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# June 2023 Market Update

Equities posted strong returns in June with U.S. equities up 6.7% and international equities up 4.5%. Bonds lost 0.4% while real estate gained 5.6%. On a year-to-date basis U.S. equities are off to a strong start, up 16.1%, followed by international stocks up 9.9%, real estate gaining 3.4% and bonds up 2.3%.

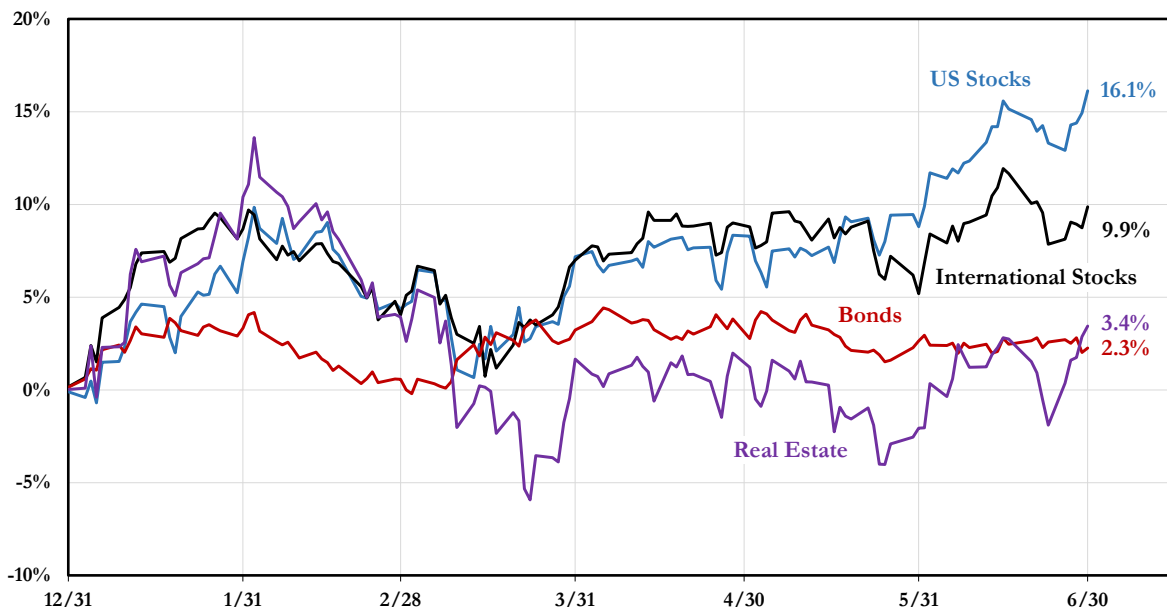
U.S. large cap growth stocks have had a phenomenal 6 months, gaining 33.2% while large cap value stocks gained only 2.5%. Keep in mind, however, that large cap growth is down 11.0% over the past 18 months and large cap value is up 0.4% over that time period.

Intermediate Treasury yields were strongly higher across 1- to 10-year maturities led by 2-year Treasuries which rose from 4.40% to 4.87%. The higher yields reflect expectations that the Fed will leave short-term rates higher for longer as the economy shows resilience in the face of higher interest rates.

June's CPI inflation release was up 4.0% year-over-year and core inflation (ex-food and energy) up 5.3%. On June 14 the FOMC chose to leave interest rates unchanged with the Fed Funds rate now at 5.0% to 5.25%. The market is expecting a 0.25% increase in Fed Funds at the next FOMC meeting on July 26<sup>th</sup>.

We reduced our overweight positions in growth stocks in June and kept other allocations close to long-term strategic targets.

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



# Benchmark Performance Summary

## *Asset Class Benchmark Returns*

Asset Class	1 Mo	YTD	2022	5 Yr
<b>Global Equities</b>	<b>5.8%</b>	<b>13.6%</b>	<b>-18.0%</b>	<b>8.0%</b>
<b>U.S. Equities</b>	<b>6.7%</b>	<b>16.1%</b>	<b>-19.5%</b>	<b>11.3%</b>
U.S. Large Cap Equities	6.6%	17.3%	-19.9%	12.1%
U.S. Large Cap Growth	6.9%	33.2%	-33.2%	14.5%
U.S. Large Cap Value	6.1%	2.5%	-2.1%	9.3%
U.S. Small Cap Equities	8.7%	9.2%	-17.5%	6.6%
U.S. Small Cap Growth	7.7%	14.9%	-28.4%	6.1%
U.S. Small Cap Value	9.5%	5.4%	-9.4%	6.2%
<b>Ex-U.S. Equities</b>	<b>4.5%</b>	<b>9.9%</b>	<b>-16.1%</b>	<b>3.7%</b>
Developed Market Equities	4.4%	11.5%	-15.4%	4.5%
Developed Market Growth	3.4%	15.0%	-23.1%	5.4%
Developed Market Value	5.7%	9.6%	-5.2%	3.0%
Emerging Market Equities	4.8%	5.0%	-18.0%	2.2%
<b>Fixed Income</b>	<b>-0.4%</b>	<b>2.3%</b>	<b>-13.0%</b>	<b>0.7%</b>
Ultrashort	0.4%	2.3%	1.5%	1.5%
Short Term	-0.5%	1.0%	-3.9%	0.9%
Inflation Protected	-0.2%	2.0%	-12.0%	2.4%
U.S. Aggregate Bond	-0.4%	2.3%	-13.0%	0.7%
<b>Real Estate</b>	<b>5.6%</b>	<b>3.4%</b>	<b>-26.2%</b>	<b>4.4%</b>
<b>Cash</b>	<b>0.4%</b>	<b>2.3%</b>	<b>1.5%</b>	<b>1.5%</b>

## *Portfolio Benchmarks*

Portfolio	1 Mo	YTD	2022	5 Yr
<b>Vanguard Total World Stock ETF</b>	<b>5.8%</b>	<b>13.6%</b>	<b>-18.0%</b>	<b>8.0%</b>
<b>Vanguard Total U.S. Stock ETF</b>	<b>6.7%</b>	<b>16.1%</b>	<b>-19.5%</b>	<b>11.3%</b>
Vanguard Lifestrategy Growth Fund 80/20	4.6%	11.2%	-17.1%	6.8%
Vanguard Lifestrategy Mod Growth Fund 60/40	3.4%	9.1%	-16.0%	5.4%
Vanguard Lifestrategy Cons Growth Fund 40/60	2.1%	6.9%	-15.0%	3.9%
Vanguard Lifestrategy Income Fund 20/80	0.9%	4.8%	-13.9%	2.2%
<b>Vanguard Total U.S. Bond Market ETF</b>	<b>-0.2%</b>	<b>2.4%</b>	<b>-13.1%</b>	<b>0.8%</b>