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Grimes Investment Quarterly | 03/31/23

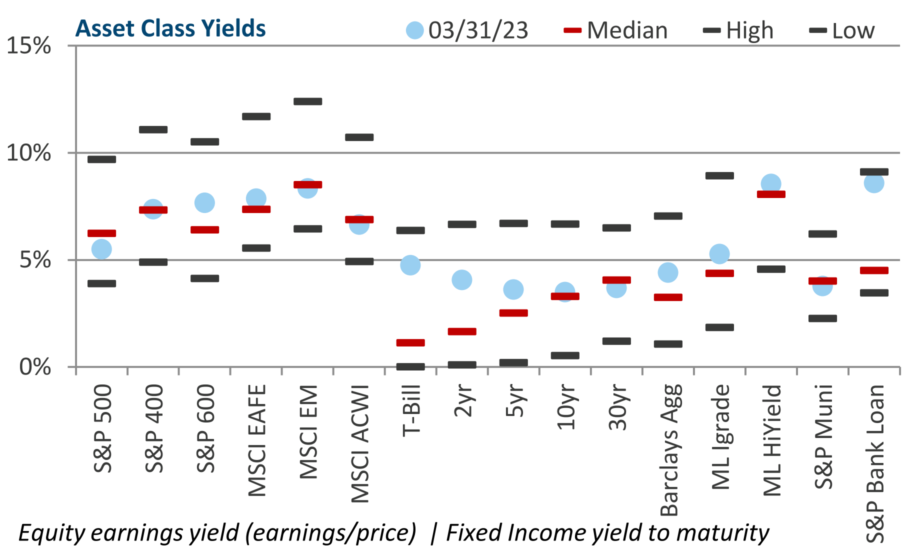
Major Asset Class Returns

Index	Q1'23	2022	2021
S&P 500	7%	-18%	29%
S&P Mid Cap 400	4%	-13%	25%
Russell 2000	3%	-20%	15%
MSCI EAFE	9%	-14%	12%
MSCI Emerging Markets	4%	-20%	-2%
MSCI All Country World	7%	-18%	19%
T-Bill	1%	2%	0%
7-10yr Tsy	4%	-15%	-3%
Barclays Aggregate	3%	-13%	-2%
ML Investment Grade	3%	-15%	-1%
ML High Yield	4%	-11%	5%
S&P Muni	3%	-8%	2%
S&P Bank Loan	3%	-1%	4%

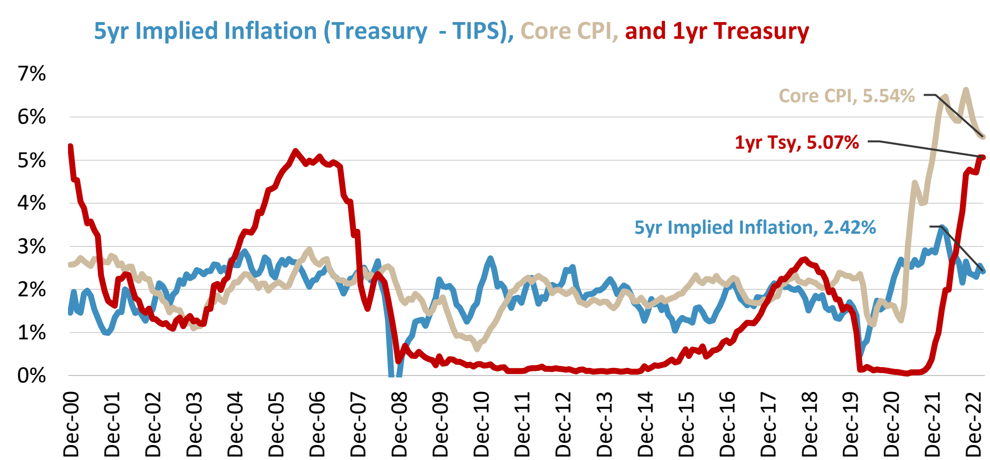
Overview: The primary trend of Q1'23 was reversals of 2022 performance. The S&P 500 (+7% Q1), Russell 2000 (+3% Q1), MSCI EAFE (+9% Q1), MSCI EM (+4% Q1), and MSCI ACWI (+7% Q1) were all higher after declining in 2022. For Fixed Income, interest rates fell in Q1 after jumping in 2022 (the 10yr yield was 3.49%, versus 3.88% on 12/31/22) allowing positive returns in Q1 for the Bloomberg/Barclays Aggregate (+3% Q1), 7-10yr Treasury (+4% Q1), ML Igrade (+3% Q1), S&P Muni (+3% Q1) and ML High Yield (+4% Q1). Despite lacking the boost of rising rates, the low duration S&P Bank Loan Index (+4% Q1) and T-Bill (+1% Q1) were up as well.

Asset Class Yields Have Moved Above Averages: One driver for this shift was that after a year when most assets performed poorly, valuations improved across the board. Despite the small Q1'23 bounce, asset class yields (earnings yield for equities, yield to maturity for fixed income) for equities are near average, as are bond yields across the curve and credit quality.

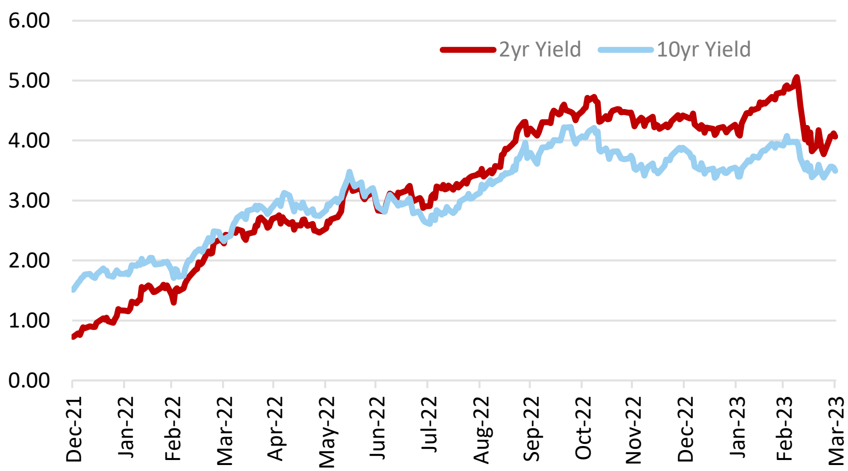
Inflation Expectations Fall as Fed Expectations Rise: The Fed's interest rate plans remain a focal point for the market. Its hard to believe, but the Fed's first rate hike was only a year ago (on 3/16/22). Since then, the Fed has pursued its fastest ever series of rate hikes in response to the surge in inflation (Core CPI), reflected in the surge in the 1yr Treasury from 0% to 5.07%. Inflation has eased from its recent peak and, thanks to the rate hikes, the markets believe inflation will continue to fall, as reflected in the TIPS implied inflation rate of just 2.42%. The question is how much the economy will be impacted by this rapid shift.



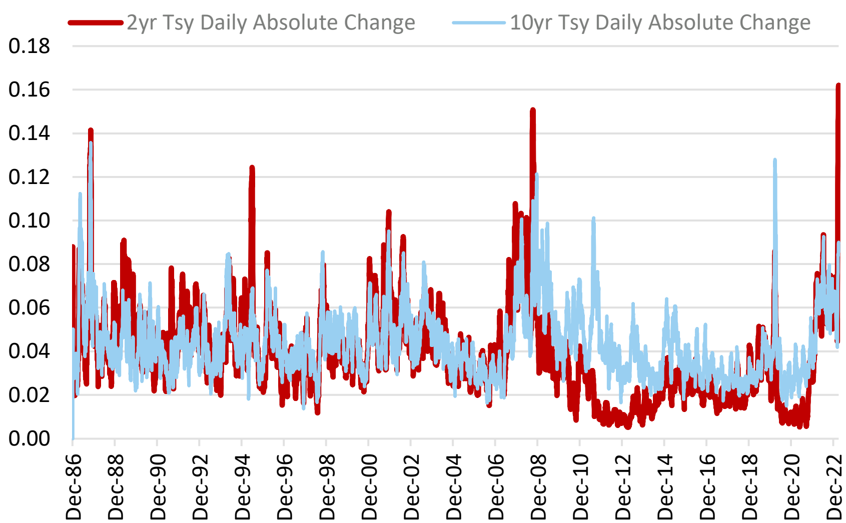
Equity earnings yield (earnings/price) | Fixed Income yield to maturity



2yr and 10yr Treasury Yields



Trailing 1 month Volatility for 2yr and 10yr Tsy Yield



Interesting Yields: The apparently placid Q1'23 market returns belies volatility beneath the surface. As has been the case since the start of Q4'22, the big area of market debate was whether or not the market believed the Fed's "raise and hold" mantra, of not only raising rates to around 5%, but then holding them there for the rest of 2023. As Q1 was progressing, it seemed this narrative was finally taking hold. The best evidence of this was the 2yr Treasury, shown in the chart to the left. The 4-4.5% plateau from September through January represented the market questioning the Fed going over 5% and staying there, known as "raise and hold". However, the month of February saw the 2yr make a steady march from 4% to 5%, as economic data and steady Fed messaging won over skeptical markets. While the 10yr rose 50 bps, the 2yr was up 100 bps. Not only did the rise in rates weigh on bond prices, but it caused the stock market to pull back as well. Two months into the quarter, it seemed the Fed had finally convinced the market to price higher rates.

Banks Put "Raise and Hold" on Hold: This quickly shifted in the first week of March, when the sudden collapse of Silicon Valley Bank and Signature Bank unleashed volatility in the short term fixed income markets. There were several reasons. First, with the economy at risk, expectations for more Fed rate hikes quickly faded. Second, from a supply / demand standpoint, the overnight runs on two banks caused depositors at other banks to make withdrawals, and some of those flows ended up in short term bonds, where higher demand pushed prices up and yields down.

In just 3 days, the prior month's steady rise in yields was completely unwound, and the 2yr went back below 4%. That move, plus subsequent volatility as bank concerns lingered, followed by a Fed meeting on 3/22, has created volatility in the bond market that many experienced traders say they have never seen.

While hyperbole is common, looking at the lower chart on the left, the movement in the 2yr yield (which is one of the safest securities in the world) really has never been seen before.

The chart shows the trailing one month average of daily absolute value yield changes; in other words, how much has the yield moved up or down each day of the preceding month. The current reading, 0.16%, is the highest in the data back to 1986. The prior two spikes were the 1987 stock market crash (when the Dow Jones fell 20% in one day) and the height of the GFC on October 2008.

These two prior periods of high bond market volatility also saw high stock market volatility. Yet today, once again, an unprecedented market relationship has unfolded, as the stock market overall has been much more calm, as even though the financial sector has been volatile, other sectors have been more stable. This can be attributed to a few factors. First, after some initial missteps, regulators have taken made an effort to stabilize the banking market, and larger banks quickly demonstrated they were on sound footing. Second, falling rates spurred a rally in technology stocks (whose higher valuations tend to benefit from lower rates). Combined, rising technology stocks and stability in large financial stocks meant the overall stock market impact was limited, for now.

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Equity Markets Summary

Headline Indices	Q1'23	2022	2021	Fwd PE*	Avg PE**	+/- avg
Dow	0.9%	-6.9%	20.9%			
Nasdaq	17.0%	-32.5%	22.2%			
Russell 2000	2.7%	-20.4%	14.8%			
Asset Classes	**Q1'23**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	7.5%	-18.1%	28.7%	18.2	16.0	14%
S&P Mid Cap 400	3.8%	-13.1%	24.8%	13.6	13.6	0%
S&P Small Cap 600	2.6%	-16.1%	26.8%	13.1	15.6	-16%
MSCI EAFE	8.6%	-14.0%	11.8%	12.7	13.6	-6%
MSCI Emerging Markets	4.0%	-19.7%	-2.2%	12.0	11.7	2%
MSCI AC World	7.4%	-18.0%	19.0%	15.1	14.5	4%
S&P 500 Sectors	**Q1'23**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	16.1%	-37.0%	24.4%	25.9	18.1	43%
Consumer Staples	0.8%	-0.6%	18.6%	20.4	17.9	14%
Energy	-4.7%	65.7%	54.6%	10.2	13.7	-25%
Financials	-5.6%	-10.5%	35.0%	12.6	13.0	-3%
Healthcare	-4.3%	-2.0%	26.1%	17.3	16.2	7%
Industrials	3.5%	-5.5%	21.1%	18.7	16.2	16%
Technology	21.8%	-28.2%	34.5%	24.7	17.4	42%
Materials	4.3%	-12.3%	27.3%	16.8	15.2	10%
Communication Services	20.5%	-39.9%	21.6%	16.5	17.9	-8%
Utilities	-3.2%	1.6%	17.7%	17.8	14.7	22%
Growth vs Value	**Q1'23**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	9.6%	-29.4%	32.0%	19.7	18.4	7%
S&P Value	5.2%	-5.2%	24.9%	15.9	13.2	20%
International	**Q1'23**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	14.3%	-17.2%	14.3%	12.2	12.5	-2%
Germany (DAX)	12.2%	-12.3%	15.8%	11.9	12.6	-6%
UK (FTSE)	2.4%	0.9%	14.3%			
Japan (Nikkei)	8.5%	-7.3%	6.7%			
MSCI Asia Pac xJapan	4.1%	-17.2%	-2.7%	13.8	14.5	-5%
S. Korea (KOSPI)	10.8%	-24.9%	3.6%	17.1	18.8	-9%
India (Sensex)	-2.9%	5.8%	23.2%			
China (Shenzhen)	7.6%	-21.9%	8.6%	14.6	9.9	48%
S&P Latin America 40	4.2%	11.4%	-12.7%	7.1	11.3	-38%
Brazil (Bovespa)	-7.2%	4.7%	-11.9%	6.6	10.5	-37%
Mexico	11.4%	-5.7%	24.4%	13.7	14.5	-6%

Asset Classes: For Q1'23, most equities reversed course from 2022 losses. The S&P 500 (+7.5% Q1), the Russell 2000 (+2.7% Q1), the MSCI EAFE (+8.6% Q1) and the MSCI EM (+4.0% Q1) are all within a few percentage points of one another for the year. With these similar returns combined, the global MSCI ACWI (+7.4% Q1) was up mid single digits, as well.

A larger dispersion can be seen between the tech-driven NASDAQ (+17.0% Q1) and the more traditional Dow Jones (+0.9% Q1), which highlights the relative performance of growth and value, as well as mega cap tech stocks over the rest of the market.

Valuations (based on forward PE vs their 20yr average) are near their averages, spread between the S&P 500 (14% above) and the S&P 600 (16% below).

S&P Sectors: The three leading sectors in Q1 were 2022's worst performers: Communications (+21% Q1), Technology (+22% Q1) and Discretionary (+16%), reflecting a recovery in mega cap tech stocks, as well as hope the semiconductor cycle was approaching its low. On the other hand, 2022's outperformers have lagged in Q1, with Energy (-5% Q1), Healthcare (-4% Q1) and Utilities (-3% Q1) lower.

The weakest sector, though, was Financials (-6% Q1), which were hit by concerns over the health of the banking industry at the start of March. The area of concern is smaller regional banks, as large banks have actually benefited from deposit inflows. If steps, such as the Fed's new Bank Term Funding Program, can supply liquidity, then the stock market impact of the banking issues could be limited.

Growth vs Value: The relative performance of Value versus Growth was yet another 2022 equity trend to reverse in Q1'23, as Value (+5% Q1) lagged Growth (+10% Q1). Interestingly, after the pullback, while Growth is still at a higher PE than Value (19.7 v 15.9), it is now Value that trades at a premium to its historic PE, while Growth is just above its average.

Global Markets: Globally, markets recovered in Q1. Europe (+14% Q1) saw concerns over the Russia-Ukraine crisis fade as energy prices moderated. In Asia, China (+8% Q1), Japan (+9% Q1) and S. Korea (+11% Q1) rose, while India, the best of the group in '22, fell (-3% Q1).

The S&P Latin America 40 index (+4% Q1) reflected a split between Mexico (+11% Q1) and Brazil (-7% Q1), which were yet another example of a '22 trend reversing in Q1'23.

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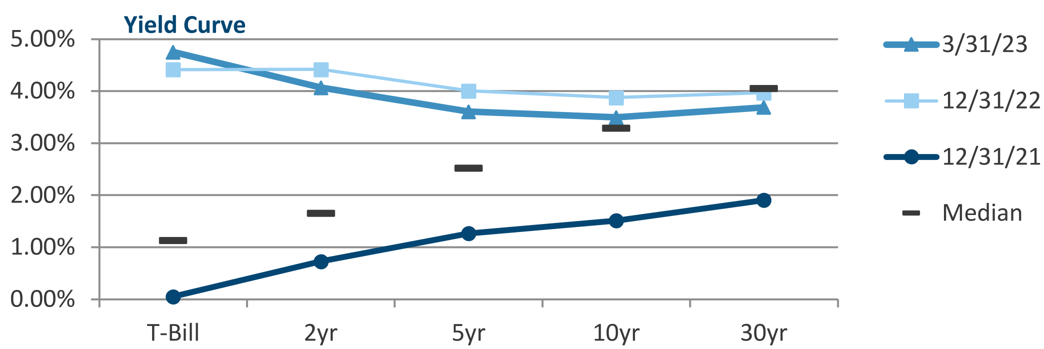
Fixed Income Markets Summary

Headline Indices	Q1'23	2022	2021	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	3.0%	-13.0%	-1.5%	4.40%	0.91%	0.36%	0.55%
ML Investment Grade	3.5%	-15.4%	-1.0%	5.27%	1.78%	1.17%	0.60%
ML High Yield	3.7%	-11.2%	5.4%	8.55%	5.05%	4.76%	0.29%
S&P Nat'l Muni	2.8%	-8.1%	1.6%	3.77%	0.28%	0.75%	-0.47%
S&P Leveraged Loan	3.0%	-0.7%	3.5%	8.59%	3.84%	3.73%	0.10%
T-Bill	1.1%	1.5%	0.0%				
NYMEX 7-10yr Tsy	3.5%	-14.9%	-3.1%				

Treasury Yields	3/31/23	12/31/22	12/31/21			Avg*	+/- avg
T-Bill	4.75%	4.41%	0.05%			1.13%	3.62%
2yr	4.06%	4.42%	0.73%			1.66%	2.41%
5yr	3.61%	4.00%	1.26%			2.52%	1.09%
10yr	3.49%	3.88%	1.51%			3.29%	0.20%
30yr	3.69%	3.97%	1.90%			4.05%	-0.37%

10yr Sovereign Yields	3/31/23	12/31/22	12/31/21			Avg*	+/- avg
US	3.49%	3.88%	1.51%			2.43%	1.06%
Germany	2.33%	2.53%	-0.18%			1.31%	1.02%
Japan	0.32%	0.42%	0.07%			0.26%	0.06%
UK	3.52%	3.66%	0.97%			2.02%	1.50%
France	2.83%	3.07%	0.20%			2.25%	0.59%
Spain	3.36%	3.61%	0.57%			3.29%	0.07%
Italy	4.14%	4.64%	1.17%			3.50%	0.64%
China	2.87%	2.86%	2.79%			3.41%	-0.53%
Brazil	13.02%	12.90%	10.97%			11.02%	2.01%
Mexico	8.81%	9.02%	7.56%			7.42%	1.39%



Asset Classes: The bond market was higher in Q1, as interest rates declined, as shown by the returns of the Bloomberg Barclays Aggregate Bond Index (+3.0% Q1).

Duration: The primary driver of fixed income performance was duration, which was evident in the Treasury market. The longer duration 7-10 yr Treasury Index (+3.5% q1) outperformed near zero duration 90 day T-Bills (+1.1% Q1).

Credit: One of the few 2022 trends that did not reverse course in Q1 was credit outperforming, with the ML High Yield outperforming the Bloomberg Barclays Agg in both periods. Q1 was led by the ML High Yield index (+3.7% Q1), followed by the ML Investment Grade Index (+3.5%) then, despite a lack of duration benefit, the S&P Leveraged Loan Index (+3% Q1). Across the credit spectrum, spreads are just above average. Paired with higehr overall rates, this is appealing, although spreads would widen further in a recession.

Treasury Yields: After rising significantly on 2022, the 10yr Treasury declined in Q1'23, from 3.88% to 3.49%.

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. While the 10yr was down 39 bps to 3.49%, the 90 day T-Bill saw its yield rise by 34 bps to 4.75%, reflecting the Fed's rate hikes thus far in 2023. Rising short term rates paired with falling long term rates, as well as an inverted yield curve (short term rates are higher than long term rates), suggests the market believes the current level of short term rates will not last. After expending considerable effort to convince the market it would raise and hold Fed Funds at 5% or more, the 2yr Treasury reached as high as 5.06% on 3/8. But the banking crisis precipitated by the FDIC seizure of Silicon Valley Bank on 3/9 resulted in Fed expectations dropping dramatically, as shown by the 2yr finishing Q1'23 at 4.06%, 100 bps below its peak just three weeks prior.

Global Rates: Globally, interest rates were lower in Q1'23, with the German 10yr yield 20 bps lower to 2.33%.

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Major Economic Indicators and Consensus Forecasts

	2023/2024 Average Forecast				Actual		
	12m ch	Mar-23	Dec-22	Mar-22	Feb-23	Avg*	+/- avg
US GDP	-1.15	1.00	0.80	2.15	0.88	2.20	-1.31
EU GDP	-1.35	0.80	0.60	2.15	1.91	1.83	0.07
Japan GDP	-0.15	1.10	1.28	1.25	0.43	0.95	-0.52
UK GDP	-1.55	0.23	0.05	1.78	0.57	2.18	-1.60
China GDP	0.05	5.10	4.90	5.05	3.94	8.00	-4.06
US CPI	0.80	3.50	3.15	2.70	5.99	2.00	3.98
EU CPI	1.85	3.50	3.28	1.65	8.51	1.33	7.18
Japan CPI	1.28	2.05	1.80	0.78	3.27	0.41	2.87
China CPI	0.02	2.30	2.25	2.28	0.98	1.85	-0.87
US UnN	0.75	4.30	4.63	3.55	3.60	4.40	-0.80
EU UnN	0.20	6.98	6.95	6.78	6.70	8.20	-1.50
Japan UnN	0.00	2.40	2.40	2.40	2.60	2.70	-0.10
UK UnN	0.58	4.63	4.80	4.05	3.60	4.30	-0.70
China UnN	1.00	4.95	4.20	3.95	5.50	5.20	0.30

Foreign Exchange		Q1'23	2022	2021	2020	2019	2018
Euro		2%	-6%	-7%	9%	-2%	-5%
Yen (Japan)		-1%	-13%	-10%	5%	1%	3%
Pound (UK)		3%	-11%	-1%	3%	4%	-6%
Yuan (China)		1%	-8%	3%	7%	-1%	-5%
Won (S. Korea)		-3%	-6%	-9%	6%	-4%	-4%
Real (Brazil)		4%	5%	-7%	-23%	-4%	-14%
Peso (Mexico)		8%	5%	-3%	-5%	4%	-1%
Commodities		**Q1'23**	**2022**	**2021**	**2020**	**2019**	**2018**
Oil	$76	-6%	6%	56%	-21%	35%	-25%
Gold	$1,980	9%	0%	-4%	25%	18%	-1%
Copper	$4.10	8%	-15%	27%	26%	6%	-20%

GDP: Shifting economic forecasts show how market expectations have changed in the past year. Compared to March 2022, 2023/2024 blended GDP growth has declined from 2.15% to 1.00%. However, it has risen from 0.80% on 12/31/22, indicating that while growth expectations have declined, the outlook may have stabilized.

CPI: The year over year rise in inflation expectations is the major cause of tighter central bank policy. For the US, on a year over year basis, the CPI forecast has jumped from 2.70% to 3.50%. While CPI forecasts are higher across the board, it is also notable that they are much lower than current inflation rates, such as 5.99% year over year in the US as of February. Forecasted inflation below the current year over year rate makes sense, as June 2022 saw oil prices peak at over $120/bbl, and much of Q2'23 will be down considerably from those levels.

Unemployment: Unemployment forecasts are up slightly, to 4.3% in the US. Such an uptick is what the Fed has been looking for though, with unemployment currently at 3.6%, it has yet to achieve.

Foreign Exchange: Most major currencies declined versus the dollar in 2022, thanks to the Fed raising rates faster than most other central banks. In Q1'23, since Fed rate hike expectations have slowed, the dollar has been relatively stable.

Commodities: Oil was down $4/bbl in Q1'23, from $80 to $76. Since peaking at $122/bbl in June 2022, oil has been declining as Russia-Ukraine supply disruptions have not been as significant as feared. Entering Q2'23, we are just entering the period where, in 2022, oil prices (and the anxiety it caused) surged. This will help year over year comparisons for inflation.

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Index Returns | 2005 to Present

	Q1'23	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Dow	0.9%	-6.9%	20.9%	9.7%	25.3%	-3.5%	28.1%	16.5%	0.2%	10.0%	29.7%	10.2%	8.4%	14.1%	22.7%	-31.9%	8.9%	19.0%
Nasdaq	16.8%	-33.1%	21.4%	43.6%	35.2%	-3.9%	28.2%	7.5%	5.7%	13.4%	38.3%	15.9%	-1.8%	16.9%	43.9%	-40.5%	9.8%	9.5%
Russell 2000	2.7%	-20.4%	14.8%	20.0%	25.5%	-11.0%	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%	-4.2%	26.9%	27.2%	-33.8%	-1.6%	18.4%
S&P 500	7.5%	-18.1%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%	-37.0%	5.5%	15.8%
S&P Mid Cap 400	3.8%	-13.1%	24.8%	13.7%	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%	-1.7%	26.6%	37.4%	-36.2%	8.0%	10.3%
S&P Small Cap 600	2.6%	-16.1%	26.8%	11.3%	22.8%	-8.5%	13.2%	26.6%	-2.0%	5.8%	41.3%	16.3%	1.0%	26.3%	25.6%	-31.1%	-0.3%	15.1%
MSCI EAFE	8.6%	-14.0%	11.8%	8.3%	22.7%	-13.4%	25.6%	1.5%	-0.4%	-4.5%	23.3%	17.9%	-11.7%	8.2%	32.5%	-43.1%	11.6%	26.9%
MSCI Emerging Markets	4.0%	-19.7%	-2.2%	18.7%	18.9%	-14.2%	37.8%	11.6%	-14.6%	-1.8%	-2.3%	18.6%	-18.2%	19.2%	79.0%	-53.2%	39.8%	32.6%
MSCI All Country World	7.4%	-18.0%	19.0%	16.8%	27.3%	-8.9%	24.6%	8.5%	-1.8%	4.7%	23.4%	16.8%	-6.9%	13.2%	35.4%	-41.8%	12.2%	21.5%
S&P Growth	9.6%	-29.4%	32.0%	33.5%	31.1%	0.0%	27.4%	6.9%	5.5%	14.9%	32.8%	14.6%	4.7%	15.1%	31.6%	-34.9%	9.1%	11.0%
S&P Value	5.2%	-5.2%	24.9%	1.4%	31.9%	-9.0%	15.4%	17.4%	-3.1%	12.4%	32.0%	17.7%	-0.5%	15.1%	21.2%	-39.2%	2.0%	20.8%
Barclays Aggregate Bond	3.0%	-13.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%	7.0%	4.3%
ML Investment Grade	3.5%	-15.4%	-1.0%	9.8%	14.2%	-2.2%	6.5%	6.0%	-0.6%	7.5%	-1.5%	10.4%	7.5%	9.5%	19.8%	-6.8%	4.7%	4.4%
ML High Yield	3.7%	-11.2%	5.4%	6.2%	14.4%	-2.3%	7.5%	17.5%	-4.6%	2.5%	7.4%	15.6%	4.4%	15.2%	57.5%	-26.4%	2.2%	11.7%
S&P Nat'l Muni	2.8%	-8.1%	1.6%	4.9%	7.4%	1.0%	5.1%	0.4%	3.3%	8.9%	-3.3%	6.5%	11.2%	2.0%	12.2%	-2.8%		
S&P Leveraged Loan	3.0%	-0.7%	3.5%	2.8%	10.7%	-0.6%	3.3%	10.9%	-2.8%	1.0%	5.0%	10.5%	0.6%	9.7%	52.2%	-28.2%	1.7%	6.6%
T-Bill	1.1%	1.5%	0.0%	0.6%	2.2%	1.8%	0.8%	0.3%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%			
7-10yr Tsy	3.5%	-14.9%	-3.1%	10.0%	8.5%	0.9%	2.6%	1.1%	1.6%	9.0%	-6.0%	4.2%	15.6%	9.4%	-6.0%	18.0%	10.2%	2.7%

International	Q1'23	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
MSCI Eurozone	14.3%	-17.2%	14.3%	8.5%	24.2%	-16.2%	29.0%	2.2%	-0.8%	-7.7%	30.0%	22.5%	-16.9%	-3.4%	32.8%	-47.1%	20.3%	37.3%
Germany (DAX)	12.2%	-12.3%	15.8%	3.5%	25.5%	-18.3%	12.5%	6.9%	9.6%	2.7%	25.5%	29.1%	-14.7%	16.1%	23.8%	-40.4%	22.3%	22.0%
UK (FTSE)	2.4%	0.9%	14.3%	-14.3%	12.1%	-12.5%	7.6%	14.4%	-4.9%	-2.7%	14.4%	5.8%	-5.6%	9.0%	22.1%	-31.3%	3.8%	10.7%
Japan (Nikkei)	7.5%	-9.4%	4.9%	16.0%	18.2%	-12.1%	19.1%	0.4%	9.1%	7.1%	56.7%	22.9%	-17.3%	-3.0%	19.0%	-42.1%	-11.1%	6.9%
MSCI Asia Pac xJapan	4.1%	-17.2%	-2.7%	22.8%	19.5%	-13.7%	37.3%	7.1%	-9.1%	3.1%	3.7%	22.6%	-15.4%	18.4%	73.7%	-51.6%	37.2%	33.2%
S. Korea (KOSPI)	10.8%	-24.9%	3.6%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.8%	0.7%	9.4%	-11.0%	21.9%	49.7%	-40.7%	32.3%	4.0%
India (Sensex)	-2.9%	5.8%	23.2%	17.2%	15.7%	7.2%	29.6%	3.5%	-3.7%	31.9%	10.7%	28.0%	-23.6%	19.1%	83.3%	-51.8%	48.8%	48.8%
China (Shenzhen)	7.6%	-21.9%	8.6%	35.2%	36.0%	-33.3%	-3.6%	-14.7%	63.4%	33.9%	20.0%	1.4%	-32.9%	7.1%	116.9%	-61.8%	167.0%	96.4%
S&P Latin America 40	4.2%	11.4%	-12.7%	-11.3%	13.9%	-6.0%	26.9%	32.5%	-30.9%	-11.1%	-12.3%	6.4%	-18.3%	16.7%	97.1%	-49.4%	50.5%	42.6%
Brazil (Bovespa)	-7.2%	4.7%	-11.9%	2.9%	31.6%	15.0%	26.9%	38.9%	-13.3%	-2.9%	-15.5%	7.4%	-18.1%	1.0%	82.7%	-41.2%	43.6%	32.9%
Mexico	11.2%	-9.0%	20.9%	1.2%	4.6%	-15.6%	8.1%	6.2%	-0.4%	1.0%	-2.2%	17.9%	-3.8%	20.0%	43.5%	-24.2%	11.7%	48.6%

S&P 500 Sectors	Q1'23	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Consumer Discretionary	16.1%	-37.0%	24.4%	33.3%	27.9%	0.8%	23.0%	6.0%	10.1%	9.7%	43.1%	23.9%	6.1%	27.7%	41.3%	-33.5%	-13.2%	18.6%
Consumer Staples	0.8%	-0.6%	18.6%	10.7%	27.6%	-8.4%	13.5%	5.4%	6.6%	16.0%	26.1%	10.8%	14.0%	14.1%	14.9%	-15.4%	14.2%	14.4%
Energy	-4.7%	65.7%	54.6%	-33.7%	11.8%	-18.1%	-1.0%	27.4%	-21.1%	-7.8%	25.1%	4.6%	4.7%	20.5%	13.8%	-34.9%	34.4%	24.2%
Financials	-5.6%	-10.5%	35.0%	-1.7%	32.1%	-13.0%	22.2%	22.8%	-1.5%	15.2%	35.6%	28.8%	-17.1%	12.1%	17.2%	-55.3%	-18.6%	19.2%
Healthcare	-4.3%	-2.0%	26.1%	13.4%	20.8%	6.5%	22.1%	-2.7%	6.9%	25.3%	41.5%	17.9%	12.7%	2.9%	19.7%	-22.8%	7.2%	7.5%
Industrials	3.5%	-5.5%	21.1%	11.1%	29.4%	-13.3%	21.0%	18.9%	-2.5%	9.8%	40.7%	15.3%	-0.6%	26.7%	20.9%	-39.9%	12.0%	13.3%
Technology	21.8%	-28.2%	34.5%	43.9%	50.3%	-0.3%	38.8%	13.8%	5.9%	20.1%	28.4%	14.8%	2.4%	10.2%	61.7%	-43.1%	16.3%	8.4%
Materials	4.3%	-12.3%	27.3%	20.7%	24.6%	-14.7%	23.8%	16.7%	-8.4%	6.9%	25.6%	15.0%	-9.8%	22.2%	48.6%	-45.7%	22.5%	18.6%
Telecom	20.5%	-39.9%	21.6%	23.6%	32.7%	-12.5%	-1.3%	23.5%	3.4%	3.0%	11.5%	18.3%	6.3%	19.0%	8.9%	-30.5%	11.9%	36.8%
Utilities	-3.2%	1.6%	17.7%	0.5%	26.3%	4.1%	12.1%	16.3%	-4.8%	29.0%	13.2%	1.3%	19.9%	5.5%	11.9%	-29.0%	19.4%	21.0%

Blue to orange represents best to worst return for each period. Index data is total teturn.

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Index Definitions

Index	Description
Equity	
S&P 500	Large US companies ($10b+ market cap)
S&P Mid Cap 400	Medium US companies ($5-10b market cap)
Russell 2000, S&P Small Cap 600	Small US companies (<$10b market cap)
MSCI Europe Australia Far East	Foreign Developed. Returns are in US$
MSCI Emerging Markets	Emerging Markets. Returns are in US$
Fixed Income	
Barclays Aggregate	Represents the entire US bond market
S&P 3mo Tbill	Short term Treasury Bills
Barclays 7-10yr Tsy	Ten Year Treasury Bonds
Barclays 10yr TIPS	Treasury Inflation Protected Securities
S&P Nat'l Muni	Municipal Bonds
BofA/ML Corp	Investment Grade (Higher Credit Quality) Corporate Bonds
BofA/ML High Yield	High Yield (Lower Credit Quality) Corporate Bonds
S&P Leveraged Loan 100	Floating Rate Bank Loans
BofA / ML EM Debt	Emerging Market Debt
Alternatives	
HFRI Fund of Funds	Represents the entire hedge fund universe

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Disclosures

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The information contained herein is based upon sources believed to be true and accurate. Sources include: *Factset Research Systems Inc.,* Bureau of Economic Analysis, Bureau of Labor Statistics, Congressional Budget Office, Board of Governors of Federal Reserve System, Fred: Federal Reserve Bank of St. Louis Economic Research, U.S. Department of the Treasury

-The Standard & Poor’s 500 is a market capitalization weighted index of 500 widely held domestic stocks often used as a proxy for the U.S. stock market. The Standard & Poor’s 400 is a market capitalization weighted index of 400 mid cap domestic stocks. The Standard & Poor’s 600 is a market capitalization weighted index of 600 small cap domestic stocks.
-The NASDAQ Composite Index measures the performance of all issues listed in the NASDAQ stock market, except for rights, warrants, units, and convertible debentures.
-The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 21 emerging markets. The MSCI All Country World Index is a free float adjusted market capitalization index designed to measure the performance of large and mid and cap stocks in 23 developed markets and 24 emerging markets. With over 2,800 constituents it represents over 85% of the global equity market.
-The Barlcays Aggregate Index represents the total return performance (price change and income) of the US bond market, including Government, Agency, Mortgage and Corporate debt.
-The BofA Merrill Lynch Investment Grade and High Yield Indices are compiled by Bank of America / Merrill Lynch from the TRACE bond pricing service and intended to represent the total return performance (price change and income) of investment grade and high yield bonds.
-The S&P/LSTA U.S. Leveraged Loan 100 is designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads and interest payments.
-The S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index. The S&P Municipal Bond Index constituents undergo a monthly review and rebalancing, in order to ensure that the Index remains current, while avoiding excessive turnover. The Index is rules based, although the Index Committee reserves the right to exercise discretion, when necessary.
-The BofA Merrill Lynch US Emerging Markets External Sovereign Index tracks the performance of US dollar emerging markets sovereign debt publicly issued in the US and eurobond markets.
-The HFRI Fund of Funds index is compiled by the Hedge Funds Research Institute and is intended to represent the total return performance of the entire hedge fund universe.