



## Monthly Market Recap

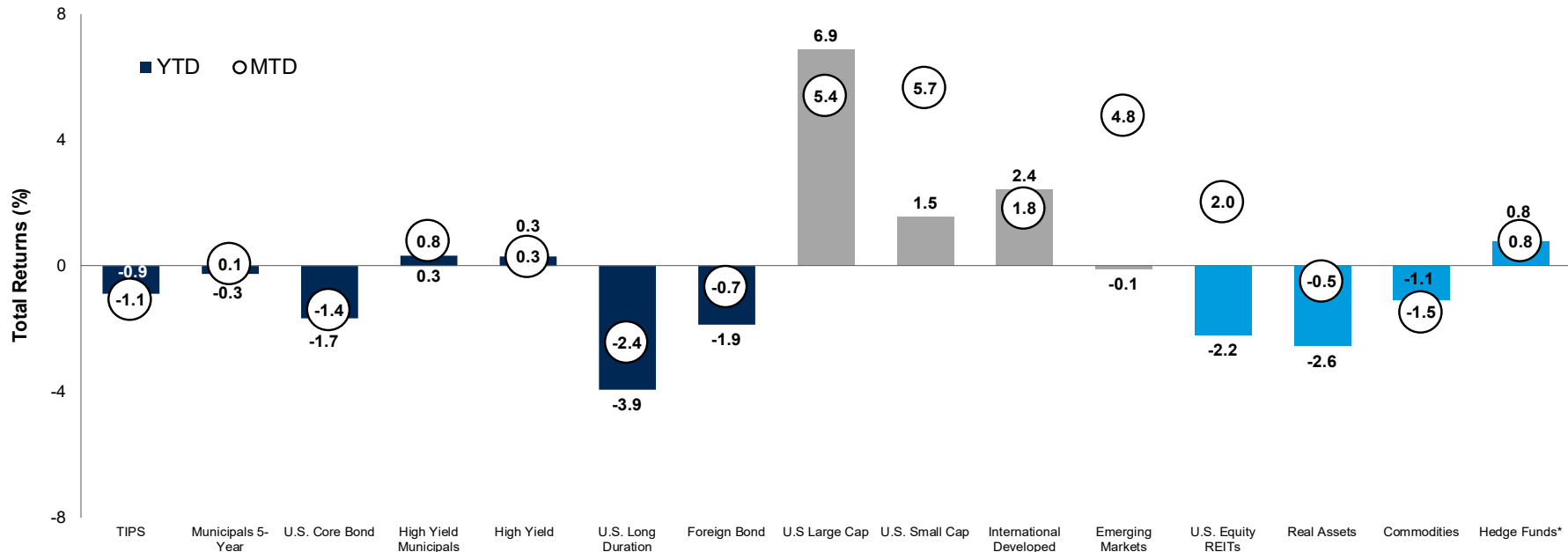
February 2024

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# Asset Class Performance



## Fixed Income (February)

- Fixed income volatility continued in February as markets repriced expectations for the timing of Fed rate cuts in 2024, going from five expected cuts to three. Interest rates moved higher as a result and the Bloomberg Agg declined during the month.
- + High yield corporate bonds edged out a modest positive return on the back of tightening credit spreads.
- Rising interest rates outside of the U.S. were a headwind for non-U.S. debt, as was a stronger U.S. dollar.

## Equity (February)

- + U.S. markets were positive in February. Small cap modestly outpaced large cap due to a surge in the biotech industry.
- + International developed markets, while positive, trailed the U.S. and emerging regions. Underlying country results were mixed with mainland Europe outperforming the United Kingdom.
- + A sharp rebound in China (+8.4%) buoyed Emerging Markets. Government policy action to help stabilize the property market and a focus on deleveraging helped boost investor confidence.

## Real Asset/Alternatives (February)

- + REITs were positive during the month. Despite the rising rate environment, the segment benefited from its equity beta.
- Commodity markets were broadly negative in February, with weakness across various underlying sub-components.
- Real Assets were negatively impacted by falling commodity prices, rising interest rates and mixed property performance.

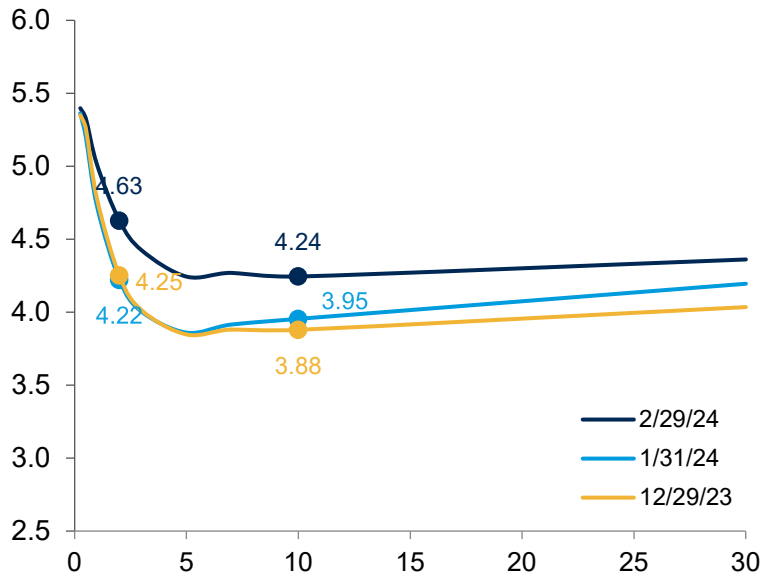
Source: Morningstar Direct. As of February 29, 2024. \*Hedge fund returns are as of January 31, 2024.

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

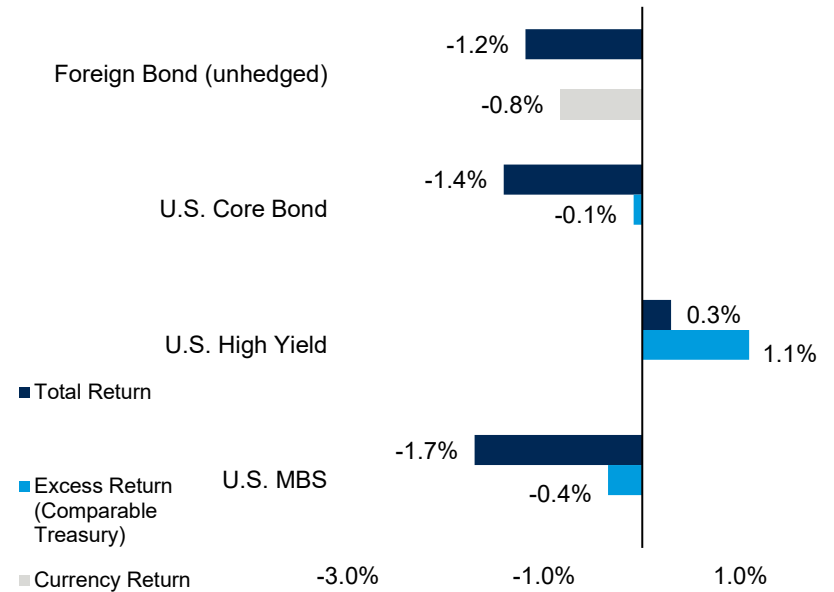
## U.S. Treasury Yield Curve

Interest rates rose across the U.S. yield curve during February. Federal Reserve language indicating a willingness to keep rates higher for longer than the market originally expected was one of the factors driving the move.



## Index Performance Attribution (February 2024)

Corporate spread areas outperformed similar duration Treasuries in the period. A resilient economic backdrop and strong consumer has provided support for non-government sectors. Currency return had a negative impact on non-U.S. debt in February.



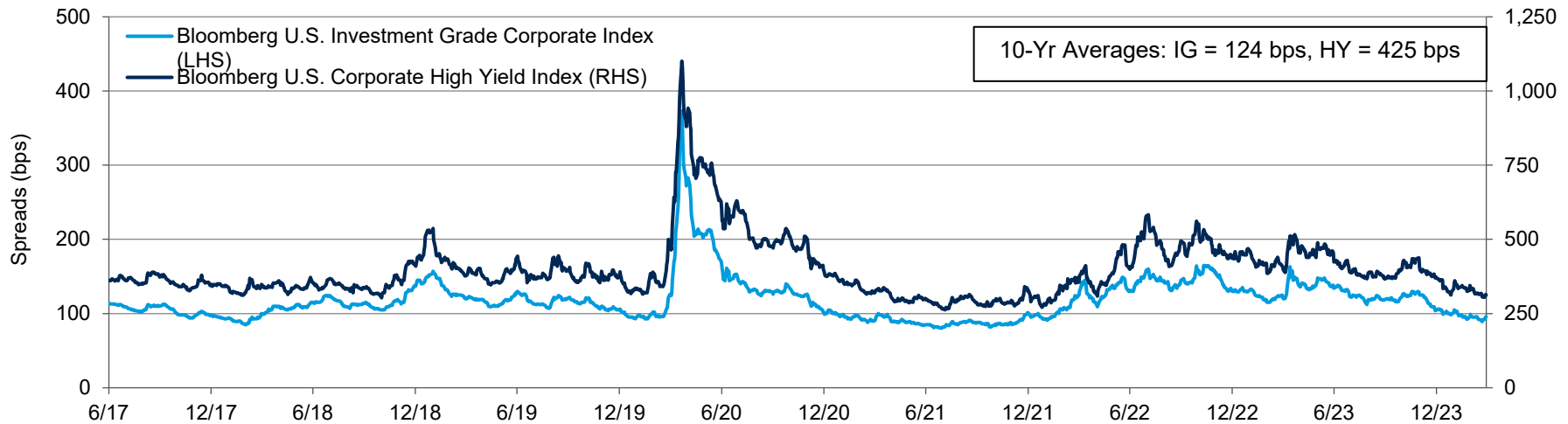
Source: FactSet. As of February 29, 2024.

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# Fixed Income Market Update (cont'd)

## Credit Market Spreads – Trailing 5 Years

Corporate fundamentals, both in investment grade and high yield, continue to remain positive. This, combined with positive sentiment around a “soft” – or even “no” – landing scenario, and a favorable demand environment given the all-in yield levels has pushed spreads tighter. Both sectors sit well below their 10-year averages and, in our view, are “priced nearly for perfection”.



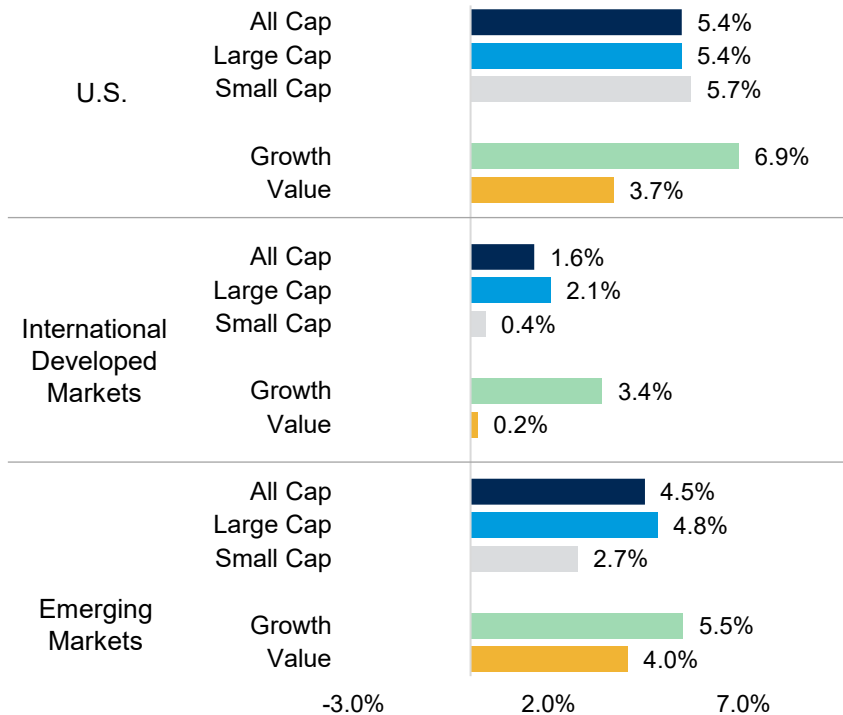
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# Equity Market Update

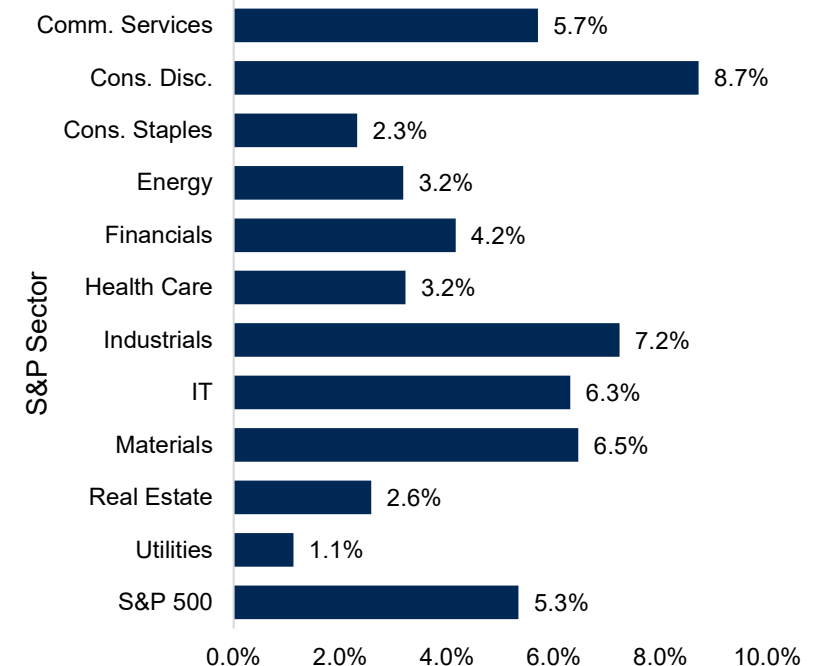
## Market Capitalization & Style Performance (February 2024)

Equity markets were positive around the globe in February. Broadly, growth outperformed value in most regions. Market capitalization was mixed with small cap outperforming large cap within the U.S., while large cap outperformed small in international markets.



## U.S. Equities – Returns by Sector (February 2024)

Positive economic data helped fuel the “risk-on” sentiment in February and the S&P 500 closed the month at a record high. Concentration persists at the top of the index and NVIDIA (+28.6%) was a large contributor to performance following a favorable earnings report. REITs and utilities, which have historically been more sensitive to interest rates, lagged.



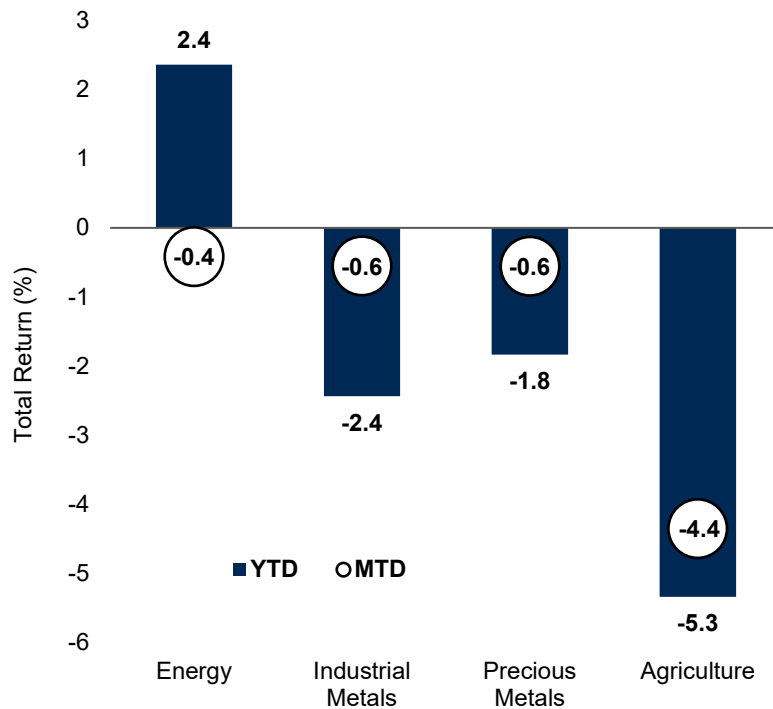
Source: Morningstar Direct. As of February 29, 2024.

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# Real Asset Market Update

## Commodity Performance (February 2024)

Commodity markets fell during February, with all subcomponents in negative territory. Energy saw essentially flat oil prices, while natural gas prices fell over 15% during the month. Agriculture was particularly impacted by negative pressure in the wheat and soybean markets.

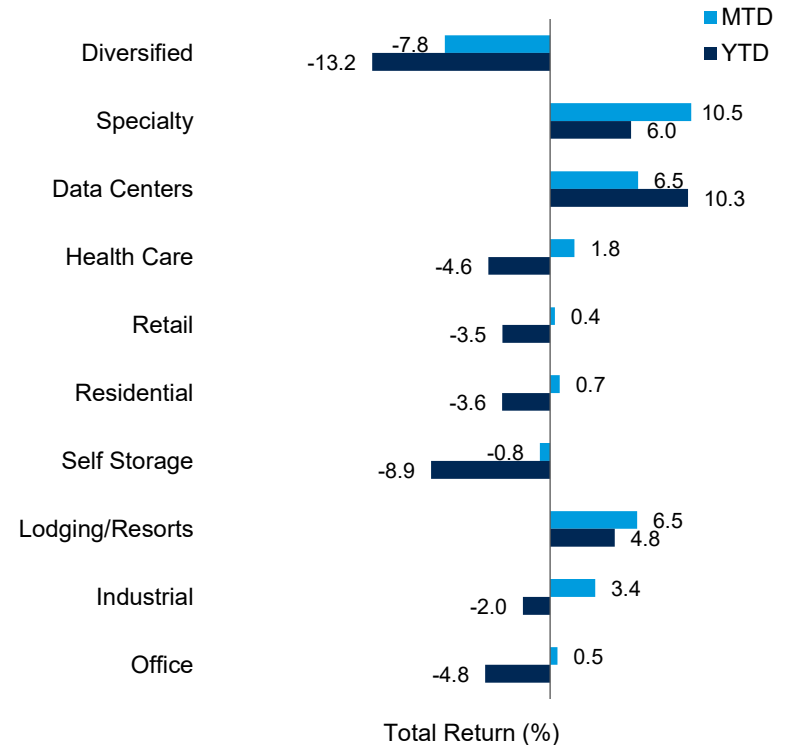


Source: FactSet. As of February 29, 2024.

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## REIT Sector Performance (February 2024)

REITs posted a gain in February. Sub-sector results were mixed. Lodging/resorts has benefited from an uptick in travel so far in 2024 compared to this time 2023. The more rate sensitive areas of Diversified REITs were a headwind for the sub-sector during the month.



# Financial Markets Performance

**Total Return as of February 29, 2024**  
*Periods greater than one year are annualized*  
*All returns are in U.S. dollar terms*

<b>Global Fixed Income Markets</b>	<b>MTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Bloomberg 1-3-Month T-Bill	0.4%	0.9%	5.3%	2.5%	2.0%	1.8%	1.3%	0.9%
Bloomberg U.S. TIPS	-1.1%	-0.9%	2.5%	-0.9%	2.7%	2.2%	2.1%	3.4%
Bloomberg Municipal Bond (5 Year)	0.1%	-0.3%	4.0%	-0.1%	1.4%	1.6%	1.7%	2.5%
Bloomberg High Yield Municipal Bond	0.8%	0.3%	8.3%	0.5%	3.3%	4.0%	4.5%	6.7%
Bloomberg U.S. Aggregate	-1.4%	-1.7%	3.3%	-3.2%	0.6%	0.9%	1.4%	2.6%
Bloomberg U.S. Corporate High Yield	0.3%	0.3%	11.0%	1.8%	4.2%	4.2%	4.3%	9.0%
Bloomberg Global Aggregate ex-U.S. Hedged	-0.2%	-0.3%	7.1%	-0.6%	1.2%	1.8%	2.6%	3.2%
Bloomberg Global Aggregate ex-U.S. Unhedged	-1.2%	-3.5%	2.7%	-7.4%	-2.4%	-0.8%	-1.4%	1.0%
Bloomberg U.S. Long Gov / Credit	-2.4%	-3.9%	1.6%	-7.7%	0.0%	0.7%	2.2%	4.6%
<b>Global Equity Markets</b>	<b>MTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
S&P 500	5.3%	7.1%	30.5%	11.9%	14.8%	13.6%	12.7%	16.0%
Dow Jones Industrial Average	2.5%	3.8%	22.0%	10.2%	10.9%	11.8%	11.6%	14.8%
NASDAQ Composite	6.2%	7.3%	41.6%	7.7%	17.4%	16.7%	15.2%	19.0%
Russell 3000	5.4%	6.6%	28.6%	9.9%	13.9%	12.9%	12.0%	15.8%
Russell 1000	5.4%	6.9%	29.8%	10.7%	14.4%	13.3%	12.4%	16.0%
Russell 1000 Growth	6.8%	9.5%	45.9%	12.5%	18.8%	18.0%	15.7%	18.4%
Russell 1000 Value	3.7%	3.8%	14.0%	8.4%	9.4%	8.2%	8.7%	13.4%
Russell Mid Cap	5.6%	4.1%	15.5%	5.5%	10.3%	9.9%	9.5%	15.3%
Russell Mid Cap Growth	7.5%	6.9%	25.0%	3.1%	11.6%	12.6%	10.9%	16.2%
Russell Mid Cap Value	4.8%	2.9%	10.9%	6.8%	8.9%	7.5%	8.2%	14.5%
Russell 2000	5.7%	1.5%	10.0%	-0.9%	6.9%	7.2%	7.1%	13.3%
Russell 2000 Growth	8.1%	4.7%	14.2%	-4.6%	6.5%	8.2%	7.3%	13.8%
Russell 2000 Value	3.3%	-1.4%	5.6%	2.5%	6.6%	5.8%	6.5%	12.4%
MSCI ACWI	4.3%	4.9%	23.1%	6.8%	10.5%	9.9%	8.4%	12.0%
MSCI ACWI ex. U.S.	2.5%	1.5%	12.5%	1.3%	5.4%	5.8%	4.0%	8.2%
MSCI EAFE	1.8%	2.4%	14.4%	4.4%	6.8%	6.6%	4.4%	8.6%
MSCI EAFE Growth	3.4%	4.6%	16.6%	2.4%	7.7%	7.8%	5.5%	9.3%
MSCI EAFE Value	0.2%	0.1%	12.1%	6.2%	5.4%	5.1%	3.0%	7.7%
MSCI EAFE Small Cap	0.4%	-1.3%	6.3%	-1.9%	4.2%	4.9%	4.3%	10.3%
MSCI Emerging Markets	4.8%	-0.1%	8.7%	-6.3%	1.9%	3.7%	3.0%	7.4%
<b>Alternatives</b>	<b>MTD</b>	<b>YTD</b>	<b>1YR</b>	<b>3YR</b>	<b>5YR</b>	<b>7YR</b>	<b>10YR</b>	<b>15YR</b>
Consumer Price Index*	0.3%	0.3%	3.1%	5.7%	4.2%	3.5%	2.8%	2.6%
FTSE NAREIT Equity REITs	2.0%	-2.2%	5.6%	5.0%	4.4%	4.4%	6.4%	13.5%
S&P Real Assets	-0.5%	-2.6%	4.0%	2.4%	3.8%	4.0%	3.3%	7.4%
FTSE EPRA NAREIT Developed	-0.5%	-4.5%	1.5%	-0.4%	0.7%	2.3%	3.6%	10.2%
FTSE EPRA NAREIT Developed ex U.S.	-4.4%	-7.9%	-3.9%	-6.8%	-3.2%	0.1%	0.8%	7.3%
Bloomberg Commodity Total Return	-1.5%	-1.1%	-3.9%	7.1%	5.7%	3.4%	-1.8%	0.4%
HFRI Fund of Funds Composite*	0.8%	0.8%	5.0%	2.7%	4.8%	4.1%	3.4%	3.8%
HFRI Asset Weighted Composite*	1.9%	1.9%	5.5%	4.7%	4.4%	4.1%	3.7%	5.2%
Alerian MLP	4.3%	9.0%	30.9%	30.4%	11.2%	5.9%	2.7%	10.3%

Sources: Morningstar, FactSet. As of February 29, 2024. \*Consumer Price Index and HFRI indexes as of January 31, 2024.

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

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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.**

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