Weekly Market Commentary

March 13, 2023

Savings Time

The equity markets fell sharply at the end of last week prompted by stability concerns in the banking sector after the closure of Silicon Valley Bank. The S&P 500 Index ended the week -4.5%, the Dow was -4.3%, and the NASDAQ was -3.7%. The 10-year U.S. Treasury note yield decreased to 3.695% at Friday's close versus 3.963% the previous week.

The February employment report showed 311,000 new jobs created versus an expectation of 225,000. The unemployment rate increased to 3.6% from 3.4% in January. The employment report was one of two economic data sets that the Federal Open Market Committee (FOMC) likely needs to digest prior to its March 22nd meeting. The other is inflation data coming this week with the February Consumer Price Index (CPI) report on Tuesday and Producer Price Index (PPI) report on Wednesday. The additional system stress caused by the bank closures is also likely to be a component in the FOMC's decision making.

Federal Reserve and Banking officials worked out a plan over the weekend to make depositors whole at both Silicon Valley Bank and Signature Bank, which was closed by regulators on Sunday.

In our *Dissecting Headlines* section, we look at recent issues in the banking sector and actions taken by the government to shore up the financial system.

Financial Market Update

	Weekly Return	YTD Return		Weekly Return	YTD Return
S&P 500 Index	-4.5%	0.9%	Aggregate Bond Index	1.1%	1.6%
Dow Jones Industrial Average	-4.3%	-3.2%	U.S. Dollar Index	0.1%	1.0%
NASDAQ 100	-3.7%	8.4%	WTI Crude Oil	-3.8%	-4.5%
Russell 2000 (Small Cap Index)	-8.0%	0.9%	Gold	0.7%	2.4%
International Stocks (MSCI ex-US)	-1.8%	3.9%	Real Estate (US REIT Index)	-7.5%	-1.4%

Sources: S&P Global, Thomson Reuters

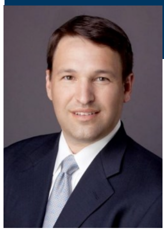
Dissecting Headlines: Backstop Funding

Silicon Valley Bank was closed by regulators on Friday when it ran short on cash and was unable to secure additional funding. The bank was best known for being the bank of technology start-ups, and many early-stage companies maintained their excess cash there to funds operations and payroll. The Federal Reserve and Federal Deposit Insurance Corporation (FDIC), the agency that insures bank deposits up to $250,000, put together a plan over the weekend to shore up the financial system.

Signature Bank, another financial institution in the same situation as Silicon Valley Bank was closed by regulators on Sunday. The FDIC has said that customers will be made whole on all deposits at both banks, even those above the $250,000 FDIC insurance level. The Federal Reserve also announced the new Bank Term Funding Program (BTFP) which offers loans up to one year with a pledge of U.S. Treasuries, agency debt, mortgage-backed securities, and other qualifying assets as collateral. The BTFP will be an additional source of liquidity eliminating an institution's need to sell securities in times of stress. The Fed's discount window, the traditional method to provide liquidity to the financial system will still be available as well and financial institutions can obtain liquidity against a wide range of collateral.

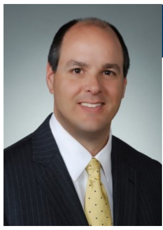
These measures should clean up the issues at Silicon Valley Bank and Signature Bank. The post-mortem could prompt some further regulatory requirements on the banking system, especially institutions that deal directly with consumers and small businesses.

The NovaPoint Capital Team



Joseph Sroka, CFA, CMT / Chief Investment Officer / jsroka@novapointcapital.com

Joe has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a portfolio manager at Spectrum Advisory Services and GMT Capital in Atlanta, and Epoch Investment Partners in New York. He has also worked as an equity research analyst at Merrill Lynch and ABN Amro. Before beginning his investment career, Joe was an Infantry officer in the U.S. Army. Joe holds a BS from the U.S. Military Academy at West Point and an MBA from the University of Chicago. He is both a Chartered Financial Analyst (CFA) and a Chartered Market Technician (CMT).



Alan J. Conner / President and Chief Compliance Officer / aconner@novapointcapital.com

Alan has over 20 years of experience in the investment management industry. Prior to founding NovaPoint, he was a fixed income manager at both Spectrum Advisory Services and a private family office. Alan was also with the Bank Group division of Countrywide Capital Markets where he developed balance sheet strategies for depository institutions. He holds a BS in Banking and an MBA in Finance from Nova Southeastern University. Alan is an endurance athlete and three-time IRONMAN finisher.

Frederick Wright, CFA / Managing Director & Portfolio Manager / fwright@novapointcapital.com

Frederick has over 30 years of experience in the investment management industry. Prior to joining NovaPoint, Frederick was a Partner and Investment Advisor at Brightworth where he advised high net worth investors. Frederick began his investment career in 1991 at Balentine & Co where he rose to Partner. He also co-founded and served as Chief Investment Officer at Wright Investment Management and at Smith & Howard Wealth Management . Prior to beginning his investment career, Frederick served as an Engineer officer in the U.S. Army. He holds a BS from the U.S. Military Academy at West Point and an MBA from Emory University. Frederick is a Chartered Financial Analyst (CFA).

Timothy Benbow, CFP / Managing Director & Portfolio Manager / tbenbow@novapointcapital.com

Tim has over 15 years of experience in the investment management industry. Prior to joining NovaPoint, Tim was the managing partner of Bull's Eye Wealth Management. Tim began his investment career at Raymond James & Associates and was a co-founder of Black Diamond Investment Partners. Following Black Diamond's merger with Waterloo Capital Management, Tim left to found Bull's Eye. He holds a BS from the University of South Carolina and an MBA from the University of Rochester. Tim is a Certified Financial Planner (CFP).

Allan Duncan / Investment Adviser / aduncan@novapointcapital.com

Allan has over 7 years of investment industry experience. Prior to joining NovaPoint, he worked at an independent RIA firm. Allan began his investment advisory career with Edward Jones. He earned his BA from the University of West Georgia.