



Market Review

Q1 – March 31, 2022

NOVA_R
WEALTH

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Economy & Markets

Q1 2022

Economy & Markets Review – Executive Summary & Takeaways

- In late February, just as the latest Covid-19 infection wave began to taper off, the world was stunned by another headline—Russia’s cruel invasion of Ukraine. Energy prices, already rising before the conflict, rocketed higher due to Russia’s large oil and gas export status.
- It was a rocky start for U.S. equities. In fact, U.S. stocks finished down approximately 5% during Q1, which was the first negative quarterly return since Q1 2020. Rising inflation, prospects for higher rates, and the war between Russia and Ukraine were all culprits for the decline in equities. Non-U.S. growth stocks were hit the hardest as a rotation to more commodity and cyclically driven companies took place. However, U.S. stocks still outpaced international developed and emerging market equities on a relative basis.
- The U.S. labor market continued to improve, with the unemployment rate falling to 3.8% in February 2022 compared to 6.2% a year earlier. As of the end of February, there were 1.8 job openings per unemployed person in the U.S. Excess demand for labor, coupled with the end of most pandemic assistance from the government, may produce the lowest unemployment rate since 1953 by the end of this year.
- All major fixed income sectors fell in 2022’s first quarter as interest rates soared. The 10-year Treasury yield rose a whopping 83 basis points, while the 2-year Treasury yield exploded 160 basis points. The Bloomberg Aggregate Bond Index, a proxy for the U.S. investment grade bond market, fell 5.9% in Q1—its worst quarter in almost 40 years.
- At its March meeting, the Federal Reserve officially raised the federal funds rate by 25 basis points for the first time since December 2018. As of the end of Q1, the federal funds rate futures are projecting an implied policy rate of roughly 2.5% by the end of the year. While long-term deflationary forces could bring inflation back down towards the Fed’s 2% level, the potential persistence of inflation has major implications for monetary policy moving forward.

Q1 2022 Market Highlights

Economy & Market

Review: U.S. stocks finished down approximately 5% for the quarter, which was the first negative quarter since Q1 2020. With the pandemic fading in the U.S., the world was battered with another shock—Russia’s vicious invasion of Ukraine. For the U.S., the largest impact is through higher energy prices. Thankfully, the U.S. is basically self-sufficient in oil; however, Europe is particularly tied to Russian oil and natural gas. The attack put further pressure on already-struggling supply chains, and inflation may not peak till later this year.

U.S. Economy: The economic recovery has been challenged with surges in consumption being curtailed by supply shortages and new waves of the virus. Despite these impediments, the U.S. economy has exceeded its pre-pandemic output. The labor market has continued to improve substantially, with the U-3 unemployment rate falling to 3.8% in February 2022, compared to 6.2% a year earlier.

The Fed: At its March meeting, the Federal Reserve highlighted elevated inflation, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures. With a mandate to keep prices in check, the Fed raised the target range for the federal funds rate to 0.5% from 0.25%. As of the end of Q1, the market is pricing in a federal funds rate of 2.5% by the end of 2022.

U.S. Equity

Market Cap & Style: Larger, more diversified and well-established companies fared better during the quarter than their smaller sized peers. Growth stocks, which had a stellar Q4 2021, retreated in Q1 2022 due to higher interest rate expectations. While Value beat growth by (+8.5%) on relative basis, it still produced a negative return (-0.8%) for the quarter. Large Value led all domestic style box categories with (-0.7%) for the quarter, and Small Growth performed the worst (-12.6%)

Sectors: In-line with the Value outperformance described above, Energy (+39%), Utilities (+4.8%), and Consumer Staples (-1.0%) were the top returning sectors over the quarter. Communication Services (-11.9%), Consumer Discretionary (-9.0%), and Technology (-8.4%) were hurt the most in Q1 as elevated valuations came down and rising yields made the sectors less attractive in light of rising inflation.

International Equity

Review: Within international, developed international (-5.9%) outperformed emerging markets (-7.0%) by a small relative margin. Shortly after the invasion, trading in Russian stocks ceased to exist and index providers such as MSCI and FTSE deemed Russian securities “uninvestible.” As such, the MSCI Russia Index fell 100% and detracted minorly from the MSCI EM Index.

Fixed Income

Review: The broad U.S. investment grade bond market, as measured by the Bloomberg Barclays Aggregate Index, returned (-5.9%) during Q1, its worst quarterly return since 1980. Low starting yields and higher duration within the index were causes for a tough start to the year. Bouts of high and sticky inflation, accompanied with expectations for more rate hikes, drove short-term rates significantly higher during the quarter.

Taxable Bonds: Interest rate-sensitive corners of the market fared the worst as rates rose higher. U.S. Treasury bonds ended the quarter down (-5.6%), their worst quarter in over 40 years, and U.S. investment grade corporate bonds were the worst performing sector returning (-7.7%). The only bright spots of the taxable bond market during Q1 were inflation-protected bonds (-3.0%) and high yield corporate bonds (-4.8%). Despite rising inflation, inflation-protected bonds still have interest rate sensitivity and struggled as rates crept up.

Municipal Bonds: Municipal bonds, as measured by the Bloomberg Barclays Municipal Index, returned (-6.2%) in Q1. State GO bonds performed the best, returning a bleak (-5.4%), and Local GO bonds were the worst performing sector within the municipal category, returning an appalling (-6.7%). 2-year muni yields rose an astonishing 72 basis points, causing short-term municipal bonds to return (-2.3%) in Q1.

Markets at a Glance

A rotation from large cap growth to large cap value occurred during the quarter, as value stocks were larger beneficiaries of higher commodity prices and rising rates. On the contrary, large cap growth stocks, as represented by the Russell 1000 Growth Index, have still bested their value peers on a 1-year time horizon. Commodities rocketed (+25.5%) during the quarter, driven mainly by and increase in oil and natural gas prices.

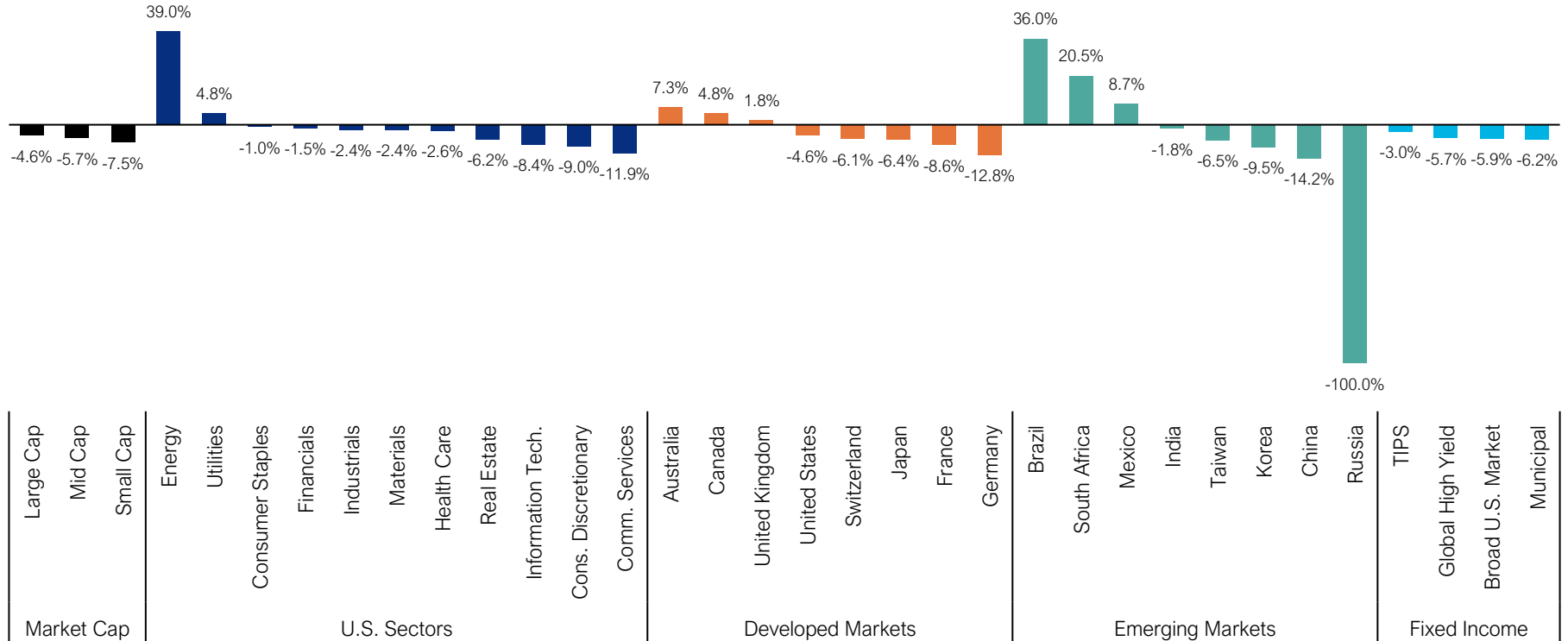
Asset Class	Trailing Returns						Annual Returns			Benchmark
	Last Qtr	YTD	1-Year	3-Year	5-Year	10-Year	2021	2020	2019	
U.S. Stocks										
Large Cap	(5.1)	(5.1)	13.3	18.7	15.8	14.5	26.5	21.0	31.4	Russell 1000
Large Cap Value	(0.7)	(0.7)	11.7	13.0	10.3	11.7	25.2	2.8	26.5	Russell 1000 Value
Large Cap Growth	(9.0)	(9.0)	15.0	23.6	20.9	17.0	27.6	38.5	36.4	Russell 1000 Growth
Mid Cap	(5.7)	(5.7)	6.9	14.9	12.6	12.9	22.6	17.1	30.5	Russell Mid Cap
Small Cap	(7.5)	(7.5)	(5.8)	11.7	9.7	11.0	14.8	20.0	25.5	Russell 2000
International Stocks										
Developed Markets	(5.9)	(5.9)	1.2	7.8	6.7	6.3	11.3	7.8	22.0	MSCI EAFE NR
Emerging Markets	(7.0)	(7.0)	(11.4)	4.9	6.0	3.4	(2.5)	18.3	18.4	MSCI EM NR
Bonds										
Short-Term Taxable	(2.5)	(2.5)	(2.9)	1.0	1.3	1.1	(0.5)	3.3	4.0	BBgBarc US Govt/Credit 1-3 Yr
Intermediate-Term Taxable	(4.5)	(4.5)	(4.1)	1.5	1.8	1.8	(1.4)	6.4	6.8	BBgBarc US Govt/Credit Interm
Short-Term Municipal	(2.3)	(2.3)	(2.2)	0.7	1.0	0.9	0.3	2.1	2.8	BBgBarc Municipal 1-3 Yr
Intermediate-Term Municipal	(5.7)	(5.7)	(4.9)	1.1	2.0	2.4	0.4	5.1	6.7	BBgBarc Municipal 7 Yr 6-8
Cash										
Cash/Cash Equivalents	0.0	0.0	0.1	0.8	1.1	0.6	0.0	0.6	2.3	FTSE Treasury Bill 3 Mon
Satellite										
High Yield	(4.8)	(4.8)	(0.7)	4.6	4.7	5.7	5.3	7.1	14.3	BBgBarc US Corporate High Yield
Real Estate	(5.3)	(5.3)	23.5	11.7	10.7	10.5	41.3	(5.1)	28.7	FTSE NAREIT All Equity REITs
Commodities	25.5	25.5	49.3	16.1	9.0	(0.7)	27.1	(3.1)	7.7	Bloomberg Commodity

Source: Morningstar Direct; Russell, MSCI, Barclays, and FTSE benchmarks. Performance greater than one year is annualized. Performance is represented by the benchmark listed in the "representative benchmark" column. See important disclosures and definitions included with this publication.

Returns by Asset Class

As the quarter came to a close, markets rallied back slightly; however, the Russian and Ukraine conflict spared few asset classes. The energy sector within the U.S. returned an astonishing (+39.0%), while the communication service sector (-11.9%) took a seat. Fixed income sectors all struggled tremendously due to rising rates and sticker inflation.

Year-to-Date Performance of Various Asset Classes

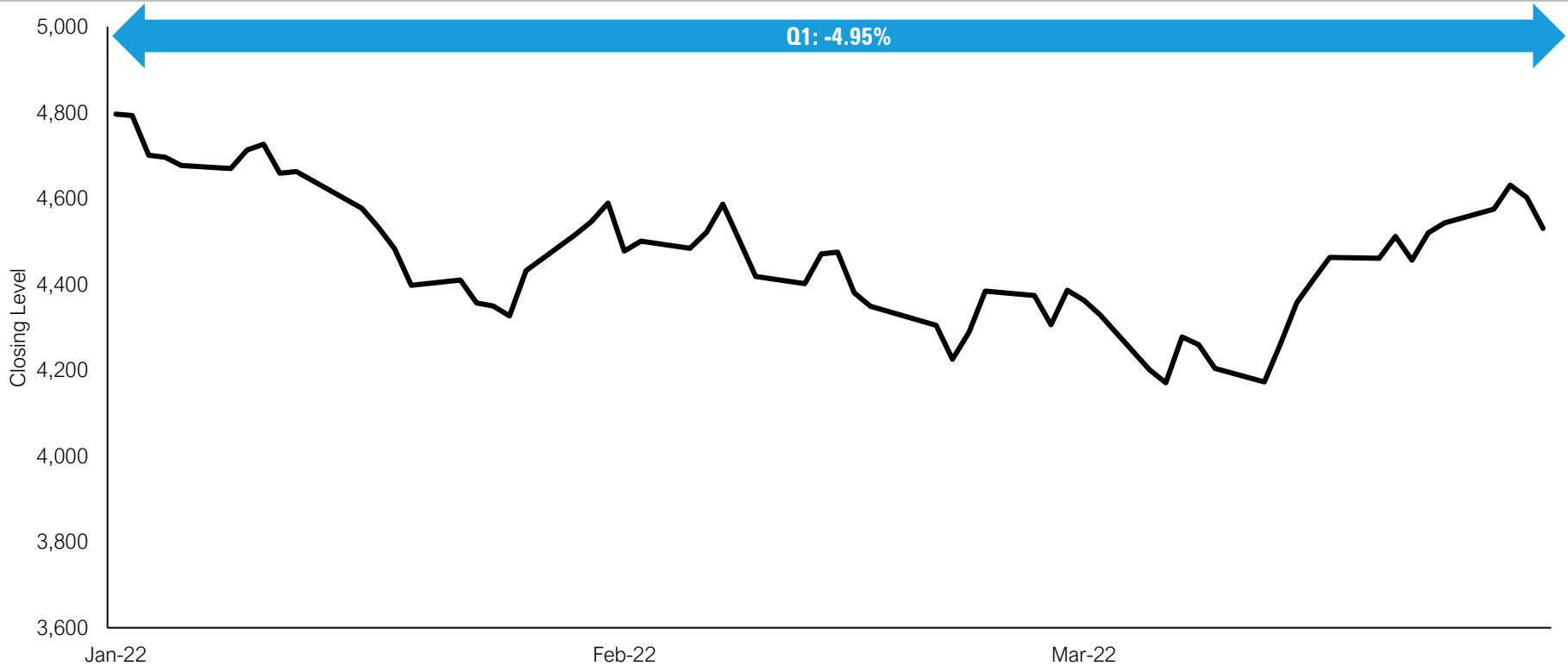


Returns by Asset Class; Source: Morningstar Direct. Asset Classes are represented by the following benchmarks: Large Cap (S&P 500), Mid Cap (Russell Mid Cap), Small Cap (Russell 2000), Cons. Discretionary (S&P 500 Sectors/Consumer Discretionary), Cons. Staples (S&P 500 Sectors/Consumer Staples), Energy (S&P 500 Sectors/Energy), Financials (S&P 500 Sectors/Financials), Health Care (S&P 500 Sectors/Health Care), Industrials (S&P 500 Sectors/Industrials), Info. Technology (S&P 500 Sectors/Info. Technology), Materials (S&P 500 Sectors/Materials), Telecom. (S&P 500 Sectors/Telecommunications), Utilities (S&P 500 Sectors/Utilities), Real Estate (S&P 500 Sectors/Real Estate), Australia ((MSCI Australia), Canada (MSCI Canada), France (MSCI France), Germany (MSCI Germany), Japan ((MSCI Japan), Switzerland ((MSCI Switzerland), United Kingdom (MSCI United Kingdom), United States (S&P 500), Brazil (MSCI Brazil), China (MSCI China), India (MSCI India), Korea (MSCI Korea), Mexico (MSCI Mexico), Russia (MSCI Russia), South Africa (MSCI South Africa), Taiwan (MSCI Taiwan), Broad Market (BBgBarc US Agg. Bond), Global High Yield (BBgBarc Global High Yield, TIPS (BBgBarc US Treasury US TIPS), Municipal (BbgBarc Municipal).

S&P 500 PR Index

The first quarter was the first negative quarter for the S&P 500 Index since the Covid-19 lockdowns began in Q1 2020. The price investors were willing to pay for earnings dropped, causing most of the loss; however, earnings have remained resilient thus far. It remains to be seen whether operating margins for companies in the S&P 500 can stay elevated with inflation coursing through the economy.

Year-to-Date Performance of the S&P 500 Index (price return)

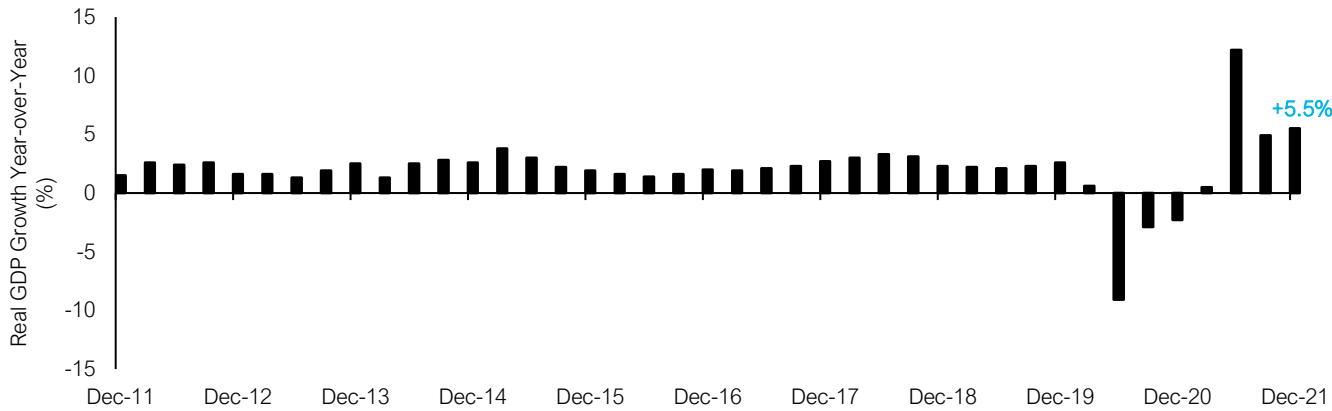


YTD Price Performance of the S&P 500 Source: Bloomberg. Source: Standard and Poor's; The S&P 500 Index, computed by the Standard & Poor's Corporation, is a well-known gauge of stock market movements determined by the weighted capitalization of the 500 leading U.S. common stocks. Indices are unmanaged and it is not possible to invest directly in an index.

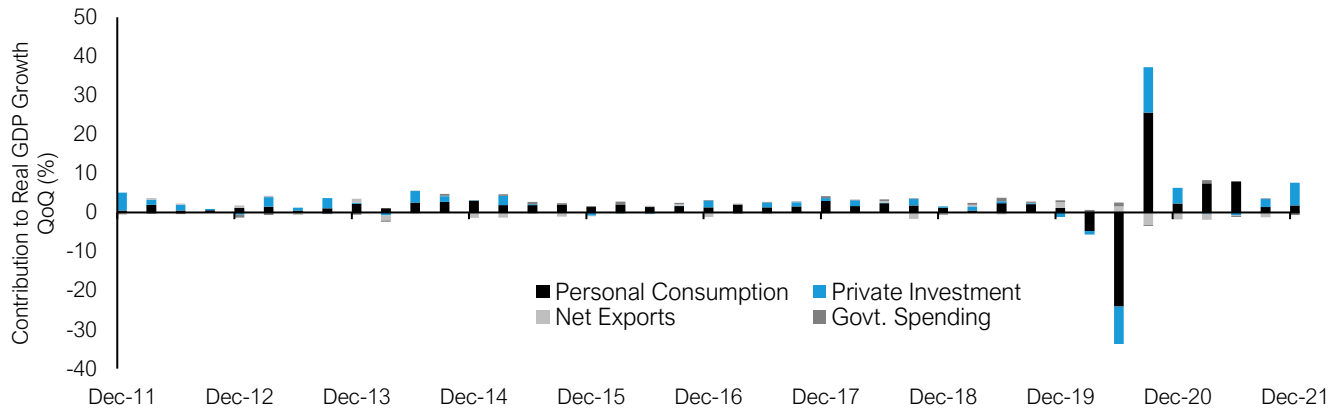
Economic Growth

U.S. real gross domestic product growth accelerated to +5.5% year-over-year and 6.9% on an annualized basis in Q4 2021, an increase over the previous quarter. The increase from the prior quarter was attributable mainly to an uptick in inventory buildups. Buildups in inventory may suggest that supply chains are being alleviated. According to Bloomberg, real GDP year-over-year% growth for 2022 is now estimated at +3.4%, down from +3.9% at the end of 2021.

Real GDP Growth Year-over-Year %¹



Contribution to Real GDP Growth²



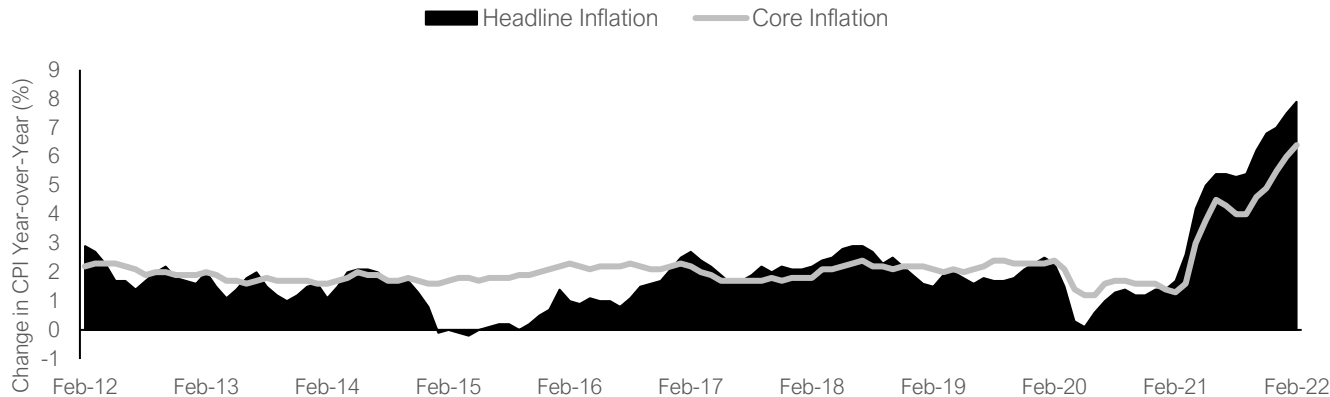
Gross Domestic Product (GDP)

GDP is a basic measure of U.S. economic output. Alternatively, it can be thought of as the final value of all goods and services produced within the U.S. Positive GDP growth signals an expanding economy. GDP is comprised of four major categories: personal consumption, private investment, government spending and net exports.

Figure 1 and Figure 2: Data as of December 31, 2021; Source: US Department of Commerce: Bureau of Economic Analysis (GDP Growth).

Headline CPI increased year-over-year at a pace of +7.9%, the highest reading since the 1980s. Inflation has stayed elevated and heated up over the past year due to fiscal stimulus, surging consumer spending, supply shortages, and rising energy prices. The Russian invasion of Ukraine and China's recent attempts to maintain a "zero-Covid" policy have likely prolonged the peak in inflation towards later this year.

Historic CPI Level



Consumer Price Index (CPI)

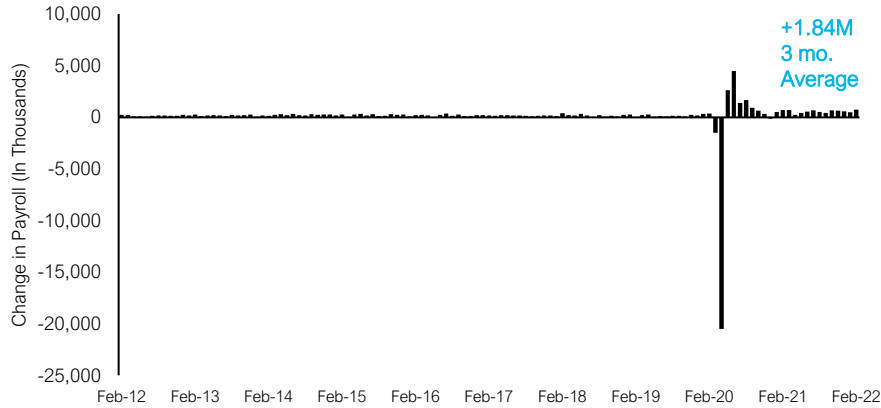
A common measure of inflation, Headline CPI tracks a broad basket of goods and services relatable to most consumers. Core CPI excludes Food and Energy due to the volatile nature of those categories and the distortive effect it can have on the broader inflation measure.

Headline CPI			Core CPI		
Components	Weight (%)	12-mo Change (%)	Components	Weight (%)	12-mo Change (%)
Headline CPI	100	7.9	Core CPI	80	6.4
Housing	42	5.9	Food	13	7.9
Transportation	18	22.1	Energy	7	25.7
Food & Beverage	14	7.6			
Medical Care	8	2.4			
Education/Communication	6	1.6			
Recreation	5	4.9			
Other	3	5.6			
Apparel/Clothing	2	6.5			

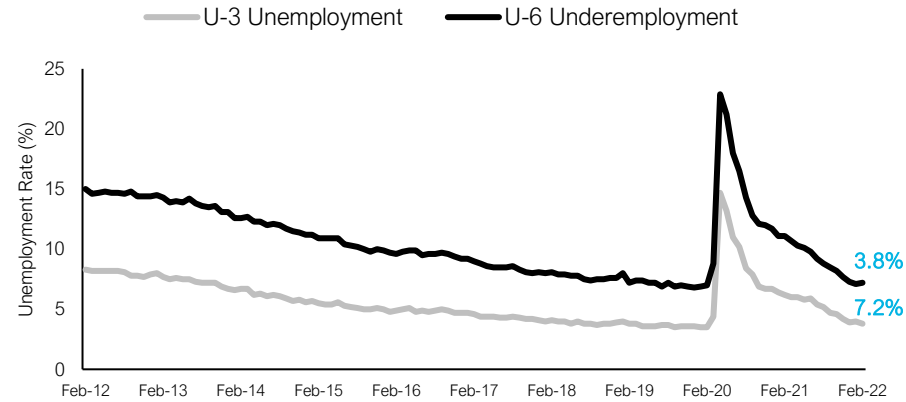
Data as of February 28, 2022; Source: Bureau of Labor Statistics.

The labor market has continued to improve substantially, with the U-3 unemployment rate falling to 3.8% in February 2022 compared to 6.2% a year earlier. Even as the unemployment rate has fallen, there has been excess demand for labor. There are almost 2 job openings for every unemployed person. This excess demand has driven wages up to attract workers and talent. In the latest reading, wage growth has risen +6.7% year-over-year.

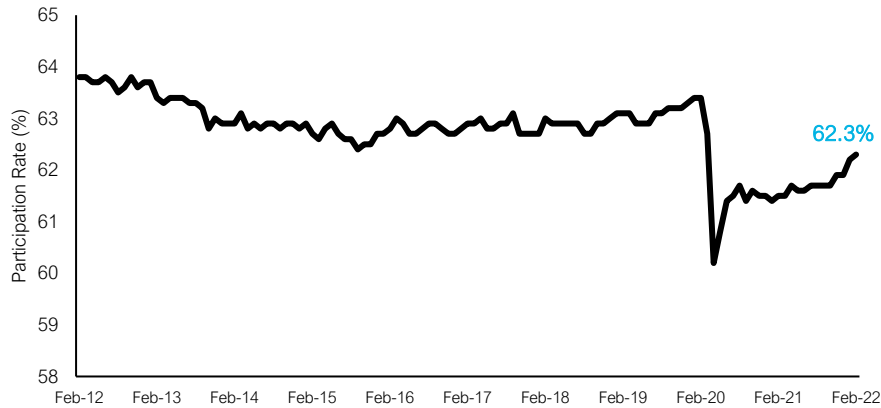
Jobs Gained/Lost¹



Unemployment & Underemployment Rates²



Labor Force Participation Rate³



Wage Growth⁴

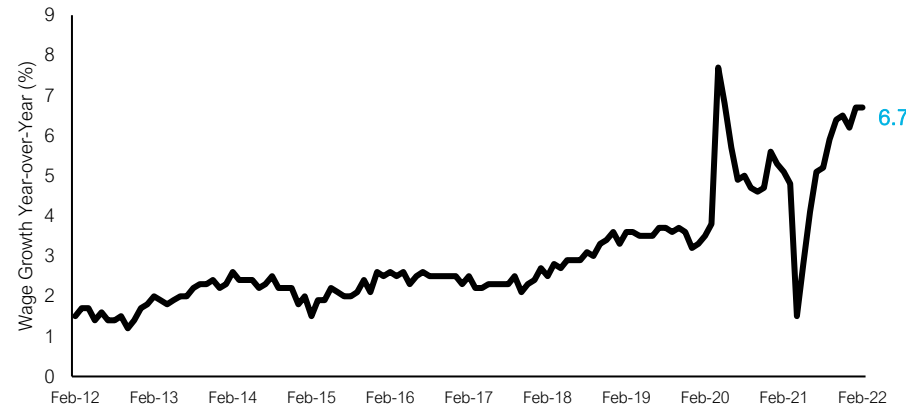
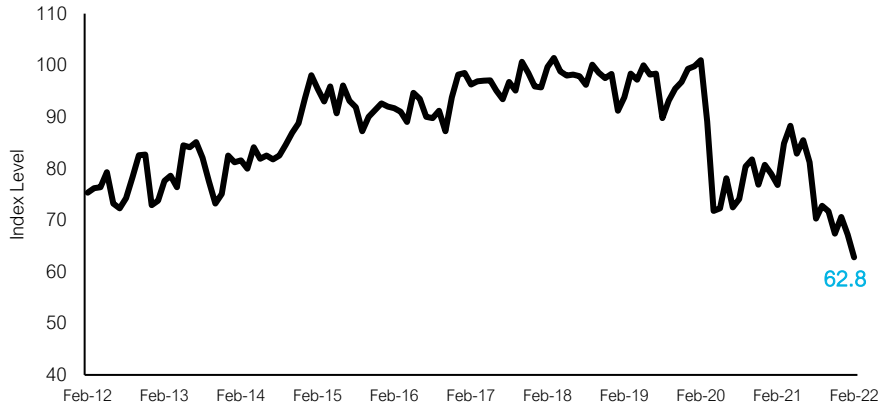


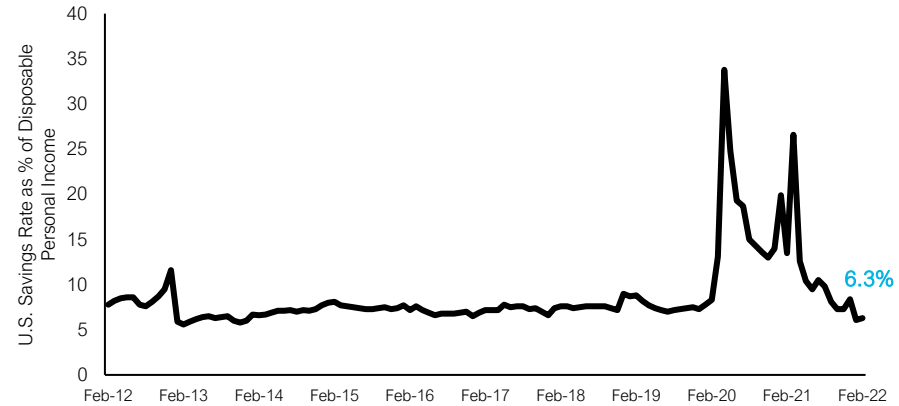
Figure 1, Figure 2, Figure 3, and Figure 4: Source: Bureau of Labor Statistics. Data as of February 28, 2022. Data will lag one month and is subject to revision.

As the pandemic assistance from the government has been eliminated, U.S. personal savings rates have fallen back closer to the average. With rising rates on the horizon and fears of stagflation surfacing, consumer sentiment has faded with each headline. The consumer sentiment survey has not been this low since 2011.

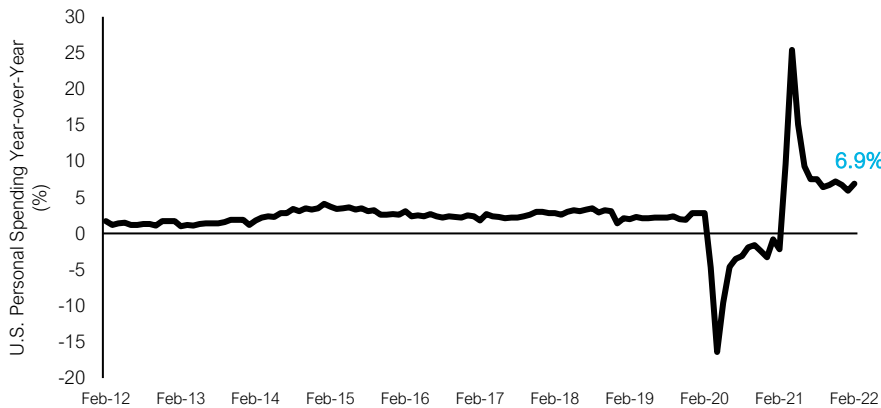
University of Michigan Consumer Sentiment Survey¹



U.S. Personal Savings Rate²



U.S. Personal Spending³



U.S. Personal Income⁴

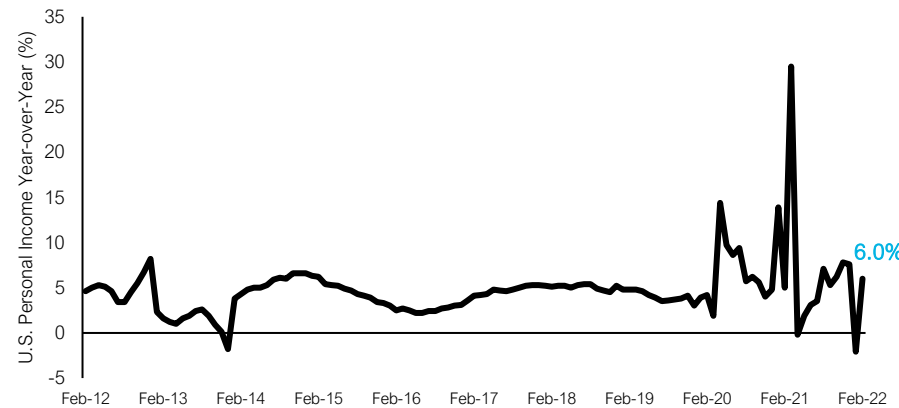
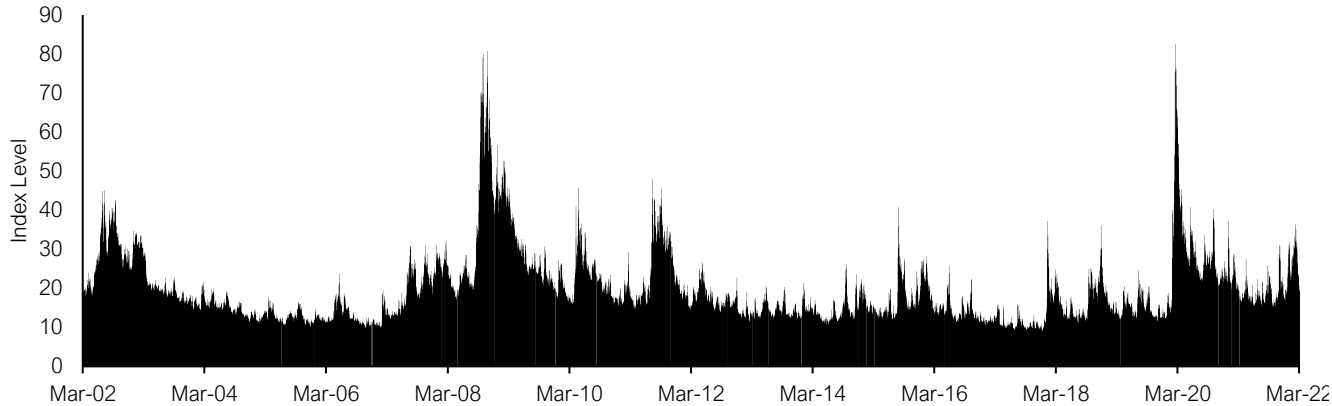


Figure 1: Source: Surveys of Consumers – University of Michigan. February 28, 2022. Figure 2: Source: U.S. Bureau of Economic Analysis. Data as of February 28, 2022. Figure 3: Source: U.S. Bureau of Economic Analysis. Data as of February 28, 2022. Figure 4: Source: U.S. Bureau of Economic Analysis. Data as of February 28, 2022.

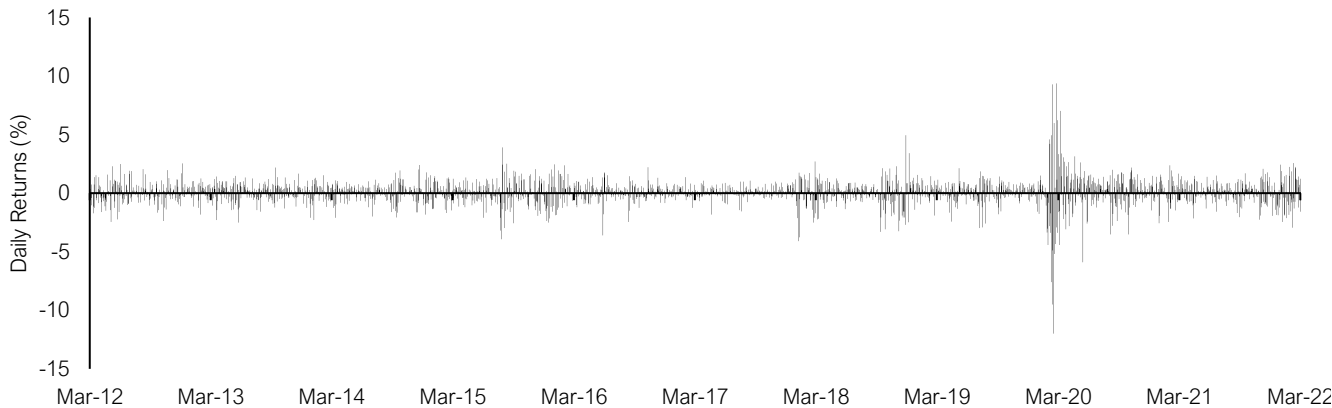
Historical Volatility

After subsiding at the end of 2021, the VIX Index once again ripped higher on the back of inflation fears and the Russian invasion of Ukraine. Surprisingly, the index level came back down under 20 by quarter end. Out of the 62 trading days in Q1, 52% of the days had a daily return for the S&P 500 greater than 1% or below 1%.

Historical VIX Level¹



Daily S&P 500 Returns²



VIX (CBOE Volatility Index)

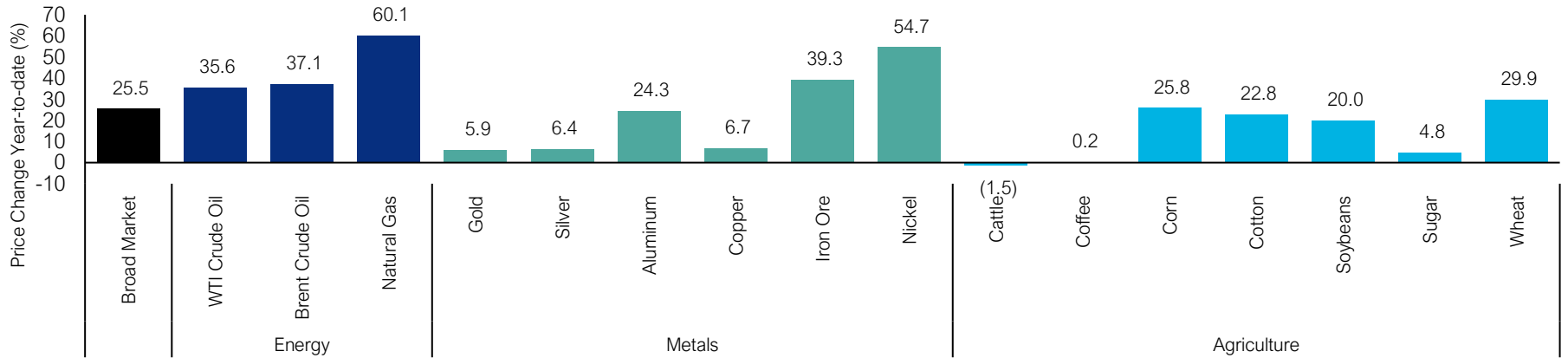
The VIX measures the implied volatility of S&P 500 future options. Simply put, it measures the expected volatility of the S&P 500 Index over the next 30 days. The higher the index, the higher the expected volatility. It is also commonly referred to as the “fear index.”

Figure 1: Source: CBOE. Data as of March 31, 2022. Figure 2: Source: Morningstar Direct & Standard & Poors Corporation. Data as of March 31, 2022.

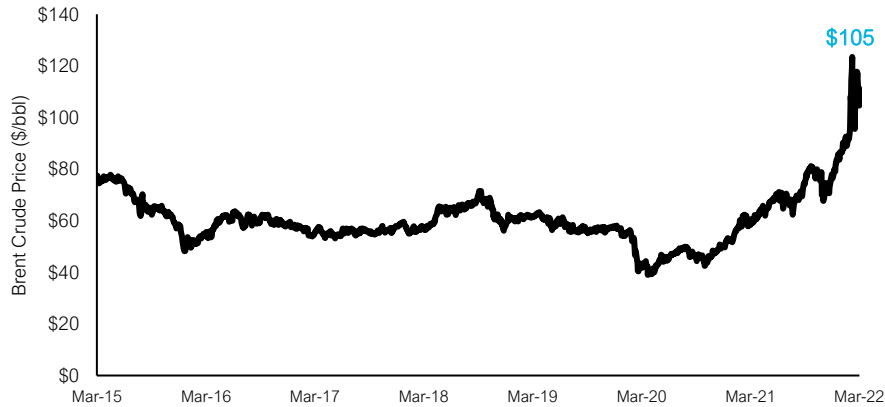
Commodity Markets

As Covid-19 began to fade, the world was plastered by another shock—Russia’s invasion of Ukraine. For the U.S. and largely Europe, the largest impact was higher energy prices. Russia remains a large exporter of oil and natural gas, and sanctions surrounding these commodities has pushed supply lower, creating a supply/demand mismatch. While higher energy prices may slow the U.S. economy, it is a smaller share of U.S. household budgets and has been declining.

Year-to-Date Returns of Various Commodity Types¹



Brent Crude Price (\$/bbl)²



London PM Gold (\$/oz)³



Figure 1: Source: Bloomberg. Data as of March 31, 2022. “Broad Market” is represented by the Bloomberg Commodity Index; specific commodity types are reported segments of that index. Figure 2: Source: U.S. Department of Energy. Data as of March 31, 2022. Figure 3: Source: London PM Gold Fix Index. Data as of March 31, 2022.

Domestic Equity

Q1 2022

U.S. Stock Market Snapshot

2021 offered returns on both side of the spectrum as the Russell 3000 Growth and Russell 3000 Value came within 40 basis points of one another. 2022 brought a different start to the year as energy returned (+39.0%) and utilities gained (+4.8%). From a market capitalization spectrum, small and micro sized companies suffered as investors flocked to their less risky and more diversified large cap peers.

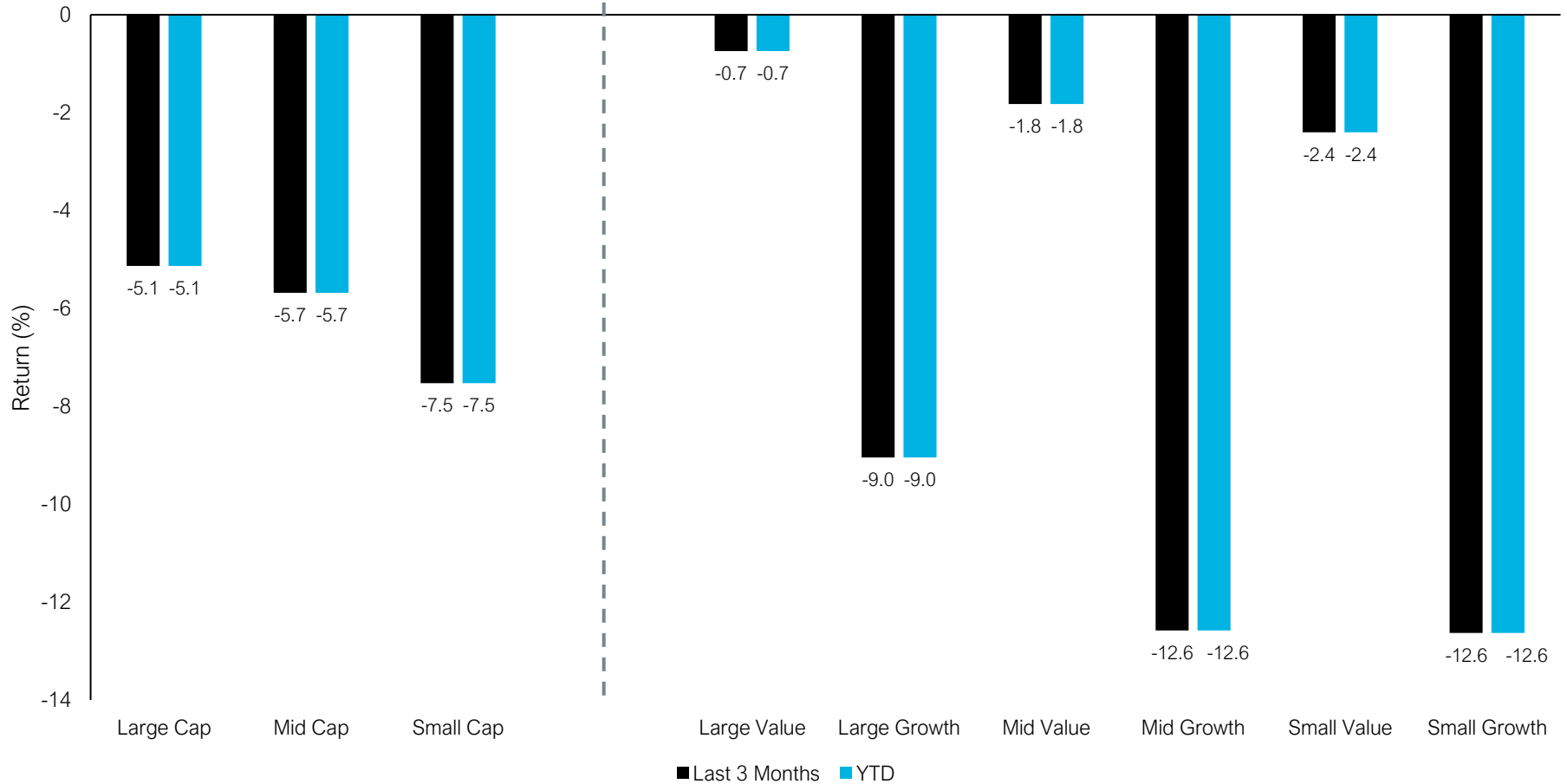
	Trailing Returns						Annual Returns			Benchmark
	Last Qtr	YTD	1-Year	3-Year	5-Year	10-Year	2021	2020	2019	
Bellwethers										
S&P 500	(4.6)	(4.6)	15.6	18.9	16.0	14.6	28.7	18.4	31.5	S&P 500
Russell 1000	(5.1)	(5.1)	13.3	18.7	15.8	14.5	26.5	21.0	31.4	Russell 1000
DJIA	(4.1)	(4.1)	7.1	12.6	13.4	12.8	20.9	9.7	25.3	DJ Industrial Average
Market Capitalization										
Mega	(4.9)	(4.9)	19.7	22.5	18.4	15.4	30.1	26.8	32.9	Russell Top 50 Mega Cap
Large	(4.9)	(4.9)	15.7	20.1	17.0	15.2	27.9	22.4	31.8	Russell Top 200
Mid	(5.7)	(5.7)	6.9	14.9	12.6	12.9	22.6	17.1	30.5	Russell Mid Cap
Small	(7.5)	(7.5)	(5.8)	11.7	9.7	11.0	14.8	20.0	25.5	Russell 2000
Micro	(7.6)	(7.6)	(11.0)	13.0	9.9	11.1	19.3	21.0	22.4	Russell Micro Cap
Style										
Value	(0.8)	(0.8)	11.1	13.0	10.2	11.6	25.4	2.9	26.3	Russell 3000 Value
Core	(5.3)	(5.3)	11.9	18.2	15.4	14.3	25.7	20.9	31.0	Russell 3000
Growth	(9.3)	(9.3)	12.9	22.7	20.2	16.6	25.8	38.3	35.8	Russell 3000 Growth
S&P 500 Sectors										
Consumer Discretionary	(9.0)	(9.0)	9.8	18.6	17.2	16.7	24.4	33.3	27.9	S&P 500 Cons. Disc.
Consumer Staples	(1.0)	(1.0)	16.1	14.0	10.2	11.5	18.6	10.7	27.6	S&P 500 Cons. Staples
Energy	39.0	39.0	64.3	11.0	6.7	4.2	54.6	(33.7)	11.8	S&P 500 Energy
Financials	(1.5)	(1.5)	14.7	16.8	12.4	13.9	35.0	(1.7)	32.1	S&P 500 Financials
Health Care	(2.6)	(2.6)	19.1	16.5	15.1	15.9	26.1	13.4	20.8	S&P 500 Health Care
Industrials	(2.4)	(2.4)	6.1	13.2	11.3	12.7	21.1	11.1	29.4	S&P 500 Industrials
Information Technology	(8.4)	(8.4)	20.9	30.5	26.8	20.6	34.5	43.9	50.3	S&P 500 Information Technology
Materials	(2.4)	(2.4)	13.9	19.2	13.3	11.4	27.3	20.7	24.6	S&P 500 Materials
Communication Services	(11.9)	(11.9)	(0.9)	15.5	9.6	9.9	21.6	23.6	32.7	S&P 500 Commun. Services
Utilities	4.8	4.8	19.9	12.2	11.4	11.8	17.7	0.5	26.3	S&P 500 Utilities
Real Estate	(6.2)	(6.2)	25.8	13.8	12.6	11.3	46.2	(2.2)	29.0	S&P 500 Real Estate

Source: Morningstar Direct. Performance greater than one year is annualized. Performance is represented by the benchmark listed in the "representative benchmark" column. See important disclosures and definitions included with this publication.

Domestic Style Performance

It was a rough start to the year for U.S. equities of all styles and market capitalizations. Rising inflation and prospects for higher interest rates crushed growth stocks, with mid and small growth falling the most (-12.6%). Large cap value held in reasonable during the quarter—down less than 1%—due to a higher exposure to energy stocks.

Performance by Market Cap and Style

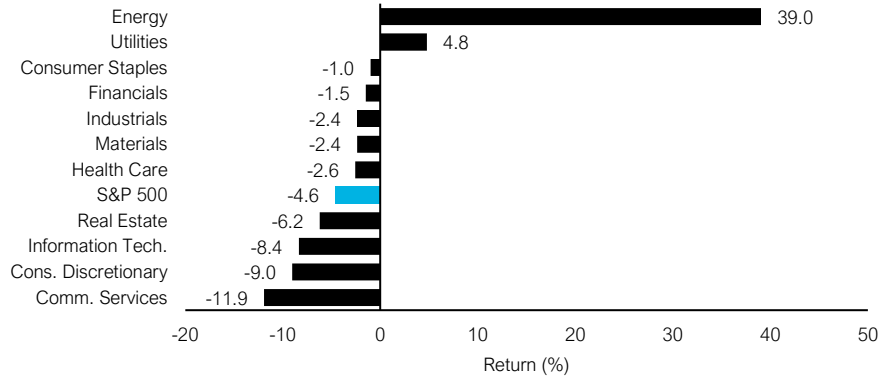


Source: Morningstar Direct. Data as of March 31, 2022. Asset classes are represented by the following benchmarks: Russell 1000 (Large Cap), Russell Midcap® (Mid Cap), Russell 2000® (Small Cap), Russell 1000 Value® (Large Value), Russell 1000 Growth® (Large Growth), Russell Midcap Value® (Mid Value), Russell Midcap Growth® (Mid Growth), Russell 2000 Value® (Small Value), and Russell 2000 Growth® (Small Growth). See important disclosures and definitions included with this publication.

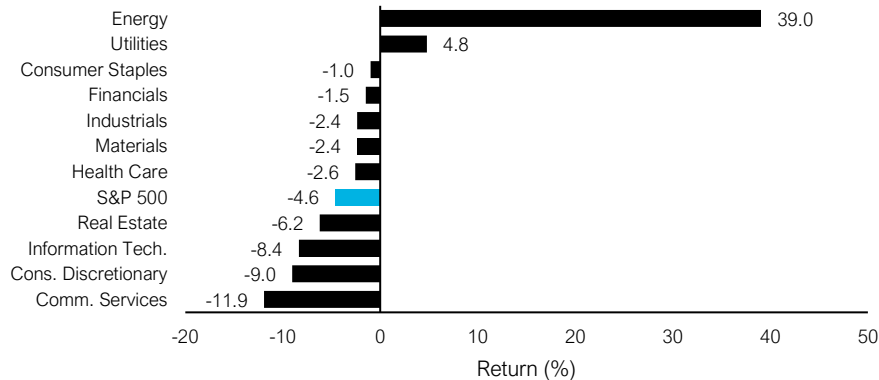
Domestic Sector Performance

With oil and natural gas rising double digits during the quarter, it is no surprise the energy sector stood head and shoulders above the rest. With interest rates rising, utilities were surprisingly the second-best performing sector (+4.8%). Utilities are often bond-like proxies and tend to be interest rate sensitive as bond yields rise.

S&P 500 Index: Performance by Sector (Latest Quarter)¹



S&P 500 Index: Performance by Sector (YTD)²



S&P 500 Sector Statistics³

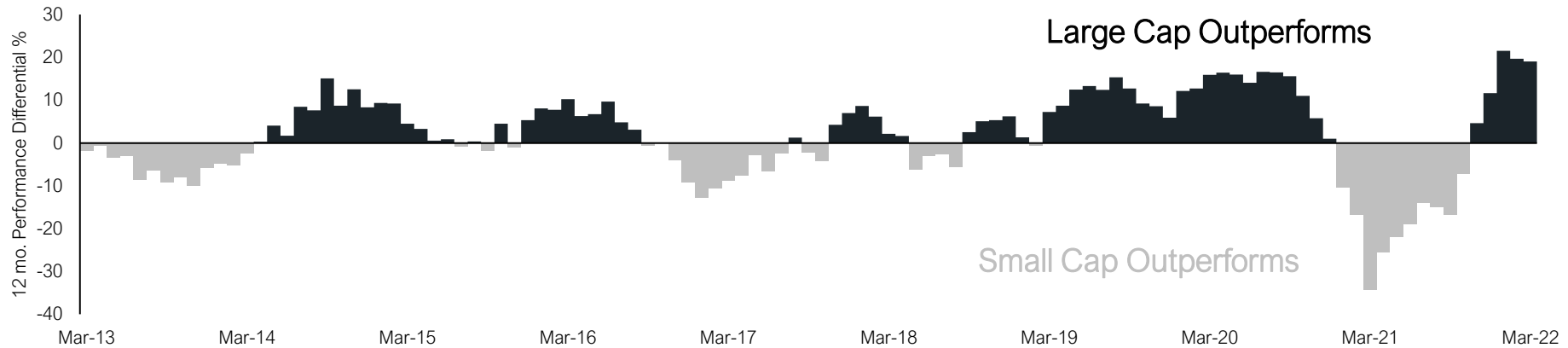
Components	P/E Ratio (TTM)	P/E Ratio (NTM)	Dividend Yield (%)
S&P 500 Index	23.3	19.4	1.4
Communication Services	20.1	17.4	0.9
Consumer Discretionary	37.1	26.2	0.7
Consumer Staples	22.6	21.2	2.5
Energy	18.3	11.1	3.2
Financials	13.3	14.2	1.9
Health Care	20.5	16.5	1.6
Industrials	28.2	19.8	1.6
Information Technology	30.4	24.3	0.9
Materials	18.0	15.8	1.8
Real Estate	50.7	44.6	2.6
Utilities	23.0	21.3	2.9

Figure 1, Figure 2, and Figure 3: Source: Morningstar Direct and Bloomberg. Data as of March 31, 2022. Performance greater than one year is annualized. See important disclosures and definitions included with this publication.

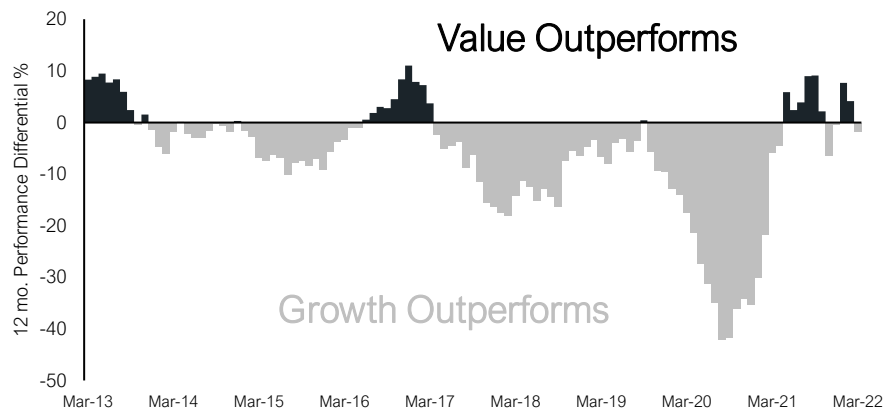
Investment Style Leadership

On a rolling 12-month basis, small capitalization stocks, as represented by the Russell 2000, lagged vs. their large capitalization peers. Value, which is typically defined as stocks trading with low price-to-book values, finally looks to be bucking the trend against growth. Moreover, stocks with less stability in earnings, leverage, and return on assets underperformed their more stable counterparts for a rolling period. It remains to be seen whether this is a shift in the tide.

Large Cap vs. Small Cap (Rolling 12-Month Periods)¹



Value vs. Growth (Rolling 12-Month Periods)²



Defensive vs. Cyclical (Rolling 12-Month Periods)³

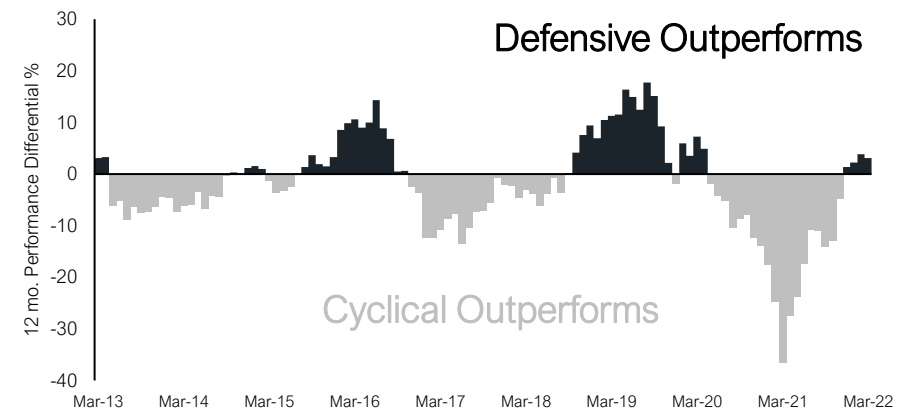
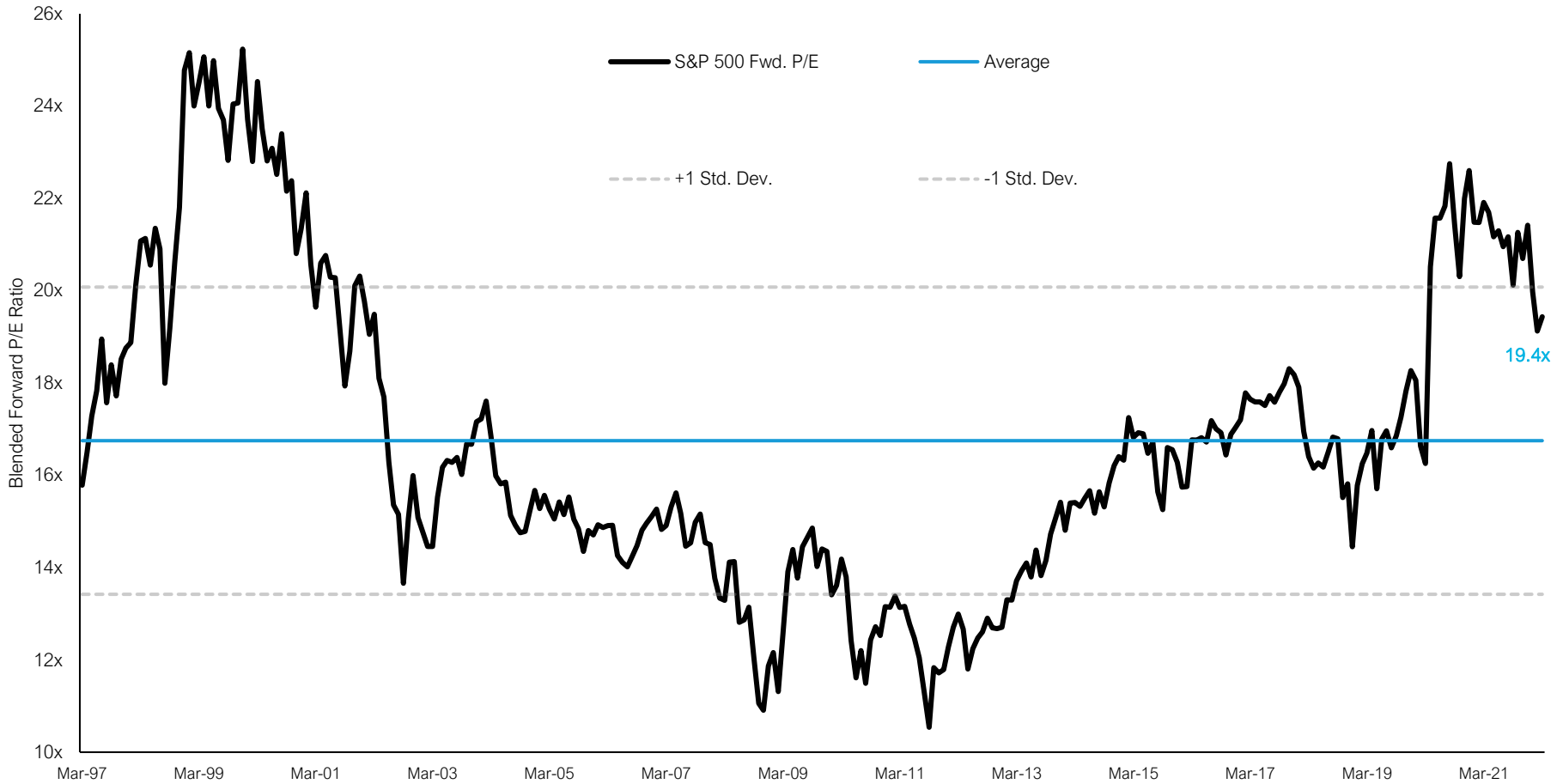


Figure 1, Figure 2, and Figure 3: Source: Morningstar Direct. Returns are based on 12-month performance, calculated monthly over the most recent 10-year period. Benchmark proxies are as follows: Large Cap (S&P 500), Small Cap (Russell 2000), Value (Russell 3000 Value), and Growth (Russell 3000 Growth), Defensive (Russell 1000 Defensive), Cyclical (Russell 1000 Dynamic). See important disclosures and definitions included with this publication.

U.S. Market Valuation

U.S. equities have recovered significantly from their March 2020 lows. Yet, as markets digest sustained inflation and conflict in Europe, valuations remain above historical averages. While earnings have continued to grow, investors finally seem wary of placing higher multiples on earnings given higher discount rates and less clarity surrounding cash flows farther out in the future.

S&P 500 Forward Price-to-Earnings



Source: Bloomberg. Performance greater than one year is annualized. Performance is represented by the benchmark listed in the "representative benchmark" column. U.S. is measured by the S&P 500 Index; P/E ratio is based on a blended forward 12-month earnings. See important disclosures and definitions included with this.

International Equity

Q1 2022

International Equity Snapshot

Non-U.S. growth stocks crumpled (-11.9%) in Q1 while value proved resilient. Small and mid-cap international developed stocks fared worse than their large cap peers on a relative basis, and Japan held up slightly better than Europe. Overall, it was a lackluster quarter for developed (-5.9%) and emerging market stocks (-7.0%) due to supply chain hurdles and higher exposure to fallout from the Russia and Ukraine conflict.

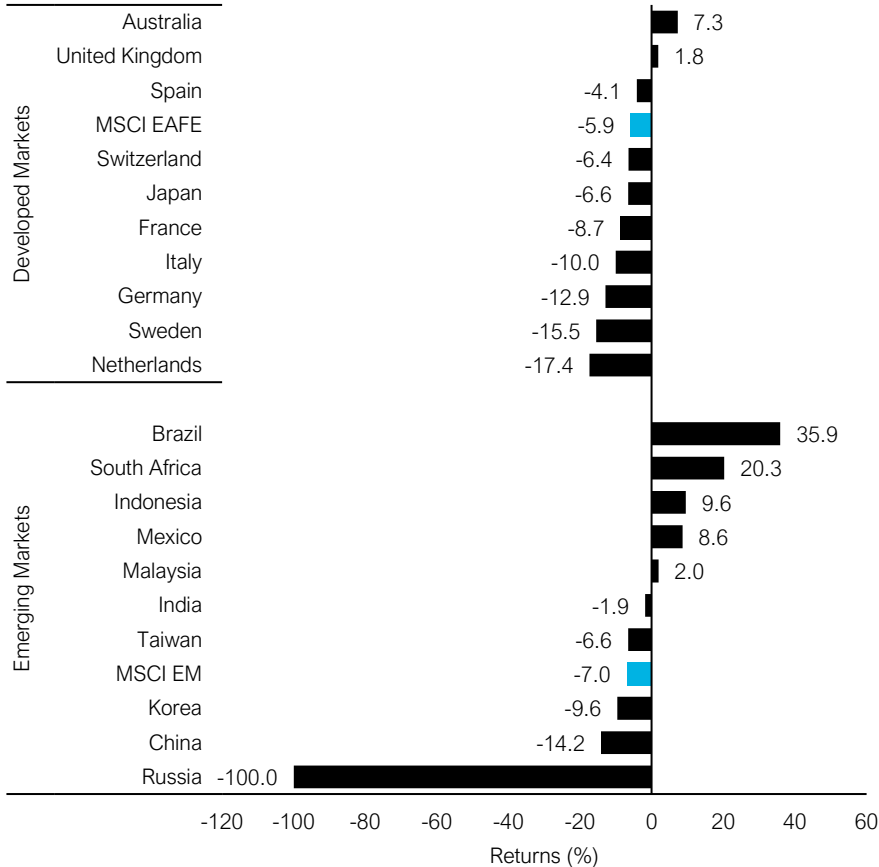
Asset Class/Region	Trailing Returns						Annual Returns			Benchmark
	Last Qtr	YTD	1-Year	3-Year	5-Year	10-Year	2021	2020	2019	
Broad Developed Markets										
Developed Markets (USD)	(5.9)	(5.9)	1.2	7.8	6.7	6.3	11.3	7.8	22.0	<i>MSCI EAFE</i>
Developed Markets (Local Currency)	(3.7)	(3.7)	6.2	8.2	6.6	8.6	18.7	0.8	21.7	<i>MSCI EAFE NR Local</i>
Currency Effect (USD-Local Returns)	(2.2)	(2.2)	(5.0)	(0.4)	0.2	(2.3)	(7.4)	7.0	0.3	
Broad Emerging Markets										
Emerging Markets	(7.0)	(7.0)	(11.4)	4.9	6.0	3.4	(2.5)	18.3	18.4	<i>MSCI EM NR</i>
Emerging Markets (Local Currency)	(6.1)	(6.1)	(9.9)	6.3	7.5	6.3	(0.2)	19.1	18.1	<i>MSCI EM NR Local</i>
Currency Effect (USD-Local Returns)	(0.9)	(0.9)	(1.5)	(1.3)	(1.5)	(2.9)	(2.4)	(0.8)	0.4	
Returns by Style										
Value	0.3	0.3	3.6	5.2	4.2	4.9	10.9	(2.6)	16.1	<i>MSCI EAFE Value NR</i>
Growth	(11.9)	(11.9)	(1.5)	9.8	8.9	7.5	11.3	18.3	27.9	<i>MSCI EAFE Growth NR</i>
Large Cap	(5.2)	(5.2)	2.7	8.0	6.8	6.1	12.3	7.1	21.5	<i>MSCI EAFE Large NR</i>
Mid Cap	(8.6)	(8.6)	(4.2)	6.9	6.2	6.9	7.7	10.6	23.9	<i>MSCI EAFE Mid NR</i>
Small Cap	(8.5)	(8.5)	(3.6)	8.5	7.4	8.3	10.1	12.3	25.0	<i>MSCI EAFE Small Cap NR</i>
Returns by Region										
Europe	(7.2)	(7.2)	4.1	8.9	7.6	6.9	17.0	5.9	24.6	<i>MSCI Europe</i>
Japan	(6.4)	(6.4)	(6.1)	7.2	6.5	6.8	2.0	14.9	20.1	<i>MSCI Japan</i>

Source: Morningstar Direct. Performance greater than one year is annualized. Performance is represented by the benchmark listed in the "representative benchmark" column. See important disclosures and definitions included with this publication.

International Country Performance

In the international developed markets, Australia stood out above the rest gaining (+7.3%). The United Kingdom was the only other positive performing developed country (+1.8%). Being a large commodity producer and exporter, Brazil returned a hefty (+36%) in Q1, with South Africa trailing behind (+20.3%). Russia was by far the worst performer, as several index providers wrote Russian stocks down to zero.

Selected Country Performance (Latest Quarter)¹



Selected Country Performance (Year-to-Date)²

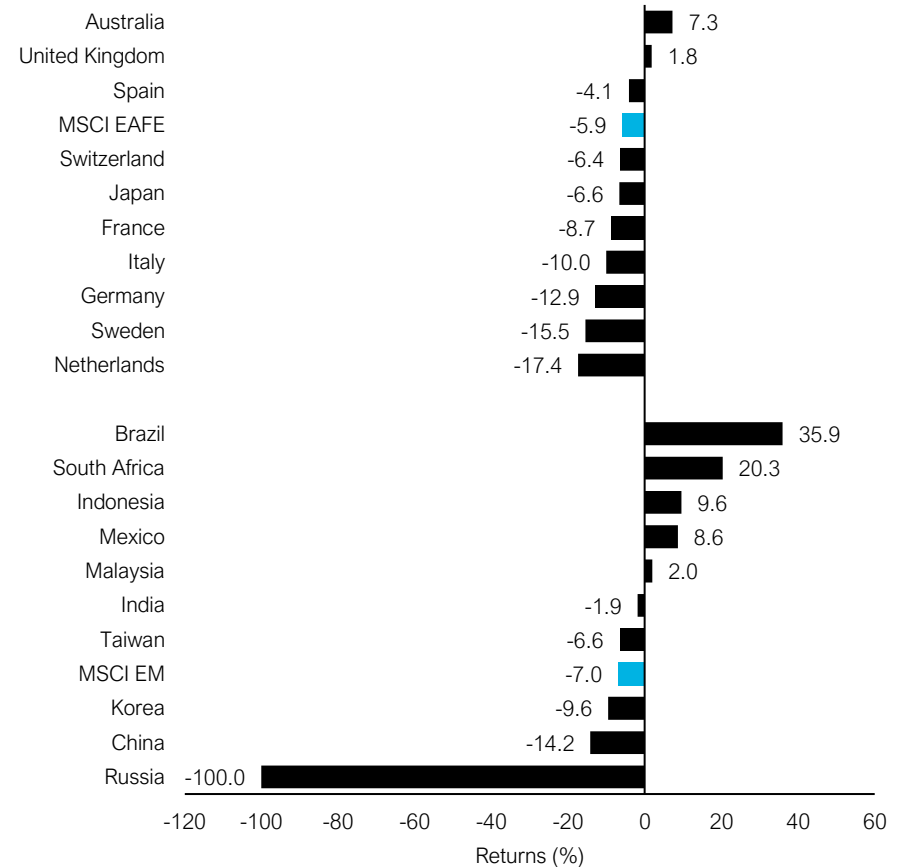


Figure 1 and Figure 2: Source: Morningstar Direct, MSCI Indices. MSCI EAFE (Developed markets) and MSCI EM (Emerging markets) are broad benchmarks representing many countries. Data as of March 31, 2022. Includes the 10 largest countries by weighting in the benchmark. See important disclosures and definitions included with this publication.

International Sector Performance

In the international markets during Q1, the energy sector pulled ahead unsurprisingly, returning (+6.9%). Cyclical sectors such as materials (+5.2%) and financials (+1.6%) also performed well during the quarter. Information technology (-15.1%) finally took a large breather as investors rotated into more commodity and economic driven sectors.

MSCI ACWI ex USA: Performance by Sector (Latest Quarter)¹



MSCI ACWI ex USA: Performance by Sector (YTD)²



Sector Weightings of the MSCI ACWI ex USA Index³

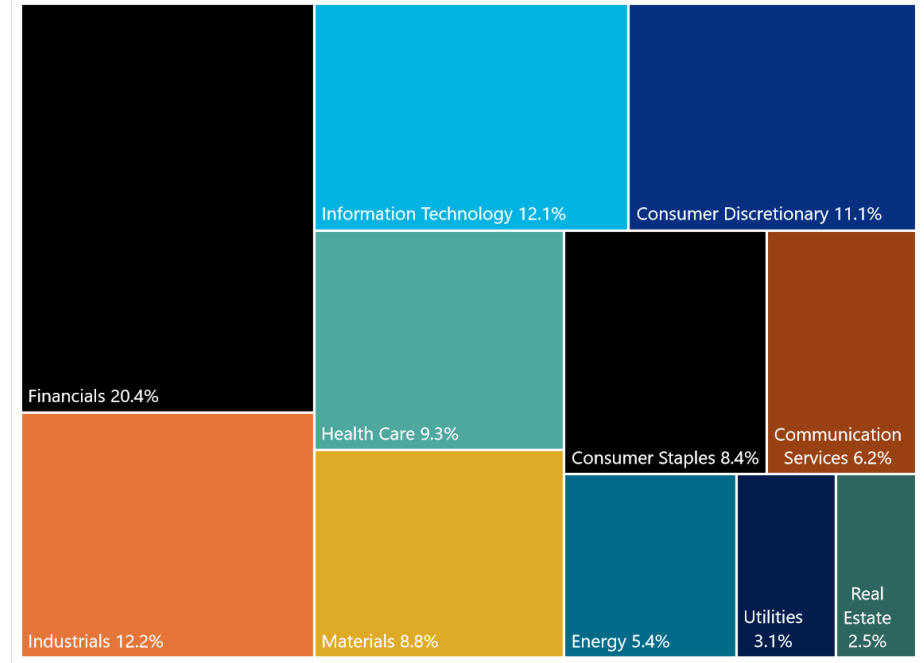
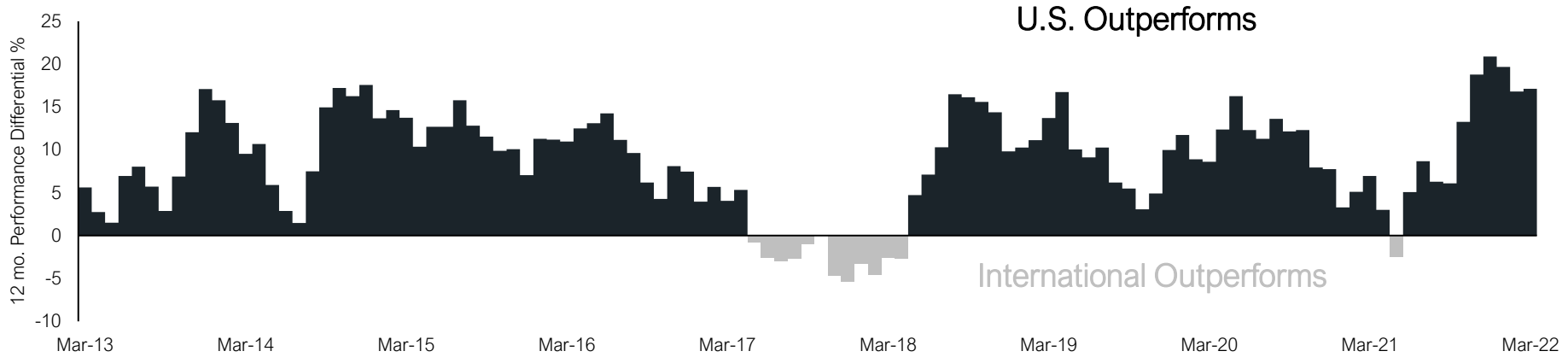


Figure 1 and Figure 2: Source: Morningstar Direct. Data as of March 31, 2022. Figure 3: Source: Bloomberg. Sectors are based on global industry classification standards (GICS). The MSCI ACWI ex USA NR Index is a benchmark designed to measure international developed and emerging market performance. See important disclosures in appendix.

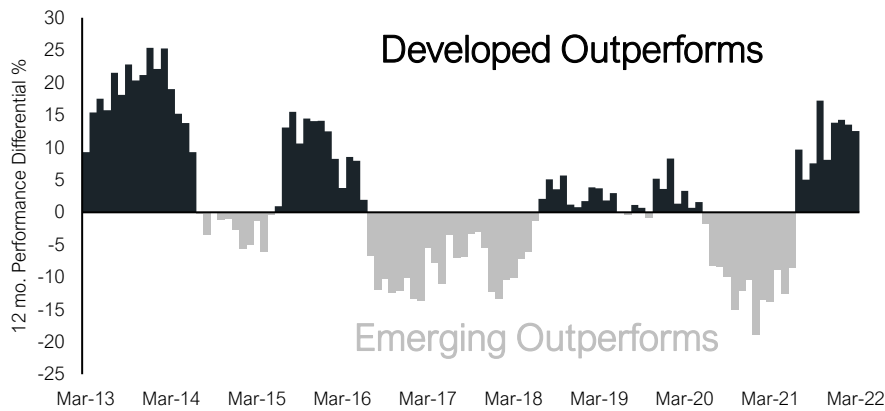
Investment Style Leadership

Over the last decade, the U.S. has dominated the international markets from a return perspective, with international markets only showing a sliver of outperformance on a rolling basis in 2017. From a developed vs. emerging market perspective, developed markets have outperformed on a rolling basis the past few quarters. Sweeping social, environmental, and governance changes in China have caused emerging markets to underperform.

U.S. vs International (Rolling 12-Month Periods)¹



Developed vs. Emerging Markets (Rolling 12-Month Periods)²



Value vs. Growth (Rolling 12-Month Periods)³

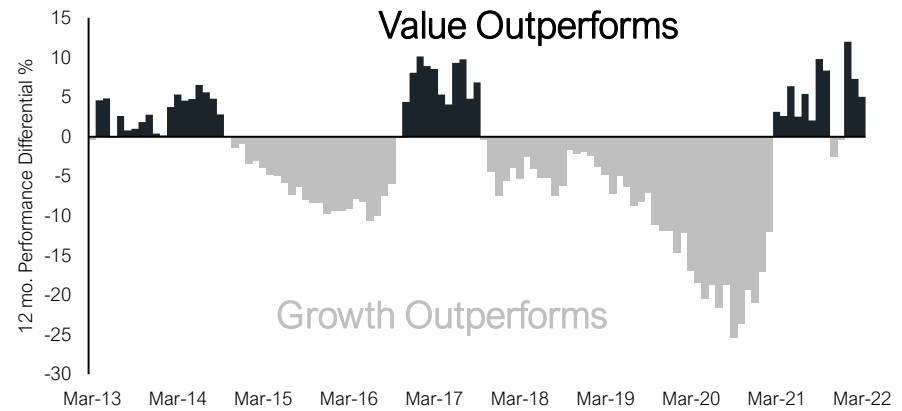
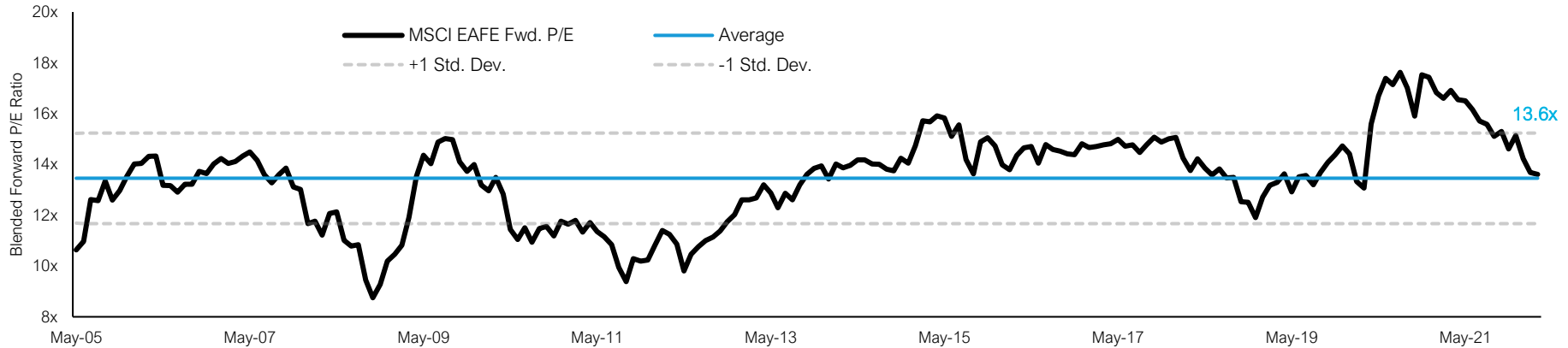


Figure 1, Figure 2, and Figure 3: Source: Morningstar Direct. Data as of March 31, 2022. Returns based on 12-month performance, calculated monthly over the most recent 10-year period. Benchmark proxies are as follows: S&P 500 (U.S.), MSCI ACWI ex USA (Int'l), MSCI EAFE Value (Value) and MSCI EAFE Growth (Growth), MSCI EAFE (Developed markets), and MSCI EM (Emerging markets). See important disclosures and definitions included with this publication.

Global Stock Market Valuations

As mentioned on a previous slide, the U.S. equity market is trading above historical valuation levels. International developed and emerging markets appear to be approaching their historical averages; however, both trade at significant discounts compared to the U.S. market on a blended forward earnings basis. With commodity prices distressing Europe's overall economy more so than the U.S., it is no surprise valuations have contracted further.

MSCI EAFE Forward Price-to-Earnings¹



MSCI EM Forward Price-to-Earnings²

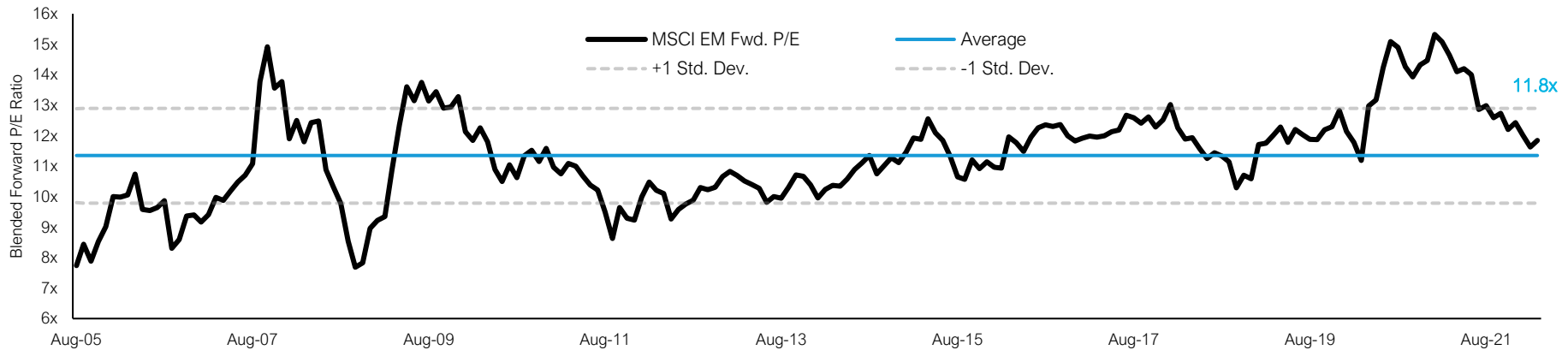


Figure 1 and Figure 2: Source: Bloomberg. Data as of March 31, 2022. International Developed is measured by the MSCI EAFE Index and Emerging Markets International is measured by the MSCI EM Index. P/E ratios are based on blended forward 12-month earnings. See important disclosures and definitions included with this publication.

Fixed Income

Q1 2022

Bond Market Snapshot

The broad U.S. bond market, as measured by the Bloomberg Barclays US Agg Index, fell (-5.9%) in Q1 as Treasury yields rose and investment grade spreads widened. Contrary to what one would think, inflation-protected bonds still fell despite rising inflation (-3.0%). State GO municipal bonds slightly outperformed the aggregate taxable market by a slim relative margin (+0.5%) during the quarter.

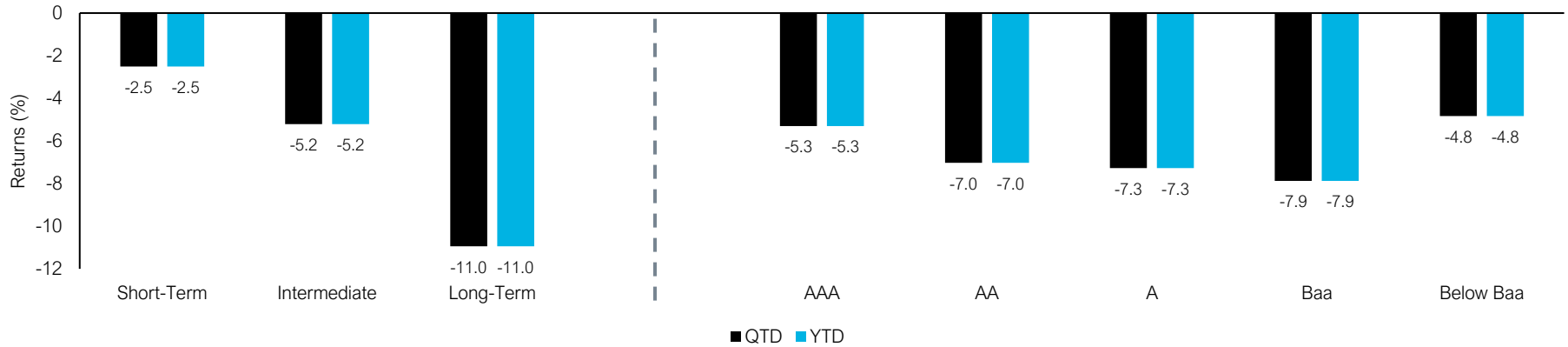
Asset Class/Region	Trailing Returns						Annual Returns			Benchmark
	Last Qtr	YTD	1-Year	3-Year	5-Year	10-Year	2021	2020	2019	
Broad Developed Markets										
U.S. Taxable Bonds	(5.9)	(5.9)	(4.2)	1.7	2.1	2.2	(1.5)	7.5	8.7	<i>BBgBarc US Agg Bond</i>
U.S. Municipal Bonds	(6.2)	(6.2)	(4.5)	1.5	2.5	2.9	1.5	5.2	7.5	<i>BBgBarc Municipal</i>
Global Bonds Ex US	(6.1)	(6.1)	(7.9)	(0.2)	1.3	0.1	(7.0)	10.1	5.1	<i>BBgBarc Global Aggregate Ex US</i>
Broad Emerging Markets										
Emerging Market Bonds	(9.2)	(9.2)	(7.5)	0.7	1.9	3.6	(1.7)	6.5	13.1	<i>BBgBarc Emerging Markets</i>
Taxable Bond Categories										
Treasuries	(5.6)	(5.6)	(3.7)	1.4	1.8	1.7	(2.3)	8.0	6.9	<i>BBgBarc US Treasury TR</i>
Agencies	(5.5)	(5.5)	(3.7)	1.4	1.8	1.7	(2.3)	7.9	6.8	<i>BBgBarc US Government</i>
Inflation-Protected	(3.0)	(3.0)	4.3	6.2	4.4	2.7	6.0	11.0	8.4	<i>BBgBarc US Treasury US TIPS</i>
Mortgage-Backed	(5.0)	(5.0)	(4.9)	0.6	1.4	1.7	(1.0)	3.9	6.4	<i>BBgBarc US MBS</i>
Inv-Grade Corporate	(7.7)	(7.7)	(4.2)	3.0	3.3	3.6	(1.0)	9.9	14.5	<i>BBgBarc US IG Corp</i>
High Yield Corporate	(4.8)	(4.8)	(0.7)	4.6	4.7	5.7	5.3	7.1	14.3	<i>BBgBarc US Corporate HY</i>
Municipal Bond Categories										
State GO	(5.4)	(5.4)	(4.1)	1.5	2.3	2.5	0.9	5.1	6.8	<i>BBgBarc Municipal State GO</i>
Local GO	(6.7)	(6.7)	(5.1)	1.5	2.6	2.8	1.1	5.9	7.9	<i>BBgBarc Municipal Local GO</i>
Revenue	(6.5)	(6.5)	(4.5)	1.6	2.7	3.1	1.9	5.3	7.9	<i>BBgBarc Municipal Revenue</i>
High Yield	(6.5)	(6.5)	(1.3)	4.0	5.2	5.4	7.8	4.9	10.7	<i>BBgBarc HY Muni</i>

Source: Morningstar Direct; Barclays benchmarks. Individual security types are subsets of either the Barclays U.S. Aggregate or Municipal Bond benchmarks. See important disclosures and definitions included with this publication.

Performance by Maturity & Credit Quality

For taxable bonds, there wasn't anywhere to hide during the quarter. Whether it was shorter maturity or higher credit quality, rising rates battered fixed income investors; however, long-term bonds suffered the most due to their higher interest rate sensitivity. Like taxable bonds, municipal bond investors had nowhere to hide, with the highest credit quality bonds falling (-6.1%) during the quarter.

Taxable Bonds¹



Municipal Bonds²

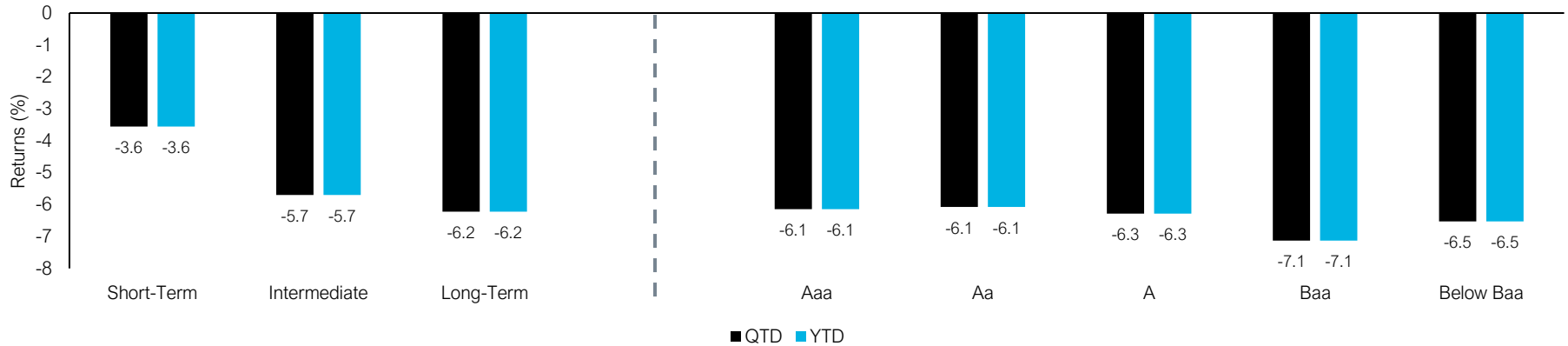
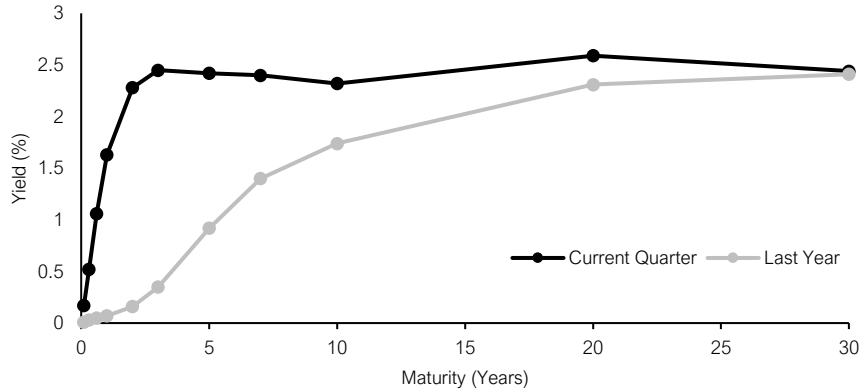


Figure 1 and Figure 2: Source: Bloomberg. Data as of March 31, 2022. Ratings are as defined by Bloomberg and represent bonds in the Barclays Aggregate Bond index (taxable bonds) and Barclays Municipal Index (municipal bonds). Short-term maturity is defined as 1-3 years for taxable and 2-4 years for municipal, intermediate is 5-7 years for taxable and 6-8 for municipal, long-term is 10+ years for taxable and 8-12 years for municipal. See important disclosures and definitions included with this publication.

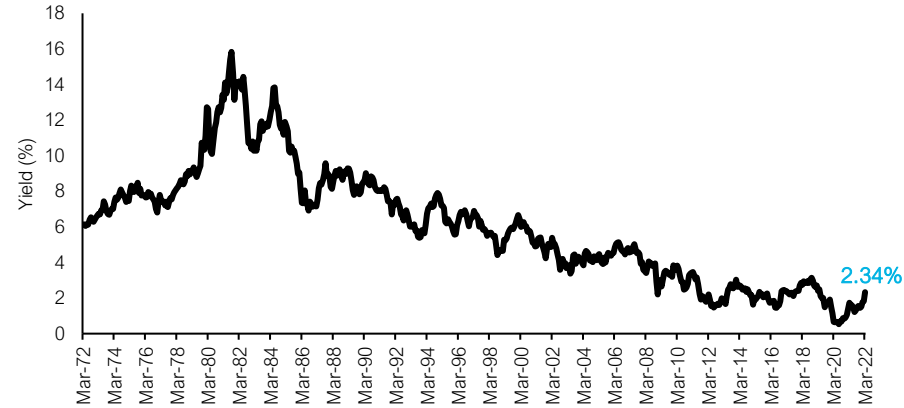
U.S. Treasury Bonds

The short end of the Treasury yield curve rose sharply during the quarter as inflation has remained elevated, with the 2-year yield rising 160 basis points. The 2-year Treasury bond has been a solid guide historically at leading and tracking where the federal funds rate will end up. As of the end of Q1, the federal funds futures were pricing in 8 hikes in 2022, which would put the implied federal funds rate at approximately 2.5% by year end.

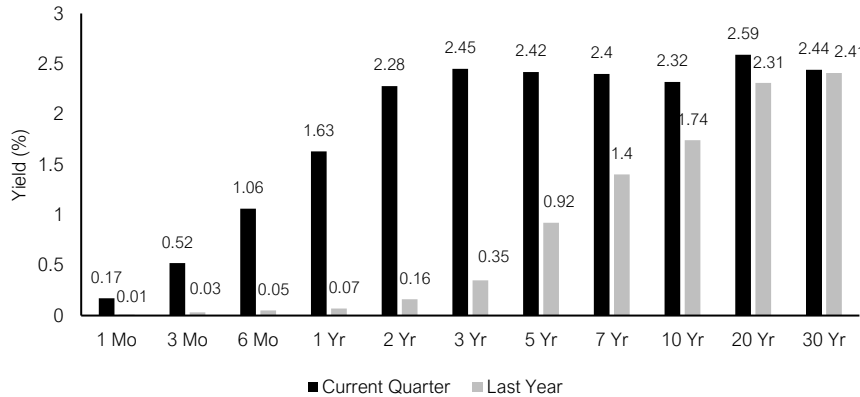
U.S. Treasury Yield Curve¹



Historical 10-Year U.S. Treasury Rate²



U.S. Treasury Yield Curve³



Historical 10-Year U.S. Treasury Rate⁴

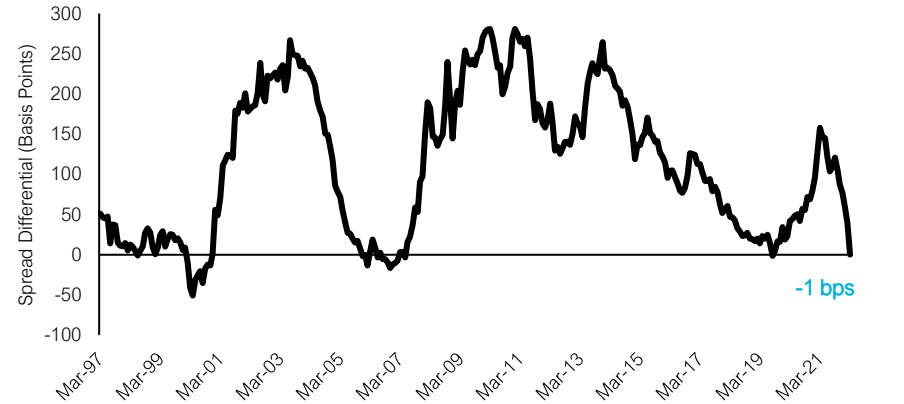
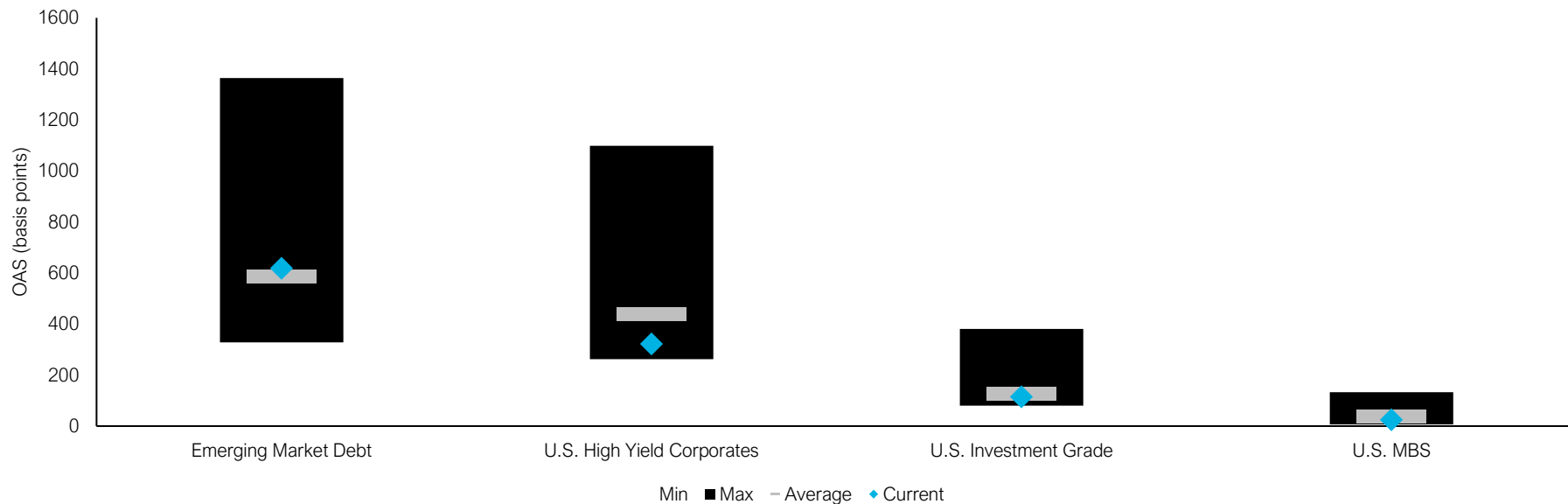


Figure 1, Figure 2, Figure 3, and Figure 4: Source: U.S. Department of Treasury. Nova R Wealth Analysis. Data as of March 31, 2022. See important disclosures and definitions included with this publication.

Bond Spreads

Option-adjusted spreads measure the difference in yield between a bond with an embedded option, such as an MBS or callable corporate bond, with the yield on Treasuries. Out of the various bond sectors illustrated below, emerging market debt remains the only sector with a spread above its 10-year average. Spreads at the higher end of their range signal significant stress in the fixed income markets, as investors flock to higher quality Treasury bonds.

Option-Adjusted Spread: Max/Min/Avg/Current

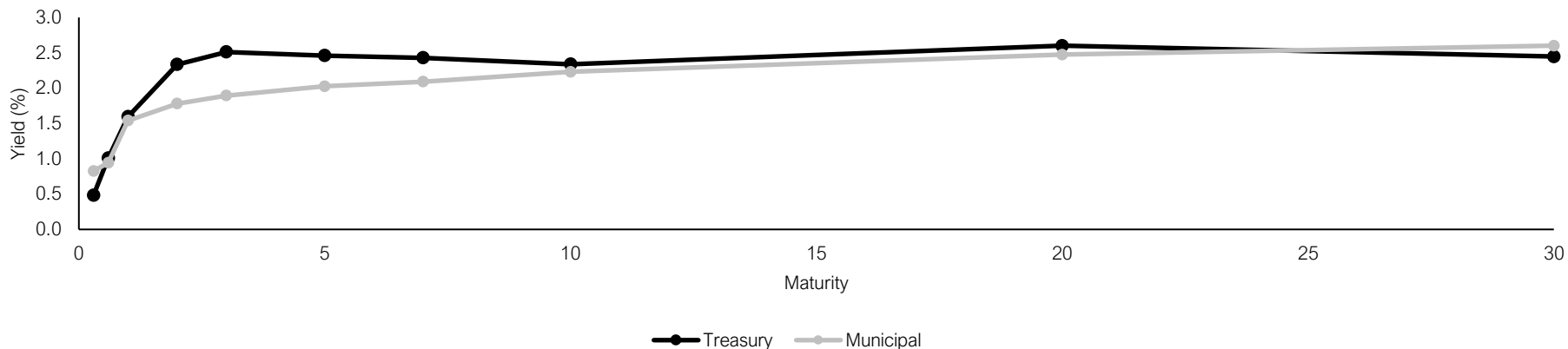


	Minimum	Maximum	Average (10-Year)	Current
Emerging Market Debt	328	1364	587	618
U.S. High Yield Corporates	262	1099	437	321
U.S. Investment Grade	80	381	127	115
U.S. MBS	7	132	36	24

Source: Bloomberg, Barclays, Nova R Wealth Analysis. The length of each bar represents the range of a particular spread relative to an appropriate Treasury benchmark over the past 10 years. The data point marked 'current' represents the most recent quarter. Past performance is not a guarantee of future results, and this chart is not intended to be a valuation tool.

Like Treasury bond yields, municipal bond yields rose significantly during the first quarter of 2022. This can be chalked up to a lot of the same dynamics present in the taxable fixed income market. The point on the municipal curve where rates rose the most in Q1 was the 2-year (+72 basis points). Yields further out on the municipal curve are comparable with the Treasury market; however, tax-equivalent yields for higher marginal tax rates finally look enticing once again.

U.S. Treasury & Municipal Yield Curve¹



Yield Comparisons of Treasury and Municipal Bonds²

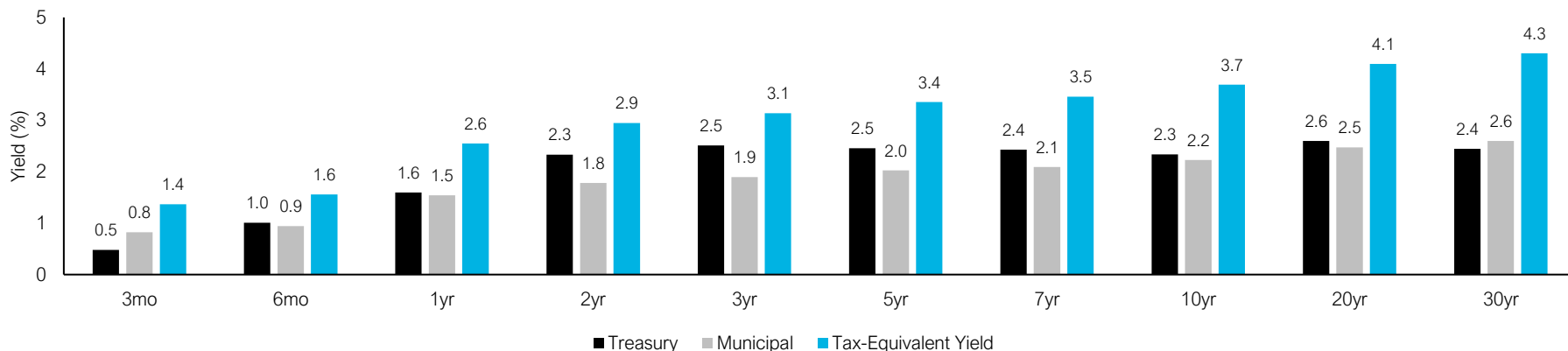
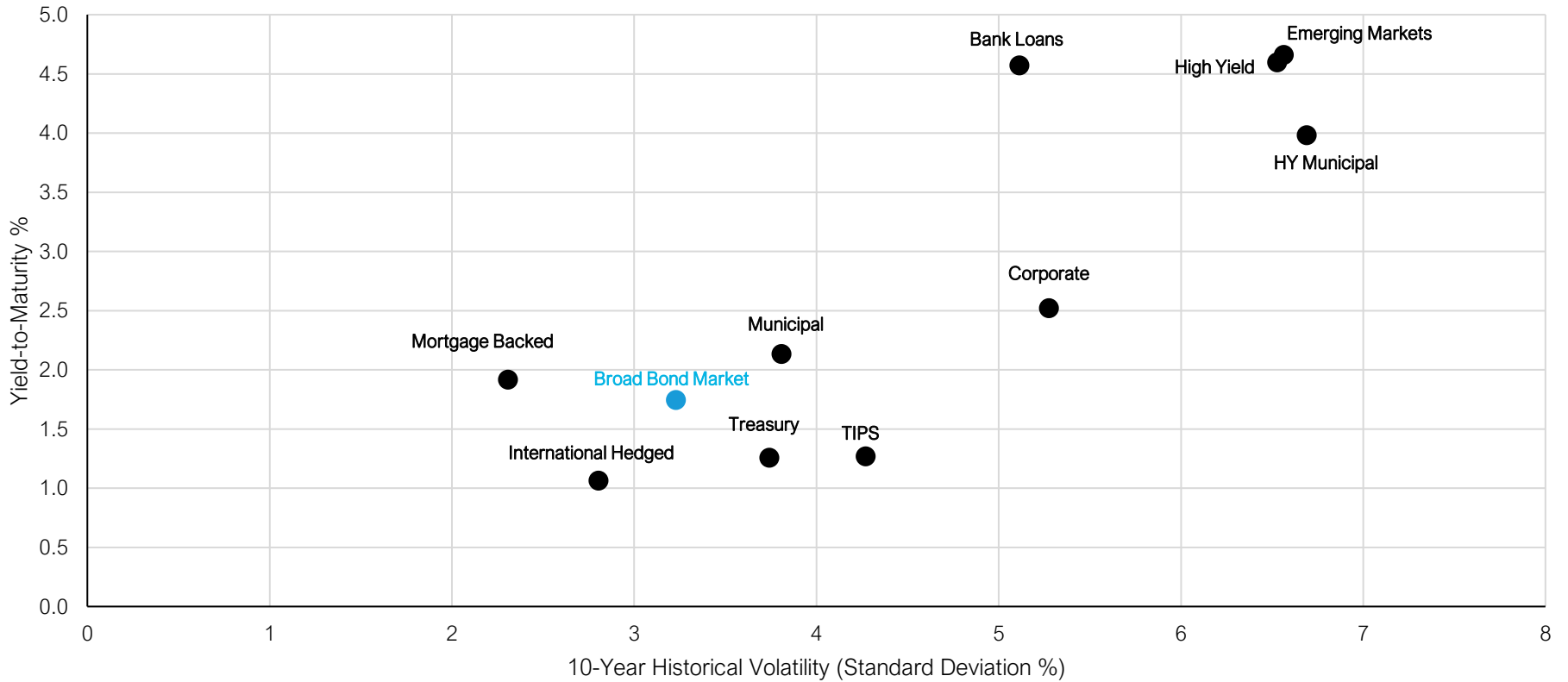


Figure 1 and Figure 2: Source: U.S. Department of Treasury, Bloomberg. Municipal yields are based on the BVAL Muni AAA Yield Curve. The Tax-Equivalent Yields assumes a 39.6% federal tax rate and full exemption of those taxes. See important disclosures and definitions included with this publication.

Yield & Volatility of Various Bond Types

Below depicts a chart of various bond types and their corresponding Yield-to-Maturity % and 10-year historical volatility (as represented by standard deviation). With the Federal funds rate at 0.25%-0.50%, nominal Treasury yields remain at their lower historical range, but yields on all bonds have risen noticeably in Q1 as the market has priced in stickier inflation for the foreseeable future.

The Relationship Between Yield and Volatility



Source: Morningstar Direct; Individual security types are subsets of either the Barclays U.S. Aggregate or Municipal Bond benchmarks. Bond types and 12 Month Yield Calculations are represented by the following indices and ETFs: Barclays Aggregate Bond (Broad Bond Market) ETF: AGG, Barclays US MBS (Mortgage-Backed) ETF: MBB, US Corporate High Yield (High Yield) ETF: HYG, Barclays IG Corporate 300M (Corporate) ETF: LQD, Barclays Municipal (Municipal) ETF: MUB, Barclays HY Municipal (High Yield Municipal) ETF: HYMB, Barclays US Treasury (U.S. Treasury) ETF: GOVT, Barclays Global Aggregate ex USD TR Hdg (International) ETF: IAGG, Barclays Emerging Market (Emerging Markets) ETF: EMB, and S&P/LSTA Leveraged Loan (Bank Loans) ETF: FTSL. Indices are unmanaged and are used to measure and report performance of various sectors of the market. Past performance is no guarantee of future results and diversification does not ensure against loss. Direct investment in indices is not available. See important disclosures and definitions included with this publication.

Disclosure & Appendix

Q1 2022

Disclosures & Appendix

Disclaimers

This is not a complete analysis of every material fact regarding any company, industry or security. The information has been obtained from sources we consider to be reliable, but we cannot guarantee the accuracy. Past performance is not a guarantee of future results. You cannot directly invest in an index. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy.

Style Definitions

Large Growth: equity securities of large capitalization companies having growth stock characteristics (high price to earnings, high return on equity and low dividend yield). Based upon the Russell 1000® Growth Index. **Large Value:** equity securities of large capitalization companies having value stock characteristics (low forecasted price-to-earnings ratio, low price-to-book ratio, high dividend yield). Based upon the Russell 1000® Value Index. **Mid Growth:** equity securities of middle capitalization companies having growth stock characteristics (high price to earnings, high return on equity and low dividend yield). Based upon the Russell Midcap® Growth Index. **Mid Value:** equity securities of middle capitalization companies having growth stock characteristics (high price to earnings, high return on equity and low dividend yield). Based upon the Russell Midcap® Value Index. **Small Growth:** equity securities of small capitalization companies having growth stock characteristics (high price to earnings, high return on equity and low dividend yield). Small capitalization stock may be subject to additional risks including illiquidity. Based upon the Russell 2000® Growth Index. **Small Value:** equity securities of small capitalization companies having value stock characteristics (low price-to-earnings ratio, low price-to-book ratio, high dividend yield). Small capitalization stocks may be subject to additional risks including illiquidity. Based upon the Russell 2000® Value Index. **International:** a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada, consisting of 21 developed market country indices. Based upon the MSCI EAFE Index. **Satellite:** these asset classes, as defined by Nova R Wealth, include commodities, real estate, high yield bonds and emerging markets. Representative benchmarks are as follows: Barclays Commodity (commodities), FTSE NAREIT All Equity REITs (real estate), Barclays Global High Yield (high yield), and MSCI Emerging Markets (emerging markets). **Short Term Taxable:** Short-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of one to 3.5 years. Based upon the Barclays 1-3 Year Govt/Credit Index. **Intermediate Taxable:** Intermediate-term bond portfolios invest primarily in corporate and other investment-grade U.S. fixed-income issues and have durations of 3.5 to six years. Based upon the Barclays Intermediate Gov't/Credit Index. **Short Term Municipal:** Muni national short portfolios invest in bonds issued by various state and local governments to fund public projects. These portfolios have durations of less than 4.5 years. Based upon the Barclays 3 Year Municipal Index. **Intermediate Term Municipal:** Muni national short portfolios invest in bonds issued by various state and local governments to fund public projects. These portfolios have durations of 4.5 to 7 years. Based upon the Barclays 7 Year Municipal Index.

Domestic Equity Benchmarks

S&P 500® Index: A representative sample of 500 leading companies in leading industries of the U.S. economy. Considered a large-cap index. **Russell 3000® Growth Index:** Measures the performance of those Russell 3000® Index companies with higher price-to-book ratios and higher forecasted growth values. An all-cap index.

Russell 3000® Value Index: Measures the performance of those Russell 3000® Index companies with lower price to- book ratios and lower forecasted growth values. An all-cap index.

Russell Top 50® Index: Measures the performance of the 50 largest companies in the Russell 1000® Index, which represents approximately 40% of the total market capitalization of the Russell 1000® Index. A mega-cap index.

Russell Top 200® Index: Measures the performance of the 200 largest companies in the Russell 1000® Index, which represents approximately 68% of the total market capitalization of the Russell 1000® Index. A large-cap index.

Russell 1000® Growth Index: Measures the performance of those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. A large-cap index.

Russell 1000® Value Index: Measures the performance of those Russell 1000® Index companies with lower price to- book ratios and lower forecasted growth values. A large-cap index.

Russell Midcap® Index: Measures the performance of the 800 smallest companies of the Russell 1000® Index, which represents approximately 36% of the total capitalization of the Russell 1000® Index. A mid-cap index.

Russell Midcap® Growth Index: Measures the performance of those Russell Midcap® Index companies with higher price-to-book and higher forecasted growth values. A midcap index.

Russell Midcap® Value Index: Measures the performance of those Russell Midcap companies with lower price-to book and lower forecasted growth values. A mid-cap index.

Russell 2000® Index: Measures the performance of the 2,000 smallest companies in the Russell 3000® Index, which represent approximately 10% of the total market capitalization of the Russell 3000® Index. A small-cap index.

Russell 2000® Growth Index: Measures the performance of those Russell 2000® Index companies with higher price-to-book ratios and higher forecasted growth values. A small-cap index.

Russell 2000® Value Index: Measures the performance of those Russell 2000® Index companies with lower price-to- book ratios and lower forecasted growth values. A small-cap index.

Russell Microcap Index: Measures the performance of smallest 1000 companies in the Russell 2000® Index, which represents less than 3% of the total market capitalization. A micro-cap index.

FTSE NAREIT All Equity REITs: Is a free-float adjusted, market capitalization-weighted index of U.S. equity REITs. Constituents of the index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

Dow Jones Industrial Average: A price-weighted index composed of 30 actively-traded large cap stocks.

Bloomberg Commodity: Aims to provide broadly diversified representation of commodity markets and represents 20 commodities, weighted based on economic significance and market liquidity. The Russell Indices are a trademark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company.

GICS

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[MSCI International Equity Benchmarks](#)

MSCI EAFE Index: A free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. The MSCI EAFE Index consists of 21 developed market country indices in Europe, Australasia, and the Far East. An international index.

MSCI EAFE Large Cap: The MSCI EAFE Large Cap Index is an unmanaged, market-weighted index of large companies in developed markets, excluding the U.S and Canada. An international large cap index.

MSCI EAFE Mid Cap: The MSCI EAFE Mid Cap Index is a free float-adjusted market capitalization index that is designed to measure the performance of mid capitalization equities in the developed markets excluding the US & Canada. An international mid cap index.

MSCI EAFE Small Cap: The MSCI EAFE Small Cap Index represents the small cap segment in 21 developed equity markets outside of North America. It targets 40% of the eligible small cap universe in each country. An international small cap index.

MSCI EAFE Growth: A sub-set of the MSCI EAFE Index, this benchmark is generally considered to be representative of the international growth stock market activity and often used as a benchmark for international growth equity portfolios. An international growth index.

MSCI EAFE Value: A sub-set of the MSCI EAFE Index, this benchmark is generally considered to be representative of international value stock market activity and often used as a benchmark for international value equity portfolios. An international value index.

MSCI Europe Index: A free float-adjusted market capitalization index that is designed to measure developed market equity performance in Europe. As of June 2006, the MSCI Europe Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the UK. An international index.

MSCI Emerging Markets Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of December 2003 the MSCI Emerging Markets Index consisted of 26 emerging market country indices. An emerging markets index.

MSCI Country Indices: To construct an MSCI Country Index, every listed security in the market is identified. Securities are free float adjusted, classified in accordance with the Global Industry Classification Standard (GICS®), and screened by size and liquidity. MSCI then constructs its indices by targeting for index inclusion 85% of the free float adjusted market capitalization in each industry group, within each country. By targeting 85% of each industry group, the MSCI Country Index captures 85% of the total country market capitalization while it accurately reflects the economic diversity of the market. International indices.

[Fixed Income Benchmarks](#)

Barclays Aggregate Bond Index: is an unmanaged index that tracks domestic investment-grade bonds, including corporate, government, and mortgage-backed securities.

Barclays 1-3 Yr Government/Credit Bond Index: Includes bonds covered by the Barclays Government/Credit Index, with maturities from 1 up to (but not including) 3 years.

Barclays Intermediate Government/Credit Bond Index: Composed of approximately 3,500 publicly issued corporate and U.S. government debt issues rated Baa or better, with at least one year to maturity and at least \$1 million par outstanding. The index is weighted by the market value of the issues included in the index. The Index has duration of a little over 3 years and a maturity equal to slightly more than 4 years.

Barclays Muni Bond Index: Bonds must have a minimum credit rating of at least Baa, an outstanding par value of at least \$3 million, part of a transaction of at least \$50 million, issued after December 31, 1990 and have a year or longer remaining maturity.

Barclays 3 Year Muni Bond Index: Includes bonds that have a minimum credit rating of BAA3, are issued as part of a deal of at least \$50 million, have a minimum maturity of 2 years and a maximum maturity of 4 years, and have been issued after December 31, 1990.

Barclays 7 Year Muni Bond Index: This index is a subset of the BC Municipal Bond Index. It includes maturities of six to eight years.

Barclays Global Aggregate ex USD Index: Tracks investment-grade government, corporate, agency, and mortgage-related bonds in markets outside the U.S. An international bond index.

Barclays High Yield Index: The Index tracks the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US domestic market, subject to various qualifications. A high yield taxable bond index.

Barclays US Treasury Bond Index: Measures the performance of public obligations of the US Treasury with a remaining maturity of one year or more.

Barclays US MBS Index: Measures the performance of investment grade mortgage-backed pass-through securities of GNMA, FNMA and FHLMC.

Barclays IG Corporate: Measures the performance of investment grade corporate bonds with a remaining maturity of one year or more.

FTSE Treasury Bill 3 Month: An unmanaged index of three-month Treasury bills. Representative of short-term money market deposits, or "cash".

[Figure Definitions:](#)

Gross Domestic Product: the total value of goods produced and services provided in a country during one year.

Headline CPI: raw inflation figure reported through the Consumer Price Index (CPI) that is released monthly by the Bureau of Labor Statistics. The CPI calculates the cost to purchase a fixed basket of goods, as a way of determining how much inflation is occurring in the broad economy. Core CPI: equal to CPI minus energy and food prices and is used to measure core inflation.

Change in Payroll: All Employees: Total Nonfarm, commonly known as Total Nonfarm Payroll, is a measure of the number of U.S. workers in the economy that excludes proprietors, private household employees, unpaid volunteers, farm employees, and the unincorporated self-employed. This measure accounts for approximately 80 percent of the workers who contribute to Gross Domestic Product (GDP).

The U-3 unemployment rate is the officially recognized rate of unemployment, measuring the number of unemployed people as a percentage of the labor force. The U-6 measure is Total unemployed, plus all marginally attached workers plus total employed part time for economic reasons.

The labor force participation rate refers to the number of people available for work as a percentage of the total population.

Average Hourly Earnings of All Employees YoY Change %: Total Private.

University of Michigan Consumer Confidence: Is a monthly survey of U.S. consumer confidence levels conducted by the University of Michigan. It is based on telephone surveys that gather information on consumer expectations regarding the overall economy.

Personal Savings Rate: Is the amount of money, expressed as a percentage or ratio, that a person deducts from his disposable personal income to set aside as a nest egg or for retirement.

US Personal Spending tracks consumer expenditures on goods and services. This concept is adjusted for inflation.

Personal income refers to all income collectively received by all individuals or households in a country.

Vix Index: Is an index created by the Chicago Board Options Exchange (CBOE), which shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities on S&P 500 index options.

Forward Price-to-earnings: Price divided by next estimated 12-months earnings per share as reported by Bloomberg Estimates.

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