



Investments 101

Making Sense of the Market

Q2 2022 Market Review

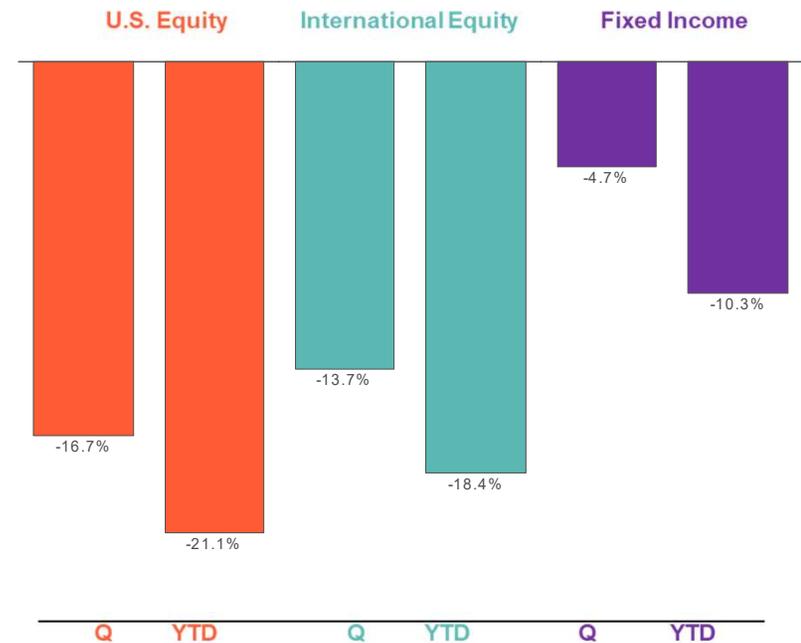
SUMMARY

- U.S. equity markets declined sharply in the second quarter, falling 16.7% (Russell 3000) on persistent inflation, rising interest rates and slowing global growth.
- International equities fell to a lesser extent, posting a 13.7% loss over the quarter (MSCI ACWI ex U.S.).
- The broad U.S. fixed income market provided little shelter from the storm, down 4.7% (Bloomberg Barclays Aggregate) as interest rates rose during the quarter.
- Despite cooling economic growth, the U.S. labor market remained tight during the quarter with unemployment at 3.6% in June.
- Large cap value stocks held up relatively better, with the Russell 1000 Value outperforming the Russell 1000 Growth by over 8 percentage points this quarter.
- The Federal Reserve raised interest rates 125 basis points during the quarter. Additionally, the Fed expects further rate hikes in 2022 to combat inflation.

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TRAILING RETURNS (6/30/2022)

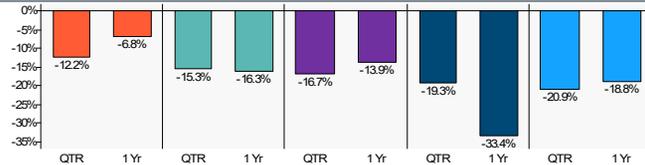


Quarterly and year-to-date returns of the following indices: U.S. Equity (Russell 3000 Index), Fixed Income (Bloomberg Barclays U.S. Aggregate Bond Index) and International Equity (MSCI ACWI ex U.S. Index)

Q2 2022 Market Review – U.S. Equity

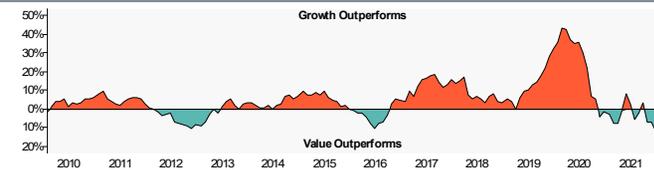
- The broad U.S. equity market, as measured by the Russell 3000 Index, was down 16.7% for the quarter.
- The best performing U.S. equity index for the quarter was Russell 1000 Value, returning a negative 12.2%.
- The worst performing U.S. equity index for the quarter was Russell 1000 Growth, returning a negative 20.9%.

INDEX PERFORMANCE (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Russell 1000 Value	-12.2	-12.9	-6.8	6.9	7.2	10.5
Russell 2000 Value	-15.3	-17.3	-16.3	6.2	4.9	9.1
Russell 3000	-16.7	-21.1	-13.9	9.8	10.6	12.6
Russell 2000 Growth	-19.3	-29.5	-33.4	1.4	4.8	9.3
Russell 1000 Growth	-20.9	-28.1	-18.8	12.6	14.3	14.8

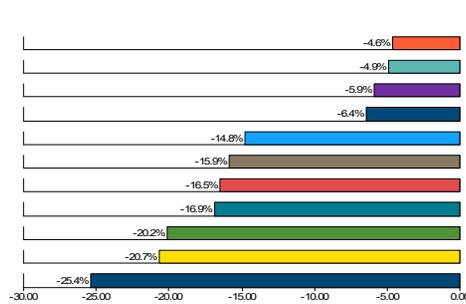
GROWTH VS. VALUE



Over the last year, value stocks outperformed growth stocks by 12.00%.
For the trailing quarter, value stocks outperformed growth stocks by 8.70%.

The graph above is plotted using a rolling one-year time period. Growth stock performance is represented by the Russell 1000 Growth Index. Value stock performance is represented by the Russell 1000 Value Index.

SECTOR (sorted by trailing quarterly performance)



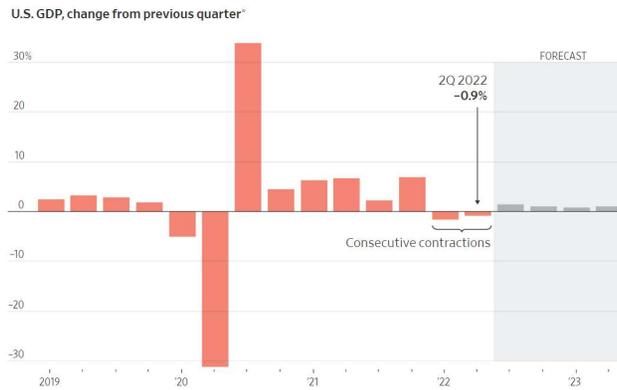
	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Consumer Staples	-4.6	-5.7	5.8	10.8	8.7	10.7
Utilities	-4.9	-0.7	13.6	8.3	9.4	10.6
Energy	-5.9	30.9	38.1	9.6	6.3	3.6
Health Care	-6.4	-9.2	1.4	13.1	12.0	15.1
Industrials	-14.8	-17.5	-13.6	6.3	7.1	11.6
Real Estate	-15.9	-20.4	-6.6	5.6	6.9	8.5
Materials	-16.5	-17.3	-8.9	10.1	8.2	10.0
Financials	-16.9	-18.2	-12.1	6.5	7.0	12.2
Information Technology	-20.2	-26.8	-13.9	18.2	19.7	18.4
Telecommunication Svcs.	-20.7	-30.0	-29.0	5.2	6.0	6.0
Consumer Discretionary	-25.4	-32.5	-24.7	5.8	9.5	13.2

Source: S&P 1500 Sector Indices

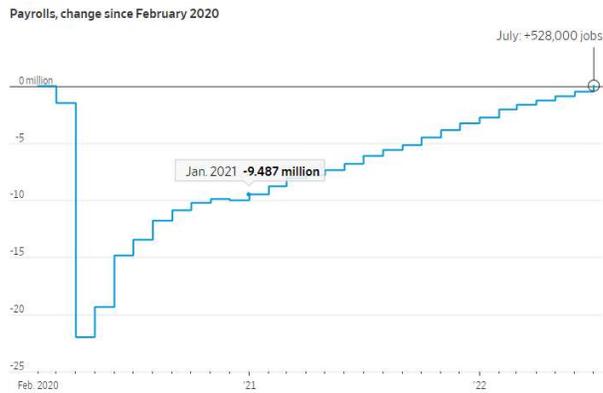
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Recession Watch



*Seasonally adjusted at annual rates
Sources: Commerce Department (actual); Wall Street Journal Economic Forecasting Survey (forecasts)



Note: Seasonally adjusted
Source: Labor Department

- Q2 GDP negative: Weaker housing, and inflation hitting business and consumer spending.
- 2nd consecutive quarter of negative GDP
- National Bureau of Economic Research makes official determination.
 - Factors considered: employment, output and household income
 - Usually doesn't make a recession determination until long after the fact
- Tight job market:
 - July jobs report: U.S. Added 528,000 jobs
 - Unemployment: 3.5%
 - Back to pre-pandemic all-time tight labor markets

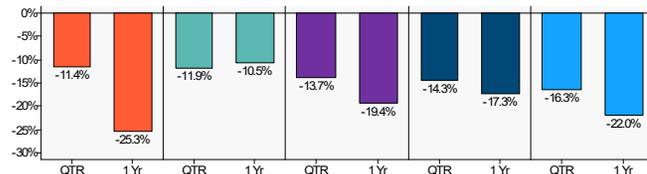
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Q2 2022 Market Review – International Equity

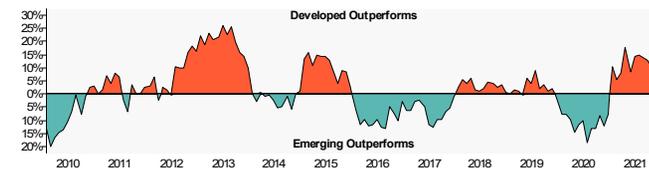
- Developed international equity returned a negative 14.3% in the last quarter (MSCI EAFE).
- Emerging market equity posted a negative 11.4% return (MSCI Emerging Markets Index).

INDEX PERFORMANCE (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
MSCI Emg Markets	-11.4	-17.6	-25.3	0.6	2.2	3.1
MSCI EAFE Large Value	-11.9	-10.8	-10.5	0.6	0.7	4.0
MSCI ACWI ex US	-13.7	-18.4	-19.4	1.4	2.5	4.8
MSCI EAFE	-14.3	-19.3	-17.3	1.5	2.7	5.9
MSCI EAFE Large Growth	-16.3	-25.9	-22.0	2.0	4.4	6.6

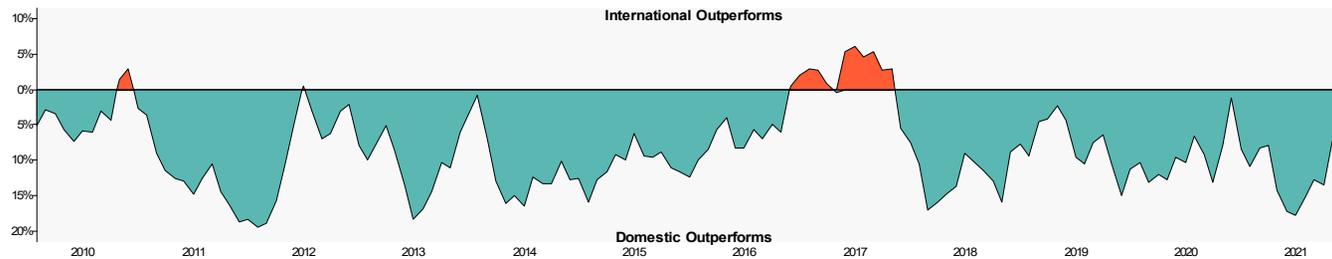
DEVELOPED VS. EMERGING MARKETS



Over the last year, developed international stocks outperformed emerging market stocks by 8.00%. For the trailing quarter, emerging market stocks outperformed developed international stocks by 2.90%.

The graph above is plotted using a rolling one-year time period. Developed international stock performance is represented by the MSCI EAFE Index. Emerging market stock performance is represented by the MSCI Emerging Markets Index.

INTERNATIONAL VS. DOMESTIC



The graph above is plotted using a rolling one-year time period. International stock performance is represented by the MSCI ACWI ex U.S. Index. Domestic stock performance is represented by the Russell 3000 Index.

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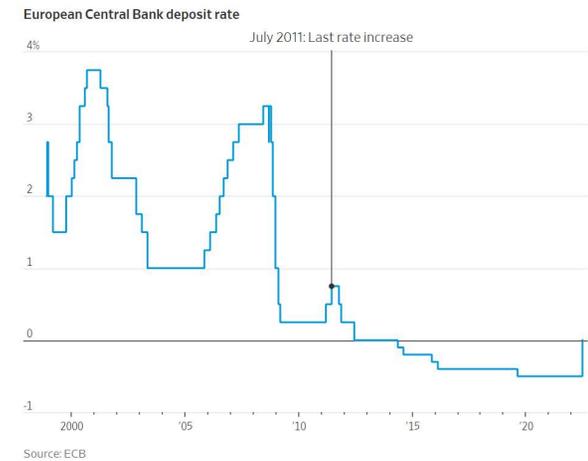
International markets facing similar issues as the US:

- Worldwide GDP slowing
 - Eurozone GDP Grew 0.7% in the second quarter
 - High inflation numbers across the globe
- European Central Bank raising rates:
 - 0.5% to 0% in July
 - Expected to be at about 1% by end of year.

ISG Economic Forecasts¹

GDP Growth (YoY)	2021 Actual	2022 Projection
US	5.7%	2.1%
Eurozone	5.3%	2.9%
UK	7.4%	3.5%
China	8.1%	4.0%
Global	6.1%	3.0%

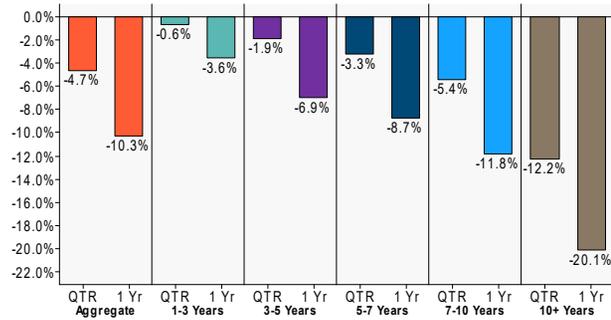
CPI Inflation (YoY)	2021 Actual	2022 Projection
US	4.7%	8.0%
Eurozone	2.6%	7.6%
UK	2.6%	8.1%
China	0.9%	2.1%



Q2 2022 Market Review – Fixed Income

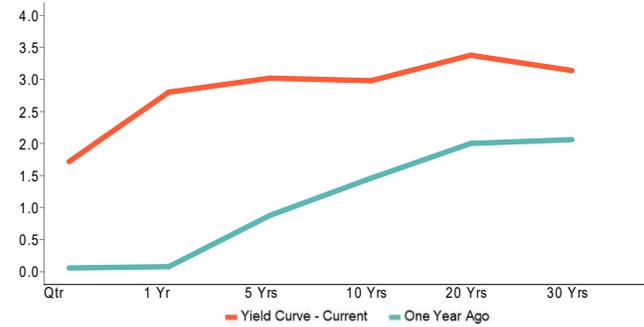
- The broad U.S. fixed income market returned a negative 4.7% (Bloomberg Barclays U.S. Aggregate) for the quarter.
- The best performing sector for the quarter was Cash, returning a positive 0.1%.
- The worst performing sector for the quarter was High Yield Corporate Bond, returning a negative 9.8%.

PERFORMANCE BY MATURITY

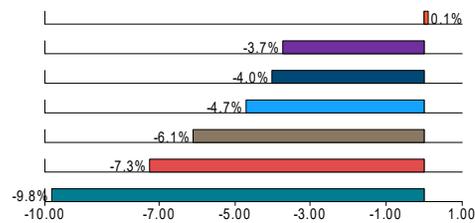


Source: Bloomberg Barclays U.S. Aggregate Indices

YIELD CURVE



SECTOR (sorted by trailing quarterly performance)



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr
Cash	0.1	0.1	0.2	0.6	1.1	0.6
Government	-3.7	-9.0	-8.8	-0.8	0.8	1.0
Mortgage Backed Securities	-4.0	-8.8	-9.0	-1.4	0.4	1.2
Aggregate Bond	-4.7	-10.3	-10.3	-0.9	0.9	1.5
TIPS	-6.1	-8.9	-5.1	3.0	3.2	1.7
Corporate Investment Grade	-7.3	-14.4	-14.2	-1.0	1.3	2.6
High Yield Corporate Bond	-9.8	-14.2	-12.8	0.2	2.1	4.5

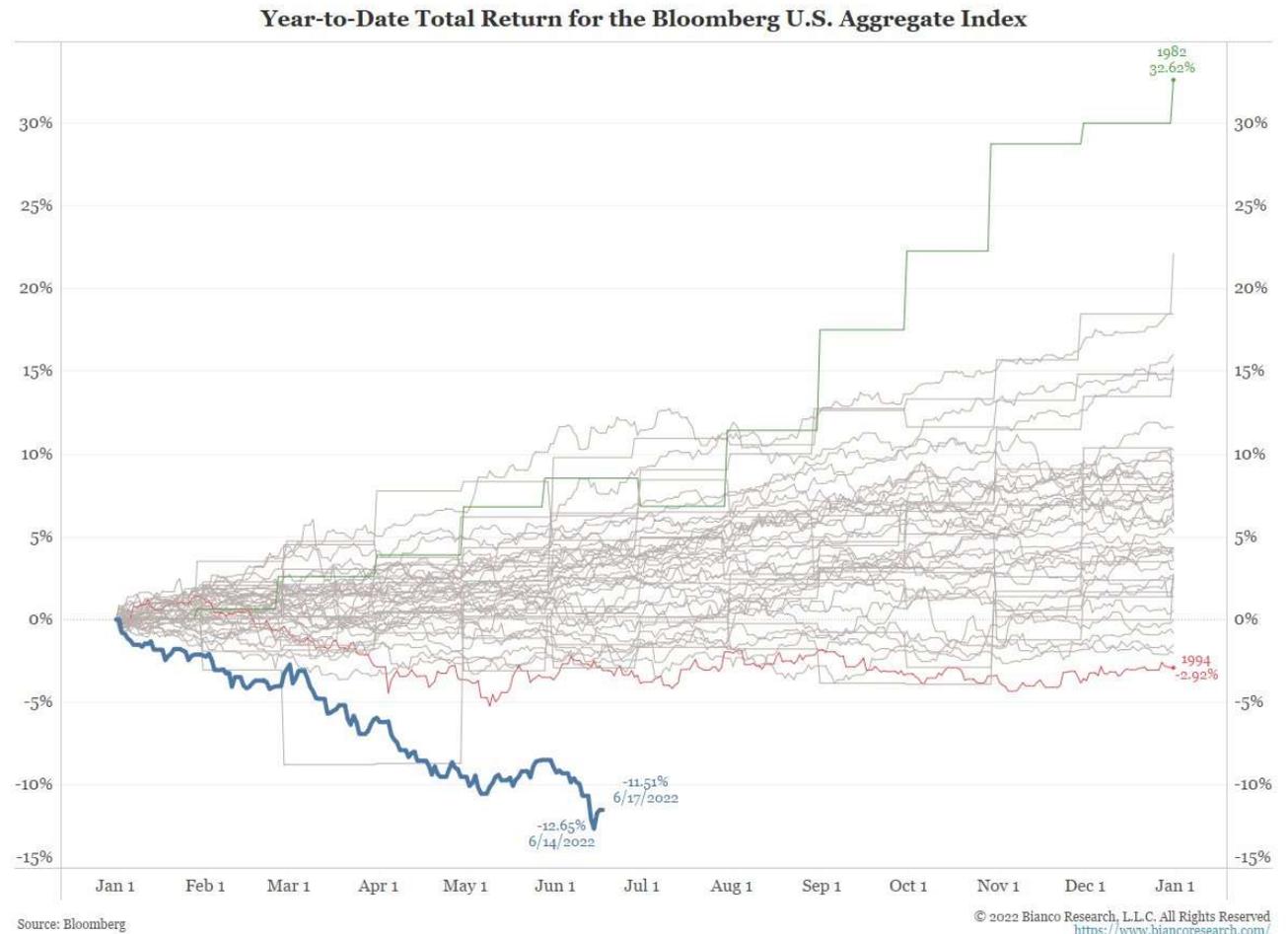
Source: Bloomberg Barclays U.S. Indices

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Fixed Income YTD:

- Worst start to a year for the US Bond market dating all the way back to 1973



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Q2 2022 Market Kaleidoscope

The following chart exhibits the volatility of asset class returns from year to year by ranking indices in order of performance, highlighting the importance of diversification.

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
Fixed Income 7.84	Global REIT 23.73	Sm Growth 43.30	Global REIT 22.81	Large Growth 5.67	Sm Value 31.74	Large Growth 30.21	Cash 1.87	Large Growth 36.39	Large Growth 38.49	Global REIT 32.50	Commodities 18.44
Large Growth 2.64	Sm Value 18.05	Sm Value 34.52	Large Value 13.45	Global REIT 0.59	Large Value 17.34	International 27.19	Fixed Income 0.01	Sm Growth 28.48	Sm Growth 34.63	Sm Value 28.27	Cash 0.14
Global REIT 1.70	Large Value 17.51	Large Growth 33.48	Large Growth 13.05	Fixed Income 0.55	Commodities 11.77	Sm Growth 22.17	Large Growth -1.51	Large Value 26.54	Balanced Index 15.07	Large Growth 27.60	Fixed Income -10.35
Balanced Index 1.26	International 16.83	Large Value 32.53	Balanced Index 6.56	Cash 0.05	Sm Growth 11.32	Balanced Index 15.00	Balanced Index -4.70	Global REIT 24.49	International 10.65	Commodities 27.11	Large Value -12.86
Large Value 0.39	Large Growth 15.26	International 15.29	Fixed Income 5.97	Balanced Index -0.55	Large Growth 7.08	Large Value 13.66	Global REIT -4.77	Sm Value 22.39	Fixed Income 7.51	Large Value 25.16	Balanced Index -16.25
Cash 0.10	Sm Growth 14.59	Balanced Index 14.92	Sm Growth 5.60	Sm Growth -1.38	Balanced Index 7.06	Global REIT 8.63	Large Value -8.27	International 21.51	Sm Value 4.63	Balanced Index 10.79	Sm Value -17.31
Sm Growth -2.91	Balanced Index 11.76	Global REIT 2.81	Sm Value 4.22	Large Value -3.83	Global REIT 6.90	Sm Value 7.84	Sm Growth -9.31	Balanced Index 20.02	Large Value 2.80	International 7.82	International -18.42
Sm Value -5.50	Fixed Income 4.22	Cash 0.07	Cash 0.03	International -5.66	International 4.50	Fixed Income 3.54	Commodities -11.25	Fixed Income 8.72	Cash 0.67	Sm Growth 2.83	Global REIT -20.00
Commodities -13.32	Cash 0.11	Fixed Income -2.02	International -3.87	Sm Value -7.47	Fixed Income 2.65	Commodities 1.70	Sm Value -12.86	Commodities 7.69	Commodities -3.12	Cash 0.05	Large Growth -28.07
International -13.71	Commodities -1.06	Commodities -9.52	Commodities -17.01	Commodities -24.66	Cash 0.33	Cash 0.86	International -14.20	Cash 2.28	Global REIT -8.11	Fixed Income -1.54	Sm Growth -29.45

- Large Value (Russell 1000 Value)
- Large Growth (Russell 1000 Growth)
- Small Value (Russell 2000 Value)
- Balanced (40% Russell 3000, 40% Bloomberg Barclay's U.S. Aggregate, 20% MSCI ACWI ex US)
- Small Growth (Russell 2000 Growth)
- International (MSCI ACWI ex-US)
- Fixed Income (Bloomberg Barclays Agg)
- Global REIT (S&P Global REIT)
- Commodities (Bloomberg Commodities)
- Cash (Merrill Lynch 3-Mo T-Bill)

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Q2 2022 Market Review – Chart of the Quarter

S&P 500 Returns After Bear Markets

The S&P 500 entered bear market territory in the second quarter, down over 20% from recent highs. In times of market turbulence, it is especially important to keep a long-term perspective and stay the course. After entering a bear market, the S&P 500 has been higher the majority of time over the following 1, 3 and 5 year periods. In fact, the median return was 23.9% for 1-year and 10.6% annualized for 3-years.

S&P 500 after closing in bear market

Entered Bear Market	Three Months	Six Months	One Year	Three Years Ann	Five Years Ann
October 21, 1957	5.5	9.7	31.0	10.8	7.3
May 28, 1962	5.9	11.9	26.1	16.8	10.4
August 29, 1966	7.9	17.6	24.6	8.6	6.2
January 19, 1970	-4.5	-8.9	11.9	10.6	-2.1
November 27, 1973	0.7	-7.4	-26.9	2.5	0.1
February 22, 1982	3.0	1.3	30.4	17.1	20.7
October 19, 1987	10.9	14.7	23.2	11.6	13.0
March 12, 2001	6.4	-7.4	-1.2	-1.7	1.7
July 10, 2002	-12.7	0.8	7.4	9.6	10.4
July 9, 2008	-26.9	-28.5	-29.1	2.6	5.8
February 23, 2009	19.3	38.0	47.3	22.4	19.8
March 12, 2020	22.6	34.7	59.0		
Median	5.7	5.5	23.9	10.6	7.3

Source: Wall Street Journal, Dow Jones Market Data, Morningstar Direct
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Q2 2022 Disclosures

Performance of indexes reflects the unmanaged result for the market segment the selected stocks represent. Indexes are unmanaged and not available for direct investment.

Citigroup Corporate Bond is an index which serves as a benchmark for corporate bond performance. You cannot invest directly in an index.

Citigroup Mortgage Master is an index which serves as a benchmark for U.S. mortgage-backed securities performance.

Citigroup WGBI Index is an index which serves as a benchmark for global bond performance, including 22 different government bond markets.

Credit Suisse High Yield Index is an unmanaged, trader priced index constructed to mirror the characteristics of the high yield bond market.

BC (Barclays Capital) U.S. Aggregate Bond Index represents securities that are U.S., domestic, taxable, and dollar dominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.

BC Credit Bond Index includes publicly issued U.S. corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements. To qualify, bonds must be SEC-registered.

BC U.S. Corporate Investment Grade represents investment grade corporate securities that are U.S., domestic, taxable, and dollar denominated.

BC High Yield Corporate Bond represents below investment grade corporate securities that are U.D., domestic, taxable, and dollar denominated.

BC TIPS Index includes publicly issued U.S. government treasury inflation protected securities that meet the specified maturity, liquidity and other requirements.

BC Mortgage-Backed Securities covers agency mortgage-backed pass-through securities (both fixed-rate and hybrid ARMs) issued by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC).

BC Muni Bond covers the USD-denominated long-term tax-exempt bond market with four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds.

BC Government Index includes publicly issued U.S. government securities that meet the specified maturity, liquidity and other requirements.

BarCap U.S. Aggregate 1-3 Yr. TR USD Index represents securities in the BC U.S.

Aggregate Index that have maturity dates over the next 1-3 years.

BarCap U.S. Aggregate 3-5 Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 3-5 years.

BarCap U.S. Aggregate 5-7 Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 5-7 years.

BarCap U.S. Aggregate 7-10 Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over the next 7-10 years.

BarCap U.S. Aggregate 10+ Yr. TR USD Index represents securities in the BC U.S. Aggregate Index that have maturity dates over 10 years.

DJW 5000 (Full Cap) Index measures the performance of all U.S. common equity securities, and serves as an index of all stock trades in the U.S.

MSCI FI Emerging Markets is a rules-based index which serves as a benchmark for emerging country fixed income performance.

MSCI FI EAFE International is a rules-based index which serves as a benchmark for developed international country fixed income performance.

MSCI EAFE Index is listed for foreign stock funds (EAFE refers to Europe, Australia and Far East). Widely accepted as a benchmark for international stock performance, it is an aggregate of 21 individual country indexes.

MSCI EAFE Large Value represents the large cap value stocks within the MSCI EAFE Index.

MSCI EAFE Large Growth represents the large cap growth stocks within the MSCI EAFE Index.

MSCI EAFE Mid Value represents the mid cap value stocks within the MSCI EAFE Index.

MSCI EAFE Mid Growth represents the mid cap growth stocks within the MSCI EAFE Index.

MSCI EAFE Small Value represents the small cap value stocks within the MSCI EAFE Index.

MSCI EAFE Small Growth represents the small cap growth stocks within the MSCI EAFE Index.

MSCI EM (Emerging Markets) Index serves as a benchmark for each emerging country. The average size of these companies is (U.S.) \$400 million, as compared with \$300 billion for those companies in the World index.

MSCI World Index is a rules-based index that serves as a benchmark for the developed global equity markets.

MSCI Europe ex UK Index is a rules-based index that serves as a benchmark for Europe's equity markets, excluding the United Kingdom.

MSCI Pacific ex Japan Index is a rules-based index that serves as a benchmark for Asia Pacific's equity markets, excluding Japan.

MSCI United Kingdom Index is a rules-based index that serves as a benchmark for the United Kingdom's equity markets.

MSCI Japan is a rules-based index that serves as a benchmark for Japan's equity markets.

NAREIT All REIT Index includes all tax-qualified REITs with common shares that trade on the New York Stock Exchange the American Stock Exchange or the NASDAQ National Market List.

3-Month T-Bills (90 Day T-Bill Index) are government-backed, short-term investments considered to be risk-free and as good as cash because the maturity is only three months.

Russell 1000 Growth Index is a market-capitalization weighted index of those firms in the Russell 1000 with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index is a market-capitalization weighted index of those firms in the Russell 1000 with lower price-to-book ratios and lower forecasted growth values.

Russell Top 200 Growth Index is a market-capitalization weighted index of those firms in the Russell Top 200 with higher price-to-book ratios and higher forecasted growth values.

Russell Top 200 Value Index is a market-capitalization weighted index of those firms in the Russell Top 200 with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Growth Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having higher price-to-book ratio and higher forecasted growth values.

Russell 2000 Index consists of the smallest 2000 companies in the Russell 3000 Index, representing approximately 7% of the Russell 3000 total market capitalization.

Russell 2000 Value Index is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratio and lower forecasted growth values.

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Russell MidCap Growth Index is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having higher price-to-book ratio and higher forecasted growth values.

Russell MidCap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index.

Russell MidCap Value Index is a market-weighted total return index that measures the performance of companies within the Russell MidCap Index having lower price-to-book ratio and lower forecasted growth values.

Russell Top 200 Index consists of the 200 largest securities in the Russell 3000 Index.

Russell 3000 Index is a market capitalization weighted index, consisting of 3,000 U.S. common equity securities, reflective of the broad U.S. equity market.

Salomon 1-10 Yr. Governments is an index which serves as a benchmark for U.S. Government bonds with maturities ranging from 1 to 10 years.

S&P 500 Index measures the performance of the largest 500 U.S. common equity securities, and serves as an index of large cap stocks traded in the U.S.

S&P 1500 Energy Index measures the performance of the energy sector in the S&P 1500 Index.

S&P 1500 Industrials measures the performance of the industrial sector in the S&P 1500 Index.

S&P 1500 Financials measures the performance of the financials sector in the S&P 1500 Index.

S&P 1500 Utilities measures the performance of the utilities sector in the S&P 1500 Index.

S&P 1500 Consumer Discretionary Index measures the performance of the consumer discretionary sector in the S&P 1500 Index.

S&P 1500 Consumer Staples Index measures the performance of the consumer staples sector in the S&P 1500 Index.

S&P 1500 Information Technology measures the performance of the information technology sector in the S&P 1500 Index.

S&P 1500 Materials measures the performance of the materials sector in the S&P 1500 Index.

S&P 1500 Health Care measures the performance of the health care sector in the S&P 1500 Index.

S&P 1500 Telecommunications Services Index measures the performance of the telecommunications services sector in the S&P 1500 Index.

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[Securities Disclosure]

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