

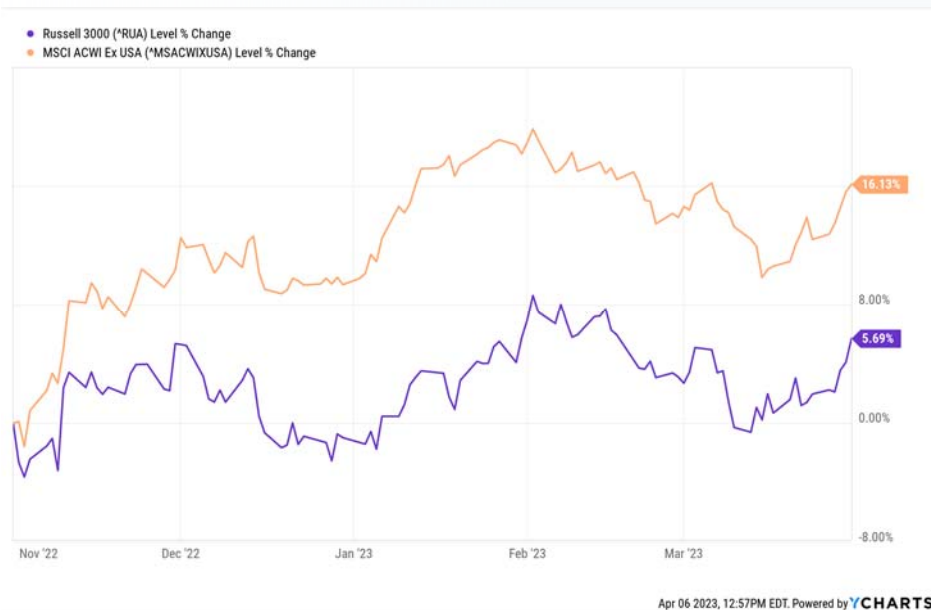
Keen Insight

April 2023



A Nod to Diversification

Winners and losers change rapidly from moment to moment. In 2022, it was a value story. 2023 has proven to start things a little differently. Starting in November, the foreign stock (MSCI ACWI Ex USA) surge has outperformed US stocks (Russell 3000) by a wide margin. Some of this was fueled by a decrease in the dollar. This is another example of the importance of being diversified in your investing. We cannot determine in advance which sectors, countries, or individual stocks will outperform at any given time and it is often the most unexpected parts of the market. We capture these returns by deploying rules based rebalancing and investing that is not based on future prognostication, but scientific process.



Cash is Yielding, but is still not King

For the first time in over a decade, there are places to store short term cash, maintain liquidity and get some return. Treasuries, CD's and high yield bank accounts (money markets, checking, savings) are offering interest of >4% in many cases. TD Ameritrade's fixed income desk allows us to search the best yields based on your circumstances and needs at any given time. This is a great option for excess cash that might need to be used soon. However, remember these returns are still less than current inflation and are not a substitute for long term investing. The last time we saw money market flows go up this much, those investors missed out on some great stock returns. While cash is not a long term strategy, we can enhance short term return in the right circumstances.

Key Market Performance 2023 Q1

US Stocks	7.2%
Developed Ex US	7.8%
Emerging Markets	4.0%
Global Real Estate	1.4%
US Bonds	3.0%
Global Bonds Ex US	2.9%

Special points of interest

- Likely Nearing the end of Fed Funds Raises
- After SVB and Signature Bank Failures, bank deposits remain healthy.
- Global Diversification helped stock investors as dollar weakens
- Recession Fears have dampened to mild recession.

Opportunities

- International Stocks—as the dollar strength reverses
- Bonds—variable maturity and credit will take advantage when interest rates reverse
- Cash—there are options for yield in Short Term Cash
- Fed is nearing the end of a tightening cycle, opening up opportunity for future economic growth