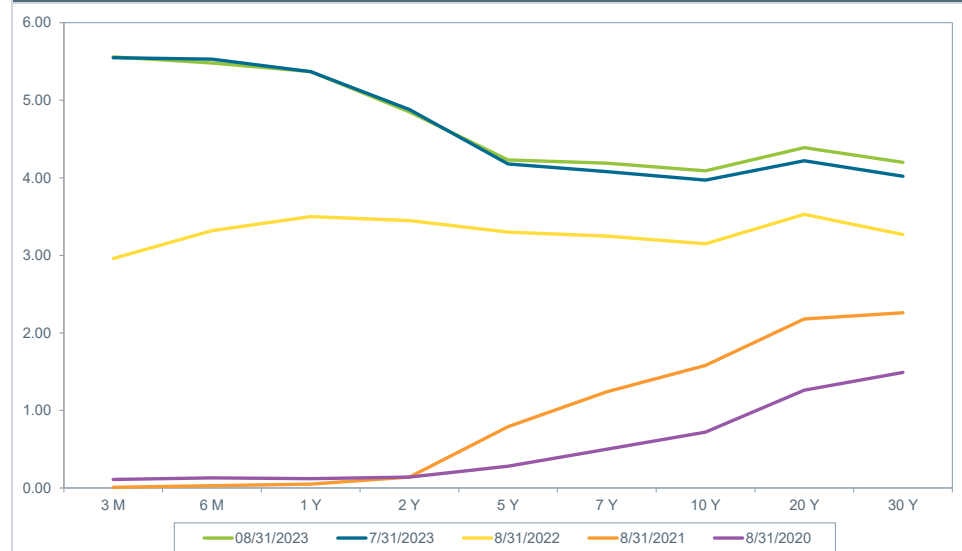


General Market Commentary

- Global equity markets pulled back in August, with most US and international indices experiencing low to mid-single digit losses for the month. In the US, small cap stocks generally underperformed large cap stocks, and internationally emerging markets declined more than developed markets.
- The annual U.S. inflation rate was 3.20% through the end of July, up slightly from 3.00% the month prior. Inflation has moderated considerably since 2022 highs, although still remains higher than the Fed's 2.00% target.
- On August 1, 2023, Fitch Ratings downgraded the US debt rating from AAA to AA+ due to concerns over rising fiscal deficits in the near-term, unsustainable debt and deficit trajectories, increased political dysfunction, and polarization among policymakers in addressing fiscal challenges. The downgrade, along with higher treasury issuance, led to an increase in longer-dated yields during August, as well as heightened bond market volatility.
- China's economic growth concerns also contributed to the pullback in global stocks. Economic and deflation data came in weaker than expected, factory activity continued to decrease, and both consumer and business confidence remain weak. During August, the People's Bank of China lowered interest rates twice in an attempt to address these issues, but China's difficulties continue to weigh on the global economy.
- Equity markets posted negative returns in August as the S&P 500 (Cap Wtd) Index returned -1.59% and the MSCI EAFE (Net) Index returned -3.83%. Emerging markets returned -6.16%, as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -0.64% in August, underperforming the 0.05% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -2.03%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate returned -3.11% in August and 3.69% over the trailing five-year period, as measured by the FTSE NAREIT Eq REITs Index (TR).
- The Cambridge US Private Equity Index returned -0.36% for the trailing one-year period and 16.18% for the trailing five-year period ending March 2023.
- Absolute return strategies returned 0.08% for the month and 3.49% over the trailing one-year period, as measured by the HFRI FOF Comp Index.
- Crude oil's price increased by 2.24% during the month but has decreased by 6.61% YoY.

Economic Indicators	Aug-23		Jul-23	Aug-22	10 Yr	20 Yr
Federal Funds Rate (%)	5.33	—	5.33	2.33	1.10	1.42
Breakeven Inflation - 5 Year (%)	2.20	▼	2.31	2.64	1.89	1.94
Breakeven Inflation - 10 Year (%)	2.26	▼	2.39	2.48	1.97	2.10
Breakeven Inflation - 30 Year (%)	2.27	▼	2.31	2.35	2.03	2.26
Bloomberg US Agg Bond Index - Yield (%)	4.97	▲	4.85	3.96	2.58	3.24
Bloomberg US Agg Bond Index - OAS (%)	0.48	▲	0.46	0.50	0.47	0.59
Bloomberg US Agg Credit Index - OAS (%)	1.09	▲	1.04	1.30	1.18	1.38
Bloomberg US Corp: HY Index - OAS (%)	3.72	▲	3.67	4.84	4.27	4.94
Capacity Utilization (%)	N/A	N/A	79.30	80.14	77.37	77.12
Unemployment Rate (%)	3.80	▲	3.50	3.70	4.99	5.92
PMI - Manufacturing (%)	47.60	▲	46.40	52.80	54.14	53.57
Baltic Dry Index - Shipping	1,086	▼	1,127	965	1,365	2,396
Consumer Conf (Conf Board)	106.10	▼	117.00	103.60	107.78	92.22
CPI YoY (Headline) (%)	3.20	—	3.20	8.30	2.70	2.57
CPI YoY (Core) (%)	4.70	—	4.70	6.30	2.73	2.31
PPI YoY (%)	N/A	N/A	-1.10	12.80	2.76	3.07
M2 YoY (%)	N/A	N/A	-3.70	3.80	7.49	6.76
US Dollar Total Weighted Index	120.74	▲	118.34	123.67	112.03	103.64
WTI Crude Oil per Barrel (\$)	84	▲	82	90	65	69
Gold Spot per Oz (\$)	1,944	▼	1,959	1,711	1,469	1,213

Treasury Yield Curve (%)



Treasury Yield Curve (%)	Aug-23	Jul-23	Aug-22	Aug-21	Aug-20			
3 Month	5.56	5.55	2.96	0.01	0.11			
6 Month	5.48	5.53	3.32	0.03	0.13			
1 Year	5.37	5.37	3.50	0.05	0.12			
2 Year	4.85	4.88	3.45	0.14	0.14			
5 Year	4.23	4.18	3.30	0.79	0.28			
7 Year	4.19	4.08	3.25	1.24	0.50			
10 Year	4.09	3.97	3.15	1.58	0.72			
20 Year	4.39	4.22	3.53	2.18	1.26			
30 Year	4.20	4.02	3.27	2.26	1.49			
Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	-1.59	1.57	18.73	15.94	10.52	11.12	13.03	12.81
Russell 2000	-5.00	0.81	8.96	4.65	8.12	3.14	7.72	7.96
MSCI EAFE (Net)	-3.83	-0.72	10.87	17.92	6.05	4.14	6.00	4.93
MSCI EAFE SC (Net)	-3.33	0.96	6.54	9.18	2.39	1.53	5.08	5.67
MSCI EM (Net)	-6.16	-0.32	4.55	1.25	-1.39	0.98	3.80	2.99
Bloomberg US Agg Bond	-0.64	-0.71	1.37	-1.19	-4.41	0.49	0.27	1.48
ICE BofAML 3 Mo US T-Bill	0.45	0.85	3.13	4.25	1.55	1.65	1.49	1.07
NCREIF ODCE (Gross)	N/A	N/A	-5.76	-9.97	7.99	6.50	6.97	8.74
FTSE NAREIT Eq REITs Index (TR)	-3.11	-0.35	5.00	-2.95	7.08	3.69	3.39	7.05
HFRI FOF Comp Index	0.08	1.16	3.43	3.49	3.92	3.46	3.91	3.48
Bloomberg Cmdty Index (TR)	-0.77	5.44	-2.77	-8.67	15.18	6.68	5.25	-0.93

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.