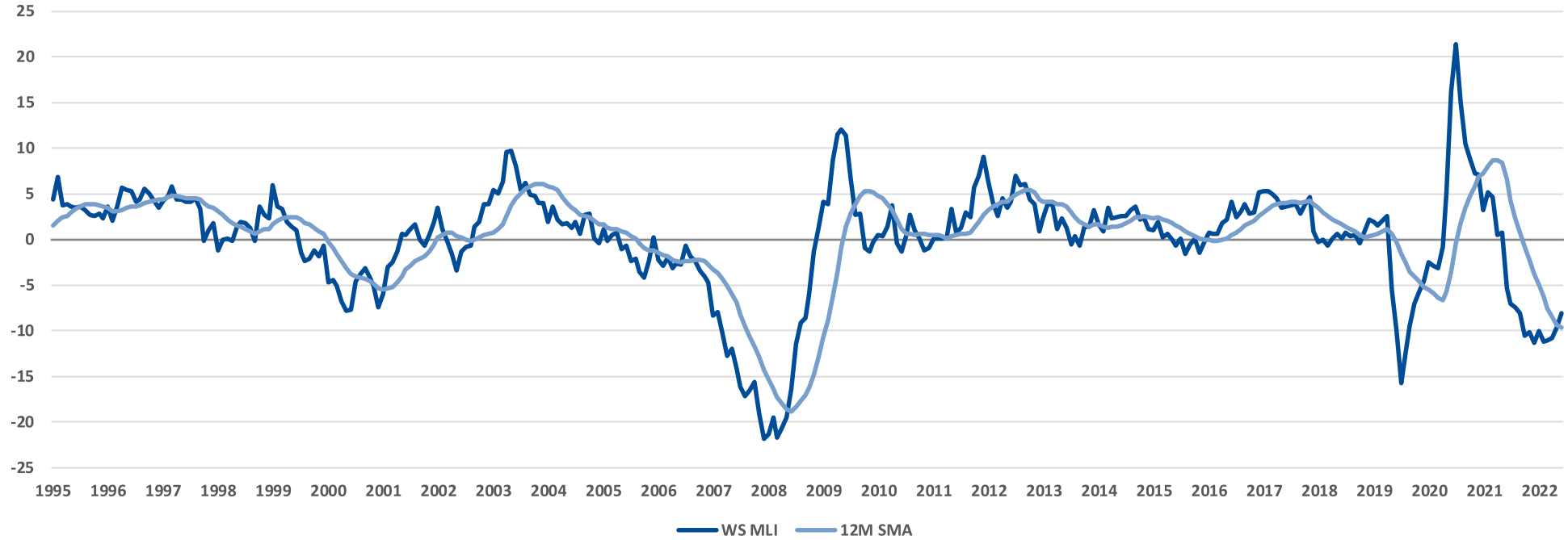


# CHARTS OF THE MONTH

MAY 2023



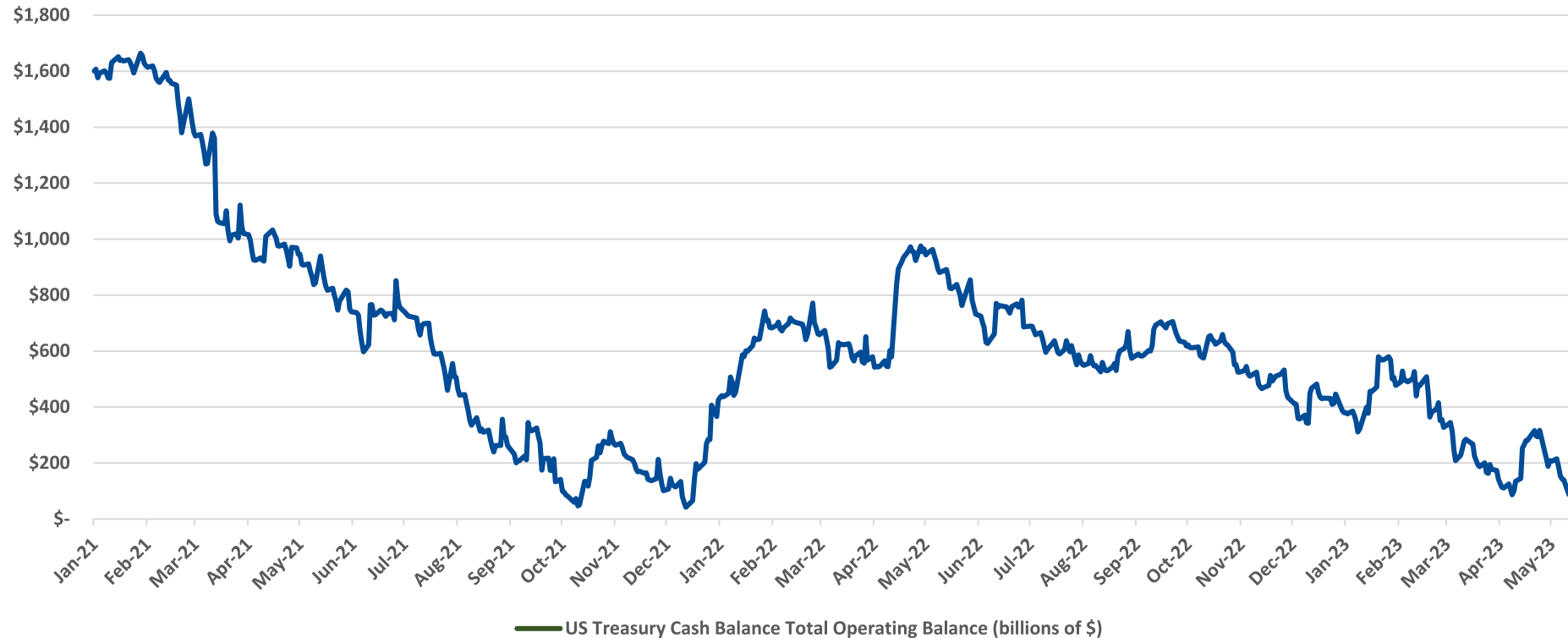
### WS Macro Leading Indicator



|                             | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>WS MLI (Unsmoothed)</b>  | -5.38  | -7.06  | -7.38  | -8.02  | -10.56 | -10.20 | -11.31 | -10.05 | -11.24 | -11.03 | -10.78 | -9.65  | -8.07  |
| <b>Consumer</b>             | -2.30  | -1.30  | -1.45  | -1.57  | -1.50  | -1.80  | -1.65  | -1.56  | -1.27  | -1.59  | -1.22  | -1.19  | -1.00  |
| <b>Financial Conditions</b> | -0.75  | -2.61  | -3.12  | -2.56  | -5.36  | -5.16  | -5.21  | -4.38  | -4.82  | -4.45  | -4.80  | -4.45  | -3.13  |
| <b>Housing</b>              | -1.79  | -2.23  | -0.67  | -1.27  | -2.41  | -2.43  | -3.37  | -3.07  | -3.83  | -4.15  | -4.23  | -3.52  | -3.15  |
| <b>Labor</b>                | 1.02   | 0.82   | 0.70   | 0.68   | 0.65   | 0.76   | 0.51   | 0.13   | 0.10   | 0.51   | 0.40   | 0.22   | -0.09  |
| <b>Production</b>           | -0.04  | -0.20  | -0.28  | -0.80  | -0.89  | -0.74  | -0.53  | -0.19  | -0.55  | -0.97  | -0.92  | -0.77  | -0.38  |
| <b>Sentiment</b>            | -1.52  | -1.55  | -2.56  | -2.50  | -1.06  | -0.83  | -1.06  | -0.97  | -0.88  | -0.37  | -0.01  | 0.06   | -0.33  |

Source Bloomberg, WealthShield; Data from 04/30/2022 - 4/30/2023

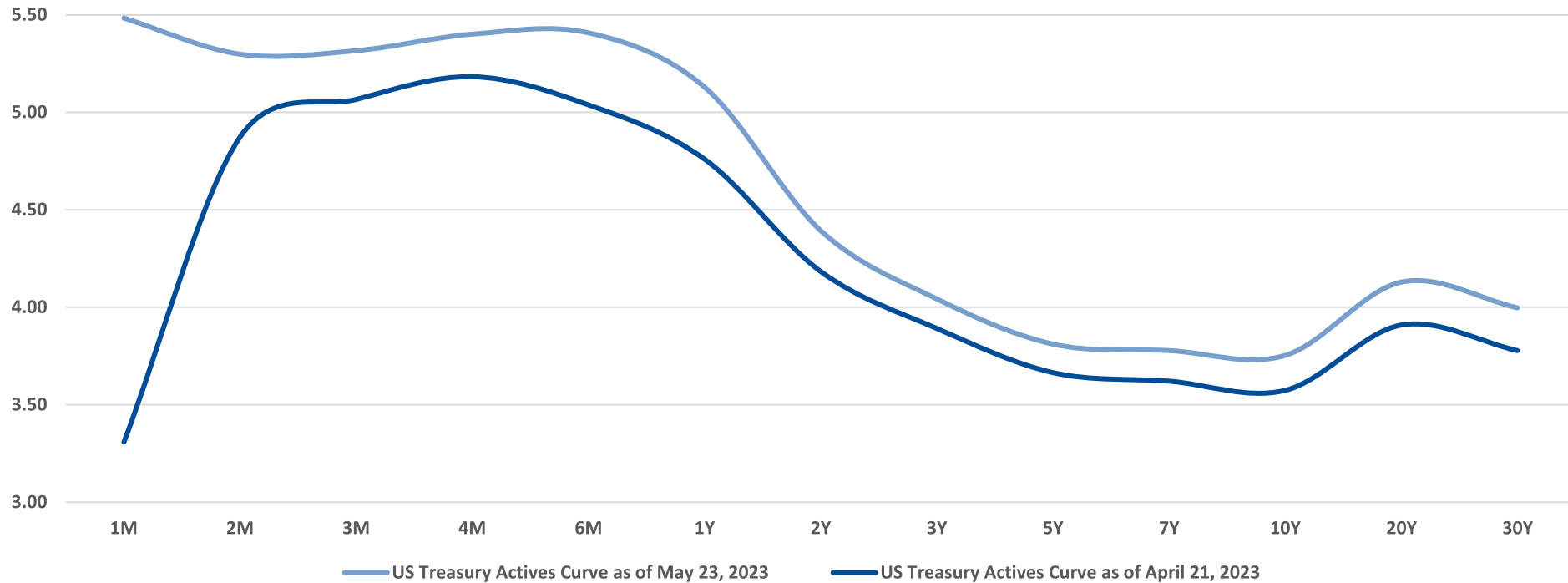
## Treasury Cash Dwindles as 'X-date' Approaches



With negotiations over the Federal debt limit at a stalemate for the past few weeks, the operating cash balance of the Treasury has continued its precipitous decline. Treasury Secretary Janet Yellen has stated that without a deal the US will be unable to fulfill its obligations by early June. Whether or not technical default occurs, once a deal is made the Treasury will have to issue securities to rebuild its cash balance. Coupled with the Federal Reserve's continued quantitative tightening, this will cause a dramatic decrease in overall market liquidity.

Source: Bloomberg, Data from 12/31/2020 to 5/19/2023

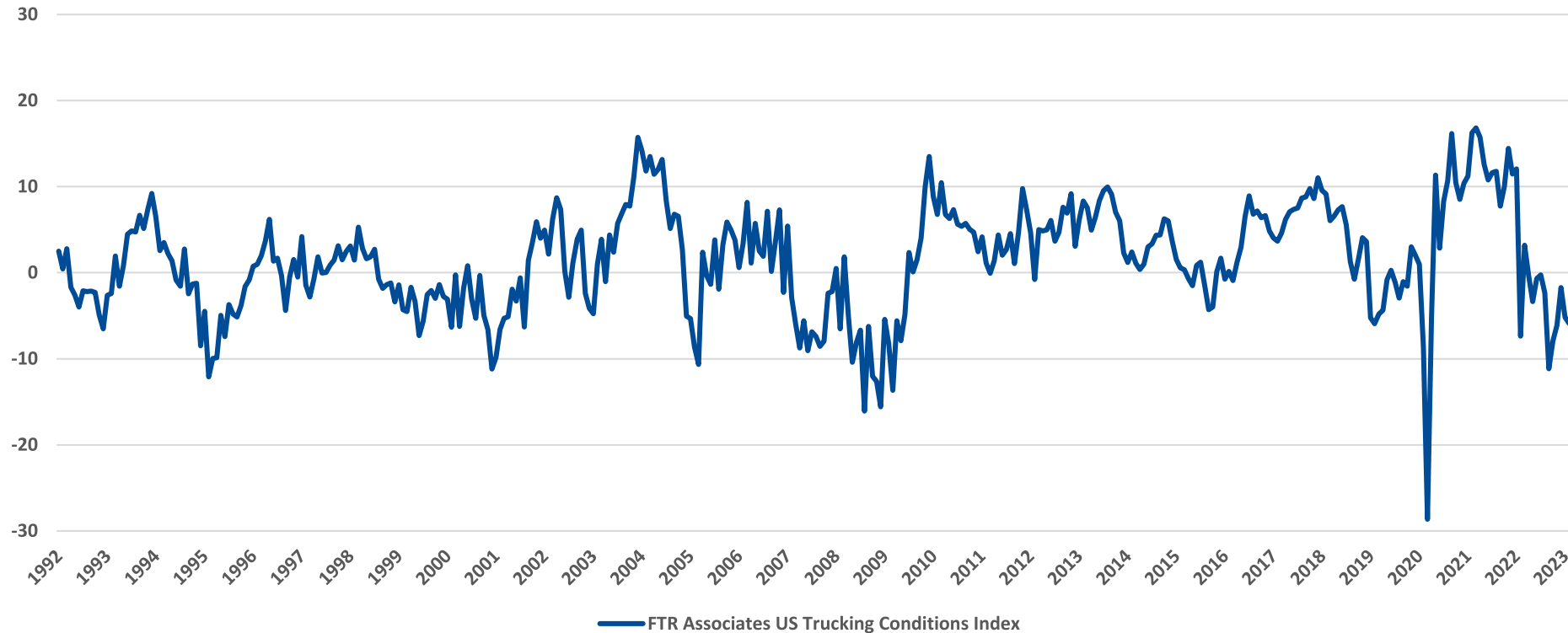
## Budget Standstill Sends Rates Higher



As the stress from the banking crisis has subsided and focus has shifted to the debt limit negotiations, the yield curve for US treasuries has inverted further. One-month rates shot up over 200 basis points over the last month to price in the risk of default on the midlune treasury bills. Meanwhile rates along the entirety of the curve increased. It should be noted that even if a technical default took place, payments on treasury securities would be prioritized while spending would be cut in other areas such as national parks.

Source: Bloomberg, Data from 5/23/2023 and 4/21/2023

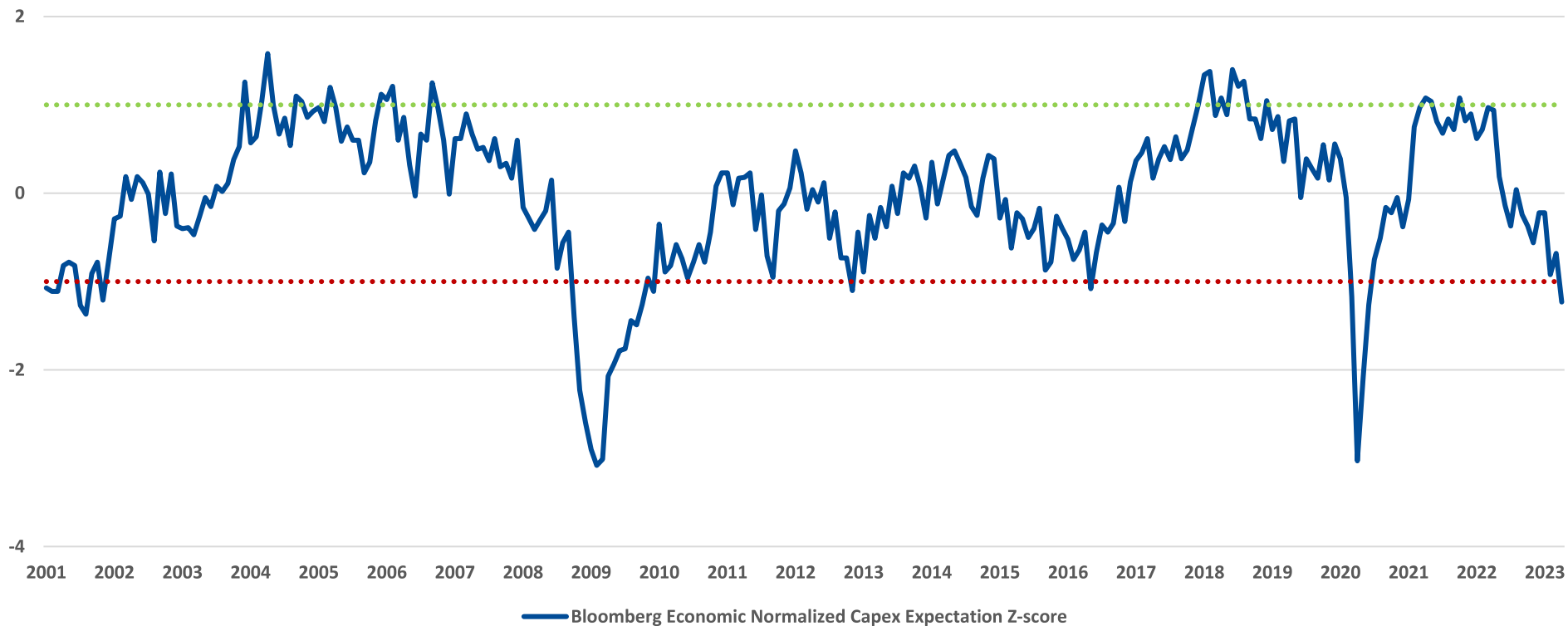
## Troubles in Trucking



The US Trucking Conditions Index has continued to deteriorate from the highs made in March 2021, and has been below zero since May 2023. After the supply shortages of 2020 led to a mini-bubble in trucking, higher costs of capital and slowing retail sales growth have made industry conditions increasingly difficult. Famed investor Stanley Druckenmiller relies on trucking to gain insight into how goods are moving through the domestic economy, and has touted its tendency to lead broad economic activity.

Source: Bloomberg, Data from 2/29/1992 to 4/30/2023

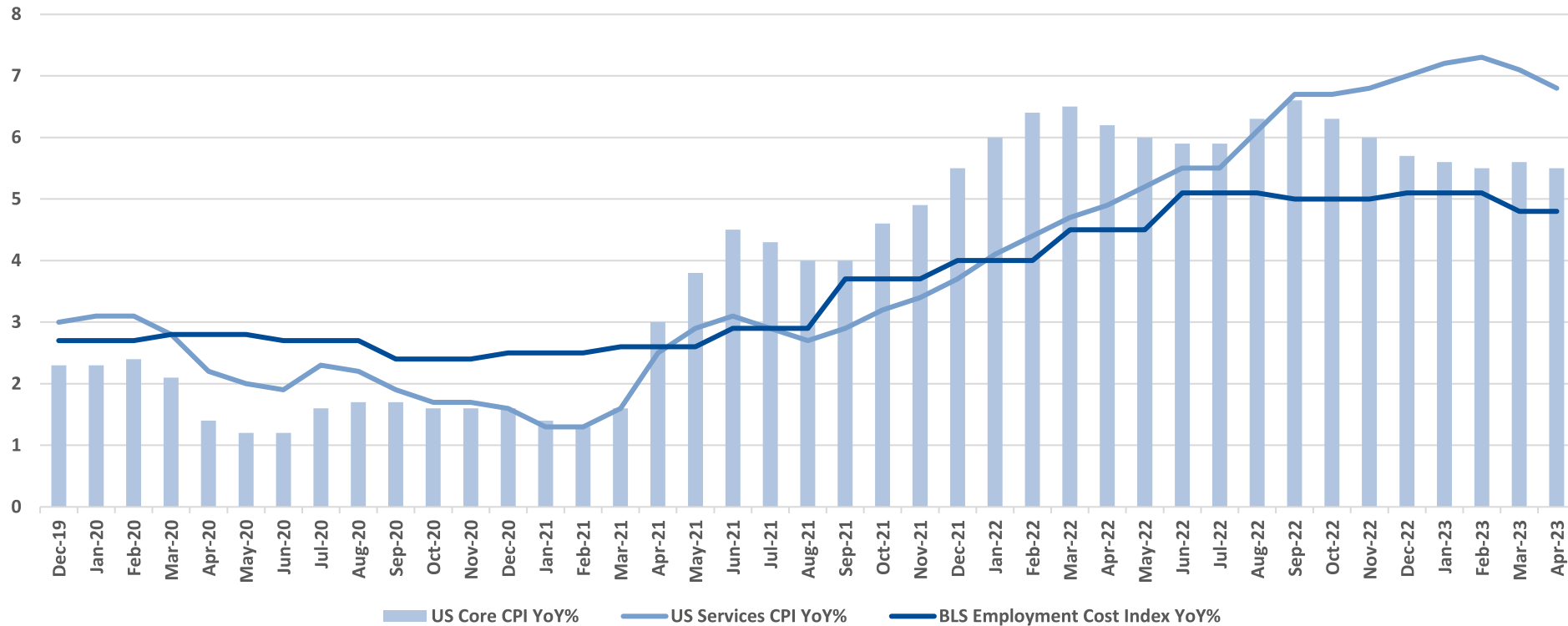
## Capex Expectations Paint Ugly Picture



Bloomberg's Capex Expectation Z - score measures a blend of regional Fed and NFIB surveys that try to capture capex intentions. Readings between 1 and -1 are considered normal, and as you can see we crossed below -1 in April for the first time since March of 2020. This shows an unusually negative sentiment for future domestic fixed investment as firms reevaluated their capital expenditures to meet the changing economic environment and higher cost of capital. As fixed investment is a component of GDP, this indicator has been historically important in predicting trends in economic activity.

Source: Bloomberg, Data from 1/31/2001 to 4/30/2023

## Inflation Moderation Continues in Key Areas



Core CPI inflation continued to moderate in April, coming in at 5.5% year-over-year. As the market narrative shifts from inflation to deteriorating growth, it will be important to watch changes in both services inflation and the employment cost index. So far declines have been largely tied to decreases in commodity prices, but consistent declines in services and wages will likely need to occur before the Federal Reserve is able to declare victory over inflation.

Source: Bloomberg, BLS; Data from 12/31/2019 to 4/30/2023

# 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 | Cliffwater Direct Lending Index            |