

Q3 Economic and Market Review



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Performance Matters

7 Steps Toward More Effective Investing



Quarterly Market Summary



















Index returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
Q3 2022	STOCKS				BONDS	
	-4.46%	-9.20%	-11.57%	-11.12%	-4.75%	-2.21%
						
Since Jan. 2001						
Average Quarterly Return	2.1%	1.3%	2.4%	2.2%	0.9%	0.9%
Best Quarter	22.0%	25.9%	34.7%	32.3%	4.6%	4.6%
	2020 Q2	2009 Q2	2009 Q2	2009 Q3	2001 Q3	2008 Q4
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%	-5.9%	-4.1%
	2008 Q4	2020 Q1	2008 Q4	2008 Q4	2022 Q1	2022 Q1

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2022, all rights reserved. Bloomberg data provided by Bloomberg.

Long-Term Market Summary

Index returns as of September 30, 2022

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	-17.63%	-23.91%	-28.11%	-20.49%	-14.60%	-9.86%
						
5 Years	8.62%	-0.39%	-1.81%	0.17%	-0.27%	0.71%
						
10 Years	11.39%	3.62%	1.05%	3.58%	0.89%	2.21%
						

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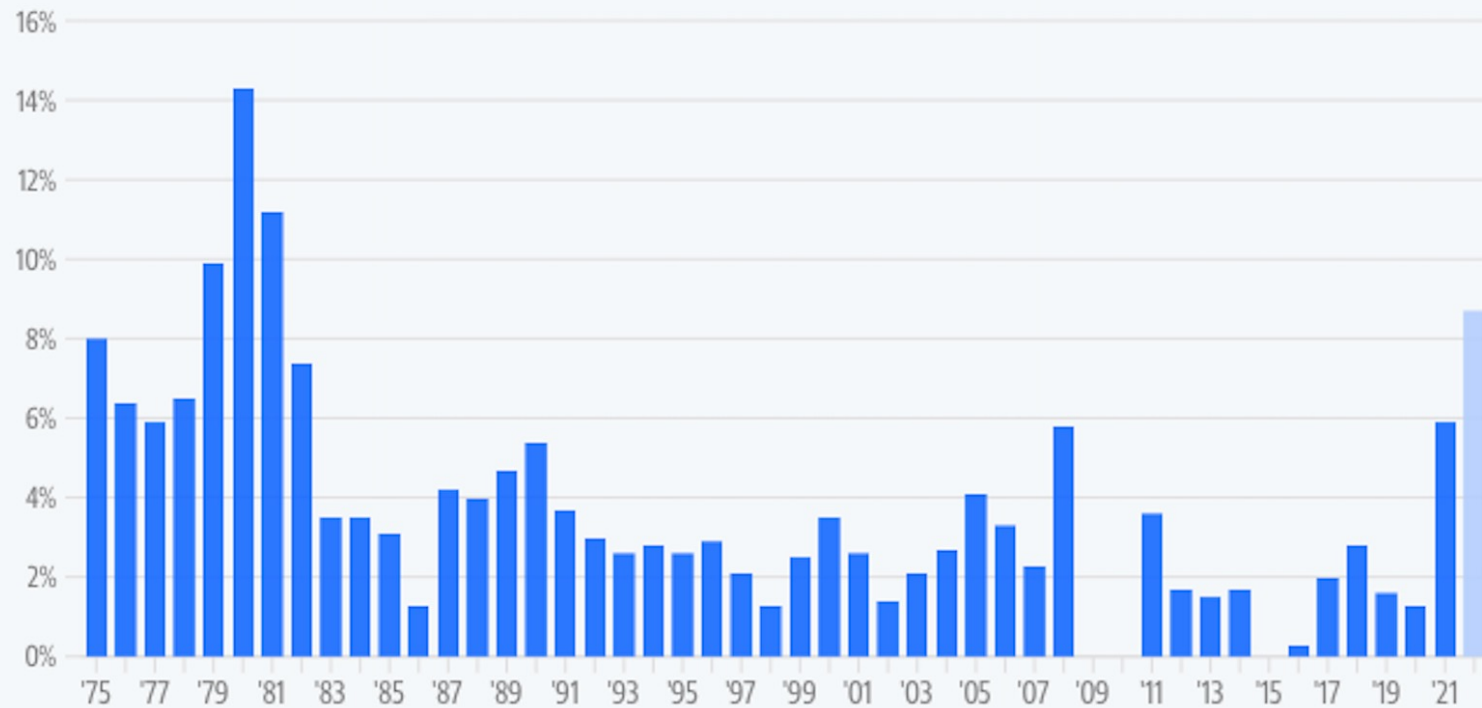
Asset Class Returns Annually

Returns as of September 30, 2022

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
REITs 17.67%	US Small Cap 38.85%	REITs 30.29%	REITs 2.37%	US Small Cap 21.36%	Emerging Markets 36.42%	Cash 1.94%	US Large Cap 31.29%	US Stocks 20.66%	REITs 40.38%	Managed Futures 36.0%
Emerging Markets 17.32%	US Stocks 33.25%	Managed Futures 22.21%	US Large Cap 1.34%	Commodities 12.65%	International Developed 24.94%	Bonds -0.05%	US Stocks 30.78%	US Small Cap 19.89%	Commodities 31.16%	Commodities 21.8%
International Developed 17.22%	US Large Cap 32.21%	US Large Cap 13.53%	US Stocks 0.35%	US Stocks 12.55%	US Large Cap 21.69%	US Large Cap -4.45%	REITs 28.91%	US Large Cap Stocks 18.4%	US Large Cap 28.59%	Cash 1.0%
US Small Cap 16.39%	International Developed 22.62%	US Stocks 12.36%	Cash 0.05%	US Large Cap 11.8%	US Stocks 20.95%	US Stocks -5.39%	US Small Cap 25.42%	Emerging Markets 17.56%	US Stocks 25.45%	Bonds -14.4%
US Stocks 16.23%	Managed Futures 12.75%	Bonds 6.04%	Bonds 0.048%	Emerging Markets 10.51%	US Small Cap 14.66%	REITs -5.95%	International Developed 21.94%	Managed Futures 13.56%	US Small Cap 14.62%	US Large Cap -23.9%
US Large Cap 15.84%	REITs 2.42%	US Small Cap 4.94%	International Developed -0.9%	REITs 8.53%	Managed Futures 6.48%	US Small Cap -11.02%	Emerging Markets 17.67%	International Developed 7.92%	International Developed 11.23%	US Stocks -24.0%
Bonds 4.04%	Cash 0.06%	Cash 0.03%	Managed Futures -1.22%	Bonds 2.56%	REITs 4.95%	Managed Futures -12.35%	Bonds 8.68%	Bonds 7.42%	Managed Futures 3.53%	US Small Cap -25.1%
Cash 0.09%	Bonds -2.15%	Emerging Markets -2.82%	US Small Cap -4.33%	International Developed 0.96%	Bonds 3.35%	Commodities -13.66%	Managed Futures 8.35%	Cash 0.09%	Cash 0.06%	Emerging Markets -26.6%
Commodities -1.9%	Emerging Markets -3.14%	International Developed 5.04%	Emerging Markets -15.41%	Cash 0.32%	Commodities 1.16%	International Developed -13.83%	Commodities 8.18%	Commodities -4.37%	Bonds -1.67%	International Developed -28.3%
Managed Futures -10.9%	Commodities -10.81%	Commodities -19.04%	Commodities -27.81%	Managed Futures -5.47%	Cash 0.93%	Emerging Markets -14.98%	Cash 1.55%	REITs -4.37%	Emerging Markets -3.72%	REITs -28.8%

Social Security Increases benefits 8.7%

The cost-of-living (COLA) adjustment for Social Security for 2022 is the largest since 1981.



SOURCE: SOCIAL SECURITY ADMINISTRATION • NOTE: THERE WERE NO COST-OF-LIVING ADJUSTMENTS FOR 2009, 2010, AND 2015.

Marginal Tax Rate Increases

2022 Rate	For Married Individuals Filing Joint Returns		2023 Rate	For Married Individuals Filing Joint Returns
10%	Up to \$20,550	+ \$1,500	10%	Up to \$22,000
12%	\$20,550 +	+ \$1,500	12%	\$22,000 +
22%	\$83,550 +	+ \$5,900	22%	\$89,450 +
24%	\$178,150 +	+ 12,600	24%	\$190,750 +
32%	\$340,100 +	+ \$24,100	32%	\$364,200 +
35%	\$431,900 +	+ \$30,600	35%	\$462,500 +
37%	\$647,850 +	+ \$45,900	37%	\$693,750 +

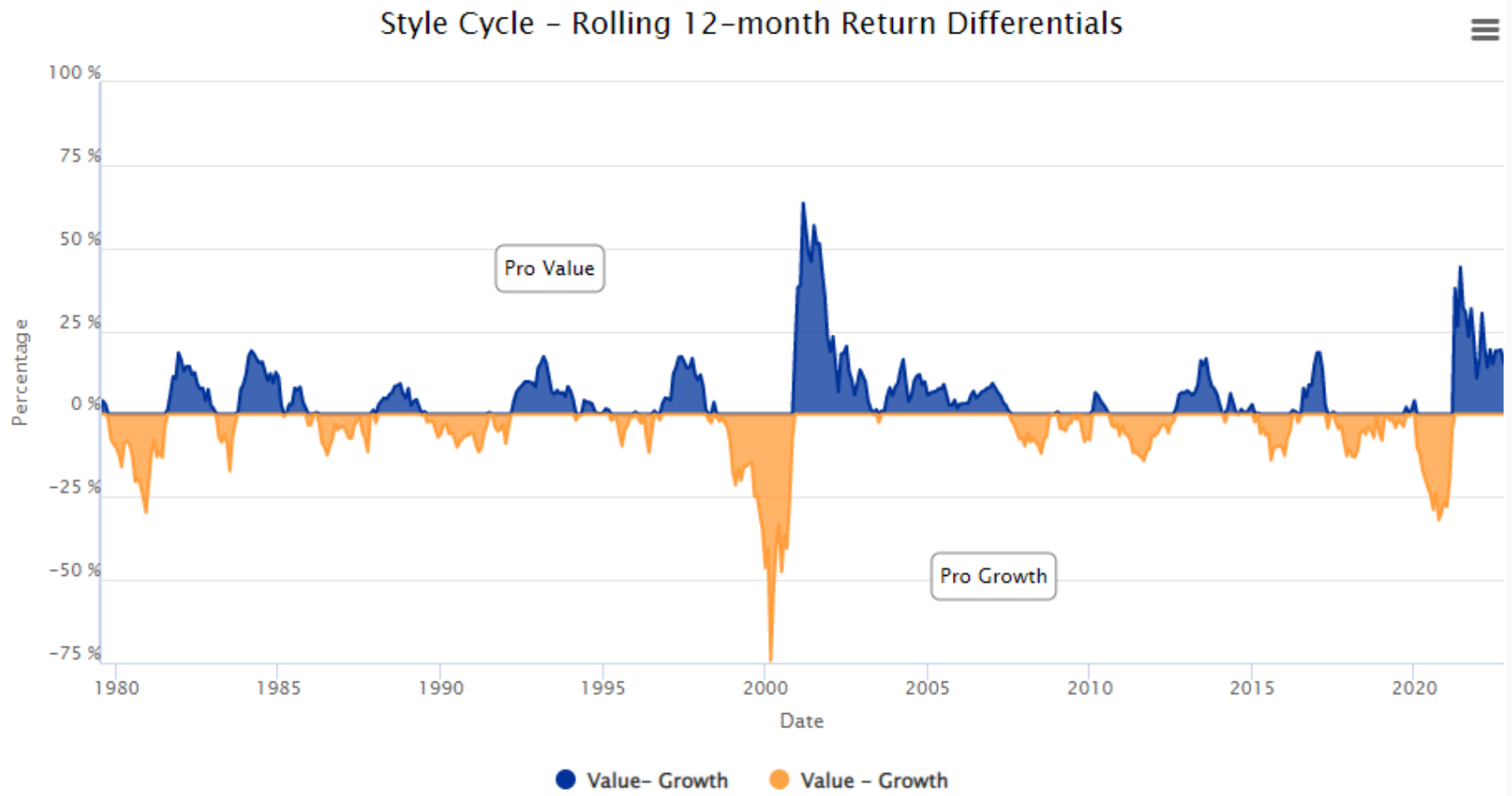
Other Inflation Adjustments for 2023

- Standard deduction
 - \$27,700 Married Filing Jointly (+ \$1,800)
 - \$13,850 Single filers (+ \$900)
- Estate exclusion (protection from estate tax)
 - \$25,840,000 Married couples (+ \$1,720,000)
 - \$12,920,000 Single (+ \$860,000)
- Annual gift exclusions
 - \$17,000 (+ \$1,000)

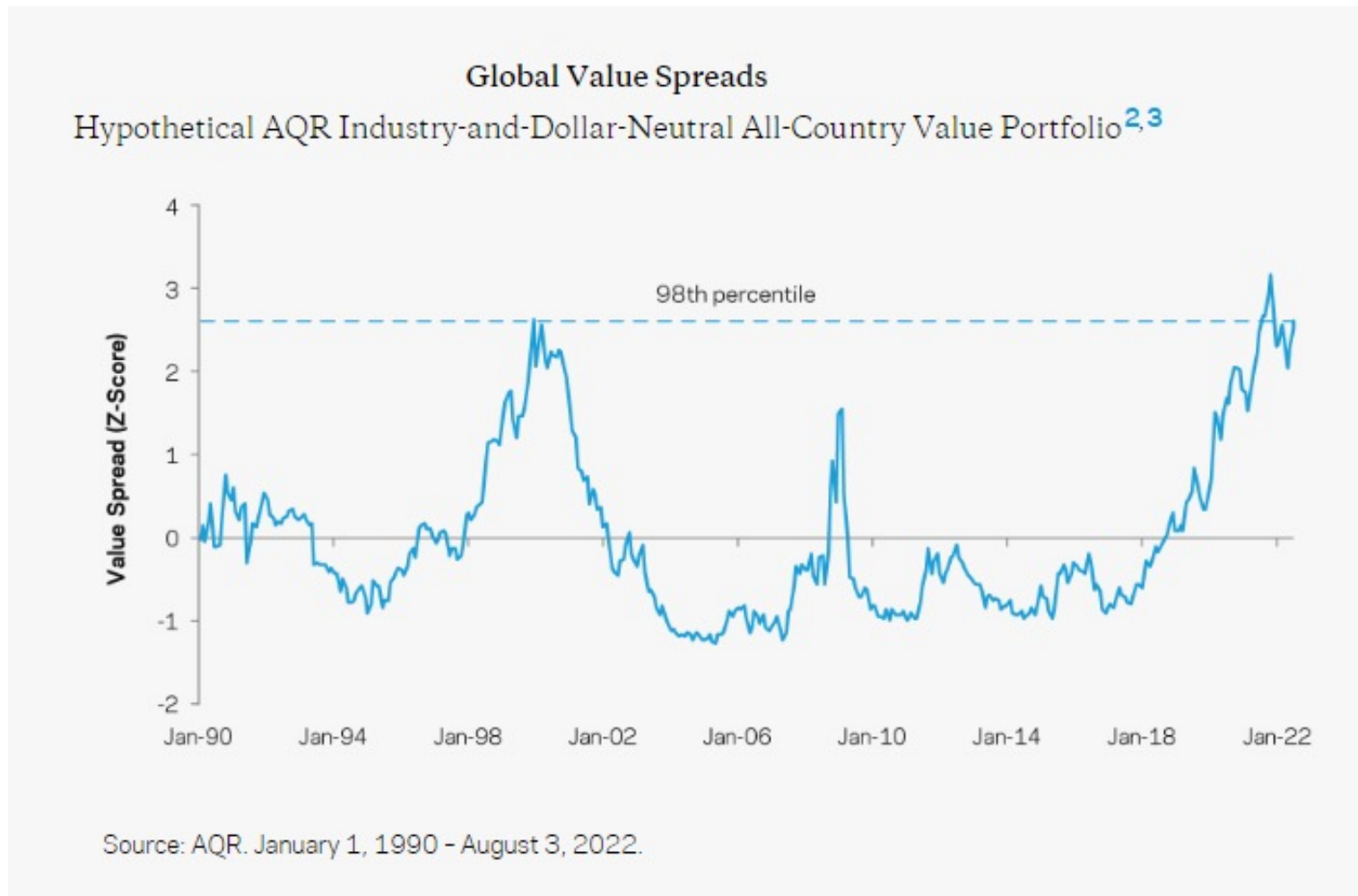
Size and Style Responsive Strategy Refresher

- Over the long-run, value & small-caps outperform
- There are relatively long time frames where the opposite is true
 - Late 2010's through 2020 is a great example
- SSR tilts towards the Size & Style phase expected to be in favor
- Master Strategy is similar, though has more of an emphasis on Value

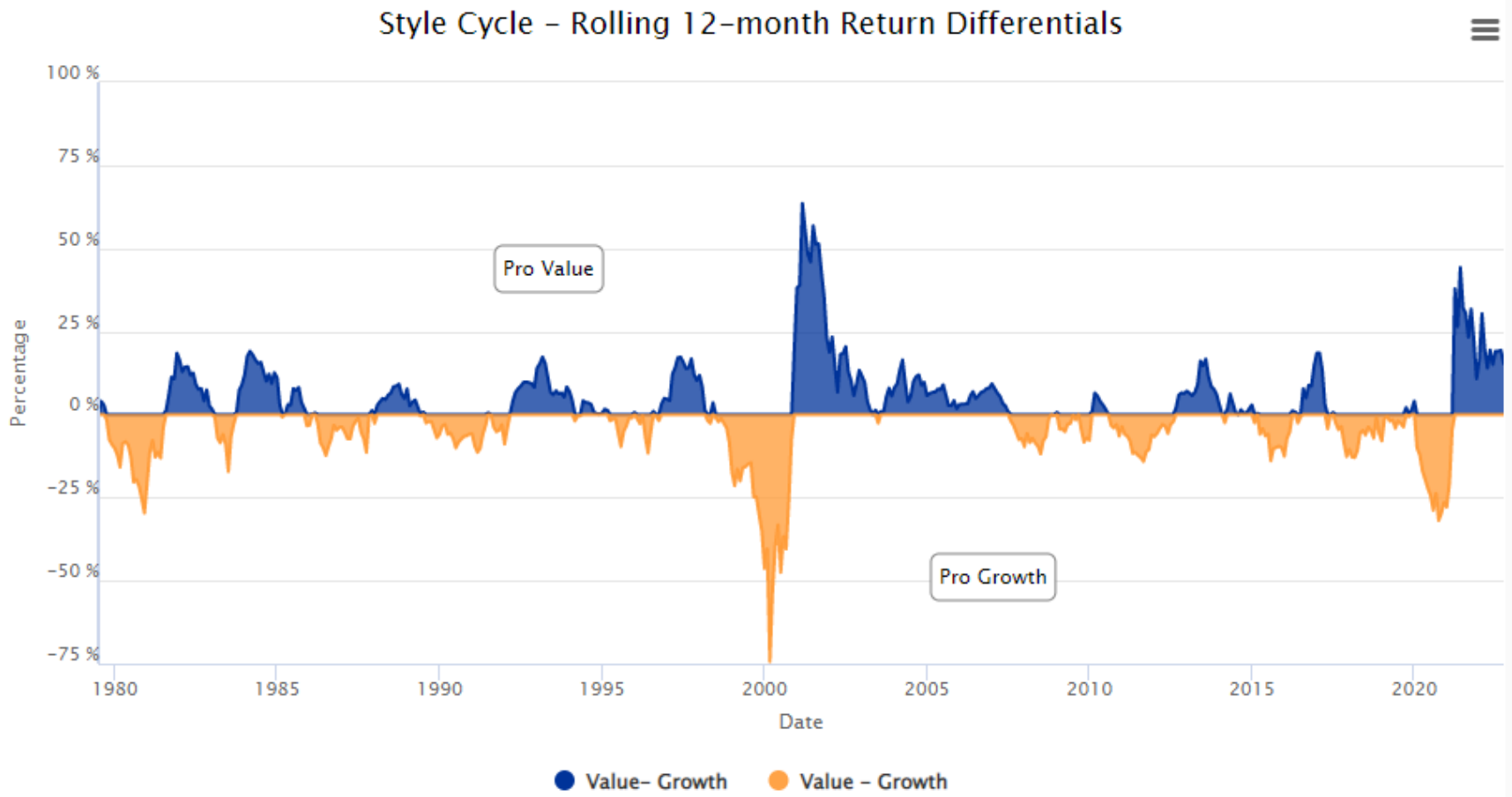
We are in the middle of a Value phase



Value Remains Cheap



We are in the middle of a Value phase

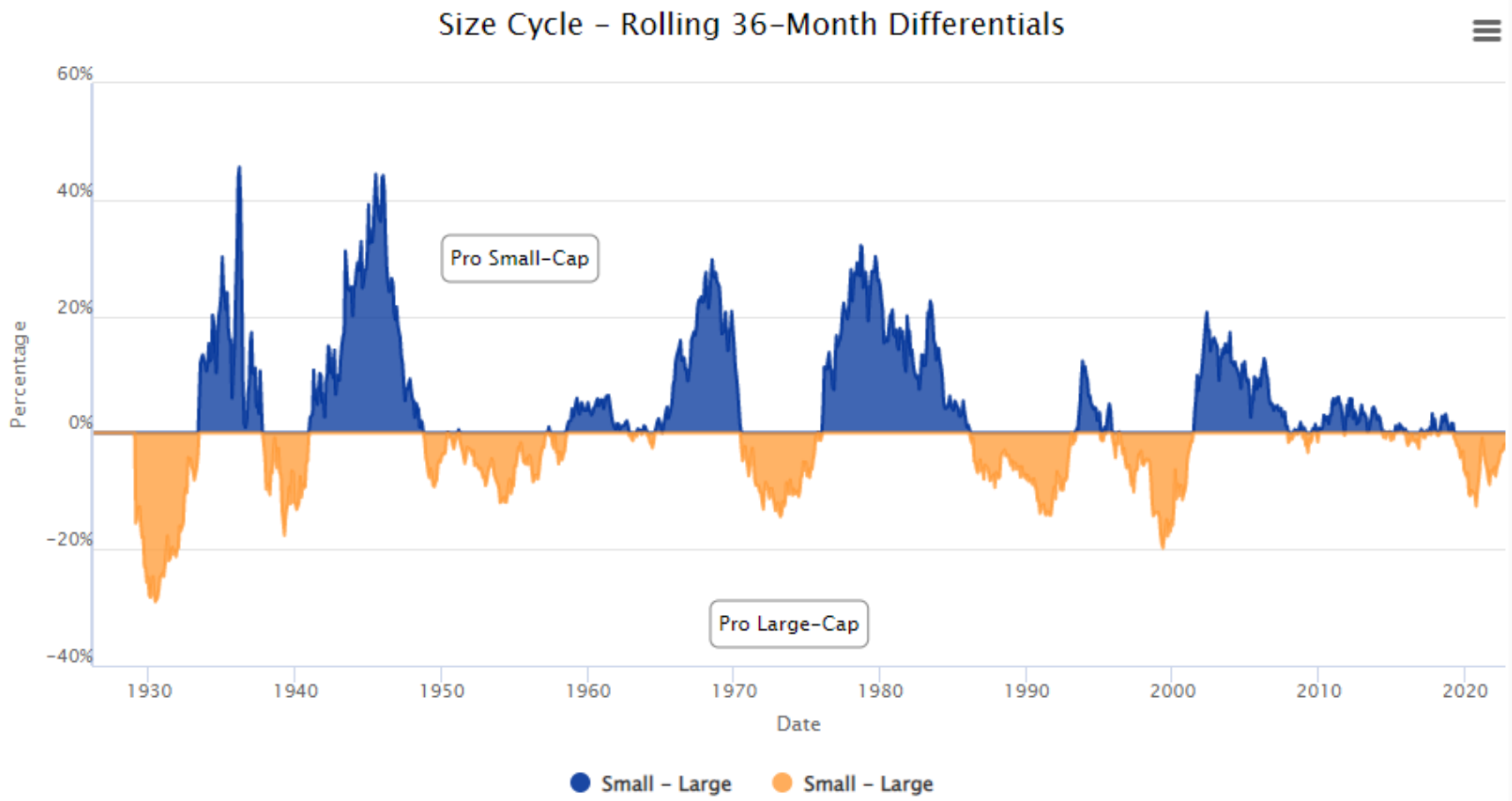


Size and Style Performance by Year

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	YTD
Mid Value 18.31%	Small Growth 42.45%	Large Growth 14.64%	Large Growth 5.37%	Small Value 31.14%	Large Growth 27.20%	Large Growth -0.03%	Large Value 31.78%	Large Growth 33.45%	Large Growth 31.95%	Large Value -13.4%
Small Value 18.03%	Small Value 39.65%	Large Value 12.10%	Small Growth 2.78%	Mid Value 26.34%	Mid Growth 19.74%	Small Growth -4.12%	Large Growth 31.03%	Mid Growth 22.52%	Small Value 30.72%	Mid Value -13.9%
Large Value 17.40%	Mid Value 33.87%	Mid Value 11.82%	Mid Growth 1.96%	Small Growth 22.09%	Large Value 15.19%	Large Value -8.93%	Mid Growth 26.08%	Small Growth 19.47%	Mid Value 30.43%	Small Value -15.5%
Mid Growth 17.05%	Mid Growth 32.46%	Mid Growth 7.39%	Large Value -3.21%	Large Value 17.19%	Small Growth 14.58%	Mid Growth -10.43%	Mid Value 25.88%	Mid Value 3.77%	Large Value 24.82%	Mid Growth -22.1%
Small Growth 14.42%	Large Growth 32.42%	Small Value 7.31%	Small Value -6.66%	Mid Growth 14.61%	Mid Value 12.17%	Mid Value -11.96%	Small Value 24.32%	Small Value 2.70%	Small Growth 22.45%	Small Growth -23.32%
Large Growth 14.34%	Large Value 31.63%	Small Growth 3.74%	Mid Value -6.73%	Large Growth 6.74%	Small Value 11.51%	Small Value -12.67%	Small Growth 20.92%	Large Value 1.48%	Mid Growth 18.73%	Large Growth -29.7%

Funds: SPYV, SPYG, MDYV, MDYG, SLYV, SLYG

Are we entering a Small-Cap phase?



An Optimistic Take on the Stock Market

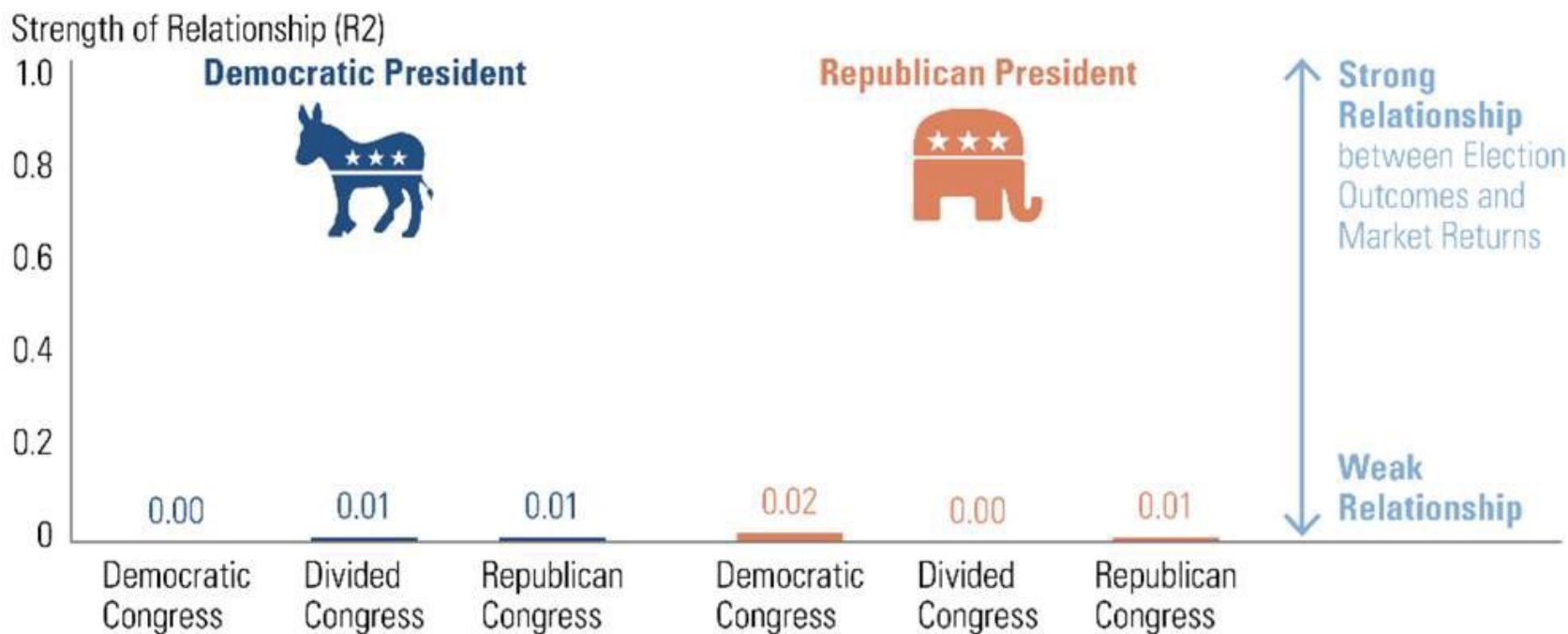
- Jeremy Siegel's most recent take on the stock market
 - Measure of housing in inflation calculation is too backward looking
 - Fed was underreacting last year but is overreacting this year
 - Corporate earnings have been very strong
 - "Large relief rallies" possible if "any metric...implies the Fed will start recognizing inflation pressures are coming down and earnings are robust"
 - "Markets are approximately 20% undervalued"

Questions?



Market Returns and Election Results

Historical Correlations



Source: Bloomberg and GSAM.

- Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Index returns are not representative of actual portfolios and do not reflect costs and fees associated with an actual investment. Actual returns may be lower. Source: S&P data © 2020 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.