

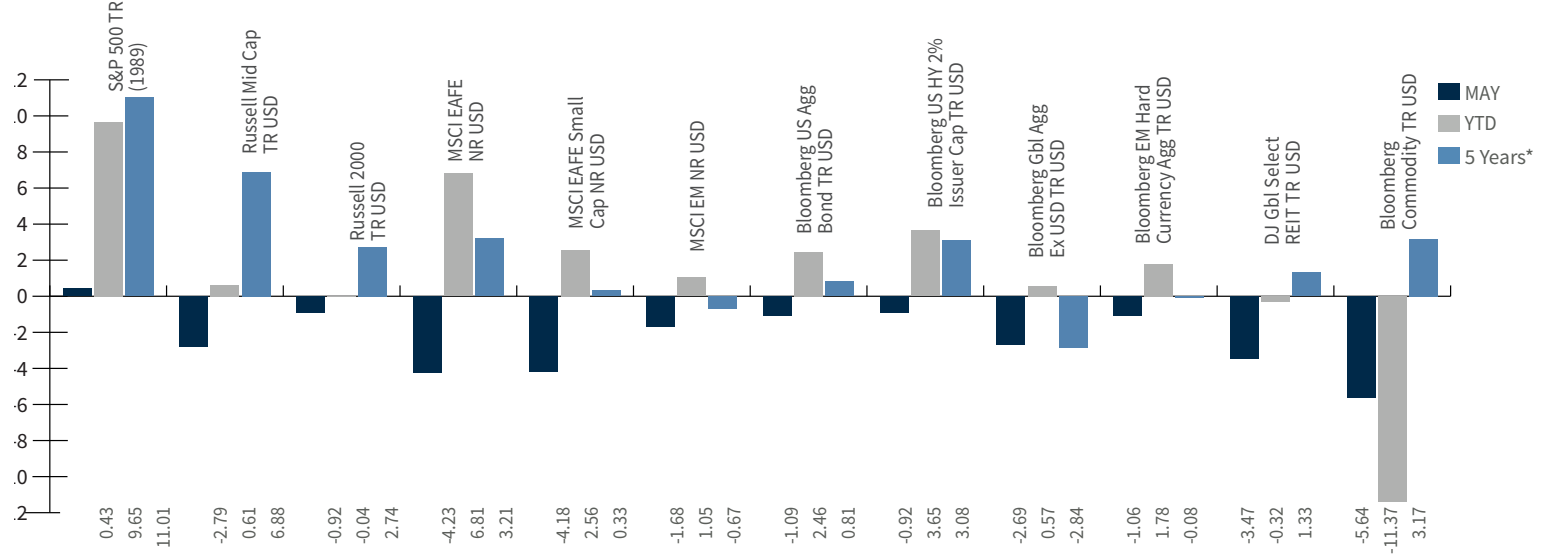
MONTHLY CAPITAL MARKETS REVIEW

News from Asset Management Services Institutional Research

MAY HIGHLIGHTS

- In contrast to April's serenity, May reacquainted market participants with the feeling of discomfort; equity indices were largely battered – and fixed income products, on the whole, did not perform much better. For those seeking a clear instigating factor for such phenomena, perhaps the best explanation would be the recent divergence in economic data. Services and manufacturing data have forged opposite paths, as per the global PMI surveys – with former rising to a year-long high, and the latter having languished below the pivotal figure of 50. Such bifurcation portends economic uncertainty and a more difficult job for the US Federal Reserve (Fed) in the months to come.
- Additionally, pessimism surrounding the US debt ceiling issue garnered a substantial amount of media coverage in the month. Investors had to contend with the prospect that the US would default, or more realistically, endure a downgrade on its debt. Fortunately, May concluded with signs that a deal would be successfully put in place to lift the ceiling; perhaps the kind of move that will inject animal spirits into future months.
- In the month of May, equity markets largely finished in the red. One such exception was the S&P 500, which tracks US large cap companies, and returned 0.43%. The MSCI EM index – which represents the performance of emerging market equities – depreciated, as it returned -1.68%. Such countries had to contend with a strengthening US Dollar in May. International developed large cap companies, as measured by the MSCI EAFE index, were pummeled on the month, generating -4.23% in returns.
- Yields rose in May in response to hawkish rhetoric from the Fed. US Treasury bonds – as exemplified by the Bloomberg US Treasury index – returned -1.16% in May, as the 10-year yield ballooned by 22 bps on the month to 3.64%. US corporate bonds, as tracked by the Bloomberg Corp Bond index, were worse off, as they returned -1.45%. These products tend to follow trends in domestic equity performance. Municipal bonds, as tracked by the Bloomberg Municipal index, produced a less severe -0.87% in returns; discourse surrounding the debt ceiling may have had an effect.
- Oil fell significantly in May. It closed at a price of \$68.09 on the final day of the month, thereby returning -11.32%. The US dollar gained against both the Japanese Yen as well as the Euro, returning 2.23% and 2.99%, respectively.

INDEX RETURNS (%)



FOCUS ITEMS

	5/31/23	4/30/23	1-Mth Change	5/31/22
U.S. Dollar (\$) / Japanese Yen (¥)	139.34	136.30	2.23%	128.67
Euro (€) / U.S. Dollar (\$)	1.07	1.10	-2.99%	1.07
Gold	1964.40	1982.55	-0.92%	1838.70
10-Year Treasury Yield	3.64	3.42	6.45%	2.84
Light Crude Oil	68.09	76.78	-11.32%	114.67

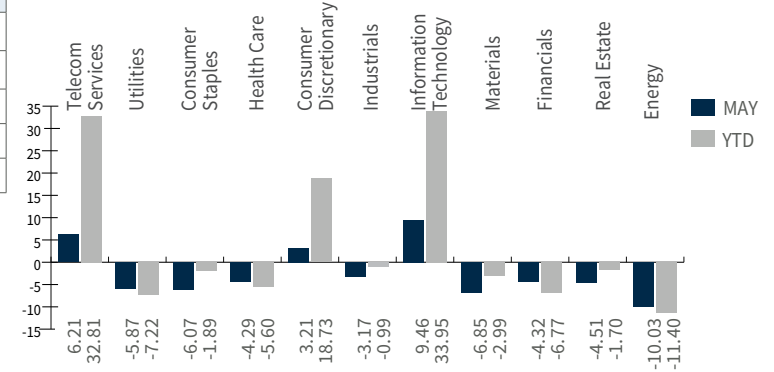
INTERNATIONAL EQUITY RETURNS (%)

	MAY	YTD	5-Years*
MSCI EAFE Growth NR USD	-3.08	10.28	4.46
MSCI EAFE NR USD	-4.23	6.81	3.21
MSCI EAFE Value NR USD	-5.39	3.46	1.55

FIXED INCOME SECTOR RETURNS (%)

	MAY	YTD	5-Years*
Bloomberg U.S. Agg Bond TR USD	-1.09	2.46	0.81
Bloomberg U.S. Treasury TR USD (1987)	-1.16	2.35	0.59
Bloomberg U.S. Corp Bond TR USD	-1.45	2.78	1.56
Bloomberg U.S. Agg Govt Reltd TR USD	-0.90	2.77	1.16
Bloomberg U.S. Scrtzd MBS ABS CMBS TR USD	-0.72	2.28	0.23
Bloomberg Municipal TR USD	-0.87	1.65	1.65

S&P SECTOR RETURNS (%)



EQUITY STYLE RETURNS (%)

		MAY			YTD		
		Value	Core	Growth	Value	Core	Growth
MAY	Large	-3.86	0.47	4.56	-1.43	9.30	20.76
	Mid	-4.44	-2.79	0.06	-3.17	0.61	7.62
	Small	-1.97	-0.92	0.02	-5.04	-0.04	4.86

*Five-year performance number is annualized. Please see next page for additional information. Past performance is not a guarantee of future results. Indexes are not available for direct investment. Any investor who attempts to mimic an index will incur fees and expenses which would reduce returns.

THIS MATERIAL IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE USED OR CONSTRUED AS A RECOMMENDATION REGARDING ANY SECURITY OUTSIDE OF A MANAGED ACCOUNT.

There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable. It should not be assumed that any investment recommendation or decisions made in the future will be profitable or will equal any investment performance discussed herein. Investing involves risk, including loss.

Fixed-income securities pose various risks including credit, market and liquidity, interest rate, reinvestment, legislative, and call risks. Specific sector investing can be subject to different and greater risks than more diversified investments.

Investing in small-cap and mid-cap stocks generally involves greater risks, and, therefore, may not be appropriate for every investor. International investing also involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility. 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. Commodities trading is generally considered speculative because of the significant potential for investment loss.

Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

ASSET CLASS RETURNS: Source: Russell, Bloomberg Barclays, Dow Jones, JP Morgan, Morningstar Direct

S&P 500 SECTOR RETURNS: [Source: Standard & Poor's] Returns are based on the GICS Classification model. Returns are cumulative total return for stated period, including reinvestment of dividends.

STYLE RETURNS: [Source: Russell] Style box returns based on the GICS Classification model. All values are cumulative total return for stated period including reinvestment of dividends. The Indices used from L to R, top to bottom are: Russell 1000 Value Index, Russell 1000 Index, Russell 1000 Growth Index, Russell Mid-cap Value Index, Russell Mid-cap Index, Russell Mid-cap Growth Index, Russell 2000 Value Index, Russell 2000 Index, and Russell 2000 Growth Index.

INTERNATIONAL EQUITY STYLE RETURNS, AND FOCUS ITEMS: Source: Morningstar Direct

FIXED INCOME SECTORS: [Source: Bloomberg Barclays] Returns based on the four sectors of Barclays Global Sector Classification Scheme: Securitized (consisting of U.S. MBS Index, the ERISA-Eligible CMBS Index, and the fixed-rate ABS Index), Government Related (consisting of U.S. Agencies and non-corporate debts with four subsectors: Agencies, Local Authorities, Sovereign, and Supranational), Corporate (dollar denominated debt from U.S. and non-U.S. industrial, utility, and financial institutions issuers), and Treasuries (includes public obligations of the U.S. Treasury that have remaining maturities of one year or more). Please note that all indices are unmanaged and investors cannot invest directly in an index. An investor who purchases an investment product which attempts to mimic the performance of an index will incur expenses that would reduce returns. Past performance is not indicative of future results.

INDEX DESCRIPTIONS:

BBgBarc EM Hard Currency Aggregate: Covers countries and sectors of the emerging markets fixed income investment universe, which includes USD-denominated emerging markets corporate and government-related debt.

BBgBarc Global Agg. ex-U.S. Dollar: Measures changes in global investment-grade, fixed-rate debt markets. It combines non-U.S. dollar-denominated versions of the Pan-European Index and the Japanese, Canadian, Australian and New Zealand components of the Global Treasury Index.

BBgBarc U.S. Aggregate Bond Index: Measures changes in the fixed rate debt issues rated investment grade or higher by Moody's Investors Service, Standard and Poor's, or Fitch Investor's Service, in that order. The Aggregate Index is comprised of the Government/Corporate, the Mortgage-Backed Securities, and the Asset-Backed Securities indices.

BBgBarc U.S. Corporate Investment Grade: A component of the U.S. Credit index. Publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

BBgBarc U.S. Government: The U.S. Government component of the U.S. Government/Credit Index comprised of securities issued by the U.S. Government; also including public obligations of the U.S. Treasury with remaining maturity of one year or more, and publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by U.S. Government. Must be a publicly issued, dollar-denominated and non-convertible. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P or Fitch; regardless of call features, have at least one year to final maturity, and have an outstanding par value amount of at least \$250 million.

BBgBarc U.S. High Yield 2% Issuer Cap index: Issuer-constrained version of the flagship U.S. Corporate High Yield Index, which measures the USD-denominated, high yield, fixed-rate corporate bond market. The index follows the same rules as the uncapped version, but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index wide on a pro rata basis.

BBgBarc U.S. Municipal Bond Index: Covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

BBgBarc U.S. Securitized: The index is a composite of asset-backed securities, collateralized mortgage-backed securities (ERISA-eligible) and fixed rate mortgage-backed securities.

BBgBarc U.S. Treasury: A component of the U.S. Government Index. Must be publicly issued, dollar-denominated and non-convertible, fixed rate (although it may carry a coupon that steps up or changes according to a predetermined schedule) U.S. Treasury security. Must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following rating agencies: Moody's, S&P or Fitch; regardless of call features, have at least one year to final maturity, and have an outstanding par value amount of at least \$250 million.

Bloomberg Commodities Index: Provides a diversified representation of commodity markets as an asset class. The index is comprised of exchanged-traded futures on physical commodities; representing 20 commodities which are weighted for economic significance and market liquidity. To promote diversification, weighting restrictions are placed on individual commodities and commodity groups.

MSCI EAFE (Europe, Australasia, Far East): A free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States and Canada. The EAFE consists of the country indices of 21 developed nations.

MSCI EAFE Growth: Represents approximately 50% of the free float-adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the growth style.

MSCI EAFE Small Cap: Offer an exhaustive representation of this size segment by targeting companies that are in the Investable Market Index but not in the Standard Index in a particular developed market. The indices include Value and Growth style indices and industry indices based on the Global Industry Classification Standard (GICS).

MSCI EAFE Value: Represents approximately 50% of the free float-adjusted market capitalization of the MSCI EAFE index, and consists of those securities classified by MSCI as most representing the value style.

MSCI Emerging Markets: A free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of July 2, 2014, the index consists of the following 23 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, the Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and the United Arab Emirates.

Russell 2000: Measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represent approximately 10% of the total market capitalization of the Russell 3000 Index.

Russell Mid-cap: Measures the performance of the 800 smallest companies of the Russell 1000 Index, which represent approximately 31% of the total market capitalization of the Russell 1000 Index.

Standard & Poor's 500 (S&P 500): Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market.

The Dow Jones Global Select REIT Index: Intends to measure the performance of publicly traded real estate securities. The indices are designed to serve as proxies for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate. This index represents equity real estate investment trusts (REITs) and real estate operating companies (REOCs) traded globally.

DEFINITIONS:

Small-cap stocks refers to a company's capitalization as determined by the total market value of its publicly traded shares.

Large-cap stocks are generally defined as those with market capitalizations of more than \$10 billion.

Energy sector is a category of stocks that relate to producing or supplying energy.

Commodity is a basic good used in commerce that is interchangeable with other commodities of the same type.

Commodities are most often used as inputs in the production of other goods or services.

Fixed income is a type of investment in which real return rates or periodic income is received at regular intervals and at reasonably predictable levels.

High-yield bond is a high paying bond with a lower credit rating than investment-grade corporate bonds, Treasury bonds and municipal bonds.

International: This asset class represents managers that seek long term capital appreciation by investing primarily in companies outside of the United States, including emerging markets in some instances. Companies of all cap sizes may be considered. Investments are primarily ADR equities and may be subject to additional risks such as currency fluctuations, differing financial accounting standards by country, and possible political and economic risks.

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