Portfolio Manager Commentary
August 1, 2022

Trustmark
Investment Advisors, Inc.

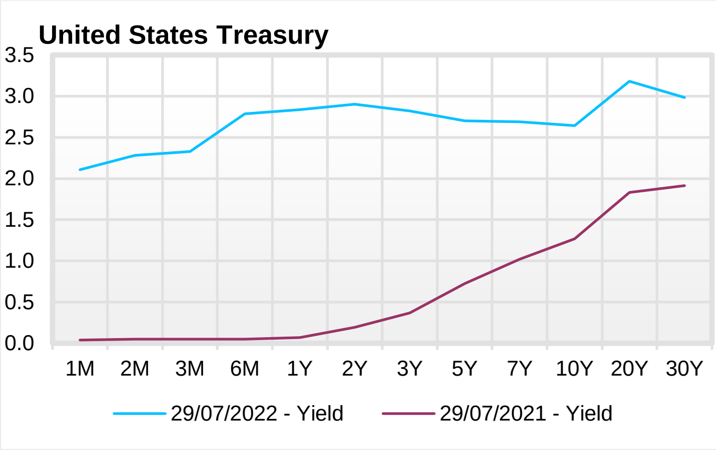
Economic Outlook

The NAHB Home-Builders Index came in at 55 for July, down from 67 in June yet still expansionary. The Index of Leading Economic Indicators was down 0.8% in June after having been down 0.6% in May. The Case-Shiller U.S. National Home Price Index continued to be up double digits, with the May reading up 19.7% year over year. New Single-Family Home Sales were down, however, with a reading of 590,000 annualized units for June versus 640,000 units in May. A reading in the 800,000's would be more consistent with 2022 normalized levels. On the good news front, Durable Goods orders were up 1.9% for June versus up 0.8% for May. The U.S. Employment Cost Index was up 1.3% in the 2nd Quarter of 2022, approximately the same as the first quarter increase. The Chicago Purchasing Manager's Index was 52.1 in July versus 56.0 in June. Finally, the University of Michigan Consumer Sentiment Index was a low 51.5 in July, approximately the same as in June.

Fixed Income

The U.S. Treasury Yield Curve remains inverted, with the 10-year yield trading at 2.65%, 24 basis points below the 2-year yield of 2.89%. Commentary from the recent Federal Reserve Open Market Committee meeting left market participants with several conflicting statements. One the one hand, the Committee wrote that it "anticipates that ongoing increases in the target (Federal Funds Rate) range will be appropriate." The Committee also wrote that it "is strongly committed to returning inflation to its 2% objective." However, the Committee further wrote that it "was prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals (of maximum employment and 2% inflation)." Regardless of the conflicting nature of those comments, the bond market is currently pricing in a lower probability of another interest rate increase at the next Committee meeting in September. The Federal Funds Rate range is now 2.25% to 2.50%.

Yield Curve



Current Generic Bond Yields

	Treasuries	Agencies	Corporates	Municipals
3 Mo.	2.36%	2.95%	2.54%	0.88%
6 Mo	2.86%	2.97%	2.67%	0.99%
1 Yr	2.94%	2.99%	2.91%	1.44%
2 Yr	2.89%	2.93%	3.06%	1.69%
5 Yr	2.68%	2.87%	3.17%	1.96%
10 Yr	2.65%	2.99%	3.56%	2.48%
30 Yr	3.01%		4.25%	3.37%

Equity

US equity had a nice bounce for the month of July as the S&P 500 index rallied 8.07%. The main factors behind the bullish bounce include earnings resilience (particularly in tech), while there were many "better than feared" narratives floating around. Gains were also helped by the "peak-Fed theme as well as a shift away from frontloaded rate hikes" (Factset Research Systems), and the idea around the peak inflation theme. In the bearish narrative, one has factors such as the continuing of inflation, geopolitical uncertainty, and energy.

Growth (+11.94%) outperformed Value (+4.57%) for the month as sectors such as Consumer Discretionary and Technology (+13.19%) rallied the most. However, year-to-date, Value (-6.23%) is still outperforming by a large margin (Growth -18.37%).

Index Returns	YTD
Dow Jones Industrials	-8.65%
S&P 500 (LCap)	-12.64%
S&P 400 (MCap)	-11.59%
Russell 2000 (SCap)	-16.04%
NASDAQ Composite	-20.80%
MSCI EAFE (Intl)	-14.57%
Real Estate	-13.12%