J.D. POWER

USED CAR AND LIGHT TRUCK GUIDELINES

Industry Update

MARCH 2018

Wholesale Prices Decline in February
Prices down by an average of 0.2%

Used Vehicle Price Index Increases
Index up 0.2 points to 114.5

New Vehicle Deliveries Decline
Sales fall by 2%, new vehicle SAAR reaches 16.96M

Incentive Spending Increases
Incentives grow for 35th straight month

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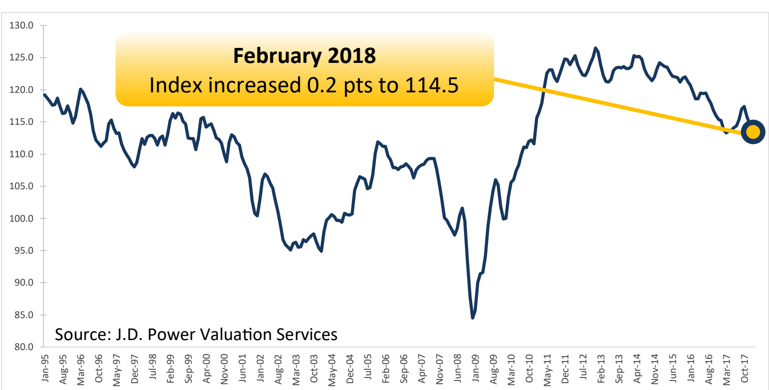
NEW & USED MARKET UPDATE

USED MARKET UPDATE

Wholesale prices of used vehicles up to 8 years in age fell by an average of 0.2% in February. While prices weren't quite as strong as originally anticipated, the month's performance was directionally in line with recent February results and better than February 2017's 0.9% decline. As a result, the J.D. Power Valuation Services' Seasonally Adjusted Used Vehicle Price Index increased 0.2 points to 114.5. This increase brought the index 0.7 points above February 2017's level.

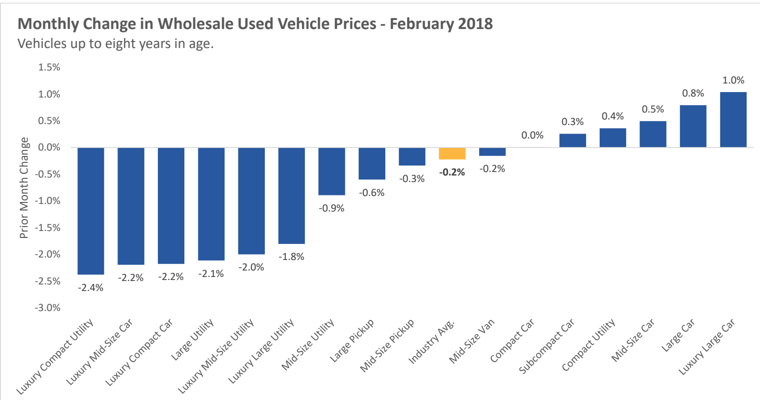
For the second month in a row, the Large Utility segment experienced the largest loss on the mainstream side of the market. Prices declined by 2.1% for the group in February. Last year, prices for the segment fell by 1.6%, however, over the course of the past five years, prices for the group averaged a lesser 0.3%. One driver behind this is a hefty 26.7% increase in late-model auction volume year-to-date compared to 2017. Large Pickup prices fell by 0.6% and have now declined for five consecutive months. Looking back to February 2016 and 2017, large pickup prices declined by a slightly lesser average of 0.3%.

Overall, mainstream car segments performed well in February. Compact Car segment prices were flat while remaining segments increased by 0.3% to 0.8%. Small and mid-size car prices are typically stronger during this time of the year because of federal tax returns. Per the IRS, through mid-February, the total number of federal tax refunds issued was 2.9% lower than during the same period in 2017. However, the average refund amount reached $3,169, up 1% compared to last year. As a result, there were likely fewer of these shoppers in the marketplace last month armed with down payments.



Premium segment losses were led by Luxury Compact Utility declines of 2.4%. Losses for other

New & Used Market Trends [cont.]



luxury segments each reached roughly 2%. However, Luxury Large Car prices increased by 1%, which is out of the norm for the group. Over the past five February's, prices for the segment have declined by about 5%. It's important to remember this is an extremely low volume segment so any significant price movement from month-to-month on any model can have a powerful impact on the group's overall price movement. An example of this would be the 3.7% increase in 2014 and 2015 Hyundai Equus wholesale prices observed over the period.

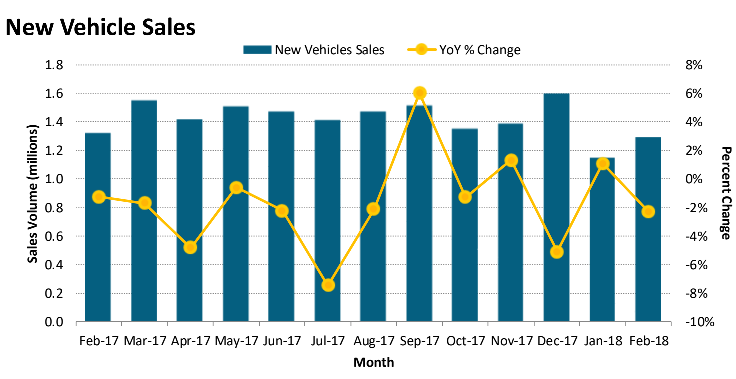
AUCTION VOLUME TRENDS

Late-model auction volume declined by 8.8% compared to January and was 11.5% lower than February 2017. Late model volume now sits 5.8% lower than the same period in 2017.

At the segment level year-to-date, some of the largest volume increases are among SUV segments. Luxury Compact Utility volume is up 69.3% and Large Utility volume is now up 26.7%. In terms of volume share, cars continue to dominate at 53%, while truck-share lags at 47%.

MARCH 2018 USED VEHICLE PRICE FORECAST

For March, wholesale prices of vehicles up to 8 years in age are expected to increase by 1.2%, a figure in line with March 2017's 1.6% lift in prices. In terms of full-year expectations, used prices are forecast to decline by around 1.5%.



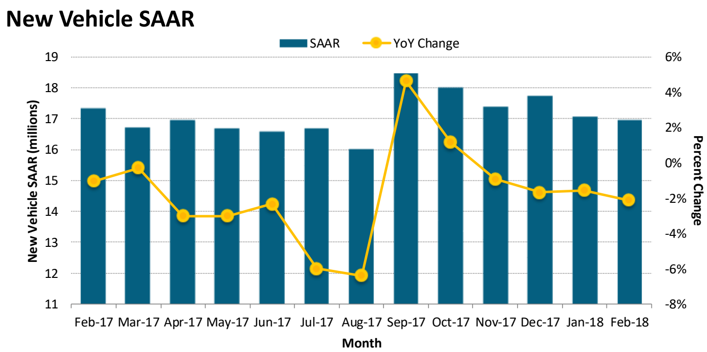
Source: WardsAuto

NEW VEHICLE SALES SLIP

After increasing by 1% in January, February's U.S. light-vehicle sales fell by 2% below February 2017 levels as the market continues to cool following a boom for much of the decade.

February's result brought 2017's year-to-date tally to 2.44M units, down 0.8% compared to the same period in 2017. The seasonally adjusted annual rate (SAAR) of 16.96M was below February 2017's 17.33M.

New & Used Market Trends [cont.]



Source: WardsAuto

Mainstream Brand Performance (Units Sold)

	Feb-18	Feb-17	CYTD-18	CYTD-17	Y/Y Change	CYTD/CYTD
Buick	16,322	16,131	29,970	29,248	1.2%	2.5%
Chevrolet	149,487	163,958	291,319	299,046	-8.8%	-2.6%
Chrysler	16,150	16,730	26,734	30,107	-3.5%	-11.2%
Dodge	40,187	43,878	67,787	83,987	-8.4%	-19.3%
Fiat	1,241	2,145	2,470	4,309	-42.1%	-42.7%
Ford	181,830	193,957	331,319	352,192	-6.3%	-5.9%
GMC	42,640	46,339	75,698	83,663	-8.0%	-9.5%
Honda	104,588	110,822	200,222	208,000	-5.6%	-3.7%
Hyundai	44,732	51,438	84,361	96,127	-13.0%	-12.2%
Isuzu Truck	267	205	433	408	30.2%	6.1%
Jeep	70,020	62,345	129,723	120,760	12.3%	7.4%
Kia	40,672	42,673	76,300	78,299	-4.7%	-2.6%
Mazda	25,731	22,824	50,693	44,522	12.7%	13.9%
Mini	3,065	2,154	6,002	5,264	42.3%	14.0%
Mitsubishi	12,973	10,924	21,453	17,381	18.8%	23.4%
Mitsubishi Fuso	12	2	14	3	500.0%	366.7%
Nissan	117,110	122,003	230,013	222,764	-4.0%	3.3%
Ram	35,390	41,195	66,522	78,148	-14.1%	-14.9%
Scion	1	39	1	111	-97.4%	-99.1%
Smart	106	348	211	672	-69.5%	-68.6%
Subaru	47,249	45,500	91,606	89,379	3.8%	2.5%
Toyota	162,929	155,962	312,071	283,366	4.5%	10.1%
Volkswagen	26,660	25,145	51,404	48,655	6.0%	5.6%

Source: WardsAuto

Luxury Brand Performance (Units Sold)

	Feb-18	Feb-17	CYTD-18	CYTD-17	Y/Y Change	CYTD/CYTD
Acura	10,969	10,864	19,877	20,066	1.0%	-0.9%
Alfa Romeo	1,568	443	3,216	551	254.0%	483.7%
Audi	15,451	13,741	29,962	26,942	12.4%	11.2%
BMW	23,508	22,558	42,524	40,667	4.2%	4.6%
Cadillac	12,338	10,823	22,233	21,121	14.0%	5.3%
Genesis	1,363	1,582	2,976	3,400	-13.8%	-12.5%
Infiniti	12,820	13,737	23,455	25,295	-6.7%	-7.3%
Jaguar	2,185	3,484	4,789	6,423	-37.3%	-25.4%
Land Rover	3,798	4,247	7,850	8,830	-10.6%	-11.1%
Lexus	19,265	18,338	37,179	33,910	5.1%	9.6%
Lincoln	6,700	8,744	13,110	17,529	-23.4%	-25.2%
Mercedes-Benz	27,788	27,035	55,286	54,611	2.8%	1.2%
Porsche	4,382	3,637	9,198	8,239	20.5%	11.6%
Tesla	2,698	2,007	8,169	7,507	34.4%	8.8%
Volvo	6,283	4,651	11,850	8,123	35.1%	45.9%

Source: WardsAuto

In terms of share, new light truck deliveries accounted for 67% of the market in February. Looking back a year to February 2017, trucks accounted for 64% of the market. At the same time car sales remained weak and accounted for 33% of total new sales compared to 37% in February 2017.

NEW VEHICLE SALES

General Motors reported 220,787 new vehicle deliveries in the U.S. market for the month, a 7% decrease compared to February 2017. Sales were dragged down by GM's best-seller, the Chevrolet Silverado pickup. Silverado sales decreased by 16% from a year earlier. Sales were down at GMC (-8%) and Chevrolet (-9%), while sales rose at Buick (+1%) and Cadillac (+14%) compared to a year ago.

Ford Motor Company had another disappointing month as sales for the automaker fell by 7% to 188,530 in February. Looking at mainstream sales, Blue Oval deliveries dropped by 6% compared to February 2017 levels with F-Series sales growing by 4% and reaching 63,411 trucks sold in February. Ford's Lincoln luxury brand saw deliveries decrease by 23% during February.

FCA reported a 1% sales decline for the February 2018 period and reached 164,556 units. At the brand level, sales were down for every make except for Jeep and Alfa Romeo. Fiat brand sales fell by 42%, followed by a 14% decline at Ram, while Jeep posted a 12% increase.

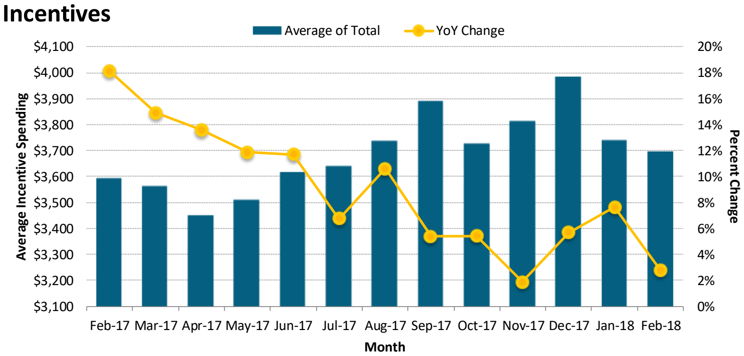
In February, Toyota sales rose 5%. Deliveries increased 4% at Toyota brand and rose by 5% at Lexus. Strong demand for the RAV4 increased sales by 13% and reached 29,867 units in February.

American Honda sales decreased by 5% in February. The mainstream Honda brand saw a 6% decrease in deliveries. Its luxury Acura brand posted a 1% increase in units sold.

New & Used Market Trends [cont.]

Nissan North America's sales declined by 4% in February and reached 129,930 units. Its mainstream Nissan brand saw a decrease of 4%, while luxury arm Infiniti posted a 7% decline.

INCENTIVES GROW BY 3%



Source: Autodata

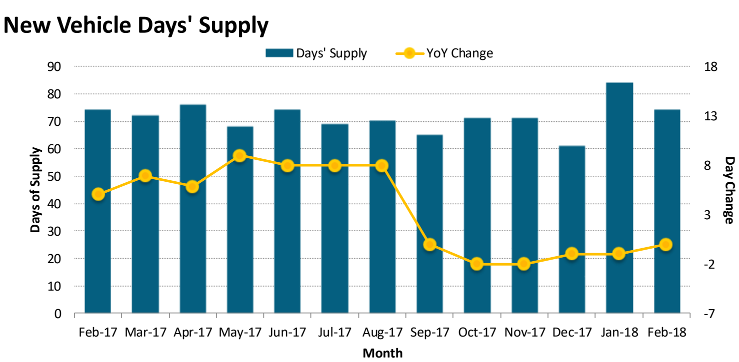
Automakers grew incentive spending once again in February, making it the 35th month in a row spending increased. On average, according to Autodata, spending reached $3,695 per unit versus $3,594 per unit in February 2017.

Among the U.S. Big Three, GM decreased incentives by 1% in February to an average of $5,058 per unit. Spending at Ford Motor Company grew by 1% to $4,069 per unit, while FCA decreased their incentives by 0.6% (to an average of $4,337 per unit).

As for import automakers, Toyota Motor Sales boosted incentives by 8% in February, reaching an average of $2,455 per unit. American Honda decreased incentives by 5% to $1,795, while Nissan North America increased spending by 2% to $4,160 per unit.

Luxury automaker BMW increased incentives by 34% to an average of $5,922 in February. Audi decreased spending by 8% to $3,322 per unit, while Mercedes-Benz grew spending by 16% to $4,761.

At the mainstream brand level, Ram's $6,170 average incentive spend was the highest among non-luxury nameplates. Fiat and Buick each spent more than $5,000 per unit on incentives in February. At the other end of the spectrum, Subaru spent only $1,220 per unit, up by 28% compared to the same period in 2017.



Source: WardsAuto

FEBRUARY INVENTORY DID NOT CHANGE AND STAYED AT 74 DAYS

Compared to January, days' supply decreased by 10 days in February. The total supply level landed at 74 days for the period—the same level of as February 2017—according to WardsAuto.

General Motors' inventories decreased to 85 days, down from 94 days in January. Ford Motor Company's supply went down by 20 days to 89 days, while FCA's

New & Used Market Trends [cont.]

inventory decreased by 20 days to 85 days. Nissan North America's supply decreased by 5 days and reached 60 days. Inventory for American Honda Motors decreased by 6 days to 72 days. Meanwhile, Toyota Motor Sales' supply shrunk by 7 days to 64 days. Buick's 100 days of supply fell from 121 days in January.

Subaru's 49 days of supply remained lowest on the mainstream side of the industry. As for luxury automakers, BMW's inventory fell to the lowest in the industry at 47 days (except Tesla's 2-day inventory).

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ECONOMIC UPDATE

The Bureau of Economic Activity (BEA) estimates that Q4 2017 GDP growth increased at an annual rate of 2.5% compared to the Q3 2017 growth rate of 3.2%. This was primarily due to investment, federal government spending, and personal consumption expenditure (PCE); however, imports and private inventory investment slowed this growth. The BEA expected a deceleration in real GDP growth starting in the third quarter, which led to slower growth in Q4 as evidenced by preliminary GDP estimates.

Unemployment

The 2018 unemployment rate remained unchanged compares to January this past month at 4.1%. Employment continued to trend up in construction, food services, health care, and manufacturing. The U-6 unemployment rate (a measurement of discouraged, part-time, or underemployed workers in the economy) measured 8.2%, which is slightly up from 8.1% last quarter.

Jobs

Non-farm employment increased by 200,000 jobs in January. Most jobs came from healthcare, manufacturing, food services, and construction. November's job growth was adjusted from +252,000 to 216,000, leading to an average net gain of 192,000 jobs each month in Q4 2017. Wage growth continued to slightly decline and stall in January with average hourly earnings for all employees decreasing by 0.2%. This was sparked by a 0.3% increase in average hourly earnings but offset by a 0.5% increase in the Consumer Price Index. Hourly wages in nonfarm payrolls went from $26.65 to $26.74, and average weekly earnings decreased by 35 cents from $919.43 to $917.63. This marginal decrease in wage growth continues the trend of relatively flat growth trending into 2018.

Housing

The National Association of Realtors reported home sales at a seasonally adjusted annual rate of approximately 5.93 million homes during the month of January. This was a decrease of 0.8% from December and a decrease of 0.1% from December of 2016. The median home price decreased to $240,500 in January, which was down 2.4% from December 2017 and up 5.8% from January of last year. There was a 6.1-month supply of housing inventory in January, which was up 11% from December. The total number of available homes for sale increased by 17.3% compared to January of last year.

Energy

Energy prices began to pick up in the months of January and February as increasing global demand combined with expected seasonal increases in fuel led to a rise in prices. U.S. gas prices increased roughly $0.4 per gallon (1.5%) to $2.59 per gallon in February. The year-over-year increase in gas prices was approximately $0.29 per gallon (12.6%) higher than the prior year. WTI futures reached an average of $62.21 per barrel in February, and Brent futures neared $65.32 per barrel during the same timeframe. Despite U.S. production surpassing 10 million barrels per day, the residual effects of gulf refineries still recovering after hurricanes Irma and Harvey, growing global demand for oil, and the specter of OPEC cuts are putting upward pressure on oil prices leading to U.S. oil imports. The result is a price that has averaged $60 per barrel.

OFFICIAL USED CAR GUIDE® TRENDS

Monthly Change in NADA Used Car Guide Value: *February vs. March, 2018*

NADA Segment	2011MY	2012MY	2013MY	2014MY	2015MY	2016MY	2017MY*
Compact Car	-0.1%	0.2%	-0.2%	0.3%	0.8%	1.1%	0.9%
Compact Utility	-0.4%	0.3%	-0.1%	0.0%	0.1%	0.4%	0.6%
Large Pickup	-0.2%	0.1%	-0.1%	0.2%	0.5%	0.1%	0.1%
Large SUV	0.0%	-0.9%	-0.3%	0.5%	-0.1%	-1.3%	-0.7%
Luxury Compact Car	-0.5%	-0.8%	-0.4%	0.1%	0.1%	0.1%	-0.4%
Luxury Compact Utility	-1.0%	0.5%	0.1%	-1.1%	-0.3%	-1.4%	0.0%
Luxury Mid-Size Car	-0.5%	0.1%	-0.5%	0.2%	-0.7%	0.3%	0.1%
Luxury Mid-Size Utility	-0.2%	0.3%	-0.6%	-0.4%	-0.3%	0.2%	-0.1%
Mid-Size Car	0.6%	0.6%	0.5%	1.1%	0.3%	1.1%	0.9%
Mid-Size Utility	-0.7%	-0.7%	0.2%	-0.3%	-0.2%	-0.3%	-1.0%
Mid-Size Van	-0.9%	-1.1%	-0.1%	-0.5%	0.5%	0.0%	-0.3%
Premium Luxury Large Car	-2.3%	-1.6%	-2.1%	-0.8%	0.1%	-0.9%	-0.5%
Subcompact Car	-1.0%	-0.4%	1.2%	0.2%	0.9%	1.4%	0.0%

*Value movement can be influenced by newly valued vehicles.

Annual Change in NADA Used Car Guide Value: *March, 2017 vs. 2018*

NADA Segment	7YR	6YR	5YR	4YR	3YR	2YR	1YR
Compact Car	4.1%	1.0%	2.0%	-1.0%	3.8%	-2.9%	-1.0%
Compact Utility	-0.9%	-2.6%	-3.4%	0.8%	-3.9%	0.1%	3.0%
Large Pickup	8.9%	5.0%	6.2%	6.5%	8.4%	5.6%	5.5%
Large SUV	-3.1%	-3.2%	-2.4%	-2.3%	11.5%	1.7%	-0.2%
Luxury Compact Car	-5.4%	4.8%	-3.5%	1.3%	-1.2%	4.9%	-1.1%
Luxury Compact Utility	-4.1%	9.3%	0.8%	4.1%	-4.5%	2.2%	-0.2%
Luxury Mid-Size Car	-1.7%	2.9%	3.3%	6.5%	1.0%	4.6%	2.1%
Luxury Mid-Size Utility	-6.0%	0.6%	0.5%	4.0%	-0.2%	12.7%	0.7%
Mid-Size Car	-6.5%	-5.2%	-2.4%	0.8%	-1.4%	-3.7%	-1.0%
Mid-Size Utility	-3.7%	-3.3%	-0.4%	1.2%	1.6%	0.0%	-2.5%
Mid-Size Van	12.9%	-3.5%	0.1%	-9.7%	3.5%	-0.4%	6.9%
Premium Luxury Large Car	-9.0%	-2.3%	3.0%	-9.0%	5.9%	15.2%	3.9%
Subcompact Car	-12.9%	-17.5%	1.2%	-6.5%	4.6%	-0.3%	4.1%

*Value differences can be the result of changes in segment mix (i.e. models entering/leaving), model redesigns, and overall market performance.

YTD Change in NADA Used Car Guide Value: *January — March, 2018*

NADA Segment	2011MY	2012MY	2013MY	2014MY	2015MY	2016MY	2017MY*
Compact Car	-0.3%	-0.8%	-1.2%	-1.1%	0.0%	1.4%	1.0%
Compact Utility	-1.7%	0.0%	-1.2%	-0.5%	-0.5%	-0.3%	0.2%
Large Pickup	-0.5%	0.2%	0.8%	0.2%	1.2%	0.8%	0.6%
Large SUV	0.3%	-1.2%	-0.3%	-0.6%	-0.7%	-1.7%	-0.7%
Luxury Compact Car	-1.5%	-0.3%	-0.8%	-0.6%	-0.3%	-0.8%	-0.6%
Luxury Compact Utility	-0.6%	0.3%	-1.3%	-2.0%	-0.9%	-1.5%	0.9%
Luxury Mid-Size Car	-0.9%	0.1%	-1.0%	-0.9%	-1.8%	0.0%	-0.4%
Luxury Mid-Size Utility	-0.8%	0.2%	-2.2%	-0.2%	-1.1%	-1.3%	13.2%
Mid-Size Car	-0.3%	-0.4%	-0.4%	0.6%	-1.1%	-0.5%	0.2%
Mid-Size Utility	-0.5%	-0.9%	-1.0%	-0.8%	-0.9%	-0.7%	-1.3%
Mid-Size Van	-1.3%	-1.1%	-1.3%	-0.9%	0.3%	-0.4%	0.2%
Premium Luxury Large Car	-2.1%	-2.3%	-1.3%	-1.5%	0.4%	-0.3%	-0.8%
Subcompact Car	0.9%	-1.4%	0.3%	-1.9%	-1.4%	0.3%	1.3%

*Value movement can be influenced by newly valued vehicles.

AT J.D. POWER VALUATION SERVICES (FORMERLY NADA USED CAR GUIDE)

What's New

J.D. Power is pleased to offer a new **Residual Values** product suite designed to help manufacturers, captive finance companies, and lenders make informed decisions on residual setting, lease support, and risk management. This benchmark product incorporates industry-leading data from three trusted sources. Coupled with a seasoned team of data scientists and analysts, the product suite's sophisticated valuation forecast methodology provides a fresh, reliable approach based on objective expertise and complete transparency.

For more information go to www.nada.com/residualvalues.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services, and data and analytics to help clients measure and improve the key performance metrics that drive growth and profitability. J.D. Power's industry benchmarks, robust proprietary data, advanced analytics capabilities, and reputation for independence and integrity has established the company as one of the world's most well-known and trusted providers of consumer and market insights for more than a dozen industries. Established in 1968, J.D. Power is headquartered in Costa Mesa, California, and has 17 global locations serving North/South America, Asia Pacific, and Europe.

About J.D. Power Valuation Services (formerly NADA Used Car Guide)

J.D. Power Valuation Services (formerly NADA Used Car Guide) is a leading provider of vehicle valuation products, services and information to businesses. Its team collects and analyzes over 1 million combined automotive and truck wholesale and retail transactions per month, and delivers a range of guidebooks, auction data, analysis and data solutions. J.D. Power acquired NADA Used Car Guide in 2015, forming a powerful combination that brings the automotive industry rich data sets, strong analytics and over 130 years of market experience. Residual Values is the first product to be launched by J.D. Power Valuation Services.

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CONSULTING SERVICES

J.D. Power Valuation Services' market intelligence team leverages a database of nearly 200 million automotive transactions and more than 100 economic and automotive market-related series to describe the factors driving current trends to help industry stakeholders make more informed decisions. Analyzing data at both wholesale and retail levels, the team continuously provides content that is both useful and usable to the automotive industry, financial institutions, businesses and consumers.

Complemented by J.D. Power Valuation Services' analytics team, which maintains and advances its internal forecasting models and develops customized forecasting solutions for automotive clients, the market intelligence team is responsible for publishing white papers, special reports and the Used Car & Truck Blog. Throughout every piece of content, the team strives to go beyond what is happening in the automotive industry to confidently answer why it is happening and how it will impact the market in the future.

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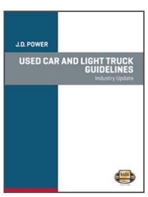
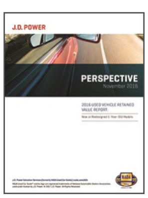
ADDITIONAL RESOURCES



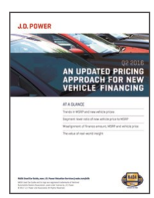
Guidelines

Updated monthly with a robust data set from various industry sources and J.D. Power Valuation Services' proprietary analysis, *Guidelines* provides the insight needed to make decisions in today's market.



Perspective

Leveraging data from various industry sources and J.D. Power Valuation Services' analysts, *Perspective* takes a deep dive into a range of industry trends to determine why they are happening and what to expect in the future.



White Papers

J.D. Power Valuation Services' white papers and special reports aim to inform industry stakeholders on current and expected used vehicle price movement to better maximize today's opportunities and manage tomorrow's risk.

Used Car & Truck Blog

Written and managed by the Market Intelligence team, the Used Car & Truck Blog analyzes market data, lends insight into industry trends and highlights relevant events.

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