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Grimes Investment Quarterly | 12/31/21

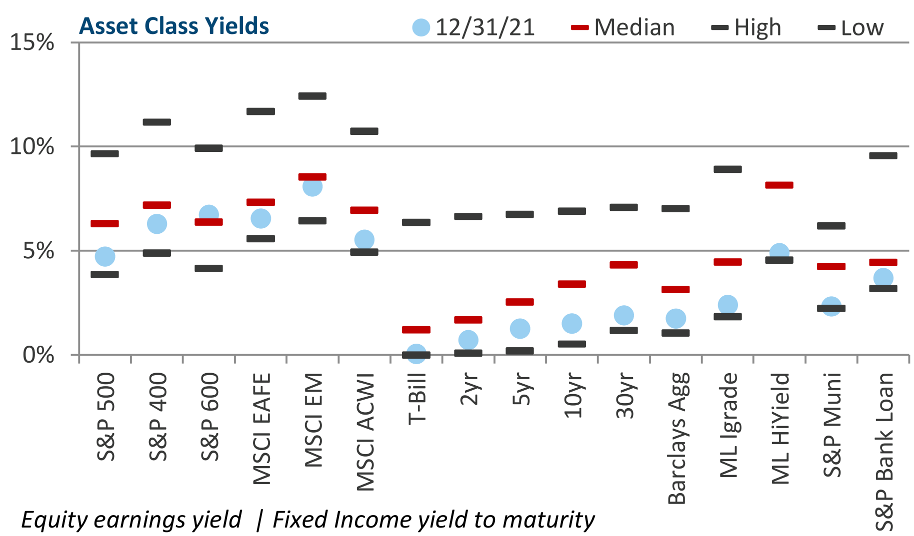
Major Asset Class Returns

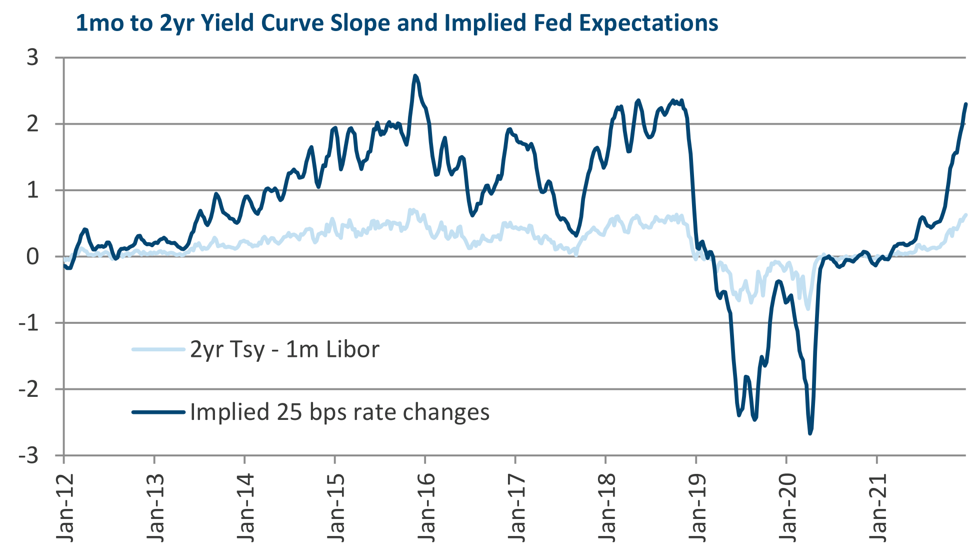
Index	Q4'21	2021	2020
S&P 500	11%	29%	18%
S&P Mid Cap 400	8%	25%	14%
Russell 2000	2%	15%	20%
MSCI EAFE	3%	12%	8%
MSCI Emerging Markets	-1%	-2%	19%
MSCI All Country World	7%	19%	17%
T-Bill	0%	0%	1%
7-10yr Tsy	0%	-3%	10%
Barclays Aggregate	0%	-2%	8%
ML Investment Grade	0%	-1%	10%
ML High Yield	1%	5%	6%
S&P Muni	1%	2%	5%
S&P Bank Loan	0%	4%	3%

Overview: The S&P 500 closed out the year with its 7th straight positive quarter, rising 11% in Q4'21, leaving it up 29% for the year. The Russell 2000 (+2% Q4, +15% '21) and the MSCI EAFE (+3% Q4, +12% '21) were higher as well, while the MSCI EM (-1% Q4, -2% '21) declined. Overall, the MSCI ACWI (+7% Q4, 19% '21) rose. For Fixed Income, Q4'21 performance was flat, as rates declined slightly (10yr yield moved from 1.53% to 1.51%). The Bloomberg/Barclays Aggregate (0% Q4, -2% '21), 7-10yr Treasury (0% Q4, -3% '21), ML Igrade (0% Q4, -1% '21) and S&P Bank Loans (0% Q4, +4% '21) indices were all flat, while the ML High Yield (+1% Q4, +5% ytd) and S&P Bank Loan indices (+1% Q4, +2% '21) edged slightly higher.

Asset Class Yields: Asset class yields (earnings yield for equities, yield to maturity for fixed income) for equities have crept up from their lows, though are still below average. For bonds, the short end of the yield curve is still near historic lows, though the longer end has ticked higher. Credit sensitive High Yield and Floating Rate are at historic lows as well, thanks to narrow credit spreads.

Shifting Fed Expectations: The change from "Taper QE through June, then maybe one hike in 2022" to "Taper QE through March, then maybe three hikes in '22" has been the biggest shift in market expectations during Q4'21. The chart below represents market rate hike expectations implied by short term rates, calculated by subtracting 1 month Libor from the 2yr Treasury yield and then dividing it by 25 bps (the amount of a single Fed move). We prefer this measure because it reflects the real time market opinion on direction and magnitude of Fed policy over the next 12 months, as opposed to surveys or commentator opinions. The chart below jumps above 1 hike at the start of October, coinciding with the strong CPI report, and has continued to rise, reflecting the growing expectation that rate hikes are coming. The markets will be closely watching the economic data as Q1'22 progresses to see if this shift in sentiment is warranted or not.





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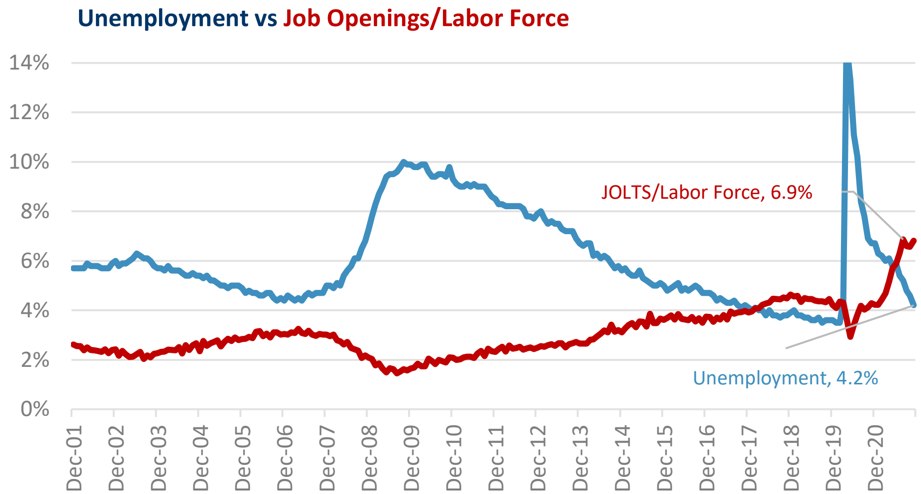
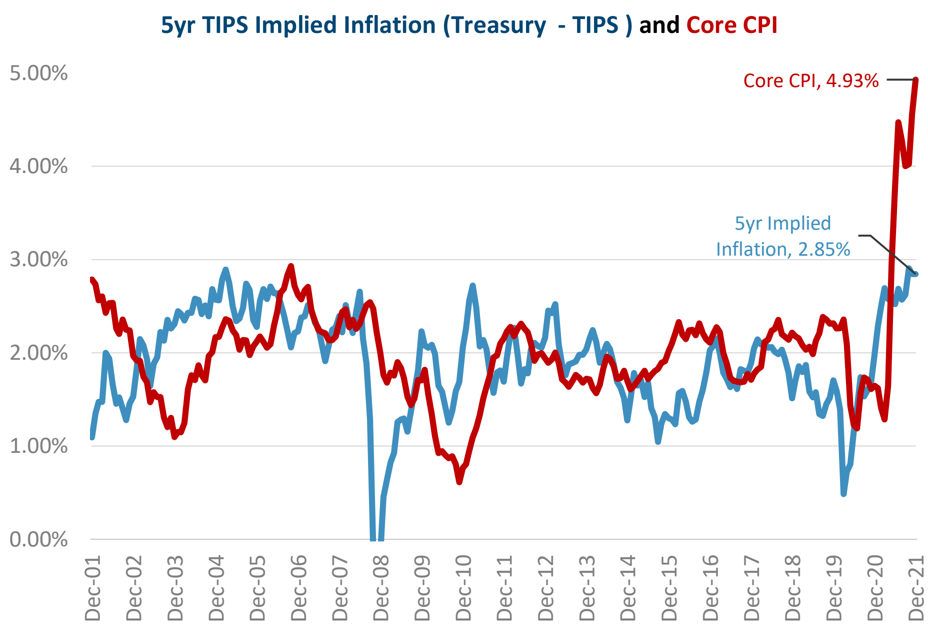


Does the Labor Market Still Need Help? The Federal Reserve focuses on two major factors in its policy setting decisions: unemployment and inflation. Its goal is to keep prices relatively stable (inflation) while keeping as many people working as possible (unemployment). The pandemic recession saw unemployment jump briefly to over 14%. As the economy has reopened, workers have returned. Consequently, unemployment has declined to 4.2%. The 2021 labor market recovery has slowed, but due to a previously unseen problem: a lack of workers. The chart to the left shows the unemployment rate (the unemployed divided by the labor force) and the job opening rate (openings, from the JOLTS survey, divided by the labor force). It shows that job openings have surged to the point that the gap between the two is +2.6%, three times the prior record of +0.8% from 2018. In prior recoveries, when unemployment was at 5.2%, the job opening rate was 3.3% (2015) or 2.7% (2004), still well below the unemployment rate. This data point reflects the incredible shortage of workers that the economy is experiencing due to a combination of factors: stimulus payments have filled bank accounts, workers in Covid-disrupted industries found new jobs last year, and/or workers are hesitant to return to certain jobs due to childcare, health, or other concerns.
The main point is that, even though the unemployment rate is dropping quickly, there is still unfilled demand for labor as constraints need to be overcome, joining the array of shortages caused by supply chain disruptions that have contributed to inflationary pressures over the past year.



How Much Inflation is Transitory? One of the major topics in 2021 remained the increase in inflation. The surge in demand that has followed the restricted production from 2020, along with an easy comparison to low 2020 inflation levels, caused year-over-year core CPI to surge to 4.9% in November. The Federal Reserve considers most of these causes of inflation to be transitory, meaning not likely to last. However, the word "transitory" took on the unintended meeting of "short term", and since these pressures have continued for six months, consumer inflation expectations have started to rise. In order to prevent the jump in inflation from lasting longer than necessary, the Fed has moved to exit its QE program faster than expected.
To gauge real time market inflation expectations, we look at the implied 5yr inflation rate in the TIPS market (based on the 5yr Treasury yield minus the 5yr TIPS yield). It is at 2.85%, above the Fed's desired 2% to 2.5% range, but far below the CPI rate. Therefore, it is likely inflation continues to slow as 2022 progresses. There is one catch. With the 10yr Treasury yielding just 1.51% as of 12/31/21, the bond market is not offering good compensation for a world with 2.5% inflation, let alone 4.0% or more.
The tight unemployment situation and the higher CPI rate have caused the Fed to speed up its taper timetable, doubling the pace from $15b/mo to $30b/mo, and thus completing it in March 2022, compared to June. Ending the taper sooner would allow the Fed to start raising rates sooner, should that be necessary.

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Equity Markets Summary

Headline Indices	Q4'21	2021	2020	Fwd PE*	Avg PE**	+/- avg
Dow	7.9%	20.9%	9.7%			
Nasdaq	8.4%	22.2%	44.9%			
Russell 2000	2.1%	14.8%	20.0%			
Asset Classes	**Q4'21**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	11.0%	28.7%	18.4%	21.1	15.9	33%
S&P Mid Cap 400	8.0%	24.8%	13.7%	15.9	13.9	14%
S&P Small Cap 600	5.6%	26.8%	11.3%	14.9	15.6	-5%
MSCI EAFE	2.7%	11.8%	8.3%	15.3	13.6	12%
MSCI Emerging Markets	-1.2%	-2.2%	18.7%	12.4	11.7	6%
MSCI AC World	6.8%	19.0%	16.8%	18.1	14.4	26%
S&P 500 Sectors	**Q4'21**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	12.8%	24.4%	33.3%	32.9	17.7	86%
Consumer Staples	13.3%	18.6%	10.7%	21.8	17.8	22%
Energy	8.0%	54.6%	-33.7%	11.0	13.8	-20%
Financials	4.6%	35.0%	-1.7%	14.7	12.4	19%
Healthcare	11.2%	26.1%	13.4%	17.4	16.2	8%
Industrials	8.6%	21.1%	11.1%	20.8	15.9	31%
Technology	16.7%	34.5%	43.9%	28.2	17.6	60%
Materials	15.2%	27.3%	20.7%	17.0	15.3	11%
Communication Services	0.0%	21.6%	23.6%	20.8	17.9	16%
Utilities	12.9%	17.7%	0.5%	11.8	14.5	-19%
Growth vs Value	**Q4'21**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	13.4%	32.0%	33.5%	28.3	18.2	55%
S&P Value	8.3%	24.9%	1.4%	16.4	13.1	25%
International	**Q4'21**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	3.7%	14.3%	8.5%	15.3	12.6	22%
Germany (DAX)	4.1%	15.8%	3.5%	14.5	13.0	11%
UK (FTSE)	4.2%	14.3%	-14.3%			
Japan (Nikkei)	-2.1%	6.7%	18.3%			
MSCI Asia Pac xJapan	-0.7%	-2.7%	22.8%	16.9	14.5	17%
S. Korea (KOSPI)	-3.0%	3.6%	30.8%	21.3	19.8	8%
India (Sensex)	-1.3%	23.2%	17.2%			
China (Shenzhen)	5.6%	8.6%	35.2%	11.0	9.9	12%
S&P Latin America 40	-5.2%	-12.7%	-11.3%	8.3	11.4	-27%
Brazil (Bovespa)	-5.5%	-11.9%	2.9%	8.2	10.6	-23%
Mexico	4.8%	24.4%	3.4%	15.0	14.6	2%

Asset Classes: For Q4'21, the S&P 500 (+11.0% Q4, +28.7% '21) outpaced the other major indices. The Russell 2000 (+2.1% Q4, +14.8% '21), and the MSCI EAFE (+2.7% Q4, +11.8% '21) rose as well. The MSCI EM (-1.2% Q4, -2.2% '21) declined, as it represents regions further behind in the vaccine roll out. Global vaccine roll outs allowed for the global MSCI ACWI (+6.8% Q4, +19.0% '21) to rise.
The tech-driven NASDAQ (+8.4% Q4, +22.2% '21) and the more traditional Dow Jones (+7.9% Q4, +20.9% '21) had comparable returns.
While increasing optimism has caused analyst profit forecasts to rise, this has been reflected in rising prices. Consequently, most major index valuations are above average. Thanks to continued price outperformance, the S&P 500's premium is the highest. While mean reversion in valuation does not happen overnight, it does argue for potential in the non-S&P 500 segments.

S&P Sectors: Powered by tech adoption trends that were accelerated by Covid, Technology led the way (+16.7% Q4), joined by Materials (+15.2% Q4) and Staples (+13.3% Q4). Meanwhile, reflation sensitive Financials (+4.6%) and Energy (+8.0%) lagged. For the year, this left Energy (+55%), Technology (+35%) and Financials (+35%) as a mixed group of leaders.

Growth vs Value: The relative performance of Value versus Growth see-sawed back and forth during the year, but outperformance by Growth in Q4 (+13% versus +8%), secured it the lead for 2021 (32% versus 25%). Value continued to outperform Growth on days the 10yr yield rose, and even though the 10yr yield was higher for the year, the 10yr spent most of 2021 in a trading range after a Q1 jump, so Growth had most of the year to narrow the performance gap.

Global Markets: Globally, markets were mixed. Europe's vaccine roll out helped returns (+4% Q4, +14% '21), while both Japan (-2% Q4, +7% '21) and MSCI Asia XJapan (-1% Q4, -3% '21) were more Covid-disrupted. Mexico's performance (+5% Q4, +24% '21) benefited from closer links to the US economy than the rest of Latin America (-5% Q4, -13% '21).

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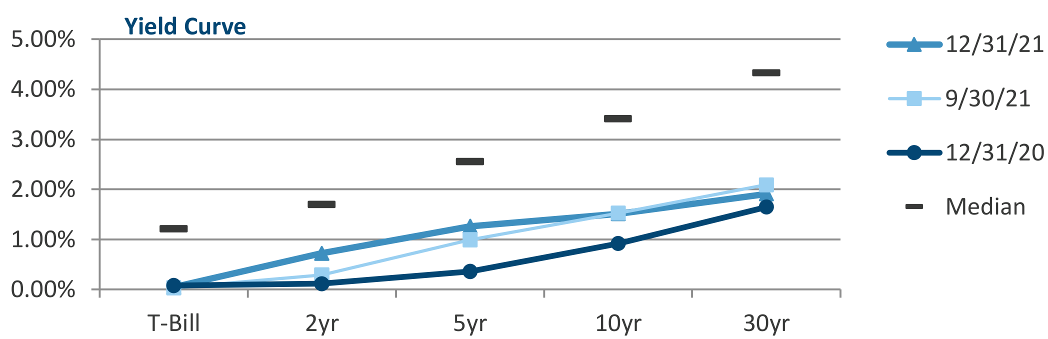
Fixed Income Markets Summary

Headline Indices	Q4'21	2021	2020	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	0.0%	-1.5%	7.5%	1.76%	0.25%	0.32%	-0.07%
ML Investment Grade	0.2%	-1.0%	9.8%	2.40%	0.89%	1.07%	-0.18%
ML High Yield	0.7%	5.4%	6.2%	4.90%	3.39%	4.58%	-1.19%
S&P Nat'l Muni	0.8%	1.6%	4.9%	2.33%	0.82%	0.74%	0.08%
S&P Leveraged Loan	0.4%	3.5%	2.8%	3.71%	3.66%	4.03%	-0.37%
T-Bill	0.0%	0.0%	0.6%				
NYMEX 7-10yr Tsy	0.3%	-3.1%	10.0%				
Treasury Yields	**12/31/21**	**9/30/21**	**12/31/20**			**Avg***	**+/- avg**
T-Bill	0.05%	0.04%	0.08%			1.22%	-1.17%
2yr	0.73%	0.29%	0.12%			1.70%	-0.97%
5yr	1.26%	0.99%	0.36%			2.56%	-1.29%
10yr	1.51%	1.53%	0.92%			3.42%	-1.91%
30yr	1.90%	2.09%	1.65%			4.33%	-2.43%
10yr Sovereign Yields	**12/31/21**	**9/30/21**	**12/31/20**			**Avg***	**+/- avg**
US	1.51%	1.53%	0.92%			2.48%	-0.96%
Germany	-0.35%	-0.40%	-0.58%			1.75%	-2.10%
Japan	0.07%	0.07%	0.02%			0.29%	-0.22%
UK	0.79%	0.59%	0.29%			2.35%	-1.56%
France	0.00%	-0.05%	-0.34%			2.22%	-2.22%
Spain	0.39%	0.32%	0.06%			3.72%	-3.33%
Italy	0.93%	0.68%	0.60%			3.94%	-3.01%
China	2.79%	2.89%	3.19%			3.42%	-0.63%
Brazil	10.97%	11.33%	6.96%			11.06%	-0.09%
Mexico	7.56%	7.37%	5.55%			7.19%	0.37%



Asset Classes: The bond market, as measured by the Bloomberg Barclays Aggregate Bond Index, was flat in Q4, as interest rates fell slightly. While most segments were flat, higher yield further out on the credit spectrum helped returns.

Duration: Reflecting its sensitivity to (flat) interest rates, the 7-10yr Treasury Index was unchanged in Q4 and was down 3.1% in 2021.

Credit: The more duration-sensitive ML Investment Grade Index (+0.2% Q4, -1.0% '21) and S&P National Muni Index (+0.8% Q4, +1.6% '21) were up slightly in Q4 and mixed for the year. The more credit sensitive ML High Yield Index (+0.7% Q4, +5.4% '21) and S&P Leveraged Loan Index (+0.4% Q4, +3.5% '21) were higher, as their higher yields offset their flat prices.

Treasury Yields: Rates moved in different directions in Q4, with the 10yr Treasury yield falling 2bps to 1.51%, while the 2yr rose 44 bps to 0.73%. For the year, the 10yr (+59 bps) and the 2yr (+61 bps) have moved similarly.

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. Compared to the start of the year, rates have shifted higher across the curve as the global economy has recovered. However, compared to 9/30/21, the curve has flattened, as the short end has continued to move higher, but the long end is lower. The cause for this is growing expectations that the Fed will start raising rates, perhaps as soon as March of 2022. A rate increase pushes short term rates up, so the 2yr is higher. At the long end, this is more complicated, as rate hikes could be expected to slow growth and/or reduce inflation, both of which could make long term rates decline.

Global Rates: Globally, interest rates are mostly well below average, but they have all ticked up in 2021. Germany (-0.35%) is still negative, while Japan (0.07%) is just over 0%.

These low global rates continue to act as an anchor on US rates, even as the fundamentals of an improving economy suggest they should move higher.

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Major Economic Indicators and Consensus Forecasts

	2021/2022 Average Forecast				Actual		
	12m ch	Dec-21	Sep-21	Dec-20	Nov-21	Avg*	+/- avg
US GDP	1.23	4.80	5.05	3.58	4.95	2.32	2.63
EU GDP	0.45	4.60	4.55	4.15	3.85	1.87	1.99
Japan GDP	-0.18	2.18	2.50	2.35	1.15	0.93	0.21
UK GDP	0.88	5.88	6.10	5.00	6.79	2.17	4.61
China GDP	-0.28	6.58	6.95	6.85	9.81	8.50	1.31
US CPI	1.60	3.45	3.20	1.85	6.88	1.72	5.17
EU CPI	0.67	1.60	1.28	0.93	4.87	0.85	4.02
Japan CPI	-0.25	0.20	0.13	0.45	-1.19	0.40	-1.59
UK CPI	0.00	1.70	1.70	1.70	5.13	1.61	3.52
China CPI	-0.55	1.60	1.80	2.15	2.41	1.85	0.56
US UnN	-0.73	4.60	4.85	5.33	4.20	4.90	-0.70
EU UnN	-1.18	7.60	7.85	8.78	7.40	8.75	-1.35
Japan UnN	0.10	2.60	2.60	2.50	2.80	2.90	-0.10
UK UnN	-1.75	4.65	4.78	6.40	4.20	4.70	-0.50
China UnN	-1.20	3.68	4.13	4.88	5.00	4.00	1.00

Foreign Exchange		Q4'21	2021	2020	2019	2018	2017
Euro		-2%	-7%	9%	-2%	-5%	14%
Yen (Japan)		-3%	-10%	5%	1%	3%	4%
Pound (UK)		0%	-1%	3%	4%	-6%	9%
Yuan (China)		1%	3%	7%	-1%	-5%	7%
Won (S. Korea)		0%	-9%	6%	-4%	-4%	13%
Real (Brazil)		-2%	-7%	-23%	-4%	-14%	-2%
Peso (Mexico)		0%	-3%	-5%	4%	-1%	5%
Commodities		**Q4'21**	**2021**	**2020**	**2019**	**2018**	**2017**
Oil	$75.21	0%	56%	-21%	35%	-25%	12%
Gold	$1,806	4%	-4%	25%	18%	-1%	13%
Copper	$4.46	9%	27%	26%	6%	-20%	31%

GDP: Comparing economic forecasts today to a year ago shows how the outlook has improved. The US, for example, saw its blended 2021/2022 forecast rise from 3.58% to 4.80%. The forecasts for the EU and Japan have moved higher, as well. China, whose economic disruption was minimized, is down slightly. This illustrates just how far expectations for 2021 and 2022 have come since the end of 2020. The one caveat is that forecasts are flat versus three months ago. The US, for example, has ticked down from 5.05% to 4.80%. Just as the significantly improved year-over-year outlook was driven by the roll out of Covid vaccines, the recent downtick in the data represents the more modest impact from the delta and omicron variants slowing the pace of recovery.

CPI: US inflation expectations are up 1.6% versus a year ago. However, the 3.45% forecast is significantly lower than the 6.88% actual rate. Longer term, there are questions as to whether the added government debt, aggressive central bank stimulus and/or a quick snap back in the economy could spur inflation on a more permanent basis. The markets will be watching the data closely as 2022 progresses, searching for signs that inflation trends will normalize.

Unemployment: Unemployment forecasts are down versus a year ago, reflecting the rapid recovery in the labor market.

Foreign Exchange: Currencies were mostly down versus the dollar in Q4. Overall, foreign exchange has been a drag for international stock returns in 2021.

Commodities: Oil rose 56% in 2021, thanks to the combination of the ongoing economic recovery (especially hopes for oil-intensive travel recovery) and OPEC maintaining production discipline until the aforementioned demand recovery arrives. It was flat in Q4 as news of the omicron variant caused travel restrictions, impacting short term demand. Copper's 27% 2021 increase reflects the improved economic outlook, as does gold's 4% 2021 decline.

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Index Returns | 2005 to Present

	Q4'21	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Dow	7.9%	20.9%	9.7%	25.3%	-3.5%	28.1%	16.5%	0.2%	10.0%	29.7%	10.2%	8.4%	14.1%	22.7%	-31.9%	8.9%	19.0%	1.7%
Nasdaq	8.3%	21.4%	43.6%	35.2%	-3.9%	28.2%	7.5%	5.7%	13.4%	38.3%	15.9%	-1.8%	16.9%	43.9%	-40.5%	9.8%	9.5%	1.4%
Russell 2000	2.1%	14.8%	20.0%	25.5%	-11.0%	14.6%	21.3%	-4.4%	4.9%	38.8%	16.3%	-4.2%	26.9%	27.2%	-33.8%	-1.6%	18.4%	4.6%
S&P 500	11.0%	28.7%	18.4%	31.5%	-4.4%	21.8%	12.0%	1.4%	13.7%	32.4%	16.0%	2.1%	15.1%	26.5%	-37.0%	5.5%	15.8%	4.9%
S&P Mid Cap 400	8.0%	24.8%	13.7%	26.2%	-11.1%	16.2%	20.7%	-2.2%	9.8%	33.5%	17.9%	-1.7%	26.6%	37.4%	-36.2%	8.0%	10.3%	12.6%
S&P Small Cap 600	5.6%	26.8%	11.3%	22.8%	-8.5%	13.2%	26.6%	-2.0%	5.8%	41.3%	16.3%	1.0%	26.3%	25.6%	-31.1%	-0.3%	15.1%	7.7%
MSCI EAFE	2.7%	11.8%	8.3%	22.7%	-13.4%	25.6%	1.5%	-0.4%	-4.5%	23.3%	17.9%	-11.7%	8.2%	32.5%	-43.1%	11.6%	26.9%	14.0%
MSCI Emerging Markets	-1.2%	-2.2%	18.7%	18.9%	-14.2%	37.8%	11.6%	-14.6%	-1.8%	-2.3%	18.6%	-18.2%	19.2%	79.0%	-53.2%	39.8%	32.6%	34.5%
MSCI All Country World	6.8%	19.0%	16.8%	27.3%	-8.9%	24.6%	8.5%	-1.8%	4.7%	23.4%	16.8%	-6.9%	13.2%	35.4%	-41.8%	12.2%	21.5%	11.4%
S&P Growth	13.4%	32.0%	33.5%	31.1%	0.0%	27.4%	6.9%	5.5%	14.9%	32.8%	14.6%	4.7%	15.1%	31.6%	-34.9%	9.1%	11.0%	4.0%
S&P Value	8.3%	24.9%	1.4%	31.9%	-9.0%	15.4%	17.4%	-3.1%	12.4%	32.0%	17.7%	-0.5%	15.1%	21.2%	-39.2%	2.0%	20.8%	5.8%
Barclays Aggregate Bond	0.0%	-1.5%	7.5%	8.7%	0.0%	3.5%	2.6%	0.5%	6.0%	-2.0%	4.2%	7.8%	6.5%	5.9%	5.2%	7.0%	4.3%	2.4%
ML Investment Grade	0.2%	-1.0%	9.8%	14.2%	-2.2%	6.5%	6.0%	-0.6%	7.5%	-1.5%	10.4%	7.5%	9.5%	19.8%	-6.8%	4.7%	4.4%	2.0%
ML High Yield	0.7%	5.4%	6.2%	14.4%	-2.3%	7.5%	17.5%	-4.6%	2.5%	7.4%	15.6%	4.4%	15.2%	57.5%	-26.4%	2.2%	11.7%	2.7%
S&P Nat'l Muni	0.8%	1.6%	4.9%	7.4%	1.0%	5.1%	0.4%	3.3%	8.9%	-3.3%	6.5%	11.2%	2.0%	12.2%				
S&P Leveraged Loan	0.4%	3.5%	2.8%	10.7%	-0.6%	3.3%	10.9%	-2.8%	1.0%	5.0%	10.5%	0.6%	9.7%	52.2%	-28.2%	1.7%	6.6%	5.0%
T-Bill	0.0%	0.0%	0.6%	2.2%	1.8%	0.8%	0.3%	0.0%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%				
7-10yr Tsy	0.3%	-3.1%	10.0%	8.5%	0.9%	2.6%	1.1%	1.6%	9.0%	-6.0%	4.2%	15.6%	9.4%	-6.0%	18.0%	10.2%	2.7%	2.4%

International	Q4'21	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
MSCI Eurozone	3.7%	14.3%	8.5%	24.2%	-16.2%	29.0%	2.2%	-0.8%	-7.7%	30.0%	22.5%	-16.9%	-3.4%	32.8%	-47.1%	20.3%	37.3%	9.6%
Germany (DAX)	4.1%	15.8%	3.5%	25.5%	-18.3%	12.5%	6.9%	9.6%	2.7%	25.5%	29.1%	-14.7%	16.1%	23.8%	-40.4%	22.3%	22.0%	27.1%
UK (FTSE)	4.2%	14.3%	-14.3%	12.1%	-12.5%	7.6%	14.4%	-4.9%	-2.7%	14.4%	5.8%	-5.6%	9.0%	22.1%	-31.3%	3.8%	10.7%	16.7%
Japan (Nikkei)	-2.2%	4.9%	16.0%	18.2%	-12.1%	19.1%	0.4%	9.1%	7.1%	56.7%	22.9%	-17.3%	-3.0%	19.0%	-42.1%	-11.1%	6.9%	40.2%
MSCI Asia Pac xJapan	-0.7%	-2.7%	22.8%	19.5%	-13.7%	37.3%	7.1%	-9.1%	3.1%	3.7%	22.6%	-15.4%	18.4%	73.7%	-51.6%	37.2%	33.2%	21.0%
S. Korea (KOSPI)	-3.0%	3.6%	30.8%	7.7%	-17.3%	21.8%	3.3%	2.4%	-4.8%	0.7%	9.4%	-11.0%	21.9%	49.7%	-40.7%	32.3%	4.0%	54.0%
India (Sensex)	-1.3%	23.2%	17.2%	15.7%	7.2%	29.6%	3.5%	-3.7%	31.9%	10.7%	28.0%	-23.6%	19.1%	83.3%	-51.8%	48.8%	48.8%	44.6%
China (Shenzhen)	5.6%	8.6%	35.2%	36.0%	-33.3%	-3.6%	-14.7%	63.4%	33.9%	20.0%	1.4%	-32.9%	7.1%	116.9%	-61.8%	167.0%	96.4%	-11.8%
S&P Latin America 40	-5.2%	-12.7%	-11.3%	13.9%	-6.0%	26.9%	32.5%	-30.9%	-11.1%	-12.3%	6.4%	-18.3%	16.7%	97.1%	-49.4%	50.5%	42.6%	56.1%
Brazil (Bovespa)	-5.5%	-11.9%	2.9%	31.6%	15.0%	26.9%	38.9%	-13.3%	-2.9%	-15.5%	7.4%	-18.1%	1.0%	82.7%	-41.2%	43.6%	32.9%	27.7%
Mexico	3.7%	20.9%	1.2%	4.6%	-15.6%	8.1%	6.2%	-0.4%	1.0%	-2.2%	17.9%	-3.8%	20.0%	43.5%	-24.2%	11.7%	48.6%	37.8%

S&P 500 Sectors	Q4'21	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Consumer Discretionary	12.8%	24.4%	33.3%	27.9%	0.8%	23.0%	6.0%	10.1%	9.7%	43.1%	23.9%	6.1%	27.7%	41.3%	-33.5%	-13.2%	18.6%	-6.4%
Consumer Staples	13.3%	18.6%	10.7%	27.6%	-8.4%	13.5%	5.4%	6.6%	16.0%	26.1%	10.8%	14.0%	14.1%	14.9%	-15.4%	14.2%	14.4%	3.6%
Energy	8.0%	54.6%	-33.7%	11.8%	-18.1%	-1.0%	27.4%	-21.1%	-7.8%	25.1%	4.6%	4.7%	20.5%	13.8%	-34.9%	34.4%	24.2%	31.4%
Financials	4.6%	35.0%	-1.7%	32.1%	-13.0%	22.2%	22.8%	-1.5%	15.2%	35.6%	28.8%	-17.1%	12.1%	17.2%	-55.3%	-18.6%	19.2%	6.5%
Healthcare	11.2%	26.1%	13.4%	20.8%	6.5%	22.1%	-2.7%	6.9%	25.3%	41.5%	17.9%	12.7%	2.9%	19.7%	-22.8%	7.2%	7.5%	6.5%
Industrials	8.6%	21.1%	11.1%	29.4%	-13.3%	21.0%	18.9%	-2.5%	9.8%	40.7%	15.3%	-0.6%	26.7%	20.9%	-39.9%	12.0%	13.3%	2.3%
Technology	16.7%	34.5%	43.9%	50.3%	-0.3%	38.8%	13.8%	5.9%	20.1%	28.4%	14.8%	2.4%	10.2%	61.7%	-43.1%	16.3%	8.4%	1.0%
Materials	15.2%	27.3%	20.7%	24.6%	-14.7%	23.8%	16.7%	-8.4%	6.9%	25.6%	15.0%	-9.8%	22.2%	48.6%	-45.7%	22.5%	18.6%	4.4%
Telecom	0.0%	21.6%	23.6%	32.7%	-12.5%	-1.3%	23.5%	3.4%	3.0%	11.5%	18.3%	6.3%	19.0%	8.9%	-30.5%	11.9%	36.8%	-5.6%
Utilities	12.9%	17.7%	0.5%	26.3%	4.1%	12.1%	16.3%	-4.8%	29.0%	13.2%	1.3%	19.9%	5.5%	11.9%	-29.0%	19.4%	21.0%	16.8%

Blue to orange represents best to worst return for each period. Index data is total teturn.

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Index Definitions

Index	Description
Equity	
S&P 500	Large US companies ($10b+ market cap)
S&P Mid Cap 400	Medium US companies ($5-10b market cap)
Russell 2000, S&P Small Cap 600	Small US companies (<$10b market cap)
MSCI Europe Australia Far East	Foreign Developed. Returns are in US$
MSCI Emerging Markets	Emerging Markets. Returns are in US$
Fixed Income	
Barclays Aggregate	Represents the entire US bond market
S&P 3mo Tbill	Short term Treasury Bills
Barclays 7-10yr Tsy	Ten Year Treasury Bonds
Barclays 10yr TIPS	Treasury Inflation Protected Securities
S&P Nat'l Muni	Municipal Bonds
BofA/ML Corp	Investment Grade (Higher Credit Quality) Corporate Bonds
BofA/ML High Yield	High Yield (Lower Credit Quality) Corporate Bonds
S&P Leveraged Loan 100	Floating Rate Bank Loans
BofA / ML EM Debt	Emerging Market Debt
Alternatives	
HFRI Fund of Funds	Represents the entire hedge fund universe

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Disclosures

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-The Standard & Poor’s 500 is a market capitalization weighted index of 500 widely held domestic stocks often used as a proxy for the U.S. stock market. The Standard & Poor’s 400 is a market capitalization weighted index of 400 mid cap domestic stocks. The Standard & Poor’s 600 is a market capitalization weighted index of 600 small cap domestic stocks.
-The NASDAQ Composite Index measures the performance of all issues listed in the NASDAQ stock market, except for rights, warrants, units, and convertible debentures.
-The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of 21 emerging markets. The MSCI All Country World Index is a free float adjusted market capitalization index designed to measure the performance of large and mid and cap stocks in 23 developed markets and 24 emerging markets. With over 2,800 constituents it represents over 85% of the global equity market.
-The Barlcays Aggregate Index represents the total return performance (price change and income) of the US bond market, including Government, Agency, Mortgage and Corporate debt.
-The BofA Merrill Lynch Investment Grade and High Yield Indices are compiled by Bank of America / Merrill Lynch from the TRACE bond pricing service and intended to represent the total return performance (price change and income) of investment grade and high yield bonds.
-The S&P/LSTA U.S. Leveraged Loan 100 is designed to reflect the largest facilities in the leveraged loan market. It mirrors the market-weighted performance of the largest institutional leveraged loans based upon market weightings, spreads and interest payments.
-The S&P Municipal Bond Index is a broad, comprehensive, market value-weighted index. The S&P Municipal Bond Index constituents undergo a monthly review and rebalancing, in order to ensure that the Index remains current, while avoiding excessive turnover. The Index is rules based, although the Index Committee reserves the right to exercise discretion, when necessary.
-The BofA Merrill Lynch US Emerging Markets External Sovereign Index tracks the performance of US dollar emerging markets sovereign debt publicly issued in the US and eurobond markets.
-The HFRI Fund of Funds index is compiled by the Hedge Funds Research Institute and is intended to represent the total return performance of the entire hedge fund universe.