

US Economy



While it is slowing down, U.S. GDP should grow 2.5% in 2019 due to a healthy consumer and an expected revival in capital spending.

Monetary Policy



The U.S. Federal Reserve appears to be at or near the end of its tightening cycle that began three years ago.

Bond Markets



With the approaching end to Fed tightening, the U.S. Treasury yield curve has stopped flattening, and the threat of actual inversion has lessened.

The prospect of continued U.S. economic growth and the stabilization of oil prices have brought the yields of high-yield bonds to levels that are no longer considered cheap, but better reflect the continued low default rates forecasted over the next twelve months.

Equity Markets



The recovery from last year's sharp Q4 decline has been surprisingly swift and largely indicated of a U.S. economy still growing at a healthy rate with little inflationary pressure.

Economic Forecast provided by Cerity Partners

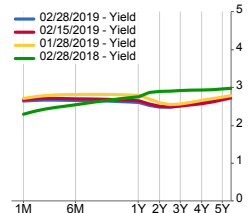
Table with 4 columns: Metric, Current, 12-Mo Forecast, 2019 est. Includes Fed Funds Rate, Crude Oil WTI, Gold, US 10-Year Treasury Yield, S&P 500 Index, and HY Fixed Income Spread.

Rate Environment

Treasury Statistics/Rates

Table with 4 columns: Metric, Current, YTD %, Historical 52-Wk HI, Historical 52-Wk LO. Includes US Treasury 2yr, 5yr, 10yr, 30yr, LIBOR - 3 Month, 6 Month, 12 Month.

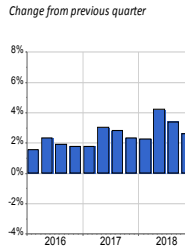
LIBOR Curve



Treasury Statistics and Libor Curve provided by Factset

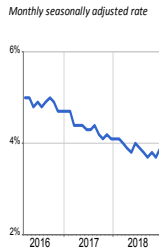
Key Economic Data

REAL GDP



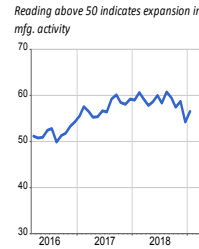
Source: Department of Commerce

UNEMPLOYMENT RATE



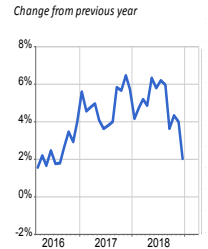
Source: Bureau of Labor Statistics

PMI



Source: Institute for Supply Mgmt.

RETAIL SALES



Source: Bureau of the Census

Equity Market Performance

Table with 10 columns: Index, Current, % Change (Last Wee, YTD, 52 Week), 52 Week HI, 52 Week LO, Trailing P/E, Forward P/E, Current Yield. Includes DOW, S&P 500, NASDAQ, R2000, and VIX (S&P).

*Source: Factset

LBO Market

Table with 20 columns: 1Q13, 2Q13, 3Q13, 4Q13, 1Q14, 2Q14, 3Q14, 4Q14, 1Q15, 2Q15, 3Q15, 4Q15, 1Q16, 2Q16, 3Q16, 4Q16, 1Q17, 2Q17, 3Q17, 4Q17, 1Q18, 2Q18, 3Q18

Purchase Price Multiple

Table with 20 columns: Metric, 1Q13, 2Q13, 3Q13, 4Q13, 1Q14, 2Q14, 3Q14, 4Q14, 1Q15, 2Q15, 3Q15, 4Q15, 1Q16, 2Q16, 3Q16, 4Q16, 1Q17, 2Q17, 3Q17, 4Q17, 1Q18, 2Q18, 3Q18. Includes Large Corporate and Middle Market.

Average Leverage Multiple (EBITDA < \$15M)

Table with 20 columns: Metric, 1Q13, 2Q13, 3Q13, 4Q13, 1Q14, 2Q14, 3Q14, 4Q14, 1Q15, 2Q15, 3Q15, 4Q15, 1Q16, 2Q16, 3Q16, 4Q16, 1Q17, 2Q17, 3Q17, 4Q17, 1Q18, 2Q18, 3Q18. Includes Senior Leverage and Total Leverage.

Average Total Equity Contribution

Table with 20 columns: Metric, 1Q13, 2Q13, 3Q13, 4Q13, 1Q14, 2Q14, 3Q14, 4Q14, 1Q15, 2Q15, 3Q15, 4Q15, 1Q16, 2Q16, 3Q16, 4Q16, 1Q17, 2Q17, 3Q17, 4Q17, 1Q18, 2Q18, 3Q18. Includes Private MM, Institutional MM, and Large Corp.

LBO Market Data was provided by Thomson Reuters



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