

Global Stocks Reflect Renewed Optimism

Global stocks returned 22% in 2023, defying early recession predictions and staging a near-complete recovery from losses in 2022. Fixed income prices similarly signaled optimism as inflation cooled over the course of the year. In December, the Federal Reserve signaled progress in its fight against US inflation, and fixed income markets posted strong fourth quarter returns as market participants wagered on rate cuts in 2024.

Information Technology stocks eclipsed other sectors, returning over 50% globally, and the “Magnificent Seven” stocks rose by over 70% to become 28% of the S&P 500 Index. Utilities and energy stocks were the only sectors to post

negative returns in the US. Real Estate lagged the overall index for the year but outperformed during the last quarter of 2023.

Value stocks trailed growth stocks in the US, but non-US markets saw widespread positive value premiums, with the MSCI All Country World ex USA Value Index outperforming its growth counterpart by 3%. Small caps trailed large caps in developed markets while profitability premiums were mixed across the globe, with emerging markets stocks and US small cap stocks benefitting from greater weights to higher profitability.

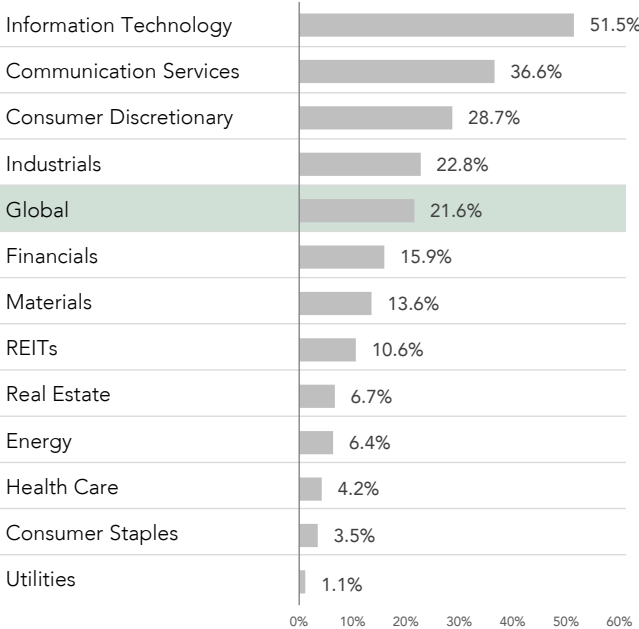
GLOBAL ASSET CLASS RETURNS 2023

STOCKS	US	25.96%
	Developed ex US	17.18%
	Emerging Markets	11.67%
BONDS	US	5.53%
	Global ex US	8.32%

GLOBAL PREMIUM RETURNS 2023

SIZE	Large	23.8%
	Small	18.2%
VALUE	Value	18.5%
	Growth	28.0%
PROF	High	22.4%
	Low	24.2%

GLOBAL SECTOR RETURNS 2023



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