



# Quarterly Investment Summary

MARCH 2022

## Performance Summary (as of 03/31/2022)

	Target Allocation		Trailing Returns			
	Equity/Fixed	3 Months	YTD	1 Year	3 Year	5 Year
Fixed Income	0% / 100%	-4.36%	-4.36%	-2.97%	1.69%	1.98%
Conservative	25% / 75%	-4.36%	-4.36%	-0.32%	5.37%	4.84%
Balanced	50% / 50%	-4.10%	-4.10%	2.62%	8.90%	7.55%
Growth	75% / 25%	-4.59%	-4.59%	4.84%	11.83%	9.88%
Equity	100% / 0%	-5.04%	-5.04%	6.80%	14.15%	11.74%

## Commentary

Total Account Performance is gross of fees

### Equities

- Even after rallying at the end of March, the major US indices suffered their worst quarter since Q1 2020 (the start of Covid). The DJIA was down 4.1% in the quarter while the S&P 500 & NASDAQ were down 4.6% & 8.9%, respectively.
- The major US indexes & foreign developed are still positive over the past 12 months, while small cap & emerging markets indexes have posted a loss.

### Economic

- The Russia-Ukraine conflict continues on a larger scale than most anticipated, leading to human tragedy on a physical & economic front. Severe sanctions on Russia are reverberating across the globe, affecting energy & food prices, especially in the Eurozone.
- Core PCE increased 5.4% year-over-year, the highest rate of increase since 1983.
- US GDP was revised slightly lower to 6.9% in the 4<sup>th</sup> quarter and 5.5% for 2021. Current expectations for 2022 GDP growth are more muted.

### Fixed Income

- As expected, the Fed raised rates by 25bps in March. The market is pricing in up to 6 more hikes in 2022.
- The curve has flattened significantly, with 2s & 10s within 1 basis point at the end of March.

### Strategic Outlook

- Neutrally positioned on equities, while slightly favoring international over large cap domestic for long-term return potential.
- Finding value in select domestic equities while trimming outsized "growth" exposure.
- Maintaining shorter-duration fixed income structure as a low but rising interest rate environment is likely to persist.

## Selected Economic & Market Data

<u>Statistic (monthly unless noted)</u>	<u>Current</u>	<u>Previous</u>
US GDP (Quarterly)	6.9%	2.3%
Consumer Confidence	107.2	110.5
Consumer Price Index	0.5%	0.6%
Retail Sales	0.3%	3.8%
Unemployment Rate	3.6%	3.8%
2-Year Treasury Yield	2.33%	1.43%
10-Year Treasury Yield	2.34%	1.83%

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