



WISCO
Investment Management

Third Quarter 2018

DEAR CLIENTS & FRIENDS;

The Wisco-managed portfolios had a good third quarter producing positive returns across the risk spectrum. Our lower risk portfolios (Conservative & Balanced) were up approximately 1% in the period while our higher-risk portfolios (Growth & Aggressive) posted 2-3% growth. Performance was driven by gains in the U.S. and International stock markets, as our fixed income allocations were flat and commodity exposures declined.

Our riskier portfolios performed well this period due to their higher allocations to global stock markets. The U.S. stock market rose 7% in the quarter, which was its strongest gain in five years. The domestic market continues to benefit from a strengthening economy, with real GDP rising 4.2% in the most recent quarter and S&P 500 profits climbing over 20% in the first half of the year.

International equity markets, in aggregate, were up in the third quarter, rising 1%, but remain down through the first nine months of the year. International markets have been under pressure this year as trade negotiations and tariffs have taken center stage and many global leaders have adopted a more protectionist stance on global affairs. In addition, the European Central Bank (ECB) will end their economic stimulus program in the Eurozone at the end of the year.

Fixed income markets continue to tread water. The Barclays aggregate bond index was flat this period and is down 2% year-to-date. Fixed income markets continue to experience headwinds from Fed tightening and rising treasury yields (fixed income prices and interest rates generally move inversely with each other). The 10-year treasury yield increased from 2.9% at the beginning of the quarter to 3.1% at the end and is expected to reach 3.4% by the end of 2019.

Our commodity market exposures were limited to precious metals this quarter. Metals were a drag on performance, with gold and silver down mid-single and high-single digits, respectively. Wisco uses select commodity exposures in our ETF-portfolios as they tend to improve portfolio diversification relative to traditional stock and bond investments in most environments.

As always, we would like to remind you that we are available to meet anytime to review your current investment strategy, portfolio performance, targeted risk level and/or financial goals. Please don't hesitate to give us a call to schedule a meeting.

At Wisco, we believe our approach of designing well-diversified, low-cost investment portfolios is the best way to produce favorable results over time. We would like to thank you for providing us with the opportunity to work with you as your investment adviser. We appreciate your business!

Sincerely,

The Wisco Team

Wall Street to Wisconsin

Third Quarter 2018

Wisco Investment Management

Wisco-managed portfolios are constructed using five asset classes; Domestic Equity, International Equity, Domestic Fixed Income, Alternative Investments and Money Market. Our current managed portfolio asset class allocations are as follows:

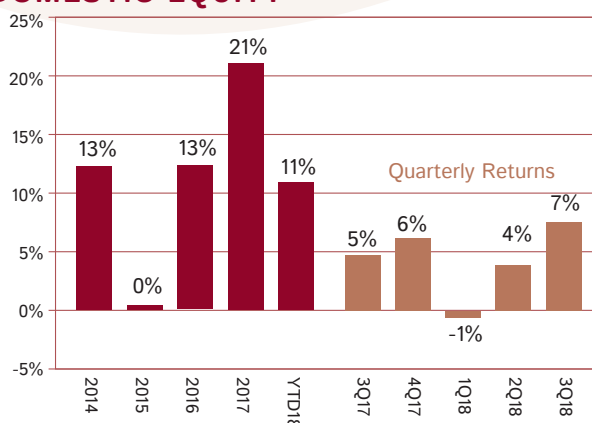
WISCO MANAGED PORTFOLIOS

	Conservative	Balanced	Balanced Growth	Growth	Aggressive
Domestic Equity	24%	32%	39%	46%	58%
International Equity	5%	5%	10%	15%	20%
Domestic Fixed Income	56%	47%	35%	25%	10%
Alternative Investments	5%	8%	10%	10%	10%
Money Market	10%	8%	6%	4%	2%
Total	100%	100%	100%	100%	100%
Target Volatility*	6%	8%	10%	12%	15%

*Target Volatility is our estimate for the annual standard deviation of portfolio returns.
Source: Wisco Investment Management LLC

Third Quarter 2018 Market Review

DOMESTIC EQUITY



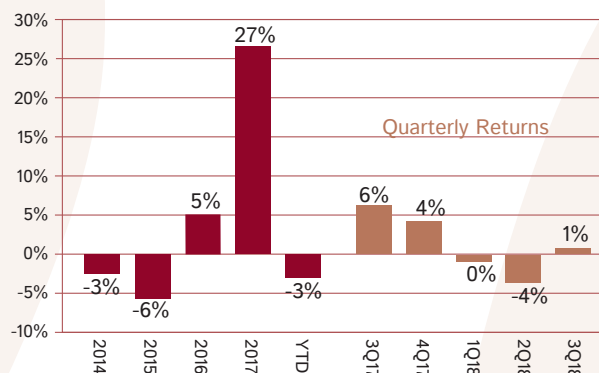
Source: Dow Jones U.S. Broad Stock Market Index and Wisco.

The domestic equity market had a strong 3Q18 increasing 7%. The S&P 500 reached a new all-time high of 2941 on September 21st, 2% above the January 26th high mark. The S&P 500 finished the quarter at 2914. Mid-cap stocks (up 6%) and small cap stocks (up 4%) also had positive performance in the quarter. Strong economic and earnings growth likely contributed to the market going higher. In 2Q18, GDP increased at an annual rate of 4.2%, while S&P 500's earnings growth was up 25% versus last year. By sector, Energy (up 125%), Materials

(up 56%) and Technology (up 33%) showed the strongest earnings growth, while Utilities (up 12%) and Real Estate (up 8%) were laggards. Going forward, higher short-term interest rates, tariff disputes, and higher inflation (CPI was up 2.7% over the last 12 months) could be a headwind for the stock market. On the positive side, a lower corporate tax rate and less regulatory burden should benefit the market. Under this scenario, we feel the S&P 500's earnings growth could exceed 20% for the year.

The S&P 500 is now trading at 18.0x 2018 consensus operating earnings. This valuation is higher than average but may be justified given the acceleration of growth we have seen in 2018. Wisco increased exposure to the domestic equity market in July because we felt the growth prospects of domestic companies looked good for the second half of 2018 and we continue to be optimistic about earnings growth near-term. That said, growth will likely decelerate in 2019 as interest rates and inflation become greater headwinds and the tax benefit to growth subsides.

INTERNATIONAL EQUITY

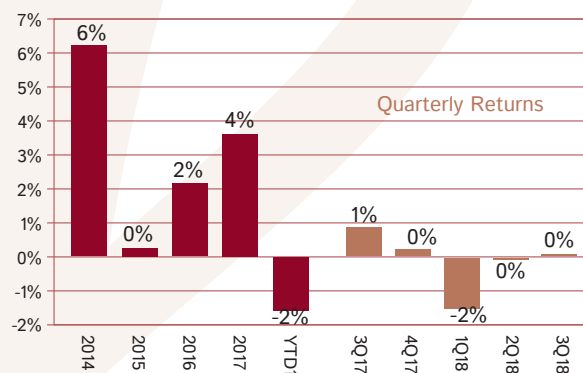


Source: MSCI ACWI ex USA and Wisco

The MSCI All World Index was up 1% in 3Q18, with the FTSE Developed Large Cap Index up 1%. The FTSE Developed Small Cap Index and FTSE Emerging Market Index were both down 1%. In Europe, markets were mixed with Poland (up 7%) and Switzerland (up 6%) among the top performers. Greece (down 9%) and Spain (down 2%) were both weak in 3Q18. In Asia, Japan returned 6%, and Korea was up 1%. Shanghai fell 5% in the quarter and is now down 19% in 2018. Other notable emerging market results are Brazil (up 5%), Mexico (up 9%) and South Africa (down 6%).

The Eurozone's GDP in 2Q18 once again grew 1.5%. Asia generally posted stronger GDP numbers with China (up 7.4%) and Japan (up 3.0%) both showing accelerating growth in the quarter. The ECB continues to be on pace to reduce its bond buying in October and completely end the program by year-end. Wisco reduced our client's exposure to international markets in July. Although growth has improved, we are concerned that a more protectionist stance from leaders around the world could negatively impair growth overseas in the near to intermediate term. Longer-term, Wisco continues to believe that international equity is an important component of a well-diversified portfolio.

DOMESTIC FIXED INCOME



Source: Barclays Capital U.S. Aggregate Bond Index and Wisco.

The Barclays U.S. Aggregate Bond Index was again unchanged in 3Q18. Investment Grade Bonds increased 1%, High Yield Bonds increased 2% while short-duration bonds were flat in the quarter. The 10-year treasury yield moved moderately higher in the quarter starting at 2.85%, then peaking at 3.11% on September 25th before closing the quarter at 3.06%. The Federal Reserve once again increased its current fed funds rate to a range of 2% to 2.25% and estimated they would raise rates once more in December and 3 times in 2019. Going forward, we don't think the 10-year treasury yield will increase at as fast a rate as short-term rates.

A strong economy led to corporate bonds outperforming government bonds. We think this trend could continue for the rest of the year. Furthermore, we feel the lack of wage pressure should provide the Fed some cover to not be overly aggressive increasing rates. We continue to feel fixed income can produce low single digit returns with limited volatility, which makes the asset class desirable especially for clients in more conservative portfolios. Wisco has exposure to fixed income in all our portfolios and we continue to prefer Corporate Bond ETFs to U.S. Treasuries because of their higher yields.

ALTERNATIVE INVESTMENTS

The Dow Jones-UBS Commodity Index declined 2% in the quarter. In agriculture, grain prices were mixed in the quarter after falling in the 2nd quarter. Corn prices increased 2%¹, while soybean prices declined 2% in the quarter¹. Grain prices are low compared to their 2008 levels, however, a strong growing season and foreign tariffs are likely to keep prices low for the balance of the year. Precious metal prices were weak in the quarter. Hurt by a strong dollar and increasing short-term interest rates, gold prices decreased 5%², and silver prices declined 9%³ in 3Q18. Finally, crude oil prices decreased 1%⁴ in 3Q18.

Despite a challenging quarter for commodities, Wisco continues to feel they are an important part of a diversified portfolio as commodities tend to have little correlation with stocks or bonds. Wisco holds gold in all our portfolios and silver in all

but our most conservative client portfolios. Gold is a non-correlated asset that can provide some protection during times of geopolitical uncertainty. It also can protect a portfolio from high levels of inflation. Silver also protects against political uncertainty and inflation and tends to perform well in periods of stronger global GDP.

MONEY MARKET

Money market yields have increased substantially in 2018 with a current yield of 2.0%. Given this higher yield, Wisco increased its money market exposure in all our client portfolios. We feel this rate should stay at current levels or increase as the Federal Reserve continues to increase interest rates.

1. Return calculation based on the near future contract as quoted in the Wall Street Journal.
2. Return calculation uses ETFS Physical Gold Shares (SGOL) as a proxy for gold.
3. Return calculation uses ETFS Physical Silver Trust ETF (SIVR) as a proxy for silver.
4. Return calculation uses Cushing, OK WTI spot price FOB as a proxy for oil.

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Wall Street to Wisconsin