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# March 2023 Market Update

Markets rallied in March despite cracks emerging in the global banking system. U.S. stocks and international stocks were higher by about 2.7%, fixed income increased 2.6% but real estate lost 2.2%. On a year-to-date basis, U.S. stocks are up 7.2%, international stocks are up 7.0%, bonds are up 3.2% and real estate up 1.7%.

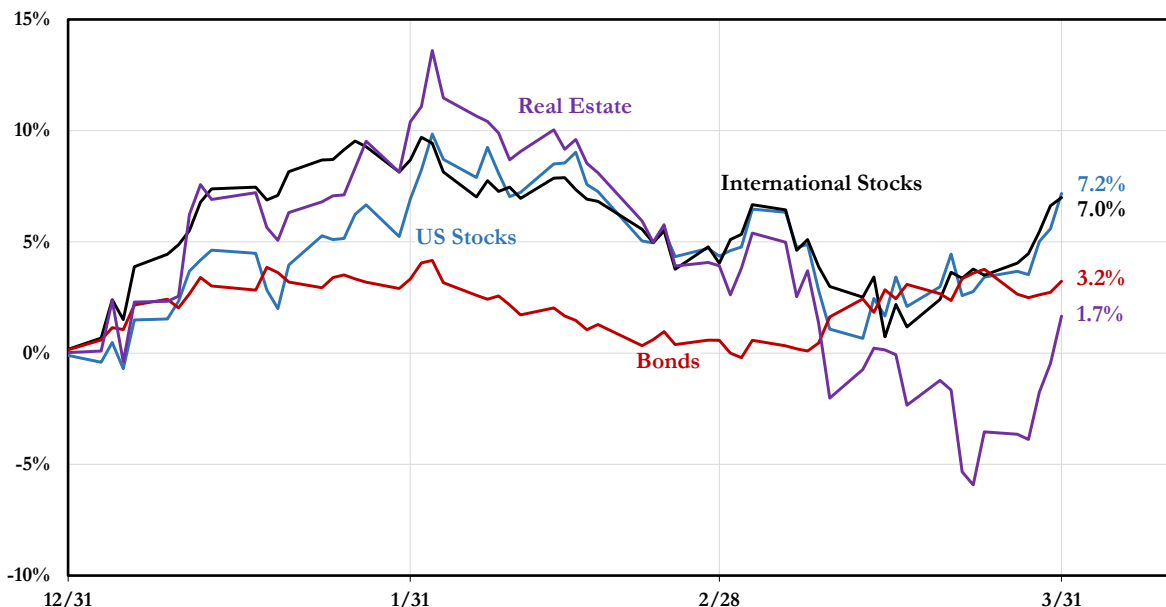
Monthly and year-to-date performance has been driven by large cap growth stocks. The U.S. large cap growth index is up 17.3% year-to-date while the large cap value index is down 1.0%. Treasury yields plummeted with recession fears and the need for safe investments. Two-year Treasuries dropped from 4.81% to 4.06% and 10-year Treasuries went from 3.92% to 3.48%.

Economic data came in largely as expected and was overshadowed by the failures of Silicon Valley Bank and Signature Bank and the rescue of Credit Suisse by UBS and the Swiss government. Despite these bank failures – and to re-affirm their faith in the banking system – on March 22<sup>nd</sup> the Fed raised Fed Funds by 0.25% to a range of 4.75% to 5.0%.

The impact of higher interest rates suddenly became real in March with the bank failures. Banks have been experiencing large deposit outflows as investors source higher yields in securities.

With the higher volatility in the market, we have moved to a more neutral position. In March we took profits on U.S growth stocks but we remain long growth vs. value.

**Chart 1: Year-to-Date Market Performance as of March 31, 2023**



# Benchmark Performance Summary

## *Asset Class Benchmark Returns*

Asset Class	1 Mo	YTD	2022	5 Yr
<b>Global Equities</b>	<b>2.8%</b>	<b>7.2%</b>	<b>-18.0%</b>	<b>6.9%</b>
<b>U.S. Equities</b>	<b>2.7%</b>	<b>7.2%</b>	<b>-19.5%</b>	<b>10.4%</b>
U.S. Large Cap Equities	3.6%	7.7%	-19.9%	10.9%
U.S. Large Cap Growth	7.8%	17.3%	-33.2%	12.9%
U.S. Large Cap Value	-0.5%	-1.0%	-2.1%	8.8%
U.S. Small Cap Equities	-3.6%	3.7%	-17.5%	6.8%
U.S. Small Cap Growth	-0.9%	8.1%	-28.4%	6.3%
U.S. Small Cap Value	-5.7%	0.6%	-9.4%	6.3%
<b>Ex-U.S. Equities</b>	<b>2.8%</b>	<b>7.0%</b>	<b>-16.1%</b>	<b>2.5%</b>
Developed Market Equities	2.6%	8.0%	-15.4%	3.4%
Developed Market Growth	6.2%	11.8%	-23.1%	4.6%
Developed Market Value	0.0%	5.8%	-5.2%	1.6%
Emerging Market Equities	2.6%	3.7%	-18.0%	-0.1%
<b>Fixed Income</b>	<b>2.6%</b>	<b>3.2%</b>	<b>-13.0%</b>	<b>0.9%</b>
Ultrashort	0.4%	1.1%	1.5%	1.4%
Short Term	1.7%	1.7%	-3.9%	1.1%
Inflation Protected	2.9%	3.5%	-12.0%	2.9%
U.S. Aggregate Bond	2.6%	3.2%	-13.0%	0.9%
<b>Real Estate</b>	<b>-2.2%</b>	<b>1.7%</b>	<b>-26.2%</b>	<b>5.8%</b>
<b>Cash</b>	<b>0.4%</b>	<b>1.1%</b>	<b>1.5%</b>	<b>1.4%</b>

## *Portfolio Benchmarks*

Portfolio	1 Mo	YTD	2022	5 Yr
<b>Vanguard Total World Stock ETF</b>	<b>2.8%</b>	<b>7.2%</b>	<b>-18.0%</b>	<b>6.9%</b>
<b>Vanguard Total U.S. Stock ETF</b>	<b>2.7%</b>	<b>7.2%</b>	<b>-19.5%</b>	<b>10.4%</b>
Vanguard Lifestrategy Growth Fund 80/20	2.6%	6.2%	-17.1%	6.0%
Vanguard Lifestrategy Mod Growth Fund 60/40	2.6%	5.5%	-16.0%	4.8%
Vanguard Lifestrategy Cons Growth Fund 40/60	2.7%	4.8%	-15.0%	3.6%
Vanguard Lifestrategy Income Fund 20/80	2.6%	4.1%	-13.9%	2.2%
<b>Vanguard Total U.S. Bond Market ETF</b>	<b>2.7%</b>	<b>3.2%</b>	<b>-13.1%</b>	<b>0.9%</b>