OneAscent INVESTMENTS

Weekly Update – September 25, 2023

Market Returns Ending 9/22/2023			
Category	**1 Week**	**3Q**	**YTD**
US			
Large Cap	-2.9%	-2.6%	13.9%
Mid Cap Growth	-3.2%	-5.9%	9.1%
Mid Cap Value	-3.0%	-4.1%	0.9%
Small Cap	-3.8%	-5.7%	1.9%
International			
Developed	-1.7%	-2.4%	9.5%
Emerging	-2.9%	-2.5%	2.4%
Bonds			
Aggregate	-0.9%	-2.65%	-0.6%
High Yield	-0.7%	0.8%	6.3%

US Equity Style Returns

Weekly

	Value	Core	Growth
Large	-2.6	-3.0	-3.4
Mid	-3.0	-3.1	-3.2
Small	-3.7	-3.8	-3.9

YTD

	Value	Core	Growth
Large	2.7	13.7	25.3
Mid	0.9	4.0	9.1
Small	-1.1	1.9	4.6

Source: Bloomberg

Key Events: "We'll know it when we see it."

This was Federal Reserve Governor Powell's response when asked how he'll know that Fed policy is sufficiently restrictive to tame inflation and achieve a soft landing.

The economy faces three challenges in the coming weeks:

1. A contentious autoworkers strike
2. A likely government shutdown
3. Resumption of student loan payments.

Market review: A complacent market hits some potholes

The stock market didn't like Governor Powell's words, with most markets losing a couple percentage points.

Bonds lost ground as the market reacted to an uptick in inflation, driven in part by energy prices. Oil is trading above $90, an increase of 25% over the last three months.[i]

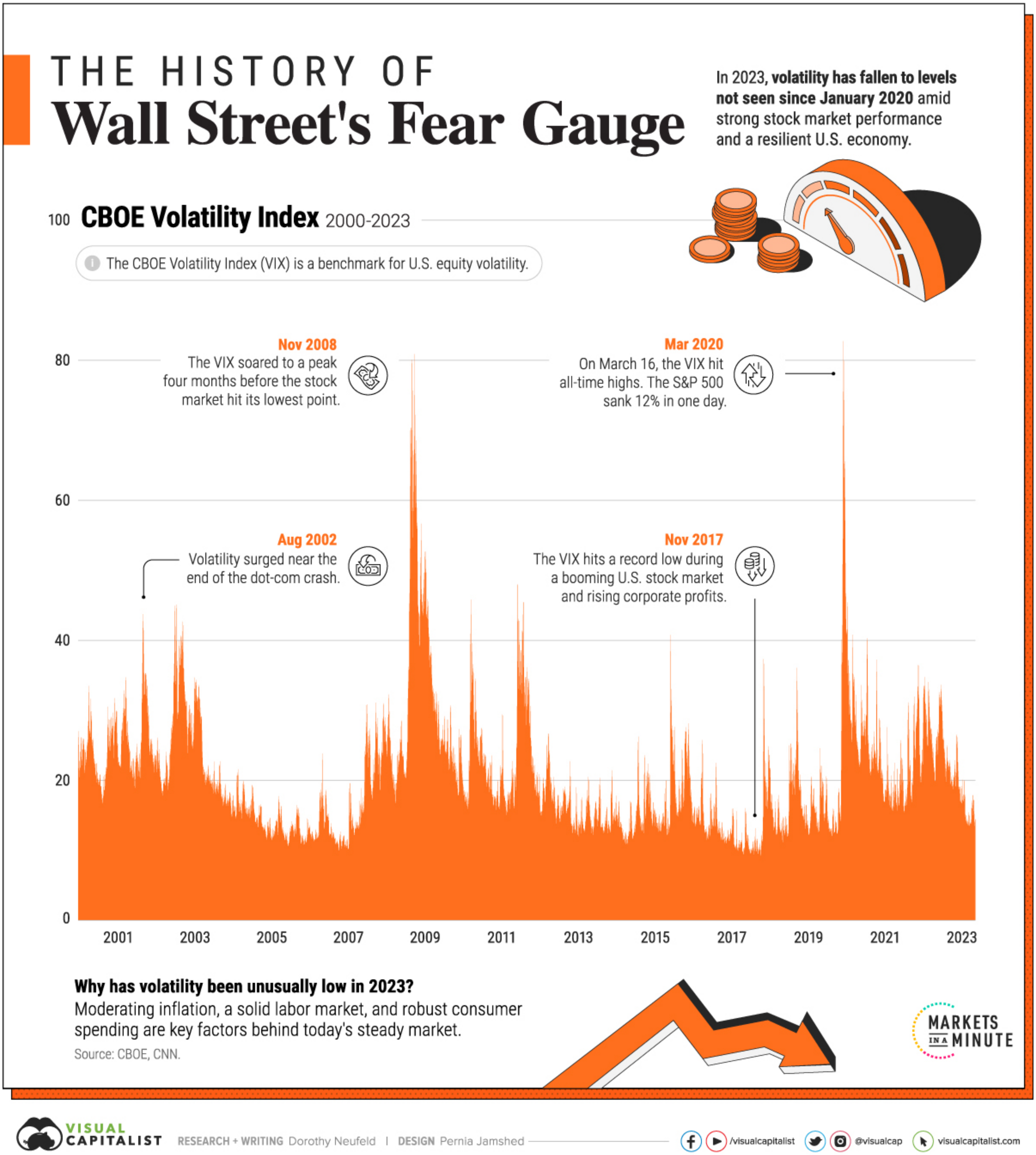
Outlook: Staying vigilant

While the market struggles with near-term volatility, we look to position portfolios to benefit from potential gains while limiting downside exposure. Part of how we do that is by being aware of what the market is telling us.

As can be seen below, Wall Street's "fear gauge," the VIX, has been declining this year. Another proxy for risk attitudes is the spread high-yield bonds pay over the yield of treasury bonds. That yield premium has drifted lower in recent weeks, indicating to us that the high yield market is also not particularly worried about risk.[ii]

To quote Warren Buffett, history teaches us to "be fearful when others are greedy and greedy when others are fearful." That applies to the complacency we see today. We remain cautious but fully invested in a diversified allocation, ready to take advantage of the opportunities a volatile market may provide.

Wall Street's Fear guage is low[iii]


THE HISTORY OF
Wall Street's Fear Gauge
In 2023, volatility has fallen to levels not seen since January 2020 amid strong stock market performance and a resilient U.S. economy.
CBOE Volatility Index 2000-2023
The CBOE Volatility Index (VIX) is a benchmark for U.S. equity volatility.
Nov 2008
The VIX soared to a peak four months before the stock market hit its lowest point.
Mar 2020
On March 16, the VIX hit all-time highs. The S&P 500 sank 12% in one day.
Aug 2002
Volatility surged near the end of the dot-com crash.
Nov 2017
The VIX hits a record low during a booming U.S. stock market and rising corporate profits.
100
80
60
40
20
0
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
2021
2023
Why has volatility been unusually low in 2023?
Moderating inflation, a solid labor market, and robust consumer spending are key factors behind today's steady market.
Source: CBOE, CNN.
MARKETS IN A MINUTE
VISUAL CAPITALIST
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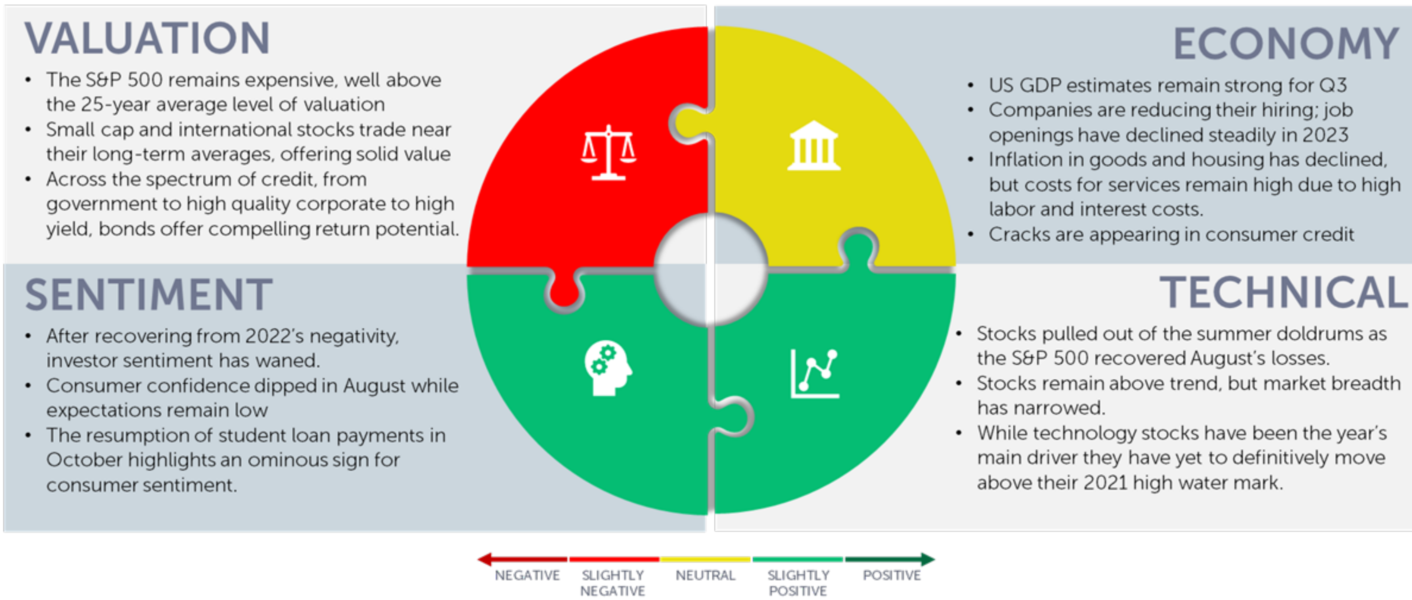
OneAscent Navigator Outlook: September 2023



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[i] Source: Bloomberg
[ii] Source: Federal Reserve Bank of St. Louis
[iii] Source: Charted: Market Volatility at its Lowest Point Since 2020 (visualcapitalist.com)
[iv] Market Returns reference the following indices: Large Cap – S&P 500, Mid Cap Growth – Russell Midcap growth, Mid Cap Value – Russell Midcap Value, Small Cap – Russell 2000, Developed – MSCI EAFE, Emerging – MSCI Emerging Markets, Aggregate – Bloomberg US Aggregate, High Yield – Bloomberg High Yield