

# Capital Markets Review

1st Quarter 2022

Volatility returned in the first quarter of 2022 after a historically calm 2021 amid war, rising inflation, oil prices and higher bond yields. The markets started the year with a downturn in January and ultimately suffered their first correction in nearly two years. The S&P 500 was down at one point about 12% from its previous high. Russia's invasion of Ukraine impacted the global supply chain and rattled the markets. The S&P 500 finished the quarter down 4.6%. Large cap stocks outperformed small cap stocks. Value stocks and higher dividend payers performed better than growth stocks, a reversal from the past couple of years (see page 15). US stocks held up better than international stocks with the MSCI EAFE down 5.9% as Europe is much more dependent on Russian oil and gas than the US. The markets rebounded as the quarter came to a close. Commodities were the best performing asset class, up 25.5% (see page 14).

Inflation rose in March to 8.5% from a year ago, the fastest annual gain since 1981. Higher demand for goods

along with continued supply chain constraints are fueling inflation. Some economists believe that inflation may be at or near its peak. While inflation remains a hurdle, stocks have historically been a good hedge against it. Value stocks may continue to outpace growth stocks in this environment.

Bonds suffered their worst quarterly loss since 1980 as interest rates rose. The Bloomberg Barclays US Aggregate Bond Index (high quality US bonds) was down nearly 6% as the markets began pricing in a more aggressive, quicker pace of rate hikes to combat rising inflation. The Federal Reserve raised interest rates in March for the first time since 2018. The Fed will need to be more aggressive in the months ahead to try to tame inflation. The market is pricing in a 50 basis point increase at the May meeting along with consecutive rate hikes for the remainder of this year. Shorter maturity bonds (which are less sensitive to rising rates) have held up better than longer term ones.

Continued

Balanced portfolios have struggled so far this year with both stocks and bonds in the red. The start to this year is an important reminder that volatility and market declines are a natural part of investing. We expect the market turbulence to persist with the ongoing uncertainties related to geopolitical unrest, lingering supply chain issues, inflation and higher interest rates. However, both consumer and corporate balance sheets are in good shape and the employment market remains strong. Consumer spending has held up rather well despite higher inflation. Interest rates, while rising, are still historically low and manageable. Volatility can also bring opportunities for investors. Many times, some of the best days in the markets come soon after some of the worst days and market declines related to crisis events are usually short-lived. Missing a handful of the best days in the markets can significantly impact your investment returns. Staying invested in a well-diversified portfolio, holding cash for short-term needs and not making emotional decisions are a crucial part of a successful long-term investment approach.

*Please let us know if you have any questions.*



*Sincerely,*

A handwritten signature in dark ink, appearing to read "Jason Guenther", written over a light blue horizontal line.

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*Wealth Advisor*

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# CAPITAL MARKETS REVIEW

## April 2022

**RAYMOND JAMES**

REVIEWING THE QUARTER ENDED MARCH 31, 2022

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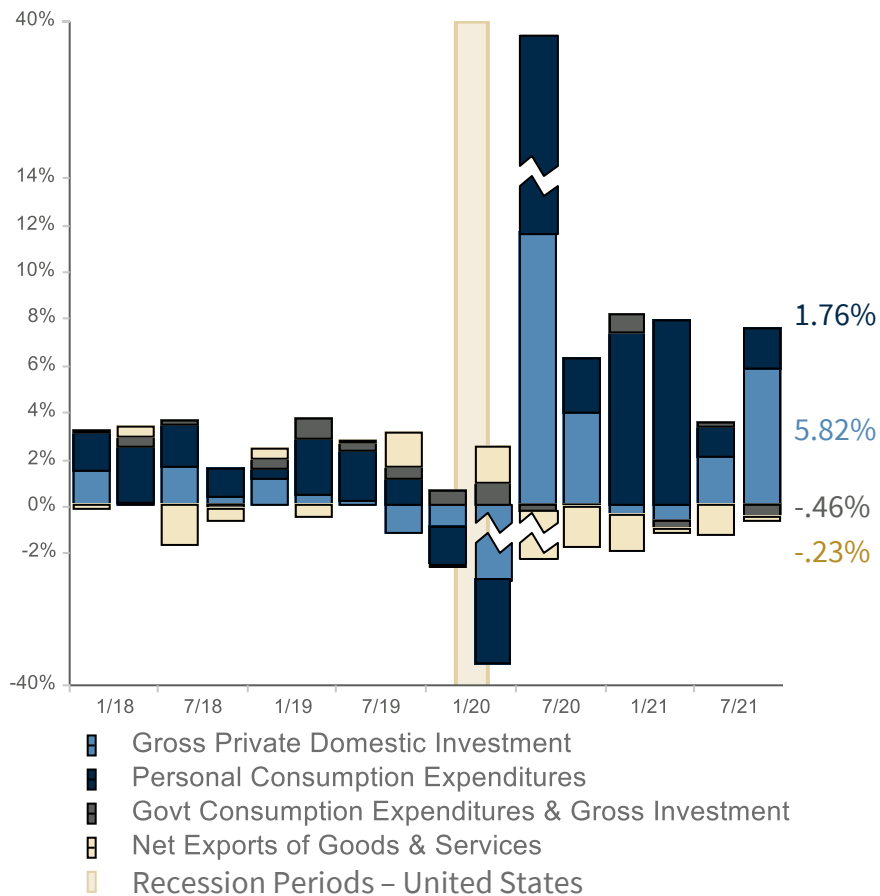
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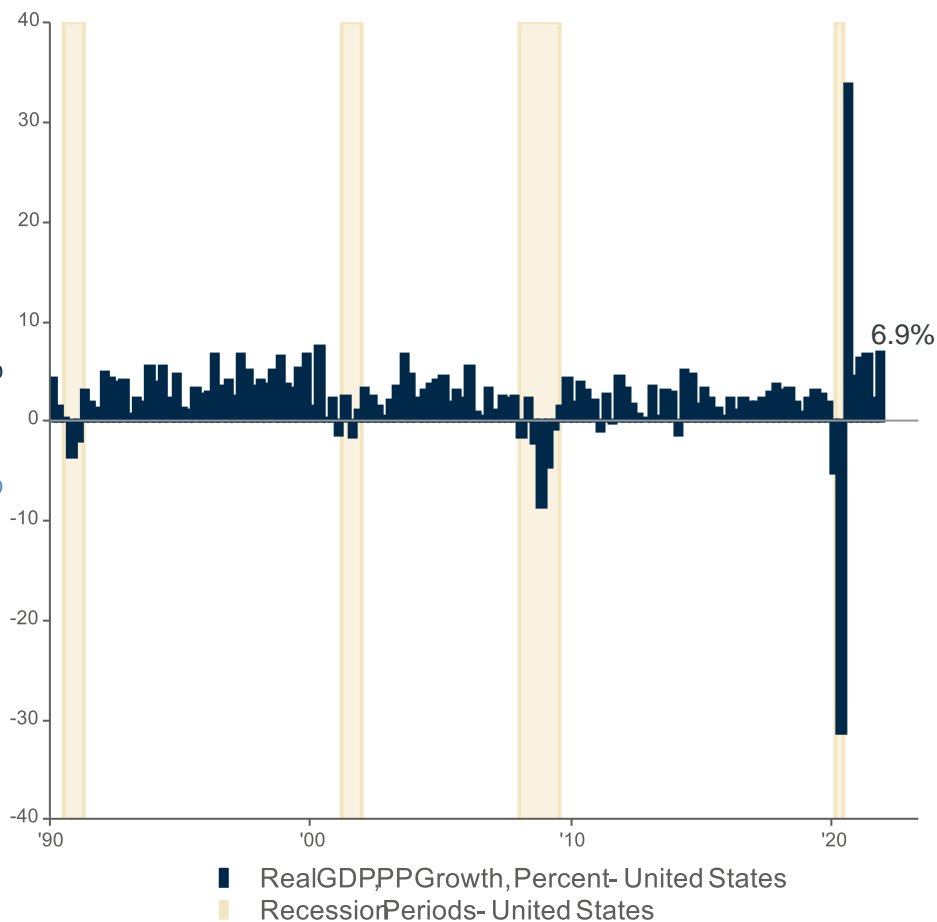
## ECONOMIC REVIEW | GROSS DOMESTIC PRODUCT

### Contribution to % Change in Real GDP



Source: FactSet, as of 3/31/2022

### Quarterly Change in Real GDP

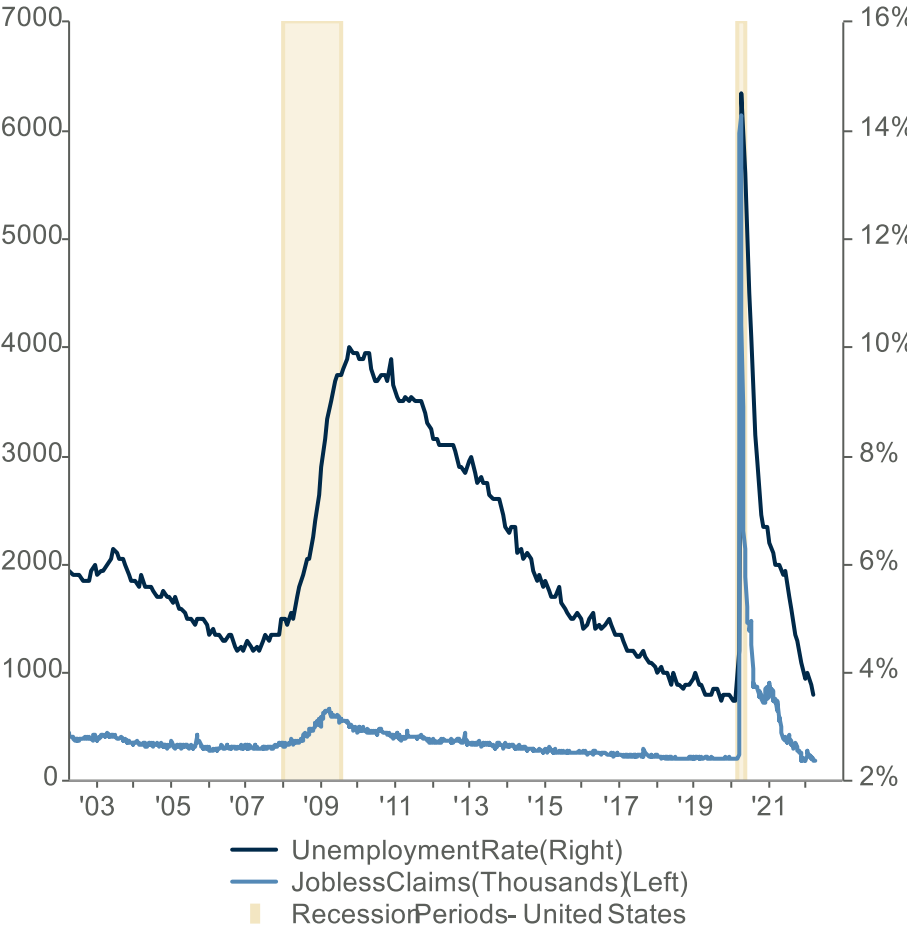


Source: FactSet, as of 3/31/2022



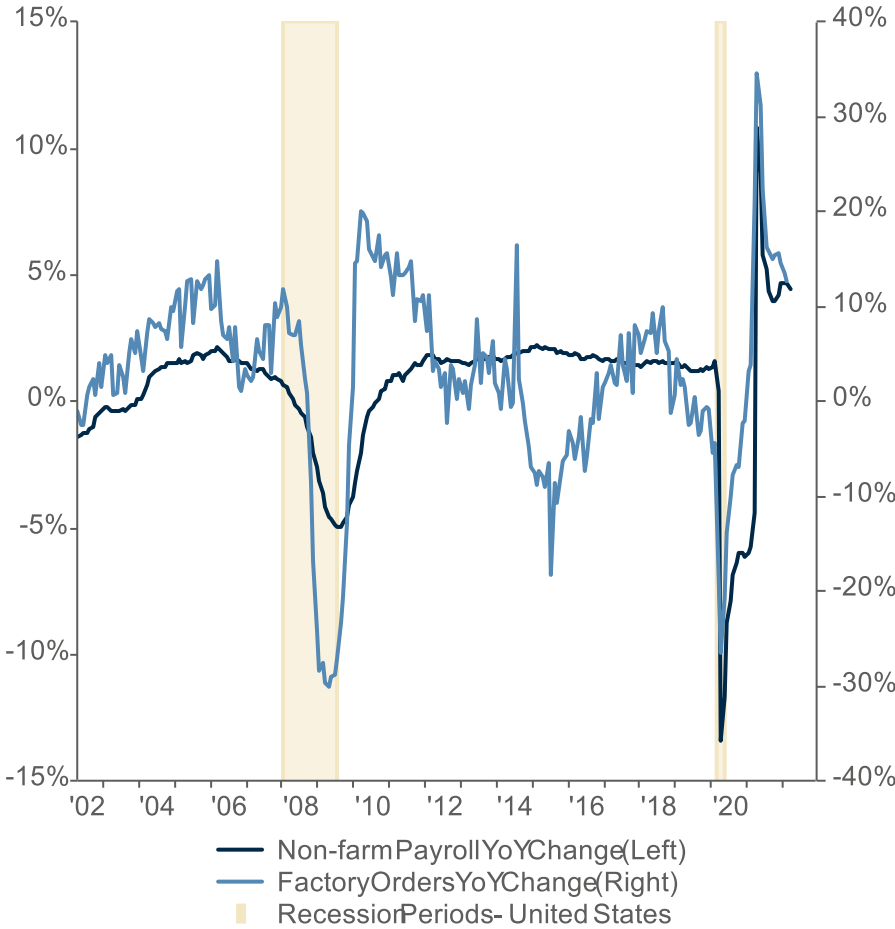
ECONOMIC REVIEW | EMPLOYMENT

Civilian Unemployment Rate



Source: FactSet, as of 3/31/2022

Non-Farm Payroll and Factory Orders

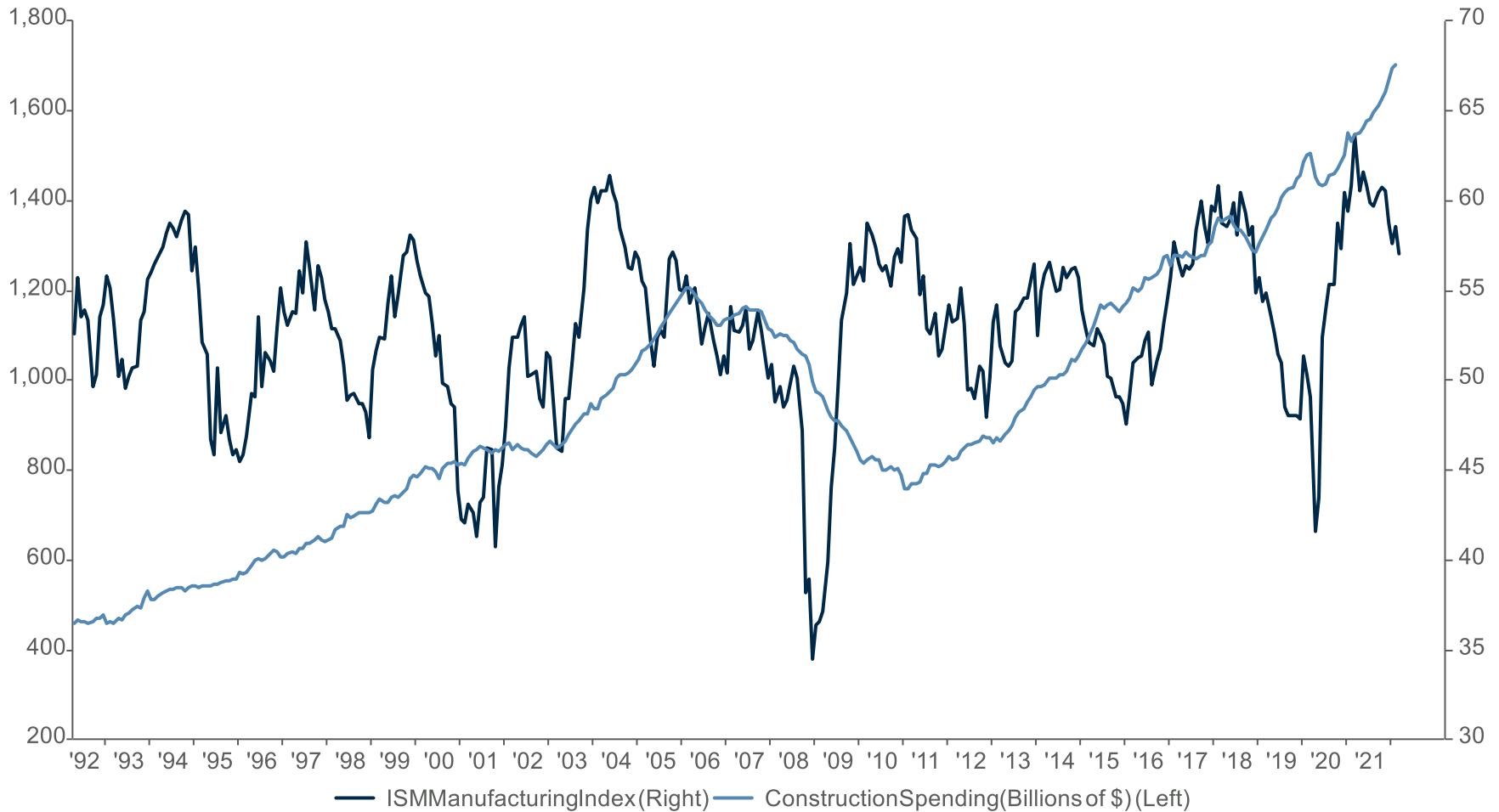


Source: FactSet, as of 3/31/2022



## ECONOMIC REVIEW | MAJOR INDUSTRY CONTRIBUTIONS TO JOB GROWTH

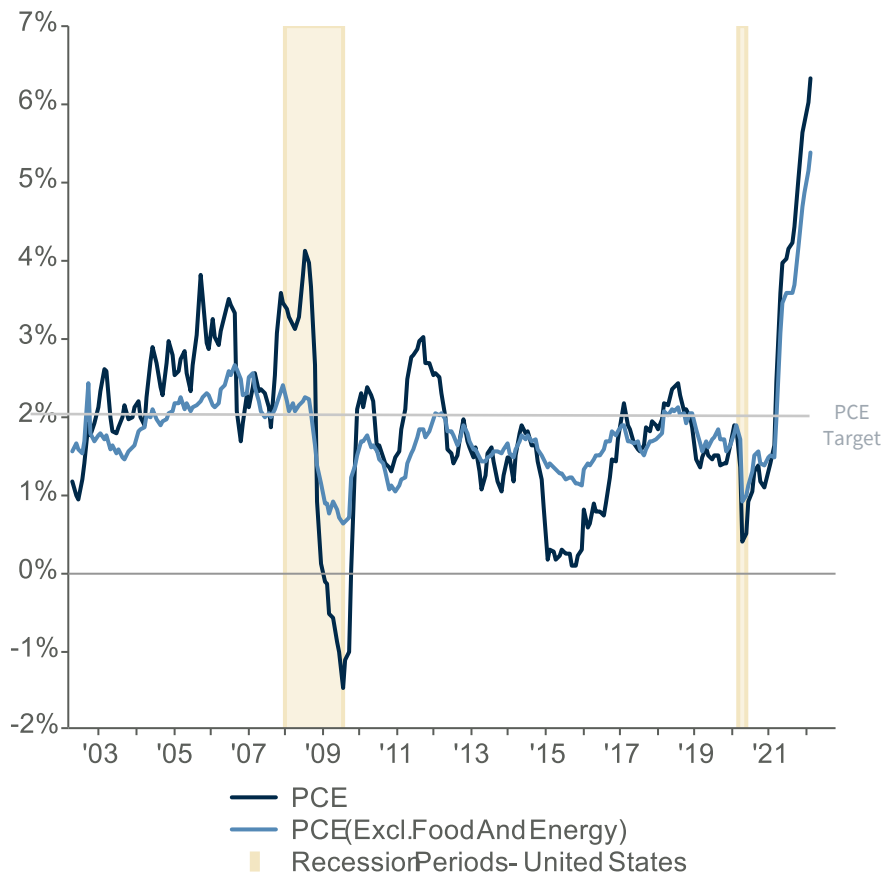
### Construction and Manufacturing



Source: FactSet, as of 3/31/2022

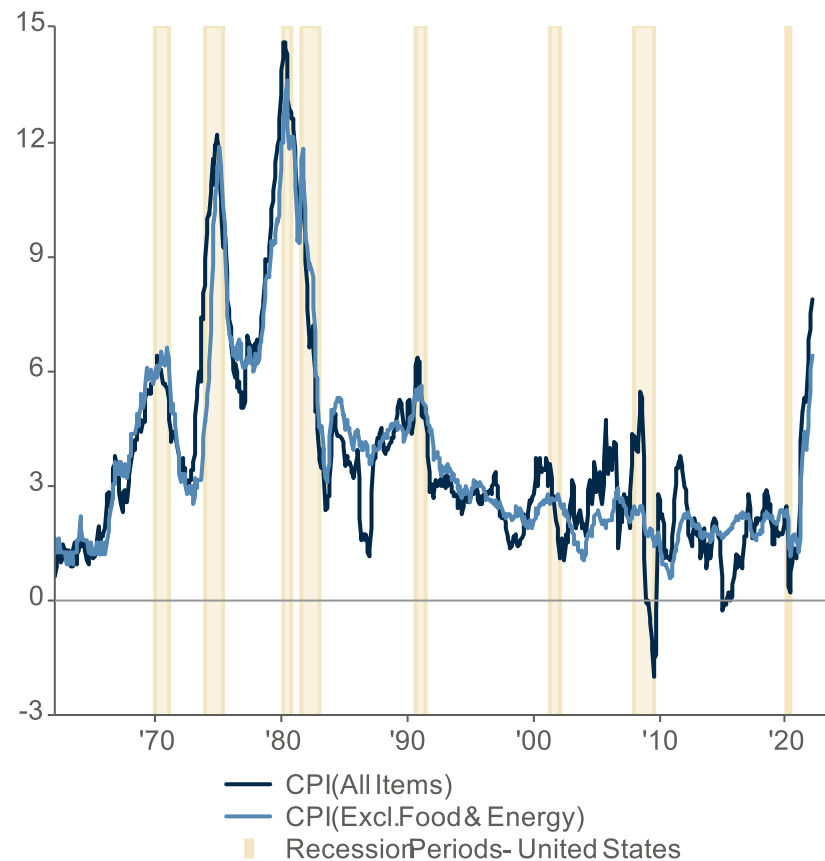
## ECONOMIC REVIEW | INFLATION

### Personal Consumption Expenditures (PCE) (YoY Change)



Source: FactSet, as of 3/31/2022

### Consumer Price Index (CPI) (YoY Change)

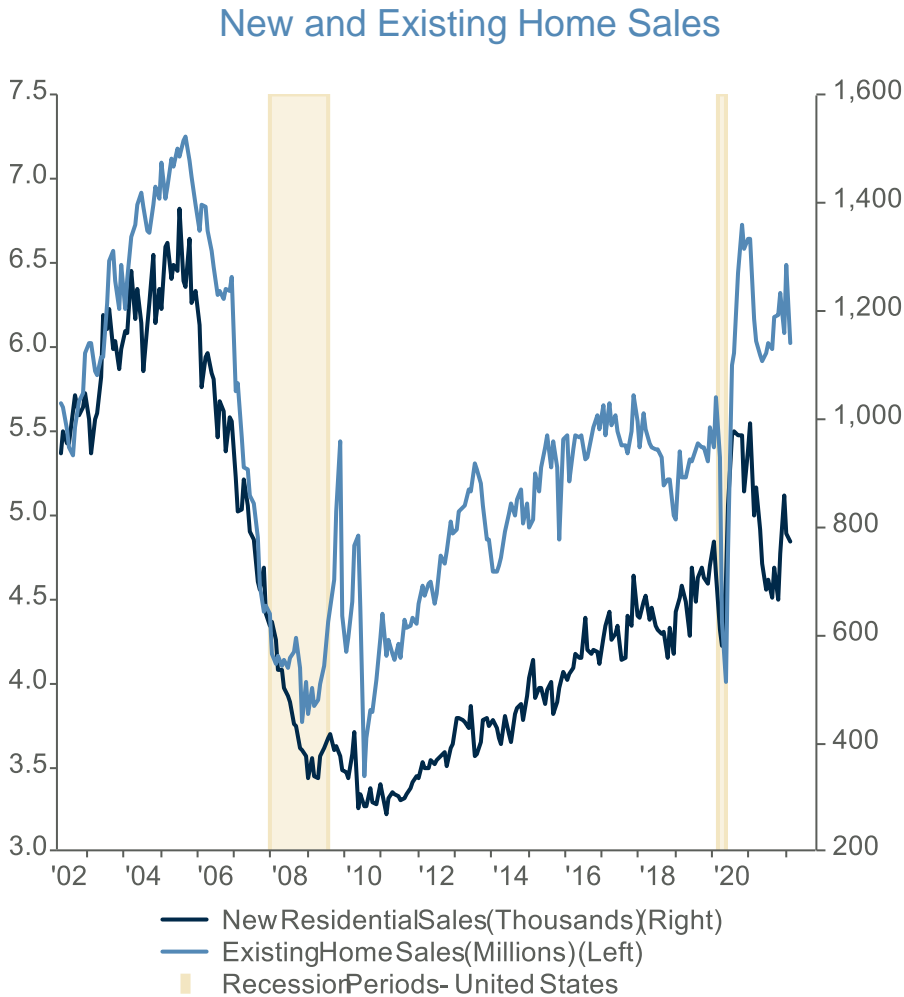


Source: FactSet, as of 3/31/2022

# ECONOMIC REVIEW | HOUSING MARKET

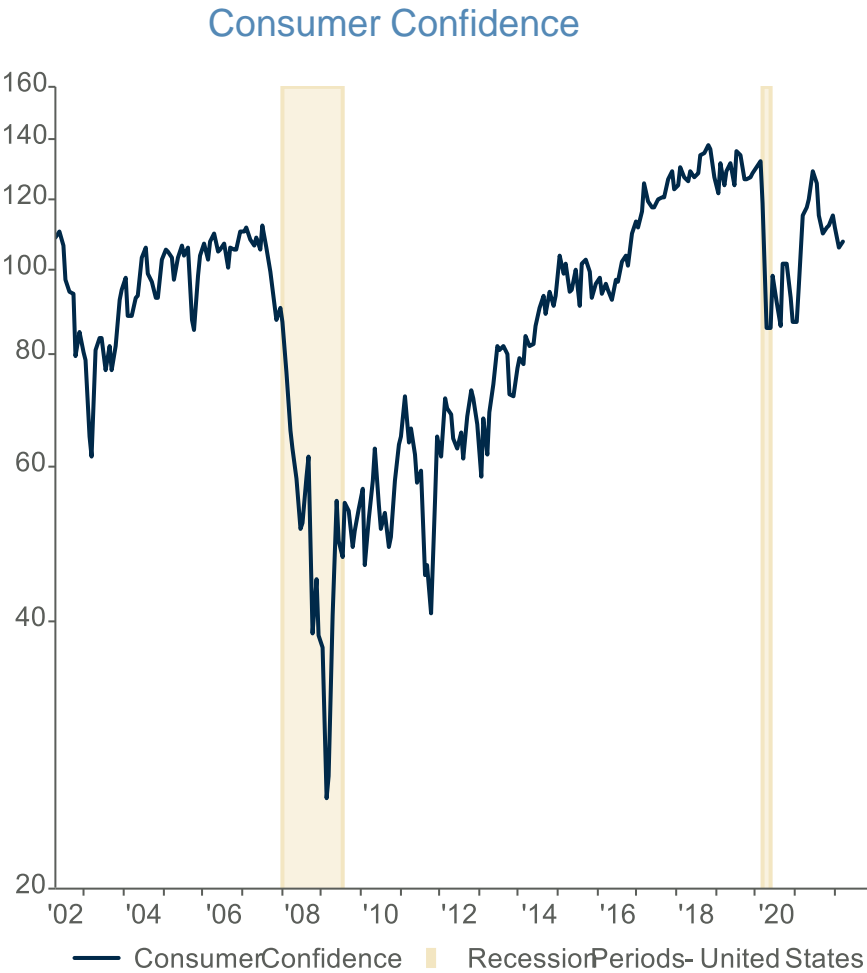


Source: FactSet, as of 3/31/2022

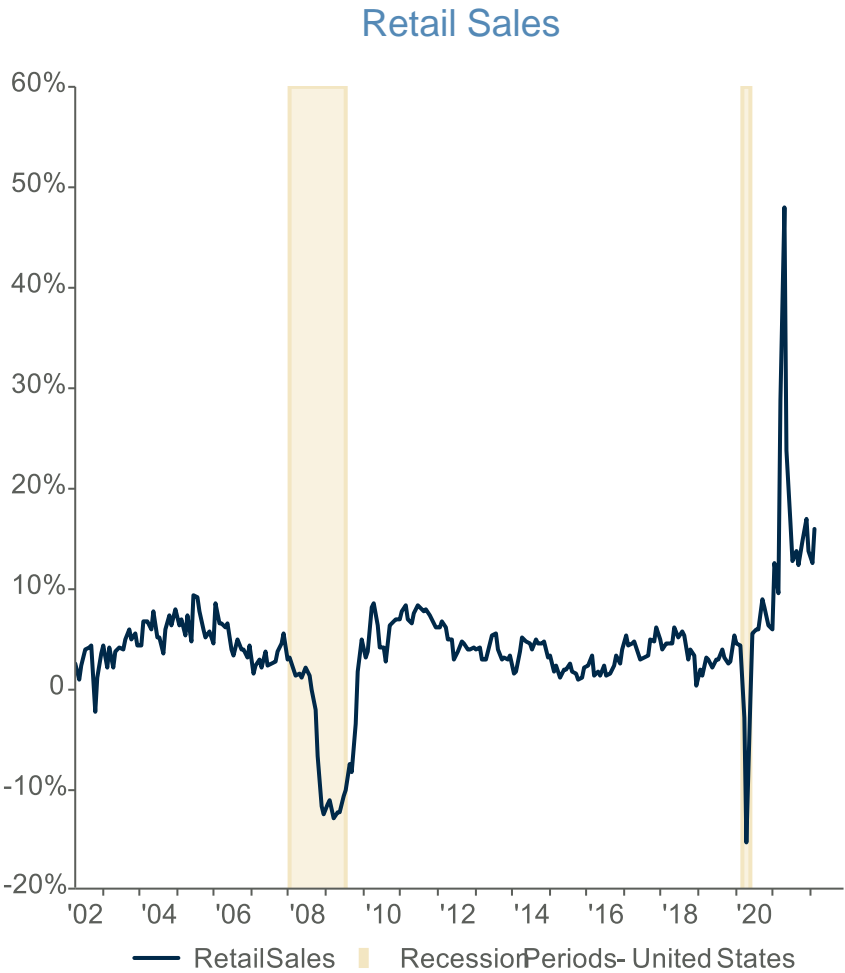


Source: FactSet, as of 3/31/2022

# ECONOMIC REVIEW | CONSUMER CONFIDENCE



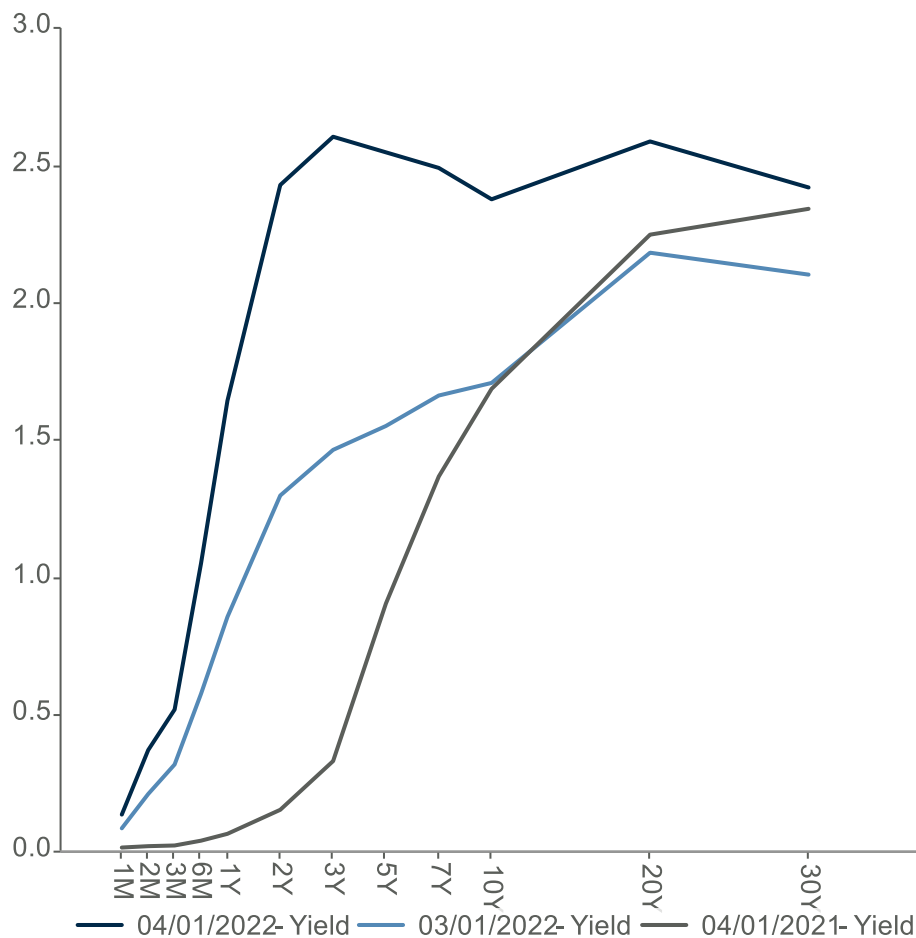
Source: FactSet, as of 3/31/2022



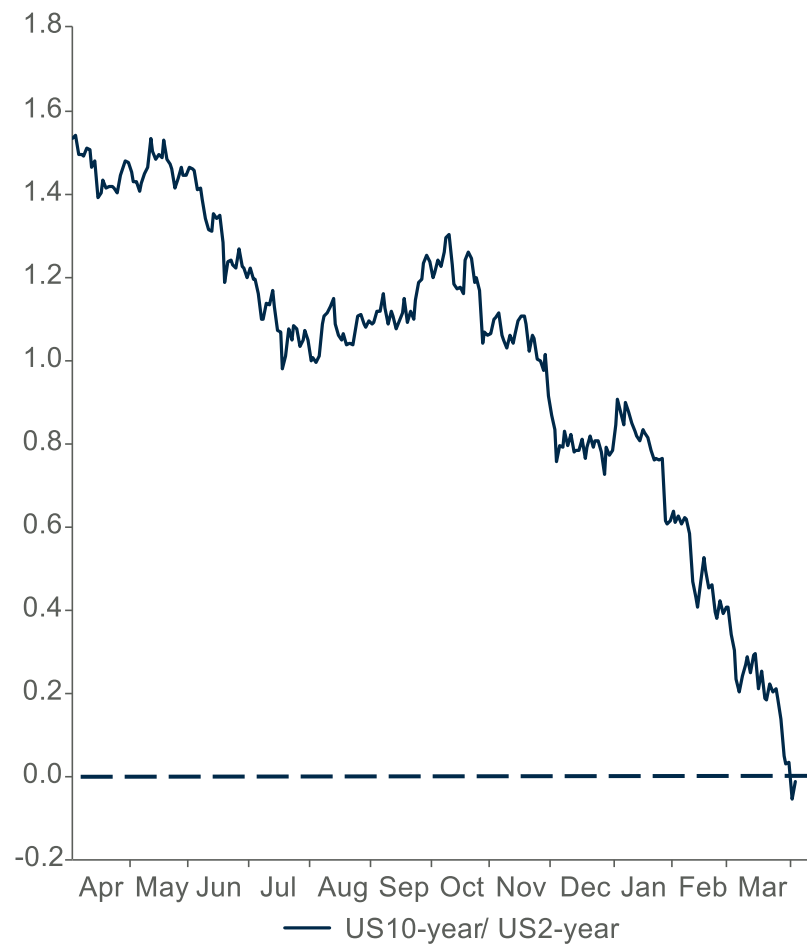
Source: FactSet, as of 3/31/2022

## CAPITAL MARKETS | US TREASURYS

### US Yield Curve



### US 10-Year/US 2-Year Yield Curve



## CAPITAL MARKETS | BROAD ASSET CLASS RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
Fixed Income 7.8%	Non-US Equities 17.0%	US Equities 32.4%	Real Estate 14.3%	US Equities 1.4%	Real Estate 15.3%	Non-US Equities 24.8%	Cash & Cash Alternatives 1.8%	US Equities 31.5%	US Equities 18.4%	Real Estate 38.6%	Commodities 25.5%
Blended Portfolio 2.3%	US Equities 16.0%	Non-US Equities 21.6%	US Equities 13.7%	Fixed Income 0.5%	US Equities 12.0%	US Equities 21.8%	Fixed Income 0.0%	Non-US Equities 23.2%	Blended Portfolio 12.5%	US Equities 28.7%	Cash & Cash Alternatives 0.0%
US Equities 2.1%	Blended Portfolio 11.4%	Blended Portfolio 17.0%	Blended Portfolio 8.0%	Blended Portfolio 0.5%	Commodities 11.4%	Blended Portfolio 15.0%	Blended Portfolio -4.0%	Blended Portfolio 21.1%	Non-US Equities 8.1%	Commodities 27.1%	US Equities -4.6%
Cash & Cash Alternatives 0.1%	Fixed Income 4.2%	Cash & Cash Alternatives 0.0%	Fixed Income 6.0%	Cash & Cash Alternatives 0.0%	Blended Portfolio 6.9%	Fixed Income 3.5%	US Equities -4.4%	Real Estate 19.5%	Fixed Income 7.5%	Blended Portfolio 14.3%	Non-US Equities -4.7%
Real Estate -2.2%	Real Estate 0.6%	Fixed Income -2.0%	Cash & Cash Alternatives 0.0%	Non-US Equities -2.6%	Non-US Equities 3.3%	Cash & Cash Alternatives 0.8%	Real Estate -7.6%	Fixed Income 8.7%	Cash & Cash Alternatives 0.5%	Non-US Equities 13.2%	Real Estate -4.8%
Non-US Equities -11.8%	Cash & Cash Alternatives 0.1%	Commodities -9.6%	Non-US Equities -3.9%	Real Estate -24.2%	Fixed Income 2.6%	Commodities 0.7%	Commodities -13.0%	Commodities 5.4%	Commodities -3.5%	Cash & Cash Alternatives 0.0%	Blended Portfolio -5.1%
Commodities -13.4%	Commodities -1.1%	Real Estate -25.8%	Commodities -17.0%	Commodities -24.7%	Cash & Cash Alternatives 0.3%	Real Estate -0.2%	Non-US Equities -13.6%	Cash & Cash Alternatives 2.2%	Real Estate -13.1%	Fixed Income -1.5%	Fixed Income -5.9%

Blended Portfolio Allocation: 45% US Equity / 15% Non-US Equity / 40% Fixed Income

As of: 3/31/2022

## CAPITAL MARKETS | DOMESTIC EQUITY RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
Large Growth 4.7%	Mid Value 18.5%	Small Growth 42.7%	Large Growth 14.9%	Large Growth 5.5%	Small Value 31.3%	Large Growth 27.4%	Large Growth 0.0%	Large Value 31.9%	Large Growth 33.5%	Large Growth 32.0%	Large Value -0.2%
Small Growth 3.6%	Small Value 18.2%	Small Blend 41.3%	Large Blend 13.7%	Small Growth 2.8%	Small Blend 26.6%	Large Blend 21.8%	Small Growth -4.1%	Large Blend 31.5%	Mid Growth 22.8%	Small Value 30.9%	Mid Value -0.6%
Large Blend 2.1%	Mid Blend 17.9%	Small Value 40.0%	Large Value 12.4%	Mid Growth 2.0%	Mid Value 26.5%	Mid Growth 19.9%	Large Blend -4.4%	Large Growth 31.1%	Small Growth 19.6%	Mid Value 30.7%	Small Value -1.6%
Small Blend 1.0%	Large Value 17.7%	Mid Value 34.3%	Mid Value 12.1%	Large Blend 1.4%	Small Growth 22.2%	Mid Blend 16.2%	Small Blend -8.5%	Mid Growth 26.3%	Large Blend 18.4%	Large Blend 28.7%	Large Blend -4.6%
Large Value -0.5%	Mid Growth 17.3%	Mid Blend 33.5%	Mid Blend 9.8%	Small Blend -2.0%	Mid Blend 20.7%	Large Value 15.4%	Large Value -9.0%	Mid Blend 26.2%	Mid Blend 13.7%	Small Blend 26.8%	Mid Blend -4.9%
Mid Growth -0.9%	Small Blend 16.3%	Mid Growth 32.8%	Mid Growth 7.6%	Mid Blend -2.2%	Large Value 17.4%	Small Growth 14.8%	Mid Growth -10.3%	Mid Value 26.1%	Small Blend 11.3%	Large Value 24.9%	Small Blend -5.6%
Small Value -1.4%	Large Blend 16.0%	Large Growth 32.8%	Small Value 7.5%	Large Value -3.1%	Mid Growth 14.8%	Small Blend 13.2%	Mid Blend -11.1%	Small Value 24.5%	Mid Value 3.7%	Mid Blend 24.8%	Large Growth -8.6%
Mid Blend -1.7%	Large Growth 14.6%	Large Blend 32.4%	Small Blend 5.8%	Mid Value -6.7%	Large Blend 12.0%	Mid Value 12.3%	Mid Value -11.9%	Small Blend 22.8%	Small Value 2.5%	Small Growth 22.6%	Mid Growth -9.0%
Mid Value -2.4%	Small Growth 14.6%	Large Value 32.0%	Small Growth 3.9%	Small Value -6.7%	Large Growth 6.9%	Small Value 11.5%	Small Value -12.6%	Small Growth 21.1%	Large Value 1.4%	Mid Growth 18.9%	Small Growth -9.5%

As of: 3/31/2022



## CAPITAL MARKETS | FIXED INCOME RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
Long-Term Bond 17.1%	Emerging Market Bond 17.9%	High Yield 7.4%	Long-Term Bond 16.4%	Municipal 3.3%	High Yield 17.1%	Long-Term Bond 12.2%	T-Bill 1.8%	Long-Term Bond 23.4%	Long-Term Bond 13.3%	US TIPS 5.5%	Agency 1.0%
Municipal 10.7%	High Yield 15.8%	Agency 1.0%	Municipal 9.1%	Agency 1.8%	Long-Term Bond 10.2%	Emerging Market Bond 8.2%	Short-Term Bond 1.4%	High Yield 14.3%	Credit 9.4%	High Yield 5.3%	US TIPS 0.3%
Treasury 9.8%	Long-Term Bond 12.7%	Short-Term Bond 0.3%	Credit 7.5%	MBS 1.5%	Emerging Market Bond 9.9%	Global Bond ex US 8.0%	Municipal 1.3%	Credit 13.8%	Global Bond ex US 8.9%	Municipal 1.5%	T-Bill 0.0%
Credit 8.4%	Credit 9.4%	T-Bill 0.0%	MBS 6.1%	Emerging Market Bond 1.3%	Credit 5.6%	High Yield 7.5%	Agency 1.1%	Emerging Market Bond 13.1%	Treasury 8.0%	Agency 1.0%	Short-Term Bond -2.5%
Aggregate Bond 7.8%	Municipal 6.8%	US TIPS -0.9%	Aggregate Bond 6.0%	Treasury 0.8%	Aggregate Bond 2.6%	Credit 6.2%	MBS 1.0%	Aggregate Bond 8.7%	Aggregate Bond 7.5%	T-Bill 0.0%	High Yield -4.8%
Emerging Market Bond 7.0%	Aggregate Bond 4.2%	MBS -1.5%	Treasury 5.1%	Aggregate Bond 0.5%	Agency 2.6%	Municipal 5.4%	Treasury 0.9%	Municipal 7.5%	High Yield 7.1%	Short-Term Bond -0.6%	MBS -5.0%
MBS 6.3%	MBS 2.6%	Credit -2.0%	Emerging Market Bond 4.8%	Short-Term Bond 0.4%	US TIPS 2.5%	Aggregate Bond 3.5%	US TIPS 0.7%	Treasury 6.9%	Emerging Market Bond 6.5%	MBS -1.0%	Treasury -5.6%
Global Bond ex US 6.1%	Treasury 2.0%	Aggregate Bond -2.0%	High Yield 2.5%	T-Bill 0.0%	Global Bond ex US 2.2%	Agency 2.9%	Aggregate Bond 0.0%	MBS 6.4%	Municipal 5.2%	Credit -1.1%	Aggregate Bond -5.9%
High Yield 5.0%	US TIPS 1.7%	Municipal -2.6%	Agency 1.0%	US TIPS -0.4%	MBS 1.7%	MBS 2.5%	Global Bond ex US -0.3%	US TIPS 4.5%	MBS 3.9%	Long-Term Bond -1.2%	Municipal -6.2%
US TIPS 2.6%	Agency 1.0%	Treasury -2.7%	Short-Term Bond 0.7%	Credit -0.8%	Treasury 1.0%	Treasury 2.3%	High Yield -2.1%	Global Bond ex US 4.5%	US TIPS 3.8%	Aggregate Bond -1.5%	Global Bond ex US -7.2%
Short-Term Bond 1.5%	Short-Term Bond 0.3%	Emerging Market Bond -4.1%	T-Bill 0.0%	Global Bond ex US -3.6%	Short-Term Bond 0.6%	T-Bill 0.8%	Credit -2.1%	Short-Term Bond 3.3%	Short-Term Bond 3.1%	Emerging Market Bond -1.7%	Credit -7.4%
Agency 1.0%	T-Bill 0.1%	Long-Term Bond -6.6%	US TIPS -1.4%	High Yield -4.5%	T-Bill 0.3%	US TIPS 0.4%	Emerging Market Bond -2.5%	T-Bill 2.2%	Agency 1.0%	Treasury -2.3%	Emerging Market Bond -9.2%
T-Bill 0.1%	Global Bond ex US -0.6%	Global Bond ex US -7.1%	Global Bond ex US -3.5%	Long-Term Bond -4.6%	Municipal 0.2%	Short-Term Bond 0.3%	Long-Term Bond -6.8%	Agency 1.0%	T-Bill 0.5%	Global Bond ex US -9.5%	Long-Term Bond -11.2%

As of: 3/31/2022

## CAPITAL MARKETS | INTERNATIONAL EQUITY RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
US Large Cap 2.1%	Pacific ex Japan 24.7%	US Large Cap 32.4%	US Large Cap 13.7%	Japan 9.9%	EM Eastern Europe 38.8%	EM Asia 43.3%	EM Eastern Europe -3.4%	EM Eastern Europe 31.0%	EM Asia 28.8%	US Large Cap 28.7%	EM Latin America 27.3%
United Kingdom -2.5%	EM Asia 21.2%	Europe ex UK 28.7%	EM Asia 5.3%	US Large Cap 1.4%	EM Latin America 31.5%	Emerging Markets 37.8%	US Large Cap -4.4%	US Large Cap 25.7%	Emerging Markets 18.7%	EM Eastern Europe 18.6%	Pacific ex Japan 3.8%
Developed Markets -11.7%	Europe ex UK 22.5%	Japan 27.3%	Pacific ex Japan -0.3%	Europe ex UK 0.1%	US Large Cap 12.0%	Europe ex UK 27.8%	EM Latin America -6.2%	EM Latin America 10.5%	US Large Cap 18.4%	United Kingdom 18.5%	United Kingdom 1.8%
Pacific ex Japan -12.7%	EM Eastern Europe 18.7%	Developed Markets 23.3%	Emerging Markets -1.8%	Developed Markets -0.4%	Emerging Markets 11.6%	Pacific ex Japan 26.0%	Pacific ex Japan -10.2%	Europe ex UK 7.7%	Japan 14.9%	Europe ex UK 16.5%	US Large Cap -4.6%
Japan -14.2%	Emerging Markets 18.6%	United Kingdom 20.7%	Japan -3.7%	EM Eastern Europe -4.0%	Pacific ex Japan 8.0%	Developed Markets 25.6%	Japan -12.6%	Pacific ex Japan 6.4%	Europe ex UK 11.6%	Developed Markets 11.8%	Developed Markets -5.8%
Europe ex UK -14.5%	Developed Markets 17.9%	Pacific ex Japan 5.6%	Developed Markets -4.5%	United Kingdom -7.5%	EM Asia 6.5%	Japan 24.4%	Developed Markets -13.4%	Developed Markets 6.3%	Developed Markets 8.3%	Pacific ex Japan 4.8%	Japan -6.4%
EM Asia -17.2%	US Large Cap 16.0%	EM Asia 2.3%	United Kingdom -5.4%	Pacific ex Japan -8.4%	Japan 2.7%	EM Latin America 24.2%	United Kingdom -14.1%	Japan 5.0%	Pacific ex Japan 6.6%	Japan 2.0%	Emerging Markets -6.9%
Emerging Markets -18.2%	United Kingdom 15.3%	EM Eastern Europe 1.4%	Europe ex UK -5.8%	EM Asia -9.5%	Developed Markets 1.5%	United Kingdom 22.4%	Emerging Markets -14.2%	United Kingdom 4.1%	United Kingdom -10.4%	Emerging Markets -2.2%	EM Asia -8.6%
EM Latin America -19.1%	EM Latin America 8.9%	Emerging Markets -2.3%	EM Latin America -12.0%	Emerging Markets -14.6%	Europe ex UK 0.3%	US Large Cap 21.8%	Europe ex UK -14.4%	Emerging Markets 2.0%	EM Eastern Europe -11.3%	EM Asia -4.8%	Europe ex UK -9.8%
EM Eastern Europe -21.3%	Japan 8.4%	EM Latin America -13.2%	EM Eastern Europe -37.1%	EM Latin America -30.8%	United Kingdom 0.0%	EM Eastern Europe 18.1%	EM Asia -15.2%	EM Asia 1.5%	EM Latin America -13.5%	EM Latin America -7.7%	EM Eastern Europe -78.3%

As of: 3/31/2022.

## CAPITAL MARKETS | S&P EQUITY SECTOR RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
Utilities 20.0%	Financials 28.8%	Consumer Discretionary 43.1%	Real Estate 30.2%	Consumer Discretionary 10.1%	Energy 27.4%	Information Technology 38.8%	Health Care 6.5%	Information Technology 50.3%	Information Technology 43.9%	Energy 54.6%	Energy 39.0%
Consumer Staples 14.0%	Consumer Discretionary 23.9%	Health Care 41.5%	Utilities 29.0%	Health Care 6.9%	Comm Services 23.5%	Materials 23.8%	Utilities 4.1%	Comm Services 32.7%	Consumer Discretionary 33.3%	Real Estate 46.2%	Utilities 4.8%
Health Care 12.7%	Real Estate 19.7%	Industrials 40.7%	Health Care 25.3%	Consumer Staples 6.6%	Financials 22.8%	Consumer Discretionary 23.0%	Consumer Discretionary 0.8%	Financials 32.1%	Comm Services 23.6%	Financials 35.0%	Consumer Staples -1.0%
Real Estate 11.4%	Comm Services 18.3%	Financials 35.6%	Information Technology 20.1%	Information Technology 5.9%	Industrials 18.9%	Financials 22.2%	Information Technology -0.3%	S&P 500 31.5%	Materials 20.7%	Information Technology 34.5%	Financials -1.5%
Comm Services 6.3%	Health Care 17.9%	S&P 500 32.4%	Consumer Staples 16.0%	Real Estate 4.7%	Materials 16.7%	Health Care 22.1%	Real Estate -2.2%	Industrials 29.4%	S&P 500 18.4%	S&P 500 28.7%	Industrials -2.4%
Consumer Discretionary 6.1%	S&P 500 16.0%	Information Technology 28.4%	Financials 15.2%	Comm Services 3.4%	Utilities 16.3%	S&P 500 21.8%	S&P 500 -4.4%	Real Estate 29.0%	Health Care 13.4%	Materials 27.3%	Materials -2.4%
Energy 4.7%	Industrials 15.3%	Consumer Staples 26.1%	S&P 500 13.7%	S&P 500 1.4%	Information Technology 13.8%	Industrials 21.0%	Consumer Staples -8.4%	Consumer Discretionary 27.9%	Industrials 11.1%	Health Care 26.1%	Health Care -2.6%
Information Technology 2.4%	Materials 15.0%	Materials 25.6%	Industrials 9.8%	Financials -1.5%	S&P 500 12.0%	Consumer Staples 13.5%	Comm Services -12.5%	Consumer Staples 27.6%	Consumer Staples 10.7%	Consumer Discretionary 24.4%	S&P 500 -4.6%
S&P 500 2.1%	Information Technology 14.8%	Energy 25.1%	Consumer Discretionary 9.7%	Industrials -2.5%	Consumer Discretionary 6.0%	Utilities 12.1%	Financials -13.0%	Utilities 26.3%	Utilities 0.5%	Comm Services 21.6%	Real Estate -6.2%
Industrials -0.6%	Consumer Staples 10.8%	Utilities 13.2%	Materials 6.9%	Utilities -4.8%	Consumer Staples 5.4%	Real Estate 10.8%	Industrials -13.3%	Materials 24.6%	Financials -1.7%	Industrials 21.1%	Information Technology -8.4%
Materials -9.8%	Energy 4.6%	Comm Services 11.5%	Comm Services 3.0%	Materials -8.4%	Real Estate 3.4%	Energy -1.0%	Materials -14.7%	Health Care 20.8%	Real Estate -2.2%	Consumer Staples 18.6%	Consumer Discretionary -9.0%
Financials -17.1%	Utilities 1.3%	Real Estate 1.6%	Energy -7.8%	Energy -21.1%	Health Care -2.7%	Comm Services -1.3%	Energy -18.1%	Energy 11.8%	Energy -33.7%	Utilities 17.7%	Comm Services -11.9%

As of: 3/31/2022

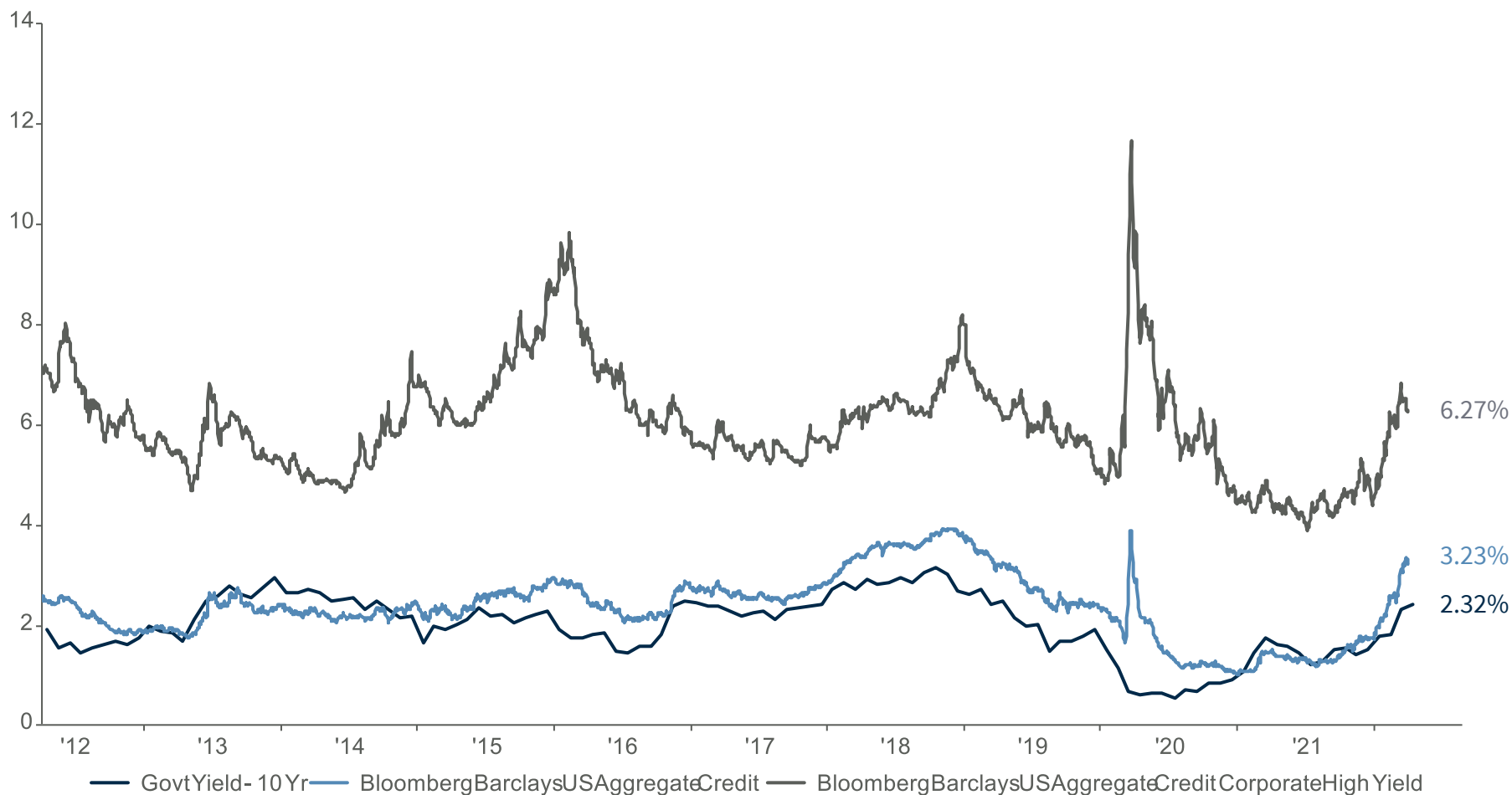
## CAPITAL MARKETS | T-12 AND Q1 RETURNS

Broad Asset Class Total Returns		Domestic Equity Total Returns		S&P 500 Sectors Total Returns		International Equity Total Returns		Fixed Income Total Returns	
T-12	Q1	T-12	Q1	T-12	Q1	T-12	Q1	T-12	Q1
Commodities	Commodities	Large Growth	Large Value	Energy	Energy	EM Latin America	EM Latin America	US TIPS	Agency
49.1%	25.5%	18.2%	-0.2%	64.3%	39.0%	24.0%	27.3%	4.5%	1.0%
Real Estate	Cash & Cash Alternatives	Large Blend	Mid Value	Real Estate	Utilities	US Large Cap	Pacific ex Japan	Agency	US TIPS
21.3%	0.0%	15.6%	-0.6%	25.8%	4.8%	15.6%	3.8%	1.0%	0.3%
US Equities	US Equities	Large Value	Small Value	Information Technology	Consumer Staples	United Kingdom	United Kingdom	T-Bill	T-Bill
15.6%	-4.6%	12.6%	-1.6%	20.9%	-1.0%	13.7%	1.8%	0.1%	0.0%
Blended Portfolio	Non-US Equities	Mid Value	Large Blend	Utilities	Financials	Pacific ex Japan	US Large Cap	High Yield	Short-Term Bond
5.9%	-4.7%	9.7%	-4.6%	19.9%	-1.5%	3.9%	-4.6%	-0.7%	-2.5%
Non-US Equities	Real Estate	Mid Blend	Mid Blend	Health Care	Industrials	Developed Markets	Developed Markets	Short-Term Bond	High Yield
3.6%	-4.8%	4.6%	-4.9%	19.1%	-2.4%	1.6%	-5.8%	-3.0%	-4.8%
Cash & Cash Alternatives	Blended Portfolio	Small Value	Small Blend	Consumer Staples	Materials	Europe ex UK	Japan	Treasury	MBS
0.1%	-5.1%	3.7%	-5.6%	16.1%	-2.4%	1.4%	-6.4%	-3.7%	-5.0%
Fixed Income	Fixed Income	Small Blend	Large Growth	S&P 500	Health Care	Japan	Emerging Markets	Aggregate Bond	Treasury
-4.2%	-5.9%	1.2%	-8.6%	15.6%	-2.6%	-6.1%	-6.9%	-4.2%	-5.6%
		Mid Growth	Mid Growth	Financials	S&P 500	Emerging Markets	EM Asia	Credit	Aggregate Bond
		-0.4%	-9.0%	14.7%	-4.6%	-11.1%	-8.6%	-4.2%	-5.9%
		Small Growth	Small Growth	Materials	Real Estate	EM Asia	Europe ex UK	Long-Term Bond	Municipal
		-1.2%	-9.5%	13.9%	-6.2%	-14.9%	-9.8%	-4.2%	-6.2%
				Consumer Discretionary	Information Technology	EM Eastern Europe	EM Eastern Europe	Municipal	Global Bond ex US
				Industrials	Consumer Discretionary	-74.9%	-78.3%	-4.5%	-7.2%
				Comm Services	Comm Services			MBS	Credit
				-0.9%	-11.9%			Emerging Market Bond	Emerging Market Bond
								-7.5%	-9.2%
								Global Bond ex US	Long-Term Bond
								-10.2%	-11.2%

As of: 3/31/2022

## CAPITAL MARKETS | FIXED INCOME YIELDS

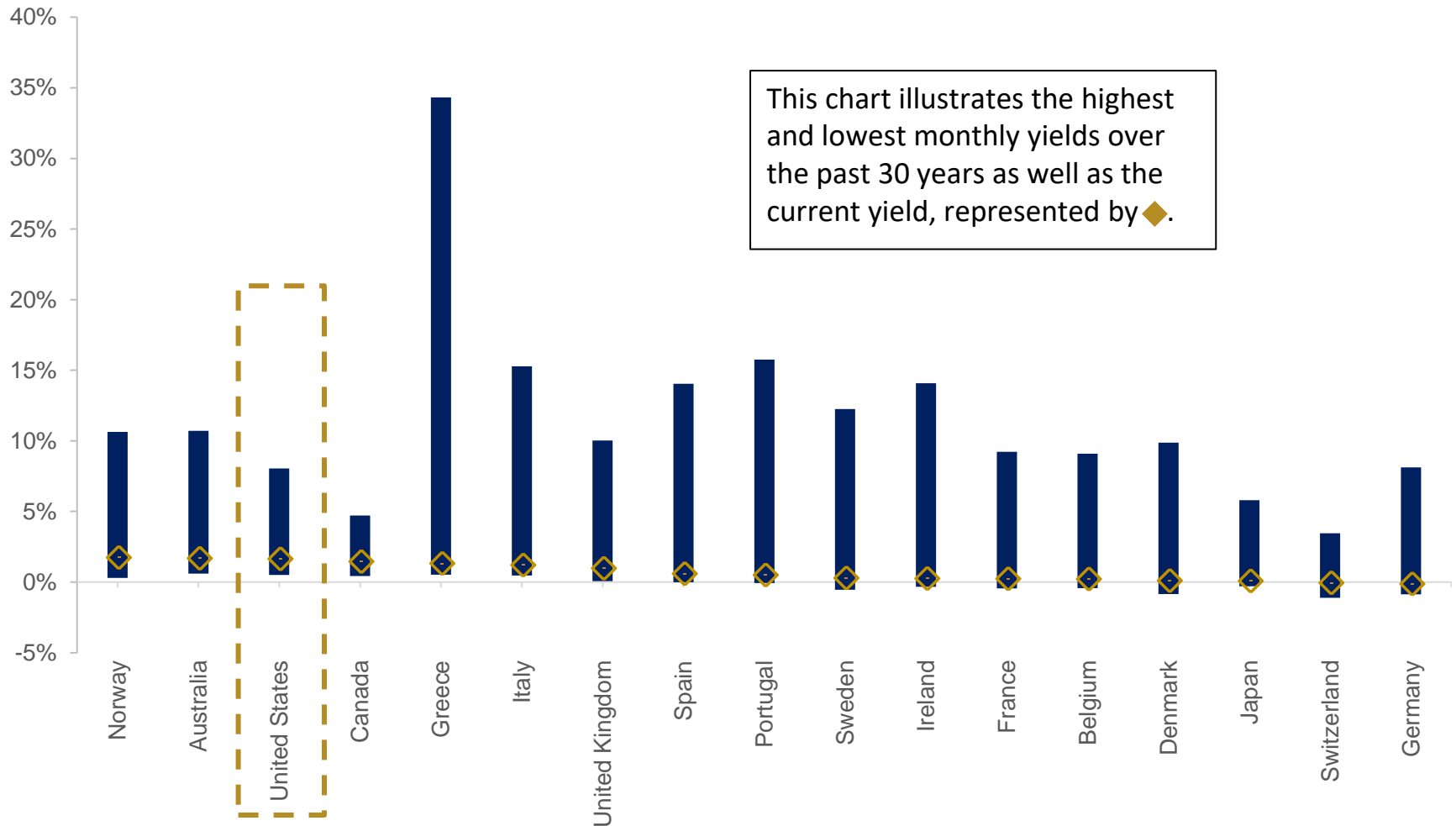
### US Yield-to-Worst



Source: FactSet, as of 3/31/2022

## CAPITAL MARKETS | GLOBAL SOVEREIGN DEBT YIELDS

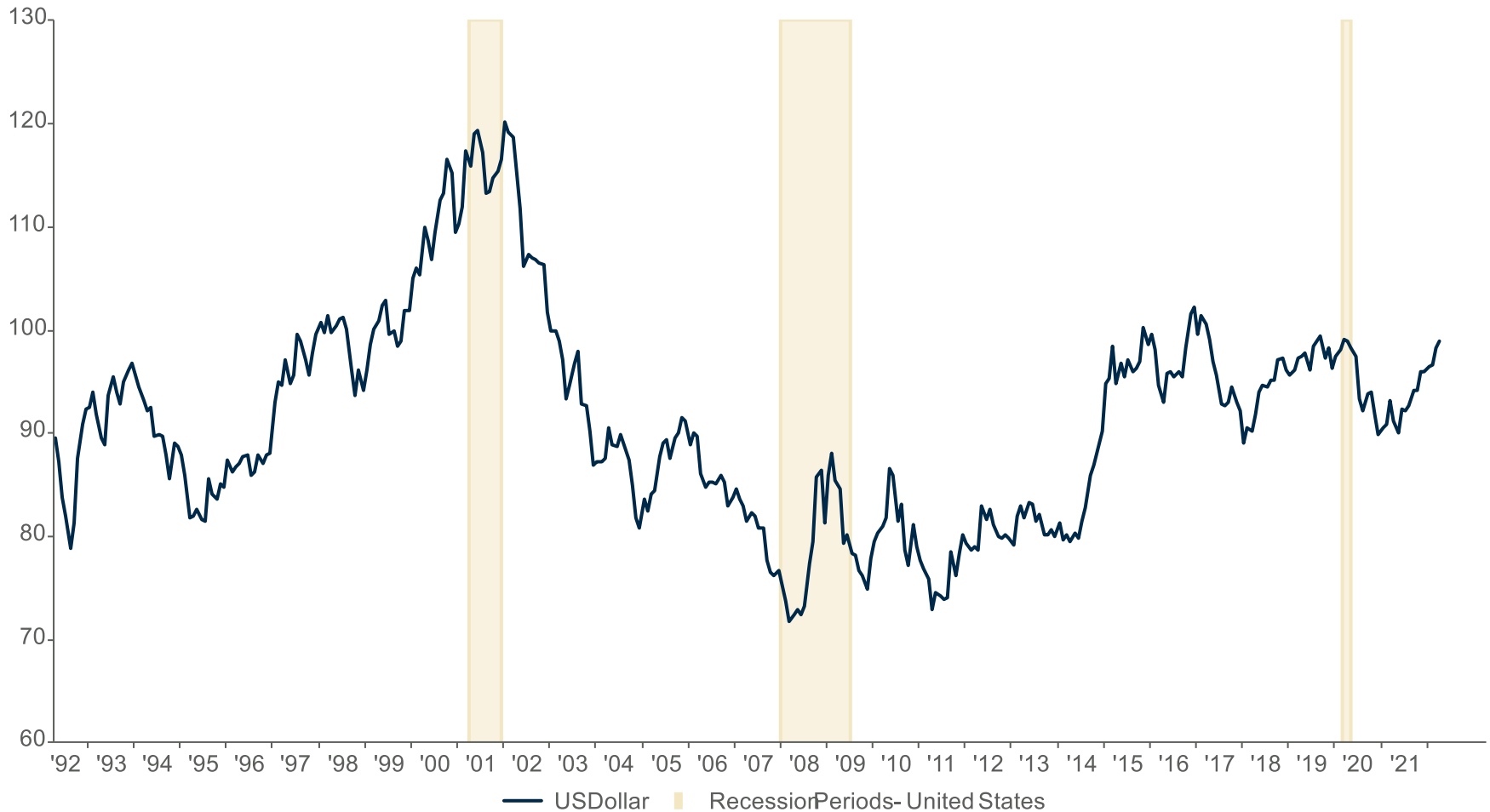
### 10-Year Sovereign Debt Yields



Source: FactSet, as of 3/31/2022

## CAPITAL MARKETS | FOREIGN EXCHANGE RATES

### US Dollar



Source: FactSet, as of 3/31/2022



## CAPITAL MARKETS | COMMODITY PRICES

### WTI Price



Source: FactSet, as of 3/31/2022

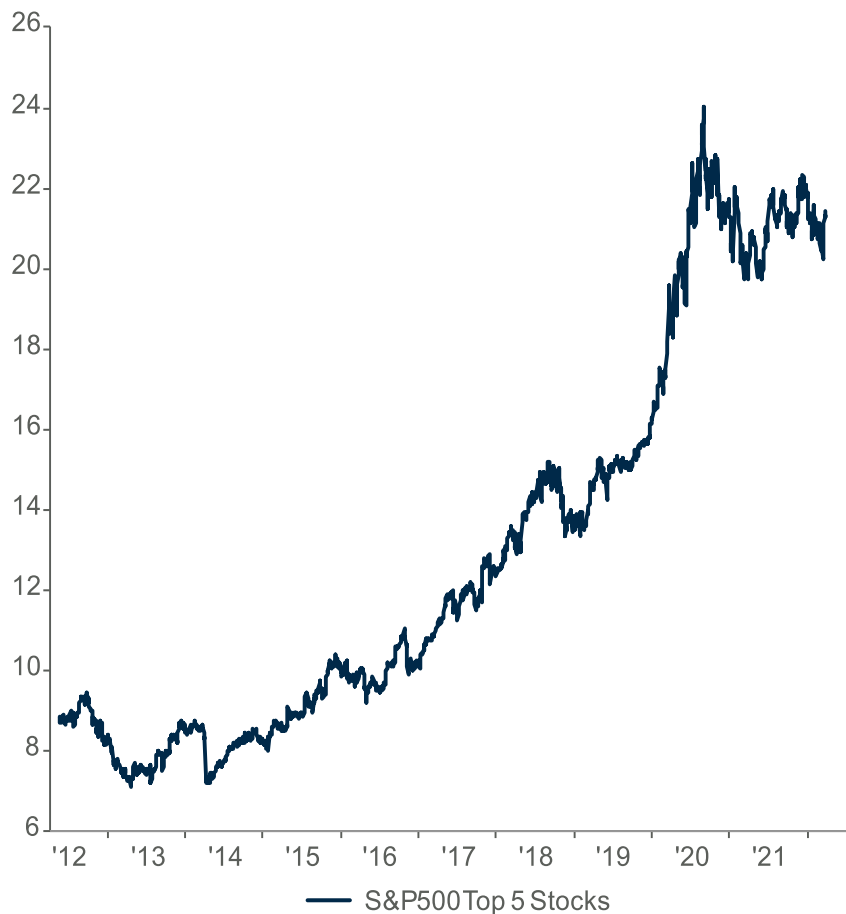
### Gold Price



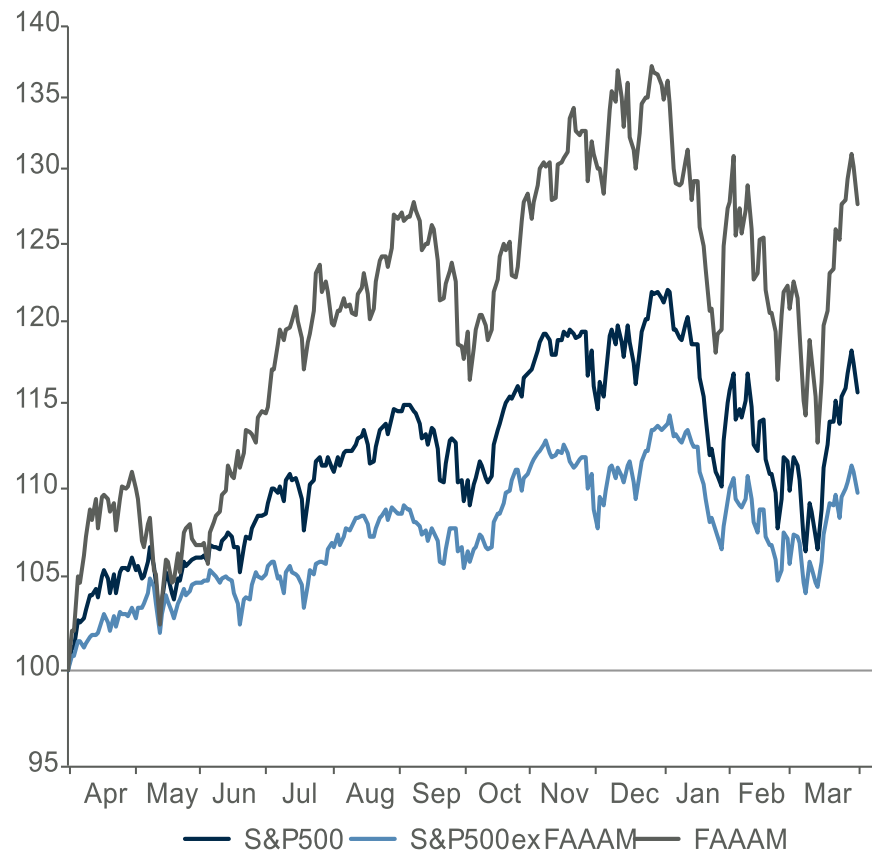
Source: FactSet, as of 3/31/2022

## CAPITAL MARKETS | TOP 5 STOCKS WEIGHTING

### S&P 500 Top 5 Stocks (FAAAM\*) by Weighting



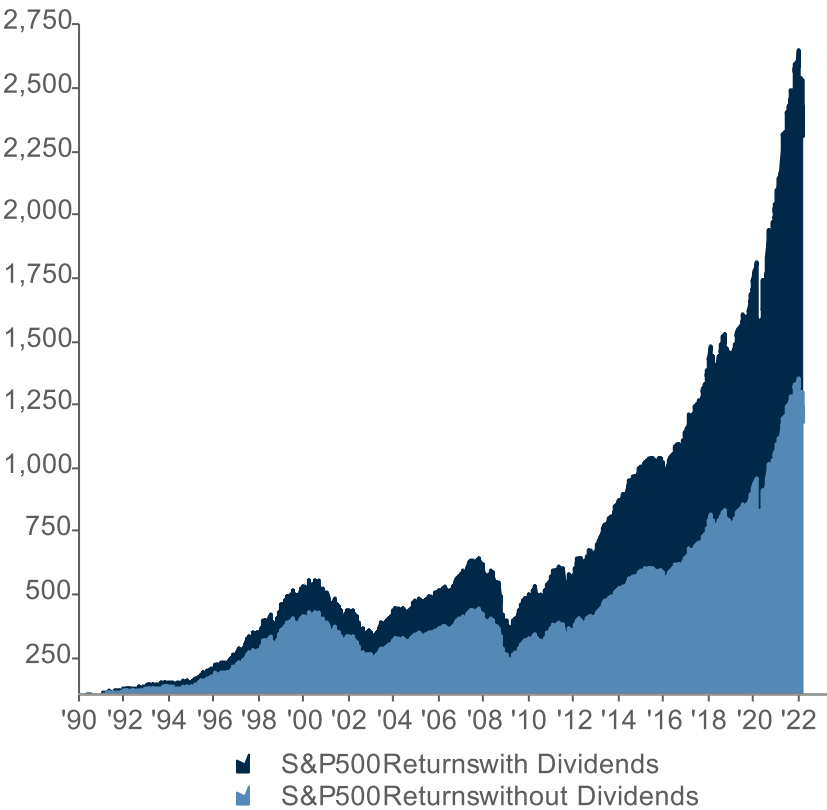
### FAAAM\* Contribution to S&P 500 Performance



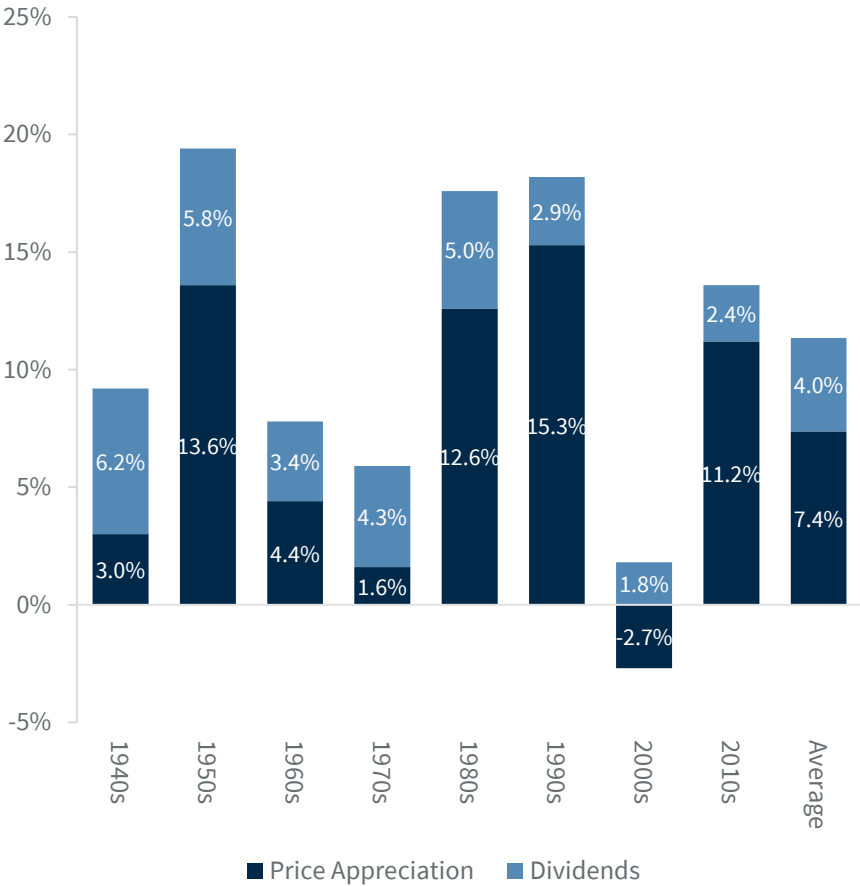
Source: FactSet, as of 3/31/2022, \*FAAAM: Facebook, Apple, Alphabet, Amazon, Microsoft

# CAPITAL MARKETS | PRICE AND TOTAL RETURN

Growth of \$100



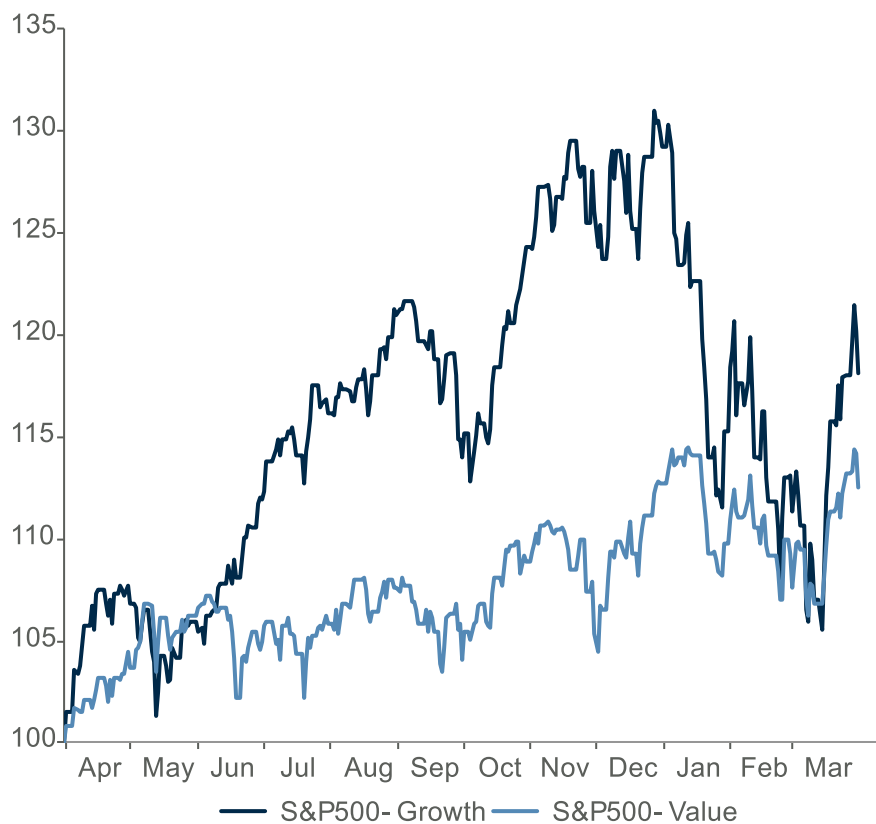
S&P 500 Price Appreciation and Dividends



Source: FactSet, as of 3/31/2022

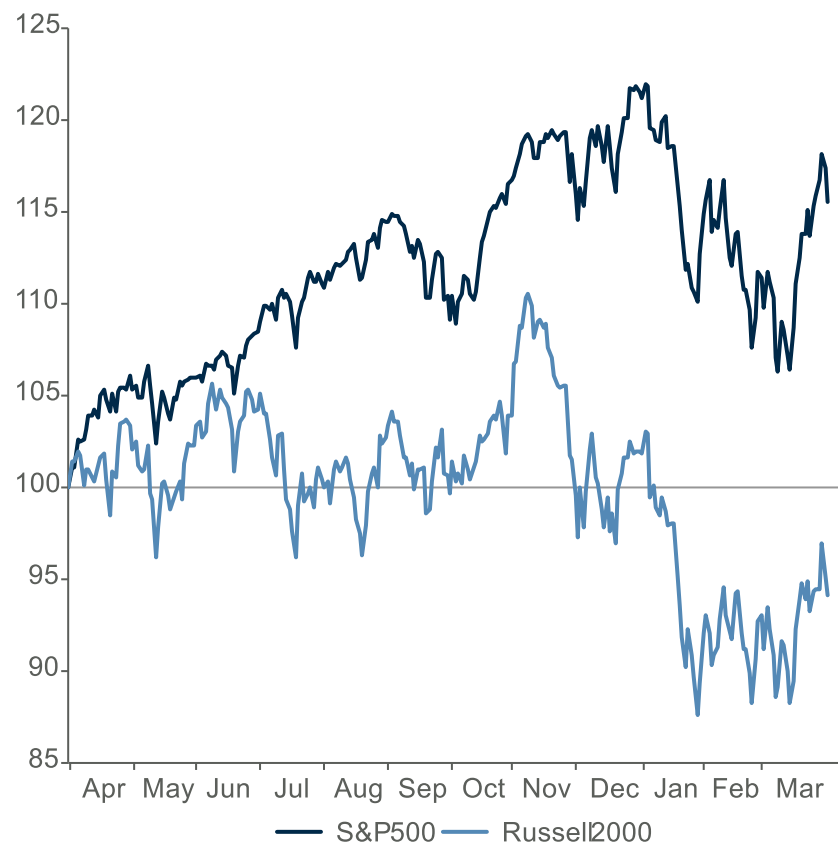
## CAPITAL MARKETS | GROWTH VS. VALUE

### Growth Outperforming Value



Source: FactSet, as of 3/31/2022

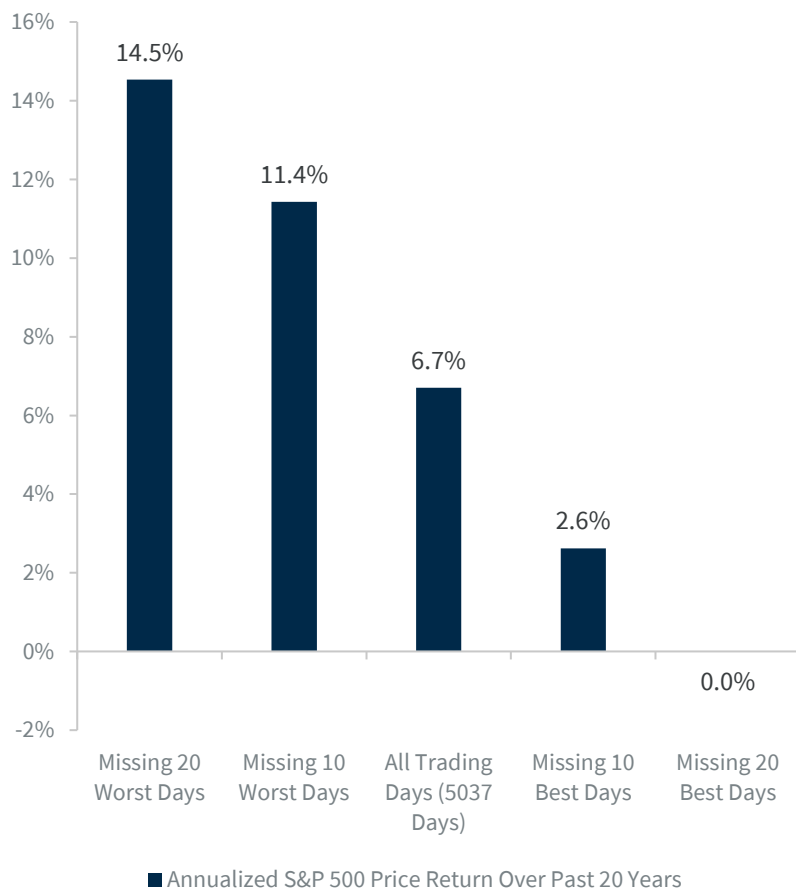
### Large Cap Outperforming Small Cap



Source: FactSet, as of 3/31/2022

## ASSET ALLOCATION | MISSING BEST AND WORST DAYS

### Missing the Best Days and Worst Days



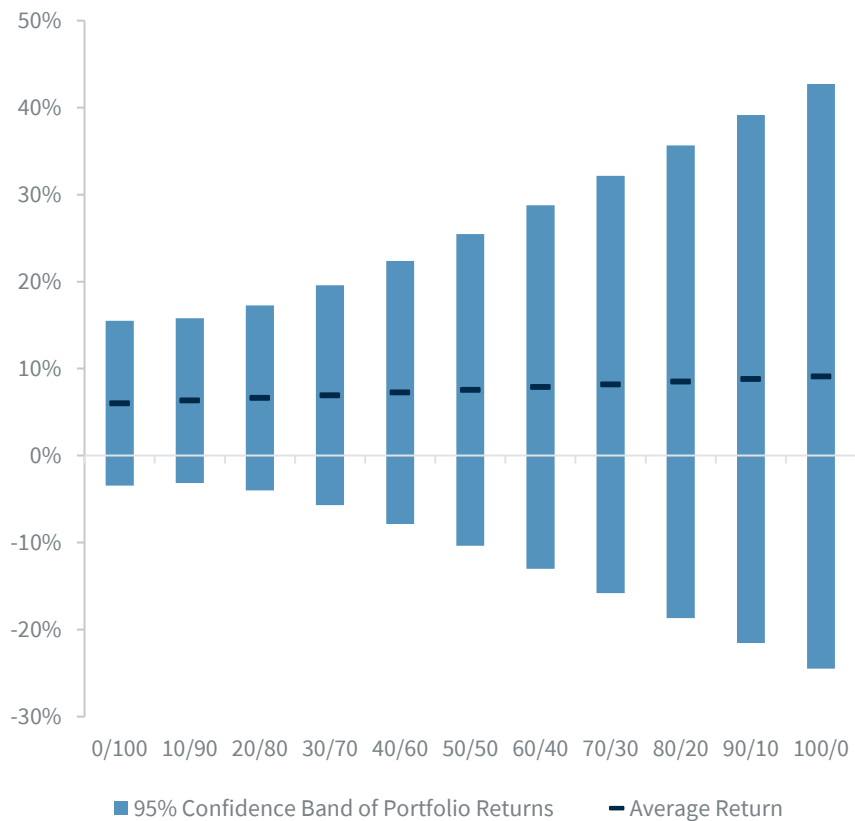
### Best/Worst Days Typically Grouped Together



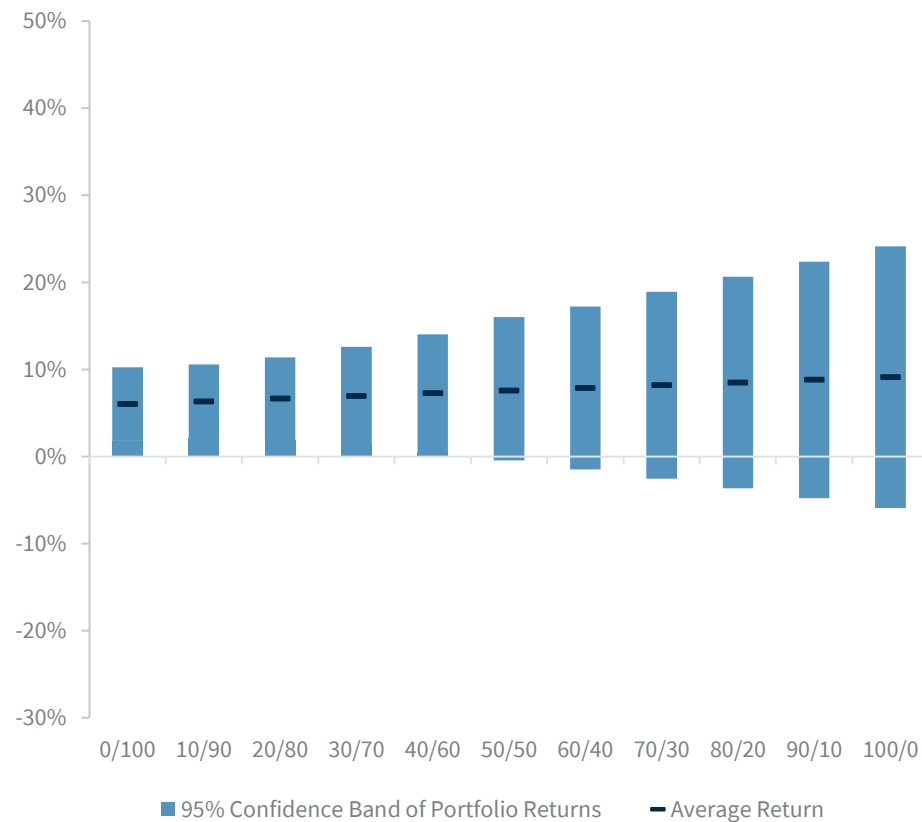
Source: FactSet, as of 3/31/2022

## ASSET ALLOCATION | PORTFOLIO BUCKET RETURNS

### 1-Year Annual Return by Portfolio Bucket



### 5-Year Annual Return by Portfolio Bucket

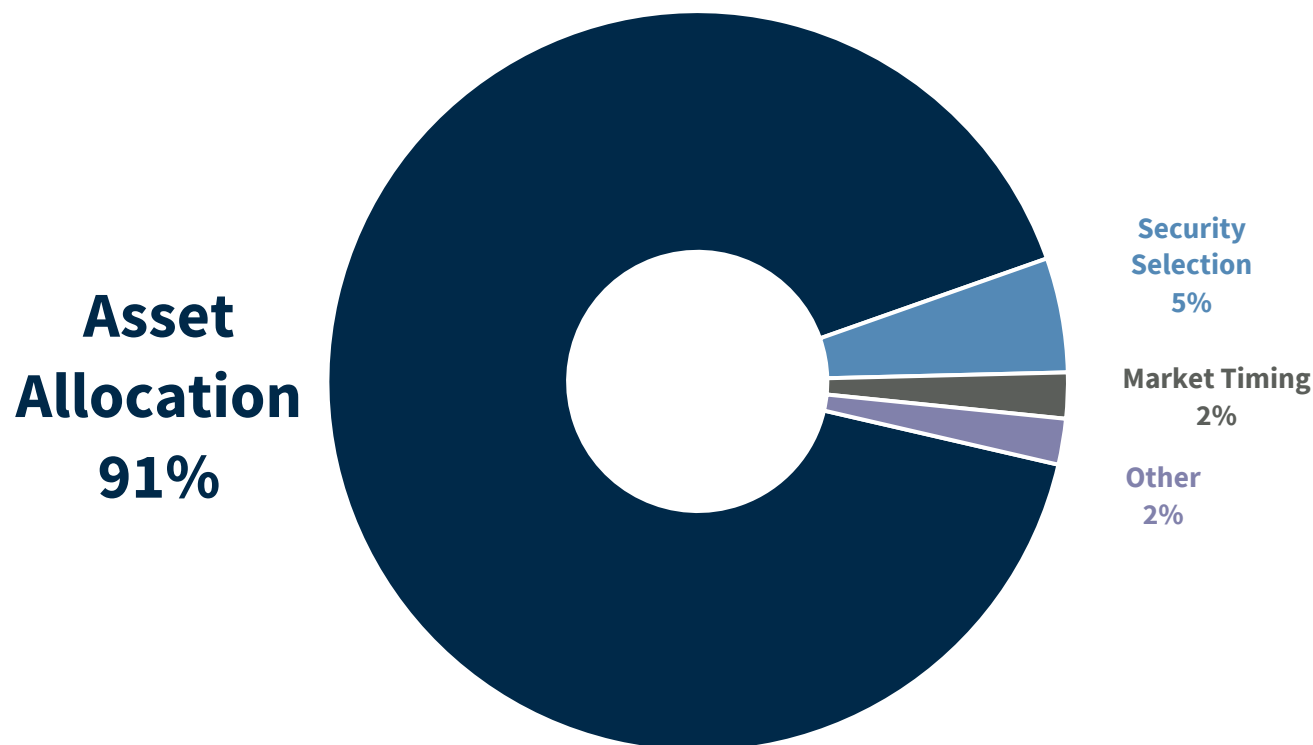


Source: FactSet, as of 12/31/2021

Source: FactSet, as of 12/31/2021

## ASSET ALLOCATION | DETERMINANTS OF PORTFOLIO PERFORMANCE

Asset Allocation is Critical to Portfolio Construction



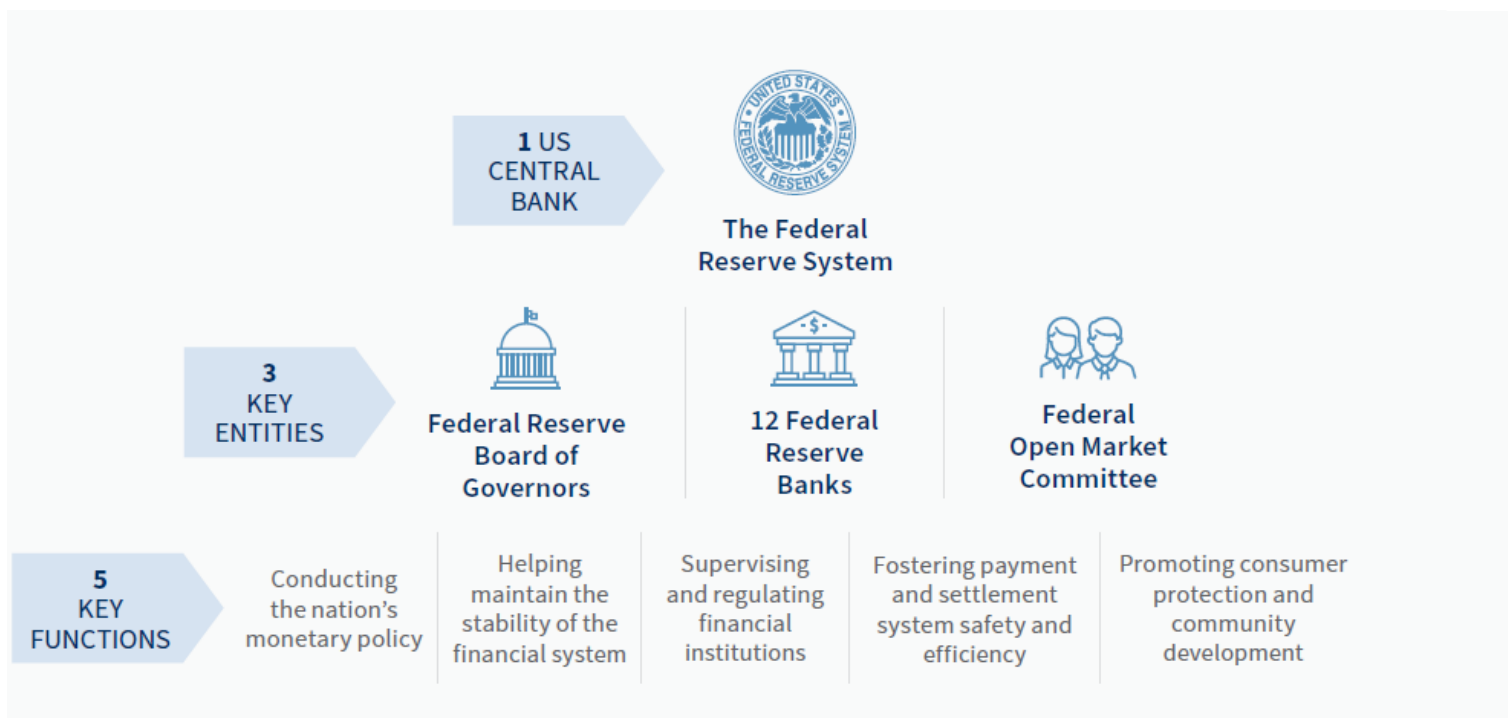
Source: Determinants of Portfolio Performance, Gary P. Brinson, L. Randolph Hood and Gilbert L. Beebower, Financial Analysts Journal, Vol. 42, No. 4 (Jul. - Aug., 1986), pp. 39-44



## QUARTERLY TOPICS | WHAT IS THE FEDERAL RESERVE: GOALS AND TOOLS

“Monetary policy affects the economy with a long and variable lag. It may be a year or more before the full effects of a policy change are felt. Hence, monetary policy is akin to steering a supertanker. Policy changes tend to be gradual. However, rate cuts tend to come faster than rate increases.”

-**Scott J. Brown, PhD**, *Chief Economist*, Raymond James



Source: Investment Strategy Quarterly April 2022

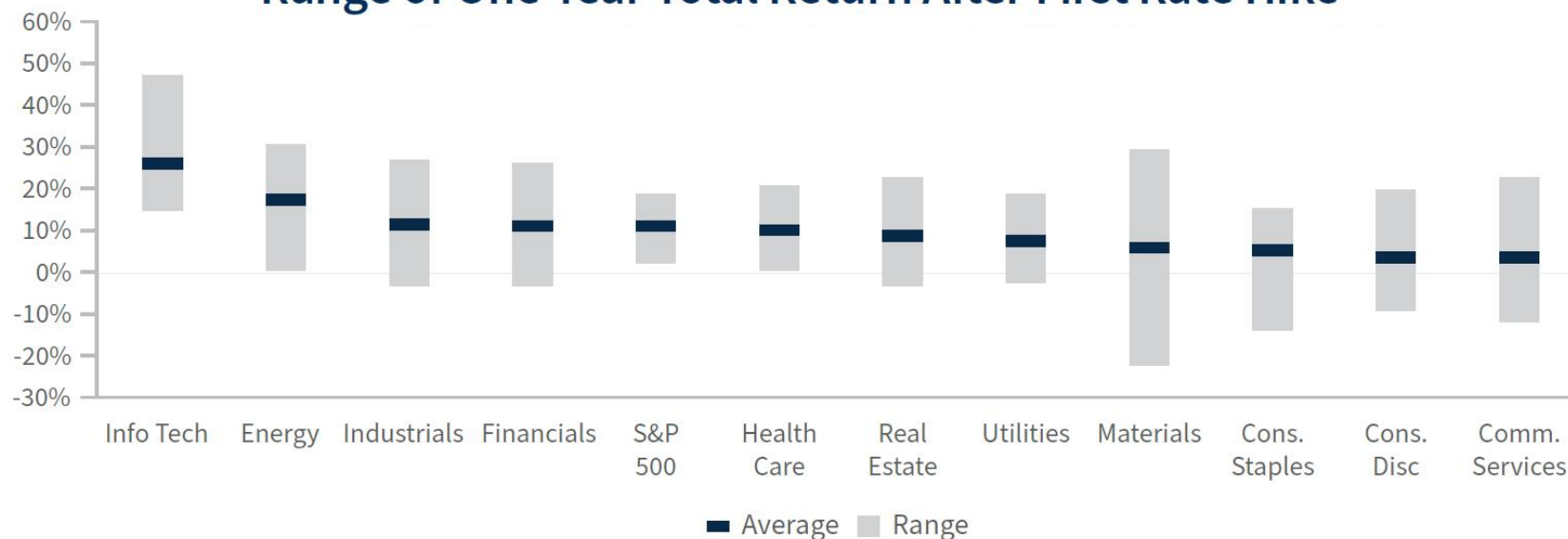
"For the complete article, ask your financial advisor for a copy of the April 2022 Investment Strategy Quarterly."

## QUARTERLY TOPICS | EQUITY SECTOR PERFORMANCE DURING FEDERAL RESERVE TIGHTENING CYCLES

“Since 1983, all S&P 500 sectors (except Info Tech, Energy, and Health Care) have experienced at least one period of negative returns after a first rate hike. However, on average, the S&P 500 and all 11 sectors experience positive returns one year after the Fed’s first rate hike.”

**-Nicholas Lacy, CFA,**  
*Chief Portfolio Strategist, Asset Management Services*

### Range of One-Year Total Return After First Rate Hike



Source: Investment Strategy Quarterly April 2022

"For the complete article, ask your financial advisor for a copy of the April 2022 Investment Strategy Quarterly."

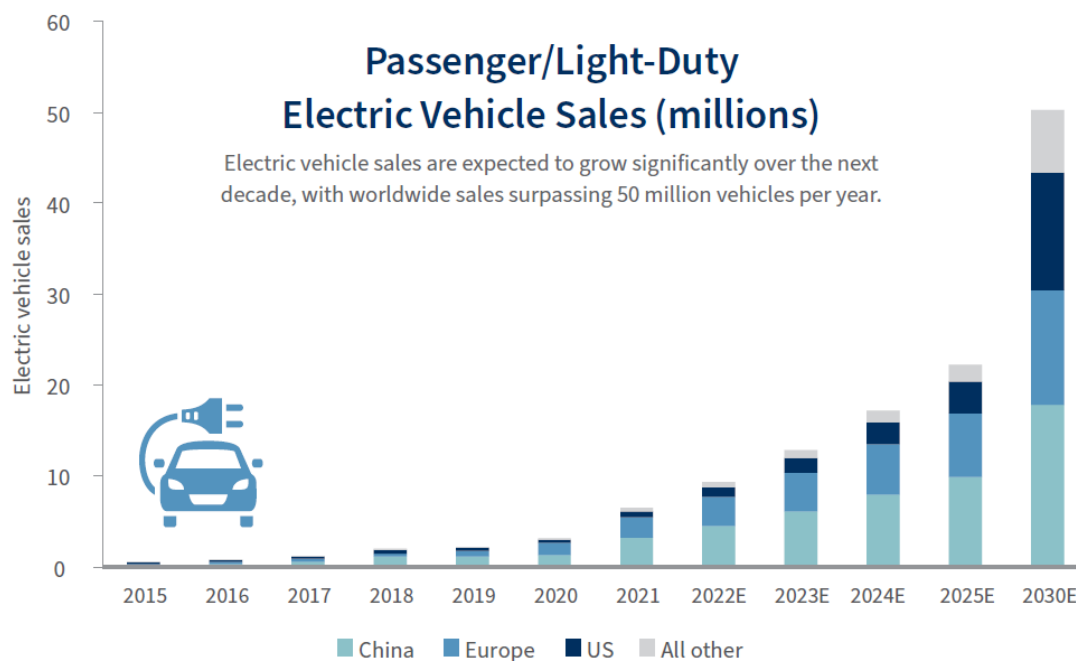
## QUARTERLY TOPICS | THE OIL MARKET IS NOT JUST A RUSSIA STORY

“The oil market rally is contributing to the global economy’s inflationary spiral, with consumers as well as businesses feeling the pain of high prices at the fuel pump. Whether we like it or not, high oil prices are here to stay.”

-**Pavel Molchanov**, *Managing Director, Energy Analyst, Equity Research*

### KEY TAKEAWAYS:

- High oil prices are here to stay. We forecast that West Texas Intermediate (WTI) crude will average \$100/Bbl. in 2022, with only a modest cool-off to \$90/Bbl. in 2023.
- Russia is a major producer of oil and natural gas. Three quarters of natural gas production goes to Europe.
- High oil prices will accelerate the transition away from fossil fuels.
- Along with higher gas prices, consumer appetite for electric vehicles is being driven by high oil prices.



Source: Investment Strategy Quarterly April 2022

"For the complete article, ask your financial advisor for a copy of the April 2022 Investment Strategy Quarterly."

ASSET CLASS	BENCHMARK
Cash & Cash Alternatives	Bloomberg US Treasury - Bills (1-3 M)
Fixed Income	Bloomberg US Aggregate
US Equities	S&P 500 (TR)
World Equities	MSCI World ex USA
Commodities	Bloomberg Commodity Index
Real Estate	FTSE EPRA/NAREIT United States
Materials	S&P 500 (TR) / Materials - SEC
Industrials	S&P 500 (TR) / Industrials - SEC
Comm Services	S&P 500 (TR) / Communication Services -SEC
Utilities	S&P 500 (TR) / Utilities - SEC
Consumer Discretionary	S&P 500 (TR) / Consumer Discretionary - SEC
Consumer Staples	S&P 500 (TR) / Consumer Staples - SEC
Health Care	S&P 500 (TR) / Health Care - SEC
Information Technology	S&P 500 (TR) / Information Technology - SEC
Energy	S&P 500 (TR) / Energy - SEC
Financials	S&P 500 (TR) / Financials - SEC
Real Estate	S&P 500 (TR) / Real Estate - IG
S&P 500	S&P 500 (TR)
Large Value	S&P 500 Value
Large Blend	S&P 500
Large Growth	S&P 500 Growth
Mid Value	S&P Mid Cap 400 Value
Mid Blend	S&P Mid Cap 400
Mid Growth	S&P Mid Cap 400 Growth
Small Value	S&P Small Cap 600 Value

ASSET CLASS	BENCHMARK
Small Blend	S&P Small Cap 600
Small Growth	S&P Small Cap 600 Growth
US Large Cap	S&P 500
EM Eastern Europe	MSCI EM Eastern Europe
Europe ex UK	MSCI Europe ex UK
Developed Markets	MSCI EAFE
United Kingdom	MSCI United Kingdom
Japan	MSCI Japan
EM Latin America	MSCI EM Latin America
Emerging Markets	MSCI EM (Emerging Markets)
EM Asia	MSCI EM Asia
Pacific ex Japan	MSCI Pacific ex JP
Long-Term Bond	Bloomberg US Aggregate Credit - Long
High Yield	Bloomberg US High Yield - Corporate
Aggregate Bond	Bloomberg US Aggregate
Credit	Bloomberg US Aggregate Credit
Emerging Market Bond	Bloomberg Emerging Markets USD Aggregate
Treasury	Bloomberg US Aggregate Government - Treasury
Municipal	Bloomberg Municipal Bond
Agency	Bloomberg US Agency CMBS
MBS	Bloomberg MBS 1000
Global Bond ex US	Bloomberg Global G6 (G7 x US)
US TIPS	Bloomberg US TIPS (1-3 Y)
Short-Term Bond	Bloomberg US Treasury Bellwethers (2 Y)
T-Bill	Bloomberg US Treasury - Bills (1-3 M)

## DISCLOSURES

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Information obtained from third-party sources is considered reliable, but we do not guarantee that the information herein is accurate or complete.

**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** | Currencies investing are generally considered speculative because of the significant potential for investment loss. Their 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.

## DOMESTIC EQUITY DEFINITION

**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.

**LARGE GROWTH** | **S&P 500 Growth Total Return Index**: This index represents a segment of the S&P 500 Index with a greater-than-average growth orientation.

**LARGE VALUE** | **S&P 500 Value Total Return Index**: This index represents a segment of the S&P 500 Index with a less-than-average growth orientation.

**SMALL GROWTH** | **S&P Small Cap 600 Growth Total Return Index**: This index represents a segment of the S&P 600 Index with a greater-than-average growth orientation.

**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.

**SMALL VALUE** | **S&P Small Cap 600 Value Total Return Index**: This index represents a segment of the S&P 600 Index with a less-than-average growth orientation.

**MID VALUE** | **S&P 400 Value Total Return Index**: This index represents a segment of the S&P 400 Index with a less-than-average growth orientation.

**MID GROWTH** | **S&P 400 Growth Total Return Index**: This index represents a segment of the S&P 400 Index with a greater-than-average growth orientation.

**MID BLEND** | **S&P Small Cap 400 Total Return Index**: The index measures the investment return of mid-capitalization stocks in the United States.

**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.

**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.

**WORLD EQUITIES |** The MSCI World ex USA Index captures large and mid cap representation across 22 of 23 Developed Markets (DM) countries\*-- excluding the United States. With 1,003 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

**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.

**DATA SOURCE:**

FactSet

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