

June 30, 2022

MATRIX

PRIVATE
CAPITAL
GROUP

Economic & Market Review

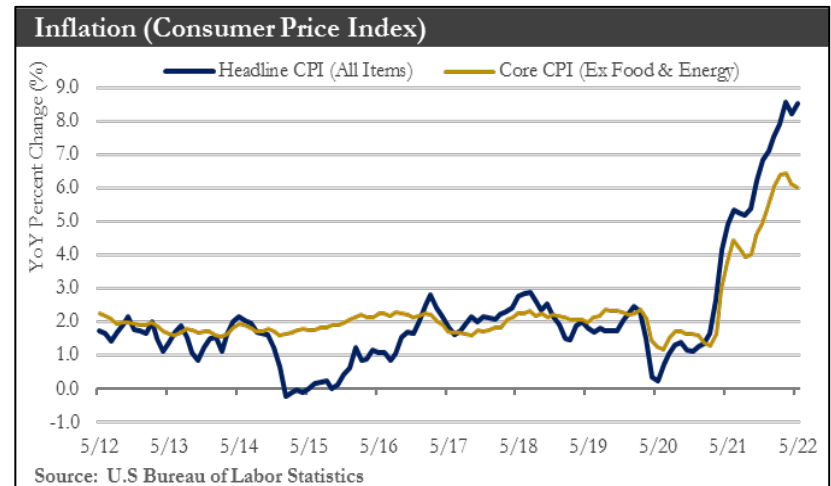
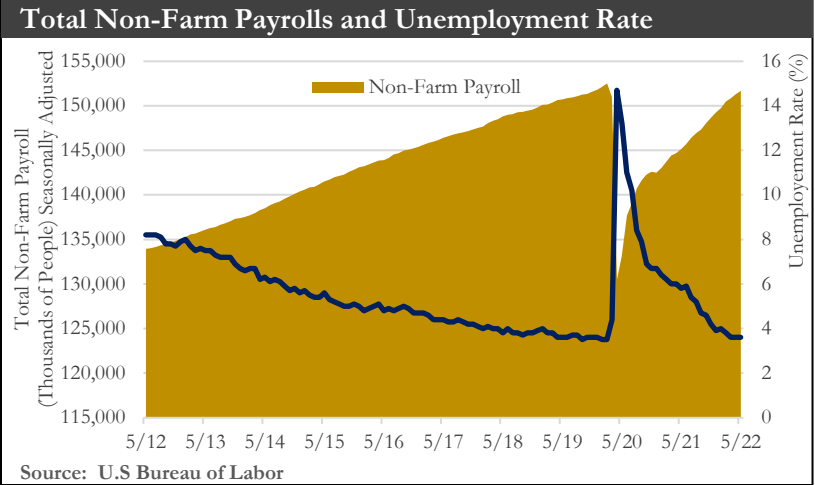
Capital Market Performance

Index Performance as of: 6/30/2022																
	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	-8.81	-12.41	-13.15	-7.47	6.81	7.01	10.39	MSCI EAFE	-9.28	-14.51	-19.57	-17.78	1.07	2.20	5.40	
3000	-8.37	-16.70	-21.10	-13.87	9.77	10.60	12.57	MSCI EM	-6.65	-11.45	-17.63	-25.30	0.57	2.18	3.06	
3000 Growth	-7.82	-20.83	-28.15	-19.79	11.83	13.64	14.41	MSCI Frontier Markets	-5.34	-13.77	-20.59	-17.34	0.56	1.65	5.07	
1000 Value	-8.74	-12.21	-12.86	-6.82	6.87	7.17	10.50	MSCI ACWI	-8.43	-15.66	-20.18	-15.76	6.21	7.00	8.76	
1000	-8.38	-16.67	-20.94	-13.04	10.17	11.00	12.82	MSCI ACWI Ex USA	-8.60	-13.73	-18.42	-19.43	1.35	2.50	4.83	
1000 Growth	-7.92	-20.92	-28.07	-18.78	12.58	14.29	14.80	MSCI AC Asia Ex Japan	-4.49	-9.00	-16.28	-25.04	2.11	3.09	5.50	
Mid Cap Value	-10.99	-14.68	-16.23	-10.00	6.70	6.27	10.62	International Equity - Country Region								
Mid Cap	-9.98	-16.85	-21.57	-17.31	6.59	7.97	11.29	MSCI Brazil	-19.16	-24.40	2.75	-23.31	-9.18	0.80	-2.00	
Mid Cap Growth	-7.48	-21.07	-31.00	-29.59	4.25	8.88	11.50	MSCI BRIC	0.25	-4.32	-17.02	-30.09	-2.20	2.25	3.08	
2000 Value	-9.88	-15.28	-17.31	-16.29	6.18	4.89	9.05	MSCI China	6.56	3.41	-11.26	-31.80	-0.57	2.14	5.49	
2000	-8.22	-17.20	-23.43	-25.21	4.21	5.17	9.35	MSCI Europe	-9.95	-14.49	-20.79	-17.62	1.24	2.16	5.44	
2000 Growth	-6.19	-19.25	-29.45	-33.45	1.40	4.80	9.30	MSCI India	-6.75	-13.65	-15.25	-4.80	7.28	7.25	8.14	
Standard & Poors								MSCI Japan	-7.89	-14.63	-20.27	-19.94	1.01	1.76	5.59	
S&P 500	-8.25	-16.10	-19.96	-10.62	10.60	11.31	12.96	MSCI EM Latin America	-17.00	-21.87	-0.57	-16.09	-6.34	-0.58	-2.18	
Consumer Disc	-10.80	-26.16	-32.82	-24.21	5.37	9.75	13.52	Fixed Income-Taxable								
Consumer Staples	-2.50	-4.62	-5.58	6.66	10.86	8.79	10.68	Barclays U.S. Aggregate	-1.57	-4.69	-10.35	-10.30	-0.93	0.88	1.54	
Energy	-16.80	-5.17	31.84	40.02	10.15	7.00	4.29	Barclays US Aggregate 1-3	-0.69	-0.64	-3.13	-3.58	0.21	1.02	0.99	
Financials	-10.90	-17.50	-18.73	-12.69	6.73	7.22	12.48	Barclays US Aggregate 3-5	-1.00	-1.87	-6.26	-6.94	-0.31	0.96	1.39	
Health Care	-2.66	-5.91	-8.33	3.37	13.61	12.16	14.97	Barclays US Aggregate 5-7	-1.31	-3.25	-8.30	-8.72	-0.46	1.08	1.58	
Industrials	-7.40	-14.78	-16.79	-13.43	6.06	6.77	11.32	ICE BofAML US 3M Trsy Bill	0.02	0.10	0.14	0.17	0.63	1.11	0.64	
Information Technology	-9.32	-20.24	-26.91	-13.57	18.70	20.22	18.69	Barclays U.S. Gov't	-0.87	-3.71	-9.04	-8.83	-0.85	0.76	1.03	
Materials	-13.84	-15.90	-17.89	-8.73	10.26	8.74	9.91	Barclays U.S. Credit	-2.61	-6.90	-13.81	-13.64	-1.00	1.24	2.45	
Real Estate	-6.90	-14.72	-20.02	-5.18	7.01	8.50	9.14	Barclays High Yield Corp.	-6.73	-9.83	-14.19	-12.82	0.21	2.10	4.47	
Communication Services	-7.69	-20.71	-30.16	-29.07	5.35	6.15	6.00	Barclays TIPS	-3.16	-6.08	-8.92	-5.14	3.04	3.21	1.73	
Utilities	-4.98	-5.09	-0.55	14.31	9.00	9.78	10.47	Barclays Global Aggregate	-3.21	-8.26	-13.91	-15.26	-3.22	-0.55	0.11	
Other U.S. Equity								Barclays Gbl Agg Ex USD	-4.50	-11.01	-16.49	-18.80	-5.07	-1.75	-1.06	
Dow Jones Industrial Avg.	-6.56	-10.78	-14.44	-9.06	7.24	9.99	11.70	JPM EMBI Global Div	-6.21	-11.43	-20.31	-21.23	-5.22	-1.19	2.21	
NASDAQ 100	-8.94	-22.30	-29.22	-20.39	15.42	16.38	17.27	Fixed Income-Tax Exempt								
Alternative Investments								Barclays Municipal	-1.64	-2.94	-8.98	-8.58	-0.18	1.51	2.38	
Alerian MLP	-13.95	-7.38	10.04	4.33	0.07	-0.29	0.74	Barclays Municipal 3 Yr	-0.10	0.11	-3.45	-3.47	0.33	0.99	1.11	
Bloomberg Commodity	-10.77	-5.66	18.44	24.29	14.34	8.40	-0.82	Barclays Municipal 5 Yr	-0.31	-0.42	-5.50	-5.34	0.15	1.17	1.62	
FTSE NAREIT Equity REIT	-7.41	-17.00	-20.20	-6.28	4.00	5.30	7.39	Barclays Municipal 7 Yr	-0.57	-1.18	-6.81	-6.65	0.07	1.41	2.10	
S&P Global Natural Res.	-15.71	-15.56	-1.37	2.95	8.57	8.92	4.65	Barclays HY Muni	-3.19	-5.61	-11.77	-10.41	1.15	3.63	4.42	
S&P N. Amer Natural Res.	-15.95	-10.44	15.87	22.19	10.47	6.77	3.39									

Source: Morningstar Direct

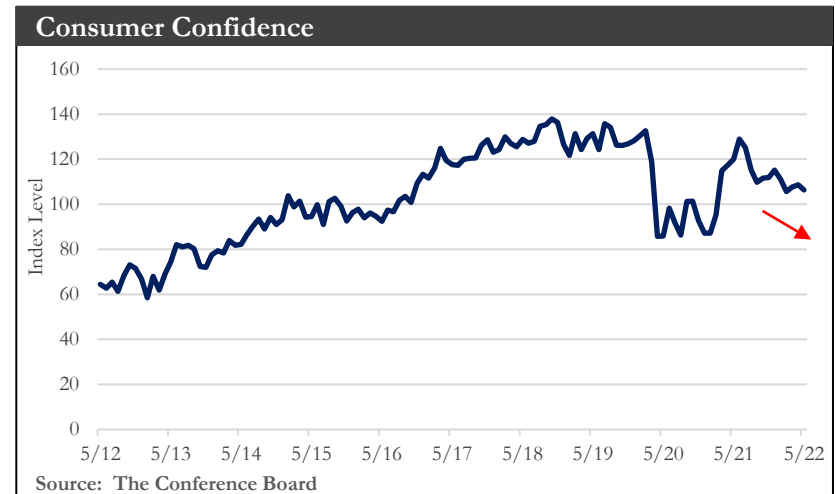
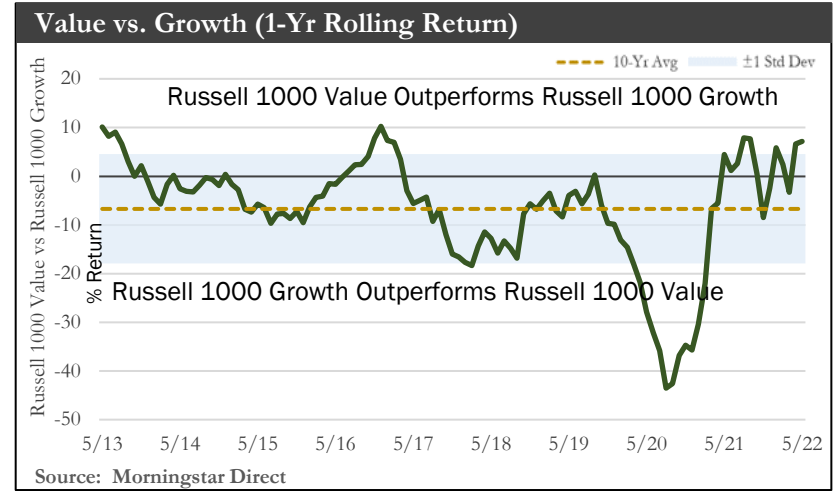
Economic & Market Overview

- **Economic Clouds.** The economic landscape has continued to evolve. Decades high inflation, surging short interest rates, rising mortgages rates, and continued supply chain disruptions are combining to have increasingly negative implications for global growth. Our 2022 forecast for U.S. economic growth remains at 2.4%, more than a 50% cut from 2021's 5.7% GDP growth. A mild recession is in the cards, but not a certainty, for mid-2023.
- **Some Sunshine.** While the U.S. economy has shown signs of weakening, employment growth has remained strong. Jobless claims – a proxy for layoffs and a key barometer of labor market tightness – fell to 229,000 in mid-June, a historically low level. Employers have added an average of 488,000 jobs each month in 2022, far above the historical average.
- **Short Term Interest Rates Going Higher.** Inflation pressures are proving to be both more persistent and far-reaching than previously thought, implying more policy action will need to be taken by the Fed in the months ahead.



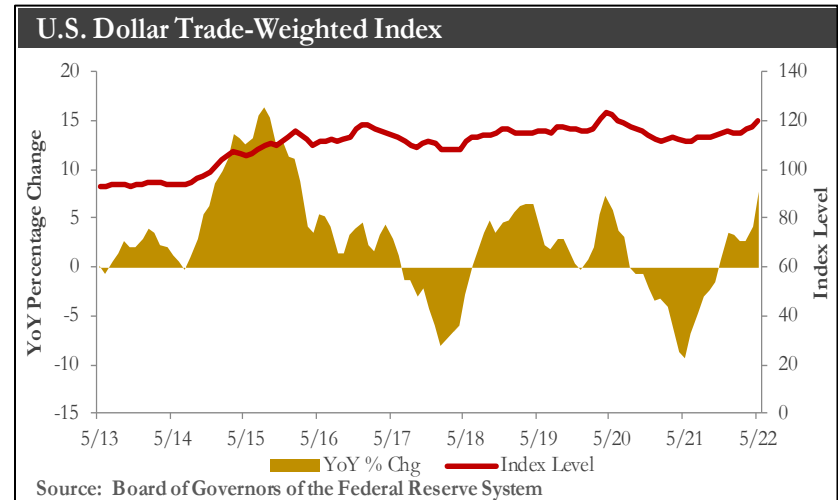
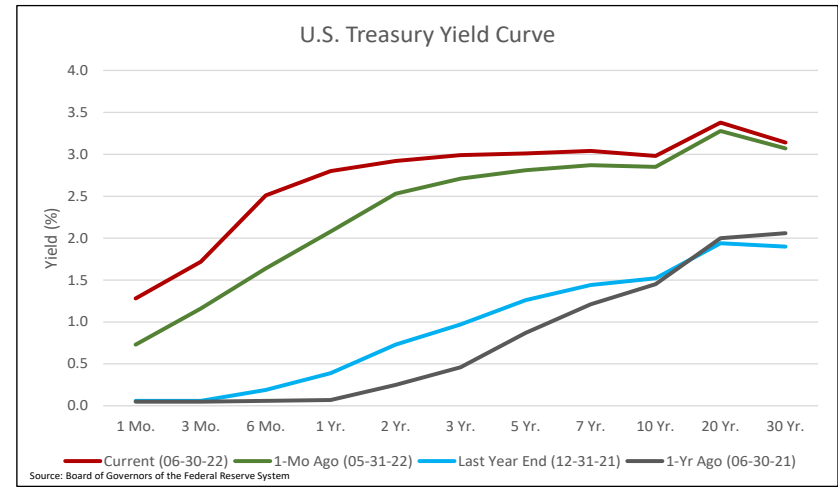
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- **PE Ratios Now Nearer Historic Averages.** As of June 30th 2022 the S&P 500 was trading at 19.2 times trailing earnings and 16.0 times forward earnings. One year ago, the index was trading at 26.1 times trailing earnings (source: Bloomberg). The longer-term 10-year measure of PE, the Shiller S&P 500 CAPE index, is still above the decade average but coming down fast.
- **The Beat Goes On.** At mid-year, the broad U.S. stock market index, the Russell 3000, was in Bear Market territory down 21.1% YTD. The reversion to the mean style trade, underway for months, widened slightly. So far in 2022 the Russell 1000 Value (down 12.9%) has outpaced the Russell 1000 Growth by 1521 bps which has declined by 28.1%.
- **Something's Got to Give.** Despite slipping consumer confidence, investors' allocation to stocks remains high. This divergence is unlikely to last unless either confidence improves, or investors become less enamored with stocks and the market pulls back further.



Economic & Market Overview

- **Bond Rates in a Trading Range.** The 10-year U.S. Treasury yield slid to about 2.9% in recent days. For now, the yield seems to be in a trading range between about 2.8% and 3.5% with investors assessing that inflation may stay higher for longer, short term rates will continue to rise rapidly, and the economy may slip into recession.
- **Shifting Gears.** Spreads have widened on lower-rated bonds and will likely continue doing so as the economy slows. Credit quality will become a more important feature of bond portfolios seeking capital preservation over yield in the months ahead.
- **Capital Flows Into the U.S.** Rising U.S. interest rates will keep the dollar strong helping to attract foreign investors to U.S. capital markets. The U.S. dollar is expected to remain strong relative to other global currencies.



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