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# February 2024 Market Update

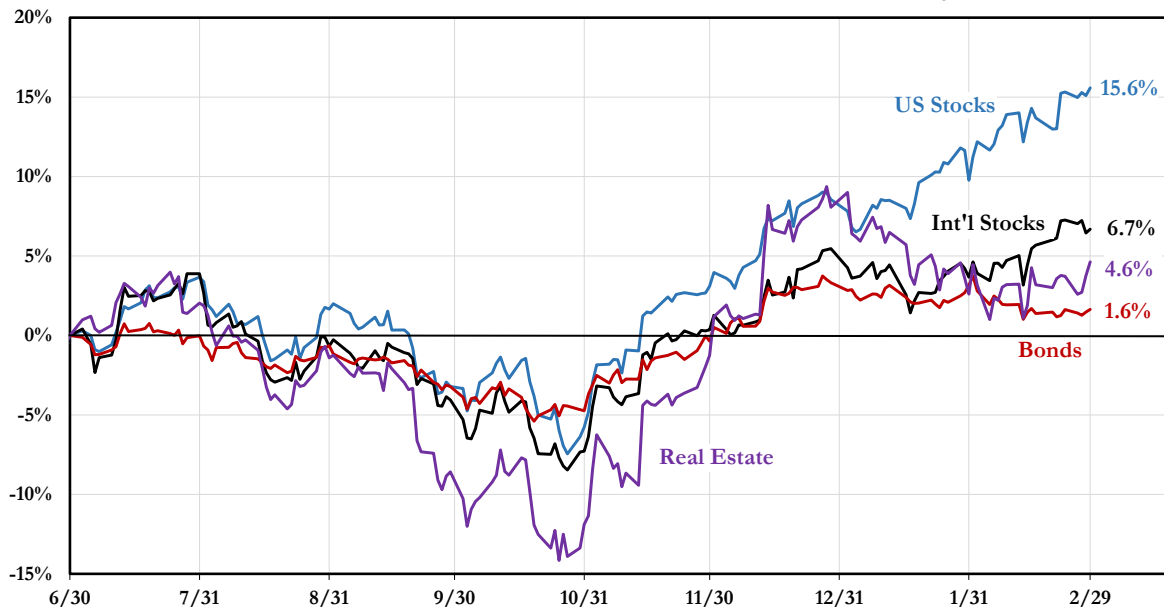
Once again, U.S. equities dominated in February, up 5.3% vs. international equities up 2.9%. U.S. equities are up 6.5% YTD and setting all-time highs while international equities are up 1.2% YTD and are 5.0% off their all-time high set in 2021. U.S. large-cap growth stocks are up 60% in the last 14 months and the next-closest subsector, U.S. small-cap growth, is up 27% over the same period.

Bonds lost 1.5% in February as intermediate- and long-term rates rose. Ten-year Treasuries rose from 3.99% to 4.25%. Real estate recovered somewhat, up 2.0% for February but down 3.2% on the year.

At the beginning of the year the market expected a softening economy and stabilizing inflation which will allow the Fed to lower interest rates. That outlook is getting challenged by market data that shows a resilient economy. The fact is the economy is doing fine at these higher interest rate levels and the need to reduce rates will not come into focus until inflation is fully under control.

U.S. large-cap growth stocks, driven by momentum, are being purchased with a seeming disregard for their high valuations. We see visions of the turn-of-the-century internet boom-bust cycle but we are nowhere near the sky-high valuations of that era. We remain over-allocated to U.S. large-cap growth stocks but we are keeping an open mind to the need to switch strategies if valuations get too stretched.

**Chart 1: 8-Month Market Performance as of February 29, 2024**



# Benchmark Performance Summary

## *Asset Class Benchmark Returns*

Asset Class	1 Mo	YTD	6 Mo	2023	3 Yr	10 Yr
<b>Global Equities</b>	4.5%	4.5%	11.3%	22.0%	6.5%	8.5%
<b>U.S. Equities</b>	5.3%	6.5%	13.7%	26.1%	9.7%	12.0%
U.S. Large Cap Equities	5.2%	7.1%	14.2%	27.2%	11.0%	12.5%
U.S. Large Cap Growth	7.1%	9.4%	17.9%	46.8%	11.1%	14.7%
U.S. Large Cap Value	3.3%	4.2%	10.0%	9.3%	10.7%	10.2%
U.S. Small Cap Equities	5.8%	2.9%	10.2%	18.2%	2.9%	8.4%
U.S. Small Cap Growth	8.0%	4.9%	10.9%	21.4%	-2.9%	8.0%
U.S. Small Cap Value	4.1%	1.5%	9.7%	16.0%	7.2%	8.4%
<b>Ex-U.S. Equities</b>	2.9%	1.2%	7.4%	15.9%	1.5%	4.2%
Developed Market Equities	2.7%	1.6%	8.5%	17.9%	3.7%	4.6%
Developed Market Growth	4.6%	4.9%	11.1%	17.6%	2.2%	5.3%
Developed Market Value	1.2%	0.1%	7.5%	18.9%	6.3%	2.9%
Emerging Market Equities	3.5%	-0.2%	4.2%	9.3%	-4.7%	3.5%
<b>Fixed Income</b>	-1.5%	-1.6%	2.3%	5.7%	-3.2%	1.4%
Ultrashort	0.4%	0.9%	2.7%	5.1%	2.5%	1.3%
Short Term	-0.5%	-0.1%	2.4%	4.3%	-0.1%	1.0%
Inflation Protected	-1.1%	-0.8%	1.8%	3.9%	-0.9%	2.0%
<b>Real Estate</b>	2.0%	-3.2%	6.1%	11.8%	2.7%	6.0%
<b>Cash</b>	0.4%	0.9%	2.7%	5.1%	2.5%	1.3%

## *Portfolio Benchmarks*

Portfolio	1 Mo	YTD	6 Mo	2023	3 Yr	10 Yr
<b>Vanguard Total World Stock ETF</b>	4.5%	4.5%	11.3%	22.0%	6.5%	8.5%
<b>Vanguard Total U.S. Stock ETF</b>	5.3%	6.5%	13.7%	26.1%	9.7%	12.0%
Vanguard Growth Fund 80/20	3.4%	3.3%	9.6%	18.5%	4.5%	7.6%
Vanguard Mod Growth Fund 60/40	2.2%	2.1%	7.8%	15.5%	2.7%	6.2%
Vanguard Cons Growth Fund 40/60	1.1%	0.9%	6.2%	12.5%	0.9%	4.7%
Vanguard Income Fund 20/80	0.0%	-0.3%	4.4%	9.5%	-1.0%	3.1%
<b>Vanguard Total U.S. Bond Mkt ETF</b>	-1.5%	-1.6%	2.3%	5.7%	-3.2%	1.4%