

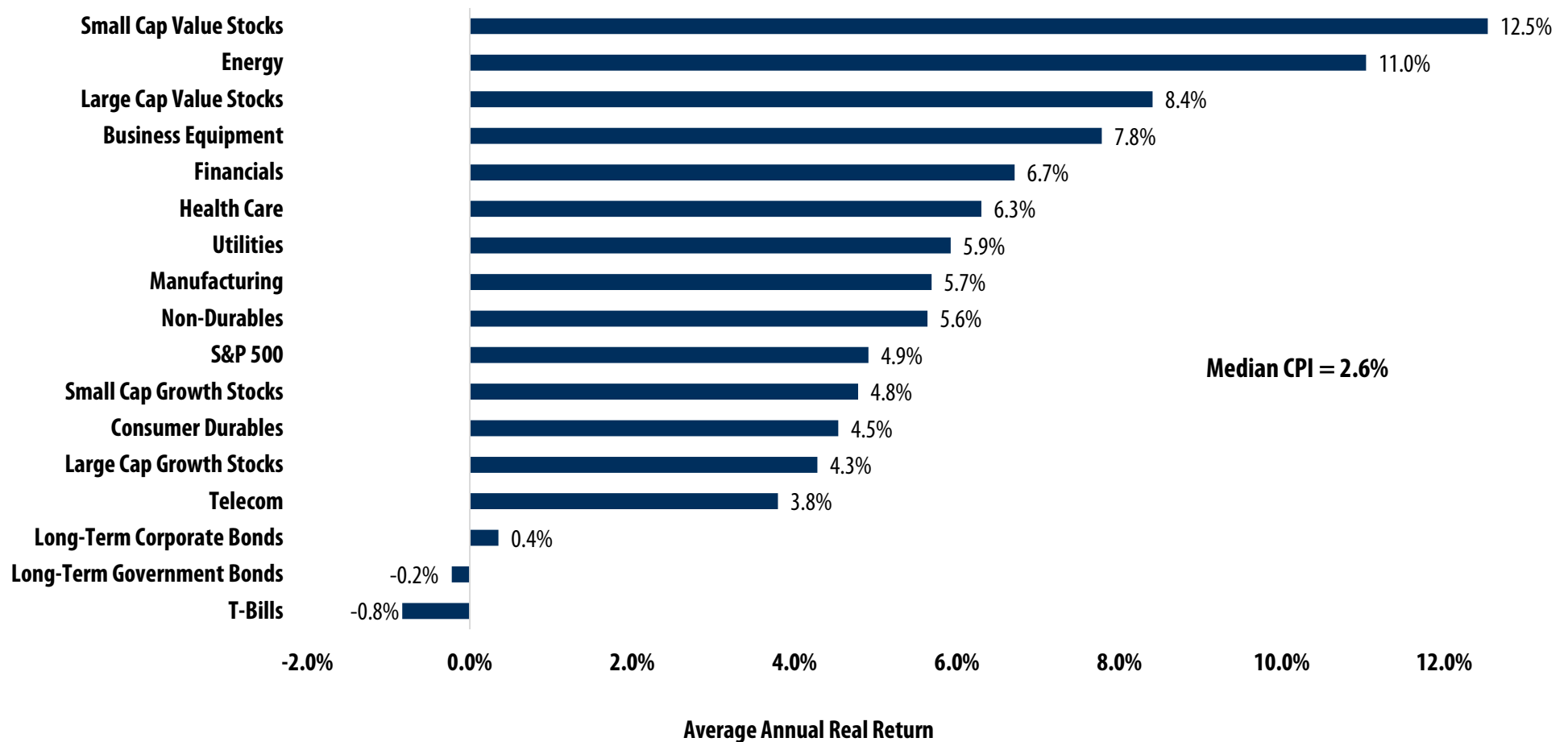


# Markets In Perspective

## INFLATION

# Equity & Fixed Income Returns In Years With High Inflation

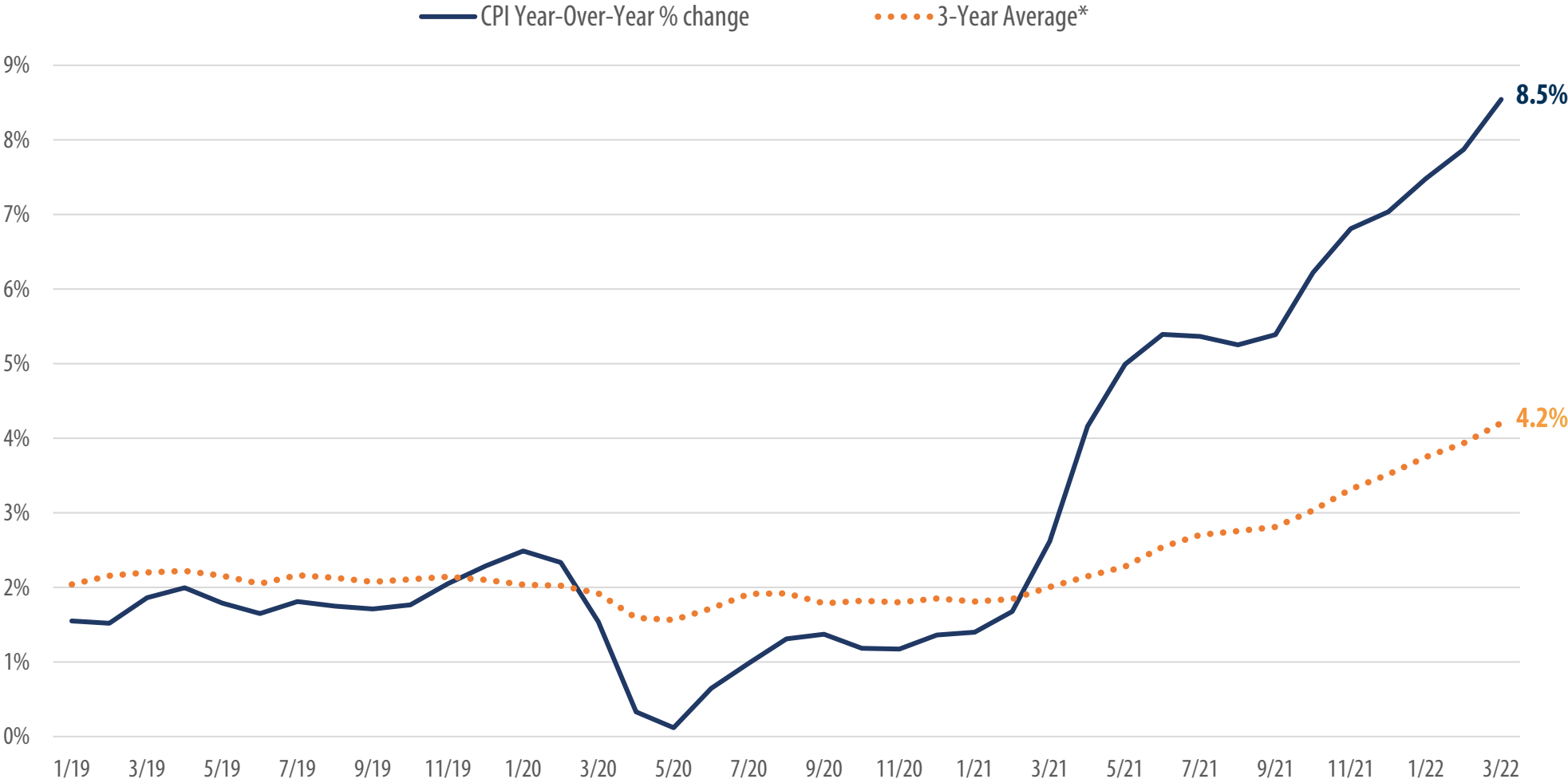
## AVERAGE REAL RETURNS DURING YEARS WHEN INFLATION IS GREATER THAN THE MEDIAN 1927-2021



Sources: Ken French Data Library, Bloomberg. As of 12/31/2021. **Past performance is no guarantee of future results.** This example is for illustrative purposes and does not represent any actual investment. Returns are average annual total real returns during years when inflation was higher than 2.6% at year-end. Returns are based on results from Kenneth R. French data library using the CRSP database. Universe includes all NYSE, AMEX & NASDAQ stocks. Value represents the lowest 30% of price-to-books (value stocks). Growth represents the highest 30% of price-to-books (Growth stocks). Small cap stocks are the smallest 30% of stocks while large cap stocks are the largest 30% of stocks in the universe, respectively. Industries represent the Standard Industrial Classification (SIC) industries for each company. *The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person.*

# Inflation: How bad is it really?

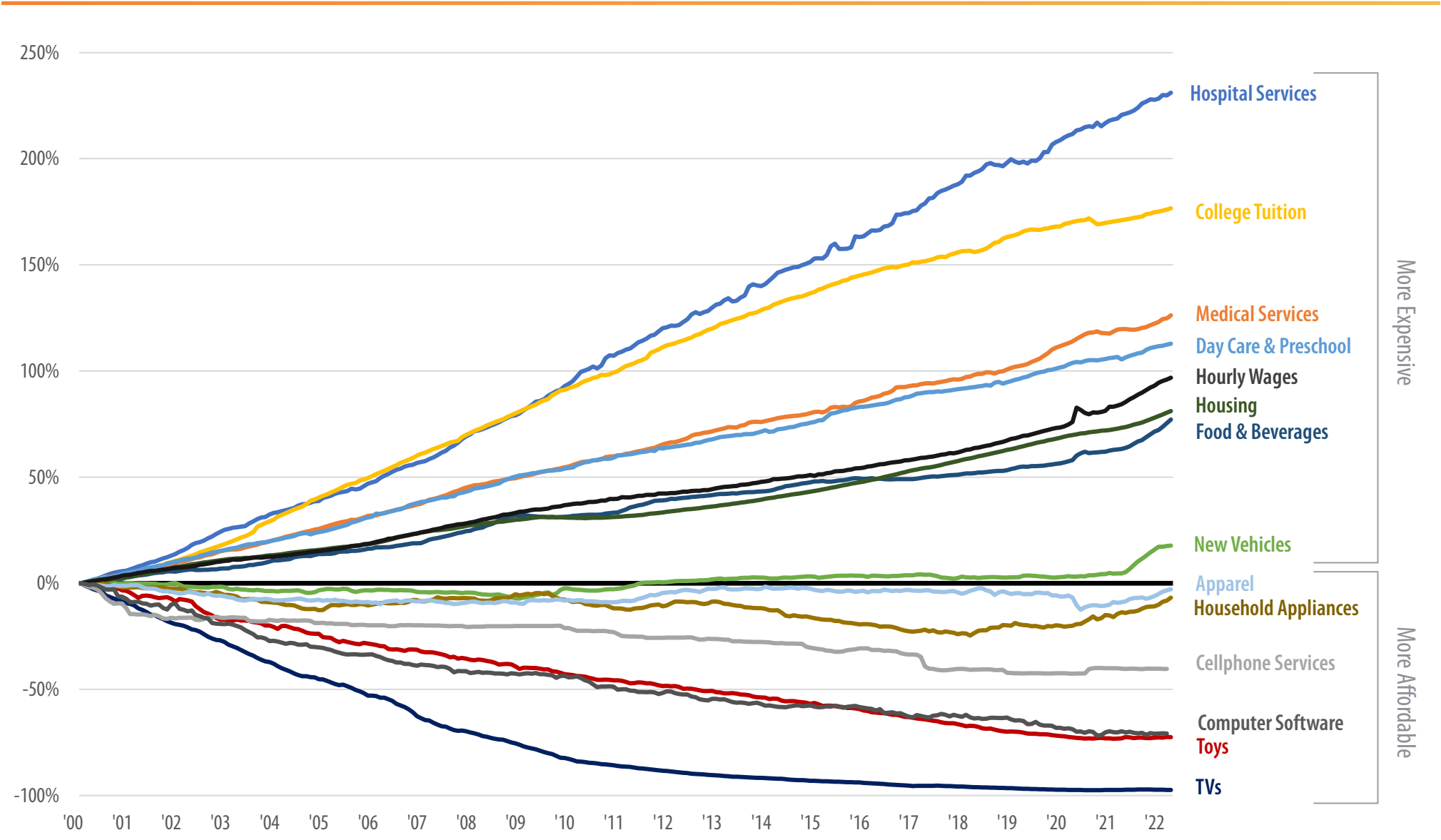
## YEAR-OVER-YEAR CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS IN THE U.S.



Source: Bureau of Labor Statistics, Statista. Monthly data from 1/2019 – 3/2022. \*Average annual change in CPI over the previous three years. Not seasonally adjusted. For illustrative purposes only and not indicative of any investment. The Consumer Price Index measures Inflation (the average change in prices over time that consumers pay for a basket of goods and services).  
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# Price Changes: Consumer Goods, Services and Wages

Since 2000

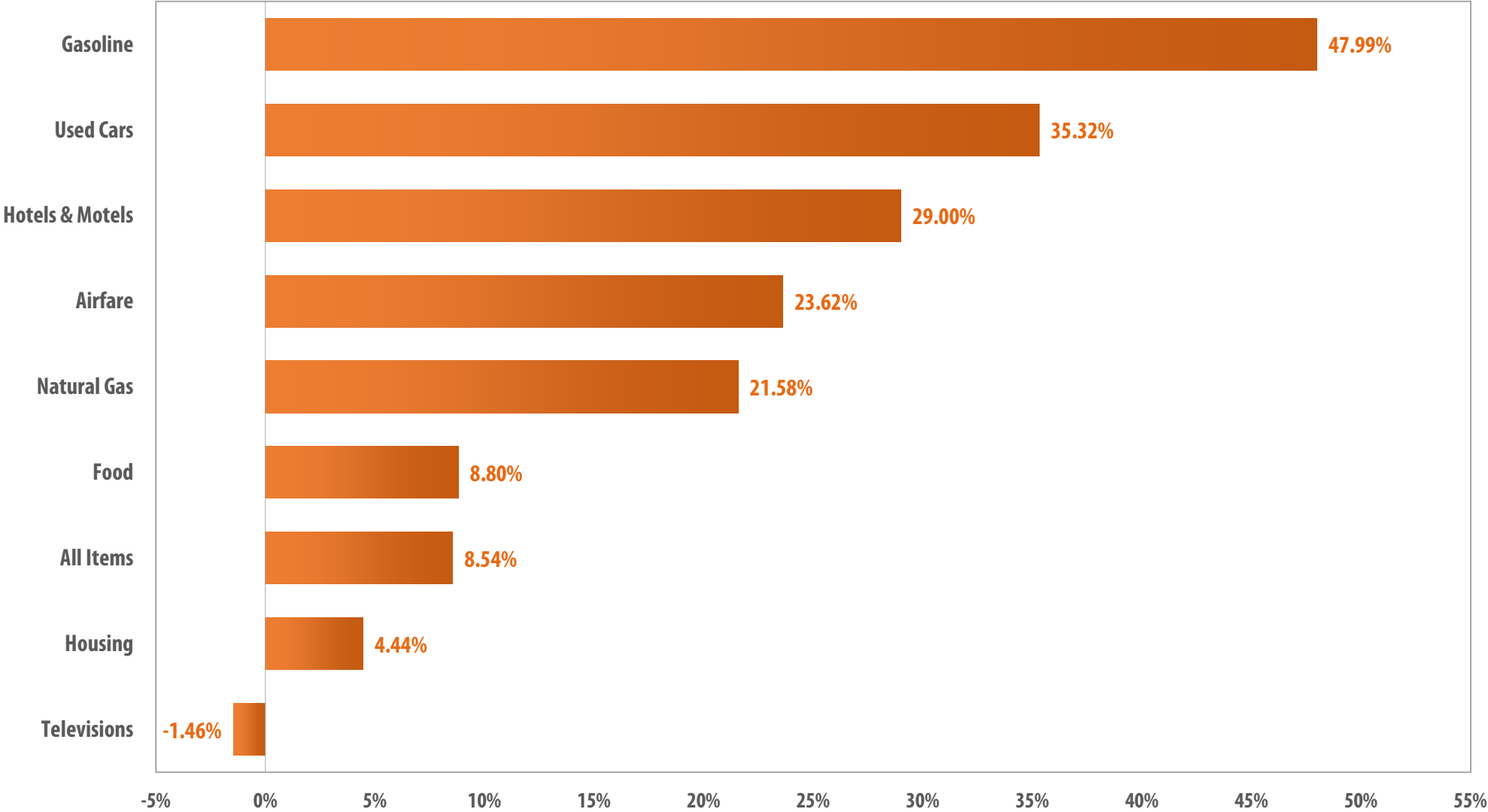


Source: Bureau of Labor Statistics, Carpe Diem/AEI. Monthly data from January 2000 to March 2022. Chart shows cumulative changes indexed to January 2000. All data seasonally adjusted with the exception of Cellphone Services and Computer Software. The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person.

# Inflation Hits the Cost of Goods

March 2021 - March 2022

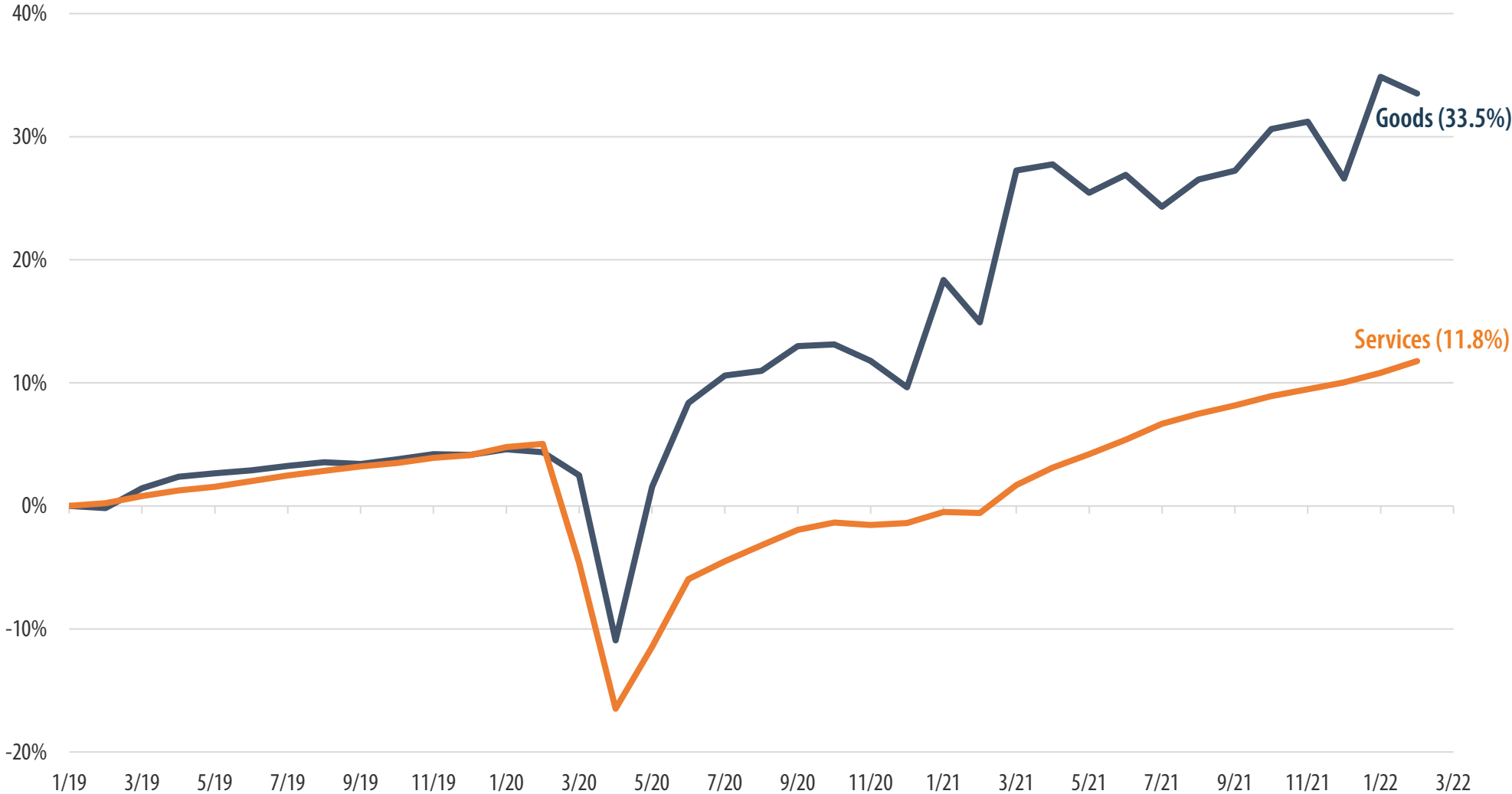
## YEAR-OVER-YEAR CHANGE IN PRICE INDEX OF SELECTED ITEMS ON THE CONSUMER PRICE INDEX



Source: Bureau of Labor Statistics. As of 3/2022. For illustrative purposes only and not indicative of any investment. The Consumer Price Index (CPI) measures Inflation (the average change in prices over time that consumers pay for a basket of goods and services). The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person.

# Spending on Goods and Services

CUMULATIVE PERCENT CHANGE: JANUARY 2019 - FEBRUARY 2022

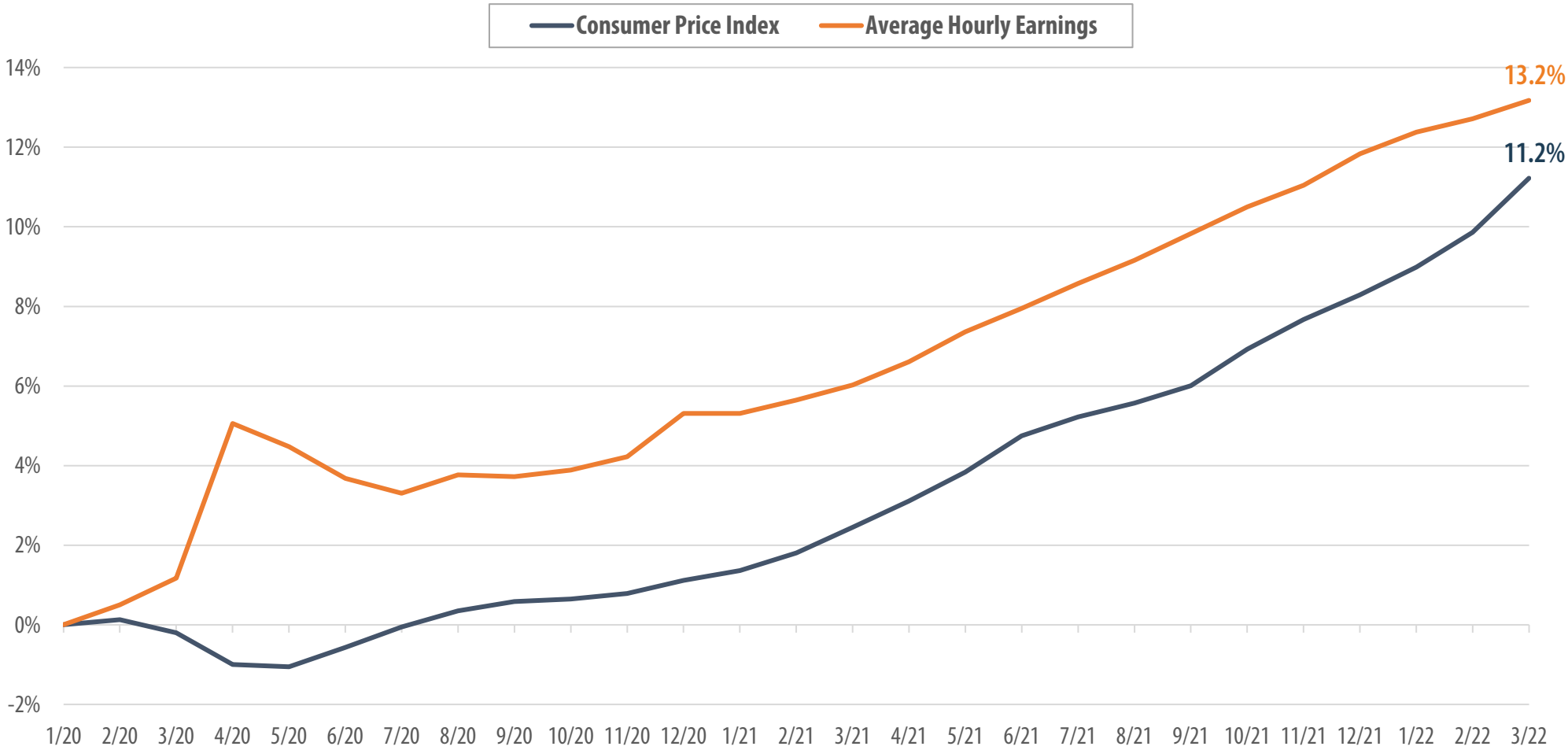


Source: Federal Reserve Bank of St. Louis. Cumulative percent change in personal consumption expenditures from January 2019 through February 2022, seasonally adjusted.  
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# Consumer Price Index (CPI) & Average Hourly Earnings

Since 2020

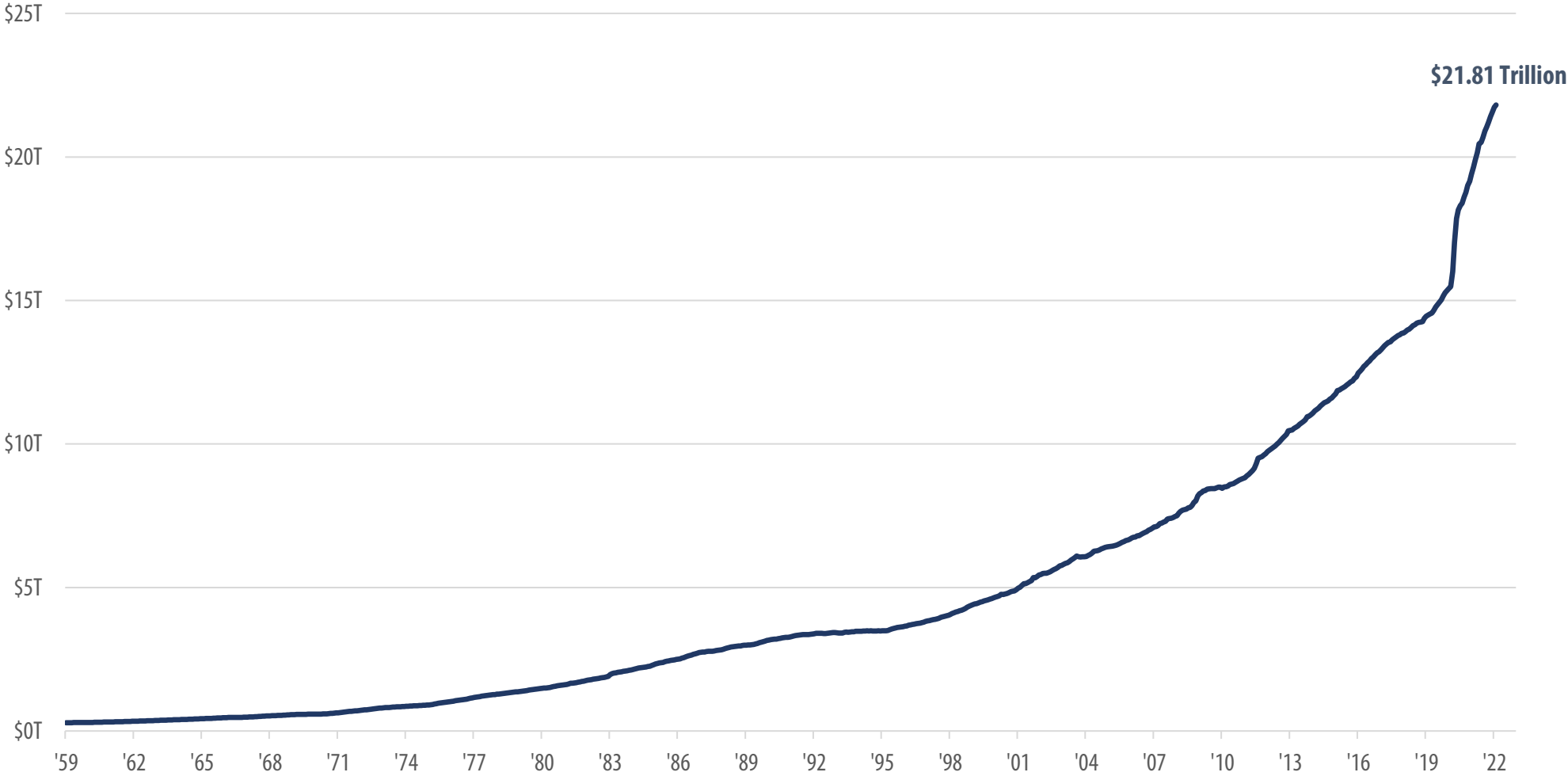
## PERCENT INCREASES: CONSUMER PRICE INDEX AND AVERAGE HOURLY EARNINGS



Source: Bureau of Labor Statistics. Monthly data from January 2020 to March 2022. Chart shows cumulative changes indexed to January 2020. The Consumer Price Index measures Inflation (the average change in prices over time that consumers pay for a basket of goods and services). The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person.

# M2 Money Stock

CURRENCY IN CIRCULATION (TRILLIONS OF DOLLARS)

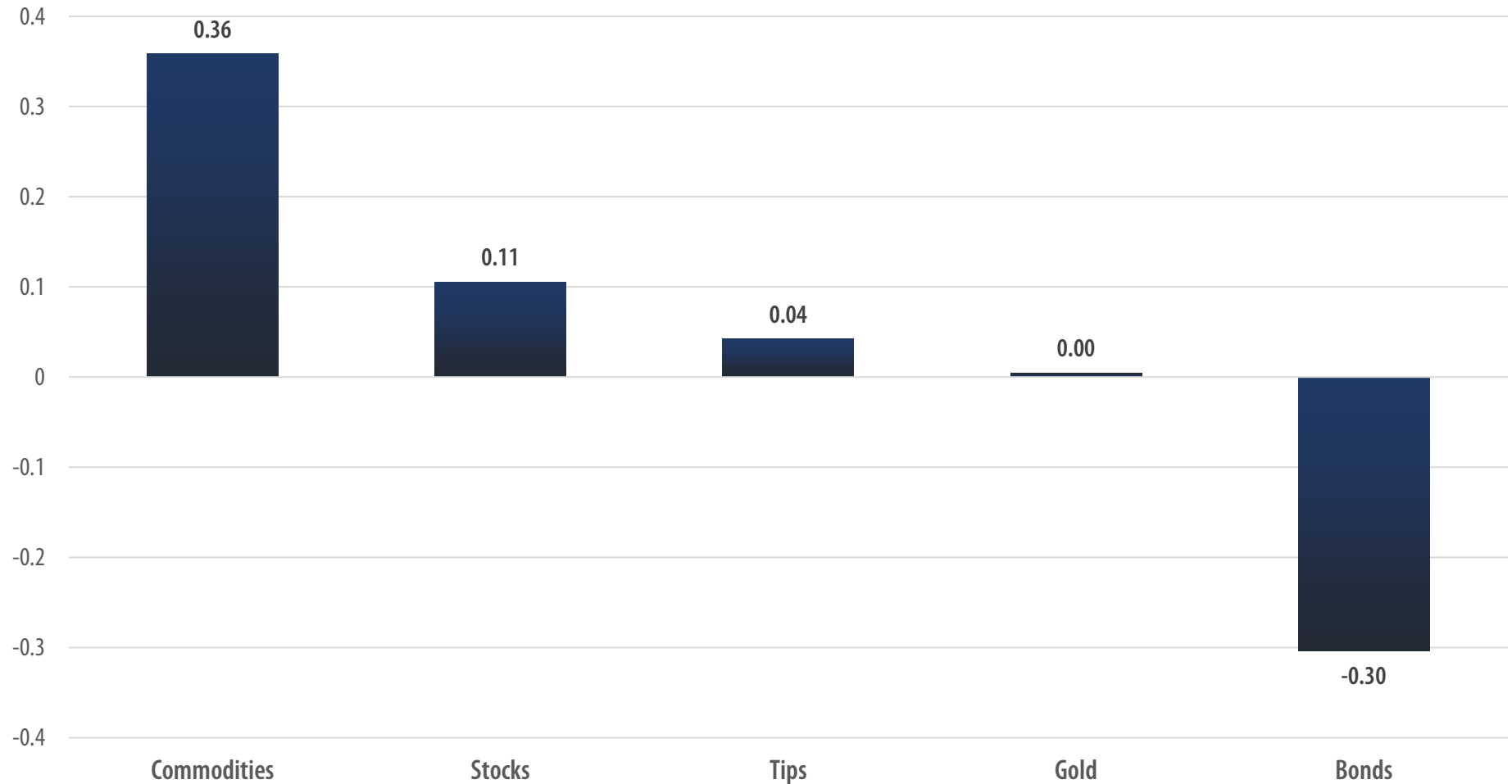


Source: Federal Reserve Bank of St. Louis. Monthly data from January 1959 – February 2022, not seasonally adjusted. This chart is for illustrative purposes only and not indicative of any actual investment. M2 includes hard currency, checking deposits, savings deposits, small denomination time deposits and retail money market funds.  
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# A Potential Inflation Hedge

## HISTORICAL CORRELATION OF RETURNS TO U.S. INFLATION



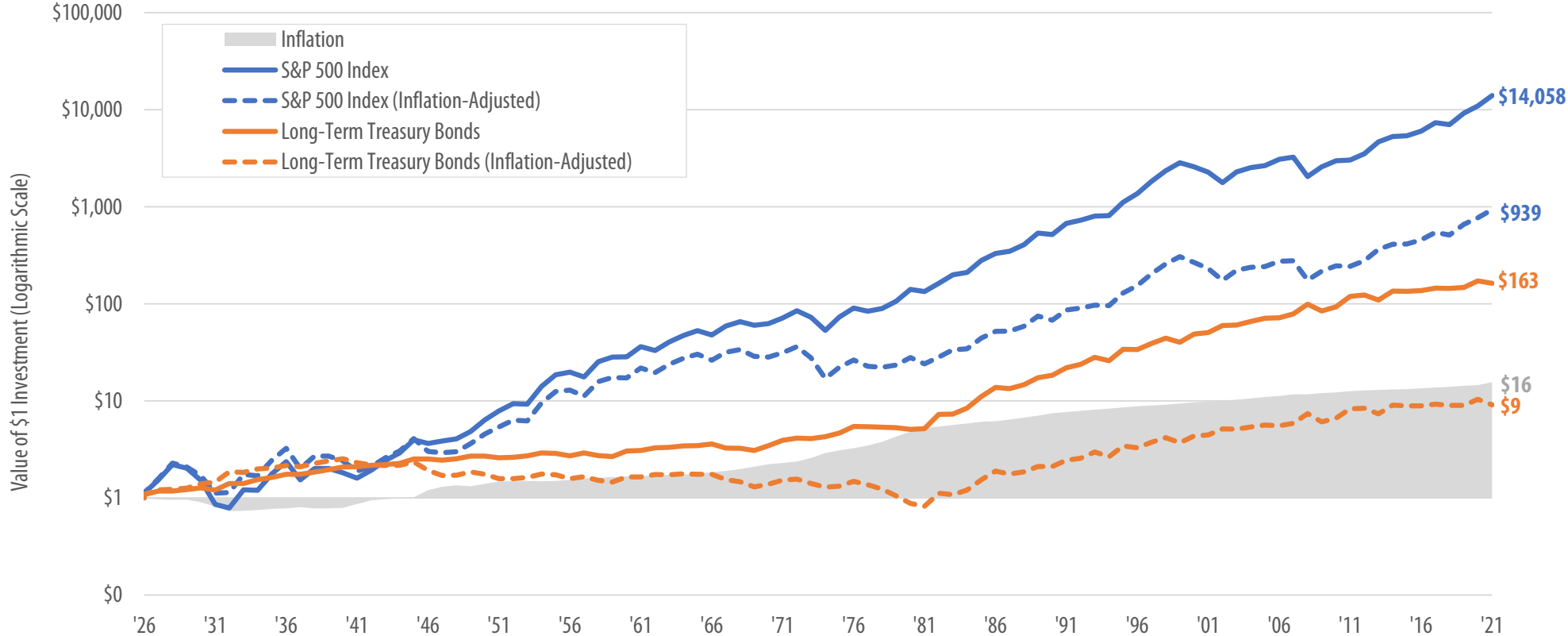
Source: Bloomberg 10/31/2005 – 3/31/2021. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. **Commodities** are represented by the Bloomberg Commodity Index. **Bonds** are represented by the Bloomberg U.S. Aggregate Bond Index. **Stocks** are represented by the S&P 500 Index. **Tips** are represented by the Bloomberg US Inflation Notes Index. **Gold** is represented by the ICE LBMA Gold Price Index. **Inflation** is represented by the Consumer Price Index (CPI-U) which measures the average change in prices over time that consumers pay for a basket of goods and services.

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# Inflation vs. Stocks and Bonds

It can be tempting to shy away from risk in investing, especially during times of market turmoil, but the reality is that all investments carry some degree of risk. The chart below shows the hypothetical growth of \$1 and the effect inflation has historically had on two types of investments -- stocks and bonds. This chart shows taking on a certain amount of risk can be necessary to stay ahead of inflation and should be factored in when assessing long-term financial goals.

### HYPOTHETICAL GROWTH OF A \$1 INVESTMENT: 1926 - 2021



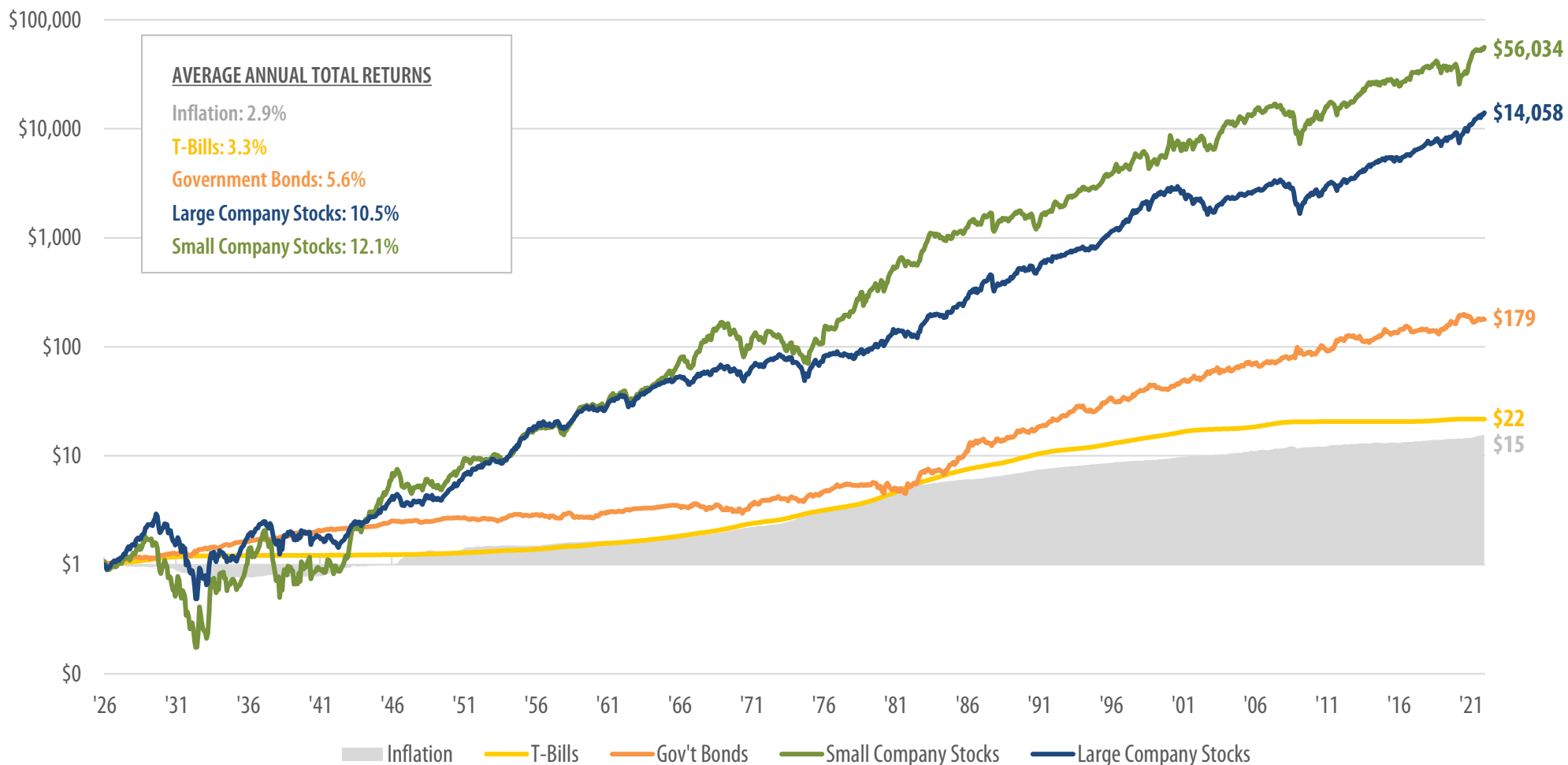
Source: Ibbotson Associates, U.S. Bureau of Labor Statistics. Hypothetical growth of a \$1 investment made on 12/31/1925. Data shows total returns through 12/31/2021. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future. The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. U.S. government securities are subject to interest rate risk but generally do not involve the credit risks associated with investments in other types of debt securities. As a result, the yields available from U.S. government securities are generally lower than the yields available from other debt securities. Common stocks are subject to risks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

**Inflation** is represented by the Consumer Price Index (CPI-U) which measures the average change in prices over time that consumers pay for a basket of goods and services. The **S&P 500 Index** is an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges. **Long-Term Treasury Bonds** are U.S. government bonds that have maturities longer than 10 years.

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# Stocks, Bonds, Bills & Inflation

## COMPOUND ANNUAL RETURN: 1926 - 2021



Source: Ibbotson Associates. Hypothetical growth of a \$1 investment made on 12/31/1925. Data is monthly and shows total returns through 12/31/2021. **Past performance is no guarantee of future results.** This chart is for illustrative purposes only and not indicative of any actual investment. These returns were the result of certain market factors and events which may not be repeated in the future. **Inflation** is represented by the Consumer Price Index (CPI-U) which measures the average change in prices over time that consumers pay for a basket of goods and services. **Treasury Bills (T-Bills)** are represented by the 30-day U.S. Treasury bill. **Government Bonds** are represented by the 20-year U.S. Government bond. **Small Company Stocks** (Ibbotson Small Company Stocks Index) are represented by the fifth capitalization quintile of stocks on the NYSE from 1926 to 1981 and the performance of the Dimensional Fund Advisors (DFA) Micro Cap Fund thereafter. **Large Company Stocks** (Ibbotson Large Company Stocks Index) are represented by the S&P 500 Composite Index (S&P 500) from 1957 to present, and the S&P 90 from 1926 to 1956. Investors cannot invest directly in an index. Index returns do not reflect any fees, expenses, or sales charges.

The asset classes shown here offer different characteristics in terms of income, tax treatment, capital appreciation and risk. U.S. government securities are subject to interest rate risk but generally do not involve the credit risks associated with investments in other types of debt securities. As a result, the yields available from U.S. government securities are generally lower than the yields available from other debt securities. Common stocks are subject to risks, such as an economic recession and the possible deterioration of either the financial condition of the issuers of the equity securities or the general condition of the stock market.

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