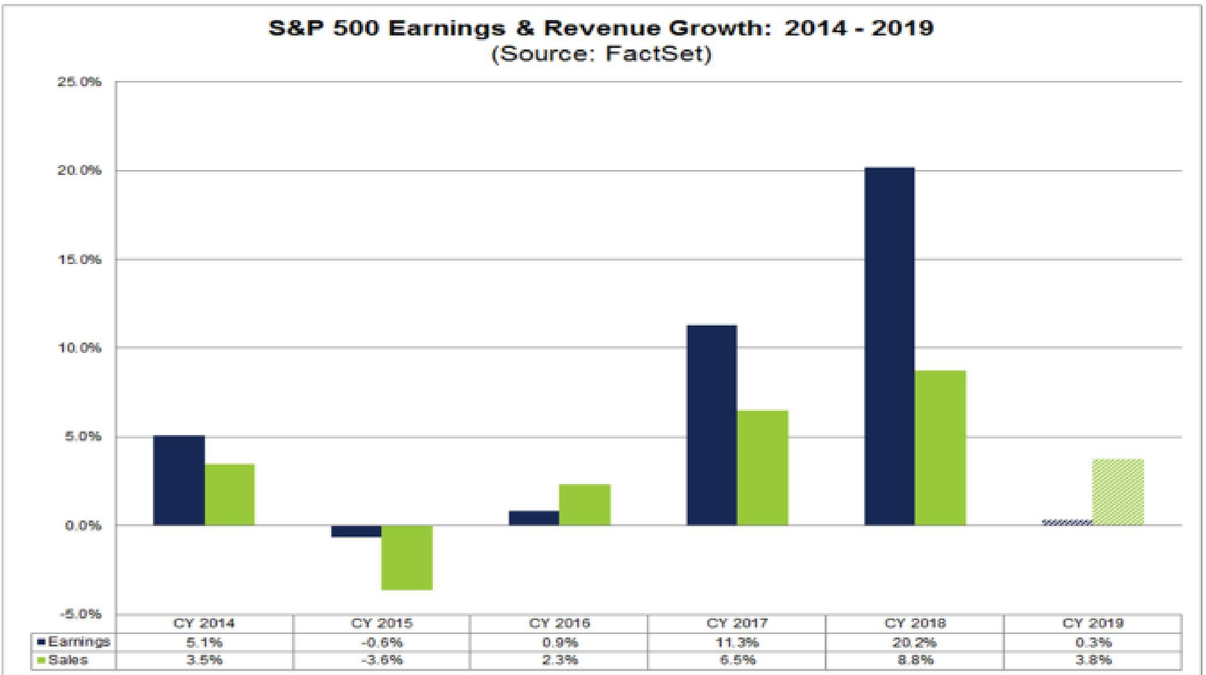
US Equity Market Overview:

2019 has been an exciting year for the domestic stock market. At the time of this review, the market has hit all time highs with the S&P 500 index nearing 3,200 and the DOW reaching 28,300 for the first time in the index's history. Year to Date, these two-leading domestic indices have returned 27.58% and 21.47%, respectively. Although earnings and revenue growth are slowing versus 2017 and 2018, the market remains optimistic on economic tailwinds including favorable rate environments, auspicious labor and employment situations, and a strong American consumer. Trade deals, specifically with China, have been the topic of conversation in technology and manufacturing centric corporations. With the announcement of phase one of the Chinese trade deal, the market remains optimistic that further passages will be favorable for domestic equities and economic growth.



	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019
Earnings	5.1%	-0.6%	0.9%	11.3%	20.2%	0.3%
Sales	3.5%	-3.6%	2.3%	6.5%	8.8%	3.8%

For illustrative Purposes Only

Difficult Fixed Income Environment:

While rate cuts have proven favorable for risk-on trades and inflows to the equity markets, fixed income returns have been stifled as rates continue to remain low versus historical averages. Following three rate cuts in 2019 to a Fed Funds target of 150-175bps, fixed income yields, particularly in investment grade rated corporate issues; have continued to decline and have since stagnated into December 2019. Investors are planning on rates remaining stable into Q1 and Q2 2020.

Market Reactions to Political Uncertainty:

Although we are experiencing a certain degree of political turmoil in Washington, domestic equity markets remain somewhat unaffected. Domestic equity markets continued to rally following the impeachment proceedings for President Trump. As the impeachment inquiry moves to the Upper House, public sentiment remains confident that removal will not be on the table for the Republican majority Senate.

The Nulman Group Sentiment:

We remain cautiously optimistic on domestic equity markets. While US economics, consumerism, and labor statistics continue to improve, we are expectant that the US equity market will continue to provide favorable returns to investors into 2020. While our sentiment is based on a growing economy and labor market, we are cautious as to the degree in which the market has rallied. With price to earnings ratios increasing dramatically, there are justifiable fears that there could be a potential pullback, if significant headwinds to economic growth or trade arise. With modest earnings degradation, we are constantly monitoring the domestic market for lapses in corporate earnings and revenue growth. We would expect to have a pessimistic shift if corporate growth continues to decrease or stagnate. We are most favorable in the biotech, pharmaceutical, technology, consumer discretionary, and consumer cyclical sectors

Although fixed income yields have deteriorated with continuing rate decreases, we are still seeing favorable returns in the investment grade corporate market versus money market and treasury securities.

We continue to see the alternative investment environment as favorable, specifically those that provide current income to investors. We are continuing to focus on non-correlated assets to domestic capital markets to bolster yields versus fixed income securities.