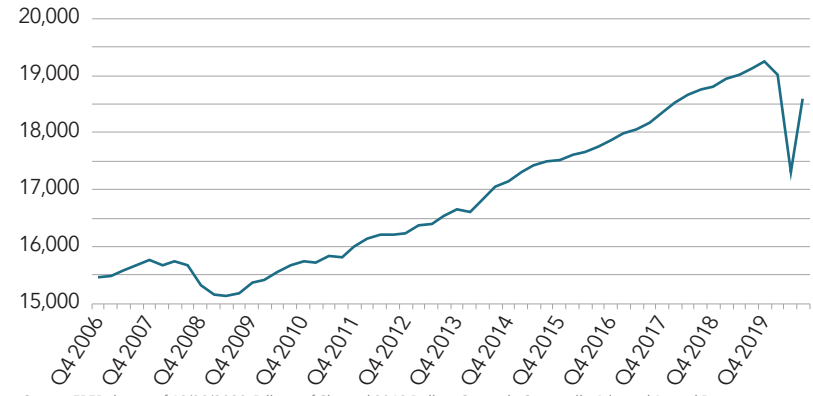


Strong Third Quarter Rebound

The fiscal stimulus packages passed this Spring seem to have worked so far. The economic recovery is clearly under way as third quarter GDP showed the largest ever increase of 33.1%. We are still 3.5% shy of the pre-recession economic peak achieved in Q4 2019. The economic recovery is being led by housing, auto sales, and consumer spending. Home builder optimism is improving due to higher sale prices, and new home sales are running 16.9% ahead of their year-ago pace. Personal consumption expenditures rebounded to grow by 40.7%. Personal spending on services, like restaurants and retail, was up a respectable 38.4%, but that strong growth did not completely reverse the 41.8% collapse in spending that occurred in the second quarter. Although real personal spending on goods has surpassed its pre-COVID peaks, real spending on services remains 7.7% below its level in Q4-2019. There is some traction being made in the jobs market as initial jobless claims ended October at the lowest level since March.

While there are clearly some positives in the economy, significant further improvement seems to be dependent on trends in COVID cases and/or progress on a vaccine. Additional stimulus from Congress may also help investor sentiment as state and local governments wrestle with potential resurgence.

Real Gross Domestic Product



Source: FRED data as of 10/30/2020, Billions of Chained 2012 Dollars, Quarterly, Seasonally Adjusted Annual Rate

Market Returns

Source: Morningstar Direct data as of October 31, 2020

Asset Class	Index	Total Return 1 Month	Total Return YTD	Total Return 1 Year	Annualized 3 Year	Annualized 5 Year
Global Equities:	Diversified Equity Benchmark*	-2.20	-0.24	5.90	7.47	9.52
Domestic Equities:	S&P 500 (Large Cap)	-2.66	2.77	9.71	10.42	11.71
	Russell 2000 (Small Cap)	2.09	-6.77	-0.14	2.19	7.27
International Equities:	MSCI EAFE (Developed)	-3.99	-10.80	-6.86	-1.24	2.85
	MSCI Emerging Market	2.06	0.87	8.25	1.94	7.92
Fixed income:	Barclays Intermediate U.S. Gov't/Credit	-0.22	5.69	5.67	4.36	3.37
	Barclays Muni Short-Interm 1-10 Years	-0.20	2.91	3.44	3.12	2.58
	Barclays Global Intermediate	0.18	4.97	4.77	2.96	2.67

Join us

Post-Election Market Update November 10, 2020

We hope you will join our Investment Management team for an informative webinar on Nov. 10 to learn their thoughts on the economy and recent market moves.

There are two times to choose from:
9:00 CST and 12:30 CST.

View details and access the webinar [here](#).



Taking a Look at Gold

We are adding gold to most client portfolios. Gold is an interesting asset that doesn't pay a dividend or interest, doesn't have an underlying issuer and doesn't have an effective valuation metric. What it does have is a store of value that's been recognized for centuries. Gold is a commodity driven by supply and demand, but also acts as a hedge against inflation and acts as a hedge against inflation and sovereign financial concerns. We see all these characteristics being valuable right now. We expect that over time gold will increase in value, but it may take a few years to play out. It may be driven by inflation as the economy recovers or could come from pressure on the dollar as the U.S. continues to create trillion-dollar deficits. Either way, we see gold as a viable alternative to cash when money markets are paying little or no interest. While we won't be buying gold coins or bars or jewelry for our clients, we are investing in the iShares Gold ETF (IAU) which tracks the spot price of gold. This will get the exposure we desire without the logistic challenge of storage. Please contact your Advisor if you have questions on this investment.

Please see important disclosures on the next page.

iShares Gold Trust (IAU-US)



Source: FactSet

Commentary Team:

Rick Frevert, Scott Summers CFA®, Matt Veenker CFA®, Dave Young

Sources:

Bloomberg, Morningstar, FactSet, Crandall Pierce

*Benchmark consists of Russell 3000 (76%), MSCI ACWI ex US (20%) and FTSE EPRA/NAREIT Global (4%)

Index Definitions:

Barclays Global Intermediate: Index that measures global investment grade debt from 24 local currency markets, including treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Barclays Intermediate US Government/Credit Index: a broad-based flagship benchmark that includes investment grade, US dollar-denominated, fixed-rate Treasuries, government-related and corporate securities, within a 2-10 year maturity range.

Barclays Municipal Short-Intermediate 1-10 Years: Index that measures the performance of US municipal bonds with time to maturity of between one and ten years.

FTSE EPRA/NAREIT Global: an index used to track the performance of listed real estate companies and REITS in both developed and emerging markets.

MSCI ACWI ex US: an index that captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries (excluding the US) and 24 Emerging Markets (EM) countries. With 2,136 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.

MSCI EAFE - Developed International: created to reflect the performance of small- to large-cap stocks across the developed regions of Europe, Australasia, and the Far East (EAFE). The index was developed by Morgan Stanley Capital International (MSCI) in 1969 and lists 926 stocks from 21 countries in the EAFE.

MSCI Emerging Market: an index used to measure equity market performance in global emerging markets, consisting of 23 economies including Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and the United Arab Emirates.

Russell Indices: The Russell 3000 is a market-capitalization-weighted equity index maintained by the FTSE Russell that provides exposure to the entire U.S. stock market. The index tracks the performance of the 3,000 largest U.S. traded stocks which represent about 98% of all U.S. incorporated equity securities. The Russell 2000 index measures the performance of approximately 2,000 of the smallest companies in the Russell 3000 index.

S&P Indices: The S&P 500 Index is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value. Other popular indices include the S&P MidCap 400, which represents the mid-cap range of companies and the S&P SmallCap 600, which represents small-cap companies. The S&P 1000 is a combination of the S&P 400 and 600, representing the small and mid-cap market. The S&P 500, S&P MidCap 400 and S&P SmallCap 600 combine to create a U.S. all-capitalization index known as the S&P Composite 1500.

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