Entrust Financial LLC® Market Commentary—Fourth Quarter, 2023

Robust Rebound for Investors

The conclusion of 2023 mirrored its beginning; it was marked by fervor and high enthusiasm. Fortunately for investors, this resulted in a robust rebound for the capital markets in the fourth quarter. For instance, global equities recorded double-digit returns, notably propelled by an almost 14% return in U.S. small caps alongside a recovering U.S. bond market.

Throughout 2023, investors remained focused on the Federal Reserve's ongoing efforts to combat inflation, while aiming for economic stability. The year concluded with inflation inching closer to the Federal Reserve's long-term target, ending below 3.5% by year-end. The welcome reduction in inflation, coupled with notably positive Federal Reserve remarks in November, served as a primary catalyst for the optimistic conclusion to the year.

As the rebound in U.S. equities gained momentum, the "Magnificent 7" stocks, comprising Apple, Alphabet, Microsoft, Amazon, Meta, Tesla, and Nvidia, reemerged as frontrunners in driving returns for U.S. indices. Frontrunners indeed! The color-coded chart below illustrates the high return impact of those household name stocks. Only time will tell for how long this set of stocks will sustain their impressive performance.

Speaking of time, our investors have often heard from us that long-term investment results are about time, not timing. And to capture the advantages of the Magnificent 7 returns—when they are stellar—while aiming to avoid too much investment risk, we purposefully formulate client portfolios with fully diversified asset allocations that participate in the overall capital markets.

Your feedback is always welcomed by our Entrust advisors and we eagerly anticipate our next discussion with you.

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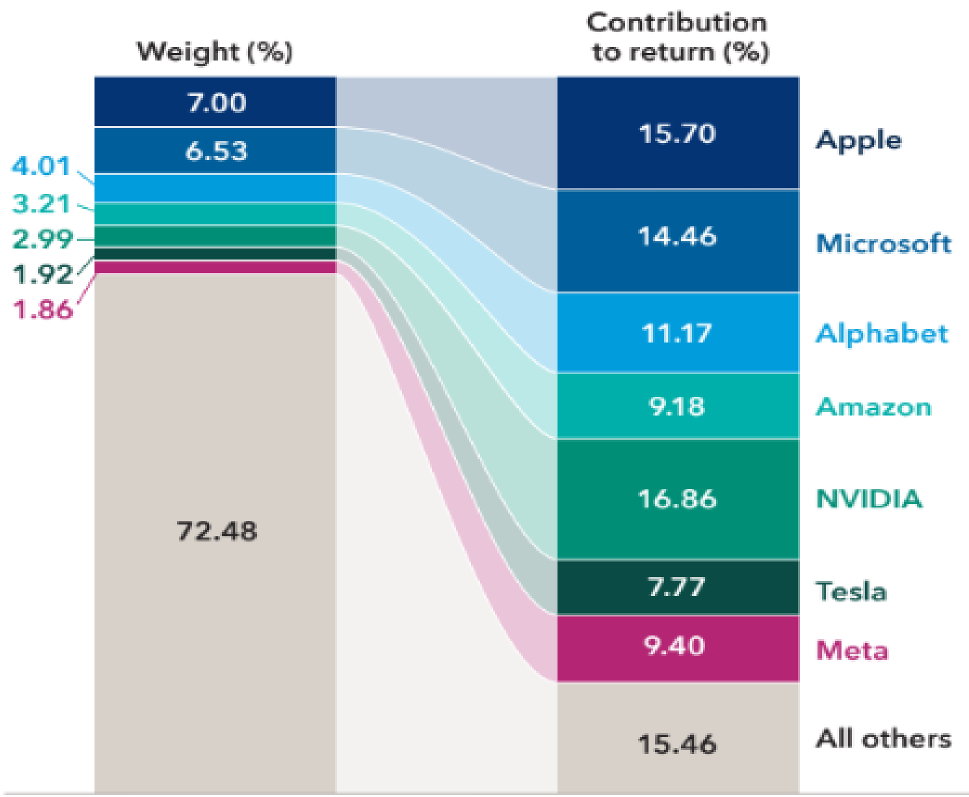
Outsized impact of the "Magnificent Seven" stocks to returns

S&P 500 Index



Source: FactSet.

Weighted values for Apple, Microsoft, Alphabet, Amazon, NVIDIA, Tesla and Meta as of 9/30/23. Contribution to return calculated from 1/2/23 to 9/30/23. Totals may not reconcile due to rounding.

Past results are not predictive of results in future periods.

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Following are results for indices of asset classes commonly used to build our Entrust globally diversified portfolios:

Asset Class Review	Q4 2023	2023 Year to Date	1 Year Trailing	3 Year Trailing	5 Year Trailing	10 Year Trailing
US Large Cap Equity	11.66%	25.14%	25.14%	7.78%	14.25%	10.58%
US Small Cap Equity	13.72%	15.65%	15.65%	1.10%	8.77%	5.98%
International Equity	10.12%	16.94%	16.94%	2.88%	6.98%	3.14%
Emerging Market Equity	7.57%	8.63%	8.63%	-6.12%	2.55%	1.54%
Global Real Estate	15.49%	10.31%	10.31%	2.99%	4.10%	4.68%
US Corporate Bond	8.20%	7.33%	7.33%	-4.34%	1.51%	1.83%
US Government Bond	5.37%	2.91%	2.91%	-4.87%	-0.57%	0.16%
International Bond	8.91%	4.56%	4.56%	-8.22%	-2.64%	-1.87%

The above chart is for illustrative purposes only and does not attempt to predict actual results of any particular investment. Past performance is no guarantee of future results. It is not possible to invest directly into an index.
Source: Morningstar Direct- US Large Cap is represented by the Russell 1000 Index; US Small Cap is represented by the Russell 2000 Index; International is represented by MSCI EAFE Index; Emerging Markets are represented by the MSCI Emerging Markets Index; Global Real Estate is represented by the S&P Global REIT Index; US Corporate Bonds is represented by the Bloomberg Barclays US Corp Bond Index; US Government Bonds is represented by the Bloomberg Barclays Aggregate Bond Treasury Index; International Bonds are represented by the Barclays Global Aggregate Bond ex USD Index. Returns as of 12/31/2023.

Past performance is no guarantee of future results. International investing involves special risks, including but not limited to, the possibility of substantial volatility due to currency fluctuation and political uncertainties. Diversification does not guarantee a profit nor protect against a loss. Large Cap refers to companies with a market capitalization value of more than $10 billion. Large cap is an abbreviation of the term "large market capitalization." Market capitalization is calculated by multiplying the number of a company's shares outstanding by its stock price per share. International investing involves special risks, including, but not limited to, the possibility of substantial volatility due to currency fluctuation and politic al uncertainties. Emerging markets are sought by investors for the prospect of high returns, as they often experience faster economic growth as measured by GDP. Investments in emerging markets come with much greater risk due to political instability, domestic infrastructure problems, currency volatility and limited equity opportunities (many large companies may still be "state-run" or private). Also, local stock exchanges may not offer liquid markets for outside investors. Small cap stocks may be subject to a higher degree of risk than larger, more established companies' securities, including higher risk of failure and higher volatility. The illiquidity of the small-cap market may adversely affect the value of these investments so those shares, when redeemed, may be worth more or less than their original cost. Government bonds are guaranteed by the U.S. Government and if held to maturity, offer a fixed rate of return and fixed principal amount. Guarantee only applies to the timely payment of principal and interest and does not pertain to the portfolio or mutual fund, holding such securities. Values will fluctuate, and upon redemption, share values may be worth more or less than the original investment. Investments in high yield bonds entail higher risks, including greater credit risks. Their NAVs are sensitive to interest rate movements (a rise in interest rates can result in a decline in value of the investment). Upon redemption, share values may be worth more or less than the original investment. Corporate bonds are debt securities issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds. Corporate bonds are considered higher risk than government bonds. As a result, interest rates are almost always higher. Treasury Inflation Protected Securities (TIPS) are a treasury security that is indexed to inflation in order to protect investors from the negative effects of inflation. TIPS are considered an extremely low-risk investment since they are backed by the U.S. government and since their par value rises with inflation, as measured by the Consumer Price Index, while their interest rate remains fixed. The value of the shares of a REIT fund will fluctuate with the value of the underlying assets (real estate properties.) There are special risk factors associated with REITs, such as interest rate risk and the illiquidity of the real estate market. A commodity is a basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade. 1/16/2024

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