

Dear Investor,

Attached please find our Economic Commentary and Capital Market Update for October 2017. As the market continues to set new highs, we have been digging into our asset allocation model trying to find pockets of value. While multiples continue to look stretched, we see opportunities in US financials and emerging markets. We are also seeing the fruits of our increased allocation to US small cap stocks, that we made back in March, with the Russell 3000 outperforming the S & P 500 significantly over the last four weeks. With interest rates set to rise again in December, we continue to recommend being underweight in bonds and we have reduced the duration of our fixed income investments.

It's hard to make the case for what will trigger a significant correction other than valuation and possible policy stagnation out of Washington D.C. As mentioned in previous updates, much of this year's rally has been based on improving fundamentals, but the markets are also expecting tax relief. More than likely this euphoric mood will continue as we move thru the fourth quarter and into 2018. Please reach out to me via email if you have any questions about the update.



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