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Grimes Investment Quarterly | 09/30/23

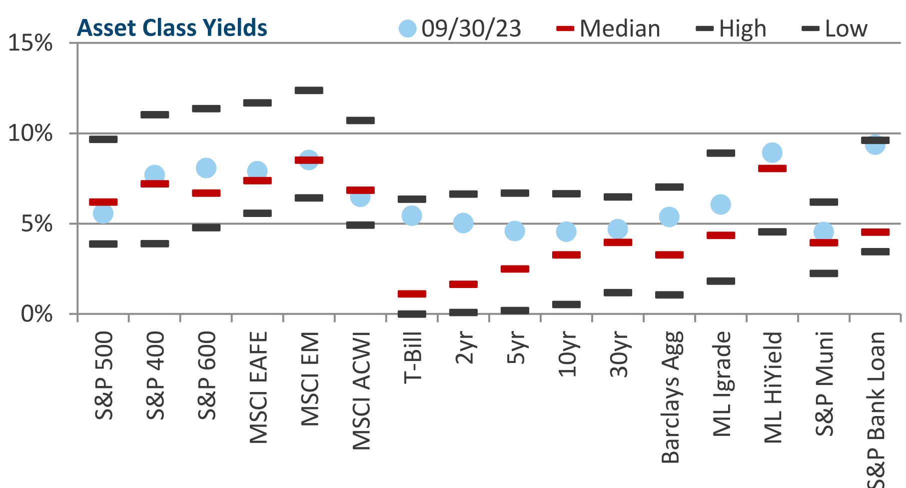
Major Asset Class Returns

Index	Q3'23	2023	2022
S&P 500	-3%	13%	-18%
S&P Mid Cap 400	-4%	4%	-13%
Russell 2000	-5%	3%	-20%
MSCI EAFE	-4%	8%	-14%
MSCI Emerging Markets	-3%	2%	-20%
MSCI All Country World	-3%	10%	-18%
T-Bill	1%	4%	2%
7-10yr Tsy	-4%	-3%	-15%
Barclays Aggregate	-3%	-1%	-13%
ML Investment Grade	-3%	0%	-15%
ML High Yield	1%	6%	-11%
S&P Muni	-4%	-1%	-8%
S&P Bank Loan	3%	10%	-1%

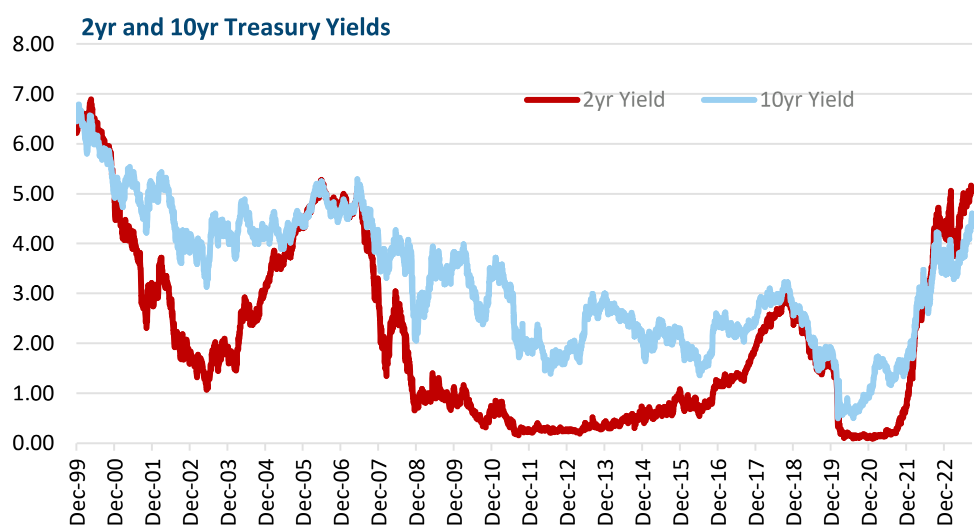
Overview: The S&P 500 (-3% Q3, +13% ytd), Russell 2000 (-5% Q3, +3% ytd), MSCI EAFE (-4% Q3, +8% ytd), MSCI EM (-3% Q3, +2% ytd), and MSCI ACWI (-3% Q3, +10% ytd) all pulled back in Q3, but remain higher for the year. For Fixed Income, the 10yr yield was 4.57% at the end of Q3, versus 3.81% on 6/30/23 and 3.88% on 12/31/22, leading to declines in duration sensitive asset classes such as the Bloomberg/Barclays Aggregate (-3% Q3, -1% ytd), 7-10yr Treasury (-4% Q3, -3% ytd), ML Igrade (-3% Q3, 0% ytd), and S&P Muni (-4% Q3, -1% ytd). With more credit than duration, the ML High Yield (+1% Q3, +6% ytd), the low duration S&P Bank Loan Index (+3% Q3, +10% ytd) and T-Bills (+1% Q3, +4% ytd) saw modest returns.

Asset Class Yields Have Moved Above Averages: As of the end of Q3, asset class yields (earnings yield for equities, yield to maturity for fixed income) for equities are near average. For Fixed Income, short maturities have been above average for most of the year, while longer duration fixed income is reaching that range, as well.

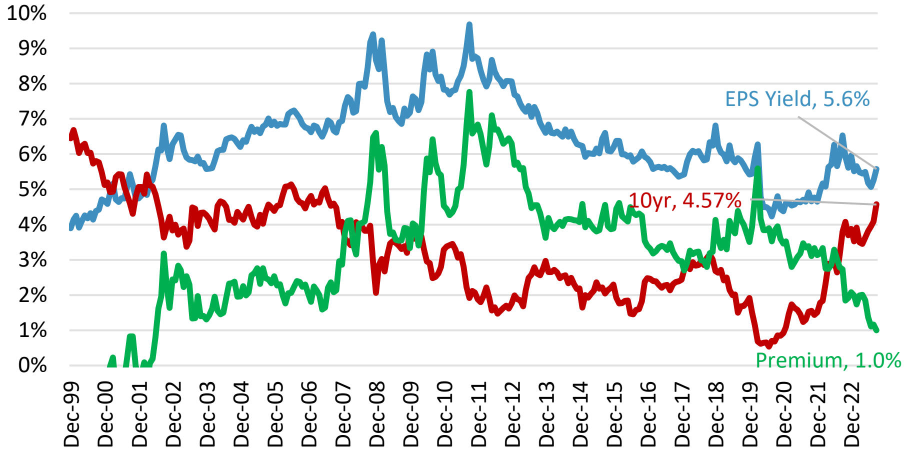
Markets come to terms with the "hold" in "raise and hold": The most significant driver to Q3'23 markets was the continued rise in interest rates. Investors continue to wrestle with the Fed's "raise and hold" mantra, of not only raising rates to around 5%, but then holding them there for the rest of 2023. This was evident in the 10yr Treasury rising 76 bps to 4.57%, much more than the 2yr's 17 bps rise to 5.04%. While there has been much talk of the inverted yield curve (the 2yr yielding more than the 10yr), this past quarter saw the 2-10yr inversion fall by 59 bps, even as interest rates were rising overall. Typically, an inverted yield curve resolves itself when interest rates fall across the board, and the short end falls more, as was the case in 2000, 2006, and 2018. In those three instances, once the 2yr and 10yr were equal, both subsequently declined, with the 2yr dropping more. In 2023, not only are rates still rising, but the gap is now narrowing because the 10yr is rising faster than the 2yr.



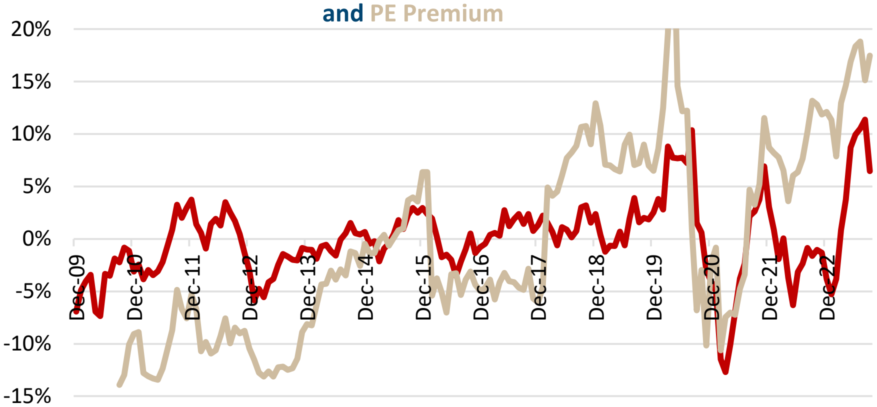
Equity earnings yield (earnings/price) | Fixed Income yield to maturity



S&P 500 Forward Earnings Yield vs 10yr Tsy, 2000 to 2023



S&P 500 vs S&P Equal Weight, Rolling 6 Month Relative Returns and PE Premium



	Mkt Cap	Weight	Ytd Return	Fwd PE	EPS Yield
S&P 500	$37,341	100%	13.1%	17.9	5.6%
"Mag 7"	$10,404	28%	53.0%	34.7	2.9%
S&P "493"	$26,937	72%	5.3%	15.3	6.5%

Rising Rates Create a Headwind for Equity Valuation: The chart to the left shows the earnings yield on the S&P 500, the yield on the 10yr Treasury, and the difference between the two, known as the Equity Premium. A higher Equity Premium means stock investors are getting more compensation relative to bonds. While the earnings yield has risen since the end of 2021, the catch is that, with the 10yr yield rising as well, the excess return offered by equities has declined to about 1%. From 2002 to 2007, prior to the Fed's QE interventions, a 1-3% Equity Premium was common. This suggests the Equity Premium today is manageable, although it could be pressured by further rate increases.

Has the Concentrated Market Skewed Valuation? A major theme for 2023 is the S&P 500 returns have become highly concentrated in just a few large stocks, which 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 to the left, the gap had reached 10% on 6/30/23, for only the third time since 1992. During Q3, this reversed a bit, and the gap has fallen to 6%. On top of the relative performance difference, the PE multiple on the cap weighted S&P 500 over the equal weighted index is over 15% (21.8 v 18.5). As the chart shows, not only is this an extreme level, but prior instances of premium PEs have coincided with relative outperformance, and have preceded mean reverting periods where the equal weight makes up ground on the cap weighted index.

Mag 7 Worth the Premium? These two issues (earnings premium and market concentration) are combined when looking at the "Magnificent 7" (Mag 7) stocks, the top 7 stocks by market cap in the S&P 500 (Apple, Microsoft, Alphabet, Tesla, Nvidia, Amazon, Meta). Not only is this a highly concentrated group, accounting for over 25% of the market cap, but it is a highly correlated group, as all 7 are tied into technology, specifically with potential for AI (artificial intelligence). Both the performance and valuation gap is more extreme for the Mag 7 versus the "S&P 493" than the market cap versus equal weight gap discussed in the prior section.

Regarding performance, for the year through 9/29/23, while the S&P 500 is up 13% overall, the Mag 7 are up over 50%, while the "493" are up just 5%.

Looking at valuation, as the table to the left shows, the Mag 7 PE is 34.7, versus 15.3 for the "493". Going back to the earnings premium, compared to the 10yr yield of 4.6%, the S&P 500 has a below average 1.0% premium. But the Mag 7 is NEGATIVE 1.7%. while the 493's premium is nearly double the S&P 500, at 1.9%.

Cumulatively, this is a way of saying that while the S&P 500 is higher, and with the rise in the 10yr yield, its valuation warrants some caution, both the higher price and valuation issues are highly concentrated, and thus the remainder of the market is more favorable.

The notable investor risk is the temptation to chase the market leaders and ignore the parts of the market, and diversification in general, that are beneficial.

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Equity Markets Summary

Headline Indices	Q3'23	2023	2022	Fwd PE*	Avg PE**	+/- avg
Dow	-2.1%	2.7%	-6.9%			
Nasdaq	-3.9%	27.1%	-32.5%			
Russell 2000	-5.1%	2.5%	-20.4%			
Asset Classes	**Q3'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	-3.27%	13.1%	-18.1%	17.9	16.1	12%
S&P Mid Cap 400	-4.2%	4.3%	-13.1%	13.0	13.8	-6%
S&P Small Cap 600	-4.9%	0.8%	-16.1%	12.4	14.9	-17%
MSCI EAFE	-4.0%	7.6%	-14.0%	12.6	13.5	-7%
MSCI Emerging Markets	-2.8%	2.2%	-19.7%	11.7	11.7	0%
MSCI AC World	-3.3%	10.5%	-18.0%	15.4	14.6	6%
S&P 500 Sectors	**Q3'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	-4.8%	26.7%	-37.0%	24.1	18.2	33%
Consumer Staples	-6.0%	-4.8%	-0.6%	18.6	18.0	4%
Energy	12.2%	6.0%	65.7%	11.8	13.5	-13%
Financials	-1.1%	-1.6%	-10.5%	12.9	13.0	-1%
Healthcare	-2.7%	-4.1%	-2.0%	17.0	16.2	5%
Industrials	-5.2%	4.5%	-5.5%	17.4	16.3	7%
Technology	-5.6%	34.7%	-28.2%	24.2	17.5	38%
Materials	-4.8%	2.6%	-12.3%	16.9	15.3	11%
Communication Services	3.1%	40.4%	-39.9%	16.4	17.8	-8%
Utilities	-9.2%	-14.4%	1.6%	15.0	14.8	1%
Growth vs Value	**Q3'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	-2.6%	18.1%	-29.4%	20.4	18.6	10%
S&P Value	-4.1%	7.6%	-5.2%	15.5	13.3	17%
International	**Q3'23**	**2023**	**2022**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	-7.2%	10.1%	-17.2%	11.2	12.5	-10%
Germany (DAX)	-4.7%	10.5%	-12.3%	10.7	12.6	-15%
UK (FTSE)	1.0%	2.1%	0.9%			
Japan (Nikkei)	-3.3%	24.4%	-7.3%			
MSCI Asia Pac xJapan	-3.3%	-0.2%	-17.2%	13.7	14.5	-6%
S. Korea (KOSPI)	-3.9%	10.2%	-24.9%	15.7	18.7	-16%
India (Sensex)	2.0%	9.4%	5.8%			
China (Shenzhen)	-6.8%	-3.3%	-21.9%	11.3	9.9	14%
S&P Latin America 40	-5.6%	14.1%	11.4%	7.6	11.3	-33%
Brazil (Bovespa)	-1.3%	6.2%	4.7%	7.9	10.4	-24%
Mexico	-4.6%	7.2%	-5.7%	12.1	14.4	-16%

Asset Classes: For Q3'23, most equities declined. The S&P 500 (-3.2% Q3, +13.1% ytd), has outpaced the Russell 2000 (-5.1% Q3, +2.5% ytd), the MSCI EAFE (-4.0% Q3, +7.6% ytd) and the MSCI EM (-2.8% Q3, +2.2% ytd). The global MSCI ACWI (-3.3% Q3, +10.5% ytd) followed the same pattern.
Even though the tech-driven NASDAQ (-3.9% Q3, +27.1% ytd) declined a bit more than the traditional Dow Jones (-2.1% Q3, +2.7% ytd), the gap remains significant on a year to date basis.
Valuations (based on forward PE vs their 20yr average) for the S&P 500 are 12% above average, while the rest are at or below average, with the S&P 600 the lowest (17% below).

S&P Sectors: The two positive sectors in Q3 reflect different ytd trends: Energy (+12% Q3, +6% ytd) reversed what had been a pullback for the year, while Communications (+3% Q3, +40% ytd) extended a bounceback year. Technology (-6% Q3, +35% ytd) and Discretionary (-5% Q3, +27% ytd), took a breather on their 2023 rallies. In fact, most sectors were down a similar amount in Q3, regardless of year to date performance. Staples (-6% Q3, -5% ytd), Financials (-1% Q3, -2% ytd), Healthcare (-3% Q3, -4% ytd), Industrials (-5% Q3, +5% ytd), and Materials (-5% Q3, +3% ytd) were within a few percentage points. Utilities (-9% Q3, -14% ytd) continued lower for the year, as rising rates have weighed on this high yield sector.

Growth vs Value: Despite the market pullback, Value (-4% Q3, +8% ytd) slightly lagged Growth (-3% Q3, +18% ytd), extending its year to date underperformance. Interestingly, while Growth is still at a higher PE than Value (20.4 v 15.5), Value trades at a higher premium to its historic PE (10% vs 17%).

Global Markets: Globally, most markets pulled back in Q3. Europe fell (-7% Q3, +10% ytd) on a tough mix of inflation concerns thanks to higher energy costs from Russia, and growth concerns thanks to slowing exports to China. In Asia, a pullback in China (-7% Q3, -3% ytd) weighed only slightly on Japan (-3% Q3, +24% ytd), S. Korea (-4% Q3, +10% ytd) and India (+2% Q3, +9% ytd).
The S&P Latin America 40 index (-6% Q3, +14% ytd) reflected pulbacks in Mexico (-5% Q3, +7% ytd) and Brazil (-1% Q3, +6% ytd).

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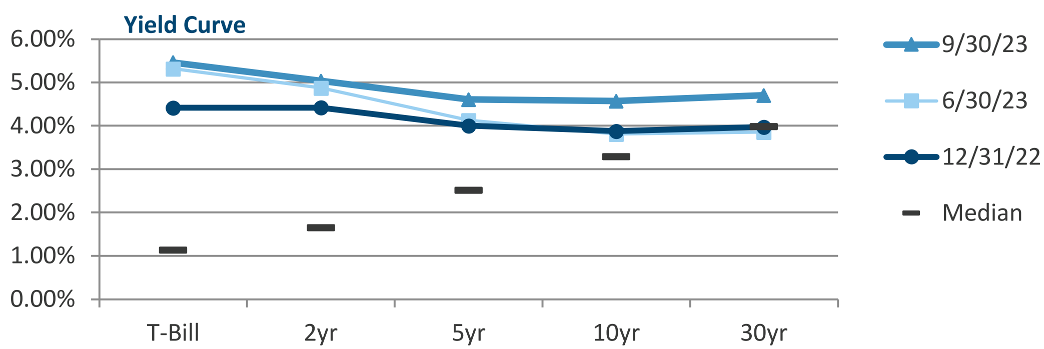
Fixed Income Markets Summary

Headline Indices	Q3'23	2023	2022	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	-3.2%	-1.2%	-13.0%	5.39%	0.82%	0.37%	0.44%
ML Investment Grade	-2.7%	0.4%	-15.4%	6.08%	1.51%	1.21%	0.30%
ML High Yield	0.5%	6.0%	-11.2%	8.93%	4.36%	4.79%	-0.43%
S&P Nat'l Muni	-3.6%	-1.0%	-8.1%	4.55%	-0.02%	0.75%	-0.77%
S&P Leveraged Loan	3.1%	9.7%	-0.7%	9.38%	3.92%	3.78%	0.13%
T-Bill	1.3%	3.7%	1.5%				
NYMEX 7-10yr Tsy	-4.4%	-2.9%	-14.9%				
Treasury Yields	**9/30/23**	**6/30/23**	**12/31/22**			**Avg***	**+/- avg**
T-Bill	5.46%	5.31%	4.41%			1.13%	4.33%
2yr	5.04%	4.87%	4.42%			1.66%	3.38%
5yr	4.61%	4.13%	4.00%			2.52%	2.09%
10yr	4.57%	3.81%	3.88%			3.29%	1.28%
30yr	4.70%	3.85%	3.97%			3.99%	0.72%
10yr Sovereign Yields	**9/30/23**	**6/30/23**	**12/31/22**			**Avg***	**+/- avg**
US	4.57%	3.81%	3.88%			2.43%	2.14%
Germany	2.82%	2.41%	2.53%			1.31%	1.51%
Japan	0.76%	0.39%	0.42%			0.26%	0.50%
UK	4.40%	4.41%	3.66%			2.02%	2.38%
France	3.37%	2.95%	3.07%			2.25%	1.12%
Spain	3.90%	3.40%	3.61%			3.61%	0.29%
Italy	4.74%	4.09%	4.64%			3.89%	0.85%
China	2.68%	2.65%	2.86%			3.26%	-0.58%
Brazil	11.85%	10.82%	12.90%			11.06%	0.79%
Mexico	9.87%	8.67%	9.02%			7.42%	2.45%



Asset Classes: The bond market was mostly lower in Q3 as interest rates rose, as shown by the returns of the Bloomberg Barclays Aggregate Bond Index (-3% Q3, -1% 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 (-4% Q3, -3% ytd) lagged the near zero duration 90 day T-Bills (+1% Q3, +4% ytd).

Credit: While duration is lagging, credit has continued to outperform in Q3 and ytd, with the ML High Yield outperforming the Bloomberg Barclays Agg in both periods. Q3 was led by the S&P Leveraged Loan Index (+3% Q3, +9% ytd), followed by the ML High Yield index (+1% Q3, +6% ytd). With greater duration sensitivity, the ML Investment Grade Index (-3% Q2, 0% ytd) and S&P Nat'l Muni Index (-4% Q3, -1% ytd) were lower for the quarter. Across the credit spectrum, spreads are back to average, which has helped ytd performance, but also leaves less of a cushion if the economic backdrop should deteriorate.

Treasury Yields: The resilience of the US economy thus far has boosted interest rates. The 10yr Treasury ended Q3'23 at 4.57%, up from 3.81% at the end of Q2'23 and where it started the year at 3.88%.

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. As of 6/30, the 10yr was down 7 bps to 3.81% for the year, while the 2yr was up 45 bps to 4.87%. This reversed in Q3, with the 10yr up 76 bps to 4.57%, a much bigger jump than the 17 bps rise, to 5.04%, in the 2yr.
This reflects the market coming to terms with the "hold" in the Fed's "raise and hold" mantra. Thus far, economic data has remained resilient, suggesting the Fed will not be cutting rates in 2024, as had been the expectation.

Global Rates: Globally, interest rates were higher in Q3'23, with the German 10yr yield moving 41 bps higher to 2.82%.

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Major Economic Indicators and Consensus Forecasts

	2023/2024 Average Forecast				Actual		
	12m ch	Sep-23	Jun-23	Sep-22	Aug-23	Avg*	+/- avg
US GDP	0.15	1.35	0.90	1.20	2.24	2.73	-0.49
EU GDP	-0.35	0.70	0.80	1.05	1.28	2.14	-0.86
Japan GDP	0.05	1.40	1.10	1.35	3.04	1.37	1.67
UK GDP	-0.15	0.45	0.45	0.60	0.65	2.71	-2.07
China GDP	-0.15	4.80	5.20	4.95	7.83	16.23	-8.40
US CPI	0.65	3.83	3.83	3.18	3.95	2.29	1.66
EU CPI	0.80	4.05	3.83	3.25	5.86	1.74	4.12
Japan CPI	1.40	2.58	2.40	1.18	3.42	0.50	2.92
China CPI	-1.00	1.30	1.85	2.30	0.00	1.99	-1.99
US UnN	-0.40	4.10	4.15	4.50	3.80	4.20	-0.40
EU UnN	-0.35	6.63	6.75	6.98	6.40	8.00	-1.60
Japan UnN	0.00	2.40	2.40	2.40	2.50	2.70	-0.20
UK UnN	-0.33	4.38	4.40	4.70	4.30	4.20	0.10
China UnN	1.05	5.15	5.13	4.10	5.50	5.10	0.40

Foreign Exchange		Q3'23	2023	2022	2021	2020	2019
Euro		-3%	-1%	-6%	-7%	9%	-2%
Yen (Japan)		-3%	-12%	-13%	-10%	5%	1%
Pound (UK)		-4%	1%	-11%	-1%	3%	4%
Yuan (China)		-1%	-5%	-8%	3%	7%	-1%
Won (S. Korea)		-2%	-6%	-6%	-9%	6%	-4%
Real (Brazil)		-4%	5%	5%	-7%	-23%	-4%
Peso (Mexico)		-1%	12%	5%	-3%	-5%	4%
Commodities		**Q3'23**	**2023**	**2022**	**2021**	**2020**	**2019**
Oil	$91	28%	13%	6%	56%	-21%	35%
Gold	$1,871	-2%	3%	0%	-4%	25%	18%
Copper	$3.73	0%	-2%	-15%	27%	26%	6%

GDP: Shifting economic forecasts show how market expectations have changed in the past year. Compared to June 2023, 2023/2024 blended GDP growth has risen from 0.90% to 1.35%, a reflection of the solid economic data in Q3 and fading recession expectations, at least for now. Globally, however, GDP forecasts are still ticking lower.

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 3.18% to 3.83%. Part of the Fed's reasoning for slowing rate hikes is evident in the inflation forecast being unchanged from three months ago.

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 Q3, as rising interest rates in the US created demand for dollars.

Commodities: Oil reversed course on Q3'23, jumping from $71 to $90/bbl, or 28%. While this is a notable jump, its just 13% higher than $80, where it started the year, and still well below its peak of $122/bbl in June 2022. Even though this uptick in energy prices will exert some upward pressure on inflation, it will not be near the surge that occurred in 2022.

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Index Returns | 2005 to Present

	Q3'23	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Dow	-2.1%	2.7%	-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	-4.1%	26.3%	-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	-5.1%	2.5%	-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	-3.3%	13.1%	-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	-4.2%	4.3%	-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	-4.9%	0.8%	-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	-4.0%	7.6%	-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%
MSCI Emerging Markets	-2.8%	2.2%	-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	-3.3%	10.5%	-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	-2.6%	18.1%	-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	-4.1%	7.6%	-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	-3.2%	-1.2%	-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	-2.7%	0.4%	-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	0.5%	6.0%	-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	-3.6%	-1.0%	-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	3.1%	9.7%	-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	1.3%	3.7%	1.5%	0.0%	0.6%	2.2%	1.8%	0.8%	0.3%	0.0%	0.0%	0.0%	0.1%		0.1%	0.1%		
7-10yr Tsy	-4.4%	-2.9%	-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	Q3'23	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
MSCI Eurozone	-7.2%	10.1%	-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)	-4.7%	10.5%	-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)	1.0%	2.1%	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)	-4.0%	22.1%	-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	-3.3%	-0.2%	-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)	-3.9%	10.2%	-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)	2.0%	9.4%	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)	-6.8%	-3.3%	-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	-5.6%	14.1%	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)	-1.3%	6.2%	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%
Mexico	-5.0%	5.0%	-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	Q3'23	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Consumer Discretionary	-4.8%	26.7%	-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	-6.0%	-4.8%	-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%
Energy	12.2%	6.0%	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	-1.1%	-1.6%	-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%
Healthcare	-2.7%	-4.1%	-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	-5.2%	4.5%	-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%
Technology	-5.6%	34.7%	-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	-4.8%	2.6%	-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	3.1%	40.4%	-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	-9.2%	-14.4%	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.