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A Balanced Approach

No Time to Smell the Roses

The U.S. economy has now produced the longest economic expansion in our nation's history with record high employment and stock prices; however, there are few signs of exuberance or celebration. Investors, consumers, and corporate leaders have taken a cautious approach to the pivotal shift toward nationalism from the global trade paradigm built over the past several decades. Escalating trade and tariff disputes have created uncertainty and heightened concerns, as signs point toward decelerating growth world-wide.

Last September, when broad domestic stock averages reached record price levels, investors were concerned about rising inflation and the potential of an overheating U.S. economy. Then, the realization that the rest of the world had shifted to a slower economic path led to a dramatic shift in mindset.

In the hit 1950 movie, *All About Eve*, Bette Davis exclaimed "Fasten your seatbelts. It's going to be a bumpy night." In the movie, this famous line alluded to an airplane flight, but it could also apply to the turbulent ride investors have felt over the past eighteen months. The stock market has jostled around, reaching both new highs, then retreating back to lower altitudes, all within a matter of weeks. After achieving a new all-time high in early May 2019, the S&P 500 quickly corrected 7%, as new tariff threats were made against Mexico and China trade negotiations broke down. With the dispute with Mexico resolved within a few days and the disclosure that a meeting would likely take place at the G-20 summit between President Xi Jinping of China and President Trump, the markets began to rally and erased the entire correction. By late June, the stock market hit new all-time highs once again. Since the S&P 500 first rose above 2,800 in January 2018, there have been seven sell-offs with an average decline of 8.5% over thirteen trading days. Each of these market descents have been rapidly erased and nearly each time the bellwether index has climbed to new highs.

A dramatic shift by the Federal Reserve has contributed to the increased volatility and produced a significant drop of interest rates this year. In December, the Fed was focused on the strong domestic economy and maintained its continued restrictive monetary policy (raising short-term interest rates and not reinvesting maturing bonds held on its balance sheet) in the face of deteriorating global conditions during a time of tariff-induced

paralysis. On the heels of the stock market sell-off at the end of 2018, the Fed quickly reversed course and subsequent comments and actions have indicated a major policy shift has taken place. A reduction in the Fed Funds rate is now widely expected at its next meeting in late July. If implemented, this would be the first interest rate cut by the Fed in over 10 years.

The yield curve (interest rates on bonds of differing maturities) has flashed a warning sign, as an inverted or flat curve often points to a slowing economy. The bond market is 'telling' the Fed that it views the current Fed Funds rate as too high and a threat to the continued economic expansion. The Federal Reserve controls overnight lending interest rates (Federal Funds) for banks, while longer maturities are generally set by inflation expectations and the supply and demand needs of investors. The decline in interest rates (rise in bond prices) has been dramatic the last nine months and contrary to almost all investor and economists' expectations. International interest rates remain significantly below U.S. rates to the point where many European countries have negative nominal rates that are now also below levels experienced in Japan.

Day-to-day volatility has been accentuated by rapid fire communication on trade, Fed Policy, and other government policy shifts by the administration on social media. President Trump's tariff threats unsettled markets as investors anticipated further inflation impacts in the form of higher consumer prices as an outcome of these actions. In reality, just the opposite has occurred. Global economies have slowed in both Europe and Asia, leading to the re-emergence of deflationary fears in developed markets world-wide. This drove increasingly negative nominal interest rates in Europe, leading investors to U.S. bond markets and pressuring domestic interest rates down.

Recent economic indicators and corporate earnings reports have conveyed the message that the economy has moderated from the lofty levels seen in 2018. Industrial production and manufacturing data have drifted lower recently. It is difficult to determine if the recent weakness is transitory (weather related and tariff uncertainty) or an indication we are in the early stages of a broader decline. The impact of slower global growth prompted investors to anticipate a slight decline in S&P

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Arcataur Large Capitalization Equity Portfolio

- This portfolio offers investors a separately managed account consisting of high quality, blue chip stocks. Our strategy focuses on maximizing expected return through constructing diverse portfolios covering most major industry sectors. On average, this portfolio could hold 65 stocks; however, the largest 15 could account for as much as 45% of the portfolio.

Arcataur Investment Grade Fixed Income Portfolio

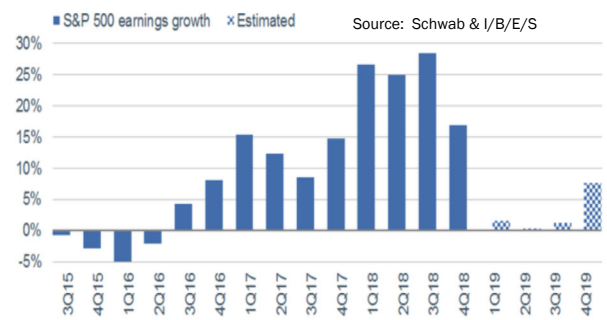
- This portfolio offers investors a separately managed account focusing on Treasuries, Agencies, corporate bonds and municipal bonds, with an average portfolio credit rating of A or better. Our approach is to actively manage interest rate risk and credit risk while minimizing liquidity risk to generate conservative risk-adjusted total return.

Arcataur Managed Balance Portfolio

- This portfolio offers investors a separately managed account which seeks to preserve capital during difficult market periods while allowing growth opportunity in good market conditions. Arcataur has developed a model that assists us in determining the relative attractiveness of stocks versus bonds. When our models and fundamental analysis indicate stocks are more attractive, we will be near our upper end of the range for stocks (75%). Conversely, when bonds are favored, we will be near the lower end of the stated range for stocks (45%).

No Time to Smell the Roses (cont.)

500 earnings for the first quarter. Instead, companies beat the negative earnings forecasts and reported a modest rise in earnings. The outlook for the second quarter reports due in July remains subdued. Estimates reflect conservative guidance, softer conditions in Europe and Asia, foreign currency headwinds, and continued uncertainty over tariffs. The chart to the right illustrates historical corporate earnings trends and the expectations for the next few quarters.



While slowing a bit, the U.S. economy remains healthy overall and doesn't show signs of an imminent recession. The unemployment rate, currently at 3.7%, remains near its 50 year low level. This, along with rising wage growth, rising personal saving rates, and lower financing costs, indicate a current favorable position for U.S. consumers. While consumer confidence statistics have moderated a bit, they still remain strong and point to continued economic expansion.

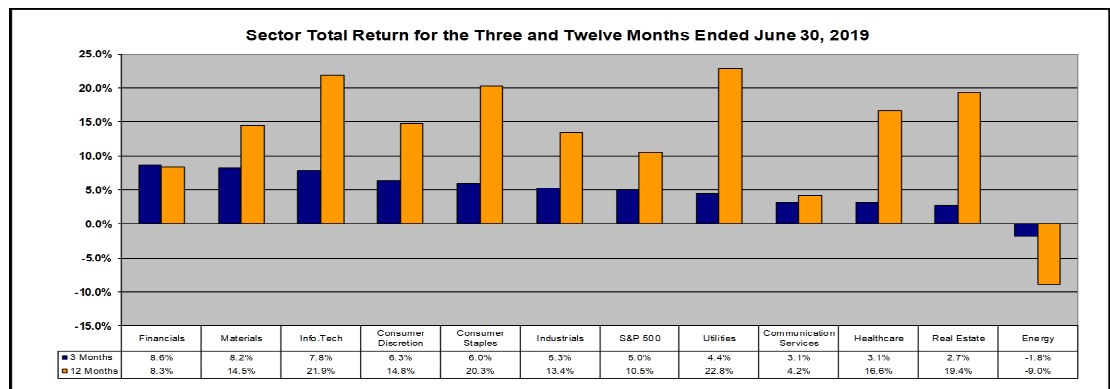
The recently concluded G-20 meeting provided a so called "truce" in the U.S./China trade war, with delays in additional tariff implementation and broader trade negotiations. Talks are scheduled to resume, but a comprehensive agreement is not expected in the near-term. Potential negotiated trade agreements will need to be evaluated by investors to determine whether they contain future benefits or will continue to hamper economic growth.

Once again, OPEC is attempting to secure previously agreed upon production cuts. The potential for less Iranian oil on the market has also increased the view that supply is coming into balance with current end demand, causing prices to normalize. With slowing global growth, demand for oil is more of a concern for producers and countries that are heavily exposed to energy production.

The direction of inflation and interest rates appears to be stabilizing at lower levels, which should provide support for domestic economic activity. Unfortunately, it may create further negative psychology for the struggling economies of Europe and Asia. While the U.S. has been the global engine of growth over the last five years, it's a condition that cannot last forever. Increased foreign growth would be welcomed, but if not achieved, increases the potential of moving the U.S. toward a recession.

The S&P 500 (total return) was up 4.30%, while the Dow Jones Industrial Average was up 4.1% in the quarter. The smaller capitalization (illustrated by the S&P 600 Small Cap Index) issues rose by 2.87%, and the technology-heavy NASDAQ Composite was up 4.7%. International stocks lagged domestic averages with the developed international markets up 2.50%, while emerging markets fell 0.31% for the quarter.

Ten of the eleven primary industry sectors produced positive returns for the quarter and 12 months, with the only exception being the energy sector. The leadership rotation over the last four quarters has been significant and is reflective of the uncertainty of future economic conditions. Technology continues to be a near and long term performance leader. As the largest weight in the S&P 500 at 21.6%, it has an outsized influence on the overall index results. Defensive sectors (consumer staples, utilities, healthcare and real estate) were standouts on a 12 month basis, but less so in the second quarter. The chart below illustrates how all the sectors performed in the quarter and for the trailing twelve months.



Source: FactSet

The Fed Pivot: An Insurance Cut — Inexperience or Political Pressure?

U.S. interest rates have declined over the last 8 months and there was a more precipitous drop near the end of May, as trade tensions rose with China and Mexico. After the Federal Open Market Committee (FOMC) meeting in June, the Fed nearly completed its 180 degree pivot from its December meeting. The Fed kept its short-term interest rate target (Fed Funds rate) at 2.0 to 2.25%, but indicated that the first interest rate reduction in 10 years would be considered if economic conditions warrant it. Bond investors interpreted this communication as a near certainty of a cut by 0.25% at the July meeting followed by a similar reduction at upcoming meetings in the fall. The Fed balance sheet is now simply dependent on bank reserve needs.

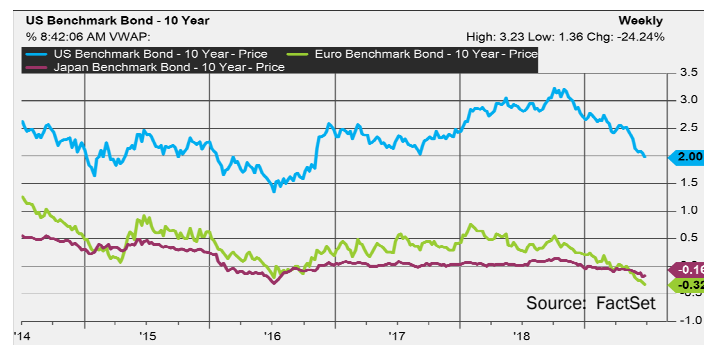
The 2-year Treasury note entered the quarter with a 2.32% yield and exited the quarter at 1.75%, while the 10-year Treasury began at 2.50% and finished 0.50% lower at 2.0%. In addition, the 3-month T-bill, which reflects the Fed Funds interest rate (2.12%), remains at a higher level than the 10-year Treasury bond. In the past, whenever this technical inversion (shorter maturity yields greater than longer-maturity yields) has occurred, a recession has followed every time except in 1994. While the 10-year yield exceeds the 2-year yield, investors are leery to jump to the conclusion that it will be the same this time, as economic conditions in the U.S. remain strong.



The Fed first shifted its monetary policy direction in January, as economic and market conditions deteriorated after its 0.25% interest rate increase in December. President Trump was extremely outspoken, especially after the significant decline in stock prices in the fourth quarter. While there was no doubt of political pressure on the Fed, most investors viewed the nuanced and accommodative stance in January as a positive indication of lower interest rates to come. As investors chalked the December interest rate increase up to Fed chairman Powell's inexperience and too much domestic and backward looking economic analysis, the fairly quick pivot allowed financial markets globally to stabilize.

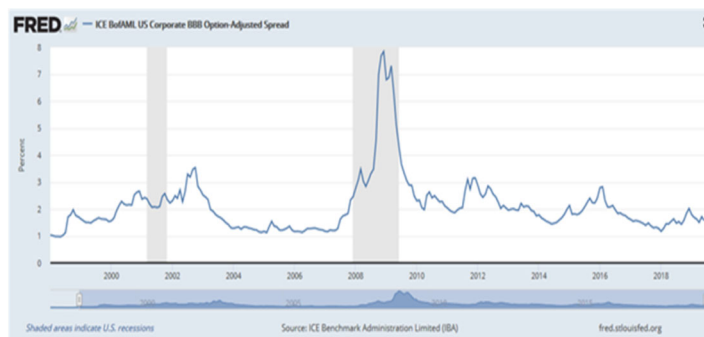
Investor concerns regarding tariffs and nationalism stem from the negative historical consequences of protectionist policy adopted during the 1930's which prolonged and deepened the depression. Today, thirty plus years of integrating global markets has elevated corporate margins to record levels, so any disruption to this model is viewed with skepticism. As such, we view the Fed to have underestimated the global economic weakness as domestic growth has remained strong. The shift in policy was necessary on all fronts to support domestic and global growth. Reducing the Fed Funds rates at the latter stages of the economic cycle attempts to extend the economic expansion; however, the unusually low level of inflation during the latter stages of this economic expansion is unprecedented. Inflation continues to be below the Fed's 2% target, and Fed officials now believe that it will take longer for inflation to reach their target.

The hope that investors and President Trump have is that cutting the Fed Funds rate will help spur economic growth, as domestic growth indicators have languished recently, following the global trends. With the uncertainty surrounding the trade negotiations with China, the status of a final ratification the USMCA (the NAFTA replacement with Mexico and Canada), and potential tariffs on various other trading partners (Europe and Japan), the bond market environment will likely remain in flux over the foreseeable future.



The U.S. economy continues to deliver low unemployment and stronger consumer spending. International growth continues to slow. The International Monetary Fund (IMF) cut its global growth forecast from 3.5% to 3.3%. Europe in particular is battling slowing economic growth and the United Kingdom is wrangling over Brexit. Reluctant to stimulate through fiscal means, the European Union (E.U.) has again turned to monetary policy to help stave off a recession. Currently, more than half of government bonds and 20% of corporate bonds in the E.U. carry a negative nominal yield. In Japan, 74% of government bonds have a negative yield. Negative interest rates have not provided the necessary economic stimulus and are widely viewed as a negative feedback loop. The graph above illustrates this current unusual differential vs. U.S. bond yields.

U.S. Investment Grade Corporate Bond spreads (the extra yield required by investors for the risk of owning corporate versus government bonds) have slightly widened recently, but remain toward the lower end of historic ranges. The chart below shows during weaker economic periods (recessions gray shaded), spreads tend to move higher. This would indicate that that U.S. corporate bond investors do not view a recession as imminent.



Arcataur continues to focus on high quality bonds. We increased U.S. Treasury and corporate bond exposure over the last 12-months, but with the recent collapse in yields, we expect to be more patient and disciplined to find appropriate value. The overall quality rating of the fixed income portfolio is mid-single A. Aggregate weighted average duration remains short and liquidity is sufficient to take advantage of opportunities that arise.

Third Quarter 2019 Investment Outlook

Stock investors cheered the trade truce between China and the U.S. after Presidents Trump and Xi Jinping met during the G-20 meeting at the end of June. The U.S. agreed to hold off on implementing additional tariffs, while China will increase some agricultural product purchases and committed to restart the stalled trade negotiations. While stock prices rose reflecting renewed optimism of a trade pact, the core differences relate to more than trade. Intellectual property disputes, human rights issues with Muslims in western China, massive protests in Hong Kong, and military installations in the South China Sea are thorny issues embedded in the negotiations. This makes achieving a successful agreement more protracted and difficult than investors desire. As the stakes are very high for both countries and the global economy, a quick positive outcome should not be expected.

With the U.S. expansion now the longest in our nation's history and the stagnating growth in Europe and Asia, global investors are cautious of future prospects. The dichotomy of the domestic expansion being long in the tooth and the rest of the world unable to stimulate growth complicates forecasting as we look out over the next 12 to 24 months. The drawn-out trade negotiations have delayed implementation of capital investment. More clarity could unleash delayed investment and improve growth, while setbacks could sow the seeds of a recession.

As domestic stock prices reach all-time highs and corporate profit expectations flatlining for the next two quarters, valuation and risks are elevated. We have utilized recent strength to reduce equity exposure for clients where appropriate. Further advances in stock prices without a corresponding improvement in global economic and profit growth could warrant moving equity exposure towards a neutral stance (at median stock exposure).

Financial market conditions can change rapidly, as illustrated by the last 12 months. The primary underpinnings of financial asset prices reflect future economic growth, interest rates, inflation, and corporate profits. Financial markets are a discounting mechanism exhibiting sentiment and expectations of key variables in the future. This aspect can be confounding to the average observer, but the recent past illustrates the current dilemma for investors.

Current earnings to be reported in late July are expected to show a small decline, slightly below the April reports, which ended up with a modest increase of less than 1%. The risk of an earnings recession is elevated and similar to what we last experienced in mid-2015 to mid-2016, which didn't end in an economic recession. Lower potential corporate earnings raise the valuation of stocks, especially after the strong rise in prices thus far in 2019.

The recovery in stock prices and the subdued earnings expectations have quickly shifted valuations from slightly undervalued at year end to somewhat overvalued today based on historical comparisons. Individual sectors and companies vary, but based upon current future estimates, the S&P 500 is now nearly at an 18 times Price/Earnings ratio, which is above the longer-term average of 15.

Domestic employment trends continue to be strong, which supports potential improved economic activity. Second quarter GDP is expected to remain positive but decline sequentially versus the first quarter of 2019, due to unseasonable weather issues, global economic weakness and tariff-related indecision. Such tepid earnings growth may limit upside opportunities in stocks.

The stagnating European and Japanese economies are a significant concern for investors. China has again implemented stimulative policies to help revive its domestic economy; however, the outcome of the U.S./China trade negotiations is increasingly viewed as a binary outcome.

In the near-term, we expect increased market volatility. Based upon the uncertainty of key investment metrics, a more significant pullback could occur with further disappointments, or a move to higher highs could ensue with a positive turn of events.

The dichotomy of the U.S. versus global economies, along with the differential in interest rates and corporate profit trends, make the current environment incrementally more challenging for investors.

The strength in stock prices and the increase in uncertainty were an impetus to marginally continue reducing stock exposure in client portfolios. We remain well diversified and patient in our investment decisions; however, our experience leads us to be slightly more defensive at this time. Stock exposure is still above median levels, but we believe a slight reduction in portfolio risk is a prudent preemptive move, as the economic picture has become somewhat murkier.

Portfolios remain well diversified and liquidity provides the flexibility to take advantage of expected future volatility. We utilized the market volatility to establish some new positions to improve diversification and took advantage of strength to reposition holdings where appropriate. New bond investments have become less attractive with lower yields, but we remain committed to find appropriate value within the current market environment.

Why is Nobody Partying like it's 1999?

Our economy recently achieved the significant milestone of the longest continuous expansion in U.S. history, ten years and one month. This also fueled the longest bull market for U.S. stocks in history, and it has clearly been a positive period for investors. However, does the lack of the euphoria that typically accompanies such halcyon markets mean that there are growing concerns about the outlook for both the economy and the markets or potentially a less severe eventual recession? The lack of euphoria could be attributed to the fact that this record-setting expansion has been well below average in terms of magnitude. The current expansion has achieved a 2.2% annual growth rate versus a post-war average of nearly double that number. That difference amounts to more than \$3 trillion of GDP versus the historical norm. The lack of sustainable growth outside of the U.S. is a significant contributing factor. Current decelerating economic data is a concern, and must be acknowledged and considered with regards to future investment considerations. While the length of the economic expansion and the bull market may cause investors to pause, there are potential positives to consider too. The incipient Federal Reserve easing cycle, U.S. energy independence, improving productivity, continued broad wage gains, and other items could continue the expansion at a decelerated rate of growth. The lack of excitement over record stock and economic performance may also reflect the stark political schisms at play in our country and concerns of reversing globalism developed over the last 35 years. Euphoria typically accompanies boom times, and potentially results in more severe recessions as previous excesses need to be addressed. The two previous U.S. recessions (2000-2002 technology bust and 2008-2009 credit crisis/housing bust) are excellent examples and are ingrained in the minds of investors and consumers today. The current expansion has not been strong enough to create similar excesses. Currently excessive student debt and expanding U.S. government debt are continued items to monitor. Although we have acknowledged the intensification of concerns previously in this newsletter and the somewhat elevated equity valuations by recently trimming stock exposure, equities will always be a meaningful part of a well-diversified portfolio given the history of strong long-term return potential. In the near term, given the fact that later stages of economic cycles generally are accompanied with increasing volatility, the somewhat "unloved" bull market and economic expansion could continue to grind ahead providing modest, but still positive returns to investors.



Arcataur Composite Investment Performance for the 3 Months, 12 Months, 3 Years and 5 Years Ended June 30, 2019

Arcataur Composite Portfolio	Total Return			
	3 months		3 yr.	5 yr.
	12 months		annualized	annualized
	6/30/2019			
Large Cap Equity	3.97%	10.15%	13.73%	9.82%
Benchmarks				
Lipper Large Cap Core	4.19%	8.85%	12.79%	9.20%
S&P 500	4.30%	10.42%	14.19%	10.71%
S&P 100	4.11%	10.94%	14.26%	10.86%

Arcataur Composite Portfolio	Total Return			
	3 months		3 yr.	5 yr.
	12 months		annualized	annualized
	6/30/2019			
Fixed Income	1.89%	5.26%	1.98%	2.55%
Benchmarks				
FTSE USBIG 1-5 (T/G/C)	1.89%	5.30%	1.73%	1.82%
FTSE USBIG (T/G/C)	3.47%	8.48%	2.41%	3.09%
Lipper Bond MF Avg.	2.30%	5.70%	2.33%	2.30%

Arcataur Composite Portfolio	Total Return			
	3 months		3 yr.	5 yr.
	12 months		annualized	annualized
	6/30/2019			
Small Cap Equity	1.73%	-4.73%	11.33%	7.73%
International Equity	2.33%	1.56%	8.54%	2.05%
Total Equity*	3.27%	5.73%	12.32%	8.17%
Benchmarks				
Lipper Small Cap Core	2.40%	-3.31%	10.04%	5.70%
S&P 600	1.87%	-4.88%	11.97%	8.41%
EAFE	2.50%	-1.86%	6.12%	-0.45%
S&P 500	4.30%	10.42%	14.19%	10.71%

Arcataur Composite Portfolio	Total Return			
	3 months		3 yr.	5 yr.
	12 months		annualized	annualized
	6/30/2019			
Managed Balance	2.79%	5.53%	9.19%	6.44%
Benchmark				
Lipper Balanced	3.20%	6.15%	7.57%	4.99%
60/40 Custom Index	3.03%	5.64%	8.02%	5.76%

*Total Equity is not an actual composite portfolio; rather, Total Equity represents a weighted average return of the Large Cap, Mid-Cap, Small Cap and International components, and is only shown as an indication of potential overall equity performance. Total Equity does not represent any actual portfolio because it is made up of a weighted average return of all equity classes. Please review complete disclosure information below.

Appendix: Disclosure Information Regarding Composite Performance

General

Arcataur Capital Management LLC is an investment advisor. Arcataur has prepared this report. The information in this report has been developed internally and/or obtained from sources which Arcataur believes are reliable; however, Arcataur does not guarantee the accuracy, adequacy or completeness of such information nor do we guarantee the appropriateness of any strategy referred to for any particular investor. Index information has been taken from public sources. Past performance is not indicative of future results, as investment returns will vary from time to time depending upon market conditions and the composition of the composite portfolio. Returns for individual investors will vary based on factors such as the account type, market value, cash flows and fees.

Calculation Methodology

The composites reflect dollar-weighted returns of individual accounts. Arcataur composites may include some discounted or non-fee paying accounts, which could cause the net return to be higher than it would be otherwise. Arcataur uses the time-weighted internal rate of return formula (i.e., returns that include reinvested dividends and other income) to calculate performance for the accounts included in the composite. Individual account returns are calculated on a time-weighted basis, linked monthly, and include reinvestment of dividends and other such earnings. Total return (return) is defined as the percentage change in market value (including interest and dividend income) adjusted for any client-directed cash flows. A time-weighted, monthly-linked method is used to calculate composite calendar quarter, annual, cumulative and annualized returns. No leverage or derivatives have been used. Cash is not included in the performance calculations for the Arcataur Large Capitalization Equity Portfolio Composite or the Arcataur Investment Grade Fixed Income Composite; Arcataur also does not allocate cash in the Arcataur Managed Balance Portfolio Composite to the equity or fixed income components when calculating performance for those components. Cash is, however, included in the overall performance calculation for the Arcataur Managed Balance Portfolio Composite.

Composites

Mutual fund holdings are not included in composite results. Exchange traded funds (ETFs) are included in composite results. Mutual fund holdings typically are "unmanaged assets" and, therefore, are not included in composite results. Exchange traded funds are designated as "managed assets" and, therefore, are included in the composite results.

The Arcataur Large Capitalization Equity Composite consists of portions of all client accounts invested in accordance with the Arcataur Large Capitalization Equity Portfolio strategy (including ETFs).

The Arcataur Small Capitalization Equity Composite consists of portions of all client accounts invested in small capitalization equity securities



Appendix: Disclosure Information Regarding Composite Performance (cont.)

The Arcataur International Equity Composite consists of portions of all client accounts invested in international securities (including ETF's).

The Arcataur Investment Grade Fixed Income Composite consists of portions of all client accounts invested in accordance with the Arcataur Investment Grade Fixed Income strategy.

The Arcataur Managed Balance Composite consists of portions of all client accounts invested in accordance with the Arcataur Managed Balance strategy.

Fees

The Composite performance figures shown above are "net" of advisory fees including any brokerage fees or commissions that have been incurred within the account. Arcataur composites may include some discounted or non-fee paying accounts which could cause the net return to be higher than it would otherwise be. The S&P 500® Index, S&P 100® Index, S&P 600® Index, the EAFE® index, the FTSE US BIG Broad Investment Grade Index total Treasury/Government/Credit (T/G/C), and the FTSE US BIG Broad Investment Grade Index 1-5 Years Treasury/Government/Credit (T/G/C) returns do not include any fees; the Lipper Large Cap Core, Small Cap Core, Balanced Fund and Bond Fund Averages are net of fees.

Indices and Benchmark Funds

The Indices and Benchmark Funds are referred to for comparative purposes only and are not necessarily intended to parallel the risk or investment approach of the accounts included in the composites. Arcataur believes that the Indices and Benchmark Funds selected for comparative purposes are appropriate measures given the investment approach. However, the investment portfolios underlying the indices are different from the investment portfolios managed by Arcataur. The Indices and Benchmark Funds shown are unmanaged, and investors are not able to invest directly in them. The Indices and Benchmark Funds are considered to be generally representative, in terms of risk and exposure, of the various components as follows:

Arcataur Large Capitalization Equity Portfolio - the S&P 500® Index, the S&P 100® Index and Lipper Large-Cap Core Average

Arcataur Investment Grade Fixed Income Portfolio - the FTSE US BIG Broad Investment Grade Index total (T/G/C) and 1-5 Years (T/G/C) and the Lipper Bond Mutual Fund Average.

Arcataur Managed Balance Portfolio - Lipper Balanced Fund Average and 60/40 custom total return index which includes: 18% S&P 500, 18% S&P 100, 9% S&P 400, 6% S&P 600, 6% EAFE, 3% MSCI-EM, 27% FTSE US BIG 1-5 years (T/G/C) and 13% FTSE US BIG total (T/G/C).

If a client's portfolio contains small cap exposure, the small cap performance is measured against the S&P 600® Index and Lipper Small Cap Core Average. If a client's portfolio contains international exposure, the performance is measured against the EAFE index.

With the exception of the Lipper Balanced Fund Average, the Lipper Large Cap Core Average, the Lipper Bond Mutual Fund Average and the Lipper Small Cap Core Average, indices and benchmark funds shown reflect the reinvestment of dividends and other earnings, but do not include transaction costs, management fees or other expenses of investing.

The S&P 500 and S&P 100 are indices of Large-Cap domestic core companies as produced by Standard and Poor's. The S&P 400 and S&P 600, respectively, are indices of Mid-Cap and Small Cap domestic core companies as produced by Standard and Poor's. The MSCI EAFE (Europe, Australasia and Far East) Index is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. MSCI Emerging Markets ETF is an index composed of large- and mid-capitalization emerging market equities. Both are maintained by MSCI Barra.

The FTSE US BIG Broad Investment grade total and 1-5 year T/G/C indices tracks the performance of U.S. Dollar-denominated bonds issued in the U.S. investment-grade bond market. It was introduced in 1985 by Saloman Brothers and subsequently renamed when purchased by Citigroup. The indices includes U.S. Treasury, government sponsored, collateralized, and corporate debt providing a reliable representation of the U.S. investment grade bond market. The FTSE Bond Indices were purchased by the London Stock Exchange in 2017 and renamed after purchase from Citigroup.

Lipper, Inc., a subsidiary of Thomson Reuters, provides mutual fund comparisons for similar investment profiles. The Lipper Large Cap core universe of mutual funds represents large-cap blend discipline of domestic companies compiled by Lipper, Inc. The Lipper Small Cap core universe of mutual funds represents small-cap blend discipline of domestic companies compiled by Lipper, Inc. The Lipper Balanced Fund universe of mutual funds represents funds that include multi-assets including stocks and bonds compiled by Lipper, Inc. The Lipper taxable bond universe of mutual

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