



**FIFTH THIRD BANK**

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## Economic, Business & Markets –

### *Focus on Investors*


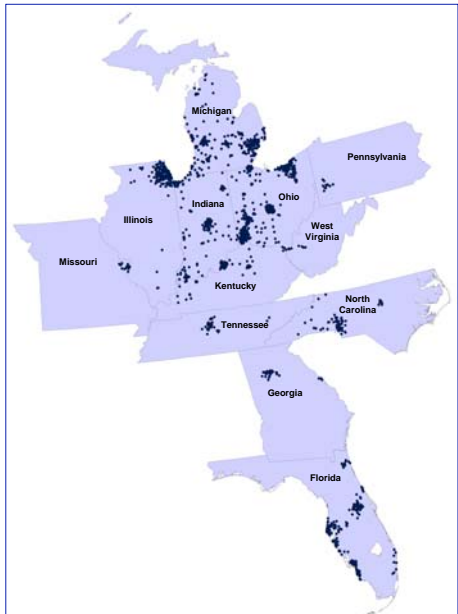
*John Augustine, CFA*  
**Chief Economic & Market Strategist**  
*Fifth Third Bank*

November 2013

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### Fifth Third Bank Overview (9/30/2013)

- Headquartered in Cincinnati, Ohio
- Operates four main businesses: *Commercial Banking, Branch Banking, Consumer Lending, Investment Advisors*
- 18 affiliates across the Midwest and Southeast United States
- 1,326 banking centers; 2,374 ATMs
- **\$126 billion bank assets**
- **\$318 billion in assets under care**
- **\$27 billion in managed assets for individuals, corporations and not-for-profit organizations**
- Listed on NASDAQ, Ticker: FITB

Data as of 2Q13 unless noted otherwise; ranked among U.S. commercial banks

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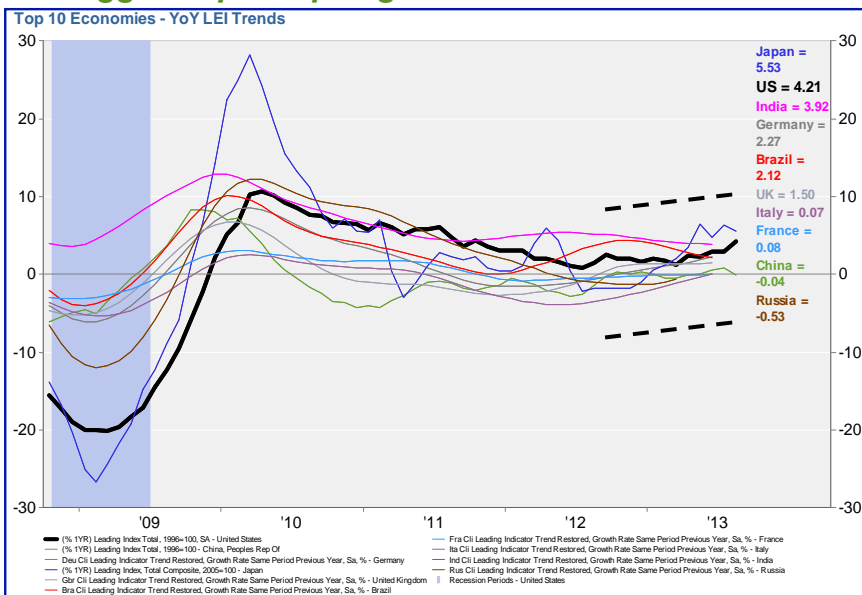


# 1) Five Headline Macro Trends/Events into 2014

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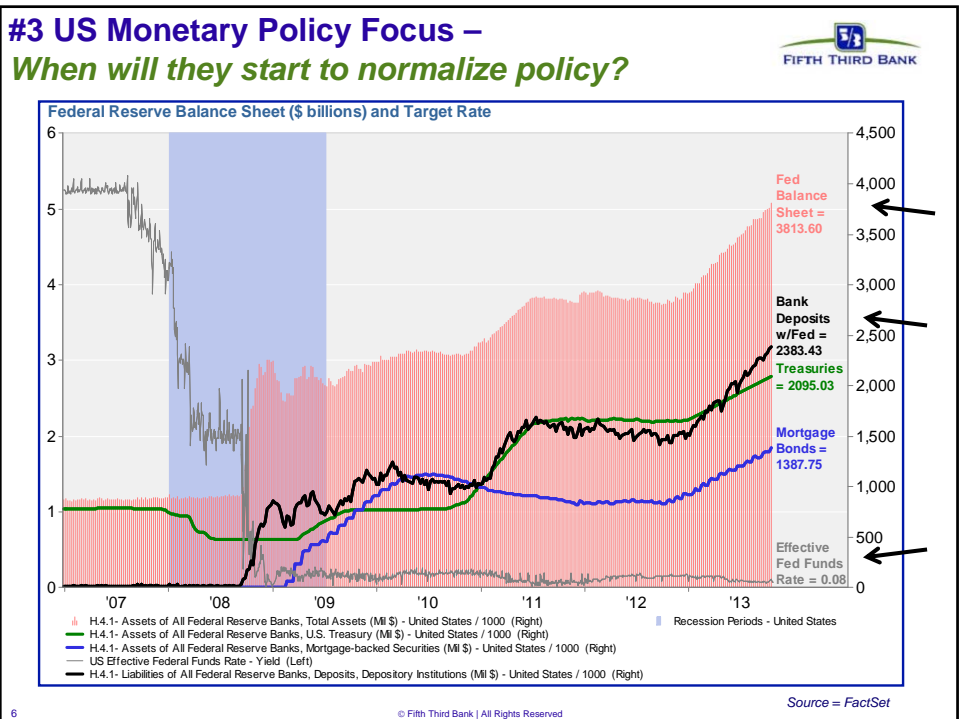
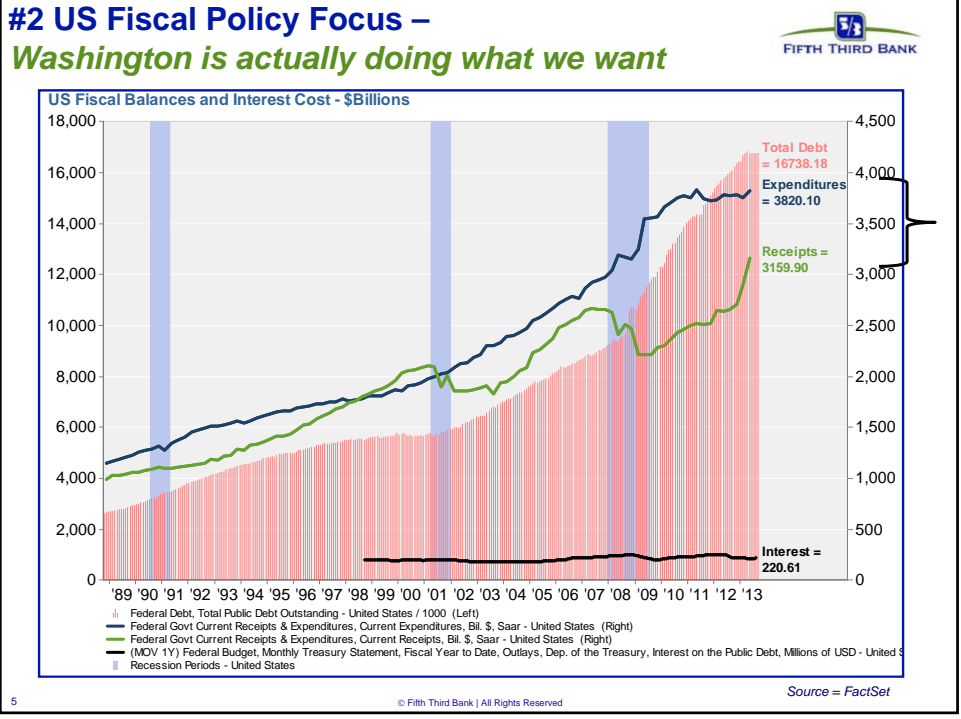
## #1 Global Economic Focus – LEI's suggest a pick-up in global GDP



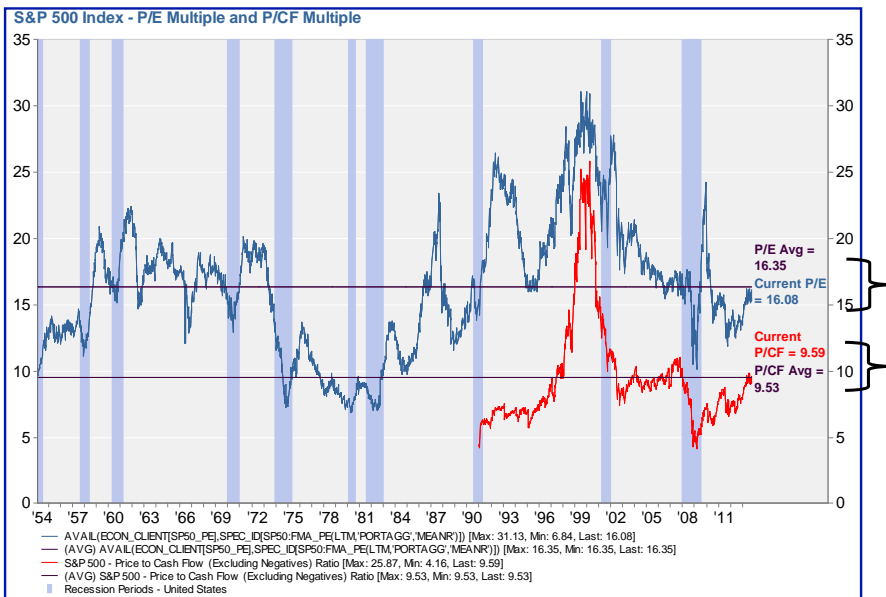
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Source = FactSet



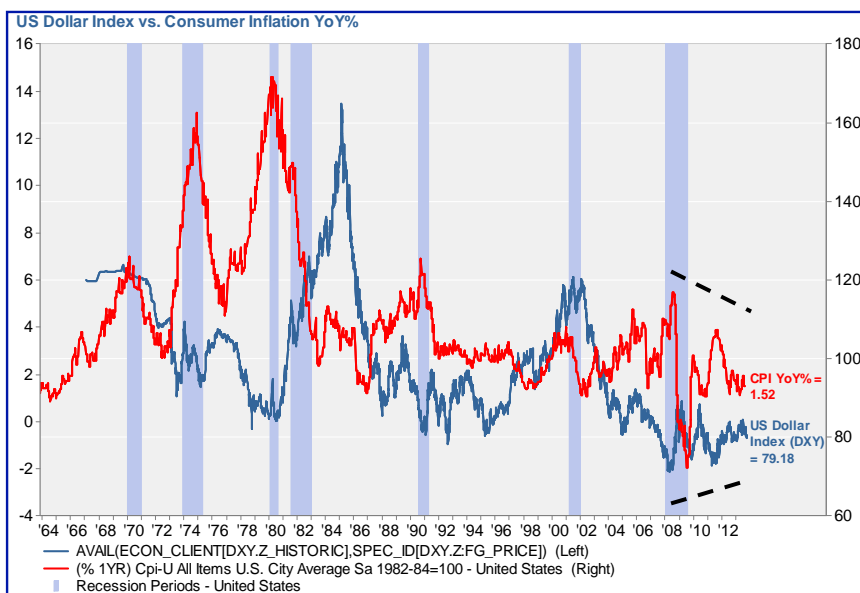
### #4 Business Valuations (S&P 500) – Getting close to long-term averages



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### #5 Affects of Monetary & Fiscal Policy – Inflation has not lifted; US Dollar has not fallen



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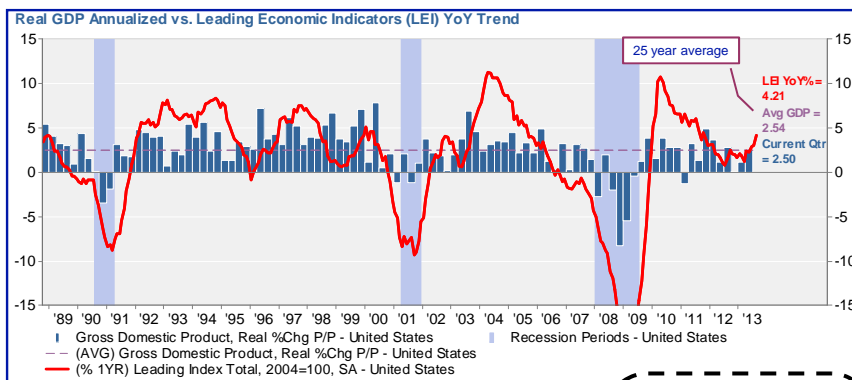
## 2) Five US Economic Trends

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### #1 US Economic Focus –

### GDP growth expected to improve pace into 2015



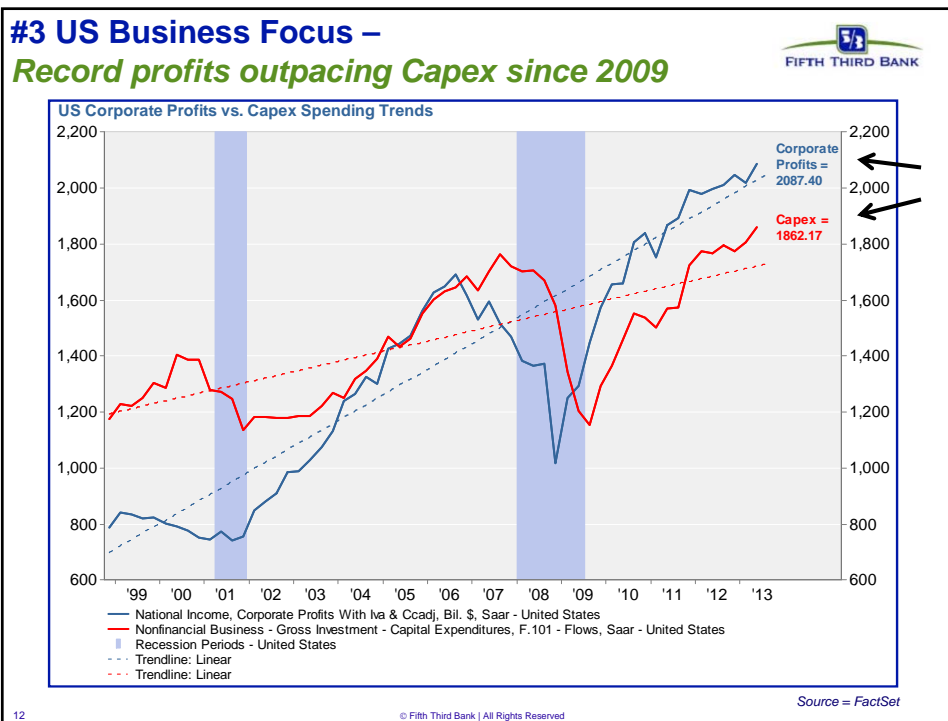
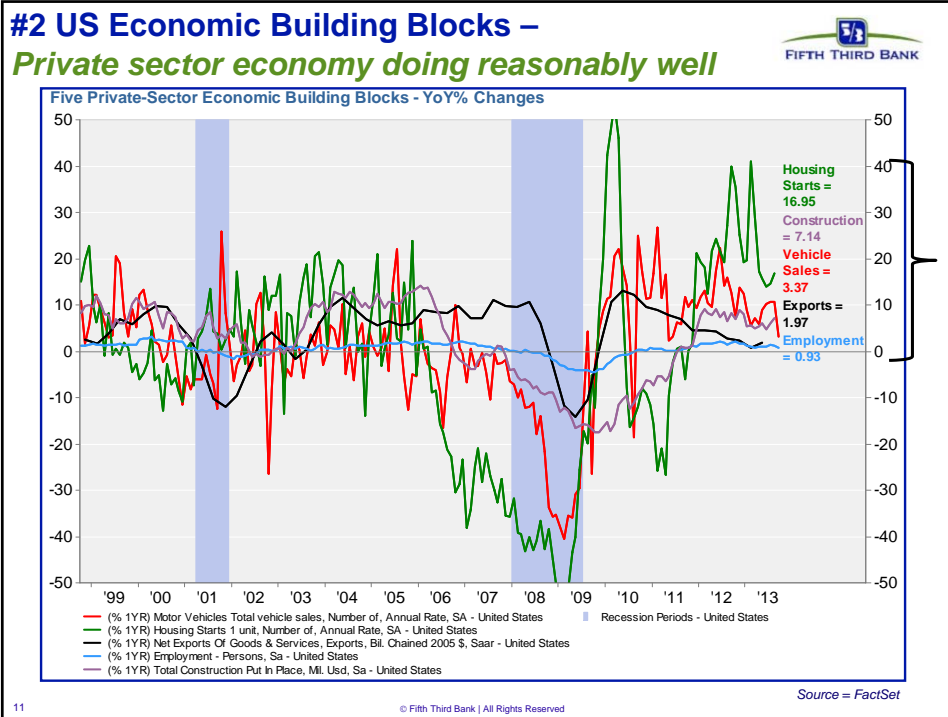
	2010	2011	2012	2013	2014	2015
<b>Actual annualized Real GDP growth*:</b>	2.4%	1.8%	2.2%			
<b>Private US Economists:</b>				1.60	2.60	3.00
<b>Federal Reserve:</b>				2.15	3.00	3.25
<b>OECD:</b>				1.90	2.80	n/a
<b>IMF:</b>				1.60	2.60	n/a

\* Source = Moody's economy.com

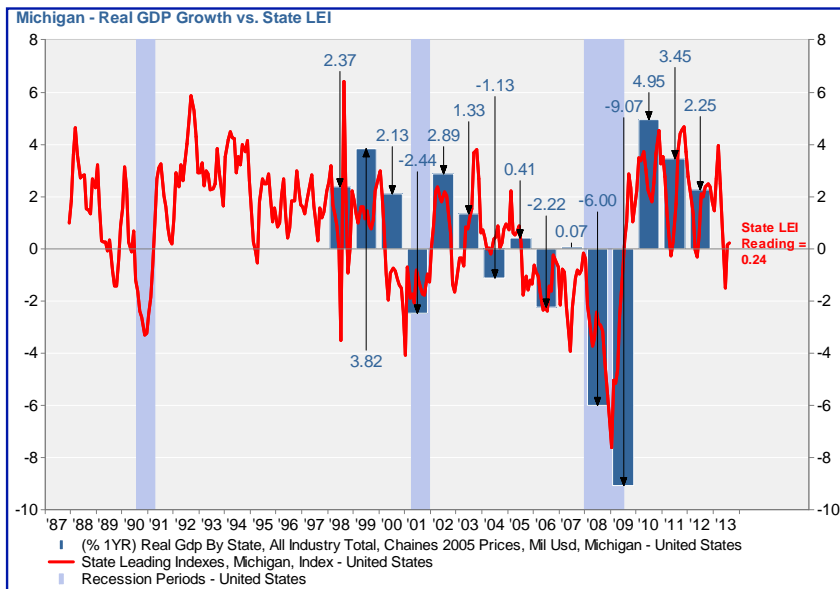
Projections = Bloomberg; IMF; Federal Reserve

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### #4 State Economic Focus – State LEI needs to improve

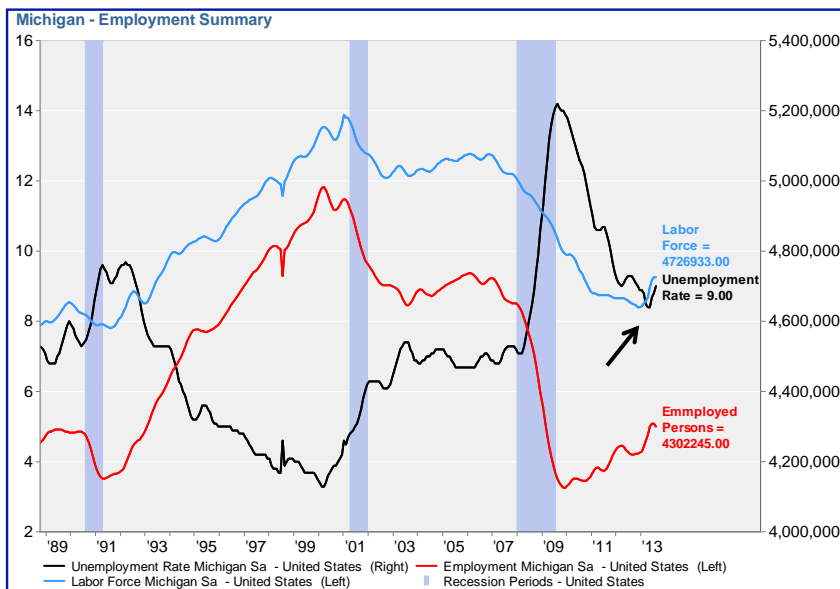


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### #5 State Economic Focus – Labor Force is growing for first time since 2000



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## 4) Five Market Trends

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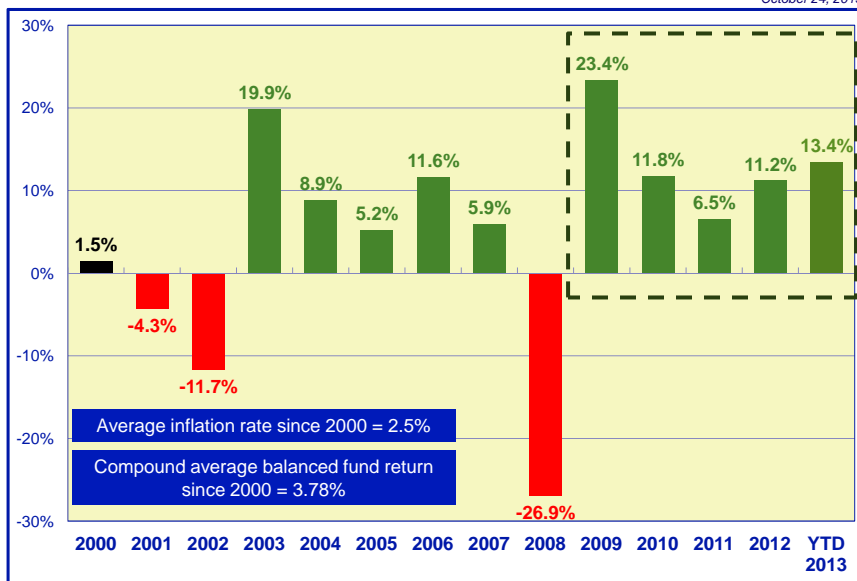
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### #1 US Investor Focus –

*It's about building future purchasing power*



October 24, 2013

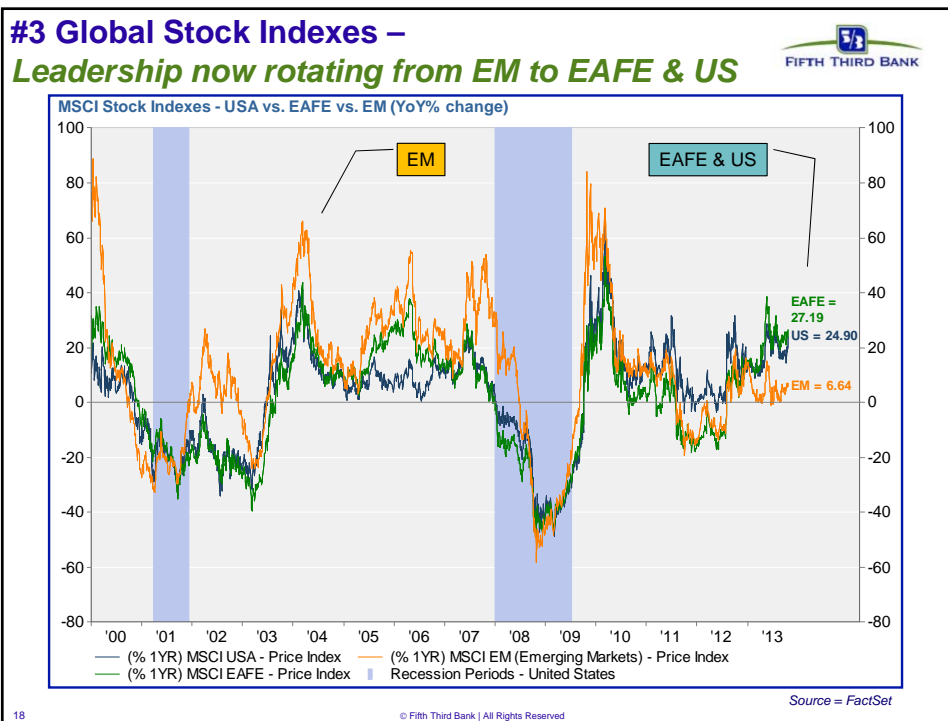


Source: Lipper

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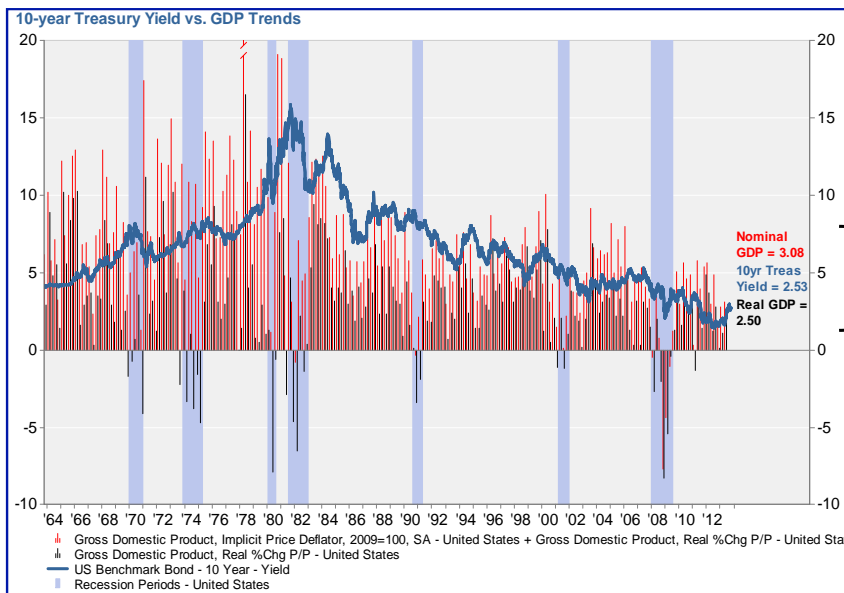
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### #4 US Bond Market –

#### What should the 10-year Treasury yield be?



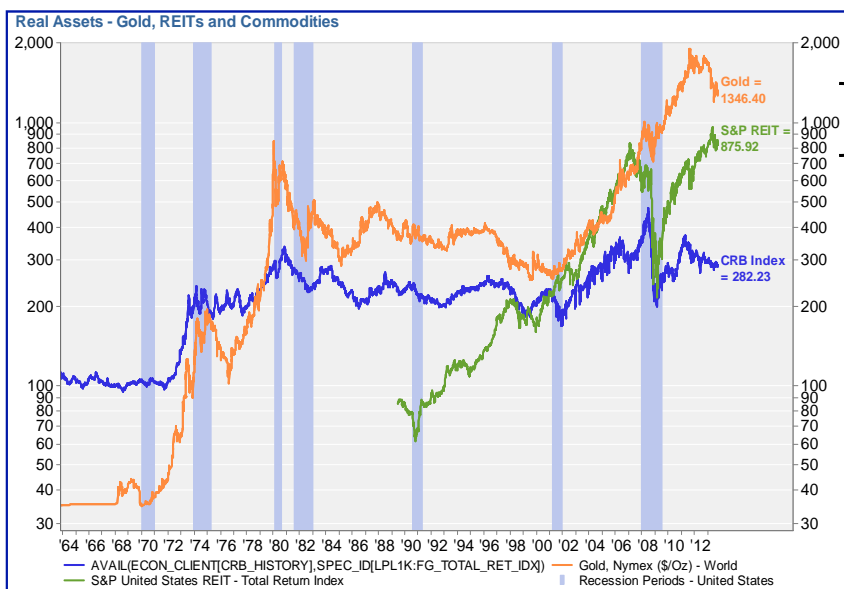
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### #5 Real Asset Markets –

#### Gold and REITs separating from CRB



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## 4) Investor Recommendations –

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### Fall Investor Update – 2013



1. **Global Leading Economic Indicators (LEI's) are now moving higher in unison** – signaling a better economy into 2014.
2. **Fiscal policy tensions will likely rise at least once a year** for the foreseeable future. Monetary policy is trying to counteract that stress on the economy & markets.
3. **US economic growth leadership is positive but very narrow** – housing, aerospace, autos, energy – and needs to broaden.
4. **Macro headlines likely increasing financial market volatility early in the Fall** include:
  - US monetary policy inaction and timing of future changes.
  - US fiscal policy debates..
  - Adjustments to 2014 EPS earnings estimates for S&P 500 companies.
5. Investors can **E-A-S-E in to or out of markets** keeping some basics in-mind:
  - Employ a disciplined, diversified and dynamic investment strategy
  - Accumulate a diverse base of assets continuously in an incremental manner.
  - Simplify finances to a maximum of nine statements for couples – bank, insurance (2), 401k (2), IRA (2), online brokerage, managed investment account.
  - Enjoy the current Bull Market in stocks (S&P 500 higher in each of last five years).

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