



January 2024

To Our Valued Clients, Business Partners, Friends, and Employees,

GW&K will celebrate our 50th year in business this year, and we are filled with gratitude. We want to take a moment to say thank you and reflect on the remarkable journey we have been on together. From our humble beginnings as a small municipal bond shop serving local families, we have evolved into a broadly diversified manager investing for clients around the globe.

Throughout our company's history, we have endured many highs and lows in the market — periods of high inflation, economic expansion, technology and housing bubbles, recessions, and global financial crises. But just as we advise our clients on the importance of diversification, we have purposefully built a well-balanced business that can withstand market shocks and an ever-evolving economic landscape. Our commitment to excellence and adaptability has been instrumental in our ability to thrive through the years. We are proud of the enduring success of this company and remain faithful to supporting the values that define us and earn our clients' trust every day.

While change is inevitable in this business, one constant is our culture. The bonds we share, the camaraderie we've built, and the values that guide us — these are the elements that continue to make GW&K an exceptional place to work. As colleagues and individuals, we care for one another, and this translates into how we care for our clients. In 2023, we took intentional steps to further nurture and protect this distinctive culture. New employee training opportunities, empowered affinity groups, community service partnerships, and our mentorship program have deepened connections among colleagues, fostering a cohesive and inclusive atmosphere. Confirming our belief that GW&K is a special company, we are proud to share that for the third consecutive year, GW&K was named one of the *Best Places to Work in Money Management* by Pensions & Investments magazine.

We recognize that to remain leaders in our industry, we must welcome change and continually invest in our business. Whether in new product development, talent acquisition, or broadening our client service offerings, these investments are the building blocks of a future where GW&K continues to set a standard for excellence. Over the past year, we continued to enrich our technology infrastructure, introduced customized interfaces, and added new fixed income and global equity Strategy options — all to enhance our ability to deliver strong performance and a high-quality client experience.

Reflecting on 2023, we entered the year with a sense of relief, turning the page on a historically challenging 2022 when all asset classes suffered meaningful losses. However, our hopefulness for a better year was tested as higher interest rates, persistent concerns about inflation, a sluggish economy, and a series of crises — from banking sector turmoil in the US to a new war in the Middle East — contributed to

another eventful year globally. Equity and fixed income indexes struggled for much of the year, remaining frustratingly flat or in negative territory. Thankfully, the fourth quarter brought a pleasant surprise as markets rallied, delivering robust returns across the board for 2023. A particularly striking trend was the narrowness of market outperformance as we saw a group of select stocks dominating with high returns — the “*magnificent seven*” (Alphabet, Amazon, Apple, Meta Platforms, Microsoft, Nvidia, and Tesla) are all leaders in new technologies — a reminder of how our economy is changing.

Despite tensions around our upcoming presidential election, continuing global conflicts, and talk of a possible recession, we see many reasons to be optimistic in 2024. The Fed has signaled the end of its historic tightening cycle, inflation has begun to cool and the US economy has proven resilient with new innovations and low unemployment. But we know that in an ever-evolving market landscape, maintaining discipline is critical. We consistently adhere to Strategy investment objectives and guidelines and perform meticulous bottom-up research to uncover quality buying opportunities. While we carefully follow developing trends and stories — among them the promise and challenges of artificial intelligence — we will not be distracted by short-term fluctuations or noise, ensuring a focused and disciplined approach to achieving long-term success.

As we move into this milestone year, we will carry forward the lessons learned, the achievements celebrated, and the challenges overcome. We will maintain our central focus on our customers, building enduring relationships, and helping clients achieve their financial goals. The coming years hold immense promise, and we are confident that with our incredible team, there's no limit to what we can achieve together.

We thank our employees and business partners for their hard work, dedication, and unwavering commitment to making GW&K the success story it is today. And we thank our clients for entrusting us as your guide. Here's to the next 50 years of innovation, growth, and shared success.

Best regards,



Thomas F.X. Powers  
Co-CEO



T. Williams Roberts, III  
Co-CEO