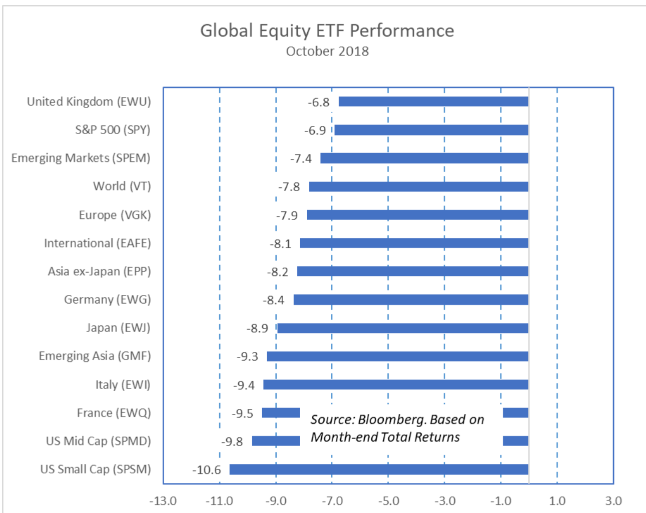
OCTOBER 2018 CAPITAL MARKET REVIEW

Good riddance October! There was practically no place to hide across the global capital markets. Only short-term U.S. Treasuries and U.S. dollar-based international fixed income posted positive returns in October while the balance of our monitoring universe declined, and in most cases painfully.



Equity Markets*

Global stocks fell 7.8% in U.S. dollar terms with U.S. small and mid-cap stocks posting the most severe declines of 10.6% and 9.8%, respectively. The best that can be said of U.S. Large Cap equities is that they fell less than the rest of the world.

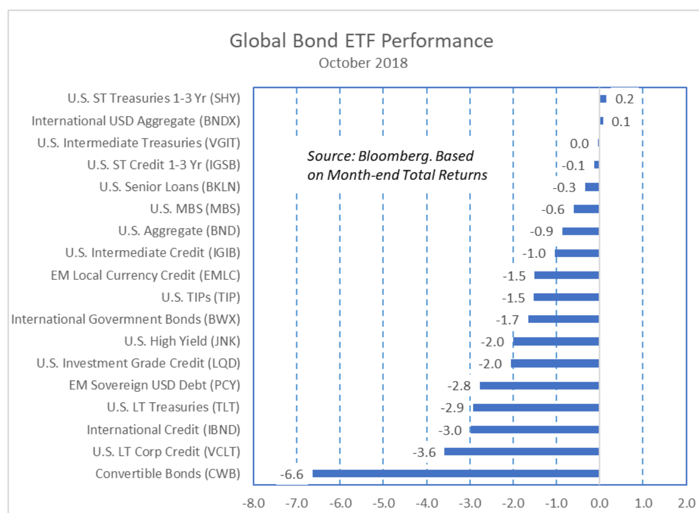
Continental European bourses continued to underperform during the month which we find frustrating as the region's equity indices have been declining since May. Concerns regarding Italian debt and budgetary issues continued to cast a pall over the region.

Bond Markets*

Only short-term U.S. Treasuries and international U.S. dollar-based bonds rose in price during October. Traditional safe haven long-term U.S. Treasuries fell as the yield on the benchmark 10-year U.S. Treasury bond rose from 3.06% to 3.14%.

Lower quality U.S. convertible bonds fell 6.6% due, in part, to equity market sensitivity while U.S. long-term corporate bonds contracted 3.6%.

The U.S. dollar gained 2.3% for the month, benefiting from a flight to quality.



**The returns cited reflect total return performance of exchange traded funds listed in the corresponding bar charts*

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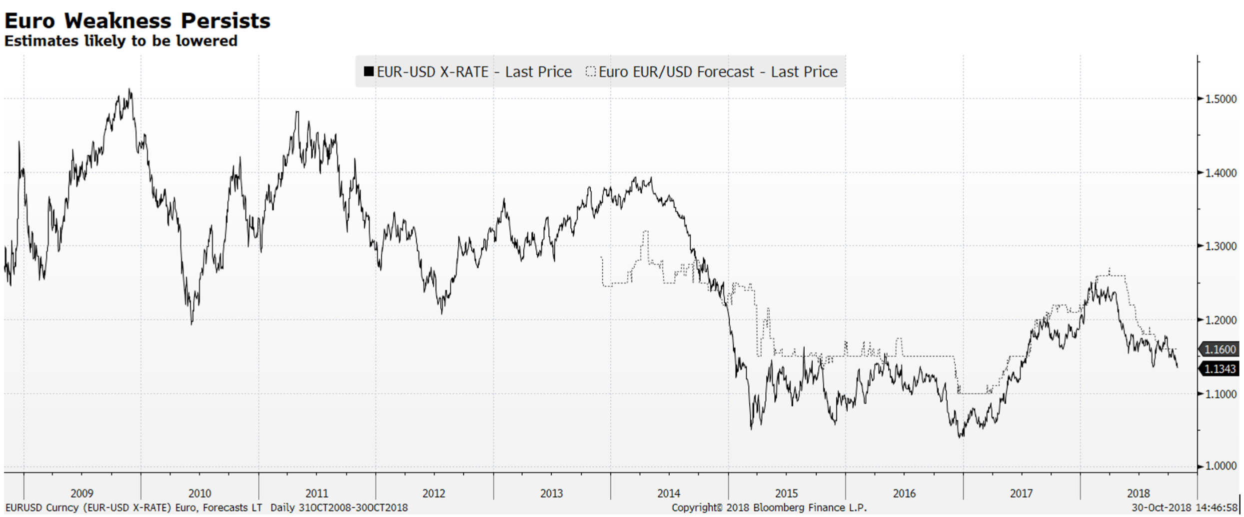
Euro-USD Relationship Under Pressure

The euro has weakened considerably versus the U.S. dollar this year and is currently testing support levels reached just a few months ago. Our concern is that there may be further weakness ahead as economic activity continues to be sluggish on the Continent – the key German economic engine appears to have stalled as the Bundesbank expects Q3 to exhibit zero growth although officials expect that to be temporary. Consensus forecasts (the dotted line on the chart below) may catch up to current prices placing further downward pressure on the currency. This is happening at a time when the European Central Bank has indicated that it will begin to end quantitative easing exercises towards the end of the year.



Source: Bloomberg

See the WCM website for more market commentary or contact us with any questions.

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WILDE CAPITAL MANAGEMENT

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PORTFOLIO POSITIONING

In terms of overall positioning, we maintain a long-standing preference for the U.S. across equities and fixed income. Within U.S. equities, we eliminated our small and mid-cap holdings but are moderately overweight through our large cap exposure. We are significantly underweight non-U.S. equities with only one position - a neutral weighting to Japan. Our overweight to the U.S. is primarily funded from non-U.S. bonds. Within fixed income, we are overweight in the U.S. with a preference for corporate credit. We do not have any current exposure to non-U.S. fixed income. Our portfolios maintain lower duration than the benchmark. Our cash position is substantially overweight relative to our benchmark.

RISK OUTLOOK

Economic activity generally remains robust in the U.S.; the rest of the world is less certain as European growth appears to be stagnating while China's economy has been decelerating. The following are key risks we are monitoring:

- Strength in the U.S. dollar is being cited by some U.S. companies as placing downward pressure on earnings and revenue during this earnings season. That, coupled with higher tariffs, may risk derailing the bull market in U.S. risk assets.
- Highly indebted emerging economies, particularly in Latin America, may continue to face headwinds due to the combination of a strong U.S. dollar and higher interest rates.
- European equities continue to disappoint, as sluggish economic activity, Italian debt, Brexit negotiations, and budget-related issues remain major hurdles.
- Ongoing international trade disputes, particularly with China, and tariffs may continue to contribute to market uncertainty. However, that concern may be alleviated with the potential for the U.S. and China to resolve some of these issues at the upcoming G20 summit in Buenos Aires in late November.

KEY EVENTS IN NOVEMBER

Week 1

- 11/1 U.K.: BOE Policy Rates
- 11/2 U.S.: Employment Surveys
- 11/4 China: Caixin Composite PMI
- 11/4 Japan: Nikkei Composite PMI
- 11/5 U.S.: Markit Composite PMI
- 11/5 U.K.: Markit/CIPS Composite PMI
- 11/6 Eurozone: Markit Composite PMI

Week 2

- 11/8 U.S.: FOMC Rate Decision
- 11/8 Eurozone: ECB publishes economic bulletin
- 11/8 China: Price Index Surveys
- 11/9 U.K.: Q3 GDP
- 11/13 Eurozone: ZEW Expectations Survey
- 11/13 Japan: Q3 GDP
- 11/14 U.K.: Price Index Surveys
- 11/14 Eurozone: Q3 GDP

Week 3

- 11/20 U.S.: Housing Surveys
- 11/21 U.S.: Conf. Board Leading Indicators
- 11/21 U.S.: Univ. of Mich. Sentiment Surveys

Weeks 4&5

- 11/26 Japan: Leading Indicators
- 11/27 U.S.: Conf. Board Confidence Surveys
- 11/28 U.S.: Q3 GDP
- 11/29 U.S.: FOMC Meeting Minutes
- 11/29 U.K.: GfK Consumer Confidence
- 11/29 Eurozone: EC Confidence Surveys
- 11/30 Japan: Consumer Confidence
- 11/30 Japan: Housing Surveys (Oct.)

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It is important to remember that there are risks inherent in any investment and that there is no assurance that any money manager, fund, asset class, style, index or strategy will provide positive performance over time.

Diversification and strategic asset allocation do not guarantee a profit nor protect against a loss in declining markets. All investments are subject to risk, including the loss of principal.

The information contained herein is based upon the data available as of the date of this document and is subject to change at any time without notice.

Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, the risk of issuer default, liquidity risk and market risk. These risks can affect a security's price and yield to varying degrees, depending upon the nature of the instrument, and may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets. In general, a bond's yield is inversely related to its price. Bonds can lose their value as interest rates rise and an investor can lose principal. If sold prior to maturity, fixed income securities are subject to gains/losses based on the level of interest rates, market conditions and the credit quality of the issuer.

Foreign investments are subject to risks not ordinarily associated with domestic investments, such as currency, economic and political risks, and may follow different accounting standards than domestic investments. Investments in emerging or developing markets involve exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability than those of more developed countries. These securities may be less liquid and more volatile than investments in U.S. and longer-established non-U.S. markets.

An investment in small/mid-capitalization companies involves greater risk and price volatility than an investment in securities of larger capitalization, more established companies. Such securities may have limited marketability and the firms may have more limited product lines, markets and financial resources than larger, more established companies.

Portfolios that invest in real estate investment trusts (REITs) are subject to many of the risks associated with direct real estate ownership and, as such, may be adversely affected by declines in real estate values and general and local economic conditions.
Portfolios that invest a significant portion of assets in one sector, issuer, geographical area or industry, or in related industries, may involve greater risks, including greater potential for volatility, than more diversified portfolios.

Important Disclosures: Exchange-Traded Funds

Exchange-traded funds (ETFs) are investment vehicles that are legally classified as open-end investment companies or unit investment trusts (UITs) but differ from traditional open-end investment companies or UITs. ETF shares are bought and sold at market price (not net asset value) and are not individually redeemed from the fund. This can result in the fund trading at a premium or discount to its net asset value, which will affect an investor's value. Shares of certain ETFs have no or limited voting rights. ETFs are subject to risks similar to those of stocks.

ETFs included in portfolios may charge additional fees and expenses in addition to the advisory fee charged for the Selected Portfolio. These additional fees and expenses are disclosed in the respective fund/note prospectus. For complete details, please refer to the prospectus.

For additional information regarding advisory fees, please refer to the Fee Summary and/or Fee Detail pages (if included with this report) and the program sponsor's/each co-sponsor's Form ADV Part 2, Wrap Fee Brochure or other disclosure documents, which may be obtained through your advisor.

Certain ETFs have elected to be treated as partnerships for federal, state and local income tax purposes. Accordingly, investors in such ETFs will be taxed as a beneficial owner of an interest in a partnership. Tax information for such ETFs will be reported to investors on an IRS schedule K-1. Investors should consult with their tax advisors in determining the tax consequences of any investment, including the application of state, local or other tax laws and the possible effects of changes in federal or other tax laws.