

Performance Through Last Week End

Best ↑ ↓ Worst	ICE BofA 1-3 M US Trsy TR USD 0.0	Bloomberg Commodity TR USD 28.2	Bloomberg Commodity TR USD 41.1
	FTSE WGBI NonUSD Hdg USD -0.7	ICE BofA 1-3 M US Trsy TR USD 0.1	ICE BofA 1-3 M US Trsy TR USD 0.2
	BBgBarc US Agg Bond TR USD -0.9	Wilshire Liquid Alternative TR USD -5.7	Wilshire Liquid Alternative TR USD -5.1
	Wilshire Liquid Alternative TR USD -1.8	FTSE WGBI NonUSD Hdg USD -10.4	FTSE WGBI NonUSD Hdg USD -10.3
	S&P Global Property TR USD -5.0	BBgBarc US Agg Bond TR USD -11.5	BBgBarc US Agg Bond TR USD -11.1
	MSCI ACWI Ex USA GR USD -5.6	MSCI ACWI Ex USA GR USD -18.9	S&P 500 TR USD -11.7
	S&P 500 TR USD -5.7	S&P Global Property TR USD -21.4	S&P Global Property TR USD -16.6
	Bloomberg Commodity TR USD -6.4	S&P 500 TR USD -22.3	MSCI ACWI Ex USA GR USD -20.5
		Last Week	Year-To-Date

In last Monday's piece I stated "...it was downright ugly last week". Fast forward to today and unfortunately, I must state that the most recent week was even uglier. As you can see in the first column of the performance table, domestic stocks fell another -5.7%, foreign fare was off -5.6% and even commodities took a hit, falling -6.4%. Bonds continued to fall as well and are now off -11.5% so far in 2022. As far as crypto goes (aside from the debatable fact I am not sure this should be considered an asset class), people all over the world are losing their shirts. Companies associated with these coins are laying off workers and the Super Bowl commercial that boldly stated "fortune favors the brave" likely caused many to lose everything.

The root cause behind this turmoil boils down to the basic fact that the era of cheap money and credit is over. The Fed is simply behind the curve and thanks to the latest inflation reading, raised their baseline rate another 75 basis points last week. Incidentally, that was the largest one time increase since 1994.

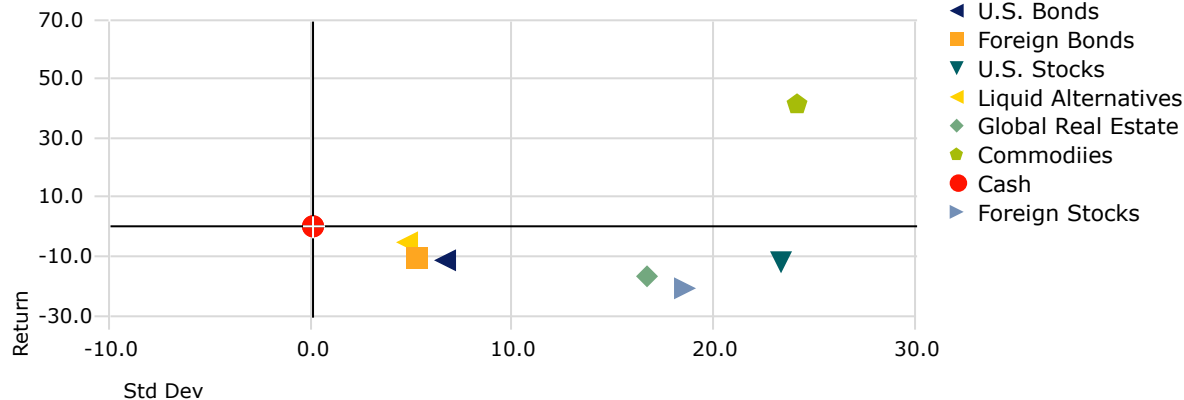
Now, the focus is the coming economic slowdown and recession. From residential real estate to consumer confidence, most indicators are starting to look as ugly as the capital markets. In times like this, it is all about true diversification and the return of your capital, not the return on capital. Keep your java warm today.

Economic Data	Current	Previous
GDP (QoQ) - Q1	-1.5%	6.9%
Unemployment Rate - May	3.6%	3.6%
Consumer Confidence - May	106.4	108.6
CPI (YoY) - May	8.6%	8.3%
Core Retail Sales (MoM) - May	-0.5%	-0.4%

Economic Calendar for the Week

Monday	No Significant Releases
Tuesday	Existing Home Sales (May)
Wednesday	Fed Chair Powell Testifies
Thursday	Crude Oil Inventories Initial Jobless Claims Fed Chair Powell Testifies
Friday	New Home Sales (May)

1 Year Risk-Reward



Bloomberg Barclays US Aggregate Bond TR USD

The index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

FTSE WGBI Non-USD Hedged USD

The index measures the performance of fixed-rate, local currency, investment-grade sovereign bonds of all WGBI countries except the United States and is stated in US dollar terms. It is a subset of Citigroup World Government Bond Index (WGBI).

S&P 500 TR USD

The index measures the performance of 500 widely held stocks in US equity market. Standard and Poor's chooses member companies for the index based on market size, liquidity and industry group representation. Included are the stocks of industrial, financial, utility, and transportation companies. Since mid 1989, this composition has been more flexible and the number of issues in each sector has varied. It is market capitalization-weighted.

MSCI ACWI Ex USA GR USD

The index measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

Wilshire Liquid Alternative TR USD

Wilshire Liquid Alternative Index aims to deliver a precise, broad market measure for the performance of diversified liquid alternative investment strategies that are implemented in mutual fund structures.

Bloomberg Commodity TR USD

The index measures the performance of future contracts on physical commodities which traded on US exchanges and London Metal Exchange. The commodity weightings are based on production and liquidity, subject to weighting restrictions applied annually.

S&P Global Property TR USD

The index defines and measures the investable universe of publicly traded property companies. The index is ideal for a range of investing activities, including benchmarking active funds and setting the foundation for passive funds. The S&P Global Property divides into two sub-indices: S&P Developed Property and S&P Emerging Property.

ICE BofA 1-3 Month US Treasury TR USD

Is an unmanaged index tracking 1-3 month U.S. government securities. The index is produced by Merrill Lynch, Pierce, Fenner & Smith, Inc.

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