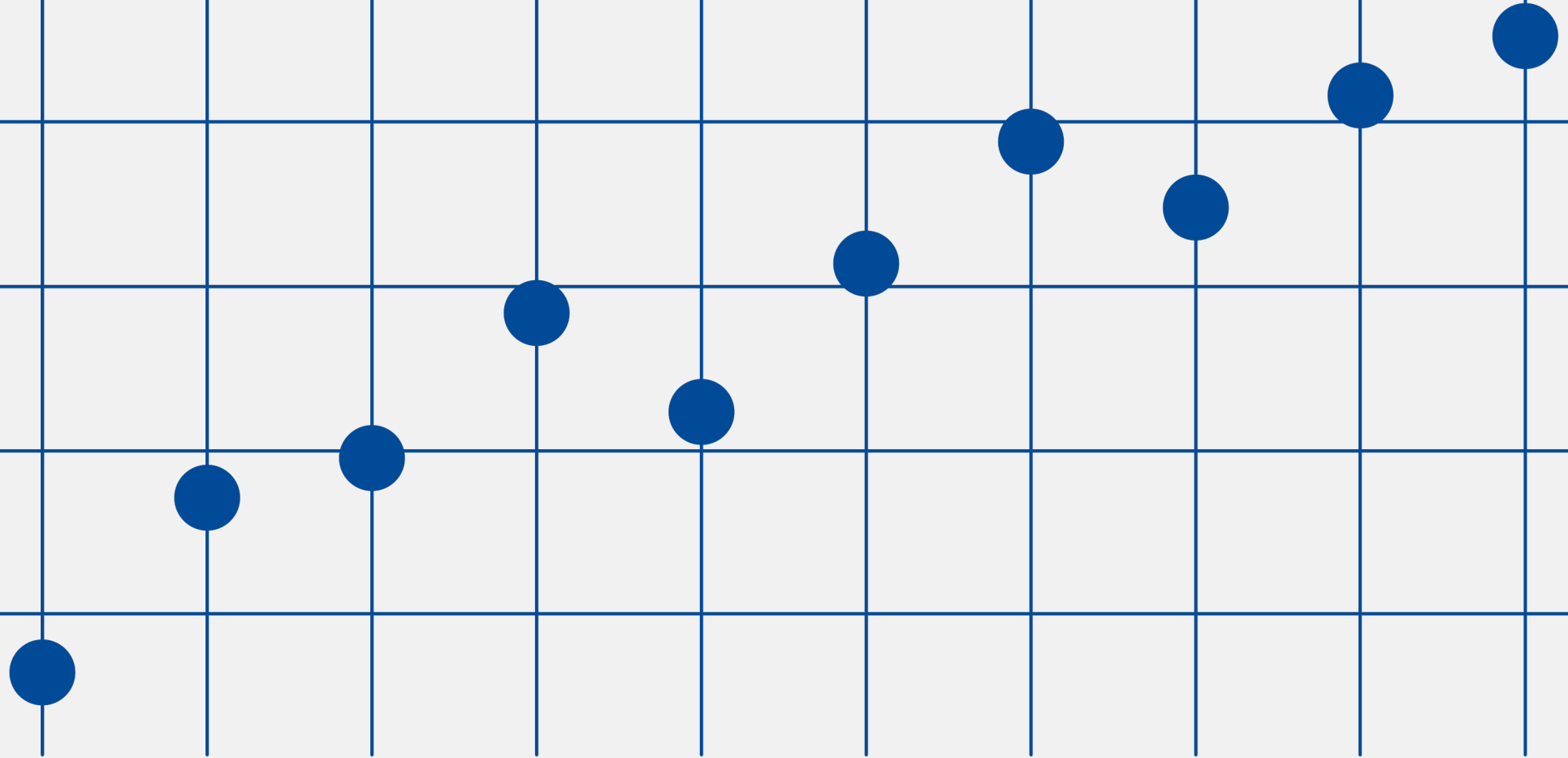
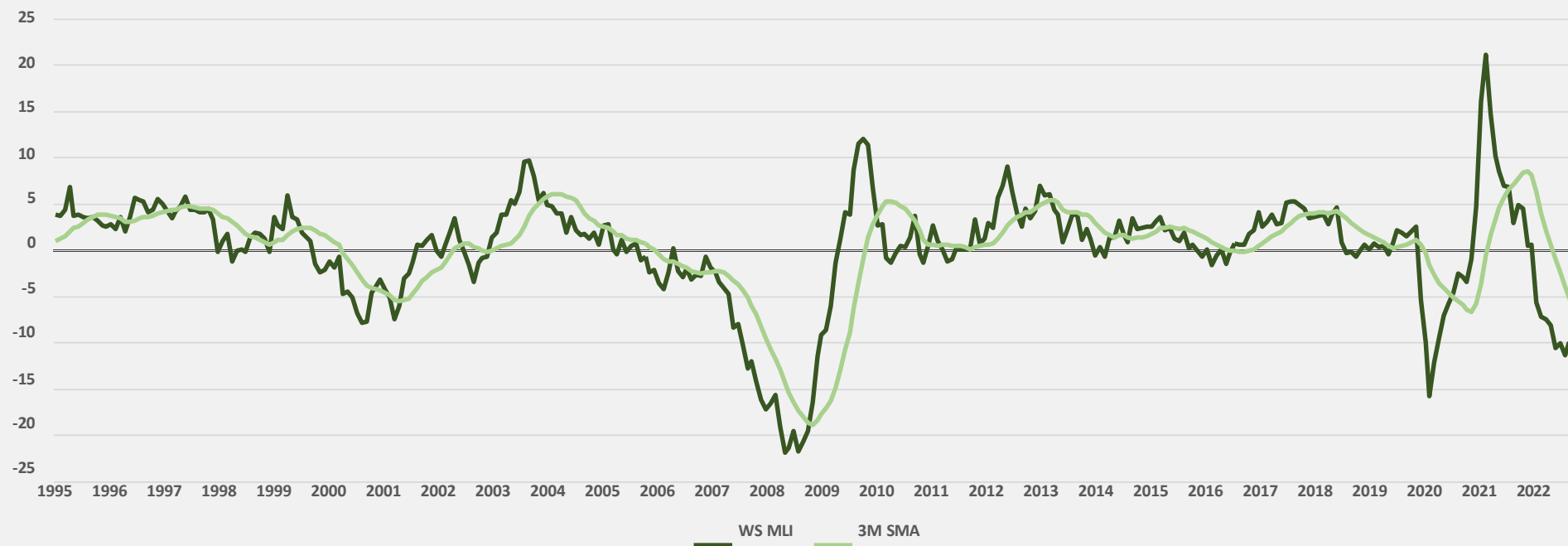


MAR 2023



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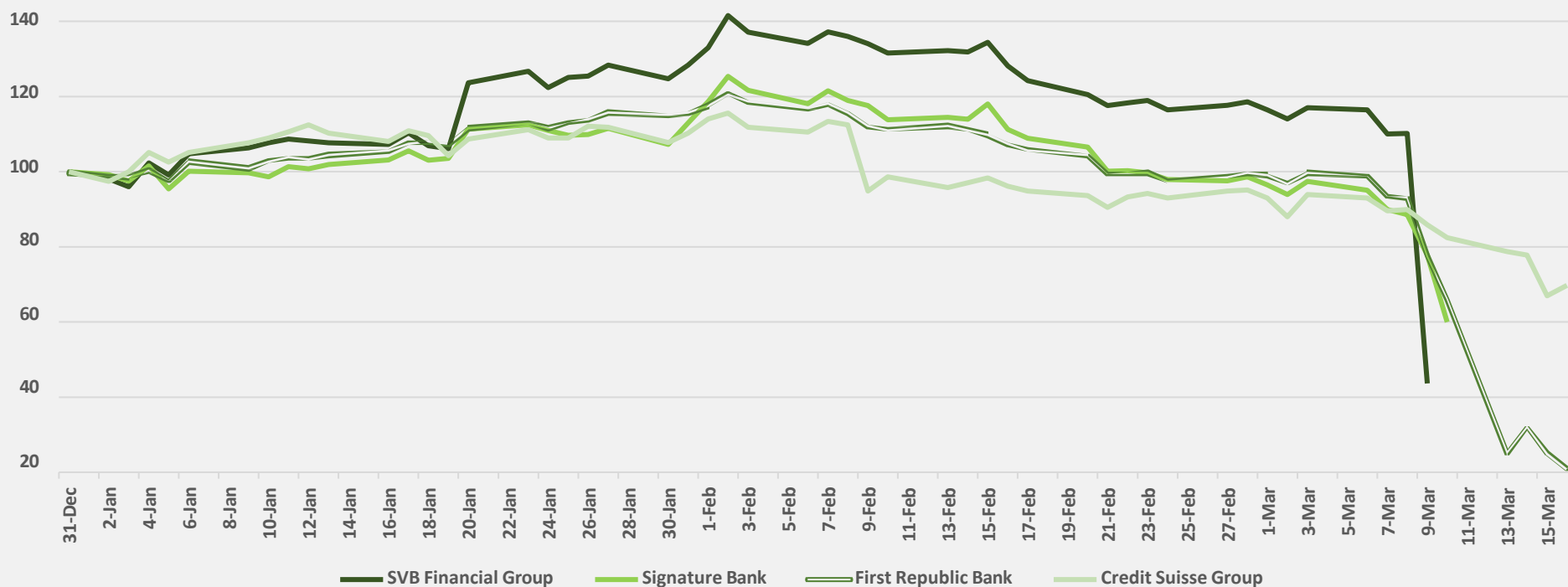
WS Macro Leading Indicator



	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
WS MLI (Unsmoothed)	0.44	0.67	-5.56	-7.16	-7.46	-8.05	-10.52	-10.06	-11.34	-10.06	-11.15	-10.87	-10.85
Consumer	-1.06	-0.33	-2.39	-1.37	-1.52	-1.61	-1.52	-1.84	-1.72	-1.62	-1.29	-1.61	-1.30
Financial Conditions	0.90	0.69	-0.75	-2.61	-3.12	-2.56	-5.36	-5.16	-5.21	-4.38	-4.82	-4.45	-4.80
Housing	-0.88	0.00	-1.79	-2.23	-0.67	-1.27	-2.41	-2.43	-3.37	-3.07	-3.83	-4.15	-4.23
Labor	1.03	1.08	1.02	0.82	0.70	0.68	0.65	0.76	0.51	0.13	0.10	0.51	0.40
Production	0.33	0.52	-0.14	-0.23	-0.28	-0.79	-0.82	-0.57	-0.49	-0.14	-0.43	-0.79	-0.92
Sentiment	0.11	-1.29	-1.52	-1.55	-2.56	-2.50	-1.06	-0.83	-1.06	-0.97	-0.88	-0.37	-0.01

Source: Bloomberg, WealthShield; Data from 2/28/2022 to 2/28/2023

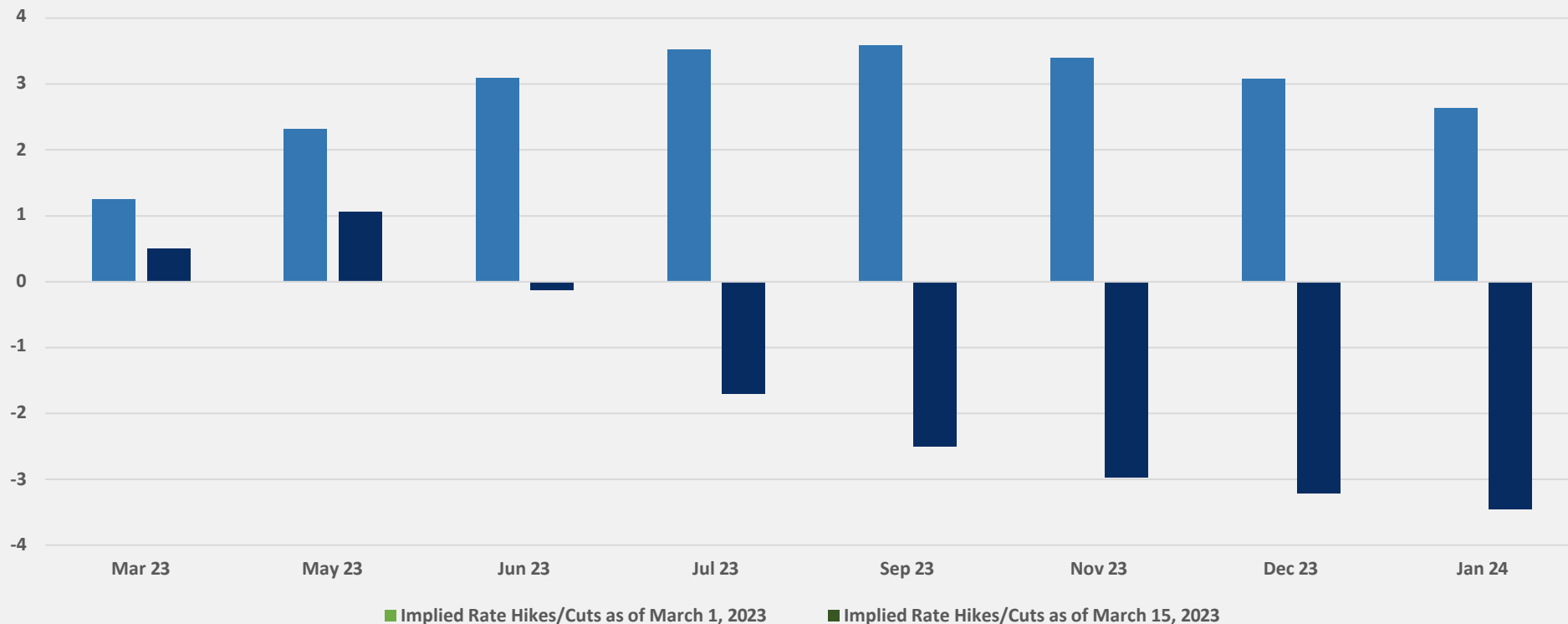
Big Trouble in Regional Banking



Significant stress arose in regional banking over the last couple weeks as markets uncovered weakness in banks most exposed to increasing interest rates. Shares of SVB Financial Group and Signature tanked and were put on trade halt last week as unrealized losses from long duration assets compromised liquidity, causing both to experience bank runs that resulted in takeovers by the FDIC. Depositors have also questioned the liquidity of First Republic Bank, which had similar exposures and has experienced significant share price declines. Similar stress has been seen in Europe, as liquidity concerns at Credit Suisse prompted the Swiss National Bank to inject the equivalent of \$54 billion to prevent a bank run. While these situations haven't fully resolved yet, it feels safe to say that as long as rates remain high there will be significant pressure on banks not designated "too big to fail."

Source: Bloomberg, NCREIF; Data from 12/31/2022 to 3/15/2023

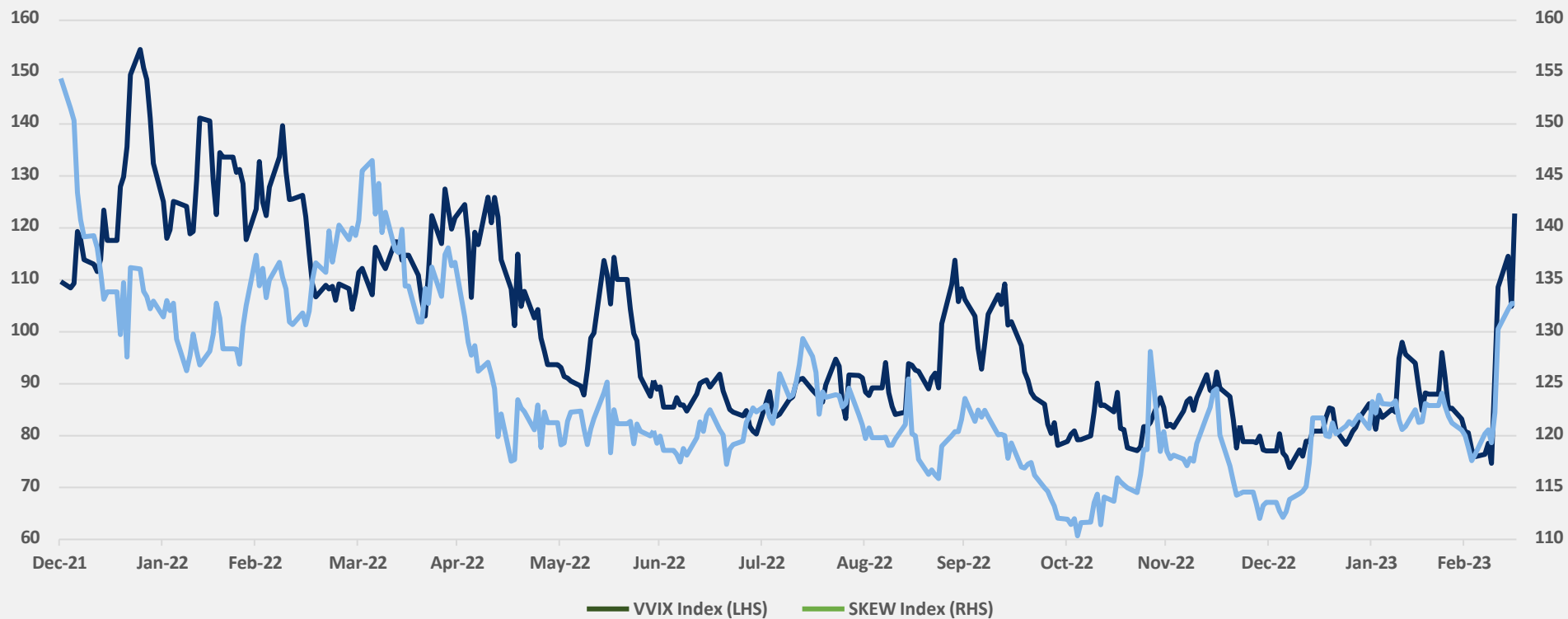
Rate Cuts Now Priced in for 2023



In the first two weeks of March, the crisis in regional banking has completely flipped market expectations for Federal Reserve actions over the next 12 months. On March 1st, fed funds futures markets were pricing in three or four more rate hikes in 2023, with the potential to cut rates late in the year or in the beginning of 2024. By March 15th, market stress has completely inverted the curve, leaving futures pricing a chance of one rate hike in the next two meetings, with between 3 to 4 rate cuts by January 2024. This puts the Federal Reserve in a difficult situation, as it needs to keep financial conditions tight to bring inflation further down, but not so tight as to prevent the functioning of the banking system. Unless Powell can effectively re-emphasize the “higher for longer” rhetoric at next week’s meeting it seems likely that financial conditions will continue to loosen.

Source: Bloomberg, Data from 3/1/2023 to 3/15/2023

The Return of Volatility



Volatility has come roaring back over the last two weeks, as the stress in banking has spread to broad equity markets. After trending lower throughout 2022 both SKEW and VVIX rallied in the last week. SKEW, which measures the market's perceived risk of a "tail event," jumped as far out-of-the-money options priced in a higher probability of the S&P 500 trading at much lower levels. VVIX, which measures the volatility of the VIX, increased in response to large market moves intraday which caused a significant increase in the implied volatility of at-the-money options. These volatility dynamics were missing from market declines in 2022 and are reminiscent of past illiquid credit crunches.

Source: Bloomberg, Data from 12/31/2021 to 3/15/2023

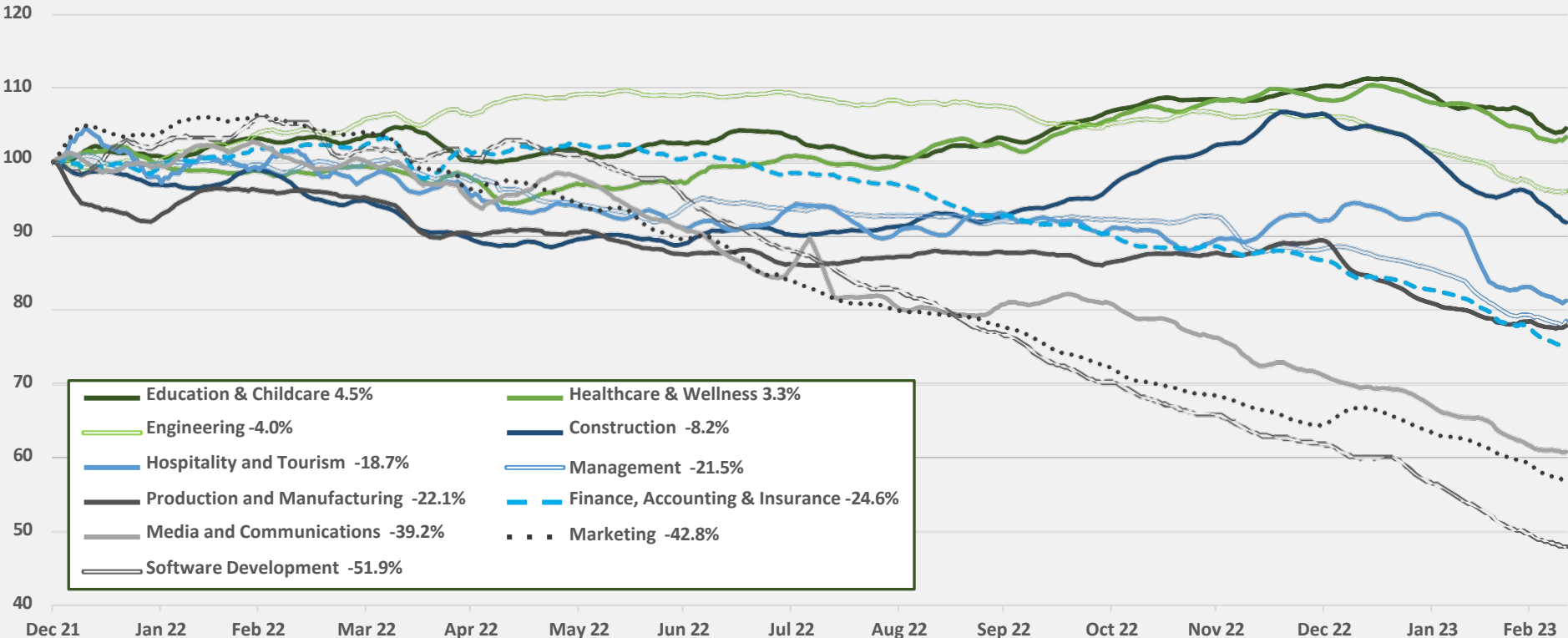
Fed Intervention Injects Liquidity



The Federal Reserve's market intervention to backstop liquidity for banks resulted in a combined \$164.8 billion borrowed in the last week, including the highest-ever usage of the discount window and a new emergency backstop called the "Bank Term Funding Program." While there has been significant posturing to ensure that market participants don't view this as quantitative easing, Fed actions this week added around \$468 billion in net liquidity (measured as the Fed Balance Sheet minus Treasury General Account Balance minus Reverse Repos). The Fed can continue to call it quantitative tightening, but if it looks like a duck, swims like a duck, and quacks like a duck....

Source: Bloomberg, Data from 3/31/2021 to 3/15/2023

Some Softening In Cyclical Job Openings



While the labor market has remained tight through 2022 and the beginning of 2023, there has been significant softening in market internals as financial conditions have tightened. Job openings on Indeed have broadly declined since the beginning of 2022, and cyclical sectors such as Marketing and Software Development have been hit hardest as companies reduce overhead. While some less-cyclical sectors haven't seen declines, the broadly negative trend should put upward pressure on unemployment in the coming quarters.

Source: FRED, Indeed; Data from 12/31/2021 to 3/10/2023

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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	BBgBarc US 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	BBgBarc US Aggregate 1-3 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 7-10 Year Bond TR USD	Short Term Treasuries	ICE U.S Treasury 1-3 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	Cliffwater Direct Lending Index

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