

6th Annual

ECONOMIC OUTLOOK LUNCHEON

Bulls, Bears and the Federal Reserve in the New Year

SECURITY
NATIONAL BANK

WEALTH MANAGEMENT





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Disclosures

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Investment Staff



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Vice President,
Senior Investment
Officer



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Assistant Vice
President, Trust
Investment Officer



John Gibb, CFA
Assistant Vice
President,
Investment Officer



Our Trust Leadership



Douglas Oldaker, J.D.
Executive Vice
President, Wealth
Management Division



Jim Kerkhove, J.D. CFP
Senior Vice President
Trust Services Manager



Jon Jacobsen, J.D.
Vice President
Wealth Management
Sales



Janet Melchior-Kopp, J.D.
Vice President
Trust Administration Manager

Our Trust Officers



Kevin Poots
Assistant Vice President,
Trust Officer



David Shrader, CRPS
Employee Benefits
Trust Officer



Joseph Borghoff, J.D.
Trust Officer



Dylan Dinkla, J.D.
Trust Officer

Last Year's Forecast



	2019		
	Last Year's Forecast	Actual	Variance
GDP Growth	2.1%	2.3%	0.2%
Change in Consumer Prices	2.0%	2.1%	+0.1%
Fed Funds Target Rate	2.75%	1.75%	-1.00%
10-Year Treasury Yield	3.10%	1.92%	-1.18%
S&P 500 EPS	\$168	\$164	-2.4%
S&P 500 Ending Value	2,725	3,231	-18.6%

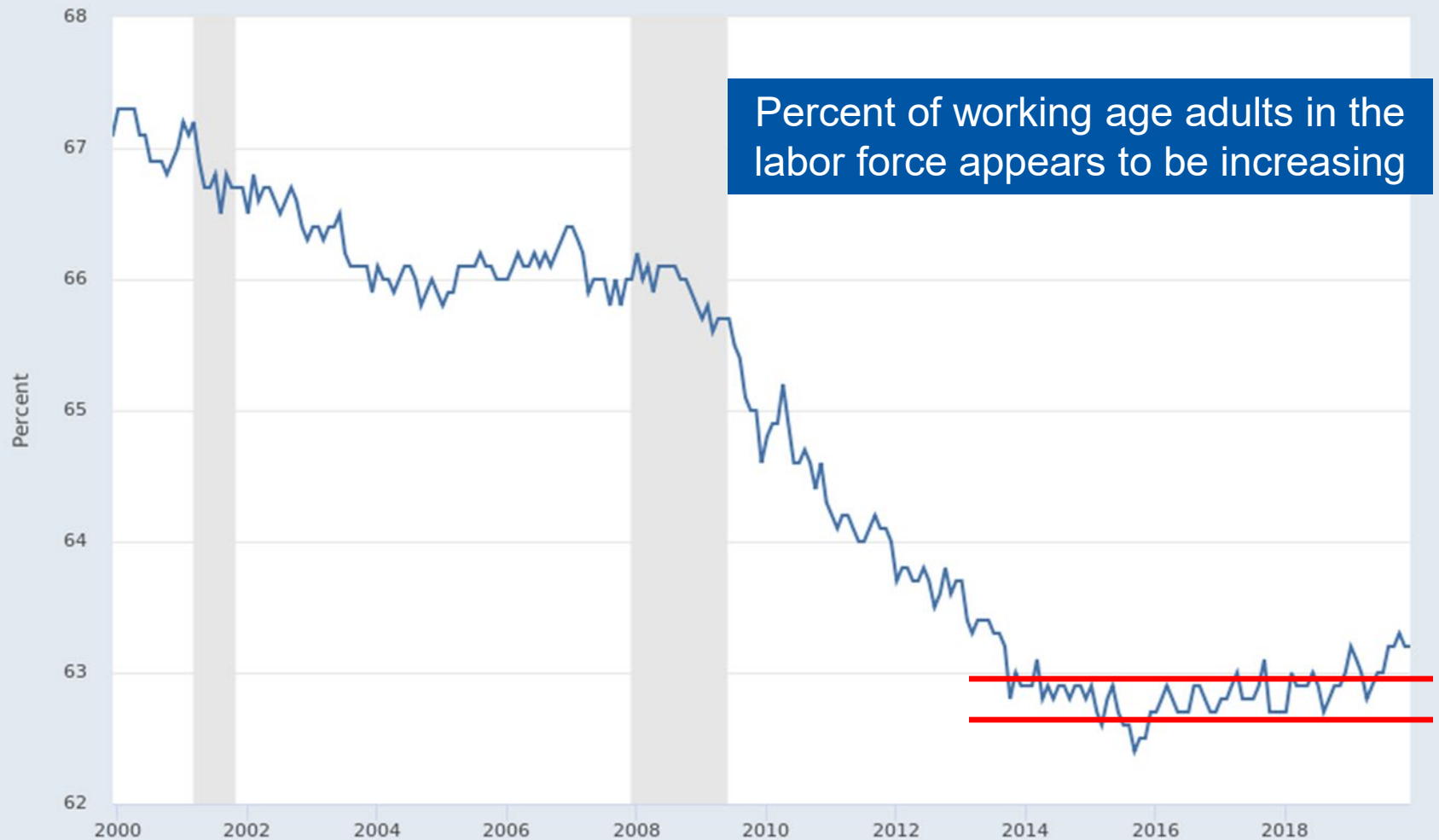
	2019 Change
S&P 500 Index*	31.5%
S&P Midcap 400*	26.2%
S&P Small Cap 600*	22.8%
S&P SuperComposite 1500*	30.9%
S&P 500 Growth*	31.1%
S&P 500 Value*	31.9%
Developed Ex U.S., net **	22.0%
Emerging Markets, net **	18.4%
Liquid Alternatives ***	6.7%
BB U.S. Aggregate *	8.7%
Crude Oil – WTI Near Term	34.5%
Gold – Near Term	19.0%

** = Total return ** = MSCI EAFE and EM ***** =
Wilshire Liquid Alternative Index*

Our Economic Outlook



FRED — Labor Force Participation Rate

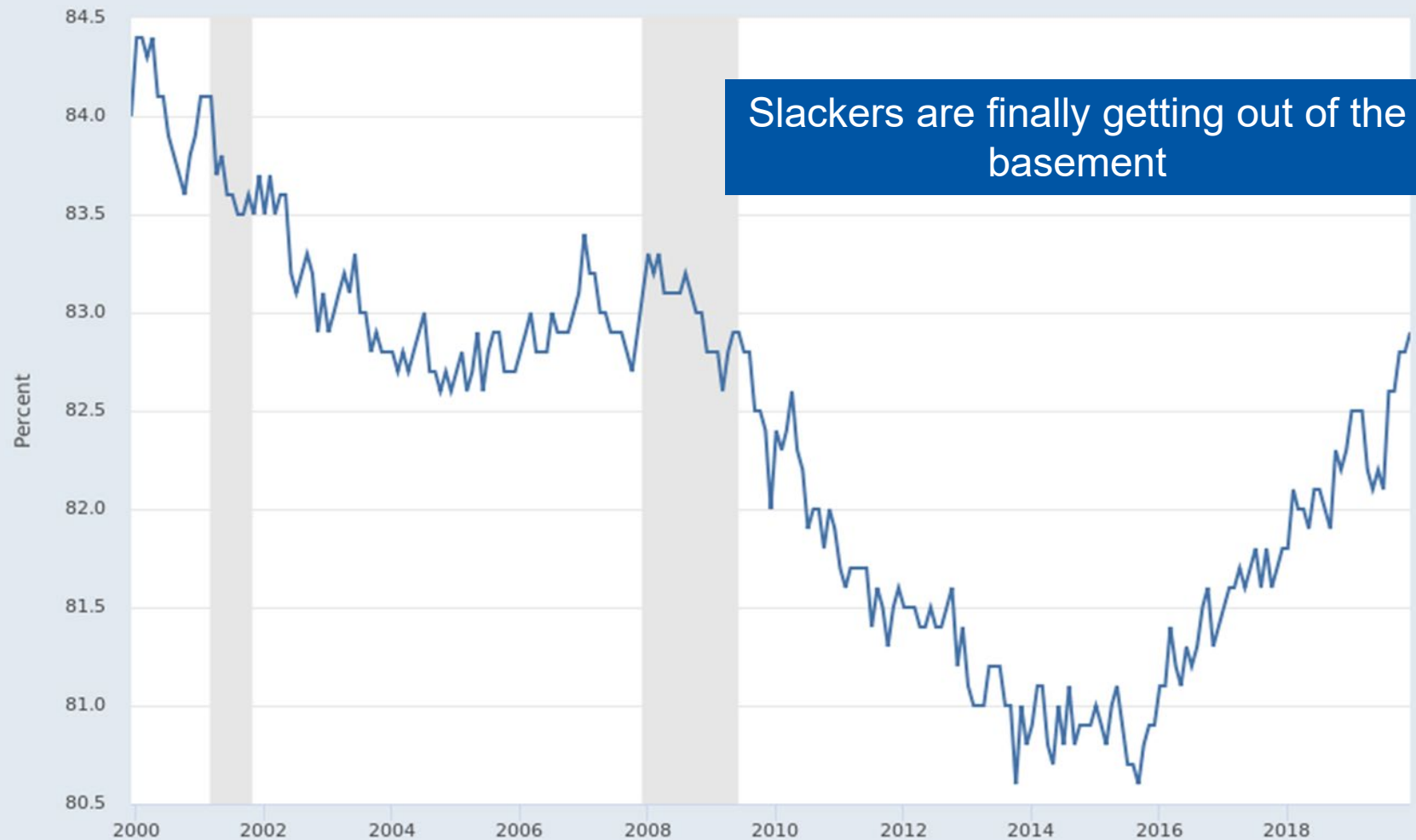


Shaded areas indicate U.S. recessions

Source: U.S. Bureau of Labor Statistics

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FRED — Civilian Labor Force Participation Rate: 25 to 54 years

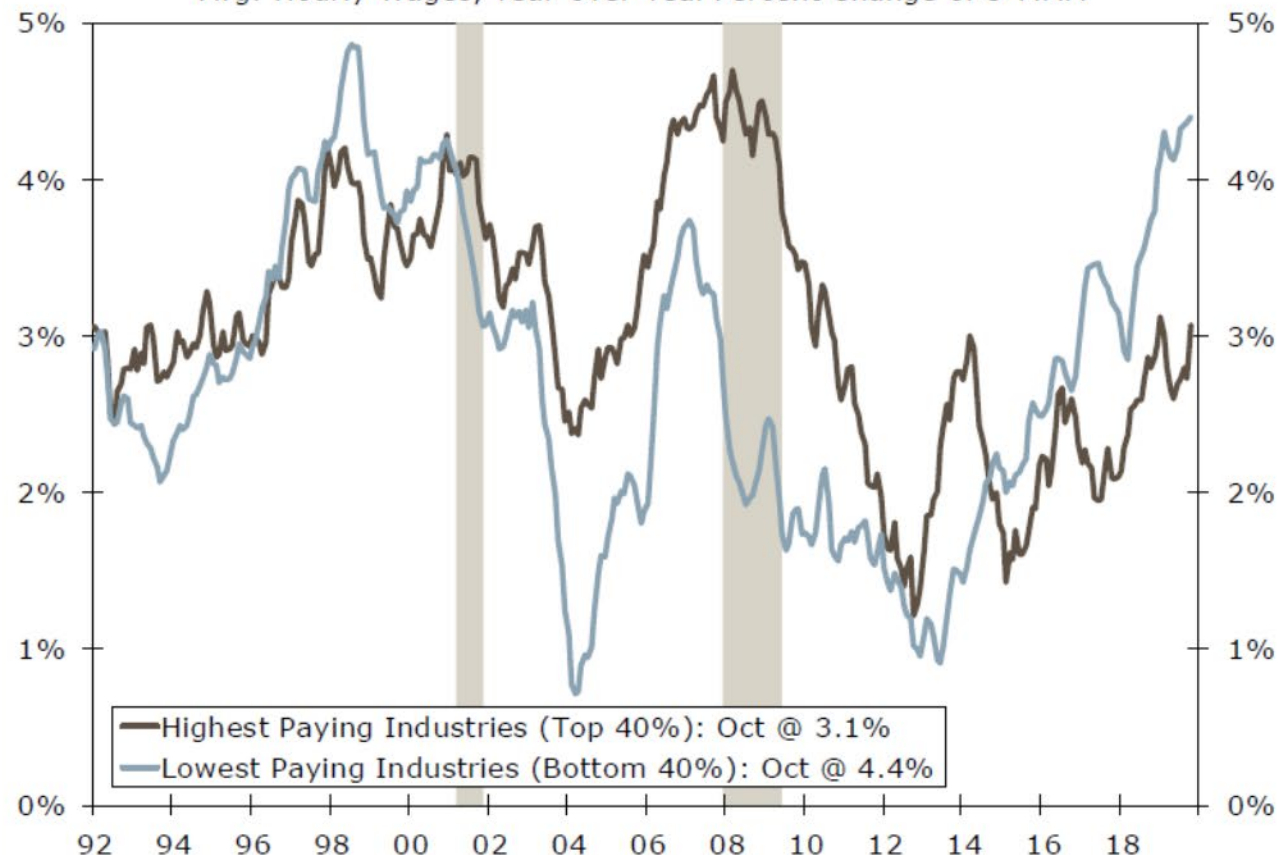


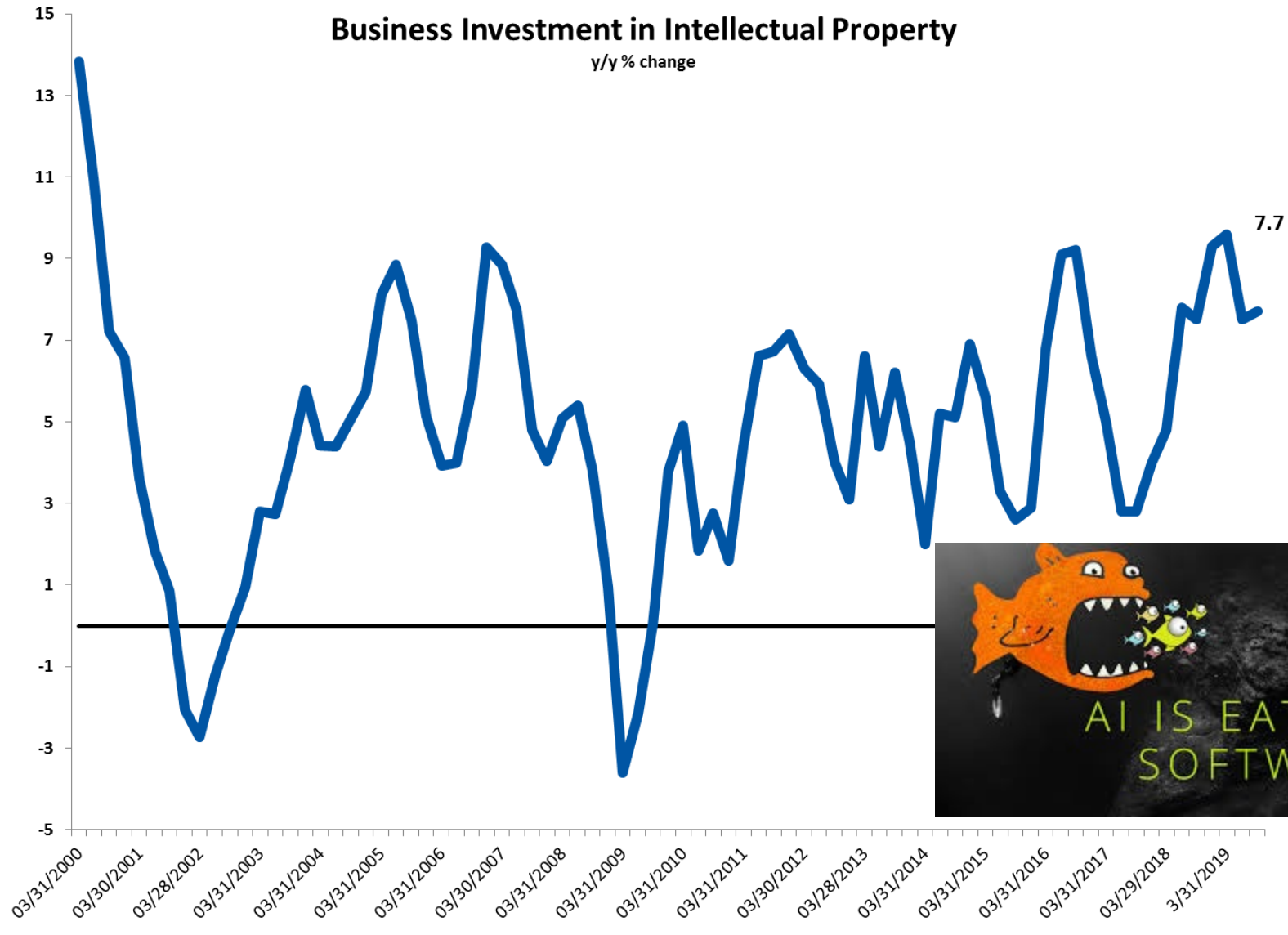
Slackers are finally getting out of the basement


A strong labor market is supporting wages, particularly in low-paying industries where there is a higher propensity to consume.

Wage Growth in High & Low Pay Industries

Avg. Hourly Wages, Year-over-Year Percent Change of 3-MMA

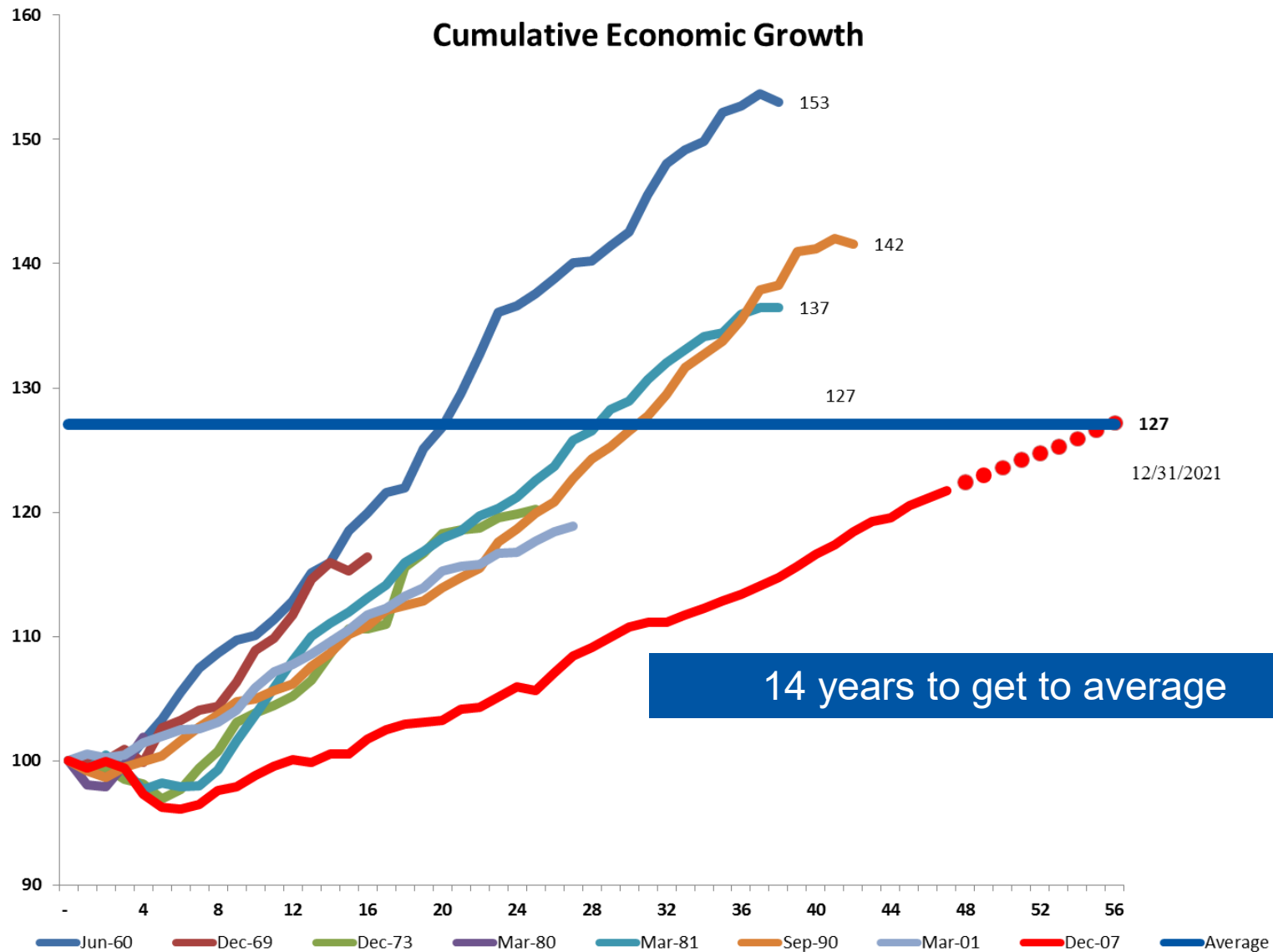




FRED  — 10-Year Breakeven Inflation Rate



Inflation is under control



	2019 Est	2020 Est	2021 Est
GDP Growth	2.3%	1.9%	1.9%
Consumer Prices	2.1%	2.0%	2.0%
Fed Funds Target Rate	1.75%	1.75%	2.00%
10-Year Treasury Yield	1.92%	1.90%	2.15%

Our Stock Market Outlook

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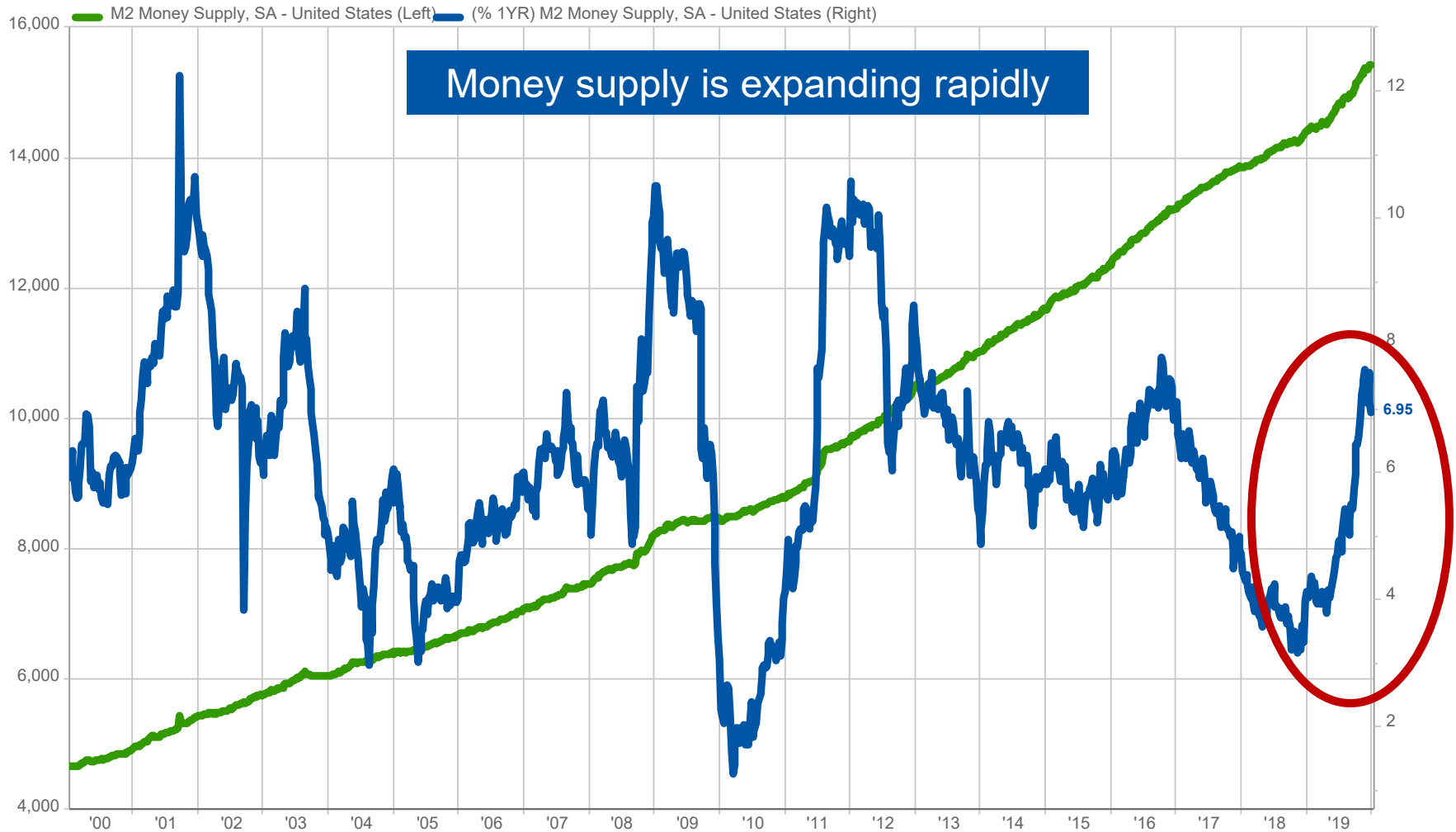
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US M2 Money Supply

USD Bil.

%Chg vs Year Ago



Price to Earnings - NTM (Mean)

31-Dec-1999 to 13-Jan-2020 (Daily)

— S&P 500



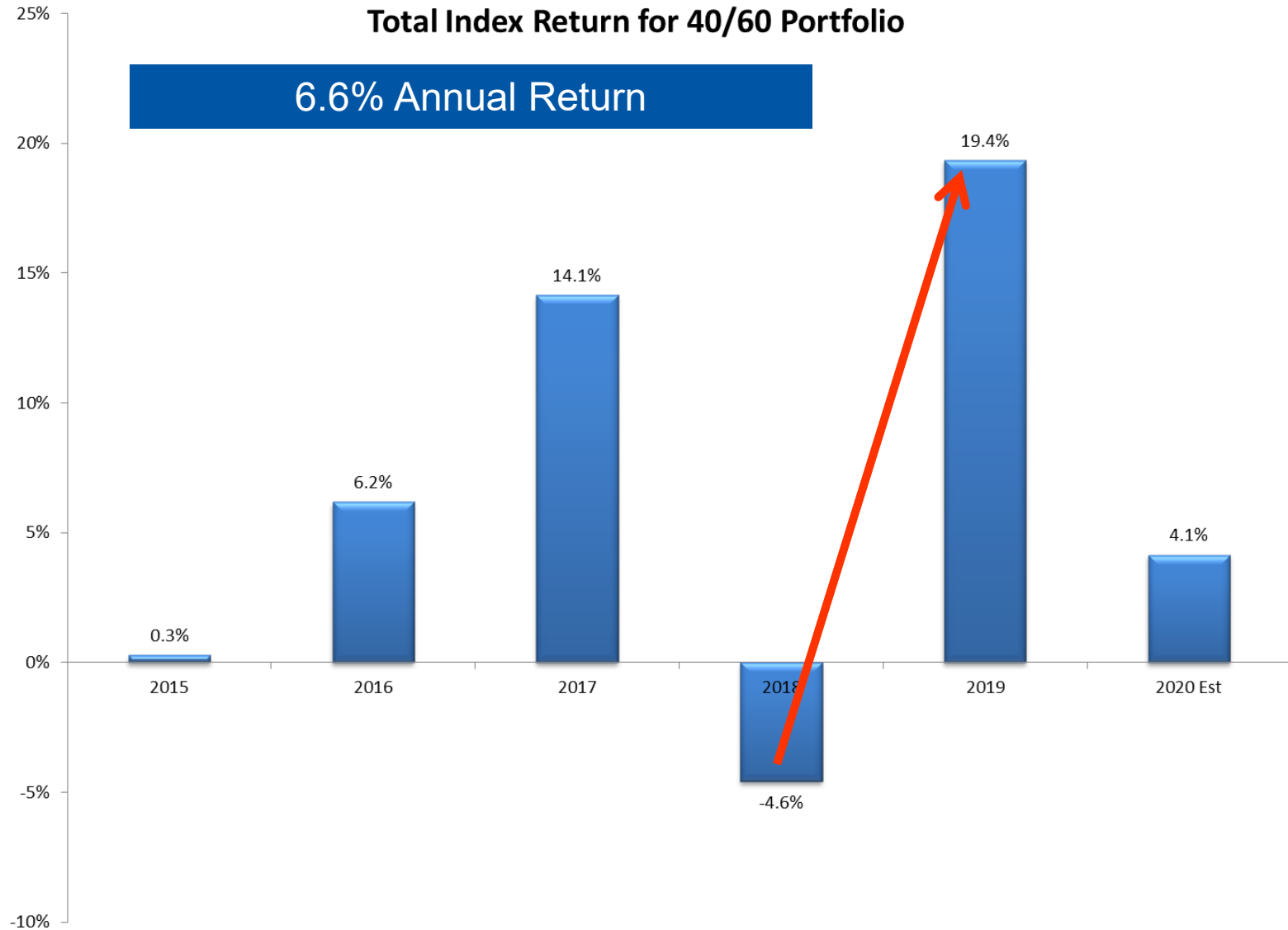
Source:

	2019 Est	2020 Est	2021 Est
S&P 500 EPS	\$164	\$171	\$181
Ending Value	3,231	3,350	
Current Value		3,276	

Expect modest returns with an
April/May 5% to 10% correction

Total Index Return for 40/60 Portfolio

6.6% Annual Return



What are We Doing



Equity % up to	Current Allocation	Last Year
Fixed Income - Domestic		
Short Term	0%	5%
High (Investment) Grade	40%	35%
High Yield	0%	0%
Inflation Protection	0%	0%
Fixed Income - International	0%	0%
Equities - Domestic		
Large	43%	43%
Mid	5%	5%
Small	5%	5%
Equities - International		
Developed	4%	5%
Emerging Market	1%	2%
Alternative	2%	0%
Cash	0%	0%
Total	100%	100%

Company	Ticker
Investments that Worked	
Apple	APPL
NVIDIA	NVDA
Microsoft	MSFT
Zoetis	ZTS
Investments that Did Not	
DuPont	DD
EOG	EOG

Company	Ticker	Value	Growth
Companies Added			
Broadridge Financial	BR	✓	
salesforce.com	CRM		✓
SolarEdge	SEDG		✓
Walt Disney	DIS	✓	✓
Alexandria Real Estate	ARE	✓	
Companies Sold			
AbbVie	ABBV	✗	✗
Columbia Banking	COLB	✗	✗
EOG Resources	EOG		✗
Independent Bank Group	IBTX	✗	
WEC Energy Group	WEC	✗	
IAA split from KAR, We consolidated into IAA			

- Global Infrastructure was added August 2019 to SNB target strategies
- Key Investment Characteristics
 - Revenue certainty (stable demand, monopoly-like assets)
 - Privately-owned assets, high operating margins
 - Long-life assets, inflation-linked returns
 - Low correlations to the equity markets
 - 4.4% trailing twelve month yield



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Questions?

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