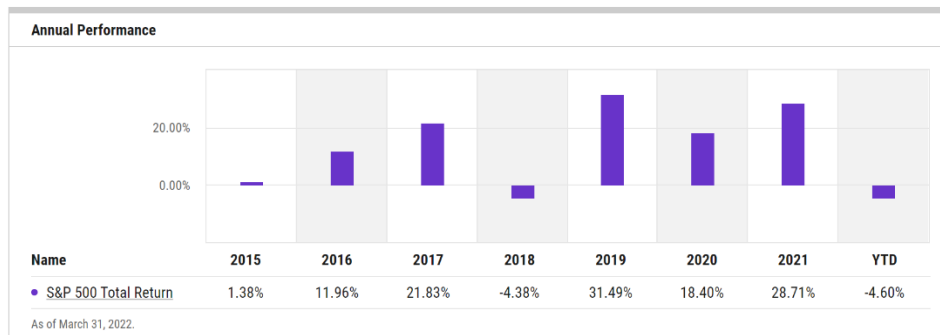
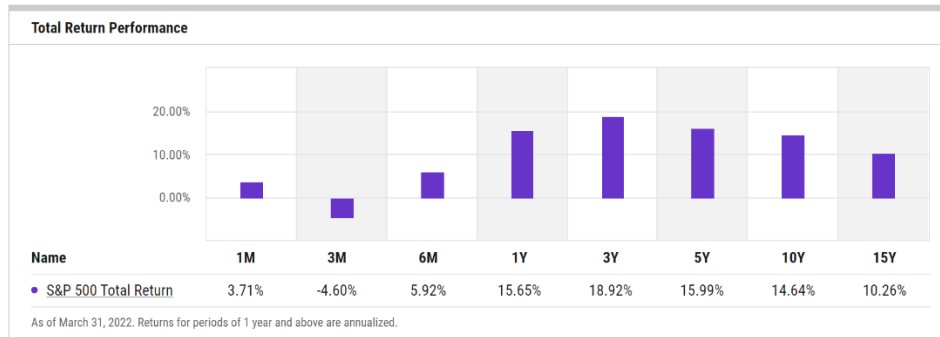


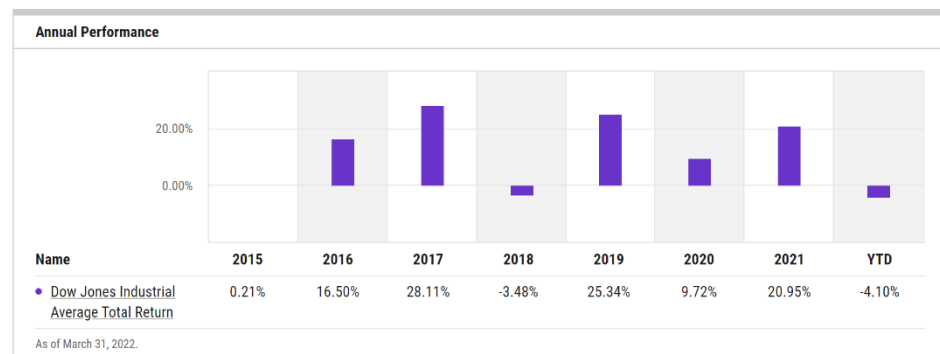
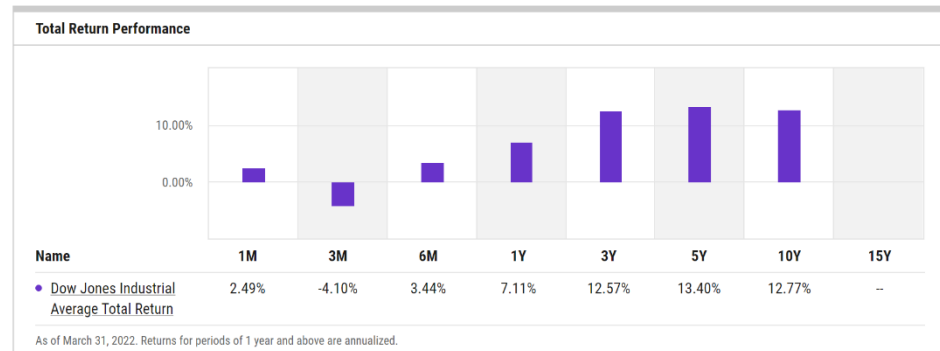
Return Documentation

S&P 500



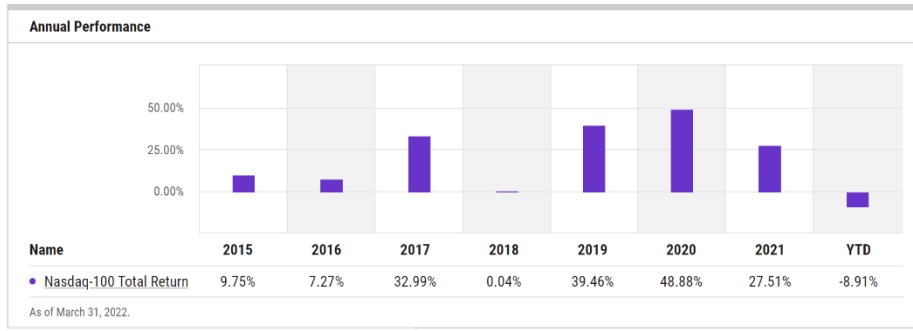
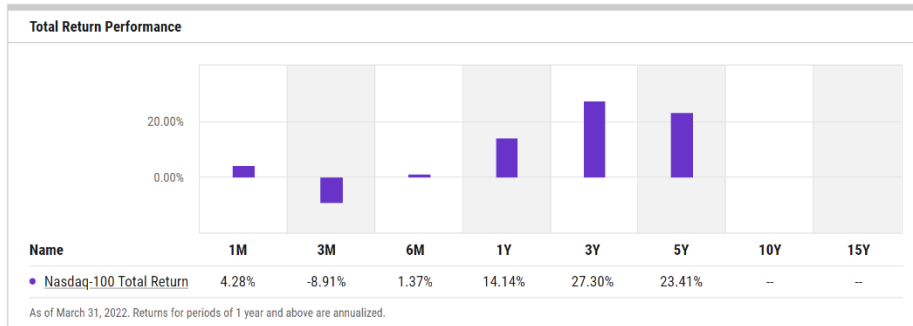
Source YCharts

DJ Industrial Average



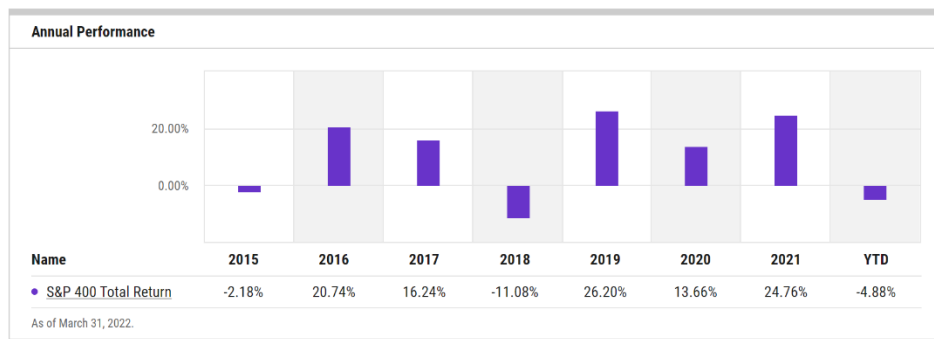
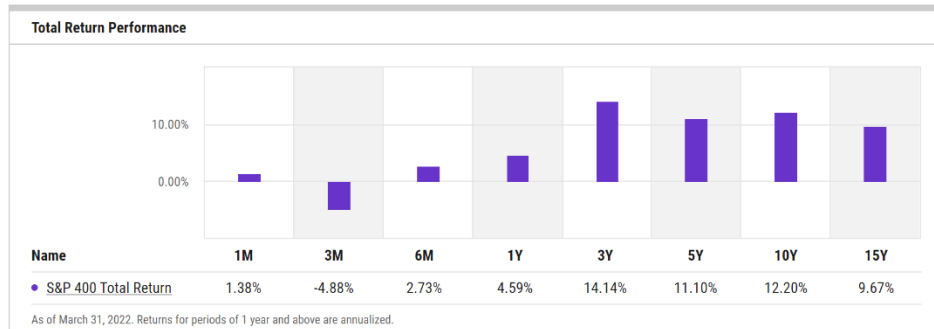
Source YCharts

NASDAQ 100



Source YCharts

S&P MidCap 400



Source YCharts

Russell 2000



Source YCharts

MSCI EAFE TR USD (Foreign Developed)



Source YCharts

MSCI EM TR USD (Emerging Markets)



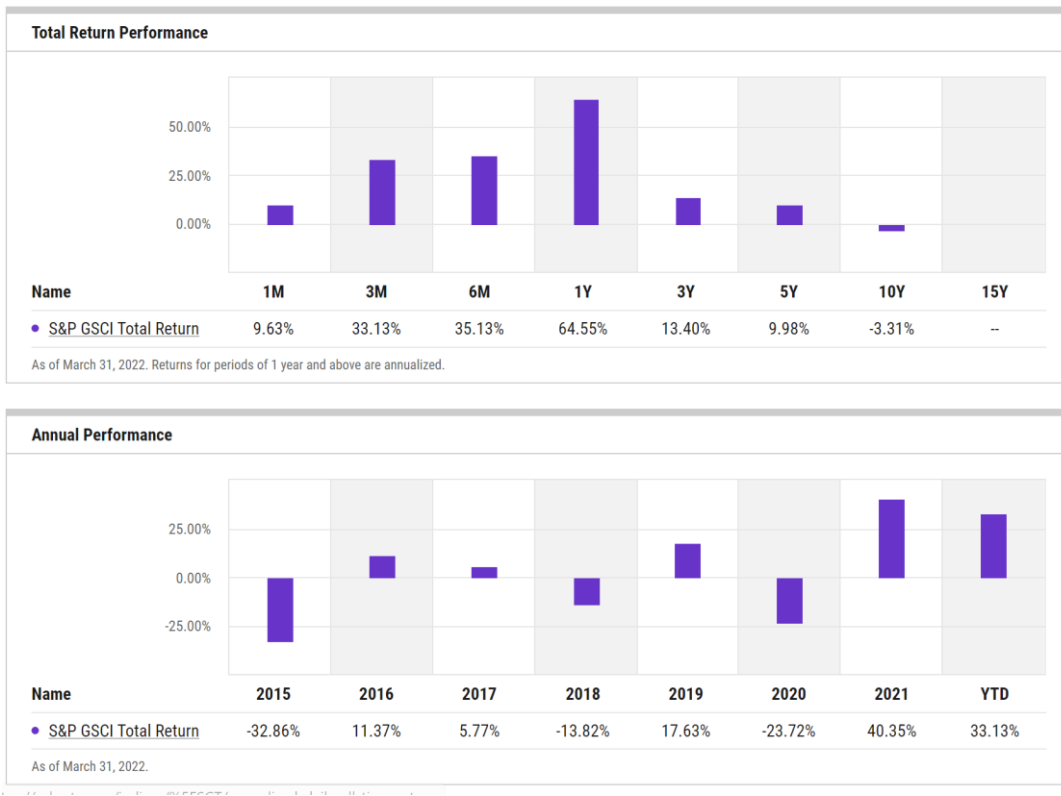
Source YCharts

MSCI ACWI Ex USA TR USD (Foreign Dev & EM)



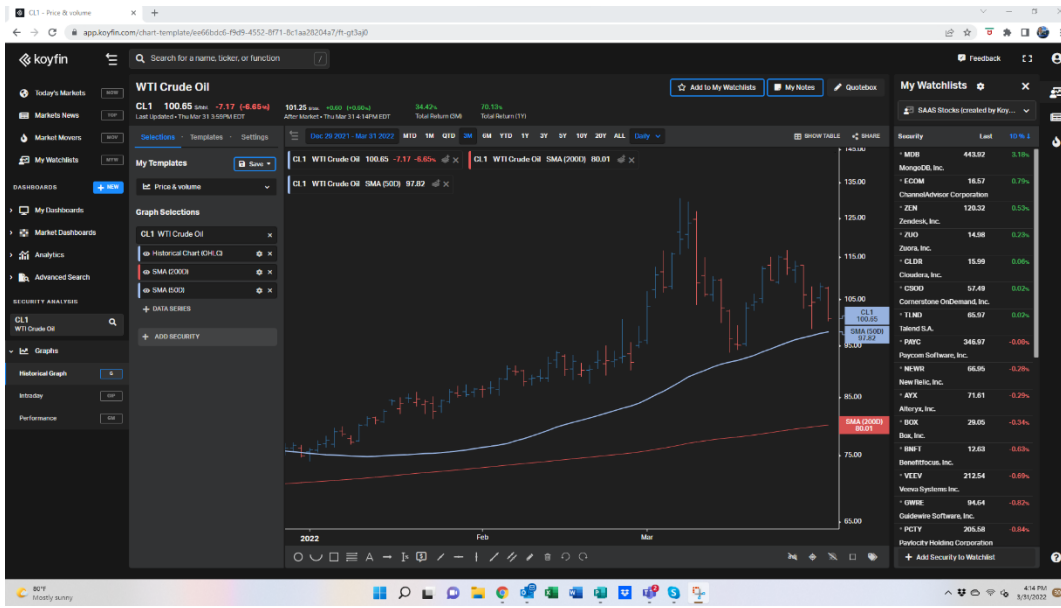
Source YCharts

S&P GSCI (Broad-Based Commodities)



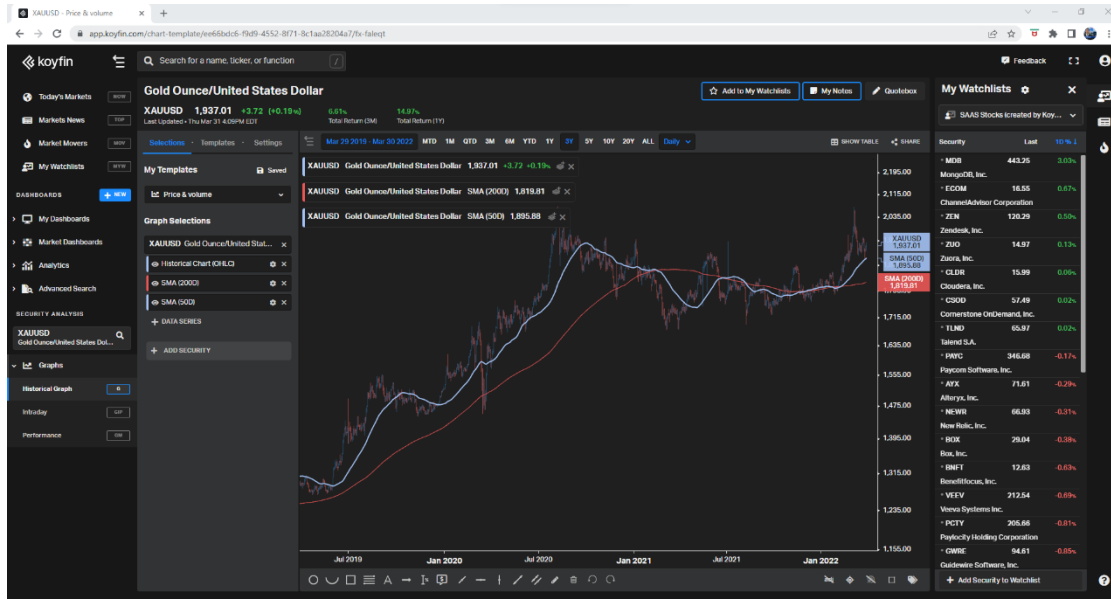
Source YCharts

WTI Crude Oil



Source Koyfin.com

Gold Price



Source Koyfin.com

BBgBarc US Agg Bond



Source YCharts

BBgBarc US T-Bill 1-3 Mon



Source YCharts

ICE US T-Bond 7-10 Year



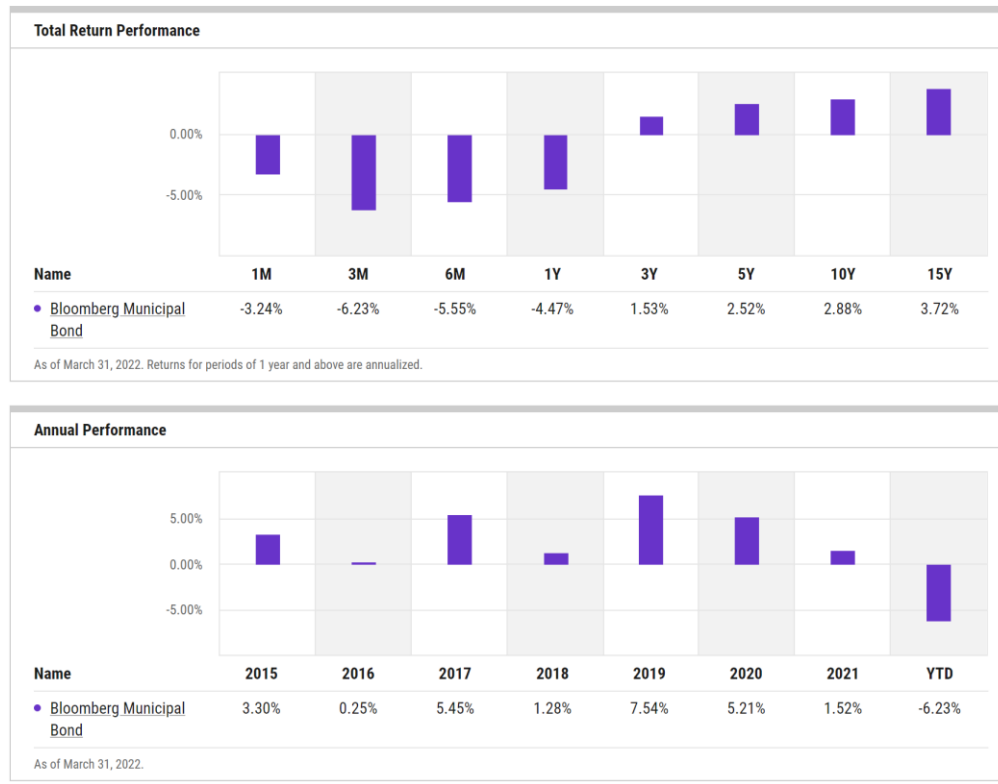
Source YCharts

BBgBarc US MBS (Mortgage-backed)



Source YCharts

BBgBarc Municipal



Source YCharts

BBgBarc US Corporate Invest Grade



Source YCharts

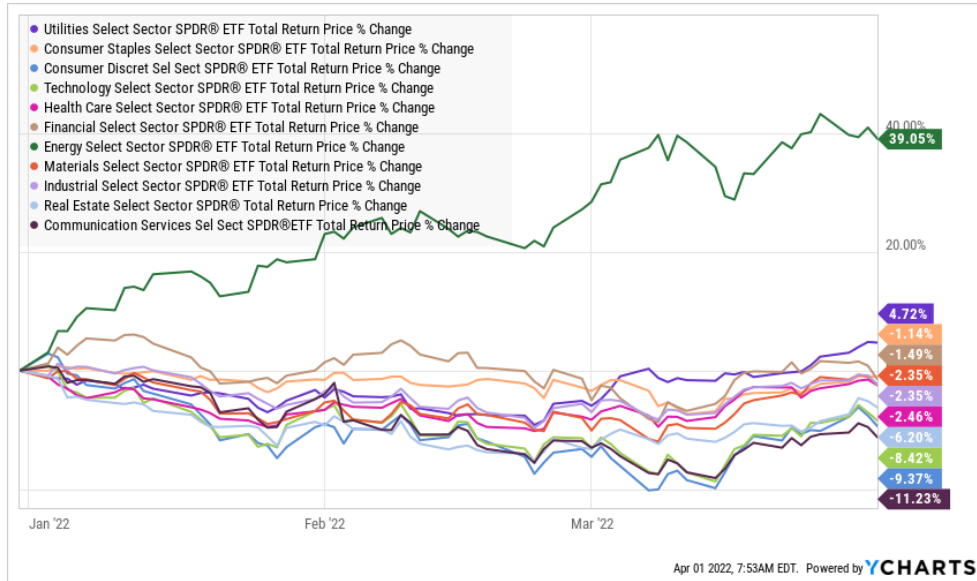
BBgBarc US Corporate High Yield



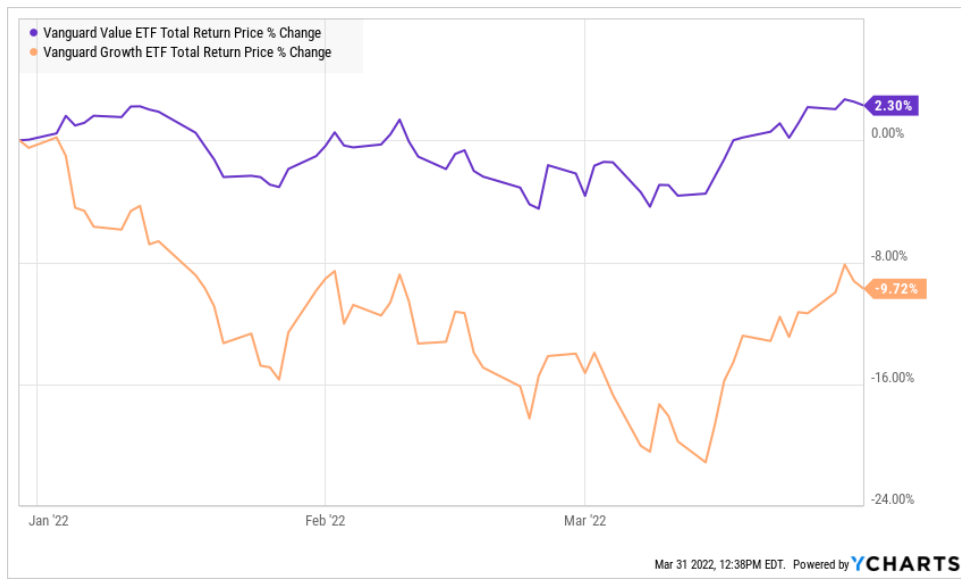
Source YCharts

Other Citations

Sector Performance Q1 2022



Value vs. Growth Q1 2022



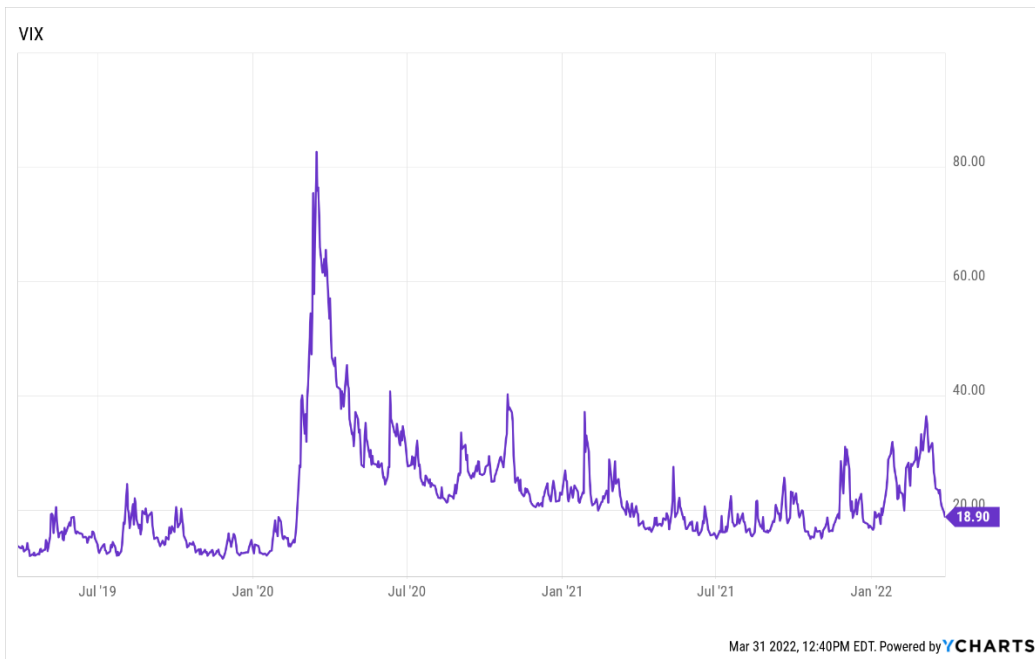
S&P 500 Monthly Returns

ycharts.com/indicators/sp_500_monthly_total_return

Viewing 1 of 6 | FIRST | PREV | NEXT | LAST

Date	Value	Date	Value
February 28, 2022	-2.99%	January 31, 2020	-0.04%
January 31, 2022	-5.17%	December 31, 2019	3.02%
December 31, 2021	4.48%	November 30, 2019	3.63%
November 30, 2021	-0.69%	October 31, 2019	2.17%
October 31, 2021	7.01%	September 30, 2019	1.87%
September 30, 2021	-4.65%	August 31, 2019	-1.58%
August 31, 2021	3.04%	July 31, 2019	1.44%
July 31, 2021	2.38%	June 30, 2019	7.05%
June 30, 2021	2.33%	May 31, 2019	-6.35%
May 31, 2021	0.70%	April 30, 2019	4.05%
April 30, 2021	5.34%	March 31, 2019	1.94%
March 31, 2021	4.38%	February 28, 2019	3.21%
February 28, 2021	2.76%	January 31, 2019	8.01%
January 31, 2021	-1.01%	December 31, 2018	-9.03%
December 31, 2020	3.84%	November 30, 2018	2.04%
November 30, 2020	10.95%	October 31, 2018	-6.84%
October 31, 2020	-2.66%	September 30, 2018	0.57%
September 30, 2020	-3.80%	August 31, 2018	3.26%
August 31, 2020	7.19%	July 31, 2018	3.72%
July 31, 2020	5.64%	June 30, 2018	0.62%
June 30, 2020	1.99%	May 31, 2018	2.41%
May 31, 2020	4.76%	April 30, 2018	0.38%
April 30, 2020	12.82%	March 31, 2018	-2.54%
March 31, 2020	-12.35%	February 28, 2018	-3.69%
February 29, 2020	-8.23%	January 31, 2018	5.73%

Elevated Volatility



Statements

After a historically calm 2021, volatility returned in the first quarter of 2022, as inflation surged to 40-year highs, the Federal Reserve promised to raise interest rates faster than previously thought, and Russia surprised the world with a full-scale military invasion of Ukraine, marking the first major military conflict in Europe in decades.

<https://www.cbsnews.com/news/inflation-consumer-price-index-7-9-highest-since-1982/>

<https://money.yahoo.com/fed-officials-floated-faster-rate-195211014.html>

The prospect of sooner-than-expected interest rate hikes weighed on the sectors with the highest valuations, specifically growth-oriented technology stocks. The steep declines in the tech sector exacerbated market volatility in January.

<https://www.cnbc.com/2022/01/18/rising-interest-rates-could-keep-a-choke-hold-on-tech-and-growth-stocks.html>

Additionally, while the fourth-quarter earnings season was solid, there were several large, widely held technology companies that posted disappointing results or forecasts, and that also contributed to general market volatility.

<https://www.irishtimes.com/business/markets/us-stocks-snap-gains-to-fall-sharply-after-downbeat-tech-earnings-1.4792935>

Finally, in late January at the FOMC meeting, Fed Chair Powell clearly signaled that the Fed would be raising rates at the next meeting (in March) confirming to investors that interest rates were going to rise much more quickly than had been assumed just a few months prior.

<https://www.nytimes.com/2022/01/26/business/economy/fed-interest-rates-inflation.html>

The conflict sent essential commodity prices such as oil, wheat, corn, and natural gas surging as commodity producers and end users feared production disruptions and reduced supply.

<https://www.axios.com/commodity-price-surge-russia-ukraine-invasion-0ff96854-c332-4755-930f-3f7134724c8f.html>

Then, on March 16th, the Federal Reserve raised interest rates by 25 basis points, the first-rate hike in over three years. But the rate hike was no worse than markets feared, and that provided a spark for a “relief rally” in stocks that produced a solidly positive monthly return for the S&P 500 and carried the major indices to multi-week highs by the end of the quarter.

<https://www.wsj.com/livecoverage/federal-reserve-meeting-inflation-march-2022>

Investors rotated out of growth-oriented, high-P/E technology stocks and into sectors that were more exposed to the traditional economy which, generally speaking, trade at a cheaper valuation relative to the tech sector. That rotation benefitted the Dow Jones Industrial Average primarily while the Nasdaq Composite badly lagged both the S&P 500 and the Dow.

<https://www.barrons.com/articles/tech-stocks-rout-51641321157>

Small-cap stocks typically are more reliant on debt financing to sustain their businesses, and therefore, rising interest rates can be a headwind on small-cap stocks. Additionally, investors flocked to the relative safety of large caps amid the rise in volatility over the course of the quarter.

<https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/interest-rate-hikes-likely-to-sting-already-suffering-small-cap-stocks-68821447>

On a sector level, only two of the eleven sectors in the S&P 500 finished the first quarter with a positive return. Energy was the clear standout as the sector benefitted from the increase in geopolitical uncertainty and subsequent surge in oil and natural gas prices in response to the Russia-Ukraine war. Utilities, a traditionally defensive sector, logged a modestly positive return as investors rotated to defensive sectors in response to elevated market volatility and geopolitical uncertainty. Finally, financials relatively outperformed the S&P 500 and saw only a small loss as the sector has historically benefited from rising interest rates, although concerns about exposure to the Russian economy weighed on many financial stocks in February and early March.

<https://www.cnbc.com/2022/02/24/jpmorgans-basket-of-defensive-stocks-aims-to-outperform-during-market-volatility-like-this.html>