

THE CAPITAL



A Subsidiary of the
Presbyterian Foundation

//1!0 0'00 0+ !.0

\$!0 +30 +*!/0 * 1/0.% (0 2!. #!0()O"%*%/\$! O !,0!) !.O
00 O +3*O! CO"+.00\$!O)+*0\$ O +3*O! CO5! .!0+!
0! O \$!O O O (+/! O !,0!) !.O 00 O +3*O! CO"+.O
0\$!O)+*0\$ O +3*O! CO/+O" .O"+.00\$!O5! . O \$!O O
,+/%0!O(+/00! !,000%*+3*O! CO"+.00\$!O
5! . O) ((! +), *50/0+ '/O /O)! /1.! O 500\$!O 1///((O O
!* ! O !,0!) !.O +3*O! CO"+.00\$!O)+*0\$ O +3*O! CO
5! .!0+! 0! O +))1*% 0%+*O !.2% !/O(! C)O3 /O0\$!O3+./00
,!. "+.)% *#O/! 0+.0%*O O

Remember that markets trend up over time. Readers are likely encouraging investors to consider as we navigate this stretch of the business cycle together: well aware that markets have both up years and down years, but it may be surprising to know that markets have been positive in fully 75% of the calendar years since 1926. Also, while markets have seen losses of greater than -20% in six calendar years during that time, markets have seen gains of greater than +20% in thirty nine years during the period. Markets have historically rewarded investors for being invested over long periods of time, with a long term average annual return of around +10% on the S&P 500.

Consider that once markets fall -20% or more, it's often an ill-advised time to sell. Typically when the markets are most fearful and the urge to sell out of securities is greatest, the economic benefit of such activity is weakest. Historically, on average, the S&P 500 has been up +21% in the 12 months following a -25% drop and up +63% five years later. Some of the markets best days are often clustered around some of it's worst, and missing just a few of the markets best days can have a dramatically negative effect on long term outcomes. Staying the course is often an investors best decision during bear markets and bouts of volatility.

BEAR MARKET TIPS CONTINUED

Evaluate any opportunities that markets are offering. It's often when markets are most fearful that investors begin to see compelling opportunities for any cash on the sidelines. Historically, the stock market has rallied on average 25.1% in the 12 months after a bottom in the consumer sentiment index, an index that is currently near historic lows. For conservative investors, while the Fed's interest rate increases have led to a painful 2022, the result is now much more compelling yields for money markets, CD's and treasuries, with the 2-year US Treasury yielding over 4.5%. We'd encourage investors to evaluate opportunities based on current levels and forward expectations.

Reach out to your financial professional. It's more important than ever that investors have access to objective, professional, and evidence based advice on how to navigate this environment. We are happy discuss and analyze the questions and concerns that are specific to you during this time. Don't hesitate to reach out, we are here for you.

Market Metrics

INDEX OR METRIC	CLOSE AS OF 08/31/2022	CLOSE AS OF 09/30/2022	CHANGE PREVIOUS MONTH END	2022 YTD % CHANGE
Dow Jones Industrial Average	31,510.43	28,725.51	-2,784.92	-20.95%
S&P 500	3955.00	3,585.62	-369.38	-24.77%
NASDAQ Composite	11,816.20	10,575.62	-1,240.58	-32.40%
RUSSELL 2000	1,864.04	1,707.99	-156.05	-25.86%
Fed Funds Rate	2.25%-2.50%	3.00%-3.25%	+0.75%	
2-Year Treasury	3.45%	4.22%	+0.77%	
10-Year Treasury	3.15%	3.83%	+0.68%	
Crude Oil \$ per Barrel	\$89.55	\$79.49	-\$10.06	+5.69%
Gold \$ per Troy oz.	\$1,726.20	\$1,672.00	-\$54.20	-8.56%
UK Point in U.S. \$	\$1.1636US=1£	\$1.1163US=1£	\$ SRONGER	-17.58%
Euro in U.S. \$	\$1.056US=1€	\$0.9797US=1€	\$ STRONGER	-13.85%
Canada \$ per U.S. \$	\$1.3096C=\$1.00US	\$1.37405C=\$1.00US	\$ STRONGER	+8.78%
Japan Yen per U.S. \$	138.625¥=\$1.00US	144.745¥=\$1.00US	\$ STRONGER	+25.70%