

Total Investment Returns—2.28.2023

	February	Last 12 Mos.
Dow Jones Industrial Average	-3.9%	-1.6%
Nasdaq Composite	-1.0%	-16.0%
S&P 500 Composite	-2.4%	-7.7%
S&P MidCap 400	-1.8%	-0.6%
S&P SmallCap 600	-1.2%	-3.5%
MSCI World (\$)	-2.4%	-7.3%
MSCI World ex U.S. (\$)	-2.3%	-3.8%
Bloomberg U.S. Aggregate	-2.6%	-9.7%
90-Day Treasury Bills	0.3%	2.2%
Consumer Price Index NSA* (Jan 2023)	0.5%	6.4%

*NSA: Not Seasonally Adjusted
Sources: Bloomberg LP & Wright Investors' Service, Inc.

Although manufacturing performance deteriorated, it was the smallest drop in four months. Manufacturing activities, as represented by the S&P Global Manufacturing PMI Index, remained below 50 (at 47.8) for the fifth consecutive month. However, although marginal, service activities grew and the S&P Global Service PMI Index ended slightly above 50 (at 50.5) for the first time since June 2022. New orders across the private sector contracted again in February because of consumer hesitancy as a result of higher inflation and interest rates, though the rate of decline eased to its slowest level since last October. Due to weak global demand conditions, new export orders also contracted during the month.

Real GDP expanded at an annual rate of 2.7% in the fourth quarter, according to the second estimate. This growth was supported by a large gain in inventory investment and contribution from exports –both of which tend to be volatile. Although real GDP grew stronger than expected, real Private Domestic Final Product (PDFP) growth was weaker. The PDFP increased at a slower annual rate of 0.2% during that quarter. The labor force participation rate and employment-population ratio were unchanged in January at 62.4% and 60.2%, remaining

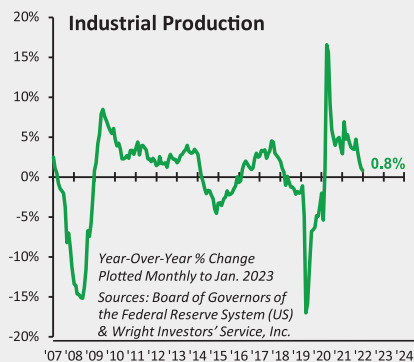
below the pre-pandemic February 2020 levels of 63.3% and 61.1%, respectively. The unemployment rate remained at a historical low of 3.4%, indicating a continued tight U.S. labor market. Retail sales rose a robust 3% in January, driven by an increase in auto sales, sales of electronics and furniture, and spending at restaurants.

The weekly average 30-year mortgage rate rose to 6.5% during the month. This rise resulted in the Mortgage Bankers Association's (MBA) mortgage applications falling 13.3% and the purchase application index dropping by 18% to its lowest level since 1995. Sales of new single-family houses increased by 7.2% to 670,000 during the month of January. However, housing starts were down 4.5% month-on-month and building permits didn't change much. The Personal Consumption Expenditure price index and Core PCE index increased to 5.4% and 4.7%, respectively, in January. A rise in core PCE – a measure closely watched by the Fed – gives a negative signal as it remains at an elevated level versus the central bank's 2% inflation target.

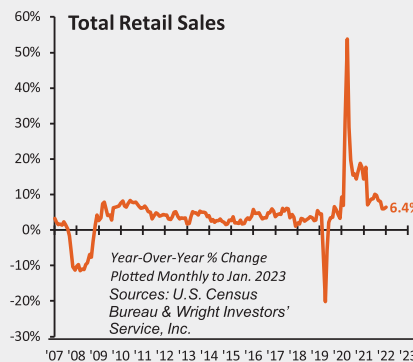
Investment Outlook

While economic indicators seemed to be moving in the right direction in January, they can at best be termed as mixed in February. The biggest concern is the unexpected increase in inflation. However, with a healthy employment situation in hand, the Fed is deemed to have some latitude to increase the Funds rate beyond previous expectations. This may result in a more hawkish stance by the Fed which in turn increases the risk of pushing the economy into a recession. On the positive side, GDP growth, improved service activity, and growing retail sales indicate some robustness of the economy. In uncertain times like these, it is more important than ever to invest for the long-term in a well-diversified portfolio of high-quality stocks and bonds, while further diversifying portfolio exposure through alternatives.

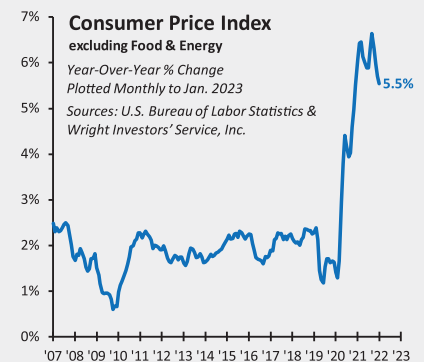
Manufacturing: Moderating



Consumer Spending: Moderating



Core Inflation: Moderating



Source: Bloomberg Index Services Limited. "Bloomberg®", "Bloomberg Commodity Index" and the Bloomberg Bond Indices are service marks of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Wright Investors' Service, Inc. Bloomberg is not affiliated with Wright Investors' Service, Inc. and Bloomberg does not approve, endorse, review, or recommend Wright Products. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to Wright Products.

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