

2022 YTD in Review



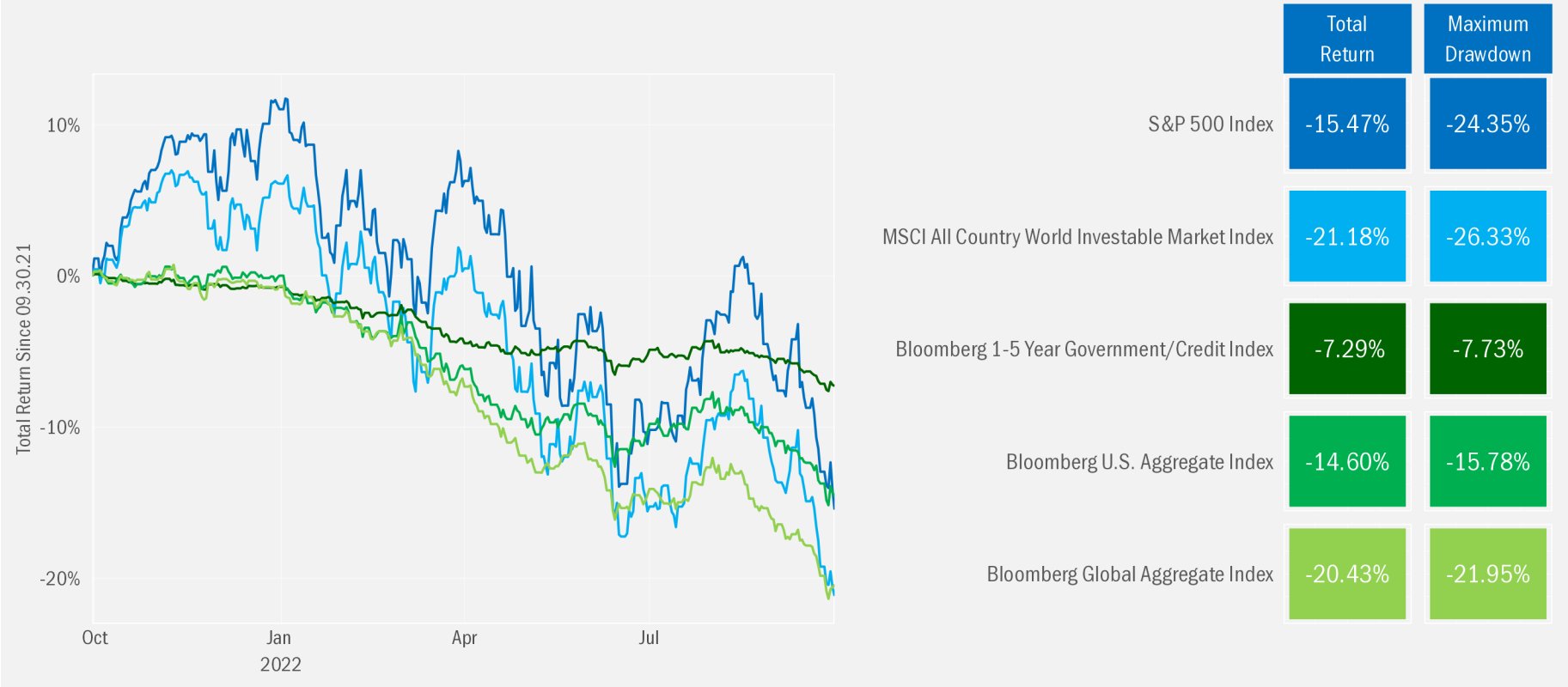
Mark Mowrey, CFA

Chief Investment Officer

Global Market Overview

The third quarter offered few corners to hide as investors shunned risk in most of its forms, with U.S. bonds seeing declines of historic proportions as stocks fell anew upon reemergent fears of a potential recession caused by efforts to combat long-lasting inflation

Trailing 1-Year Total Return of Major Asset Classes (through 09.30.22)



Past performance is not indicative of future results. Investing in securities involves risk, including risk of losing some or all the invested capital. There is no guarantee that any investment or investment strategy will achieve its objective. Indexes are unmanaged. One cannot directly invest in an index. Index performance reflects the reinvestment of dividends but does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Global Equity Market Overview

U.S. stocks continued to outperform non-U.S. stocks, with the strength of the U.S. dollar comprising a substantial portion of that outperformance. The quarter's events also reminded investors that such dire circumstances require defensible, steadfast and sincere policies

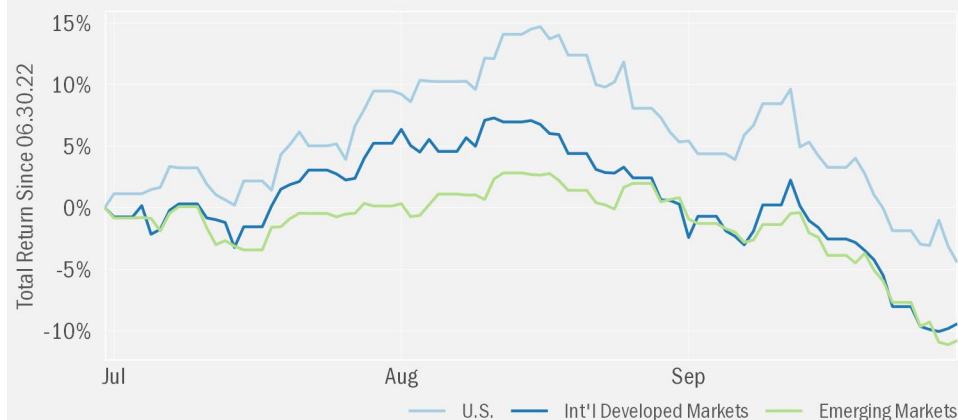
Trailing Broad Equity-Market Performance

Percent total return, annualized for periods greater than 1 year

	3 Month	1 Year	3 Year	5 Year	10 Year
Global	-6.64	-21.18	3.64	4.16	7.25
World ex. U.S.	-9.69	-25.72	-1.27	-0.78	3.19
U.S.	-4.47	-17.65	7.83	8.72	11.47
Int'l Developed Markets	-9.43	-26.23	-1.90	-0.99	3.87
Emerging Markets	-10.79	-27.51	-1.20	-1.44	1.27

From 09.30.12 to 09.30.22. Total return data are annualized for periods greater than 1 year.
SOURCE: SRCM using data from Bloomberg

Trailing 3-Month Total Return (through 09.30.22)



Notable events of the prior three months include:

- 08.26: Fed Chair Powell reinforces his contention that, "While higher interest rates, slower growth, and softer labor market conditions will bring down inflation, they will also bring some pain"
- 09.23: New UK government launches a fiscal plan that so worried investors the Bank of England was forced to temporarily suspend its fight against inflation

Past performance is not indicative of future results. One cannot invest directly in an index. Index performance does not reflect expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Trailing 1-Year Total Return (through 09.30.22)



Core Factors: U.S. Stocks

Less-expensive stocks failed to further recent outperformance during the quarter, though smaller stocks generally outperformed larger peers

3-Month Period ended 09.30.22			Value	Growth
	All Stocks	-4.5%	-5.5%	-3.4%
	Large	-4.8%	-5.6%	-3.9%
	Mid	-3.4%	-5.1%	-1.6%
	Small	-3.0%	-4.8%	-1.2%

1-Year Period ended 09.30.22			Value	Growth
	All Stocks	-17.6%	-9.1%	-26.6%
	Large	-17.1%	-8.5%	-26.1%
	Mid	-18.7%	-9.8%	-28.1%
	Small	-21.0%	-13.3%	-28.8%

The table displays the relative performance of different indexes representing U.S. stocks. Broad market performance is shown in the upper left of each group (3-month and 1-year periods). The remainder of the table displays the performance of various indexes, including large-, mid- and small-cap stocks, Value and Growth stocks, and combinations of each. Indexes that outperformed (underperformed) the broader market are shaded in blue (grey) in depth according to their respective relative performance. Past performance is not indicative of future results. One cannot invest directly in an index. Index performance does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Core Factors: International Stocks

Non-U.S. small-cap stocks outperformed large-cap stocks as less-expensive stocks generally failed to further outperformance from earlier in the year

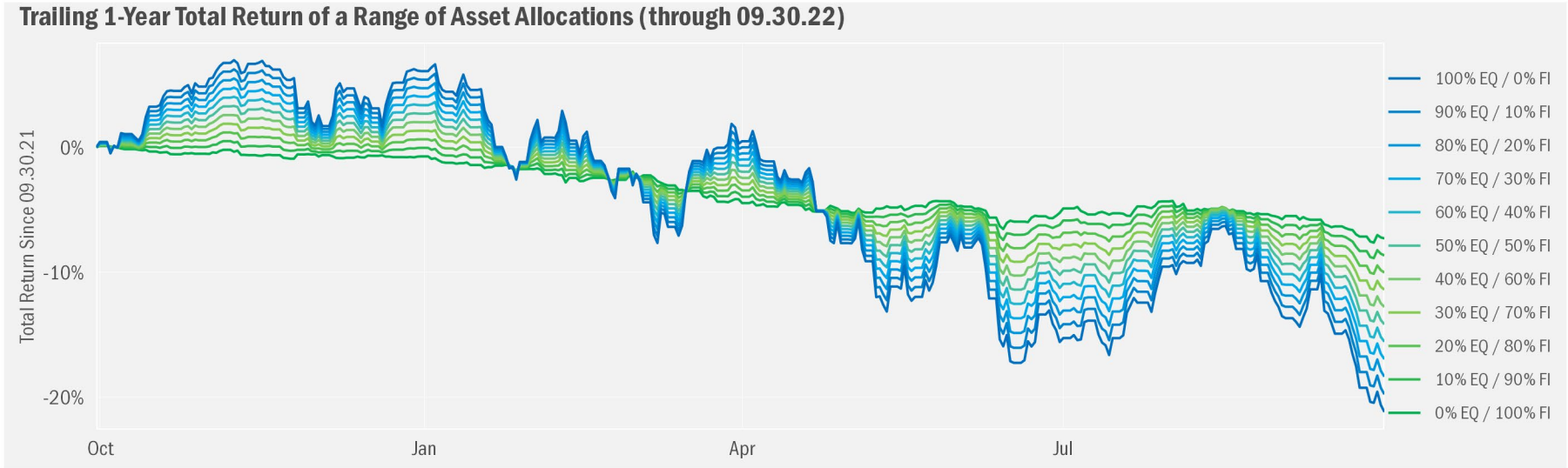
3-Month Period ended 09.30.22			Value	Growth
	All Stocks	-9.7%	-10.2%	-9.2%
	Large	-9.9%	-10.5%	-9.4%
	Mid	-9.9%	-10.3%	-9.4%
	Small	-8.4%	-8.8%	-8.0%

1-Year Period ended 09.30.22			Value	Growth
	All Stocks	-25.7%	-20.7%	-30.7%
	Large	-24.3%	-19.0%	-29.5%
	Mid	-28.8%	-24.3%	-33.1%
	Small	-28.9%	-24.4%	-33.4%

The table displays the relative performance of different indexes representing international stocks. Broad market performance is shown in the upper left of each group (3-month and 1-year periods). The remainder of the table displays the performance of various indexes, including large-, mid- and small-cap stocks, Value and Growth stocks, and combinations of each. Indexes that outperformed (underperformed) the broader market are shaded in blue (grey) in depth according to their respective relative performance. Past performance is not indicative of future results. One cannot invest directly in an index. Index performance does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Range of Returns for Different Asset Allocations

The quarter's performance reflects a reversal of optimism for quick and painless taming of global inflation. Rising rates—the primary method being implemented to combat excess inflation—ensured fixed income would fail to offset stock declines



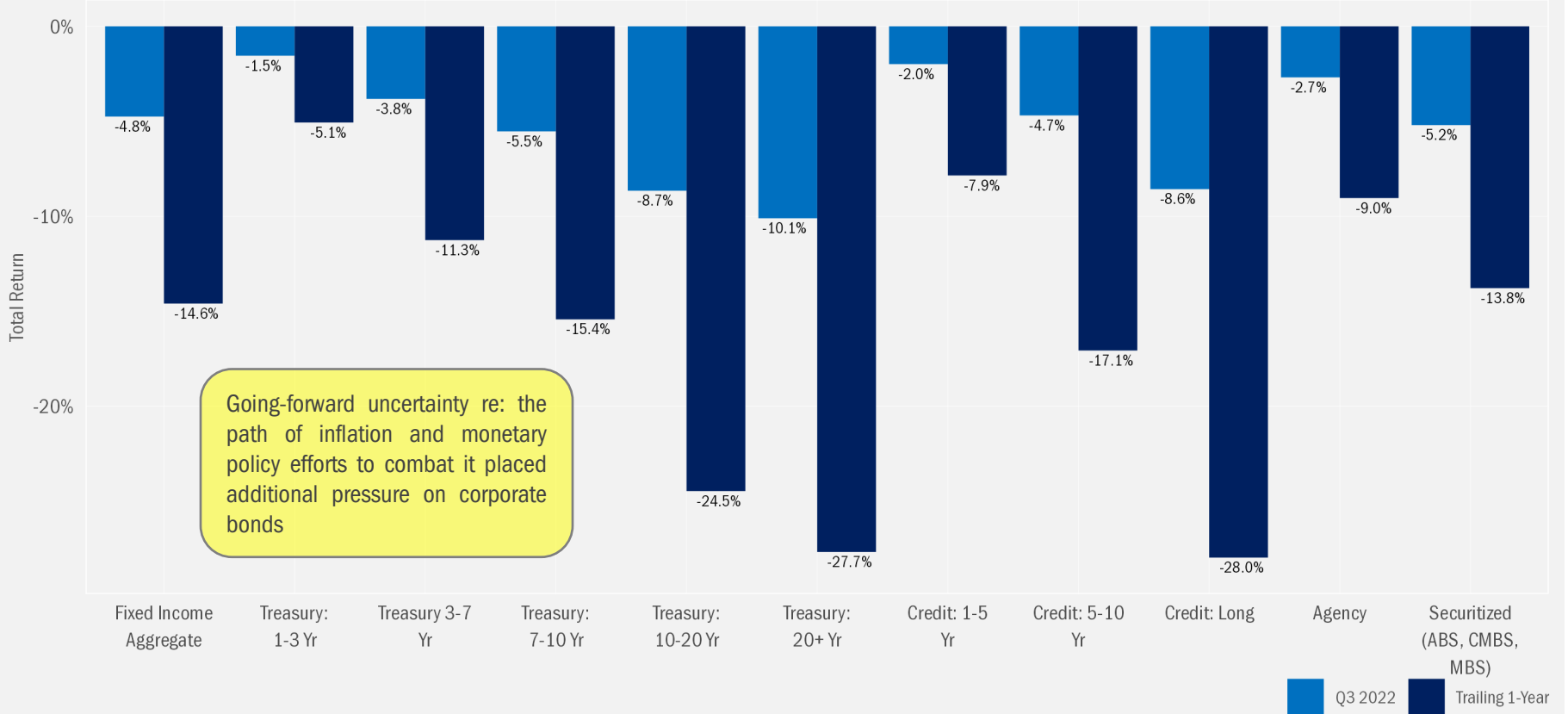
	0% EQ / 100% FI	10% EQ / 90% FI	20% EQ / 80% FI	30% EQ / 70% FI	40% EQ / 60% FI	50% EQ / 50% FI	60% EQ / 40% FI	70% EQ / 30% FI	80% EQ / 20% FI	90% EQ / 10% FI	100% EQ / 0% FI
Total Return	-7.29%	-8.65%	-10.02%	-11.40%	-12.78%	-14.16%	-15.56%	-16.96%	-18.36%	-19.77%	-21.18%
Maximum Drawdown	-7.73%	-9.32%	-11.18%	-13.04%	-14.98%	-16.92%	-18.84%	-20.75%	-22.63%	-24.49%	-26.33%

Past performance is not indicative of future results. Investing in securities involves risk, including risk of losing some or all the invested capital. There is no guarantee that any investment or investment strategy will achieve its objective. The equity index used for this presentation is the MSCI ACWI IMI Index. The fixed income index used for this presentation is the Bloomberg Barclays U.S. 1-5 Year Government/Credit Bond Index. Indexes are unmanaged. One cannot directly invest in an index. Index performance reflects the reinvestment of dividends but does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

Fixed Income: Broad-Market Returns

The U.S. investment-grade bond market sits near its deepest drawdown since 1976, having plunged more than 16% since August 2021. Despite the “inversion” of the curve (longer-term rates rose less than shorter-term rates), longer-maturity bonds felt the impact of rising rates far more severely than short-duration bonds

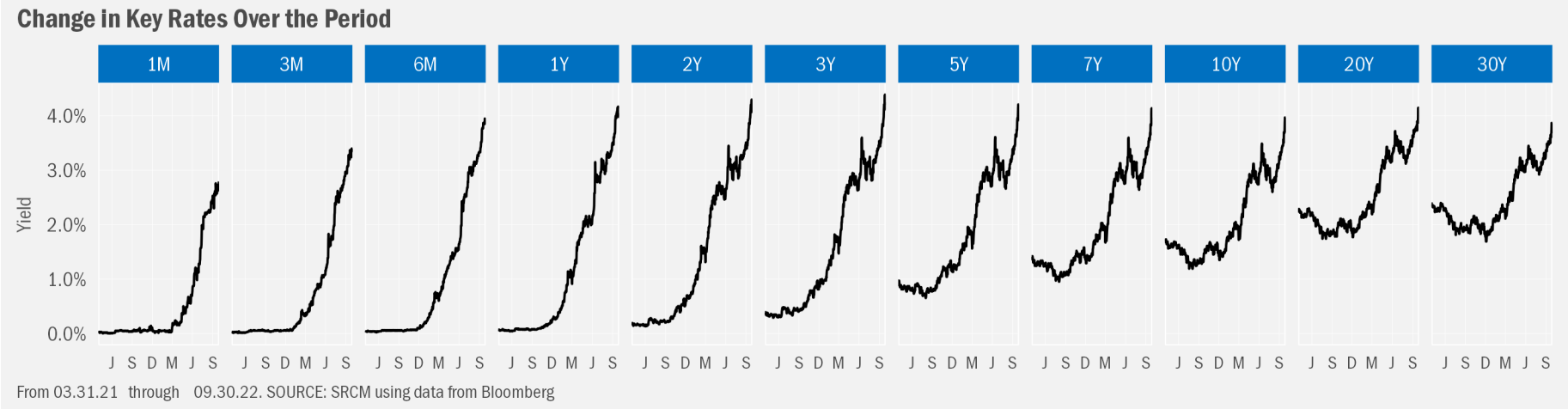
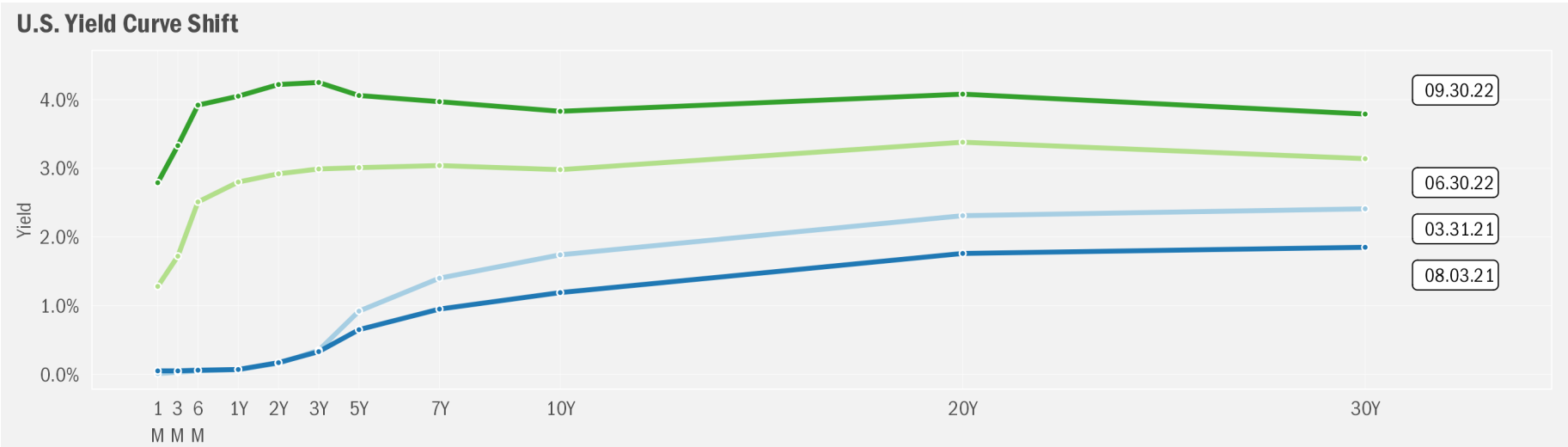
Bloomberg U.S. Aggregate Bond Index and Sub-Index Performance



From 09.30.21 to 09.30.22. The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Components of the index include Treasury, Corporate, Agency and Securitized bonds. Indexes are unmanaged. One cannot directly invest in an index. Index performance reflects the reinvestment of dividends, but does not reflect the expenses associated with the management of an actual portfolio. Please see additional important information regarding indexes at the end of this report. SOURCE: SRCM using data from Bloomberg

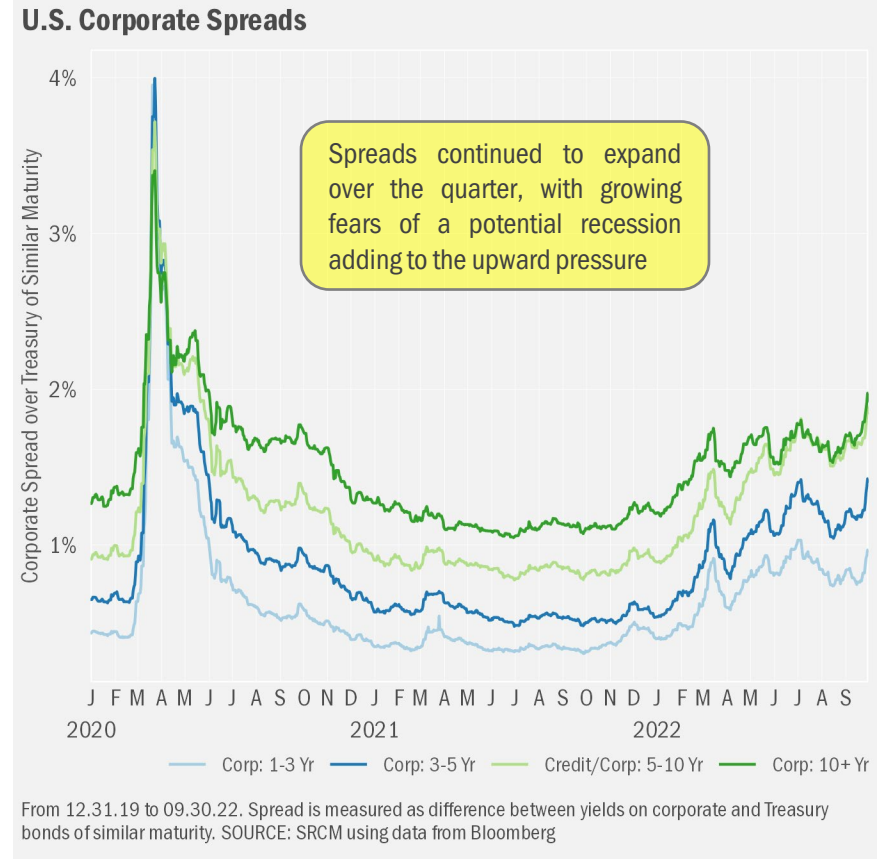
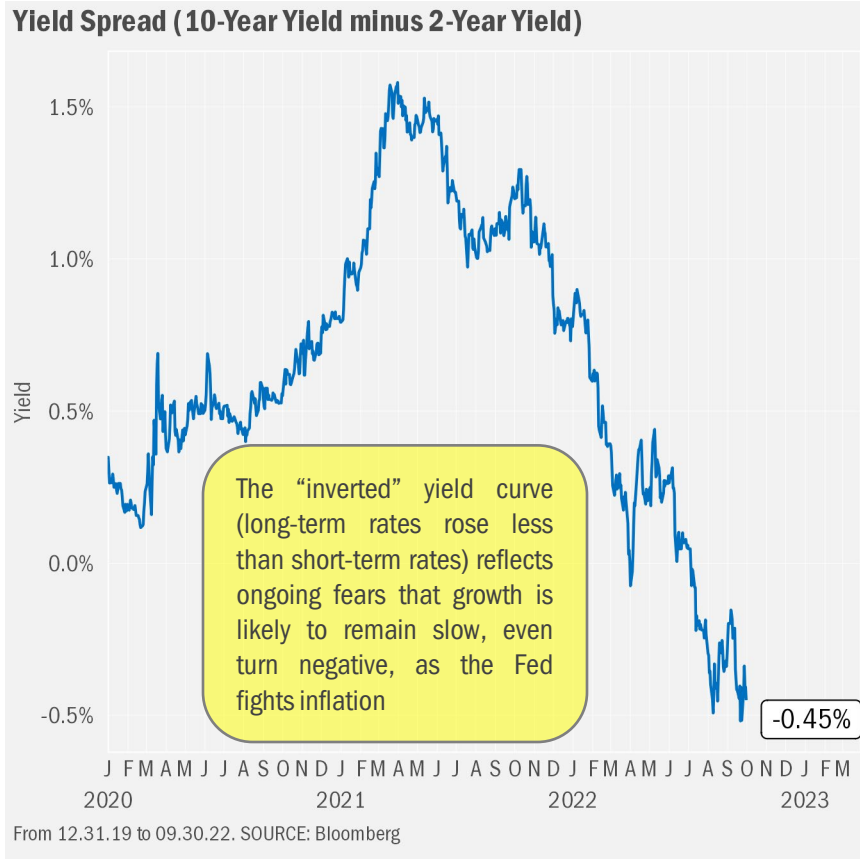
Interest Rates: U.S. Treasury Rates

Rates rose through most of the quarter...somewhat haltingly on the long end as investors balanced the potential for a recession against the likelihood rates will be higher for longer



Interest Rates: Spreads

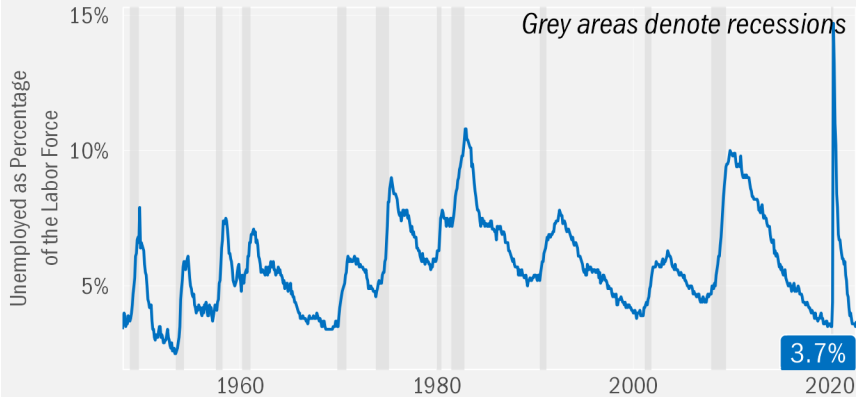
Both term spreads (the higher yield required to take on interest rate risk) and credit spreads (the higher yield required to take on default risk) reflect fears of a potential recession brought on by central bank efforts to combat persistent inflation



Macroeconomic Trends

Labor markets are near as tight as they've been in the last half century

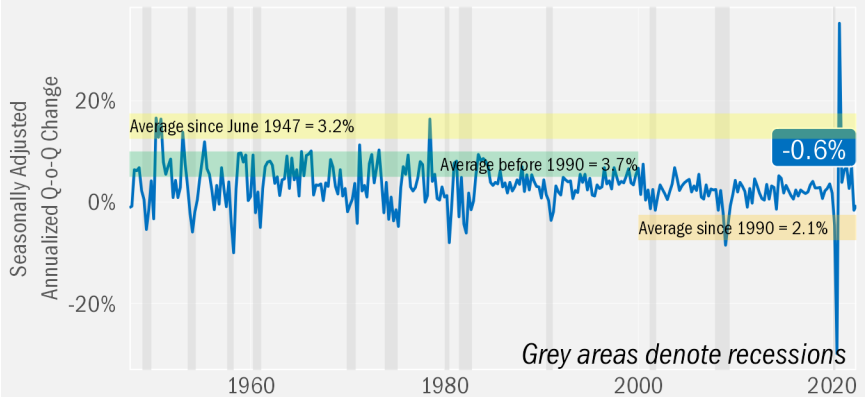
U.S. Civilian Unemployment Rate



From 01.31.48 to 08.31.22. SOURCE: U.S. Bureau of Labor Statistics via Bloomberg

Latest data reflect higher imports, smaller inventories and lower gov't spending

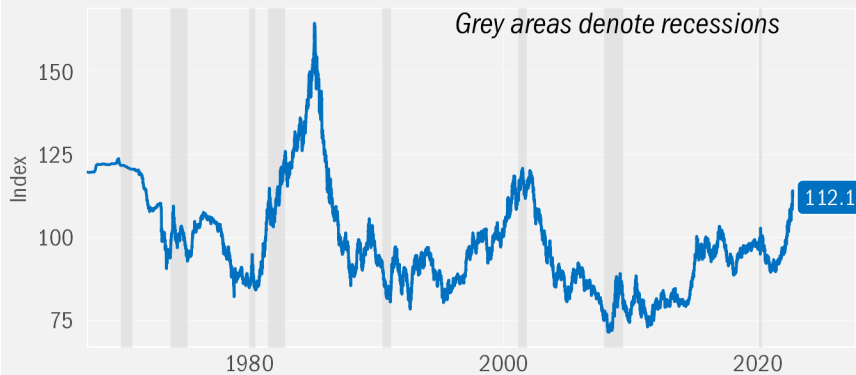
Real U.S. GDP



From 06.30.47 to 06.30.22. In 2009 dollars. SOURCE: U.S. Bureau of Economic Analysis via Bloomberg

The U.S. dollar is the strongest it's been in nearly 20 years

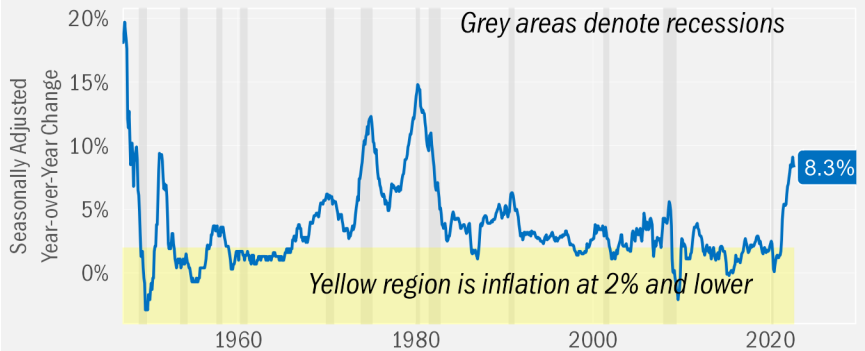
U.S. Dollar Index



From 03.31.67 to 09.30.22. The U.S. Dollar Index indicates the general int'l value of the USD as an average of the exchange rates between the USD and major world currencies.

Inflation has not seen the turnaround once thought quick to come

Inflation: U.S. Personal Consumption Expenditure Core Price Index



From 12.31.46 to 08.31.22. Year-over-year change in non-seasonally adjusted Consumer prices (CPI) as measured by prices paid by urban consumers for a market basket of consumer goods and services. SOURCE: U.S. Bureau of Economic Analysis via Bloomberg

Important Information

Investing involves risks including the possible loss of principal. Past performance is not indicative of future results.

One cannot invest directly in an index. Index performance does not reflect the expenses associated with the management of an actual portfolio.

Asset classes and their respective indexes mentioned in this report include the following:

Domestic (U.S.) fixed income (Fixed Income Aggregate): The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. Components of the index include Treasury, Corporate, Agency and Securitized bonds. The Bloomberg Barclays U.S. 1-5 Year Government/Credit Bond Index is a broad-based benchmark that includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities with maturities between 1 and 5 years.

Global equity (stocks): The MSCI ACWI Investable Market Index (IMI) captures large-, mid- and small-cap representation across 23 Developed Markets (DM) and 24 Emerging Markets (EM) countries. The index is comprehensive, covering approximately 99% of the global equity investment opportunity set. May be referred to as “global”, “global equity” and/or “global stocks”. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below.

International equity (stocks): The MSCI ACWI ex USA Investable Market Index (IMI) captures large-, mid- and small-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 24 Emerging Markets countries. The index covers approximately 99% of the global equity opportunity set outside the U.S. May be referred to as “World ex. U.S.”, “international equity”, “international stocks” and/or “All Stocks” in a section specifically describing only international stocks. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below.

International large-cap equity (stocks): The MSCI ACWI ex USA Large Cap Index captures large-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 24 Emerging Markets countries. The index covers approximately 70% of the free float-adjusted market capitalization in each country. May be referred to as international large-cap stocks, “World ex. U.S. Large-Cap”, and/or “Large” in a section specifically describing only international stocks. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below.

International mid-cap equity (stocks): The MSCI ACWI ex USA Mid Cap Index captures mid-cap representation across 22 of 23 Developed Markets (excluding the United States) and 24 Emerging Markets countries. The index covers approximately 15% of the free float-adjusted market capitalization in each country. May be referred to as international mid-cap stocks, “World ex. U.S. Mid-Cap”, and/or “Mid” in a section specifically describing only international stocks. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below.

International small-cap equity (stocks): The MSCI ACWI ex. USA Small Cap Index captures small-cap representation across 22 of 23 Developed Markets countries (excluding the United States) and 23 Emerging Markets countries. The index covers approximately 14% of the global equity opportunity set outside the U.S. May be referred to as international small-cap stocks, “World ex. U.S. Small-Cap”, and/or “Small” in a section specifically describing only international stocks. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below.

Developed markets equity (stocks): The MSCI EAFE Investable Market Index (IMI), is an equity index which captures large-, mid- and small-cap representation across Developed Markets countries around the world, excluding the United States and Canada. The index covers approximately 99% of the free float-adjusted market capitalization in each country. May be referred to as “Developed Markets”. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below.

Emerging markets (EM) equity (stocks): The MSCI Emerging Markets Investable Market (IMI) Index captures large, mid and small cap representation across 24 Emerging Markets countries. The index covers approximately 99% of the free float-adjusted market capitalization in each country. May be referred to as “Emerging Markets”. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below.

Domestic (U.S.) equity: The MSCI U.S. Investable Market 2500 Index is designed to measure the performance of the large-, mid- and small-cap segment of the U.S. equity market. The index represents approximately 99% of the free float-adjusted market capitalization in the U.S. equity market. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below. May be referred to as “All Stocks” in a section specifically describing only U.S. stocks.

Domestic (U.S.) large-cap equity: The MSCI U.S. Large Cap 300 Index is designed to measure the performance of the large-cap segment of the U.S. equity market. The index represents approximately 71% of the free float-adjusted market capitalization in the U.S. equity market. “Value” and “Growth” versions of this index are constructed as described in the “MSCI Value and Growth Indexes” note below. May be referred to as “Large” in a section specifically describing only U.S. stocks.

Important Information

Domestic (U.S.) mid-cap equity: The MSCI U.S. Mid Cap 450 Index is comprised of the next largest 450 companies in terms of market capitalization of the U.S. equity market and designed to measure the performance of the mid-cap segment. The index represents approximately 16% of the free float-adjusted market capitalization of the U.S. equity market. "Value" and "Growth" versions of this index are constructed as described in the "MSCI Value and Growth Indexes" note below. May be referred to as "Mid" in a section specifically describing only U.S. stocks.

Domestic (U.S.) small-cap equity: The MSCI U.S. Small Cap 1750 Index is comprised of the remaining smallest 1,750 companies in the U.S. Investable Market 2500 Index of the U.S. equity market and designed to measure the performance of the small-cap segment. The index represents approximately 11.5% of the free float-adjusted market capitalization of the U.S. equity market. "Value" and "Growth" versions of this index are constructed as described in the "MSCI Value and Growth Indexes" note below. May be referred to as "Small" in a section specifically describing only U.S. stocks.

MSCI Value and Growth Indexes: The value investment style characteristics for MSCI index construction are defined using the following variables: book value to price, 12-month forward earnings to price and dividend yield. The growth investment style characteristics are defined using the following variables: long-term forward earnings per share (EPS) growth rate, short-term forward EPS growth rate, current internal growth rate, long-term historical EPS growth trend and long-term historical sales per share growth trend. The objective of the MSCI Value and Growth Indexes design is to divide constituents of an underlying market capitalization index into a value index and a growth index, each targeting 50% of the free float-adjusted market capitalization of the underlying index. The market capitalization of each constituent should be fully represented in the combination of the value index and the growth index, and, at the same time, should not be double-counted. One security may, however, be represented in both the value index and the growth index at a partial weight.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

Important Information

The Bloomberg Barclays Global Aggregate Index is a measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

The Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

The Bloomberg Barclays U.S. 1-5 Year Government/Credit Bond Index is a broad-based benchmark that includes investment grade, U.S. dollar-denominated, fixed-rate Treasuries, government-related and corporate securities with maturities between 1 and 5 years.

The MSCI ACWI Index captures large- and mid-cap representation across 23 Developed Markets and 23 Emerging Markets countries. The index covers approximately 85% of the global investable equity opportunity set.

The MSCI ACWI ex. U.S. Index captures large- and mid-cap representation across 22 Developed Markets countries and 23 Emerging Markets countries. The index covers approximately 85% of the global equity opportunity set outside the U.S.

The MSCI EAFE captures large and mid-cap representation across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

The MSCI Emerging Markets Index captures large- and mid-cap representation across 23 Emerging Markets countries. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

The S&P 500 Index represents 500 U.S. companies and captures approximately 80% coverage of available market capitalization.

Statera Asset Management is a dba of Signature Resources Capital Management, LLC (SRCM), which is a Registered Investment Advisor. Registration of an investment adviser does not imply any specific level of skill or training. The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell any security or to participate in any trading strategy. Any decision to utilize the services described herein should be made after reviewing such definitive investment management agreement and SRCM's Form ADV Part 2A and 2Bs and conducting such due diligence as the client deems necessary and consulting the client's own legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of SRCM services. Any portfolio with SRCM involves significant risk, including a complete loss of capital. The applicable definitive investment management agreement and Form ADV Part 2 contains a more thorough discussion of risk and conflict, which should be carefully reviewed prior to making any investment decision. Please contact your investment adviser representative to obtain a copy of Form ADV Part 2. All data presented herein is unaudited, subject to revision by SRCM, and is provided solely as a guide to current expectations.

The opinions expressed herein are those of SRCM as of the date of writing and are subject to change without notice. The material is based on SRCM proprietary research and analysis of global markets and investing. The information and/or analysis contained in this material have been compiled or arrived at from sources believed to be reliable, however SRCM does not make any representation as to their accuracy or completeness and does not accept liability for any loss arising from the use hereof. Some internally generated information may be considered theoretical in nature and is subject to inherent limitations associated thereby. Any market exposures referenced may or may not be represented in portfolios of clients of SRCM or its affiliates, and do not represent all securities purchased, sold or recommended for client accounts. The reader should not assume that any investments in market exposures identified or described were or will be profitable. Investing entails risks, including possible loss of principal. The use of tools cannot guarantee performance. Past performance is no guarantee of future results. The information in this material may contain projections or other forward-looking statements regarding future events, targets or expectations, and is only current as of the date indicated. There is no assurance that such events or targets will be achieved and may be significantly different than those shown here.

SRCM and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any links) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with SRCM of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

Published: 10.03.2022

2022-SRCM-69