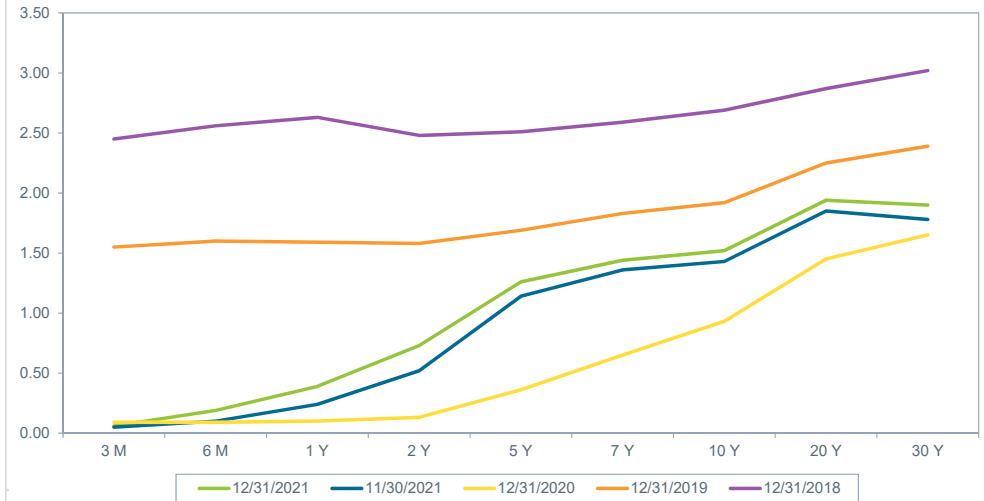


General Market Commentary

- Global equity markets rebounded in December, with all major indices finishing in positive territory. Both domestic and international indices posted low-to-mid single digit returns, with value stocks outperforming their growth counterparts.
- Despite headwinds due to the continued spread of the Omicron variant of COVID-19, persistent high inflation, and supply chain bottlenecks, stocks traded higher due to strong corporate earnings and generally positive economic data.
- Following its final meeting of 2021, the Federal Open Market Committee (FOMC) stated it will end its bond-buying program earlier than anticipated in order to reduce inflationary pressures on the economy. It is estimated that the bond-buying program could end as soon as March 2022. Additionally, recent projections show that the FOMC is expected to increase the federal funds rate as many as three times in 2022 in an effort to stem continued inflationary pressures.
- Equity markets posted positive returns in December as the S&P 500 (Cap Wtd) Index returned 4.48% and the MSCI EAFE (Net) Index returned 5.12%. Emerging markets returned 1.88% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned -0.26% in December, outperforming the -0.26% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned -0.67%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 8.83% in December and 10.75% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 52.33% for the trailing one-year period and 19.87% for the trailing five-year period ending September 2021.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 0.37% for the month and 6.13% over the trailing one-year period.
- Crude oil's price increased by 13.64% during the month, and has increased by 55.01% YoY.

Economic Indicators	Dec-21	Nov-21	Dec-20	10 Yr	20 Yr
Federal Funds Rate (%)	0.07	—	0.07	0.09	0.63
Breakeven Inflation - 5 Year (%)	2.91	▲	2.81	1.97	1.79
Breakeven Inflation - 10 Year (%)	2.59	▲	2.51	1.99	1.95
Breakeven Inflation - 30 Year (%)	2.38	▲	2.32	2.00	2.04
Bloomberg US Agg Bond Index - Yield (%)	1.75	▲	1.69	1.12	2.23
Bloomberg US Agg Bond Index - OAS (%)	0.36	▼	0.39	0.42	0.49
Bloomberg US Agg Credit Index - OAS (%)	0.87	▼	0.94	0.92	1.22
Bloomberg US Corp: HY Index - OAS (%)	2.83	▼	3.37	3.60	4.45
Capacity Utilization (%)	76.49	▼	76.62	74.11	76.49
Unemployment Rate (%)	3.9	▼	4.2	6.7	5.7
PMI - Manufacturing (%)	58.8	▼	60.6	60.5	54.3
Baltic Dry Index - Shipping	2,217	▼	3,018	1,366	1,248
Consumer Conf (Conf Board)	115.20	▲	111.90	87.10	101.45
CPI YoY (Headline) (%)	7.0	▲	6.8	1.4	1.9
CPI YoY (Core) (%)	5.5	▲	4.9	1.6	2.1
PPI YoY (%)	12.2	▼	13.3	-0.8	1.6
M2 YoY (%)	13.10	—	13.1	24.8	8.5
US Dollar Total Weighted Index	115.32	▼	116.22	111.33	107.28
WTI Crude Oil per Barrel (\$)	75	▲	66	49	66
Gold Spot per Oz (\$)	1,829	▲	1,775	1,898	1,425

Treasury Yield Curve (%)



Treasury Yield Curve (%)	Dec-21	Nov-21	Dec-20	Dec-19	Dec-18
3 Month	0.06	0.05	0.09	1.55	2.45
6 Month	0.19	0.10	0.09	1.60	2.56
1 Year	0.39	0.24	0.10	1.59	2.63
2 Year	0.73	0.52	0.13	1.58	2.48
5 Year	1.26	1.14	0.36	1.69	2.51
7 Year	1.44	1.36	0.65	1.83	2.59
10 Year	1.52	1.43	0.93	1.92	2.69
20 Year	1.94	1.85	1.45	2.25	2.87
30 Year	1.90	1.78	1.65	2.39	3.02

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	4.48	11.03	28.71	28.71	26.07	18.47	14.93	16.55
Russell 2000	2.23	2.14	14.82	14.82	20.02	12.02	10.76	13.23
MSCI EAFE (Net)	5.12	2.69	11.26	11.26	13.54	9.55	6.76	8.03
MSCI EAFE SC (Net)	4.36	0.07	10.10	10.10	15.62	11.04	9.52	10.80
MSCI EM (Net)	1.88	-1.31	-2.54	-2.54	10.94	9.87	6.11	5.49
Bloomberg US Agg Bond	-0.26	0.01	-1.55	-1.55	4.79	3.57	3.00	2.90
ICE BofAML 3 Mo US T-Bill	0.01	0.01	0.05	0.05	0.99	1.14	0.87	0.63
NCREIF ODCE (Gross)	7.97	7.97	22.17	22.17	9.20	8.71	9.60	10.45
FTSE NAREIT Eq REITs Index (TR)	8.83	16.31	43.24	43.24	18.41	10.75	9.32	11.38
HFRI FOF Comp Index	0.37	0.38	6.13	6.13	8.45	5.70	4.08	4.55
Bloomberg Cmdty Index (TR)	3.53	-1.56	27.11	27.11	9.86	3.66	0.11	-2.85

NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months and until available. Data shown is as of most recent quarter-end.

Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

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