

# Update for August, 2023

**Asa W. Graves VII, CFA Chief Investment Officer**  
**Jason Fink, PhD Director of Research**  
**Ash Heatwole, CFA Director of Wealth Management**

September 5<sup>th</sup>, 2023



**Graves Light Lenhart**  
Build. Protect. Thrive.



# Monthly performance:

Market rally takes a breather in August

Upper rate adjustments hurts fixed income

## S&P Dow Jones Indices

A Division of **S&P Global**

INDEX	1M	QTD	YTD
<b>Headline Equity</b>			
S&P 500® (index level: 4508)	-1.59%	1.57%	18.73%
S&P MidCap 400®	-2.89%	1.11%	10.06%
S&P SmallCap 600®	-4.14%	1.14%	7.24%
S&P Composite1500®	-1.73%	1.53%	17.93%
S&P 500 Top 50	-0.72%	2.47%	30.77%
S&P 500 ESG	-1.59%	1.86%	20.67%
Dow Jones Industrial Average® (index level: 34722)	-2.01%	1.36%	6.37%
<b>Factor-Based Equity</b>			
S&P 500 Momentum	2.27%	4.15%	4.05%
S&P 500 Quality	0.22%	3.99%	20.34%
S&P 500 Growth	-0.62%	2.40%	24.16%
S&P 500 Dividend Aristocrats	-2.30%	0.31%	6.19%
S&P 500 Value	-2.74%	0.58%	12.80%
S&P 500 Low Volatility	-2.98%	-2.06%	-2.51%
S&P 500 Low Volatility High Dividend	-2.99%	0.40%	-3.12%
S&P 500 Equal Weight	-3.16%	0.19%	7.24%
S&P High Yield Dividend Aristocrats	-3.55%	-0.18%	-0.84%
Dow Jones U.S. Select Dividend	-3.83%	0.18%	-4.14%
S&P 500 Enhanced Value	-4.38%	1.20%	2.28%
S&P 500 High Beta	-5.64%	-0.44%	22.64%
<b>S&amp;P 500 Sectors</b>			
Energy	1.81%	9.34%	3.31%
Communication Services	-0.37%	6.55%	45.16%
Health Care	-0.69%	0.32%	-1.17%
Consumer Discretionary	-1.17%	1.25%	34.72%
Information Technology	-1.32%	1.32%	44.66%
Industrials	-1.99%	0.85%	11.12%
Financials	-2.65%	2.07%	1.54%
Real Estate	-2.99%	-1.78%	1.94%
Materials	-3.28%	0.02%	7.76%
Consumer Staples	-3.57%	-1.51%	-0.25%
Utilities	-6.16%	-3.84%	-9.31%

## INDEX INVESTMENT STRATEGY

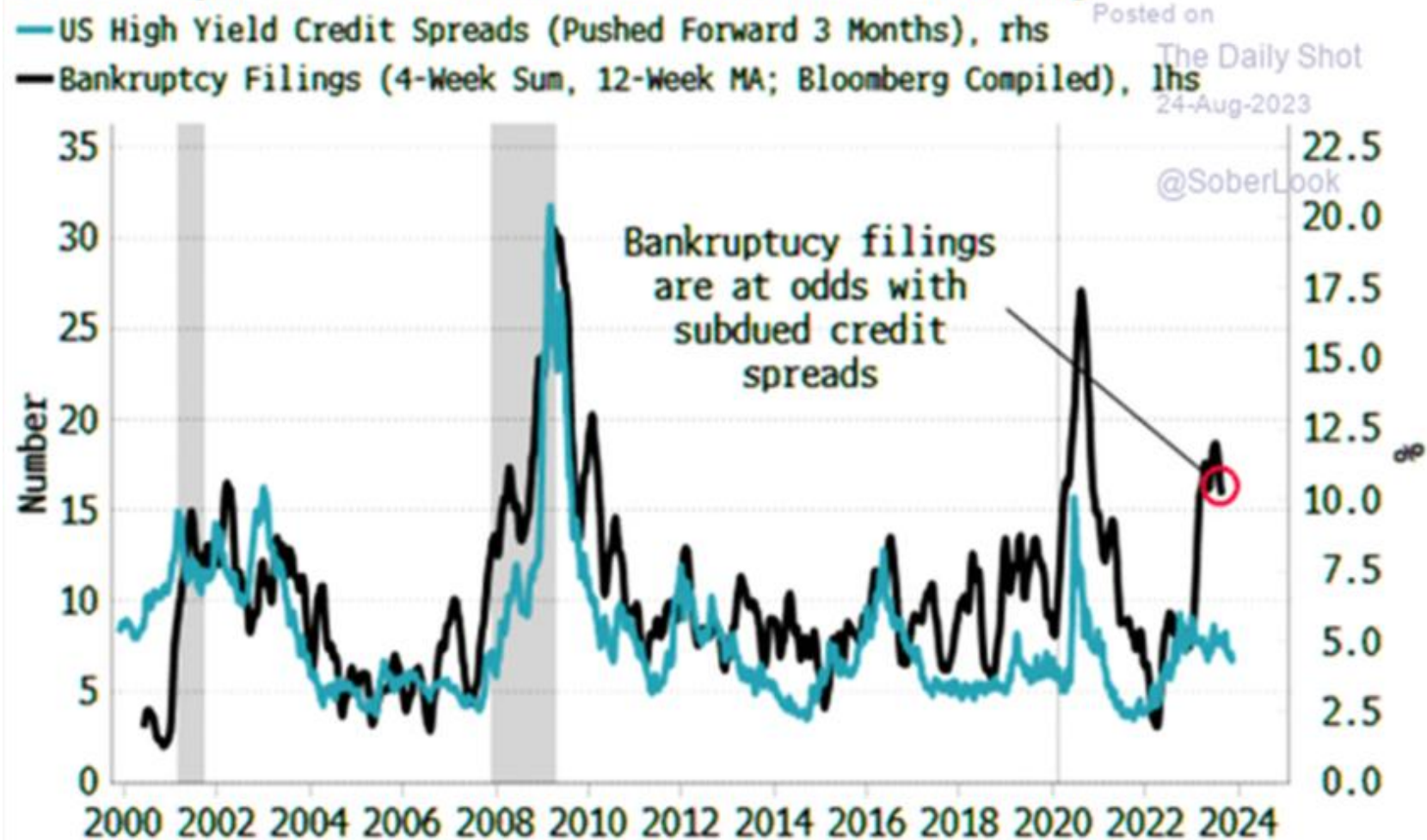
Index Dashboard: U.S.

August 31, 2023

INDEX	1M	QTD	YTD	
<b>International Equity</b>				
S&P Developed Ex-U.S. BMI*	-3.71%	-0.22%	10.82%	
S&P Emerging BMI*	-4.36%	1.53%	6.24%	
S&P Frontier BMI*	1.17%	6.49%	22.76%	
S&P International 700	-4.08%	-0.96%	10.65%	
S&P Latin America 40	-8.20%	-3.74%	16.28%	
S&P/ASX All Australian 50	-3.64%	-0.04%	2.57%	
S&P/TOPIX 150	-3.01%	0.14%	15.17%	
S&P/TSX 60	-4.12%	-1.55%	6.58%	
S&P Europe 350®	-4.01%	-1.11%	12.86%	
S&P Asia 50	-7.60%	-1.80%	3.12%	
S&P BMI International Developed Low Volatility*	-2.44%	-0.28%	4.06%	
S&P BMI Emerging Markets Low Volatility*	-2.62%	1.50%	5.87%	
<b>Fixed Income</b>				
<b>Yield</b>				
S&P National AMT-Free Muni Bond*	3.75%	-1.37%	-1.13%	1.57%
S&P U.S. Treasury Bond 7-10 Year*	4.14%	-0.91%	-1.52%	0.46%
S&P U.S. Treasury Bond*	4.70%	-0.52%	-0.75%	1.10%
S&P U.S. Aggregate Bond*	5.13%	-0.66%	-0.65%	1.67%
S&P U.S. Agency*	5.25%	0.28%	0.60%	2.77%
S&P 500 Bond*	5.70%	-0.87%	-0.51%	2.74%
iBoxx USD Liquid Investment Grade*	5.66%	-1.32%	-1.09%	2.89%
S&P U.S. Preferred Stock	6.89%	-0.86%	0.71%	6.75%
iBoxx USD Liquid Leveraged Loans*	8.63%	0.90%	2.06%	8.33%
iBoxx USD Liquid High Yield*	8.40%	0.16%	1.55%	6.52%
<b>Commodities &amp; Alternatives</b>				
Dow Jones Commodity (DJCI)	-0.54%	6.14%	0.06%	
S&P GSCI	0.60%	11.40%	3.00%	
S&P GSCI Energy	2.94%	19.45%	5.64%	
S&P GSCI Livestock	0.39%	2.36%	10.83%	
S&P GSCI Precious Metals	-1.69%	1.41%	5.86%	
S&P GSCI Agriculture	-3.95%	-1.09%	-4.47%	
S&P GSCI Industrial Metals	-4.24%	1.96%	-6.67%	
S&P 500/CBOE Volatility (VIX® index level: 13.57)	-0.44%	-0.15%	-37.38%	

Chart of the Month:  
**Bankruptcy Filings up, but not being reflected in the High Yield market**

### Credit Spreads Disconnected From Real Economy



Source: Bloomberg



# Graves Light Lenhart

Build. Protect. Thrive.

---

100 South Mason Street, Suite C | Harrisonburg, VA 22801  
[www.GLLPWM.com](http://www.GLLPWM.com)

## *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.

The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. Past performance is not indicative of future results and there is no assurance that any forecasts/targets mentioned in this report will be attained. The indices have been provided for information/comparison purposes only. Individual investors cannot directly invest in an index.