

September 30, 2022

MATRIX

PRIVATE
CAPITAL
GROUP

Economic & Market Review

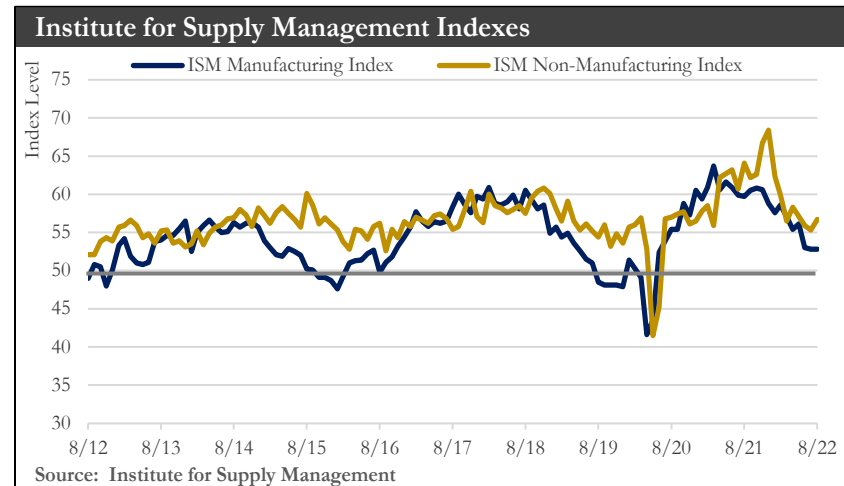
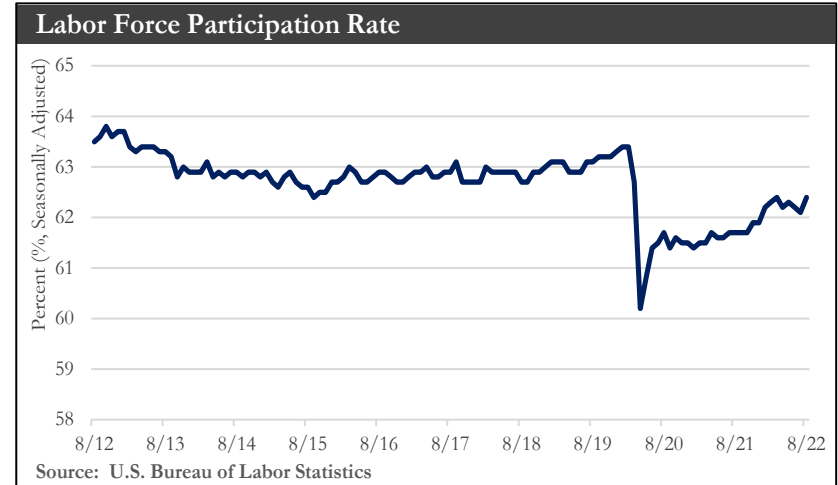
Capital Market Performance

Index Performance as of: 9/30/2022																
	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	-8.86	-5.56	-17.97	-11.79	4.37	5.11	9.08	MSCI EAFE	-9.35	-9.36	-27.09	-25.15	-1.83	-0.84	3.67	
3000	-9.27	-4.46	-24.62	-17.64	7.70	8.62	11.39	MSCI EM	-11.72	-11.57	-27.16	-28.13	-2.07	-1.81	1.05	
3000 Growth	-9.68	-3.37	-30.57	-23.03	10.16	11.57	13.36	MSCI Frontier Markets	-9.26	-6.47	-25.72	-25.21	-1.29	-1.24	3.63	
1000 Value	-8.77	-5.62	-17.75	-11.37	4.36	5.29	9.17	MSCI ACWI	-9.57	-6.82	-25.63	-20.67	3.75	4.44	7.28	
1000	-9.25	-4.61	-24.59	-17.23	7.94	9.00	11.60	MSCI ACWI Ex USA	-9.99	-9.91	-26.50	-25.18	-1.52	-0.81	3.01	
1000 Growth	-9.72	-3.60	-30.66	-22.60	10.67	12.17	13.70	MSCI AC Asia Ex Japan	-12.77	-13.83	-27.86	-28.77	-1.33	-1.21	3.03	
Mid Cap Value	-9.70	-4.93	-20.36	-13.57	4.50	4.76	9.44	International Equity - Country Region								
Mid Cap	-9.27	-3.44	-24.27	-19.41	5.19	6.48	10.30	MSCI Brazil	-3.33	8.54	11.53	4.32	-5.20	-1.68	-1.65	
Mid Cap Growth	-8.49	-0.65	-31.45	-29.52	4.26	7.63	10.85	MSCI BRIC	-11.17	-12.70	-27.56	-31.21	-5.06	-3.03	1.01	
2000 Value	-10.19	-4.61	-21.12	-17.70	4.72	2.87	7.94	MSCI China	-14.55	-22.50	-31.23	-35.41	-7.18	-5.56	2.37	
2000	-9.58	-2.19	-25.10	-23.51	4.29	3.56	8.55	MSCI Europe	-8.70	-10.15	-28.83	-24.81	-1.72	-1.24	3.45	
2000 Growth	-9.00	0.24	-29.28	-29.29	2.93	3.60	8.81	MSCI India	-6.43	6.50	-9.74	-9.94	11.51	7.98	7.27	
Standard & Poors								MSCI Japan	-10.36	-7.67	-26.38	-29.32	-2.65	-0.63	4.84	
S&P 500	-9.21	-4.88	-23.87	-15.48	8.16	9.24	11.70	MSCI EM Latin America	-3.26	3.61	3.02	0.24	-3.39	-2.64	-2.28	
Consumer Disc	-8.06	4.36	-29.89	-20.91	6.70	10.51	13.19	Fixed Income-Taxable								
Consumer Staples	-7.99	-6.62	-11.83	-0.09	6.24	7.60	9.51	Barclays U.S. Aggregate	-4.32	-4.75	-14.61	-14.61	-3.25	-0.27	0.89	
Energy	-9.28	2.35	34.94	45.73	13.44	6.09	3.52	Barclays US Aggregate 1-3	-1.23	-1.50	-4.58	-5.12	-0.52	0.64	0.78	
Financials	-7.76	-3.10	-21.25	-17.66	4.92	5.47	11.38	Barclays US Aggregate 3-5	-2.73	-3.30	-9.36	-10.09	-1.83	0.17	0.93	
Health Care	-2.60	-5.18	-13.08	-3.37	12.46	10.18	13.68	Barclays US Aggregate 5-7	-4.06	-4.68	-12.59	-13.09	-2.52	-0.06	0.91	
Industrials	-10.48	-4.72	-20.72	-13.88	4.02	4.88	10.39	ICE BofAML US 3M Trsy Bill	0.25	0.46	0.61	0.62	0.59	1.15	0.68	
Information Technology	-12.01	-6.21	-31.44	-20.01	14.93	16.74	17.09	Barclays U.S. Gov't	-3.41	-4.30	-12.95	-12.82	-3.05	-0.20	0.53	
Materials	-9.35	-7.13	-23.74	-12.16	7.62	5.89	8.56	Barclays U.S. Credit	-5.07	-4.95	-18.07	-17.90	-3.61	-0.05	1.58	
Real Estate	-13.15	-11.03	-28.85	-16.38	0.40	5.79	7.76	Barclays High Yield Corp.	-3.97	-0.65	-14.74	-14.15	-0.45	1.57	3.94	
Communication Services	-12.15	-12.72	-39.04	-39.07	-0.05	1.95	3.76	Barclays TIPS	-6.62	-5.14	-13.61	-11.58	0.79	1.95	0.98	
Utilities	-11.34	-5.99	-6.51	5.58	3.66	7.82	9.85	Barclays Global Aggregate	-5.14	-6.94	-19.89	-20.44	-5.73	-2.32	-0.93	
Other U.S. Equity								Barclays Gbl Agg Ex USD	-5.87	-8.85	-23.88	-24.79	-7.78	-4.03	-2.39	
Dow Jones Industrial Avg.	-8.76	-6.17	-19.72	-13.41	4.36	7.42	10.45	JPM EMBI Global Div	-6.36	-4.57	-23.95	-24.30	-7.15	-2.62	1.08	
NASDAQ 100	-10.55	-4.42	-32.35	-24.74	13.21	13.96	15.91	Fixed Income-Tax Exempt								
Alternative Investments								Barclays Municipal	-3.84	-3.46	-12.13	-11.51	-1.85	0.59	1.79	
Alerian MLP	-7.62	8.05	18.90	19.57	4.46	1.90	0.66	Barclays Municipal 3 Yr	-1.79	-1.98	-5.37	-5.46	-0.44	0.48	0.85	
Bloomberg Commodity	-8.11	-4.11	13.57	11.81	13.45	6.96	-2.14	Barclays Municipal 5 Yr	-2.80	-2.71	-8.06	-8.03	-0.94	0.48	1.20	
FTSE NAREIT Equity REIT	-12.18	-9.94	-28.13	-16.42	-2.05	2.93	6.26	Barclays Municipal 7 Yr	-3.26	-2.66	-9.30	-9.11	-1.15	0.71	1.63	
S&P Global Natural Res.	-8.43	-4.58	-5.89	1.00	9.13	5.71	3.38	Barclays HY Muni	-6.16	-4.83	-16.03	-15.06	-1.43	2.31	3.51	
S&P N. Amer Natural Res.	-9.49	-2.15	13.37	22.60	11.36	4.80	2.00									

Source: Morningstar Direct

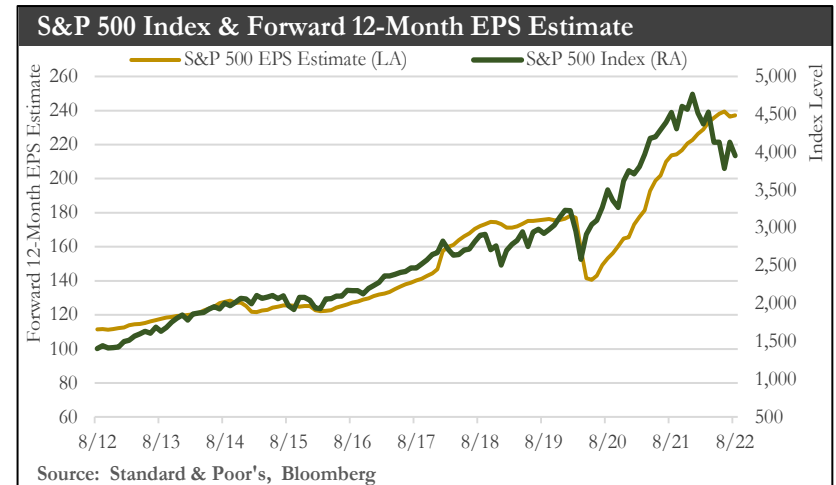
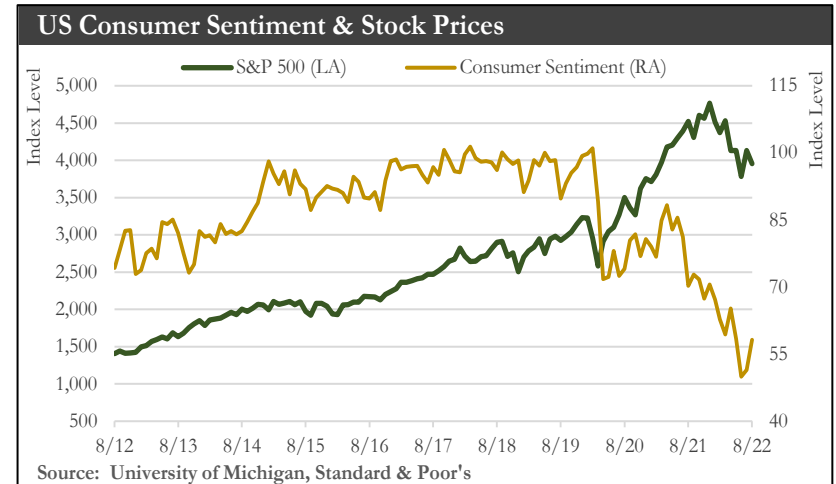
Economic & Market Overview

- **A Glimmer of Light?** The U.S. economy entered the second half of 2022 on less shaky footing than initially estimated. U.S. GDP contracted at a 0.6% annual rate from April to June compared with an initial estimate of 0.9%. An important factor was the upward revision in consumer spending, which accounts for the bulk of U.S. economic activity.
- **Labor Market Remains a Plus.** Job growth has been resilient this year, despite a contraction in the overall economy in the first half of 2022 and aggressive interest rate increases by the Federal Reserve. The U.S. economy added 315,000 jobs in August. The unemployment rate ticked slightly higher to 3.7% as the gains in the labor participation rate far outstripped the gains in household employment. First-time unemployment claims remain low.
- **Not So Fast.** Sentiment indicators have also surprised to the upside. The ISM readings for Manufacturing and Services remain in expansion mode with supplier delivery times rising at their slowest pace since before the pandemic. That said both have been trending down in recent months.



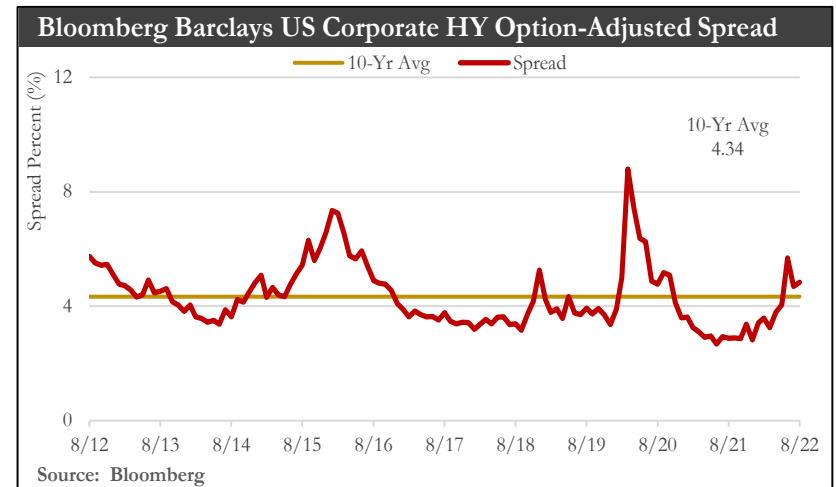
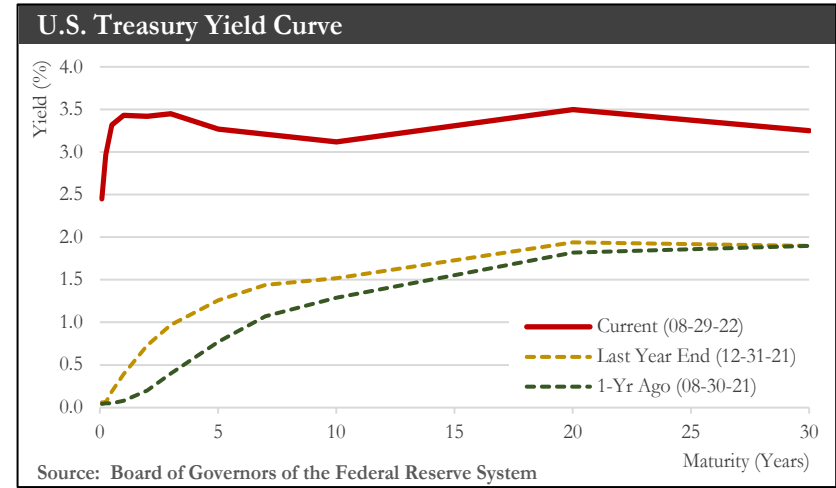
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- **PE Ratios Tick Down in August.** As of September 30, 2022, the S&P 500 was trading at 17.9 times trailing earnings and 15.6 times forward earnings. One-year ago, the index was trading at 23.9 times trailing earnings (source: Bloomberg).
- **Stock Market Volatility.** The CBOE VIX Volatility Index took another volatile journey in September. The index is considered a gauge of short-term investor fear and greed about stock ownership. The historical VIX average value is about 20 and this past month it began around 25, dipped to below 20 mid-month, and then shot up to 32 by month end. Stock prices struggle when the VIX (or fear) rises rapidly.
- **Reverse Course...More of the Same.** The tech heavy NASDAQ posted a negative 10.6% return in September and has now provided a total return of -32.4% YTD. So called, long duration equities, that rely on future earnings for today's investor sentiment, tend to come under pressure as interest rates rise and the economy slows.



Economic & Market Overview

- **Bond Rates Back up Again.** The 10-year U.S. Treasury yield climbed back up to almost 4% this past month and now stands at about 3.7%. Persistently high inflation readings and the aggressive action taken by the Fed has the bond market believing rates will need to go higher and perhaps remain elevated for a longer period-of-time to bring inflation back down to the Fed's 2% target.
- **High Yield Bond Spreads.** Corporate bond defaults rates will likely increase towards their 3.6% historical average from their 0.40% current rate as the economy slows and slips into recession in the next year. High yield bonds held on to their relative value last month in comparison with their more widely held investment grade corporate counterparts.
- **The U.S. Dollar Remains King for Now.** The U.S. dollar continued its strong run against foreign currencies including the euro, the British pound sterling, and Japanese yen. The euro began trading below a dollar (0.98) and the British pound sterling hit an all-time low of 103 towards the end of September.



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