

Q1 2022

WEALTH SOLUTIONS CAPITAL MARKETS REVIEW

INDEX	PERIOD ENDING MARCH 31, 2022					
	Qtr	YTD	1 Yr Return	3 Yr Return	5 Yr Return	10 Yr Return
U.S. Equity Markets						
S&P 500 TR USD	-4.60	-4.60	15.65	18.92	15.99	14.64
Russell 3000 TR USD	-5.28	-5.28	11.92	18.24	15.40	14.28
Russell 3000 Value TR USD	-0.85	-0.85	11.10	12.99	10.16	11.61
Russell 3000 Growth TR USD	-9.25	-9.25	12.86	22.68	20.16	16.64
Russell 2000 TR USD	-7.53	-7.53	-5.79	11.74	9.74	11.04
Russell 1000 TR USD	-5.13	-5.13	13.27	18.71	15.82	14.53
Non-U.S. Equity Markets						
MSCI ACWI Ex USA NR USD	-5.44	-5.44	-1.48	7.51	6.76	5.55
MSCI EM NR USD	-6.97	-6.97	-11.37	4.94	5.98	3.36
Fixed Income						
Bloomberg US Agg Bond TR USD	-5.93	-5.93	-4.15	1.69	2.14	2.24
Bloomberg US Treasury US TIPS TR USD	-3.02	-3.02	4.29	6.22	4.43	2.69
Real Assets/Natural Resources						
DJ US Select REIT TR USD	-3.71	-3.71	27.72	9.90	8.89	9.17
S&P North American Natural Resources TR	29.37	29.37	51.58	14.07	7.56	3.48

Past performance is not a guarantee of future results.



GDP (LAGGING INDICATOR)

Q4 2021 (Third Estimate)
Increased at annual rate of 6.9%



EXISTING HOME SALES

Thru February 2022
Decreased by 7.2%



UNEMPLOYMENT RATE

Thru March 2022
Decreased to 3.6% (seasonally adjusted)



CONSUMER PRICE INDEX

February 2022
Increased by 0.8% (seasonally adjusted)

MARKET COMMENTARY

The U.S. equity market ended the first quarter down more than 5%. U.S. stocks declined in January amid the increasing likelihood that the Fed would impose several interest rate hikes in 2022 in response to rising inflation. Uncertainty over the economic fallout of the Russian invasion of Ukraine in late February added further downward pressure to equities during the period. A spike in oil prices pushed inflation upwards but led to strong performance from the energy sector.

Large-cap stocks outperformed both the mid- and small-cap segments of the market in the quarter. Despite negative quarterly returns, large-cap stocks produced strong returns during the 12 months ending March 31, outperforming mid- and small-cap stocks by 8.7 and 21.4 percentage points, respectively.

Value stocks outperformed growth stocks by 8.5 percentage points in the quarter. The energy sector, which is primarily categorized as value, produced the quarter's strongest returns driven by rising energy prices and supply concerns resulting from the Russia-Ukraine conflict. The sector is up over 64% in the 1-year period due to higher prices and renewed energy demand as global economies reopened following COVID-19 restrictions.

International equities declined in-line with U.S. stocks during the quarter while developed market equities continued to outperform emerging market equities. Developed European equities posted a -7.4% return in the period due primarily to the economic challenges created by the war in Ukraine. European economies are at increased economic risk due to their heavy reliance on Russian energy imports. Chinese equities ended the quarter down 14.2% as Omicron coronavirus lockdowns continued in major cities across the country. For the trailing 1-year period, Chinese equities were down approximately 32.5%.

Preliminary estimates from a subset of core equity real estate managers indicate a strong positive return of over 5% for the quarter. Over the last year, industrial

and multi-family properties have performed better than holdings within the office and retail market segments.

The U.S. fixed-income market returned -5.9% for the three months ending March 31 — the worst quarterly return since 1980. The Fed announced an increase of 0.25% to the target Fed Funds Rate at its March meeting and anticipates multiple rate increases during the year. It will also reduce the size of its bond inventory — putting selling pressure on bond prices and raising rates. The 10-year treasury yield ended the quarter at 2.32%, an increase of 0.80 percentage points during the period. During the quarter, investment grade credits generated a -7.4% return and non-investment grade corporate bonds returned -4.8%. Municipal bonds declined 6.2% in the quarter as rates rose across the yield curve. Developed non-U.S. government bonds

“The individual investor should act consistently as an investor and not as a speculator.”

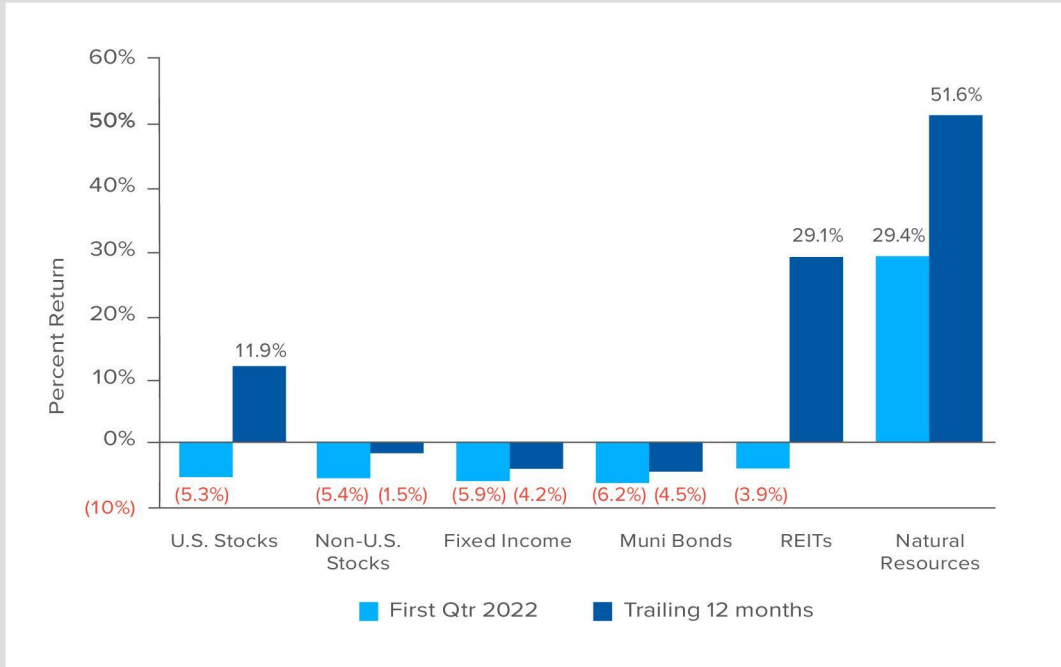
— Benjamin Graham

returned -4.1% in the quarter on a local currency basis but declined 7.1% for U.S.-based investors due to a strengthening U.S. dollar.

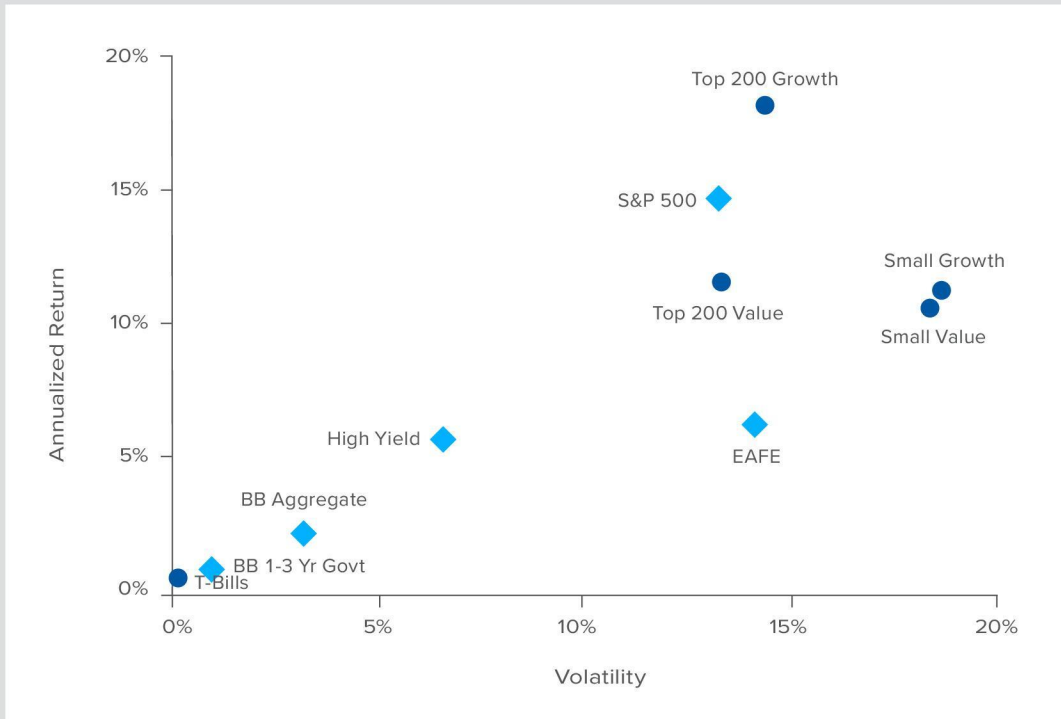
TIPS returned -3.0%, outperforming nominal Treasuries in the quarter as inflation expectations increased. The breakeven inflation rate implied in 10-year U.S. TIPS ended the quarter at 2.84%, versus 2.56% for the quarter ending December 31, 2021. The realized annual CPI (inflation) was 8.0% through February 2022. The annualized CPI remains elevated due to the economic impact of lockdowns on prices during 2020 and the subsequent rebound in 2021, supply chain constraints, tight labor supply, and higher commodity prices.

MAJOR CAPITAL MARKET RETURNS

U.S. Stocks—Russell 3000, Non-U.S. Stocks—MSCI AC World ex U.S.,
Fixed Income—Barclays Aggregate, and U.S. Treasury Bills



RISK/RETURN – TRAILING 10 YEARS



Source of statistics not otherwise specifically cited within this newsletter: Strategic Capital Investment Advisors.

Definitions of the indexes shown here can be found at <http://mfinwealth.com/index-definitions/>.

M Holdings Securities, Inc. makes no representation regarding the accuracy or completeness of information provided herein. This information has been taken from sources we believe to be reliable, but there is no guarantee as to its accuracy. All opinions and views constitute our judgments as of the date of writing and are subject to change at any time without notice. Nothing contained in this newsletter is intended to constitute legal, tax, accounting, securities, or investment advice, nor an opinion regarding the appropriateness of any investment, nor a solicitation of any type. Please consult with your attorney or tax advisor, as applicable.

All referenced indices are unmanaged and not available for direct investment. Past performance is not a guarantee of future results. The information and opinions expressed herein are for general and educational purposes only.

The S&P 500 Total Return is a commonly used measure of common stock performance of 500 leading companies in leading industries of the U.S. economy.

The Russell 3000 index measures the performance of the largest 3000 US companies representing approximately 98% of the investable US equity market. It is market-capitalization weighted.

The Russell 3000 Value index measures the performance of the broad value segment of US equity value universe. It includes Russell 3000 index companies with lower price-to-book ratios and lower forecasted growth values. It is market-capitalization weighted.

The Russell 3000 Growth index measures the performance of the broad growth segment of the US equity universe. It includes Russell 3000 index companies with higher price-to-book ratios and higher forecasted growth values. It is market-capitalization weighted.

The Russell 2000 Index measures the performance of the small-cap segment of the US equity universe. It is a subset of the Russell 3000 and includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership.

The Russell 1000 Index measures the performance of the large-cap segment of the US equity securities. It is a subset of the Russell 3000 index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership.

The MSCI ACWI Ex USA Index captures large and mid-cap securities exhibiting overall growth style characteristics across 22 of 23 Developed Markets countries. The growth investment style characteristics for index construction are defined using five variables: long-term forward EPS growth rate, short-term forward EPS growth rate, current internal growth rate and long-term historical EPS growth trend and long-term historical sales per share growth trend.

The MSCI Emerging Markets index measures the performance of the large and mid-cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

The Barclays Aggregate Bond 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 pass-throughs), ABS, and CMBS.

The Barclays US TIPS index measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L).

The DJ US Select REIT index measures the performance of publicly traded real estate investment trusts (REITs) and REIT-like securities. The index is a subset of the Dow Jones US Select Real Estate Securities Index (RESI). The index is designed to serve as proxy for direct real estate investment, in part by excluding companies whose performance may be driven by factors other than the value of real estate.

The S&P North American Natural Resources index measures the performance of US traded securities that are classified under the Global Industry Classification Standard (GICS) energy and materials (sector) excluding the chemicals (industry) and steel (sub-industry).

SOURCES

GDP

› <https://www.bea.gov/newsreleases/national/gdp/gdpnewsrelease.htm>

Existing

› <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>

Unemployment

› <https://www.bls.gov/news.release/empsit.toc.htm>

Consumer Price Index

› <https://www.bls.gov/news.release/cpi.toc.htm>

Greenberg, Wexler & Eig, LLC
(301) 656-0660 | gwellc.com

Securities and Investment Advisory Services offered through M Holdings Securities, Inc., a Registered Broker/Dealer and Investment Adviser, Member FINRA/SIPC. Greenberg & Rapp Financial Group, Inc. is independently owned and operated.

For Educational Purposes Only.

CONFIDENTIALITY NOTICE: This document is for the sole use of the intended recipient(s) and may contain confidential and privileged information. Any unauthorized use, disclosure, or distribution is prohibited.

© Copyright 2022 M Financial Group. All rights reserved. #4667241.1 Expires 1/2024

M Financial Group | 1125 NW Couch Street, Suite 900 | Portland, OR 97209 | 503.238.1813 | fax 503.238.1815 | mfin.com