

March 31, 2024

# MATRIX

PRIVATE  
CAPITAL  
GROUP

Economic & Market Review

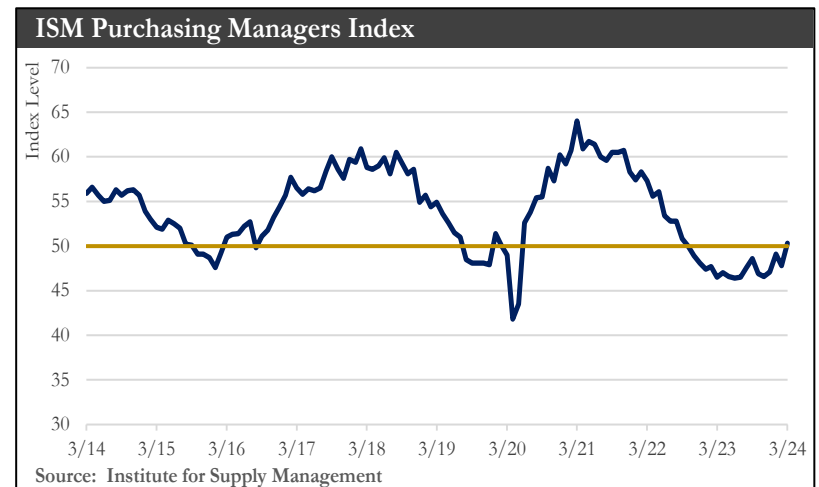
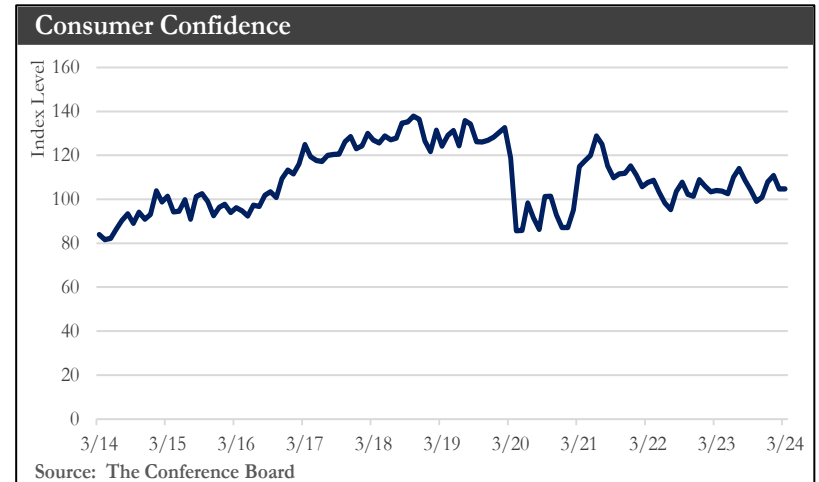
# Capital Market Performance

Index Performance as of: 3/28/2024															
	1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year		1 Week	1 Month	3 Month	YTD	1 Year	3 Year	5 Year
<b>Russell</b>								<b>International Equity - Broad Market</b>							
Russell 3000 Value	1.27	5.38	8.20	8.62	23.87	7.45	10.23	MSCI EAFE NR	0.02	3.55	5.61	5.85	18.44	4.72	7.45
Russell 3000	0.35	3.79	9.57	10.02	33.85	9.75	14.45	MSCI Emerging Mkts NR	-0.67	2.43	2.18	2.09	10.10	-4.91	2.41
Russell 3000 Growth	-0.41	2.50	10.75	11.22	43.42	11.78	17.99	MSCI Frontier Markets NR	0.78	2.33	5.37	5.37	15.34	1.09	3.07
Russell 1000 Value	1.26	5.38	8.64	8.99	23.99	7.83	10.38	MSCI ACWI NR	0.06	3.53	7.88	8.14	27.04	6.95	11.04
Russell 1000	0.30	3.76	9.91	10.29	34.50	10.43	14.88	MSCI ACWI ex USA NR	-0.26	3.22	4.42	4.53	15.94	1.91	6.08
Russell 1000 Growth	-0.49	2.45	11.00	11.41	44.57	12.75	18.69	MSCI AC Asia ex Japan NR	-1.05	2.48	2.19	2.05	5.79	-6.84	2.11
Russell Midcap Value	1.27	5.92	7.54	8.23	24.74	6.53	9.98	<b>International Equity - Country Region</b>							
Russell Midcap	0.97	5.03	7.91	8.60	26.96	5.95	11.21	MSCI Brazil NR	-0.30	-3.06	-7.70	-7.36	30.51	9.79	2.49
Russell Midcap Growth	0.25	2.97	8.81	9.49	31.41	4.81	12.01	MSCI BRIC NR	-0.45	0.71	0.10	-0.04	3.96	-10.41	-1.70
Russell 2000 Value	1.50	5.37	1.32	2.90	21.77	1.96	8.10	MSCI China NR	-1.84	1.16	-1.94	-2.29	-14.61	-18.83	-6.04
Russell 2000	1.30	4.34	3.58	5.17	23.14	-0.14	8.13	MSCI Europe NR	0.66	3.95	7.88	7.63	18.25	9.44	8.93
Russell 2000 Growth	1.10	3.33	5.96	7.58	24.16	-2.49	7.49	MSCI India NR	1.54	1.25	6.02	6.07	40.16	12.47	11.67
<b>Standard &amp; Poors</b>								MSCI Japan NR	-0.74	3.38	10.59	10.49	26.78	3.03	7.75
S&P 500	0.26	3.78	10.25	10.55	34.40	11.45	15.17	MSCI EM Latin Amer NR	0.34	0.61	-4.34	-3.96	25.73	11.14	4.13
Consumer Discretionary	0.07	1.04	4.31	4.98	35.82	4.72	11.62	<b>Fixed Income-Taxable</b>							
Consumer Staples	0.46	3.28	7.70	7.52	9.07	7.79	10.10	Bloomberg US Agg TR	0.56	1.07	-0.79	-0.78	2.37	-2.49	0.34
Energy Sector	2.00	11.08	13.41	13.69	20.54	28.50	12.71	Bloomberg US Agg 1-3 YR	0.12	0.44	0.54	0.45	3.69	0.26	1.29
Financials Sector	0.50	4.80	12.14	12.45	36.69	9.06	12.75	Bloomberg US Agg 3-5 YR	0.27	0.71	0.00	-0.11	3.24	-1.26	0.91
Health Care Sector	1.47	1.64	8.89	8.85	18.34	9.88	12.30	Bloomberg US Agg 5-7 YR	0.44	1.01	-0.47	-0.51	2.61	-2.02	0.63
Industrials Sector	0.29	4.82	10.76	10.97	30.46	10.42	13.15	Bloomberg U.S. T-Bills	0.15	0.48	1.37	1.32	5.37	2.65	2.02
Information Technology	-0.82	3.17	12.37	12.69	52.98	18.98	25.60	Bloomberg US Govt	0.59	0.82	-0.96	-0.93	0.62	-2.77	-0.07
Materials Sector	1.09	7.36	8.57	8.95	21.95	7.46	13.46	Bloomberg US Credit	0.58	1.35	-0.47	-0.41	5.24	-1.82	1.38
Real Estate Sector	1.14	2.66	-1.64	-0.55	16.15	3.00	5.25	Bloomberg US Corp HY	0.15	1.27	1.50	1.47	13.13	2.28	4.25
Communication Services	0.09	5.60	15.24	15.82	55.18	7.32	13.72	Bloomberg US TIPS	0.53	1.07	-0.04	-0.08	1.18	-0.65	2.52
Utilities Sector	3.00	6.73	4.47	4.57	3.08	4.42	6.00	Bloomberg Global-Agg	0.24	0.79	-2.36	-2.07	0.72	-4.86	-1.18
<b>Other U.S. Equity</b>								Bloomberg Gbl Agg ex-USI	-0.01	0.57	-3.69	-3.19	-0.83	-6.73	-2.51
Dow Jones Industrial Avg.	0.07	2.38	6.08	6.14	25.49	8.55	11.48	Bloomberg EM USD Agg	0.47	1.90	1.55	1.53	9.41	-1.55	1.10
NASDAQ 100 Stock	-0.35	2.21	8.26	8.72	45.98	12.95	21.06	<b>Fixed Income-Tax Exempt</b>							
<b>Alternative Investments</b>								Bloomberg Municipal	-0.16	0.10	-0.36	-0.39	3.36	-0.41	1.60
Alerian MLP	0.07	5.13	13.72	13.83	41.08	28.66	11.34	Bloomberg Muni 3 YR	-0.15	-0.14	-0.26	-0.28	1.89	-0.02	1.07
Bloomberg Commodity	0.15	3.37	1.27	2.19	0.57	8.80	6.38	Bloomberg Muni 5 YR	-0.16	-0.06	-0.35	-0.37	2.07	-0.30	1.25
FTSE Nareit Equity REITs	1.07	2.77	-1.51	-0.20	17.10	3.66	4.06	Bloomberg Muni 7 YR	-0.14	-0.06	-0.45	-0.48	2.29	-0.29	1.50
S&P Global Nat Res	0.58	7.95	0.90	1.34	7.74	8.87	9.03	Bloomberg Muni HY	0.14	1.43	1.51	1.51	8.08	0.59	3.03
S&P N.Amer Nat Res	2.07	11.58	10.82	11.18	21.53	20.97	12.11								

Source: Bloomberg

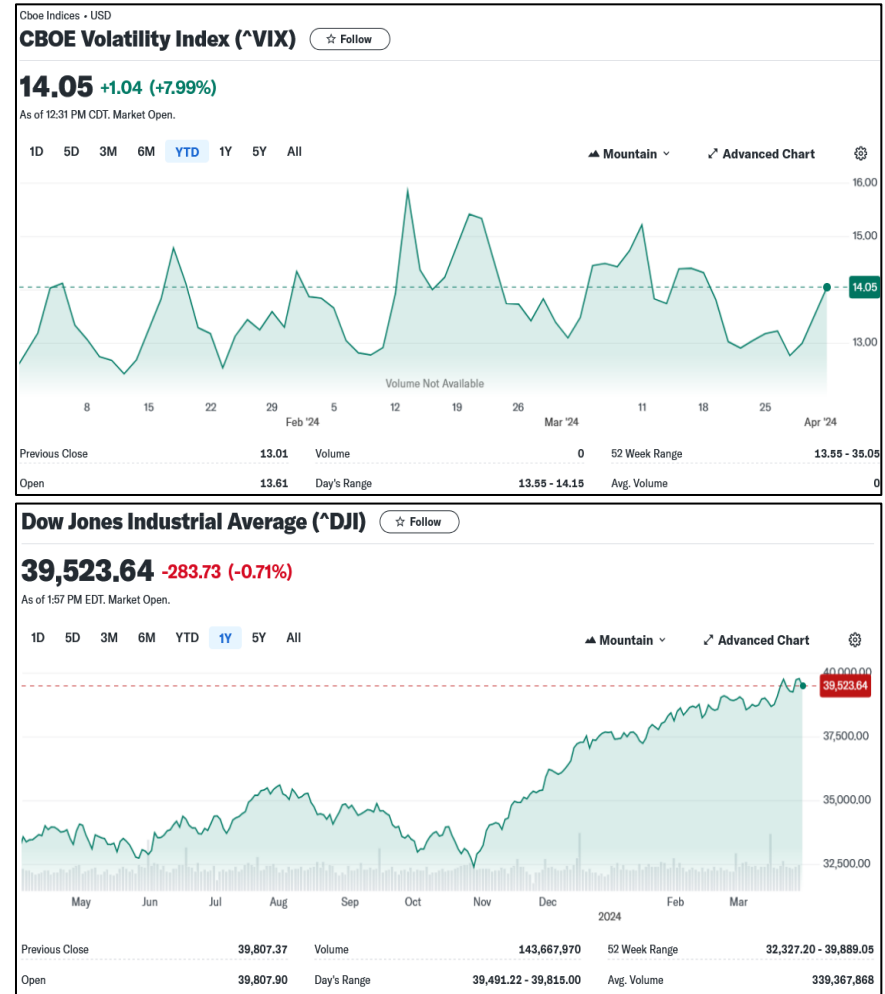
# Economic & Market Overview

- **Consumer Confident.** Consumer confidence held steady in March. This confidence will likely be an important economic factor this year now that pandemic-era financial support and cheap credit have faded. What is keeping the consumer confident, is the strong job market. As long as the jobs market holds up, consumers are likely to stay confident.
- **Consumer Still Earning & Spending.** Consumer spending has seemingly not been slowed by higher borrowing costs as evidenced by the sharp increase in spending in February. The 0.8% increase for the month was the largest monthly increase in over a year and a half. Personal income was up another 0.3% in February after a 1.0% increase in January. The cost-of-living adjustment to social security in January was a contributing factor.
- **Surprise!** The manufacturing sector recorded a surprise expansion in March continuing its recovery from a weak 2023. Nine industries reported growth up from eight in February. Both demand and production picked up in March with over half of all industries reporting growth for the first time since September 2022. The uptick in demand and acceleration in prices paid will be watched closely by the Fed as it may lead to upward pressure on goods prices.



# Economic & Market Overview

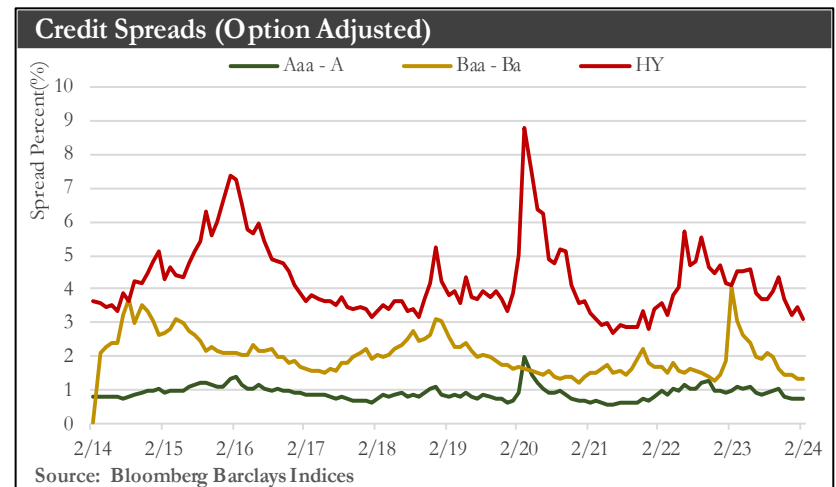
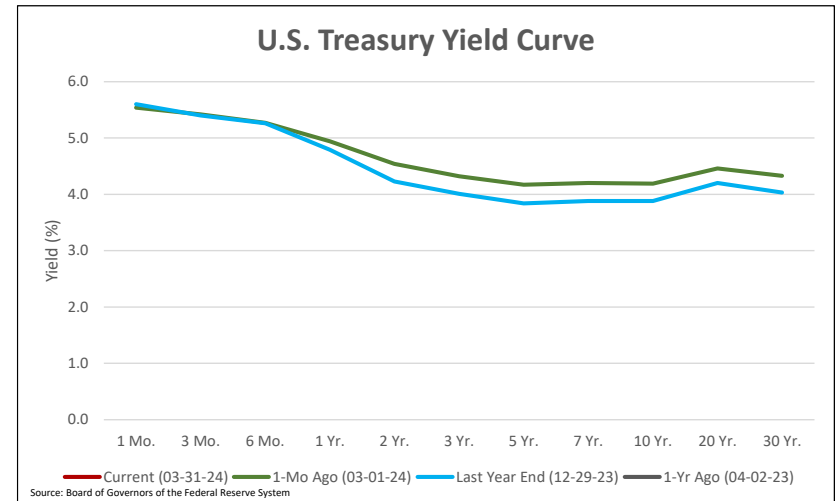
- **Valuations Stretched, Volatility Low.** The 12-month current forward P/E of the S&P 500 is now almost 22 times earnings which is higher than the last 5-year and 10-year price to earnings multiple. It appears investors have been pouring capital into the U.S. stock market as investor enthusiasm for stocks remains bullish. One measure of this sentiment is the Chicago Board Options Exchange Volatility Index (VIX) which has continued to trade well below the historical average of 20. As of the end of March, VIX was about 13.0.
- **Q1 Earnings Forecast.** The Q1 corporate earnings forecast for the S&P 500 as of March 21 was 3.4% down from the 5.7% estimate as recently as December 31<sup>st</sup>. If realized, this would mark the third consecutive quarter of earnings growth.
- **Nearing 40,000.** Major U.S. equity indices have hit multiple all-time highs this year. The popular Dow Jones Industrial Average is nearing the 40,000 mark, widely considered out of reach a few years ago. A combination of ultra-low interest rates (and a lack of alternative investment choices), pandemic-era fiscal and monetary stimulus, and corporate stock buybacks have been major contributors to the rise in U.S. stock indices.



Source: Yahoo Finance

# Economic & Market Overview

- **Bond Market Gets Quiet.** As recently as last October, the interest rate on the 10-year U.S. Treasury was about 5%. At the end of October, yields plummeted as the Fed indicated their interest rate policy would likely pivot in 2024 with several interest rate cuts. Over the past several weeks the yield has been trading in a very tight range between 4.1%-4.3%.
- **Interest Rate Spread Narrows.** It seems investors continue to reach for yield as the spread in yield between higher quality and lower quality U.S. corporate bonds narrows. Demand for yield from lower credit quality issuers has picked up as investors have seen continued strength in the U.S. economy and a likely decrease in expected defaults.
- **Yield Curve Mildly Increases Inversion.** The bond market has been adjusting rates along the yield curve as more information is released on the performance of the U.S. economy. With a few exceptions, the total return on bonds has been negative year-to-date. In our opinion, this is due to interest rates responding to the strong labor market, rising inflation in January and February, and personal income and spending up year-to-date.



# Disclosures

**Past performance is not a guarantee of future results.** Except where otherwise indicated, the information contained in this presentation is based on matters as they exist as of the date of preparation of such material and not as of the date of distribution or any future date. This document does not constitute advice or a recommendation or offer to sell or a solicitation to deal in any security or financial product. It is provided for information purposes only and on the understanding that the recipient has sufficient knowledge and experience to be able to understand and make their own evaluation of the proposals and services described herein, any risks associated therewith and any related legal, tax, accounting or other material considerations. Recipients should not rely on this material in making any future investment decision. To the extent that the reader has any questions regarding the applicability of any specific issue discussed above to their specific portfolio or situation, clients are encouraged to consult with the appropriate professional advisor(s) of their choosing. Ultimate portfolio design recommendations will be based on analysis and considerations of factors specific to each client, including risk tolerances, liquidity parameters, return expectations, etc.

We do not represent that the information contained herein is accurate or complete, and it should not be relied upon as such. Opinions expressed herein are subject to change without notice. Certain information contained herein (including any forward-looking statements and economic and market information) has been obtained from published sources and/or prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, Matrix Private Capital Group does not assume any responsibility for the accuracy or completeness of such information. Matrix Private Capital Group does not undertake any obligation to update the information contained herein as of any future date.

The information contained herein should be treated with strict confidentiality and may not be disclosed by the recipient or delivered to any person, except to the recipient's advisers or with Matrix Private Capital Group's consent (provided that such persons also agree to abide by the confidentiality restrictions contained herein) or if required by law. In the event of any prohibited disclosure of this information, Matrix Private Capital Group may pursue any and all legal remedies available to it.

The indices presented have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed for informational purposes. It is not possible to invest directly in an index. Detailed information regarding the indices is available upon request.

Investments involve risk, including loss of principal.

Matrix Private Capital Group is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. More information about Matrix Private Capital Group including its advisory services and fee schedule can be found in Form ADV Part 2 and/or Form CRS which is available upon request. **MPCG-24-09**