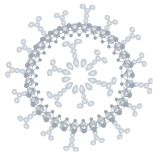


INVESTMENT STRATEGY QUARTERLY QUICKVIEW

APRIL 2023

THEMES



Lost in the Numbers: Where Did the Workers Go?

Labor force participation refers to the percentage of the population who are either employed or actively seeking employment. Overall, labor force participation has declined in the US over the past several decades. Labor force participation for men has been steadily declining since the 1960s, and only the staggering number of women joining the workforce has allowed labor force participation to increase over the years. Labor force participation peaked at 67.3% in 2000, when women's participation also peaked, and steadily declined until 2015, when real wages and salaries seemed to have worked their magic to bring more individuals into the labor force. That is, higher real wages incentivized workers to join the workforce and brought labor force participation up slightly. The COVID-19 pandemic caused a significant drop in labor force participation, we are still 0.8% lower than what it was pre-pandemic, so where did all these people go?



Competition and Conflict: Market Impacts of Rising Geopolitical Risk

Markets are navigating a new global era. US-China tensions, COVID, and the war in Ukraine have highlighted that geopolitical risks are on the rise and becoming a more prominent part of the macro investment decision-making process. February 24 marked one year since Russia's invasion of Ukraine, prompting policymakers and investors to take stock of how the conflict has progressed, how it could begin to wind down, and what risks remain. The COVID-19 pandemic exposed domestic capability/ production gaps, increasing focus on resiliency (and changing US industrial policy). The US-China relationship has raised concerns about a 'new Cold War' and a decoupling of the world's two largest economies. These national security issues have been increasingly difficult for investors to manage and deserve continued attention.

Debt Ceiling Primer

The debt ceiling is back in the spotlight after the US government hit its statutory borrowing limit earlier this year. While there are steps the government can take to continue paying its obligations, these measures only extend for a limited amount of time. Unless policymakers can agree to raise, suspend, or eliminate the debt limit soon, the government could run out of cash to pay its bills as early as this summer. Failure to reach an agreement would have serious economic consequences, including the risk that the US government defaults on its debt. The stakes are high, and it appears likely that our deeply divided government is headed for another debt-ceiling showdown. Divided governments have typically been good for the markets; however, they often spell trouble when it comes to negotiating fiscal matters.

Q&A: Earnings, And Multiples, and Performance, Oh My

The Price-to-Earnings (P/E) multiple is a key valuation metric in equity market analysis: a company's share price compared to its earnings per share. Despite predicted downside for earnings in the months ahead, we believe the Federal Reserve (Fed) will be successful in its battle against inflation and that P/E multiples will expand by year-end 2023. This will be the driver of higher equity markets. However, much depends on the path of inflation, Fed policy, and the economy.



For more information, refer to the full Investment Strategy Quarterly.

All expressions of opinion reflect the judgment of the Raymond James Investment Strategy Committee and are subject to change. Investing involves risk, and investors may incur a profit or a loss. Past performance is not an indication of future results. Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value. Raymond James® is a registered trademark of Raymond James Financial, Inc. © 2023 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC © 2023 Raymond James Financial Services, Inc., member FINRA/SIPC.

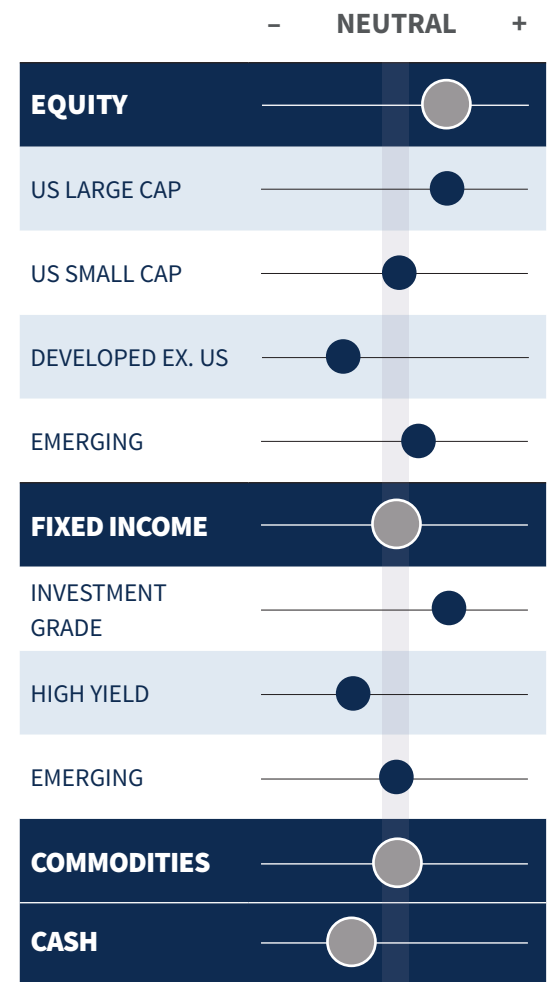
Economic Snapshot

Economic Indicator

NEUTRAL	GROWTH
	EMPLOYMENT
	CONSUMER SPENDING
	BUSINESS INVESTMENT
	INFLATION
	LONG-TERM INTEREST RATES
	FISCAL POLICY
UNFAVORABLE	THE DOLLAR
	REST OF THE WORLD
	MANUFACTURING
	HOUSING AND RESIDENTIAL CONSTRUCTION
MONETARY POLICY	

Eugenio J. Alemán, PhD
Chief Economist, Raymond James

Tactical Outlook



The tactical asset allocation outlook above reflects the Raymond James Investment Strategy Committee's recommendations for current positioning. Your financial advisor can help you interpret each recommendation within this material relative to your individual asset allocation policy, risk tolerance and investment objectives.

BASSETT, DAWSON & FOY, INC.
WEALTH SOLUTIONS *Since 1985
Bassett, Dawson & Foy, Inc. is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc. Member FINRA/SIPC.

INVESTMENT STRATEGY QUARTERLY QUICKVIEW

APRIL 2023

Capital Markets Snapshot

EQUITY	AS OF 3/31/2023	1Q 2023 RETURN**	12-MONTH RETURN**
DOW JONES INDUSTRIAL AVERAGE	33,274.15	0.38%	-4.05%
S&P 500 INDEX	4,109.31	7.03%	-9.29%
NASDAQ COMPOSITE INDEX	12,221.91	16.77%	-14.05%
MSCI EAFE INDEX	1,314.61	8.62%	-0.86%
RATES	AS OF 3/31/2023	AS OF 12/31/2022	AS OF 3/31/2022
FED FUNDS RATE TARGET RANGE	4.75-5.00	3.75-4.00	0-0.25
3-MONTH LIBOR	4.87	4.30	0.29
2-YEAR TREASURY	4.06	4.42	2.29
10-YEAR TREASURY	3.49	3.88	2.32
30-YEAR MORTGAGE	6.32	6.42	4.67
PRIME RATE	8.00	7.50	3.50
COMMODITIES	AS OF 12/31/2022	4Q 2022 RETURN	12-MONTH RETURN
GOLD	\$1,986.20	8.76%	1.65%
CRUDE OIL	\$75.67	-5.72%	-24.54%

*Price Level
**Total Return

DISCLOSURE:

Data is provided by the Investment Strategy Group. This material is for informational purposes only and should not be used or construed as a recommendation regarding any security. All expressions of opinion reflect the judgment of Raymond James & Associates, Inc. and are subject to change.

International investing involves special risks, including currency fluctuations, different financial accounting standards, and possible political and economic volatility. These risks are greater in emerging markets. Commodities trading is generally considered speculative because of the significant potential for investment loss. Sector investments are companies engaged in business related to a specific sector and are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification. There is no assurance that any of the forecasts mentioned will occur. Asset allocation and diversification do not guarantee a profit nor protect against loss. Dividends are not guaranteed and will fluctuate. The value of REITs and their ability to distribute income may be adversely affected by several factors beyond the control of the issuers of the REITs. There is no assurance that any investment strategy will be successful or that any securities transaction, holdings, sectors or allocations discussed will be profitable. It should not be assumed that any investment recommendation or decisions made in the future will be profitable or will equal any investment performance discussed herein.

Past performance is not indicative of future results. The performance mentioned does not include fees and charges which would reduce an investor's returns. Fixed income securities are subject to interest rate risk. Generally, when interest rates rise, bond prices fall, and vice versa. Specific sector investing can be subject to different and greater risks than more diversified investments. Investing in small-cap and mid-cap stocks generally involves greater risks, and, therefore, might not be appropriate for every investor. High-yield (below investment-grade) bonds are not suitable for all investors. When appropriate, these bonds should only comprise a modest portion of your portfolio. Specific sector investing such as real estate can be subject to different and greater risks than more diversified investments. Declines in the value of real estate, economic conditions, property taxes, tax laws and interest rates all present potential risks to real estate investments.

INDEX DESCRIPTIONS: Please note that all indices are unmanaged and investors cannot invest directly in an index. An investor who purchases an investment product which attempts to mimic the performance of an index will incur expenses that would reduce returns. Standard & Poor's 500 (S&P 500): Measures changes in stock market conditions based on the average performance of 500 widely held common stocks. Represents approximately 68% of the investable U.S. equity market. The Dow Jones Industrial Average is an unmanaged index of 30 widely held securities. The NASDAQ Composite Index is an unmanaged index of all stocks traded on the NASDAQ over-the-counter market. The MSCI EAFE (Europe, Australia, Far East) index is an unmanaged index that is generally considered representative of the international stock market. The returns noted do not include fees and charges which will affect an investor's return.

Bond prices and yields are subject to change based upon market conditions and availability. If bonds are sold prior to maturity, you may receive more or less than your initial investment. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices rise.

Sector Snapshot

	SECTOR	S&P WEIGHT
OVERWEIGHT	HEALTH CARE	14.5%
	FINANCIALS	13.0%
	CONSUMER DISCRETIONARY	10.0%
	COMMUNICATION SERVICES	8.1%
EQUAL WEIGHT	INFORMATION TECHNOLOGY	25.8%
	INDUSTRIALS	8.7%
	ENERGY	4.5%
	MATERIALS	2.6%
UNDERWEIGHT	REAL ESTATE	2.5%
	CONSUMER STAPLES	7.3%
	UTILITIES	2.9%