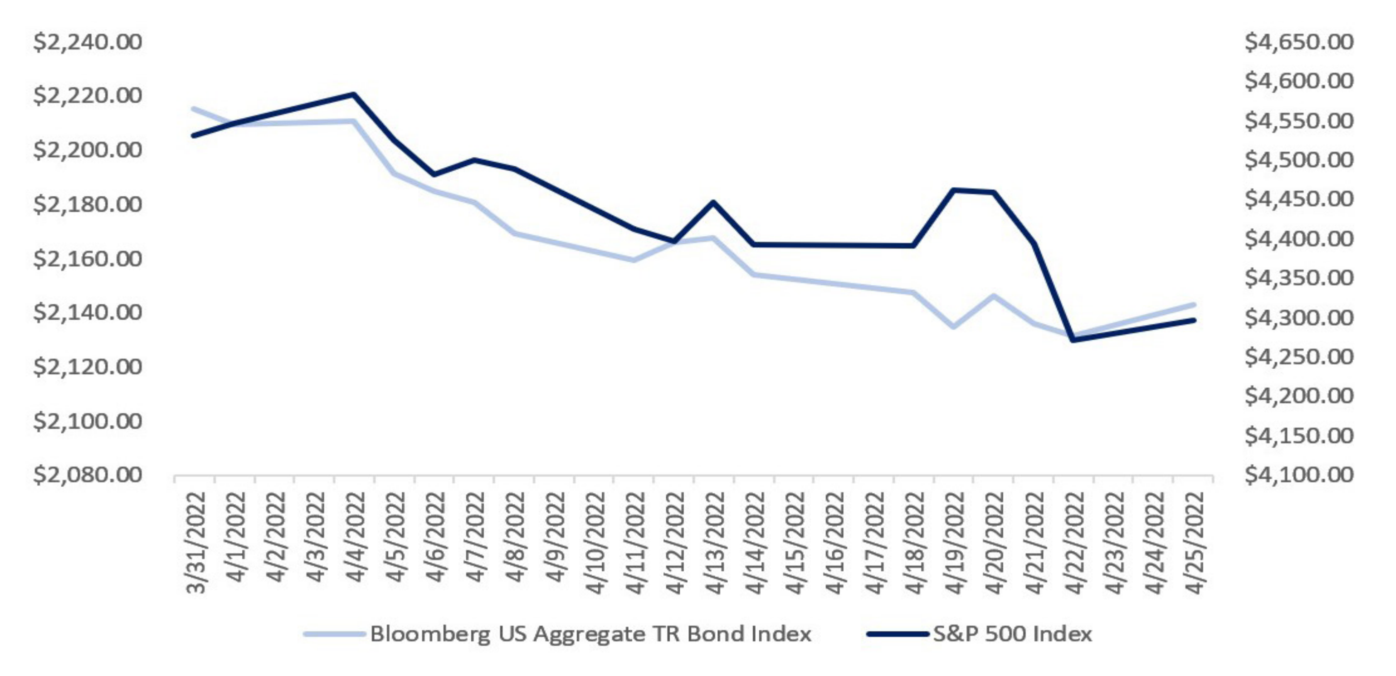
Both Equities and Bonds Struggle to Start Q2: It is Time for Alternatives



**Equities represented by the S&P 500 Index*
**Bonds represented by the Bloomberg US Aggregate TR Bond Index*

- The second quarter of 2022 has started off with intense volatility. Both equity markets and bond markets continue to unravel the complexities of supply constraints, inflation, hawkish Fed policy (and the velocity of rate hikes), slower economic growth (domestically and internationally), geopolitical headwinds (i.e., Russia-Ukraine war), the commodity supercycle, persistent COVID-19 demand woes (i.e. China lockdowns), and potential Gray Rhino events (spurred by fears of the current environment).
- Despite aggressive intra-day volatility whipsawing markets, the gravitational weight of these uncertainties continues to pull both equities and bonds downward.
- Thus, 60/40 portfolios remain under pressure without enough haven assets to augment returns. However, alternative investment strategies have remained a glimmer of hope throughout the market complexities. As we discussed in "Finding Opportunities in a Volatile 2022", now appears to be the opportune time for investors to increase their exposure to alternative investments to supplement returns and weather broader market volatility.

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