Riverview TRUST COMPANY

Market Update

MARKET UPDATE

Markets grappled with countervailing forces in the first quarter, but ultimately the bulls won the day with prices broadly up in the first three months of the year. On the positive side, strong economic data provided renewed hope for a “soft landing.” The bears roared to a crisis of confidence in banking and falling corporate earnings. The Federal Reserve landed in the middle, sticking to its rhetoric of fighting inflation but doing so with modest increases.

The Fed continued its effort to combat inflation, raising the Fed Funds Rate by 0.25% in both February and March. Following strong economic data earlier in the quarter, the Fed held fast to rhetoric that it would fight higher prices at the potential expense of economic growth. While the market largely priced in the hikes this quarter, there was tremendous uncertainty of forthcoming policy action for the remainder of the year seeing multiple percent shifts in expectations over a matter of weeks.

The swift demise of Silicon Valley Bank and a small number of other U.S. banks created a crisis of confidence for the banking system at large. The material reaction of the market, perhaps having stirred up memories of the 2008/2009 global financial crisis, prompted government agencies to act quickly, supporting depositors and creating lending facilities for banks to access. By quarter end most contagion fears were allayed.

EQUITY

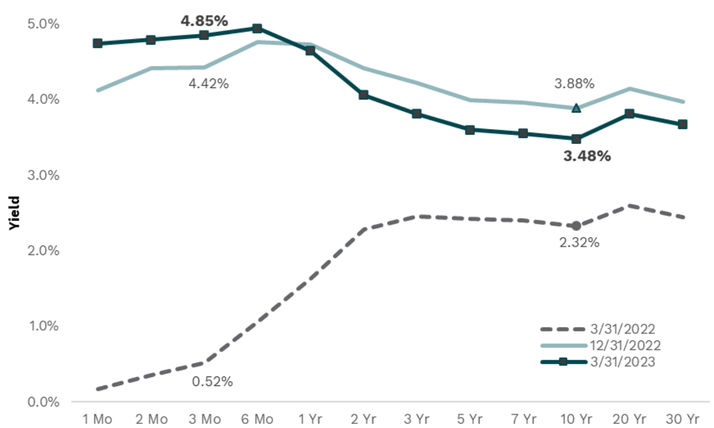
U.S. markets saw a strong rebound in the quarter, with the S&P 500 Index returning 7.5%. A sharp reversal favored large cap growth names, especially in the information technology sector (+21.8%). A shift away from financials, declining interest rates, and a preference for highly profitable companies in the face of recessionary fears fueled the surge. In contrast, small cap (Russell 2000 Index), while positive (+2.7%), lagged large cap. Financials account for a larger portion of the small cap space and the disruption in the banking sector disproportionately impacted small cap companies compared to large cap companies.

International developed equities were the standout in the quarter, as the MSCI EAFE Index returned 8.5%. A warmer winter in Europe and subsequent lower demand for fuel helped relieve concerns many had of Russia’s leverage over Europe as the primary commodity supplier. Germany, France and Italy all returned over 14% in the quarter. A weaker U.S. dollar further aided non-U.S. investments.

Emerging markets rose 4% in the first quarter. Country performance was mixed. China benefitted from the continued strength coming out of Covid-19 lockdowns. Mexico continues to benefit from reorienting supply chains, or “near shoring,” following issues experienced during Covid. The Mexican stock market was up 20% for the quarter. India was a notable detractor, falling over 6% in the quarter.

FIXED INCOME

After suffering the worst year on record in 2022, fixed income markets rebounded with the Bloomberg Aggregate Bond Index returning 3.0% in the first quarter. Amid incredible interest rate volatility and tightening central bank policy, interest rates ultimately ended the quarter lower than where they began as inflation readings continued to trend lower and market expectations for a Fed pause, and even cuts, later in the year grew.

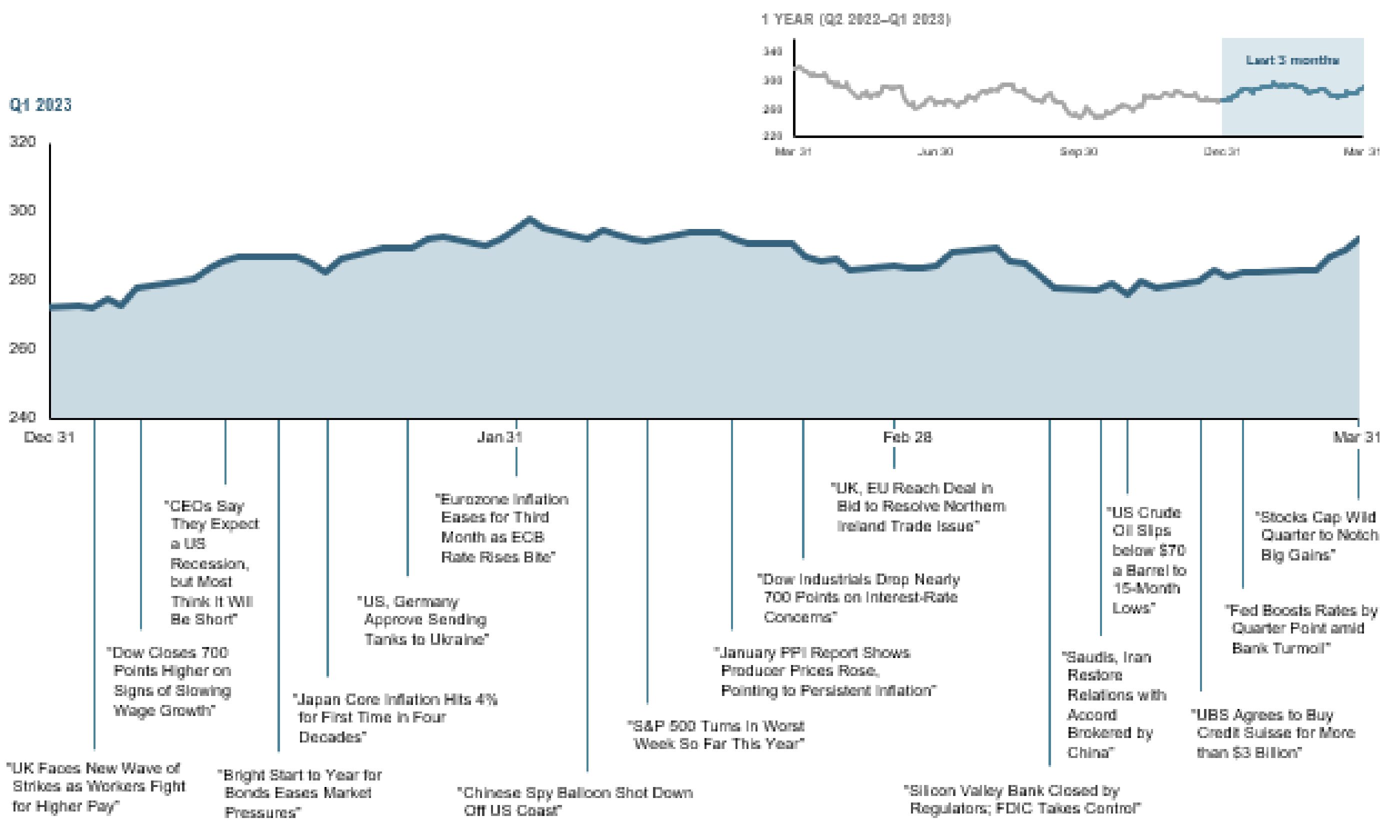


PERFORMANCE SNAPSHOT

	US Stock Market	International Developed Stocks	Emerging Market Stocks	Global Real Estate	US Bond Market	Global Bond Market ex-US
Q1 2023	7.18%	8.02%	3.96%	1.37%	2.96%	2.86%
YTD	7.18%	8.02%	3.96%	1.37%	2.96%	2.86%
1 Year	-8.58%	-2.74%	-10.70%	-20.29%	-4.78%	-3.27%
5 Year	10.45%	3.80%	-0.91%	2.41%	0.91%	0.90%
10 Year	11.73%	4.91%	2.00%	3.26%	1.36%	2.28%

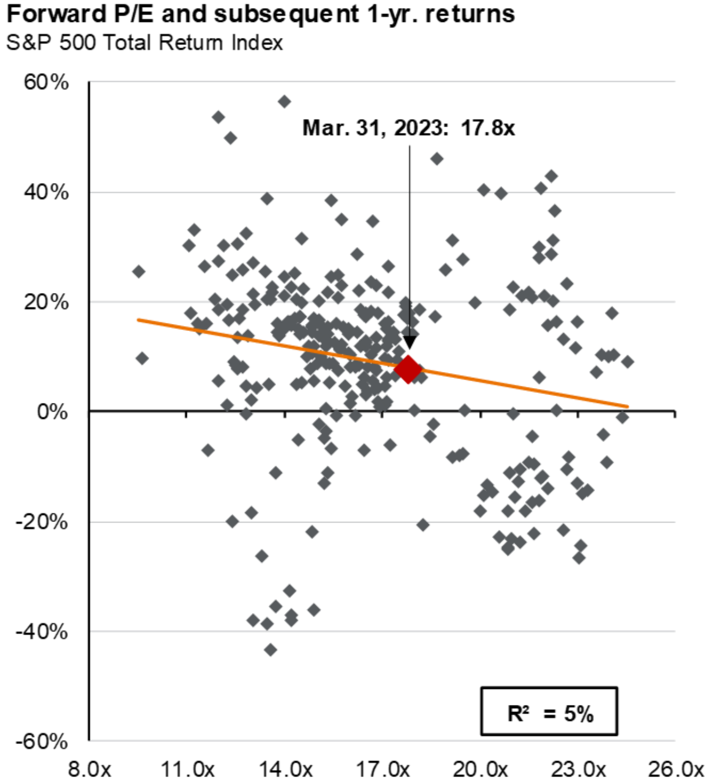
Index performance is provided as a benchmark. It is not illustrative of any particular investment. An investment cannot be made in an index. Past performance is not an indication of future results. Russell 3000 Index, MSCI World ex USA Index, MSCI Emerging Markets Index, S&P Global REIT Index, Bloomberg Aggregate Bond Index and Bloomberg Global Aggregate Bond Index ex-US. Returns as of 3/31/2023

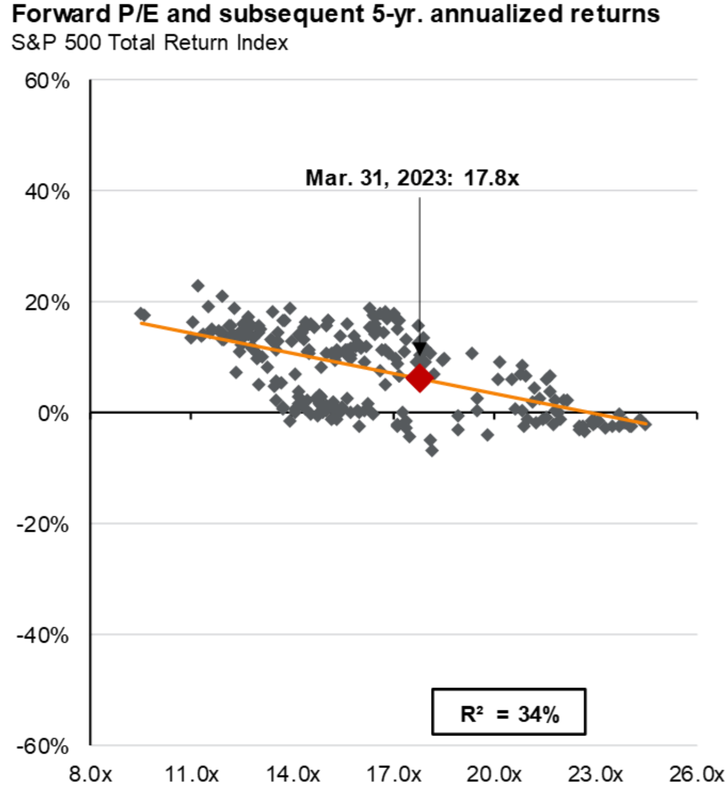
WORLD STOCK MARKET PERFORMANCE – Selected headlines from the past 3 months



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.

VALUATIONS MATTER – Short-term and longer-term outlook encouraging. At current valuations, the typical go-forward result is positive, especially over longer time periods.



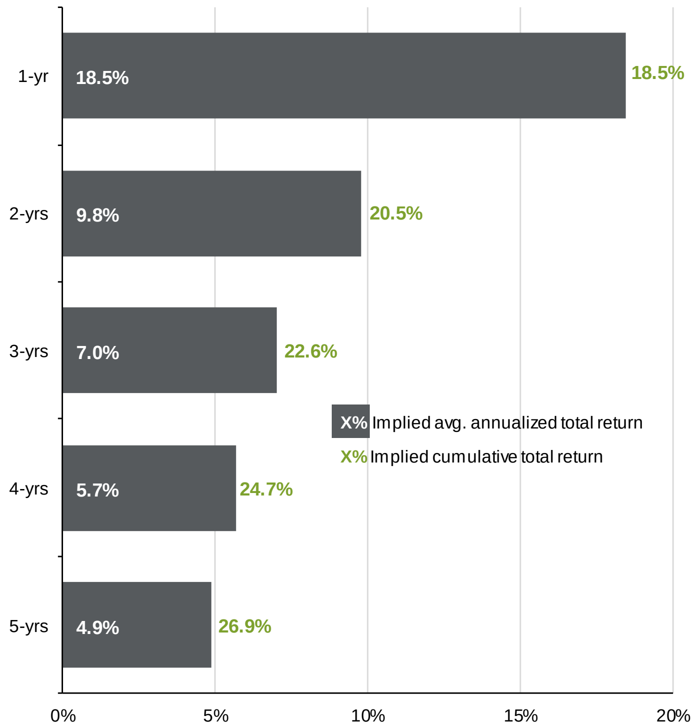


Source: FactSet, Refinitiv Datastream, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Returns are 12-month and 60-month annualized total returns, measured monthly, beginning 2/28/98. R^2 represents the percent of total variation in total returns that can be explained by forward price-to-earnings ratios. Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since January 1997 and by FactSet since January 2022. Guide to the Markets – U.S. Data are as of March 31st, 2023

SCENARIO – Now what? With the market officially falling into a Bear market, it's important to put the returns needed to recover and the typical duration of these market wobbles into context.

Return needed to reach January 2022 peak of 4,797

S&P 500 level as of 3/31/2023 is 4,109

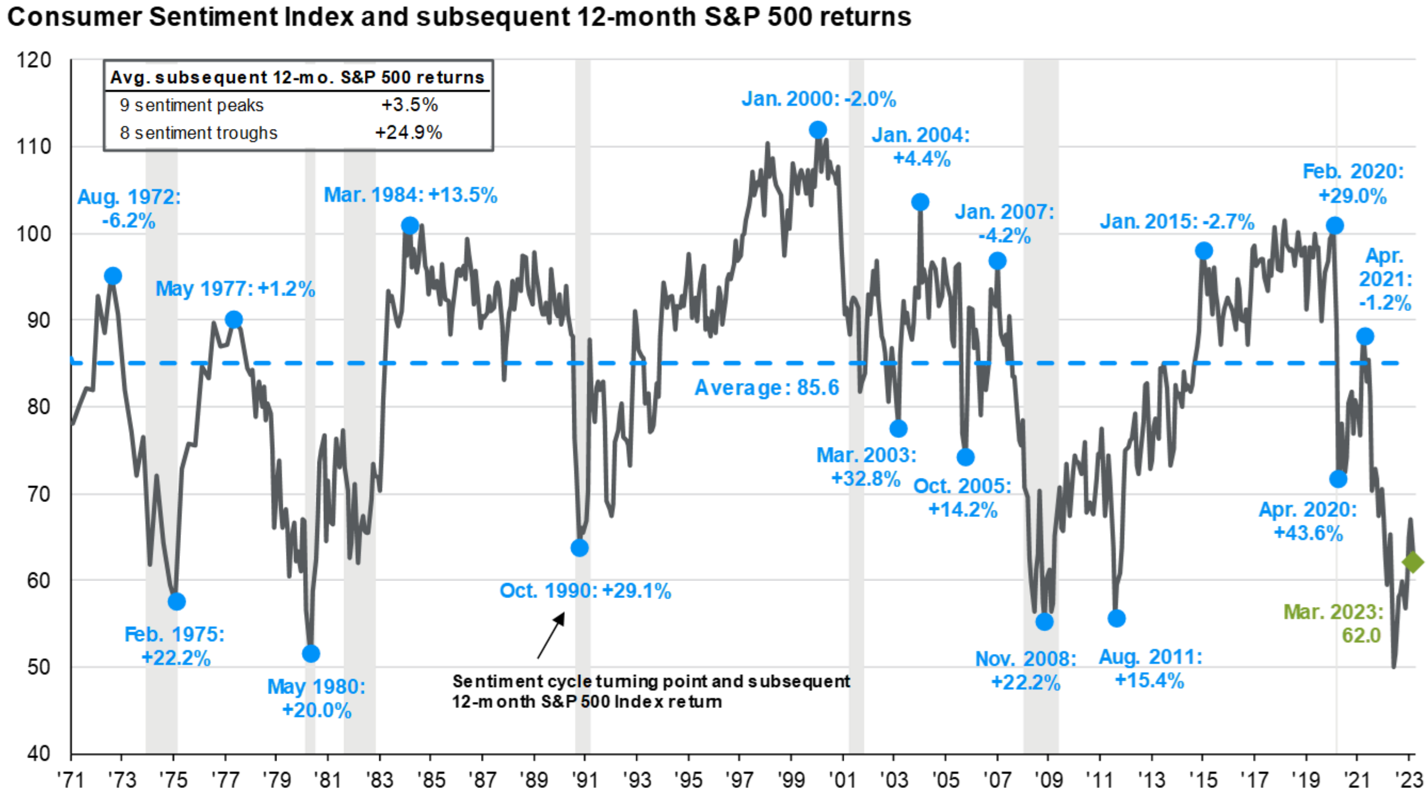


Bull and bear markets

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**

*Source: FactSet, NBER, Robert Shiller, Standard & Poor's, J.P. Morgan Asset Management. (Right) The current peak of 4797 was observed on January 3, 2022. The current market level as of March 31st, 2023 is 3840. (Left) *A bear market is defined as a 20% or more decline from the previous market high. The related market return is the peak to trough return over the cycle. Bear and bull returns are price returns. **The bear market beginning in January 2022 is currently ongoing. The "bear return" for this period is from the January 2022 market peak through the current trough. Averages for the bear market return and duration do not include figures from the current cycle. Guide to the Markets – U.S. Data are as of March 31st, 2023*

SCENARIO – Feeling gloomy about the go-forward? You are not alone. Fortunately, that general sentiment doesn't stay at these lower levels for very long. Moreover, the market returns subsequent to a trough in sentiment have been remarkably strong.



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