QR4

QUARTERLY REVIEW

INVESTMENT REVIEW & OUTLOOK

OCTOBER 2017

MACRO THEMES

- SYNCHRONIZED GLOBAL GROWTH
- THE FED STARTS TO UNWIND QE
- INFLATION—MISSING IN ACTION
- TAXES AND POLICY UNCERTAINTY
- GEOPOLITICAL TENSIONS

INVESTMENT THEMES

- REASON AND EMOTION IN INVESTING
- RISK AND GOAL ACHIEVEMENT
- WHAT MAKES A BUBBLE?
- EQUITY BULL MARKET CONTINUES
- CHALLENGING BOND OUTLOOK

FEATURE

Separating Fact From Fiction

PAGE 2

People's United Wealth Management

QR 4

PEOPLE'S UNITED
WEALTH MANAGEMENT'S
QUARTERLY REVIEW

Economic Dashboard

NEGATIVE

NEUTRAL

POSITIVE

Growth

- Hurricanes will detract from third- and fourth-quarter U.S. growth but add to 2018.

  Worldwide growth across all regions will support continued domestic growth.

Jobs

- Economic growth will continue to create jobs but at a slower pace. Housing reconstruction in wake of hurricanes will exacerbate construction labor shortages.

Inflation

- E-commerce is helping to suppress price and wages – the Amazonification effect – despite low unemployment.

Interest Rates

- Short-term rates will increase in lockstep with Fed rate hikes. Long-term rates likely to increase as central banks reduce bond buying.

Oil

- Supply/demand conditions depend on U.S. shale production, OPEC production limits and global growth.

The Dollar

- Year-to-date depreciation coming to an end.

Separating Fact From Fiction

This year, we've seen two kinds of questions from clients. The first kind are those about the rational and quantifiable aspects of the economy such as the improving GDP and employment data. The second kind are those about the seemingly irrational, emotional and ephemeral gyrations of the market. One such example: the extreme swings in the price of bitcoin, a cryptocurrency and today's "Semper Augustus."

These questions are trying to resolve a central challenge of investing: How do we build portfolios that stay anchored in reality while being buffeted by the emotional winds of the market?

As investors, we sometimes believe our search for rational truth in a world of emotional turmoil is unique to our profession. But any careful reading of history tells us that this duality in our existence has been the subject of great thought and continuing angst. The historical treatment of these ideas is familiar to many of us, from the tensions noted by Freud between the Id, Ego and Super Ego to Graham and Dodd's "Security Analysis." In essence, we investors must always remember that long-term success requires two skills—an understanding of the rational, fact-based world of economic statistics and company fundamentals, along with the knowledge that in the short term, market prices are driven more by emotion and sentiment.

This October marks two anniversaries of our search for rational truth in an emotional world. The nailing of Martin Luther's 95 theses to the front door of the Castle Church in Wittenberg, Germany in 1517 marked the beginning of the Protestant Reformation and Luther's attempt to state the objective truths of this faith. This month also marks the 60th anniversary of Ayn Rand's "Atlas Shrugged," her attempt to define rational objective truths in an irrational world.

While both Luther and Rand eloquently lay out the search for rational truth, we must remember that we cannot be completely rational. To deny the emotional side of our being is to deny reality. The successful investor is always vigilant about those “irrational” emotional biases, hardwired into our DNA over the millennia. We must acknowledge, embrace and control emotions, understanding that in the end the facts will prove out but the journey will be bumpy. As Warren Buffet noted, the secret to being a successful investor is to be “fearful when others are greedy and greedy when others are fearful.”

Fear and Greed since 2009

The S&P 500 has trended upward since the low reached in early 2009. Still, there have been periods of fear when shocks to the market have scared investors and caused precipitous declines (see chart 1). Just remember the summer of 2011 when Standard and Poor’s downgraded U.S. Treasury debt from the hallowed AAA level, sparking fear of default around the world and a 21.6% decline in the stock market. Worries over polar vortices, Chinese defaults and “Grexit/Brexit” shocks all led to declines as investors ran for the exits rather than evaluate the fundamentals.

Clients of ours know that during this time, we have maintained our overweight to equities based upon our analysis of the economy, the market cycle and investor sentiment. While that overweight was certainly uncomfortable at times, it has helped generate strong returns for our clients. There will come a time when our assessment of the economy and the market leads us to become defensive. While we won’t profess to have the talent to time this move perfectly, we promise to work to keep our emotions in check and let our decisions be ruled by a search for investment truth.

The Road Ahead

You can find our thoughts on the equity and fixed income markets in the Portfolio Notes section of this quarter’s review. Those thoughts and our consequent portfolio positioning are driven by our views in three areas:

Economic Growth

We believe the U.S. economy, along with much of the global economy, is poised to continue growing at a moderate pace as long as inflation maintains its quiescent posture. At some point, we will see wage inflation increase, which we believe will prompt the Fed to act more aggressively in its rate-raising stance, thereby slowing the economy.

Market Cycle

No matter what one believes about valuation or earnings growth, this market rally has been one of the longest on record and we must be prepared for its eventual demise. While we remain positive, investors should not allow their allocation to equities to get too high relative to their long-term goals and objectives.

Market Sentiment

We believe the late-summer rally in equity markets is being driven by a growing belief that we will see tax and regulatory relief from Washington on a bipartisan basis. This may be wishful thinking on the part of investors and could unravel quickly; however, this positive momentum does position investors nicely as we move into the new year.

John S. Traynor
Executive Vice President
Chief Investment Officer

CHART 1
Corrections Since 2009

Source: Bloomberg

INDUSTRY INSIGHTS

Trust

Charitable Gifting: An Inside Look

Consider that lifetime gifts, unlike testamentary gifts, will typically create tax deductions. There may be greater tax benefits with a lifetime gift than a similar gift at death — and the donor has the opportunity to experience the benefit of the gift.

Funding a charity through a low-cost basis security (held for at least one year) may be an effective approach to gifting to a charity. The donor avoids incurring a capital gains tax while the charity gains the advantage of the market value of the gifted securities.

Donor-advised funds (DAFs) can provide an effective approach to lifetime giving, particularly in comparison with establishing a private foundation. The donor receives a charitable deduction upon establishing and funding the DAF, and the administrative burden is off-loaded to a third-party administrator.

After age 70 1/2, individuals are now able each year to direct a gift to charity from their IRA account of up to $100,000. This gift is a direct tax-free payout and reduces the amount of the donor's required minimum distribution subject to income tax. Consider the importance of this gifting program in Connecticut, which does not allow an income tax charitable deduction.

Further, there are strategies that use split-interest trusts such as a charitable lead trust and a charitable remainder trust.The former provides funds to the charity while the donor is alive, with family members receiving the balance of the assets at the termination of the payout period. A charitable remainder trust allows allows the donor to reduce current income taxes and at-death estate taxes by converting an appreciated asset into lifetime income while helping one or more charities.

Retirement

The Conversation

Employers are increasingly unhappy with their retirement plan advisor. That's the latest data point from an annual industry survey by Fidelity which tracks the attitudes of plan sponsors toward the services they receive. For instance, only 31% of employers reported that their retirement plan advisor is very good at proving their value to the plan. Meanwhile, a record high 38% of employers said they are actively looking to change their advisor.

The ongoing development of a new fiduciary rule by the Department of Labor is likely one driver of dissatisfaction. Recent rule-related news coverage has put a spotlight on things like plan sponsor fiduciary duties, investment advisor fiduciary practices and excessive fees. In turn, executives and business owners seem to have a renewed awareness of the risks in offering a retirement plan. They are plan fiduciaries and are accountable—and potentially liable—for plan decisions.

We are seeing this conversation firsthand among our wealth management clients. As employers wrestle with the meaning of the new regulation and how to best comply with its intentions, they are taking a fresh look at the quality of service they are receiving from their plan advisor. While some are expressly worried about advisor fiduciary issues or high fees, others are just re-evaluating things like the breadth of plan offerings to the quality of investment education being offered to their employees.

If you're an employer and offer a retirement plan, you should evaluate the services and fees of your current provider on a regular basis. Understand what you remain responsible for and what they have assumed. People's United Bank can help. We are available to provide an assessment of your plan, plan investment options, fees and other risk factors.

And, we would love to educate your employees along their path to retirement.

https://institutional.fidelity.com/app/item/RD_13569_26306/plan-sponsor-attitudes.html

Research

Investing in Commodities

When constructing a diversified portfolio, we can think of three fundamental roles an asset class may play:

1) Long-term growth through a substantial return premium over "risk-free" assets (such as T-bills). Historically, equities have been a good example of this.

2) Stability and liquidity—think cash or bonds—and to reduce overall portfolio volatility.

3) Diversification of a stock/bond portfolio, as with "alternative" asset classes, whose price movements tend not to be correlated with those of more-traditional asset classes.

Broad commodity indexes—with holdings of energy (oil and gas), agricultural products like grains and coffee, and industrial and precious metals—are a good example of an alternative asset class.

Standing on their own, commodities are "inferior" to stocks in that, in the past, they have generated a lower return with higher risk (as measured by standard deviation). Yet a small allocation to commodity indexes, given their very low or even negative correlations with stocks and bonds, can dampen portfolio volatility. Example: if there were an unanticipated jump in inflation, we would expect commodities to perform well while bonds and stocks might suffer.

Because commodities are often biased by the weighting of a specific resource, e.g. oil, active analysis of individual investment ideas is strongly advised. Investing in commodities requires skill; a seasoned advisor can help make sense of the opportunities, identify correlations and manage risk in specific portfolio approaches.

From the Research Desk
Gregg S. Fisher, Head of Research

Security

No Phishing Allowed

You've won a cruise and need to confirm your address! Your bank account has been breached and you must update your password. Your latest online purchase is missing some credit card information, please respond.

These are all examples of phishing, a data-snatching technique that puts you at risk for identity theft and fraud. While cybersecurity incidents like the recent attack on Equifax may attract more headlines, phishing is a regular occurrence for most Americans. Are you protected?

Q: What is phishing?

Phishing is the act of using some kind of "bait"—hence the play on the word fishing—to entice you to accidentally provide sensitive information to a malicious source.

Q: What form does it take?

Phishing can come in any communication form: phone calls, text messages, emails, messaging apps, even on a social media platform like Facebook. Typically, you'll receive a message that you need to confirm your identity or personal information. When you respond, you are unknowingly interacting with a disguised source.

The hackers camouflage themselves as a legitimate organization. They may pretend to be your bank, your credit card company or an online retailer. In some cases, the hackers have even broken into the legitimate organization to send the fraudulent message.

Q: How can I protect myself?

Think twice. Whenever you receive a request for personal information, assume the worst. If you believe it may be legitimate, contact the organization directly rather than responding to the request.

Monitor your accounts. Login to your financial accounts and credit record regularly to watch for fraudulent activity.

Use robust passwords, and update frequently. Put reminders on your calendar to update sensitive passwords, and use robust passwords that combine random letters, numbers and symbols.

PORTFOLIO NOTES
& INSIGHTS

Double, double toil and trouble; Fire burn and cauldron bubble.

Albert Brenner, CFA

Director of Asset
Allocation Strategy

A friend of mine has an unusual way of asking about the markets. "If you were handed a million dollars," he asks, "where would you invest it today?"

The correct answer is "it depends" – on his other wealth and investments, his risk tolerance, his financial plan objectives and his time frame, among other things. Of course, my friend doesn't really want to hear that. He wants to know the best opportunities today.

Unfortunately, there are no bargains these days. Stock valuations are near historical peaks. In mid-September, the S&P 500 Index traded at 17.7 times its projected 12-month earnings, at the 84th percentile of its historic range since 1990. In other words, stocks have been more highly valued only 16% of the time since 1990—during the dot-com bubble. Are stocks in a bubble?

Bonds are just as rich. Ten-year Treasuries yielded less than 2.2% as of mid-September, only 0.8% away from the all-time low set in June 2016. When rates go down, bond prices go up. Compared to their historical range, 10-year Treasuries are as expensive as stocks. Are bonds in a bubble?

Neither stocks nor bonds are in a bubble, in our estimation. Although they appear expensive on a historical basis, their valuations are reasonable taking all factors into account including inflation, earnings growth, the economic environment and alternative investment opportunities.

People's United Wealth Management Dashboard

EQUITIES

BONDS

REAL ASSETS

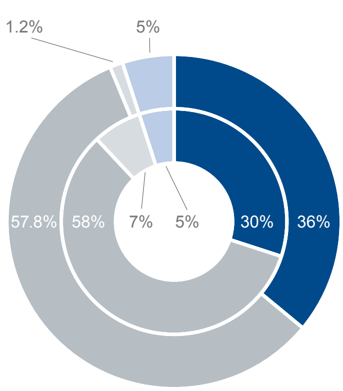
CASH

The four portfolios depicted at right reflect our investment strategies to address the most common investor objectives.

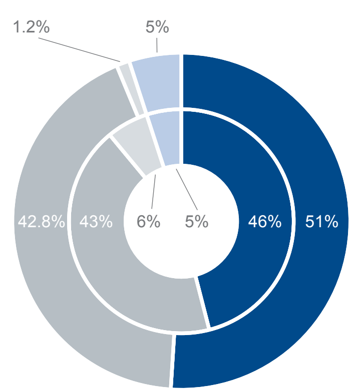
The **inner circle** in each chart represents our long-term strategic allocation for the objective.

The **outer circle** represents the current tactical adjustments we've made within the allowable allocation ranges to take advantage of current and prospective market and economic conditions.

Income With Moderate Growth Objective



Balanced Objective



FOCUS ON

Manager Selection

The Low-Inflation Loophole

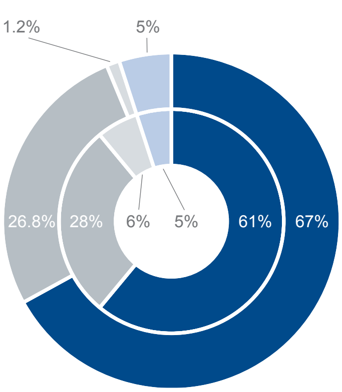
So why is everything dear? Inflation expectations are key. Expectations that inflation will remain at or below 2% support both high stock and bond prices. In fact, the current valuation of the S&P 500 is consistent with prior periods of low inflation. And bond investors can accept high prices and low yields so long as they expect inflation won't erode returns.

Surprising as it is for inflation to be under 2% at this stage of the economic cycle and with unemployment below 4.5%, structural changes to the economy are keeping prices low. E-commerce is intensifying competition and reducing prices, as we've seen with Amazon's recent acquisition of Whole Foods. And other changes in the labor markets seem to be limiting wage inflation. A recent study by Olivier Blanchard of the Peterson Institute for International Economics concluded that unemployment has less of an impact on wages today than in the past. By his estimate, unemployment could decline to less than 3% without pushing inflation over 2%.

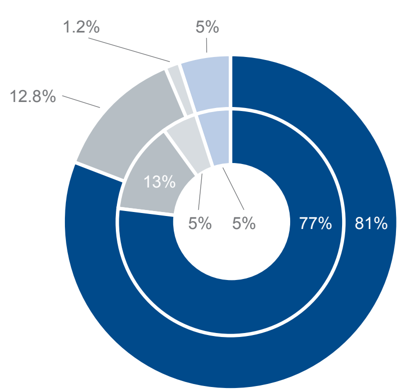
Will higher inflation send stock and bond prices tumbling? Not in the foreseeable future. These structural dynamics should keep a lid on inflation, along with added pressure from today's persistently low energy prices.

So long as the inflation outlook remains subdued, stock and bond prices will remain high but reasonable and far from bubble territory. Equities will benefit from synchronized global growth. We continue to expect stocks will produce higher returns than bonds, and accordingly we are maintaining an overweight to equities and an underweight to bonds as indicated by the tactical rings in the charts below.

Growth with Moderate Income Objective



Growth Objective



According to PIMCO, more than half of active bond mutual funds and ETFs outperformed their passive counterparts over the past 1, 3, 5 and 10 year periods. Is the fixed income landscape so different from equities? We think it is.

The value of active fixed income management is expressed in the selection of issuers and specific credits owned in funds or portfolios. Many of the leading active fixed income managers employ seasoned bond analysts who know the issuers and the dynamics of the industries and sectors in which they operate. Whereas the indexes are just that—indexes that own the entirety of a market—active managers can be more selective.

And they are.

Active management in the bond space is augmented by other factors such as the number of non-economic investors who often buy and sell bonds for reasons that are not designed to maximize returns. Creating inefficiencies, it creates opportunities for active managers. Finally, new securities issued each year provide active managers an opportunity to identify attractive valuations that can add value through efficient trade execution.

Indeed, active management has a role in the fixed income universe. Markets evolve and strategies need to be flexible and adept at understanding the underlying mechanics of indexes versus hands-on bond management.

FOUNDATIONS OF A GOOD PORTFOLIO:

Risk

The essence of investment management is the management of risks, not the management of returns.

With this note, we continue our foundations series to expand on those principles and insights that serve as the foundation of the portfolios we build for our clients.

Current thinking on investment risk dates to 1952 and the publishing of "Portfolio Selection" by Harry Markowitz, which led to his winning the Nobel Prize in 1990. Markowitz brought together risk and return into a unified theory while also defining risk as portfolio standard deviation or more colloquially, volatility. The insights Markowitz brought to the field of investing provided a foundation for much of the investment world we see today.

RULE NUMBER ONE:

Risk is not volatility; it is the permanent loss of capital

One aspect of his Modern Portfolio Theory (MPT) that has never really captured the definition of risk that most individuals use when thinking about their own portfolios is volatility. While a volatile asset can certainly be fear-inducing, most individuals do not view up and down volatility as equally disconcerting. We all look favorably on upside volatility but do not look upon the losses associated with downside volatility with equanimity. In fact, research has shown that for investors to view up and down volatility equally, they need to see twice the gain versus the potential loss to consider investing. We want $2 of potential gain for every $1 of potential loss. This investor arithmetic flies in the face of the MPT and leads to our first rule for understanding risk for our clients.

RULE NUMBER TWO:

Risk is not an absolute number; it is relative for each investor

A second aspect of our study of risk for investors is how return and risk for any asset are evaluated. Most investors are much more comfortable discussing and analyzing the potential return for an asset. A 10% return on an investment is viewed similarly by an individual or an institutional investor such as a university endowment. Both are pleased to see their portfolios rise in value. When it comes to risk, the analysis is much more individually focused. The time frame for making up a loss differs for each investor, as does the amount of excess capital each investor possesses in order to absorb a loss without impacting the current spending. This idiosyncratic view of risk leads to our second rule for understanding risk.

RULE NUMBER THREE:

Risk is the potential of not achieving your goals

Finally, the discussions we have with clients center on their goals and aspirations for themselves, their families and their portfolios. To develop a sense of the risk tolerance of each client, we discuss the following:

Time to goal
How long do we have before funds are needed to achieve a particular goal?

Financial capital
Are current funds in excess or deficit when considering goals?

Human capital
Are we at the beginning of a career and anticipating years of income or at retirement with limited options to add to capital?

Emotional history
How has the investor reacted to past price declines in particular assets? The chart below shows the tremendous growth and the disquieting declines suffered by Amazon. Most investors wish they owned Amazon since its IPO. How many would have held on during the many sharp declines?

CHART 1
Amazon stock price

Source: Bloomberg

Equity

U.S. economic growth continues in conjunction with expanding global economies. Hurricane disruptions will reduce third- and fourth-quarter growth, but recovery efforts will boost 2018 growth. We expect 2.3% real growth in 2017, up from 1.6% in 2016.

2018 growth matters more for investors at this point. We believe the U.S. economy will continue to expand in 2018, setting a record as the longest economic expansion since the Depression. We look for growth of 2.4% in 2018. Fiscal policy may impact 2018 growth. A reduction in personal income taxes or an increase in federal spending could boost growth if implemented soon. Conversely, restrictive immigration or trade policies could pose a drag on growth. We expect federal policy to be neutral to positive.

Global economic growth in 2017 and 2018 will be stronger than in the U.S., benefiting from an increase in output across the globe, where each nation's growth is reinforcing the growth of its trading partners.

Inflation continues below the Federal Reserve's target of 2.0%. Recent studies indicate that inflation is likely to remain below 2.0% even with further declines in the unemployment rate.

Earnings and earnings expectations are driving global equity markets. 2017 operating earnings for the S&P 500 are projected to increase 19.5% over 2016. Mid-cap and small-cap stocks are projected to have larger increases. 2017 earnings for international developed markets and emerging markets are expected to increase between 1.5 and 2.0 times the rate of S&P 500 earnings.

Stocks aren't cheap, but equity valuations are reasonable given earnings growth prospects, inflation and interest rates. Long-term returns will be less than historical average.

TACTICS

— Maintain an overweight allocation to equities. Stocks will outperform bonds through 2018. A correction will be a buying opportunity.

— International equities are benefiting from global growth. We continue to overweight developed markets.

— Growth has outperformed value so far this year, propelled by Amazon, technology stocks, and the relatively weak performance of financials and energy stocks. Sector performance continues to be key to the relative performance of growth and value stocks. We expect stronger relative performance from value stocks over the next year.

— We continue with neutral allocations across large-, mid-, and small-cap U.S. equities. Although large companies with significant foreign revenues will benefit from accelerating growth overseas, small companies could benefit from tax reform. Uncertainties regarding the strength of the dollar and the impact of tax policy changes warrant a neutral posture.

Equity Dashboard

● UNDERWEIGHT
● NEUTRAL
● OVERWEIGHT

Total Equities

● We believe equities will outperform bonds through 2018. Corrections will be a buying opportunity.

U.S. Equities

● A home bias is appropriate for U.S. investors.

International Developed Market

● Best positioned to benefit from the expanding global economy.

Emerging Markets

● Large finance sector warrants caution.

U.S. Large/Mid/Small Cap

● Expectations regarding relative returns to large, mid and small cap warrant neutral allocations.

Growth/Value

● A call between technology and finance sectors. We prefer growth/value tilts by managers rather than by allocation at this stage.

INVESTMENT SUMMARY
OCTOBER 2017

Fixed Income

Fixed Income Dashboard

UNDERWEIGHT
NEUTRAL
OVERWEIGHT

Total Bonds

- We believe bonds will underperform stocks through 2018.

Duration

- Rising rates due to normalization of Fed policy warrant maintaining rate sensitivities just below benchmark.

Credit Risk

- We prefer corporate bonds to Treasuries for their higher coupons and the protection they provide against rising rates.

  We are maintaining the allocation to high-yield bonds.

Federal Open Market Committee (FOMC) took no action to change the federal funds target rate at its September meeting. As expected, however, the FOMC announced that it would start to shrink its bond holdings in October.

Bond investors in the third quarter sloughed off concerns about the Fed's plans to reduce its bond holdings, and investors bid up 10-year Treasuries. The yield on 10-year Treasuries declined from 2.30% on June 30th to 2.03% in early September before recovering to 2.27% following the FOMC meeting. The decline in yields may reflect a flight to safety driven by geopolitical tensions, reduced inflation expectations, and/or concerns that economic growth is slowing. While we expect synchronized global growth to continue, inflation and the reduction in Fed holdings will be key factors for interest rates.

The outlook for bond returns remains a challenging one. We expect investment-grade bonds to return between 2.0% and 2.5% over the next three years.

Investors will need to watch for clues on Fed policy continuity over the next several months. The current administration needs to appoint four of the seven governors of the Federal Reserve. Three positions are currently vacant, and Stanley Fischer, the vice chair is retiring on October 13. If the President does not reappoint Janet Yellen when her term as chair ends in February, he will have a fifth position to fill. All of the personnel changes open the possibility for significant shifts in monetary policy.

TACTICS

— Low return expectations warrant an underweight portfolio allocation to bonds overall.

— Despite low credit spreads, the yield advantage of corporate bonds warrants an overweight to investment grade corporate bonds versus Treasuries.

— Interest rate risk management continues to be a trade-off between the higher yields of longer term bonds and their potential price depreciation should rates rise rapidly. We are maintaining portfolio rate sensitivities at levels just short of benchmark durations.

— High-yield bonds continue to offer return premiums over Treasuries and investment-grade bonds, although premiums are low by historical standards. While we believe a strategic allocation to high yield is appropriate, lofty valuations in the face of Fed rate hikes may present an opportunity to reduce credit risk over the intermediate term.

Cash, Real and Alternative Assets

Gold has been the best-performing real asset category through mid-September, with the price of gold up over 13% year-to-date, although it is down 0.2% from 12 months ago. Future increases in real long-term rates (after inflation) are likely to cause gold to decline in value. With the global economy expanding at an accelerating rate, central banks will normalize policy and raise interest rates, as the Fed has started to do in the U.S.

Real estate investment trusts (REITs) had a total return of 6.6% while commodities lost -2.5% year-to-date through mid-September. REIT prices rose in 2016 as some investors turned to them for their dividend yield, which is taxed as ordinary income. Fundamental valuations of U.S. REITs are at the upper end of their range, trading at more than 21 times forward cash flow compared to the long-term average of 16.5. We have diversified our REIT exposure by moving from U.S. to global REITs.

Supply/demand conditions for commodities remain unfavorable. Despite continued modest supply cuts by OPEC, crude oil supply is still more than sufficient to meet demand. Improved technology is allowing shale oil wells to be more productive at lower costs. Lower energy prices are contributing to lower agricultural commodity prices. Industrial metal prices have increased recently but are still below 2014 levels for most metals.

Cash is no longer burdened by near-zero rates of return. Money market returns move in response to changes in the federal funds rate. The next rate hike, which may not come until 2018, will raise prime money market mutual fund returns to over 1.25%. Treasury and government money market funds will have lower returns.

TACTICS

— Low inflation prospects reduce the value of real assets as inflation hedges while reducing the opportunity cost of holding cash.

— We are maintaining a neutral cash allocation across all investor objectives.

— U.S. REITs are high-priced by several fundamental valuation measures. We have diversified our REIT exposure by moving from U.S. REITs to global REITs. We continue with an underweight allocation.

— We continue to maintain a zero allocation to commodities.

— We continue to maintain a zero allocation to gold.

— Select hedge fund strategies implemented through liquid mutual funds can be useful for risk management in select situations.

Real & Alternative Assets Dashboard

● UNDERWEIGHT
● NEUTRAL
● OVERWEIGHT

Cash

● Higher short-term rates reduce opportunity cost of holding cash. (Neutral)

Real Estate

● U.S. valuations are stretched. We have added international exposure. (Underweight)

Commodities

● Supply/demand conditions continue to be unfavorable. (Underweight)

Gold

● Return prospects for gold are negative with rising real rates. (Underweight)

Hedge Fund Strategies

● Useful for managing portfolio risk in select situations. (Neutral)

Robo-Advice is a Compound Word

Ages ago, disruption was a dirty word. The status quo, particularly coming after a period of world wars and depressions, was much admired. To disrupt was to re-introduce all manner of chaos and misery.

Now, only a few generations removed, disruption is all the rage.

What's on investors' minds these days? Robo-advice, among other topics. The world of do-it-yourself investing, first propelled by a certain giant pioneer of index investing just outside Philadelphia, has been buoyed by the advent of additional, client-friendly automation.

Robo-advice is both robotic and advisory. If you thread the needle well, you can participate in the best of both worlds. The efficiency of automated rebalancing, of goals-based investment modules, of aggregating accounts (assets held away from the robo-advice product), of low-cost investment options pre-screened, is undeniable.

The advice facet of the equation can be equally effective. In the best services, a handful of thoughtful risk, time frame and objectives questions leads you to a behavioral summit reflective of your needs and attitude.

The rest is pure math. And chemistry. And physics.

What we see, increasingly, is that even the most successful robo-advice systems make room for human intervention. Robo+Advisor is the current paradigm and that's a good thing for both the advisor and the investor. The advisor is able to provide guidance while helping the investor benefit from the efficiencies of the system. Relationships matter. So do the robots.

Stay tuned for more in this column about the role of robo-advisory solutions in individual investing.

WORKING WITH PEOPLE'S UNITED WEALTH MANAGEMENT

PERSONAL INVESTMENT MANAGEMENT

INSTITUTIONAL ASSET MANAGEMENT

PRIVATE BANKING

INSTITUTIONAL TRUST & CUSTODY

TRUSTS, ESTATES & CHARITABLE PLANNING

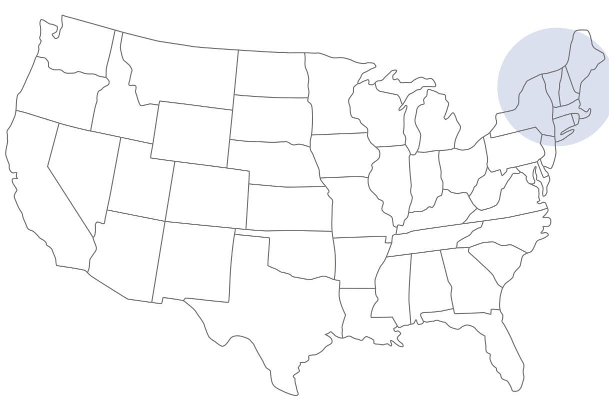
RETIREMENT PLAN SERVICES

MULTI-GENERATIONAL PLANNING

INSURANCE, SECURITIES & ANNUITIES

People's United Wealth Management helps institutions, employers, individuals and their families navigate investment, trust, retirement, banking and planning challenges. Our experienced professionals work as a team, bringing specialized knowledge and solutions to the conversation.

For more information on our investment offerings please contact us at:
wealthmanagement@peoples.com
or (203) 338-5510



CONNECTICUT

NEW YORK

MASSACHUSETTS

VERMONT

NEW HAMPSHIRE

MAINE

M02983/17