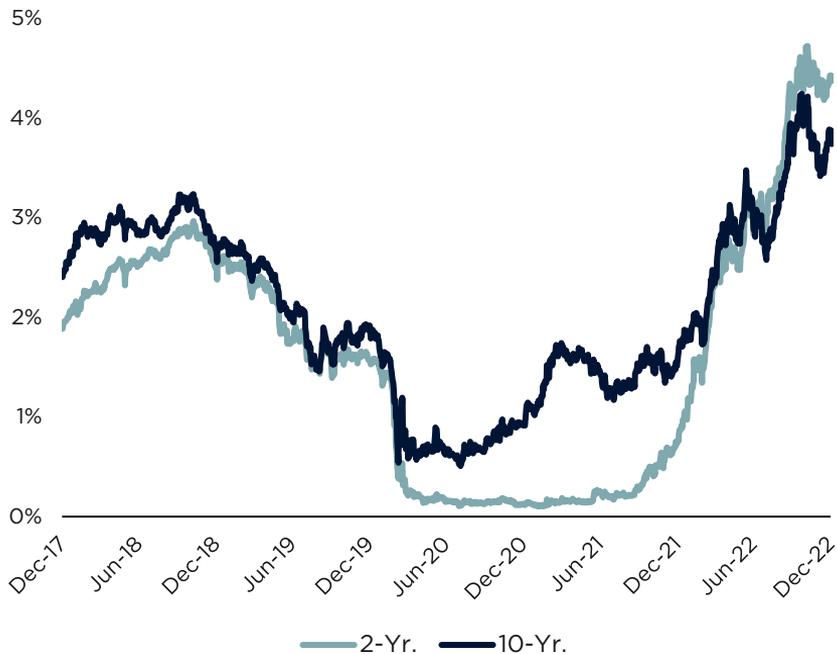


MARKET OUTLOOK
FEBRUARY 2023

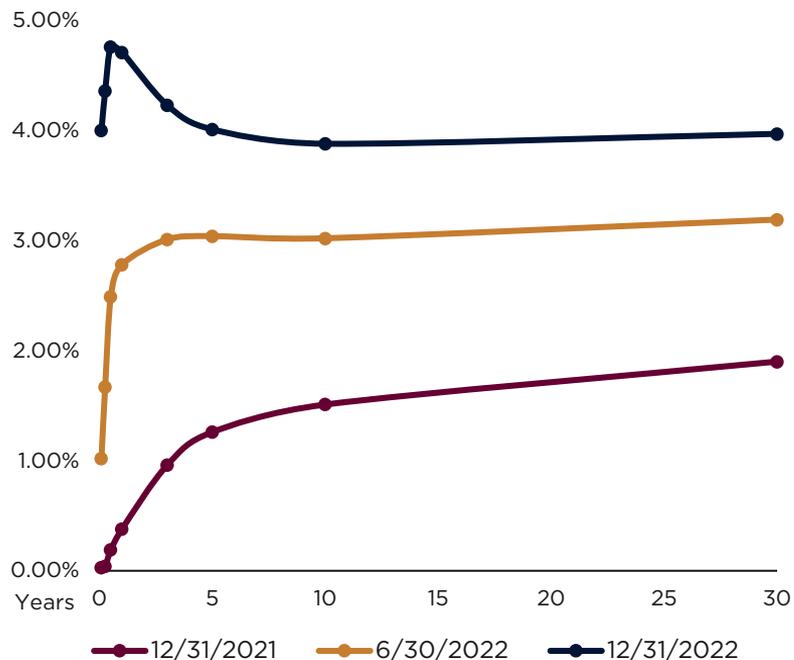


INTEREST RATES MOVED MEANINGFULLY HIGHER

US Treasury Yields

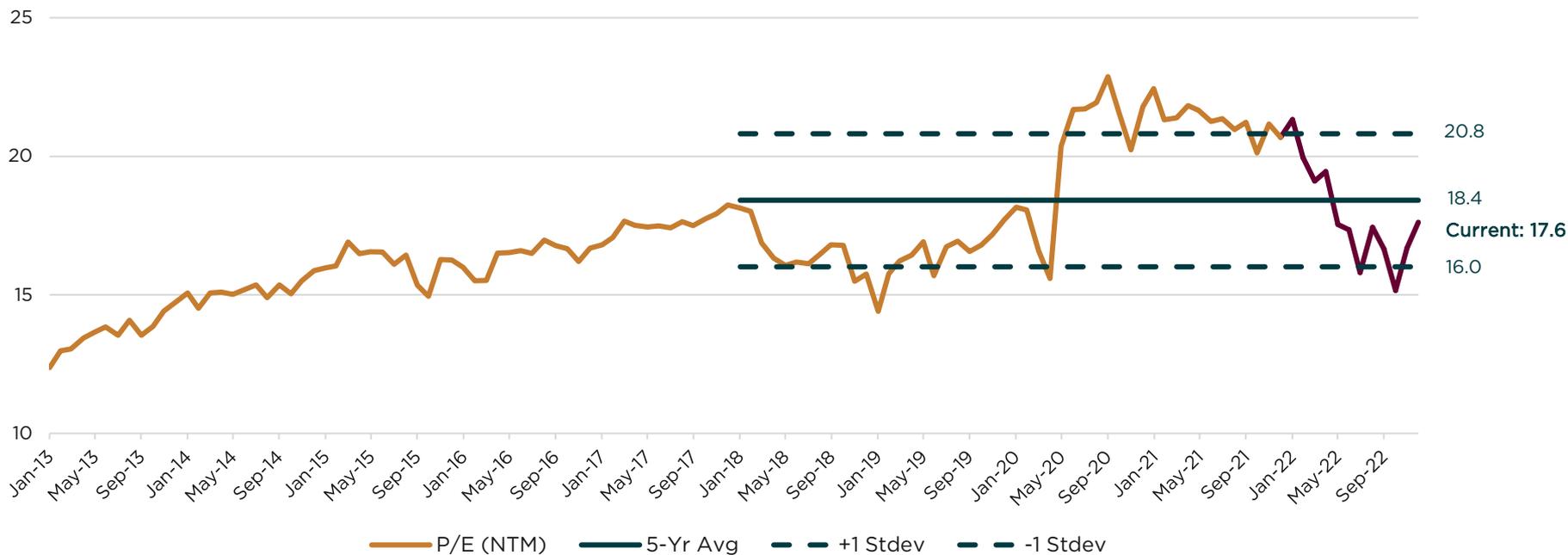


UST Yield Curve



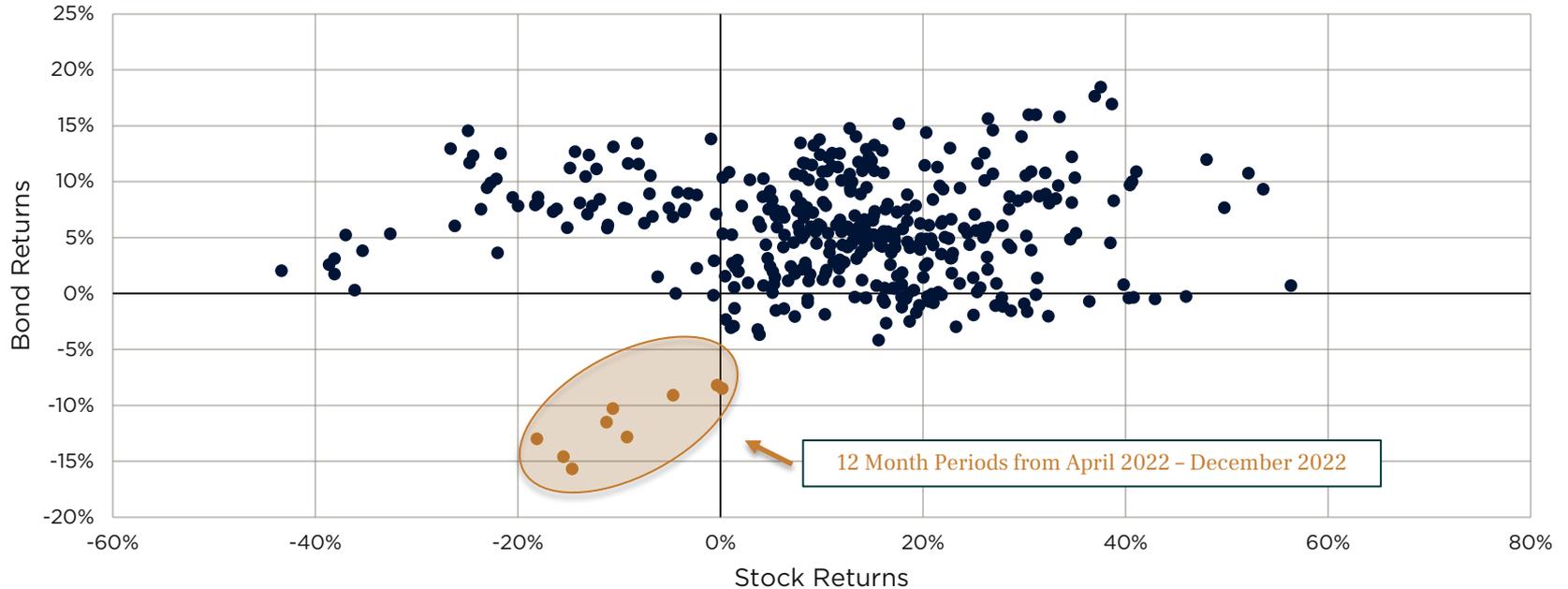
HIGHER RATES PRESSURED STOCK MARKET PRICE MULTIPLES

S&P 500 Next Twelve Month Price-to-Earnings Ratio



UNIQUELY CHALLENGING YEAR FOR BOTH STOCKS AND BONDS

Rolling 12-Mo. Stock & Bond Returns since 1990

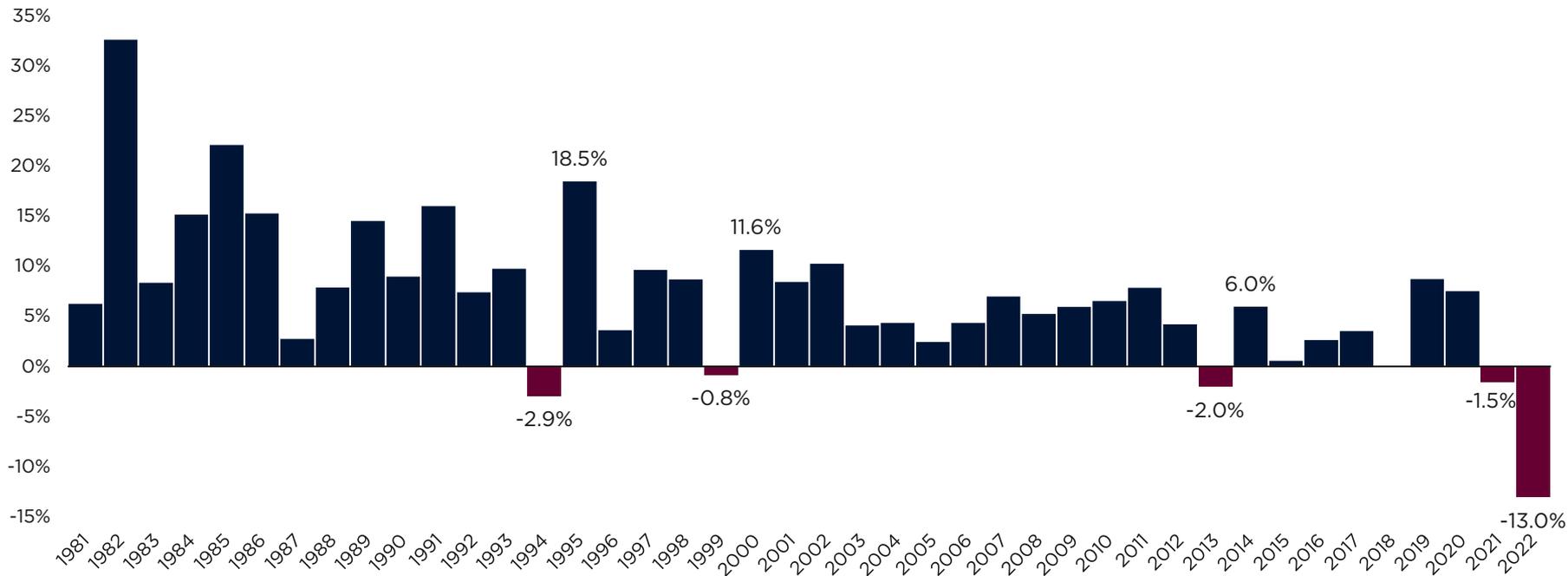


NOTE: BOND RETURNS OF BLOOMBERG US AGGREGATE INDEX, STOCK RETURNS OF S&P 500 INDEX

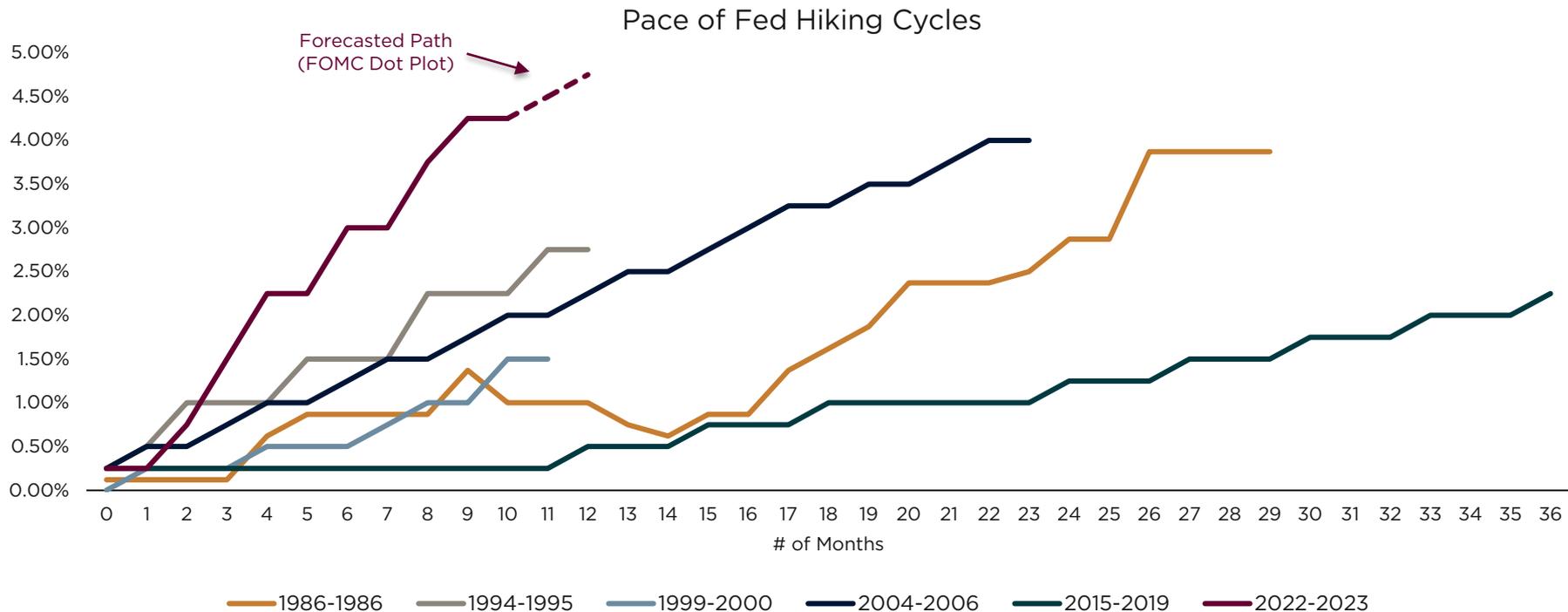
SOURCE: BLOOMBERG, DATA AS OF 12/31/2022

RISING RATES LED TO A CHALLENGING YEAR FOR BONDS

Bloomberg US Aggregate Index

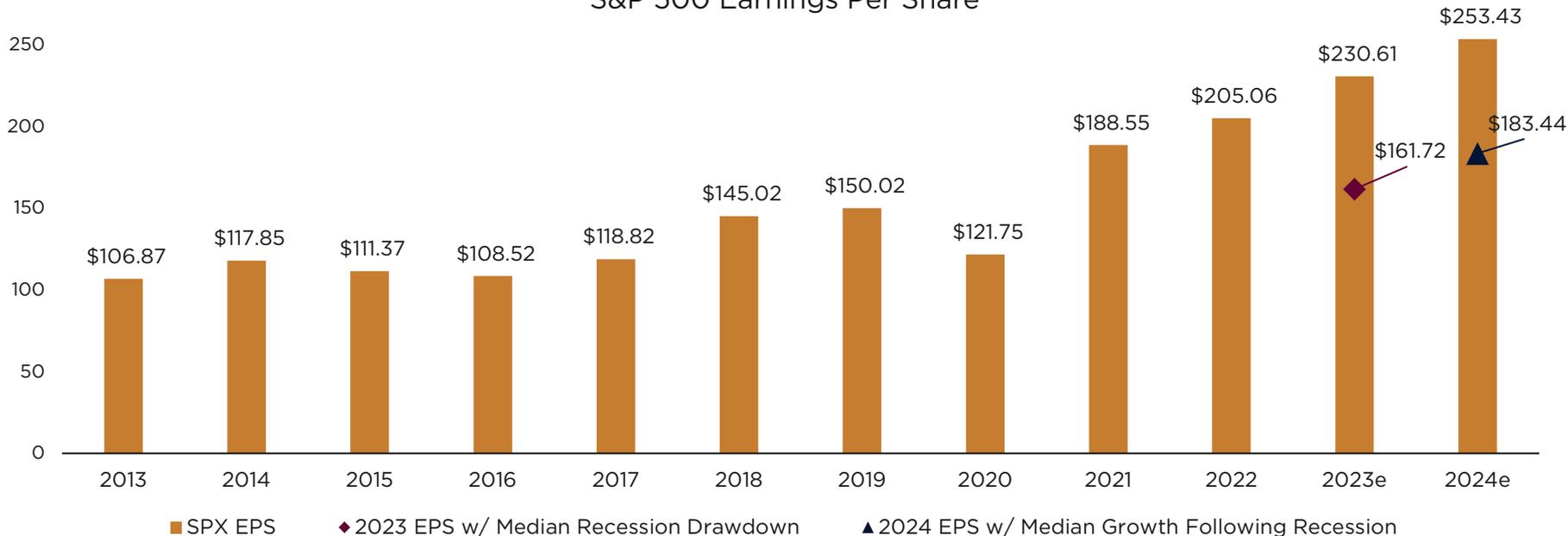


FASTEST FED HIKING CYCLE IN HISTORY



COMPANIES & ANALYSTS ARE NOT YET FORECASTING A SLOWDOWN

S&P 500 Earnings Per Share

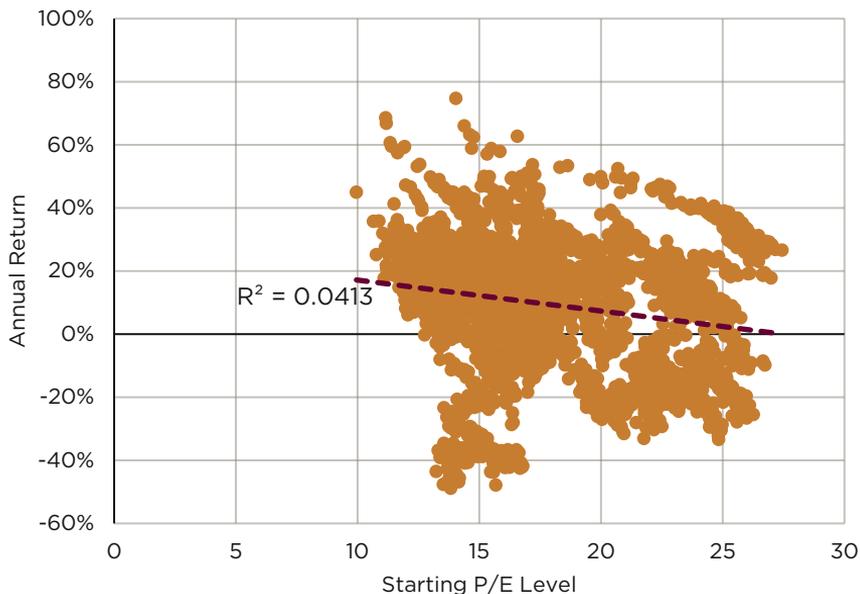


NOTE: RECESSION DRAWDOWN CALCULATED AS MAX TO MIN S&P 500 LTM EPS +/- 6 MONTHS OF RECESSIONS; GROWTH FOLLOWING RECESSION USES EPS GROWTH 12-MONTHS FOLLOWING RECESSION LOW

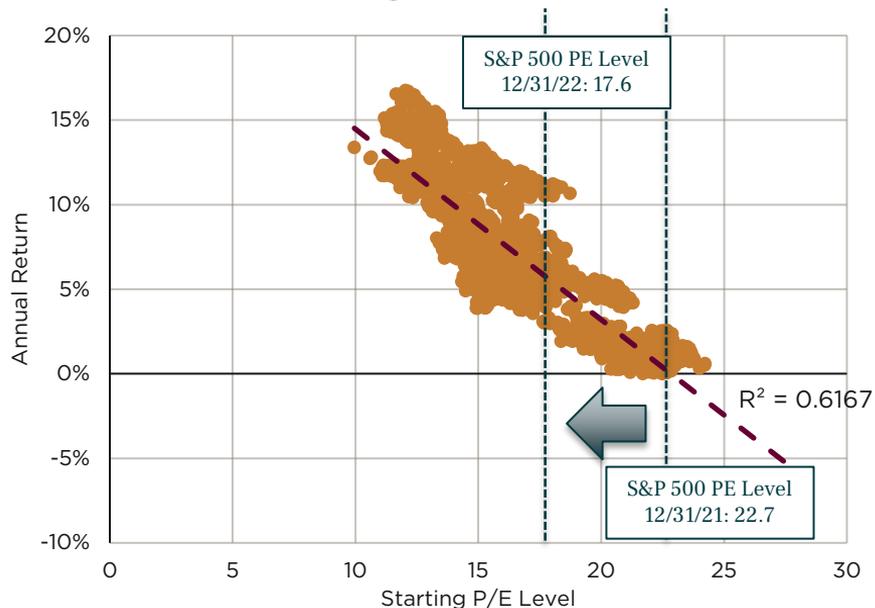
SOURCE: JOHNSON ASSET MANAGEMENT, FACTSET, DATA AS OF 12/31/2022

VALUATION CORRECTIONS BODE WELL FOR LONG-TERM INVESTORS

1-Year Annualized S&P 500 Returns vs. Starting P/E Levels



10-Year Annualized S&P 500 Returns vs. Starting P/E Levels





THANK YOU!

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