



CONCENTURE
WEALTH MANAGEMENT

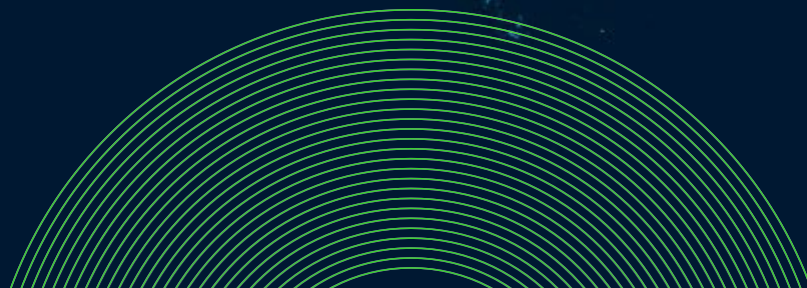
Chart Book

As of August 31, 2023

SECURITIES OFFERED THROUGH SANCTUARY
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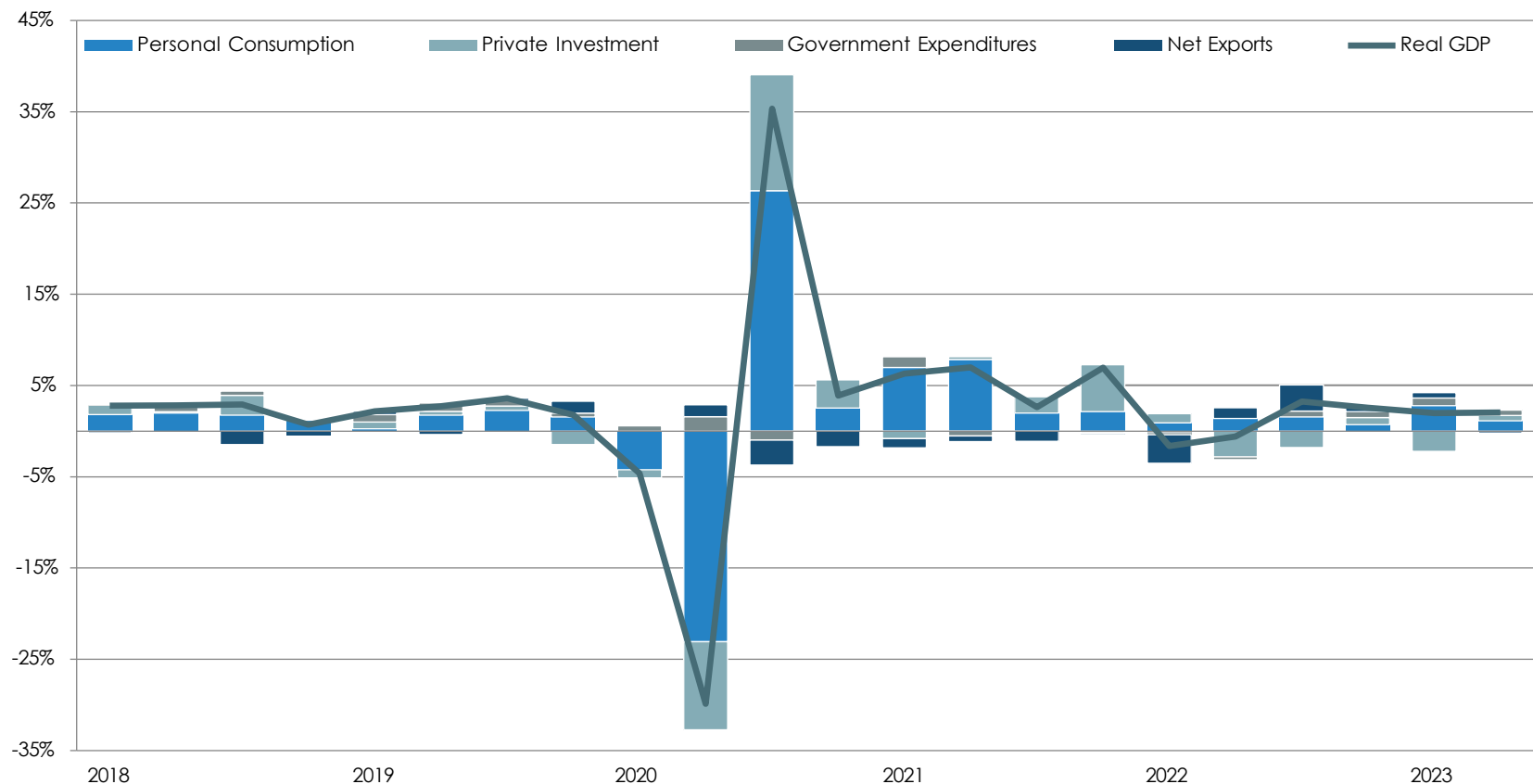
ECONOMIC PERSPECTIVE



The U.S. economy grew at a slightly less brisk pace than initially thought in the second quarter as businesses liquidated inventory, but momentum appears to have picked up early this quarter as a tight labor market underpins consumer spending. Gross domestic product increased at a 2.1% annualized rate last quarter. That was revised down from the 2.4% pace reported last month. The report from the Commerce Department also confirmed that inflation pressures moderated last quarter. The economy continues to expand despite 525 basis points worth of interest rate hikes from the Federal Reserve since March 2022. The downgrade to second-quarter GDP growth will be welcomed by Fed officials and reinforces our expectations for a policy pause in September but the door will remain open to further tightening.

Economic Growth

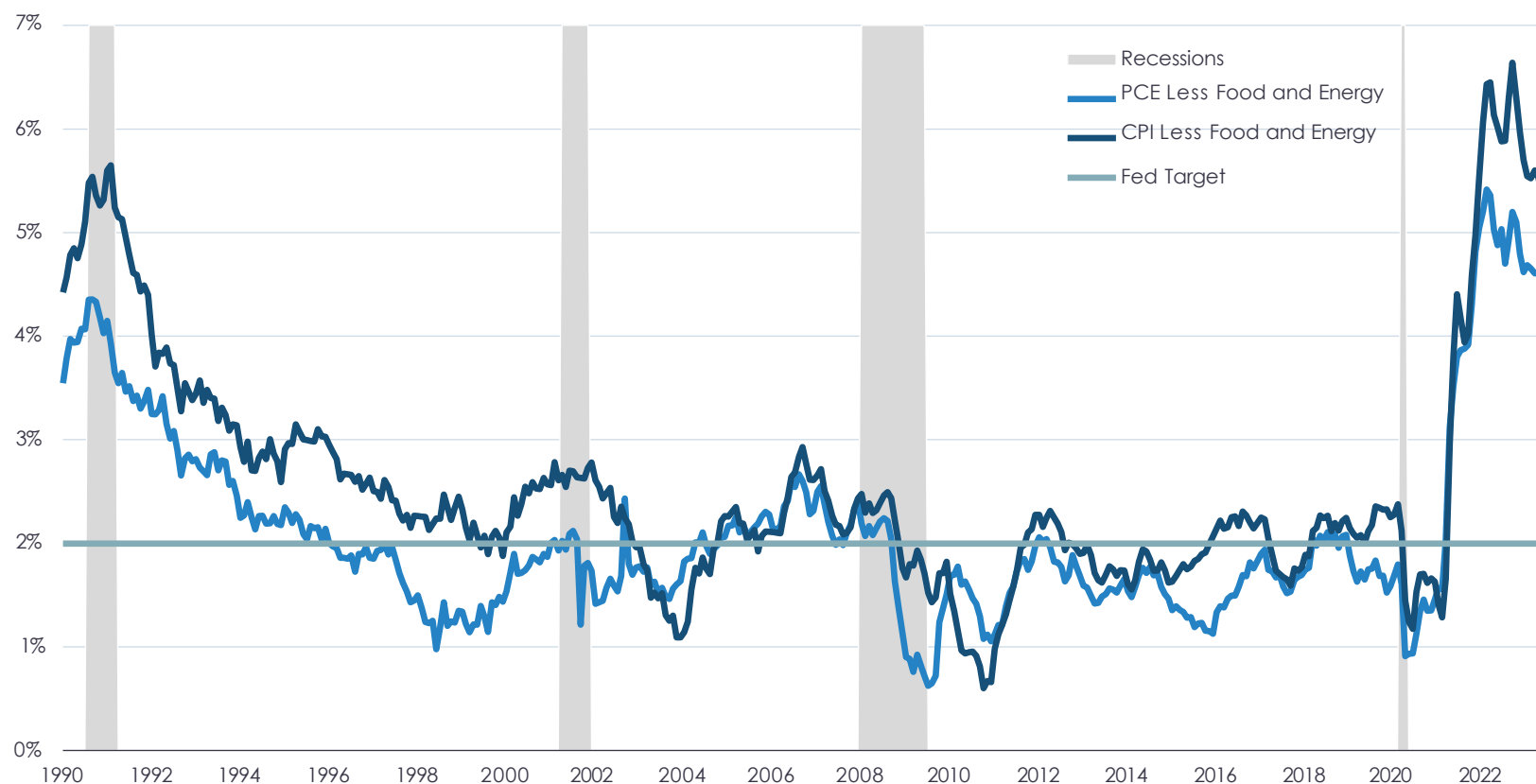
Contributions to Percent Change in Real GDP (Annualized Q/Q % Change)



The latest consumer price index (CPI) figures rose 3.2% in July over the prior year, a slight acceleration from June's 3% annual increase. On a "core" basis, which strips out the more volatile costs of food and gas, prices in July climbed 4.7% over last year - roughly on par with June. Both measures were also in line with economist expectations. Inflation has remained significantly above the Federal Reserve's 2% target. That, along with a labor market that Fed Chair Jerome Powell has described as "very tight," suggests the Federal Reserve will continue to raise interest rates later this year. But markets now widely expect the central bank to pause its hikes at its meeting in September.

Inflation Outlook

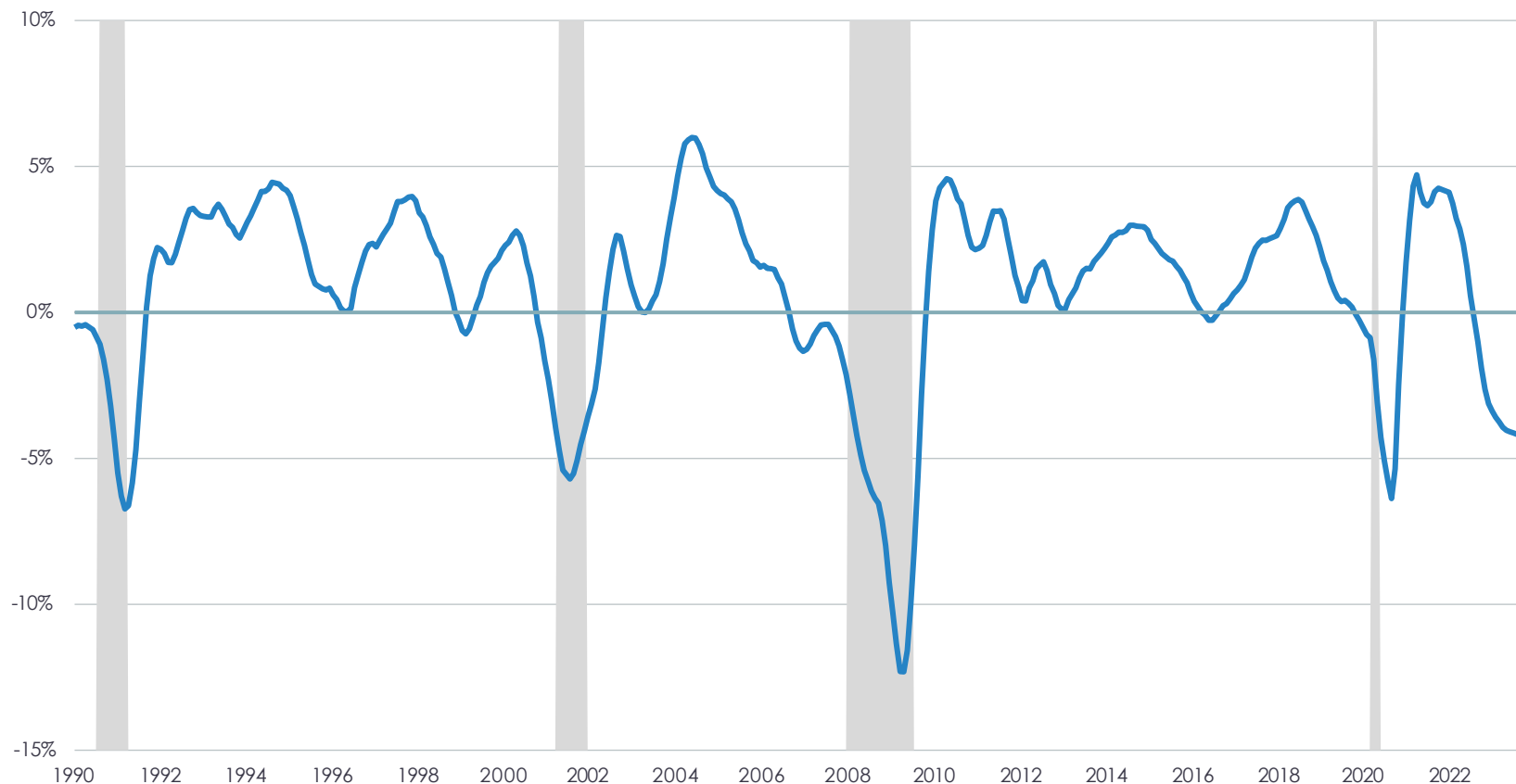
Consumer Price Index (Core) and Personal Consumption Expenditures Price Index (Core) (Y/Y % Change)



According to the Conference Board, the U.S. Leading Economic Index (LEI) fell for the sixteenth consecutive month in July, signaling the economic outlook remains highly uncertain. On the other hand, the coincident index (CEI) - which tracks where economic activity stands right now - has continued to grow slowly but inconsistently, with three of the past six months not changing and the rest increasing. As such, the CEI is signaling that we are currently still in a favorable growth environment. The LEI continues to suggest that economic activity is likely to decelerate and descend into mild contraction in the months ahead. The Conference Board now forecasts a short and shallow recession in the Q4 2023 to Q1 2024 timespan.

U.S. Economic Outlook

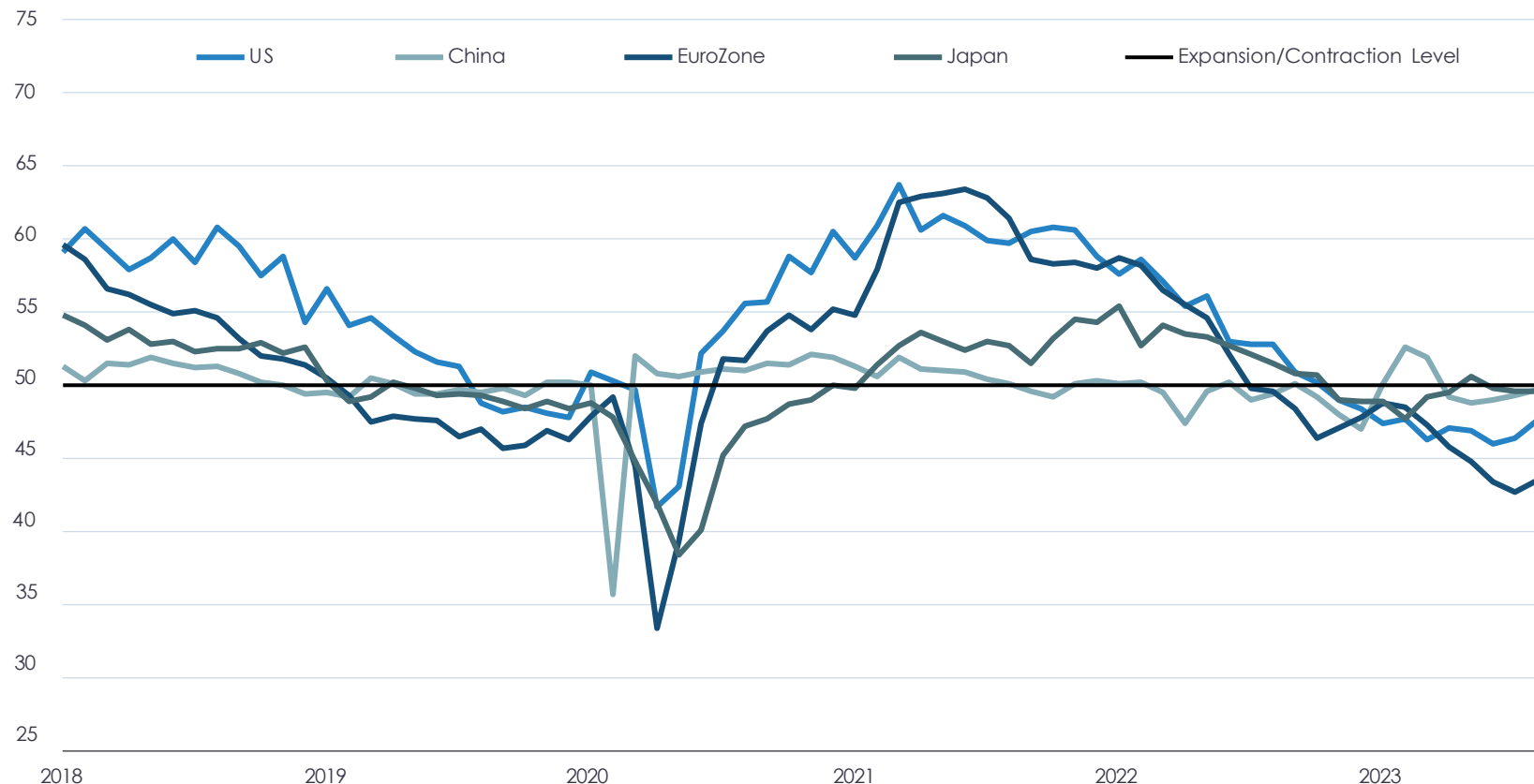
Leading Economic Index (Six-Month Moving Average of the Six-Month Rate of Change)



The August PMIs signaled a slight easing in the rate of contraction of the global manufacturing sector, with the output and new orders indexes advancing but remaining below the 50-mark. The improvement on the month owes almost entirely to a large 2.4% jump in the China output index. Excluding China, the global output PMI declined nearly 1% in August and is stuck at a level that does not point to much if any momentum lift in the manufacturing sector. There are other signs of tough times ahead, including a 1.2% dip in the future output index and the new orders-to-inventory ratio remaining at a level consistent with output declines.

Global Economic Outlook

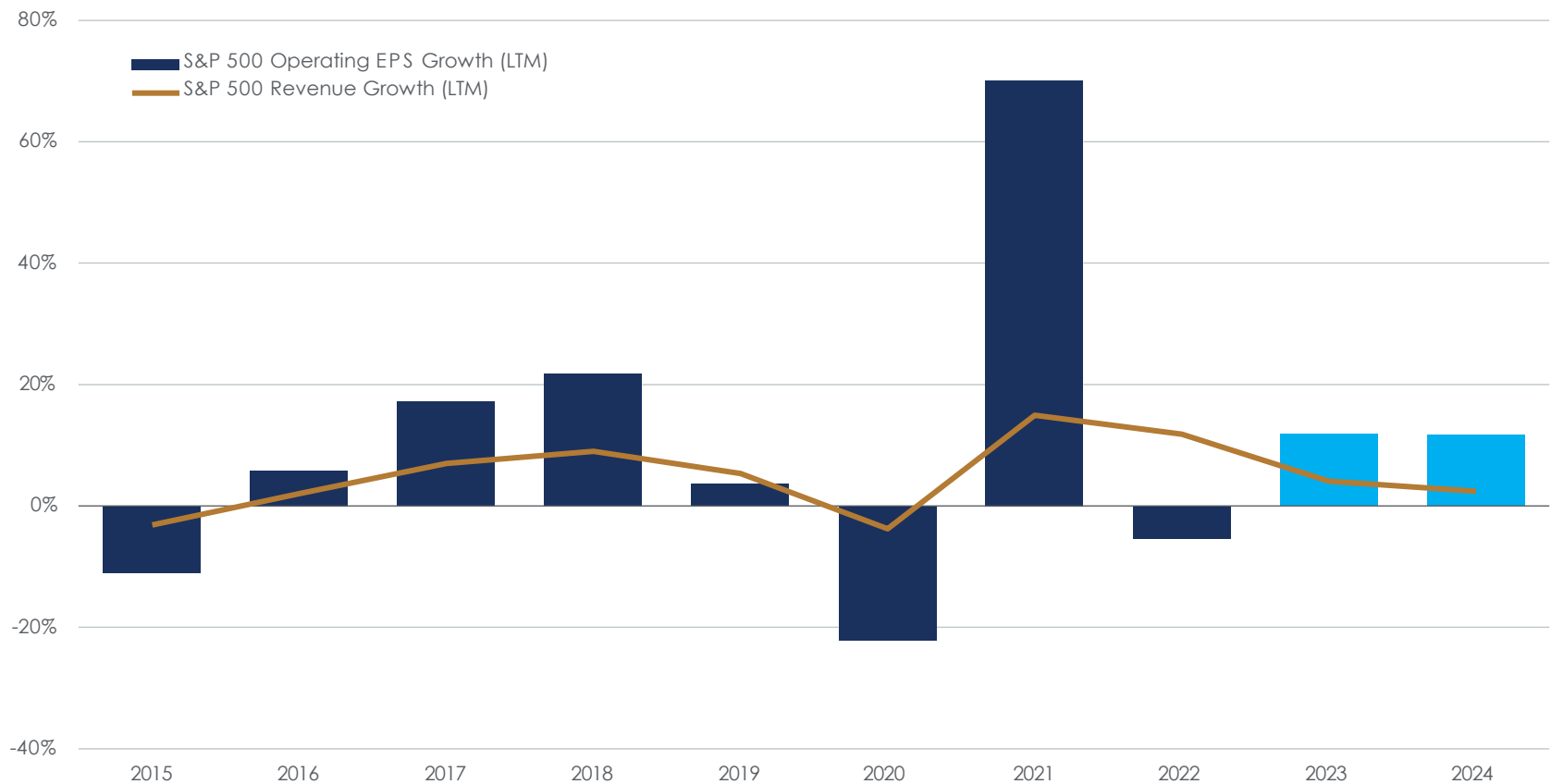
Manufacturing Purchasing Managers Index (PMI) (A PMI over 50 represents growth in manufacturing)



According to FactSet, the bottom-up target price target for the S&P 500 over the next 12 months is 5148, which is 14.2% above the closing price of 4508. At the sector level, the Utilities (+16.8%) and Consumer Discretionary (+16.7%) sectors are expected to see the largest price increases. On the other hand, the Industrials (+11.1%), Energy (11.3%), and Materials (11.4%) sectors are expected to see the smallest price increases.

Corporate Profitability

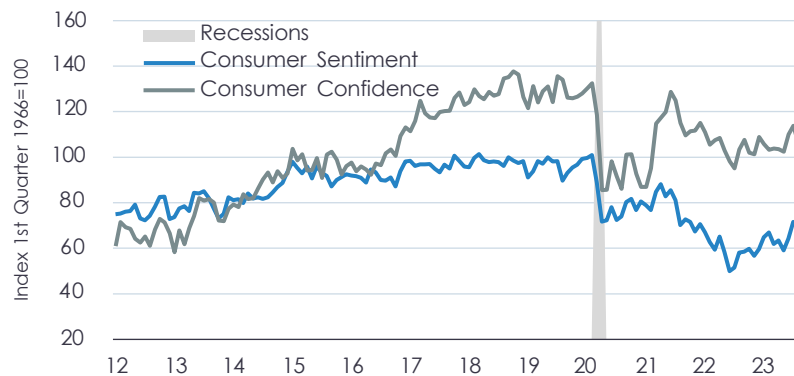
S&P 500 Operating Earnings Per Share and Revenue Per Share Growth (Y/Y % Change)



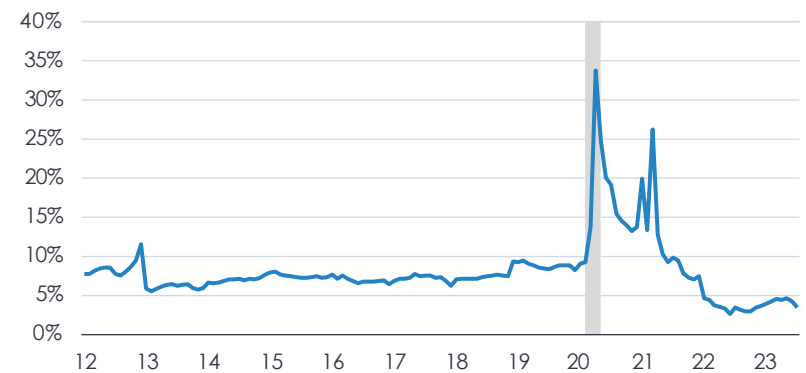
As reported by the Conference Board, consumer confidence fell in August, erasing back-to-back increases in June and July. August's disappointing headline number reflected dips in both the current conditions and expectations indexes. Write-in responses showed that consumers were once again preoccupied with rising prices in general, and for groceries and gasoline in particular. The pullback in consumer confidence was evident across all age groups. Hard data confirm that employment gains have slowed, overall wage increases are less generous compared to a year ago, and the average number of weeks of unemployment is ticking upward. Business conditions in August were little changed from July, but still somewhat lower than in June.

Consumer Outlook

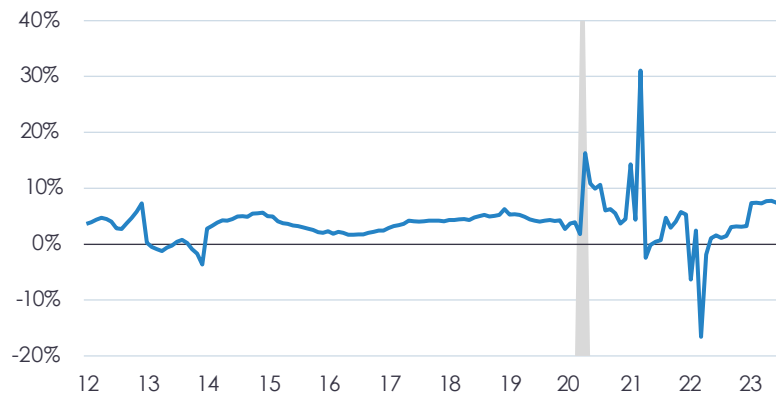
Consumer Sentiment & Confidence Indexes



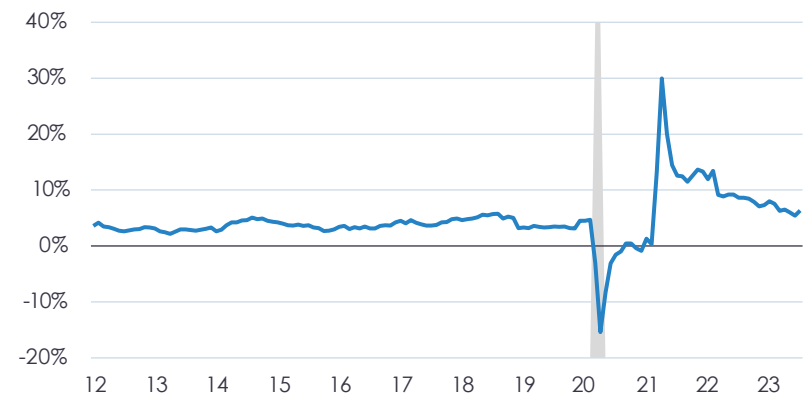
Personal Saving Rate (Seasonally Adjusted Annual Rate)



Disposable Personal Income (Y/Y % Change)



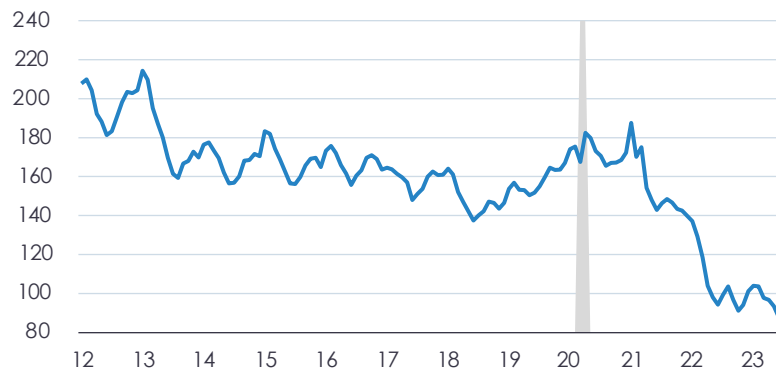
Personal Consumption Expenditures (Y/Y % Change)



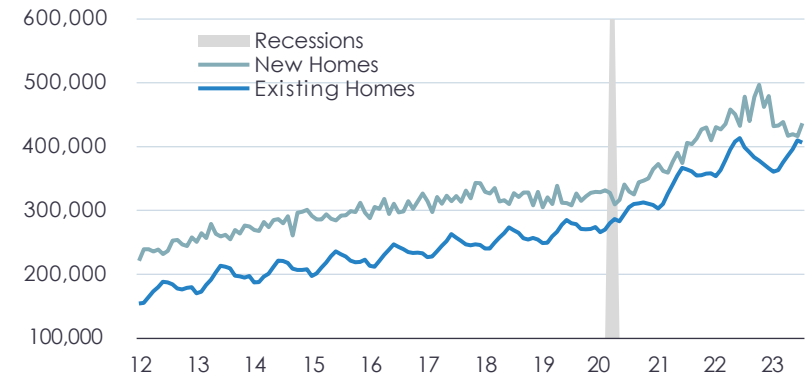
According to Redfin, historically high mortgage rates are cutting into buyers' budgets. A homebuyer on a \$3,000 monthly budget, for instance, can afford a \$429,000 home with a 7.4% mortgage rate. That buyer has lost \$71,000 in purchasing power since August 2022, when they could have bought a \$500,000 home with an average rate of 5.5%. The combination of high monthly mortgage payments and historically low housing inventory has pushed many would-be homebuyers out of the market. Home-purchase applications dropped to their lowest level in nearly 30 years during the week ending August 18, and Redfin's Homebuyer Demand Index—a measure of requests for home tours and other buying services from Redfin agents—was down 7% year over year.

Housing Market Outlook

Housing Affordability (higher = more affordable)



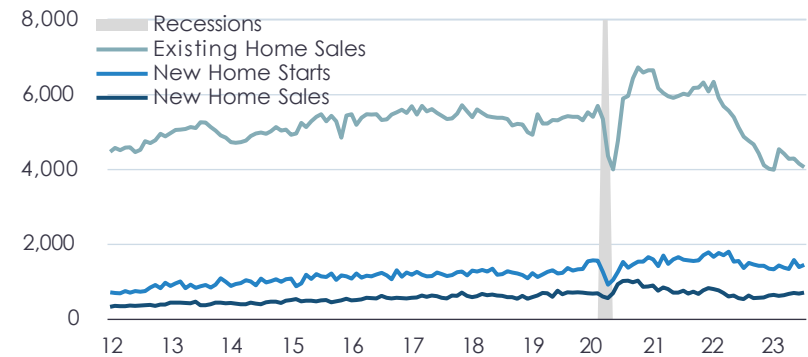
Median Selling Price of New and Existing Homes



Average Fixed Rate Mortgage in the U.S.®



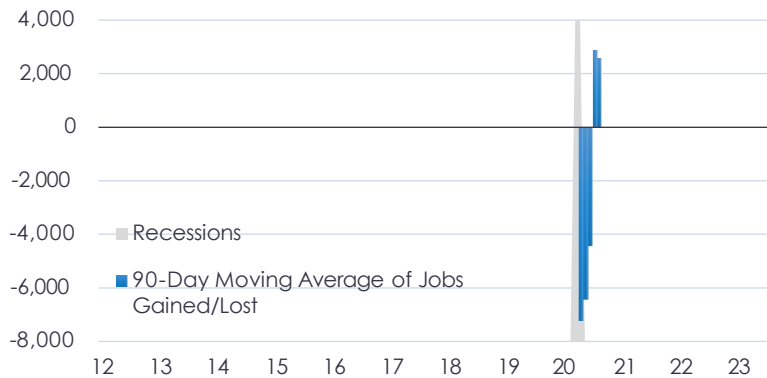
Housing Starts, Existing Home Sales and New Home Sales (000's)



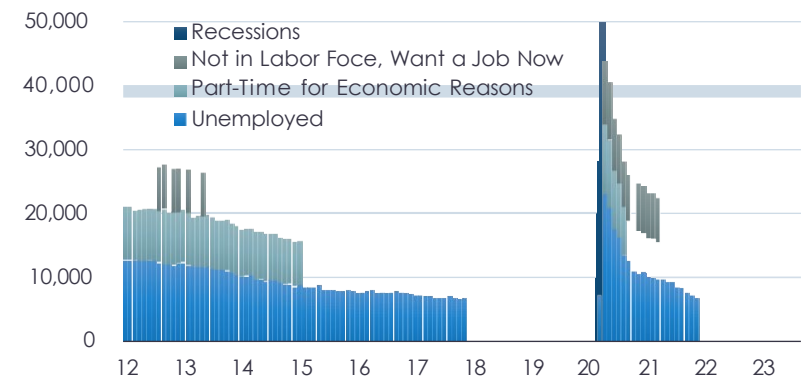
In August, the U.S. economy added 187,000 jobs and the unemployment rate settled in at 3.8%, according to the Labor Department. The increase in the unemployment rate from 3.5% in July can be attributed to the 736,000 workers who entered the labor force in August, which is what one wants to see as average hourly earnings remain strong and wage increases exceed the inflation rate by annual rate of 1%. In addition, the Bureau of Labor Statistics revised down by 110,000 the past two months of job estimates. That revision brings the three-month average of job growth to roughly 150,000 and is another reflection of the overall cooling in the demand for labor. Slower hiring, an increase in the labor force and cooling wage growth are exactly the policy mix that central bankers want to observe as they approach policy decisions in September.

Labor Market Outlook

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



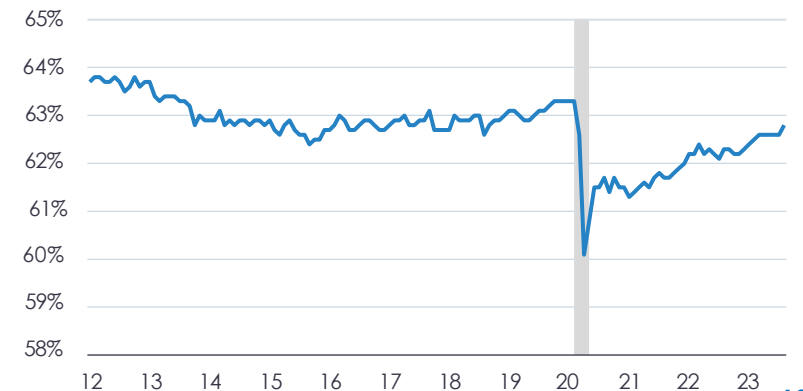
Labor Market Slack (000's)



Wage Growth (Y/Y % Change)

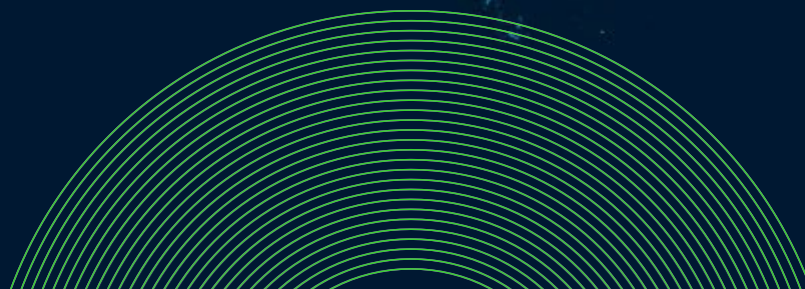


Labor Force Participation Rate





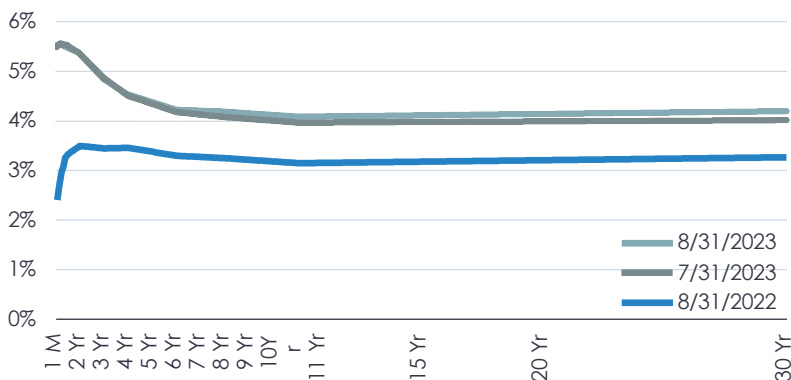
BOND MARKET PERSPECTIVE



Global bonds ended August in the red as concerns around economic growth in China and upward pressure on interest rates weighed on returns. The month started off on uncertain footing as Fitch Ratings downgraded the sovereign credit rating of the U.S. to AA+ from AAA, and the Bank of Japan unexpectedly adjusted its policy on how it manages the yield curve. Negative investor sentiment from these developments was counterbalanced with better-than-expected data in the U.S., underscoring a still-resilient labor market and moderating inflation pressures. Higher interest rates also dampened investor sentiment, with U.S. rates trending higher last month: the 10- and 30-year Treasury yields added 14 and 19 basis points, respectively, weighing down longer-duration indexes.

U.S. Treasury Market

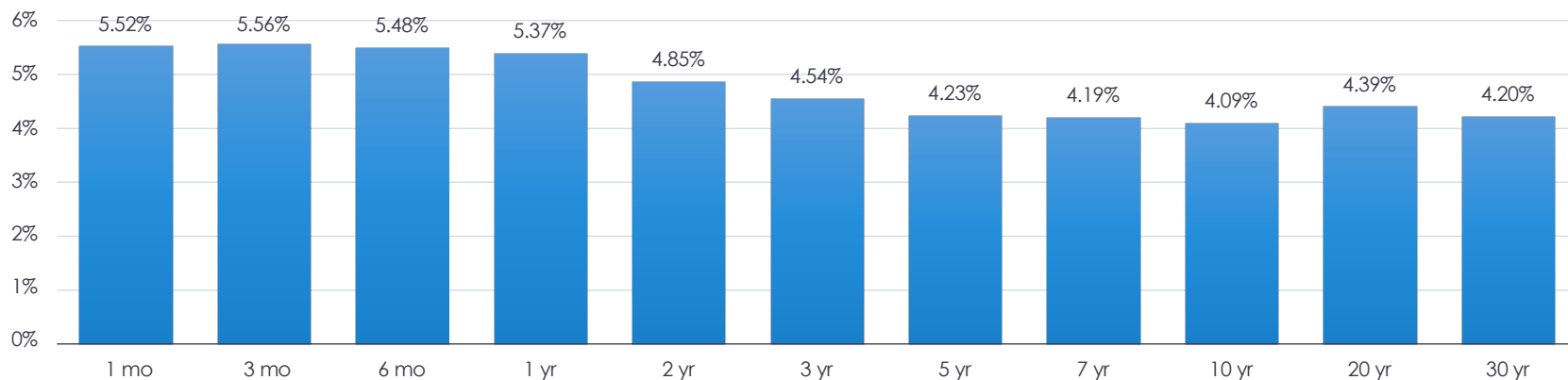
U.S Treasury Yield Curve



Historical U.S. 10-Year Treasury Rate

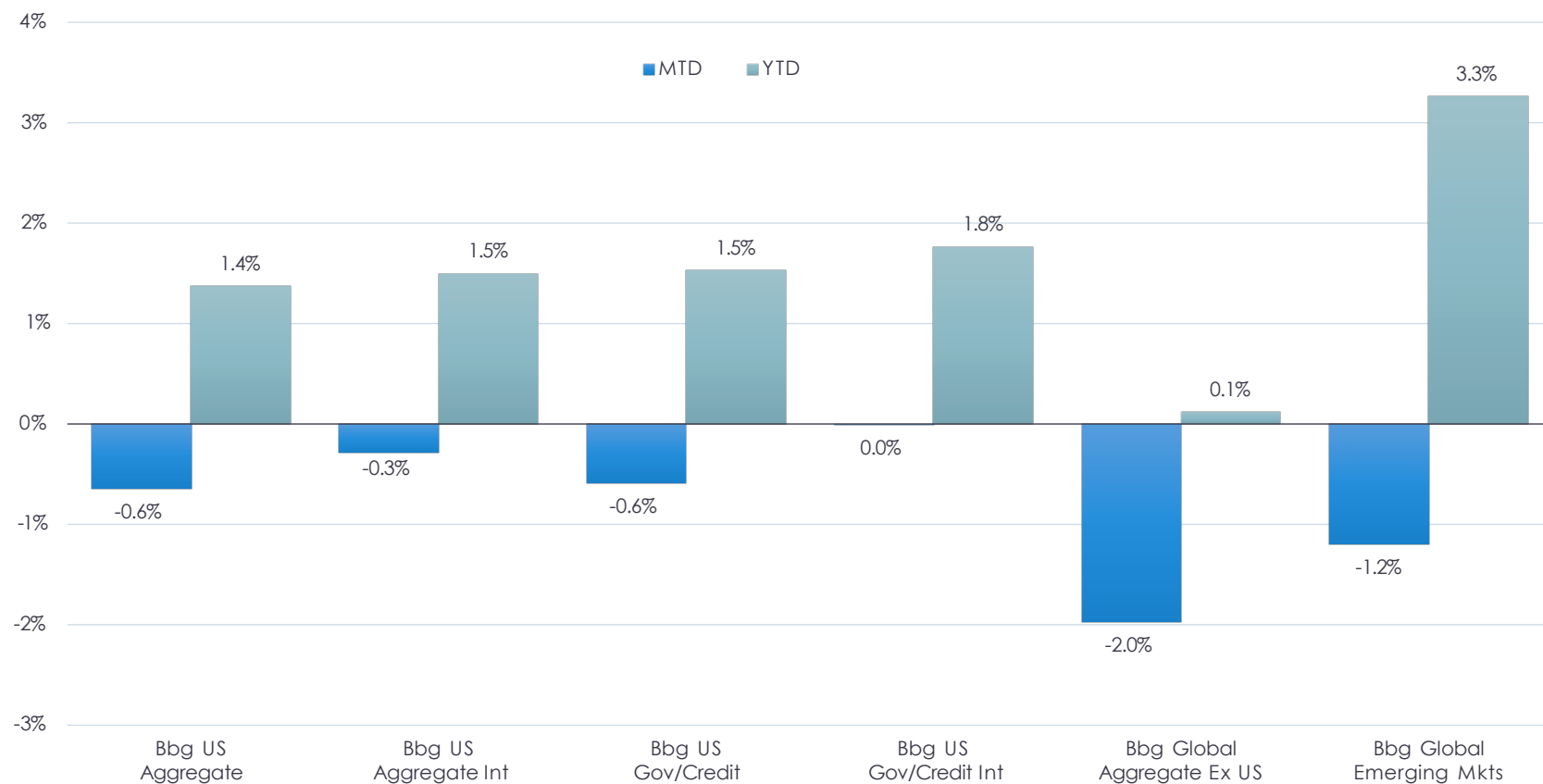


Current U.S. Treasury Yields by Maturity



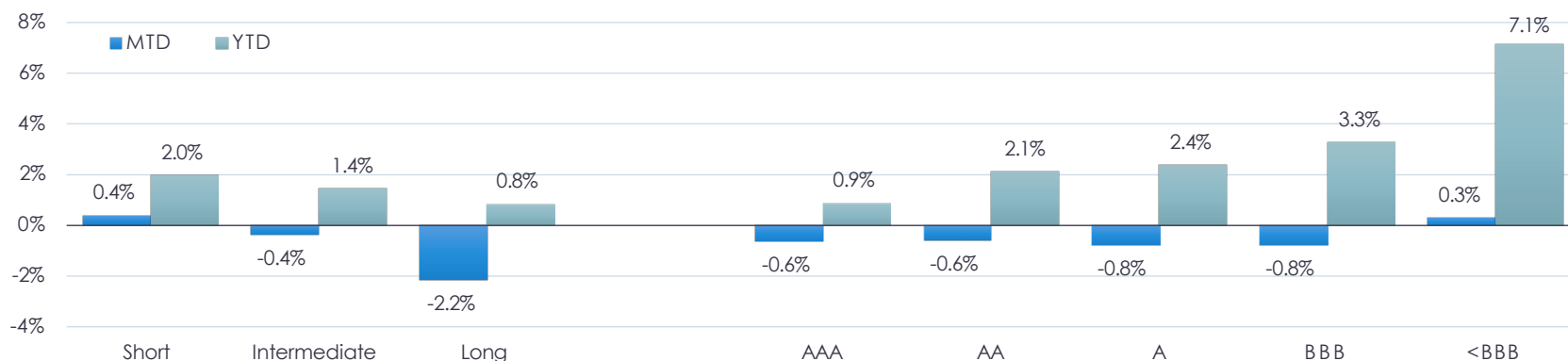
Source: U.S. Department of Treasury

Global Fixed Income Returns by Bellwether Index



Domestic Fixed Income Returns by Maturity and Credit Quality

Domestic Bond Market - Taxable

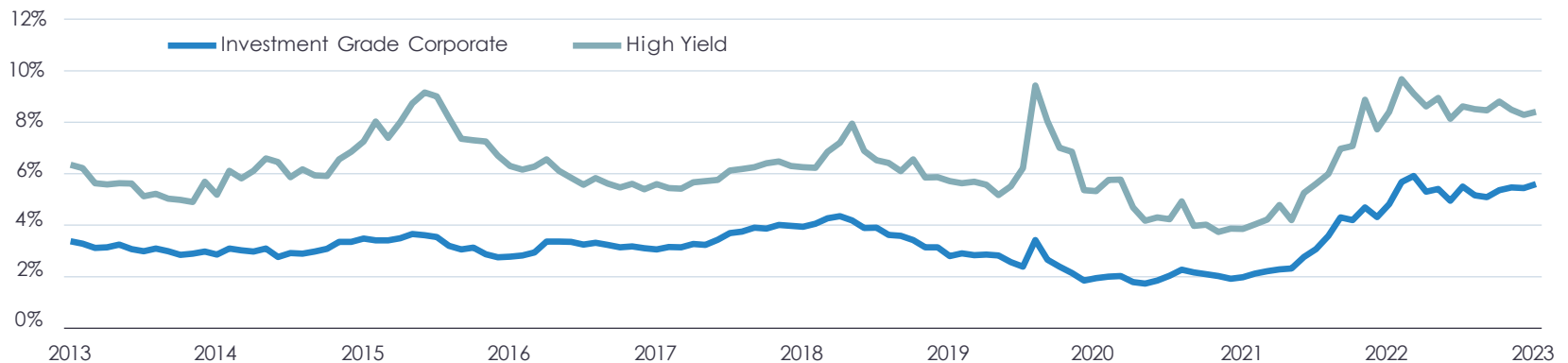


Domestic Bond Market - Municipal

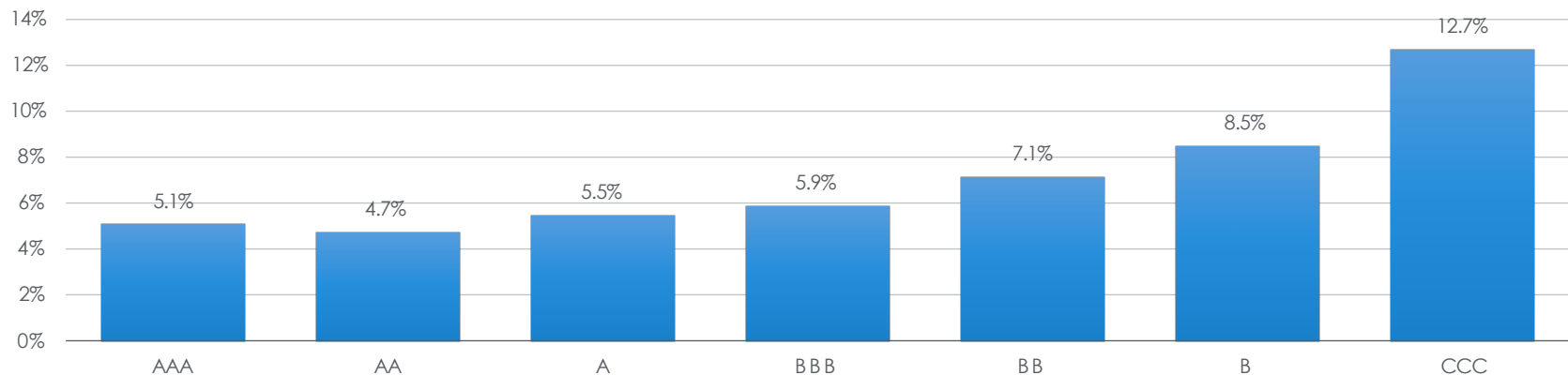


Domestic Fixed Income Bond Yields

Historical Corporate Bond Market Yield to Worst



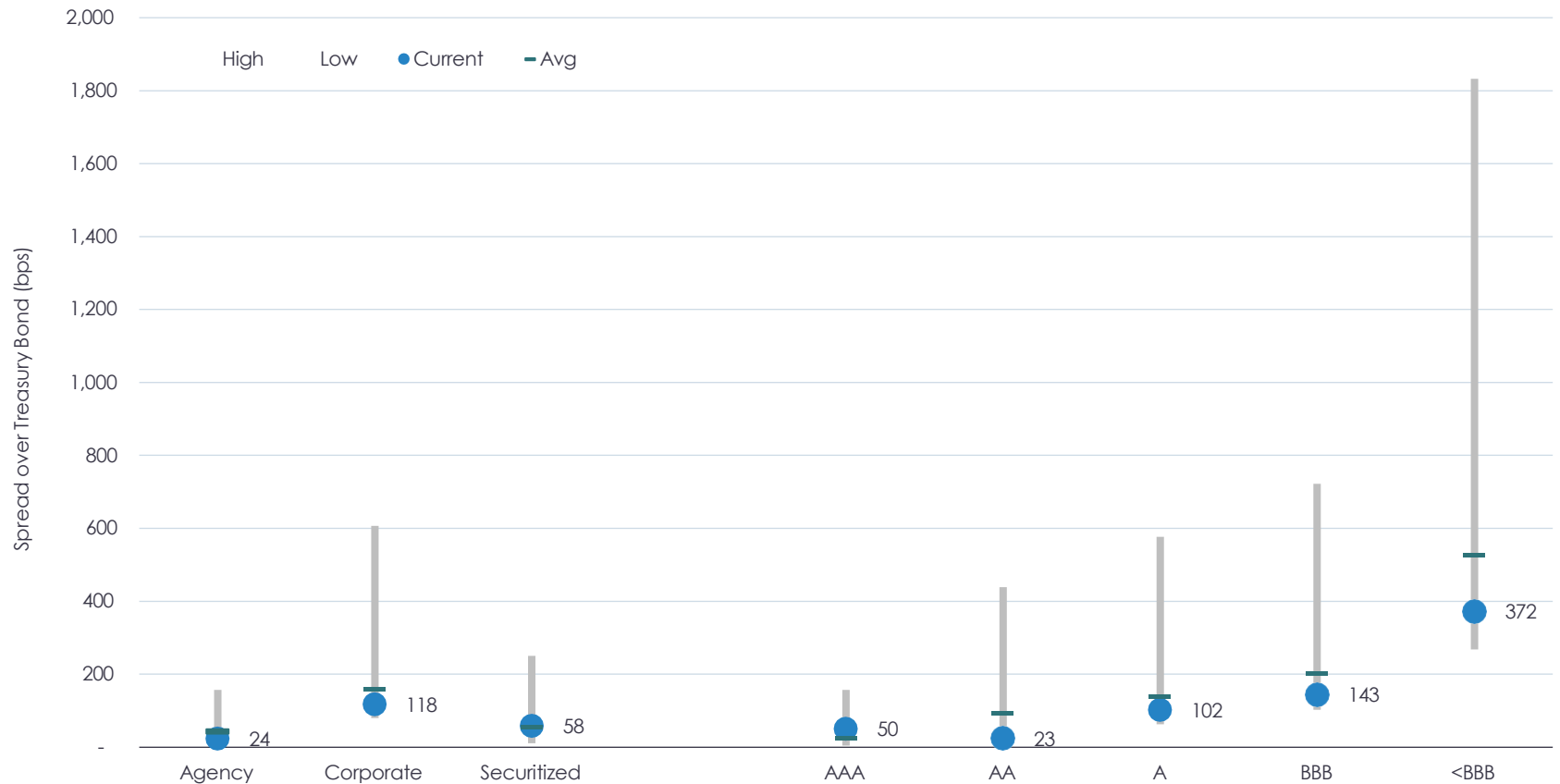
Current Corporate Bond Market Yields by Credit Quality



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 Fixed Income Bond Spreads

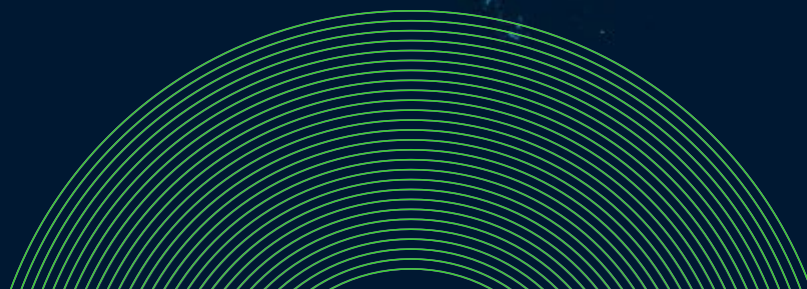
Current Bond Spreads Compared to 15-Year Range and 15-Year Average



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



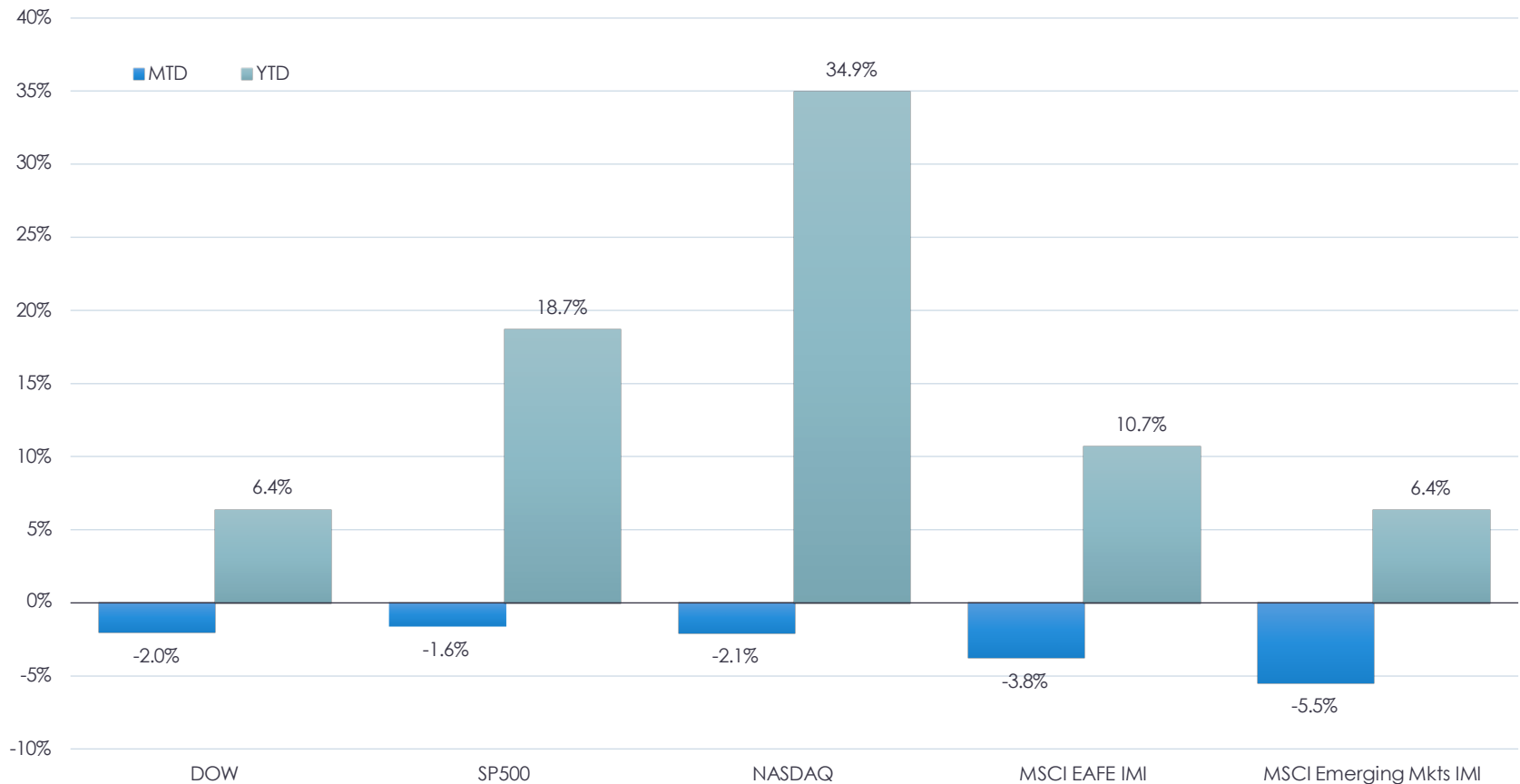
EQUITY MARKET PERSPECTIVE



Global equities ended August in the red as markets were unable to look past weaker-than-anticipated economic data in China, pulling global benchmarks lower for the month. The S&P 500 Index fell 1.6% in August; during the same period, non-U.S. markets were further challenged by a stronger U.S. dollar with the MSCI EAFE Index and MSCI Emerging Markets Index losing 3.8% and 5.5%, respectively. During the month, investors preferred the safety of large cap stocks relative to small cap stocks which have greater exposure to underperforming regional banks. Following the second quarter, 84% of S&P 500 companies have reported earnings with 79% reporting earnings per share (EPS) above analyst estimates. This is welcome news for investors as many have anticipated a decline in corporate profits due to higher inflation and rising interest rates.

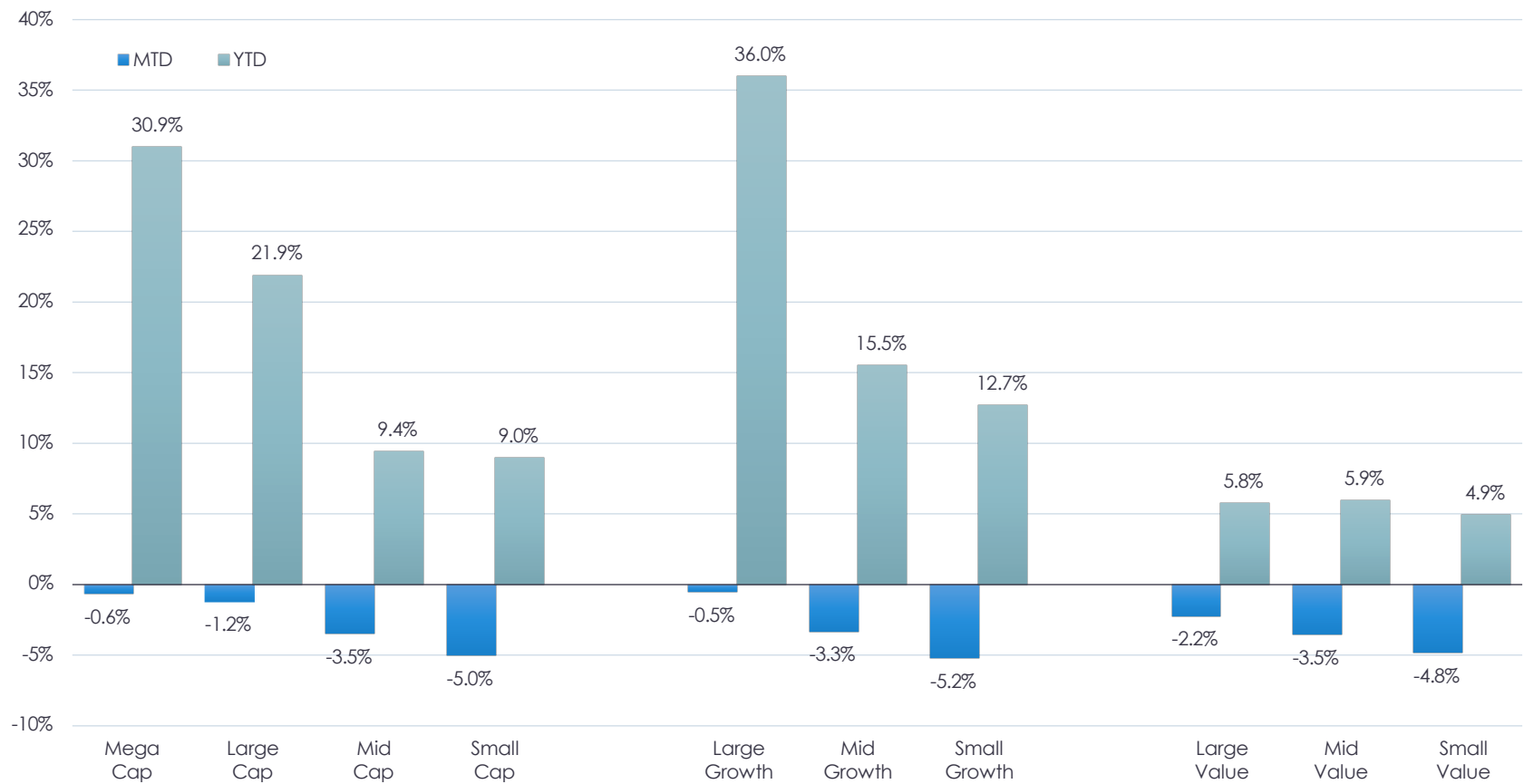
Global Equity Returns by Bellwether Index

Global Equity Markets



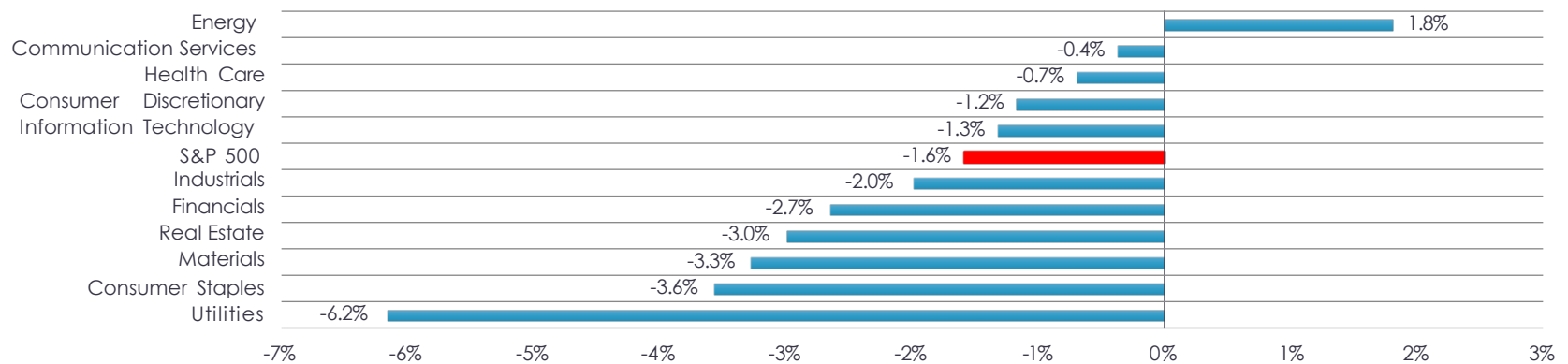
Domestic Equity Returns by Market Cap & Style

Domestic Equity Markets

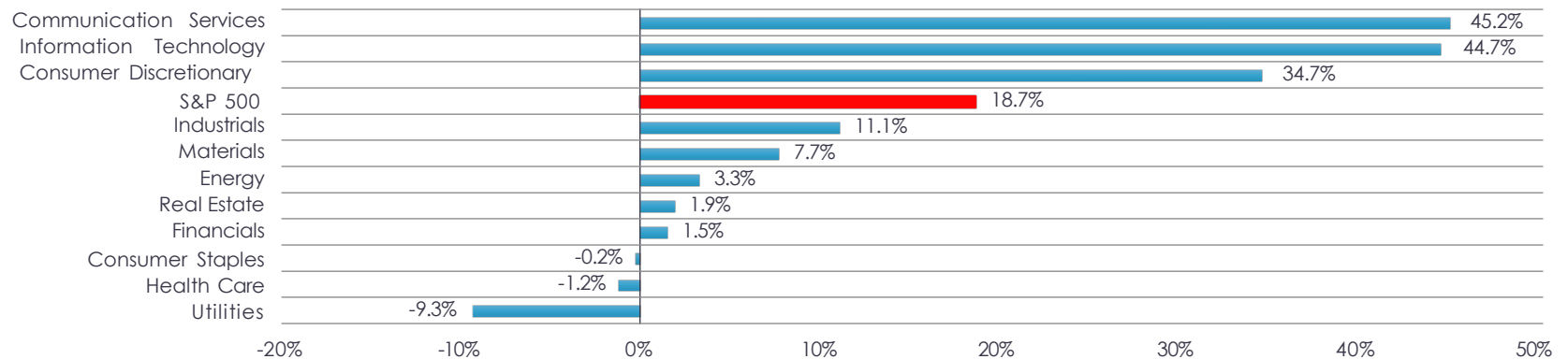


Domestic Equity Returns by Sector

MTD S&P 500 Returns by Sector

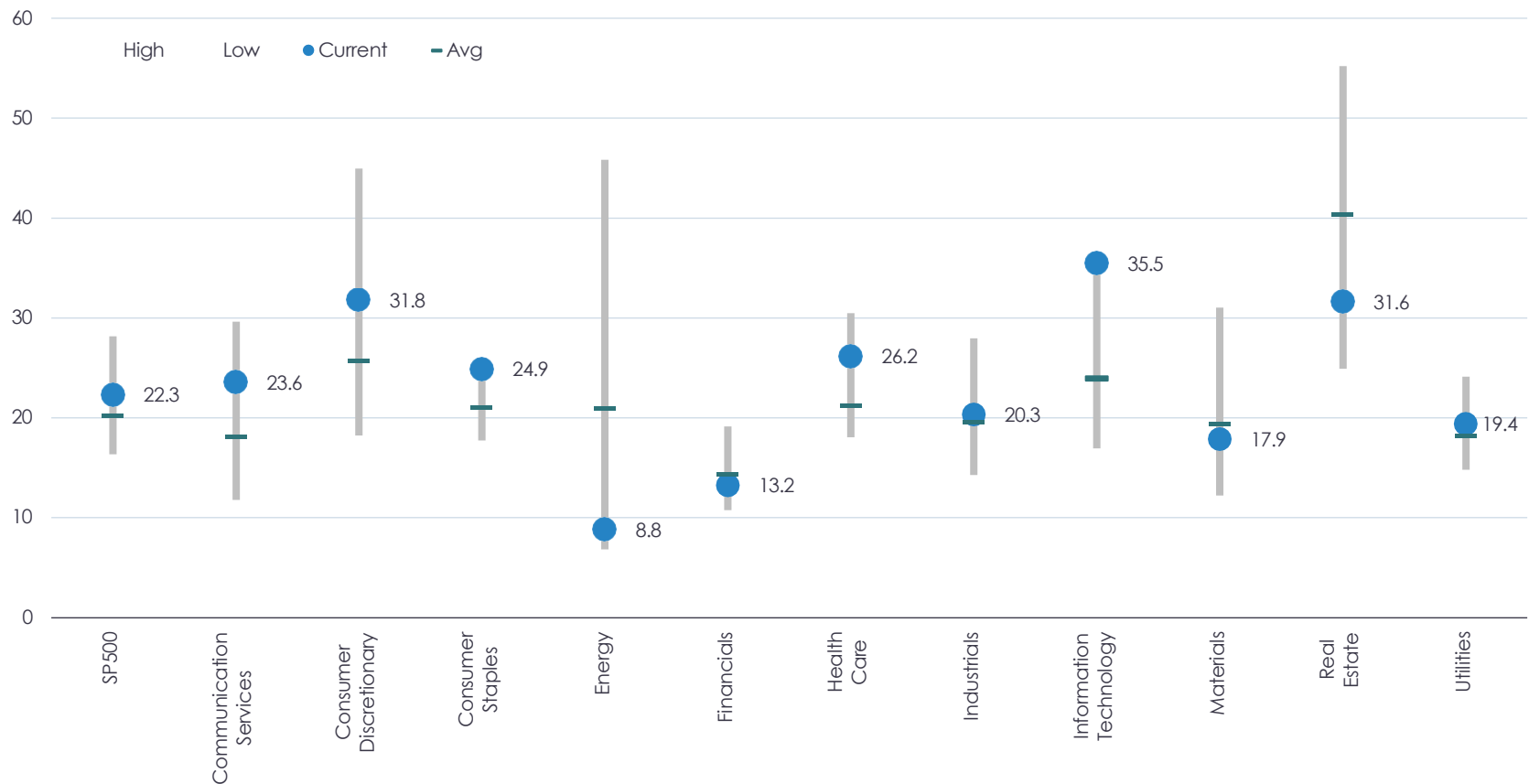


YTD S&P 500 Returns by Sector



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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