

INVESTMENT COMMITTEE HOUSE VIEWS

2.1.2023

Macroeconomic Environment

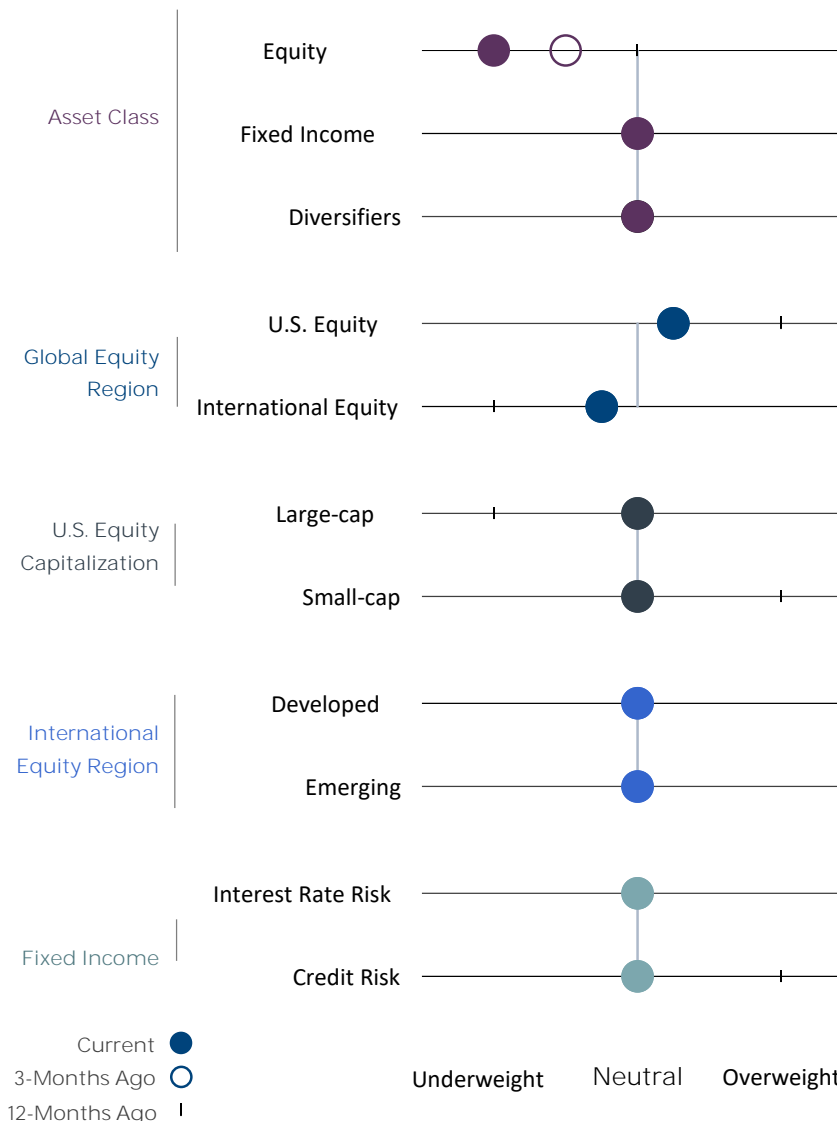
U.S. Equity Valuations	Recent equity market rally puts greater importance on 2023 earnings
Corporate Earnings	Analyst estimates slowly falling, but remain positive for 2023
Policy Backdrop	Increasing dislocation in future rate expectations between market vs. the Fed
Consumer Sentiment	Modest improvement but remains low
Volatility	Heightened as investors anticipate the Fed is nearing the end of its tightening cycle

Market Outlook

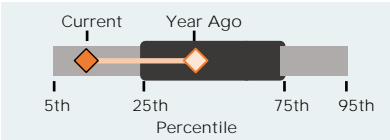
Labor market strength providing support for economy but complicating the Fed's job and increasing policy uncertainty
Optimism in the Fed's ability to accomplish an economic soft landing is rising. Still, corporate earnings are necessary to navigate economic crosswinds and support valuations
Political polarization will create an intense debt-ceiling debate, providing financial media with more anxiety-inducing headline material

Positioning Themes

Asset Class	Remain defensively positioned relative to long-term strategic targets
U.S. Equity	Maintaining a slightly lower overall beta with a modest value tilt in large-cap and a quality growth tilt in small-cap
Int'l Equity	Evaluating options to possibly eliminate our underweight exposure and further balance our growth vs. value positioning
Fixed Income	Short-term, quality bond positions provide flexibility to capitalize on market volatility
Alternatives	Cautious as risks are rising; may present targeted opportunities

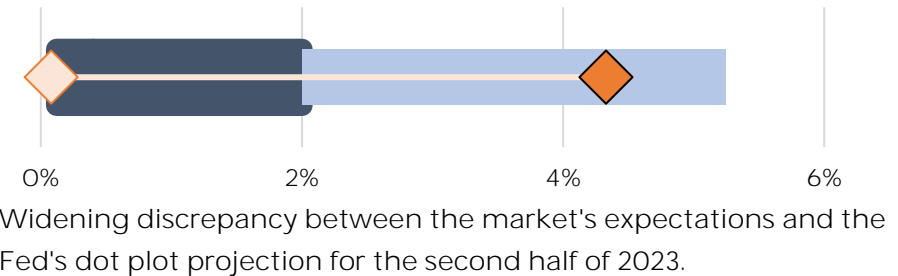


KEY INDICATORS 2.1.2023

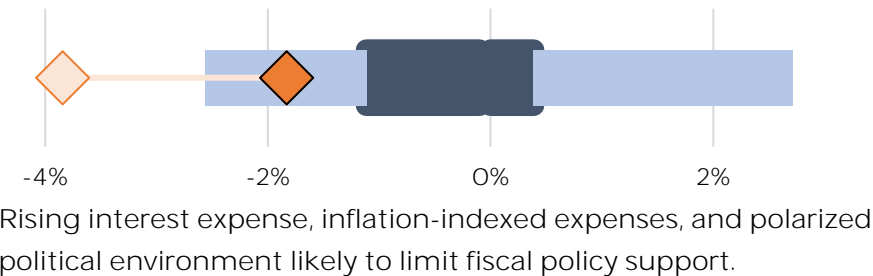


Policy Environment

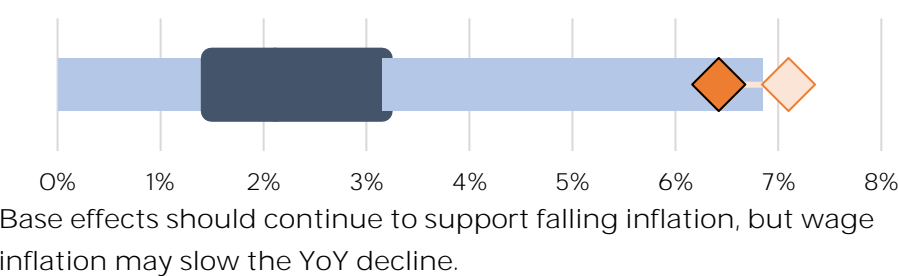
Fed Funds Rate



Fiscal Policy GDP Impact

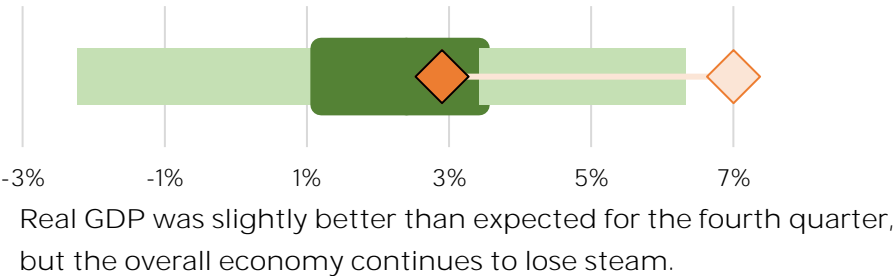


Inflation (CPI-U, YoY%)

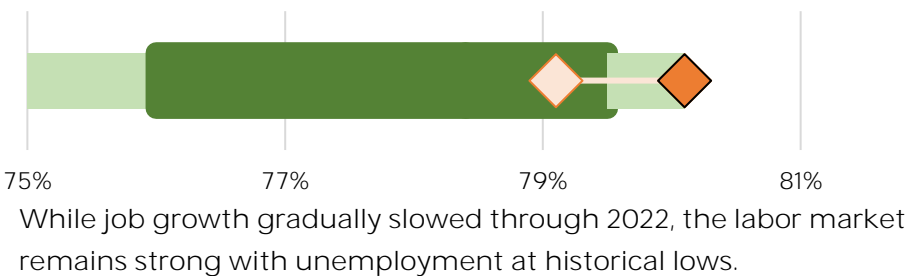


Economic Fundamentals

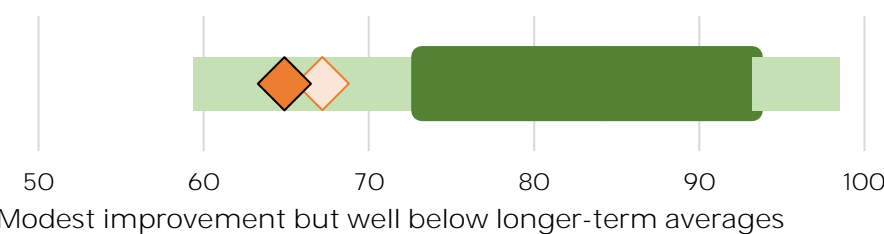
Real GDP Growth



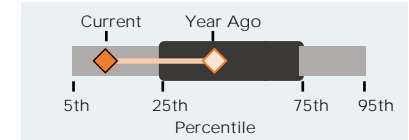
Employment/Population, 25-54



Consumer Sentiment

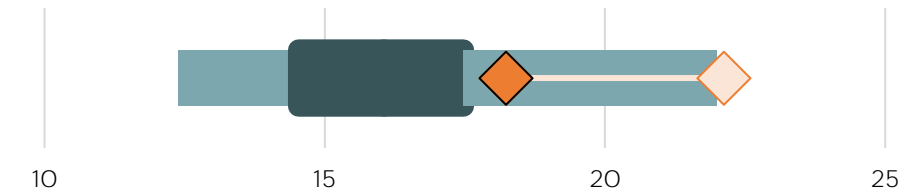


KEY INDICATORS 2.1.2023



Valuations

U.S. Price/Earnings (Forward)

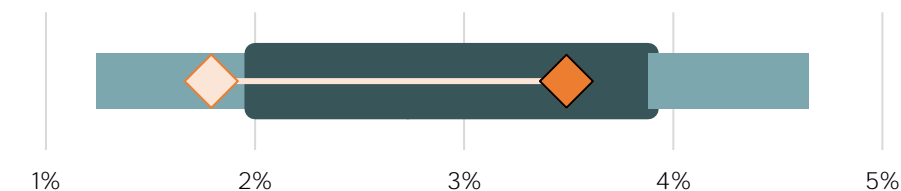


Market rally has pushed valuations back above long-term averages putting more importance on 2023 earnings

International Price/Earnings (Forward)



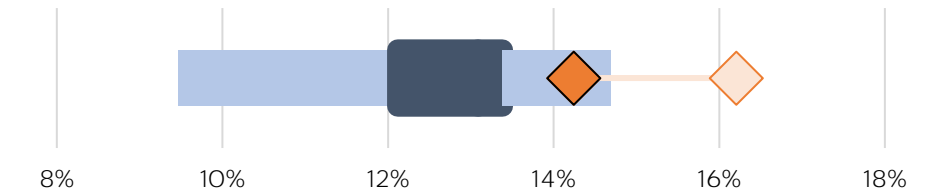
10-year Treasury Yield



Yields have declined modestly due to market technicals and optimism the Fed is nearing an end to its tightening cycle.

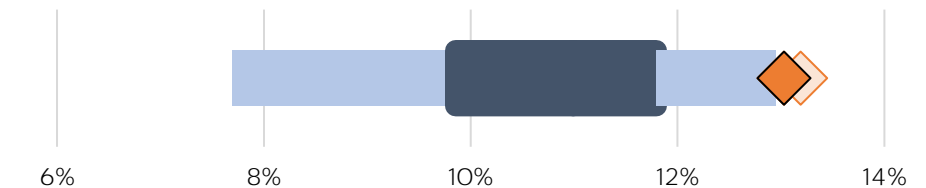
Financial Conditions

U.S. Operating Margins

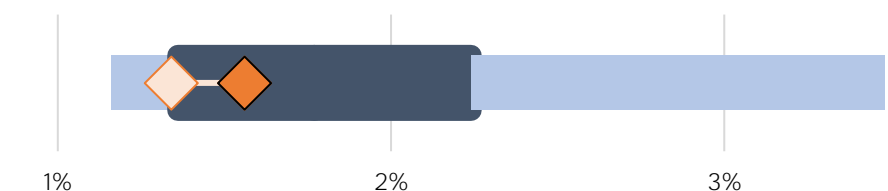


Although above long-term averages, operating margins are contracting as higher input costs are outpacing higher prices.

International Operating Margins



Credit Spreads



IMPORTANT INFORMATION

Disclaimer

The portfolio positioning guidelines described represent the baseline views of the CAPTRUST Investment Committee. Fulfillment within specific portfolios may vary depending upon operational differences, client circumstances, or other factors. Opinions expressed are subject to change without notice. This is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. This presentation is for informational purposes only. CAPTRUST does not render legal, tax or, accounting advice. This information has been compiled using data from sources believed to be reliable but cannot be guaranteed to be accurate or complete.

Data Sources

Page 1: CAPTRUST Investment Committee

		From:	To:
Page 2:	Fed Funds Rate	Federal Funds Effective Rate, Board of Governors of the Federal Reserve System (US), retrieved from FRED, Federal Reserve Bank of St. Louis	Jan 2003 Jan 2023
	Fiscal Policy GDP Impact	Hutchins Center Fiscal Impact Measure, The Brookings Institution	Jan 2003 Jan 2023
	Inflation (CPI-U, YoY%)	Consumer Price Index for All Urban Consumers: All Items in U.S. City Average, U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis	Jan 2003 Dec 2022
	Real GDP Growth	Real Gross Domestic Product, U.S. Bureau of Economic Analysis, retrieved from FRED, Federal Reserve Bank of St. Louis	Q1-2003 Q4-2022
	Employment/Population, 25-54	Employment-Population Ratio - 25-54 Yrs., U.S. Bureau of Labor Statistics, retrieved from FRED, Federal Reserve Bank of St. Louis	Jan 2003 Dec 2022
	Consumer Sentiment	University of Michigan: Consumer Sentiment, University of Michigan, retrieved from FRED, Federal Reserve Bank of St. Louis	Jan 2003 Jan 2023

Page 3:	U.S. Price/Earnings (Forward)	Bloomberg, S&P 500 BEst Price Earnings Ratio (next 4 quarters), monthly	Jan 2003 Jan 2023
	Int'l Price/Earnings (Forward)	Bloomberg, MSCI ACWI ex-U.S. Forward PE Ratio, monthly	Jul 2005 Jan 2023
	10-year Treasury Yield	Market Yield on U.S. Treasury Securities at 10-Year Constant Maturity, Quoted on an Investment Basis, Board of Governors of the Federal Reserve System (U.S.), retrieved from FRED, Federal Reserve Bank of St. Louis	Jan 2003 Jan 2023
	U.S. Operating Margins	Bloomberg, S&P 500 Operating Margin(Qtr), monthly	Jan 2003 Jan 2023
	International Operating Margins	Bloomberg, MSCI ACWI Ex U.S. Operating Margins, monthly	Jan 2003 Jan 2023
	Credit Spreads	ICE BofA BBB US Corporate Index Option-Adjusted Spread, Ice Data Indices, LLC, retrieved from FRED, Federal Reserve Bank of St. Louis	Jan 2003 Jan 2023

