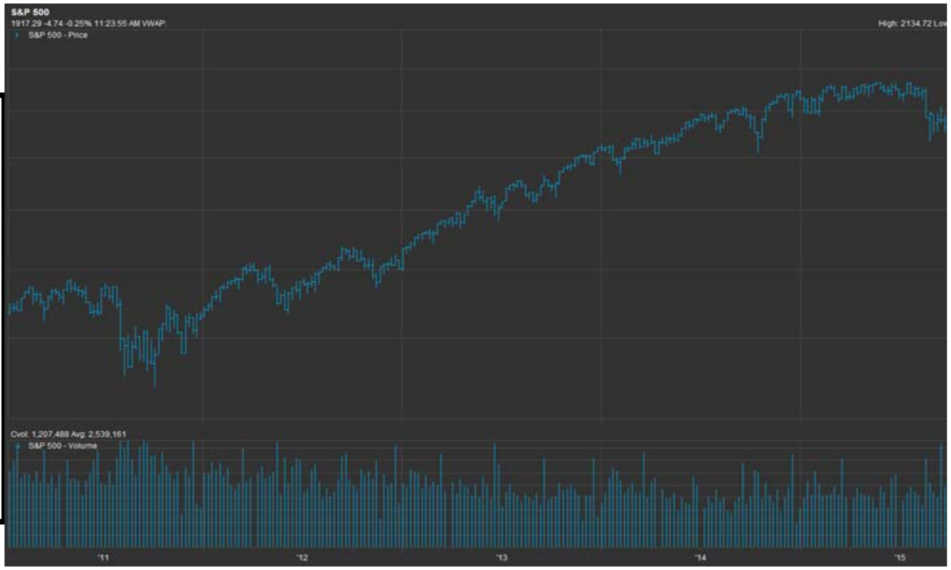
BRIDGES INVESTMENT MANAGEMENT

Think Forward

Capital Markets Expectations

Current Levels: (12/31/2015) *S&P 500*	2043.94	*Ten Year Treasury*	2.27%	*Inflation:*	0.44%



Long-Term Total Return Expectations:

Asset Class	**Current**	**Historic Range**
Cash	0-1%	2-4%
Treasuries	0-2%	4-6%
Investment Grd Corporates	1-4%	5-7%
High Yield Bonds	4-7%	6-9%
Preferred Stocks	4-6%	7-8%
U.S. Equities	6-9%	9-11%
U.S. Small-Midcap Equities	7-10%	9-12%
EAFE Equities	6-10%	9-11%
Emerging Market Equities	7-11%	9-12%
Alternative Investments	4-8%	4-9%

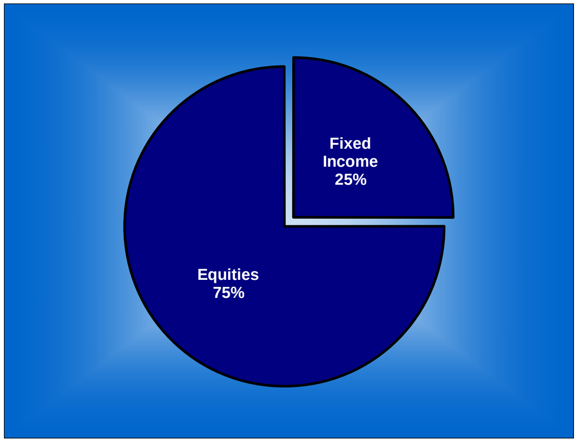
Long-Term Capital Markets Characteristics

	Current	**Historic Range**
U.S. Investment Grade Credit Spread	50-100 bps	50-100 bps
U.S. Equity Risk Premium	4-6%	4-6%
U.S. Equity Dividend Yield	1.5-2.0%	1.5-3.0%
S&P 500 Long-Term Earnings Growth	5-8%	7-8%
Current P/E 2016 (S&P 500)	16.4x	
Current P/E 2017 (S&P 500)	15.1x	
Fair Value P/E	17.5x	15-16x

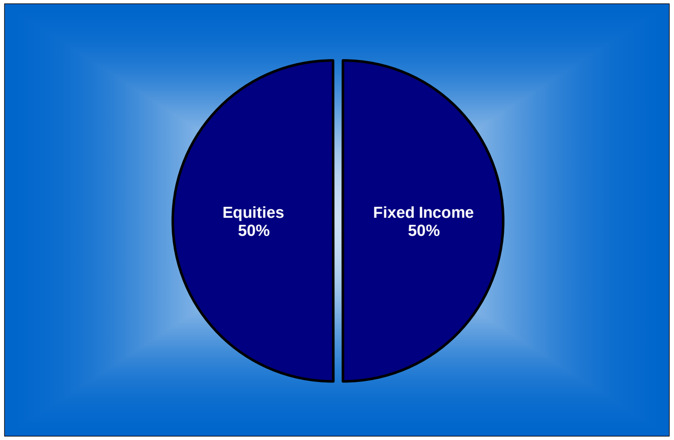
Capital Markets Forecasts 2016-2017

S&P 500 (2016)	Earnings	$122-128	Year-End Fair Value Target	2200-2250
S&P 500 (2017)	Earnings	$130-140	Year-End Fair Value Target	2300-2400
Ten Year Treasury	Range	1.0-3.5%	Year-End Target	2.75%

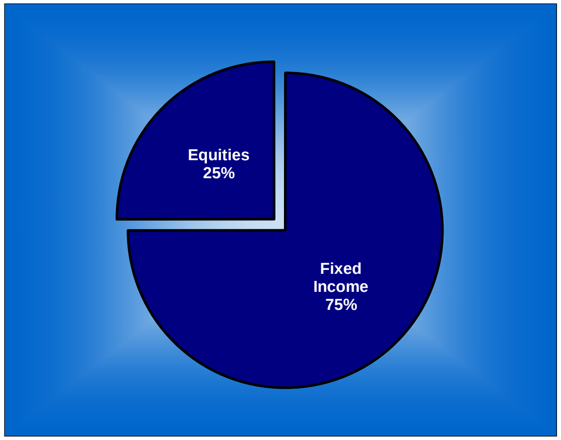
Long-Term Expected Returns by Asset Allocation



6.875% (2.375% yld, 4.5% appreciation)



5.75% (2.75% yld, 3.0% appreciation)



4.625% (3.125% yld, 1.5% appreciation)

Return assumptions for charts: Equities 6.0% appreciation, 2.0% yld; Fixed Income: 3.5% yld

Key Assumptions:

* U.S. shows GDP growth in 2015-16 at 1.5-2.5% annual rate
* Expect higher interest rates in 2016 as market as Fed begins to tighten
* Corporate profit growth positive but sluggish in 2016-17; weak oil prices, low interest rates, and strong dollar remain headwinds to earnings
* Fixed Income remains less attractive than equities given low nominal and real yields and risk of higher interest rates and inflation
* Domestic equities remain attractive long-term; we expect continued elevated levels of stock price volatility in 2016
* International and emerging market equities are inexpensive, but have greater earnings growth uncertainty due to sluggish international economic conditions.
* We prefer companies with a demonstrated ability to grow revenue, earnings, dividends, and free cash flow in a sluggish economic environment.