

Charts of the Month

April 2023



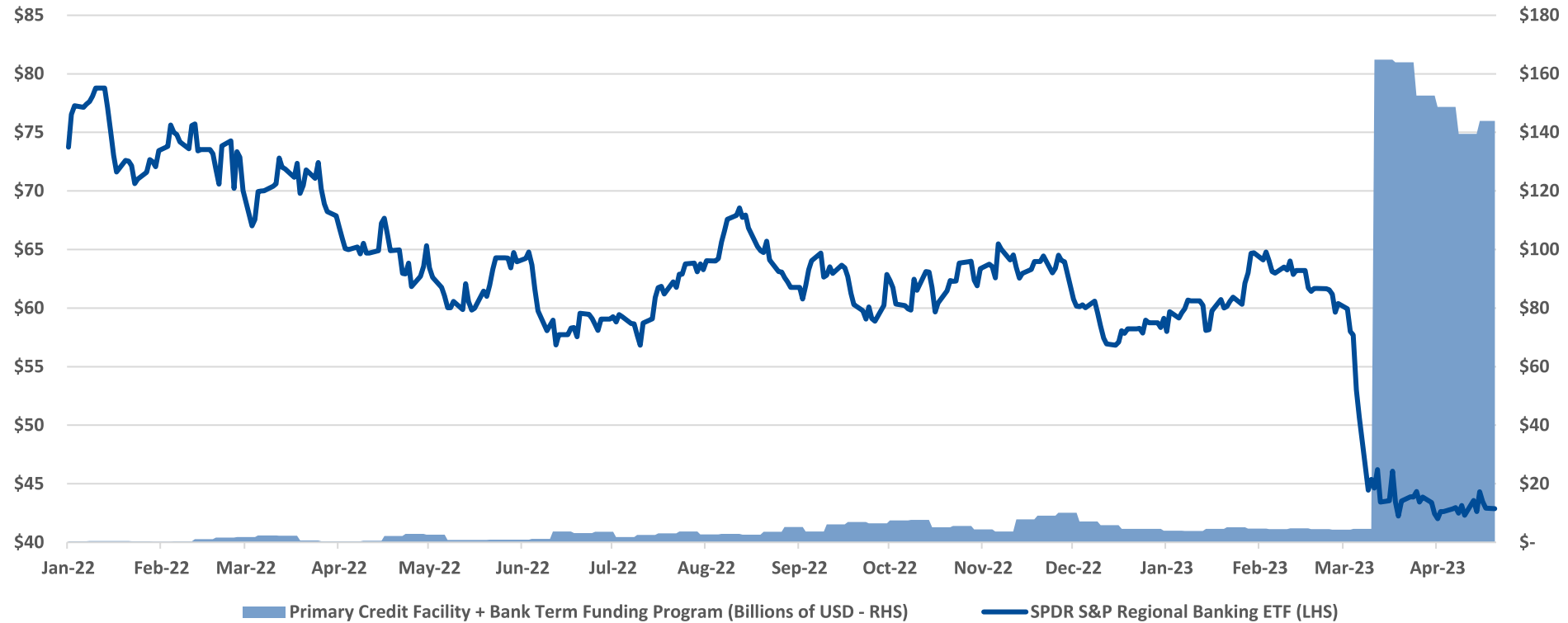
WS Macro Leading Indicator



	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
WS MLI (Unsmoothed)	0.66	-5.50	-7.15	-7.44	-8.05	-10.54	-10.05	-11.29	-10.01	-11.14	-10.90	-10.76	-9.60
Consumer	-0.32	-2.30	-1.31	-1.45	-1.57	-1.50	-1.80	-1.65	-1.56	-1.27	-1.59	-1.23	-1.19
Financial Conditions	0.69	-0.75	-2.61	-3.12	-2.56	-5.36	-5.16	-5.21	-4.38	-4.82	-4.45	-4.80	-4.45
Housing	0.00	-1.79	-2.23	-0.67	-1.27	-2.41	-2.43	-3.37	-3.07	-3.83	-4.15	-4.23	-3.52
Labor	1.08	1.02	0.82	0.70	0.68	0.65	0.76	0.51	0.13	0.10	0.51	0.40	0.22
Production	0.50	-0.16	-0.28	-0.34	-0.83	-0.86	-0.59	-0.51	-0.15	-0.44	-0.83	-0.89	-0.72
Sentiment	-1.29	-1.52	-1.55	-2.56	-2.50	-1.06	-0.83	-1.06	-0.97	-0.88	-0.37	-0.01	0.06

Source: Bloomberg, WealthShield; Data from 3/31/2022 to 3/31/2023

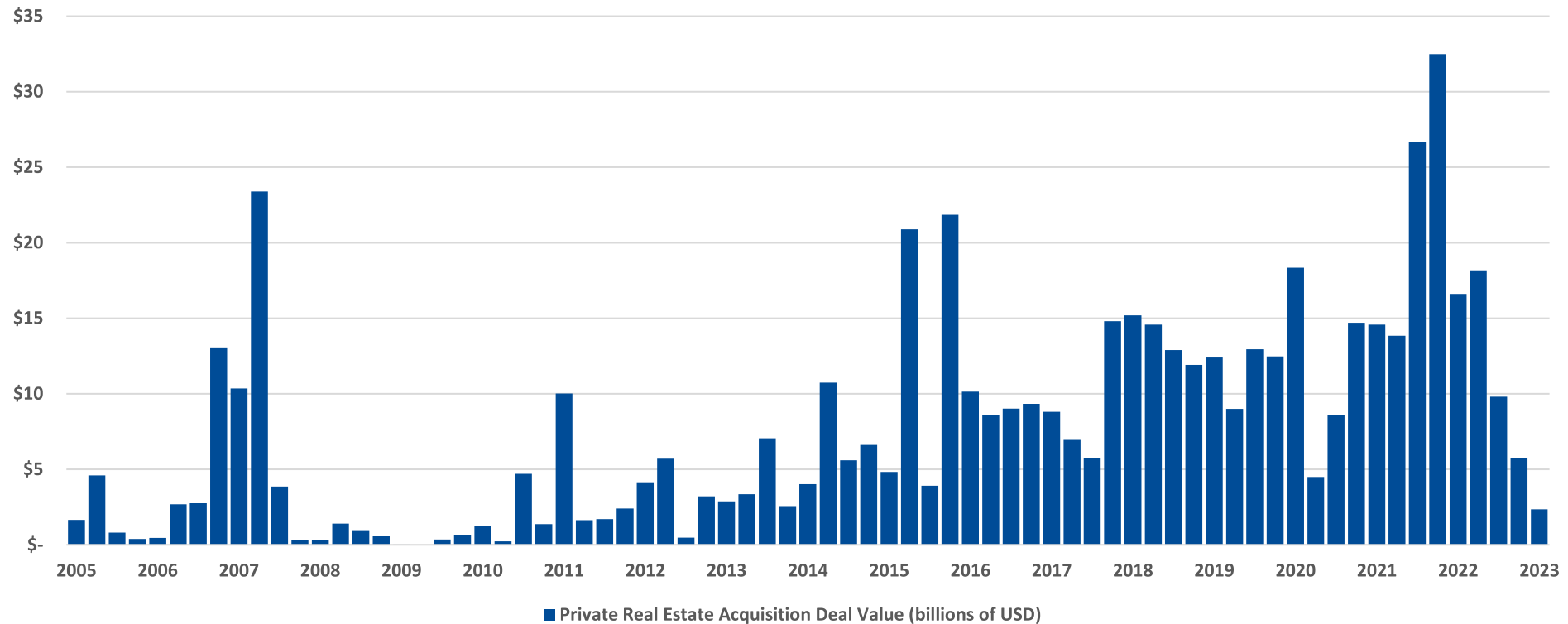
Regional Bank Stocks Continue to Languish as Crisis Subsides



The Federal Reserve's market intervention through the Primary Credit Facility and Bank Term Funding Program (BTFFP) has so far been successful in quelling solvency and liquidity issues in regional banks. Since peaking at nearly \$165b in mid-March, usage of the crisis facilities has since fallen to just under \$144b. However, investor confidence in these institutions has not returned, as seen in the SPDR Regional Banking ETF, which has languished under \$45 since the beginning of the crisis. Concerns surrounding longer duration securities remain, and as long as rates stay high it seems unlikely for these valuations to re-rate higher anytime soon.

Source: Bloomberg, Data from 1/31/2023 to 4/24/2023

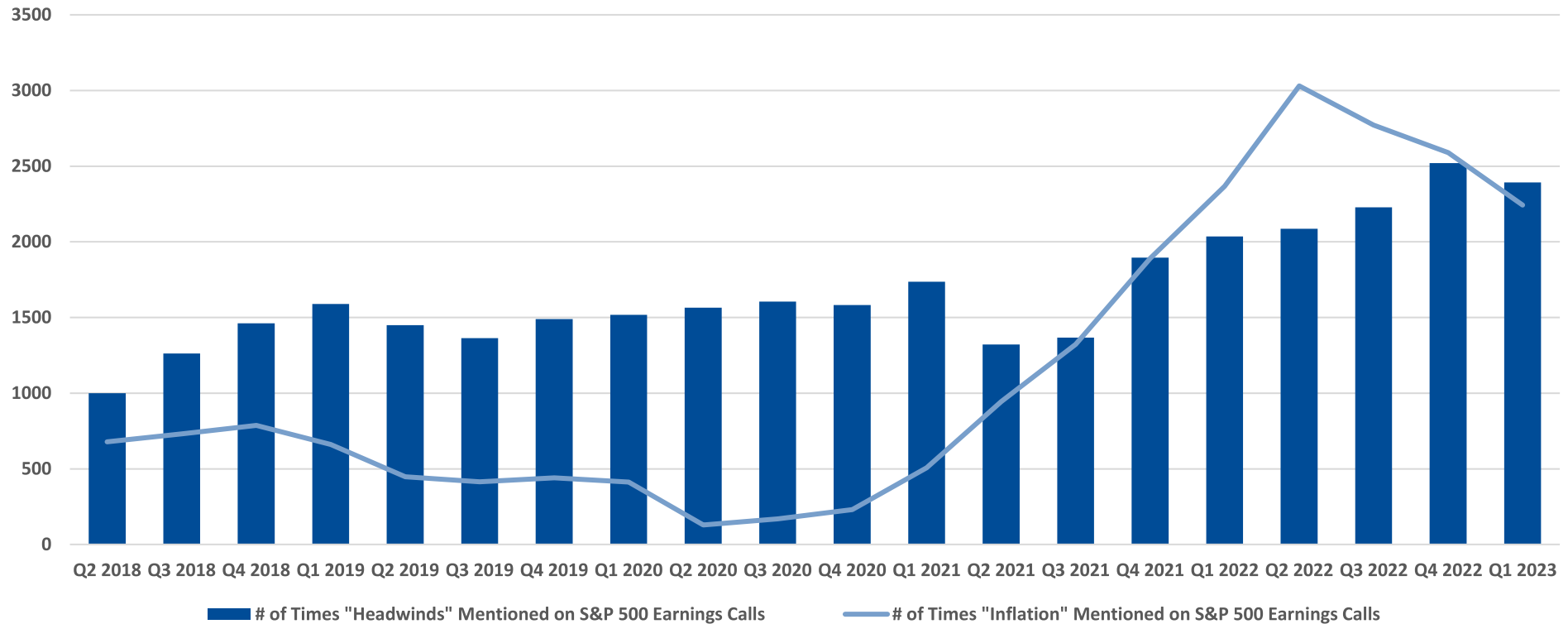
High Interest Rates Put the Kibosh on Private Real Estate



Difficulties in commercial real estate have continued to increase in 2023 as private real estate deals have dried up. The aggregate deal value of private real estate acquisitions has fallen nearly 93% from the high of \$32 billion in Q4 2021. Current aggregate deal values haven't been seen since 2012, when the domestic real estate market was struggling to recover from the Financial Crisis. Also important to note here is that the extreme deal volumes seen from 2018-2021 were financed at historically low interest rates. As maturities come due and those properties are refinanced at higher interest rates pain is likely to be amplified.

Source: Bloomberg, Data from Q1 2005 to Q1 2023

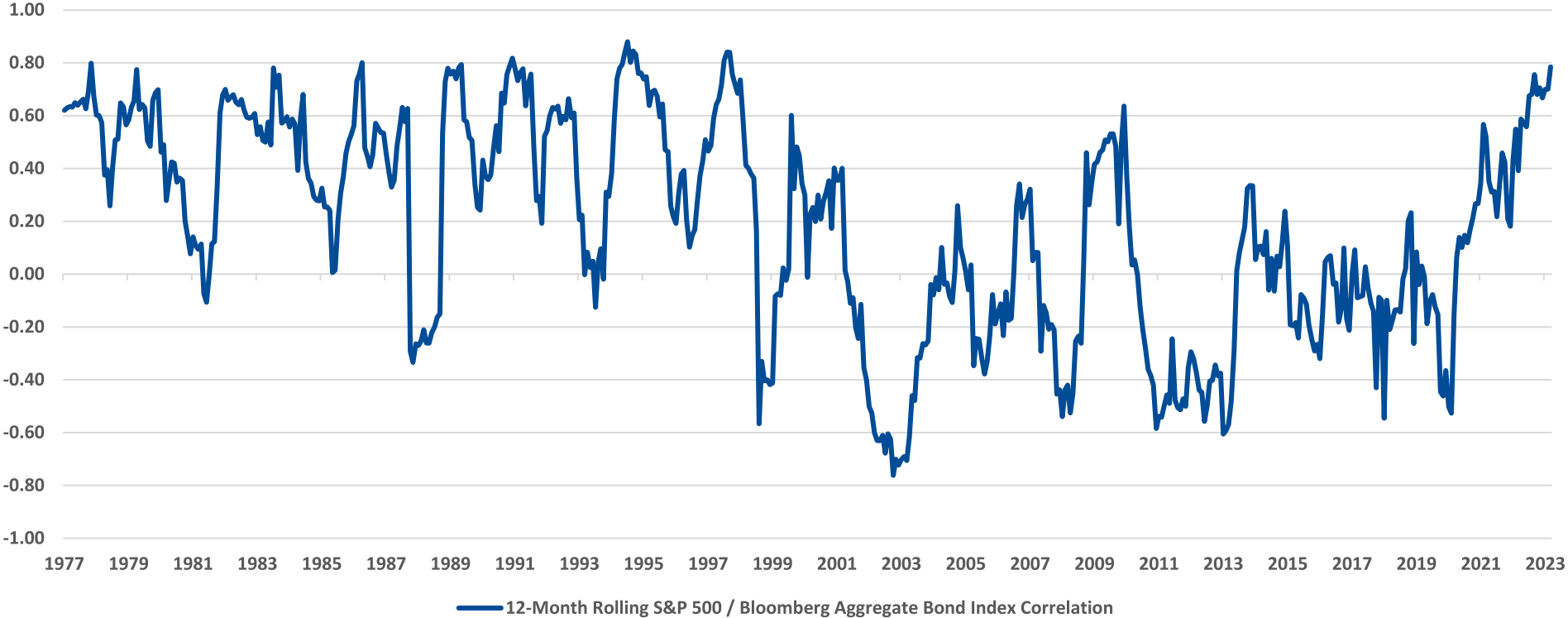
S&P 500 Continue to Discuss "Headwinds" Even as Inflation Subsides



After peaking in Q2 2022, mentions of "inflation" on the quarterly earnings calls of S&P 500 companies has begun trending downward. This has coincided with a peak in the Consumer Price Index at 9% around the same time. That being said, business conditions for the 500 largest domestic companies have remained difficult and mentions of "headwinds" have continued to increase throughout 2022. As the economy slows down and high interest rates eat into profit margins, both trends are likely to continue.

Source: Bloomberg, Data from Q2 2018 to Q1 2023

Stock / Bond Correlation Breaks Above 2022 Highs

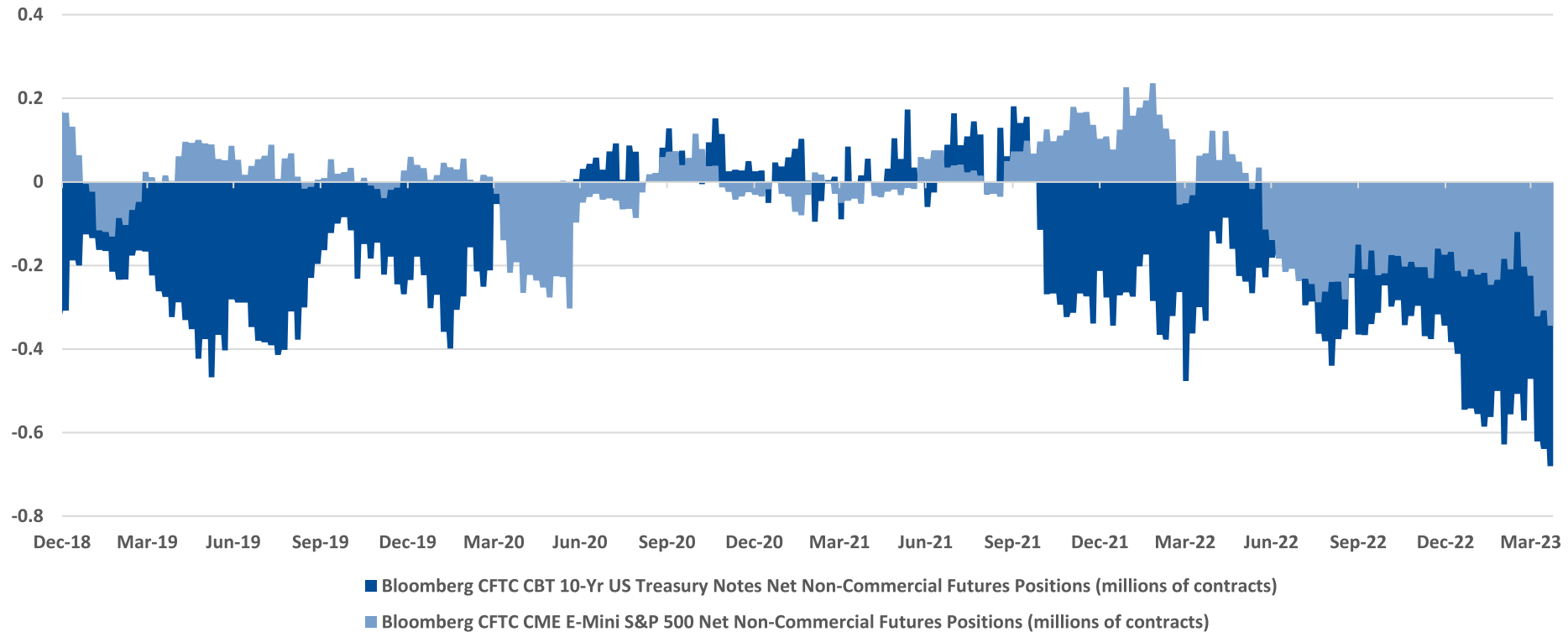


Both equity and fixed income indices have continued to come off the 2022 lows as market participants start to anticipate an end to Federal Reserve rate hikes. While this has been broadly positive for portfolios, it has continued the sharp increase in correlation between stocks and bonds that began to break out of historical ranges in 2022. When correlations are strongly positive, the diversification benefits of the 60/40 portfolio sharply diminish. As long as interest rates and asset duration continue to dominate the market narrative, we can expect this correlation to remain strong.

Source: Bloomberg, Data from 1/31/1977 to 3/31/2023



Speculators Maintain Strong Net Short in Stocks and Bonds



Net speculative positioning in both S&P 500 and 10-Year US Treasury futures contracts are the lowest seen in the past several years as hedge funds make bets on futures declines in both assets. Net positioning in ES-mini futures is around levels last seen in spring 2020, and net positioning in the 10- Year is well below any levels seen in recent history. This data doesn't imply any price direction, but it does imply higher volatility in both assets as the large positions can lead to sharp declines and short squeezes.

Source: Bloomberg, CFTC; Data from 12/31/2018 to 4/24/2023

DISCLOSURE

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DISCLOSURE

Asset Class	Proxy	Asset Class	Proxy
Large Cap Value	Russell 1000 Value TR USD	Large Cap Value Equity	S&P 500 Dividend Aristocrats TR USD
Large Cap Value Equity	Russell 1000 Dividend Select EW TR USD	Large Cap Growth	Pacer US Cash Cows Growth Index TR
Large Cap Growth Equity	Russell 1000 Growth TR USD	Momentum Equity	MSCI USA Momentum NR USD
Small Cap Equity	Russell 2000 TR USD	Managed Futures	SG Trend Index
International Developed Equity	MSCI EAFE NR USD	Dividend Growth Strategies	S&P 500 Dividend Aristocrats TR USD
Small Cap Dividend Growth	Russell 2000 Dividend Growth Select USD	Large Cap Dividend Growth	Russell 1000 Dividend Select EW TR USD
International Emerging Equity	MSCI EM NR USD	Quality	MSCI USA Sector Neutral Quality NR USD
Intermediate/Aggregate Bond	BBgBarcUS Agg Bond TR USD	Commodities	Bloomberg Commodity TR USD
Municipal Bonds	S&P Municipal Bond TR USD	Private Equity	Cambridge Associates US Private Equity USD
International Bond	BBgBarc Gbl Agg Ex USD TR Hdg USD	Short Term Bond/Cash	BBgBarcUS Aggregate 13 Yr TR USD
High Yield Bond	BbgBarc US Corporate High Yield TR USD	Long Term Treasuries	ICE U.S. Treasury 20+ Year Bond TR USD
Intermediate Treasuries	ICE U.S. Treasury 710 Year Bond TR USD	Short Term Treasuries	ICE U.S Treasury 13 Year Bond TR USD
Mid Cap Equity	Russell Mid Cap TR USD	Real Estate	NCREIF Indexes
International Equity	MSCI ACWI Ex US NR USD	US Equity	Russell 3000 TR USD
Global Equity	MSCI ACWI NR USD	Low Volatility Equity	S&P 500 Low Volatility TR USD
Global Alternatives	Hedge Fund Research HFRX Global Hedge Fund Index	Long Short Alternatives	Bloomberg Long/Short Hedge Fund Index
Merger Arbitrage	Hedge Fund Research Merger Arbitrage Index	Private Credit/Direct Lending	CliffwaterDirect Lending Index