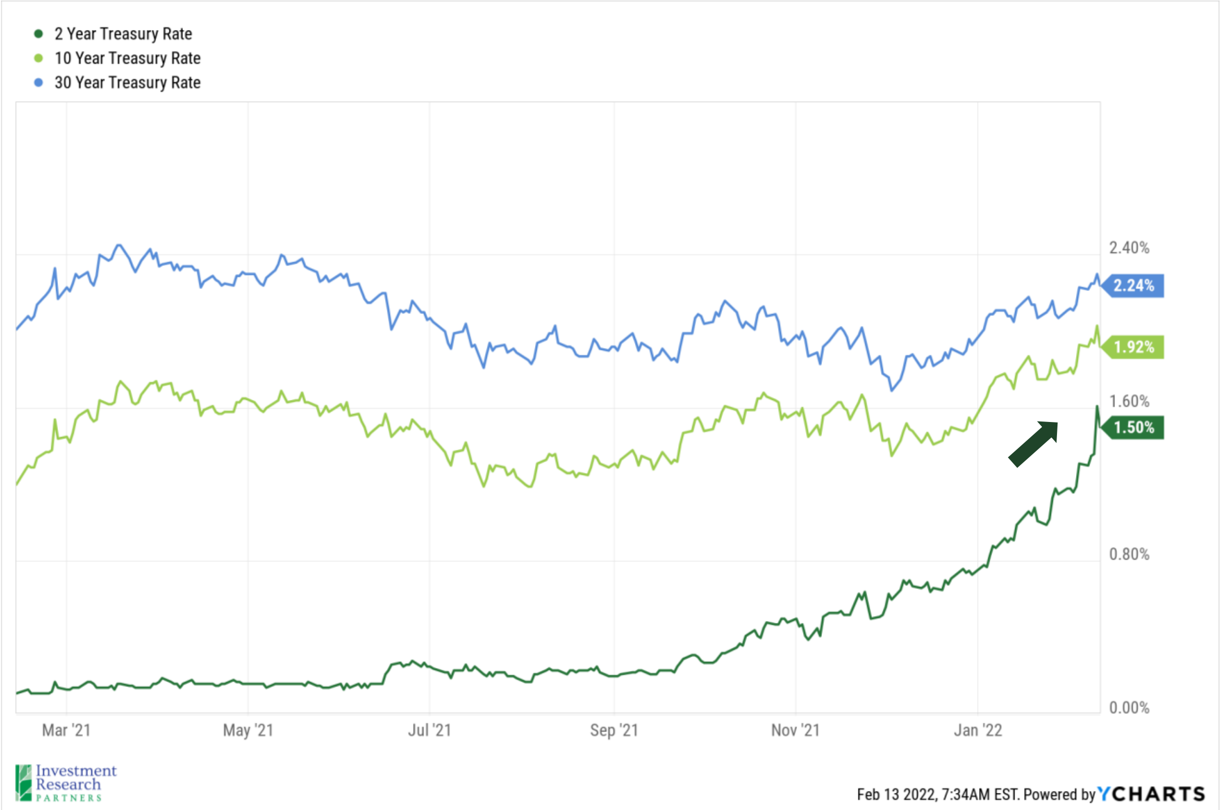
Weekly Investment Update

February 14, 2022

Two all-too-familiar stories dominated the financial news cycle last week: inflation and the situation in Ukraine. The two rattled investor confidence and contributed to the S&P 500 index, a proxy of large-cap US stocks, dropping 1.8 percent for the week. The MSCI ACWI, a proxy for large-cap global stocks, fared slightly better, but still fell 0.4 percent.[1]

The latest year-over-year Consumer Price Index (CPI) reading, a measure of inflation, was released on Thursday. The increase of nearly 7.5 percent represented the highest reading since the early '80s and further stoked concern that the Federal Reserve may be more aggressive in raising rates than initially anticipated.[2] Interest rates have risen along with the anticipation of rising rates this year, with US 2-year Treasury bonds accelerating upward more quickly than longer duration US Treasury bonds (see below).



In addition, the situation in Ukraine only escalated throughout the week, as efforts to reach a resolution appear to be falling flat. Russia currently has approximately 130,000 troops near the Ukrainian border in Belarus. The US and several other countries are now urging their citizens to flee the country, warning that an invasion may be imminent.[3]

[1] Source: YCharts
[2] Source: Fed Not Yet Favoring Half-Point Interest Rate Hike or Emergency Move - Bloomberg
[3] Source: Scholz to Reinforce Consequences in Putin Talks: Ukraine Update - Bloomberg

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Prices & Interest Rates

Representative Index	Current	Year-End 2021
Crude Oil (US WTI)	$93.90	$75.37
Gold	$1.859	$1,828
US Dollar	96.03	95.67
2 Year Treasury	1.50%	0.73%
10 Year Treasury	1.92%	1.52%
30 Year Treasury	2.24%	1.93%

Source: Morningstar, YCharts, and US Treasury as of February 13, 2022

Asset Class Returns

Category	Representative Index	YTD 2022	Full Year 2021
Global Equity	MSCI All-Country World	-5.1%	18.5%
Global Equity	MSCI All-Country World ESG Leaders	-6.0%	20.8%
US Large Cap Equity	S&P 500	-7.1%	28.7%
US Large Cap Equity	Dow Jones Industrial Average	-4.3%	21.0%
US Small Cap Equity	Russell 2000	-9.5%	14.8%
Foreign Developed Equity	MSCI EAFE	-2.4%	11.3%
Emerging Market Equity	MSCI Emerging Markets	0.8%	-2.5%
US Fixed Income	Bloomberg Barclays Municipal Bond	-3.2%	1.5%
US Fixed Income	Bloomberg Barclays US Agg Bond	-3.5%	-1.5%
Global Fixed Income	Bloomberg Barclays Global Agg. Bond	-3.0%	-4.7%

Source: YCharts as of February 13, 2022