

## Performance Through Last Week End

|                         |   |   |  |        |
|-------------------------|---|---|--|--------|
| Best<br>↑<br>↓<br>Worst | S&P 500 TR USD<br>2.0                     | Bloomberg Commodity TR USD<br>22.6        | Bloomberg Commodity TR USD<br>40.5         |        |
|                         | Bloomberg Commodity TR USD<br>1.3         | S&P 500 TR USD<br>18.4                    | S&P 500 TR USD<br>39.3                     |        |
|                         | FTSE WGBI NonUSD Hdg USD<br>0.4           | S&P Global Property TR USD<br>16.7        | S&P Global Property TR USD<br>34.3         |        |
|                         | Wilshire Liquid Alternative TR USD<br>0.3 | MSCI ACWI Ex USA GR USD<br>8.0            | MSCI ACWI Ex USA GR USD<br>27.7            |        |
|                         | BBgBarc US Agg Bond TR USD<br>0.2         | Wilshire Liquid Alternative TR USD<br>4.6 | Wilshire Liquid Alternative TR USD<br>10.1 |        |
|                         | ICE BofA 1-3 M US Trsy TR USD<br>0.0      | ICE BofA 1-3 M US Trsy TR USD<br>0.1      | FTSE WGBI NonUSD Hdg USD<br>0.5            |        |
|                         | S&P Global Property TR USD<br>-0.3        | BBgBarc US Agg Bond TR USD<br>-0.7        | ICE BofA 1-3 M US Trsy TR USD<br>0.1       |        |
|                         | MSCI ACWI Ex USA GR USD<br>-0.4           | FTSE WGBI NonUSD Hdg USD<br>-0.9          | BBgBarc US Agg Bond TR USD<br>-0.6         |        |
|                         |   | Last Week                                 | Year-To-Date                               | 1 Year |

It's no secret, the Federal Reserve is under a good amount of pressure regarding their easy money policies in the face of a resurgence in inflation. While some of the debate is whether its transitory or the start of a new era of price increases, the real issue is should the Fed scale back its dovish stance in the face of increased economic activity.

The FOMC has two important questions: when to start paring back their monthly purchases of treasury and agency securities and when to start lifting baseline interest rates. Just a few months ago fed statements and consensus thought was their tapering program would not start until year-end, at the earliest. Now talk is having this start within the next few months while raising rates could start before 2023.

We also know companies are testing how far they can raise prices in the face of increased costs for materials, transportation and, of course, employees. All of this is adding fire to inflation, and no one can say just where this may all go.

The record is mixed for how equities respond to inflation, though last week domestic stocks seemed to be doing just fine as the S&P 500 rose another 2.0%, bringing its YTD gain to 18.4%. Commodities have also excelled in this environment, rising 1.3% last week and 22.6% YTD.

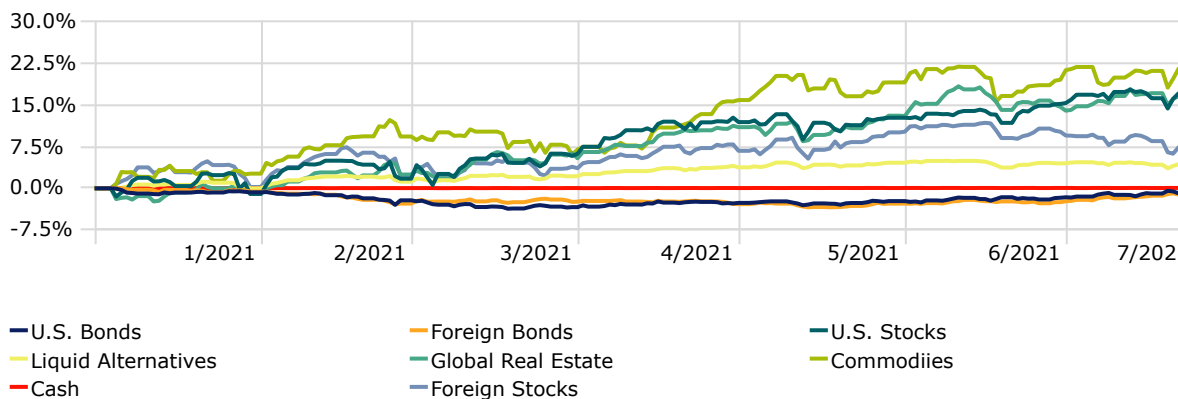
Second quarter GDP and the FOMC statement headline the coming five days. May your week go well and enjoy this morning's java.

| Economic Data                 | Current | Previous |
|-------------------------------|---------|----------|
| GDP (QoQ) - First Quarter     | 6.4%    | 4.3%     |
| Unemployment Rate - Jun       | 5.9%    | 5.8%     |
| Consumer Confidence - Jun     | 127.3   | 120.0    |
| Core CPI (YoY) - Jun          | 4.5%    | 3.8%     |
| Core Retail Sales (MoM) - Jun | 1.3%    | -0.9%    |

## Economic Calendar for the Week

|           |  |
|-----------|--|
| Monday    | New Home Sales (jun)   |
| Tuesday   | Core Durable Goods Orders (MoM) (Jun)<br>CB Consumer Confidence (Jul)      |
| Wednesday | Crude Oil Inventories<br>Fed Interest Rate Decision<br>FOMC Statement      |
| Thursday  | Initial Jobless Claims<br>GDP (QoQ) (Q2)<br>Pending Home Sales (MoM) (Jun) |
| Friday    | No Significant Releases  |

## Year-to-Date Return Through last Week End



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## Bloomberg Barclays US Aggregate Bond TR USD

The index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Barclays flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

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## FTSE WGBI Non-USD Hedged USD

The index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds of all WGBI countries except the United States and is stated in US dollar terms. It is a subset of Citigroup World Government Bond Index (WGBI).

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## S&P 500 TR USD

The index measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. It is market capitalization-weighted.

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## MSCI ACWI Ex USA GR USD

The index measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

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## Wilshire Liquid Alternative TR USD

Wilshire Liquid Alternative Index aims to deliver a precise, broad market measure for the performance of diversified liquid alternative investment strategies that are implemented in mutual fund structures.

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## Bloomberg Commodity TR USD

The index measures the performance of future contracts on physical commodities which traded on US exchanges and London Metal Exchange. The commodity weightings are based on production and liquidity, subject to weighting restrictions applied annually.

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## S&P Global Property TR USD

The index defines and measures the investable universe of publicly traded property companies. The index is ideal for a range of investing activities, including benchmarking active funds and setting the foundation for passive funds. The S&P Global Property divides into two sub-indices: S&P Developed Property and S&P Emerging Property.

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## ICE BofA 1-3 Month US Treasury TR USD

Is an unmanaged index tracking 1-3 month U.S. government securities. The index is produced by Merrill Lynch, Pierce, Fenner & Smith, Inc.

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