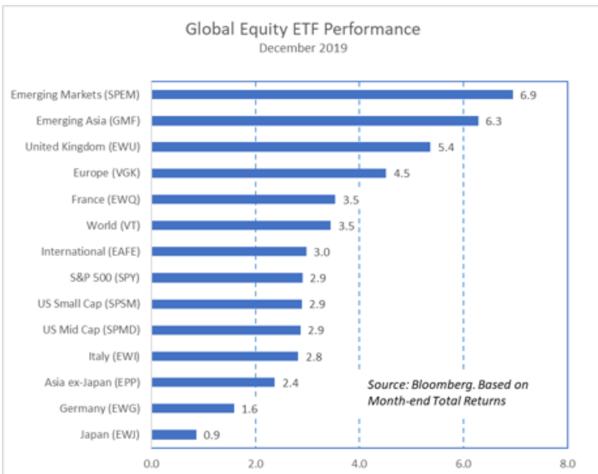
DECEMBER 2019 CAPITAL MARKET REVIEW

Global stocks finished the year with another strong month led by Emerging Markets and key European markets. International bond markets rallied as the U.S. dollar weakened in December. U.S. corporate debt also posted strong gains.



Equity Markets*

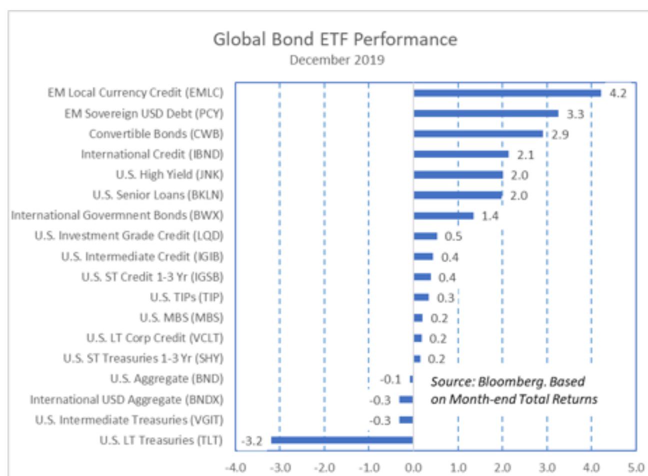
Emerging Market equities and key European bourses outperformed and the rest of the world posted solid returns in December. Emerging Markets likely benefited from greater clarity related to global trade, rising nearly 7%. The United Kingdom was also among the top performing markets rallying 5.4% in U.S. dollar terms in the aftermath of Parliamentary elections.

Stocks in the U.S. underperformed global equities but continued positive momentum with Large, Mid and Small Cap equities rising a uniform 2.9%.

Bond Markets*

U.S. corporate debt instruments posted solid gains for the month, led again by Convertible Bonds which rallied 2.9%. U.S. Long Term Treasuries fell 3.2%, marking the fourth consecutive month of price decline.

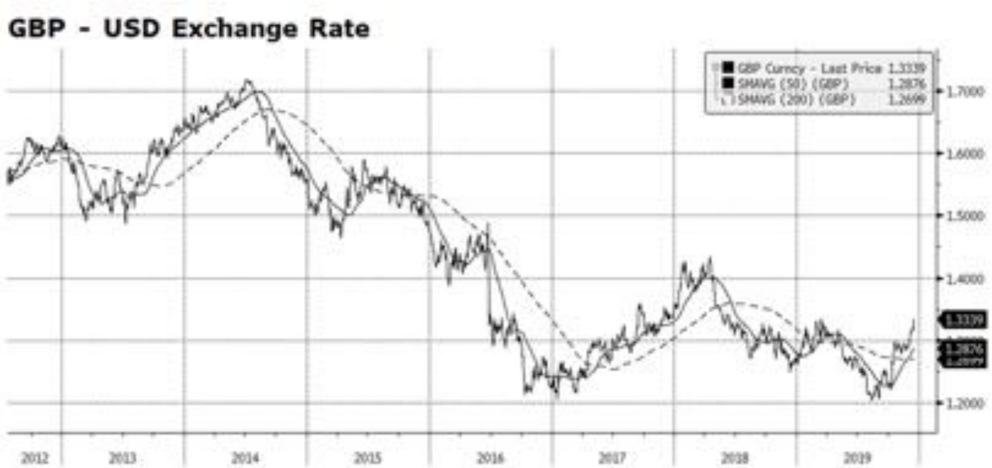
The U.S. dollar weakened during December, falling 2% against a basket of leading global currencies according to the Bloomberg Dollar Spot Index. International currency strength fueled gains in Emerging Market local currency credit, which rebounded 4.2%, and international credit and sovereign debt rallying 2.1% and 1.4%, respectively.



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

Brexit Clarity Increases

Boris Johnson's Conservative Party triumphed in Parliamentary elections on December 12th, gaining 48 seats which gave the party a clear majority in the House of Commons. Support was surprisingly strong in Northern England and Wales, which have historically been Labour Party strongholds. The outcome all but makes Brexit a certainty and Johnson has indicated that he will accelerate legislation through parliament to meet the January 31 target date for leaving the EU. The Great British Pound (pictured below courtesy Bloomberg LP © 2019) as well as the U.K. stock market has rallied strongly, likely in anticipation of the electoral outcome. British assets have been trading at significantly lower valuations than comparable global assets and this may be a catalyst that brings values more in line. In our view, there still is uncertainty regarding potential disruption in supply chains and labor markets as the Brexit process unfolds. There is, however, more clarity regarding this tense situation.



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

PORTFOLIO POSITIONING

In terms of overall positioning, we are overweight equities and underweight fixed income and cash. Within global equities, we are overweight the U.S., modestly overweight Developed Market equities (via the U.K.) and underweight Emerging Markets. We are overweight U.S. Large Cap, Mid and Small Cap stocks versus our benchmark. Our overweight to U.S. stocks is funded from Emerging Markets, international bonds and cash. Within fixed income, we are overweight in the U.S. with a preference for mortgages. With the exception of our ESG portfolios, we have no exposure to non-U.S. fixed income. Our portfolios maintain lower duration than the benchmark, and our cash position is lower than our benchmark.

RISK OUTLOOK

The U.S. Federal Reserve will likely continue to be accommodative as economic growth is steady and inflation remains below its official target. Several key central banks will likely also remain dovish due to sluggish or slowing economic activity, and this favorable monetary policy backdrop may continue to provide a supportive environment for capital markets. However, the following are key risks we are following:

- Inflation, or lack thereof, may eventually become an issue as the Fed's key inflation gauge, personal consumption expenditures (PCE), continues to register below the 2% Fed target. The risk is that extraordinary monetary policy ultimately fails to support the overall price level of goods and services, a predicament Japan has wrestled with for over two decades.
- The Federal Reserve continues to intervene in the repo market, fanning concerns about liquidity in fixed income markets.
- Phase 1 of the China – U.S. trade accord has been reached, although the scope of the agreement is narrow. Larger issues such as intellectual property protection have yet to be agreed upon. The risk is that further tariff banter could lead to market volatility.
- British Parliamentary elections resulted in the Boris Johnson-led Conservative Party victory ensuring that Brexit will proceed, providing some degree of certainty. Yet, there will likely be disruptions in trade flow and labor markets which could result in adverse market reactions.

KEY EVENTS IN JANUARY

Week 1

- 1/1 China: Caixin Composite PMI
- 1/2 Eurozone: Markit Composite PMI
- 1/2 U.K.: Markit/CIPS Composite PMI
- 1/3 U.S.: ISM Surveys
- 1/3 U.S.: FOMC Meeting Minutes
- 1/3 Japan: PMIs

Week 2

- 1/6 Eurozone: Sentix Investor Confidence
- 1/6 Eurozone: Markit Composite PMI
- 1/6 U.S.: Markit Composite PMI
- 1/7 U.S.: Factory and Durable Goods
- 1/9 China: Money Supply Measures
- 1/9 Japan: Household Spending
- 1/9-10 U.S.: Labor market statistics
- 1/12 U.S.: PPIs
- 1/12 Japan: Industrial Production

Week 3

- 1/13 U.K.: GDP
- 1/13 U.K.: Industrial Production
- 1/14 U.S.: CPIs
- 1/15 Eurozone: Industrial Production
- 1/15 U.K. CPI, PPI & Retail Prices
- 1/16 China: GDP
- 1/16 China: Retail Sales
- 1/17 U.S.: U of Michigan Sentiment Reports
- 1/17 U.S.: Industrial Production
- 1/17 Eurozone: CPI
- 1/19 Japan: Industrial Production

Week 4

- 1/23 Japan: National CPI
- 1/23 Eurozone: Consumer Confidence
- 1/24 U.S.: Markit Composite PMI
- 1/26 Japan: Industrial Production YoY

Week 5

- 1/28 U.S.: Consumer Confidence
- 1/30 Japan: Industrial Production YoY
- 1/30 China: PMIs
- 1/30 U.K. BOE Asset Purchase Target
- 1/30 U.S.: FOMC Rate Decision
- 1/31 Eurozone GDP
- 1/31 U.S.: PCE Core Deflator

WILDE CAPITAL MANAGEMENT

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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.

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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.