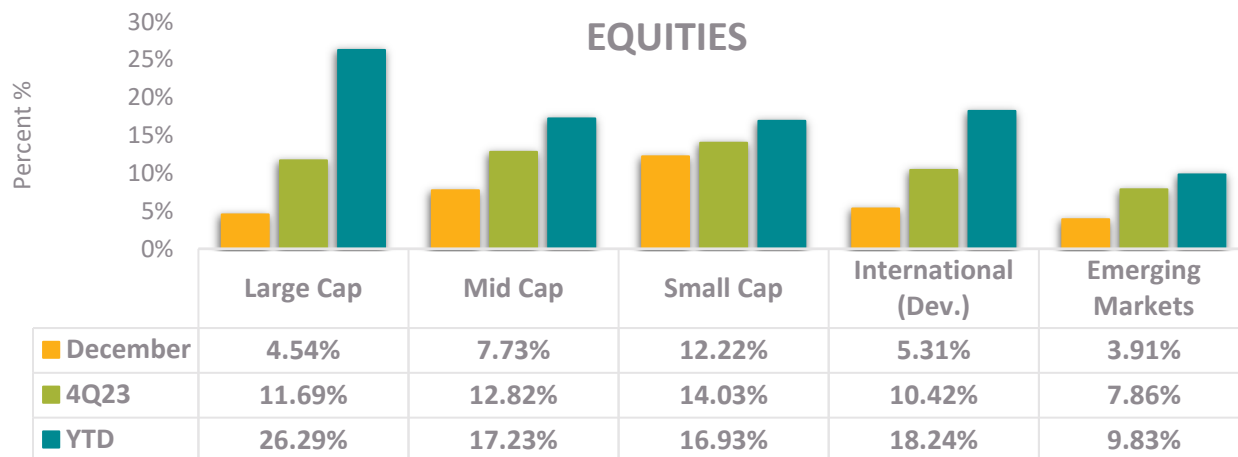


# Monthly Market Summary

## Market Update and Economic Developments

- The S&P 500 Index finished 2023 up 26.29% on the year, and up 4.54% in December alone. Domestic equity markets rallied into the end of the year, fueled by optimism about the shifting sentiment of the Fed, cooling inflation, a resilient labor market, and robust consumer spending.
- The concentration of the S&P 500 increased to an unprecedented level in December. The 10 largest stocks in the S&P 500 now account for more than 30% of the index. These stocks carried the index in 2023, gaining 62%, with the bottom 490 stocks rising 8% on the year. Small cap companies also closed out the year on a high note, up 12.22% in December and finishing the year up 16.93%.
- Inflation cooled moderately in November, rising 3.1% compared to a year prior. Shelter and transportation remain sticky portions of inflation. The Fed continues to target 2% inflation as their policy goal, towards which we have seen significant positive progress over the past two years.



Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM

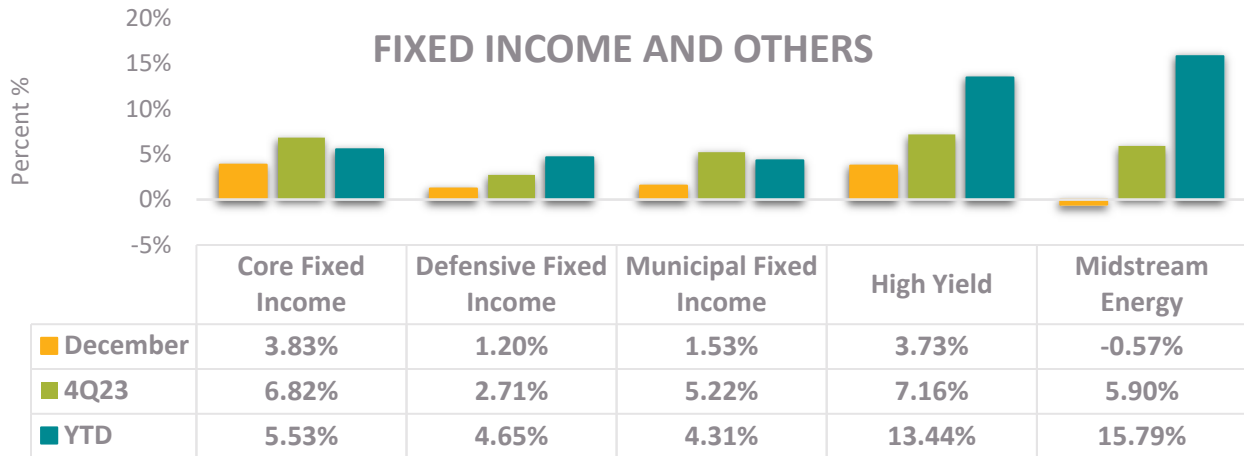


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# Monthly Market Summary

## Fixed Income Market Update and Other Assets

- At their recent meeting, the Federal Reserve decided to maintain its target policy rate of 5.25-5.50% and signaled the potential for three quarter-point cuts in 2024. The market experienced a broad rally on the news as yields across the curve fell, with the 10-Year treasury finishing the year at 3.88%.
- Crude oil prices finished the year at approximately \$71 a barrel, down significantly from the September highs of over \$90 a barrel.
- The University of Michigan consumer sentiment jumped to 69.7 in December from November’s 61.3. This is still a bit below its April 2020 level of 71.8. Despite low consumer sentiment, American consumers have continued to spend, as retail sales rose 0.3% month-over-month from October to November.



Benchmark Indexes: Core Fixed Income = Bloomberg US Agg Bond; Defensive Fixed Income = Bloomberg US Aggregate 1-3 Yr TR USD; Municipal Fixed Income = Bloomberg Municipal 5 Yr 4-6; High Yield = Bloomberg US Corporate High Yield; Midstream Energy = Alerian Midstream Energy Select.



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