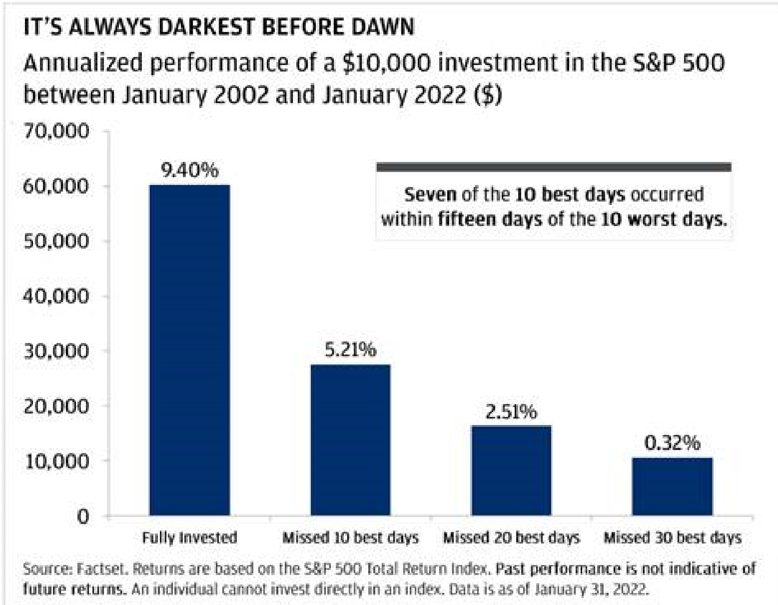
Market Commentary from JP Morgan:



As you know, Russian forces attacked targets across Ukraine after Vladimir Putin ordered an operation to demilitarize the country, in what Ukraine's foreign minister called a "full-scale invasion." Stocks are selling off on the news. Brent crude has popped above $100/barrel, and European natural gas rocketed +25% higher after the initial news.

Where we go from here:
The breadth of the economic and market impact will depend on what types of sanctions are applied by the West. It's likely such measures would further target a combination of Russian banks, investment, and trade (such as through barring Russia from the cross-border SWIFT network), and potentially, energy. In response, Putin could also retaliate through the energy sector, as well as through cyberattacks on the United States and Europe. The situation remains fluid.

The most dramatic consequences of these sanctions would likely be felt in serious disruption to energy markets, catalyzing knock-on effects to growth and inflation. Russia produces ~12% of the world's oil and ~17% of its natural gas supply. A scenario in which this full invasion is accompanied by intense sanctions could see Brent crude pop even higher to $120/barrel and European natural gas spike to €180/MWh. Climbing energy prices could push inflation higher, but at the same time, could lead to more sluggish growth and dampened consumer spending. This could complicate the monetary policy outlook.

Yet, it is important to remember the economy is broadly still in a state of strength—household balance sheets are healthy and corporate profits are robust. Over time, politics, economics, and markets are likely to find a new equilibrium. For instance, energy markets may find calm as Russian exports are diverted to other importers and other producers step-up (such as from Iran, as suggested by current headlines), allowing central banks to refocus on fundamentals. Whatever the path may be, we expect the world to eventually heal from the damage—but there may be pain felt along the way.

We continue to stay invested. Timing the market is difficult, and selling during times of stress can have dramatic consequences for long-term returns. Over the past 20 years, seven of the best days happened within just about two weeks of the 10 worst days. Moreover, this is why we diversify portfolios and continue to hold allocations such as core fixed income.