



In response to continued volatile investor response to headlines, Large-cap U.S. stocks had the worst May since 2010 followed by the best June since 1955, leading the S&P 500 Index to set five more records in 2Q19. Despite ongoing trade tensions, more accommodative language from the Federal Reserve contributed to the S&P 500's best first half since 1997. The S&P 500 Index gained 4.3% for the quarter and is up 18.5% year-to-date. Foreign stocks and smaller size company indices in the U.S. enjoyed lesser but still positive returns for the quarter and year to date periods.

Yields on U.S. Treasuries continued their descent during the quarter, providing a boost to bond returns. Heavy demand for Treasuries has come from both the 'uncertainty' trade as well as from global investors whose own bond yields are at or below zero percent as compared to roughly 2.0% for their U.S. counterparts. Treasuries gained 3.0% for the quarter while Corporate Bonds rose 4.5%, indicating an inherent optimism among bond investors.

The Federal Reserve kept its overnight rate unchanged during the quarter, but Fed members greatly revised their individual interest rate outlooks. June's meeting minutes revealed 8 members expecting one to two rate cuts for 2019, as compared to March when six members expected one to two rate hikes and no cuts. Fed rhetoric throughout the quarter shifted toward further emphasis on sustaining the economic expansion, an apparent broadening of its historic dual mandate of full employment and price stability.

The ongoing U.S. economic expansion undoubtedly finished its 10th year at quarter end, though recent growth was less robust than headline GDP readings. As this positive trend continues into the third quarter, we have entered historic economic territory. GDP figures for 2Q 2019 and 3Q 2019, once reported as positive, will record the longest expansion in history, since 1854.

Low interest rates, ongoing yet decelerating economic growth, and appropriate stock valuations all support a positive outlook for the stock market. Nonetheless, unresolved uncertainties relating to trade conflicts, global economic growth, and general business confidence continue to impact investor sentiment and, in turn, securities markets. Confirming that asset allocation is aligned with investment objective and participating in the ongoing positive markets, yet ensuring that strong risk mitigation measures are in place, remain the focus of our work for clients.



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Market Value 6/30/19: **\$29,918,198**

Performance as of 6/30/19: **2Q19** **Inception 5/31/16**

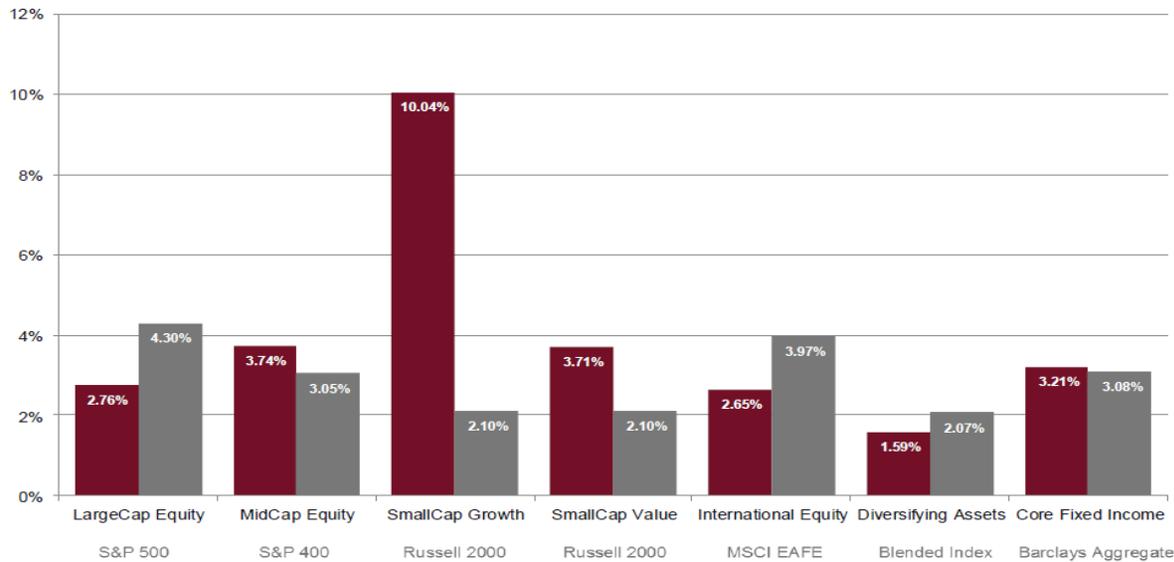
DIT **+3.07%** **+7.51%**

Blended Benchmark* **+3.57%** **+9.32%**

**MSCI World / Barclays Aggregate Blended Benchmark*

Asset Class Returns:

Quarter-to-Date for the period ending June 30, 2019



■ BBT IIA
■ Benchmark



Retirement and Institutional Services

June 28, 2019

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Fund data is on a trade date basis and income and dividends are included in fund returns on an accrual basis. Fund returns are gross of management fees unless indicated otherwise. Returns for longer than one year are annualized.

The BBT IIA * Diversifying Asset Class benchmark is an equal weighted blend of the S&P Global Infrastructure Index and the Bloomberg Commodity TR Index.

The Blended Benchmark for mastered or "household" accounts is a weighted blend of the benchmarks assigned to each sub-account based on the actual percentage that each sub-account comprises within the overall relationship. The Blended Benchmark for a single account is a weighted blend of the benchmarks assigned to each strategy sleeve based on the actual percentage of the sleeve within the overall account.

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