

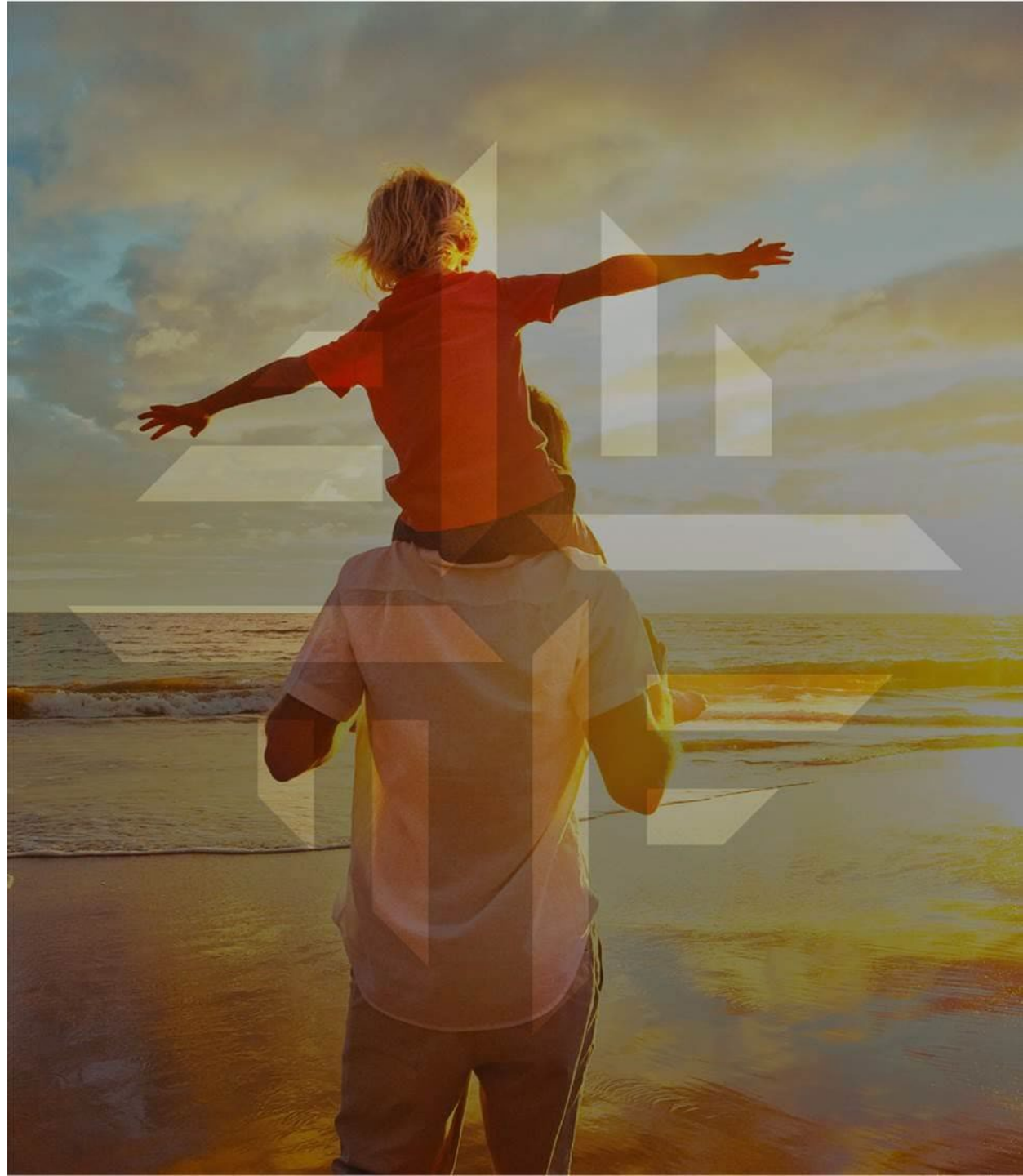


## Monthly Market Recap

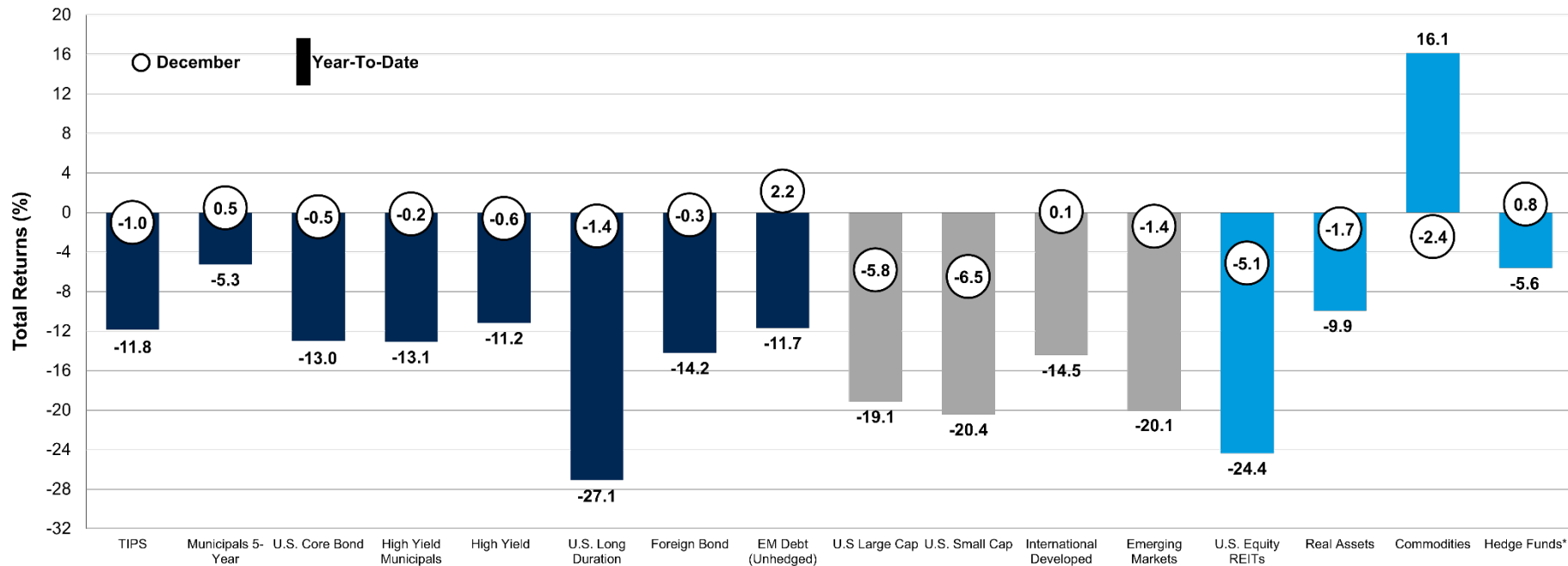
DECEMBER 2022

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# Asset Class Performance



## Fixed Income (December)

- An upward move in bond yields, as continued tightness in the labor market stoked fears of further hikes, weighed on fixed income returns.
- + A weaker dollar benefited non-U.S. bonds, as higher inflation in Europe led to a tightening of the rate gap between the two markets.
- + Municipals gained on strong demand, while emerging market debt gained in a Chinese reopening trade.

## Equity (December)

- U.S. equities were lower as broad layoffs and fears of a recession in 2023 induced negative sentiment.
- + International developed markets gained as the dollar continued to lose steam and a record warm winter in Europe mitigated energy supply concerns.
- + Investors piled into Chinese stocks in a reopening trade, seeking to benefit from low valuations; other major emerging markets led the complex lower.

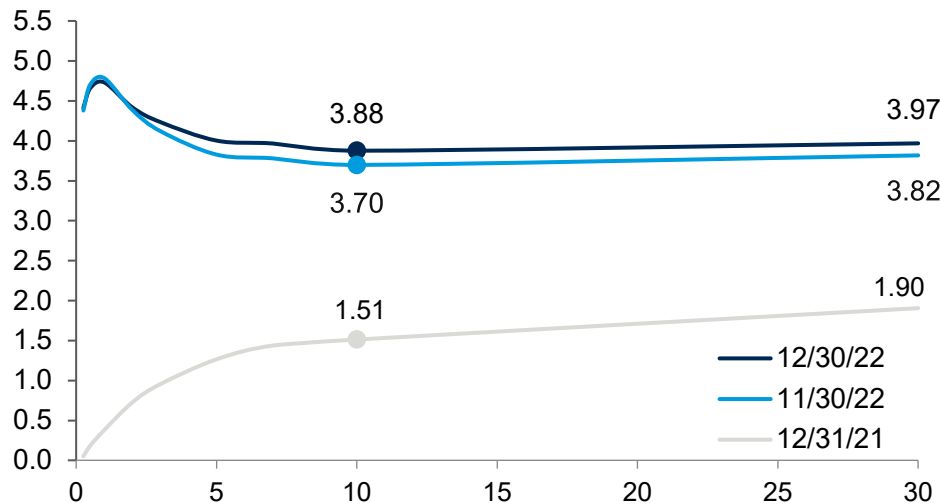
## Real Asset/Alternatives (December)

- Energy prices led commodity markets lower in December amid weak European demand, while real assets drew down in tandem with equities due to weak sentiment.
- + Hedge funds benefited from a strong market in November, adding to their downside protection on a year-to-date basis.

# Fixed Income Market Update

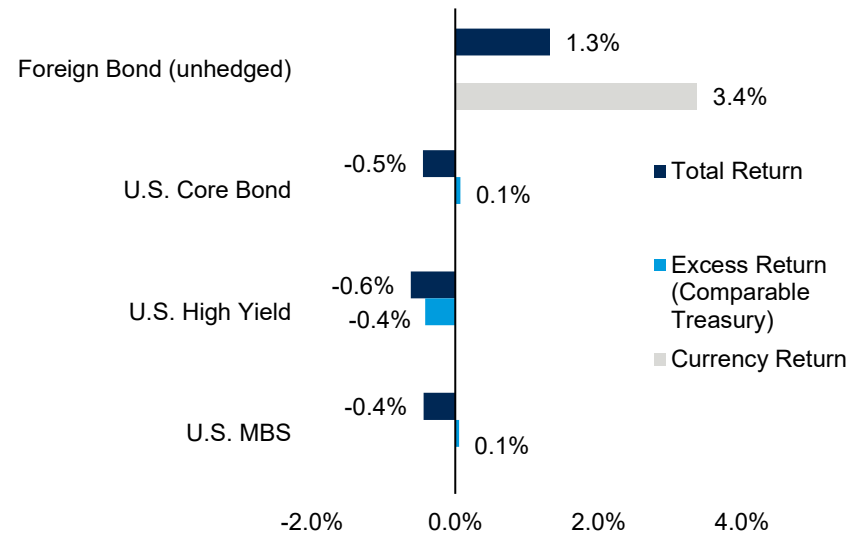
## U.S. Treasury Yield Curve

Investors expressed concerns over near-term inflation and recessionary risks for 2023, as the yield curve remained inverted. Medium- and long-term rates ended December slightly higher than in the previous month.



## Index Performance Attribution (December 2022)

Slightly higher rates in the U.S. weighed on returns across the quality spectrum, while non-U.S. bonds continued to benefit from the weakening of the U.S. dollar.



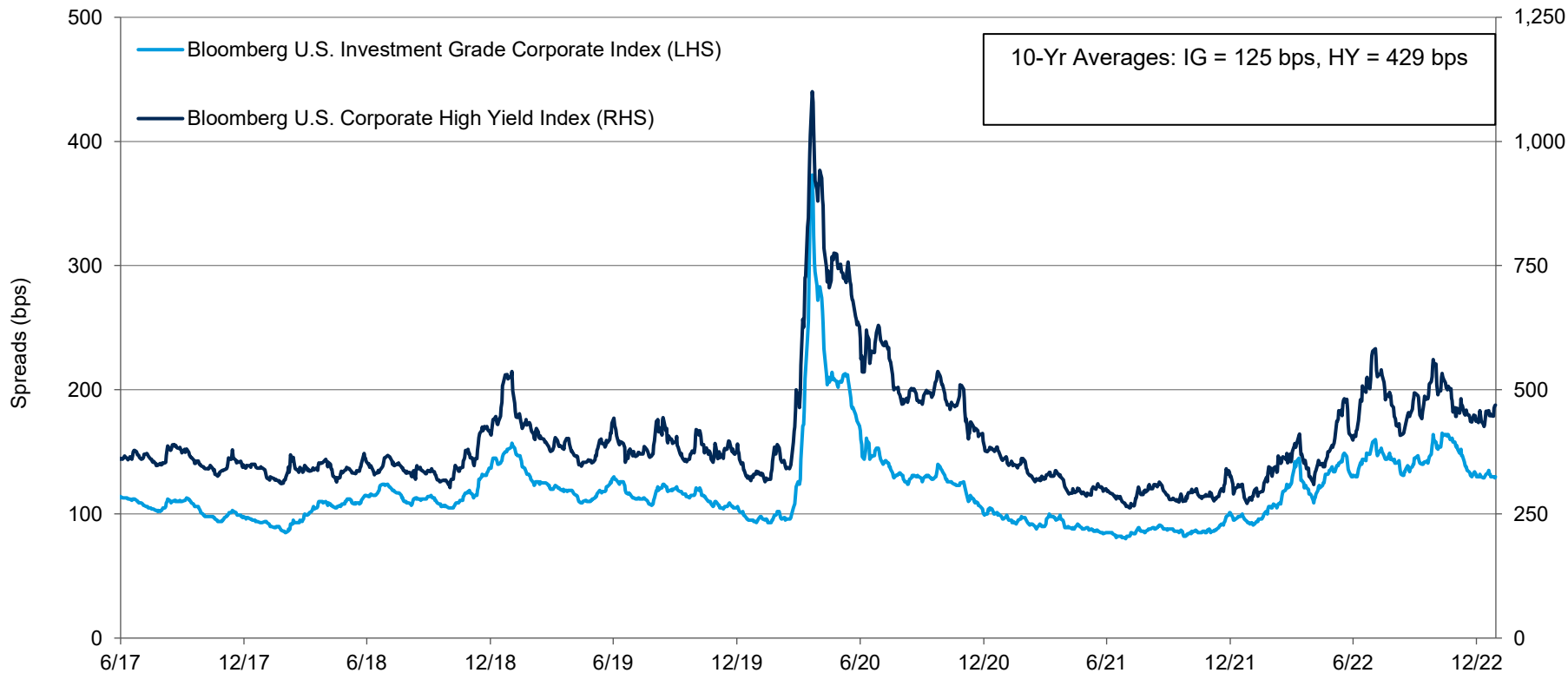
Sources: FactSet as of December 31, 2022.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.

# Fixed Income Market Update (cont'd)

## Credit Market Spreads – Trailing 5 Years

Market segments told different stories in December: investment grade spreads came in by 3 basis points, while high yield spreads were 21 basis points wider, revealing a flight-to-quality trade by investors over the month as they reduced risk to close out the year.



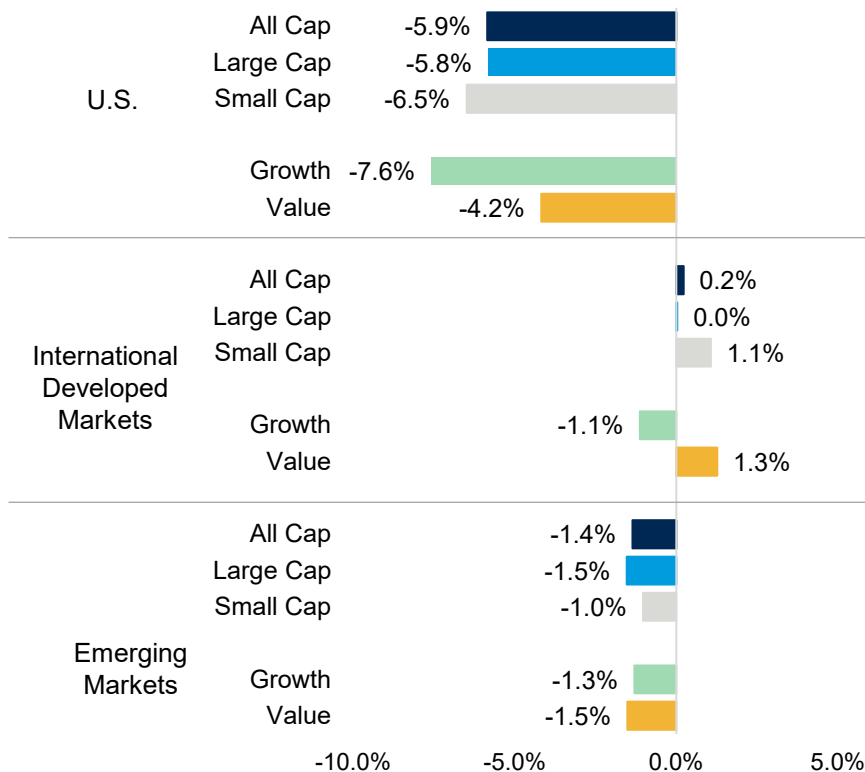
Source: FactSet as of December 31, 2022.

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# Equity Market Update

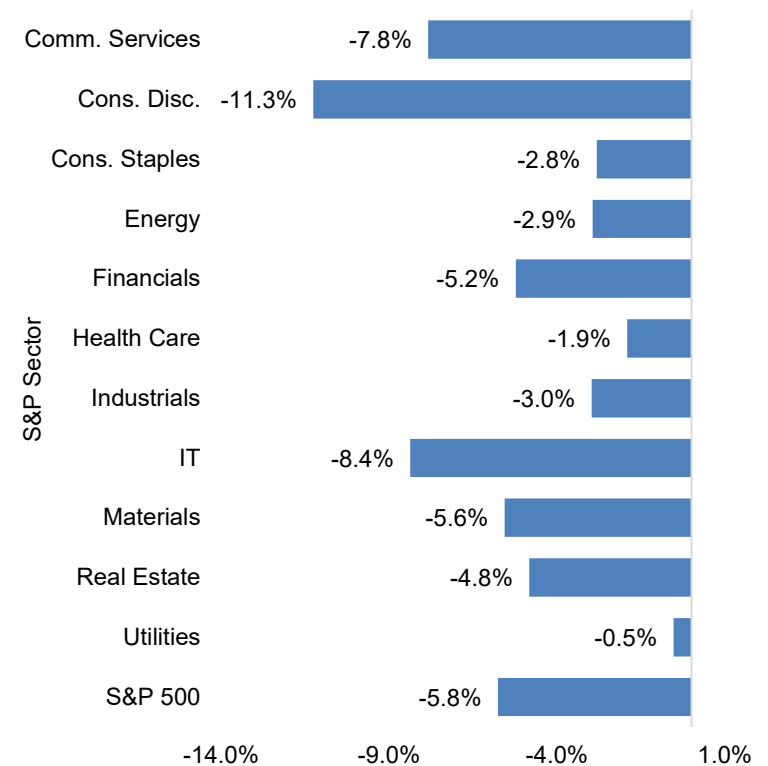
## Market Capitalization & Style Performance (December 2022)

While U.S. and emerging markets were lower in December, international developed markets benefited from positive results in Europe following a warmer-than-forecast winter and slowing inflation results.



## U.S. Equities – Returns by Sector (December 2022)

IT and communication services stocks led the S&P 500 lower amid wide-scale layoffs and recessionary concerns going into 2023. Utilities and health care fared better, although still lower in a broad selloff.



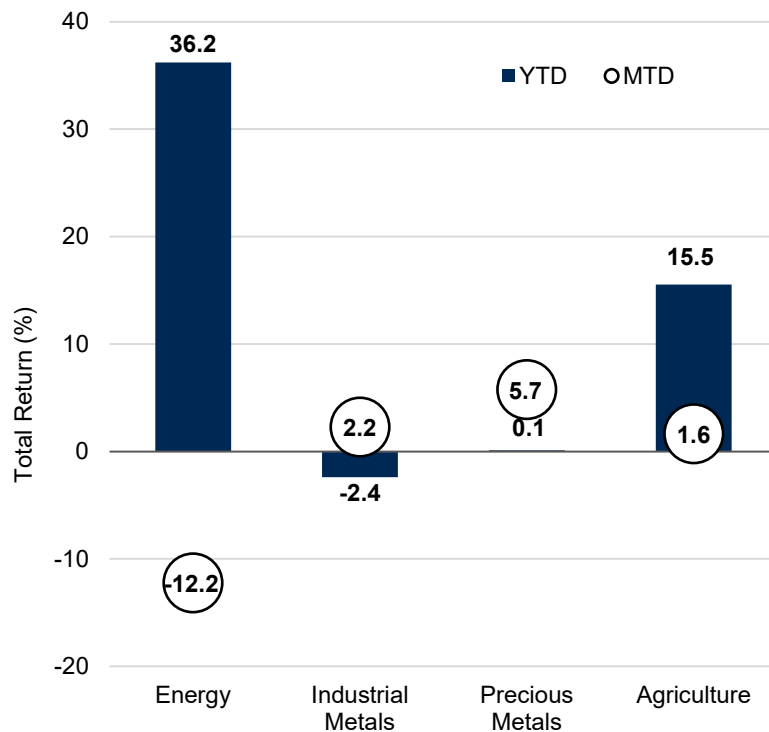
Sources: Morningstar Direct. As of December 31, 2022.

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# Real Asset Market Update

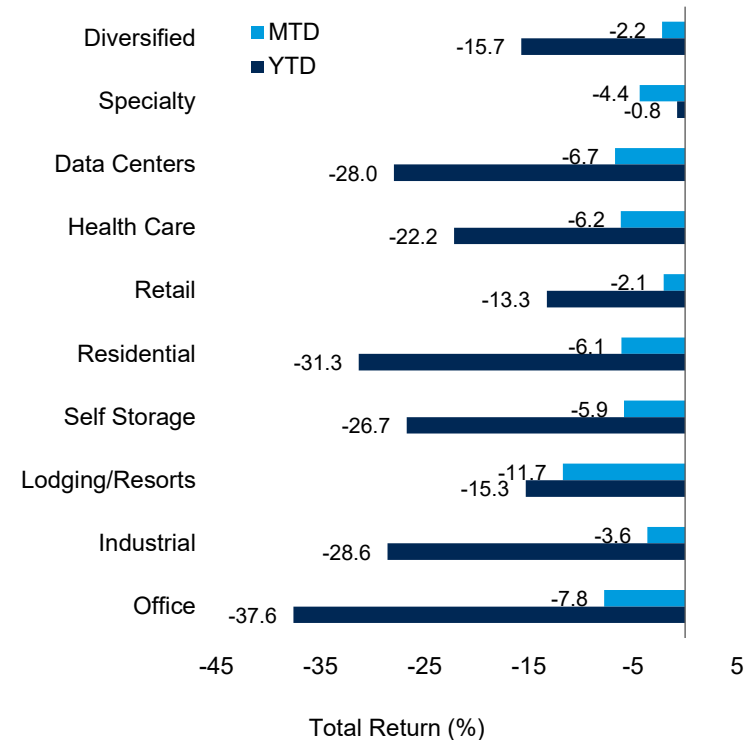
## Real Assets Performance (December 2022)

Energy prices continued to fall in December as a milder European winter allayed concerns over energy supply. Metals and agricultural commodities gained in a bet that China's reopening would spur demand and production.



## REIT Sector Performance (December 2022)

REITs traded lower, adding further to YTD losses, as negative equity sentiment and recessionary concerns weighed on results. Retail names fared slightly better over hopes of holiday sales gains, while lodging/resorts were hit hard with recession fears.



Sources: FactSet. As of December 31, 2022.

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# Financial Markets Performance

Total Return as of December 31, 2022  
 Periods greater than one year are annualized  
 All returns are in U.S. dollar terms

Global Fixed Income Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Bloomberg 1-3-Month T-Bill	0.4%	1.5%	1.5%	0.7%	1.2%	1.0%	0.7%	0.6%
Bloomberg U.S. TIPS	-1.0%	-11.8%	-11.8%	1.2%	2.1%	2.6%	1.1%	3.1%
Bloomberg Municipal Bond (5 Year)	0.5%	-5.3%	-5.3%	-0.3%	1.2%	1.3%	1.5%	2.8%
Bloomberg High Yield Municipal Bond	-0.2%	-13.1%	-13.1%	-0.6%	2.6%	3.7%	3.5%	4.4%
Bloomberg U.S. Aggregate	-0.5%	-13.0%	-13.0%	-2.7%	0.0%	0.9%	1.1%	2.7%
Bloomberg U.S. Corporate High Yield	-0.6%	-11.2%	-11.2%	0.0%	2.3%	5.0%	4.0%	6.1%
Bloomberg Global Aggregate ex-U.S. Hedged	-1.9%	-9.8%	-9.8%	-2.6%	0.5%	1.4%	2.1%	3.0%
Bloomberg Global Aggregate ex-U.S. Unhedged	1.3%	-18.7%	-18.7%	-5.9%	-3.1%	-0.6%	-1.6%	0.5%
Bloomberg U.S. Long Gov / Credit	-1.4%	-27.1%	-27.1%	-6.2%	-1.2%	1.5%	1.6%	4.4%
JPMorgan GBI-EM Global Diversified	2.2%	-11.7%	-11.7%	-6.1%	-2.5%	1.6%	-2.0%	1.5%
Global Equity Markets	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
S&P 500	-5.8%	-18.1%	-18.1%	7.7%	9.4%	11.5%	12.6%	8.8%
Dow Jones Industrial Average	-4.1%	-6.9%	-6.9%	7.3%	8.4%	12.1%	12.3%	9.0%
NASDAQ Composite	-8.7%	-32.5%	-32.5%	6.1%	9.7%	12.2%	14.4%	10.7%
Russell 3000	-5.9%	-19.2%	-19.2%	7.1%	8.8%	11.0%	12.1%	8.7%
Russell 1000	-5.8%	-19.1%	-19.1%	7.3%	9.1%	11.3%	12.4%	8.8%
Russell 1000 Growth	-7.7%	-29.1%	-29.1%	7.8%	11.0%	12.9%	14.1%	10.3%
Russell 1000 Value	-4.0%	-7.5%	-7.5%	6.0%	6.7%	9.1%	10.3%	7.0%
Russell Mid Cap	-5.4%	-17.3%	-17.3%	5.9%	7.1%	9.6%	11.0%	8.4%
Russell Mid Cap Growth	-6.0%	-26.7%	-26.7%	3.8%	7.6%	10.0%	11.4%	8.6%
Russell Mid Cap Value	-5.1%	-12.0%	-12.0%	5.8%	5.7%	8.7%	10.1%	8.0%
Russell 2000	-6.5%	-20.4%	-20.4%	3.1%	4.1%	7.9%	9.0%	7.2%
Russell 2000 Growth	-6.4%	-26.4%	-26.4%	0.6%	3.5%	7.1%	9.2%	7.3%
Russell 2000 Value	-6.6%	-14.5%	-14.5%	4.7%	4.1%	8.2%	8.5%	6.8%
MSCI ACWI	-3.9%	-18.4%	-18.4%	4.0%	5.2%	8.1%	8.0%	4.8%
MSCI ACWI ex. U.S.	-0.7%	-16.0%	-16.0%	0.1%	0.9%	4.8%	3.8%	1.5%
MSCI EAFE	0.1%	-14.5%	-14.5%	0.9%	1.5%	4.5%	4.7%	1.8%
MSCI EAFE Growth	-1.1%	-22.9%	-22.9%	0.5%	2.5%	5.1%	5.6%	2.6%
MSCI EAFE Value	1.3%	-5.6%	-5.6%	0.6%	0.2%	3.7%	3.5%	0.8%
MSCI EAFE Small Cap	1.1%	-21.4%	-21.4%	-0.9%	0.0%	4.4%	6.2%	3.8%
MSCI Emerging Markets	-1.4%	-20.1%	-20.1%	-2.7%	-1.4%	5.2%	1.4%	0.6%
Alternatives	MTD	YTD	1YR	3YR	5YR	7YR	10YR	15YR
Consumer Price Index*	0.1%	6.5%	7.1%	5.0%	3.8%	3.3%	2.6%	2.3%
FTSE NAREIT Equity REITs	-5.1%	-24.4%	-24.4%	-0.1%	3.7%	4.6%	6.5%	6.2%
S&P Real Assets	-1.7%	-9.9%	-9.9%	1.7%	3.0%	5.2%	3.5%	4.0%
FTSE EPRA NAREIT Developed	-2.6%	-24.4%	-24.4%	-4.1%	0.7%	2.8%	3.9%	2.9%
FTSE EPRA NAREIT Developed ex U.S.	1.5%	-23.8%	-23.8%	-8.2%	-2.3%	1.3%	1.5%	0.6%
Bloomberg Commodity Total Return	-2.4%	16.1%	16.1%	12.6%	6.4%	6.5%	-1.3%	-2.6%
HFRI Fund of Funds Composite*	0.8%	-5.6%	-5.3%	4.1%	3.1%	3.2%	3.6%	1.7%
HFRI Asset Weighted Composite*	-1.9%	0.5%	2.3%	3.8%	3.4%	3.6%	4.1%	0.0%
Alerian MLP	-4.7%	30.9%	30.9%	9.4%	4.1%	4.4%	2.0%	5.4%

Sources: Morningstar, FactSet. As of December 31, 2022. \*Consumer Price Index and HFRI indexes as of November 3, 2022.

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.

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When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged, and investors can not actually invest directly into an index:

TIPS: Bloomberg Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged  
Municipals 5-Year: Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD  
Core Bond: Bloomberg US Aggregate Total Return Index USD  
High Yield Municipals: Bloomberg Muni High Yield Total Return Index Value Unhedged USD  
High Yield: Bloomberg US Corporate High Yield Total Return Index USD  
U.S. Long Duration: Bloomberg US Aggregate Government & Credit - Long  
Foreign Bond: Bloomberg Global Aggregate ex-USD Total Return Index Value USD (50/50 blend of hedged and unhedged)  
Real Assets: S&P Real Assets  
U.S. Large Cap: Russell 1000 Total Return Index  
U.S. Small Cap : Russell 2000 Total Return Index  
International Developed: MSCI EAFE Net Total Return USD Index  
Emerging Markets: MSCI Emerging Markets Net Total Return USD Index  
U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD  
Commodities: Bloomberg Commodity Total Return Index  
Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index



## Disclosures and Definitions (cont'd)

Foreign Bond: Bloomberg Global Aggregate x USD Total Return Unhedged  
U.S. Core Bond: Bloomberg U.S. Aggregate Total Return Index USD  
U.S. High Yield: Bloomberg US Corporate High Yield Total Return Index USD  
U.S. MBS: Bloomberg U.S. MBS (30Y) Total Return Index  
U.S. All Cap: Russell 3000 Total Return Index  
U.S. Large Cap: Russell 1000 Total Return Index  
U.S. Small Cap: Russell 2000 Total Return Index  
US Value: Russell 3000 Value Total Return Index  
US Growth: Russell 3000 Growth Total Return Index  
International Developed All Cap: MSCI EAFE IMI Net Total Return USD Index  
International Developed Large Cap: MSCI EAFE Large Cap Net Total Return USD Index  
International Developed Small Cap: MSCI EAFE Small Cap Net Total Return USD Index  
International Developed Value: MSCI EAFE Value Net Total Return USD Index  
International Developed Growth: MSCI EAFE Growth Net Total Return USD Index  
Emerging Markets All Cap: MSCI Emerging Markets IMI Net Total Return USD Index  
Emerging Markets Large Cap: MSCI Emerging Markets Large Cap Net Total Return USD Index  
Emerging Markets Small Cap: MSCI Emerging Markets Small Cap Net Total Return USD Index  
Emerging Markets Value: MSCI Emerging Markets Value Net Total Return USD Index  
Emerging Markets Growth: MSCI Emerging Markets Growth Net Total Return USD Index

FIDELIS CAPITAL PARTNERS, LLC

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## Contact Us

### **Tampa Office:**

4221 W Boy Scout Blvd, Suite 730

Tampa, FL 33607

Main: (813) 934-6246

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### **Dallas Office:**


910 S Pearl Expressway

Dallas, TX 75201

Main: (469) 708-0225

You can also email us at [info@fideliscapital.com](mailto:info@fideliscapital.com) to learn more about Fidelis Capital Partners, LLC or visit our website at [www.fideliscapital.com](http://www.fideliscapital.com).

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If you're looking for peace of mind knowing that the plan for managing your financial well-being reflects the values of your family...

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**We take a faithful and loyal approach to serving you.**