

# Market Flash Report

February 2022

## Key Takeaways

- U.S. joins its European allies in imposing sanctions on Russia affecting commodity prices such as various metals and oil, which topped \$90 for first time since 2014. These price increases led to strong performance of Commodities and Natural Resource Equities which gained 6.23% and 7.13% for the month.
- Volatility is high as the VIX finished the month at 30.15 and equities finished the last week of February up despite uncertainty in interest rates as the Fed hinted at raising interest rates in March.
- Inflation has increased at the fastest pace in 40 years as the Consumer Price Index rose 7.5% year-over-year.
- Value has been outperforming growth in U.S. equities and Small Cap outperformed Large Cap across U.S. and Global equities, this month partly due to concerns of rising interest rates and high relative valuations.
- While bonds outperformed U.S. Large Cap they are still down for the month because of the rising interest rate environment.

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## Index Performance (as of 2/28/2022)

	February	Year-to-Date	One-Year
<b>Equity</b>			
U.S. Large Cap	-2.99%	-8.01%	16.39%
U.S. Small Cap	1.07%	-8.66%	-6.01%
Developed Non-U.S.	-1.76%	-6.50%	3.30%
Emerging Market	-2.98%	-4.81%	-10.40%
<b>Real Assets</b>			
Real Estate	-2.27%	-7.16%	11.11%
Commodities	6.23%	15.56%	34.43%
Natural Resource Equities	7.13%	18.36%	44.75%
<b>Fixed Income</b>			
<u>Core Plus</u>			
U.S. High Yield Debt	-1.03%	-3.73%	0.64%
Emerging Market Debt	-5.00%	-5.01%	-9.96%
<u>Core Bonds</u>			
U.S. Aggregate Bonds	-0.30%	-2.51%	-1.34%
U.S. Treasuries	-1.12%	-3.25%	-2.64%
U.S. Municipal Bonds	-0.66%	-2.54%	-2.11%
	<b>Current</b>	<b>Prior Month</b>	<b>One-Year Ago</b>
<b>Month-End Values/Yield</b>			
CBOE Volatility Index	30.15	24.83	27.95
10-Year Treasury Yield	1.83%	1.79%	1.44%

## Disclosures

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U.S. Large Cap Equity is represented by the S&P 500 Index, with dividends reinvested. U.S. Small Cap Equity is represented by the Russell 2000 Index. Developed Non-U.S. Equity is represented by the MSCI EAFE Index. Emerging Market Equity is represented by the MSCI EM Index. Real Estate is represented by the S&P Global Property Index. Commodities are represented by the Bloomberg Commodity Index. Natural Resource Equities are represented by the S&P North American Natural Resources Index. U.S. High Yield Debt is represented by the Bloomberg Barclays U.S. Corporate High Yield Index. Emerging Market Debt is represented by the JPM GMI-EM Global Diversified Index. U.S. Aggregate Bonds is represented by the Bloomberg Barclays U.S. Aggregate Bond Index. U.S. Treasuries is represented by the Bloomberg Barclays U.S. Treasury Index. U.S. Municipal Bonds is represented by the Bloomberg Barclays Municipal 1-10yr Index.