



EYE OF THE TIGER

We started 2022 with hopeful and patriotic hearts as many turned their eyes and television sets towards the Beijing Winter Olympics to watch their favorite snow sport. These particular Games seemed aptly timed to coincide with the Chinese Zodiac, which entered the Year of the Tiger. Just like the catchy song goes, the tiger symbolizes bravery, competitiveness and confidence; something every athlete aims to be. While the games played out, there was the usual bit of drama; emotional breakdowns on the ski slopes and drug doping issues on the ice rink. However, the real drama was unfolding on the periphery--the boarder of Ukraine. While competitors strapped on skis and skates and curlers grabbed their brooms, Russia was putting someone else on ice.

Instead of a Bengal tiger, this year came in the form of a cat with different stripes--a Siberian tiger waging war from the North. While tigers have many attractive traits, they are also known to be unpredictable, impetuous, and irritable. They have stubborn personalities, tough judgment, express themselves boldly, and act in a high-handed manner. They are authoritative and never go back on what they have said. Is this sounding like someone we know?

While this war is different, it is still a Cold one! On top of COVID disruptions, we now see how fragile our supply chain issues really are, with Europe experiencing the brunt due to their dependency on Russian energy (Europe gets more than 40% of its natural gas and nearly 30% of its crude oil from Russia). This is leading to a de-globalization of the global economy as countries realize they cannot depend on former trading routes and partners and must secure new solutions. It is also exacerbating what were already high food and energy costs. With Ukraine being a major wheat producer, the Christian prayer asking to "give us our daily bread", is becoming all too real.

Back on Terra Firma (U.S. soil), the Fed has officially removed the word "transitory" from its language and raised rates (Fed Funds) by 25 basis points to begin combatting inflation. Inflation hit a 40-year high in February, rising 7.9% year-over-year (less food and energy: +6.4%). Energy rose nearly 26% YOY, food prices were up 8%, and gains were also seen in new and used vehicles, shelter, and restaurants/hotels. Meanwhile, the labor market remains strong, with unemployment falling to 3.6%, which is only feeding the beast as higher wages become more sticky.

While we are all experiencing "pain at the pump", (the average U.S. regular retail gasoline price for the first three weeks of March 2022 was \$4.22/gal.) the U.S. is in a much different place than it was back in the 70's and even as recently as 2008. Thanks to the explosion of shale oil production, the U.S. is no longer a net importer of oil. While higher oil prices make the consumer feel poorer in the short run, the domestic energy producer is richer, and that money keeps circulating in the economy helping to offset some of the gasoline grief. The consumer is also in a much better economic situation now due to the reopening of various parts of the service sector, higher savings relative to history, lower debt levels, and higher accumulated net worth from stock market and housing gains (Case-Shiller Home Index rose 19.2% YOY in January), giving them confidence that they should be able to weather the storm.

Uncertainty creates volatility, and markets have reacted, with some indices entering correction territory. A rebalance between high flying growth stocks and stalwart blue chips has been in motion and continues to play out as interest rates rise, sending bond prices in the opposite direction. While a combination of monetary and fiscal tightening could eventually lead us into a recession, we do not foresee a dead-cat bounce. We do believe exposure to hard assets and non-traditional income generating investments will serve as good diversifiers in this environment.

Closing Thoughts

Although the start to this year has been less than ideal, the silver lining is that the Tiger is also known to be “exorcising”, with the ability to drive out evil from a person or place. While Ukraine’s coat of arms hosts a lion instead of a tiger, let’s hope this cat has what it takes to reclaim the jungle. Another bright spot resulting from this conflict is that just as the globe seemed to be pulling apart, a uniting front is pulling us back together as countries around the world collectively impose sanctions on Russia and denounce its actions. The bad news is that even if the war ends tomorrow, sanctions will stay in place for some time, potentially extending supply chain issues, further aggravating inflation and slowing growth. At least there is some comfort in knowing that we are all in this together! It is in times like these that we emphasize that slow and steady (and honorable) wins the race, and sticking to a disciplined investment process and well-defined long-term asset allocation policy is key to navigating volatile markets and personalities.

Regards,



John P. Ulrich, CFP®
President



Whitney E. Solcher, CFA®
Chief Investment Officer



Equity Markets

The S&P 500 Index fell 4.6% in 1Q, but was down more than 12% early in March before staging a rally into quarter-end. Value stocks sharply outpaced growth across capitalizations, with the spread exceeding 10% in both mid and small caps and just over 8% in large caps. Not surprisingly, Energy (+39%) was the best-performing sector given a 33% spike in WTI crude oil prices. The Utilities sector (+5%), which typically does well in a rising rate environment, also posted a positive result. Communication Services (-12%), Consumer Discretionary (-9%), and Information Technology (-8%) were the worst-performing sectors.

Global ex-U.S. equity (MSCI ACWI ex US: -5.4%) saw mixed performance from its constituents around the globe. Canada (+5%), Australia (+7%), and Norway (+10%) were helped by soaring commodity prices while Japan (-7%) and Europe ex-U.K. (-10%) posted declines. As in the U.S., value outperformed growth by a wide margin (EAFE Value: +0.3%; EAFE Growth: -11.9%). Emerging markets (MSCI EM: -7.0%) also posted mixed results, with Latin America (+27%) faring well on the back of rising oil prices and Emerging Europe (-71%) plunging, reflecting Russia's -100% return before it was removed from the Index. As elsewhere, value outperformed growth (EM Value: -3.4%; EM Growth: -10.3%).

Fixed Income

The Bloomberg US Aggregate Bond Index sank 5.9% in 1Q, the third-worst quarter since the index's inception in 1976 (the other two being in 1980). Rates rose sharply on worries over inflation and expectations for Fed rate hikes. The 10-year U.S. Treasury closed the quarter at 2.32%, up from 1.52% at year-end, and reached 2.48% just a week before the quarter closed. Notably, the yield flattened meaningfully and as of quarter-end the relationship between the 5-year yield (2.42%) and the 10-year yield (2.32%) was inverted. Yield curve inversions have historically been a reasonably good predictor of a coming recession, and this recent inversion has thus garnered much attention. Spread sectors broadly underperformed U.S. Treasuries, but the bulk of the negative return was attributable to rising rates. Ten-year breakeven spreads, a measure of expected inflation, widened to 2.84% as of quarter-end, up from 2.56% as of year-end. High yield corporates (Bloomberg High Yield: -4.8%) fared a bit better given less sensitivity to interest rates and a relatively high energy sector weighting. Rates were also up overseas while the dollar strengthened vs. most developed market currencies; the Bloomberg Global Aggregate ex-US Bond Index fell 6.1% unhedged and 4.1% hedged. Emerging market debt was not immune to rising rates in the U.S.; the JPM EMBI Global Diversified Index fell 10.0% over the quarter. Local debt indices performed better but with a high degree of dispersion across constituents (JPM GBI-EM Global Diversified: -6.5%). Russia was removed from all emerging market debt indices at a price of \$0 (-100% return).

Real Assets

Commodities were a rare bright spot given their inflation-protection properties as well as war-induced supply concerns. The Bloomberg Commodity TR Index soared 25.5% and the energy-heavy S&P GSCI climbed 33.1%. Gold (S&P Gold Spot Price Index: +6.9%) and listed infrastructure (DJB Global Infrastructure: +3.2%) outperformed global stocks and bonds. TIPS (Bloomberg TIPS: -3.0%) fell but outpaced nominal U.S. Treasuries.



Returns for Various Periods - March 31, 2022

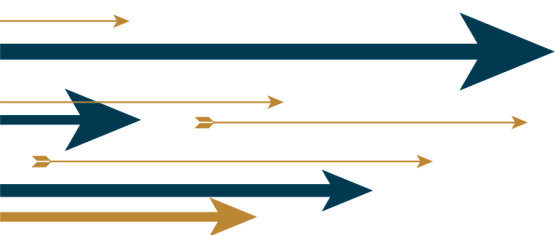
	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
MSCI:ACWI	(5.36)	(5.36)	7.28	13.75	11.64	10.00	6.49
Russell:3000 Index	(5.28)	(5.28)	11.92	18.24	15.40	14.28	10.10
Russell:3000 Growth Index	(9.25)	(9.25)	12.86	22.68	20.16	16.64	12.63
Russell:3000 Value Index	(0.85)	(0.85)	11.10	12.99	10.16	11.61	7.33
MegaCap							
Russell:Top 50	(4.87)	(4.87)	19.67	22.49	18.45	15.44	10.79
Russell:Top 200	(4.94)	(4.94)	15.66	20.14	17.04	15.16	10.56
Russell:Top 200 Growth	(8.29)	(8.29)	18.83	25.76	22.34	18.04	13.70
Russell:Top 200 Value	(0.14)	(0.14)	11.77	12.63	10.40	11.55	6.97
Large Cap							
S&P:500	(4.60)	(4.60)	15.65	18.92	15.99	14.64	10.26
Russell:1000 Index	(5.13)	(5.13)	13.27	18.71	15.82	14.53	10.26
Russell:1000 Growth	(9.04)	(9.04)	14.98	23.60	20.88	17.04	12.92
Russell:1000 Value	(0.74)	(0.74)	11.67	13.02	10.29	11.70	7.36
MidCap							
S&P:400 Mid Cap	(4.88)	(4.88)	4.59	14.14	11.10	12.20	9.67
Russell:Midcap Index	(5.68)	(5.68)	6.92	14.89	12.62	12.85	9.48
Russell:Midcap Growth	(12.58)	(12.58)	(0.89)	14.81	15.10	13.52	10.41
Russell:Midcap Value	(1.82)	(1.82)	11.45	13.69	9.99	12.01	8.31
Small Cap							
S&P:600 Small Cap	(5.62)	(5.62)	1.23	13.58	10.89	12.56	9.50
Russell:2000 Index	(7.53)	(7.53)	(5.79)	11.74	9.74	11.04	7.99
Russell:2000 Growth	(12.63)	(12.63)	(14.33)	9.88	10.33	11.21	8.81
Russell:2000 Value	(2.40)	(2.40)	3.32	12.73	8.57	10.54	6.91
Russell:Microcap	(7.60)	(7.60)	(10.99)	13.03	9.86	11.14	6.88
Non-US Equity							
MSCI:ACWI ex US	(5.44)	(5.44)	(1.48)	7.51	6.76	5.55	3.13
MSCI:EAFE	(5.91)	(5.91)	1.16	7.78	6.72	6.27	2.91
MSCI:EAFE Growth	(11.94)	(11.94)	(1.48)	9.78	8.94	7.46	4.25
MSCI:EAFE Value	0.33	0.33	3.55	5.24	4.18	4.87	1.41
MSCI:EAFE Small Cap	(8.53)	(8.53)	(3.63)	8.51	7.42	8.30	4.47
MSCI:EM	(6.97)	(6.97)	(11.37)	4.94	5.98	3.36	3.79
Fixed Income							
Blmbg:Aggregate	(5.93)	(5.93)	(4.15)	1.69	2.14	2.24	3.56
Blmbg:TIPS	(3.02)	(3.02)	4.29	6.22	4.43	2.69	4.30
Blmbg:Long Gov/Credit	(10.95)	(10.95)	(3.11)	4.23	4.60	4.72	6.14
Blmbg:Long Credit A	(11.09)	(11.09)	(4.43)	3.96	4.31	4.88	5.73
Blmbg:HY Corp Cash Pay	(4.84)	(4.84)	(0.63)	4.60	4.70	5.75	6.54
Blmbg:Muni 1-10 Yr	(4.76)	(4.76)	(4.00)	1.03	1.77	2.00	3.09
Blmbg:Glb Agg xUSD	(6.15)	(6.15)	(7.89)	(0.19)	1.27	0.06	2.14
Blmbg:Glb Agg xUSD Hdq	(4.05)	(4.05)	(3.56)	0.91	2.25	3.20	3.63
JPM:EMBI Plus	(16.20)	(16.20)	(13.76)	(3.15)	(0.96)	2.00	4.11
Other Assets							
Blmbg:Commodity TR Idx	25.55	25.55	49.25	16.12	9.00	(0.70)	(1.40)
S&P GSCI	33.13	33.13	64.55	13.40	9.98	(3.31)	(3.10)
S&P:Gold Spot Price Ix	6.86	6.86	13.90	14.59	9.33	1.57	7.41
FTSE:NAREIT Equity Index	(3.86)	(3.86)	26.49	11.12	9.63	9.81	6.42
Alerian:MLP Index	18.81	18.81	36.56	2.70	(0.07)	1.28	4.69

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CAPITAL MARKETS REVIEW & OUTLOOK

First Quarter 2022



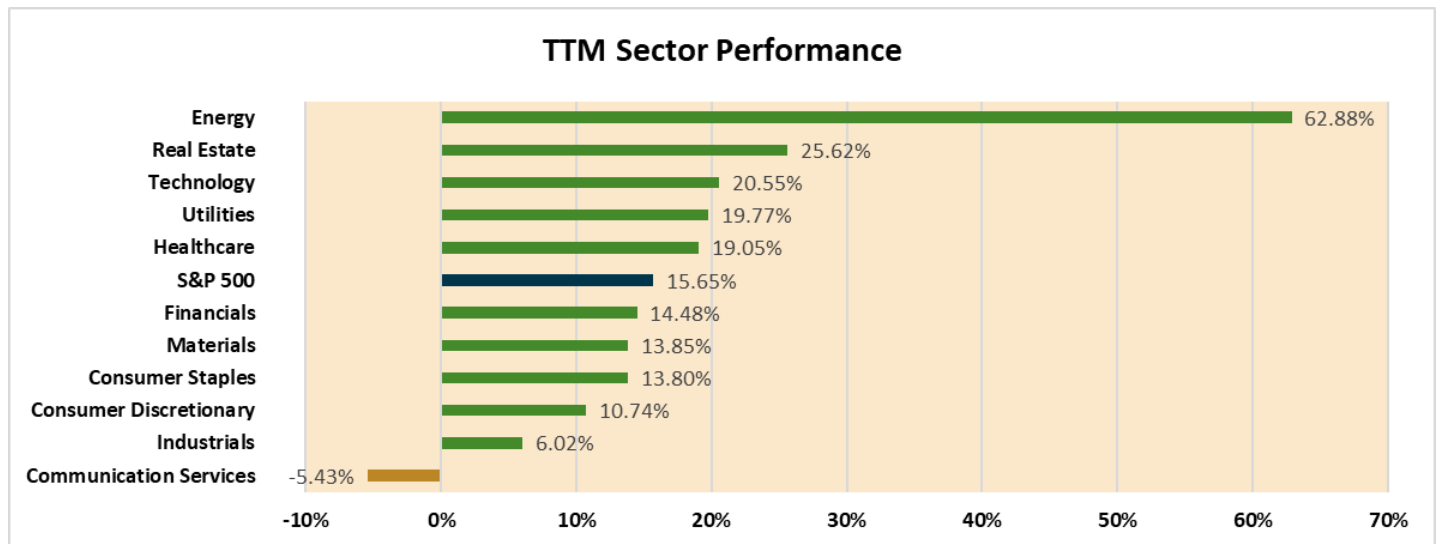
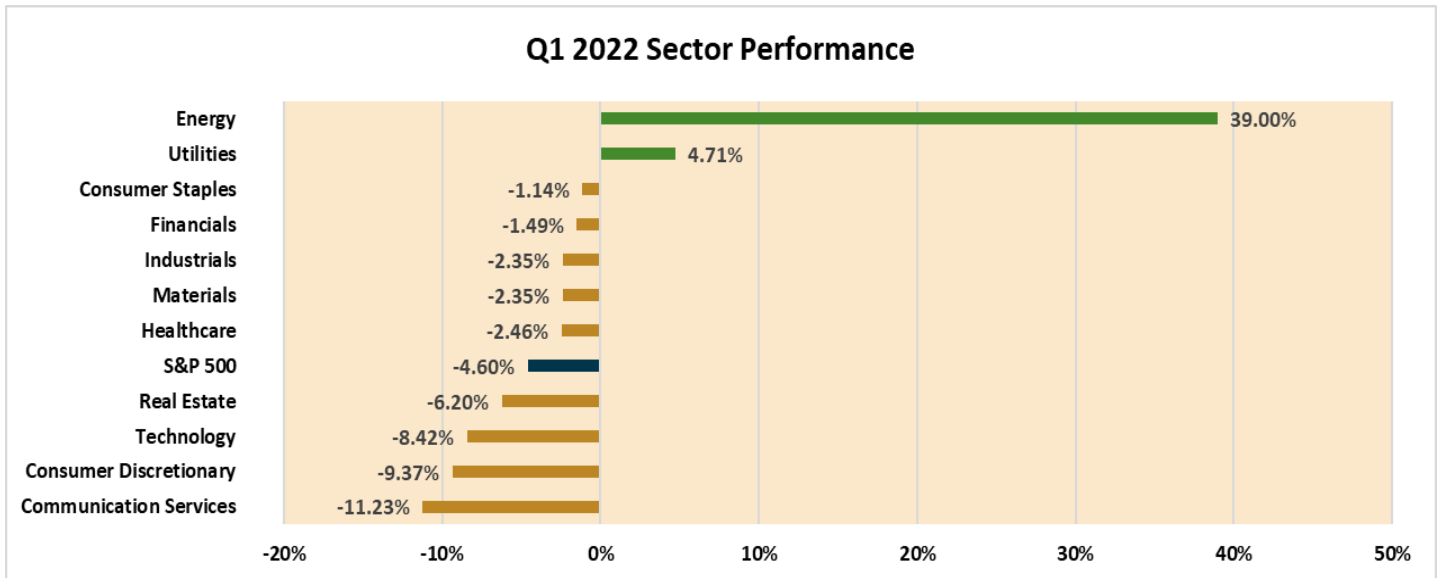
► MAJOR MARKET INDICES (AS OF 3/31/2022)

Domestic Equity	2022		1 Year	Annualized		P/E Ratio TTM
	Q1	YTD		5 Year	10 Year	
S&P 500	-4.6%	-4.6%	15.6%	16.0%	14.6%	21.92
Russell 3000	-5.3%	-5.3%	11.9%	15.4%	14.3%	21.01
Russell 1000 Value	-0.7%	-0.7%	11.7%	10.3%	11.7%	16.61
Russell 1000 Growth	-9.0%	-9.0%	15.0%	20.9%	17.0%	29.82
Russell 1000	-5.1%	-5.1%	13.3%	15.8%	14.5%	21.43
Russell 2000	-7.5%	-7.5%	-5.8%	9.7%	11.0%	14.83
Russell 2500	-5.8%	-5.8%	0.3%	11.6%	12.1%	15.92
International Equity	2022		1 Year	Annualized		P/E Ratio TTM
	Q1	YTD		5 Year	10 Year	
MSCI ACWI Ex US	-5.3%	-5.3%	-1.0%	7.3%	6.0%	13.81
MSCI EAFE	-5.8%	-5.8%	1.6%	7.2%	6.8%	14.30
Emerging Markets	-6.9%	-6.9%	-11.1%	6.4%	3.7%	12.40
Fixed Income	2022		1 Year	Annualized		Yield
	Q1	YTD		5 Year	10 Year	
Barclays Aggregate	-5.9%	-5.9%	-4.2%	2.1%	2.2%	2.9%
Barclays Universal	-6.1%	-6.1%	-4.2%	2.3%	2.6%	3.3%
Other	2022		1 Year	Annualized		Value
	Q1	YTD		5 Year	10 Year	
S&P/LSTA Leveraged Loan	-0.1%	-0.1%	3.3%	4.0%	4.3%	-
FTSE Nareit Equity REITs	-3.86%	-3.9%	26.5%	9.6%	9.8%	-
US Dollar	2.4%	2.4%	5.4%	-0.4%	2.2%	\$98.31
WTI	31.1%	31.1%	69.8%	14.6%	-0.6%	\$100.28
Gold	6.7%	6.7%	11.2%	9.0%	1.4%	\$1,937

- The broad markets entered correction territory during the 1st quarter with the S&P falling 13% and the Nasdaq down 20%, only to rebound from some of those losses by quarter end.
- Large cap outperformed small cap, value outperformed growth by nearly 8%, and domestic stocks slightly outperformed international.
- Bonds have been negatively impacted by rising rates and the yield curve inverted with the 2-year surpassing the 10-year yield, signaling an impending recession.
- Energy prices continued to rally as the Ukrainian/Russian conflict continued.

Source: Koyfin, Morningstar, Callan

SECTOR PERFORMANCE



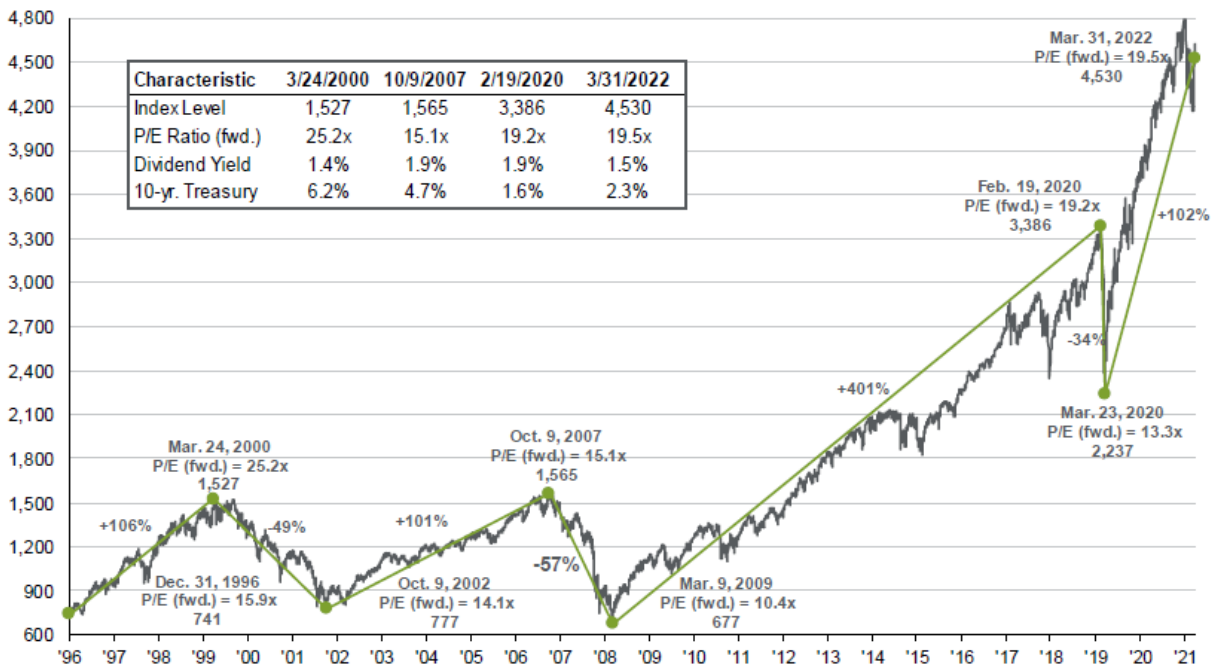
- Energy and Utilities were the only winners for the start of 2022, as growth stocks struggled with rising rates.
- Industrials and more cyclical stocks benefitted from the sector rotation.
- Over the trailing 12 months, communication services is the only sector in negative territory, with many defensive names (Utilities, Healthcare, Financials and Materials) performing middle of the pack.

Source: Morningstar and Yahoo! Finance

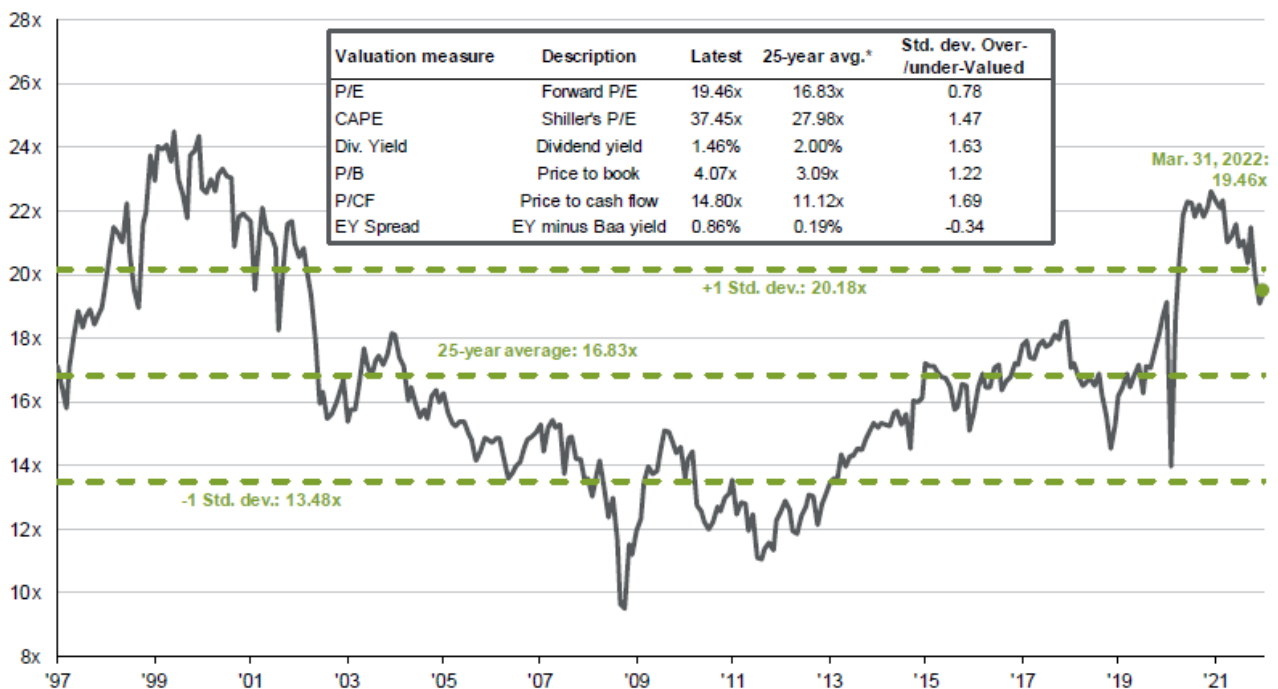
MARKET VALUATIONS

- Market valuations, while still elevated above their long-term averages, have reversed from their year-end highs. Meanwhile earnings expectations are on the rise, compressing multiples.

S&P 500 Price Index



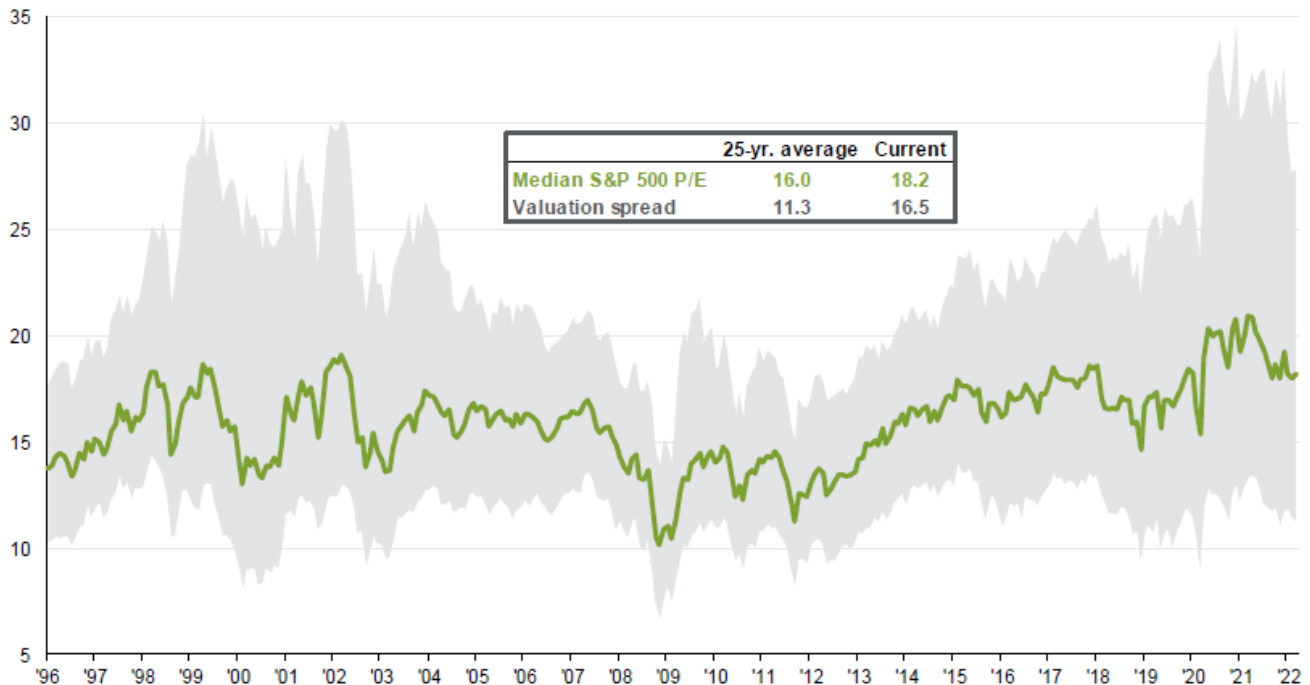
S&P 500 Index: Forward P/E ratio



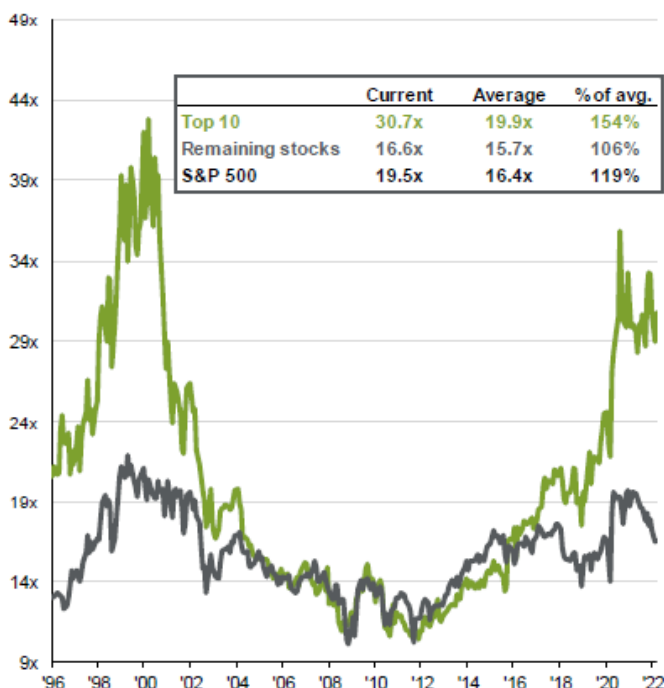
Source: JP Morgan

► VALUATION DISPERSION

Valuation dispersion between the 20th and 80th percentile of S&P 500 stocks



P/E ratio of the top 10 and remaining stocks in the S&P 500
Next 12 months



- Despite the recent pull back in growth stocks, valuation dispersions remains quite high, therefore quality companies can still be found at attractive prices making the argument for active management and good stock selection.
- The top 10 stocks by market capitalization comprise 30.7% of the S&P 500 (yet only 23.8% of earnings contribution), dominating the index and skewing valuations higher.

Source: JP Morgan

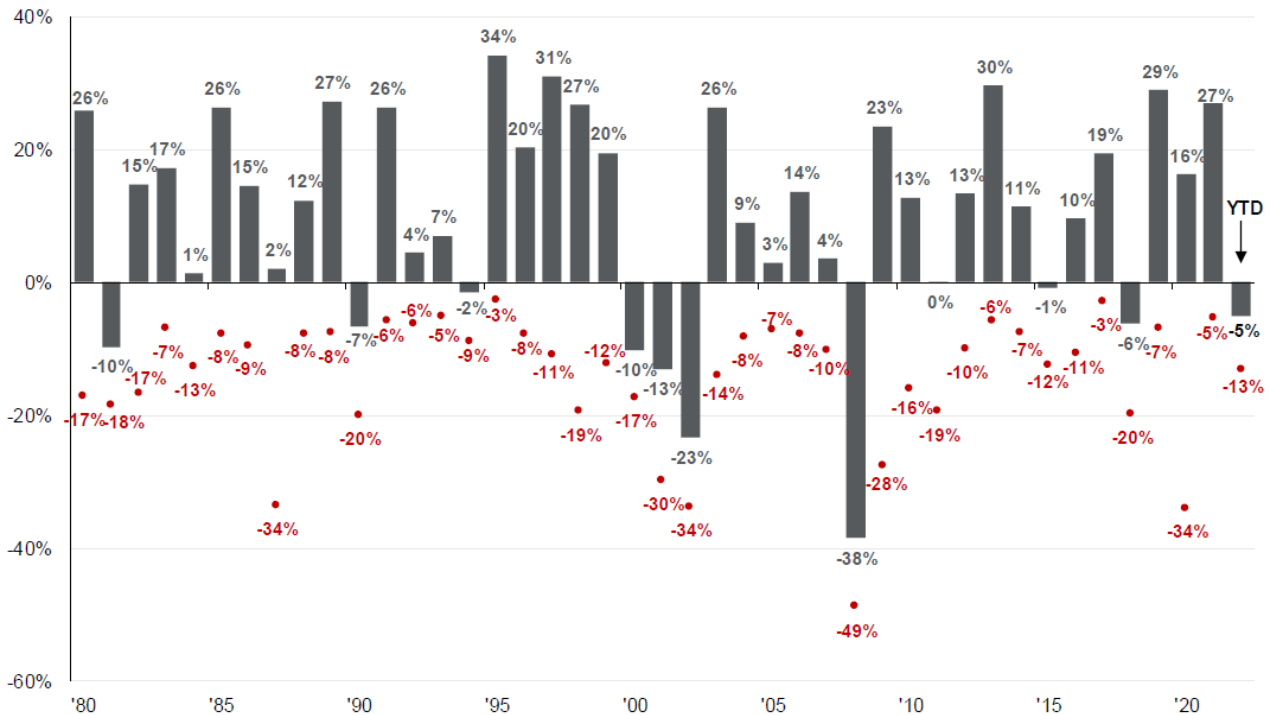
VOLATILITY



- Volatility spiked again on the news of Russia invading Ukraine.
- 2021 was an unusually smooth ride so the return to more normalized volatility should come as no surprise, especially as the Fed begins to cut back on stimulus and raise rates.

S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.0%, annual returns were positive in 32 of 42 years

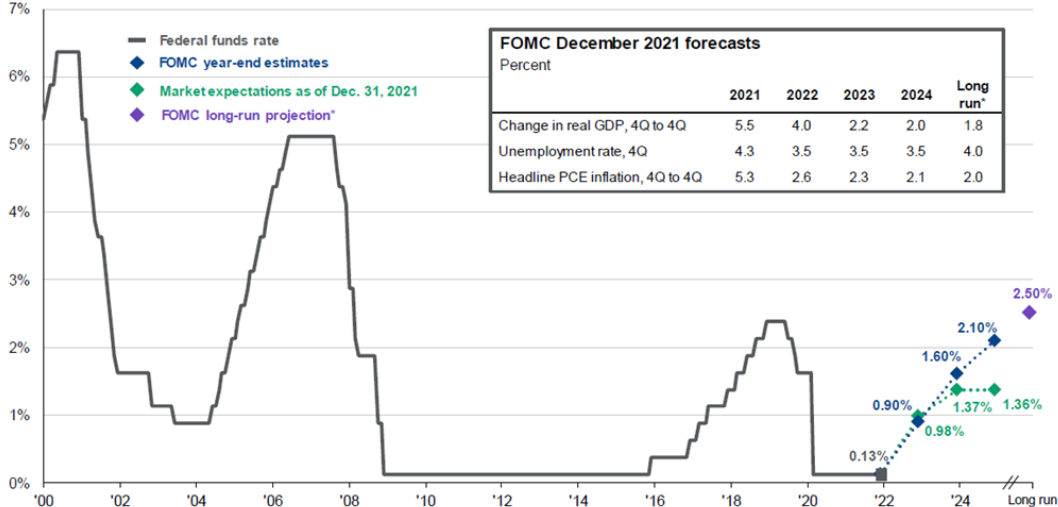


Source: JP Morgan

INTEREST RATES AND THE FED

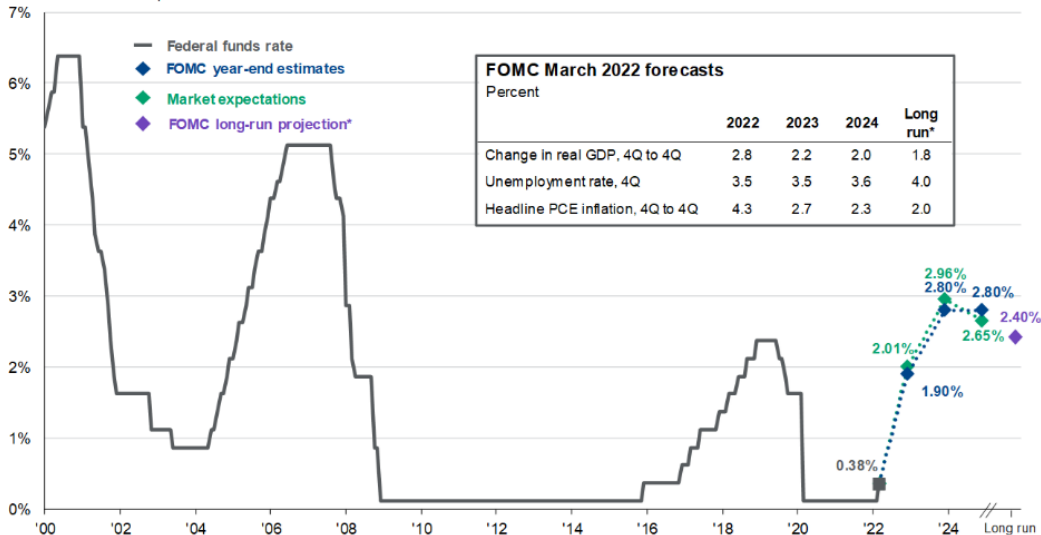
Federal funds rate expectations

FOMC and market expectations for the federal funds rate



Federal funds rate expectations

FOMC and market expectations for the federal funds rate



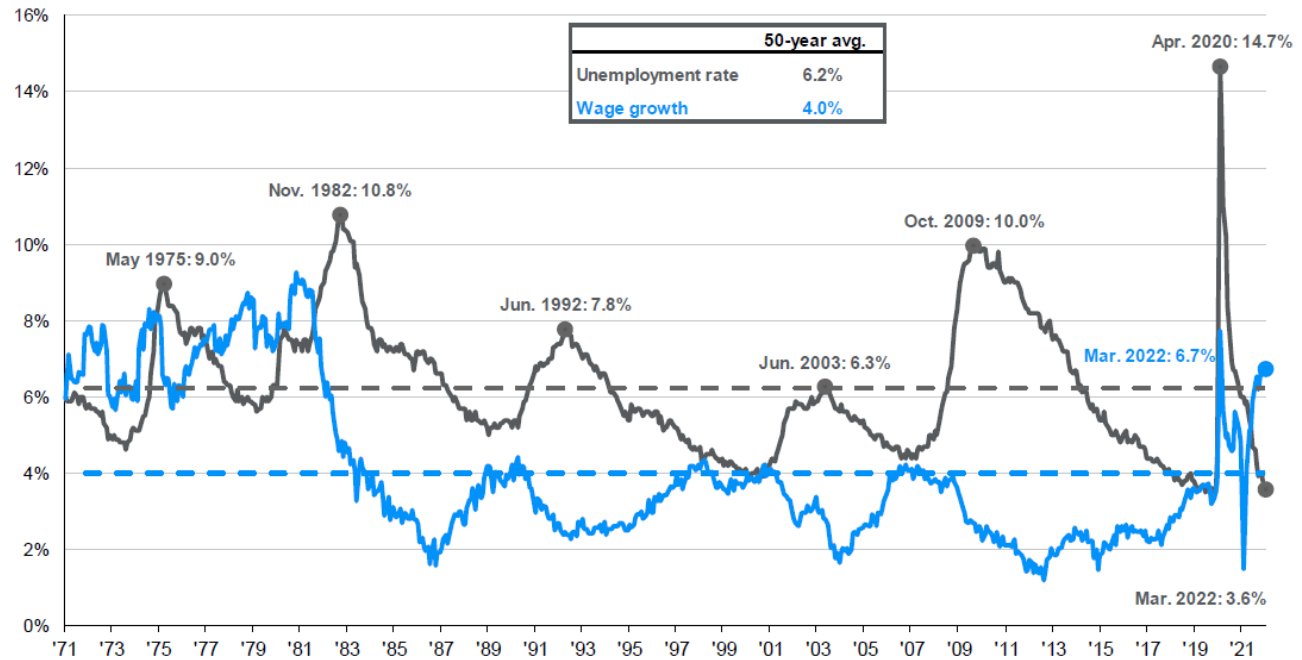
- One of the reasons for recent market volatility has been the mismatch in market expectations for the direction of rates vs. the Federal Reserve.
- The “market” finally believes that the Fed is hawkish, and has fallen in-line with future projections.
- Still, it is going to be difficult to keep the unemployment rate from going below 3.5% and will also be challenging to get inflation to come down to 2.7% in 2023 or 2.3% in 2024.
- If unemployment continues to drop and inflation remains stronger, the market will start building in further bets and further fed tightening next year. This tightening could lead to recession as already projected by the 10 and 2-year inversion.

Source: JP Morgan

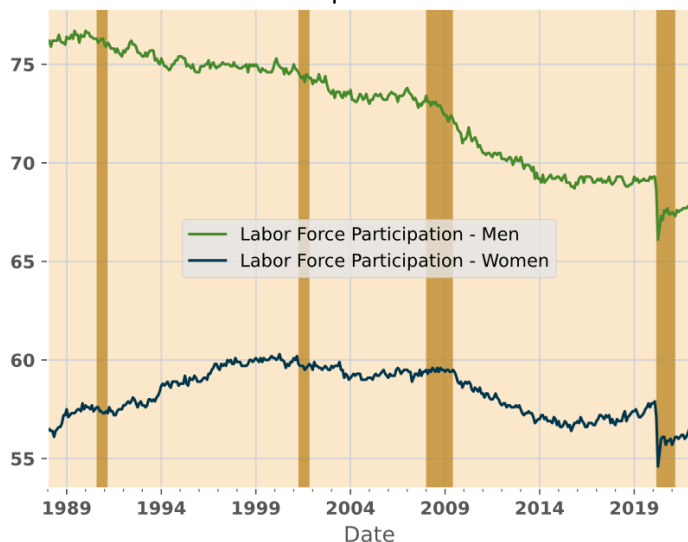
JOB DEMAND STILL STRONG

Civilian unemployment rate and year-over-year wage growth

Private production and non-supervisory workers, seasonally adjusted, percent



Labor Force Participation: Men and Women



- The labor market continues to remain tight, with 6 million people unemployed and leaving a demand gap of 5.3 million additional jobs to be filled.
- People are also quitting their jobs at elevated rates, while layoffs are well below normal levels.
- The combination of these factors has pushed wages higher, reaching 6.7% growth in March, year over year.
- Labor force participation remains below pre-Covid levels and the job participant pool continues to shrink due to aging demographics and slowing immigration.
- Women continue make up a larger percentage of those not working, as a significant shortage in day care still exists for working mothers.

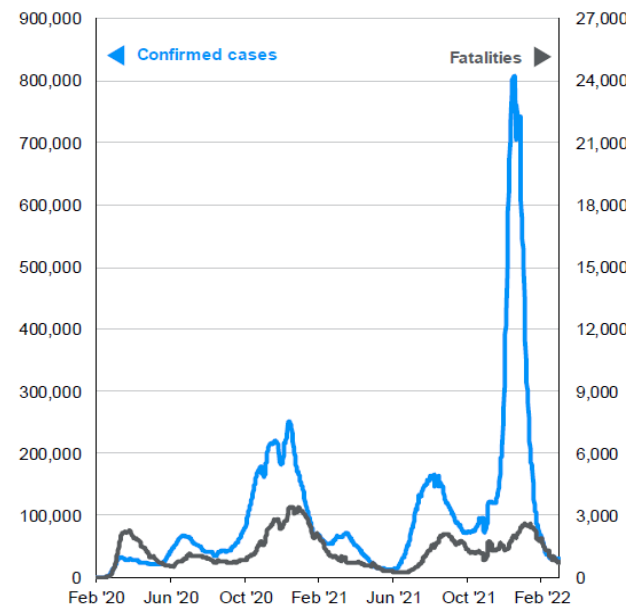
Source: JP Morgan, Federal Reserve Economic Data

COVID AND GDP

- The pandemic is winding down and the economy is returning to normal.
 - 95% of Americans have some sort of immunity
 - New Pfizer drug reduces fatality rate by 99% in high-risk groups
- Since pre-COVID, restaurant bookings are only down 3%, hotels down 6%, TSA down 11% (travelers down 8% on weekend, and 12% during the week) highlighting that consumers are coming back more than business travelers, which may be a permanent change.

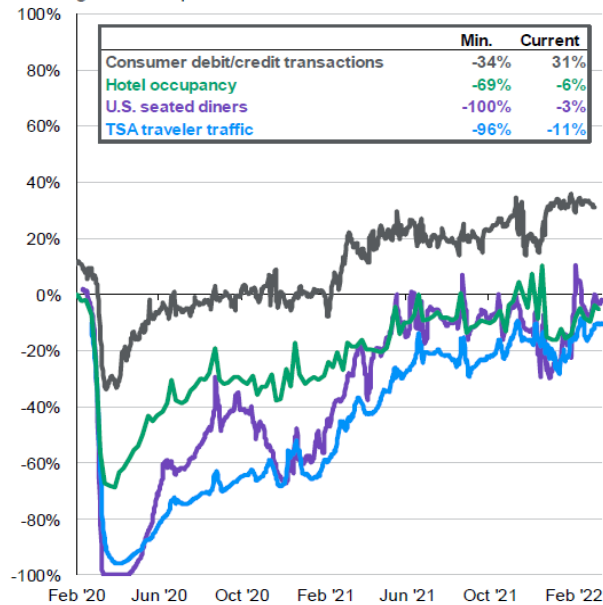
Change in confirmed cases and fatalities in the U.S.

7-day moving average



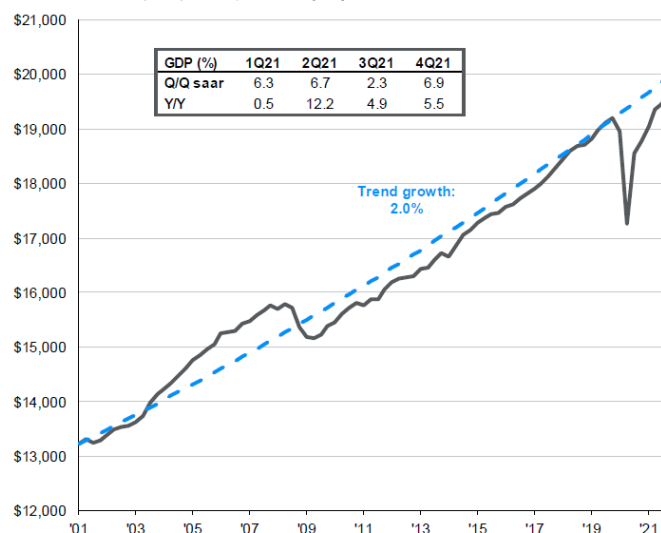
High-frequency data

% change from comparable week in 2019



Real GDP

Billions of chained (2012) dollars, seasonally adjusted at annual rates



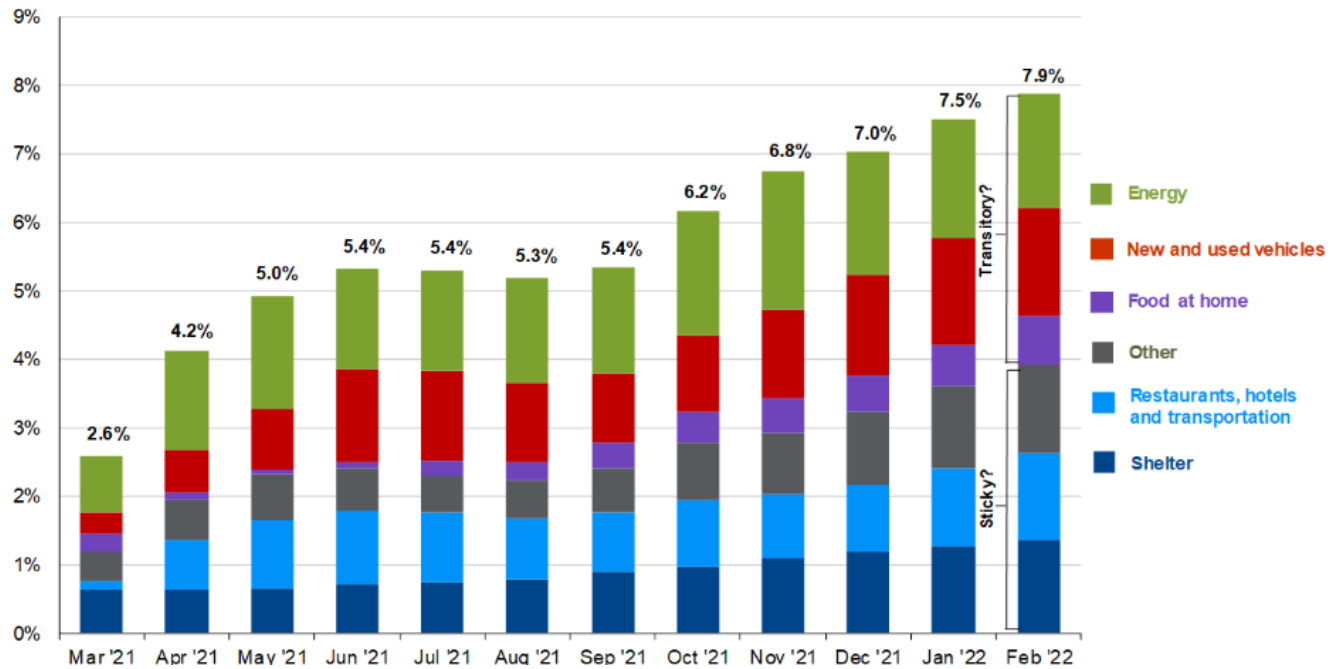
- Omicron hurt 1st quarter GDP, but 2nd and 3rd quarter data should be strong and recover all the output lost since the virus sent us into recession.
- Output per worker has increased 2.7% since COVID, which is twice as fast as the previous 20 years before the recession. This phenomenon appears to be sticking, but the growth rate can not continue at this rate.
- We've adopted more efficient processes and companies are able to cut costs.
- Economics is Darwinian, we commute less, use less office space and shop online more. Productivity will stay with us, but growth will not.

Source: JP Morgan

INFLATION TRANSITORY VS. STICKY

Contributors to headline inflation

Contribution to y/y % change in CPI, non seasonally adjusted



Change in production and consumption of liquid fuels

Production, consumption and inventories, millions of barrels per day

Production	2019	2020	2021	2022*	2023*	Growth since '19
U.S.	19.5	18.6	18.9	20.4	21.6	10.8%
OPEC	34.7	30.8	31.7	34.4	34.7	-0.1%
Russia	11.5	10.5	10.8	10.8	10.8	-5.8%
Global	100.3	93.9	95.6	101.0	103.0	2.6%

Consumption

U.S.	20.5	18.2	19.8	20.7	20.8	1.5%
China	14.0	14.4	15.3	15.7	16.2	15.8%
Global	100.7	92.0	97.5	100.6	102.6	1.9%

Inventory Change

	-0.3	1.9	-1.9	0.4	0.4
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U.S. crude oil inventories and rig count**

Million barrels, number of active rigs

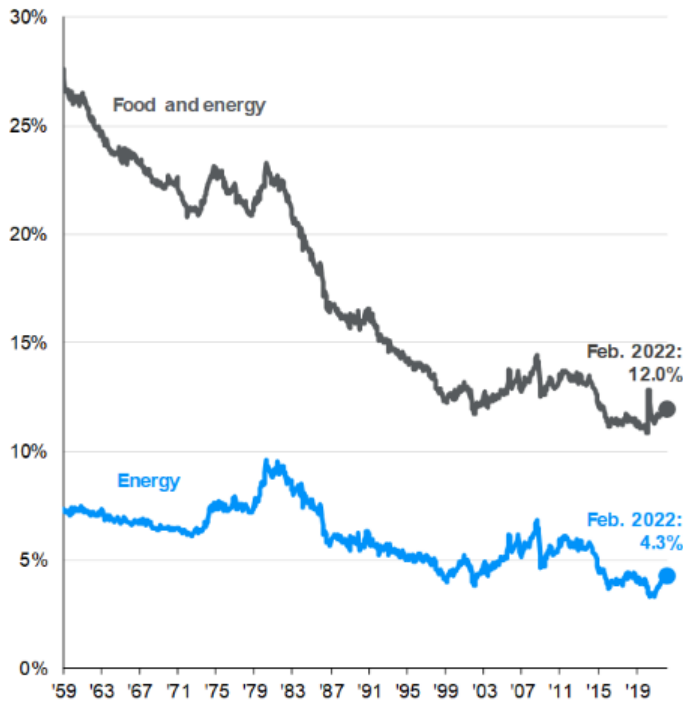


- Energy is a large component of inflation, though resolution of the Ukraine/Russia conflict and redirection of suppliers and increased production, should eventually make this transitory.
- Autos should be transitory as we will eventually catch up on manufacturing computer chips.
- Food should benefit from government subsidies to help ease costs.
- Restaurant/Hotel/Transportation - have been affected by lack of staff and higher wages, making this category more sticky.
- Shelter - affected by homes prices, up 20% year over year, and lack of supply suggests rents will continue to go up and prices will be sticky.

Source: JP Morgan

COMMODITY CONSUMPTION AND PRODUCTION

Consumer spending on energy and food
% share of energy goods and services and food in PCE



Net imports of oil as a share of GDP
Nominal, SAAR



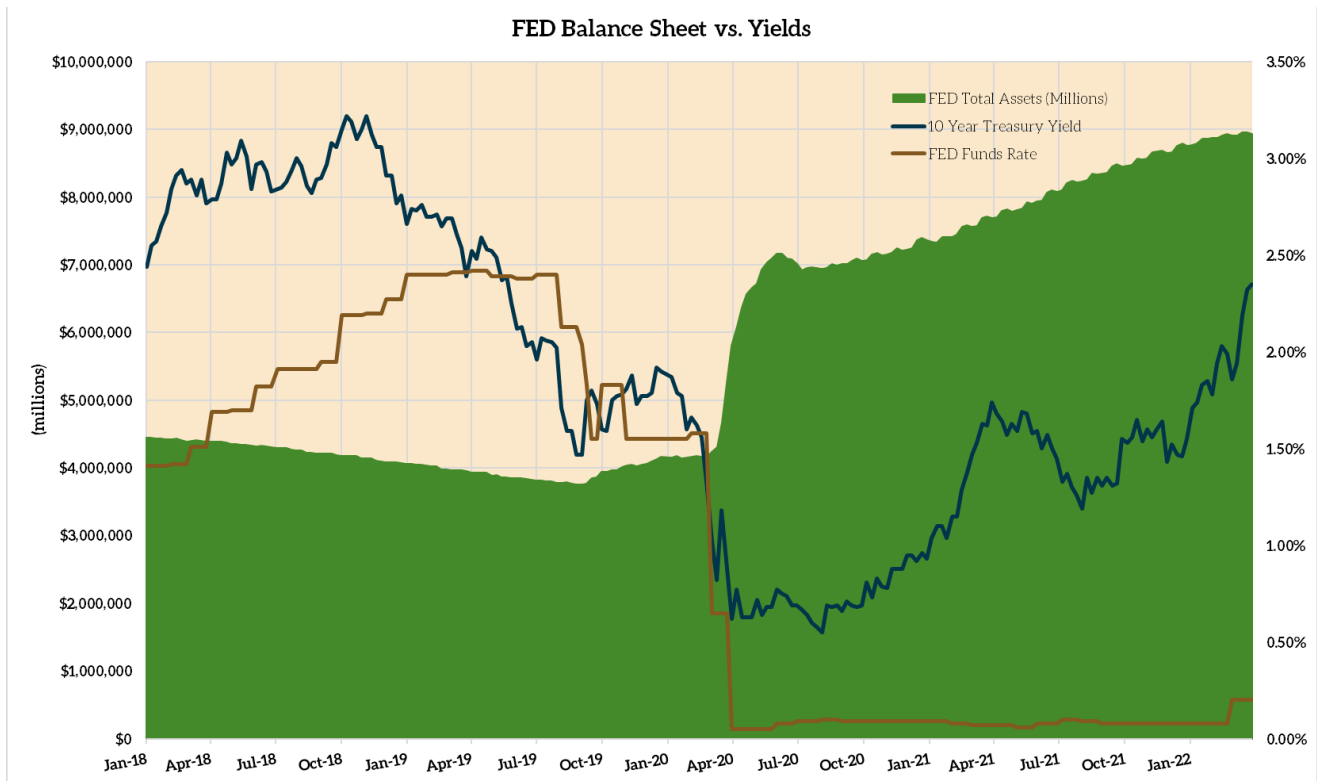
Price of Oil



- The US is in a much different place than it was in the 70's, and even as recently as 2008.
- As a % of consumer spending, both food and energy have been on a downhill trajectory, and net imports of oil as a share of GDP have fallen due to the explosion in shale oil production.
- It used to be that when energy prices went up, the consumer was poorer and the Saudis were richer. Today, we are no longer a net importer of energy or oil. This means that when oil prices shoot up, the American consumer is poorer, the energy producer is richer and the money keeps circulating in the economy, offsetting the pain to the consumer.
- Given the reopening of the various parts of the service sector and the accumulated savings of many households during the pandemic, the U.S. economy has the ability to weather this increase in price.

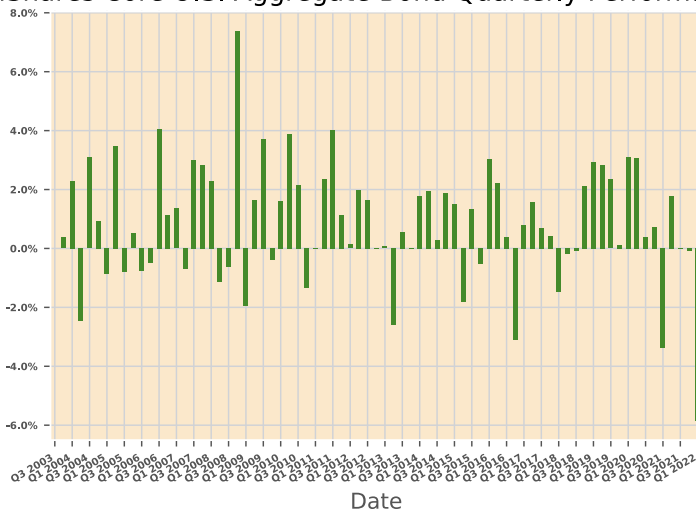
Source: JP Morgan, Federal Reserve Economic Data

FED MOVES



- The Fed raised rates by 25 basis points and signaled a more hawkish tone, however, bond purchases have continued, which may serve to stabilize markets while the Ukrainian/Russian conflict continues.
- Further fiscal stimulus will be hard to pass prior to the mid-term elections.

iShares Core U.S. Aggregate Bond Quarterly Performance

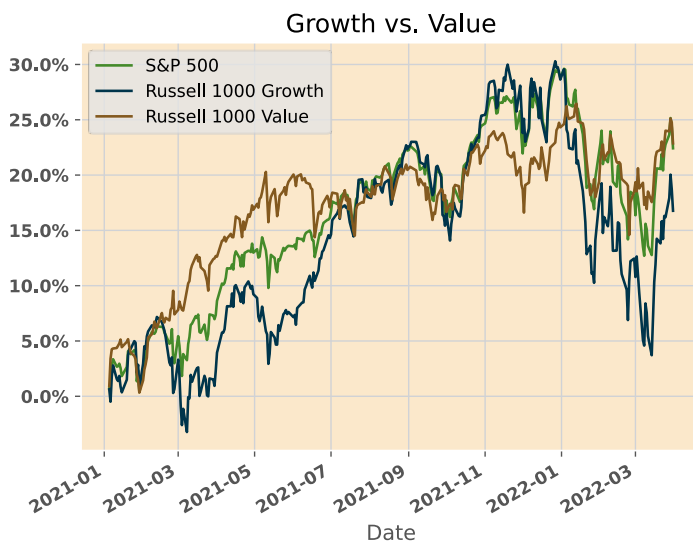


- Higher interest rates negatively affect bond prices as well, which have experienced a sharp decline year to date.
- With equities and bonds both negative for the year, a traditional 60/40 allocation strategy is challenged in this environment.
- Given the health of the consumer, asset-backed, floating rate and non-traditional fixed income appear more attractive than traditional bonds.

Source: Federal Reserve Economic Data

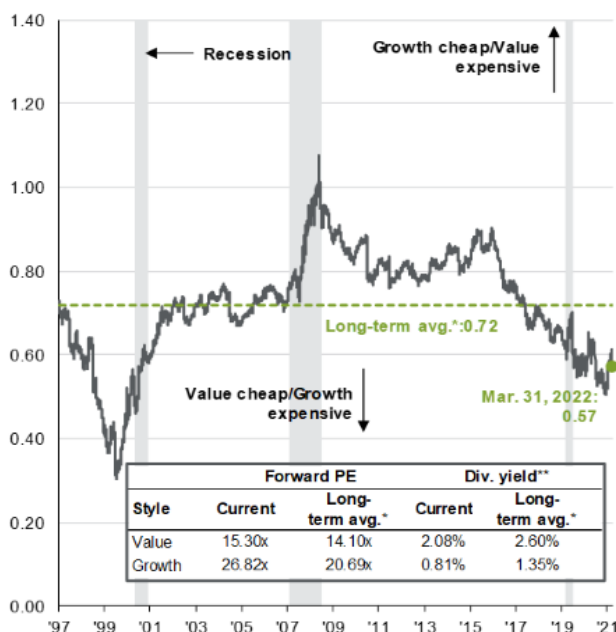
GROWTH VS. VALUE

- As interest rates continue to rise, we've seen a reversal in Growth stocks vs. Value stocks, which began when the vaccine was first announced.
- Growth has led the way for a better part of a decade, but higher interest rates discount future earnings growth, putting downward pressure on growth stock valuations.
- Current income from cash flowing Value oriented companies becomes more attractive as rates rise.

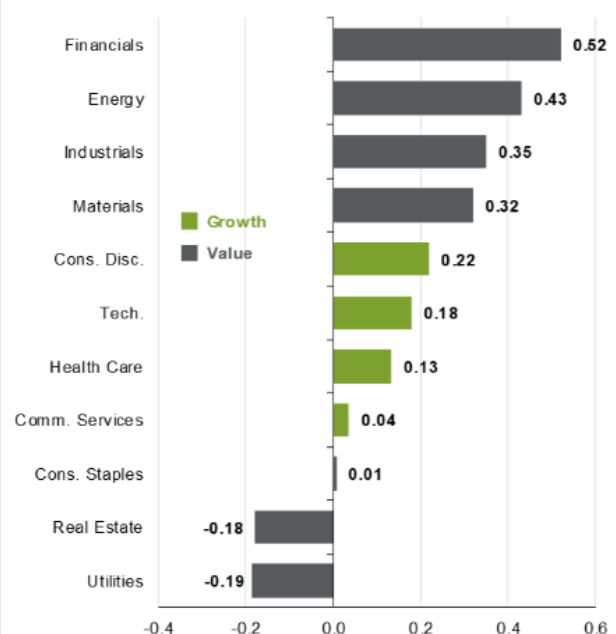


- The four sectors most correlated to the ten-year Treasury are all value sectors and should benefit from rising rates.
- In addition, value companies in general tend to have greater amounts of fixed costs, which means when revenues accelerate, their costs don't go up in the same way as a growth company.

Value vs. Growth relative valuations
Rel. fwd. P/E ratio of Value vs. Growth, 1997 - present



S&P 500 sector correlations to U.S. 10-yr. Treasury yield
10-year correlations, monthly moves in yield vs. monthly price returns

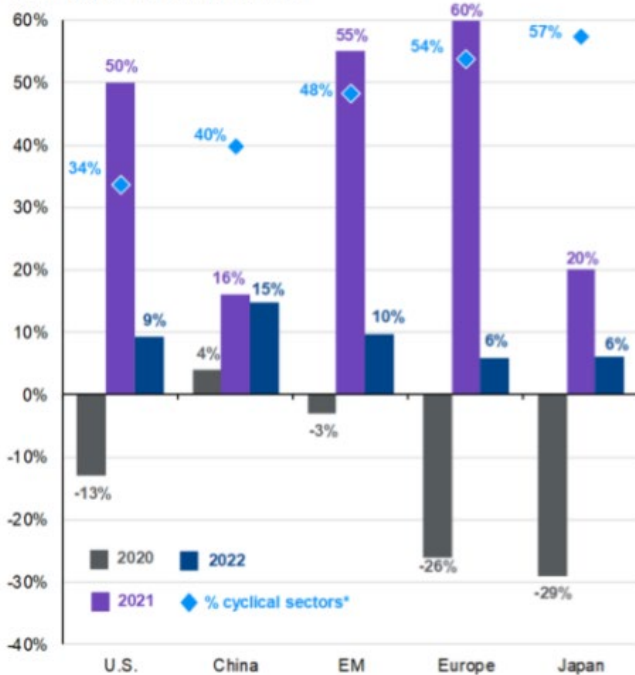


Source: JP Morgan, Federal Reserve Economic Data

INTERNATIONAL MARKETS

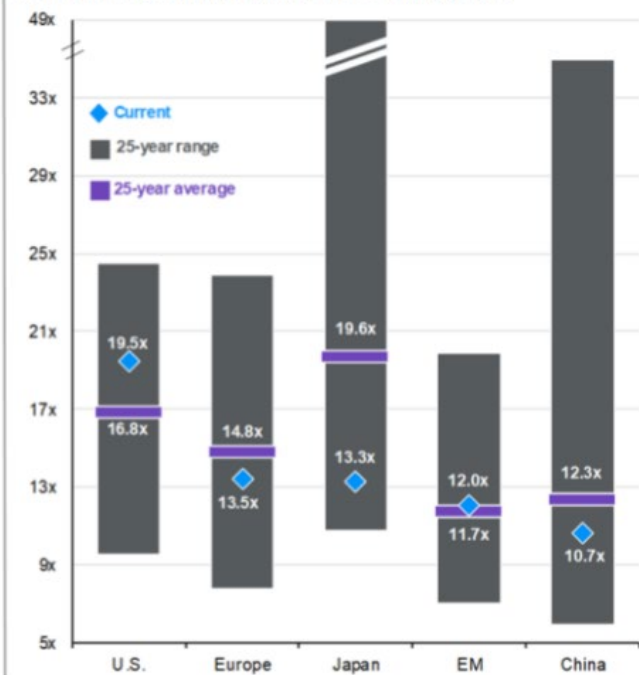
Global earnings growth

Calendar year consensus estimates



Global valuations

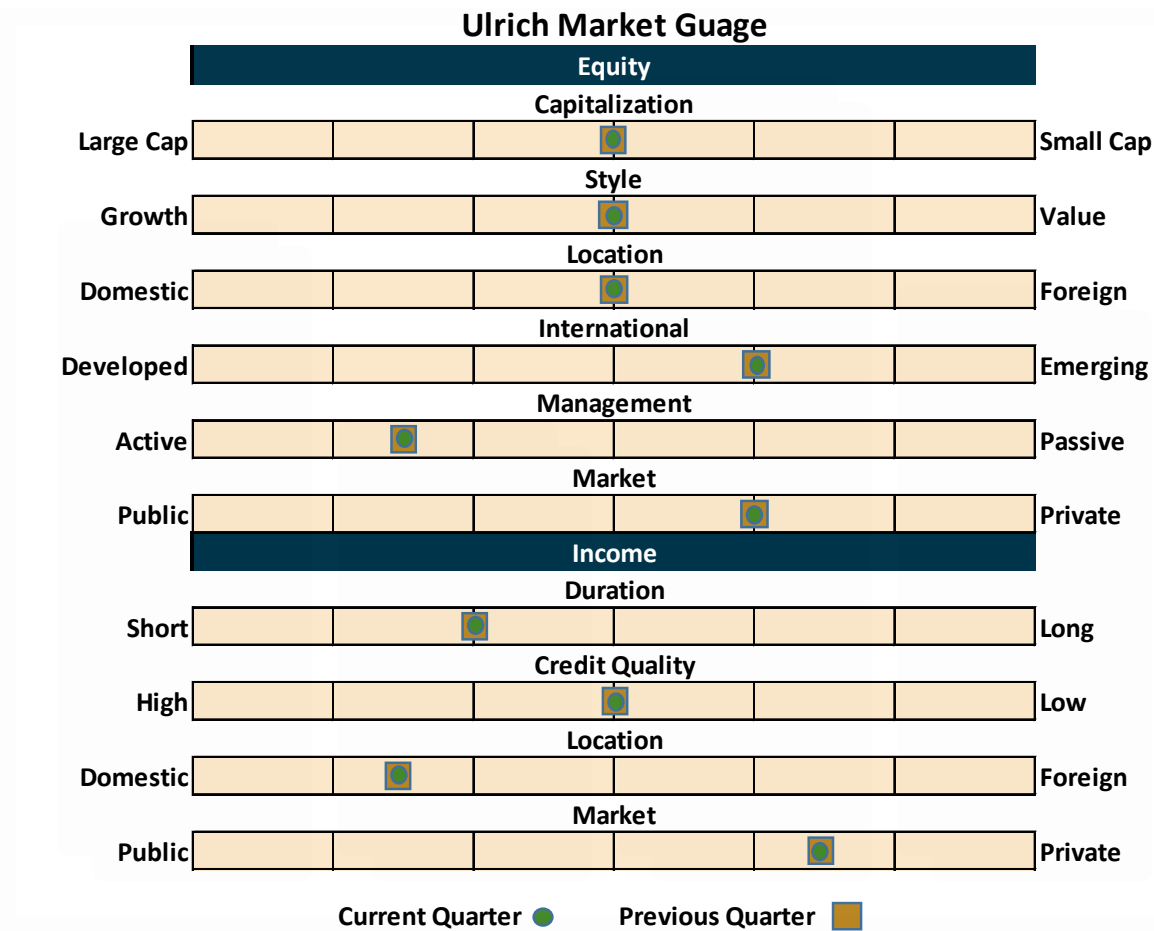
Current and 25-year next 12 months price-to-earnings ratio



- An effective way of hedging against rising rates is investing outside of the United States.
- International valuations, compared to the US, are at their largest valuation dispersion in two decades.
- In addition, international markets tend to be more exposed to cyclical and value sectors, which should perform better in a rising rate economy.
- Dividend yields also look more attractive in international markets.
- While there is still uncertainty in Europe, long-term investment looks attractive. While the US dollar has rallied this year on the Ukraine conflict and rising rates, the dollar is too high based on our negative trade balance and should weaken into 2023, creating a tailwind for international stocks.
- While rising energy and commodity prices are a negative for Europe, they are a tailwind for emerging markets like Latin America and South Africa.
- Easing policy from China should also benefit other Asian countries, as President Xi has made a reversal on some of the regulations he imposed on large technology companies, feeling pressure from rising commodity prices and falling property valuations.

Source: JP Morgan

SUMMARY AND OUTLOOK



- Given the increase in rates, value stocks look more favorable compared to growth. Correlation and return dispersion favors active managers, especially if volatility continues
- We have a long-term favorable view of the healthcare space, due to the country's aging demographics as well as the effects of long-term COVID.
- International poses risks in the near-term, however, longer-term valuations are compelling and should benefit from their more cyclical nature. Furthermore, the US should not constitute 60% of global market capitalization and we would expect this to shrink.
- We continue to diversify our income producing assets to provide a more attractive risk/return profile, including non-traditional real estate, infrastructure, transportation and direct lending.
- We believe portfolios will benefit from the addition of Alternative Investments such as private equity, credit and real estate and the opportunity set is greater than it's ever been for accessing these types of strategies in an efficient manner.