



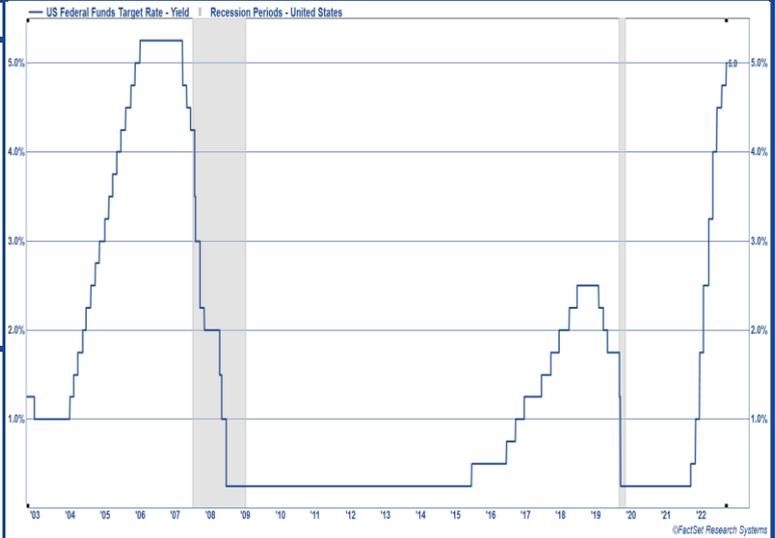
Economic & Market Commentary

The old weather adage for March is "In like a lion and out like a lamb." Well, for the stock and bond markets last month it was more like March Madness. Entering March, stock and bond markets were under pressure from persistently higher-than-expected inflation as well as the disconnect between Federal Reserve (Fed) monetary policy and the bond market. The Fed was holding strong on its policy stance of higher rates for longer, while the bond market was signaling a pending weaker economy and rate cuts later this year. This disconnect briefly coalesced with the release of February's CPI report on March 14th, which came in hotter than expected. After the CPI report, interest rates sharply rose, bond market expectations of a rate cut this year vanished, and the Fed began to signal it was likely going to raise their projections on the target rate. Expectations of the Fed and the bond market were quickly aligned. This alignment was short lived, for two days later on March 16th the banking industry came under tremendous pressure with the turmoil surrounding Silicon Valley Bank. Just like that, at the snap of your fingers, everything appeared to change. Stock markets came under pressure and the bond market quickly reversed course as interest rates plummeted. The bond market began pricing in a near-term cap on rate hikes with subsequent rate cuts starting as early as July. The Fed concluded its policy making FOMC meeting on March 22nd raising the target rate +0.25% to 5.00%. They also released their latest economic projections which were largely unchanged. At the post meeting press conference, Fed Chair Powell communicated that the Fed is moving into wait and see mode on rate hikes to observe what affect the banking turmoil will have on financial conditions and economic demand and that the likelihood of a rate cut this year was low. At month end, the drop in yields pushed bond returns higher while stock market returns ended mixed. For the quarter, both bond and stock markets moved higher.

Index Total Returns - March 31, 2023

	1-Wk	YTD	1-Yr
NASDAQ	3.38	17.05	-13.28
MSCI-Developed	4.02	8.47	-1.38
S&P 500	3.50	7.50	-7.73
MSCI-Emerging	1.95	3.96	-10.70
S&P 400	4.56	3.81	-5.12
Russell 2000	3.96	2.74	-11.61
Dow Jones	3.22	0.93	-1.98
Barclay's U.S. Bond Index			
High Yield	1.74	3.57	-3.34
Aggregate	-0.46	2.96	-4.78
Municipal	0.25	2.78	0.26
Int. Gov. Credit	-0.41	2.33	-1.66
5-year Muni	0.19	1.93	1.75

Fed Funds Target Rate



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.67	4.34	1.56
U.S. 2-Yr	4.06	3.77	2.29
U.S. 3-Yr	3.83	3.59	2.46
U.S. 5-Yr	3.61	3.41	2.42
U.S. 10-Yr	3.49	3.38	2.32
U.S. 30-Yr	3.69	3.65	2.45

S&P 500 Sector Total Returns - March 31, 2023

Sector	1-Wk	YTD	1-Yr
Info Tech	3.41	21.82	-4.55
Communication Services	1.46	20.50	-17.76
Consumer Discretionary	5.58	16.13	-19.62
Materials	5.01	4.29	-6.28
Industrials	4.43	3.47	0.17
Real Estate	5.30	2.10	-19.58
Consumer Staples	2.53	0.83	1.22
Utilities	3.08	-3.24	-6.21
Health Care	1.77	-4.31	-3.70
Energy	6.22	-4.67	13.63
Financials	3.77	-5.56	-14.24

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.93	2.96	2.39
U.S. AA	3.06	3.09	2.49
U.S. A	3.63	3.66	2.79
U.S. Baa	4.36	4.38	3.11
U.S. Municipal	3.25	3.28	2.60
Michigan	3.41	3.42	2.63

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	18.19	17.51	1.58
S&P 400 - Mid Cap	13.60	15.50	1.55
S&P 600 - Small Cap	13.06	16.29	1.69