QR1

QUARTERLY REVIEW

INVESTMENT REVIEW & OUTLOOK

JANUARY 2018

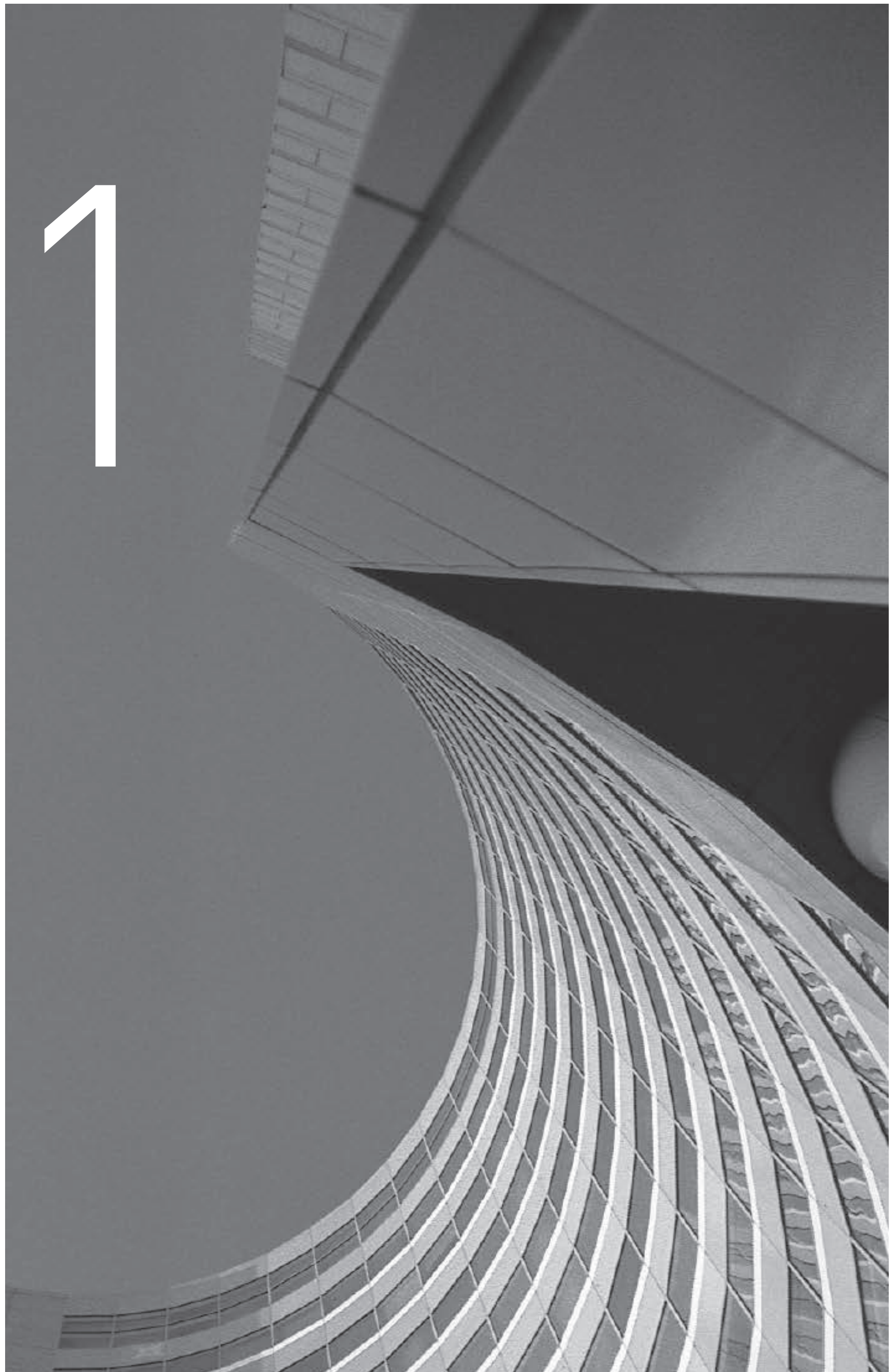
MACRO THEMES

- THE LONG U.S. EXPANSION CONTINUES
- POLICY EVOLUTION AT THE FED
- WAITING FOR INFLATION
- ECONOMIC GROWTH AND POPULISM
- TAX REFORM
- DONALD TRUMP AND THE PRESIDENCY

INVESTMENT THEMES

- FACTOR-BASED INVESTING
- BUYING THE FUTURE, NOT THE PAST
- INTERNATIONAL OPPORTUNITIES
- EARNINGS DECELERATION
- BOND MARKET CHALLENGES
- CRYPTOCURRENCIES

People's United® Wealth Management



FEATURE

Review/Press Play:

A look back to move ahead into 2018 and beyond.

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QR1

PEOPLE'S UNITED
WEALTH MANAGEMENT'S
QUARTERLY REVIEW

Economic Dashboard

- NEGATIVE
- NEUTRAL
- POSITIVE

Growth

- U.S. economy is healthy. Growth continues with a boost from the tax cuts and synchronized global growth.

Jobs

- Growth continues to add jobs and bring people back into the labor force.

Inflation

- Inflation is moderate despite low unemployment and economy at full capacity—but stay tuned.

Interest Rates

- Short-term rates rise with Fed normalization. Global demand is suppressing long-term rates.

Oil

- Demand is increasing with global growth. Prices will accelerate if U.S. shale production cannot meet higher demand.

The Dollar

- Dollar is subject to appreciation from higher U.S. rates and depreciation from current account deficit.

Review/Press Play:

A look back to move ahead into 2018 and beyond.

How different it is to be an investor today than just 12 months ago! When 2017 began, investors were wrestling with the "Killer B's": Bluster from the White House in the form of disconcerting tweets. Brexit in Europe, spreading angst on the Continent, as elections in France and Germany began to look vulnerable to populist uprisings. And Bullies in the persons of Vladimir Putin and Kim Jong Un and their potential to enflame hot spots around the globe.

Not surprisingly, with uncertainty reigning supreme, expectations for global economies and markets varied widely. As equity investors now know, though the year started with "the killer B's," it was ultimately dominated by the stellar performance of the Dow.

In the early days of 2018, we expect to see the continuation of what can only be described as a "Goldilocks" economy and a "FOMO" ("Fear-of-Missing-Out") stock market. Accelerating growth across the developed world is paired with strong employment growth and muted inflation. In the markets, investors afraid of missing out have driven strong returns in stocks from both the developed and emerging worlds and in asset classes ranging from conservative utility stocks to aggressive technology shares.

John S. Traynor
Executive Vice President
Chief Investment Officer

Key Themes for the Year Ahead

Our positive forecast for equity markets in 2018 is tied to the four themes we discuss below, most of them favorable for stocks. Naturally, our positive view is tempered by concerns over the midterm elections, a slowdown in Chinese growth, and the ever-present geopolitical risks posed by North Korea and the Middle East. But on balance, we're optimistic about prospects.

Theme #1:
Economic Growth Continues

- U.S. unemployment was at 4.1% at year-end 2017, a 17-year low, and appears poised to move even lower this year.
- Real U.S. GDP in the fourth quarter of 2017 could grow at a 3% rate, which would mark the third straight quarter of at least 3% growth—something we haven't seen since 2004.
- U.S. business investment is accelerating.
- Consumer confidence here at home is strong.

And globally:

- We think that growth will be the strongest since the end of the worldwide recession.

As can be seen in Chart 1, this quarter marks the time when the current expansion becomes the second longest uninterrupted period of growth since 1930. Within each bar on the chart we have noted the magnitude of the growth during each period. The "half-speed" nature of this expansion is evident, with a 19.6% growth rate compared with 42.6% and 41.3% in two of the expansions of comparable duration. The muted character of this expansion, at least so far, helps explain its longevity and lack of inflationary pressure. The lack of overheating is what lies behind the "Goldilocks" quality of the current economy. For this year, our expectation for U.S. economic growth is 2.5%, up from 2.3% in 2017 and 2.1% for the 2009 – 2017 period.

Theme #2:
U.S. Inflation Remains Mild

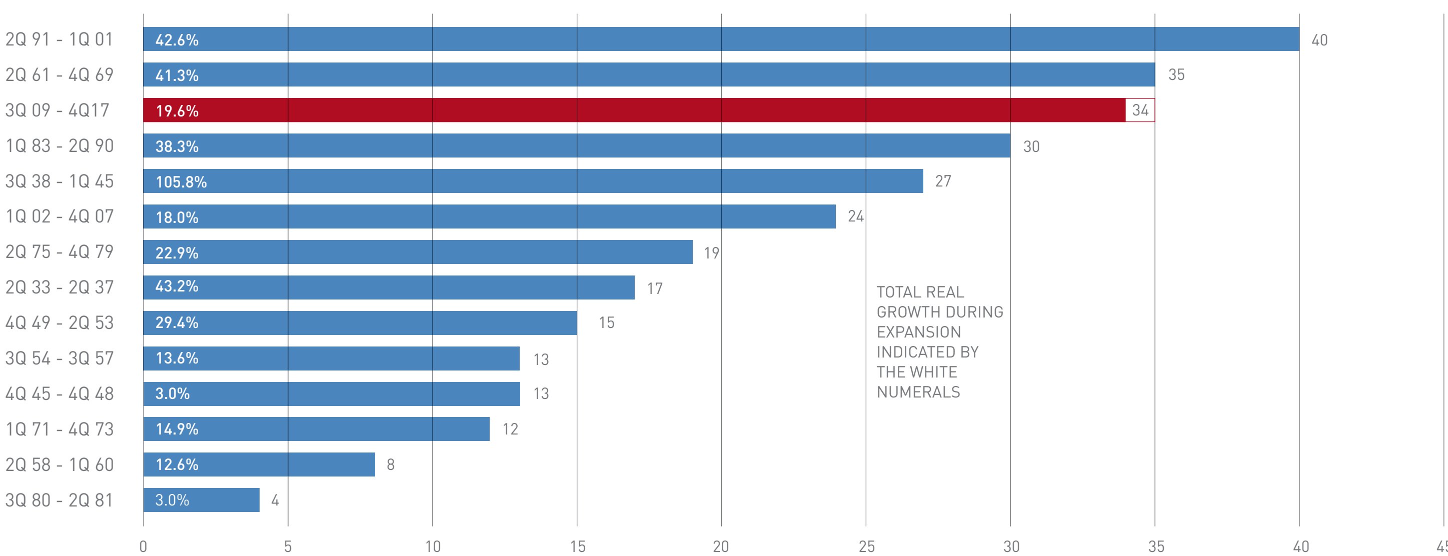
- Despite the low unemployment rate of 4.1%, wages are only growing at 2.5%.
- Core inflation (the Consumer Price Index excluding its volatile food and energy components) remains stubbornly below the Fed's 2% target.
- The "Amazon effect" has forced retailers to keep prices low as they battle online competitors.

The gradual rise in oil prices this fall has not been matched by other industrial-commodity prices, which should help both manufacturers and consumers. More broadly, the low rate of growth in the core CPI has helped economic growth expand for yet a ninth year. The latest core CPI growth rate before our publication date (as of November 2017) was 1.7% year-over-year. While we don't expect a sharp spike in inflation, we think that a gradual rise is likely.

Theme #3:
More-Hawkish Federal-Reserve Policy May Test Investors

- New Chairman Nominee Jerome Powell will likely take over leadership of the Fed this year, joined by a more hawkish board with several new voting members.
- The Fed's (and our) expectation is for three rate increases this year, following the three in 2017. *(continued on Page 8)*

CHART 1
U.S. Economic Expansions since 1930: **Length of expansion in quarters**



Source: Bureau of Economic Analysis, National Bureau of Economic Research

INDUSTRY INSIGHTS

Trust

Estate Planning: A Snapshot

What's the state of your estate plan? Every adult should be armed with a basic estate plan, regardless of age, health or wealth. Here's a snapshot of the basic documents most plans should have.

Will

A will outlines whom you want to take over your assets when you die and helps ensure that your assets are distributed accordingly. If you have young children, your will should also state whom you would like to serve as their guardian if needed.

Power of Attorney

A power of attorney authorizes someone to do things on your behalf, such as pay bills, collect benefits, complete a property sale, manage your investments and file taxes. Without a power of attorney, only a court-appointed conservator or guardian can act on your behalf. This document is especially important for single people (including your 18-year-old off to college) who can't rely on a spouse for such things.

Health Care Directive

A health care directive functions much like a power of attorney, but it appoints someone to make medical decisions on your behalf. It also outlines your medical preferences in case you become incapacitated.

Beneficiary Designations

Certain assets are distributed according to your beneficiary designation, rather than according to your will or trust. This applies to contracts like your 401(k), IRA, Roth IRA and insurance policies. Check with the administrator of each to see that your beneficiary designation is properly filled out.

Trusts

Many individuals and families should consider forming a trust, which is a legal entity that holds assets on behalf of beneficiaries. There are many different types, and the person setting up a trust can dictate precisely how and when beneficiaries receive assets. Some trusts can help your estate avoid probate, while others aim to limit exposure to estate taxes and liability.

Retirement

Retirement Resolutions

The start of a New Year is a natural time to reflect on the year past and prepare for the future. Whether you're close to retirement or still have many working years ahead of you, it's important to check in on your progress toward retirement readiness every year. Follow our retirement planning checklist to stay on track.

Determine how much of a nest egg you will need.

Your nest egg requirements depend on your current and future expenses. If you have not built a budget and begun planning for retirement, start the process now. Search online for retirement calculators to get a range of estimates for your nest egg needs, and to see what annual saving rate will get you there.

Assess your investment performance.

It's important to take stock of your investments periodically. Take a look at how your investments are doing relative to their appropriate benchmarks, and consider whether any of your current choices warrant reconsideration for performance reasons.

Rebalance your mix of stocks, bonds and other investments.

When stocks have a strong year, as they did in 2017, they end up being a larger slice of the overall portfolio by default. Take the time to see if your asset allocation needs rebalancing, which in a year like this usually entails trimming stocks and reinvesting the proceeds in bonds. Your asset allocation is your best tool to align your risk tolerance, needs, goals and objectives.

Maximize annual contributions.

Employee 401(k) contributions for 2018 have increased slightly to $18,500 with an additional $6,000 catch-up contribution allowed for those 50 and older. For both traditional and Roth IRAs, the maximum contribution for 2018 is $5,500 with a catch-up contribution of $1,000. Self-employed individuals have several options for retirement saving. Be sure to review them with a tax professional to ensure that you are maximizing annual contributions.

Research

The Charm of Factor-Based Investing

Gregg S. Fisher
Head of Research and
Portfolio Strategy

In recent years, we have seen the rise of factor-based equity investing. At Gerstein Fisher, the quantitative research arm of People's United Bank, we call this investing strategy "the third way," to distinguish it from passive indexing and active management[1].

Research by Gerstein Fisher and others has identified certain characteristics, or factors, of stocks and other securities that explain differences in historical or expected returns. In our multi-factor investing strategies, we design diversified portfolios that overweight factors (relative to a benchmark) that have rewarded long-term investors and underweight factors that have detracted from returns. We apply this approach to several equity strategies, including growth (U.S. and foreign), value, global REITs, socially-responsible and tax-managed investing.

Among factors we overweight are Size (a return premium for holding stocks of smaller companies), Price (a premium for value vs. growth stocks), and Momentum (a premium for stocks with recent gains). Our underweights include High Asset Growth and, in our REIT strategy, Leverage.

To put these insights into action, we have to balance practical issues such as how to optimally trade and combine factors, how to minimize tax liabilities, and how to determine which factor combinations are appropriate for different investor profiles.

Momentum, for instance, would appear to work extremely well in both growth stock and REIT portfolios, but the high turnover and transaction costs would quickly devour the return premium (and generate high tax liabilities in taxable accounts) in the real world. Our research in combining this fast-moving factor with Value, a slow-moving factor, in the same portfolio helped solve for the high-turnover issue.

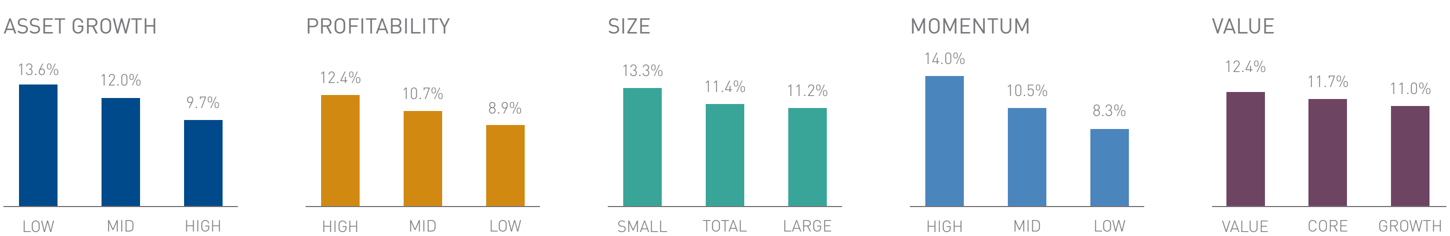
Our REIT strategy is unusual in being both global and tilting strongly away from Leverage (also the result of factor research). For our international developed growth strategy, we tilt country allocations away from the largest foreign markets and toward smaller countries, as our research demonstrated that the "small-country effect" has generated better risk-adjusted returns.

The research never ends in the evolving world of factor-based investing. One of our current research projects aims to optimize factor allocations for investors with differing risk preferences; another focuses on how factor tilts affect tax-loss-harvesting opportunities in taxable equity portfolios. At Gerstein Fisher, we are big believers in factor investing—and in the ability of ongoing research to refine and enhance our portfolio strategies.

1. For additional information, please go to https://gersteinfisher.com/gf_article/

Factor Tilts Can Generate Outperformance: Historical U.S.-Factor Performance and Premiums

MONTHLY DATA FROM JANUARY 1977—DECEMBER 2016



Average compound annual returns (%) in US dollars. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Portfolios are based on CRSP market portfolios divided into bottom 30%, middle 40%, and top 30% segments for respective factors and calculated on a value-weighted basis. For momentum portfolios, the average of respective decile portfolios are used to create 30/40/30 breakpoint portfolios. Asset class returns are not representative of indices or actual portfolios and do not reflect costs and fees associated with an actual investment. Actual returns may be lower.

Source: Gerstein Fisher Research

PORTFOLIO NOTES
& INSIGHTS

Out with the Old and in with the New.

Albert Brenner, CFA

Director of Asset
Allocation Strategy

The end of the year is a time for assessment and goal setting—for looking back at where the past year has brought us and for looking forward and planning for the new year. It is a time for reflection and resolutions.

Investors looking back on 2017 have to be satisfied. Equity markets generated returns of more than 20%. U.S. markets set successive new highs, and the S&P 500 did not suffer a loss of more than 3% all year. Bond investors realized modest single-digits returns. Investors with a growth objective had portfolio returns of nearly 20%, while more conservative investors in a balanced portfolio experienced returns of more than 10%.

Will 2018 be as good for investors as 2017? Probably not—and there's the rub for investors planning for 2018.

Investors buy the future, not the past. But our experience of the past leaves an undeniable imprint on our expectations for the future and the decisions we make in anticipation of the future. The classic case is the investor who looks enviously at the last year's return generated by a higher-risk portfolio and decides to take on more risk in her portfolio for the future.

Investors must remain staunchly forward looking in planning for 2018. All other things being equal, portfolio risk should remain the same or decrease over time. If you are tempted to increase your portfolio risk for 2018 or to shift your allocation towards those assets that did well last year, stop and ask whether you are being consistent with your goals and risk tolerance, or you are just chasing last year's returns. Consult with your financial advisor; it's his or her job to help you stay on course.

We expect that the economy will continue to grow in 2018. Prospects for a recession are remote. The tax bill will support growth, with the extent of the boost dependent on what corporations do with their tax savings. As we approach the tenth year of the current

People's United Wealth Management Dashboard

EQUITIES

BONDS

REAL ASSETS

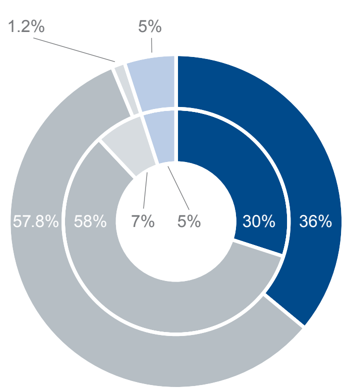
CASH

The four portfolios depicted at right reflect our investment strategies to address the most common investor objectives.

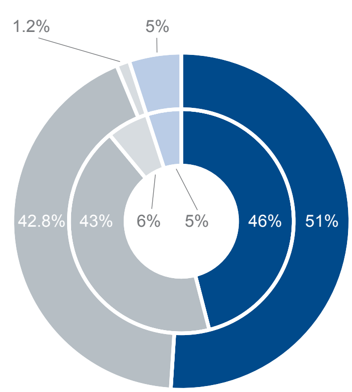
The **inner circle** in each chart represents our long-term strategic allocation for the objective.

The **outer circle** represents the current tactical adjustments we've made within the allowable allocation ranges to take advantage of current and prospective market and economic conditions.

Income With Moderate Growth Objective



Balanced Objective



FOCUS ON
Manager Selection

growth cycle for the U.S. economy, the risk is that growth may be more than we need, rather than less than we want.

Despite a favorable economic environment, capital-market returns for 2018 will almost certainly lag 2017 returns. We expect returns on the S&P 500 to be in the mid-single-digit range compared to over 20% for 2017. Valuation will be key.

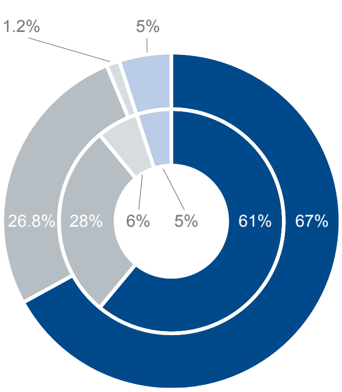
By the end of 2018, equity investors will be buying 2019 earnings. The current consensus estimate for S&P 500 earnings for 2019 is $160 per share. Valued at the current level of 18.3 times forward earnings results in a December 2018 index level of 2930 compared with the current level of 2650 (as of mid-December). A nearly 300 point rise in the index plus dividends yields a total return of 12%. But the current valuation level is elevated and not likely to hold throughout 2018, especially as the economic cycle gets older and inflation and interest rates rise, as we expect. At a valuation level of 17.0 times forward earnings—still well above the long-term median level of 15.0[1]—2019 earnings would result in only a 70-point rise in the index. With dividends, the S&P 500 would return about 5%.

Bond market returns are more likely to mimic their 2017 performance, but here too, the risks are more to the downside than the upside. Rising interest rates and increasing inflation pressures are likely to adversely impact bond prices. We expect investment-grade bonds to realize returns of just less than 2.0%—moderately under their return for 2017.

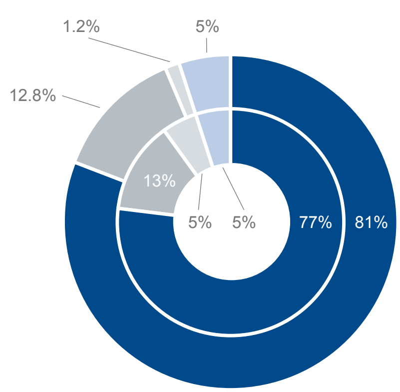
With expected stock returns continuing to outpace expected bond returns for 2018, we are maintaining an overweight to equities, as indicated by the tactical rings in the charts below. Investors looking ahead should be prepared for lower portfolio returns than in 2017 but should be careful not to let their reflections on 2017 cause them to alter their risk profile or to chase last year's returns.

1. For the curious, a price to forward earnings ratio of 16.9 is at the 75th percentile of historical levels since 1990.

Growth with Moderate Income Objective



Growth Objective



Why Star Ratings Don't Work for Mutual Funds

When it comes to buying a new appliance or choosing a restaurant, we've come to rely on star ratings for information about quality.

But a recent article in *The Wall Street Journal* cautioned that the star ratings assigned to mutual funds by popular research service Morningstar don't offer investors much information. Morningstar rates mutual funds based on past performance, which actually offers little indication about how funds are likely to perform in the future.

How We Evaluate Managers

While we do consider past performance in evaluating managers, it is only a component. We also examine performance through a full market cycle, to see how a fund performs in both up and down markets, and consider how consistent its performance has been. We look at the management team and analysts, at their experience and tenure with the firm and the strategy. We analyze the risk profile of the fund, and investigate the ways that it differs from its benchmark.

We pair this analysis with our in-person visits to fund managers to create a proprietary scorecard that guides our manager selection and recommendations. While star ratings are appealing for their simplicity, when it comes to mutual funds, only a robust and comprehensive selection process can offer real value to investors.

Review/Press Play:

A look back to move ahead into 2018 and beyond.

CONTINUED FROM PAGE 2

The Fed will continue its two-pronged strategy to withdraw liquidity from the markets this year by raising interest rates and shrinking the size of its balance sheet. If we have one concern about the direction financial markets take going forward it is that the Fed errs on the side of acting too quickly rather than too slowly. Draining the unprecedented sea of liquidity provided by the Fed since 2008 may not rival the twelve labors of Hercules in difficulty, but for our new Fed Chairman Powell, it may, as he tries to cleanse the economy, akin to the cleaning of the Augean stables

The three time periods shown in Chart 2 illustrate the elevated market volatility experienced during the last three Fed rate-increase cycles. While each cycle was arguably handled well, investor nervousness increased as the uncertainty about the duration and magnitude of each Fed cycle spooked investors. While we believe the Fed will be prudent in the current cycle, there will undoubtedly be opportunities for investor nervousness to cause market declines. Managing through this increased volatility will be a test for investors grown accustomed to much smoother markets.

Theme #4:
Tax Reform Likely Spurs Growth

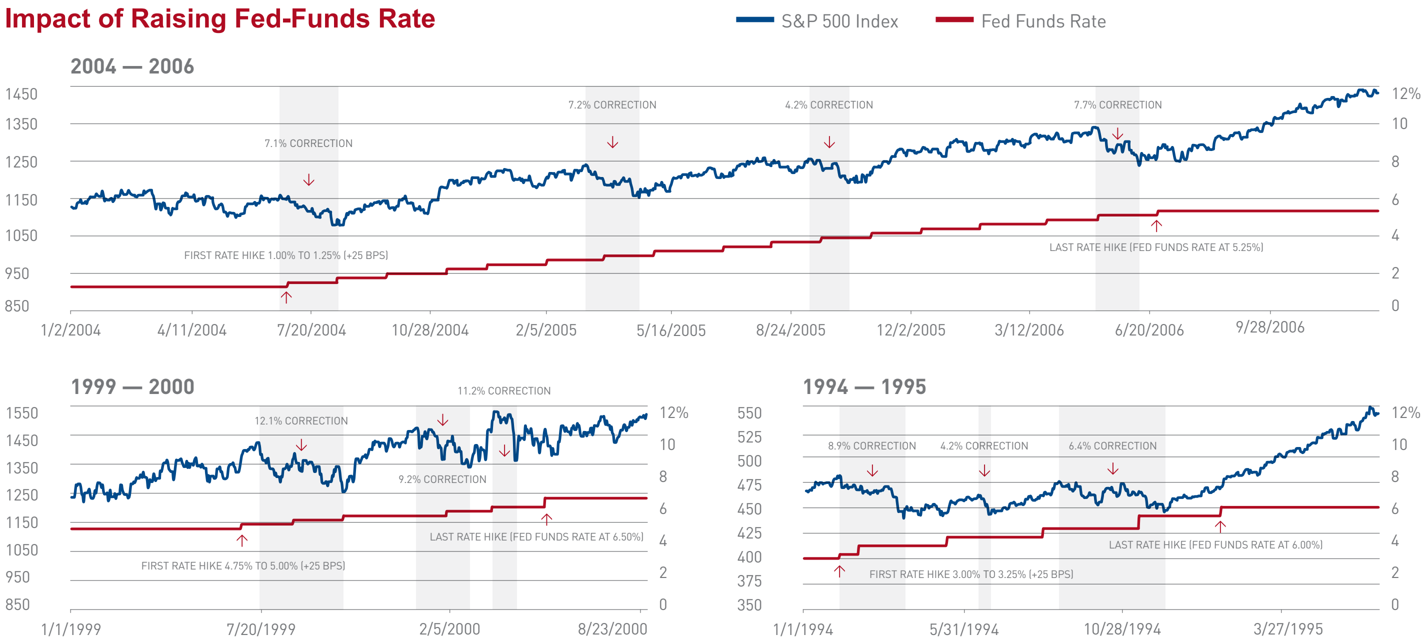
- Earnings should grow double digits in 2018 due to lower corporate tax rates
- The long-run implications of the U.S. adopting a territorial tax system, similar to that of all major countries, could be one of the most positive aspects of most other tax reform by increasing international investment in the U.S.
- We will be watching for signs of increased investment in plant and equipment that will spur productivity and wage gains.

Much has been written about the impact tax reform will have on individuals at all levels of the income spectrum. While specific situations will vary, we believe most individuals and married couples will see lower taxes. For a couple earning $100,000, their after-tax income will go up by roughly 4%. The implications for consumer spending this year are very positive.

As we began this note, we believe the economic momentum seen in 2017 will continue into this year. Gains in the U.S. equity markets will probably be lower than last year's because we see gains being driven by earnings with no help from expanding valuation levels. Interest rates will likely continue moving higher this year as inflation gradually increases.

CHART 2

Impact of Raising Fed-Funds Rate



Source: Bloomberg

Equity

INVESTMENT SUMMARY
JANUARY 2018

Equity returns for 2017 were propelled by near-perfect circumstances: better corporate earnings, improving economies both here and abroad, increasing investor optimism and valuations, accommodative monetary policy, low inflation, and the promise of favorable fiscal policy from Washington through tax reform.

The New Year should be a good year for equities also, but not as good as 2017. Lower taxes will boost earnings and give corporations more cash for dividends, stock repurchases, and investments. With consumer demand increasing moderately, we expect capital investing to increase, but just modestly. We do not expect any major legislation out of Washington in 2018 that would further boost the economy.

Inflation will remain moderate through 2018 but will increase throughout the year. Interest rates will rise as the Fed takes further steps to normalize rates, and an expanding economy gives the Fed room to do so.

Investor sentiment is likely to be more temperate in 2018 as the long rally in equities gets older and inflation and interest rates increase. Equity valuations will follow sentiment. We expect investors one year from now will be paying less than the current 18.3 times future earnings.

Economic growth is one area where 2018 is likely to exceed 2017 as growth accelerates in both the U.S. and the world economies. Nominal growth (including inflation) in the U.S. will still remain below 5% and be a challenge for corporate sales and earnings growth.

Earnings growth will be critical to equity returns in 2018. Although we expect earnings to continue to increase, we expect the rate of increase to slow down. In contrast to 2017 when earnings growth accelerated, earnings growth will decelerate.

TACTICS

— Equities will continue to outperform bonds – overweight equities and underweight bonds.

— The U.S. market has not had a correction of 5% in 18 months. A correction will be a buying opportunity.

— Portfolios will benefit from international diversification. U.S. equities are more expensive than international equities on both an absolute and a relative basis.

— U.S. growth stock returns were boosted by strong technology sector returns in 2017—37% through November 30. We expect tech stock returns to be more modest in 2018 and value to make a rebound led by the financial sector.

— Large-cap stocks outperformed mid- and small-cap stocks in 2017. Current valuations are comparable across size sectors. We are maintaining a neutral allocation across large-, mid-, and small-cap U.S. equities.

Equity Dashboard

- UNDERWEIGHT (red)
- NEUTRAL (amber)
- OVERWEIGHT (green)

Total Equities

- We expect equities will outperform bonds in 2018. Corrections will be buying opportunities.

U.S. Equities

- Not cheap—but growth acceleration in 2018 supports modest overweight.

International Developed Markets

- Reasonable valuations, central bank support, and expanding economies warrant overweight.

Emerging Markets

- Expensive tech sector and excess credit creation in China warrant caution.

U.S. Large-/Mid-/Small-Cap

- Relative risk-adjusted returns support a neutral allocation.

Growth/Value

- It's still a call between the tech and finance sectors. Slower tech earnings and improving financial sector will balance returns.

INVESTMENT SUMMARY
JANUARY 2018

Fixed Income

Fixed-Income Dashboard

- UNDERWEIGHT (red)
- NEUTRAL (amber)
- OVERWEIGHT (green)

Total Bonds

- We expect lower single-digit returns for 2018.

Duration

- Rising short-term rates with range-bound long-term rates make maturity distribution as critical as average duration. We continue with durations moderately less than benchmark.

Credit Risk

- We continue to prefer corporate bonds to Treasuries for their higher coupons, but narrow credit spreads warrant caution.

  We are maintaining the allocation to high-yield bonds.

The Federal Open Market Committee (FOMC) raised the target federal-funds rate by 0.25% at its December meeting. Bond-market reaction was muted, as the rate hike had been expected. Inflation data continue to show core inflation running at less than 2.0% despite the fact that signs of increasing cost pressures are evident in producer prices. Wage growth continues to be low, even with unemployment at 4.1%. Low inflation continues to support high bond prices and low long-term yields.

Investors are being paid less and less for long term bonds relative to short-term bonds as short-term rates increase in response to the FOMC policy moves while longer-term bond rates remain anchored. Since the end of 2016, the 2-year Treasury rate has increased by half a percentage point to 1.78% while the 10-year Treasury has stagnated in the mid 2.30% range. In past economic cycles, this flattening of the yield curve has often preceded the start of a recession. In this cycle, the flattening may primarily reflect global demand for longer-term bonds keeping a ceiling on rates while the Fed rate increases impact short-term rates. But this trend is worth watching for potential recession-signaling.

Bond-market dynamics in 2018 will be subject to a complex set of factors, including the evolution of FOMC policy under a new chairman and a largely reconstituted Board, the shrinking Federal Reserve balance sheet, the impact of tax policy on corporate debt and the Federal deficit, global asset flows, and a maturing economic and credit cycle that has enabled corporations to borrow at low rates.

TACTICS

— Bonds continue to be the stable ballast in any diversified portfolio despite their low expected returns. We continue to maintain a moderately underweight allocation to fixed income.

— Rising short-term rates and a flattening yield curve make prospective returns from different maturities largely equivalent. We continue to maintain interest-rate sensitivity at levels just below benchmark maturities to mitigate rate-specific risk on bond portfolios.

— Investment-grade bonds continue to provide narrow yield premiums over Treasury bonds. We continue with an overweight allocation to investment-grade corporate bonds.

— High-yield bonds also continue to provide yield premiums over Treasury bonds. We are maintaining a 15% allocation to high-yield bonds within the fixed-income segment of portfolios but are carefully watching the market for signs of stress among borrowers and/or early warning signs of tighter financial conditions.

Cash, Real and Alternative Assets

Speculative investors have shifted attention away from gold to bitcoin. The price of gold has essentially not changed from March to December. Bitcoin, by contrast, has increased from $952 at the end of 2016 to just over $17,000. Is there a role for bitcoin in an investment portfolio? Only for the most speculative!

Bitcoin is one of several virtual crypto currencies. What does this mean?

- **Virtual** — it does not exist in physical form and has no intrinsic value. You cannot cash in a bitcoin for anything other than what someone else will pay for it or trade for it.
- **Crypto** — bitcoins are derived from solutions to cryptographic puzzles that require more computer power to solve as more are produced. Each solution is chained to previous ones, which are recorded on every computer in the bitcoin network. There is no centralized database; every member of the network has the entire database.
- **Currency** — bitcoins were originally devised as a means of peer-to-peer electronic payment. And there is no need for an intermediary bank or banking system.

Bitcoin, like each crypto currency, has a limited number of units that can be produced. Bitcoin's limit is 22 million.

Although some see bitcoin as an alternative to central-bank currencies, the fact is that bitcoin's market value today relies on the ability of holders to trade a bitcoin for dollars. If crypto currencies were to replace ordinary legal tender, their value would depend on the total number of units available, just as the value of a dollar depends on the number of dollars in circulation relative to the total economy.

So what's a bitcoin worth? It all depends on what people will pay. Overlooking the advantage of the blockchain technology, it's as if people started using Monopoly money in addition to ordinary dollars. Assuming the volume of Monopoly money in the world is fixed and could not be altered through counterfeiting, what would a hundred dollars of Monopoly money be worth? You decide!

TACTICS

— Higher short-term rates reduce the opportunity cost of holding cash. We are maintaining a neutral cash allocation.

— Higher real interest rates will negatively impact gold. We continue with a zero allocation.

— Although commodities can diversify portfolio risk, we continue with a zero allocation in view of unfavorable return prospects.

— Last quarter's shift from domestic to international real estate has added value. We continue with an underweight allocation in view of stretched U.S. valuations.

Cash, Real & Alternative Assets Dashboard

UNDERWEIGHT

NEUTRAL

OVERWEIGHT

Cash

- Rising short-term rates mean higher yields on cash. (Neutral)

Real Estate

- International exposure moderates impact of high U.S. valuations. (Underweight)

Commodities

- Supply/demand conditions still warrant underweight. Agriculture and metals prices are projected to be flat to lower in 2018. (Underweight)

Gold

- Return prospects are poor for gold in view of rising real rates. (Underweight)

Hedge Fund Strategies

- Useful for managing portfolio risk in select situations. (Neutral)

The Beat Goes On: Data and Time

Daniel Darst
SVP, Marketing Strategy

Investors don't want to lose their hard-earned money. They don't want unwelcome surprises. Neither do they want to overpay for assets or advice, to be left in the dark, or to leave their families with debt. *What they do want is the right information and the right amount of time to make the decisions that are right for them.*

Information is everywhere today—especially online; the challenge is deciphering the signal from the noise. Every fund, every manager, every media "expert" is promoting something, and claims to have the correct point of view. What's our advice for getting through the maze?

As to **time**, Investment and wealth decisions shouldn't be compressed into a single 20-minute conversation or an annual online session with a 401(k) update questionnaire.

As for **decision-making**, at People's United Bank we believe there's an optimal balance for every investor between human help and technological efficiency. Advice plus data should translate to a sum much greater than its parts. With that in mind, we promote ongoing person-to-person dialogue, aided by online planning, account information, and real-time market data: the best of the two approaches.

Meanwhile, the world is moving fast. It was only a generation or two ago that mutual funds and 401(k) plans exploded on the financial scene. And it was only a decade or two ago that online trading and account management became available to—and accepted by—individual investors.

Our mission is to serve our clients with solutions that make a difference for their specific needs and objectives. In this light, we're welcoming the benefits of digital tools and functionalities—access to the right data and more time to make the right decisions.

WORKING WITH PEOPLE'S UNITED WEALTH MANAGEMENT

PERSONAL INVESTMENT MANAGEMENT

INSTITUTIONAL ASSET MANAGEMENT

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INSTITUTIONAL TRUST & CUSTODY

TRUSTS, ESTATES & CHARITABLE PLANNING

RETIREMENT PLAN SERVICES

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People's United Wealth Management helps institutions, employers, individuals and their families navigate investment, trust, retirement, banking and planning challenges. Our experienced professionals work as a team, bringing specialized knowledge and solutions to the conversation.

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