

Q3'2023 Quarter Client Presentation

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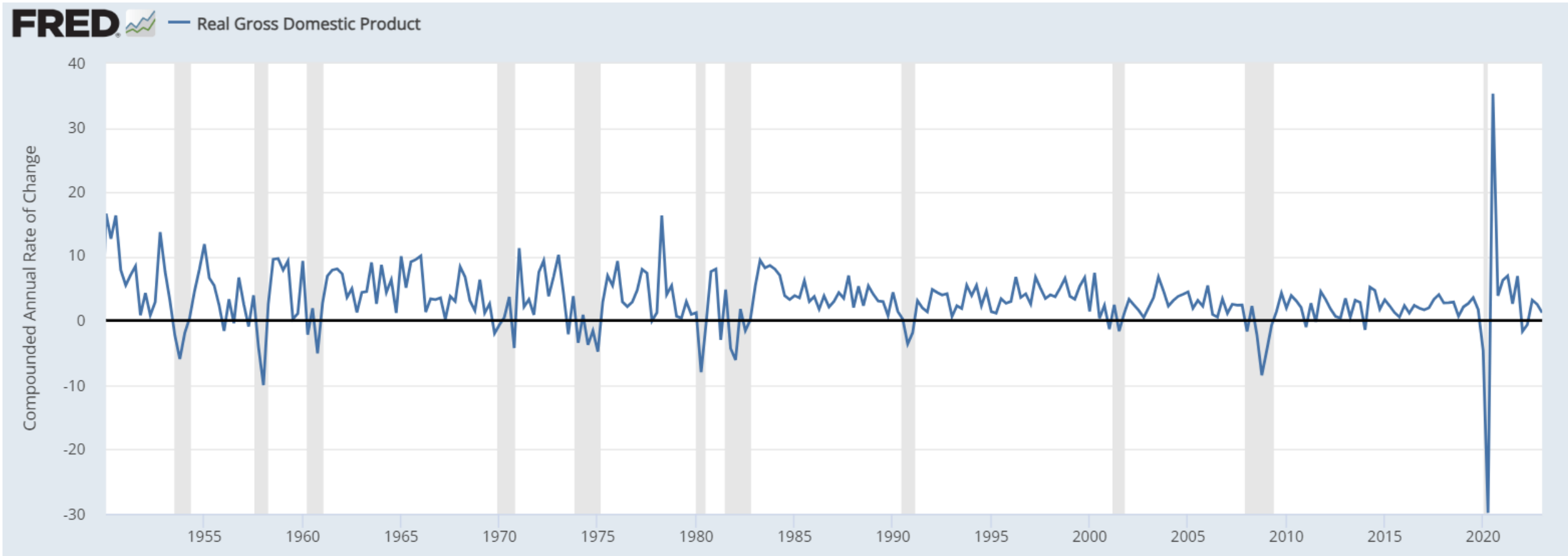
July 5, 2023



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Real GDP Growth 1950 - 2023



Real GDP Growth 2021 - 2023

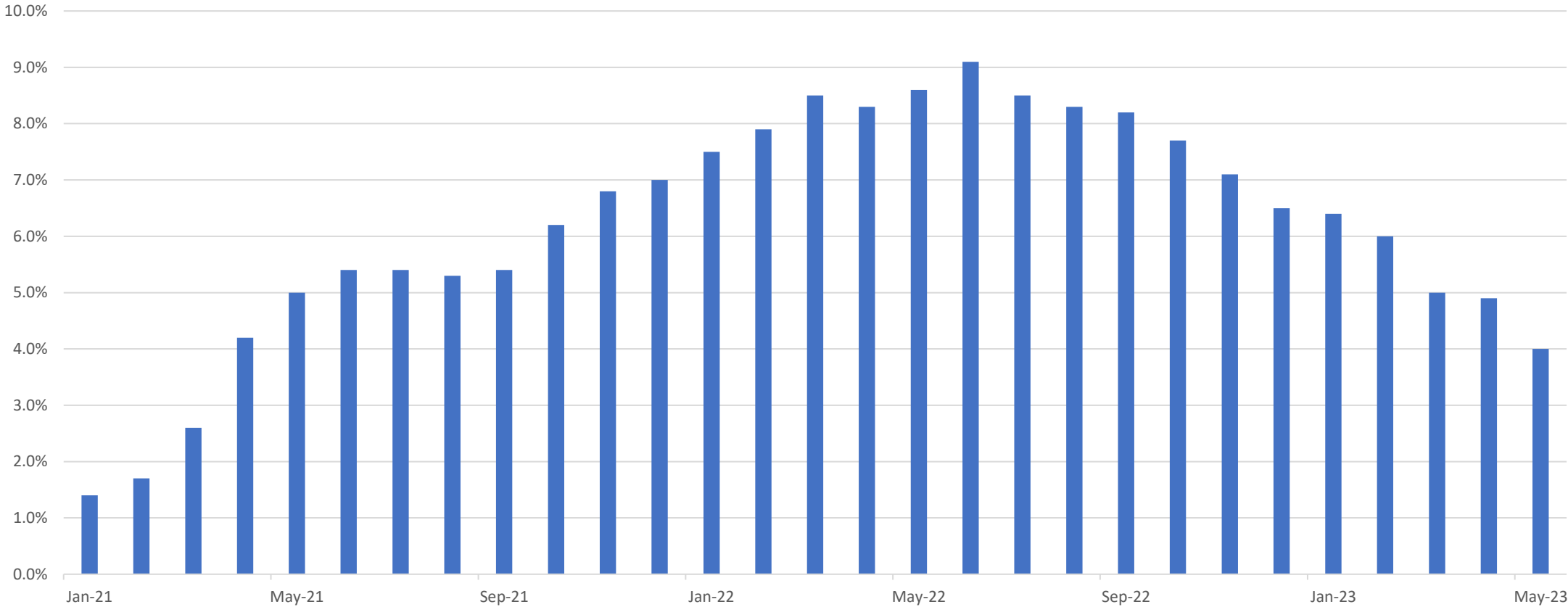


Q2 2023 Estimates:

Atlanta Fed GDPNow: 1.8%
St. Louis Fed GDPNow: -0.32%
New York Fed WEI: 1.08%

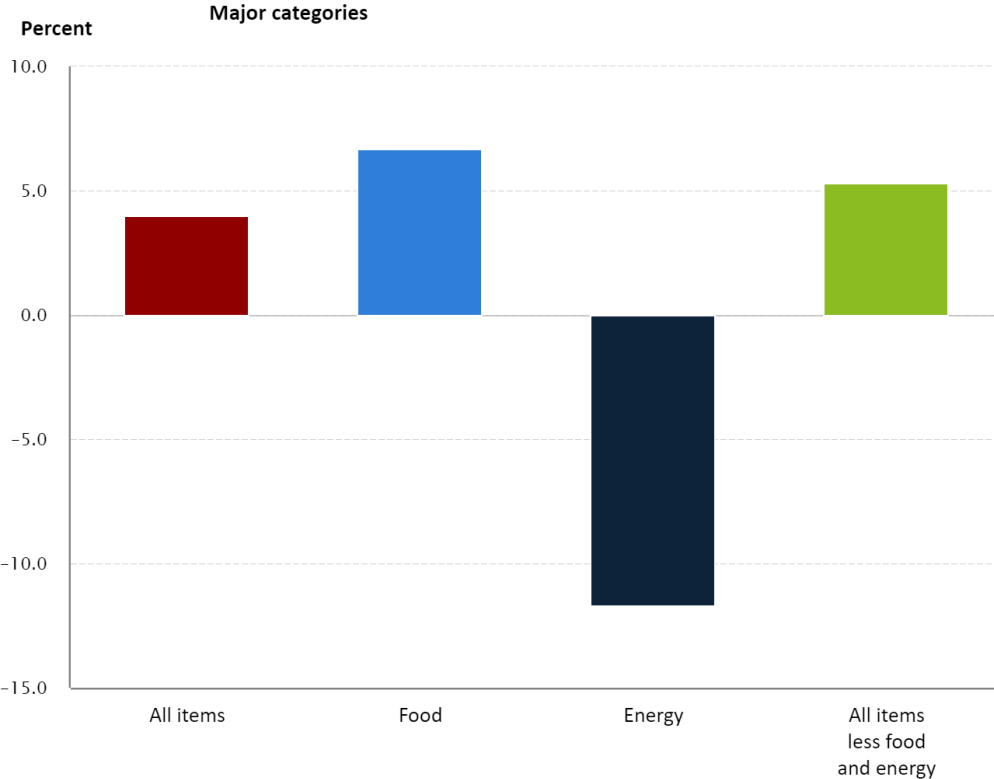
The Rate of Inflation Since the Beginning of 2021

CPI - U.S. city average, All items



The Rate of Inflation is Falling, Helped Along By Energy Prices

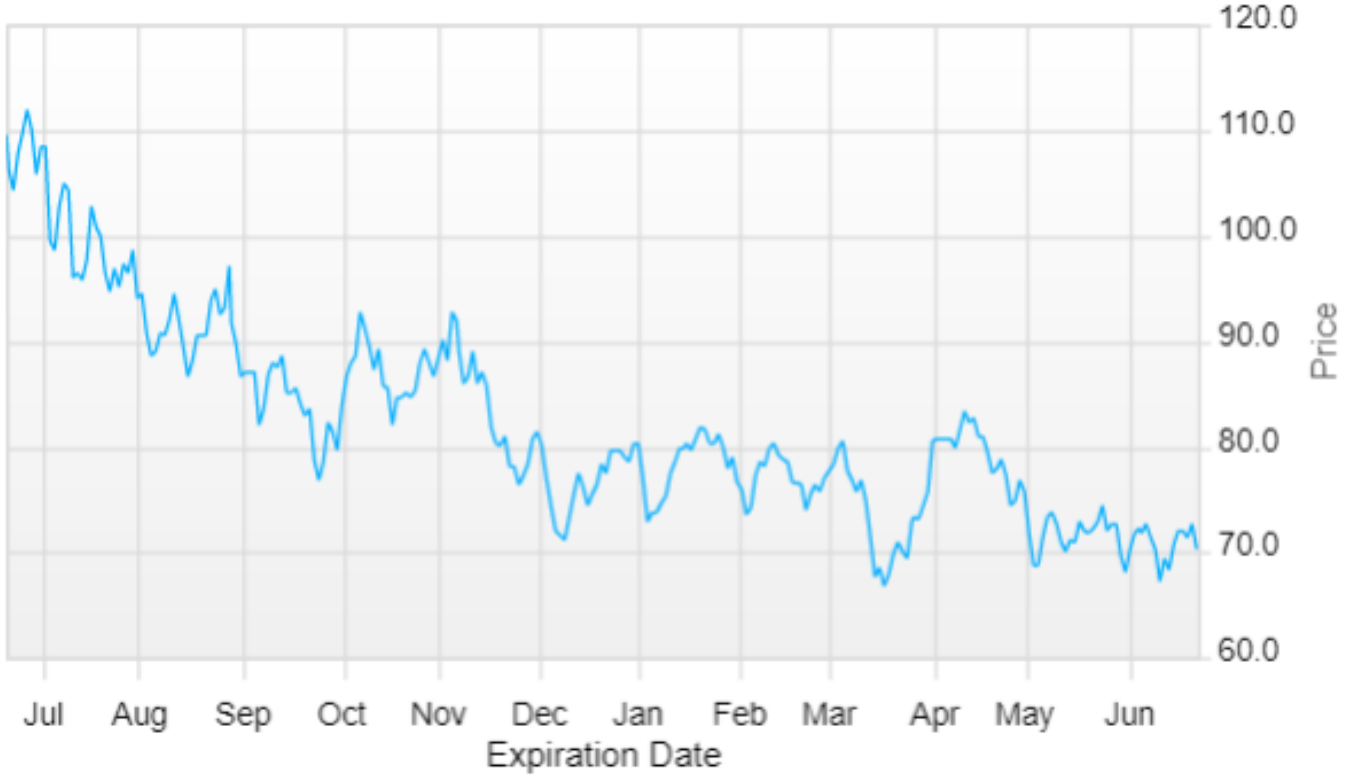
12-month percentage change, Consumer Price Index, selected categories, May 2023, not seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

Continuous Contract - Crude Oil WTI (NYM \$/bbl)

1 Year



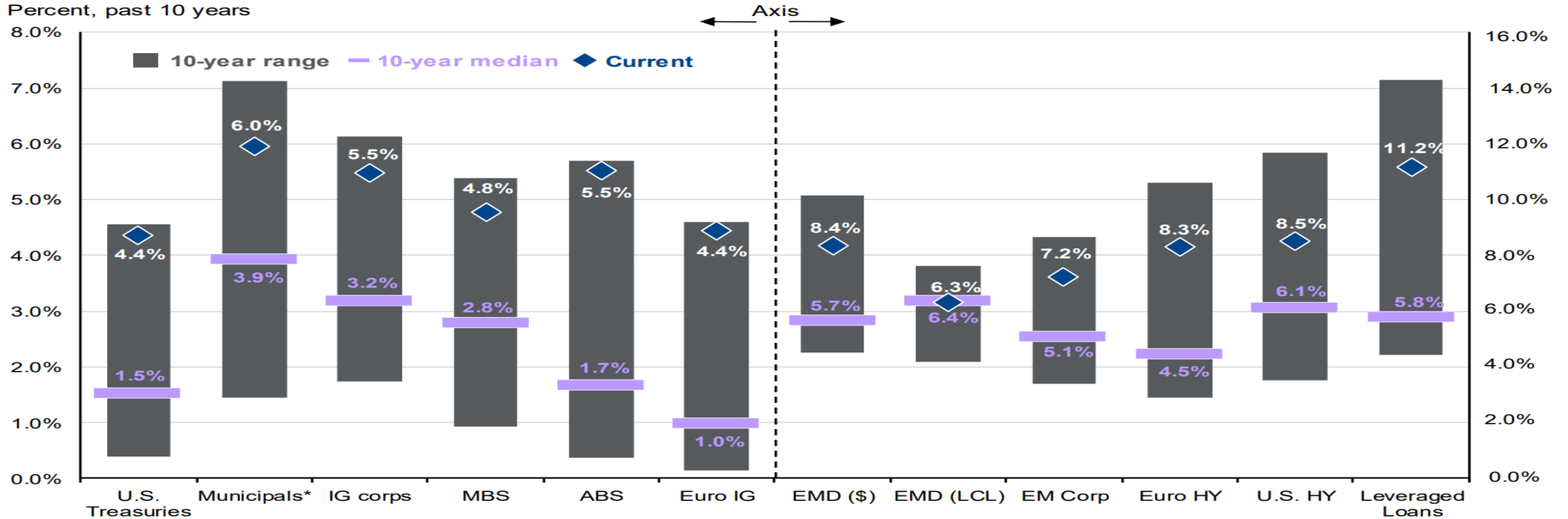
Fixed Income Overview: Bonds Remain Attractive

Fixed income valuations

GTM U.S. 41

Yield-to-worst across fixed income sectors

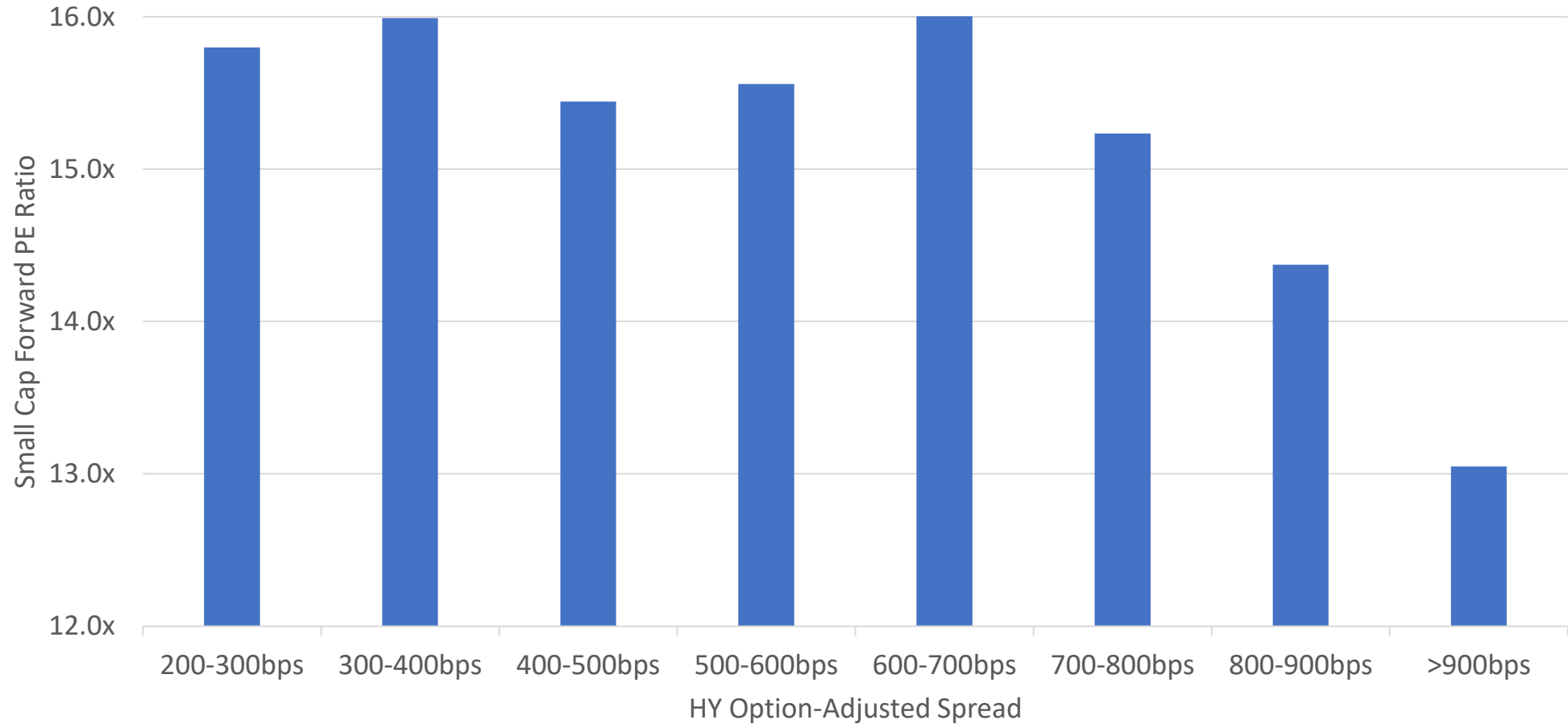
Percent, past 10 years



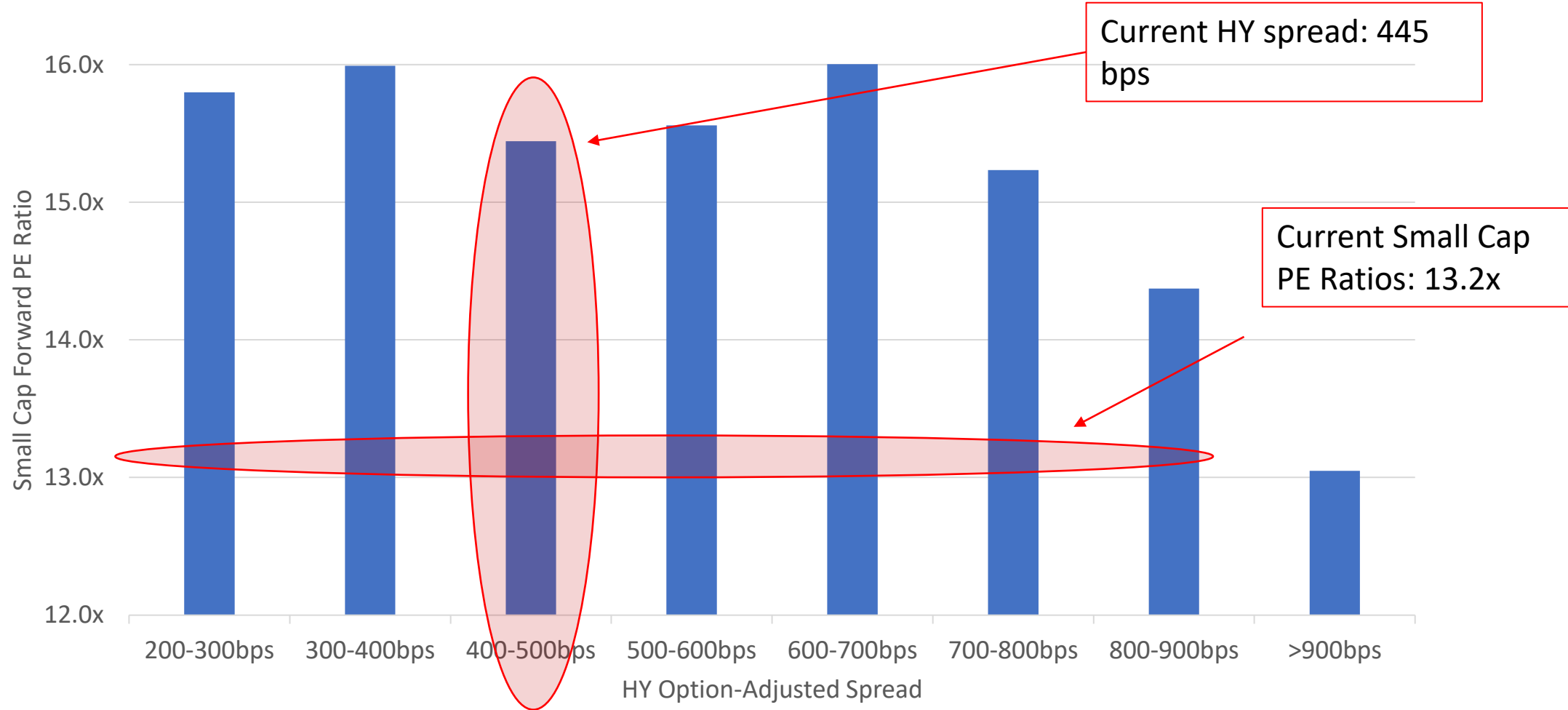
Source: Bloomberg, FactSet, J.P. Morgan Credit Research, J.P. Morgan Asset Management. Indices used are Bloomberg except for emerging market debt and leveraged loans: EMD (USD): J.P. Morgan EMIGLOBAL Diversified Index; EMD (LCL): J.P. Morgan GBI-EM Global Diversified Index; EM Corp.: J.P. Morgan CEMBI Broad Diversified; Leveraged Loans: JPM Leveraged Loan Index; Euro IG: Bloomberg Euro Aggregate Corporate Index; Euro HY: Bloomberg Pan-European High Yield Index. Yield-to-worst is the lowest possible yield that can be received on a bond apart from the company defaulting. All sectors shown are yield-to-worst except for Municipals, which is based on the tax-equivalent yield-to-worst assuming a top-income tax bracket rate of 37% plus a Medicare tax rate of 3.8%. *Guide to the Markets – U.S.* Data are as of June 30, 2023.

J.P.Morgan
ASSET MANAGEMENT

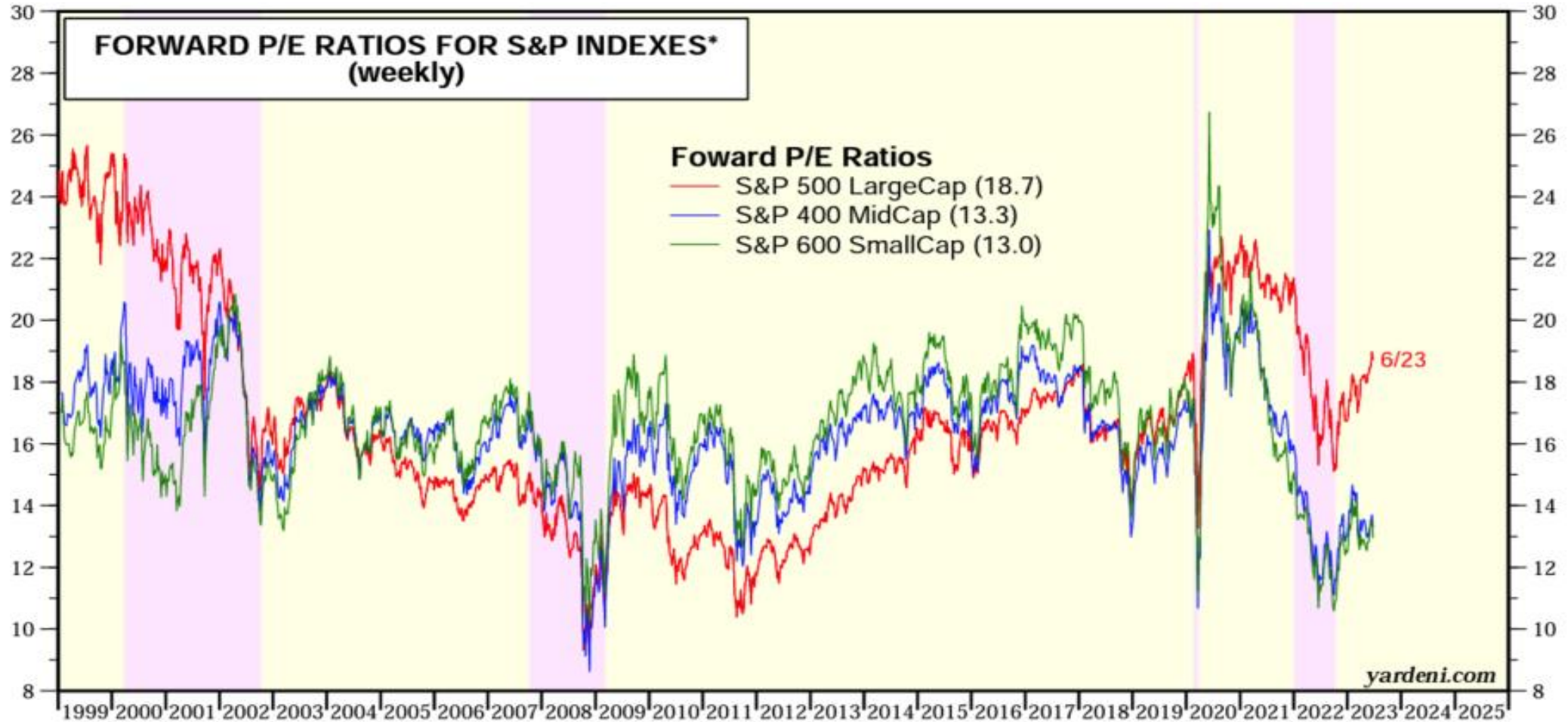
High Yield Spreads vs Small Cap Valuation



High Yield Spreads vs Small Cap Valuation



Large Cap vs Small- and Mid-Cap Valuation



* Price divided by 52-week forward consensus expected operating earnings per share.
Note: Shaded red areas are S&P 500 bear market declines of 20% or more. Yellow areas show bull markets.
Source: I/B/E/S data by Refinitiv.

Internationally, earnings growth prospects remain in-line with the US. In addition, valuations ex-US remain relatively inexpensive

Table 2: Earnings Growth Sorted on 2023E

Table 2: MSCI Earnings Growth Rate 2024E / 2023E / 2022A, Sorted on 2023E (Thursday data as of June 22, 2023)

MSCI Regions/Countries	2022A	2023E	2024E
Egypt	14.2	46.7	16.2
Sri Lanka	-34.5	41.2	51.3
Singapore	132.9	40.4	5.6
Indonesia	NA	31.2	11.2
Portugal	25.2	29.1	7.7
Sweden	-2.0	23.7	4.5
India	5.3	22.3	14.6
China	-0.5	22.1	14.1
Philippines	24.5	19.8	10.6
Netherlands	11.5	17.9	15.0
Belgium	-0.6	14.7	11.0
New Zealand	16.7	14.4	11.8
Hong Kong	-2.5	13.4	11.7
Mexico	18.6	12.8	8.0
South Africa	-0.7	12.6	13.6
Switzerland	2.9	9.5	9.7
Malaysia	-8.9	9.3	9.0
Japan	3.2	6.2	7.4
Ireland	28.4	5.1	9.9
Spain	38.9	4.1	1.5
Morocco	5.0	4.0	6.4
Germany	9.5	3.5	9.5
EMU	20.7	2.6	7.6
Emerging Markets Asia	-1.8	1.3	22.3
United States	6.2	1.1	11.3
Italy	28.5	1.0	2.5
World	9.4	0.3	10.6
World ex-US	13.0	-0.6	10.0
France	29.0	-0.8	7.3
Europe	21.7	-1.5	6.6
Emerging Markets	5.0	-2.0	17.9
Jordan	130.0	-4.1	9.5
Australia	1.9	-4.1	1.8
Colombia	59.9	-5.0	-1.9
Canada	17.7	-5.8	9.6
Thailand	18.7	-5.9	11.6
Poland	-2.4	-6.0	-2.4
Israel	22.6	-8.0	9.1
Peru	90.8	-8.3	13.8
UK	28.1	-8.7	3.5
Greece	126.3	-9.3	3.3
Austria	27.0	-10.5	-7.5
Finland	5.0	-12.8	10.4
Turkey	288.4	-13.2	13.6
Emerging Markets Latin America	26.8	-18.2	5.0
Taiwan	-5.2	-18.4	22.4
Chile	77.3	-21.5	0.7
Hungary	41.5	-24.0	8.3
Brazil	23.8	-25.4	4.2
Denmark	31.0	-28.7	12.5
Norway	83.8	-29.8	3.6
Korea	-16.2	-36.8	69.8
Czech Republic	225.6	-43.2	2.1

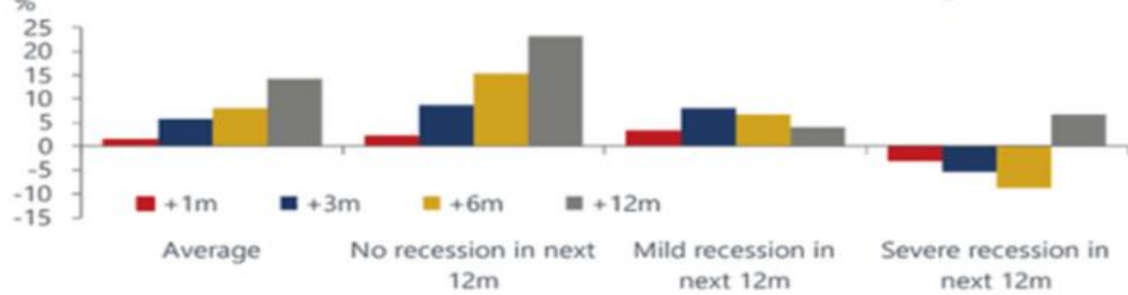
Source: Thomson Reuters I/B/E/S.

Historically, stocks have fared well once the Fed stopped hiking rates so long as no severe recession. Additionally, in past recessionary periods, value-oriented stocks have experienced less downside.

Equities typically fare well following the last Fed hike, so long as a recession is avoided

The Daily Shot
09-May-2023

US equity returns following the end of Fed tightening cycles @SoberLook



Note: Past 10 cycles, excluding covid pandemic; Mild recession defined as those with less than 3ppt rise in unemployment rate

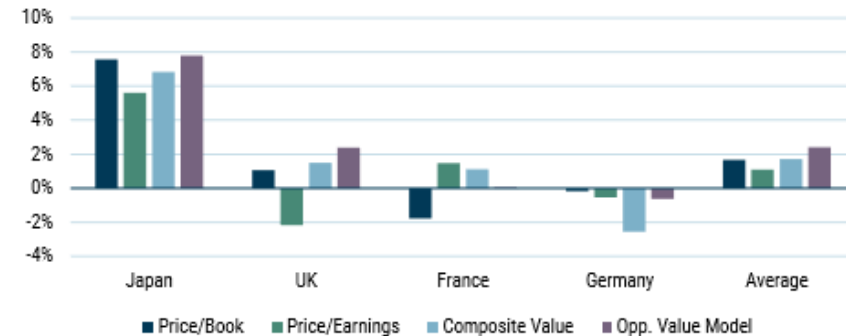
Source: Oxford Economics/Refinitiv Datastream/Bloomberg

EXHIBIT 1: RELATIVE PERFORMANCE OF VALUE (CHEAP HALF OF U.S. STOCK MARKET) IN RECESSIONS



Data from 1969 - 2020 | Source: Compustat, Worldscope, NBER, GMO
Robust Value and Opp. Value Model are GMO proprietary value models.

EXHIBIT 3: GLOBAL PERFORMANCE OF VALUE (CHEAPEST 50%) IN RECESSIONS



Data from 1969 - 2020 | Source: Compustat, Worldscope, Japanese Cabinet Office, Bundesbank, French Economic Assoc., Wikipedia, GMO
Robust Value and Opp. Value Model are GMO proprietary value models.



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DISCLOSURE

Stocks offer long-term growth potential but may fluctuate more and provide less current income than other investments. An investment in the stock market should be made with an understanding of the risks associated with common stocks, including market fluctuations. Stock dividends are not guaranteed. Investments primarily concentrated in one sector may be more volatile than those that diversify across many industry sectors and companies. The technology industry can be significantly affected by obsolescence, short product cycles, falling prices and profits, and competition from new market participants. Global/International investing involves risks not typically associated with US investing, including currency fluctuations, political instability, uncertain economic conditions, different accounting standards, and other risks not associated with domestic investments. Investments in emerging markets may be subject to additional volatility. Stocks of small and mid-cap companies may also be subject to greater risk than that of larger companies because they may lack the management expertise, financial resources, product diversification and competitive strengths to endure adverse economic conditions.

The value of fixed income securities will fluctuate with changes in interest rates, prepayment payment rates, exercise of call provisions, changes in the issuer's credit ratings, market conditions, and other variables such that they may be worth more or less than original cost if sold prior to maturity. There is also a risk that the issuer will be unable to make principal and/or interest payments. Although treasuries are considered free from credit risk they are subject to other types or risks. These risks include interest rate risk, which may cause the underlying value of the bond to fluctuate, and deflation risk, which may cause the principal to decline and treasury securities to underperform traditional securities.

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