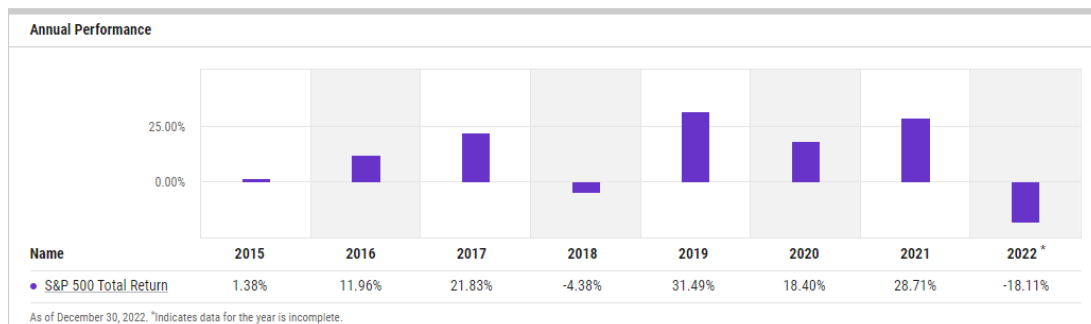
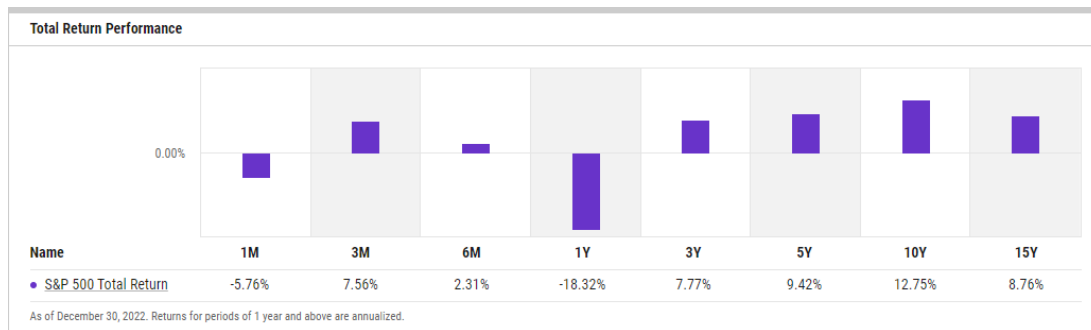


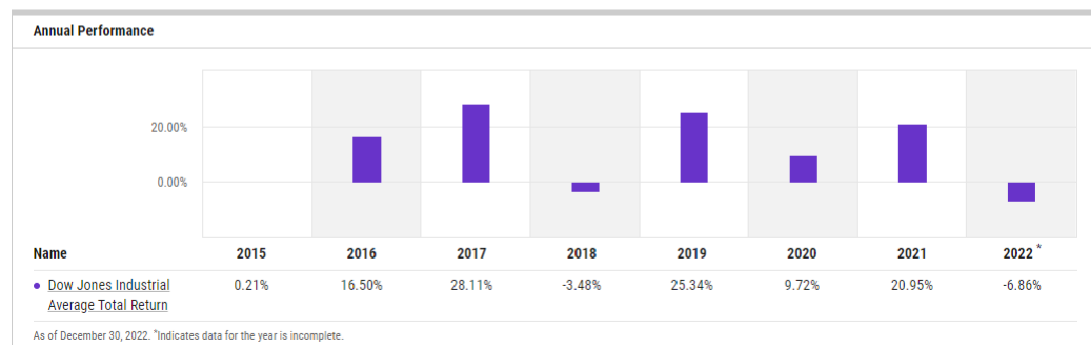
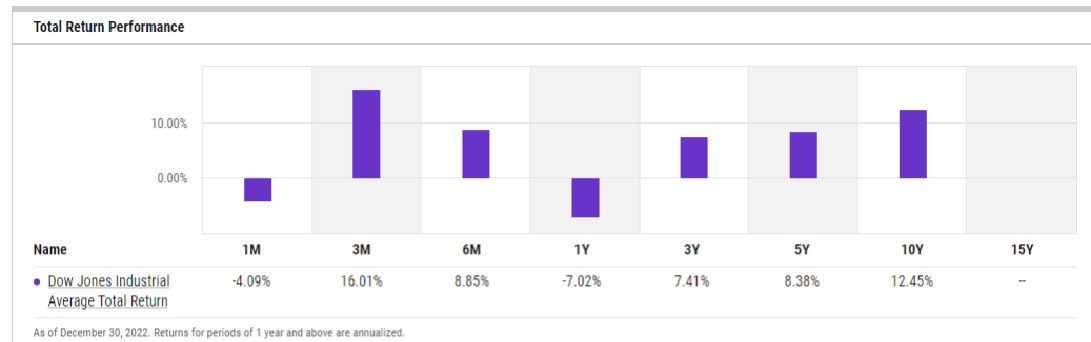
Return Documentation

S&P 500



Source YCharts

DJ Industrial Average



Source YCharts

NASDAQ 100



Source YCharts

S&P MidCap 400



Source YCharts

Russell 2000



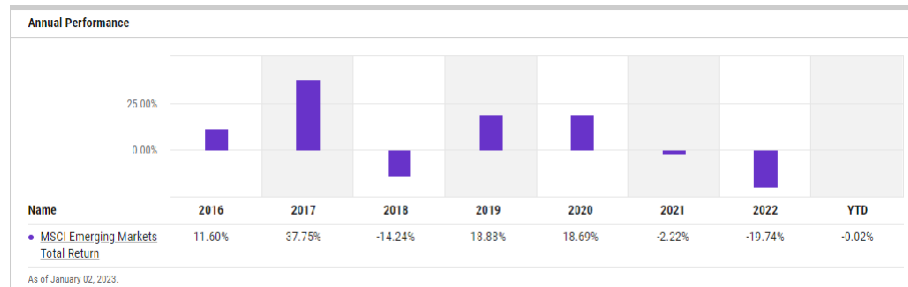
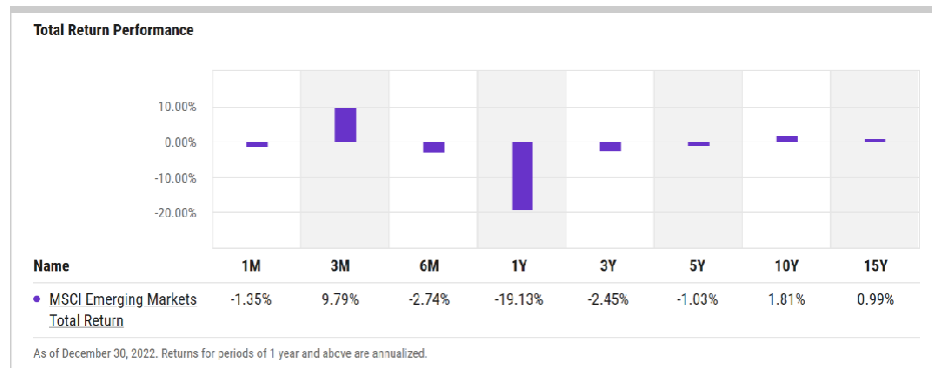
Source YCharts

MSCI EAFE TR USD (Foreign Developed)



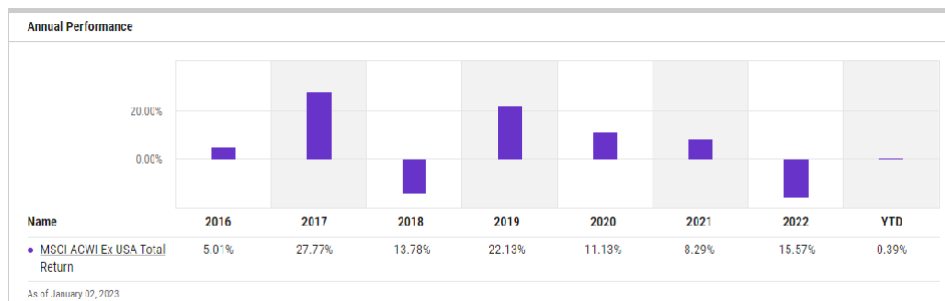
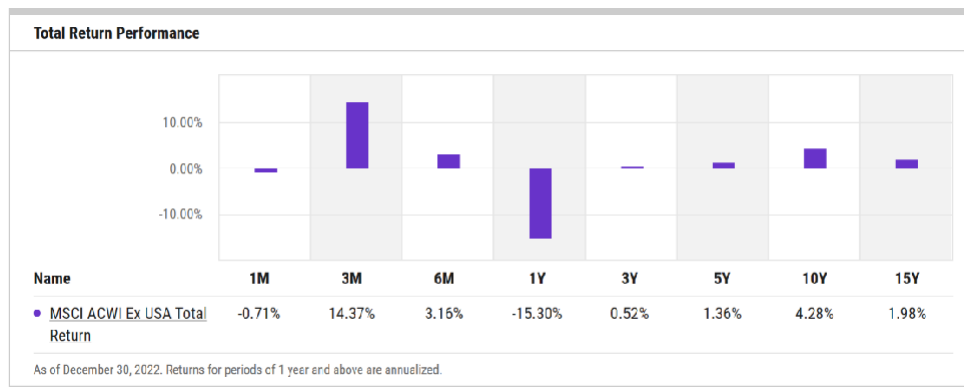
Source YCharts

MSCI EM TR USD (Emerging Markets)



Source YCharts

MSCI ACWI Ex USA TR USD (Foreign Dev & EM)



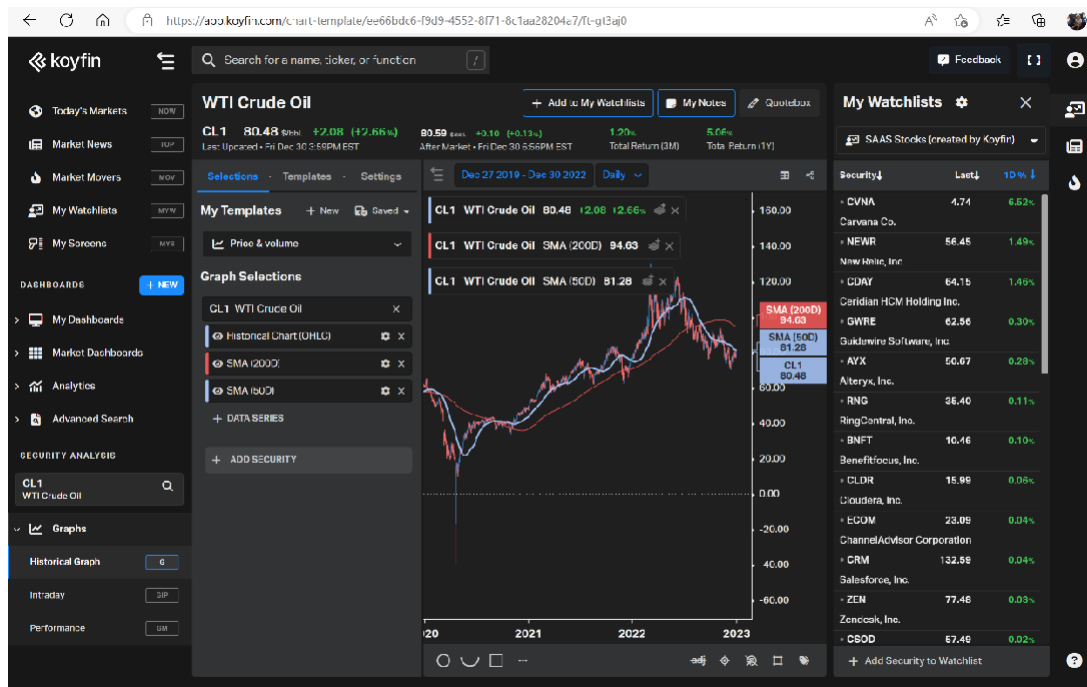
Source YCharts

S&P GSCI (Broad-Based Commodities)



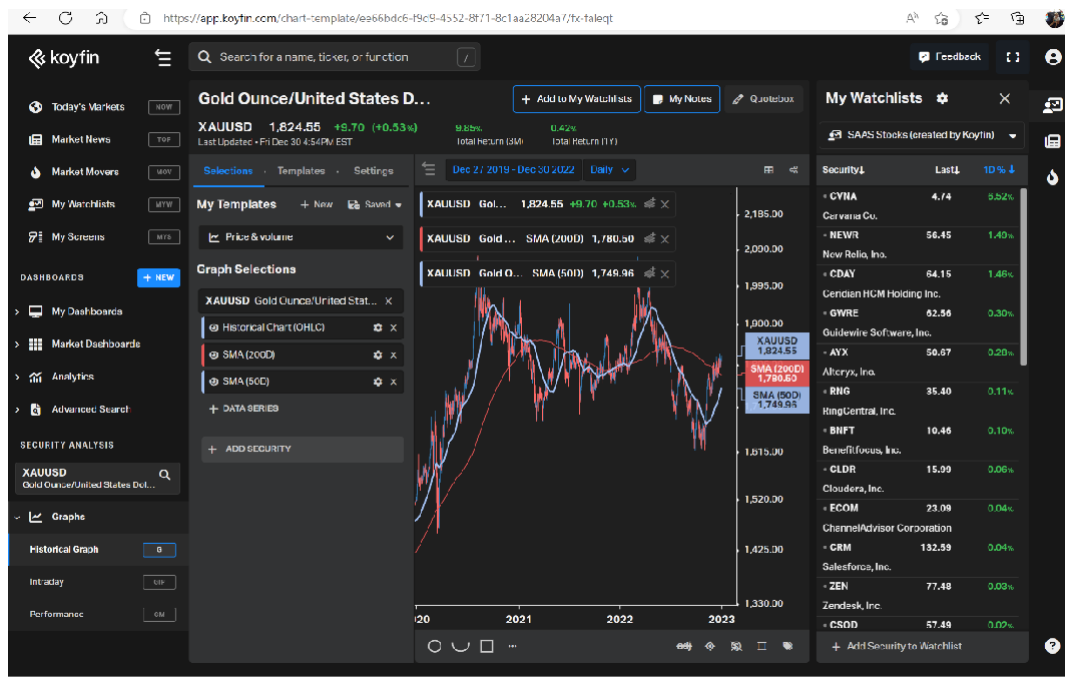
Source YCharts

WTI Crude Oil Q4 & 2022 Return



Source Koyfin.com

Gold Price Q4 & 2022 Return



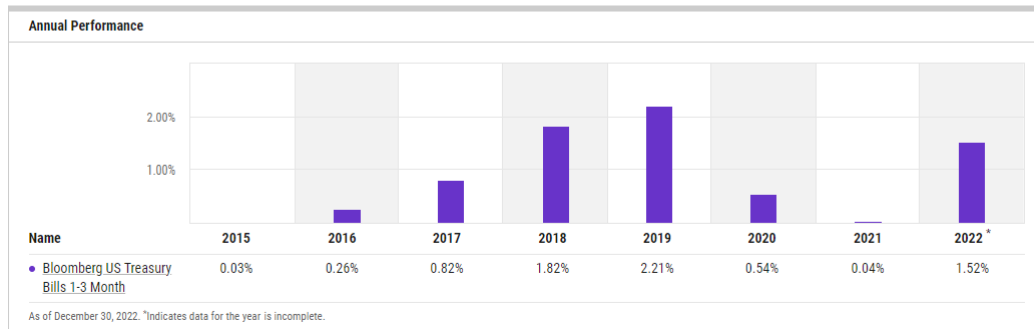
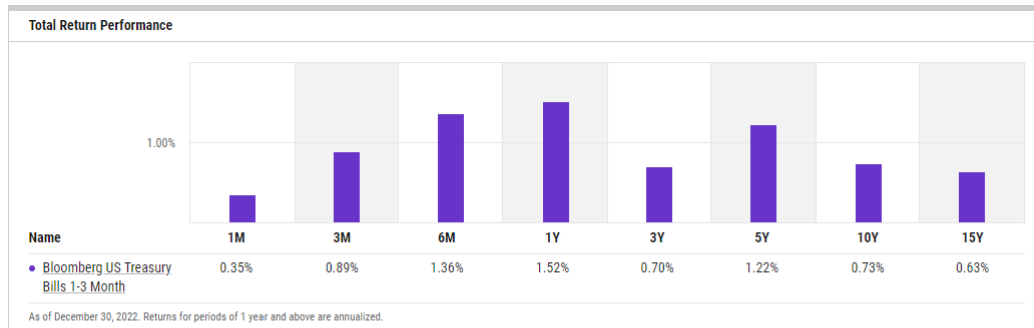
Source Koyfin.com

BBgBarc US Agg Bond



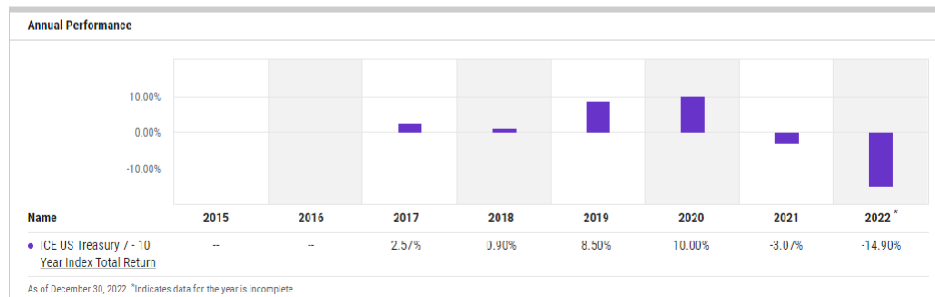
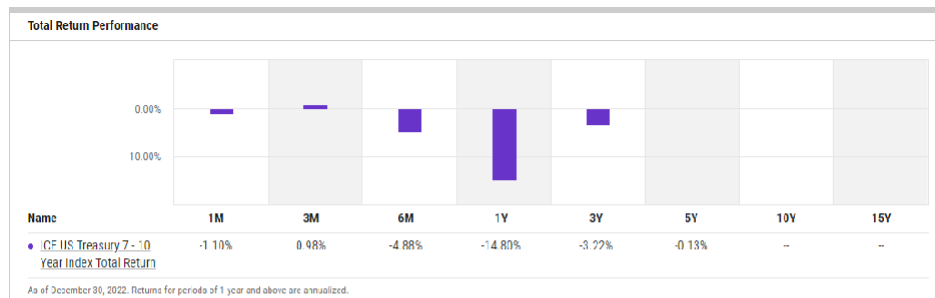
Source YCharts

BBgBarc US T-Bill 1-3 Mon



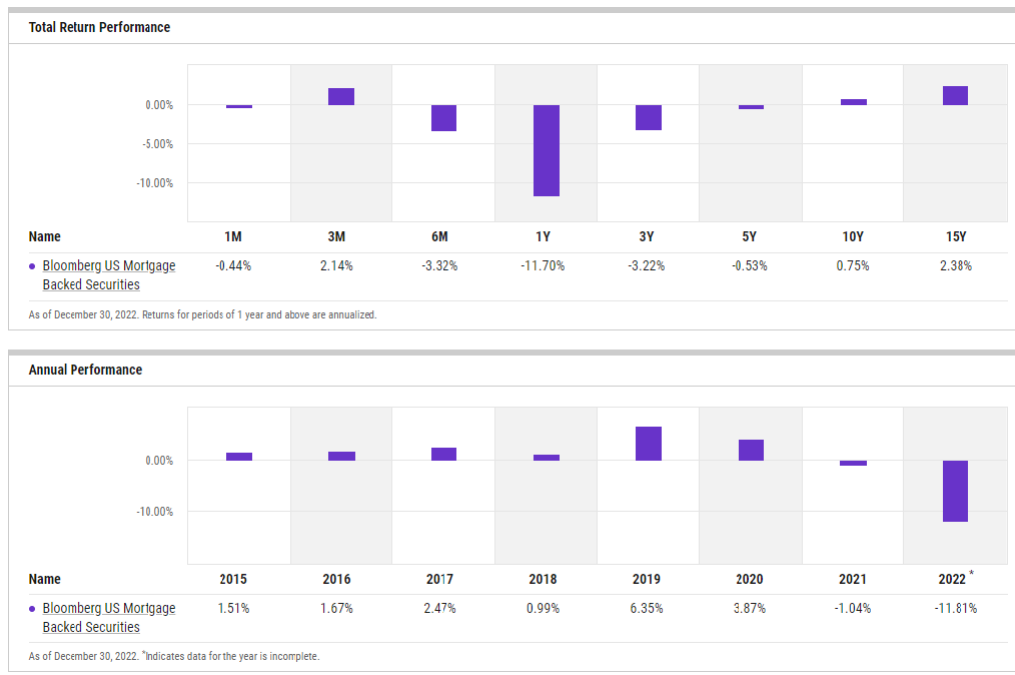
Source YCharts

ICE US T-Bond 7-10 Year



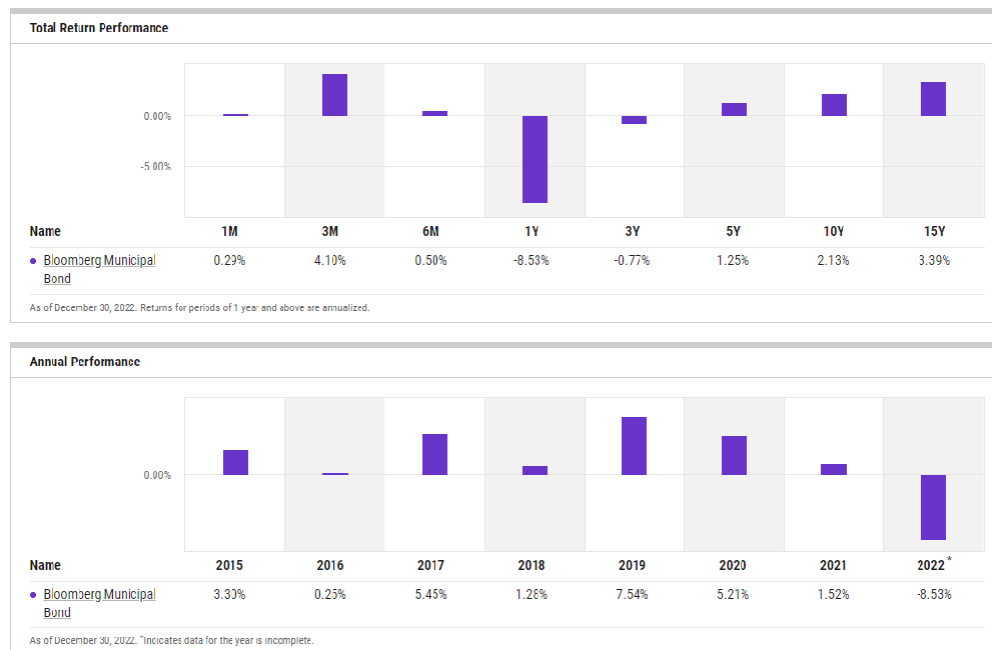
Source YCharts

BBgBarc US MBS (Mortgage-backed)



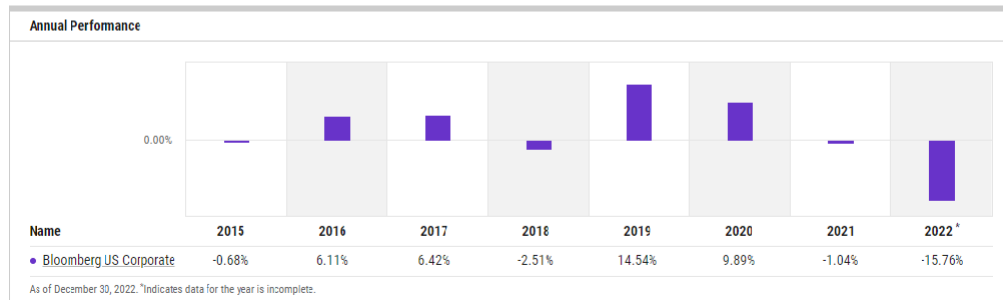
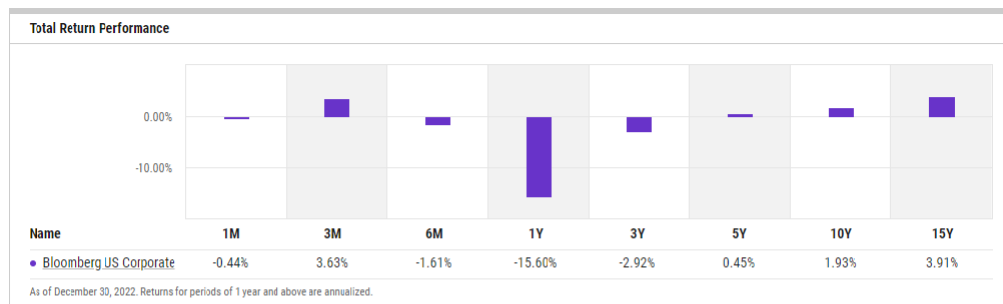
Source YCharts

BBgBarc Municipal



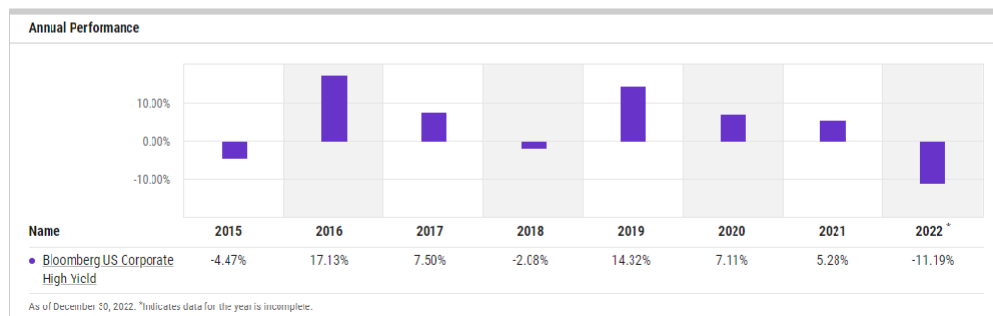
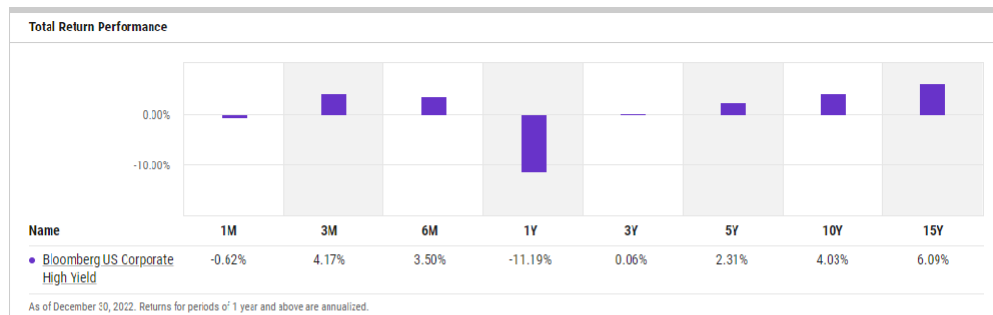
Source YCharts

BBgBarc US Corporate Invest Grade



Source YCharts

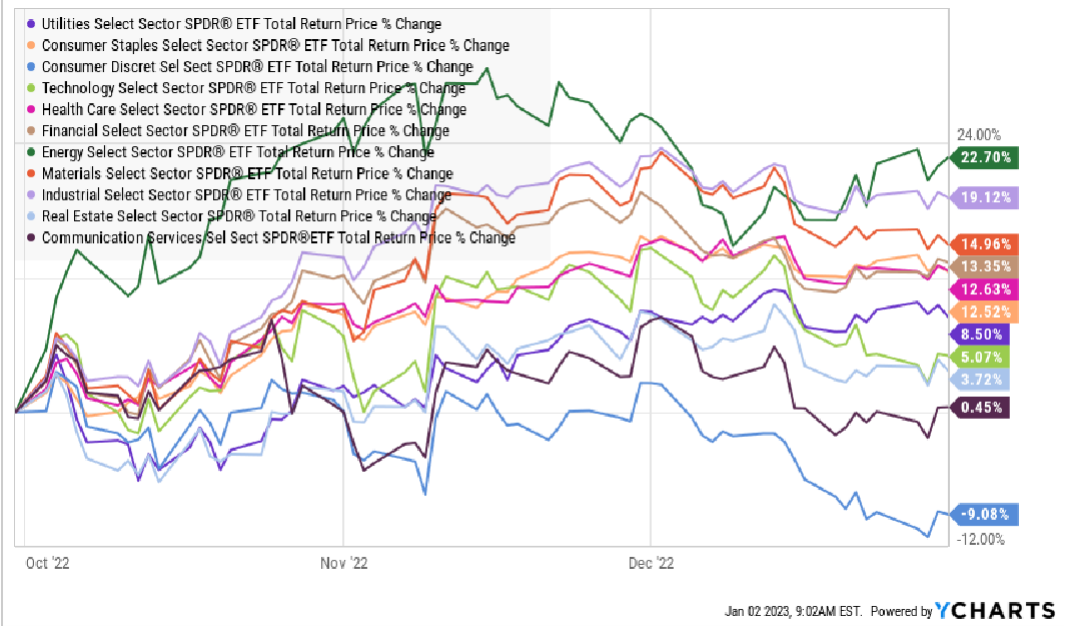
BBgBarc US Corporate High Yield



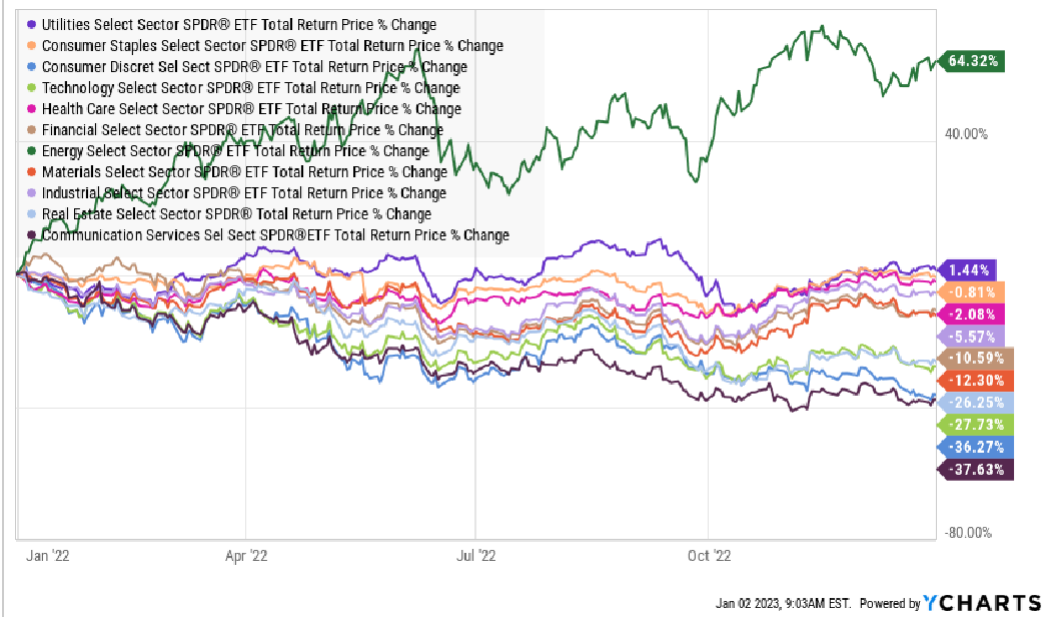
Source YCharts

Other Citations

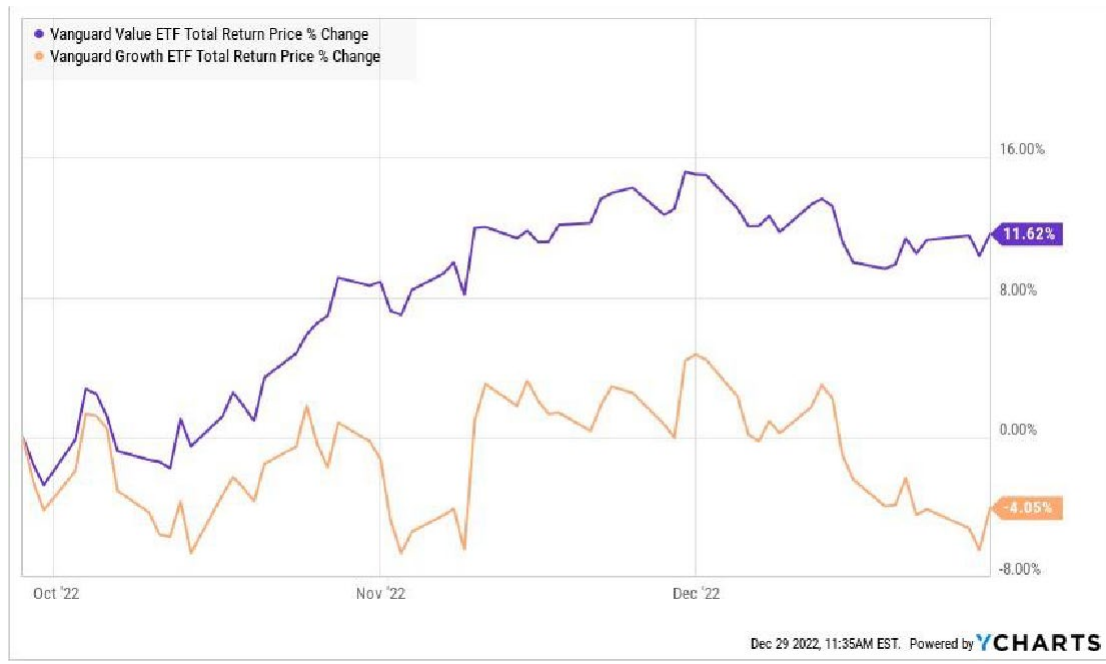
Sector Performance Q4 2022



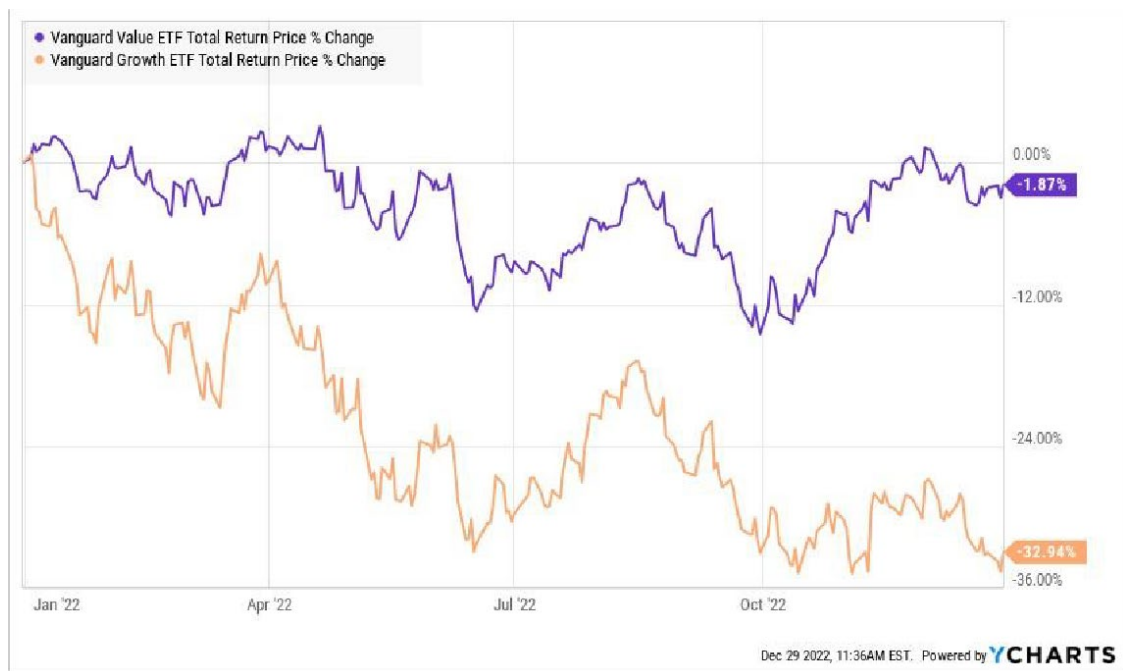
Sector Performance Full Year



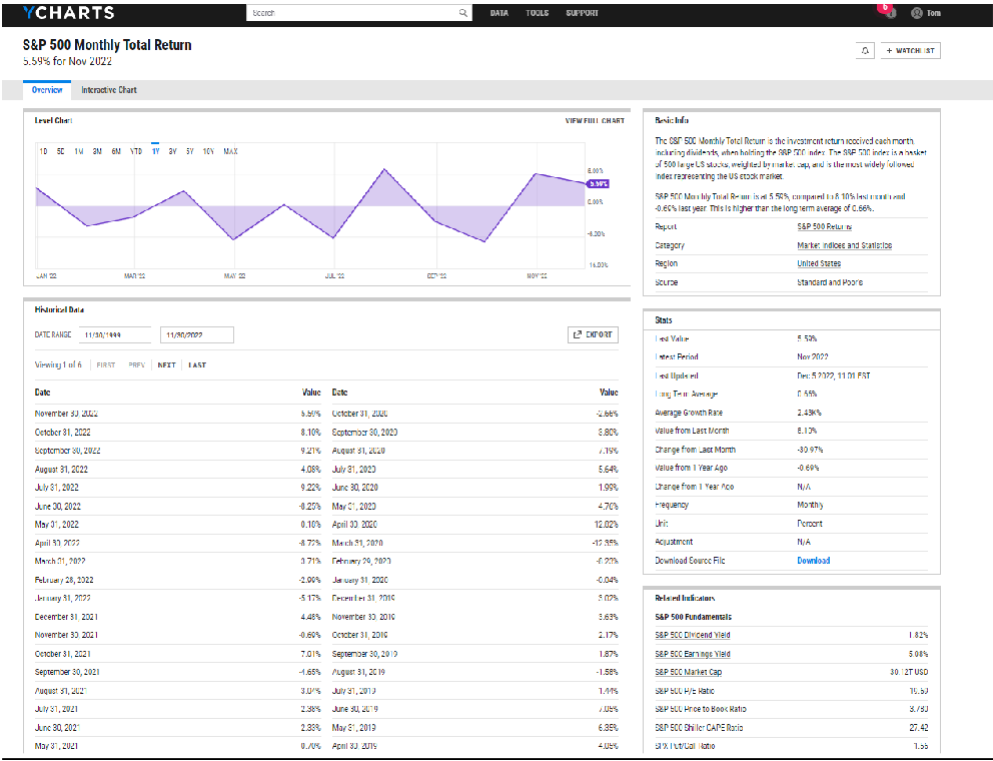
Value vs. Growth Q4 2022



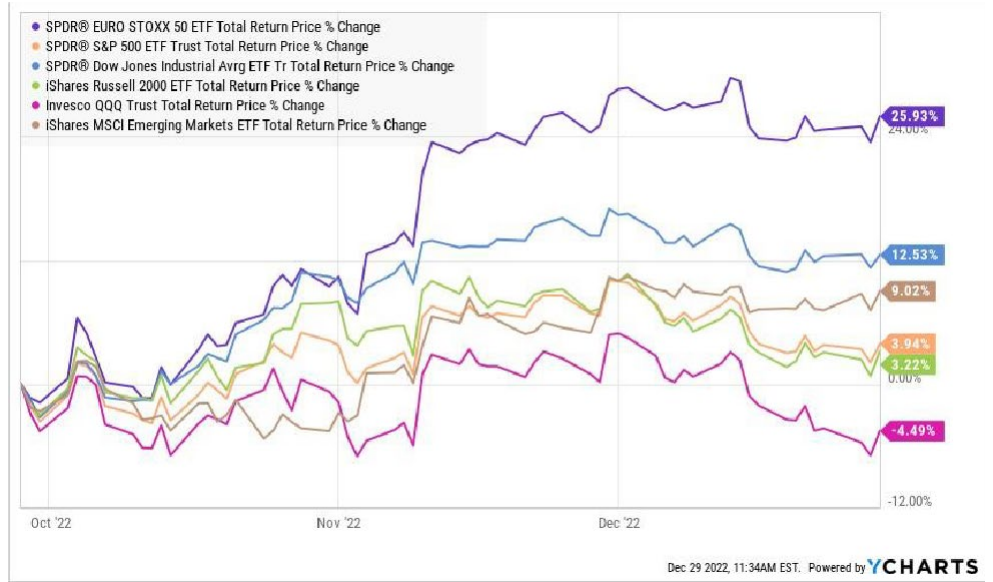
Value vs. Growth Full Year



S&P 500 Monthly Returns



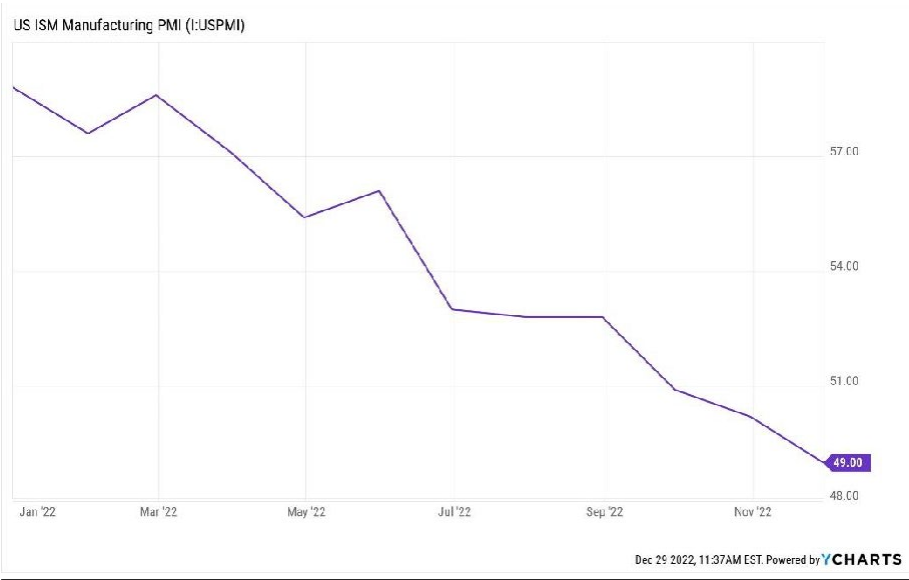
Major Indices Q4



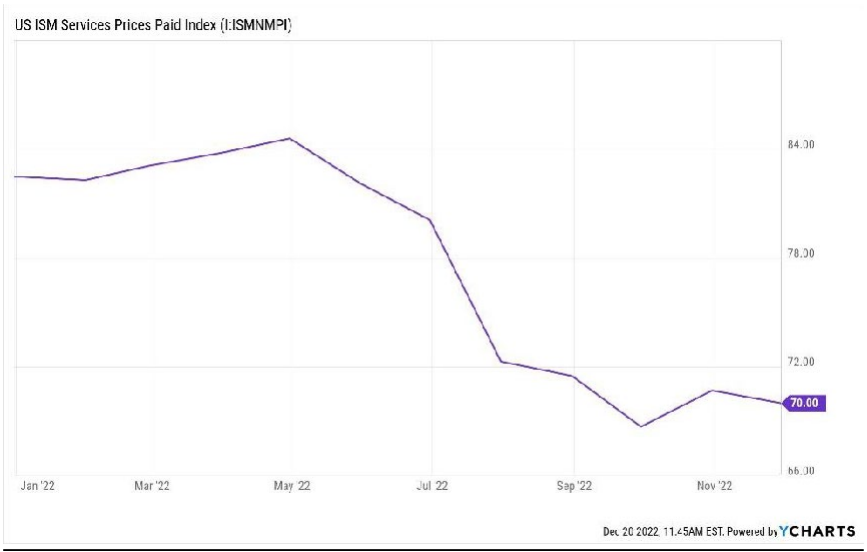
Major Indices Full Year



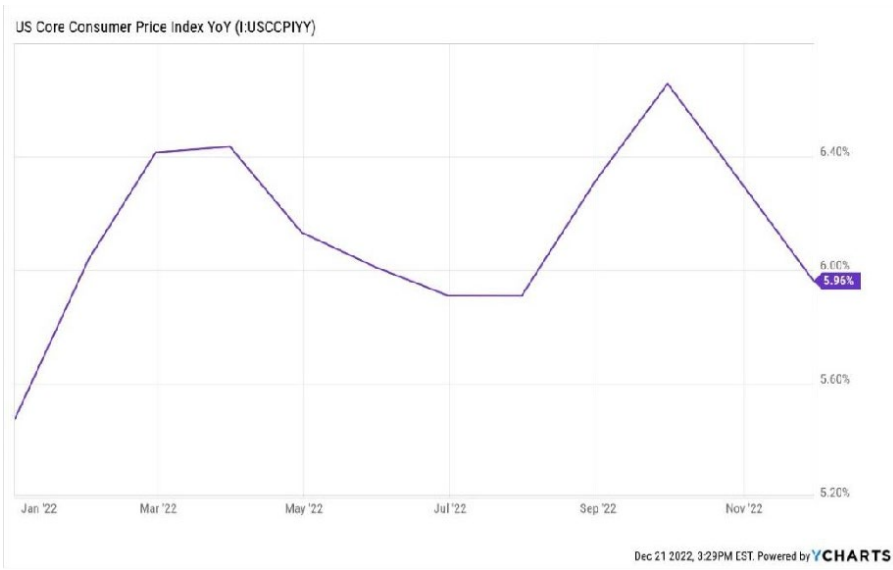
U.S. ISM Manufacturing PMI



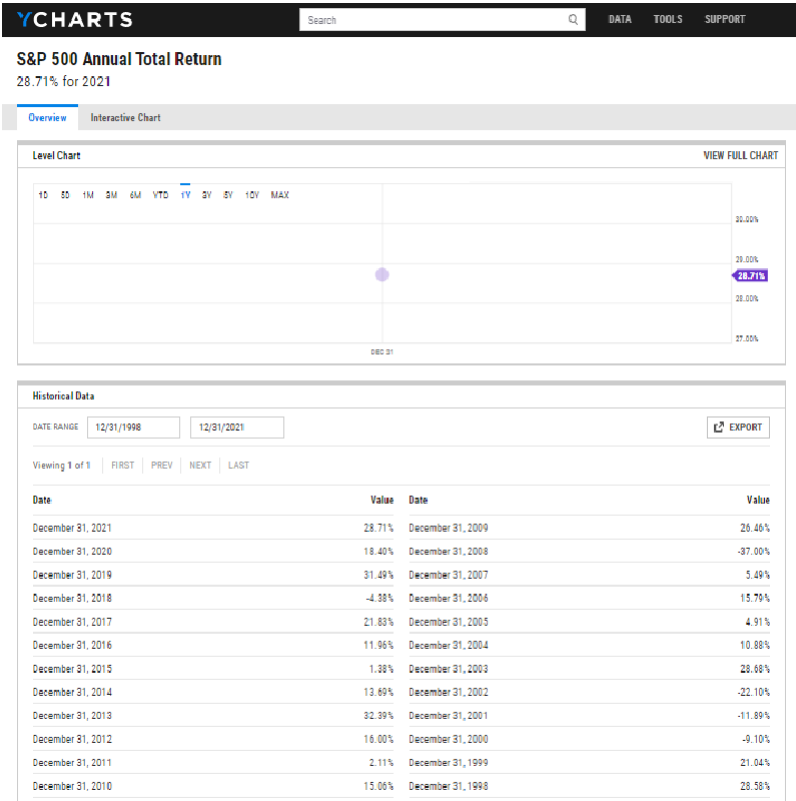
U.S. ISM Services Prices Paid Index



Consumer Price Index Y/Y



S&P 500 Annual Returns



Statements

However, that market turmoil ultimately resulted in political change in the U.K. as PM Truss resigned on October 20th and was replaced by former Chancellor of the Exchequer Rishi Sunak, who immediately took steps to disavow Truss' plan and restore market confidence in U.K. finances.

<https://www.cnbc.com/2022/10/25/unloved-undervalued-uk-stocks-back-in-focus-on-rishi-sunak-stability-hopes.html>

In part due to a very short-term oversold condition and following a no-worse-than-feared third-quarter earnings season, stocks and bonds staged large rallies in mid and late October and the S&P 500 finished the month with a substantial gain, rising 8.1%.

<https://www.marketwatch.com/story/stocks-are-having-a-stellar-october-why-the-bear-market-rally-may-have-more-room-to-run-11666714183>

Those hopes were boosted after the Thanksgiving holiday when Fed Chair Powell stated that interest rates would only need to rise "somewhat" higher than previous projections. Investors took that "somewhat" remark as a sign that previous estimates for rate hikes were too aggressive and that extended the rally into early December. The S&P 500 ended November at multi-month highs with another solid monthly gain of 5.6%.

<https://www.axios.com/2022/12/01/stocks-rally-on-powell-rate-remarks>

Finally, both the European Central Bank and the Bank of Japan surprised markets with hawkish policy decisions, providing yet another reminder to investors that rates will continue to rise in 2023 despite clearly slowing global economic growth and the increasing threat of recession. Stocks dropped from mid-December on, and the S&P 500 ended the month of December with a loss of 5.90%.

<https://www.reuters.com/markets/rates-bonds/euro-zone-yields-head-higher-after-bank-japan-shift-2022-12-20/>

Value stocks, meanwhile, were viewed as more attractive in the market environment of 2022 due to lower valuations and exposure to business sectors that are considered more resilient than high-growth parts of the market.

<https://www.cnbc.com/2022/11/03/value-investors-make-a-big-comeback-with-one-of-their-best-months-since-1978-.html>

Markets ended 2022 on a decidedly negative note and the December losses helped to ensure that 2022 was the worst year for stocks since 2008 and the worst year for bonds in multiple decades, as both asset classes posted annual declines for the first time since the 1960s.

<https://www.cnbc.com/2022/10/18/stocks-and-bonds-both-down-what-to-do-with-your-money.html#:~:text=Rapid%20inflation%20in%20the%20mid,for%20both%20stocks%20and%20bonds.>

In December, the Federal Reserve signaled that it expected the peak interest rate to be just 75 basis points higher than the current rate. That level could easily be reached within the first few months of 2023 and the Fed ending its rate hike campaign will remove a significant headwind from asset prices.

<https://www.nytimes.com/2022/12/14/business/economy/interest-rates-inflation-fed.html>

Finally, while both economic growth and corporate earnings are expected to decline in 2023, those negative expectations have been at least partially priced into stocks and bonds at current levels. As such, if the economy or corporate America proves to be more resilient than forecasts, it could provide a positive spark for asset markets in early 2023.

https://www.forbes.com/sites/bill_stone/2023/01/01/will-the-bear-market-in-stocks-end-in-2023-despite-a-recession/?sh=5d3bcc63e068

More broadly, market history is clear: Declines of the magnitude we saw in 2022 are usually followed by strong recoveries, not further weakness.

<https://www.marketwatch.com/story/is-a-2023-stock-market-rebound-in-store-after-2022-selloff-what-history-says-about-back-to-back-losing-years-11671650574>

Definitions

- Large-cap: Large cap refers to a company with a market capitalization value of more than \$10 billion.
- Mid-cap: Mid-cap stocks are shares of companies with total market capitalization in the range of about \$2 billion to \$10 billion.
- Small-cap: A small cap company is a company whose market capitalization is small, under \$1 billion.
- CPI: A consumer price index is a price index, the price of a weighted average market basket of consumer goods and services purchased by households. Changes in measured CPI track changes in prices over time.
- Market Capitalization: Market capitalization, commonly called market cap, is the market value of a publicly traded company's outstanding shares.
- Growth style: Growth investing is an investment style and strategy that is focused on increasing an investor's capital.
- Value style: Value investing is an investment strategy that involves picking stocks that appear to be trading for less than their intrinsic or book value.
- S&P 500: The S&P 500 Index is widely regarded as the best single gauge of the U.S. equities market. This world-renowned index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 Index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market. An investor cannot invest directly in an index
- Dow Jones Industrial Average: The Dow Jones Industrial Average, Dow Jones, or simply the Dow, is a stock market index of 30 prominent companies listed on stock exchanges in the United States
- NASDAQ: The Nasdaq Stock Market is an American stock exchange based in New York City. It is ranked second on the list of stock exchanges by market capitalization of shares traded, behind the New York Stock Exchange.
- NASDAQ 100: The Nasdaq-100 is a stock market index made up of 102 equity securities issued by 101 of the largest non-financial companies listed on the Nasdaq stock exchange. It is a modified capitalization-weighted index.
- S&P Midcap 400: The S&P MidCap 400 Index, more commonly known as the S&P 400, is a stock market index from S&P Dow Jones Indices. The index serves as a gauge for the U.S. mid-cap equities sector and is the most widely followed mid-cap index.
- Russell 2000: The Russell 2000 Index® measures the performance of the 2,000 smallest companies in the Russell 3000 Index.

- MSCI EAFE TR USD: The MSCI® EAFE (Europe, Australia, Far East) Net Index is recognized as the pre-eminent benchmark in the United States to measure international equity performance. It comprises 21 MSCI country indexes, representing the developed markets outside of North America.
- MSCI EM TR USD: The MSCI Emerging Markets IndexSM is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of June 2007, the MSCI Emerging Markets Index consisted of the following 25 emerging market country indices: Argentina, Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Israel, Jordan, Korea, Malaysia, Mexico, Morocco, Pakistan, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.
- MSCI ACWI EX US (FOREIGN DEVELOPED & EM): MSCI World ex USA Index - The MSCI World ex USA Index captures large and mid-cap representation across 22 of 23 Developed Markets DM countries*-- excluding the United States. With 918 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
- WTI CRUDE OIL: West Texas Intermediate (WTI) [crude oil](#) is a specific grade of crude oil and one of the main three benchmarks in oil pricing, along with Brent and Dubai Crude.
- BBgBar US Agg bond: Bloomberg Barclays US Aggregate Bond Index - The Bloomberg US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate pass-throughs), ABS and CMBS (agency and non-agency)
- BBgBar US T-BILL 1-3 Mo: The Bloomberg Barclays 1-3 Month U.S. Treasury Bill Index (^BBUTB13MTR) is designed to measure the performance of public obligations of the U.S. Treasury that have a remaining maturity of greater than or equal to 1 month and less than 3 months. The Index includes all publicly issued zero coupon.
- BBgBar MBS: The Bloomberg Barclays US Mortgage Backed Securities (MBS) Index tracks fixed-rate agency mortgage backed passthrough securities guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). T
- BBgBar Municipal: The Bloomberg U.S. Municipal 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.
- BBgBar US Corporate Investment Grade: The Bloomberg Barclays US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market.
- BBgBar US Corporate High Yield: The Bloomberg US Corporate High Yield Bond Index measures the USD-denominated, high yield, fixed-rate corporate bond market.
- ICE US T-bond 7-10yr: The ICE U.S. Treasury 7-10 Year Bond Index is part of a series of indices intended to assess the U.S. Treasury market. The Index is market value weighted and is designed to measure the performance of U.S. dollar-denominated, fixed rate securities with minimum term to maturity greater than seven years and less than or equal to ten years.
- S&P GSCI (Broad-Based Commodities): The S&P GSCI is the first major investable commodity index. It is one of the most widely recognized benchmarks that is broad-based, and production weighted to represent the global commodity market beta. The index is designed to be investable by including the most liquid commodity futures and provides diversification with low correlations to other asset classes.
- S&P GSCI Crude Oil: The S&P GSCI Crude Oil index provides investors with a reliable and publicly available benchmark for investment performance in the crude oil market.
- GLD Gold Price: The GLD Gold Price is the price of gold per ounce.