

Dear Investor,

Enclosed please find our Market & Economic Update for March 2017.

We have been encouraged by the markets robust start to the year. While some of the gains have been based on expected policy changes out of Washington, others can be traced to improved earnings expectations for 2017, strong confidence numbers across business and consumers, and a better outlook overseas especially in Japan & Europe. The next three months could be volatile as many of the policy changes work their way through Congress, but we continue to be fairly optimistic on US Equities. Bonds should be under pressure as a 50 to 75 basis increase in rates looks likely over the next 10 months. Two areas of risk, which we will monitor closely, are a crisis of confidence in China and the prospect of a trade war. Please call me with any questions as I would welcome the opportunity to talk with you about the markets or the economy.

Best,

A smaller version of the UNION logo, consisting of the word "UNION" in black with the green diagonal lines to the left.

Jesse T. Ellington III
Chief Investment Officer
Union Bank & Trust
3900 Westerre Pkwy, Ste 201
Richmond, Va 23233
T 804.774.2087
C 843.412.1420
F 804.967.8821
jesse.ellington@bankatunion.com