Investment Commentary

December 31, 2021

Total Returns through December 31, 2021		
US Stocks	4th Quarter	Full Year
Standard & Poor's 500	11.0%	28.7%
Russell 2000®	2.1%	14.8%
Bloombnbg 92 473.1edi		

® Index, gained 14.8% during the year. Most developed international equity markets also registered significant gains, but the MSCI Emerging Markets Index was in the red. The latter was dragged down by the poor performance of China's equity market, which comprises roughly a third of the Index.

Interest rates rose across all maturities – pushing the primary broad bond market index returns into negative territory for the year. The yield on the 10-year Treasury bond rose by 0.imtepwtere9.017 (a)v140 1d3 2 0.c 0007052sg(e)8-97(g)-4()a58 2(e)(1)-9

e pandemic is all but certain to be marked with continued anxiety and disruption to our daily e, we are in a far better position than we were a year ago. We now have multiple tools to 's spread and its impacts. First and foremost is a collection of vaccines that are being elative success, including over 500 million doses domestically and close to 9 billion globally. lving testing technology, monoclonal antibody treatments, antiviral pills, as well as increasing the virus's biology have aided the tireless efforts of healthcare workers and public health us-related developments factored heavily into the economic recovery of the past year and have ce on its continuation.

business fortunes improved dramatically over the course of 2021 with a resurgence in Once full year data is tallied, real US GDP is expected to have expanded by close to 6%, with 00 corporate profits growing by over 50%. Though these figures are measured against 2020's

turns in 2021 were led by US large

Strong Demand, Higher Prices

Secure employment and higher wages, along with savings bolstered by stimulus checks and rising asset values, have led to strong aggregate consumer demand. But given continued activity constraints related to the pandemic, spending patterns have, at least temporarily, shifted to favor physical goods over services. Unfortunately, supply chains for many goods are still reeling from pandemic-related disruptions, including abrupt shutdowns, loss of workers, and border closures. Consequently, shortages and/or long lead times for seemingly everything – from raw materials to critical components and finished goods – are rampant. Though there have been some flickers of progress, getting the gears of global supply chains humming again has taken more time than hoped. And with no signs of demand abating, the bottlenecks are unlikely to be substantially resolved until we are well into 2022. Aside from consumers' frustration, the supply-demand imbalance has left businesses reduction in spending versus the unprecedented fiscal relief provided by Congress in 2020 and early 2021. That the expenditures are longer-term in nature, however, could be constructive towards lengthening the expansion.

Outlook and Positioning

Though many conditions have improved over the last year, some issues are enduring. Indeed, as we turn the