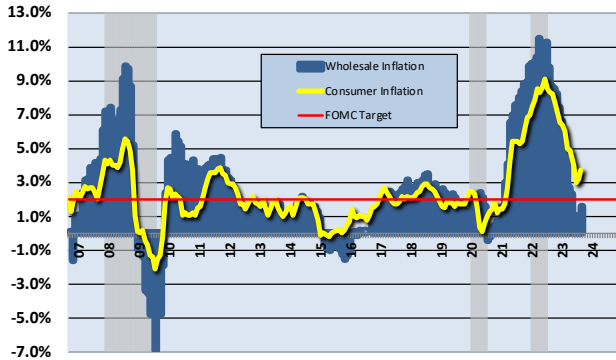




INFLATION ENVIRONMENT

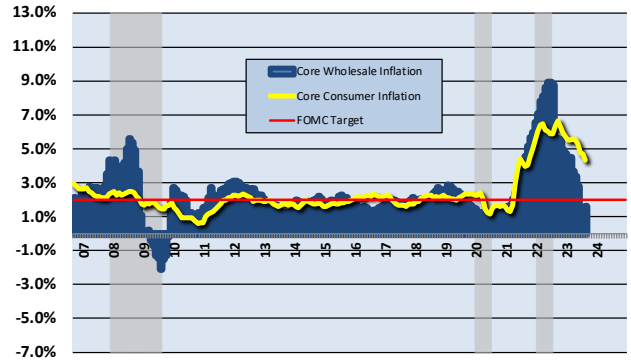
INFLATION PROFILE

WHOLESALE versus CONSUMER INFLATION, Monthly Year-over-Year



CORE INFLATION PROFILE

EXCLUDING FOOD & ENERGY COMMODITIES, Monthly Year-over-Year



	Annual Rates					Monthly Year-over-Year							
	2018	2019	2020	2021	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Wholesale Inflation													
Overall Wholesale Inflation	2.2%	2.2%	0.8%	9.8%	6.6%	5.9%	4.9%	2.7%	2.3%	1.1%	0.1%	0.8%	1.6%
Core Wholesale Inflation	2.2%	2.2%	1.1%	7.0%	4.7%	4.5%	4.5%	3.7%	3.4%	2.8%	2.8%	2.9%	3.0%
Consumer Inflation													
Overall Consumer Inflation	1.9%	1.9%	1.4%	7.0%	6.5%	6.4%	6.0%	5.0%	4.9%	4.0%	3.0%	3.2%	3.7%
Food	1.6%	1.6%	3.9%	6.3%	10.4%	10.1%	9.5%	8.5%	7.7%	6.7%	5.7%	4.9%	4.3%
- Food at Home	0.6%	0.6%	3.9%	6.5%	11.8%	11.3%	10.2%	8.4%	7.1%	5.8%	4.7%	3.6%	3.0%
- Food Away from Home	2.8%	2.8%	3.9%	6.0%	8.3%	8.2%	8.4%	8.8%	8.6%	8.3%	7.7%	7.1%	6.5%
Energy	-0.3%	-0.3%	-7.0%	29.3%	7.3%	8.7%	5.2%	-6.4%	-5.1%	-11.7%	-16.7%	-12.5%	-3.6%
- Gasoline	-2.1%	-2.1%	-15.2%	49.6%	-1.5%	1.5%	-2.0%	-17.4%	-12.2%	-19.7%	-26.5%	-20.2%	-3.3%
Core Consumer Inflation	2.2%	2.2%	1.6%	5.5%	5.7%	5.6%	5.5%	5.6%	5.5%	5.3%	4.8%	4.7%	4.3%
- New Vehicles	-0.3%	-0.3%	2.0%	11.8%	5.9%	5.8%	5.8%	6.1%	5.4%	4.7%	4.1%	3.5%	2.9%
- Used Vehicles	1.4%	1.4%	10.0%	37.3%	-8.8%	-11.6%	-13.6%	-11.2%	-6.6%	-4.2%	-5.2%	-5.6%	-6.6%
- Apparel	-0.1%	-0.1%	-3.9%	5.8%	2.9%	3.1%	3.3%	3.3%	3.6%	3.5%	3.1%	3.2%	3.1%
- Medical care	-0.5%	-0.5%	-2.5%	0.4%	3.2%	3.4%	3.2%	3.6%	4.0%	4.4%	4.2%	4.1%	4.5%

INFLATION REPORT AND CUSTSTRATEGY

(September 2023) ... U.S. consumer prices are increasing at a 3.7% annualized pace in August - while core consumer inflation, which excludes commodity-driven food and energy prices, increased 4.3%. Overall inflation has been impacted by a 4.3% increase in food costs, fueled by a 3.0% increase in grocery prices and 6.5% increase in prices for food eaten away from home. Also impacting consumer inflation is a -3.6% decrease in energy prices, including a -3.3% decline in gasoline prices.

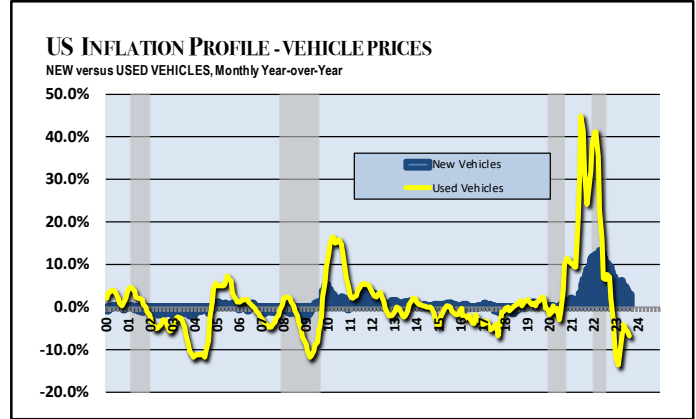
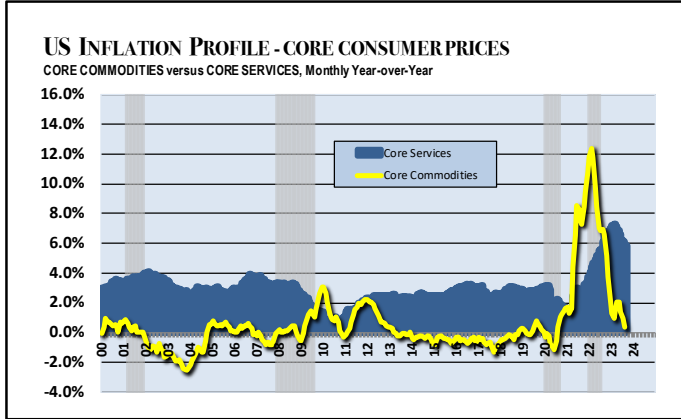
Wholesale inflation increased at a 1.6% pace. This demonstrates producers¹, unlike in the past, have been able to pass on more of their higher costs to the consumer - something they have been unable to do for decades. Still, it continues to adversely impact producers' earnings and future hiring and advances in manufacturing. This endangers future growth potential.

Strategically... A certain level of inflation is needed in a growing economy to increase the value of goods and services produced - contributing to the nation's GDP growth profile. However, the nation's GDP is being significantly diluted by the prevailing inflation rate thus resulting in a net growth rate that is insufficient to create a sustained pace of recovery needed to put the country on a strong path.

We continue to note that the FOMC will be closely monitoring the pace of consumer inflation and retain a strong stance regarding how to position their overnight benchmark rate. This would keep upward trend on cash and short-term yields but most likely will not impact consumer



CONSUMER PRICE INFLATION



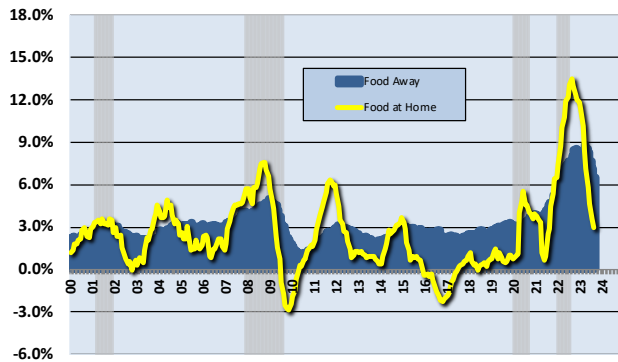
	Annual Rates					Monthly Year-over-Year							
	2018	2019	2020	2021	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
OVERALL CONSUMER INFLATION	1.9%	1.9%	1.4%	7.0%	6.5%	6.4%	6.0%	5.0%	4.9%	4.0%	3.0%	3.2%	3.7%
Food Prices	10.4%	1.6%	1.8%	3.9%	10.4%	10.1%	9.5%	8.5%	7.0%	6.7%	5.7%	4.9%	4.3%
Energy Prices	7.3%	-0.3%	3.4%	-7.0%	7.3%	8.7%	5.2%	-6.4%	5.2%	-11.7%	-16.7%	-12.5%	-3.6%
Core Consumer Prices	2.2%	2.2%	1.6%	5.5%	5.7%	5.6%	5.5%	5.6%	5.5%	5.3%	4.8%	4.7%	4.3%
CORE COMMODITIES	0.1%	0.1%	1.7%	10.7%	2.1%	1.4%	1.0%	1.5%	2.1%	2.0%	1.3%	0.9%	0.2%
Household furnishing	0.9%	0.3%	2.9%	40.0%	7.3%	6.4%	6.3%	5.8%	4.8%	4.1%	3.2%	2.2%	1.7%
Furniture and bedding	1.7%	1.2%	2.2%	13.8%	4.7%	2.2%	2.3%	2.1%	-2.3%	-0.5%	-1.5%	-2.8%	-4.4%
Appliances	4.7%	0.2%	6.2%	6.0%	1.1%	1.4%	1.6%	1.1%	-1.2%	-0.2%	-1.4%	-0.5%	0.1%
Tools	1.1%	0.9%	3.7%	7.2%	10.6%	9.6%	11.8%	11.3%	9.6%	8.8%	8.8%	7.4%	7.4%
Housekeeping supplies	10.0%	0.4%	4.9%	2.1%	11.6%	11.3%	10.4%	10.3%	9.2%	8.5%	7.3%	5.9%	5.0%
Apparel	-0.1%	-1.2%	-3.9%	5.8%	2.9%	3.1%	3.3%	3.3%	3.6%	3.5%	3.1%	3.2%	3.1%
Men's and boy's	1.7%	-1.9%	-3.2%	7.8%	2.2%	3.1%	2.1%	2.9%	3.7%	3.4%	3.6%	4.3%	3.6%
Women's and girl's	-1.3%	-2.2%	-5.9%	4.4%	4.1%	3.7%	4.3%	4.1%	4.3%	4.6%	4.2%	4.1%	3.9%
Jewelry	-2.1%	0.1%	1.1%	7.2%	5.0%	4.9%	8.4%	7.3%	8.4%	6.8%	6.4%	6.5%	5.5%
Transportation	0.5%	-0.1%	5.0%	21.8%	-0.9%	-2.3%	-3.2%	-1.8%	2.4%	0.1%	-0.7%	-1.3%	-1.9%
New vehicles	-0.3%	0.1%	2.0%	11.8%	5.9%	5.8%	5.8%	6.1%	5.3%	4.7%	4.1%	3.5%	2.9%
Used vehicles	1.4%	-0.7%	10.0%	37.3%	-8.8%	-11.6%	-13.6%	-11.2%	-3.3%	-4.2%	-5.2%	-5.6%	-6.6%
Motor vehicle parts	2.2%	1.8%	0.4%	11.3%	9.9%	8.3%	6.1%	6.4%	4.3%	4.2%	3.6%	2.9%	2.0%
Medical care	-0.5%	2.5%	-2.5%	0.4%	3.2%	3.4%	3.2%	3.6%	4.1%	4.4%	4.2%	4.1%	4.5%
Medicinal drugs	-0.6%	2.5%	-2.1%	0.2%	2.8%	3.2%	2.9%	3.2%	4.0%	4.0%	3.8%	3.8%	2.8%
Recreational	-1.3%	-0.9%	-0.2%	3.3%	4.1%	3.3%	2.9%	3.2%	2.9%	2.7%	2.0%	1.0%	-0.1%
Video and audio	-11.0%	-9.7%	-0.8%	-0.1%	-7.5%	-6.2%	-6.9%	-5.5%	-4.1%	-4.0%	-4.3%	-4.6%	-4.5%
Pets and pet products	2.2%	3.1%	-1.8%	2.7%	12.6%	11.9%	11.3%	10.3%	11.3%	10.6%	9.0%	7.8%	5.1%
Sporting goods	2.5%	0.1%	2.5%	6.3%	3.5%	1.5%	1.1%	1.1%	-0.5%	-0.9%	-0.9%	-0.5%	-1.2%
Educational and communications	-3.3%	-6.0%	-2.5%	0.2%	-10.1%	-10.3%	-10.5%	-10.2%	-8.3%	-6.9%	-7.1%	-7.8%	-8.1%
Books and supplies	1.0%	-2.0%	0.7%	-0.4%	5.4%	2.2%	2.6%	0.7%	-0.4%	-1.3%	-2.7%	-3.0%	-3.4%
Information technology	-4.6%	-7.3%	-3.3%	0.3%	-11.8%	-11.7%	-12.0%	-11.5%	-8.8%	-7.6%	-7.7%	-8.5%	-8.7%
CORE SERVICES	2.9%	3.0%	1.6%	3.7%	7.0%	7.2%	7.3%	7.1%	6.8%	6.6%	6.2%	6.1%	5.9%
Shelter	3.2%	3.2%	1.8%	4.1%	7.5%	7.9%	8.1%	8.2%	8.1%	8.0%	7.8%	7.7%	7.3%
Rent and lodging	3.2%	3.3%	1.9%	4.2%	7.6%	8.0%	8.2%	8.3%	8.2%	8.1%	8.3%	7.8%	7.3%
Water, sewer, trash	4.5%	2.2%	3.6%	3.5%	4.9%	5.0%	5.2%	5.4%	4.6%	5.7%	5.7%	5.8%	5.8%
Household operations	6.8%	3.5%	4.1%	9.4%	3.7%	3.2%	1.3%	1.2%	8.4%	4.6%	5.2%	5.0%	4.8%
Other services	4.5%	5.1%	2.8%	2.5%	4.1%	3.0%	2.1%	1.0%	0.0%	-0.1%	-0.8%	-1.5%	-2.1%
Medical care services	2.8%	0.6%	-3.5%	4.2%	14.6%	14.6%	14.6%	13.9%	9.2%	10.2%	8.2%	9.0%	10.3%
Transportation services	0.5%	2.0%	2.3%	1.7%	2.4%	2.8%	2.9%	3.3%	2.9%	2.8%	2.4%	2.7%	2.6%
Education and communications	4.3%	1.8%	2.9%	4.3%	5.5%	5.3%	5.2%	5.3%	6.5%	6.7%	6.5%	6.0%	6.4%



FOOD & ENERGY INFLATION

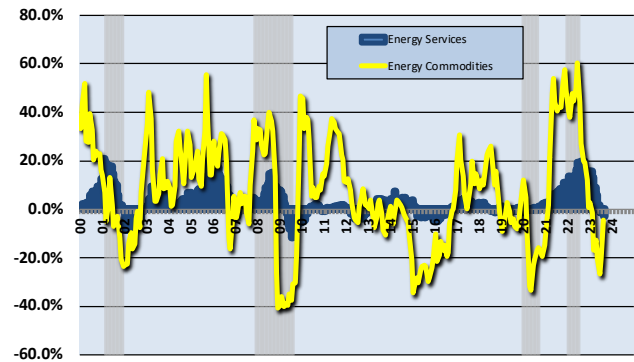
US INFLATION PROFILE - FOOD PRICES

FOOD-AT HOME versus FOOD AWAY, Monthly Year-over-Year



US INFLATION PROFILE - ENERGY PRICES

ENERGY COMMODITIES versus ENERGY SERVICES, Monthly Year-over-Year



	Annual Rates					Monthly Year-over-Year							
	2018	2019	2020	2021	2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
FOOD PRICES	10.4%	1.6%	1.8%	3.9%	10.4%	10.1%	9.5%	8.5%	7.0%	6.7%	5.7%	4.9%	4.3%
Food at Home	11.8%	0.6%	0.7%	3.9%	11.8%	11.3%	10.2%	8.4%	6.5%	5.8%	4.7%	3.6%	3.0%
Cereal and bakery	16.1%	1.7%	0.3%	3.2%	16.1%	15.6%	14.6%	13.6%	11.6%	10.7%	8.8%	7.0%	6.0%
Cereal	15.6%	0.2%	-0.3%	3.5%	15.6%	15.9%	14.2%	12.8%	10.1%	9.3%	7.3%	5.8%	4.3%
Bakery	16.3%	2.4%	0.5%	3.0%	16.3%	15.4%	14.7%	13.9%	11.1%	11.4%	9.5%	7.6%	6.8%
Meats, poultry, fish and eggs	7.7%	-0.4%	2.3%	4.6%	7.7%	8.1%	6.8%	4.3%	0.7%	0.3%	-0.2%	-0.2%	0.0%
Meats	4.5%	-0.9%	3.6%	5.2%	4.5%	20.0%	1.8%	2.4%	0.6%	0.4%	0.5%	1.9%	1.6%
Poultry	12.2%	-1.4%	1.7%	4.3%	12.2%	11.0%	9.5%	7.5%	1.2%	2.1%	1.4%	-0.2%	-0.1%
Fish	5.0%	3.2%	0.0%	5.0%	5.0%	4.0%	4.6%	2.6%	1.9%	-1.1%	-0.9%	-0.8%	0.1%
Eggs	59.9%	-2.2%	-3.0%	-1.5%	59.9%	70.1%	55.4%	36.0%	11.2%	-0.4%	-7.9%	-13.7%	-18.2%
Dairy and related products	15.3%	-0.1%	2.4%	4.4%	15.3%	14.0%	12.3%	10.7%	7.0%	4.6%	2.7%	1.3%	0.3%
Milk	12.5%	-1.2%	5.1%	6.0%	12.5%	11.0%	8.1%	5.5%	1.3%	-0.8%	-1.9%	-3.0%	-3.5%
Cheese	12.8%	-0.4%	3.1%	3.8%	12.8%	11.1%	9.4%	8.2%	3.1%	3.6%	1.1%	-0.3%	-1.7%
Ice Cream	15.0%	1.2%	0.0%	4.0%	15.0%	16.3%	13.9%	15.3%	11.3%	8.0%	5.3%	6.3%	4.3%
Fruits and vegetables	8.4%	1.6%	-1.3%	3.2%	8.4%	7.2%	5.3%	2.5%	1.5%	2.7%	3.0%	2.9%	2.1%
Fresh fruits	3.4%	-0.7%	-2.4%	1.4%	3.4%	3.0%	0.4%	-0.2%	-0.5%	-0.5%	1.1%	0.4%	0.6%
Fresh vegetables	9.8%	4.6%	-1.8%	4.2%	9.8%	7.4%	5.3%	1.4%	8.9%	2.0%	2.1%	2.1%	1.0%
Beverages (non-alcoholic)	12.6%	1.4%	1.0%	4.4%	12.6%	13.1%	12.3%	11.3%	8.0%	8.7%	7.6%	5.4%	4.8%
Juices and soda	12.2%	2.5%	1.9%	5.2%	12.2%	13.3%	12.8%	11.7%	9.2%	9.9%	8.6%	6.6%	5.8%
Coffee and tea	13.8%	-1.2%	-1.2%	2.4%	13.8%	12.6%	11.3%	10.4%	5.9%	4.8%	3.3%	2.8%	2.5%
Other food at home	13.9%	0.2%	0.3%	3.9%	13.9%	13.2%	12.4%	11.1%	10.3%	9.2%	7.1%	5.4%	4.5%
Food Away from Home	8.3%	2.8%	3.1%	3.9%	8.3%	8.2%	8.4%	8.8%	8.4%	8.3%	7.7%	7.1%	6.5%
Full service meals	8.2%	2.8%	3.3%	3.0%	8.2%	8.1%	8.0%	8.0%	7.1%	6.8%	6.2%	5.8%	5.2%
Limited service meals and snacks	6.6%	2.7%	3.0%	6.0%	6.6%	6.7%	7.2%	16.2%	13.8%	8.0%	7.8%	7.1%	6.7%
ENERGY PRICES	7.3%	-0.3%	3.4%	-7.0%	7.3%	8.7%	5.2%	-6.4%	5.2%	-11.7%	-16.7%	-12.5%	-3.6%
Energy commodities	0.4%	-1.8%	7.4%	-15.2%	0.4%	2.8%	-1.4%	-17.0%	1.4%	-20.4%	-26.8%	-20.3%	-4.2%
Fuel Oil	26.0%	1.9%	4.6%	-20.0%	26.0%	18.3%	5.7%	-10.8%	-16.8%	-28.6%	-28.8%	-26.5%	-12.4%
Gasoline	-1.5%	-2.1%	7.9%	-15.6%	-1.5%	1.5%	-2.0%	-17.4%	-2.0%	-19.7%	-26.5%	-19.9%	3.3%
Energy services	15.6%	1.4%	-1.2%	2.6%	15.6%	15.6%	13.3%	9.2%	5.4%	1.6%	-0.9%	-1.1%	-2.7%
Electricity	14.3%	1.1%	-0.4%	2.2%	14.3%	11.9%	12.9%	10.2%	6.3%	5.9%	5.4%	3.0%	2.1%
Gas utility	19.3%	2.3%	3.5%	4.1%	19.3%	26.7%	14.3%	5.5%	-2.9%	-11.0%	-18.6%	-13.7%	-16.5%