



Quarterly Investment Summary

SEPTEMBER 2021

Performance Summary (as of 09/30/2021)

	Target Allocation		Trailing Returns			
	Equity/Fixed	3 Months	YTD	1 Year	3 Year	5 Year
Fixed Income	0% / 100%	0.11%	-0.27%	0.91%	4.41%	2.87%
Conservative	25% / 75%	-0.17%	3.17%	8.16%	7.17%	5.94%
Balanced	50% / 50%	-0.49%	6.53%	15.80%	9.51%	8.78%
Growth	75% / 25%	-0.76%	10.10%	23.85%	11.52%	11.44%
Equity	100% / 0%	-1.01%	13.89%	32.49%	13.01%	13.70%

Commentary

Equities

- Stocks enduring rocky stretch as Fed becomes less accommodative
- Rising Treasury yields having undesirable effect on growth stocks
- Emerging markets roiled by woes of Chinese property development company Evergrande Group

Economic

- Recovery on course, but tight labor markets and global supply chain struggles persist
- Consumer spending encouraging but consumer confidence is waning
- Inflation is running at about 4% over the last year, well above the Fed's 2% target
- Labor shortages should start to dissipate in coming months as more workers re-enter the workforce
- \$1 trillion infrastructure bill is delayed as political crosscurrents collide

Fixed Income

- Positive returns are proving sparse in the bond market as Fed changes course
- Fed signaled reduction in asset purchases in coming months with Fed Funds increases by mid 2022
- High-yield bonds, whose returns often correlate more closely with stocks, continue their run

Strategic Outlook

- Neutrally positioned on equities, while favoring international over domestic
- Finding value in select domestic equities while trimming outsized "growth" exposure
- Maintaining shorter-duration fixed income structure as low-yield environment continues

Selected Economic & Market Data

<u>Statistic (monthly unless noted)</u>	<u>Current</u>	<u>Previous</u>
Consumer Expenditures	0.8%	-0.1%
Consumer Confidence	115.2	125.1
Consumer Price Index	0.3%	0.5%
Retail Sales	0.8%	-2.2%
Unemployment Rate	5.2%	5.4%
2-Year Treasury Yield	0.29%	0.20%
10-Year Treasury Yield	1.53%	1.30%

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