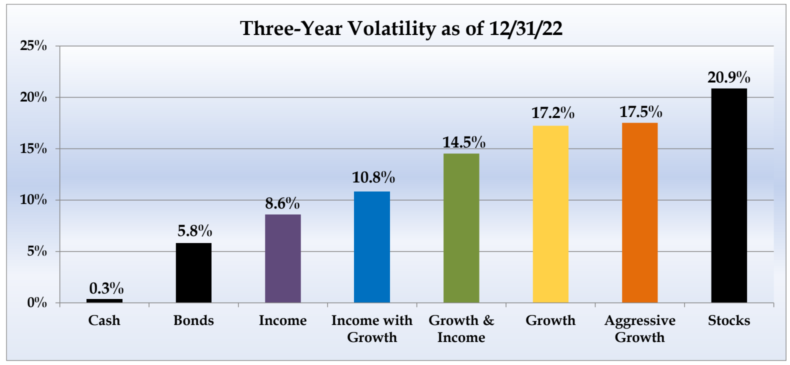
# Asset Allocation Quarterly
# First Quarter 2023

The Confluence asset allocation process is centered upon risk management. Our asset allocation strategies offer a broad spectrum of risk profiles, ranging from a relatively conservative posture in Income (purple) to a risk-accepting profile in Aggressive Growth (orange). The primary asset classes of cash, bonds, and stocks are illustrated by the black bars for reference in the accompanying chart.




*Source: Bloomberg, CIM. Cash is represented by the ML 0-3 Month T-Bill Index; Bonds are the ICE BofA Domestic Master Index; Stocks are the S&P 500 Index.**

Over market and economic cycles, the level of risk among asset classes naturally changes. As the cycles and associated risks unfold, we attempt to guide each strategy within its respective volatility ceiling. Our evaluation of the economy, monetary and fiscal policies, interest rates, regulation, valuations, and other investment variables in a forward-looking context informs our flexible asset allocation through adaptive diversification. Although we seek return opportunities, we do so within risk constraints that are scaled for each strategy.

The Confluence Asset Allocation strategies are structured across an array of risk profiles, where the more conservative lean against potential volatility and accept more muted, though typically steadier, returns, while the more aggressive accept inherent volatility in the pursuit of potentially higher returns.

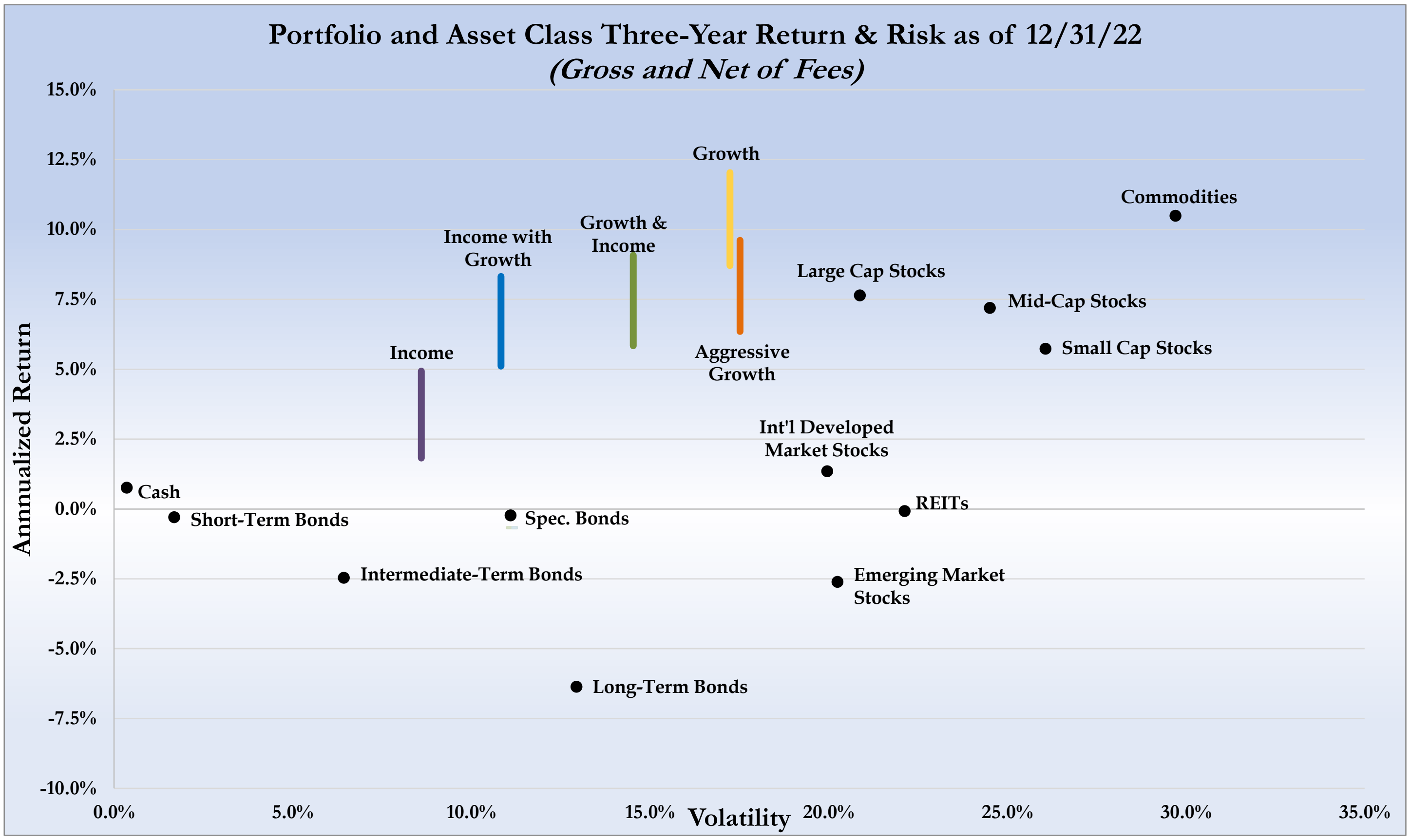
The variance of returns among asset classes from quarter-to-quarter can change significantly, as the table below displays. Over the past three years, we have experienced a highly volatile stock market, with several quarters registering sizable gains and others with dramatic declines, such as at the outset of the pandemic and over the first three quarters of last year. Bonds have historically produced returns with lower volatility than stocks, particularly in the short- and intermediate-term bond sub-asset classes. Through much of 2022 they registered declines, but the declines were generally more muted than stocks. Commodities typically have exhibited a lack of correlated returns to either stocks or bonds and therefore can often serve as an attractive diversification element.

**Quarterly Asset Class Returns as of 12/31/2022**

| | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | Q1 2022 | Q2 2022 | Q3 2022 | Q4 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Cash** | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.5% | 0.8% |
| **U.S. Short-Term Bonds** | 1.6% | 1.2% | 0.3% | 0.2% | 0.0% | 0.1% | 0.1% | -0.5% | -2.6% | -0.6% | -1.5% | 0.9% |
| **U.S. Intermediate-Term Bonds** | 2.4% | 4.9% | 1.1% | 0.7% | -4.1% | 2.4% | -0.1% | -0.2% | -6.5% | -4.4% | -5.0% | 2.2% |
| **U.S. Long-Term Bonds** | 7.2% | 5.4% | 1.2% | 1.0% | -10.8% | 6.7% | -0.1% | 2.3% | -10.9% | -11.5% | -9.4% | 2.3% |
| **Speculative Grade Bonds** | -13.1% | 9.6% | 4.7% | 6.5% | 0.9% | 2.8% | 0.9% | 0.7% | -4.5% | -10.0% | -0.7% | 4.0% |
| **REITs** | -27.3% | 11.8% | 1.4% | 11.6% | 8.9% | 12.0% | 1.0% | 16.3% | -3.9% | -17.0% | -9.9% | 5.2% |
| **U.S. Large Cap Stocks** | -19.6% | 20.5% | 8.9% | 12.1% | 6.2% | 8.5% | 0.6% | 11.0% | -4.6% | -16.1% | -4.9% | 7.6% |
| **U.S. Mid-Cap Stocks** | -29.7% | 24.1% | 4.8% | 24.4% | 13.5% | 3.6% | -1.8% | 8.0% | -4.9% | -15.4% | -2.5% | 10.8% |
| **U.S. Small Cap Stocks** | -32.6% | 21.9% | 3.2% | 31.3% | 18.2% | 4.5% | -2.8% | 5.6% | -5.6% | -14.1% | -5.2% | 9.2% |
| **Int'l Developed Market Stocks** | -22.8% | 14.9% | 4.8% | 16.0% | 3.5% | 5.2% | -0.4% | 2.7% | -5.9% | -14.5% | -9.4% | 17.3% |
| **Emerging Market Stocks** | -23.6% | 18.1% | 9.6% | 19.7% | 2.3% | 5.0% | -8.1% | -1.3% | -7.0% | -11.4% | -11.6% | 9.7% |
| **Commodities** | -42.3% | 10.5% | 4.6% | 14.5% | 13.5% | 15.7% | 5.2% | 1.5% | 33.1% | 2.0% | -10.3% | 3.4% |

*Source: Morningstar Direct, CIM.**

*Past performance is not indicative of future results. See last page for asset class composition/benchmark details and other important disclosures.




*Source: Bloomberg, CIM, using monthly data inclusive of gross and max net returns. See disclosures on last page for fee description; actual investment advisory fees may vary. Past performance is not indicative of future results. See last page for asset class composition/benchmark details and other important disclosures.**

## Portfolio and Asset Class Commentary

The volatilities and returns of 12 sub-asset classes over the past three years are illustrated on the above chart, as are the volatilities and returns for each of the five Asset Allocation strategies represented by the colored vertical bars. Note that the Confluence strategies exhibit a range of returns that denote gross-of-fee returns on the top end of each bar with the bottom of the bar representing net returns assuming an industry-designated maximum 3% fee *[actual investment advisory fees may vary]*.

Although large cap stocks and commodities have registered healthy returns over the full three-year period, contained within this three-year window has been a global pandemic and recovery, the war in Ukraine, the highest recorded inflation since the early 1980s, and deteriorating global economic conditions. An environment such as this is expected to be accompanied by heightened volatility. While bonds, in general, normally act as stabilizers for risk assets in volatile markets, this has not been the case in an economy experiencing elevated levels of inflation.

The Confluence Asset Allocation strategies depicted by the colored bars have all generated positive returns over the past three years, both in terms of gross-of-fee performance as well as net-of-fee returns. The variability in volatility was most heavily influenced by the mix of bonds, stocks, and commodities held by each strategy. As one would expect, the strategies with higher exposure to stocks and commodities produced higher levels of realized volatility. This is the essence of our construct of the strategies, whereby each strategy is held to a distinct and unchanging volatility governor. Consequently, bonds are used more broadly than stocks in strategies with lower volatility ceilings, such as Income, as compared to the highest volatility ceiling of Aggressive Growth. While this may seem intuitive, it also explains the different exposures to sub-asset classes between strategies. Sub-asset classes with greater volatility are more likely to be employed in strategies with higher volatility ceilings. One example is small cap stocks, which are more liberally employed in the Growth and Aggressive Growth strategies. Though lower market capitalizations have the potential to offer higher returns, they naturally carry more elevated levels of risk.

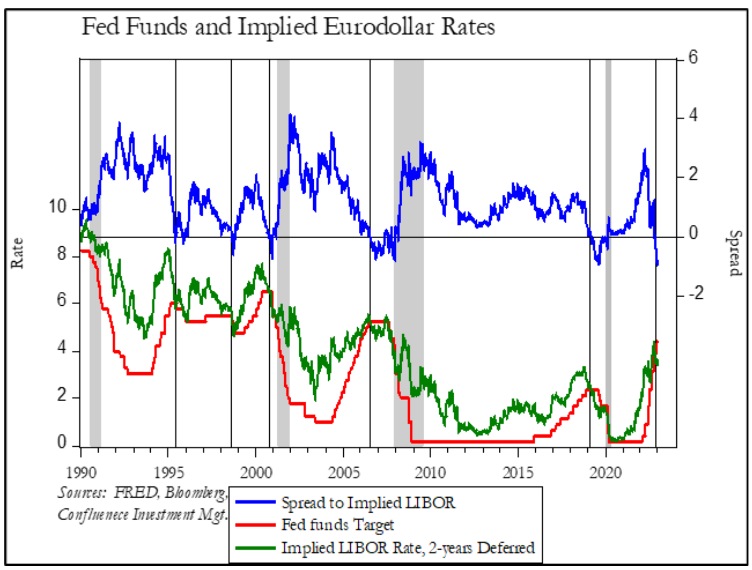
In all strategies, the exposures to stocks were increased from their historically low levels last year as we find a margin of optimism within our full three-year forecast period beyond the elevated potential for a near-term global recession. This optimism guides not only the larger overall exposure to stocks compared to last year, but also the portion allocated to international developed market stocks, which we find advantageous based upon attractive valuations and the potential for a weakening U.S. dollar exchange rate. We regularly assess and review a wide array of data affecting the macroeconomic environment including inflation pressures, sentiment, growth prospects, valuations, credit, and exchange rates, among other elements. When conditions change, we will adjust the exposures in each strategy to remain within its respective risk budget.

## First Quarter 2023 Asset Allocation Outlook

- **Our three-year forecast contains a dynamic economic environment comprising both a normal recession and ensuing recovery.**
- **Upon signs of economic fragility, we expect the Fed to suspend its current assertive drive to quell inflation, with the likelihood that policymakers will cease their balance sheet reduction but will not make cuts to the fed funds rate.**
- **Bond exposures are in the short-term segment as our forecast calls for a flat yield curve stemming mostly from lower rates in the one- to three-year segment.**
- **The prospect of an economic recovery encourages an increase in equity exposure from the low levels of last year. U.S. stocks continue to be tilted toward value with lower market caps, and strategies are now overweight in sectors that we believe are well-positioned for the recovery.**
- **Compelling valuations of overseas businesses combined with expectations for a weakening U.S. dollar encourage a sizable position in international developed market stocks.**
- **Broad-based commodities with an emphasis on Energy commodities are retained. The allocation to gold is elevated owing to its appeal as a haven during rapidly changing economic conditions.**

## Economic Viewpoints

A broad range of indicators is flashing signs of an impending global contraction and recession in the U.S., the most prominent and oft-cited of which is the inversion of the U.S. Treasury yield curve. The spike in yields across the curve, and particularly in short-term instruments, reflects the surge in inflation over the past year coupled with the efforts of the Fed to harness it. The Fed's relentless battle against inflation woes have caused it to raise the fed funds rate from its target of 0.25%-0.50% last March to 4.25%-4.50% at its last meeting in December and embark upon quantitative tightening (QT) through the reduction in its balance sheet of $95 billion per month. While many credit these actions with helping to settle inflation in core goods, which was certainly aided by an untangling of supply shortages since the U.S. COVID lockdowns, inflation in core services remains ascendant. The Fed's pronouncements have been decidedly hawkish as it attempts to slow the economy through dampening demand and targeting the wide gap between job openings and the rate of hiring. The Fed's latest statements underscore the notion that policymakers will continue to increase the fed funds rate until inflation retrenches to its 2% target.




Despite the rhetoric, markets are anticipating a lessening of the Fed's zeal. As this accompanying chart indicates, the spread between the fed funds target and the implied LIBOR rate, two-years deferred, has been a harbinger of a change in direction for Fed policy. While this has occurred against the backdrop of an overall decline in interest rates over the period since 1990, a negative spread has invariably signaled when the central bank has moved too far, as is now the case to an extreme.

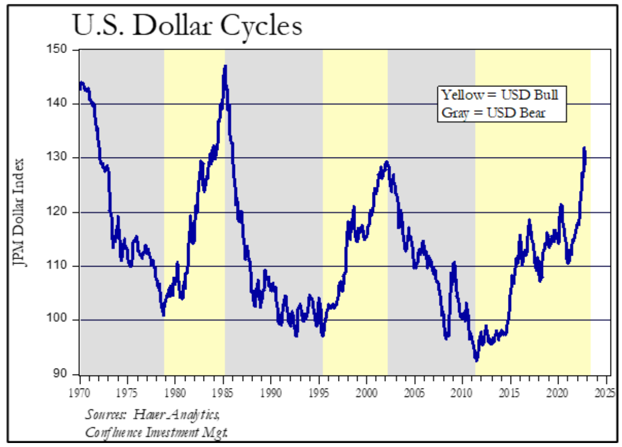
The prospect of a global economic contraction commencing over the next several quarters helped frame our expectations for the overall economy and markets over our full three-year forecast period. Although the Atlanta Fed's GDPNow estimates for this quarter still exhibit growth, a durably inverted yield curve, elevated inflation, and sentiment point to a recessionary environment in the near term. Confluence's proprietary Diffusion Index indicates that the probability of a contraction in the U.S. is elevated. Nevertheless, our base case is for a garden-variety recession, as the excesses that were produced in prior severe recessions are absent, owing to the relative brevity of the recent business cycle. Accordingly, our view is that a normal contraction will be followed by a healthy recovery, with the possibility of an expansion toward the end of our forecast period.

## Stock Market Outlook

Periods of inflation typically lead to a decline in price/earnings ratios, with both prices and earnings being affected. This is a natural adjustment, as the discount mechanism is elevated for future earnings, especially for longer-duration equities such as certain technology stocks that carry higher earnings expectations further into the future. Moreover, we typically see earnings compression with elevated inflation, not simply due to increased costs of production, but more importantly rises in the cost of labor, which is especially prominent in services. The ability of companies to push rising costs onto consumers has varying degrees of limitation, dependent upon the elasticity of demand for a company's products or services. Essential products or services obviously have more durable, or inelastic, demand such that costs can be more readily passed onto end users.

With equity markets being anticipatory, we believe the declines experienced in 2022 were handicapping a future recession, to a degree. Although U.S. stocks may dip further, our belief is that most of the negative price movement has largely been already experienced. The Fed's aggressive battle against inflation has at least indirectly contributed to a relaxation of formerly tight labor markets, as indicated by the recent spate of layoffs from mega-cap technology companies as well as an abrupt slowdown in housing dictated by higher mortgage rates. While it is too early to expect the Fed to pivot on fed funds, our view is that QT will be suspended over the next few quarters. Moreover, the lessons gleaned from March 2020 support our expectation that any relief the Fed may offer in a downturn will be along the lines of the "alphabet soup" type of targeted programs that were offered as support for certain segments at that time as opposed to the blunt instrument of easing fed funds.

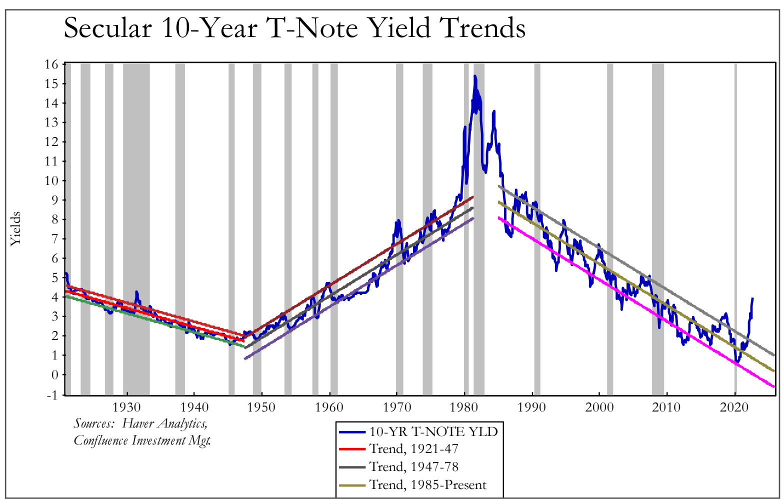
The widely anticipated economic slowdown should be normal, by historical standards. Consequently, our three-year forecast is for positive returns for U.S. equities. That expectation extends to and is even magnified for lower capitalization stocks. We expect small cap value stocks with strong free cash flow to perform particularly well, as they typically have when the U.S. has emerged from prior recessions. In addition, we anticipate that an economic recovery within our forecast period will aid the Industrials and Metals/Mining sectors, which are overweight in the strategies, along with the continuation of the overweights to Energy and Aerospace & Defense.




Due to favorable relative valuations of international developed stocks versus U.S. counterparts, combined with the prospect of a weakening U.S. dollar, we are constructive toward international equities. The reconstitution of supply chains and China's stimulus and emergence from COVID lockdowns further bolster the prospects for developed market stocks, particularly those engaged in the export of commodities. Accordingly, all strategies now hold a sizable position in international stocks, and overweights to Canada and Australia are introduced in the more risk-tolerant strategies of Growth and Aggressive Growth.

## Bond Market Outlook

As noted earlier, while we anticipate an end to the Fed's current QT balance sheet reduction of $95 billion per month, in our view a decrease in the fed funds rate to the former ultra-low levels is very unlikely, even in the face of a recession. While we expect the steep inversion of the U.S. Treasury yield curve to evaporate over our three-year forecast period, it is likely that the curve will flatten through a decrease in yields in the one- to three- year segment in combination with a secular increase in long-term rates, as illustrated in the accompanying chart. Accordingly, the positions in extended duration Treasuries via zero-coupon instruments were liquidated to positive effect after their initiation last quarter as we believe their continued utility has evaporated. All bond exposures in the strategies are now short-term, with the sole exception of the Income strategy, which continues to use a 10-year laddered maturity core, an inviolate part of this strategy's construction. The short-duration posture among the other strategies also reflects our recognition of the small potential that, in the extreme, a bond market panic could lead to a form of yield curve control.




Within corporates, the brevity of the current economic cycle has not seemed to wreak the excesses experienced during longer expansions, except in the low-rated floating rate instruments. Therefore, we expect only modest widening of spreads among investment-grade and BB-rated corporate bonds, the latter of which are employed moderately as equity surrogates in the more conservative strategies in order to provide a degree of risk control over the next several quarters.

## Other Markets

Despite valuations seeming compelling in REITs with their weak performance in 2022 compared to other sectors of the U.S. equity market, the strategies remain devoid of REIT exposure. The fragmentation of the REIT market and the lack of conviction surrounding the prospects of certain segments encourage our avoidance of the sector over the near-term. On the other side of the spectrum, commodities appear well-poised for a recovery following a normal recession. We retain an exposure to broad-based commodities with an emphasis on Energy commodities across all strategies. In addition, we increase the weighting to gold for its appeal as a haven during dynamic economic environments.

| **First Quarter 2023** | Income | | Income With Growth | | Growth & Income | | Growth | | Aggressive Growth | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Current | Change | Current | Change | Current | Change | Current | Change | Current | Change |
| Cash | 2% | - | 2% | - | 2% | - | 2% | - | 2% | - |
| Short Term Bonds | 24% | - | 35% | (4%) | 15% | (13%) | - | (4%) | - | - |
| Intermediate Term Bonds | 30% | - | - | (20%) | - | - | - | - | - | - |
| Long Term Bonds | - | (5%) | - | (3%) | - | (3%) | - | (3%) | - | (3%) |
| Speculative Grade Bonds | 11% | (9%) | 15% | - | 11% | (9%) | - | (8%) | - | (8%) |
| Real Estate | - | - | - | - | - | - | - | - | - | - |
| U.S. Large Cap Stocks | 10% | - | 10% | - | 10% | - | 20% | - | 10% | - |
| U.S. Mid Cap Stocks | 6% | - | 6% | - | 25% | - | 33% | 8% | 25% | (15%) |
| U.S. Small Cap Stocks | - | - | 7% | 7% | 12% | 5% | 10% | (23%) | 18% | (14%) |
| Int'l Developed Market Stocks | 11% | 11% | 15% | 15% | 15% | 15% | 20% | 20% | 25% | 25% |
| Emerging Market Stocks | - | - | - | - | - | - | - | - | 10% | 10% |
| Commodities | 6% | 3% | 10% | 5% | 10% | 5% | 15% | 10% | 10% | 5% |
| *Total* | *100%* | | *100%* | | *100%* | | *100%* | | *100%* | |

*See last page for disclosures and important details regarding portfolio allocations.*

## Income
The changes to the Income strategy this quarter included eliminating the ultra-long U.S. Treasury position, a sizable decrease to the BB-rated speculative bond exposure, the introduction of international developed market stocks, and a modest increase in the exposure to gold. The 10-year laddered maturity core of the strategy remains intact as do the allocations to U.S. large cap stocks, U.S. mid-cap stocks, and broad-based commodities. Although the total allocation to U.S. large cap stocks is unchanged, the composition moved from a defensive posture to being positioned for a recovery through the addition of overweights to Industrials and metals/mining.

## Income with Growth
All exposures to intermediate-term bonds and ultra-long U.S. Treasuries were eliminated in the Income with Growth strategy this quarter. While exposures to BB-rated corporate bonds, U.S. large caps, and U.S. mid-cap stocks remain unchanged, we also introduced new positions in U.S. small caps, with an emphasis on stocks with solid free cash flow, and international developed market stocks. While the overall percentage to U.S. large caps remains the same, the makeup of the allocation now includes overweights to sectors that we expect are well-positioned for an economic recovery. Among commodities, exposure to gold was increased and we retain the allocation to broad-based commodities with an emphasis on Energy.

## Growth & Income
Almost half of the exposure to short-term bonds and the entire position in ultra-long U.S. Treasuries were eliminated in the Growth & Income strategy this quarter. A portion of the proceeds was used to increase the allocation to U.S. small cap equities, now with an emphasis on stocks exhibiting strong free cash flow. The balance of the proceeds was employed to introduce a sizable position in international developed market equities and to more than double the exposure to gold, while the allocation to broad-based commodities remains unchanged. We retain the former overall weightings to U.S. large cap and mid-cap stocks, with the addition of overweights to Industrials and metals/mining within the large cap allocation.

## Growth
The Growth strategy no longer holds any exposure to bonds, inclusive of BB-rated corporates, which were formerly used as an equity proxy. In addition, the sizable weight to U.S. small cap stocks was reduced substantially in favor of an increase to U.S. mid-cap stocks, a significant increase in the exposure to gold, and the introduction of a sizable position to international developed market equities. This international position also contains overweights to Canada and Australia. We retain the prior allocation to U.S. large cap stocks but the composition now includes overweights to Industrials and metals/mining.

## Aggressive Growth
We made significant changes to the Aggressive Growth strategy this quarter. The positions in ultra-long U.S. Treasuries and BB-rated corporates were sold and exposures to U.S. mid-cap and small cap stocks were trimmed. We retain the allocation to U.S. large cap stocks but with added overweights within the exposure to sectors that we believe are well-positioned for the recovery. We have introduced allocations to emerging markets and international developed market stocks, the latter of which has overweights to Canada and Australia, and the position in gold was elevated.

## Performance & Disclosures

### (For Periods Ending December 31, 2022)

| Strategy | ITD | 10 - Year | 5 - Year | 3 - Year | 1 - Year | YTD | QTD |
|---|---|---|---|---|---|---|---|
| Income Taxable - Gross of Fees | 5.3% | - | - | 4.9% | (11.7%) | (11.7%) | 2.8% |
| Income Taxable - Net of Fees[1] | 2.2% | - | - | 1.8% | (14.4%) | (14.4%) | 2.1% |
| *Benchmark - 20% S&P 500 and 80% ICE BofA Bond Index* | 2.1% | - | - | (0.5%) | (14.1%) | (14.1%) | 3.0% |
| Income Taxable with Growth - Gross of Fees | 9.6% | 8.1% | 8.1% | 8.3% | (9.4%) | (9.4%) | 3.9% |
| Income Taxable with Growth - Net of Fees[1] | 6.3% | 4.9% | 4.9% | 5.1% | (12.1%) | (12.1%) | 3.1% |
| *Benchmark - 40% S&P 500 and 60% ICE BofA Bond Index* | 7.0% | 5.8% | 4.1% | 1.7% | (14.9%) | (14.9%) | 4.2% |
| Growth and Income Taxable - Gross of Fees | 7.7% | 9.0% | 7.8% | 9.1% | (9.7%) | (9.7%) | 5.7% |
| Growth and Income Taxable - Net of Fees[1] | 4.5% | 5.8% | 4.6% | 5.8% | (12.4%) | (12.4%) | 4.9% |
| *Benchmark - 70% S&P 500 and 30% ICE BofA Bond Index* | 8.2% | 9.2% | 6.8% | 4.8% | (16.4%) | (16.4%) | 5.9% |
| Growth - Gross of Fees | 8.3% | 10.7% | 9.4% | 12.0% | (11.1%) | (11.1%) | 8.3% |
| Growth - Net of Fees[1] | 5.1% | 7.4% | 6.2% | 8.7% | (13.7%) | (13.7%) | 7.4% |
| *Benchmark - S&P 500* | 10.2% | 12.6% | 9.4% | 7.6% | (18.1%) | (18.1%) | 7.5% |
| Aggressive Growth - Gross of Fees | 7.6% | 9.7% | 7.5% | 9.6% | (12.0%) | (12.0%) | 8.5% |
| Aggressive Growth - Net of Fees[1] | 4.4% | 6.4% | 4.3% | 6.4% | (14.6%) | (14.6%) | 7.7% |
| *Benchmark - S&P 500* | 10.2% | 12.6% | 9.4% | 7.6% | (18.1%) | (18.1%) | 7.5% |

*ITD=Inception to Date.*

Inception: Income Taxable: 1/1/18; Income Taxable with Growth: 12/1/08; Growth & Income Taxable: 9/1/08; Growth: 9/1/08; Aggressive Growth: 8/1/08

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[1]Net-of-fee performance was calculated using the highest applicable annual bundled fee of 3.00% applied quarterly. This fee includes brokerage commissions, portfolio management, consulting services and custodial services. The Confluence fee schedule for this composite is as follows: 0.40% on the first $500,000; 0.35% on the next $500,000; and 0.30% over $1,000,000. There are no incentive fees. Clients pay an all-inclusive fee based on a percentage of assets under management. The collection of fees produces a compounding effect on the total rate of return net of fees. Bundled fee accounts make up 100% of the composite for all periods. Actual investment advisory fees incurred by clients may vary. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor.

Each strategy is implemented using Exchange Traded Funds (ETFs) and the investment objective is the pursuit of nominal returns (yield and growth) in excess of inflation, subject to the limitations of the risk constraint for each strategy. The targeted risk constraint and appropriate investor risk tolerance for each strategy is as follows: Aggressive Growth (High), Growth (Average), Growth & Income (Moderate), Income with Growth (Conservative), and Income (Conservative). ICE BofA Bond Index consists of the ICE BofA U.S. Corporate, Government, and Mortgage Bond Index.

The asset allocations shown represent the individual ETFs used for the asset allocations in the model portfolios as of 1/19/2023 and do not represent the precise allocation of assets in an actual client account. Asset allocation in client accounts may vary based on individual client considerations and market fluctuations. The allocation of assets in the model portfolio may be changed from time to time due to market conditions and economic factors. The investments held by the portfolio are ETFs and are not guaranteed and carry a risk of loss of principal. There are investment risks in investing in these strategies. Each asset class has specific risks associated with it and no specific asset class can prevent a loss of capital in market downturns. In a rising interest rate environment, the value of fixed income securities generally declines. Speculative grade bonds are subject to greater risk of loss of principal and interest, including default risk, than higher-rated securities. Investments in international and emerging market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability. The real estate asset class contains Real Estate Investment Trust (REIT) securities.

Confluence utilizes fixed income ETFs for the bond asset classes to deliver the income and lower volatility traditionally available from a diversified bond portfolio. Fixed income ETFs are not bonds, but are pro-rata interests in publicly traded bond funds. Investors should be aware there are limitations in utilizing fixed income ETFs, which are subject to market risk, including the possible loss of principal. There may be times when an ETF's performance may vary relative to its targeted benchmark. And while ETFs generally trade very close to their net asset values, during times of market disruption they can trade at discounts or premiums, directly affecting performance. Liquidity can vary depending upon market conditions. ETFs trade like a stock but charge internal management fees; there will be brokerage commissions associated with buying and selling exchange traded funds unless trading occurs in a fee-based account. Investors should consider an ETF's investment objective, risks, charges, and expenses carefully before investing.

Information provided in this report is for educational and illustrative purposes only and should not be construed as individualized investment advice or a recommendation. The investment or strategy discussed may not be suitable for all investors. Investors must make their own decisions based on their specific investment objectives and financial circumstances. Opinions expressed are current as of the date shown and are subject to change.

*Benchmark returns and volatility calculations utilize monthly data through 12/31/2022. Investors cannot invest directly in an index. Past performance does not guarantee future performance. Asset class and benchmark index representation: Cash (ICE BofA 3M T-Bill); Short-Term Bonds (ICE BofA 1-3 Year US Corp&Govt); Intermediate-Term Bonds (ICE BofA 5-10 Year US Corp&Govt); Long-Term Bonds (ICE BofA 10+Yr US Corp&Govt); Speculative Grade/High-Yield Bonds (ICE BofA US High Yield Master); REITs (FTSE NAREIT Equity); Large Cap (S&P 500); Mid-Cap (S&P MidCap 400); Small Cap (S&P Small Cap 600); Foreign Developed Country (MSCI EAFE); Emerging Markets (MSCI Emerging Markets); Commodities (S&P GSCI).

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