Chart Book

AS OF MARCH 31, 2023

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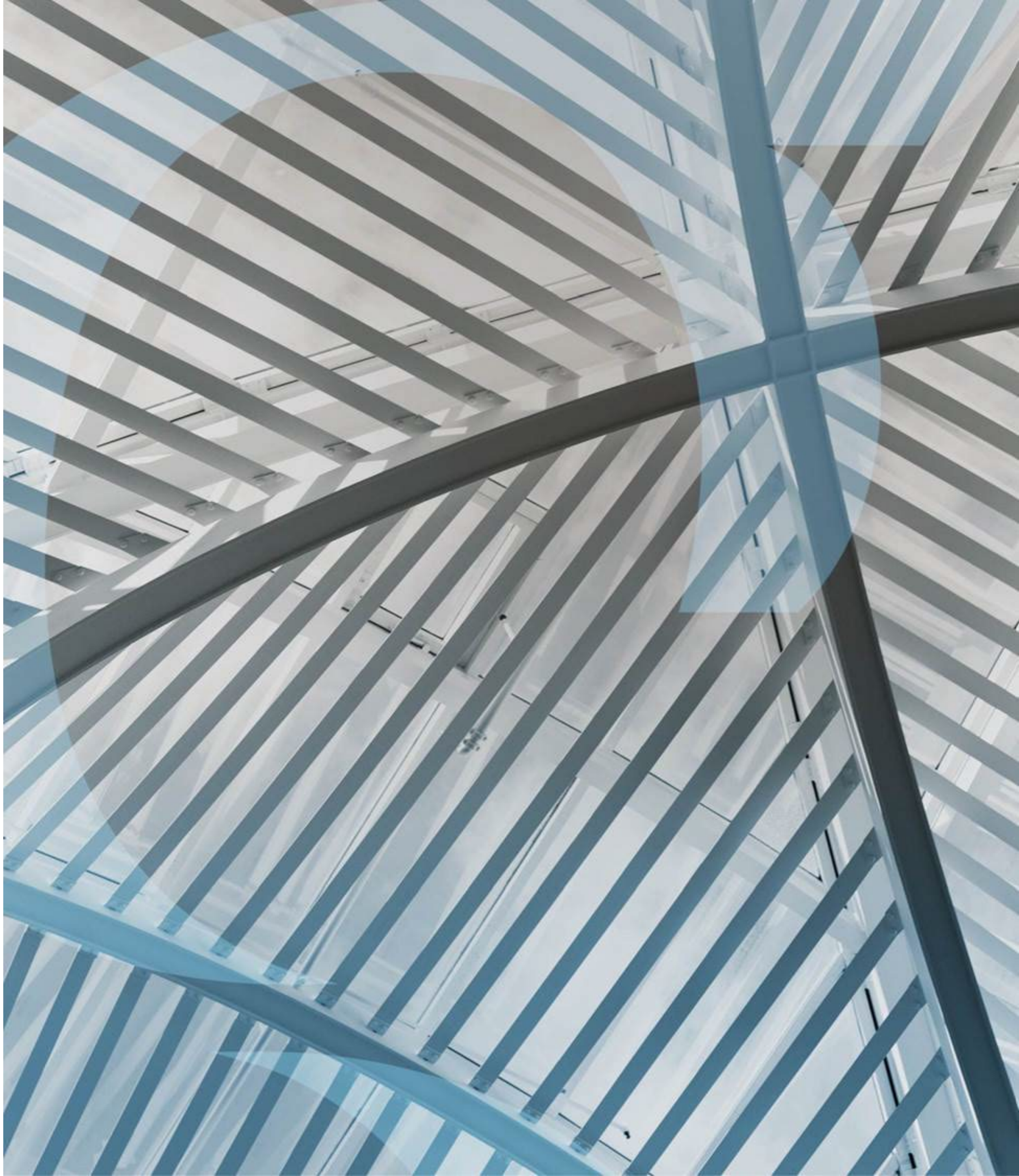
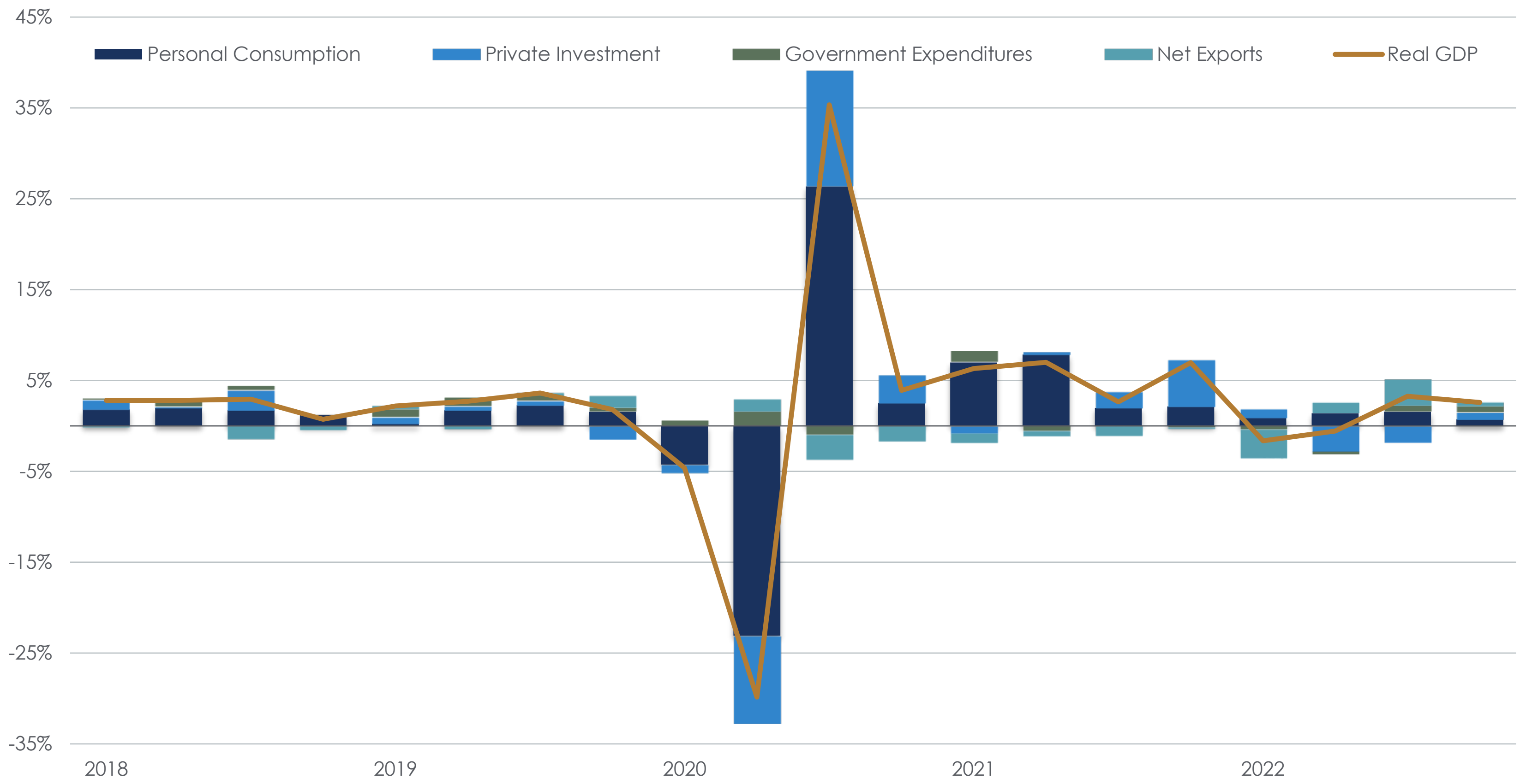


Economic Perspective

The U.S. economy grew at a slower pace in the fourth quarter than initially estimated as Real GDP increased 2.6% according to the Commerce Department's third and final reading. However, 2023 is shaping up to look much different from 2022. Tighter lending conditions, high inflation and the Federal Reserve's rate hikes are going to have a larger impact on the economy in 2023. Following the collapse of Silicon Valley Bank, which roiled the banking industry, GDP expectations have dampened. The Atlanta Federal Reserve's GDPNow estimate is at 1.5% for the first quarter.

Economic Growth

Contributions to Percent Change in Real GDP (Annualized Q/Q % Change)

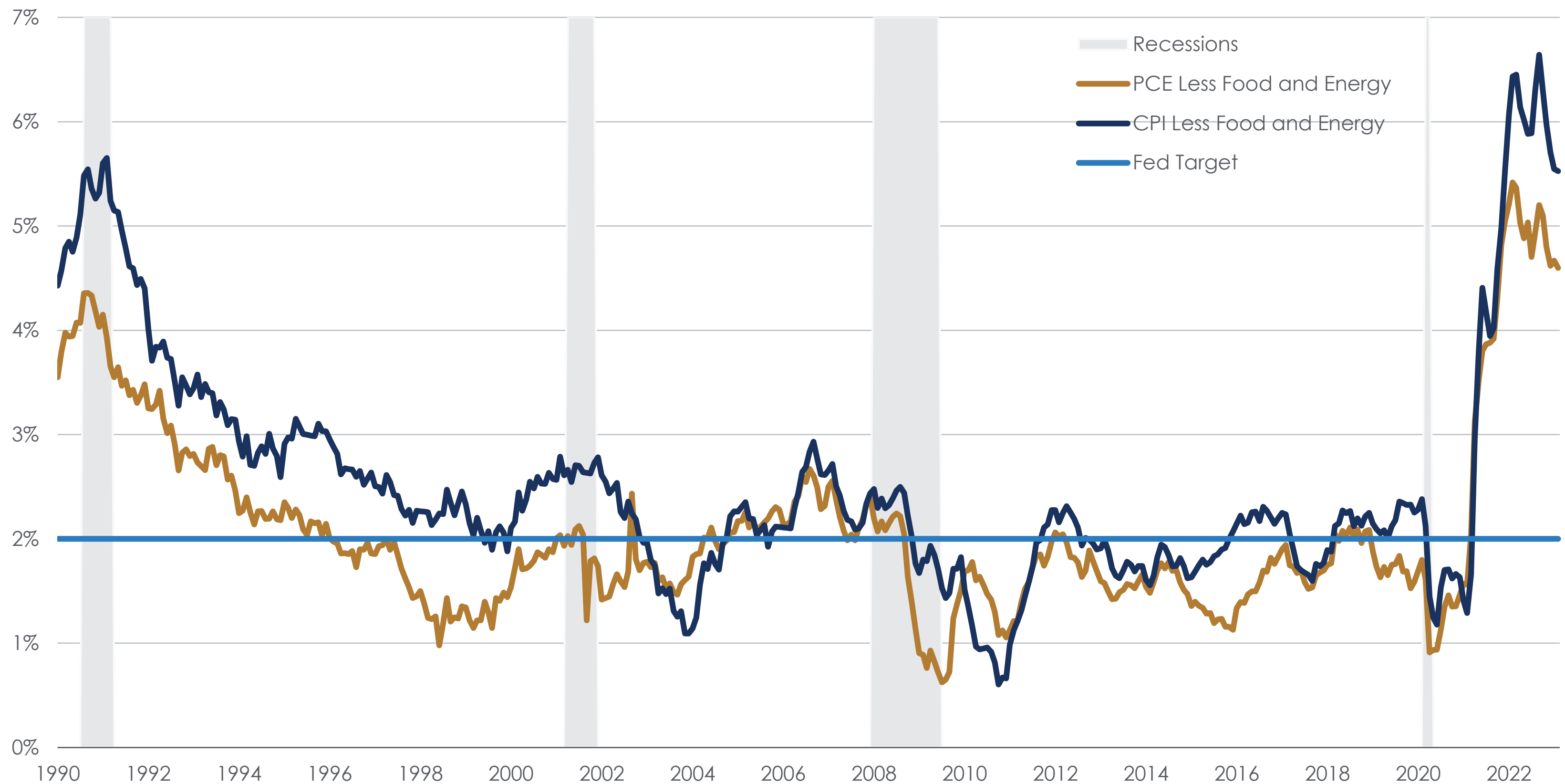


Source: U.S. Bureau of Economic Analysis (Reported quarterly)

The pace of consumer price increases eased again in February compared with a year earlier. Following last month's banking crisis, investors have become convinced the Federal Reserve will cut rates in the second half to ward off an economic downturn. But the central bank's outlook sees borrowing costs remaining around current levels through 2023. In addition, OPEC+ announced production cuts that will exceed 1 million barrels per day. It appears higher energy prices will continue to be a headache for the Federal Reserve in its fight against inflation.

Inflation Outlook

Consumer Price Index (Core) and Personal Consumption Expenditures Price Index (Core) (Y/Y % Change)

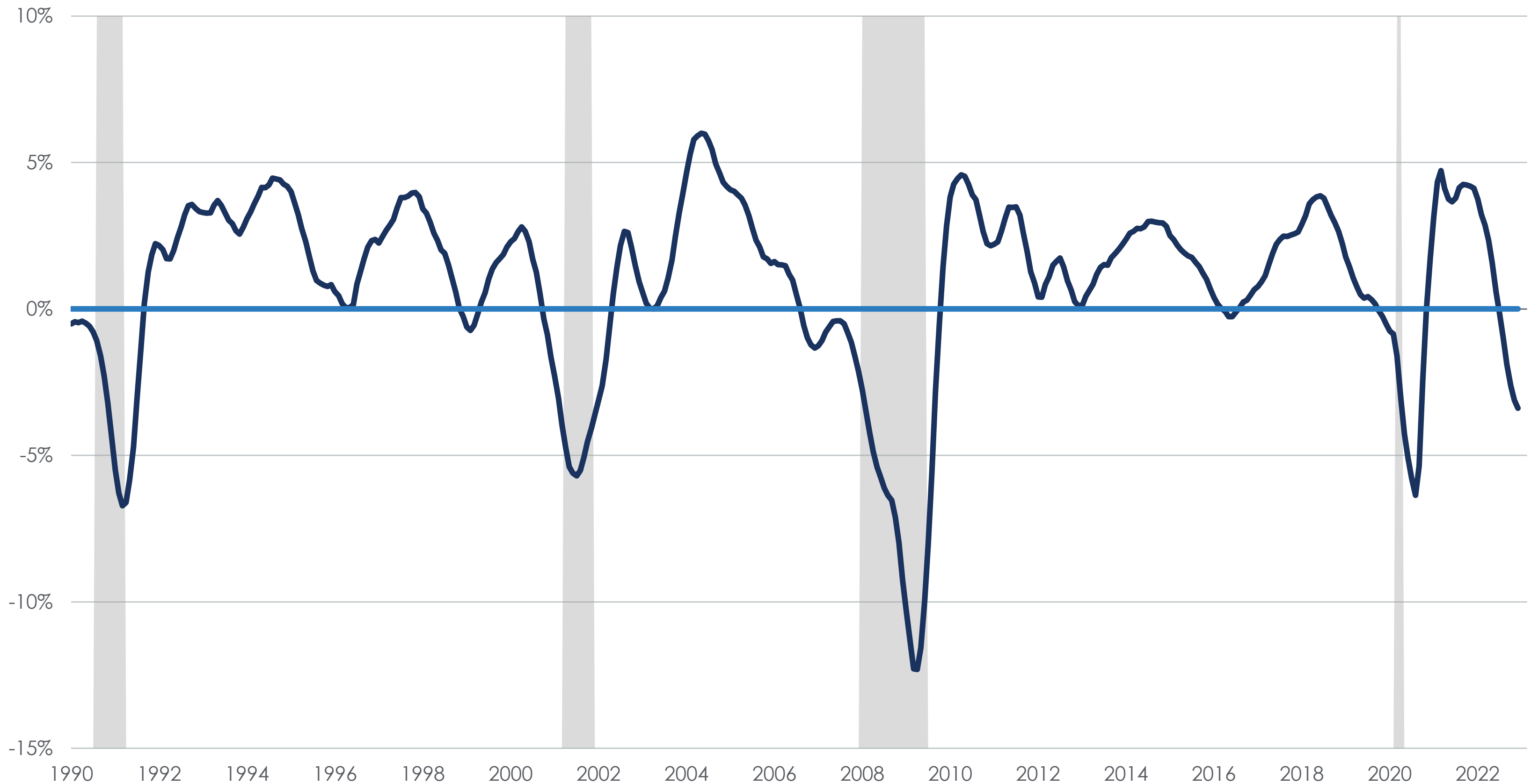


Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis (Reported monthly)

According to the Conference Board, the U.S. LEI fell in February, marking its eleventh consecutive monthly decline. While the rate of month–over–month declines in the LEI have moderated in recent months, the leading economic index still points to risk of recession in the U.S. economy. The most recent financial turmoil in the U.S. banking sector is not reflected in the LEI data but could have a negative impact on the outlook if it persists. Overall, The Conference Board forecasts rising interest rates paired with declining consumer spending will most likely push the U.S. economy into recession.

U.S. Economic Outlook

Leading Economic Index (Six–Month Moving Average of the Six–Month Rate of Change)

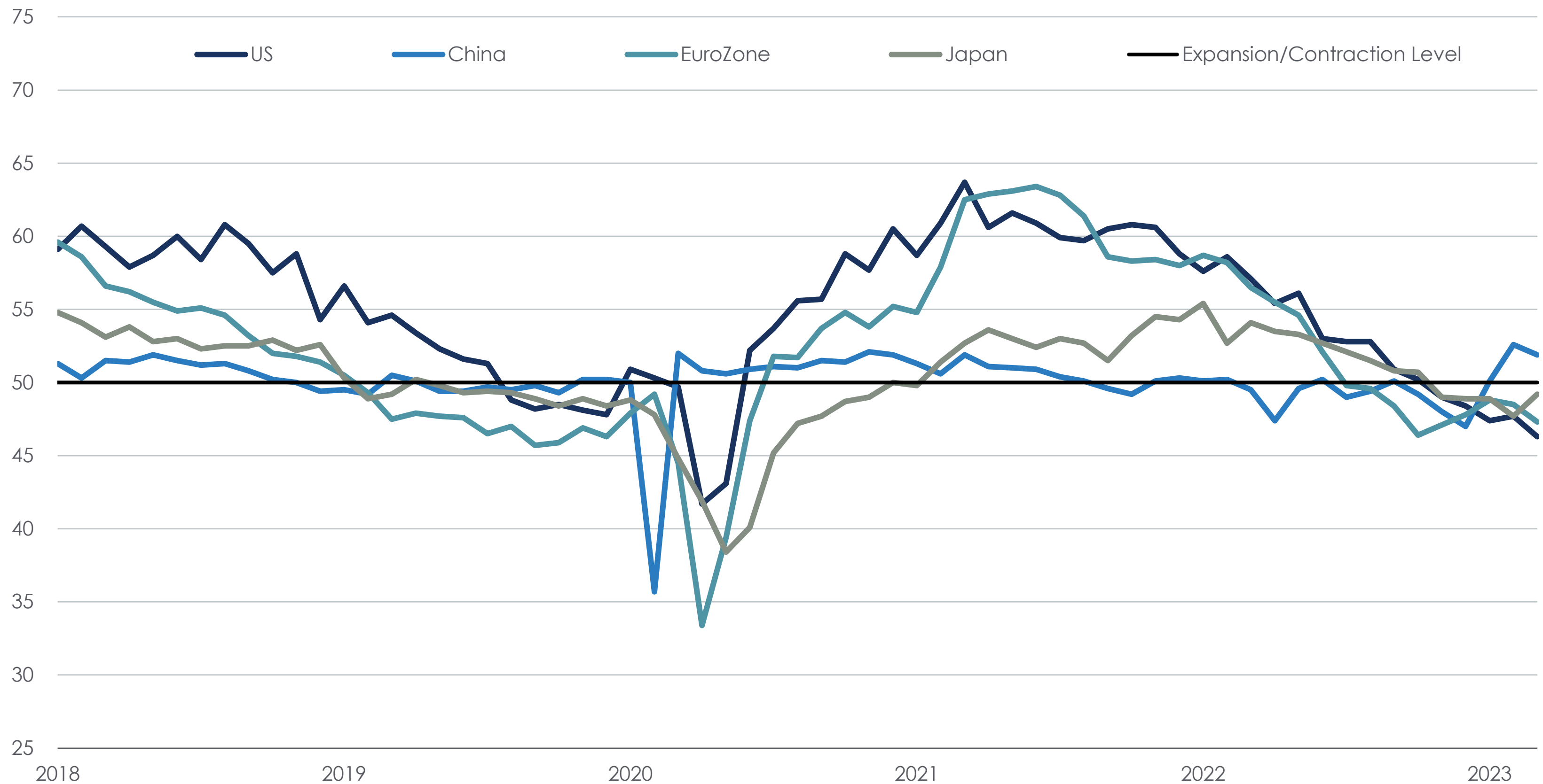


Source: Conference Board (Reported monthly)

The March global manufacturing PMIs suggests that output slipped slightly last month. That said, the PMI level remains consistent with soft global growth and hopes remain that the goods sector upturn that started early this year will be sustained as new order intakes stabilize and cost inflation and supply chain pressures ease further in coming months. Much will depend on whether the U.S. and Euro area can maintain positive momentum and if China can continue recovering once the initial boost from re-opening has abated.

Global Economic Outlook

Manufacturing Purchasing Managers Index (PMI) (A PMI over 50 represents growth in manufacturing)

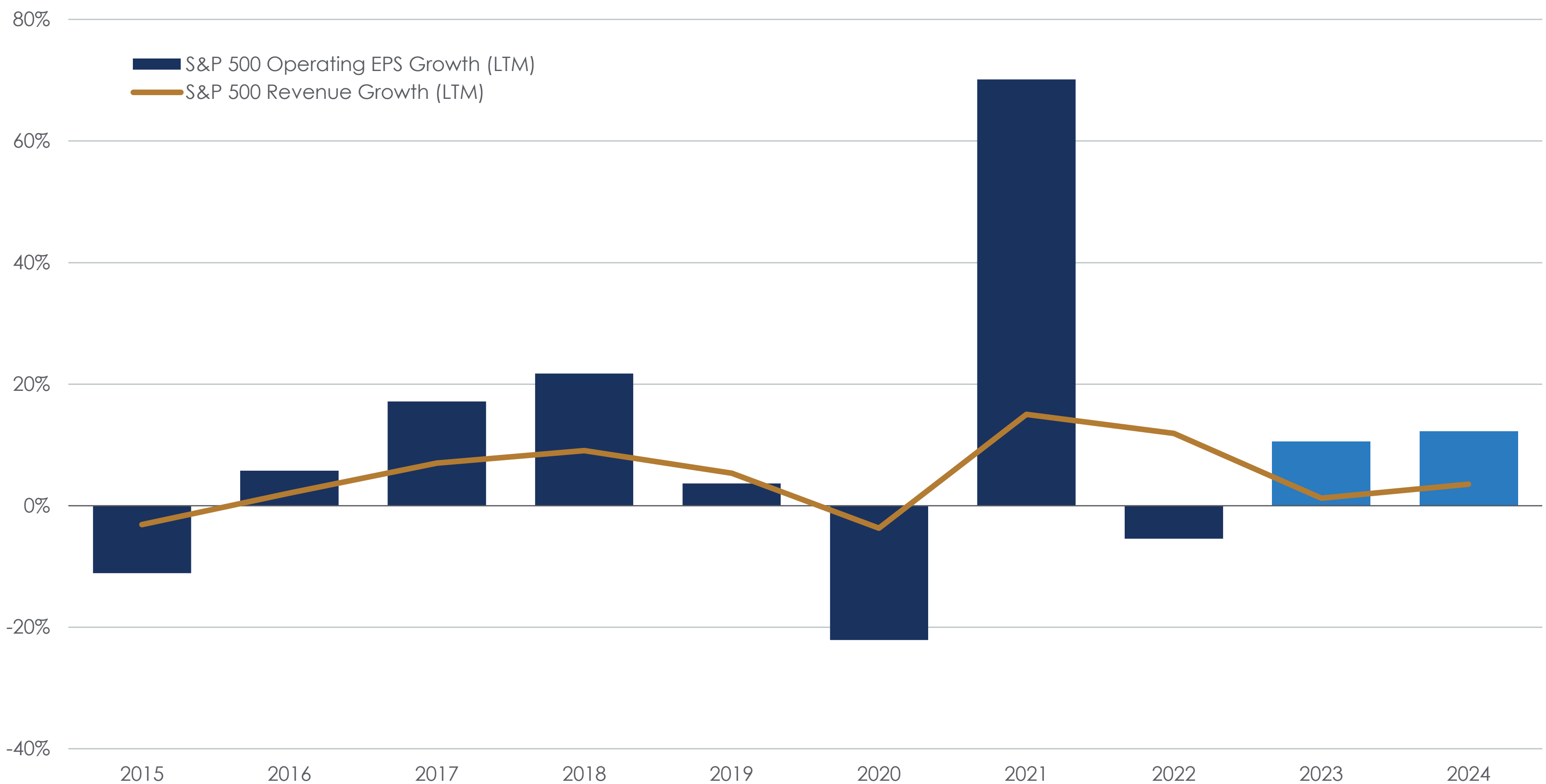


Source: ISM, Markit

According to FactSet, the bottom-up target price target for the S&P 500 over the next 12 months is 4636, which is 13.3% above the most recent closing price. At the sector level, the Financials (+21.1%) and Consumer Discretionary (+19.4%) sectors are expected to see the largest price increases. On the other hand, the Information Technology (+7.3%) sector is expected to see the smallest price increase.

Corporate Profitability

S&P 500 Operating Earnings Per Share and Revenue Per Share Growth (Y/Y % Change)

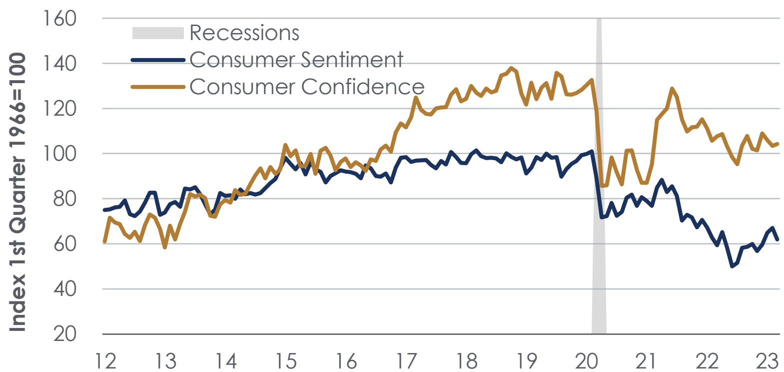


Source: S&P Dow Jones Indices (Reported monthly)

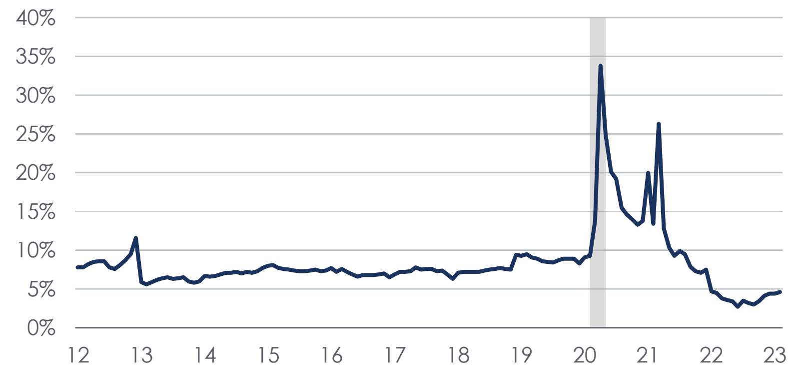
According to the Conference Board, consumer confidence registered a slight uptick in March, but remains below the average level in 2022 of 104.5. The gain reflects an improved outlook for consumers under 55 years of age and for households earning over $50,000. While consumers feel a bit more confident about what' s ahead, they are slightly less optimistic about the current landscape. The share of consumers saying jobs are "plentiful" fell, while the share of those saying jobs are "not so plentiful" rose. The latest results also reveal that their expectation of inflation over the next 12 months remains elevated at 6.3%.

Consumer Outlook

Consumer Sentiment & Confidence Indexes



Personal Saving Rate (Seasonally Adjusted Annual Rate)



Disposable Personal Income (Y/Y % Change)

Personal Consumption Expenditures (Y/Y % Change)

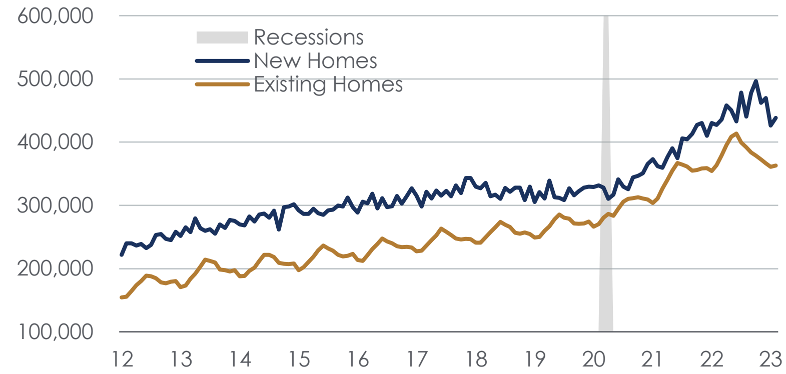
Source: Thomson Reuters/University of Michigan, Conference Board, U.S. Bureau of Economic Analysis (Reported monthly)

According to Moody's, existing home sales have dropped in 12 of the last 13 months and existing home prices peaked last June. And Moody's does not expect a rebound soon, given likely increases in unemployment and a U.S. recession later this year, which they predict will add pressure on sales and prices. On a national basis, Moody's expects home prices to decline about 4% both in 2023 and in 2024. Yet, they note risks vary across different metros and market segments, with declines from peak values of 15% to 25% or more possible in some areas.

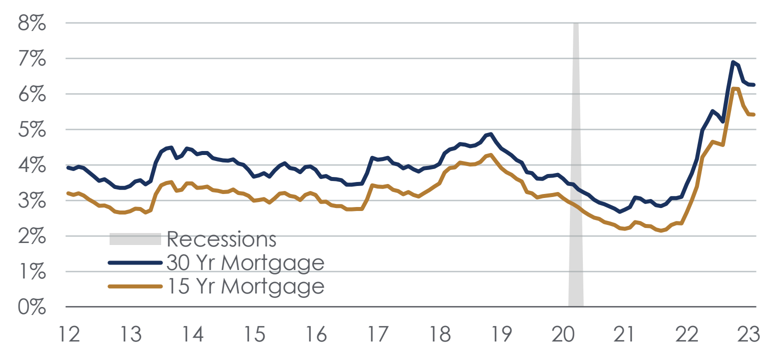
Housing Market Outlook

Housing Affordability (higher = more affordable)

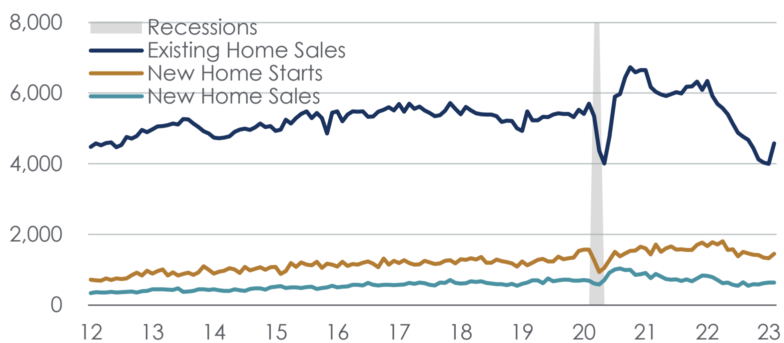
Median Selling Price of New and Existing Homes



Average Fixed Rate Mortgage in the U.S.©



Housing Starts, Existing Home Sales and New Home Sales (000's)

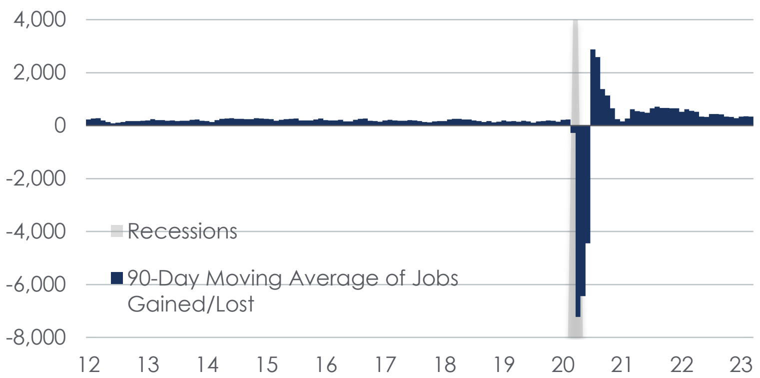


Source: National Association of Realtors, Freddie Mac, U.S. Bureau of the Census (Reported monthly)

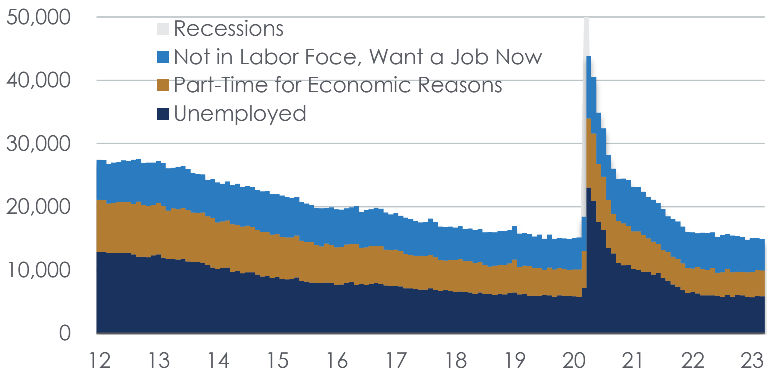
Employers added 236,000 jobs in March and the unemployment rate ticked down to 3.5%, from 3.6% in February. Revised data also showed that hiring at the start of the year was somewhat slower than the blockbuster figures initially estimated. The labor market remains strong, albeit gradually slowing, largely supported by job growth in the services sectors. It is notable that this report shows outright job losses in the manufacturing and construction sectors. This is a clear signal that the Fed's aggressive rate hiking cycle is now constraining labor demand, particularly in interest rate–sensitive sectors.

Labor Market Outlook

Jobs Gained/Lost (000's) with 12–Month Moving Average

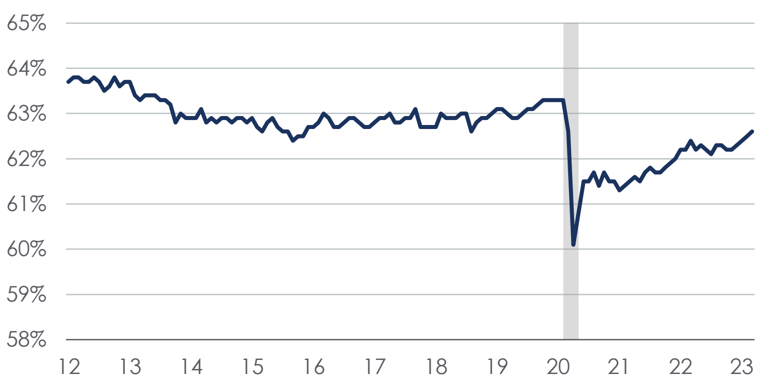


Labor Market Slack (000's)



Wage Growth (Y/Y % Change)

Labor Force Participation Rate



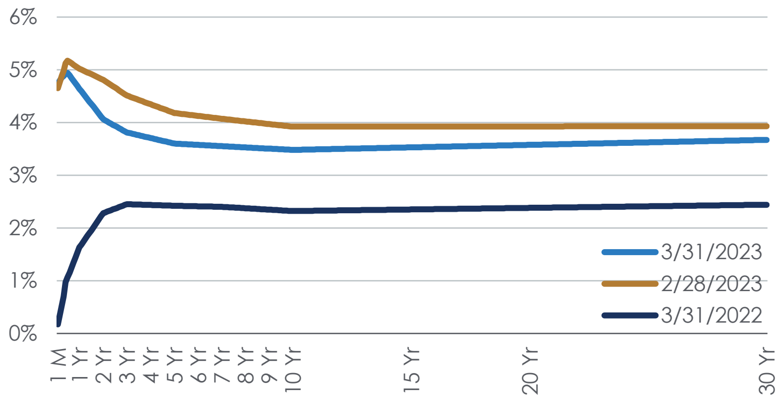
Source: U.S. Bureau of Labor Statistics, (Reported monthly, Wage Growth reported quarterly)

Bond Market Perspective

March was a volatile month for the rates markets as the Federal Reserve's rate hike cycle contributed to stresses in the banking system resulting in the closing of three regional banks, a forced takeover of Credit Suisse, government deposit backstops, and a new special lending facility for banks. The banking turmoil whipsawed the rates market, which in early March had just been coming to grips with the Fed's higher for longer guidance. That hawkish outlook changed on a dime, and the Fed Funds market quickly began pricing rate cuts as early as July. Recent market stability and sticky inflation data have led to a rebound in rates while pushing the highest probability for the first rate cut out to September or November; however, the environment remains fluid.

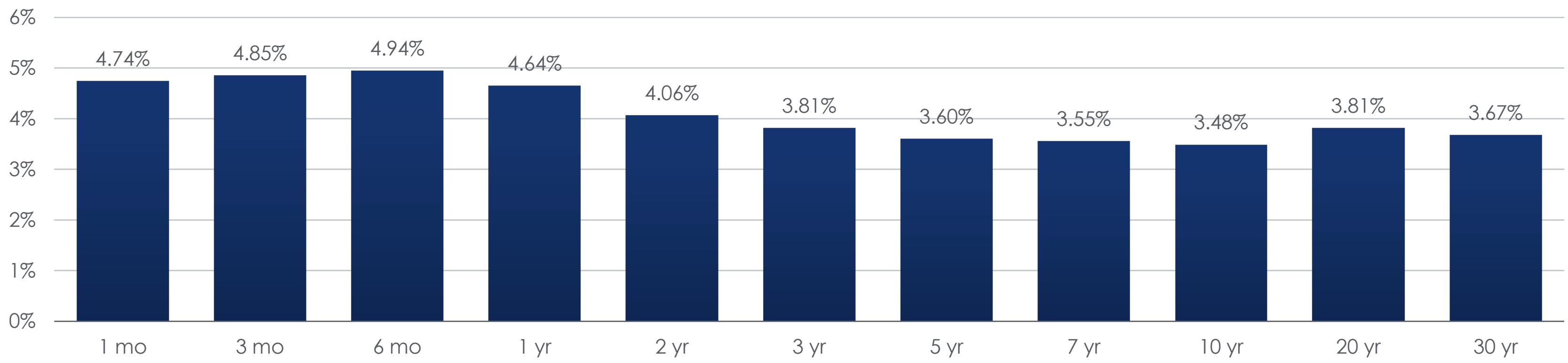
U.S. Treasury Market

U.S Treasury Yield Curve



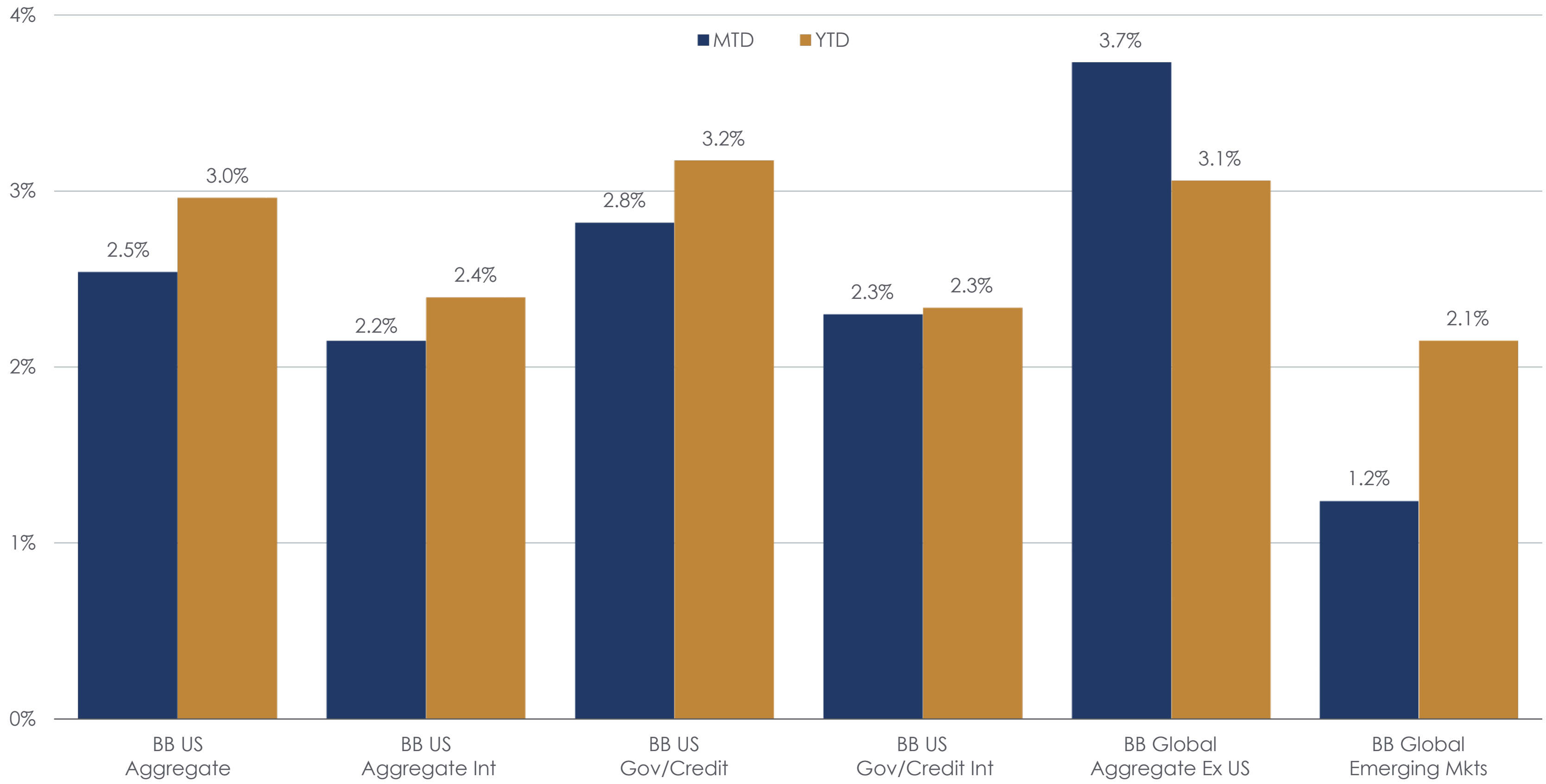
Historical U.S. 10-Year Treasury Rate

Current U.S. Treasury Yields by Maturity



Source: U.S. Department of Treasury

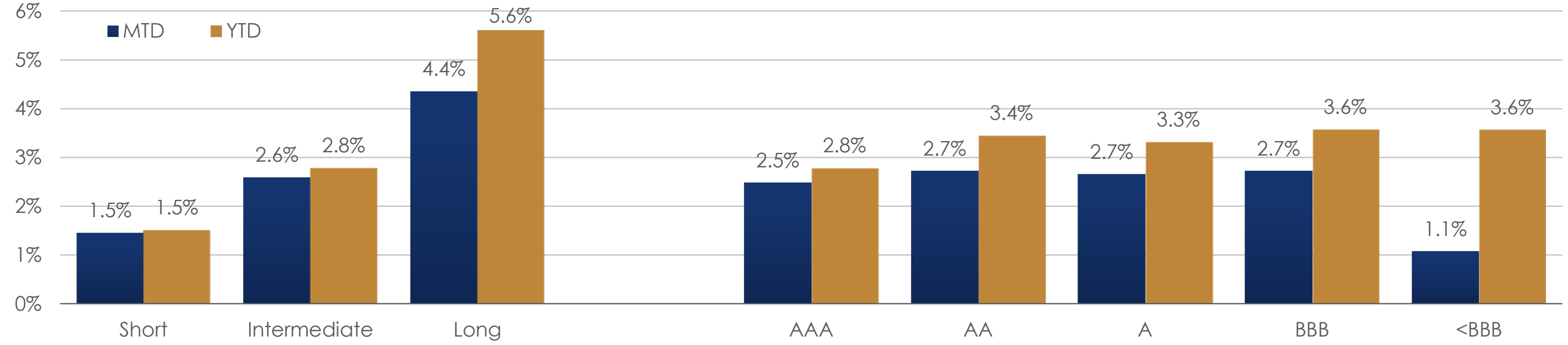
Global Fixed Income Returns by Bellwether Index



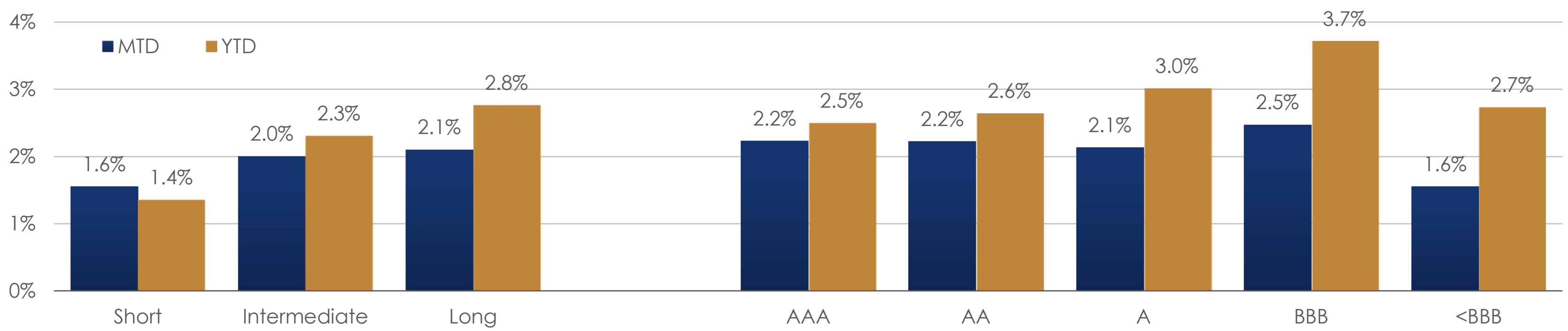
Source: Bloomberg Barclays (BB)

Domestic Fixed Income Returns by Maturity and Credit Quality

Domestic Bond Market – Taxable



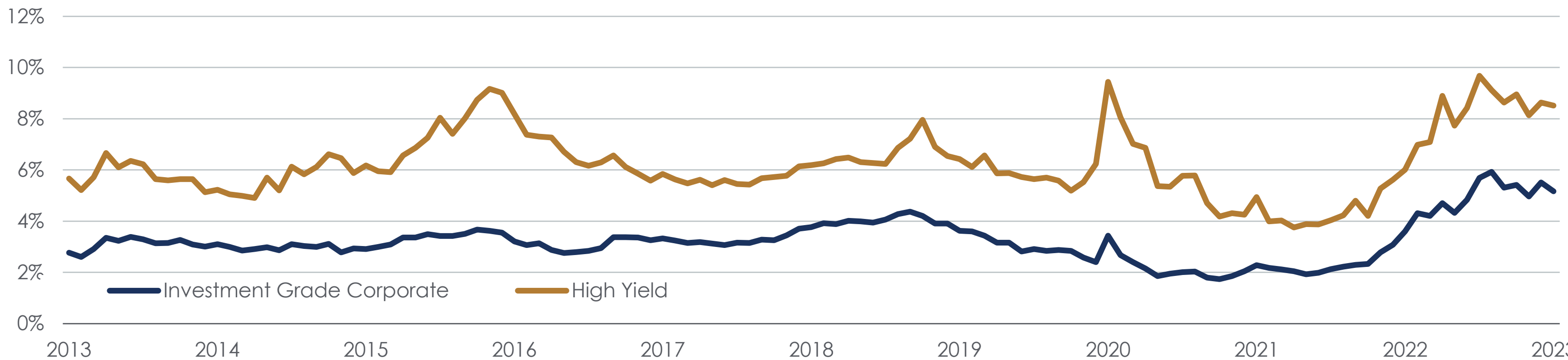
Domestic Bond Market – Municipal



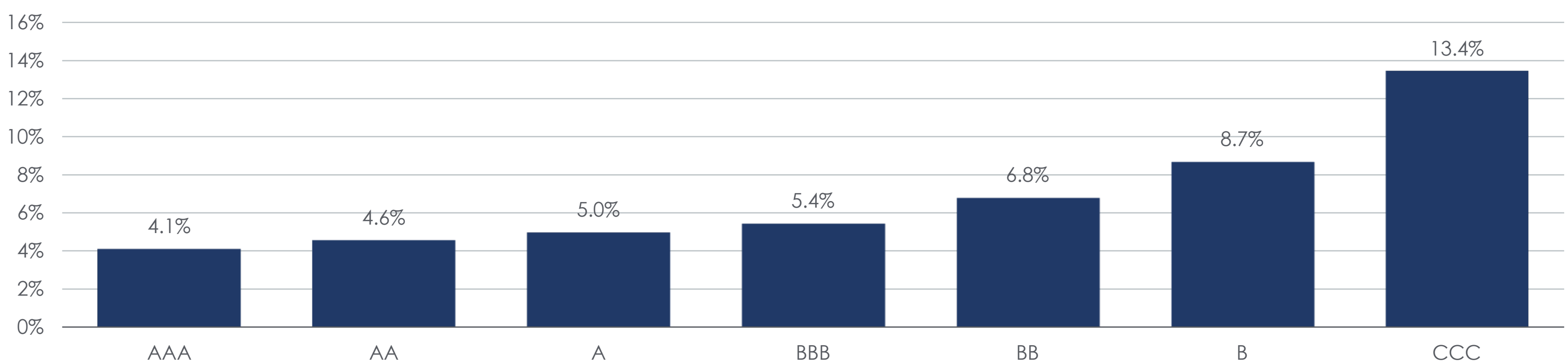
Short is defined as 1-3 years for taxable and 3 years for municipal, Intermediate is 5-7 years for taxable and 6-8 years for municipal, Long is 10+ years for taxable and 8-12 years for municipal. Source: Bloomberg Barclays Aggregate Bond Index (taxable bond market) and Bloomberg Barclays Municipal Index (municipal bond market).

Domestic Corporate Bond Yields

Historical Corporate Bond Market Yield to Worst



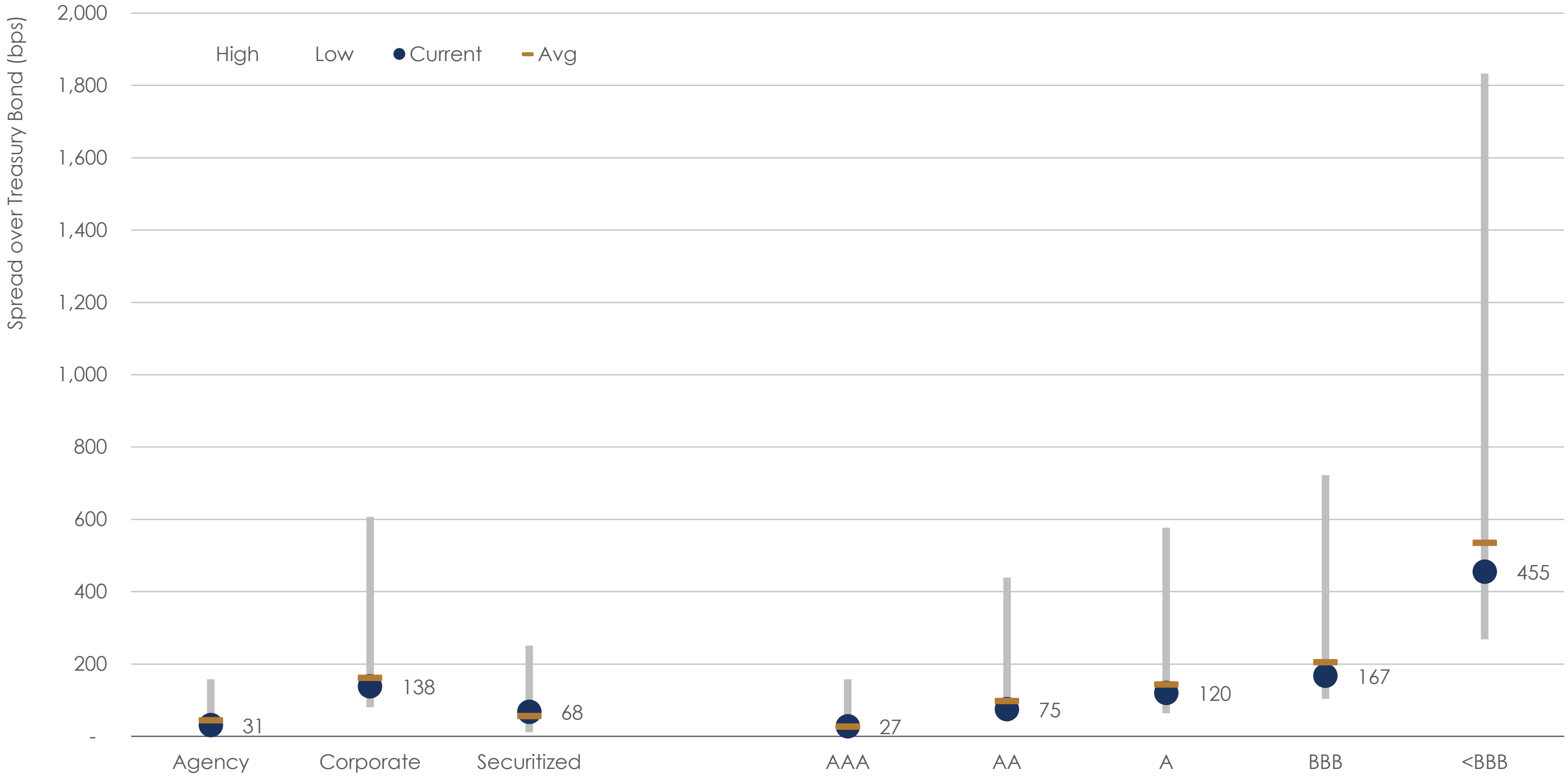
Current Corporate Bond Market Yields by Credit Quality



Investment Grade Corporate bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade index. High Yield bonds are represented by the Bloomberg Barclays U.S. Corporate High Yield index. Source: Bloomberg Barclays

Domestic Taxable Bond Spreads

Current Bond Spreads Compared to 15–Year Range and 15–Year Average



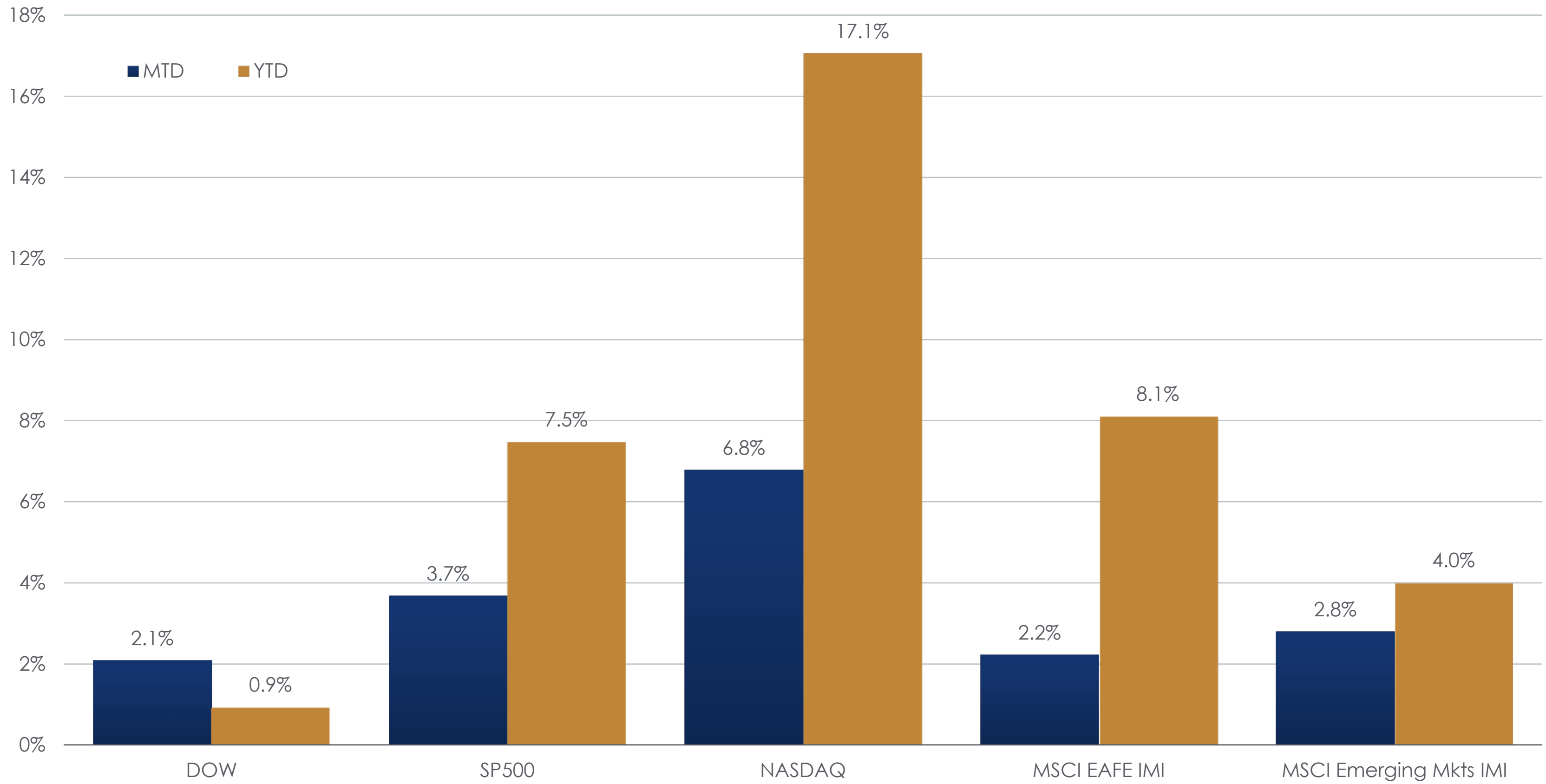
The length of each bar represents the Range of the highest and lowest spread to the Treasury benchmark over the past 15 years. Average represents the average spread over the past 15 years. Current represents the most recent month. Source: Bloomberg Barclays

Equity Market Perspective

The Nasdaq led the majors with a total return of 6.8% in March. The S&P 500 and Dow Jones Industrials finished with strong monthly gains of 3.7% and 2.1%, respectively. The smaller cap Russell 2000 and the Russell Midcap declined −4.8% and −1.5%, respectively. Sector performance varied widely with seven of the eleven S&P 500 sectors higher, led by Technology +10.9% and Communications +10.4%. Next were the defensive Utilities and Staples sectors, with monthly gains of +4.9% and +4.2%, respectively, while on the other end, Financials declined 9.6%.

Global Equity Returns by Bellwether Index

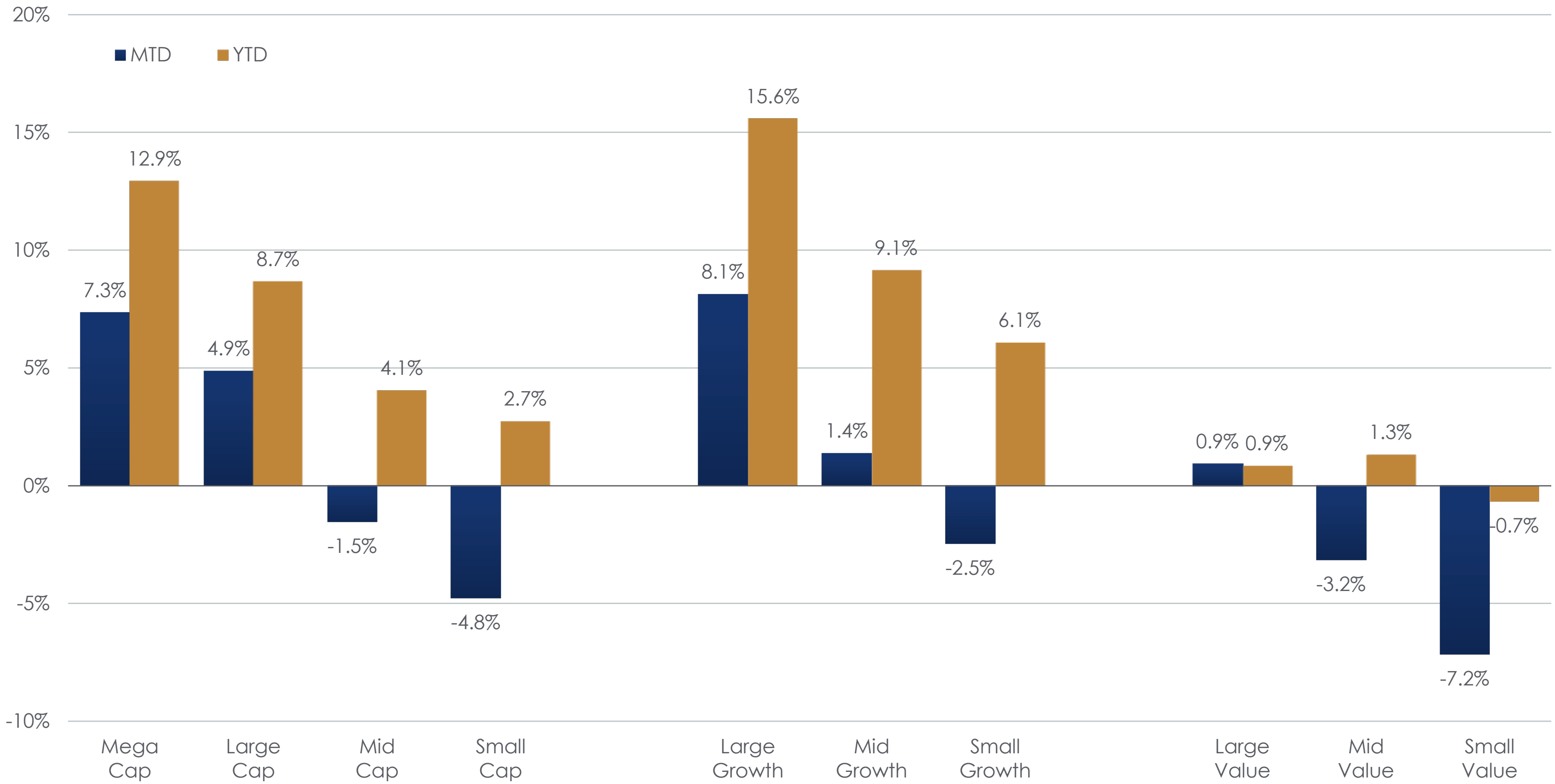
Global Equity Markets



Source: S&P Dow Jones, NASDAQ, MSCI

Domestic Equity Returns by Market Cap & Style

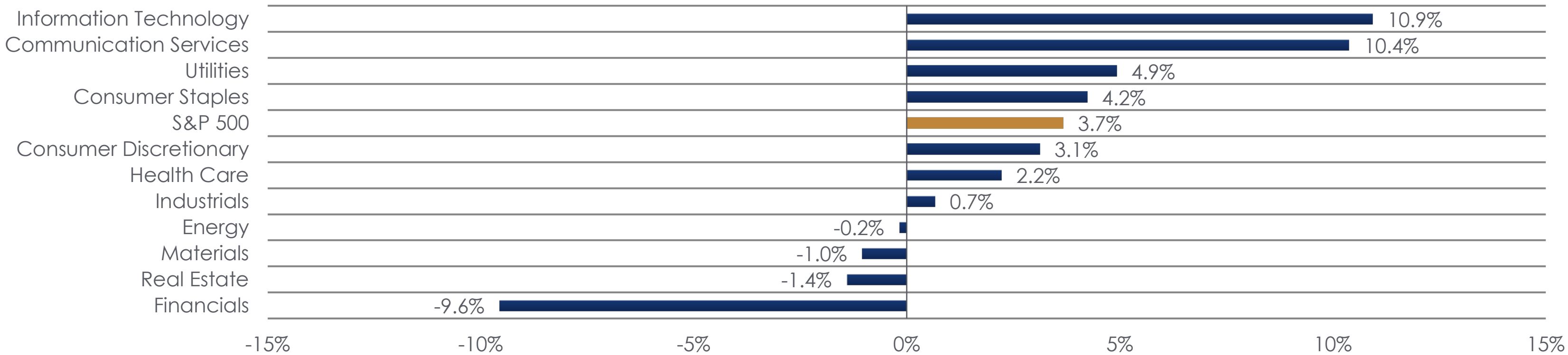
Domestic Equity Markets



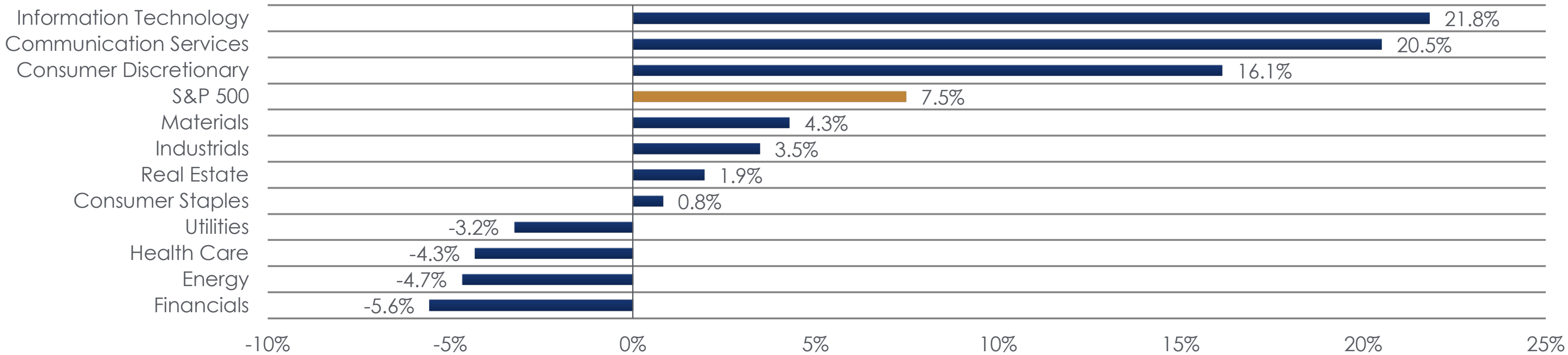
Asset classes are represented by the following benchmarks: Russell Top 50 (Mega), Russell Top 200 (Large), Russell Midcap (Mid), Russell 2000 (Small). Source: Russell

Domestic Equity Returns by Sector

MTD S&P 500 Returns by Sector



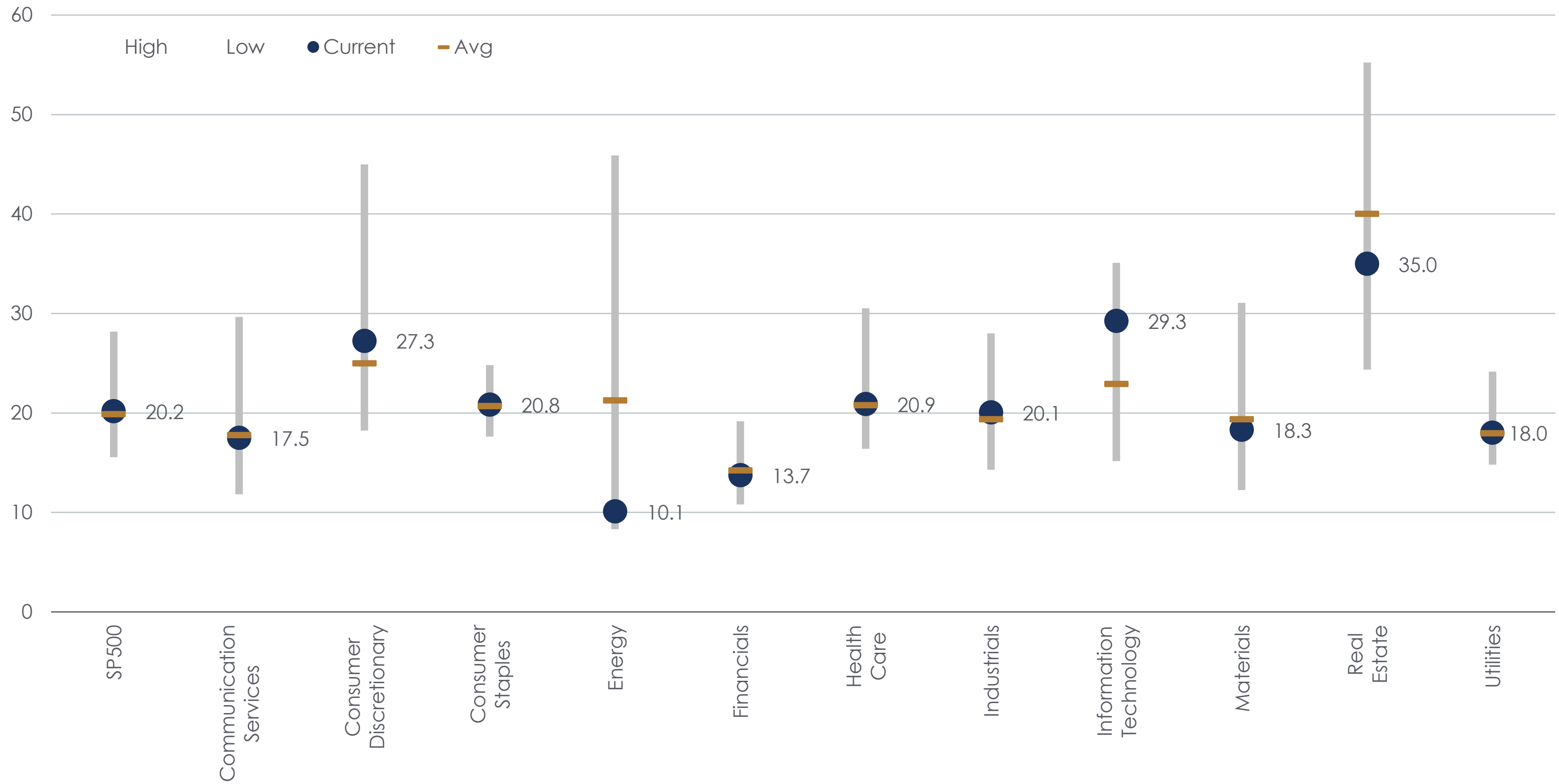
YTD S&P 500 Returns by Sector



Source: S&P Dow Jones

Domestic Equity Valuations by Sector

Trailing 12 Month P/E Ratio Compared to 10–Year Range and 10–Year Average



P/E ratios are based on trailing 12 months earnings (LTM) excluding negative earnings. The length of each bar represents the Range of the highest and lowest P/E ratio over the past 10 years. Average represents the average P/E ratio over the past 10 years. Current represents the most recent month. Source: Bloomberg

Economic Indicator Descriptions

Real Gross Domestic Product (GDP): GDP is a basic measure of U.S. economic output adjusted for inflation. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S. Positive GDP growth signals an expanding economy.

Consumer Price Index (CPI): Measuring the change in the CPI provides an estimate for inflation. The CPI tracks the price of a basket of consumer goods and services. High inflation or deflation (negative inflation) can be signs of economic worry. CPI is typically reported in two ways: headline and core CPI. Headline CPI includes all categories that comprise the CPI basket of goods and services.

Personal Consumption Expenditure Chain-type Price Index (PCEPI): Measuring the change in the PCEPI provides an estimate for inflation. In comparison to CPI, which uses one set of expenditure weights for several years, this index uses expenditure data from the current period and the preceding period. This price index method assumes that the consumer has substituted from goods whose prices are rising to goods whose prices are stable or falling. Core PCEPI, which is closely monitored by the Fed, strips out the more volatile Food and Energy categories.

Conference Board Index of Leading Economic Indicators (LEI): The LEI is designed to signal peaks and troughs in the business cycle. The ten components include: average weekly manufacturing hours; average weekly initial claims for unemployment insurance; manufacturers' new orders for consumer goods and materials; ISM® Index of New Orders; manufacturers ' new orders for nondefense capital goods excluding aircraft orders; building permits for new private housing units; stock prices of 500 common stocks; Leading Credit Index™; interest rate spread on 10-year Treasury bonds less federal funds and average consumer expectations for business conditions.

The Institute for Supply Management (ISM) PMI Index: The PMI is a composite index of five "sub-indicators", which are extracted through surveys to purchasing managers from around the country. The five sub-indexes are: Production, New orders, Supplier deliveries, Inventories and Employment level. An Index value over 50 indicates expansion; below 50 indicates contraction.

The Institute for Supply Management (ISM) Non-manufacturing Index (NMI): The NMI is a composite index of four "sub-indicators", which are extracted through surveys to purchasing managers. The four sub-indexes: Business activity, New orders, Employment, Supplier deliveries. An Index value over 50 indicates expansion; below 50 indicates contraction.

Consumer Confidence Index (CCI): The Consumer Confidence Index is a well-known proxy for the attitudes of U.S. consumer towards the business climate, personal finances and spending. This index attempts to measure the confidence that consumers have in the overall economy. This is important because consumer spending accounts for a large portion of U.S. GDP.

Consumer Sentiment Index (MCSI): The MCSI uses telephone surveys to gather information on consumer expectations regarding the overall economy. The MSCI is becoming more useful for investors because it gives a monthly snapshot of whether consumers feel like spending money by accessing their views on the business climate, personal finance, and spending in order to judge their level of optimism/pessimism. This is important because consumer spending accounts for a large portion of U.S. GDP.

Disposable Personal Income per Capita (DPI): DPI is the amount of money that households have available for spending and saving after income taxes have been accounted for. DPI is monitored to gauge the overall state of the economy.

Personal Consumption Expenditures (PCE): PCE consists of the actual and imputed expenditures of households including durables, non-durables and services.

Retail Sales: The retail sales report captures in-store sales as well as catalog and other out-of-store sales. The report also breaks down sales figures into groups such as food and beverages, clothing, and autos. The results are often presented two ways: with and without auto sales being counted, because their high sticker price can add extra volatility to the data.

Housing Affordability Index (HAI): Published monthly by the National Association of Realtors, the HAI index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.

Unemployment Rate: Calculated monthly by the Bureau of Labor Statistics, the unemployment rate is a gauge of the health of the U.S. labor market. High unemployment can stifle the growth of the economy.

Wage Growth: Calculated quarterly by the Bureau of Labor Statistics, the employment cost index measures the growth of employee compensation (wages and benefits). The index is based on a survey of employer payrolls in the final month of each quarter. The index tracks movement in the cost of labor, including wages, fringe benefits and bonuses for employees at all levels of a company. We are using the wage component of this index.

Benchmark Descriptions

U.S. Aggregate Bond: The Barclays U.S. Aggregate Bond Index measures the performance of USD-denominated, SEC-registered, investment-grade, fixed-rate or step up, taxable bonds. The index includes bonds from the Treasury, Government-Related, Corporate and MBS, ABS, and CMBS sectors. Securities included in the index must have at least one year until final maturity.

U.S. Treasury: The Barclays Capital U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury with a remaining maturity of one year or more.

U.S. Agency: The Barclays Capital U.S. Agency Bond Index measures the performance of the agency sector of the U.S. government bond market and is comprised of investment-grade USD-denominated debentures issued by government and government-related agencies, including FNMA. The index includes both callable and non-callable securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate and foreign debt guaranteed by the U.S. government.

U.S. Corporate: The Barclays Capital U.S. Corporate Bond Index measures the performance of publicly issued USD-denominated corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

U.S. MBS: The Barclays Capital U.S. Mortgage Backed Securities Index measures the performance of mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

U.S. Municipal Bond: The Barclays Capital Municipal Bond Index measures the performance of the USD-denominated, investment grade, fixed-rate tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Securities included in the index must have at least one year until final maturity.

General Obligation Bond Index: The Barclays General Obligation Bond Index measures the average market-weighted performance of general obligations securities that have been issued in the last five years with maturities greater than one year.

Revenue Bond Index: The Barclays Revenue Bond Index measures the average market-weighted performance of revenue backed securities that have been issued in the last five years with maturities greater than one year.

Investment Style: Performance of different types of stocks will vary over time. A common way to characterize a stock is by market capitalization (e.g., large cap or small cap) or style (e.g., value or growth).

Large Cap vs. Small Cap: Large companies tend to be more established companies and therefore exhibit lower volatility. Over an extended period of time, expected returns of small cap companies are often higher due to the risks associated with smaller, less established companies.

Value vs. Growth: Value companies typically trade at discount valuations and may pay a dividend. Growth companies are those that are experiencing greater earnings growth prospects.

Mega Cap: The Russell Top 50 Index measures the performance of the top 50 largest companies in the Russell 1000 Index, which represents approximately 40% of the total market capitalization of the Russell 1000 index.

Large Cap: The Russell Top 200 Index measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 68% of the total market capitalization of the Russell 1000 index.

Mid Cap: The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 36% of the total market capitalization of the Russell 1000 Index.

Small Cap: The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Large Cap Growth: The Russell 1000 Growth Index measures the performance of those Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values.

Large Cap Value: The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Mid Cap Growth: The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Mid Cap Value: The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

Small Cap Growth: The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.

Small Cap Value: The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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