A New Bull's Eye

1st Quarter, 2024

Summary

- Equity markets concluded the first three months of 2024 on a strong note as the S&P 500 achieved new all-time highs. The Russell 2000 small cap index ended March at its highest level since January 2022.
- With inflation remaining persistently above its stated 2% target, the Fed's position may be shifting, and it seems more willing to tolerate these higher levels.
- Ongoing unchecked fiscal spending is driving up the federal deficit and interest costs.
- If inflation stays higher and long-term bond yields remain under control, higher equity valuations may be sustained, but persistently high interest rates may continue to challenge the interest-rate-sensitive areas of the market.

Overview

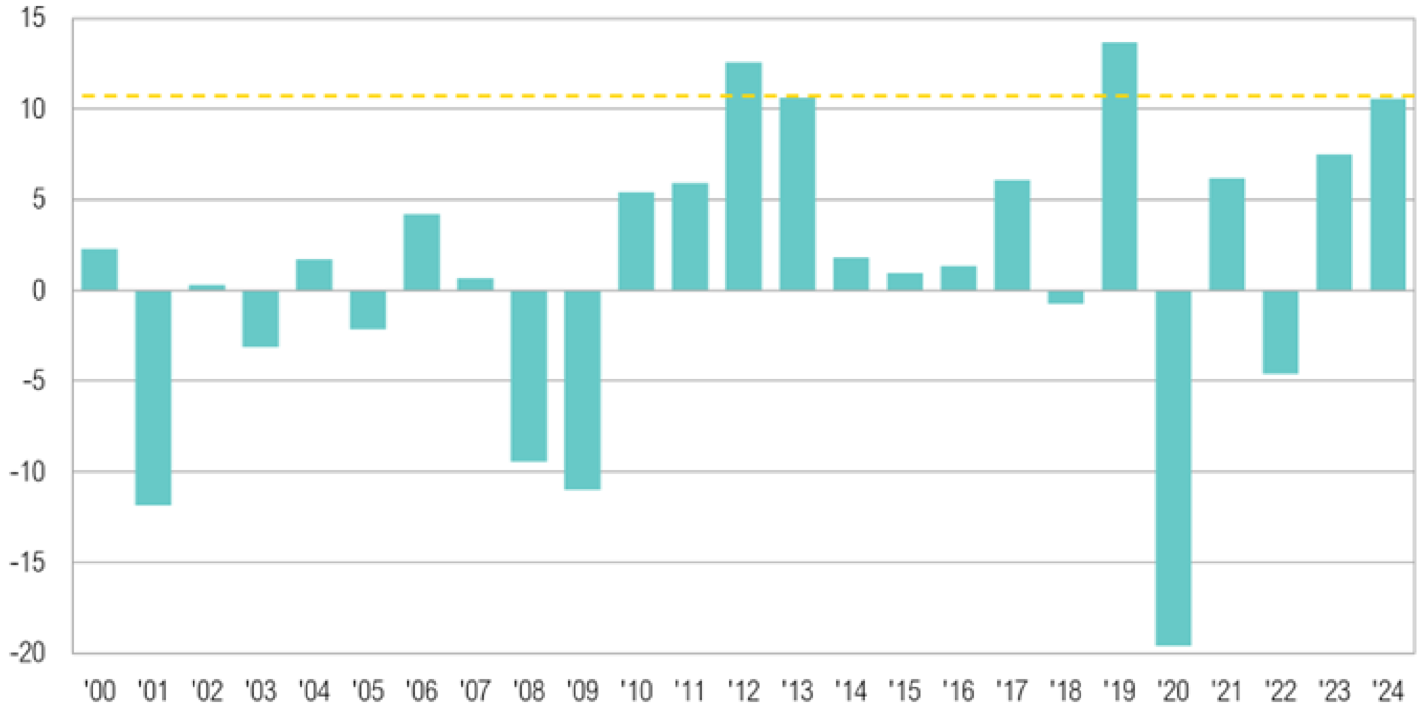
Equity markets ended the first quarter on a strong note. The S&P 500 continued to climb to new all-time highs throughout the quarter, with U.S. large cap stocks ending the quarter up a noteworthy 10.6%. The Russell 2000 ended March at its highest level since January 2022, a sign that the equity market rally could be broadening. U.S. small cap stocks were up 2.5% in March and up 5.2% for the quarter. Conversely, the Bloomberg U.S. Aggregate Bond Index ended the first quarter down -0.8%, and interest-rate-sensitive areas of the market continued to feel the pressure of higher rates, as real estate was the only S&P 500 sector to end the quarter with negative returns declining -0.5%.

Final gross domestic product (GDP) results, released at the end of March, confirmed that the U.S. economy remained strong throughout 2023. Fourth-quarter GDP growth was revised upward from 3.2% to an annualized 3.4%, and the personal consumption expenditure component of GDP grew from 3.0% to 3.3%. The federal government component of GDP grew by an annualized 2.4% in the fourth quarter. There were further signs of economic strength over the first quarter of 2024, as Manufacturing sector activity grew for the first time since October 2022, as evidenced by the ISM Manufacturing PMI's March reading of 50.3 (a reading above 50 signals expansion in the sector).

MARTHA'S VINEYARD INVESTMENT ADVISORS

Q1 2024 Posted the Third-Best First Quarter Return Since 2000

Q1 Return, %



Source: Bloomberg

Following the conclusion of the fourth quarter 2023 earnings season, earnings growth for the period was revised upward to 4.2% from an initial forecast of 1.5% at the end of 2023. This improved outlook was primarily driven by the communication services and consumer discretionary sectors. Full-year earnings growth projections for 2024 were at 11.0% at the end of March. Current S&P 500 valuations remain well above historical averages. The forward 12-month price-to-earnings (PE) ratio has hit 21.1, surpassing both the 5-year and 10-year averages of 19.1 and 17.9, respectively. Within the S&P 500, information technology sector valuations continued to climb from 26.7 to 28.4, as price gains outpaced earnings growth expectations. Even though tech sector valuations are high, they remain significantly lower than what was seen during the Tech Bubble, where forward PE ratios peaked at 55.2 in March 2000. The information technology sector's 12.7% gain over the quarter was largely dominated by AI-leader Nvidia, which ended the quarter up 82.5%. The communication services sector was the top-performing asset class during the quarter, rising 15.8%. Notably, Tesla, one of the 10 largest companies in the S&P 500 by market cap, ended the quarter down 30.6%, making it the worst-performing stock of the entire S&P 500 for the year to date.

One year after the collapse of Silicon Valley Bank—an event that precipitated the failure of two additional U.S. banks—regional banks remain under close scrutiny. Many regionals have continued to grapple with an increase in delinquencies for commercial real estate loans and consumer loans (including credit cards and auto loans), and delinquency rates are approaching those last seen during the Global Financial Crisis. For example, the share price of New York Community Bank (NYCB) has fallen over 70% year to date, triggered by a report in early February that the bank's loan loss provisions had exceeded expectations by more than tenfold. The bank's challenges primarily stem from issues within its loan portfolio, notably $5 billion in multi-family loans that it acquired during the pandemic, which are starting to show signs of delinquency. Regional banks ended the first three months of 2024 down 6.3%.

March also marked the second anniversary of the Federal Reserve's first rate hike of the current cycle. For the past three years, inflation has remained above 3% due to the combination of a strong labor market, robust spending rates, and strong economic growth. However, the Fed's apparent willingness to cut interest rates may indicate that its inflation target has shifted from two percent to a more easily reachable three-ish percent.

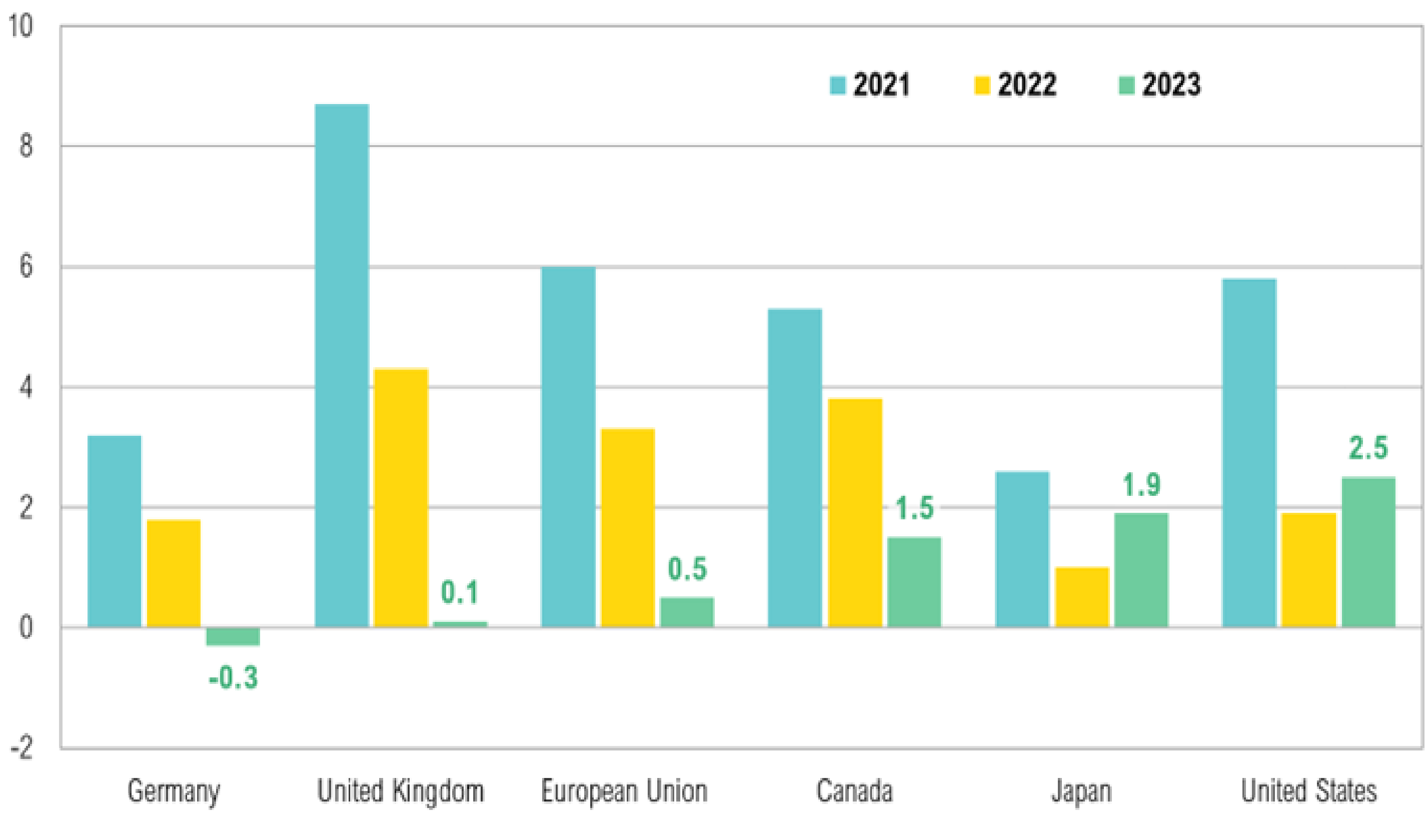
A New Bull's Eye

Rarely does one of the world's most influential and reputable central banks increase its forecast for inflation and growth, while simultaneously guiding to a dovish policy approach. However, on March 20, the U.S. Federal Reserve revised upward its GDP growth and inflation projections while also improving its employment outlook for the year. It also communicated a readiness to accept elevated inflation for an extended period and a willingness to slow the reduction of its balance sheet.

Inflation has been above the Federal Reserve's stated target for three years. Robust spending (from both consumers and the government) has kept the U.S. economy strong throughout the Fed's aggressive rate-hiking cycle that started in March 2022 when headline inflation was at 8.5%. In 2023, real GDP increased by an annualized 2.5%, compared to a 1.9% increase in 2022. The U.S. remains a positive outlier in global economic growth, far outpacing developed nation peers. For example, in 2023, real GDP grew by 1.9% in Japan and 0.1% in the United Kingdom and declined by 0.3% in Germany. The relatively strong growth in real GDP in the U.S. in 2023 was primarily reflected in consumer spending and government spending.

Outlier 2023 U.S. GDP Growth Fueled by Spending

Annualized Year-over-Year Growth, %



Source: Bloomberg, OECD.

Consumer spending in the U.S. remains resilient, despite elevated prices and higher interest rates. Consumers continue to rely on credit cards to support spending, as evidenced by the $14.1 billion monthly increase in consumer credit in February. Additionally, the personal savings rate dipped to 3.6% in February, which remains well below the 2009 to 2019 average savings rate of 6.1%. Contributing to consumers' willingness to take on new debt and save in lower rates, the unemployment rate remains near four-decade lows, at 3.8%. Personal spending jumped by 0.8% in February, which was the largest monthly gain since January 2023. Consumer sentiment ticked up over the quarter, ending March at 79.4 — the highest level since July 2021. Sentiment was boosted by a rising stock market and lower inflation expectations, while many companies continued to report strong consumer demand throughout the quarter. According to Mastercard President Linda Kirkpatrick:

"The consumer remains resilient and consumer spending remains robust. As we look to both macro factors as well as Mastercard's own data, we see that spending is quite healthy."

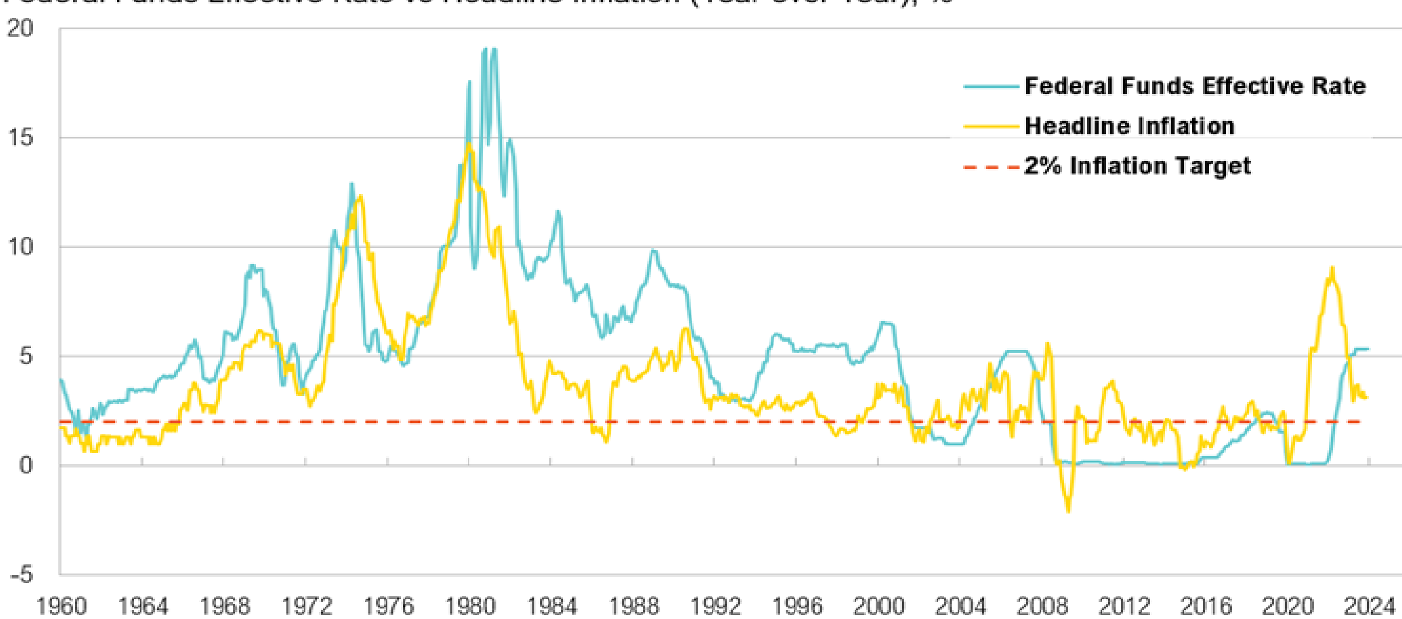
Similar to consumers, the government is also spending at an impressive clip, and fiscal spending continues unchecked. The U.S. federal budget deficit expanded over the quarter, as March marked the halfway mark of the 2024 fiscal year. In the first six months of the fiscal year, the deficit rose to $1.064 trillion as interest costs on the national debt also rose. Net interest payments through March climbed to $429 billion—roughly equal to the $433 billion that the U.S. spent on defense over the past six months.

While economic evidence suggests neither the economy nor inflation is slowing down meaningfully, guidance from the Fed suggests an increasing likelihood that it could start cutting interest rates and dialing back quantitative easing into a major structural fiscal deficit and with inflation above their 2% target. At a conference on March 29, Powell indicated their revised approach to inflation:

"We've said we would not wait for inflation to get down to 2% because, if you wait for that, monetary policy works with long and variable lags. So, we've said for some years that we would start restoring the Federal funds rate to a more normal, almost neutral level. We're far from neutral now. And, we do plan, assuming the economy moves along the lines we expect, to start the process of dialing back restrictions."

Fed Messaging Implies Rate Cuts With Inflation Above 2%

Federal Funds Effective Rate vs Headline Inflation (Year-over-Year), %



Source: Bloomberg

Consumer price index (CPI) reports in 2024 have so far exceeded expectations. The January CPI print surpassed the expected 2.9% level, reaching 3.1% year-over-year. The February CPI print rose to 3.2% year-over-year, and the March print climbed even higher, to 3.5%. After these higher-than-expected CPI reports, market expectations for interest rate cuts in 2024 shifted significantly over the quarter. In early January, markets expected six to seven rate cuts; however, this fell to three anticipated cuts by the end of March, which aligns more closely with the Fed's predictions. Even though inflation has recently risen, the Fed's latest economic projections, released at the March Federal Open Market Committee (FOMC) meeting, indicate that the Fed expects faster economic growth, lower unemployment, and, notably, an increase in core personal consumption expenditures (PCE) inflation to 2.6% in 2024, up from the 2.4% projection in December. Although Fed Chair Powell has consistently signaled the possibility of imminent rate cuts, market expectations for the timing of the first rate cut shifted throughout the quarter, moving from March to July. In his post-FOMC press conference, Powell made several remarks that suggested the Fed's openness to reduce rates even with inflation above the 2% target:

"We believe our policy rate is likely at its peak for this tightening cycle… The January CPI numbers were quite high; the February number was high. But I take the two of them together and I think they haven't really changed the overall story."

Earlier in the month, on March 1, Fed Governor Waller, in a speech at the 2024 U.S. Monetary Policy Forum, hinted that, due to declining excess reserves, the Fed may be forced to start tapering quantitative tightening—which was confirmed at the Fed's March 20 FOMC meeting. Powell stated in the post-FOMC press conference that the Fed will start to slow the pace of the balance sheet runoff "fairly soon" but gave no further details were given. Quantitative tightening serves as a critical complement to rate hikes and has thus far removed a significant amount of liquidity from U.S. markets. Further, the Reverse Repurchase facility (an unusual source of liquidity during the current rate hiking cycle) was depleted by $424.1 billion over the quarter, to $594.4 billion. At this rate, it is on track to empty out by June, which may replace inflation as the Fed's new justification to end quantitative tightening.

Markets

Both U.S. and international equity markets ended the quarter on a strong note, though U.S. markets outperformed their international counterparts. The S&P 500 ended the quarter up a very respectable 10.6%, while the MSCI EAFE ended the quarter up 5.9%. U.S. small cap stocks fared well, gaining 5.2% over the quarter. Conversely, It was a slow start to the year for fixed income markets, as investors continued to wait for potential interest rate cuts. The Bloomberg U.S. Aggregate Bond Index closed the quarter down 0.8%. International developed market bonds fared worse, ending the quarter down 4.3%.

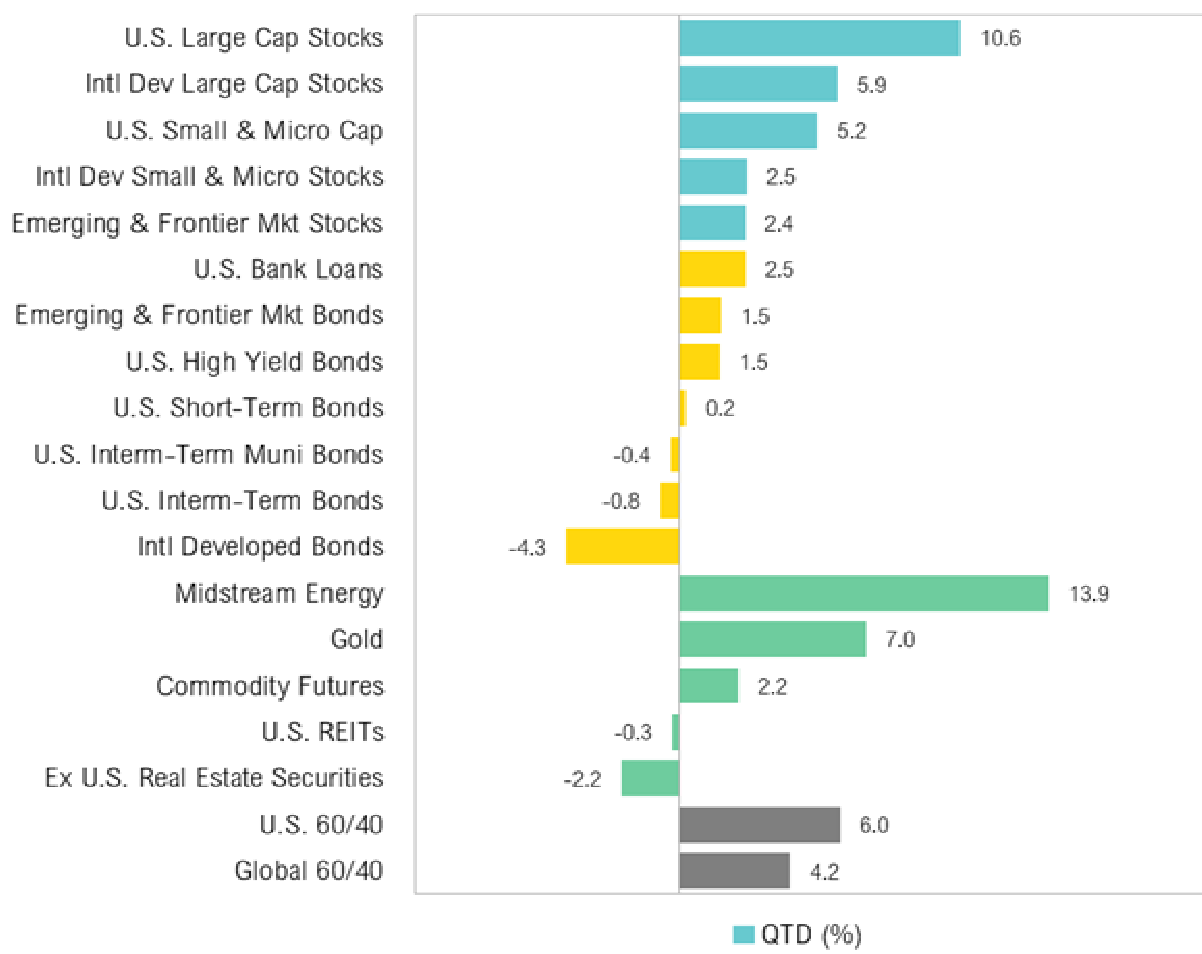
There was a notable performance divergence within S&P 500 sectors over the quarter. Real estate, which is particularly sensitive to interest rates, fared the worst (down -0.5%), while the second-worst performing sector, utilities, gained a solid 4.6%. Communication services was the top-performing S&P 500 sector over the first quarter of 2024, gaining 15.8%.

Gold, which ended the quarter up 7%, hit a new all-time high on March 3 and ended the month at another new all-time high, breaking above $2,200 per ounce due to persistent central bank buying and gradually improving investor sentiment. West Texas Intermediate (WTI) crude prices also climbed higher over the quarter on ongoing geopolitical tensions, surpassing $80 per barrel for the first time since November. This has led to rising gasoline prices, with the national average per gallon being the highest gas price in over a year, hitting $3.53 by the end of March. Midstream energy enjoyed a stellar opening to the year, ending the quarter up nearly 13.9%. Bitcoin also reached new all-time highs in March, hitting a record $73,135 on March 13.

In international news, China's economic growth has shown signs of improving. The country's manufacturing activity expanded in March after five consecutive months of contraction, and its official purchasing managers index rose to 50.8. Further, Chinese inflation data shows that the country has inched out of deflationary territory, and headline CPI rose 0.7% year-over-year in February. The Shanghai Shenzhen CSI 300 Index ended the quarter up 4.8%.

Coincidentally, on March 19, another influential central bank announced a major monetary policy shift. The Bank of Japan ended the world's only negative interest rate regime and hiked interest rates for the first time in 17 years. This marked the end of an era and a historic shift (albeit a small one) away from an aggressive monetary easing program that had been in place for years to combat economic challenges. The Bank of Japan raised its short-term rate to 0.1% from -0.1%. The yen weakened after the announcement and remained above 150 against the dollar for the rest of the month, as the bank conveyed a dovish tilt by noting that financial conditions would remain accommodative.

Q1 2024 Key Market Total Returns



Source: Bloomberg

Looking Forward

The Fed has maintained that it will likely cut interest rates three times this year, meaning it has acquiesced to a higher inflation target. If policymakers can contain longer term bond yields while tolerating higher inflation, the economic backdrop could continue to support above-average equity valuations.

Higher longer-term rates could continue to pressure areas such as commercial real estate, regional banks, and highly indebted smaller companies. If longer term rates move much higher, then those headwinds could also creep into other areas of the market. Thus, policymakers' specific aim and accuracy remain critical as we move toward the second half of 2024. We intend on watching them closely.

As always, if you have any questions or would like to schedule a meeting with of our investment professionals, please don't hesitate to call us at 508-693-8850.

Sincerely,

Luke Murphy
Managing Director,
Martha's Vineyard Investment Advisors

About Martha's Vineyard Investment Advisors

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- Family Office Services
- Business Consulting
- Estate Planning
- Retirement Planning & Consulting
- Non-Profit Investing
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- Charitable/Donor Advisement
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Learn more: Visit www.mvinvestmentadvisors.com

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Performance Disclosures

All market pricing and performance data from Bloomberg, unless otherwise cited. Asset class and sector performance are gross of fees unless otherwise indicated.

Citations

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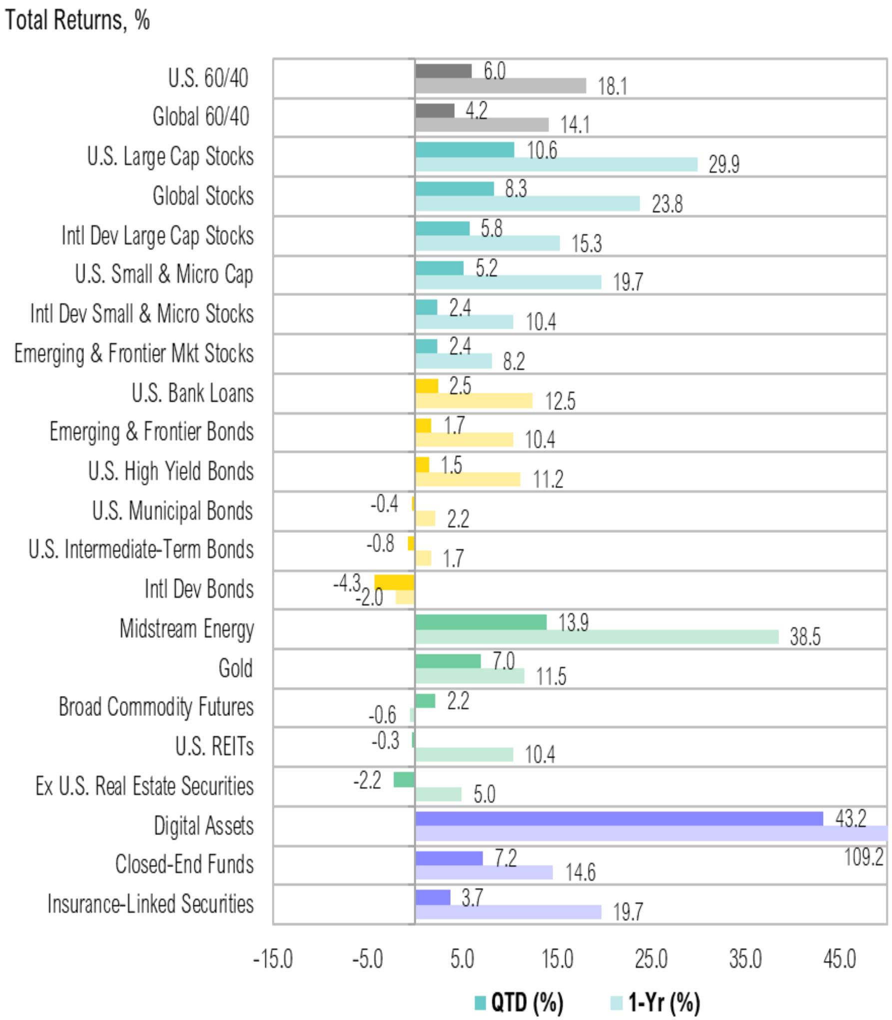
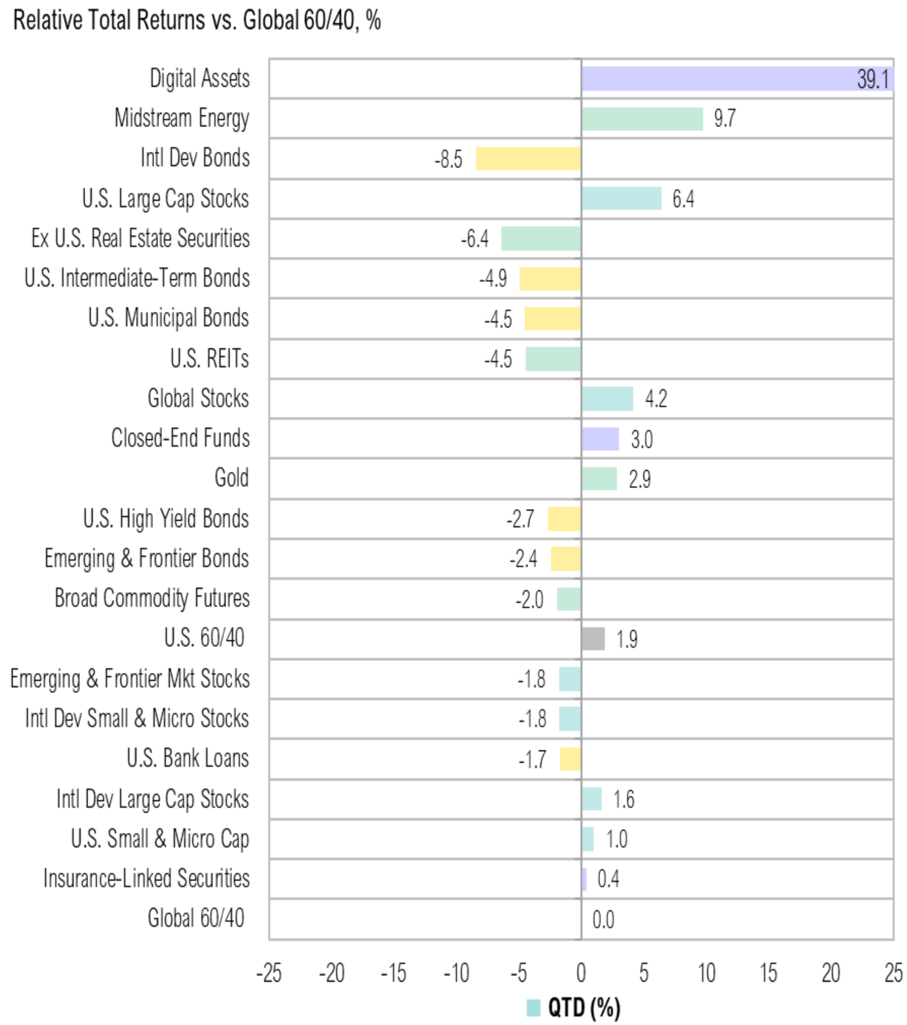
MVIA Market Outlook

2Q, 2024

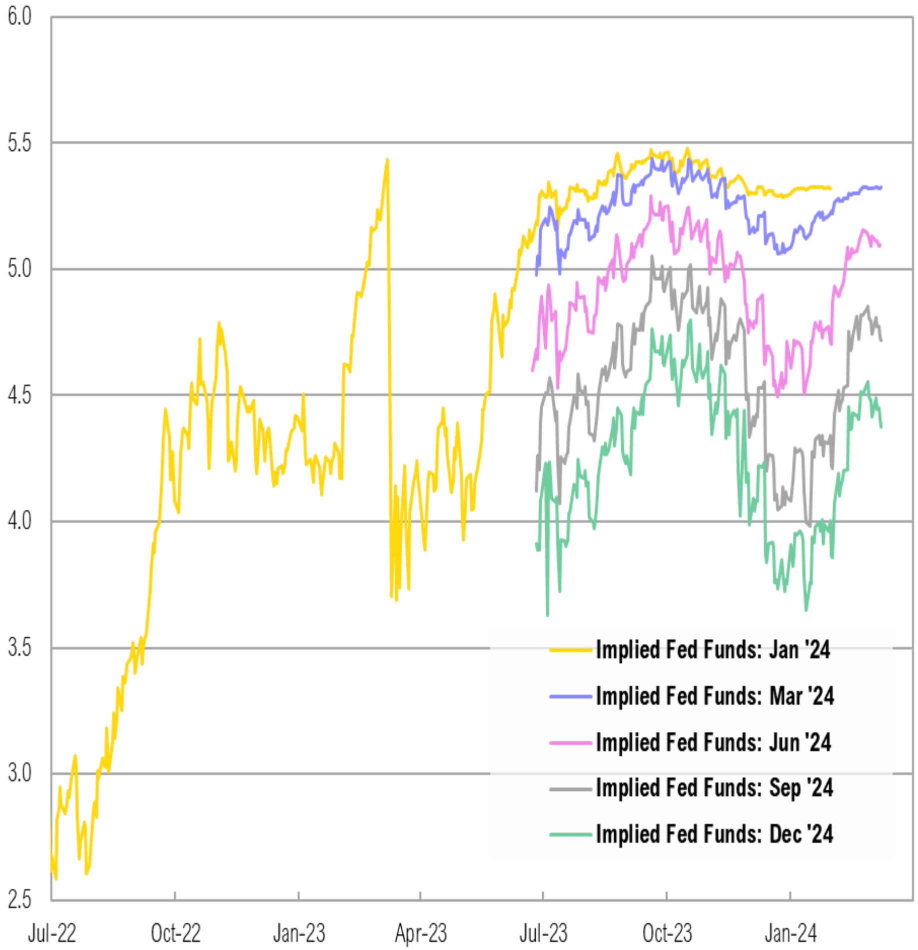
SEE IMPORTANT DISCLOSURES AT THE END OF THIS PRESENTATION

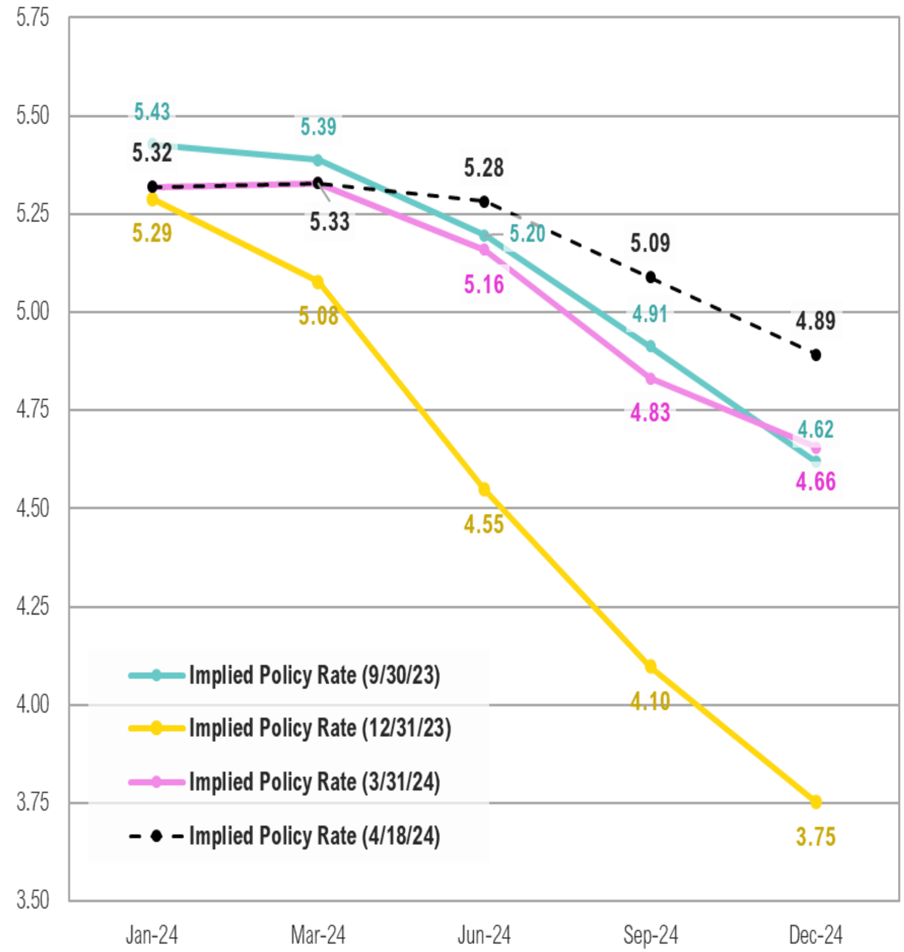
Q1 saw robust returns across most risk assets, with digital assets and midstream energy faring best, while rate-sensitive areas remained under pressure





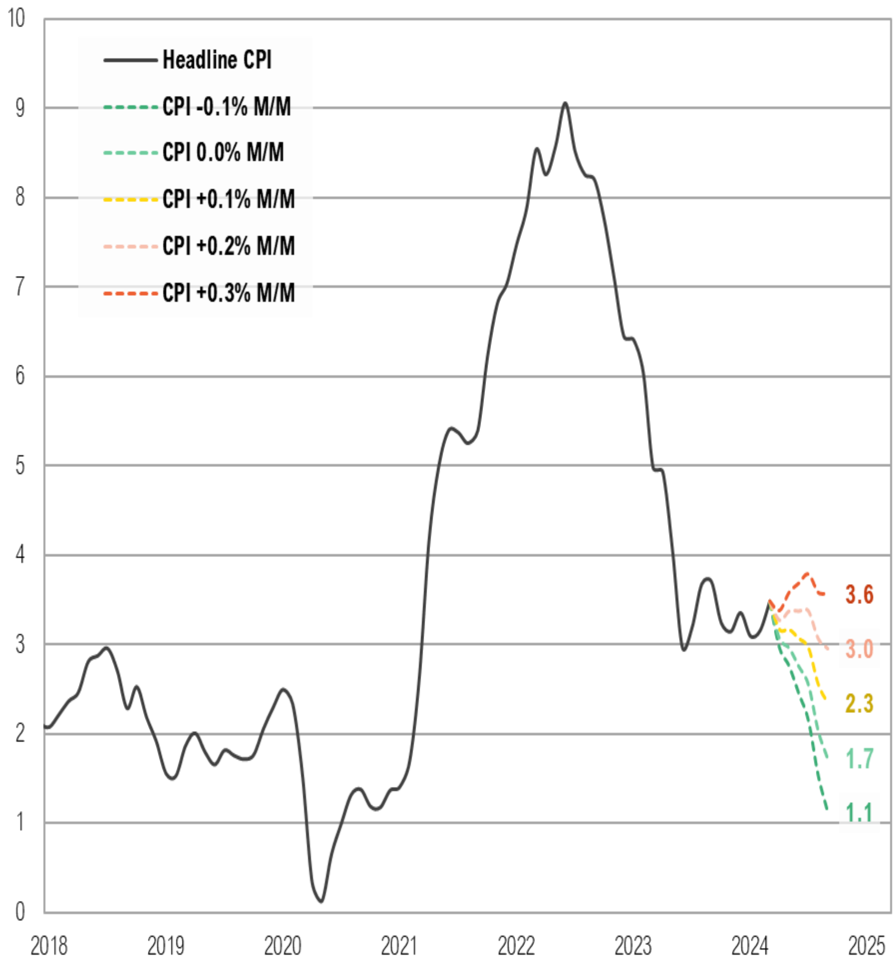
While the Fed may still expect three cuts this year (with a Dec rate of 4.6%), markets now expect at most two cuts (~4.9% in Dec)



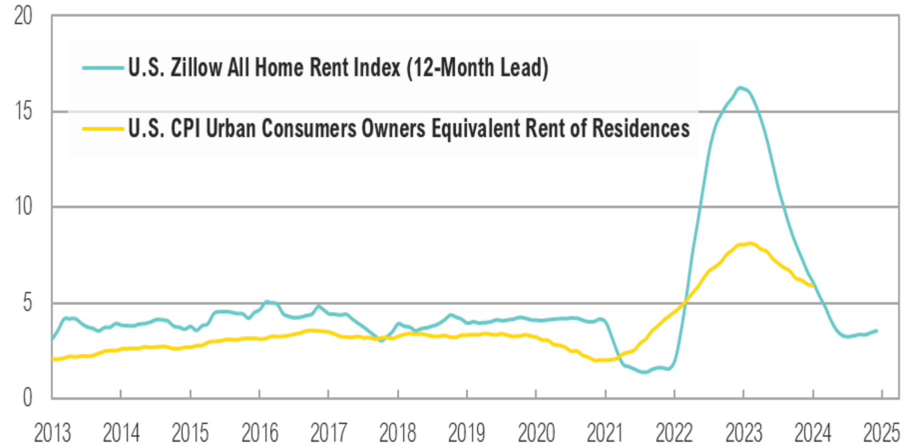


Inflation returning to the Fed's 2% target by 2H24 is still possible; however, it would require consistent monthly prints <0.2%, which only occurred twice in the past 12 months

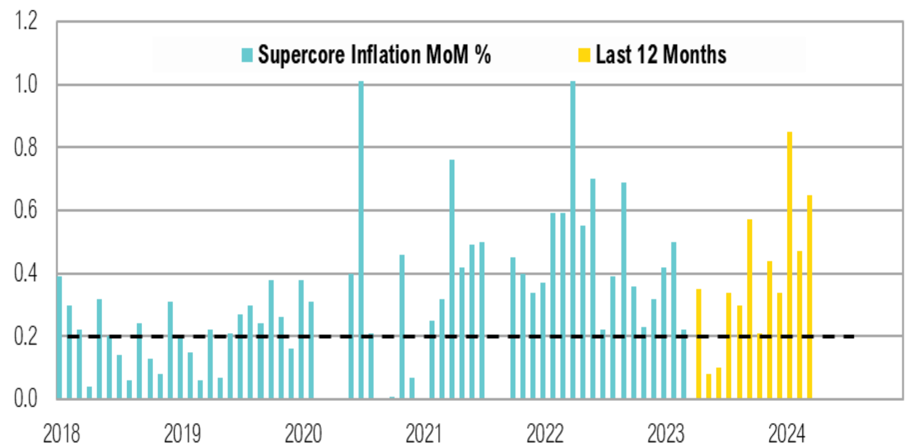
Projected Headline CPI, Y/Y %



CPI Owners Equivalent of Rent Component vs Zillow Rent Index (12-Month Lead), Y/Y %

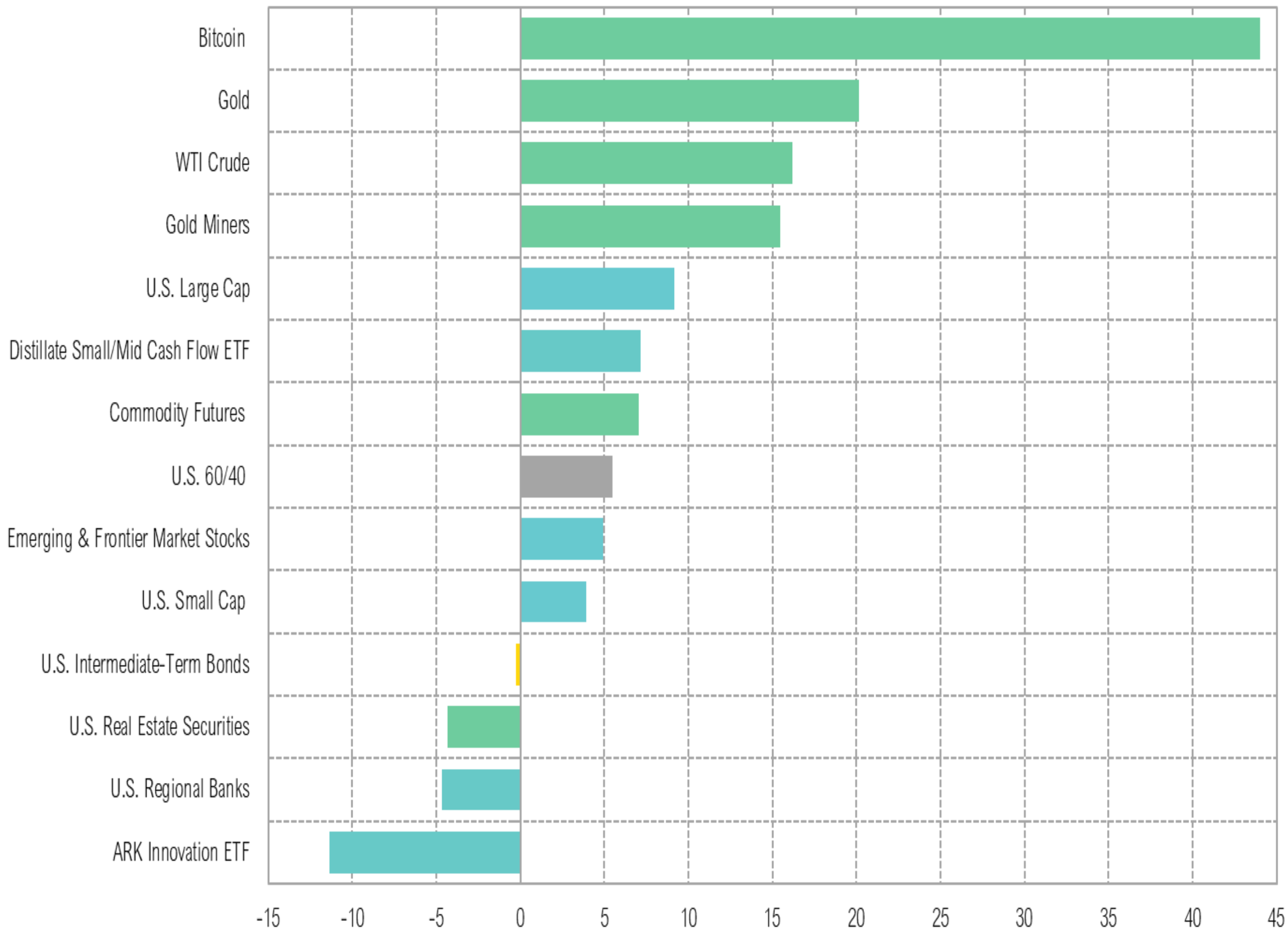


U.S. Core Services ex Housing CPI, M/M %



There has been a notable divergence in performance since the Fed 'pivot' in December as rate-sensitive areas of the market lag riskier assets

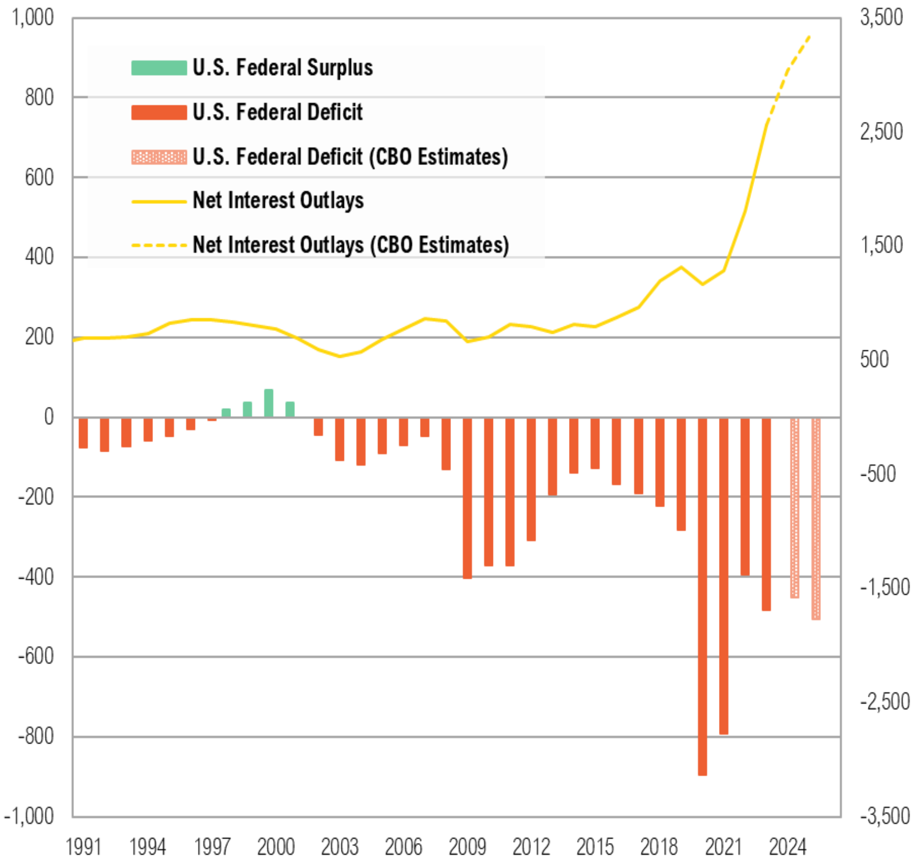
Returns, 12/12/2023 – 4/17/2024, %



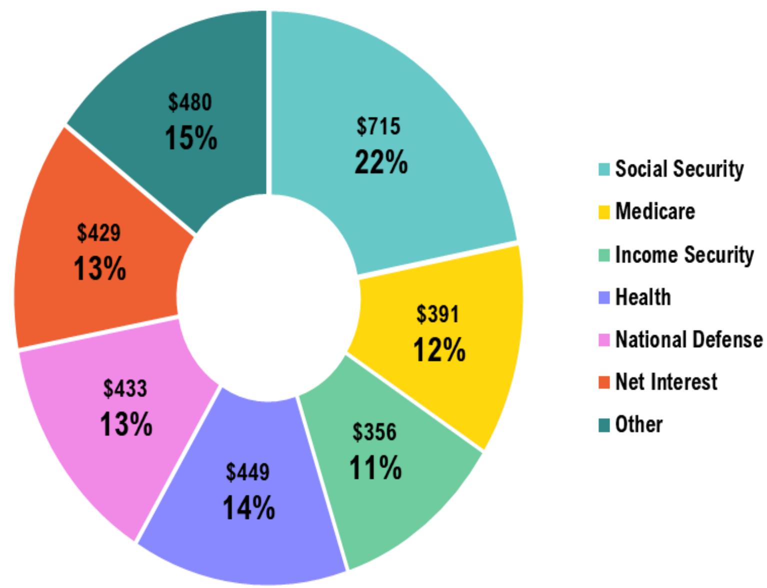
Asset	Return
Bitcoin	44.0
Gold	20.2
WTI Crude	16.2
Gold Miners	15.5
U.S. Large Cap	9.2
Distillate Small/Mid Cash Flow ETF	7.2
Commodity Futures	7.0
U.S. 60/40	5.5
Emerging & Frontier Market Stocks	4.9
U.S. Small Cap	3.9
U.S. Intermediate-Term Bonds	-0.2
U.S. Real Estate Securities	-4.3
U.S. Regional Banks	-4.7
ARK Innovation ETF	-11.4

Government Spending Continues To Go Unchecked

Net Interest Outlays, $Bn



Outlays of the U.S. Government by Source, $Bn



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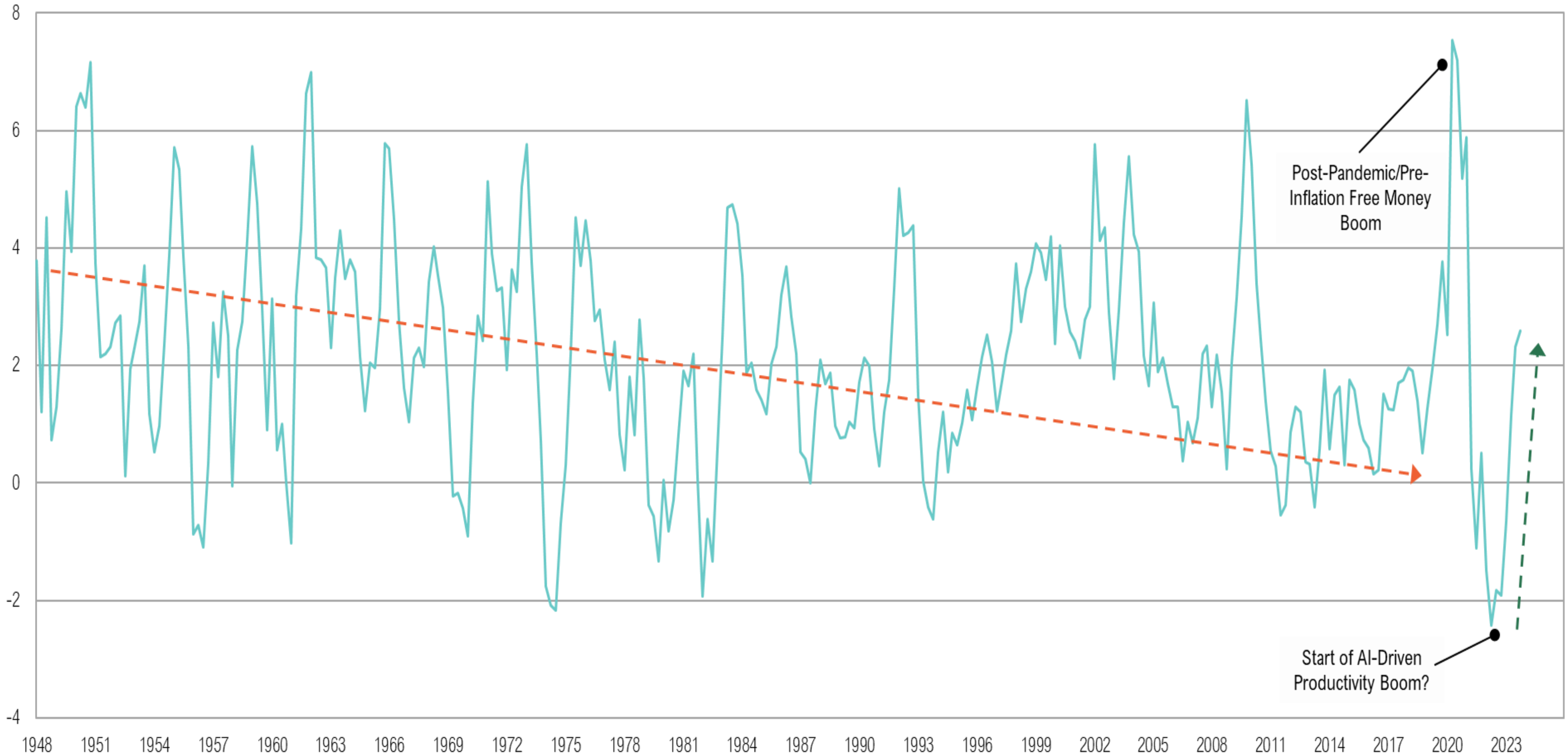
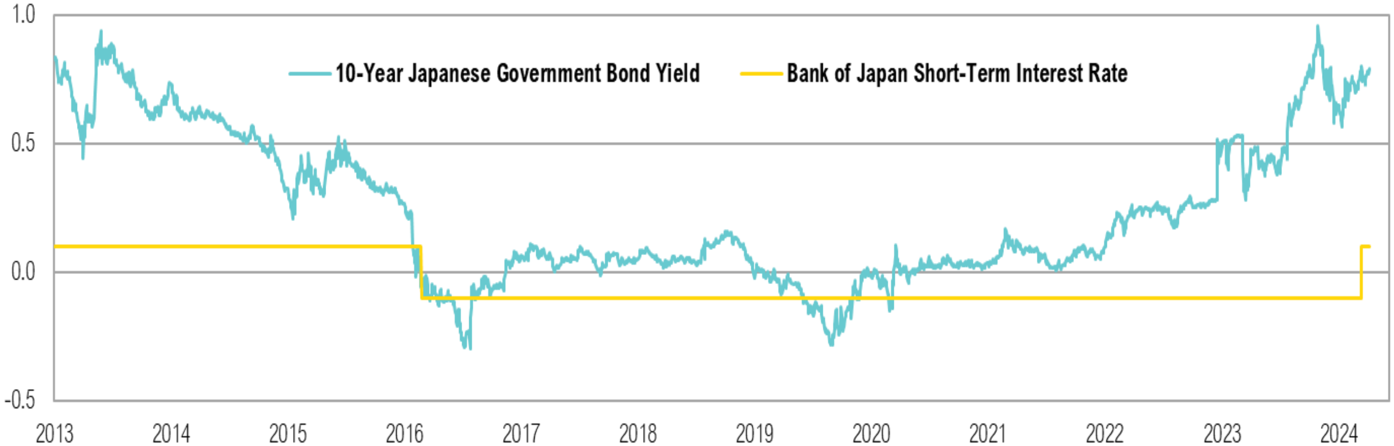
Can generative AI lead to a much-needed U.S. productivity boom?

Nonfarm U.S. Labor Productivity (Output per Hour), Y/Y % Change

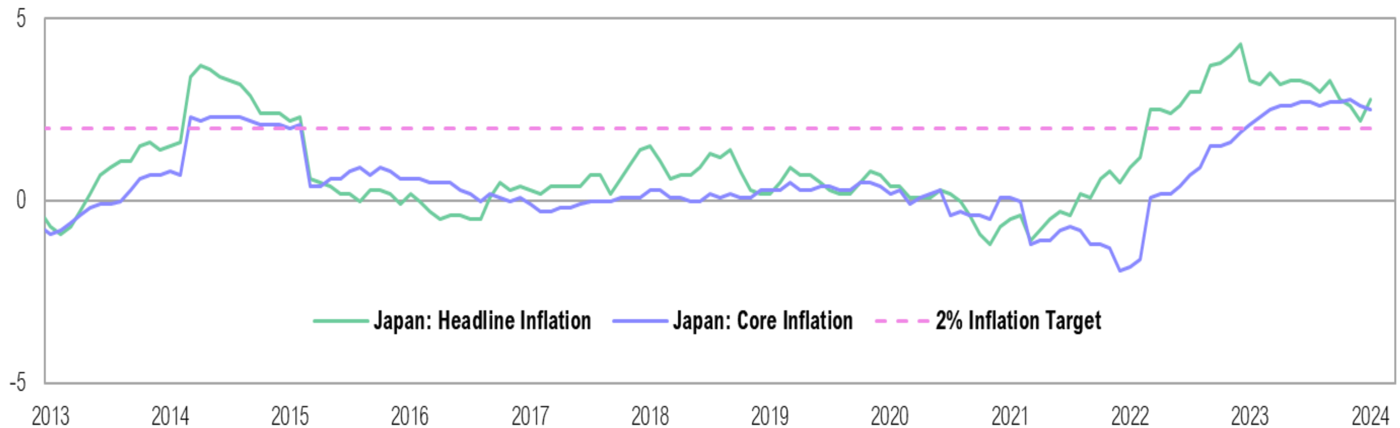


End of an era: The Bank of Japan has ended the world's most aggressive monetary easing policy, hiking interest rates for the first time since 2007

10-Year JGB Yield vs BoJ Short-Term Interest Rate, %

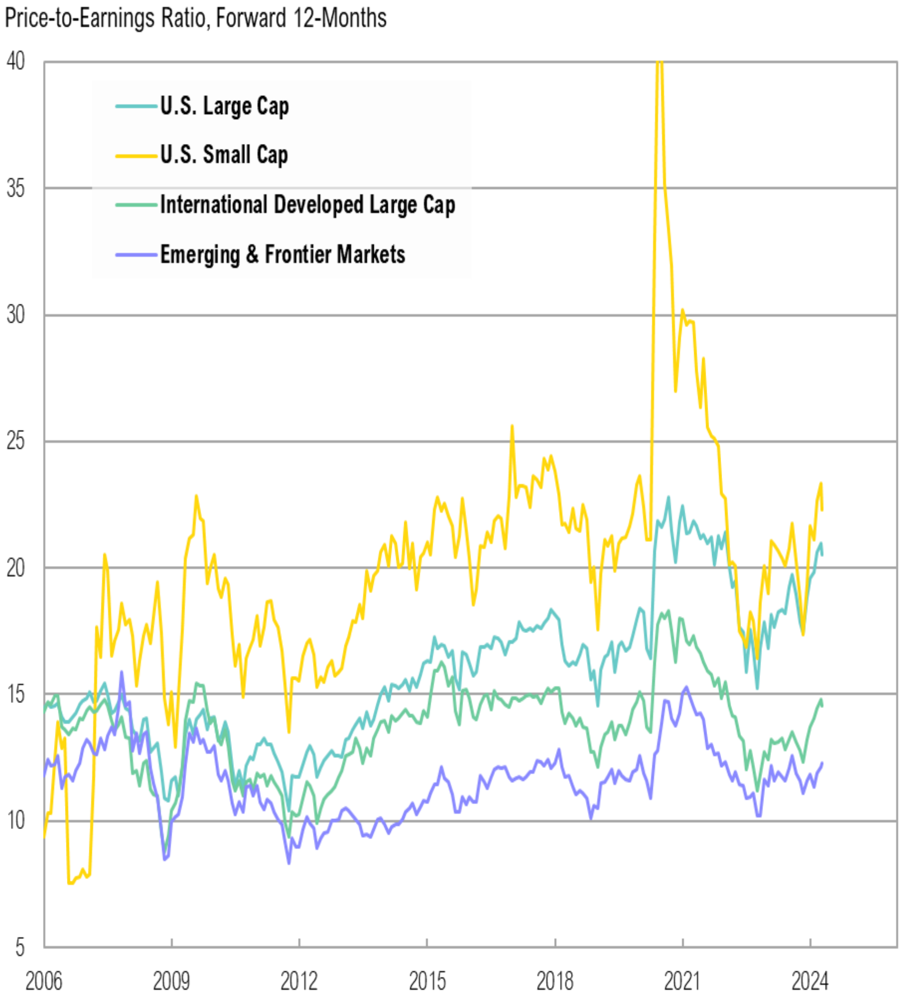


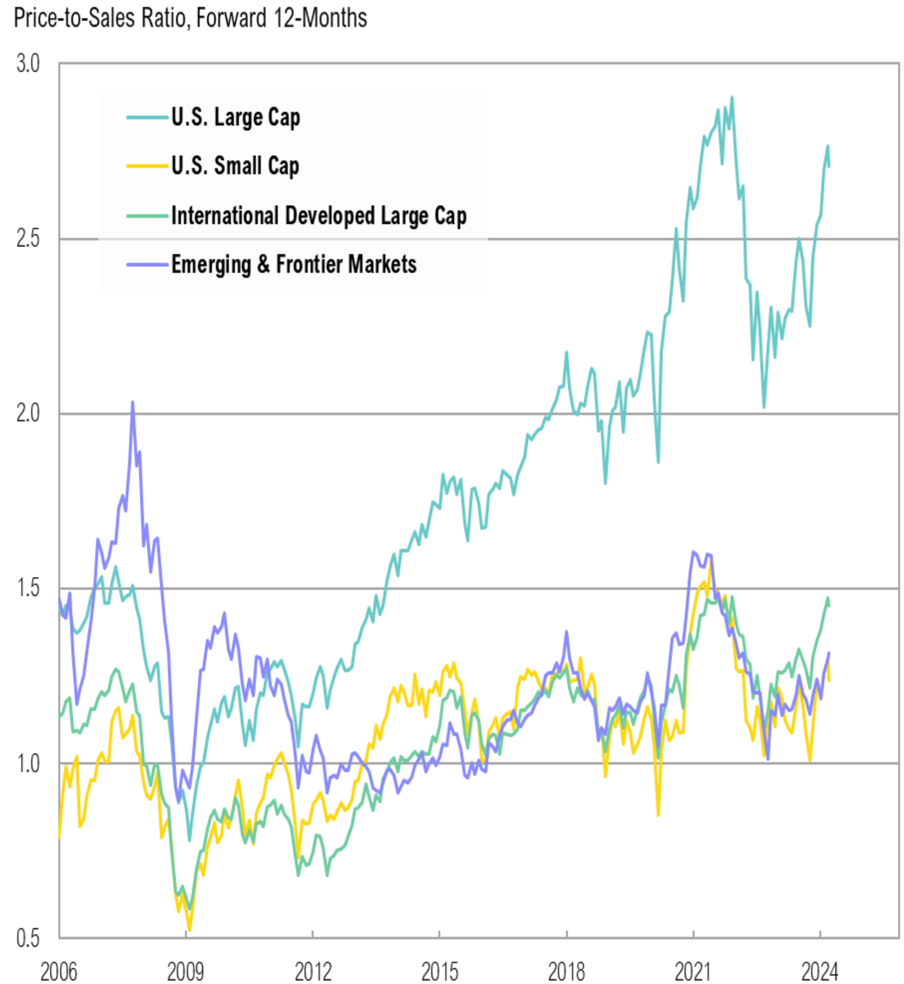
Japan CPI, Y/Y %



- On March 19, the Bank of Japan raised short-term interest rates from -0.1% to 0-0.1%, ending one of the most aggressive monetary easing exercises in the world
- Japan's negative interest rate regime had been in place since February 2016
- The BoJ also ended its yield curve control policy for Japanese sovereign bonds
- The Bank conveyed a dovish tilt by noting financial conditions will "remain accommodative" for the time being

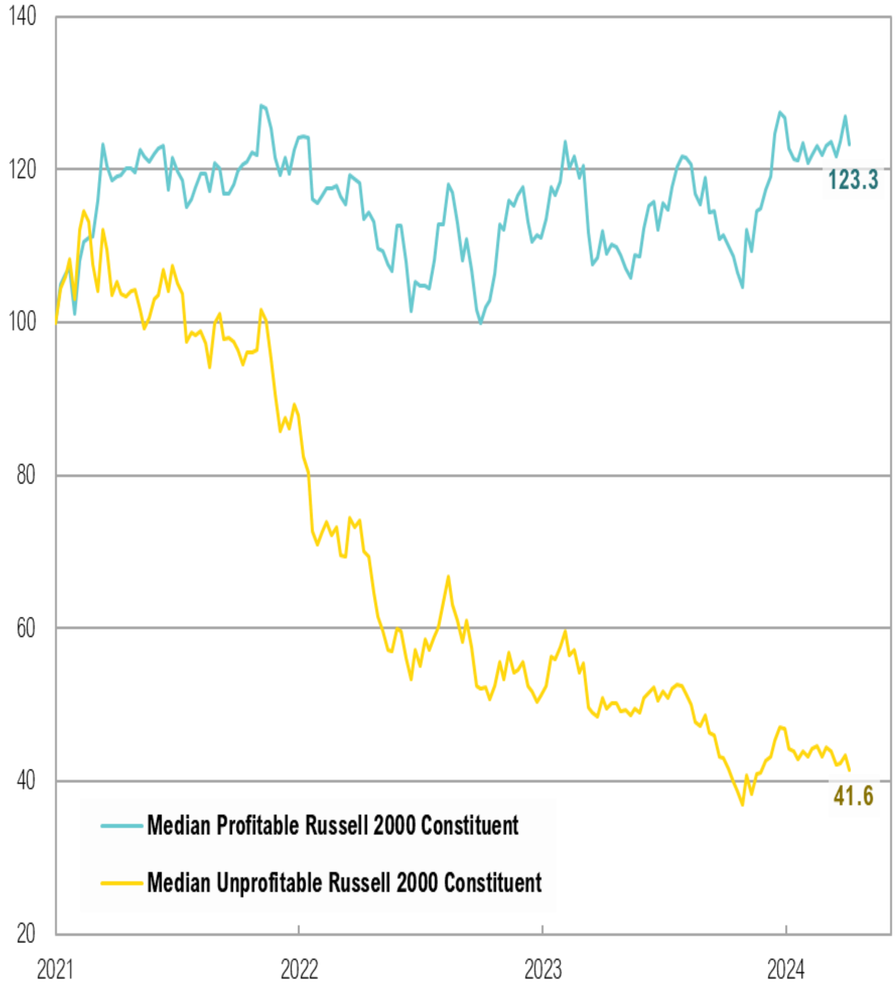
Emerging market stocks remain relatively cheap vs. developed markets



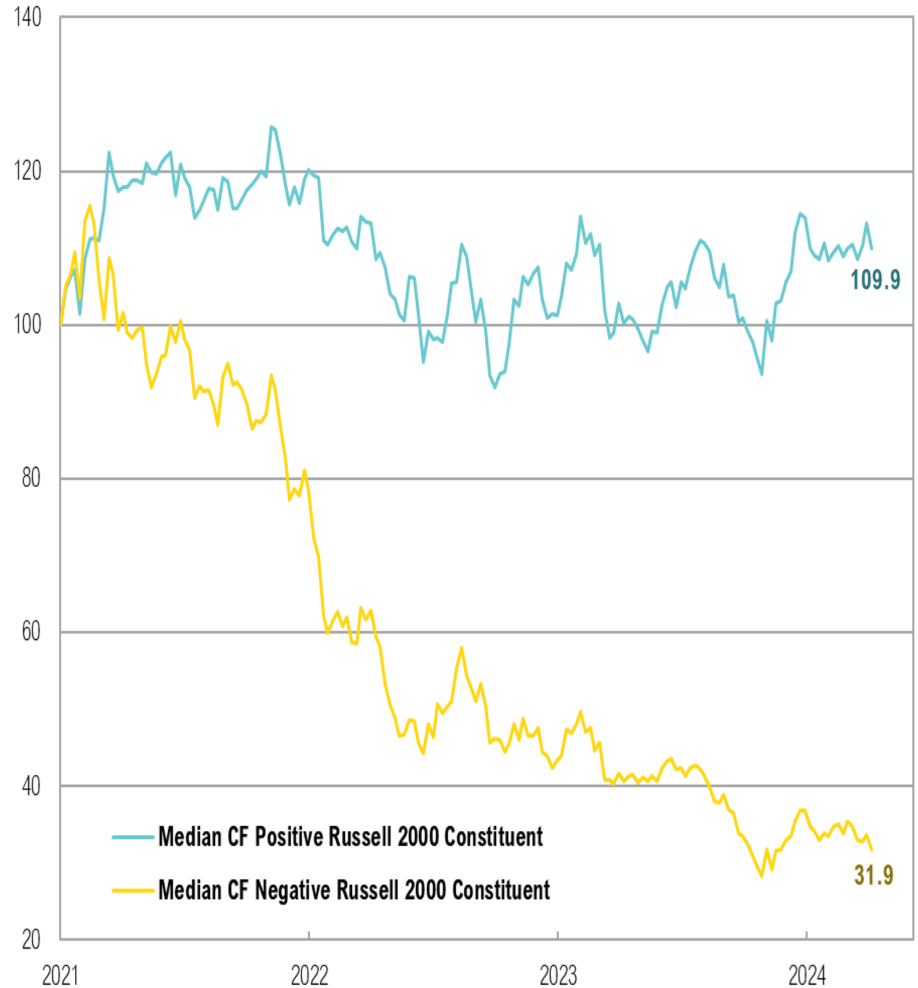


Unprofitable small cap companies have been impacted much more by rising rates than their profitable counterparts

Growth of 100, Profitable vs. Unprofitable

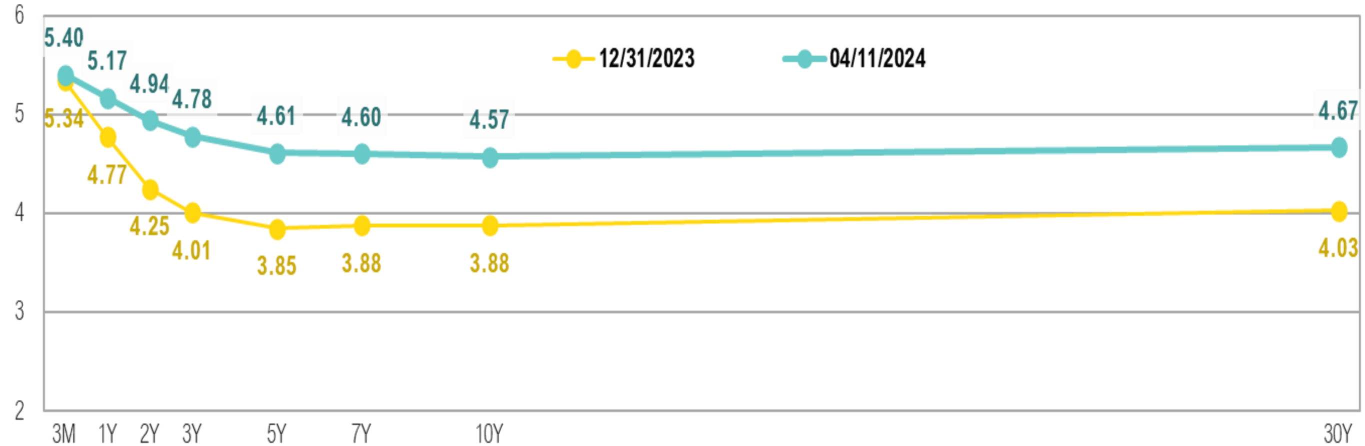


Growth of 100, Cash Flow Positive vs. Cash Flow Negative

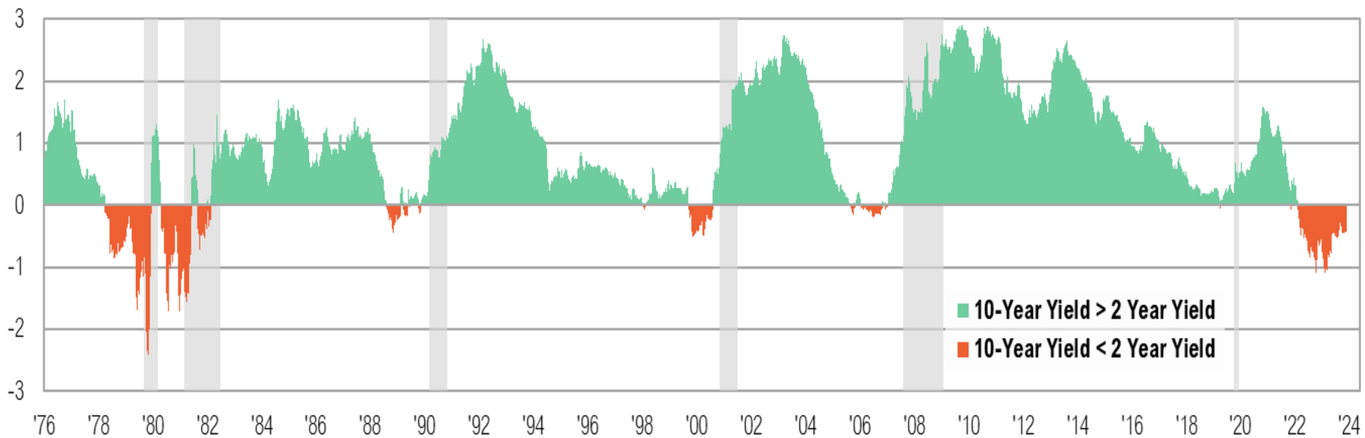


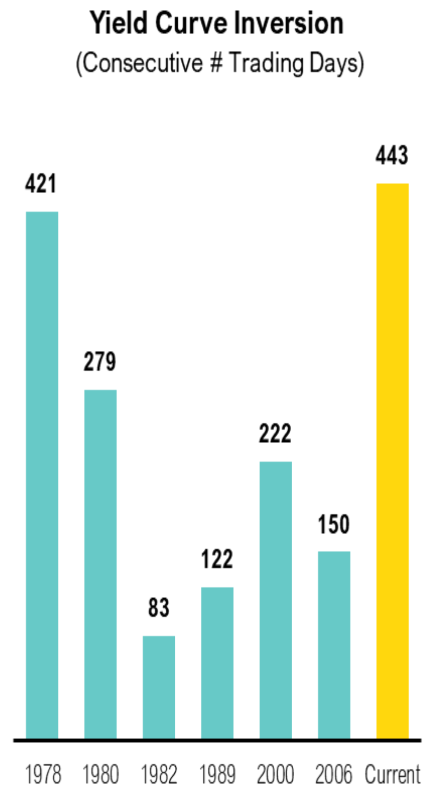
The yield curve has been inverted for more than 443 consecutive trading days

U.S. Treasury Yield Curve, %



U.S. 10-Year Treasury Yield – U.S. 2-Year Treasury Yield, %





The 2–3-year part of the yield curve has an attractive risk-reward profile—yields could rise 1.5% in the next year and total returns would still be positive

Estimated 1-Year Total Return for Given Change in Yields

Tenor

Change in Yields (%)	3-Mnth	6-Mnth	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr	7-Yr	10-Yr	15-Yr	20-Yr	30-Yr
3.0%	4.6%	3.9%	2.5%	-0.6%	-3.5%	-6.1%	-8.6%	-13.2%	-19.1%	-28.5%	-33.2%	-43.3%
2.5%	4.7%	4.1%	2.9%	0.4%	-2.1%	-4.3%	-6.4%	-10.2%	-15.1%	-22.9%	-26.9%	-35.3%
2.0%	4.9%	4.4%	3.4%	1.3%	-0.7%	-2.5%	-4.2%	-7.2%	-11.2%	-17.4%	-20.5%	-27.3%
1.5%	5.0%	4.6%	3.8%	2.2%	0.7%	-0.7%	-1.9%	-4.2%	-7.2%	-11.9%	-14.2%	-19.3%
1.0%	5.1%	4.9%	4.3%	3.1%	2.0%	1.1%	0.3%	-1.3%	-3.3%	-6.3%	-7.8%	-11.3%
0.5%	5.2%	5.1%	4.7%	4.0%	3.4%	2.9%	2.5%	1.7%	0.7%	-0.8%	-1.5%	-3.3%
0.0%	5.4%	5.4%	5.2%	5.0%	4.8%	4.7%	4.7%	4.7%	4.7%	4.7%	4.9%	4.8%
-0.5%	5.5%	5.6%	5.6%	5.9%	6.2%	6.6%	6.9%	7.6%	8.6%	10.3%	11.2%	12.8%
-1.0%	5.6%	5.8%	6.1%	6.8%	7.6%	8.4%	9.1%	10.6%	12.6%	15.8%	17.6%	20.9%
-1.5%	5.7%	6.1%	6.5%	7.7%	9.0%	10.2%	11.3%	13.6%	16.6%	21.4%	24.0%	28.9%
-2.0%	5.9%	6.3%	7.0%	8.6%	10.3%	12.0%	13.5%	16.6%	20.5%	26.9%	30.4%	37.0%
-2.5%	6.0%	6.6%	7.4%	9.6%	11.7%	13.8%	15.7%	19.6%	24.5%	32.5%	36.8%	45.1%
-3.0%	6.1%	6.8%	7.9%	10.5%	13.1%	15.6%	17.9%	22.5%	28.5%	38.0%	43.2%	53.2%

	3-Mnth	6-Mnth	1-Yr	2-Yr	3-Yr	4-Yr	5-Yr	7-Yr	10-Yr	15-Yr	20-Yr	30-Yr
Duration (Yrs)	0.2	0.5	0.9	1.8	2.8	3.6	4.4	5.9	7.9	11.1	12.7	16.1
Yield YTM	5.4	5.4	5.2	5.0	4.8	4.7	4.7	4.7	4.7	4.7	4.9	4.8
Convexity	*0.0*	*0.0*	*0.0*	*0.0*	*0.1*	*0.2*	*0.2*	*0.4*	*0.7*	*1.5*	*2.2*	*3.8*

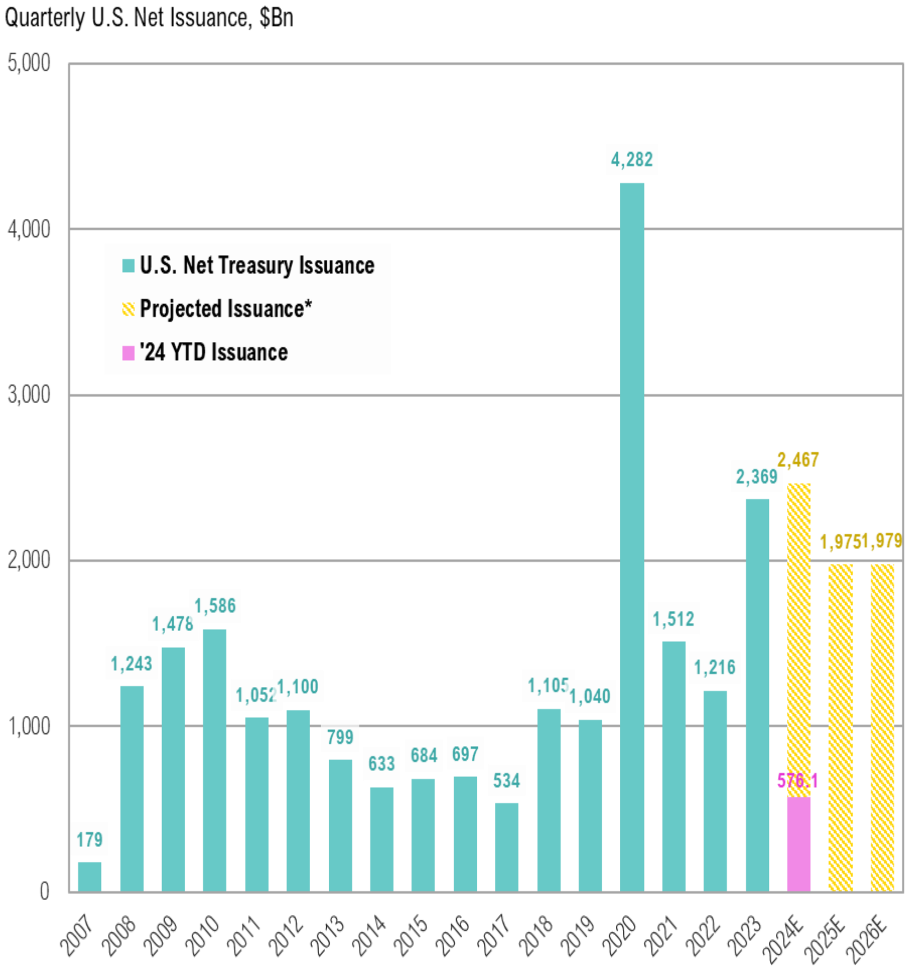
Yield Increase Insulation by Tenor:

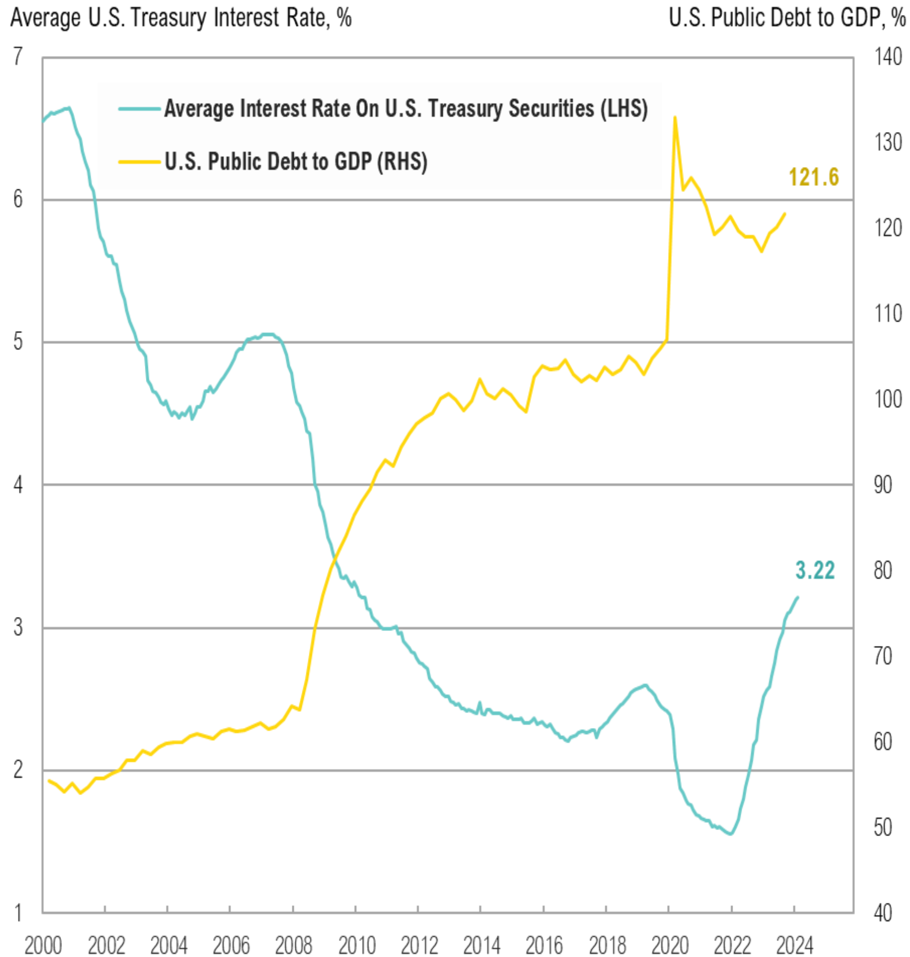
- **2-Year: +2.5% (rise in yields)**
- **3-Year: +1.5%**
- **4-Year: +1.0%**
- **5-Year: +1.0%**

Total Returns by Tenor (for a 1% decline in yields):

- **15-Year: +15.8%**
- **20-Year: +17.6%**
- **30-Year: +20.9%**

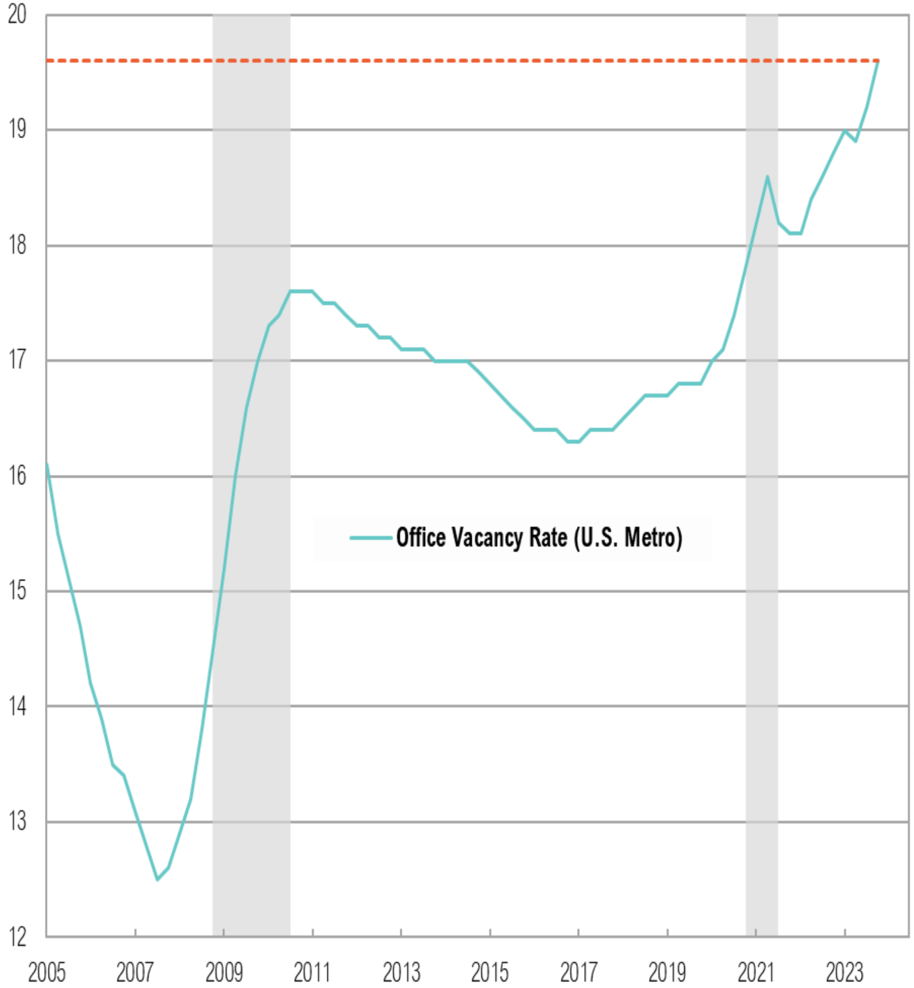
$6Tn of Treasury issuance is expected over the next three years, as the average cost of U.S. government debt continues to climb



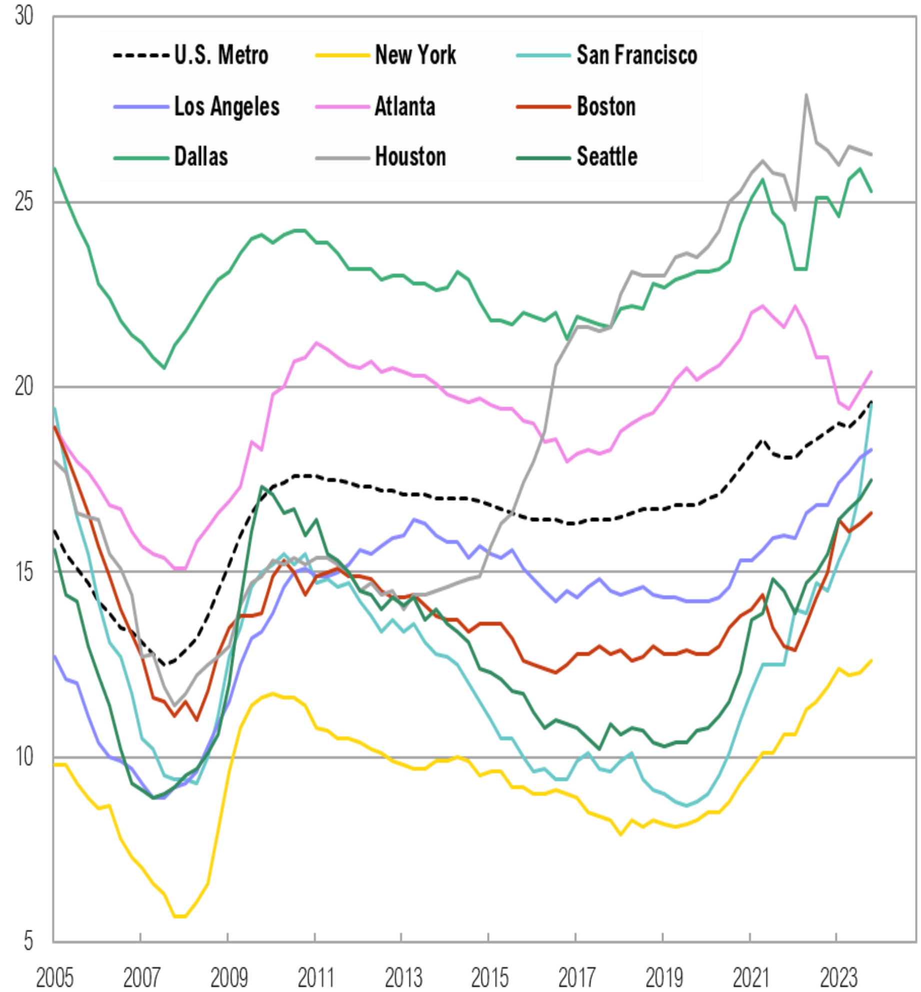


Office vacancy rates have continued to move higher, as REITs still look wholly unattractive on a relative yield basis

U.S. Metro Office Real Estate Vacancy Rate, %

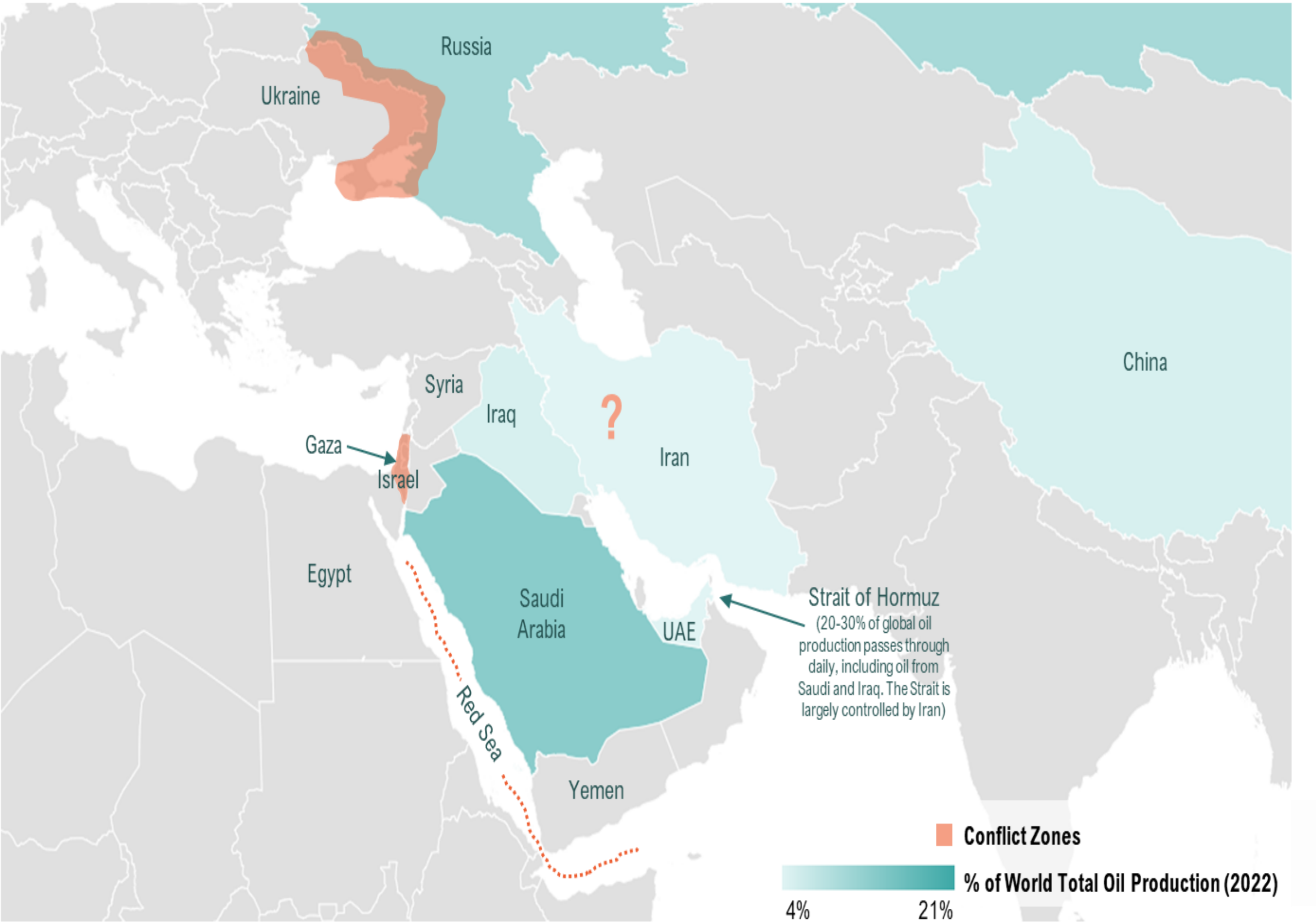


U.S. Office Real Estate Vacancy Rates by City, %



Heightened geopolitical risk from key global oil producers could increase volatility in the oil market if conflict escalates or spreads further in the Middle East

Top Global Oil Producers by % of Oil Produced

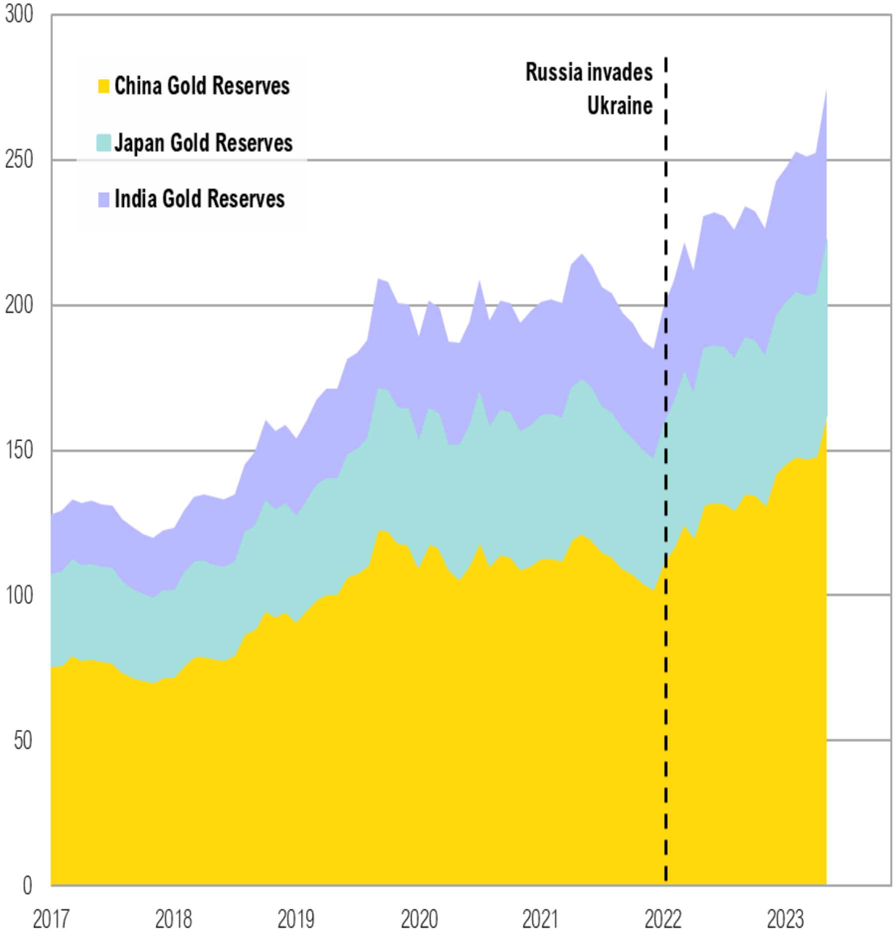


- Heightened geopolitical risks, particularly from major global oil producers like Russia, and potentially Iran if it becomes more involved in the Israel-Hamas conflict, could amplify volatility in the oil market.
- In early April, Israel killed 12 people, including two Iranian military commanders in a strike on Tehran's consulate in Damascus. Iran attacked Israel on Saturday, April 13, in retaliation. On April 18, Israel responded to Iran's attack.
- Further intervention by Iran could lead to supply disruptions and subsequent upward pressure on oil prices.
- On April 2, Ukraine bombed a key Russian oil refinery that was responsible for 3% of Russia's oil production.

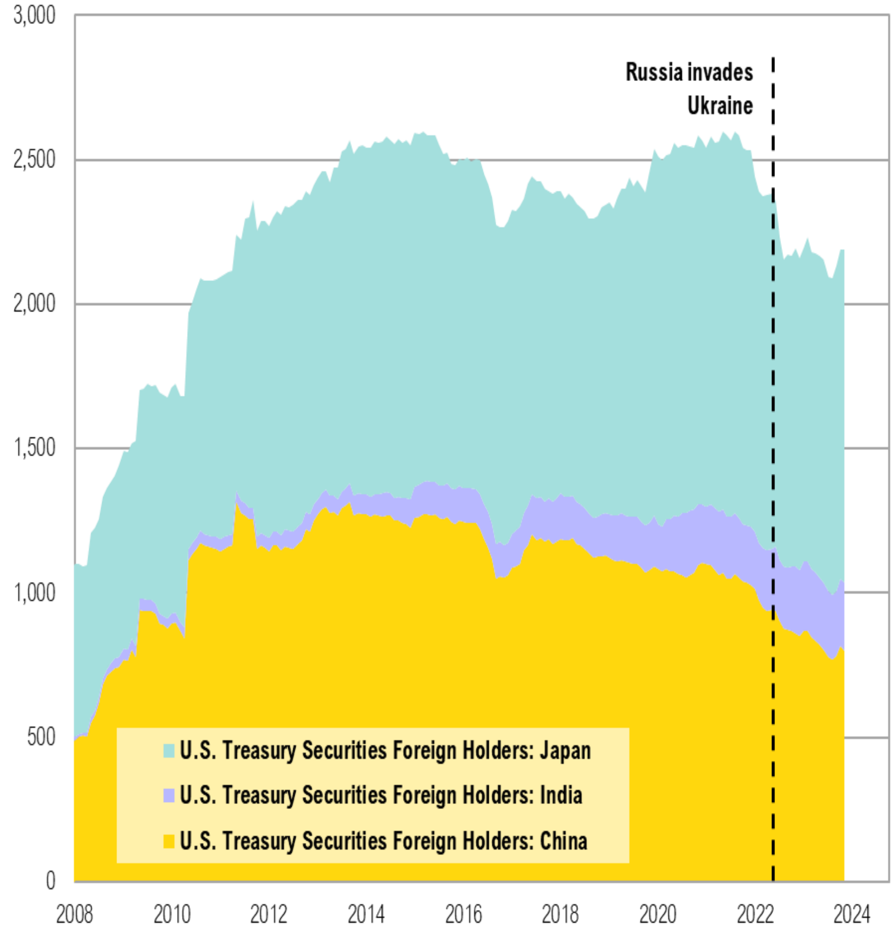
Source: EIA, Bloomberg, Wall Street Journal, Reuters. Oil production includes crude oil, all other petroleum liquids, and biofuels.

Over the past two years, central banks have been increasing gold reserves (at the expense of U.S. Treasury security holdings) as geopolitical uncertainty has risen

Central Bank Gold Reserves, $Bn



Foreign Holders of U.S. Treasury Securities, $Bn



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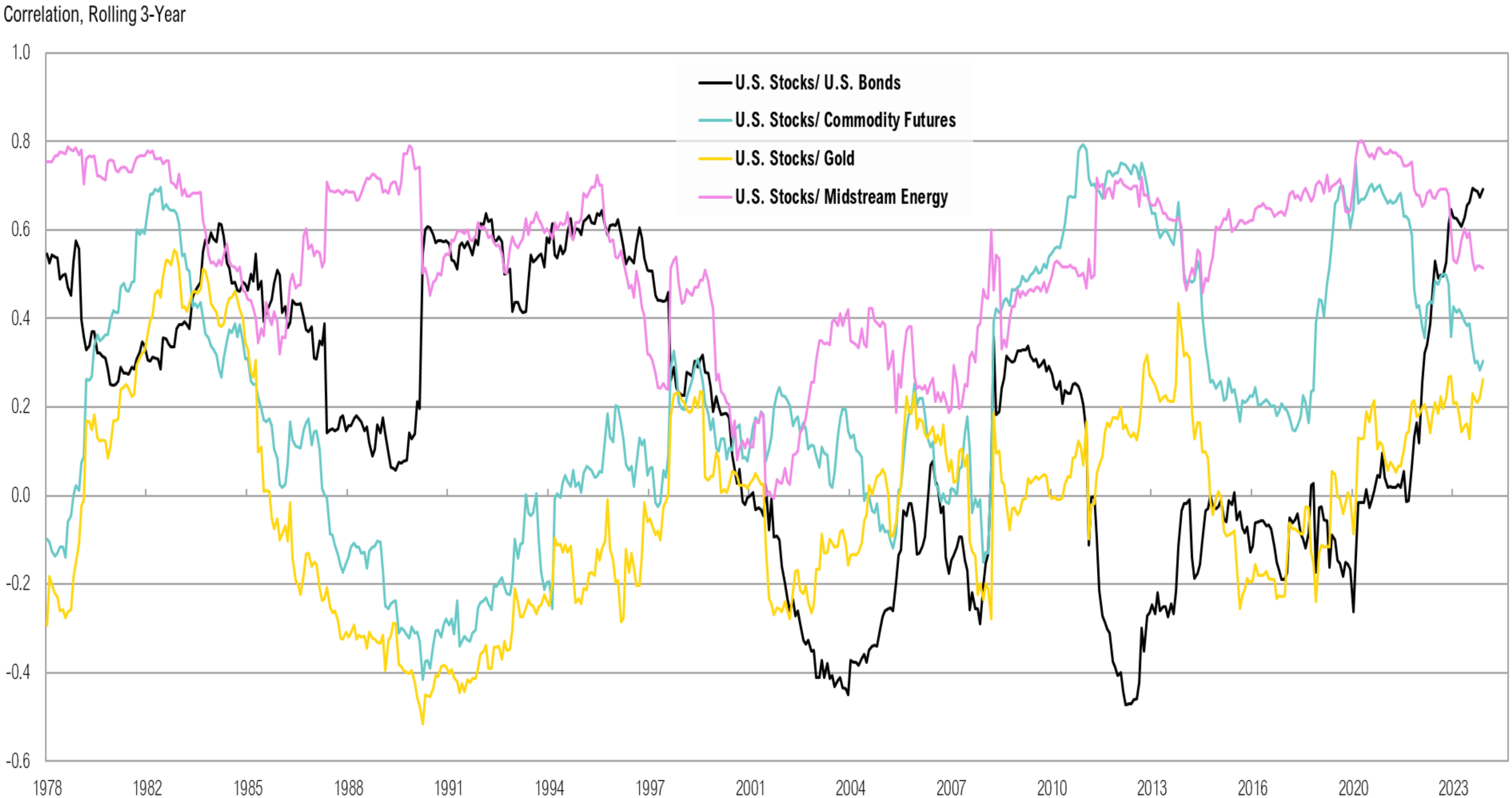
Bonds have recently provided less diversification benefits to stocks, versus other asset classes like gold and energy



Source: Bloomberg. U.S. Stocks = S&P 500 TR Index; U.S. Bonds = Bloomberg U.S. Aggregate TR Index; Commodity Futures = Bloomberg Commodity TR Index; Gold = LBMA Gold Price AM; Midstream Energy = Alerian MLP TR Index.

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Performance Disclosures

All market pricing and performance data from Bloomberg, unless otherwise cited. Asset class and sector performance are gross of fees unless otherwise indicated.

Appendix: Asset Class Definitions

Asset Class	Benchmark	Index	Start Date	End Date	Data Source
U.S. Large Cap Stocks	S&P 500 Index	S&P 500 TR Index	01/31/1970	n/a	Bloomberg, Ibbotson Associates, NYU/Stern
		IA SBBI US Large Stock TR Index	01/31/1926	12/31/1969	
		NYU/Stern S&P 500 TR	01/31/1920	12/31/1925	
U.S. Small & Micro Cap	Russell 2000 TR Index	Russell 2000 TR Index	01/31/1979	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA SBBI US Small Stock TR Index	01/31/1926	12/31/1978	
		SpringTide U.S. Small & Micro Cap Premium-Based Extension	01/31/1920	12/31/1925	
Intl Dev Stocks	MSCI EAFE NR Index	MSCI EAFE NR Index	01/31/1970	n/a	MSCI, NYU/Stern
		NYU/Stern Developed World Indices	01/31/1920	12/31/1969	
EM & Frontier Stocks	MSCI Emerging Markets NR Index	MSCI Emerging Markets NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern Emerging World Index (Price)	01/31/1920	12/31/2000	
Global Stocks	MSCI ACWI NR Index	MSCI ACWI NR Index	01/31/2001	n/a	MSCI, NYU/Stern
		NYU/Stern All World Index (Price)	01/31/1920	12/31/2000	
Venture Capital	Cambridge Venture Capital	Cambridge Venture Capital	01/01/1981	n/a	Cambridge, SpringTide
		SpringTide Venture Capital Premium-Based Extension	01/31/1920	12/31/1980	
U.S. Muni Bonds	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	Bloomberg Municipal 1-10Y Blend 1-12Y TR Index	07/31/1993	n/a	Bloomberg
		USA Municipal AAA Bonds Total Return Index (TRUSAMUM)	01/31/1920	06/30/1993	
U.S. Long-Term Bonds	Bloomberg US Long Gov/Corp TR Index	Bloomberg US Long Gov/Corp TR Index	02/28/1999	n/a	Bloomberg, NYU/Stern
		NYU/Stern US 30Yr Government Bond TR Index	01/31/1920	01/31/1999	
U.S. Interm-Term Bonds	Bloomberg US Aggregate Bond TR Index	Bloomberg US Aggregate Bond TR Index	01/31/1976	n/a	Bloomberg, NYU/Stern
		NYU/Stern US Total Return AAA Corporate Bond Index	01/31/1920	12/31/1975	
U.S. High Yield Bonds	Bloomberg US Corporate High Yield TR Index	Bloomberg US Corporate High Yield TR Index	07/31/1983	n/a	Bloomberg, Ibbotson Associates, SpringTide
		IA Bloomberg US HY Corporate Bonds	02/28/1926	06/30/1983	
		SpringTide U.S. High Yield Bonds Premium-Based Extension	01/31/1920	01/31/1926	
Intl Dev Bonds	Bloomberg Global Aggregate ex-USD TR Index	Bloomberg Global Aggregate ex-USD TR Index	01/31/1990	n/a	Bloomberg, NYU/Stern
		NYU/Stern All World ex-USA Government Bond Index	01/31/1920	12/31/1989	
U.S. REITs	MSCI US REIT GR Index	MSCI US REIT GR Index	01/01/1995	n/a	Bloomberg, Winans
		Winans US Real Estate Index (WIREI)	01/01/1920	12/31/1994	
Commodity Futures	Bloomberg Commodity TR Index	Bloomberg Commodity TR Index	01/31/1991	n/a	Bloomberg
		Thompson Jefferies CRB Core Commodity Total Return Index	01/31/1920	12/31/1990	
Midstream Energy	Alerian MLP TR Index	Alerian MLP TR Index	01/31/1996	n/a	Alerian, Bloomberg
		S&P 500 Energy Index	01/31/1946	12/31/1995	
		ExxonMobil Corp (XOM)	01/31/1920	12/31/1945	
Gold	LBMA Gold Price	LBMA Gold Price	02/29/1968	n/a	LBMA, Bloomberg
		New York Spot Bullion	01/31/1920	01/31/1968	
Cash/Ultra-Short Bonds	Bloomberg US T-Bill 1-3 Month TR Index	Bloomberg US T-Bill 1-3 Month TR Index	12/31/1991	n/a	Bloomberg, NYU/Stern
		NYU/Stern USA Total Return T-Bill Index	01/31/1920	11/30/1991	

Appendix: Asset Class Definitions

Asset Class Benchmarks

Asset class performance was measured using the following benchmarks:

U.S. Large Cap Stocks: S&P 500 TR Index

U.S. Small & Micro Cap Stocks: Russell 2000 TR Index

Intl Dev Large Cap Stocks: MSCI EAFE GR Index

Intl Dev Small & Micro Stocks: MSCI EAFE GR Index

Emerging & Frontier Market Stocks: MSCI Emerging Markets GR Index

Global Stocks: MSCI ACWI GR Index

Private Equity: Cambridge Associates U.S. Private Equity

Venture Capital: Cambridge Associates U.S. Venture Capital

U.S. Interm-Term Muni Bonds: Bloomberg Barclays 1-10 (1-12 Yr) Muni Bond TR Index

U.S. High Yield Muni Bonds: Bloomberg Barclays High Yield Muni TR Index

U.S. Interm-Term Bonds: Bloomberg Barclays U.S. Aggregate Bond TR Index

U.S. High Yield Bonds: Bloomberg Barclays U.S. Corporate High Yield TR Index

U.S. Bank Loans: S&P/LSTA U.S. Leveraged Loan Index

Intl Developed Bonds: Bloomberg Barclays Global Aggregate ex-U.S. Index

Emerging & Frontier Market Bonds: JPMorgan EMBI Global Diversified TR Index

Public BDCs: S&P BDC Index

U.S. REITs: MSCI U.S. REIT GR Index

Ex U.S. Real Estate Securities: S&P Global Ex-U.S. Property TR Index

Private Real Estate: Cambridge Associates Real Estate

Commodity Futures: Bloomberg Commodity TR Index

Midstream Energy: Alerian MLP TR Index

Gold: LBMA Gold Price

Long-Short Equity: HFRI Equity Hedge Index

Global Macro: HFRI Macro-CTA Index

Relative Value: HFRI Relative Value Index

Closed-End Funds: S-Network Composite Closed-End TR Index

Insurance-Linked Securities: SwissRe Global Cat Bond TR Index

Digital Assets: MVIS CryptoCompare Digital Assets 25 Index

Cash & Cash Equivalents: Bloomberg Barclays U.S. T-Bill 1-3 Month TR Index

U.S. Short-Term Muni Bonds: Bloomberg Barclays Municipal 1-3 Yr TR Index

U.S. Short-Term Bonds: Bloomberg Barclays U.S. Agg 1-3 Yr TR Index

U.S. 60/40: 60% S&P 500 TR Index 40% Bloomberg Barclays U.S. Aggregate Bond TR Index

Global 60/40: 60% MSCI ACWI GR Index 40% Bloomberg Barclays Global Aggregate Bond TR Index