

Second Quarter 2023 Investment Review

The Episcopal Diocese of Vermont

Prepared by:

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Securities Offered Through

Raymond James Financial Services, Inc.
Member FINRA/SIPC

Quarterly Performance Summary

The second quarter was a positive quarter with a gain of nearly 7%. This exceeds both benchmarks. We took profits as technology stocks climbed significantly. We have twice trimmed Broadcom, trimmed other technology stocks, added a position in Johnson Controls, increased our stake in Qualcomm, and moved about \$600k from stocks to fixed income assets.

YTD the bond portfolio has done very well, gaining 6.53% versus the index of 2.21%. Currently, we have a cash level of \$314k with about \$645k of bonds maturing before year-end.

Investment Return Summary

Second Quarter (3/31/2023 - 6/30/2023)			
March 31, 2023 Value:	\$31,450,712	Second Quarter Return:	6.96%
Net Cash Flows	(\$488,353)	Benchmark Return*:	6.39%
Investment Gain (Loss):	\$2,220,676	Alternative Benchmark Return**:	6.08%
June 30, 2023 Value:	\$33,183,035		

Year to Date Period (12/31/2022 - 6/30/2023)			
December 31, 2022 Value:	\$29,935,543	Year to Date Return:	13.83%
Net Cash Flows	(\$921,249)	Benchmark Return*:	13.26%
Investment Gain (Loss):	\$4,168,741	Alternative Benchmark Return**:	12.70%
June 30, 2023 Value:	\$33,183,035		

One Year Period (6/30/2022 - 6/30/2023)			
June 30, 2022 Value:	\$30,868,769	One Year Return:	13.46%
Net Cash Flows	(\$1,837,020)	Benchmark Return*:	14.45%
Investment Gain (Loss):	\$4,151,286	Alternative Benchmark Return**:	14.80%
June 30, 2023 Value:	\$33,183,035		

Two Year Period (6/30/2021 - 6/30/2023)			
June 30, 2021 Value:	37,315,191.00	Two Year Return:	-1.76%
Net Cash Flows	(3,029,200.66)	Benchmark Return*:	1.59%
Investment Gain (Loss):	(1,102,954.83)	Alternative Benchmark Return**:	1.74%
June 30, 2023 Value:	33,183,035.00		

Three Year Period (6/30/2020 - 6/30/2023)			
June 30, 2020 Value:	\$28,372,715	Three Year Return:	8.63%
Net Cash Flows	(\$3,532,735)	Benchmark Return*:	9.92%
Investment Gain (Loss):	\$8,343,055	Alternative Benchmark Return**:	10.33%
June 30, 2023 Value:	\$33,183,035		

Five Year Period (6/30/2018 - 6/30/2023)			
June 30, 2018 Value:	\$26,791,955	Five Year Return:	8.30%
Net Cash Flows	(\$6,439,797)	Benchmark Return*:	9.80%
Investment Gain (Loss):	\$12,830,877	Alternative Benchmark Return**:	9.22%
June 30, 2023 Value:	\$33,183,035		

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 June 30, 2023

	Second Quarter	YTD	Last 12 Months	Last 2 Years	Last 3 Years	Last 5 Years
Beginning Market Value	\$31,450,712	\$29,935,543	\$30,868,769	\$37,315,191	\$28,372,715	\$26,791,955
Contributions						
- Parish Deposits	\$5,399	\$10,983	\$12,050	\$598,484	\$1,622,679	\$2,447,030
Withdrawals						
- Parish Withdrawals	(\$59,780)	(\$73,173)	(\$152,960)	(\$285,417)	(\$361,171)	(\$1,336,242)
- Parish Dividends	(\$382,979)	(\$755,520)	(\$1,501,771)	(\$2,919,214)	(\$4,184,075)	(\$6,567,715)
- Foreign Taxes Withheld	(\$1,317)	(\$2,015)	(\$3,516)	(\$6,450)	(\$9,187)	(\$24,943)
- Management Expenses	(\$42,102)	(\$81,750)	(\$162,649)	(\$364,730)	(\$537,096)	(\$878,747)
- Operating Expenses	(7,574)	(19,774)	(28,174)	(51,874)	(63,885)	(79,490)
Net Cash Flows	(\$488,353)	(\$921,249)	(\$1,837,020)	(\$3,029,201)	(\$3,532,735)	(\$6,440,107)
Income						
- Interest/Dividends	211,001	443,607	885,067	1,750,853	2,536,381	4,460,860
- Gains (Losses)	2,009,675	3,725,134	3,266,219	(2,853,808)	5,806,674	8,370,328
Total Earnings	\$2,220,676	\$4,168,741	\$4,151,286	(\$1,102,955)	\$8,343,055	\$12,831,188
Ending Market Value	\$33,183,035	\$33,183,035	\$33,183,035	\$33,183,035	\$33,183,035	\$33,183,035
Portfolio Returns (Gross of Fees)	7.10%	14.12%	14.05%	-1.24%	9.21%	8.88%
Management Expenses	-0.14%	-0.29%	-0.59%	-0.52%	-0.58%	-0.58%
Portfolio Returns (Net of Fees)	6.96%	13.83%	13.46%	-1.76%	8.63%	8.30%
Basic Benchmark Return*	6.39%	13.26%	14.45%	1.59%	9.92%	9.80%
Alternate Benchmark Return**	6.08%	12.70%	14.80%	1.74%	10.33%	9.22%

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.

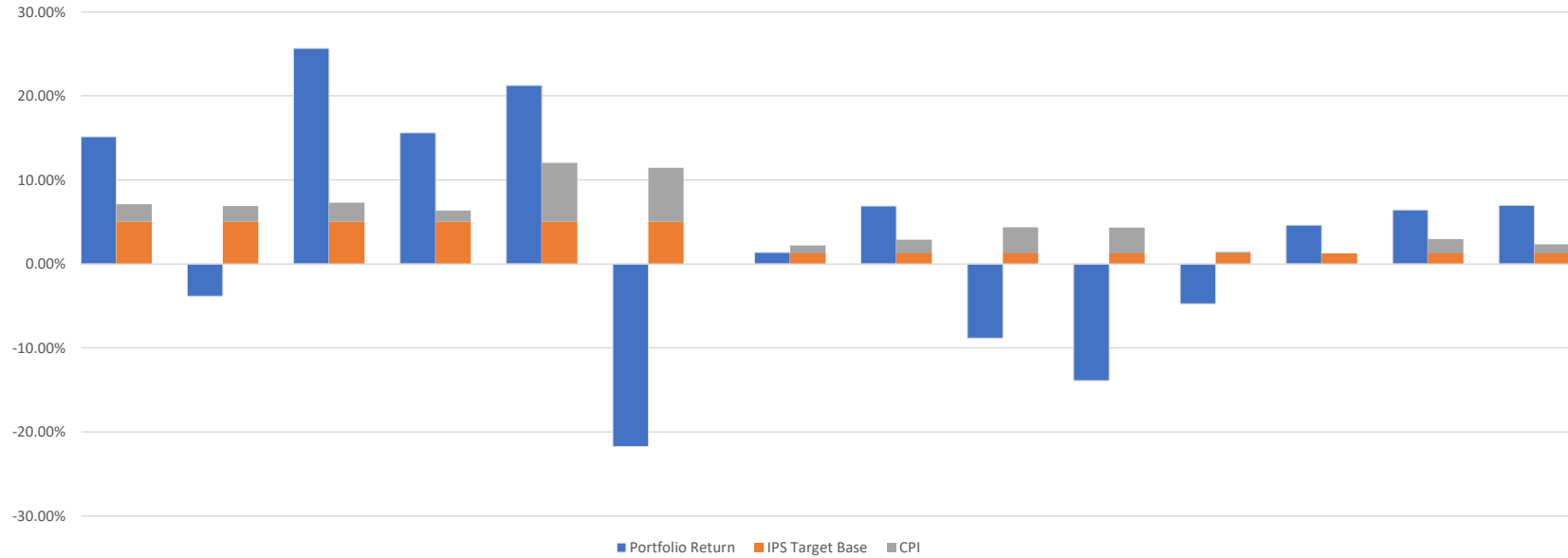
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Quarterly Portfolio and IPS Target Returns

All information as of June 30, 2023



	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%

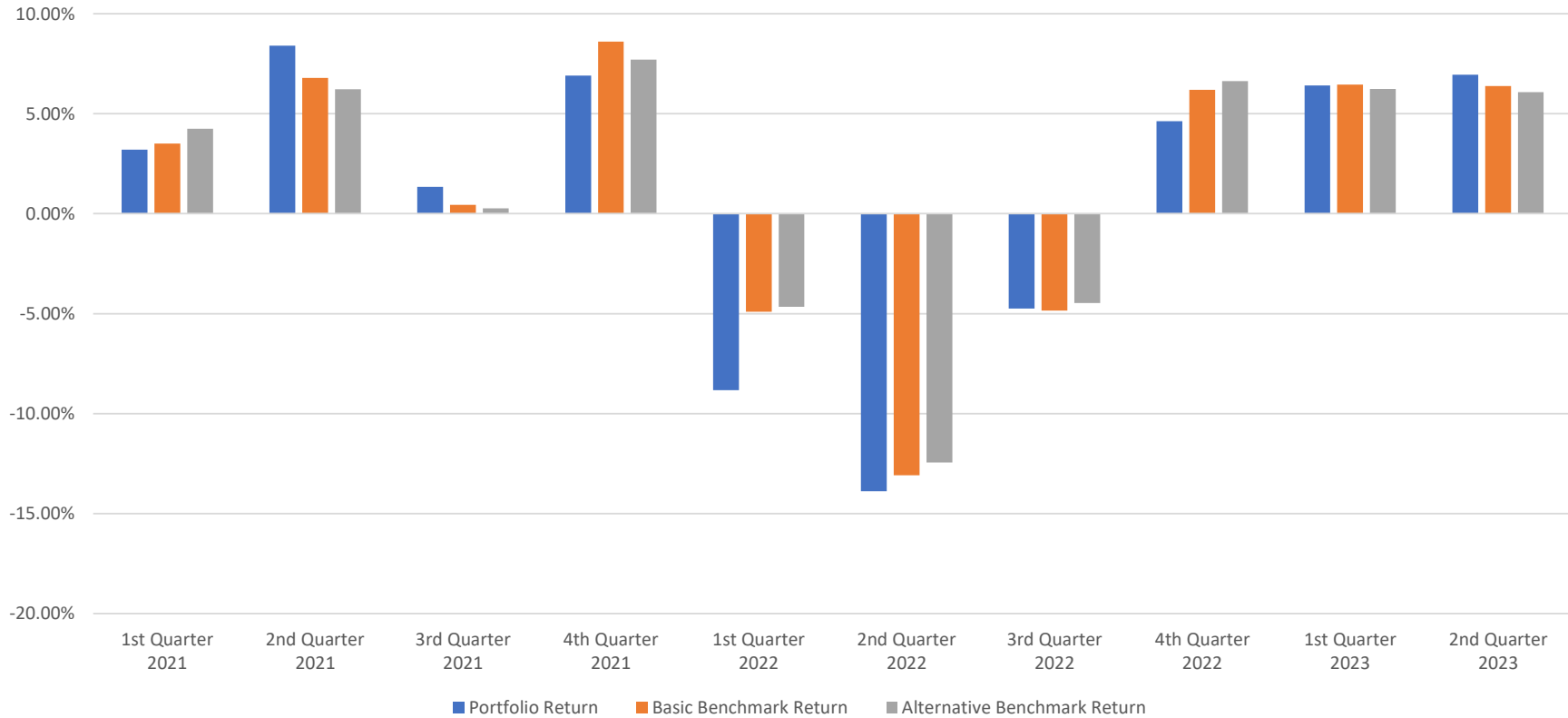
	3rd Quarter 2021	4th Quarter 2021	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022	1st Quarter 2023	2nd Quarter 2023
Portfolio	1.35%	6.91%	-8.83%	-13.89%	-4.74%	4.63%	6.42%	6.96%
IPS Target Base	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
CPI	0.96%	1.64%	3.12%	3.06%	0.17%	0.00%	1.70%	1.08%

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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Comparative Returns for the Last 10 Quarters

All information as of June 30, 2023



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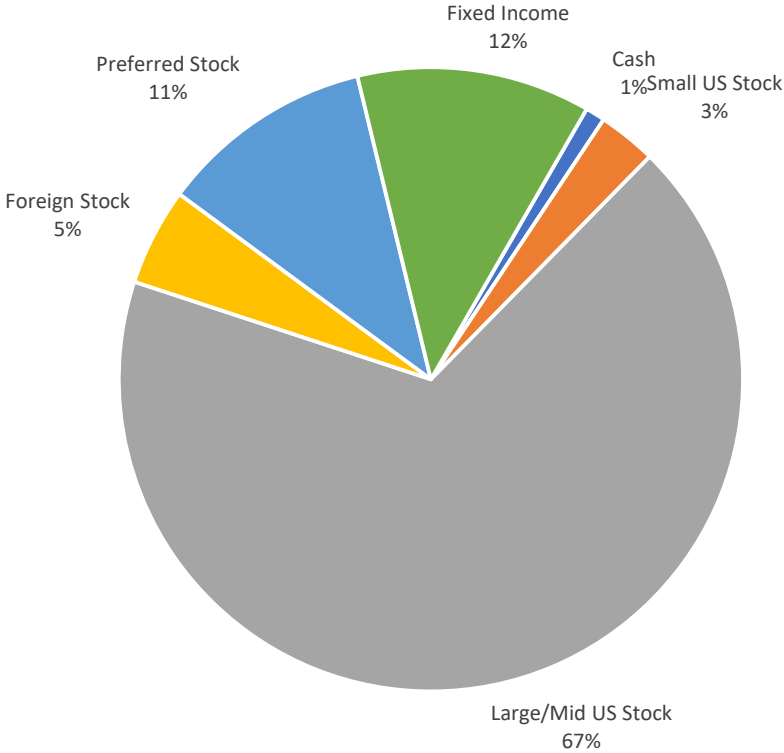
** The Alternative Benchmark Return is weighted among the Bloomberg Barclays US Aggregate Bond Index, the Bloomberg Barclays US Govt/Credit 1-3 Year Index, the Bloomberg Barclays US Intermediate Credit Index, the FTSE Treasury Bill 1 Month Index, the MSCI EAFE Index, the Russell 2000 Index and the Standard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

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Portfolio Allocation

All information as of June 30, 2023

(75% Equities / 25% Fixed Investments)



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Monthly CIO View

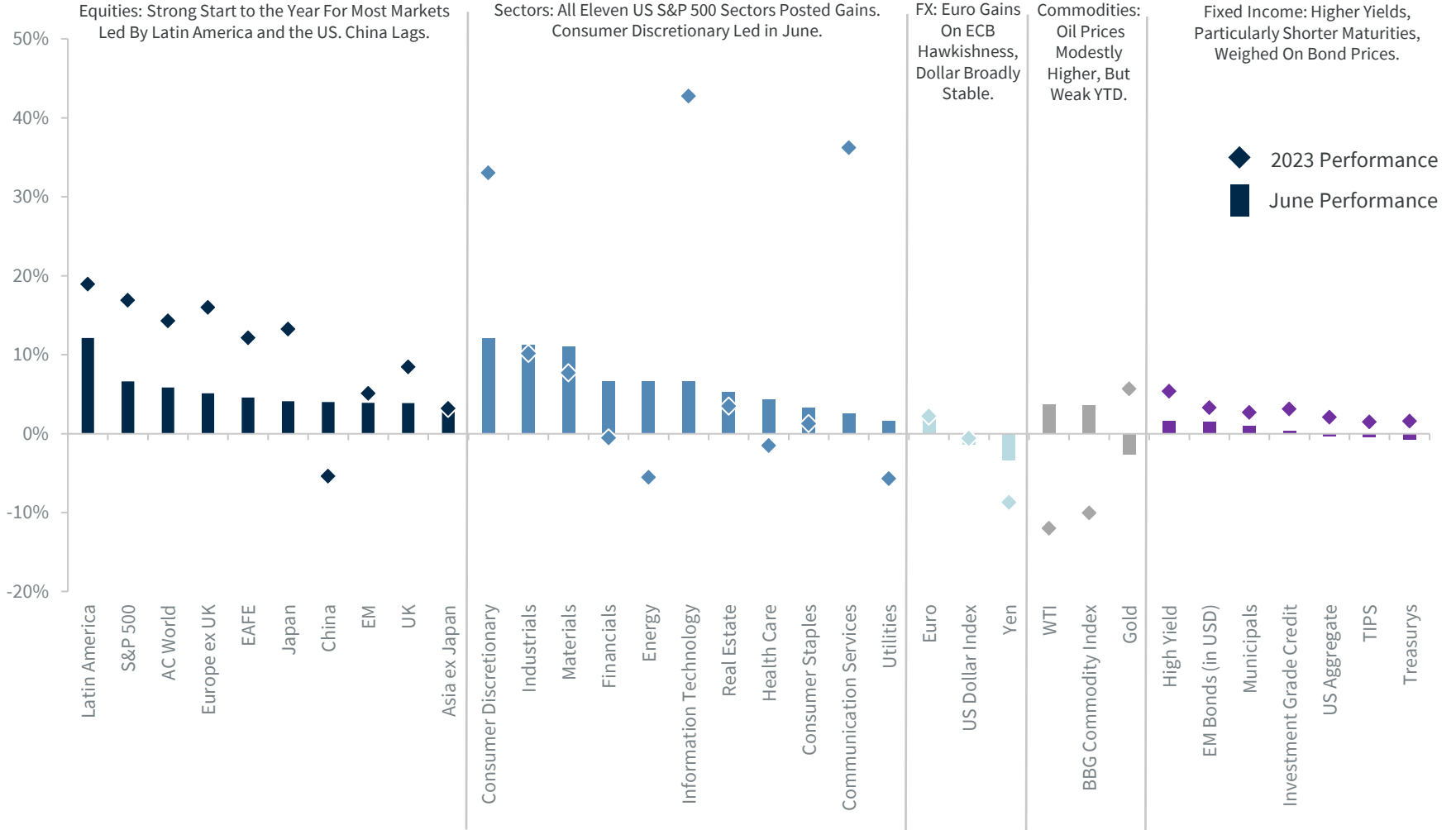
Strategy Snapshot

July 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 6/30/2023. 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 | Resilient US Economy

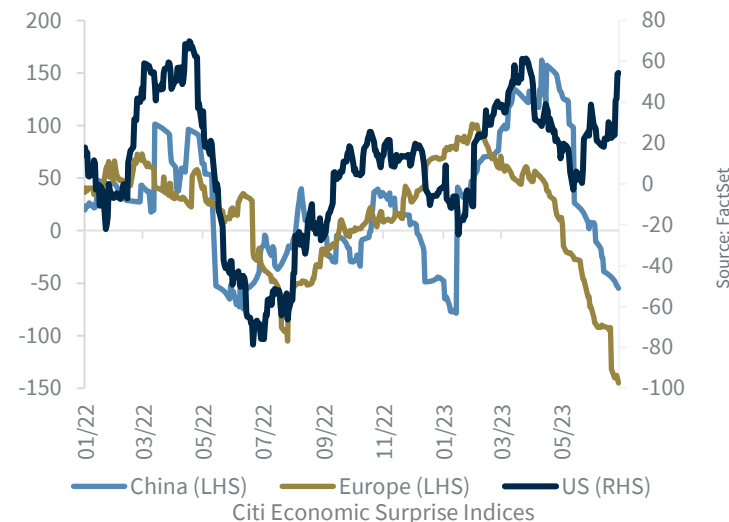
Global Economy | Recent Trends

- **US economic data continues to paint a picture of surprising resilience, with pockets of weakness.** Leading economic indicators still point toward a recession; however, housing demand stabilized, consumer confidence rebounded, and job growth remains solid. This has bolstered hopes that the Fed may be able to achieve a soft, non-recessionary landing.
- **Housing, the most interest rate sensitive sector of the economy, has stabilized after a sharp deceleration last year.** Despite the near doubling in mortgage rates, housing demand has started to pick up again as evidenced by the recent upturn in housing starts, building permits and new home sales. Prospective buyer traffic has doubled in the past six months.
- **Inflationary pressures continue to ease.** The Fed’s preferred measure of inflation, the personal consumption expenditures (PCE) index, has declined from an annualized rate of 7.0% in June 2022 to just 3.8%—its lowest level since April 2021. However, the core measure has been stickier, remaining near 4.6% for the last six months.
- **After a strong start earlier in the year, economic activity in China and Europe has continued to lose momentum.** The Citi Economic Surprise Indices, which capture the difference between official economic results and forecasts, show a sharp dichotomy between the US, Europe and China’s growth expectations over the last few months.

Global Economy | 12-Month Outlook

- **Record amounts of stimulus, robust job growth and a resilient consumer continue to support the US economy.** However, higher borrowing costs, slowing job growth and evaporating excess savings should push the economy into a mild recession later this year. We expect growth to slow to 1.3% in 2023 and drop to 0.5%-0.7% in 2024.
- **Restrictive interest rates are working to slow the pace of job growth and inflation.** However, policymakers are concerned that underlying inflation is still too high relative to the Fed’s 2.0% target. We now expect the Fed to hike interest rates to 5.25%-5.50% by year end and then monitor how the 500+bps of past tightening starts to impact the economy.
- **European growth has contracted for two consecutive quarters** as the tailwinds from lower energy prices and China’s recovery continue to fade. Tighter monetary policy, depressed consumer and business confidence, and a sharp tightening in credit availability should restrain growth further in the months ahead.
- **Concerns about a stalled recovery in China prompted authorities to provide additional stimulus to support the economy.** Soft global growth has restrained manufacturing activity, despite the ongoing consumer-led recovery. The uneven nature of China’s recovery will likely bring more government efforts to bolster the economy.

Economic Surprise Indices Diverge Across Regions



US Inflation Pressures Are Easing



Equities | Stocks Buoyed By Hopes Of A Soft-Landing

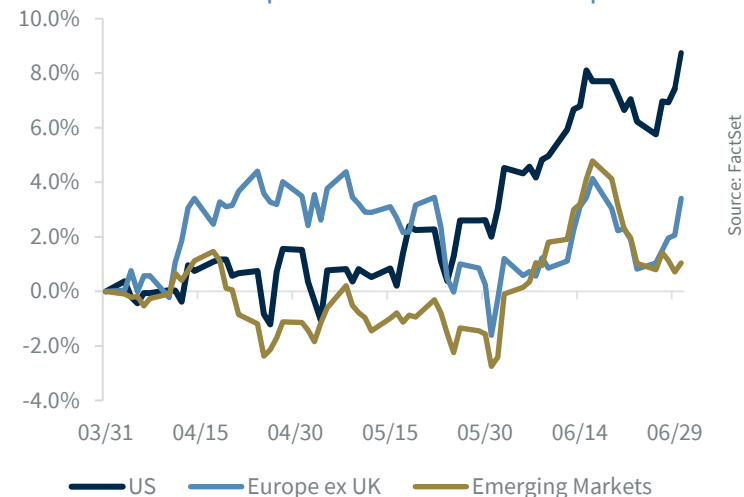
Global Equities | Recent Trends

- **Equity markets delivered strong gains as hopes of a soft, non-recessionary landing increased after stronger economic data.** The S&P 500 and NASDAQ rose for the fourth consecutive month rising back into a bull market, delivering 16.9% and 32.3% gains YTD. Optimism about a non-recessionary landing in the US boosted small caps (+7.9% MoM).
- **While mega-cap technology stocks have been responsible for a sizeable portion of the equity gains in 2023, the rally broadened to other sectors.** All eleven sectors of the S&P 500 delivered positive performance and three sectors (i.e., Consumer Discretionary, Industrials and Materials) reported double-digit gains in June.
- **With economic data coming in better than expected, expectations for Q2 earnings have decreased by a smaller margin than average.** Over the last quarter, Q2 earnings estimates were revised down by 2.8% from \$53.90 to \$52.40. This is better than the average decline over the last three quarters (-6.6%) and above the five-year average of -3.4%.
- **During Q2, developed market international (+3.4%) and emerging market equities (+1.0%) lagged US stocks (+8.7%) as their economic recoveries have lost momentum.** However, there were some bright spots overseas. Latin American equities gained 14.3% during the quarter as falling inflation boosted hopes of a policy pivot in the months ahead.

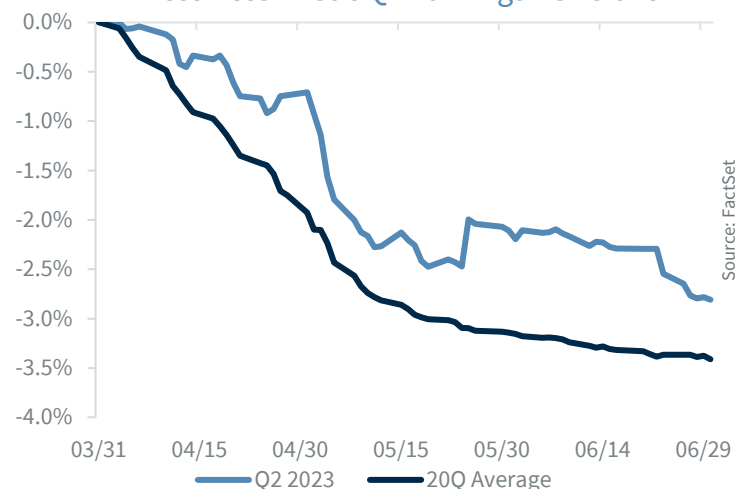
Global Equities | 12-Month Outlook

- **Equity markets are likely to enter a more challenging stage after their strong start to the year.** Improving sentiment, better-than-expected earnings, and growing optimism for a soft, non-recessionary landing have boosted stock prices, leaving them vulnerable for a near-term correction if economic data starts to disappoint.
- **Moderating inflation, the end of the Fed's tightening cycle and lower bond yields should provide favorable tailwinds longer term.** These dynamics should keep the S&P 500 on track to meet our year-end target of 4,400 (\$215 EPS, 20.5x P/E), with further upward potential toward our 12-month target (June 2024) of at least 4,600.
- **European equities are losing their momentum** as the drag from higher interest rates, tighter lending conditions, and fading optimism about China's recovery weighs on economic growth. This is calling into question the region's earnings resilience, particularly given that the euro zone has slipped into a technical recession.
- **Emerging market equities remain attractive, despite disappointing performance across the Asian region.** Further policy support should boost growth in China and help sustain the recovery. This will help growth across the Asian region, particularly India. Latin American equities should benefit from prospects of easier policy and nearshoring trends.

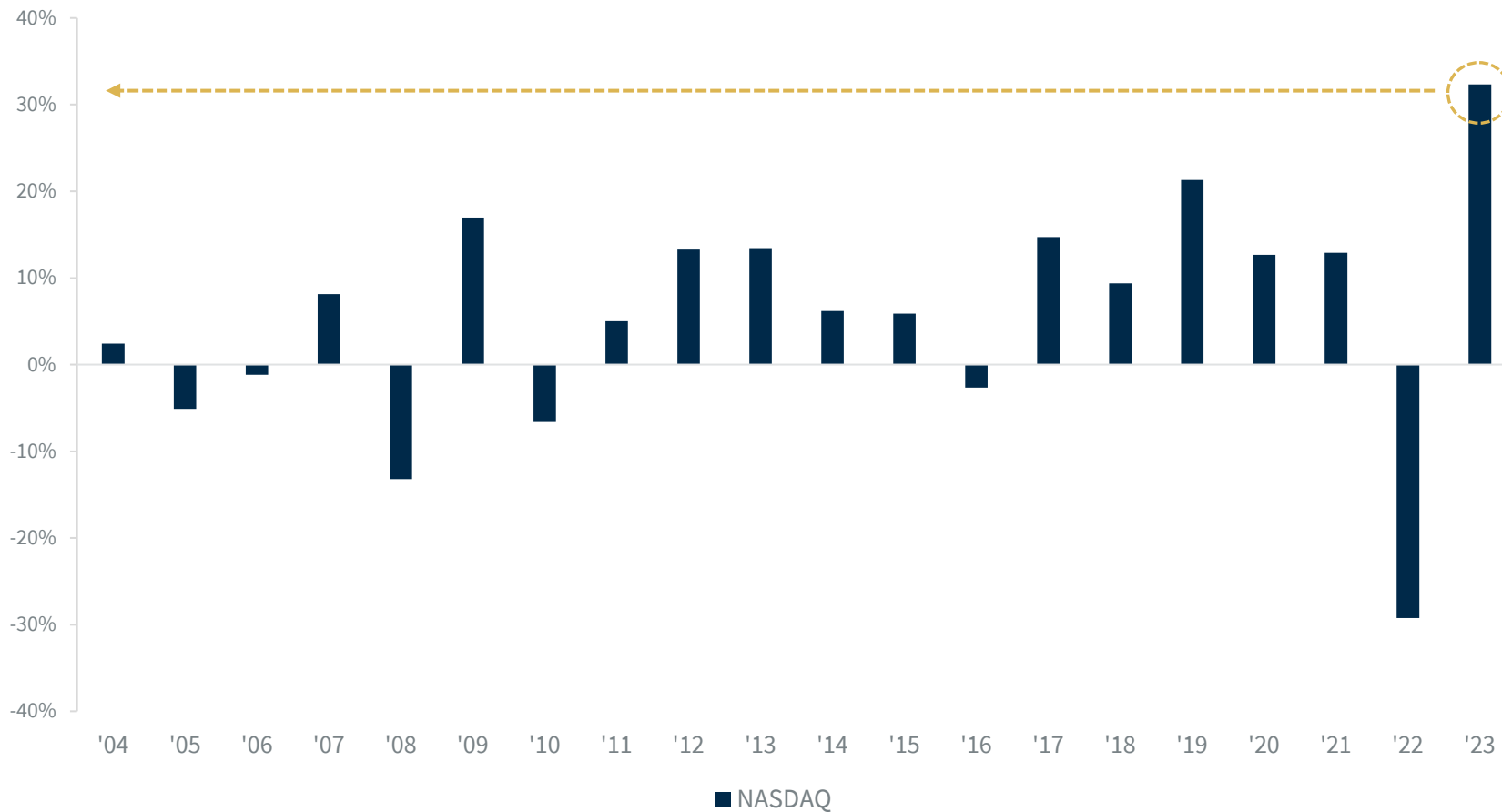
US Stocks Outperform International Equities



Less Pessimistic Q2 Earnings Revisions



Tech-Rally Fuels NASDAQ To Have Best First Half In Nearly Two Decades



Source: FactSet, Data as of 6/30/2023

Fixed Income | Short Maturity Yields Climb

Global Bonds | Recent Trends

- **The Federal Reserve left interest rates unchanged at 5.0% - 5.25% at its June meeting, but policymakers signaled that more rate increases are likely.** The Fed's June dot plots signaled the fed funds rate may rise to 5.6% by year-end. This sent yields sharply higher, with the 2-year Treasury yield up 48 bps to 4.9%—its highest level since early March.
- **Rate increases from other global central banks (ECB, Bank of England, Canada, Australia, and others) added to the negative sentiment in the bond market.** This pushed policy sensitive 2-year yields higher, while 10-year yields, with the exception of the UK, have remained relatively stable. This pushed yield curve inversions deeper into negative territory.
- **Investment grade (IG) and high yield (HY) bond spreads narrowed as optimism about a soft landing has increased with the latest batch of economic data.** Spread levels are approaching their tightest point this year at 123 bps (IG) and 390 bps (HY) and are now trading below their 10-year averages, despite a looming recession.
- **Default activity remains elevated, with high yield bond and leveraged loan default rates climbing to a 2-year high of 2.4%.** While defaults remain below their longer-term average of 3.2%, the rising trend is indicative of stress building across the corporate credit sector. Recovery rates on defaulted debt have also declined over the last twelve months.

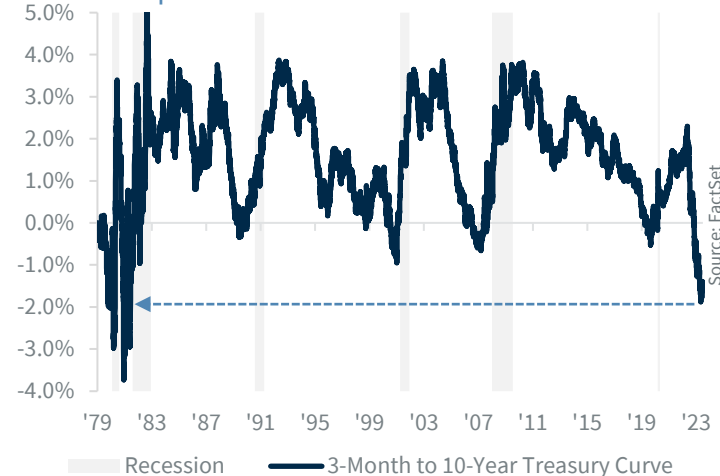
Global Bonds | 12-Month Outlook

- **Slowing growth, moderating inflation and the end of the Fed's tightening cycle should create a more supportive fundamental backdrop for the bond market.** With interest rates now at their highest level in decades, bonds provide healthy coupon yields, a capital gains opportunity and diversification from equities.
- **The Fed should lift the fed funds rate one additional time before year-end, pushing the fed funds rate up to 5.25% - 5.50%.** While economic growth remains stronger than expected, we expect it will slow through the end of the year and into 2024. This will push yields lower towards our year-end 3.25% 10-year Treasury yield target.
- **Highly restrictive interest rates and a looming recession favor positioning in the higher-quality fixed income sectors** (Treasury, investment grade, munis and emerging markets). Caution is still warranted on the more speculative grade sectors, such as high yield and bank loans, as weaker credits are likely to face a more challenging environment.
- **Muni bonds continue to provide an attractive opportunity for fixed income investors in higher tax brackets.** Favorable supply-demand dynamics over the summer months and generous tax-equivalent yields relative to Treasuries and corporate bonds should be supportive for munis and lead to better relative performance.

2-Year Yields Continue To Climb



Deepest Yield Curve Inversion Since 1980s



Commodities & Currencies | Commodities Remain Under Pressure

Commodities & Currencies | Recent Trends

- **Commodity prices snapped their six-month losing streak in June, with energy (+8.0%), grains (+5.7%) and industrial metals (+0.7%) posting gains.** However, the Bloomberg Commodity Index is down 10% YTD, largely due to cooling energy and industrial metals prices.
- **Despite an 8% gain in June, the Bloomberg Energy Index has trended lower over the last year.** Oil prices are down 43% from their March 2022 peak (\$123.70/barrel) and 12% lower this year on concerns that weakening global activity will curtail demand. OPEC+ supply cuts did little to change the overall trend, with WTI oil ending the quarter at \$70.64/barrel.
- **Industrial metals prices are down 14.5% YTD as concerns about China’s recovery and the strength of global demand continue to drive prices lower.** Copper is seen as a bellwether for the health of the global economy. With the global economy on shaky ground and China’s recovery underwhelming, it is not surprising to see metals have a tough year.
- **The US dollar was modestly stronger in the 2nd quarter, rising 0.4%, but broadly stable this year (-0.6% YTD).** The US dollar is notably stronger versus the Japanese yen (-8.8% YTD) and Chinese yuan (-4.3% YTD) due to diverging monetary policies. High real rates in Latin America has been generally supportive for the region’s currencies, with the Mexican peso up 13.6% and Brazilian real up 9.4% year to date.

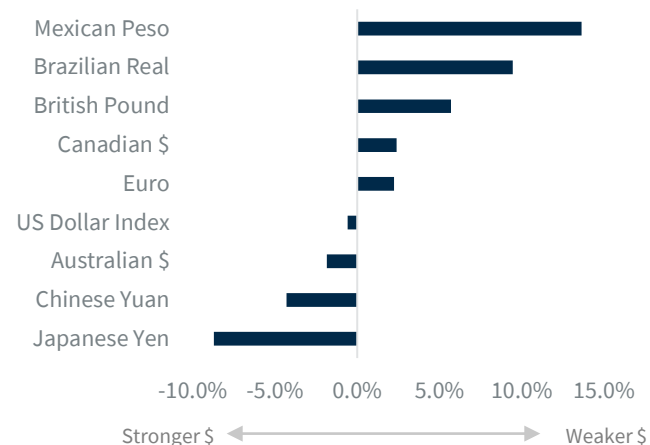
Commodities & Currencies | 12-Month Outlook

- **Oil prices have fallen back to pre-Russian war levels.** The decline has been driven by record Strategic Petroleum Reserve (SPR) releases and the prospect of weaker demand. However, the OPEC supply cuts, replenishing the SPR, and ongoing capital discipline from US producers should lift oil prices back toward \$85/barrel by year end.
- **Commodity prices remain on a downward trend, largely due to concerns about slower global growth.** Declines in energy, metals and food prices have continued to normalize after the pandemic and war related spikes last year, alleviating price pressures around the world.
- **The US dollar has likely peaked, but a sustained decline is not likely until the global economy recovers.** After falling nearly 10% from last year’s peak, the US dollar has remained in narrow range this year, stable to stronger versus developed currencies (i.e., Australian \$, Japanese yen), but softer versus high-yielding currencies (i.e., Brazilian real, Mexican peso).
- **The euro’s climb back above parity after last year’s plunge has stalled.** Better-than-expected economic performance and a more hawkish ECB lifted the euro last winter. But further gains will be tempered as growth and interest rate differentials are no longer in its favor. The euro should remain in a 1.0 to 1.10 range this year, but gains are likely longer term.

Oil Prices Have Trended Lower Over The Last Year



US Dollar Has Been Broadly Stable This Year



Summary | Views and Key 2023 Year-End Targets

1 ECONOMY

2023 US GDP: 1.3%

The US economy remains resilient, supported by robust job gains and consumer spending. However, growth will soon slow as the full impact of the Fed's aggressive rate hikes hit the economy. We expect growth to slow to 1.3% by year end and decline to 0.5-0.7% in 2024. Consumer spending should slow as layoffs start to increase and the unemployment rate rises toward 5% in 2024. Inflation should continue to decelerate toward our 3.6% year-end forecast.

2 BOND MARKET

2023 10-Year Treasury: 3.25%

The Fed is near the end of its tightening cycle. We expect the Fed to lift rates to 5.25% - 5.50% this year due to the economy's resilience. However, restrictive interest rates, slowing growth and moderating inflation pressures should drive yields lower toward our 3.25% target by year end. Given the generous yields available after last year's reset, we prefer to remain up-in-quality at this stage of the cycle and favor Treasuries, munis, and investment grade debt over high yield debt.

3 EQUITIES

2023 S&P 500: ~4,400

Equities have had a strong start to the year, fueled by a tech-led rebound and growing optimism about a soft, non-recessionary landing. The macro environment may become more challenging in the months ahead, but longer term, the tailwinds from the end of the Fed's tightening cycle, decelerating inflation and declining interest rates should prove supportive. We maintain our 4,400 year-end target for the S&P 500 (\$215 EPS, 20.5x P/E) and see potential upside to at least 4,600 in the next twelve months.

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: ~\$85/barrel

Global growth concerns and subdued demand have driven oil prices lower to levels that prevailed prior to the Russia-Ukraine war. While a slower economic backdrop has weighed on prices in recent months, we expect oil prices to move toward our \$85/barrel year-end target as continued capital discipline from US producers, further OPEC+ cuts, ongoing Russian sanctions and the need to replenish depleted strategic petroleum reserves drive oil prices higher in the coming months.

6 VOLATILITY

Volatility:



Volatility has continued to recede in 2023 now that COVID disruptions are in the rear-view mirror, Russia-Ukraine war is no longer making front-page news, supply chains are normalizing, inflation pressures are receding, and the synchronized global central bank tightening cycle is nearing an end. However, geopolitical flare-ups, unforeseen market stresses and political uncertainty could temporarily lead to short-term spikes in volatility, especially as valuations have increased.

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.

Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Municipal bond interest is not subject to federal income tax but may be subject to AMT, state or local taxes.

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.

PCE INDEX | **Personal Consumption Expenditures (PCE) Index:** The PCE price index looks at U.S. inflation by measuring changes in the cost of living for households. It tracks the prices of a basket of goods and services, each with different weightings, to reflect how much a typical household spends every month.

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.

BLOOMBERG ENERGY INDEX | **Bloomberg Energy Index** is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return of underlying commodity futures price movements only and is quoted in USD

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.

NASDAQ | The **Nasdaq Composite Index** is a market capitalization-weighted index of more than 3,700 stocks listed on the Nasdaq stock exchange. As a broad index heavily weighted toward the important technology sector, the Nasdaq Composite Index has become a staple of financial markets reports.

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.

CITIGROUP ECONOMIC SURPRISE INDEX | **Citigroup Economic Surprise Index** represents the sum of the difference between official economic results and forecasts. With a sum over 0, its economic performance generally beats market expectations. With a sum below 0, its economic conditions are generally worse than expected.

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
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Portfolio and Individual Account Investment Returns

All information as of June 30, 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	33,194,011.98	100.00%	4.79%	6.96%	13.83%	13.83%	13.46%	-1.76%	8.63%	8.30%
Basic Benchmark Return*			4.90%	6.39%	13.26%	13.26%	14.45%	1.59%	9.92%	9.80%
Alternate Benchmark Return**			4.84%	6.08%	12.70%	12.70%	14.80%	1.74%	10.33%	9.22%
Individual Stock Account	24,230,790.35	73.00%	6.58%	9.18%	16.71%	16.71%	17.56%	-0.85%	12.40%	12.14%
S&P 500			6.61%	8.74%	16.89%	16.89%	19.59%	3.39%	14.60%	12.31%
Clarkston SMID-Cap Equity	477,491.04	1.44%	7.23%	4.81%	4.41%	4.41%	7.13%	-1.92%	10.56%	5.99%
Russell 2000			8.13%	5.21%	8.09%	8.09%	12.31%	-8.34%	10.82%	4.21%
International Equity	488,273.66	1.47%	3.88%	2.12%	14.08%	14.08%	21.75%	-1.82%	7.32%	4.04%
MSCI EAFE			4.55%	2.95%	11.67%	11.67%	18.77%	-1.17%	8.93%	4.39%
Individual Bond Account	7,997,456.93	24.09%	-0.13%	1.33%	6.53%	6.53%	2.85%	-4.48%	-0.82%	1.55%
Bloomberg Barclays US Int Credit			-0.25%	-0.26%	2.21%	2.21%	1.56%	-3.85%	-1.86%	1.82%

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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