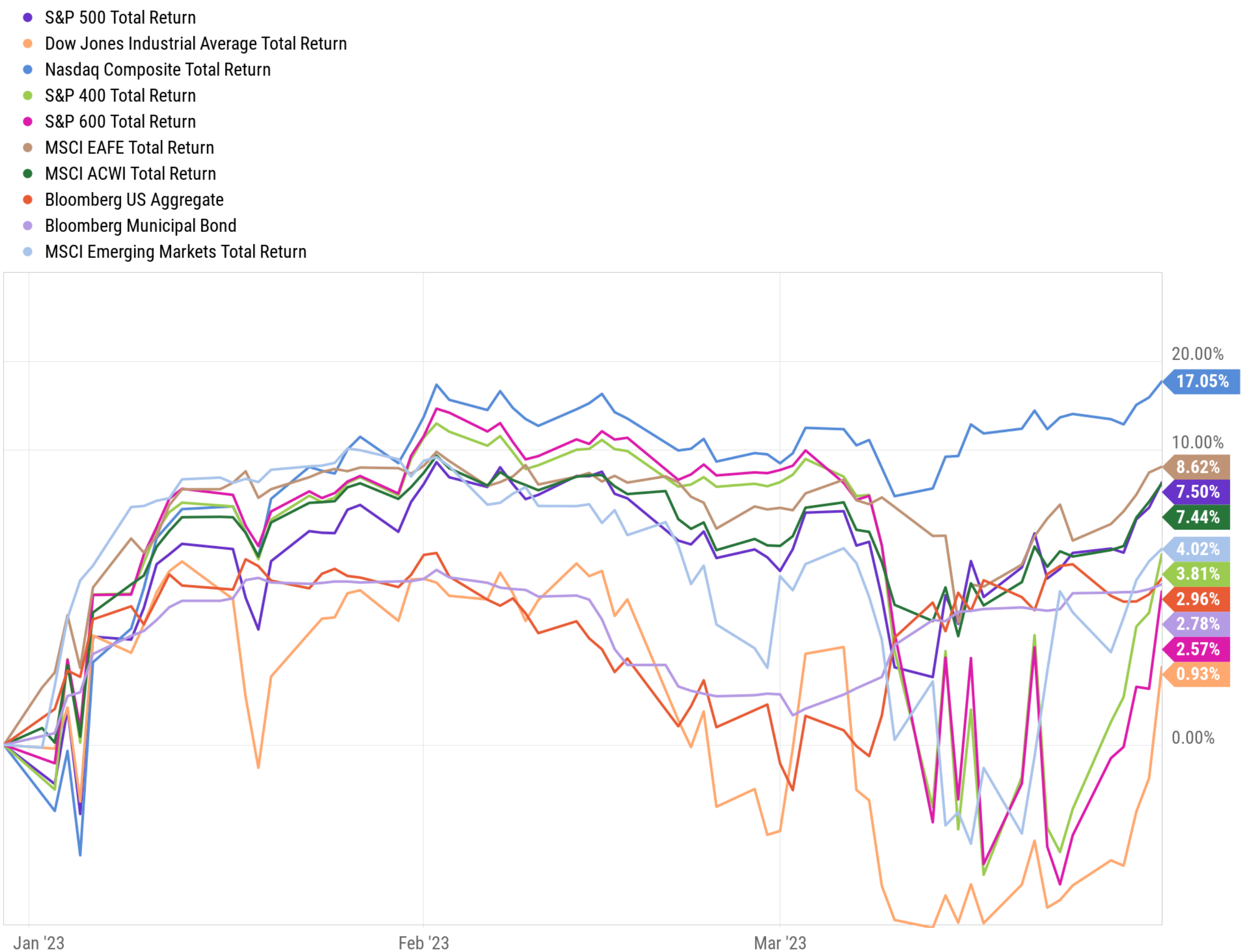
Tenet's Financial Market Quarter in Review

1st Quarter 2023

Major Index Returns – Q1 2023

All Major Indexes Ended Positive – Led by Tech/Growth Stocks & Developed International Stocks

Major Stock & Bond Indices Performance - YTD 2023



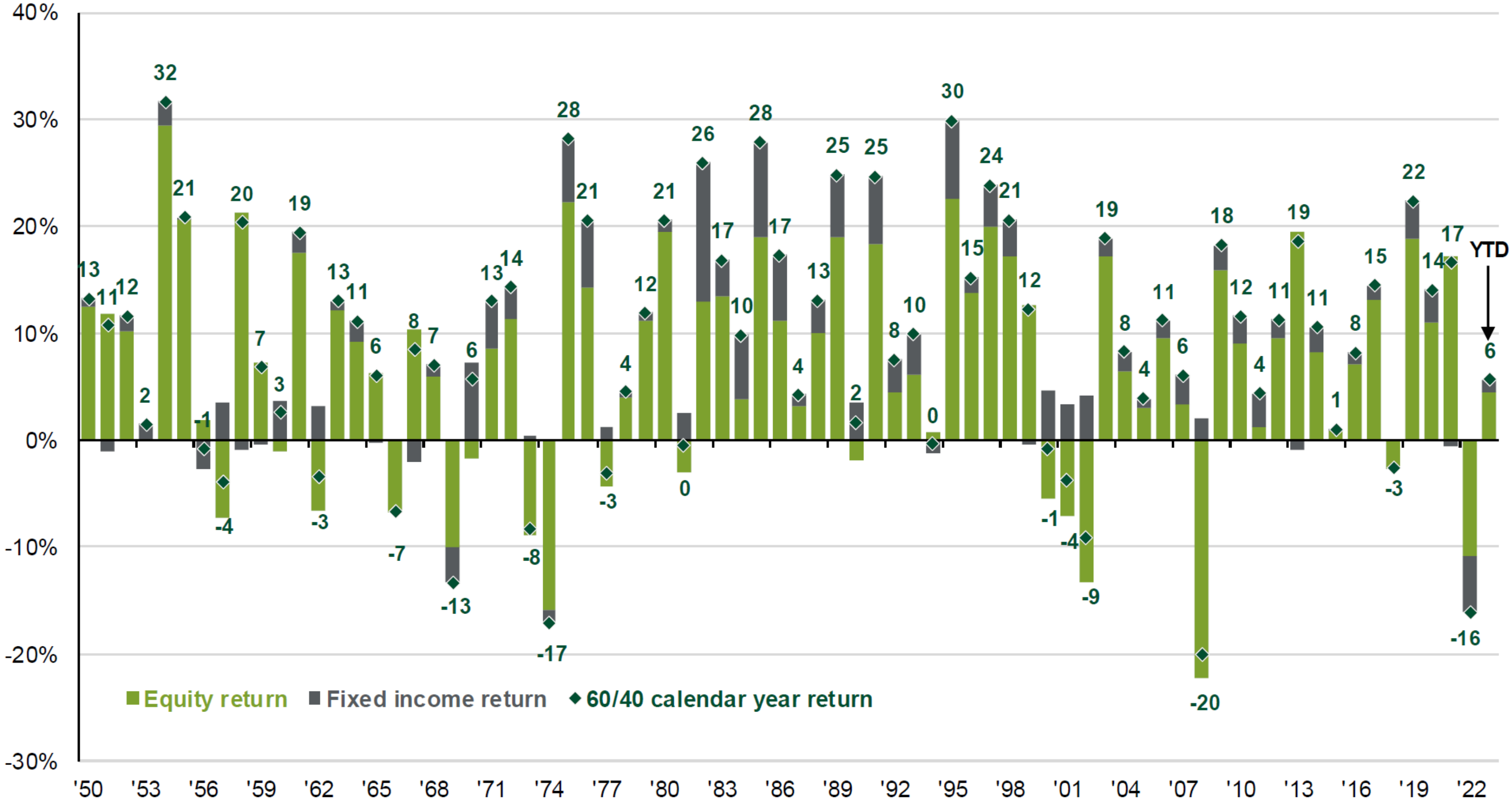
Date Range: 12/30/2022 - 03/31/2023

Apr 05 2023, 11:25AM EDT. Powered by YCHARTS

60/40 Portfolio Historical Performance from 1950-2022

60/40 annual return decomposition

Total returns, 1950 – present



Source: Bloomberg, FactSet, Ibbotson/Strategas, Robert Shiller, Standard & Poor's, Yale University, J.P. Morgan Asset Management.
The 60/40 portfolio is 60% invested in S&P 500 Total Return Index and 40% invested in Bloomberg U.S. Aggregate Total Return Index. S&P 500 returns from 1950 to 1970 are estimated using the Shiller S&P Composite. U.S. fixed income total returns from 1950 to 1975 are estimated using data from Strategas/Ibbotson. The portfolio is rebalanced annually.
Guide to the Markets – U.S. Data are as of March 31, 2023.

Key Risks – Q2 2023

1) Consumer / Job Market Pullback

2) Lower Corporate Earnings

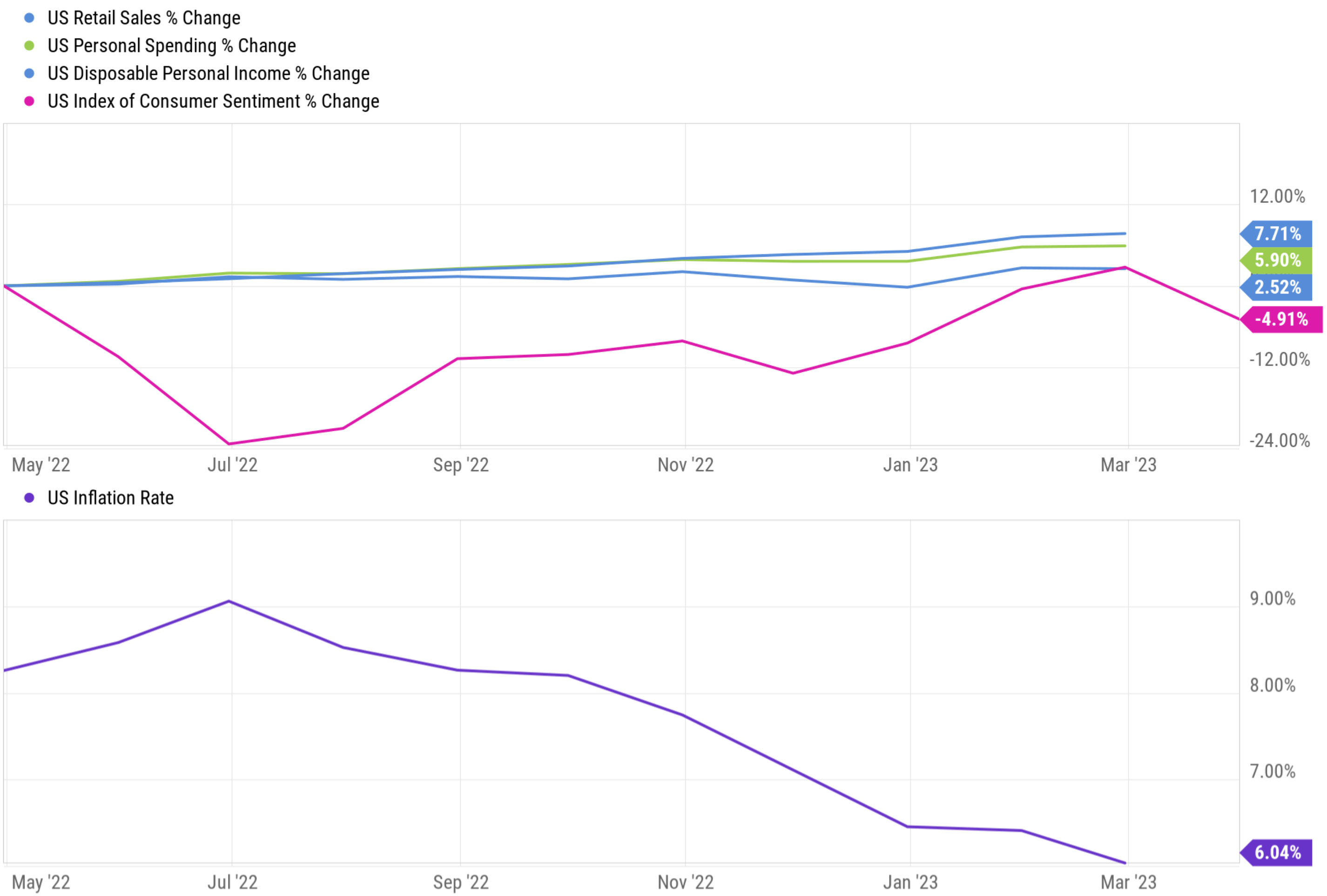
3) Persistent Inflation / Hawkish Fed

4) Recession (or “soft landing”?)

5) Geopolitical Strains Worsen

US Consumers Remain Resilient

The US Consumer & Inflation



Date Range: 04/30/2022 - 03/31/2023

Sources: Census Bureau, BEA, University of Michigan, BLS

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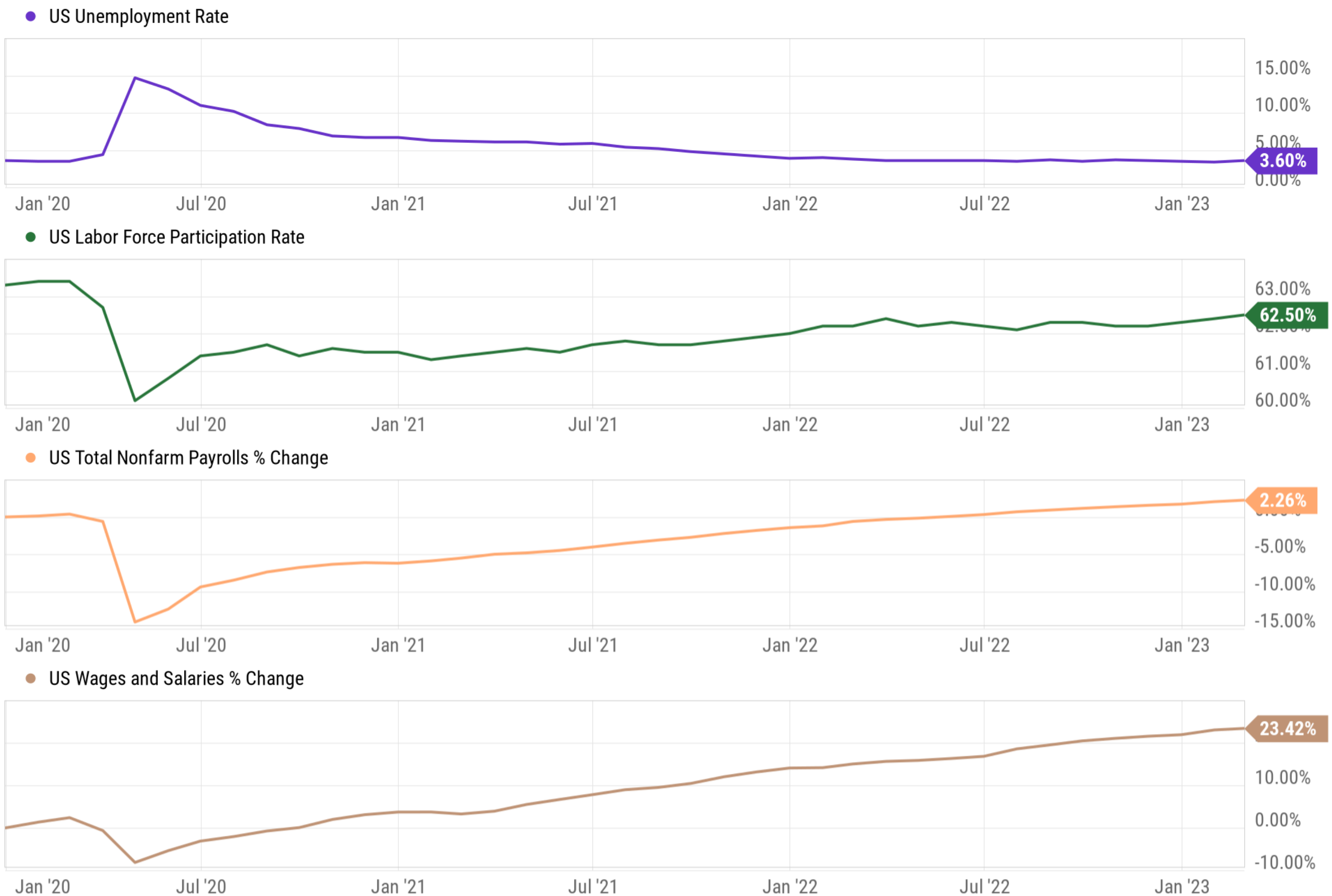
Robust Job Market Continues...But How Much Longer?



Date Range: 12/31/2019 - 02/28/2023

Sources: BLS, BEA

Apr 05 2023, 5:19PM EDT. Powered by YCHARTS

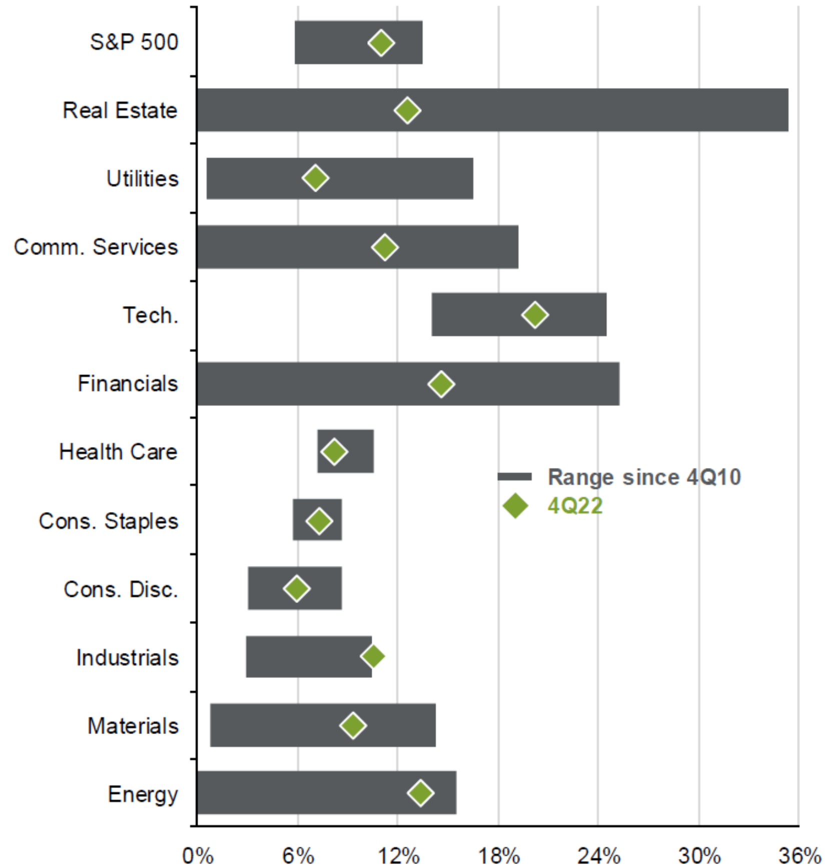
Corporate Profit Margins

S&P 500 profit margins

Quarterly operating earnings/sales

S&P 500 operating margins by sector

Current operating margins versus historical range*

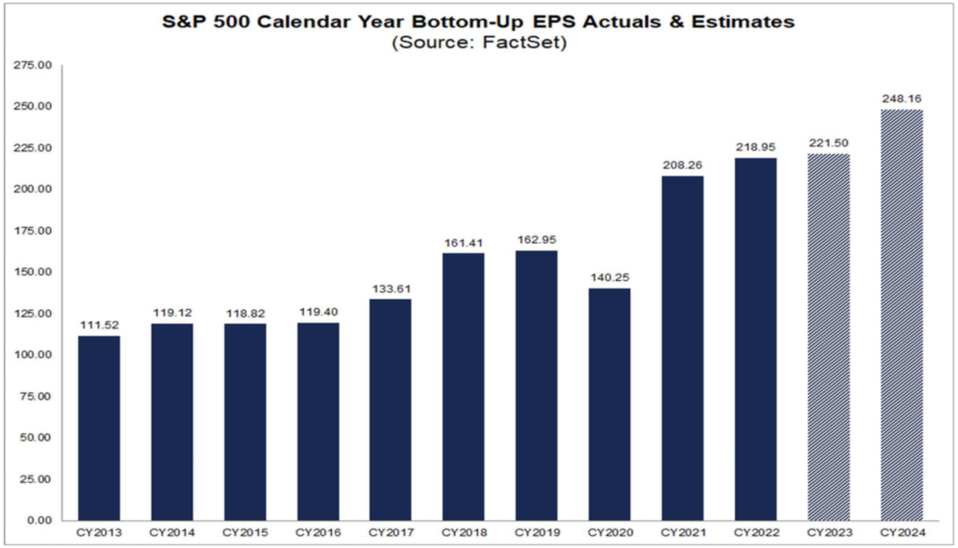


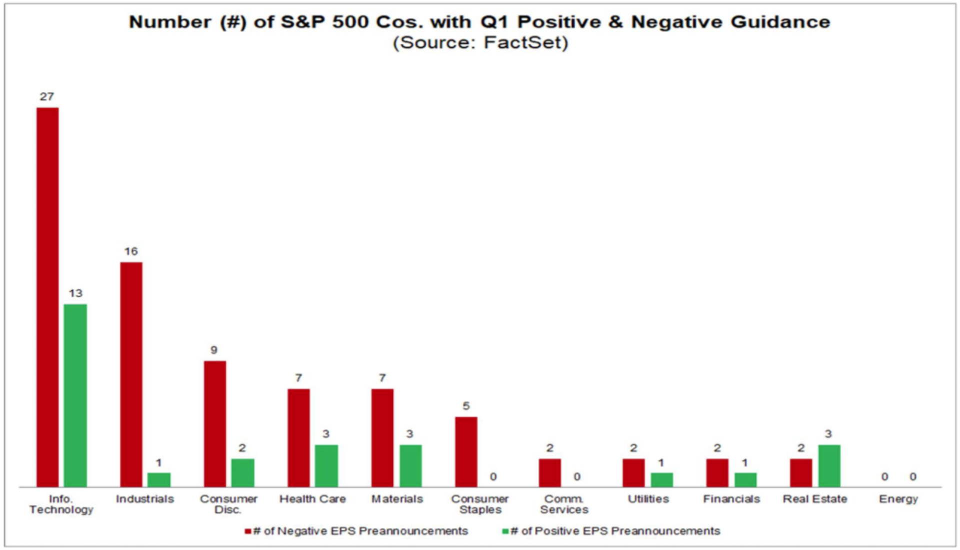
Source: Compustat, FactSet, NFIB, Standard & Poor's, J.P. Morgan Asset Management. Past performance is not indicative of future returns.
*Quarters with negative operating margins are not shown, with zero set as the lower bound for troughs.

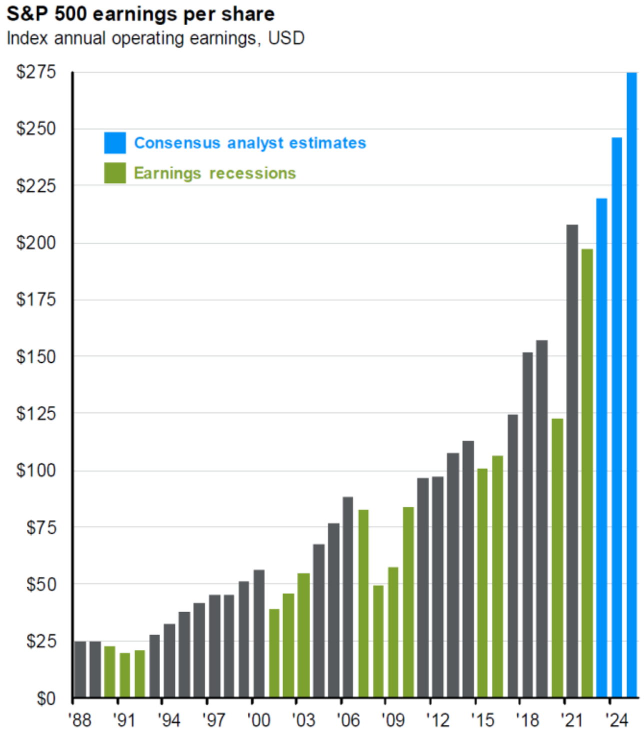
Image Sources: JP Morgan Guide to the Markets (3/31/23)

S&P 500 Earnings Per Share

‘Earnings Recession’ Ahead Followed By Growth?



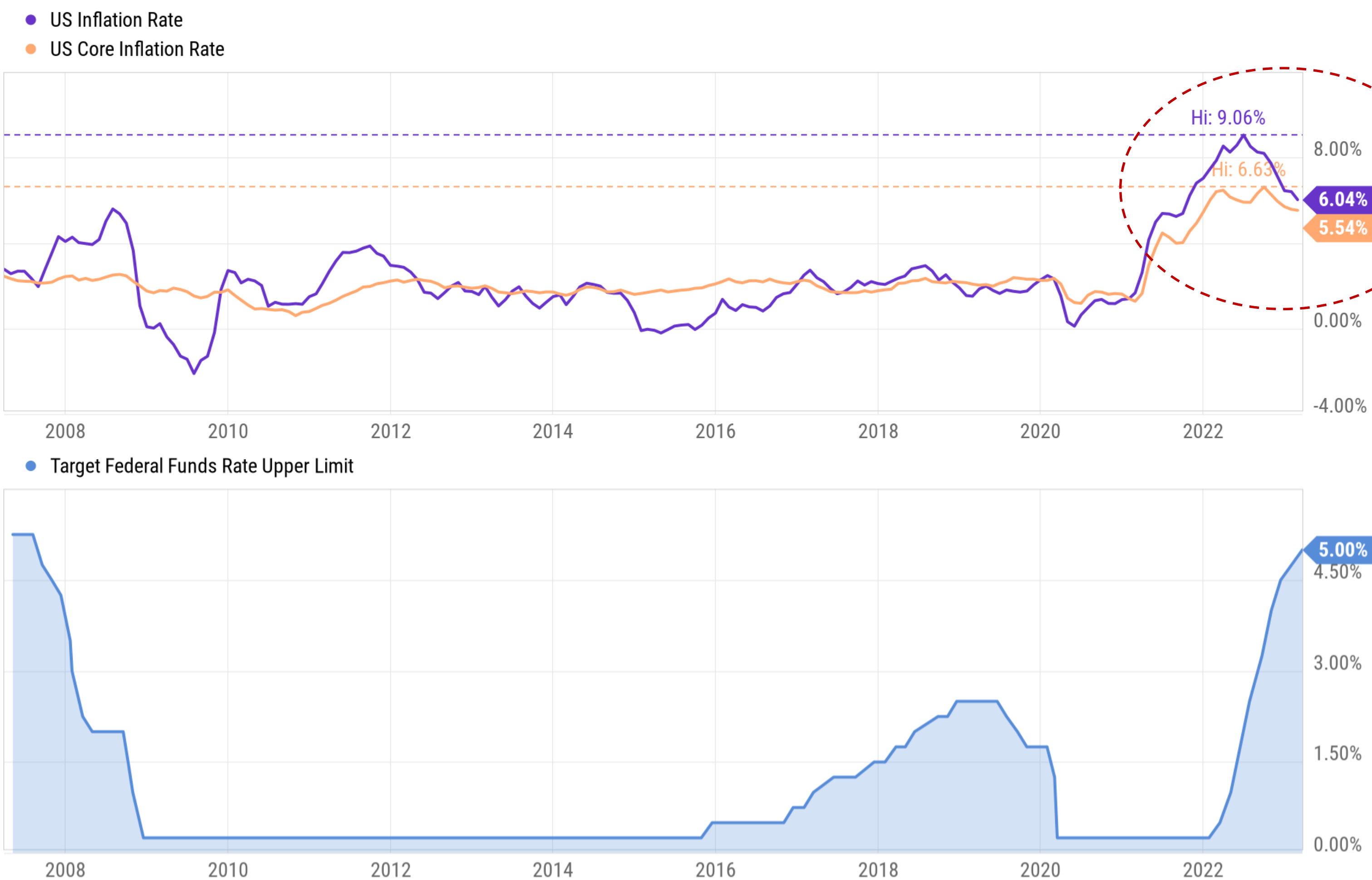




Source: Compustat, FactSet, Standard & Poor’s, J.P. Morgan Asset Management.

Additional Sources: FactSet Earnings Insight (3/31/2023), JP Morgan Guide to the Markets (3/31/23)

Inflation Continues Cooling Trend



Date Range: 03/31/2007 - 03/22/2023

Sources: BLS, Federal Reserve

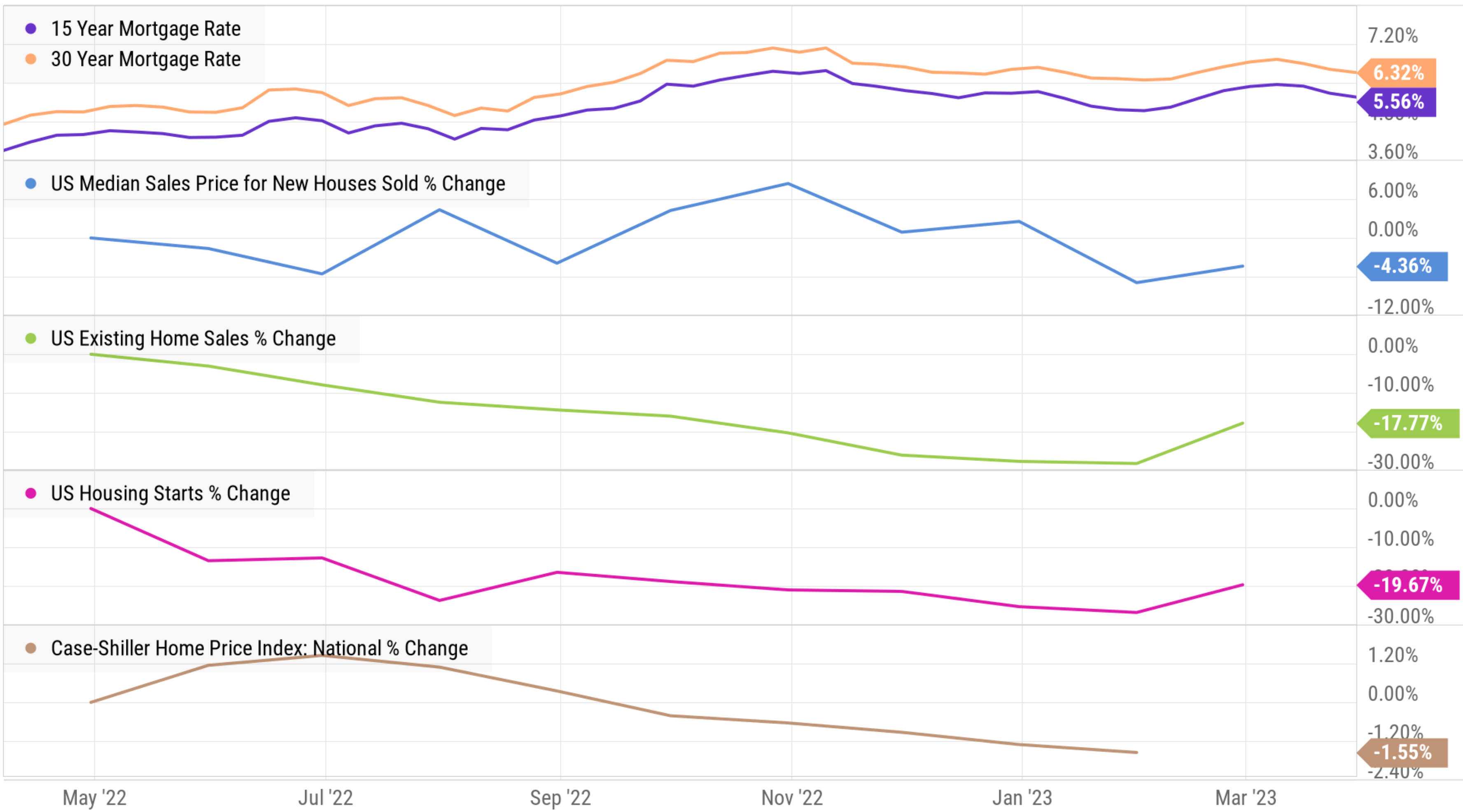
TENET WEALTH PARTNERS

Apr 05 2023, 4:57PM EDT. Powered by YCHARTS

U.S. Housing Market

Home Prices & Sales Continue Falling. But Demand Picked Up Recently as Rates Fell.

U.S. Housing Market



Date Range: 04/07/2022 - 03/30/2023

Sources: Freddie Mac, Census Bureau, NAR, S&P

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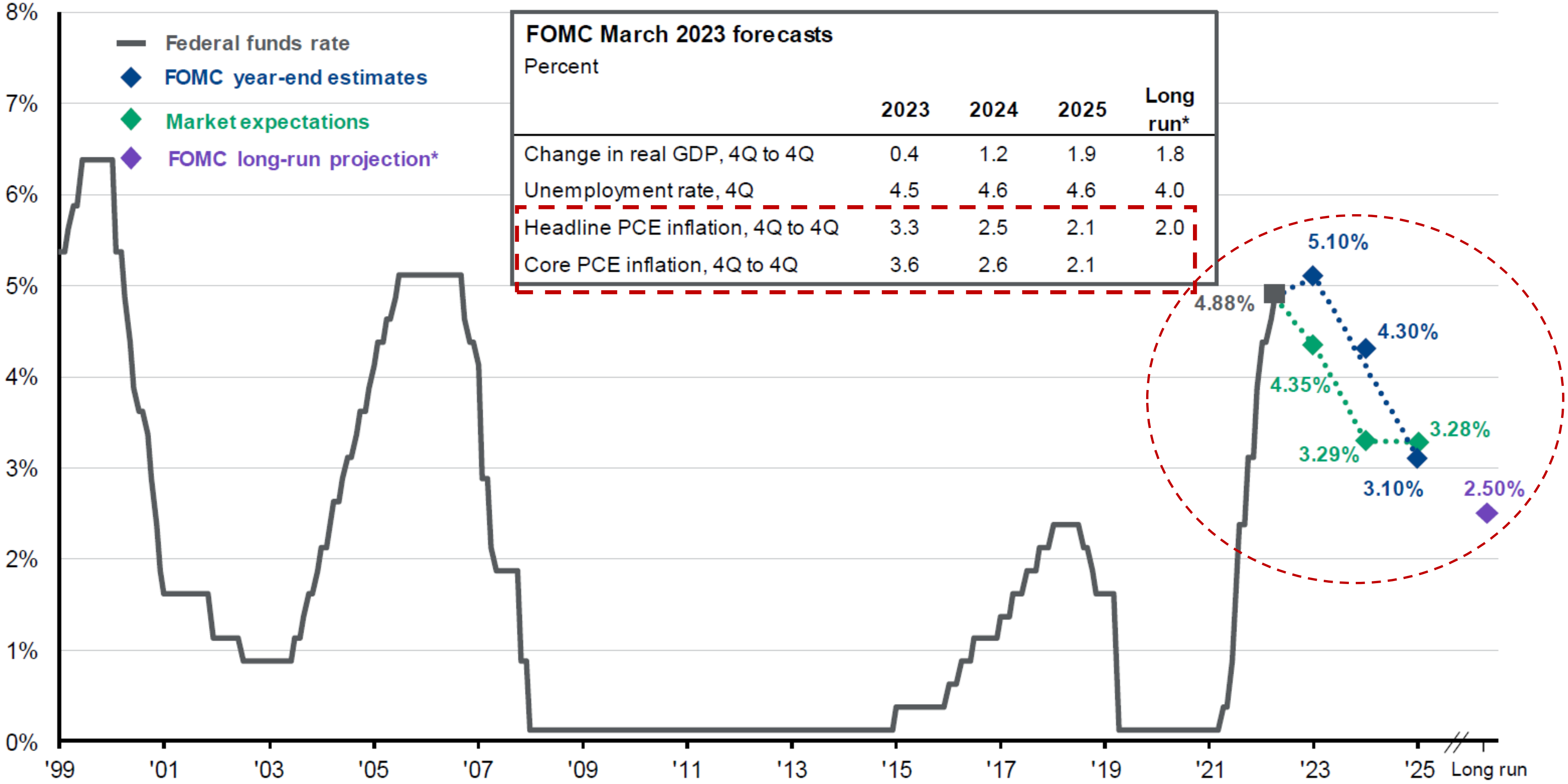
Federal Reserve Forecasts – Rates & Inflation

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



FOMC March 2023 forecasts

Percent

	2023	2024	2025	Long run*
Change in real GDP, 4Q to 4Q	0.4	1.2	1.9	1.8
Unemployment rate, 4Q	4.5	4.6	4.6	4.0
Headline PCE inflation, 4Q to 4Q	3.3	2.5	2.1	2.0
Core PCE inflation, 4Q to 4Q	3.6	2.6	2.1	

Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.
Market expectations are based off of the respective Federal Funds Futures contracts for December expiry. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.

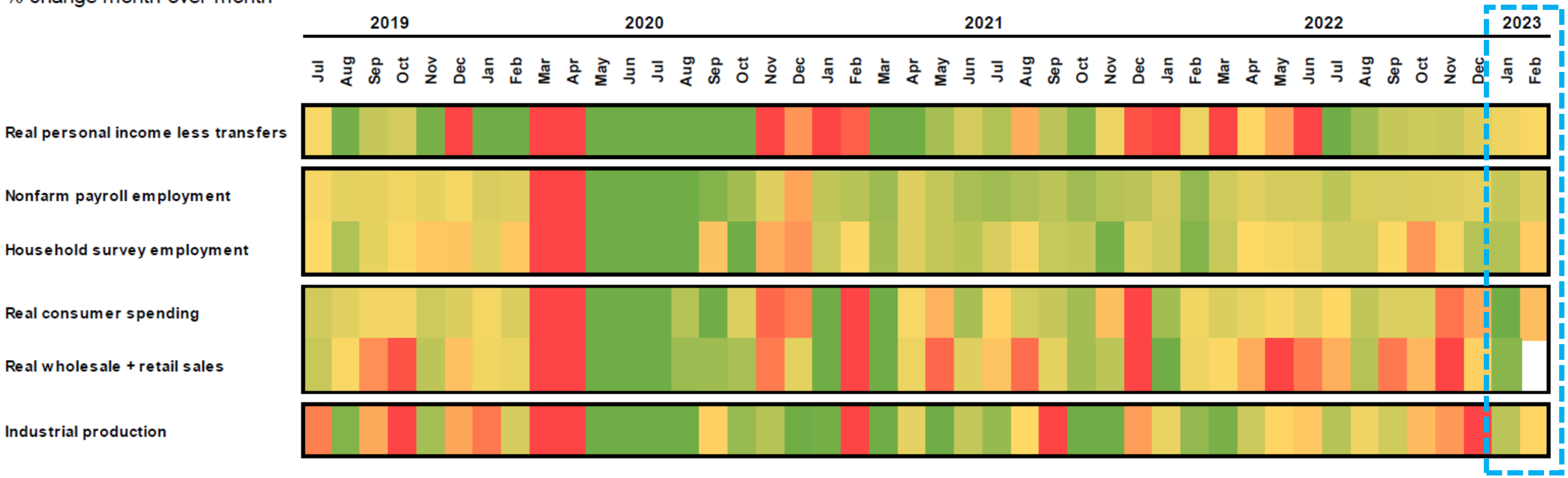
Image Source: JP Morgan Guide to the Markets (3/31/23)

Recession Determinants/Indicators

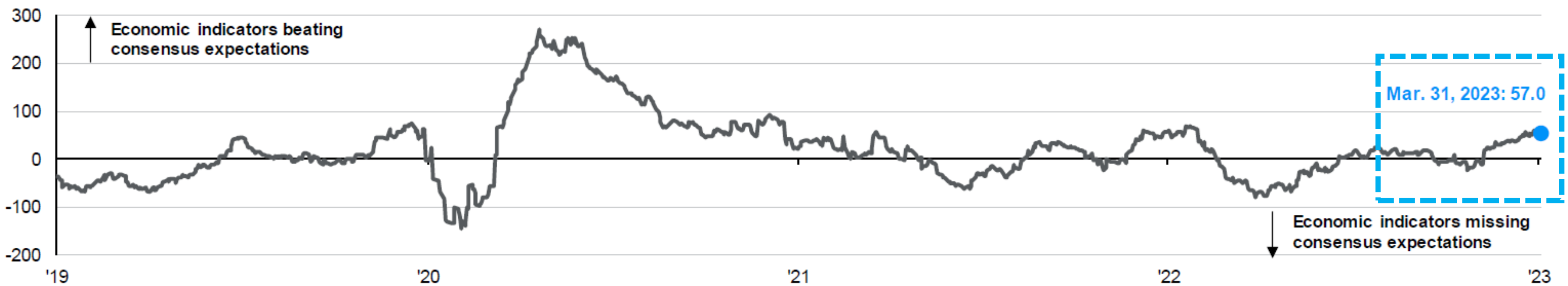
NBER Data "Heatmap" & Citi Economic Surprise Index

Variables used by the NBER in making recession determination*

% change month-over-month



Citi Economic Surprise Index



Source: Bureau of Economic Analysis, Bureau of Labor Statistics, Census Bureau, Citigroup, NBER, J.P. Morgan Asset Management. Heatmap shading reflects 10 years of data, with green and red reflecting a range of +/- 0.5 standard deviations from a baseline of 0% monthly growth. *The NBER's definition of a recession involves a significant decline in economic activity that is spread across the economy and lasts more than a few months. Specifically, they consider real personal income less transfers, nonfarm payroll employment, employment as measured by the household survey, real personal consumption expenditures, wholesale-retail sales adjusted for price changes and industrial production. There is no fixed rule about which measures contribute to the process or how they are weighted, but the committee notes that "in recent decades, the two measures we have put the most weight on are real personal income less transfers and nonfarm payroll employment." The Citi Economic Surprise Index is a 90-day weighted moving average of surprises in economic indicators relative to consensus. A positive reading means that the data releases have been stronger than expected and a negative reading means that the data releases have been worse than expected.

Image Source: JP Morgan Guide to the Markets (3/31/23)

Potential Opportunities

- **Bonds are Back** – Investment-grade bonds, as well as CDs, are now paying attractive interest rates in the average range of 4-5%. Demand for these higher income streams may help price appreciation for existing bond holdings as well. This should bode well for intermediate-long duration bonds particularly.

- **Cash Equivalents Too** - Money Market Funds have become more attractive with many now paying over 4% Viable cash alternative with stable, reliable income stream. CD's have also become more attractive with many paying 4-5% interest

- **U.S. Mid & Small Cap Equity** – Valuations are attractively discounted for Mid and Small Cap stocks, mainly Blend and Value, compared to 20-year averages.

Small Cap stocks particularly have also historically performed well following an economic downturn, so investing at a discounted price could bode well for future appreciation once our economy gets back to recovery/growth mode.

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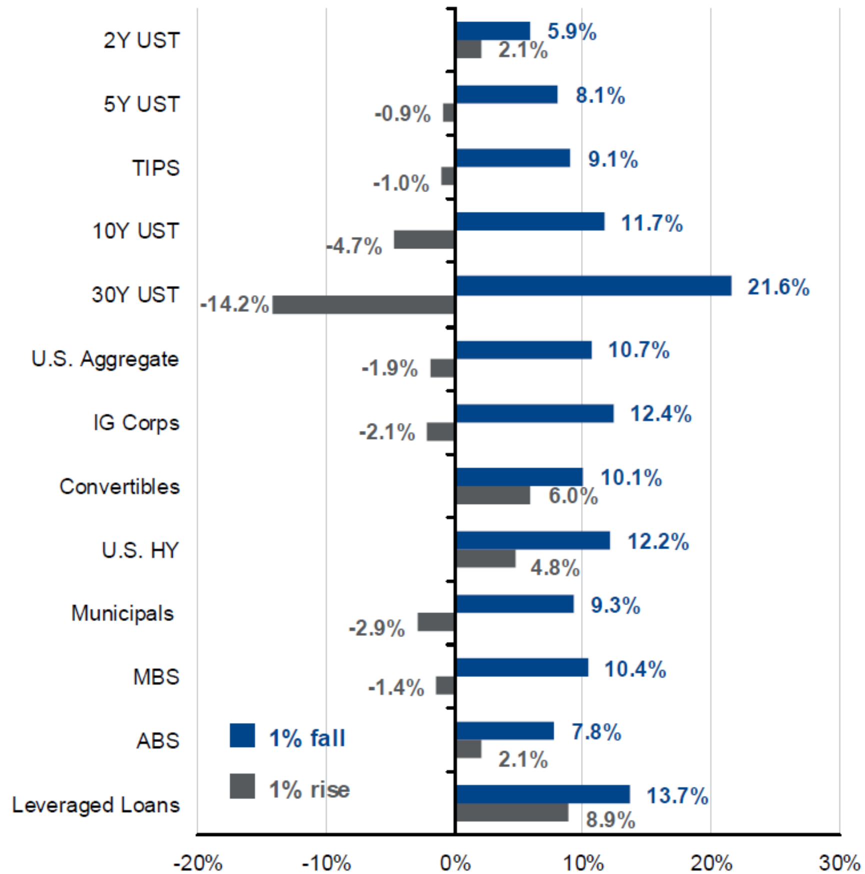
U.S. Bond Yields Attractive Overall

U.S. Treasuries	Yield 3/31/2023	Yield 12/31/2022	Return 2023 YTD	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
2-Year	4.06%	4.41%	1.46%	2 years	0.74	-0.15
5-Year	3.60%	3.99%	2.39%	5	0.93	-0.13
TIPS	1.16%	1.58%	3.34%	10	0.61	0.37
10-Year	3.48%	3.88%	3.76%	10	1.00	-0.14
30-Year	3.67%	3.97%	5.99%	30	0.93	-0.17
Sector						
U.S. Aggregate	4.40%	4.68%	2.96%	8.5	0.86	0.22
IG Corps	5.17%	5.42%	3.50%	11.1	0.54	0.47
Convertibles	7.63%	7.58%	3.60%	-	-0.14	0.87
U.S. HY	8.52%	8.96%	3.57%	5.3	-0.10	0.74
Municipals	3.25%	3.55%	2.78%	13.0	0.53	0.22
MBS	4.51%	4.71%	2.53%	7.4	0.78	0.15
ABS	5.61%	5.89%	1.86%	3.5	0.21	-0.01
Leveraged Loans	11.31%	11.41%	3.26%	2.4	-0.34	0.59

Impact of a 1% rise or fall in interest rates

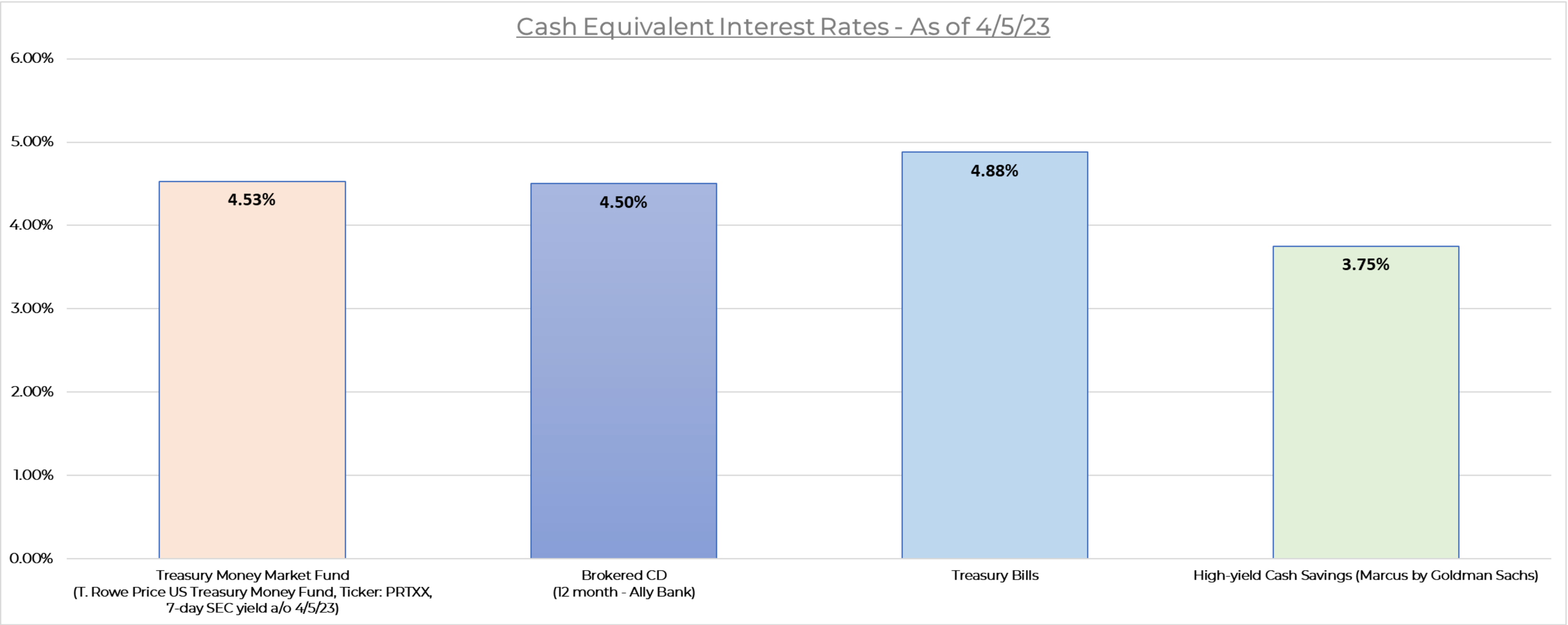
Total return, assumes a parallel shift in the yield curve



Source: Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by – U.S. Aggregate; MBS: U.S. Aggregate Securitized - MBS; ABS: J.P. Morgan ABS Index; Corporates: U.S. Corporates; Municipals: Muni Bond; High Yield: Corporate High Yield; Leveraged Loans: J.P. Morgan Leveraged Loan Index; TIPS: Treasury Inflation-Protected Securities; Convertibles: U.S. Convertibles Composite. Convertibles yield is as of most recent month-end and is based on U.S. portion of Bloomberg Global Convertibles Index. Yield and return information based on bellwethers for Treasury securities. Sector yields reflect yield-to-worst. Convertibles yield is based on U.S. portion of Bloomberg Global Convertibles. Correlations are based on 15-years of monthly returns for all sectors. Past performance is not indicative of future results.

Image Source: JP Morgan Guide to the Markets (3/31/23)

Attractive Cash Equivalent Rates



Sources: YCharts, Ally Bank, US Department of the Treasury, Marcus by Goldman Sachs

U.S. Equity Returns & Valuations By Style

Mid & Small Cap (Blend, Value) Attractively Valued

Returns

10-year annualized

	Value	Blend	Growth
Large	9.1%	12.2%	14.6%
Mid	8.8%	10.1%	11.2%
Small	7.2%	8.0%	8.5%

YTD

	Value	Blend	Growth
Large	1.0%	7.5%	14.4%
Mid	1.3%	4.1%	9.1%
Small	-0.7%	2.7%	6.1%

Since market peak (February 2020)

	Value	Blend	Growth
Large	18.7%	27.7%	31.1%
Mid	18.0%	19.0%	14.3%
Small	16.5%	10.8%	2.9%

Since market low (March 2020)

	Value	Blend	Growth
Large	92.0%	92.8%	91.2%
Mid	108.6%	99.2%	77.7%
Small	104.8%	86.8%	67.2%

Valuations

Current P/E vs. 20-year avg. P/E

	Value	Blend	Growth
Large	14.1 / 13.7	17.8 / 15.5	23.8 / 18.7
Mid	13.6 / 14.5	16.0 / 16.4	22.8 / 20.4
Small	15.6 / 16.8	20.3 / 21.4	28.1 / 23.8

Current P/E as % of 20-year avg. PE

	Value	Blend	Growth
Large	103.1%	114.8%	127.5%
Mid	94.3%	97.7%	111.9%
Small	92.8%	95.2%	118.3%

Source: FactSet, Refinitiv Datastream, Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management.
All calculations are cumulative total return, including dividends reinvested for the stated period. Since market peak represents period from 2/19/2020 to 3/31/2023. Since market low represents period from 3/23/2020 to 3/31/2023. Returns are cumulative returns, not annualized. For all time periods, total return is based on Russell style indices except for the large blend category, which is based on the S&P 500 Index. Past performance is not indicative of future returns. The price-to-earnings is a bottom-up calculation based on the most recent index price, divided by consensus estimates for earnings in the next 12 months (NTM) and is provided by FactSet Market Aggregates and J.P. Morgan Asset Management.

Image Sources: JP Morgan Guide to the Markets (3/31/23)

Small Cap Stocks

Positioned for Eventual Rebound?

Historical markets drawdown and next 12-month rebound

Price return

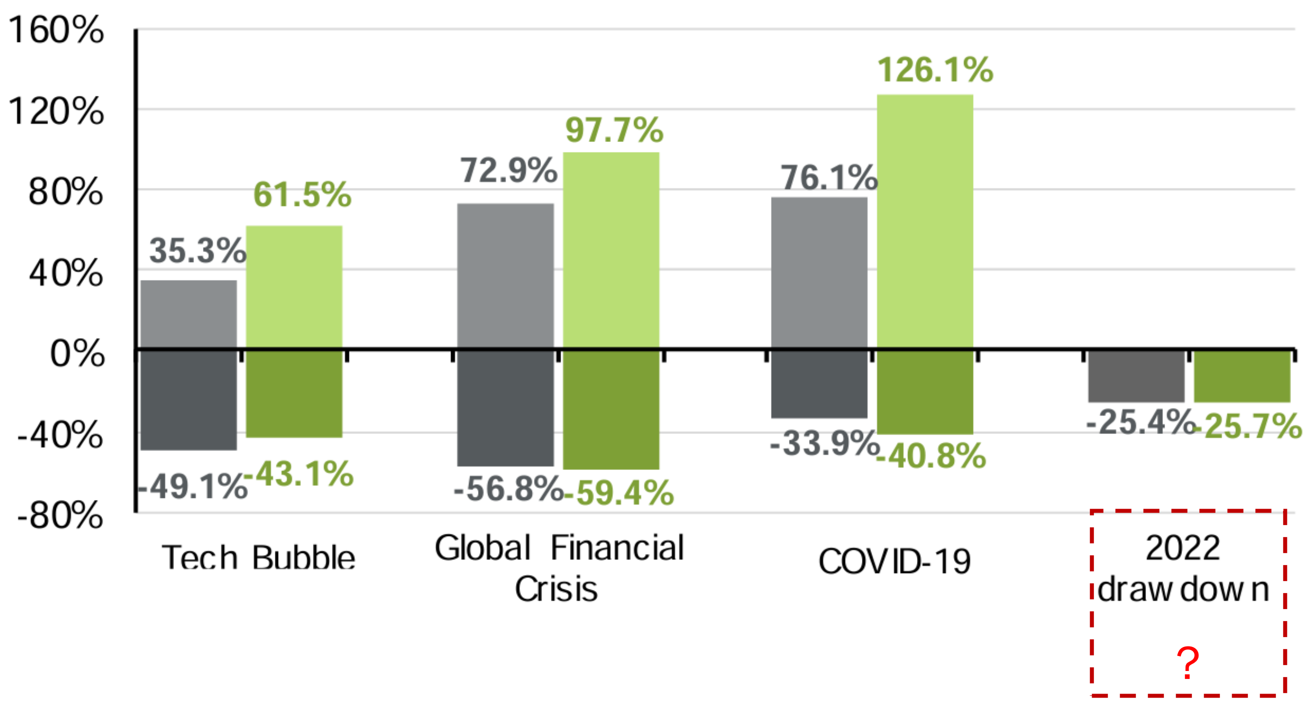


Image Sources: JP Morgan Guide to the Markets (2/28/23)

Bull vs. Bear Markets

Bull markets have historically lasted significantly longer with higher levels of positive return

Bull markets			Bear markets		
Bull begin date	**Bull return**	**Duration (months)**	**Market peak**	**Bear return***	**Duration (months)***
Jul 1926	152%	37	Sep 1929	-86%	32
Mar 1935	129%	23	Mar 1937	-60%	61
Apr 1942	158%	49	May 1946	-30%	36
Jun 1949	267%	85	Aug 1956	-22%	14
Oct 1960	39%	13	Dec 1961	-28%	6
Oct 1962	76%	39	Feb 1966	-22%	7
Oct 1966	48%	25	Nov 1968	-36%	17
May 1970	74%	31	Jan 1973	-48%	20
Mar 1978	62%	32	Nov 1980	-27%	20
Aug 1982	229%	60	Aug 1987	-34%	3
Oct 1990	417%	113	Mar 2000	-49%	30
Oct 2002	101%	60	Oct 2007	-57%	17
Mar 2009	401%	131	Feb 2020	-34%	1
Mar 2020	114%	21	Jan. 2022**	-25%	9
Averages	**162%**	**51**	**-**	**-41%**	**20**

Image Sources: JP Morgan Guide to the Markets (3/31/23)