INVEST FINANCIAL CORPORATION

THE ECONOMY AT A GLANCE

ECONOMIC HIGHLIGHTS

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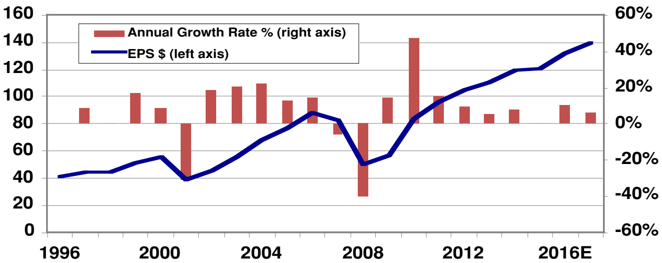
ADJUSTING EPS ESTIMATES

Although currencies in developed countries have largely stabilized against the U.S. dollar since March, the rout in EM currencies continues — pushing the U.S. dollar higher, which hurts demand for U.S. exports. This poses several problems for the S&P 500 profit outlook. We have reduced our 2015 S&P 500 EPS estimate by $5.00 to $120. That implies almost no growth for this year, versus the 8% growth recorded in 2014. Our estimate for S&P 500 EPS in 2016 is now $132, implying a 10% gain from 2015.

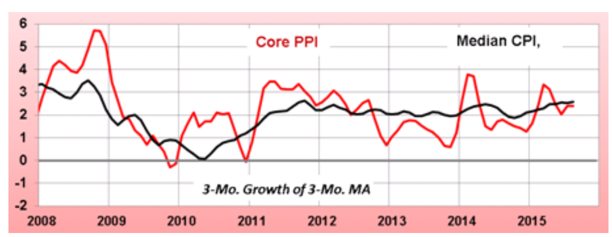
S&P 500 EPS TRENDS & ESTIMATES



INFLATION IS UNDERSTATED

Weakness in energy and other commodities may not portend deflation or even renewed disinflation. In fact, one of the most reliable gauges of consumer prices, the Cleveland Federal Reserve Bank's Median CPI — which is less affected by estimates of housing and seasonal variations — has been picking up steadily. Indeed, it reached 2.6% in the August quarter. the fastest quarterly inflation since November 2008. We agree with the Fed's view that the dip in headline inflation is transitory.

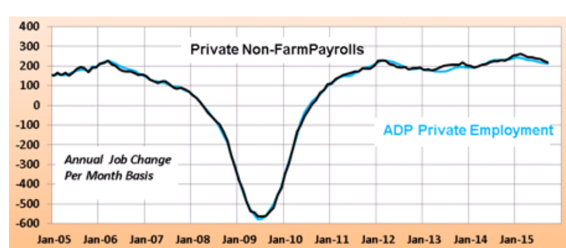
QUARTERLY INFLATION



NO RATE HIKE UNTIL MARCH

A gain of only 118,000 private jobs in the September payroll survey, coupled with a flat Institute of Supply Management report, will likely stay the Federal Reserve's expressed intention to lift interest rates "sometime later this year." We now think the lift-off in rates will begin in 1Q15. That said, in our view, economists and market observers are overreacting to the latest jobs numbers. As well, domestic spending remains brisk and U.S. service-sector demand is strong.

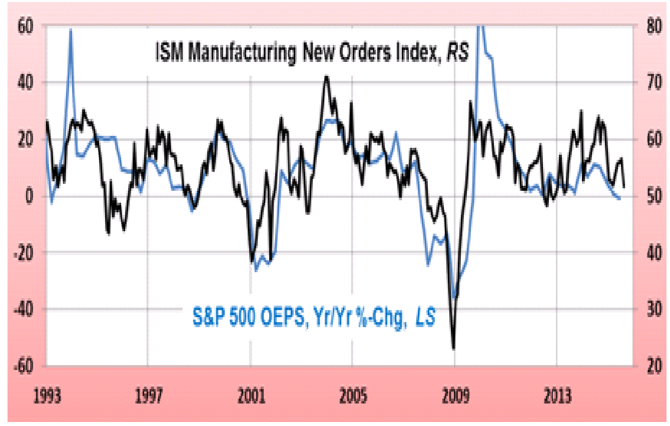
ANNUAL JOB GAINS REMAIN HIGH



DECLINE IN NEW ORDERS HURTS EPS GROWTH

A marked slowdown in the August Institute for Supply Management (ISM) Purchasing Managers Index (PMI) and in New Orders suggests that a buildup in inventories in the first half and a slide in exports since mid-year may have prompted manufacturers to slow production. Growth in the ISM New Orders index slid from 56.5 to 51.7 in August. The Export index turned down (under 50) in June and fell further to 48 in July and 46.5 in August. The overall ISM PMI index slowed from 52.7 to 51.1 in August. However, the Markit Economics U.S. PMI has held up better, slipping just 0.8 to 53.0 in August. The preliminary "flash" estimate held steady at 53.0 in September. A move higher in the PMI's could herald a return to stronger U.S. corporate profit growth.

NEW ORDERS



FALLING INDUSTRIAL PRICES HURT PROFITS

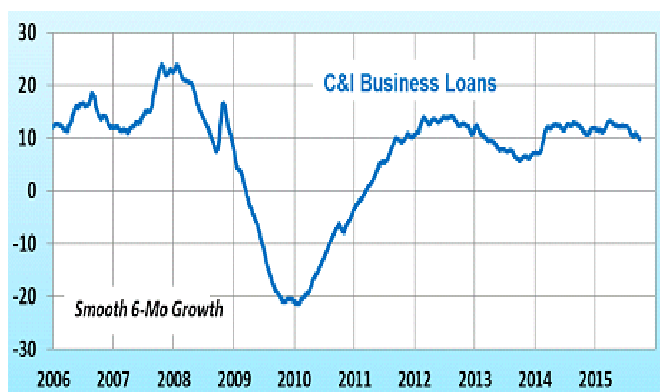
The CRB Raw Industrial Spot Price index, a good coincident indicator of industrial profits, has fallen sharply in the past year as the U.S. dollar rose. This has been a headwind for U.S. corporate profit growth. CRB Industrial Spot prices have slumped more than 15% in the past year on a running-quarterly basis. This is the worst decline since mid-2012, when S&P 500 earnings also hit the zero line. On the positive side, U.S. industrial profits have benefitted from the decline in energy prices. The drop in crude oil prices has been three-times greater than the drop in CRB Raw Industrials (which do not include oil). Oil also supported profit margins in 2012, falling 25% to $80/bbl from March through July. As oil prices stay low, we expect to see profit growth pick up in 2016.

INDUSTRIAL PRICES & PROFITS

WEEKLY INDICATORS CONFIRM EXPANSION

Both the continuing downtrend in weekly unemployment insurance claims and the growth in business loans confirm the strength of the U.S. economy. Money and credit indicators also point to continued strong economic growth. Initial unemployment insurance claims, on a four-week average basis, stand at cyclical lows. Continuing claims have fallen to a 15-year low. Except for some slowing in late 2013, six-month growth of Commercial & Industrial (Business) Loans has exceeded 10% since late 2011. And finally, Composite six-month growth of M-1, M-2 and MZM was 5.9% when QE ended last year. It grew 6.5% in the last six months.

BUSINESS LOANS

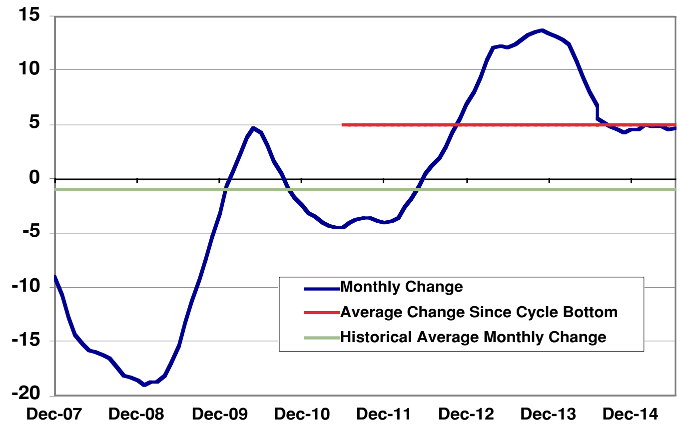


FINANCIAL MARKET HIGHLIGHTS

HOME PRICES RISE AGAIN

The S&P/Case-Shiller Home Price Index of 20 major U.S. markets for July showed that prices gained 4.7% year-over-year. We expect price hikes to remain in the 4.5%-5.0% range. Many market observers are pointing to inventory levels as a driver of price trends, and this metric implies mid-single-digit price gains going forward, in line with the average since the recovery. The risk is that price gains may draw "shadow inventory" of homes owned by the banks into the market. Excess supply will likely prevent house prices from soaring at a double-digit rate any time soon, but those conditions aren't always the best for long-term growth. The average price change since 2008 has been -1.0%. Against that, the current reading should contribute to positive consumer sentiment trends.

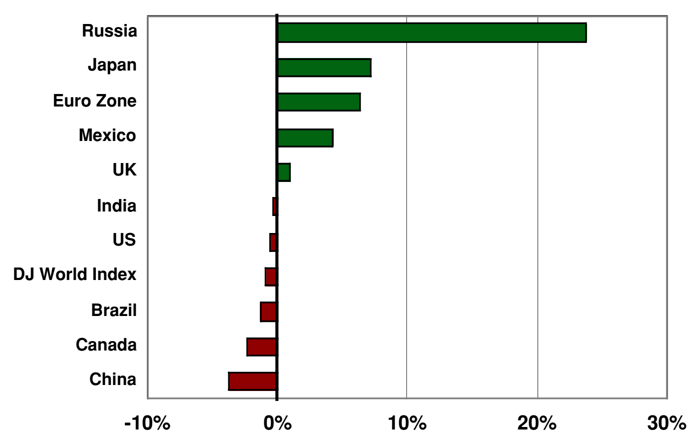
S&P CASE/SHILLER 20-CITY COMPOSITE (%)



GLOBAL MARKETS GIVE GROUND

Our basket of a dozen global indices gave more ground last month as investors grew more concerned about the China economy and price of oil. The average year-to-date gain for the group is 3%, down from an average YTD gain just under 7% last month. Commodity nations would be down in aggregate if not for Russia, where the stock market has surged in 2015 after nearly collapsing in 2014. The Americas is barely at break-even in 2015, as weakness in Brazil and the U.S. offsets a positive Mexico. Europe remains the leading region, as the Eurozone index is up 6.4% year to date. Foreign equity markets account for 60%-65% of world market cap, but we recommend a 25% weighting in international stocks for Growth Accounts, this given the risks of overseas investing.

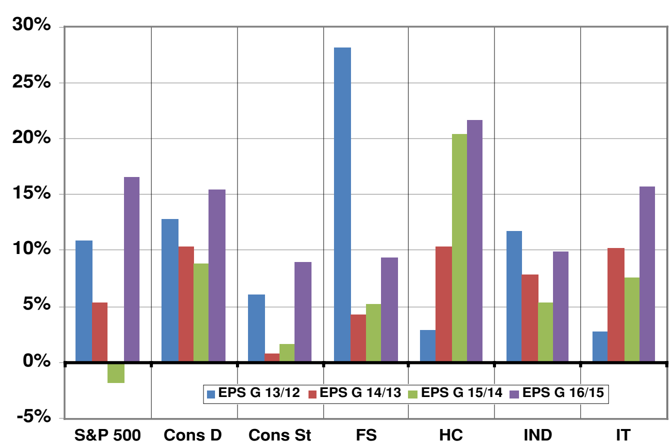
GLOBAL MARKET PERFORMANCE



SECTOR GROWTH EXPECTED TO PICK UP IN 2016

The consensus is calling for solid growth in sectors including Healthcare, Consumer Discretionary and Information Technology. Growth rates are expected to step up in Consumer Staples and Industrials. Financial Services may get a boost from higher short-term interest rates, and Energy is the wild card. After an 85% decline in earnings in 2015, the Street is currently forecasting that profits can double next year. We shall see. In the meantime, our over-weight sectors include the growth groups IT, Healthcare and Consumer Discretionary. We also favor Industrials as a value play. Our market-weight sectors include Energy, Telecom, Materials and Financials. Our under-weight picks are Consumer Staples and Utilities, which could be at risk as (if?) interest rates start heading higher.

SECTOR GROWTH RATES



ECONOMIC CALENDAR

Previous Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
20-Oct	Housing Starts	September	1,126k	1,120k	1,147k	N/A
22-Oct	Existing Home Sales	September	5.31m	5.32m	5.35m	N/A
	Leading Economic Indicators	September	0.1%	0.1%	0.0%	N/A

Next Week's Releases

Date	Release	Month	Previous Report	Argus Estimate	Street Estimate	Actual
2-Nov	ISM Manufacturing	October	50.2	50.5	NA	N/A
	Construction Spending	September	0.7%	0.5%	NA	N/A
3-Nov	Factory Orders	September	-1.7%	0.5%	NA	N/A
4-Nov	U.S. Trade Balance	September	-$48.33B	-$48.10B	NA	N/A
	ISM Non-Manufacturing	October	56.9	56.0	NA	N/A
5-Nov	Nonfarm Productivity*	Q3	3.3%	2.0%	NA	N/A
	Unit Labor Costs*	Q3	-1.4%	1.0%	NA	N/A
6-Nov	Nonfarm Payrolls	October	142k	175k	NA	N/A
	Private Payrolls	October	118k	150k	NA	N/A
	Unemployment Rate	October	5.1%	5.0%	NA	N/A
	Average Hourly Earnings	October	0.0%	0.0%	NA	N/A
	Average Workweek	October	34.5hrs.	34.5hrs.	NA	N/A
	Consumer Credit	September	$16.0B	$16.2B	NA	N/A

** Preliminary*
*** Advance*
^Final