MONTHLY FLASH REPORT

ETF RISK-BASED STRATEGIES | JUNE 2023

This monthly report is intended only for CAPTRUST clients who have given us discretionary trading authority over their investment portfolios. This report highlights market outlook and commentary, financial market index performance, our tactical asset allocation weightings, performance on the specific investments we use in our discretionary strategies, and qualitative strategy updates. The opinions expressed in this report are subject to change without notice.

MARKET **REWIND**

So far in 2023, recession predictions have failed to materialize, with labor markets and consumer strength expanding the economy instead. In June, both large- and small-cap stocks rose sharply, bolstered by artificial intelligence enthusiasm. With interest rate hikes on hold, bond prices dipped modestly. Real estate rose, although uncertainty remains high. Despite year-to-date declines in oil and precious metals prices, commodities posted a gain this month.

Outside the U.S., international developed markets rallied. Their emerging market counterparts lagged, weighed down by disappointing economic activity in China.

LOOKING **FORWARD**

We expect short-term market volatility as higher debt burden for consumers, corporations, and the government may impact economic growth. Tighter lending standards and the Fed's commitment to lowering inflation to 2 percent will likely add pressure. Also, geopolitical challenges persist, including war in Ukraine and slower-than-expected post-pandemic recovery in China. Given these uncertainties, we remain cautious in our portfolio positioning.

Index Performance Numbers as of 6.30.23

Asset Classes	June	YTD	1 Year	3 Years	5 Years
U.S. Large-Cap Stocks	6.61%	16.89%	19.61%	14.61%	12.31%
U.S. Small-Cap Stocks	8.13%	8.09%	12.32%	10.83%	4.21%
International Developed Stocks	4.55%	11.67%	18.79%	8.94%	4.39%
Emerging Market Stocks	3.80%	4.89%	1.75%	2.32%	0.93%
U.S. Bonds	-0.36%	2.09%	-0.94%	-3.97%	0.77%
Real Estate	5.76%	4.04%	-2.66%	5.97%	4.57%
Commodities	4.04%	-7.79%	-9.62%	17.83%	4.73%
Cash	0.45%	2.32%	3.73%	1.32%	1.54%

Asset class returns are represented by the following indices: S&P 500 Index (U.S. Large-Cap Stocks), Russell 2000 Index (U.S. Small-Cap Stocks), MSCI EAFE Index (International Developed Stocks), MSCI Emerging Markets Index (Emerging Market Stocks), Bloomberg U.S. Aggregate Bond Index (U.S. Bonds), Dow Jones U.S. Real Estate Index (Real Estate), Bloomberg Commodity Index (Commodities), and ICE Bank of America 0-3 Month U.S. Treasury Bill Index (Cash).

Current Tactical View

U.S. Stocks
UNDERWEIGHT

International Stocks
UNDERWEIGHT

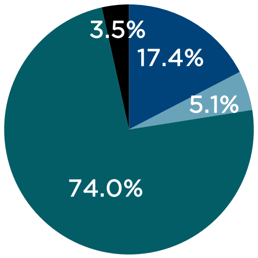
Bonds
NEUTRAL

Investment Returns

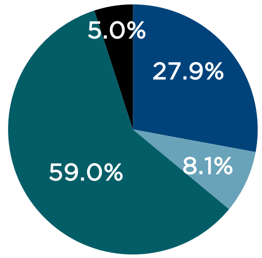
U.S. Stocks	June	YTD
iShares Core S&P 500 Index	6.60%	16.88%
Vanguard Growth Index	7.00%	33.21%
Vanguard Value Index	6.15%	2.55%
SPDR® Technology Select Sector Index	6.18%	40.37%
iShares S&P Mid-Cap 400 Growth Index	8.69%	10.36%
Vanguard Small-Cap Index	8.72%	9.26%
iShares MSCI USA Minimum Volatility Factor	4.50%	3.91%
iShares MSCI USA Momentum Factor	6.97%	-0.21%
International Stocks	**June**	**YTD**
Vanguard FTSE Developed Markets Index	4.40%	11.14%
iShares Core MSCI Emerging Markets Index	4.22%	6.15%
Bonds	**June**	**YTD**
iShares Core U.S. Aggregate Bond Index	-0.36%	2.26%
Vanguard Short-Term Bond Index	-0.61%	1.26%
PIMCO Short-Term Municipal Bond Activ	0.45%	1.59%
iShares iBonds 2023 Term Treasury Index	0.46%	2.26%
iShares iBonds 2024 Term Treasury Index	0.09%	1.53%
iShares iBonds 2025 Term Treasury Index	-0.62%	1.04%
iShares 20+ Year Treasury Bond Index	0.17%	4.88%
iShares 1-5 Year Investment Grade Corporate Bond	-0.27%	1.91%
iShares National Municipal Bond Index	0.79%	2.43%
iShares Short-Term National Municipal Bond Index	0.48%	0.80%

Current Asset Allocations

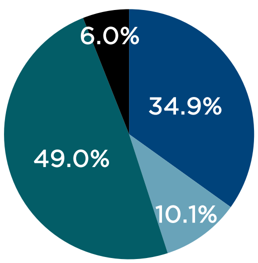
ETF Income Strategy



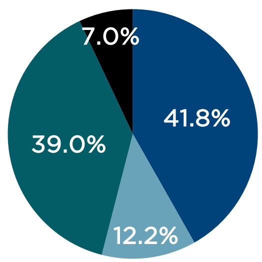
ETF Conservative Strategy



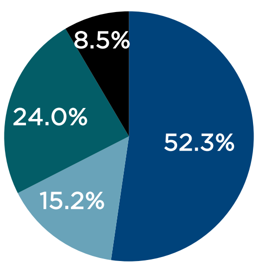
ETF Balanced Strategy



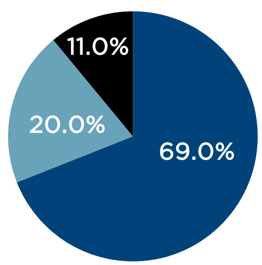
ETF Moderate Strategy



ETF Growth Strategy



ETF All Equity Strategy



U.S. Stocks | International Stocks | Bonds | Cash

STRATEGY **UPDATE**

The Investment Committee made no changes to the ETF Risk-Based Strategies in June.

- Our U.S. equity investments posted solid results in June as market breadth improved beyond the significant seven mega-cap growth stocks. While growth-oriented equities continued to outperform, small-cap and value-oriented equities also saw notable gains as the potential for artificial-intelligence-related productivity enhancement reached across industries. Corporate earnings results in July will be an indicator of whether strong consumer spending is offsetting the impact of higher labor costs and continued inflation in certain areas of the market.

- International investments also saw strong returns, despite similar economic woes and a strengthening U.S. dollar. European stocks moved higher on hopes of an end to the rate hike cycle as inflation fell more than expected. Emerging markets posted positive returns, despite weakness in China. As pent-up post-pandemic demand fades, China's economy is dependent on an increase in consumer spending and manufacturing activity that has failed to materialize. Rising trade tensions could worsen the outlook.

- While uncertainty regarding the debt ceiling has abated, fixed income investments still faced a volatile month. Despite the Fed holding rates steady in June, stronger than expected economic results increased investor expectations for rate hikes later in the year. Yields climbed and bond prices were pressured as a result. Our portfolio remains positioned to mitigate interest rate risk by maintaining a balanced allocation to higher-quality bonds and more liquid instruments, including U.S. Treasurys.