

Muhlenkamp & Company

Webcast August 30, 2018

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Muhlenkamp & Company, Inc.
Intelligent Investment Management

Welcome

- All participants are in a listen-only mode.
- We will conduct a question-and-response session after the presentation.
- This webcast is being recorded.



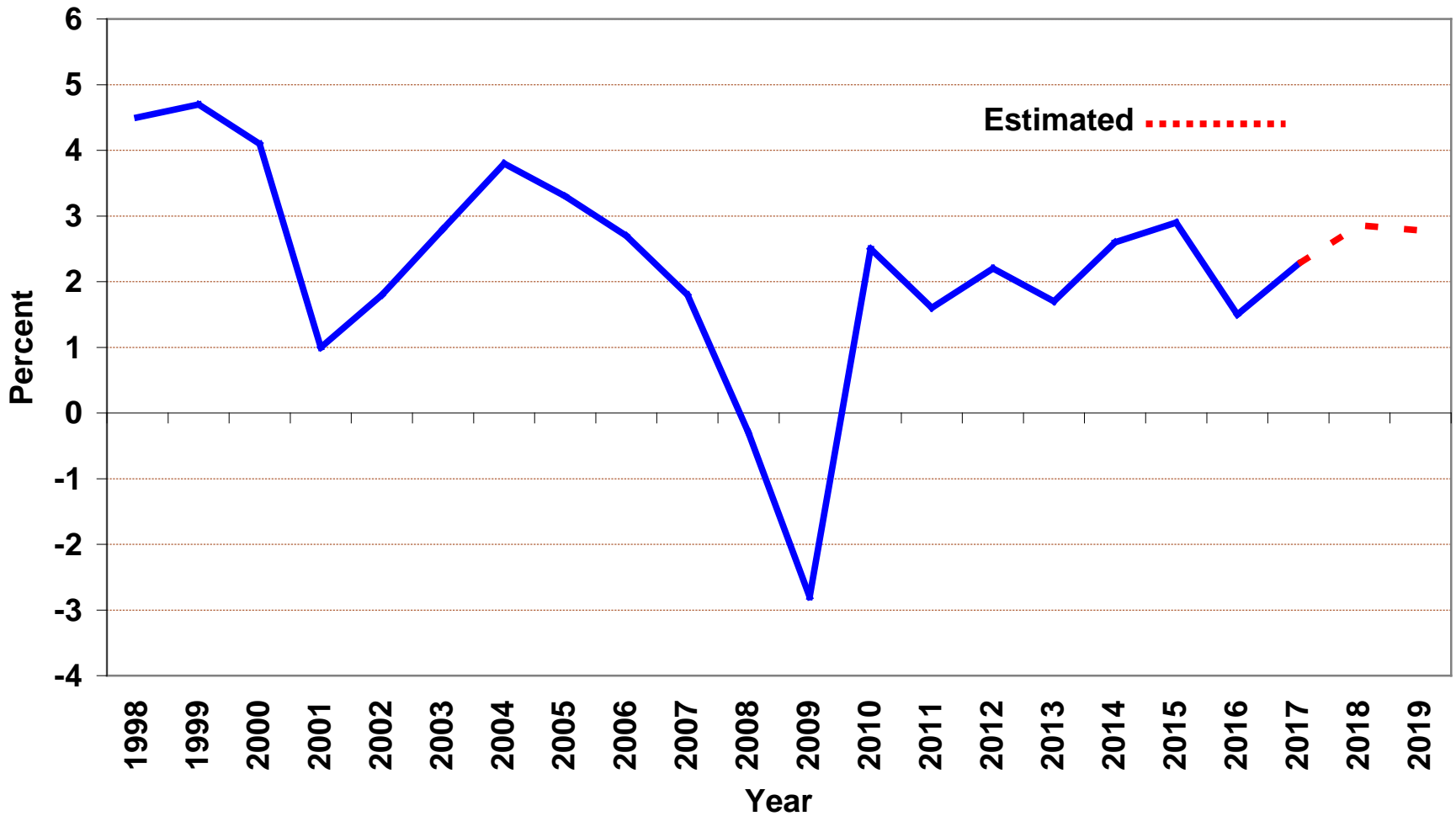
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Our Checklist:	What we observe as the Current State:	Future Outlook:
1. Consumer Spending	Good	Good
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4. Velocity of Money	Ticking up	Unsure
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6. Federal Reserve and Treasury	Raising short-term rates and reducing balance sheet	Raising short-term rates and reducing balance sheet
7. Trade	Tariffs and counter-tariffs: China, NAFTA, EU	Unclear
8. Regulation	Slow improvement	Slow improvement
9. Europe & Japan	Turkey experiencing real problems, Italian gov't yields moving up	Turkey problems don't spread, Italy problems may worsen as ECB ends bond buying
10. China	Potentially disruptive	Potentially disruptive

Source: Muhlenkamp & Company, Inc.



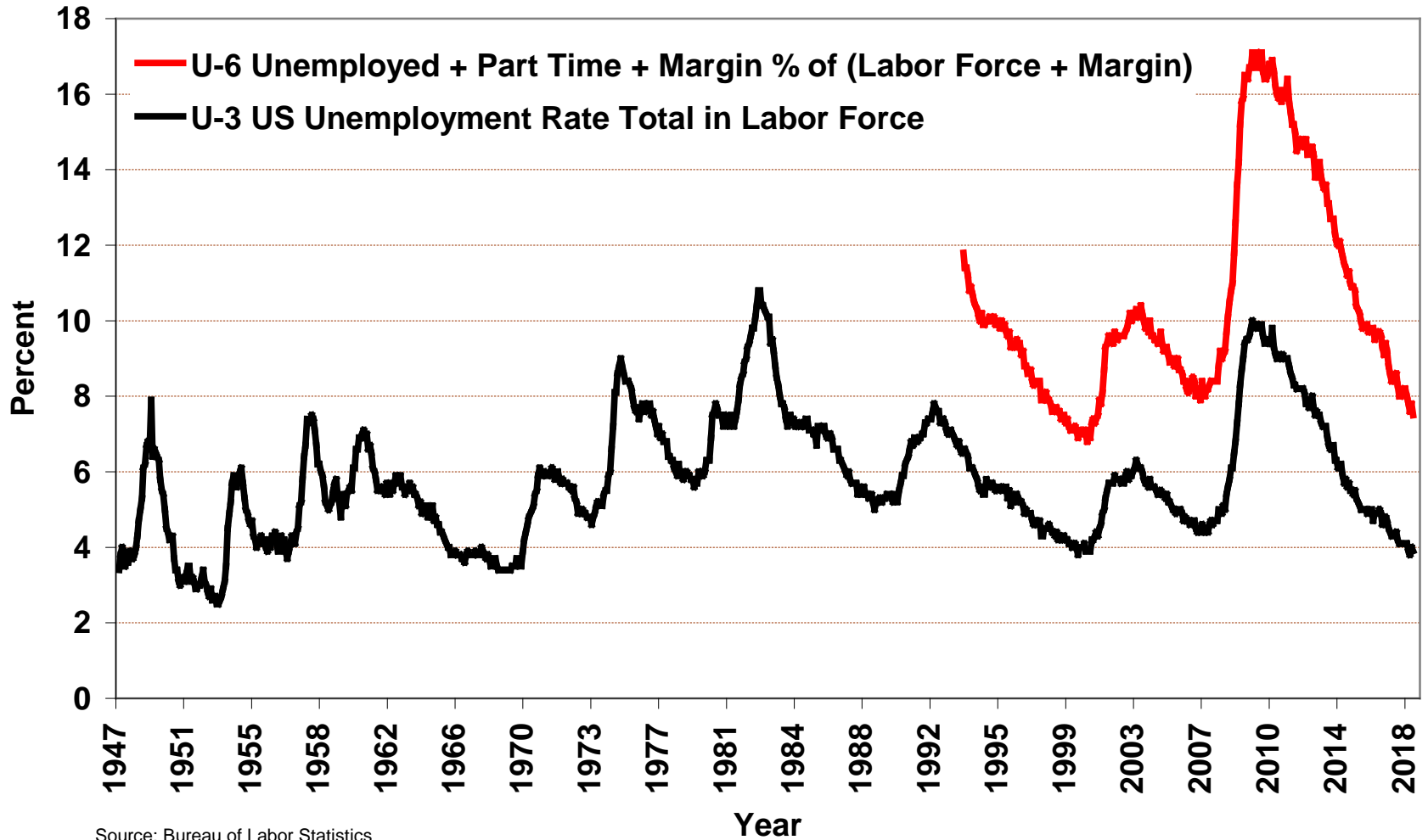
U.S. Real GDP (Annual YoY %) 1998-2019



Source: Bloomberg; Estimated data OECD



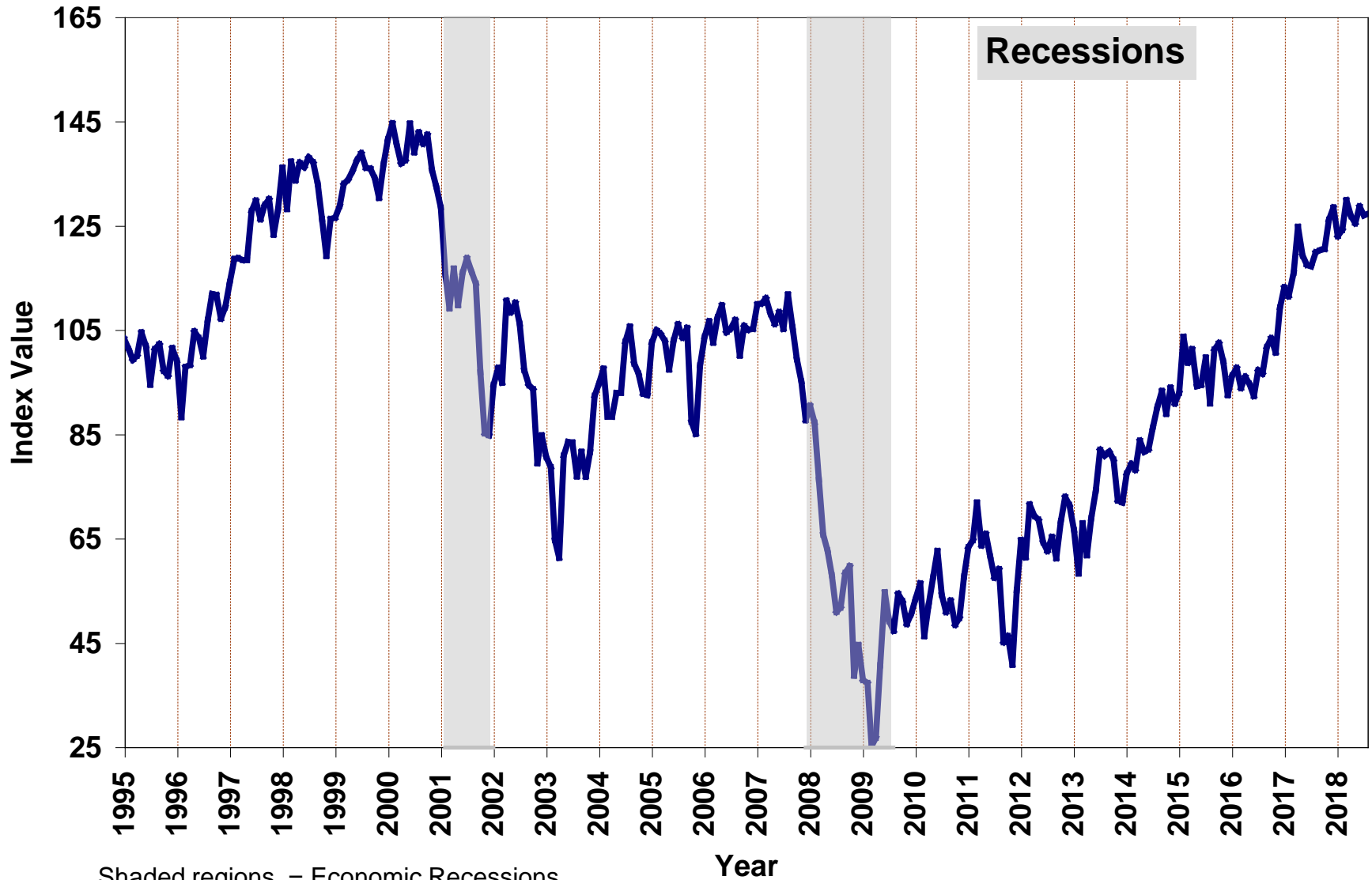
U.S. Unemployment Rate Seasonally Adjusted 1947-July 2018



Source: Bureau of Labor Statistics



U.S. Consumer Confidence 1995-July 2018 (Monthly)



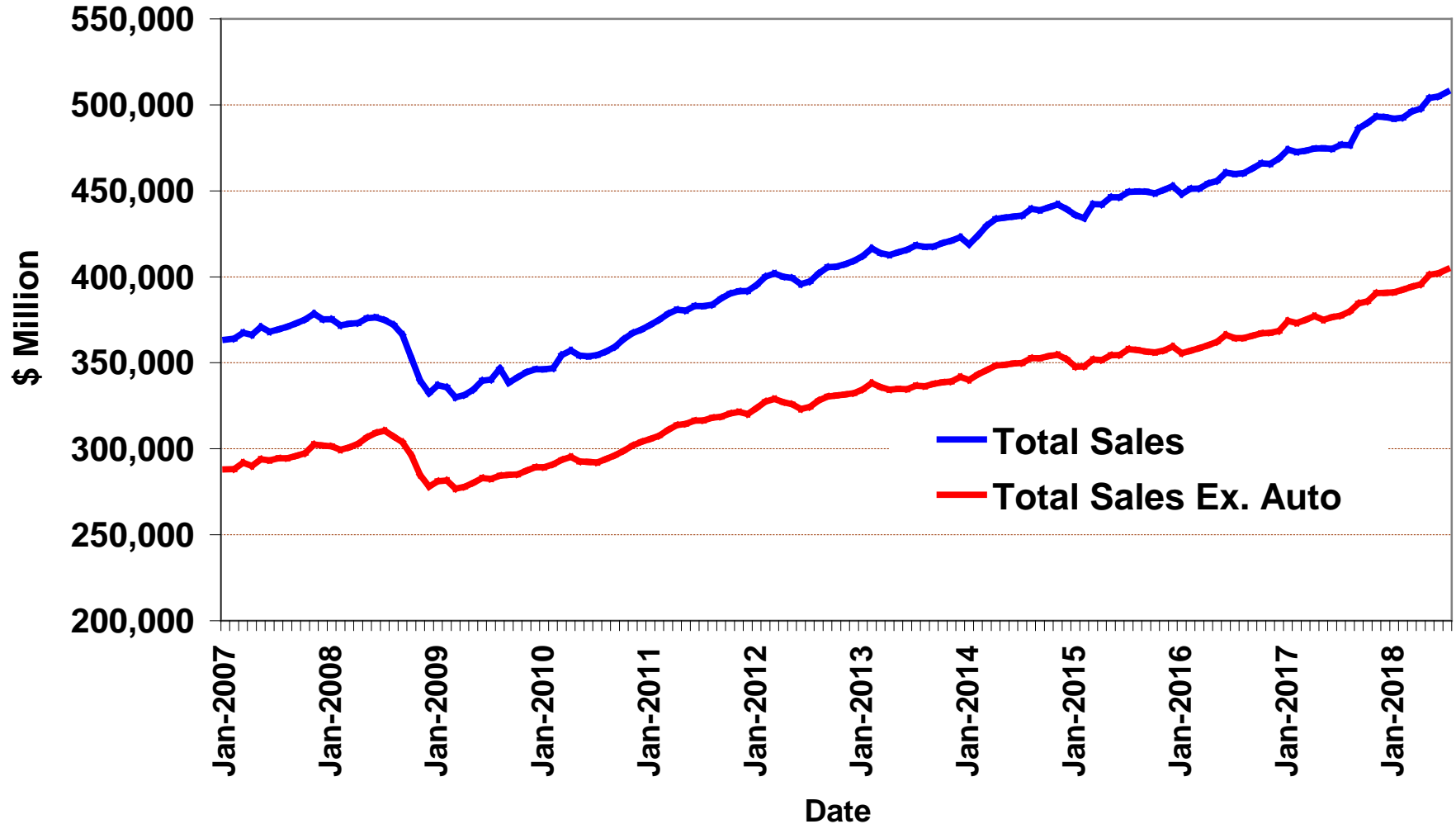
Shaded regions = Economic Recessions

Source: Conference Board; Data Normalized 1985=100



Monthly Retail Sales

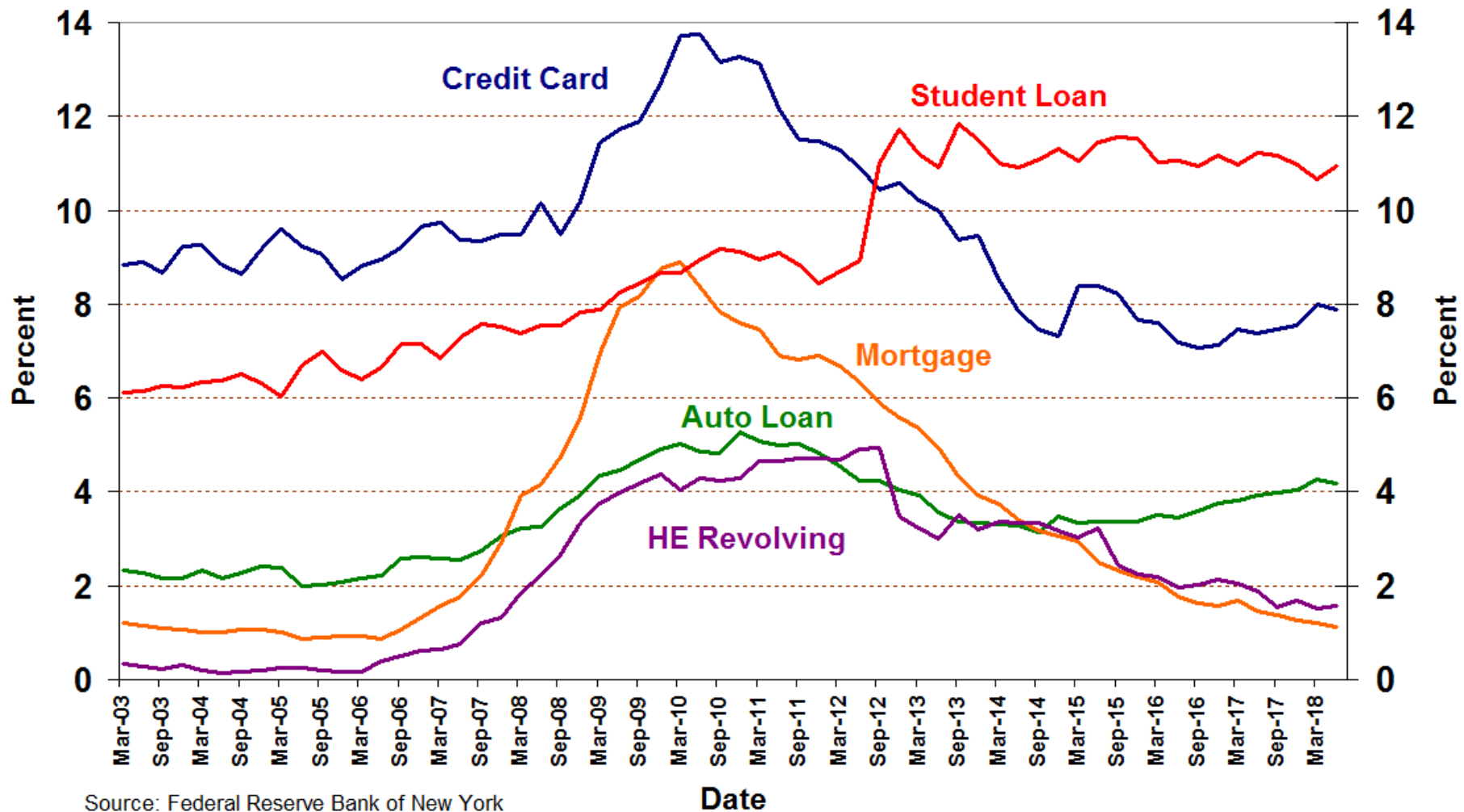
Retail Trade and Food Services: U.S. Total — Seasonally Adjusted Sales
2007-July 2018



Source: Bloomberg



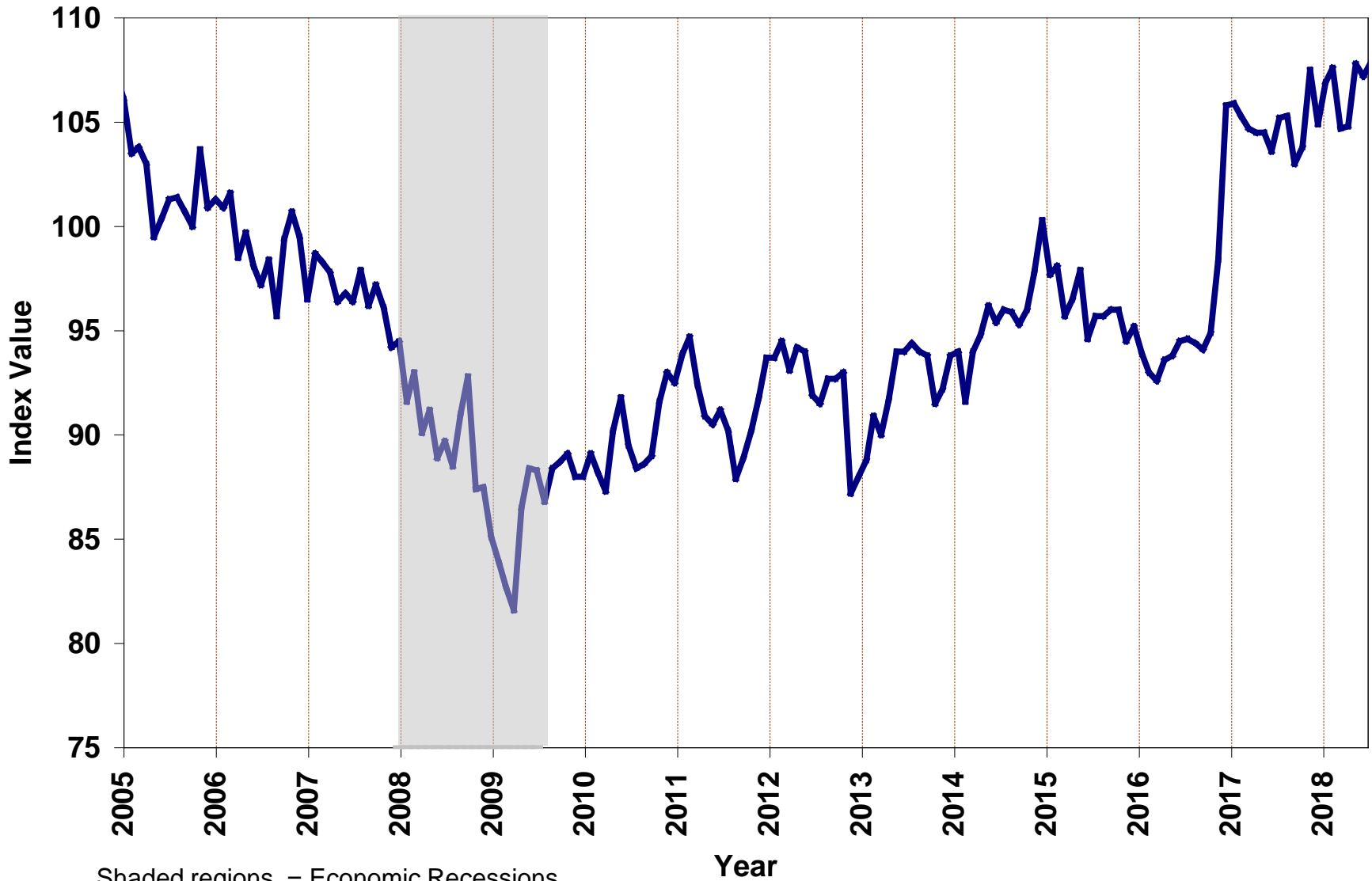
Percent of Balance 90+ Days Delinquent by Loan Type 2003-June 2018 (Quarterly)



Source: Federal Reserve Bank of New York



NFIB Small Business Optimism Index 2005-July 2018 (Monthly)

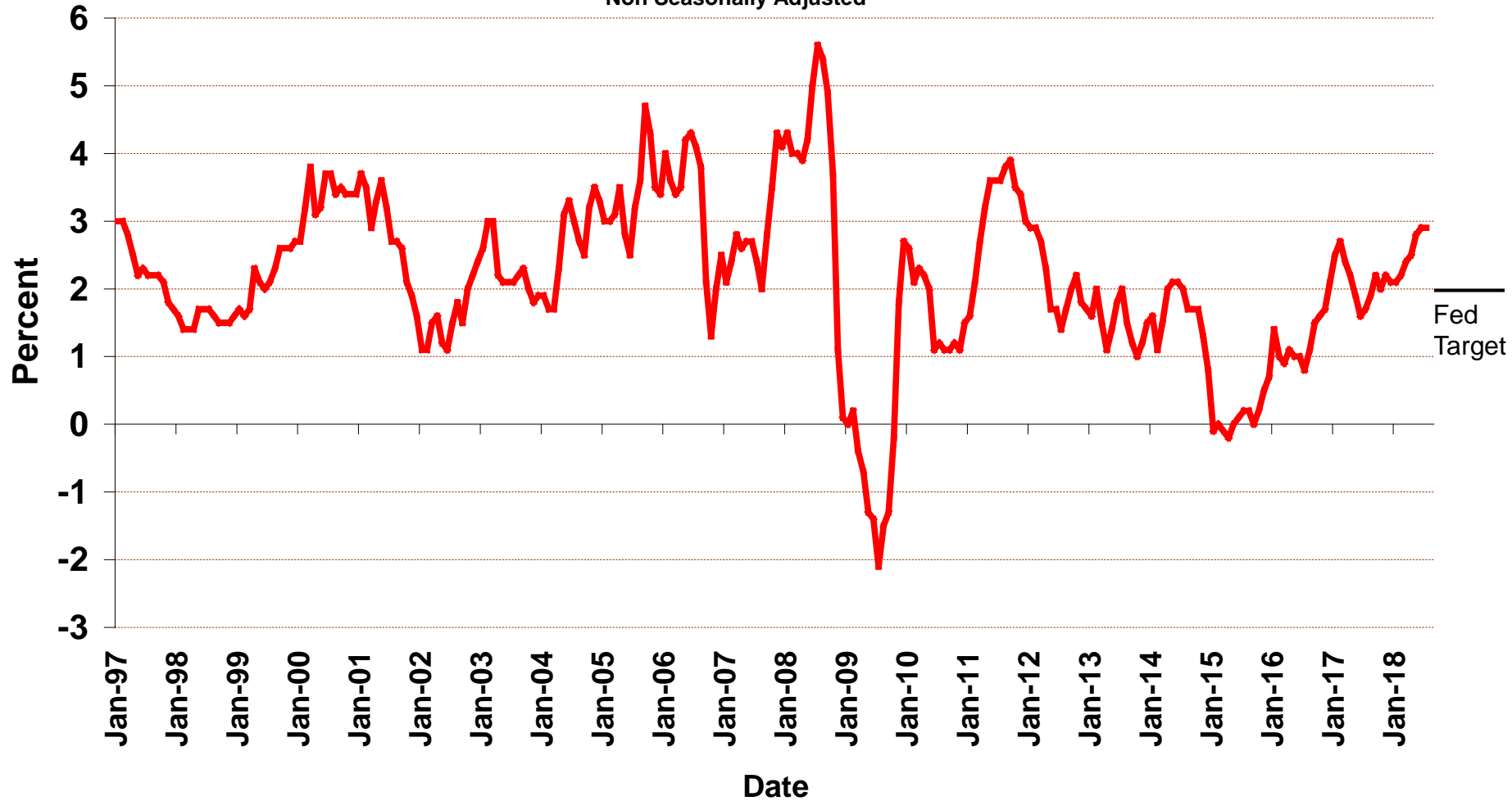


Shaded regions = Economic Recessions

Source: National Federation of Independent Business NFIB; Data Normalized 1986=100



U.S. CPI Urban Consumers YoY % 1997-July 2018 Non Seasonally Adjusted

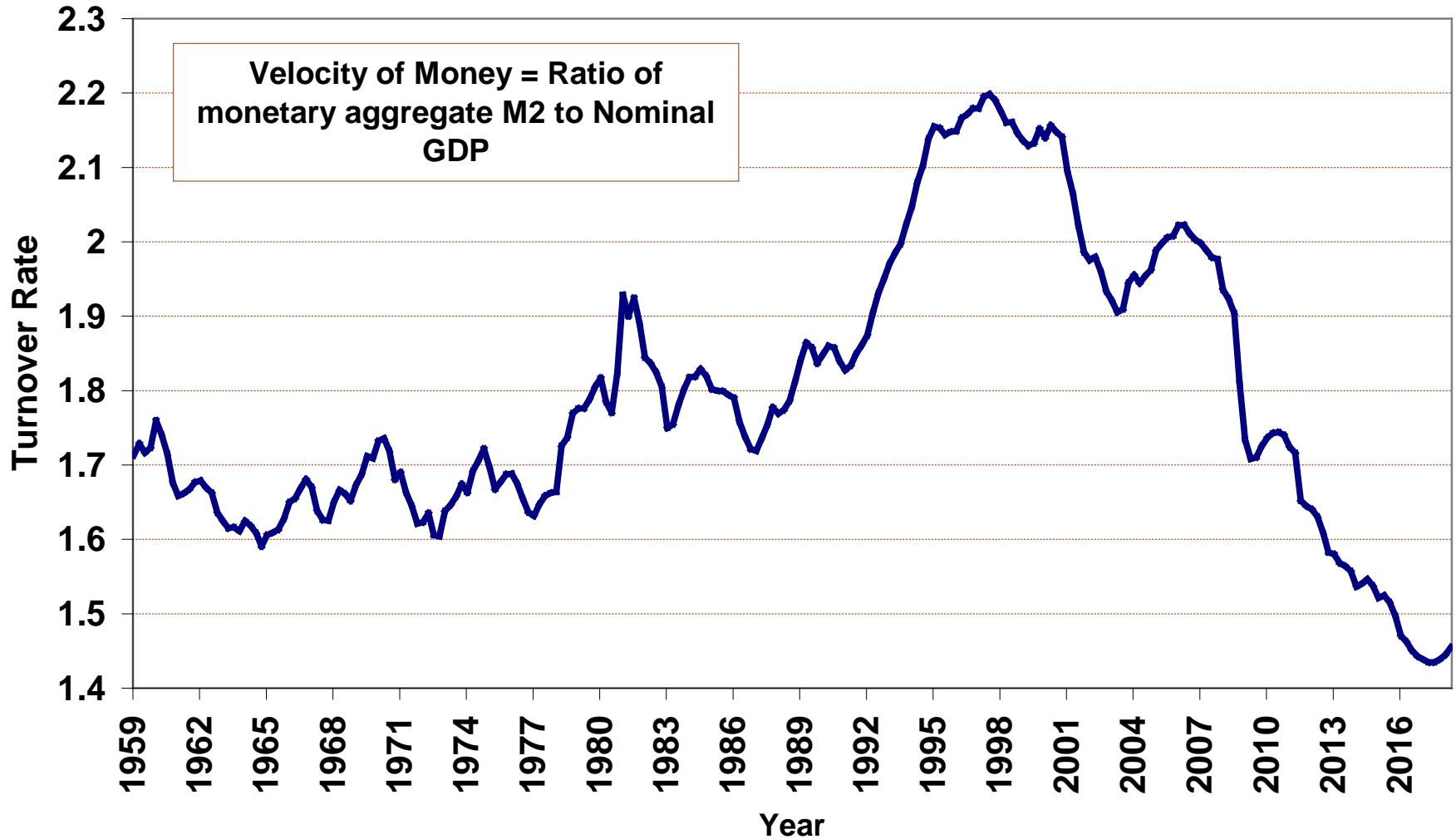


Source: Bloomberg



Velocity of Money - M2 Money Supply

1959-June2018 (Quarterly)

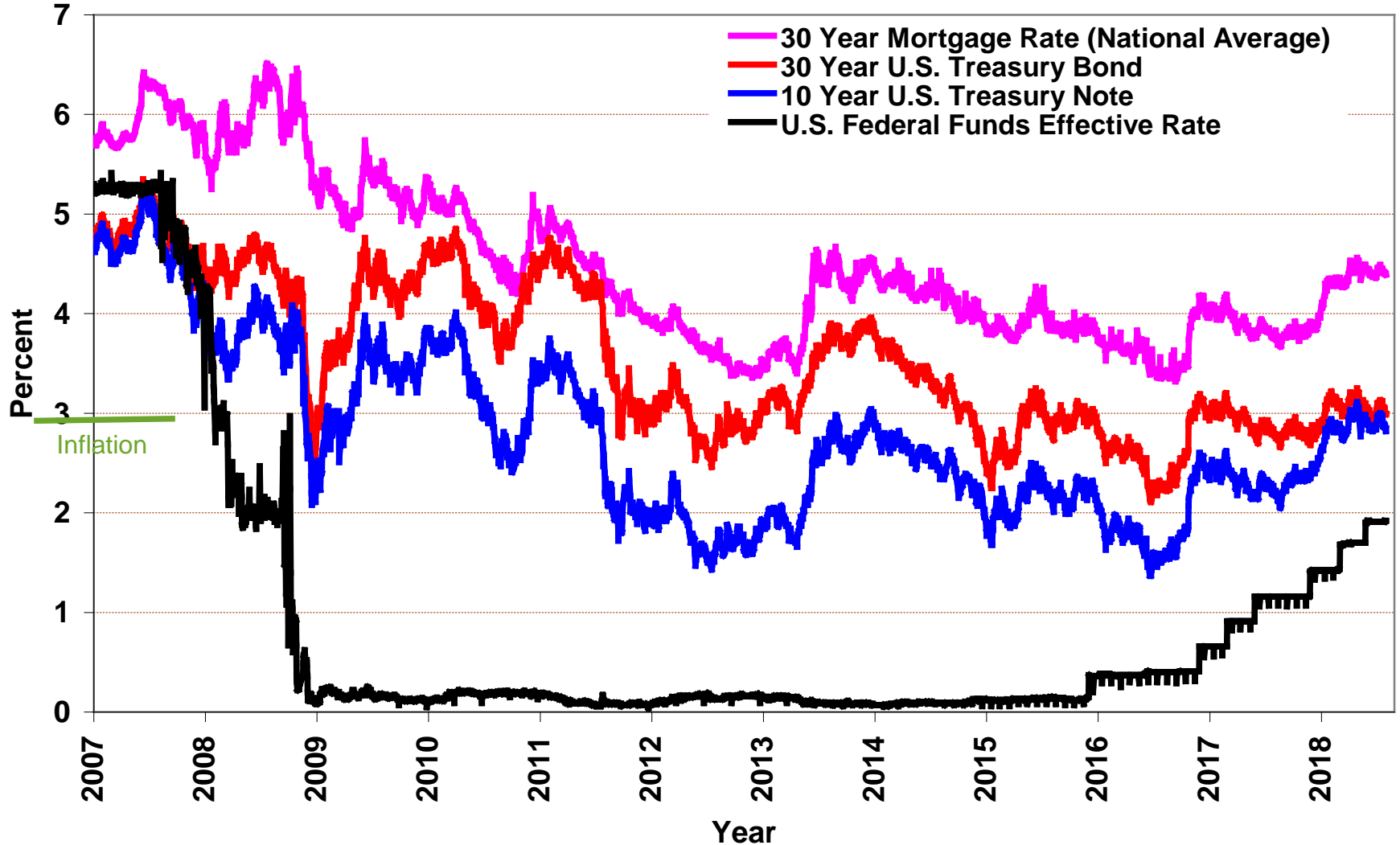


Source: Bloomberg



Interest Rates

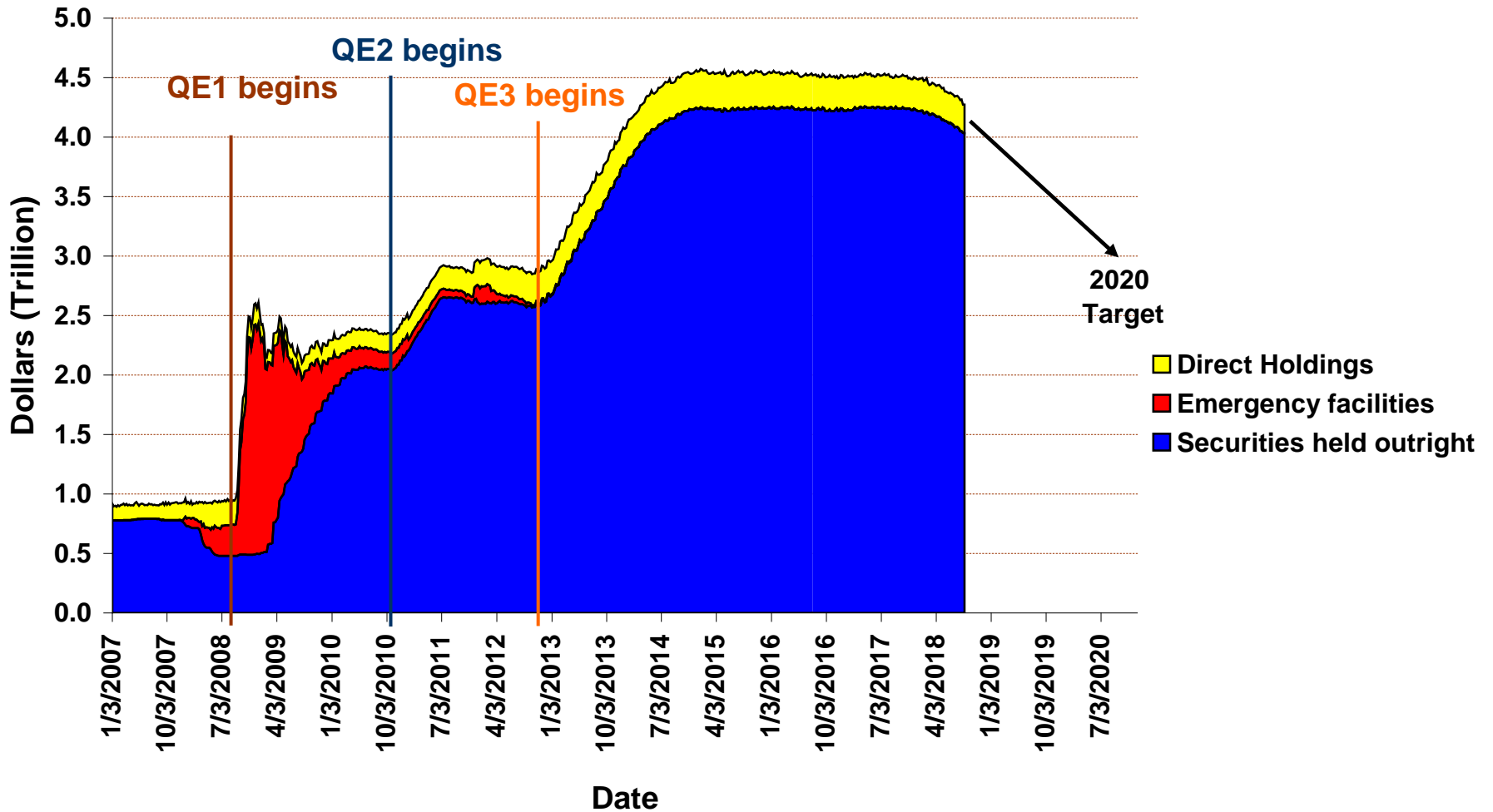
2007-August 21, 2018



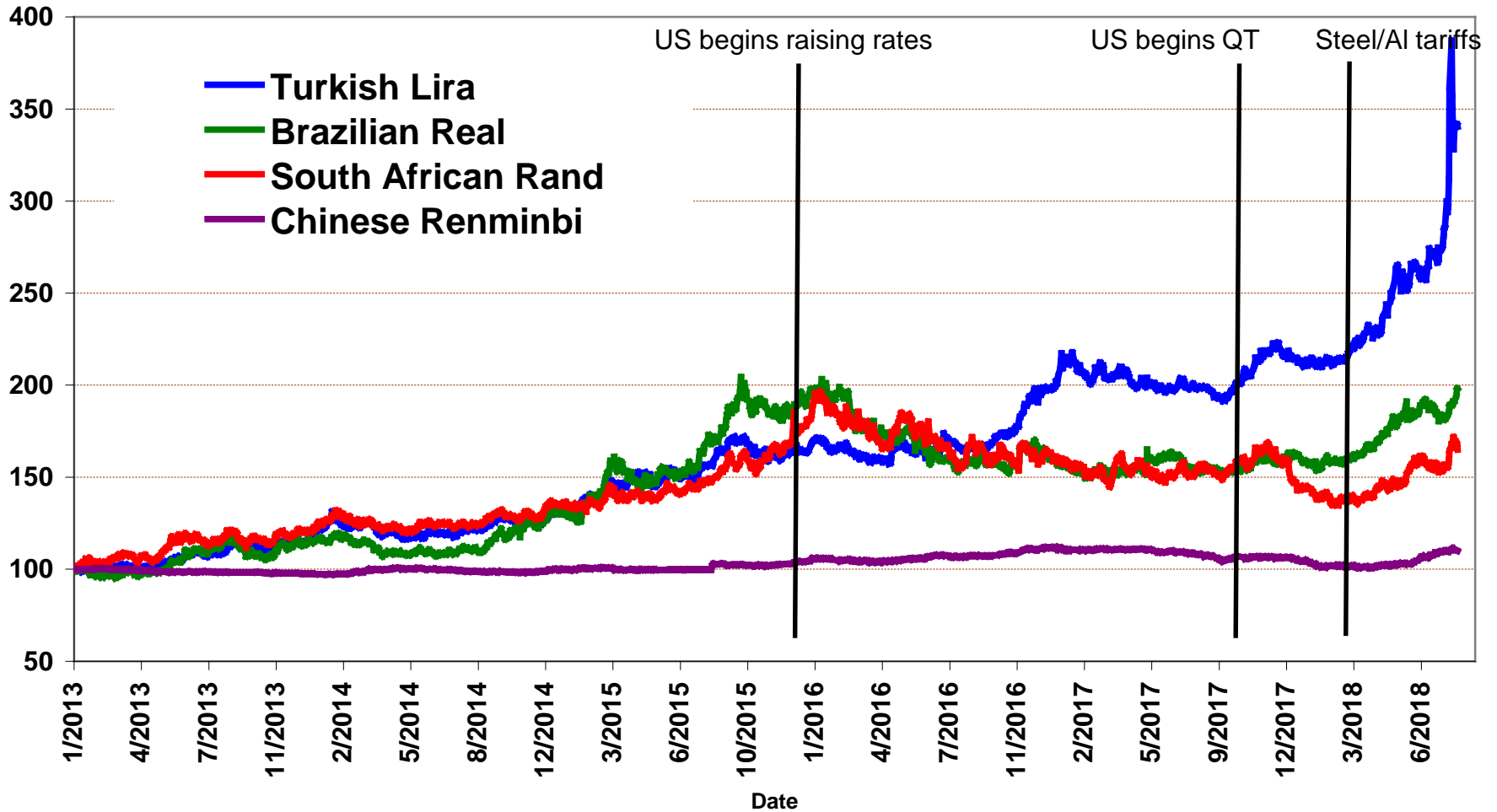
Source: Bloomberg



Assets on the Federal Reserve's Balance Sheet 2007-August 22, 2018



Foreign Exchange (Per U.S. Dollar) Normalized at 100 on 1/3/2013 2013-August 22, 2018



Source: Bloomberg



Tariff Timeline

US Action

- **Jan 2018 announced tariffs on washing machines and solar panels**
- **March 2018 announced tariffs on steel and aluminum effective June**
- **March 2018 US announces tariffs on \$50bn of Chinese imports effective July – Aug**
- **US threatens tariffs on auto imports**
- **US threatens tariffs on additional \$200bn Chinese imports**

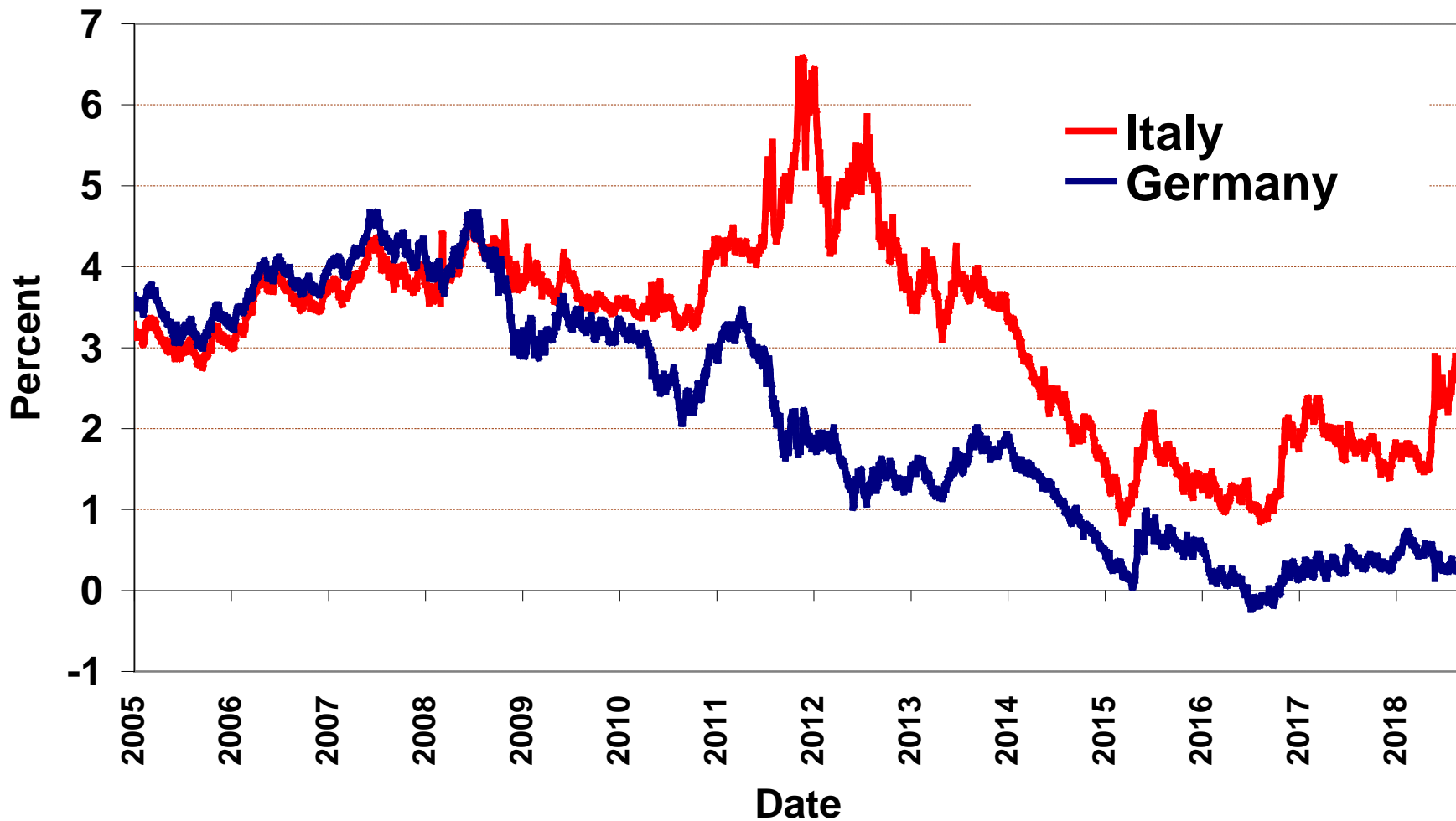
International Reaction

- **EU retaliatory tariffs on 180 products**
- **Mexican retaliatory tariffs**
- **Chinese retaliatory tariffs on 128 products**
- **Canada announces matching tariffs**
- **South Korea, Argentina, Australia and Brazil receive exemptions.**
- **China announces \$50bn in tariffs effective July – Aug.**
- **Juncker and Trump meet, agree to work towards a zero tariff deal.**
- **China promises non-specific retaliation. As of 8/20 US and China have scheduled a series of discussions on topic.**

US currently appears to be in substantive talks with Mexico and EU – at least the rhetoric has cooled off.



10 Year Sovereign Interest Rate 2005-August 23, 2018



Source: Bloomberg

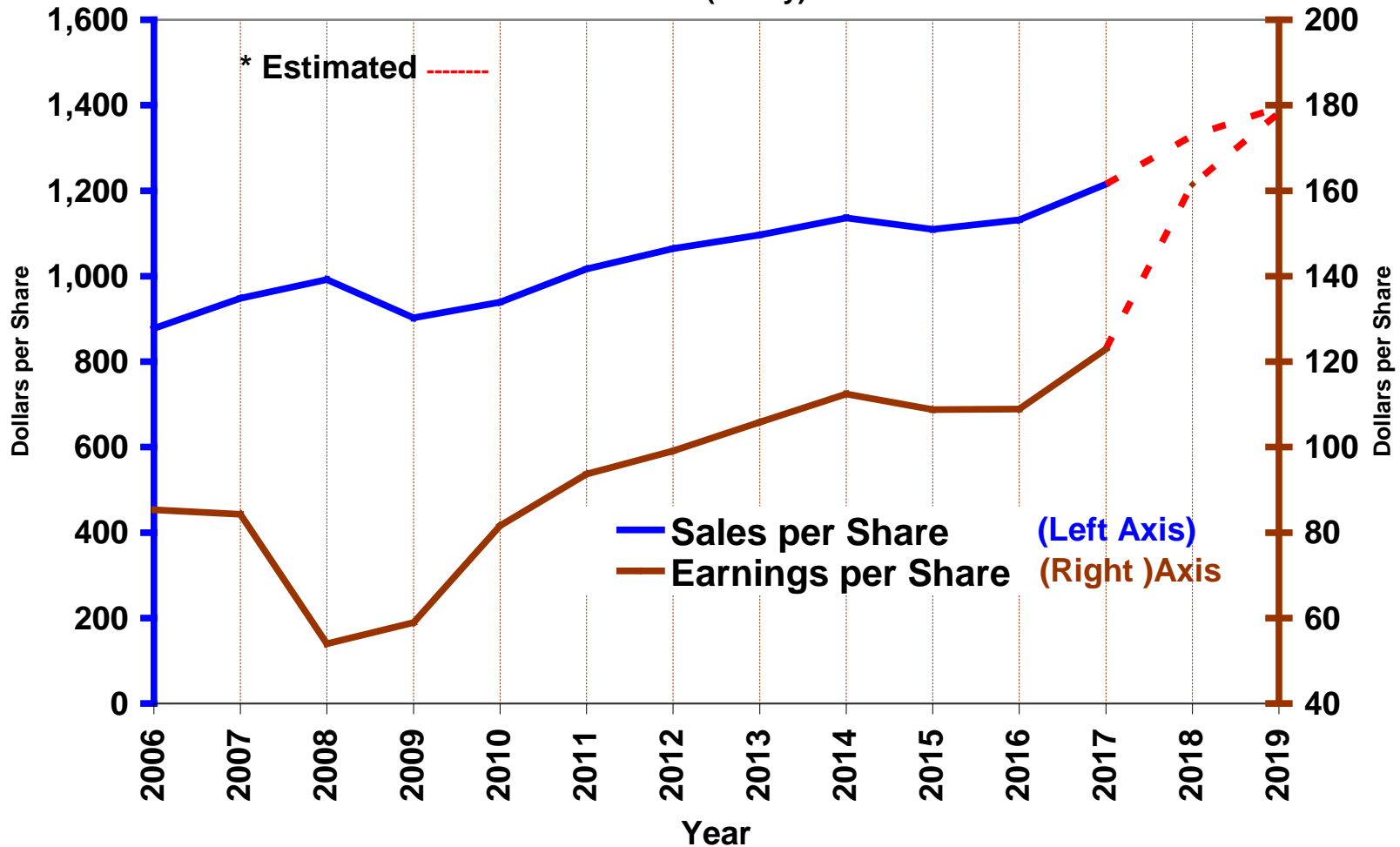


S&P 500 Index

Sales and Earnings per Share*

2006-2019

(Yearly)

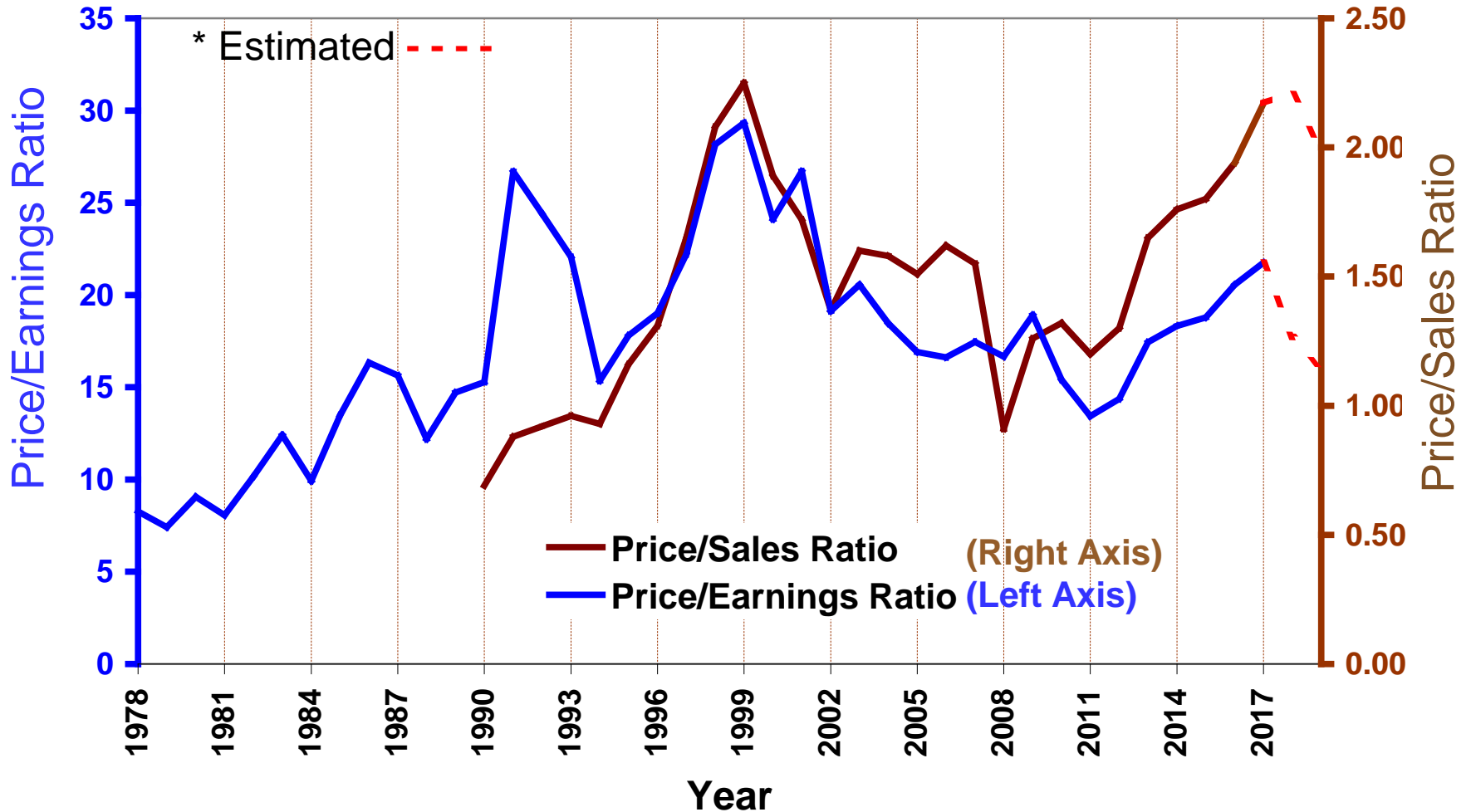


NOTE: The S&P 500 Index is a widely recognized, unmanaged index of common stock prices. You cannot invest directly in an index. Past performance of EPS growth is not an indicator of future earnings growth.

* Source: Bloomberg: 2017-2019 forward estimates



S&P 500 Index 1978-2019 (Yearly)



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Source: Muhlenkamp & Company, Inc.



Questions and Responses

Click on the orange arrow in the upper right-hand corner of your screen to open the control panel where you may submit questions.

For some devices, look for the question mark at the top or bottom of your screen.

We will contact you if we did not have time to respond to your question during the event.



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The comments made during this webcast are opinions and are not intended to be investment advice or a forecast of future events.



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