



Quarterly Economic and Market Update

December 2018

Presented by Global Manager Research



**Wealth
Management**

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Past performance shown on the following slides does not guarantee future results.

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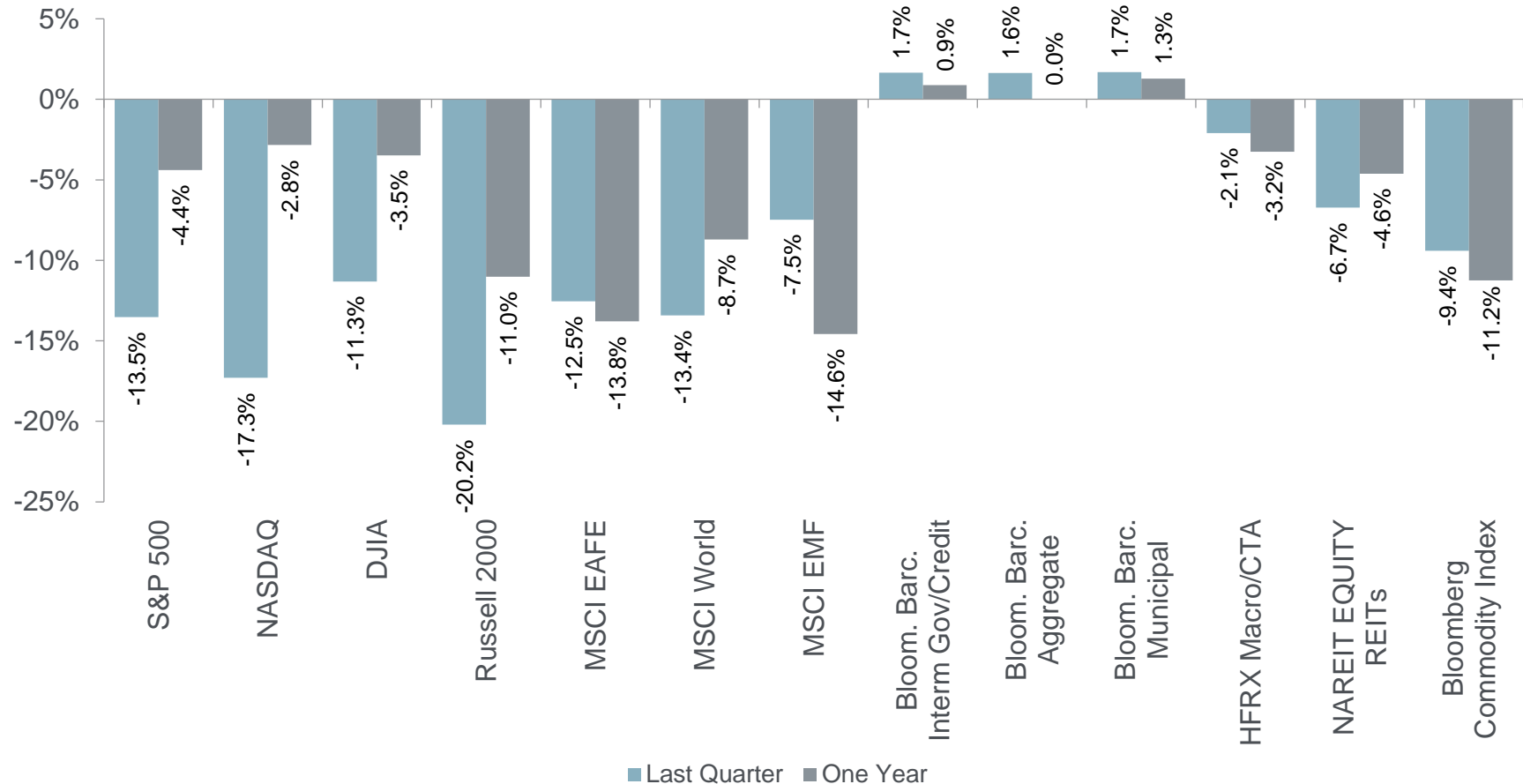


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Market Returns

4th Quarter 2018 and Trailing 12 Months

Index Returns



Returns represent total returns through 12/31/2018
Data Source: FactSet Research Systems.

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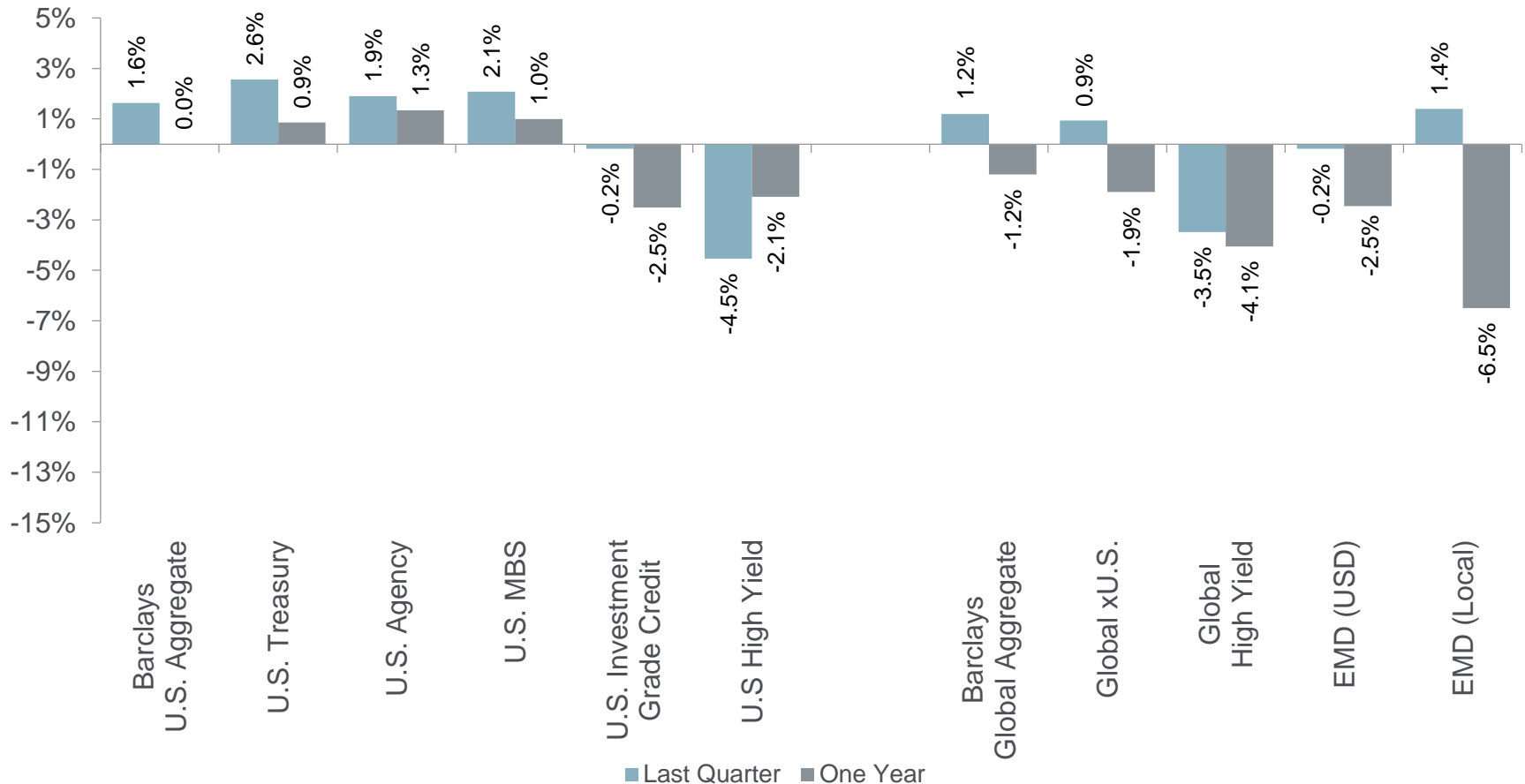


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Market Returns: Fixed Income

4th Quarter 2018 and Trailing 12 Months

Index Returns



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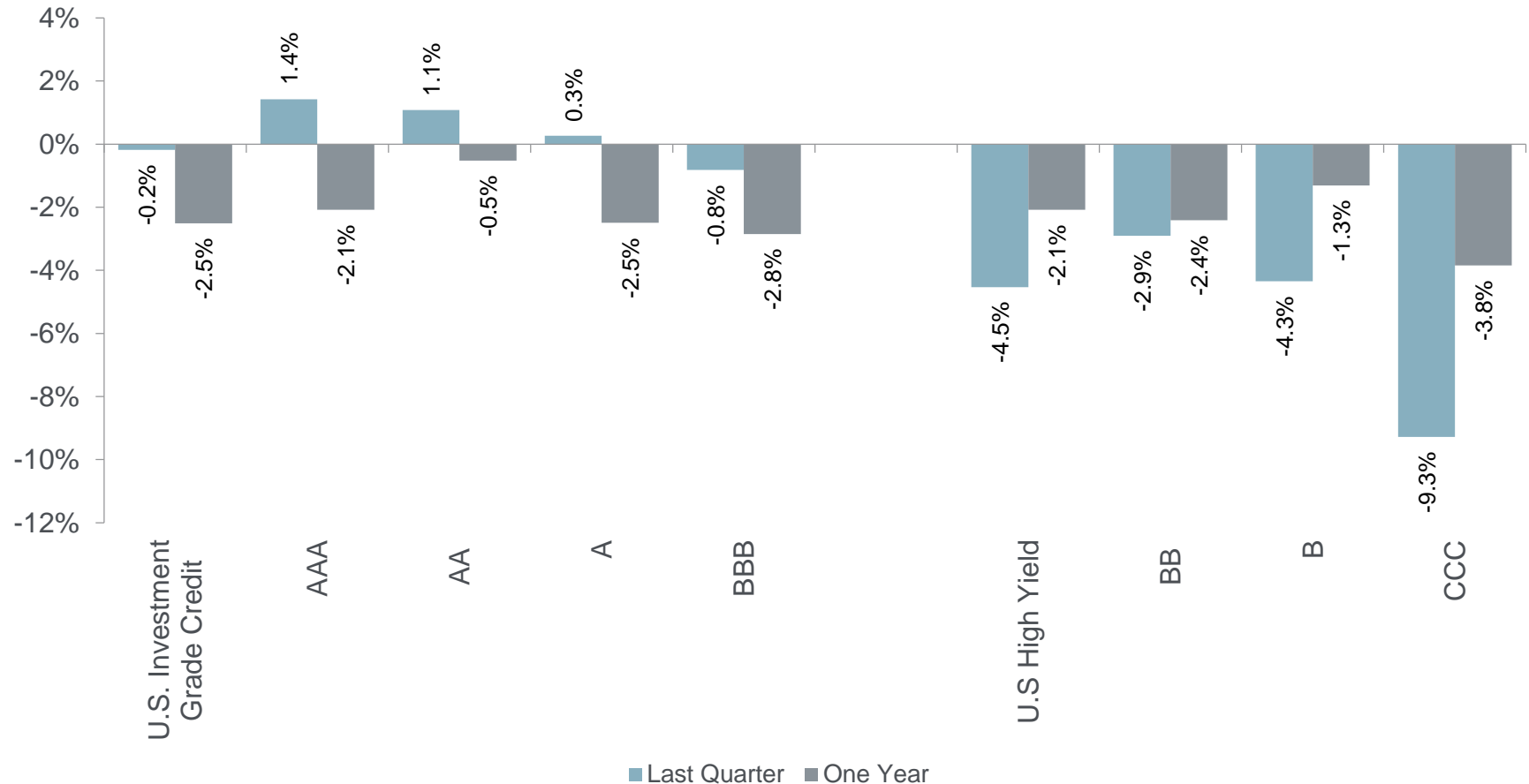


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Market Returns: U.S. Credit

4th Quarter 2018 and Trailing 12 Months

Index Returns



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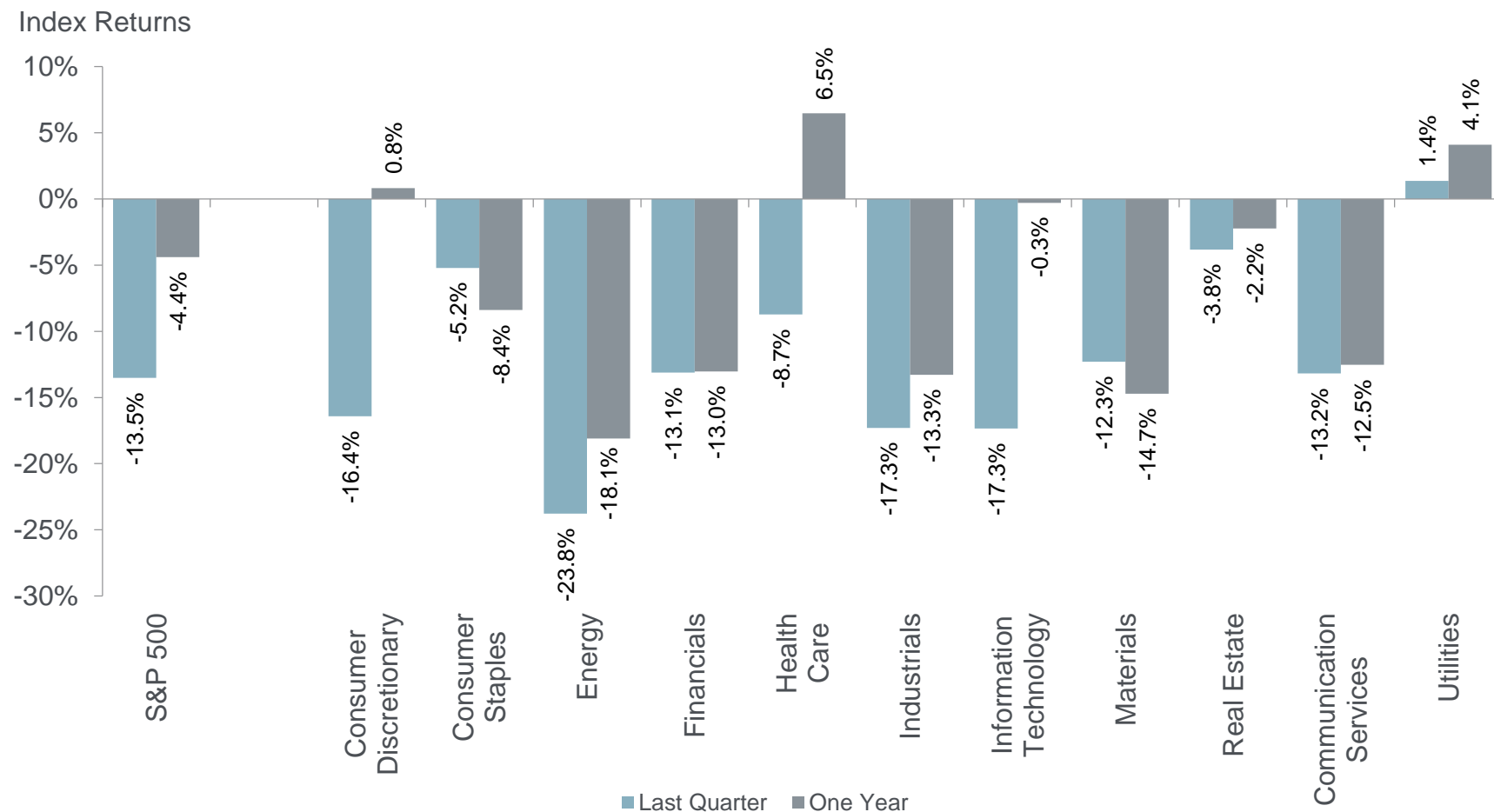
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Market Returns: U.S. Sectors

4th Quarter 2018 and Trailing 12 Months



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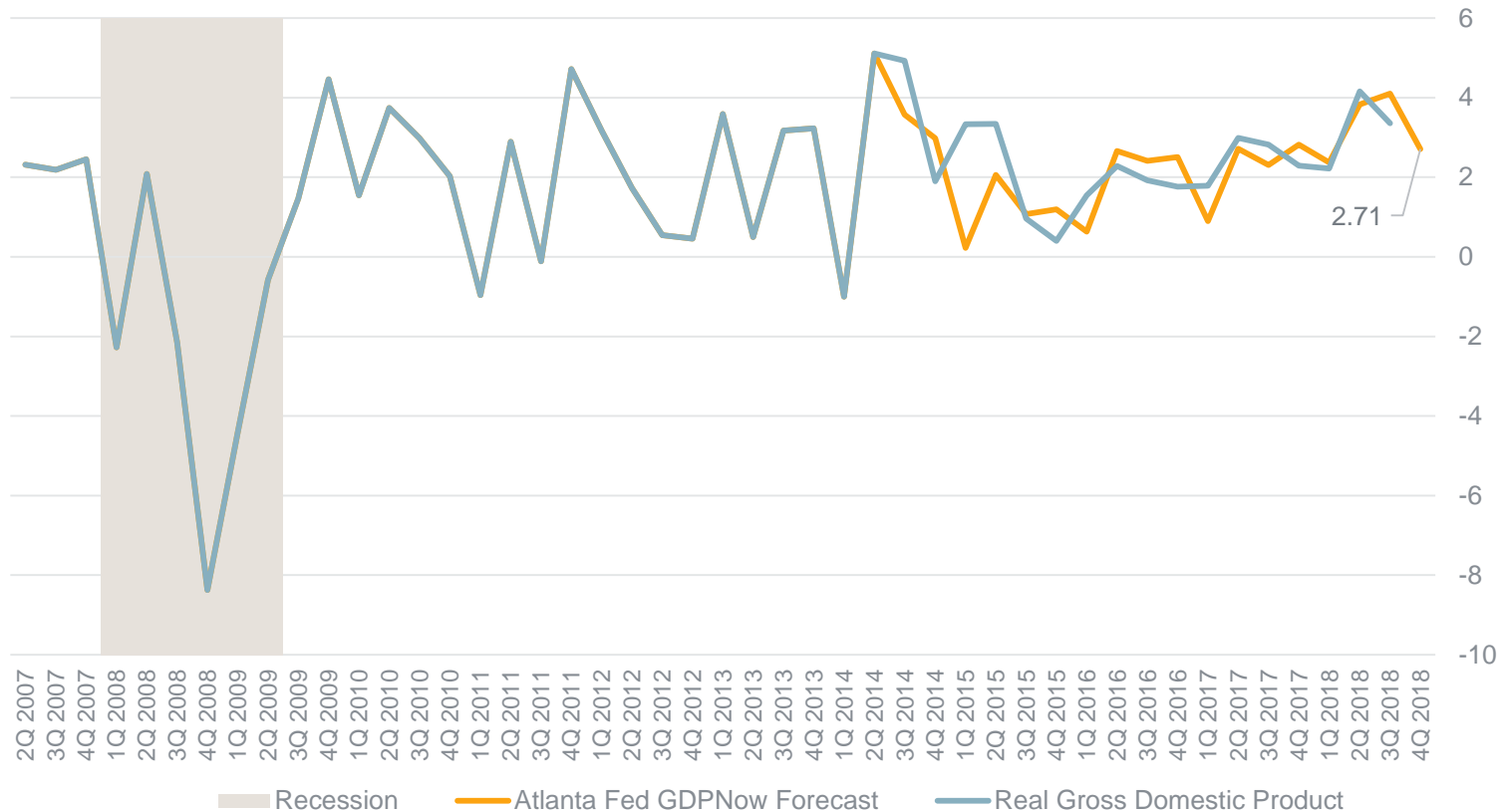
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Economy

U.S. Real GDP Growth

U.S. Real GDP Growth

(Seasonally Adjusted Annual Rate)



Data Source: St. Louis Federal Reserve and Atlanta Federal Reserve. Recessions are shaded. Data through 12/31/2018

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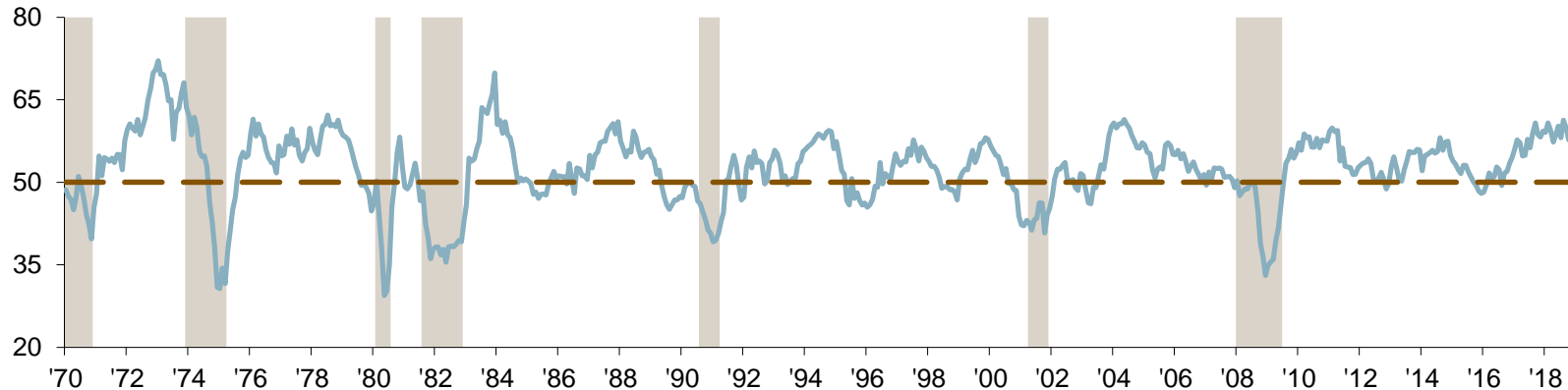
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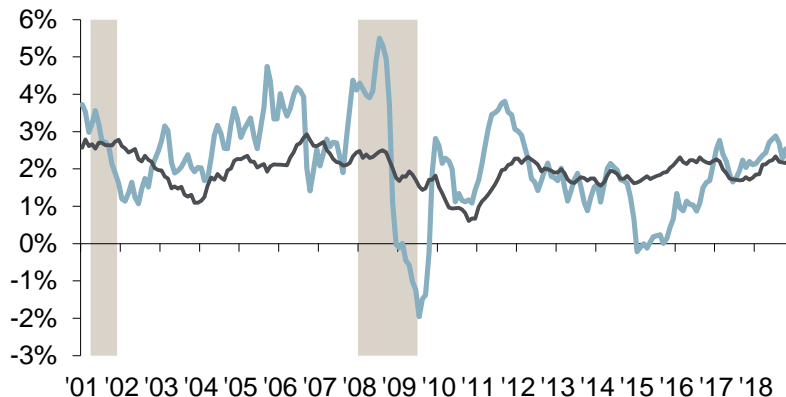
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Economy

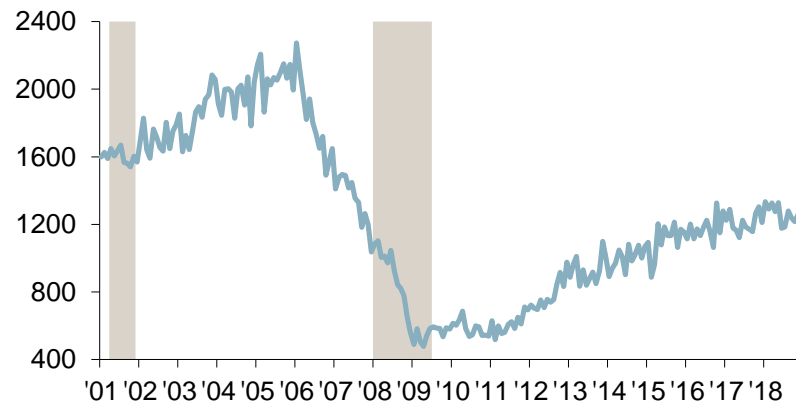
Institute for Supply Management: PMI



Inflation: CPI-U and Core CPI yoy % Change



Housing Starts: New Privately Owned Units



Data Source: St. Louis Federal Reserve. Recessions are shaded. Data through 11/30/2018.

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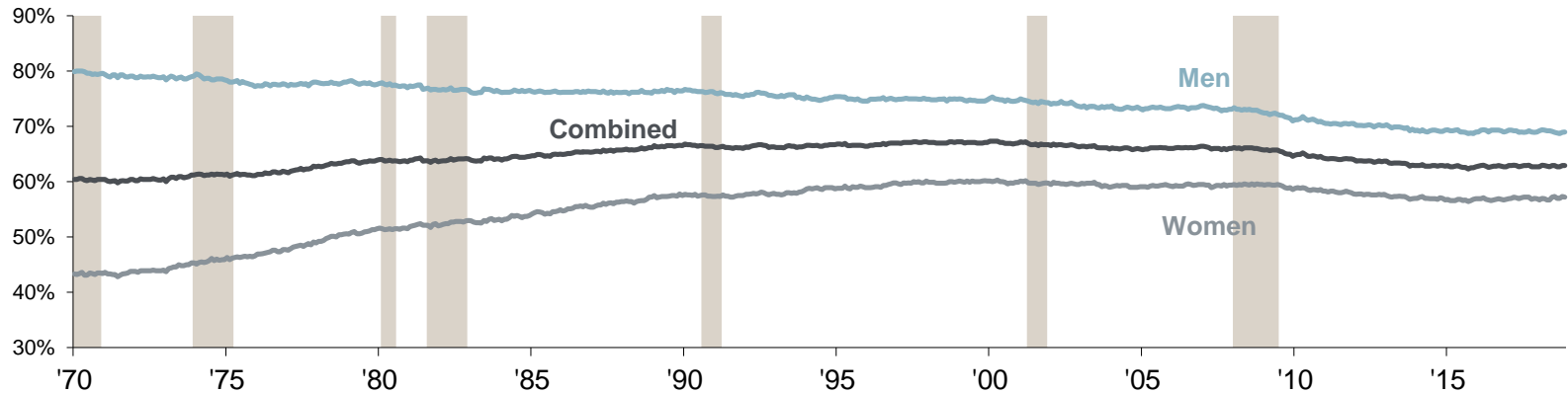
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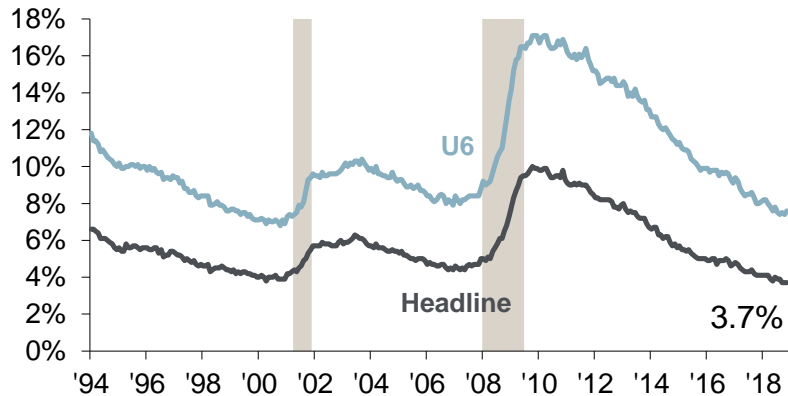
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Employment

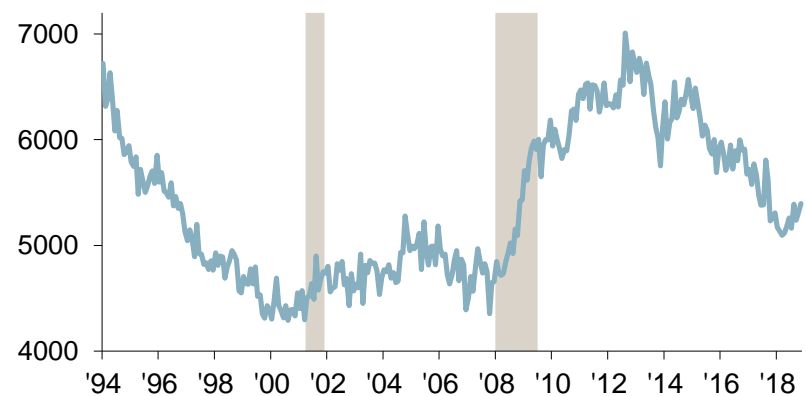
Civilian Labor Force Participation Rate



Unemployment: Headline vs U6



Not In Labor Force, Want Job Now (thousands)



Data Source: St. Louis Federal Reserve, BLS. Recessions are shaded. Data through 11/30/2018.

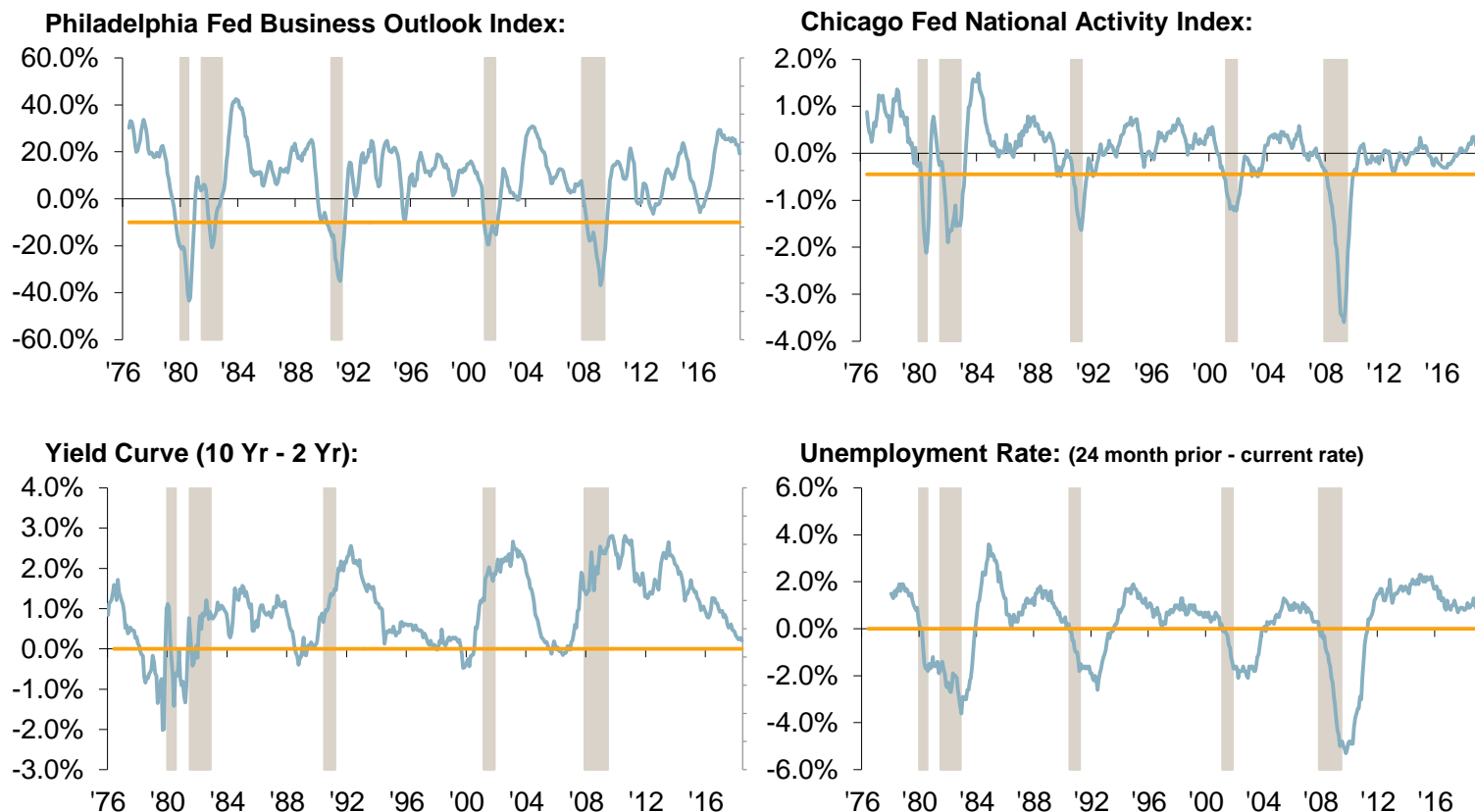
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U.S. Recession Indicators



The economic statistics above are leading U.S. economic statistics that are manipulated in a way to signal potential recessions. When the economic statistic drops below the orange line, this indicates a recession is imminent or has already begun. The shaded vertical bars indicate the date of past U.S. recessions.

Data Source: St. Louis Federal Reserve, Bloomberg. Recessions are shaded. Data through 11/30/2018

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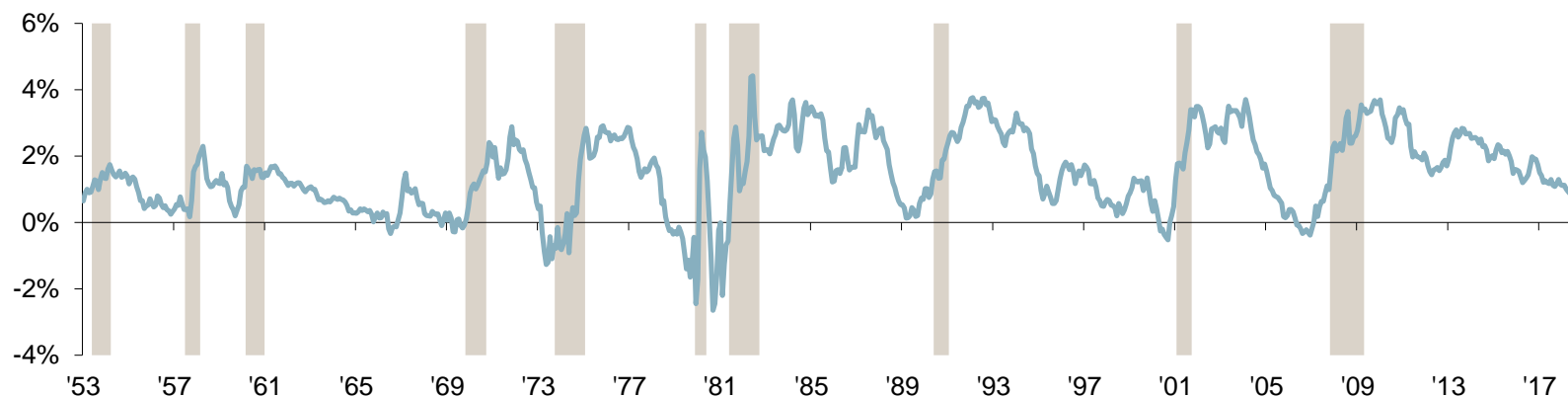
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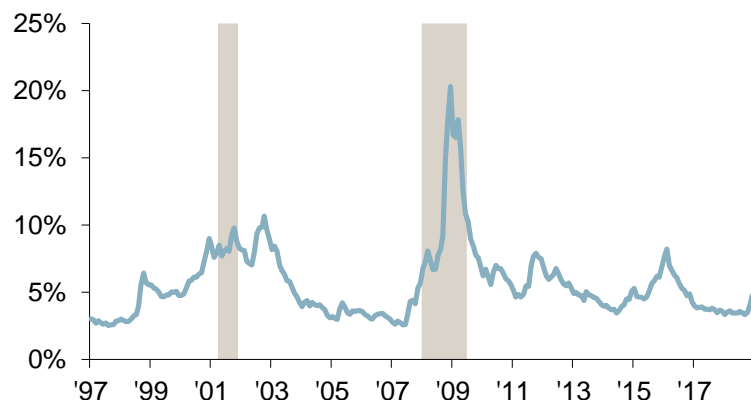
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Fixed Income Spreads

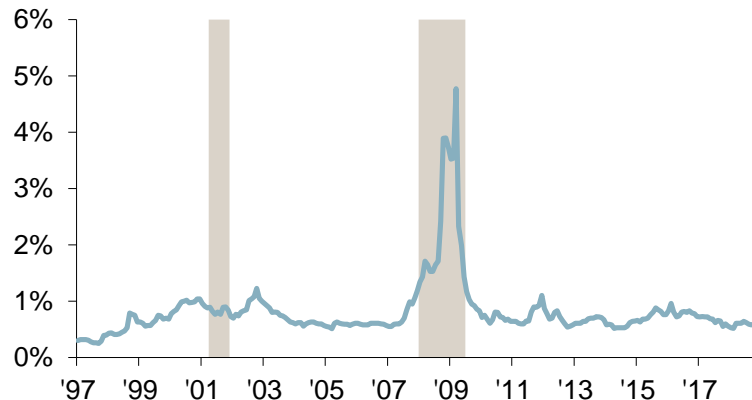
Yield Curve Slope: 10 yr. - 3 mo.



High Yield OAS



US AAA Corporate OAS



Data Source: Bloomberg

Yield curve slope is calculated as the difference between the 10 year constant maturity treasury and the 3 month t-bill. High yield OAS is the calculated spreads between bonds in the BofAML High Yield Master II Index and the treasury spot curve. US AAA Corporate OAS is the calculated spread between bonds in the BofAML US Corporate Master Index and the treasury spot curve. Recessions are shaded. Data as of 12/31/2018.

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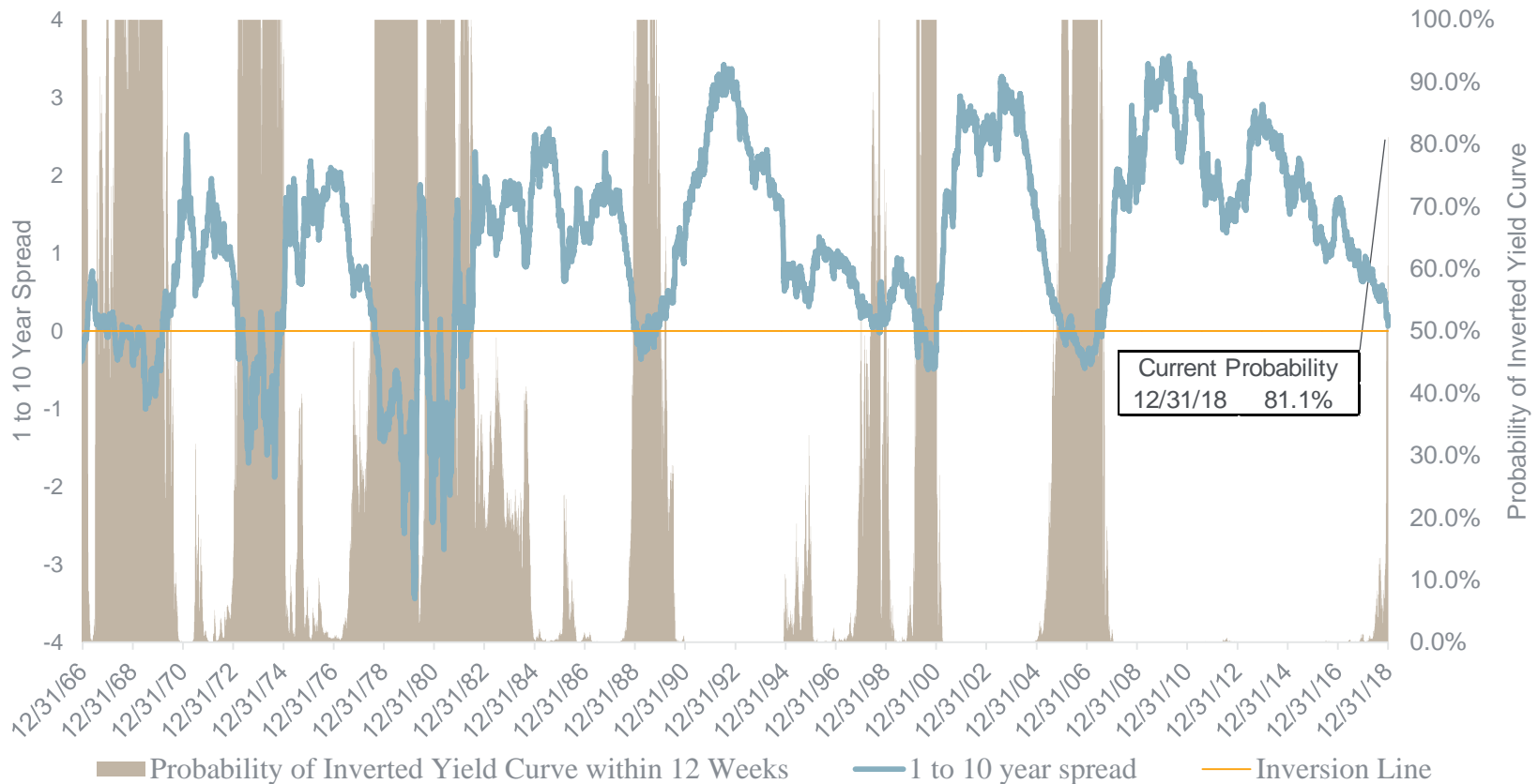
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Probability of an Inverted Yield Curve

Probability of Inverted Yield Curve within 90 Days



Yield curve slope is calculated as the difference between the 10 year constant maturity treasury and the 1 year constant maturity treasury. The probability of an inverted yield curve is calculated based on the volatility of the yield curve over a 12 week period with a rolling 4 year moving window, based on a normal distribution and the number of standard deviations away from the inversion line. Data Source: St. Louis Federal Reserve. Recessions are shaded. Data through 12/31/2018.

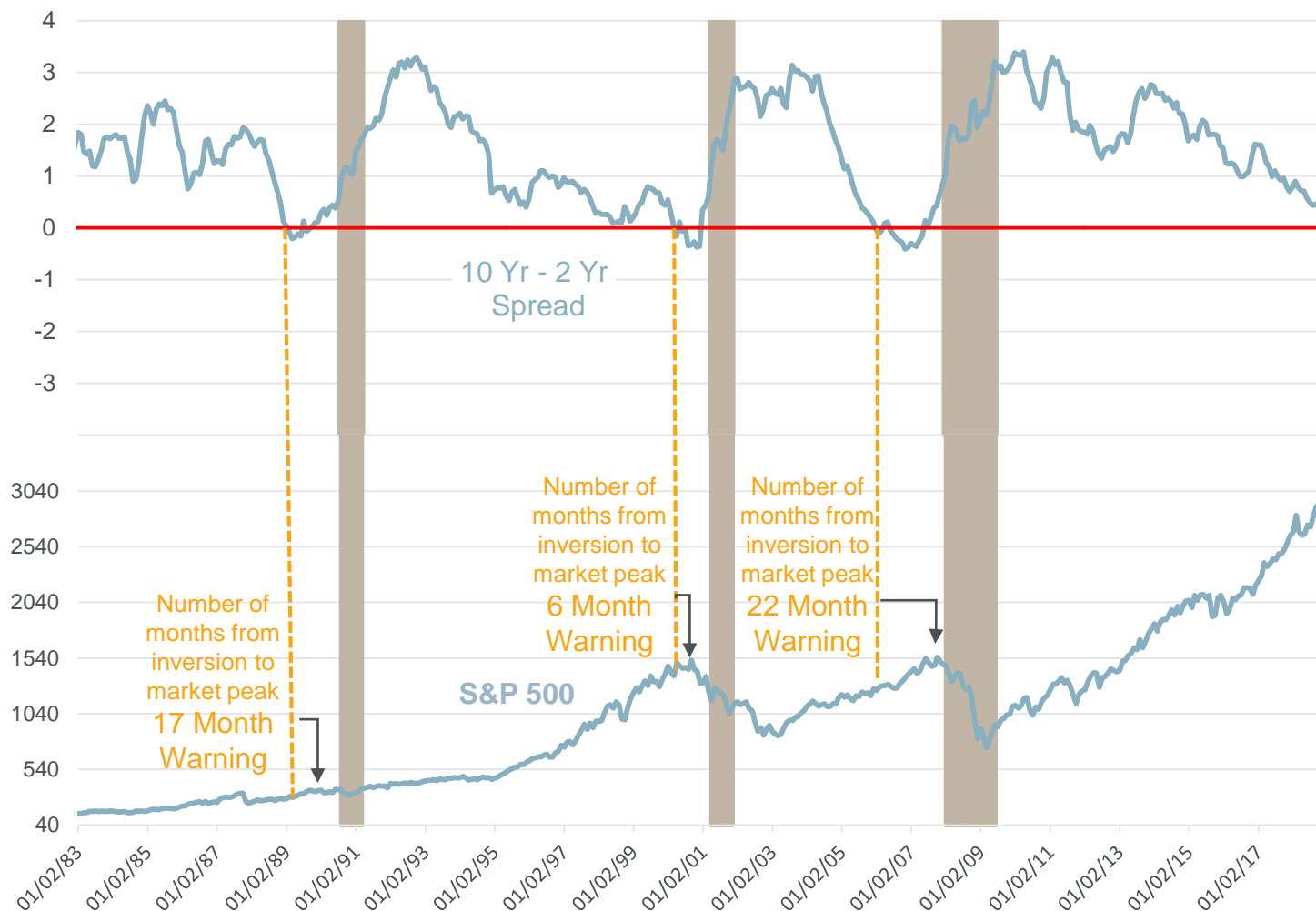
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Historical Perspective of an Inverted Yield Curve



Yield curve slope is calculated as the difference between the 10 year constant maturity treasury and the 1 year constant maturity treasury.. Data Source: St. Louis Federal Reserve. Recessions are shaded. Data through 12/31/2018.

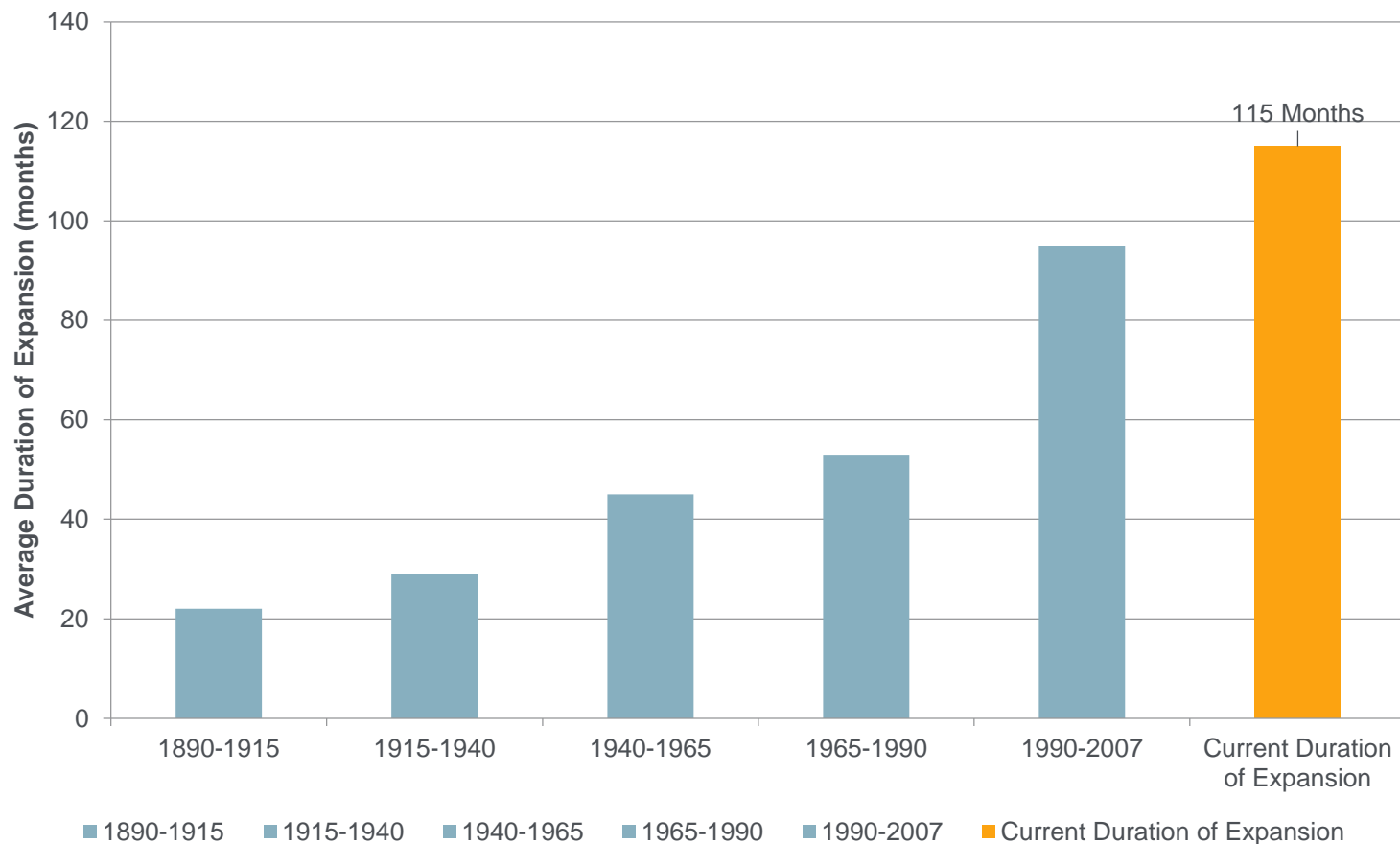
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Duration of Expansion in the U.S. Business Cycle



Data Source: National Bureau of Economic Research. Data through 12/31/2018.

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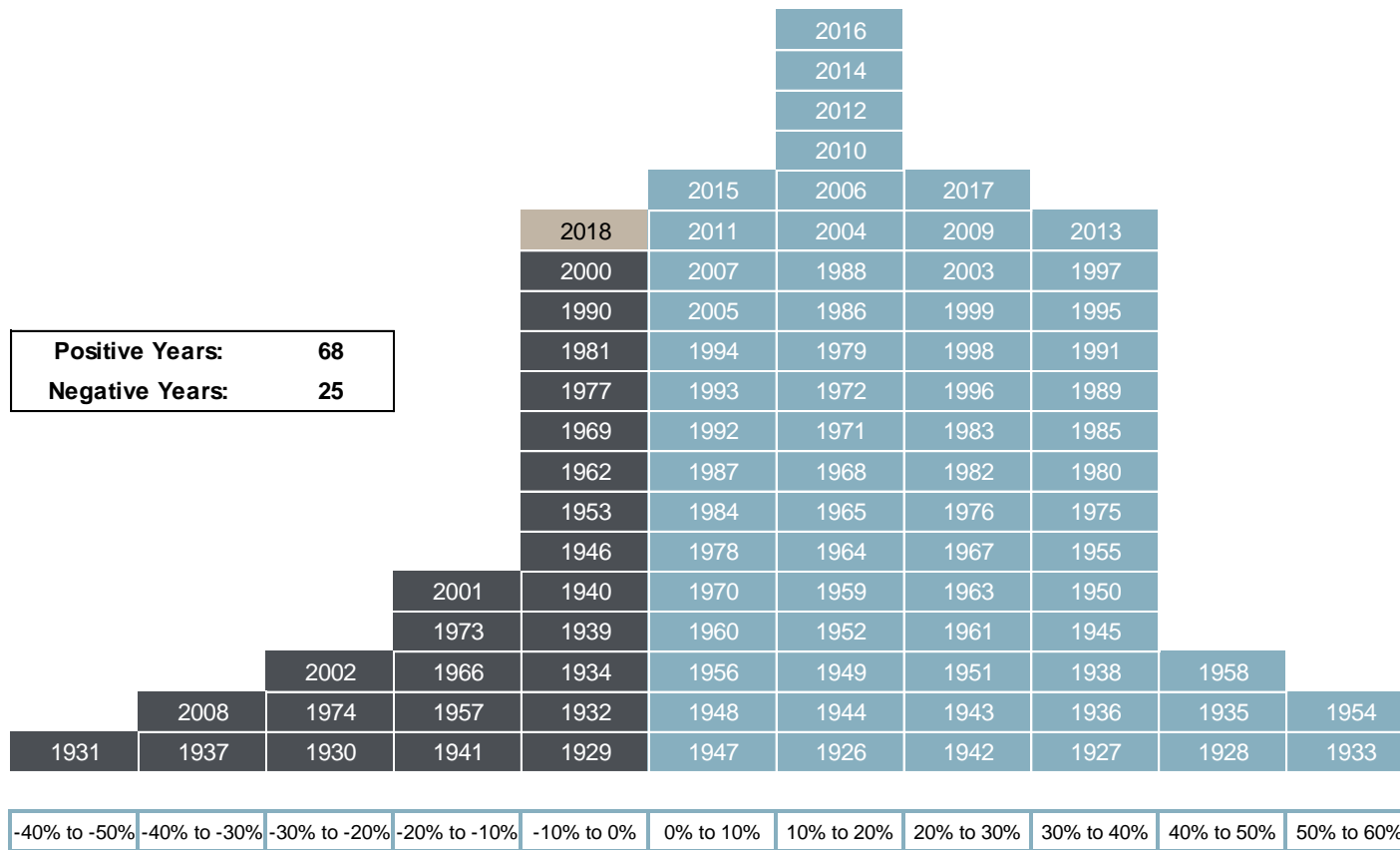
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S&P Index Calendar Year Total Returns

Since 1926



Returns through 12/31/2018.

Data Source: Ibbotson Associates and FactSet Research Systems.

From 1926 through 1956 and the S&P 500 thereafter.

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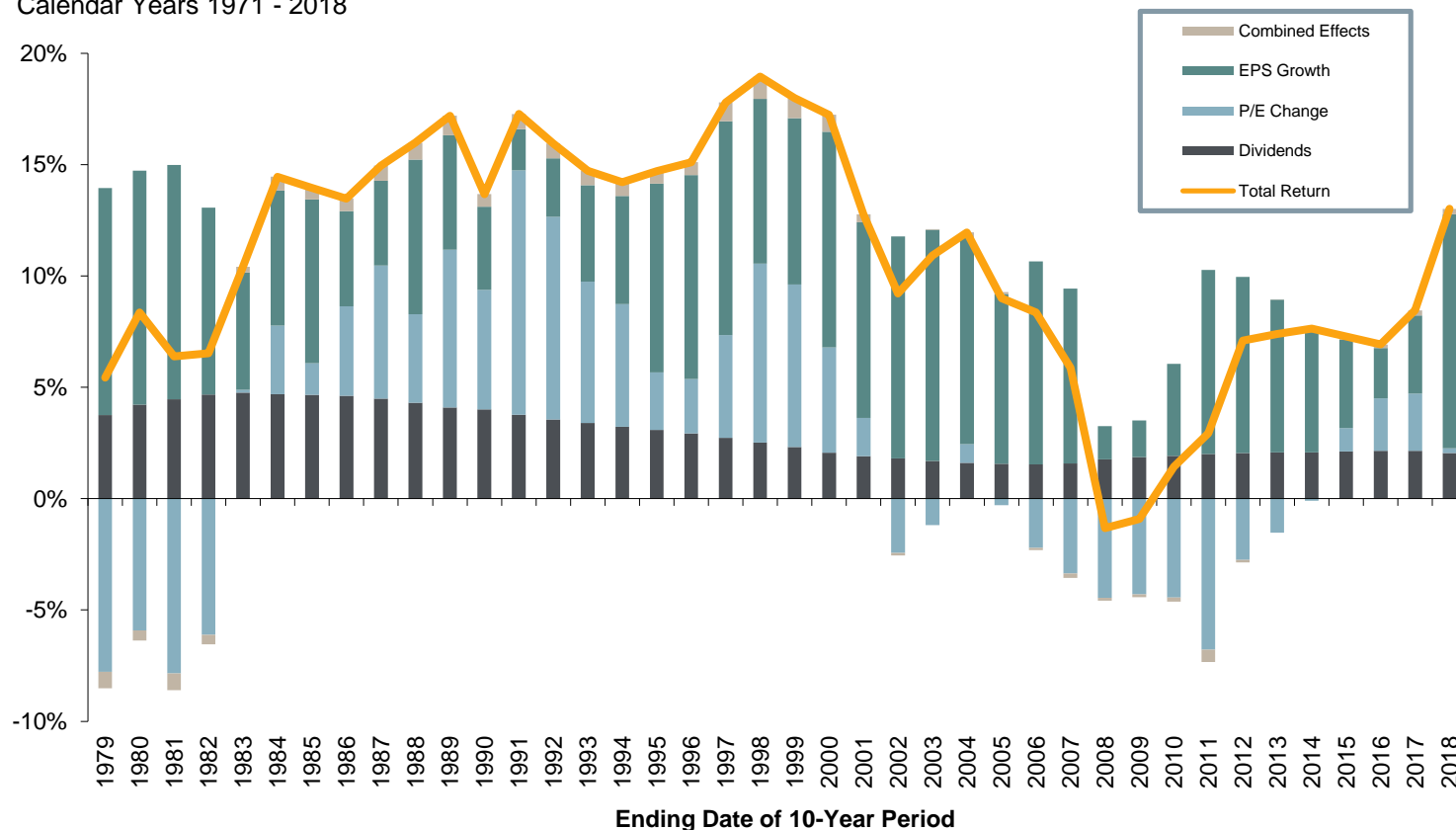
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Rolling 10-Year S&P 500 Total Returns

Contributors to Rolling 10-Year S&P 500 Return
Calendar Years 1971 - 2018



Returns shown are based on calendar years from 1971 to 2018

Data Source: Bloomberg

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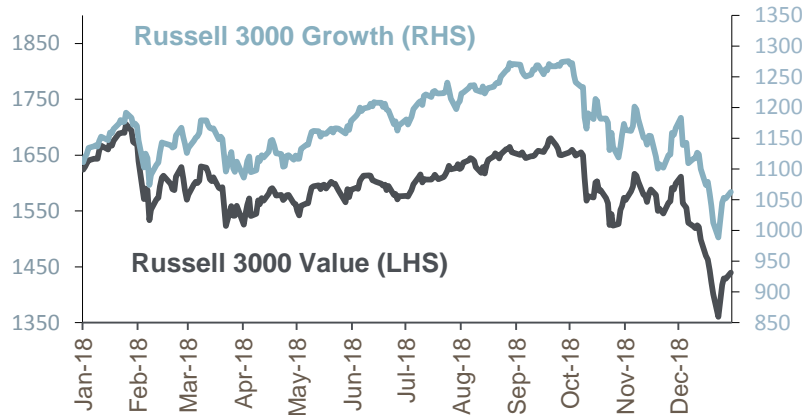
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Returns by Style

Russell 3000 Growth vs Value: Last 12 Months



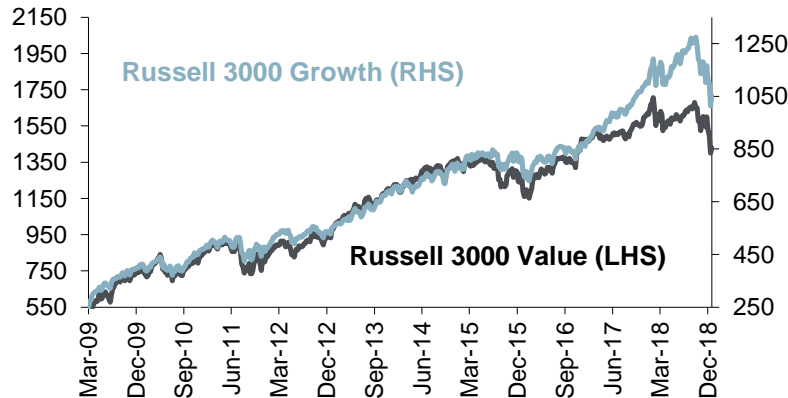
4Q 2018

	Value	Blend	Growth
Large	-11.7%	-13.5%	-15.9%
Mid	-15.0%	-15.4%	-16.0%
Small	-18.7%	-20.2%	-21.7%

YTD Return

	Value	Blend	Growth
Large	-8.3%	-4.4%	-1.5%
Mid	-12.3%	-9.1%	-4.8%
Small	-12.9%	-11.0%	-9.3%

Russell 3000 Growth vs Value: 3/09 - 12/18



Since Market Peak (October 2007)

	Value	Blend	Growth
Large	67.2%	103.7%	146.8%
Mid	91.4%	103.5%	116.7%
Small	69.6%	86.4%	102.7%

Since Market Low (March 2009)

	Value	Blend	Growth
Large	317.0%	355.2%	403.3%
Mid	388.6%	391.0%	401.0%
Small	319.5%	349.4%	378.4%

Best Worst

Source: FactSet Research Systems, Bloomberg

Since Market Low represents period 3/9/09 – 12/31/18, illustrating market returns since the S&P 500 Index low on March 9, 2009.

Since Market Peak represents period 10/9/07 – 12/31/18, illustrating market returns since the most recent S&P 500 Index high on October 9, 2007. For all time periods, total return is based on Russell style indexes with the exception of the Large Blend category, which is reflected by the S&P 500.

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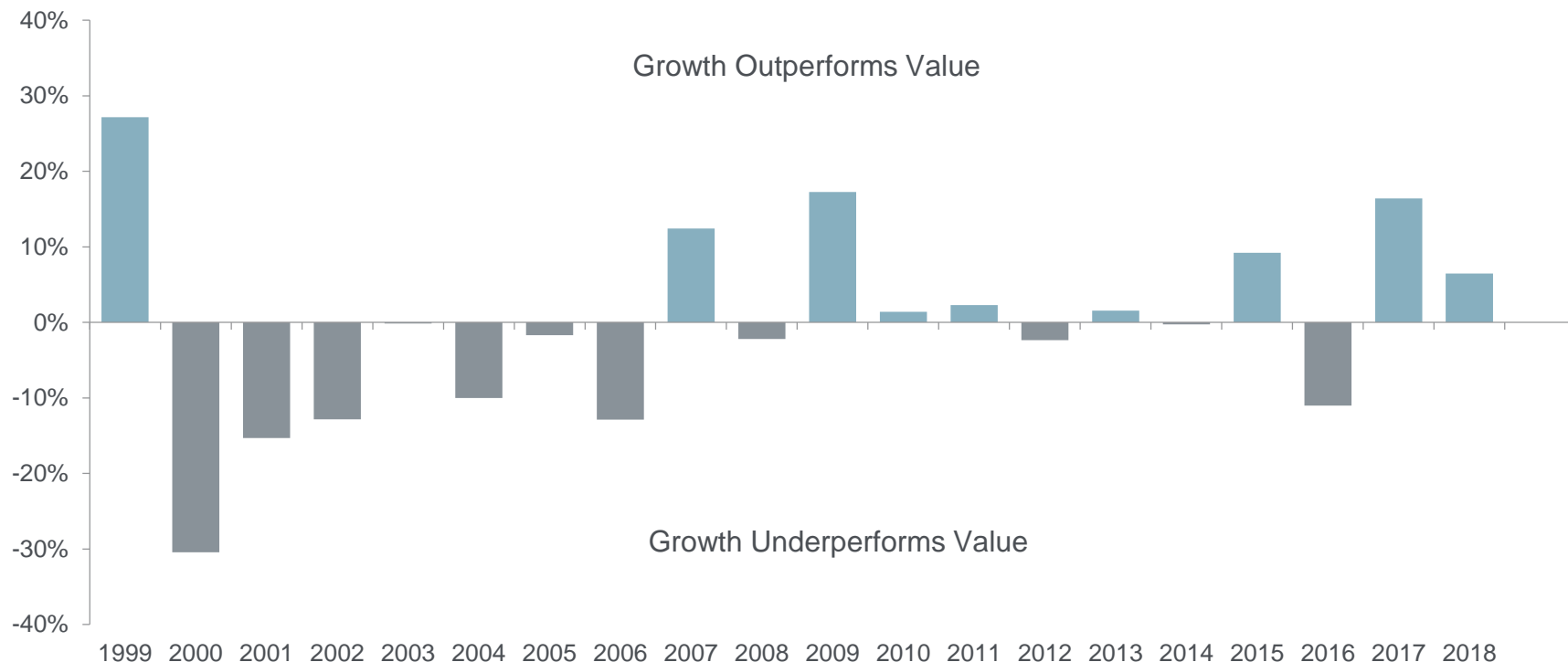


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U.S. Growth vs. U.S. Value

Calendar Year Returns

Annual Performance: Growth Stocks - Value Stocks
Percent Difference



Returns through 12/31/2018.

Growth represented by the Russell 3000 Growth Index and Value represented by the Russell 3000 Value Index.

Data Source: FactSet Research Systems

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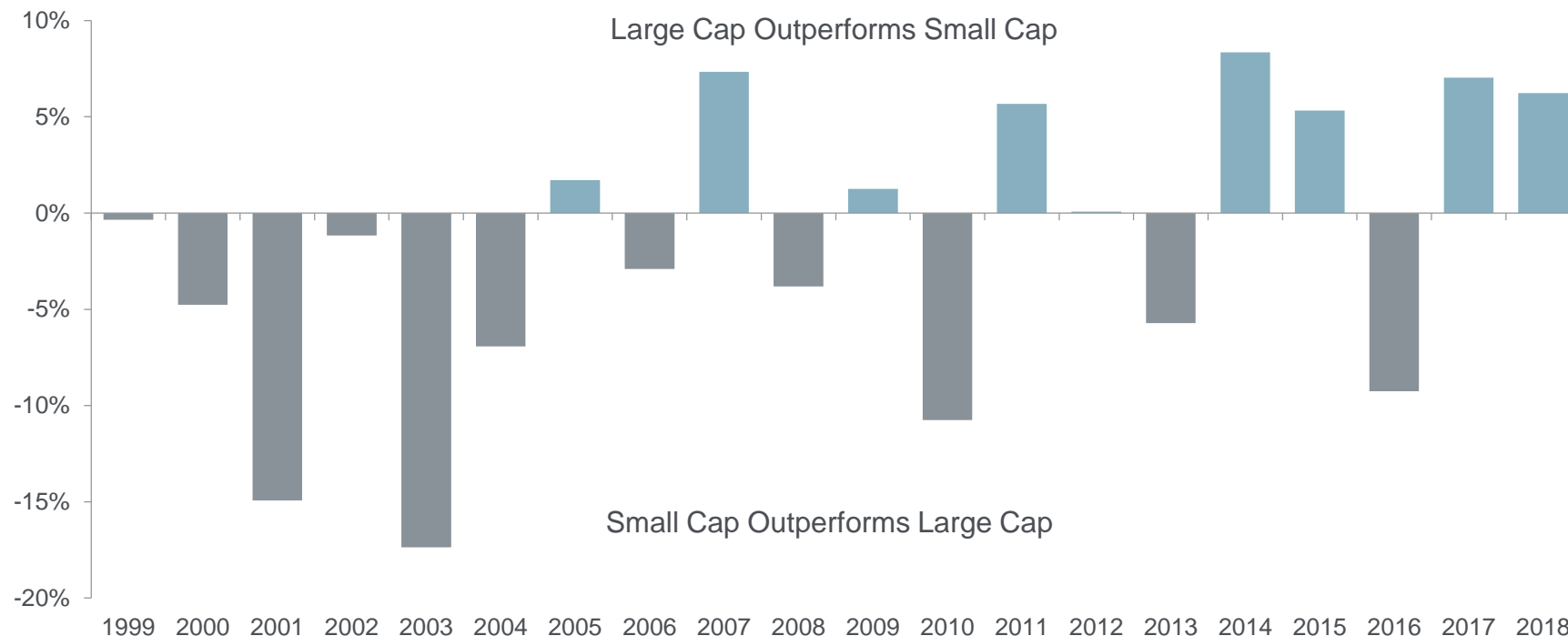


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U.S. Large Caps vs. U.S. Small Caps

Calendar Year Returns

Annual Performance: Large Cap Stocks - Small Cap Stocks
Percent Difference



Returns through 12/31/2018.

Large Caps represented by the S&P 500 Index and Small Caps represented by the Russell 2000 Index.

Data Source: FactSet Research Systems

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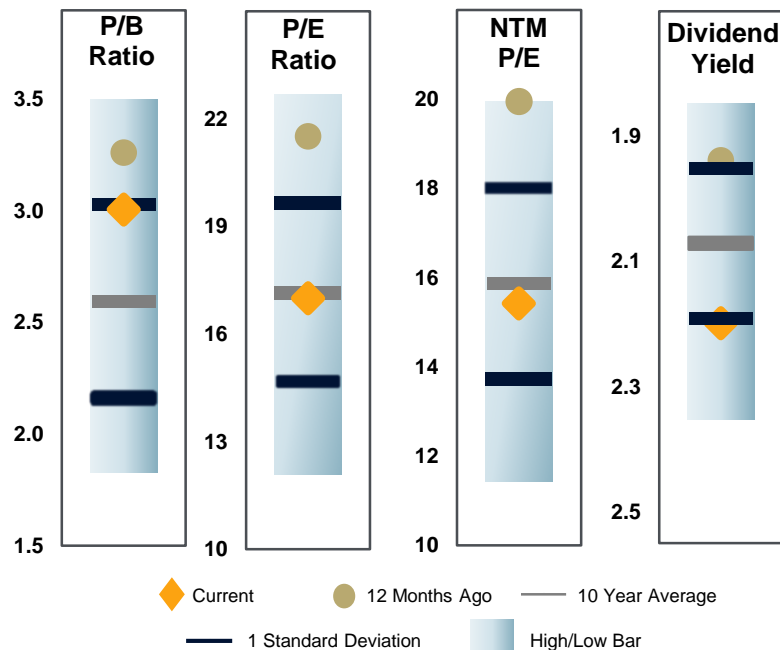


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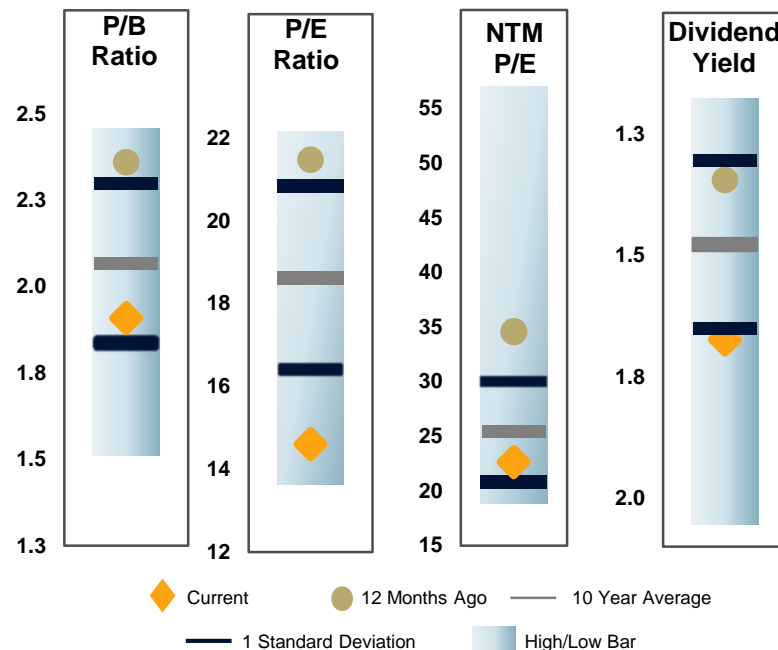
U.S. Large Caps vs. U.S. Small Caps

Market Valuations

Large Cap Valuation Ratios



Small Cap Valuation Ratios



Data through 12/31/2018.

Data Source: Bloomberg.

Large Caps represented by the S&P 500 Index and Small Caps represented by the Russell 2000 Index.

Dividend Yield: Multiplies the DPS over the last year then divides the resulting figure by the price.

Price/Earnings: Reflects the closing price for the company at fiscal quarter end divided by earnings per share before extraordinary items for last twelve months.

NTM P/PE: Price to Next Twelve Months Earnings. Calculated as the current market price over the estimated earnings for the next twelve months for the index.

Price/Book: Displays the book value per share for the ending month divided by share price.

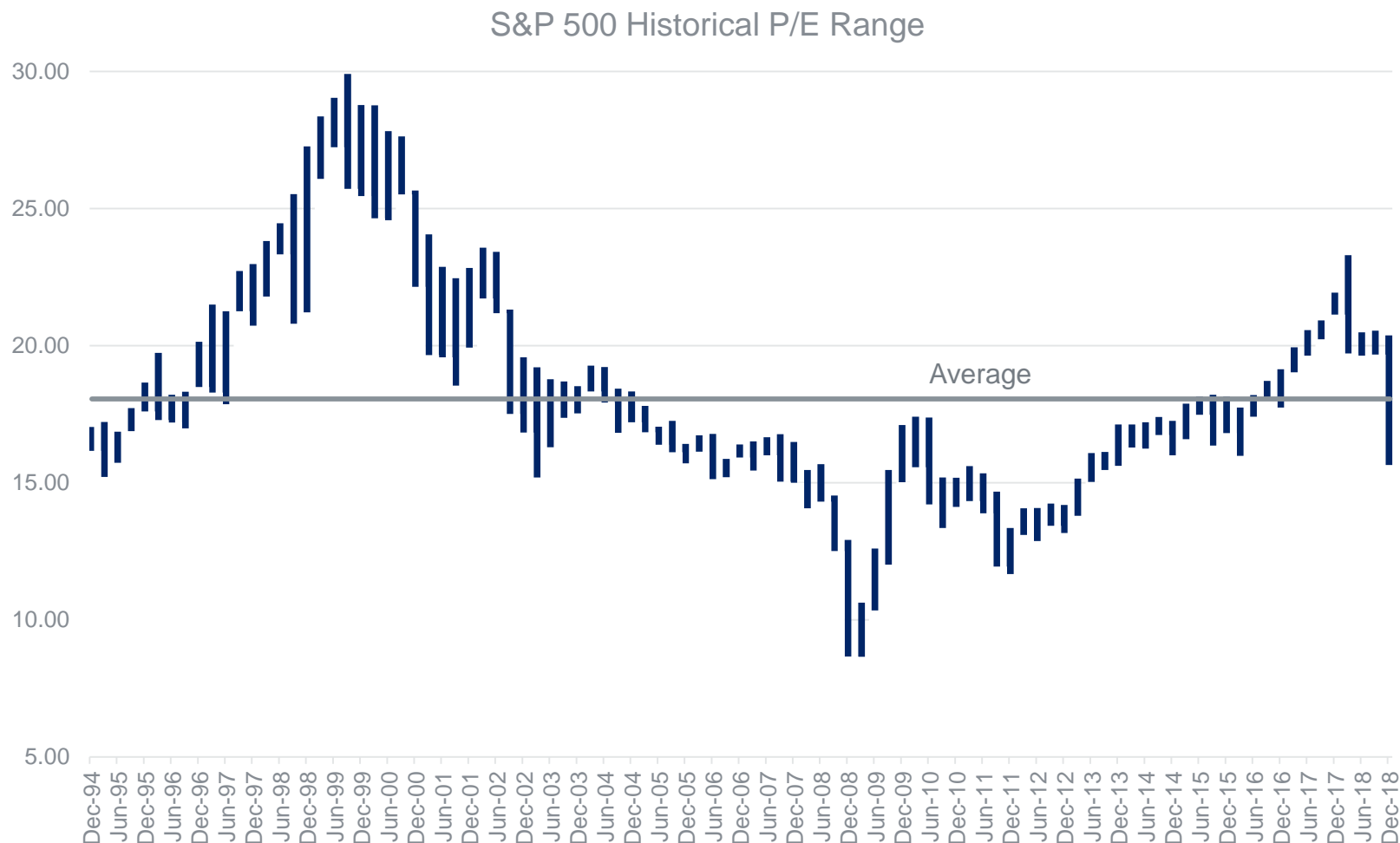
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S&P 500 Historical P/E Range



Data through 12/31/2018

Data Source: Factset

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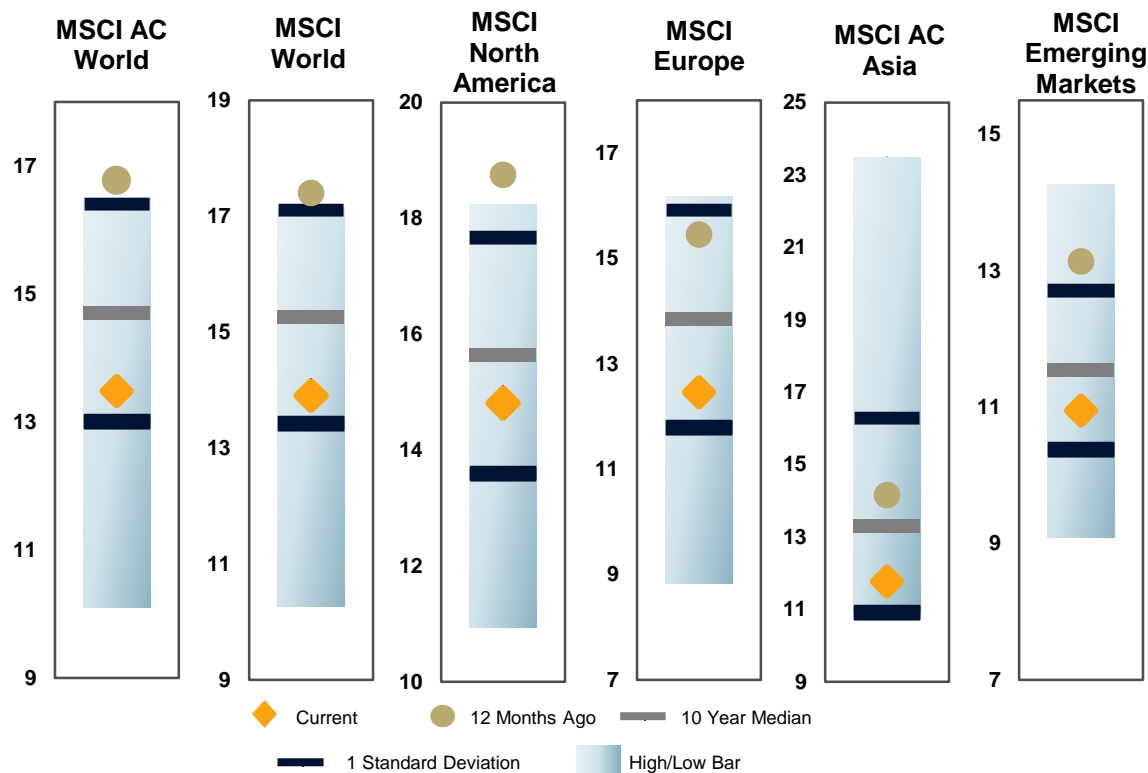
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Regional Market Valuations

Forward P/E



Forward P/E: Price to Next Twelve Months Earnings. Calculated as the current market price over the estimated earnings for the next twelve months for the index

Note: The MSCI AC World index includes emerging market countries. The MSCI World index only includes developed market countries.

Data through 12/31/2018 based on MSCI Market Indices.

International investing involves risks not typically associated with U.S. investing, including currency fluctuation, foreign tax, political instability and different accounting standards.

Data Source: Morgan Stanley Capital International and Bloomberg.

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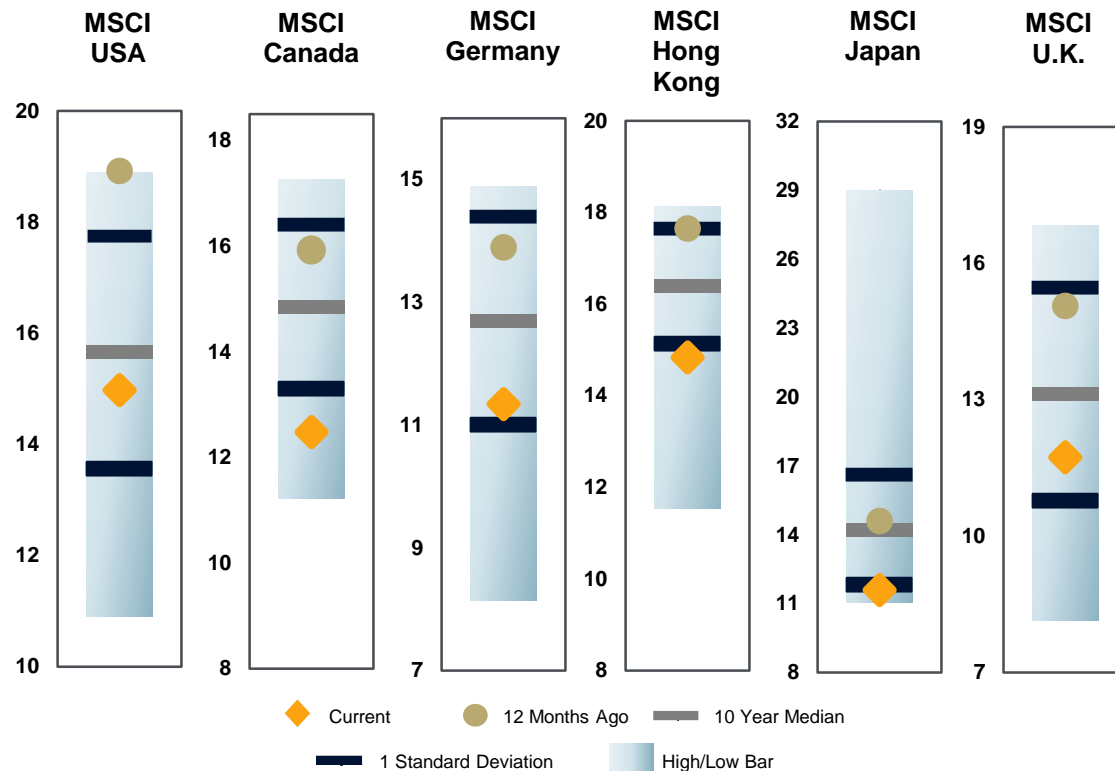
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Select Country Market Valuations

Forward P/E



Forward P/E: Price to Next Twelve Months Earnings. Calculated as the current market price over the estimated earnings for the next twelve months for the index. Data through 12/31/2018 based on MSCI Market Indices. International investing involves risks not typically associated with U.S. investing, including currency fluctuation, foreign tax, political instability and different accounting standards.

Data Source: Morgan Stanley Capital International and Bloomberg.

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Developed Market Equity Performance

Best and Worst Markets Since 1995

Year	Best Market	Worst Market	U.S. Return	U.S. Rank	Year	Best Market	Worst Market	U.S. Return	U.S. Rank
1995	Switzerland 45.0%	Austria -4.4%	38.2%	2	2007	Finland 50.1%	Ireland -19.6%	6.0%	19
1996	Spain 41.3%	Japan -15.4%	24.1%	11	2008	Japan -29.1%	Ireland -71.7%	-37.1%	3
1997	Portugal 27.9%	Singapore -30.1%	34.1%	6	2009	Norway 88.6%	Japan 6.4%	27.1%	16
1998	Finland 122.6%	Norway -29.7%	30.7%	8	2010	Sweden 34.8%	Greece -44.7%	15.5%	7
1999	Finland 153.3%	Belgium -13.8%	22.4%	10	2011	Ireland 14.3%	Greece -62.7%	2.0%	2
2000	Switzerland 6.4%	Finland -37.8%	-12.5%	12	2012	Belgium 40.7%	Spain 4.7%	16.1%	14
2001	Australia 2.7%	Finland -37.8%	-12.0%	7	2013	Greece 52.7%	Singapore 1.7%	32.6%	4
2002	Austria 17.3%	Germany -32.9%	-22.7%	17	2014	Israel 23.7%	Portugal -37.7%	13.4%	2
2003	Greece 69.5%	Finland 20.5%	29.1%	21	2015	Denmark 24.4%	Canada -23.6%	1.3%	11
2004	Austria 72.3%	Finland 7.1%	10.7%	21	2016	Canada 25.5%	Israel -24.5%	11.6%	6
2005	Canada 28.9%	Ireland -2.1%	5.7%	18	2017	Austria 59%	Israel 2.6%	21.9%	16
2006	Spain 50.2%	Japan 6.3%	15.3%	21	2018	Finland -2.2%	Austria -27.1%	-4.5%	3

Returns through 12/31/2018 and based on MSCI Developed Market Indices. As of December 2013, MSCI classified 23 countries as Developed Markets. Recent changes include the removal of Greece in November 2013 and the addition of Israel in 2010. International investing involves risks not typically associated with U.S. investing, including currency fluctuation, foreign tax, political instability and different accounting standards.

Data Source: Morgan Stanley Capital International and Bloomberg.

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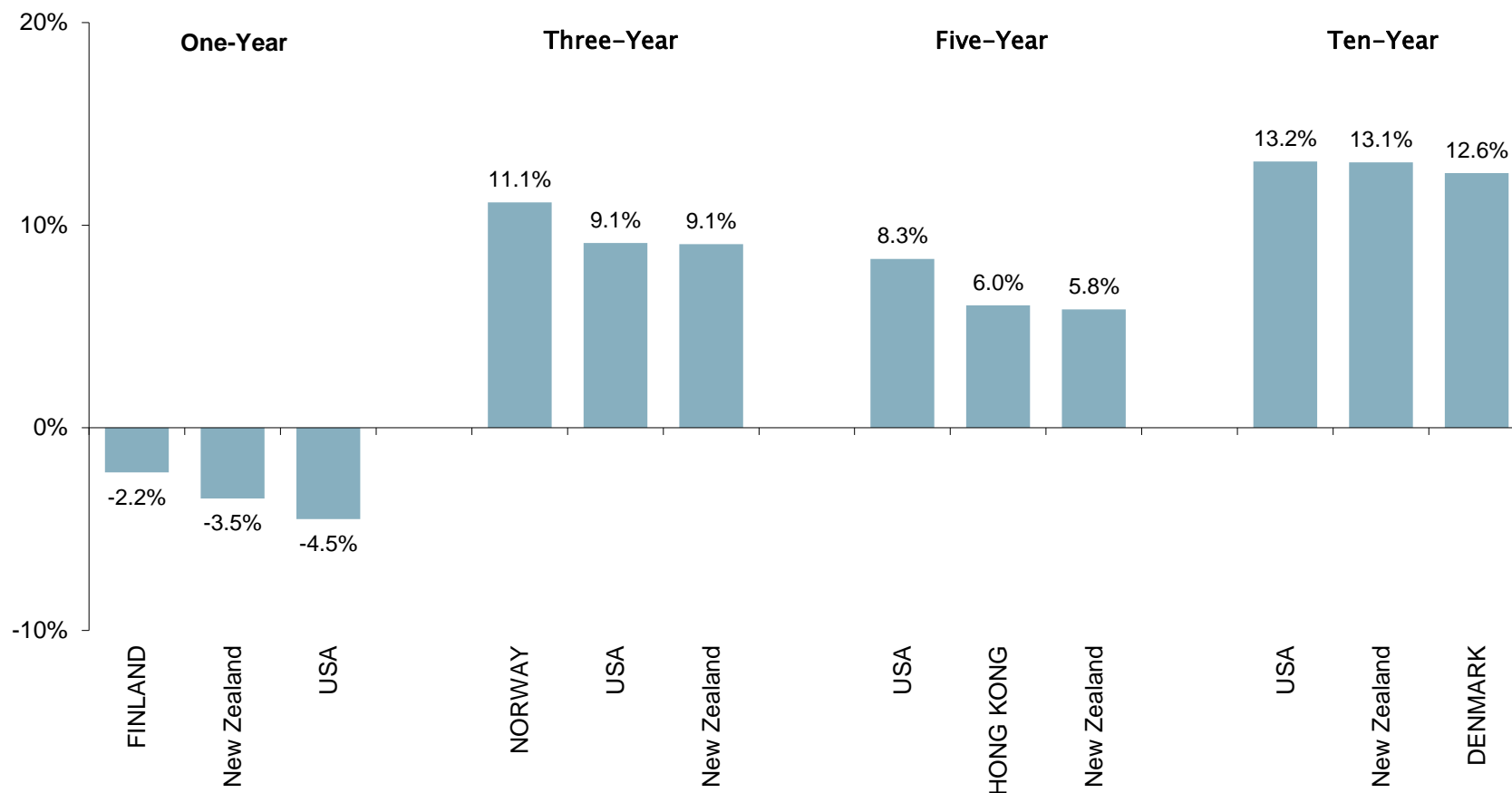
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Developed Market Equities

Top Performing Countries



Returns through 12/31/2018 are based on 22 MSCI Developed Market Indices. Returns greater than one year are annualized.

International investing involves risks not typically associated with U.S. investing, including currency fluctuation, foreign tax, political instability and different accounting standards.

Data Source: Morgan Stanley Capital International and Bloomberg.

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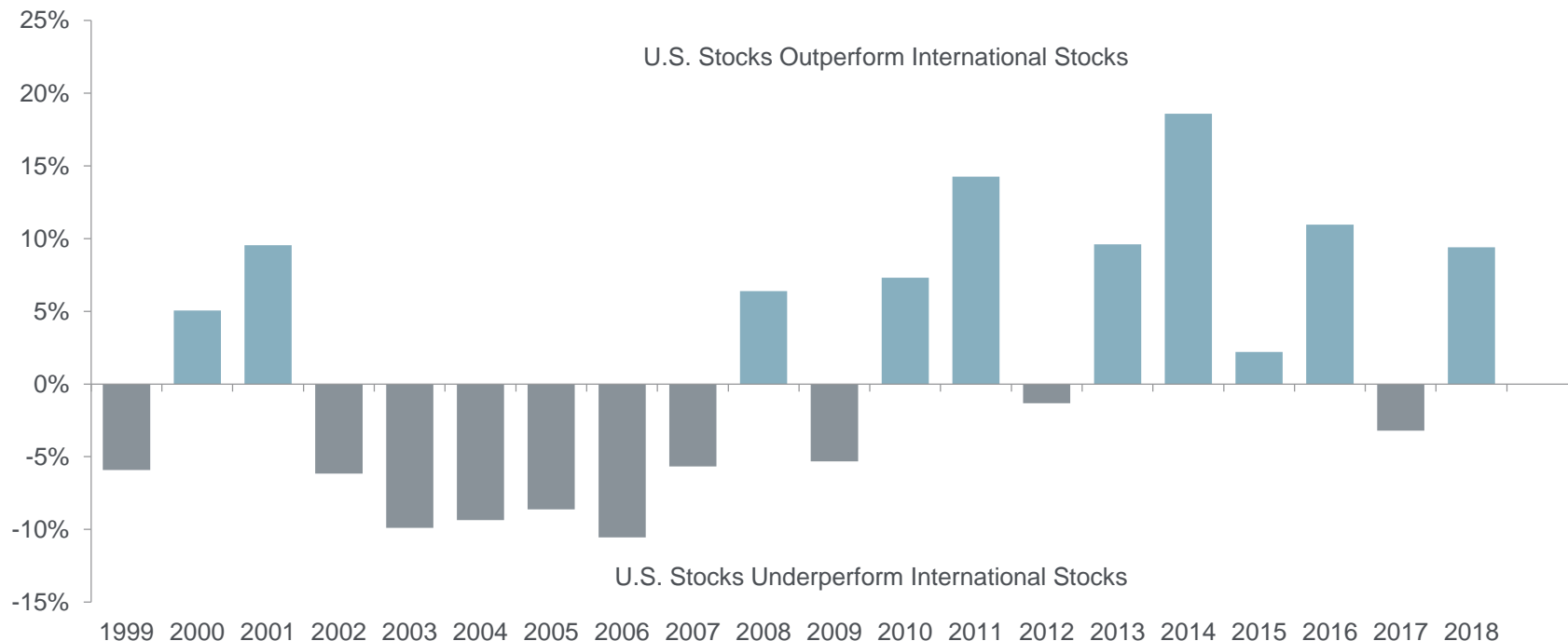


**Wealth
Management**

U.S. Stocks vs. International Stocks

Calendar Year Returns

Annual Performance: U.S. Stocks - International Stocks
Percent Difference



Returns through 12/31/2018.

U.S. stocks represented by the S&P 500 Index. International stocks represented by the MSCI EAFE Index.

International investing involves risks not typically associated with U.S. investing, including currency fluctuation, foreign tax, political instability and different accounting standards.

Data Source: FactSet Research Systems.

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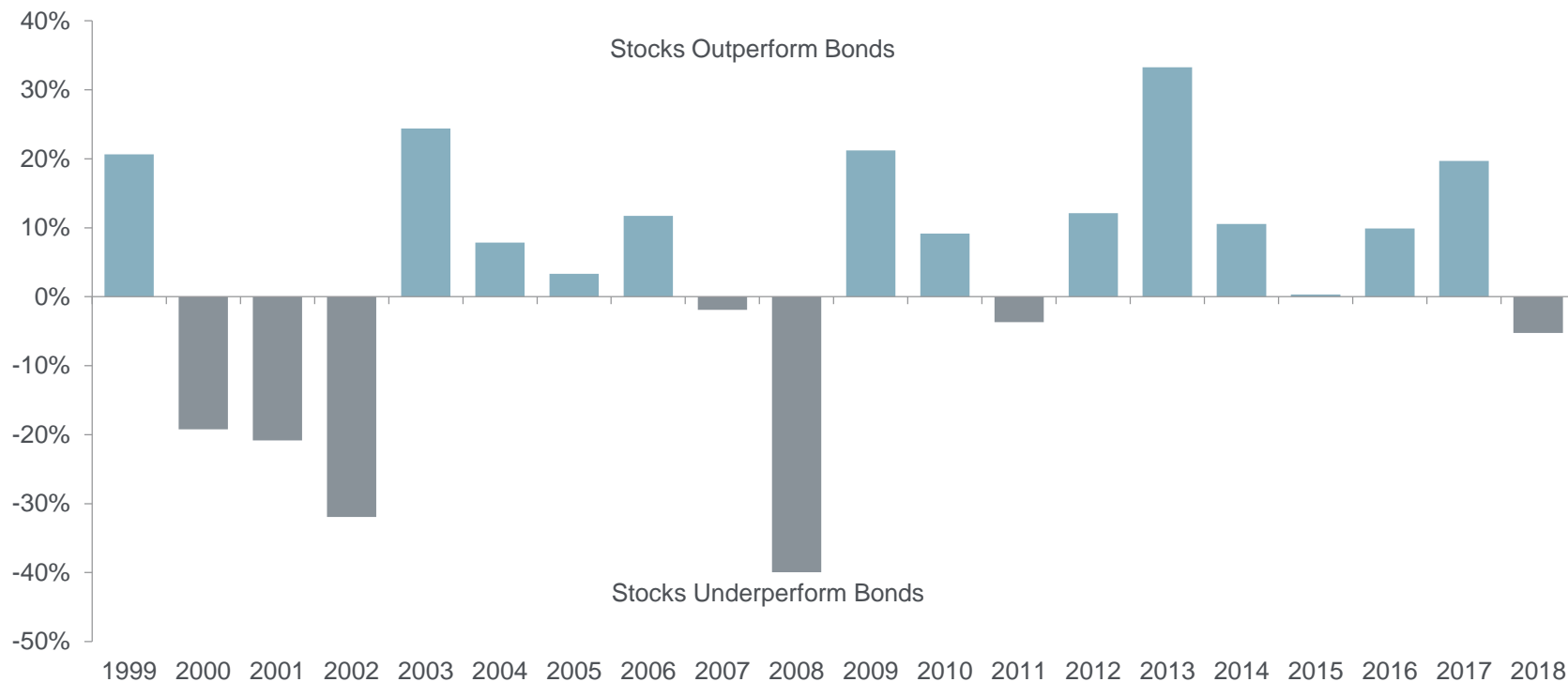


**Wealth
Management**

U.S. Stock vs. U.S. Bonds

Calendar Year Returns

Annual Performance: Stocks - Bonds
Percent Difference



Returns through 12/31/2018.

U.S. Stocks represented by the S&P 500 Index.

U.S. Bonds represented by the Bloomberg Barclays Intermediate Government Credit Index.

Data Source: FactSet Research Systems.

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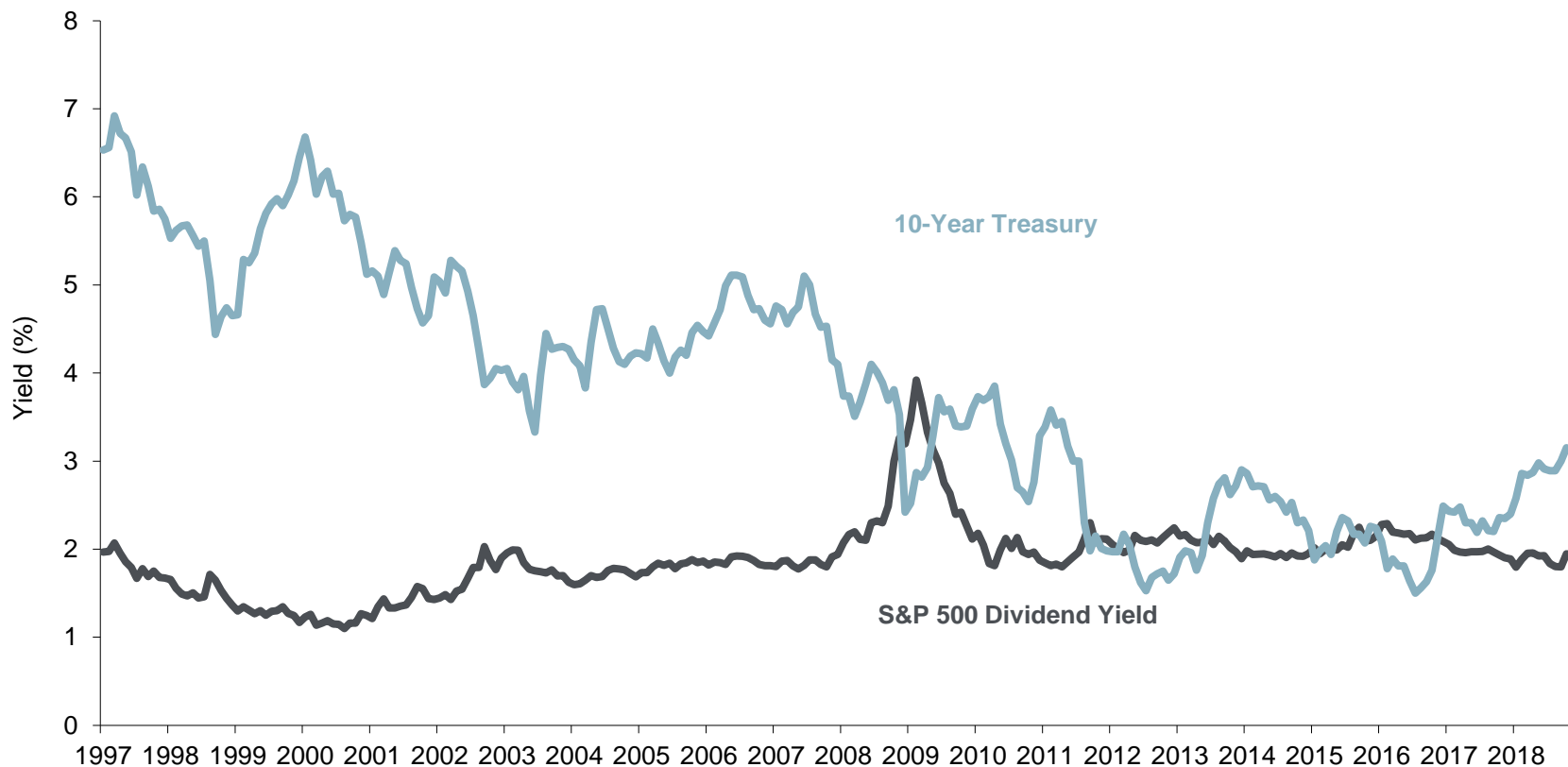


**Wealth
Management**

S&P 500 Div. Yield vs. 10-Year Treasury Yield

Yield Comparison

S&P 500 vs 10-Year Treasury



Before time period shown, the last historical point where the S&P 500 dividend yield was greater than the 10-Year Treasury yield was 1958.

Data as of 12/31/2018.

Source: FactSet Research Systems, Compustat, Standard and Poor's, Bloomberg.

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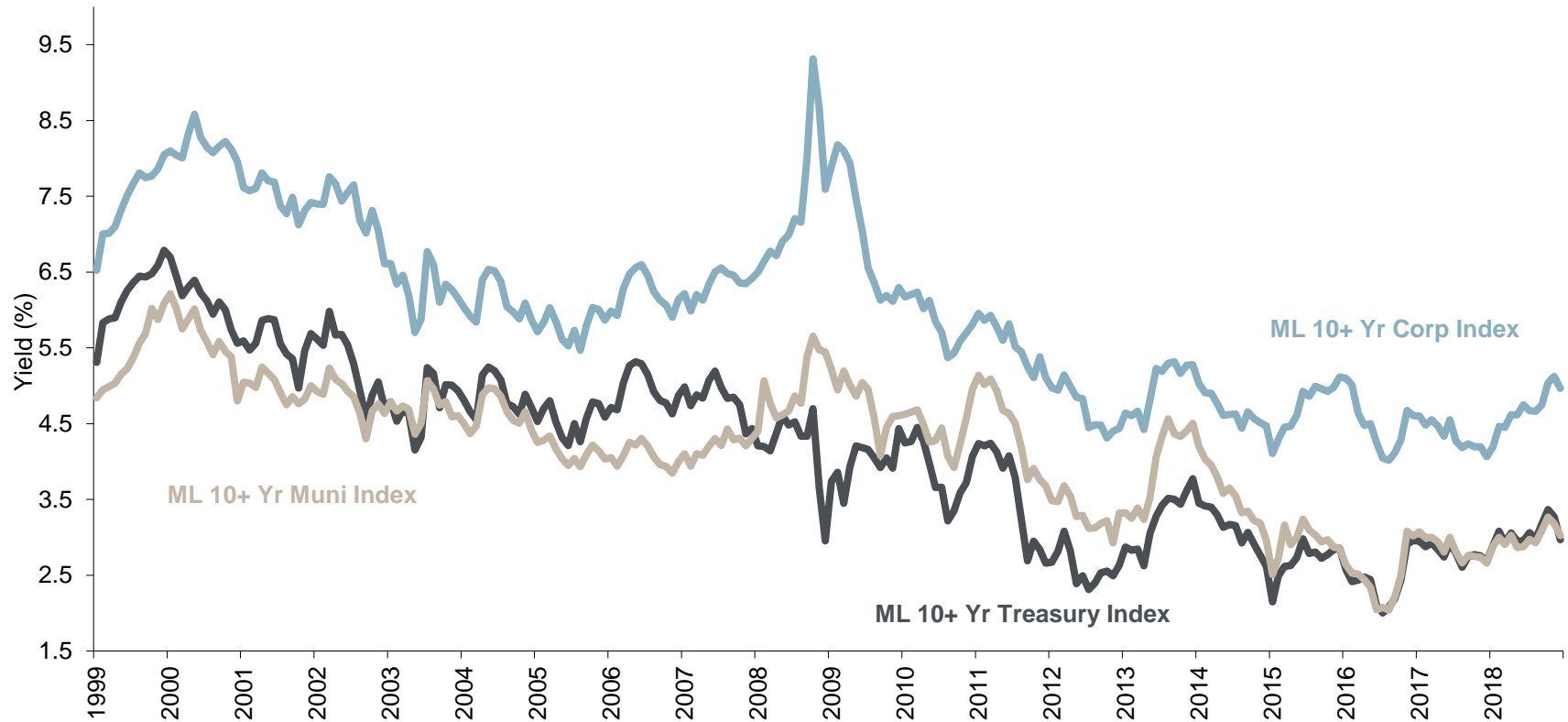


**Wealth
Management**

Historical Yield

Since January 1999

Long Bond Yields: Treasuries, Munis, & Corps



Data through 12/31/2018.

Data Source: Bloomberg.

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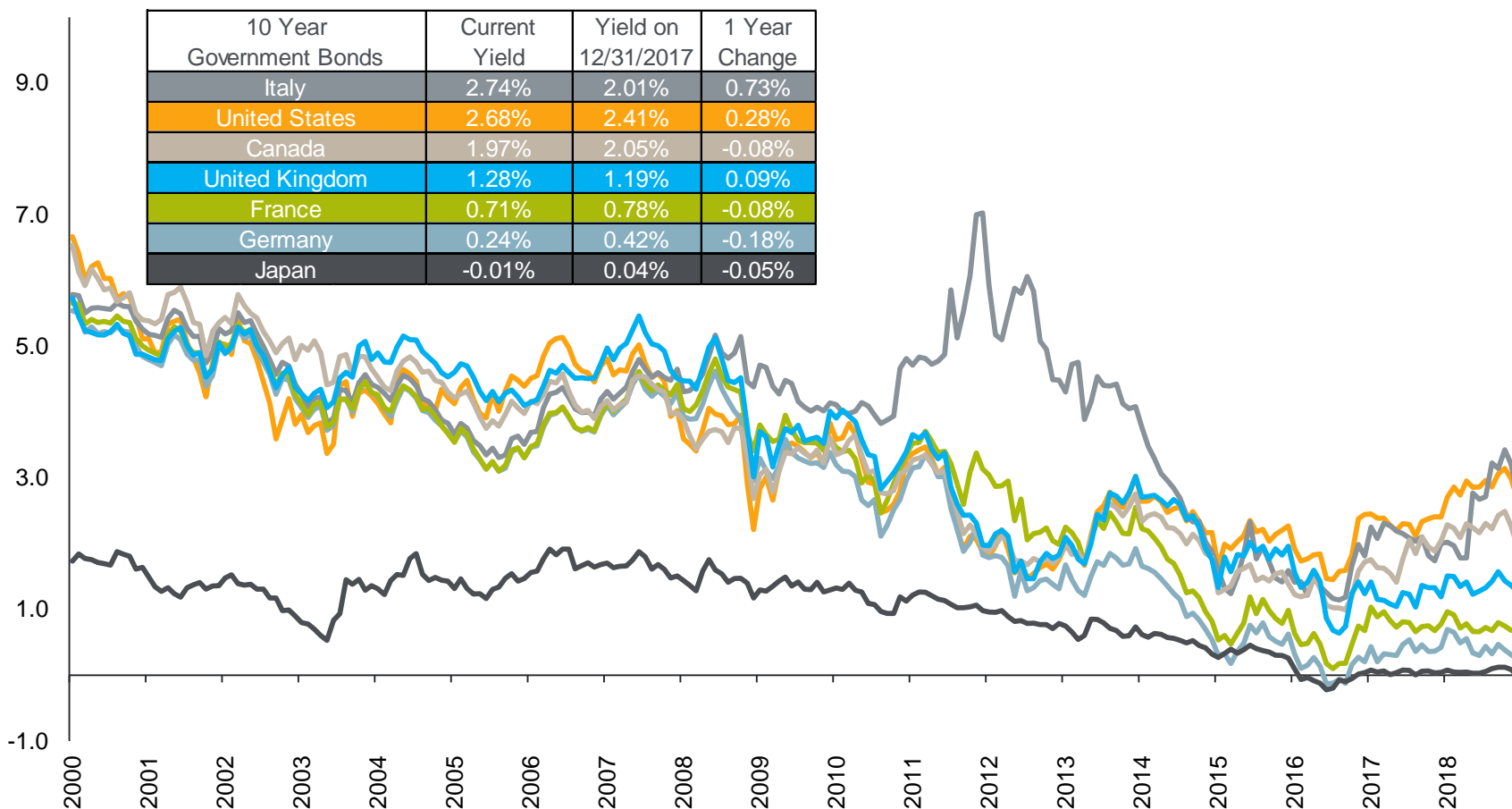


**Wealth
Management**

Historical Government Yield

Since January 1999

10 Year Government Yields:



Data through 12/31/2018.

Data Source: Bloomberg.

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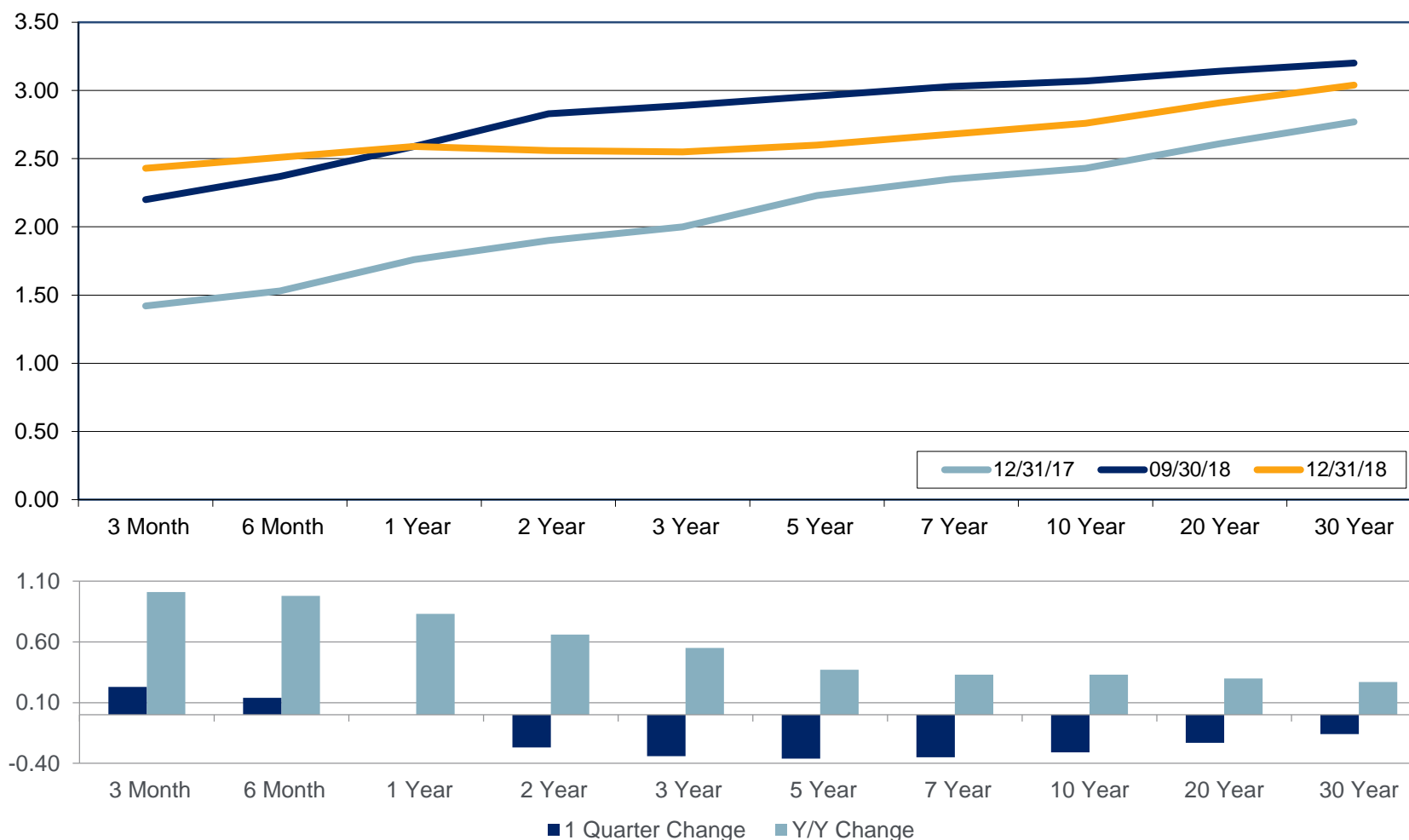
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**Wealth
Management**

Treasury Curve

Change in Yield



Data through 12/31/2018.

Data Source: St. Louis Federal reserve.

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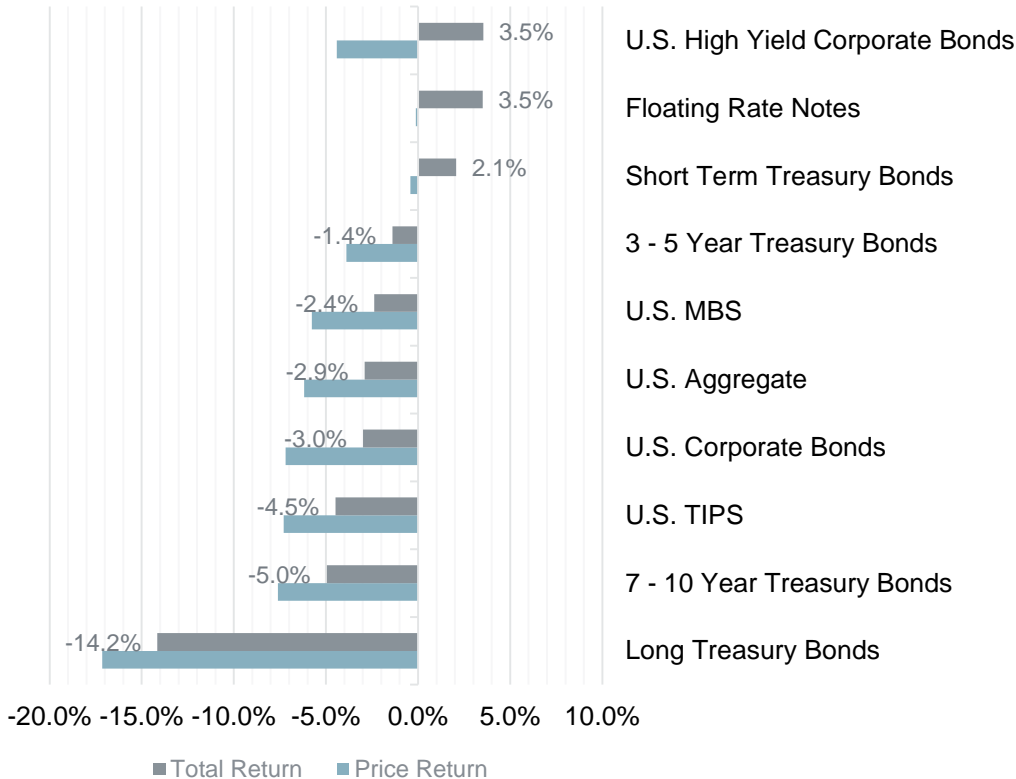


**Wealth
Management**

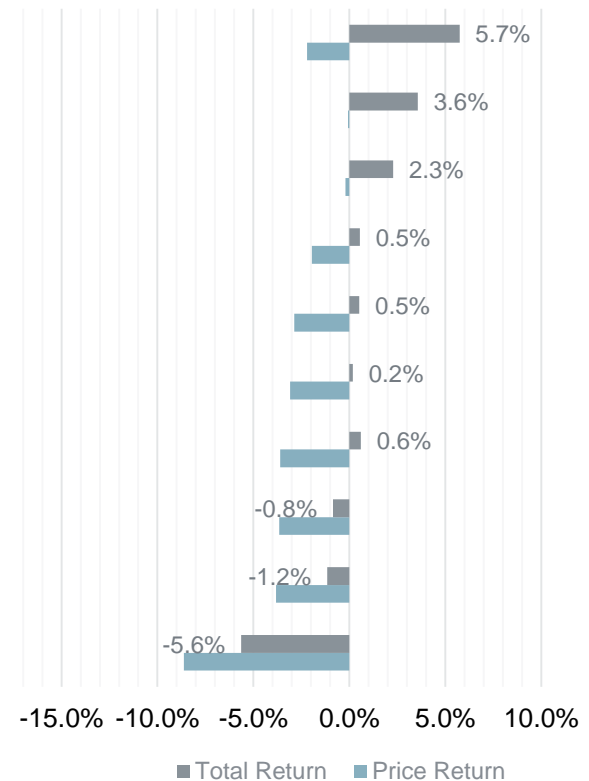
Impact of Rising Interest Rates

Assumes a parallel shift in the yield curve and steady spreads

Impact of a 1.0% rise in interest rates



Impact of a 0.5% rise in interest rates



Data Source: Bloomberg. Data through 12/31/2018.

Total Return incorporates both duration and convexity according to the following formula:

$$\text{New Price} = (\text{Price} \times \text{Duration} \times \text{Change in Interest Rates}) + (0.5 \times \text{Price} \times \text{Convexity} \times (\text{change in Rates})^2)$$

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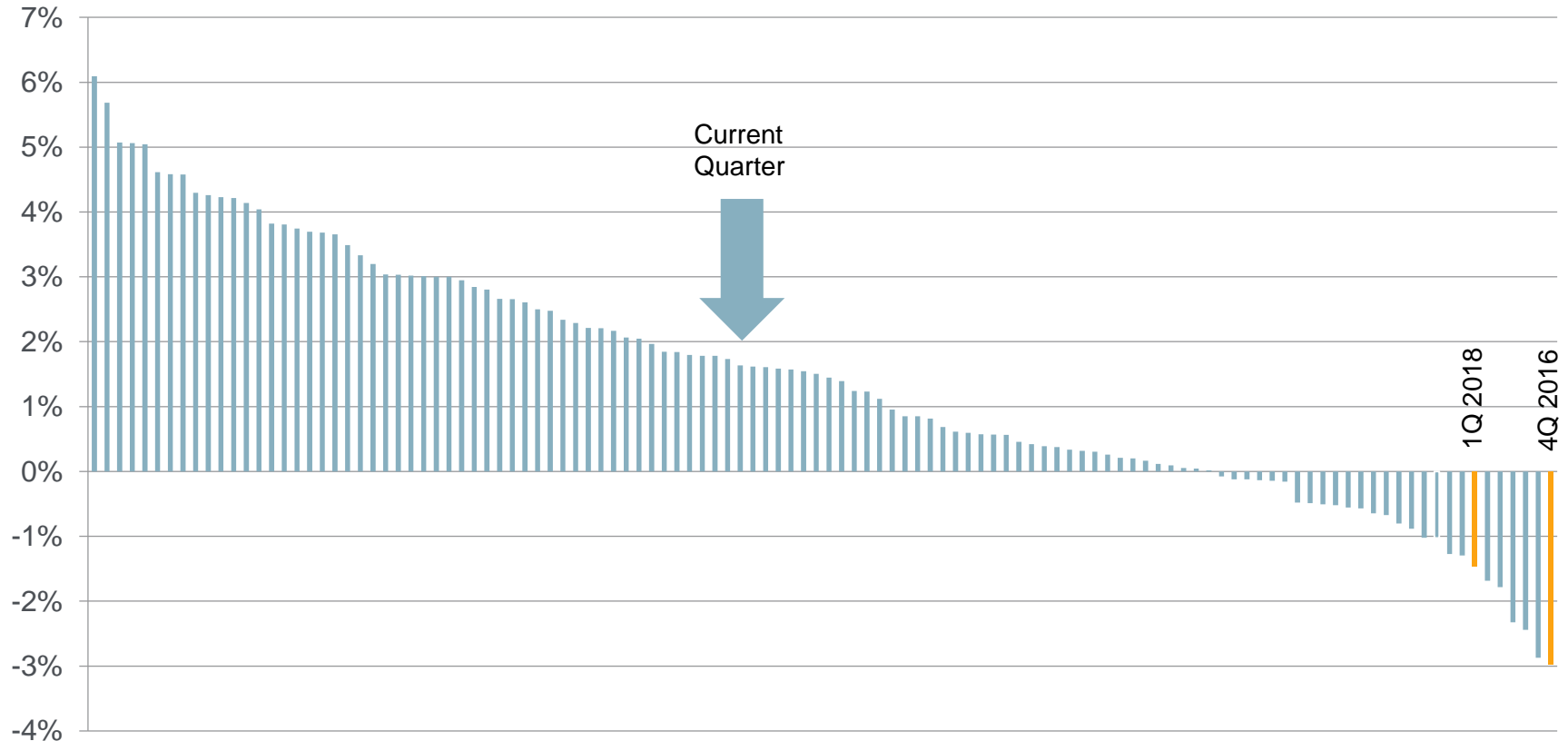
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**Wealth
Management**

Bloomberg Barclays Agg. Index Quarterly Total Returns Since 1990

Bloomberg Barclays Aggregate Index Quarterly Returns
Since 1990



Data Source: FactSet Research Systems
Returns from 1/1/1990 through 12/31/2018.

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Wealth
Management

Returns During 10 Worst Bond Markets

Since 1990

		Average	4Q 2016	1Q 1994	2Q 2004	2Q 2013	1Q 1996	2Q 2015	1Q 2018	4Q 2010	1Q 1992	2Q 1994
Highest Average Return -->	Convertibles	2.1%	2.1%	-2.9%	-0.6%	2.2%	6.5%	0.6%	2.4%	6.7%	6.7%	-3.1%
	High Yield Bonds	1.3%	1.8%	-1.9%	-1.0%	-1.4%	1.8%	0.0%	-0.9%	7.4%	7.4%	-0.3%
	Bank Loans	0.8%	2.2%			-0.2%		-0.1%	1.4%			
	HFRI Fund of Funds	0.7%	0.9%	-3.3%	-1.5%	0.0%	3.1%	0.2%		3.3%	3.3%	0.1%
	S&P 500	0.5%	3.8%	-3.8%	1.7%	2.9%	5.4%	0.3%	-0.8%	-2.5%	-2.5%	0.4%
	Short-Term Government Bonds	-0.3%	-0.5%		-1.1%	-0.1%		0.1%	-0.2%			
	Preferreds	-0.9%	-3.8%	-4.4%	-5.4%	-2.4%	1.0%	-1.1%	-1.0%	4.0%	4.0%	-0.2%
	Telecom	-1.8%	4.8%	-5.0%	-1.0%	1.0%	-4.2%	1.6%	-7.5%	-6.7%	-6.7%	5.8%
	Bloomberg Barclays US Aggregate	-1.9%	-3.0%	-2.9%	-2.4%	-2.3%	-1.8%	-1.7%	-1.5%	-1.3%	-1.3%	-1.0%
	Staples	-1.9%	-2.0%	-4.3%	0.5%	0.5%	3.6%	-1.7%	-7.1%	-4.0%	-4.0%	-0.9%
<-- Lowest Average Return	REITS	-2.0%	-2.9%	2.2%	-6.6%	-3.4%	2.6%	-8.9%	-6.7%	1.0%	1.0%	1.4%
	Investment Grade Bonds	-2.4%	-2.8%	-3.5%	-3.4%	-3.3%	-2.6%	-3.2%	-2.3%	-0.7%	-0.7%	-1.6%
	MLPs	-2.5%	2.0%		-6.6%	1.9%	4.6%	-6.1%	-11.1%			
	TIPS	-2.9%	-2.4%		-3.1%	-7.1%		-1.1%	-0.8%			
	Intermediate-Term Government Bonds	-3.4%	-5.6%	-4.8%	-4.3%	-4.2%	-3.3%	-2.4%	-1.9%	-3.1%	-3.1%	-1.5%
	Utilities	-4.8%	0.1%	-11.1%	-1.3%	-2.7%	-2.0%	-5.8%	-3.3%	-7.5%	-7.5%	-6.6%
	Long-Term Government Bonds	-6.6%	-12.2%	-6.4%	-5.7%	-5.8%	-7.5%	-9.1%	-3.4%			-3.1%

Data Source: FactSet Research Systems, and Bloomberg
Returns from 1/1/1990 through 12/31/2018.

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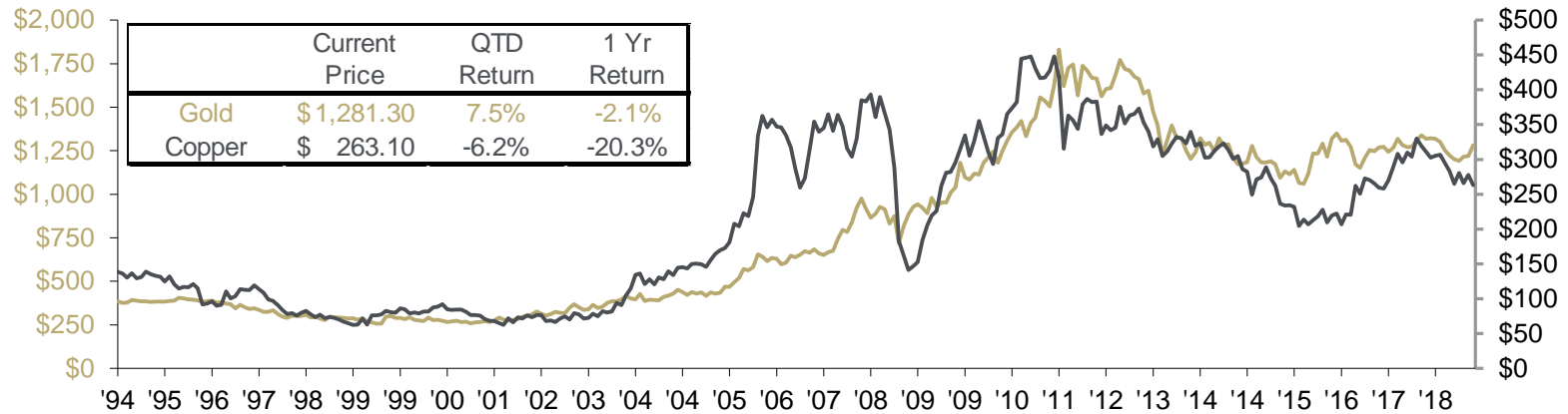
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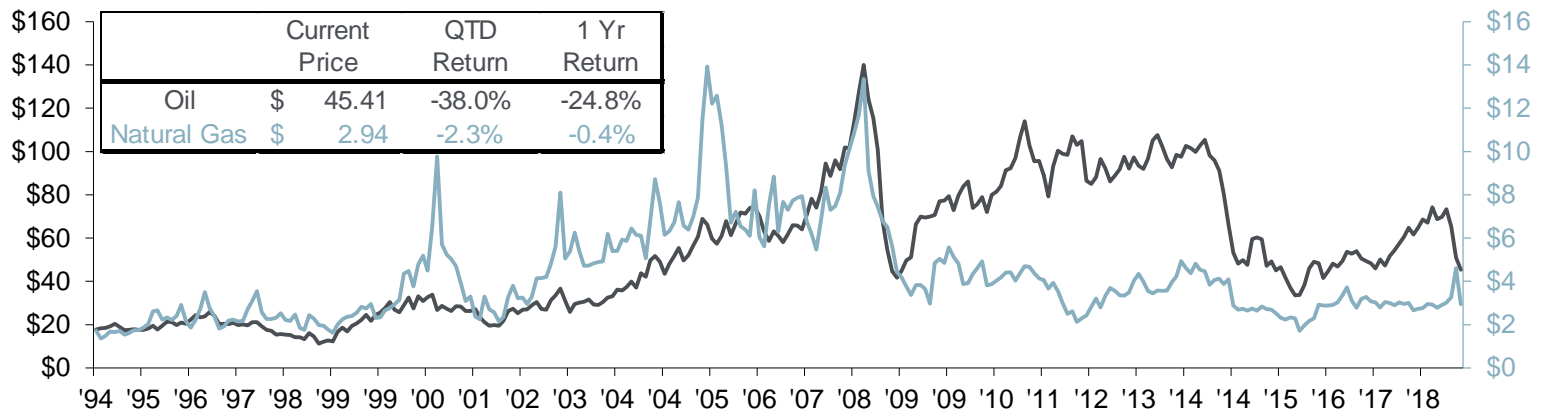
Wealth
Management

Commodity Prices

Commodity Prices: **Gold** and **Copper**



Commodity Prices: **Oil** and **Natural Gas**



Data Source: Bloomberg.
Data through 12/31/2018.

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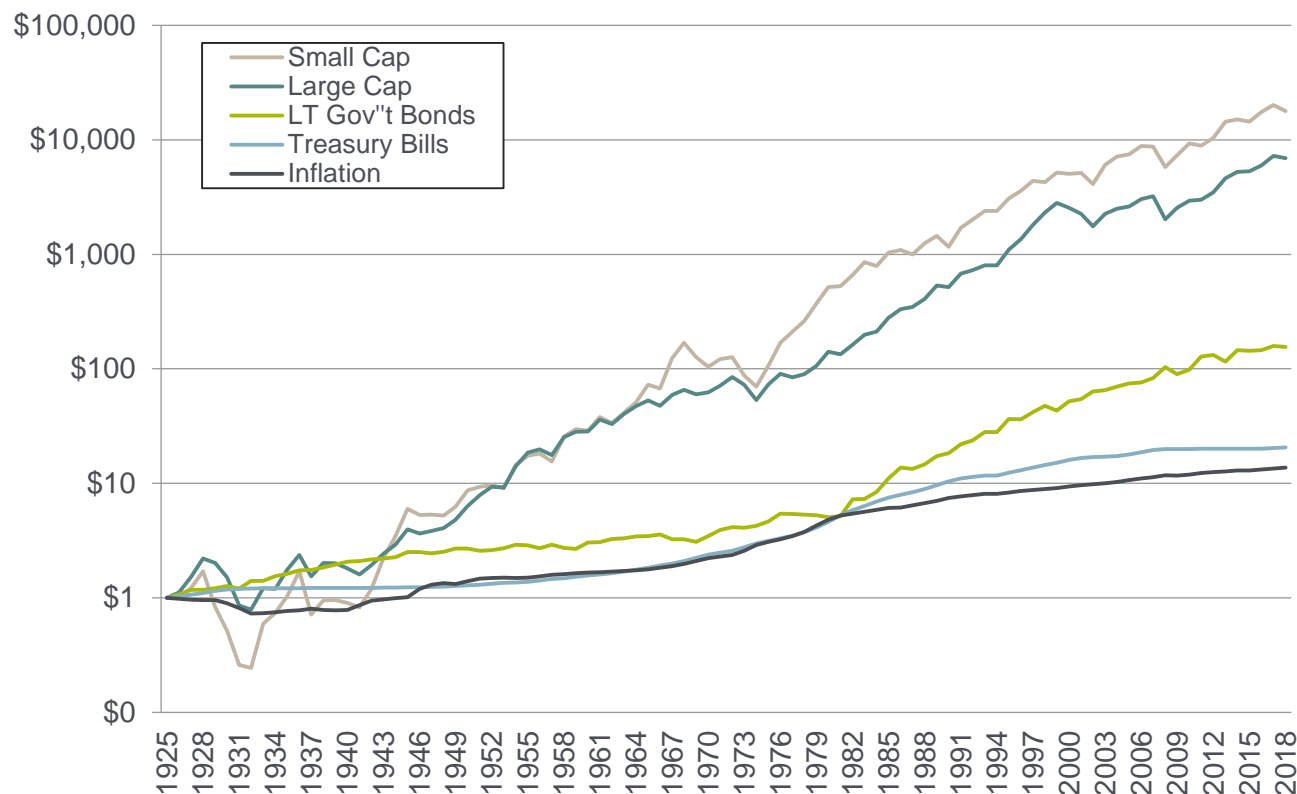
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**Wealth
Management**

Historical Growth of \$1

Since January 1923



Asset Class	Ending Balance	Annualized Return
Small Cap	\$17,865	11.0%
Large Cap	\$6,932	9.9%
LT Gov't Bonds	\$155	5.5%
Treasury Bills	\$21	3.3%
Inflation	\$14	2.8%

Small Cap Equities: Represented by the Russell 2000 Index.

Large Cap Equities: Represented by the S&P 500 Index.

Long Term Gov't Bonds: Represented by the Citigroup USBIG Treasury 10+ Year Index.

Treasury Bills: Represented by the Citigroup 3-month T-Bill Index.

Inflation: Represented by the Consumer Price Index – All Urban Consumers (CPI-U).

Past performance does not guarantee future results.

Data Source: FactSet Research Systems. Data through 12/31/2018.

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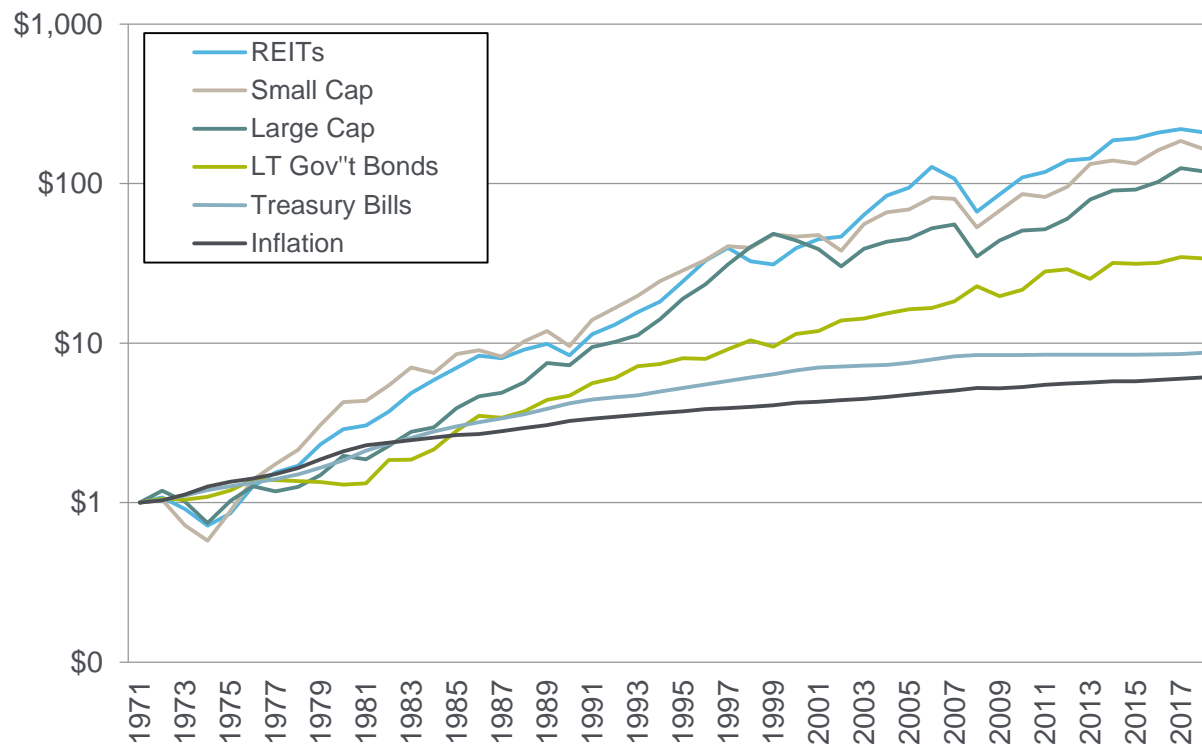
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**Wealth
Management**

Historical Growth of \$1 With REITs

Since January 1971



Asset Class	Ending Balance	Annualized Return
REITS	\$210	11.8%
Small Cap	\$165	11.2%
Large Cap	\$120	10.1%
LT Gov't Bonds	\$34	7.5%
Treasury Bills	\$9	4.6%
Inflation	\$6	3.8%

REITs: Represented by FTSE NAREIT Equity Real Estate Investment Trusts Index.

Small Cap Equities: Represented by the Russell 2000 Index.

Large Cap Equities: Represented by the S&P 500 Index.

Long Term Gov't Bonds: Represented by the Citigroup USBIG Treasury 10+ Year Index.

Treasury Bills: Represented by the Citigroup 3-month T-Bill Index.

Inflation: Represented by the Consumer Price Index – All Urban Consumers (CPI-U).

See disclosures for more detailed information on the indices used in this chart.

Past performance does not guarantee future results.

Data Source: FactSet Research Systems. Data through 12/31/2018.

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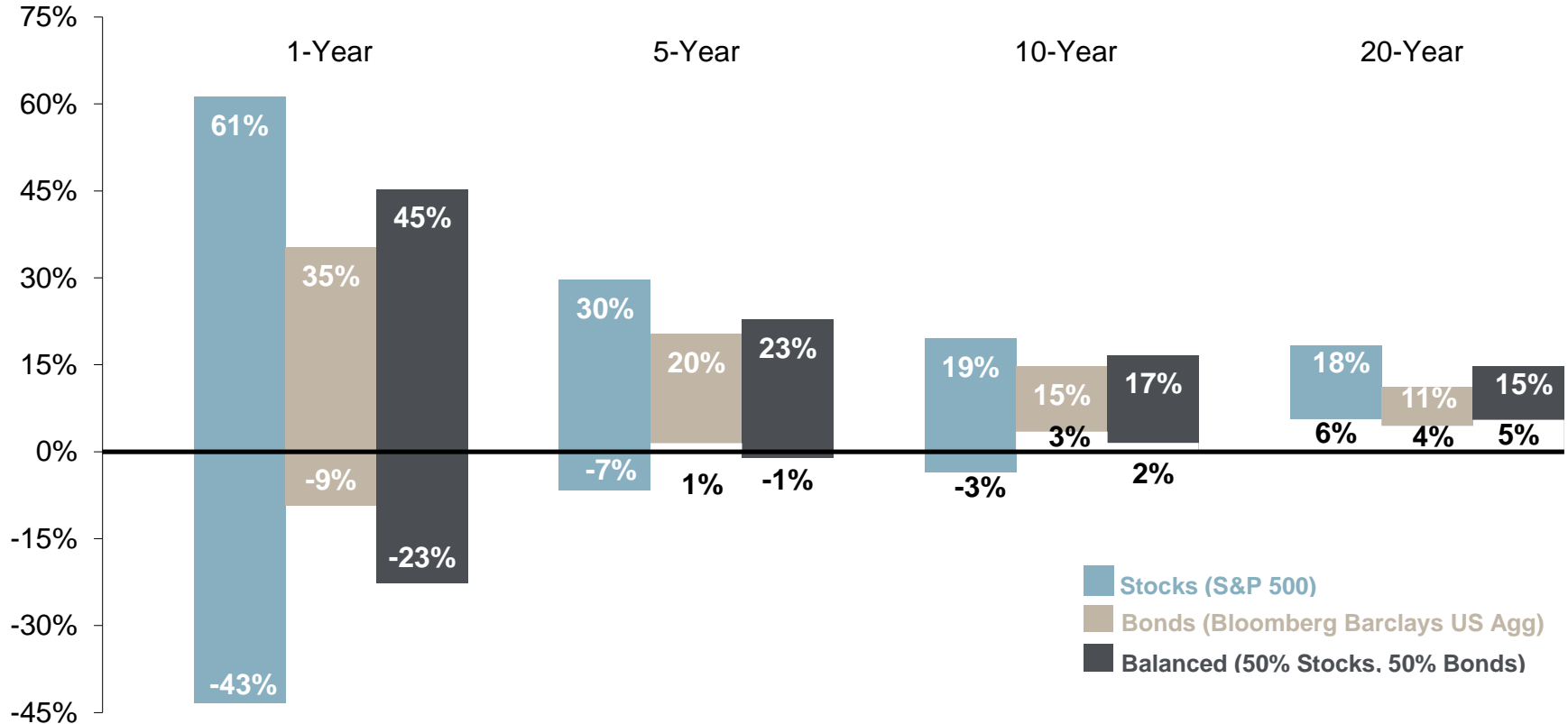
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**Wealth
Management**

Historical Returns by Holding Period

Range of Stock, Bond and Blended Total Returns
Rolling Total Returns, Since 1979



Bar Chart Returns 1/1/1979 through 12/31/2018.
Data source: Ibbotson Associates and FactSet Research Systems.

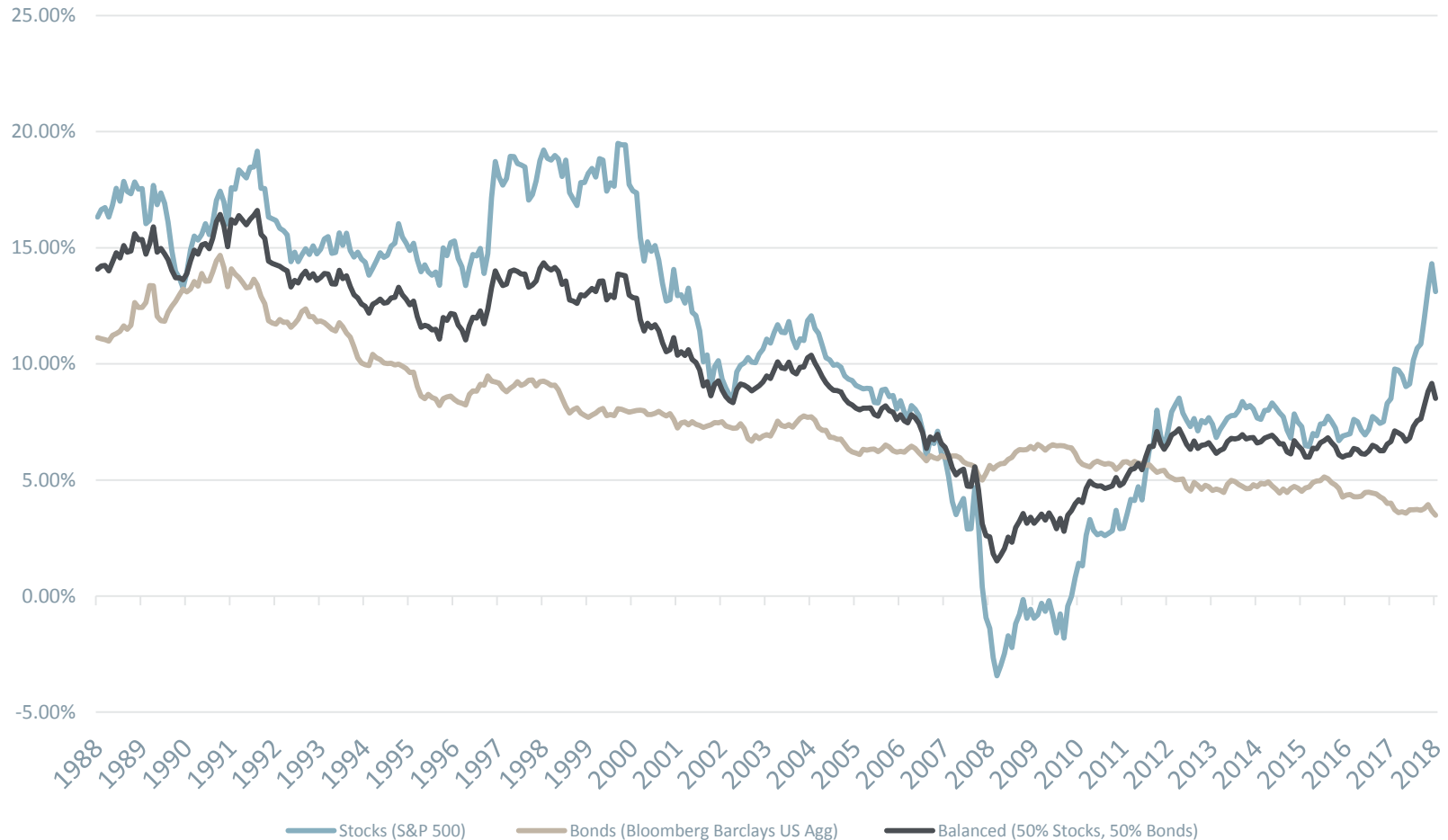
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**Wealth
Management**

Historical 10 Year Rolling Returns



Returns through 12/31/2018.

Data source: FactSet Research Systems.

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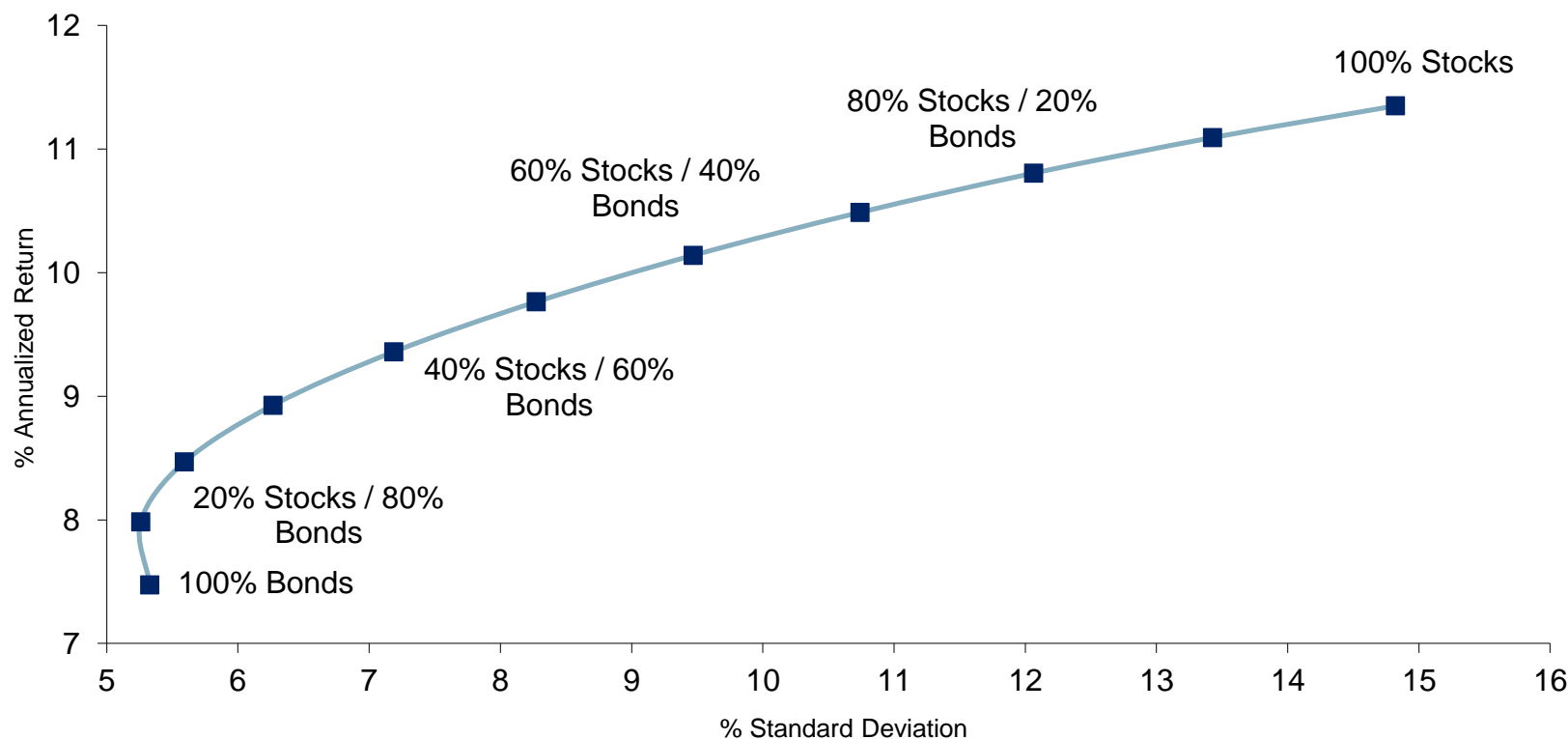


**Wealth
Management**

Efficient Frontier

Fixed Income Diversification Opportunities

Efficient Frontier: U.S. Stocks and Bonds



Data Source: FactSet Research Systems.

Returns from 1/1/1980 through 12/31/2018.

Stocks represented by the S&P 500 Index. Bonds represented by the Bloomberg BarCap Aggregate Index.

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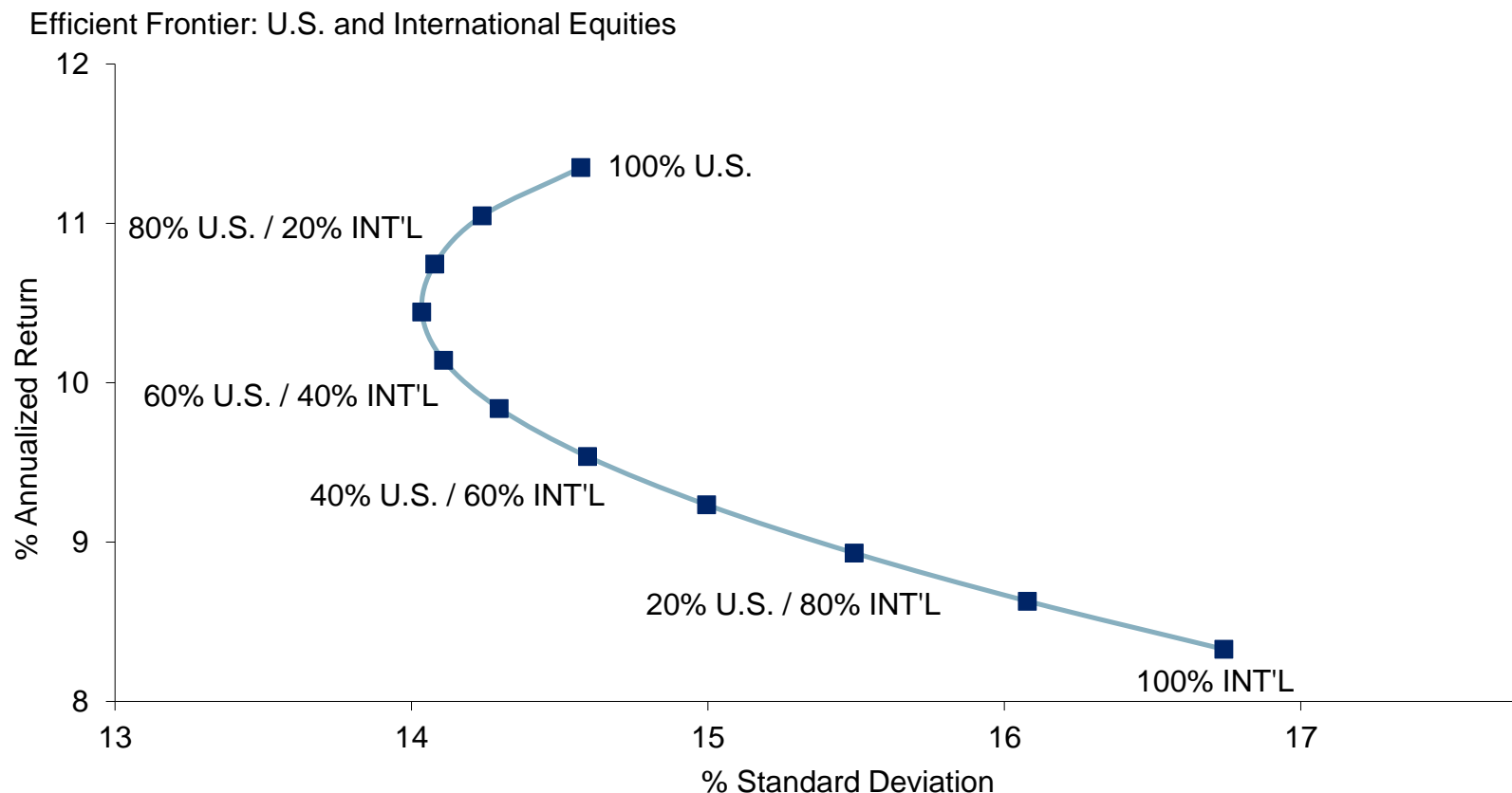
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**Wealth
Management**

Efficient Frontier

International Diversification Opportunities



Returns from 1/1/1980 through 12/31/2018.

U.S. stocks represented by the S&P 500 Index. International stocks represented by the MSCI EAFE Index.

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Data Source: FactSet Research Systems.

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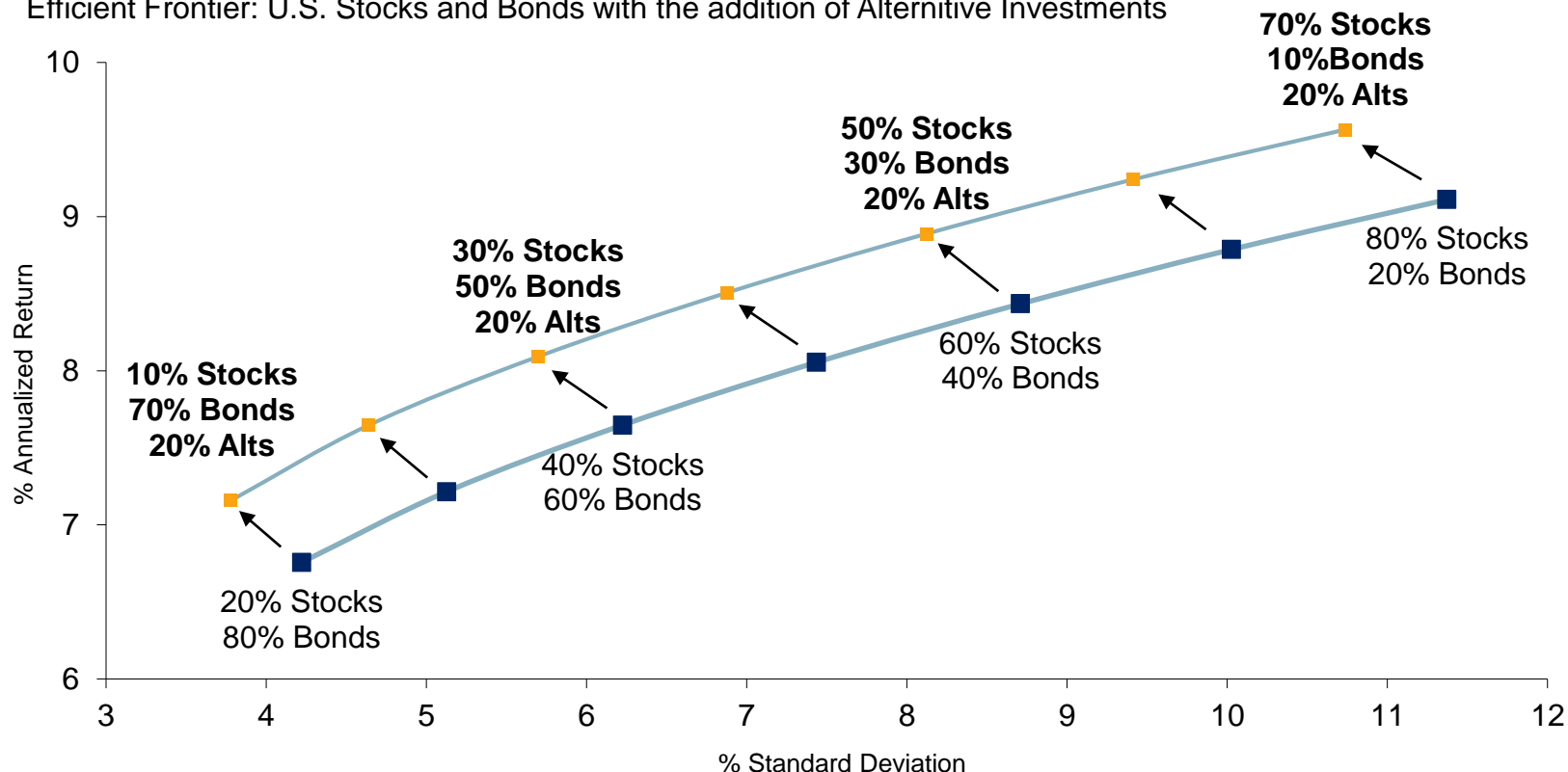


**Wealth
Management**

Efficient Frontier

Alternative Investment Opportunities

Efficient Frontier: U.S. Stocks and Bonds with the addition of Alternative Investments



Returns from 1/1/1980 through 11/30/2018.

Stocks represented by the S&P 500 Index. Bonds represented by the Bloomberg BarCap Aggregate Index. Alts represented by a 50/50 blend of alternative fixed income and alternative equities indexes. Alternative Equity - 60% HFRI Equity Hedge, 25% HFRI Event Driven, 15% HFRI Macro. Alternative Fixed Income - 15% HFRI Event Driven, 25% HFRI Macro, and 60% HFRI Relative Value.

Investing in alternative investments may be speculative and not suitable for all clients and is intended for investors who are willing and able to bear the unique economic risks of the investment. Investors should consider whether such investments are suitable in light of their individual financial situation.

Data Source: FactSet Research Systems.

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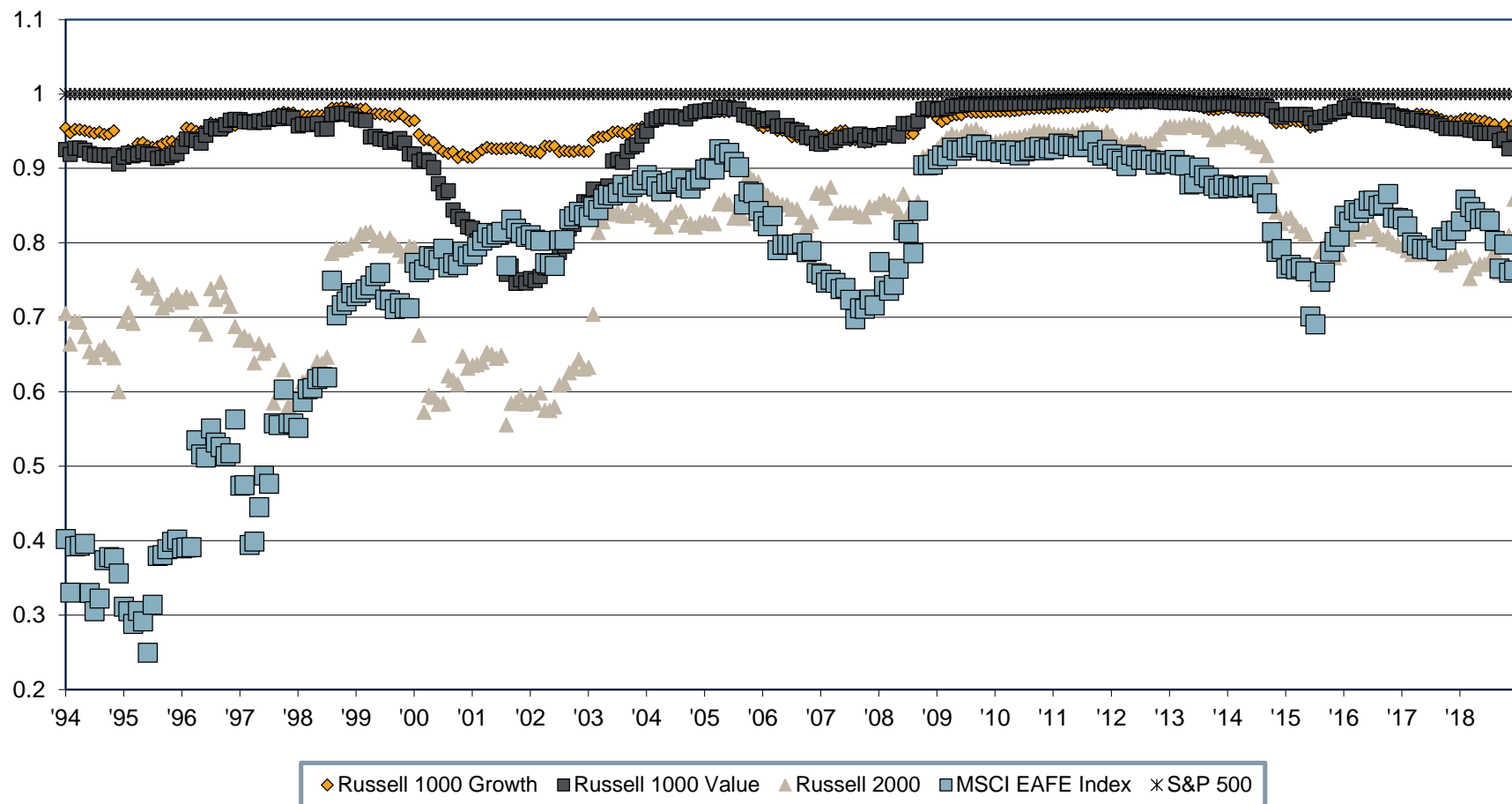
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**Wealth
Management**

Equity Index Correlations

Equity Index Correlations to the S&P 500



Returns 36-month moving window, computed monthly through 12/31/2018

Data Source: FactSet Research Systems.

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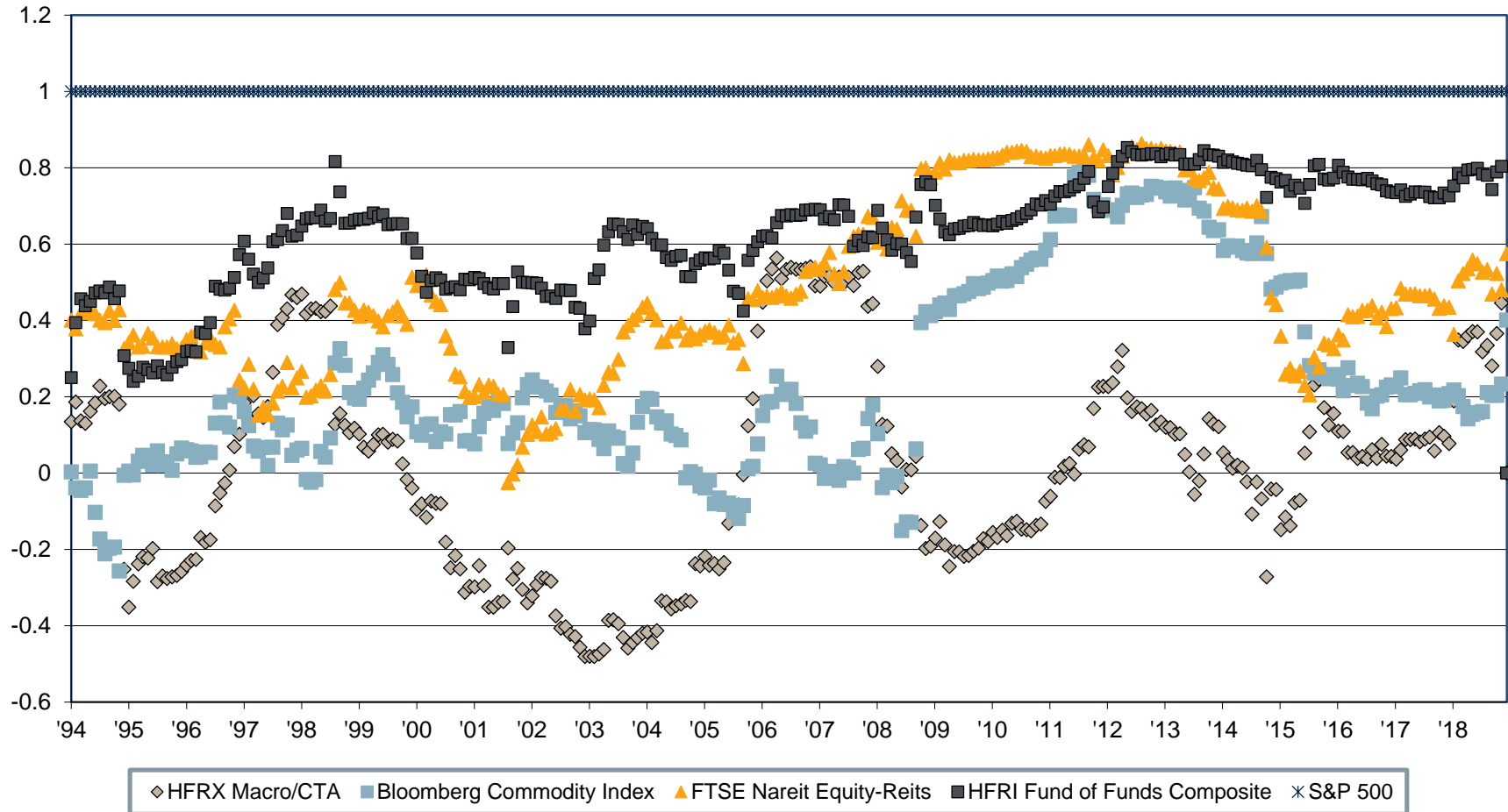
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**Wealth
Management**

Alternative Index Correlations

Alternative Index Correlations to the S&P 500



Returns 36-month moving window, computed monthly through 12/31/2018.

Data Source: FactSet Research Systems.

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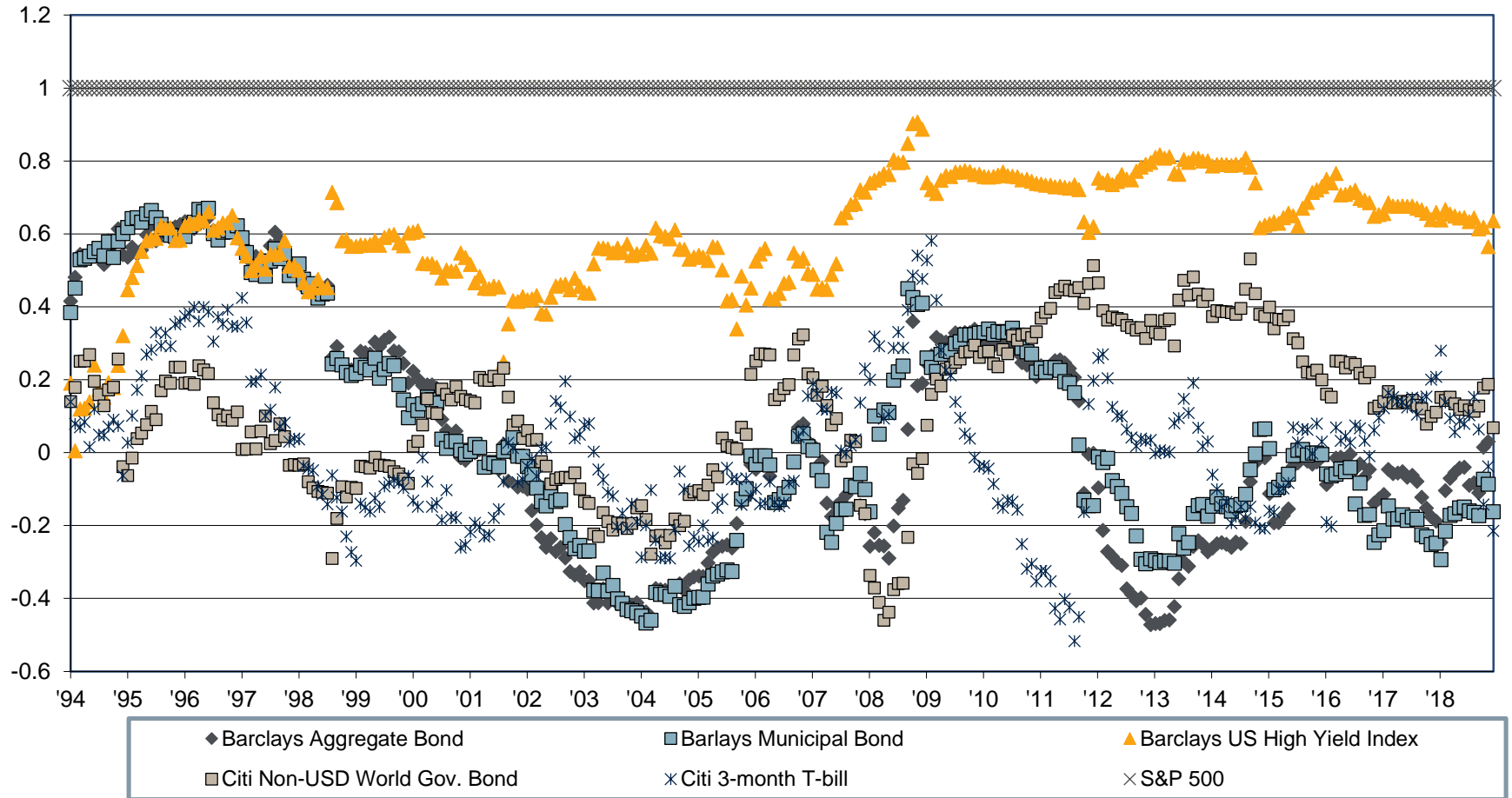
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**Wealth
Management**

Fixed Income Index Correlations

Fixed Income Index Correlations to the S&P 500



Returns 36-month moving window, computed monthly through 12/31/2018.

Data Source: FactSet Research Systems.

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**Wealth
Management**

U.S. Equity Risk vs. Return

Risk vs Return: U.S. Stocks
Since January 1980



Large Cap is represented by the Russell 1000 Index
Mid Cap is represented by the Russell Mid Cap Index
Small Cap is represented by the Russell 2000 Index
Large Growth is represented by the Russell 1000 Growth Index
Large Value is represented by the Russell 1000 Value Index
Data Source: FactSet Research Systems. Data through 12/31/2018.

Growth is represented by the Russell 3000 Growth Index
Blend is represented by the Russell 3000 Index
Value is represented by the Russell 3000 Value Index
Small Growth is represented by the Russell 2000 Growth Index
Small Value is represented by the Russell 2000 Index

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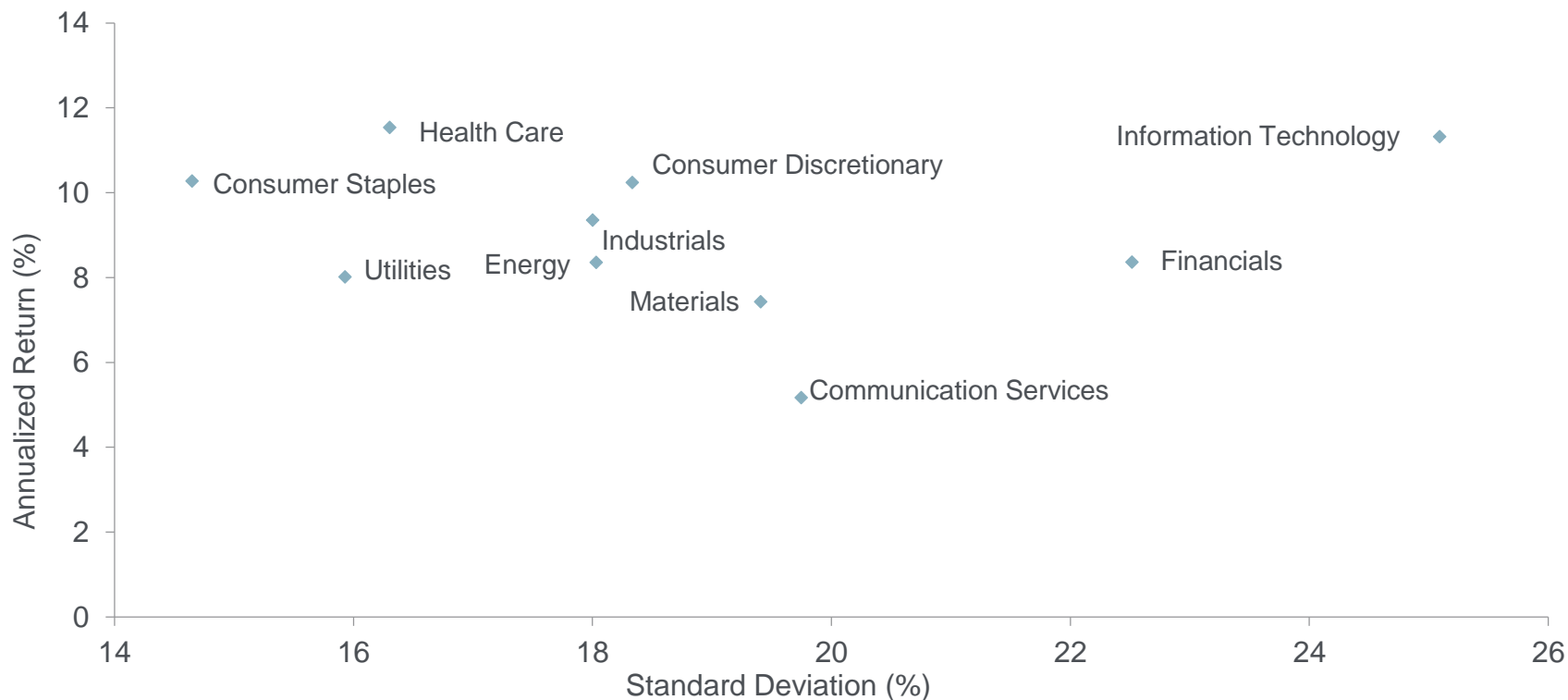
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**Wealth
Management**

S&P 500 Sector Risk vs. Return

Risk vs Return: U.S. Sectors
Since January 1990



Standard & Poor's offers sector indices on the S&P 500 Index based upon the Global Industry Classification System (GICS). The GICS structure facilitates industry analysis by classifying companies at four different levels – Sectors, Industry Groups, Industries and Sub-Industries. Due to the global nature and flexibility of the GICS structure, its classifications have become widely used throughout the financial community. For a detailed description of the classification standard, please visit the Standard & Poor's web site at www.gics.standardandpoors.com.

Data Source: FactSet Research Systems. Data through 12/31/2018.

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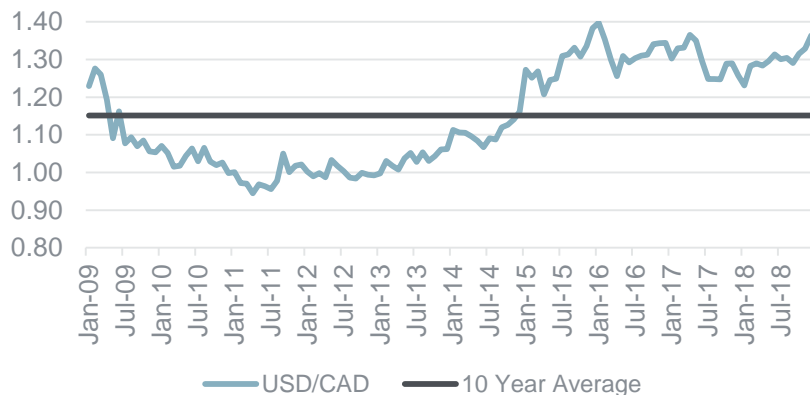
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**Wealth
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U.S. Dollar Exchange Rates

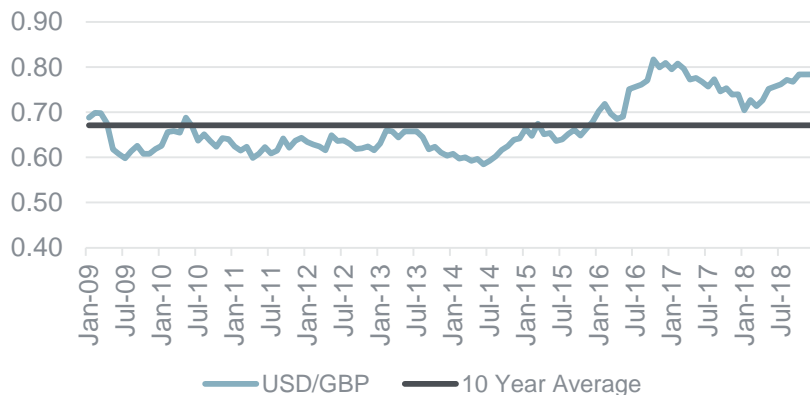
Exchange Rate: Price of \$1 U.S. Dollar to Canadian Dollar



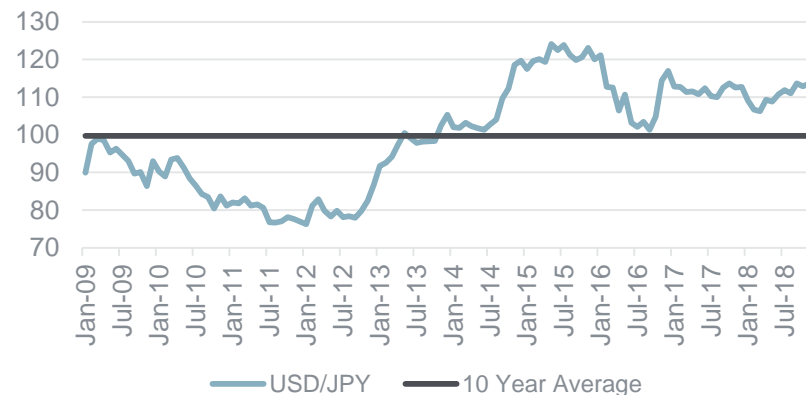
Exchange Rate: Price of \$1 U.S. Dollar to Euro



Exchange Rate: Price of \$1 U.S. Dollar to British Pound



Exchange Rate: Price of \$1 U.S. Dollar to Japanese Yen



Exchange Rates through 12/31/2018.

Data Source: Bloomberg.

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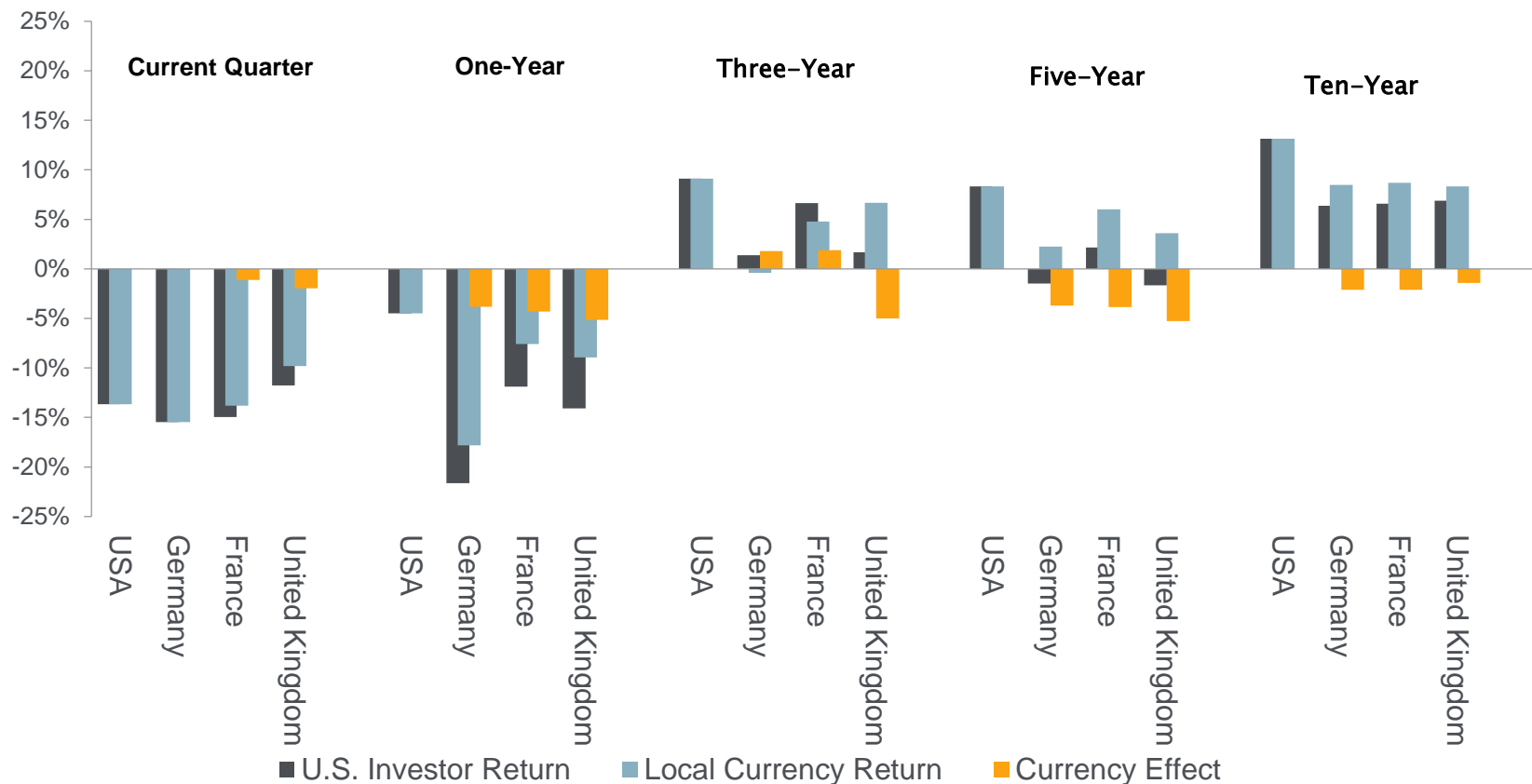
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Wealth
Management

Currency Effect

Select Countries



Returns through 12/31/2018 are based on 22 MSCI Developed Market Indices. Returns greater than one year are annualized.

International investing involves risks not typically associated with U.S. investing, including currency fluctuation, foreign tax, political instability and different accounting standards.

Data Source: Morgan Stanley Capital International and Bloomberg.

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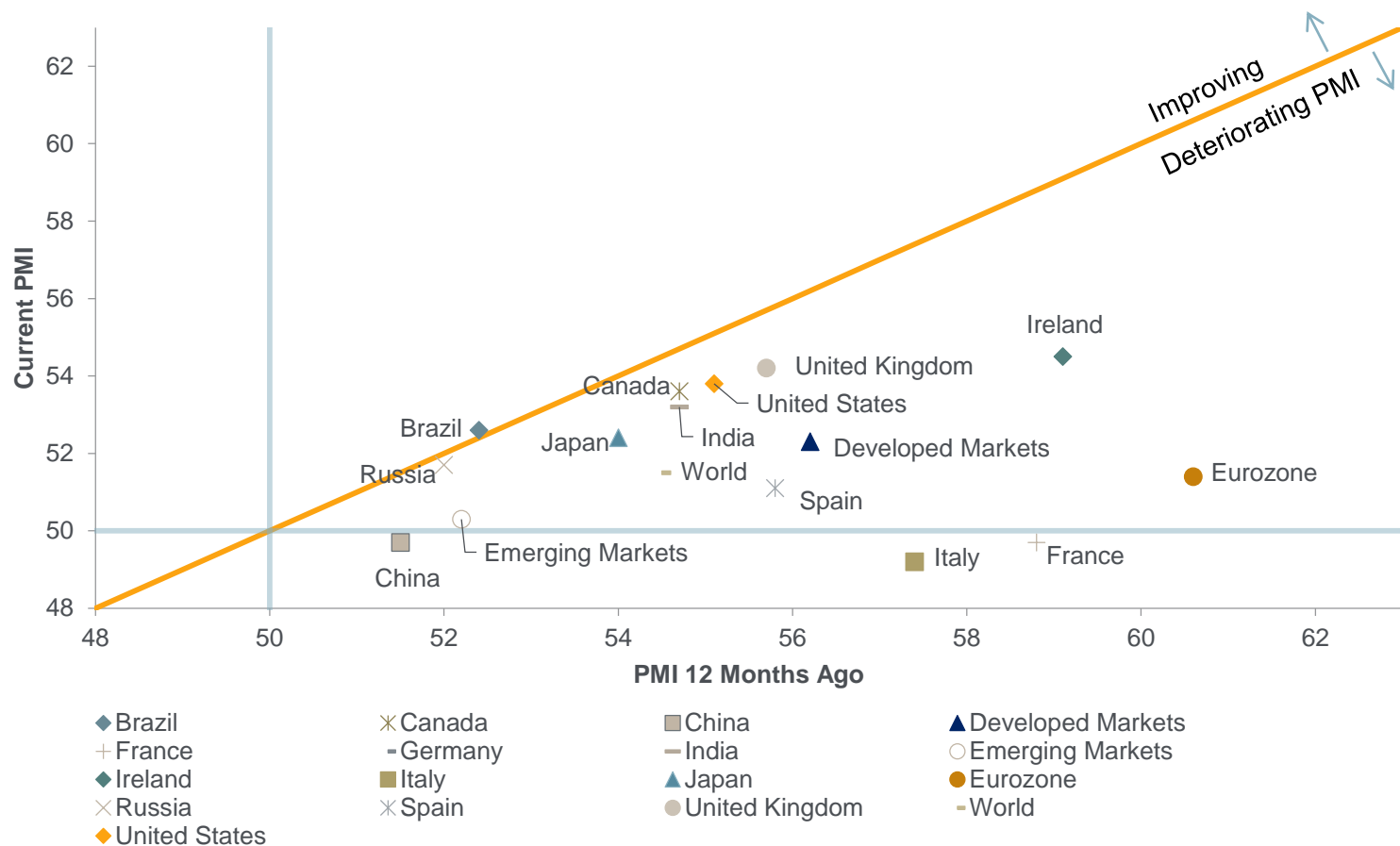
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**Wealth
Management**

Global Manufacturing PMI

Twelve Month Change



Purchasing Managers' Index (PMI) surveys have been developed in many countries to provide purchasing professionals, business decision-makers and economic analysts with an accurate and timely set of data to help better understand industry conditions. PMI data are based on monthly surveys of carefully selected companies. These provide an advance indication of what is really happening in the private sector economy by tracking variables such as output, new orders, stock levels, employment and prices across the manufacturing sector. An index reading above 50 indicates an increase in the variables since the previous reading.

Data Source: Bloomberg. Period ending 12/31/2018

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Wealth
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Disclosures and Definitions

This information is not intended to be used as the primary basis of investment decisions. Because of individual client requirements, it should not be construed as advice designed to meet the particular investment needs of any investor. The figures presented have been obtained from sources we believe to be reliable and current as of December 31, 2018, but cannot be guaranteed as to accuracy and do not purport to be complete.

Index information provided has been calculated on a total return basis with dividends reinvested. The effects of taxes and/or expenses and fees normally associated with an investment account have not been considered. Returns are based on past performance which may or may not be similar to future returns, and are not meant to be representative of any specific investment. Although used as benchmarks for informational purposes, individual indices are not available for direct investment

Sources of Information:

Bloomberg: Bloomberg is a leading provider of data, analytics, electronic trading and financial news.

Ibbotson Associates: Ibbotson Associates is a leading authority on asset allocation, providing products and services to help investment professionals obtain, manage and retain assets.

Morningstar: Morningstar is provider of performance analysis and analytical software.

MSCI: Morgan Stanley Capital International indices are the most widely used benchmarks by global portfolio managers.

Russell: Russell Indices are some of the most widely used benchmarks for domestic portfolio managers.

Standard & Poor's: Standard & Poor's is a provider of independent financial information and analytical services

St. Louis Federal Reserve: The Federal Reserve Bank of St. Louis disseminates economic, financial, and monetary data through its FRED website.

FactSet Research Systems: FactSet is a leading provider of global financial and economic information. FactSet also provides the tools to download, combine, and manipulate financial data for investment analysis.

U.S. Department of Labor: Bureau of Labor Statistics: The BLS is the principle fact-finding agency for the United States Government in the field of labor and economic statistics.

General Information:

CAPE: Cyclically Adjusted Price to Earnings. Calculated as the current market price over a 10 year average of real earnings.

Correlation: Correlation describes the strength of the relationship between two variables. Correlation can be any value between +1 and -1. A value of +1 indicates perfect positive correlation (meaning the variables move together in perfect unison) and -1 indicates perfect negative correlation (meaning the variables move together in perfect negative unison). Generally, combining assets that have low correlations with increase diversification.

Dividend Yield: Multiplies the DPS over the last year then divides the resulting figure by the price.

Fed Funds Rate: The interest rate at which banks lend to each other overnight.

Federal Open Market Committee (FOMC): The branch of the Federal Reserve Board that determines the direction of monetary policy.

Fed Tightening Campaign: Describes a period in which the FOMC raises the fed funds rate in an attempt to tighten the money supply, or decrease the amount of money available in the banking system.

EPS Growth: Historical annual EPS growth for the past five fiscal years as of the report date.

Housing Starts: Annualized number of privately owned housing units that have started construction. Start of construction occurs when excavation begins for the footings or foundations of a building.

Market Cap: Multiplies the price as of the ending day by the shares as of the ending month.

NTM P/PE: Price to Next Twelve Months Earnings. Calculated as the current market price over the estimated earnings for the next twelve months for the index.

Price/Book: Displays the book value per share for the ending month divided by share price.

Price/Earnings: Reflects the closing price for the company at fiscal quarter end divided by earnings per share before extraordinary items for last twelve months.

P/PE: Price to Peak Earnings. Calculated as the current market price over the prior peak earnings of the index.

Recession Shading: Recession dates are provided by the NBER

Sharpe Ratio: A measure of the risk-adjusted return of an investment. It is calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe Ratio, the better the historical risk-adjusted performance of the investment.

Standard Deviation: A statistical measure of dispersion about and average, which, depicts how widely the returns varied over a certain period of time.

Index Descriptions:

Bloomberg Commodity Index: Composed of futures contracts on 19 physical commodities. Component weightings are primarily determined by liquidity. No related group of commodities (e.g., energy, precious metals, livestock and grains) may constitute more than 33% of the index.

Citigroup 3-Month Treasury Bill: Represents the average yield of the most recent 3-month Treasury Bill issues.

Citigroup Treasury 10+ Year Index: The Treasury Index computes returns for the current 10-year and 30-year on-the-run Treasury that has been in existence for the entire month.

Consumer Price Index – All Urban Consumers (CPI-U): Measures the weighted average change in prices of a fixed basket of goods and services purchased by households defined as All Urban Consumers, a population group that represents around 87 percent of the total population in the United States. The cost-of-living or inflation indicator is computed from data collected by the U.S. Department of Labor's Bureau of Labor Statistics. Not seasonally-adjusted.

Credit Suisse High Yield: Contains tradable below-investment-grade fixed-rate debt obligations, including cash-pay, deferred-interest, step-up, payment-in-kind and defaulted bonds chosen based on market size, liquidity and diversification criteria.

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Disclosures and Definitions (cont.)

Barclay CTA Index: an industry benchmark of representative performance of commodity trading advisors. There were 533 programs included in the calculation of the Index for the year 2010. The Index is unweighted and rebalanced at the beginning of each year.

Bloomberg Barclays US Aggregate: A market-capitalization weighted index of investment-grade fixed-rate debt issues, including government, corporate, asset-backed and mortgage-backed securities, with maturities of at least one year.

Bloomberg Barclays Intermediate Government/Credit: A market value weighted performance benchmark for government and corporate fixed-rate debt issues with maturities between one and 10 years.

Bloomberg Barclays Municipal: A market capitalization-weighted index of investment grade municipal bonds with maturities of at least one year.

DJIA: Dow Jones Industrial Average is a price-weighted arithmetic average which covers 30 major NYSE industrial companies representing about 25 percent of the NYSE total market capitalization.

HRFI Equity Hedge: Composite Index represents an equally-weighted index of managers who maintain positions both long and short in primarily equity and equity derivative securities.

HRFI Event Driven: Composite Index represents an equally-weighted index of managers who maintain positions in companies currently or prospectively involved in corporate transactions.

HRFI Fund of Funds: Composite Index represents an equally-weighted index of more than 600 fund of hedge funds.

HRFI Macro: Composite Index represents an equally-weighted index of managers which trade a broad range of strategies in which the investment process is predicated on movements in underlying economic variables.

HRFI Relative Value: Composite Index represents an equally-weighted index of managers who maintain positions in which the investment thesis is predicated on realization of a valuation discrepancy between securities.

Headline Unemployment: Number of unemployed persons as a percentage of the labor force.

ML 10+ Yr Municipal Index: Consists of a subset of The Merrill Lynch US Municipal Securities Index including all securities with a remaining term to final maturity greater than or equal to 10 years.

ML 10+ Yr US Corporate Index: Consists of a subset of The Merrill Lynch US Corporate Index including all securities with a remaining term to final maturity greater than or equal to 10 years.

ML 10+ Yr US Treasury Index: Consists of a subset of The Merrill Lynch US Treasury Index Including all securities with remaining term to final maturity greater than or equal to 10 years.

BAML 7-10 Year French Government Index: Consists of EUR denominated sovereign debt publicly issued by the French government in the French domestic or eurobond market: with maturity greater than 7 years but less than 10.

BAML 7-10 Year German Government Index: Consists of EUR denominated sovereign debt publicly issued by the German government in the German domestic or eurobond market: with maturity greater than 7 years but less than 10.

BAML 7-10 Year Italian Government Index: Consists of EUR denominated sovereign debt publicly issued by the Italian government in the Italian domestic or eurobond market: with maturity greater than 7 years but less than 10.

BAML 7-10 Year Japan Government Index: Consists of JPY denominated sovereign debt publicly issued by the Japan government in the Japan domestic market with maturity greater than 7 years but less than 10.

BAML 7-10 Year Spanish Government Index: Consists of EUR denominated sovereign debt publicly issued by the Spain government in the Spain domestic or eurobond market: with maturity greater than 7 years but less than 10.

BAML 7-10 Year US Government Index: Consists of USD denominated sovereign debt publicly issued by the USD government in the US domestic market with maturity greater than 7 years but less than 10.

MSCI EAFE: Morgan Stanley Capital International Europe, Australasia and Far East Index. An arithmetic, market value-weighted average of the performance of several securities listed on the stock exchanges of several developed markets around the world, excluding the United States.

MSCI Emerging Markets Free: A Capitalization-weighted index representing emerging markets in the free (open to non-local investors) world.

MSCI World: An arithmetic, market value-weighted average of the performance of approximately 1700 securities listed on the stock exchanges of several developed markets around the world, including the United States.

FTSE NAREIT Equity Real Estate Investment Trusts (REITs) Contains all tax qualified Equity Real Estate Investment Trusts (REITs) with common shares traded on the New York Stock Exchange, American Stock Exchange or NASDAQ National Market List. A company is classified as an Equity REIT if at least 75 percent of its gross invested book assets are invested in real properties. Preferred stocks, convertible preferred stocks, participating preferred stocks, convertible debentures, warrants, rights and operating partnership units are excluded. Free float-adjusted, market capitalization-weighted.

NASDAQ: A capitalization-weighted index that measures all Nasdaq listed domestic and foreign stocks.

Not in Labor Force, Want Job Now: Number of persons not currently in the labor force (i.e. have given up looking for employment) currently desiring employment.

PMI: A national survey of purchasing managers representative of the state of the manufacturing sector. A PMI above 50 indicates that the manufacturing economy is generally expanding; below 50 that it is generally contracting.

Russell 3000: Composed of the 3000 largest U.S. securities, as determined by total market capitalization. This index represents approximately 98 percent of the investable U.S. equity markets.

Russell 3000 Growth: Measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Value: Measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000: Consists of the smallest 2000 securities in the Russell 3000 Index, representing approximately 8 percent of the Russell 3000 total market capitalization. Returns prior to 1979 represented by the lowest quintile of stocks on the New York Stock Exchange, as provided by Ibbotson Associates.

Russell 1000: Consists of the 1000 largest securities in the Russell 3000 Index, representing approximately 92 percent of the Russell 3000 total market capitalization.

Russell 1000 Growth: Contains those securities in the Russell 1000 Index with greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-to-earnings ratios, lower dividend yields, and higher forecasted growth rates than the Value universe.

Russell 1000 Value: Contains those securities in the Russell 1000 Index with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-to-earnings ratios, higher dividend yields and lower forecasted growth rates than the Growth universe.

Russell Midcap: Consists of the smallest 800 securities in the Russell 1000 Index, as ranked by total market capitalization.

S&P 500: Capitalization-weighted benchmark that tracks broad-based changes in the U.S. stock market. The index is calculated on a total return basis with dividends reinvested. Long-term performance is represented by the S&P 90 Index from 1926 through 1956, as provided by Ibbotson Associates, and the S&P 500 Index from 1957 to present.

U6 Unemployment: Total unemployed persons plus all marginally attached workers plus total employed part time for economic reasons

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Thank you

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