MONTHLY FLASH REPORT

RISK-BASED STRATEGIES | MARCH 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**

The quarter ended on a high note, although a shaky one. In early March, two large banks failed, and policymakers stepped in to keep isolated problems from becoming a systemic crisis. Despite the headlines, stock and bond markets were surprisingly calm. The financial sector drooped, and investors sought comfort via mega-cap technology companies with ample cash flows. Large-cap stocks floated upward, while small-cap stocks sank. Skeptical of future Fed actions, bond investors drove prices higher as yields slipped lower.

Outside the U.S., international developed and emerging markets continued to climb, although most March gains were driven by currency moves. As in February, commodities fell behind. All other asset classes are positive for the year.

LOOKING **FORWARD**

The year's strong start has been a welcome reprieve. However, that strength has not been widespread, with the largest companies recording the largest gains. The Fed already faced the difficult task of returning price stability. Now, it also must consider financial system stability when making future policy decisions.

Our optimism rests on the strength of the labor market and consumer spending. However, the wide dispersion between mega-cap gains and small-cap losses makes us cautious, as does continuing geopolitical uncertainty. As the year unfolds, we'll be watching closely.

Index Performance Numbers as of 3.31.23

Asset Classes	March	YTD	1 Year	3 Years	5 Years
U.S. Large-Cap Stocks	3.67%	7.50%	-7.73%	18.62%	11.19%
U.S. Small-Cap Stocks	-4.78%	2.74%	-11.61%	17.52%	4.71%
International Developed Stocks	2.48%	8.47%	-1.38%	12.99%	3.52%
Emerging Market Stocks	3.03%	3.96%	-10.71%	7.83%	-0.91%
U.S. Bonds	2.54%	2.96%	-4.79%	-2.77%	0.91%
Real Estate	-1.76%	1.57%	-18.72%	9.79%	5.64%
Commodities	-0.21%	-5.36%	-12.50%	20.84%	5.36%
Cash	0.42%	1.09%	2.61%	0.91%	1.38%

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

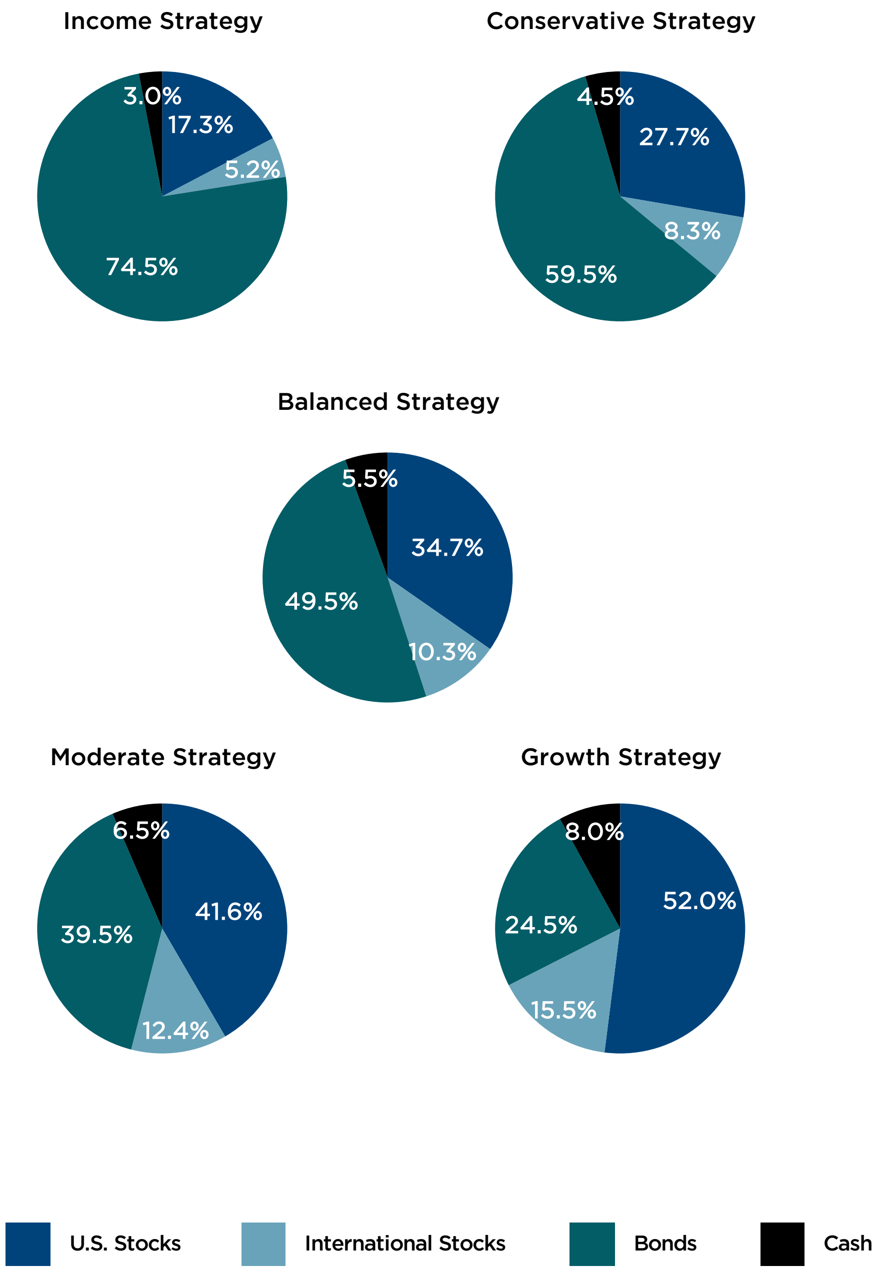
International Stocks: UNDERWEIGHT

Bonds: NEUTRAL

Investment Returns

U.S. Stocks	March	YTD
Fidelity® S&P 500 Index	3.67%	7.50%
Vanguard Value Index	-0.47%	-0.98%
JPMorgan Large Cap Growth I	5.24%	9.14%
iShares MSCI USA Momentum Factor	0.39%	-4.23%
SPDR® Technology Select Sector Index	10.84%	21.62%
iShares MSCI USA Minimum Volatility Factor	3.36%	1.27%
MFS New Discovery Value I	-6.21%	0.71%
T. Rowe Price QM U.S. Small-Cap Growth Equity I	-0.85%	7.19%
International Stocks	**March**	**YTD**
American Funds EuroPacific Growth F3	4.66%	9.88%
MFS International Growth I	5.18%	9.19%
Dodge & Cox International Stock	0.88%	6.15%
Capital Group International Focus Equity	5.34%	10.63%
Bonds	**March**	**YTD**
DoubleLine Low Duration Bond I	0.80%	1.89%
Guggenheim Total Return Bond I	1.71%	3.90%
Baird Intermediate Bond	1.94%	2.38%
PIMCO Income I	1.11%	2.56%
iShares iBonds 2023 Term Treasury Index	0.54%	1.15%
iShares iBonds 2024 Term Treasury Index	1.19%	1.36%
iShares iBonds 2025 Term Treasury Index	1.88%	1.79%
iShares 20+ Year Treasury Bond Index	4.80%	7.45%
Fidelity® Municipal Income	2.18%	3.07%
American Funds Limited Term Tax-Exempt Bond F3	1.58%	1.71%
Nuveen Limited Term Municipal Bond I	1.37%	1.48%
American Funds Short-Term Tax-Exempt Bond F3	1.31%	1.24%

Current Asset Allocations



STRATEGY **UPDATE**

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

- Results for our U.S. equity managers were mixed in March. Managers with a small-cap or value-oriented tilt were negatively impacted by the hit to bank shares, while large-cap and growth-oriented managers were buoyed by lower rate expectations. As companies begin to report first quarter earnings in April, pressure on corporate profitability could have a larger impact on returns.

- Our international managers posted strong returns in March, rounding out the quarter on a high note. Developed market stocks were helped by the steepest drop in Eurozone inflation on record, offsetting the declines seen in the banking sector. Chinese stocks continue to benefit from economic reopening momentum. A weaker U.S. dollar contributed to gains.

- Returns for our bond managers were positive in March, adding to year-to-date gains. Turmoil in the banking industry left investors seeking traditionally safe havens. The flight to safety raised fixed income prices, which in turn lowered yields. Given ongoing market volatility, we have positioned the portfolio to mitigate interest rate risk by maintaining a balanced allocation to higher-quality bonds and more liquid instruments, including U.S. Treasurys.