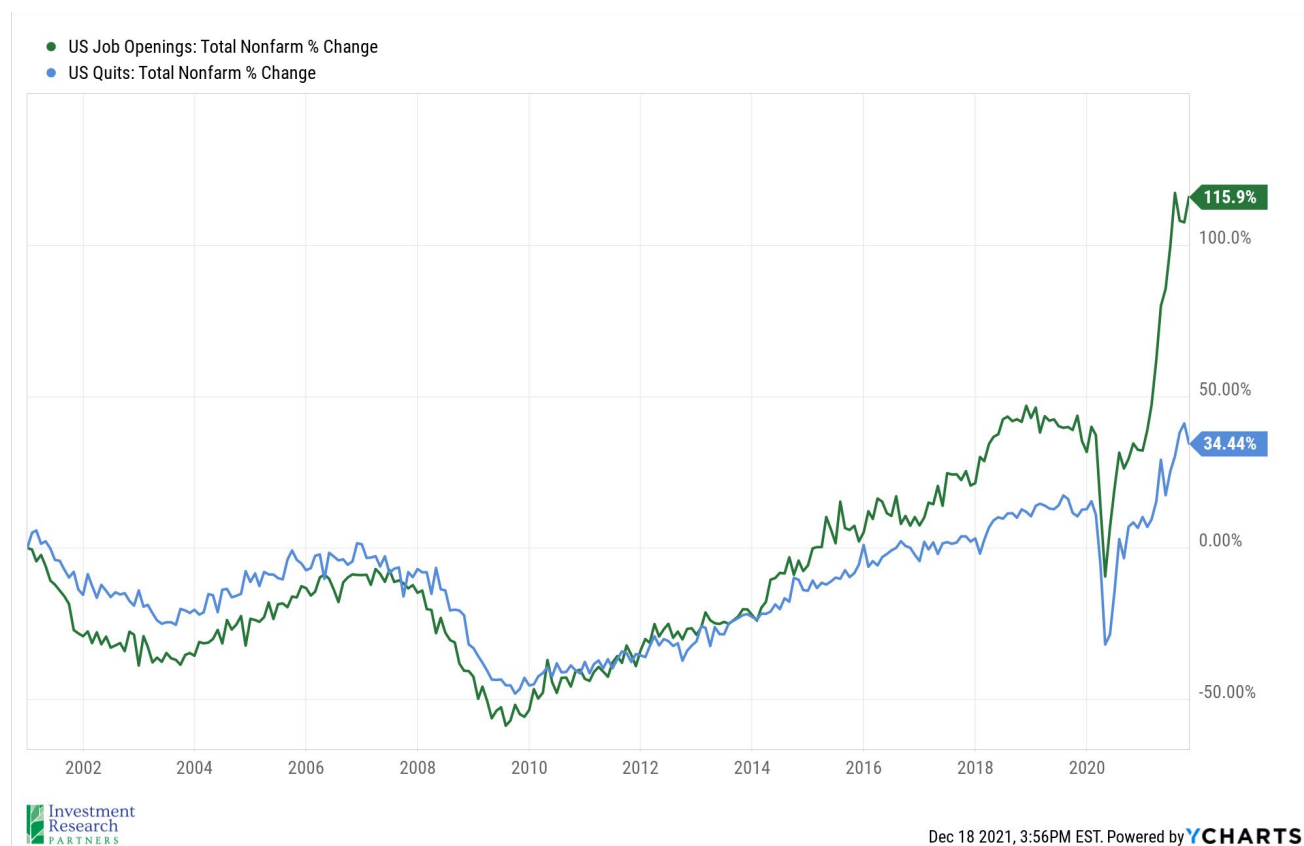


Weekly Investment Update

December 20, 2021

The past week was filled with both ups and downs for risk assets, as markets struggled to digest news related to the Covid-19 omicron variant, surging inflation, and the latest Federal Reserve (Fed) messaging. After initially moving upward on Wednesday after Jerome Powell, Federal Reserve Chair, signaled that inflation is a major concern and that the Fed going to unwind its bond-buying program sooner than previously communicated¹, the stock market retreated on both Thursday and Friday. The S&P 500 (a proxy for US large cap stocks) dropped 1.9 percent for the week and the MSCI ACWI (a proxy for global large cap stocks) fell 1.5 percent.²

In what may be an underappreciated theme of the pandemic, workers deciding to leave their jobs voluntarily are near all-time highs (see blue line below). The reasons may vary, from baby boomers deciding to retire with stock markets near record highs to parents leaving the work force to take care of children when schools went remote. However, the phenomenon is part of the reason that employers are having so much difficulty filling job openings (green line, also near peak). The result – employers are paying more to fill positions, adding to the inflationary environment the Fed is now seeking to address.



¹ Source: [Powell Declares Inflation Big Threat as Fed Signals Rate Hikes - Bloomberg](#)

² Source: YCharts

Prices & Interest Rates

Representative Index	Current	Year-End 2020
Crude Oil (US WTI)	\$70.14	\$48.52
Gold	\$1,807	\$1,893
US Dollar	96.67	89.94
2 Year Treasury	0.66%	0.13%
10 Year Treasury	1.41%	0.93%
30 Year Treasury	1.82%	1.65%

Source: Morningstar, YCharts, and US Treasury as of December 18, 2021

Asset Class Returns

Category	Representative Index	YTD 2021	Full Year 2020
Global Equity	MSCI All-Country World	15.3%	16.3%
Global Equity	MSCI All-Country World ESG Leaders	17.1%	16.0%
US Large Cap Equity	S&P 500	24.7%	18.4%
US Large Cap Equity	Dow Jones Industrial Average	17.7%	9.7%
US Small Cap Equity	Russell 2000	11.1%	20.0%
Foreign Developed Equity	MSCI EAFE	8.5%	7.8%
Emerging Market Equity	MSCI Emerging Markets	-3.9%	18.3%
US Fixed Income	Bloomberg Barclays Municipal Bond	1.5%	5.2%
US Fixed Income	Bloomberg Barclays US Agg Bond	-1.3%	7.5%
Global Fixed Income	Bloomberg Barclays Global Agg. Bond	-4.4%	9.2%

Source: YCharts as of December 18, 2021

Past performance may not be representative of future results. All investments are subject to loss. Forecasts regarding the market or economy are subject to a wide range of possible outcomes. The views presented in this market update may prove to be inaccurate for a variety of factors. These views are as of the date listed above and are subject to change based on changes in fundamental economic or market-related data. Please contact your Financial Advisor in order to complete an updated risk assessment to ensure that your investment allocation is appropriate.