

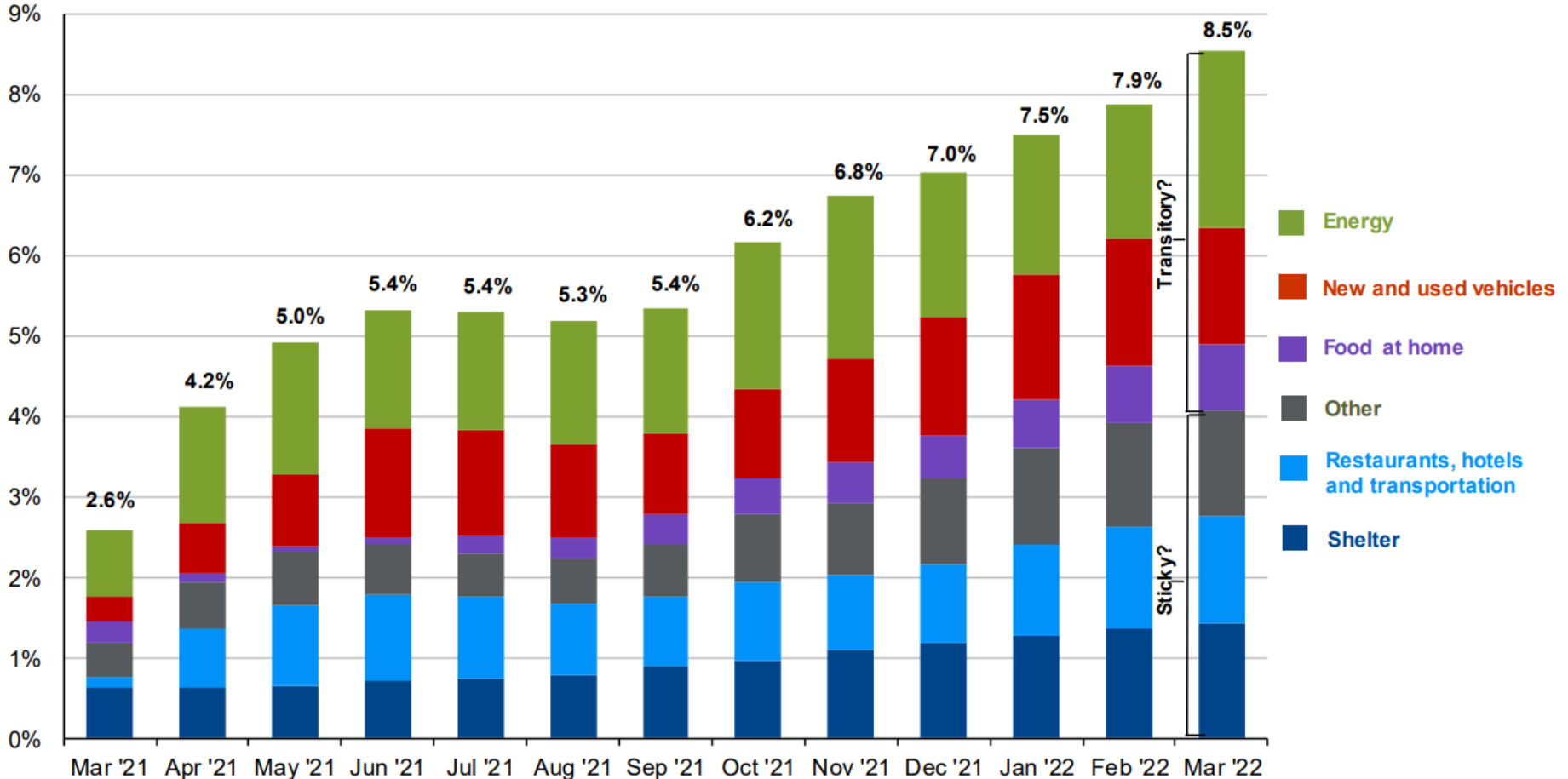
		<u>April 2022</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>10-Years</u>
U.S. Large Cap Equities	S&P 500	-8.72%	-12.92%	0.21%	13.85%	13.66%	13.67%
U.S. Small Cap Equities	Russell 2000	-9.91%	-16.69%	-16.87%	6.73%	7.24%	10.06%
Energy Infrastructure Equities	Alerian U.S. Midstream Energy	-1.57%	22.47%	37.51%	8.84%	5.06%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT	-4.65%	-8.18%	12.48%	8.24%	7.91%	8.33%
Global Equities	MSCI All Country World Index	-8.00%	-12.94%	-5.44%	9.41%	9.46%	9.21%
International Developed Equities	MSCI EAFE	-6.47%	-12.00%	-8.15%	4.44%	4.77%	5.77%
Emerging Market Equities	MSCI Emerging Markets	-5.56%	-12.15%	-18.33%	2.24%	4.32%	2.89%
U.S. Taxable Fixed Income	Bloomberg U.S. Aggregate	-3.79%	-9.50%	-8.51%	0.38%	1.20%	1.73%
U.S. Tax-Exempt Fixed Income	Bloomberg Municipal Aggregate	-2.77%	-8.82%	-7.88%	0.46%	1.80%	2.48%
High Yield Fixed Income	Bloomberg U.S. Corporate High Yield	-3.56%	-8.22%	-5.22%	2.84%	3.69%	5.26%
Floating Rate Loans	S&P/LSTA Leveraged Loan	0.18%	0.09%	2.93%	3.72%	3.96%	4.24%
International Fixed Income	Bloomberg Global Aggregate Ex-U.S.	-6.83%	-12.56%	-15.55%	-2.32%	-0.43%	-0.77%

- Global equity markets remained under pressure in April amid the Russian invasion and subsequent sanctions, renewed Covid lockdowns in China, and the anticipation of a substantially tighter global monetary policy.
- The MSCI All Country World Index declined 8.0%, with the U.S. contributing more to the loss than foreign equities.
- U.S. headline inflation registered at 8.5%, the highest level since 1981, and several members of the Fed's Board of Governors commented publicly that their intention was to increase rates back to neutral as quickly as possible.
- On a year-to-date basis, the U.S. "growth" equity index was underperforming the "value" index by nearly 14% and remains expensive.
- Outside of the U.S., returns were relatively better. However, April concluded with increased recession fears, as we saw no sign of a resolution to the war in Ukraine and concerns mounted regarding high energy prices and central bank tightening.
- Shifting to bonds, markets reacted sharply to the Fed's more hawkish tone, with U.S. 2-Year and 10-Year Treasury yields rising 0.39% and 0.56%, respectively. Credit spreads also widened over the course of the month, negatively impacting nearly all fixed income returns, with the notable exception of floating rate loans, which were slightly positive in April.

- Headline CPI rose to 8.5% in March, which was well above the 50-year average of 4.0%, while Core CPI came in at 6.4%.
- Food CPI and Energy CPI were 8.8% and 32.2%, respectively, which were well over the 50-year averages of 4.0% and 5.0%.
- The Fed's tightening cycle will have minimal impact on Food and Energy prices, but should begin to gradually lower "sticky" inflation.

Contributors to headline inflation

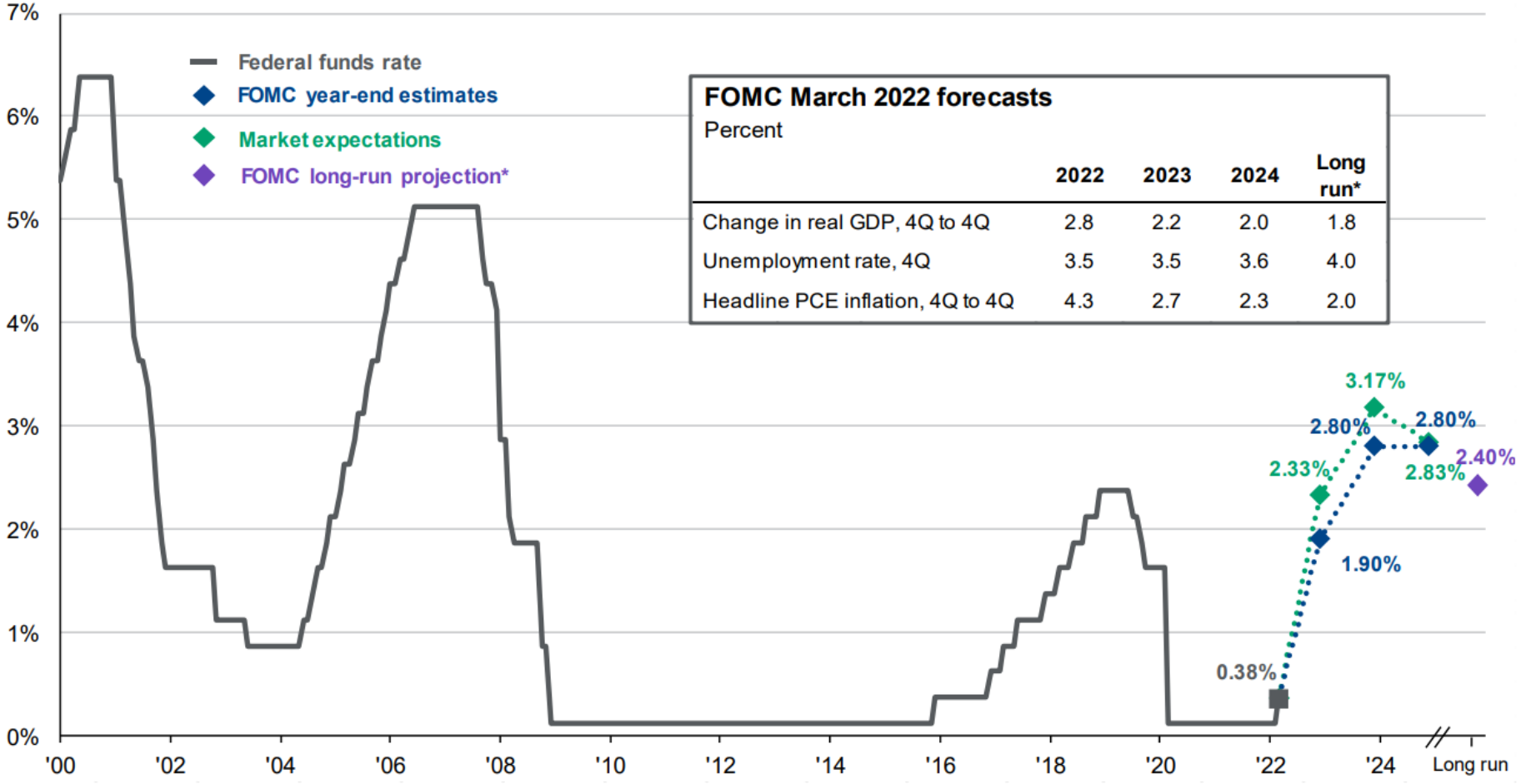
Contribution to y/y % change in CPI, non seasonally adjusted



- The U.S. Federal Reserve raised interest rates by 0.25% when it met in March, and by a further 0.50% on May 4th, as expected.
- The market expectation for Fed Funds rates increased by 0.33%, MoM, rising to 2.3% by the start of 2023 and 3.17% by the end of 2024.
- The yield curve briefly inverted in early April; the spread between the 2-year and 10-year at month-end was 0.06%.

Federal funds rate expectations

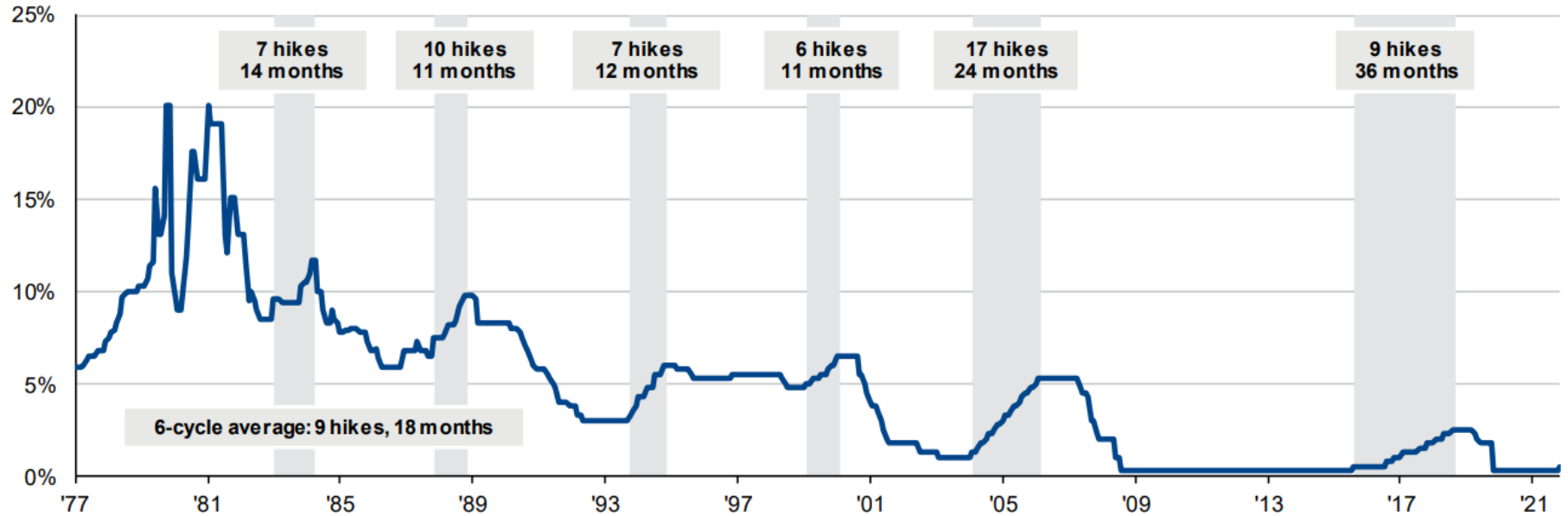
FOMC and market expectations for the federal funds rate



- The U.S. Federal Reserve's liftoff in March was the start of a well publicized intention to slow down an overheated U.S. economy.
- Prior rate hike cycles of the magnitude currently priced in have typically resulted in a recession after an average of 20 months.
- U.S. stock market returns were positive in 6 of the last 8 rate hiking cycles, which bodes well for investors that stay the course.

Federal funds rate

Target rate*, shaded areas denote periods of rate hikes



Market reaction during previous rate hiking cycles

	May 1983 – Jul. 1984	Mar. 1988 – Feb. 1989	Feb. 1994 – Feb. 1995	Jun. 1999 – May 2000	Jun. 2004 – Jun. 2006	Dec. 2015 – Dec. 2018	Mar. 2022 – Present	Avg. of past 6 rate hiking cycles
Yield change (bps)								
Federal funds rate	313	325	300	175	425	200	25	290
2-year Treasury	311	227	305	121	238	165	88	228
10-year Treasury	274	91	185	50	52	49	84	117
S&P 500 return	-9.6%	6.8%	-2.1%	8.5%	12.0%	19.0%	-2.5%	5.8%
U.S. dollar	10.4%	1.7%	-4.7%	3.4%	-5.8%	-1.4%	3.5%	0.6%

- The U.S. dollar strengthened 3.0% against the Canadian dollar in April, ending the month with an exchange rate of 1.2850.
- According to Statistics Canada, inflation rose to 6.7% in March, a 31-year high.
- Amid higher inflation, the Bank of Canada elected to raise interest rates by 0.50% when it met in April.
- Coronavirus-induced supply chain constraints and Russian sanctions are likely to keep energy and food prices higher over the near-term.
- The Bank of Canada is expected to raise interest rates expeditiously to help curb the “stickier” composition of Headline CPI.

USD to CAD

12H 1D 1W 1M 1Y 2Y 5Y **10Y**

Source: www.xe.com



Date Range	USD to CAD	+/-
YTD	1.2655-1.2850	+1.5%
1-Year	1.2294-1.2850	+4.5%
3-Years	1.3428-1.2850	(4.3%)

\$USD 1,000,000
 =
\$CAD 1,285,042
 @ 1.2850
 (4/30/2022)

CAD Profile	
*Inflation Rate	6.7% (Mar 2022)
Interest Rate	1.00% (Apr 2022)
Information	http://www.bankofcanada.ca

*Total CPI Inflation

Sources: xe.com, Statistics Canada, bankofcanada.com, Bloomberg

The larger chart below shows the historical price of copper, which is displayed in U.S. dollars per pound. The chart provides 20 years of price history. The embedded chart provides a zoomed-in image of daily copper price movement over the past 12-months.

Copper prices were down \$0.05 per pound year-to-date, or 1.1% (04/30/2022). Since the \$2.10 low point on March 23, 2020, prices have risen \$2.31 per pound, or 110%.

The price of copper was \$4.41 per pound as of April 30, 2022.



Copper Price Outlook

Copper prices declined \$0.34 per pound in April, or 7.2%. This may appear like a large drop, but decreases of this magnitude are common. For example, copper prices declined by more than 8% on five other occasions over the past year, including three dips greater than 11%.

As of May 2nd, copper futures bottomed below \$4.30 per-pound, a level not seen since late December.

The April decline was distinctly attributable to the coronavirus-induced lockdowns in China, the world's largest consumer of copper. The lockdowns sparked concerns about demand and growth, with recent data showing factory activity in China had contracted for the second consecutive month.

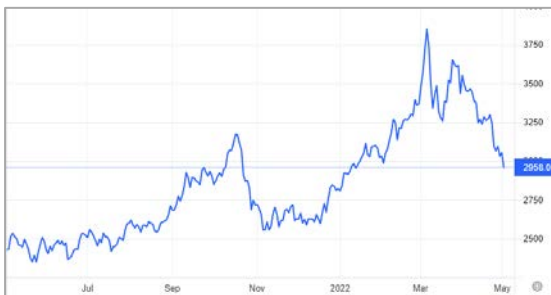
Looking ahead, guidance suggests copper will trade at \$4.28 USD per pound by the end of the second quarter, and at \$4.02 12 months from now.

The primary chart below shows the historical monthly price of aluminum for the past 25 years. The secondary chart shows the daily price movement over the past 12 months. Prices are in USD per tonne (London Metal Exchange).

Aluminum prices were up \$245 per tonne year-to-date, or 8.7% (04/30/2022). Since the \$1,472 low point on April 6, 2020, prices have risen \$1,581, or 107%

The all-time record price of aluminum was \$3,849 per tonne in March of 2022.

The price of aluminum was \$3,052.50 per tonne as of April 30, 2022.



Sources: TradingEconomics, Investing.com, FactSet

Aluminum Price Outlook

Aluminum prices declined \$439 per tonne in April, or 12.6%. This was the largest decline since October 2021, when prices fell more than \$500 per tonne, or 16.5%.

May 2nd aluminum futures had bottomed below the \$3,000-per-tonne mark, a level not seen since early January.

The April price decline and early May futures declines were attributable to a combination of coronavirus-induced restrictions in China, the world's top consumer of aluminum, and the prospect of aggressive central bank tightening, which has sparked concerns about weaker global growth.

Looking ahead, aluminum is forecast to trade at \$3,125 USD/tonne by the end of the second quarter. The 12-month forecast shows aluminum trading at \$3,355.

- The price of a barrel of crude oil increased \$4.41 in April, or 4.4%, to \$104.69 (that price had risen to \$105.17 by 05/02/2022).
- Price remains high due to the Russian invasion of Ukraine, rising world demand, and insufficient capacity to offset lost Russian supply.

Change in production and consumption of liquid fuels

Production, consumption and inventories, millions of barrels per day

Production	2019	2020	2021	2022*	2023*	Growth since '19
U.S.	19.5	18.6	18.9	20.4	21.6	10.9%
OPEC	34.6	30.7	31.7	34.3	34.9	0.7%
Russia	11.5	10.5	10.8	10.4	9.8	-14.7%
Global	100.3	93.8	95.6	100.2	102.2	2.0%

Consumption	2019	2020	2021	2022*	2023*	Growth since '19
U.S.	20.5	18.2	19.8	20.6	20.9	1.6%
China	14.0	14.4	15.3	15.7	16.2	15.3%
Global	100.9	91.9	97.4	99.8	101.7	0.9%

Inventory Change	2019	2020	2021	2022*	2023*
	-0.6	1.9	-1.8	0.4	0.5

Crude oil prices remained high in April, but exhibited less volatility compared to prior months. Since the high point on March 8, 2022, oil prices have moved gradually lower by \$19.00 per barrel, or 15.4%; however, gasoline prices have not come down in kind.

Looking ahead, oil prices, and gasoline prices are expected to remain high. According to BP's CEO Bernard Looney, *"BP does not expect any let off in oil prices in the near term as the volume of Russian oil supply disruption by Western sanctions was expected to double."* Consensus guidance suggests oil will remain above \$100 per barrel for the foreseeable future, with no expectation of any let off on gasoline prices. The U.S. average price for one gallon of regular unleaded gasoline is forecast to remain above \$4.00.

Price of oil

WTI crude, nominal prices, USD/barrel

