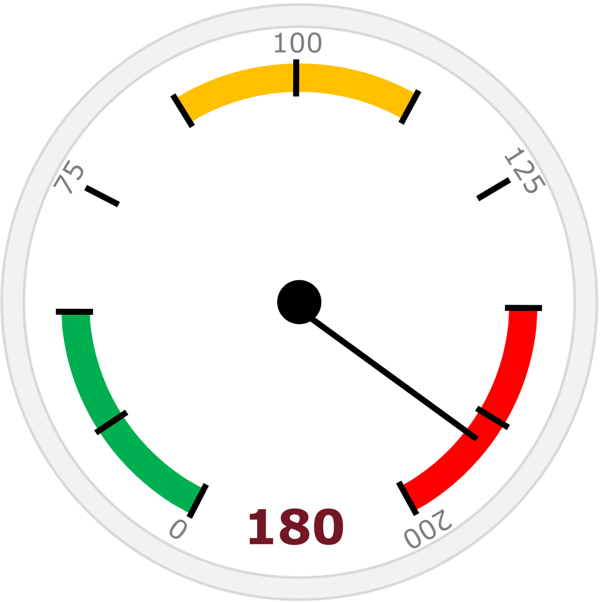
Out of the Frying Pan?

The easing of relative risk over the last month is likely due to relative normalization rather than improvement in the underlying factors. Growth is expected to slow in the 2nd half of ‘22 due to inflation and supply chain issues, and global energy markets will remain fragile. Even if domestic production and reinstatement of the export ban delink the U.S. from international markets, it could take a quarter or more for prices to stabilize, impacting multiple sectors, including agriculture and transportation. While interest rates will likely rise by 75 bps or more, central bankers have painted themselves into a corner. In addition, political divisions leading, regulatory uncertainty, and geopolitical challenges are likely to be a story for the rest of the year, if not longer.

THE 375 PARK COVID MODEL FORECASTS ~ 99MM CASES (+3MM FROM JANUARY ‘22) AND A CCFR OF 1.3% (+0.2% FROM JANUARY ’22) IN THE U.S. BY JULY ’22

375 Park Risk Index – February ‘22



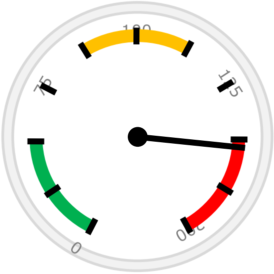
30-Day Change

↓ 3.7%

90-Day Change

↑ 16.1%

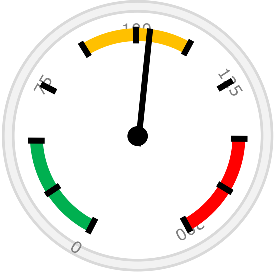
CBOE VIX
(indexed)



30-Day Change ↑ 26.4%

90-Day Change ↑ 56.1%

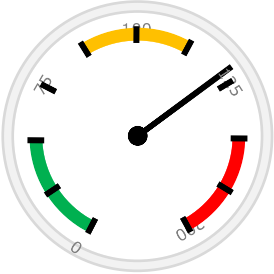
ICE MOVE
(indexed)



30-Day Change ↑ 22.1%

90-Day Change ↑ 15.4%

CS FEAR
(indexed)



30-Day Change ↓ 27.4%

90-Day Change ↓ 4.7%

Source: Chicago Board Options Exchange (CBOE), Intercontinental Exchange (ICE), Bank of America Merrill Lynch, Credit Suisse, Wells Fargo, Morgan Stanley, JP Morgan Asset Management, HIS Markit, Institute for Supply Management (ISM), Bloomberg, Koyfin, FRED & 375 Park Associates. Results indexed to March 2016.

375 Park Risk Index is a module of the Growth Opportunity Index™ - a robust AI-enabled decision-making engine based on insights into markets, technologies, and other factors.

For the 375 Park Risk Index, readings below 100 indicate bullish sentiment, readings above 100 are bearish, while readings above 170 indicate that a correction (or worse) is likely to occur within the next 12-months.

***Prepared by 375 Park Associates*, Winners of the Acquisition International 2019 Award for Excellence in Corporate Valuations in the category of Best Mid-Market PE Investment Advisory Firm in New York and the 2019 AI in Finance Awards by Wealth & Finance International in the category of Best Growth Potential Assessment Tool: Growth Opportunity Index™, and Corporate LiveWire’s 2020 Innovation & Excellence Award in the category of Growth Assessment Company of the Year.**