

Capital Markets Outlook & Investment Strategy Update



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2008 Financial Crisis Wealth Destruction

Weekly

2758.33 -9.45 -0.34% 1:29:41 PM VWAP:

High: 217.63 Low: 98.56 Chg: -1.00%

(INDEX) S&P 500 - Total Return Recession Periods - United States



100
\$99

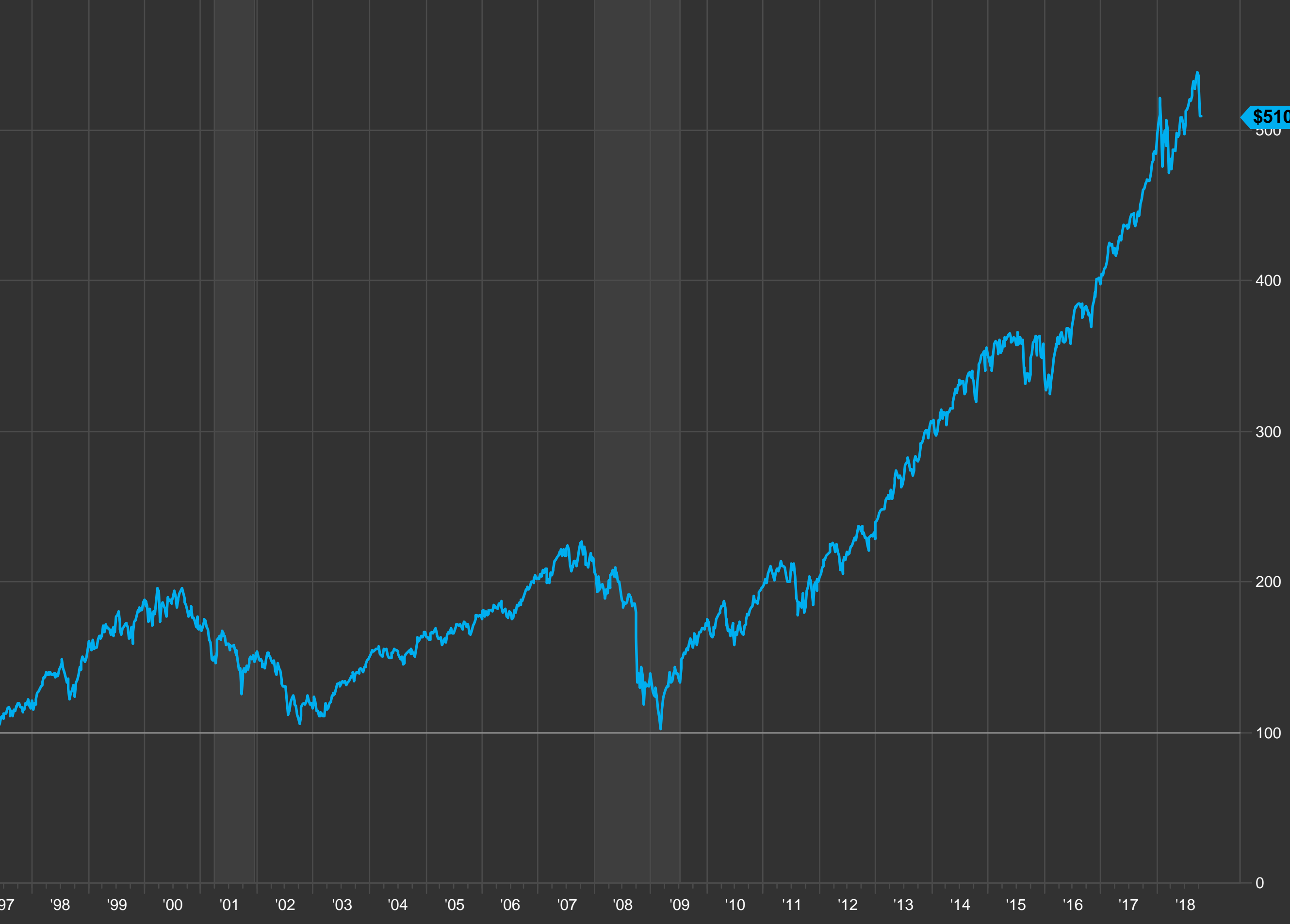
Post 2008 Financial Crisis Wealth Creation

Weekly

2758.33 -9.45 -0.34% 1:29:41 PM VWAP:

High: 538.74 Low: 100.00 Chg: 410.00%

(INDEX) S&P 500 - Total Return Recession Periods - United States

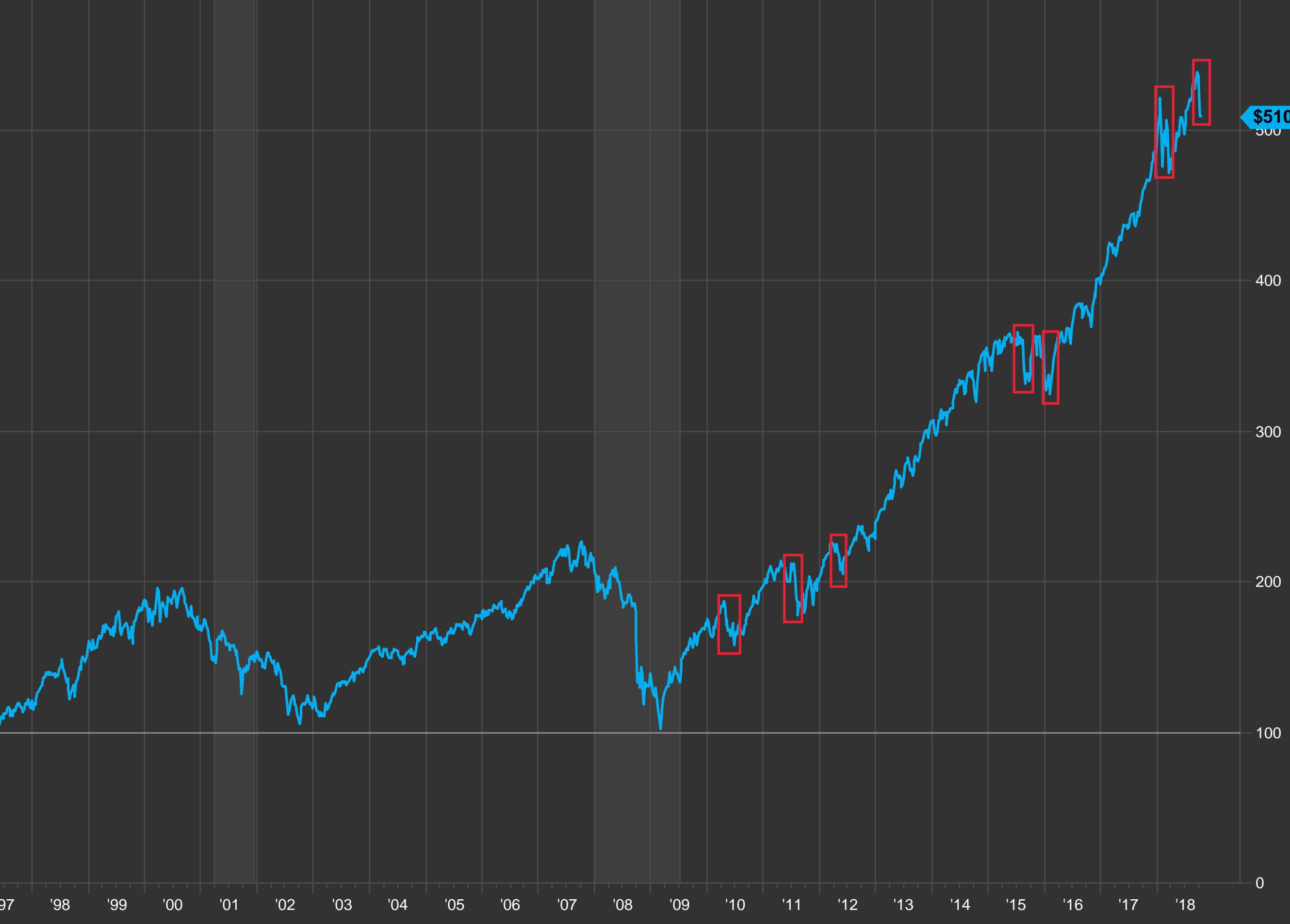


Post 2008 Financial Crisis Wealth Creation

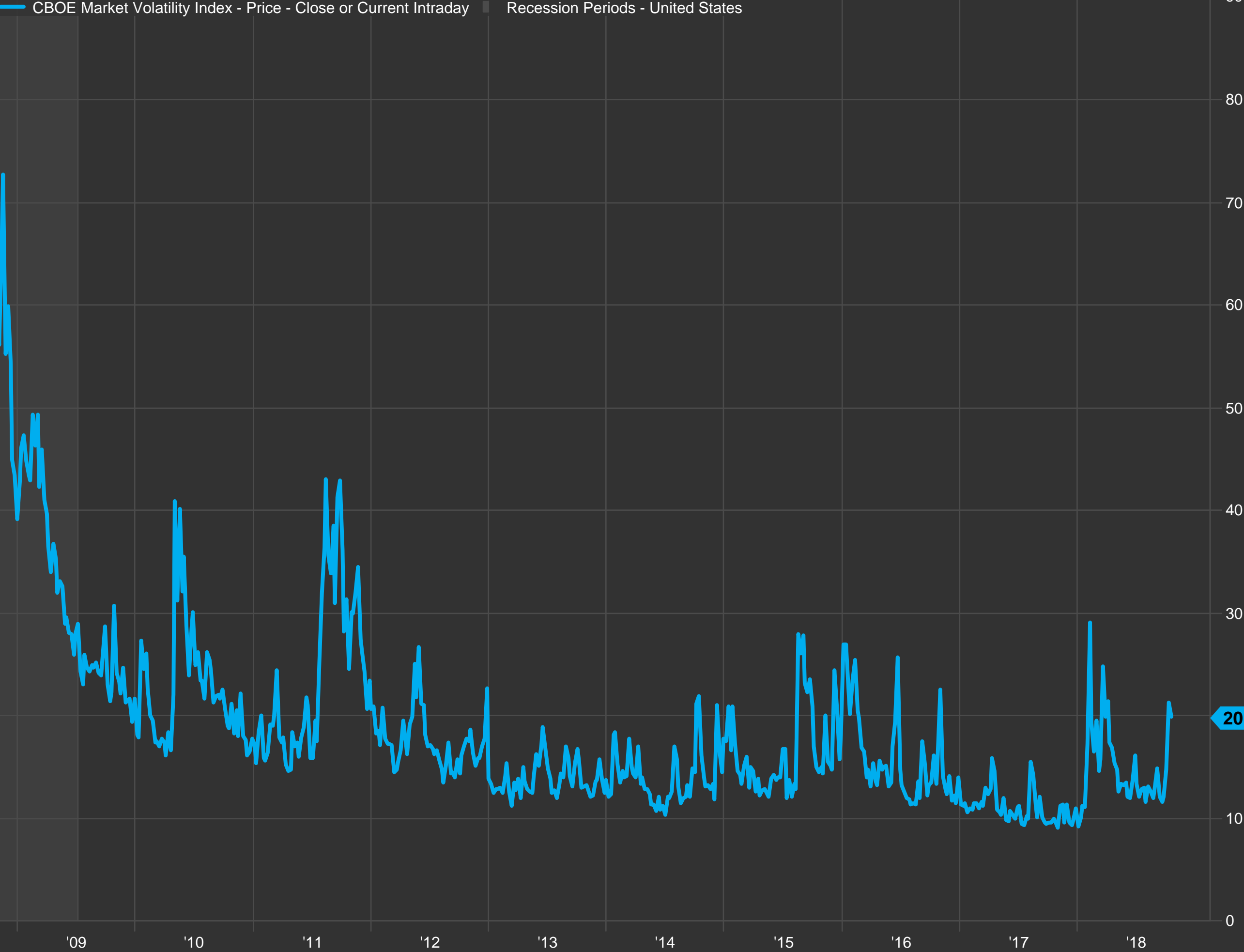
2763.23 -4.55 -0.16% 3:38:40 PM VWAP:

Weekly
High: 538.74 Low: 100.00 Chg: 410.00%

(INDEX) S&P 500 - Total Return Recession Periods - United States



CBOE VIX Volatility Index



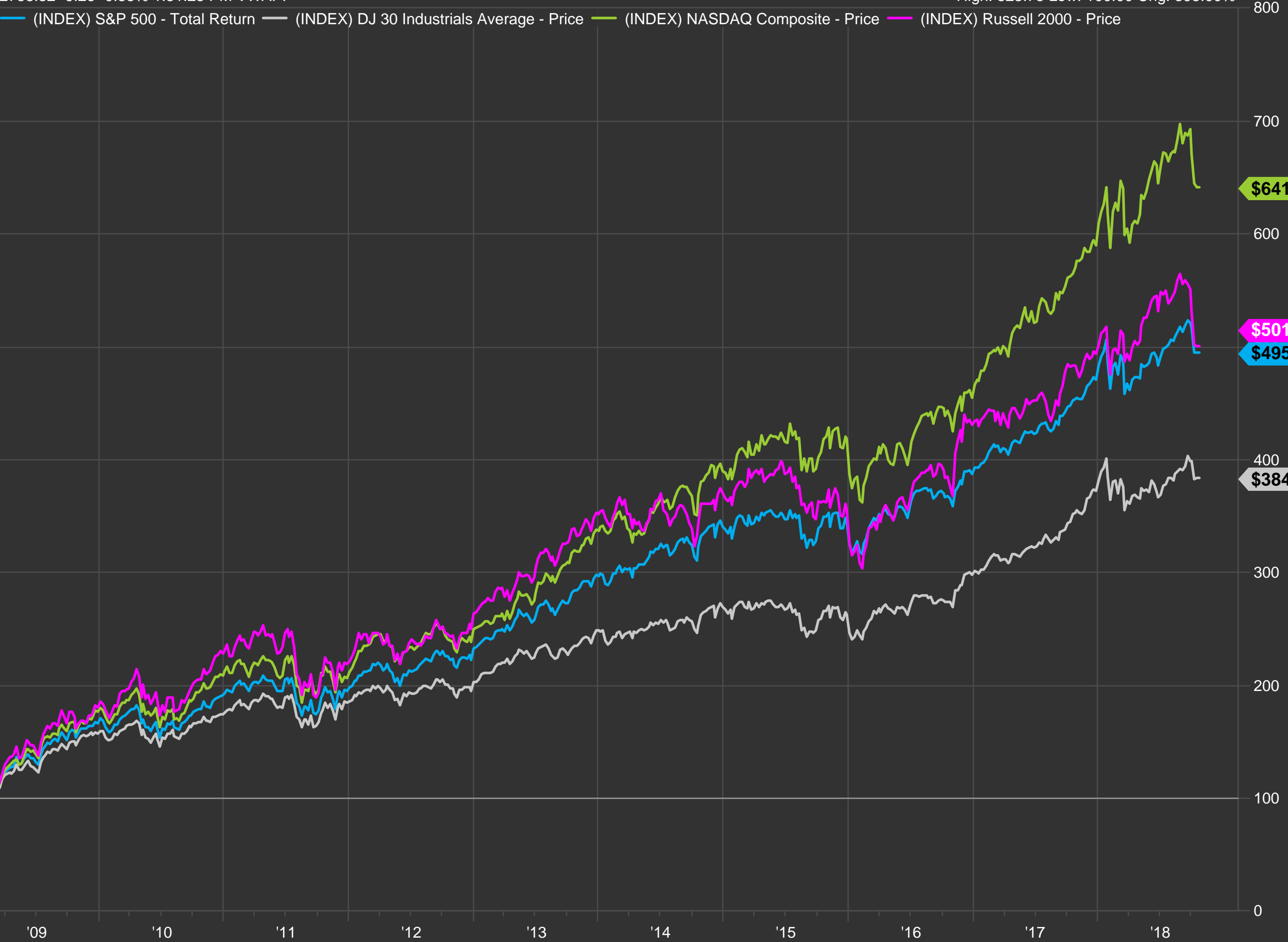
U.S. Markets

Weekly

2758.52 -9.26 -0.33% 1:31:25 PM VWAP:

High: 523.75 Low: 100.00 Chg: 395.00%

(INDEX) S&P 500 - Total Return (INDEX) DJ 30 Industrials Average - Price (INDEX) NASDAQ Composite - Price (INDEX) Russell 2000 - Price



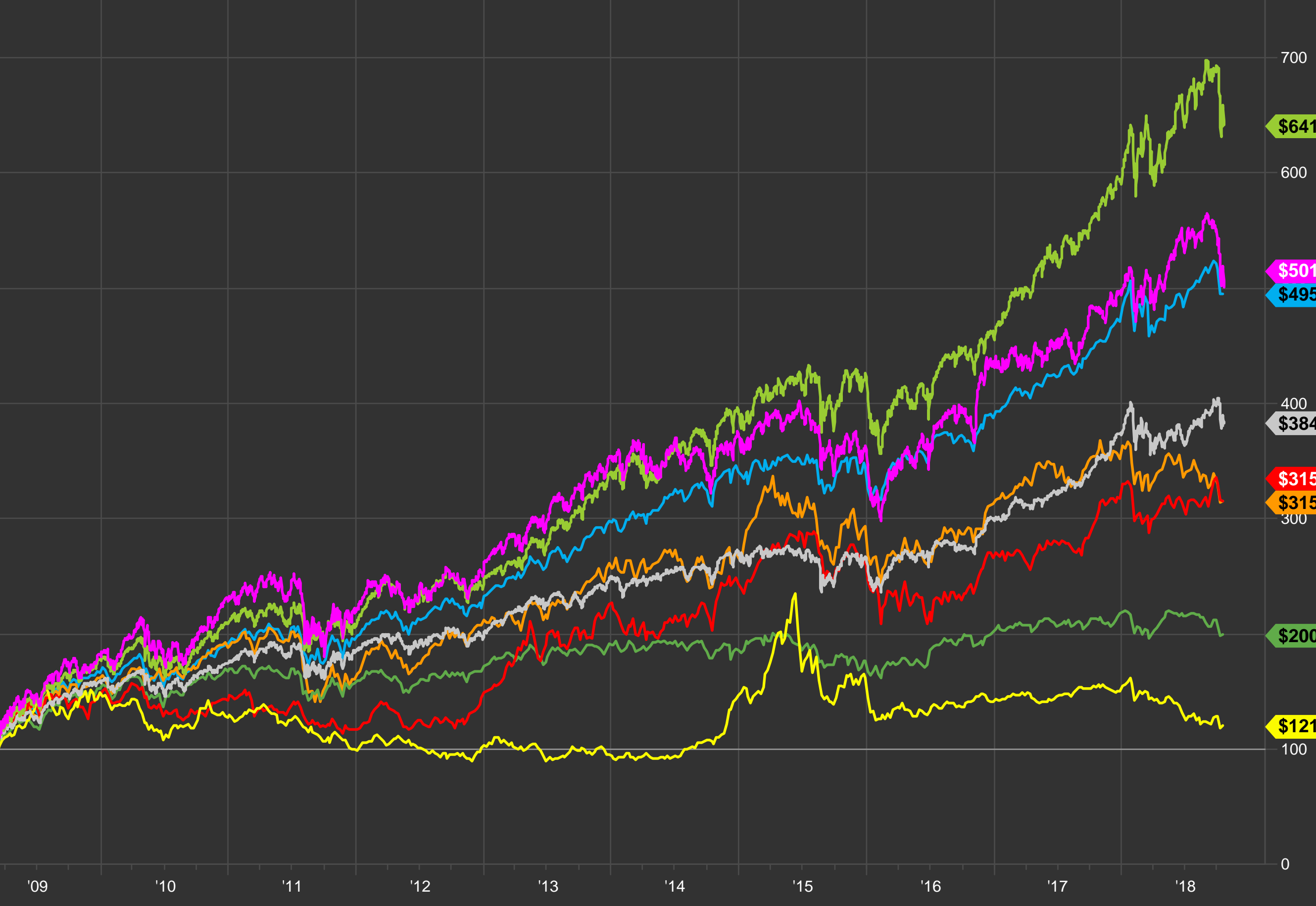
Global Markets

Weekly

2758.36 -9.42 -0.34% 1:33:40 PM VWAP:

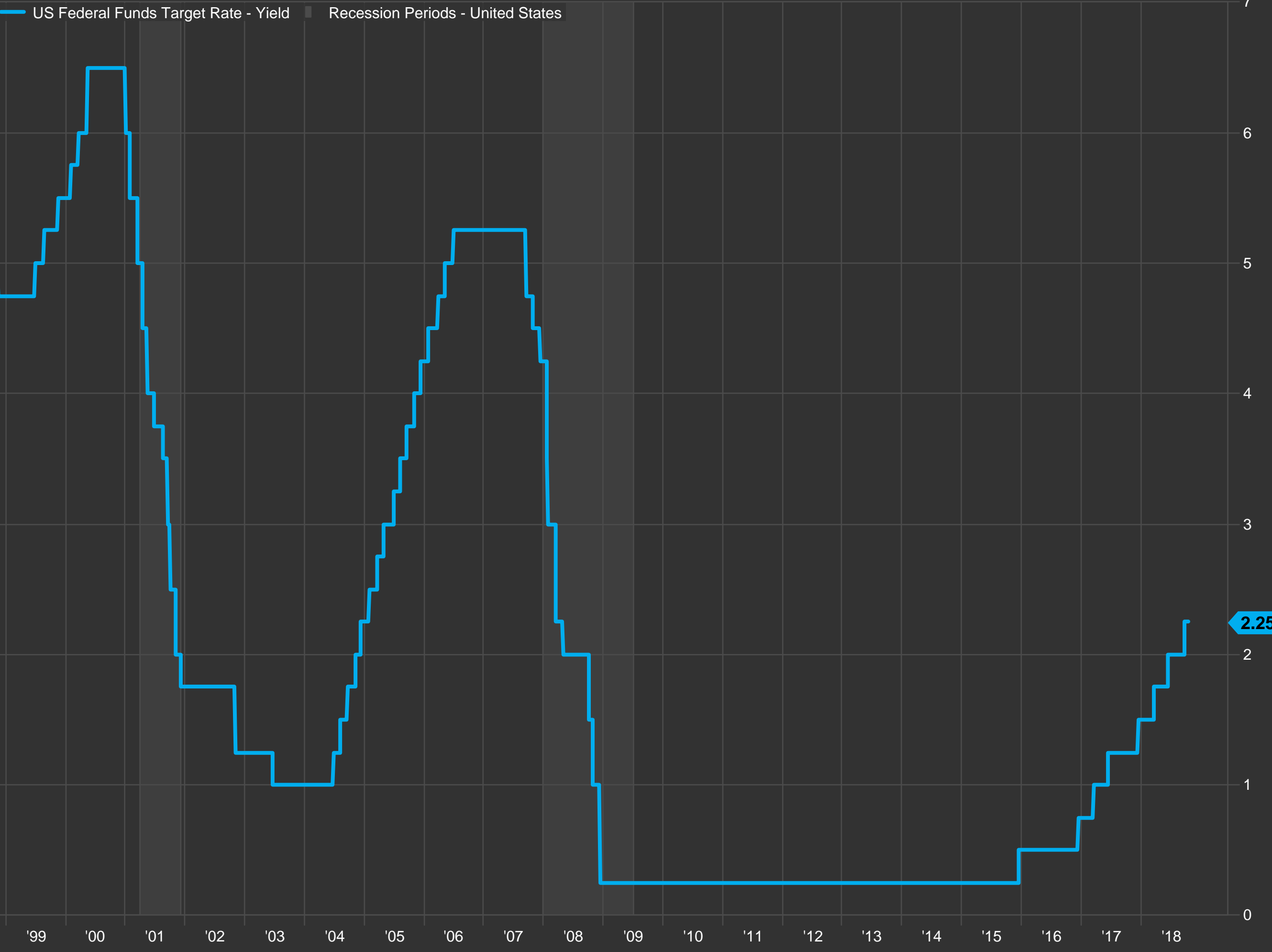
High: 523.75 Low: 100.00 Chg: 395.00%

- (INDEX) S&P 500 - Total Return
- (INDEX) Japan Nikkei 225 - Price Index
- (INDEX) NASDAQ Composite - Price
- (INDEX) Germany DAX - Price
- (INDEX) SSE Composite Index - Price Index
- (INDEX) Russell 2000 - Price
- (INDEX) FTSE 100 - Price Index
- (INDEX) DJ 30 Industrials Average - Price



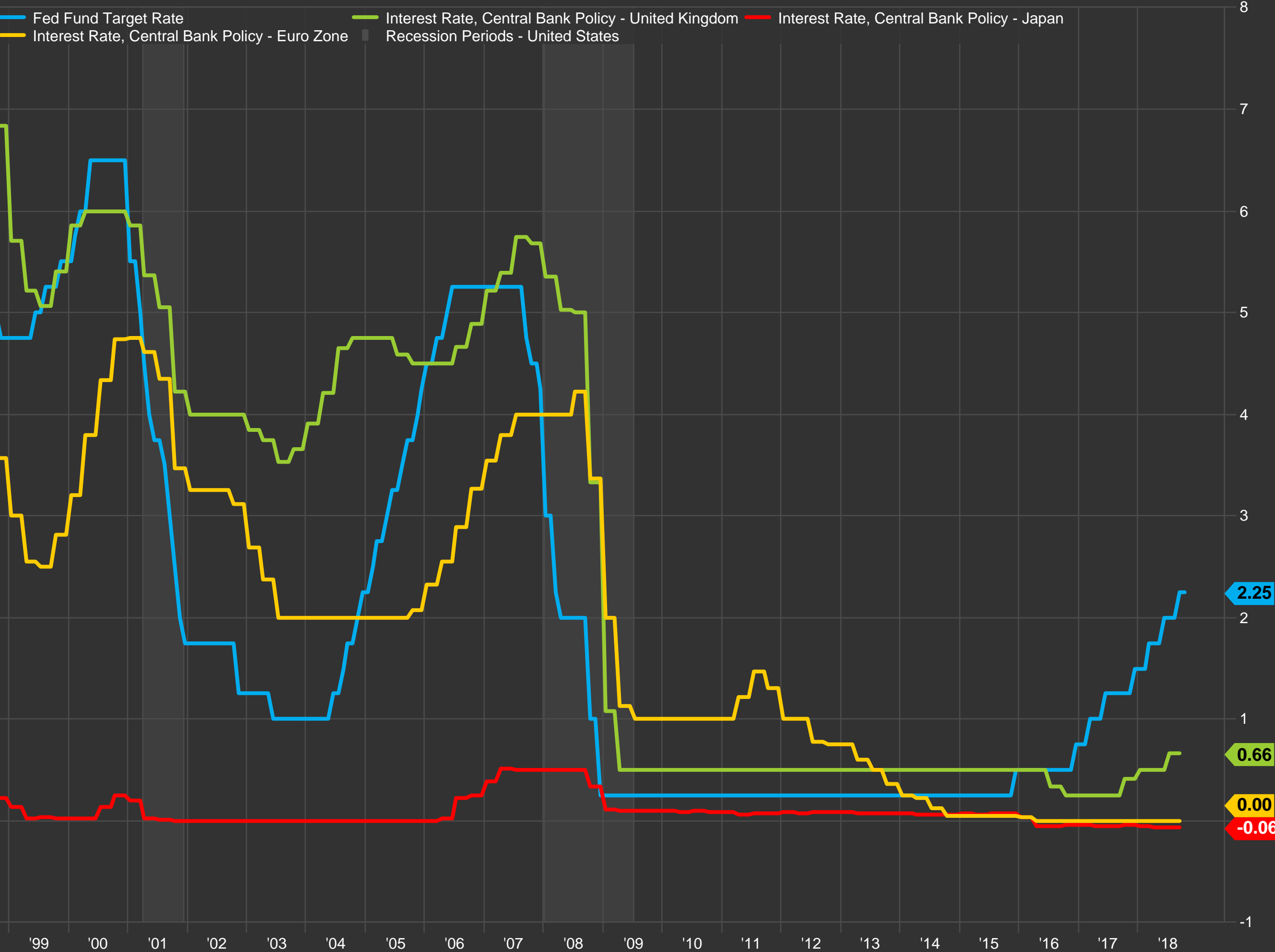
U.S. Fed Funds

US Federal Funds Target Rate - Yield Recession Periods - United States

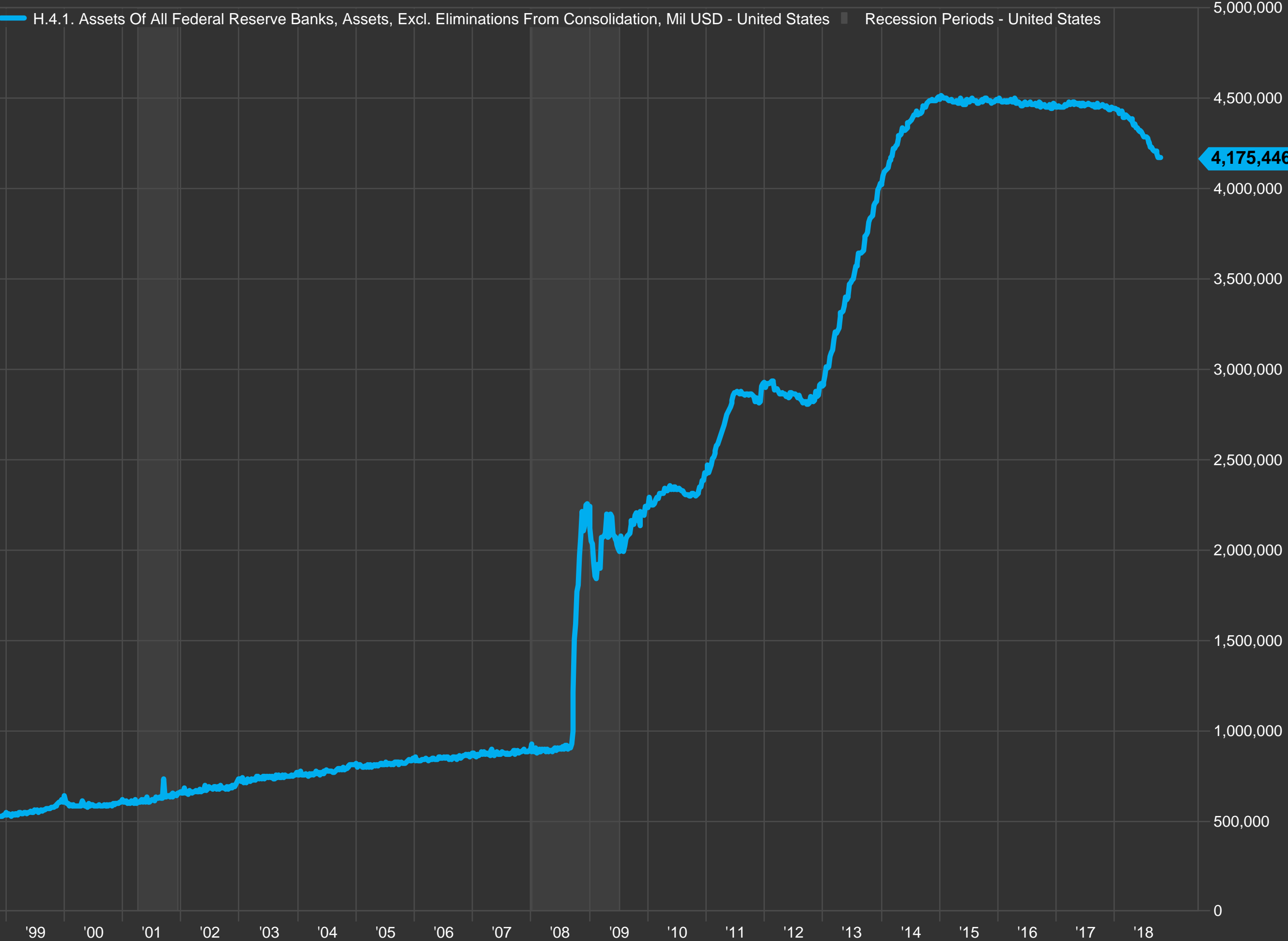


Global Central Bank Rates

Fed Fund Target Rate Interest Rate, Central Bank Policy - United Kingdom Interest Rate, Central Bank Policy - Japan
Interest Rate, Central Bank Policy - Euro Zone Recession Periods - United States

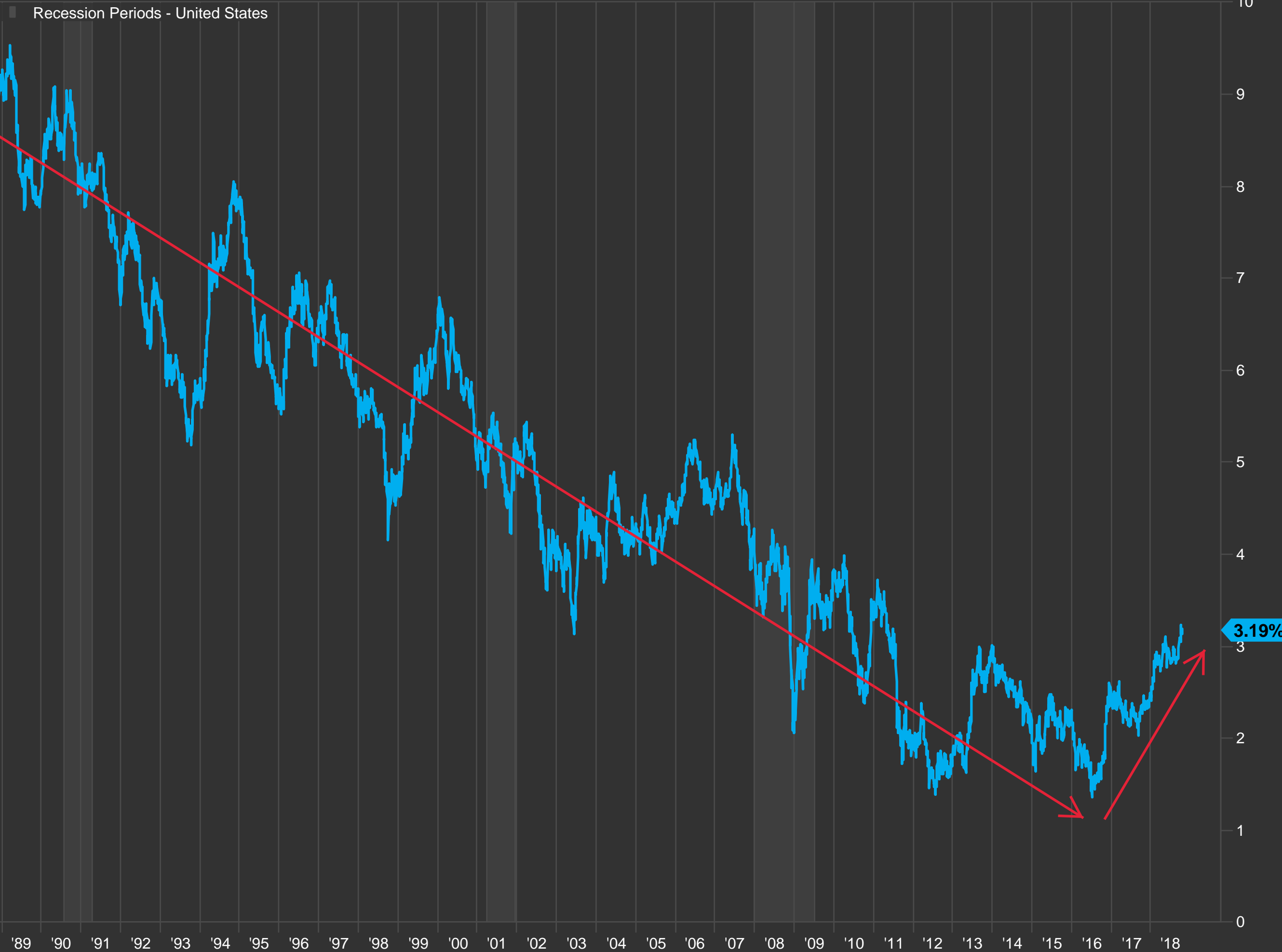


Federal Reserve Balance Sheet



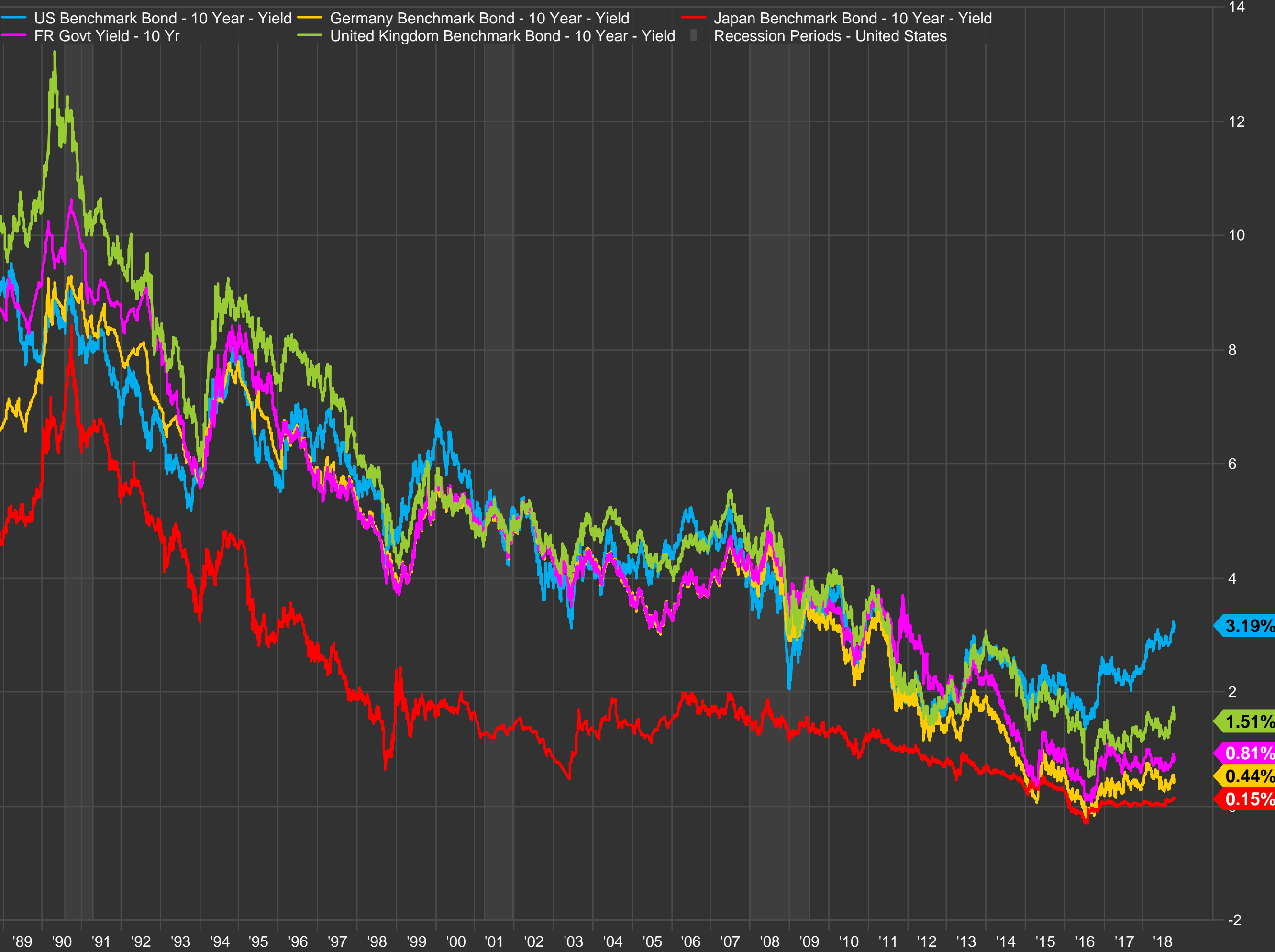
USA 10 Year Treasury Yield

■ Recession Periods - United States

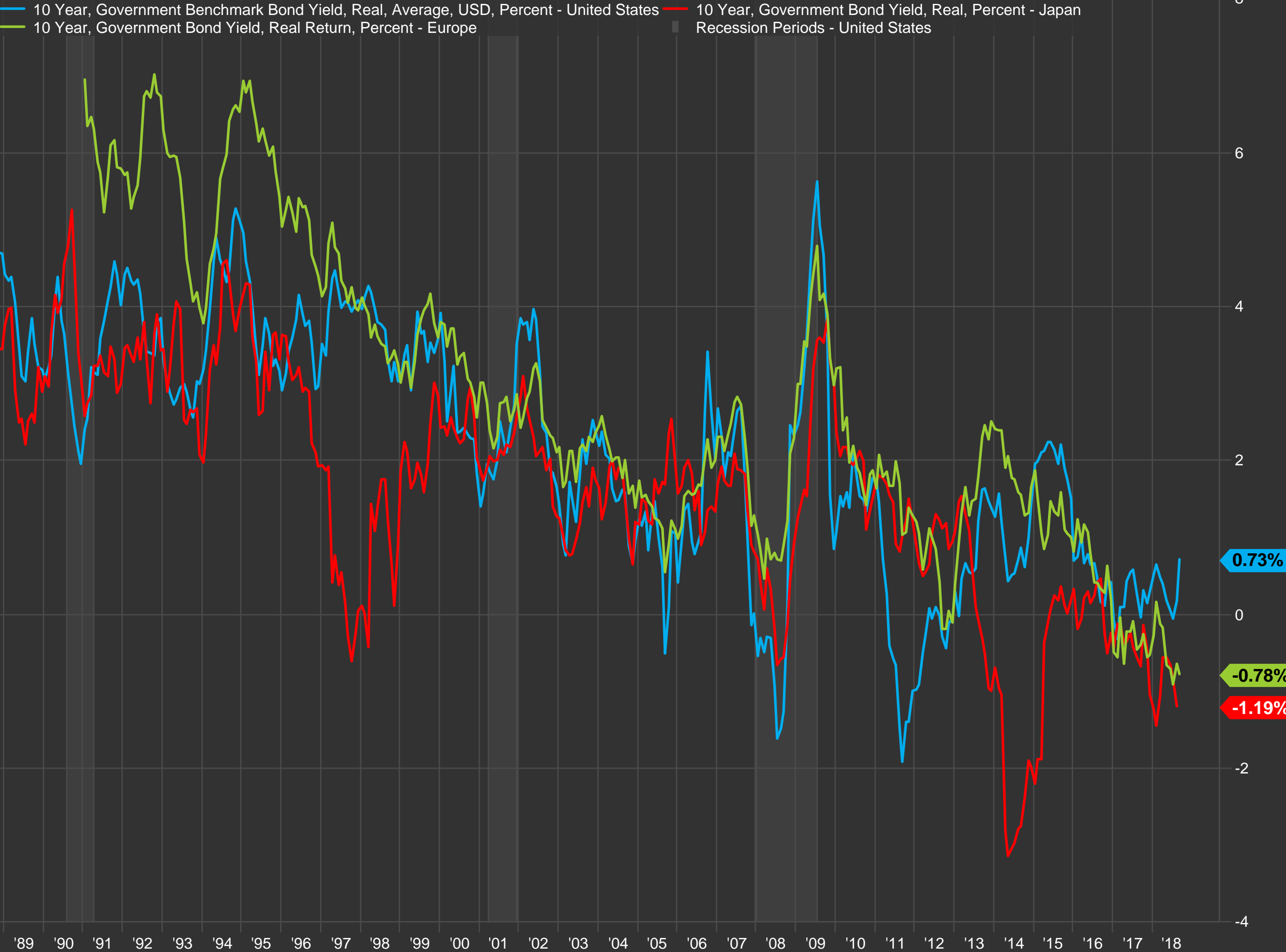


Global Bond Yields

US Benchmark Bond - 10 Year - Yield Germany Benchmark Bond - 10 Year - Yield Japan Benchmark Bond - 10 Year - Yield
FR Govt Yield - 10 Yr United Kingdom Benchmark Bond - 10 Year - Yield Recession Periods - United States



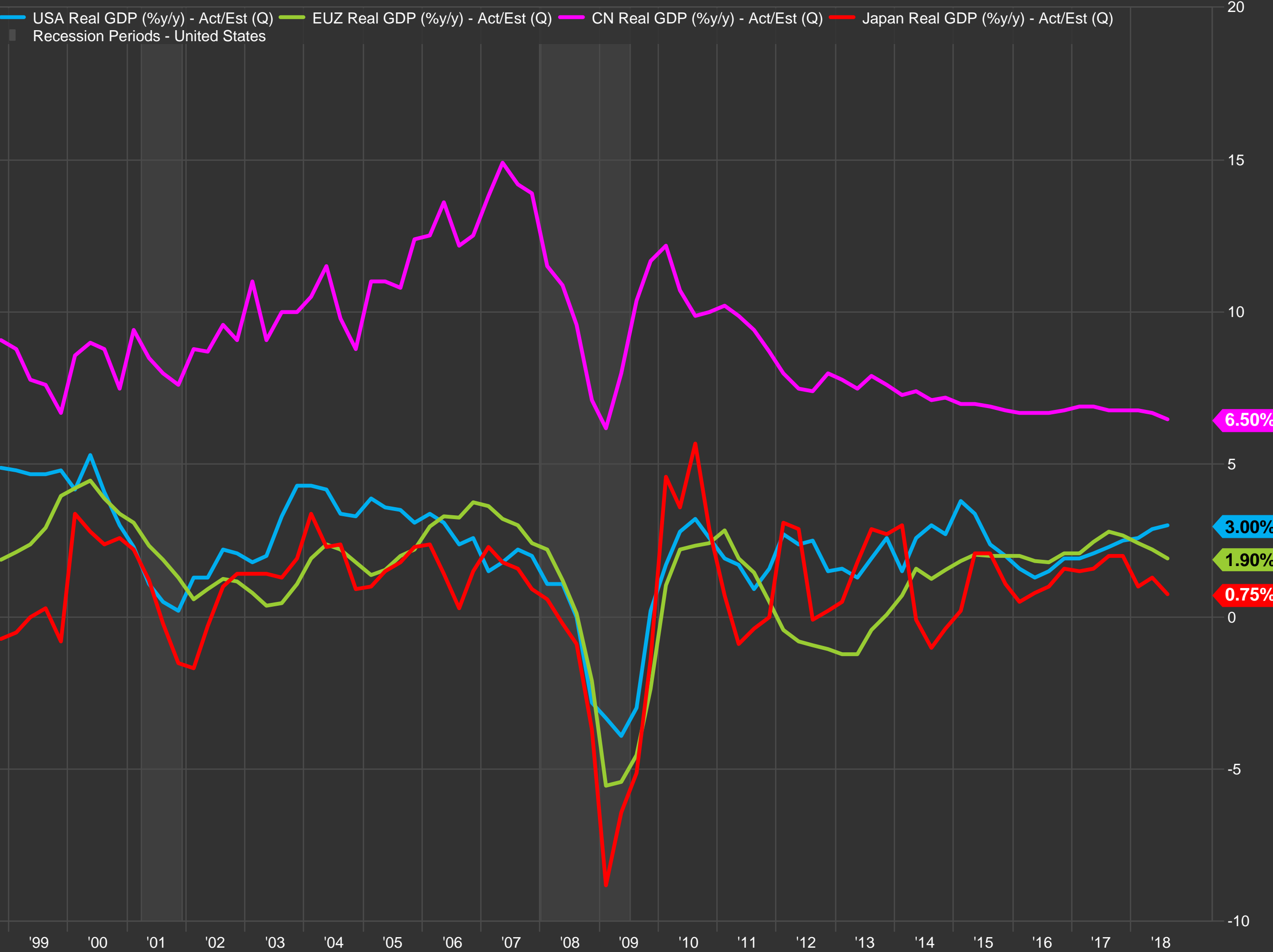
Global Bond Real Yields



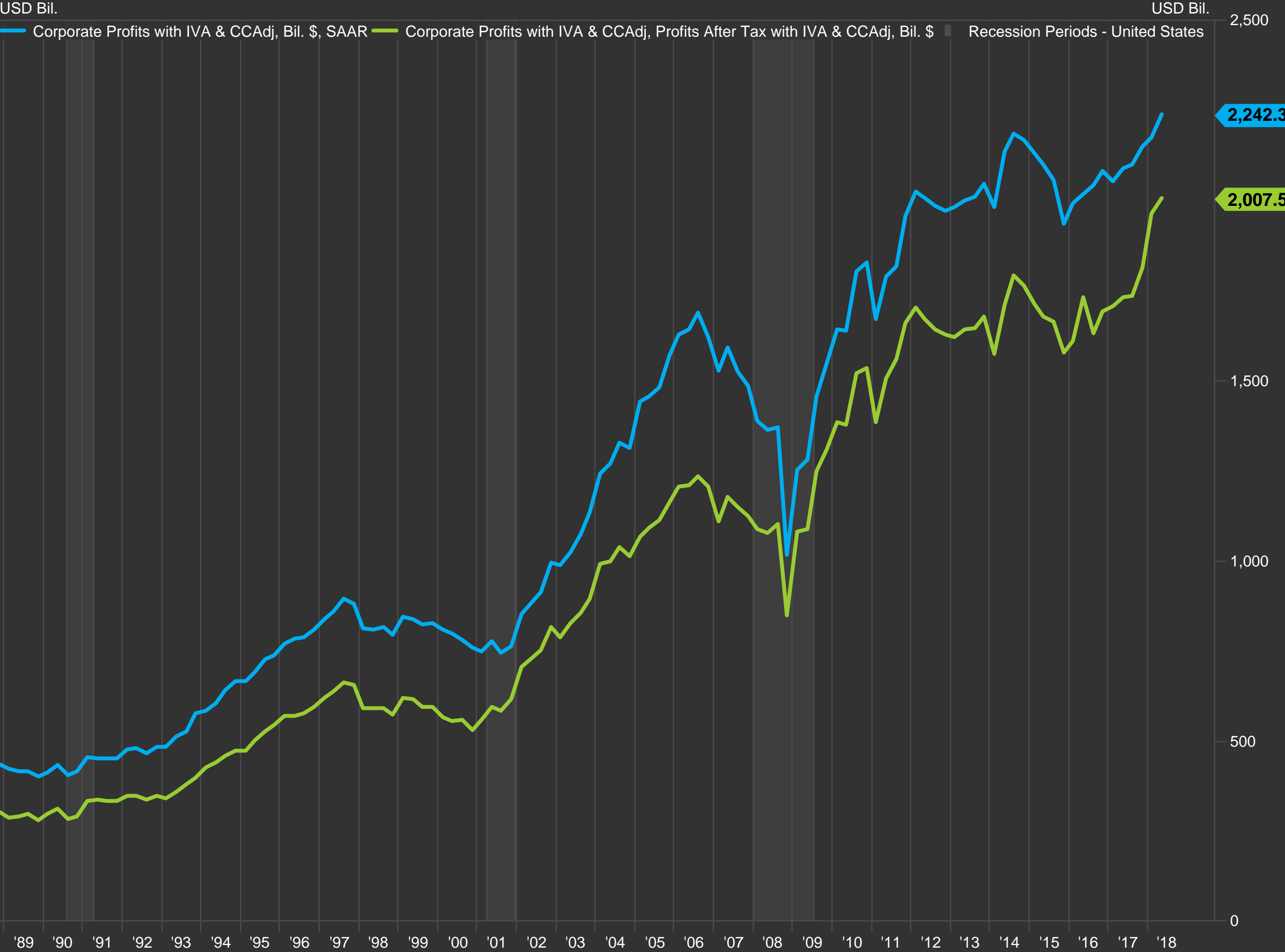
Global Real GDP Growth

USA Real GDP (%y/y) - Act/Est (Q) EUZ Real GDP (%y/y) - Act/Est (Q) CN Real GDP (%y/y) - Act/Est (Q) Japan Real GDP (%y/y) - Act/Est (Q)

Recession Periods - United States



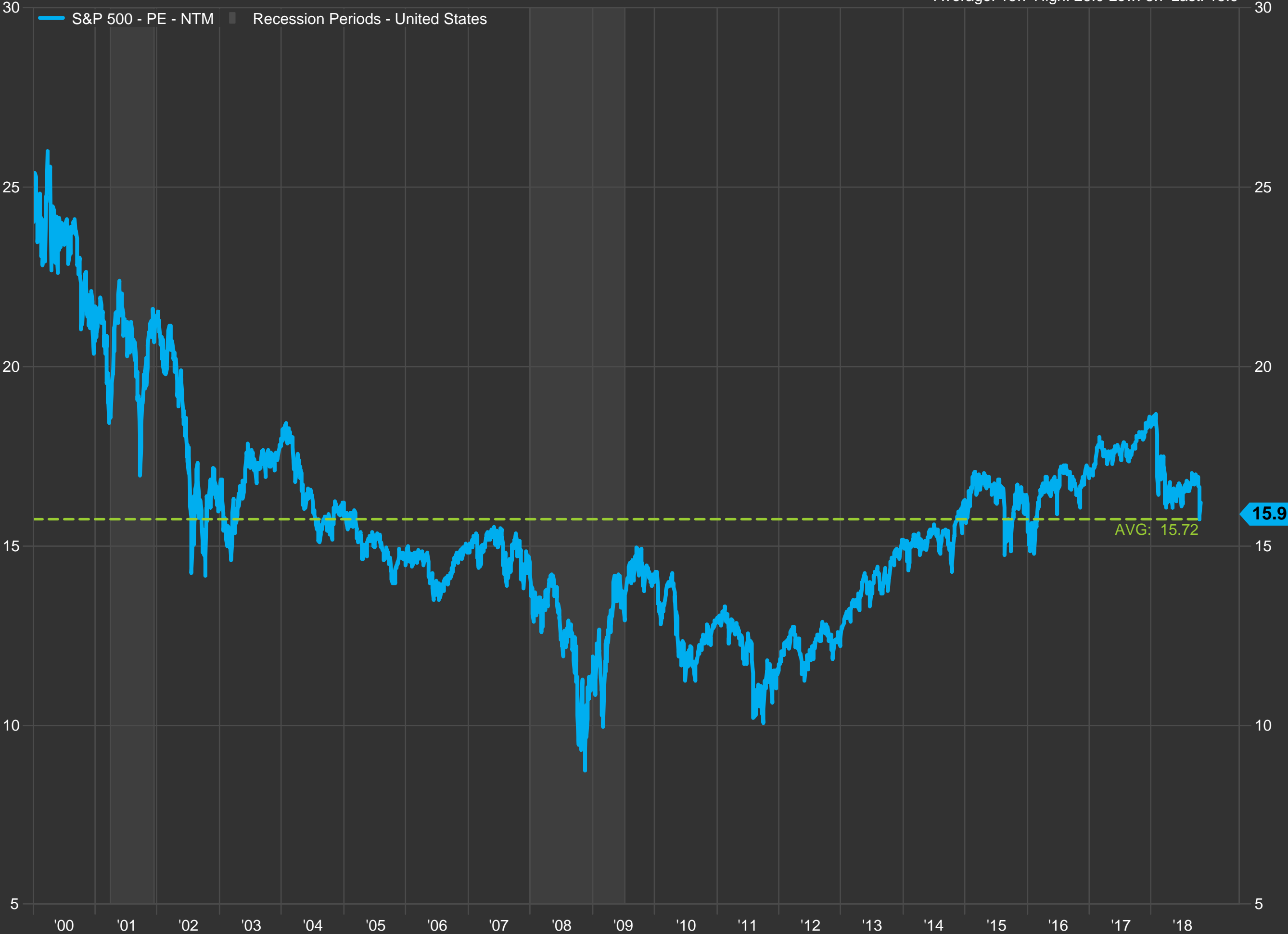
USA Corporate Profits



S&P 500 Valuation - Price/Earnings

12/31/1999 to 10/22/2018 (Daily)

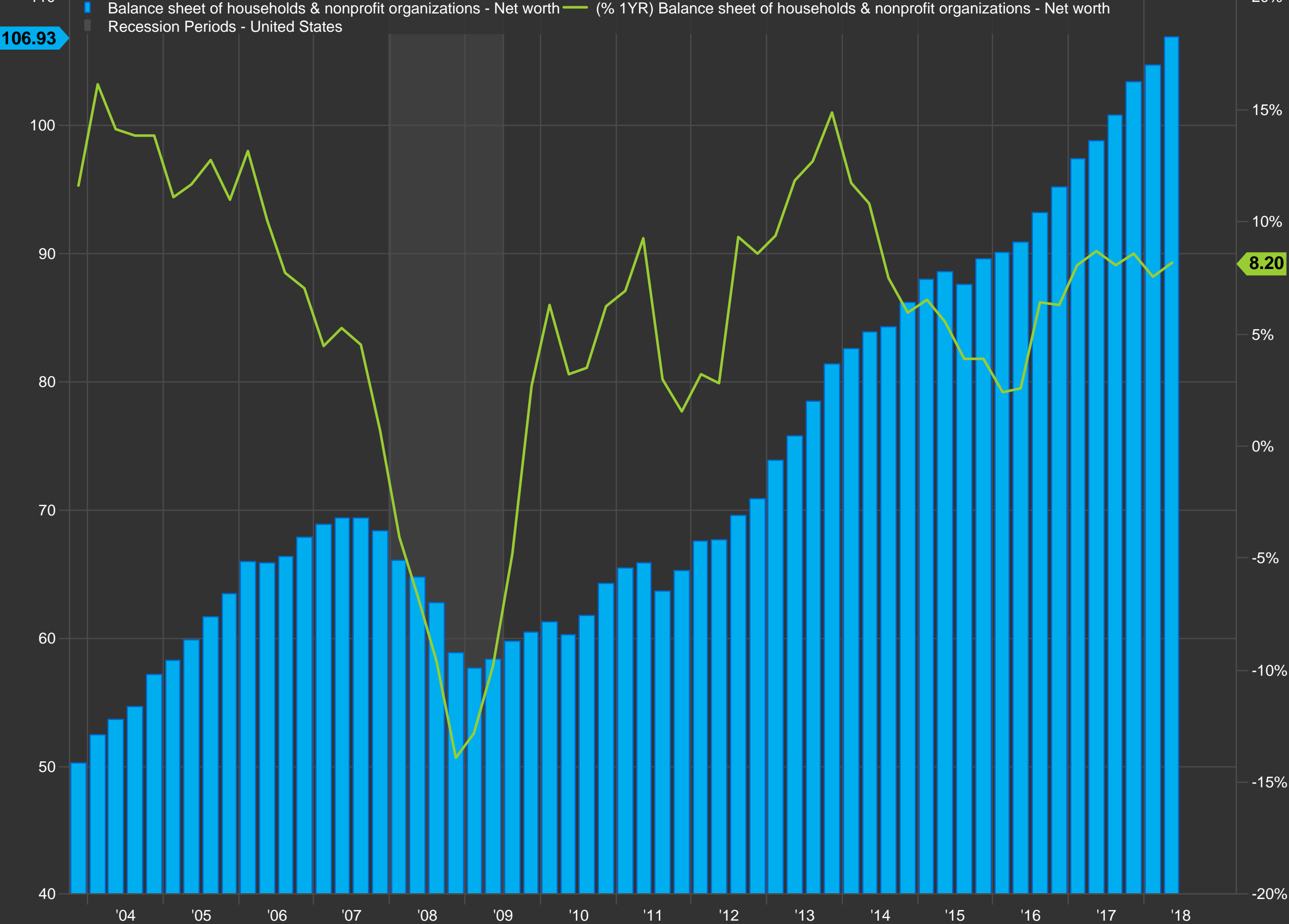
Average: 15.7 High: 26.0 Low: 8.7 Last: 15.9



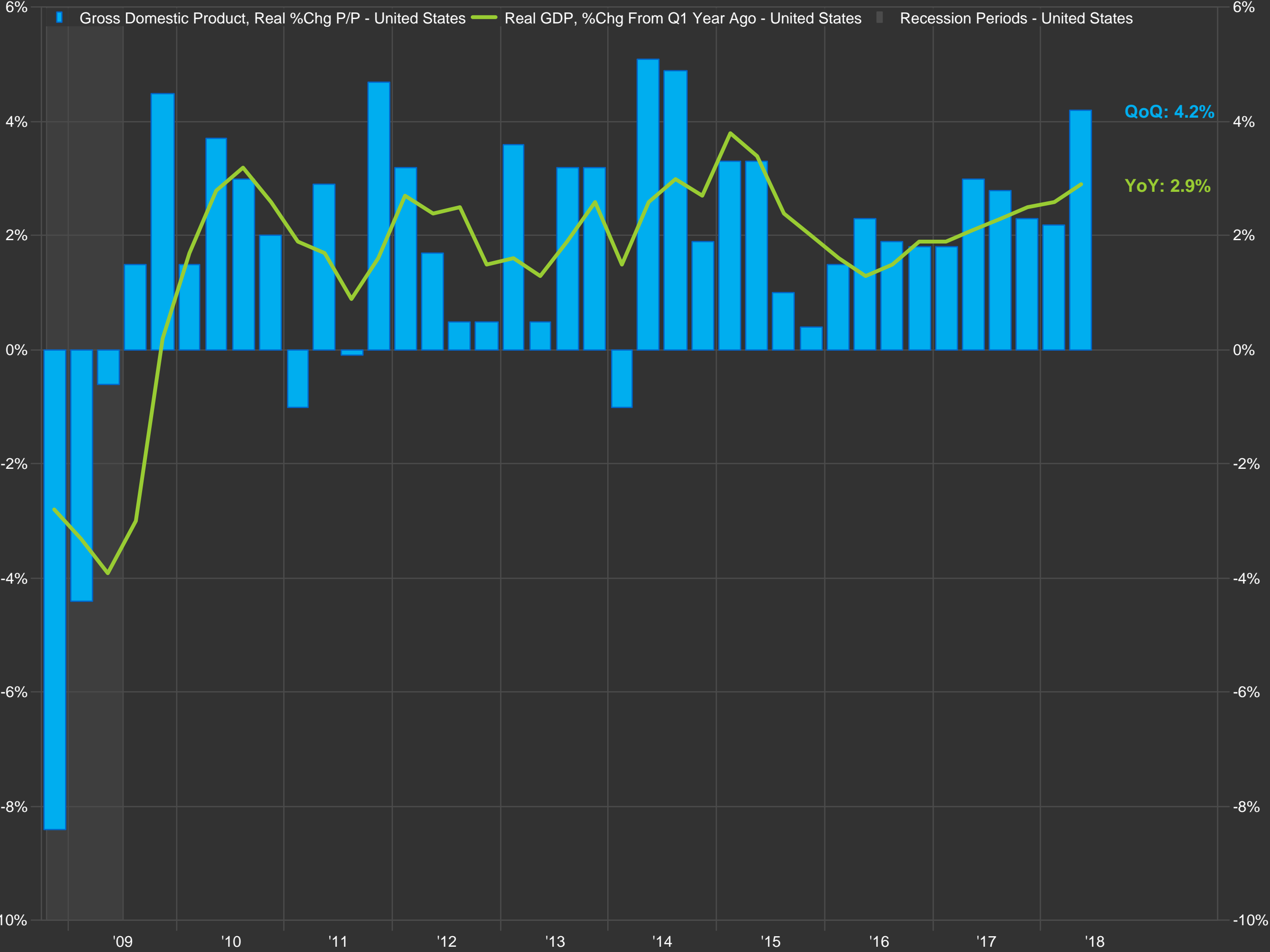
USA Household Net Worth

USD Tril.

YoY%

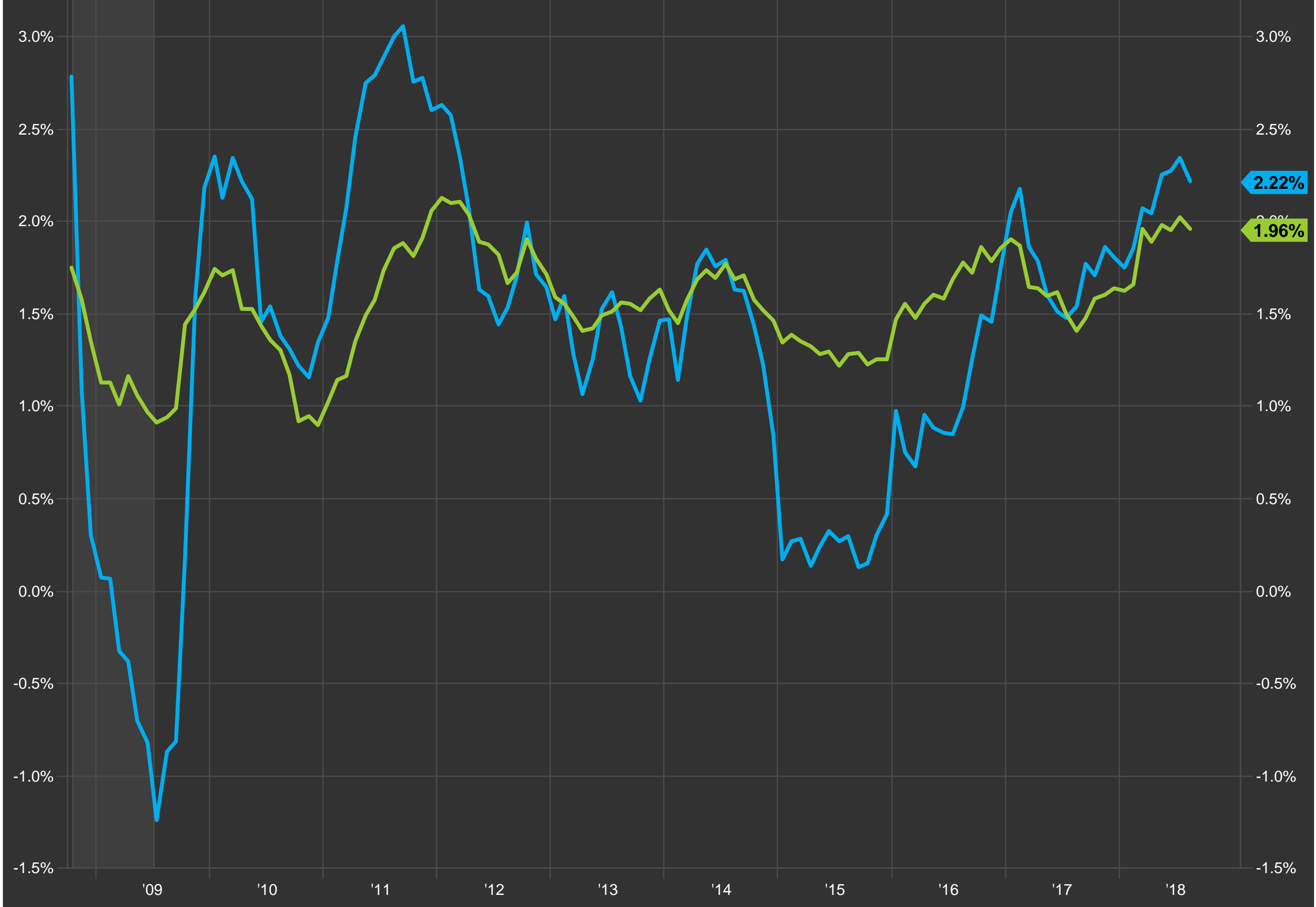


USA Real GDP Growth

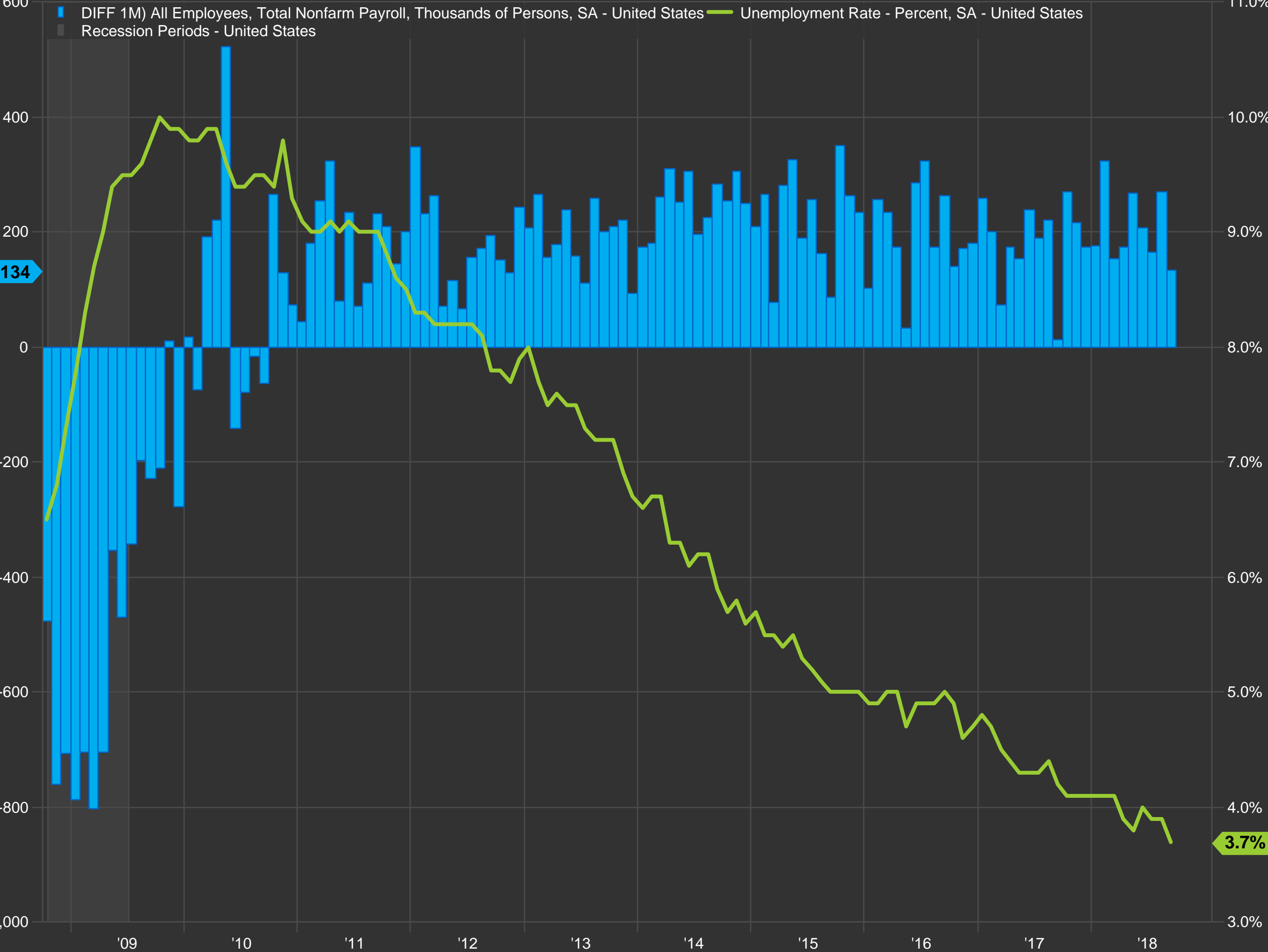


USA PCE Inflation

(% 1YR) Chain-Type Price Index for PCE, Personal Consumption Expenditures, Price Index, 2000=100, SA - United States
(% 1YR) Chain-Type Price Index for PCE, Personal Consumption Expenditures less Food & Energy, Price Index, 2000=100, SA - United States
Recession Periods - United States

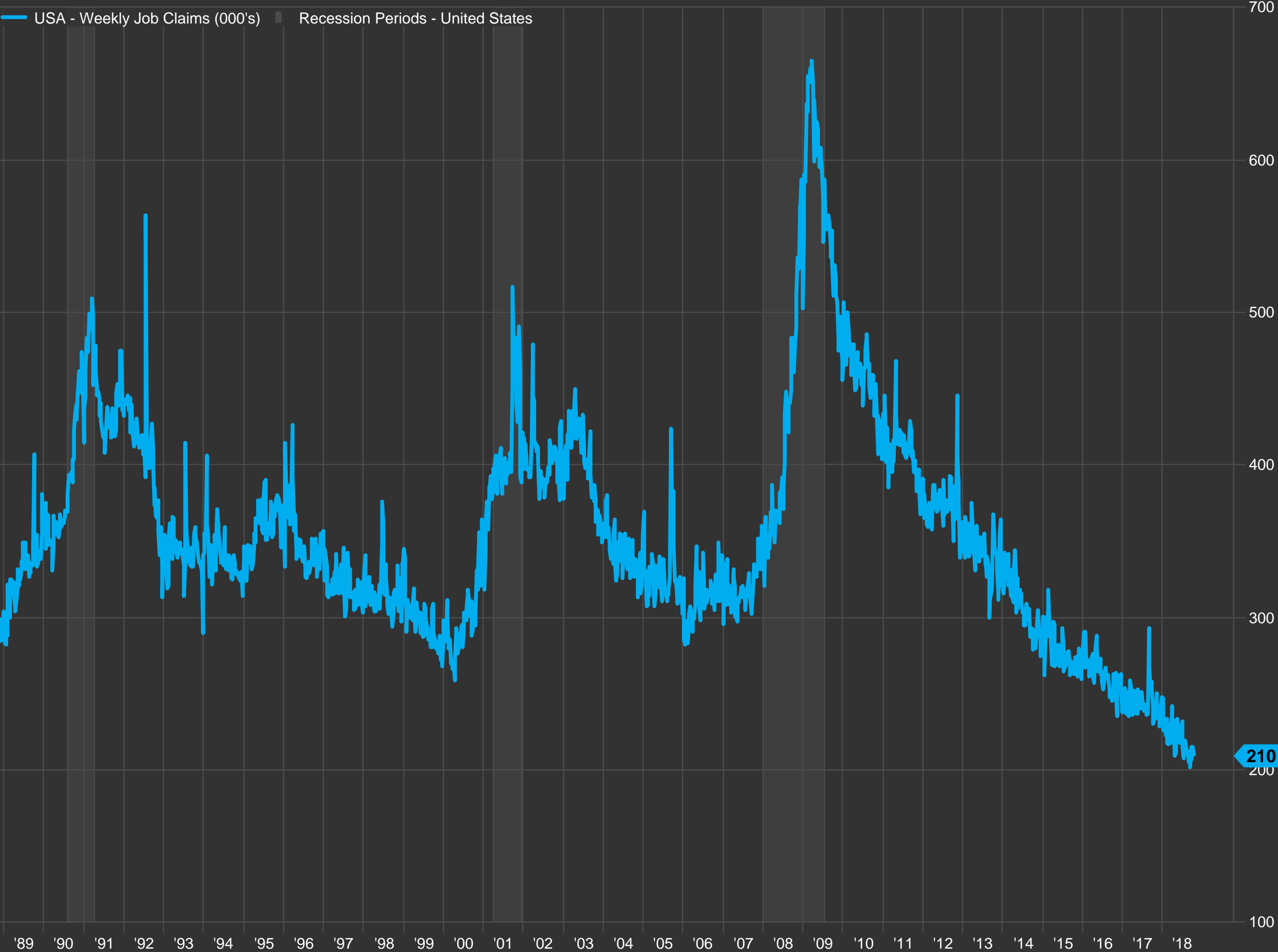


USA Change in NonFarm Employment & Unemployment Rate



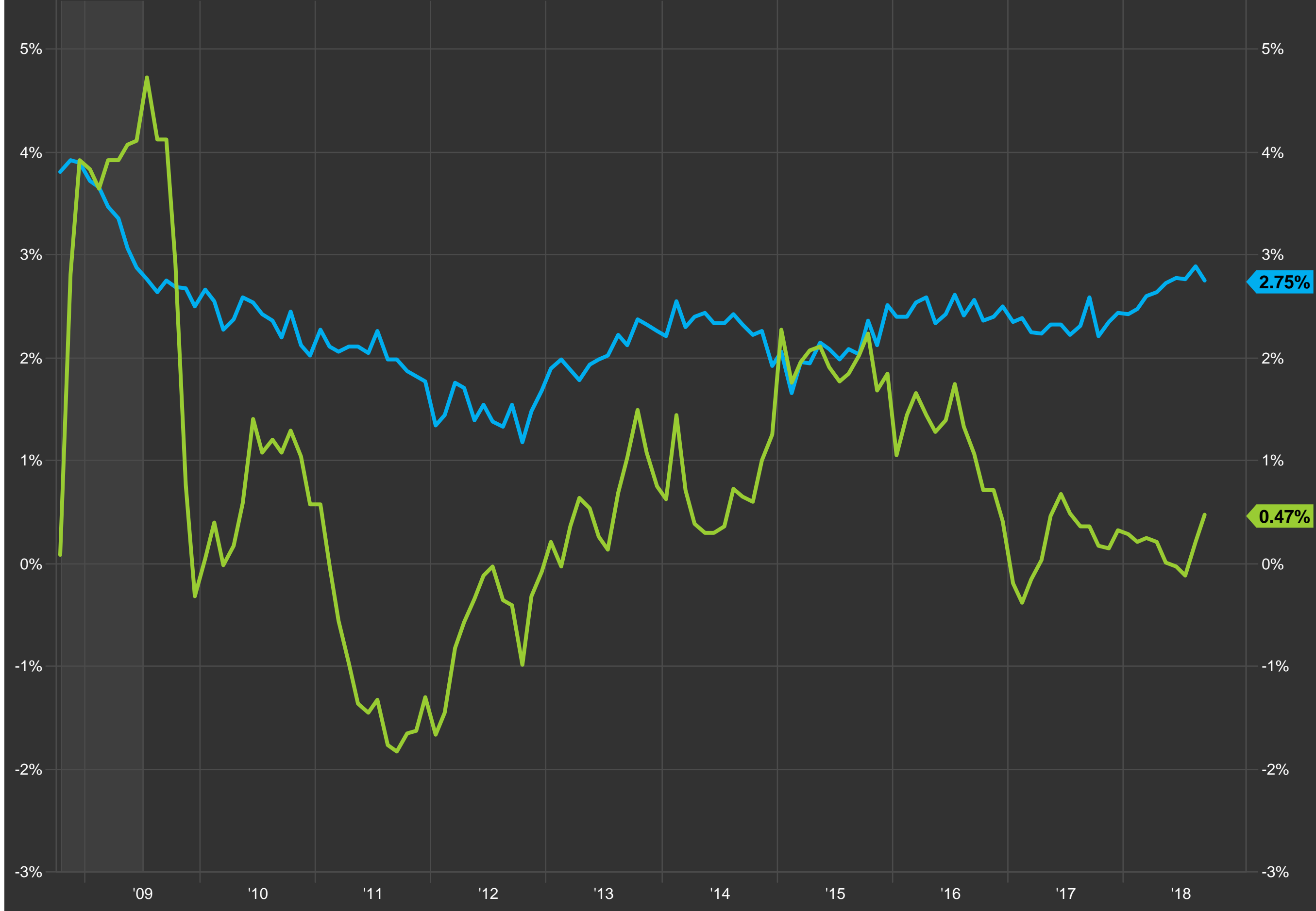
U.S Initial Jobless Claims

USA - Weekly Job Claims (000's) Recession Periods - United States



USA Growth in Avg Hourly Earnings (YoY%) - Real vs. Nominal

- (% 1YR) Average Hourly Earnings Of Production Workers Total Private SA
- (% 1YR) Average Hourly Earnings Of Production Workers Total Private SA - Inflation Adjusted
- Recession Periods - United States



Summary

- Expansion Continues But Global Business Cycle Less Synchronized
- Late-Cycle Pressures Rising, Risk of Recession Remains Low
- Central Banks Normalize Monetary Policy (Headwind)
- Solid Economic Growth and Corporate Earnings (Tailwind)
- U.S./China Trade Tensions & Geopolitical Risks Rising
- Possible Central Bank Policy Error