

Market Facts and Figures from Q2 2023

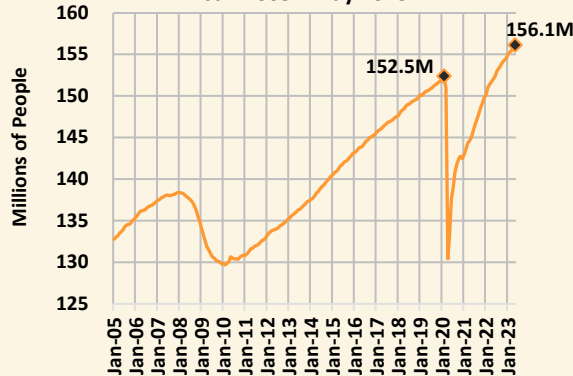
Large growth stocks led the US market by a wide margin for the second straight quarter.

2023 2Q US Returns (Russell Indices)

| | Value | Core | Growth |
|-------|-------|------|--------|
| Large | 4.1% | 8.6% | 12.8% |
| Mid | 3.9% | 4.8% | 6.2% |
| Small | 3.2% | 5.2% | 7.1% |

Total US employment has fully recovered from its pandemic-driven decline.

Total US Non-Farm Employees
Jan 2005 - May 2023



Best and Worst Markets

Developed Markets

| Top 3 | 2023 2Q | Bottom 3 | 2023 2Q |
|-------|---------|-------------|---------|
| Italy | 8.21% | New Zealand | -6.01% |
| Japan | 6.42% | Belgium | -6.12% |
| Spain | 5.57% | Finland | -8.09% |

Emerging Markets

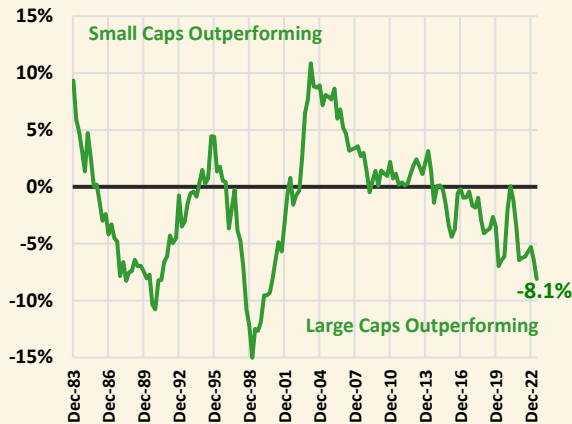
| Top 3 | 2023 2Q | Bottom 3 | 2023 2Q |
|-----------|---------|----------|---------|
| Argentina | 35.72% | Malaysia | -8.37% |
| Hungary | 24.77% | China | -9.71% |
| Poland | 24.49% | Turkey | -10.67% |

Frontier Markets

| Top 3 | 2023 2Q | Bottom 3 | 2023 2Q |
|---------|---------|----------|---------|
| Morocco | 17.16% | Jordan | -5.61% |
| Serbia | 11.92% | Kenya | -11.00% |
| Romania | 9.59% | Nigeria | -25.54% |

The 5-year margin of outperformance by large caps versus small caps is at its largest since the 1990s.

Rolling 5-Year Return Differential
Russell 2000 minus S&P 500



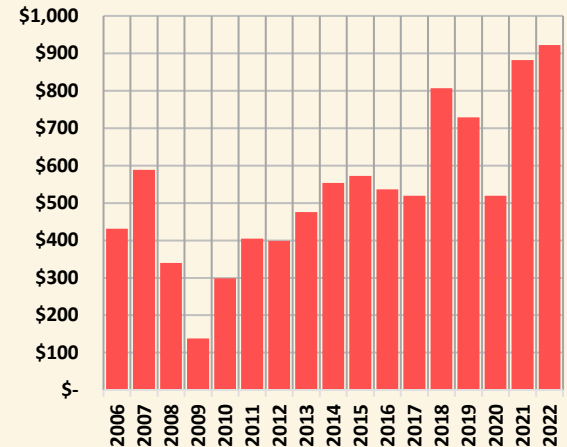
Construction spending on manufacturing in the US has shot up over the past 18 months.

US Construction Spending
On Manufacturing (\$Billions)



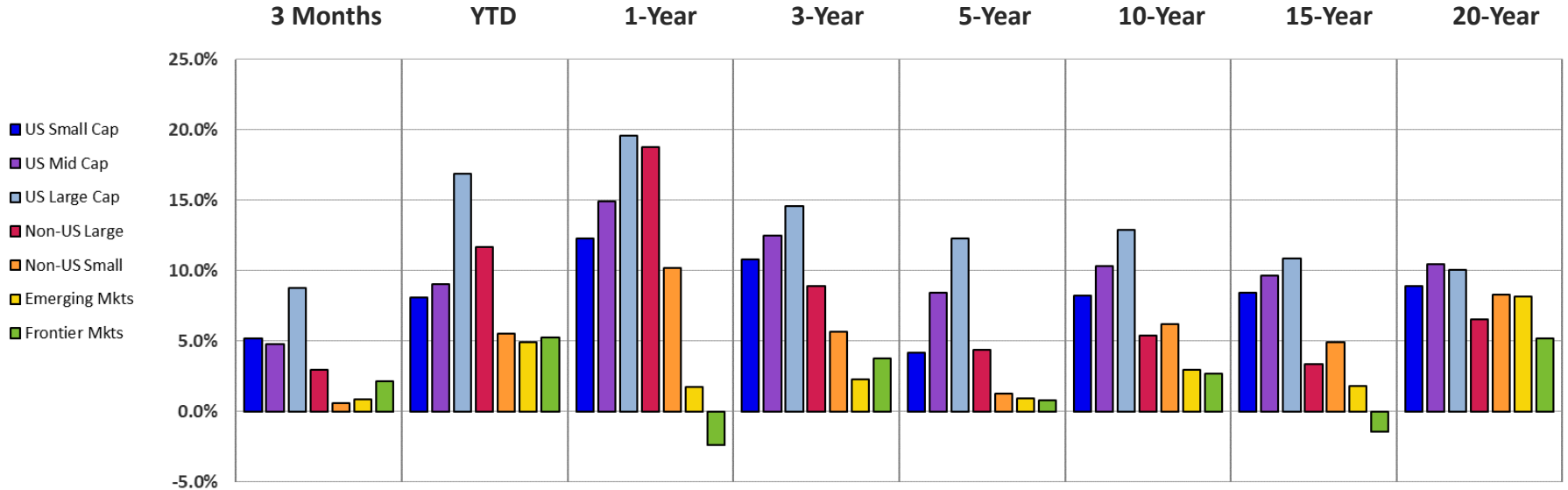
S&P 500 companies bought back close to \$1 trillion of their own stock last year.

S&P 500 Annual Stock Buybacks (\$bil)



World Equity Performance

Quarter Ending June 30, 2023

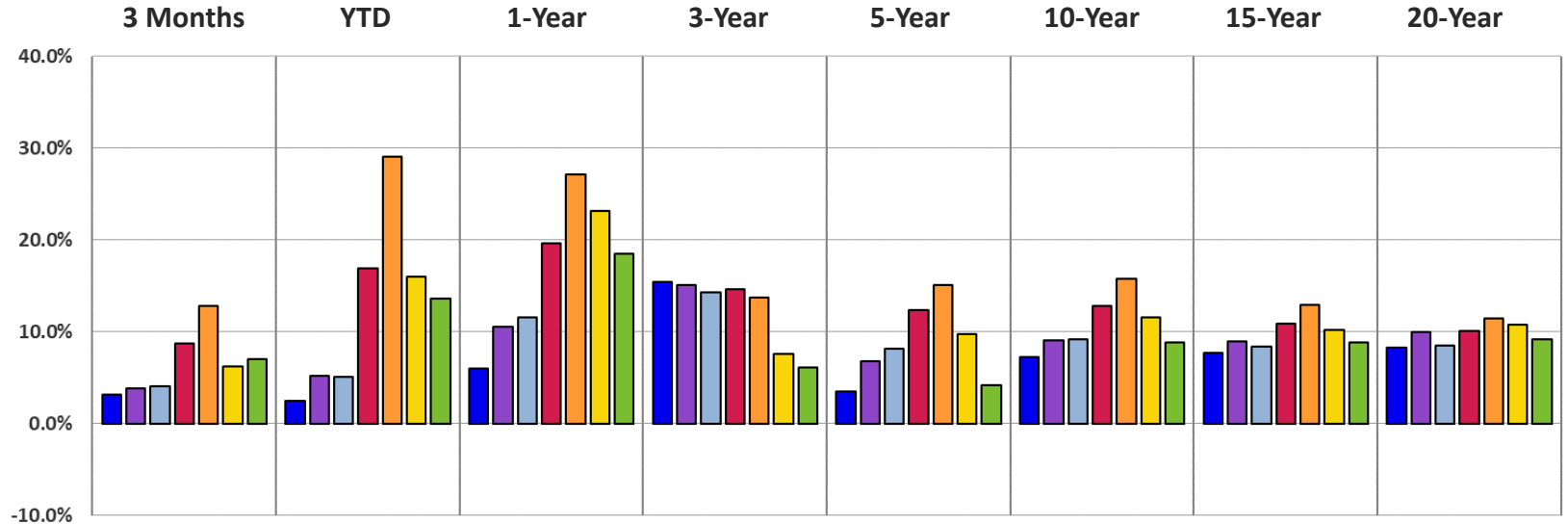


| | | | | | | | | |
|----------------------|------|-------|-------|-------|-------|-------|-------|-------|
| US Small Cap | 5.2% | 8.1% | 12.3% | 10.8% | 4.2% | 8.3% | 8.4% | 8.9% |
| US Mid Cap | 4.8% | 9.0% | 14.9% | 12.5% | 8.5% | 10.3% | 9.6% | 10.5% |
| US Large Cap | 8.7% | 16.9% | 19.6% | 14.6% | 12.3% | 12.9% | 10.9% | 10.0% |
| Non-US Large | 3.0% | 11.7% | 18.8% | 8.9% | 4.4% | 5.4% | 3.4% | 6.5% |
| Non-US Small | 0.6% | 5.5% | 10.2% | 5.7% | 1.3% | 6.2% | 4.9% | 8.3% |
| Emerging Mkts | 0.9% | 4.9% | 1.7% | 2.3% | 0.9% | 3.0% | 1.8% | 8.2% |
| Frontier Mkts | 2.1% | 5.3% | -2.3% | 3.8% | 0.8% | 2.7% | -1.4% | 5.2% |

Global equity markets were up again in the second quarter. US large cap stocks were the top performers, up 8.7%. International small caps, emerging and frontier markets stocks were relative laggards. Despite investor fears of a looming recession, the global economy has been resilient thus far - the Global PMI index continued to tick upward in Q2, with a reading of 54.4 in May (a number above 50 indicates economic expansion).

U.S. Equity Style Performance

Quarter Ending June 30, 2023

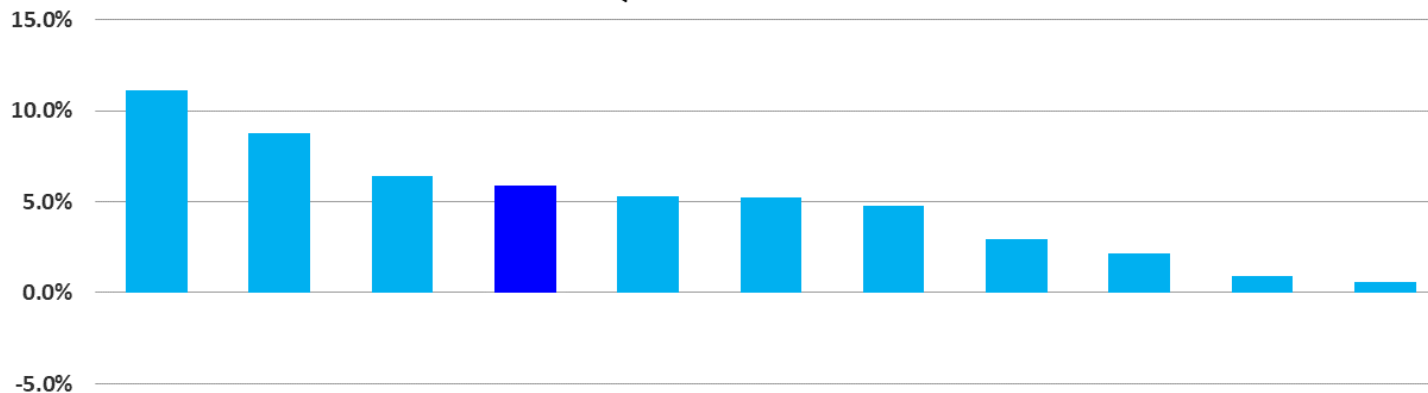


| | | | | | | | | |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Small Value | 3.2% | 2.5% | 6.0% | 15.4% | 3.5% | 7.3% | 7.7% | 8.3% |
| Mid Value | 3.9% | 5.2% | 10.5% | 15.0% | 6.8% | 9.0% | 9.0% | 10.0% |
| Large Value | 4.1% | 5.1% | 11.5% | 14.3% | 8.1% | 9.2% | 8.4% | 8.5% |
| S&P 500 | 8.7% | 16.9% | 19.6% | 14.6% | 12.3% | 12.9% | 10.9% | 10.0% |
| Large Growth | 12.8% | 29.0% | 27.1% | 13.7% | 15.1% | 15.7% | 12.9% | 11.5% |
| Mid Growth | 6.2% | 15.9% | 23.1% | 7.6% | 9.7% | 11.5% | 10.2% | 10.7% |
| Small Growth | 7.1% | 13.6% | 18.5% | 6.1% | 4.2% | 8.8% | 8.9% | 9.2% |

Growth stocks dominated the US stock market for a second straight quarter. The Russell 1000 Growth index was up 12.8% in Q2 and is now up nearly 30% for the year-to-date, outpacing any other style category by a wide margin. The large growth index has become highly concentrated, with the 6 largest stocks accounting for 43% of the benchmark as of the end of May (Apple 13%, Microsoft 12%, Google 5.9%, Amazon 5.2%, NVIDIA 4.4% and Tesla 2.6%).

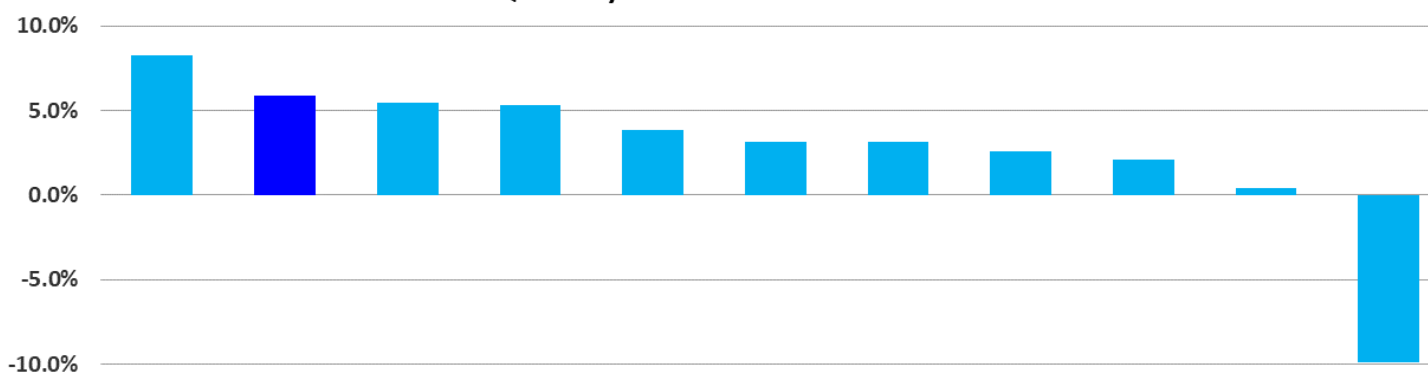
Equity Performance Breakdown

2023 2Q World Index Returns



| | S&P 100 | S&P 500 | MSCI Emrg Small Cap | MSCI ACWI IMI | Russell Micro Cap | Russell 2000 | Russell Mid Cap | MSCI EAFE | MSCI Frontier Markets | MSCI Emerging Markets | MSCI EAFE Small Cap |
|-----------------------|---------|---------|---------------------|---------------|-------------------|--------------|-----------------|-----------|-----------------------|-----------------------|---------------------|
| 2023 2Q Return | 11.1% | 8.7% | 6.4% | 5.9% | 5.3% | 5.2% | 4.8% | 3.0% | 2.1% | 0.9% | 0.6% |

2023 2Q Country Returns for the MSCI ACWI IMI



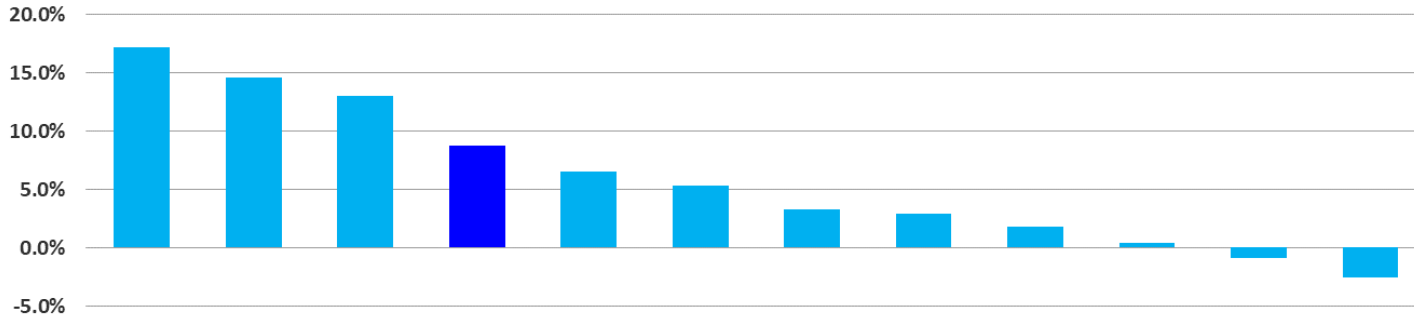
| | U.S. | MSCI ACWI IMI Index | Japan | Taiwan | Switzerland | France | Canada | Germany | United Kingdom | Australia | China |
|-----------------------|-------|---------------------|-------|--------|-------------|--------|--------|---------|----------------|-----------|-------|
| 2023 2Q Return | 8.3% | 5.9% | 5.4% | 5.3% | 3.8% | 3.2% | 3.1% | 2.6% | 2.1% | 0.4% | -9.9% |
| Weight in ACWI | 60.9% | - | 6.0% | 1.8% | 2.4% | 2.9% | 2.9% | 2.1% | 3.7% | 1.9% | 2.9% |

US mega cap stocks were the top performers for a second consecutive quarter, with the S&P 100 up double digits again in Q2. The US economy currently has both a lower rate of inflation and a higher rate of real GDP growth than their G7 country peers.

The US was the only major market that outpaced the MSCI ACWI IMI Index as a whole in the second quarter. China was the standout on the downside, with the Chinese market down almost -10% in Q2. Tensions between the US and China have been one contributor to an increase in US construction spending, as some companies continue the trend of “re-shoring” operations (or in some cases “friend-shoring” to more politically-friendly markets).

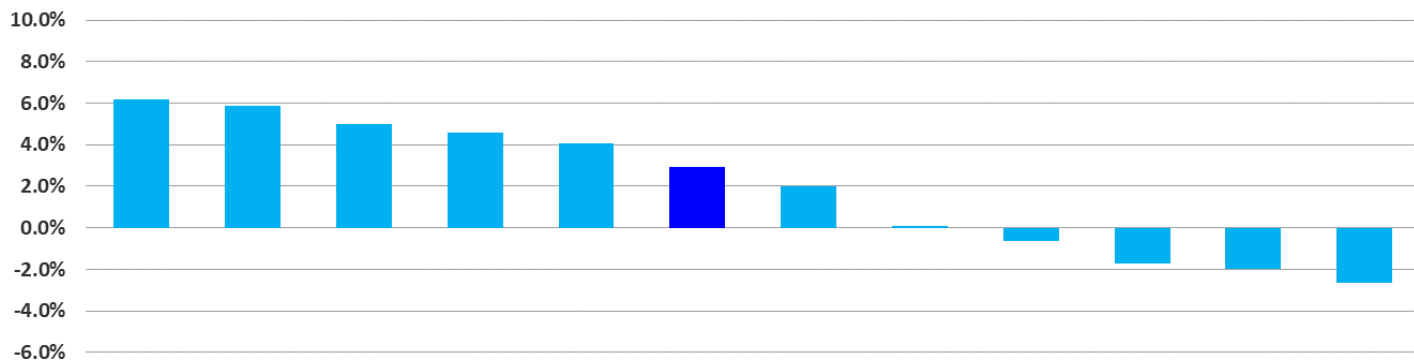
Equity Performance Breakdown

2023 2Q Sector Returns for the S&P 500



| | Technology | Consumer Discretionary | Communic. Services | S&P 500 Index | Industrials | Financials | Materials | Health Care | Real Estate | Consumer Staples | Energy | Utilities |
|--------------------------|------------|------------------------|--------------------|---------------|-------------|------------|-----------|-------------|-------------|------------------|--------|-----------|
| 2023 2Q Return | 17.2% | 14.6% | 13.1% | 8.7% | 6.5% | 5.3% | 3.3% | 3.0% | 1.8% | 0.5% | -0.9% | -2.5% |
| Weight in S&P | 28.3% | 10.7% | 8.4% | - | 8.5% | 12.4% | 2.5% | 13.4% | 2.5% | 6.7% | 4.1% | 2.6% |

2023 2Q Sector Returns for the MSCI EAFE



| | Industrials | Technology | Consumer Discretionary | Financials | Utilities | MSCI EAFE Index | Health Care | Energy | Consumer Staples | Materials | Real Estate | Communic. Services |
|-----------------------|-------------|------------|------------------------|------------|-----------|-----------------|-------------|--------|------------------|-----------|-------------|--------------------|
| 2023 2Q Return | 6.2% | 5.9% | 5.0% | 4.6% | 4.0% | 3.0% | 2.0% | 0.1% | -0.6% | -1.7% | -2.0% | -2.6% |
| Weight in EAFE | 16.2% | 8.2% | 12.6% | 18.3% | 3.5% | - | 13.2% | 4.2% | 10.1% | 7.4% | 2.3% | 4.1% |

The more growth-oriented Technology, Consumer Discretionary, and Communication Services sectors led the US market in the second quarter. Nine out of 11 sectors were positive in the second quarter, with the Energy and Utilities sectors experiencing a small decline. US consumer sentiment has rebounded over the past year – the measure reached its lowest point since at least 2001 with a value of 50 in June 2022, but had risen to 63.9 by the end of Q2 2023.

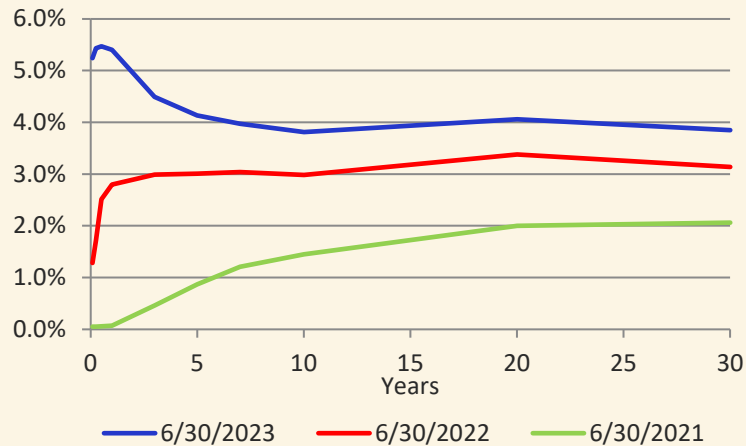
In sector terms, there were not any real standouts for the EAFE index in the second quarter, with a difference of less than 9% between the top (Industrials, +6.2%) and bottom (Communication Services, -2.6%) sectors. The Financial sector was up +4.6% as European markets adjusted to the aftermath of the surprising collapse of Credit Suisse in late March.

Fixed Income Performance

| Fixed Income Rates of Return | | 2023 2Q | YTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--------------------------------|---------------------------------|---------|-------|--------|---------|--------|---------|
| Broad Market Indices | Bloomberg US Aggregate TR | -0.84% | 2.09% | -0.94% | -3.96% | 0.77% | 1.52% |
| | Bloomberg US Govt/Credit TR | -0.93% | 2.21% | -0.70% | -4.11% | 1.03% | 1.66% |
| Intermediate Indices | Bloomberg US Int Agg TR | -0.75% | 1.62% | -0.60% | -2.89% | 0.83% | 1.33% |
| | Bloomberg US Govt/Credit Int TR | -0.81% | 1.50% | -0.10% | -2.46% | 1.23% | 1.41% |
| Government Only Indices | FTSE 3 Month Treasury | 1.25% | 2.39% | 3.75% | 1.33% | 1.57% | 0.98% |
| | Bloomberg US Govt 1-3 Yr TR | -0.58% | 1.00% | 0.17% | -1.11% | 0.93% | 0.76% |
| | Bloomberg US Govt Int TR | -1.12% | 1.11% | -0.99% | -2.85% | 0.82% | 0.93% |
| | Bloomberg US TIPS TR | -1.42% | 1.87% | -1.40% | -0.12% | 2.49% | 2.08% |
| | Bloomberg US Govt Long TR | -2.29% | 3.73% | -6.79% | -12.02% | -0.88% | 1.81% |
| Municipal Indices | Bloomberg US Municipal TR | -0.10% | 2.67% | 3.19% | -0.58% | 1.84% | 2.68% |
| | Bloomberg US Municipal 1 Yr TR | 0.08% | 1.14% | 1.24% | 0.26% | 1.05% | 0.91% |
| | Bloomberg US Municipal 10 Yr TR | -0.59% | 2.16% | 4.03% | -0.23% | 2.29% | 2.92% |
| | Bloomberg US Municipal 20 Yr TR | 0.34% | 3.57% | 4.22% | -0.56% | 2.20% | 3.43% |
| Mortgage Backed Indices | Bloomberg US MBS TR | -0.64% | 1.87% | -1.52% | -3.73% | 0.03% | 1.13% |
| Corporate Bond Indices | Bloomberg US Credit TR | -0.31% | 3.13% | 1.39% | -3.38% | 1.65% | 2.51% |
| | Bloomberg US High Yield TR | 1.75% | 5.38% | 9.06% | 3.13% | 3.36% | 4.43% |
| World Bond Indices | FTSE World Government Bond | -1.79% | 1.66% | -2.49% | -6.49% | -2.04% | -0.48% |
| | Bloomberg EM USD Sovereign TR | 1.58% | 3.64% | 7.08% | -3.41% | 0.51% | 2.50% |

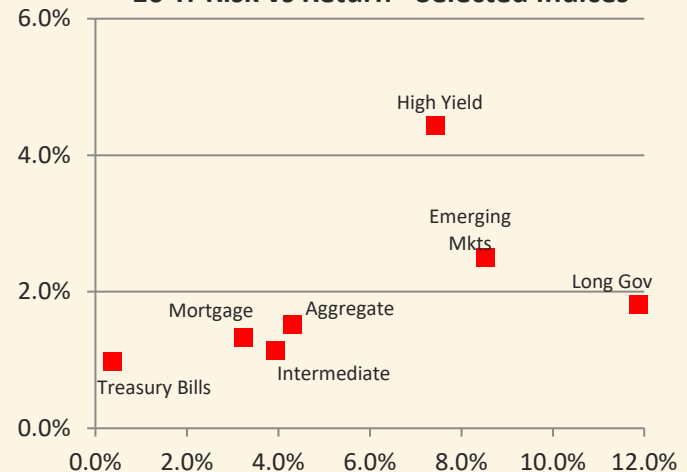
Source: Morningstar Advisor Workstation

United States Yield Curve



Source: United States Treasury

10 Yr Risk vs Return - Selected Indices

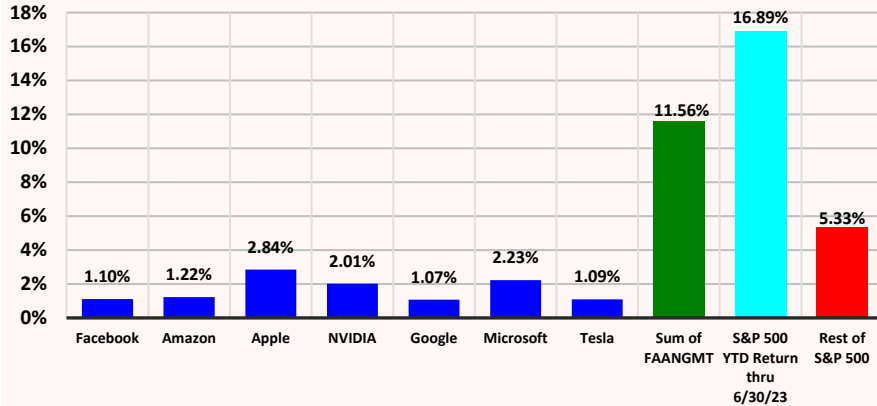


MARKET MICROSCOPE – The S&P 500’s Return Has Been Concentrated Towards The Top In 2023

The S&P 500 was up nearly 17% in the first half of 2023, a result that was heavily influenced by a small group of larger stocks.

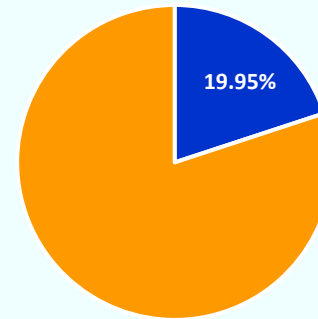
Just 7 stocks – Facebook (Meta), Amazon, Apple, NVIDIA, Google (Alphabet), Microsoft & Tesla - have accounted for almost 70% of the index’s YTD return.

Estimated Contribution to S&P 500 YTD Return as of 6/30/2023

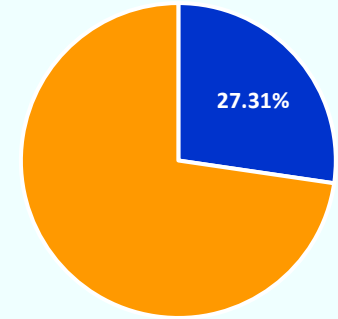


Those 7 stocks started the year as roughly 20% of the index, and by the end of May they had grown to represent 27.3% of the S&P 500.

S&P 500 as of 12/31/22



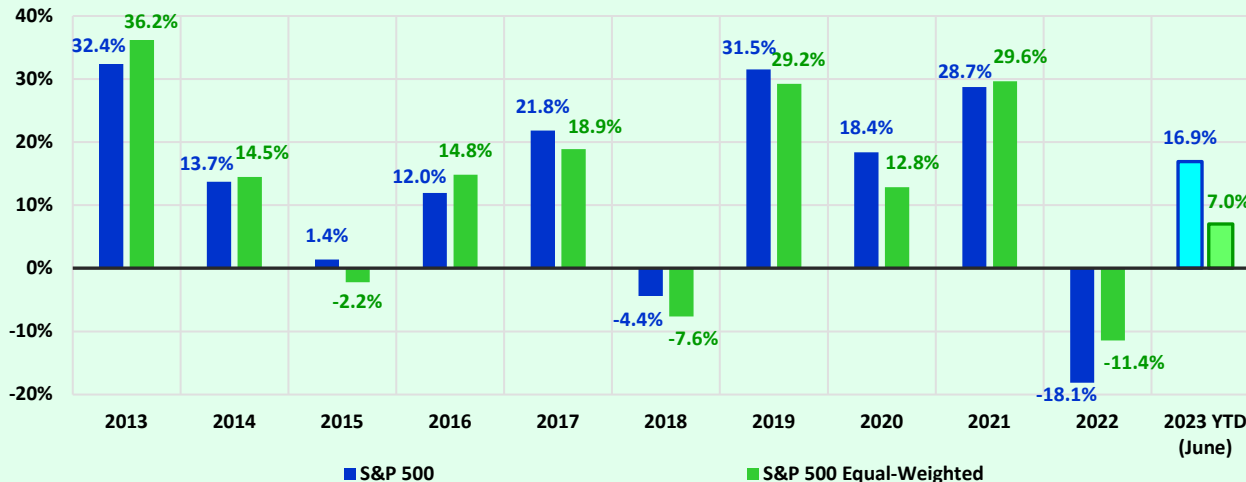
S&P 500 as of 5/31/23



■ FAANGMT ■ Rest of S&P 500

■ FAANGMT ■ Rest of S&P 500

Calendar Year Returns: S&P 500 vs S&P 500 Equal-Weighted



The top-heavy nature of the index’s YTD return is also reflected in the large spread between the return of the cap-weighted S&P 500 index and the equally-weighted S&P 500 index. The standard index outperformed by a margin of nearly 10% in the first half of the year thanks to the strong performance of the larger stocks.