First Quarter 2023
Investment Review

The Episcopal Diocese of Vermont

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Securities Offered Through
Raymond James Financial Services, Inc.
Member FINRA/SIPC

Quarterly Performance Summary

During the 1st quarter of 2023 we saw a rotation back to more growth-oriented sectors, benefitting the Diocese of Vermont Endowment account with a gain of 6.42% during the quarter. This is in line with the benchmark, and slightly ahead of the alternative benchmark.

The year started with a focus on inflation, and the question of when the Fed might begin to ease interest rates. However, in March, the focus quickly turned to a panic in the banking sector due to a "run on the bank" at Silicon Valley Bank. Although the news in the banking sector will continue to develop, the government has demonstrated that they will use every resource to be sure the banking sector remains stable. This volatility caused a flight to safety, and the yield on the 10 year bond dropped precipitously from approximately 4% at the beginning of March, to 3.49% at the end of the March. During the quarter your bond portfolio performed well gaining 5.13% versus the benchmark return of 2.47%. The portfolio held a Credit Suisse bond, which we tendered at the end of March.

In the stock portfolio we trimmed many of the stocks in the technology sector (Microsoft, Alphabet, Broadcom, Apple, Advanced Micro Devices) and established positions in CVS Health and TD Synnex Corp.

We will continue to maintain a healthy amount of liquidity in the portfolio so that the 5% annual distribution to shareholders is not impacted by market volatility. While we are confident that markets will move up over the long term, we are expecting continued volatility throughout the year.

Investment Return Summary

First Quarter (12/31/2022 - 3/31/2023)			
December 31, 2022 Value:	$29,935,543	First Quarter Return:	6.42%
Net Cash Flows	($432,896)	Benchmark Return*:	6.46%
Investment Gain (Loss):	$1,948,065	Alternative Benchmark Return**:	6.24%
March 31, 2023 Value:	$31,450,712		

Year to Date Period (12/31/2022 - 3/31/2023)			
December 31, 2022 Value:	$29,935,543	Year to Date Return:	6.42%
Net Cash Flows	($432,896)	Benchmark Return*:	6.46%
Investment Gain (Loss):	$1,948,065	Alternative Benchmark Return**:	6.24%
March 31, 2023 Value:	$31,450,712		

One Year Period (3/31/2022 - 3/31/2023)			
March 31, 2022 Value:	$35,824,239	One Year Return:	-8.66%
Net Cash Flows	($1,308,746)	Benchmark Return*:	-6.50%
Investment Gain (Loss):	($3,064,780)	Alternative Benchmark Return**:	-5.24%
March 31, 2023 Value:	$31,450,712		

Two Year Period (3/31/2021 - 3/31/2023)			
March 31, 2021 Value:	34,483,978.00	Two Year Return:	-1.10%
Net Cash Flows	(2,667,204.36)	Benchmark Return*:	1.78%
Investment Gain (Loss):	(366,061.32)	Alternative Benchmark Return**:	1.81%
March 31, 2023 Value:	31,450,712.00		

Three Year Period (3/31/2020 - 3/31/2023)			
March 31, 2020 Value:	$25,068,215	Three Year Return:	11.09%
Net Cash Flows	($3,379,038)	Benchmark Return*:	12.92%
Investment Gain (Loss):	$9,761,535	Alternative Benchmark Return**:	13.39%
March 31, 2023 Value:	$31,450,712		

Five Year Period (3/31/2018 - 3/31/2023)			
March 31, 2018 Value:	$26,495,047	Five Year Return:	7.09%
Net Cash Flows	($6,002,529)	Benchmark Return*:	8.95%
Investment Gain (Loss):	$10,958,195	Alternative Benchmark Return**:	8.28%
March 31, 2023 Value:	$31,450,712		

Note: Due to the IPS change in March 2016, periods beginning prior to 03/31/2016 do not reflect current investments and are omitted.

* The Basic Benchmark Return is weighted to the Bloomberg Barclays US Aggregate Bond Index and the Standard & Poor's 500 Index based on the actual portfolio allocation.

** The Alternative Benchmark Return is weighted among the Bloomberg Barclays US Aggregate Bond Index, the Bloomberg Barclays US Govt/Credit 1-3 Year Index, the Bloomberg Barclays US Intermediate Credit Index, the FTSE Treasury Bill 1 Month Index, the MSCI EAFE Index, the Russell 2000 Index and the Standard & Poor's 500 Index based on actual portfolio allocation.

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Account Activity Summary

All information as of March 31, 2023

	First Quarter	YTD	Last 12 Months	Last 2 Years	Last 3 Years	Last 5 Years
Beginning Market Value	**$29,935,543**	**$29,935,543**	**$35,824,239**	**$34,483,978**	**$25,042,854**	**$26,495,047**
Contributions						
- Parish Deposits	$5,584	$5,584	$491,170	$869,317	$1,650,259	$2,730,116
Withdrawals						
- Parish Withdrawals	($13,393)	($13,393)	($111,044)	($247,581)	($325,835)	($1,291,462)
- Parish Dividends	($372,541)	($372,541)	($1,491,772)	($2,865,559)	($4,103,492)	($6,460,818)
- Foreign Taxes Withheld	($698)	($698)	($3,299)	($5,980)	($8,591)	($29,383)
- Management Expenses	($39,648)	($39,648)	($169,002)	($369,102)	($529,779)	($875,729)
- Operating Expenses	(12,200)	(12,200)	(24,800)	(48,300)	(61,605)	(75,666)
Net Cash Flows	**($432,896)**	**($432,896)**	**($1,308,746)**	**($2,667,204)**	**($3,379,042)**	**($6,002,943)**
Income						
- Interest/Dividends	232,606	232,606	880,438	1,734,285	2,505,830	4,454,068
- Gains (Losses)	1,715,460	1,715,460	(3,945,218)	(2,100,347)	7,281,071	6,504,540
Total Earnings	**$1,948,065**	**$1,948,065**	**($3,064,780)**	**($366,061)**	**$9,786,901**	**$10,958,608**
Ending Market Value	**$31,450,712**	**$31,450,712**	**$31,450,712**	**$31,450,712**	**$31,450,712**	**$31,450,712**
Portfolio Returns (Gross of Fees)	6.55%	6.55%	-8.18%	-0.58%	11.68%	7.67%
Management Expenses	-0.13%	-0.13%	-0.48%	-0.52%	-0.59%	-0.58%
Portfolio Returns (Net of Fees)	6.42%	6.42%	-8.66%	-1.10%	11.09%	7.09%
Basic Benchmark Return*	6.46%	6.46%	-6.50%	1.78%	12.92%	8.95%
Alternate Benchmark Return**	6.24%	6.24%	-5.24%	1.81%	13.39%	8.28%

Parish Deposits: The total amount deposited by the parishes for investment into the Unit Fund subaccounts.
Parish Withdrawals: The total principal amount withdrawn by the parishes from the Unit Fund subaccounts.
Parish Dividends: The total Unit Fund dividends paid directly to the parishes and not reinvested or used for loan repayment.
Foreign Taxes Withheld: The total foreign income taxes automatically withheld on dividends paid by non-US companies.
Management Expenses: The total expenses paid by the Unit Fund for investment, account maintenance, statement preparation and reporting purposes.
Operating Expenses: The total expenses paid by the Unit Fund for accounting and auditing fees.
Interest/Dividends: The total interest and dividends generated by the investments of the Unit Fund.
Gains (Losses): The total rise or fall of the market value of the investments in the Unit Fund.
Portfolio Return: The time-weighted rate of return earned by the Unit Fund investments before (Gross) and after (Net) the management expenses are deducted.

Note: Due to the IPS change in March 2016, periods beginning prior to 03/31/2016 do not reflect current investments and are omitted.

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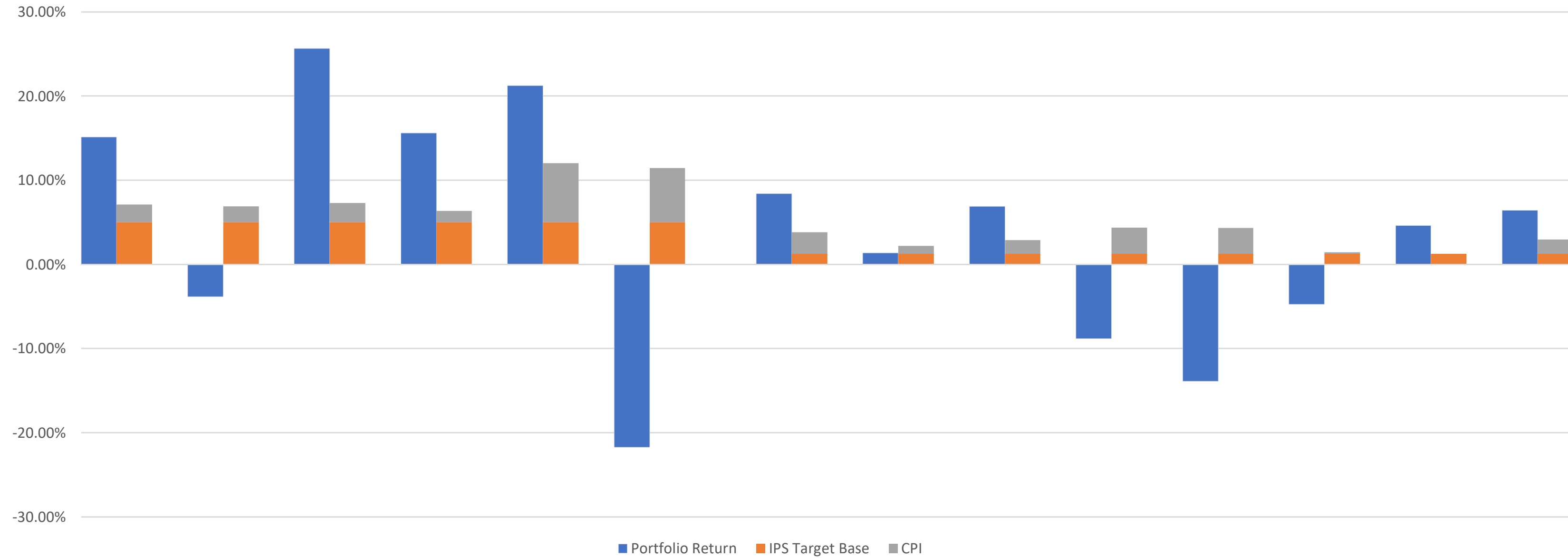

	2017	2018	2019	2020	2021	2022
Portfolio	15.14%	-3.83%	25.66%	15.62%	21.23%	-21.75%
IPS Target Base	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
CPI	2.11%	1.91%	2.29%	1.36%	7.04%	6.45%

	2nd Quarter 2021	3rd Quarter 2021	4th Quarter 2021	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022	1st Quarter 2023
Portfolio	8.40%	1.35%	6.91%	-8.83%	-13.89%	-4.74%	4.63%	6.42%
IPS Target Base	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
CPI	2.57%	0.96%	1.64%	3.12%	3.06%	0.17%	0.00%	1.70%

Note: The IPS Target Return is comprised of the quarterly Non-Seasonally-Adjusted (NSA) CPI + 1.25%. This equates to an annual target return of the NSA CPI + 5%. The CPI figure is not available until the 15th of the month or later.

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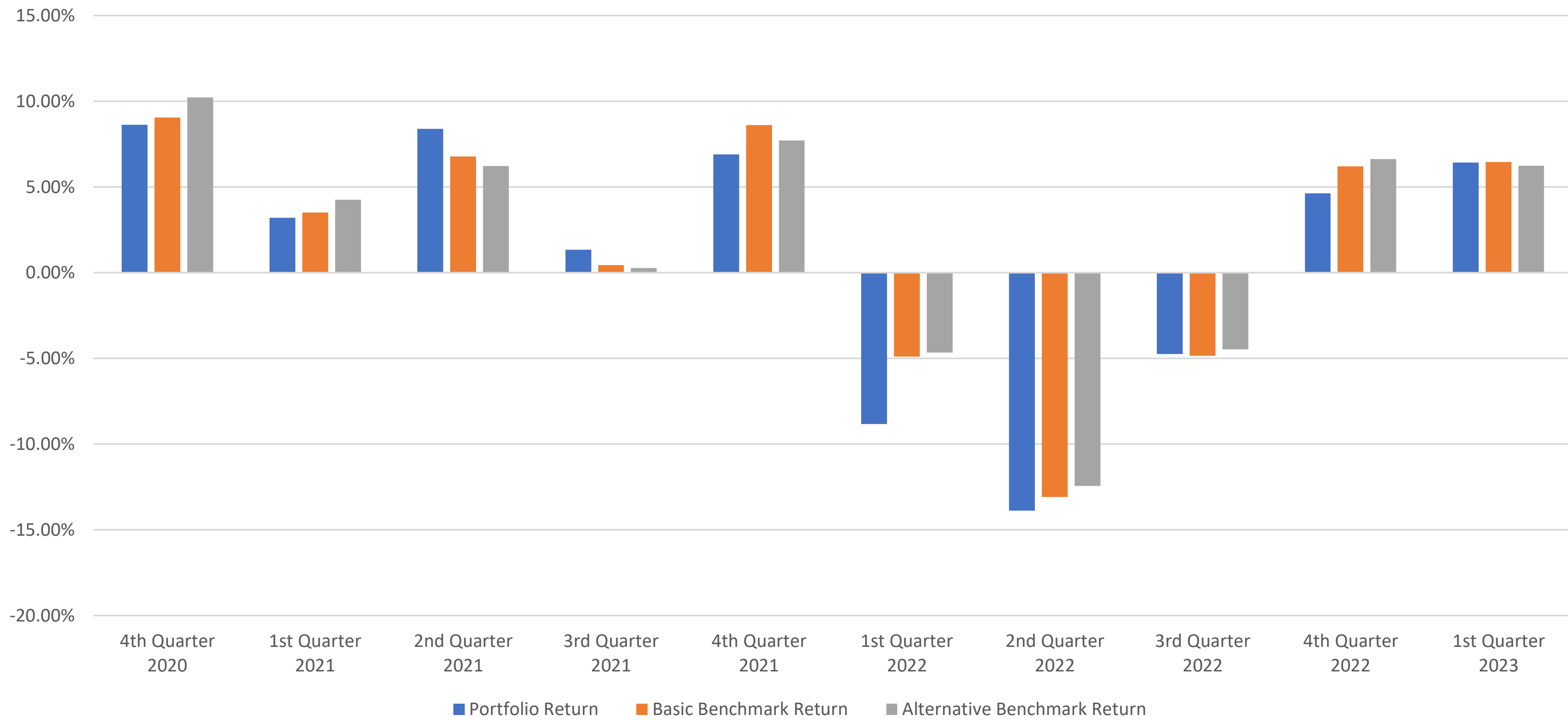

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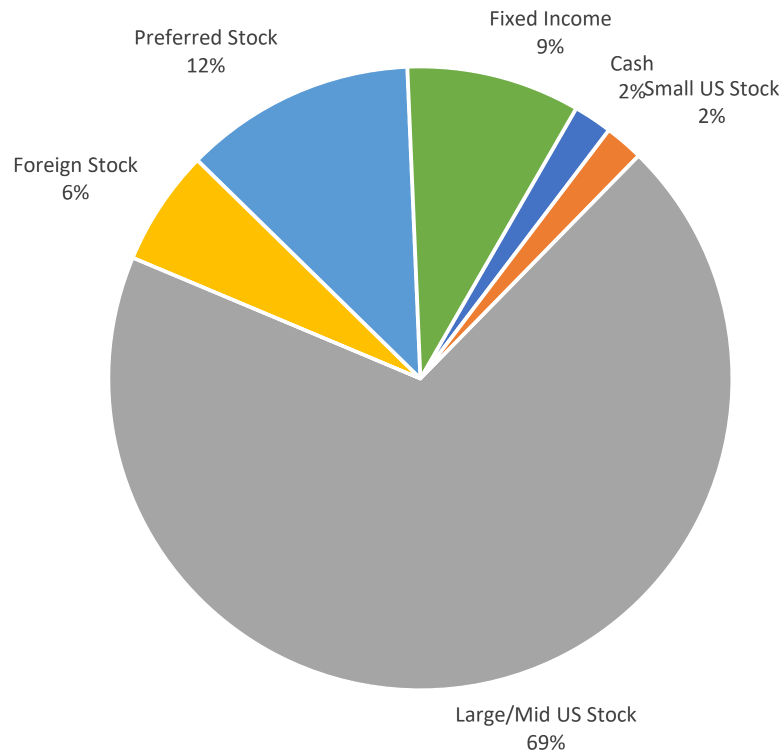
Portfolio Allocation

All information as of March 31, 2023

(77% Equities / 23% Fixed Investments)



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Monthly CIO View

Strategy Snapshot

April 2023

Lawrence V. Adam III, CFA, CIMA®, CFP®
Chief Investment Officer

Returns By Asset Class | Monthly & YTD Returns

Returns by Asset Class

Data as of 3/31/2023. All international equity indices are MSCI indices and in USD. Diamonds represent the year-to-date total returns and bars represent monthly returns.

Global Economy | Banking Crisis Clouds The Outlook

Global Economy | Recent Trends

- **The global economy has been resilient in the wake of rapid central bank tightening cycles.** Persistent labor market strength, solid consumer spending and elevated inflation pressures have been key themes behind the higher-for-longer rate outlook. However, the recent wave of bank failures has injected uncertainty into the Fed's policy outlook.
- **Banking sector turmoil dominated the news headlines after three US banks and one Swiss bank collapsed.** Swift measures taken to boost liquidity and shore up confidence were taken by global regulators. The US and Europe have defied recession predictions; however, concerns about an unforeseen tightening in credit conditions have reignited recession fears.
- Despite elevated uncertainty and rising financial instability risks, **the Fed raised interest rates by 25 basis points to a top rate of 5.0% during its March policy meeting.** But policymakers signaled that the end of the rate tightening cycle may be near.
- **The ECB lifted its key deposit rate by 50 basis points in March to its highest level since 2008.** Last year's energy price increases have dissipated in Europe**,** but core inflation refuses to slow. Core inflation rose to a new record high of 5.7% in March.
- **China's PMI manufacturing and service activity has improved since the economy reopened.** Chinese officials continue to push a more pro-growth, market-friendly policy stance, but have set a conservative 5% growth target for 2023.

Global Economy | 12-Month Outlook

- **The economy remains resilient, driven by a tight labor market and consumer spending.** However, dwindling excess savings, higher interest rates and softening job creation should start to curb growth in the coming months. We still expect a mild recession, with growth slowing to a 1.2% pace in 2023. Layoffs will likely boost the unemployment rate from 3.6% to near 5% and inflation is expected to ease back to 3.3% by year end.
- **The Fed is nearing the end of its tightening cycle;** however, policymakers are likely to raise the fed funds rate to 5.25% in May as inflation pressures remain elevated. Since monetary policy acts with a lag, the economy is just starting to feel the impact of the Fed's cumulative tightening over the last year. This will start to have a bigger impact as we progress through the year.
- **Europe has successfully navigated its energy crisis,** but the recovery must survive tighter monetary policy as European Central Bank (ECB) hawks focus on stubbornly high inflation and a tight labor market. Higher rates and a housing downturn are key risks to the growth outlook.
- **China's post-COVID recovery is gathering momentum,** but the economy has not felt the full boost from its reopening. Stronger Chinese growth should lift the Asian region and cushion the downturn in global growth.

Equities | Tech Outperformance Dominates

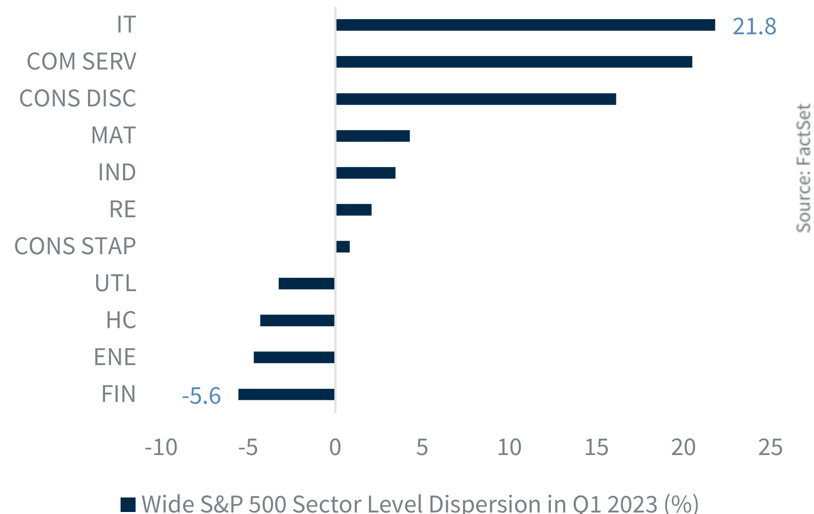
Global Equities | Recent Trends

- **US equity markets posted solid gains during the quarter, despite banking sector woes.** The tech-heavy NASDAQ snapped a four-quarter losing streak, climbing over 16% and the S&P 500 delivered its second straight quarter of gains, rising 7.5%.
- **Dispersion across the S&P 500 sectors and individual names in the Index remains elevated.** Within the sectors, Info Tech (+21.8%) and Communication Services (+20.5%) outperformed, while Financials lagged (-5.6%). The rotation into mega-cap stocks after last year's dismal performance was a key factor behind the S&P 500's resilience.
- **Heightened uncertainty has led analysts to sharply lower their Q1 2023 earnings estimates.** Q1 2023 earnings have been revised down over 6% since the start of the quarter ($53.7 to $50.3). This is deeper than the average decline (-3.4%) over the last ten years. Despite an uncertain macro backdrop, global forward earnings have been resilient.
- **European equities have retained their lead over US equities,** with the MSCI Europe ex UK Index up 12.2% during the quarter. The fading energy shock, easing supply chain challenges and ongoing fiscal support have underpinned earnings.
- **Emerging market equities lagged, with the MSCI EM index up 4.0% during the quarter.** Middle Eastern stocks and commodity exporters in Latin America were hurt by falling oil prices. Negative sentiment on Indian stocks continued for the fourth consecutive month.

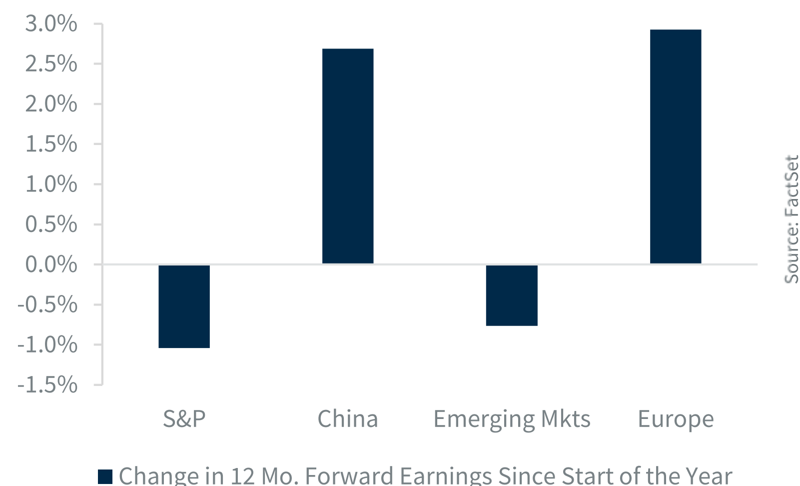
Global Equities | 12-Month Outlook

- **The end of the Fed's tightening cycle, moderating inflation and declining bond yields should be supportive for the US equity market.** S&P earnings should remain solid around $215 given our call for a mild recession. Lower bond yields should boost the multiple up to ~20.5x and help lift the S&P 500 to 4,400 by year end.
- **Corporate earnings are declining,** but our forecast for a mild recession should limit the downturn expected. Margins remain under pressure, but a weaker dollar, rapidly improving supply chains and improving labor costs should cushion the downturn.
- **European equities have been very resilient in the wake of the energy crisis.** However, European corporations must navigate stubbornly high inflation, rising labor costs and a hawkish ECB. The predominance of variable rate mortgages in Europe poses a risk to the property market and consumer demand as interest rates head higher.
- **China's reopening should boost economic activity and lead to higher earnings as we progress through 2023.** Strong Chinese growth and attractive valuations create a favorable backdrop for emerging market equities, although selectivity remains key. Latin American equities should also get a boost as oil prices move higher into year end.

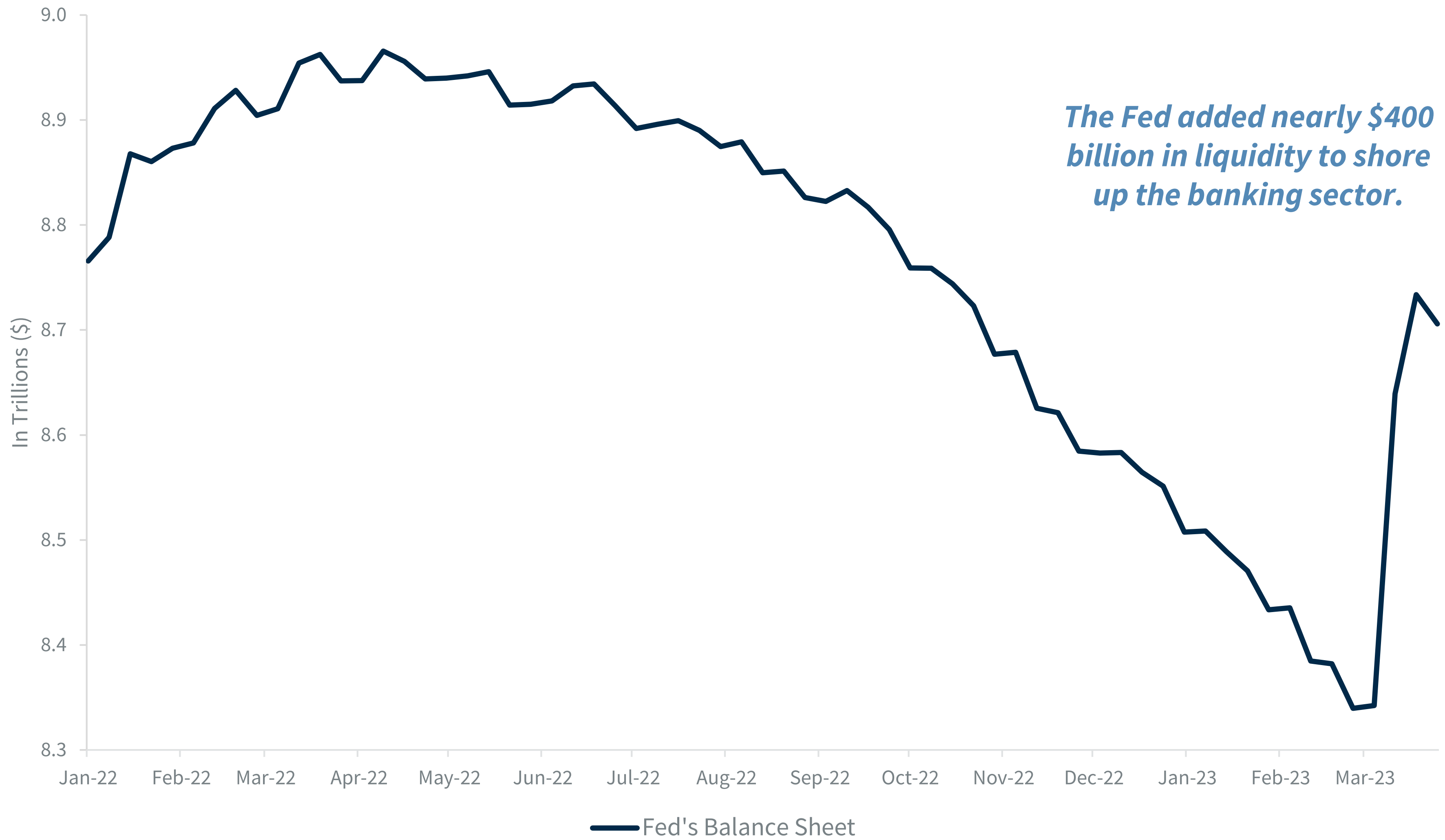
Wide Sector Level Dispersion



Global Forward Earnings Have Been Resilient



FED'S BALANCE SHEET SPIKED AFTER BANK FAILURES



Source: FactSet, Data as of 3/31/2023

Fixed Income | Volatility Surges On Shifting Narratives

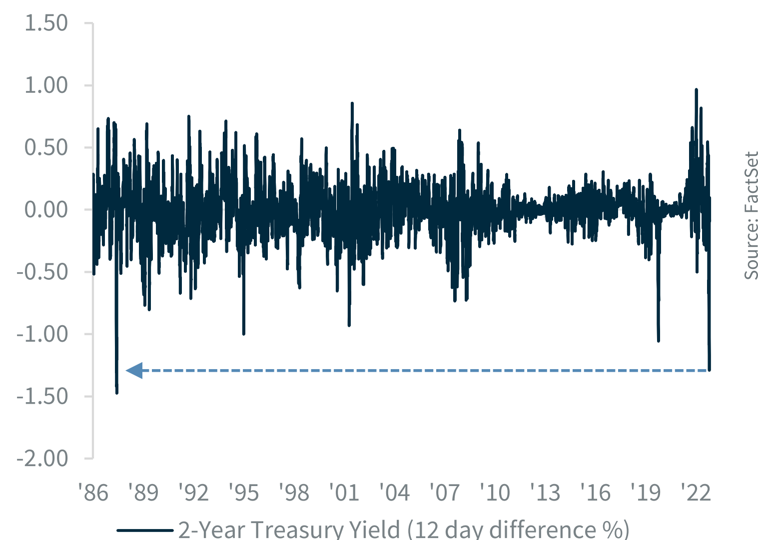
Global Bonds | Recent Trends

- **Rapidly shifting narratives have sent bond volatility to its highest level since 2008.** Hawkish Fed speak and a strong jobs report sent Treasury yields soaring and expectations for the peak fed funds rate to a high of 5.7% in early March; however, strains in the banking sector caused a sharp reversal by quarter end.
- **Market expectations of a Fed pivot in the second half of 2023** drove 2-year Treasury yields from a cycle high of ~5.1% to an intra-quarter low of ~3.8%, a swing of nearly 130 bps in less than two weeks. This was the largest 12-day move in the 2-year Treasury yield since 1987.
- **The closely watched 2-year and 10-year spread reached its deepest inversion (-112 bps) since the 1980s.** Banking sector stress led to a swift reversal, with the spread narrowing to -59 bps by quarter end. This is typically a sign that a tightening cycle is near completion.
- **Falling yields boosted the performance for all sectors of the bond market**. The Bloomberg US Aggregate Index rebounded after last month's loss and is now up 3.0% on a YTD basis. Corporate credit spreads widened amid the banking turmoil, but the high positive carry and declining Treasury yields contributed to strong total returns in investment grade (+3.5%) and high yield (+3.6%) bond sectors.
- **The banking sector stress has shined a spotlight on the commercial real estate sector.** Deteriorating fundamentals and concerns about liquidity have driven commercial mortgage-backed security (CMBS) spreads to their widest levels in over three years.

Global Bonds | 12-Month Outlook

- **The rate reset has improved the valuation of bonds.** Investors no longer need to reach for yield in the riskier sectors of the fixed income markets to generate reasonable income. The higher yields also provide diversification benefits to equity market risk.
- **Slowing growth, moderating inflation and the end of the Fed's tightening cycle should drive the 10-year Treasury yield toward our year-end target of 3.0%.** While shorter maturities currently offer higher yields, locking in long-term rates at current levels should boost returns in a declining rate environment.
- Credit spreads have been remarkably resilient, particularly given the deep inversion in the yield curve. However, with **a recession approaching, it makes sense to remain up-in-quality at this stage of the economic cycle.** We favor Treasurys, munis, investment-grade credit and emerging markets debt.
- **While all-in yields are attractive for lower quality credits (i.e., high yield and bank loans), we do not think investors are getting compensated enough for the risks.** With default rates likely to rise over the coming year, it is prudent to remain cautious.

Extraordinary Volatility in 2-Year Treasury Yields



Banking Crisis Widens CMBS Spreads

Commodities & Currencies | Gold Price Shines Amid Uncertainty

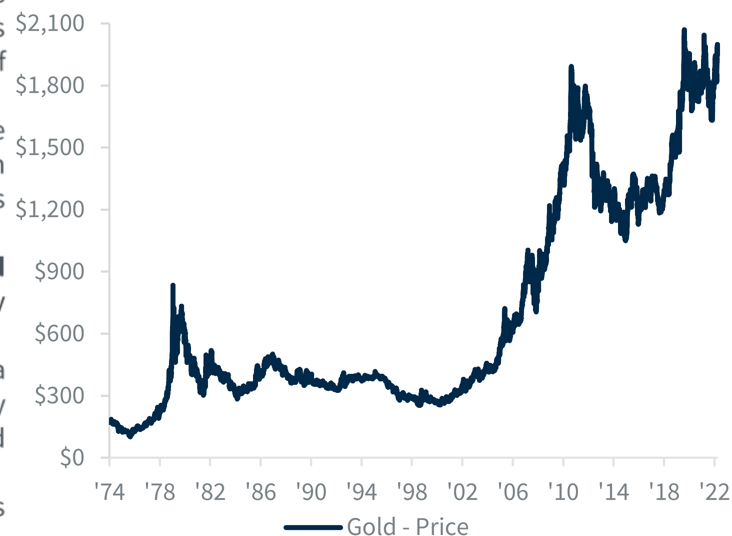
Commodities & Currencies | Recent Trends

- **Commodity prices declined 6.5%, driven primarily by lower energy prices.** Natural gas prices fell over 45% during the quarter amid ongoing supply-demand imbalances. Oil prices have also continued to ease, with the WTI price dropping from over $80/barrel at the start of the year to ~$75/barrel at the end of the quarter.
- **Russia agreed to extend the Black Sea grain deal for an additional sixty days.** With the war ongoing, the extension allows grains and other foodstuffs to move through Ukrainian ports. However, alternative transport routes established during the war have led to a surplus of grains into Eastern Europe, putting downward pressure on prices.
- **Elevated uncertainty, turmoil in the banking sector and a weaker US dollar have pushed gold prices higher**, up over 8% since the start of the year. The price of gold has only breached the $2,000 mark two times for a total of eight days over the last fifty years.
- **The US dollar has traded in a tight range since the start of the year**, initially rising on a more hawkish Fed before trending lower on expectations that the Fed's tightening cycle may be coming to an end. Concerns about the dollar's status as the reserve currency also weighed on sentiment. On a YTD basis, the US dollar is only down 1.0%.
- **The euro has gained nearly 2% versus the US dollar this year.** Interest rate differentials have tilted in the euro's favor given stubbornly high core inflation and a more hawkish ECB.

Commodities & Currencies | 12-Month Outlook

- **Supply-demand imbalances continue to influence the price of oil.** Expectations of weak global growth and supply overhangs have driven oil prices lower. However, these factors should reverse in the coming months, lifting the price of oil back to $90/barrel by year end.
- **Commodity prices have eased from the pandemic and war related spikes.** While the global slowdown (ex-China) should continue to ease commodity prices, low inventories, limited spare capacity, and China's post-COVID reopening should keep commodity prices elevated relative to past economic downturns.
- **Turmoil in the banking sector cut the US dollar's rebound short.** Relative interest rate differentials have moved out of the US dollar's favor as the market now expects the Fed to cut rates by year end. While the US dollar remains overvalued relative to other major currencies, safe-haven demand could prevent further weakening. A sustained move lower in the US dollar should occur when global economic conditions improve.
- **Europe's ability to successfully navigate the energy crisis has reduced the downside risks to the euro.** The resilient European economy and more hawkish ECB should benefit the euro in the near term. However, we expect the euro to remain in a 1.0 to 1.10 range this year.

Uncertainty Boosts Gold's Appeal



Recession Concerns Weigh On Oil Prices

Summary | Views and Key 2023 Year-End Targets

1 ECONOMY

2023 US GDP: 1.2%

The US economy entered 2023 with considerable momentum, suggesting that the downturn will be milder than expected. A recession is still likely as the impact of the Fed's past rate hikes start to impact and crimp consumer spending. We expect growth to decelerate to 1.2% in 2023. Accelerating layoffs should push the unemployment rate up from 3.0% to near 5.0%. Inflation pressures should continue to ease toward our 3.3% year-end forecast.

2 BOND MARKET

2023 10-Year Treasury: ~3.00%

The Fed is nearing the end of its tightening cycle. We expect the Fed to lift the fed funds rate to 5.25% before moving to the sidelines after the May meeting. Slowing growth, moderating inflation pressures and the end of the Fed's tightening cycle will drive yields lower as we progress through the year. We are forecasting the 10-year Treasury yield to fall toward 3.0% by year end. We prefer to remain up-in-quality and favor Treasurys, munis and investment-grade debt over high yield debt.

3 EQUITIES

2023 S&P 500: ~4,400

Falling inflation, the end of the Fed's tightening cycle and declining interest rates should be supportive for higher equity prices into year end. A mild recession should be supportive of our $215 earnings call. Falling interest rates should drive multiples back above 20.5x. This should underpin a move higher toward our ~4,400 price target on the S&P 500 for year-end 2023. We continue to favor Technology, Health Care and Financials. We still favor US over international and remain constructive on emerging markets equities.

4 DOLLAR DIRECTION

2023 EUR/USD: 1.05

The tailwinds supporting the US dollar in 2022 (i.e., Fed hawkishness, favorable yield advantage) have faded. However, softer global growth may prevent a sustained decline due to the US dollar's role as a safe-haven currency. A sustained move lower is not likely to occur until there is convincing evidence of a global economic rebound. Downside risks for the euro have dissipated. However, we expect the euro to trade in a 1.0 to 1.10 range versus the US dollar through year end.

5 OIL

2023 Oil: ~$90/barrel

Global growth concerns and subdued demand have driven oil prices lower to levels that prevailed prior to the Russia-Ukraine war. However, we expect global demand growth to pick up in 2023 led by a recovery in China. This, combined with continued capital discipline from US producers, further OPEC+ cuts, ongoing Russian sanctions and depleted strategic inventories should drive oil prices back toward our ~$90/barrel 2023 year-end target.

6 VOLATILITY

Volatility: ↓

Volatility should recede in 2023 after a tumultuous 2022. With China's reopening now in full swing, election uncertainty in the rear-view mirror, the Russia-Ukraine war no longer making front-page news, fading supply chain concerns, moderating inflation and the Fed's tightening cycle near completion, volatility should start to recede. However, debt ceiling negotiations and further strains in the banking sector stress could lead to a temporary spike in volatility.

DISCLOSURES

Diversification does not ensure a profit or guarantee against a loss

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

SECTORS | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

OIL | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

CURRENCIES | Investing in currencies is generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

GOLD | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

FIXED INCOME | Fixed-income securities (or "bonds") are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise.

US TREASURYS | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

US DOLLAR | The US Dollar Index is an index (or measure) of the value of the United States dollar relative to a basket of foreign currencies,[1] often referred to as a basket of U.S. trade partners' currencies.[2] The Index goes up when the US dollar gains "strength" (value) when compared to other currencies.

DEFINITIONS

AGGREGATE BOND | **Bloomberg US Agg Bond Total Return Index:** The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

HIGH YIELD | **Bloomberg US Corporate High Yield Total Return Index:** The index measures the USD-denominated, high yield, fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's, Fitch and S&P is Ba1/BB+/BB+ or below.

CREDIT | **Bloomberg US Credit Total Return Index:** The index measures the investment grade, US dollar-denominated, fixed-rate, taxable corporate and government related bond markets. It is composed of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

MUNICIPAL | **Bloomberg Municipal Total Return Index:** The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

BG COMMODITY INDEX **| Bloomberg Commodity Index** is calculated on an excess return basis and reflects commodity futures price movements.

BLOOMBERG INDUSTRIAL METALS INDEX | **Bloomberg Industrial Metals Index** reflects the returns that are potentially available through an unleveraged investment in the futures contracts on industrial metal commodities.

MSCI EM ASIA INDEX | The **MSCI Emerging Markets (EM) Asia Index** captures large and mid cap representation across 8 Emerging Markets countries*.

With 1,160 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

DATA SOURCES

FactSet as of 3/31/2023.

S&P 500 | The **S&P 500 Total Return Index:** The index is widely regarded as the best single gauge of large-cap U.S. equities.

EMERGING MARKETS EASTERN EUROPE | **MSCI EM Eastern Europe Net Return Index:** The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

ASIA EX JAPAN INDEX | **The MSCI AC Asia ex Japan** Index captures large and mid cap representation across 2 of 3 Developed Markets (DM) countries* (excluding Japan) and 9 Emerging Markets (EM) countries in Asia. With 983 constituents, the index covers approximately 85% of the free float adjusted market capitalization in each country.

AC WORLD INDEX | **The MSCI AC World** Index is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International (MSCI) and is comprised of stocks from 23 developed countries and 24 emerging markets.

EMERGING MARKETS LATIN AMERICA | **MSCI EM Latin America Net Return Index:** The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

EMERGING MARKETS | **MSCI Emerging Markets Net Return Index:** This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

JAPAN | **MSCI Japan Net Return Index:** The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

EUROPE EX UK | **MSCI Europe Ex UK Net Return Index:** The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

MSCI EAFE | The **MSCI EAFE** (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

MSCI EM | The **MSCI Emerging Markets Index** captures large and mid cap representation across 25 Emerging Markets (EM) countries*. With 1,420 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

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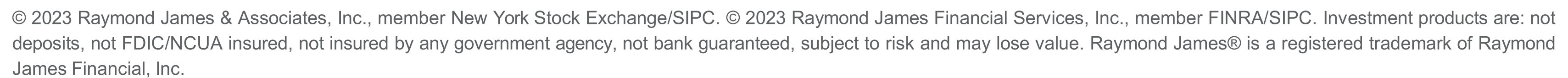

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Portfolio and Individual Account Investment Returns

All information as of March 31, 2023

	Market Value	Current Allocation	MTD	QTD	Last 6 Months	YTD	Last 12 Months	Last 2 Years	Last 3 Years	Last 5 Years
Overall Portfolio	**31,455,086.16**	**100.00%**	**2.20%**	**6.42%**	**11.35%**	**6.42%**	**-8.66%**	**-1.10%**	**11.09%**	**7.09%**
Basic Benchmark Return*			3.41%	6.46%	13.06%	6.46%	-6.50%	1.78%	12.92%	8.95%
Alternate Benchmark Return**			3.01%	6.24%	13.28%	6.24%	-5.24%	1.81%	13.39%	8.28%
Individual Stock Account	**22,833,447.11**	**72.59%**	**3.10%**	**6.90%**	**14.43%**	**6.90%**	**-10.57%**	**0.04%**	**15.57%**	**10.65%**
S&P 500			3.67%	7.50%	15.62%	7.50%	-7.73%	3.30%	18.60%	11.19%
Clarkston SMID-Cap Equity	**455,566.73**	**1.45%**	**-4.57%**	**-0.39%**	**8.03%**	**-0.39%**	**-5.58%**	**-3.87%**	**14.53%**	**5.49%**
Russell 2000			-4.78%	2.74%	9.14%	2.74%	-11.61%	-8.74%	17.51%	4.71%
International Equity	**478,813.66**	**1.52%**	**5.42%**	**11.72%**	**30.29%**	**11.72%**	**2.64%**	**0.68%**	**12.54%**	**3.20%**
MSCI EAFE			2.48%	8.47%	27.27%	8.47%	-1.38%	-0.12%	12.99%	3.52%
Individual Bond Account	**7,687,258.66**	**24.44%**	**-0.11%**	**5.13%**	**2.87%**	**5.13%**	**-4.20%**	**-4.19%**	**0.33%**	**1.23%**
Bloomberg Barclays US Int Credit			2.05%	2.47%	5.05%	2.47%	-1.88%	-2.97%	0.37%	1.86%

Note: Due to the IPS change in March 2016, periods beginning prior to 03/31/2016 do not reflect current investments and are omitted.

* The Basic Benchmark Return is weighted to the Bloomberg Barclays US Aggregate Bond Index and the Standard & Poor's 500 Index based on the actual portfolio allocation.

** The Alternative Benchmark Return is weighted among the Bloomberg Barclays US Aggregate Bond Index, the Bloomberg Barclays US Govt/Credit 1-3 Year Index, the Bloomberg Barclays US Intermediate Credit Index, the FTSE Treasury Bill 1 Month Index, the MSCI EAFE Index, the Russell 2000 Index and the Standard & Poor's 500 Index based on actual portfolio performance.

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