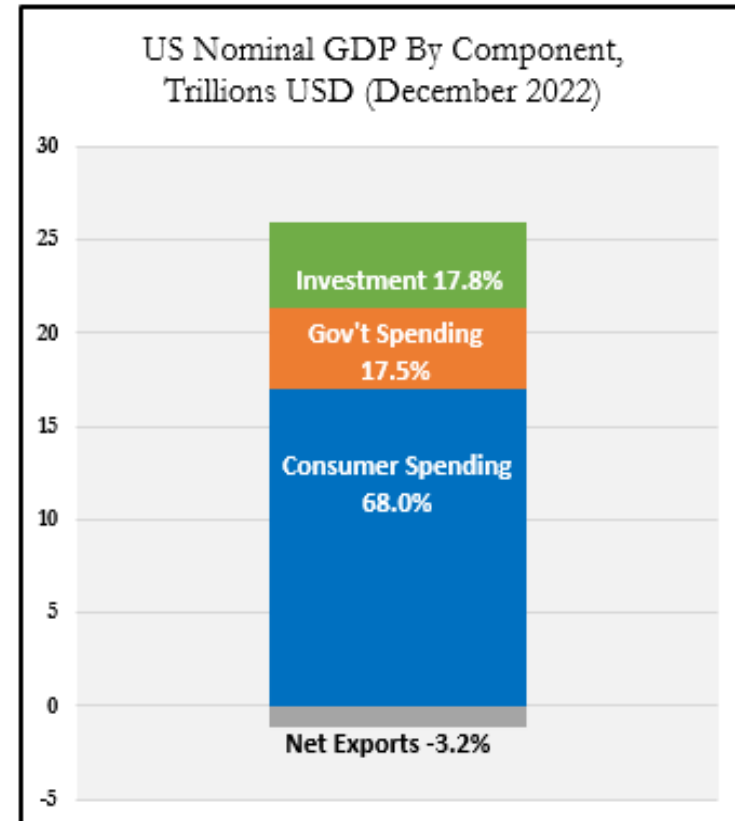
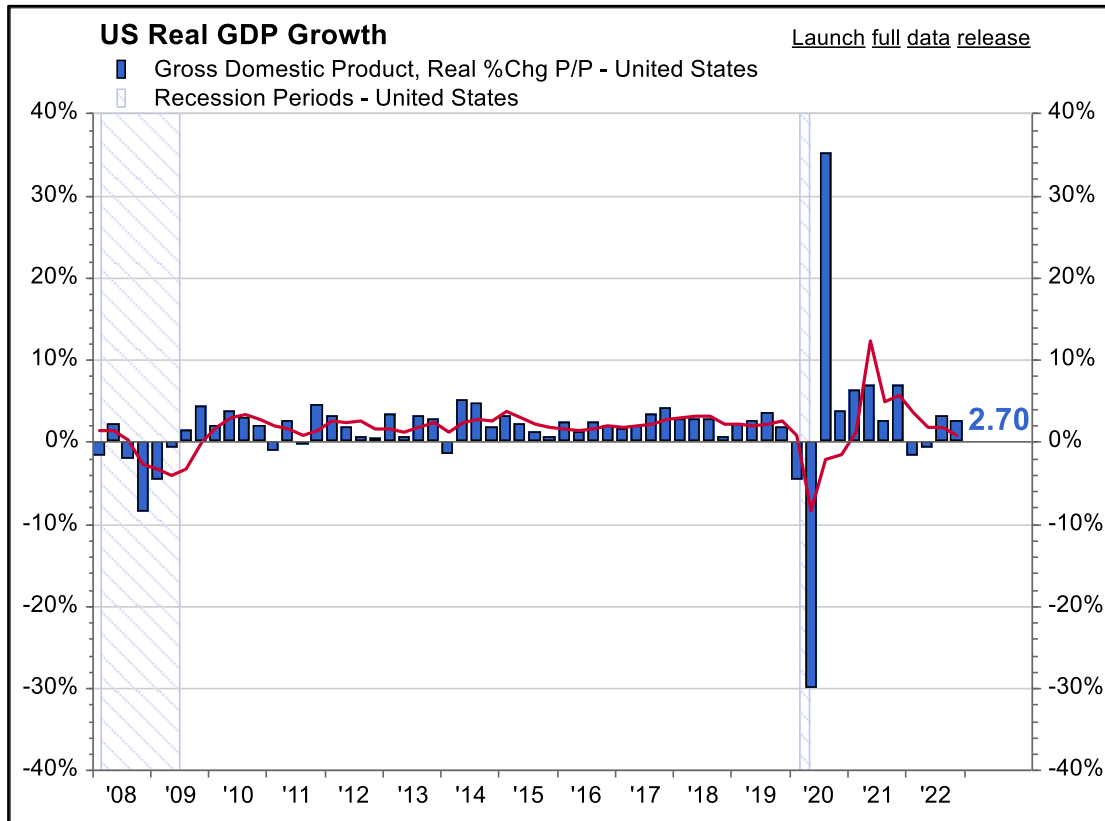


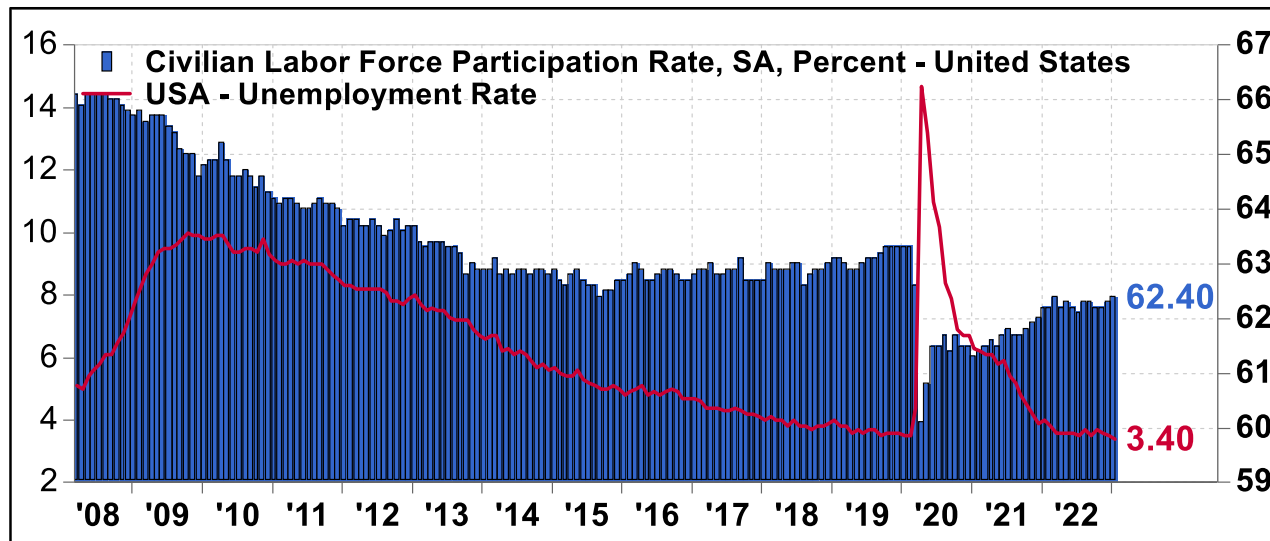
# JULEX MACRO CHART BOOK

February 2023

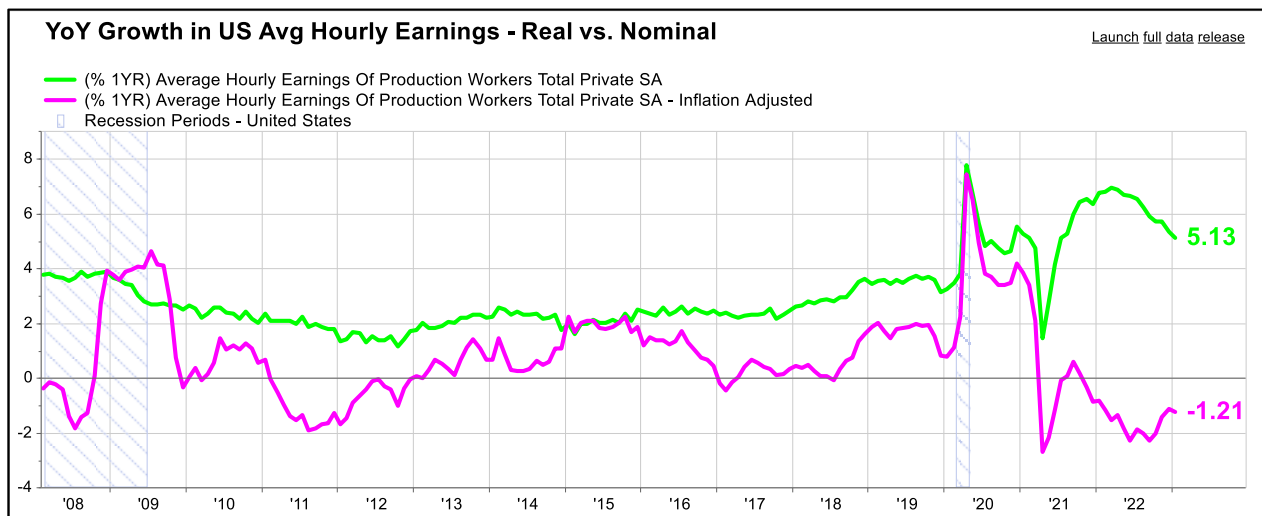
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All Data From FactSet Unless Otherwise Noted.  
[www.julexcapital.com](http://www.julexcapital.com)



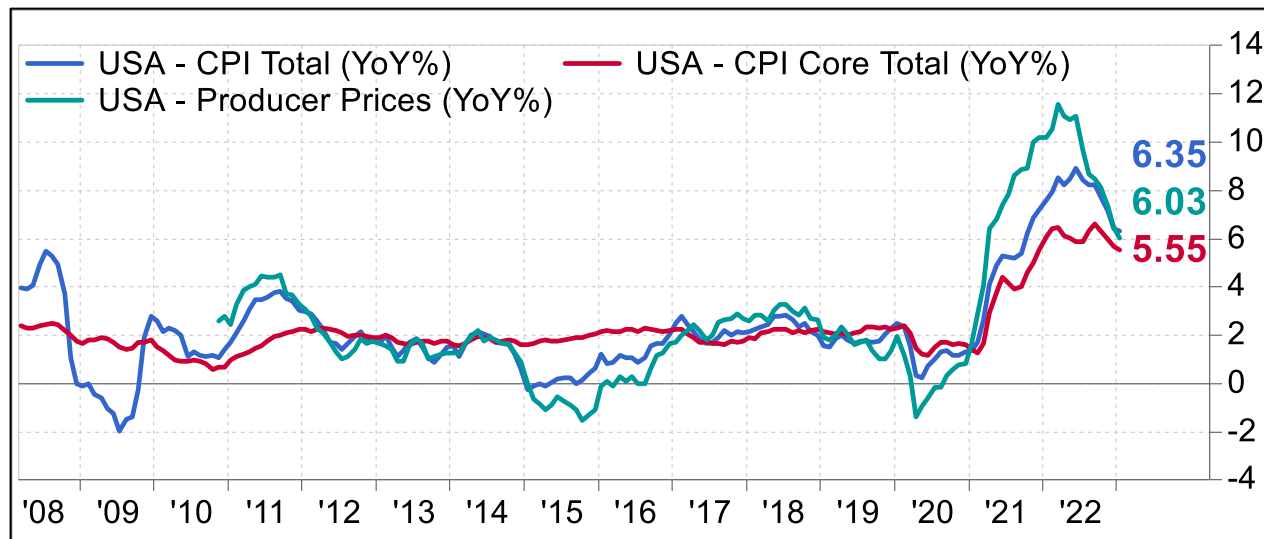
- The US economy grew by an adjusted 2.7% in Q4 2022, alleviating short-term calls for a recession.



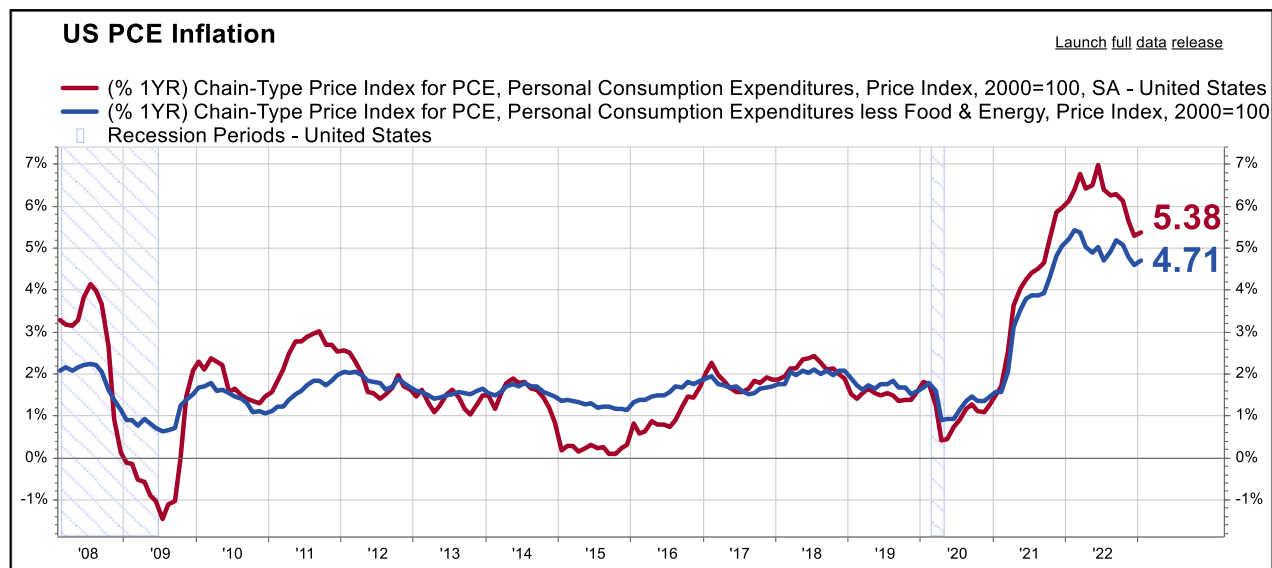
- The January jobs report saw the addition of some 517,000 jobs, far better than expectations. The unemployment rate shrunk to a record low 3.4% as the labor force increased to 62.4%.
- Real wage growth remains significantly negative.



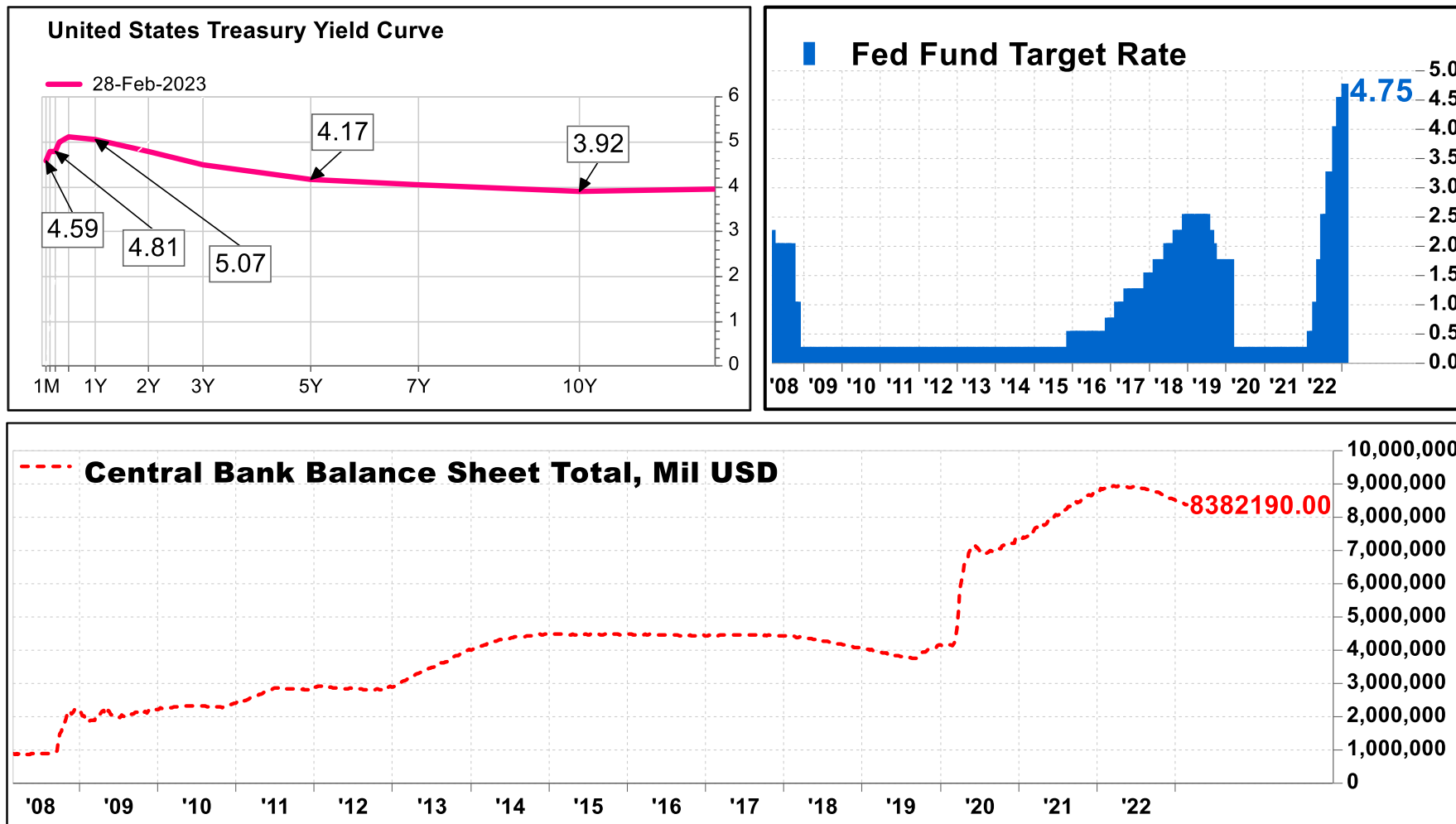
# US Economy - Inflation



- Inflation continues to be a dominant concern, though growth has significantly slowed.
- Powell and the Fed have repeatedly telegraphed their willingness to raise rates as much as necessary in order to bring inflation back to 2% growth, though there are growing expectations that some Fed governors believe the long-term inflation rate better belongs at 3% annually.

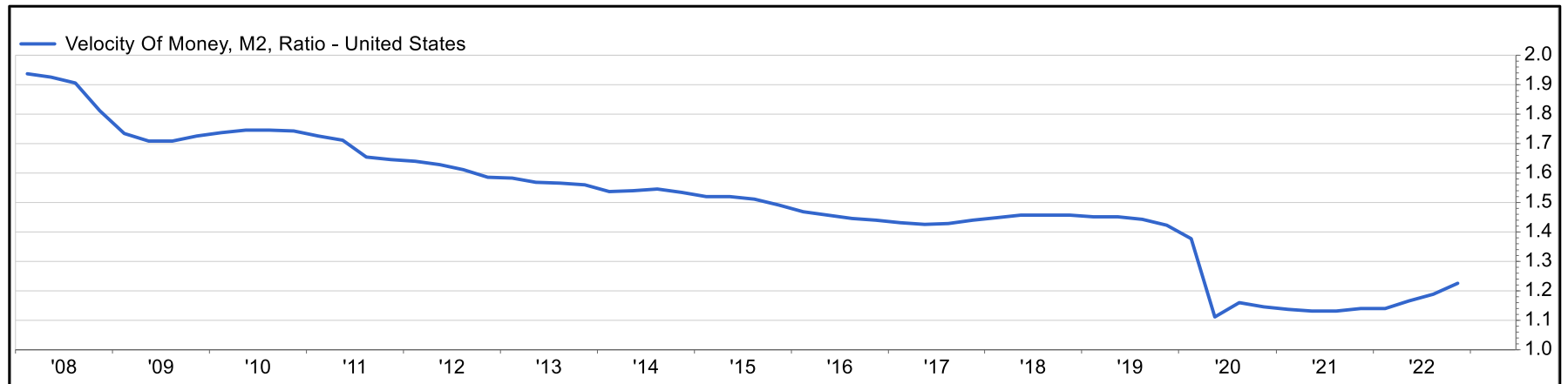
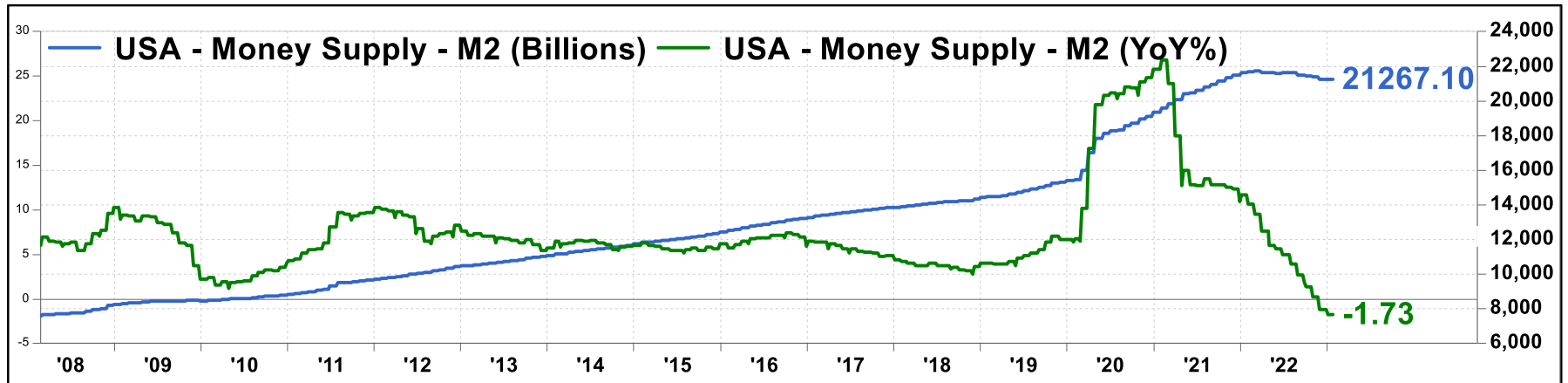


# US Economy - Monetary Policies



- The yield curve is heavily inverted.
- The Fed has remained steadfast in its commitment to raising rates, and again raised rates during their last meeting

# US Economy - Monetary Policies (Cont.)



- The money supply has gradually begun to contract as the Fed continues it's tightening cycle.

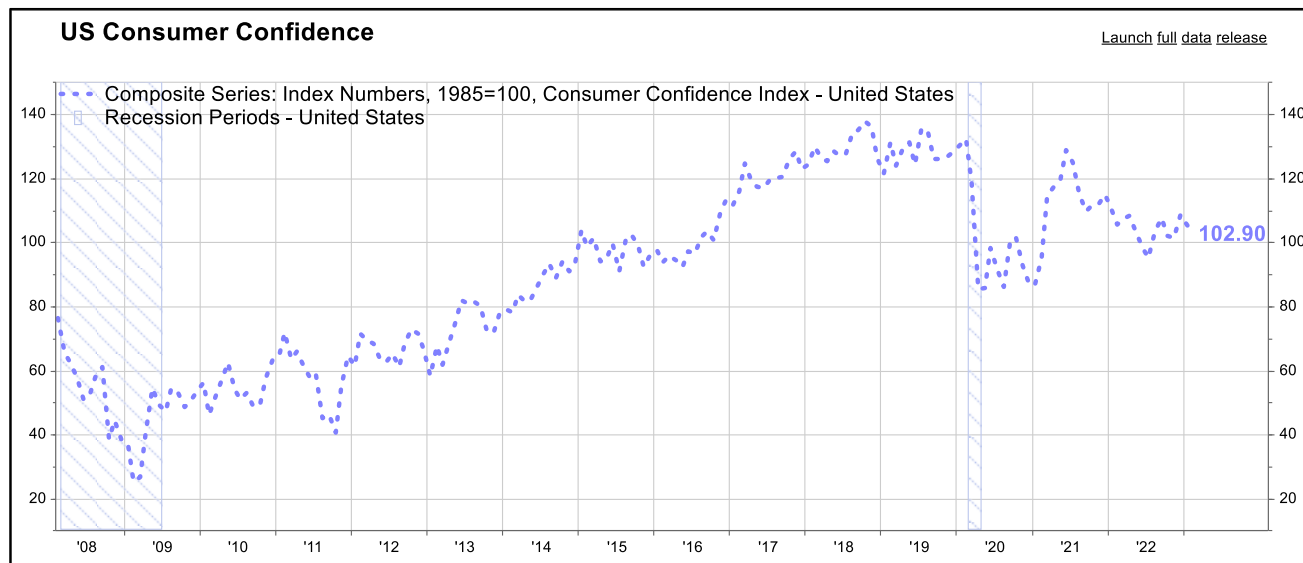


# US Economy - Fiscal Policies

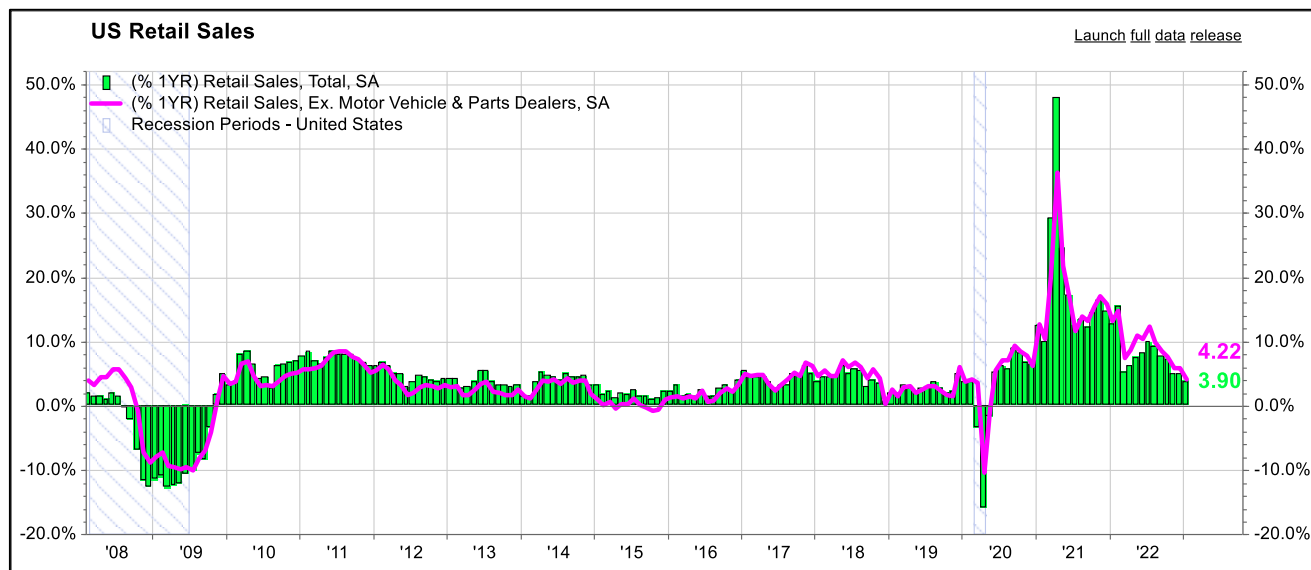
	2022 (Projected)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Government Revenues (Billions):</b>													
Individual Income Taxes	2,622.5	2,044.4	1,608.7	1,717.9	1,683.5	1,587.1	1,546.1	1,540.8	1,394.6	1,316.4	1,132.2	1,091.5	898.5
Payroll Taxes	1,464.6	1,314.1	1,310.0	1,243.1	1,170.7	1,161.9	1,115.1	1,065.3	1,023.5	947.8	845.3	818.8	864.8
Corporate Income Taxes	394.8	371.8	211.8	230.2	204.7	297.0	299.6	343.8	320.7	273.5	242.3	181.1	191.4
Excise Taxes	87.6	75.3	86.8	98.9	95.0	83.8	95.0	98.3	93.4	84.0	79.1	72.4	66.9
Estate and Gift Taxes	29.3	27.1	17.6	16.7	23.0	22.8	21.4	19.2	19.3	18.9	14.0	7.4	18.9
Customs Duties	94.8	80.0	68.6	70.8	41.3	34.6	34.8	35.0	33.9	31.8	30.3	29.5	25.3
Miscellaneous Receipts	142.5	134.4	117.7	85.8	111.7	129.0	156.0	147.5	136.1	102.6	106.8	102.8	96.8
<b>Total Revenue</b>	<b>4,836.0</b>	<b>4,047.1</b>	<b>3,421.2</b>	<b>3,463.4</b>	<b>3,329.9</b>	<b>3,316.2</b>	<b>3,268.0</b>	<b>3,249.9</b>	<b>3,021.5</b>	<b>2,775.1</b>	<b>2,450.0</b>	<b>2,303.5</b>	<b>2,162.7</b>
<b>Mandatory Spending (Billions):</b>													
Social Security	1,211.5	1,128.8	1,089.9	1,038.5	982.0	939.2	910.3	881.9	844.9	807.8	767.7	724.9	700.8
Medicare	941.4	867.7	912.1	775.4	704.5	702.3	692.5	634.1	599.8	585.2	551.2	559.6	520.5
Medicaid	589.3	520.6	458.5	409.4	389.2	374.7	368.3	349.8	301.5	265.4	250.5	275.0	272.8
Income Security	560.8	1,376.5	1,051.0	302.6	285.3	293.8	303.8	301.0	310.9	339.5	353.6	404.0	437.3
Federal Retirement	226.9	179.2	171.3	170.0	163.1	162.6	163.8	161.5	157.5	152.5	143.5	144.2	138.4
Veterans' Programs	145.7	125.1	121.8	115.0	101.4	105.0	106.5	92.4	86.7	80.4	68.0	71.0	58.3
Other Programs	478.5	969.2	1,053.2	198.7	156.7	194.7	119.8	134.2	74.5	105.5	124.2	56.1	-17.7
Offsetting Receipts	-465.8	-333.3	-277.5	-275.6	-259.6	-253.4	-237.6	-258.4	-277.3	-304.7	-228.3	-208.9	-196.5
<b>Total Mandatory Spending</b>	<b>3,688.1</b>	<b>4,833.7</b>	<b>4,580.3</b>	<b>2,734.1</b>	<b>2,522.4</b>	<b>2,518.8</b>	<b>2,427.3</b>	<b>2,296.5</b>	<b>2,098.5</b>	<b>2,031.6</b>	<b>2,030.5</b>	<b>2,026.0</b>	<b>1,913.7</b>
<b>Discretionary Spending (Billions):</b>													
Defense	796.1	741.6	713.8	676.4	622.7	590.2	584.8	583.4	596.4	625.8	670.5	699.4	688.9
Nondefense	947.1	894.8	914.0	661.3	638.9	610.1	600.4	588.8	582.4	576.6	605.2	647.7	658.3
<b>Total Discretionary Spending</b>	<b>1,743.2</b>	<b>1,636.4</b>	<b>1,627.8</b>	<b>1,337.7</b>	<b>1,261.6</b>	<b>1,200.3</b>	<b>1,185.3</b>	<b>1,172.1</b>	<b>1,178.9</b>	<b>1,202.4</b>	<b>1,275.7</b>	<b>1,347.1</b>	<b>1,347.2</b>
<b>Interest on Debt (Billions):</b>	<b>399.1</b>	<b>352.3</b>	<b>345.5</b>	<b>375.2</b>	<b>325.0</b>	<b>262.6</b>	<b>240.0</b>	<b>223.2</b>	<b>229.0</b>	<b>220.9</b>	<b>220.4</b>	<b>230.0</b>	<b>196.2</b>
<b>Total Spending:</b>	<b>5,830.4</b>	<b>6,822.4</b>	<b>6,553.6</b>	<b>4,447.0</b>	<b>4,109.0</b>	<b>3,981.6</b>	<b>3,852.6</b>	<b>3,691.9</b>	<b>3,506.3</b>	<b>3,454.9</b>	<b>3,526.6</b>	<b>3,603.1</b>	<b>3,457.1</b>
<b>Deficit:</b>	<b>994.3</b>	<b>2,775.3</b>	<b>3,132.4</b>	<b>983.6</b>	<b>779.1</b>	<b>665.4</b>	<b>584.7</b>	<b>442.0</b>	<b>484.8</b>	<b>679.8</b>	<b>1,076.6</b>	<b>1,299.6</b>	<b>1,294.4</b>

- The debt ceiling is once again in question as Republicans and Democrats posture over spending concerns. President Biden's plan to canceled up to \$10,000 per person in student loan debts was halted in courts, though the Biden administration plans to fight the ruling in the Supreme Court.

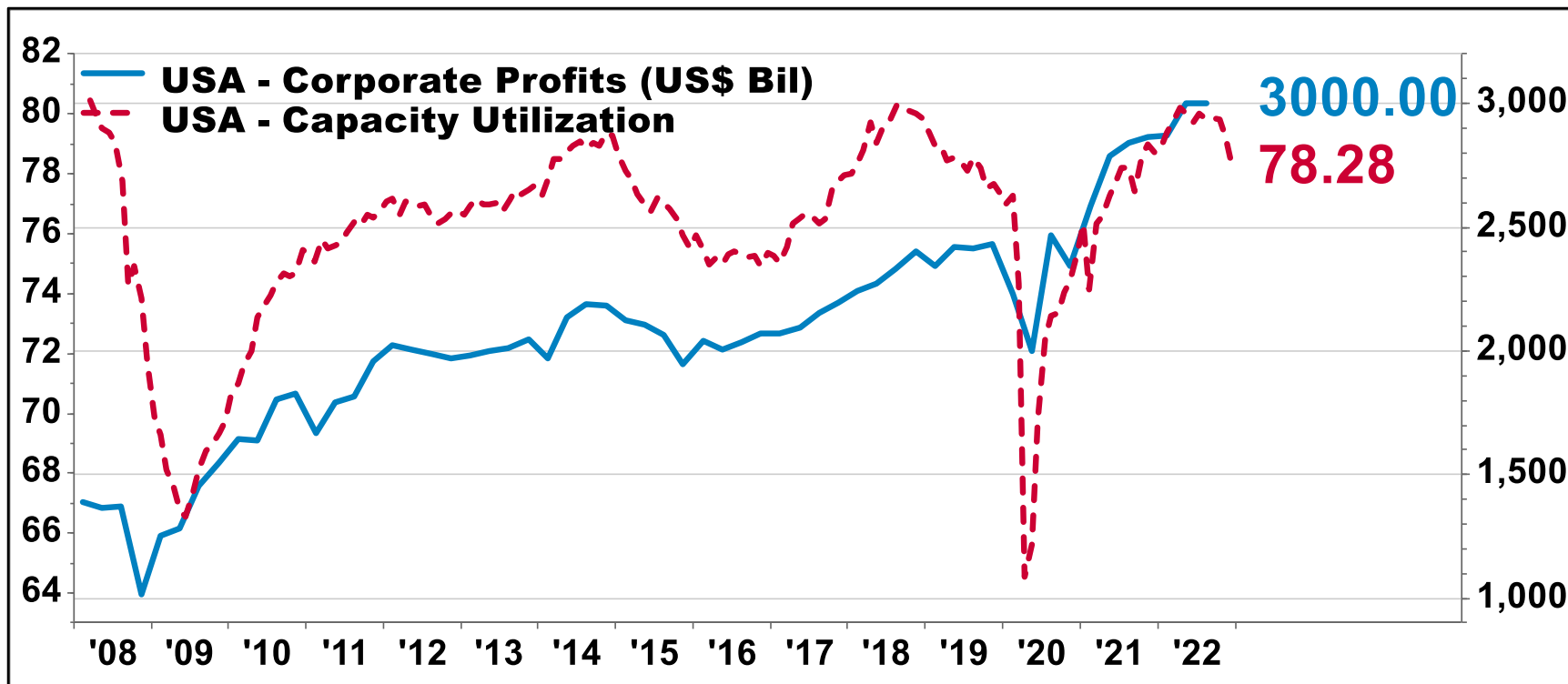
# US Economy - Consumption



- U.S. retail sales remain strong even as consumer confidence has trended down.

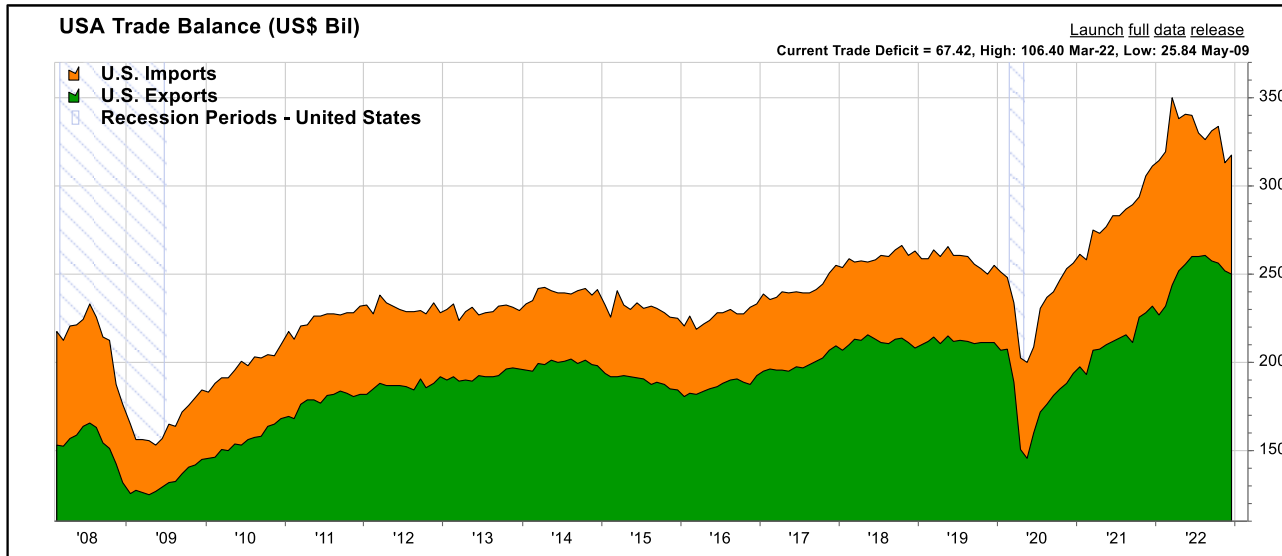




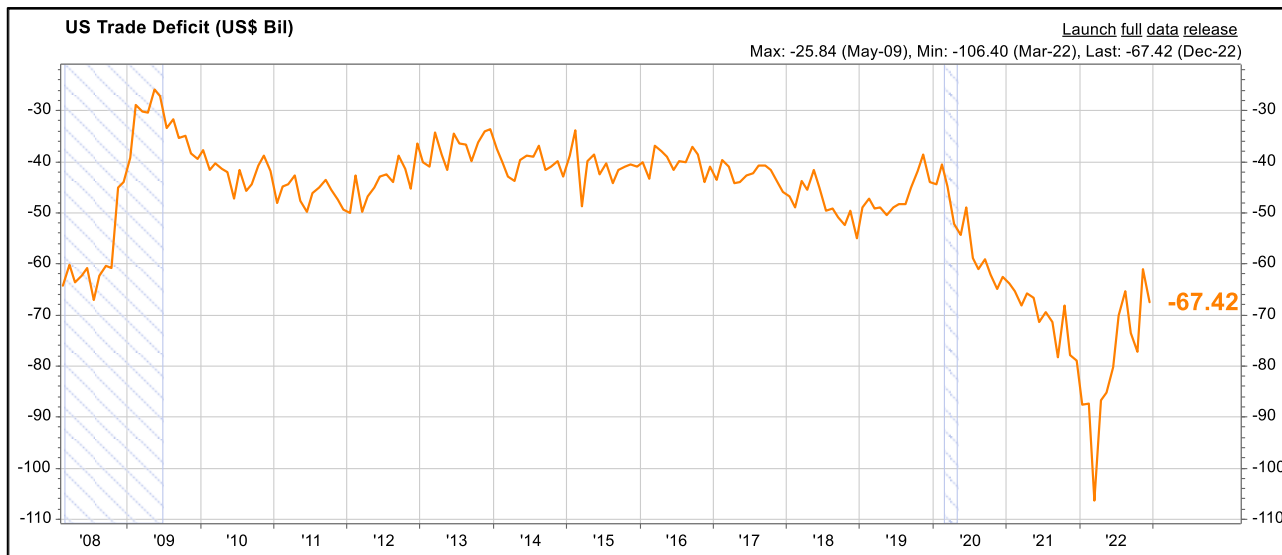


- The estimated earnings growth rate for S&P 500 companies is -4.6% in Q4 2022. 69% of companies reported a positive EPS surprise.
- The capacity utilization rate is among its highest level over the last decade, though is trending down.

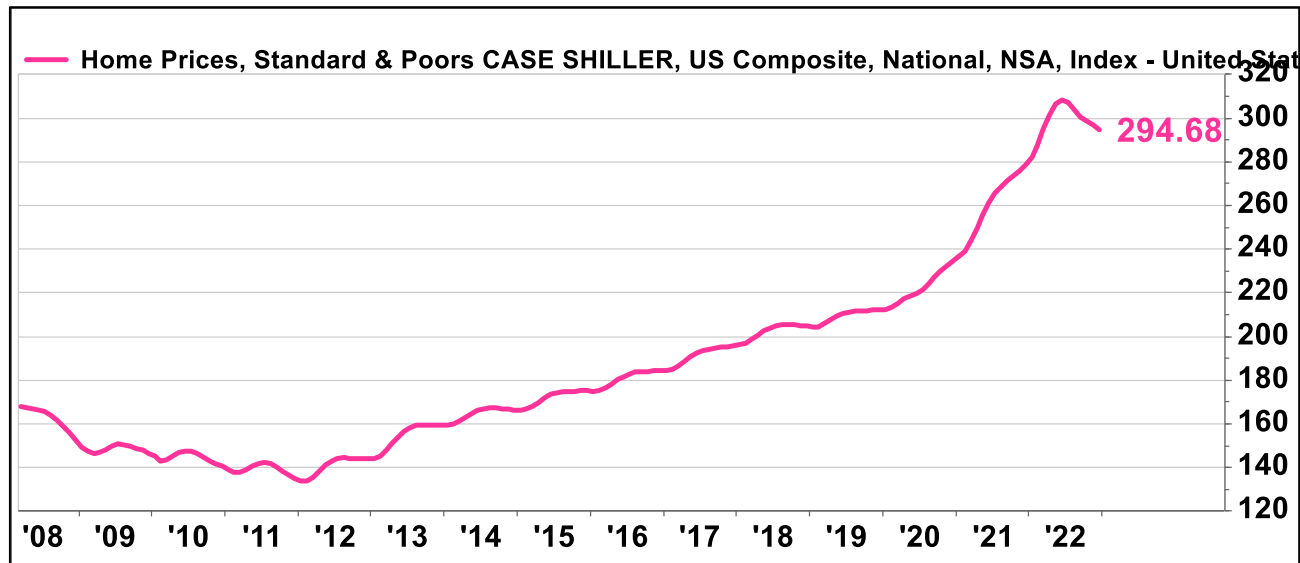
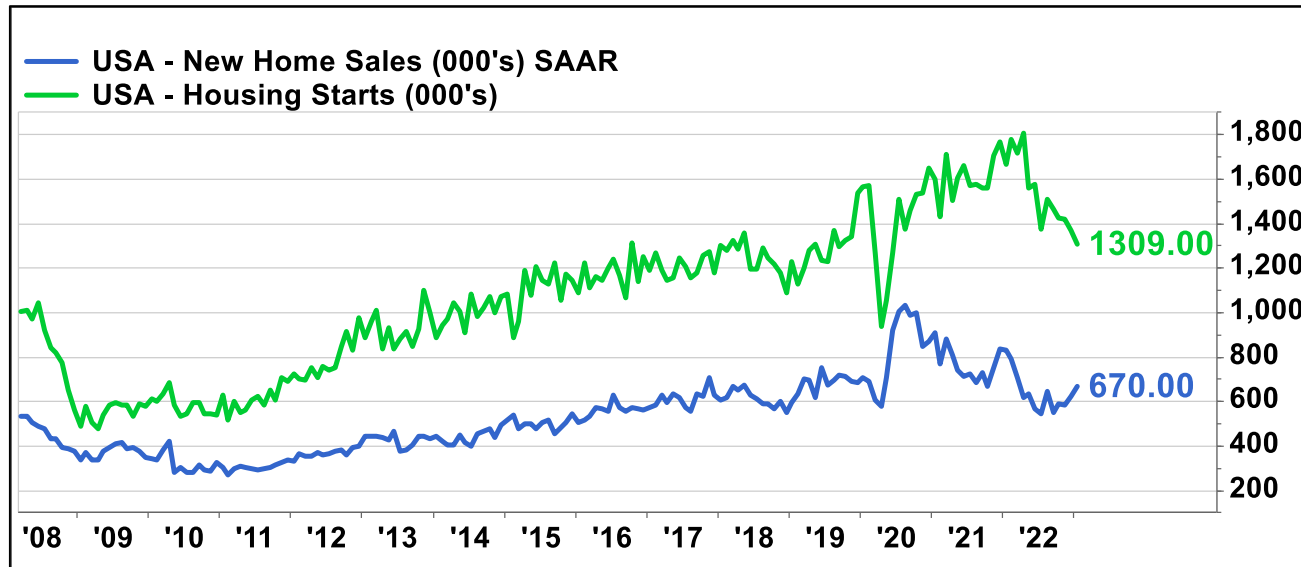
# US Economy – International Trade



- The most recently available December data showed a slight increase in the trade deficit

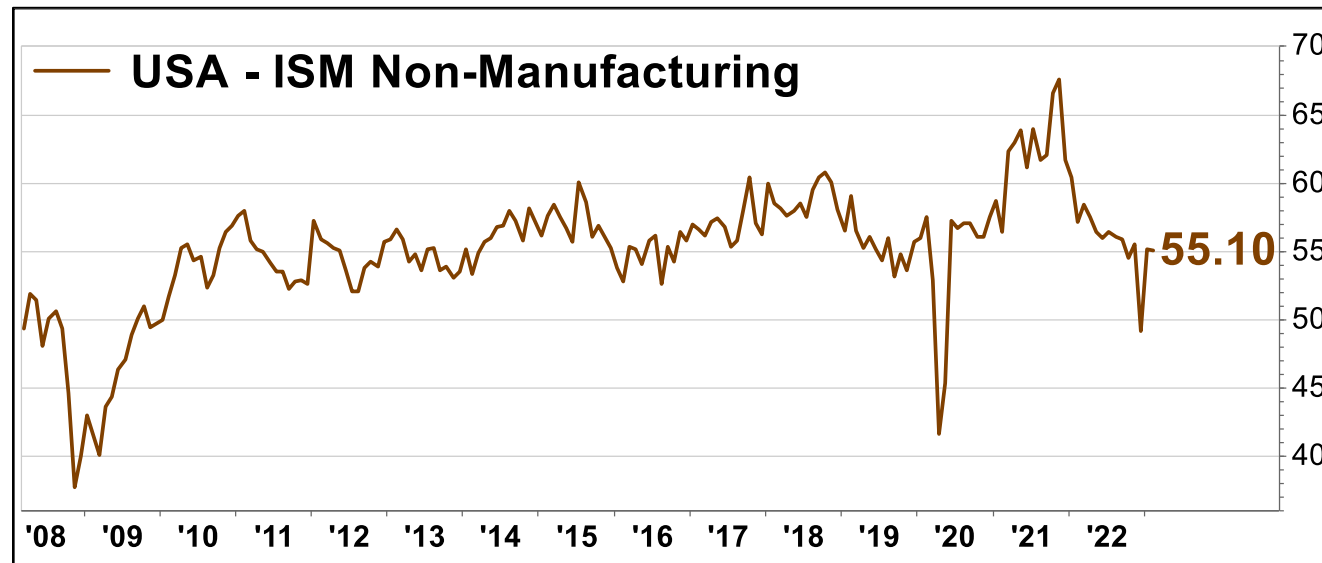
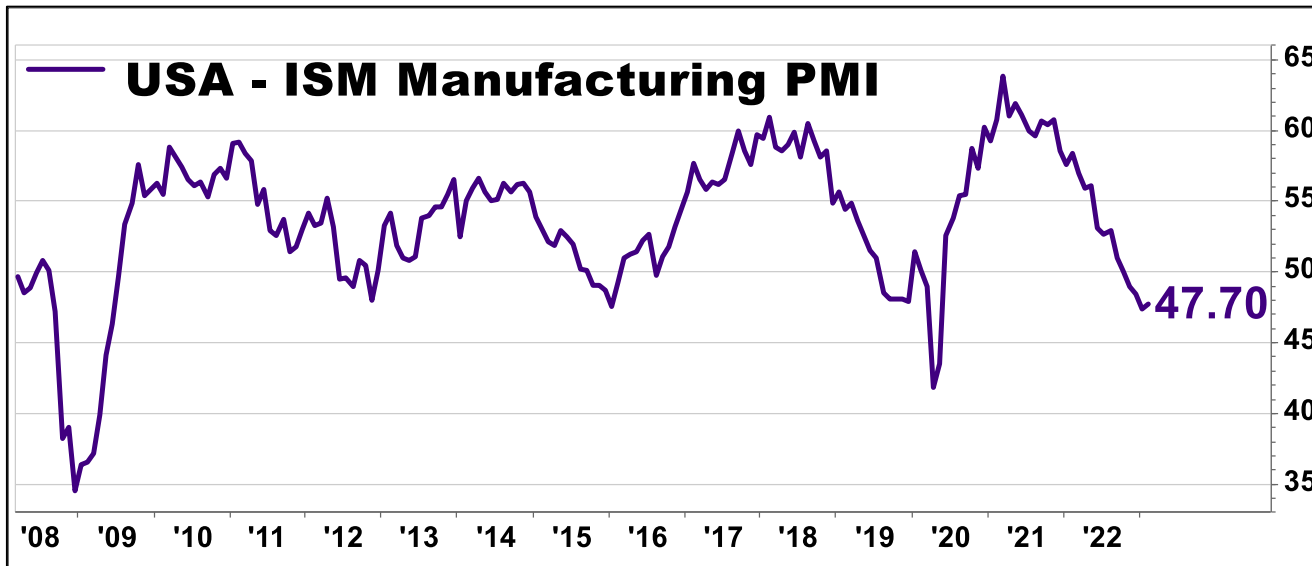


# US Economy – Housing Market



- Home prices have stalled as increasing mortgage rates have put downward pressure on demand.
- The median sales price of homes in the United States was over \$467,000 in Q4, it's first quarterly decline in three years, according to the St. Louis Fed.

# US Economy – Leading Indicators and Surveys



- The Purchasing Manager Indexes in manufacturing showed a slight increase, though still indicates contractions.

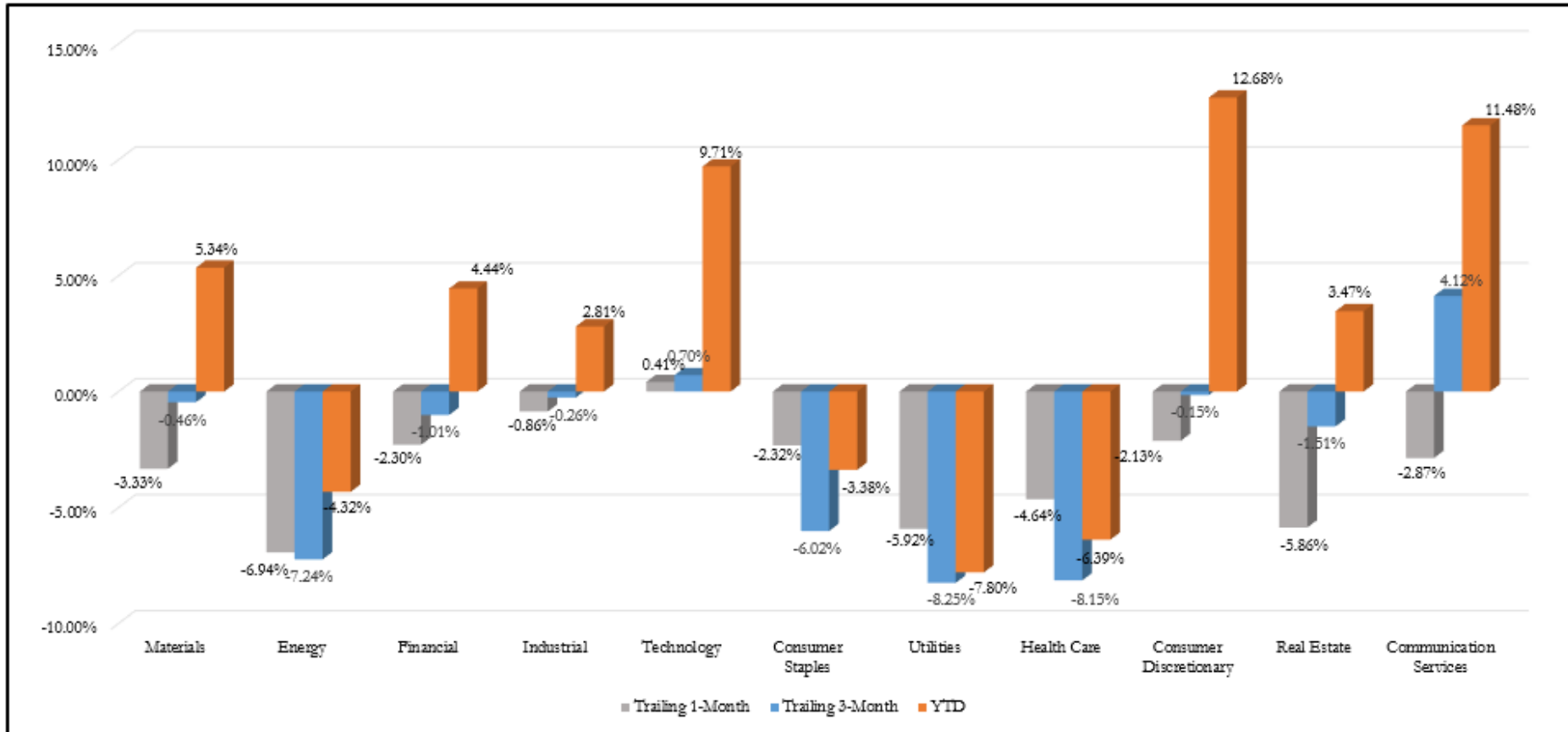
# Asset Class Performance

Sector/Asset Class	ETF	2018	2019	2020	2021	2022	YTD	Trailing 3-month	Trailing 1-month
US Large Cap	SPY	-4.56%	31.22%	18.37%	28.75%	-18.17%	3.62%	-2.35%	-2.51%
US Small Cap	IWM	-11.11%	25.39%	20.03%	14.54%	-20.48%	7.93%	0.89%	-1.72%
Large Cap Value	IVE	-9.19%	31.63%	1.21%	24.72%	-5.40%	3.73%	-0.30%	-3.03%
Large Cap Growth	IVW	-0.19%	30.77%	33.19%	31.80%	-29.52%	3.52%	-4.37%	-1.97%
Mid Cap Value	IWS	-12.41%	26.74%	4.80%	28.10%	-12.28%	4.58%	-0.76%	-3.24%
Mid Cap Growth	IWP	-4.87%	35.04%	35.24%	12.60%	-26.90%	7.61%	1.12%	-1.02%
Small Cap Value	IWN	-12.99%	22.01%	4.66%	27.96%	-14.75%	7.16%	0.09%	-2.28%
Small Cap Growth	IWO	-9.42%	28.48%	34.68%	2.54%	-26.26%	8.64%	1.80%	-1.23%
International Equity	EFA	-13.81%	22.03%	7.59%	11.46%	-14.35%	5.65%	3.73%	-3.07%
Emerging Markets Equity	VWO	-14.77%	20.76%	15.19%	1.30%	-17.99%	1.13%	-1.13%	-6.65%
US REITs	VNQ	-6.02%	28.87%	-4.68%	40.52%	-26.24%	3.93%	-1.30%	-5.86%
Infrastructure MLP	AMLP	-12.62%	5.98%	-32.19%	39.03%	25.53%	4.12%	-1.03%	-1.86%
Gold	GLD	-1.94%	17.86%	24.81%	-4.15%	-0.77%	0.08%	3.02%	-5.37%
Commodity	DJP	-13.07%	7.63%	-4.12%	31.05%	17.46%	-6.26%	-9.35%	-5.70%
High Yield Bond	JNK	-3.27%	14.88%	4.95%	3.99%	-12.20%	2.06%	0.14%	-1.90%
Broad Bond	AGG	0.10%	8.46%	7.48%	-1.77%	-13.02%	0.57%	-0.30%	-2.67%
TIPs	TIP	-1.42%	8.35%	10.84%	5.67%	-12.24%	0.70%	-0.63%	-1.35%
Treasuries	IEF	0.99%	8.03%	10.01%	-3.33%	-15.16%	0.19%	-1.30%	-3.27%
Long Term Treasuries	TLT	-1.61%	14.12%	18.15%	-4.60%	-31.24%	2.42%	-0.27%	-4.85%
Short Term Treasuries	SHV	1.72%	2.36%	0.81%	-0.10%	0.94%	0.62%	1.01%	0.29%

Note: As of February 28<sup>th</sup>, 2023.

- Small caps outperformed large caps, and growth outperformed value as most asset classes were negative in February.

# US Sector Performance

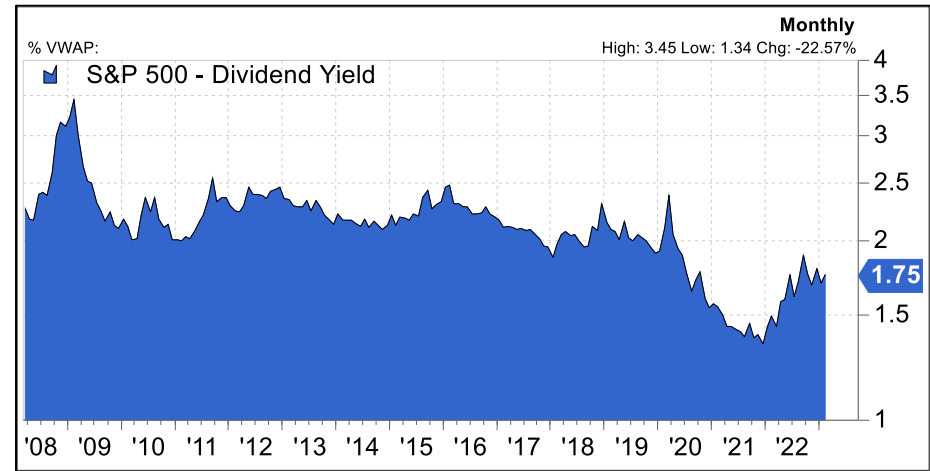
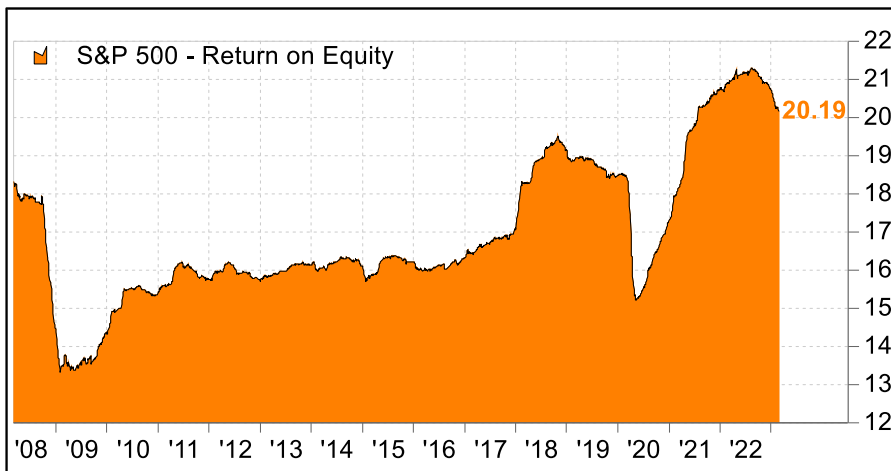
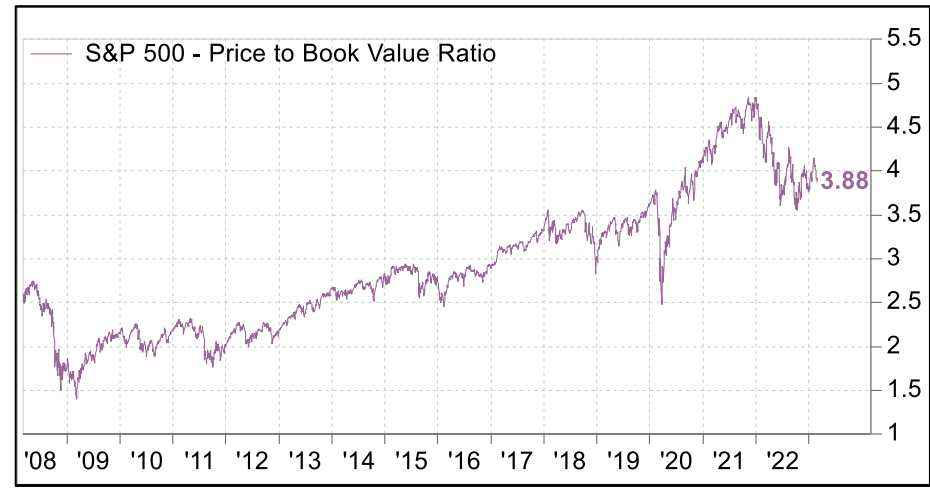
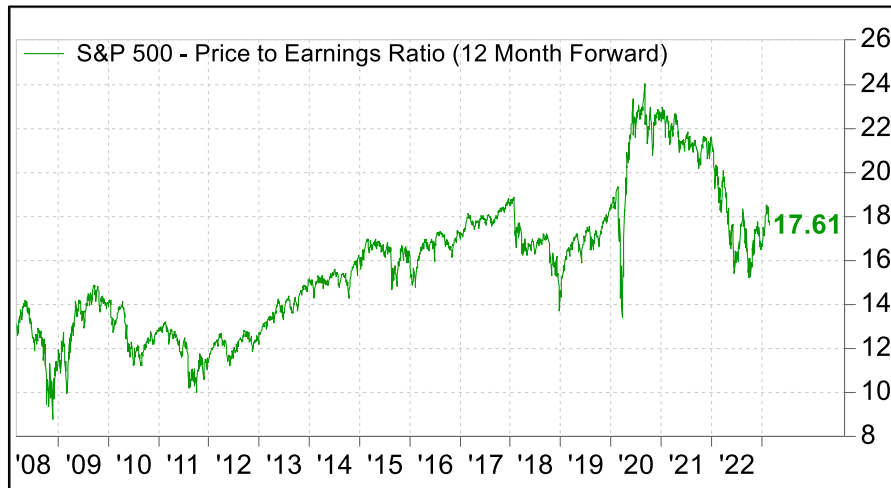


Note: As of February 28<sup>th</sup>, 2023.

- Most sectors were negative over the last three months, with tech and communication companies the lone exceptions.

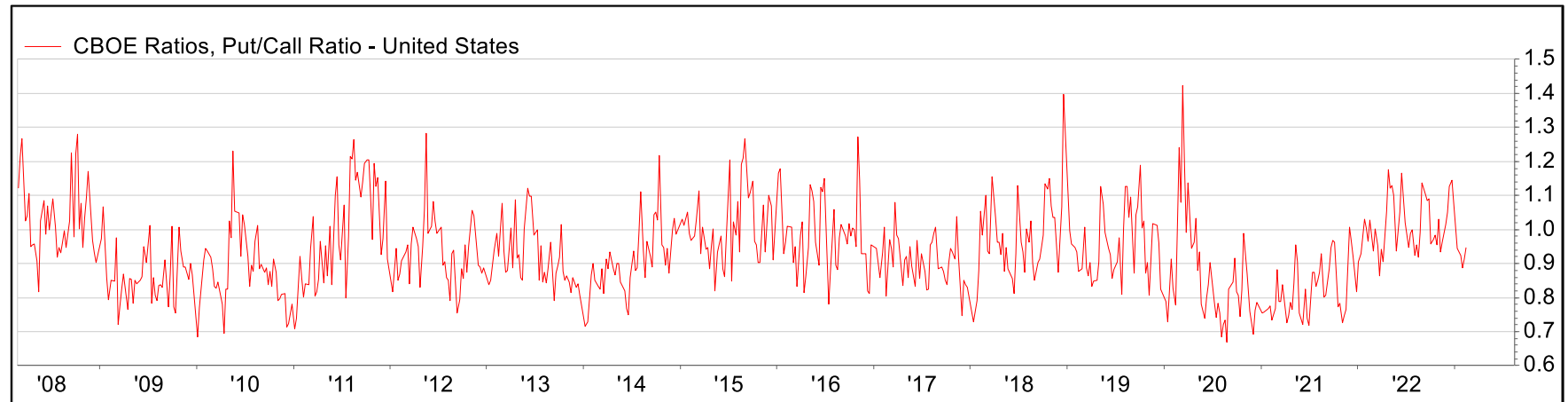
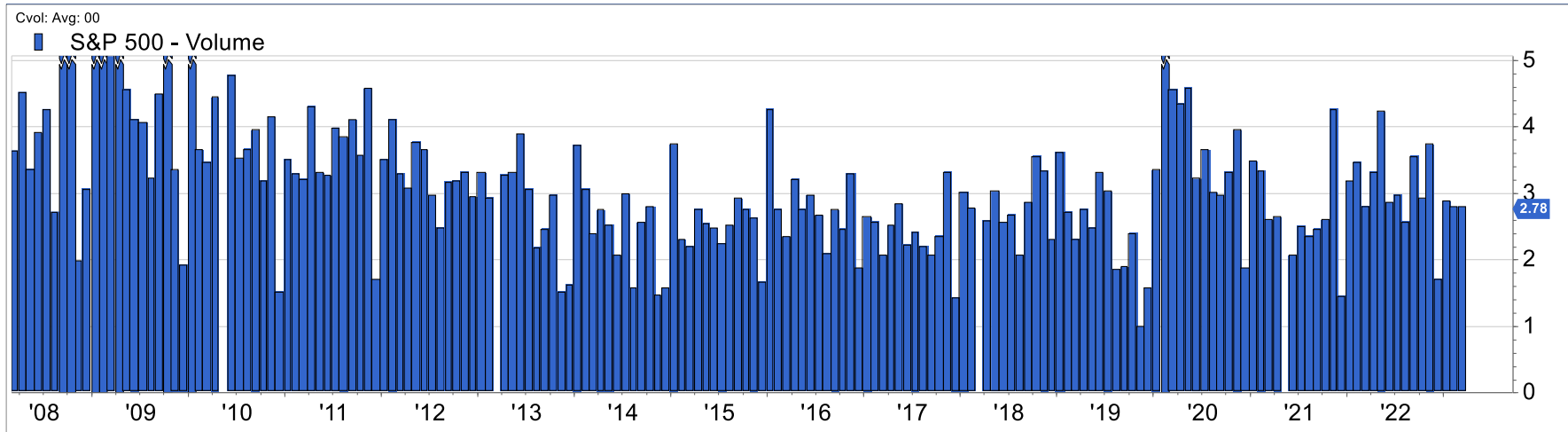


# US Equity Market Fundamentals

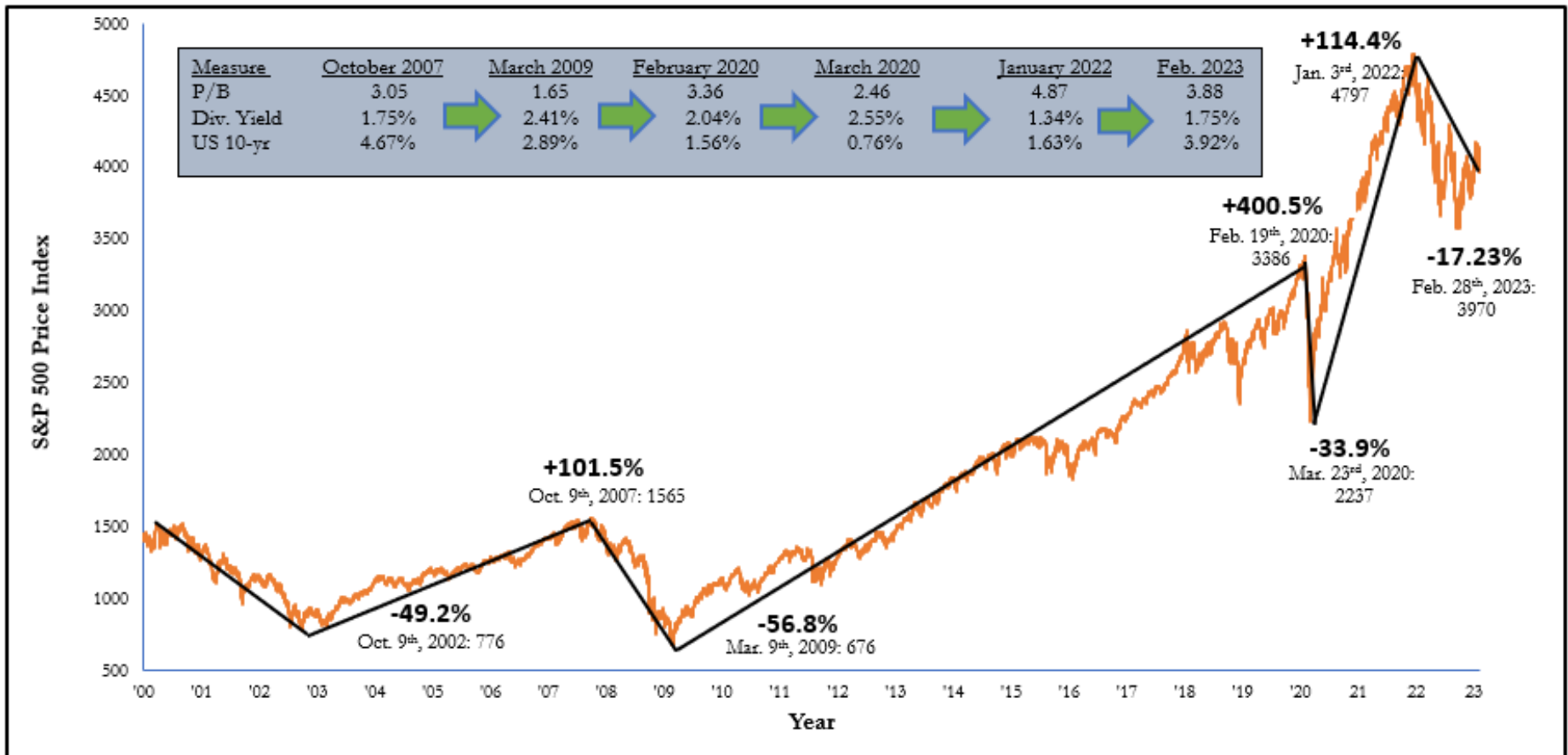


- As a result of market movements, valuations became more attractive in February.

# US Equity Market Technicals



- The Put/Call Ratio has been increasing for the past two years despite short-term variation.



Note: As of February 28<sup>th</sup>, 2023.

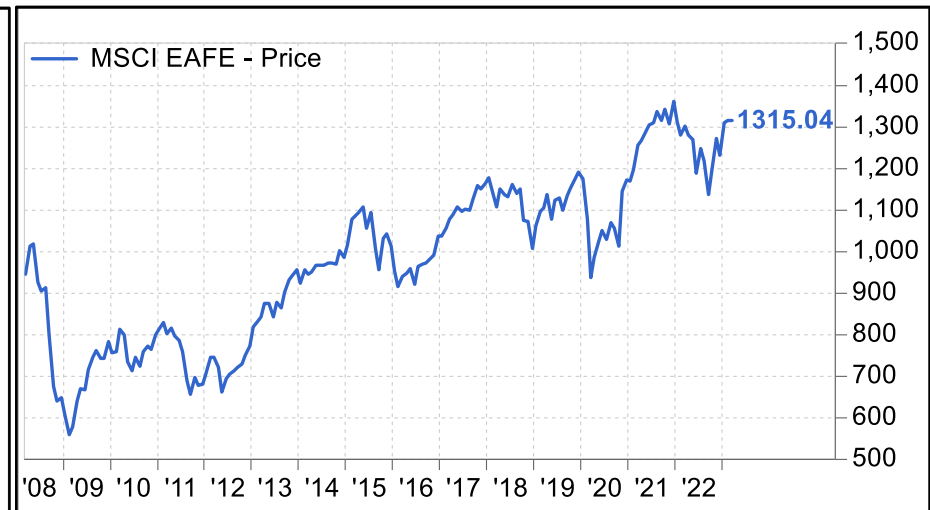
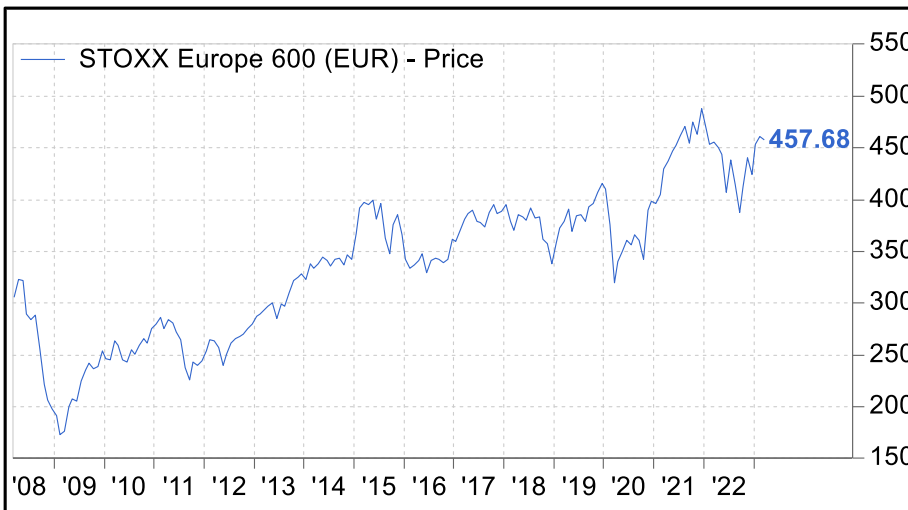
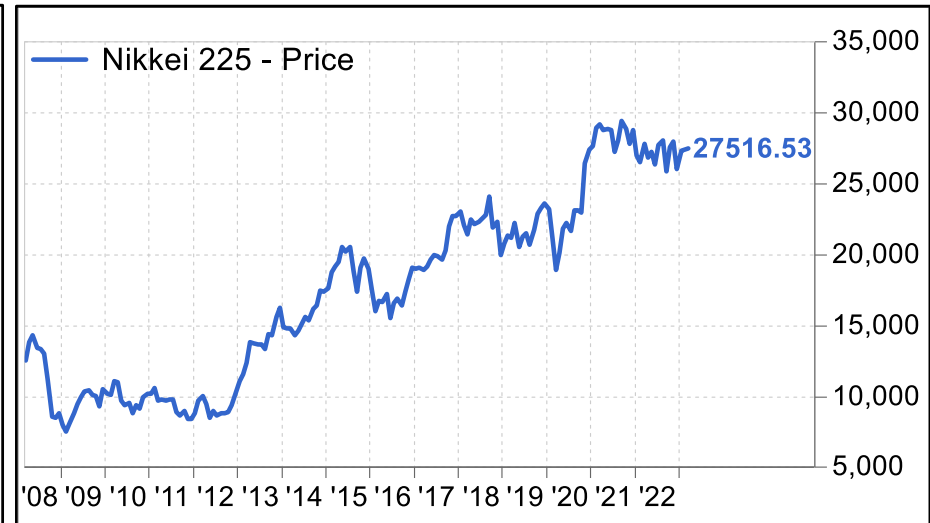
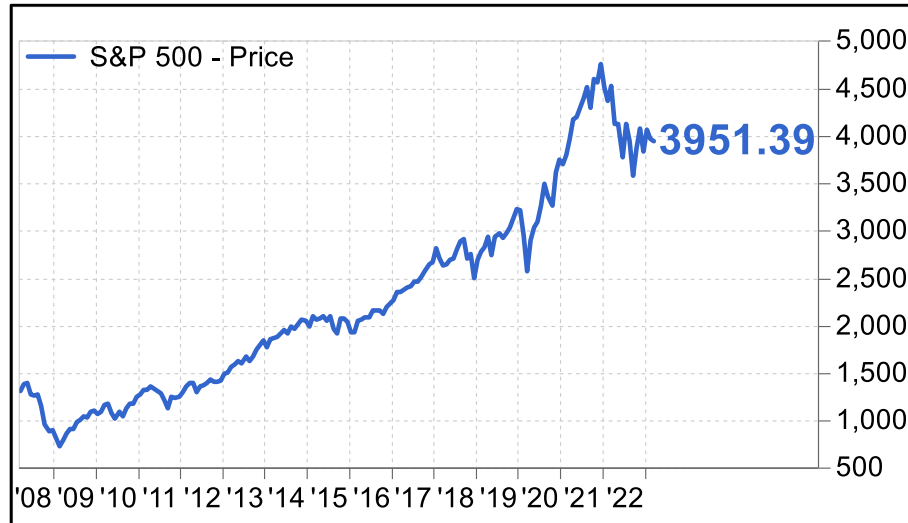
Data Source: FactSet, Yahoo Finance, and www.treasury.gov

# Global Equity Performance - Country Comparison

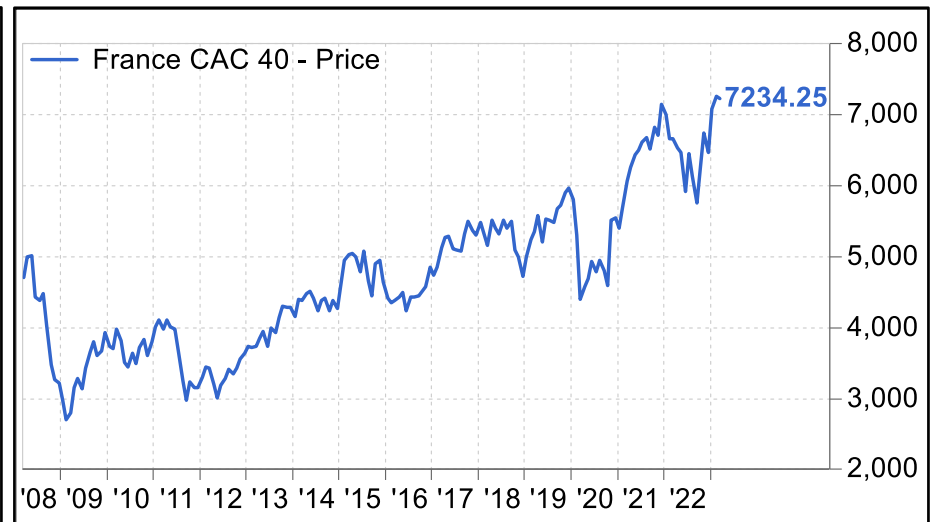
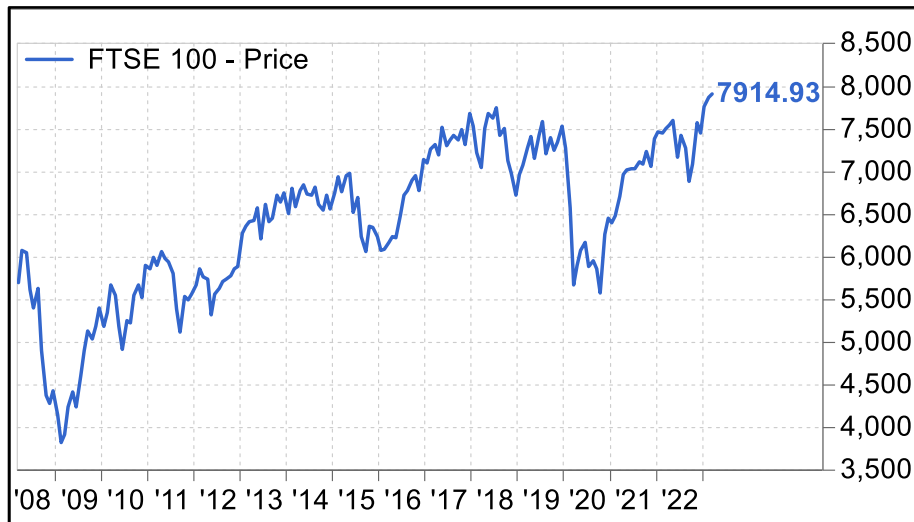
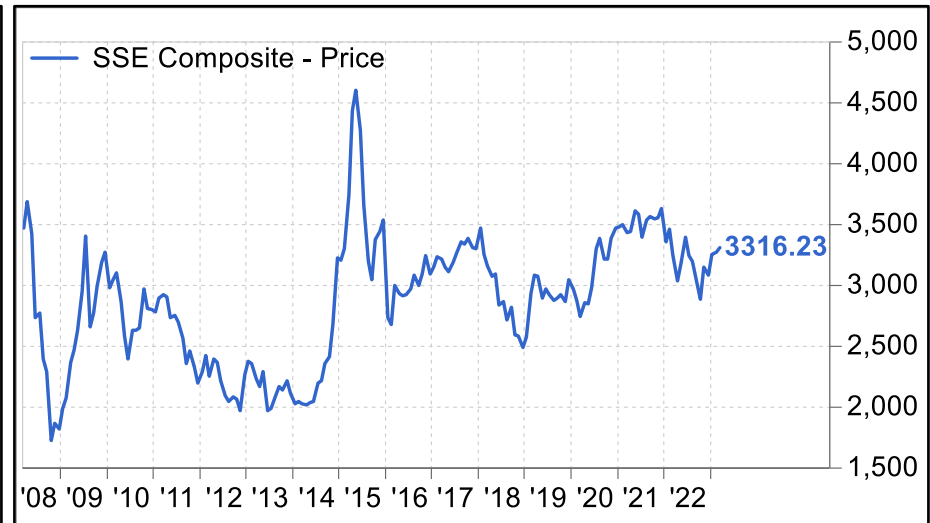
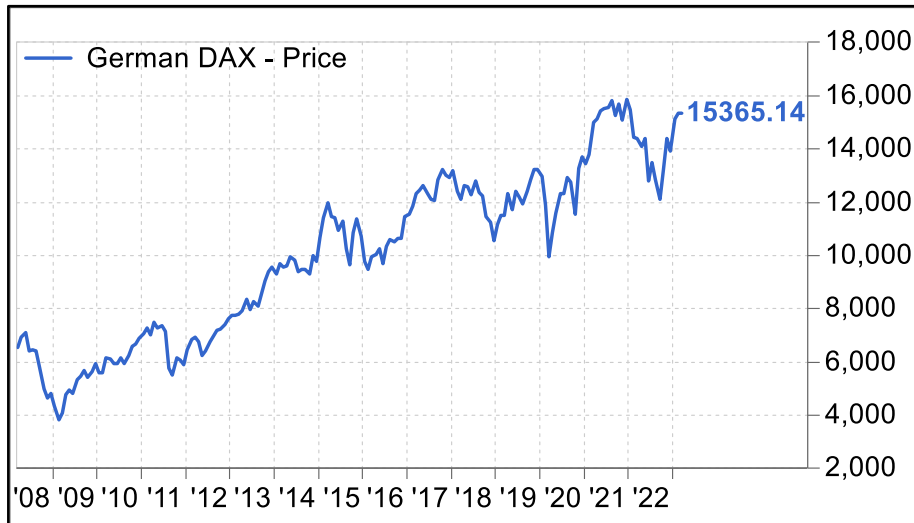
2018	2019	2020	2021	2022	YTD	Trailing 3-month	Trailing 1-month
Brazil -2.56%	United States 21.22%	China 27.78%	United States 28.15%	Brazil 12.35%	Spain 13.36%	Spain 13.54%	Spain 1.86%
India -4.29%	Brazil 27.65%	United States 18.37%	Canada 27%	England -4.38%	Italy 11.4%	Italy 9.49%	Italy -0.86%
United States -4.56%	Canada 27.56%	Japan 15.41%	France 21.47%	Spain -5.15%	Germany 10.35%	France 8.5%	England -0.89%
France -12.88%	Italy 26.97%	Germany 10.56%	India 19.55%	India -7.33%	France 10.27%	Germany 7.52%	France -1.19%
Japan -14.09%	France 26.67%	India 10.01%	England 18.22%	France -11.99%	England 5.28%	England 3.91%	United States -2.51%
England -14.28%	China 23.7%	Canada 5.52%	Italy 14.41%	Canada -12.95%	Canada 4.03%	China 3.32%	Germany -2.67%
Spain -15.32%	England 21.25%	France 2.85%	Germany 5.84%	Italy -14.1%	United States 3.32%	Japan 0.47%	India -3.22%
Canada -17.16%	Japan 19.33%	Italy 1.67%	Japan 1.17%	Japan -17.72%	Japan 2.76%	Canada -1.83%	Japan -4.65%
Italy -17.19%	Germany 19.15%	Spain -3.96%	Spain 0.27%	United States -18.17%	China 0.76%	United States -2.35%	Canada -4.97%
China -19.77%	Spain 11.91%	England -11.8%	Brazil -17.28%	Germany -22.2%	Brazil -2.5%	Brazil -6.76%	Brazil -10.12%
Germany -21.37%	India 9.99%	Brazil -20.33%	China -21.73%	China -22.76%	India -3.29%	India -8.65%	China -10.68%
Developed Markets -13.81%	Developed Markets 22.03%	Emerging Markets 17.88%	Developed Markets 11.46%	Developed Markets -14.35%	Developed Markets 5.65%	Developed Markets 3.73%	Developed Markets -3.07%
Emerging Markets -14.93%	Emerging Markets 17.79%	Developed Markets 7.59%	Emerging Markets -0.61%	Emerging Markets -19.97%	Emerging Markets 1.39%	Emerging Markets -1.14%	Emerging Markets -6.92%

Note: As of February 28<sup>th</sup>, 2023. Numbers reflective of ETF performance.

# Global Equity- Major Indices

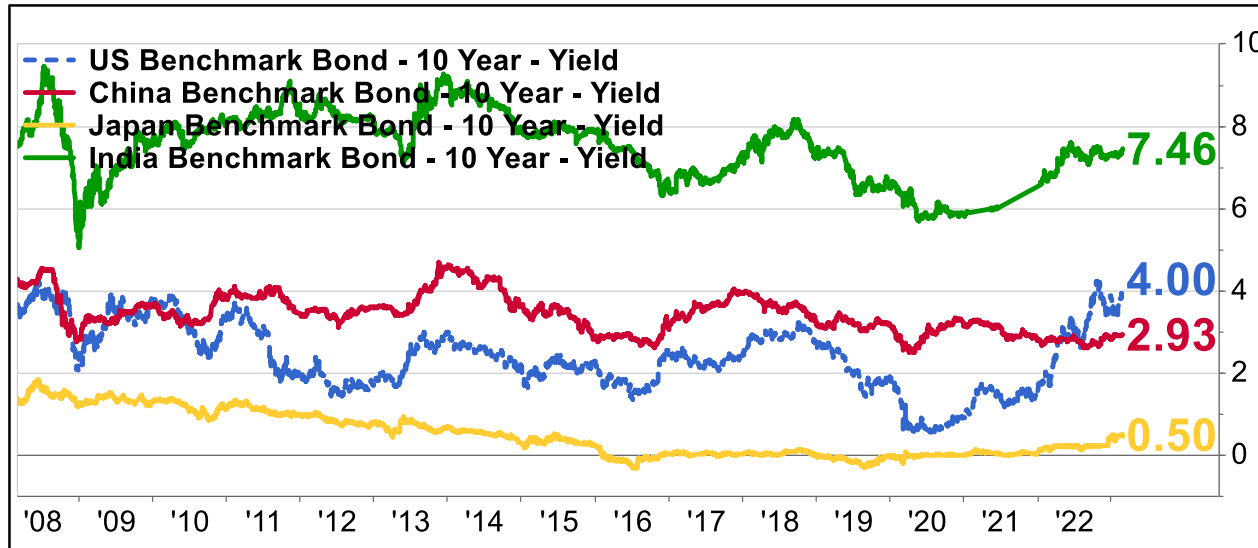


# Global Equity- Major Indices

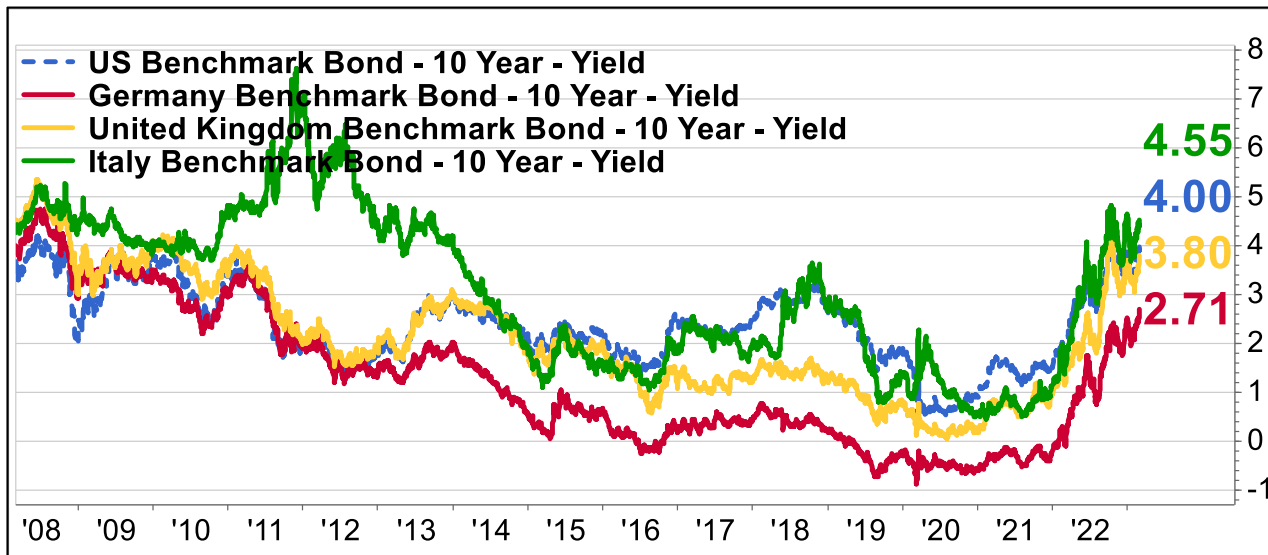




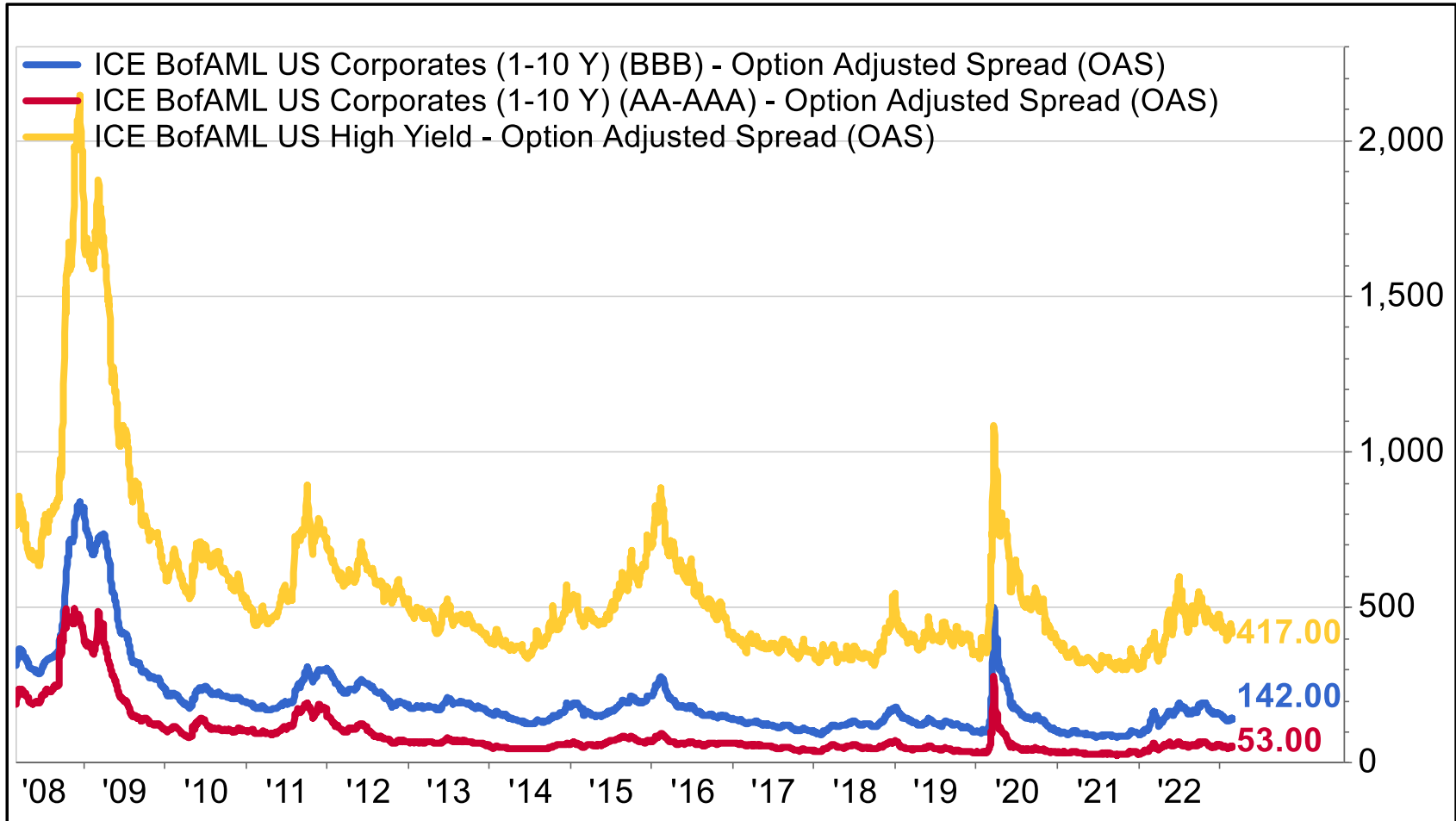
# Global Fixed Income- Government Yields



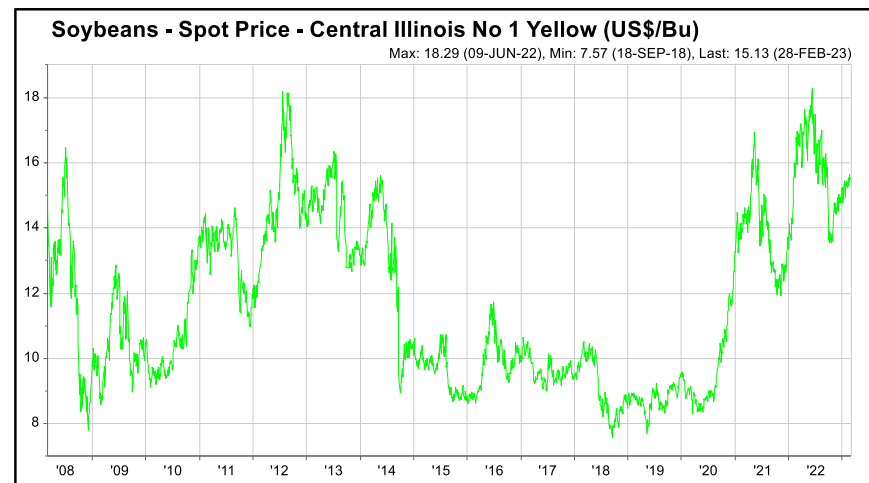
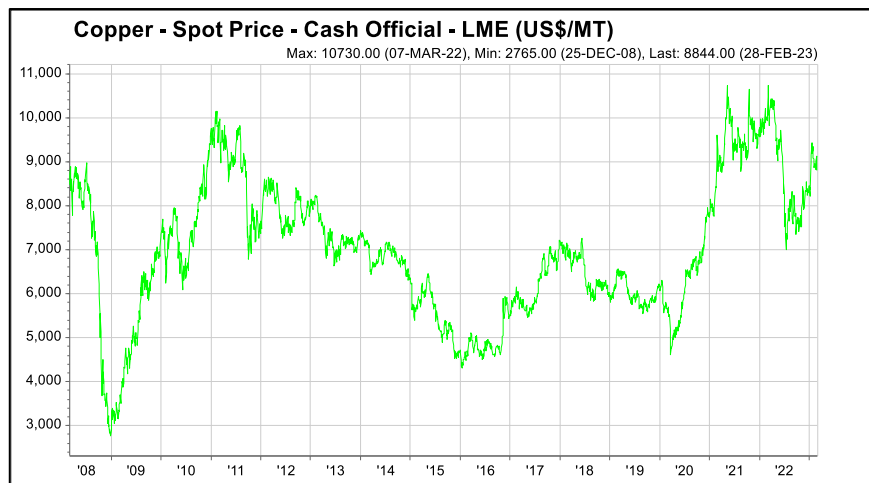
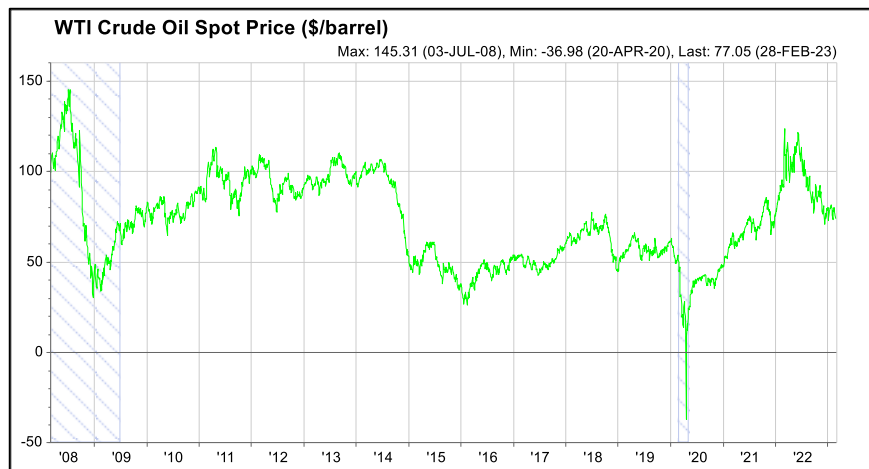
- Yields on sovereign debt increased in February.



# Credit Market - Corporate Spreads



- Spreads increased in February.



- As of 2/28/2023, WTI Crude: \$77.05/Barrel; Gold: \$1824.60 Troy Oz; Copper: \$8844/MT; Soybean: \$15.14/Bu.

## U.S. Dollar per Euro

— Exchange Rate USD per EUR



## U.S. Dollar per British Pounds

— Exchange Rate USD per GBP



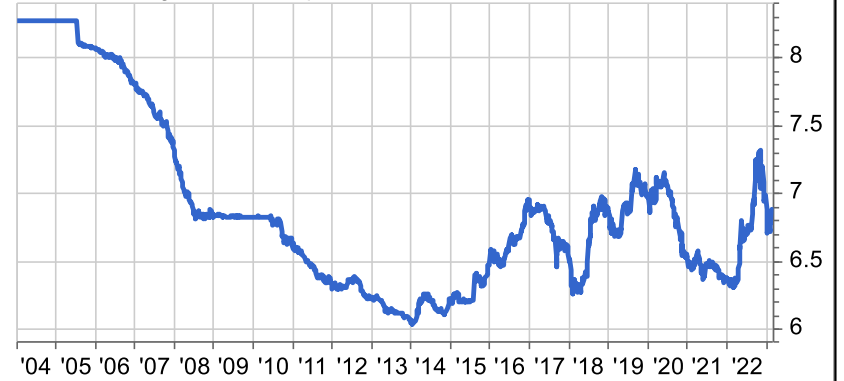
## Japanese Yen per U.S. Dollar

— Exchange Rate JPY per USD



## China Renminbi per U.S. Dollar

— Exchange Rate CNY per USD



- As of 2/28/2023, FX rates are: 1.07 USD/EUR, 1.21 USD/GBP, 136.22 JPY/USD, 6.94 CNY/USD.

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