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QUARTERLY MARKET INSIGHTS
4TH QUARTER 2017

TRUST COMPANY of NORTH CAROLINA

SPOTLIGHT

THE TAX BILL'S IMPACT ON INDIVIDUALS

How will American households be affected by the Tax Cuts and Jobs Act of 2017 signed into law by President Trump the week before Christmas? In broad terms, about 80% of U.S. taxpayers should see at least a moderate tax cut in 2018. More specifically, the non-partisan Tax Policy Center (TPC) estimates U.S. taxpayers in the middle quintile of annual adjusted gross income would receive a tax cut of about $900 in both 2018 and 2019. The TPC defines middle quintile earners as those with expected 2018 household incomes between $49,000 and $86,000. Determining the specific winners and losers from this tax bill amongst individual U.S. taxpayers depends on a list of factors including: current income level, family size, home ownership status and state of residence.

Importantly, while the bill's corporate tax rate cuts are permanent, the individual tax cuts expire in 2025 unless extended by Congress. There are still seven individual income tax brackets, but the income ranges for each bracket change. Five of the seven brackets have lower marginal tax rates, while two are unchanged. The tax bill increases the standard deduction to $12,000 from $6,350 for singles and to $24,000 from $12,700 for couples filing jointly. About 70% of Americans currently claim the standard deduction instead of itemizing their tax deductions. Under the new tax regime, even more taxpayers will now take the standard deduction. Since electing the standard deduction is usually simpler than itemizing, this should lead to enhanced efficiency across the broad federal tax base.

Several other notable deduction eliminations include the controversial implementation of a $10,000 cap on deductions for state and local income tax, sales tax and property taxes (also known as the "SALT deduction"). The SALT deduction cap will likely have the most disproportionately adverse effects on taxpayers in high property tax areas within high income tax states. Many homeowners in and around the New York City, Boston, Washington, D.C. and San Francisco Bay metropolitan areas could see their federal tax bills increase in 2018. Some commentators have suggested that the SALT deduction cap could cause a demographic shift resulting in wealthy citizens of these areas moving to states with lower or no state income taxes. During the evolution of the tax bill, various drafters of the legislation argued that the previously unlimited deduction of state and local taxes reduced the federal tax base by too much while encouraging excessive spending by state and local governments with high tax rates. The congressional bi-partisan Joint Committee on Taxation (JCT) estimated the real estate tax deduction cost the federal government approximately $33 billion of tax revenue in 2016.

Another contentious deduction limit contained in the tax bill is the reduction of mortgage loan balances eligible for the residential mortgage interest deduction from $1 million to $750,000 for newly purchased homes. The measure was met with stiff resistance from real estate industry groups. Some economists believe the SALT deduction caps and reduction of the mortgage interest deduction cap taken together could weaken housing demand and put pressure on home prices in certain counties in New York, New Jersey, Illinois and California. A recent analysis by Moody's Analytics estimates that national home prices could be 4% lower by mid-2019 than they would have been without the new tax legislation.

Less controversially, most U.S. taxpayers that are parents of children under the age of 17 should benefit from the tax bill's doubling of the child tax credit from $1,000 to $2,000 per child with up to $1,400 of the credit refundable. The refundable component would be particularly helpful for tax payers with an income level low enough that they don't owe any federal taxes. The child tax credit phases out in 2025 for individuals with annual gross taxable income of $200,000, and $400,000 for joint filers. High net worth families could benefit from a doubling of the estate tax or so-called "inheritance tax" exemption from $10.98 million for individuals and $22.4 million for couples. The estate tax is applied to the estate assets of a deceased person upon the transfer of those assets (typically to a family member, trust or life insurance policy). This could present an opportunity for some wealthy families to significantly reduce their tax burdens in coming years. The JCT estimates the number of taxable estates in the U.S. would decline by more than 60% from 5,000 under the current tax regime to 1,800 in 2018.

Small business owners and professionals in partnerships, like doctors and lawyers, could also temporarily benefit from the tax bill. Most small businesses in this country are organized as "pass-through" entities, like S-corporations and limited liability corporations. In these corporate structures, business profit is not paid by the company, but passed through to the owner, who then reports it as personal income. Owners and partial owners (i.e. partners) of pass-through entities will be able to deduct 20% from their earnings before paying personal income taxes on the remaining profit.

When we put it all together, U.S. taxpayers who will likely benefit the least from the individual components of the new tax bill will be wealthy individuals or couples with no or few children that purchase a home in 2018 or beyond in a high property tax area within a high income tax state, and are not small business owners or a partner in a pass-through entity. On the other side of the coin, middle class and upper-middle class families with several children living in areas with more moderate property taxes within low income tax states for which at least one parent is a small business owner or partner in a pass through-entity will likely benefit the most.

ECONOMY

ECONOMIC GROWTH IMPROVES IN SECOND HALF

The final reading for third quarter 2017 U.S. GDP came in at 3.2% versus the consensus estimate of 3.3%, marking the fastest pace in over two years. Growth was driven by a 4.7% increase in business spending from the same period a year ago, a moderate build in inventories, and an improvement in net exports. GDP growth in coming months could get a slight lift from the substantial tax overhaul passed by Congress in December as most economists forecast a modest economic boost from the tax cuts. Growth in consumer spending, which accounts for more than two thirds of the U.S. economy, was revised down to 2.2%. In the fourth quarter, consumers appear to have picked up the pace on spending on retail items during the holiday season. A recent Wall Street Journal article cited Mastercard SpendingPulse data indicating total retail sales, excluding automobiles, grew 4.9% from November 1 to December 24 this year compared to 3.7% over the same period last year. Spending is being supported by steady wage gains and household savings.

In December, as expected, the Fed's policymaking body raised short-term interest rates for the third time this year and the fifth time since the recession. Two Fed officials voted against raising rates, citing weak inflation. Fed governors and regional presidents put forth a median forecast of three more quarter-point rate increases next year and raised their 2018 economic growth projection to 2.5% from 2.1%. Tax policy change was cited as a factor for their stronger growth projection. Treasury yields remain tight, as during 2017 the ten-year traded in its narrowest range since the 1960s. Low U.S. rate volatility has been driven by a low dispersion of economic activity and high predictability of Fed monetary policy given forward guidance. The Fed also released their Summary of Economic Projections, or SEP. The report projects an unemployment rate of 3.9% at the end of 2018, below the current level of 4.1%. This estimate came in below their

ECONOMIC INDICATORS	LATEST	3MO PRIOR	CHANGE*
REAL GDP (QoQ ANNUALIZED)	3.2%	3.1%	▲
TRADE BALANCE	-50.50	-44.31	▼
UNEMPLOYMENT RATE	4.1%	4.2%	▲
NON-FARM PAYROLLS	148K	38K	▲
ISM MANUFACTURING	59.7	60.8	▼
ISM NON-MANUFACTURING	55.9	59.8	▼
RETAIL SALES (LESS AUTOS)	0.8%	0.1%	▲
INDUSTRIAL PRODUCTION	0.2%	-0.5%	▲
HOUSING STARTS	1297M	1172M	▲
CONSUMER PRICE INDEX (YoY)	2.2%	1.9%	▼
CONSUMER CONFIDENCE	122.1	120.6	▲
EXISTING HOME SALES	5.81M	5.35M	▲
CONSUMER CREDIT	27.951B	10.09B	▲
CRUDE OIL PRICE	60.42	51.67	▼

Source: Bloomberg. Past performance does not guarantee future results. *The change arrow is indicative of a positive or negative change in the economic nature of the data series. For example, a downward-pointing change arrow assigned to the crude oil price field will correspond with an increase in the actual price of crude oil over the last three months. This is because a short-term increase in the price of crude oil has historically been detrimental to U.S. economic growth.

long-run estimate of unemployment at 4.6%. New York Fed President William Dudley noted, "A particular risk of late and fast is that the unemployment rate could significantly undershoot the level consistent with price stability." Some maintain reservations that the Fed will have to employ more restrictive monetary policy in order to curb inflation caused by low unemployment.

After reaching a seventeen-year high, the Conference Board's Consumer Confidence Index slipped to 122.1 in December from a revised 128.6 in November and 126.2 in October. The final reading of the year came in well below the consensus estimate of 128.0. The decrease was driven by a less optimistic short-term outlook for job prospects and business conditions. The share of consumers expecting business conditions to improve over the next six months declined from 23.1% to 20.2%, while those anticipating worsening business conditions ticked up from 6.7% to 9.2%. Consumers' current assessment of the labor market was mixed; those claiming jobs are "plentiful" dropped to 35.7 percent from 37.5 percent, while those claiming jobs are "hard to get" decreased from 16.8 percent to a 16-year low of 15.2 percent.

HOUSING

U.S. single-family home starts and permits surged above their ten-year highs in November, a hopeful sign for a housing market that has been hobbled by supply constraints so far this year. Single-family homebuilding, which accounts for the largest share of the housing market, jumped 5.3% to a rate of 930,000 units which was the highest level since September 2007. U.S. home sales also increased more than expected last month, hitting their highest level in nearly eleven years. The report from the National Association of Realtors showed existing home sales surged 5.6% to a seasonally adjusted annual rate of 5.81 million units in November amid continued recovery in southern regions ravaged by recent hurricanes. More positive news came from sales of new U.S. single-family homes, which unexpectedly rose in November to hit their highest level in more than ten years.

EMPLOYMENT AND MANUFACTURING

The unemployment rate remained at 4.1% in December as total nonfarm payroll employment rose by a less than expected 148,000 according to the U.S. Bureau of Labor Statistics. Average job growth topped 200,000 in October and November but economists attributed much of that increase to a rebound after hurricanes in Texas and Florida suppressed September payrolls. For the year, monthly job gains averaged 171,000, down from 187,000 in 2016 and 226,000 in 2015. Many economists expect average monthly increases to continue to moderate in 2018, as the low unemployment rate offers employers a smaller pool of available workers. Other recent labor market indicators continue to be encouraging. Payroll processor ADP reported that businesses added 250,000 jobs in December and surveys of the manufacturing and service sectors continue to show sharp pickups in activity.

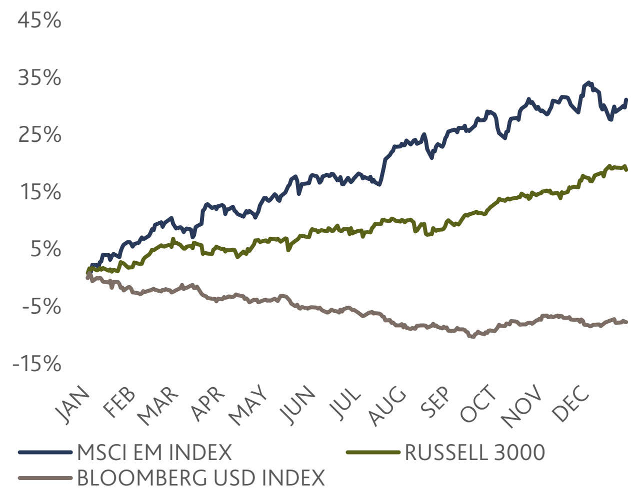
Economic activity in the manufacturing sector expanded in December, and the overall economy grew for the 103rd consecutive month, according to the December PMI® report from the Institute for Supply Management. The December PMI® registered 59.7, an increase of 1.5 percentage points from the November reading of 58.2. The New Orders Index registered 69.4, an increase of 5.4 percentage points from the November reading of 64. Of the 18 domestic manufacturing industries measured, 16 reported growth in December. Comments from the panel reflect expanding business conditions, with new orders and production leading gains; employment expanding at a slower rate; order backlogs expanding at a faster rate; and export orders and imports continuing to grow in December.

EQUITY

GLOBAL STOCKS CLOSE 2017 WITH A BANG

Global equity markets closed 2017 on a high note against a backdrop of strong corporate earnings and synchronized economic growth across almost all the world's economies. The final push of a tax bill across the finish line including a significant corporate tax rate cut from the GOP-led U.S. Congress provided an extra boost to stocks in the year's final months. The MSCI All World Index, global stock benchmark, posted a total return of 5.8% in the fourth quarter, compared to its cumulative return of 6.6% for all of 2015 and 2016. Meanwhile the Dow Jones Industrial Average and S&P 500 Index provided investors with gains of 11.0% and 6.6%, respectively, in the final three months of 2017. Accelerating economic momentum in the U.S. resulted in two consecutive quarters of 3.0% or greater annualized GDP growth for the first time since 2014. This helped fuel stock market gains in 2017 while keeping a tight lid on volatility across most major asset classes. U.S. stocks ignored flare-ups of political drama in Washington D.C., three rate hikes from the Federal Reserve, and rising geopolitical tensions in the Korean Peninsula, Syria and Venezuela. The blue chip Dow Jones Industrial Average recorded nine consecutive monthly gains from April to December, its longest winning streak since 1959. Dips in every major global equity index were greeted will solid demand from investors eager to buy on pullbacks.

Although the major U.S. market averages more than doubled their historical average returns in 2017, they fell short of international stocks' returns for the first time since 2012. The MSCI ACWI ex-U.S. Index, which tracks stocks outside of the U.S. in both developed and emerging markets, finished 2017 with a total return of 24.6% compared with a 21.1% advance for the broad U.S. market-based Russell 3000 Index. Emerging market equities were among the top global performers in 2017, as the MSCI Emerging Index put up a very healthy 37.5% total return for the year. Asian markets outside of Japan led the way for international stocks, highlighted by the Hong Kong Hang Seng Index's 41.3% return in U.S. dollar terms for 2017. Chinese equities' big year was driven in large part by high profile consumer technology companies including e-commerce titan Alibaba Group Holding and social media and messaging platform Tencent Holdings Ltd. Both firms saw their share prices double in 2017, with Tencent eclipsing a $500 billion market capitalization in November. U.S. dollar weakness further helped international equity returns for U.S investors. The greenback snapped a four-year winning streak in 2017, as the Bloomberg Dollar Index declined 8.5% after rallying a cumulative 28.5% from 2013 through 2016.



Source: Bloomberg. Past performance does not guarantee future results.

Returning to U.S. markets, the stocks of the biggest and highest growth companies tended to perform best in 2017. Large capitalization indexes outgained their middle and small-sized peers by a healthy margin, although most of that outperformance occurred in the first half of the year. Growth-oriented indexes in the U.S. trounced value-leaning counterparts this year, as the Russell 3000 Growth Index had a total return of 29.6% in 2017 compared to 13.2% for the Russell 2000 Value Index. Taken together, the sweetest spot of U.S. equity markets was large capitalization, high growth companies typically found in the technology sector. Notable S&P 500 constituents which fit this description that rallied 60% or more in 2017 include: digital payments platform PayPal Holdings Inc.,3D graphic chip-maker Nvidia Corp., video game giant Activision Blizzard Inc., digital media and marketing platform Adobe Systems Inc. and e-commerce behemoth Amazon.com Inc. Not surprisingly, the S&P 500 technology sector's 38.8% total return in 2017 nearly doubled that of the broad index following much more modest levels of relative outperformance in 2015 and 2016.

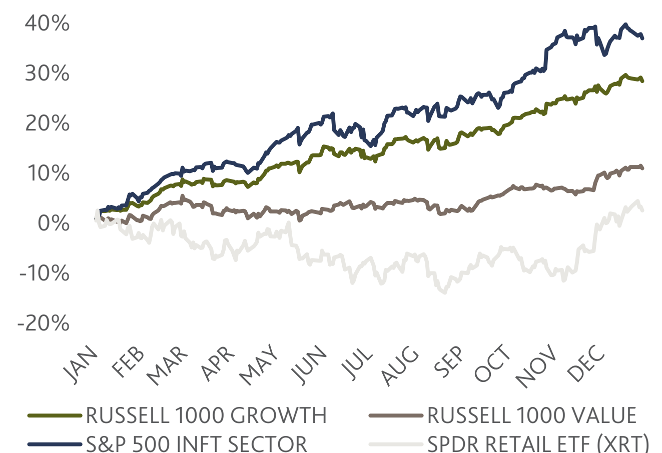
Notably, stocks of embattled, traditional U.S. retailers rebounded sharply during the holiday season. Foot Locker Inc., L Brands Inc., Urban Outfitters Inc. and Macy's Inc. all saw their shares surge by at least 35.0% in the year's final two months. They were supported by strong preliminary holiday spending data and the passage of the tax overhaul bill which reduces the top U.S. corporate tax rate from 35% to 21%. Many retailers tend to pay close to the top tax rate, thus could disproportionately benefit from the tax cut.

The fourth quarter also brought the announcement of several massive, potentially transformative corporate deals including retail pharmacy CVS Health's $69 billion purchase of health insurer Aetna and media giant Disney's $52 billion acquisition of 21st Century Fox's film studio and key TV channels. Earlier in the year, Amazon.com paid $14 billion for the purchase of organic-focused grocer Whole Foods Inc., and Intel Corp. bought Israeli self-driving technology firm Mobileye NV for $15 billion.

Looking around the bend into the first quarter of 2018, we will be keeping a close eye on potential flies in the ointment for the bull market including: faster-than-expected consumer inflation in the U.S., a deceleration of Chinese economic growth, Italian general elections in March, and heightened regulation for American technology giants.

GROWTH AND TECH TOP VALUE; RETAILERS RECOVER

JANUARY 2017 THROUGH DECEMBER 2017



Source: Bloomberg. Past performance does not guarantee future results.

FIXED INCOME

HIKING RATES, CUTTING TAXES, AND FLATTENING CURVES

Throughout 2017 much of the discussion in fixed income markets was about spreads narrowing, the yield curve flattening, and whether inflation would accelerate at a meaningful rate. The third quarter offered bond investors a small, but sobering indication of how an overweight allocation to credit could negatively affect their portfolios as geopolitical risks in August drove high yield spreads wider (see the circle to the chart on the right). As the chart to the right suggests, the previous two times that high yield spreads have narrowed to levels at or near 3% they have widened from that point over the following one to two years. This indicates that high yield bonds may be fairly valued, if not overpriced. While the current valuation does not mean investors should avoid owning high yield bonds in a diversified portfolio, it may suggest that return expectations may be limited to coupon income over the next 12 months.

A flatter curve has been a recurring topic over the last twelve months as investors begin to wonder when or if the Treasury curve will invert, generally a sign of an impending economic slowdown or recession. The yield differential between the 10-year U.S. Treasury bond and the 2-year U.S. Treasury note declined 73 basis points in 2017 compared to 3 basis points of steepening in 2016. About 32 basis points of the 2017 decline came in the last quarter of the year as the bond market anticipated the Fed's December rate hike. Much of the flattening was caused by a move higher in the 2-year yield, as the yield on the 10-year Treasury note traded in its tightest range since 1965, according to Bloomberg data.

Inflation remains a risk, especially given the recent tax plan, an expanding economy and relatively easy financial conditions.

Not only are the 2018 voting members of the Federal Open Market Committee (FOMC) more hawkish than the voting members of 2017, but the Fed has already raised rates three times in 2017 and started the process of unwinding its balance sheet. Market commentators stumped by longer-term U.S. interest rates remaining low in 2017 have pointed to strong demand from international buyers. Others have suggested domestic buyers are holding rates lower due to a belief that aging demographics will hinder real growth or technological innovation will restrict inflation to a point that higher long term rates will be unnecessary.

Barclays Capital US Corporate High Yield minus 10-Year U.S. Treasury. Source: Bloomberg. Past performance does not guarantee future results.

FIXED INCOME CONTINUED

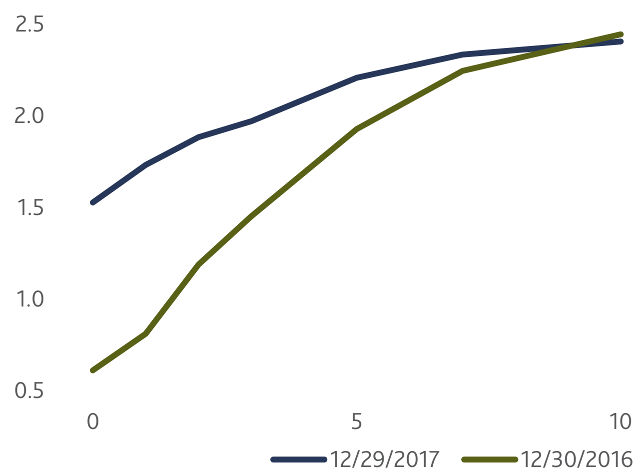
Much was made about the potential impact that the tax plan would have on the municipal bond market. While supply did pick up significantly near the end of the year, the tax plan seemed to have little impact on the muni market beyond that. The MMD Scale, which reflects the tax-exempt yield of a AAA-rated municipal bond carrying a 5% coupon for each year over the next thirty years, finally flattened in the last months of 2017. For the first three quarters of the year, the difference between the 2-year yield and the 10-year yield indicated by the scale barely budged, but in the fourth quarter that differential declined roughly 0.58% resulting in curve flattening.

This recent flattening of the muni curve might be concerning for some investors, but supply dynamics likely played a role. The average 30-day visible supply as measured by Bloomberg was lowest in the third quarter of 2017 at $9.9 billion. This dearth of supply likely impacted the ability of investors to allocate to the part of the curve they found most attractive on a tax-equivalent basis, thus delaying flattening in the muni market. While plausible, it doesn't explain the lack of flattening in the first half of the year, while the flattening in the fourth quarter aligns more closely with an FOMC meeting that saw two voters dissent for the first time since November 2016. It seems to us that the movement in the Treasury market and investors' expectations for the economy had a greater effect on the performance of municipal bonds in the fourth quarter than the tax plan.

Many investors do not own their fixed income assets in a vacuum, but rather in a portfolio that often includes equities. Many believe that a portfolio's equity risk is best hedged by U.S. Treasury notes and bonds, due to their observed negative correlation with equities over the past two decades during times of financial stress.

However, Wellington Management recently released research showing that in equity declines of 10% or less U.S. high yield bonds were the best hedge against equity losses as the income of the securities more than offset their decline in valuation. In equity declines between 10% and 15%, U.S. investment grade corporate bonds performed the best. In fact, U.S. Treasuries only provided the best protection against equity declines of 15% or more which only accounted for less than 10% of the observed downturns over the last twenty years. We believe this supports our view that a diversified portfolio that allocates to a broad set of fixed income sectors can provide significant diversification benefits in equity market declines of different magnitudes.

CHANGE IN YIELD CURVE IN 2017



Source: Bloomberg. Past performance does not guarantee future results.

OUTLOOK

EQUITY RETURNS MATCH ECONOMIC GROWTH

2017 was one of the most rewarding years for U.S. equity market investors in the modern market's history. The Dow Jones Industrial Average's (DJIA) 28.1% total return marked its tenth best calendar year in the seventy-two years of the post-World War II era. Many other global indexes also reached or approached all-time highs last year. Historically strong recent returns notwithstanding, opinions seem split on the most likely path for equity markets in 2018. Where in the past, strong markets were widely believed to most likely continue higher, at this juncture, there appears to be nearly an equally strong sentiment that a bear market might be near.

Our conservative investment philosophy keeps us grounded in the belief that securities markets follow the fundamentals. We look to economic data and audited financial statements to gauge the strength of the economy and weigh relative valuations of securities against one another. This helps our view to remain outside the emotional highs and lows brought on by a cursory glance reliant upon headlines and recent price action.

Key to this view is an understanding of the overall economy. Gross Domestic Product (GDP) growth received much attention in 2017. Compared to the recovery of GDP growth in the quarters and years following previous recessions, the early stages of the current expansion were weaker. Previous expansions that began in 1975 and 1984 experienced annualized GDP growth over 9% in several quarters. More recent expansions saw sustained growth of over 4% for extended periods, but the current one has struggled to attain 4% growth. Of the 33 quarters comprising the current expansion, only four have generated 4% annualized GDP growth and just ten have seen at least 3% annualized growth. Additionally, the average quarterly GDP growth rate of the current expansion of 2.2% is below the Federal Reserve's goal of 2.5%. The prior expansions of the 1990s and 2000s were measured at 3.8% and 2.7%, respectively.

The relative strength of equity markets compared to the relative weaker state of the economy as measured by below average GDP growth rates has been confounding to some. These observers may also be perplexed by the relatively lower volatility in the current bull market. Considering these two observations together, it makes sense that strategists' cursory view of the markets heading in to 2017 was skeptical. But, markets can be thought to reflect current and future economic conditions. As corporate profits recovered by the end of 2016, stock prices began to rise in anticipation of further profit growth. When the economy began to accelerate anew in the second quarter of 2017 and continued that strength into the third quarter, the stage was set for additional gains in stocks. With continued strength in retail sales, near full employment, modest wage growth and one of the strongest holiday shopping seasons in years, the possibility for fourth quarter GDP growth to be over 3.0% is significant.

ECONOMIC INDICATOR	LATEST	SIGNAL
FED FUNDS POLICY	1.50%	BEAR
STEEPNESS OF YIELD CURVE	0.90%	BULL
UNEMPLOYMENT RATE	4.10%	BULL
WTI OIL PRICE	$ 60.42	BULL
S&P 500 INDEX	2673.61	BULL
S&P/CASE-SHILLER HOME PRICE INDEX	203.84	BULL
PRODUCER PRICE INDEX	4.30%	BEAR
PHILADELPHIA FED SURVEY	26.20	NEUTRAL

Source: Bloomberg

OUTLOOK CONTINUED

It may have been possible that the strong rally in 2017 was related to investors bidding up stock prices in anticipation of stronger GDP growth in 2018 and beyond. Heading in to 2017, perhaps stocks were reflecting investor sentiment that GDP growth rates would remain below the Fed's preferred 2.5% level for all of 2017. If so, then when GDP growth measured significantly above that in the second half of the year, markets had to respond in a hurry. With longer term interest rates still at historically low levels, despite more than 100 basis points of tightening in the federal funds rate since December 2015, 2017 was a year with considerable economic tailwinds.

Our outlook for equities over a 12-month period follows similar logic to how we frame our understanding of the market's history. Though it is not always useful to fit past economic data to moves in the markets, we think awareness of the historical relationship between economic fundamentals and equity markets can help set expectations.

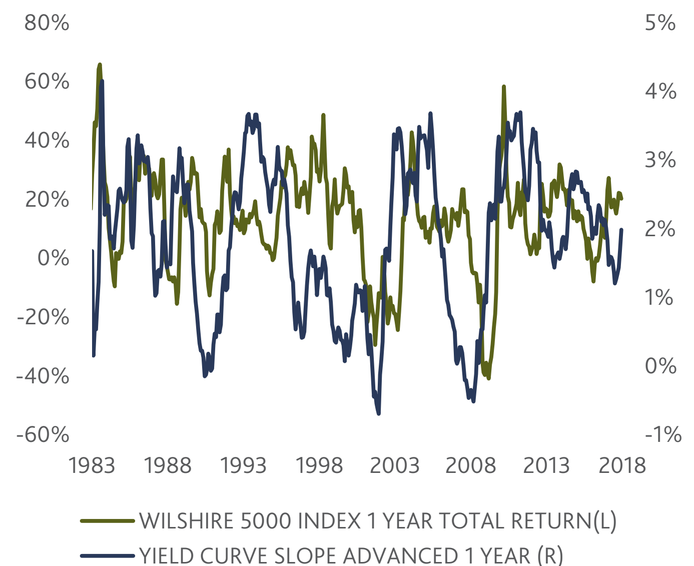
Analysis of economic data in this manner has resulted in finding eight indicators that are historically associated with equity markets that have either been stronger or weaker than average. More specifically, on a monthly basis, each factor indicates a majority of the time, whether equity results can be better or worse than average over the following twelve months. As shown in the table on page 9, two factors are bearish, five are bullish and one is neutral. The Fed Funds Policy indicator is bearish because the Fed has most recently hiked interest rates. The Producer Prices indicator has recently turned bearish as it has most recently measured inflation stronger than average. Though reported on a quarterly basis, these are monitored monthly. Unemployment could turn bearish as further improvement from such a low level becomes more challenging. Also, oil prices have nearly doubled in the past 3 years, but at such a slow pace that they have rarely been 20% more than last year. With gradual continued strength in the global economy, a short-lived spike in oil prices is more likely, and could turn this indicator bearish. Should enough of these indicators turn bearish, the data indicates investors should temper their expectations for equity returns over the near term. Over a complete economic and market cycle, we fully expect these indicators to reflect bullish and bearish conditions in varying magnitudes. We do not solely rely upon these indicators to rebalance stocks and bonds.

Relative valuations, drift from policy targets and unique client circumstances also drive recommendations for actively managed portfolios.

YIELD CURVE SLOPE

The relationship between the slope of the yield curve and equity returns appears in the chart below. Since we are interested in how the slope today affects returns over the next 12 months, we have advanced the slope line by 12 months so it matches up to 12-month trailing equity returns of today. Though they do not line up exactly, periods of poor equity returns are shown in many cases to coincide with a flattening or inverted yield curve. It should be noted that the yield curve has inverted only a handful of times in the past 30 years. Importantly, the bearish equity environment has not lasted very long and tends to reverse once the yield curve begins to steepen.

U.S. STOCK RETURNS AND YIELD CURVE RELATIONSHIPS
1983 THROUGH 2017



Source: Bloomberg. Past performance does not guarantee future results.

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NOT A DEPOSIT	NOT FDIC INSURED	MAY LOSE VALUE	NOT BANK GUARANTEED
NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY			