Energy MLPs	56,581,153	4.41
Fixed Income	285,352,270	22.23
Real Estate	136,283,403	10.62
Cash	6,791,439	0.53

Comparative Performance



Year to Date Financial Reconciliation

	Market Value As of 01/01/2017	Net Flows	Return On Investment	Market Value As of 12/31/2017
RIP 1987 Total Fund	1,191,393,243	-105,847,063	197,925,295	1,283,471,476

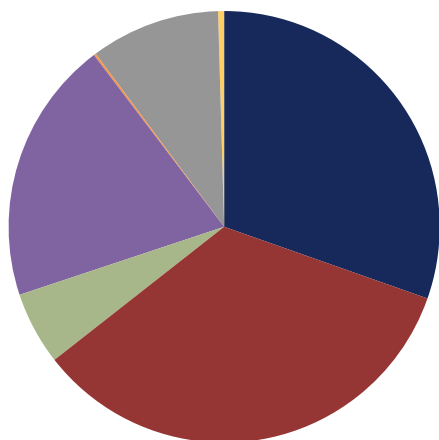
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Defined Benefit Plan: Portfolio Summary

As of December 31, 2017

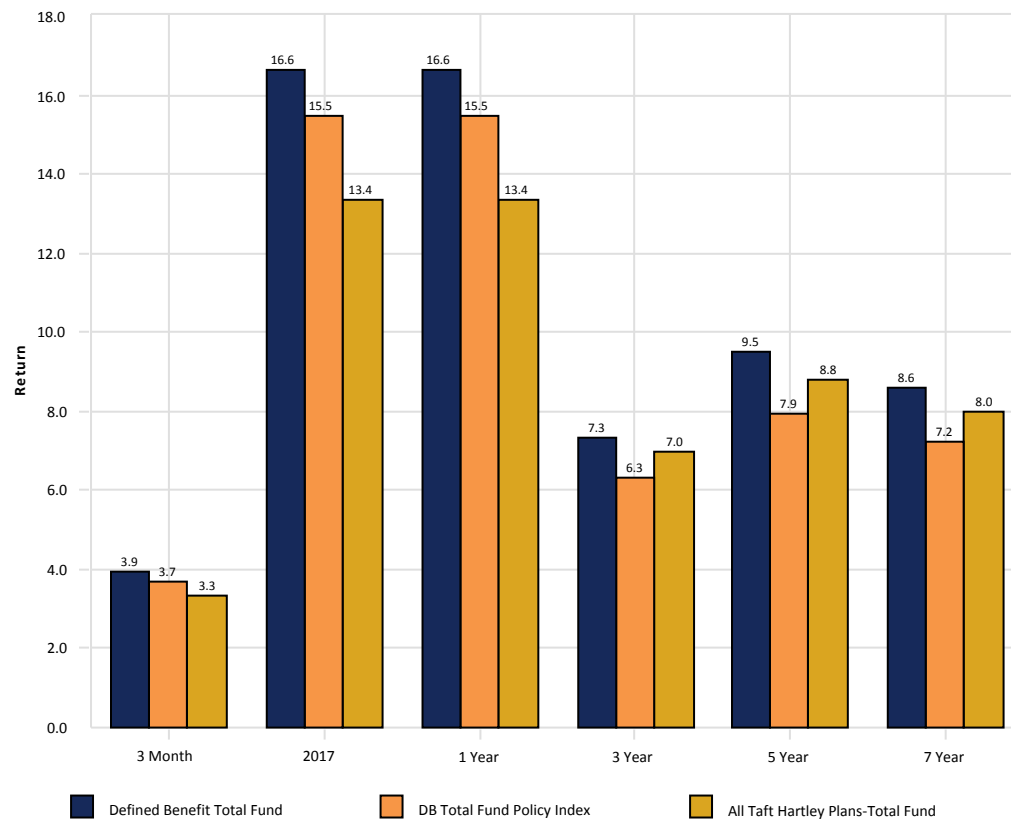
Asset Allocation

December 31, 2017 : \$1,081,075,706



	Market Value (\$)	Allocation (%)
US Equity	328,523,395	30.39
International Equity	367,904,548	34.03
Energy MLPs	59,251,188	5.48
Fixed Income	213,706,028	19.77
Hedge Fund	1,701,466	0.16
Real Estate	105,031,273	9.72
Cash	4,957,808	0.46

Comparative Performance



Year to Date Financial Reconciliation

	Market Value As of 01/01/2017	Net Flows	Return On Investment	Market Value As of 12/31/2017
Defined Benefit Total Fund	957,079,111	-32,864,099	156,860,693	1,081,075,706

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