







Q1

Quarterly Market Review
First Quarter 2023

Quarterly Market Summary

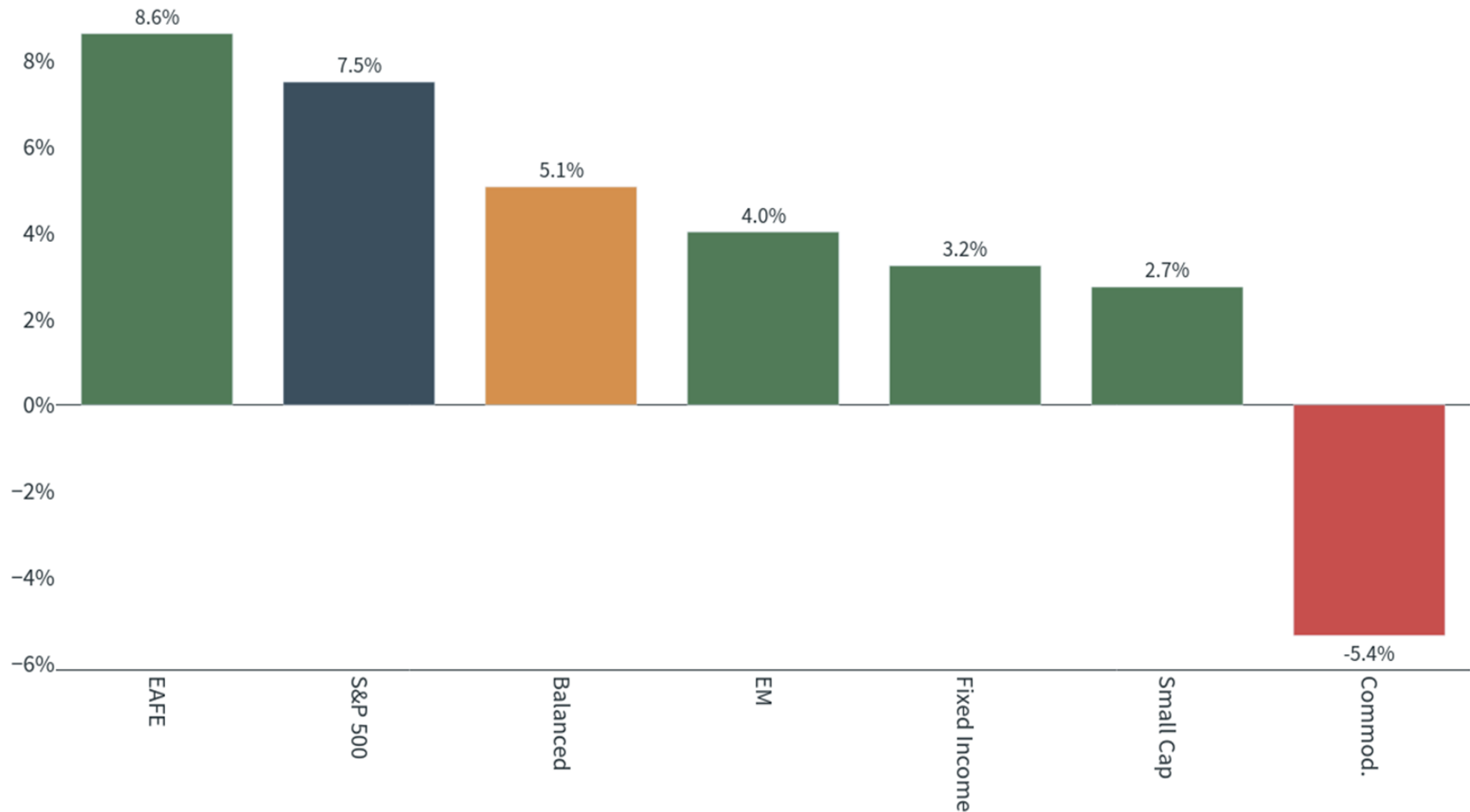
Index returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
Q1 2023	STOCKS					BONDS	
	7.18%	8.02%	3.96%	1.37%		2.96%	2.86%
							
Since Jan. 2001							
Average Quarterly Return	2.2%	1.5%	2.5%	2.2%		0.9%	0.9%
Best Quarter	22.0%	25.9%	34.7%	32.3%		4.6%	4.6%
	2020 Q2	2009 Q2	2009 Q2	2009 Q3		2001 Q3	2008 Q4
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%		-5.9%	-4.1%
	2008 Q4	2020 Q1	2008 Q4	2008 Q4		2022 Q1	2022 Q1

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2023, all rights reserved. Bloomberg data provided by Bloomberg.

Asset Class Performance Year-to-Date

Total Returns



Latest data point is Mar 31, 2023

The Balanced Portfolio is a hypothetical 60/40 portfolio consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

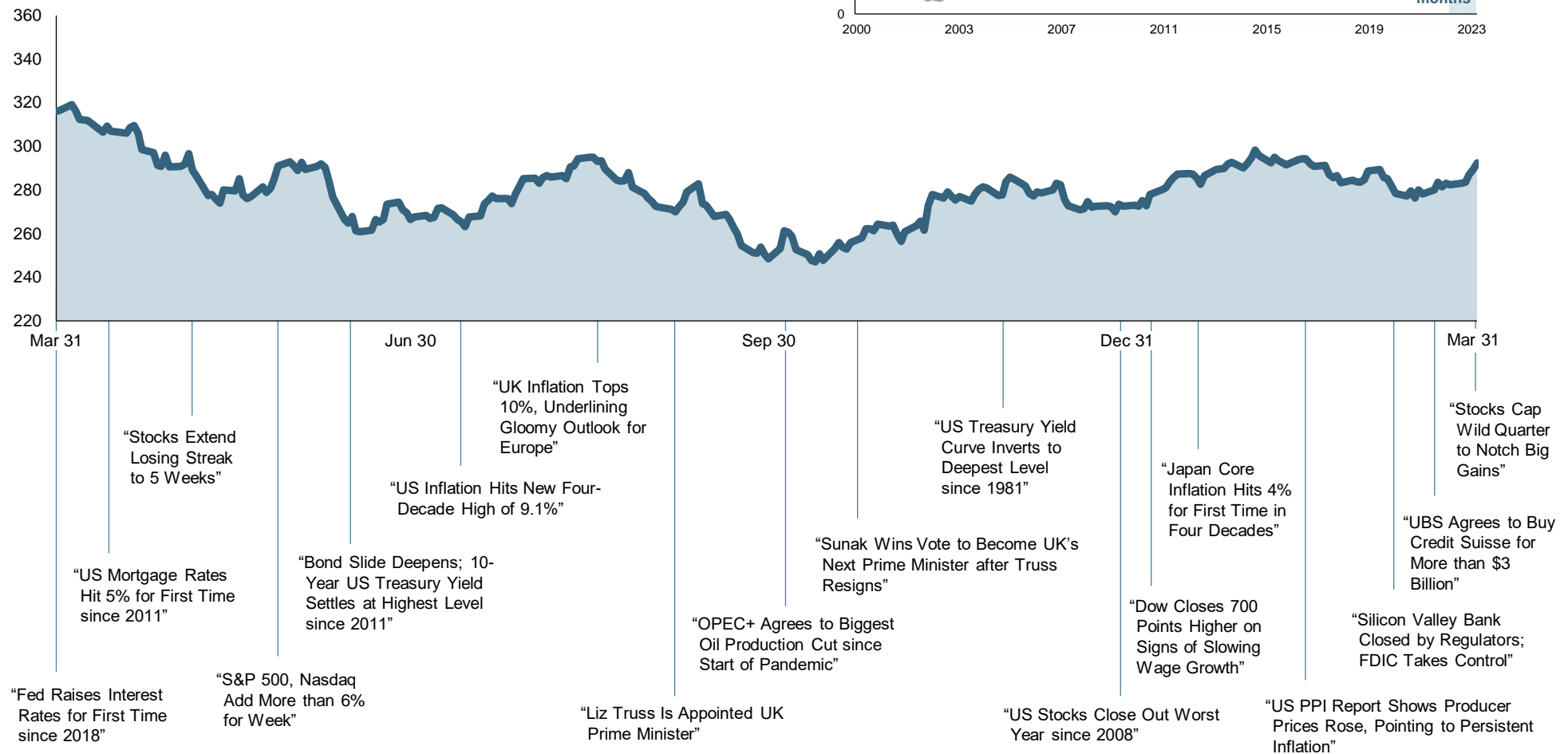
Sources: Clearnomics, Refinitiv

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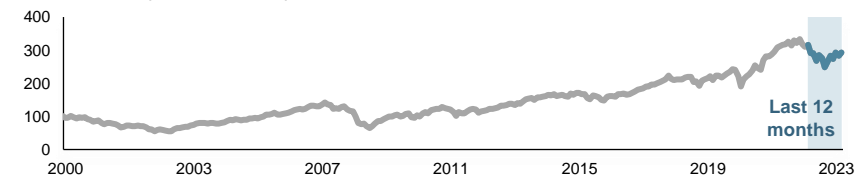
World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months

SHORT TERM (Q2 2022–Q1 2023)



LONG TERM (2000–Q1 2023)



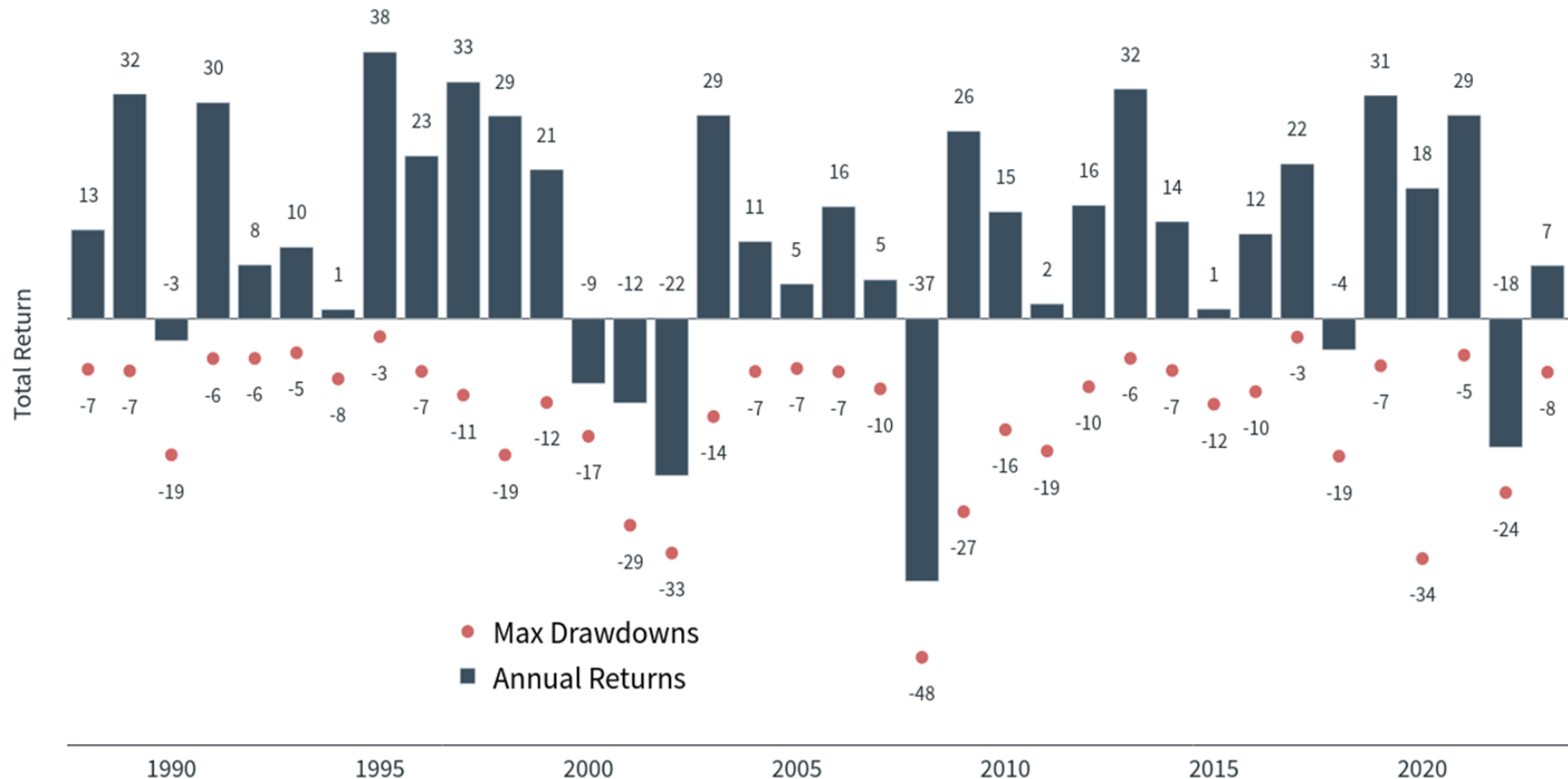
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2023, all rights reserved. Index level based at 100 starting January 2000.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

Total Returns and Pullbacks

S&P 500 Index total returns. Max drawdown represents the biggest intra-year decline



Latest data point is Mar 31, 2023

- This chart shows total returns of the stock market (bars) and the largest intra-year decline (dots) each year.
- The average year sees a significant intra-year drop. However, most years still end in positive territory, especially with dividends.
- Volatility in prices is a normal part of investing. It is important to not forget that investments also generate income.

Source: Clearnomics, Standard & Poor's

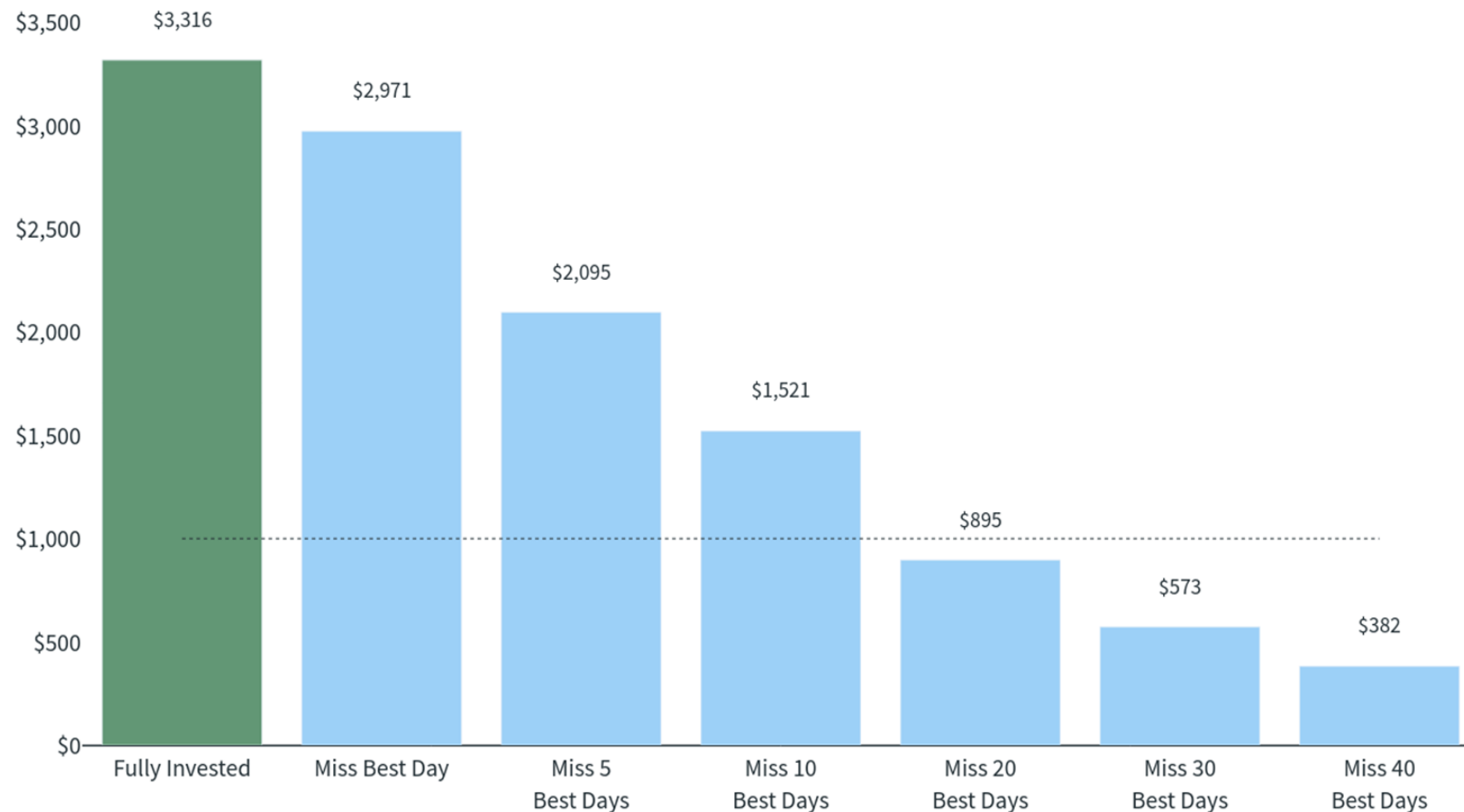


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Staying Invested: Missing the Best Days

The impact of missing the best market days over the past 25 years

Based on an initial \$1,000 investment using S&P 500 returns before transaction costs



Latest data point is Mar 31, 2023

- Staying invested is a key principle of long-term financial success.
- This chart shows the impact of missing the best market days over the past 25 years.
- Staying invested through ups and downs can make a significant difference in final investment outcomes.

Sources: Clearnomics, Standard & Poor's

Stock Market Cycles

S&P 500 Index over the past 50 years (Log Scale)



Latest data point is Mar 31, 2023

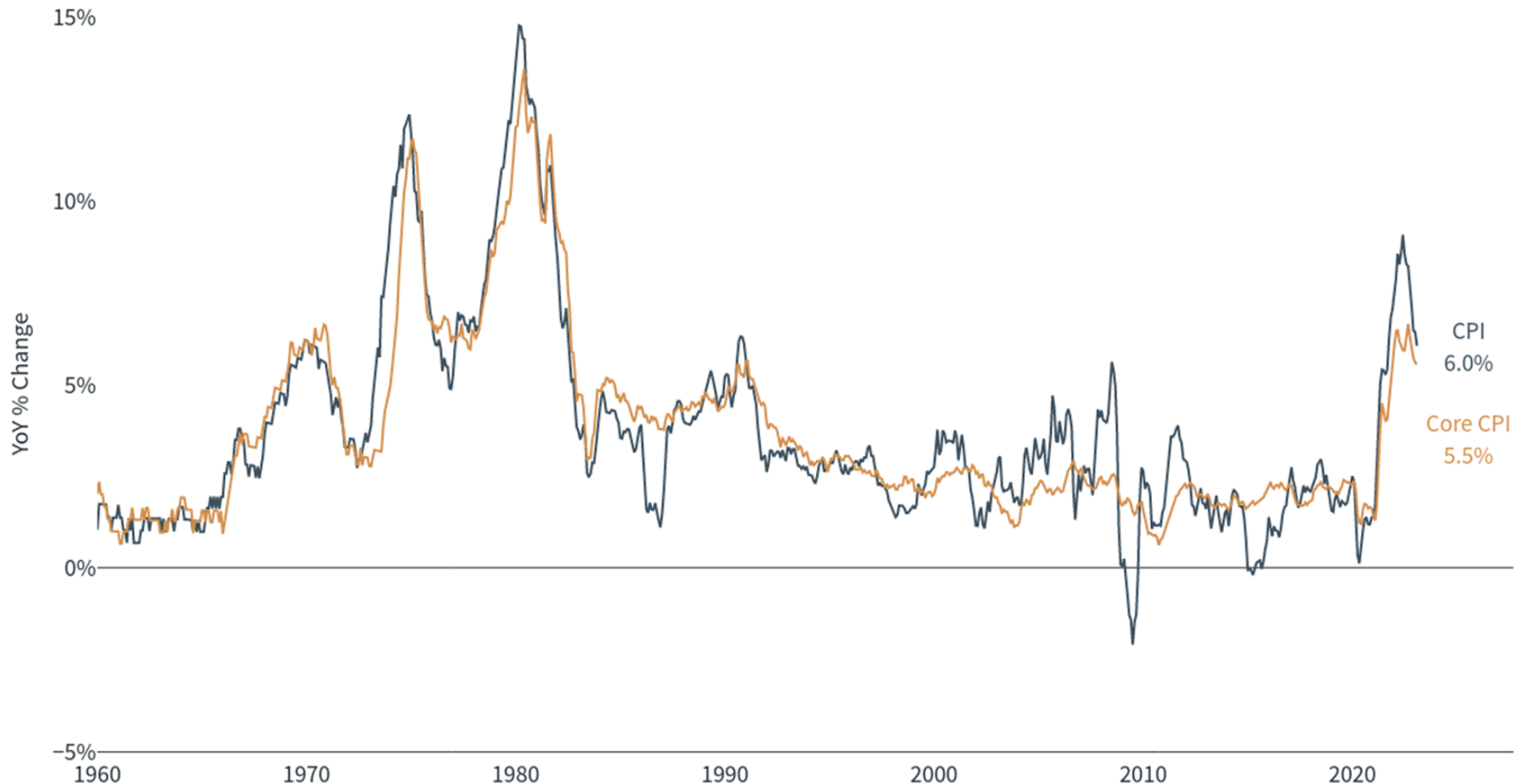
- As this chart shows (log scale), the stock market has performed well over the past 50 years despite short-term ups and downs.
- These periods of turbulence were due to economic, political and global turmoil during those decades.
- This emphasizes the importance of staying invested, rather than focusing on days or months, especially as volatility rises.

Sources: Clearnomics,
Standard & Poor's

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Consumer Price Index

CPI and Ex Food and Energy, YoY % Change



Latest data point is Feb 2023

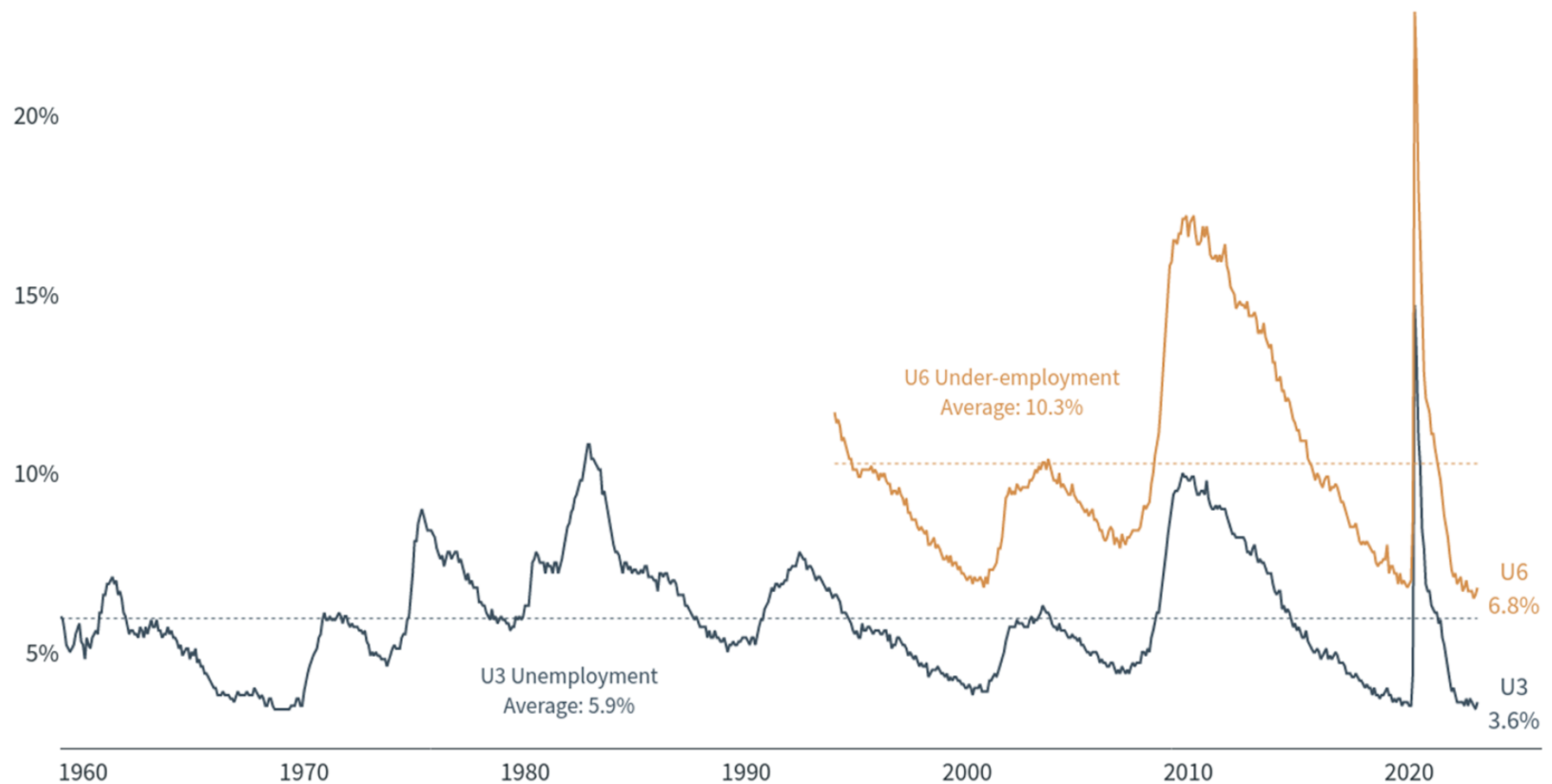
- CPI is a commonly cited measure of inflation. It uses a basket of goods and services to track price changes for consumers.
- In order to measure the underlying trend in inflation, rather than temporary shocks to food and energy, economists often focus on core CPI.
- Inflation has been cooling but services inflation remains problematic due to shelter costs.

Sources: Clearnomics,
Bureau of Labor Statistics

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Unemployment Rates

U-3 unemployment and U-6 under-employment rates, since 1960



Latest data point is Feb 2023

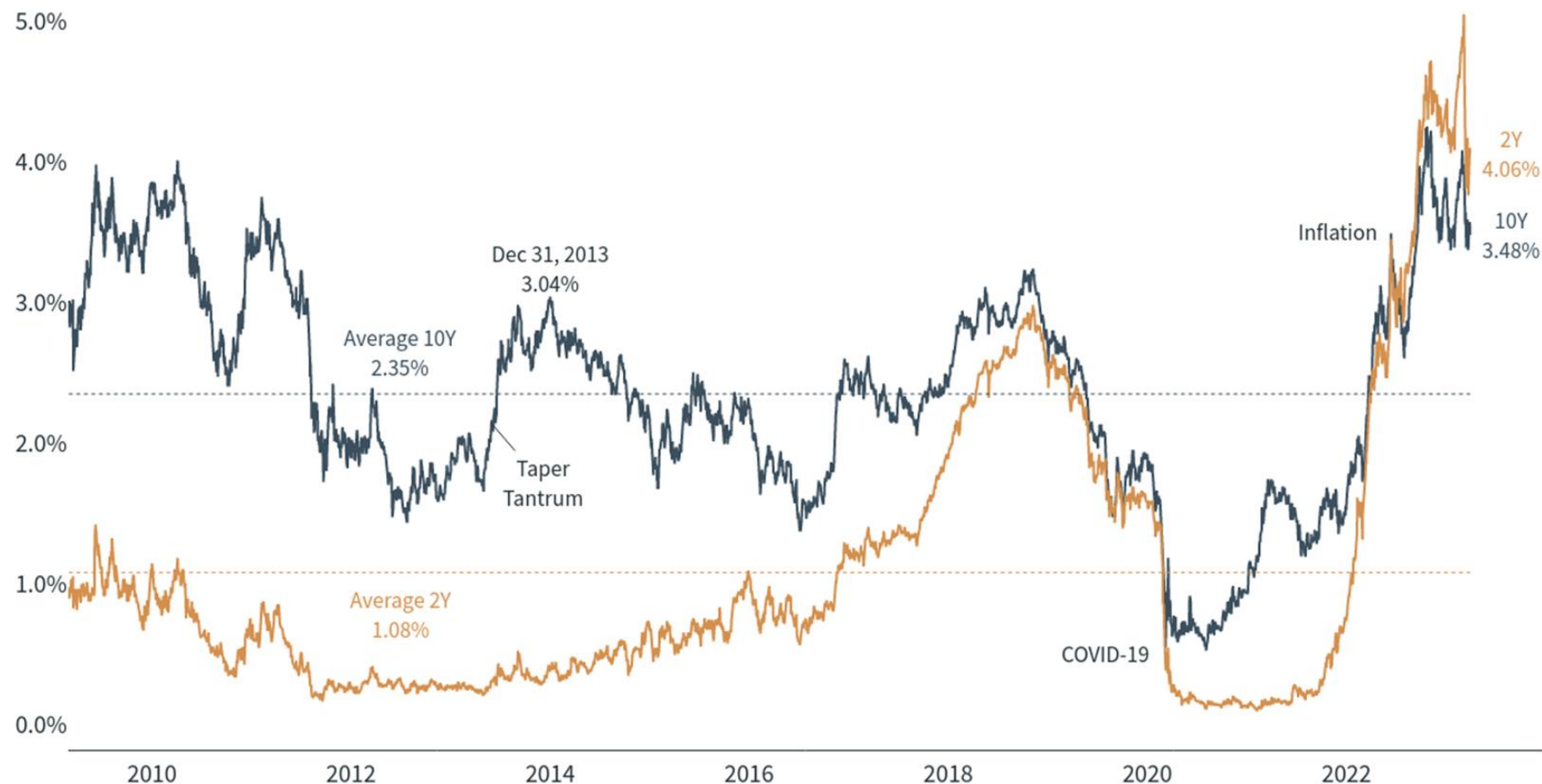
- Unemployment is near the lowest in over 50 years despite rising rates and a broader economic slowdown.
- Even the so-called under-employment rate has fallen to near historic lows as jobs remain plentiful.
- The balance between unemployment and inflation is a tricky one that the Fed is attempting to navigate.

Sources: Clearnomics,
Bureau of Labor Statistics

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Interest Rates

10-year and 2-year yields since 2010



Latest data point is Mar 31, 2023

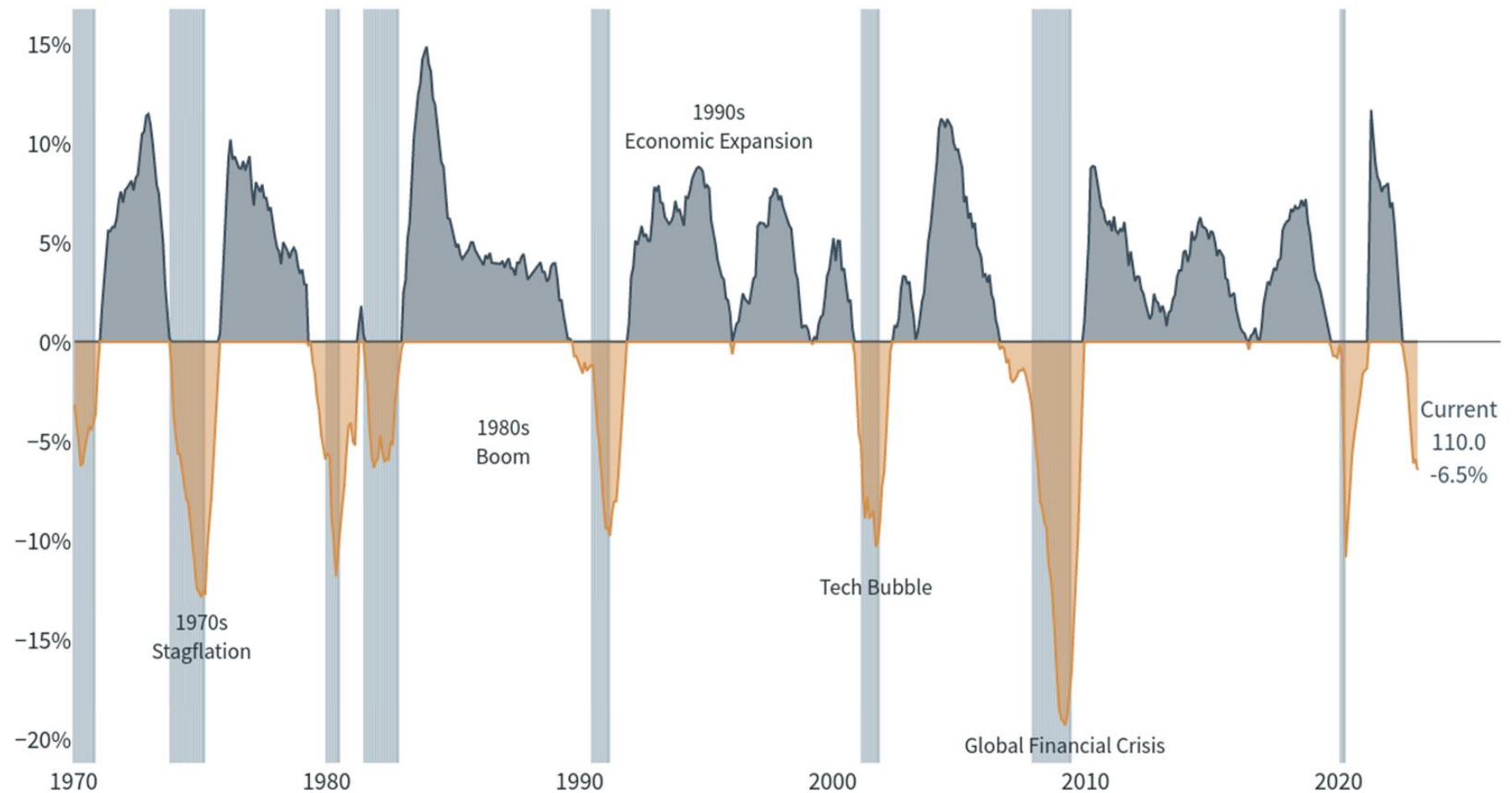
- Many interest rates have risen over the past year as inflation remains hot.
- The 10-year Treasury yield has been volatile as the possibility of a recession looms.

Sources: Clearnomics,
Federal Reserve

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Leading Economic Indicators

Conference Board LEI year-over-year percent change
Recessions are shaded



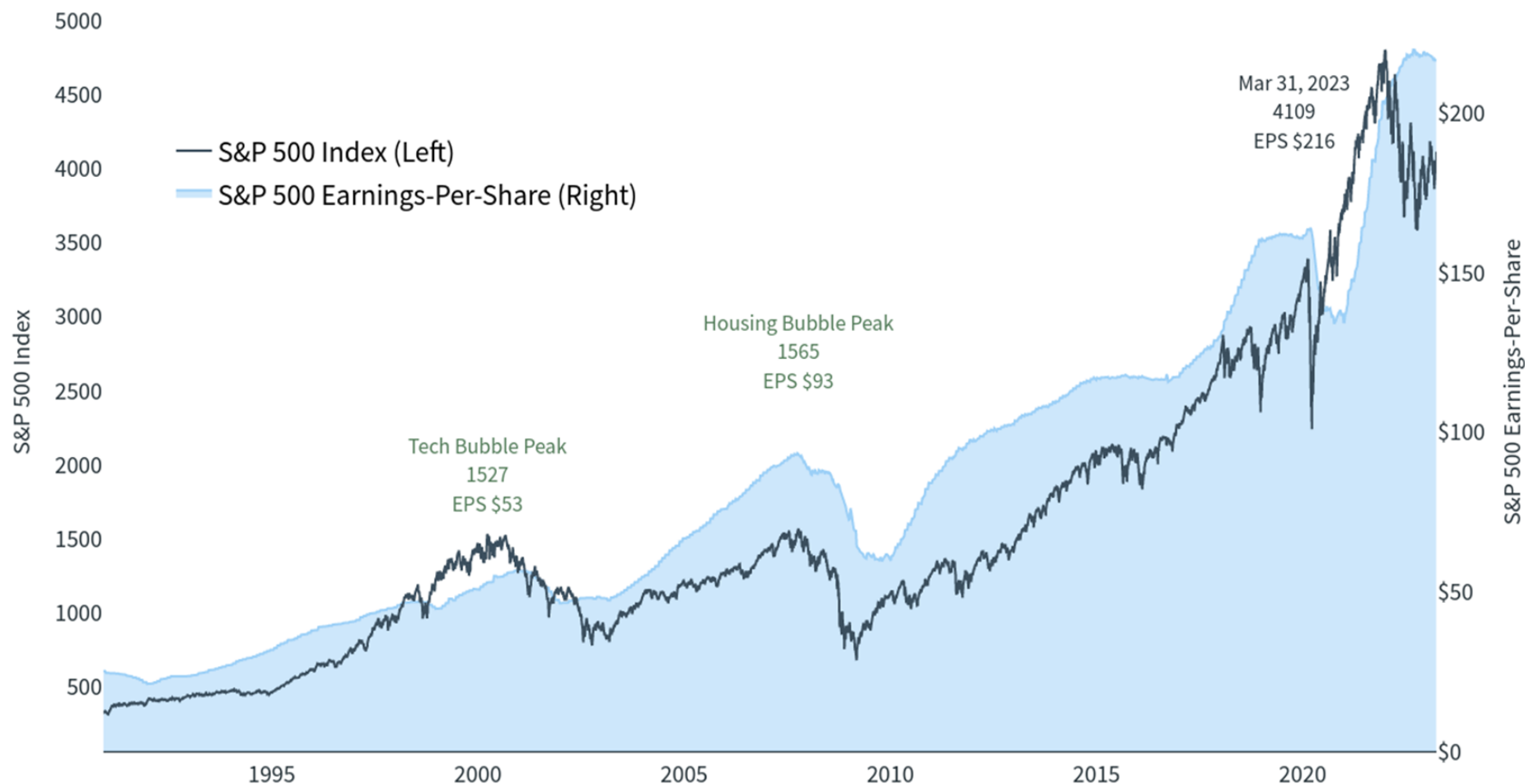
Latest data point is Feb 2023

- This chart shows the year-over-year percent change in an index of leading economic indicators.
- This indicator usually turns negative several months before a recession as the economy decelerates.
- This pattern is also evident over the prior seven recessions and is the result of the economic cycle.

Sources: Clearnomics,
Conference Board,
NBER, Refinitiv
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The Stock Market and Earnings

S&P 500 Index price and trailing earnings-per-share since 1990



Latest data point is Mar 31, 2023

- This chart shows the S&P 500 index alongside its trailing 12 months earnings-per-share.
- Over the long run, the stock market tends to follow earnings. If earnings are rising, investors are willing to pay more per share.
- Earnings, in turn, tend to track economic growth. Thus, a healthy economy tends to result in a rising stock market.

Sources: Clearnomics, Refinitiv,
Standard & Poor's

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