

1st Quarter 2022 Market Environment

Clients first.



The Economy

- The global economy faced headwinds as Russia invaded Ukraine in February. Despite their small percentage of the global GDP, both Russia and Ukraine play significant roles in the global economy. Russia provides most of Europe's energy supplies and combined, both countries account for a large percentage of food supplies.
- Prior to the crisis in Ukraine, the global and US economies were already expected to grow at a slower rate in the 1st quarter. For the 4th quarter 2021, the US GDP grew at an annual rate of 6.9%. Estimates for the 1st quarter 2022 vary significantly, ranging between 0.5% and 2.0%.
- The US labor market remained a source of strength during the 1st quarter with the unemployment rate falling to 3.6% in March. The pace of job growth accelerated during the quarter with a three-month average of roughly +562,000. Importantly, the number of workers re-entering the workforce increased during the quarter with strong wage growth as the likely catalyst.
- The US Federal Reserve Bank (the Fed) began the process of normalizing interest rates by raising the Fed Funds rate by 0.25%. Additionally, the Fed signaled it was ready to begin the process of shrinking its balance sheet by not reinvesting up to \$95 billion of maturing bonds into new securities each month. This process is referred to as "quantitative tightening" and is meant to drain liquidity from the economy with the goal of slowing inflation.

Equity (Domestic and International)

- US equities declined during the 1st quarter as concerns regarding the conflict in Ukraine and the potential for a slowing global economy acted as headwinds. Large cap value was the best performing domestic segment of the equity market relative to other US market capitalizations and styles during the period while small cap growth performed the worst.
- International stocks also struggled during the 1st quarter. The primary driver of performance was the conflict in Ukraine which significantly affected western Europe and emerging markets. Another contributor to poor performance was the continued strength of the US dollar, which rose against both the Euro and Yen developed market currencies and most emerging market currencies during the period. Finally, China was negatively impacted by a rise in Covid-19 infections which resulted in new restrictions in Shanghai.

Fixed Income

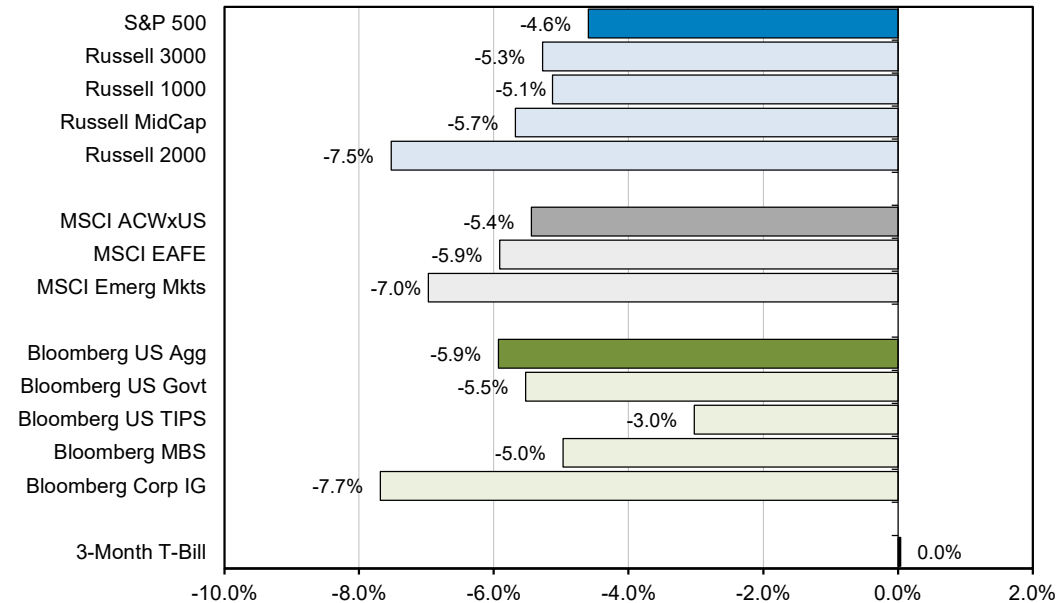
- Continued concerns about rising inflation, combined with the Fed beginning to raise interest rates acted as headwinds for fixed income performance during the quarter. US interest rates moved significantly higher during the quarter with the US 10-Year Treasury bond rising 83 basis points to close at 2.34%.
- Performance across most bond market sectors was negative during the quarter, with US high yield corporate bonds and US Treasury Inflation-Protected Securities (TIPS) down the least.
- The combination of higher coupons and a shorter maturity profile relative to high quality government bonds was the primary driver of the relative outperformance of high yield bonds during the period.
- TIPS continued their strong relative performance against all other bond market sectors during the quarter. Investors' expectations of higher future US inflation remained strong as inflation remained well above the Fed's stated 2% long-term target average.

Market Themes

- The tone of global central bank monetary policy shifted during the quarter as the Fed and the Bank of England both raised interest rates during the period. Additionally, the European Central Bank announced it would begin tightening monetary policy by slowing its bond purchases.
- The crisis in Ukraine will likely be a drag on global economic growth for the foreseeable future. Restrictions on Russian energy exports, especially to western Europe, will likely result in a material slowdown of those economies as a result of higher prices.
- US equity markets experienced their first down quarter since the onset of the pandemic in the 1st quarter of 2020. Growth-oriented stocks underperformed value stocks as investors' concerns about future economic growth increased. Historically, value stocks have outperformed growth stocks during economic slowdowns marked by recession.
- Interest rates rose across the Treasury yield curve during the quarter in anticipation of the Fed raising interest rates. As a result of their maturity profile, longer-dated bonds significantly underperformed shorter-dated bonds despite yields rising only modestly in comparison. Lower quality corporate bonds outperformed given their higher coupons and shorter maturity profiles despite concerns about widening credit spreads as economic conditions deteriorate.

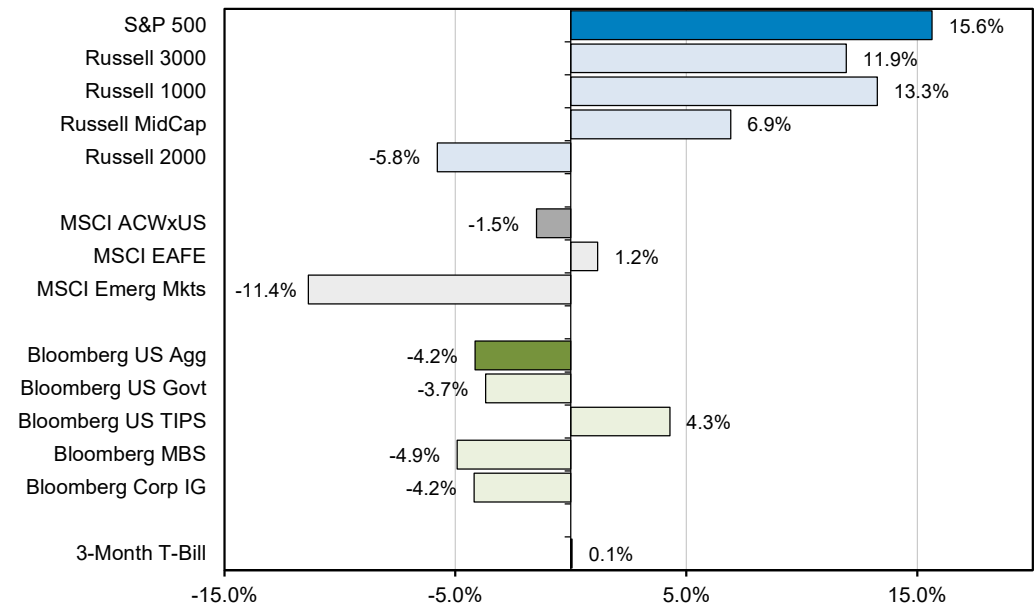
- Broad US equity markets experienced weak, negative returns during the 1st quarter of 2022. A variety of factors contributed to performance including elevated inflation, rising interest rate expectations, geopolitical events in Ukraine, and concerns related to slower economic growth. For the period, the S&P 500 large cap benchmark returned -4.6%, compared to -5.7% for mid-cap and -7.5% for small cap indices.
- Developed markets international equities also suffered negative results for the 1st quarter. Europe was negatively impacted by the crisis in Ukraine, rising energy costs, and continued rising inflation. Emerging markets were also negatively impacted by Russia's invasion of Ukraine. Emerging markets were also impacted by the rise of Covid-19 cases in China and resulting restrictions. During the period, the MSCI EAFE Index returned -5.9% while the MSCI Emerging Markets Index declined by -7.0%.
- For the quarter, performance of the bond market was broadly negative due to increasing inflation and expectations that global central banks would begin the process of raising interest rates. The Bloomberg (BB) US Aggregate Index returned -5.9%, for the period while Investment Grade Corporate bonds posted a return of -7.7%. The best performing sector on a relative basis was US TIPS which declined by -3.0%.

Quarter Performance



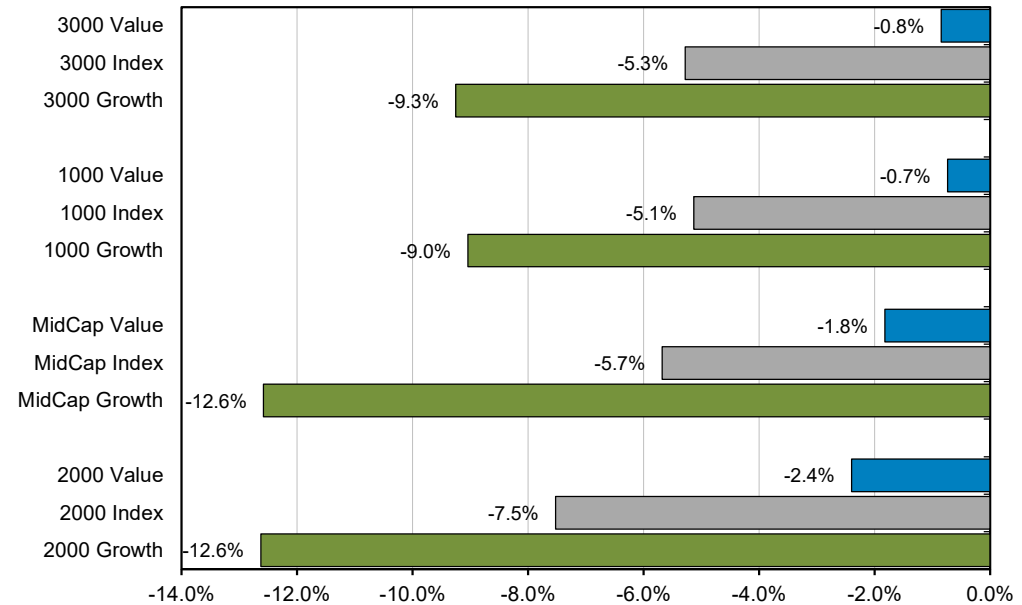
- Despite the recent poor performance, developed equity markets posted strong returns over the trailing 1-year period. The primary drivers of return during the period were economic growth and an accommodative monetary policy support from global central banks. The S&P 500 large cap stock index led equity market performance for the year with a return of 15.6%. The outlier was the Russell 2000 small cap index which declined by -5.8% for the year.
- Over the trailing 1-year period performance across international markets diverged with the developed market MSCI EAFE Index returning 1.2% while the MSCI Emerging Markets Index fell by -11.4%. While economic growth improved throughout the year, emerging markets were negatively impacted by geopolitical events related to Russia, Ukraine, and China.
- Bond market returns disappointed over the trailing 1-year period due to rising inflation and the expectation of multiple interest rates increases. TIPS were the lone bright spot in the bond market with the TIPS Index returning 4.3% for the year.

1-Year Performance



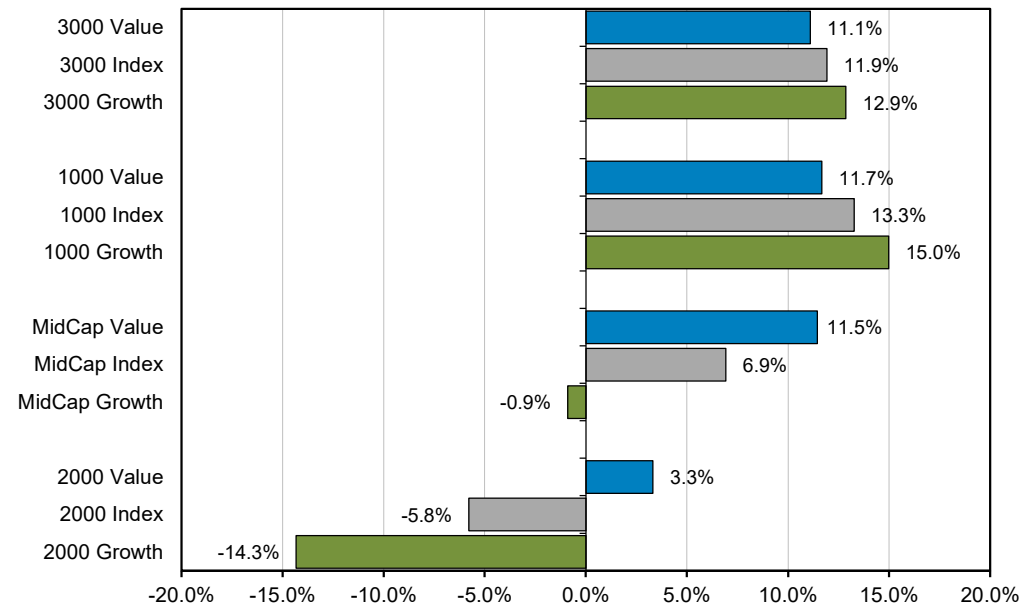
- Momentum shifted during the 1st quarter as each broad US equity benchmark posted negative results across both the style and market capitalization spectrums. Large cap stocks continued their leadership, followed by mid and small cap issues. The Russell 1000 Index declined by -5.1% for the quarter while the Russell Mid Cap Index and the Russell 2000 Index fell by -5.7% and -7.5%, respectively.
- Performance across styles and market capitalizations was disparate during the quarter. Large, Mid, Small cap value stocks all sizably outpaced their growth counterparts. For the period, the Russell 1000 Value Index was the best relative performing style index, posting a return of -0.7%. Mid cap and small cap growth stocks were the laggards during the period with both the Mid Cap Growth Index and Russell 2000 Growth Index returning a weak -12.6%.

Quarter Performance - Russell Style Series



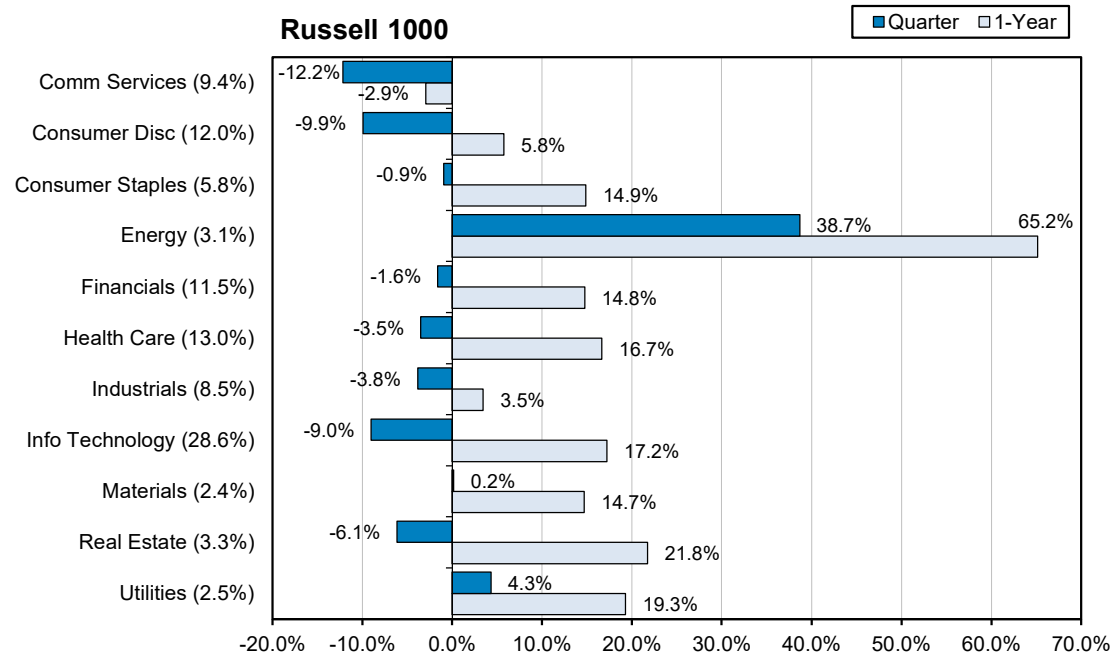
- Performance across most market capitalizations and styles was positive over the trailing 1-year period. Much like the 1st quarter, large cap stocks outperformed mid and small cap stocks for the year. The Russell 1000 Index return of 13.3% for the year, significantly outperformed both its mid and small cap growth index counterparts. The outlier during the period was the Russell 2000 Index which returned -5.8%.
- While the dispersion across large cap styles was relatively narrow for the year, there was wide performance dispersion across mid and small style-based indexes. Within mid and small cap benchmark results, value dominated growth by double digits. The Russell Mid Cap Value Index returned 11.5% while the Russell 2000 Value Index returned 3.3% for the period. In comparison, the Russell Mid Cap Growth Index returned -0.9%, while the Russell 2000 Growth Index declined by -14.3%.

1-Year Performance - Russell Style Series



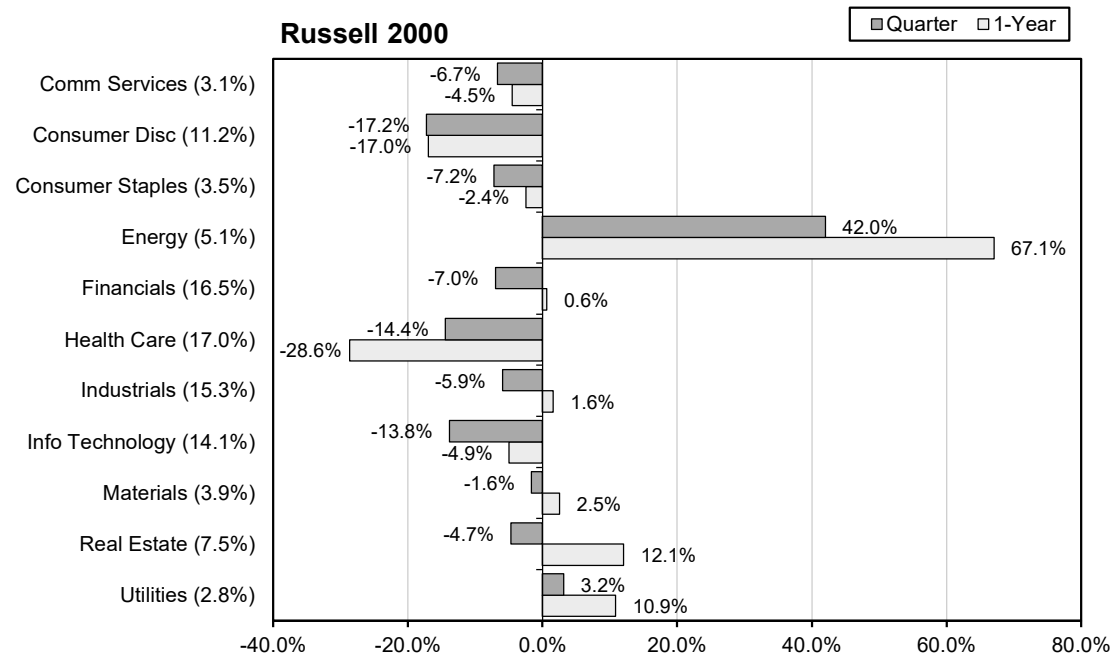
- Economic sector performance was negative across eight of the eleven large cap economic sectors for the 1st quarter. However, the three positive sectors represent less than 10% of the index. Four additional sectors outpaced the return of the broad index on a relative basis during the period.
- Energy (38.7%), utilities (4.3%), and materials (0.2%) were the best performing sectors for the quarter. Energy continued its relative outperformance during the quarter as the price of oil remained elevated. Economically sensitive sectors such as communication services (-12.2%), consumer discretionary (-9.9%), and information technology (-9.0%) significantly underperformed the broader index for the quarter.
- For the full year, eight sectors exceeded the return of the broad large cap benchmark: energy (65.2%), real estate (21.8%), utilities (19.3%), information technology (17.2%), health care (16.7%), consumer staples (14.9%), financials (14.8%), and materials (14.7%). The weakest economic sector performance in the Russell 1000 for the year was communication services, which was the lone sector to deliver negative returns (-2.9%).

Russell 1000



- Small cap sector performance was also mixed with two economic sectors posting positive performance and an additional five outpacing the return of the broader Russell 2000 Index (-7.5%) on a relative basis. Energy (42.0%) was the best performing sector for the period. Utilities (3.2%) was the only other sector posting a positive return for the quarter.
- For the trailing 1-year period, nine of the eleven sectors outpaced the broad benchmark's return. Not surprisingly, sector performance was led by energy (67.1%), real estate (12.1%), utilities (10.9%), materials (2.5%), industrials (1.6%), and financials (0.6%). Consumer staples (-2.4%), communication services (-4.5%), and information technology (-4.9%) outpaced the core benchmark on a relative basis but were negative in absolute terms. The weakest sector over the full year was health care which fell -28.6%.

Russell 2000



Source: Morningstar Direct
 As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of March 31, 2022

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	6.38%	-1.5%	43.8%	Information Technology
Microsoft Corp	5.50%	-8.1%	31.8%	Information Technology
Amazon.com Inc	3.35%	-2.2%	5.4%	Consumer Discretionary
Tesla Inc	2.12%	2.0%	61.3%	Consumer Discretionary
Alphabet Inc Class A	1.98%	-4.0%	34.9%	Communication Services
Alphabet Inc Class C	1.83%	-3.5%	35.0%	Communication Services
NVIDIA Corp	1.54%	-7.2%	104.6%	Information Technology
Berkshire Hathaway Inc Class B	1.53%	18.0%	38.1%	Financials
Meta Platforms Inc Class A	1.21%	-33.9%	-24.5%	Communication Services
UnitedHealth Group Inc	1.13%	1.9%	38.9%	Health Care

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Ovintiv Inc	0.52%	61.4%	130.9%	Energy
AMC Entertainment Hldgs Inc Class A	0.47%	-9.4%	141.3%	Communication Services
Avis Budget Group Inc	0.40%	27.0%	263.0%	Industrials
BJ's Wholesale Club Holdings Inc	0.34%	1.0%	50.7%	Consumer Staples
Chesapeake Energy Corp Ord Shrs	0.33%	37.6%	108.8%	Energy
Tenet Healthcare Corp	0.33%	5.2%	65.3%	Health Care
Tetra Tech Inc	0.33%	-2.7%	22.2%	Industrials
Antero Resources Corp	0.32%	74.5%	199.3%	Energy
Lattice Semiconductor Corp	0.30%	-20.9%	35.4%	Information Technology
EastGroup Properties Inc	0.30%	-10.3%	44.8%	Real Estate

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Occidental Petroleum Corp	0.11%	96.2%	113.9%	Energy
New Fortress Energy Inc Class A	0.00%	77.1%	-6.0%	Energy
The Mosaic Co	0.06%	69.6%	112.2%	Materials
Halliburton Co	0.08%	66.2%	78.2%	Energy
United States Steel Corp	0.02%	58.9%	44.9%	Materials
EQT Corp	0.02%	58.6%	86.2%	Energy
APA Corp	0.04%	54.3%	133.0%	Energy
Marathon Oil Corp	0.05%	53.4%	138.6%	Energy
Baker Hughes Co Class A	0.06%	52.4%	73.5%	Energy
Alcoa Corp	0.04%	51.3%	178.0%	Materials

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
NexTier Oilfield Solutions Inc	0.06%	160.3%	148.4%	Energy
Peabody Energy Corp	0.08%	143.6%	701.6%	Energy
RPC Inc	0.03%	135.0%	97.6%	Energy
SOC Telemed Inc Ord Shrs - Class A	0.01%	133.6%	-52.5%	Health Care
Kosmos Energy Ltd	0.12%	107.8%	134.2%	Energy
Tidewater Inc	0.03%	103.0%	73.5%	Energy
Team Inc	0.00%	102.8%	-80.8%	Industrials
Golar LNG Ltd	0.09%	100.0%	142.2%	Energy
US Silica Holdings Inc	0.05%	98.5%	51.8%	Energy
Intrepid Potash Inc	0.03%	92.2%	152.3%	Materials

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Vroom Inc Ordinary Shares	0.00%	-75.3%	-93.2%	Consumer Discretionary
GoHealth Inc Ordinary Shares - Class A	0.00%	-68.9%	-89.9%	Financials
TuSimple Hldgs Inc Ord Shrs - Class A	0.00%	-66.0%	N/A	Industrials
Fluence Energy Inc	0.00%	-63.1%	N/A	Industrials
Nektar Therapeutics	0.00%	-60.1%	-73.1%	Health Care
Skillz Inc Ordinary Shares - Class A	0.00%	-59.7%	-84.2%	Communication Services
Natera Inc	0.01%	-56.4%	-59.9%	Health Care
EPAM Systems Inc	0.04%	-55.6%	-25.2%	Information Technology
Trex Co Inc	0.02%	-51.6%	-28.6%	Industrials
Rivian Automotive Inc Class A	0.02%	-51.5%	N/A	Consumer Discretionary

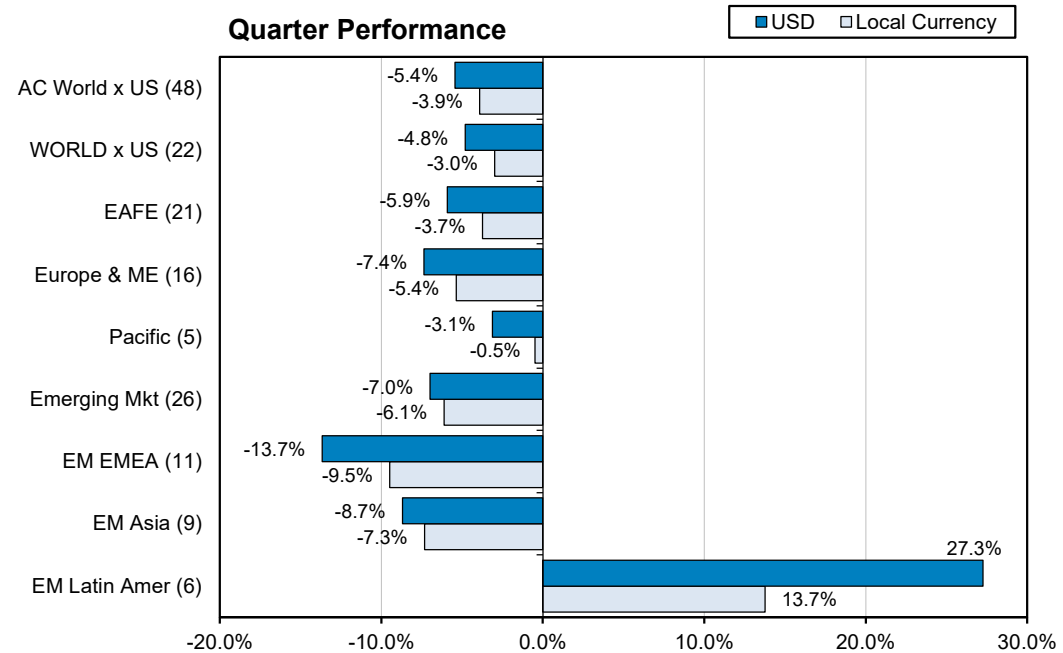
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Kodiak Sciences Inc	0.01%	-90.9%	-93.2%	Health Care
Aligos Therapeutics Inc Ord Shares	0.00%	-81.9%	-90.5%	Health Care
MEI Pharma Inc	0.00%	-77.4%	-82.4%	Health Care
Applied Therapeutics Inc	0.00%	-76.4%	-88.7%	Health Care
Annexon Inc Ordinary Shares	0.00%	-76.2%	-90.2%	Health Care
BioAtla Inc Ordinary Shares	0.00%	-74.5%	-90.2%	Health Care
Accelerate Diagnostics Inc	0.00%	-72.4%	-82.7%	Health Care
Laird Superfood Inc Ordinary Shares	0.00%	-72.3%	-90.4%	Consumer Staples
Society Pass Inc	0.00%	-71.5%	N/A	Communication Services
89bio Inc Ordinary Shares	0.00%	-71.2%	-84.1%	Health Care

Source: Morningstar Direct



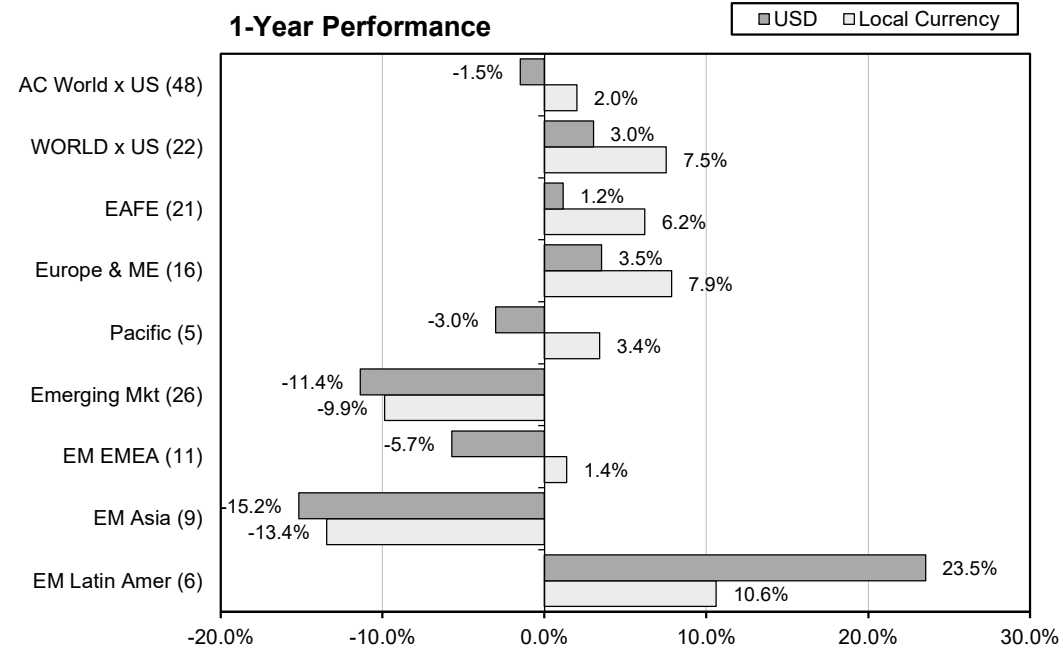
- Most developed market international equity indexes tracked in the chart posted negative returns in both US dollar (USD) and local currency (LC) terms for the 1st quarter. The outlier during the period was the Latin America region. This strong performance was led by Brazil which benefited from rising commodity prices. The developed market MSCI EAFE Index returned -5.9% in USD and -3.7% in LC terms for the period, while the MSCI Emerging Markets Index declined by -7.0% in USD and -6.1% in LC terms.

Quarter Performance



- The trailing 1-year results for international developed markets were broadly positive across most regions and currencies. The MSCI EAFE Index returned 1.2% in USD for the year and 6.2% in LC terms. In contrast, returns across emerging markets were broadly lower with the exception being Latin America. While the MSCI Emerging Markets Index declined by -11.4% in USD and -9.9% in LC terms, the Latin America regional index's return was a solid 23.5% in USD and 10.6% in LC term. In contrast, performance in the Asia regional benchmarks detracted from emerging market index performance with the EM Asia Index returning -15.2% in USD and -13.4% in LC term, largely due to concerns related to slowing growth in China and the recent rise in infections related to the pandemic.

1-Year Performance



Source: MSCI Global Index Monitor (Returns are Net)



The Market Environment
US Dollar International Index Attribution & Country Detail
As of March 31, 2022

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Communication Services	4.9%	-1.7%	-10.8%
Consumer Discretionary	11.5%	-13.6%	-9.6%
Consumer Staples	10.2%	-7.7%	1.7%
Energy	4.1%	17.0%	30.0%
Financials	17.7%	-1.1%	5.1%
Health Care	13.1%	-3.7%	8.9%
Industrials	15.4%	-10.7%	-3.8%
Information Technology	8.6%	-16.1%	-1.0%
Materials	8.2%	3.3%	8.4%
Real Estate	2.9%	-2.7%	-1.2%
Utilities	3.4%	-4.1%	-1.7%
Total	100.0%	-5.9%	1.2%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Communication Services	6.2%	-6.1%	-16.6%
Consumer Discretionary	11.1%	-14.3%	-21.2%
Consumer Staples	8.4%	-7.2%	0.2%
Energy	5.4%	6.9%	22.9%
Financials	20.6%	1.6%	9.1%
Health Care	9.4%	-5.1%	2.3%
Industrials	12.2%	-8.6%	-1.9%
Information Technology	12.2%	-15.1%	-5.4%
Materials	8.9%	5.2%	9.5%
Real Estate	2.5%	-2.8%	-8.1%
Utilities	3.2%	-2.4%	2.0%
Total	100.0%	-5.4%	-1.5%

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Communication Services	10.1%	-11.3%	-23.6%
Consumer Discretionary	12.3%	-16.4%	-38.8%
Consumer Staples	5.8%	-7.9%	-9.9%
Energy	4.8%	-20.7%	-6.7%
Financials	22.1%	5.7%	10.7%
Health Care	3.9%	-14.0%	-27.8%
Industrials	5.4%	-2.7%	2.7%
Information Technology	21.6%	-11.2%	-6.8%
Materials	9.4%	3.2%	3.4%
Real Estate	2.1%	-1.8%	-27.6%
Utilities	2.6%	-0.2%	10.2%
Total	100.0%	-7.0%	-11.4%

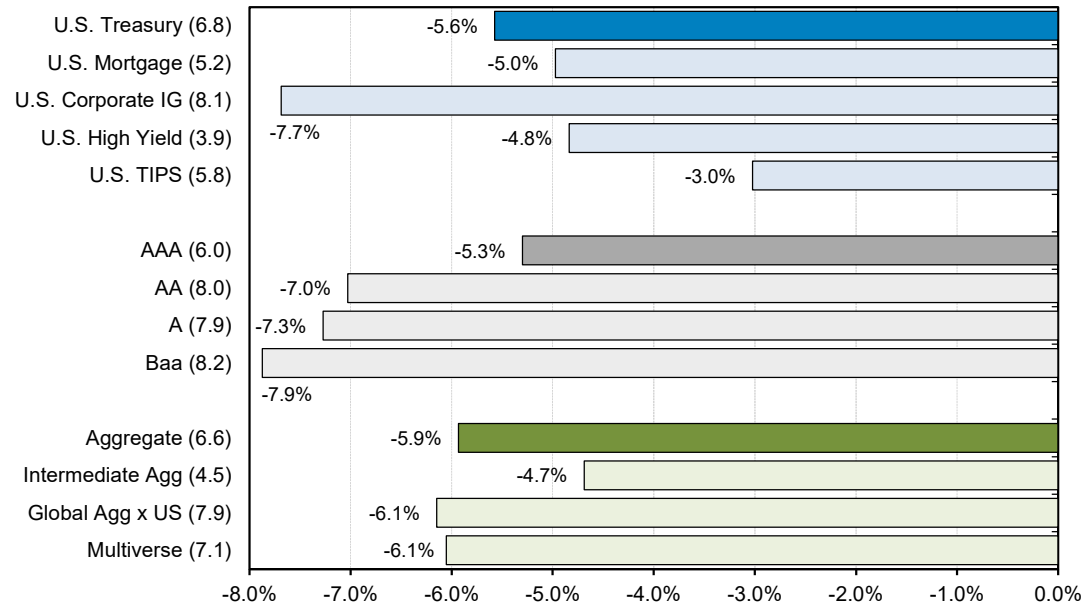
Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	22.3%	14.1%	-6.6%	-6.5%
United Kingdom	15.3%	9.6%	1.8%	13.6%
France	11.4%	7.2%	-8.7%	4.5%
Switzerland	10.4%	6.6%	-6.4%	13.9%
Germany	8.2%	5.2%	-12.9%	-12.0%
Australia	8.2%	5.1%	7.3%	13.5%
Netherlands	4.4%	2.8%	-17.4%	-5.2%
Sweden	3.6%	2.2%	-15.5%	-7.4%
Hong Kong	2.9%	1.8%	-1.8%	-12.0%
Denmark	2.7%	1.7%	-6.4%	14.9%
Italy	2.4%	1.5%	-10.1%	-2.7%
Spain	2.3%	1.5%	-4.1%	-3.7%
Singapore	1.5%	0.9%	-1.7%	-4.6%
Finland	1.0%	0.6%	-11.9%	-2.6%
Belgium	0.9%	0.6%	-4.9%	-0.3%
Norway	0.8%	0.5%	10.2%	21.1%
Israel	0.7%	0.5%	-6.9%	7.6%
Ireland	0.6%	0.4%	-20.1%	-17.7%
Portugal	0.2%	0.1%	2.3%	7.1%
Austria	0.2%	0.1%	-20.0%	3.6%
New Zealand	0.2%	0.1%	-8.7%	-15.2%
Total EAFE Countries	100.0%	63.1%	-5.9%	1.2%
Canada		8.3%	4.6%	20.2%
Total Developed Countries		71.4%	-4.8%	3.0%
China		8.6%	-14.2%	-32.5%
Taiwan		4.6%	-6.6%	6.3%
India		3.7%	-1.9%	17.9%
Korea		3.6%	-9.6%	-18.5%
Brazil		1.7%	35.9%	24.7%
Saudi Arabia		1.2%	17.3%	38.7%
South Africa		1.2%	20.3%	11.1%
Mexico		0.7%	8.6%	27.7%
Thailand		0.5%	4.2%	-1.6%
Indonesia		0.5%	9.6%	21.0%
Malaysia		0.4%	2.0%	1.5%
United Arab Emirates		0.4%	21.2%	58.1%
Qatar		0.3%	19.5%	34.4%
Kuwait		0.2%	19.4%	45.7%
Philippines		0.2%	2.2%	9.9%
Poland		0.2%	-9.8%	5.8%
Chile		0.2%	29.5%	-8.3%
Peru		0.1%	34.9%	20.9%
Turkey		0.1%	12.9%	1.6%
Colombia		0.1%	33.8%	39.3%
Greece		0.1%	1.1%	7.6%
Hungary		0.1%	-19.4%	-10.0%
Czech Republic		0.0%	3.1%	51.5%
Egypt		0.0%	-23.4%	-14.3%
Total Emerging Countries		28.6%	-7.0%	-11.4%
Total ACWixUS Countries		100.0%	-5.4%	-1.5%

Source: Morningstar Direct, MSCI Global Index Monitor (Returns are Net in USD)
As a result of the GICS classification changes on 9/28/2018 and certain associated reporting limitations, sector performance represents backward looking performance for the prior year of each sector's current constituency, post creation of the Communication Services sector.



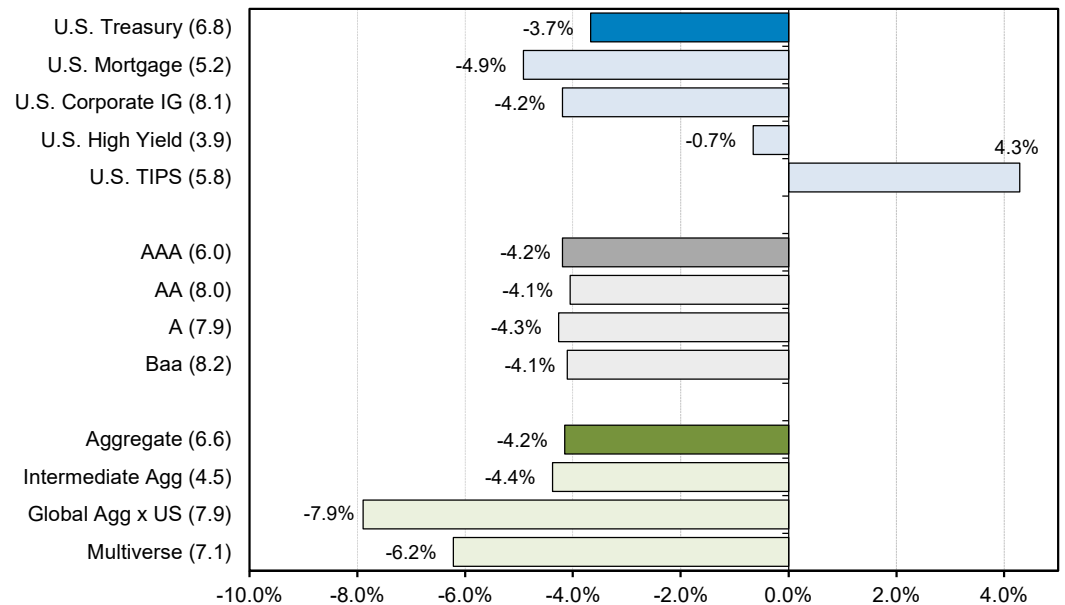
- Fixed income market results were broadly negative during the 1st quarter. Investors' concerns about rising inflation, combined with expectations of higher US interest rates, detracted from performance. US Treasury yields were higher across the maturity curve but remained below their long-term averages.
- The return for the BB US Aggregate Bond Index, the bellwether investment grade benchmark, was down -5.9% for the period.
- Performance across the investment grade index's segments was also negative during the period with the US Corporate Investment Grade bonds returning -7.7% and the US Mortgage index component posting a return of -5.0%.
- US TIPS posted the quarter's strongest relative bond performance with a return of -3.0%. High yield bonds outperformed their investment grade counterparts, but still declined by -4.8%.
- Outside of domestic markets, the BB Global Aggregate ex US Index posted a return of -6.1% for the quarter. Like international stocks, global bond index performance was negatively impacted by the strengthening USD, which acted as a drag on domestic index returns.

Quarter Performance



- Over the trailing 1-year period, domestic investment grade benchmark performance was negative, led lower by mortgage-backed bonds (-4.9%) and investment grade corporate bonds (-4.2%). The only sector of the market that generated positive performance for the year was US TIPS (4.3%). The bellwether Bloomberg US Aggregate Bond Index (-4.2%) declined for the year.
- Lower quality high yield corporate bonds outperformed their investment grade counterparts on a relative basis with the Bloomberg US High Yield Index returning -0.7% for the period.
- Performance for non-US bonds was broadly negative for the year with the developed market Bloomberg Global Aggregate ex US Index falling by -7.9%. The combination of rising interest rates overseas, a longer maturity profile, and USD strength hindered index performance for the year.

1-Year Performance

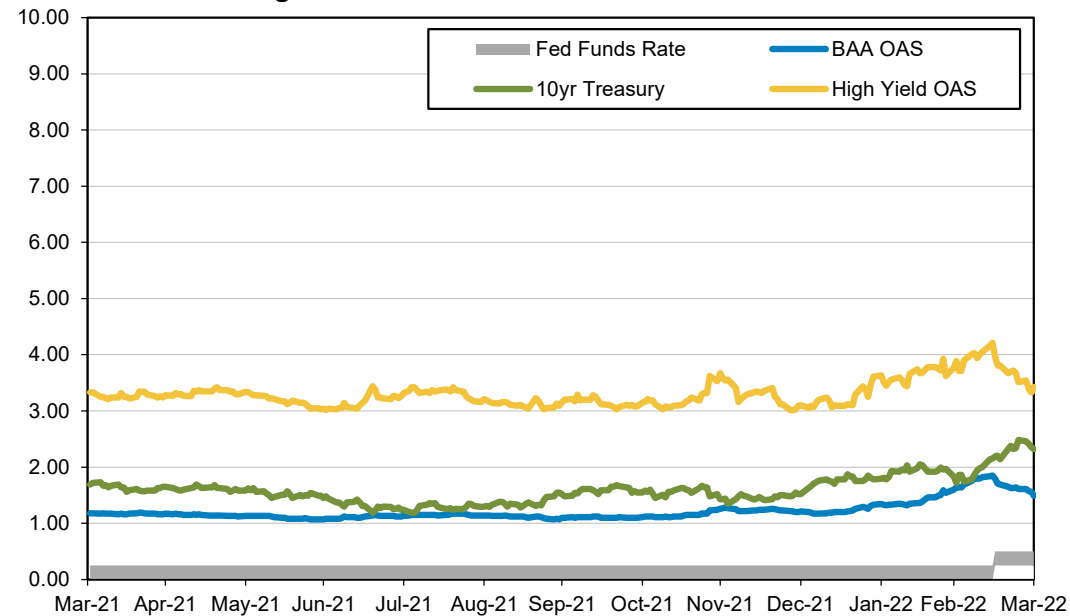


Source: Bloomberg

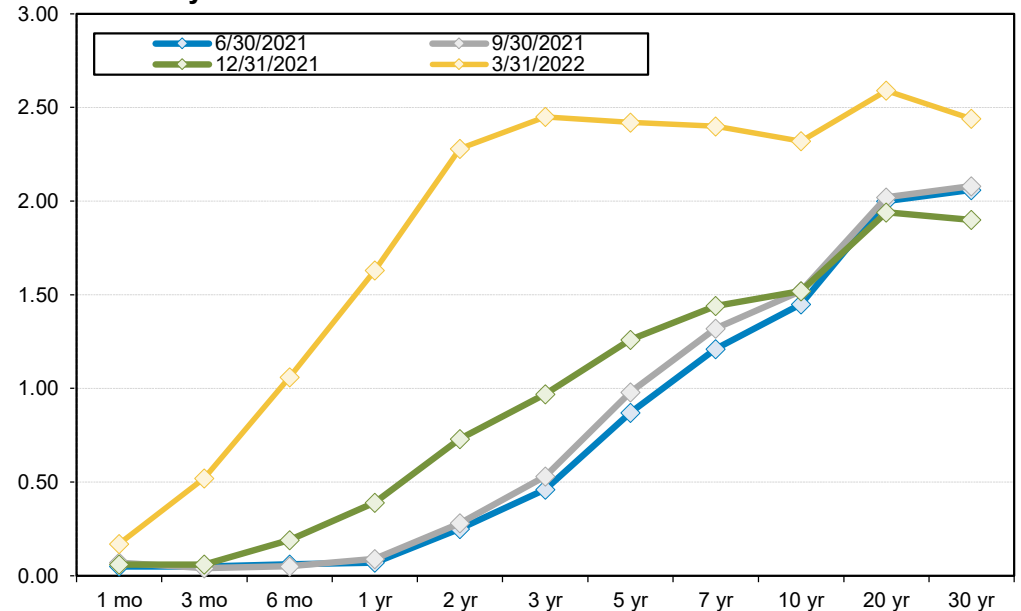


- The gray band across the graph illustrates the range of the current Fed Funds Rate. In the 1st quarter this year, the Fed raised its target rate range from 0.25% to 0.50%. During its recent March meeting, the Federal Open Market Committee (FOMC) stated it intends to begin removing liquidity from the market by also allowing bonds held on its balance sheet to mature without reinvesting those proceeds. Importantly, the FOMC also stated that it will react to data and could potentially raise rates at a faster pace if inflation does not subside.
- The yield on the US 10-year Treasury (green line) ended the period higher as concerns over the pace of inflation, combined with the Fed's announced rate increase, drove yields higher. After reaching a high of 2.47% during the latter part of March 2022, interest rates traded lower for the remainder of the quarter. The yield on the US 10-year Treasury was 2.34% on March 31st.
- The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues. For the full year, the spread widened slightly from 1.18% to 1.49%. High Yield OAS was largely unchanged during the year as spreads rose from 3.33% to 3.43%. High Yield spreads briefly exceeded 4.00% following the onset of the crisis in Ukraine, but quickly retreated.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates rose dramatically during the 1st quarter of 2022 in anticipation that the FOMC would begin raising rates to combat rising inflation. Longer-term rates were modestly higher, albeit less dramatically than either short- or intermediate-term interest rates. While not shown in the chart, 10-Year rates briefly traded below the 2-year rates. Historically, a persistent inversion of these two key rates has been an indication of a future recession withing 6- to 24-months. As of the end of the quarter, the spread between 2-Year and 10-Year rates was positive. However, 10-Year rates were trading lower than the intermediate 3- and 5-year rates.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



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