Weekly Market Recap

April 1, 2024

	Price	Price Returns	
Index	**Close**	**Week**	**YTD**
S&P 500® Index	5,254	0.4%	10.2%
Dow Jones Industrial Average	39,807	0.8%	5.6%
NASDAQ	16,379	-0.3%	9.1%
Russell 2000® Index	2,125	2.5%	4.8%
MSCI EAFE Index	2,349	-0.1%	5.1%
Ten-Year Treasury Yield	4.20%	0.0%	0.3%
Oil WTI[1] ($/bbl[2])	$83.00	2.9%	15.8%
Bonds[3]	$97.93	0.1%	-0.6%

[1]WTI = West Texas Intermediate Oil. [2]bbl = Barrel. [3]Bonds are represented by the iShares U.S. Aggregate Bond ETF. Sources: Bloomberg L.P.; FactSet.

Last Week:

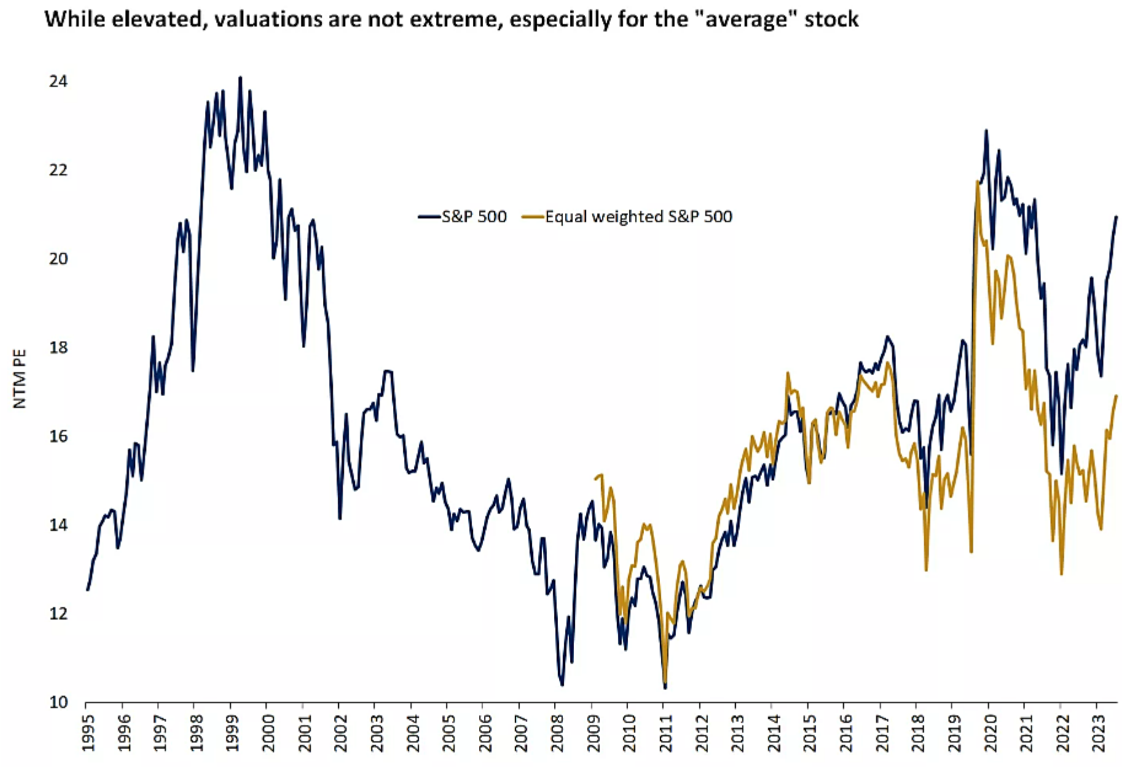
U.S. Equity Market

- U.S. large-cap equities (S&P 500 Index) rose +0.4% as investor sentiment benefitted from the ongoing narrative of an economic soft landing, declining inflation, and market expectations that the Federal Reserve (Fed) will cut interest rates three times this year. The March Consumer Confidence Index reported at 104.7, which was below consensus expectations for 107.0, and essentially unchanged month-over-month. The Michigan Consumer Sentiment Index modestly beat analyst expectations, with consumers noting they are confident inflation will continue to soften and expect their financial situations to improve over the coming months. The 10-year U.S. Treasury yield remained at 4.20%. Gold rose +3.6% while WTI crude rose +2.9%.

- S&P 500 Index Sector Returns:
  - Utilities (+2.8%), healthcare (+1.6%), and consumer staples (+0.9%) outperformed, as investors favored more-defensive stocks.
  - Real estate (+2.2%) rose, led by public storage, cell towers, and data centers.
  - Energy (+2.2%) rose, as the price of WTI rose +2.9%.
  - Financials (+1.7%) rose, led by the banks.
  - Materials (+1.6%) rose, led by precious metals miners and chemical companies.
  - Consumer discretionary (+0.7%) rose, led by autos.
  - Industrials (+0.6%) rose, led by logistics stocks, airlines, and aerospace and defense.
  - Technology (-0.1%) underperformed, led lower by software stocks.
  - Communication services (-0.8%) fell.

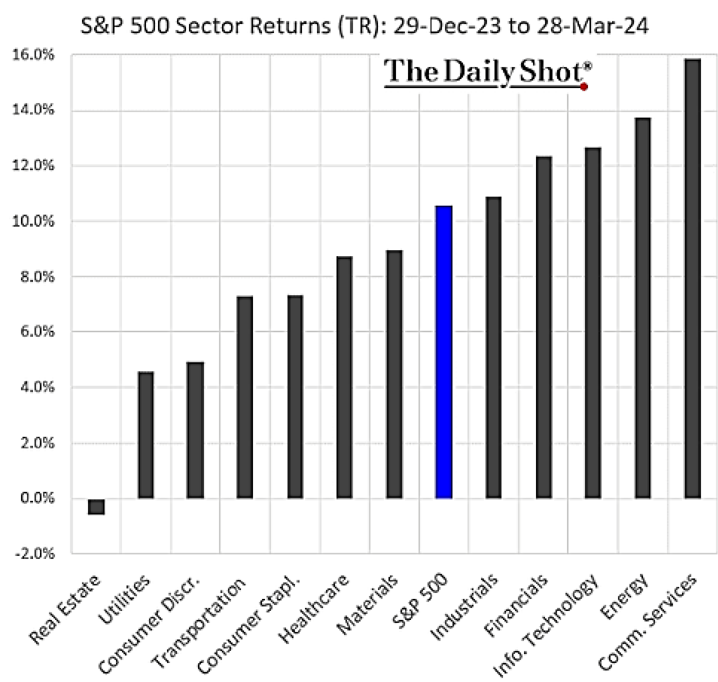
Please reference important disclosures on page 6.

- U.S. equity market valuations are elevated but not extremely high, especially for the average stock in the S&P 500 Equal Weight Index.



NTM: next twelve months. Y axis is the forward price-to-earnings (P/E) ratio. Sources: Edward Jones; FactSet. Data as of 12.31.2023.

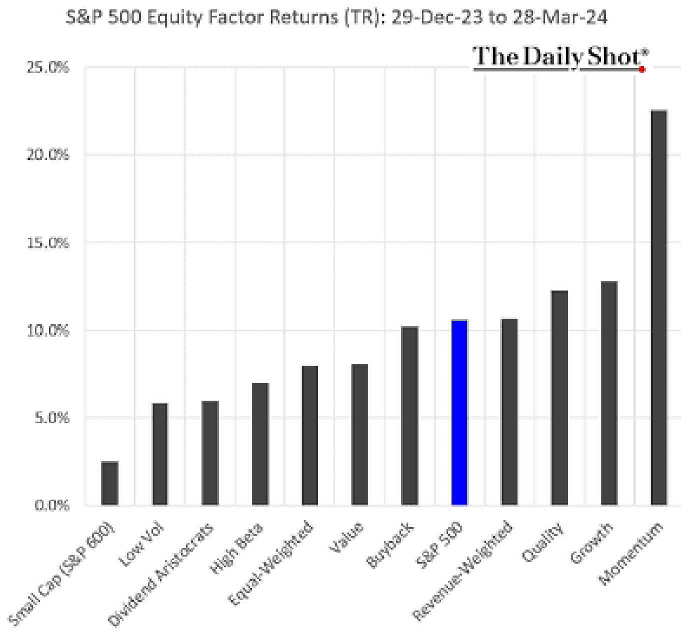
- During 1Q24, the communications services, energy, information technology, financials, and industrials sectors outperformed the broad S&P 500 Index.



Y axis is total return in percentage. Sources: YCharts; Creative Planning; S&P Global.

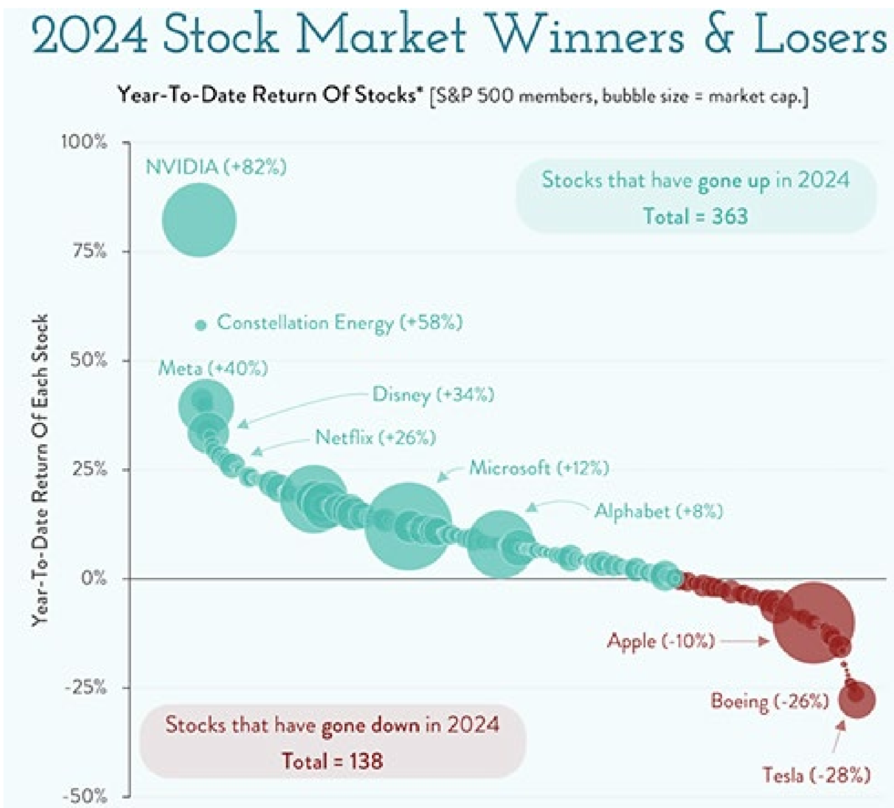
Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on page 6.

- The momentum factor outperformed in the first quarter.



Y axis is total return in percentage. Source: The Daily Shot.

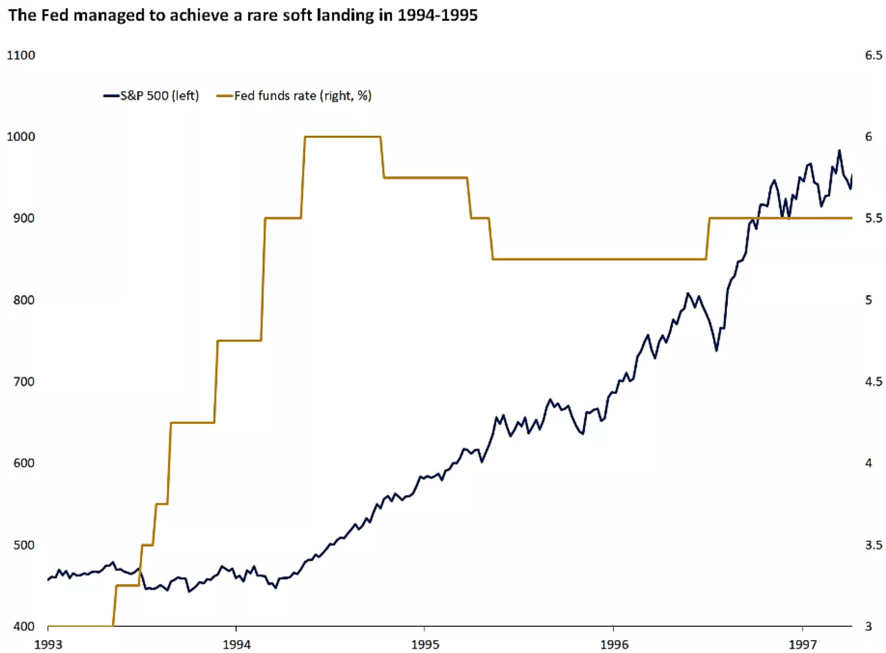
- There is a growing divergence of performance between the “Magnificent 7” stocks as Tesla and Apple have generated negative returns thus far in 2024.



*Super Micro Computer not shown (+270%). The “Magnificent 7” is comprised of Alphabet, Amazon, Apple, Meta, Microsoft, NVIDIA, and Tesla. Sources: Koyfin; Chartr. Data as of 03.27.2024.

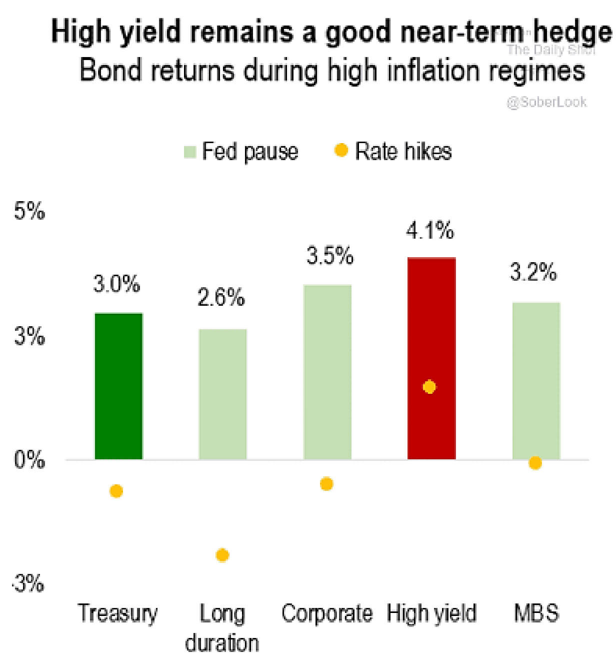
Fixed Income Markets

- During the soft landing in 1994-1995, the S&P 500 Index generated strong returns.



Sources: FOMC; Edward Jones; FactSet.

- Historically, high yield bonds generated solid returns during high inflationary periods.



Note: chart compares average bond returns during periods of high inflation since 1984. Bars and dots split sample between periods of Fed hikes, and when high inflation coincides with Fed pauses. MBS: mortgage-backed securities. Sources: Numera Analytics; The Daily Shot.

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Please reference important disclosures on page 6.

U.S. Economic and Political News

- February pending homes sales rose +1.6% month-over-month, which was above analyst expectations for a decline of 1.0%.
- February new home sales missed consensus expectations with a median sales price of $400,500, which was the lowest median price since June 2021.

International Markets and News

- European markets (STOXX 600 Index) rose +0.6% as the European Central Bank signaled the potential for rate cuts in June, depending on whether wage growth continues to moderate.
- The Chinese stock market (Shanghai Composite) declined, despite former premier Li Keqiang stating that the government will increase measures to support growth in several sectors, including biological manufacturing, artificial intelligence, and data economy.
- Japanese equities (Nikkei 225 Index) declined, as a Bank of Japan board member said that the end of the central bank's negative interest policy was a first step toward monetary policy normalization.

This Week:

- The volume of corporate earnings reports will be light this week.
- Economic data:
  - Monday: Manufacturing Purchasing Managers' Index (PMI), Construction Spending, Institute for Supply Management (ISM) Manufacturing Index;
  - Tuesday: Durable Orders, Job Openings and Labor Turnover Survey (JOLTS), Factory Orders, American Petroleum Institute (API) Crude Inventories;
  - Wednesday: Mortgage Bankers Association (MBA) Mortgage Purchase Applications, U.S. Department of Energy (DOE) Crude Inventories, Automatic Data Processing (ADP) Employment Report, Services PMI, ISM Non-Manufacturing Index;
  - Thursday: Weekly Jobless Claims, Challenger Job Cuts, Trade Balance, Energy Information Administration (EIA) Natural Gas Inventories;
  - Friday: Nonfarm Payrolls, Unemployment Rate, Average Weekly Hours, Average Hourly Earnings, Consumer Credit.

As always, thank you very much for your interest in our thoughts and support of our services.

Whitney Stewart, CFA®
Executive Director

Griffith Jones, Jr.
Executive Director

Please reference important disclosures on page 6.

Past performance is not indicative of future results. Any type of investing involves risk and there are no guarantees that these methods will be successful. Economic charts are provided for illustrative purposes only. The information provided herein is subject to market conditions and is therefore expected to fluctuate.

The opinions contained in the preceding presentation reflect those of Sterling Capital Management LLC, and not those of Truist Financial Corporation or its executives. The stated opinions are for general information only and are educational in nature. These opinions are not meant to be predictions or an offer of individual or personalized investment advice. They are not intended as an offer or solicitation with respect to the purchase or sale of any security. This information and these opinions are subject to change without notice. All opinions and information herein have been obtained or derived from sources believed to be reliable. Sterling Capital Management LLC does not assume liability for any loss which may result from the reliance by any person upon such information or opinions.

Investment advisory services are available through Sterling Capital Management LLC, an investment adviser registered with the U.S. Securities & Exchange Commission and an independently-operated subsidiary of Truist Financial Corporation. Sterling Capital Management LLC manages customized investment portfolios, provides asset allocation analysis and offers other investment-related services to affluent individuals and businesses. Securities and other investments held in investment management or investment advisory accounts at Sterling Capital Management LLC are not deposits or other obligations of Truist Financial Corporation, Truist Bank or any affiliate, are not guaranteed by Truist Bank or any other bank, are not insured by the FDIC or any other federal government agency, and are subject to investment risk, including possible loss of principal invested.

Sterling Capital does not provide tax or legal advice. You should consult with your individual tax or legal professional before taking any action that may have tax or legal implications.

The securities described are neither a recommendation nor a solicitation. Security information is being obtained from resources the firm believes to be accurate, but no warrant is made as to the accuracy or completeness of the information.

Performance is compared to an index, however, the volatility of an index varies greatly. Indices are unmanaged and investments cannot be made directly in an index.
The S&P 500® Index is a readily available, carefully constructed, market-value-weighted benchmark of common stock performance. Currently, the S&P 500 Composite includes 500 of the largest stocks (in terms of stock market value) in the United States and covers approximately 80% of available market capitalization.
The S&P 500® Equal Weight Index (EWI) is the equal-weight version of the widely-used S&P 500®. The index includes the same constituents as the capitalization-weighted S&P 500, but each company in the S&P 500 EWI is allocated a fixed weight - or 0.2% of the index total at each quarterly rebalance.
The S&P SmallCap 600® seeks to measure the small-cap segment of the U.S. equity market. The index is designed to track companies that meet specific inclusion criteria to ensure that they are liquid and financially viable.
The Russell 2000® Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000® Index is a subset of the Russell 3000® Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000® is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.
The Dow Jones Industrial Average (DJIA) is an index that tracks 30 large, publicly-owned blue chip companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.
The NASDAQ Composite Index is the market capitalization-weighted index of over 2,500 common equities listed on the NASDAQ stock exchange. The types of securities in the index include American depositary receipts, common stocks, real estate investment trusts (REITs) and tracking stocks, as well as limited partnership interests. The index includes all Nasdaq-listed stocks that are not derivatives, preferred shares, funds, exchange-traded funds (ETFs) or debenture securities.
The MSCI EAFE Index is an equity index which captures large and mid-cap representation across 21 Developed Markets countries around the world, excluding the U.S. and Canada. With 900 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.
The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.
The Nikkei 225 is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange.
The Shanghai Stock Exchange Composite Index is a capitalization-weighted index. The index tracks the daily price performance of all A-shares and B-shares listed on the Shanghai Stock Exchange.

Technical Terms: **The Consumer Confidence Index (CCI)** measures what consumers are feeling about their expected financial situation, whether that's optimistic or pessimistic. The survey is based on the premise that if consumers are optimistic, they will spend more and stimulate the economy, but if they are pessimistic, then their spending patterns could lead to an economic slowdown or recession. The term **federal funds rate** refers to the target interest rate range set by the Federal Open Market Committee (FOMC). This target is the rate at which commercial banks borrow and lend their excess reserves to each other overnight. **The Michigan Consumer Sentiment Index (MCSI)** is a monthly survey of consumer confidence levels in the United States conducted by the University of Michigan. The survey is based on telephone interviews that gather information on consumer expectations for the economy. **The price-to-earnings (P/E) ratio** measures a company's share price relative to its earnings per share (EPS). Often called the price or earnings multiple, the P/E ratio helps assess the relative value of a company's stock. **The Purchasing Managers' Index (PMI)** is an index of the prevailing direction of economic trends in the manufacturing and service sectors. It consists of a diffusion index that summarizes whether market conditions, as viewed by purchasing managers, are expanding, staying the same, or contracting. The purpose of the PMI is to provide information about current and future business conditions to company decision makers, analysts, and investors. (Technical definitions are sourced from Corporate Finance Institute.)

The **Chartered Financial Analyst® (CFA)** charter is a graduate-level investment credential awarded by the CFA Institute — the largest global association of investment professionals. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.