

5 FAST FACTS

MAY 2022



ECONOMISTS SAY BRACE FOR STAGFLATION

Global Chief Economist at the Economist Intelligence Unit, Simon Baptist says that stagflation is unavoidable. As the Russia-Ukraine war drags on and countries continue to be impacted by the pandemic, supply chains will continue to suffer. Baptist says to expect stagflation to remain for at least the next 12 months.

FED RAISES INTEREST RATES BY HALF A PERCENT-

In their meeting May 3-4, the Federal Reserve raised interest rates by 50 basis points to .75%-1% in order to fight inflation and restore price stability. The rate increase is the largest since 2000. They also announced intent to begin quantitative tightening starting June 1.

RUSSIAN OIL CONTINUES TO ACCUMULATE AT SEA

The U.S and other countries have banned Russian oil imports. This has led to a record high of 62 million barrels of oil being accumulated at sea as traders struggle to find buyers. The number of cargos with no destination has reached 15% which is also a new high. Most of Russian oil sales have gone to Asia.

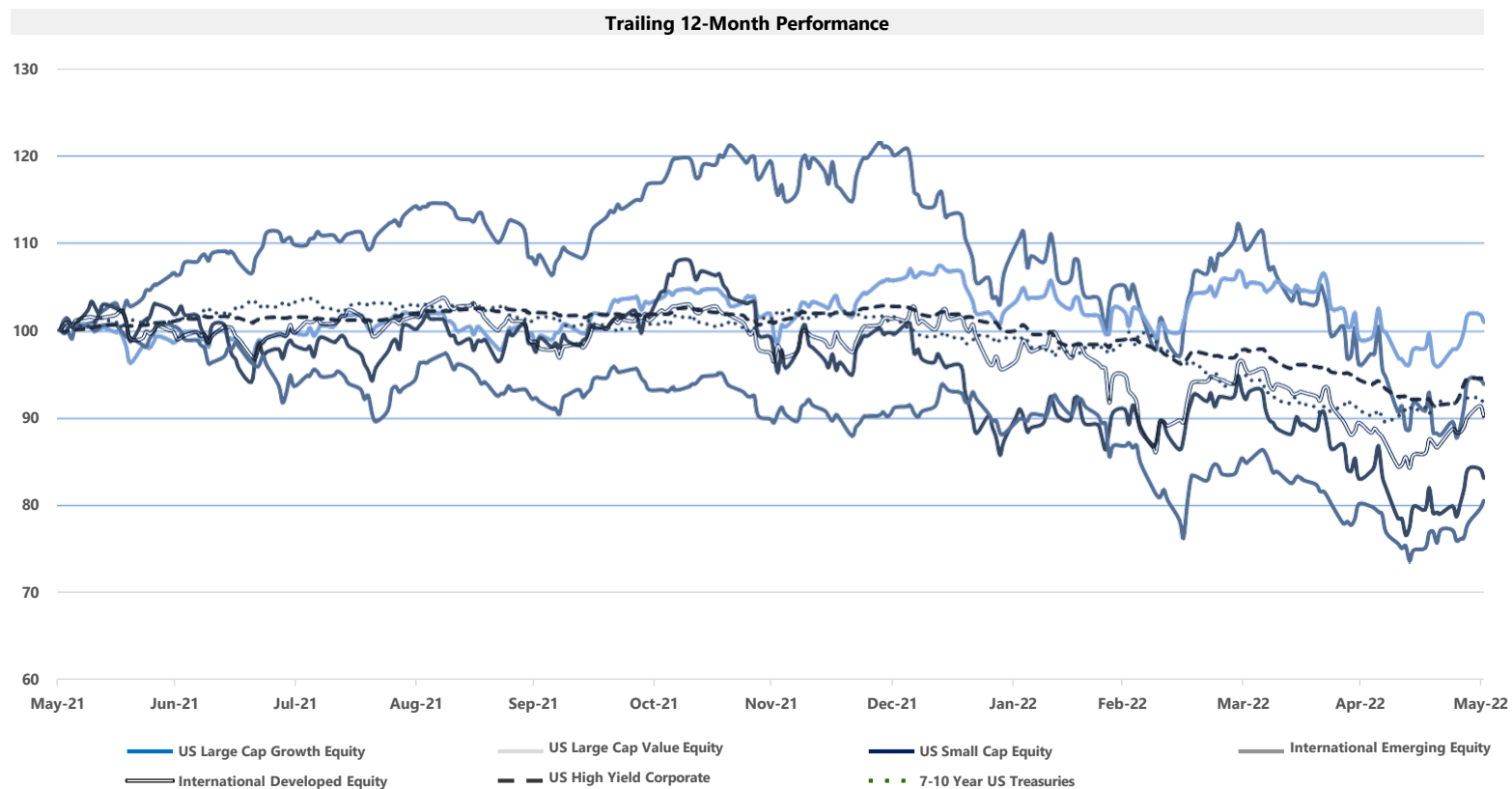
U.S SET TO BLOCK RUSSIAN BOND PAYMENTS

The Biden administration is set to begin blocking Russian bond payments following a temporary exemption that expired May 25th. This could lead to the first default on Russian foreign debt in a century. Russia has payments equaling around \$500 million due at the end of June and say that they will pay their debt in Rubles if need be.

ELON MUSK FACES LAWSUIT OVER ALLEGED MARKET MANIPULATION

Twitter shareholders are suing Musk and Twitter over allegations of market manipulation due to the chaotic acquisition deal still in progress. Since his bid, Twitter shares have dropped as much as 12%. Shareholders argue that Musk purposefully put the negotiations on hold to try and lower Twitter's share price and get a better deal.

Sources: Bloomberg, Wealthshield



Source: Bloomberg, Wealthshield; As of 05/31/2022

Equity Performance (Total Return)				Fixed Income Performance (Total Return)			
Asset	1-Month	QTD	YTD	Asset	1-Month	QTD	YTD
S&P 500	0.18%	-8.55%	-12.76%	US Investment Grade Corporate	0.93%	-4.59%	-11.92%
US Large Cap Growth Equity	-2.32%	-14.12%	-21.88%	US High Yield Corporate	0.25%	-3.32%	-8.00%
US Large Cap Value Equity	1.94%	-3.81%	-4.52%	1-3 Year US Treasuries	0.59%	0.11%	-2.39%
US Small Cap Equity	0.14%	-9.79%	-16.58%	7-10 Year US Treasuries	0.69%	-3.52%	-9.90%
International Emerging Equity	0.46%	-5.11%	-11.72%	20+ Year US Treasuries	-2.20%	-11.41%	-21.17%
International Developed Equity	0.88%	-5.58%	-10.99%	US Municipal Bond	1.49%	-1.32%	-7.47%

Disclosure

This was prepared by Zermatt Wealth Partners, a federally registered investment adviser under the Investment Advisers Act of 1940. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Zermatt Wealth Partners, Form ADV Part 2A & 2B can be obtained by written request directly to: 3170 Fourth Ave., 3rd Floor, San Diego, CA 92103. This is not solicitation or a recommendation to buy or sell a specific security and should not be relied upon for investment making decisions. Neither the information nor any opinion expressed should be construed as personalized investment, tax, or legal advice.

Please note, this information is intended for educational purposes only. It does not address specific investment objectives, or the financial situation and the particular needs of any person who may receive this report. Please contact your Financial Advisor prior to making investment decisions.

The information herein was obtained from various sources. Zermatt Wealth Partners does not guarantee the accuracy or completeness of information provided by third parties. The information in this report is given as of the date indicated and believed to be reliable. Zermatt Wealth Partners assumes no obligation to update this information, or to advise on further developments relating to it.

PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. Not FDIC insured. All investment strategies have the potential for profit or loss.

Historical data may use proxies to represent investments and asset classes. These proxies may have holdings and performance that vary from the investments or asset classes over time. Proxies include but are not limited to:

Asset Class	Proxy	Asset Class	Proxy
Large Cap Value	Russell 1000 Value TR USD	Large Cap Value Equity	S&P 500 Dividend Aristocrats TR USD
Large Cap Value Equity	Russell 1000 Dividend Select EW TR USD	Large Cap Growth	Pacer US Cash Cows Growth Index TR
Large Cap Growth Equity	Russell 1000 Growth TR USD	Momentum Equity	MSCI USA Momentum NR USD
Small Cap Equity	Russell 2000 TR USD	Managed Futures	SG Trend Index
International Developed Equity	MSCI EAFE NR USD	Dividend Growth Strategies	S&P 500 Dividend Aristocrats TR USD
Small Cap Dividend Growth	Russell 2000 Dividend Growth Select USD	Large Cap Dividend Growth	Russell 1000 Dividend Select EW TR USD
International Emerging Equity	MSCI EM NR USD	Quality	MSCI USA Sector Neutral Quality NR USD
Intermediate/Aggregate Bond	BBgBarc US Agg Bond TR USD	Commodities	Bloomberg Commodity TR USD
Municipal Bonds	S&P Municipal Bond TR USD	Private Equity	Cambridge Associates US Private Equity USD
International Bond	BBgBarc Gbl Agg Ex USD TR Hdg USD	Short Term Bond/Cash	BBgBarc US Aggregate 1-3 Yr TR USD
High Yield Bond	BBgBarc US Corporate High Yield TR USD	Long Term Treasuries	ICE U.S. Treasury 20+ Year Bond TR USD
Intermediate Treasuries	ICE U.S. Treasury 7-10 Year Bond TR USD	Short Term Treasuries	ICE U.S Treasury 1-3 Year Bond TR USD
Mid Cap Equity	Russell Mid Cap TR USD	Real Estate	NCREIF Indexes
International Equity	MSCI ACWI Ex US NR USD	US Equity	Russell 3000 TR USD
Global Equity	MSCI ACWI NR USD	Low Volatility Equity	S&P 500 Low Volatility TR USD
Global Alternatives	Hedge Fund Research HFRX Global Hedge Fund Index	Long Short Alternatives	Bloomberg Long/Short Hedge Fund Index
Merger Arbitrage	Hedge Fund Research Merger Arbitrage Index	Private Credit/Direct Lending	Cliffwater Direct Lending Index