

March 31, 2022

MATRIX

PRIVATE
CAPITAL
GROUP

Economic & Market Review

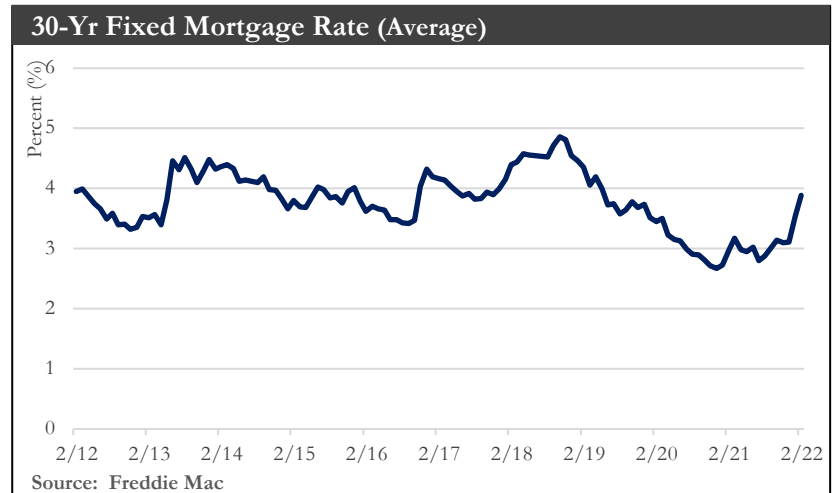
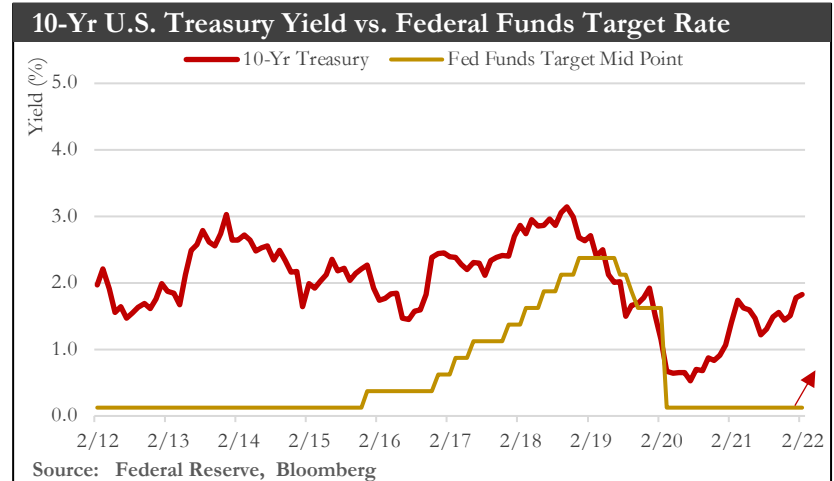
Capital Market Performance

Index Performance as of: 3/31/2022															
	1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year		1 Month	3 Month	YTD	1 Year	3 Year	5 Year	10 Year
Russell								International Equity - Broad Market							
3000 Value	2.77	-0.85	-0.85	11.11	12.99	10.16	11.61	MSCI EAFE	0.64	-5.91	-5.91	1.16	7.78	6.72	6.27
3000	3.24	-5.28	-5.28	11.93	18.24	15.40	14.28	MSCI EM	-2.26	-6.97	-6.97	-11.37	4.94	5.98	3.36
3000 Growth	3.71	-9.25	-9.25	12.87	22.67	20.16	16.64	MSCI Frontier Markets	-0.14	-7.90	-7.90	9.40	7.28	5.96	5.89
1000 Value	2.82	-0.74	-0.74	11.68	13.02	10.29	11.70	MSCI ACWI	2.17	-5.36	-5.36	7.28	13.75	11.64	10.00
1000	3.37	-5.13	-5.13	13.28	18.71	15.82	14.53	MSCI ACWI Ex USA	0.16	-5.44	-5.44	-1.49	7.51	6.76	5.55
1000 Growth	3.91	-9.04	-9.04	14.99	23.59	20.89	17.04	MSCI AC Asia Ex Japan	-2.77	-7.99	-7.99	-14.65	5.14	6.75	5.75
Mid Cap Value	3.04	-1.82	-1.82	11.46	13.68	10.00	12.01	International Equity - Country Region							
Mid Cap	2.56	-5.68	-5.68	6.93	14.89	12.62	12.85	MSCI Brazil	14.86	35.92	35.92	24.73	2.02	5.14	-1.30
Mid Cap Growth	1.61	-12.58	-12.58	-0.89	14.80	15.11	13.52	MSCI BRIC	-5.84	-13.28	-13.28	-22.98	-0.82	4.11	2.25
2000 Value	1.96	-2.40	-2.40	3.32	12.72	8.57	10.54	MSCI China	-8.00	-14.19	-14.19	-32.56	-3.01	3.52	4.55
2000	1.24	-7.53	-7.53	-5.79	11.74	9.75	11.04	MSCI Europe	-0.10	-7.37	-7.37	3.51	8.23	6.92	6.27
2000 Growth	0.46	-12.63	-12.63	-14.34	9.88	10.33	11.21	MSCI India	3.65	-1.86	-1.86	17.88	12.85	11.08	8.64
Standard & Poors								MSCI Japan	-0.50	-6.61	-6.61	-6.48	6.84	6.10	6.46
S&P 500	3.71	-4.60	-4.60	15.66	18.92	15.99	14.64	MSCI EM Latin America	13.06	27.26	27.26	23.55	3.17	4.09	-1.14
Consumer Disc	4.91	-9.03	-9.03	9.80	18.59	17.16	16.70	Fixed Income-Taxable							
Consumer Staples	1.81	-1.01	-1.01	16.11	14.00	10.16	11.52	Barclays U.S. Aggregate	-2.78	-5.93	-5.93	-4.15	1.69	2.14	2.24
Energy	8.96	39.03	39.03	64.36	11.04	6.73	4.20	Barclays US Aggregate 1-3	-1.36	-2.50	-2.50	-2.91	0.92	1.21	1.08
Financials	-0.19	-1.48	-1.48	14.70	16.75	12.36	13.86	Barclays US Aggregate 3-5	-2.46	-4.47	-4.47	-5.00	1.07	1.50	1.67
Health Care	5.56	-2.58	-2.58	19.11	16.47	15.10	15.87	Barclays US Aggregate 5-7	-2.94	-5.21	-5.21	-4.59	1.49	1.96	2.10
Industrials	3.38	-2.36	-2.36	6.15	13.18	11.27	12.71	ICE BofAML US 3M Trsy Bill	0.03	0.04	0.04	0.06	0.81	1.13	0.63
Information Technology	3.49	-8.36	-8.36	20.91	30.53	26.81	20.57	Barclays U.S. Gov't	-3.09	-5.53	-5.53	-3.69	1.40	1.76	1.67
Materials	6.11	-2.37	-2.37	13.93	19.22	13.28	11.35	Barclays U.S. Credit	-2.51	-7.42	-7.42	-4.16	2.81	3.18	3.44
Real Estate	7.79	-6.22	-6.22	25.77	13.76	12.62	11.33	Barclays High Yield Corp.	-1.15	-4.84	-4.84	-0.66	4.58	4.69	5.75
Communication Services	0.95	-11.92	-11.92	-0.93	15.50	9.58	9.93	Barclays TIPS	-1.86	-3.02	-3.02	4.29	6.21	4.43	2.69
Utilities	10.36	4.77	4.77	19.95	12.19	11.42	11.76	Barclays Global Aggregate	-3.05	-6.16	-6.16	-6.41	0.69	1.70	1.04
Other U.S. Equity								Barclays Gbl Agg Ex USD	-3.20	-6.15	-6.15	-7.90	-0.19	1.27	0.06
Dow Jones Industrial Avg.	2.49	-4.10	-4.10	7.11	12.57	13.40	12.77	JPM EMBI Global Div	-0.90	-10.02	-10.02	-7.44	0.01	1.69	3.74
NASDAQ 100	4.28	-8.91	-8.91	14.15	27.29	23.41	19.68	Fixed Income-Tax Exempt							
Alternative Investments								Barclays Municipal	-3.24	-6.23	-6.23	-4.47	1.53	2.52	2.88
Alerian MLP	2.05	18.81	18.81	36.59	2.70	-0.07	1.28	Barclays Municipal 3 Yr	-1.66	-3.56	-3.56	-3.31	0.66	1.08	1.15
Bloomberg Commodity	8.65	25.55	25.55	49.29	16.12	9.00	-0.70	Barclays Municipal 5 Yr	-2.35	-5.10	-5.10	-4.49	0.85	1.51	1.78
FTSE NAREIT Equity REIT	6.51	-3.89	-3.89	26.47	11.11	9.63	9.81	Barclays Municipal 7 Yr	-2.74	-5.70	-5.70	-4.85	1.12	2.04	2.38
S&P Global Natural Res.	7.48	16.81	16.81	30.82	15.36	12.45	5.50	Barclays HY Muni	-3.61	-6.53	-6.53	-1.35	4.04	5.25	5.44
S&P N. Amer Natural Res.	9.31	29.37	29.37	51.63	14.07	7.56	3.48								

Source: Morningstar Direct

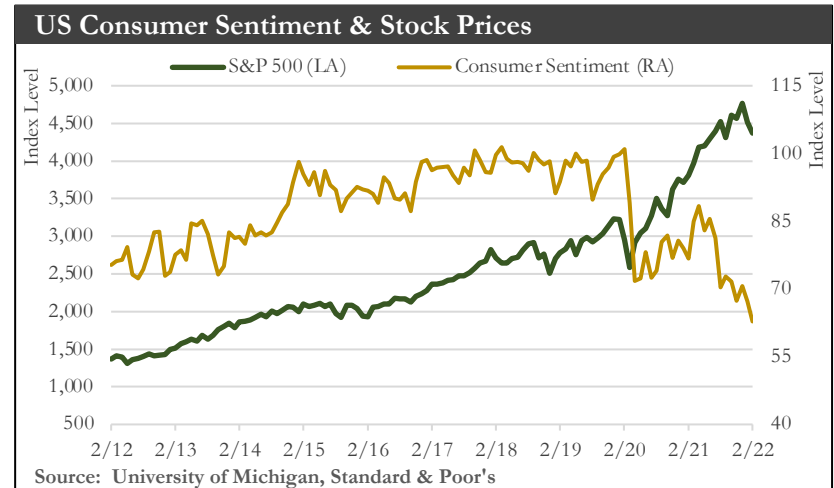
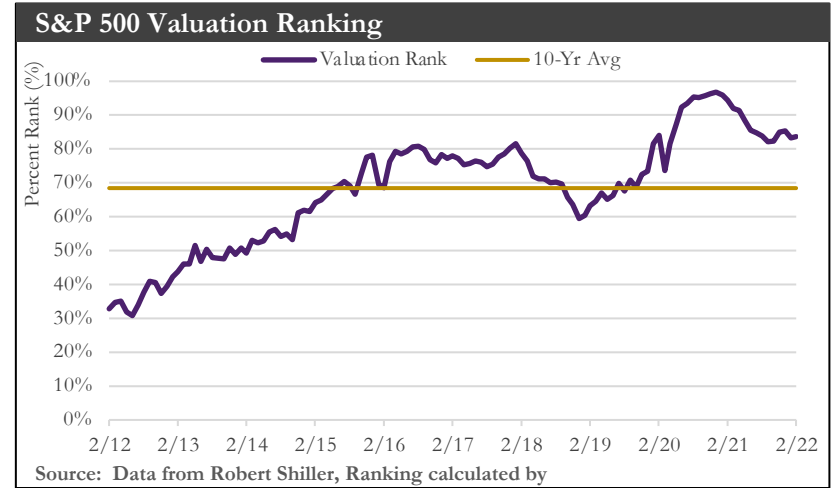
Economic & Market Overview

- **Economic Growth Forecast Coming Down.** The economic landscape has changed considerably in the past few weeks. Developments tied to the Russian-Ukraine conflict are likely to have negative implications for global growth; however, we believe the hit to global GDP will be relatively moderate. We have lowered our global GDP forecast to 3.5% from 4.0%...so far
- **Here We Go.** The Federal Reserve raised its benchmark federal funds rate by a quarter of a percentage point to a range between 0.25% and 0.5%, the first interest rate increase since 2018. The Fed is expected to raise rates six or seven times this year in an effort to slow surging inflation.
- **Housing Stays Strong.** Higher mortgage rates are impacting the housing market. In recent months existing and new home sales have declined largely due to a lack of inventory. Building material and labor shortages have led to uncertain completion times forcing builders to limit sales to allow projects to catch up. Rising mortgage rates should pull buyers into the market in the short run.



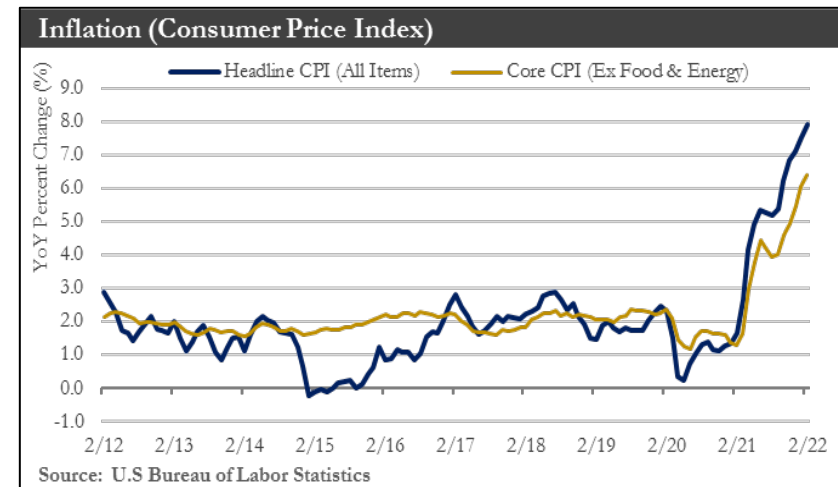
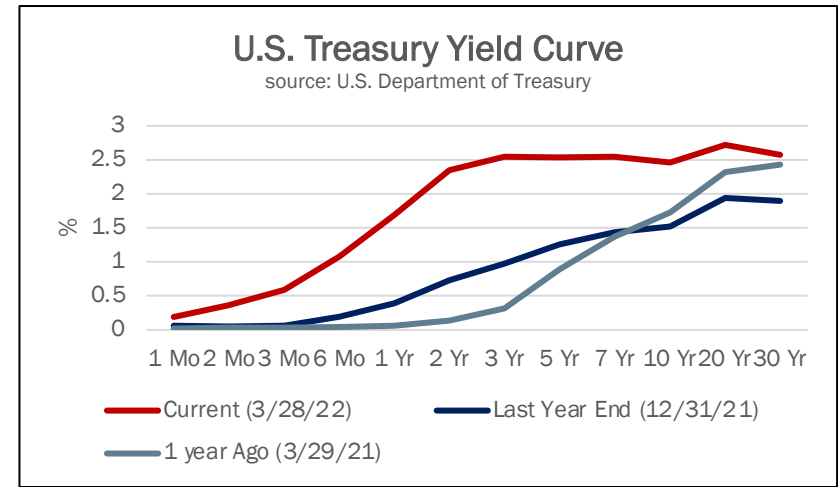
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- PE Ratios Continue To Decline As Earnings Growth Posts Strong Year-Over-Year Comparisons.** As of March 28, 2022, the S&P 500 was trading at 23.6 times trailing earnings and 20.1 times forward earnings. One year ago, the index was trading at 31.7 times trailing earnings (source: Bloomberg). Stock prices have become relatively more attractive from a valuation perspective.
- Reversal.** As of March 28th, the Russell 3000 posted a -4.4% return YTD. In a dramatic turn of events in March so far, the index has recovered over half of its decline from earlier in 2022. The large, mid, and small cap Value Indices continue to outpace the Growth style indices in 2022. When consumer behavior changes enough from higher rates and inflation, its impact will likely hit corporate bottom lines and investor sentiment.
- Dramatic Turn of Events.** Economic sector performance dispersion continues to be very wide YTD. So far this year the worst performing sector has been Communication Services declining -11.1% while the Energy sector is up 43.7%. A spread of over 5400 bps!



Economic & Market Overview

- **Fixed Income Rates Surging.** The fixed income environment remains challenging for income investors with yields still low by historic standards and fresh geopolitical uncertainty causing periodic flights to safety. After the recent safe-haven trade to U.S. Treasuries as war broke out in Europe, the bond market finally appeared to capitulate and focus on the prospects of prolonged higher inflation. The 10-year UST nearly touched 2.5% recently.
- **Hail the US Dollar.** Despite market uncertainty, solid short to intermediate term economic prospects should keep investor appeal for corporate, high yield, and bank loans strong. The strength of the US dollar in uncertain times should keep foreign investors seeking higher yielding US fixed income investments.
- **Time Will Tell.** With the Fed liftoff in interest rates now underway rates should climb throughout 2022. Uncertainty surrounds the decision as to whether any of the typical 25 bps rate increase will be perhaps 50 bps if inflation remains stubbornly high. The bond market is already factoring in larger rate increases this year by the Fed.



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