INVESTMENT STRATEGY QUARTERLY QUICKVIEW

JANUARY 2023

THEMES

Recession or Reorder

The global economic landscape has undergone seismic shifts during the past three years. The economy and markets may recede for a period, but the backdrop for better long-term outcomes could improve dramatically as a result of this 'reordering.'

Path for the US Economy

We are forecasting a mild recession in 2023, during which we expect the economy to remain flat, and to start growing again at a rate of only 0.8% during 2024. The Federal Reserve (Fed) is expected to continue increasing the fed funds rate until March of 2023, and we expect inflation to be below 3% by the end of 2023.

'Income' Back In Fixed Income

Income and cash flow investors are presented with an opportunity to lock in higher yield levels. The (currently very) inverted yield curve is thought to precede a recession but is also an indicator of lower future rates. In our view, value lies in the intermediate part of the curves.

Compromise And Conflict On Capitol Hill

We view the outcome of the 2022 midterm election as a positive result for the market. Markets have historically favored split government, as it reduces policy uncertainty. In the 2023 agenda, we would focus on three things: must-pass legislation, potential areas of bipartisan compromise, and Senate confirmations.

Equities In Need Of Clarity

Equity markets will remain data dependent and require clarity from the Fed. We believe inflation will moderate over the next year, which will allow the Fed to back off. Don't lose sight of the bull market opportunity that will occur on the other side of the current weak trend.

Energy Security And Diversity In The Spotlight

Energy remains less than 5% of S&P 500 market cap—down from as much as 13% a decade ago—illustrating that this remains an under-owned, somewhat contrarian sector for investors. The European energy crisis is accelerating the global push to diversify the energy mix: not just away from Russian gas, but from imported fossil fuels more broadly.

Global Economy On Uncertain Path

The coming global weakness will see sluggish growth or even outright GDP contractions in most developed economies outside the United States, with the euro zone likely to fare worst. We enter 2023 defensively positioned with a preference for specific themes (renewable energy, energy infrastructure rebuilding) and for more resilient sectors and **stocks.**

Economic Snapshot

Economic Indicator

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

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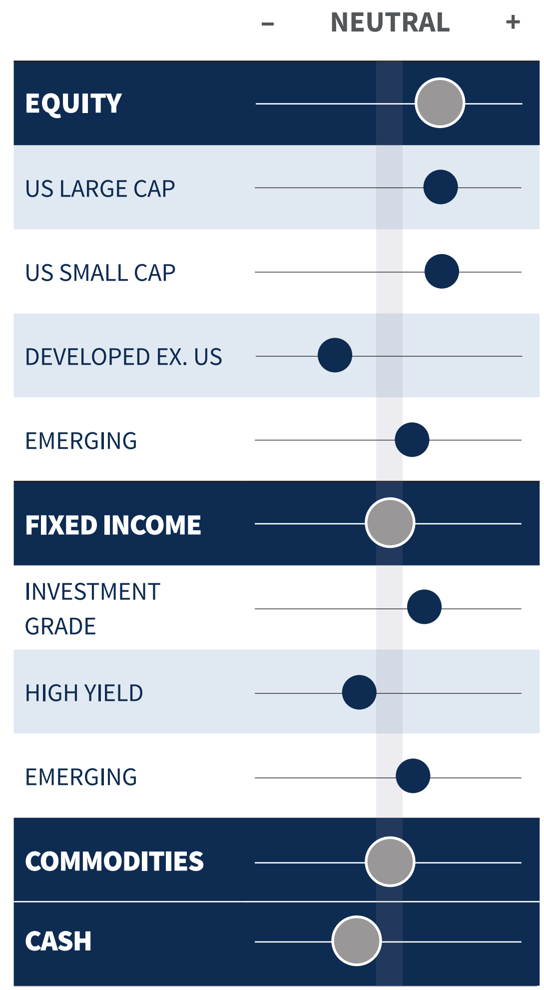
Chief Economist, Raymond James

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.

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

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Capital Markets Snapshot

EQUITY	AS OF 12/31/2022	4Q 2022 RETURN**	12-MONTH RETURN**
DOW JONES INDUSTRIAL AVERAGE	33,147.25	15.39%	-8.78%
S&P 500 INDEX	3,839.50	7.08%	-19.44%
NASDAQ COMPOSITE INDEX	10,466.48	-1.03%	-33.10%
MSCI EAFE INDEX	1,232.26	17.40%	-14.01%
RATES	**AS OF 12/31/2022**	**AS OF 9/30/2022**	**AS OF 12/31/2021**
FED FUNDS RATE TARGET RANGE	4.25-4.5	3-3.25	0-0.25
3-MONTH LIBOR	3.62	2.13	0.05
2-YEAR TREASURY	4.42	4.20	0.73
10-YEAR TREASURY	3.88	3.80	1.51
30-YEAR MORTGAGE	6.66	7.06	3.27
PRIME RATE	7.50	6.25	3.25
COMMODITIES	**AS OF 12/31/2022**	**4Q 2022 RETURN**	**12-MONTH RETURN**
GOLD	$1,842.30	9.22%	-0.13%
CRUDE OIL	$79.36	0.97%	6.71%

*Price Level
**Total Return

Sector Snapshot

	SECTOR	S&P WEIGHT
OVERWEIGHT	HEALTH CARE	15.2%
	FINANCIALS	11.6%
	ENERGY	5.1%
EQUAL WEIGHT	INFORMATION TECHNOLOGY	26.4%
	CONSUMER DISCRETIONARY	10.4%
	COMMUNICATION SERVICES	7.5%
	INDUSTRIALS	8.4%
	MATERIALS	2.7%
	REAL ESTATE	2.7%
UNDERWEIGHT	CONSUMER STAPLES	7.0%
	UTILITIES	3.0%