

GLOBAL MACROECONOMIC INVESTMENT COMMITTEE

Near-term Market Assessment

May 2022

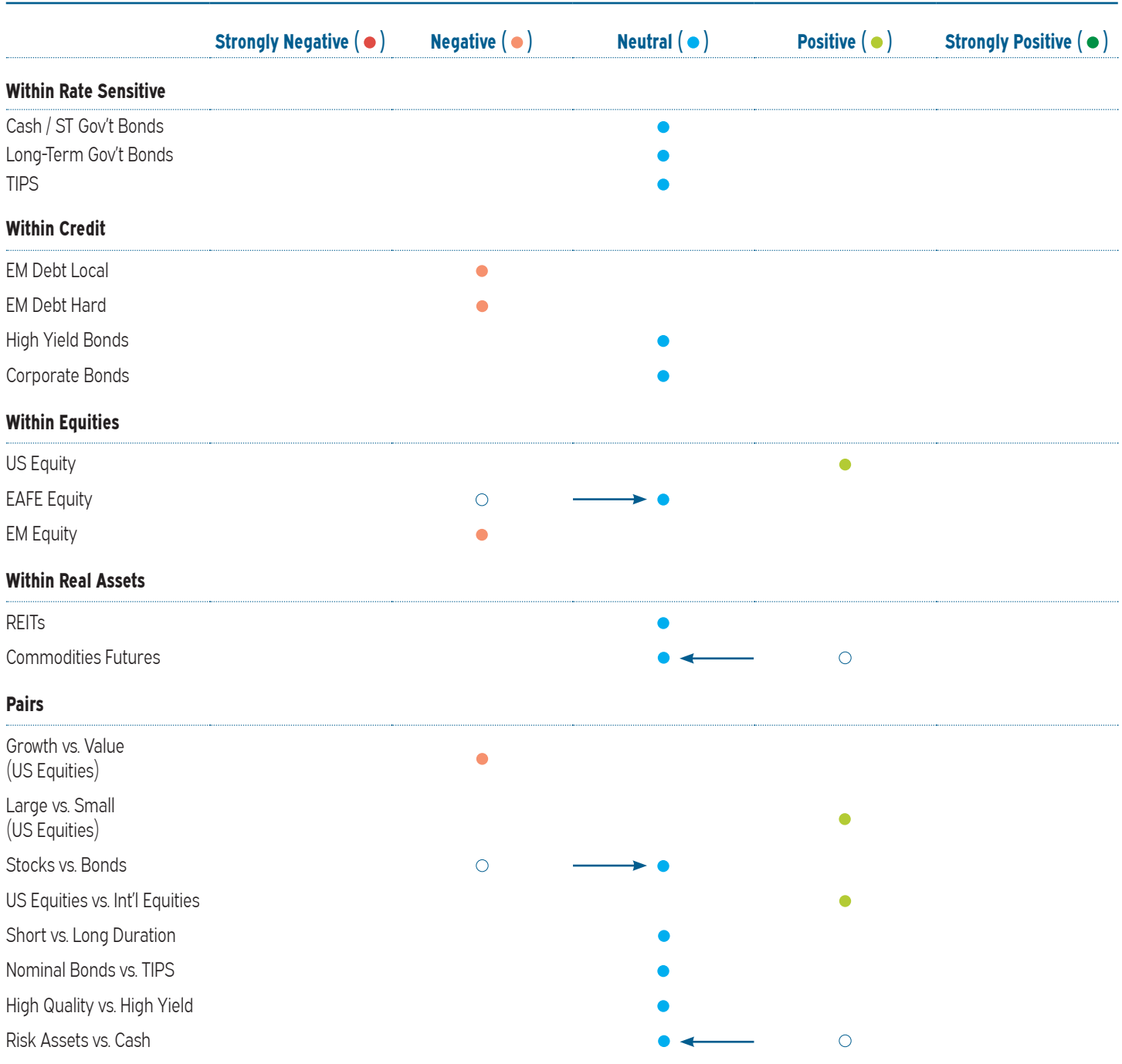
Purpose

This document provides summary observations from a group of Meketa investment professionals made monthly. The observations are based on a variety of market and economic factors and are meant as a high level overview of our aggregated views on current market trends. These views are used in different ways to inform near-term portfolio construction.

High Level Views

	Strongly Negative (●)	Negative (●)	Neutral (●)	Positive (●)	Strongly Positive (●)
Rate Sensitive			●		
Credit			●		
Equities		○	→ ●		
Real Assets			●		

Asset Class Views



→ Indicates change in view from previous month

○ Indicates former position of previous month's view

Asset Class

Rationale Supporting Our Position

Within Rate Sensitive

Cash / ST Gov't Bonds ●	Short-term rates should improve as rate hikes continue, but they remain negative in real terms for now – <i>view unchanged</i> .
Long-Term Gov't Bonds ●	Long-term rates have increased on inflation concerns and as policy expectations solidify. Long-term bonds remain a hedge against the uncertainties facing the market including slowing growth, the path of the pandemic, stretched valuations in the US, and current geopolitical risks, to name a few – <i>view unchanged</i> .
TIPS ●	Inflation pressures remain and prices could stay elevated for some time. There have been some signs of inflation topping though and TIPS have performed relatively well recently – <i>view unchanged</i> .

Within Credit

EM Debt Local ●	Continued high inflation and the strength in the US dollar remain key headwinds to local currency denominated emerging market debt, offsetting higher yields – <i>view unchanged</i> .
EM Debt Hard ●	Yields remain attractive relative to developed market credit for dollar denominated emerging market debt but are offset by slowing global growth and higher US rates. Also, longer relative duration could act as a headwind in a rising rate environment – <i>view unchanged</i> .
High Yield Bonds ●	The recent increase in spreads, relatively low default risk, and a refinancing wave at low rates should all be supportive. Still relatively tight spreads, slowing growth, and rising rates give us caution – <i>view unchanged</i> .
Corporate Bonds ●	Corporate bonds continue to provide an alternative to equity risk with a yield pick-up over Treasuries. Spreads have recently increased to the long-term average. Large debt issuance and rising rates remain concerns – <i>view unchanged</i> .

Within Equities

US Equity ●	The US has better economic fundamentals and growth prospects relative to other developed markets. A tight labor market should support wages and continued consumer strength. However, stretched valuations, ongoing supply chain issues, an increasingly hawkish Fed, and stubbornly high inflation remain concerns – <i>view unchanged</i> .
EAFE Equity ●	Continued strength of the US dollar could weigh on developed foreign markets. The dependence of Europe on Russian energy and proximity to the Ukraine conflict should slow growth this year. Japan's energy dependence and reluctance to tighten monetary policy will likely act as headwinds. Exposure to cyclical factors and attractive valuations compared to the US remain positives – <i>view changed from negative to neutral</i> .
EM Equity ●	China's strict policy toward controlling COVID-19 cases should weaken growth and impact broader supply chain issues. High debt levels in the property market and increased regulations remain headwinds too. Beyond China, other major EM economies are impacted by a strong dollar, higher rates, and slowing growth globally – <i>view unchanged</i> .

Within Real Assets

REITs ●	Inflation protection is balanced by rising rates and overall equity risk – <i>view unchanged</i> .
Commodities Futures ●	Given supply chain issues related to the pandemic and the conflict in Ukraine, inflation could remain high. Some signs of inflation pressures peaking and the strong recent run in commodities balances our view – <i>view changed from positive to neutral</i> .

Disclaimer

These materials are intended solely for the recipient and may contain information that is not suitable for all investors. This presentation is provided by Meketa Investment Group ("Meketa") for informational purposes only and no statement is to be construed as a solicitation or offer to buy or sell a security, or the rendering of personalized investment advice. The views expressed within this document are subject to change without notice. These materials include general market views and each client may have unique circumstances and investment goals that require tactical investments that may differ from the views expressed within this document. There is no agreement or understanding that Meketa will provide individual advice to any advisory client in receipt of this document. There can be no assurance the views and opinions expressed herein will come to pass. Any data and/or graphics presented herein is obtained from what are considered reliable sources; however, its delivery does not warrant that the information contained is correct. Any reference to a market index is included for illustrative purposes only, as an index is not a security in which an investment can be made and are provided for informational purposes only. For additional information about Meketa, please consult the Firm's Form ADV disclosure documents, the most recent versions of which are available on the SEC's Investment Adviser Public Disclosure website (www.adviserinfo.sec.gov) and may otherwise be made available upon written request.