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Grimes Investment Quarterly | 03/31/22

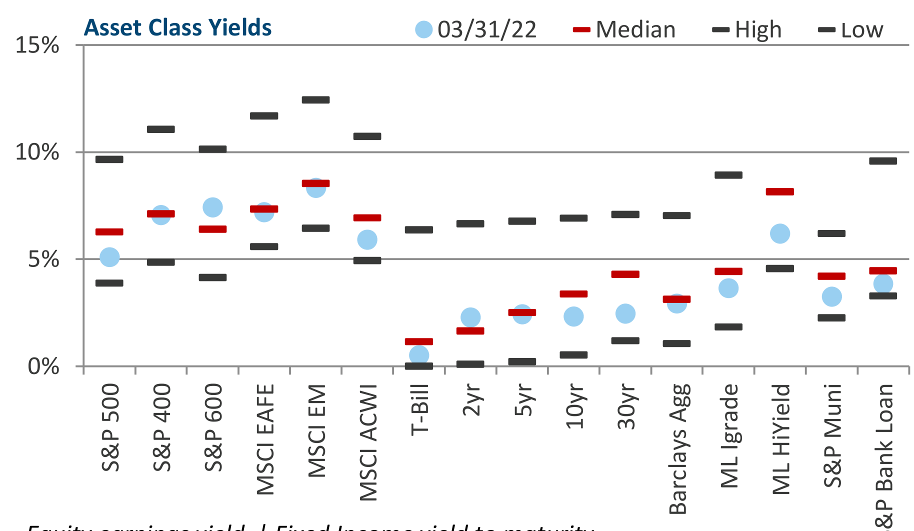
Major Asset Class Returns

Index	Q1'22	2021	2020
S&P 500	-5%	29%	18%
S&P Mid Cap 400	-5%	25%	14%
Russell 2000	-8%	15%	20%
MSCI EAFE	-6%	12%	8%
MSCI Emerging Markets	-7%	-2%	19%
MSCI All Country World	-5%	19%	17%
T-Bill	0%	0%	1%
7-10yr Tsy	-7%	-3%	10%
Barclays Aggregate	-6%	-2%	8%
ML Investment Grade	-8%	-1%	10%
ML High Yield	-5%	5%	6%
S&P Muni	-6%	2%	5%
S&P Bank Loan	0%	4%	3%

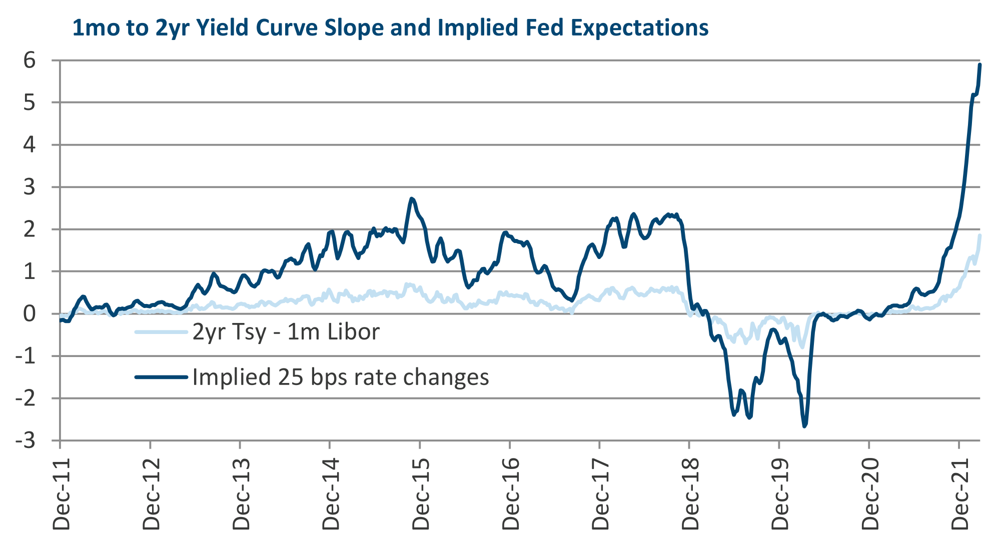
Overview: Most major asset classes were lower in Q1'22. The S&P 500 declined 5%, while the Russell 2000 (-8% Q1), the MSCI EAFE (-6% Q1) and the MSCI EM (-7% Q1) fared worse. Consequently, the MSCI ACWI declined 5%. For Fixed Income, rising interest rates (the 10yr yield moved from 1.51% to 2.32%) drove negative returns. The Bloomberg/Barclays Aggregate (-6%), 7-10yr Treasury (-7%), ML Igrade (-8%), S&P Muni (-6%) and ML High Yield (-5%) all fell due to duration. Only the low duration S&P Bank Loan and T-Bill were flat.

Asset Class Yields: Asset class yields (earnings yield for equities, yield to maturity for fixed income) for equities have moved up to near average. For bonds, the short end of the yield curve is still near historic lows, though the longer end moved up towards median levels. Credit sensitive High Yield and Floating Rate are still below average, thanks to narrow credit spreads.

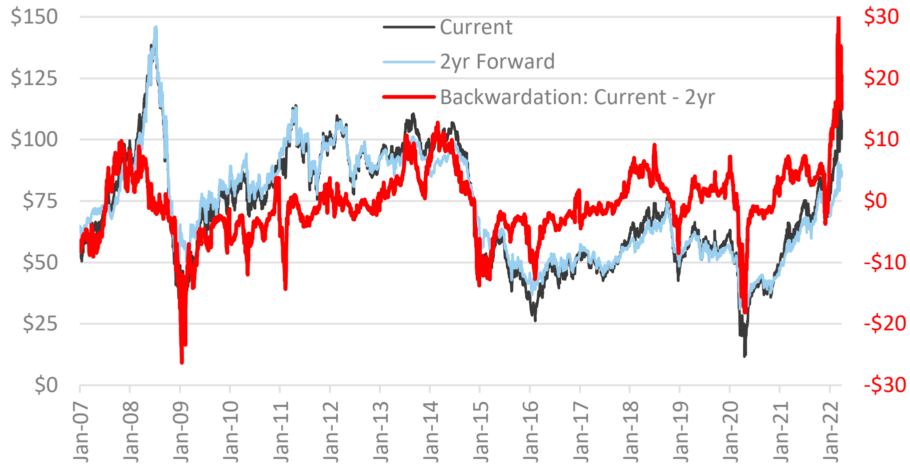
Shifting Fed Expectations: The Fed's accelerating rate hike timetable has been the major market driver in Q1'22. The chart below represents market rate hike expectations implied by short term rates, calculated by subtracting 1 month Libor from the 2yr Treasury yield and then dividing it by 25 bps (the 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 from 2 hikes at the start of the year, to six rate hikes (on top of the one already made in March). This massive shift in expectations has driven interest rates higher, as the market is now looking for the Fed to have short term rates between 1.5% - 2.0% by year end (or a total of six to eight 25 bps rate hikes), as opposed to the previously expected level of 0.50% to 1.0% (three to four 25 bps hikes). If the market's short-term rate expectation moves up by a percentage point, then the longer end moves up as well, and this was a key driver to the 80 bps rise in the 10yr Treasury.



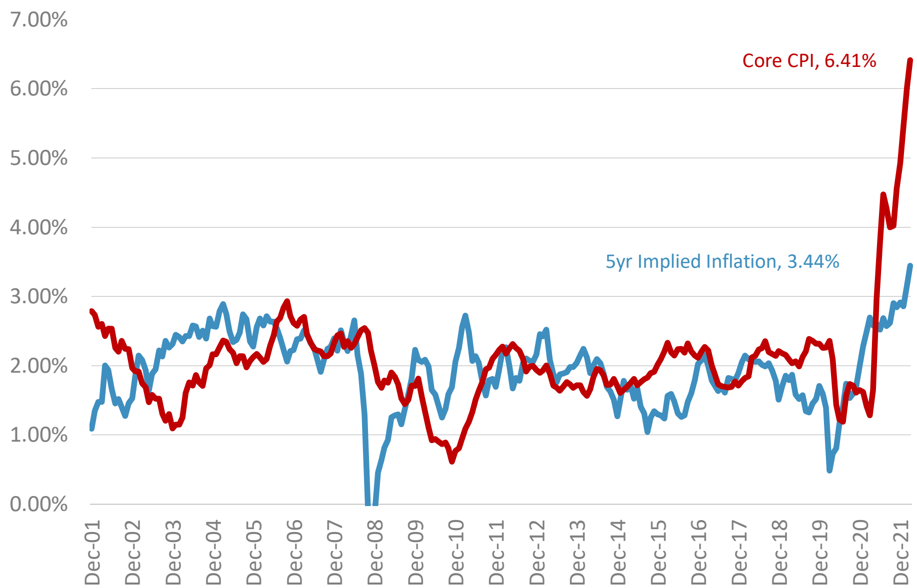
Equity earnings yield | Fixed Income yield to maturity



Oil: Current vs 2yr Fwd (LHS) and Backwardation (RHS)



5yr TIPS Implied Inflation (Treasury - TIPS) and Core CPI



Oil Prices Surge Higher: Rising oil prices were already exhibiting some inflation pressure, thanks to re-opening economies spurring a resurgence in demand. This trend was exacerbated by the Russian invasion of Ukraine. The chart to the left illustrates how financial markets have seen yet another "unprecedented" event, thanks to the sudden disruption to Russian oil supplies. The dark line represents the current price of oil, while the light blue line reflects the price of oil futures two years out. Typically, the current price of oil trades at a slight premium to the future price, which is known as "backwardation". On the chart, this is reflected by the red line. Most of the time, backwardation is between $0 and $5 per barrel. But as the chart shows, in addition to oil surging during Q1'22, backwardation jumped to a record $33 per barrel on March 8. This is because oil buyers, suddenly unable to buy Russian oil, had to rush to buy oil for immediate delivery to fill contract needs. Amidst their scramble, short term prices spiked. However, the record backwardation does offer some insight. The market thinks the current disruption, and price spike, is temporary, and the current price should normalize toward the forward price. In fact, from March 8 - 31, the current price of oil fell from $124/bbl to $100/bbl, while the two year forward price only declined from $90 to $85 (and thus backwardation went from $33 to $15/bbl).

The interpretation is that Russia's invasion of Ukraine is certainly highly disruptive to the price of oil, but the markets should find a new equilibrium. Until backwardation returns to normal levels, the current price of oil should not be considered a reliable measure of where oil will be in a few months. For the Fed policy (and market participants trying to forecast Fed policy), this price spike comes at an awkward time, right as the Fed is trying to gauge how much of the current inflation surge is from transitory pandemic related factors.

How Much Inflation is Transitory? Despite (and because of) the major geopolitical headlines from Ukraine, rising inflation remains the market's main concern. 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 6.4% in February. The Federal Reserve still considers many of these causes of inflation to be "transitory", but now gets a second transitory factor to consider, as higher energy, food and other commodity prices are one of the results of the Russian invasion of Ukraine.

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). Through January, it had stayed below 3%, in anticipation of the transitory issues fading. But the added commodity prices pressures have pushed it to 3.4%. This has been the challenge for the bond market: when the year started, a 1.51% 10yr Treasury was not appealing relative to 2.5%, let alone 4%, inflation. The jump in inflation, and the resulting acceleration to the Fed's expected rate hike schedule, has forced interest rates higher in order to compensate investors.

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Equity Markets Summary

Headline Indices	Q1'22	2021	2020	Fwd PE*	Avg PE**	+/- avg
Dow	-4.1%	20.9%	9.7%			
Nasdaq	-8.9%	22.2%	44.9%			
Russell 2000	-7.5%	14.8%	20.0%			
Asset Classes	**Q1'22**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	-4.6%	28.7%	18.4%	19.6	15.9	23%
S&P Mid Cap 400	-4.9%	24.8%	13.7%	14.2	14.0	1%
S&P Small Cap 600	-5.6%	26.8%	11.3%	13.5	15.6	-14%
MSCI EAFE	-5.8%	11.8%	8.3%	13.9	13.6	2%
MSCI Emerging Markets	-6.9%	-2.2%	18.7%	12.0	11.7	3%
MSCI AC World	-5.3%	19.0%	16.8%	16.9	14.4	17%
S&P 500 Sectors	**Q1'22**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	-9.0%	24.4%	33.3%	29.5	17.7	66%
Consumer Staples	-1.0%	18.6%	10.7%	21.2	17.8	19%
Energy	39.0%	54.6%	-33.7%	11.5	13.8	-16%
Financials	-1.5%	35.0%	-1.7%	14.0	12.4	13%
Healthcare	-2.6%	26.1%	13.4%	16.5	16.2	2%
Industrials	-2.4%	21.1%	11.1%	20.0	16.0	25%
Technology	-8.4%	34.5%	43.9%	24.4	17.7	38%
Materials	-2.4%	27.3%	20.7%	16.0	15.3	4%
Communication Services	-11.9%	21.6%	23.6%	18.5	18.0	3%
Utilities	4.8%	17.7%	0.5%	21.3	14.6	46%
Growth vs Value	**Q1'22**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	-8.6%	32.0%	33.5%	24.7	18.2	36%
S&P Value	-0.2%	24.9%	1.4%	16.4	13.2	24%
International	**Q1'22**	**2021**	**2020**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	-11.1%	14.3%	8.5%	13.5	12.6	7%
Germany (DAX)	-9.3%	15.8%	3.5%	12.4	12.9	-4%
UK (FTSE)	1.8%	14.3%	-14.3%			
Japan (Nikkei)	-2.5%	6.7%	18.3%			
MSCI Asia Pac xJapan	-5.6%	-2.7%	22.8%	16.3	14.5	12%
S. Korea (KOSPI)	-7.4%	3.6%	30.8%	17.0	19.6	-13%
India (Sensex)	0.7%	23.2%	17.2%			
China (Shenzhen)	-16.3%	8.6%	35.2%	10.7	9.9	9%
S&P Latin America 40	29.5%	-12.7%	-11.3%	8.7	11.4	-24%
Brazil (Bovespa)	14.5%	-11.9%	2.9%	8.2	10.6	-22%
Mexico	6.4%	24.4%	3.4%	15.5	14.7	6%

Asset Classes: For Q1'22, the S&P 500 (-4.6%) slightly outpaced the other major indices, but they were comparable, with the Russell 2000 (-7.5%), the MSCI EAFE (-5.8%) and the MSCI EM (-6.9%) all within a few percent. With these similar returns combined, the global MSCI ACWI (-5.3%) was in the same range.

The tech-driven NASDAQ (-8.9%) lagged the more traditional Dow Jones (-4.1%) due to its growth stock bias.

Most of the major indices have valuations near their average (based on forward PE vs their 20yr average). Only the S&P 500 remains notbaly higher. While mean reversion in valuation does not happen overnight, it does argue for potential in the non-S&P 500 segments.

S&P Sectors: The notable outlier to S&P sector performance was Energy (+39%), the obvious beneficiary of the jump in oil prices due to trade sanctions on Russia. Utilities (+5%) were the only other sector to rise. The laggards were Communications (-12%), Consumer Discretionary (-9%) and Technology (-8%), the three sectors that are home to the FANMAG stocks, refelcting a reversal from the prior two years of outperformance.

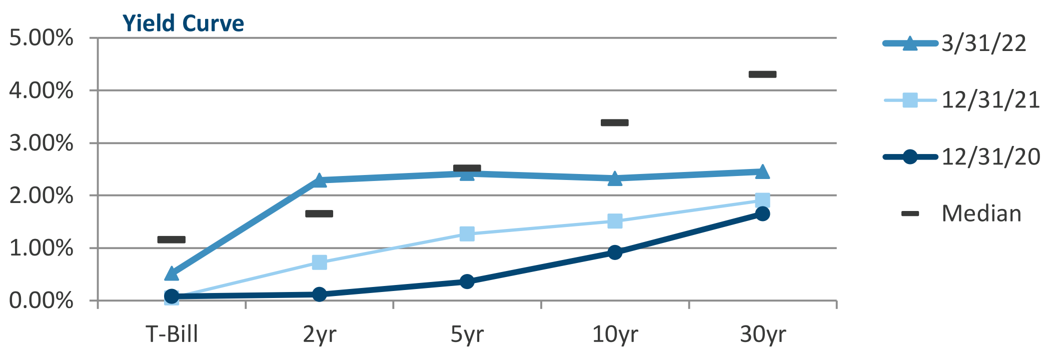
Growth vs Value: The relative performance of Value versus Growth was notable, as Value was flat in Q1'22, compared to a nearly 9% decline in Growth. As often noted, Value can outperform Growth when rates rise, and with an 80 bps surge in the 10yr, that was again the case.

Global Markets: Globally, markets were mixed. Europe declined 11% due to the very obvious risk of its proximity to the Russia-Ukraine conflict and, in particular, its reliance on Russian gas. In Asia, China was the notable laggard (-16% Shenzhen) as recurring Covid lockdowns, questions of technology stock de-listings in other countries due to audit limits, and concerns China's support for Russia could boomerang into more trade restrictions on China itself, cumulatively raised questions about how government decisions will impact companies.

On the other hand, the S&P Latin America 40 index (+30%) was a beneficiary of geopolitical concerns, as surging commodity prices boosted the region that's a home to many leading commodity producers.

Fixed Income Markets Summary

Headline Indices	Q1'22	2021	2020	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	-5.9%	-1.5%	7.5%	2.92%	0.60%	0.33%	0.27%
ML Investment Grade	-7.7%	-1.0%	9.8%	3.64%	1.32%	1.09%	0.23%
ML High Yield	-4.5%	5.4%	6.2%	6.19%	3.87%	4.58%	-0.71%
S&P Nat'l Muni	-5.8%	1.6%	4.9%	3.24%	0.92%	0.75%	0.17%
S&P Leveraged Loan	-0.2%	3.5%	2.8%	3.85%	3.34%	4.02%	-0.68%
T-Bill	0.0%	0.0%	0.6%				
NYMEX 7-10yr Tsy	-6.6%	-3.1%	10.0%				
Treasury Yields	**3/31/22**	**12/31/21**	**12/31/20**			**Avg***	**+/- avg**
T-Bill	0.52%	0.05%	0.08%			1.16%	-0.65%
2yr	2.29%	0.73%	0.12%			1.66%	0.63%
5yr	2.42%	1.26%	0.36%			2.52%	-0.10%
10yr	2.32%	1.51%	0.92%			3.39%	-1.06%
30yr	2.45%	1.90%	1.65%			4.31%	-1.85%
10yr Sovereign Yields	**3/31/22**	**12/31/21**	**12/31/20**			**Avg***	**+/- avg**
US	2.32%	1.51%	0.92%			2.48%	-0.15%
Germany	0.55%	-0.18%	-0.58%			1.61%	-1.06%
Japan	0.22%	0.07%	0.02%			0.29%	-0.07%
UK	1.63%	0.97%	0.20%			2.06%	-0.43%
France	0.99%	0.20%	-0.34%			2.43%	-1.45%
Spain	1.45%	0.57%	0.04%			3.56%	-2.11%
Italy	2.04%	1.17%	0.54%			3.70%	-1.66%
China	2.81%	2.79%	3.19%			3.42%	-0.61%
Brazil	11.76%	10.97%	6.96%			11.06%	0.70%
Mexico	8.25%	7.56%	5.55%			7.19%	1.07%



Asset Classes: The bond market, as measured by the Bloomberg Barclays Aggregate Bond Index, was down 5.9% in Q1 as interest rates rose.

Duration: The primary driver of fixed income performance was duration, which was evident in the Treasury market. The 7-10 yr Treasury Index declined 6.6%, while 90 day T-Bills, which have no duration exposure, were flat.

Credit: The same was seen further out the credit spectrum, with the ML High Yield index down 4.5%, while the low duration S&P Leveraged Loan Index was off only 0.2%. The ML Investment Grade Index fell 7.7%, reflecting its duration component.

Treasury Yields: Rising interest rates was a major market development in Q1'22. The 10yr Treasury rose 81 bps, from 1.51% to 2.32%.

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. More than rising rates, the shape of the yield curve garnered headlines in Q1'22.

The market's expctations for Fed interest rate hikes over the next two years clearly shifted. The 2yr Treasury rose 156 bps, from 0.73% to 2.29%, in just three months.

Fed expectations also caused the 10yr Treasury to rise, but only by 81 bps (about half as much as the 2yr), as the longer end of the curve has to balance the offsetting impact of the short-term Fed rate hikes leading to lower growth or inflation in the long-term.

Short term rates rising faster than long term rates is known as a flattening yield curve. And because of this, in some instances, such as the 2.42% 5yr Treasury versus the 2.32% 10yr Treasury, a shorter term rate is atypically higher than a longer term rate. This is known as inversion. Right now, the yield curve is mostly flat.

Market commentators are watching the 2yr to 10yr curve, which at 2.29% versus 2.32%, is nearly inverted. This is seen as a sign the Fed policy has reached the point that rate hikes are expected to cause a recession. The one catch is that the last time this inverted, in August of 2019, there would not have been a recession if it were not for to Covid shutdowns of March 2020.

Global Rates: Globally, interest rates have moved from negative to positive. Notably, Germany (+.55% vs -.18%) has moved out of negative yielding territory.

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Major Economic Indicators and Consensus Forecasts

	2022/2023 Average Forecast				Actual		
	12m ch	Mar-22	Dec-21	Mar-21	Feb-22	Avg*	+/- avg
US GDP	-0.15	2.95	3.25	3.10	5.53	2.32	3.21
EU GDP	0.08	2.95	3.20	2.88	4.64	1.87	2.77
Japan GDP	0.40	2.05	1.95	1.65	0.45	0.92	-0.47
UK GDP	-0.73	3.15	3.45	3.88	6.64	2.17	4.47
China GDP	-0.10	5.05	5.20	5.15	9.67	8.25	1.42
US CPI	2.18	4.15	2.85	1.98	7.91	1.76	6.15
EU CPI	1.50	2.60	1.68	1.10	5.87	0.96	4.91
Japan CPI	0.40	1.15	0.65	0.75	0.90	0.41	0.49
UK CPI	0.00	1.70	1.70	1.70	6.18	1.61	4.57
China CPI	0.00	2.20	2.18	2.20	0.99	1.84	-0.86
US UnN	-0.55	3.55	3.65	4.10	3.80	4.80	-1.00
EU UnN	-1.10	6.90	7.25	8.00	7.30	8.60	-1.30
Japan UnN	-0.10	2.50	2.50	2.60	2.80	2.80	0.00
UK UnN	-1.23	4.05	4.40	5.28	4.20	4.60	-0.40
China UnN	-0.68	3.73	3.85	4.40	4.90	5.10	-0.20

Foreign Exchange		Q1'22	2021	2020	2019	2018	2017
Euro		-2%	-7%	9%	-2%	-5%	14%
Yen (Japan)		-5%	-10%	5%	1%	3%	4%
Pound (UK)		-3%	-1%	3%	4%	-6%	9%
Yuan (China)		0%	3%	7%	-1%	-5%	7%
Won (S. Korea)		-2%	-9%	6%	-4%	-4%	13%
Real (Brazil)		17%	-7%	-23%	-4%	-14%	-2%
Peso (Mexico)		3%	-3%	-5%	4%	-1%	5%
Commodities		**Q1'22**	**2021**	**2020**	**2019**	**2018**	**2017**
Oil	$100	33%	56%	-21%	35%	-25%	12%
Gold	$1,942	8%	-4%	25%	18%	-1%	13%
Copper	$4.74	6%	27%	26%	6%	-20%	31%

GDP: Shifting economic forecasts show how market expectations have changed in the past three months. Compared to 12/31/21, blended 2022/2023 GDP forecasts are down about 30 bps, for the US, Europe, and UK. China has ticked lower, as well. While expectations are closer to flat versus a year ago, the market is more concerned with the developments of the past three months and how the Russia-Ukraine conflict could impact economic growth.

CPI: More notable than GDP growth is the shift in inflation expecations. For the US, 1.5% of the 2.2% jump in the CPI forecast was in the past three months. Similarly, the EU saw 1% of its 1.5% forecast jump since the year started. While these moves can be over senstive to changes in energy prices, they still reflect the significance of the outlook shift in the past three months.

Unemployment: The one area that continues to improve is unemployment. Part of this is because of the tight labor market. But it also is a sign economic forecasters do not think the preceding lower GDP and higher inflation expectations will be enough to impact the labor market.

Foreign Exchange: Currencies were mostly down versus the dollar in Q1'22, reflecting some risk off, as well as flows from global investors moving towards higher yielding US debt. Only the Brazilian Real, strengthened by global commodity inflows, rose. Overall, foreign exchange has been a drag for international stock returns in Q1'22.

Commodities: Oil rose 33% in Q1'22. Seemingly peaking out after a 56% surge in 2021, Russia's invasion of Ukraine (and the subsequent trade sanctions on Russia) has been a major disruption to global oil markets, causing prices to surge as high as $130 per barrel, before settling back to $100 by 3/31/22. Copper's 6% Q1'22 increase is similar to gold's 8% rise. These moves were tame when compared to nickel's 57% rise or wheat's 30% increase. Nickel is a Russian export disrupted by trade sanctions, while Ukraine is a major wheat producer, and there are obvious risks to its 2022 harvest.

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Index Returns | 2005 to Present

	Q1'22	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Dow	-4.1%	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	-9.1%	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	-7.5%	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	-4.6%	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	-4.9%	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	-5.8%	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	-6.9%	-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	-5.3%	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	-8.6%	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	-0.2%	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	-5.9%	-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	-7.7%	-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	-4.5%	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	-5.8%	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	-0.2%	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	-6.6%	-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	Q1'22	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
MSCI Eurozone	-11.1%	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)	-9.3%	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)	1.8%	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)	-3.4%	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	-5.6%	-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)	-7.4%	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)	0.7%	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)	-16.3%	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	29.5%	-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)	14.5%	-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	6.1%	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	Q1'22	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Consumer Discretionary	-9.0%	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	-1.0%	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	39.0%	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	-1.5%	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	-2.6%	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	-2.4%	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	-8.4%	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	-2.4%	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	-11.9%	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	4.8%	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.

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 information contained herein is based upon sources believed to be true and accurate. Sources include: *Factset Research Systems Inc.,* Bureau of Economic Analysis, Bureau of Labor Statistics, Congressional Budget Office, Board of Governors of Federal Reserve System, Fred: Federal Reserve Bank of St. Louis Economic Research, U.S. Department of the Treasury

-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.