

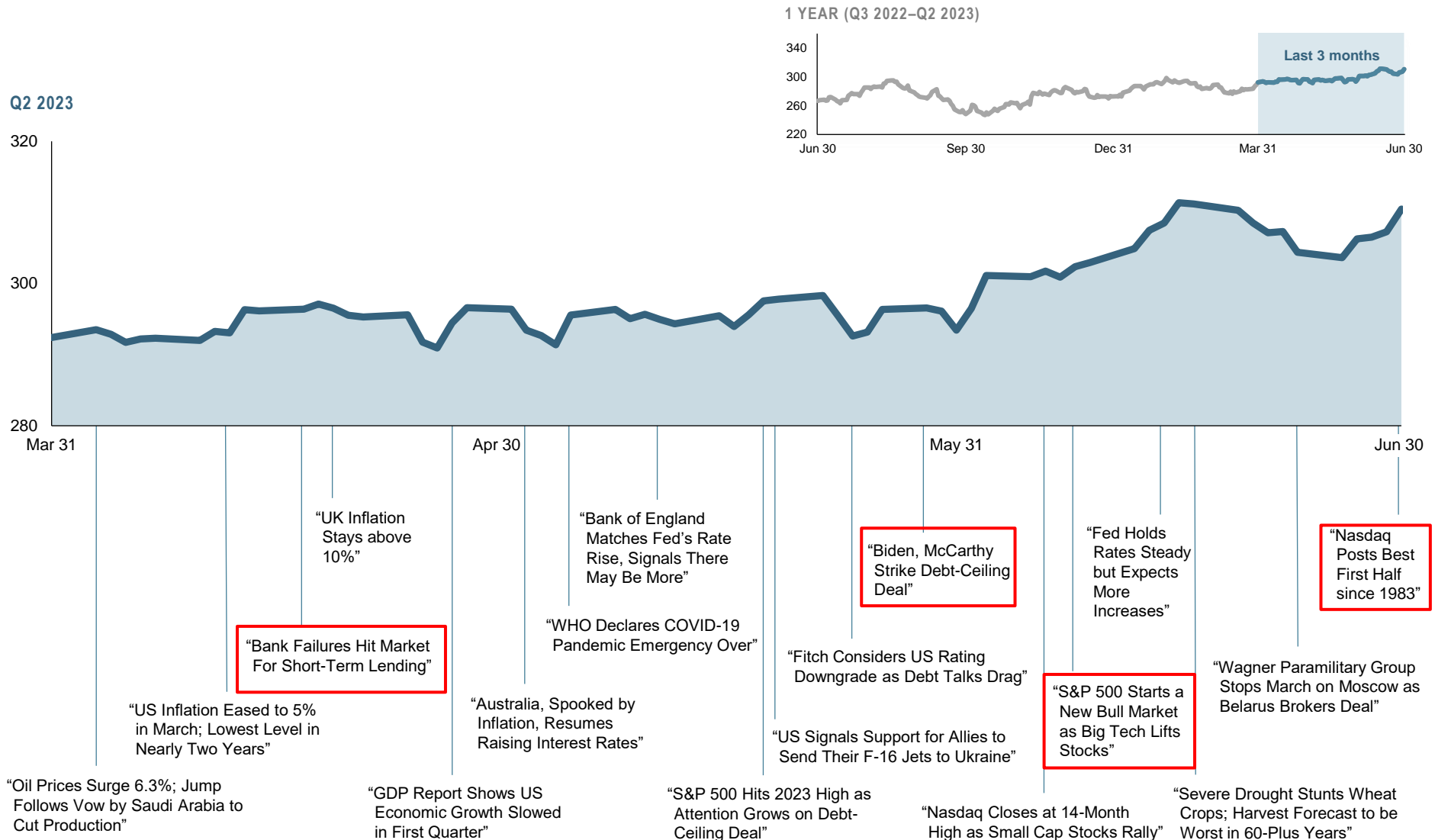


2023

# Q2 QUARTERLY MARKET REVIEW

# World Stock Market Performance

MSCI All Country World Index with selected headlines from Q2 2023



*These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.*

Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2023, all rights reserved. Index level based at 100 starting January 2000.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. **Past performance is not a guarantee of future results.**

# Quarterly Market Summary

## Index returns



















	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
Q2 2023	STOCKS					BONDS	
	8.39%	3.03%	0.90%	0.71%		-0.84%	0.73%
							
Since Jan. 2001							
Average Quarterly Return	2.3%	1.5%	2.5%	2.2%		0.9%	0.9%
Best Quarter	22.0%	25.9%	34.7%	32.3%		4.6%	4.6%
	<b>2020 Q2</b>	<b>2009 Q2</b>	<b>2009 Q2</b>	<b>2009 Q3</b>		<b>2001 Q3</b>	<b>2008 Q4</b>
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%		-5.9%	-4.1%
	<b>2008 Q4</b>	<b>2020 Q1</b>	<b>2008 Q4</b>	<b>2008 Q4</b>		<b>2022 Q1</b>	<b>2022 Q1</b>

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio.

Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2023, all rights reserved. Bloomberg data provided by Bloomberg.

# Long-Term Market Summary

Index returns as of June 30, 2023

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
1 Year	STOCKS					BONDS	
	18.95%	17.41%	1.75%	-3.02%		-0.94%	1.51%
							
5 Years							
	11.39%	4.58%	0.93%	1.35%		0.77%	0.95%
							
10 Years							
	12.34%	5.40%	2.95%	3.80%		1.52%	2.48%
							

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# US Stocks

## Second quarter 2023 index returns

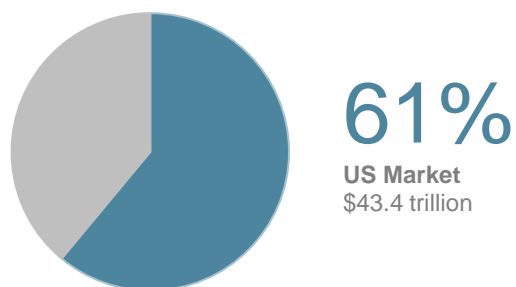
The US equity market posted positive returns for the quarter and outperformed both non-US developed and emerging markets.

Value underperformed growth.

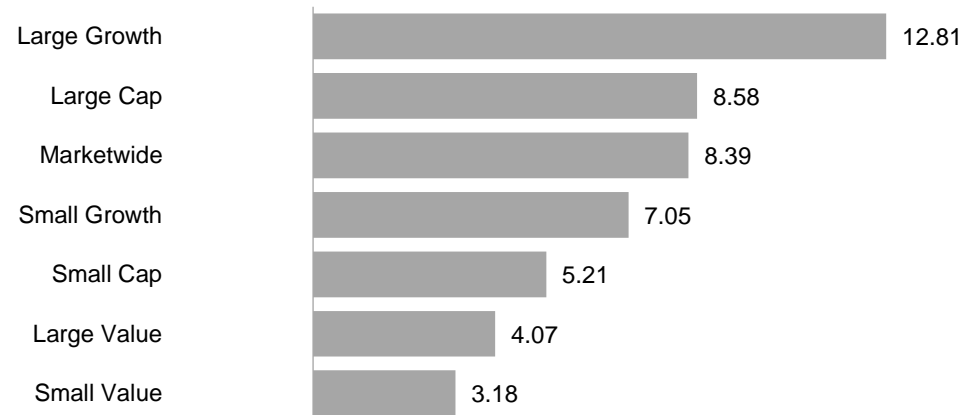
Small caps underperformed large caps.

REIT indices underperformed equity market indices.

## World Market Capitalization—US



## Ranked Returns (%)



## Period Returns (%)

Asset Class	QTR	YTD	1 Year	Annualized		
				3 Years	5 Years	10 Years
Large Growth	12.81	29.02	27.11	13.73	15.14	15.74
Large Cap	8.58	16.68	19.36	14.09	11.92	12.64
Marketwide	8.39	16.17	18.95	13.89	11.39	12.34
Small Growth	7.05	13.55	18.53	6.10	4.22	8.83
Small Cap	5.21	8.09	12.31	10.82	4.21	8.26
Large Value	4.07	5.12	11.54	14.30	8.11	9.22
Small Value	3.18	2.50	6.01	15.43	3.54	7.29

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: Marketwide (Russell 3000 Index), Large Cap (Russell 1000 Index), Large Value (Russell 1000 Value Index), Large Growth (Russell 1000 Growth Index), Small Cap (Russell 2000 Index), Small Value (Russell 2000 Value Index), and Small Growth (Russell 2000 Growth Index). World Market Cap represented by Russell 3000 Index, MSCI World ex USA IMI Index, and MSCI Emerging Markets IMI Index. Russell 3000 Index is used as the proxy for the US market. Dow Jones US Select REIT Index used as proxy for the US REIT market. MSCI data © MSCI 2023, all rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes.

# Global X Artificial Intelligence & Tech ETF (AIQ)

28.37 ↓ -0.12 (-0.42%) USD | NASDAQ | Aug 04, 16:00 28.45 ↑ +0.08 (+0.28%) After-Hours: 20:00

BENCHM

Quote

Performance

Allocations

Holdings

Fundamental Chart

Scatter Plot

Tech Chart

Stress Test

ESG

## Price Chart

PRICE

RETURNS

VIEW FULL CHART

1D 5D 1M 3M 6M YTD 1Y 3Y 5Y 10Y MAX

Select area  
to zoom



- The **AI gold rush**, sparked in large part by the release of OpenAI's ChatGPT in November 2022
- Beginning of June Nvidia hit a \$1 trillion valuation
  - stock price quadruple from the end of 2019 to the beginning of 2023.
- Top holdings: AMZN, GOOGL, META, BABA, IBM
- YTD Return 46.4%

# Concentration of Returns

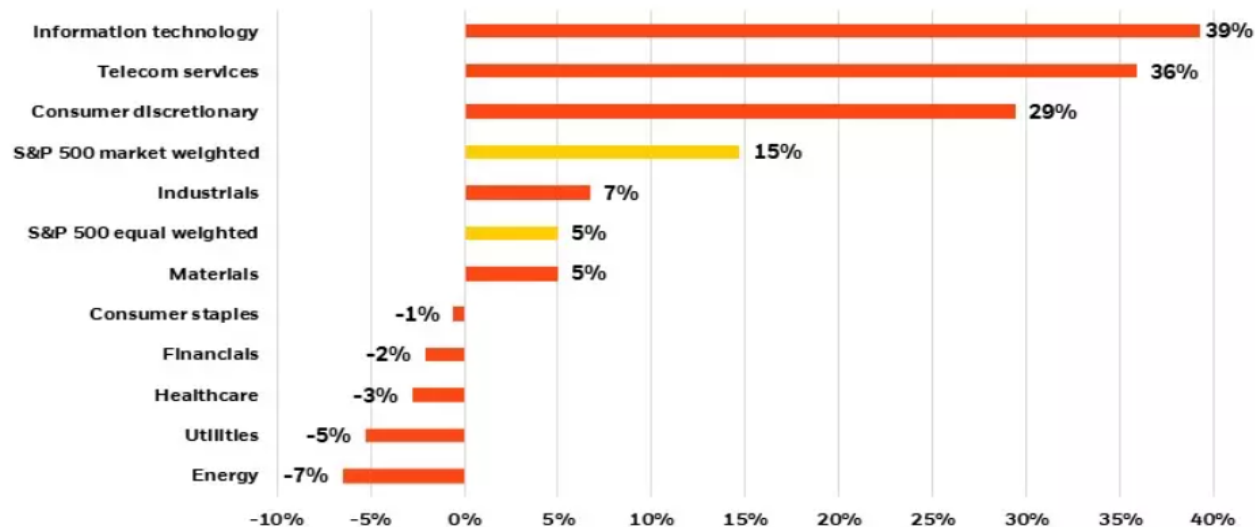


- May market experienced major indices moving higher despite negative breadth
- Dominant size of the mega-caps encompass nearly 28% of the overall S&P 500 market cap controlled the overall market direction

# Concentration of Returns

## A tale of two markets

S&P 500 performance by sector, year-to-date 2023

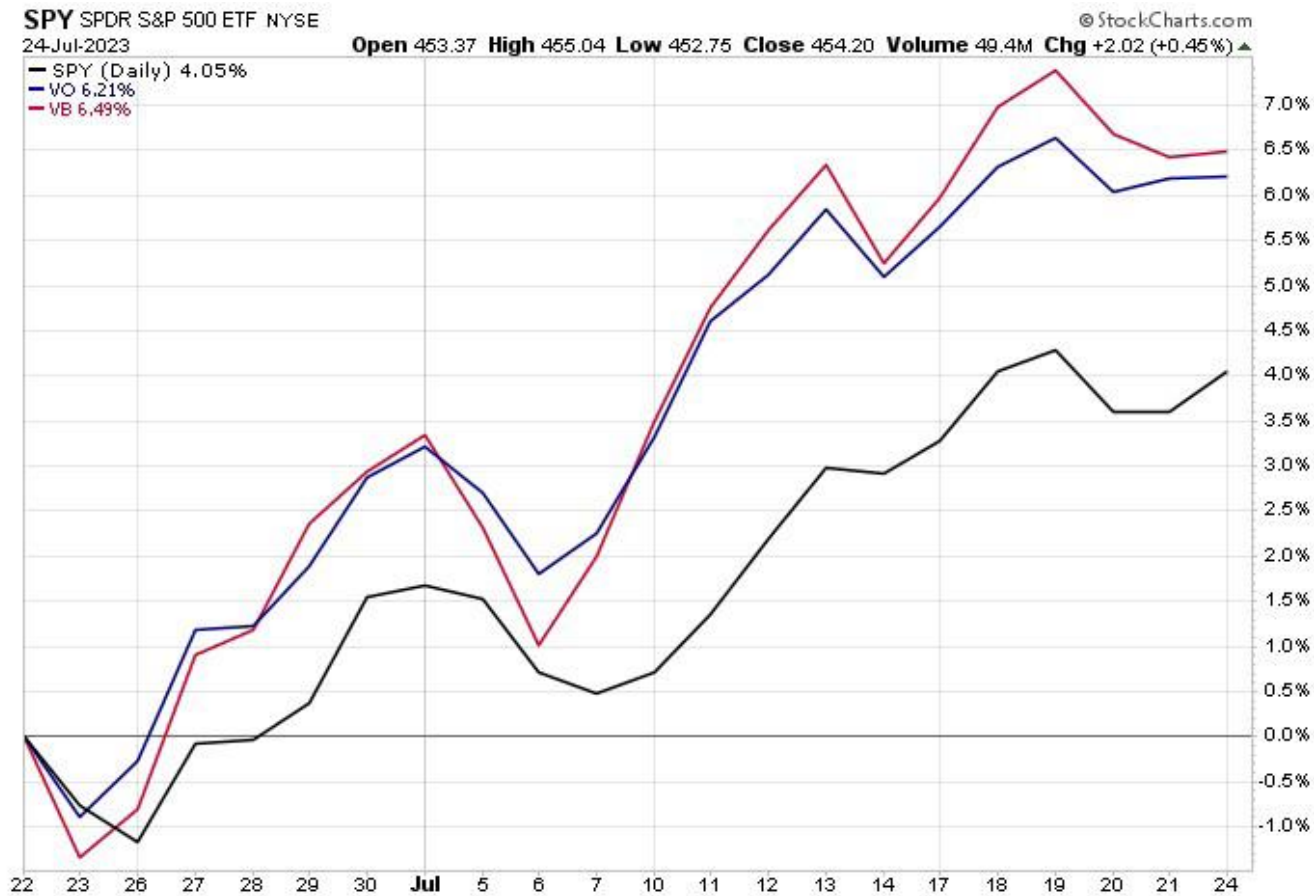


Source: BlackRock Investment Institute, with data from Refinitiv, June 14, 2023. Chart shows the year-to-date return of the S&P 500 index both market-weighted and equal-weighted, in which each stock is proportioned at equal measure, and each sector in the index. **Past performance is not indicative of current or future results. Indexes are unmanaged. It is not possible to invest directly in an index.**

- Technology shares, after cratering in 2022, have carried index returns- 39%
- Index's market-weighted 15%
- Index's equal-weighted 5%
- Illustrates just how much the mega-cap stocks — primarily tech-related stocks across IT, telecom services and consumer discretionary — have driven year-to-date performance



# Broadening Growth



- June shows how the rally extended beyond the mega-caps and market breadth improved tremendously. The result was the best monthly return for the S&P 500 year-to-date
- SPY has continued to advance, but VO and VB took a leadership role with continued accelerating momentum
- Encouraging sign of a sustainable bull market rally in the second half of the year.

# Valuations

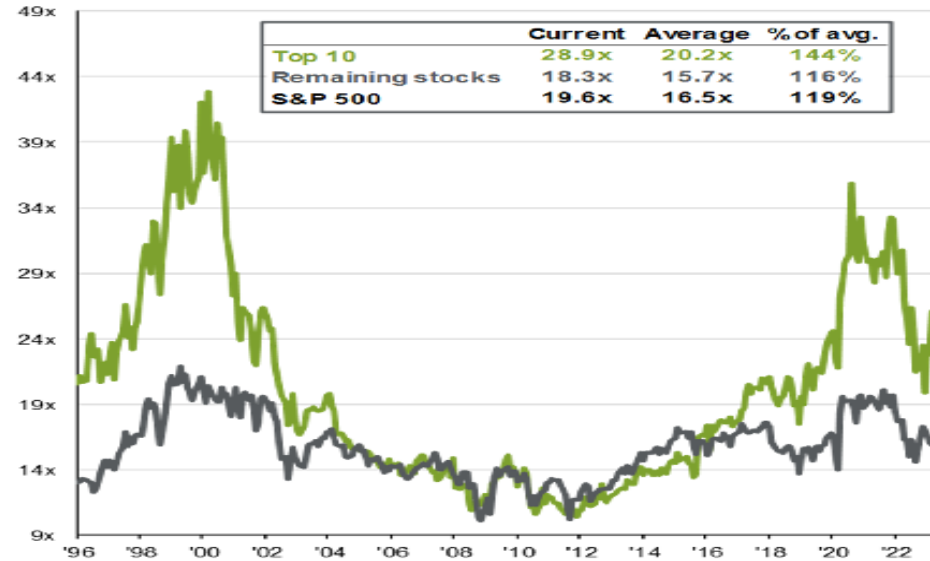
## Current P/E vs. 20-year avg. P/E

	Value	Blend	Growth
Large	15.0 / 13.7	19.6 / 15.5	27.3 / 18.8
Mid	14.8 / 14.5	17.0 / 16.4	26.6 / 20.4
Small	16.0 / 16.8	22.1 / 21.4	36.6 / 32.9

## Current P/E as % of 20-year avg. P/E

	Value	Blend	Growth
Large	109.3%	125.9%	145.6%
Mid	102.3%	103.8%	130.2%
Small	95.5%	103.3%	111.1%

P/E ratio of the top 10 and remaining stocks in the S&P 500  
Next 12 months, 1996 - present



- Market valuations pricey
- A few individual naps skewing valuations higher
- Certain sectors of the market valued at or below historical P/E
- May consider equal weighted index or increasing value exposure

# YTD Equity Returns



# Fixed Income Returns

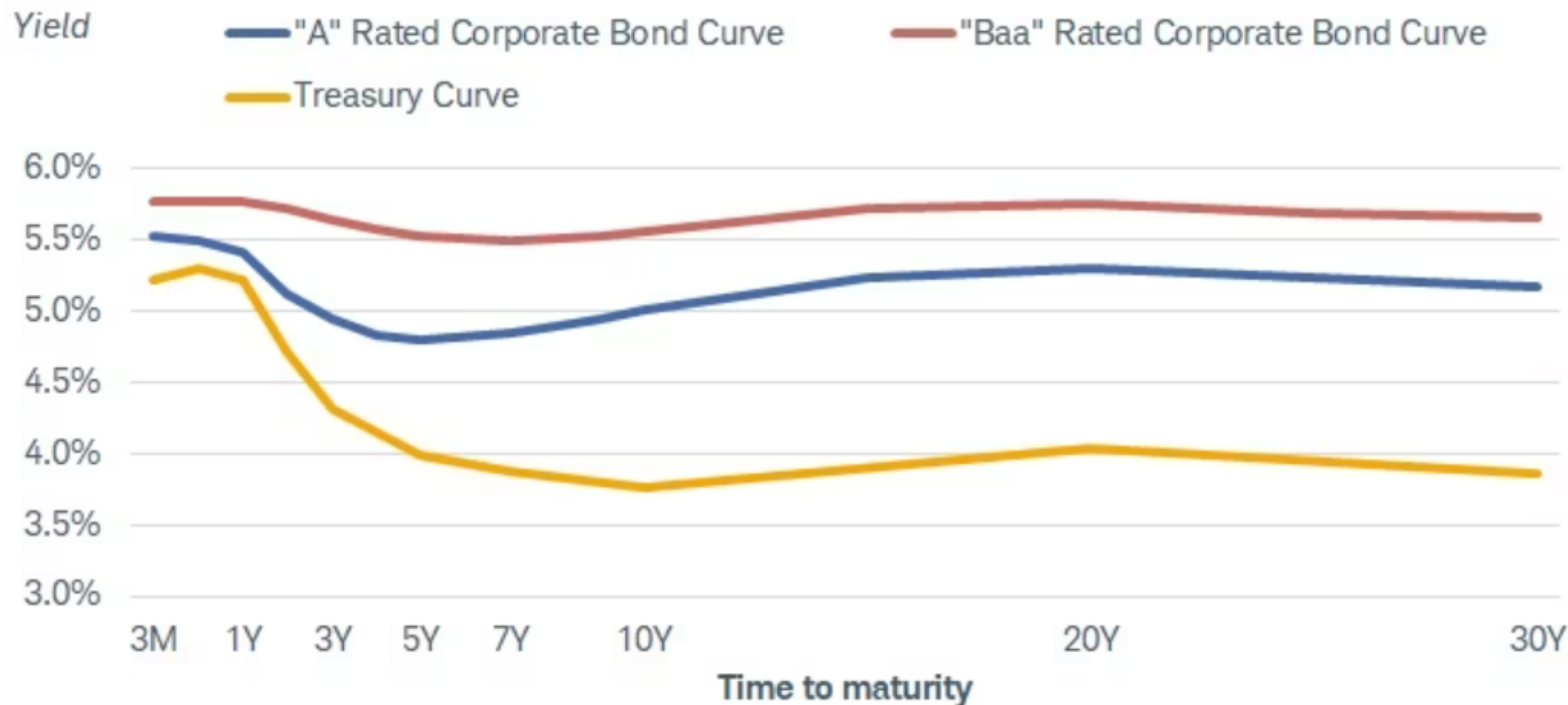
Average Annual Cumulative Calendar Year **AGG iShares Core U.S. Aggregate Bond ETF**

as of Jun 30, 2023

	1y	3y	5y	10y	Incept.
Total Return (%) ⓘ	-0.93	-3.97	0.74	1.48	2.99
Market Price (%) ⓘ	-1.01	-4.04	0.72	1.47	2.99
Benchmark (%) ⓘ	-0.94	-3.96	0.77	1.52	3.12
After Tax Pre-Liq. (%) ⓘ	-2.03	-4.81	-0.23	0.48	1.79
After Tax Post-Liq. (%) ⓘ	-0.55	-3.32	0.18	0.71	1.85

The performance quoted represents past performance and does not guarantee future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when sold or redeemed, may be worth more or less than the original cost. Current performance may be lower or higher than the performance quoted.

- Annualized return of AGG since inception- 2.99%
- Current YTM on high quality, short duration Gov and Corporate bonds over 5%



## Headlines from the Quarter

# Debt Ceiling



## History of the Debt Ceiling

- Since World War II, that cap has been raised over 100 times!
- Over the 20-year period ending in 2022, there were 20 debt limit increases and seven debt limit suspensions.

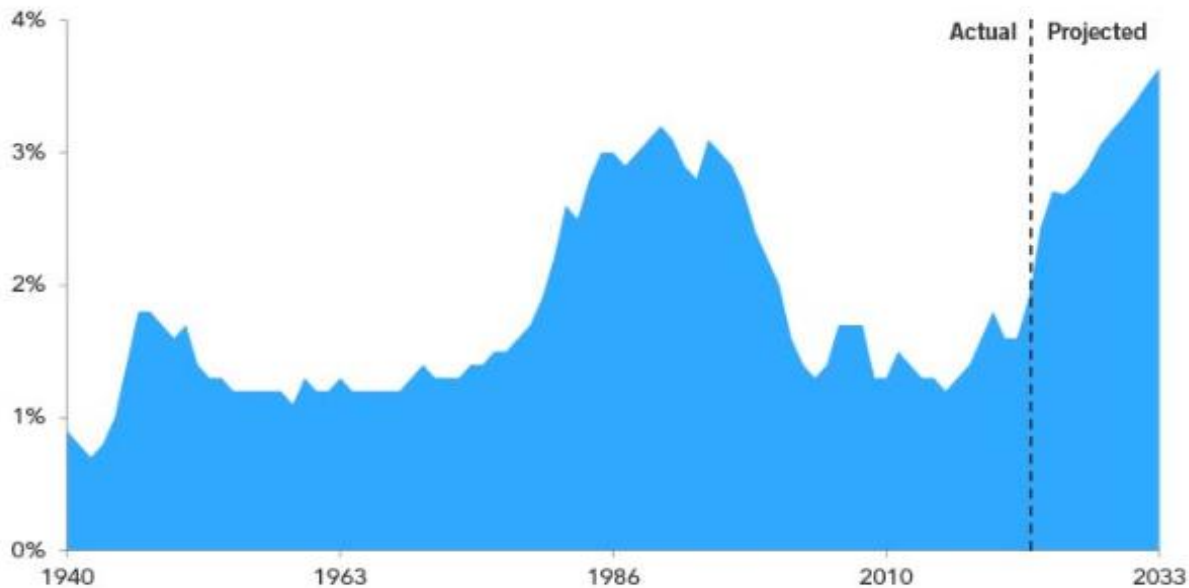
## 2023 Debt Ceiling Agreement

- Raised the debt ceiling for two years to take it beyond the 2024 election
- Spending Cuts
  - Holds nondefense spending in 2024 at 2023 level and increases by 1% in 2025
  - Cuts \$10 billion of funding to help IRS audit higher-income households
  - Billions of left over funds from Covid-19 pandemic relief packages to be clawed back
  - New work requirements imposed for some recipients of government aid
  - Streamlined environmental permitting for major energy projects



Net interest costs are projected to exceed the previous high relative to the size of the economy by 2030

**NET INTEREST (% OF GDP)**



SOURCES: Congressional Budget Office, *The Budget and Economic Outlook: 2023 to 2033*, February 2023; and Office of Management and Budget, *Historical Tables, Budget of the United States Government, Fiscal Year 2023*, March 2022.  
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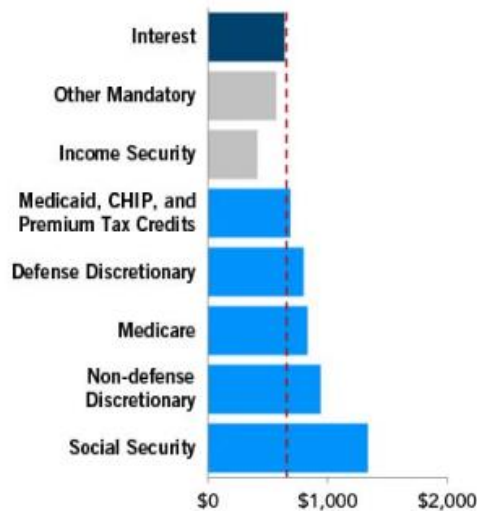
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- Due to the recent rise in inflation and interest rates, as well as the mounting public debt, interest payments have grown rapidly over the past two years, and they are projected to continue growing.
- Current annual interest costs are 1.9 percent of GDP
- The Congressional Budget Office projects that interest costs will exceed their previous high relative to the size of the economy, reaching 3.6 percent of GDP (\$1.4 trillion) in 2033.

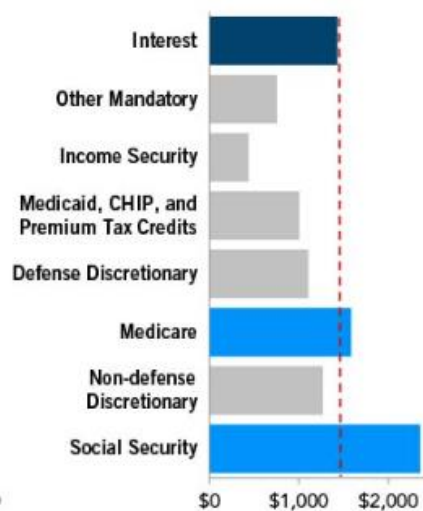


## Spending on interest will exceed spending on a number of categories over the next decade

FISCAL YEAR 2023 (BILLIONS OF DOLLARS)



FISCAL YEAR 2033 (BILLIONS OF DOLLARS)



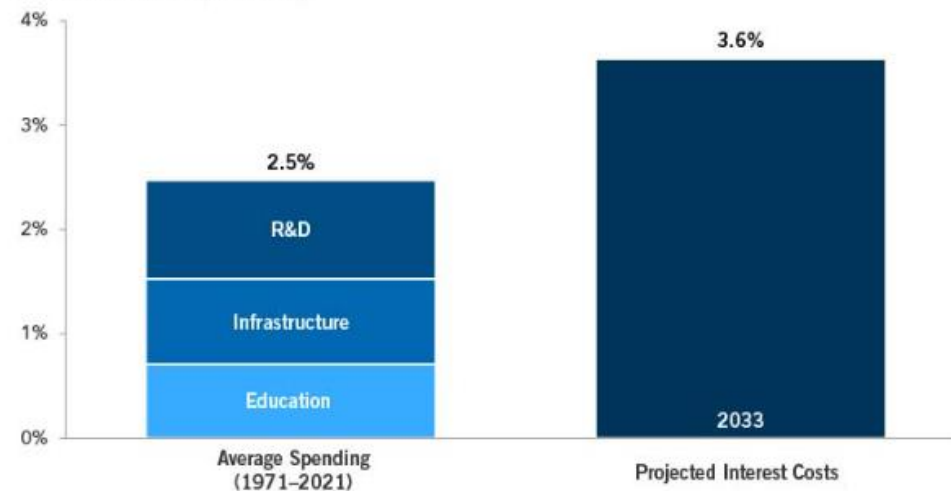
SOURCE: Congressional Budget Office, *The Budget and Economic Outlook: 2023 to 2033*, February 2023.  
 NOTES: Medicare outlays are net of offsetting receipts. Income Security outlays include only mandatory programs.  
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- Consequences of high interest payments is that they could crowd out spending on other important priorities within the federal budget.
- Interest costs represented about 8% of total federal outlays in 2022. By 2033, that share will rise to 14%
- Will exceed programs such as defense and Medicaid.

## Within 10 years, the federal government will spend more on interest costs than it has historically spent on R&D, infrastructure, and education combined

FEDERAL SPENDING (% OF GDP)



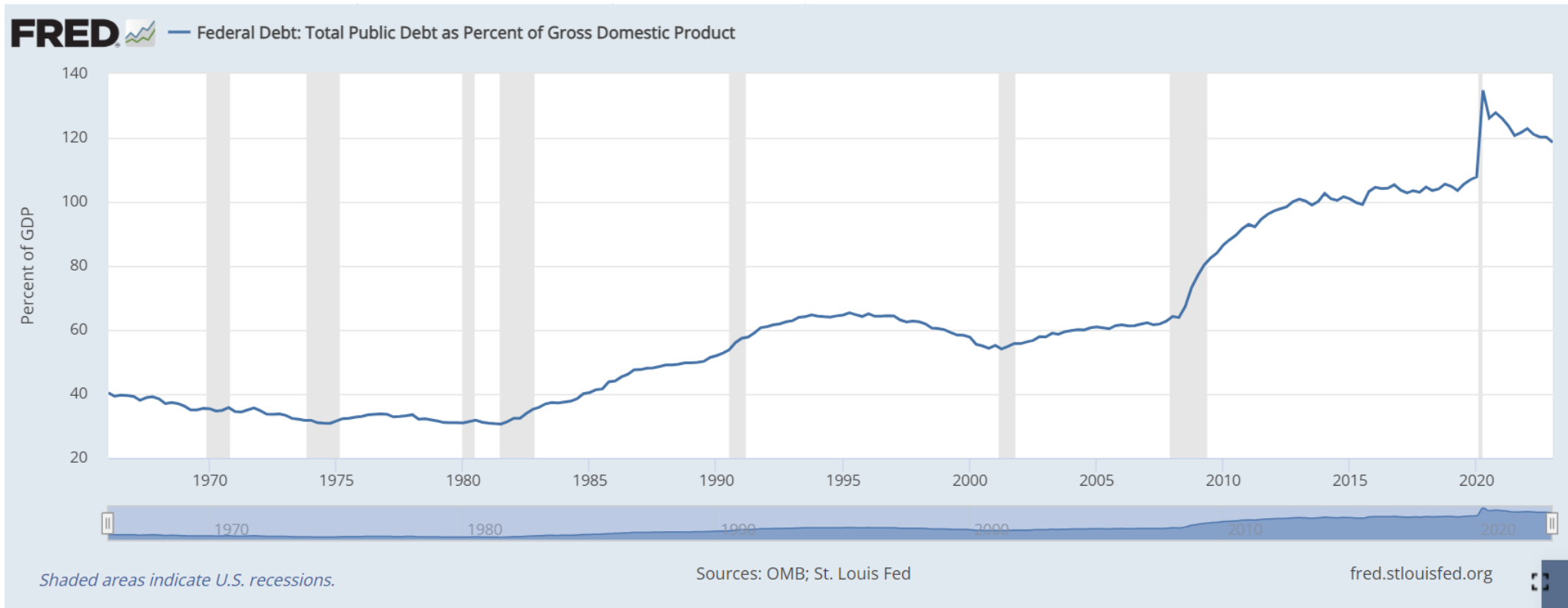
SOURCES: Congressional Budget Office, *The Budget and Economic Outlook: 2023 to 2033*, February 2023; and Office of Management and Budget, *Historical Tables, Budget of the United States Government, Fiscal Year 2023*, March 2022.  
 NOTE: Infrastructure excludes defense.

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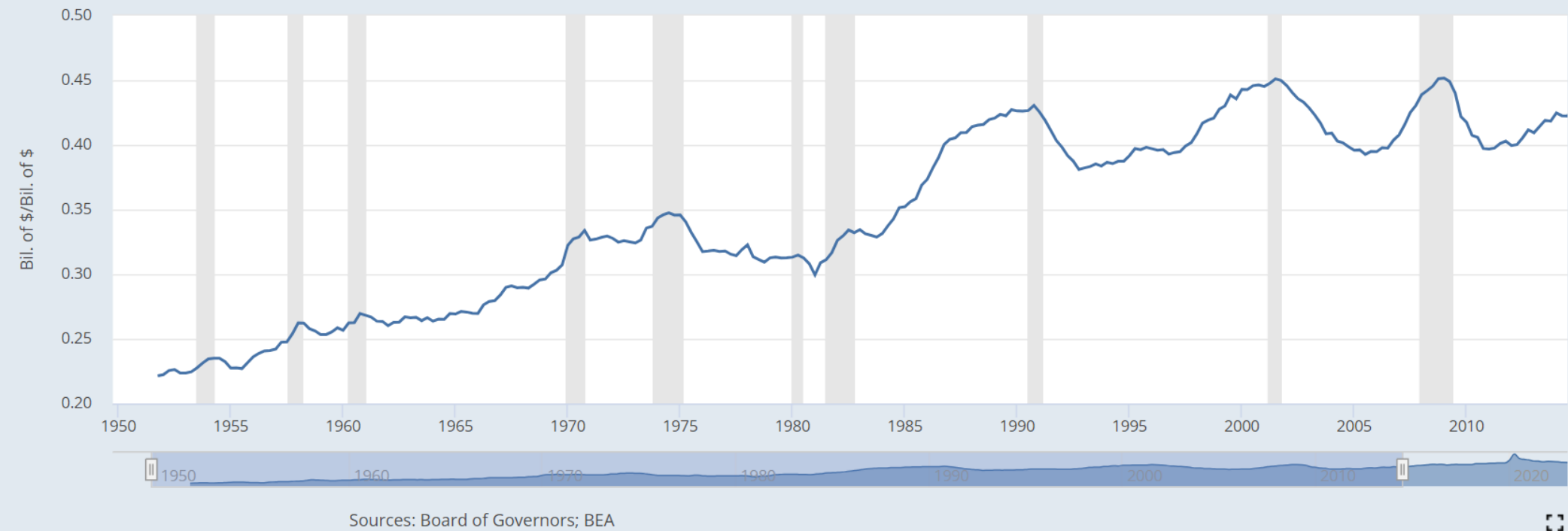
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- interest costs would exceed what the federal government has historically spent on key investments within the next decade.





- Current Debt to GDP 122.8%



# US Dollar: Perceived Safe-Haven Asset

## Global Credit Ratings

	Fitch	Standard & Poors	Moody's
Germany	AAA	AAA	Aaa
Denmark	AAA	AAA	Aaa
Netherlands	AAA	AAA	Aaa
Sweden	AAA	AAA	Aaa
Norway	AAA	AAA	Aaa
Switzerland	AAA	AAA	Aaa
Luxembourg	AAA	AAA	Aaa
Singapore	AAA	AAA	Aaa
Australia	AAA	AAA	Aaa
US	AA+	AA+	Aaa

Source: Bloomberg

Note: Local currency long-term rating

Bloomberg

- It is imperative that the US continues to be considered one for the safest investment options available
- Foreign investors own roughly 24% of US Debt
- Downgraded to from AAA to AA+ by S&P in 2011 and Fitch in 2023

AGG iShares Trust - iShares Core U.S. Aggregate Bond ETF 14.95% (1.40% CAGR 10.01 years) x



# Regional Banks

## What Happened?

- Three Regional Bank Failures
- Regulators take control of both Silicon Valley, and Signature Bank in early March
  - 3<sup>rd</sup> & 4<sup>th</sup> largest bank failures in US history
- Regulators take control of First Republic May 1<sup>st</sup> . JPMorgan agrees to buy majority of operations.
  - 2<sup>nd</sup> largest bank failure in US history

## Moving Forward

- New rules & regulations at a time when lending standards are already tightening
- Slower credit growth could impact bond markets and economic growth
- FDIC limits revisited – Business accounts securing payroll and monthly obligations
- Less customized and greater standardization of lending programs

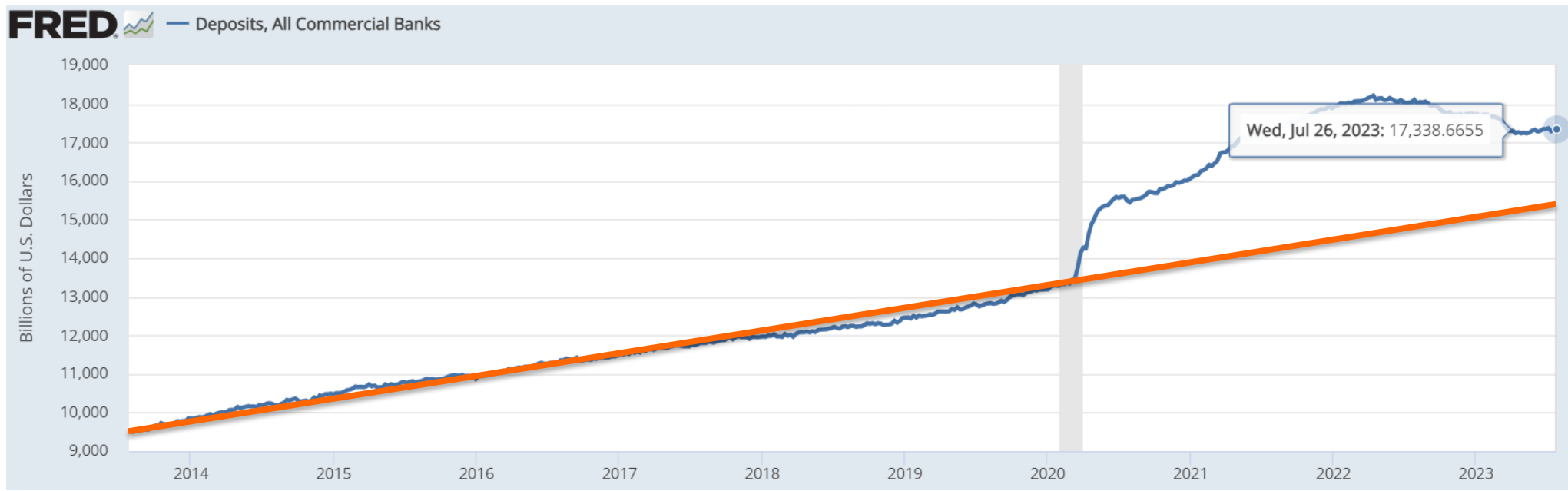
## Bottom Line

- Tighter Credit
- Less support for economic growth
- More demand for short term treasuries
- Less demand for longer dated and less liquid assets – Agency MBS

## Why?

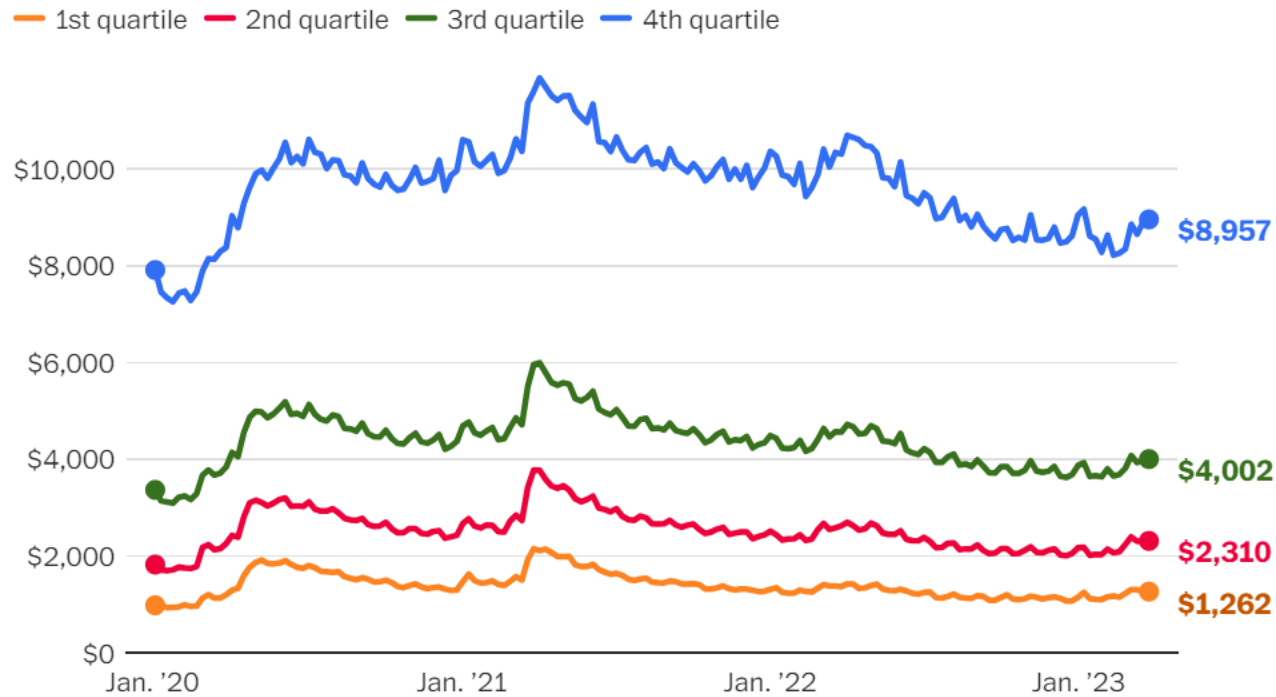
- Concentrated customer base
  - Ultra wealthy, Tech industry
- Concern over unsecured deposits
  - Deposits over FDIC - \$250k
- Poor Treasury Management
  - Long duration Treasuries hurt by rise in interest rates

# Deposits



- \$15.3 Trillion pre-pandemic trend
- Currently \$17.3 Trillion in deposits
- \$2 Trillion in excess

## Median bank account balances, by income quartile



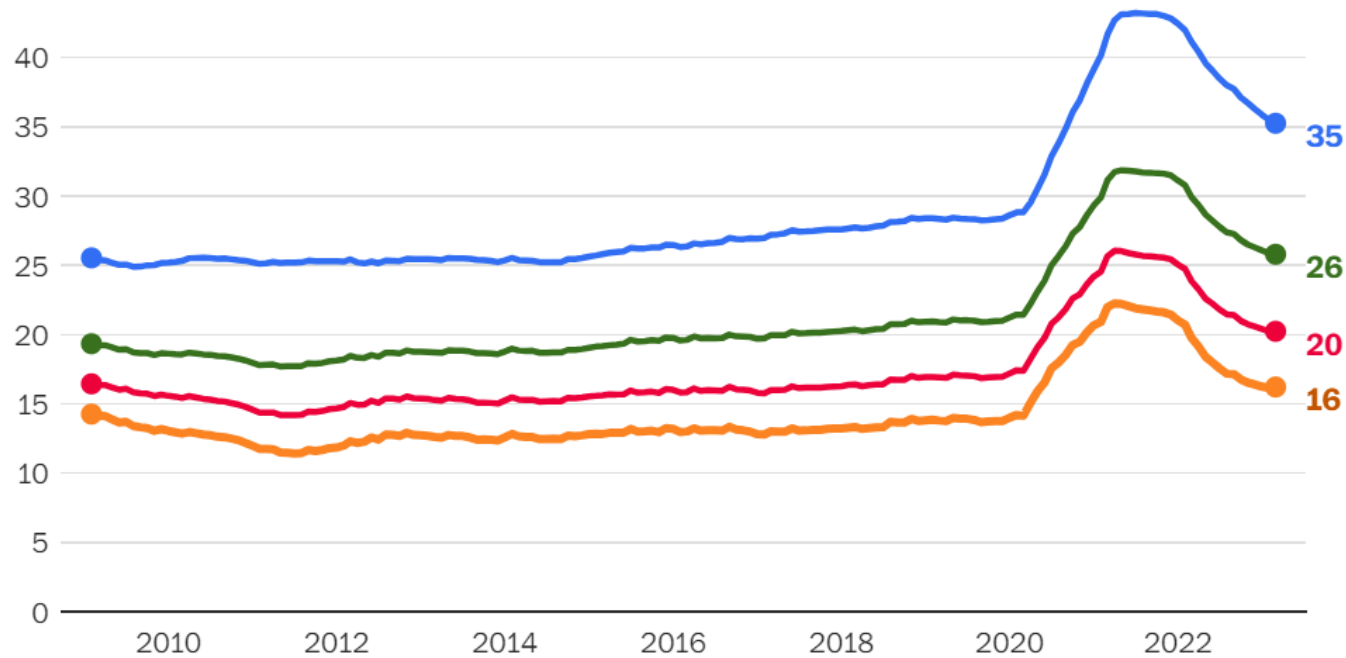
- 13% increase in top
- 19% increase in upper middle
- 27% increase in lower middle
- 29% increase in bottom

Combined checking and savings account balances, adjusted for inflation

## Cash balances are beginning to stabilize

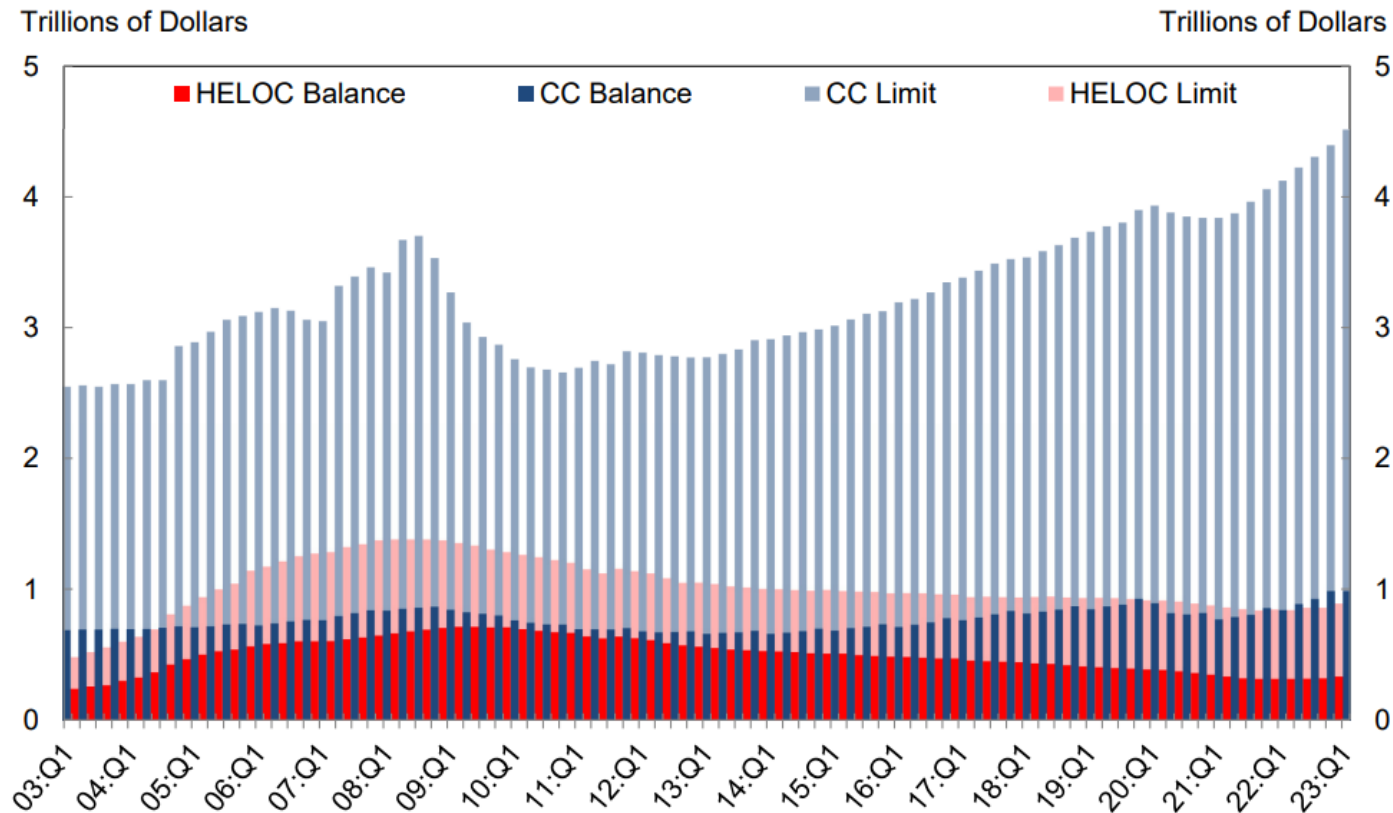
Number of days of spending available in bank accounts, by income quartile

Quartile 1 Quartile 2 Quartile 3 Quartile 4



- All quartiles have longer reserve runway

# Credit Limit and Balance for Credit Cards and HE Revolving

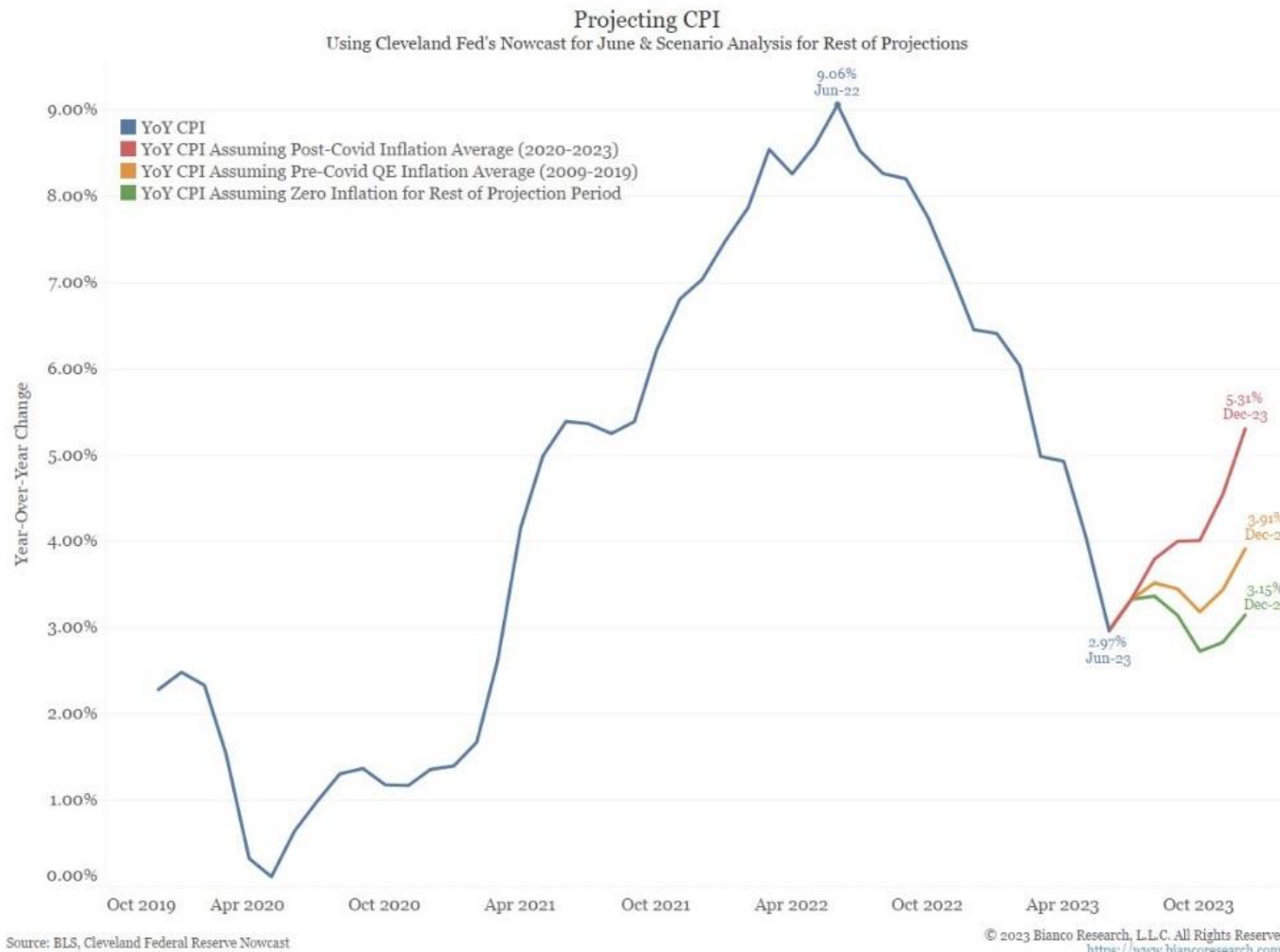


Source: New York Fed Consumer Credit Panel/Equifax

- Consumers not putting undue pressure on revolving credit lines
- \$986B on CC
- Slight uptick in HELOC balance



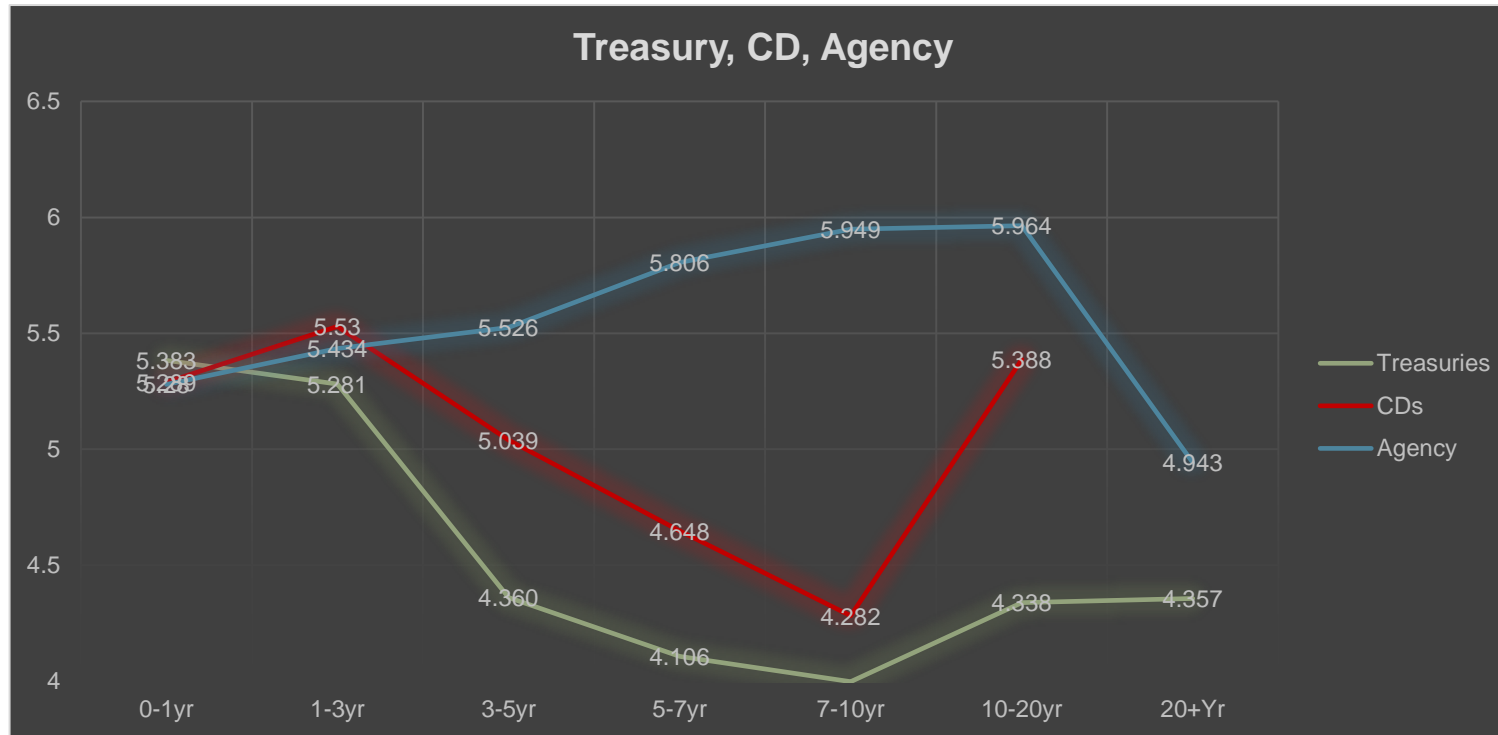
# Inflation Expectations



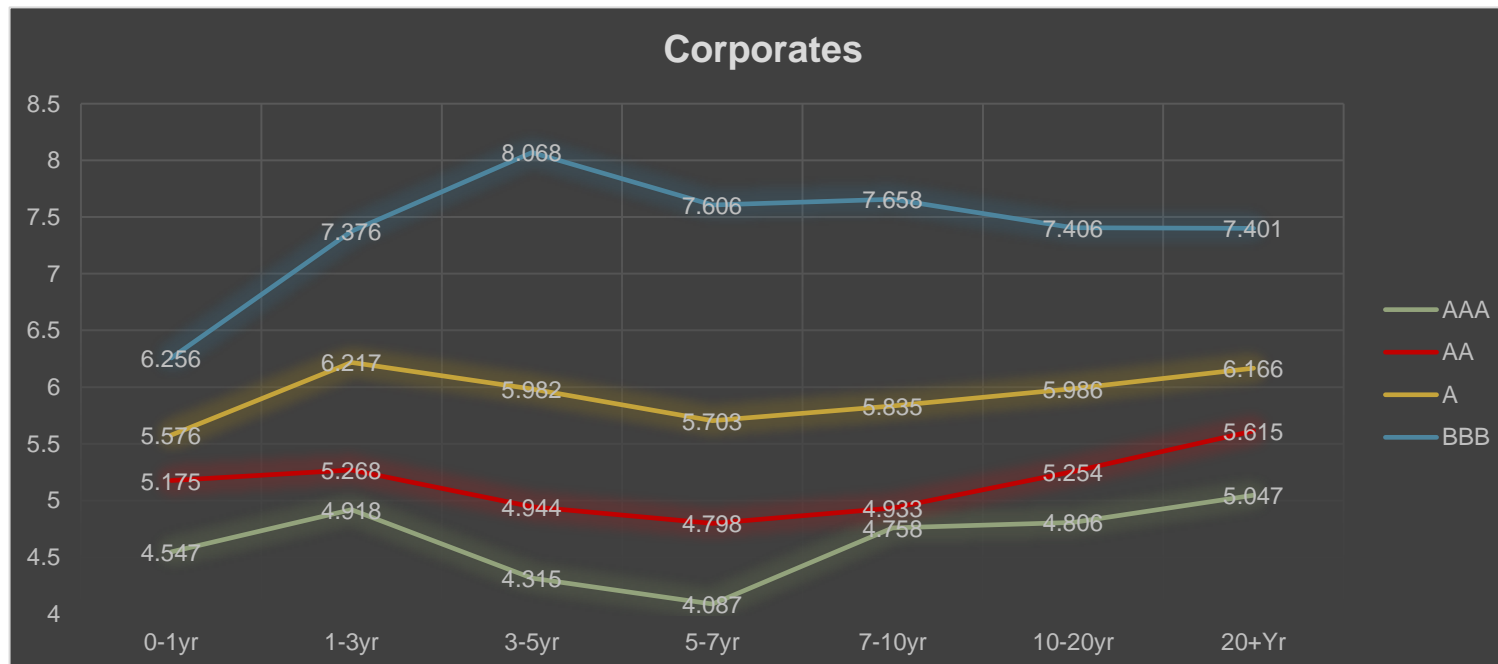
- July & August 22 low MoM CPI changes (0.0% & 0.2%)
- Recent increases in shelter and energy
- Anticipate higher readings for July and August 23 print

Global Central Bank Policy Rates							
Country	Rate	Central Bank Rate (Today)	CPI YoY	Real Central Bank Rate	YoY CPI Trend vs. Prior Reading	Last Move	Last Move Month
Japan	Policy Rate Bal	-0.10%	3.5%	-3.6%	Higher	Cut	Jan-16
Switzerland	Target Rate	1.75%	2.2%	-0.5%	Lower	Hike	Jun-23
Taiwan	Discount Rate	1.88%	2.0%	-0.1%	Lower	Hike	Mar-23
Thailand	Policy Rate	2.00%	0.5%	1.5%	Lower	Hike	May-23
Malaysia	Policy Rate	3.00%	3.3%	-0.3%	Lower	Hike	May-23
Denmark	Deposit Rate	3.10%	2.9%	0.2%	Lower	Hike	Jun-23
Eurozone	Deposit Rate	3.50%	6.1%	-2.6%	Lower	Hike	Jun-23
Sweden	Repo Rate	3.50%	9.7%	-6.2%	Lower	Hike	Apr-23
South Korea	Repo Rate	3.50%	3.3%	0.2%	Lower	Hike	Jan-23
China	Loan Prime Rate	3.55%	0.2%	3.4%	Higher	Cut	Aug-22
Norway	Deposit Rate	3.75%	6.7%	-3.0%	Higher	Hike	Jun-23
Australia	Cash Rate	4.10%	6.8%	-2.7%	Higher	Hike	Jun-23
Canada	Overnight	4.75%	4.4%	0.4%	Higher	Hike	Jun-23
UK	Bank Rate	5.00%	8.7%	-3.7%	Unchanged	Hike	Jun-23
US	Fed Funds	5.13%	4.0%	1.1%	Lower	Hike	May-23
New Zealand	Cash Rate	5.50%	6.7%	-1.2%	Lower	Hike	May-23
Hong Kong	Base Rate	5.50%	2.0%	3.5%	Lower	Hike	May-23
Saudi Arabia	Repo Rate	5.75%	2.8%	3.0%	Higher	Hike	May-23
Indonesia	Repo Rate	5.75%	4.0%	1.8%	Lower	Hike	Jan-23
Philippines	Key Policy Rate	6.25%	6.1%	0.2%	Lower	Hike	Mar-23
India	Repo Rate	6.50%	4.3%	2.3%	Lower	Hike	Feb-23
Poland	Repo Rate	6.75%	13.0%	-6.3%	Lower	Hike	Sep-22
Czech Republic	Repo Rate	7.00%	11.1%	-4.1%	Lower	Hike	Jun-22
Russia	Key Policy Rate	7.50%	2.5%	5.0%	Higher	Cut	Sep-22
Peru	Policy Rate	7.75%	7.9%	-0.2%	Lower	Hike	Jan-23
South Africa	Repo Rate	8.25%	6.3%	2.0%	Lower	Hike	May-23
Chile	Base Rate	11.25%	8.7%	2.6%	Lower	Hike	Oct-22
Mexico	Overnight Rate	11.25%	5.8%	5.4%	Lower	Hike	Mar-23
Colombia	Repo Rate	13.25%	12.4%	0.9%	Lower	Hike	Apr-23
Brazil	Target Rate	13.75%	3.9%	9.8%	Lower	Hike	Aug-22
Turkey	Repo Rate	15.00%	39.6%	-24.6%	Lower	Hike	Jun-23
Argentina	Benchmark Rate	97.00%	114.2%	-17.2%	Higher	Hike	May-23

# Fixed Income Portfolio Review



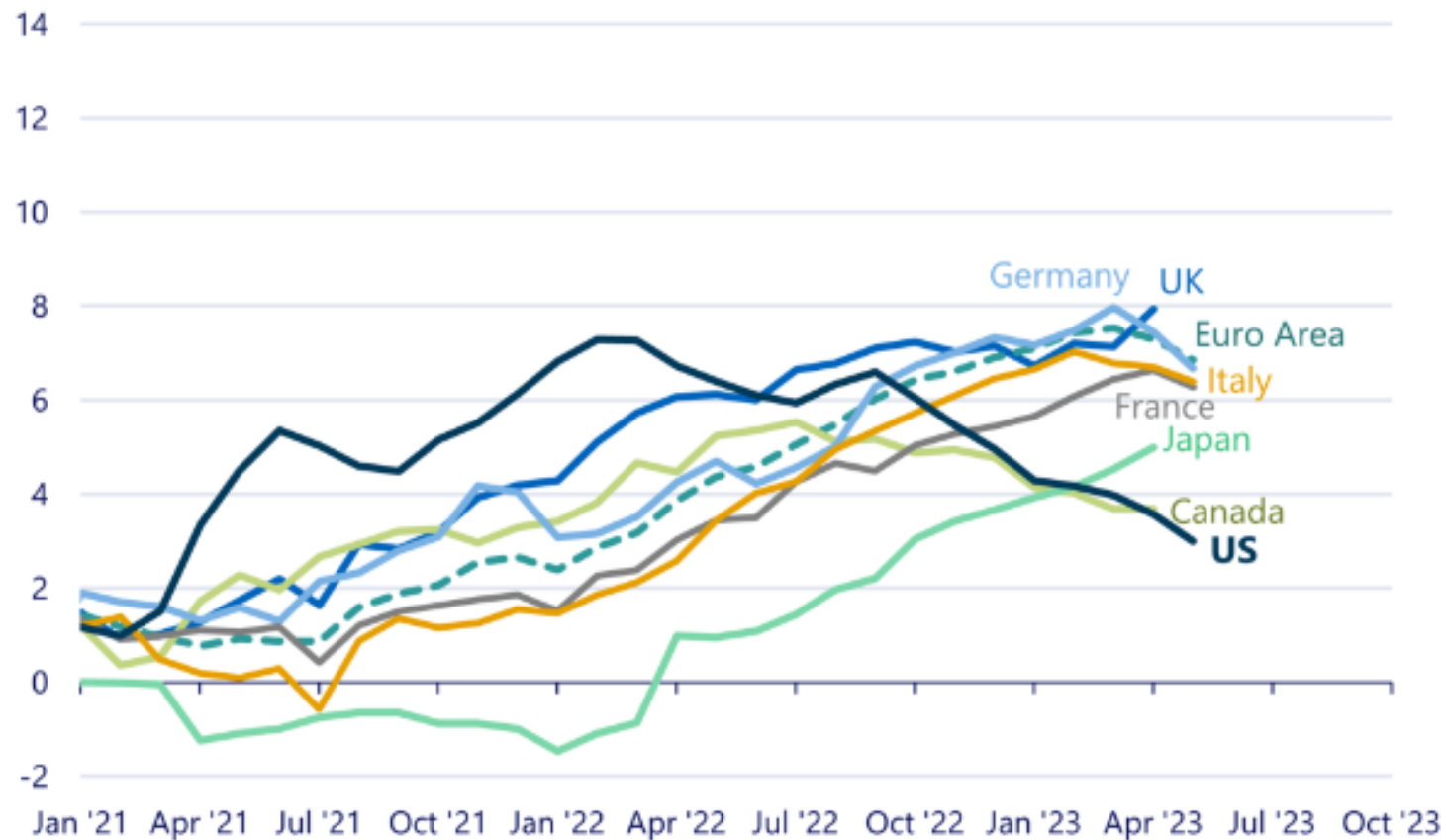
- Favor short end for lower credit risk assets
- Higher credit risk normalizes yield curve inversion
- Corporate curve flat to slightly inverted



International

# UK and Japan only countries with rising inflation

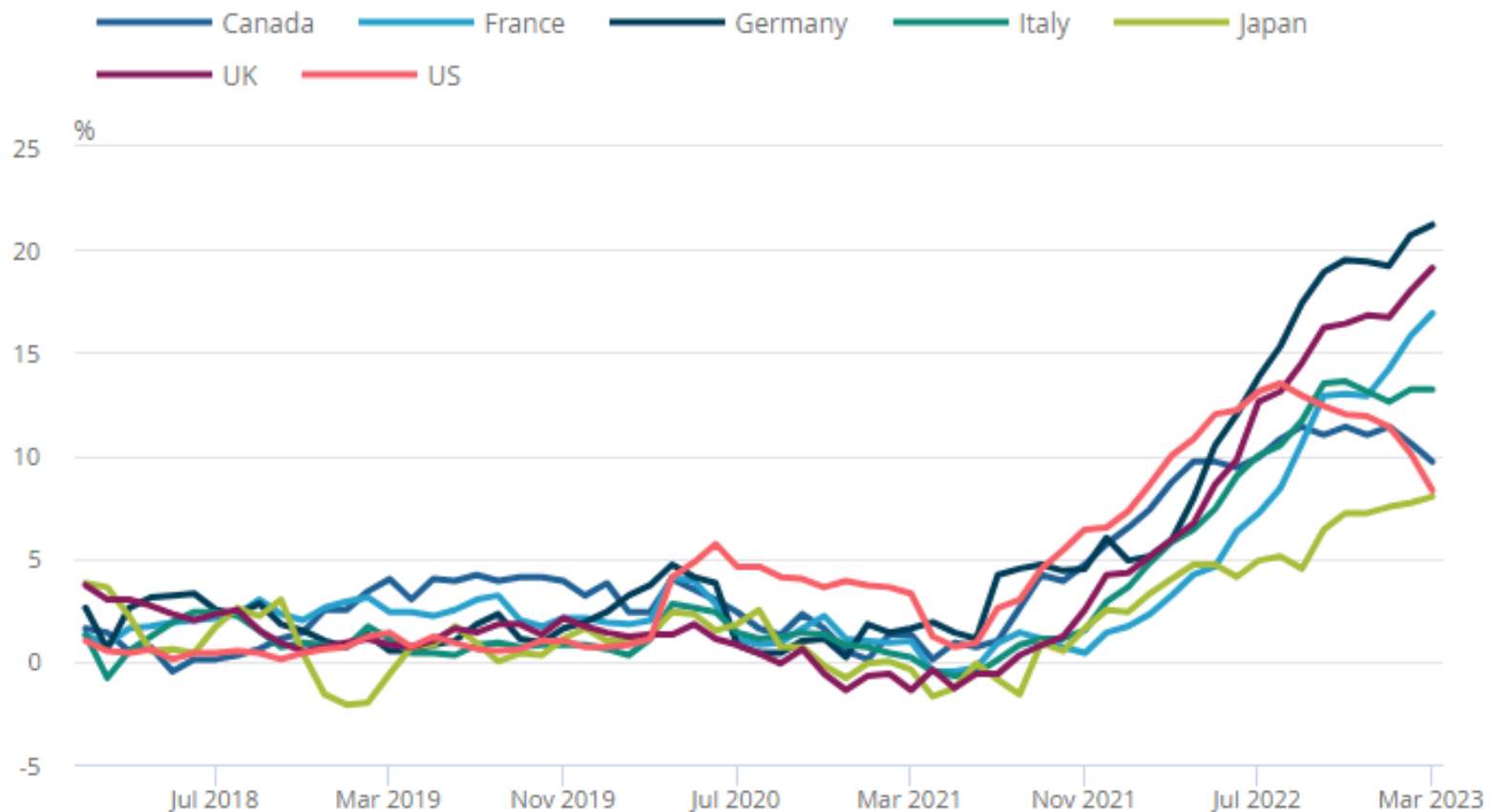
*All items less energy and unprocessed food, HICP basis (Year-on-year percent)*



# Food is driving inflation

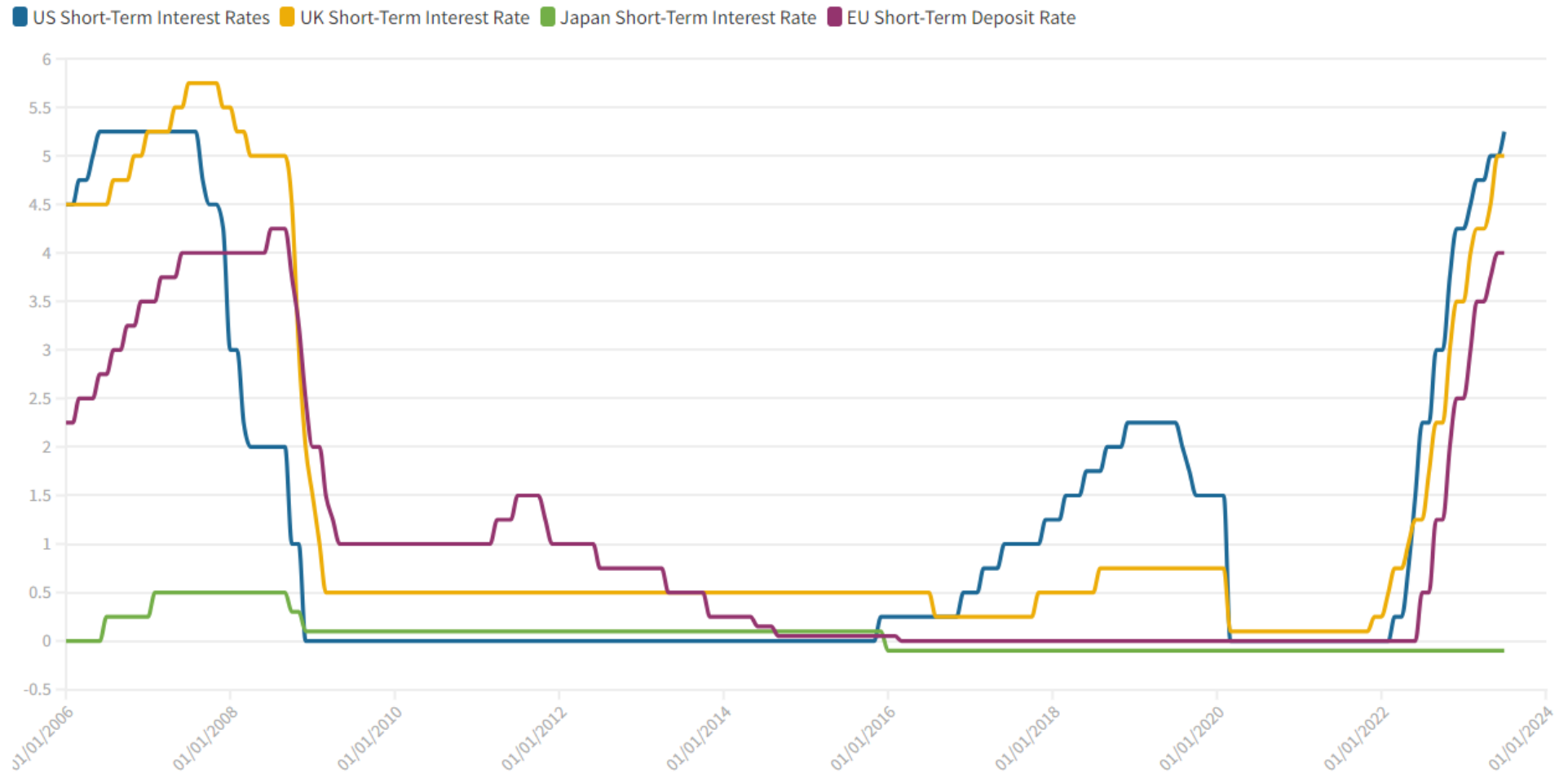
**Figure 2: UK food price inflation is among the highest of the G7 economies**

**12-month rate of food CPI inflation, G7, January 2018 to March 2023**





# Big 4 Central Banks



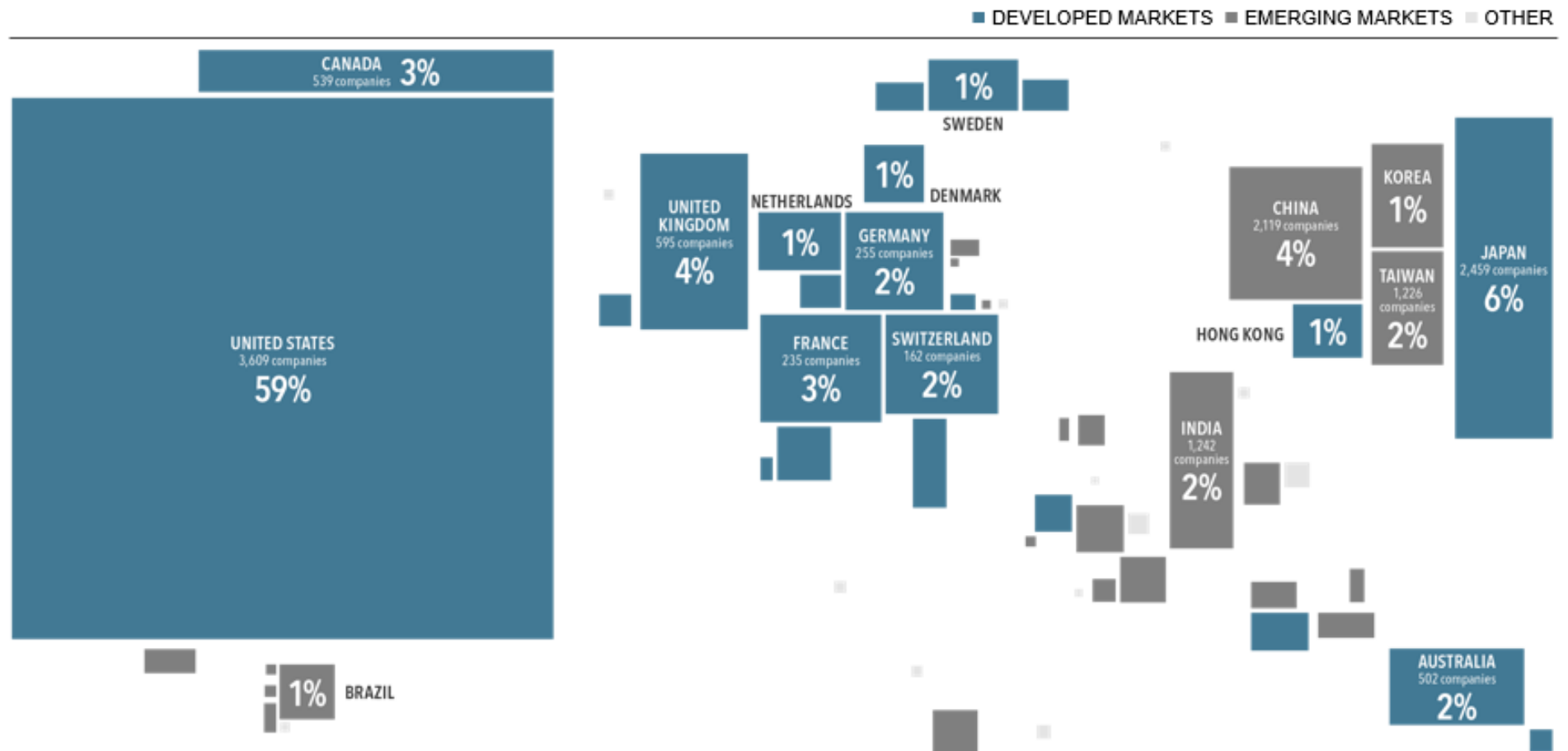
# International Exposure

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Highest Return	Sweden 64.5	Austria 71.5	Canada 28.3	Spain 49.4	Finland 48.7	Japan -29.2	Norway 87.1	Sweden 33.8	Ireland 13.7	Belgium 39.6	Finland 46.0	US 12.7	Denmark 23.4	Canada 24.6	Austria 58.3	Finland -3.4	NZ 38.2	Denmark 43.7	Austria 41.5	Portugal 0.2
	Germany 63.8	Norway 53.3	Japan 25.5	Portugal 47.4	HK 41.2	Switz. -30.5	Australia 76.4	Denmark 30.7	NZ 5.5	Denmark 31.3	Ireland 41.2	NZ 7.3	Ireland 16.5	NZ 18.4	HK 38.2	NZ -4.0	Ireland 37.5	Nether. 24.1	Nether. 27.6	HK -4.7
	Spain 58.5	Belgium 43.5	Austria 24.6	Ireland 46.8	Germany 35.2	US -37.6	Singapore 74.0	HK 23.2	US 1.4	Singapore 31.0	US 31.8	Denmark 6.2	Belgium 12.1	Norway 13.3	Singapore 35.6	US -5.0	Switz. 32.3	Sweden 23.9	US 26.5	Denmark -4.8
	Austria 57.0	Ireland 43.1	Denmark 24.5	Singapore 46.7	Norway 31.4	Spain -40.6	Sweden 64.2	Singapore 22.1	UK -2.6	Germany 30.9	Germany 31.4	HK 5.1	Japan 9.6	Australia 11.4	Denmark 34.7	HK -7.8	Nether. 32.1	US 20.7	Canada 26.0	UK -4.8
	NZ 55.4	Sweden 36.3	Norway 24.3	Norway 45.1	Canada 29.6	France -43.3	HK 60.2	Canada 20.5	Switz. -6.8	NZ 29.3	Spain 31.3	Belgium 4.1	Austria 3.5	Austria 11.3	Nether. 32.2	Norway -8.6	US 30.9	Finland 20.4	Norway 22.0	Australia -5.3
	Canada 54.6	NZ 35.2	Finland 16.7	Sweden 43.4	Singapore 28.4	Canada -45.5	Belgium 57.5	Japan 15.4	Norway -10.0	HK 28.3	Nether. 31.3	Singapore 3.0	Italy 2.3	US 10.9	France 28.7	Switz. -9.1	Denmark 28.2	NZ 19.9	Sweden 21.9	Norway -7.0
	Australia 49.5	Italy 32.5	Switz. 16.3	Denmark 38.8	Australia 28.3	Germany -45.9	Canada 56.2	US 14.8	Belgium -10.6	Austria 25.9	Belgium 27.6	Ireland 2.3	Finland 2.0	France 4.9	Italy 28.4	Singapore -9.4	Canada 27.5	Ireland 15.1	France 19.5	Spain -7.3
	Denmark 49.3	Denmark 30.8	Australia 16.0	Belgium 36.7	Denmark 25.6	Singapore -47.4	NZ 50.4	Australia 14.5	Australia -11.0	Australia 22.1	Japan 27.2	Canada 1.5	Nether. 1.3	Nether. 4.8	Norway 28.3	Portugal -11.1	Italy 27.3	Japan 14.5	Switz. 19.3	Singapore -11.0
	Norway 48.1	Australia 30.3	Singapore 14.4	Austria 36.5	Portugal 24.0	Denmark -47.6	Spain 43.5	Switz. 11.8	Nether. -12.1	Sweden 22.0	Switz. 26.6	Switz. -0.1	Portugal 0.9	Portugal 3.6	Germany 27.7	Australia -12.0	France 25.7	Portugal 14.4	Denmark 19.0	Belgium -12.5
	Ireland 43.8	Spain 28.9	Nether. 13.9	Germany 36.0	Spain 24.0	Nether. -48.2	UK 43.3	Norway 10.9	Spain -12.3	France 21.3	France 26.3	Finland -0.7	US 0.7	Germany 2.8	Spain 27.0	France -12.8	Portugal 23.7	Switz. 11.6	UK 18.5	Canada -12.9
	Portugal 43.0	HK 25.0	Sweden 10.3	France 34.5	Nether. 20.6	UK -48.3	Austria 43.2	Finland 10.3	Canada -12.7	Nether. 20.6	Denmark 25.2	Australia -3.4	Switz. 0.4	Japan 2.4	Japan 24.0	Japan -12.9	Australia 22.9	Germany 11.5	Italy 15.0	France -13.3
	France 40.2	Portugal 24.7	Germany 9.9	Italy 32.5	France 13.2	Sweden -49.9	Nether. 42.3	Austria 9.9	Japan -14.3	Switz. 20.4	Sweden 24.5	Nether. -3.5	France -0.1	HK 2.3	Portugal 23.8	Nether. -13.1	Sweden 21.2	Australia 8.7	Australia 9.4	NZ -13.6
	HK 38.1	Singapore 22.3	France 9.9	Nether. 31.4	NZ 8.9	Italy -50.0	Portugal 40.4	UK 8.8	Sweden -16.0	Norway 18.7	UK 20.7	Japan -4.0	HK -0.5	Singapore 1.4	Switz. 22.5	Sweden -13.7	UK 21.0	HK 5.8	Finland 9.0	Italy -14.4
	Italy 37.8	Canada 22.2	Belgium 9.0	Australia 30.9	UK 8.4	Australia -50.7	Denmark 36.6	Germany 8.4	Denmark -16.0	US 15.3	Italy 20.4	Spain -4.7	Germany -1.9	Sweden 0.6	Finland 22.5	UK -14.2	Germany 20.8	Canada 5.3	Ireland 8.5	Finland -15.3
	Singapore 37.6	UK 19.6	HK 8.4	UK 30.6	Italy 6.1	HK -51.2	France 31.8	NZ 8.3	HK -16.0	UK 15.3	Austria 13.4	UK -5.4	Sweden -5.0	UK -0.1	UK 22.3	Denmark -15.4	Belgium 20.3	France 4.1	Singapore 5.7	Japan -16.6
	Japan 35.9	France 18.5	UK 7.4	HK 30.4	US 5.4	Portugal -52.2	Italy 26.6	Nether. 1.7	France -16.9	Finland 14.6	NZ 11.3	Sweden -7.5	NZ -6.3	Spain -1.0	US 21.2	Spain -16.2	Japan 19.6	Italy 1.8	Germany 5.3	Switz. -18.3
	Belgium 35.3	Germany 16.2	US 5.1	Finland 29.9	Switz. 5.3	NZ -63.8	US 26.3	Belgium -0.4	Singapore -17.9	Italy 12.5	HK 11.1	Italy -9.5	UK -7.6	Finland -4.7	Sweden 20.6	Canada -17.2	Singapore 15.0	Norway -1.8	Belgium 2.2	US -19.8
	Switz. 34.1	Japan 15.9	Spain 4.4	Switz. 27.4	Austria 2.2	Finland -55.2	Switz. 25.3	France -4.1	Germany -18.1	Canada 9.1	Portugal 11.0	France -9.9	Australia -10.0	Switz. -4.9	Australia 19.9	Italy -17.8	Austria 14.5	Austria -3.3	Japan 1.7	Germany -22.3
	UK 32.1	Switz. 15.0	Italy 1.9	Canada 17.8	Sweden 0.6	Norway -64.2	Germany 25.2	Portugal -11.3	Portugal -23.1	Japan 8.2	Norway 9.4	Germany -10.4	Norway -15.0	Ireland -7.1	Belgium 18.6	Germany -22.2	Spain 12.0	Spain -4.8	Spain 1.4	Ireland -26.2
	US 28.4	Nether. 12.2	NZ 1.7	NZ 16.6	Belgium -2.7	Belgium -66.5	Ireland 12.3	Italy -15.0	Italy -23.2	Ireland 5.7	Canada 5.6	Norway -22.0	Spain -15.6	Belgium -7.6	Ireland 18.1	Ireland -25.3	Norway 10.4	Singapore -7.5	Portugal 0.2	Austria -26.4
	Nether. 28.1	US 10.1	Portugal -1.9	US 14.7	Japan -4.2	Austria -68.4	Finland 11.1	Ireland -18.1	Finland -31.9	Portugal 3.5	Australia 4.2	Austria -29.8	Singapore -17.7	Italy -10.5	Canada 16.1	Belgium -26.9	HK 10.3	Belgium -8.1	HK -3.9	Nether. -27.7
Lowest Return	Finland 19.4	Finland 6.1	Ireland -2.3	Japan 6.2	Ireland -20.1	Ireland -71.9	Japan 6.3	Spain -22.0	Austria -36.4	Spain 3.0	Singapore 1.7	Portugal -38.2	Canada -24.2	Denmark -15.8	NZ 11.7	Austria -27.4	Finland 9.5	UK -10.5	NZ -17.1	Sweden -28.4



# Geopolitical Risk

Percent of world market capitalization as of December 31, 2022

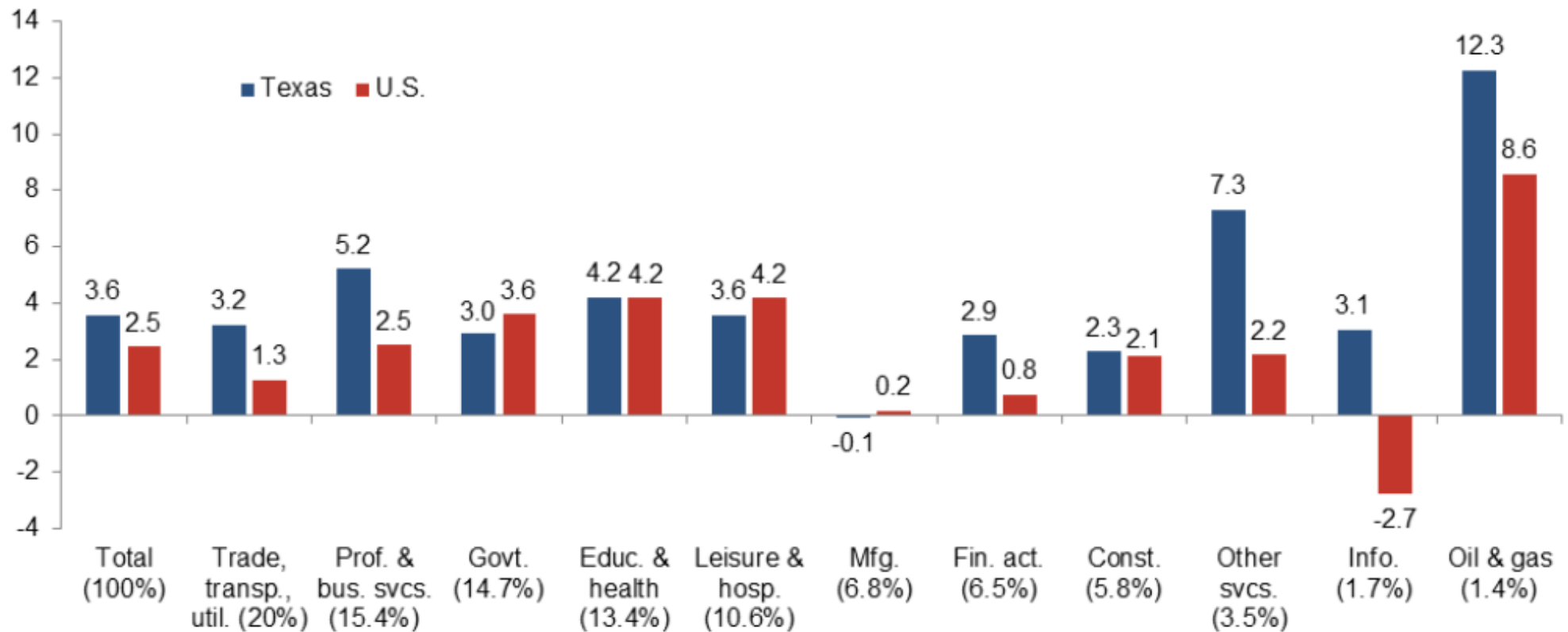


## Texas Economic Update

# Texas Continues to Outpace the US in Job Growth

## Texas job growth outpaces U.S. across most sectors

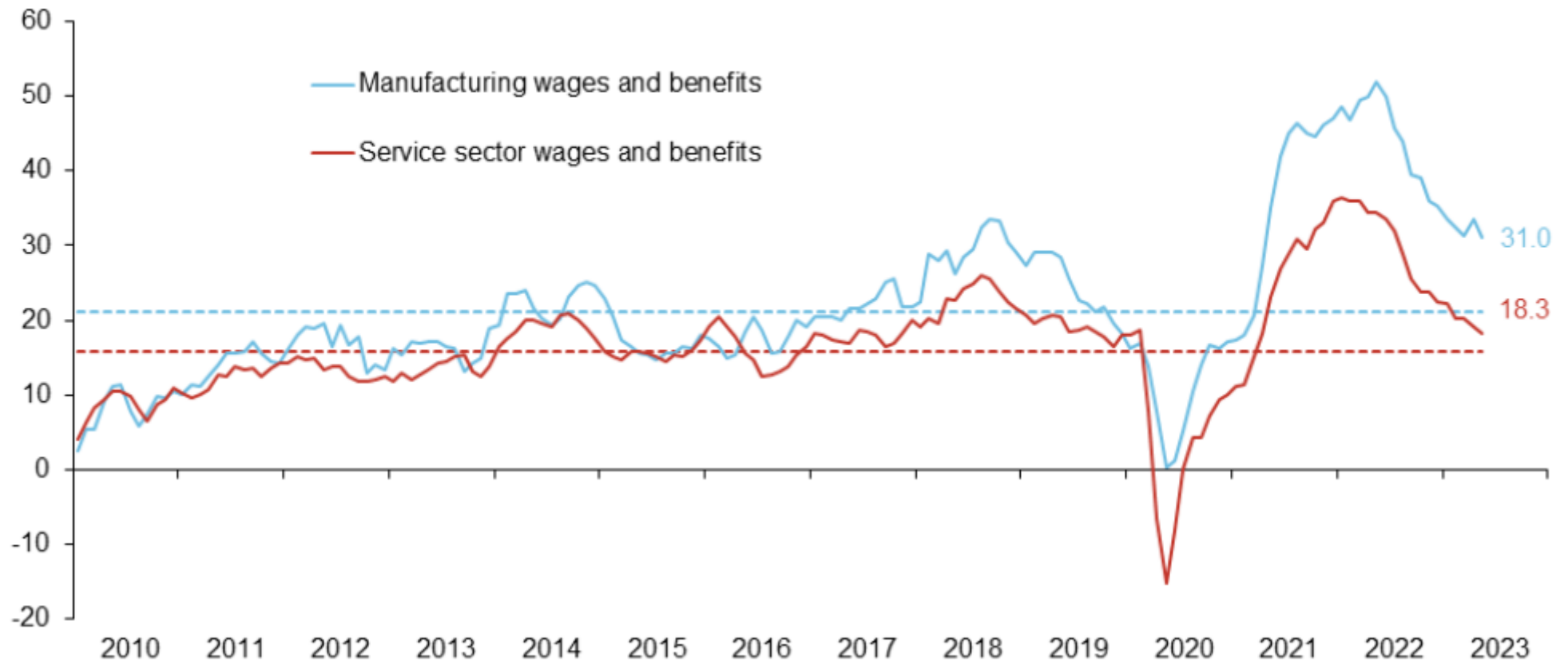
Percent change\*



# Wage Growth Remains Elevated

## Wage growth still elevated but slowing, Texas businesses report

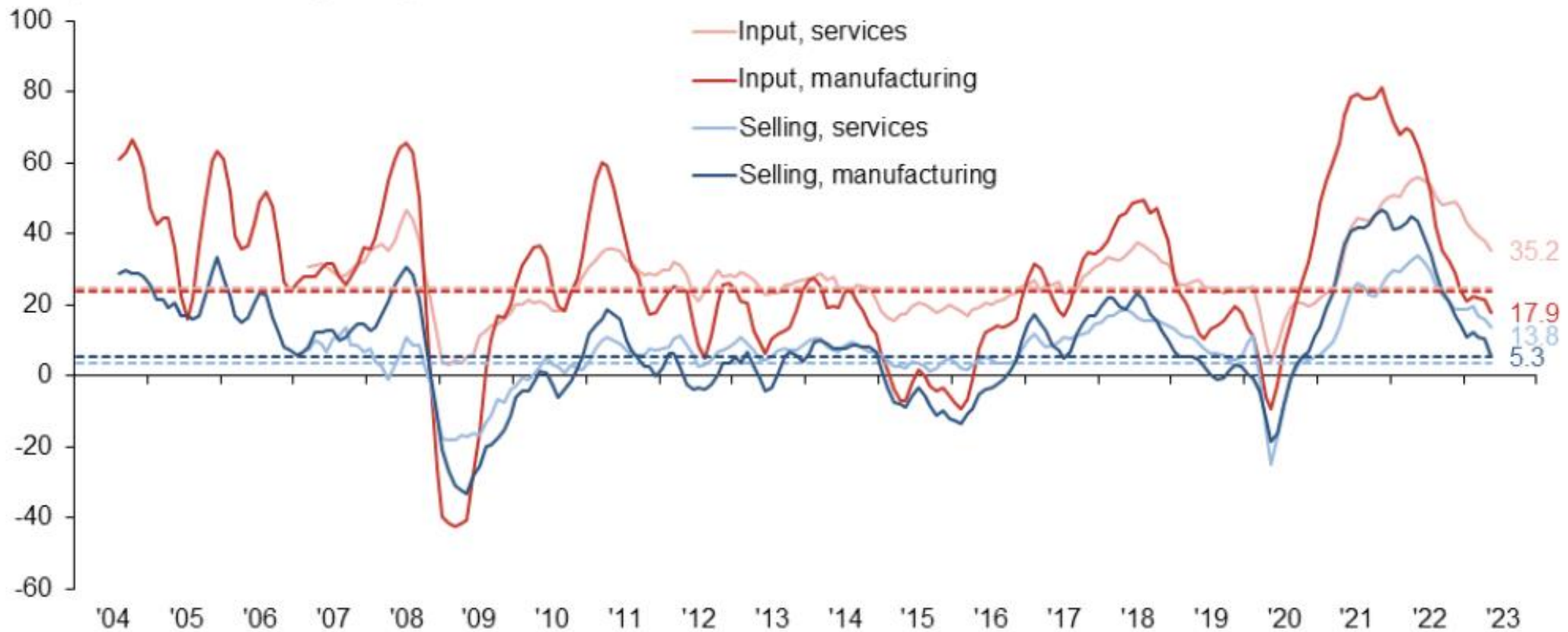
Index, three-month moving average

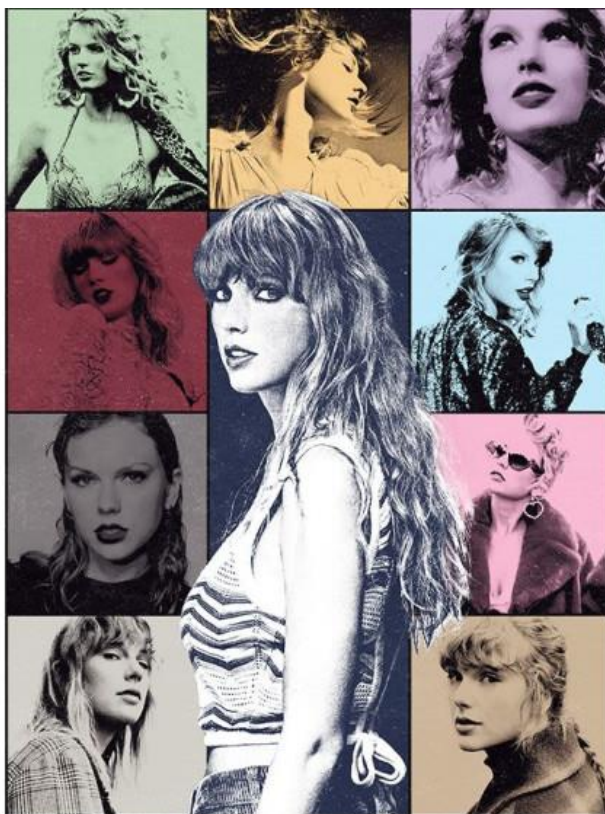


# Price Pressures Easing

## Price pressures ease further, remain elevated in services

Index, three-month moving average\*





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**beabadoobee**  
& **Gracie Abrams**

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**NRG Stadium, Houston, TX**

**beabadoobee**  
& **Gracie Abrams**

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