



## Market Update: Q2 2022

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July 25<sup>th</sup>, 2022 | [www.putmanfinancialgroup.com](http://www.putmanfinancialgroup.com)   



## Quarterly Market Summary

Index returns: Q2 2022

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
<b>Q2 2022</b>	<b>STOCKS</b>				<b>BONDS</b>	
	<b>-16.70%</b>	<b>-14.66%</b>	<b>-11.45%</b>	<b>-17.22%</b>	<b>-4.69%</b>	<b>-4.01%</b>
<b>Since Jan. 2001</b>						
Average Quarterly Return	2.2%	1.4%	2.6%	2.3%	1.0%	0.9%
Best Quarter	22.0%	25.9%	34.7%	32.3%	4.6%	4.6%
	<b>2020 Q2</b>	<b>2009 Q2</b>	<b>2009 Q2</b>	<b>2009 Q3</b>	<b>2001 Q3</b>	<b>2008 Q4</b>
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%	-5.9%	-4.1%
	<b>2008 Q4</b>	<b>2020 Q1</b>	<b>2008 Q4</b>	<b>2008 Q4</b>	<b>2022 Q1</b>	<b>2022 Q1</b>

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2022, all rights reserved. Bloomberg data provided by Bloomberg.



## Long Term Market Summary

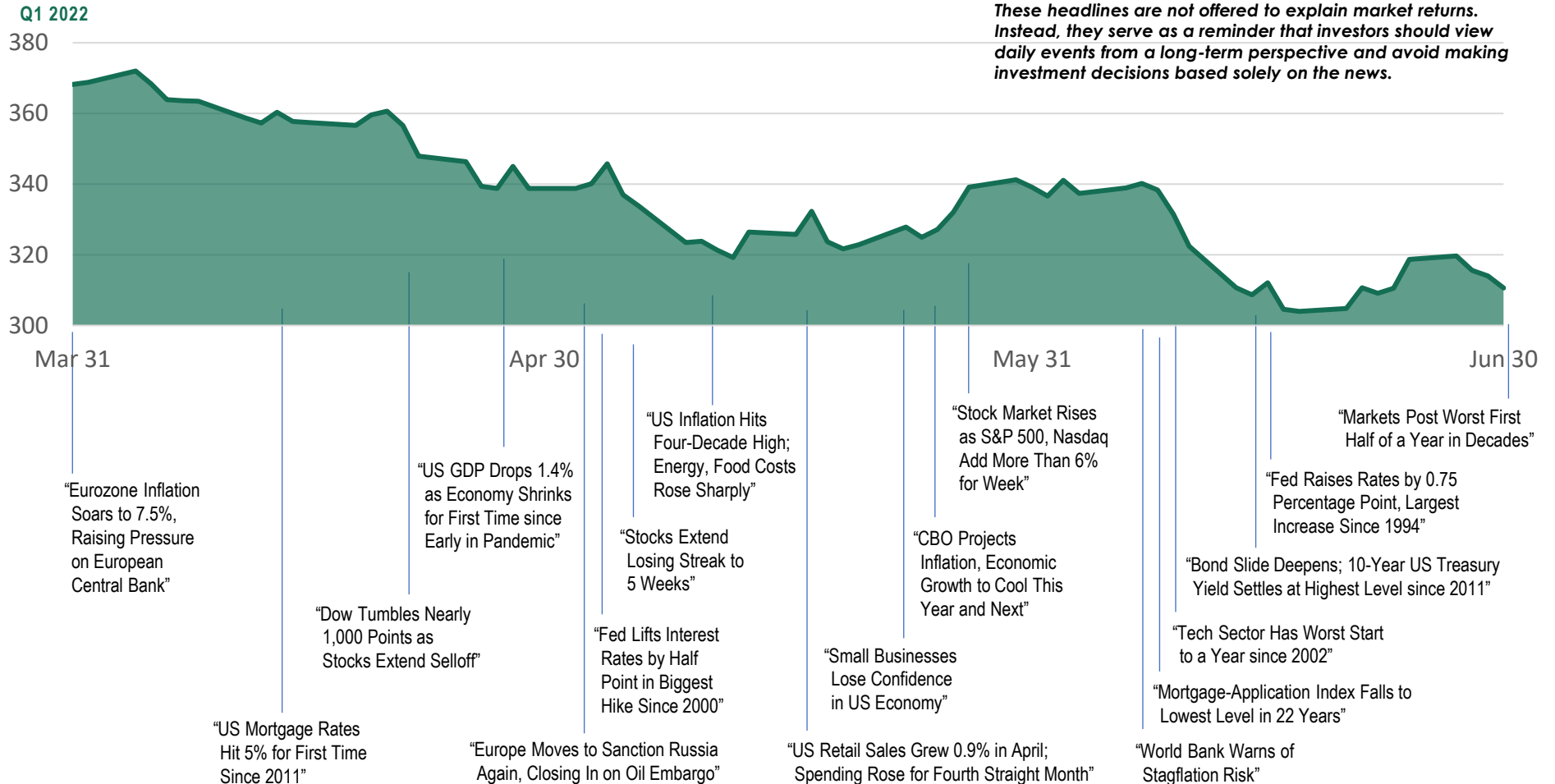
Index returns as of June 30, 2022

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	-13.87%	-16.76%	-25.28%	-10.61%	-10.29%	-7.75%
5 Years	10.60%	2.66%	2.18%	2.79%	0.88%	1.30%
10 Years	12.57%	5.37%	3.06%	5.15%	1.54%	2.66%



## World Stock Market Performance

MSCI All Country World Index with selected headlines from Q2 2022



Graph Source: MSCI ACWI Index [net dividends]. MSCI data © MSCI 2022, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.



## US Stocks

### Second quarter 2022 index returns

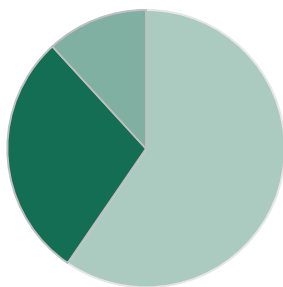
The US equity market posted negative returns for the quarter and underperformed both non-US developed and emerging markets.

Value outperformed growth.

Small caps underperformed large caps.

REIT indices underperformed equity market indices.

### World Market Capitalization—US



**60%** <sub>us</sub>

Market  
\$37.6 trillion

### Ranked Returns (%)



### Period Returns (%)

Asset Class	QTR	YTD	1 Year	* Annualized		
				3 Years*	5 Years*	10 Years*
Large Value	-12.21	-12.86	-6.82	6.87	7.17	10.50
Small Value	-15.28	-17.31	-16.28	6.18	4.89	9.05
Large Cap	-16.67	-20.94	-13.04	10.17	11.00	12.82
Marketwide	-16.70	-21.10	-13.87	9.77	10.60	12.57
Small Cap	-17.20	-23.43	-25.20	4.21	5.17	9.35
Small Growth	-19.25	-29.45	-33.43	1.40	4.80	9.30
Large Growth	-20.92	-28.07	-18.77	12.58	14.29	14.80



## Intl. Developed Stocks

Second Quarter 2022 Index Returns

Developed markets outside of the US posted negative returns for the quarter, outperforming the US and underperforming emerging markets.

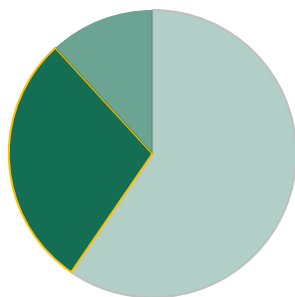
Value outperformed growth.

Small caps underperformed large caps.

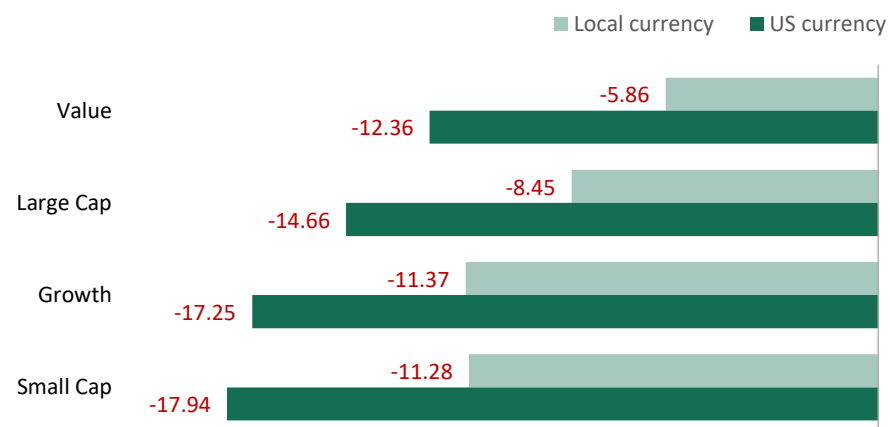
### World Market Capitalization—International Developed

29%

International  
Developed Market  
\$18.1 trillion



### Ranked Returns (%)



### Period Returns (%)

Asset Class	QTR	YTD	1 Year	* Annualized		
				3 Years*	5 Years*	10 Years*
Value	-12.36	-11.00	-10.28	1.13	1.26	4.42
Large Cap	-14.66	-18.76	-16.76	1.70	2.66	5.37
Growth	-17.25	-26.33	-23.37	1.55	3.61	6.04
Small Cap	-17.94	-23.87	-23.02	1.97	2.16	6.70



## Emerging Markets Stocks

Second Quarter 2022 Index Returns

Emerging markets posted negative returns for the quarter, outperforming the US and non-US developed markets.

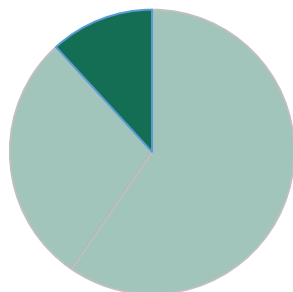
Value outperformed growth.

Small caps underperformed large caps.

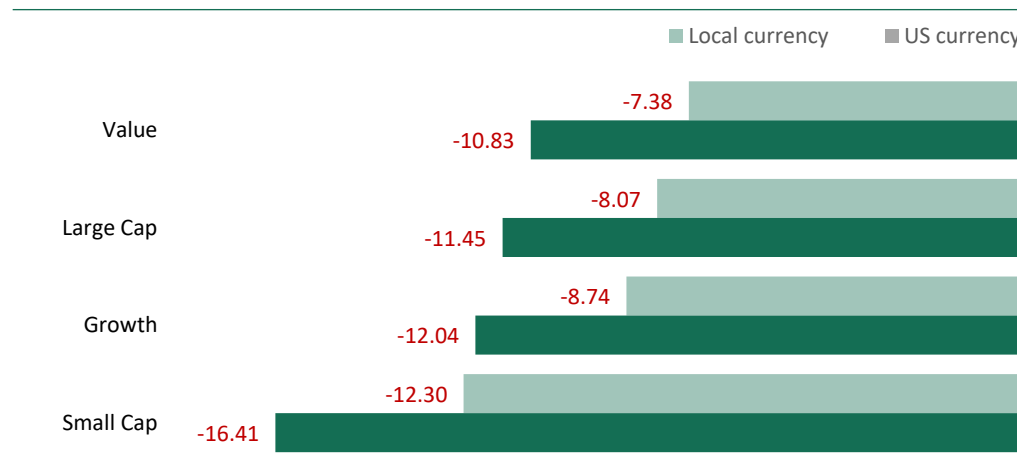
### World Market Capitalization—Emerging Markets

12%

Emerging Markets  
\$7.4 trillion



### Ranked Returns (%)



### Period Returns (%)

Asset Class	QTR	YTD	1 Year	* Annualized		
				3 Years*	5 Years*	10 Years*
Value	-10.83	-13.89	-18.59	-0.97	1.25	1.46
Large Cap	-11.45	-17.63	-25.28	0.57	2.18	3.06
Growth	-12.04	-21.07	-31.18	1.88	2.92	4.54
Small Cap	-16.41	-20.03	-20.72	5.78	3.48	4.31

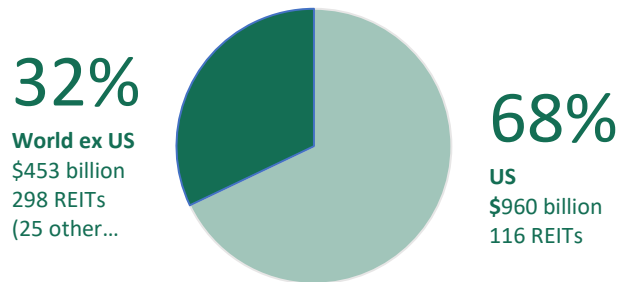


## Real Estate Investment Trusts (REITs)

Second Quarter 2022 Index Returns

US real estate investment trusts underperformed non-US REITs during the quarter

### Total Value of REIT Stocks



### Ranked Returns (%)

Global ex US REITS -17.50

US REITS -18.10

### Period Returns (%)

\* Annualized

Asset Class	QTR	YTD	1 Year	3 Years*	5 Years*	10 Years*
Global ex US REITS	-17.50	-19.93	-17.73	-4.38	0.20	3.47
US REITS	-18.10	-21.14	-6.41	2.54	4.28	6.61



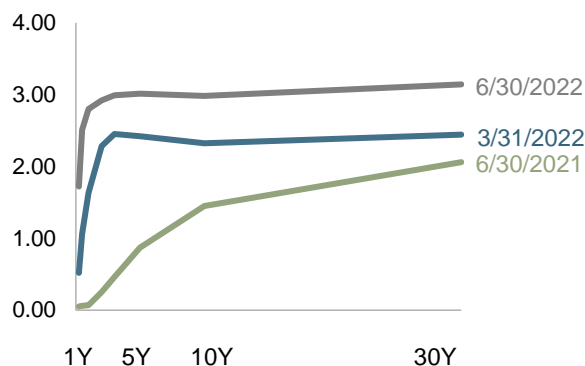


## Fixed Income

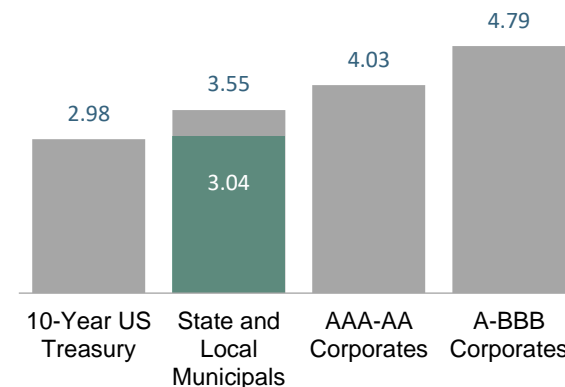
### Second Quarter 2022 Index Returns

- Interest rates increased across all maturities in the US Treasury market for the quarter.
- The yield on the 5-Year US Treasury Note increased 59 basis points (bps) to 3.01%. The yield on the 10-Year US Treasury Note increased 66 bps to 2.98%. The yield on the 30-Year US Treasury Bond increased 70 bps to 3.14%.
- On the short end of the yield curve, the 1-Month US Treasury Bill yield increased 111 bps to 1.28%, while the 1-Year US Treasury Bill yield increased 117 bps to 2.80%. The yield on the 2-Year US Treasury Note increased 64 bps to 2.92%.
- In terms of total returns, short-term corporate bonds returned -1.94% and intermediate-term corporate bonds returned -3.92%.<sup>1</sup>
- The total return for short-term municipal bonds was +0.08% and -1.30% for intermediate-term municipal bonds. Within the municipal fixed income market, general obligation bonds outperformed revenue bonds, returning -2.51% vs. -3.37%, respectively.<sup>2</sup>

#### US Treasury Yield Curve (%)



#### Bond Yield Across Issuers (%)



#### Period Returns (%)

Asset Class	QTR	YTD	1 Year	3 Years*	5 Years*	10 Years*
ICE BofA US 3-Month Treasury Bill Index	0.10	0.14	0.17	0.63	1.11	0.64
ICE BofA 1-Year US Treasury Note Index	-0.48	-1.27	-1.44	0.53	1.10	0.73
FTSE World Government Bond Index 1-5 Years (hedged to USD)	-0.95	-3.30	-3.79	0.04	1.08	1.22
Bloomberg Municipal Bond Index	-2.94	-8.98	-8.57	-0.18	1.51	2.38
FTSE World Government Bond Index 1-5 Years	-4.28	-7.69	-9.90	-2.02	-0.57	-1.05
Bloomberg U.S. Aggregate Bond Index	-4.69	-10.35	-10.29	-0.93	0.88	1.54
Bloomberg U.S. TIPS Index	-6.08	-8.92	-5.14	3.04	3.21	1.73
Bloomberg U.S. High Yield Corporate Bond Index	-9.83	-14.19	-12.81	0.21	2.10	4.47
Bloomberg U.S. Government Bond Index Long	-11.89	-21.20	-18.42	-2.94	0.50	1.65

\*Annualized

1. Bloomberg US Corporate Bond Index.

2. Bloomberg Municipal Bond Index.

One basis point (bps) equals 0.01%. Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Yield curve data from Federal Reserve. State and local bonds, and the Yield to Worst are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the ICE BofA US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (SBB) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2022 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2022 ICE Data Indices, LLC. S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.



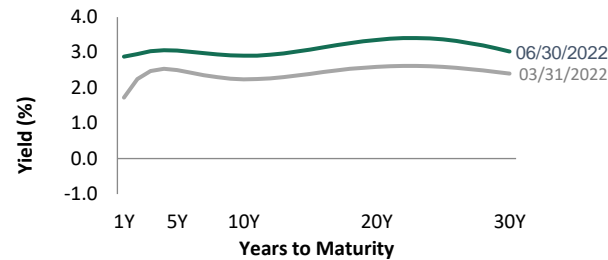
## Global Fixed Income

Second quarter 2022 yield curves

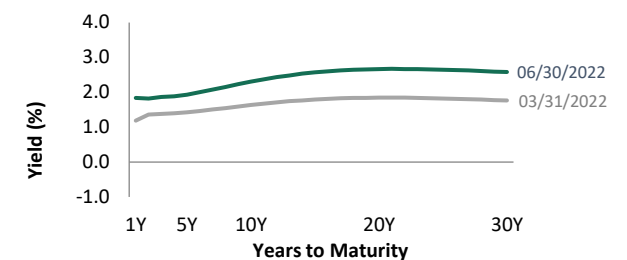
- Interest rates generally increased across maturities within global developed markets for the quarter.
- Realized term premiums were negative in global developed markets.
- In Germany, short-term nominal interest rates increased to become positive during the quarter. In Japan, short-term nominal interest rates remained negative.

Changes in Yields (bps) since 3/31/2022

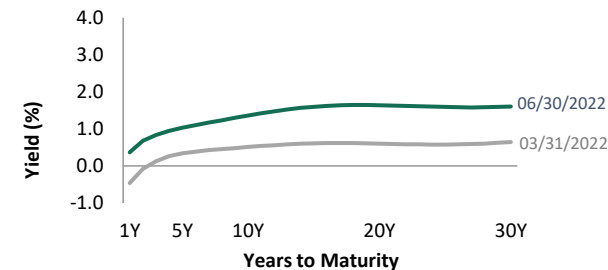
### US



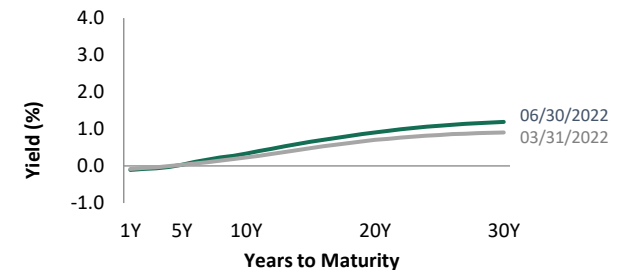
### UK



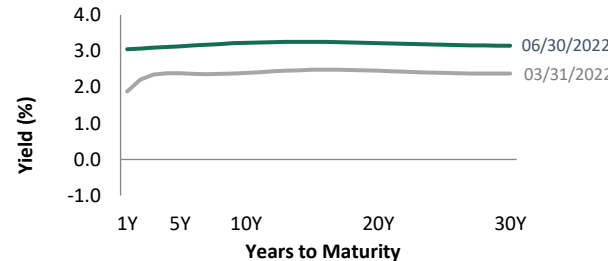
### Germany



### Japan



### Canada



### Australia

