

# Clwyd Pension Fund

## Economic and Market Update – Q2 2022

# Monthly Capital Market Monitor

June 2022

## Equities closed out their worst first half year on record over recession concerns

Equity markets sold off heavily in June after US inflation came in above expectations, which prompted the Federal Reserve to hike its overnight rate by 75 basis points. Economic data hinted at a slowdown and led to increased recession fears. The equity sell-off was broad based with growth outperforming value. The only equity market with significant positive returns was China where a potential end of lockdowns and supportive monetary policy helped sentiment.

Bond returns were also negative as central bank tightening and high inflation pushed up rates at the longer end of the curve. Credit spreads also rose in this risk-off environment which led to poor performance for growth fixed income. In sterling terms, broader government and credit markets ended the month with low positive returns as sterling weakened against US dollar. Gold returns were negative for the month in USD terms. Rising interest rates hurt gold as it increased the opportunity costs of holding it. For unhedged sterling investors, gold returns were positive due to currency effects.

Commodities also sold off, as investors positioned for the possibility of commodity demand slowing if a recession were to occur. Crude oil finished the month at \$105.76, down almost 8% (USD return) in June. REITs declined along with the equity market as the US housing market continued to show signs of cooling.

US inflation came in above expectations, influencing the Federal Reserve's decision to raise rates by 75 basis points. Inflation for other regions such as the UK, Eurozone and Australia was also elevated and it exceeded 2% in Japan. Inflation expectations remained stable in the US and fell substantially in the UK as central banks continued to hike aggressively and expressed their commitment to tackling inflation, even if tightening increases the risk of a recession.

The conflict in Ukraine raged on as Russia expanded its territorial gains in eastern Ukraine. Restrictions on Russian energy imports to Europe were tightened, exacerbating the energy shortfalls there and leading to fears of rationing later in the year.

Sterling's performance was mixed over the month; it weakened versus the US dollar, the Euro and the Swiss Franc. On the other hand, it strengthened versus the Yen, Australian dollar and numerous EM currencies. Monetary policy divergences and safe haven flows drove price action over the month. Bitcoin fell by 40% (USD return) during the month and closed at a two-year low.

## At a Glance Market Returns in % as of end of June 2022 in GBP

Major Asset Class Returns	1M	YTD	1Y
MSCI ACWI	-5.0	-11.0	-4.2
S&P 500	-4.8	-10.7	1.7
FTSE All Share	-6.0	-4.6	1.6
MSCI World ex-UK	-5.2	-11.6	-2.6
MSCI EM	-3.1	-8.1	-15.0
Bloomberg Barclays Global Aggregate	0.4	-4.0	-3.6
ICE Bank of America Sterling Non-Gilt index	-2.7	-12.4	-12.9
Bloomberg Barclays High Yield	-3.0	-4.3	-1.0
FTSE WGBI	0.5	-5.0	-5.3
FTA UK Over 15 year gilts	-3.4	-24.8	-22.9
FTA UK 5+ year ILG's	-5.2	-25.0	-19.1
NAREIT Global REITs	-5.1	-11.2	-0.7
Bloomberg Commodity TR	-7.4	32.1	41.4

Source: Refinitiv; as of 30/06/22

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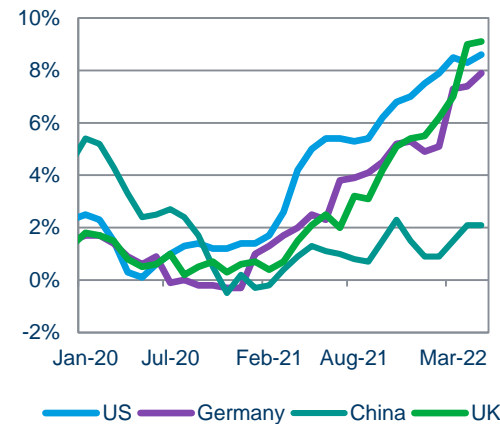
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# Market drivers

## Risk assets sell off amid persistent inflation and steep rate hikes

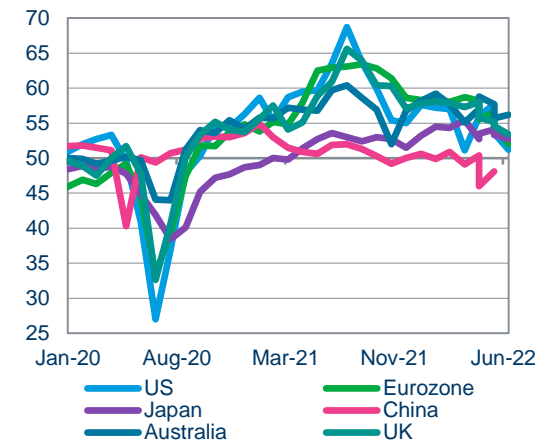
- Risk assets, including commodities, sold off in June as investors became more pessimistic on the state of the economy. Defensive assets also declined as duration continued to suffer amid accelerating monetary tightening.
- Economic headlines hinted at the global economy decelerating. Forward-looking purchasing manager indices fell to multi-month lows and moved closer to contraction territory. Retail sales fell both in the US and UK. Labour markets remained generally strong but UK unemployment edged up slightly for the first time since early 2020.
- Inflation readings offered more unwelcome surprises. US CPI at 8.6% for May raised doubts as to whether inflation is peaking. The UK saw an even higher reading at 9.1%, and Australia also faced a major surprise with inflation at 5.1%, 50 basis points higher than expected. Even in the Eurozone, inflation reached 8.1%, the highest since the Euro's inception. Inflation in Japan stayed at 2.5%, still high by historical standards<sup>1</sup>.
- Unsurprisingly, central banks continued to tighten monetary policy aggressively. The Federal Reserve hiked by 75 basis points, the largest increase since 1994. Markets are now pricing short-dated rates to reach 3.3% by the end of 2022. The Bank of England increased rates for the fifth consecutive time by another 25 basis points and the Swiss central bank surprised markets with a 50 basis point hike, their first since 2007. The European Central Bank announced a rate hike for July. Central Banks in Brazil and India also increased rates. Only Japan and China remained dovish with the former committing to maintain the 10-year rate at 25 basis points and the latter leaving short-dated rates unchanged.
- The conflict in Ukraine continued, which led to further restrictions on Russian energy in Europe, worsening the energy situation there and raising fears of shortages and rationing later in the year. India on the other hand increased purchases of Russian oil at a discount and China committed to strengthening its ties with Russia. Western politics remained as divided as ever with the UK Prime Minister surviving a no-confidence vote and France's President losing his majority in Parliament.
- One of the few green shoots in June was a loosening of lockdowns in China and a rapid recovery in its exports, leading to hopes that the world's second largest economy is starting to recover.

Consumer Price Index (Year-over-Year)



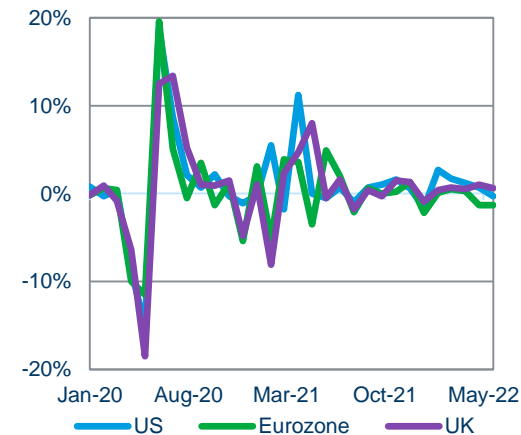
Source: Bloomberg; as of 31/05/22

Market Manufacturing PMIs



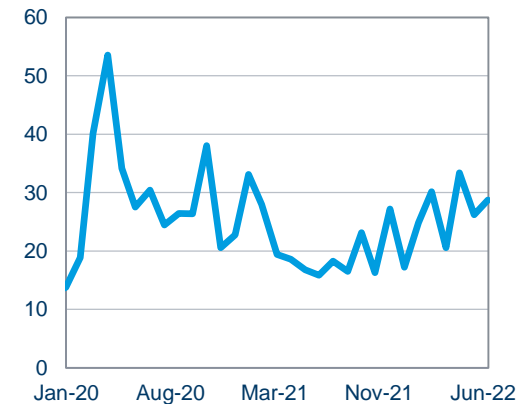
Source: Bloomberg; as of 30/06/22

Retail Sales (MoM, Seasonally Adjusted)



Source: Bloomberg; as of 31/05/22

CBOE Volatility Index (VIX Index)



Source: Bloomberg; as of 30/06/22

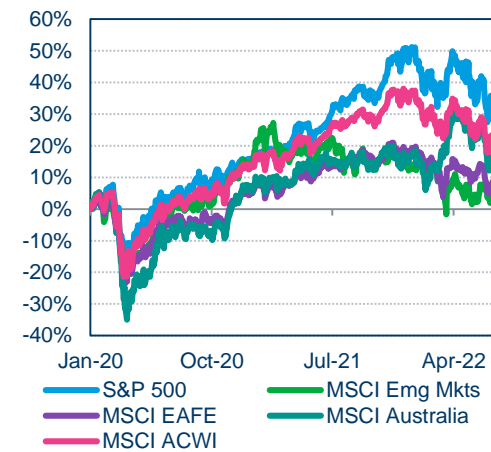
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Returns in GBP unless stated otherwise.

# Equities

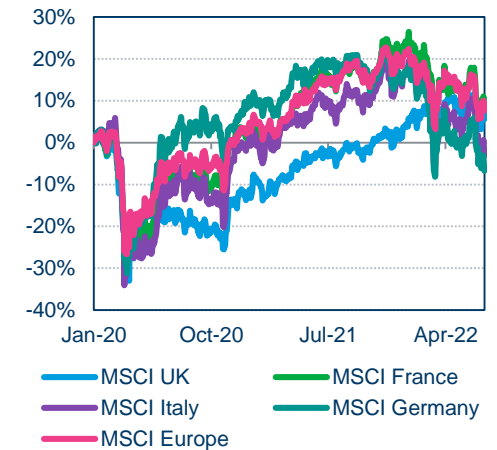
## Broad equity market sell-off, ending the month in bear market territory

- Global equity markets sold off over the month as investors started to price in an increased likelihood of recession amid persistent inflation and aggressive financial tightening that started to take its toll on the real economy. Global equities ended the month with a decline of 5% and are now down 11% year-to-date.
- The S&P 500 had back-to-back weekly declines of 5% (USD terms) with volatility, as measured by the VIX index, at elevated levels throughout the month.
- The growth hit from financial tightening and inflationary cost pressure is starting to affect corporate earnings. Factset expects the smallest earnings expansion since the end of 2020 after expected earnings growth for 2022Q2 was revised downwards over the quarter. The downward revision was driven by consumer discretionary and consumer services.
- The sell-off in June was broad based with both growth and value stocks posting steep declines. Unlike in previous months, energy also sold off, leaving no sector with positive performance. Healthcare and consumer staples held up the best among sectors, while energy and materials posted the largest declines. Year-to-date, the energy remains up 44%, while all other sectors have declined.
- The US outperformed most overseas developed markets this month except Japan. Emerging markets as a whole outperformed the US and other developed markets. China stood out as the only major equity market with strong positive returns. This was driven by optimism over China's potential recovery from its slowdown induced by last year's regulatory campaign and lockdowns in major cities this spring. Meanwhile monetary policy in China remains very accommodative. Other large emerging markets did poorly. Latin America declined by double digits, partly because of poor performance for commodity equities this month. Idiosyncratic events such as a left-wing candidate winning Colombia's presidential election and unrest in Ecuador were additional headwinds.

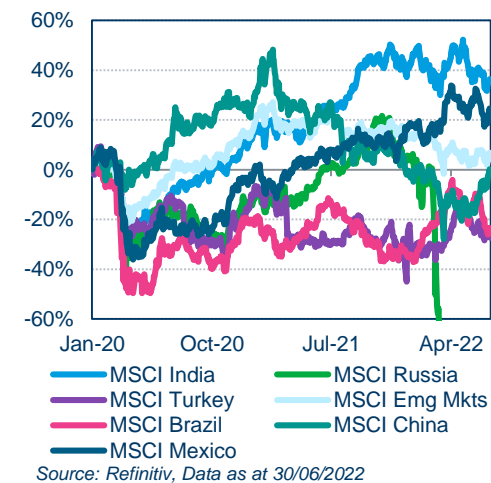
Global Equity Performance (GBP)



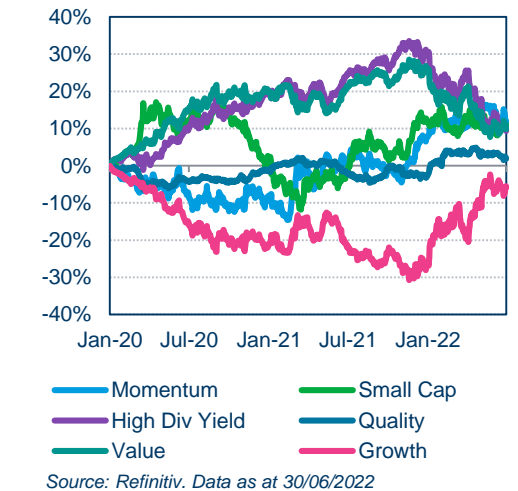
European Equity Performance (GBP)



Emerging Market Equity Performance (GBP)



Individual Factor Returns versus MSCI USA (GBP)



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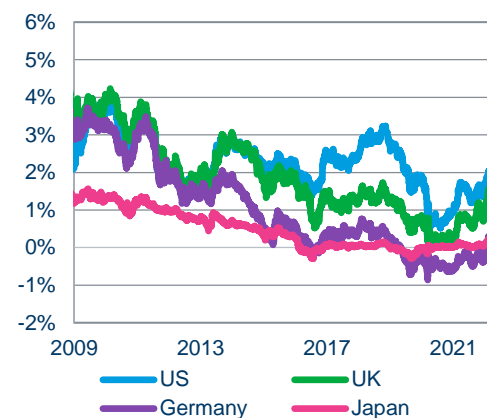
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# Fixed income

## Yields rise modestly; inflation expectations decline slightly; Russia defaults on foreign currency debt

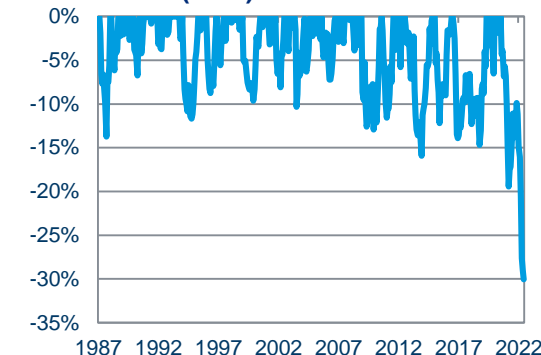
- Major developed bond yields ended the month slightly higher after spiking mid-month. Persistent high inflation and the fast pace of central bank tightening put upwards pressure on yields, although this moderated in the second half of the month amid fears of an economic slowdown. Ten-year yields rose between 10 and 20 basis points for the US, UK, Eurozone and Australia. The Japanese 10-year yield stayed flat after the Bank of Japan reiterated its commitment to cap it at 0.25%.
- In the UK, the 10-year yield rose to 2.6% intra-month before ending the month at 2.2%. There were similar moves across the medium to long end of the curve. The shorter end of the yield curve rose more significantly with the 2-year yield finishing up 25 basis points at 1.83%.
- Inflation expectations for the UK as measured by the 10-year inflation break-even rate declined by 0.52% to 3.7% over the month as the Bank of England continued to tighten and the chances of a major economic slowdown that would dampen demand are increasing. The market consensus remains that inflation will stabilise in the medium term but will likely stay above pre-2020 levels for the foreseeable future.
- Spreads for investment grade on the other hand rose by 25 basis points.
- Emerging market hard currency debt fell by over 6% (USD) during the month. Russia defaulted on its foreign currency debt as sanctions made it close to impossible for Russia to make dollar payments to foreign creditors.

10-Year Government Bond Yields



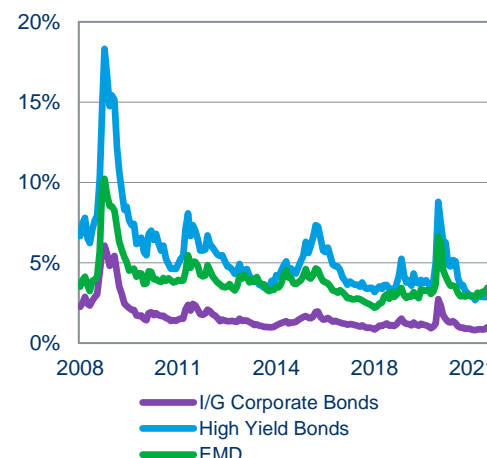
Source: Bloomberg; as of 30/06/22

Bloomberg US Long Treasury Index Drawdowns (USD)



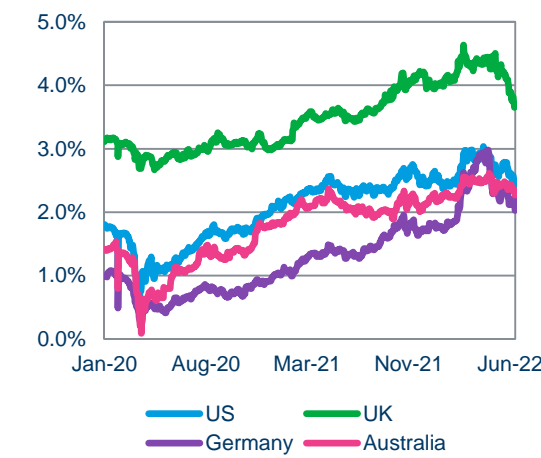
Source: Bloomberg; as of 30/06/22

Credit Spreads



Source: Bloomberg; as of 30/06/22

10-Year Inflation Breakeven Rates



Source: Bloomberg; as of 30/06/22

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Returns in GBP unless stated otherwise.

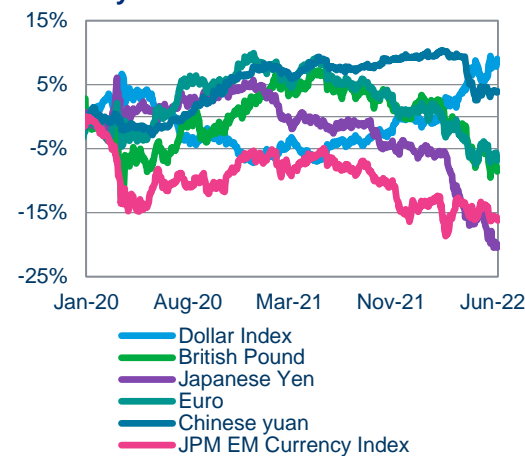
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# Currencies, commodities and alternatives

## US dollar strengthens, crypto collapses, commodities down for the first month this year

- Sterling's performance was mixed over the month; it weakened versus the US dollar, the Euro and the Swiss Franc. On the other hand, it strengthened versus the Yen, Australian dollar and numerous EM currencies. Monetary policy divergences and safe haven flows drove price action over the month
- The cryptocurrency collapse continued over the month. Bitcoin fell by over 40% (USD) and ended the month below \$20,000, one third of its peak in late 2021. A large crypto lending network had to halt withdrawals amid a liquidity crunch.
- Gold was up by 1.5% for unhedged sterling investors even if it was down by 2.2% in USD terms. This was the third consecutive monthly decline in USD terms. Gold is a safe haven that tends to do well during market sell-offs, but it also has a high implied real duration which makes it vulnerable in an environment of rising real interest rates.
- Commodities, as measured by the Bloomberg Commodity index were down by over 7% in June, the first monthly decline in 2022. Wheat prices fell in June and oil was down by 4% in USD terms. There were no signs of the supply situation easing, but investors may start pricing in the increasing risk of a recession that would dampen commodity demand. In spite of lower oil prices for this month, US gas prices continued to move higher.
- Global REITs declined by over 5%, during the month. As publicly traded stocks, REITs sold off in line with equity markets. The US housing market continues to show signs of slowdown. Housing sales declined for the fourth month in a row and the 30-year mortgage rate rose to 5.7%. This has not translated into lower housing prices yet, the average price of a family home rose above \$400k.
- Hedge funds, as measured by the HFRX Equal Weighted Strategies index, declined 1.8% over the month, outperforming the -2.3% return for a 60% MSCI ACWI / 40% Bloomberg Aggregate portfolio. Equity, event-driven and relative value strategies were down over the month but macro strategies had positive returns.

### Currency Returns



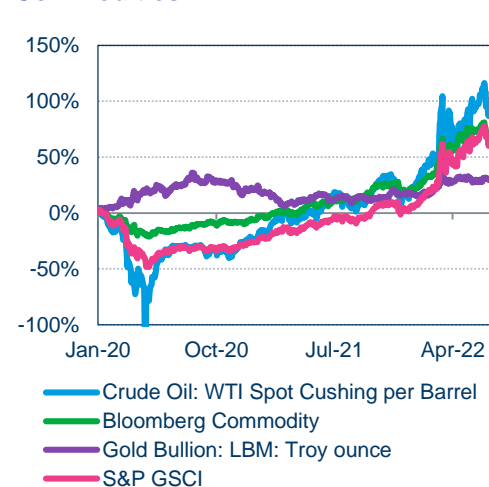
Source: Bloomberg; as of 30/06/22

### Gold & Bitcoin



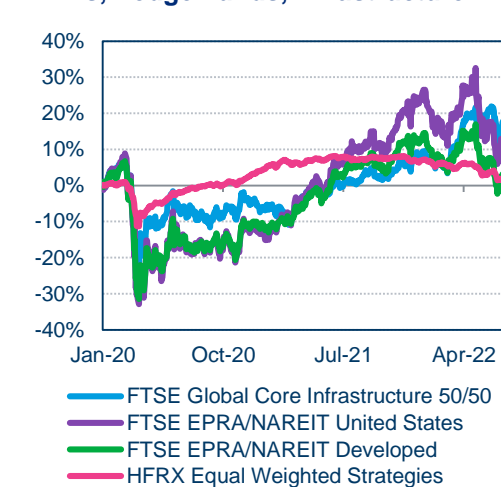
Source: Refinitiv, Bloomberg. Data as at 30/06/2022

### Commodities



Source: Refinitiv, Data as at 30/06/2022

### REITs, Hedge Funds, Infrastructure



Source: Refinitiv, Data as at 30/06/2022

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# Valuations and yields

Ending 30 June 2022

## Valuations

FTSE ALL-Share	30-06-2022	31-03-2022	31-12-2021	30-09-2021
Index Level	7981.3	8404.7	8363.9	8027.1
P/E Ratio (Trailing)	16.6	14.7	21.0	23.9
CAPE Ratio	18.5	19.9	19.6	19.1
Dividend Yield	4.1	3.5	3.6	3.7
P/B	1.7	1.8	1.8	1.8
P/CF	5.8	6.4	7.5	7.6
MSCI World ex-UK	30-06-2022	31-03-2022	31-12-2021	30-09-2021
Index Level	7644.0	9147.4	9674.6	8969.6
P/E Ratio (Trailing)	16.6	20.5	23.5	23.6
CAPE Ratio	24.9	29.1	33.4	31.3
Dividend Yield	2.2	1.8	1.6	1.7
P/B	2.6	3.2	3.4	3.2
P/CF	11.0	14.1	14.4	13.7
MSCI EM	30-06-2022	31-03-2022	31-12-2021	30-09-2021
Index Level	501.1	565.8	608.3	616.4
P/E Ratio (Trailing)	12.5	14.0	21.7	15.1
CAPE Ratio	12.5	13.7	14.5	15.8
Dividend Yield	3.1	2.5	2.0	2.2
P/B	1.7	1.8	2.0	1.9
P/CF	7.6	8.5	8.3	9.4

Source: Bloomberg, Refinitiv

## Yields

Global Bonds	30-06-2022	31-03-2022	31-12-2021	30-09-2021
Germany – 10Y	1.34	0.55	-0.18	-0.20
France - 10Y	1.92	0.98	0.20	0.16
US - 10Y	3.01	2.34	1.51	1.49
Switzerland – 10Y	1.07	0.60	-0.14	-0.16
Italy – 10Y	3.26	2.04	1.17	0.86
Spain 10Y	2.42	1.44	0.57	0.46
Japan – 10Y	0.23	0.22	0.07	0.07
Euro Corporate	3.29	1.55	0.52	0.35
Euro High Yield	7.81	5.18	3.55	3.16
EMD (\$)	8.56	6.42	5.27	5.11
EMD (LCL)	7.30	6.48	5.87	5.49
US Corporate	4.70	3.60	2.33	2.13
US Corporate High Yield	8.80	6.01	4.21	4.04
US Bonds	30-06-2022	31-03-2022	31-12-2021	30-09-2021
SONIA	1.19	0.69	0.19	0.05
10 year gilt yield	2.21	1.59	0.97	1.02
30 year gilt yield	2.56	1.75	1.13	1.36
10 year index linked gilt yield	-1.40	-2.74	-2.95	-2.77
30 year index linked gilt yield	-0.68	-1.92	-2.27	-2.10
AA corporate bond yield	3.40	2.38	1.46	1.29
A corporate bond yield	3.70	2.61	1.68	1.56
BBB corporate bond yield	4.47	3.25	2.16	1.99

Source: Bloomberg, Refinitiv

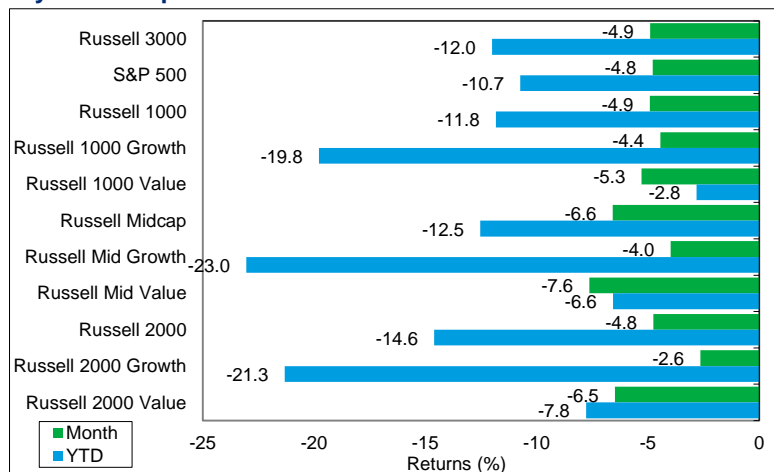
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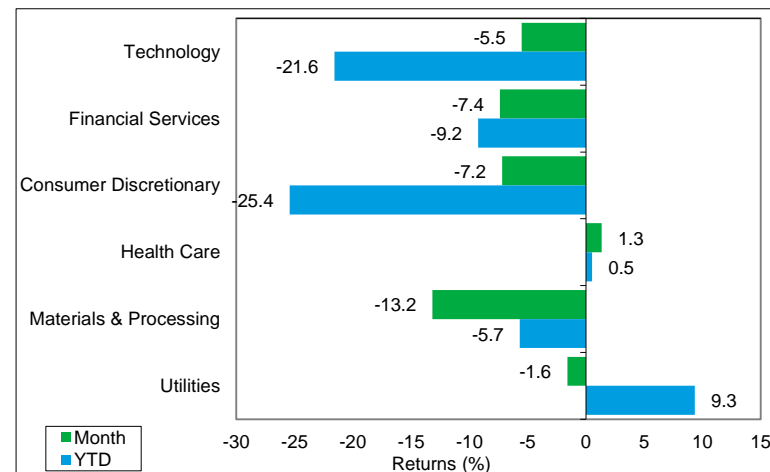
# Performance Summary

## US Equity ending 30 June 2022

### Style and Capitalisation Market Performance



### Russell 1000 Sector Performance



Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2021	2020	2019	2018	2017
S&P 500	-4.8	-9.0	-10.7	1.7	13.2	12.3	12.8	15.3	15.9	10.3	29.9	14.7	26.4	1.6	11.3
Russell 3000	-4.9	-9.7	-12.0	-2.0	12.4	11.5	12.1	14.6	15.5	10.4	26.8	17.2	26.0	0.6	10.6
Russell 3000 Growth	-4.3	-14.2	-19.9	-8.7	8.0	13.6	15.2	17.1	17.4	11.5	27.0	34.0	30.6	4.0	18.4
Russell 3000 Value	-5.4	-5.0	-3.1	5.3	17.0	8.5	8.5	11.6	13.3	9.1	26.5	-0.3	21.4	-2.9	3.4
Russell 1000	-4.9	-9.7	-11.8	-1.1	12.5	11.9	12.5	14.9	15.7	10.5	27.6	17.2	26.4	1.1	11.2
Russell 1000 Growth	-4.4	-14.3	-19.8	-7.6	8.5	14.4	15.8	17.7	17.8	11.6	28.8	34.2	31.1	4.6	18.9
Russell 1000 Value	-5.3	-4.8	-2.8	6.0	16.7	8.6	8.6	11.7	13.4	9.1	26.3	-0.4	21.7	-2.6	3.8
Russell Midcap	-6.6	-9.9	-12.5	-5.9	12.3	8.3	9.4	12.1	14.2	11.1	23.7	13.5	25.5	-3.4	8.3
Russell Mid Growth	-4.0	-14.4	-23.0	-19.9	1.5	5.9	10.4	12.4	14.4	11.2	13.8	31.4	30.2	1.2	14.4
Russell Mid Value	-7.6	-7.5	-6.6	2.4	18.4	8.4	7.7	11.2	13.5	10.6	29.5	1.7	22.2	-6.8	3.5
Russell 2500	-6.1	-10.0	-12.8	-10.1	12.6	7.6	8.5	11.2	13.3	10.5	19.3	16.3	22.8	-4.4	6.7
Russell 2500 Growth	-3.4	-12.8	-21.3	-22.4	1.9	5.3	9.0	11.1	13.8	10.9	6.0	36.1	27.5	-1.7	13.7
Russell 2500 Value	-7.6	-8.3	-7.1	-1.3	20.1	7.9	7.0	10.5	12.4	9.8	29.0	1.6	18.8	-6.9	0.8
Russell 2000	-4.8	-10.2	-14.6	-14.9	11.0	5.9	6.6	9.9	12.2	9.4	15.9	16.3	20.7	-5.5	4.7
Russell 2000 Growth	-2.6	-12.5	-21.3	-24.3	1.2	3.0	6.2	8.9	12.1	9.6	3.8	30.5	23.5	-3.7	11.6
Russell 2000 Value	-6.5	-8.1	-7.8	-4.8	21.5	7.9	6.3	10.4	11.9	9.0	29.5	1.4	17.7	-7.4	-1.5
Russell 1000 Technology	-5.5	-15.5	-21.6	-6.7	11.5	20.7	21.0	23.4	21.0	13.3	38.4	42.2	41.5	4.9	26.4
Russell 1000 Financial Services	-7.4	-10.2	-9.2	0.4	19.7	11.0	11.8	15.0	16.5	8.5	36.3	3.9	28.6	-2.4	11.0
Russell 1000 Consumer Discretionary	-7.2	-19.8	-25.4	-17.7	4.2	7.5	11.5	14.0	16.3	11.3	18.4	38.5	24.2	6.1	13.4
Russell 1000 Health Care	1.3	1.4	0.5	13.5	14.3	14.7	13.6	14.0	18.1	11.4	24.4	13.4	16.8	13.2	11.5
Russell 1000 Energy	-13.0	2.3	44.1	55.0	45.8	11.8	8.2	6.9	6.5	8.4	52.7	-33.0	6.5	-13.5	-9.7
Russell 1000 Producer Durables	-5.5	-9.0	-12.2	-9.4	10.0	4.6	7.1	12.0	13.8	9.1	17.2	8.4	25.7	-6.9	12.1
Russell 1000 Materials & Processing	-13.2	-13.9	-5.7	3.7	17.6	11.6	9.8	13.0	13.1	7.2	26.5	13.9	21.6	-11.1	13.1
Russell 1000 Consumer Staples	0.1	5.9	9.2	23.4	16.6	12.9	8.7	12.2	13.2	9.2	19.3	3.8	19.3	-4.1	0.3
Russell 1000 Utilities	-1.6	2.7	9.3	27.8	15.8	10.5	10.7	14.1	12.1	7.6	19.8	-3.2	21.3	6.1	-3.0

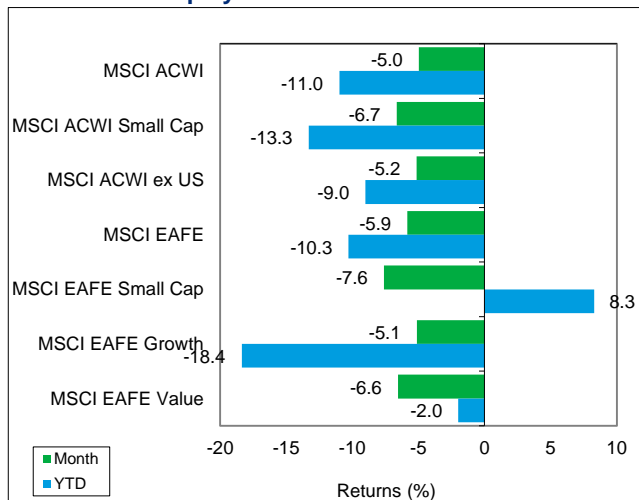
Data Source: Thomson Reuters Datastream



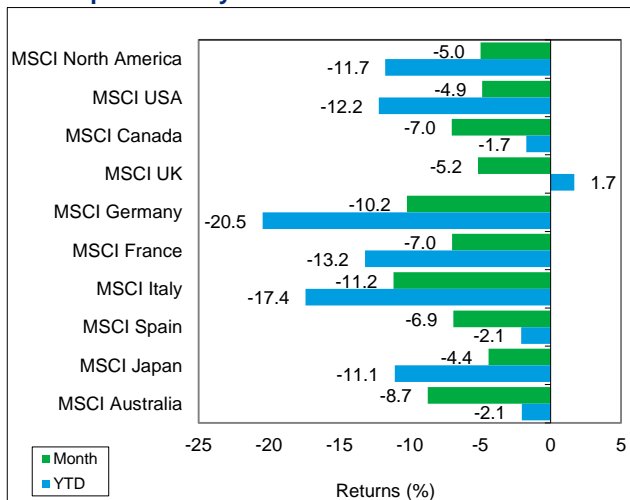
# Performance Summary

## International Equity ending 30 June 2022

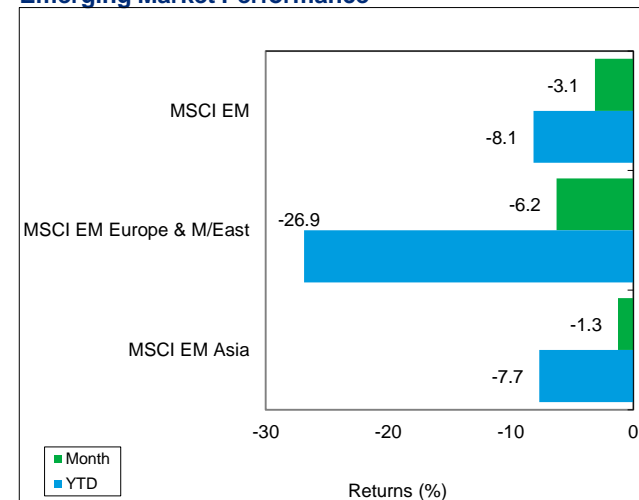
### International Equity Performance



### Developed Country Performance



### Emerging Market Performance



Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2021	2020	2019	2018	2017
MSCI ACWI	-5.0	-8.6	-11.0	-4.2	9.3	7.9	8.5	11.0	11.6	8.5	19.6	12.7	21.7	-3.8	13.2
MSCI ACWI IMI	-5.1	-8.6	-11.0	-4.6	9.9	8.1	8.7	11.4	12.1	9.2	19.8	13.2	22.1	-4.0	13.8
MSCI ACWI Small Cap	-6.7	-10.1	-13.3	-11.1	10.7	6.0	6.1	9.3	11.1	10.1	17.2	12.7	19.8	-9.1	13.1
MSCI ACWI ex US	-5.2	-6.5	-9.0	-8.3	5.5	2.9	3.9	6.8	7.5	7.0	8.8	7.2	16.8	-8.9	16.2
MSCI EAFE	-5.9	-7.3	-10.3	-6.5	5.2	2.7	3.6	6.6	8.1	6.5	12.3	4.5	17.3	-8.4	14.2
MSCI EAFE Growth	-5.1	-9.9	-18.4	-13.3	0.8	2.9	4.9	7.8	9.0	6.8	12.3	14.6	23.0	-7.4	17.7
MSCI EAFE Value	-6.6	-5.0	-2.0	0.2	9.4	1.8	1.9	5.0	6.9	6.0	11.9	-5.6	11.6	-9.5	10.9
EM	-3.1	-4.0	-8.1	-15.0	3.5	2.1	3.6	6.7	5.7	9.7	-1.6	14.7	13.8	-9.3	25.4
North America	-5.0	-9.8	-11.7	-0.9	12.2	11.5	11.9	14.2	14.7	9.7	27.6	16.2	25.7	0.1	10.4
Europe	-6.5	-7.3	-11.7	-6.3	6.4	2.8	3.5	6.5	8.2	6.5	17.4	2.1	19.0	-9.6	14.6
EM Europe & M/East	-6.2	-7.2	-26.9	-22.0	-2.3	-6.5	-0.1	2.8	0.1	6.1	25.1	-10.4	14.6	-2.2	5.8
EM Asia	-1.3	-1.7	-7.7	-15.7	3.1	4.7	4.8	8.0	8.3	9.8	-4.2	24.4	14.6	-10.2	30.5
Latin America	-13.9	-15.3	10.9	-4.5	11.2	-4.9	0.8	4.2	0.4	9.8	-7.2	-16.5	12.9	-0.8	13.0
USA	-4.9	-9.9	-12.2	-1.2	12.0	11.6	12.1	14.5	15.2	9.7	27.6	17.0	25.8	0.9	10.7
Canada	-7.0	-8.7	-1.7	4.7	16.9	8.9	8.2	9.5	7.6	9.3	27.1	2.1	22.6	-12.1	6.0
Australia	-8.7	-11.2	-2.1	-1.1	11.1	4.0	5.9	8.9	7.6	10.0	10.4	5.4	18.2	-6.5	9.6
UK	-5.2	-2.9	1.7	9.2	13.2	2.8	3.6	5.4	6.4	5.9	19.6	-13.2	16.4	-8.8	11.7
Germany	-10.2	-11.2	-20.5	-21.7	-3.9	-2.5	-1.4	3.6	6.7	6.0	6.3	8.1	16.1	-17.3	16.6
France	-7.0	-7.6	-13.2	-7.1	8.2	2.7	4.6	8.5	9.6	6.3	20.6	0.9	20.9	-7.3	17.6
Italy	-11.2	-10.7	-17.4	-12.0	3.7	-0.6	1.5	3.4	5.9	2.5	16.1	-1.3	22.4	-12.6	17.3
Spain	-6.9	-0.7	-2.1	-4.8	5.5	-3.2	-2.7	1.7	5.2	5.6	2.3	-7.7	7.7	-11.0	16.0
Japan	-4.4	-7.4	-11.1	-8.9	0.8	2.6	3.1	6.3	8.3	5.2	2.6	10.9	15.0	-7.5	13.3
Brazil	-16.1	-18.0	14.6	-12.8	6.9	-7.8	2.2	5.8	0.5	11.0	-16.6	-21.5	21.4	5.7	13.4
China	10.6	12.1	-1.0	-22.4	-6.0	1.0	3.5	5.5	8.2	11.7	-21.0	25.5	18.7	-13.8	40.7
India	-3.2	-6.4	-5.5	8.3	23.1	9.0	8.7	10.5	10.9	13.9	27.4	12.0	3.4	-1.5	26.7
Russia	0.0	0.0	-100.0	-100.0	-99.9	-98.8	-92.3	-83.4	-72.2	-44.3	20.1	-15.2	45.1	5.8	-3.9

Data Source: Thomson Reuters Datastream



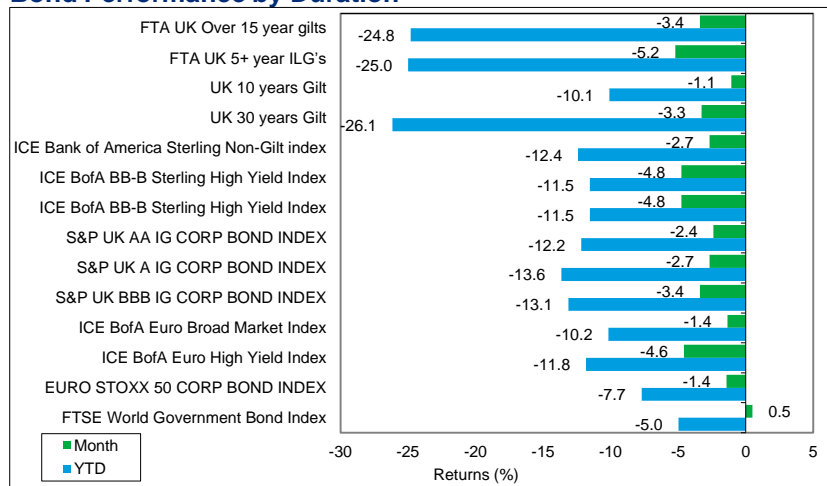
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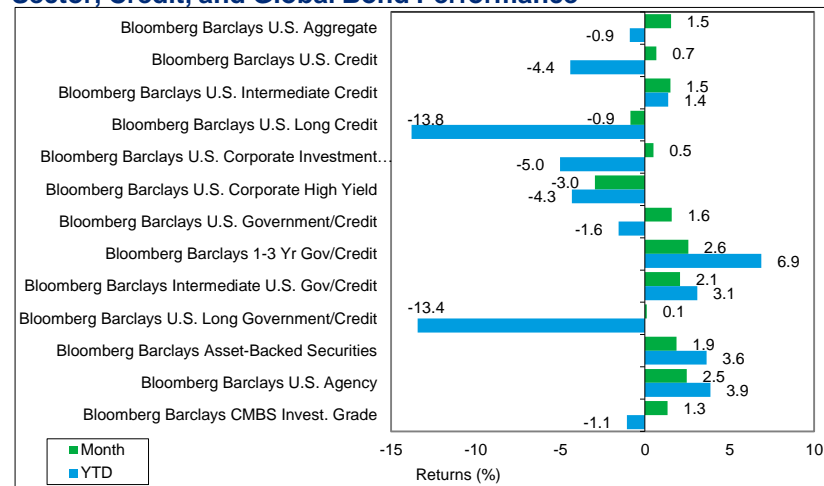
# Performance Summary

## Fixed Income ending 30 June 2022

### Bond Performance by Duration



### Sector, Credit, and Global Bond Performance



Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2021	2020	2019	2018	2017
FTA UK Over 15 year gilts	-3.4	-14.2	-24.8	-22.9	-17.1	-6.3	-1.7	1.6	2.7	5.0	-7.3	13.9	12.0	0.3	3.3
FTA UK 5+ year ILG's	-5.2	-19.8	-25.0	-19.1	-12.1	-4.7	-0.7	2.7	4.1	6.0	4.2	12.4	6.8	-0.4	2.5
UK 10 years Gilt	-1.1	-5.0	-10.1	-11.2	-8.0	-3.1	-0.3	1.6	1.8	4.6	-5.7	6.6	5.2	2.0	2.7
UK 30 years Gilt	-3.3	-14.4	-26.1	-24.2	-17.5	-6.6	-1.8	1.3	2.6	5.0	-6.4	13.8	11.7	0.4	3.1
ICE Bank of America Sterling Non-Gilt index	-2.7	-6.7	-12.4	-12.9	-5.8	-1.9	0.2	2.1	3.4	4.6	-3.0	8.0	9.5	-1.6	4.3
ICE BofA BB-B Sterling High Yield Index	-4.8	-8.4	-11.5	-11.3	-0.4	0.4	2.2	4.0	6.9	10.0	3.0	6.1	13.8	-1.4	8.2
S&P UK AA IG CORP BOND INDEX	-2.4	-6.3	-12.2	-12.4	-7.1	-2.7	-0.3	1.8	2.7	4.4	-4.8	7.7	7.3	-0.3	3.2
S&P UK A IG CORP BOND INDEX	-2.7	-7.5	-13.6	-13.7	-7.0	-2.4	-0.1	2.1	3.4	4.6	-3.9	8.4	10.4	-1.5	3.6
S&P UK BBB IG CORP BOND INDEX	-3.4	-7.4	-13.1	-13.6	-5.0	-1.4	0.6	2.5	4.1	5.5	-2.4	8.7	11.6	-2.6	5.5
ICE BofA Euro Broad Market Index	-1.4	-5.6	-10.2	-12.6	-8.9	-5.0	-1.3	2.9	2.5	4.8	-8.8	9.9	0.1	1.6	4.7
ICE BofA Euro High Yield Index	-4.6	-7.9	-11.8	-13.5	-4.6	-3.2	-0.3	4.6	4.9	8.6	-3.1	8.6	5.1	-2.5	11.0
EURO STOXX 50 CORP BOND INDEX	-1.4	-4.0	-7.7	-10.2	-6.7	-4.0	-1.2	2.9	2.3	--	-7.2	8.5	-0.9	0.1	5.5
FTSE World Government Bond Index	0.5	-1.2	-5.0	-5.3	-7.6	-2.8	0.2	3.8	1.9	0.9	-6.1	6.7	1.8	5.3	-1.8
Bloomberg Barclays U.S. Aggregate	1.5	2.5	-0.9	1.0	-4.8	0.4	2.1	4.9	3.9	4.5	-0.7	4.3	4.6	5.8	-4.9
Bloomberg Barclays U.S. Credit	0.7	0.4	-4.4	-2.4	-5.0	0.4	2.5	5.8	4.9	5.5	-0.2	6.0	9.4	3.7	-2.7
Bloomberg Barclays U.S. Intermediate Credit	1.5	3.9	1.4	2.8	-2.8	1.3	2.7	5.5	4.6	5.0	-0.1	3.8	5.4	5.9	-4.9
Bloomberg Barclays U.S. Long Credit	-0.9	-5.6	-13.8	-10.9	-8.7	-1.0	2.3	6.7	5.7	6.9	-0.3	9.8	18.6	-1.1	2.7
Bloomberg Barclays U.S. Corporate Investment Grade	0.5	0.0	-5.0	-3.0	-5.1	0.4	2.5	5.9	5.1	5.6	-0.2	6.5	10.2	3.3	-2.5
Bloomberg Barclays U.S. Corporate High Yield	-3.0	-2.2	-4.3	-1.0	1.3	1.8	3.5	7.1	6.9	8.1	6.1	3.9	10.0	3.6	-1.3
Bloomberg Barclays U.S. Government/Credit	1.6	2.2	-1.6	0.5	-5.1	0.6	2.3	5.1	4.1	4.7	-0.9	5.6	5.6	5.4	-4.6
Bloomberg Barclays 1-3 Yr Gov/Credit	2.6	6.8	6.9	8.3	-0.9	1.7	2.3	4.4	3.3	3.1	0.4	0.4	0.3	7.2	-7.1
Bloomberg Barclays Intermediate U.S. Gov/Credit	2.1	5.0	3.1	4.5	-3.0	1.2	2.3	4.9	3.8	4.2	-0.6	3.2	2.8	6.7	-6.2
Bloomberg Barclays U.S. Long Government/Credit	0.1	-5.5	-13.4	-9.8	-10.9	-1.0	2.2	6.3	5.1	6.7	-1.6	12.5	15.0	1.1	1.4
Bloomberg Barclays CMBS Invest. Grade	1.3	2.3	-1.1	-0.3	-2.9	0.8	2.3	4.1	3.7	4.2	-0.4	5.2	4.9	4.7	-2.7
Bloomberg Barclays U.S. Mortgage Backed Securities	1.4	3.1	0.7	2.3	-4.2	-0.1	1.5	4.3	3.5	4.2	-0.2	0.8	2.4	6.9	-5.9
Bloomberg Barclays Municipal Bond	1.4	4.2	0.4	2.6	-1.7	1.1	2.7	5.3	4.6	4.6	2.3	2.2	3.6	6.8	-2.8

Data Source: Thomson Reuters Datastream



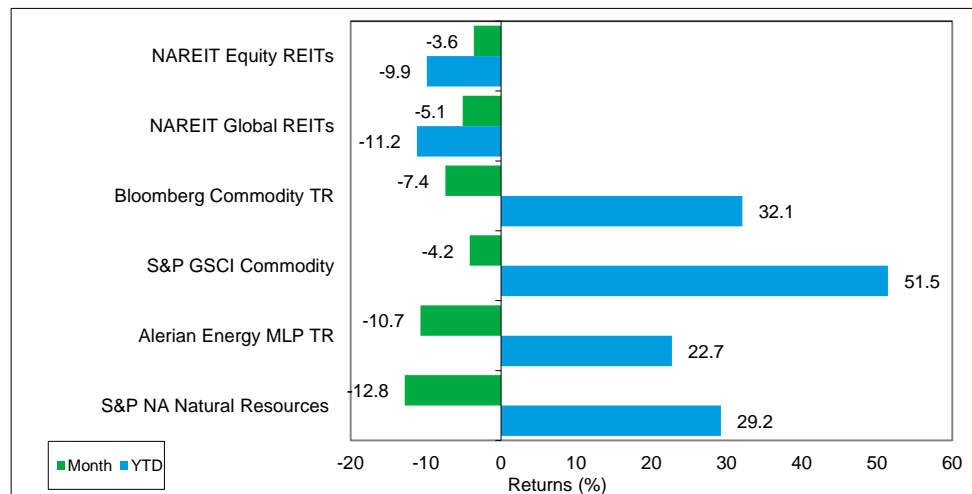
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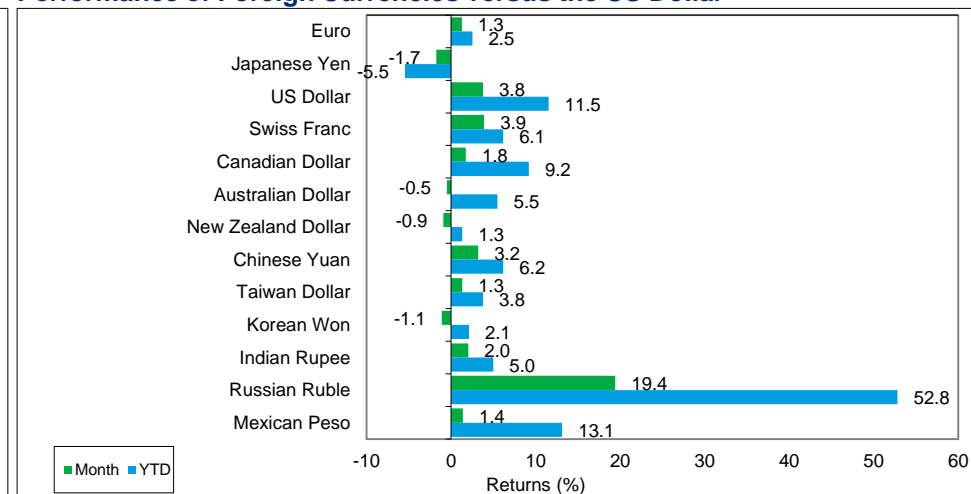
# Performance summary

Alternatives ending 30 June 2022

## Real Asset Performance



## Performance of Foreign Currencies versus the US Dollar



Index Returns	1 Mth	3 Mth	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years	20 Years	2021	2020	2019	2018	2017
NAREIT Equity REITs	-3.6	-7.5	-9.9	7.1	12.8	7.0	8.2	12.1	11.1	10.6	42.6	-8.1	23.7	1.9	-0.7
NAREIT Global REITs	-5.1	-10.2	-11.2	-0.7	9.4	1.4	4.3	7.9	8.3	9.0	28.4	-11.0	18.3	1.2	1.8
Bloomberg Commodity TR	-7.4	2.3	32.1	41.4	35.7	16.1	9.9	6.7	1.8	3.2	28.3	-6.1	3.5	-5.7	-7.1
S&P GSCI Commodity	-4.2	10.6	51.5	65.0	52.4	16.5	13.2	6.1	0.7	1.9	41.6	-26.1	13.1	-8.5	-3.4
Alerian Energy MLP TR	-10.7	0.4	22.7	18.7	31.9	1.6	1.1	1.5	3.3	9.7	41.5	-30.9	2.4	-7.0	-14.6
Oil	-4.3	14.3	56.8	63.7	65.5	23.8	19.7	12.7	4.9	8.3	56.4	-23.0	29.3	-20.2	2.7
Gold	1.5	0.3	10.2	16.0	1.1	10.2	9.2	10.4	3.8	10.4	-2.6	20.6	14.3	3.9	3.8
S&P NA Natural Resources	-12.8	-2.9	29.2	39.0	34.7	12.2	8.2	7.4	6.1	7.9	41.2	-21.5	13.1	-16.2	-7.5
Euro	1.3	1.9	2.5	0.3	-2.7	-1.3	-0.4	2.8	0.6	1.4	-6.9	5.6	-5.6	1.1	4.0
Japanese Yen	-1.7	-3.1	-5.5	-7.1	-10.1	-6.0	-2.4	2.2	-2.7	0.5	-10.3	2.0	-2.9	9.1	-5.4
US Dollar	3.8	8.4	11.5	13.8	0.9	1.6	1.4	3.8	2.6	1.1	-1.1	-3.1	-3.9	6.2	-8.7
Swiss Franc	3.9	4.2	6.1	9.8	0.3	2.2	1.4	3.4	2.5	--	-3.0	6.2	-2.1	5.0	-4.7
Canadian Dollar	1.8	5.0	9.2	9.2	3.6	2.0	1.5	3.3	0.2	2.0	0.8	-1.4	1.3	-2.6	-2.2
Australian Dollar	-0.5	-0.6	5.5	4.5	0.8	0.8	-0.8	2.2	-1.4	2.2	-5.8	5.9	-4.0	-4.0	-1.6
New Zealand Dollar	-0.9	-3.4	1.3	1.5	-0.9	-1.0	-1.8	2.4	0.1	--	-5.0	3.1	-2.9	0.2	-6.9
Chinese Yuan	3.2	2.7	6.2	9.8	3.7	2.4	1.6	2.6	2.1	2.2	2.7	3.2	-5.2	0.7	-2.5
Taiwan Dollar	1.3	4.5	3.8	6.6	0.5	3.1	1.8	4.3	2.6	1.7	1.3	3.4	-1.4	2.8	-1.1
Korean Won	-1.1	1.2	2.1	-1.3	-2.9	-2.3	-1.2	1.5	1.3	0.8	-8.7	3.2	-7.2	1.9	3.1
Indian Rupee	2.0	4.0	5.0	7.1	-1.4	-2.9	-2.6	0.6	-0.9	-1.3	-1.9	-5.3	-6.0	-2.9	-2.9
Russian Ruble	19.4	63.1	52.8	51.8	15.1	6.5	3.0	4.0	-2.6	-1.6	-1.0	-18.6	7.4	-11.9	-3.1
Brazilian Real	-6.0	-1.5	18.8	9.1	3.4	-8.4	-7.5	-3.7	-6.7	-1.9	-6.8	-24.9	-7.4	-9.1	-10.4
Mexican Peso	1.4	7.2	13.1	12.3	7.9	-0.1	-0.8	0.1	-1.5	-2.4	-3.0	-8.2	0.3	5.5	-3.8
BofA ML All Convertibles	-2.6	-8.6	-11.0	-9.7	8.5	11.8	11.5	12.8	13.5	9.8	7.6	41.7	18.4	6.4	3.9
60%S&P 500/40% Barc Agg	-2.3	-4.4	-6.8	1.4	6.0	7.6	8.5	11.1	11.1	8.0	17.7	10.6	17.7	3.3	4.8

Data Source: Thomson Reuters Datastream



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