MARKET COMMENTARY

DAVENPORT 1863
BUILDING WEALTH TOGETHER

APRIL 2022

- During March, the S&P 500® Index, Dow Jones Industrial Average®, and Russell 2000® increased
- Geopolitical uncertainty remained a concern
- The best performing S&P 500 sector was Utilities
- Market leadership shifted towards defensive sectors
- Unemployment returned to pre-pandemic levels

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The war in Ukraine captured market and world attention in March with daily developments swinging global equities and commodities in an already uncertain macro environment. Adding to investor concern has been the inflation and interest rate backdrop with the yield curve inverting. Reflecting this environment, the VIX Index or "fear gauge" spiked at one point early in the month to the high 30s before rolling over to end the month at just over 20. For the full month, major equity indexes were able to finish out in positive territory with the Dow Jones Industrial Average up 2.3%, the S&P 500® index up 3.6%, and the smaller cap-weighted Russell 2000® increasing 1.1%.

Developments in the war and concerns about soaring oil prices led to a shift in market leadership in March towards more defensive sectors. The best performing S&P 500 sector in March was Utilities which increased a strong 10.1% followed by the Energy sector which was up 8.8% for the month. The weakest performances in the month were posted by the Financials sector which decreased 0.4% followed by the Communication Services sector which was up 0.9%. For the prior twelve month period, the Energy sector was the best performer with a 57.3% increase followed by the Real Estate sector up 22.4%, while the Communication Services sector was the worst performer for the past twelve months with a 1.8% decrease followed by the Industrials sector which was up 4.6%.

Concerns about the fallout from the war in Europe impacted energy markets in March and sustained relatively high energy price levels. Although Russian and Ukrainian ministers met in Istanbul late in the month - with Russia suggesting it would pull back from Kyiv - talks did not lead to a negotiated settlement and cease fire. Concerns over the economic impact of soaring oil prices had the Biden Administration reaching out to producers to increase output. OPEC+ met and held to plan - targeting to raise production by just 430,000 barrels per day in May - with the U.S. and other Western nations subsequently announcing release from strategic reserves. The U.S. will release 1 million barrels per day of oil for the next six months from the Strategic Petroleum Reserve, along with moves by European, Canadian, Mexico, Japan, and South Korea in an effort to stabilize oil and gas prices. In other economic developments, investors continue to grapple with an uncertain outlook as latest reports show inflation on the rise, real disposable incomes falling for a seventh consecutive month, with personal consumption/spending slowing despite a good jobs report. The March Jobs report showed the U.S. economy having 431,000 non-farm payroll additions - modestly below economist forecasts targeting 490,000. Still, the unemployment rate returned to pre-pandemic levels at 3.6% - from February's 3.8% - while labor force participation ticked up to 62.4% from 62.3% a month earlier. In addition, average hourly wages increased by 0.4% to $31.60 having risen 5.6% in the past year. However, soaring inflation has more than offset gains in earnings.

Where to from here?

We anticipate uncertain market conditions will persist as we move into 1Q2022 earnings season. We continue to see a range of challenges remaining in place, noting that consensus earnings estimates for the S&P 500 have risen steadily through the first quarter- with 1Q2022 earnings expected to rise by ~5.7% as reported by Bloomberg - driven by strength for the energy sector from rising prices that more than offsets tough comps the financial sector faces. Although rising prices support the energy sector, other aspects of the economy are facing margins pressures, while real disposable incomes have declined for seven consecutive months with Americans dipping into savings to sustain spending of late. All of this suggests we could see consumer demand wane in the weeks to come with earnings guidance from Corporate America potentially softening with 1Q2022 reports. In the meantime, the S&P 500 ended the month trading at just over 20x estimated 2022 earnings that we view as being pretty fairly valued.

Putting it all together, we remain focused on quality, lower beta, leading companies possessing pricing power positioning them for sustained growth of earnings and dividends over the intermediate term. Furthermore, we continue to expect the reopening of society this spring in the U.S. that sets the stage for many firms hit by COVID to see improved trends versus the prior year into 2H2022. In addition, durable growth technology companies remain positioned for sustained growth even if slowing GDP trends emerge (as we expect) into 2023, leaving many attractive for longer term investment.

MARKET AND ECONOMIC STATISTICS

Market Indices:	**3/31/2022**	**12/31/2021**	**% Change YTD**	**2/28/2022**	**% Change (Monthly)**
S&P Composite	4,530.41	4,766.18	-4.95%	4,373.94	3.58%
Dow Jones Industrials	34,678.35	36,338.30	-4.57%	33,892.60	2.32%
NASDAQ Composite	14,220.52	15,644.97	-9.10%	13,751.40	3.41%
Russell 2000	2,070.13	2,245.31	-7.80%	2,048.09	1.08%
FTSE 100	7,515.68	7,384.54	1.78%	7,458.25	0.77%
Shanghai Composite	3,252.20	3,639.78	-10.65%	3,462.31	-6.07%
Nikkei Stock Average	27,821.43	28,791.71	-3.37%	26,526.82	4.88%
Stoxx Europe 600	455.86	487.80	-6.55%	453.11	0.61%
MSCI Emerging Markets	1,141.79	1,232.01	-7.32%	1,171.31	-2.52%
MSCI Emerging Markets Small Cap	1,346.95	1,412.34	-4.63%	1,314.54	2.47%

Performance of S&P 500 by Industry:	**% of Index as of 02/28/22**	**1 Month**	**3 Month**	**Year to Date**	**12 Months**
Consumer Discretionary	12.05%	4.82%	-9.19%	-9.19%	9.08%
Consumer Staples	6.10%	1.41%	-1.63%	-1.63%	13.15%
Energy	3.91%	8.78%	37.66%	37.66%	57.33%
Financials	11.09%	-0.35%	-1.91%	-1.91%	12.71%
Health Care	13.65%	5.39%	-2.99%	-2.99%	17.24%
Industrials	7.82%	3.29%	-2.74%	-2.74%	4.63%
Information Technology	27.91%	3.44%	-8.55%	-8.55%	19.86%
Materials	2.64%	5.82%	-2.84%	-2.84%	11.87%
Communication Services	9.38%	0.93%	-12.11%	-12.11%	-1.75%
Utilities	2.74%	10.08%	3.96%	3.96%	16.25%
Real Estate	2.73%	7.28%	-6.88%	-6.88%	22.44%
S&P 500 (Absolute performance)	100.00%	3.58%	-4.95%	-4.95%	14.03%

Interest Rates:	**3/31/2022**	**12/31/2021**	**YTD Change (Basis Points)**	**2/28/2022**	**Month Change (BPS)**
Fed Funds Effective Rate	0.08%	0.09%	-1	0.08%	0
Prime Rate	3.50%	3.25%	25	3.25%	25
Three Month Treasury Bill	0.61%	0.09%	52	0.36%	25
Ten Year Treasury	2.34%	1.51%	83	1.83%	51
Spread - 10 Year vs 3 Month	1.73%	1.43%	31	1.47%	27

Foreign Currencies:	**3/31/2022**	**12/31/2021**	**% Change YTD**	**2/28/2022**	**% Change (Monthly)**
Brazil Real (in US dollars)	0.19	0.18	7.9%	0.19	1.9%
British Pound (in US dollars)	1.31	1.35	-2.9%	1.34	-2.1%
Canadian Dollar (in US dollars)	0.80	0.79	1.0%	0.79	1.3%
Chinese Yuan (per US dollar)	6.31	6.36	-0.7%	6.37	-0.9%
Euro (in US dollars)	1.11	1.14	-2.7%	1.12	-1.4%
Japanese Yen (per US dollar)	121.70	115.08	5.8%	115.00	5.8%

Commodity Prices:	**3/31/2022**	**12/31/2021**	**% Change YTD**	**2/28/2022**	**% Change (Monthly)**
CRB (Commodity) Index	634.41	578.31	9.7%	609.47	4.1%
Gold (Comex spot per troy oz.)	1937.44	1829.20	5.9%	1908.99	1.5%
Oil (West Texas int. crude)	100.28	75.21	33.3%	95.72	4.8%
Aluminum (LME spot per metric ton)	3480.61	2806.00	24.0%	3388.00	2.7%
Natural Gas (Futures 10,000 MMBtu)	5.64	3.73	51.3%	4.40	28.2%

Economic Indicators:	**3/31/2022**	**12/31/2021**	**% Change YTD**	**2/28/2022**	**% Change (Monthly)**
Consumer Price Index	281.1	280.1	0.3%	280.1	0.34%
Producer Price Index	234.7	231.8	1.3%	234.0	0.3%
	Q4 2021	**Q3 2021**	**Q2 2021**	**Q3 2020**	**Q4 2020**
GDP Growth Rate (Quarterly)	7.00%	2.10%	6.70%	6.30%	4.50%
Unemployment Rate (End of Month)	**March** 3.6%	**February** 3.8%	**January** 4.0%	**December** 3.9%	**November** 4.2%

*GDP growth rate is calculated as the percent change from the previous period seasonally adjusted at annual rates. **S&P Sectors were re-named at the end of 2001. The sector Industrials is a combination of the former sectors Capital Goods & Transportation.Sources: Wall Street Journal, Bloomberg, The Department of Labor, The Bureau of Labor Statistics, The Bureau of Economic Analysis, US Treasury website.

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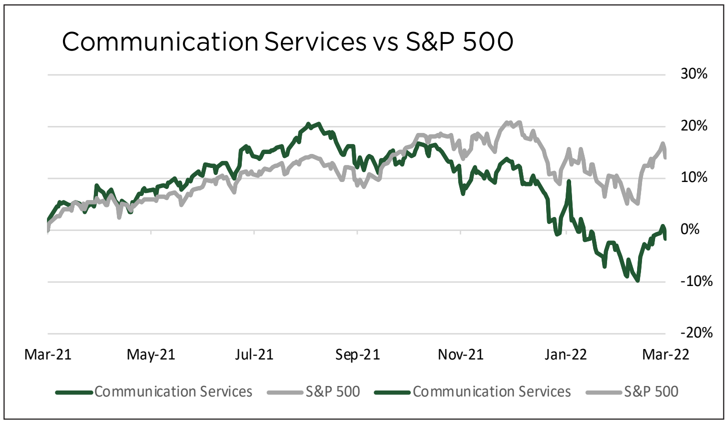
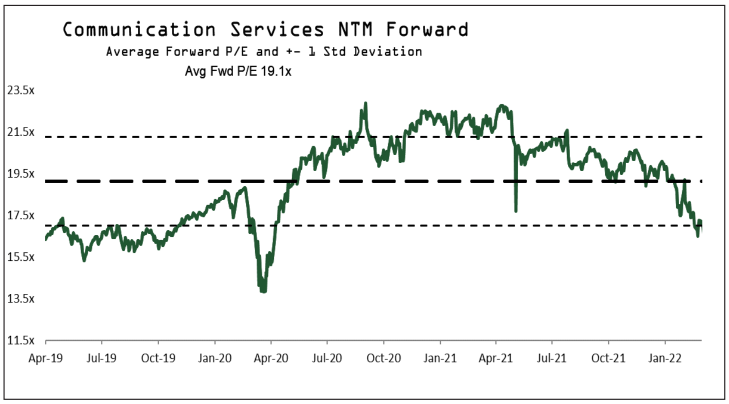
COMMUNICATION SERVICES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
0.93%	-12.11%	-12.11%	-1.75%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Paramount Global	23.5%
	Twitter	8.8%
	Lumen Technologies Inc	8.8%
	Meta Platforms Inc	5.4%
	T-Mobile US Inc	4.2%
Laggards	Discovery Inc	-11.2%
	Discovery Inc	-10.7%
	Charter Communications	-9.3%
	Walt Disney Co	-7.6%
	Fox Corp	-5.7%

Last Year	Current Year	Next Year
$11.68	$13.03	$14.88
21.4x	19.2x	16.8x

Sector Update

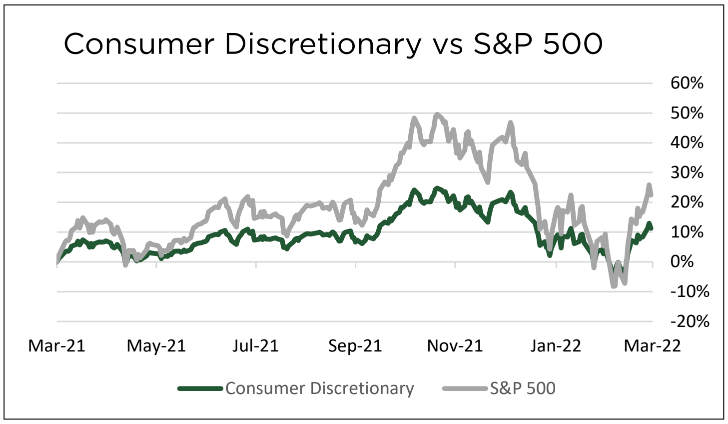
Communications Services continued to underperform the market in March (+.93%) and YTD (-12.1%).

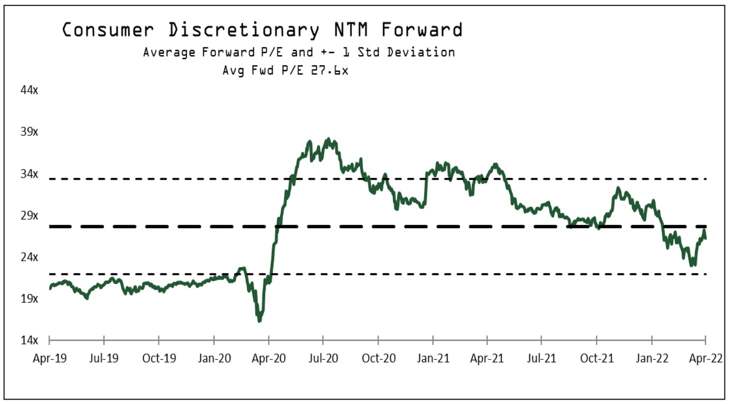
While the Interactive Media and Services sub-sector lagged the market in March (+3.7%) and YTD (-13.5%), Alphabet, the largest company in this sub-sector, outperformed the market in both periods. Alphabet reported better than expected Q-1 22 results as it benefited from its application of artificial intelligence to improve the performance of Google search and gained market share. Given the potential impact of Apple's privacy initiative on the efficacy of Meta Platform's Facebook and Instagram advertising services, Alphabet could continue to gain market share in the near-term. Consumers may increase their spending on travel as the Covid pandemic abates, which could drive airlines, hotels, resorts and other travel related industries to increase their advertising spending on Google search and YouTube.

The Diversified Telecommunications Services sub-sector continued to underperform the market in March (-2.7%) and YTD (-3.1%) due to the decline in the shares of AT&T and Verizon. Both carriers are making a significant capital investment in the expansion of their 5G wireless and fiber optic networks. Investors could become more positively inclined toward the companies if their increased network investment drives improved revenue and profit growth over the next few years. AT&T expects to close its Warner Media/Discovery transaction in April. Investors who own AT&T shares at the close of trading on April 5th will be entitled to receive a stock dividend representing shares in Warner Brothers Discovery (WBD). When the transaction closes later in April, AT&T shareholders will receive 0.24 shares of Warner Brothers Discovery. Once the spin off is completed, AT&T's share price could decline by the value of the spin-off. Following the close of the Warner Media/Discovery transaction, AT&T will reduce its quarterly/annual dividend to $0.2775/$1.11.

The Communications Services sector could continue to underperform the market if the sharp rise in inflation impacts consumer spending on goods and services.

CONSUMER DISCRETIONARY





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
4.82%	-9.19%	-9.19%	9.08%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Tesla Inc	23.8%
	Tractor Supply Co	14.5%
	Dollar Tree Inc	12.7%
	Norwegian Cruise Line Holdings	12.3%
	Dollar General Corp	12.2%
Laggards	PVH Corp	-21.7%
	Etsy Inc	-19.8%
	Penn National Gaming	-17.4%
	PulteGroup Inc	-15.6%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$39.40	$52.40	$64.61
36.9x	27.8x	22.5x

Sector Update

Recent relative underperformance by the Consumer Discretionary sector reversed in March with the sector beating the monthly performance of the S&P 500 as seen in the accompanying table. Sub-sector performance was fueled by strength in the Automobiles category and Multiline Retail which was offset by significant softness seen in Leisure Products and Household Durables. Looking at the performance of the Consumer Discretionary sector over the past twelve month period, the sector has significantly underperformed the S&P 500 despite strength in sub-sectors including Automobiles, Distributors, and Multiline Retail.

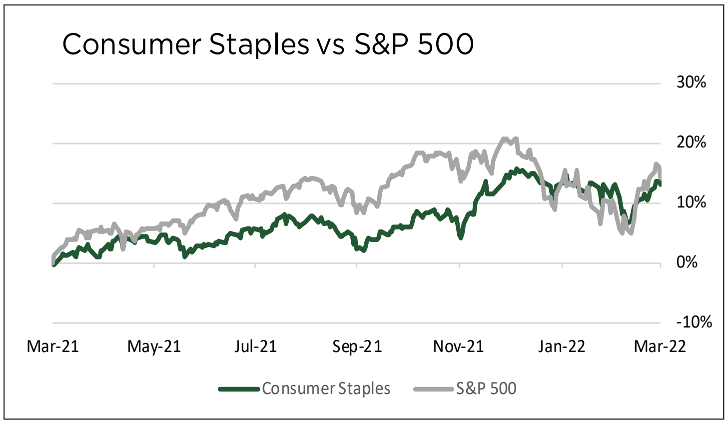
Consumer sentiment slipped in March to 59.4 according to the University of Michigan index which contrasts with a gain in consumer confidence reported by the Conference Board. The sentiment report indicates that American consumer sentiment is tracking near an eleven year low against a backdrop of geopolitical tensions and rising inflation. Consumer sentiment has declined sharply from pre-pandemic levels to over 97 as consumers have grappled with the pandemic and a host of geopolitical factors including the Russian invasion of Ukraine. The confidence report, on the other hand, rose to 107.2 in March from a downwardly revised 105.7 for February. The strong labor market with rising wages appears to be a key support element for consumer confidence.

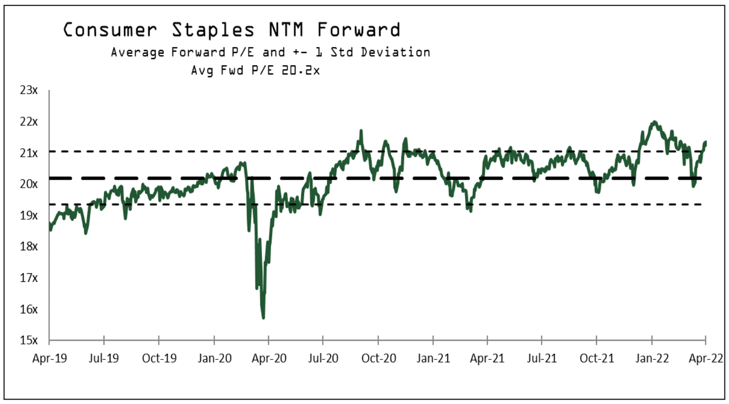
Macro factors may be weighing on consumers looking to buy a home with the National Association of Realtors indicating that existing home sales dropped from January to February by 7.2%. Home sales were reported at a seasonally adjusted annual rate of 6.02 million with monthly sales down a little over 2% versus last year. The combination of home price appreciation and the recent rises in mortgage rates may be impacting housing affordability for some potential buyers. On an annual basis, median home sales prices were up 15% reaching $357,300 in February underscoring the affordability hurdle that has emerged with rising home values.

Inflation headwinds are picking up across the economy with the February Consumer Price Index increasing 0.8% for the month. Consumers are facing rising prices in gasoline, food and housing with the gains surging to the highest levels since January of 1982. The war in Ukraine appears to be further pressuring prices in March and presenting challenges to prior beliefs that surging prices would prove temporary. It does not seem likely that the high price environment will change in the near term despite Fed efforts to control inflation with higher interest rates.

The February retail sales report indicated a slowing pace of growth to just 0.3% as consumers grapple with rising prices. The February advance represented a sharp deceleration from the 4.9% growth seen in January. Rising gas prices fueled a 5.3% lift in sales at gas stations for the month of February but may be contributing to shifts in spending patterns as consumers adapt to higher prices by spending less in discretionary categories.

CONSUMER STAPLES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
1.41%	-1.63%	-1.63%	13.15%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Kroger Co/The	22.6%
	Archer-Daniels-Midland	15.1%
	Costco Wholesale Corp	10.9%
	Walmart Inc	10.2%
	Hormel Foods Corp	8.2%
Laggards	Lamb Weston Inc	-9.8%
	Estee Lauder	-8.1%
	Philip Morris Int.	-7.1%
	Sysco Corp	-6.3%
	Kimberly-Clark Corp	-5.4%

Consensus FY EPS / P/E

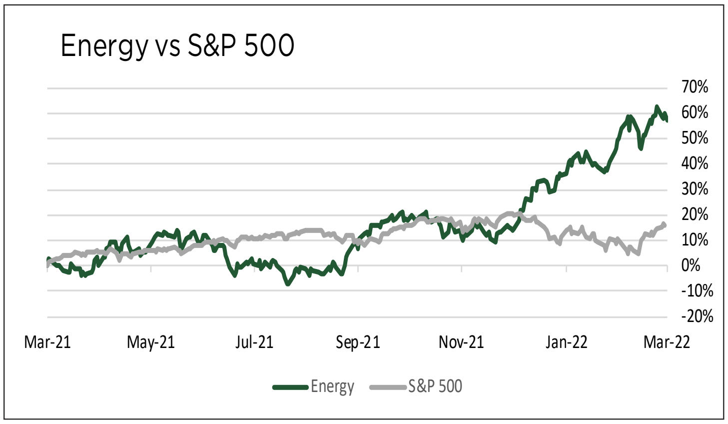
Last Year	Current Year	Next Year
$35.08	$36.09	$39.05
22.6x	22.0x	20.3x

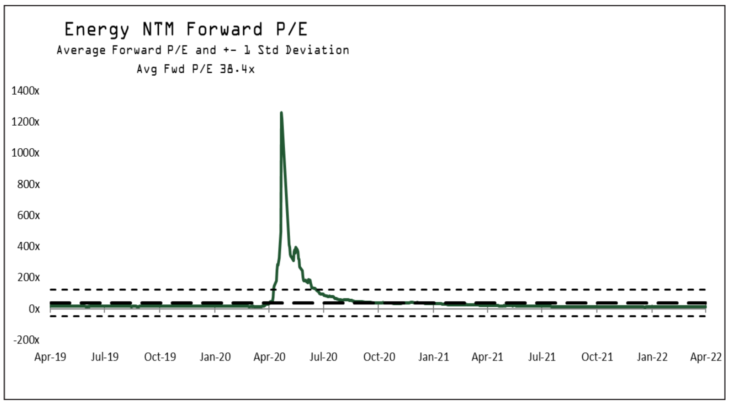
Sector Update

The Consumer Staples sector increased 1.41% on average in March and underperformed the S&P 500 Index which increased 3.58% for the month. Food and Staples Retailing remained the strongest performing segment rising 9% and widely outperforming the other segments during the month. Personal Products remained the weakest sector reflecting tough comps compared to last year and a more volatile operating environment. We continue to prefer investment in Consumer Staples Companies with strong brands and with leading market shares and pricing, strong balance sheets and cash flow generation, consistent earnings delivery, experienced management and a focus on returning value to shareholders. As the earnings season begins, management teams face the most challenging environment they have seen thus far reflecting higher input and freight costs, labor challenges, supply chain disruptions, pricing, consumer behavior, an uncertain pace of market reopenings, COVID uncertainty, a volatile operating environment and a tough comps with last year.

The uncertain global economic backdrop could result in an increasing level of interest in Consumer Staples stocks despite the higher input cost volatility uncertainty as investors look to reposition with more defensive investments. Historically, strong top-line growth translates into higher margins and earnings for the Consumer Staples Companies. Most Consumer Staples companies have a low-single digit percent exposure to Russia/Ukraine with PM and PEP having the greatest exposure. An investment in many of the Consumer Staples companies continues to offer an attractive dividend yield including tobacco stocks. The Focus for the tobacco industry centers on a changing landscape with innovation including heat not burn, vaping, and oral offerings and emphasis on harm reduction and preventing underage use.

With the Russia/Ukraine conflict, there is a great focus on global grain supplies and the US farmer crop planting intentions. US farmers are reaching the key crop planting season. As measured by Farmdoc Daily, Ukraine has a 15% of the share of world exports for corn, 15% for barley, 10% for wheat (30% including Russia) and 50% for sunflower oil. Given the export disruption caused by the war, grain prices have increased significantly this year. Russia is a major exporter of fertilizer globally and higher fertilizer prices driven by higher natural gas prices and supply chain challenges present a key factor for farmers. In its latest Prospective Plantings update, the USDA reported that US farmers expect to plant more soybeans than corn in 2022. Farmers in the US expect to plant 91 million acres of soybeans in 2022 which is up 4% from last year. Corn farmers expect to plant 89.5 million acres which is down 4% from last year. Corn crops require the use of more fertilizer vs soybean. US Wheat planted acreage is expected to be up 1% to 47.4 million acres vs last year. Rising geopolitical risks are leading to another likely step up in commodity cost inflation (oil, packaging, resin, grains, etc) and potentially more pricing. Companies currently target mid-to-low teens input cost inflation with plans for pricing, mix and realized cost savings to mitigate the challenges. Most Consumer Staples companies have already increased prices 1 or 2 times by mid-high digits on average and are now considering additional pricing. Consumers and retailers are not currently pushing back against pricing. The question remains as to how long the elevated sales persist. We continue to advise the selective investment among the Consumer Staples stocks.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
8.78%	37.66%	37.66%	57.33%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Occidental Petroleum	29.8%
	Baker Hughes Co	24.1%
	Valero Energy Corp	21.6%
	APA Corp	16.0%
	Coterra Energy Inc	15.6%
Laggards	ConocoPhillips	-77.1%
	Diamondback Energy Inc	-0.7%
	Devon Energy Corp	-0.7%
	Phillips 66	2.6%
	EOG Resources Inc	3.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$31.86	$53.96	$47.80
15.8x	9.3x	10.5x

Sector Update

The 2022 Energy sector rally sustained in March resulted in the second best stock performance of all eleven sectors of the S&P 500 for the month. Sector strength was seen against the backdrop of Russia incursion into Ukraine, constrained supply growth and an uncertain global demand environment. With the price gains posted in March, the Energy sector further demonstrated its relative outperformance versus the S&P 500 for both the one-month and on a trailing twelve-month basis, as seen in the accompanying table.

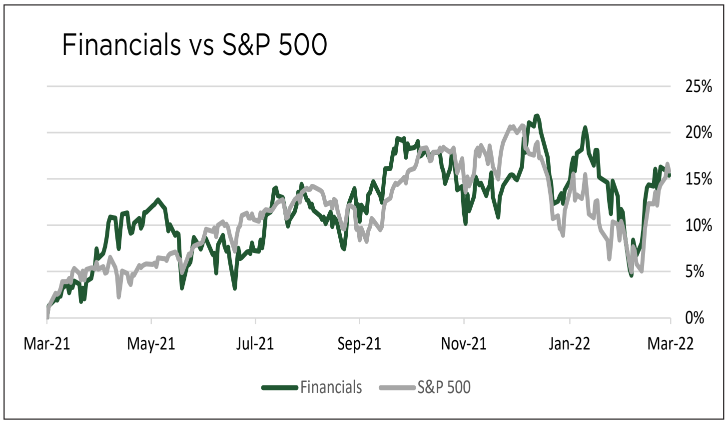
Oil prices plunged on the last day of March with news that the U.S. would release 1 million barrels of oil per day for a six month period while OPEC+ announced only a modest increase in daily production despite disruptions caused by the Russian invasion of Ukraine. The administration reported that it would tap the U.S. Strategic Petroleum Reserve to add 1 million barrels per day of oil to the market, which appears geared towards efforts to lower gasoline prices that have jumped higher with the turmoil in Europe.

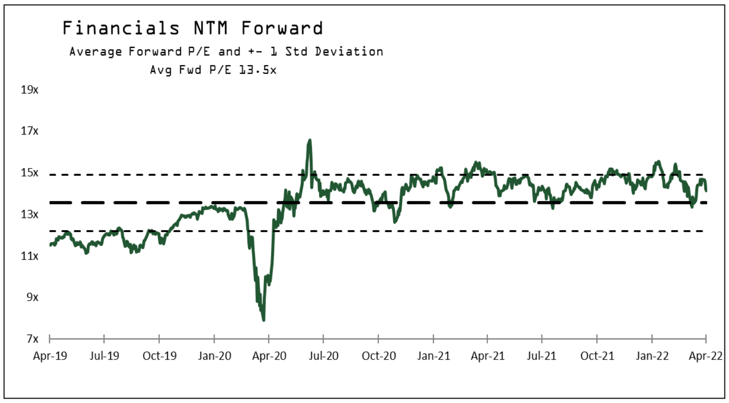
Energy markets experienced substantial volatility over the course of March with key commodities pulling back at month-end after reaching multi-year highs mid-month. WTI oil which reached a peak near the $130 barrel level on fears surrounding the Russian invasion of Ukraine pulled back sharply as growth concerns emerged with COVID-19 cases rising in China as well as the potential for alternative supplies emerging from the U.S. strategic reserve and Venezuela. Adding to uncertainty has been attacks on oil facilities in Saudi Arabia with the Saudi Foreign Minister indicating that: Saudi Arabia "declares that it will not bear any responsibility for any shortages in oil supplies to global markets in light of the attacks on its oil facilities."

OPEC provided an update mid-month maintaining its forecast that world oil demand would increase by 4.15 million barrels per day for the year. The cartel indicated that a range of factors could crimp demand including slowing economic growth, rising inflation and ongoing geopolitical turmoil. For the full year, OPEC sees total oil demand of 100.90 million barrels per day with consumption breaking 100 million barrels per day in the third quarter. The larger OPEC+ group of oil producers has targeted raising output by 400,000 barrels per day but production growth has lagged as some producers have experienced challenges bringing on more supply.

Retail gasoline prices have generally been moving higher this year and at the end of March gasoline prices reached $4.33 per gallon which represented a significant increase from February at $3.70 per gallon and up sharply from $2.94 last year. The Baker Hughes oil rig count increased in the month coming in at 533 rigs on April 1 versus 522 rigs on March 4. Oil rig counts have been slowly climbing as the macro backdrop has begun to recover. We note that the total rig count is above last year's level of 337 which reflected the sharp prior year drop due to the pandemic. The trough U.S. daily crude oil production seen in 2015 was in the 8.5 million barrels per day range and peaked in early 2020 at about 13.1 million barrels per day and is now at 11.7 million barrels per day at the end of the month.

FINANCIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
-0.35%	-1.91%	-1.91%	12.71%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Allstate Corp/The	13.2%
	Aon PLC	11.5%
	Cincinnati Financial Corp	10.7%
	W R Berkley Corp	10.6%
	Arthur J Gallagher & Co	10.4%
Laggards	Synchrony Financial	-18.6%
	Signature Bank	-14.9%
	Capital One Financial	-14.3%
	Citizens Financial	-13.5%
	MarketAxess Holdings	-10.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$48.04	$43.42	$49.17
13.5x	15.0x	13.2x

Sector Update

The Financials sector declined 0.35% in March and was down 1.91% in the first quarter of the year. The sector lagged the 3.58% improvement in the S&P 500 in March but outperformed a near 5% retrenchment in the broader market index in Q1. On a trailing twelve-month basis, the Financials sector improved 12.71% compared to a 14.03% gain in the S&P. The sector's sensitivity to interest rates likely drove outperformance against the broader market early in 2022 as rising rate expectations drove strong results in interest sensitive lenders. However, in the past month, concerns of a macro slowdown and yield curve inversion tied to expectations of a swift Fed tightening cycle appear to have been a drag on the cyclically sensitive sector.

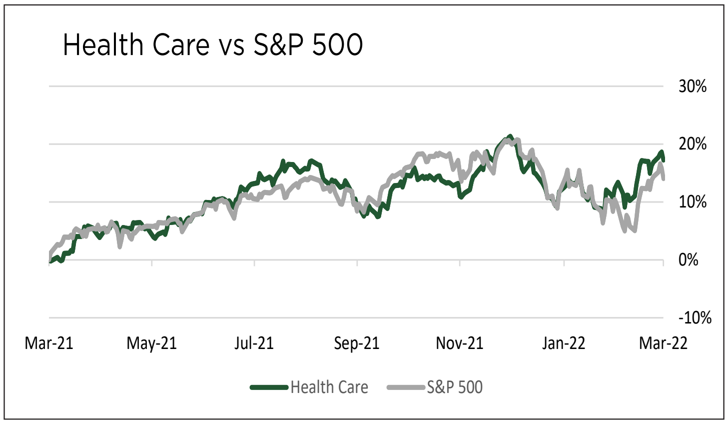
Diversified Financial Services was the strongest performing sub-sector in the month, improving 9.8%. The Insurance group delivered a very solid 6.8% gain in the month as these companies benefit from higher rates with less reliance on spread income that remains essential to lenders. In that context, Banks and Consumer Finance sub-sectors declined 7.0% and 9.0% in the month, respectively. Over the past twelve months, Diversified Financial Services has been the top-performing subsector, up 38.1% while the Insurance group improved 26.9% in the same period.

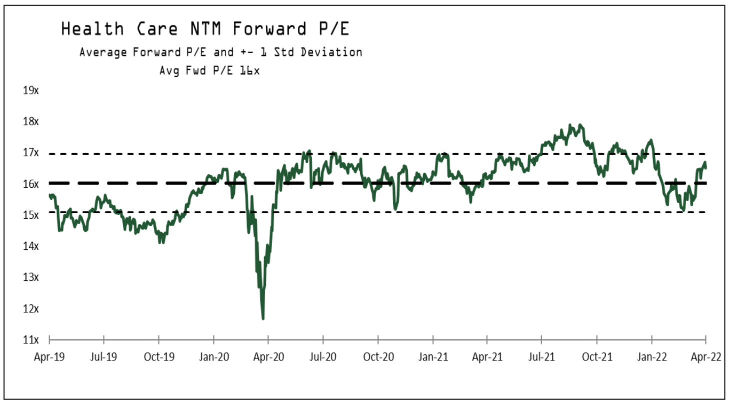
Fed policy remains a central theme in the market and Financials sector. The FOMC raised the overnight 'Fed Funds' rate by 25 bps in March, marking the beginning of a renewed tightening cycle designed to quell inflation pressures in the US. Fed Funds Futures took a decidedly hawkish turn after the March FOMC meeting, with more than eight 25 bps rate hikes now expected by year-end, inclusive of multiple 50 bps 'double-hikes' expected through the next three meetings, per Bloomberg data. At the beginning of March, expectations embedded just under five rate hikes expected through year-end. Following its March meeting, the median 'dot plot' projection from Fed governors pointed to a 1.9% overnight rate by year-end and ~2.4% in 2023, compared to 0.25%-0.5% currently.

Commensurate with the expectation of aggressive tightening, the two-year treasury yield increased slightly more than 100 bps in the month, reaching ~2.45% and in-line with the ten-year treasury. On April 1, the treasury curve saw an inversion in the 10-2 spread, meaning short-term yields were higher than the longer-term maturity, marking a recessionary indicator that has preceded five of the last six recessions in the US.

Time will tell whether aggressive tightening will materialize during the year or if the yield curve inversion will continue its track record as a recessionary indicator; however, Financials continue to enjoy several supportive macro drivers over the near-term—including capital adequacy, strong credit performance, improved rate backdrop, and reports of firming loan demand among lenders.

HEALTH CARE





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
5.39%	-2.99%	-2.99%	17.24%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Dexcom Inc	23.6%
	Incyte Corp	16.3%
	Eli Lilly & Co	14.6%
	Vertex Pharmaceuticals	13.5%
	Regeneron Pharma.	12.9%
Laggards	Align Technology Inc	-14.8%
	Bio-Rad Laboratories Inc	-10.0%
	DENTSPLY SIRONA Inc	-9.1%
	Baxter International Inc	-8.7%
	Organon & Co	-6.4%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$78.01	$96.73	$96.10
19.6x	15.8x	15.9x

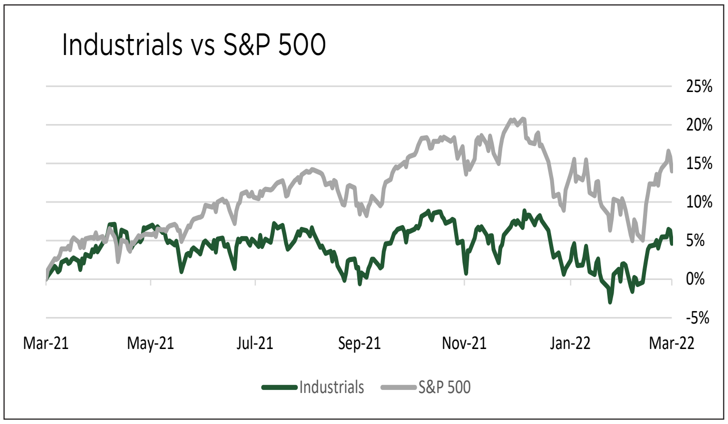
Sector Update

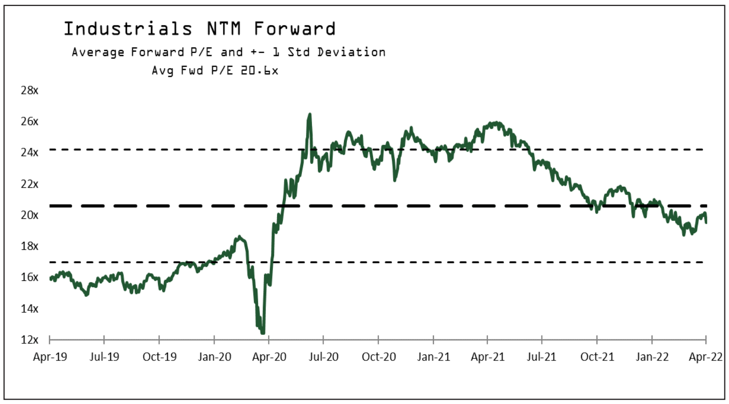
Market volatility extended into March, with the S&P 500 ending 1Q2022 down 4.95% - the first down quarter since the arrival of the COVID pandemic in 1Q2020. Spiraling inflation has accelerated into spring 2022, with the FOMC launching its first move into a tightening cycle – raising the funds rate 25 basis points (BSP) to a range of 25 – 50 BSP at its March 16th meeting. Compounding the uncertainty, Russia's invasion of Ukraine raises incremental fears of food, energy and other commodity shortages – all resulting in a move by many investors into defensive sectors including, Utilities, Health Care, Energy, Materials, and Real Estate in March. As a result, as depicted in the adjacent tables, the Health Care component of the S&P 500 has outperformed in last quarter and month – having dipped modestly by 2.99% YTD while rising by 5.39% in March.

Despite the recent outperformance in 1Q2022, we view the health care sector as remaining attractively valued – trading at a discount to the S&P 500 at ~15.8x current year earnings, while demand for health care products and services is poised to trend higher into 2H2022 as Omicron COVID fades in the U.S. with many seniors that have deferred treatments likely moving forward as the U.S. reopens and masks are put away. Beyond this catch up of deferred care, demographics support sustained growth in demand for health products and services over the intermediate and longer term, while steady high single – double digit earnings growth is forecast into 2024 that likely positions this sector to outperform during a period of slowing overall economic growth as the Fed tightens financial policy to rein in spiraling wage/price inflation.

As outlined in the adjacent graphic, in March a handful of firms experienced 13% plus price appreciation – driven primarily by company specific news/events. Dexcom shares soared by 23.6% after the company launched a new next generation continuous glucose monitor line in Europe – the G7 – with the product under review by the FDA. At the recent American Academy of Dermatology, Incyte provided encouraging clinical data on its JAK inhibitor Olumiant (already approved for treatment of arthritis) being co-developed by Eli Lilly for an expanded label/treatment of alopecia (hair loss) that catalyzed the shares of both stocks to the upside. Likewise, Vertex reported positive clinical data on VX-548 that is a non-opioid pain management therapeutic under development.

Focusing on 2022, the critical factors we monitor remain unchanged – the COVID pandemic and Fed interest rate policy. COVID (testing and therapeutics) could see sustained softening in demand; deferred services could ramp; while Fed strategy on interest rates will likely influence markets. Still, we view Health Care as poised to outperform in the evolving environment.





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
3.29%	-2.74%	-2.74%	4.63%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Ingersoll Rand Inc	115.0%
	Nielsen Holdings PLC	56.4%
	Verisk Analytics Inc	21.0%
	Quanta Services Inc	20.8%
	Caterpillar Inc	18.8%
Laggards	Fortune Brands Home	-14.5%
	Stanley Black & Decker	-14.1%
	Masco Corp	-9.0%
	A O Smith Corp	-6.8%
	Boeing Co	-6.7%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$30.86	$41.56	$50.29
27.6x	20.5x	16.9x

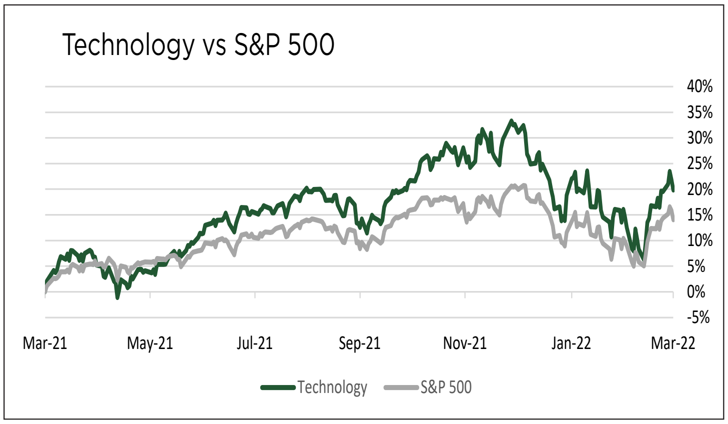
Sector Update

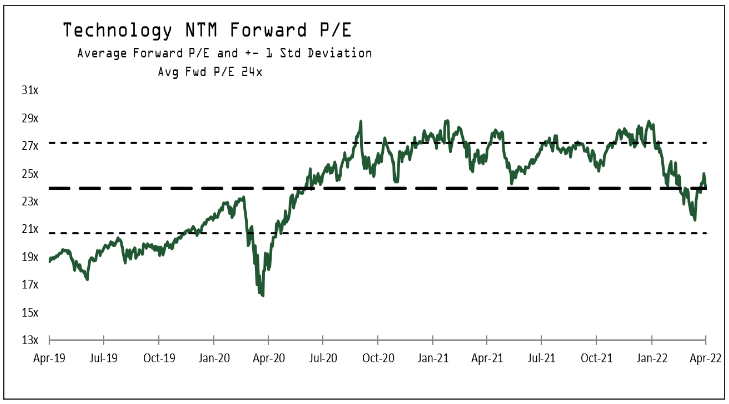
As inflation continued to ramp, the war continued in Ukraine, and the FOMC raised rates 25 basis points (BSP) to a range of 25 – 50 basis points after the March 16th meeting, market uncertainty persisted throughout the month. The industrial sector slightly underperformed the S&P 500's 3.58% return after increasing by 3.29%, although the sector is outperforming the S&P 500 on a Year-to-Date basis with a -2.74% decline as opposed to the S&P 500's -4.95% decline. The Institute for Supply Chain Management reported a boost in business activity for the month of March, although respondents have stated that they continue to be affected by capacity, inflationary, and logistical challenges.

Despite these challenges, labor shortages have shown signs of improvement as coronavirus case volume has slowed and virus related restrictions have eased. Demand continues to outpace manufacturing capacity, as ISM's New Orders Index registered a 4 percentage point increase from February. The Construction & Engineering sub-sector led its sub-sector group over the month of March with a 20.8% return, while also leading its group over a 3-month timeframe with a 14.8% return and a trailing 12 month return of 49.6%. The overall industrial sector's 4.63% return over a trailing 12 month period lags the S&P 500's return of 14.03%. As depicted in the chart above, the Industrials sector has seen it's NTM Forward P/E revert to its 3-year mean at 20.6x, 7.0 points lower than the previous year's NTM Forward P/E.

Manufacturing activity experienced an increase in March with a PMI of 58.3% - 1.8% higher than February's reading of 56.5%. The Business Activity Index also expanded, with a March reading of 55.5%. This reading represents a 0.4% increase from February's reading of 55.1%. Commodity prices increased across the board for the month of March, and the sector experienced more back orders on supplies due to constraints in materials.

INFORMATION TECHNOLOGY





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
3.44%	-8.55%	-8.55%	19.86%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	EPAM Systems Inc	42.8%
	Enphase Energy Inc	21.0%
	Paychex Inc	14.6%
	Arista Networks Inc	13.2%
	NVIDIA Corp	11.9%
Laggards	IPG Photonics Corp	-15.8%
	Seagate Technology	-12.9%
	Micron Technology Inc	-12.3%
	Advanced Micro Devices	-11.4%
	QUALCOMM Inc	-11.1%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$92.06	$109.04	$122.06
30.9x	26.1x	23.3x

Sector Update

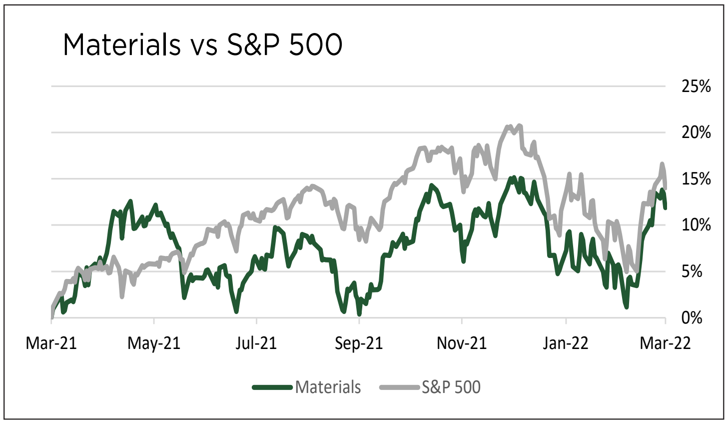
The Technology sector continued to underperform the market in March (+3.44%) and year-to-date (-8.55%). The contraction in the Technology P/E multiple from 26.2x in February to 26.1x in March impacted sector performance. We expect Technology to lag the market in the near-term, since its valuation remains above its two year forward P/E multiple of 24x.

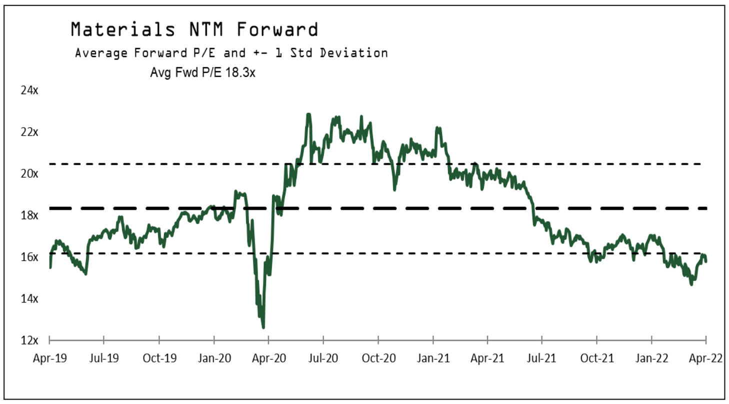
Technology, Storage & Peripherals outperformed the market in March (+5.6%) and YTD (-2%) driven by the performance of Apple. While Apple benefited from elevated consumer spending on electronics during the Covid pandemic, consumers may shift their spending to travel and services if the pandemic abates. However, consumer spending could weaken if inflation remains high. The Russia and Ukraine war contributed to a reduced supply of corn, wheat, oil and gas and other commodities, which contributed to inflationary pressures.

Leading software companies, Adobe Systems, Oracle, and Salesforce.com reported their quarterly results in March. While investors had been attracted to companies with the highest revenue growth rates over the past two years, they appear more focused on valuation due to the Federal Reserve's potential increase of interest rates to combat high inflation. Adobe Systems and Salesforce.com reported double-digit revenue growth but underperformed the market in March and YTD, since investors were disappointed by their lower than expected guidance. However, investors responded favorably to Oracle's inline quarterly results and guidance (7% revenue growth). Perhaps investors were attracted to Oracle's discounted valuation relative to the market.

The Semiconductor and Semiconductor Capital Equipment sub-sector underperformed the market in March (+2.6%) and YTD (-10.5%). The potential shift in consumer spending from electronics to travel and services could reduce demand for semiconductor components over the next year. The Russia and Ukraine war could disrupt the potential supply of key raw materials to auto manufacturers, which could impact auto production and demand for semiconductors. Given the potential impact of the Russia and Ukraine war on key raw materials supplied to the automotive industry, S&P Global lowered its FY22/23 global automobile unit forecast from 84 and 91 million units (compared to 94 million units in 2018) to 82 million and 88 million units.

MATERIALS





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
5.82%	-2.84%	-2.84%	11.87%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	CF Industries Holdings	26.9%
	Mosaic Co/The	26.8%
	Newmont Corp	20.0%
	Nucor Corp	12.9%
	Albemarle Corp	12.9%
Laggards	Eastman Chemical Co	-5.4%
	Sherwin-Williams Co/The	-5.1%
	DuPont de Nemours Inc	-4.9%
	PPG Industries Inc	-1.8%
	Avery Dennison Corp	-1.3%

Consensus FY EPS / P/E

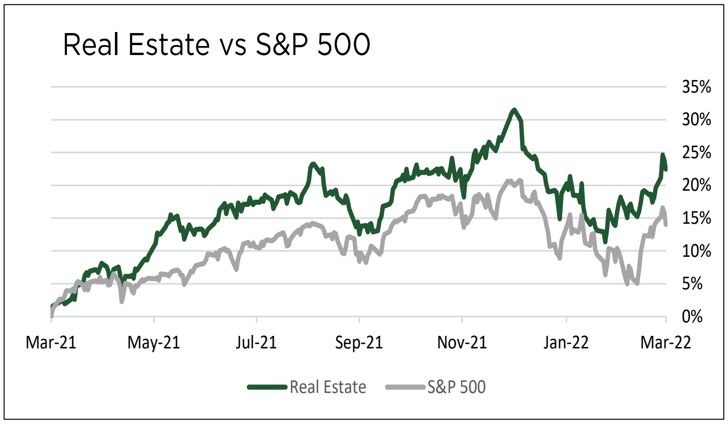
Last Year	Current Year	Next Year
$30.71	$35.22	$34.49
17.3x	15.1x	15.4x

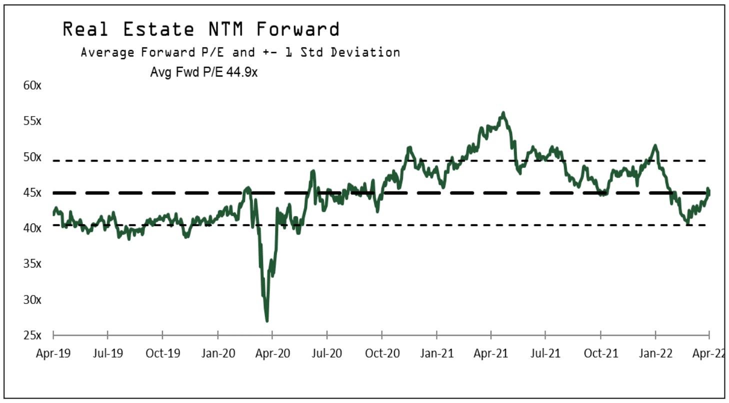
Sector Update

The Materials segment increased 5.82% in March and outperformed the S&P 500 Index which increased 3.58%. As earnings season approaches, the focus centers on pricing actions for companies in response to higher input and logistics costs and expected timing for margin recovery. Sanctions imposed by countries in response to Russia's attack on Ukraine have further tightened the supply of commodities and restricted global trade. Higher oil prices are driving up key input costs across many sectors including Agriculture, Chemicals, Protein, Food, Beverage, Household, Personal Care, and Packaging, among others. The Metals and Mining segment remained the strongest segment rising 12.2% in the month and far outperforming the other segments. The strong outperformance reflects an increased tightening of global supply and demand reflecting heightened geopolitical risks and volatility. Containerboard companies are raising prices to offset higher input costs and to benefit margins. End market demand remains strong. The Fed's approach to inflation and risk for slower growth represent additional key influences. Key factors for 2022 center on the geopolitical risk, supply and demand, pricing, the global economic outlook, and successful navigation of input cost and supply chain issues. Selective investment among the stocks in the segment remains a key strategy.

Investor sentiment recently rotated slightly more towards a domestic focus for material stocks and towards Fertilizer and Agriculture stocks. With the Russia/Ukraine conflict and sanctions, there is a growing concern for global food shortage over the next several years especially in Africa and Central Asia. In grains, Russia is the largest exporter of wheat and Ukraine is the fourth largest in corn. Agriculture stocks face a volatile market and strong demand and short supply continue to support interest in the stocks. Russia is the largest exporter of nitrogen, the third in potash and the fifth in phosphate. There is greater potential for disruptions from the Russia/Ukraine conflict for the supply of nitrogen, fertilizers, grains etc. The key question centers on the risk of input shortages in 2H given the current market disruptions. Significantly higher nitrogen and phosphate prices translate into a cautious overhang. The ability of the industry to raise prices to offset higher input cost pressures remains a key factor as company updates and earnings season begins for these companies.

REAL ESTATE





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
7.28%	-6.88%	-6.88%	22.44%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Welltower Inc	15.4%
	Ventas Inc	14.4%
	SBA Communications	13.4%
	Iron Mountain Inc	12.7%
	Crown Castle Int	10.8%
Laggards	CBRE Group Inc	-5.5%
	Simon Property Group	-4.4%
	Weyerhaeuser Co	-2.5%
	Mid-America Apartment	2.4%
	Federal Realty Invest.	3.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$5.97	$6.62	$7.24
49.8x	44.8x	41.0x

Sector Update

Market volatility extended into March, with the S&P 500 ending 1Q2022 down 4.95% - the first down quarter since the arrival of the COVID pandemic in 1Q2020. Spiraling inflation has accelerated into spring 2022, with the FOMC launching its first move into a tightening cycle – raising the funds rate 25 basis points (BSP) to a range of 25 – 50 BSP at its March 16th meeting with Fed governors subsequent commentary pointing to additional significant hikes to follow. Compounding interest rate uncertainty and Russia's invasion of Ukraine raises incremental fears of food, energy and other commodity shortages – all resulting in a move by many investors into defensive sectors including, Utilities, Health Care, Energy, Materials and Real Estate in March. As a result, as depicted in the adjacent tables, the Real Estate component of the S&P 500 outperformed last month after the FOMC moved to raise the funds rate reducing uncertainty – ramping by 7.28% that contrasts with the S&P 500's rebound of 3.58%. Still, for most of the 1Q2022, when rate fears hung over the markets, Real Estate underperformed with the sector being down 6.88% YTD compared to the 4.95% pullback for the S&P 500.

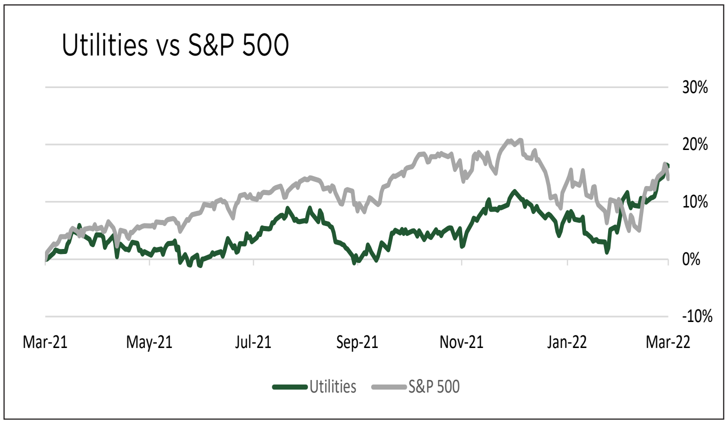
As we enter April, the yield curve has inverted with the 2 year note yield being higher than the 10 year Treasury. Fed governors have publicly suggested that a more aggressive effort to staunch inflation will be forthcoming. As such, concerns over a slowing economy and potential recession 12-18 months out have moved to the forefront of investors' mindset – increasing uncertainty among some aspects of the Real Estate sector although the wind down of COVID is expected to see a solid reopening this spring that creates positive momentum for other aspects.

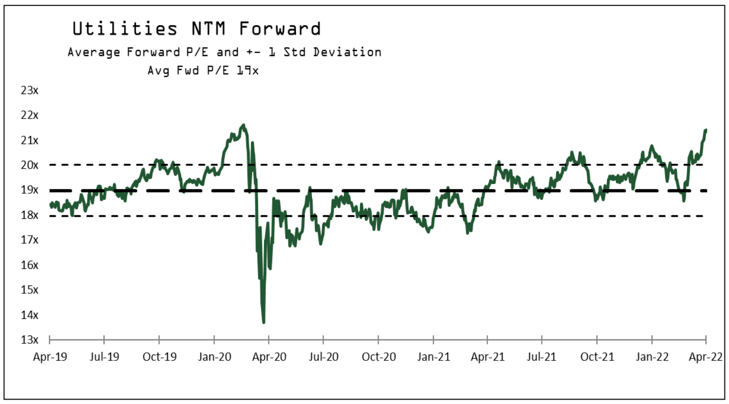
Among the top performing REITs in March were Welltower and Ventas – two of the leading real estate owners in the health care sector. Both firms appear set for an operations rebound per managements commentary as COVID has abated with senior housing occupancies ramping and demand for expensive agency nursing declining.

Cell tower REITs also experienced a rebound after a soft period as the rollout of 5G is increasing demand across the sector – with both SBA Communications and Crown Castle shares on the rise in March. And, after missing earnings expectations in the last quarter, Iron Mountain amended its credit agreement improving financial flexibility after closing on its 80% acquisition of ITRenew in January – all combining to drive the shares higher.

Rising interest rates will likely remain the challenge to investor sentiment in 2022. Still, we like the intermediate and longer term outlook for the Real Estate sector remaining more focused on issues in the logistics, cell tower, and self-storage segments for long term investment.

UTILITIES





Source : Bloomberg

Sector Performance

1 Month	3 Months	YTD	TTM
10.08%	3.96%	3.96%	16.25%

S&P 500 Performance

1 Month	3 Months	YTD	TTM
3.58%	-4.95%	-4.95%	14.03%

	Company Performance	1 Month
Leaders	Constellation Energy Corp	22.3%
	AES Corp/The	21.2%
	Sempra Energy	16.6%
	CenterPoint Energy Inc	12.0%
	Southern Co/The	11.9%
Laggards	NRG Energy Inc	1.4%
	Dominion Energy Inc	6.8%
	Alliant Energy Corp	7.0%
	Xcel Energy Inc	7.2%
	Eversource Energy	7.8%

Consensus FY EPS / P/E

Last Year	Current Year	Next Year
$16.48	$17.37	$18.77
21.3x	20.2x	18.7x

Sector Update

The Utilities sector was the top performing sector in the S&P500 in March, gaining 10.08%. The sector outperformed the broader market index by a wide margin despite a solid 3.58% improvement in the S&P. Through the end of the first quarter, the sector improved 3.96% against a 4.95% decrease in the S&P. We note trailing twelve month comparisons also favor the defensive sector, outperforming the broader market index by 2.22 percentage points in the period.

Increased volatility and flight to defensive positioning likely benefitted performance in the sector in recent months. In the past thirty years, the sector has typically moved higher against a tightening yield curve spread; indeed, this appears to have played out in the month following a rally in shorter-term Treasury yields and inversion of the two and ten year yields on April 1.

All Utilities sub-sectors posted gains in March, and all sector components finished higher in the month. The Independent Power and Renewables sub-sector paced the industry in March, up 21.2%. Other subsectors, including Multi-Utilities, Electric Utilities, and Water Utilities increased 10%, 9.9% and 9.6% respectively. Impressively, the worst performing shares (NRG) still gained 1.4% from the prior month and the second worst performer (D) delivered a strong 6.8% return since the end of February.

Constellation Energy (CEG), a recent spin-off from Exelon (EXC), was the top performer in the Utilities sector in March on a 22.3% gain. CEG is the largest clean-energy provider in the US with 163GWh of zero-emission energy produced based on a 2021 M.J. Bradley Air Emissions report. For comparison, NextEra (NEE) has been widely considered the renewables leader in recent years, generating ~99GWh of zero-emission energy. NEE is still the ‘Renewables leader’ given a substantially higher mix of wind and solar generation. CEG is largely driven by Nuclear, representing 86% of its generation mix, with renewables providing just 3% of its output and Natural Gas representing the remaining 11%.

We continue to favor new investment in secular growth stories with reasonable valuations following recent volatility; however, the attractive yields and historically defensive characteristics of the sector in combination with renewable growth themes for select firms remain reasons to maintain exposure in the Utilities space.

ECONOMIC CALENDAR

Date	Release	For	Prior
6-Apr	MBA Mortgage Applications Index	4/2	-6.80%
6-Apr	EIA Crude Oil Inventories	4/2	-3.45M
6-Apr	FOMC Minutes	Mar	NA
7-Apr	Initial Claims	4/2	202K
7-Apr	Continuing Claims	3/26	1307K
7-Apr	EIA Natural Gas Inventories	4/2	+23 bcf
7-Apr	Consumer Credit	Feb	$6.8B
8-Apr	Wholesale Inventories	Feb	0.8%
12-Apr	Core CPI	Mar	0.50%
12-Apr	CPI	Mar	0.80%
12-Apr	Treasury Budget	Mar	-$216.6B
13-Apr	MBA Mortgage Applications Index	4/9	NA
13-Apr	Core PPI	Mar	0.20%
13-Apr	PPI	Mar	0.80%
13-Apr	EIA Crude Oil Inventories	4/9	NA
14-Apr	Export Prices ex-ag.	Mar	NA
14-Apr	Import Prices ex-oil	Mar	NA
14-Apr	Initial Claims	4/9	NA
14-Apr	Retail Sales	Mar	0.30%
14-Apr	Retail Sales ex-auto	Mar	0.20%
14-Apr	Continuing Claims	4/2	NA
14-Apr	Business Inventories	Feb	-0.20%
14-Apr	Univ. of Michigan Consumer Sentiment - Prelim	Apr	59.4
14-Apr	EIA Natural Gas Inventories	4/9	NA
18-Apr	NAHB Housing Market Index	Apr	NA
19-Apr	Building Pemits	Mar	NA
19-Apr	Housing Starts	Mar	NA
20-Apr	MBA Mortgage Applications Index	4/16	NA
20-Apr	Existing Home Sales	Mar	NA
20-Apr	EIA Crude Oil Inventories	4/16	NA
21-Apr	Initial Claims	4/16	NA
21-Apr	Philadelphia Fed Index	Apr	NA
21-Apr	Continuing Claims	4/9	NA
21-Apr	EIA Natural Gas Inventories	4/9	NA
26-Apr	Durable Orders	Mar	NA
26-Apr	FHFA Housing Price Index	Feb	NA
26-Apr	S&P Case-Shiller Home Price Index	Feb	NA
26-Apr	Consumer Confidence	Apr	NA
26-Apr	New Home Sales	Mar	NA
27-Apr	MBA Mortgage Applications Index	4/23	NA
27-Apr	Adv. Intl. Trade in Goods	Mar	NA
27-Apr	Adv. Retail Inventories	Mar	NA

ECONOMIC CALENDAR

27-Apr	Adv. Wholesale Inventories	Mar	NA
27-Apr	Pending Home Sales	Mar	NA
27-Apr	EIA Crude Oil Inventories	4/23	NA
28-Apr	Chain Deflator - Adv.	Q1	NA
28-Apr	GDP-Adv.	Q1	NA
28-Apr	Initial Claims	4/23	NA
28-Apr	Continuing Claims	4/16	NA
28-Apr	EIA Natural Gas Inventories	4/23	NA
29-Apr	Employment Cost Index	Q1	NA
29-Apr	PCE Prices	Mar	NA
29-Apr	PCE Prices - Core	Mar	NA
29-Apr	Personal Income	Mar	NA
29-Apr	Personal Spending	Mar	NA
29-Apr	Chicago PMI	Apr	NA
29-Apr	Univ. of Michigan Consumer Sentiment - Final	Apr	NA

DISCLOSURES

This information has been compiled from various sources we believe to be reliable, however, there is no guarantee of its accuracy or completeness. Any opinion expressed herein is based upon our interpretation of the information from such source. This information is not furnished in connection with a sale or offer to sell securities or in connection with the solicitation of an offer to buy securities. Our firm, or its offices or members of their families, may at times, have a long or short position in the securities mentioned herein and may make purchases or sales of these securities while this memorandum is in circulation.

Past performance is not indicative of future results.

An index is not available for direct investment; therefore, its performance does not reflect the expenses, fees and taxes generally paid with the active management of an actual portfolio.

Sectors and sector components defined by Standard & Poor's GICS Level 1 index. For the list of all holdings in GICS Level 1 index sectors, contact your Davenport Financial Advisor.

Leaders: Represent top five best stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Laggards: Represent top five worst stock price performance in the most recent calendar month within their respective GICS Level 1 Sector

Members: The GICS Level 1 Telecommunication Services sector has only three component companies. This sector will not include "Leaders and Laggards", but will show all three members and their price performance over the previous calendar month.

S&P 500®: The S&P 500 Index is comprised of 500 U. S. stocks and is an indicator of the performance of the overall U.S. stock market. Standard & Poor's Financial Services LLC, a division of S&P Global, is the source and owner of the registered trademarks related to the S&P 500 Index.

Dow Jones Industrials: The Dow Jones Industrial Average is an index of 30 "blue chip" stocks of U.S. "industrial" companies.

NASDAQ Composite: The Nasdaq-100 Index is a "modified capitalization-weighted" index designed to track the performance of a market consisting of the 100 largest and most actively traded non-financial domestic and international securities listed on The Nasdaq Stock Market, based on market capitalization.

Russell 2000®: The Russell 2000® Index is a capitalization-weighted index designed to measure the performance of a market consisting of the 2,000 smallest publicly traded U.S. companies (in terms of market capitalization) that are included in the Russell 3000® Index. Source: London Stock Exchange Group PLC and its group undertakings (collectively, the "LSE Group"). © LSE Group 2021. FTSE Russell is a trading name of certain LSE Group companies. "Russell®" is a trade mark of the relevant LSE Group companies and is used by any other LSE Group company under license. All rights in the FTSE Russell indexes or data vest in relevant LSE Group company which owns the index or the data. Neither LSE Group nor its licensors accept any liability for any errors or omissions in the indexes or data and no party may rely on any indexes or data contained in this communication. No further distribution of data from LSE Group is permitted without the relevant LSE Group company's express written consent. The LSE Group does not promote/sponsor/endorse the content of this communication.

FTSE 100: The FTSE 100 is an index of the leading shares on the London Stock Exchange. Shanghai Composite: The SSE Composite Index is a stock market index of all stocks (A shares and B shares) that are traded at the Shanghai Stock Exchange.

Nikkei Stock Average: Nikkei is short for Japan's Nikkei 225 Stock Average, the leading and most-respected index of Japanese stocks. It is a price-weighted index comprised of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. The Nikkei is equivalent to the Dow Jones Industrial Average Index in the United States.

Stoxx Europe 600: The STOXX Europe 600 Index is derived from the STOXX Europe Total Market Index (TMI) and is a subset of the STOXX Global 1800 Index. With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 17 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

MSCI Emerging Markets: The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. (MSCI Website).

MSCI Emerging Markets Small Cap: The MSCI Emerging Markets Small Cap Index includes small cap representation across 23 Emerging Markets countries. With 1,889 constituents, the index covers approximately 14% of the free float-adjusted market capitalization in each country. The small cap segment tends to capture more local economic and sector characteristics relative to larger Emerging Markets capitalization segments.

US Dollar Index (USDX, DXY): An index (or measure) of the value of the United States dollar relative to a basket of currencies, often referred to as a basket of US trade partners' currencies.

VIX: The ticker symbol for the Chicago Board Options Exchange (CBOE) Volatility Index, which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options.

Shanghai Composite (SSE Index): The Shanghai Composite Index, also known as the SSE Index is a stock market index of all stock (A shares and B shares) that are traded at the Shanghai Stock Exchange.

Certification: As the primary authors of this report, we hereby certify that the views and opinions expressed herein accurately reflect our personal views and opinions about the principal subject(s) of this report. Further, I hereby certify that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or personal views expressed herein.

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