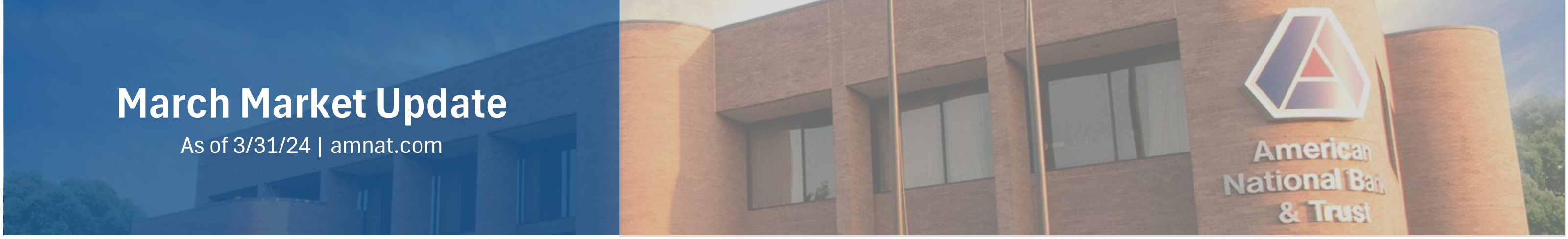


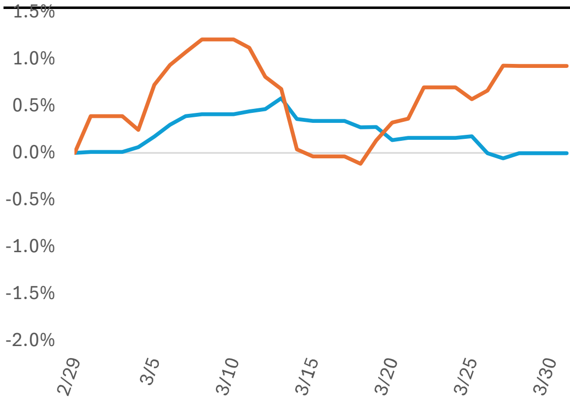
March Market Update

As of 3/31/24 | amnat.com

Macro & Market View: Springtime Volatility

Interest rate policy uncertainty, domestic and international growth, the U.S. consumer, and inflation have contributed to positive returns in broad fixed income benchmarks and positive returns in broad equity benchmarks shown below. For this month, we have seen equity markets increase for the three broad US indices, while correlations have been 12% and -34% for the aggregate and municipal bond markets, respectively. Historically, March has reflected a positive equity market return of 1.35% on average; however, the market had an above average return of 3.22% for March.

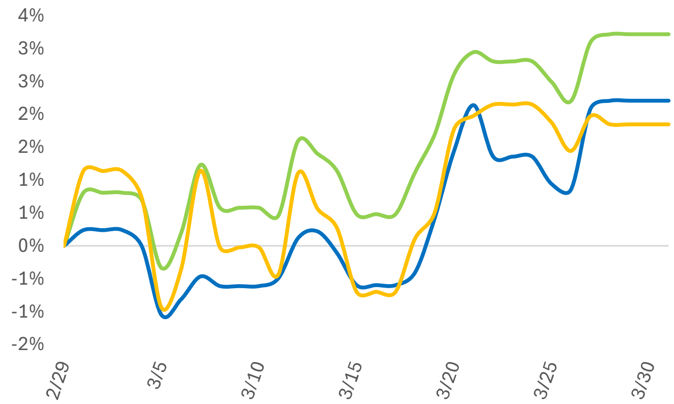
Fixed Income Index Returns



March Returns

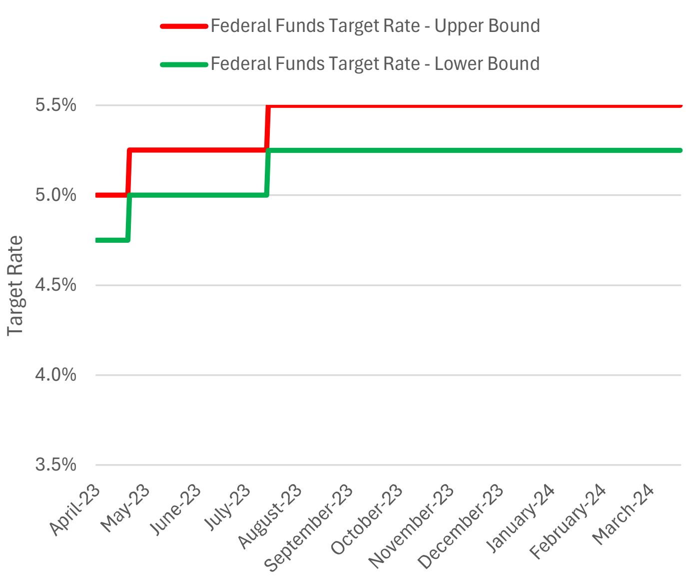
US Aggregate	0.92%
US Municipal	0.00%
S&P 500	3.22%
Dow Jones 30	2.21%
Nasdaq Comp	1.85%

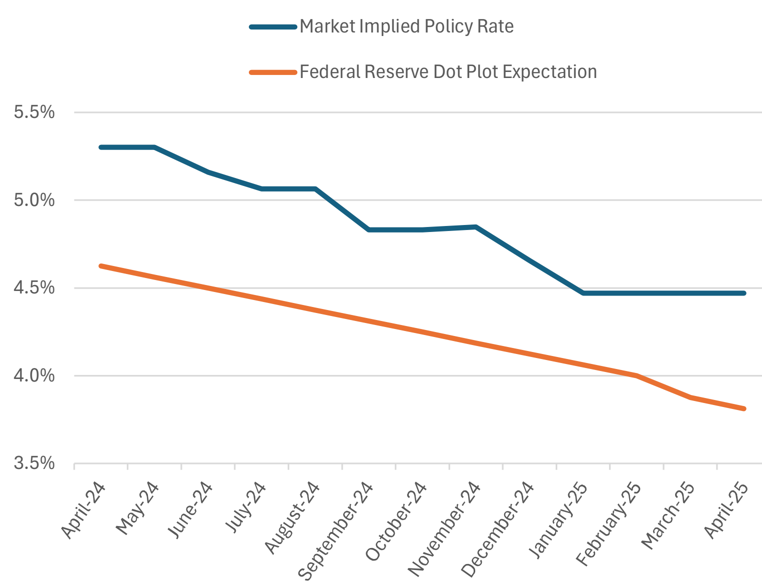
Equity Index Returns



Source: Bloomberg LP

Market participants are now forecasting the policy rate that sets interest rates for the economy to be lowered over the next twelve months. The next Federal Reserve meeting to discuss monetary policy is scheduled for May 2024. The overall expectation is for the policy rate to be lowered by near -1% (actual estimate of -0.8%) to 4.47% in the next twelve months. The change in market participants' view of what the Federal Reserve should do can be explained by the inflation data measured by CPI (Consumer Price Index).





Source: Bloomberg LP

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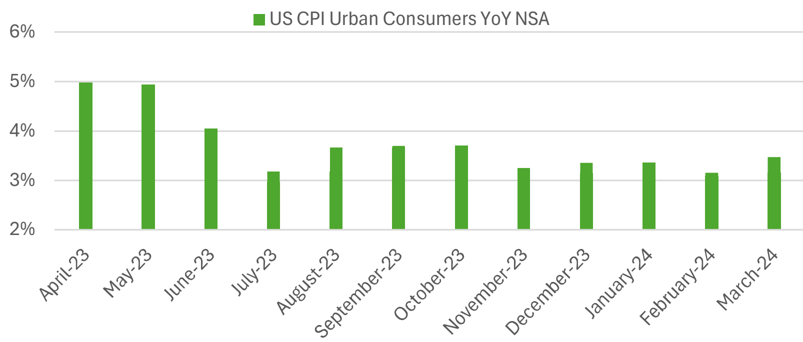
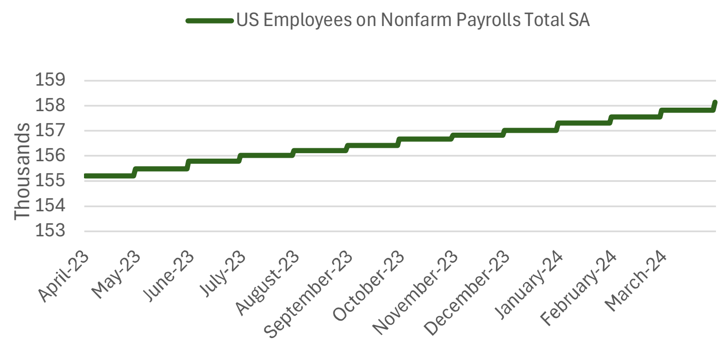
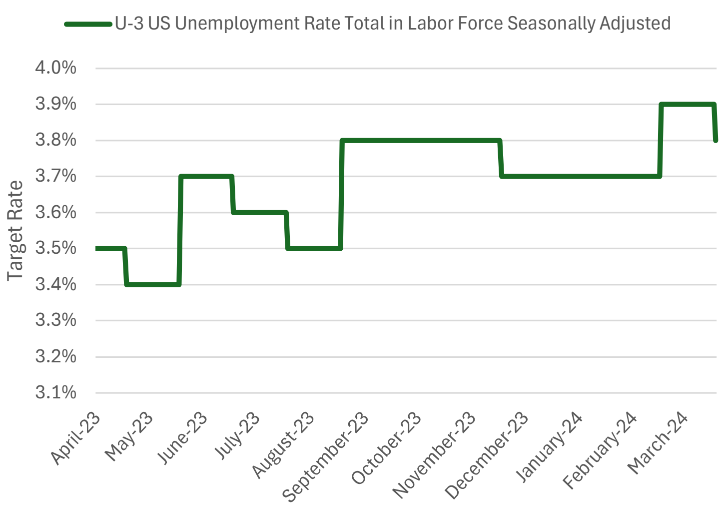


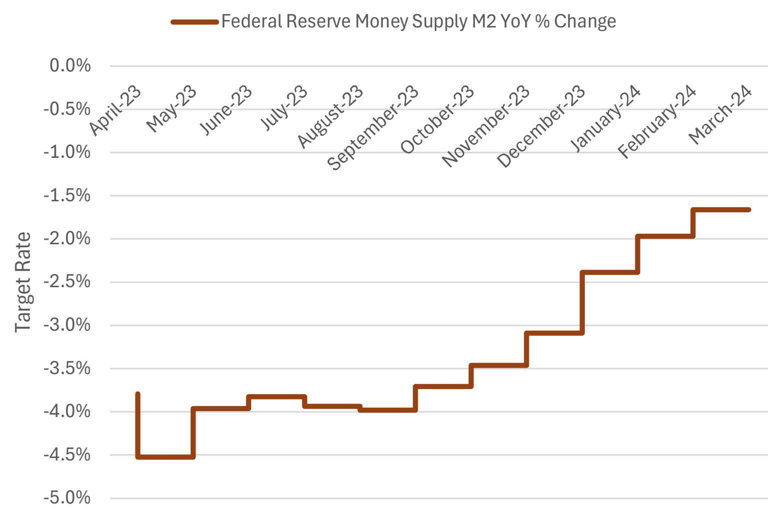


Source: Bloomberg LP

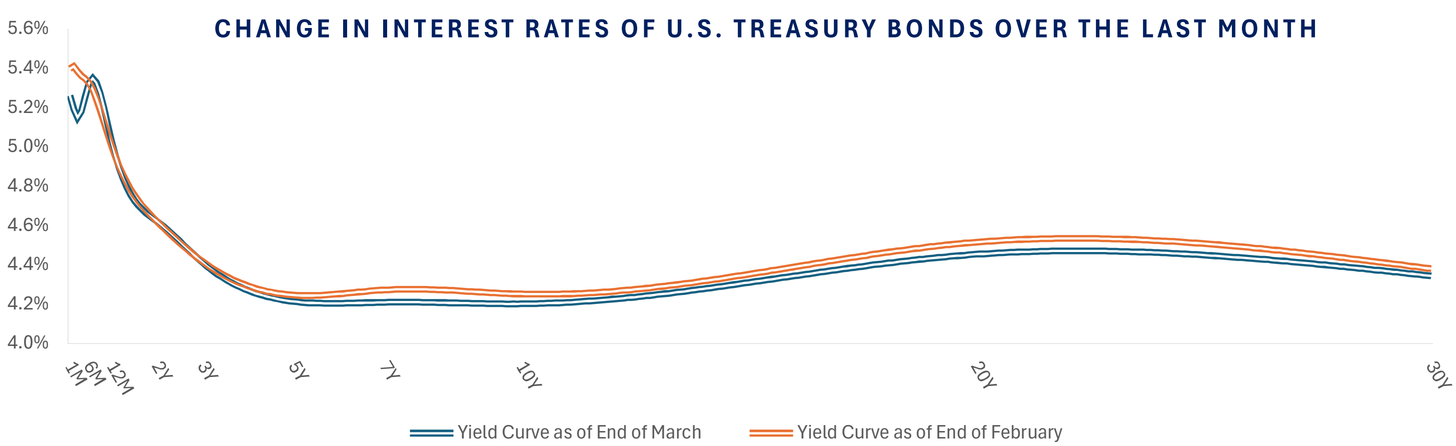
As shown in the US CPI Consumers year-over-year chart above, March experienced downward trending inflation. Additionally, nonfarm payrolls continue to trend upward, which contributes to whether or not the Federal Reserve will continue raising interest rates. However, as the data shows, the downward inflation improvements in CPI to the Fed target of 2.5% has given market participants hope that the period of climbing interest rates is nearing the end. Historically, the inverted treasury yield curve signalled the economy was near a recession, but as noted in our January Market Update, consumption has been strong and has bolstered the economy.

The chart below shows the unemployment rate sitting at 3.8%, an increase from 3.5% one year ago. We also include the year-over-year change in the money supply remaining in negative territory over the last year. Money supply leads inflation with it loosely following the general trend in past economic cycles. This relationship suggests that the current downtrend in inflation will continue.





Source: Bloomberg LP



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Across the sectors, company reporting has shown a positive surprise to sales and earnings for March with the exception of negative surprise in the Utilities and Real Estate sectors. For March, of the 331 companies that reported in the S&P 500, 179 of the companies had positive sales surprise and 250 of them had positive earnings surprise; we consider this positive surprise to be a tailwind for equity valuations for the next quarter. For the 331 companies, the overall sales and earnings surprise is positive 1.04% and 7.92%, respectively for March with companies being more resilient than consensus analyst estimates.

For our equity portfolios, here are our top and bottom three performers per strategy. Our Legacy portfolio focuses on blending long-term growth and value on a discretionary basis, while our Dividend portfolio seeks lower volatility and higher current income. We also have Momentum and Quality strategies that are factor-driven, smart beta portfolios. The Momentum portfolio dynamically adjusts positions to benefit from positive momentum while remaining diversified. The Quality portfolio blends low volatility with the momentum factor to produce a portfolio focused on high quality equity income and positive momentum. Benjamin Builder solutions complement the other equity strategies and offer an efficient method to invest broadly across geography, style, and sector using a dynamic fund screening process.

The Three Best and Worst Investments during the Month

	Legacy Portfolio		Dividend Portfolio		Momentum Portfolio		Quality Portfolio	
Best	VLO	20.66%	DPZ	10.82%	APA	15.41%	SLB	13.41%
	TGT	15.88%	WSO	9.60%	SLB	13.41%	AGCO	12.14%
	NEE	15.80%	BBWI	9.45%	DE	12.52%	DPZ	10.82%
Worst	BA	-5.27%	MPWR	-5.92%	ENPH	-4.75%	MCD	-3.53%
	ACN	-7.52%	ACN	-7.52%	LBRDA	-5.04%	ENPH	-4.75%
	TSLA	-12.92%	SIRI	-12.22%	BF/B	-14.30%	BF/B	-14.30%

	Benjamin Builder Solutions	
Best	FENY	9.62%
	FUTY	5.84%
	VBR	5.09%
Worst	AGG	0.61%
	TFLO	-0.02%
	VTEB	-0.22%

Market participants reviewed economic data, and the futures market reversed course on how far the Federal Reserve would cut rates this year. The market stance of "rate cuts" in February faltered while the Federal Reserve reiterated the course. To minimize the risk of cutting rates and inflation resurging above target similar to the 1980's, the Federal Reserve Chairman continues to emphasize that inflation meets and stays below target . Given that we continue to see the change in the money supply contracting on a year-over-year basis, this trend pairs well with where inflation is headed. Monetary policy will be dictated by inflation, the underlying economy, and the consumer. Finally, when we compare historical monthly returns for stocks and bonds over the last 5 decades, we can see the impact of diversification on portfolio volatility and income. As interest rates come down, corporate and municipal bonds provide a real rate of total return that includes current income and price appreciation. Much like how telecommunication led to the internet as we know it today, democratized Artificial Intelligence has sparked an innovation catalyst; these factors lead us to blend value and growth investments across stocks and bonds that complement your financial goals and risk aptitude. Thank you for your continued trust in managing your financial assets. Please reach out to your administrator if you have any questions.

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