

# Quarterly Market Review

## Russia-Ukraine Crisis & Inflation Cause Madness For The Markets

March 2022

Geopolitical Hotspots, Worsening Inflation, & Fears Of Fed Action Keep Most Risk Assets From Scoring

### Quarterly Highlights

- Russia Invades Ukraine, Prompting Strict Sanctions From The US & European Union.
- Inflation Lifts Market Expectations For A More Aggressive Fed Tightening Approach.
- Jobless Claims Fall Below The 250k Threshold For Nine Consecutive Weeks.
- The Pace Of Core Inflation Rises To A 40-Year High, Leading The Fed To A Hawkish Policy Shift.
- The Bloomberg US Aggregate Bond Index Is Off To Its Worst Start To A Year Since 1980.
- US Treasuries Post Their Worst Quarter & Start To A Year On Record As Yields Rise.
- The 10-Year Treasury Yield Rises 80+ Basis Points To Reach The Highest Level Since May 2020.
- The S&P 500 Ends Seven-Quarter Streak Of Gains As Russia-Ukraine Conflict Causes The First Correction Since The Bull Market Began.
- Nine Of Eleven S&P Sectors In Negative Territory; Communication Services The Worst Performer.
- Small-Cap Equities Underperform Large Cap For The Fourth Consecutive Quarter.
- WTI Crude Oil Reaches The Highest Level Since August 2008, Exceeding \$120 Per Barrel.
- Commodity Index Posts Best Quarter On Record.
- Price For Russian Exports Such As Wheat, Palladium, & Oil Rise To Multi-Year Highs.

### Economy | The Fed Plans To ‘Defend’ Against The Soaring Levels Of Inflation.

- **Real time activity metrics** (e.g., TSA screenings) and **high frequency data** (e.g., withholding taxes) surged as cases of Omicron eased sharply.
- The 7-day average for new daily cases (~30k) fell to the lowest level since July 2021, and states began to scale back testing centers and vaccination campaigns.
- The **Fed’s balance sheet** reached a record ~\$8.9 trillion. Chairman Powell’s rhetoric took a more hawkish turn, as he stated that the Fed needed to “expeditiously” act to tame soaring levels of inflation. As a result, the futures market started to anticipate an increasingly aggressive tightening cycle, pricing in eight+ interest rate hikes by the end of the year.
- As **Russia** continued its invasion of **Ukraine**, President Biden and other global leaders expanded economic sanctions, particularly targeting Russia’s oligarchs and key industries of its economy. While peace talks between the two nations made progress, a ceasefire is yet to be reached.
- **March ISM Manufacturing** (57.1) remained in expansion territory (a level above 50) but declined to the lowest level since September 2020 as new orders weakened (53.8 versus 61.7 in February) to the lowest level since May 2020.
- The unemployment rate (+3.6%) fell to a post-pandemic low, and the economy added **431k** jobs in March—bringing the total for the year to ~1.6 million.
- **Jobless claims** have remained below the 250k threshold for nine consecutive weeks. Job openings remain near record levels (still above 11 million), and many Fed members noted the tight labor market conditions.
- The pace of **headline inflation** (+7.9% YoY) and the pace of **Core CPI** (+6.4% YoY) both accelerated, rising to the fastest pace since January 1982 and August 1982 respectively. The Fed stated that a quicker, more aggressive tightening cycle may be warranted in order to combat the inflationary surge.
- **Consumer confidence** (107.5) was relatively unchanged as pessimism regarding persisting inflation was balanced by record optimism on job availability.
- **Core retail sales** (ex. food, autos, and gas, -1.2% month-over-month (MoM)) declined for the second time in three months. However, the year-over-year pace (+12.9%) remains more than double the 10-year average (+5.0%).
- **Housing data** was predominantly negative as only housing starts (+6.8%) improved while building permits (-1.6%), new home sales (-2.0%), and existing home sales (-7.2%) all declined. The pace of home prices (Case Shiller 20-City Composite +19.1%) accelerated at the fastest pace since September 2021 as rising mortgage rates spurred additional demand.
- **China’s Manufacturing PMI** (49.5) fell into contraction territory for the first time since October 2021.
- **Euro Zone Manufacturing PMI** (56.5) fell to the lowest level since January 2021, and economic sentiment (108.5) fell to the lowest level since March 2021.

## Fixed Income | Rising Yields ‘A Technical Foul’ Against The Broader Fixed Income Market.

- The **Bloomberg US Aggregate Index** (-5.9% QoQ) declined for the first time in four quarters and posted its worst quarter since 3Q80. Rising yields in most developed countries and widening spreads caused the broader fixed income market to experience its worst start to a year on record.
- **TIPS** (-1.7% QoQ) declined for the first time in thirteen quarters, ending the longest streak of quarterly gains since 1Q13. Despite posting its worst quarter since 3Q14, the sector still outpaced **Treasurys** (-5.6 QoQ) for the eighth consecutive quarter – the longest streak on record. The latter posted its worst quarter and start to a year on record as the 10-year Treasury yield rose ~81 basis points to reach the highest levels since May 2019.
- **High-yield bonds** (-4.8% QoQ) declined for the first time in eight quarters and posted its worst quarter since 1Q20. In addition to yields moving higher, spreads widened ~42 basis points.
- **Municipals** (-6.2% QoQ) posted its worst quarter since 3Q81 as all three sectors (revenue, general obligation, & high yield) were in negative territory.
- **International sovereign bonds** (G7 ex. US, -7.2% QoQ) declined for the fourth time in five quarters and posted their worst quarter since 4Q16 due to rising sovereign yields and a stronger dollar.
- **US investment-grade bonds** (-7.7% QoQ) declined for the first time in four quarters and posted their worst quarter since 3Q08 as spreads rose ~24 basis points. The decline was led by the Utilities (-8.8%) and Industrials (-8.0%) sectors.
- **Emerging market bonds** (-9.2% USD QoQ) declined for the fourth time in five quarters and posted their worst quarter since 1Q20 as the dollar strengthened.

## Equities | Geopolitical Tensions & Worsening Inflation ‘Box Out’ Most Equity Regions.

- **Global equities** (MSCI AC World, -5.3% USD QoQ) declined for the second time in three quarters and posted their worst quarter since 1Q20. Russia’s invasion of Ukraine sparked volatility for the global markets, as rising commodity prices (and thereby inflation) threatened earnings and GDP forecasts.
- **US Large-Cap** equities (S&P 500, -4.6% QoQ) declined for the first time in eight quarters, ending the longest streak of quarterly gains since 4Q17. Russia’s invasion of Ukraine, the start of the Fed’s tightening cycle, and fears that soaring inflation would lead to a recession caused elevated volatility. The S&P 500 experienced its first 10%+ pullback intra-quarter since early 2020.
- 9 of the 11 **S&P 500 sectors** were negative in 1Q22, with Communication Services (-11.9%) and Consumer Discretionary (-9.0%) leading the decline.
- **Japanese equities** (MSCI Japan, -6.4% USD QoQ) posted their worst quarter since 1Q20, and underperformed global equities for the fourth time over the last five quarters.
- **EM equities** (MSCI EM, -6.9% USD QoQ) were outpaced by the developed markets (MSCI EAFE USD -5.8% QoQ) for the fifth consecutive quarter.
- Within EM, **Asia** (MSCI Asia ex JP, -8.0% USD QoQ) underperformed **Latin America** (MSCI LATAM, +27.3% USD QoQ) by the widest margin on record.
- **US Small-Cap** equities (Russell 2000, -7.5% QoQ) posted their worst quarter since 1Q20 and were outpaced by large-cap equities for the fourth consecutive quarter.
- **European equities** (MSCI Europe ex UK, -9.8% USD QoQ) posted their worst quarter since 1Q20 and underperformed global equities for the fourth time in five quarters and by the widest margin since 4Q17.

## Commodities | Gains As ‘Easy As A Lay-Up’ For Commodities Amid Geopolitical Conflict.

- The **Bloomberg Commodity Index** (+25.5% QoQ) rallied for the seventh time in eight quarters and posted its best quarter on record. Russia’s invasion of the Ukraine caught critical commodities in the crosshairs of the conflict, and prices skyrocketed to multi-year highs for many key inputs.
- The **US Dollar Index** (+2.4% QoQ) rallied for the fourth time in five quarters and had its best quarter since 1Q21. Expectations for a more aggressive Fed led the dollar to its highest level since May 2020.
- The **Bloomberg Energy Index** (+47.8% QoQ) rallied for the seventh time in eight quarters and posted its best quarter on record as the Russia-Ukraine crisis caused crude oil (+33.3%) and natural gas (+58.6%) prices to surge. WTI crude rose to the highest level since August 2008 intra-quarter. The US announced the release of 1 million barrels per day from strategic reserves as OPEC stuck to its modest plans to increase output in hopes of alleviating the consumer burden.
- The **Bloomberg Grains Index** (+24.9% QoQ) posted its best quarter since 3Q10 due to strength in wheat (+30.5%), corn (24.9%), and soybean (+20.8%) prices.
- The **Bloomberg Industrial Metals Index** (+22.6% USD QoQ) posted its best quarter since 2Q06 due to strength in aluminum (+24.8%) and zinc (+17.4%) prices. Nickel (+59.6%) prices also surged, with the exchange forced to close for several days.
- The **Bloomberg Softs Index** (+7.8% QoQ) rallied for the seventh time over the last eight quarters due to strength in sugar prices (+3.2%).
- The **Bloomberg Precious Metals Index** (+6.8% QoQ) rallied for the third time in four quarters due to strength in palladium (+18.2%)—a key Russian export—as well as silver (+7.6%) and gold prices (+6.9%).

Figure 1: Labor Market Still Showing Signs Of Strength

In addition to job openings near a record high, the US economy has had back-to-back months of solid job growth. In fact, it has added nearly 1.6 million jobs on a year-to-date basis.

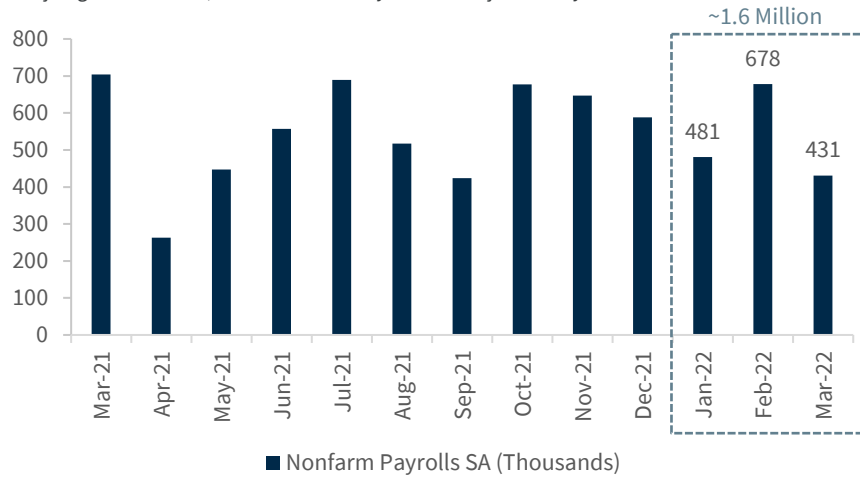


Figure 2: Energy Sector Boosted By Higher Oil Prices

9 of 11 S&P 500 sectors were negative for the quarter, with the decline led by the Communication Services (-11.9%) and Consumer Discretionary (-9.0%) sectors.

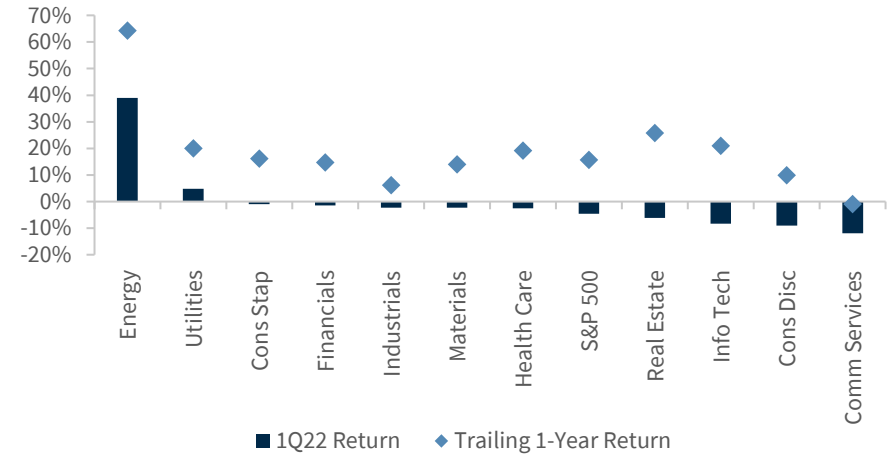


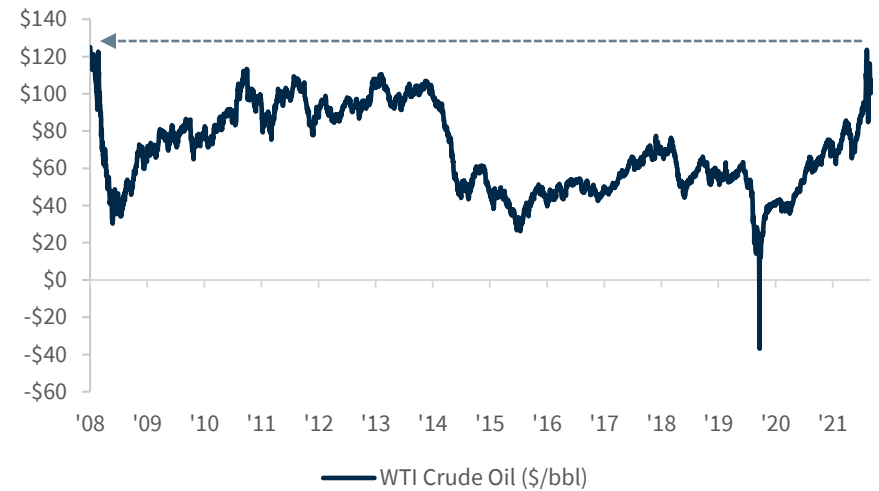
Figure 3: 10-Year Treasury Yield Reaches Post-Pandemic High

The 10-year US Treasury yield rallied +80 basis points, and reached the highest level since May 2019 intra-quarter. As a result, US Treasuries posted their worst quarter on record.



Figure 4: WTI Crude Oil Prices Reach Multi-Year High Amid Conflict

WTI crude oil prices exceed the \$120 per barrel threshold for the first time since August 2008 as the market grappled with the Russia-Ukraine conflict and the subsequent economic sanctions.



**Fixed Income | Sovereign Bond Yields On The Rise**

	March	1Q22	1 Year	3 Year	5 Year	10 Year
TIPS	-1.5%	<b>-1.7%</b>	3.8%	5.5%	3.9%	2.2%
High Yield	-1.1%	<b>-4.8%</b>	-0.7%	4.6%	4.7%	5.7%
Treasuries	-3.1%	<b>-5.6%</b>	-3.7%	1.4%	1.8%	1.7%
US Aggregate	-2.8%	<b>-5.9%</b>	-4.2%	1.7%	2.1%	2.2%
Municipals	-3.2%	<b>-6.2%</b>	-4.5%	1.5%	2.5%	2.9%
International Bonds	-4.3%	<b>-7.2%</b>	-10.2%	-1.9%	0.0%	-0.9%
US Investment Grade	-2.5%	<b>-7.7%</b>	-4.2%	3.0%	3.3%	3.6%
EM Bonds	-2.3%	<b>-9.2%</b>	-7.5%	0.7%	1.9%	3.6%

**C ommodities & FX | Geopolitical Conflict Benefits Commodities**

	March	1Q22	1 Year	3 Year	5 Year	10 Year
BBG Energy Index	16.0%	<b>47.8%</b>	91.6%	6.8%	5.2%	-6.8%
Crude Oil (WTI)	4.8%	<b>33.3%</b>	69.5%	18.6%	14.7%	-0.3%
BBG Commodity Index	8.6%	<b>25.5%</b>	49.1%	15.3%	7.8%	-1.3%
BBG Industrial Metals	12.0%	<b>22.6%</b>	48.7%	20.0%	12.8%	2.7%
Gold	2.8%	<b>6.9%</b>	13.9%	14.6%	9.3%	1.6%
BBG Precious Metals	2.7%	<b>6.8%</b>	10.5%	13.1%	6.2%	-1.0%
Copper	6.7%	<b>6.4%</b>	18.9%	17.4%	12.4%	2.2%
US Dollar Index	1.7%	<b>2.4%</b>	5.4%	0.4%	-0.5%	2.2%

**S&P 500 Sectors | Energy Sector Boosted By Higher Oil Prices**

	March	1Q22	1 Year	3 Year	5 Year	10 Year
Energy	9.0%	<b>39.0%</b>	64.3%	11.0%	6.7%	4.2%
Utilities	10.4%	<b>4.8%</b>	19.9%	12.2%	11.4%	11.8%
Cons Stap	1.8%	<b>-1.0%</b>	16.1%	14.0%	10.2%	11.5%
Financials	-0.2%	<b>-1.5%</b>	14.7%	16.8%	12.4%	13.9%
Industrials	3.4%	<b>-2.4%</b>	6.1%	13.2%	11.3%	12.7%
Materials	6.1%	<b>-2.4%</b>	13.9%	19.2%	13.3%	11.4%
Health Care	5.6%	<b>-2.6%</b>	19.1%	16.5%	15.1%	15.9%
Real Estate	7.8%	<b>-6.2%</b>	25.8%	13.8%	12.6%	11.3%
Info Tech	3.5%	<b>-8.4%</b>	20.9%	30.5%	26.8%	20.6%
Cons Disc	4.9%	<b>-9.0%</b>	9.8%	18.6%	17.2%	16.7%
Comm Services	1.0%	<b>-11.9%</b>	-0.9%	15.5%	9.6%	9.9%

**Equities | Value Outperforms Growth**

	March	1Q22	1 Year	3 Year	5 Year	10 Year
Russell 1000 Value	2.8%	<b>-0.7%</b>	11.7%	13.0%	10.3%	11.7%
Russell 2000 Value	2.0%	<b>-2.4%</b>	3.3%	12.7%	8.6%	10.5%
DJ Industrial Average	2.3%	<b>-4.6%</b>	5.1%	10.2%	10.9%	10.1%
S&P 500	3.7%	<b>-4.6%</b>	15.6%	18.9%	16.0%	14.6%
Russell 1000	3.4%	<b>-5.1%</b>	13.3%	18.7%	15.8%	14.5%
Russell 2000	1.2%	<b>-7.5%</b>	-5.8%	11.7%	9.7%	11.0%
Russell 1000 Growth	3.9%	<b>-9.0%</b>	15.0%	23.6%	20.9%	17.0%
Russell 2000 Growth	0.5%	<b>-12.6%</b>	-14.3%	9.9%	10.3%	11.2%

**International Equities (in USD) | Developed Markets Outperform EM**

	March	1Q22	1 Year	3 Year	5 Year	10 Year
MSCI LATAM	13.1%	<b>27.3%</b>	24.0%	3.5%	4.5%	-0.8%
MSCI UK	0.1%	<b>1.8%</b>	13.7%	5.4%	5.6%	4.5%
MSCI AC World	2.2%	<b>-5.3%</b>	7.7%	14.3%	12.2%	10.6%
MSCI EAFE	0.8%	<b>-5.8%</b>	1.6%	8.3%	7.2%	6.8%
MSCI Japan	-0.3%	<b>-6.4%</b>	-6.1%	7.2%	6.5%	6.8%
MSCI EM	-2.2%	<b>-6.9%</b>	-11.1%	5.3%	6.4%	3.7%
MSCI Asia ex JP	-2.7%	<b>-8.0%</b>	-14.4%	5.4%	7.0%	6.1%
MSCI Europe ex UK	0.0%	<b>-9.8%</b>	1.4%	10.1%	8.3%	7.9%

**Key Asset Class Levels**

	March	1Q22	1 Year	3 Year	5 Year	10 Year
S&P 500	4,530	<b>4,530</b>	3,973	2,834	2,363	1,408
DJIA	34,678	<b>34,678</b>	32,982	25,929	20,663	13,212
MSCI AC World	712	<b>712</b>	673	509	449	333
S&P 500 Dividend Yield	1.44	<b>1.44</b>	1.50	2.07	2.11	2.22
1-3M T-Bills (Cash, in %)	0.31	<b>0.31</b>	0.01	2.39	0.72	0.06
2YR Treasury Yield (in %)	2.32	<b>2.32</b>	0.16	2.29	1.26	0.34
10YR Treasury Yield (in %)	2.33	<b>2.33</b>	1.74	2.41	2.39	2.22
30Yr Treasury Yield (in %)	2.44	<b>2.44</b>	2.40	2.82	3.02	3.35
EURUSD	1.11	<b>1.11</b>	1.18	1.12	1.07	1.33
Crude Oil - WTI (\$/bbl)	99	<b>99</b>	59	60	51	103
Gold (\$/oz)	1925	<b>1925</b>	1716	1299	1251	1672

## DISCLOSURES

**INTERNATIONAL INVESTING** | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

**SECTORS** | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

**OIL** | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

**CURRENCIES** | Investing in currencies is generally considered speculative because of the significant potential for investment loss. These markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

**GOLD** | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

**FIXED INCOME** | Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise.

**US TREASURIES** | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

**HIGH YIELD SECURITIES** | High yield securities involve additional risks and are not appropriate for all investors.

**SMALL-CAP STOCKS** | Small-cap stocks involve greater risks and are not suitable for all investors.

## DOMESTIC EQUITY DEFINITION

**LARGE GROWTH | Russell 1000 Growth Total Return Index:** This index represents a segment of the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

**SMALL GROWTH | Russell 2000 Growth Total Return Index:** This index represents a segment of the Russell 2000 Index with a greater-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000.

**LARGE BLEND | Russell 1000 Total Return Index:** This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

**SMALL BLEND | Russell 2000 Total Return Index:** This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

**LARGE VALUE | Russell 1000 Value Total Return Index:** This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

**SMALL VALUE | Russell 2000 Value Total Return Index:** This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

## FIXED INCOME DEFINITION

**AGGREGATE BOND | Bloomberg US Agg Bond Total Return Index:** The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

**MUNICIPAL | Bloomberg Municipal Total Return Index:** The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

## US INDEXES AND EQUITY SECTORS DEFINITION

**DOW JONES INDUSTRIAL AVERAGE (DJIA) |** The **Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

**S&P 500 |** The **S&P 500 Total Return Index:** The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

## INTERNATIONAL EQUITY DEFINITION

**EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index:** The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**BLOOMBERG BARCLAYS CAPITAL AGGREGATE BOND TOTAL RETURN INDEX |** This index represents securities that are SEC-registered, taxable, and dollar denominated. 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. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

**EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index:** The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index:** The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS | MSCI Emerging Markets Net Return Index:** This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

**PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index:** The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**JAPAN | MSCI Japan Net Return Index:** The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

**FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index:** This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

**EUROPE EX UK | MSCI Europe Ex UK Net Return Index:** The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

**MSCI EAFE |** The **MSCI EAFE** (Europe, Australasia, and Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

## COMMODITY DEFINITIONS

**US DOLLAR INDEX** | The US dollar index (USDX) is a measure of the value of the US dollar relative to the value of a basket of currencies of the majority of the US's most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies.

**BLOOMBERG COMMODITY INDEX** | Bloomberg Barclays Commodity Index is a commodity group sub index of the Bloomberg CTR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

**BLOOMBERG INDUSTRIAL METALS INDEX** | Bloomberg Industrial Metals Index is composed of futures contracts on aluminum, copper, nickel and zinc. It reflects the return of underlying commodity futures price movements only. It is quoted in USD.

**BLOOMBERG SOFTS INDEX** | Bloomberg Softs Index is a commodity group sub index of the Bloomberg CI. It is composed of futures contracts on coffee, cotton and sugar. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

**BLOOMBERG PRECIOUS METALS INDEX** | Bloomberg Precious Metals index is a commodity group sub index of the Bloomberg CI. It is composed of futures contracts on gold and silver. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

**BLOOMBERG GRAINS INDEX** | Bloomberg Grains Index is a commodity group subindex of the Bloomberg CI. It is composed of futures contracts on corn, soybeans and wheat. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

**BLOOMBERG ENERGY INDEX** | The Bloomberg Energy aims to track the performance of an equal-weighted basket of 12 energy commodity futures contracts. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

## INTERNATIONAL DISCLOSURES

**FOR CLIENTS IN THE UNITED KINGDOM** | For clients of Raymond James Financial International Limited (RJFI): This document and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in the FCA rules or persons described in Articles 19(5) (Investment professionals) or 49(2) (high net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) or any other person to whom this promotion may lawfully be directed. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients. **FOR CLIENTS OF RAYMOND JAMES INVESTMENT SERVICES, LTD.:** This document is for the use of professional investment advisers and managers and is not intended for use by clients. **FOR CLIENTS IN FRANCE** | This document and any investment to which this document relates is intended for the sole use of the persons to whom it is addressed, being persons who are Eligible Counterparties or Professional Clients as described in "Code Monetaire et Financier" and Reglement General de l'Autorite des marches Financiers. It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons and may not be relied upon by such persons and is, therefore, not intended for private individuals or those who would be classified as Retail Clients. **FOR CLIENTS OF RAYMOND JAMES EURO EQUITIES** | Raymond James Euro Equities is authorised and regulated by the Autorite de Controle Prudentiel et de Resolution and the Autorite des Marches Financiers. **FOR INSTITUTIONAL CLIENTS IN THE EUROPEAN ECONOMIC AREA (EE) OUTSIDE OF THE UNITED KINGDOM** | This document (and any attachments or exhibits hereto) is intended only for EEA institutional clients or others to whom it may lawfully be submitted. **FOR CANADIAN CLIENTS** | This document is not prepared subject to Canadian disclosure requirements, unless a Canadian has contributed to the content of the document. In the case where there is Canadian contribution, the document meets all applicable IROC disclosure requirements.

## DATA SOURCES:

FactSet, as of 3/31/2022

# RAYMOND JAMES

INTERNATIONAL HEADQUARTERS: THE RAYMOND JAMES FINANCIAL CENTER  
880 CARILLON PARKWAY // ST. PETERSBURG, FL 33716 // 800.248.8863

The views expressed in this commentary are the current opinion of the Chief Investment Office, but not necessarily those of Raymond James & Associates, and are subject to change. Information contained in this report was received from sources believed to be reliable, but accuracy is not guaranteed. Past performance is not indicative of future results. The performance mentioned does not include fees which would reduce an investor's performance. No investment strategy can guarantee success. There is no assurance any of the trends mentioned will continue or that any of the forecasts mentioned will occur. Economic and market conditions are subject to change. Investing involves risks including the possible loss of capital. Material is provided for informational purposes only and does not constitute a recommendation.

---

© 2021 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. © 2021 Raymond James Financial Services, Inc., member FINRA/SIPC. Investment products are: not deposits, not FDIC/NCUA insured, not insured by any government agency, not bank guaranteed, subject to risk and may lose value. Raymond James® is a registered trademark of Raymond James Financial, Inc.