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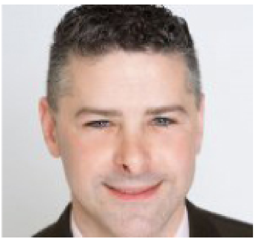


October 2019

Market Update
(all values as of 09.30.2019)

Stock Indices:

Dow Jones	26,916
S&P 500	2,976
Nasdaq	7,999

Bond Sector Yields:

2 Yr Treasury	1.63%
10 Yr Treasury	1.68%
10 Yr Municipal	1.47%
High Yield	5.65%

YTD Market Returns:

Dow Jones	15.39%
S&P 500	18.74%
Nasdaq	20.56%
MSCI-EAFE	9.85%
MSCI-Europe	10.66%
MSCI-Pacific	8.64%
MSCI-Emg Mkt	3.65%
US Agg Bond	8.52%
US Corp Bond	13.20%
US Gov't Bond	9.72%

Commodity Prices:

Gold	1,479
Silver	17.08
Oil (WTI)	54.27

Currencies:

Dollar / Euro	1.09
Dollar / Pound	1.22
Yen / Dollar	107.90
Dollar / Canadian	0.75

Macro Overview

A proposed tariff increase on goods imported from China was delayed from October 1st to October 15th. Tariffs on a number of Chinese goods are scheduled to increase to 30 percent from 25 percent effective on the 15th.

U.S. equity markets marked their best third quarter since 1997, recapturing gains that were lost in the final quarter of 2018. The market's resilience has allowed stock and bond prices to elevate higher even with the headwinds of trade tensions and recessionary concerns. Meager bond yields worldwide also fueled a gravitation towards stocks as investors sought more attractive yields in the form of dividends.

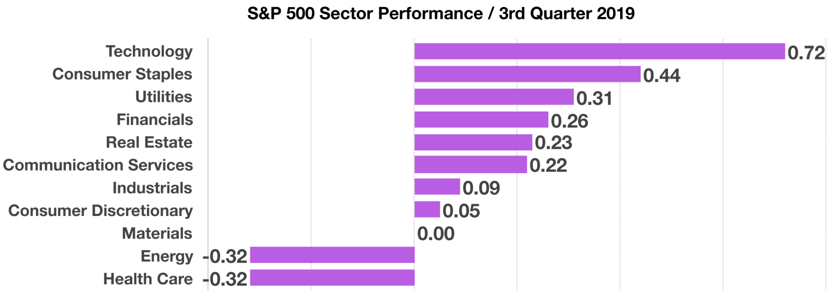
Domestic bond yields rose in September, climbing back from ultra low levels reached in August. The Fed's easing rate trend is part of a larger global movement by other central banks to lower rates internationally.

Currency markets reacted to slightly higher U.S. rates in September, sending the U.S. dollar to its strongest levels in over two years. Various factors such as consistent consumer demand and a stable economic environment, relative to other global economies, helped drive the demand for the dollar.

A key inflation indicator, the Consumer Price Index (CPI), moved higher with its fastest annualized growth since 2008. The CPI index, which measures the price of various goods and services such as food, housing, and medical expenses, rose 2.4% over the past year. Medical insurance and healthcare related expenses saw some of the largest increases. (Sources: Commerce Depart., U.S. Treasury, BLS)

Equity Markets Have Their Best Quarter Since 1997 – Domestic Equity Update

Despite ongoing trade tensions and concerns about a slowing economy, U.S. equities excelled in the third quarter, with technology, consumer staples, and utilities as the leading sectors for the S&P 500 Index. The energy and health care sectors were the under performers relative to the other 9 sectors. Equity markets are reacting more sensitively to economic indicators, such as unemployment, manufacturing, and Gross Domestic Production (GDP) data. Earnings growth for U.S. companies is starting to slow for certain sectors, as economic expansion decelerates. Economists and analysts examine which sectors are



performing relative to others in order to better determine which direction the market might be headed. (Sources: BLS, Bloomberg, Reuters)

THIS YEAR, THE YOUNGEST BABY BOOMERS ARE NOW 55 AND THE OLDEST ARE 73

Rates Edge Up Slightly In September – Fixed Income Overview

Bond yields edged higher in September, rebounding from the lows reached in August. The 10- year Treasury bond yield rose from 1.47% at the beginning of September to 1.68% at the end of the month. The rise in yields affected loan rates as they had just reached lows in August not seen in years.

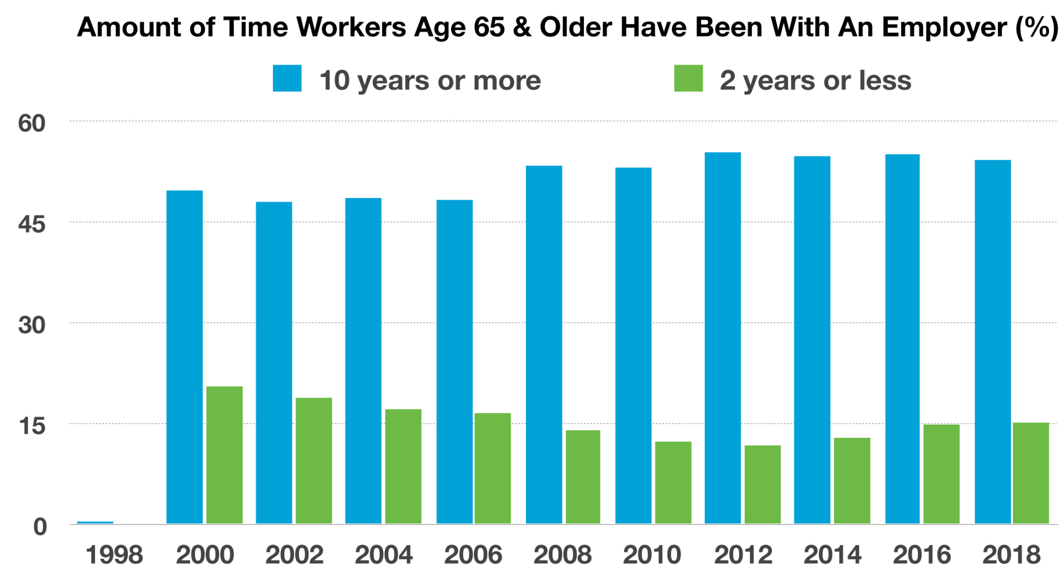
Additional rate cuts in Europe by the European Central Bank (ECB) pressured bond yields lower in Europe and Asia. Bond markets are eagerly awaiting indications of any further rate reduction in the U.S. by the Fed, perhaps prompted by economic data.

Low mortgage rates continue to fuel home sales nationally, with the rate on a conventional 30-year fixed mortgage at 3.64% at the end of September, down from 4.51% at the beginning of the year. (Sources: FreddieMac, ECB, U.S. Treasury)

Baby Boomers Working Past Retirement – Demographics

This year, the youngest baby boomers are now 55 and the oldest are 73, according to the Bureau of Labor Statistics. As more baby boomers reach retirement, good health and financial obligations are driving more to work longer or find a new job.

As baby boomers retire, some are finding it necessary to return to work even in their retirement years. Data released by the Labor Department show that about 15% of workers age 65 and older had been with their employer 2 years or less in 2018. Many baby boomers may have worked for the same employer for years, then retire, yet find themselves seeking work thereafter. There hasn't been a growing trend of retirees doing this yet, but there has been a consistent number.



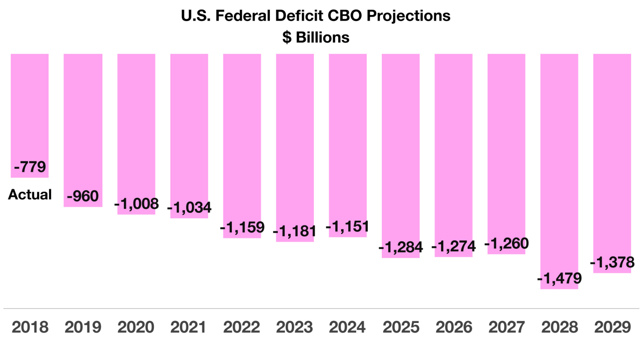
Roughly 85% of workers age 65 and older have been with the same employer for 10 years or more, a trend that has been in place for years. Some believe that the dynamics of the job market and employers has begun to shift to where workers will spend less time with the same employer. (Source: Bureau of Labor Statistics)

Federal Deficit Projections Top $1 Trillion – Fiscal Policy Review

The Congressional Budget Office (CBO) establishes budget forecasts based on various factors that are constantly changing. Among the factors are fiscal policy, economic projections, as well as trade policy initiatives.

Projections are revised on a regular basis by the CBO and may change or be modified contingent on fiscal policy and government outlays such as Social Security and health care expenses.

The most recent projections reveal a federal budget deficit exceeding $1 trillion in 2020, an estimate based on current fiscal circumstances and the economic environment. Projections over the next 10 years show an average annual budget deficit of $1.2 trillion between 2019 and 2029. The estimate represents a deficit of 4.4% to 4.8% of GDP, above the 50-year average. Even though tax revenues are estimated to grow, GDP is expected to expand at a more conservative pace. Current estimates show GDP growing at 2.3% in 2019, yet the CBO projects an average annual GDP growth rate of 1.8% over the next 10 years.

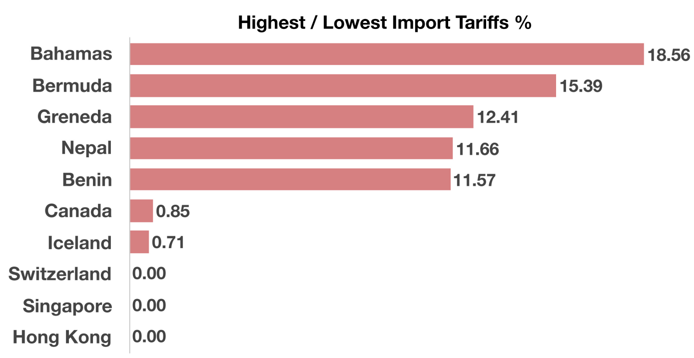


The three largest expense items for the federal government have been and are projected to be Social Security, health care programs, and interest paid on government debt. Rising interest rates may become more of an issue as rates may eventually head higher for government debt, with future debt issuance becoming more expensive for the U.S. as rates slowly rise. (Sources: CBO; Update To The Budget & Economic Outlook 2019-2029)

Countries With Highest & Lowest Import Tariffs – International Trade Policy

Some countries impose import duties, also known as tariffs, on certain imports for various reasons. Import duties on products that may hinder or compete with an industry or product produced in that country may have tariffs imposed in order to limit imports that may have negative consequences.

Imports brought into a country at below market prices may be considered dumping, where tariffs can act as a restraint against such tactics meant to gain marketshare via unfair trade practices. Limited resources and production capabilities may require certain countries to openly import necessary goods and raw materials with no tariffs in order to satisfy the demands of its citizens and industries. Based on data from the World Bank, Switzerland, Singapore, and Hong Kong are among those that impose no tariffs on imported products and materials. (Sources: World Bank; 2016 data, CIAWorldFactBook)



THE CPI, WHICH EXCLUDES FOOD AND ENERGY, ROSE 2.4% FROM A YEAR EARLIER

Stretch IRA Rules May Change – Retirement Planning

Rules surrounding the distribution of funds from an Inherited IRA may change due to new rules being imposed. Those most affected by the new rules are retirees with generous IRA balances intending to leave funds to their children and grandchildren. Known also as Stretch IRAs, which have allowed IRA beneficiaries to stretch distributions and taxes over an extended period of time.

Both the House of Representatives and the Senate have drafted their own versions of the new rules. The House has named the legislation the Secure Act, which stands for the Setting Every Community Up For Retirement Enhancement Act. Both versions essentially accelerate the distribution and taxation of Inherited IRA funds going to non spouses.

A current rule that will remain the same is allowing a spouse to rollover their deceased spouse's IRA to a spousal IRA and take Required Minimum Distributions (RMDs) based on their life expectancy. Inherited IRA rules will be modified by the newly imposed legislation, affecting non spousal beneficiaries such as children and grandchildren, the most common types of inherited IRA beneficiaries. For years, legislation has allowed inherited IRA beneficiaries to distribute funds over the course of decades based on the beneficiary's life expectancy. Revised legislation will require inherited IRAs to be distributed entirely within 10 years. The distribution could be taken as intervals, at the end of the period, or whenever desired, as long as the entire account is disbursed within 10 years. Both versions do allow distribution exceptions for minor children, disabled beneficiaries, and beneficiaries not more than 10 years younger than the deceased IRA owner.

A challenge for inherited IRA beneficiaries is the tax implication of accelerated distributions over a much shorter time period. Some beneficiaries may also run the risk of falling into a higher tax bracket especially if they are working. The Senate version allows for a stretch on the first $400,000 of IRA assets with the exceeding balance distributed within 5 years. Both versions would apply to inherited IRAs with the original owner's death occurring after December 31, 2019. (Sources: https://waysandmeans.house.gov)

Inflation Picks Up – Consumer Trends

A measure of inflation as gauged by the Consumer Price Index (CPI) accelerated by more than forecast over the past year. The CPI, which excludes food and energy, rose 2.4% from a year earlier as reported by the Department of Labor. These statistics are tracked by the Labor Department since they affect all U.S. workers throughout the country. The latest reading of 2.4% may be considered inflationary by some economists. The BLS compiles and releases monthly inflation readings. CPI increases so far this year have been greater than the monthly changes in 2018. CPI data registered no change from November 2018 through January 2019, yet have seen consistent, measurable gains thereafter. (Source: BLS)