

# MONTHLY FLASH REPORT

CAPTRUST | CAPITAL PRESERVATION STRATEGY | 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

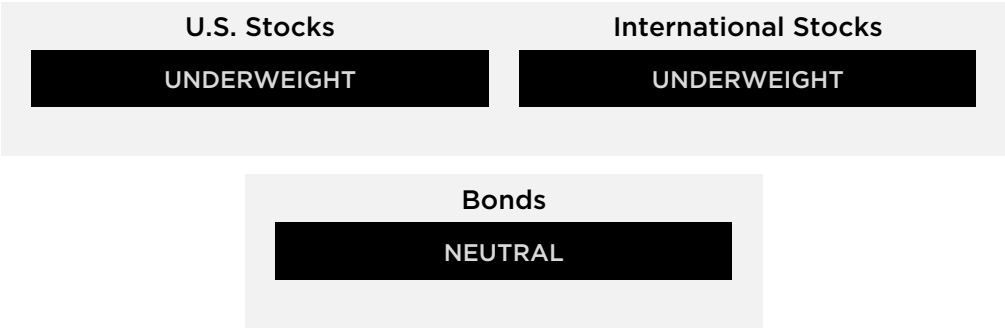
We expect short-term market volatility as higher debt burden for consumers, corporations, and the government may impact economic growth. Tighter lending standards and the Fed's commitment to lowering inflation to 2 percent will likely add pressure. Also, geopolitical challenges persist, including war 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).

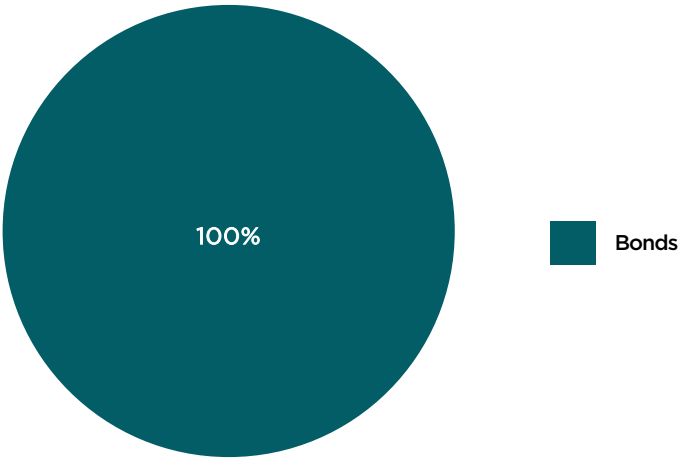
## Current Tactical View



Investment Returns

Short-Term Bonds	June	YTD
iShares 1-3 Year Treasury Bond Index	-0.53%	0.94%
Guggenheim Limited Duration I	0.07%	2.83%
PIMCO Low Duration Income I	1.32%	3.58%
DoubleLine Low Duration Bond I	0.18%	2.58%
FPA New Income I	-0.10%	2.24%
Wells Fargo Short-Term Municipal Bond I	0.52%	1.37%
Invesco Short Term Municipal Bond Y	0.26%	1.36%
PGIM Short Duration Municipal High Income Z	0.81%	1.76%
Nuveen Short Term Municipal Bond I	0.48%	1.10%
Bonds	June	YTD
iShares iBonds 2023 Term Corporate Index	0.48%	2.46%

Current Asset Allocation

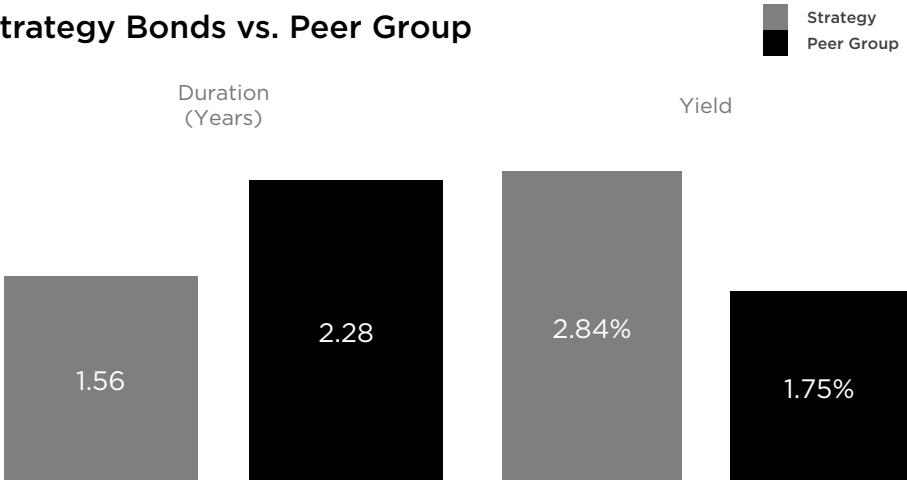


STRATEGY UPDATE

The Investment Committee made no changes to the Capital Preservation Strategy in June.

While uncertainty regarding the debt ceiling has abated, fixed income managers 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.

Strategy Bonds vs. Peer Group



Data based upon positioning of the DCP Capital Preservation with Munis strategy as of 6.30.23 compared to the Morningstar Muni National Short peer group.

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