

Market Pulse *from the Investment Advisory Group*

April 3, 2023

In focus

The S&P 500 clocked its third straight week of gains, following a sell-off earlier in the month caused by escalating banking concerns. Since then, the index has recaptured the lost ground, closing out the month of March up 3.5% and inching above 4,100 for the first time since February 15.

Digging beneath the surface of the market cap weighted S&P 500 shows that the performance in March was not broad-based, but rather concentrated among mega cap technology and communications companies following a dovish shift in terminal rate market expectations. The five largest companies in the index, which includes Apple, Microsoft, Alphabet, Amazon, and NVIDIA, contributed to over 75% of the gains last month. While the remaining 498 companies in the index still ended the month positively, four of the 11 sectors ended in the red and financials were down by nearly 10%. The S&P 500 Equal Weighted Index, which gives the same weighting to each company, was down close to 1% over the same period. The S&P Small Cap and S&P Mid Cap indices also closed well into the red.

The recent performance of popular market indices seemingly has been a positive sign, though weakness is still evident beneath the surface. In our view, market resiliency is less than meets the eye as macro risks grow and is why we remain defensive.

A look back

- Global equities were solidly in positive territory last week with international developed equity markets leading the move higher.
- Last week saw the yields for 2- and 10-year Treasuries rise, with a greater move from the short end, further inverting the curve.
- The Federal Reserve's (Fed) preferred inflation gauge, Personal Consumption Expenditures, came in below expectations for February – supporting the notion that the Fed's actions to combat inflation are working.

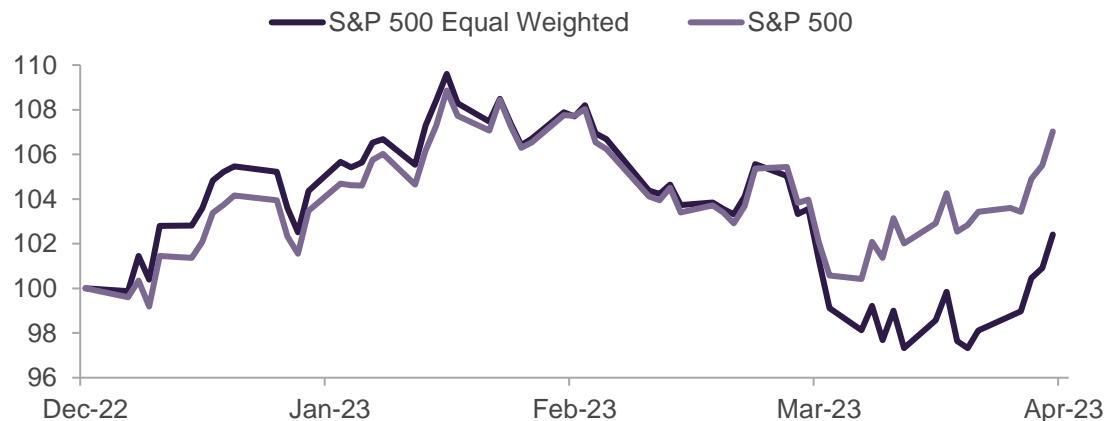
A look ahead

- With a shortened trading week from the stock market's closure on Good Friday, investors will focus on company shareholder events before earnings season kicks off.
- Fed Governor Lisa Cook will speak at the University of Michigan on the economic outlook and monetary policy in the U.S.
- Economic releases: ISM & S&P Global U.S. Manufacturing & Services, Factory & Durable Goods Orders, Nonfarm Payrolls, and the Unemployment Rate.

Chart of the week – Size outperforms in March

In the month of March, the performance of the S&P 500 and the S&P 500 Equal Weighted Index diverged because of the strong performance among the market's largest constituents.

S&P 500 versus the S&P 500 Equal Weighted Index



Data Source: Truist IAG, FactSet



Wealth

Market Pulse

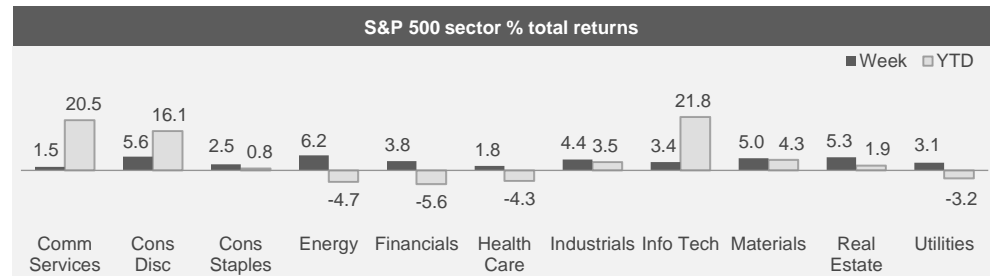
As of March 31, 2023

Index % Total Return	Week	MTD	QTD	YTD	1 Yr
MSCI ACWI (net)	3.56	3.08	7.31	7.31	-7.41
S&P 500	3.50	3.67	7.50	7.50	-7.70
MSCI EAFE (net)	4.02	2.48	8.47	8.47	-1.37
MSCI Emerging Markets (net)	1.95	3.03	3.96	3.96	-10.66
Dow Jones Industrials	3.22	2.08	0.93	0.93	-1.97
Bloomberg Commodity Index	0.00	-2.99	-8.01	-8.01	-14.88
Bloomberg Aggregate	-0.46	2.54	2.96	2.96	-4.77
ICE BofA US High Yield	1.84	1.13	3.72	3.72	-3.55
Bloomberg Municipal Bond Blend 1-15 Year	0.23	1.94	2.27	2.27	1.60
ICE BofA Global Government xUS (USD Unhedged)	-0.83	4.34	2.94	2.94	-13.09
ICE BofA Global Government xUS (USD Hedged)	-0.59	2.40	3.19	3.19	-5.07

Rates (%)	3/31/23	12/30/22	9/30/22	6/30/22	3/31/22
Fed Funds Target	5.00	4.50	3.25	1.75	0.50
Libor, 3-Month	5.19	4.76	3.75	2.28	0.96
T-Bill, 3-Month	4.75	4.41	3.23	1.64	0.51
2-Year Treasury	4.06	4.41	4.20	2.93	2.28
5-Year Treasury	3.60	4.00	4.03	3.00	2.42
10-Year Treasury	3.49	3.87	3.79	2.97	2.32
30-Year Treasury	3.68	3.96	3.76	3.12	2.45
Bloomberg Aggregate (YTW)	4.40	4.68	4.75	3.72	2.92
Bloomberg Municipal Bond Blend 1-15 Year	2.87	3.18	3.73	2.82	2.36
ICE BofA US High Yield	8.50	8.95	9.58	8.93	6.02
Currencies	3/31/23	12/30/22	9/30/22	6/30/22	3/31/22
Euro (\$/€)	1.09	1.07	0.98	1.05	1.11
Yen (¥/\$)	133.09	131.95	144.75	135.86	121.37
Pound (\$/£)	1.24	1.20	1.12	1.21	1.32
Commodities	3/31/23	12/30/22	9/30/22	6/30/22	3/31/22
Crude Oil (WTI)	75.67	80.26	79.49	105.76	100.28
Gold	1,986	1,826	1,672	1,807	1,954
Volatility	3/31/23	12/30/22	9/30/22	6/30/22	3/31/22
CBOE VIX	18.70	21.67	31.62	28.71	20.56

U.S. style % total returns (S&P indexes)						
Week			YTD			
Value	Core	Growth	Value	Core	Growth	
4.09	3.50	2.99	5.17	7.50	9.63	Large
4.73	4.56	4.40	2.51	3.81	5.04	Mid
4.24	3.75	3.27	3.05	2.57	2.14	Small

Data Source: Truist, FactSet



Important Disclosures— All information is as of title date unless otherwise noted. This document was prepared for clients of Truist Bank for informational purposes only. This material may not be suitable for all investors and may not be redistributed in whole or part. Neither Truist Bank, nor any affiliates make any representation or warranties as to the accuracy or merit of this analysis for individual use. Information contained herein has been obtained from sources believed to be reliable, but are not guaranteed. Comments and general market related projections are based on information available at the time of writing and believed to be accurate—are for informational purposes only, are not intended as individual or specific advice, may not represent the opinions of the entire firm and may not be relied upon for future investing. The views expressed may change at any time. The information provided in this report should not be considered a recommendation to purchase or sell any financial instrument, product or service sponsored or provided by Truist Bank or its affiliates or agents. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions. Past returns are not indicative of future results. An investment cannot be made into an index.

Disclosures

All information is as of title date unless otherwise noted. This document was prepared for clients Truist Bank for informational purposes only. This material may not be suitable for all investors and may not be redistributed in whole or part. Neither Truist Bank, nor any affiliates make any representation or warranties as to the accuracy or merit of this analysis for individual use. Information contained herein has been obtained from sources believed to be reliable, but are not guaranteed. Comments and general market related projections are based on information available at the time of writing and believed to be accurate— are for informational purposes only, are not intended as individual or specific advice, may not represent the opinions of the entire firm and may not be relied upon for future investing. The views expressed may change at any time. The information provided in this report should not be considered a recommendation to purchase or sell any financial instrument, product or service sponsored or provided by Truist Bank or its affiliates or agents. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions. Past returns are not indicative of future results. An investment cannot be made into an index.

Commonly used acronyms— SAAR = seasonally adjusted annual rate— MoM = month-over-month change— QoQ = quarter-over-quarter change— YoY = Year-over-year change— K = thousands— M = millions. Investing in the bond market is subject to certain risks, including market, interest rate, issuer and inflation risk— investments may be worth more or less than the original cost when redeemed. The value of most bond strategies and fixed income securities are impacted by changes in interest rates. Bonds and bond strategies with longer durations tend to be more sensitive and more volatile than securities with shorter durations— bond prices generally fall as interest rates rise, and values rise when interest rates decline.

S&P 500 Index is comprised of 500 widely-held securities considered to be representative of the stock market in general.

S&P 500 Information Technology Index —a capitalization-weighted index that is composed of those companies included in the S&P 500 that are classified as members of the information technology sector based on GICS® classification.

The CBOE Volatility Index® (VIX®) is a measure of market expectations of near-term volatility conveyed by S&P 500 stock index option prices.

MSCI ACWI Index (MSCI All Country World) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices.

MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada.

MSCI EM Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

Bloomberg Global Aggregate Index is an index of investment grade debt including treasury, government-related, corporate and securitized debt, from 24 local currency benchmarks.

Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq.

The ICE BofAML U.S. High Yield Index tracks the performance of below investment grade, but not in default, U.S. dollar denominated corporate bonds publicly issued in the U.S. domestic market, and includes issues with a credit rating of BBB or below, as rated by Moody's and S&P.

The Bloomberg Municipal Bond Blend 1-15 Year (1-17 Yr) is an index of municipal bonds with a minimum credit rating of at least Baa, issued as part of a deal of at least \$50 million, that have a maturity value of at least \$5 million and a maturity range of 12 to 17 years.

The Bloomberg U.S. Corporate High Yield measures the USD-denominated high yield fixed-rate corporate bond market. Bonds are classified as high yield if they are rated below BBB by Moody's and S&P.

The Bloomberg Dollar Spot Index tracks a basket of 10 leading global currencies versus the U.S. dollar.

The ICE BofAML Global Government ex U.S. Index tracks the performance of publicly issued investment grade sovereign debt denominated in the issuer's own domestic currency excluding all securities denominated in U.S. dollars.

JP Morgan EMBI Global Diversified index includes only USD-denominated emerging markets sovereign bonds and the traditional, market capitalization weighted method for country allocation is modified to limit the weights of index countries with larger debt loads by only including a specified portion of the eligible fact amounts of the debt outstanding.

The Bloomberg Commodity Index is a composition of futures contracts on physical commodities in five sectors including energy, agriculture, industrial metals, precious metals and livestock.

The S&P U.S. REIT index measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

IA SBBBI U.S. Large Stock Index measures the total return of U.S. large cap stocks on a monthly basis.

IA SBBBI Intermediate-Term Government Bond Index measures the total return of U.S. intermediate-term government bonds on a monthly basis.

IA SBBBI U.S. 30-day T-Bill index measures the total return of T-Bills with a maturity of one month on a monthly basis.

The S&P 500 High Beta index measures the performance of 100 constituents in the S&P 500 that are the most sensitive to changes in market returns.

MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. It is not possible to invest directly in an index.

Truist Wealth is a name used by Truist Financial Corporation. Banking products and services, including loans, deposit accounts, trust and investment management services provided by Truist Bank, Member FDIC. Securities, brokerage accounts, insurance/annuities offered by Truist Investment Services, Inc. member FINRA, SIPC, and a licensed insurance agency where applicable. Life insurance products offered by referral to Truist Insurance Holdings, Inc. and affiliates. Investment advisory services offered by Truist Advisory Services, Inc., Sterling Capital Management, LLC, and affiliated SEC registered investment advisers. Sterling Capital Funds advised by Sterling Capital Management, LLC.

All information is as of title date unless otherwise noted. This document was prepared for clients of Truist Bank for informational purposes only. This material may not be suitable for all investors and may not be redistributed in whole or part. Neither Truist Bank, nor any affiliates make any representation or warranties as to the accuracy or merit of this analysis for individual use. Information contained herein has been obtained from sources believed to be reliable, but are not guaranteed. Comments and general market related projections are based on information available at the time of writing and believed to be accurate— are for informational purposes only, are not intended as individual or specific advice, may not represent the opinions of the entire firm and may not be relied upon for future investing. The views expressed may change at any time. The information provided in this report should not be considered a recommendation to purchase or sell any financial instrument, product or service sponsored or provided by Truist Bank or its affiliates or agents. Investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions. Past returns are not indicative of future results. An investment cannot be made into an index.

© 2023 Truist Financial Corporation. Truist, the Truist logo and Truist purple are service marks of Truist Financial Corporation. CN2023-5603589.1EXP04-2024



Wealth