

# Economic Update

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A Closer Look at Q2 2023 Data

Released: July 2023



**RIVERGLADES**  
A MULTIFAMILY OFFICE

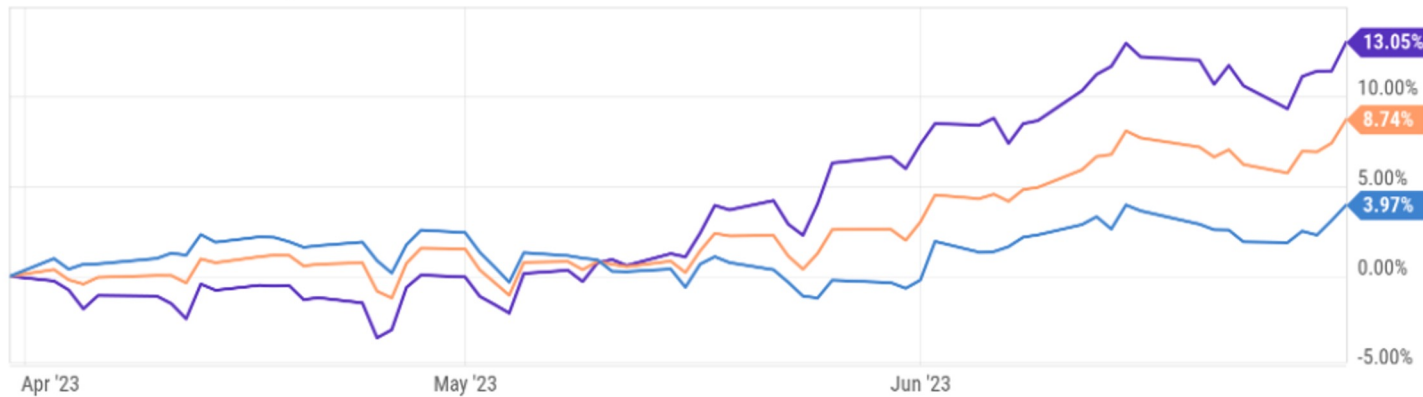
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# Stock Market Performance

- Nasdaq Composite Total Return
- S&P 500 Total Return
- Dow Jones Industrial Average Total Return

## Domestic Indices



U.S. stocks continued their strong surge in the second quarter of 2023. The Nasdaq Composite led the way with a 13.1% increase in Q2, the S&P 500 advanced 8.7%, and the Dow Jones Industrial Average rose 4.0%.

During the 2<sup>nd</sup> quarter, the optimism that had appeared earlier in the year continued as inflation numbers once again declined, corporate earnings were ok, and the Fed appeared to indicate that one or two more rate hikes might be enough (for now). These factors appear to have strengthened investors confidence that perhaps the worst is behind us, at least for the public markets.

Outside the U.S., Global markets had a positive month as well, with the MSCI EAFE Total Return index returning 3.2%, MSCI World Ex-US posting a similar 3.3% gain and MSCI Emerging Markets index moving up 1.0%.

Much has been made of the lagging performance of most markets outside of the U.S. over the past several years. While valuations look more attractive, it appears investors continue to prefer the assumed growth of the U.S. tech and communication services companies.

- MSCI World Ex USA Total Return
- MSCI EAFE Total Return
- MSCI Emerging Markets Total Return

## Non-U.S. Indices





# U.S. Sector Performance

Sensitive Sectors	Q2 2023 Return
Technology Select Sector SPDR® ETF	15.37%
Communication Services Select Sector SPDR® ETF	12.45%
Industrial Select Sector SPDR® ETF	6.50%
Energy Select Sector SPDR® ETF	-1.12%

Defensive Sectors	Q2 2023 Return
Health Care Select Sector SPDR® ETF	2.95%
Consumer Staples Select Sector SPDR® ETF	-0.01%
Utilities Select Sector SPDR® ETF	-2.54%

Cyclical Sectors	Q2 2023 Return
Consumer Discretionary Select Sector SPDR® ETF	13.78%
Financial Select Sector SPDR® ETF	5.33%
Materials Select Sector SPDR® ETF	3.25%
Real Estate Select Sector SPDR® ETF	1.81%

Eight of the eleven S&P Sectors posted positive returns last quarter. The Technology and Consumer Discretionary sectors led the way with 15.4% and 13.8% returns, respectively. The Utilities sector was the laggard, finishing down 2.5% for the quarter.

Mean reversion appears to be the theme for 2023. With those sectors that were hit hardest during last year's market decline rallying the most so far this year. As recession talk still circles, it seems counterintuitive that companies with some of the highest valuation sensitivity and greatest dependence on corporate spending are rocketing higher. That is unless "the market" believes the recession is already behind us or will eventually be declared a "soft landing."

It has been RiverGlades' base case that the most likely outcome for the Fed's current rate hike cycle would be something along the lines of a "soft landing." Our opinion acknowledged the economy was slowing but that it was still okay. Inflation last year was high but would moderate. The Fed was raising rates aggressively, but they were doing so with one eye on inflation and one on the markets.

Over the past 12-18 months, we perceived the Fed to be holding the market's hand by taking a dovish tone when the markets weakened and shifting back to a more hawkish tone when markets rallied. This provided the Fed cover to continue hiking while the market remained relatively range bound (excluding the June 2022 and October 2022 declines).



# Asset Class Performance – Trailing Periods

YTD Total Return	1 month Total Return	3 month Total Return	6 month Total Return	1 year Total Return	3 year Total Return	5 year Total Return	10 year Total Return
US Growth 29.0%	US Small 8.1%	US Growth 12.8%	US Growth 29.0%	US Growth 27.1%	Commodities 25.1%	US Growth 15.1%	US Growth 15.7%
S&P 500 16.9%	US Growth 6.8%	S&P 500 8.7%	S&P 500 16.9%	S&P 500 19.6%	S&P 500 14.6%	S&P 500 12.3%	S&P 500 12.9%
World exUSA 11.8%	US Value 6.6%	US Small 5.2%	World exUSA 11.8%	World exUSA 18.1%	US Value 14.3%	US Value 8.1%	US Value 9.2%
US Small 8.1%	S&P 500 6.6%	US Value 4.1%	US Small 8.1%	US Small 12.3%	US Growth 13.7%	World exUSA 5.1%	US Small 8.3%
US Value 5.1%	US Real Estate 5.8%	World exUSA 3.3%	US Value 5.1%	US Value 11.5%	US Small 10.8%	US Real Estate 4.6%	US Real Estate 6.6%
Emerging Markets 5.1%	World exUSA 4.8%	US Real Estate 2.4%	Emerging Markets 5.1%	Muni Bonds 3.2%	World exUSA 9.9%	US Small 4.2%	World exUSA 5.9%
US Real Estate 4.0%	Commodities 4.4%	Emerging Markets 1.0%	US Real Estate 4.0%	Emerging Markets 2.2%	US Real Estate 6.0%	Commodities 2.8%	Emerging Markets 3.3%
Muni Bonds 2.7%	Emerging Markets 3.9%	Muni Bonds -0.1%	Muni Bonds 2.7%	Aggregate Bonds -0.9%	Emerging Markets 2.7%	Muni Bonds 1.8%	Muni Bonds 2.7%
Aggregate Bonds 2.1%	Muni Bonds 1.0%	Aggregate Bonds -0.8%	Aggregate Bonds 2.1%	US Treasuries -2.1%	Muni Bonds -0.6%	Emerging Markets 1.3%	Aggregate Bonds 1.5%
US Treasuries 1.6%	Aggregate Bonds -0.4%	US Treasuries -1.4%	US Treasuries 1.6%	US Real Estate -2.7%	Aggregate Bonds -4.0%	Aggregate Bonds 0.8%	US Treasuries 1.0%
Commodities -7.5%	US Treasuries -0.8%	Commodities -2.7%	Commodities -7.5%	Commodities -14.2%	US Treasuries -4.8%	US Treasuries 0.4%	Commodities -3.6%

This table shows the performance of various asset classes over different time frames. As noted by the sector returns, U.S. Growth stocks led the way in the second quarter and have retained their dominant position at the top of the performance list over the last ten years.

The broad bond market as measured by the Barclays U.S. Aggregate declined slightly after a bounce in the first quarter. As rate hikes begin to slow, longer maturity bonds should begin to stabilize and with higher yields that will be worth locking in.

There continues to be talk about the return of “Value Investing.” However, the Value index trailed Growth over each time period except for the 3-year trailing. This is not to say value investing is dead, rather it should reflect what we believe to be a fundamental shift in the U.S. and global economies.

Many investment firms build a diversified portfolio by filling the “style boxes” and allocating some assets to growth and some to value. RiverGlades has avoided this allocation decision in favor of lower cost and broad-based or sector specific decisions.

Asset	Index
US Real Estate	Dow Jones US Real Estate Index Total Return
US Growth Stocks	Russell 1000 Growth Total Return
Commodities	S&P GSCI Total Return
US Small Cap	Russell 2000 Total Return
S&P 500	S&P 500 Total Return
US Value Stocks	Russell 1000 Value Total Return
World ex USA	MSCI World Ex USA Total Return
Emerging Markets	MSCI Emerging Markets Total Return
Aggregate Bonds	Barclays US Aggregate Total Return
Muni Bonds	Barclays Municipal Bond Total Return
US Treasuries	Barclays US Treasury Total Return





# Asset Class Performance – Quarter by Quarter

6/30/2023 Qtr Return	3/31/2023 Qtr Return	12/31/2022 Qtr Return	9/30/2022 Qtr Return	6/30/2022 Qtr Return	3/31/2022 Qtr Return	12/31/2021 Qtr Return	9/30/2021 Qtr Return	6/30/2021 Qtr Return	3/31/2021 Qtr Return	12/31/2020 Qtr Return	9/30/2020 Qtr Return	6/30/2020 Qtr Return	3/31/2020 Qtr Return	12/31/2019 Qtr Return
US Growth 12.8%	US Growth 14.4%	World exUSA 16.3%	US Small -2.2%	Commodities 2.0%	Commodities 33.1%	US Real Estate 14.6%	Commodities 5.2%	Commodities 15.7%	Commodities 13.6%	US Small 31.4%	US Growth 13.2%	US Growth 27.8%	US Treasuries 8.2%	Emerging Markets 11.9%
S&P 500 8.7%	World exUSA 8.2%	US Value 12.4%	Muni Bonds -3.5%	Muni Bonds -2.9%	US Value -0.7%	US Growth 11.6%	US Growth 1.2%	US Growth 11.9%	US Small 12.7%	Emerging Markets 19.8%	Emerging Markets 9.7%	US Small 25.4%	Aggregate Bonds 3.1%	US Growth 10.6%
US Small 5.2%	S&P 500 7.5%	Emerging Markets 9.8%	US Growth -3.6%	US Treasuries -3.8%	S&P 500 -4.6%	S&P 500 11.0%	US Real Estate 0.9%	US Real Estate 11.7%	US Value 11.3%	US Value 16.3%	S&P 500 8.9%	S&P 500 20.5%	Muni Bonds -0.6%	US Small 9.9%
US Value 4.1%	Emerging Markets 4.0%	S&P 500 7.6%	US Treasuries -4.3%	Aggregate Bonds -4.7%	World exUSA -4.7%	US Value 7.8%	S&P 500 0.6%	S&P 500 8.5%	US Real Estate 7.7%	World exUSA 15.9%	US Value 5.6%	Emerging Markets 18.2%	US Growth -14.1%	S&P 500 9.1%
World exUSA 3.3%	US Treasuries 3.0%	US Small 6.2%	Aggregate Bonds -4.8%	Emerging Markets -11.3%	US Treasuries -5.6%	World exUSA 3.2%	US Treasuries 0.1%	World exUSA 5.9%	S&P 500 6.2%	Commodities 14.5%	World exUSA 5.0%	World exUSA 15.5%	S&P 500 -19.6%	Commodities 8.3%
US Real Estate 2.4%	Aggregate Bonds 3.0%	US Real Estate 4.4%	S&P 500 -4.9%	US Value -12.2%	Aggregate Bonds -5.9%	US Small 2.1%	Aggregate Bonds 0.1%	US Value 5.2%	World exUSA 4.2%	S&P 500 12.1%	US Small 4.9%	US Value 14.3%	World exUSA -23.1%	World exUSA 7.9%
Emerging Markets 1.0%	Muni Bonds 2.8%	Muni Bonds 4.1%	US Value -5.6%	World exUSA -14.4%	Muni Bonds -6.2%	Commodities 1.5%	Muni Bonds -0.3%	Emerging Markets 5.1%	Emerging Markets 2.3%	US Growth 11.4%	Commodities 4.6%	US Real Estate 13.9%	Emerging Markets -23.6%	US Value 7.4%
Muni Bonds -0.1%	US Small 2.7%	Commodities 3.4%	World exUSA -9.1%	US Real Estate -14.5%	US Real Estate -6.5%	Muni Bonds 0.7%	World exUSA -0.6%	US Small 4.3%	US Growth 0.9%	US Real Estate 7.7%	US Real Estate 2.1%	Commodities 10.5%	US Real Estate -24.4%	US Real Estate 0.8%
Aggregate Bonds -0.8%	US Real Estate 1.6%	US Growth 2.2%	Commodities -10.3%	S&P 500 -16.1%	Emerging Markets -6.9%	US Treasuries 0.2%	US Value -0.8%	Aggregate Bonds 1.8%	Muni Bonds -0.4%	Muni Bonds 1.8%	Muni Bonds 1.2%	Aggregate Bonds 2.9%	US Value -26.7%	Muni Bonds 0.7%
US Treasuries -1.4%	US Value 1.0%	Aggregate Bonds 1.9%	US Real Estate -10.4%	US Small -17.2%	US Small -7.5%	Aggregate Bonds 0.0%	US Small -4.4%	US Treasuries 1.7%	Aggregate Bonds -3.4%	Aggregate Bonds 0.7%	Aggregate Bonds 0.6%	Muni Bonds 2.7%	US Small -30.6%	Aggregate Bonds 0.2%
Commodities -2.7%	Commodities -4.9%	US Treasuries 0.7%	Emerging Markets -11.4%	US Growth -20.9%	US Growth -9.0%	Emerging Markets -1.2%	Emerging Markets -8.0%	Muni Bonds 1.4%	US Treasuries -4.3%	US Treasuries -0.8%	US Treasuries 0.2%	US Treasuries 0.5%	Commodities -42.3%	US Treasuries -0.8%

This visual shows historical quarterly asset class performance for the last 15 quarters.

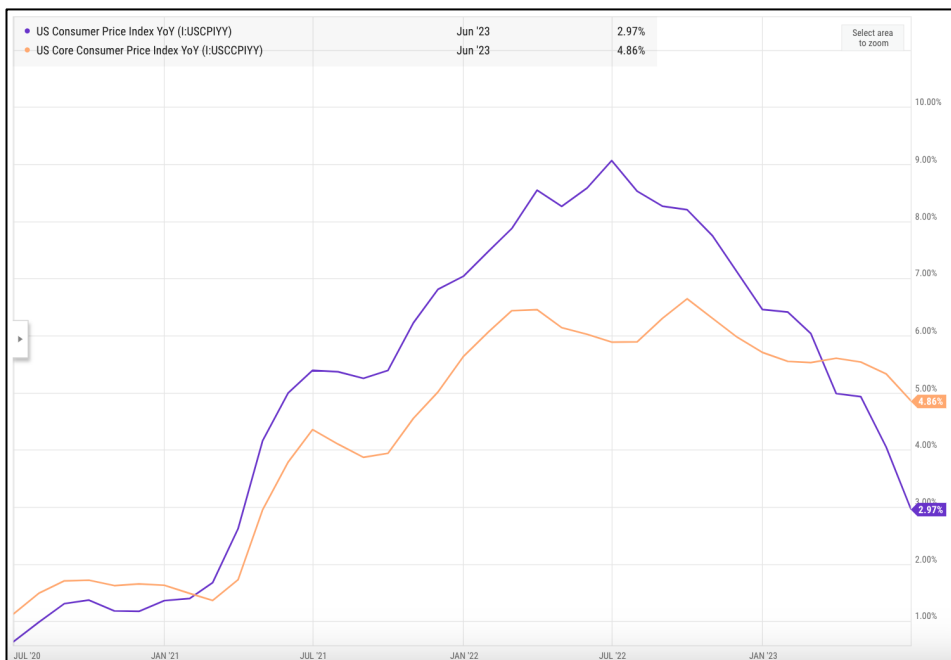
Looking at the results on a quarterly basis makes a strong case for maintaining a well diversified portfolio especially during periods of market volatility.

While there may be short-term trends that persist for a while, the market's tendency to shift towards mean reversion makes "timing the market" very challenging.

RiverGlades investment strategy seeks to "own a little more" of the asset classes that have a positive outlook and "own a little less" of the asset classes that might be facing headwinds or have had overly strong recent performance.



# Inflation



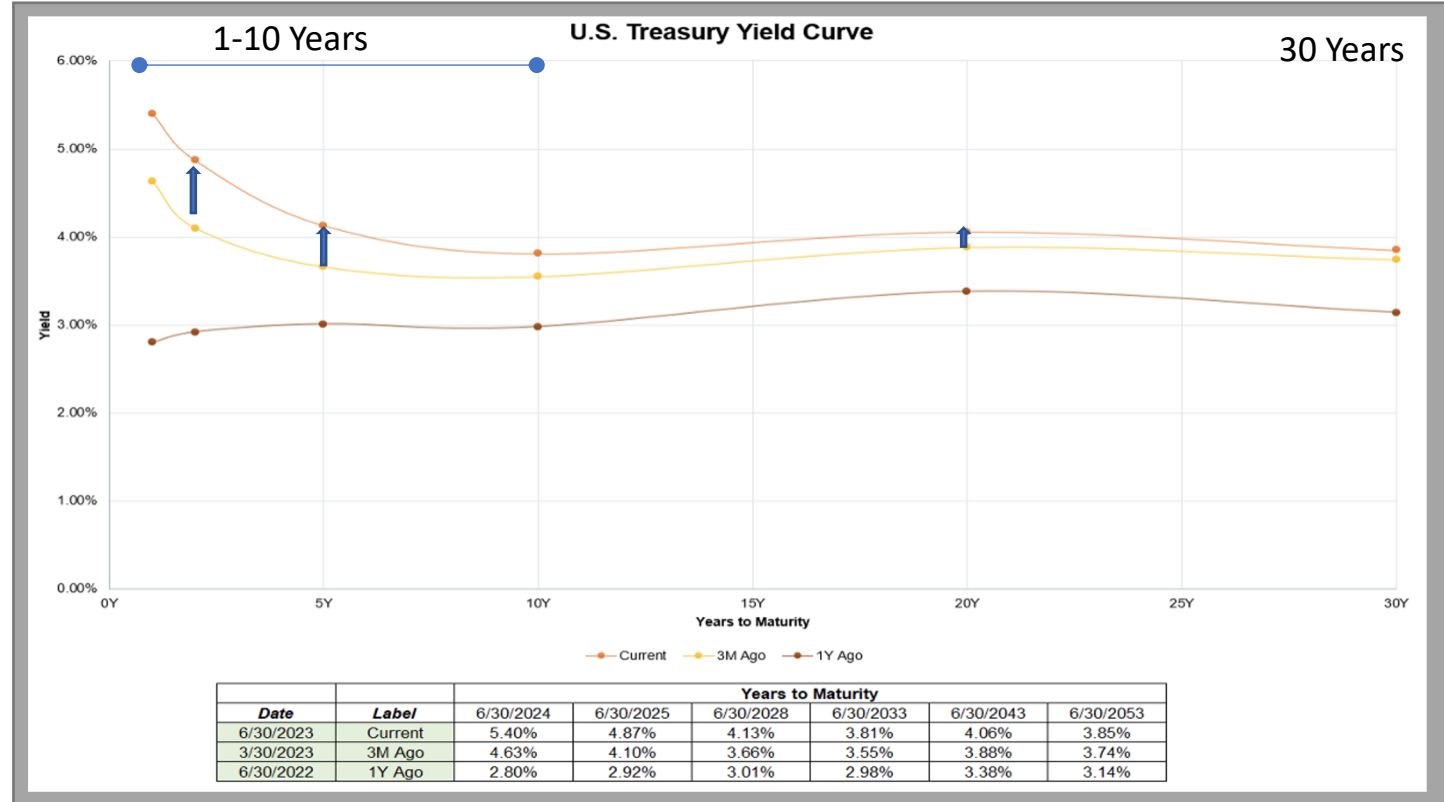
Year-over-year Inflation rates have been declining since the peak last summer. Headline CPI has now dropped below 3%. However, Core CPI is still elevated at 4.9%. RiverGlades outlook continues to argue that inflation peaked last summer and will keep trending lower throughout 2023. This coincides with our expectation that the Fed will begin to ease up on the tightening and eventually take a meeting or two off from hiking to evaluate the impact of the tightening actions so far. If inflation continues to moderate, the Fed should have cover to pause, allowing for additional data to come in and hopefully prevent the Fed from severely overtightening. It was the fear of the Fed overtightening that triggered the steep sell-offs experienced last year.

The chart to the right shows the U.S. Index of Consumer Sentiment is rebounding following the bank failures and debt ceiling debates earlier this year and is still trending higher from last year's low. This is an indication that long-term inflation has not become entrenched in the consumer psyche. As RiverGlades' has noted, Wall Street consensus seems to be predicting continued moderation but only back to around 4-5%, not the unusually low levels of the past decade. If this is the case, one could argue that we are currently there...



# Interest Rates

Name	6/30/2023	3/31/2023	12/31/2022	9/30/2022
US High Yield CCC Effective Yield	13.80% ▼	15.04% ▼	15.76% ▼	16.84%
US High Yield B Effective Yield	8.60% ▼	8.64% ▼	9.22% ▼	9.84%
US High Yield BB Effective Yield	6.90% ▲	6.61% ▼	7.14% ▼	7.72%
US Corporate BBB Effective Yield	5.83% ▲	5.53% ▼	5.80% ▼	6.10%
30 Year Treasury Rate	3.85% ▲	3.67% ▼	3.97% ▲	3.79%
US Corporate AAA Effective Yield	4.68% ▲	4.32% ▼	4.67% ▼	4.76%
US Corporate AA Effective Yield	4.95% ▲	4.60% ▼	4.88% ▼	5.02%
US Corporate A Effective Yield	5.39% ▲	5.05% ▼	5.28% ▼	5.43%
10 Year Treasury Rate	3.81% ▲	3.48% ▼	3.88% ▲	3.83%
5 Year Treasury Rate	4.13% ▲	3.60% ▼	3.99% ▼	4.06%
2 Year Treasury Rate	4.87% ▲	4.06% ▼	4.41% ▲	4.22%
1 Year Treasury Rate	5.40% ▲	4.64% ▼	4.73% ▲	4.05%
6 Month Treasury Rate	5.47% ▲	4.94% ▲	4.76% ▲	3.92%
3 Month Treasury Rate	5.43% ▲	4.85% ▲	4.42% ▲	3.33%
Effective Federal Funds Rate	5.08% ▲	4.83% ▲	4.33% ▲	3.08%

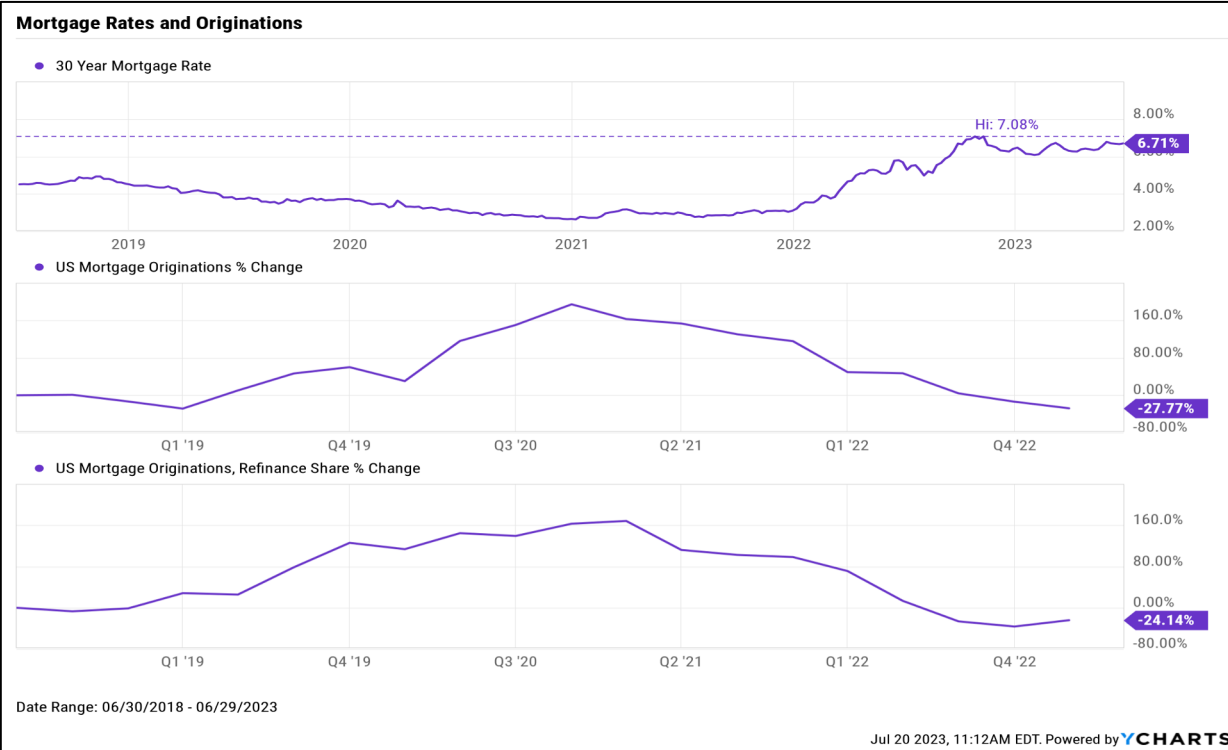


During the 2nd Quarter, rates shifted higher, most notably across the front end of the Treasury yield curve. This presented an interesting opportunity for investors seeking income as they wait to see how the next few quarters will unfold.

For now, the bond market and many Wall Street forecasts are expecting a July 0.25% rate hike with the potential for a rate cut shifting from later this year into early next year.



# Housing Indicators



As intermediate and longer-term interest rates have stayed at higher levels, 30-year mortgages remain near their recent highs. The most recent 6.7% rate is 0.4% higher than end of last quarter and a full percent higher than one year ago.

While new home sales remain strong, there has been a noticeable slow down in overall sales as households that took advantage of record low mortgage rates a few years ago are seemingly reluctant to sell to then take on a new mortgage at today's higher rates.

Housing remains a challenging situation across the price spectrum except for some of the most in-demand areas. While this may not be ideal for those looking to make a change today, we expect this will normalize over the coming quarters as buyers become more accustomed to the higher rates.

Housing Indicator Review										
Overall	Indicator Name	Last Release Date	Frequency	Value	1 Mo. Ago		3 Mo. Ago		1 Yr. Ago	
					1 Mo. Ago	% Change	3 Mo. Ago	% Change	1 Yr. Ago	% Change
▲	Case-Shiller Home Price Index: National	6/27/2023	monthly	299.7	298	▲ 0.53%	296	▲ 1.10%	301	▼ -0.28%
▼	US Housing Starts	7/19/2023	monthly	1,434	1,559	▼ -8.02%	1,380	▲ 3.91%	1,561	▼ -8.14%
▼	US Building Permits	7/19/2023	monthly	1,440	1,496	▼ -3.74%	1,437	▲ 0.21%	1,701	▼ -15.34%
▲	US New Single Family Houses Sold	6/27/2023	monthly	763	680	▲ 12.21%	625	▲ 22.08%	636	▲ 19.97%
▼	US Pending Home Sales Index	6/29/2023	monthly	77	79	▼ -2.67%	83	▼ -8.05%	98	▼ -22.18%
▲	30 Year Mortgage Rate	7/13/2023	weekly	6.71%	6.57%	▲ 2.13%	6.32%	▲ 6.17%	5.70%	▲ 17.72%
▼	US Households	5/3/2023	monthly	128,942	129,400	▼ -0.35%	129,612	▼ -0.52%	127,410	▲ 1.20%





# Leading Indicator Summary & Trends

Indicator	Q2 2023	Q1 2023	Q4 2022	Q3 2022	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
10-2 Year Treasury Yield Spread	▼ -1.06%	▼ -0.58%	▬ -0.53%	▼ -0.39%	▼ -0.53%	▼ 0.79%	▲ 0.80%	▲ 0.34%	▼ 0.21%	▼ 0.51%	▲ 1.25%	▼ 1.21%	▼ 1.50%	▲ 2.66%	▼ 1.53%	▼ 1.64%
NY Fed Business Leaders Survey Current Business Activity	▲ -5.2	▲ -10.1	▬ -17.6	▼ 5.3	▼ -17.6	▲ 14.4	▼ -26.9	▼ 3.0	▼ 5.6	▲ 16.7	▼ -0.6	▼ 2.0	▼ 7.8	▲ 7.9	▼ -6.41	▼ -2.5
Philly Fed Manufacturing Activity Index	▲ -13.7	▼ -23.2	▬ -13.7	▼ -7.3	▼ -13.7	▲ 15.5	▲ 11.2	▼ 2.4	▼ 10.9	▲ 29.3	▲ 22.6	▼ -9.0	▲ 21.6	▲ 3.8	▬ 2.4	▼ 2.4
S&P 500 Return	▲ 8.74%	▼ 7.50%	▲ 7.56%	▼ -4.88%	▼ -18.11%	▲ 28.71%	▼ 18.40%	▲ 31.49%	▼ -4.38%	▲ 21.83%	▲ 11.96%	▼ 1.38%	▼ 13.69%	▲ 32.39%	▲ 16.00%	▼ 2.11%
US Index of Consumer Sentiment	▲ 64.4	▲ 62	▬ 59.7	▼ 58.6	▼ 59.7	▼ 70.6	▼ 80.7	▲ 99.3	▲ 98.3	▼ 95.9	▲ 98.2	▼ 92.6	▲ 93.6	▲ 82.5	▲ 72.9	▼ 69.9
US Change in Business Inventories (YoY)	▼ 3.55%	▼ 6.18%	▬ 12.57%	▲ 18.26%	▼ 12.57%	▲ 13.81%	▼ -2.75%	▼ 2.06%	▲ 4.39%	▲ 3.14%	▲ 1.95%	▼ 1.87%	▼ 3.64%	▼ 4.17%	▼ 5.79%	▼ 8.06%
US Housing Starts (Latest TTM)	▼ 17,052	▼ 17,618	▬ 18,615	▲ 19,470	▼ 18,615	▲ 19,288	▲ 16,741	▲ 15,492	▲ 14,968	▲ 14,456	▲ 14,125	▲ 13,281	▲ 12,003	▲ 11,138	▼ 9,405	▼ 7,343
US Building Permits (Latest TTM)	▼ 17,824	▼ 18,675	▬ 19,994	▲ 21,078	▼ 19,994	▲ 20,938	▲ 17,709	▲ 16,628	▲ 15,933	▲ 15,425	▲ 14,468	▲ 14,129	▲ 12,625	▲ 11,856	▼ 9,942	▼ 7,488
US Change in Retail Sales (YoY)	▼ 0.54%	▼ 0.86%	▬ 4.93%	▼ 8.95%	▼ 4.93%	▲ 14.73%	▲ 6.53%	▲ 5.04%	▼ 0.63%	▲ 5.06%	▲ 4.02%	▼ 2.32%	▼ 3.08%	▼ 3.34%	▼ 4.21%	▼ 6.05%

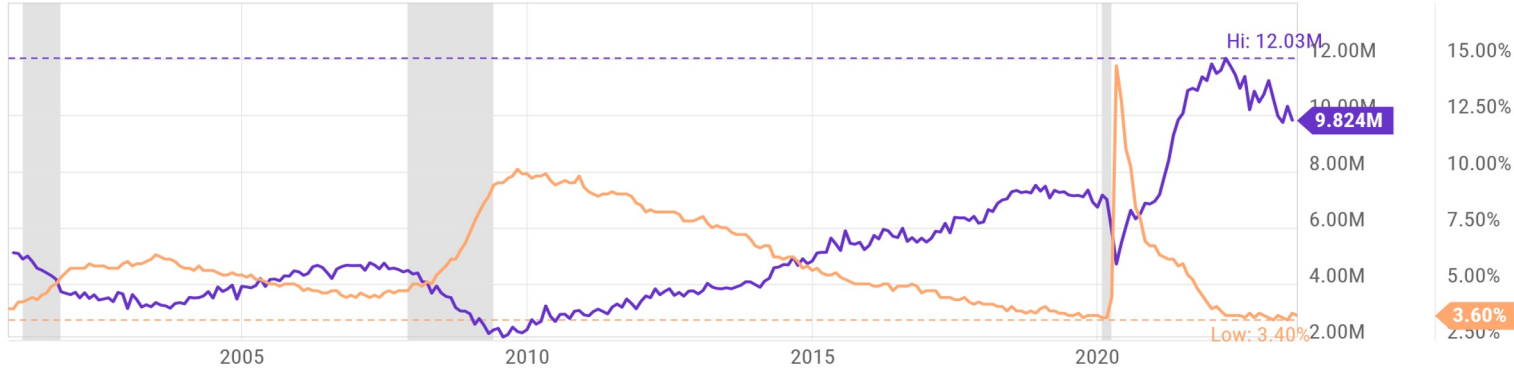
This table is a heatmap of various economic data points which are considered leading indicators and shows their trends over time. The first four columns show a quarter-by-quarter change, whereas the following columns show annual changes in the data.

RiverGlades continues with an economic outlook that puts the the U.S. in a series of rolling industry/sector recessions. What we believe is that the sudden increase in interest rates is impacting different segments of the economy in different ways and at different speeds as opposed to a widespread slowdown of the total economy. This idea was suggested last year by well-known, independent economist Ed Yardeni and things seem to be progressing in-line with his original thesis.

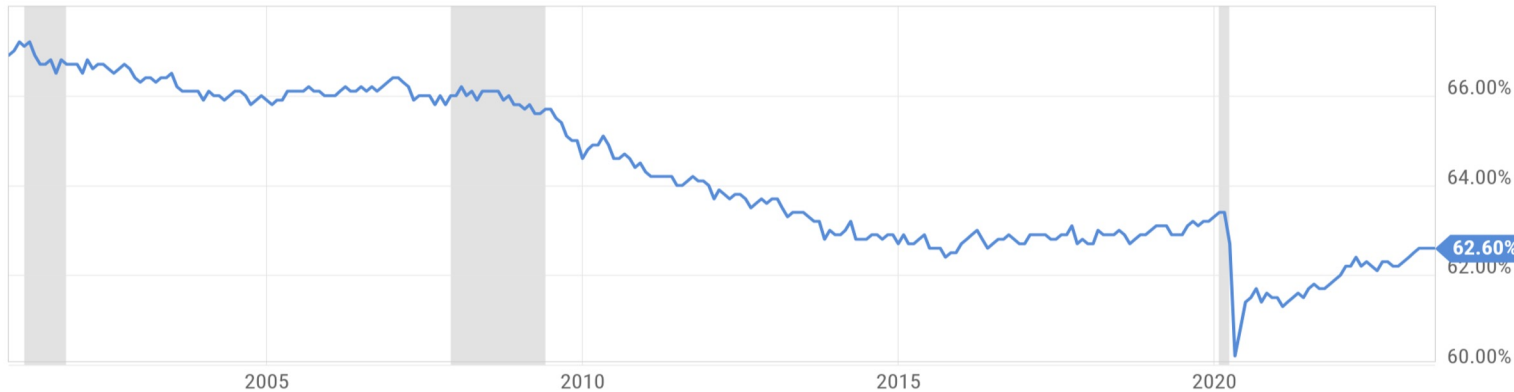


# State of the Labor Market

● US Job Openings: Total Nonfarm  
● US Unemployment Rate



● US Labor Force Participation Rate



Date Range: 11/30/2000 - 06/30/2023

Gray = US Recessions

Two years ago, the big headline in the labor market was the existing ten million job openings. Today there are still around ten million job openings following two years of decent employment numbers.

However, at the same time as the number of job openings remains constant, the unemployment rate has flirted with record lows.

While the labor force participation rate has been falling since 2000, it still hasn't reached the pre-pandemic levels. This could imply that there are still workers able to get back in the labor market over the coming quarters.

RiverGlades never understood how when there were ten million unfilled jobs, the economy was in or entering a "deep" recession. It seemed unlikely that companies would go from needing to hire large numbers of employees to mass layoffs without a sharp economic deterioration.



# Where Do Things Go From Here?

## Pros

1. Nine Months Past the Low
2. Bull Markets
3. Breadth
4. Technicals
5. Strength Begets Strength
6. Inflation Easing
7. Homebuilders Healthy
8. Jobs Steady
9. Phantom Recession
10. Earnings Estimates Turning
11. Dollar Tailwind
12. New High for Semis
13. AI
14. Infrastructure Spend
15. Intraday Buying

## Cons

1. Tight Fed
2. Yield Curve
3. Leading Indicators
4. Credit Concerns
5. Weak Manufacturing
6. High Rates
7. TIAA
8. Valuations
9. Inflation Base Effects
10. Investor Sentiment
11. Seasonality
12. Mega-Caps Masking

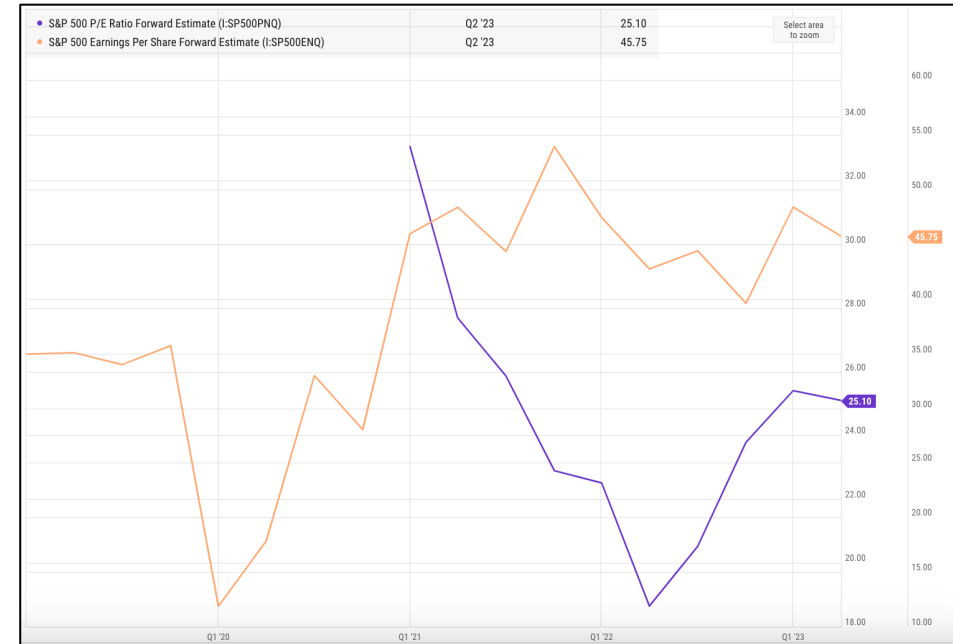
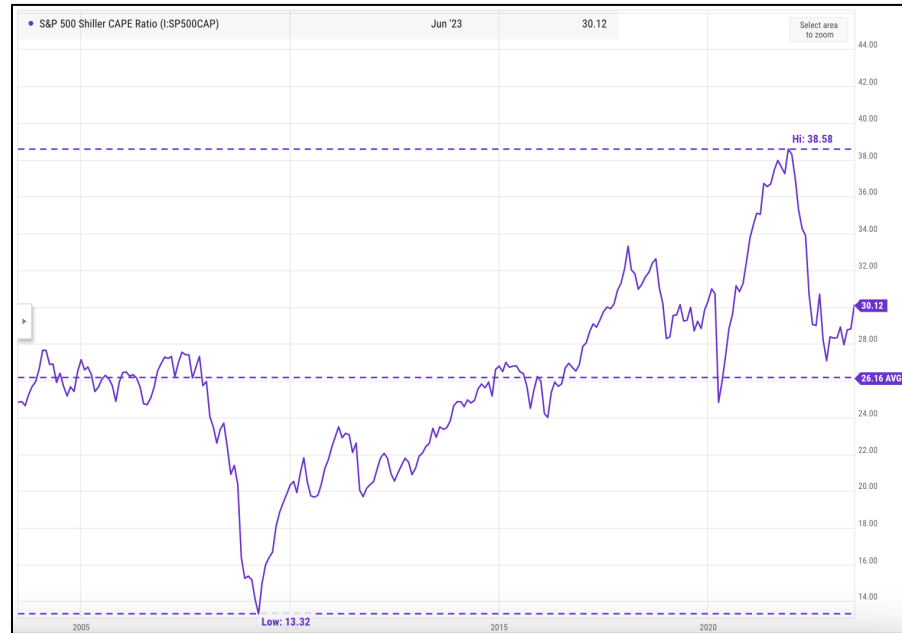
Source: **Bespoke Investment Group**, *The Bespoke Report*, 7/21/23

A recent report from the well-respected *Bespoke Investment Group* ([www.bespokepremium.com](http://www.bespokepremium.com)) summarized their take on the current “Pros and Cons” for the stock market going forward. Many of these have been touched on in this presentation, but RiverGlades’ team is always available to elaborate or answer questions.

The Bespoke Investment Group noted, and we want to reiterate that while the Pros have a few more items in their column, all points do not warrant equal weighting. However, in keeping with our commentary over the past few quarters, all things being equal our investment outlook looks positive. We fully expect bouts of volatility but continue to believe investors will be pleased with their overall investment performance at year-end.



# Where Do Things Go From Here? cont.



The chart to the left shows the S&P 500 Shiller CAPE Ratio going back to 2003. Yale Professor Robert Shiller created this variation of the traditional P/E Ratio to account for the cyclicity of earnings. Rather than simply taking the trailing year's earnings as is done with the traditional P/E, the CAPE Ratio averages the past 10 years earnings and adjusts for inflation. This provides another lens, a longer term one, through which valuation can be analyzed. The chart shows just how far valuations have declined since the beginning of 2022, dropping from 38.5 to 30.1. While the ratio is still above the 20-year average, it looks much more reasonable than 18 months ago.

RiverGlades' outlook remains relatively constructive all things considered. While late to the game, the Fed has taken appropriate steps to address inflation and as a result inflation continues to moderate. This suggests that most investors stick to their long-term plan with the understanding that there will always be ups and downs in the market. The goal for most investors is to have a little more allocated when things go up and little less invested when things go down. While it sounds simple and makes sense, it is challenging to get these big picture decisions right. If you avoided panic selling last year and have participated in this year's rebound, you are well ahead of many others that got caught up trying to time the market.



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Q2 2023

Released July 2023