

# Third Quarter 2023 Investment Review

---

## The Episcopal Diocese of Vermont

Prepared by:

**Michael McCormack, CFP®**  
Registered Representative, RJFS

**Brigette White, CFP®**  
Registered Representative, RJFS

**Advisors in Financial Planning, Inc.**

An Independent Registered Investment Advisor  
346 Shelburne Road, P.O. Box 1064  
Burlington, VT 05402-1064  
Telephone: (802) 863-5534

Securities Offered Through

**Raymond James Financial Services, Inc.**  
Member FINRA/SIPC

# Quarterly Performance Summary

The 3rd quarter of 2023 was a challenging period for asset prices. All asset sectors declined in price as bonds yields moved higher.

On a relative basis, the bond portion of the portfolio has showed excellent results however. For the 3rd quarter, the index was down .92% and the bond account of the Unit Fund declined only .42%. YTD data is very impressive with the bond account gaining 6.08% while the bond index gained only 1.26%.

On the stock side, domestic, small cap, and foreign underperformed this quarter. The large capitalization domestic stock account makes up 71% of the portfolio; this account is predominately made up of the highest quality businesses in the United States. There is a bias to the banking and technology sectors and these sectors had a challenging 3rd quarter. For the quarter, it was down 5.39% versus the S&P 500 index decline of 3.27%.

One thing that investors need to understand is that the S&P 500 is significantly weighted to 5 companies. 20% of the value of the index is weighted to Apple, Microsoft, Amazon, Google and Nvidia. This is down from 25% just a couple of months ago. The Unit Fund is more diversified and less concentrated.

In terms of changes during the past 90 days - we reduced the stock exposure by again taking profits from the best performing and largest positions such as Broadcom & Advanced Micro Devices. Longer dated fixed income assets were purchased to take advantage of rising yields. Nvidia was added to the portfolio near the end of August.

As of now, 75% of the assets are in stocks and 25% is in fixed income. Currently, there is \$788k of cash to meet income needs.

# Investment Return Summary

Third Quarter (6/30/2023 - 9/30/2023)			
June 30, 2023 Value:	\$33,183,035	Third Quarter Return:	-4.27%
Net Cash Flows	(\$464,016)	Benchmark Return*:	-3.26%
Investment Gain (Loss):	(\$1,363,875)	Alternative Benchmark Return**:	-2.83%
September 30, 2023 Value:	\$31,355,144		

Year to Date Period (12/31/2022 - 9/30/2023)			
December 31, 2022 Value:	\$29,935,543	Year to Date Return:	8.97%
Net Cash Flows	(\$1,385,265)	Benchmark Return*:	9.57%
Investment Gain (Loss):	\$2,804,866	Alternative Benchmark Return**:	9.51%
September 30, 2023 Value:	\$31,355,144		

One Year Period (9/30/2022 - 9/30/2023)			
September 30, 2022 Value:	\$28,995,690	One Year Return:	14.02%
Net Cash Flows	(\$1,827,398)	Benchmark Return*:	16.36%
Investment Gain (Loss):	\$4,186,852	Alternative Benchmark Return**:	16.77%
September 30, 2023 Value:	\$31,355,144		

Two Year Period (9/30/2021 - 9/30/2023)			
September 30, 2021 Value:	37,532,175.00	Two Year Return:	-4.52%
Net Cash Flows	(3,148,526.67)	Benchmark Return*:	-0.31%
Investment Gain (Loss):	(3,028,503.90)	Alternative Benchmark Return**:	0.15%
September 30, 2023 Value:	31,355,144.00		

Three Year Period (9/30/2020 - 9/30/2023)			
September 30, 2020 Value:	\$30,695,763	Three Year Return:	3.94%
Net Cash Flows	(\$3,647,882)	Benchmark Return*:	6.37%
Investment Gain (Loss):	\$4,307,263	Alternative Benchmark Return**:	7.08%
September 30, 2023 Value:	\$31,355,144		

Five Year Period (9/30/2018 - 9/30/2023)			
September 30, 2018 Value:	\$27,576,183	Five Year Return:	6.50%
Net Cash Flows	(\$6,552,191)	Benchmark Return*:	7.94%
Investment Gain (Loss):	\$10,331,151	Alternative Benchmark Return**:	7.78%
September 30, 2023 Value:	\$31,355,144		

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.

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

# Account Activity Summary

All information as of September 30, 2023

	Third Quarter	YTD	Last 12 Months	Last 2 Years	Last 3 Years	Last 5 Years
<b>Beginning Market Value</b>	<b>\$33,183,035</b>	<b>\$29,935,543</b>	<b>\$28,995,690</b>	<b>\$37,532,175</b>	<b>\$30,695,763</b>	<b>\$27,592,561</b>
Contributions						
- Parish Deposits	\$28,081	\$39,063	\$39,347	\$559,200	\$1,648,115	\$2,450,210
Withdrawals						
- Parish Withdrawals	(\$56,035)	(\$129,209)	(\$155,102)	(\$323,646)	(\$415,488)	(\$1,350,096)
- Parish Dividends	(\$386,206)	(\$1,141,726)	(\$1,514,352)	(\$2,966,382)	(\$4,265,297)	(\$6,664,854)
- Foreign Taxes Withheld	(\$783)	(\$2,798)	(\$3,317)	(\$6,431)	(\$8,933)	(\$23,361)
- Management Expenses	(\$44,873)	(\$126,623)	(\$165,801)	(\$359,193)	(\$542,195)	(\$884,238)
- Operating Expenses	(4,200)	(23,974)	(28,174)	(52,074)	(64,085)	(80,062)
<b>Net Cash Flows</b>	<b>(\$464,016)</b>	<b>(\$1,385,265)</b>	<b>(\$1,827,398)</b>	<b>(\$3,148,527)</b>	<b>(\$3,647,882)</b>	<b>(\$6,552,400)</b>
Income						
- Interest/Dividends	216,784	660,391	872,553	1,744,772	2,546,377	4,471,665
- Gains (Losses)	(1,580,659)	2,144,475	3,314,299	(4,773,276)	1,760,886	5,843,318
<b>Total Earnings</b>	<b>(\$1,363,875)</b>	<b>\$2,804,866</b>	<b>\$4,186,852</b>	<b>(\$3,028,504)</b>	<b>\$4,307,263</b>	<b>\$10,314,984</b>
<b>Ending Market Value</b>	<b>\$31,355,144</b>	<b>\$31,355,144</b>	<b>\$31,355,144</b>	<b>\$31,355,144</b>	<b>\$31,355,144</b>	<b>\$31,355,144</b>
Portfolio Returns (Gross of Fees)	-4.14%	9.40%	14.62%	-4.01%	4.49%	7.07%
Management Expenses	-0.13%	-0.43%	-0.60%	-0.51%	-0.55%	-0.57%
Portfolio Returns (Net of Fees)	-4.27%	8.97%	14.02%	-4.52%	3.94%	6.50%
Basic Benchmark Return*	-3.26%	9.57%	16.36%	-0.31%	6.37%	7.94%
Alternate Benchmark Return**	-2.83%	9.51%	16.77%	0.15%	7.08%	7.78%

**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.*

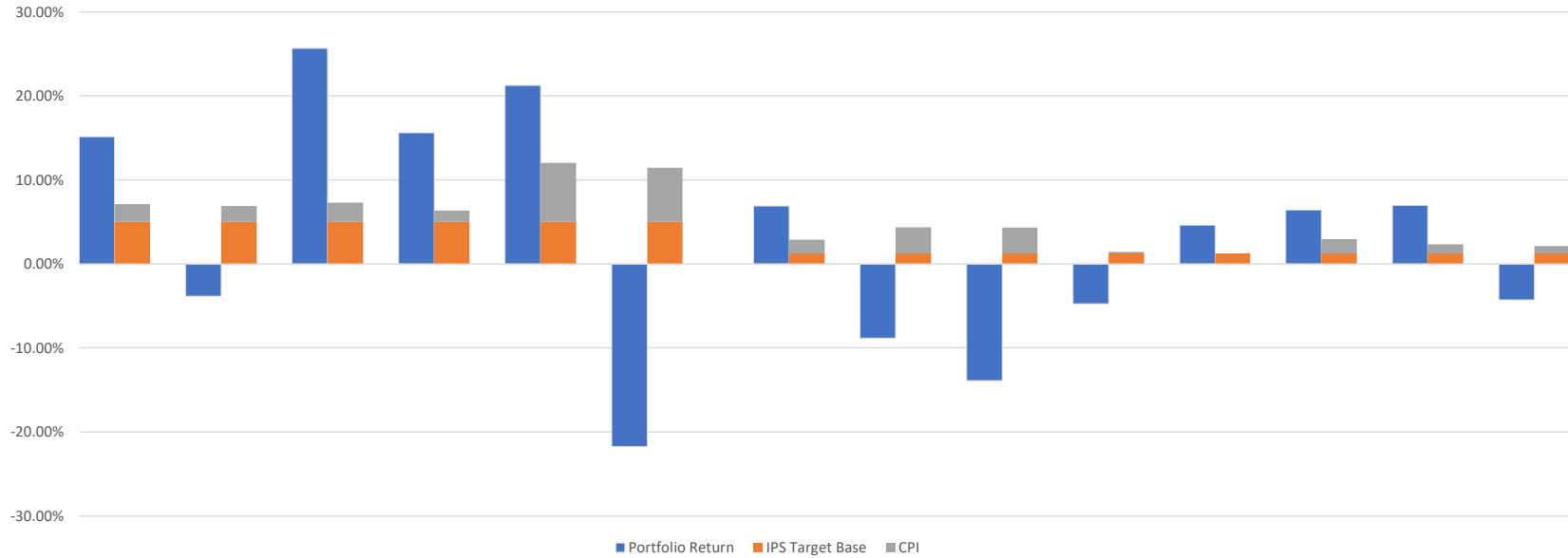
\* The Basic Benchmark Return is weighted to the Bloomberg Barclays US Aggregate Bond Index and the Standard & Poor's 500 Index based on the actual portfolio allocation.

\*\* 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.

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

# Quarterly Portfolio and IPS Target Returns

All information as of September 30, 2023



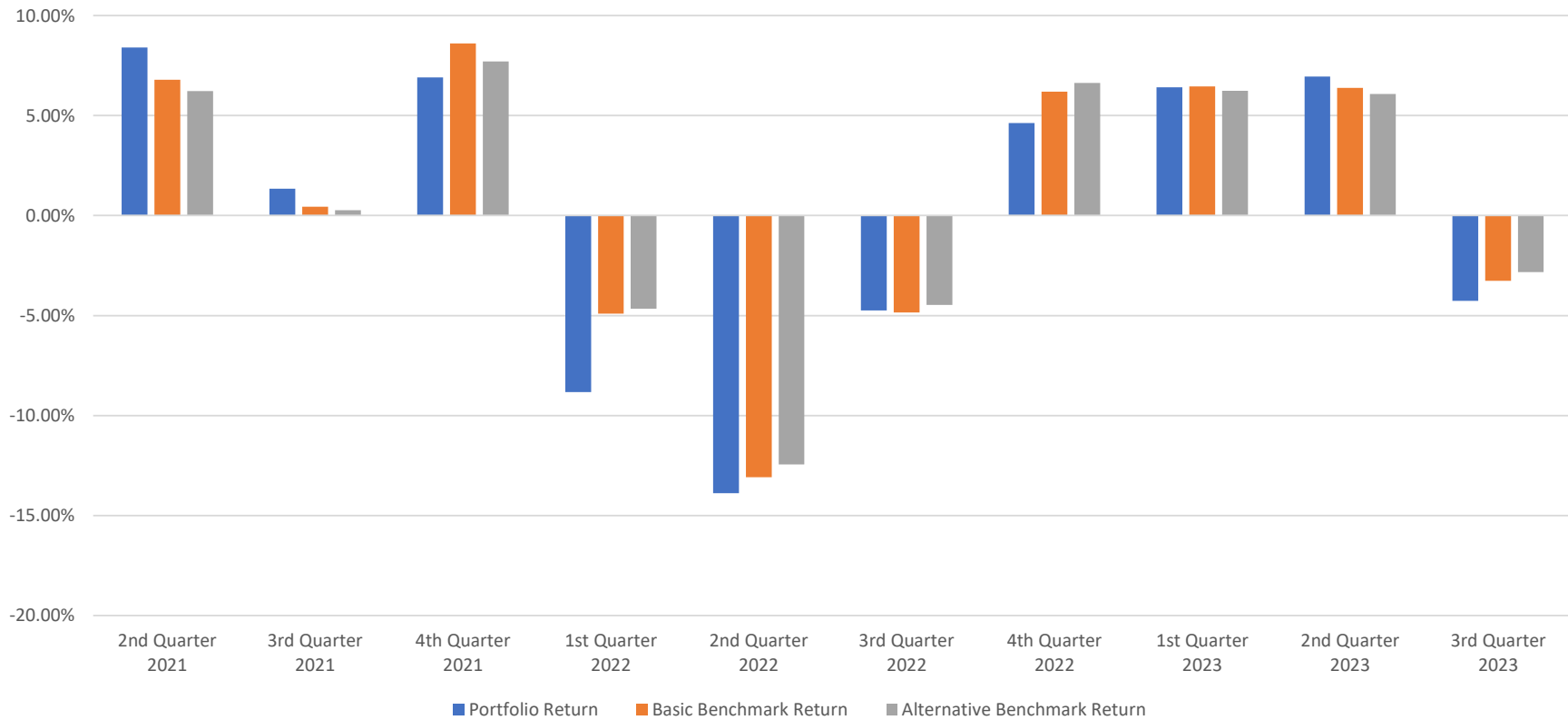
	2017	2018	2019	2020	2021	2022	4th Quarter 2021	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022	1st Quarter 2023	2nd Quarter 2023	3rd Quarter 2023
Portfolio	15.14%	-3.83%	25.66%	15.62%	21.23%	-21.75%	6.91%	-8.83%	-13.89%	-4.74%	4.63%	6.42%	6.96%	-4.27%
IPS Target Base	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
CPI	2.11%	1.91%	2.29%	1.36%	7.04%	6.45%	1.64%	3.12%	3.06%	0.17%	0.00%	1.70%	1.08%	0.88%

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.

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

# Comparative Returns for the Last 10 Quarters

All information as of September 30, 2023



\* 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.

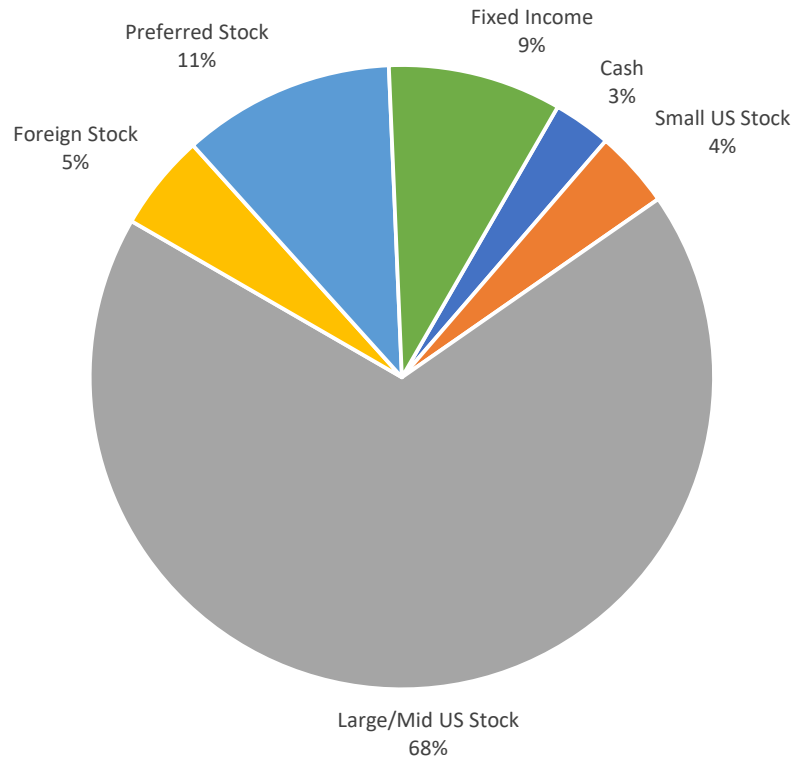
\*\* The Alternative Benchmark Return is weighted among the Bloomberg Barclays US Aggregate Bond Index, the Bloomberg Barclays US Govt/Credit 1-3 Year Index, the Bloomberg Barclays US Intermediate Credit Index, the FTSE Treasury Bill 1 Month Index, the MSCI EAFE Index, the Russell 2000 Index and the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

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

# Portfolio Allocation

All information as of September 30, 2023

**(77% Equities / 23% Fixed Investments)**



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



## Monthly CIO View

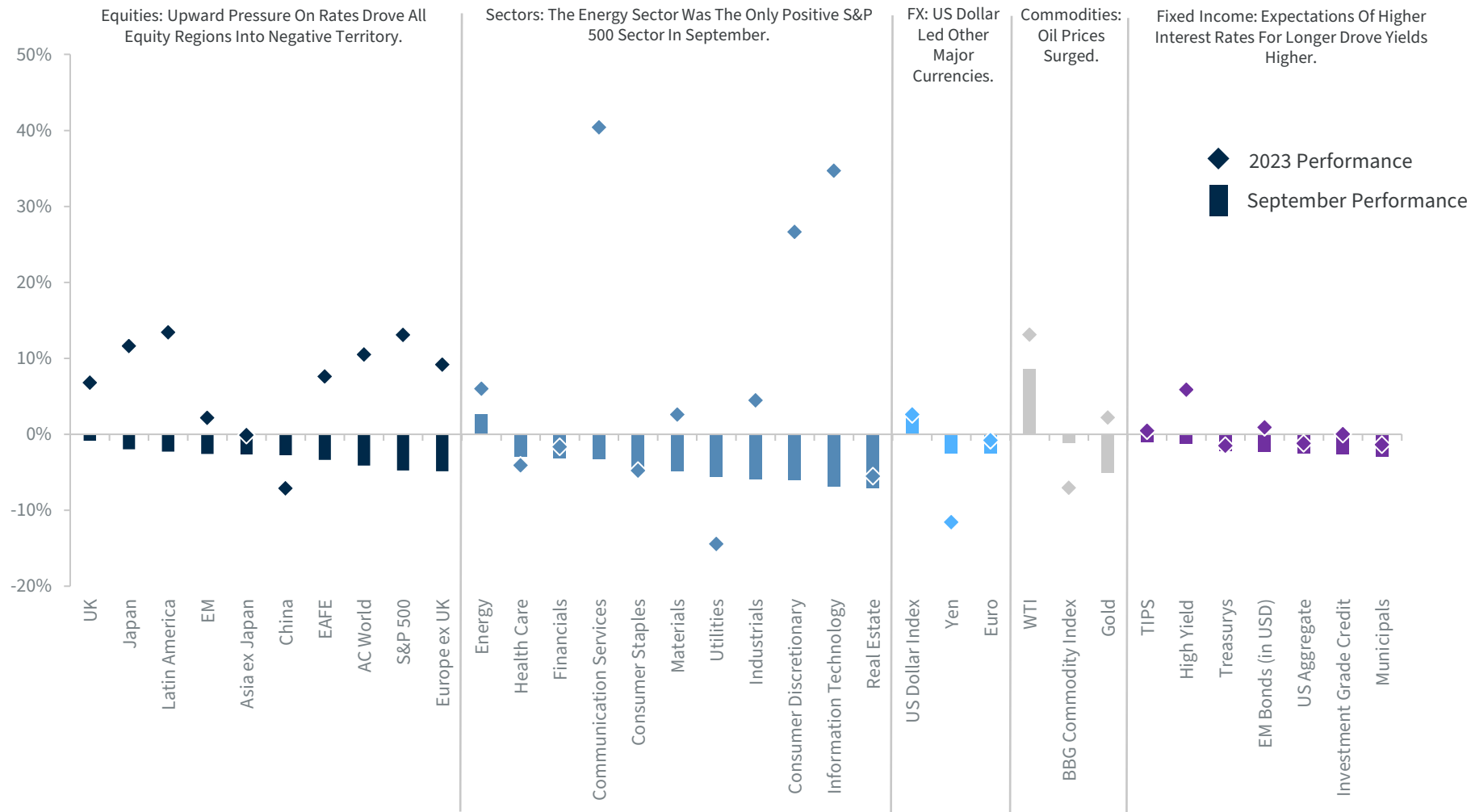
*Strategy Snapshot*

October 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 9/30/2023. 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 | The US Economy Is Still Humming Along

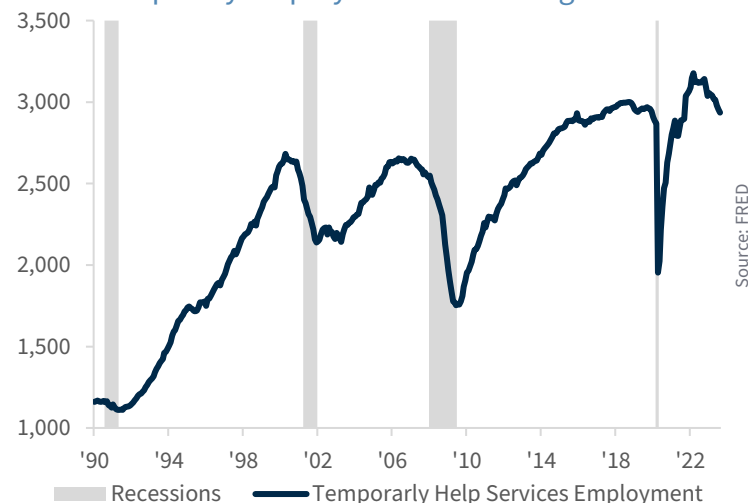
### Global Economy | Recent Trends

- **Market expectations for a soft, non-recessionary landing have persisted, despite aggressive monetary tightening.** Policymakers have managed to slow growth, as evidenced by cooling labor market conditions, moderating wage growth and softening consumption, without pushing the US economy into a deeper downturn to date.
- **The labor market remains strong, but recent indicators suggest that supply and demand are coming into better balance.** While the four-week average of initial claims remains near cycle lows, the pace of job gains, the number of job openings and temporary employment have eased considerably since the beginning of the year.
- **The disinflationary trend remains on track, despite rising oil prices.** The Fed’s preferred measure of inflation (core PCE) declined to 3.9% from a year earlier— its lowest level since May 2021. On a three-month annualized basis, the core PCE measure fell to 2.2%, its slowest pace in nearly three years.
- **China’s recovery remains fragile,** but recent data (i.e., industrial production, credit growth, and retail sales) have come in better than expected as policy easing gathered steam.
- **Restrictive monetary policy is hampering Europe’s growth,** as weak manufacturing is starting to weigh on services and inflation, while decelerating, remains elevated.

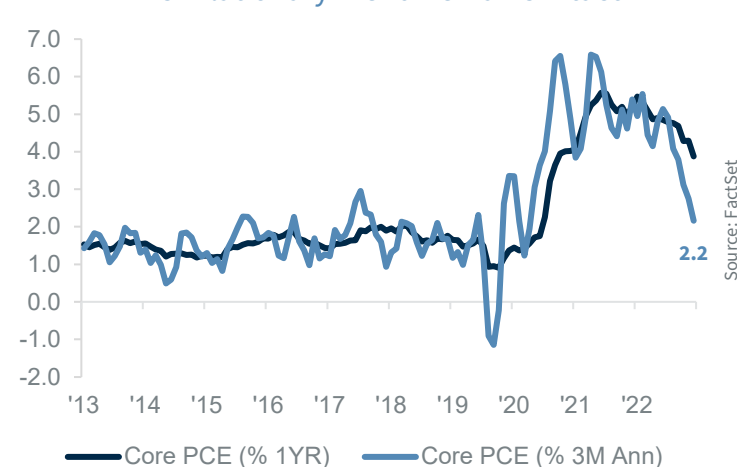
### Global Economy | 12-Month Outlook

- **The US economy has remained remarkably resilient, supported by low unemployment and strong consumer spending.** However, growth is likely to become more challenged in the months ahead as consumers face numerous headwinds that are likely to weaken consumption and push the economy into a mild recession starting in 1Q next year.
- **The fading tailwinds of the pandemic-induced policy interventions suggest growth should start to slow in the coming quarters.** The combination of tight monetary policy, soaring borrowing costs and slowing credit growth will restrain economic activity and drive growth to a paltry 0.4% rate in 2024.
- **Europe continues to face an unfavorable mix of stagnating growth and elevated inflation pressures.** Sharply higher interest rates, weak credit growth and the prospect of tighter fiscal policy will continue to weigh on economic activity. Underlying inflation pressures are beginning to ease but remain well above the ECB’s 2.0% target.
- **Chinese authorities have ramped up their efforts to shore up confidence in China’s beleaguered economy.** With policy momentum picking up, the macro backdrop should start to improve. However, it remains to be seen whether the latest efforts will lead to a sustainable turnaround.

Temporary Employment Is Trending Lower



Disinflationary Trend Remains Intact



## Equities | US Equities Post Second 5% Pullback This Year

### Global Equities | Recent Trends

- **After posting its best start to a year since 1997, the S&P 500 posted its second 5% pullback for the year** as rising interest rates, a hawkish Fed rate outlook and negative seasonality weighed on share prices. In fact, this was the first negative quarter, down 3.3%, the S&P 500 has experienced since 4Q 2022. With the recent decline, both the **Dow Jones Industrial Average and Russell 2000 (Small Cap) are in negative territory year-to-date.**
- The recent market correction has weighed heavily on investor sentiment. In fact, **the recent AAI Investor Sentiment Survey showed that bearish sentiment on the market has reached its highest level since mid May.** Historically, sharp swings in sentiment have coincided with near-term turning points in the market.
- With longer duration bond yields rising to multi-year highs, **elevated bond yields are weighing on the risk/return outlook for equities.** In fact, the spread between the 10-year Treasury yield and the S&P 500 dividend yield rose to the highest level since 2007 and ~6% of S&P 500 companies are paying a dividend yield greater than the 10-year Treasury yield.
- **Q3 earnings season kicks off in mid October.** Currently, consensus earnings estimates are expected to rise +0.6%, which would mark the first time **the S&P 500 posts positive earnings growth** on a year-over-year basis in four quarters.

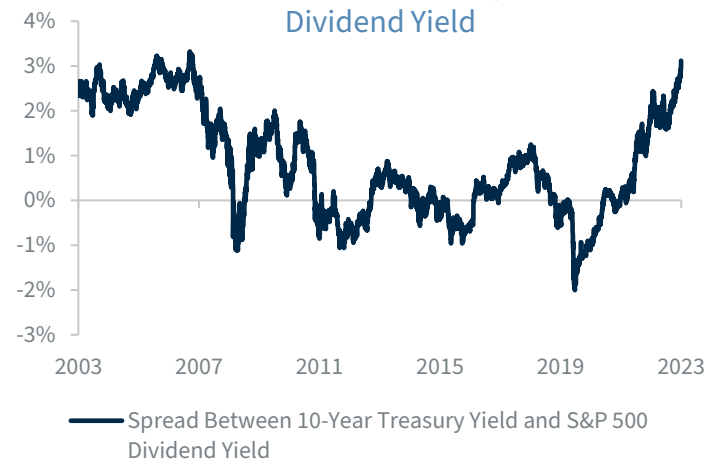
### Global Equities | 12-Month Outlook

- **With equity markets falling below our year-end forecast (4,400) and sentiment moderating,** we see modest upside for the equity market near term. However, we expect the upside to be limited as our expectation that the US economy will experience a mild recession in the 1Q24 will weigh on the equity market and earnings.
- **Moderating inflation, the end of the Fed's rate hikes, and lower bond yields should be supportive for equities longer term.** While these favorable tailwinds have been reflected in earnings multiples, earnings growth will need to take over as the key driver to lift stock prices higher from current levels. We expect \$220 EPS by year-end 2023 and for 2024.
- **European earnings resilience will likely get tested as the squeeze from higher interest rates and tighter lending conditions intensifies** over the coming months. While European equities remain undervalued on both an historic basis and relative to US equities, we are slightly more cautious in the near term and continue to favor US equities.
- **We remain constructive on emerging market equities, despite disappointing YTD performance in EM Asia.** Further stimulus should help sustain China's recovery, while EM Asia (particularly India) and Latin America are benefiting from shifting supply chains and nearshoring trends. Higher oil prices should also benefit Latin American equities.

### Second 5% Pullback For The Year

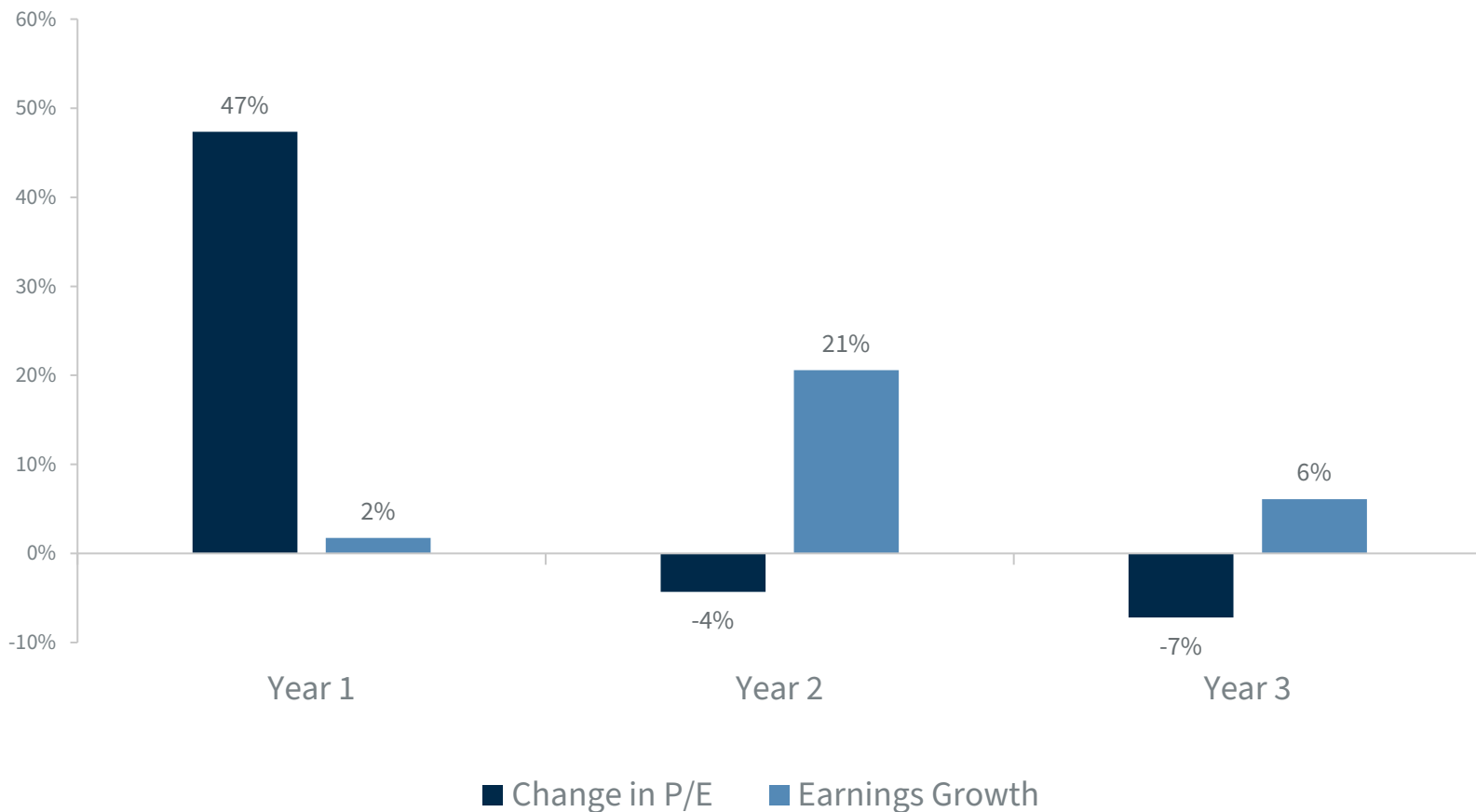


### 10-Year Treasury Yield Gaining on S&P 500 Dividend Yield



## Earnings Will Need To Drive The Next Stage Of the Cycle

The S&P 500 Is Approaching The First Year Anniversary Of The Bull Market That Began In October 2022



Source: FactSet, Data as of 9/30/2023

## Fixed Income | Bond Sell-Off Continues

### Global Bonds | Recent Trends

- **The Federal Reserve (Fed) left interest rates unchanged at a target rate of 5.25% - 5.50% in September.** However, the Fed's updated interest rate outlook caught the markets by surprise as policymakers shifted their 2024 fed funds projection 50 basis points higher (from 4.6% to 5.1%) due to stronger than expected economic activity.
- **Treasury yields remained under pressure as the Fed messages higher for longer rates.** This pushed the 10-year Treasury yield up to 4.59% and real 10-year yields (adjusted for inflation) to 2.24%—multi-decade highs. Treasury yields now surpass the S&P 500 dividend yield by the widest margin (3.7%) since the Great Financial Crisis.
- **The bear steepening trend (i.e., shorter-maturity yields rise by less than longer-maturity yields) was also prevalent in global developed and emerging bond markets.** Despite emerging market central banks kicking off their easing cycle, most sovereign bond yields (with the exception of the UK) continued to march higher during the quarter.
- **Spread sectors widened in sympathy with the recent weakness in equities in September; but are largely unchanged during the quarter.** Borrowers have been able to offset the challenges of higher interest rates as debt maturities have been extended. However, rising bankruptcy filings suggest some companies are coming under pressure.

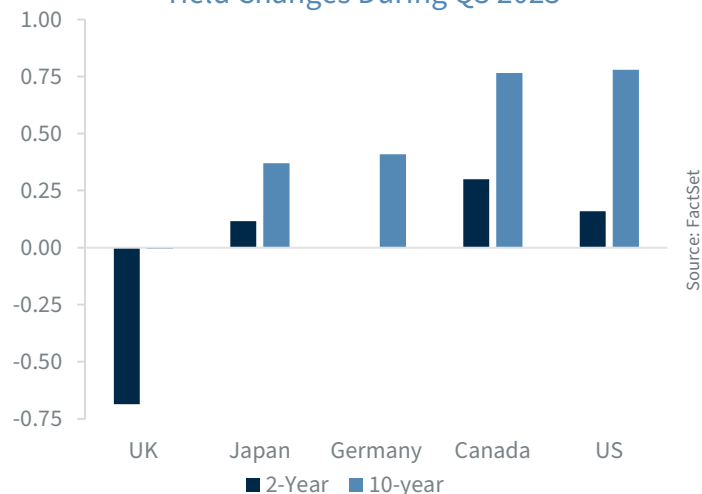
### Global Bonds | 12-Month Outlook

- Stronger than expected growth and delayed recession calls have pushed interest rates higher, however; the **Fed's restrictive policy stance should drive growth and inflation lower over the next 12 months.** This should pave the way for the 10-year Treasury yield to decline to 3.5% in the months ahead.
- **The Fed is nearing the end of its tightening cycle,** however; one additional rate hike may still be necessary to bring inflation back down to target. While the Fed's 2024 rate projections suggest that interest rates will remain higher for longer, we think weak economic growth and declining inflation will lead the Fed to cut rates starting in mid-2024.
- Fiscal policy dynamics and a mounting supply of Treasury issuance to fund rising deficits have driven Treasury yields higher recently. While these short-term factors are moving the market, we expect **the longer-term fundamental drivers of bond yields—inflation, real and nominal growth—to reassert themselves and push yields lower in the months ahead.**
- Corporate credits have remained remarkably resilient in the wake of the Fed's aggressive rate hikes and the sharp tightening in lending standards. **While low refinancing needs have been a key factor behind the resilience, credit stress is building underneath the surface** (i.e., rising bankruptcies, climbing default rates), which is not factored into spreads.

### Multi-Decade Peak For 10-Year Real Yields



### Yield Changes During Q3 2023



## Commodities & Currencies | Commodities Slip on Stronger Dollar

### Commodities & Currencies | Recent Trends

- The **Bloomberg Commodity Index declined for the second month in a row in September**. The steep declines in the precious metals (-6.11%) and grains (-5.6%) subindices—which represent a combined weight of ~42% in the main Index—offset any gains in the energy sector. In addition, strength in the US dollar provided another headwind to the sector.
- As it ended its second consecutive month in positive territory, **the US Dollar Index rose to its highest level since October 2022**. The strength was primarily driven by widening interest rate differentials, where US interest rates rose on more hawkish Fed messaging following September's FOMC meeting. Stronger than expected economic data and slower disinflation momentum has the Fed now projecting two fewer rate cuts in 2024.
- **Oil prices' relentless climb continued, with oil prices reaching their most expensive level (~\$91/bbl) since July 2022**. With OPEC countries extending supply cuts and the US Strategic Petroleum Reserves at multi-decade lows, oil prices gained 8.6% in September. As a result of the rally, gas prices briefly hit the psychological \$4/gallon level during the month.
- While US oil producers exhibit capital discipline, **US oil production continues to surge** as US production is now only 200k barrels/day below the prior peak (13.1 million). With prices sustainably above breakeven levels, expect production to rise further.

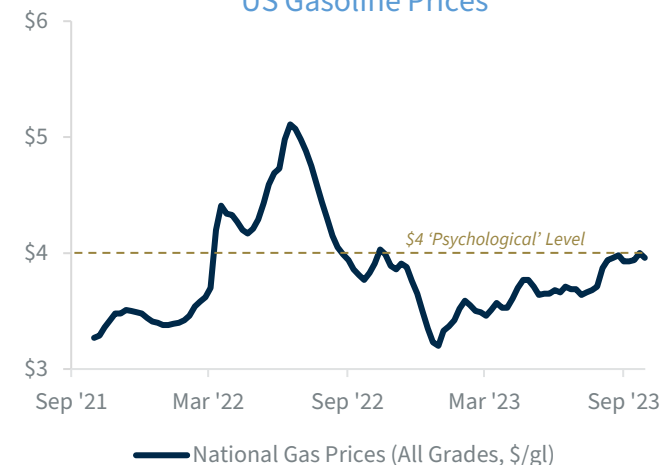
### Commodities & Currencies | 12-Month Outlook

- **Expectations of a soft, non-recessionary landing have lifted oil prices from their recent lows**. We expect oil prices to remain around our \$85-90/barrel year-end forecast as demand and supply become more balanced. Ongoing OPEC supply cuts and the need to replenish the SPR should provide support while weakening demand should provide a headwind.
- **Commodity prices have moved lower over the last year, with the exception of oil prices**. However, geopolitical risks and weather-related disruptions could cause a temporary move higher. A sustained move higher, particularly in oil prices, could have implications for Fed policy, inflation expectations and the markets.
- **The US dollar remains below its September 2022 peak; however, a sustained decline is not likely until the global economy recovers**. A renewed upturn in the US dollar is likely to persist providing the Fed maintains a hawkish bias relative to the policy stance of other central banks. However, valuations suggest upside is limited.
- **The euro's climb following last year's plunge below parity has stalled** as the market digests slowing economic data, stubborn inflation and the ECB's policy stance. With macro strength leaning in the US dollar's favor, the euro could come under renewed downward pressure in the coming months. However, a move back down below parity is unlikely.

### US Dollar Moving Higher



### US Gasoline Prices



## Summary | Key 2023 Year-End Forecasts and 12-Month Views

### 1 ECONOMY

2023 US GDP: 2.0%

The US economy has remained remarkably resilient, supported by robust job gains and consumer spending, with growth on track to rise 2.0% in 2023. However, multiple headwinds (i.e., slowing job growth, depleted excess savings, student loan repayments, soaring borrowing costs) are building for the consumer. These factors should cool demand and slow growth to a 0.4% pace in 2024 and lead the economy into a mild recession starting Q1 2024.

### 2 BOND MARKET

2023 10-Year Treasury: 3.5%

The Fed is nearing the end of its tightening cycle, with possibly one more hike expected this year. However, moderating inflation and a mild recession should allow the Fed to begin cutting rates in mid-2024. Slowing economic activity, a continuation of the disinflationary trend and the end of the Fed's tightening cycle should push yields lower. We expect the 10-year Treasury to decline to 3.5% over the next 12 months. We remain cautious on high yield debt as credit fundamentals are deteriorating.

### 3 EQUITIES

2023 S&P 500: ~4,400

Stronger than expected growth and AI optimism has led to an expansion in the multiple this year. The next stage of the cycle will need to be propelled by earnings. However, earnings will likely tread water in 2024 as a more challenging macro backdrop is expected. Longer-term we remain optimistic as macro factors (Fed final rate hike, lower interest rates) and a record amount of cash on the sidelines should propel the S&P 500 higher in 2024 (4,650 12-month target: \$220 EPS, 21x PE).

### 4 DOLLAR DIRECTION

2023 EUR/USD: 1.05

With the US economy proving more resilient to yields ratcheting higher and relative interest rates still in its favor, the US dollar has resumed its climb against other major currencies (i.e., Japanese yen, euro, pound sterling). In the near term, this should continue to weigh on the euro, with the expected trading range of 1.0 to 1.1 to remain intact over the coming quarters. However, as US growth softens and European growth troughs, US dollar strength will begin to fade.

### 5 OIL

2023 Oil: ~\$85-\$90/barrel

Oil prices have jumped nearly \$20/barrel since the summer as growing optimism about a soft, non-recessionary landing in the US gather momentum. Solid oil demand, combined with production cuts from OPEC+ nations, ongoing capital discipline from US producers and the need to replenish depleted Strategic Petroleum Reserves are also contributing to higher oil prices. We expect oil prices to stabilize at current levels, but a sustained push higher could create challenges.

### 6 VOLATILITY

Volatility:



Equity market volatility has returned to longer-term historic levels following the pandemic, Russia-Ukraine war, supply chains and inflation spikes over the last few years. However, interim flare-ups should be expected as geopolitical tensions remain high, government dysfunction continues, and unforeseen market stresses could arise. Interest rate volatility remains elevated; but should start to decline once the Fed concludes its tightening cycle.

---

## 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** | The **MSCI Europe Index** captures large and mid cap representation across 15 Developed Markets (DM) countries in Europe\*. With 428 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across the European Developed Markets equity universe.

**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.

## INTERNATIONAL DISCLOSURES

**FOR CLIENTS IN THE UNITED KINGDOM** | For clients of Raymond James Financial International Limited (RJFI): This document and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in the FCA rules or persons described in Articles 19(5) (Investment professionals) or 49(2) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or any other person to whom this promotion may lawfully be directed. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients. **FOR CLIENTS OF RAYMOND JAMES INVESTMENT SERVICES, LTD.**: This document is for the use of professional investment advisers and managers and is not intended for use by clients. **FOR CLIENTS IN FRANCE** | This document and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in "Code Monetaire et Financier" and Reglement General de l'Autorite des marches Financiers. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients. **FOR CLIENTS OF RAYMOND JAMES EURO EQUITIES** | Raymond James Euro Equities is authorised and regulated by the Autorite de Controle Prudentiel et de Resolution and the Autorite des Marches Financiers. **FOR INSTITUTIONAL CLIENTS IN THE EUROPEAN ECONOMIC AREA (EE) OUTSIDE OF THE UNITED KINGDOM** | This document (and any attachments or exhibits hereto) is intended only for EEA institutional clients or others to whom it may lawfully be submitted. **FOR CANADIAN CLIENTS** | This document is not prepared subject to Canadian disclosure requirements, unless a Canadian has contributed to the content of the document. In the case where there is Canadian contribution, the document meets all applicable IROC disclosure requirements.

## DESIGNATIONS

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP® and CERTIFIED FINANCIAL PLANNER® in the U.S. Investments & Wealth Institute™ (The Institute) is the owner of the certification marks "CIMA" and "Certified Investment Management Analyst." Use of CIMA and/or Certified Investment Management Analyst signifies that the user has successfully completed The Institute's initial and ongoing credentialing requirements for investment management professionals.

CFA® and Chartered Financial Analyst® are registered trademarks owned by CFA Institute.

## DATA SOURCES

FactSet as of 9/30/2023.


# RAYMOND JAMES

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER  
880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863

The views expressed in this commentary are the current opinion of the Chief Investment Office, but not necessarily those of Raymond James & Associates, and are subject to change. Information contained in this report was received from sources believed to be reliable, but accuracy is not guaranteed. Past performance is not indicative of future results. No investment strategy can guarantee success. There is no assurance any of the trends mentioned will continue or that any of the forecasts mentioned will occur. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital. Material is provided for informational purposes only and does not constitute a recommendation.

© 2023 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. © 2023 Raymond James Financial Services, Inc., member FINRA/SIPC. Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value. Raymond James® is a registered trademark of Raymond James Financial, Inc.

---



# Portfolio and Individual Account Investment Returns

All information as of September 30, 2023

	Market Value	Current Allocation	MTD	QTD	Last 6 Months	YTD	Last 12 Months	Last 2 Years	Last 3 Years	Last 5 Years
<b>Overall Portfolio</b>	<b>31,370,778.17</b>	<b>100.00%</b>	<b>-3.97%</b>	<b>-4.27%</b>	<b>2.40%</b>	<b>8.97%</b>	<b>14.02%</b>	<b>-4.52%</b>	<b>3.94%</b>	<b>6.50%</b>
Basic Benchmark Return*			-4.26%	-3.26%	2.92%	9.57%	16.36%	-0.31%	6.37%	7.94%
Alternate Benchmark Return**			-3.90%	-2.83%	3.08%	9.51%	16.77%	0.15%	7.08%	7.78%
<b>Individual Stock Account</b>	<b>22,394,440.93</b>	<b>71.39%</b>	<b>-4.94%</b>	<b>-5.39%</b>	<b>3.30%</b>	<b>10.42%</b>	<b>18.20%</b>	<b>-4.48%</b>	<b>5.74%</b>	<b>9.44%</b>
S&P 500			-4.77%	-3.27%	5.18%	13.07%	21.62%	1.39%	10.15%	9.92%
<b>Clarkston SMID-Cap Equity</b>	<b>441,651.82</b>	<b>1.41%</b>	<b>-2.93%</b>	<b>-7.51%</b>	<b>-3.05%</b>	<b>-3.43%</b>	<b>4.73%</b>	<b>-1.66%</b>	<b>6.26%</b>	<b>4.11%</b>
Russell 2000			-5.89%	-5.13%	-0.19%	2.54%	8.93%	-8.71%	7.16%	2.40%
<b>International Equity</b>	<b>598,614.25</b>	<b>1.91%</b>	<b>-6.08%</b>	<b>-8.11%</b>	<b>-6.16%</b>	<b>4.83%</b>	<b>22.26%</b>	<b>-5.85%</b>	<b>2.03%</b>	<b>1.97%</b>
MSCI EAFE			-3.42%	-4.11%	-1.28%	7.08%	25.65%	-3.01%	5.75%	3.24%
<b>Individual Bond Account</b>	<b>7,936,071.17</b>	<b>25.30%</b>	<b>-0.99%</b>	<b>-0.42%</b>	<b>0.90%</b>	<b>6.08%</b>	<b>3.80%</b>	<b>-4.75%</b>	<b>-1.90%</b>	<b>1.36%</b>
Bloomberg Barclays US Int Credit			-1.31%	-0.92%	-1.18%	1.26%	3.81%	-4.32%	-2.56%	1.49%

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.

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

## Additional Information Regarding This Report

This report is not a replacement for the official customer account statements from Raymond James or other custodians. Investors are reminded to compare the findings in this report to their official customer account statements. In the event of a discrepancy, you should rely upon the custodian's valuation and notify your financial advisor of any discrepancy. This data is furnished to you as a courtesy and for informational purposes only. This report includes assets that the firm does not hold on your behalf and which are not included on the firm's books and records. Although this data is derived from information which we believe to be accurate (including, in some cases, information provided to us by you) we cannot guarantee its accuracy. This information is not intended for and should not be used for any official tax, lending, legal, or other non-financial planning purposes and should not be relied upon by third parties. Performance data quoted represents past performance and does not guarantee future results. Values in this report cannot be relied upon for tax basis information for tax purposes.

The source data included may be provided by a third party entity. Please contact your advisor for more information about the third party entity including any contact information. Raymond James may rely on mathematical formulas, computer programs, and pricing information from third-party suppliers to provide this data. Periodic software enhancements have occasionally caused possible inconsistencies with some performance calculations. In the case of any inconsistency, notify your financial representative. If any of the source data was provided by you, then Raymond James is relying upon the values provided by you and has not otherwise verified those values.

Whether FDIC insurance, SIPC coverage, or any other form of insurance or protection, may apply to an asset is dependent upon many factors, including the nature of the asset and the nature of the custodian of the asset. This report does not provide any information nor make any representation regarding any insurance or protection that may be applicable to any asset addressed in this report.

Gain/Loss calculations are typically not time weighted and simply indicate the dollar amount or percentage the asset has appreciated or depreciated since purchase date. Reports displaying "Cost or Gain/Loss" information should not be relied upon for tax reporting purposes and are not intended as a substitute for tax advice from your personal tax advisor.

Performance calculations can be shown as both dollar weighted or time weighted depending on the intention of the report. Regardless of calculation method, performance numbers do not indicate or infer future investment performance. Any projected Annual Income and/or Yield is an estimate only based on year-to-date information. Performance calculations generally reflect the deduction of brokerage fees and charges; however, investment advisory fees (if applicable) may or may not have been deducted in performance calculations. If investment advisory fees were not deducted from the performance calculations, then the performance will be higher than it would be if those fees were deducted. Investment Advisory fees on any Raymond James accounts are described in agreements and disclosures with Raymond James, but we may not know of investment advisory fees charged by another entity. Consult with your financial representative for the effect that an investment advisory fee, compounded over a period of years, will have on the total value of your portfolio.

The returns of various indexes may be provided as benchmarks for comparison purposes. Consult your financial representative for specific details regarding the benchmark used as a comparison in the report. One cannot invest directly in an index.