

# Investment Performance Summary

KERN COMMUNITY  
FOUNDATION

Growing community.  
Growing philanthropy.

As of 12/31/2022

Individual Investment Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
<b>Domestic Equity Pool TR*</b>	<b>-19.49</b>	<b>-5.87</b>	<b>7.15</b>	<b>-19.49</b>	<b>6.99</b>	<b>8.74</b>	
Domestic Equity Benchmark*	-19.49	-5.87	7.15	-19.49	6.99	8.73	12.10
S&P 500 TR USD	-18.11	-5.76	7.56	-18.11	7.66	9.42	12.56
<b>International Equity Pool TR*</b>	<b>-15.82</b>	<b>-2.20</b>	<b>14.85</b>	<b>-15.82</b>	<b>0.70</b>	<b>1.24</b>	
International Equity Benchmark*	-15.96	-0.52	14.37	-15.96	0.40	1.01	4.31
MSCI ACWI Ex USA NR USD	-16.00	-0.75	14.28	-16.00	0.07	0.88	3.80
<b>Intermediate-Term Fixed Income Pool TR</b>	<b>-12.31</b>	<b>-0.78</b>	<b>2.09</b>	<b>-12.31</b>	<b>-2.23</b>	<b>0.42</b>	
Intermediate-Term Fixed Income Benchmark	-12.17	-0.58	2.25	-12.17	-2.14	0.52	1.40
<b>Short-Term Fixed Income Pool TR</b>	<b>-6.51</b>	<b>-0.14</b>	<b>1.48</b>	<b>-6.51</b>	<b>-0.99</b>	<b>0.67</b>	
Short-Term Fixed Income Benchmark	-6.31	-0.03	1.54	-6.31	-0.86	0.79	1.07
<b>Money Market Pool TR</b>	<b>0.57</b>	<b>0.18</b>	<b>0.46</b>	<b>0.57</b>	<b>0.27</b>	<b>0.81</b>	<b>0.46</b>
USTREAS T-Bill Auction Ave 3 Mon	2.13	0.37	1.05	2.13	0.85	1.34	0.82

Individual investment options allow donors to recommend a custom allocation strategy, which can include one or more Investment Pools. Please refer to the quarterly Investment Performance Supplemental Report for benchmark definitions.

\*The Domestic Equity TR, the International Equity TR, the Domestic Equity Benchmark and the International Equity Benchmark have an inception date of 6/30/19; performance prior to that date is pro-forma.

Investment Mix Options	YTD	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
<b>Aggressive Mix TR</b>	<b>-15.87</b>	<b>-3.80</b>	<b>7.65</b>	<b>-15.87</b>	<b>4.03</b>	<b>5.53</b>	<b>8.36</b>
Aggressive Mix Benchmark	-15.83	-3.39	7.58	-15.83	3.99	5.50	8.38
<b>Moderately Aggressive Mix TR</b>	<b>-13.68</b>	<b>-3.00</b>	<b>6.29</b>	<b>-13.68</b>	<b>3.14</b>	<b>4.62</b>	<b>6.69</b>
Moderately Aggressive Mix Benchmark	-13.59	-2.66	6.26	-13.59	3.15	4.64	6.68
<b>Moderate Mix TR</b>	<b>-11.27</b>	<b>-2.09</b>	<b>4.66</b>	<b>-11.27</b>	<b>1.84</b>	<b>3.35</b>	<b>4.80</b>
Moderate Mix Benchmark	-11.07	-1.82	4.70	-11.07	1.92	3.44	4.80
<b>Conservative Mix TR</b>	<b>-8.42</b>	<b>-1.12</b>	<b>3.03</b>	<b>-8.42</b>	<b>0.51</b>	<b>2.04</b>	<b>2.89</b>
Conservative Mix Benchmark	-8.04	-0.90	3.17	-8.04	0.68	2.20	2.91
<b>Risk Averse Mix TR</b>	<b>0.57</b>	<b>0.18</b>	<b>0.46</b>	<b>0.57</b>	<b>0.27</b>	<b>0.81</b>	<b>0.46</b>
USTREAS T-Bill Auction Ave 3 Mon	2.13	0.37	1.05	2.13	0.85	1.34	0.82

Investment Mix options offer a simple, one-stop approach to an investment strategy that best reflects your charitable goals. Donors recommend one option, which the Community Foundation rebalances.

Returns for periods greater than 1 year are compound annual returns. TR = Total Return

Current Investment Mix Allocations	Domestic Equity Pool	Int'l Equity Pool	Inter-Term Fixed Income Pool	Short-Term Fixed Income Pool	Money Market Pool
Aggressive	55%	22%	10%	10%	3%
Moderately Aggressive	43%	17%	10%	25%	5%
Moderate	29%	11%	15%	35%	10%
Conservative	14%	6%	18%	42%	20%
Risk Averse	0%	0%	0%	0%	100%

## Estimated Investment Management Fees for the Investment Mix Options

Aggressive	0.05%
Moderately Aggressive	0.06%
Moderate	0.07%
Conservative	0.08%
Risk Averse	0.14%

Performance is presented gross of Kern Community Foundation administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

## Customer Service

If you have any questions about your fund or wish to request a change in your investment mix, please contact Donor Services at 661.616.2617 or [donorservices@kernfoundation.org](mailto:donorservices@kernfoundation.org).

Contact Danette Rinehart at [danette@kernfoundation.org](mailto:danette@kernfoundation.org) or 661.616.2602 for more information on the pools, including their component funds and blended benchmarks, the Board of Directors Investment Committee, or the Investment Policy Statement.

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# Domestic Equity Pool

As of 12/31/2022

## Trailing Returns

Domestic Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Domestic Equity Pool TR</b>	<b>-19.49</b>	<b>7.15</b>	<b>-19.49</b>	<b>6.99</b>	<b>8.74</b>	
Domestic Equity Benchmark	-19.49	7.15	-19.49	6.99	8.73	12.10
S&P 500 TR USD	-18.11	7.56	-18.11	7.66	9.42	12.56
Russell 3000 TR USD	-19.21	7.18	-19.21	7.07	8.79	12.13

## Trailing Returns

Equity Pool Holdings & Benchmarks	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Instl Ttl Stk Mkt Idx InstlPls</b>	<b>-19.49</b>	<b>7.15</b>	<b>-19.49</b>	<b>7.00</b>	<b>8.75</b>	<b>12.13</b>
CRSP US Total Market TR USD	-19.49	7.15	-19.49	6.99	8.73	12.10

## Purpose

The purpose of the Domestic Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the Equity Pool is to obtain broad equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

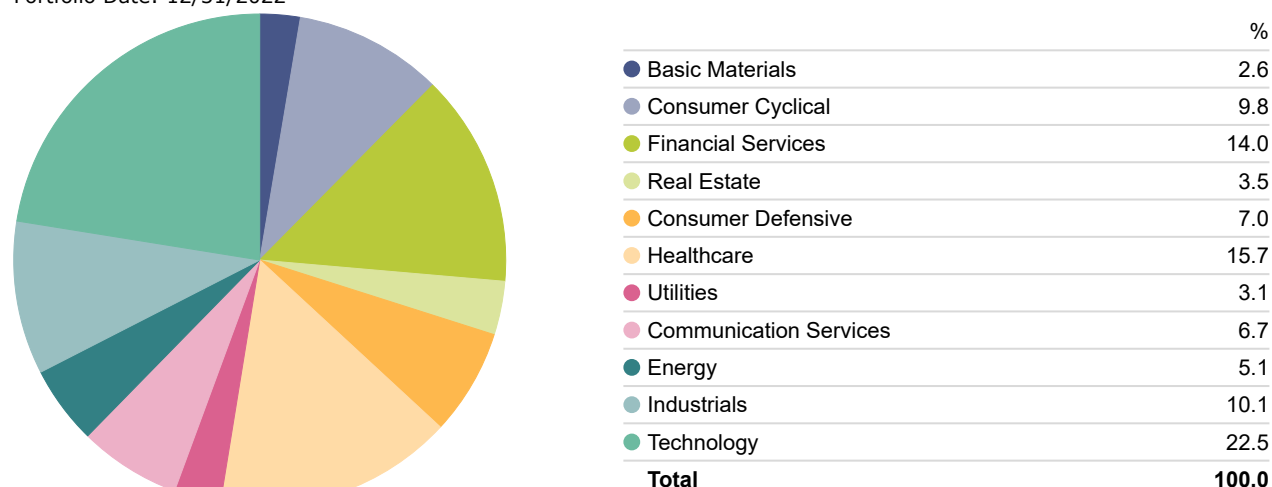
## Top Holdings - Domestic Equity Pool

Portfolio Date: 12/31/2022

Total Market Value: \$454,660,109	Market Value (mil)	Portfolio Weighting %
Vanguard Instl Ttl Stk Mkt Idx InstlPls	\$ 454.7	100%

## Equity Sectors (Morningstar) - Domestic Equity Pool

Portfolio Date: 12/31/2022



Equity Benchmark Current  
CRSP US Total Stock Market 100%

Source: Morningstar Direct

## Top Stock Holdings

1. Apple Inc.
2. Microsoft Corp
3. Amazon.com Inc.
4. Alphabet Inc Class A
5. Alphabet Inc Class C
6. Berkshire Hathaway Inc Class B
7. Tesla Inc
8. UnitedHealth Group INc
9. Johnson & Joshson
10. Exxon Mobil Corp

Trailing Twelve Month Dividend Yield: 1.69%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .03%

# International Equity Pool

As of 12/31/2022

## Trailing Returns

Equity Pool & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>International Equity Pool TR</b>	<b>-15.82</b>	<b>14.85</b>	<b>-15.82</b>	<b>0.70</b>	<b>1.24</b>	
International Equity Benchmark	-15.96	14.37	-15.96	0.40	1.01	4.31
FTSE Global All Cap ex US TR USD	-15.83	14.19	-15.83	0.82	1.40	4.48

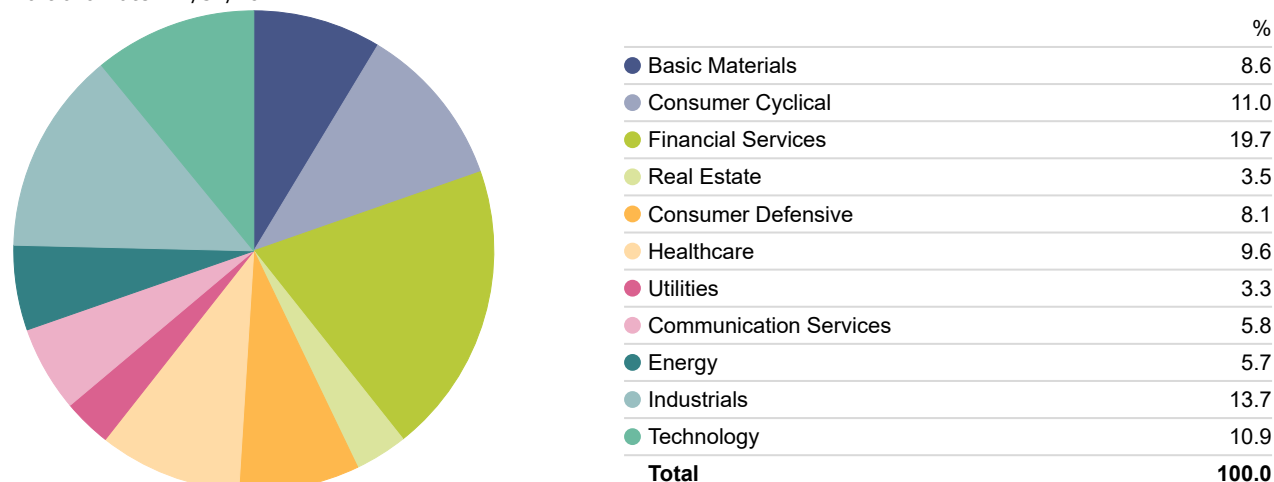
Performance for the International Equity Pool prior to 06/30/2019 is pro-forma based on the experience of the previous Equity Pool

## Trailing Returns

International Equity Pool Holding & Benchmark	YTD	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Developed Markets Index Instl</b>	<b>-15.34</b>	<b>17.10</b>	<b>-15.34</b>	<b>1.33</b>	<b>1.67</b>	<b>4.93</b>
FTSE Developed ex US All Cap NR USD	-15.75	16.25	-15.75	1.00	1.35	4.55
<b>Vanguard Emerging Mkts Stock Idx Instl</b>	<b>-17.74</b>	<b>8.22</b>	<b>-17.74</b>	<b>-1.46</b>	<b>-0.31</b>	<b>1.59</b>
FTSE Emerging NR USD	-17.27	8.50	-17.27	-1.69	-0.22	1.97

## Equity Sectors (Morningstar) - International Equity Pool

Portfolio Date: 12/31/2022



<b>International Equity Benchmark</b>	<b>Current</b>
FTSE Developed ex US All Cap	82%
FTSE Emerging Markets	18%

Source: Morningstar Direct

## Purpose

The purpose of the International Equity Pool is to facilitate the funding of current and future charitable needs of participating charitable funds and organizations. The long term investment objective of the International Equity Pool is to obtain broad international equity market exposure utilizing a passive, cost effective approach that is diversified across market capitalizations and regions. A secondary objective is to provide cash flows to fund distributions and to preserve the purchasing power of the funds to meet charitable needs now and in the future.

## Top Holdings - International Equity Pool

Portfolio Date: 12/31/2022

Total Market Value: \$167,465,593	Market Value (mil)	Portfolio Weighting %
Vanguard Developed Markets Index Ins Pls	\$ 125.7	75%
Vanguard Emerging Mkts Stock Idx Instl	\$ 41.7	25%

## Top Stock Holdings

1. Nestle SA
2. Taiwan Semiconductor Manufacturing Co Ltd
3. ASML Holding NV
4. Samsung Electronics Co Ltd
5. Roche Holding AG
6. Tencent Holdings Ltd
7. Shell PLC
8. AstraZeneca PLC
9. Novo Nordisk A/S Class B
10. LVMH Moet Hennessy Louis Vuitton SE

Trailing Twelve Month Dividend Yield: 2.07%

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transaction costs.

Estimated Pool Investment Management Fee: .06%

# Intermediate-Term Fixed Income Pool

As of 12/31/2022

## Trailing Returns

Int-Term Fixed Income Pool & Blended Benchmark	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Intermediate-Term Fixed Income Pool TR</b>	<b>-12.31</b>	<b>2.09</b>	<b>-12.31</b>	<b>-2.23</b>	<b>0.42</b>	
Intermediate-Term Fixed Income Benchmark	-12.17	2.25	-12.17	-2.14	0.52	1.40

## Purpose

The purpose of the Intermediate-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasuries notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The average effective duration and interest rate risk of the Pool will be commensurate with broad fixed income benchmarks such as the Barclays U.S. Aggregate Bond Index.

## Trailing Returns

Int-Term Fix. Income Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Interm-Term Bond Index I</b>	<b>-13.25</b>	<b>1.88</b>	<b>-13.25</b>	<b>-2.38</b>	<b>0.47</b>	<b>1.36</b>
Bloomberg US 5-10 GovCredit FIAdj TR USD	-13.13	2.19	-13.13	-2.34	0.54	1.41
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>-11.56</b>	<b>2.38</b>	<b>-11.56</b>	<b>-3.25</b>	<b>-0.60</b>	
Bloomberg US MBS TR USD	-11.81	2.14	-11.81	-3.22	-0.53	0.74
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>-2.80</b>	<b>1.27</b>	<b>-2.80</b>	<b>2.43</b>	<b>2.53</b>	<b>1.33</b>
Bloomberg US TIPS 0-5 Year TR USD	-2.74	1.29	-2.74	2.49	2.57	1.37
<b>Xtrackers USD High Yield Corp Bd ETF</b>	<b>-11.09</b>	<b>4.15</b>	<b>-11.09</b>	<b>-0.99</b>	<b>1.67</b>	
Solactive USD HY Corp Total Mkt TR USD	-11.00	4.19	-11.00	-0.80	1.87	3.38

## Intermediate-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2022

Total Market Value	Market Value (mil)	Portfolio Weight %
\$123,923,397		
Vanguard Interm-Term Bond Index Ins Plus	\$ 86.7	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 24.8	20%
Xtrackers USD High Yield Corp Bd ETF	\$ 6.2	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 6.2	5%

## Int.-Term Fixed Income Benchmark Weights

## Percent

Barclays US 5-10Y Gov/Credit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR USD	20%
Solactive USD HY Corp Total Mkt TR USD	5%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%

## Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.06%

## Fixed Income Pool Statistics

Average Yield to Maturity	4.70%
Average Effective Duration	6.26 years
Trailing Twelve Month Yield	2.73%

# Short-Term Fixed Income Pool

As of 12/31/2022

## Trailing Returns

Short-Term Fix. Inc. Pool & Blended Benchmark	Year To Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Short-Term Fixed Income Pool TR</b>	<b>-6.51</b>	<b>1.48</b>	<b>-6.51</b>	<b>-0.99</b>	<b>0.67</b>	
Short-Term Fixed Income Benchmark	-6.31	1.54	-6.31	-0.86	0.79	1.07

## Purpose

The purpose of the Short-Term Fixed Income Pool is to provide capital preservation and current income to help meet spending requirements of donor portfolios. The Pool will utilize a passive, cost effective approach with a secondary objective to provide broad exposure to U.S. income markets. The Pool is diversified across U.S. Treasury notes and bonds, corporate bonds, bank loans, mortgaged-backed securities and U.S. Treasury Inflation-Protected Securities. The Pool will have a lower average effective duration than broad fixed income market benchmarks such as the Barclays U.S. Aggregate Bond Index, hence limiting overall interest rate risk.

## Trailing Returns

Short-Term Fix. Inc. Pool Holdings & Benchmarks	Year to Date	Quarter	1 Year	3 Years Annualized	5 Years Annualized	10 Years Annualized
<b>Vanguard Short-Term Bond Idx I</b>	<b>-5.52</b>	<b>1.07</b>	<b>-5.52</b>	<b>-0.71</b>	<b>0.80</b>	<b>0.91</b>
Bloomberg US 1-5Y GovCredit FIAdj TR USD	-5.50	1.20	-5.50	-0.67	0.85	0.98
<b>Vanguard Mortgage-Backed Secs Idx Instl</b>	<b>-11.56</b>	<b>2.38</b>	<b>-11.56</b>	<b>-3.25</b>	<b>-0.60</b>	
Bloomberg US MBS Float Adjusted TR USD	-11.45	2.18	-11.45	-3.09	-0.49	0.75
<b>Vanguard Shrt-Term Infl-Prot Sec Idx Ins</b>	<b>-2.80</b>	<b>1.27</b>	<b>-2.80</b>	<b>2.43</b>	<b>2.53</b>	<b>1.33</b>
Bloomberg US TIPS 0-5 Year TR USD	-2.74	1.29	-2.74	2.49	2.57	1.37
<b>Invesco Senior Loan ETF</b>	<b>-1.68</b>	<b>3.28</b>	<b>-1.68</b>	<b>0.66</b>	<b>2.00</b>	<b>2.31</b>
Morningstar LSTA US LL100 TR USD	-0.60	3.82	-0.60	1.91	3.08	3.24

## Short-Term Fixed Income Pool Holdings

Portfolio Date: 12/31/2022

	Market Value (mil)	Portfolio Weight %
Total Market Value: \$292,027,498		
Vanguard Short-Term Bond Idx InstlPIs	\$ 204.4	70%
Vanguard Mortgage-Backed Secs Idx Instl	\$ 58.6	20%
Invesco Senior Loan ETF	\$ 14.6	5%
Vanguard Shrt-Term Infl-Prot Sec Idx Ins	\$ 14.4	5%

## Short-Term Fixed Income Benchmark Weights

### Percent

Barclays US 1-5Y GovCredit FIAdj TR USD	70%
Barclays US MBS Float Adjusted TR US	20%
Barclays U.S. Treasury TIPS 0-5Y TR USD	5%
S&P/LSTA U.S. Leveraged Loan 100 TR USD	5%

## Inception Date: January 1, 2014

Performance is presented gross of administrative fees but net of all investment management fees, brokerage, consulting and other transactions costs.

Estimated Pool Investment Management Fee: 0.09%

## Fixed Income Pool Statistics

Average Yield to Maturity	4.76%
Average Effective Duration	3.38 years
Trailing Twelve Month Yield	2.05%

# Money Market Pool

As of 12/31/2022

## Purpose

The purpose of the Money Market Pool is to provide liquidity for participating charitable funds and organizations in funding grant making and payment of fees and administrative costs while providing desired principal stability. The long term investment objective of the Money Market Pool is to seek a competitive market return to preserve and grow the portfolio, provide cash flows to meet charitable needs now and those in the future. As such, the Money Market Pool is highly liquid, which enables donors to access funds for grants in a timely manner. The Money Market Pool invests in bank deposits and obligations of the United States government and its agencies.

### Money Market Trailing Returns

Time Period	Money Market Pool	90 Day Treasury Bills
Year to Date	0.57%	2.13%
3 Months	0.46%	1.05%
1 Year	0.57%	2.13%
3 Years	0.27%	0.85%
5 Years	0.81%	1.34%
10 Years	0.46%	0.82%

*Performance periods greater than 12 months are annualized.  
Performance is net of investment management fees but not the  
Foundation's administrative fees.*

**Current Month Return Annualized: 2.95%**

# Investment Commentary

## December 31, 2022

While the fourth quarter offered investors slight relief, 2022 marked a tumultuous year for capital markets and one of the most challenging years for investment returns in decades. Inflation continued to be the overarching concern for investors, leading the U.S. Federal Reserve (the “Fed”) to take decisive action, and continue its historic monetary policy tightening agenda. The Fed delivered seven rate hikes over the year, increasing the Federal Funds rate by a total of 4.25%, its most aggressive rate hikes since the early 1980s. They continued to send a clear message that defeating inflation remained their key focus, even if their actions result in a recession for the economy. The pace and magnitude of these interest rate hikes took a significant toll on fixed-income assets (as a reminder, fixed-income prices are inversely related to interest rate movements), and the fear of a resulting economic slowdown hampered equity assets. The result was a bear market for both stocks and bonds in the same calendar year, a rare occurrence.

The Domestic Equity Pool was positive for the fourth quarter, returning +7.15%, and offered a bit of respite for investors. However, year-to-date (“YTD”) returns remained decidedly negative at -19.49%. Value stocks continued their outperformance over growth stocks. As measured by their respective Russell-based indices, large-cap value stocks were down -7.5% YTD as compared to large-cap growth stocks, down -29.1% YTD, marking one of the largest years of relative outperformance for value stocks since the popping of the tech

bubble in 2000. The Nasdaq Composite Index finished the year down -32.5%, trailing the broader market by more than 14%.

The International Equity Pool was up 14.85% in the fourth quarter and finished the year with a YTD performance of -15.82%. Developed international equities were up +17.3% for the quarter, with emerging market equities up +9.7%, as measured by the MSCI EAFE and MSCI Emerging Markets indices (in U.S. dollar terms). On a YTD basis, developed international equities finished down -14.5%, outperforming domestic equities, whereas emerging markets were down -20.1% YTD. Both international developed and emerging market equities faced significant headwinds over the year, given the strength of the U.S. dollar, which waned over the quarter, but was up close to +8% over the year as measured by the U.S. Dollar Index. International returns in their local currencies (i.e., before being converted back to USD for domestic investors) were much higher, and many markets outside the U.S. handily outperformed domestic equities before taking into effect currency translation.

The fourth quarter brought some relief to fixed-income assets as the Fed slightly tapered the magnitude of its December rate hike (a 50 basis point increase as compared to the prior four consecutive increases of 75 basis points). As measured by the Bloomberg U.S. Aggregate Index, fixed-income markets were positive +1.9% for the period, but finished the year down -13.0%, marking one of the worst years ever for the asset class. With inflation continuing to run dramatically higher than the Fed’s 2% target, the rapid and substantial interest rate

# Investment Commentary

## December 31, 2022

increases drove rates higher across the yield curve and led to poor performance for most fixed-income markets. On a YTD basis, 10-Year U.S. Treasuries were down -16.3%.

This inflation pressure and rising yields weighed heavily on the fixed-income market. Causing the Intermediate-Term Fixed Income Pool to finish the year down -12.29% but up +2.09% for the quarter. The Short-Term Fixed Income Pool ended the year down -6.51%, and the quarter return came in at +1.48%.

As investors close the books and look forward to 2023, the biggest question that remains uncertain today is what happens with the economy, and in turn, how the actions of the Fed will continue to impact markets. The pace and trajectory of interest rate hikes and other monetary policy decisions clearly rattled markets in 2022, however, they have not yet had as material of an impact on the overall economy. Economist Milton Friedman coined the phrase “long and variable lags” to describe how changes in monetary policy action work their way through a vast, complex, intertwined economy. While very difficult to accurately predict, history and a significant body of research suggest it can take 18 to 24 months for monetary policy actions to affect inflation materially, and thus, the overall economy.

Although the Fed’s policy actions have been aggressive from a historical perspective, we are only very recently starting to see some trends change, particularly in interest rate-sensitive areas like housing, which have started to show stress. Other economic indicators continue to flash warning signs, including commodity prices rolling over, the deepest yield curve inversion

since the early 1980s, and others; signaling additional pressure ahead. Importantly, the Fed’s tightening cycle (and its first interest rate hike) began in mid-March 2022, less than 12 months ago. If you believe in the “long and variable lags” principle, monetary policy action could still take months to fully play out and be understood by investors and other market participants.

As it stands today, the consensus view of economists seems to be that the lagged effects of the Fed’s monetary tightening (including 425 basis points of interest rate hikes and counting) will be a drag on economic growth and may drive the economy into a recession. Although there are varying views about whether a “soft landing” is achievable, an economic recession of some sort now appears to be the base case scenario for more and more economists. Interestingly, the consensus earnings estimates still call for growth and margin expansion across the S&P 500 Index in 2023, a view that we find to be somewhat at odds with a recession, even if mild or shallow. We should acknowledge that corporate earnings and profit margins have remained resilient over the past few quarters, even in light of a challenging backdrop. However, the achievability of continued earnings growth seems to be exceedingly optimistic, with risks skewed to the downside, at least in the near-to-intermediate term. Market participants will continue to closely monitor the earnings picture as it comes into focus over the next few quarters.