Grimes Investment Quarterly | 06/30/23

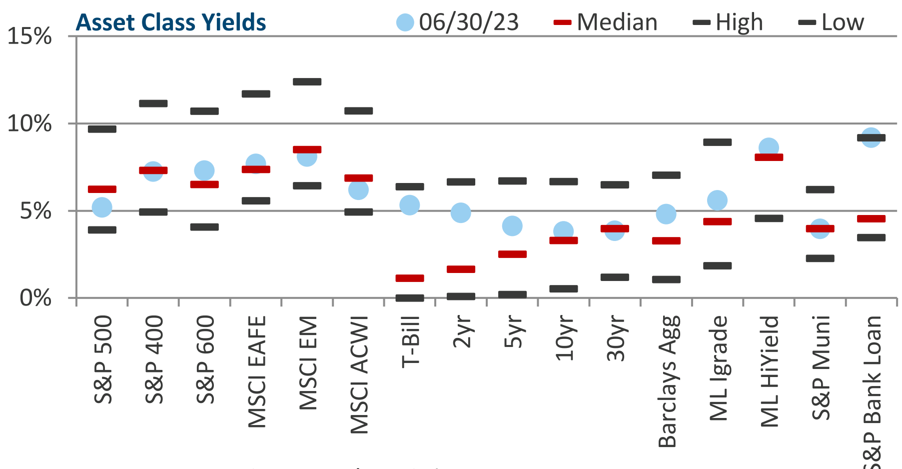
Major Asset Class Returns

Index	Q2'23	2023	2022
S&P 500	9%	17%	-18%
S&P Mid Cap 400	5%	9%	-13%
Russell 2000	5%	8%	-20%
MSCI EAFE	3%	12%	-14%
MSCI Emerging Markets	1%	5%	-20%
MSCI All Country World	6%	14%	-18%
T-Bill	1%	2%	2%
7-10yr Tsy	-2%	2%	-15%
Barclays Aggregate	-1%	2%	-13%
ML Investment Grade	0%	3%	-15%
ML High Yield	2%	5%	-11%
S&P Muni	0%	3%	-8%
S&P Bank Loan	3%	6%	-1%

Overview: The S&P 500 (+9% Q2, +17% ytd), Russell 2000 (+5% Q2, +8% ytd), MSCI EAFE (+3% Q2, +12% ytd), MSCI EM (+1% Q2, +5% ytd), and MSCI ACWI (+6% Q2, +14% ytd) all continued higher after declining in 2022. For Fixed Income, interest rates rose in Q2 after declining in Q1 (the 10yr yield was 3.81% at the end of Q2, versus 3.49% on 3/31/23 and 3.88% on 12/31/22), leading to stalled returns in duration sensitive asset classes such as the Bloomberg/Barclays Aggregate (-1% Q2, +2% ytd), 7-10yr Treasury (-2% Q2, +2% ytd), ML Igrade (0% Q2, +3% ytd), and S&P Muni (0% Q2, +3% ytd). With more credit than duration, the ML High Yield (+2% Q2, +5% ytd), the low duration S&P Bank Loan Index (+3% Q2, +6% ytd) and T-Bills (+1% Q2, +2% ytd) saw modest returns.

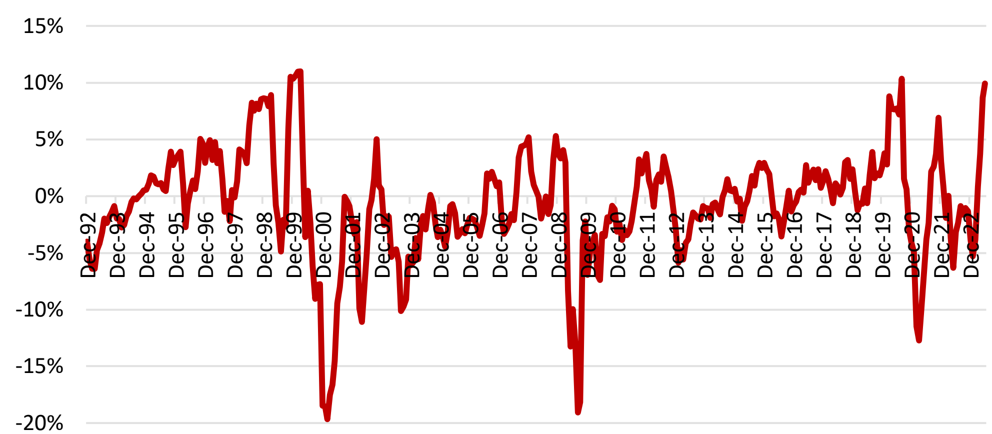
Asset Class Yields Have Moved Above Averages: One driver for this shift was that after a year when most assets performed poorly, valuations improved across the board. Despite the small 2023 bounce, asset class yields (earnings yield for equities, yield to maturity for fixed income) for equities are near average. For Fixed Income, short maturities are well above average.

Focusing on Market Concentration: 2023 has seen an equity market recovery after a challenging 2022, at least when looking at the S&P 500's 17% ytd return. Beyond the S&P 500, returns are not as robust. The crux of the issue is most evident when comparing the Tech rich NASDAQ (+32% ytd) to the Dow Jones (+5%). Its not just the case of technology stocks outperforming, but rather that a small group of megacap stocks in Technology (Apple, Microsoft and Nvidia), Communications (Alphabet and Meta), and Discretionary (Amazon and Tesla) have driven the majority of market returns. This concentrated market is evident by comparing the S&P 500 (which is capitalization weighted) to the Equal Weight S&P 500 (with the same members, but each has an equal 0.2% contribution). Looking at rolling 6 month returns in the chart below, the current gap has reached 10% for only the third time since 1992. (cont'd on next page)

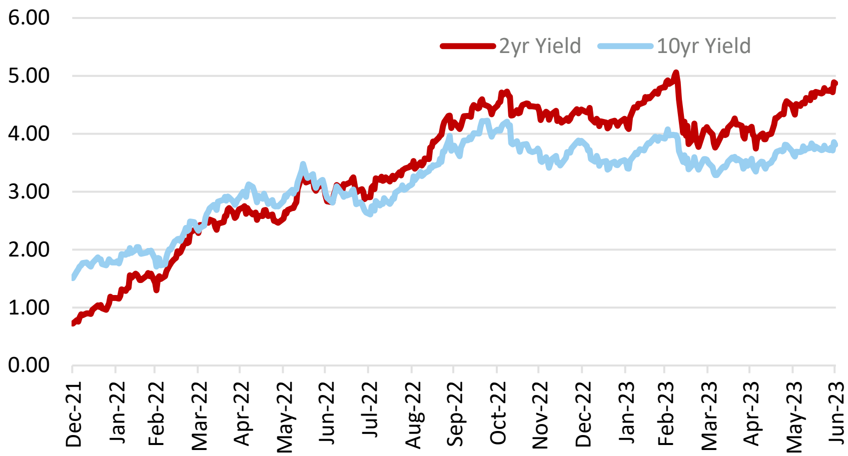


Equity earnings yield (earnings/price) | Fixed Income yield to maturity

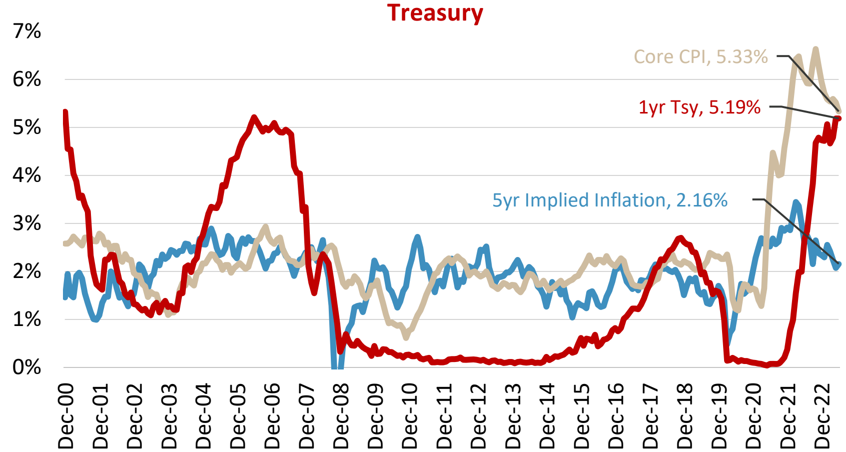
S&P 500 minus S&P Equal Weight, Rolling 6 Month Relative Returns



2yr and 10yr Treasury Yields



5yr Implied Inflation (Treasury - TIPS), Core CPI, and 1yr Treasury



(cont'd from previous page) The prior instances, which happened in March '00 and August '20, offer some insight going forward.

March '00 was the peak of the dotcom market, paired with a bubble in large cap stocks. The narrow market not only preceded a tech stock decline, but also a 10 year period when the S&P 500 was flat (it did not surpass its March '00 high until 2007 briefly, then finally in 2013), known at the time as a "lost decade" for large cap US stocks.

The August '20 narrow market was again led by tech stocks, though this time it was the "stay at home" winners from the early Covid stock market recovery. Unlike March '00, this did not precede a major market decline. Rather, growing optimism of a vaccine driven recovery spurred a larger, but broader, stock market rally.

What can we learn? Narrow markets do not necessarily mean "bad times are coming", as the 2020 experience showed. But what they do mean is "be careful chasing the narrow market drivers". After March '00, the NASDAQ declined over 70%. Also while 2000 to 2010 was a lost decade for large cap US stocks, international and small cap stocks outperformed. In 2020 tech stocks (and the "disruptive tech ARK stocks") lagged the broader market in 2021 and 2022. Therefore, the biggest lesson in a narrow market is not to chase the small group of outperformers, but to stay diversified and on plan.

Q2 Interest Rates Slowly Retrace Q1's Reversal: After the narrow stock market, the second major market development in Q2'23 was interest rates moving higher in a reversal of Q1's decline. The markets continue to wrestle with 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. The back and forth is evident in the 2yr Treasury, shown in the chart to the left, which made a steady march from 4% to 5% during February, as economic data and steady Fed messaging won over skeptical markets. 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 year, it seemed the Fed had finally convinced the market to price higher rates. Then due to concerns over the banking crisis, this reversed in merely a week in March, and the 2yr dropped back to the 4% range until mid-May. From that point (and the Fed's 5/16 meeting), the markets have once again been pricing in the Fed lifting rates to 5% and keeping them there. While the 2yr has retraced its 100 bps move, the 10yr has been a bit slower to move, and is yet to reach the 4% level it surpassed in both October '22 and early March '23.

Inflation Expectations Fall as Fed Expectations Rise: The Fed's interest rate plans have been driven by its desire to lower inflation. It's hard to believe, but the Fed's first rate hike was just over 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 5.19%. 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 2.16%. The question is how much the economy will be impacted by this rapid shift. It has been the recent strength int he economic data that has kept the Fed toeing its "raise and hold" line.

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Equity Markets Summary

Headline Indices	Q2'23	2023	2022	Fwd PE*	Avg PE**	+/- avg
Dow	4.0%	4.9%	-6.9%			
Nasdaq	13.1%	32.3%	-32.5%			
Russell 2000	5.2%	8.1%	-20.4%			
Asset Classes	**Q2'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	8.7%	16.9%	-18.1%	19.3	16.0	20%
S&P Mid Cap 400	4.9%	8.8%	-13.1%	13.8	13.7	1%
S&P Small Cap 600	3.4%	6.0%	-16.1%	13.7	15.4	-11%
MSCI EAFE	3.2%	12.1%	-14.0%	13.0	13.6	-4%
MSCI Emerging Markets	1.0%	5.1%	-19.7%	12.3	11.8	5%
MSCI AC World	6.3%	14.3%	-18.0%	16.1	14.6	11%
S&P 500 Sectors	**Q2'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	14.6%	33.1%	-37.0%	27.9	18.1	54%
Consumer Staples	0.5%	1.3%	-0.6%	20.1	18.0	12%
Energy	-0.9%	-5.5%	65.7%	10.8	13.7	-21%
Financials	5.3%	-0.5%	-10.5%	13.3	13.0	2%
Healthcare	3.0%	-1.5%	-2.0%	17.5	16.2	8%
Industrials	6.5%	10.2%	-5.5%	18.9	16.2	17%
Technology	17.2%	42.8%	-28.2%	27.5	17.5	57%
Materials	3.3%	7.7%	-12.3%	17.4	15.2	14%
Communication Services	13.1%	36.2%	-39.9%	17.3	17.8	-3%
Utilities	-2.5%	-5.7%	1.6%	17.0	14.8	15%
Growth vs Value	**Q2'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	10.6%	21.2%	-29.4%	21.5	18.5	16%
S&P Value	6.6%	12.2%	-5.2%	16.6	13.3	25%
International	**Q2'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	3.7%	18.6%	-17.2%	12.0	12.5	-4%
Germany (DAX)	3.3%	16.0%	-12.3%	11.3	12.6	-10%
UK (FTSE)	-1.3%	1.1%	0.9%			
Japan (Nikkei)	18.5%	28.6%	-7.3%			
MSCI Asia Pac xJapan	-0.9%	3.2%	-17.2%	14.1	14.5	-3%
S. Korea (KOSPI)	3.5%	14.7%	-24.9%	16.5	18.7	-11%
India (Sensex)	10.4%	7.2%	5.8%			
China (Shenzhen)	-3.6%	3.7%	-21.9%	13.2	9.9	34%
S&P Latin America 40	15.9%	20.8%	11.4%	8.1	11.3	-28%
Brazil (Bovespa)	15.9%	7.6%	4.7%	8.1	10.4	-22%
Mexico	0.8%	12.4%	-5.7%	12.7	14.4	-12%

Asset Classes: For Q2'23, most equities continued the 2023 recovery from 2022 losses. The S&P 500 (+8.7% Q2, +16.9% ytd), has outpaced the Russell 2000 (+5.2% Q2, +8.1% ytd), the MSCI EAFE (+3.2% Q2, +12.1% ytd) and the MSCI EM (+1.0% Q2, +5.1% ytd). Driven by the S&P 500 and EAFE components, the global MSCI ACWI (+6.3% Q2, +14.3% ytd) was higher as well.
The driver of this dispersion can be seen between the tech-driven NASDAQ (+13.1% Q2, +32.3% ytd) and the more traditional Dow Jones (+4.0% Q2, +4.9% ytd), which highlights the relative performance of mega cap tech stocks over the rest of the market.
Valuations (based on forward PE vs their 20yr average) for the S&P 500 is 20% above average, while the rest are at or below average, with the S&P 600 the lowest (11% below).

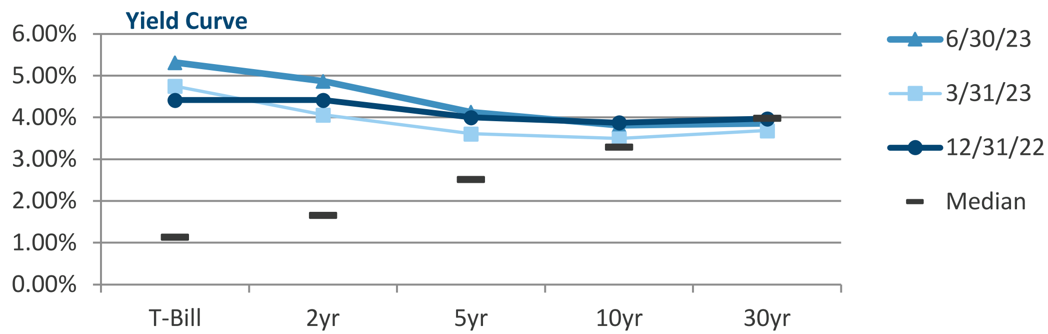
S&P Sectors: The three leading sectors in Q2 and ytd were 2022's worst performers: Communications (+13% Q2, 36% ytd), Technology (+17% Q2, 43% ytd) and Discretionary (+15% Q2, 33% ytd), reflecting a recovery in mega cap tech stocks. On the other hand, 2022's outperformers have lagged in Q2 and ytd, with Energy (-1% Q2, -6% ytd), Healthcare (+3% Q2, -2% ytd) and Utilities (-3% Q2, -6% ytd) lower for the year.
Financials (+5% Q2, -1% ytd), recovered some of their Q1 losses during Q2, as it appears the sector has stabilized from Q1's regional banking issues.

Growth vs Value: The relative performance of Value versus Growth was yet another 2022 equity trend to reverse in 2023, as Value (+7% Q2, +12% ytd) lagged Growth (+11% Q2, +21% ytd). Interestingly, while Growth is still at a higher PE than Value (21.5 v 16.6), Value trades at a higher premium to its historic PE (16% vs 25%).

Global Markets: Globally, markets recovered in Q2. Europe (+4% Q2, +19% ytd) saw concerns over the Russia-Ukraine crisis fade as energy prices moderated. In Asia, a pullback in China (-4% Q2, +4% ytd), did not derail Japan (+19% Q2, +29% ytd), S. Korea (+4% Q2, +15% ytd) or India (+10% Q2, +7% ytd).
The S&P Latin America 40 index (+16% Q2, +21% ytd) reflected contributions from Mexico (+1% Q2, +12% ytd) and Brazil (+15% Q2, +8% ytd).

Fixed Income Markets Summary

Headline Indices	Q2'23	2023	2022	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	-0.8%	2.1%	-13.0%	4.81%	1.00%	0.36%	0.64%
ML Investment Grade	-0.2%	3.2%	-15.4%	5.59%	1.78%	1.19%	0.58%
ML High Yield	1.6%	5.4%	-11.2%	8.60%	4.79%	4.79%	0.00%
S&P Nat'l Muni	0.0%	2.7%	-8.1%	3.97%	0.16%	0.75%	-0.59%
S&P Leveraged Loan	3.3%	6.4%	-0.7%	9.18%	3.87%	3.73%	0.14%
T-Bill	1.2%	2.3%	1.5%				
NYMEX 7-10yr Tsy	-1.8%	1.6%	-14.9%				
Treasury Yields	**6/30/23**	**3/31/23**	**12/31/22**			**Avg***	**+/- avg**
T-Bill	5.31%	4.75%	4.41%			1.13%	4.18%
2yr	4.87%	4.06%	4.42%			1.66%	3.21%
5yr	4.13%	3.61%	4.00%			2.52%	1.61%
10yr	3.81%	3.49%	3.88%			3.29%	0.52%
30yr	3.85%	3.69%	3.97%			3.99%	-0.13%
10yr Sovereign Yields	**6/30/23**	**3/31/23**	**12/31/22**			**Avg***	**+/- avg**
US	3.81%	3.49%	3.88%			2.43%	1.38%
Germany	2.41%	2.33%	2.53%			1.31%	1.10%
Japan	0.39%	0.32%	0.42%			0.26%	0.13%
UK	4.41%	3.52%	3.66%			2.02%	2.38%
France	2.95%	2.83%	3.07%			2.25%	0.70%
Spain	3.40%	3.36%	3.61%			3.61%	-0.21%
Italy	4.09%	4.14%	4.64%			3.89%	0.19%
China	2.65%	2.87%	2.86%			3.26%	-0.61%
Brazil	10.82%	13.02%	12.90%			11.06%	-0.24%
Mexico	8.67%	8.81%	9.02%			7.42%	1.25%



Asset Classes: The bond market was flat in Q2 as interest rates rose slightly, as shown by the returns of the Bloomberg Barclays Aggregate Bond Index (-1% Q2, +2% ytd).

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 (-2% Q2, +2% ytd) lagged near zero duration 90 day T-Bills (+1% Q2, +2% ytd).

Credit: One of the few 2022 trends that has not reversed course in 2023 was credit outperforming, with the ML High Yield outperforming the Bloomberg Barclays Agg in both periods. Q2 was led by the S&P Leveraged Loan Index (+3% Q2, +6% ytd), followed by the ML High Yield index (+2% Q2, +5% ytd), then the ML Investment Grade Index (0% Q2, +3% ytd). Across the credit spectrum, spreads are just above average. Paired with higher overall rates, this is appealing, although spreads would widen further in a recession.

Treasury Yields: After rising significantly in 2022, the 10yr Treasury has fluctuated in 2023. It ended Q2'23 at 3.81%, up from 3.49% at the end of Q1'23, but just below where it started the year at 3.88%.

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. While the 10yr is down 7 bps to 3.81% ytd, the 90 day T-Bill saw its yield rise by 90 bps to 5.31%, 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. The back and forth on this debate can be seen in the 2yr Treasury.

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. As the system stabilized and Fed messaging stayed consistent, the 2yr rose, finishing Q2'23 back to 4.87%, retracing 80 of the 100 bps drop.

Global Rates: Globally, interest rates were slightly higher in Q2'23, with the German 10yr yield moving 8 bps higher to 2.41%, though still below where it started the year at 2.53%.

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Major Economic Indicators and Consensus Forecasts

	2023/2024 Average Forecast				Actual		
	12m ch	Jun-23	Mar-23	Jun-22	May-23	Avg*	+/- avg
US GDP	-0.85	0.90	1.00	1.75	1.80	2.18	-0.38
EU GDP	-1.15	0.75	0.80	1.90	1.00	1.83	-0.83
Japan GDP	-0.28	1.15	1.10	1.43	1.79	1.00	0.80
UK GDP	-0.83	0.45	0.20	1.28	0.23	2.18	-1.95
China GDP	0.15	5.25	5.15	5.10	3.94	8.00	-4.06
US CPI	1.13	3.83	3.50	2.70	4.13	2.06	2.07
EU CPI	1.33	3.83	3.53	2.50	6.10	1.37	4.73
Japan CPI	1.55	2.40	2.05	0.85	3.24	0.41	2.83
China CPI	-0.30	2.00	2.30	2.30	0.10	1.85	-1.75
US UnN	0.30	4.15	4.30	3.85	3.70	4.30	-0.60
EU UnN	0.03	6.75	6.95	6.73	6.70	8.10	-1.40
Japan UnN	0.00	2.40	2.40	2.40	2.60	2.70	-0.10
UK UnN	0.30	4.40	4.63	4.10	3.60	4.20	-0.60
China UnN	1.15	5.13	4.95	3.98	5.50	5.00	0.50

Foreign Exchange		Q2'23	2023	2022	2021	2020	2019
Euro		0%	2%	-6%	-7%	9%	-2%
Yen (Japan)		-8%	-9%	-13%	-10%	5%	1%
Pound (UK)		3%	6%	-11%	-1%	3%	4%
Yuan (China)		-5%	-4%	-8%	3%	7%	-1%
Won (S. Korea)		-1%	-4%	-6%	-9%	6%	-4%
Real (Brazil)		5%	9%	5%	-7%	-23%	-4%
Peso (Mexico)		5%	14%	5%	-3%	-5%	4%
Commodities		**Q2'23**	**2023**	**2022**	**2021**	**2020**	**2019**
Oil	$71	-7%	-12%	6%	56%	-21%	35%
Gold	$1,912	-3%	5%	0%	-4%	25%	18%
Copper	$3.74	-9%	-2%	-15%	27%	26%	6%

GDP: Shifting economic forecasts show how market expectations have changed in the past year. Compared to June 2022, 2023/2024 blended GDP growth has declined from 1.75% to 0.90%, although not far below 1.00% on 3/31/23, 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 3.83%. While CPI forecasts are higher across the board, it is also notable that they are much lower than current inflation rates, such as 4.1% year over year in the US as of May. 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 was down considerably from those levels.

Unemployment: Unemployment forecasts are flat, at 4.2% versus 4.3% three months ago, in the US. This flattening of inflation expectations is one sign of the strength of the economy. When paired with the uptick in the CPI forecast mentioned above, the forecasted data shows why the Fed is still pushing interest rates higher.

Foreign Exchange: Most major currencies declined versus the dollar in 2022, thanks to the Fed raising rates faster than most other central banks. In Q2'23, since Fed rate hike expectations have slowed, the dollar has been relatively stable.

Commodities: Oil was down $5/bbl in Q2'23, from $76 to $71. 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 Q3'23, we are now passed the period where, in 2022, oil prices (and the anxiety it caused) peaked. This will help year over year comparisons for inflation.

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Index Returns | 2005 to Present

	Q2'23	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Dow	4.0%	4.9%	-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%
Nasdaq	12.8%	31.7%	-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%
Russell 2000	5.2%	8.1%	-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%
S&P 500	8.7%	16.9%	-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%
S&P Mid Cap 400	4.9%	8.8%	-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%
S&P Small Cap 600	3.4%	6.0%	-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%
MSCI EAFE	3.2%	12.1%	-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%
MSCI Emerging Markets	1.0%	5.1%	-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%
MSCI All Country World	6.3%	14.3%	-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%
S&P Growth	10.6%	21.2%	-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%
S&P Value	6.6%	12.2%	-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%
Barclays Aggregate Bond	-0.8%	2.1%	-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%
ML Investment Grade	-0.2%	3.2%	-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%
ML High Yield	1.6%	5.4%	-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%
S&P Nat'l Muni	0.0%	2.7%	-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	3.3%	6.4%	-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%
T-Bill	1.2%	2.3%	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	-1.8%	1.6%	-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%

International	Q2'23	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
MSCI Eurozone	3.7%	18.6%	-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%
Germany (DAX)	3.3%	16.0%	-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%
UK (FTSE)	-1.3%	1.1%	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%
Japan (Nikkei)	18.4%	27.2%	-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%
MSCI Asia Pac xJapan	-0.9%	3.2%	-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%
S. Korea (KOSPI)	3.5%	14.7%	-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%
India (Sensex)	10.4%	7.2%	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%
China (Shenzhen)	-3.6%	3.7%	-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%
S&P Latin America 40	15.9%	20.8%	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%
Brazil (Bovespa)	15.9%	7.6%	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%
Mexico	-0.7%	10.4%	-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%

S&P 500 Sectors	Q2'23	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Consumer Discretionary	14.6%	33.1%	-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%
Consumer Staples	0.5%	1.3%	-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%
Energy	-0.9%	-5.5%	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%
Financials	5.3%	-0.5%	-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%
Healthcare	3.0%	-1.5%	-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%
Industrials	6.5%	10.2%	-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%
Technology	17.2%	42.8%	-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%
Materials	3.3%	7.7%	-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%
Telecom	13.1%	36.2%	-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%
Utilities	-2.5%	-5.7%	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%

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 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.