

# Quarterly Market Review

## Central Banks Play Defense Against Inflation

September 2022

Higher Interest Rates & Persistent Inflation Challenge The Global Economy

### Quarterly Highlights

- Federal Reserve Implements Third Consecutive 75 Basis Point Interest Rate Hike & Raises Fed Funds Forecasts For Both 2022 and 2023.
- ISM Manufacturing Falls To The Lowest Level Since May 2020 As New Orders Contract.
- Shelter, Food, & Medical Care Services Result In A Worse-Than-Expected August Inflation Report.
- Case Shiller 20-City Composite Index Posts First Monthly Decline Since 2011.
- Putin Illegally Annexes Ukrainian Territory As Ukraine Asks For Accelerated NATO Membership.
- Euro Zone Sentiment Falls To The Lowest Level Since November 2020 Amid Energy Crisis.
- The Bloomberg US Aggregate Bond Index Posts Its Third Consecutive Negative Quarter For The First Time Since 1Q80 As Yields Rise.
- The 10-Year Treasury Yield Rises +80 Basis Points - The Largest Quarterly Increase Since 4Q16.
- S&P 500 Posts Third Consecutive Negative Quarter For The First Time Since 1Q09.
- US Dollar Posts Fifth Consecutive Quarterly Gain For The First Time Since 1Q98 & Broke Parity With The Euro For The First Time In Two Decades.
- Natural Gas Prices Rise Over 25% As Russia Continues To Weaponize Energy.
- The National Average Gas Price Fell Below \$4.

### Economy | The Fed May Have To Cause Necessary 'Roughness' To Tame Inflation.

- The **Atlanta Fed GDPNow** real GDP estimate for 3Q22 was substantially increased (from +0.3% to +2.4%) amid improved expectations for net exports (+2.2%) and personal consumption (+1.0%).
- **Real time activity metrics** (e.g., TSA screenings, restaurant bookings) and **high frequency data** (e.g., withholding taxes) remained near peak levels as the economy continued to reopen and consumers enjoyed late summer and early fall travel.
- The **Fed's balance sheet** has steadily declined to \$8.8 trillion – the lowest level since January. The August inflation report spurred the Fed to implement its third 75 basis point interest rate hike and increase the federal funds rate forecasts for both 2022 and 2023. The updated economic projections highlight the Fed's focus of acting aggressively to slow inflation.
- **Russia's** invasion of **Ukraine** extended into a seventh month. Tensions escalated as Putin illegally annexed four regions and as Ukraine asked for its formal application to join NATO to be accelerated.
- **September ISM Manufacturing** (50.9) remained in expansion territory (a level above 50) but fell to the lowest level since May 2020 due to a contraction in new orders (47.1 versus 51.3 in August).
- The unemployment rate (3.7%) rose for the first time since January, but the economy added **315k** jobs in August to bring the year-to-date total to +4 million.
- **Jobless claims** fell below 195k to reach the lowest level since April, and job openings remained elevated (+11 million). This was good news for the labor market, but also bad news as it may allow for a more aggressive Fed.
- The pace of **headline inflation** (+8.3% YoY) eased for the second consecutive month, while the pace of **Core CPI** (+6.3% YoY) rose for the first time in five months. The report was worse than expected due to persistently high prices for shelter, food, and medical care services.
- **Consumer confidence** (108) rose for the first time since April; however, the survey was conducted prior to the recent economic uncertainty and market volatility.
- **Core retail sales** (ex. food, autos, and gas, -0.002% month-over-month (MoM)) were essentially flat for August, but the year-over-year pace (+9.1%) remains well above the ten-year average (+5.5%).
- **Housing data** was mixed as new home sales (+28.8%) and housing starts (+12.2%) were positive, while existing home sales (-0.4%) and building permits (-8.5%) declined. The year-over-year pace of home prices (July Case Shiller 20-City Composite +16.1%) decelerated to the slowest pace since April 2021. The Index also posted its first monthly decline (-0.4%) since 2011.
- **China's Manufacturing PMI** (50.1) reentered expansion territory for the first time since June.
- **Euro Zone Manufacturing PMI** (48.5) fell to the lowest level since June 2020, and economic sentiment (93.7) fell to the lowest level since November 2020 as the region grapples with an energy crisis.

### Fixed Income | Rising Yields & A Stronger Dollar Keep Most Sectors Off The ‘Scoreboard.’

- The **Bloomberg US Aggregate Index** (-4.8% QoQ) declined for the third consecutive quarter for the first time since 1Q80 and posted its second worst decline since 3Q80. Yields rose across the globe as economic concerns did not stop central banks from maintaining an aggressive stance against inflationary pressures.
- **High-yield bonds** (-0.6% QoQ) declined for the third consecutive quarter. While spreads fell a net 17 basis points in 3Q22, they rose nearly 140 basis points from mid-August through the end of September.
- **Municipals** (-3.5% QoQ) declined for the third consecutive quarter and posted their second worst quarter since 4Q16 as all three sectors (revenue, general obligation, & high yield) were negative.
- **TIPS** (-3.9% QoQ) declined for the third time in fifteen quarters. Despite posting its worst quarter since 2Q13, the sector still outpaced **Treasurys** (-4.3% QoQ) for the tenth consecutive quarter — the longest streak on record. The latter posted its third consecutive negative quarter for the first time since 2Q13 as the 10-year Treasury yield rose 82 basis points—the largest quarterly increase since 4Q16.
- **Emerging market bonds** (-4.1% USD QoQ) declined for the fifth straight quarter for the first time in over three decades as the dollar rallied.
- **US investment-grade bonds** (-5.1% QoQ) declined for the third consecutive quarter for the first time since 3Q08. While spreads rose a net five basis points in 3Q22, they rose nearly 30 basis points from mid-August through the end of September.
- **International sovereign bonds** (G7 ex. US, -10.0% QoQ) declined for the fifth consecutive quarter—the longest streak since 1Q06—due to rising sovereign yields and a stronger dollar.

### Equities | Heightened Economic Uncertainty ‘Piling On The Pressure’ For Most Regions.

- **Global equities** (MSCI AC World, -6.7% USD QoQ) declined for the third consecutive quarter for the first time since 1Q09. Concerns surrounding global economic activity, rising expectations for the magnitude of future central bank tightening, and persisting global inflation pressures fueled volatility.
- **US Small-Cap** equities (Russell 2000, -2.2% QoQ) posted their third consecutive negative quarter but outperformed large-cap equities for the first time in six quarters—ending the longest streak since 1Q99.
- **US Large-Cap** equities (S&P 500, -4.9% QoQ) declined for three consecutive quarters for the first time since 1Q09. The Index set new lows for this bear market as it fell to the lowest level since November 2020. The pullback was fueled by recession fears and concerns over how far the Fed would raise interest rates into restrictive territory in order to tame inflation.
- 9 of the 11 **S&P 500 sectors** were negative in 3Q22, with only Consumer Discretionary (+4.4%) and Energy (+2.3%) in positive territory.
- **Japanese equities** (MSCI Japan, -7.5% USD QoQ) declined for the fourth consecutive quarter for the first time since 1Q08, and underperformed global equities for the third time in four quarters.
- **European equities** (MSCI Europe ex UK, -9.9% USD QoQ) declined for the third consecutive quarter for the first time since 1Q09, and underperformed global equities for the fourth time in five quarters.
- **EM equities** (MSCI EM, -11.4% USD QoQ) were outpaced by the developed markets (MSCI EAFE USD -9.3% QoQ) for the sixth time in seven quarters.
- Within EM, **Asia** (MSCI Asia ex JP, -13.7% USD QoQ) underperformed **Latin America** (MSCI LATAM, +3.7% USD QoQ) by the second widest margin since 1Q16.

### Commodities | Expectations For An Aggressive Fed ‘Moves The Chains’ For The Dollar.

- The **Bloomberg Commodity Index** (-4.7% QoQ) declined for the third time in four quarters and posted its second worst quarter since 1Q20, but there was still some dispersion beneath the surface. Europe’s energy crisis continued to lift natural gas prices, but economic growth concerns weighed on more sensitive sectors such as industrial metals.
- The **US Dollar Index** (+7.1% QoQ) posted its best quarter since 4Q16 and rallied for the fifth consecutive quarter for the first time since 1Q98. Expectations for a more aggressive Fed led the dollar to its highest level since May 2002.
- The **Bloomberg Grains Index** (+1.3% QoQ) rallied for the third time in four quarters as wheat prices (+4.2%) offset weakness in soybean (-6.4%) prices.
- The **Bloomberg Softs Index** (-4.5% QoQ) posted its third decline in ten quarters due to continued weakness in sugar prices (-4.4%).
- The **Bloomberg Energy Index** (-6.0% QoQ) declined for only the second time since 1Q20 as fears of weakening global demand led crude oil prices (-24.8%) to break below \$80 per barrel for the first time since January. Weakness in oil prices was partially offset by strength in natural gas (+25.5%) as Russia continued to weaponize energy and restrict gas flows to Europe ahead of the coldest months.
- The **Bloomberg Industrial Metals Index** (-7.9% USD QoQ) posted its second quarterly decline since 1Q20. The decline was broad-based, as aluminum (-9.1%), zinc (-8.2%), copper (-8.0%), and nickel (-3.5%) prices all declined amid elevated economic uncertainty.
- The **Bloomberg Precious Metals Index** (-8.2% QoQ) declined for the second consecutive quarter due to weakness in gold (-7.5%) and silver (-6.5%) prices.

Figure 1: ISM Manufacturing Index Declines Amid Weak New Orders

The September reading for the ISM Manufacturing Index (50.9) remained in expansion territory but fell to the lowest level since May 2020 due to a contraction in new orders.

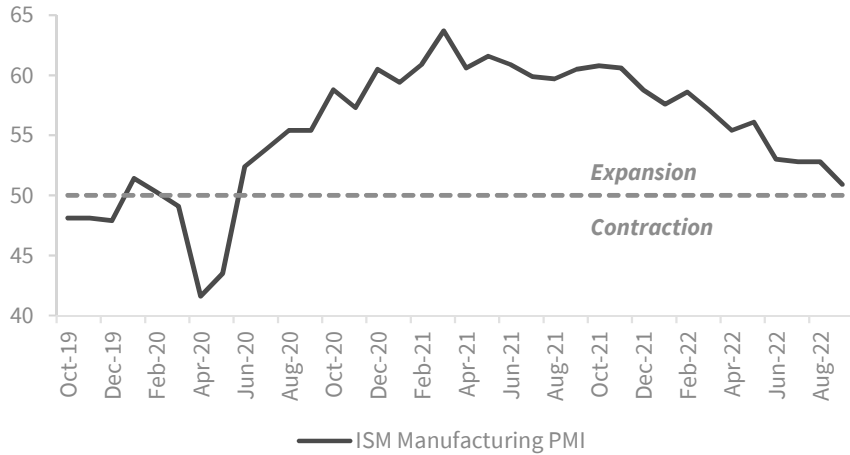


Figure 2: Selloff For Most Sectors Amid Growth Concerns

9 of the 11 S&P 500 sectors were negative for the quarter, with only the Consumer Discretionary (+4.4%) and Energy (+2.3%) sectors in positive territory.

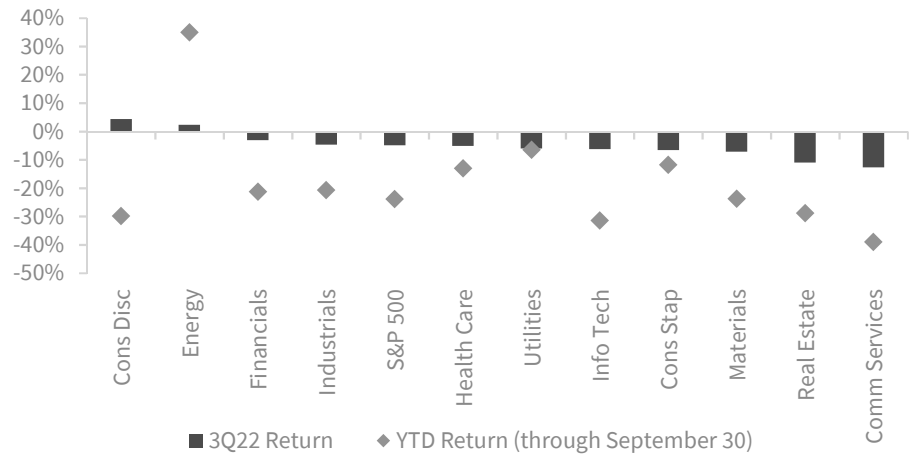


Figure 3: Bond Index Posts Third Consecutive Negative Quarter

The Bloomberg US Aggregate Bond Index posted its third consecutive negative quarter for the first time since 1Q80 as yields rose across the globe.

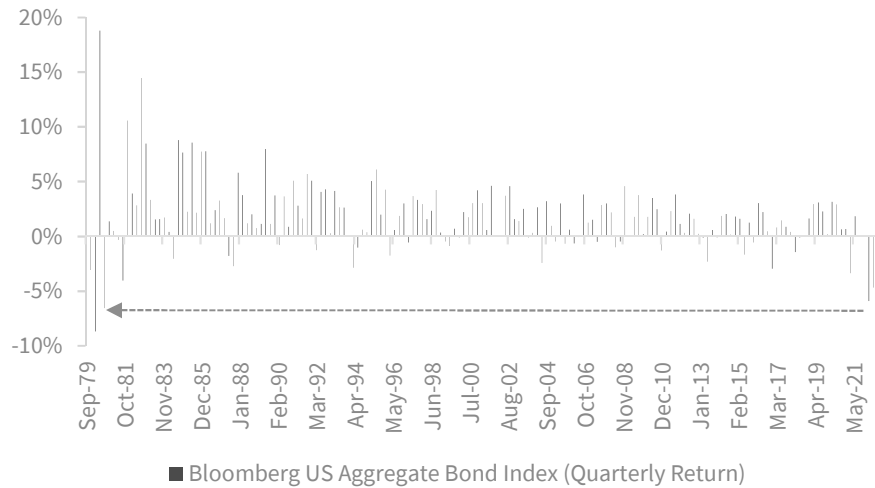
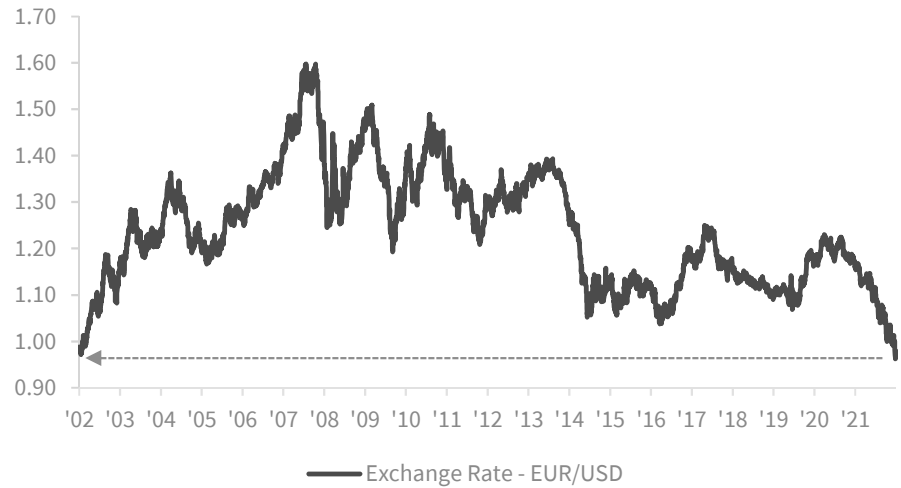


Figure 4: Euro Breaks Parity With The Dollar

The US dollar rose to the highest level in two decades, and broke parity with the euro for the first time since 2002. As a result, the dollar notched its fifth consecutive quarterly gain.



**Fixed Income | Rising Bond Yields Hamper Fixed Income**

	September	3Q22	YTD	1 Year	3 Year	5 Year	10 Year
High Yield	-4.0%	<b>-0.6%</b>	-14.7%	-14.1%	-0.5%	1.6%	3.9%
Municipals	-3.8%	<b>-3.5%</b>	-12.1%	-11.5%	-1.9%	0.6%	1.8%
TIPS	-5.0%	<b>-3.9%</b>	-8.8%	-7.4%	1.8%	2.3%	1.2%
EM Bonds	-5.5%	<b>-4.1%</b>	-20.5%	-20.9%	-5.3%	-1.6%	1.4%
Treasuries	-3.5%	<b>-4.3%</b>	-13.1%	-12.9%	-3.1%	-0.2%	0.5%
US Aggregate	-4.3%	<b>-4.8%</b>	-14.6%	-14.6%	-3.3%	-0.3%	0.9%
US Investment Grade	-5.3%	<b>-5.1%</b>	-18.7%	-18.5%	-3.7%	0.0%	1.7%
International Bonds	-6.4%	<b>-10.0%</b>	-26.9%	-28.3%	-10.6%	-5.4%	-3.7%

**Commodities & FX | Fears Of Weaker Demand Cause Commodity Losses**

	September	3Q22	YTD	1 Year	3 Year	5 Year	10 Year
US Dollar Index	3.1%	<b>7.1%</b>	16.8%	19.0%	4.1%	3.8%	3.4%
BBG Commodity Index	-8.3%	<b>-4.7%</b>	12.4%	10.6%	12.8%	5.7%	-2.8%
BBG Energy Index	-16.8%	<b>-6.0%</b>	48.3%	28.9%	10.7%	5.5%	-6.9%
Gold	-3.1%	<b>-7.5%</b>	-8.6%	-4.8%	4.3%	5.4%	-0.6%
BBG Industrial Metals	-6.5%	<b>-7.9%</b>	-17.0%	-9.9%	7.6%	2.7%	-1.1%
Copper	-3.0%	<b>-8.0%</b>	-23.5%	-16.5%	9.8%	2.9%	-1.0%
BBG Precious Metals	-1.1%	<b>-8.2%</b>	-12.5%	-8.8%	2.0%	2.3%	-3.5%
Crude Oil (WTI)	-11.2%	<b>-24.8%</b>	5.7%	5.9%	13.7%	9.0%	-1.5%

**S&P 500 Sectors | Risks To Global Economy Weigh On Broader Market**

	September	3Q22	YTD	1 Year	3 Year	5 Year	10 Year
Cons Disc	-8.1%	<b>4.4%</b>	-29.9%	-20.9%	6.7%	10.5%	13.2%
Energy	-9.3%	<b>2.3%</b>	34.9%	45.7%	13.4%	6.1%	3.5%
Financials	-7.8%	<b>-3.1%</b>	-21.2%	-17.6%	4.9%	5.5%	11.4%
Industrials	-10.5%	<b>-4.7%</b>	-20.7%	-13.9%	4.0%	4.9%	10.4%
Health Care	-2.6%	<b>-5.2%</b>	-13.1%	-3.4%	12.5%	10.2%	13.7%
Utilities	-11.3%	<b>-6.0%</b>	-6.5%	5.6%	3.7%	7.8%	9.9%
Info Tech	-12.0%	<b>-6.2%</b>	-31.4%	-20.0%	14.9%	16.7%	17.1%
Cons Stap	-8.0%	<b>-6.6%</b>	-11.8%	-0.1%	6.2%	7.6%	9.5%
Materials	-9.3%	<b>-7.1%</b>	-23.7%	-12.1%	7.6%	5.9%	8.6%
Real Estate	-13.2%	<b>-11.0%</b>	-28.8%	-16.4%	0.4%	5.8%	7.8%
Comm Services	-12.2%	<b>-12.7%</b>	-39.0%	-39.1%	-0.1%	2.0%	3.8%

**Equities | Growth Outperforms Value**

	September	3Q22	YTD	1 Year	3 Year	5 Year	10 Year
Russell 2000 Growth	-9.0%	<b>0.2%</b>	-29.3%	-29.3%	2.9%	3.6%	8.8%
Russell 2000	-9.6%	<b>-2.2%</b>	-25.1%	-23.5%	4.3%	3.6%	8.6%
Russell 1000 Growth	-9.7%	<b>-3.6%</b>	-30.7%	-22.6%	10.7%	12.2%	13.7%
Russell 1000	-9.3%	<b>-4.6%</b>	-24.6%	-17.2%	7.9%	9.0%	11.6%
Russell 2000 Value	-10.2%	<b>-4.6%</b>	-21.1%	-17.7%	4.7%	2.9%	7.9%
S&P 500	-9.2%	<b>-4.9%</b>	-23.9%	-15.5%	8.2%	9.2%	11.7%
Russell 1000 Value	-8.8%	<b>-5.6%</b>	-17.8%	-11.4%	4.4%	5.3%	9.2%
DJ Industrial Average	-8.8%	<b>-6.7%</b>	-20.9%	-15.1%	2.2%	5.1%	7.9%

**International Equities (in USD) | Energy Crisis A Challenge For European Equities**

	September	3Q22	YTD	1 Year	3 Year	5 Year	10 Year
MSCI LATAM	-3.2%	<b>3.7%</b>	3.4%	0.8%	-3.0%	-2.3%	-2.0%
MSCI AC World	-9.5%	<b>-6.7%</b>	-25.3%	-20.3%	4.2%	5.0%	7.8%
MSCI Japan	-10.2%	<b>-7.5%</b>	-26.1%	-29.0%	-2.3%	-0.3%	5.2%
MSCI EAFE	-9.3%	<b>-9.3%</b>	-26.8%	-24.7%	-1.4%	-0.4%	4.2%
MSCI Europe ex UK	-8.6%	<b>-9.9%</b>	-31.2%	-27.2%	-1.0%	-0.5%	5.0%
MSCI UK	-8.8%	<b>-10.8%</b>	-18.6%	-14.1%	-1.7%	-1.0%	1.9%
MSCI EM	-11.7%	<b>-11.4%</b>	-26.9%	-27.8%	-1.7%	-1.4%	1.4%
MSCI Asia ex JP	-12.7%	<b>-13.7%</b>	-27.6%	-28.5%	-1.0%	-0.9%	3.3%

**Key Asset Class Levels**

	September	3Q22	Start of Year	1 Year	3 Year	5 Year	10 Year
S&P 500	3,586	<b>3,586</b>	4,766	4,308	2,977	2,519	1,441
DJIA	28,726	<b>28,726</b>	36,338	33,844	26,917	22,405	13,437
MSCI AC World	553	<b>553</b>	755	710	521	487	332
S&P 500 Dividend Yield	1.88	<b>1.88</b>	1.34	1.46	2.02	2.06	2.35
1-3M T-Bills (Cash, in %)	2.94	<b>2.94</b>	0.04	0.04	1.80	0.99	0.08
2YR Treasury Yield (in %)	4.23	<b>4.23</b>	0.73	0.29	1.62	1.48	0.24
10YR Treasury Yield (in %)	3.79	<b>3.79</b>	1.50	1.52	1.67	2.33	1.64
30Yr Treasury Yield (in %)	3.77	<b>3.77</b>	1.89	2.08	2.12	2.86	2.83
EURUSD	0.98	<b>0.98</b>	1.14	1.16	1.09	1.18	1.29
Crude Oil - WTI (\$/bbl)	83	<b>83</b>	75	75	54	52	92
Gold (\$/oz)	1709	<b>1709</b>	1829	1757	1473	1285	1774

## DISCLOSURES

INTERNATIONAL INVESTING | International investing involves additional risks such as currency fluctuations, differing financial accounting standards, and possible political and economic instability. These risks are greater in emerging markets.

SECTORS | Sector investments are companies engaged in business related to a specific economic sector and are presented herein for illustrative purposes only and should not be considered as the sole basis for an investment decision. Sectors are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification.

OIL | Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

CURRENCIES | Investing in currencies is generally considered speculative because of the significant potential for investment loss. These markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

GOLD | Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated.

FIXED INCOME | Fixed-income securities (or “bonds”) are exposed to various risks including but not limited to credit (risk of default of principal and interest payments), market and liquidity, interest rate, reinvestment, legislative (changes to the tax code), and call risks. There is an inverse relationship between interest rate movements and fixed income prices. Generally, when interest rates rise, fixed income prices fall and when interest rates fall, fixed income prices generally rise.

US TREASURIES | US Treasury securities are guaranteed by the US government and, if held to maturity, generally offer a fixed rate of return and guaranteed principal value.

HIGH YIELD SECURITIES | High yield securities involve additional risks and are not appropriate for all investors.

SMALL-CAP STOCKS | Small-cap stocks involve greater risks and are not suitable for all investors.

## DOMESTIC EQUITY DEFINITION

LARGE GROWTH | **Russell 1000 Growth Total Return Index:** This index represents a segment of the Russell 1000 Index with a greater-than-average growth orientation. Companies in this index have higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values. This index includes the effects of reinvested dividends.

SMALL GROWTH | **Russell 2000 Growth Total Return Index:** This index represents a segment of the Russell 2000 Index with a greater-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000.

LARGE BLEND | **Russell 1000 Total Return Index:** This index represents the 1000 largest companies in the Russell 3000 Index. This index is highly correlated with the S&P 500 Index. This index includes the effects of reinvested dividends.

SMALL BLEND | **Russell 2000 Total Return Index:** This index covers 2000 of the smallest companies in the Russell 3000 Index, which ranks the 3000 largest US companies by market capitalization. The Russell 2000 represents approximately 10% of the Russell 3000 total market capitalization. This index includes the effects of reinvested dividends.

LARGE VALUE | **Russell 1000 Value Total Return Index:** This index represents a segment of the Russell 1000 Index with a less-than-average growth orientation. Companies in this index have low price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values. This index includes the effects of reinvested dividends.

SMALL VALUE | **Russell 2000 Value Total Return Index:** This index represents a segment of the Russell 2000 Index with a less-than-average growth orientation. The combined market capitalization of the Russell 2000 Growth and Value Indices will add up to the total market cap of the Russell 2000. This index includes the effects of reinvested dividends.

## FIXED INCOME DEFINITION

**AGGREGATE BOND | Bloomberg US Agg Bond Total Return Index:** The index is a measure of the investment grade, fixed-rate, taxable bond market of roughly 6,000 SEC-registered securities with intermediate maturities averaging approximately 10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS, ABS, and CMBS sectors.

**MUNICIPAL | Bloomberg Municipal Total Return Index:** The index is a measure of the long-term tax-exempt bond market with securities of investment grade (rated at least Baa by Moody's Investors Service and BBB by Standard and Poor's). This index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and prerefunded bonds.

## US INDEXES AND EQUITY SECTORS DEFINITION

**DOW JONES INDUSTRIAL AVERAGE (DJIA) | The Dow Jones Industrial Average (DJIA)** is an index that tracks 30 large, publicly-owned companies trading on the New York Stock Exchange (NYSE) and the NASDAQ.

**S&P 500 | The S&P 500 Total Return Index:** The index is widely regarded as the best single gauge of large-cap U.S. equities. There is over USD 7.8 trillion benchmarked to the index, with index assets comprising approximately USD 2.2 trillion of this total. The index includes 500 leading companies and captures approximately 80% coverage of available market capitalization.

## INTERNATIONAL EQUITY DEFINITION

**EMERGING MARKETS EASTERN EUROPE | MSCI EM Eastern Europe Net Return Index:** The index captures large- and mid-cap representation across four Emerging Markets (EM) countries in Eastern Europe. With 50 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**BLOOMBERG BARCLAYS CAPITAL AGGREGATE BOND TOTAL RETURN INDEX |** This index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. The index is designed to minimize concentration in any one commodity or sector. It currently has 22 commodity futures in seven sectors. No one commodity can compose less than 2% or more than 15% of the index, and no sector can represent more than 33% of the index (as of the annual weightings of the components).

**EMERGING MARKETS ASIA | MSCI EM Asia Net Return Index:** The index captures large- and mid-cap representation across eight Emerging Markets countries. With 554 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS LATIN AMERICA | MSCI EM Latin America Net Return Index:** The index captures large- and mid-cap representation across five Emerging Markets (EM) countries in Latin America. With 116 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**EMERGING MARKETS | MSCI Emerging Markets Net Return Index:** This index consists of 23 countries representing 10% of world market capitalization. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 23 countries.

**PACIFIC EX-JAPAN | MSCI Pacific Ex Japan Net Return Index:** The index captures large- and mid-cap representation across four of 5 Developed Markets (DM) countries in the Pacific region (excluding Japan). With 150 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**JAPAN | MSCI Japan Net Return Index:** The index is designed to measure the performance of the large and mid cap segments of the Japanese market. With 319 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Japan.

**FOREIGN DEVELOPED MARKETS | MSCI EAFE Net Return Index:** This index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

**EUROPE EX UK | MSCI Europe Ex UK Net Return Index:** The index captures large and mid cap representation across 14 Developed Markets (DM) countries in Europe. With 337 constituents, the index covers approximately 85% of the free float-adjusted market capitalization across European Developed Markets excluding the UK.

**MSCI EAFE | The MSCI EAFE (Europe, Australasia, and Far East)** is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the United States & Canada. The EAFE consists of the country indices of 22 developed nations.

## COMMODITY DEFINITIONS

**US DOLLAR INDEX** | The US dollar index (USDX) is a measure of the value of the US dollar relative to the value of a basket of currencies of the majority of the US's most significant trading partners. This index is similar to other trade-weighted indexes, which also use the exchange rates from the same major currencies.

**BLOOMBERG COMMODITY INDEX** | Bloomberg Barclays Commodity Index is a commodity group sub index of the Bloomberg CINTR. The index is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return on fully collateralized futures positions and is quoted in USD.

**BLOOMBERG INDUSTRIAL METALS INDEX** | Bloomberg Industrial Metals Index is composed of futures contracts on aluminum, copper, nickel and zinc. It reflects the return of underlying commodity futures price movements only. It is quoted in USD.

**BLOOMBERG SOFTS INDEX** | Bloomberg Softs Index is a commodity group sub index of the Bloomberg CI. It is composed of futures contracts on coffee, cotton and sugar. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

**BLOOMBERG PRECIOUS METALS INDEX** | Bloomberg Precious Metals index is a commodity group sub index of the Bloomberg CI. It is composed of futures contracts on gold and silver. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

**BLOOMBERG GRAINS INDEX** | Bloomberg Grains Index is a commodity group subindex of the Bloomberg CI. It is composed of futures contracts on corn, soybeans and wheat. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

**BLOOMBERG ENERGY INDEX** | The Bloomberg Energy aims to track the performance of an equal-weighted basket of 12 energy commodity futures contracts. It reflects the return of underlying commodity futures price movements only and is quoted in USD.

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## DATA SOURCES:

FactSet, as of 9/30/2022

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