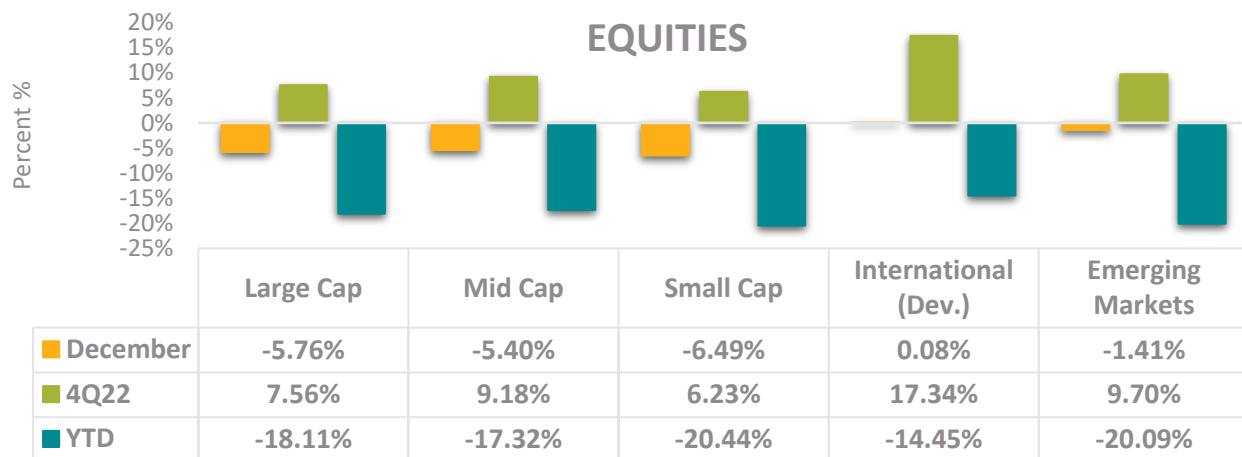


Monthly Market Summary

Market Update and Economic Developments

- The S&P 500 Index posted a -5.76% return in December. The index returned -18.11% for the year, marking its worst year since 2008. Despite the negative returns in December, the fourth quarter was the only quarter in 2022 in which the index realized a positive return, up 7%.
- The final year-over-year inflation figure for 2022 came in at 7.1%, which is the lowest figure seen since December 2021. An increase in shelter costs was the largest contributor in November, which largely offset the price decreases seen in the energy sector.
- The Federal Reserve’s actions are being felt in the economy, as layoffs have been steadily increasing over the final weeks of the year. As the economy contracts given rate hikes, businesses may be forced to freeze hiring or cut jobs, ultimately leading to an increase in national unemployment.



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

- At their December meeting, the Federal Open Market Committee (FOMC) voted to raise interest rates by 0.50%, ending its streak of four consecutive rate hikes of 0.75%. The FOMC is expected to continue raising rates into 2023 in a continued effort to combat inflation.
- Core Fixed Income posted a -0.45% return in December, but a positive return for the quarter up 1.87%. Although the Fed’s rate hikes can lessen the price of outstanding bonds, higher starting yields have fixed income positioned attractively moving forward.
- Midstream Energy returned -6.02% in December. The midstream markets have been volatile this year, primarily due to global conflict. However, it was one of the few positive performers for the year, up 21.53%.

FIXED INCOME AND OTHERS



Domestic Fixed Income - Barclays US Agg; Municipal Bonds - Barclays 4-6 Yr Muni; High Yield - Barclays US Corp. HY; Floating Rate Corporate Loans - S&P/LSTA Leveraged Loan Index; Commodities - Bloomberg Commodity; MLPs - Alerian Midstream Energy.



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