

MONTHLY SUMMARY | APRIL 2024



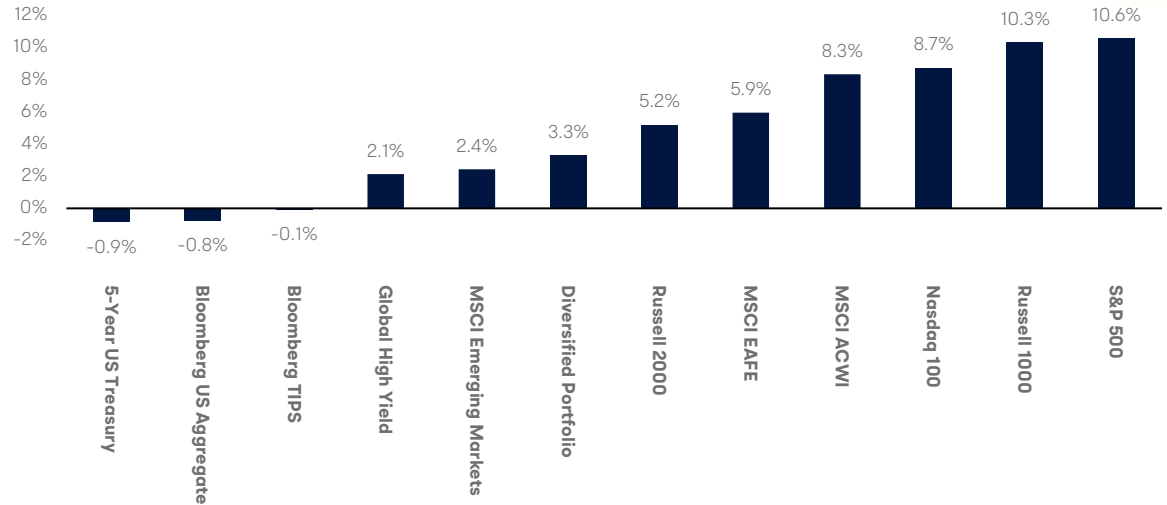
Market Expectations & Sentiment

- Consensus estimates for earnings and profit growth in the United States' stock market continue to indicate optimism, with year-over-year earnings growth and operating margins expected to be in the low double-digits.
- Certain positions, such as low short interest on stocks and a low ratio of puts to calls suggest that a more sanguine view on risk is currently prevalent in the market.
- The market appears to expect the yield on Treasury bonds net of inflation to average slightly less than 1%, as was often the case in years closely prior to COVID. If this expectation proves to be correct, bonds may look increasingly attractive versus stocks, placing downward pressure on stock valuations.

Economic & Financial

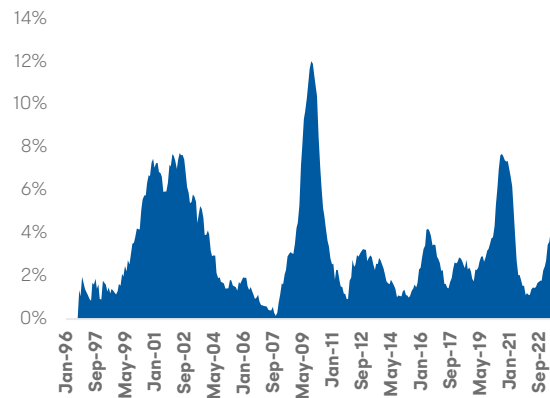
- One-, three- and six-month average inflation figures have been accelerating, challenging the view that the Federal Reserve's work towards taming inflation is complete.
- Continued higher rates are showing to have bifurcated effects across different types of entities. Notably, smaller businesses, lower-income consumers, commercial real estate, and regional banks are more negatively sensitive to elevated interest rates.
- Market breadth, or the diffusion of winners across the stock market, has increased over the last month. This is generally viewed positively as it may indicate a more broadly felt economic expansion.
- Looking outside of the United States, the Japanese stock market appears to have a myriad of potential tailwinds such as improving growth and inflation dynamics, low valuations, and a relatively inexpensive currency that may benefit exports.

Total Returns for Select Indexes: YTD Through March 2024

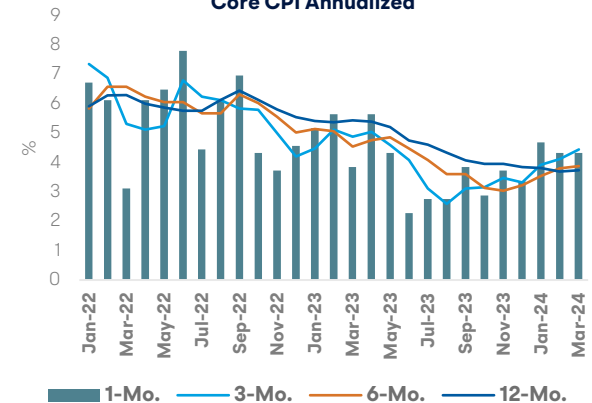


Diversified Portfolio is comprised of 40% MSCI ACWI, 40% Bloomberg US Aggregate, 5% FTSE US 3 Mo. T-Bills, 9%, HFRX Global Hedge Funds, 3% Bloomberg Commodity Index, and 3% FTSE NAREIT All Equity REITS Total Return Index

US Leveraged Loan Default Rate



The Inflation Story is Unresolved Core CPI Annualized



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