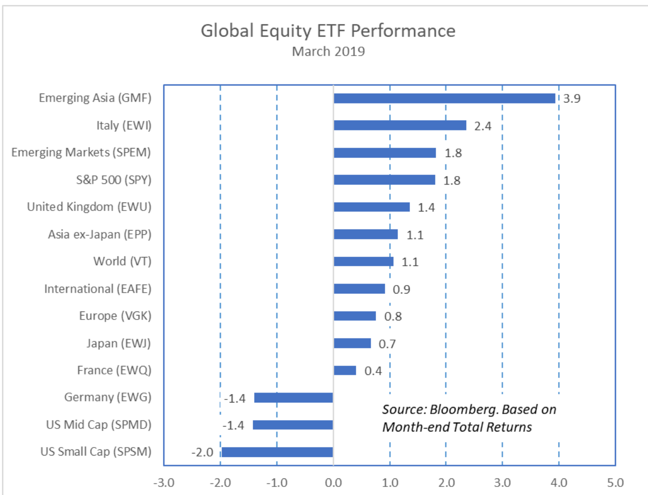
WILDE CAPITAL MANAGEMENT

MARCH 2019 CAPITAL MARKET REVIEW

Global stock and bond markets built on February's strong gains. The clear market leaders were the longer dated U.S. fixed income markets, followed by Emerging Asia equities, Italian stocks and U.S. Large Cap equities.



Equity Markets*

Global stocks continued to rally, gaining a solid 1.1% in U.S. dollar terms during March. Emerging Markets in Asia outperformed, advancing an impressive 3.9% followed by Italy which gained 2.4%. U.S. Large Caps, Broad Emerging Markets and the United Kingdom also generated outperformance relative to the global benchmark.

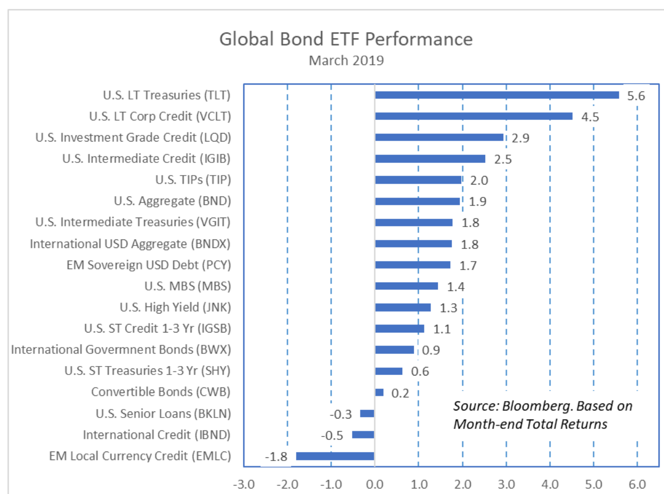
U.S. Small and Mid Cap companies as well as German equities were disappointments for the month, producing negative total returns.

Bond Markets*

In March, longer dated U.S. fixed income markets posted strong gains with Long Term Treasuries advancing 5.6% in total return and Long Term Credit ahead by 4.5%.

International bond performance was mixed—government bonds gained 0.9% while corporate credit and Emerging Market local currency bonds contracted by 0.5% and 1.8%, respectively.

The U.S. dollar posted a gain of 0.72% for the month as measured by the Bloomberg Dollar Spot Index.



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

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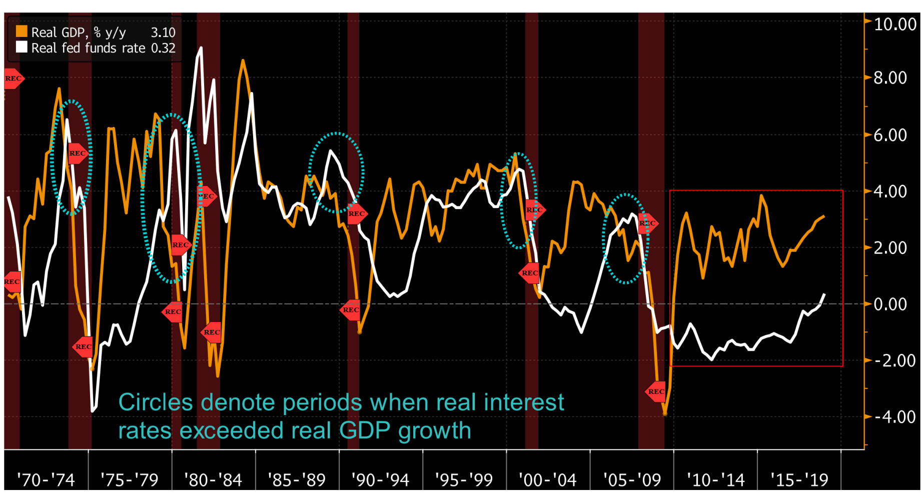
Fed Policy and the R word…

After the conclusion of their scheduled meeting Jerome Powell, Chairman of the U.S. Federal Reserve, announced that the Fed had reduced their planned Fed Funds rate increases to zero for the year by a unanimous 10-0 vote. Additionally, he announced that they would begin slowing the pace of balance sheet contraction beginning in June from $30 billion to $15 billion per month and end the planned shrinkage by September. These developments were received favorably by stock and bond markets because they signal that monetary policy will continue to be supportive of asset prices.

Investors have been concerned over the past several months that the Fed had adopted an overly restrictive monetary stance as economic conditions in the U.S. were exhibiting signs of softening and potentially leading to a recession. The chart below comes to us from the Bloomberg Economics team and shows the relationship between real U.S. GDP growth and the **real** Fed Funds rate along with recessions going back nearly 50 years. The points that the team make are that historically, the economy has yet to head into a recession when the real Fed Funds rate is at current levels, and it is not until this key rate exceeds real GDP growth that a recession follows—those occurrences are highlighted by the circles on the chart and do appear to be an early warning of recessions. We may have a fair amount of time before seeing those conditions develop.

Real U.S. GDP Growth & Real Fed Funds Rates



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

"Most global stock and bond markets built on their strong February gains. The clear market leaders across asset classes were longer dated U.S. fixed income markets, Emerging Asia and Italian equities and U.S. Large Cap stocks."

PORTFOLIO POSITIONING

In terms of overall positioning, we remain overweight to U.S. equities and fixed income. Within U.S. equities, we are overweight Large Cap stocks versus our benchmark. We are significantly underweight non-U.S. equities; however, we do have a sizeable position in Emerging Asia. Our overweight to U.S. is primarily funded from non-U.S. stocks and bonds. Within fixed income, we are overweight in the U.S. with a preference for mortgages. 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 now lower than our benchmark.

RISK OUTLOOK

Economic activity generally remains positive in the U.S. although the pace is slowing. The rest of the world is less attractive as European growth appears to be deteriorating while China's economy has been decelerating. The following are key risks we are monitoring:

- The ongoing trade negotiations, particularly with China, are a source of uncertainty that could impact the global economy and further rattle markets. It appears an agreement with China is forming that will include an enforcement mechanism to protect intellectual property. A key element of this mechanism is a multi-step appeal process for trade disputes. The ultimate agreement and the timeline are still uncertain.
- Q4 earnings season in the U.S. was positive although analysts have been adjusting their 2019 forecasts downward. Currently, analysts are predicting a decline in earnings in the first quarter relative to 2018, a strong reversal after five straight quarters of double-digit growth. A key consideration still will be how analyst expectations develop for the second half of this year.
- European equities continue to disappoint, as sluggish economic activity, Italian debt, Brexit negotiations, and budget-related issues remain major hurdles.
- 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. However, the prospects unfolding in Brazil are encouraging as pension reform momentum is building.

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KEY EVENTS IN APRIL

Week 1

- 4/1-4/2 Eurozone: Price Index Surveys
- 4/2 China: Caixin Composite PMI
- 4/2 Japan: Nikkei Composite PMI
- 4/3 U.S.: Markit Composite PMI
- 4/3 Eurozone: Markit Composite PMI
- 4/3 U.K.: Markit/CIPS Composite PMI
- 4/5 U.S.: Payroll Surveys

Week 2

- 4/8 Eurozone: Sentix Investor Confidence
- 4/10 U.S.: FOMC Meeting Minutes
- 4/10 Eurozone: ECB Policy Rates
- 4/10 China: Price Index Surveys
- 4/10-4/11 U.S.: Price Index Surveys

Week 3

- 4/16 Eurozone: ZEW Expectations Survey
- 4/16 China: Q1 GDP
- 4/17 U.S.: Federal Reserve Releases Beige Book
- 4/17 Eurozone: CPI Surveys
- 4/17 U.K.: Price Index Surveys
- 4/18 U.S.: Conf. Board Leading Indicators
- 4/18 Japan: CPI Surveys
- 4/19-4/23 U.S.: Housing Surveys

Weeks 4 & 5

- 4/24 Japan: Leading Indicators
- 4/24 Japan: BOJ Policy Rates
- 4/26 U.S.: Q1 GDP
- 4/26 U.S.: Univ. of Mich. Sentiment Surveys
- 4/26 Japan: Housing Surveys
- 4/29 Eurozone: EC Confidence Surveys
- 4/29 U.K.: GfK Consumer Confidence
- 4/30 U.S.: Conf. Board Confidence Surveys
- 4/30 Eurozone: Q1 GDP

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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.