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Grimes Investment Quarterly | 06/30/22

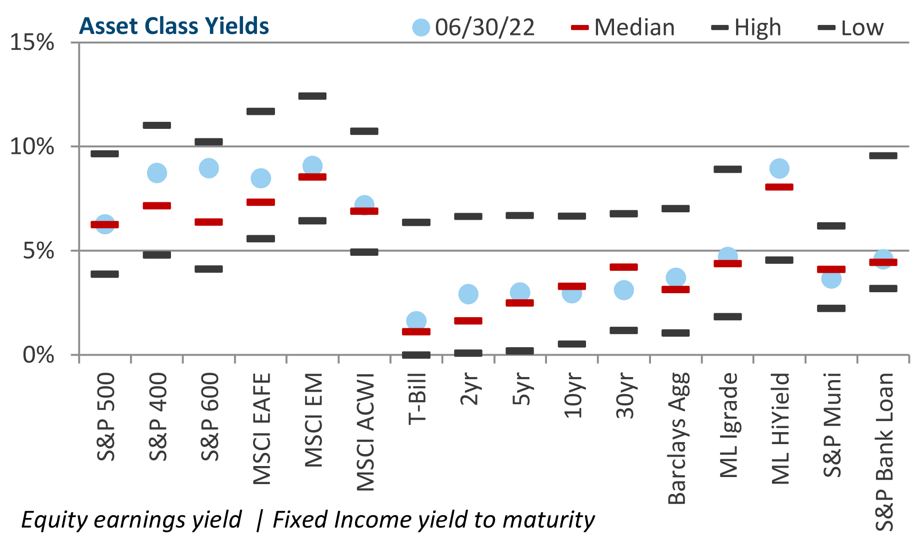
Major Asset Class Returns

Index	Q2'22	2022 ytd	2021
S&P 500	-16%	-20%	29%
S&P Mid Cap 400	-15%	-20%	25%
Russell 2000	-17%	-23%	15%
MSCI EAFE	-14%	-19%	12%
MSCI Emerging Markets	-11%	-17%	-2%
MSCI All Country World	-16%	-20%	19%
T-Bill	0%	0%	0%
7-10yr Tsy	-4%	-11%	-3%
Barclays Aggregate	-5%	-10%	-2%
ML Investment Grade	-7%	-14%	-1%
ML High Yield	-10%	-14%	5%
S&P Muni	-3%	-9%	2%
S&P Bank Loan	-5%	-5%	4%

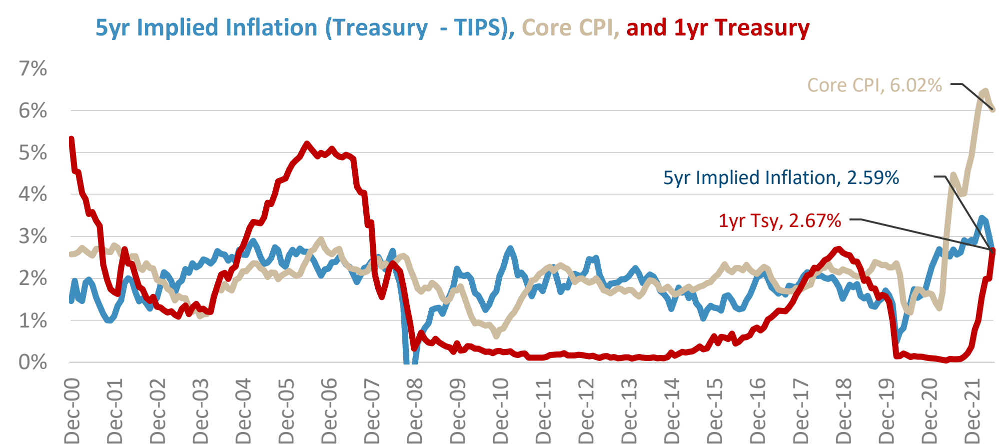
Overview: Most major asset classes continued to decline in Q2'22. The S&P 500 fell 16%, for a 20% ytd decline. The Russell 2000 (-17% Q2, -23% ytd), the MSCI EAFE (-14% Q2, -19% ytd) and the MSCI EM (-11% Q2, -17%) followed suit, leaving the MSCI ACWI (-16% Q2, -20% ytd) lower. For Fixed Income, rising interest rates (the 10yr yield rose to 2.98%, versus 2.32% on 3/31/22 and 1.51% on 12/31/21) drove negative returns in the Bloomberg/Barclays Aggregate (-5% Q2, -10% ytd), 7-10yr Treasury (-4%, -11% ytd), ML Igrade (-7% Q2, -14% ytd), S&P Muni (-3% Q2, -9% ytd) and ML High Yield (-10% Q2, -14% ytd). The low duration S&P Bank Loan Index (-5% Q2, -5% ytd) and T-Bill (0% Q2, 0% ytd) have held up the best thus far.

Asset Class Yields: Asset class yields (earnings yield for equities, yield to maturity for fixed income) for equities are now at or above average. For bonds, yields across the curve and credit quality are all near their averages.

Shifting Fed Expectations: The Fed's accelerating rate hike timetable in response to the persistence of inflation has been the major market driver in 2022. The chart below shows Core CPI, implied inflation (from TIPS), and the 1 year Treasury yield (as a proxy for Fed policy). Core CPI initially jumped on factors that the Fed defined as transitory and the market, as shown by TIPS implied inflation, agreed. However when implied inflation broke over 3% in April (due to Russia's invasion of Ukraine), the Fed accelerated its pace of interest rate hikes, most notably with a 75 bps increase at its meeting on 6/15. The surge in the 1yr Treasury yield reflects the Fed's shifting rate expectations, and it has rapidly converged with implied inlfation expectations. Rising rates have weighed on both equity and fixed income prices. The former has seen PE ratios compress, while the latter has seen price declines tied to duration, or interest rate sensitivity. This combination has impacted investor portfolios.



Equity earnings yield | Fixed Income yield to maturity



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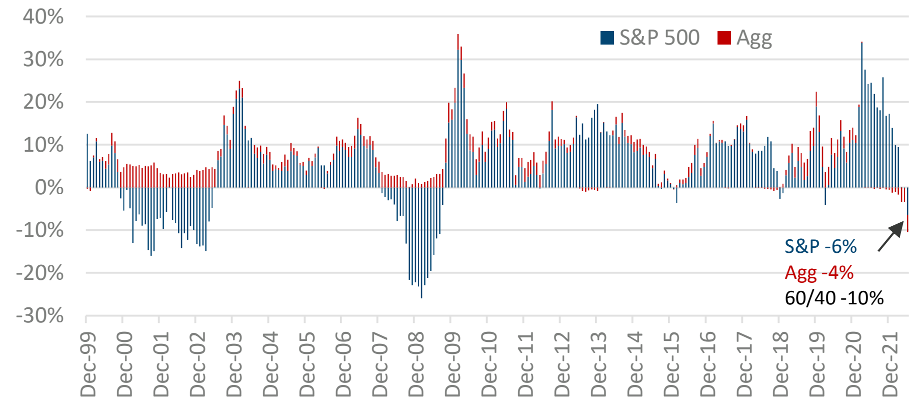
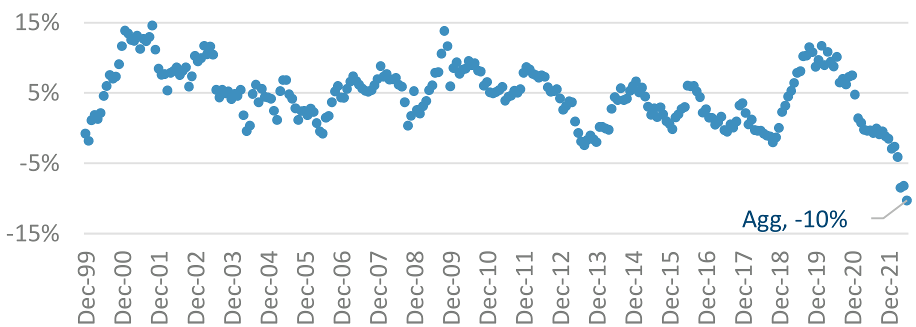
60/40 Portfolio Rolling 12 month Return & Attribution



Barclays Aggregate 12 month Rolling Returns



	Ytd Return	Ytd PE Ch	Q2'22 PE	Q4'21 PE	Avg PE
S&P 500	-20.0%	-25.8%	15.9	21.5	15.9
S&P Growth	-27.6%	-31.7%	19.1	27.9	18.3
S&P Value	-11.4%	-19.3%	13.6	16.9	13.2

	Ytd Return	Ytd Yield Ch	Q2'22 Yield	Q4'21 Yield	
Agg	-10.3%	1.96%	3.72%	1.76%	
ML Igrade	-13.9%	2.31%	4.72%	2.40%	
ML HiYield	-14.0%	4.05%	8.95%	4.90%	

60/40 Mixed Up: The typical balanced portfolio is 60% stocks and 40% bonds, known as "60/40". The chart to the left shows the rolling 12 month returns for 60/40, using S&P 500 and Barclays Aggregate total returns, as well as the contribution of stocks (S&P 500, in blue) and bonds (Barclays Aggregate, in red). For the period ending 6/30/22, trailing 12 month returns were -10%. Periods when returns were -10% or lower are infrequent, with only two groupings since 1999, concentrated in the 2001 dotcom crash and the 2008-2009 Global Financial Crisis (GFC). In other words, performance this poor for 60/40 is unusual.

The 2022 case, however, is unique. In 2001 and 2008, the Agg contribution was positive, shown by the positive red bars during those periods. This illustrates the diversification benefit of bonds delivering a positive return while stocks were declining. In 2022, the poor 60/40 performance is the result of both stocks and bonds declining, with both detracting from performance due to the impact of rising rates on both equity and fixed income prices.

This is evident in the next chart, showing just the rolling returns for the Barclays Agg. The current 10% decline is the only time since 1999 they have been below -5%, let alone -10%.

Lower Prices = Lower PEs: Declining equity prices have been driven by compressing PE multiples. The S&P, for example, has declined 20% ytd, with the 26% decline in its PE multiple accounting for all of this (and more). This is more pronounced in the S&P Growth Index, where a 28% decline is due to a 32% decline in the PE multiple. And even S&P Value, which has held up better with an 11% decline, has seen its multiple fall by 19%. The positive is that the S&P 500 and its two component indices have declined to their 20 year average multiples. And as the Growth / Value disparity shows, a large amount of the multiple compression in the S&P 500 came in the higher PE Growth stocks. It's also a positive that since the PE multiple is falling more than the price, this means earnings are still rising. The catch that the market is worried about is that if the decline thus far is simply valuation, then what would be the implication of a recession causing a decline in earnings? Would indices have to fall further? Or has the multiple compression thus far already provided a cushion for bad news on the earnings front?

Lower Prices = Higher Yields: For Fixed Income, prices move in the opposite direction of interest rates. The focus in 2022 has mostly been on how rising rates have caused prices to fall. The corollary, though, is that lower prices have created higher yields. The table to the left shows the year to date returns on the Barclays Aggregate, Merrill Lynch Investment Grade, and Merrill Lynch HiYield indices. It also shows the yields at the start of the year, the end of Q2, and the change. For all three, the yield has nearly doubled. Just as with the case of stocks and PE ratios, the price decline is unpleasant, but the silver lining is improved valuation. The catch is also the same: are investors compensated enough for recession risks, especially in HiYield. This is harder to gauge, but the compensation today is certainly better than when the year began.

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Equity Markets Summary

Headline Indices	Q2'22	2022	2021	Fwd PE*	Avg PE**	+/- avg
Dow	-10.8%	-14.4%	20.9%			
Nasdaq	-22.3%	-29.2%	22.2%			
Russell 2000	-17.2%	-23.4%	14.8%			
Asset Classes	**Q2'22**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P 500	-16.1%	-20.0%	28.7%	15.9	15.9	0%
S&P Mid Cap 400	-15.4%	-19.5%	24.8%	11.4	13.9	-18%
S&P Small Cap 600	-14.1%	-18.9%	26.8%	11.1	15.7	-29%
MSCI EAFE	-14.3%	-19.3%	11.8%	11.8	13.6	-13%
MSCI Emerging Markets	-11.3%	-17.5%	-2.2%	11.0	11.7	-6%
MSCI AC World	-15.5%	-20.0%	19.0%	13.9	14.4	-4%
S&P 500 Sectors	**Q2'22**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
Consumer Discretionary	-26.2%	-32.8%	24.4%	23.1	17.7	30%
Consumer Staples	-4.6%	-5.6%	18.6%	19.9	17.9	11%
Energy	-5.2%	31.8%	54.6%	8.4	13.7	-39%
Financials	-17.5%	-18.7%	35.0%	11.1	12.4	-10%
Healthcare	-5.9%	-8.3%	26.1%	15.8	16.1	-2%
Industrials	-14.8%	-16.8%	21.1%	16.0	15.9	1%
Technology	-20.2%	-26.9%	34.5%	19.0	17.7	7%
Materials	-15.9%	-17.9%	27.3%	12.4	15.3	-19%
Communication Services	-20.7%	-30.2%	21.6%	14.8	18.0	-18%
Utilities	-5.1%	-0.6%	17.7%	19.6	14.6	34%
Growth vs Value	**Q2'22**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
S&P Growth	-20.8%	-27.6%	32.0%	19.1	18.3	4%
S&P Value	-11.3%	-11.4%	24.9%	13.6	13.2	3%
International	**Q2'22**	**2022**	**2021**	**Fwd PE***	**Avg PE****	**+/- avg**
Eurozone	-15.4%	-24.8%	14.3%	11.0	12.6	-12%
Germany (DAX)	-11.3%	-19.5%	15.8%	10.4	12.9	-20%
UK (FTSE)	-4.6%	-2.9%	14.3%			
Japan (Nikkei)	-4.9%	-7.3%	6.7%			
MSCI Asia Pac xJapan	-10.5%	-15.5%	-2.7%	13.5	14.5	-7%
S. Korea (KOSPI)	-15.4%	-21.7%	3.6%	18.7	19.5	-4%
India (Sensex)	-8.9%	-8.3%	23.2%			
China (Shenzhen)	5.0%	-12.1%	8.6%	9.1	9.9	-8%
S&P Latin America 40	-22.3%	0.6%	-12.7%	6.0	11.4	-47%
Brazil (Bovespa)	-17.9%	-6.0%	-11.9%	6.2	10.5	-41%
Mexico	-14.7%	-9.3%	24.4%	12.7	14.6	-13%

Asset Classes: For Q2'22, equities declined across the board. The S&P 500 (-16.1% Q2, -20.0% ytd), the Russell 2000 (-17.2% Q2, -23.4% ytd), the MSCI EAFE (-14.1% Q2, -19.3% ytd) and the MSCI EM (-11.3% Q2, -17.5% ytd) are all within a few percentage points of one another. With these similar returns combined, the global MSCI ACWI (-15.5% Q2, -20.0% ytd) was in the same range.
The tech-driven NASDAQ (-22.3% Q2, -29.2% ytd) lagged the more traditional Dow Jones (-10.8% Q2, -14.4% ytd) due to its growth stock bias.
While price declines have not been pleasant, one benefit is that valuations have improved (based on forward PE vs their 20yr average). The S&P 500 is now equal to its 20yr average, while the other major indices are at discounts.

S&P Sectors: Every S&P sector declined in Q2, with Energy (-5% Q2, +32% ytd) the lone positive performer year to date, as the obvious beneficiary of the jump in oil prices due to trade sanctions on Russia. Utilities (-5% Q2, -1% ytd), Staples (-5% Q2, -6% ytd) and Healthcare (-6% Q2, -8% ytd) have held up on perceived safety. The laggards were Communications (-21% Q2, -30% ytd), Consumer Discretionary (-26% Q2, -33% ytd) and Technology (-20% Q2, -27% ytd), the three sectors that are home to the FANMAG stocks, reflecting a reversal from the prior two years of outperformance. Meanwhile Industrials (-15% Q2, -17% ytd), Financials (-18% Q2,
-19% ytd) and Materials (-16% Q2, -18% ytd) pulled back in Q2 after flat Q1s, indicative of investor concern for economic growth.

Growth vs Value: The relative performance of Value versus Growth was notable, as Value (-11% Q2, -11% ytd) has held up better than Growth (-21% Q2, -28% ytd), a reversal of the prevailing Growth over Value trend of the past ten years (+20% vs +14% /yr). Interestingly, after the larger pullback, while Growth is still at a higher PE than Value (19.1 v 13.6), both the Value and Growth indices are now just above their historic averages.

Global Markets: Globally, markets were lower. Europe (-15% Q2, -25% ytd) has borne the brunt of the Russia-Ukraine conflict and, in particular, its reliance on Russian gas. In Asia, China was the notable laggard (+5% Q2, -12% ytd) but bounced back slightly, as concerns over Covid lockdowns and tech stock regulations from the start of the year faded a bit.
On the other hand, the S&P Latin America 40 index (-22% Q2, +1% ytd) reversed from a strong start to the year as commodity prices pulled back in the second quarter.

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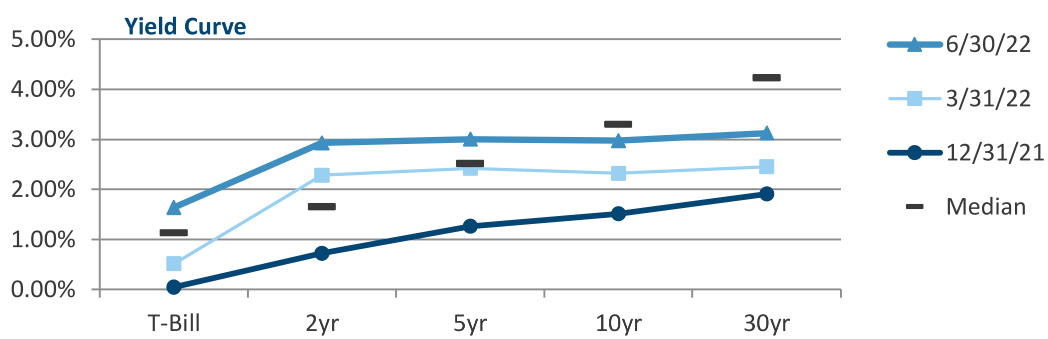
Fixed Income Markets Summary

Headline Indices	Q2'22	2022	2021	Yield	Spread	Avg*	+/- avg
Bloomberg Barc Agg	-4.7%	-10.3%	-1.5%	3.72%	0.74%	0.33%	0.41%
ML Investment Grade	-6.7%	-13.9%	-1.0%	4.72%	1.74%	1.10%	0.64%
ML High Yield	-10.0%	-14.0%	5.4%	8.95%	5.98%	4.60%	1.38%
S&P Nat'l Muni	-2.9%	-8.6%	1.6%	3.67%	0.69%	0.75%	-0.06%
S&P Leveraged Loan	-5.3%	-5.5%	3.5%	4.60%	2.96%	4.02%	-1.06%
T-Bill	0.1%	0.2%	0.0%				
NYMEX 7-10yr Tsy	-4.5%	-10.8%	-3.1%				
Treasury Yields	**6/30/22**	**3/31/22**	**12/31/21**			**Avg***	**+/- avg**
T-Bill	1.64%	0.52%	0.05%			1.13%	0.51%
2yr	2.93%	2.29%	0.73%			1.66%	1.28%
5yr	3.00%	2.42%	1.26%			2.52%	0.48%
10yr	2.98%	2.32%	1.51%			3.31%	-0.33%
30yr	3.12%	2.45%	1.90%			4.23%	-1.11%
10yr Sovereign Yields	**6/30/22**	**3/31/22**	**12/31/21**			**Avg***	**+/- avg**
US	2.98%	2.32%	1.51%			2.43%	0.54%
Germany	1.38%	0.55%	-0.18%			1.31%	0.07%
Japan	0.22%	0.22%	0.07%			0.26%	-0.04%
UK	2.31%	1.63%	0.97%			2.02%	0.28%
France	1.96%	0.99%	0.20%			2.25%	-0.29%
Spain	2.46%	1.45%	0.57%			3.29%	-0.83%
Italy	3.29%	2.04%	1.17%			3.50%	-0.21%
China	2.84%	2.81%	2.79%			3.41%	-0.57%
Brazil	13.28%	11.76%	10.97%			11.02%	2.26%
Mexico	9.03%	8.25%	7.56%			7.42%	1.61%



Asset Classes: The bond market, as measured by the Bloomberg Barclays Aggregate Bond Index (-4.7% Q2, -10.3% ytd), has declined as interest rates have risen.

Duration: The primary driver of fixed income performance was duration, which was evident in the Treasury market. The longer duration7-10 yr Treasury Index (-4.5% Q2, -10.8% ytd) underperformed near zero duration 90 day T-Bills (0% Q2, 0% ytd).

Credit: The same was seen further out the credit spectrum, with the ML High Yield index (-10% Q2, -14% ytd) down more than the low duration S&P Leveraged Loan Index (-5% Q2, -6% ytd). The ML Investment Grade Index (-7% Q2, -14% ytd) reflected its duration component. Q2 saw a notable shift in tone. While Q1's declines were duration driven, during Q2, credit sold off more. High Yield declined the most. Bank Loans, after holding steady in Q1, fell in Q2. This reflects the market shifting from inflation to growth as its area of concern.

Treasury Yields: Rising interest rates is a major market development thus far in 2022. During Q1, the 10yr Treasury rose 81 bps, from 1.51% to 2.32%, followed by adding another 68 bps in Q2 to reach 2.98% (and getting as high as 3.48% on 6/14).

Yield Curve: The yield curve is the best tool to examine rate shifts across different maturities. The market's expectations for Fed interest rate hikes over the next two years clearly shifted, as the 2yr Treasury rose 220 bps, from 0.73% to 2.98%, this year. Fed expectations also caused the 10yr Treasury to rise, but only by 147 bps, 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 3.00% 5yr Treasury versus the 2.98% 10yr Treasury, a shorter term rate is atypically higher than a longer term rate. This is known as inversion.
Market commentators are watching the 2yr to 10yr curve, which at 2.93% versus 2.98%, is nearly inverted. This is seen as a sign the markets are concerned rate hikes could cause a recession.

Global Rates: Globally, interest rates have moved from negative to positive. Notably, Germany (+1.38% vs -.18% on 12/31/21) has moved out of negative yielding territory.

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Major Economic Indicators and Consensus Forecasts

	2022/2023 Average Forecast				Actual		
	12m ch	Jun-22	Mar-22	Jun-21	May-22	Avg*	+/- avg
US GDP	-1.00	2.15	2.85	3.15	3.53	2.32	1.21
EU GDP	-0.73	2.28	2.95	3.00	5.44	1.86	3.58
Japan GDP	-0.10	1.75	2.00	1.85	0.69	0.92	-0.23
UK GDP	-1.48	2.28	3.05	3.75	8.71	2.17	6.54
China GDP	-0.48	4.73	5.05	5.20	4.90	8.00	-3.10
US CPI	2.05	4.38	4.15	2.33	8.52	1.81	6.70
EU CPI	1.98	3.15	2.45	1.18	8.05	1.10	6.95
Japan CPI	0.60	1.40	1.08	0.80	2.52	0.41	2.11
UK CPI	0.00	1.70	1.70	1.70	9.08	1.71	7.37
China CPI	0.05	2.25	2.20	2.20	2.09	1.84	0.25
US UnN	0.05	3.75	3.55	3.70	3.60	4.70	-1.10
EU UnN	-0.98	6.85	6.85	7.83	7.30	8.50	-1.20
Japan UnN	-0.05	2.50	2.50	2.55	2.80	2.80	0.00
UK UnN	-0.93	3.98	4.05	4.90	4.20	4.40	-0.20
China UnN	-0.45	4.18	3.70	4.63	4.90	5.10	-0.20

Foreign Exchange		Q2'22	2022	2021	2020	2019	2018
Euro		-6%	-8%	-7%	9%	-2%	-5%
Yen (Japan)		-11%	-15%	-10%	5%	1%	3%
Pound (UK)		-8%	-10%	-1%	3%	4%	-6%
Yuan (China)		-5%	-5%	3%	7%	-1%	-5%
Won (S. Korea)		-7%	-8%	-9%	6%	-4%	-4%
Real (Brazil)		-9%	7%	-7%	-23%	-4%	-14%
Peso (Mexico)		-1%	1%	-3%	-5%	4%	-1%
Commodities		**Q2'22**	**2022**	**2021**	**2020**	**2019**	**2018**
Oil	$106	5%	40%	56%	-21%	35%	-25%
Gold	$1,817	-6%	1%	-4%	25%	18%	-1%
Copper	$3.71	-22%	-17%	27%	26%	6%	-20%

GDP: Shifting economic forecasts show how market expectations have changed in the past three months. Compared to 3/31/22, blended 2022/2023 GDP forecasts are down about 70 bps for the US, Europe, and UK. China has ticked lower, as well. This leaves forecasts notably lower than a year ago, with the US forecast falling from 3.15% to 2.15%.

CPI: More notable than GDP growth is the shift in inflation expectations. For the US, on a year over year basis, the CPI forecast has jumped from 2.33% to 4.38%. Of this 2.05% 12 month rise, 1.3% happened just in Q1'22. Similarly, EU CPI forecast has risen from 1.18% to 3.15%.

Unemployment: The one area that has remained steady is unemployment. Part of this is because of the tight labor market. But it is also a sign economic forecasters do not think the preceding lower GDP and higher inflation expectations will be enough to impact the labor market, although the slight 20 bps uptick over the past 3 months suggests some impact is expected.

Foreign Exchange: Currencies were mostly down versus the dollar in 2022, reflecting some risk off, as well as flows from global investors moving towards higher yielding US debt. Overall, foreign exchange has been a drag for international stock returns in 2022, though going forward it could become a drag on US corporate earnings as overseas profits in other currencies will translate back as fewer dollars.

Commodities: Oil rose 5% in Q2'22 and is 40% higher thus far in 2022. While oil appeared to be 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 and trading in a $100 to $120 range. After rising 6% in Q1, copper reversed course and fell 22% (for a 17% ytd decline), as concerns over scarce supply was replaced by fears of falling demand. Although seen as an inflation hedge and safe haven, gold fell 6% in Q2 (for a 1% ytd increase).

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Index Returns | 2005 to Present

	Q2'22	2022 ytd	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Dow	-10.8%	-14.4%	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%
Nasdaq	-22.4%	-29.5%	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%
Russell 2000	-17.2%	-23.4%	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%
S&P 500	-16.1%	-20.0%	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%
S&P Mid Cap 400	-15.4%	-19.5%	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%
S&P Small Cap 600	-14.1%	-18.9%	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%
MSCI EAFE	-14.3%	-19.3%	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%
MSCI Emerging Markets	-11.3%	-17.5%	-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%
MSCI All Country World	-15.5%	-20.0%	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%
S&P Growth	-20.8%	-27.6%	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%
S&P Value	-11.3%	-11.4%	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%
Barclays Aggregate Bond	-4.7%	-10.3%	-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%
ML Investment Grade	-6.7%	-13.9%	-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%
ML High Yield	-10.0%	-14.0%	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%
S&P Nat'l Muni	-2.9%	-8.6%	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	-5.3%	-5.5%	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%
T-Bill	0.1%	0.2%	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	-4.5%	-10.8%	-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%

International	Q2'22	2022 ytd	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
MSCI Eurozone	-15.4%	-24.8%	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%
Germany (DAX)	-11.3%	-19.5%	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%
UK (FTSE)	-4.6%	-2.9%	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%
Japan (Nikkei)	-5.1%	-8.3%	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%
MSCI Asia Pac xJapan	-10.5%	-15.5%	-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%
S. Korea (KOSPI)	-15.4%	-21.7%	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%
India (Sensex)	-8.9%	-8.3%	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%
China (Shenzhen)	5.0%	-12.1%	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%
S&P Latin America 40	-22.3%	0.6%	-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%
Brazil (Bovespa)	-17.9%	-6.0%	-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%
Mexico	-15.9%	-10.8%	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%

S&P 500 Sectors	Q2'22	2022 ytd	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Consumer Discretionary	-26.2%	-32.8%	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%
Consumer Staples	-4.6%	-5.6%	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%
Energy	-5.2%	31.8%	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%
Financials	-17.5%	-18.7%	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%
Healthcare	-5.9%	-8.3%	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%
Industrials	-14.8%	-16.8%	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%
Technology	-20.2%	-26.9%	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%
Materials	-15.9%	-17.9%	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%
Telecom	-20.7%	-30.2%	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%
Utilities	-5.1%	-0.6%	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%

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.