

Given the increased volatility around the Ukraine invasion, inflation, and rising interest rates, we felt it appropriate to provide a performance summary for the major asset classes. In general, most markets have come under selling pressure so far this year given heightened geopolitical risks and the Federal Reserve's monetary policy plans for 2022. Below are performance highlights for the major asset classes:

Domestic Equity Factors



By domestic equity factor, value stocks have outperformed on a relative basis. The S&P 500 Value Index is lower by roughly -3% for the year, compared to a decline of approximately -10% for the S&P 500 Momentum Index. Meanwhile, the S&P Low Volatility, Small Cap, and High-Quality Indexes are all lower by roughly -7% for the year.

Considering that the CBOE VIX Index is trading at elevated levels of over 30, domestic equity markets have been resilient. The broad S&P 500 Index is down less than -10% year-to-date.

International Equities



Given the developments in Russia, it is not surprising that emerging markets are lower for the year. The MSCI Emerging Markets Index is lower by roughly -4% in 2022. Still, emerging markets have

outperformed most U.S. equity factors over the same period. Developed markets are lower as well, as the MSCI EAFE Index is down roughly -6%. Overall, international markets have held up relatively well versus domestic markets. Valuations overseas were considerably lower than in the U.S. at the beginning of the year.

Fixed Income



Fixed income has come under pressure given the Federal Reserve's plans to tighten monetary policy. Longer-duration Treasuries are lower by approximately -8% based on the Barclay's 20+ Year Treasury Index. Investment grade credit is lower by roughly -7% as measured by the iBoxx Investment Grade Index. However, the Barclay's Mortgage-Backed Bond and High-Yield Bond Indexes have been resilient, having declined only roughly -3% and -4% for the year, respectively.

Commodities



Inflation expectations have driven commodities surging for the year. The Deutsche Bank Energy Index has advanced roughly 18% for the year, while the Deutsche Bank Base Materials Index has gained 8% over the same period.