

Quarterly Market Review

Third Quarter 2023



This report features world capital market performance and a timeline of events for the past 12 months. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios and features our quarterly topic.

Required Minimum Distributions: Individuals with IRAs or 401(k)s who are over the age of 73 must take required minimum distributions (RMDs) each year.

Please notify our office if you are over 73 and have other qualified or IRA assets held outside of VSM purview. This will allow us to calculate the correct distribution. Account holders that have reached the age of 73 in 2023 must take an RMD by April 1, 2024. After an account holder takes the initial RMD, all future RMDs must be taken by December 31st.

Please accept this as our offering of our **Client Information Privacy Principles**. If you would like a copy, please contact the office at 410-825-8844

Overview:

Quarterly Topic: Do Downturns Lead to Down Years?

Quarterly Market Summary

Long Term Market Summary

World Stock Market Performance Quarterly

World Stock Market Performance Annually

Randomness Of Market Returns

Do Downturns Lead to Down Years?

YEAR-BY-YEAR RETURNS, WITH STEEPEST DECLINE WITHIN EACH YEAR

Russell 3000 Index, January 2003–December 2022



Stock market declines over a few days or months may lead investors to anticipate a down year. But the US stock market has had positive annual returns in many years despite some notable dips.

- Intraday declines for the index ranged from 3% to 49%.
- Many years with large intraday declines saw positive annual returns.
- In 17 of the last 20 years, US stocks ended up with gains for the year.

Tumbles may be scary, but they shouldn't be surprising. And a short-term slump needn't mean a full-year fall.

Quarterly Market Summary

Index returns



	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q3 2023	STOCKS				BONDS	
	-3.25%	-4.10%	-2.93%	-6.49%	-3.23%	-0.78%
Since Jan. 2001						
Average Quarterly Return	2.2%	1.5%	2.4%	2.1%	0.9%	0.9%
Best Quarter	22.0%	25.9%	34.7%	32.3%	4.6%	4.6%
	2020 Q2	2009 Q2	2009 Q2	2009 Q3	2001 Q3	2008 Q4
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%	-5.9%	-4.1%
	2008 Q4	2020 Q1	2008 Q4	2008 Q4	2022 Q1	2022 Q1

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2023 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2023, all rights reserved. Bloomberg data provided by Bloomberg.

Long-Term Market Summary

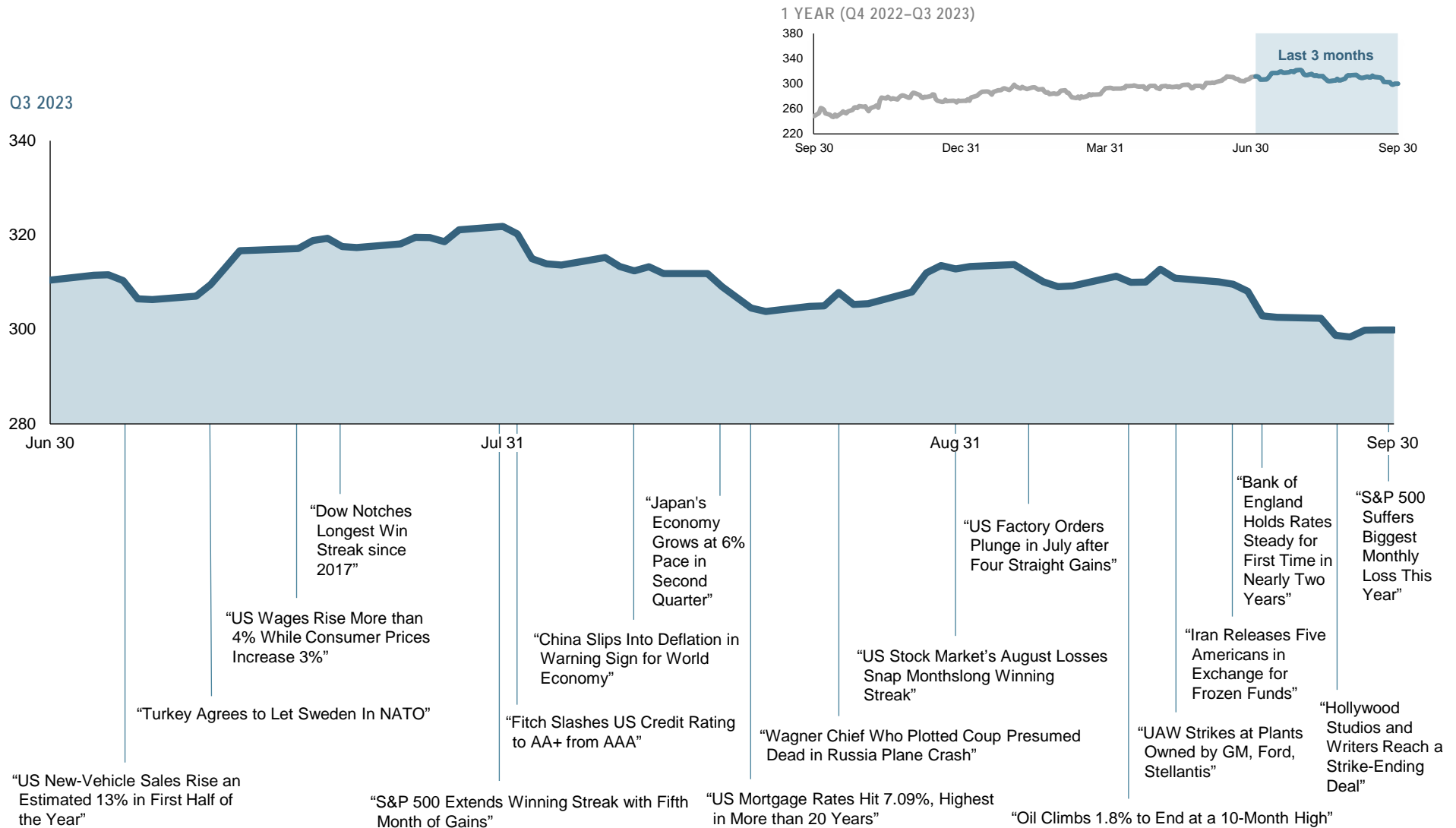
Index returns as of September 30, 2023

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	20.46%	24.00%	11.70%	2.03%	0.64%	2.99%
5 Years						
	9.14%	3.44%	0.55%	0.01%	0.10%	0.83%
10 Years						
	11.28%	3.84%	2.07%	3.12%	1.13%	2.30%

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World Stock Market Performance

MSCI All Country World Index with selected headlines from Q3 2023



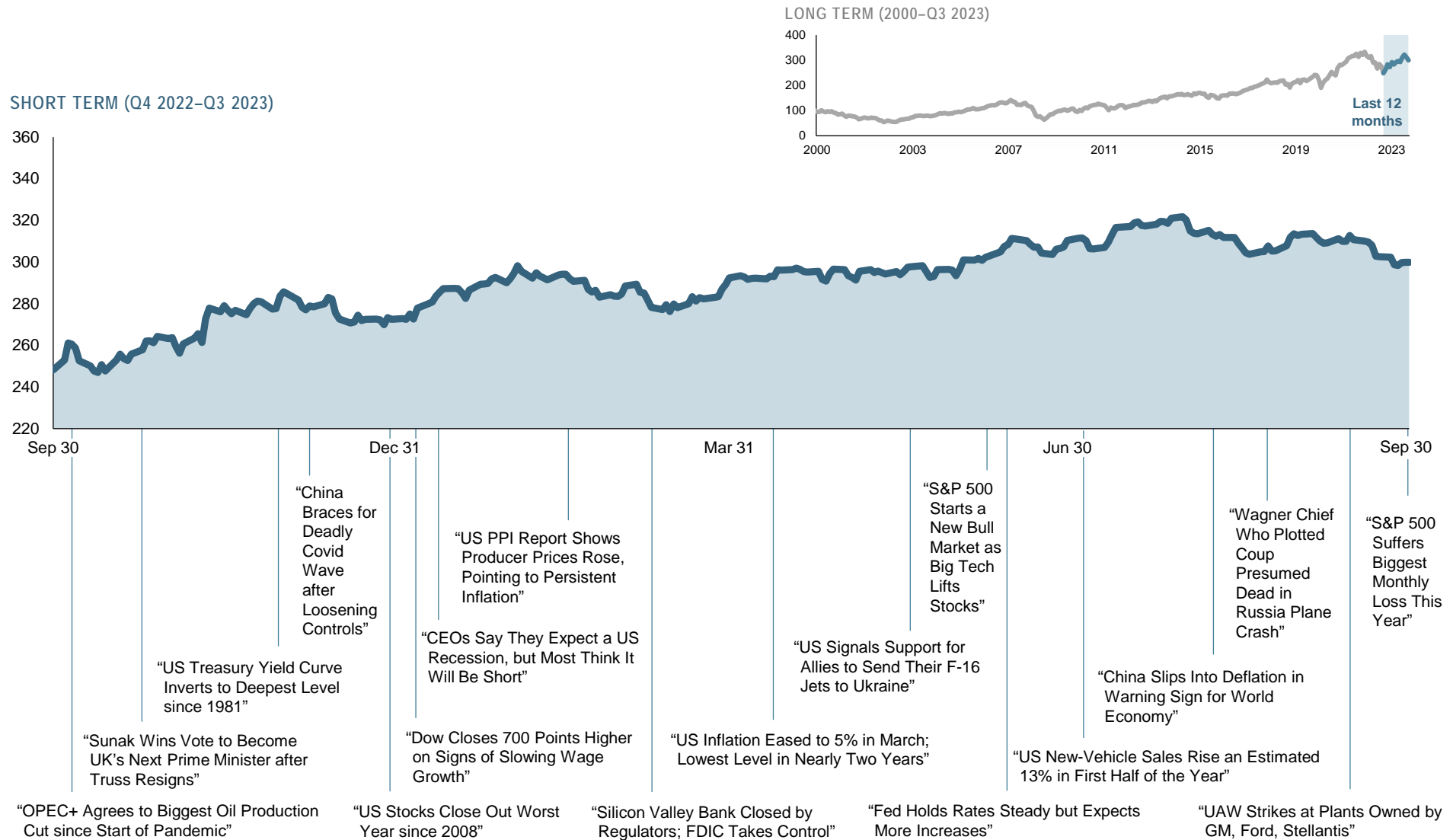
These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2023, all rights reserved. Index level based at 100 starting January 2000.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

World Stock Market Performance



MSCI All Country World Index with selected headlines from past 12 months



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

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Randomness Of Market Returns

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<p>Highest Return</p>   <p>Lowest Return</p>	US REIT 27.40%	US REIT 0.80%	Commodity 9.86%	Emerging Markets 34.35%	US Bonds 0.01%	Large Cap US 28.88%	Large Cap US 18.40%	Commodity 40.35%	Commodity 25.99%	Large Cap US 13.07%
	Large Cap US 11.40%	US Bonds 0.55%	US REIT 8.90%	International Developed 25.03%	Large Cap US -6.20%	US REIT 25.84%	Small Cap US 18.36%	US REIT 35.55%	Global Allocation -12.08%	Commodity 7.24%
	US Bonds 5.97%	Large Cap US -0.73%	US Bonds 5.31%	Large Cap US 19.40%	Global Allocation -6.41%	Small Cap US 23.72%	Emerging Markets 15.84%	Large Cap US 28.71%	US Bonds -13.01%	Global Allocation 5.64%
	Global Allocation 3.71%	International Developed -0.81%	Emerging Markets 5.03%	Global Allocation 14.04%	US REIT -8.00%	International Developed 18.44%	Global Allocation 10.12%	Small Cap US 13.70%	International Developed -16.79%	International Developed 4.49%
	Small Cap US 3.50%	Global Allocation -1.74%	Global Allocation 9.16%	Small Cap US 13.10%	Small Cap US -12.20%	Global Allocation 18.17%	US Bonds 7.51%	Global Allocation 13.52%	Large Cap US -18.11%	Small Cap US 1.35%
	Emerging Markets -4.63%	Small Cap US -5.70%	Large Cap US 2.70%	Commodity 5.77%	International Developed -13.79%	Commodity 17.63%	International Developed 5.43%	International Developed 8.78%	Small Cap US -21.56%	Emerging Markets -0.38%
	International Developed -4.90%	Emerging Markets -16.96%	Small Cap US 1.40%	US Bonds 3.54%	Commodity -13.82%	Emerging Markets 15.42%	US REIT -9.32%	US Bonds -1.54%	Emerging Markets -22.37%	US Bonds -1.21%
	Commodity -33.06%	Commodity -32.86%	International Developed -4.42%	US REIT -0.10%	Emerging Markets -16.64%	US Bonds 8.72%	Commodity -23.72%	Emerging Markets -4.59%	US REIT -27.89%	US REIT -8.32%

Large Cap US is defined as the S&P 500 Index, Small Cap US is defined as the Russel I 2000 Index, US Reit is defined as the Dow Jones US Select REIT Index, International Developed is defined as MSCI EAFE Index, Emerging Markets is defined as the MSCI Emerging Index, Commodity is defined as the S&P GSCI and US Bonds are Defined as the BarCap US Agg Bond Index. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Global Allocation is defined as the DFA 60/40 Global Allocation Fund Institutional Shares.