CAPITAL MARKET SUMMARY

After delivering a nearly 29% return in 2021, the S&P 500 Index® slid 4.60% in the first quarter of 2022[1]. Coinciding with the decline in markets, volatility, as indicated by the VIX® Index, finished the quarter with a reading of 20.22, slightly above where it closed out 2021[2]. Typically, for every 16 points on the VIX, one should expect approximately 1% daily moves in the S&P 500 Index. The current VIX reading implies that volatility will be about 15-20% higher than what was experienced, on average, over the last 10 years. We retain our view that market participants should continue to expect volatility levels experienced in the first quarter of the year. However, we believe that much of the volatility will result from actions of the federal reserve as opposed to the current war in eastern Europe that has dominated recent headlines.

Sector performance has persistently demonstrated dispersion with a massive differential of more than 50% between the top and bottom sector in the market. The only sectors with positive returns were Energy at 39.03% and Utilities at 4.77%[1]. These gains came from the defensive nature of Utilities and from the inflation exposure of the Energy sector. Value-oriented sectors such as Consumer Staples, Financials, Industrials, and Materials outperformed the broader S&P 500 Index, and none lost more than 2.37% for the quarter[1]. Growth-oriented sectors like Communication Services, Consumer Discretionary, and Technology were the worst performers with losses of 11.92%, 9.03%, and 8.36% respectively[1]. Overall, the S&P 500 Value Index® outperformed the S&P 500 Growth Index® by a margin of -0.16% to -8.59%[1]. Rounding out the remaining sectors, in the middle of the pack, Healthcare fell 2.58% and Real Estate declined by 6.22% as rising interest rates took a small toll on the sector[1]. Turning to domestic stocks that are not part of the large cap index, the S&P 400 Mid Cap and S&P 600 Small Cap Indices® performed similarly to their large cap peers and fell 4.88% and 5.62% apeice[1].

FactSet's 4.8% estimate of earnings growth in the first quarter of 2022 is lower than any quarter of 2021[3]. Companies issuing negative guidance caused this estimate to decline from 5.7% at the start of the year[3]. The decline in equity prices, coupled with lower but positive earnings growth, pushed the forward price-to-earnings ratio (Forward P/E) down to 19.5[3]. This remains slightly above the five- and 10-year averages of 18.6 and 16.8[3]. Corporate revenue growth is also expected to decelerate relative to

STRATEGIC ALLOCATION POSITIONING

Asset Class	Underweight			Neutral	Overweight		
	Max	Mod.	Slight		Slight	Mod.	Max
Fixed Income							
Traditional				●			
Non-Traditional				●			
Overall Equity							
Domestic				●			
International				●			
Domestic Equity							
Large Cap			●				
Mid Cap				●			
Small Cap					●		
Growth				●			
Value				●			
International Equity							
Developed Markets					●		
Emerging Markets			●				

1 Morningstar.com (March 31,2022)
2 VixCentral.com (March 31, 2022)
3 FactSet. Earnings Insight. (March 25, 2022)

continued

2021 as FactSet is expecting a 9.0% increase in sales which they believe will lead to a 9.4% increase in earnings by the end of 2022[3]. Looking out further, FactSet is foreseeing 5.6% earnings growth in 2023 which implies an additional reduction in the pace of growth throughout the economy[3]. In spite of this slowdown, profit estimates for 2022 and 2023 suggest that this incremental improvement in fundamentals should support market valuations.

Now, let's look to equity market performance outside of the United States. The first quarter of 2022 witnessed the MSCI EAFE Index® retreat 5.91% with its sister emerging market index, the MSCI EM Index® declining by 6.97%[1]. International equities had outperformed U.S. stocks right up until the Russian invasion of Ukraine, but this has since reversed slightly. Because exposure to international stocks is also exposure to foreign currencies, the U.S. dollar's rise of 2.44% from the time when the year began further serves to explain the performance difference between domestic and foreign stocks[4].

Coming off of 2021's highest annual return of 27.11% in more than 10 years, the Bloomberg Commodity Index® continued its rally by gaining 25.55% in the first quarter of 2022[1]. Energy commodities drove most of the gains as natural gas and oil rose 58.46% and 38.34% respectively[1]. Both precious and industrial metals saw more muted gains. Copper climbed 6.48% while gold gained 6.60% and silver swelled by 7.36%[1]. Agricultural commodities, pressured by both inflation and the conflict in Ukraine, surged 19.91% during the quarter[1]. This increase is expected to be a component of food price inflation as the year continues. A slight relief comes from lumber which declined 4.87% for the quarter after increasing considerably during much of 2021[1].

Turning our attention to fixed income, between 1980 and 2021 the Bloomberg Barclay's Aggregate Bond Index® averaged a robust 7.41% as interest rates declined from their peak after the inflation-plagued late 1970s[5]. Their weakest performance was in 1994 with a loss of 2.92%[5]. So far in 2022, at the conclusion of the first quarter, the index is down 5.93% causing Vicus Capital to expect 2022 to set a new record low for annual bond market performance[5]. Municipals that had held up better in 2021 are down 6.23% on a YTD basis[5]. Foreign bonds also underperformed and led the global bond index to a decline of 6.16%[5]. It should be noted that this poor performance did move many of these bonds out of negative yielding territory. Rising yields outstripped the increase in inflation and Treasury Inflation Protected Securities (TIPS) declined by 3.02% after returning nearly 6% in 2021[5]. Non-traditional fixed income typically outperforms investment grade when rates rise. However, rising credit spreads that accompanied the volatility in equity markets put a damper on returns in this space. Bank loans led the group with a loss of just 0.10% while fixed rate high yield corporates lost 4.51%[5]. Finally, other commonly held non-traditional asset classes such as high yield municipals, emerging market bonds, and convertible bonds declined by 6.53%, 10.02%, and 5.42% respectively. In spite of the discomfort brought by negative fixed income returns, yields are now higher which is expected to improve forward-looking performance expectations.

Capital Market Outlook

Since the S&P 500 Index® posted a slight decline in 2018, it has returned more than 20% on an annualized basis despite the pandemic[6]. Now, three months deep into 2022, a volatile environment contributed to the index declining in excess of 10% before retracing much of its drop and, at quarter end, finds itself down just 4.6%[1]. The market commenced 2022 with concerns about inflation and interest rates and quickly moved its attention to the circumstances in eastern Europe as Russia encircled Ukraine from three sides. As we make plans for the remainder of the year, we are thoughtfully observing the continuing conflict in Ukraine, market valuations and how that might impact future market movements, rising price levels throughout the economy, and the market-dominating force of Federal Reserve policy.

4 CNBC. DXY U.S. Dollar Currency Index. (March 31, 2022)

5 TheBalance.com. Thomas Kenny. Aggregate Bond Index vs. Stock Index 1980-2021 (March 5, 2022)

6 Morningstar.com (December 31, 2021)

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We offer our deepest sympathy to the Ukrainian people who are currently suffering under a wide-ranging Russian military onslaught. Currently, this region of the world is at nearly an economic standstill as Russian forces have invaded Ukraine from Crimea in the south, through Belarus in the north, and from the separatist-held Ukrainian territories of Luhansk and Donetsk in the east[7]. An unexpectedly effective defense has been mounted by the Ukrainian military and Russian forces have been stymied outside of Ukraine's capital city, Kiev. This situation has caused Russia to regroup its forces in an attempt to consolidate territorial gains in the south and east.

The effects of this conflict on the world economy are two-fold. First, and most obvious has been concern about the supply of energy commodities. Oil and gas prices have risen 38.34% and 58.46% respectively since the start of the year. This will continue to pressure energy consuming economies that make up the bulk of the developed world. Less obvious has been the effect on agriculture. Russia and Ukraine are the world's largest and fifth largest exporters of wheat, the second and fourth largest exporters of barley, and Ukraine is the fourth largest exporter of corn[8]. A reduction in world food supply is likely to have greatest impact on the poorest nations and we are maintaining a watchful eye for any investment-related effects. We presume that the war in eastern Europe will persist until a time at which either Russia can claim some sort of victory (likely over eastern Ukrainian regions that they have had informal control of since 2014), or if Russia's objectives are thwarted by other nations. Finally, Vicus Capital is monitoring the potential effects of either outcome with the former expected to result in lower commodity prices as conflict comes to a close, while the latter could see far more economic turbulence around the world if major military and economic powers intervene and escalate the situation. Regardless, in the time period after the start of World War II, after a geopolitical crisis commences, markets have been positive six months later 69% of the time and a year later, 83% of the time[9].

After emerging from the coronavirus-induced recession in 2020, valuations on the S&P 500 swelled to almost 23 times forward earnings[10]. Rising corporate profits and a limited market correction in 2022 combined to nudge the forward price to earnings ratio (forward P/E) down to 19.7[4]. This remains elevated when juxtaposed against its 25-year average of 16.4, but we believe opportunities still exist[11] . First, an equal-weight version of the index trades at a forward P/E of just 18.2[5]. Furthermore, the S&P 400 Mid Cap Index® and S&P 600 Small Cap Index® are at steeper discounts of 14.3 and 13.7 respectively[4]. We view these as attractive opportunities and have positioned most of our portfolios to take advantage of the circumstances.

Currently, we find ourselves in an inflationary environment unlike any witnessed since the early 1980s. Whether filling up at the gas pump or shopping for groceries, Americans are largely unable to escape rising prices throughout the economy. Inflation is a topic that investors have on their minds most recently. The cost of goods and services throughout the economy is constantly changing. While there were instances of elevated inflation in the 1990s, the only time that it broached 5.0% was at the height of the Japanese financial bubble in 1990[12]. Inflation, as measured by the Consumer Price Index (CPI), rose to 7.9% over the prior 12 months, far above the 0.1% to 4.1% range that was experienced between 2000 and 2021[13]. The Core CPI, a version of the CPI index that removes the most volatile items (food and energy), rose 6.4%[7]. Because Core CPI is also elevated, we know that the change in price levels is not confined solely to commodity-based products.

What should we anticipate moving forward? Foremost, we expect the inflation figures to begin to abate in the months ahead. A major reason for this that we find explanatory is that one year ago, oil was $59.16 per barrel and, as the second quarter commences, oil sits at $100.28[14]. This massive increase in price is far above the overall inflation rate, and unless we see oil approaching $200 per barrel next year, its impact on the total inflation rate will be much more muted. Other factors, such as the enormous increase in automobile prices, while

7 *BBC.com. The Visual Journalism Team. Ukraine war in maps: Tracking the Russian Invasion. (April 5, 2022)*
8 *The Observatory of Economic Complexity (OEC) (April 5, 2022)*
9 *Reuters.com. What History Says About Geopolitics and the Market. (February 18, 2022)*
10 *Yardeni.com. Stock Market Briefing: Selected P/E Ratios (April 5, 2022)*
11 *JPMorgan. Guide to the Markets Q2 2022 (March 31, 2022)*
12 *Macrotrends.com. U.S. Inflation Rate 1960-2022 (March 31, 2022)*
13 *Bureau of Labor Statistics. Consumer Price Index – February 2022 (March 10, 2022)*
14 *Tradingeconomics.com. Crude Oil (March 31, 2022)*

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unlikely to reverse, are improbable to be repeated[8]. In fact, should the automobile and oil markets stay completely unchanged from these elevated levels, increases to CPI would be pulled appreciably lower. Still, we expect inflation to run above historical levels and interest rate levels for at least a moderate time period. Therefore, we have lowered our portfolio's sensitivity to bond price movements by reducing duration which will benefit fixed income allocations when yields rise.

Because inflation can impact market returns and their "real" (inflation adjusted) value, we continue to keep our eye on inflation indicators. Survey-based measures such as the University of Michigan survey expect 3% inflation five to 10 years out from now and the Federal Reserve's preferred indicator, the 5-year, 5-year forward TIPS breakeven currently sits at 2.35%[15]. Also, since much of the already experienced inflation has come from goods as opposed to services, we believe that there is a significant chance for inflation to slow before increasing again in 2023 and to be driven by rising costs for services and labor as opposed to supply disruptions and commodity shortages.

As 2022 elapses, Vicus Capital will be focusing on the Federal Reserve's actions and statements. Why are they so important? First, they are the largest holder of financial assets and now command a balance sheet just a sliver shy of $9 trillion[16]. Second, they have been a major buyer of assets who is expected to become an asset seller as they seek to reduce their balance sheet, perhaps at a more rapid pace than previously anticipated by the market. And third, they set our country's ever important interest rate policy[17].

The Federal Reserve's balance sheet currently holds more than 99% of its assets in treasury bonds and mortgage-backed securities[18]. As of now, all principal and interest payments are being reinvested when received. We expect them to cease this action at an upcoming meeting, and likely at their next meeting in May. Based on recent commentary by Federal Reserve Open Market Committee (FOMC) members, they will likely commence asset sales to increase the pace of balance sheet reductions[12]. These actions will have clear consequences for the treasury bond market that we would expect to take the form of higher interest rates. Of course, the effects are not anticipated to stop there. We believe that higher rates will entice investors to allocate more to bonds whose yields have risen versus equity markets. While this is not expected to induce major changes to buying behavior, we are of the opinion that it will serve as a catalyst for continued volatility within equity markets, similar to what we've seen since the year began.

Over the remainder of 2022, we expect the Federal Reserve to raise interest rates numerous times. The market's current prediction, derived from futures market pricing, is for a total of 10 total hikes of 0.25% apiece inclusive of the one that took place in March[19]. While it would not be unexpected to see them back off from the quantity if they see market stress, the trajectory is undoubtedly upward. Rising interest rates will increase borrowing costs across the economy. It will squeeze corporate profit margins, make home ownership less affordable, and reduce consumers' appetite to spend. All of these add up to tighter financial conditions which, while likely to restrain inflation, may also suppress the economic growth that has been so robust since the recession of 2020.

A lot of financial commentary has recently focused on the yield curve and the inversion of the 10- and 2-year bonds. This is a potential recessionary signal to which we pay close attention. However, we would caution investors to note that between 1978 and 2007, there were five inversions of this yield curve[20]. Each preceded a market correction. However, prior to the correction, stocks returned between 7.7% and 123.3% leading us to the conclusion that it should be a "yellow" sign of caution, and not a "red" stop sign[15]. Finally, we believe that there is a higher level of efficacy in the 10-year and 3-month spread (as opposed to 2-year). This spread has actually increased to 1.89%, and as our preferred yield curve inversion indicator, we will become more concerned should it follow the 10- and 2-year into inversion[21].

15 BCA Research. Global Investment Strategy. 2022 Second Quarter Strategy Outlook – The New Neutral (April 1, 2022)
16 St. Louis Federal Reserve. Assets: Total Assets (March 30, 2022)
17 Reuters.com. Saphir, Ann & Dunsmuir, Lindsay. Fed's Balance Sheet Runoff Will be Rapid, Brainard Says. (April 5, 2022)
18 Federalreserve.gov. Federal Reserve Statistical Release. (March 31, 2022)
19 CME Group. FedWatch Tool (April 6, 2022)
20 Awealthofcommonsense.com. Carlson, Ben. The Predictive Power of the Yield Curve. (April 5, 2022)
21 St. Louis Federal Reserve. 10-Year Treasury Constant Maturity Minus 3-Month Treasury Constant Maturity (April 5, 2022)

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Conflict in Europe has put the world on edge and increased volatility in financial markets. Volatility, along with rising earnings has reduced valuations somewhat closer to historical averages. Inflation, a force not observed in the United States with any level of significance in quite some time is back, but likely not at current levels for long. Additionally, we see a more aggressive (or "hawkish") Federal Reserve shaping the opportunities and hazards in the coming market environment. Finally, the path of the coronavirus has not been forgotten and is raging in a partially locked-down China at the time of this writing[22]. Despite a more tumultuous backdrop relative to the prior year and a half, we are optimistic that our current portfolio positioning, including a reduced sensitivity to interest rate movements and an elevated level of cyclical equity exposure, will assist our allocations in navigating this backdrop successfully. And, as always, we continue to maintain a cautious eye for changes in economic circumstances that could alter our views.

ECONOMIC PERSPECTIVES

Economic Growth & Profits

- Real gross domestic product (GDP) for the fourth quarter of 2021, according to the Bureau of Economic Analysis (BEA), came in at an annualized rate of 7.0% versus 2.3% in the third quarter. This rise in GDP was generated by elevated residential and non-residential fixed investment as well as state and local government spending. This was slightly offset by a decrease in exports and consumption[23].
- Real GDP for the whole of 2021 rose 5.7% versus a decline of 3.4% in 2020. This brought the U.S. GDP to $23 trillion[23].

Interest Rates

- On March 16, the Federal Reserve altered their interest rate policy by raising the Federal Funds Rate to a range of 0.25% to 0.50%. The Open Market Committee anticipates that "ongoing increases in the target range will be appropriate." Further, the Committee expressed its desire to begin reducing holdings of U.S. Treasury Bonds and mortgage-backed securities at a "coming meeting." Until then, they will continue to reinvest interest and maturing principal from currently owned securities on its balance sheet[24]. Finally, as we suggested last quarter, additions to the balance sheet from open market purchases have concluded.
- The Federal Reserve also notes that "The Committee's assessments will take into account a wide range of information, including readings on public health, labor market conditions, inflation pressures and inflation expectations, and financial and international developments[24]."

Employment

- Total non-farm payroll employment rose by 678,000 in February which drove the official unemployment rate down to just 3.8%, its lowest level since prior to the pandemic when it stood at 3.5%. The labor force participation rate held steady at 62.3%, lower than the pre-pandemic period, but above the December reading of 61.8%[25].
- In February, job gains were led by leisure and hospitality, professional and business services, and healthcare which added 179,000, 95,000, and 64,000 jobs respectively[25].
- The average workweek for all employees on private non-farm payrolls increased slightly to 34.7 hours. At the same time, average hourly earnings rose by a penny per hour to $31.58, 5.1% higher than one-year ago[25].
- The broader U-6 measurement of unemployment continued its descent and now stands at 7.2% on a seasonally adjusted basis; far lower than the 11.1% reading observed in February 2021[25].

Inflation

- According to the Bureau of Labor Statistics,

22 CNN.com. Yueng, Jessie & CNN's Beijing Bureau. Public Anger Mounts in Locked-Down Shanghai with No End in Sight. Here's What You Need to Know. (April 7, 2022)

23 U.S. Department of Commerce: Bureau of Economic Analysis - Gross Domestic Product: 4th Quarter 2021 (February 22, 2022)

24 Federal Reserve - Federal Reserve Issues FOMC Statement (March 16, 2022)

25 U.S. Department of Labor: Bureau of Labor Statistics - The Employment Situation, February 2022 (March 4, 2022)

continued

the Consumer Price Index for All Urban Consumers (CPI-U) rose 0.8% in February on a seasonally adjusted basis after increasing 0.6% in January. This resulted in a total 12 month increase of 7.9%; a level not encountered since June 1982. The largest contributors on a year-over-year basis were energy (+25.6%), used vehicles (+41.2%), new vehicles (+12.4%), and food (+7.9%)[26].

- The Core-CPI, a popular indicator that looks at all items except food and energy, rose 6.4%, showing us that not all the inflationary spike was caused by movement in the more volatile categories and that traditionally stable goods are also seeing elevated levels of inflation relative to what was experienced in recent years[26].

Risks and Observations

- While the recent market decline has resulted in lower prices, valuations remain elevated, leaving equity markets potentially vulnerable to further depreciation should the macroeconomic environment deteriorate.
- Inflation concerns have finally reached the media narrative and will remain an important item to monitor as CPI, noted above, is currently over triple the Federal Reserve's target. While we expect that we may be seeing the peak of inflation in the coming months, it remains a risk to the economy at large and specifically to the fixed income asset class as inflation typically leads to rising bond yields and thus, falling bond prices.
- The coronavirus pandemic could always rear its head again. While all signs are pointing to the circulating coronavirus variants as being mild relative to prior strains, Vicus Capital will continue to monitor the situation for potential changes.
- The war in Ukraine has roiled markets around the world in addition to the daily lives of those who live in and even near Ukraine. We continue to expect the situation to deteriorate before it is resolved as Putin is likely to try to make life as painful as possible for Ukraine before offering a legitimate settlement of peace.
- Russia's actions in eastern Europe have taken the world's eyes off China, a topic that we've pointed out as a potential market risk in recent quarters. While reasonable given the circumstance in eastern Europe, we believe that this is a mistake as China's real estate market continues to suffer distress and it has been quite apt to close large sections of its economy when encountering any sizeable level of coronavirus community spread. Further, China remains belligerent regarding the status of Taiwan which could always be a source of potential conflict. A conflict here would be expected to have far greater consequences to the global economy compared to Russia's invasion of Ukraine. As the Chinese government balances stimulus with shutdowns and positive relations with geopolitical tension, we will continue to monitor overseas markets for hazards and opportunities.
- To conclude, we will continue to monitor the actions of the Federal Reserve. With bond purchases now completed, all eyes will be on the pace of changes to the federal funds rate, the interest rate that the Federal Reserve directly controls. Rising interest rates may cause shifts not only in fixed income markets, but in equity markets as well. This is due to companies not having a uniform sensitivity to changes in rates based on their debt loads, current valuations, and varying rates of growth. Our lower duration fixed income positioning enacted in 2021 reduced our portfolio's sensitivity to these movements. Additionally, we have increased exposure to cyclical equities that we believe will benefit from the upcoming environment. We expect these portfolio tilts and our flexibility to make additional adjustments as warranted to help us successfully navigate the remainder of 2022.

26 U.S. Department of Labor: Bureau of Labor Statistics - Consumer Price Index, February 2022 (March 10, 2022)

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Disclosure

Opinions and/or statements regarding market trends and estimates provided are subject to change without notice and are based upon current market conditions. Portions of the information and historical data provided in this document have been gathered from reliable sources and provided to Vicus Capital and is believed to be accurate and credible. Vicus Capital makes no guarantee as to the complete accuracy of this information. Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Vicus Capital), or any non-investment related content, made reference to directly or indirectly in this document will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this document serves as the receipt of, or as a substitute for, personalized investment advice from Vicus Capital. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. Vicus Capital is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. If you are a Vicus Capital client, please remember to contact Vicus Capital, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. A copy of Vicus Capital's current written disclosure statement discussing our advisory services and fees is available upon request. Various investments and securities are mentioned in this document. The inclusion of these investments and securities in the presentation should NOT be considered a recommendation to purchase or sell any securities or investments mentioned. Consult your investment professional on how the purchase or sale of securities and investments meets your investment objectives and risk tolerances.

Financial Planning and Investment Advisory Services offered through Vicus Capital, Inc., a federally Registered Investment Advisor.

Index Returns Table

Index	Total Return (%) 3 Mo (Mo-End) USD	Total Return (%) 1 Yr (Mo-End) USD	Total Return (%) Annualized 3 Yr (Mo-End) USD	Total Return (%) Annualized 5 Yr (Mo-End) USD
DJ Industrial Average TR USD	-4.10	7.11	12.57	13.40
S&P 500 TR USD	-4.60	15.65	18.92	15.99
S&P 400 Mid Cap TR USD	-4.88	4.59	14.14	11.10
S&P 600 Small Cap TR USD	-5.62	1.23	13.58	10.89
MSCI KLD 400 Social GR USD	-6.53	14.94	19.82	16.78
MSCI EAFE NR USD	-5.91	1.16	7.78	6.72
MSCI EM NR USD	-6.97	-11.37	4.94	5.98
Bloomberg U.S. Agg Bond TR USD	-5.93	-4.15	1.69	2.14
Bloomberg Global Agg Bond TR USD	-6.16	-6.40	0.69	1.70
S&P GSCI Spot	29.05	54.93	18.60	13.28
S&P Target Risk Cons. TR USD	-5.59	-0.77	5.39	5.17
S&P Target Risk Mod. TR USD	-5.54	0.38	6.60	6.12
S&P Target Risk Aggr. TR USD	-5.35	4.96	11.27	9.74

Source: Morningstar® as of March 31, 2022

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ. The MSCI U.S. Broad Market Index is comprised of nearly 100% of the total market capitalization of U.S. stocks traded on the NYSE and the NASDAQ. The S&P 500 Index is a market capitalization free-float adjusted index of the prices of 500 large capitalization common stocks traded in the United States. The S&P 400 Mid Cap Index serves as a barometer for the U.S. mid-cap equities sector and includes stocks with total market capitalization that ranges from roughly $750 million to $3 billion. The S&P 600 Small Cap Index covers a broad range of U.S. small cap stocks and is weighted according to market capitalization covering about 3-4% of the total market for U.S. equities. The MSCI KLD 400 Social Index is a free float-adjusted market capitalization index designed to target U.S. companies that have positive environmental, social, and governance (ESG) characteristics. The MSCI EAFE Index is a market capitalization weighted index and is designed to measure the equity market performance of developed markets (Europe, Australasia, and Far East) excluding the U.S. and Canada. The MSCI EM NR USD Index is a free-float adjusted market capitalization index that is designed to measure the equity market performance in the global emerging markets. The Bloomberg Aggregate Bond Index is a market-capitalization weighted index that is considered to be representative of U.S. traded investment grade bonds. The Bloomberg Global Aggregate Bond Index includes government securities, mortgage-backed securities, asset-based securities and corporate securities to simulate the universe of bonds in the market. The S&P GSCI Spot is a composite index of commodity sector returns which represents a broadly diversified, unleveraged, long-only position in commodity futures. The S&P Target Risk series of indices comprise multi asset class indices that correspond to a particular risk tolerance with varying levels of exposure to equities and fixed income intended to represent stock and bond allocations across a risk spectrum. The market indices referenced are unmanaged. You cannot invest directly in an index.