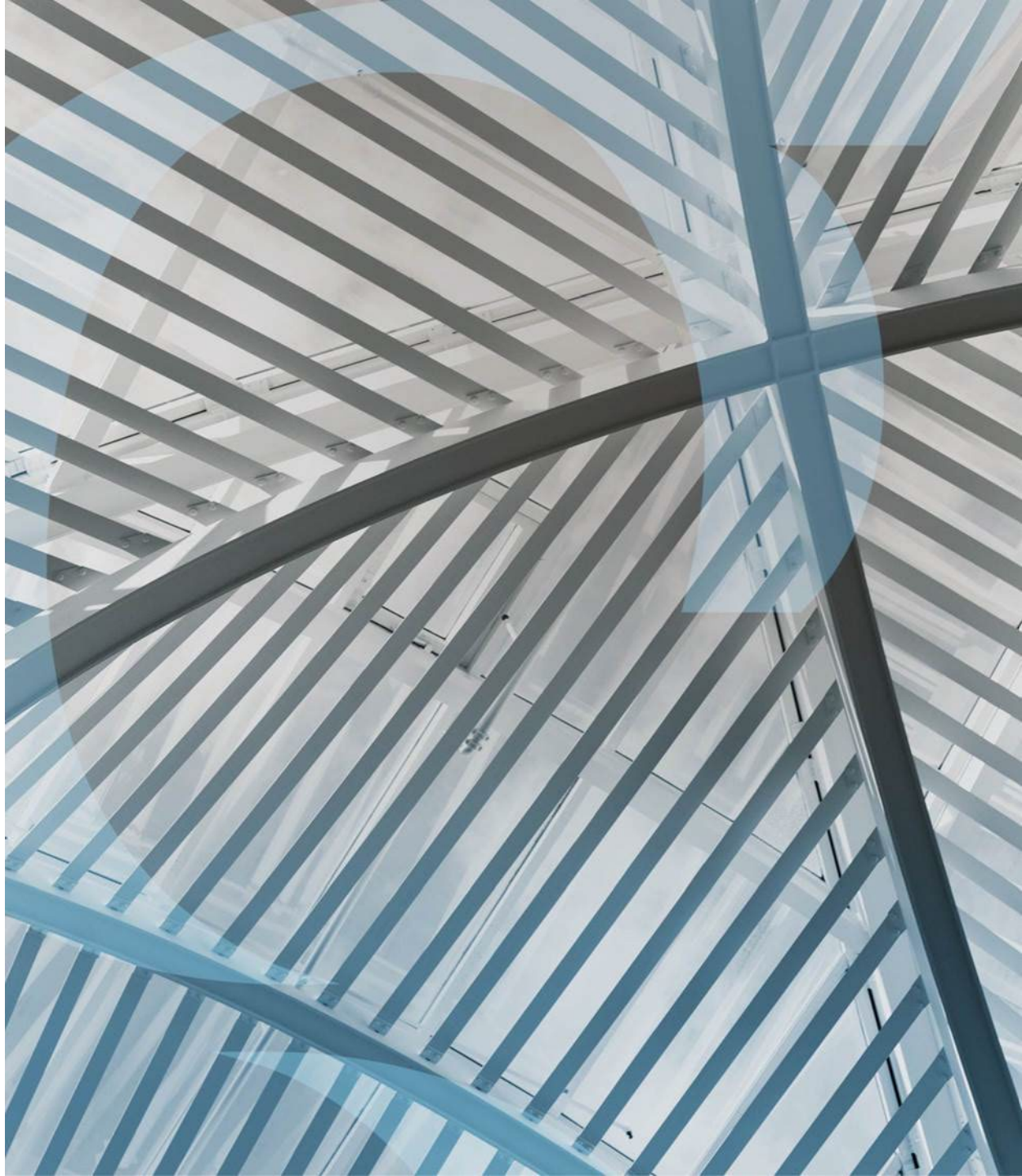


Chart Book

AS OF OCTOBER 31, 2022

Please Contact

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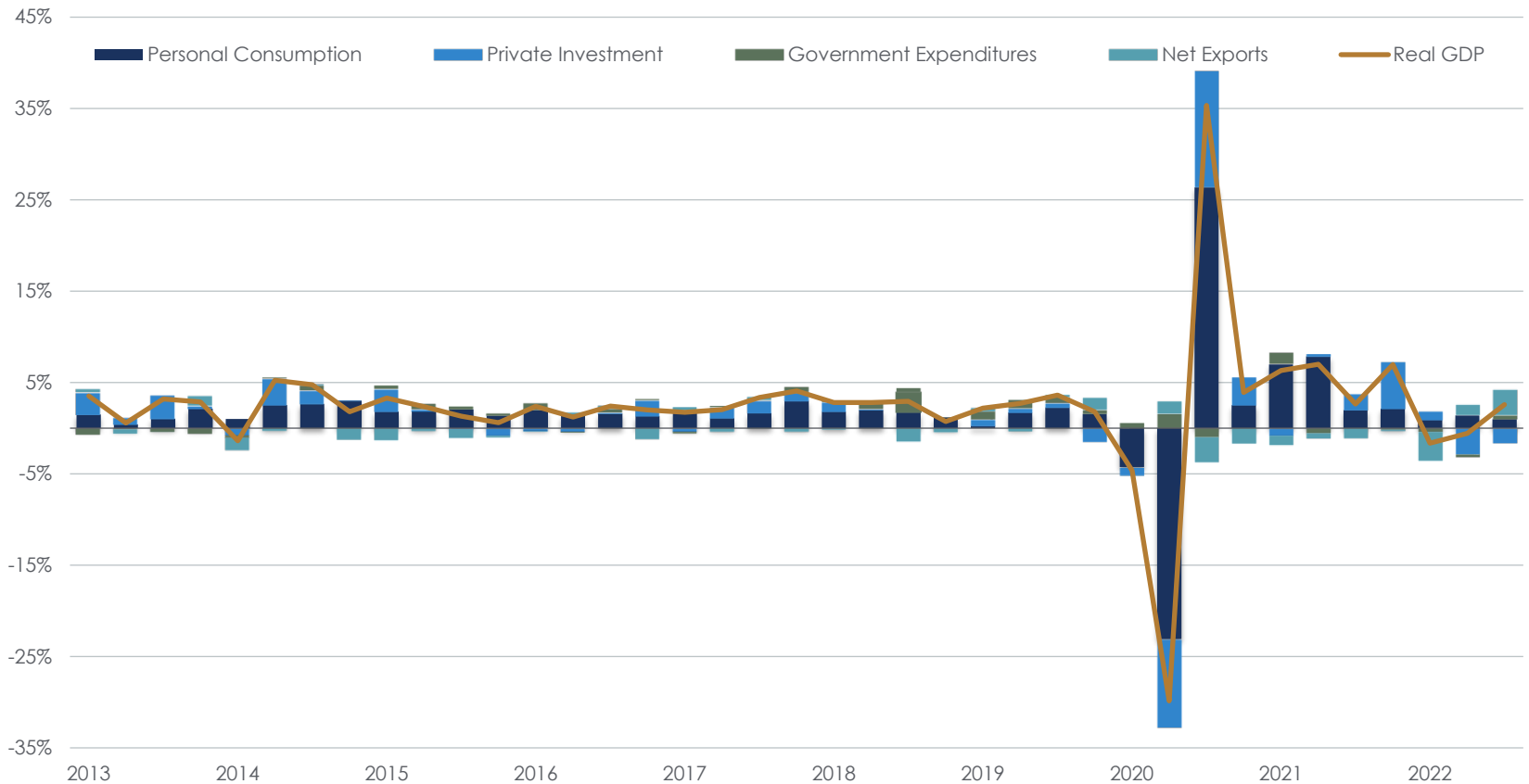


Economic Perspective

The U.S. economy grew at a 2.6% annualized rate in the third quarter. This reading follows consecutive negative quarters to start the year, meeting a commonly accepted definition of recession. The growth came in large part due to a narrowing trade deficit, which economists expected and consider to be a one-off occurrence that won't be repeated in future quarters. Overall, while the 2.6% rebound in the third quarter more than reversed the decline in the first half of the year, we don't expect this strength to be sustained. We expect the economy to enter a mild recession in the first half of next year.

Economic Growth

Contributions to Percent Change in Real GDP (Annualized Q/Q % Change)

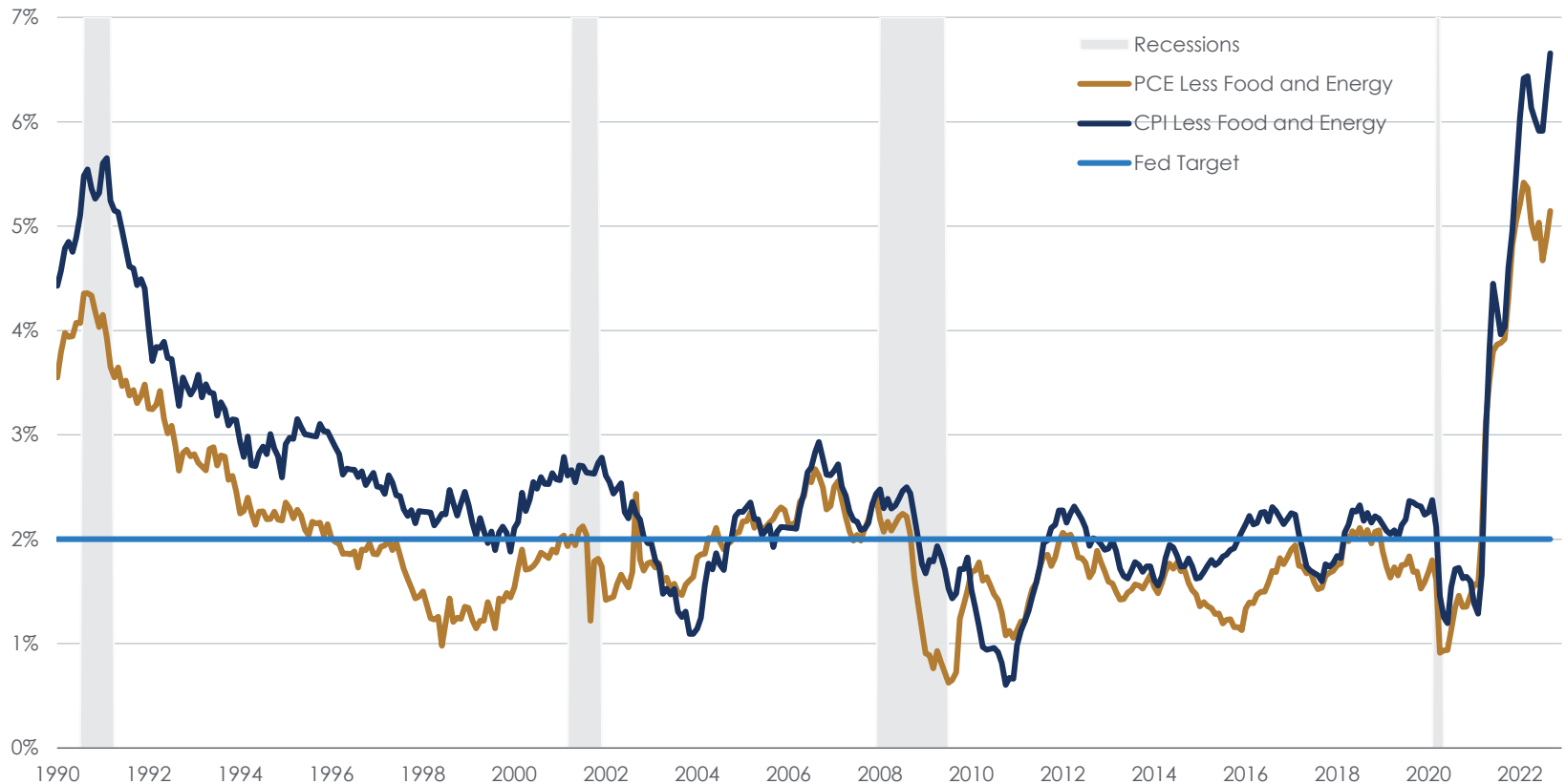


Source: U.S. Bureau of Economic Analysis (Reported quarterly)

Consumer prices in the U.S. rose more than expected last month in a sign that the inflation fight in the world's largest economy is far from over. Inflation was 8.2% in the 12 months ending in September, down from 8.3% in August. The rate is well above the central bank's 2% target and means the Federal Reserve is likely to continue to keep raising interest rates. The composition of the inflation reading is perhaps even more worrisome than the overall number. Increases in shelter and medical care indices confirm that price pressures are extremely stubborn and will not go down without a fight.

Inflation Outlook

Consumer Price Index (Core) and Personal Consumption Expenditures Price Index (Core) (Y/Y % Change)

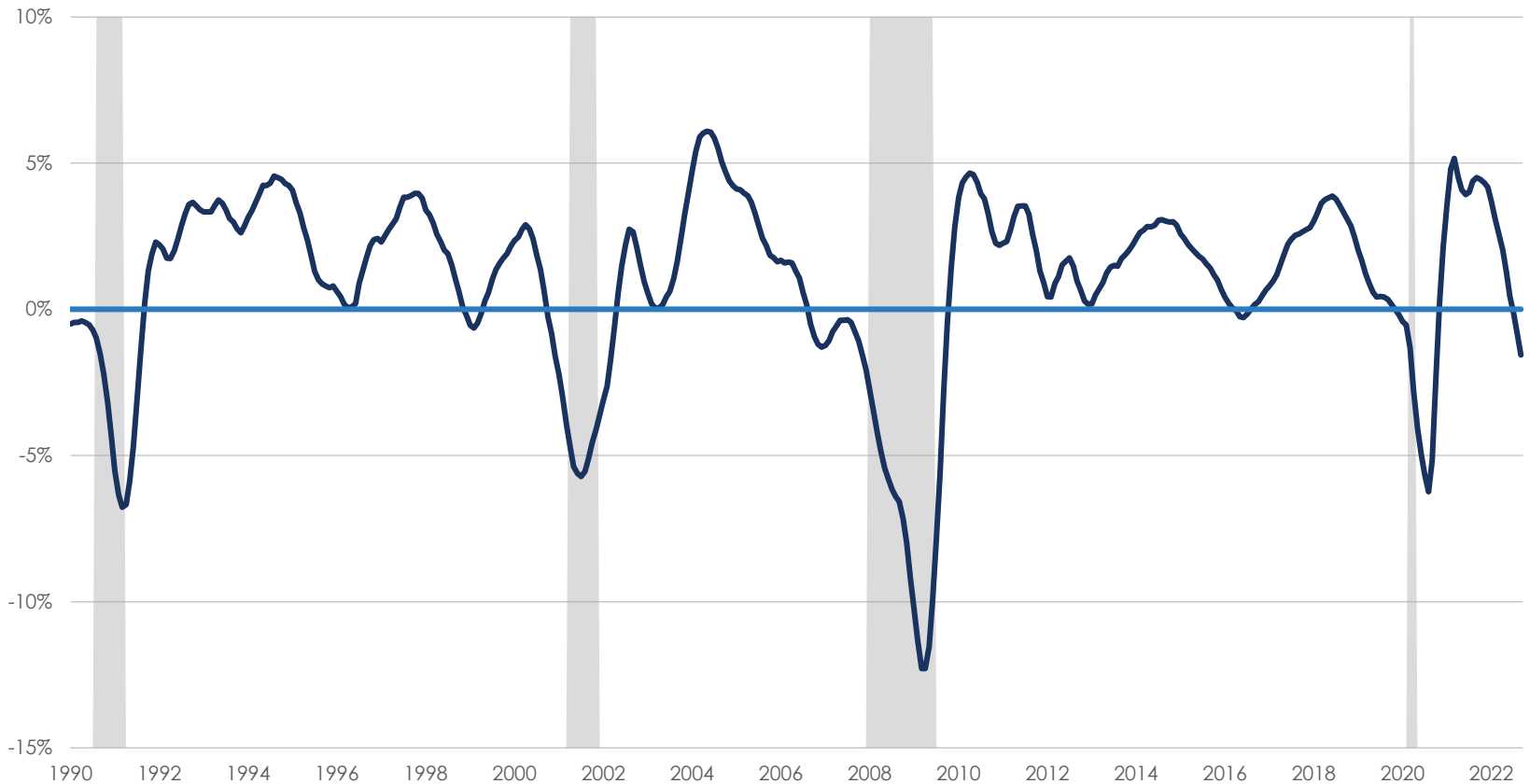


Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis (Reported monthly)

According to The Conference Board, the U.S. LEI declined for a seventh consecutive month and its persistent downward trajectory in recent months suggests a recession is increasingly likely. The six-month growth rate of the LEI fell deeper into negative territory in September, and weaknesses among the leading indicators were widespread. Amid high inflation, slowing labor markets, rising interest rates, and tighter credit conditions, The Conference Board forecasts real GDP growth will be 1.5% year-over-year in 2022, before slowing further in the first half of next year.

U.S. Economic Outlook

Leading Economic Index (Six-Month Moving Average of the Six-Month Rate of Change)

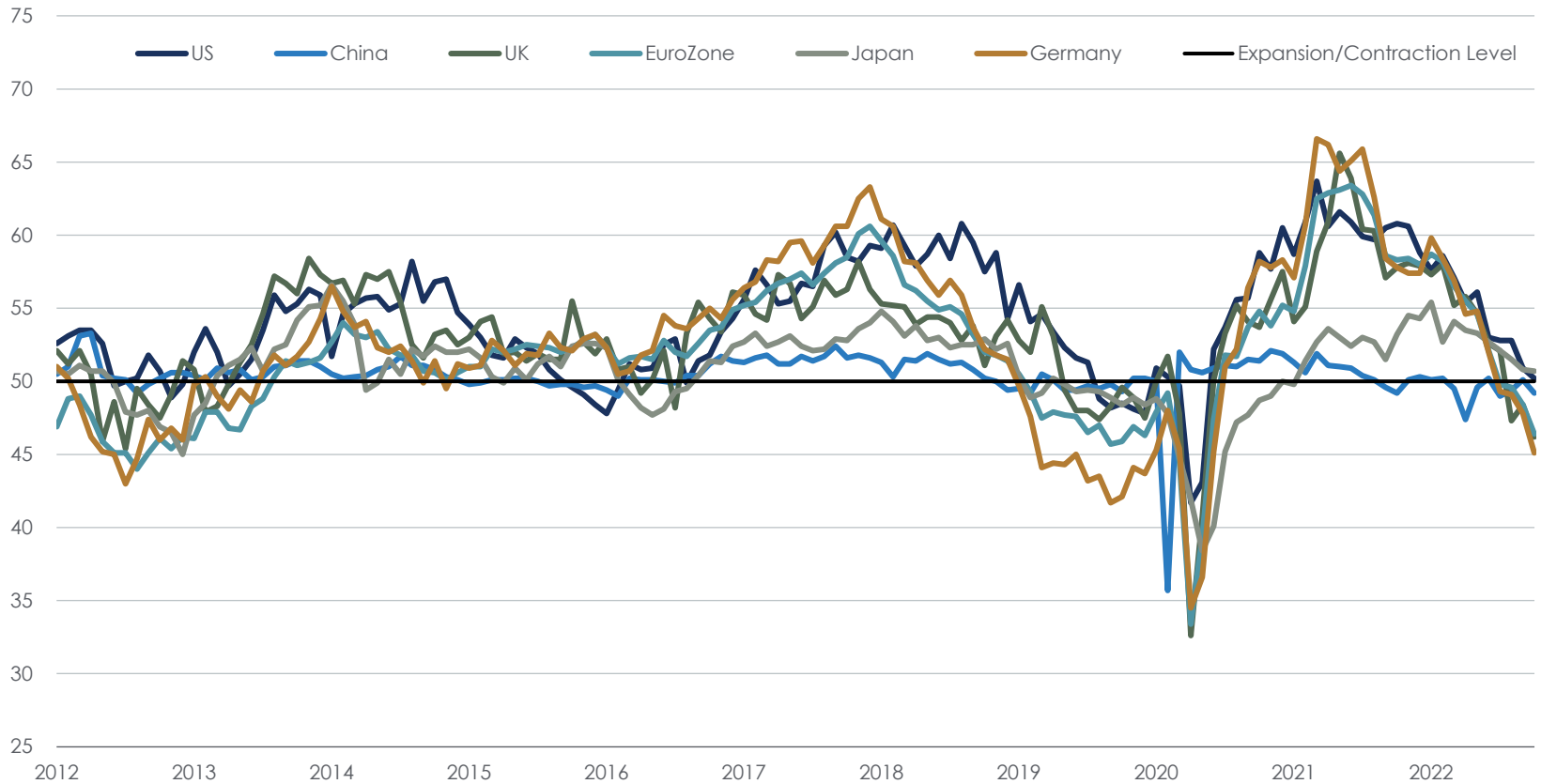


Source: The Conference Board (Reported monthly)

The October PMI survey signaled a third successive monthly contraction in global manufacturing production. The latest decline in output was driven by weaker intakes of new business, deteriorating international trade flows and lower business confidence. The composite index fell to a 28-month low in October and remained below the neutral 50.0 mark for the second successive month.

Global Economic Outlook

Manufacturing Purchasing Managers Index (PMI) (A PMI over 50 represents growth in manufacturing)

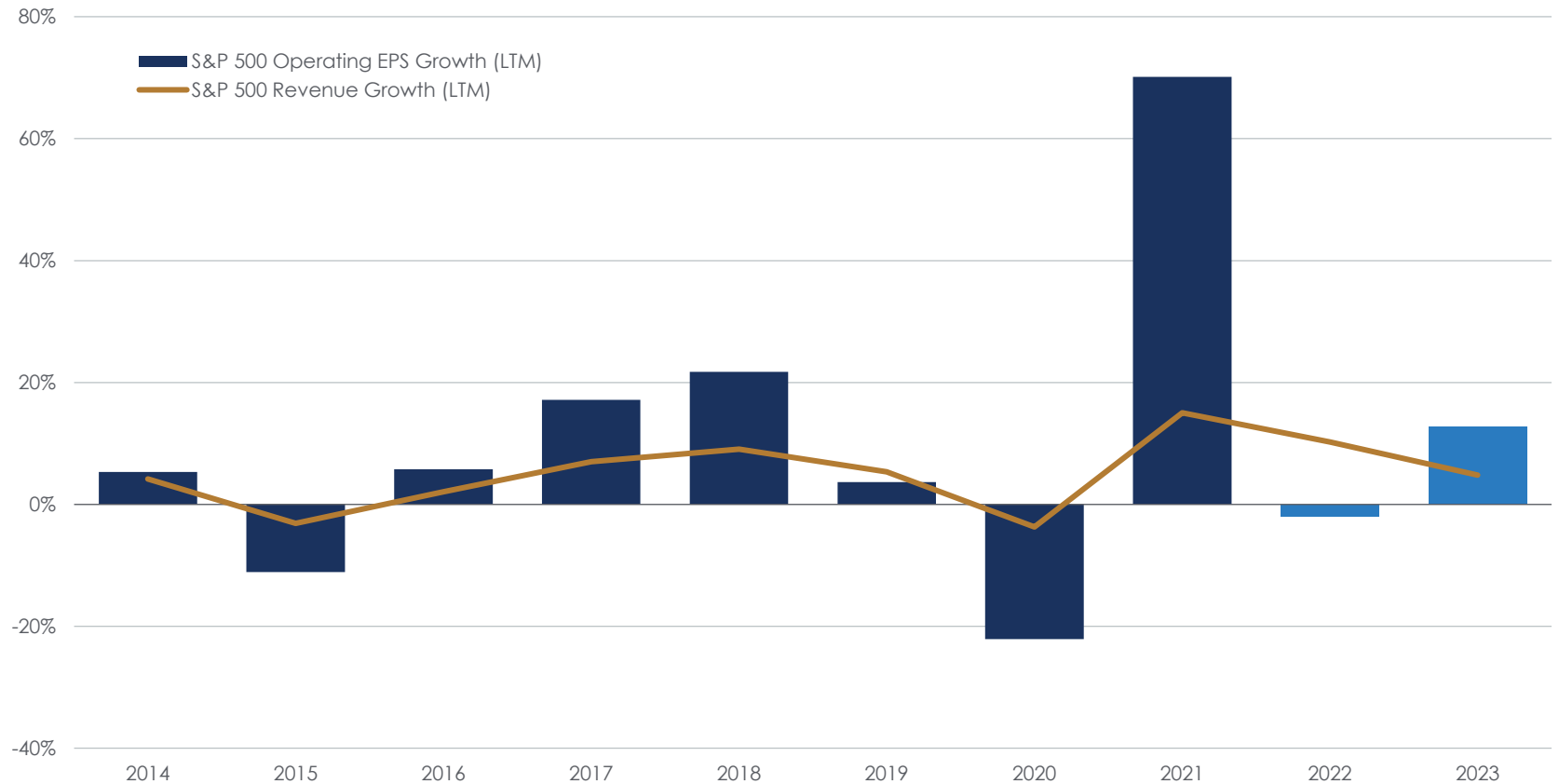


Source: ISM, Markit

According to FactSet, the bottom-up target price target for the S&P 500 over the next 12 months is 4,475, which is 18.7% above the closing price of 3,770. At the sector level, the Communication Services (+39.9%) sector is expected to see the largest price increase. On the other hand, the Energy (+7.0%) and Industrials (+9.4%) sectors are expected to see the smallest price increases.

Corporate Profitability

S&P 500 Operating Earnings Per Share and Revenue Per Share Growth (Y/Y % Change)

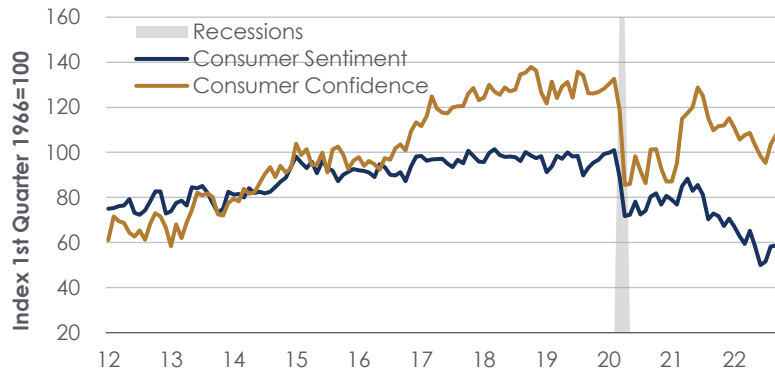


Source: S&P Dow Jones Indices (Reported monthly)

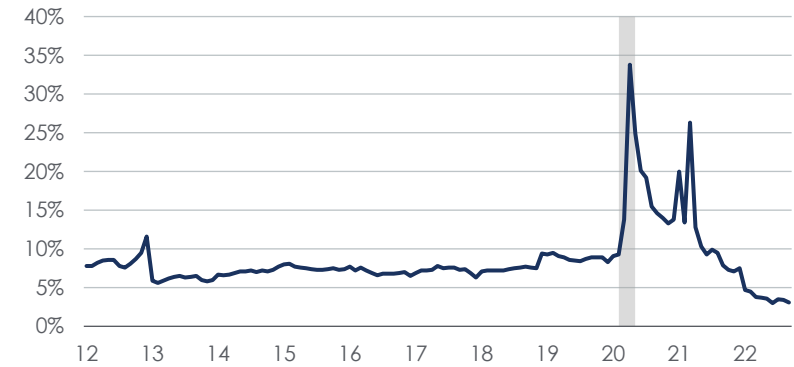
Consumer confidence retreated in October, after advancing in August and September. The Present Situation Index fell sharply, suggesting economic growth slowed to start Q4. Consumers' expectations regarding the short-term outlook remained dismal. Notably, concerns about inflation picked up again, with both gas and food prices serving as main drivers. Looking ahead, inflationary pressures will continue to pose strong headwinds to consumer confidence and spending. But with strong employment and decent wage growth, select retailers should do well. Those with high inventory and deep discounting will not.

Consumer Outlook

Consumer Sentiment & Confidence Indexes



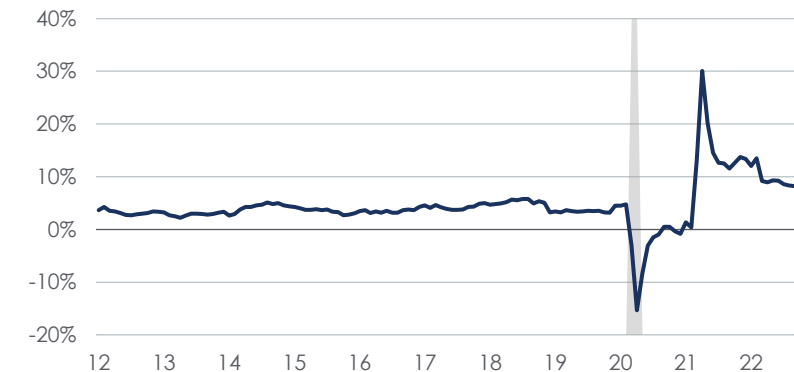
Personal Saving Rate (Seasonally Adjusted Annual Rate)



Disposable Personal Income (Y/Y % Change)



Personal Consumption Expenditures (Y/Y % Change)



Source: Thomson Reuters/University of Michigan, Conference Board, U.S. Bureau of Economic Analysis (Reported monthly)



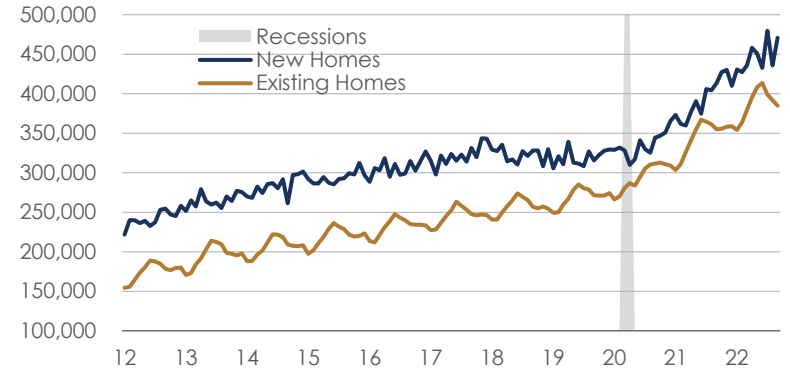
Contracts to buy U.S. previously owned homes fell for a fourth straight month in September as the housing market continued to buckle under the strain of higher mortgage rates. The National Association of Realtors said its Pending Home Sales Index, based on signed contracts, dropped 10.2% last month. The housing market has been the sector hardest hit by the Fed's aggressive interest rate hikes. With further policy tightening expected, mortgage rates have soared. The 30-year fixed mortgage rate averaged 7.08% this week, according to data from mortgage finance agency Freddie Mac.

Housing Market Outlook

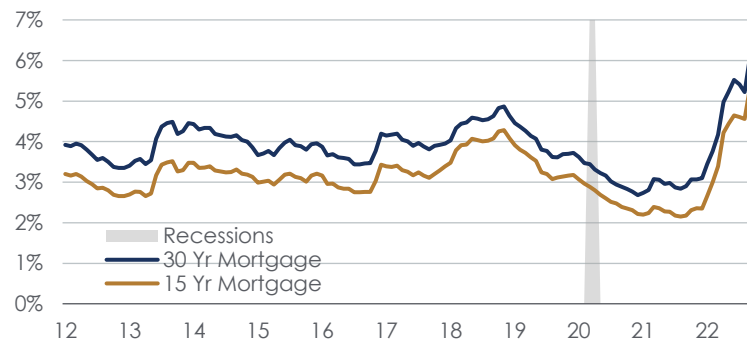
Housing Affordability (higher = more affordable)



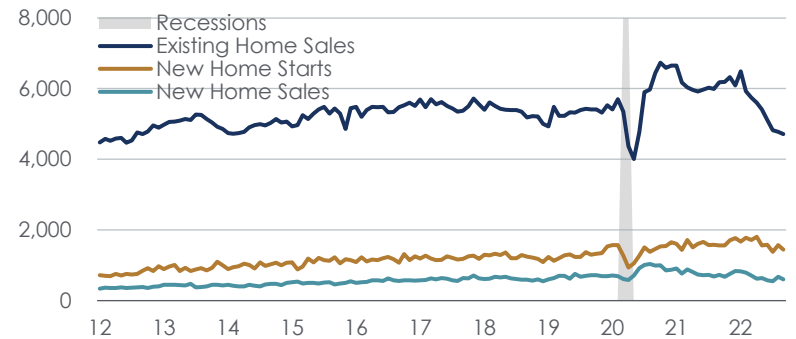
Median Selling Price of New and Existing Homes



Average Fixed Rate Mortgage in the U.S.®



Housing Starts, Existing Home Sales and New Home Sales (000's)

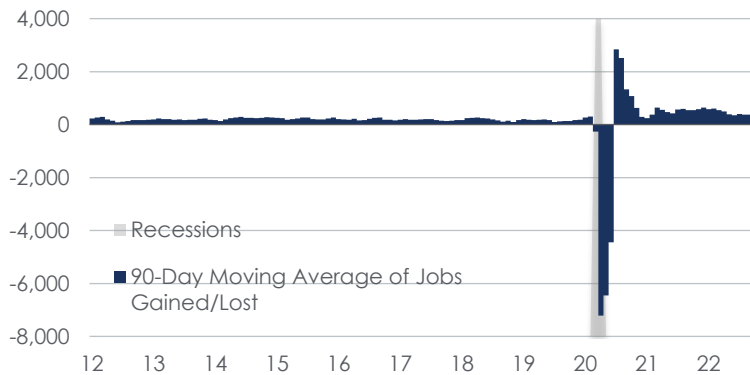


Source: National Association of Realtors, Freddie Mac, U.S. Bureau of the Census (Reported monthly)

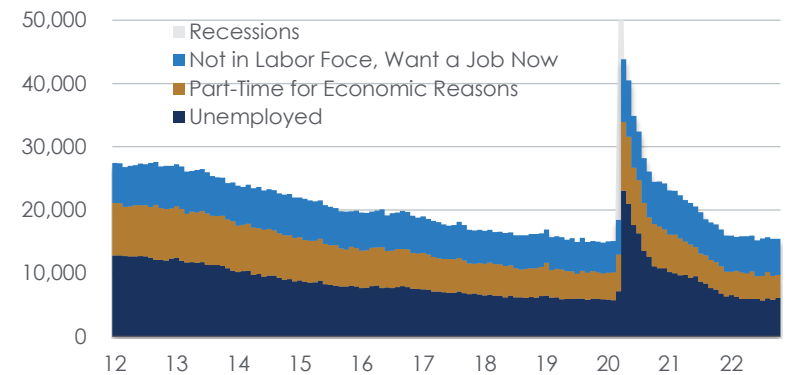
Tiny cracks are beginning to emerge in the U.S. labor market. Businesses boosted hiring in October by 261,000, which was more than expected, and average hourly earnings accelerated from September, according to a Labor Department report. But the jobless rate rose to 3.7% and the gain in payrolls was the smallest since the end of 2020 and the annual advance in earnings dipped below 5% for the first time since last year. The broad takeaway is a job market that's cooling albeit not very quickly.

Labor Market Outlook

Jobs Gained/Lost (000's) with 12-Month Moving Average



Labor Market Slack (000's)



Wage Growth (Y/Y % Change)



Labor Force Participation Rate



Source: U.S. Bureau of Labor Statistics, (Reported monthly, Wage Growth reported quarterly)



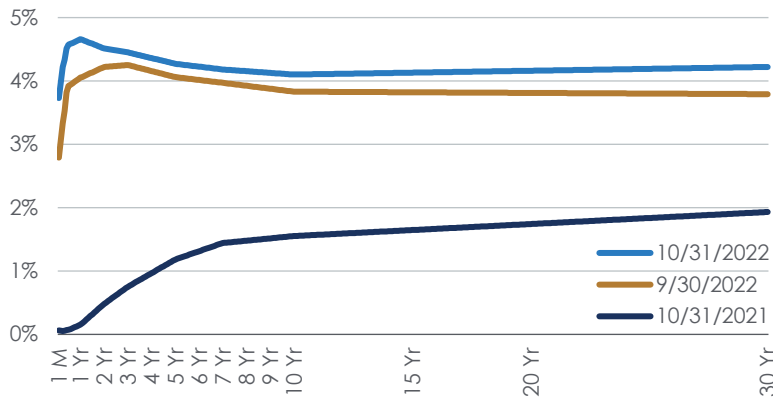


Bond Market Perspective

Valuations have improved markedly due to the rate selloff in response to tightening by the US Federal Reserve. In our view, the sharp increase in rates is setting up the Treasury market for potentially better total returns, recognizing that long-term performance has tended to correlate highly with starting yields. Given the Fed's focus on inflation, upside risks to rates remain and serve as a headwind to EM given the longer duration profile of the asset class. For investors willing to tolerate potential near-term elevated levels of volatility, the outlook for long-term returns is the most attractive in years.

U.S. Treasury Market

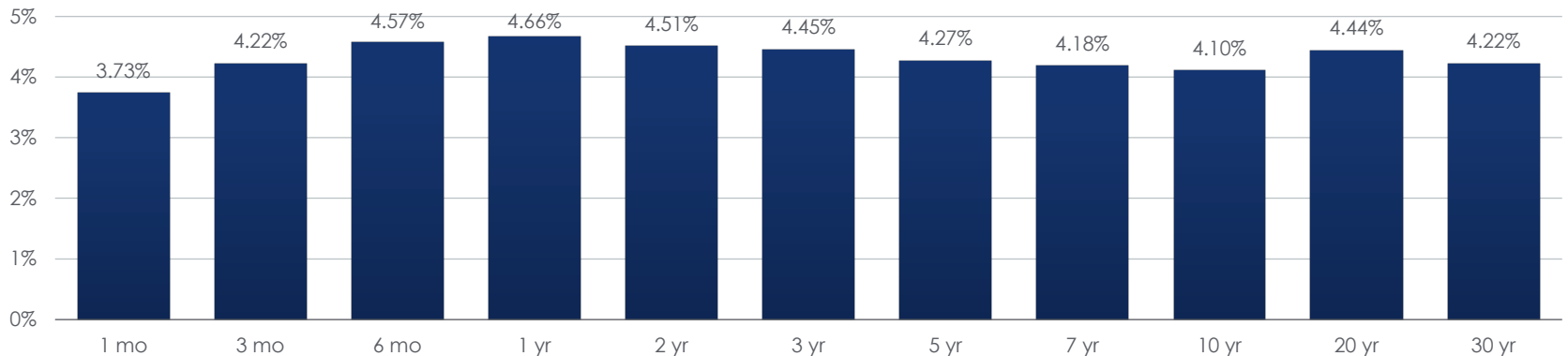
U.S Treasury Yield Curve



Historical U.S. 10-Year Treasury Rate



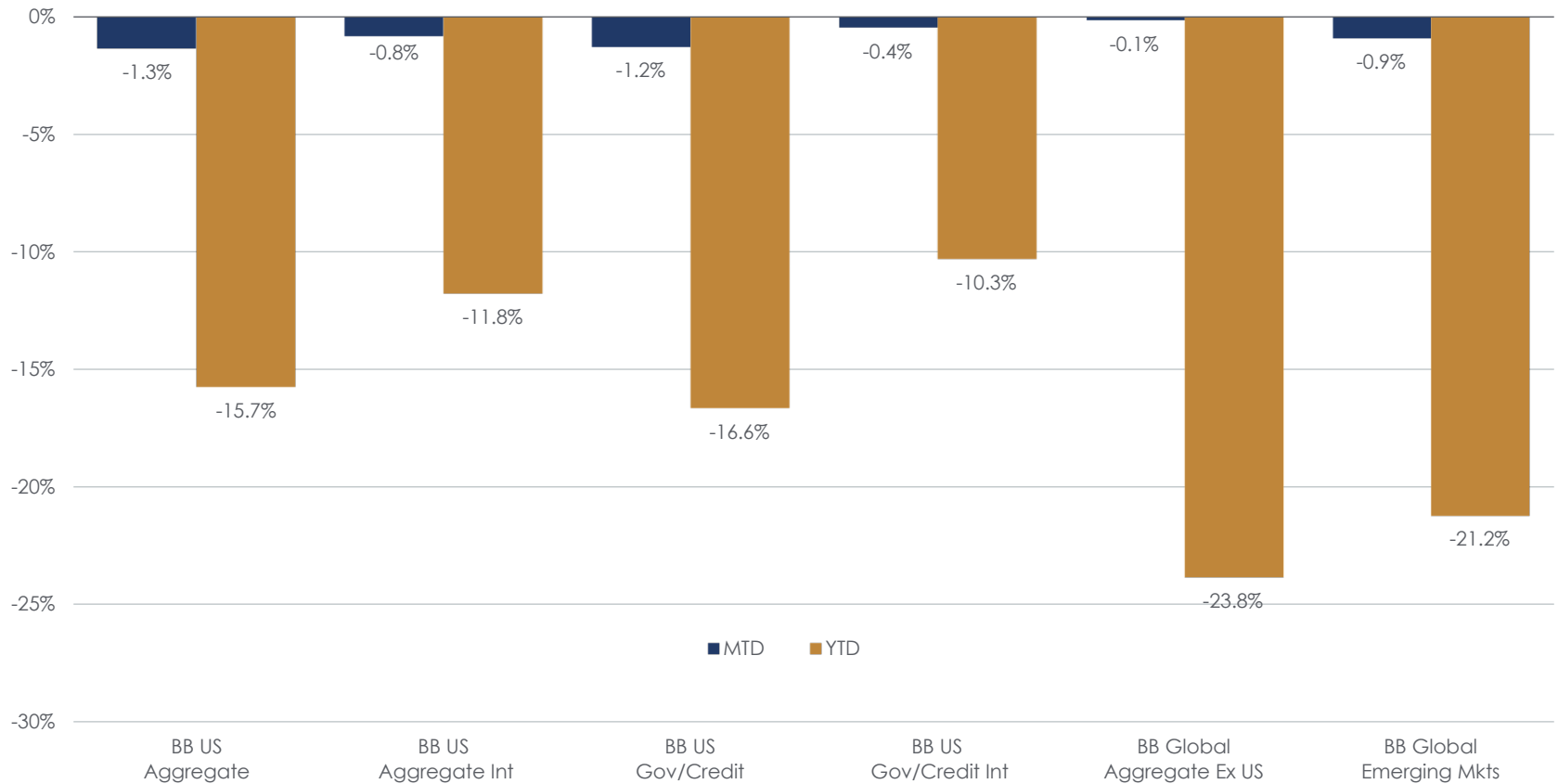
Current U.S. Treasury Yields by Maturity



Source: U.S. Department of Treasury



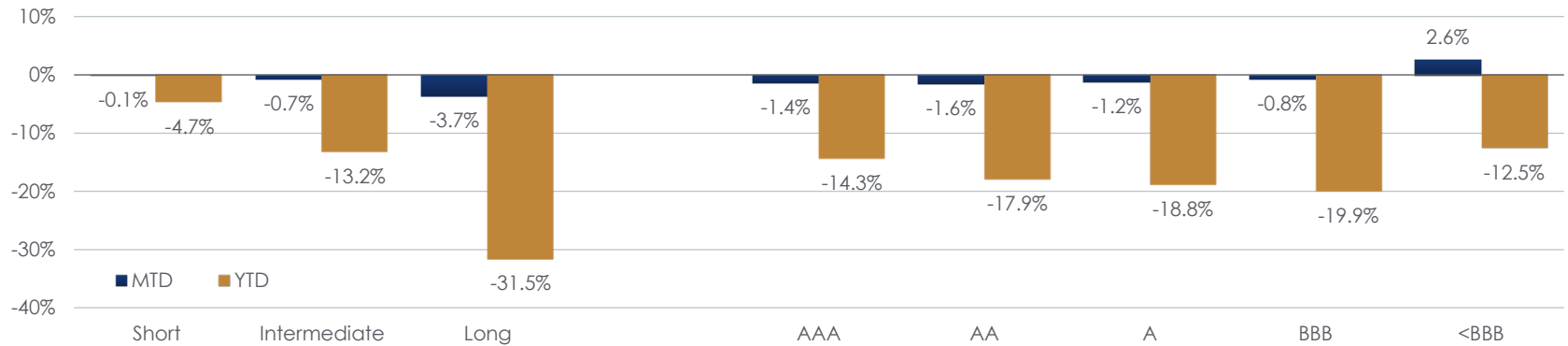
Global Fixed Income Returns by Bellwether Index



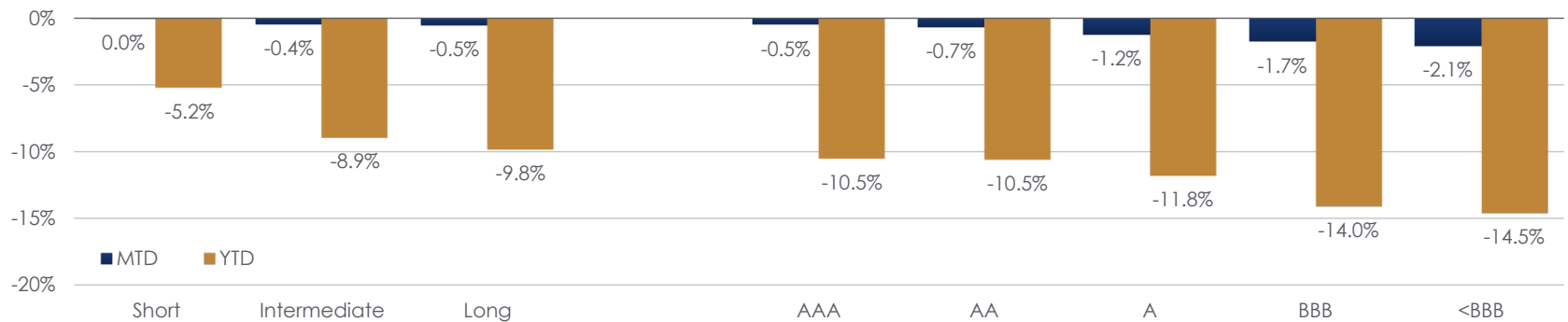
Source: Bloomberg Barclays (BB)

Domestic Fixed Income Returns by Maturity and Credit Quality

Domestic Bond Market - Taxable



Domestic Bond Market - Municipal

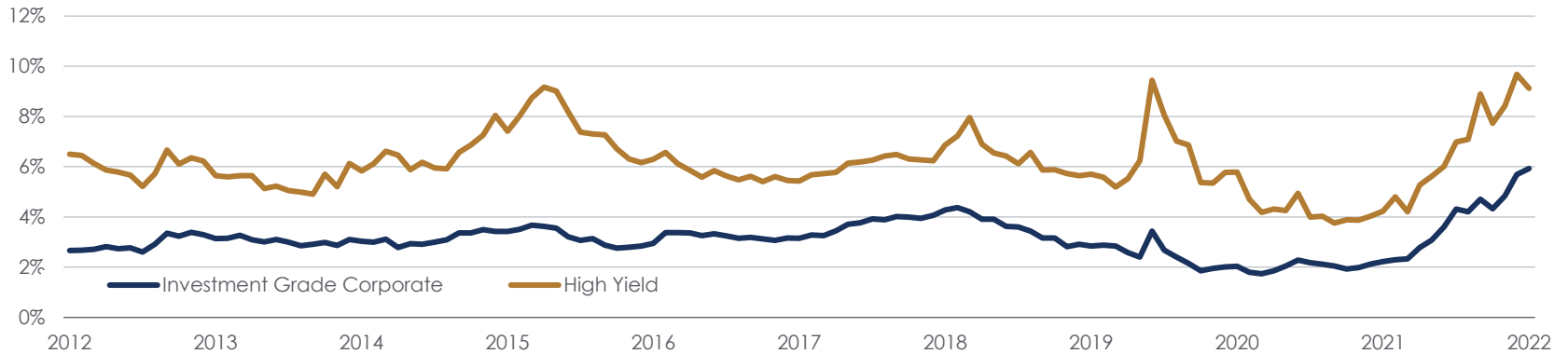


Short is defined as 1-3 years for taxable and 3 years for municipal, Intermediate is 5-7 years for taxable and 6-8 years for municipal, Long is 10+ years for taxable and 8-12 years for municipal. Source: Bloomberg Barclays Aggregate Bond Index (taxable bond market) and Bloomberg Barclays Municipal Index (municipal bond market).

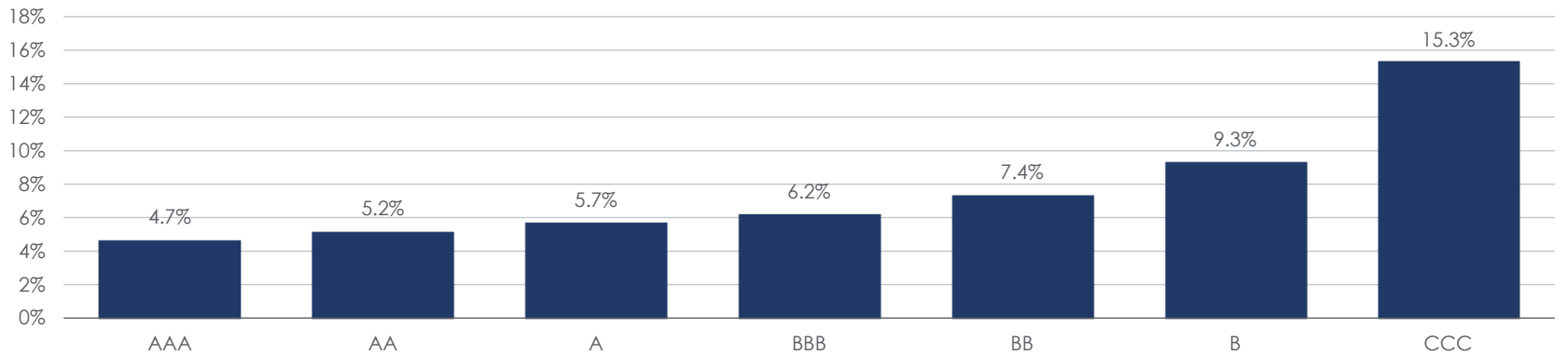


Domestic Corporate Bond Yields

Historical Corporate Bond Market Yield to Worst



Current Corporate Bond Market Yields by Credit Quality

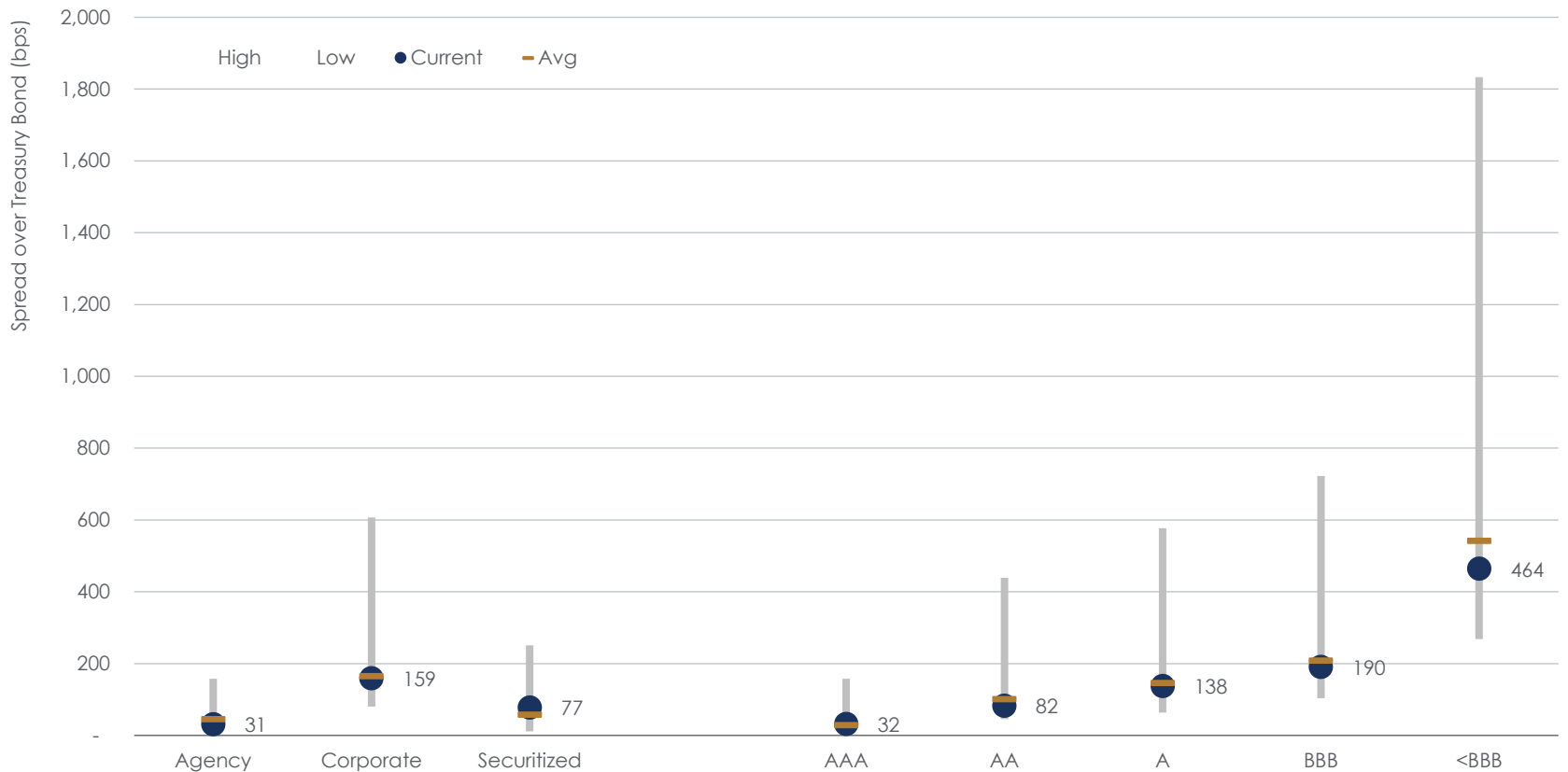


Investment Grade Corporate bonds are represented by the Bloomberg Barclays U.S. Corporate Investment Grade index. High Yield bonds are represented by the Bloomberg Barclays U.S. Corporate High Yield index. Source: Bloomberg Barclays

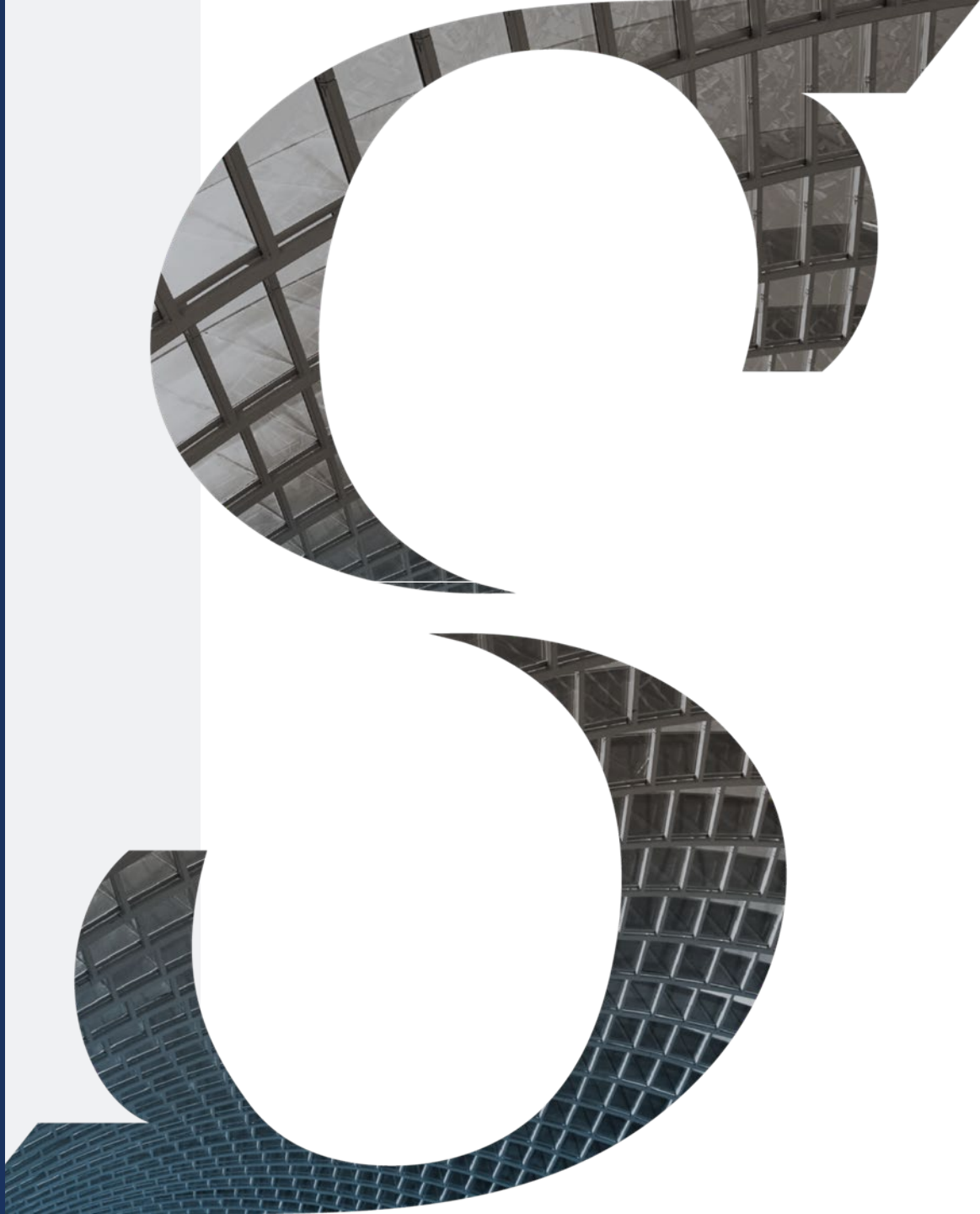


Domestic Taxable Bond Spreads

Current Bond Spreads Compared to 15-Year Range and 15-Year Average



The length of each bar represents the Range of the highest and lowest spread to the Treasury benchmark over the past 15 years. Average represents the average spread over the past 15 years. Current represents the most recent month. Source: Bloomberg Barclays

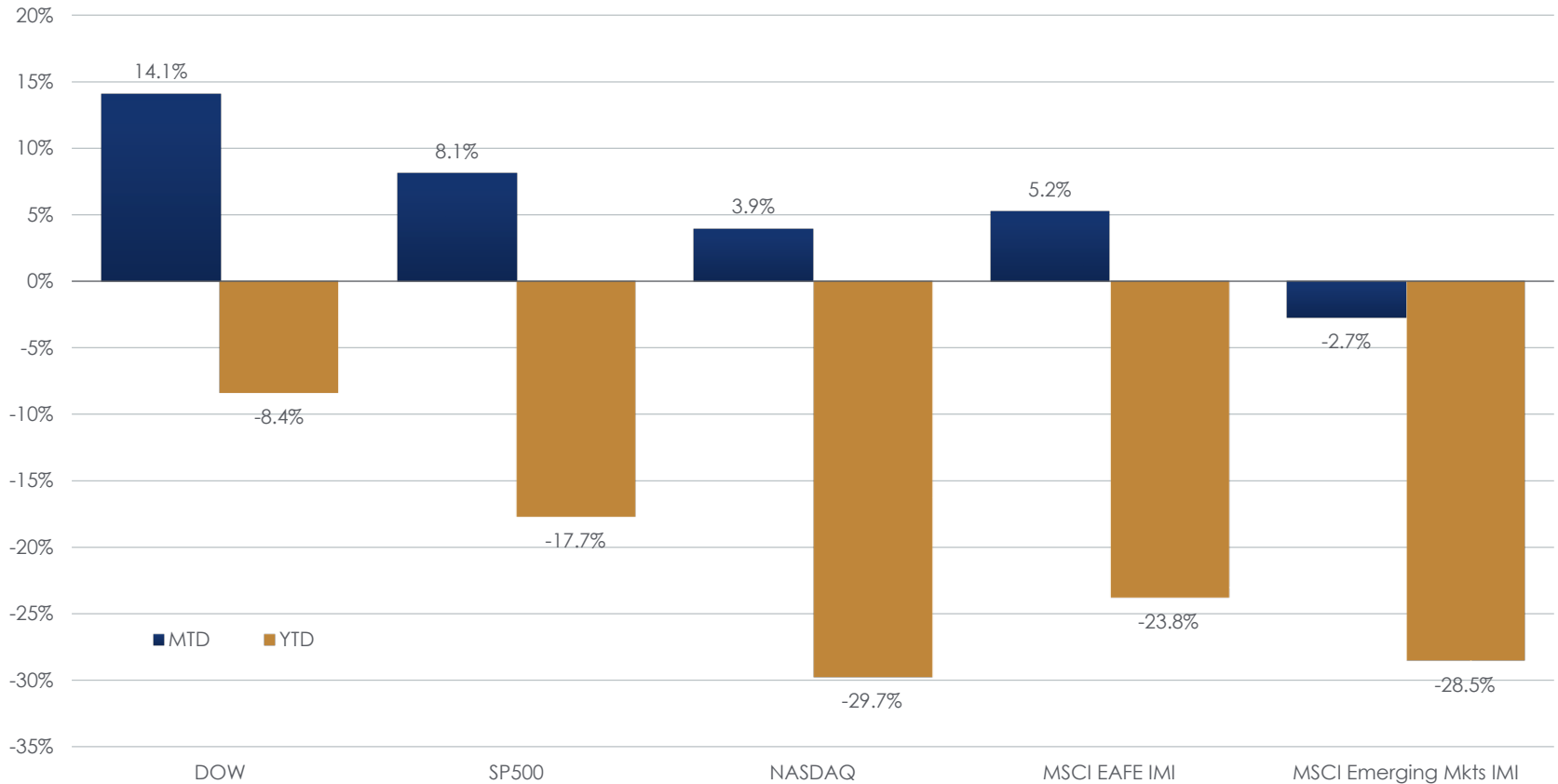


Equity Market Perspective

Global stock markets rebounded in October as decent corporate earnings, a discounted stock market, and hope that the global central banks will slow the rate of interest rate hikes helped investors overcome concerns over high inflation, elevated interest rates, and the heightened risk of a global recession. The blue-chip Dow Jones Industrial Average had its best month since 1976, up over 14%. Stocks in China sold off sharply in October due to President Xi Jinping's election to an unprecedented 3rd term, which raises the risk of more lockdowns, greater corporate regulation, and aggression towards Taiwan.

Global Equity Returns by Bellwether Index

Global Equity Markets

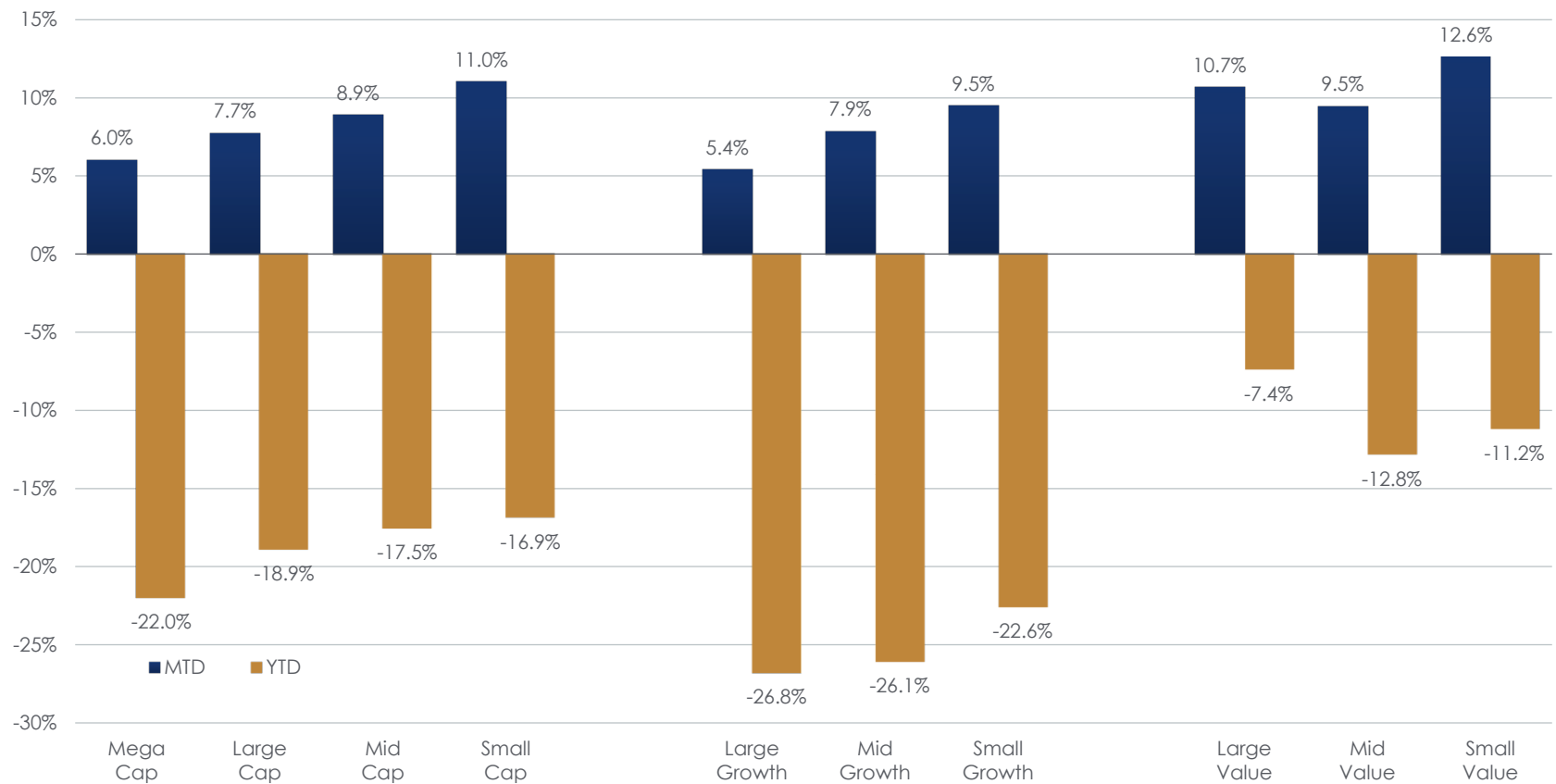


Source: S&P Dow Jones, NASDAQ, MSCI



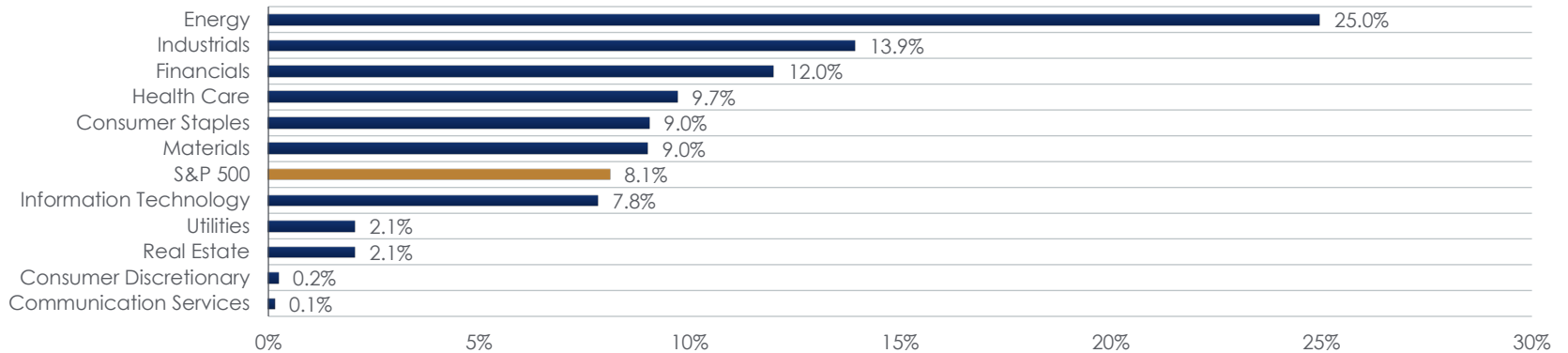
Domestic Equity Returns by Market Cap & Style

Domestic Equity Markets

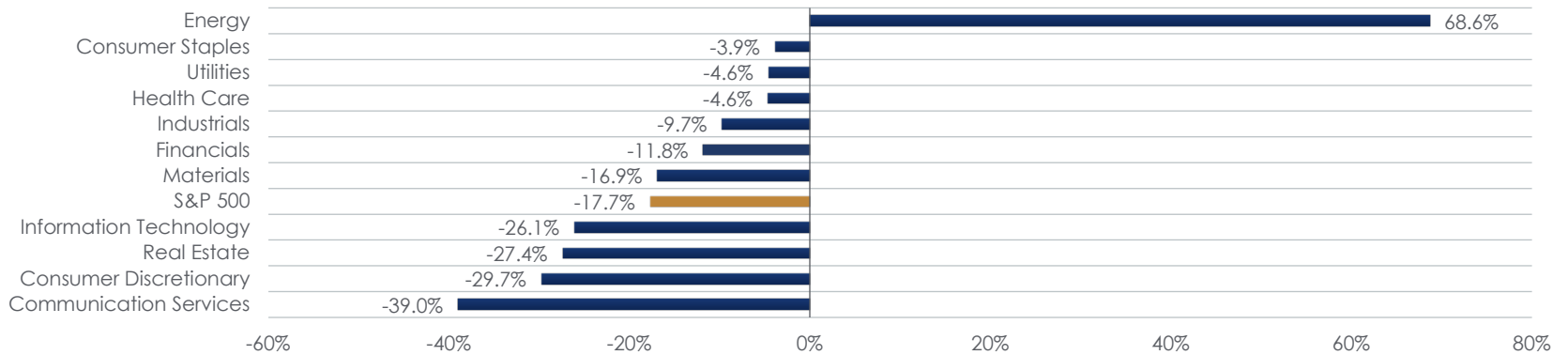


Domestic Equity Returns by Sector

MTD S&P 500 Returns by Sector

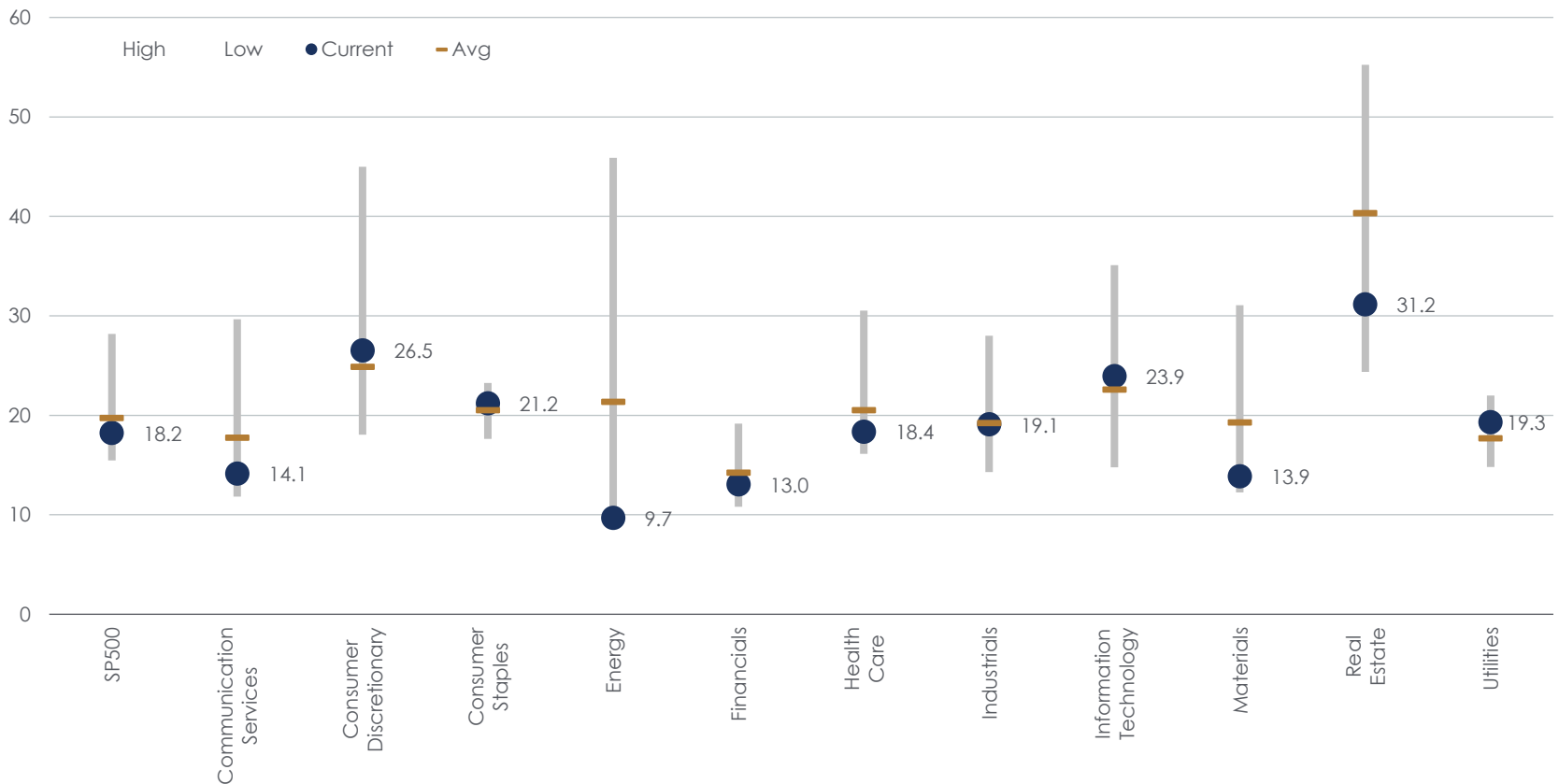


YTD S&P 500 Returns by Sector



Domestic Equity Valuations by Sector

Trailing 12 Month P/E Ratio Compared to 10-Year Range and 10-Year Average



P/E ratios are based on trailing 12 months earnings (LTM) excluding negative earnings. The length of each bar represents the Range of the highest and lowest P/E ratio over the past 10 years. Average represents the average P/E ratio over the past 10 years. Current represents the most recent month. Source: Bloomberg

Economic Indicator Descriptions

Real Gross Domestic Product (GDP): GDP is a basic measure of U.S. economic output adjusted for inflation. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S. Positive GDP growth signals an expanding economy.

Consumer Price Index (CPI): Measuring the change in the CPI provides an estimate for inflation. The CPI tracks the price of a basket of consumer goods and services. High inflation or deflation (negative inflation) can be signs of economic worry. CPI is typically reported in two ways: headline and core CPI. Headline CPI includes all categories that comprise the CPI basket of goods and services.

Personal Consumption Expenditure Chain-type Price Index (PCEPI): Measuring the change in the PCEPI provides an estimate for inflation. In comparison to CPI, which uses one set of expenditure weights for several years, this index uses expenditure data from the current period and the preceding period. This price index method assumes that the consumer has substituted from goods whose prices are rising to goods whose prices are stable or falling. Core PCEPI, which is closely monitored by the Fed, strips out the more volatile Food and Energy categories.

Conference Board Index of Leading Economic Indicators (LEI): The LEI is designed to signal peaks and troughs in the business cycle. The ten components include: average weekly manufacturing hours; average weekly initial claims for unemployment insurance; manufacturers' new orders for consumer goods and materials; ISM® Index of New Orders; manufacturers' new orders for nondefense capital goods excluding aircraft orders; building permits for new private housing units; stock prices of 500 common stocks; Leading Credit Index™; interest rate spread on 10-year Treasury bonds less federal funds and average consumer expectations for business conditions.

The Institute for Supply Management (ISM) PMI Index: The PMI is a composite index of five "sub-indicators", which are extracted through surveys to purchasing managers from around the country. The five sub-indexes are: Production, New orders, Supplier deliveries, Inventories and Employment level. An Index value over 50 indicates expansion; below 50 indicates contraction.

The Institute for Supply Management (ISM) Non-manufacturing Index (NMI): The NMI is a composite index of four "sub-indicators", which are extracted through surveys to purchasing managers. The four sub-indexes: Business activity, New orders, Employment, Supplier deliveries. An Index value over 50 indicates expansion; below 50 indicates contraction.

Consumer Confidence Index (CCI): The Consumer Confidence Index is a well-known proxy for the attitudes of U.S. consumer towards the business climate, personal finances and spending. This index attempts to measure the confidence that consumers have in the overall economy. This is important because consumer spending accounts for a large portion of U.S. GDP.

Consumer Sentiment Index (MCSI): The MCSI uses telephone surveys to gather information on consumer expectations regarding the overall economy. The MCSI is becoming more useful for investors because it gives a monthly snapshot of whether consumers feel like spending money by accessing their views on the business climate, personal finance, and spending in order to judge their level of optimism/pessimism. This is important because consumer spending accounts for a large portion of U.S. GDP.

Disposable Personal Income per Capita (DPI): DPI is the amount of money that households have available for spending and saving after income taxes have been accounted for. DPI is monitored to gauge the overall state of the economy.

Personal Consumption Expenditures (PCE): PCE consists of the actual and imputed expenditures of households including durables, non-durables and services.

Retail Sales: The retail sales report captures in-store sales as well as catalog and other out-of-store sales. The report also breaks down sales figures into groups such as food and beverages, clothing, and autos. The results are often presented two ways: with and without auto sales being counted, because their high sticker price can add extra volatility to the data.

Housing Affordability Index (HAI): Published monthly by the National Association of Realtors, the HAI index has a value of 100 when the median-income family has sufficient income to purchase a median-priced existing home. A higher index number indicates that more households can afford to purchase a home.

Unemployment Rate: Calculated monthly by the Bureau of Labor Statistics, the unemployment rate is a gauge of the health of the U.S. labor market. High unemployment can stifle the growth of the economy.

Wage Growth: Calculated quarterly by the Bureau of Labor Statistics, the employment cost index measures the growth of employee compensation (wages and benefits). The index is based on a survey of employer payrolls in the final month of each quarter. The index tracks movement in the cost of labor, including wages, fringe benefits and bonuses for employees at all levels of a company. We are using the wage component of this index.

Benchmark Descriptions

U.S. Aggregate Bond: The Barclays U.S. Aggregate Bond Index measures the performance of USD-denominated, SEC-registered, investment-grade, fixed-rate or step up, taxable bonds. The index includes bonds from the Treasury, Government-Related, Corporate and MBS, ABS, and CMBS sectors. Securities included in the index must have at least one year until final maturity.

U.S. Treasury: The Barclays Capital U.S. Treasury Index measures the performance of public obligations of the U.S. Treasury with a remaining maturity of one year or more.

U.S. Agency: The Barclays Capital U.S. Agency Bond Index measures the performance of the agency sector of the U.S. government bond market and is comprised of investment-grade USD-denominated debentures issued by government and government-related agencies, including FNMA. The index includes both callable and non-callable securities that are publicly issued by U.S. government agencies, quasi-federal corporations, and corporate and foreign debt guaranteed by the U.S. government.

U.S. Corporate: The Barclays Capital U.S. Corporate Bond Index measures the performance of publicly issued USD-denominated corporate and Yankee debentures and secured notes that meet specified maturity, liquidity, and quality requirements.

U.S. MBS: The Barclays Capital U.S. Mortgage Backed Securities Index measures the performance of mortgage-backed pass-through securities of Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

U.S. Municipal Bond: The Barclays Capital Municipal Bond Index measures the performance of the USD-denominated, investment grade, fixed-rate tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds. Securities included in the index must have at least one year until final maturity.

General Obligation Bond Index: The Barclays General Obligation Bond Index measures the average market-weighted performance of general obligations securities that have been issued in the last five years with maturities greater than one year.

Revenue Bond Index: The Barclays Revenue Bond Index measures the average market-weighted performance of revenue backed securities that have been issued in the last five years with maturities greater than one year.

Investment Style: Performance of different types of stocks will vary over time. A common way to characterize a stock is by market capitalization (e.g., large cap or small cap) or style (e.g., value or growth).

Large Cap vs. Small Cap: Large companies tend to be more established companies and therefore exhibit lower volatility. Over an extended period of time, expected returns of small cap companies are often higher due to the risks associated with smaller, less established companies.

Value vs. Growth: Value companies typically trade at discount valuations and may pay a dividend. Growth companies are those that are experiencing greater earnings growth prospects.

Mega Cap: The Russell Top 50 Index measures the performance of the top 50 largest companies in the Russell 1000 Index, which represents approximately 40% of the total market capitalization of the Russell 1000 Index.

Large Cap: The Russell Top 200 Index measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 68% of the total market capitalization of the Russell 1000 Index.

Mid Cap: The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 36% of the total market capitalization of the Russell 1000 Index.

Small Cap: The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Large Cap Growth: The Russell 1000 Growth Index measures the performance of those Russell 1000 index companies with higher price-to-book ratios and higher forecasted growth values.

Large Cap Value: The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Mid Cap Growth: The Russell Midcap Growth Index measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Mid Cap Value: The Russell Midcap Value Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

Small Cap Growth: The Russell 2000 Growth Index measures the performance of those Russell 2000 Index companies with higher price-to-value ratios and higher forecasted growth values.

Small Cap Value: The Russell 2000 Value Index measures the performance of those Russell 2000 Index companies with lower price-to-book ratios and lower forecasted growth values.

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