
April 2023 Market Update

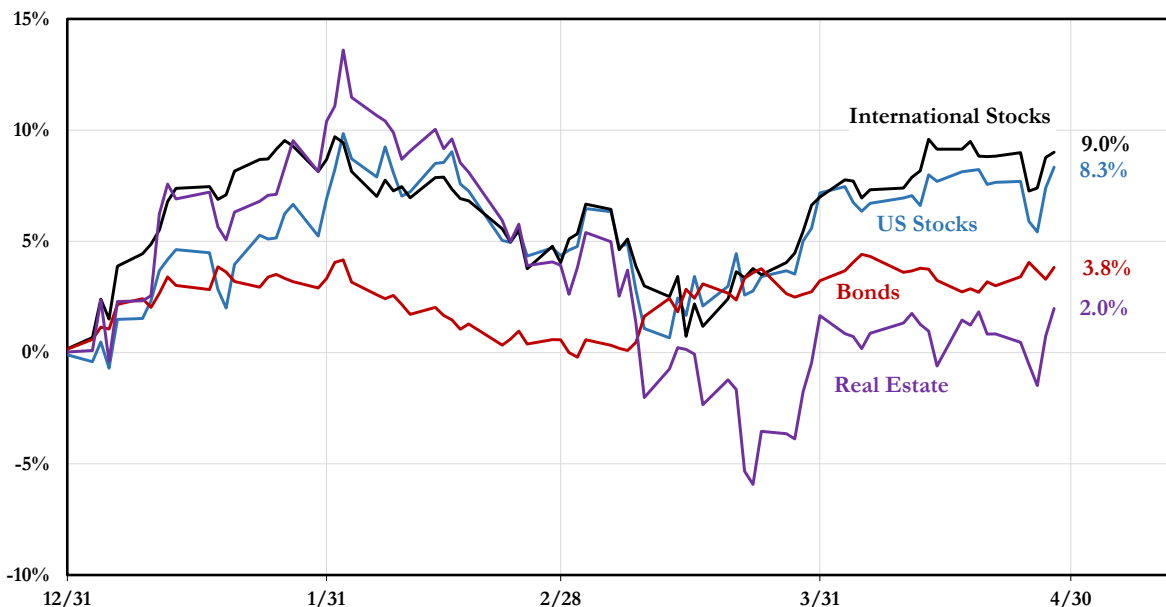
Investment markets improved in April with U.S. stocks up 1.1% and international stocks up 1.9%. Bonds finished higher by 0.6% and real estate was up 0.3%. On a year-to-date basis, U.S. stocks are up 8.3%, international stocks 9.0%, bonds 3.8% and real estate 2.0%. Breaking out international stocks, international developed markets were up 2.6% for the month and are up 9.0% YTD but emerging markets stocks fell 0.4% and are up 3.3% YTD.

Treasury yields ended the month nearly unchanged despite significant volatility. Two-year Treasuries dropped from 4.06% to 4.04% and 10-year Treasuries went from 3.48% to 3.44%.

April's CPI release revealed inflation up 5.0% year-over-year and core inflation (ex-food and energy) up 5.6%. Inflation has dropped substantially but it's far from the Federal Reserve's goal of 2.0%. The Federal Reserve hiked Fed Funds 25 basis points on May 3rd to a range of 5.0% to 5.25% and has indicated that any further action will be "data dependent". Fed Funds futures prices indicate a lower Fed Funds rate by the end of the year, implying a recession, but equity markets are more optimistic. Our expectation is that Fed Funds will hold at this level through the end of 2023.

Stocks are over-valued by many metrics and long bonds seem over-valued as well. However, we have seen over-valued markets before that never correct. Therefore, we remain in a neutral position with an overweight to growth stocks that reflects our long-term outlook.

Chart 1: Year-to-Date Market Performance as of April 30, 2023



Benchmark Performance Summary

Asset Class Benchmark Returns

Asset Class	1 Mo	YTD	2022	5 Yr
Global Equities	1.4%	8.7%	-18.0%	7.1%
U.S. Equities	1.1%	8.3%	-19.5%	10.5%
U.S. Large Cap Equities	1.5%	9.2%	-19.9%	11.2%
U.S. Large Cap Growth	1.0%	18.5%	-33.2%	13.1%
U.S. Large Cap Value	1.8%	0.8%	-2.1%	9.1%
U.S. Small Cap Equities	-1.2%	2.5%	-17.5%	6.4%
U.S. Small Cap Growth	-1.3%	6.7%	-28.4%	6.0%
U.S. Small Cap Value	-1.0%	-0.4%	-9.4%	6.1%
Ex-U.S. Equities	1.9%	9.0%	-16.1%	2.8%
Developed Market Equities	2.6%	10.9%	-15.4%	3.7%
Developed Market Growth	2.2%	14.4%	-23.1%	5.0%
Developed Market Value	3.5%	9.5%	-5.2%	1.8%
Emerging Market Equities	-0.4%	3.3%	-18.0%	0.4%
Fixed Income	0.6%	3.8%	-13.0%	1.2%
Ultrashort	0.4%	1.5%	1.5%	1.4%
Short Term	0.2%	1.9%	-3.9%	1.1%
Inflation Protected	0.0%	3.5%	-12.0%	2.9%
U.S. Aggregate Bond	0.6%	3.8%	-13.0%	1.2%
Real Estate	0.3%	2.0%	-26.2%	5.7%
Cash	0.4%	1.5%	1.5%	1.4%

Portfolio Benchmarks

Portfolio	1 Mo	YTD	2022	5 Yr
Vanguard Total World Stock ETF	1.4%	8.7%	-18.0%	7.1%
Vanguard Total U.S. Stock ETF	1.1%	8.3%	-19.5%	10.5%
Vanguard Lifestrategy Growth Fund 80/20	1.1%	7.4%	-17.1%	6.2%
Vanguard Lifestrategy Mod Growth Fund 60/40	1.0%	6.5%	-16.0%	5.0%
Vanguard Lifestrategy Cons Growth Fund 40/60	0.8%	5.6%	-15.0%	3.7%
Vanguard Lifestrategy Income Fund 20/80	0.6%	4.7%	-13.9%	2.4%
Vanguard Total U.S. Bond Market ETF	0.6%	3.9%	-13.1%	1.2%