

		<u>Aug 2022</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	-4.08	-16.14	-11.23	12.39	11.82	13.08
U.S. Small Cap Equities	Russell 2000	-2.05	-17.16	-17.88	8.59	6.95	10.01
Energy Infrastructure Equities	Alerian U.S. Midstream Energy	3.02	29.06	36.62	12.45	7.84	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT	-6.21	-19.46	-10.80	1.92	4.70	6.67
Global Equities	MSCI All Country World Index	-3.68	-17.75	-15.88	8.03	6.97	8.70
International Developed Equities	MSCI EAFE	-4.75	-19.57	-19.80	2.39	1.63	5.00
Emerging Market Equities	MSCI Emerging Markets	0.42	-17.49	-21.80	2.74	0.59	2.92
U.S. Taxable Fixed Income	Bloomberg U.S. Aggregate	-2.83	-10.75	-11.52	-2.00	0.52	1.35
U.S. Tax-Exempt Fixed Income	Bloomberg Municipal Aggregate	-2.19	-8.62	-8.63	-0.83	1.28	2.25
High Yield Fixed Income	Bloomberg U.S. Corporate High Yield	-2.30	-11.22	-10.60	1.03	2.58	4.51
Floating Rate Loans	S&P/LSTA Leveraged Loan	1.58	-0.98	0.41	3.16	3.54	3.89
International Fixed Income	Bloomberg Global Aggregate Ex-U.S.	-4.99	-19.13	-22.04	-6.35	-3.11	-1.61

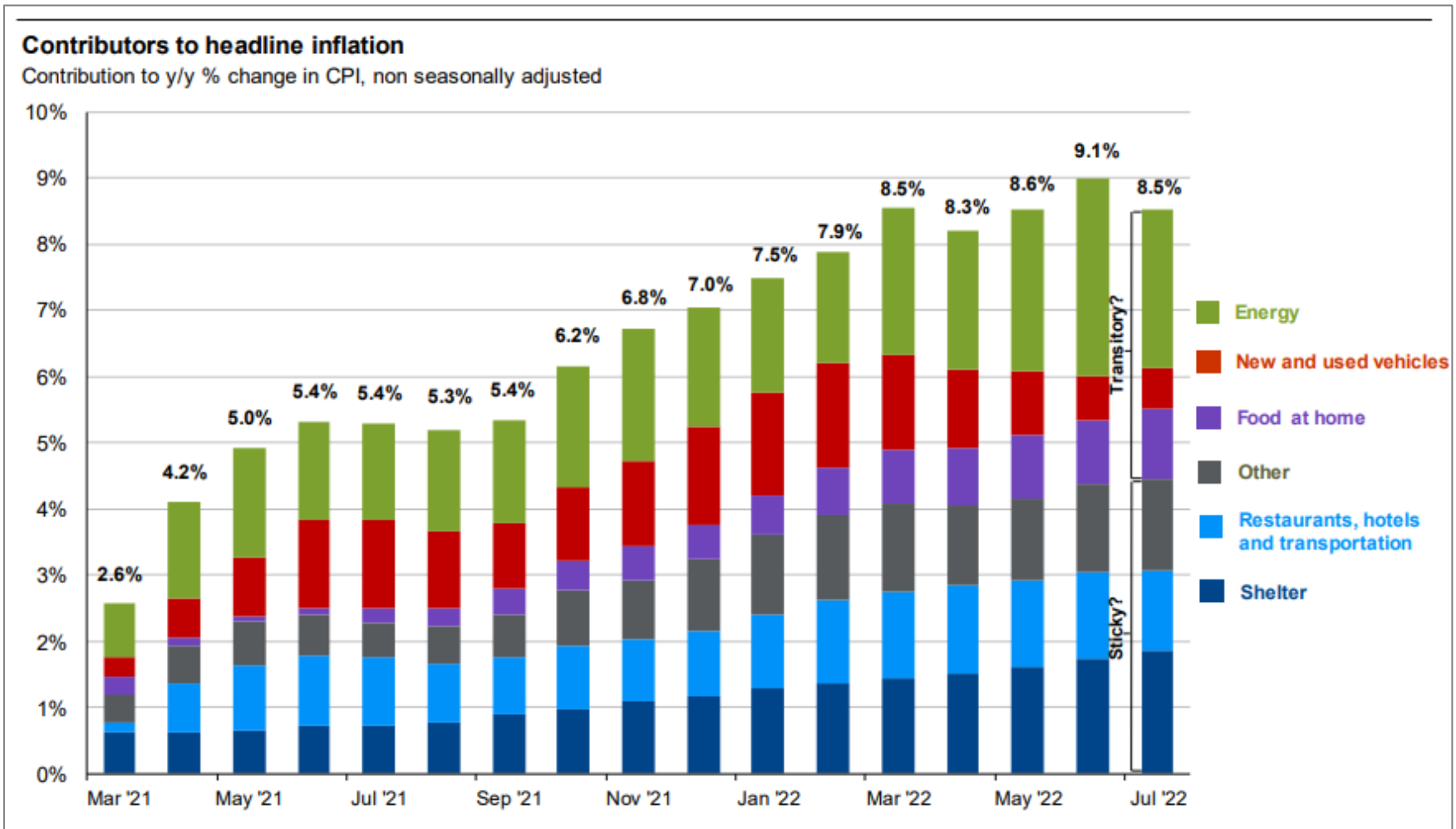
Economic News-

- August saw choppy trading throughout the month. Federal Reserve Chair Jerome Powell's remarks that the Fed would need to keep monetary policy tight "for some time" to tackle rising inflation led to a sharp decline in equity share prices the last week of the month.
- Despite the market volatility, August brought some better economic news. Inflation, as measured by the Consumer Price Index (CPI), moderated somewhat from 9.1% to 8.5% year-over-year in July. The U.S. job market remains strong with non-farm payrolls growing by 528,000 in July.
- However, core inflation remains above the Fed's target. Combined with persistent wage inflation numbers, the Fed Funds futures market is now pricing a nearly 75% probability of a 0.75% increase in September.
- The global economic outlook remains uncertain, especially in Europe, where there is no sign of a ceasefire after six months of war in Ukraine, and where a recession seems increasingly likely this winter as the region's energy crisis continues to intensify.

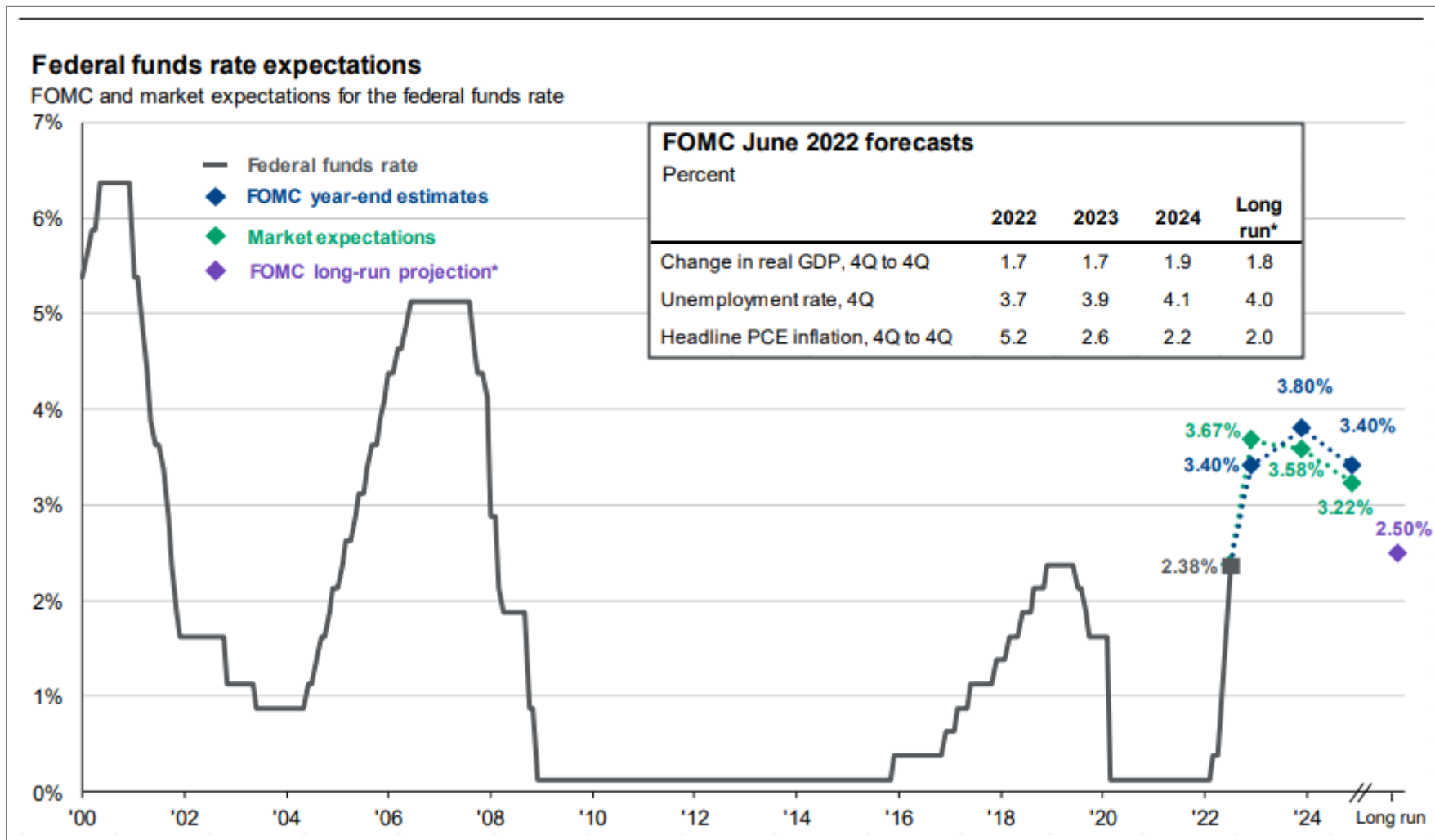
Market Update-

- U.S. Value stocks edged out Growth stocks by >2% in August and by a far greater margin year-to-date.
- Large Cap Value continues to offer more attractive valuations vs. Large Cap Growth, as measured by current price-to-earnings ratio (P/E) as a % of 20-yr average P/E (96.6% vs. 122.6%!).
- Leveraged loans were a bright spot in an otherwise down month for fixed income; up almost 1.6% and yielding 8.8%.

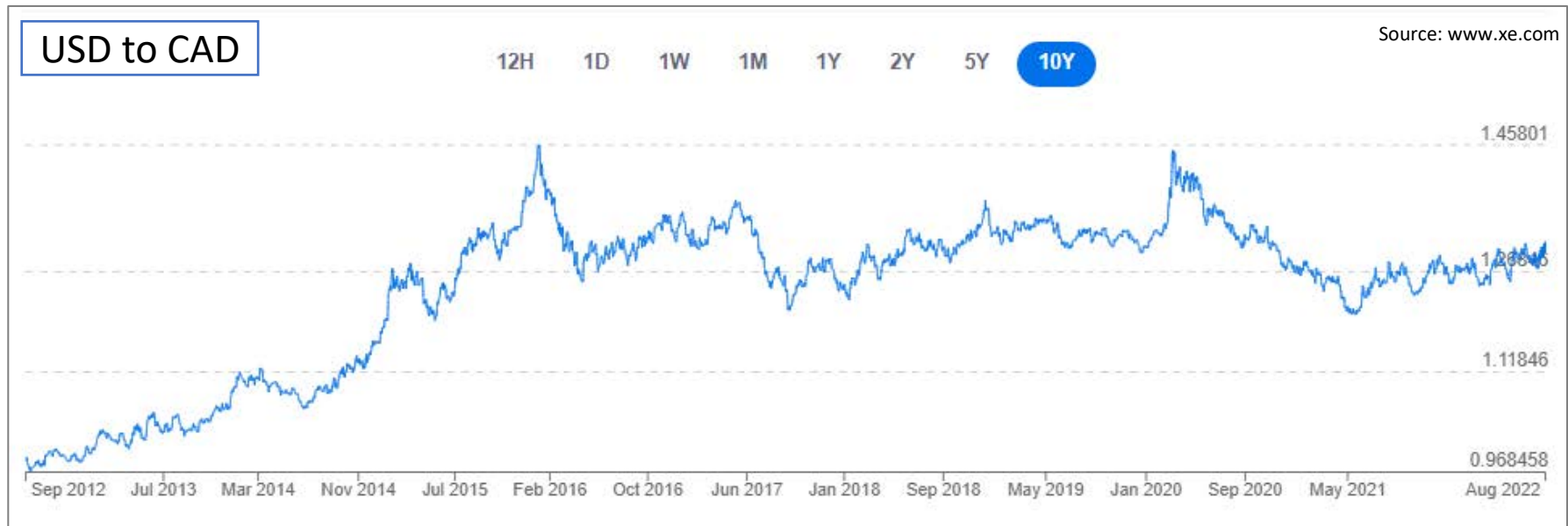
- Headline CPI increased 8.5% from one year ago in July, which was below the 8.7% Dow Jones estimate.
- On a month-over-month basis, Headline CPI decreased, due primarily to lower energy prices.
- Excluding food and energy, Core CPI rose 0.3% month-over-month and 5.9% from one year ago, compared to estimates of 0.5% and 6.1%, respectively.
- Average hourly earnings growth rose to 5.2% year-over-year in August; small business job growth moderated.



- The U.S. Federal Reserve has raised interest rates four times year-to-date, to a target range of 2.25-2.50%.
- The Fed's next opportunity to raise interest rates will be in September, when the FOMC convenes on the 21st and 22nd.
- The futures market expectation for Fed Funds rates has increased to 3.67% by the start of 2023.
- Longer-term market expectations for Fed Funds rates rose to 3.58% by the end of 2024.



- The U.S. dollar strengthened 2.2% against the Canadian dollar in August, ending the month with an exchange rate of 1.3087.
- The Canadian economy accelerated in the second quarter, a result of higher commodity prices and lifted covid restrictions.
- GDP rose at a 3.3% annualized rate in the second quarter following a 3.1% increase during the first quarter.
- The quarterly growth was attributable to higher household consumption and business spending on inventories. However, signs have emerged that suggest economic momentum is waning.
- According to the Royal Bank of Canada, growth is expected to be slower during the second half of the year, as the economy is forecasted to slip into a “moderate” recession.



Date Range	USD to CAD	+/-
YTD	1.2655-1.3087	+3.4%
1-Year	1.2630-1.3087	+3.6%
3-Years	1.3320-1.3087	(1.7%)

\$USD 1,000,000
 =
\$CAD 1,308,792
 @ 1.3087
 (8/31/2022)

CAD Profile	
*Inflation Rate	7.6% (July 2022)
Interest Rate	2.50% (July 2022)
Information	http://www.bankofcanada.ca

*Total CPI Inflation

Sources: xe.com, Statistics Canada, Bloomberg, Royal Bank of Canada

COPPER - as of 8/31/22

The price of copper was \$3.50 USD per pound.

Copper prices were down \$0.96 per pound year-to-date, or 21%. Since the \$2.10 low point on 3/23/20, prices have risen \$1.40 per pound, or 67%.

Looking ahead, guidance suggests copper will trade at \$3.62 per pound by the end of the third quarter, and at \$3.39 in 12 months.

The higher price outlooks are attributable to “the return of power supply in major Chinese manufacturing hubs that could boost demand for the metal,” according to TradingEconomics.



ALUMINUM - as of 8/31/22

The price of aluminum was \$2,359 USD per tonne.

Aluminum prices were down \$448 per tonne year-to-date, or 16%. Since the \$1,472 low point on 4/6/20, prices have risen \$887, or 60%. The record price of aluminum was \$3,849 per tonne in March of 2022.

Amid slowing demand and rising supply, aluminum is forecasted to trade at \$2,431 USD/tonne by the end of the third quarter. The 12-month forecast shows aluminum trading at \$2,254.



- The price of a barrel of crude oil decreased \$9.42 in August, or 9.5%, to \$89.20.
- The average price of regular unleaded gasoline was \$3.83 per gallon at the end of August, a \$0.38 decline, or 9.0% month-over-month.

Change in production and consumption of liquid fuels

Production, consumption and inventories, millions of barrels per day

Production	2019	2020	2021	2022*	2023*	Growth since '19
U.S.	19.5	18.6	18.9	20.3	21.5	10.1%
OPEC	34.6	30.7	31.7	34.0	34.5	-0.2%
Russia	11.5	10.5	10.8	10.9	9.4	-18.2%
Global	100.3	93.9	95.7	100.1	101.3	1.1%
Consumption	2019	2020	2021	2022*	2023*	Growth since '19
U.S.	20.5	18.2	19.8	20.3	20.8	1.0%
China	14.0	14.4	15.3	15.4	16.1	14.9%
Global	100.8	91.8	97.4	99.4	101.5	0.7%
Inventory Change	2019	2020	2021	2022*	2023*	Growth since '19
	-0.5	2.1	-1.7	0.7	-0.2	

Oil prices were down 9.5% in August, closing out the third consecutive monthly decline, as recession worries and a weakening demand outlook overshadowed concerns about tighter supply. Oil has fallen more than 20% in the past three months as major central banks aggressively raised interest rates to combat surging inflation, and signaled they would tighten further even at the risk of recession. Persistent economic concerns in top importer China also dampened the demand outlook.

Futures data suggests crude oil is expected to trade at \$96.55/barrel by the end of this quarter and at \$108.20/barrel in one year.

Price of oil

WTI crude, nominal prices, USD/barrel

