

Disclosures:

The information and data contained in this report are from sources considered reliable, but their accuracy and completeness is not guaranteed. This material has been prepared solely for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument, or to participate in any trading strategy.

Advisory products and services offered through 6 Meridian LLC a Registered Investment Adviser. Advisory services are only offered to clients or prospective clients where 6 Meridian LLC and its representatives are properly licensed or exempt from licensure. Past performance is no guarantee of future returns. Investing involves risk and possible loss of principal capital. No advice may be rendered by 6 Meridian LLC unless a client service agreement is in place.

Securities offered through Private Client Services LLC Member FINRA/SIPC. Advisory products and services offered through 6 Meridian LLC, a Registered Investment Advisor. Private Client Services LLC and 6 Meridian LLC are unaffiliated entities.

6 Meridian provides links for your convenience to websites produced by other providers or industry related material. Accessing websites through links directs you away from our website. 6 Meridian is not responsible for errors or omissions in the material on third party websites, and does not necessarily approve of or endorse the information provided. Users who gain access to third party websites may be subject to the copyright and other restrictions on use imposed by those providers and assume responsibility and risk from use of those websites.

6 Meridian LLC 1635 N Waterfront Pkwy, Ste. 250, Wichita, KS 67206
P: 316.776.4601 www.6meridian.com



6 MERIDIAN

- 2017 YTD Review
- Economic Data
- Interest Rates / Inflation / Federal Reserve
- Earnings
- Market Outlook

2017 Review

Market performance



Source: FactSet 2017

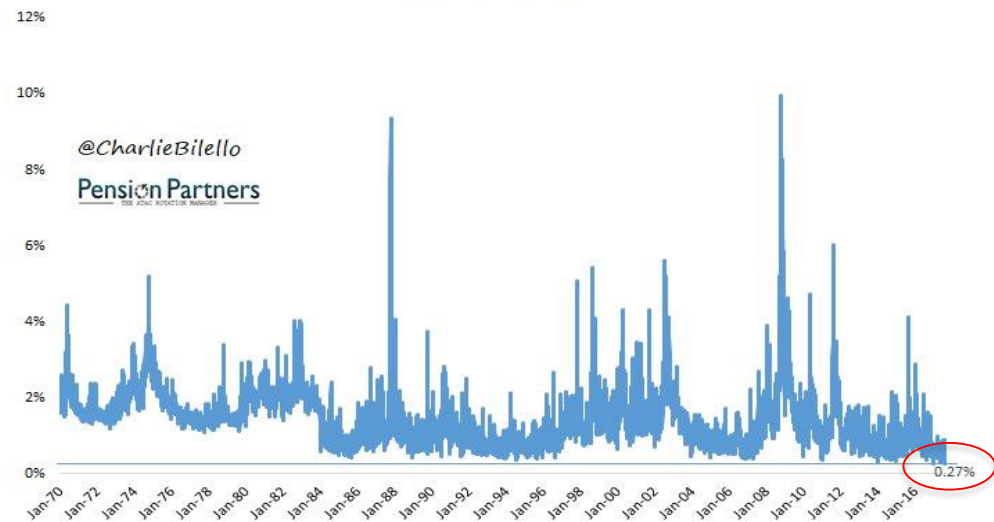
	August	YTD	2016	Benchmark	
<i>Stocks</i>	United States	0.3%	-11.9%	12.0%	S&P 500
	Intl Developed	0.0%	-17.5%	1.5%	MSCI EAFE
	Emerging Markets	2.3%	-28.6%	11.6%	MSCI Emerging Markets
<i>Bonds</i>	US Investment Grade	0.9%	3.6%	2.6%	Barclays US Aggregate
	Intl Investment Grade	1.1%	-10.1%	1.5%	Barclays Global Aggregate xUSD
	Global High Yield	0.6%	8.7%	14.3%	Barclays Global High Yield
	Emerging Markets \$	1.4%	7.4%	9.9%	Barclays Emerging Markets USD Aggregate
<i>Other</i>	Commodities	0.4%	-2.7%	11.8%	Bloomberg Commodity
	Gold	4.1%	14.8%	8.5%	Gold New York Spot (\$/oz)
	Oil	-6.1%	-12.3%	44.8%	Crude Oil WTI/Global Spot NYMEX

It's quiet – too quiet

S&P 500 - Rolling 12-Month Volatility (1928 - 2017)



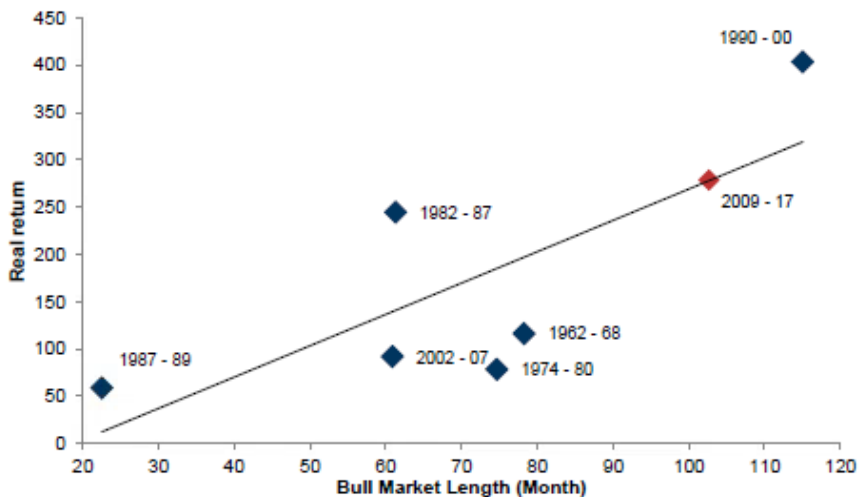
S&P 500: 4-Day Intraday Range (High to Low as %) (1970 - 2017)



Equity Bull Market

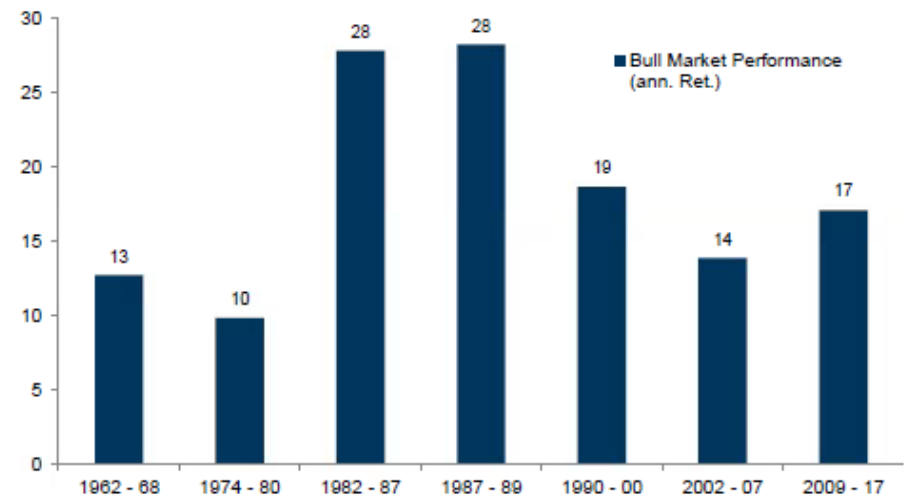
Exhibit 7: This is the second-largest and longest bull market in recent financial history

Bull market length and real return performance



Source: GFD, Datastream, Goldman Sachs Global Investment Research

Exhibit 8: Current bull market has been particularly strong
Annualised total return performance (real) during S&P 500 bull markets



Source: GFD, Datastream, Goldman Sachs Global Investment Research

Occasionally bells do ring @ the top



THE WALL STREET JOURNAL.

“I think our dollar is getting too strong, and partially that’s my fault because people have confidence in me.”

President Donald Trump 4/12/17



FINANCIAL TIMES

VISIT FT.COM FASTFT MARKETS DATA

Dollar weakens to new 33-month low as euro continues to climb

Dollar dip
Dollar index



Source: Bloomberg

FT

BUSINESS DAY

JPMorgan's Dimon Says Bitcoin 'Is a Fraud'

By REUTERS SEPT. 13, 2017, 3:39 A.M. E.D.T.

Dimon said that if any JPMorgan traders were trading the crypto-currency, "I would fire them in a second, for two reasons: It is against our rules and they are stupid, and both are dangerous."

The New York Times

TECHNOLOGY - Sep 8, 2017

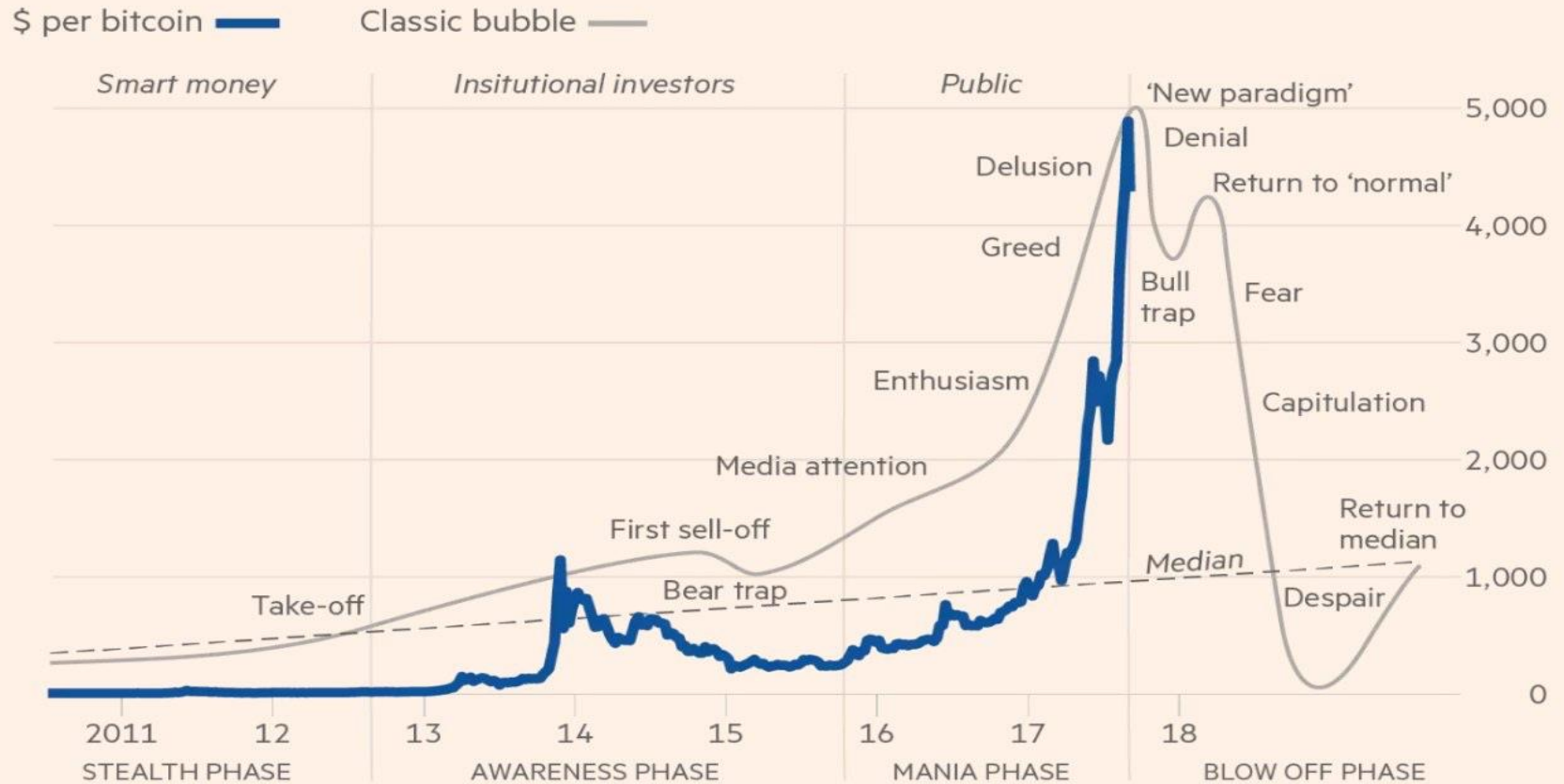
Bitcoin Falls After Report Claims China Orders Exchanges to Shut

prevention team. Earlier, **bitcoin** prices dropped 18 percent on the Chinese trading platform Huobi.com. It wasn't immediately clear how the order is being conveyed to **bitcoin** exchanges in China. Wu...



Bloomberg

Is bitcoin heading into classic bubble territory?



Source: Thomson Reuters Datastream

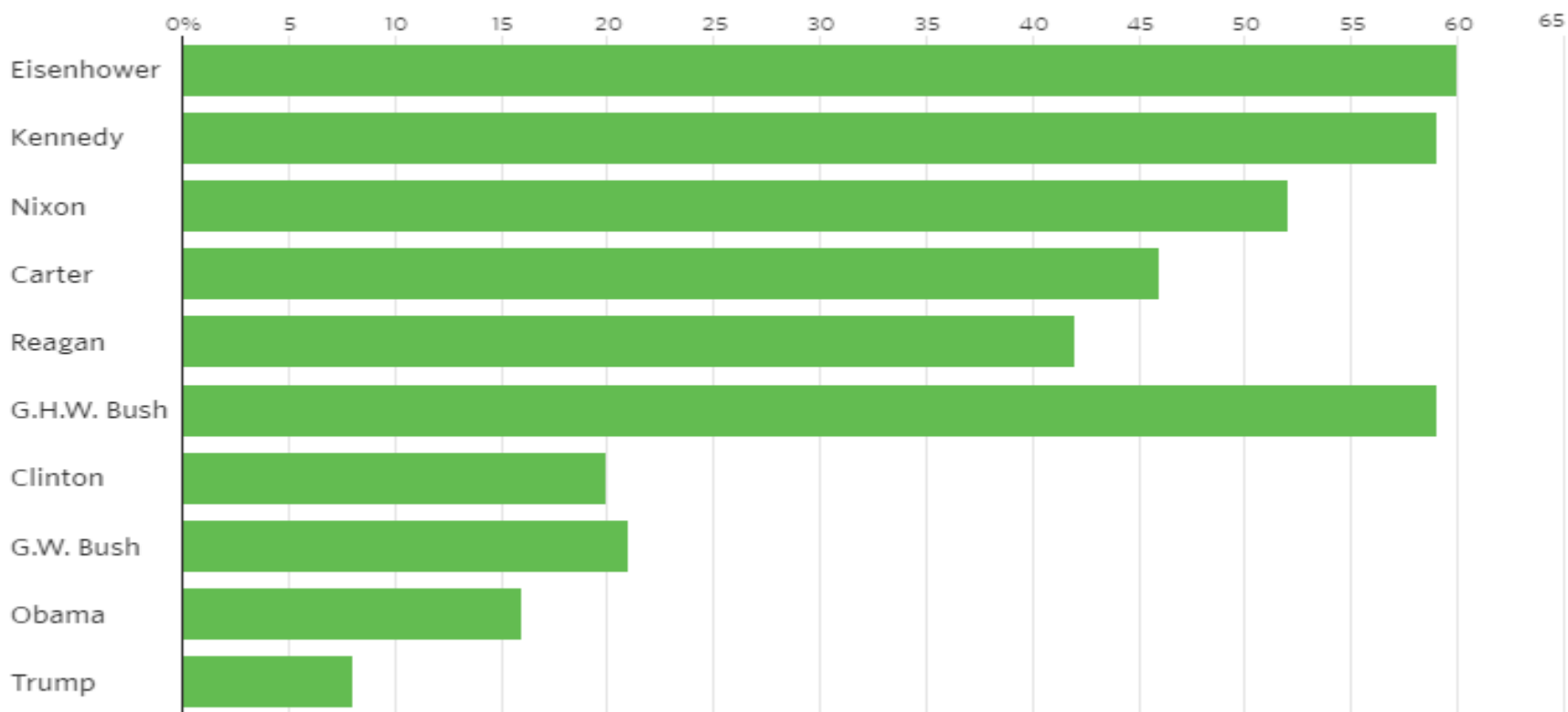
© FT

- Trump agenda (immigration, healthcare reform, taxes, infrastructure)
- Chuck & Nancy – debt ceiling and budget agreement – working on immigration
- Geopolitical risk: North Korea, China, Russia
- Hurricanes – ST negative
- Equifax hack

Polarization

Shrinking Support

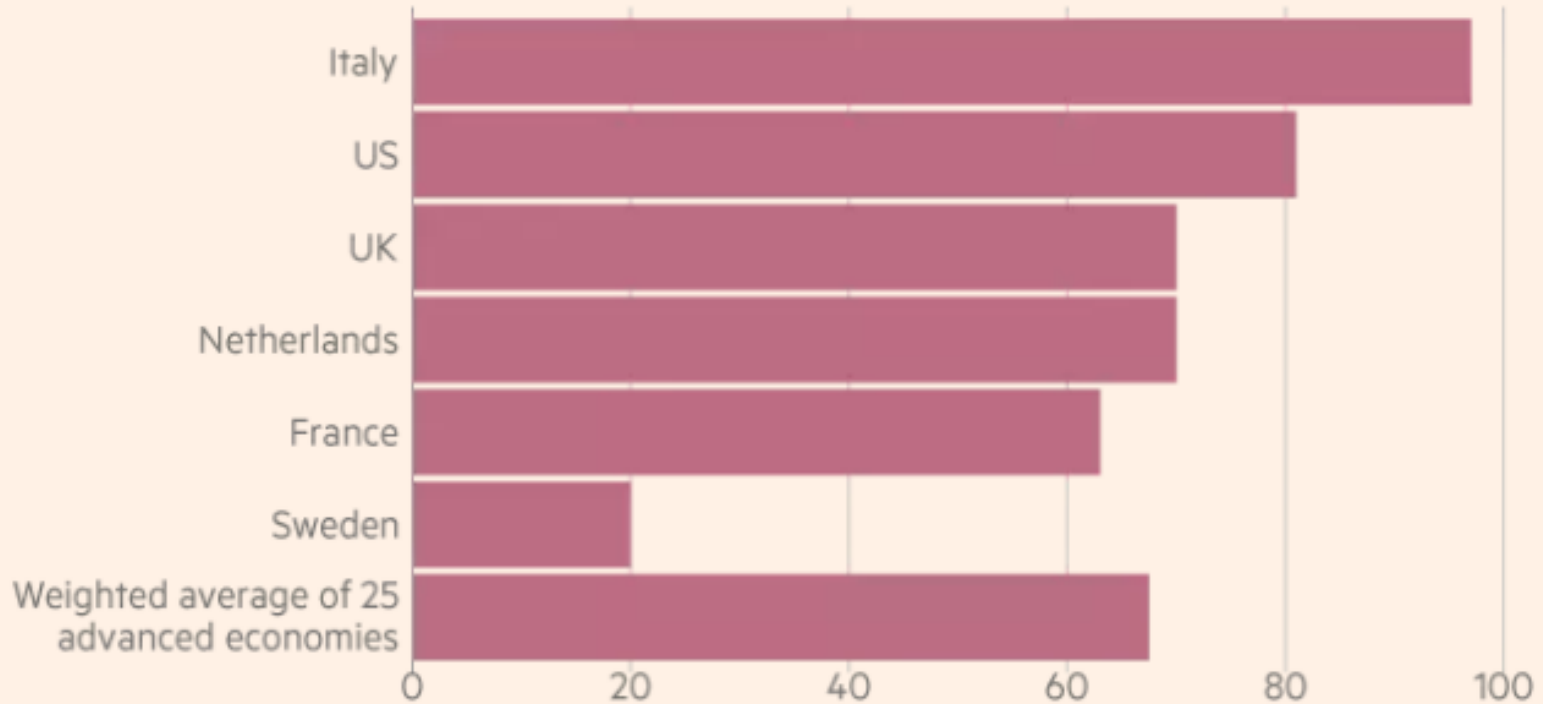
Job approval of the president among members of the opposing party about eight months into each presidency



Source: Gallup (Eisenhower through George H.W. Bush); WSJ/NBC News telephone polls

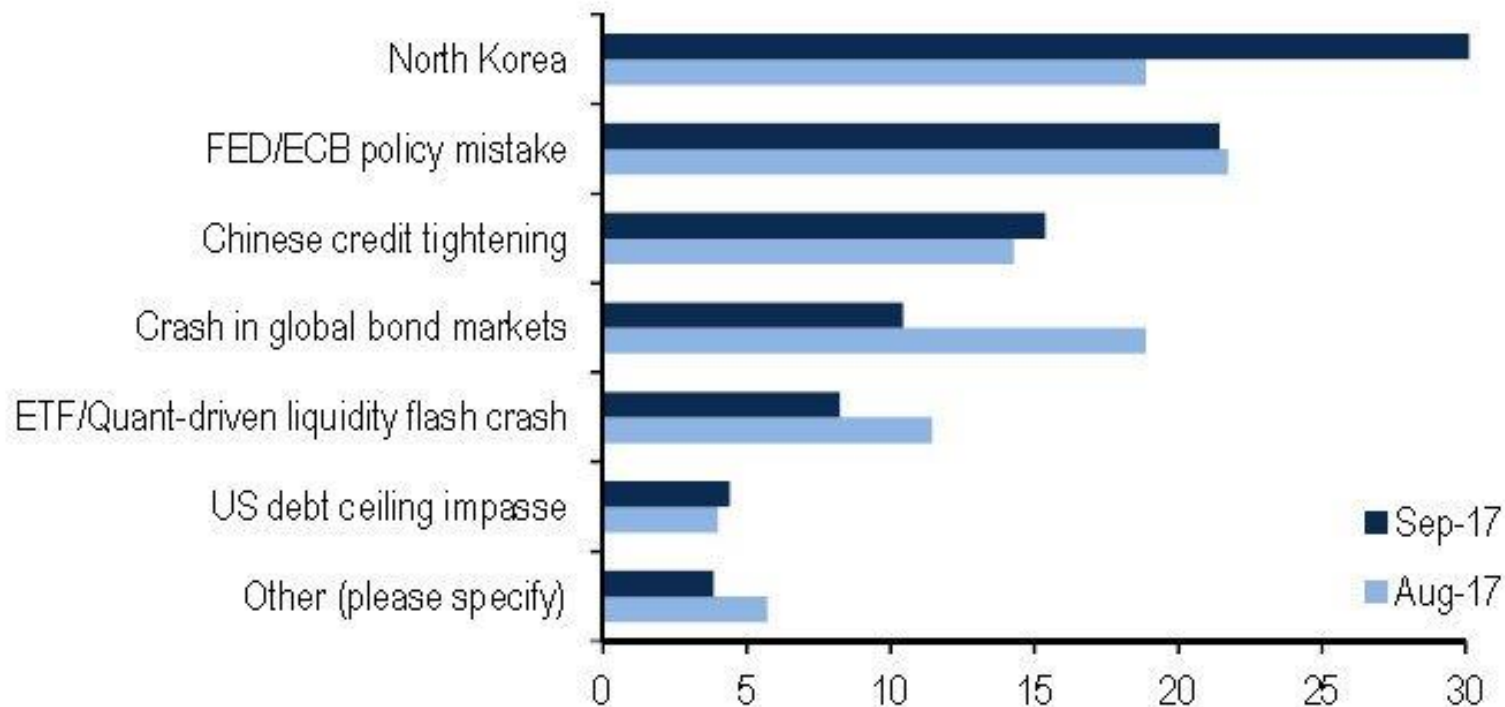
Why Trump?

Proportion of households with flat or falling real incomes from wages and capital, 2005 to 2012-14* (%)



* Latest year available
Source: McKinsey

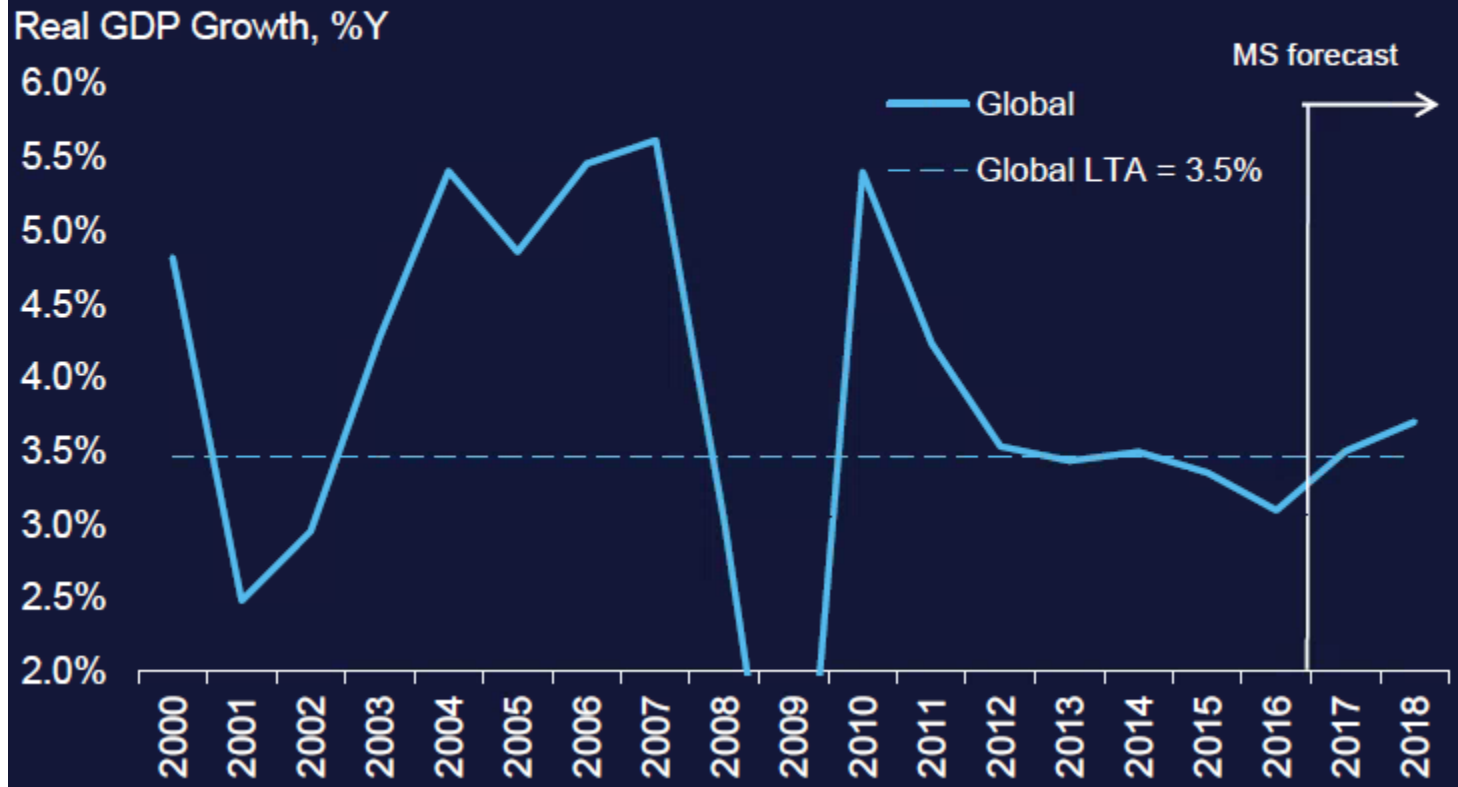
Exhibit 13: What do you consider the biggest “tall risk”?



Source: BofA Merrill Lynch Global Fund Manager Survey

Economy

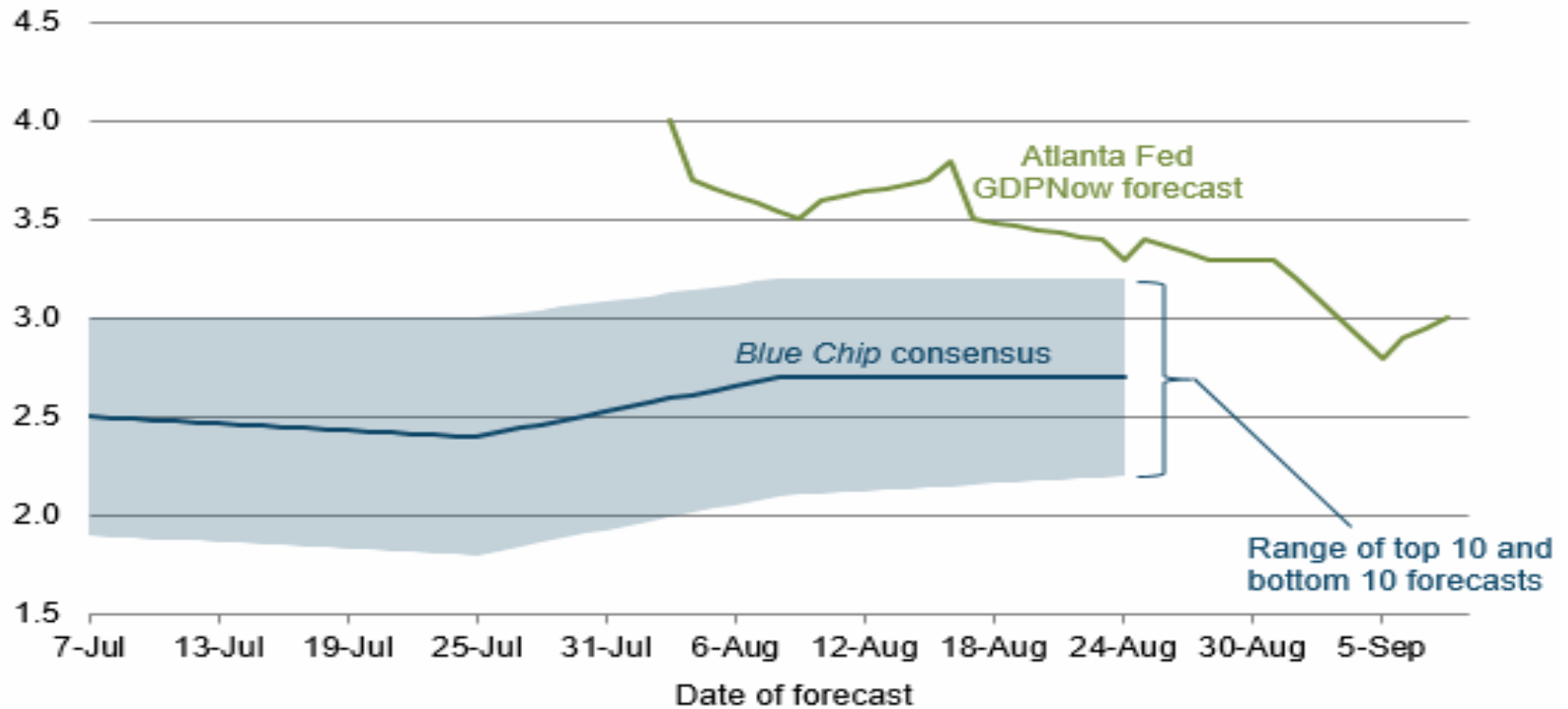
Global growth accelerating above average



Source: Haver Analytics, IMF, Morgan Stanley Research forecasts

**Evolution of Atlanta Fed GDPNow real
GDP forecast for 2017: Q3**
Quarterly percent change (SAAR)

GDPNow™



Sources: *Blue Chip Economic Indicators* and *Blue Chip Financial Forecasts*

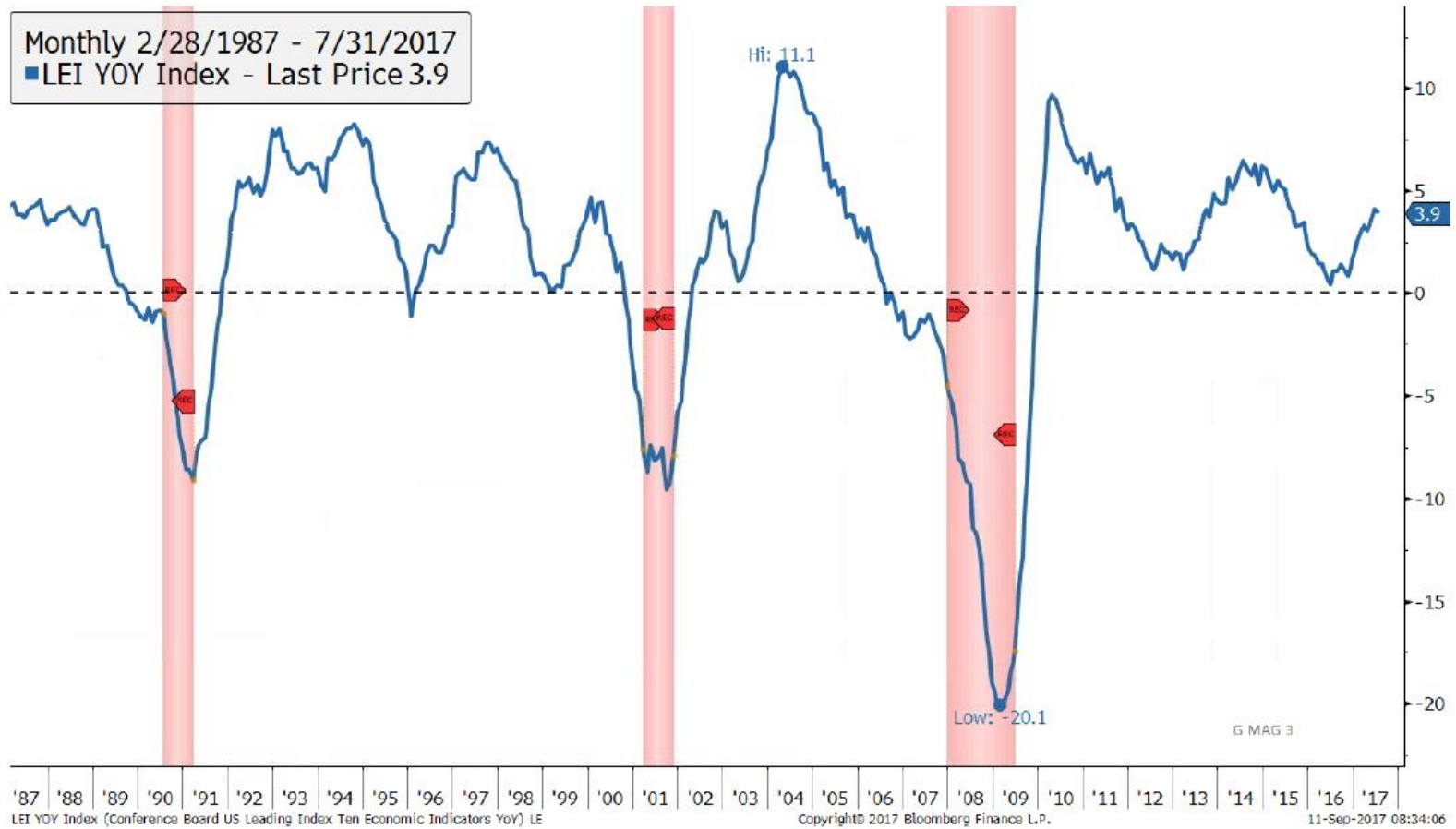
Note: The top (bottom) 10 forecast is an average of the highest (lowest) 10 forecasts in the *Blue Chip* survey.

ISM Indices



Source: Bloomberg, DoubleLine

Leading Economic Indicators



Source: Bloomberg, DoubleLine

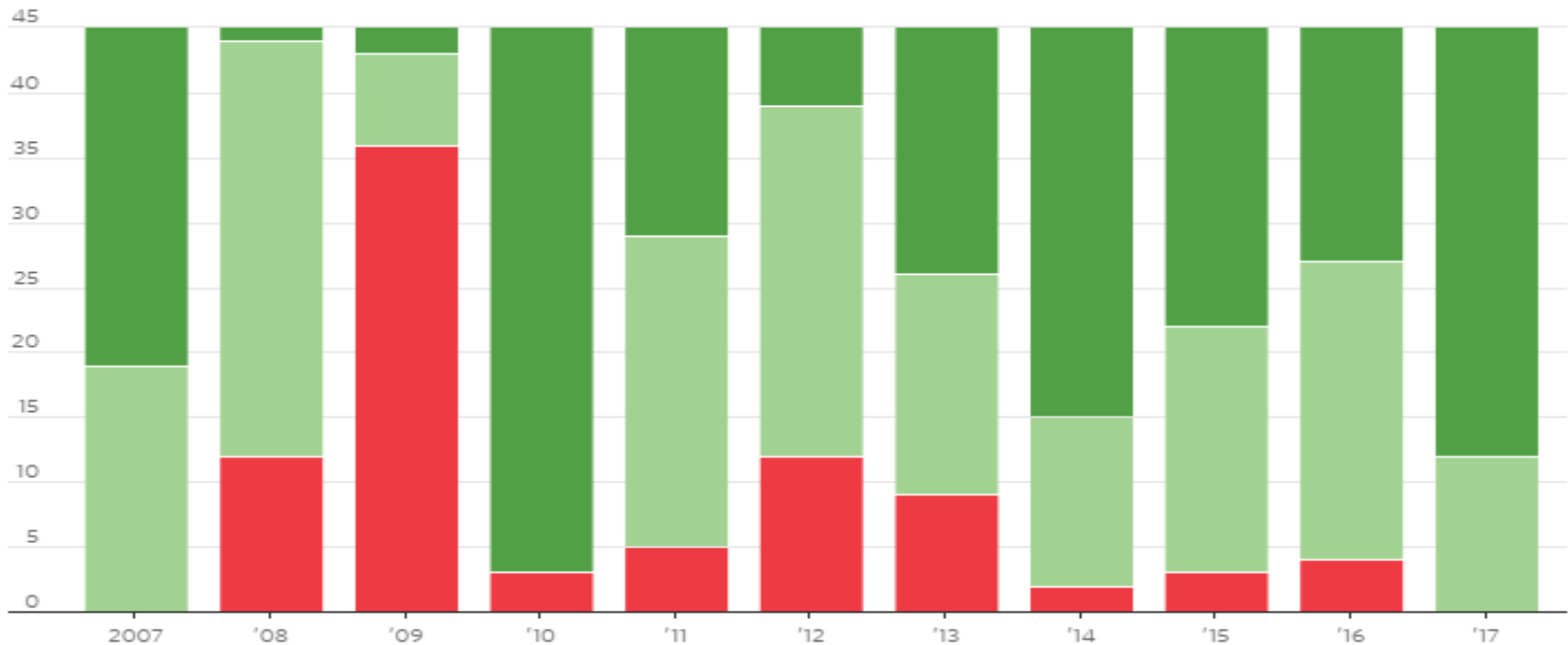
Conference Board U.S. Leading Index = Leading indicators include economic variables that tend to move before change in the overall economy. These indicators give a sense of the future state of an economy. YoY = year-over-year. You cannot invest directly in an index.

As good as '07

Growing In Sync

Number of major economies tracked by the OECD with:

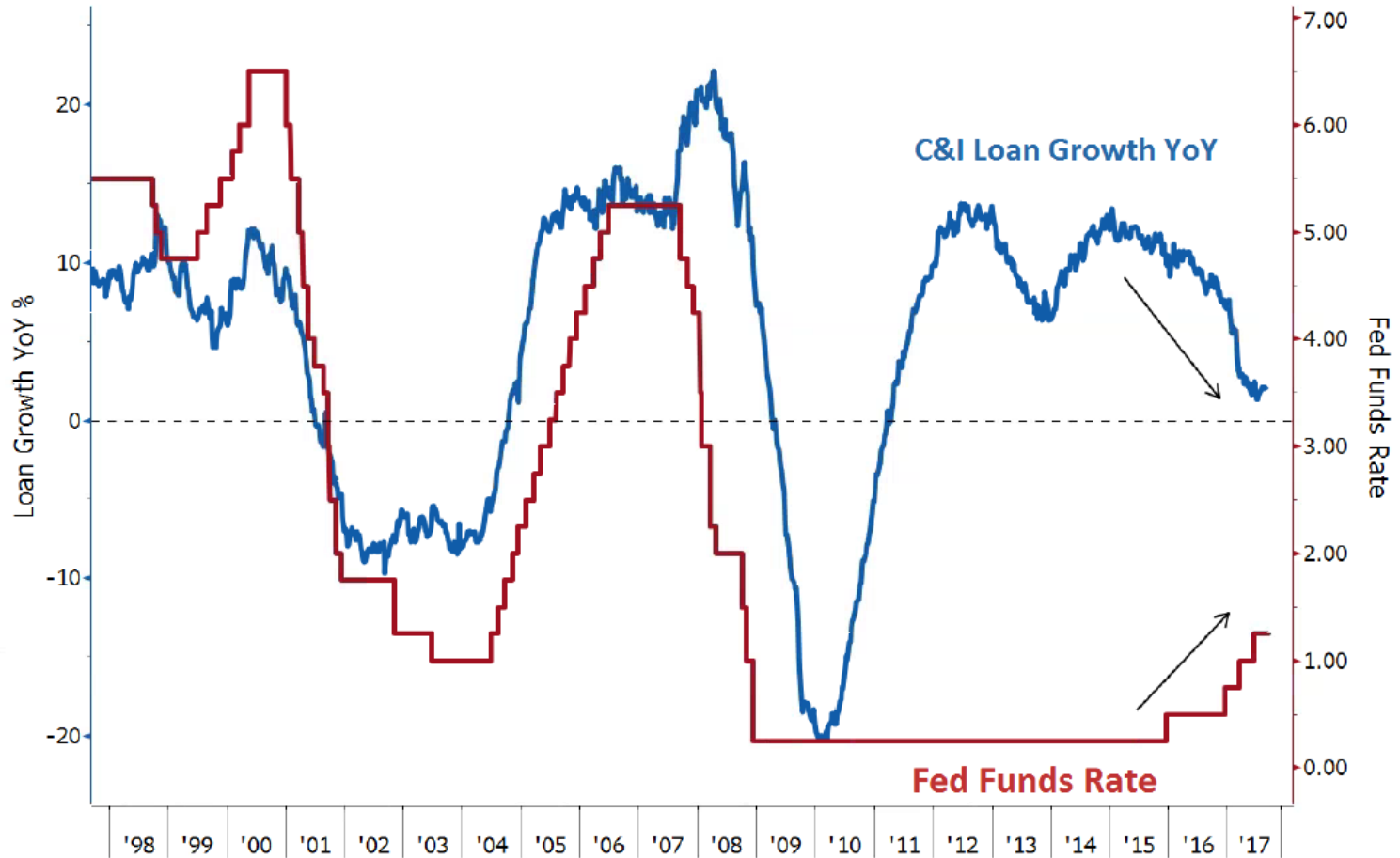
■ Accelerating growth ■ Slowing growth ■ Contraction



Note: 2017 is a forecast based off first and second quarter data for most countries

Source: Organization for Economic Cooperation and Development

Falling Loan Growth



Copyright © 2017 Bloomberg Finance L.P.

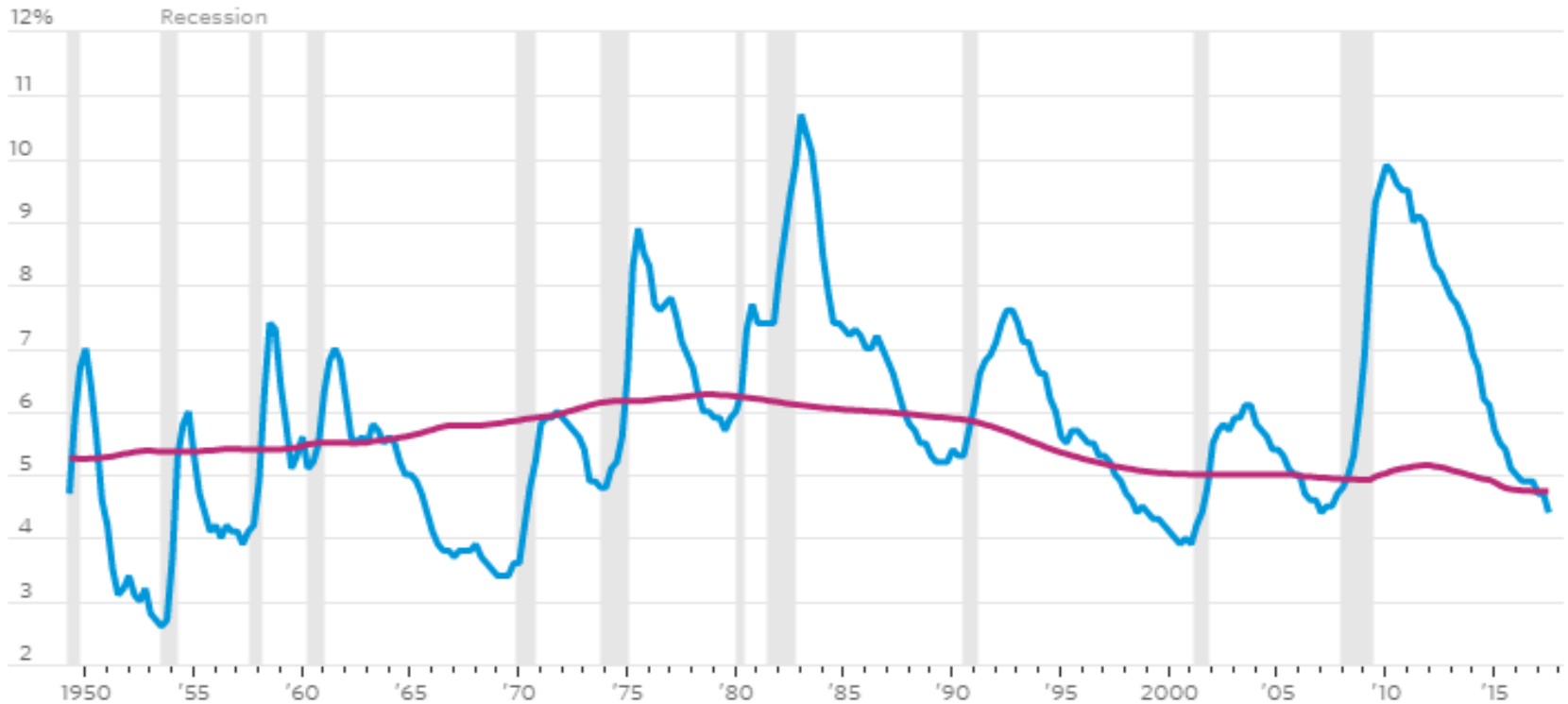
12-Sep-2017 10:15:40

Source: Eric Pomboy, Meridian Macro Research

Source: Citigroup; Bloomberg

Unemployment

■ Natural unemployment rate* ■ Actual unemployment rate

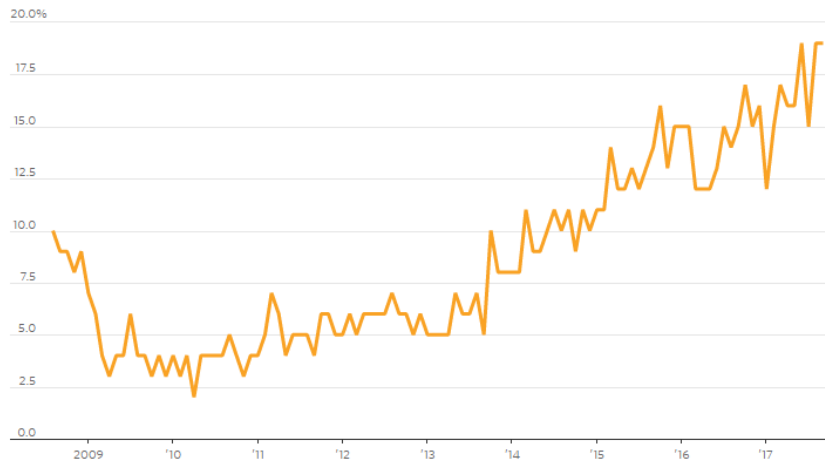


* Natural rate based on Congressional Budget Office estimates of jobless rate which won't lead to inflation rise.

Sources: CBO (natural rate); Labor Department (unemployment rate)

Unemployment Trends

Small businesses can't find enough workers with the right skills.



Note: Proportion of small businesses identifying quality of labor as biggest problem
Source: National Federation of Independent Business

THE WALL STREET JOURNAL

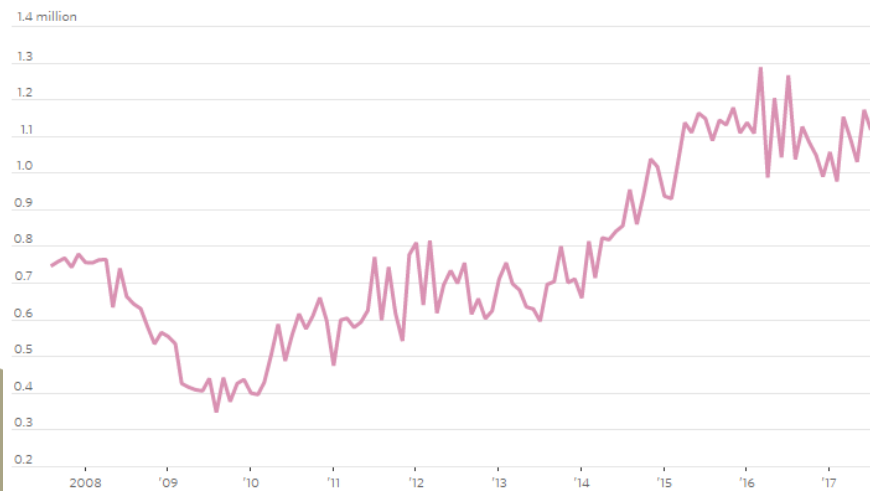
Construction job openings



Source: U.S. Bureau of Labor Statistics

THE WALL STREET JOURNAL

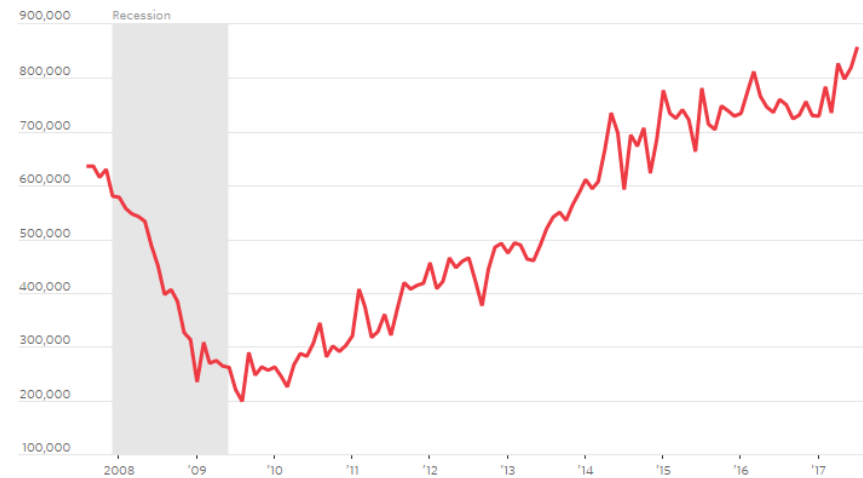
Higher-wage job growth has come off the boil in recent months.



Note: Job openings: professional and business services, monthly, seasonally adjusted
Source: U.S. Bureau of Labor Statistics

THE WALL STREET JOURNAL

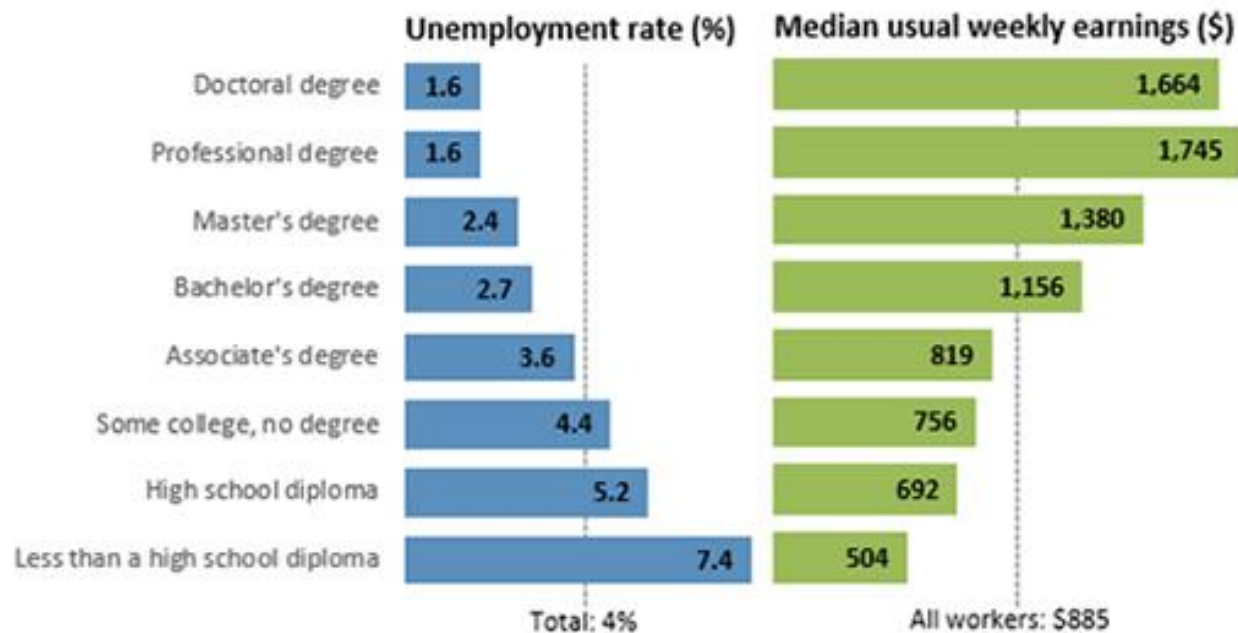
Job openings in the low-wage restaurant and hotel sectors are soaring.



Note: Job openings, leisure and hospitality, monthly, seasonally adjusted
Source: U.S. Bureau of Labor Statistics

THE WALL STREET JOURNAL

Unemployment rates and earnings by educational attainment, 2016



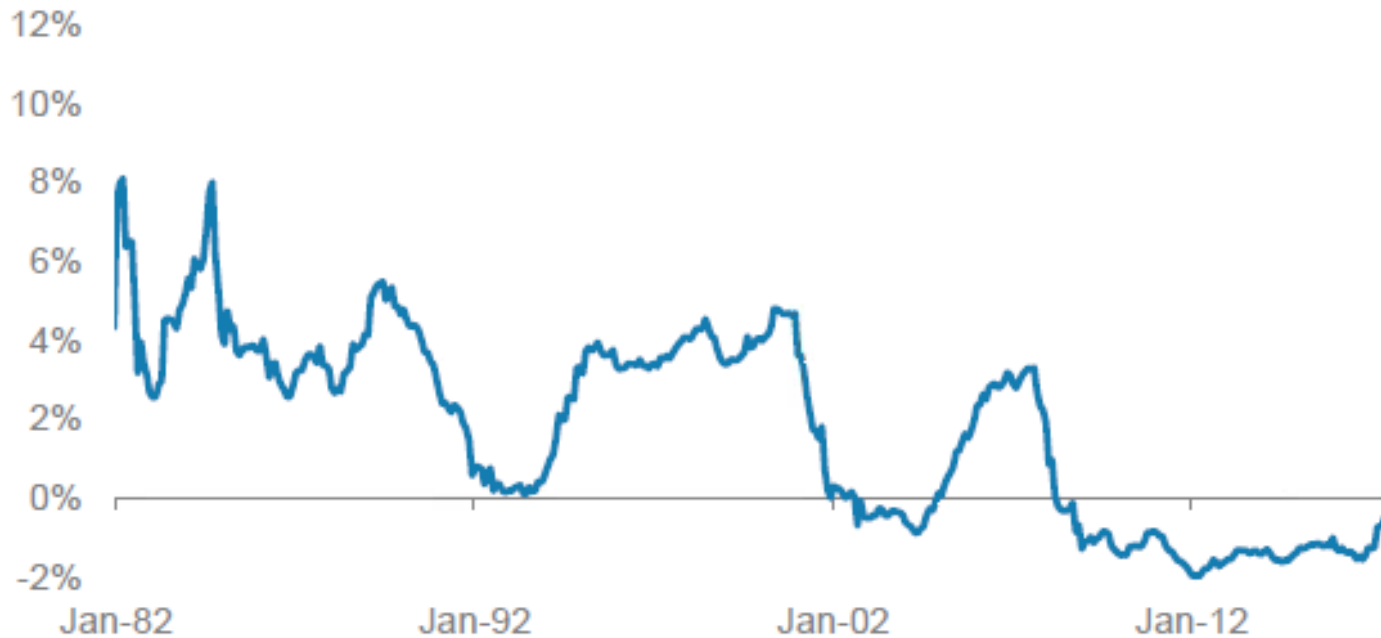
Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.

Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Rates / Inflation / Fed

Monetary Policy Remains *Highly Accommodative*

Real Fed Funds Rate (Target Midpoint - Core PCE)



Source: Morgan Stanley Research, Bloomberg

Odds of additional rate hike

Not Banking on Higher Rates

Probability implied by futures markets of a 25 basis-point rate increase in December



Source: CME Group

Fed Balance Sheet

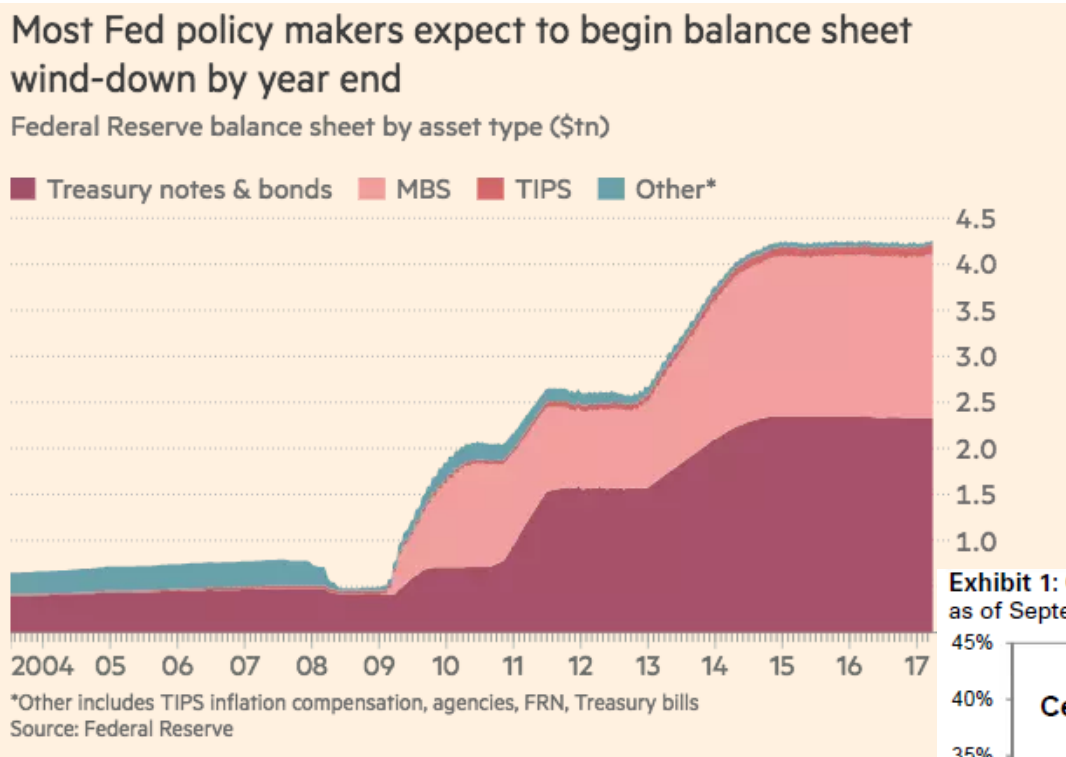
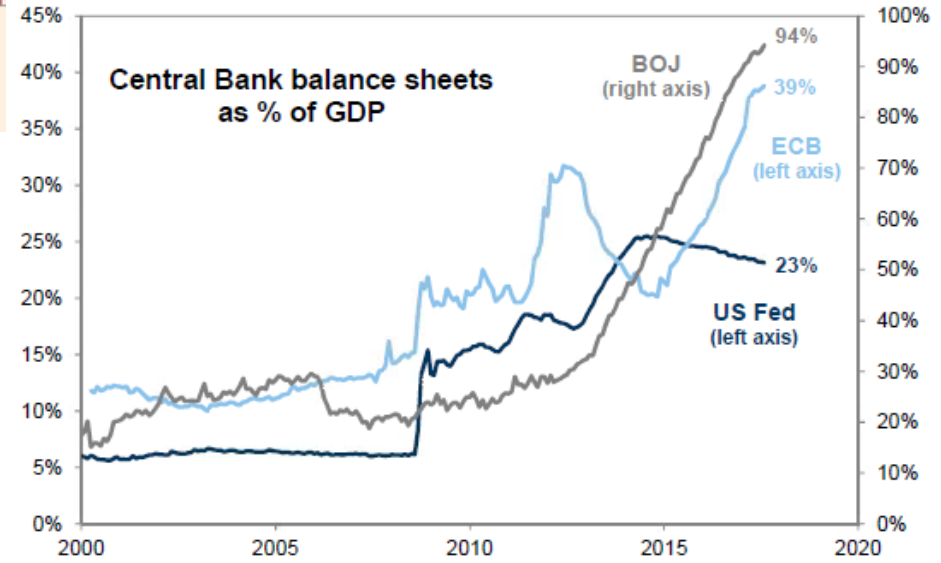


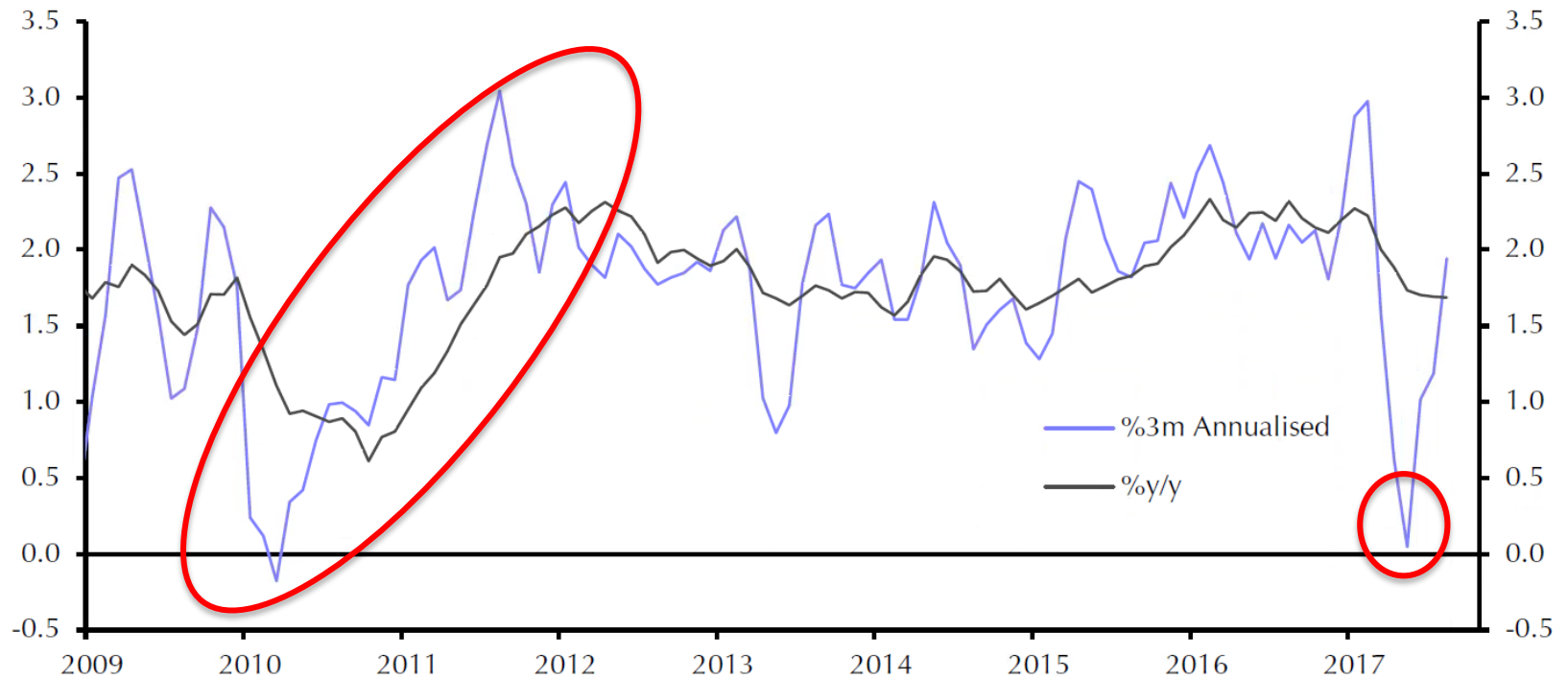
Exhibit 1: Central bank balance sheets have ballooned this cycle
as of September 7, 2017



Source: Federal Reserve Board, ECB, BOJ, and Goldman Sachs Global Investment Research.

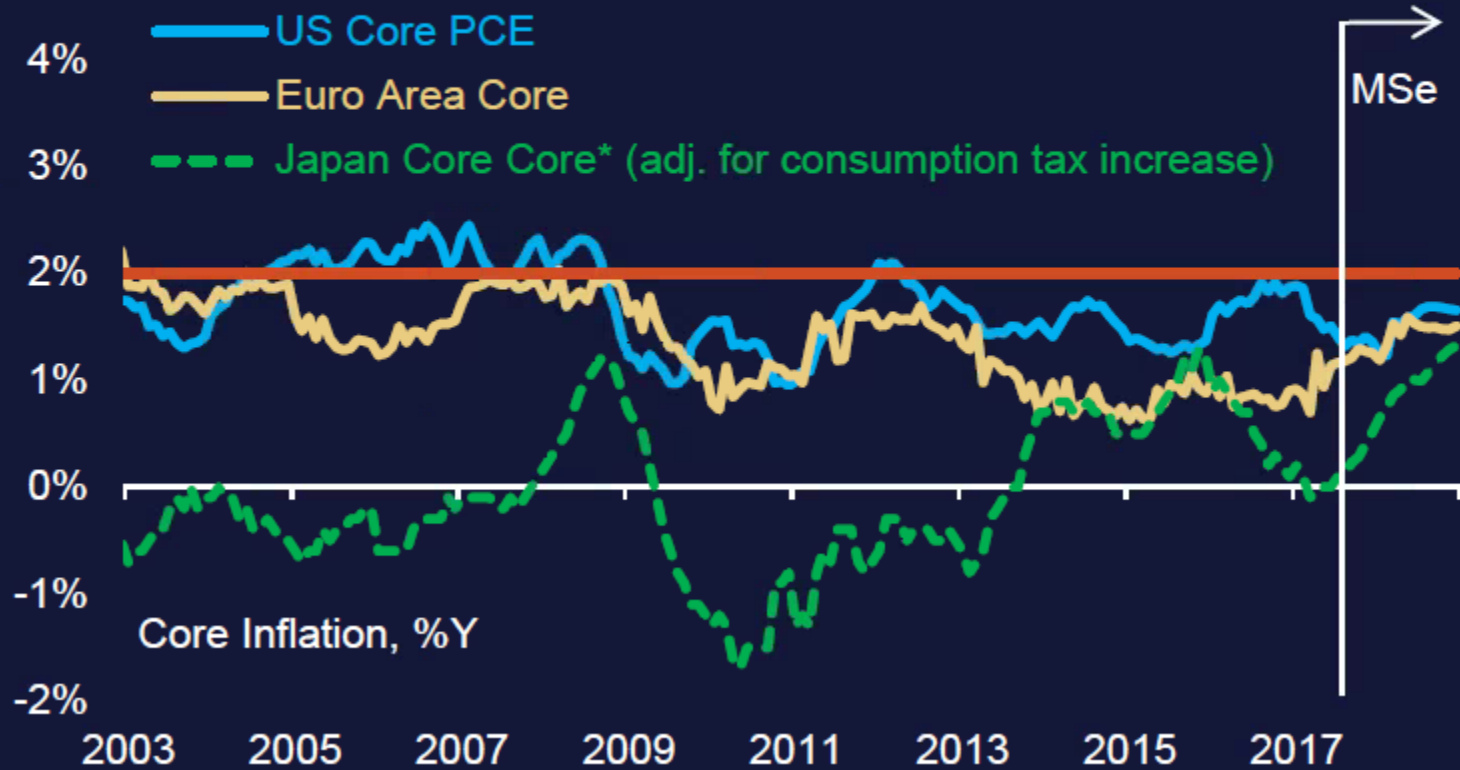
Why is inflation declining?

Chart 1: Core Consumer Prices



Source: Thomson Reuters

Gradual rise in G3 core inflation ahead

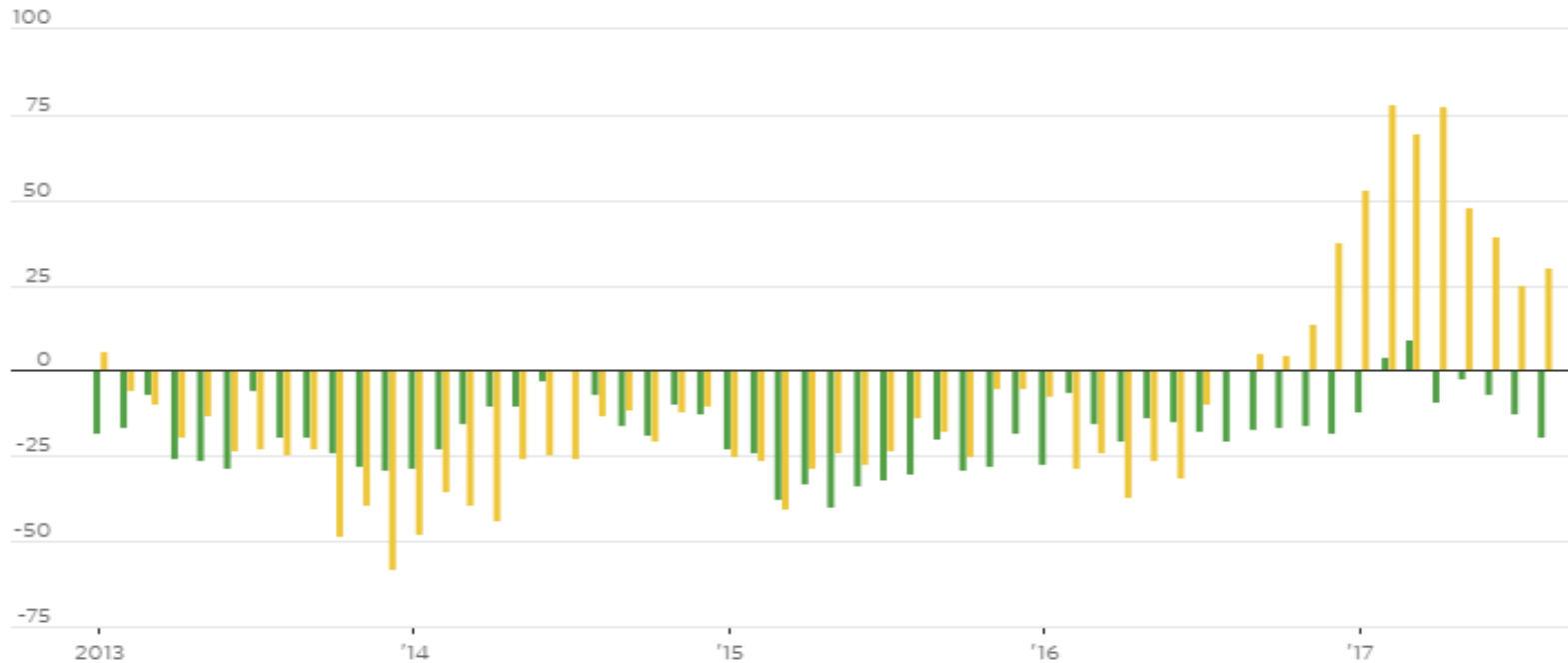


Is inflation turning?

Inflation Gap

Citigroup inflation surprise indexes

■ U.S. ■ Eurozone

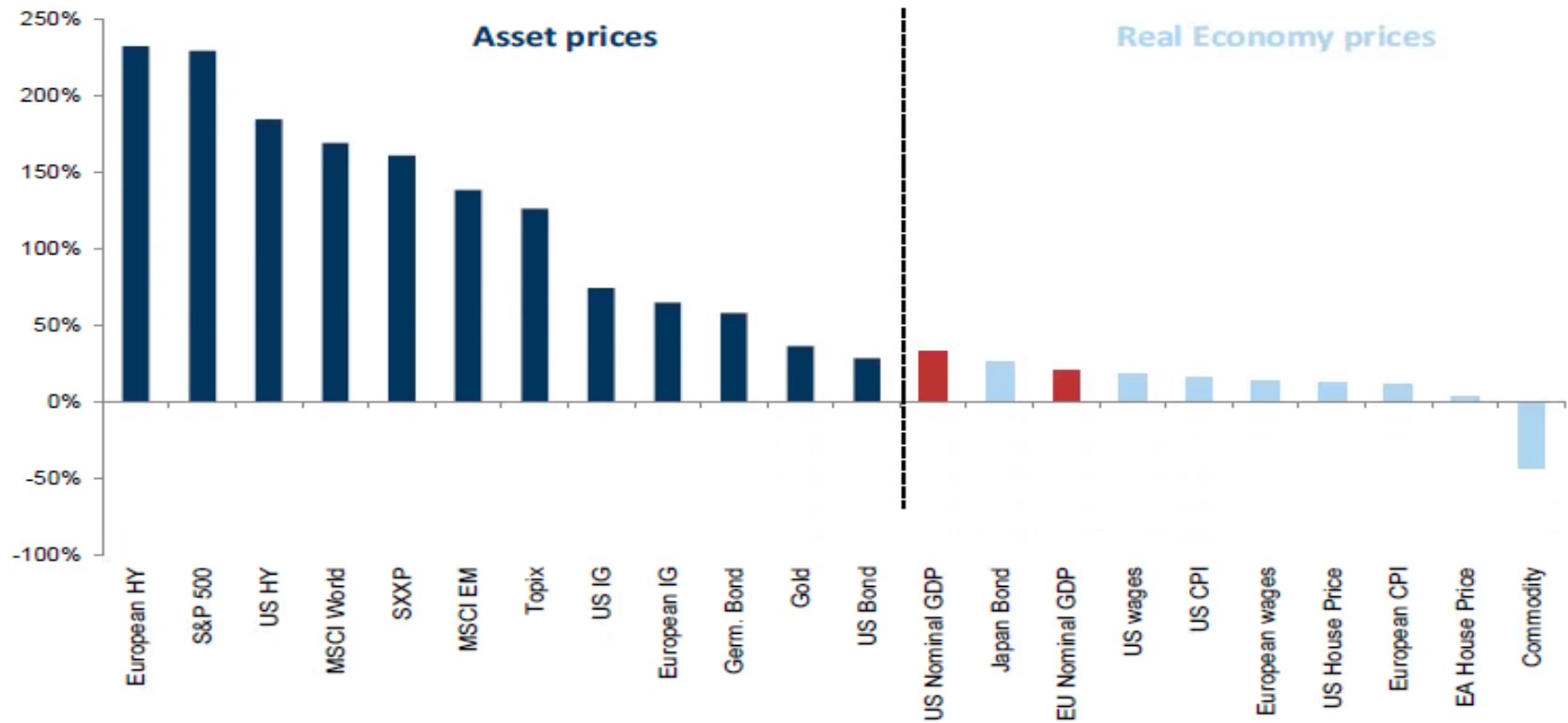


Note: Values above zero show inflation outcomes beating economist expectations; values below zero show disappointing outcomes

Source: FactSet

Inflation: Asset vs. Real

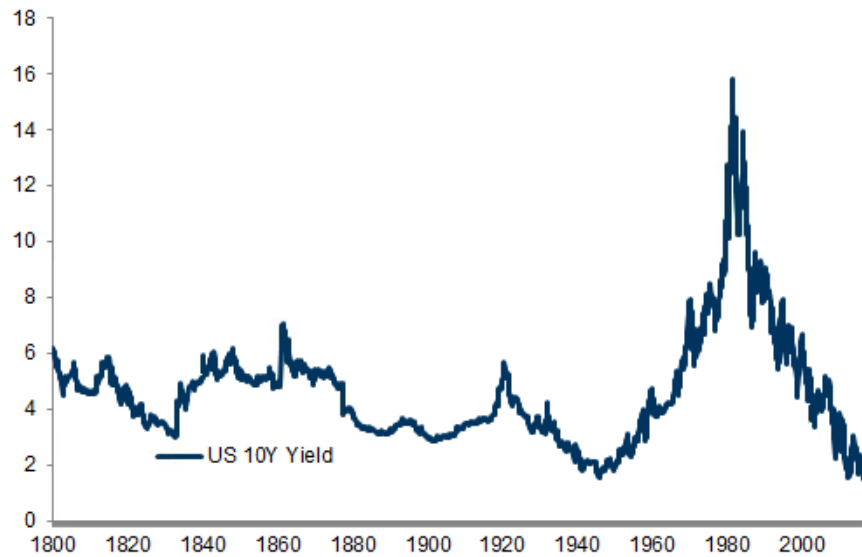
Exhibit 17: Wide dispersion between asset price inflation and 'real economy' inflation
Total return performance in local currency since January 2009



Source: Goldman Sachs Global Investment Research

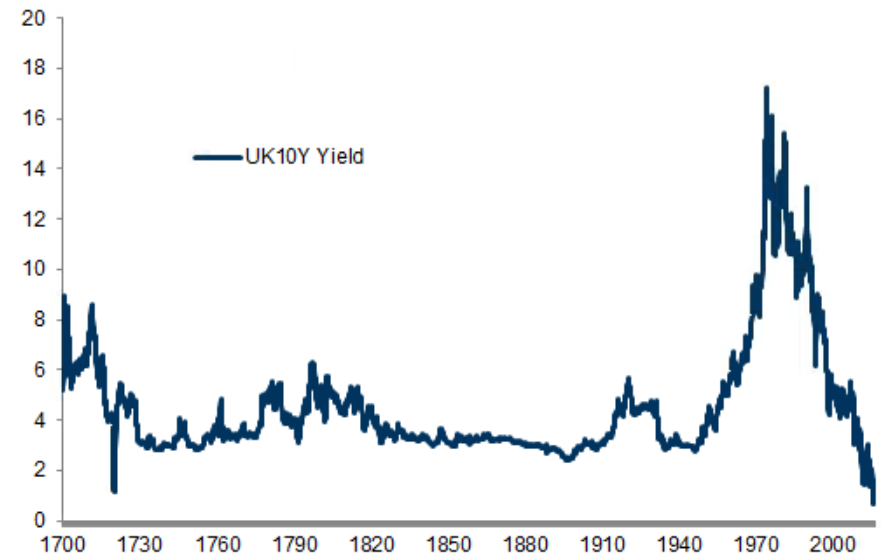
Outlier appears to be '70s

US 10y bond yields



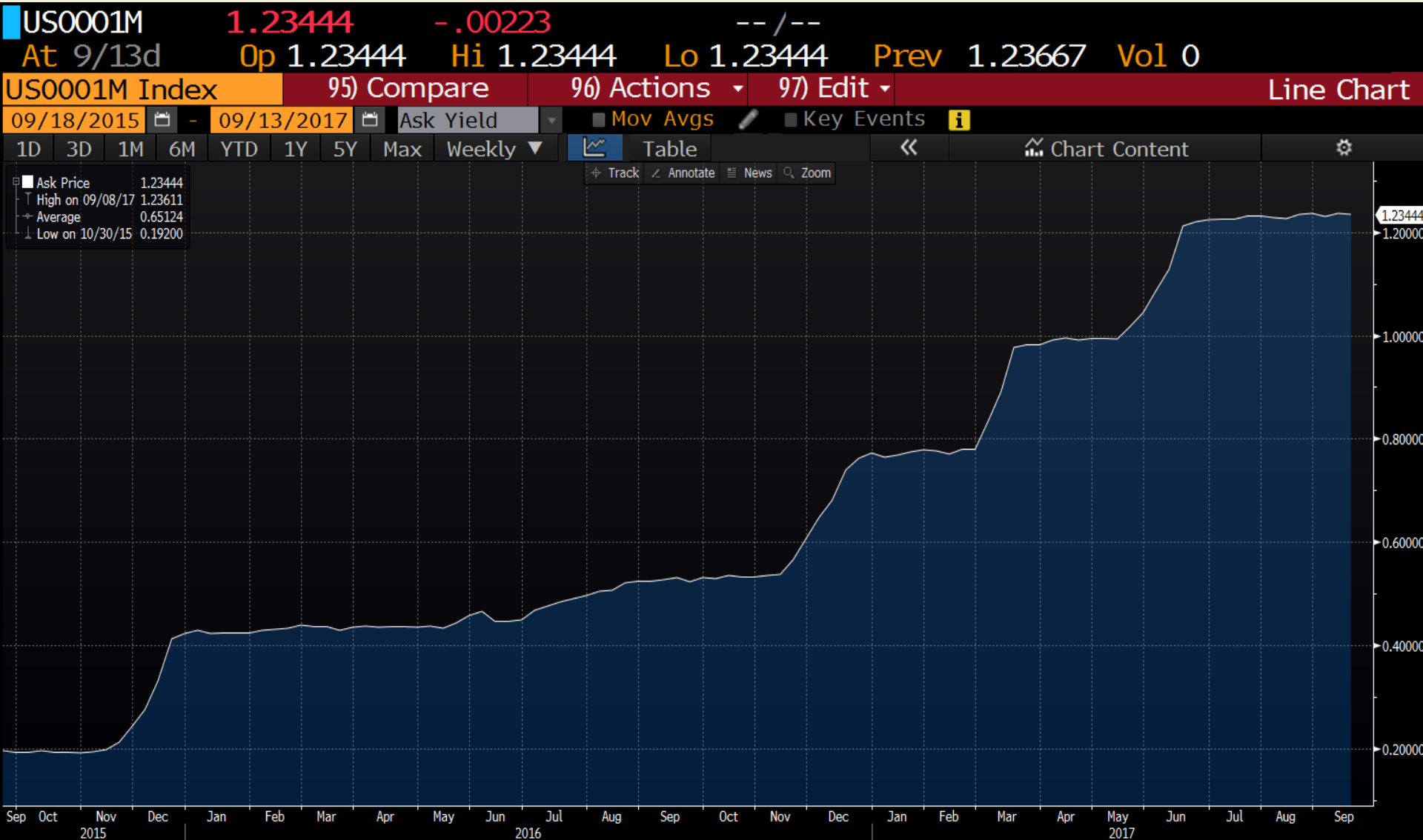
Source: GFD, Goldman Sachs Global Investment Research

UK 10y bond yield



Source: GFD, Goldman Sachs Global Investment Research

30 Day LIBOR



Earnings

Earnings recession ended

SPWPPRCT 11.0

As Of 09/08/17

S&P 500 Reported Earnings Share Weighted Avg Gain or Loss YoY

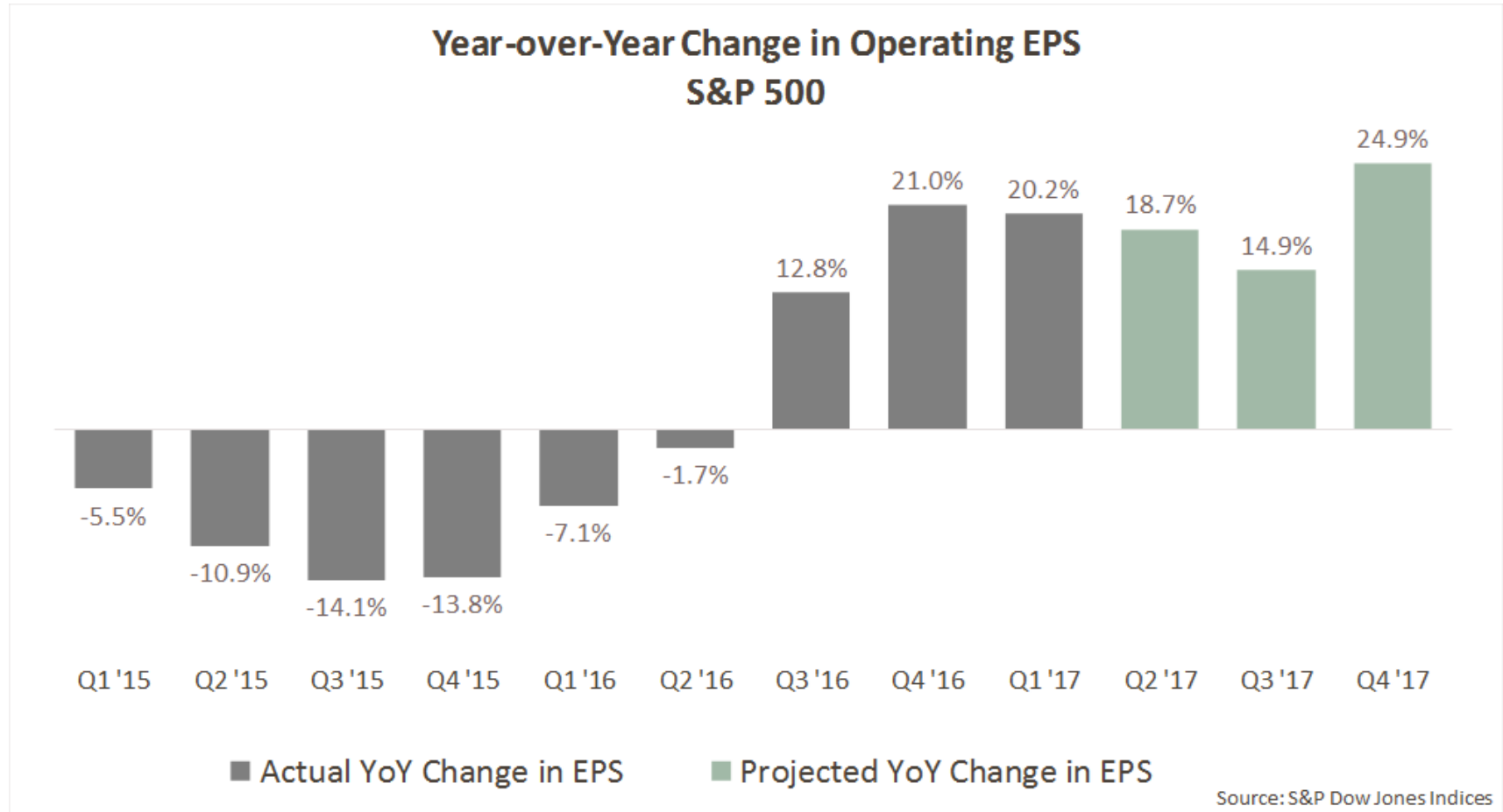
SPWPPRCT Index 95) Compare 96) Actions 97) Edit Line Chart

10/10/2014 - 09/08/2017 Mid Line Mov Avgs Key Events

1D 3D 1M 6M YTD 1Y 5Y Max Weekly Table Chart Content



Corporate earnings: high expectations



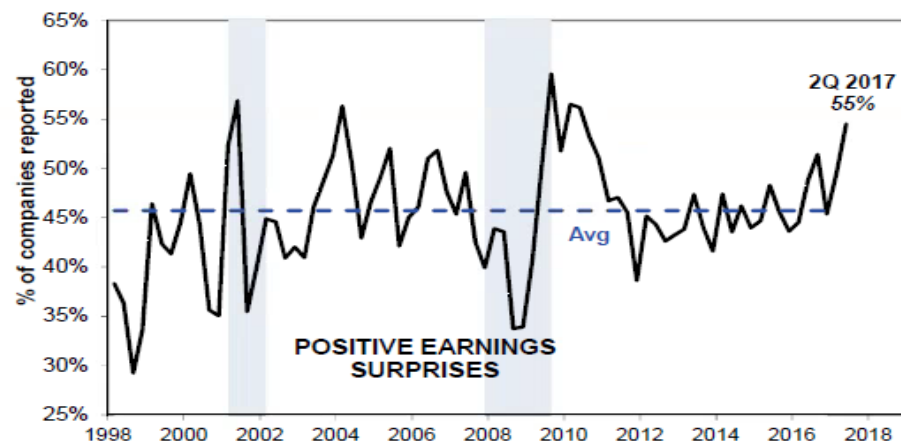
Earnings

Exhibit 1: S&P 500 earnings grew by 11% year/year in 2Q
as of August 10, 2017

	2QE 2017 Realized and Consensus Bottom-up					
	EPS		Sales		Margin	
	\$/Share	Growth	\$/Share	Growth	Level	Change
Energy	\$0.95	319 %	\$24	15 %	3.9 %	285 bp
Info Tech	6.70	15	35	13	19.2	36
Utilities	0.97	10	NM	NM	NM	NM
Financials	5.99	10	NM	NM	NM	NM
Industrials	3.52	10	37	8	9.5	17
Health Care	5.32	8	49	5	10.8	24
Real Estate	0.86	7	NM	NM	NM	NM
Telecom Services	1.07	6	9	(3)	12.0	109
Materials	1.01	6	10	(1)	10.7	72
Consumer Staples	2.59	4	38	4	6.8	2
Consumer Discretionary	3.63	0	49	5	7.4	(37)
S&P 500	\$32.61	11 %				
<i>ex. Financials and Utilities</i>	24.79	11	\$251	7 %	9.9 %	41 bp
<i>ex. Energy</i>	31.67	8	227	6	10.5	23

Source: FirstCall, FactSet, and Goldman Sachs Global Investment Research.

Exhibit 2: Highest number of S&P 500 positive earnings surprises since 2010
as of August 10, 2017



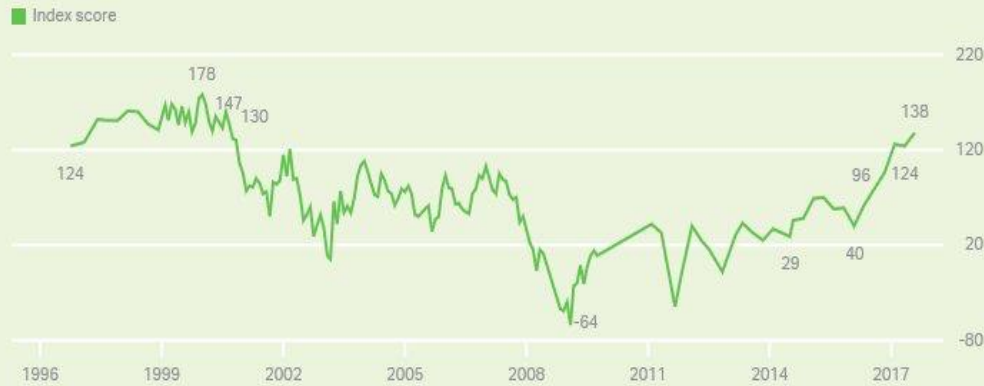
Source: FirstCall, FactSet, and Goldman Sachs Global Investment Research.

Market Outlook

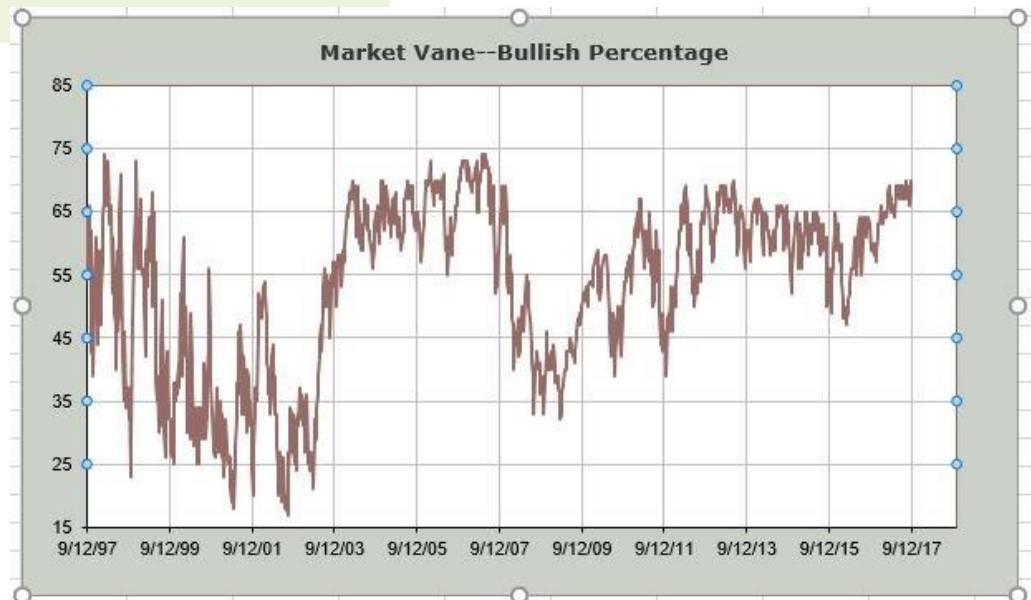
What investors say....

U.S. Investor Optimism, 1996-2017

Wells Fargo/Gallup Investor and Retirement Optimism Index



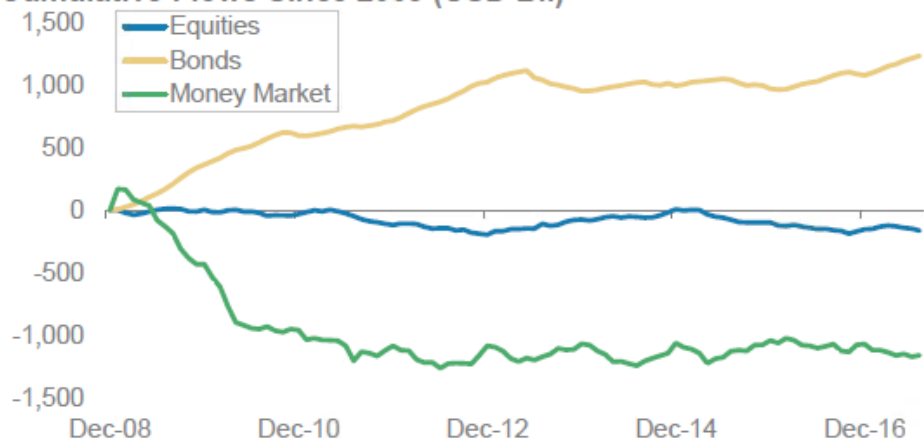
WELLS FARGO/GALLUP



What investors are doing.

...Flows into Equities Don't Suggest 'Euphoria'

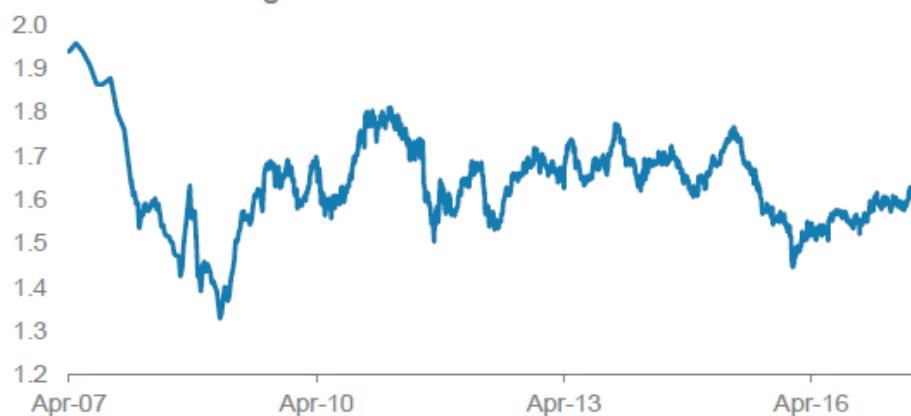
Cumulative Flows Since 2009 (USD Bil)



Source: Haver Analytics, Morgan Stanley Research; Note: Shows flows into US domestic equities, bonds and money markets ETFs and mutual funds.

...and Funds Net Leverage Is Surprisingly Modest

Global Net Leverage Ratio



Source: Morgan Stanley Prime Brokerage

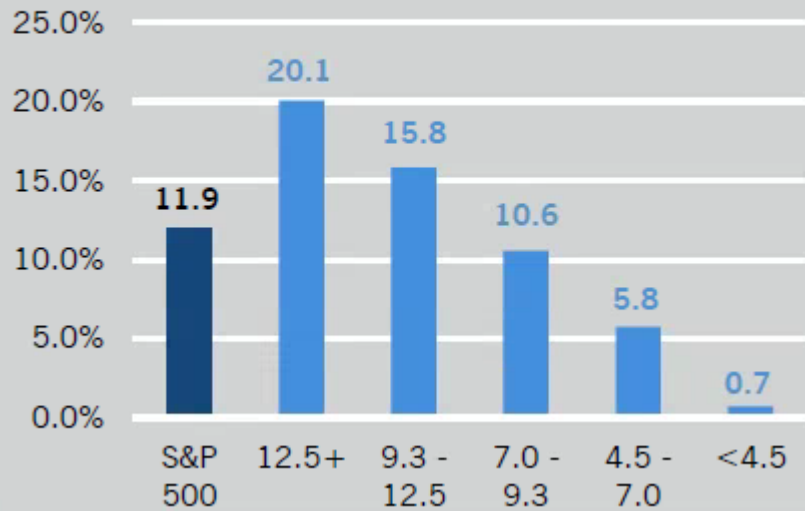


S&P 500 index and median stock trades at high valuation on all metrics except free cash flow yield

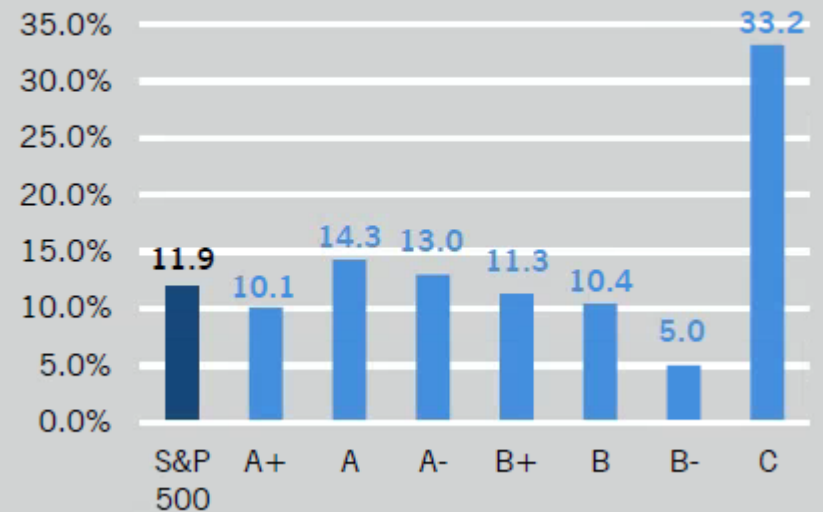
Metric (Aggregate index)	Aggregate Index			Median Stock		
	Current	Long-term average	Historical %ile	Current	Long-term average	Historical %ile
EV / Sales	2.2 x	1.3 x	94 %	2.7 x	1.4 x	98 %
Forward P/E	17.5 x	12.8 x	87	17.7 x	13.1 x	94
Cash flow yield (CFO)	7.4 %	9.4 %	87	7.2 %	9.0 %	96
Cyclically adjusted P/E (CAPE)	25.4 x	18.7 x	87	NA	NA	NA
P/E to growth (PEG)	1.4 x	1.1 x	87	1.8 x	1.2 x	100
EV / EBITDA	11.2 x	8.2 x	86	11.7 x	8.1 x	98
Price / Book	3.1 x	2.5 x	83	3.3 x	2.2 x	98
Adjusted free cash flow yield (AFCF)	6.6 %	7.6 %	79	5.9 %	7.1 %	82
Free cash flow yield (FCF)	4.2 %	4.0 %	52	4.3 %	4.1 %	47
Median			87 %			97 %

YTD 2017 Return Breakdown

3-5 Year Earnings Growth



S&P 500 Quality Ranking



Growth Trumps Value

Growth Is Beating Value

U.S. growth stocks last beat value stocks by as much as they have this year back in 2009, and before that in the dotcom bubble.

■ Russell 1000 Growth 8-month outperformance of Russell 1000 Value

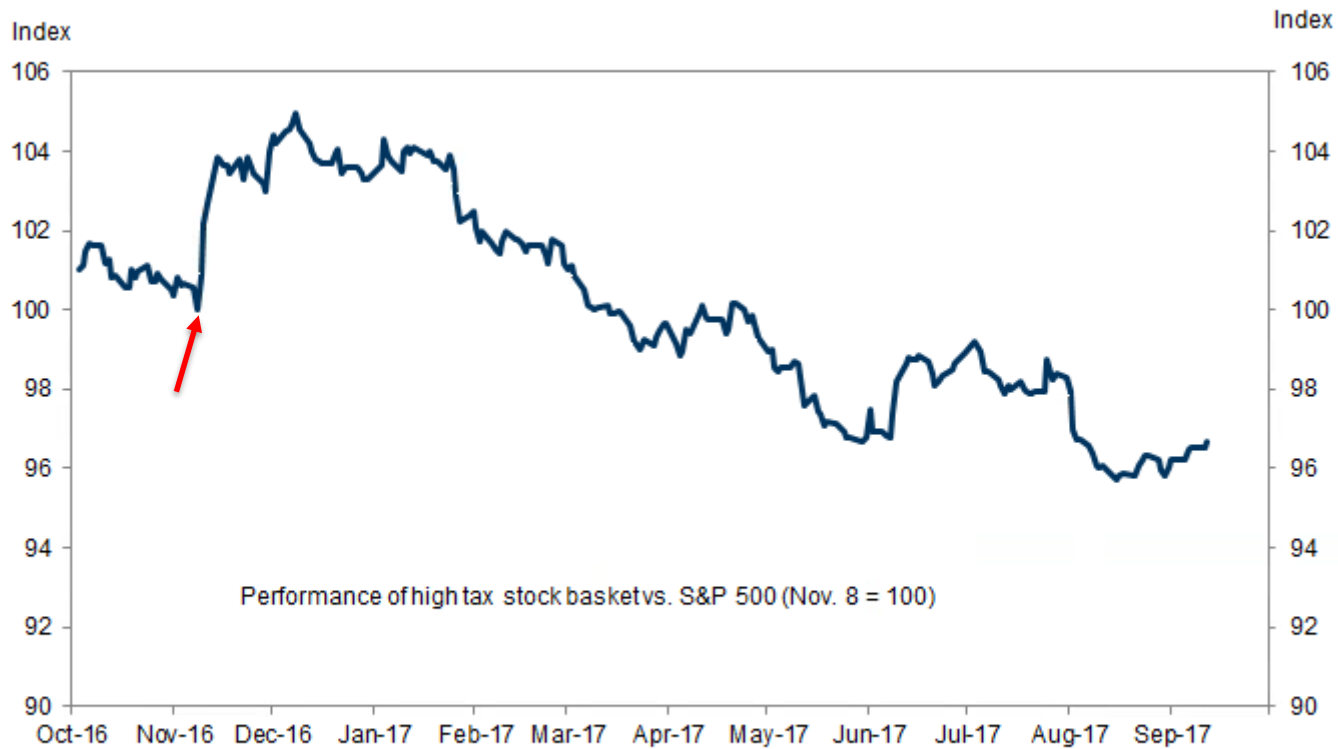


Source: Thomson Reuters Datastream

THE WALL STREET JOURNAL

Hopes for tax cuts fading

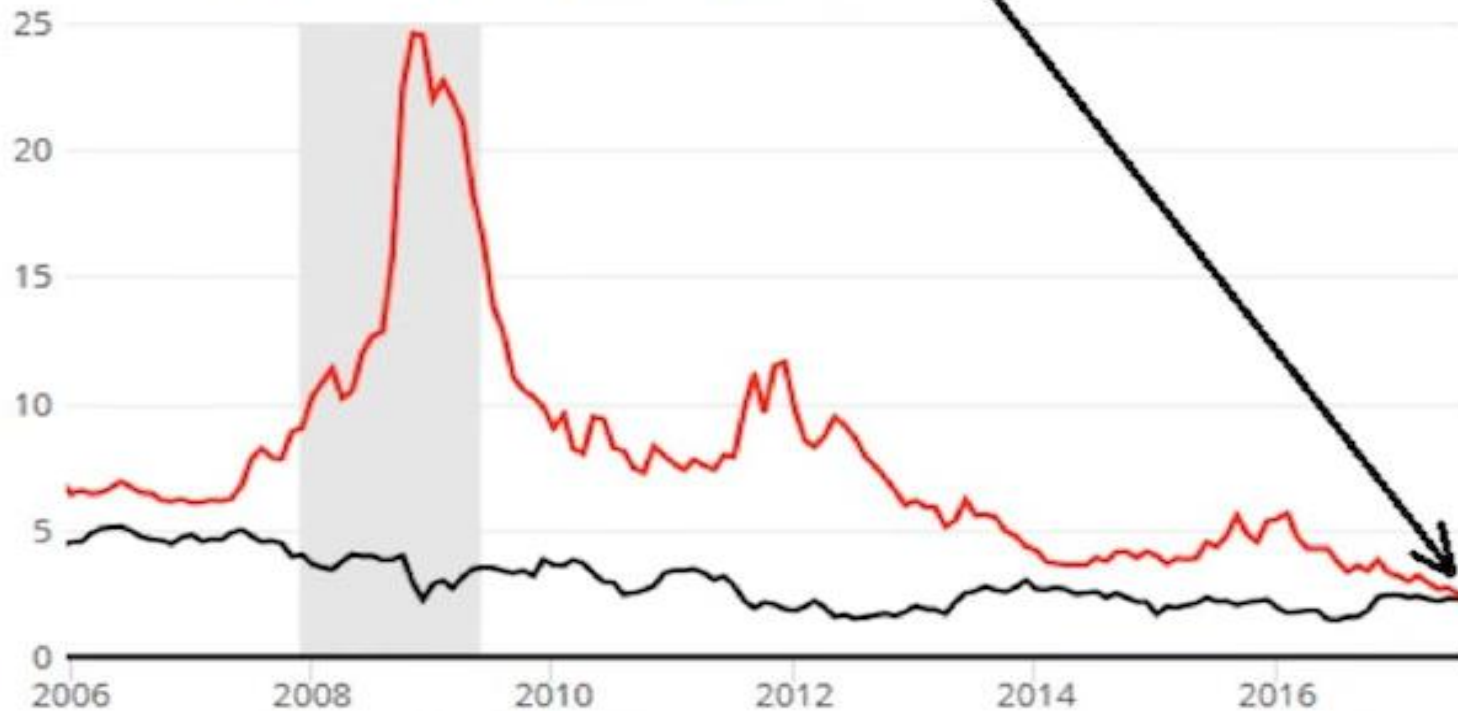
Exhibit 1: High-tax Stocks Have Lagged in Recent Months



Source: Goldman Sachs Global Investment Research

Euro Junk-Bond Investors **Go Nuts**

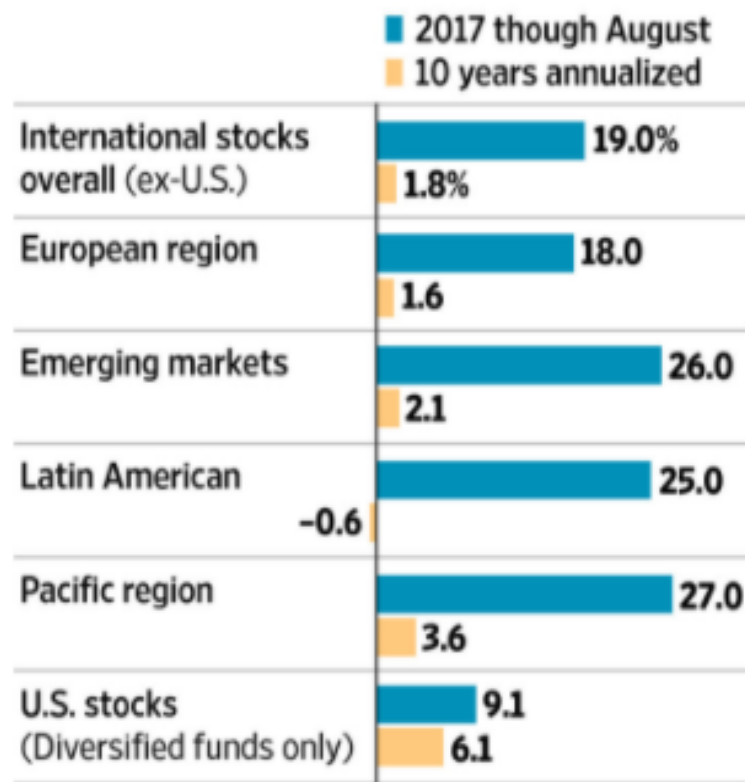
- BofA Merrill Lynch Euro High Yield Index Effective Yield
- US Treasury 10-Year Yield



Source: BofA Merrill Lynch, St. Louis Fed

WOLFSTREET.com

Non-US Stock Underperformance



Note: Fund categories include mutual funds and ETFs

Source: Lipper

THE WALL STREET JOURNAL.

Exhibit 52: US returns have been strong compared with all other regions

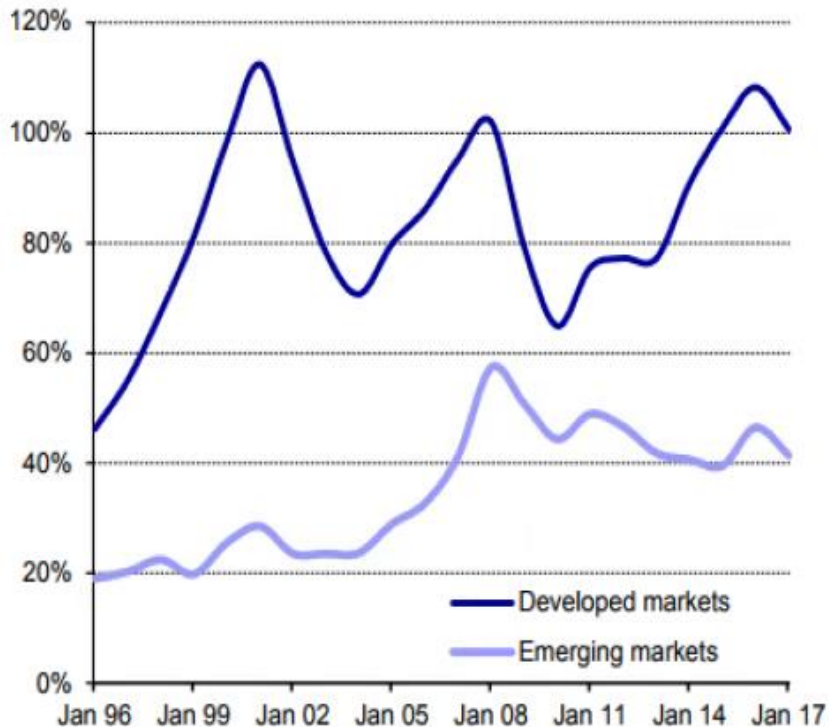
Performance of regional indices

	Returns since 2010	
	Return vs. S&P (USD)	Annualised return vs. S&P (USD)
STOXX Europe 600	-44%	-7%
MSCI APxJ	-42%	-7%
Topix	-33%	-5%
MSCI EM	-51%	-9%
MSCI AC World	-28%	-4%

Source: Datastream, Goldman Sachs Global Investment Research

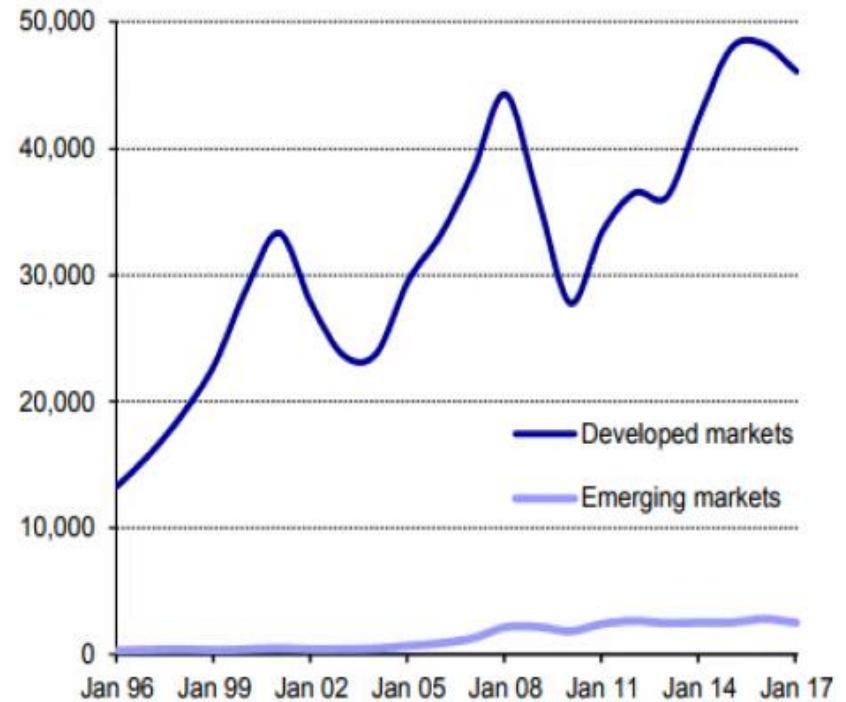
EM relative market caps

Figure 10: Emerging versus developed market capitalisation to GDP



Source: Thomson Reuters, IMF, Credit Suisse research

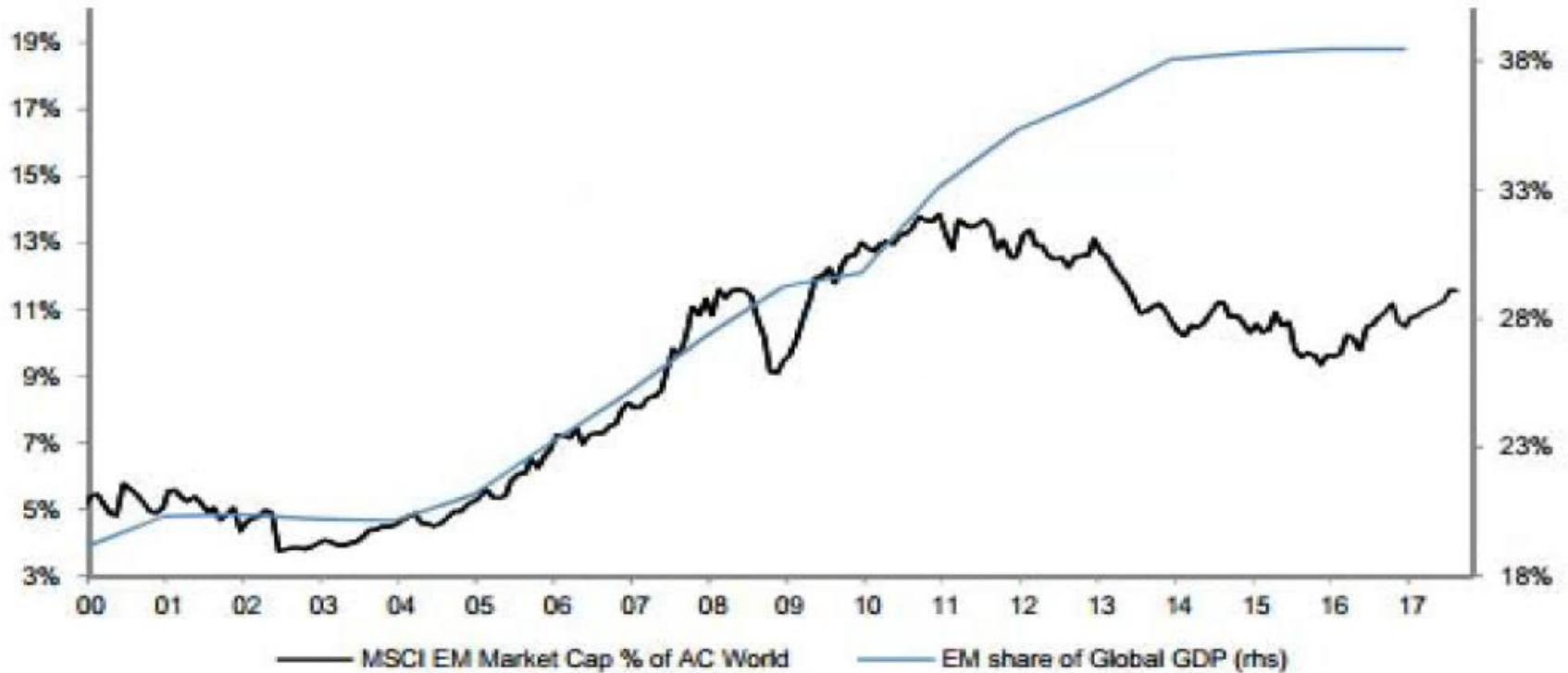
Figure 11: Emerging versus developed market capitalisation per capita (US\$)



Source: Thomson Reuters, IMF, Credit Suisse research

EM GDP & Market Cap

EM share of Global Market Cap and of Global GDP

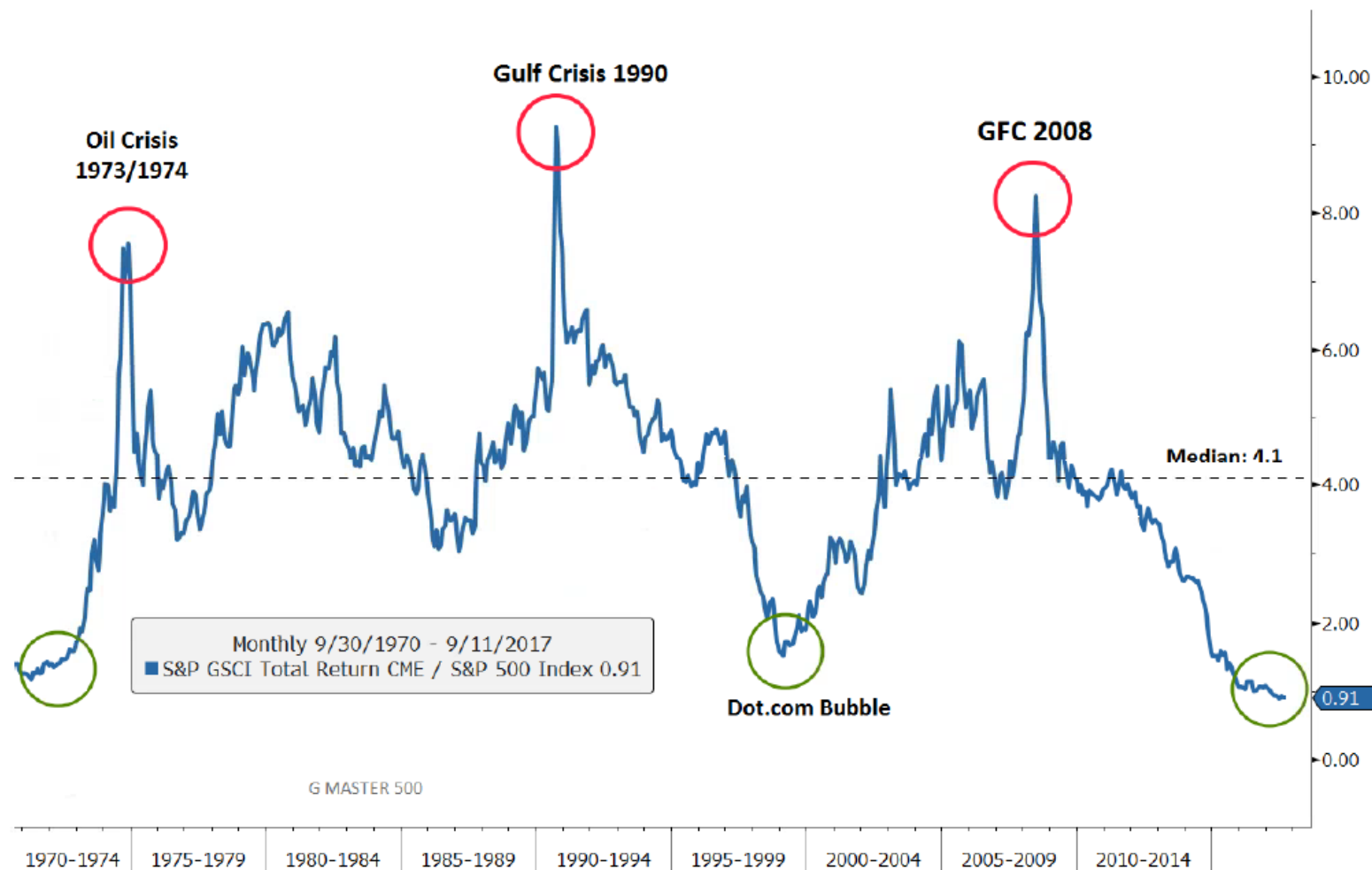


Source: JPMorgan

EM vs. S&P 500 CAPE ratios



Commodities vs. Equities



Source: Dr. Toresten Dennin, Incrementum AG
SPGSCITR Index (S&P GSCI Total Return CME) GSCI/SPX Monthly 30SEP1970-11SEP2017

Copyright© 2017 Bloomberg Finance L.P.

11-Sep-2017 14:47:05

Commodities bad for a long time

Commodities return analysis (%)

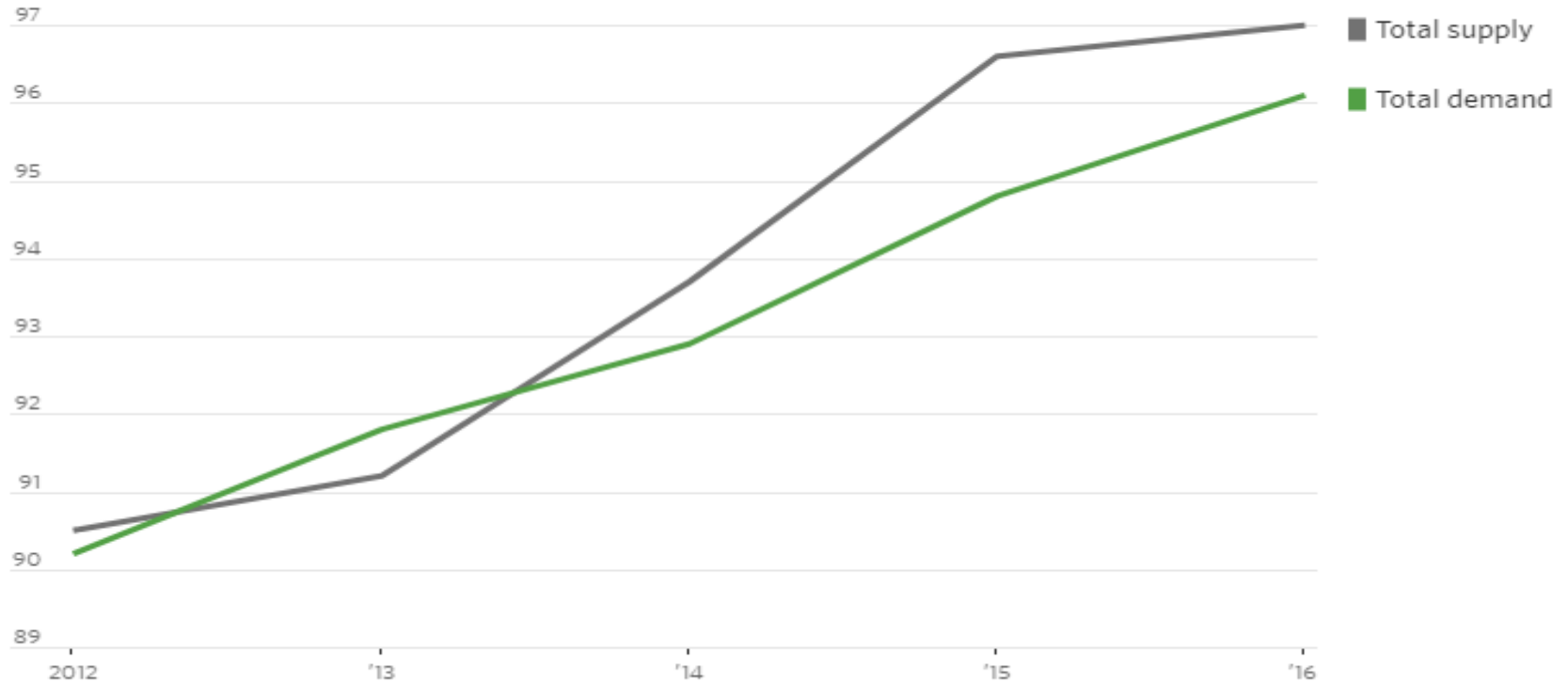
Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
Bloomberg Commodity Index	0.40	2.48	-2.72	2.99	-12.27	-10.14
Bloomberg Sub Agriculture	-6.86	-3.18	-9.22	-7.35	-9.26	-12.19
Coffee	-9.29	-3.90	-11.97	-19.62	-21.64	-13.64
Corn	-6.99	-8.97	-7.28	1.02	-10.72	-18.69
Cotton	3.10	-3.77	1.43	8.46	2.24	-0.89
Soybean	-6.07	2.78	-8.00	-3.71	-3.88	-5.40
Soybean Oil	-0.11	10.51	-1.35	2.58	-1.27	-12.41
Sugar	-3.33	-4.26	-26.74	-30.78	-11.46	-14.72
Wheat	-13.60	-7.32	-7.73	-6.95	-17.42	-20.91
Bloomberg Sub Energy	1.43	2.09	-15.14	-2.25	-28.49	-17.91
Brent Crude	0.07	2.48	-11.11	1.50	-30.84	-19.68
Heating Oil	2.89	11.71	-4.12	11.28	-22.13	-15.41
Natural Gas	7.17	-2.89	-25.66	-15.84	-30.69	-18.62
Unleaded Gas	3.64	10.38	-8.82	13.61	-21.12	-13.28
WTI Crude Oil	-4.94	-2.15	-15.97	-4.10	-34.18	-21.88

Index	1-Mo.	3-Mo.	YTD	1Y	3Y	5Y
Bloomberg Sub Industrial Metals	9.64	18.00	21.38	35.55	-2.32	-1.74
Aluminum	10.45	9.31	23.39	29.14	-3.21	-3.00
Copper	6.48	19.04	21.59	46.20	-1.92	-3.31
Nickel	15.39	31.11	16.61	19.07	-15.70	-7.35
Zinc	12.62	20.80	21.40	34.23	8.05	7.98
Bloomberg Sub Precious Metals	4.01	2.53	12.47	-2.24	-1.05	-7.07
Gold	3.92	3.34	13.84	-0.16	0.16	-5.34
Platinum	6.24	4.98	10.09	-5.88	-11.61	-8.81
Silver	4.25	0.28	8.63	-7.62	-4.82	-12.17
Bloomberg Sub Livestock	-6.18	-12.40	-0.59	4.22	-8.65	-3.42
Lean Hogs	-6.92	-11.04	-6.92	-5.48	-15.60	-7.35
Live Cattle	-5.77	-13.33	3.73	10.85	-4.63	-1.03

Oil Market - Rebalancing

Crude supply has outpaced demand in recent years

98 million barrels a day



Source: International Energy Agency

THE WALL STREET JOURNAL

Oil Market - Rebalancing

Weekly U.S. crude stockpiles increased after Hurricane Harvey



Note: excludes Strategic Petroleum Reserve
Source: U.S. Energy Information Administration

THE WALL STREET JOURNAL

Industry stocks in Organization for Economic Cooperation and Development countries



Source: International Energy Agency

THE WALL STREET JOURNAL

- Good growth + Low inflation
- If inflation picks up, pace of Fed tightening could increase which would be headwind to stocks & bonds
- Earnings growth is excellent
- Low risk / short-duration fixed income is attractive currently – HY credit unattractive
- Equities: Like EM best, non-US developed next and then US equities
- Commodities have been bad for so long may be turning

Thank you for listening and for your continued support of 6 Meridian.

The PDF version of this presentation is available under the Event Resources tab to the left.

Replays will be available in approximately 2 hours and can be accessed by clicking on the link used to register for the event or at www.6meridian.com- Insights Tab

*Thank you!
The 6 Meridian Team*