ADVUS
FINANCIAL PARTNERS

MARKET COMMENTARY

Q3 | 2022

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IN REVIEW

Despite a strong rally in July, global equity and bond markets retreated further in the 3rd quarter as markets priced in additional central bank tightening amidst a global growth slowdown. U.S. equities declined -4.9% in the 3rd quarter, bringing year-to-date performance to -23.9%. The Bloomberg Global Aggregate Index fell an additional -6.9% in the 3rd quarter, bringing the year-to-date return to -19.9%. International developed equities slid -26.8% year-to-date as the U.K. and the Eurozone deal with surging energy costs. The Fed and other central banks reiterated that inflation remains their primary focus, even if it comes at the expense of economic activity. The Fed is reacting to the official data and risks overtightening given the lagging nature of inflation data reporting. We continue to see easing core PCE inflation and significantly tighter financial conditions that should translate into lower headline inflation. Labor markets remain very tight but there are some early signs of easing that could result in slower wage growth and anchored inflation expectations. As it becomes clearer that inflation is declining, investor attention will likely shift more towards corporate profits. Nominal GDP growth has remained strong, resulting in solid top-line growth for U.S. companies. Earnings have been resilient this year, in fact the entirety of the S&P 500's year-to-date performance has come from multiple contraction as earnings growth has remained a positive contributor. A clearer picture of the direction of both nominal GDP and central bank tightening would allow for greater certainty around corporate profits. Until then, elevated uncertainty will remain and will manifest in sustained volatility in both equity and rate markets.

General Economic Conditions

Real U.S. GDP contracted at an annualized rate of -0.6% in the 2nd quarter of 2022. The decrease in real GDP reflected decreases in private inventory investment, residential fixed investment, federal government spending, and state & local government spending. Increases in both exports and consumer spending were positive contributors. Consumer spending growth was driven by an increase in services spending and was partly offset by a decrease in goods spending. This relationship continues to normalize as we've highlighted in the past and should provide further relief for supply bottlenecks. Consumer spending accelerated in the 2nd quarter, a positive sign as many feared a sharp pullback due to high inflation. The current forecast for 3rd quarter real GDP is 2.7%, with a large positive contribution from net trade. However, that positive contribution is the result of a large projected reduction in imports, implying consumer spending softened in the 3rd quarter. Such trade dynamics made GDP look worse than it was in the 1st quarter and will likely make 3rd quarter GDP look better than core GDP drivers would suggest.

Nominal GDP, which doesn't take inflation into account, increased at an annualized rate of 8.5% in the 2nd quarter. Economists tend to focus more on real GDP because it removes some of the distorting effects of inflation. However, nominal GDP is the primary driver of corporate profits over the long-term so it's an important consideration for asset allocators; especially now given the growing relative importance of corporate profits for market participants. Recession risk rose over the course of the 3rd quarter as the incoming data has forced steady hawkishness from central banks.

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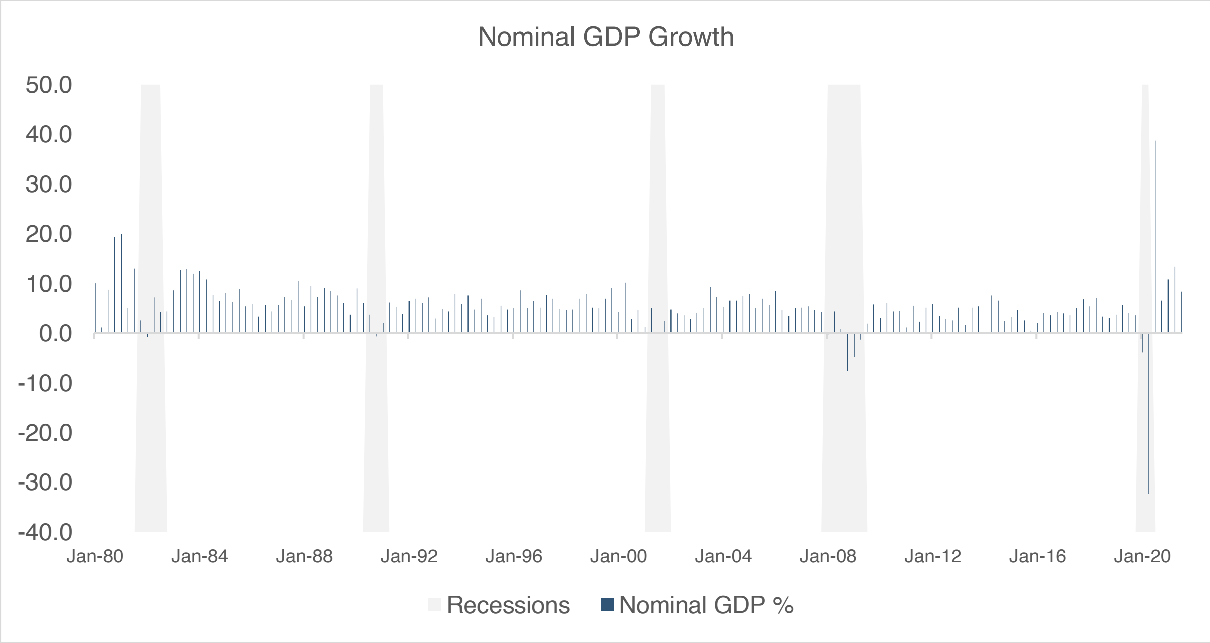
However, for a sharp earnings recession to unfold, nominal growth needs to fall significantly from current levels, as the five recessions since 1982 have all been accompanied by instances of negative or zero nominal GDP growth. Central bank tightening will undoubtedly bring nominal GDP lower, but the Fed would have to tighten much more than markets currently expect to bring nominal GDP down so dramatically. We're already beginning to see weakness in the housing market from record high mortgage rates and consumer spending as imports drop. However, the Fed will likely continue to look past these pockets of weakness as they are necessary if they are going to bring inflation back to target.



Data from the manufacturing sector remains expansionary but has continued to weaken alongside the broader economy. The Institute for Supply Management's Purchasing Managers Index (PMI) registered 50.9% in September, which is the 28th consecutive expansionary reading (a reading above 50% is considered expansionary). The services PMI registered 56.7% in September, which is also the 28th consecutive expansionary reading. The manufacturing reading is the lowest reading since the post-pandemic recovery began in May 2020. New orders fell back into contractionary territory, reflecting companies adjusting to potential future lower demand. Additionally, customers' inventories are growing, and order backlogs are slowing indicating both cooling demand and easing supply constraints. The dynamic of slowing orders and growing inventories isn't an ideal environment for sustained corporate earnings growth. The prices index registered its lowest reading, 51.7%, since June 2020 indicating prices paid by manufacturers are increasing more slowly. Lower prices at the manufacturing level should eventually filter into consumer prices. The employment index returned to contractionary territory as companies are managing head counts through hiring freezes as medium to long-term demand is more uncertain. Overall, manufacturing activity remains robust as nominal GDP growth is above average but will likely soften over the near-term.

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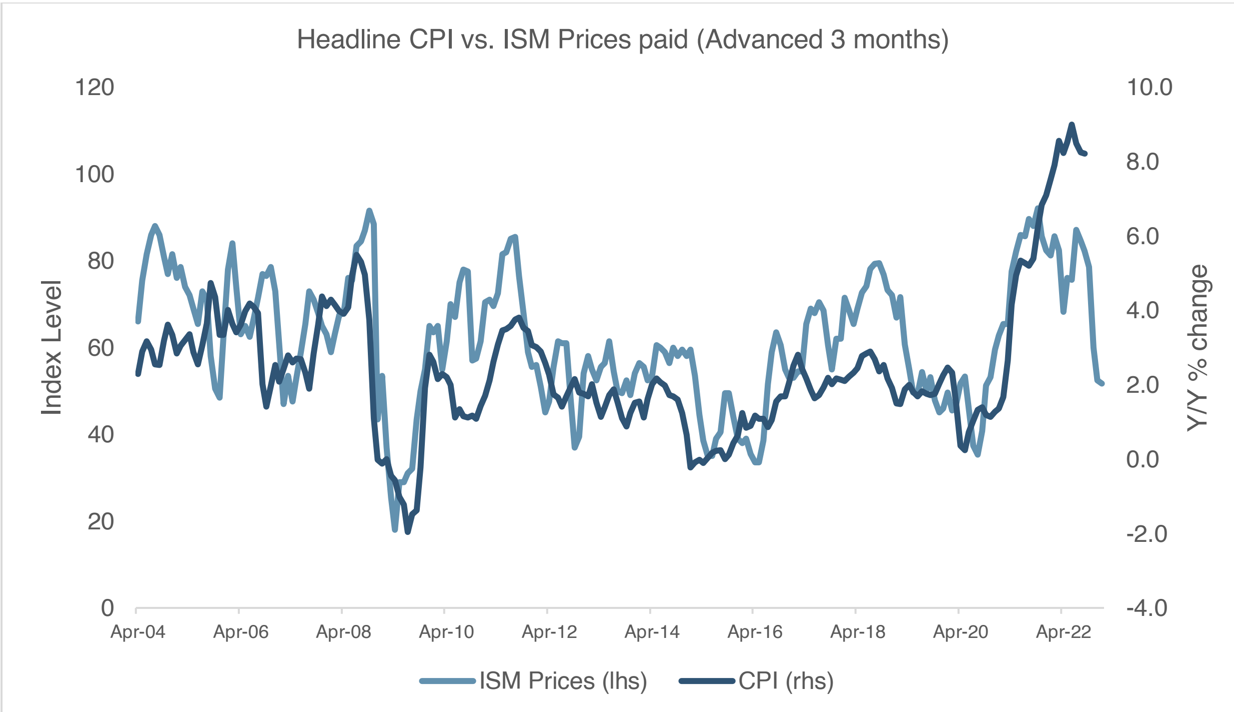

The 3rd quarter didn't provide the definitive softening in inflation that market participants and central banks are looking for. In September, the Consumer Price Index increased 0.4%, marking an 8.2% increase over the previous 12 months. Increases in the indexes for shelter, food, and medical care were the largest of many contributors to the increase in the headline index. These increases were partly offset by a decline in the gasoline index.

We continue to believe headline inflation has peaked and both headline and core inflation will moderate going forward. Market participants were rattled over the quarter by higher-than-expected inflation prints, though markets bounced back swiftly after the September print. Inflation doesn't fall in a straight line and forward-looking market measures indicate the case for lower inflation remains intact. Core PCE inflation has been largely driven by shelter inflation that has been accelerating at the fastest rate since 1986. In September, shelter costs accounted for more than half of the monthly increase in core inflation. Shelter inflation should moderate as mortgage rates have soared to the highest levels in two decades and median home sales have rolled over. Additionally, real-time rental data show rents have been falling steadily since 2021. These real-time indicators of lower rent prices take about 6-9 months to show up in the shelter inflation figures because of the calculation methodology, so the current numbers are more indicative of where we've been rather than where we're heading. Core import prices fell -0.2% month-over-month in August and slowed to 3.8% growth on a year-over-year basis. The dollar's relentless appreciation this year has been the driving force in falling import prices and should lead to softer core PCE inflation. Operating profit margins declined 1% from Q1 to Q2 as companies are faced with growing inventories and slower than expected consumer demand. We previously highlighted how spiking inventory-to-sales ratios would prevent companies from continuing their pandemic-era, supply-constrained pricing. Evercore ISI's survey of retailers pricing power accordingly plunged in the 3rd quarter.

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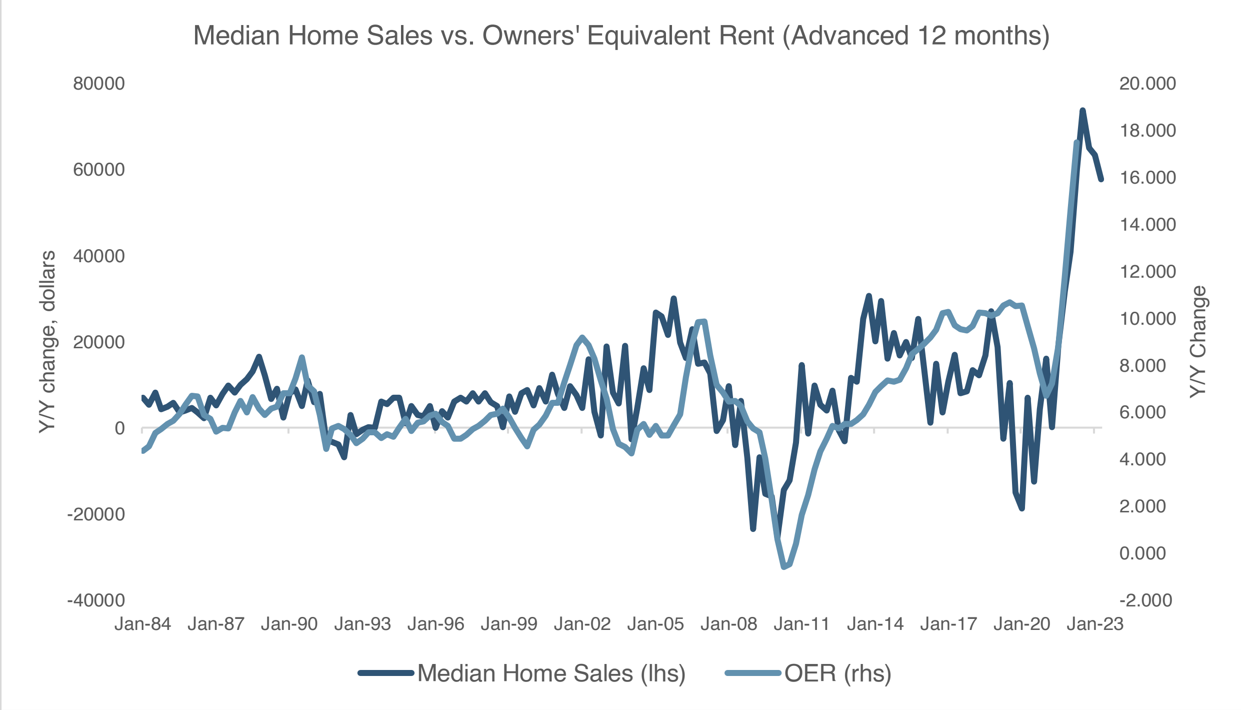
Profit margin compression should continue to be a key factor in keeping core inflationary pressures in check. Core PCE inflation has fallen from its 5.4% year-over-year peak in February to 4.9% in August. If Core PCE inflation continues to fall towards roughly 4%, the current terminal rate projection of 4.50%-4.75% would be a restrictive policy stance that should be disinflationary as rates would be above annualized core inflation.

Market expectations for inflation have remained in check as the Fed has made their focus on inflation clear. Inflation breakeven rates trended lower over the quarter ultimately signaling that market participants believe the Fed will be able to deal with inflation. The 5-year breakeven inflation rate fell to 2.14%, down from its peak of 2.67%. Inflation expectations play an important role in realized inflation because a mindset of higher inflation can become engrained. In that case, demand may be pulled forward in anticipation of future higher prices. Pulling forward future demand creates higher prices in the short-term. Additionally, workers begin to demand wage increases in anticipation of higher prices. Employers then raise prices to offset their higher labor costs. Through these mechanisms, inflation expectations can create a wage-price spiral that exacerbates inflation. However, with inflation expectations in check and some early signs of softening in the labor market, such risks seem contained for the time being.



The labor market has remained resilient in the face of slowing global economic growth. Total nonfarm payrolls rose by 263,000 in June, roughly in line with expectations. The continued strength in payrolls growth defies any claims that the U.S. is currently in a recession. Weekly initial jobless claims remain suppressed as labor demand remains robust. However, there were some signs of labor demand weakening as the number of job openings fell from 11.3 million to 10.1 million from July to August.

That's the 2nd largest monthly drop in job openings ever recorded besides the drop from March to April in 2020. Additionally, small business hiring plans have fallen into negative territory on a year-over-year basis, an indication of slower payroll growth ahead. These early signs of softening have tempered wage growth, as the Atlanta Fed wage growth tracker rolled over from 6.7% to 6.3% in September. Even still, there are only 6 million unemployed workers to fill the 10.1 million job openings. While the prime age (25-54) participation rate has largely recovered, the 55+ cohort hasn't fully reengaged with the labor force. A combination of early retirements and long COVID likely explain most of the labor shortage in that age group. As retirement assets have taken a steep hit this year, some early retirees may find themselves needing to return to work, potentially providing some relief. However, the labor shortage is structural, not a byproduct of the pandemic's disruptive effects. Job openings surpassed unemployed workers back in January 2018 due to aging demographics. The labor shortage carries important implications for monetary policy because the Fed needs unemployment to rise to bring inflation in line with their 2% mandate. Generating the kind of unemployment that reduces inflation is much harder when labor is scarce. As such, the Fed will have to continue tightening policy to bring the labor market into a more balanced state.

Monetary Policy

The Fed continued their aggressive tightening campaign in the 3rd quarter, delivering two 75 basis point rate hikes in their last two meetings. In total, this has brought the federal funds target range to 3.00%-3.25%. The median expectation among FOMC members indicated cumulative further increases of 125 basis points this year, taking the federal funds rate to a range of 4.25%-4.50% by the end of 2022.

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The Fed expects annual PCE inflation to fall to 4.5% by the end of 2022, 3.1% by the end of 2023, and 2.3% by the end of 2024. Unemployment is expected to rise to 4.4% by the end of 2023. From current levels, that would be a very modest rise given the impending economic slowdown and reflects the shortage of labor supply. On top of rate increases, the Fed continued to reduce their balance sheet at a pace of $95 billion per month.

At this point, the Fed has clearly decided that the risks posed by persistently high inflation are greater than the risks of stunted economic growth. Equity markets continue to struggle as market participants have had to continuously reprice terminal rate expectations higher and higher. We expect financial conditions will tighten and remain tight as long as inflation doesn't show significant signs of easing, labor markets don't collapse, and systemic financial concerns don't force the Fed to ease abruptly.

Investment Performance

The market sell off was broad-based in the 3rd quarter. Commodities' -4.1% return for the quarter was the best relative performer. The S&P 500 returned -4.9%, while European equities fell -4.5%. Both markets continue to struggle with slowing economic growth expectations, tightening financial conditions, and lower forward earnings expectations. Global fixed income markets fell -6.9%, bringing the year-to-date return to -19.9%. Fixed income markets have been moving lower with each episode of higher terminal rate repricing. Investment grade and high yield credit spreads also widened on the back of global growth concerns. The positive correlation between stocks and bonds this year has been acutely painful for investors as fixed income hasn't provided the ballast against equity market drawdowns investors are accustomed to. As economic growth fears become the dominant market narrative, we expect the negative stock bond correlation to reassert itself.

- **Developed foreign equities outperformed U.S. equities through the 3rd quarter –** The U.S. underperformed all major developed foreign markets as the Fed has moved more aggressively than other central banks to tame inflation. Foreign equities benefited from cheaper valuations coming into the year and corporate earnings have been surprisingly resilient. Headwinds in the space remain, as Europe continues to face an energy shortage that is hurting consumers' spending power. Emerging markets underperformed all developed markets as central banks in those regions have responded swiftly to address inflation concerns and the dollar's strength presents a major headwind for those regions.

- **Traditional fixed income continues to struggle –** Globally, central banks continued tightening monetary policy by raising interest rates and shrinking balance sheets. The subsequent rise in bond yields led to a rout across sovereign and credit markets. The weakness in fixed income markets this year has presented some opportunities for investors. Yields are sitting near the high end of their 10-year range. For the first time in a long time, investors can earn a meaningful yield in fixed income without taking excessive credit risk.

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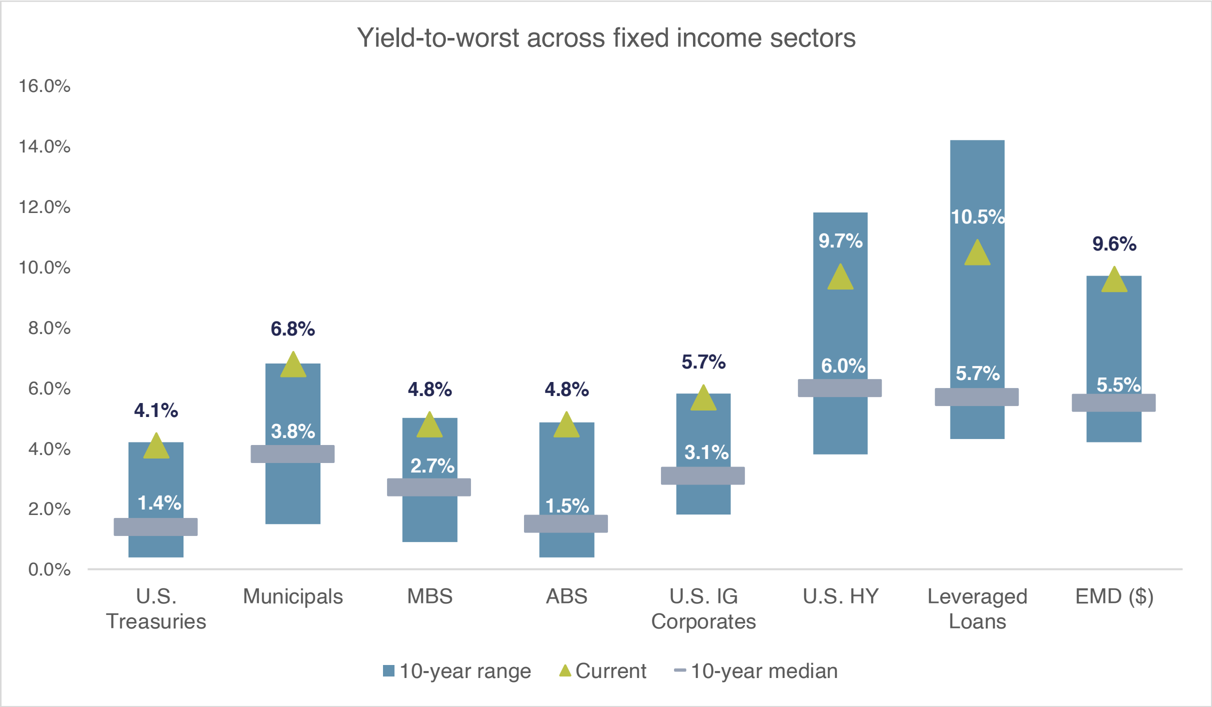
- **Low volatility and value continue to outperform growth and momentum –** Year-to-date pure value and low volatility returned -11.9% and -14.2%, respectively. Momentum returned -21.2% and pure growth returned -30.9%. With the economic outlook consisting of unexpected inflation, higher interest rates, and possible recession it is not surprising that risk-off factors are outperforming. The spread between value and growth performance is quite wide by historical standards, though there's probably still more pain ahead for growth equities as central banks continue their hawkish rhetoric and restrictive policies.



Yield to worst is a measure of the lowest possible yield that can be received on a bond that fully operates within the terms of its contract without defaulting.

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LOOKING FORWARD

Inflation, monetary policy, global recession risk, and geopolitics have and will likely remain the dominant drivers of equity market moves from a macro perspective. The playbook for a soft landing remains the same: GDP growth needs to slow to a below-potential pace, labor supply and demand need to be rebalanced, wage growth rates need to be reduced, and core inflation needs to ease. So far, there have been mixed results across these steps. GDP growth is definitely slowing on the back of tighter financial conditions. Additionally, foreign spillover effects from the energy crisis in Europe and Chinese economic slowdown will have a negative effect on domestic GDP growth. Rebalancing supply and demand in the labor market has made some progress as job openings have fallen substantially and future hiring plans are being shelved. Even still, the gap between jobs and workers needs to be reduced further and doing so may prove difficult given some of the structural elements keeping labor force participation down. Accordingly, wage growth has only tempered modestly as labor demand still outstrips supply. Curbing core inflation has had mixed results. The easing of commodity prices and supply-chain disruptions has lowered headline and goods inflation. Additionally, the spike in mortgage rates is softening housing activity which should feed into slower rent growth over the next 12 months. On the other hand, inflation has become broad-based and is showing up in the service sector, where it tends to be stickier. While these dynamics are normalizing, the question remains when they will normalize at a tolerable pace for central bankers. Until that time, central banks will maintain their hawkishness. As such, the risks of a policy error and a central bank induced recession have risen. We expect the Fed to pause or slow the pace of hikes at some point in 2023, recognizing the long lag with which monetary policy impacts economic activity. Corporate earnings will remain a focus of the markets as slowing economic growth will challenge bottom lines across the globe. However, the improving backdrop for real disposable incomes could provide some upside risk if a full-blown recession is avoided. In this backdrop, we feel caution is still warranted as we are likely not at the cyclical turning point that would reward a contrarian point of view. We continue to emphasize quality, investment-grade fixed income to protect against slowing growth and further equity market downside. With yields near 10-year highs, investors are getting paid an adequate risk-adjusted return and getting portfolio protection should a recession occur. While we don't expect widespread defaults, we're paring back exposure to riskier credit issues because of their higher correlation to equity markets and potential liquidity issues in times of stress. Within equity, the emphasis remains owning quality businesses that provide near-term earnings stability. We think a balanced, measured exposure to both value and growth makes sense. Ensuring portfolios remain exposed to both cyclical companies that can benefit from continued economic growth and secular growth companies at reasonable valuations, accounts for both upside and downside risks. Today's investing environment can be very uncomfortable, but at current levels the entry point in stocks and bonds looks to be compelling for long-term investors. As uncertainty remains, elevated volatility will likely persist.

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Scenario Updates

Base Scenario	*55% Probability*

The conflict in Ukraine drags along as a diplomatic solution remains unattainable but the conflict is contained to Ukraine. Sanctions currently imposed on Russia remain in place and escalate in response to further Russian aggression. U.S. GDP growth rates are below-potential as the economy responds to tighter financial conditions and experiences spillover effects from the likely European recession and Chinese slowdown. Labor supply shortages and supply chain disruptions continue to improve but remain stubbornly above pre-pandemic levels. The Fed delivers on their current expectations for further tightening into the beginning of next year, pausing thereafter to assess the economy's response. Bond yields remain elevated, but fixed income markets begin to trade like they do in more traditional risk-off scenarios. Corporate earnings growth is modest as consumer spending slows and margins compress. The yield curve remains flattish/mildly inverted as the Fed pushes up the front end and growth concerns keep a cap on the long end.

Upside Scenario	*10% Probability*

Factors that could influence the Upside Scenario:

- The conflict in Ukraine has a swifter resolution than currently expected. Sanctions currently imposed on Russia don't escalate and possibly lessen.
- GDP growth rates exceed expectations due to a sharper than expected decrease in inflation and burgeoning real disposable income.
- Labor supply shortages ease more than expected or are offset by an increase in overall labor productivity and innovation.
- The Fed is patient and able to tone down some of their hawkishness as inflation somewhat resolves itself. Bond yields retreat as a result, providing relief for both bond and equity markets.
- Corporate earnings beat expectations, driven by sustained record-high margins and better than expected top-line growth. The yield curve steepens, real yields stay low, and risk assets thrive.

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Downside Scenario	*35% Probability*

Factors that could influence the Downside Scenario:

- The conflict in Ukraine drags along as a diplomatic solution remains unattainable and the threat of NATO involvement increases meaningfully. Harsh sanctions are imposed on Russia, potentially eliciting an escalatory response from Moscow.
- Consumers are unwilling to draw down on built up pandemic savings to sustain consumption, growth falls quicker than expected as a result.
- The Fed responds too quickly and too drastically to high inflation and a tight labor market. The policy misstep sends the U.S. economy into recession amid contracting growth and continued high inflation. Bond yields continue to increase at a sharp pace creating a risk off environment for both equities and fixed income. The yield curve inverts substantially for a meaningful amount of time, denting consumer sentiment further.
- The slowdown in the housing market has a more pronounced impact on economic activity than currently forecast.
- Rapidly tightening financial conditions cause a systemic financial crisis, like what we are seeing with the U.K. pension system, that results in a global financial contagion.
- Corporate earnings are well below expectations creating an environment of both falling earnings and compressing valuations leading to sharp equity market selloffs.

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ECONOMIC STATISTICS	Current	One Year Ago
Real GDP Growth (Annl. % Change From Prior Qtr.)	1.80%	12.46%
Unemployment Rate	3.50%	4.70%
Labor Force Participation Rate	62.30%	61.70%
Core CPI (Year-Over-Year)	6.66%	4.04%
Real Personal Income Growth (Year-over-Year)	-2.25%	2.01%
10 Year Treasury Rate	3.52%	1.37%

US EQUITY MARKET

Major US Market	Q3 2022	YTD	1 Year	3 Year	5 Year	2020	2019	2018
Russell 3000 Index	-4.5%	-24.6%	-17.6%	7.7%	8.6%	25.7%	20.9%	31.0%
FTSE RAFI US 3000 Index	-5.7%	-18.0%	-10.8%	8.2%	7.8%	31.5%	8.3%	27.7%
Russell 3000 Equal Weighted	-2.7%	-26.8%	-26.1%	6.5%	4.6%	19.5%	24.5%	24.7%
S&P 500 Index	-4.9%	-23.9%	-15.5%	8.2%	9.2%	28.7%	18.4%	31.5%
Russell Mid Cap Index	-3.4%	-24.3%	-19.4%	5.2%	6.5%	22.6%	17.1%	30.5%
Russell 2000 Index	-2.2%	-25.1%	-23.5%	4.3%	3.6%	14.8%	20.0%	25.5%
NASDAQ 100	-4.4%	-32.4%	-24.7%	13.2%	14.0%	27.5%	48.9%	39.5%

Data Source: Federal Reserve, Advus

Russell 3000 Style & Cap Summary

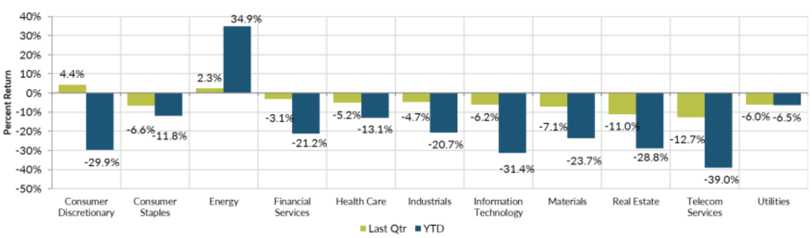
Third Quarter Results

	Mo.	Qtr	Value		Core		Growth	
Large	Jul		5.63%		9.12%		11.95%	
	Aug	Q3	-2.94%	-5.97%	-4.09%	-5.02%	-4.96%	-4.24%
	Sep		-8.28%		-9.25%		-10.00%	
Mid	Jul		8.61%		9.87%		12.24%	
	Aug	Q3	-3.06%	-4.93%	-3.14%	-3.44%	-3.28%	-0.65%
	Sep		-9.70%		-9.27%		-8.49%	
Small	Jul		9.68%		10.44%		11.20%	
	Aug	Q3	-3.16%	-4.61%	-2.05%	-2.19%	-0.94%	0.24%
	Sep		-10.19%		-9.58%		-9.00%	

Year To Date Results

	Value	Core	Growth
Large	-16.33%	-24.71%	-30.53%
Mid	-20.36%	-24.27%	-31.45%
Small	-21.12%	-25.10%	-29.28%

S&P 500 Sector Performance



Top Weights [(a)]	Weight	Return	Contribution
Apple Inc	6.99%	1.22%	0.08%
Microsoft Corp	5.97%	-9.12%	-0.55%
Amazon.com Inc	3.20%	6.39%	0.18%
Alphabet Inc Class A	2.00%	-12.22%	-0.25%
Tesla Inc	2.00%	18.17%	0.32%
Alphabet Inc Class C	1.85%	-12.09%	-0.23%
Berkshire Hathaway Inc Class B	1.54%	-2.20%	-0.03%
UnitedHealth Group Inc	1.48%	-1.36%	-0.02%
Johnson & Johnson	1.35%	-7.35%	-0.11%
NVIDIA Corp	1.21%	-19.90%	-0.24%

Top Contributors [(a)]	Weight	Return	Contribution
Tesla Inc	2.00%	18.17%	0.32%
Amazon.com Inc	3.20%	6.39%	0.18%
Netflix Inc	0.28%	34.64%	0.08%
Apple Inc	6.99%	1.22%	0.08%
ConocoPhillips	0.38%	16.03%	0.06%
PayPal Holdings Inc	0.29%	23.24%	0.06%
Charles Schwab Corp	0.31%	14.10%	0.04%
Walmart Inc	0.54%	7.14%	0.04%
Enphase Energy Inc	0.10%	42.12%	0.03%
Exxon Mobil Corp	1.17%	2.91%	0.03%

Top Detractors [(a)]	Weight	Return	Contribution
Microsoft Corp	5.97%	-9.12%	-0.55%
Microsoft Corp	2.00%	-12.22%	-0.25%
Alphabet Inc Class A	1.21%	-19.90%	-0.24%
NVIDIA Corp	1.85%	-12.09%	-0.23%
Alphabet Inc Class C	1.11%	-15.86%	-0.18%
Meta Platforms Inc Class A	0.58%	-24.24%	-0.16%
Verizon Communications Inc	0.83%	-15.88%	-0.15%
Pfizer Inc	0.43%	-30.41%	-0.14%
Intel Corp	0.51%	-24.75%	-0.14%
Comcast Corp Class A	0.54%	-24.82%	-0.13%

INTERNATIONAL EQUITY

International Equity Market Performance	Q3 2022	YTD	1 Year	3 Year	5 Year
MSCI EAFE	-9.29%	-26.76%	-24.75%	-1.38%	-0.36%
MSCI EAFE Value	-10.12%	-20.61%	-19.62%	-2.20%	-2.14%
MSCI EAFE Growth	-8.45%	-32.82%	-30.06%	-1.18%	1.03%
MSCI EM	-11.42%	-26.89%	-27.80%	-1.71%	-1.44%
MSCI ACWI Ex. USA.	-9.80%	-26.18%	-24.79%	-1.07%	-0.34%

Data Source for all data in tables: Morningstar Direct

(a) = SPDR S&P 500 ETF

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INTERNATIONAL EQUITY *(continued)*

International Equity Market Performance

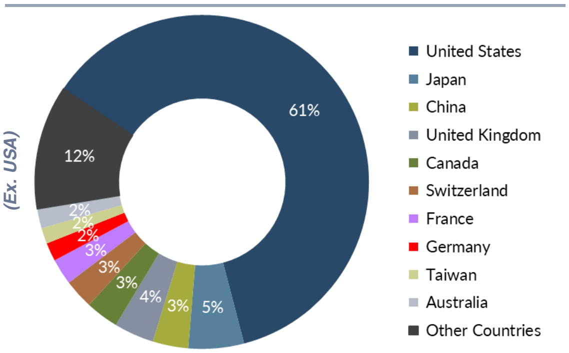
	Last Quarter			Year To Date		
	Local	USD	Impact Of US Dollar (a)	Local	USD	Impact Of US Dollar (a)
MSCI ACWI Ex USA	-4.74%	-9.80%	-5.06%	-15.81%	-26.18%	-10.37%
MSCI Europe	-4.10%	-10.11%	-6.01%	-16.68%	-28.42%	-11.74%
MSCI Europe Ex UK	-4.48%	-9.89%	-5.41%	-20.97%	-31.18%	-10.21%
MSCI United Kingdom	-2.92%	-10.76%	-7.84%	-1.30%	-18.65%	-17.35%
MSCI Pacific Ex Japan	-4.43%	-8.81%	-4.38%	-11.17%	-18.67%	-7.50%
MSCI Japan	-1.47%	-7.52%	-6.05%	-7.12%	-26.11%	-18.99%
MSCI France	-2.70%	-8.82%	-6.12%	-17.11%	-28.59%	-11.48%
MSCI Switzerland	-4.89%	-7.49%	-2.60%	-19.38%	-25.37%	-5.99%
MSCI Germany	-6.71%	-12.58%	-5.87%	-27.03%	-37.14%	-10.11%
MSCI Canada	-1.72%	-7.73%	-6.02%	-11.24%	-18.41%	-7.16%
MSCI China	-21.61%	-22.44%	-0.83%	-29.41%	-31.12%	-1.71%
MSCI India	9.97%	6.75%	-3.22%	-0.80%	-9.35%	-8.56%
MSCI Brazil	12.41%	8.68%	-3.73%	8.57%	11.80%	3.23%
MSCI Russia	0.00%	-33.33%	-33.33%	-100.00%	-100.00%	0.00%

Assumes Gross Reinvestment of Dividends

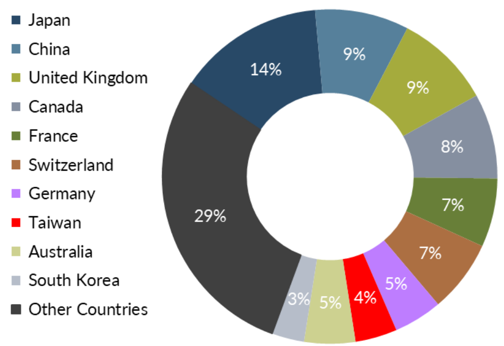
(a) Impact of Dollar: For a US investor, a strengthening dollar has a negative impact on non-US asset returns when converted to US dollars since the conversion requires more of a foreign currency to purchase the more expensive US dollar. A weakening dollar has the opposite effect; the foreign currency can buy more US dollars.

Country Weights

MSCI All Country World Index (Ex. USA)



MSCI All Country World Index



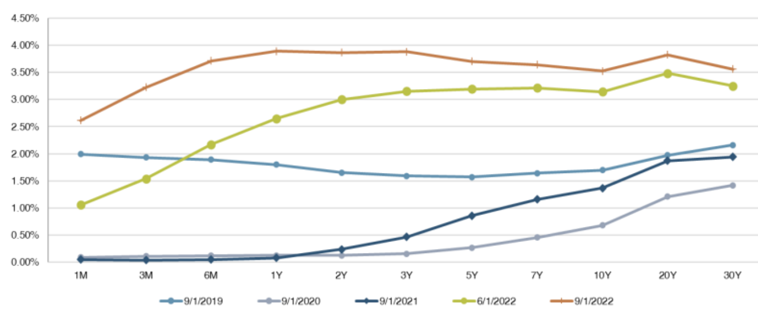
Data Source: Morningstar and iShares ETFs as the representative index proxies. Weights are average for Q3.

FIXED INCOME

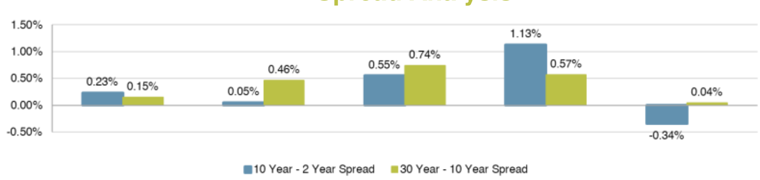
Major Market Averages

Major Market Averages	Q3 2022	YTD	1 Year	3 Year
ICE BofAML US 3M Treasury Bill	0.46%	0.61%	0.62%	0.59%
Bloomberg Barclays US Govt/Credit 1-3 Yr	-1.48%	-4.54%	-5.07%	-0.41%
Bloomberg Barclays US Govt Interm	-3.05%	-8.65%	-9.18%	-1.71%
Bloomberg Barclays US Govt/Credit Interm	-3.06%	-9.62%	-10.14%	-1.64%
Bloomberg Barclays US Govt/Credit	-4.56%	-15.10%	-14.95%	-3.15%
Bloomberg Barclays US Agg Interm	-3.84%	-11.04%	-11.49%	-2.33%
Bloomberg Barclays US Agg Bond	-4.75%	-14.61%	-14.60%	-3.26%
Bloomberg Barclays Global Agg Bond	-6.94%	-19.89%	-20.43%	-5.74%
Bloomberg Barclays US Treasury	-4.35%	-13.09%	-12.94%	-3.11%
Bloomberg Barclays US Treasury US TIPS	-5.14%	-13.61%	-11.57%	0.79%
Bloomberg Barclays US Corporate IG	-5.06%	-18.72%	-18.53%	-3.65%
Bloomberg Barclays High Yield Corporate	-0.65%	-14.74%	-14.14%	-0.45%
Bloomberg Barclays Municipal	-3.46%	-12.13%	-11.50%	-1.85%
Bloomberg Barclays Municipal 7 Yr 6-8	-2.66%	-9.30%	-9.11%	-1.15%
Credit Quality				
B of A/Merril Lynch US Corporate AAA	-6.69%	-20.89%	-20.12%	-4.71%
B of A/Merril Lynch US Corporate AA	-5.56%	-18.19%	-17.84%	-4.02%
B of A/Merril Lynch US Corporate A	-5.16%	-17.26%	-17.15%	-3.48%
B of A/Merril Lynch US Corporate BBB	-4.95%	-19.14%	-19.03%	-3.43%
B of A/Merril Lynch US Corporate BB	-0.88%	-14.29%	-13.67%	-0.13%
B of A/Merril Lynch US Corporate B	-0.59%	-14.30%	-13.59%	-1.42%
B of A/Merril Lynch US Corp. CCC & Lower	-0.17%	-17.25%	-17.40%	-1.14%

Yield Curve



Spread Analysis



Data Source: Morningstar

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