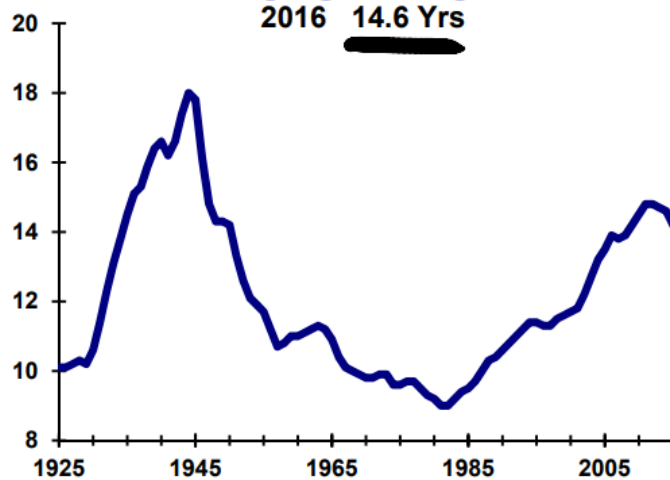


Growing New Plants U.S. Avg Age of Mfg Plants



Source: ISI

- The average age of US manufacturing plants peaked recently at levels we haven't seen since WWII. It has started to decline. We have noticed a similar trend in the age of equipment.
- When this trend changed previously, as in 1945 and 1965, capital spending on new equipment and manufacturing upgrades remained elevated for over a decade.
- Lowered corporate tax rates paired with immediate expensing of capital expenditures provide incentives to continue increasing spending on new plants and equipment. This could lengthen the current economic cycle. We believe our portfolio is positioned to benefit from this.

This publication has been distributed for informational purposes only and should not be considered as investment advice or a recommendation of any particular security, strategy, or investment product. Past performance does not provide any guarantee of future performance, and one should not rely on performance as an indication of future performance. Commentary may contain subjective judgements and assumptions subject to change without notice. There can be no assurance that developments will transpire as forecast. Information contained herein has been obtained from sources believed to be reliable but not guaranteed. No part of this publication may be reproduced in any form, or referred to in any other publication, without express written permission of Todd Asset Management LLC. © 2018.