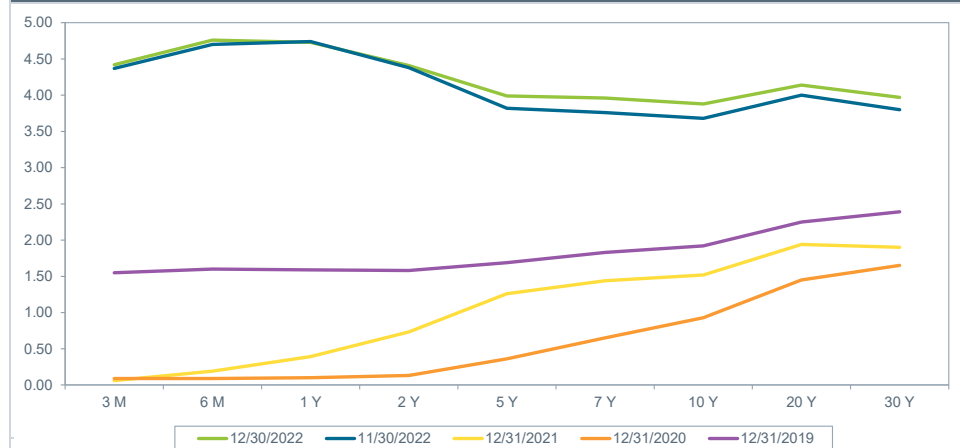


General Market Commentary

- US equity markets declined in December, with most US equity indices posting mid-single digit losses during the month. Developed international equity markets finished the month relatively flat, although emerging markets lagged developed international markets and finished slightly negative.
- Equity markets pulled back primarily due to recession fears and declining economic forecasts, with most experts predicting muted GDP growth in Q4 2022 extending into 2023. Persistent high inflation and geopolitical tension also contributed to the poor equity performance in December.
- At the December 2022 meeting, the Federal Reserve raised interest rates 50 basis point rate to combat the heightened inflation, although the magnitude of this increase was less than the prior four consecutive increases of 75 basis points. The Fed signaled that they expect to keep rates high through 2023 with additional rate hikes, and interest rate reductions are not expected to occur until 2024.
- Equity markets posted mixed returns in December as the S&P 500 (Cap Wtd) Index returned -5.76% and the MSCI EAFE (Net) Index returned 0.08%. Emerging markets returned -1.41%, as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -0.45% in December, underperforming the -0.24% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 0.25%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned -5.14% in December and 3.68% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned 8.53% for the trailing one-year period and 17.99% for the trailing five-year period ending June 2022.
- Absolute return strategies returned 0.93% for the month and -4.65% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- Crude oil's price fell by 0.36% during the month but has increased by 6.71% YoY.

| Economic Indicators | Dec-22 | Nov-22 | Dec-21 | 10 Yr | 20 Yr |
|---|----------|--------|--------|--------|--------|
| Federal Funds Rate (%) | 4.33 ▲ | 3.83 | 0.07 | 0.78 | 1.30 |
| Breakeven Inflation - 5 Year (%) | 2.38 ▼ | 2.48 | 2.91 | 1.88 | 1.92 |
| Breakeven Inflation - 10 Year (%) | 2.30 ▼ | 2.37 | 2.59 | 1.98 | 2.08 |
| Breakeven Inflation - 30 Year (%) | 2.35 ▼ | 2.42 | 2.38 | 2.04 | 2.26 |
| Bloomberg US Agg Bond Index - Yield (%) | 4.68 ▲ | 4.56 | 1.75 | 2.40 | 3.22 |
| Bloomberg US Agg Bond Index - OAS (%) | 0.51 ▼ | 0.53 | 0.36 | 0.47 | 0.59 |
| Bloomberg US Agg Credit Index - OAS (%) | 1.21 ▼ | 1.24 | 0.87 | 1.18 | 1.38 |
| Bloomberg US Corp: HY Index - OAS (%) | 4.69 ▲ | 4.48 | 2.83 | 4.29 | 5.03 |
| Capacity Utilization (%) | N/A | N/A | 79.66 | 78.74 | 77.21 |
| Unemployment Rate (%) | 3.50 ▼ | 3.60 | 3.90 | 5.28 | 6.02 |
| PMI - Manufacturing (%) | 48.40 ▼ | 49.00 | 58.80 | 54.61 | 53.69 |
| Baltic Dry Index - Shipping | 1,383 ▲ | 1,355 | 2,251 | 1,349 | 2,425 |
| Consumer Conf (Conf Board) | 108.30 ▲ | 101.40 | 115.20 | 105.47 | 91.16 |
| CPI YoY (Headline) (%) | 7.10 — | 7.10 | 7.00 | 2.45 | 2.47 |
| CPI YoY (Core) (%) | 6.00 — | 6.00 | 5.50 | 2.49 | 2.19 |
| PPI YoY (%) | N/A | N/A | 10.60 | 12.30 | 2.66 |
| M2 YoY (%) | N/A | N/A | 0.00 | 12.40 | 8.17 |
| US Dollar Total Weighted Index | 122.33 ▼ | 123.65 | 115.37 | 110.21 | 103.33 |
| WTI Crude Oil per Barrel (\$) | 80 ▼ | 81 | 75 | 66 | 68 |
| Gold Spot per Oz (\$) | 1,824 ▲ | 1,769 | 1,829 | 1,438 | 1,160 |

Treasury Yield Curve (%)



| Treasury Yield Curve (%) | Dec-22 | Nov-22 | | Dec-21 | | Dec-20 | | Dec-19 |
|---------------------------------|--------|--------|--------|--------|-------|--------|-------|--------|
| 3 Month | 4.42 | 4.37 | | 0.06 | | 0.09 | | 1.55 |
| 6 Month | 4.76 | 4.70 | | 0.19 | | 0.09 | | 1.60 |
| 1 Year | 4.73 | 4.74 | | 0.39 | | 0.10 | | 1.59 |
| 2 Year | 4.41 | 4.38 | | 0.73 | | 0.13 | | 1.58 |
| 5 Year | 3.99 | 3.82 | | 1.26 | | 0.36 | | 1.69 |
| 7 Year | 3.96 | 3.76 | | 1.44 | | 0.65 | | 1.83 |
| 10 Year | 3.88 | 3.68 | | 1.52 | | 0.93 | | 1.92 |
| 20 Year | 4.14 | 4.00 | | 1.94 | | 1.45 | | 2.25 |
| 30 Year | 3.97 | 3.80 | | 1.90 | | 1.65 | | 2.39 |
| Market Performance (%) | MTD | QTD | CYTD | 1 Yr | 3 Yr | 5 Yr | 7 Yr | 10 Yr |
| S&P 500 (Cap Wtd) | -5.76 | 7.56 | -18.11 | -18.11 | 7.66 | 9.42 | 11.48 | 12.56 |
| Russell 2000 | -6.49 | 6.23 | -20.44 | -20.44 | 3.10 | 4.13 | 7.90 | 9.01 |
| MSCI EAFE (Net) | 0.08 | 17.34 | -14.45 | -14.45 | 0.87 | 1.54 | 4.53 | 4.67 |
| MSCI EAFE SC (Net) | 1.07 | 15.79 | -21.39 | -21.39 | -0.93 | -0.05 | 4.45 | 6.21 |
| MSCI EM (Net) | -1.41 | 9.70 | -20.09 | -20.09 | -2.69 | -1.40 | 5.17 | 1.44 |
| Bloomberg US Agg Bond | -0.45 | 1.87 | -13.01 | -13.01 | -2.71 | 0.02 | 0.89 | 1.06 |
| ICE BofAML 3 Mo US T-Bill | 0.36 | 0.84 | 1.46 | 1.46 | 0.72 | 1.26 | 1.07 | 0.76 |
| NCREIF ODCE (Gross) | N/A | N/A | 13.08 | 13.08 | 11.81 | 9.79 | 9.33 | 10.66 |
| FTSE NAREIT Eq REITs Index (TR) | -5.14 | 5.24 | -24.37 | -24.37 | -0.11 | 3.68 | 4.58 | 6.53 |
| HFRI FOF Comp Index | 0.93 | 2.43 | -4.65 | -4.65 | 3.93 | 3.15 | 3.42 | 3.58 |
| Bloomberg Cmdty Index (TR) | -2.45 | 2.22 | 16.09 | 16.09 | 12.65 | 6.44 | 6.49 | -1.29 |

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end. Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service. The previous month's CPI YoY is used as a proxy for the current YoY return until it becomes available.