



Quarterly Investment Summary

DECEMBER 2021

Performance Summary (as of 12/31/2021)

	Target Allocation		Trailing Returns			
	Equity/Fixed	3 Months	YTD	1 Year	3 Year	5 Year
Fixed Income	0% / 100%	-0.04%	-0.31%	-0.31%	4.14%	3.12%
Conservative	25% / 75%	1.48%	4.70%	4.70%	8.70%	6.28%
Balanced	50% / 50%	3.00%	9.74%	9.74%	13.04%	9.22%
Growth	75% / 25%	4.54%	15.10%	15.10%	17.11%	11.97%
Equity	100% / 0%	5.66%	20.34%	20.34%	20.62%	14.24%

Commentary

Equities

- December saw major market averages rise to cap off an exceptionally strong year
- Large-cap stocks were again the best relative performers with growth stocks continuing to outperform value for the year
- Developed international stocks rallied in the month and finished the year with double-digit gains

Economic

- The economy is growing but at a slower pace with 3rd quarter GDP showing a revised 2.3% annual growth rate
- The economy is expected to continue to grow at an above average pace in 2022
- The new COVID variant and uncertainty on the President's economic agenda may lead to increased volatility
- Headline inflation reached a 6.8% increase from a year ago, well above the Fed's target

Fixed Income

- At its December meeting, the Fed signaled a further reduction in its bond buying program and indicated up to three rate hikes could occur in 2022
- Bond prices fell slightly during the month as rates inched higher
- High-yield bonds provided positive returns for 2021

Strategic Outlook

- Neutrally positioned on equities, while favoring international over domestic for long-term returns
- 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>
US GDP (Quarterly)	2.3%	6.7%
Consumer Confidence	115.8	111.9
Consumer Price Index	0.8%	0.9%
Retail Sales	0.3%	1.8%
Unemployment Rate	4.2%	4.6%
2-Year Treasury Yield	0.73%	0.57%
10-Year Treasury Yield	1.51%	1.45%

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