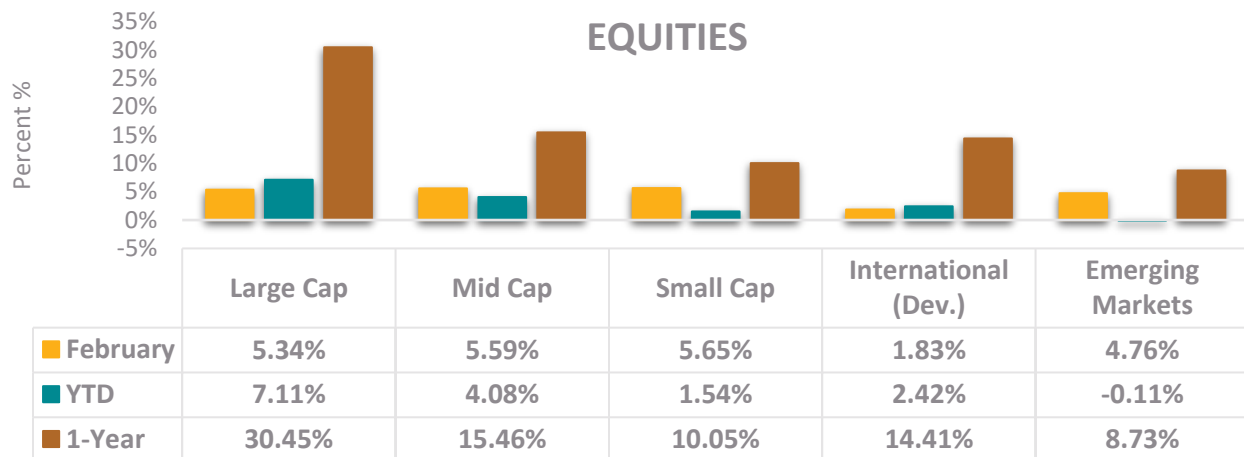


Monthly Market Summary

Market Update and Economic Developments

- Domestic equity markets had a strong month, with the S&P 500, NASDAQ, and Dow Jones Industrial Average hitting new all-time highs. Large cap technology companies, notably AI-adjacent companies, continue to drive the performance of the indices, with NVIDIA reporting stronger than expected earnings and continuing its rally.
- Japanese stocks, as measured by the Nikkei 225 Index, hit all-time highs for the first time since 1989. In the 1980s, the success of Japanese companies and the increasing wealth of average Japanese families contributed to twin bubbles in stock and property prices. In 1985 the exchange rate between the Yen and USD surged, slowing the trade deficit with the United States. The ensuing economic slowdown caused a burst in both bubbles. More recently, GDP growth, a weakening Yen/USD exchange rate, and attractive valuations have increased the appeal of Japanese equities. 7
- February’s CPI report included a higher-than-expected 0.3% rise from a month prior. Interest rate projections have fluctuated significantly over the past few months as the market has taken in new data and interpreted commentary from Fed meetings. While the market is still expecting rate cuts, many believe this will begin later in the year than originally anticipated, pointing to continued economic strength and persistent inflation.



Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM

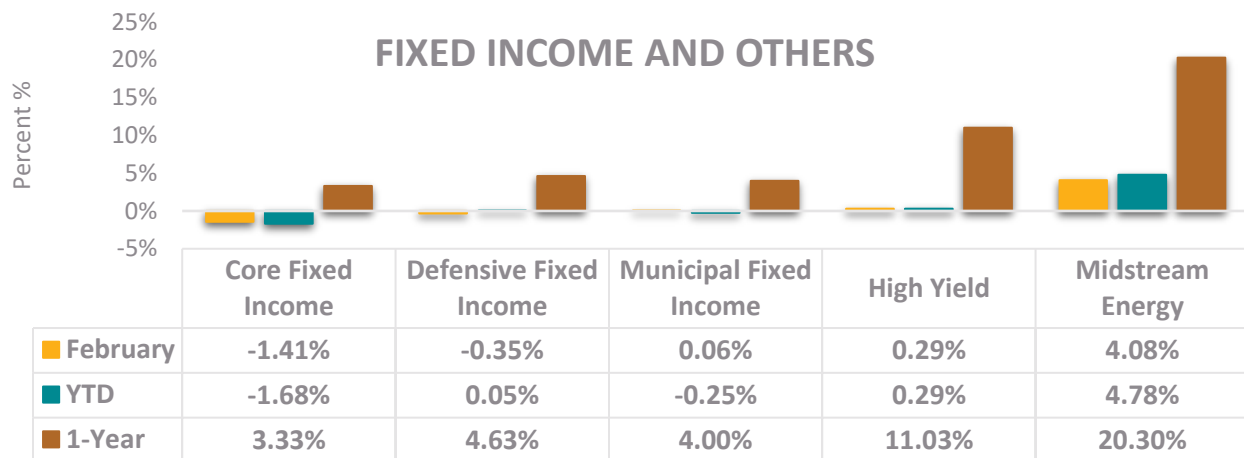


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Monthly Market Summary

Fixed Income Market Update and Other Assets

- In the first half of the month, treasury yields rose due to market reactions to the recent higher-than-expected CPI report before remaining relatively stable for the remainder of the month. Ten-year Treasury yields finished February around 4.25% after starting the month at 3.87%.
- The national average gas price has been moderately trending up since the beginning of the year, finishing February at \$3.14/gallon. Looking back over the past five years, prices peaked at \$4.84/gallon during summer 2022. Weekly crude oil production in the United States is at its highest level in history, at over 13M barrels/week, which could result in decreased dependence on foreign suppliers.
- After 30-year fixed mortgage rates dropped below 7% at the beginning of this year, for the first time since August, rates rose again in February. The housing market remains cool relative to pandemic standards, with the most recent monthly new single family home sales being reported at 661,000, well below the August 2020 peak of 1.03M. According to data from Apollo, 61% of all mortgages outstanding as of July 2023 have an interest rate below 4%, signaling that most Americans have low incentive to move and borrow at close to 7%.



Benchmark Indexes: Core Fixed Income = Bloomberg US Agg Bond; Defensive Fixed Income = Bloomberg US Aggregate 1-3 Yr TR USD; Municipal Fixed Income = Bloomberg Municipal 5 Yr 4-6; High Yield = Bloomberg US Corporate High Yield; Midstream Energy = Alerian Midstream Energy Select.



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