

Market Update

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Taking Off



See disclosures at end of document. Source: Noah Kroese Illustration for Altair Advisers

Racing Ahead



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Transitory Maze



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Select Market Returns

Markets	YTD Return (%)
iShares Core S&P 500 (large cap)	24.1
Russell 1000 Growth ETF (large growth)	24.1
Russell 1000 Value ETF (large value)	21.9
iShares Russell 2000 (small cap)	17.1
iShares MSCI EAFE (international)	11.8
iShares MSCI EM (emerging markets)	-1.0
Vanguard REIT Index Fund (real estate)	30.8
Vanguard Global ex-US REIT Index Fund (real estate)	6.7
Vanguard Total Bond Market ETF (taxable)	-1.8
Market Vectors Sh/Inter Muni ETF (municipal)	-0.1

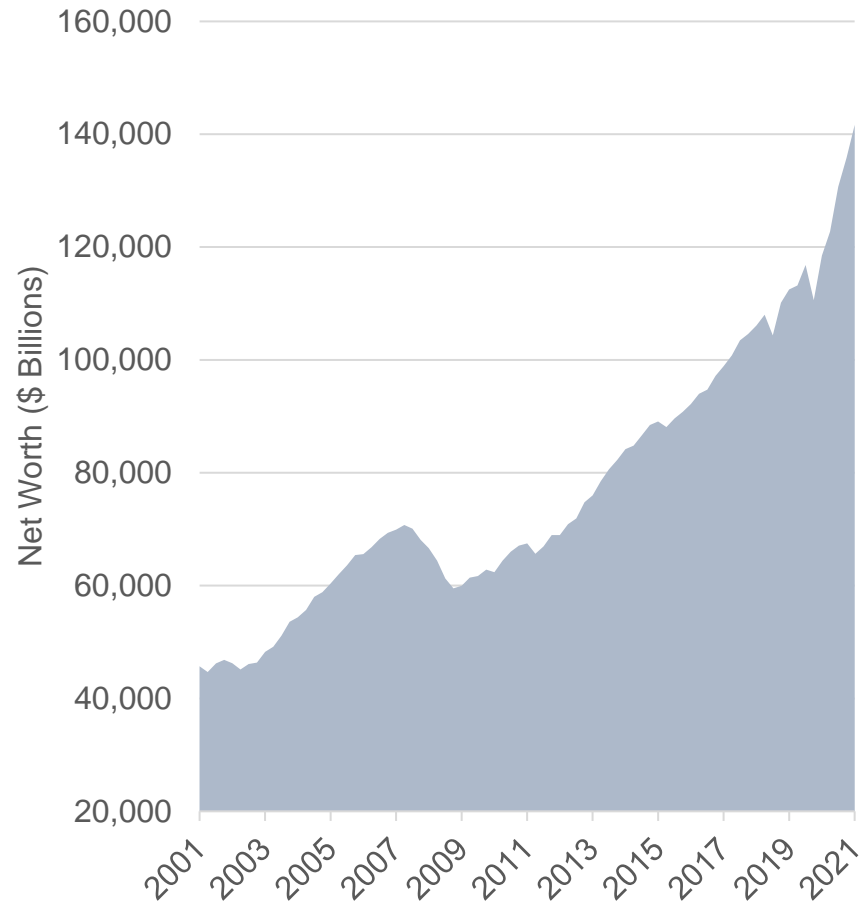
As of 10/31/21

See disclosures at end of document. Sources: Morningstar, Altair Advisers

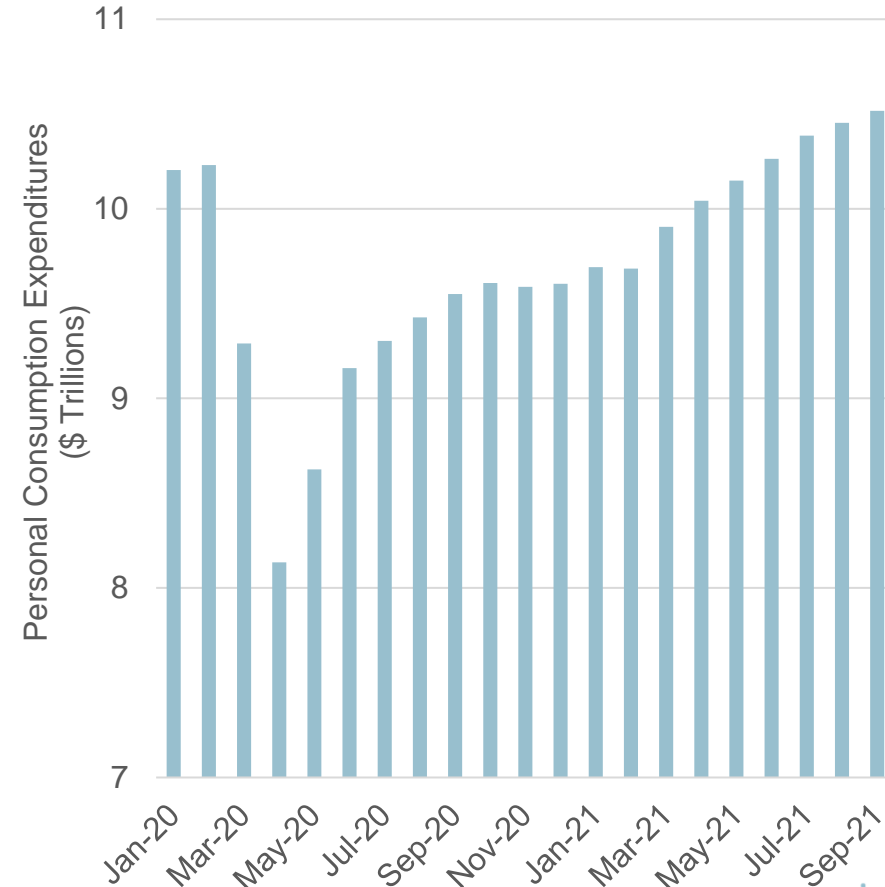


Consumer Strength Buoy Economy

Robust U.S. Consumer Balance Sheets
Q3 2001 – Q3 2021

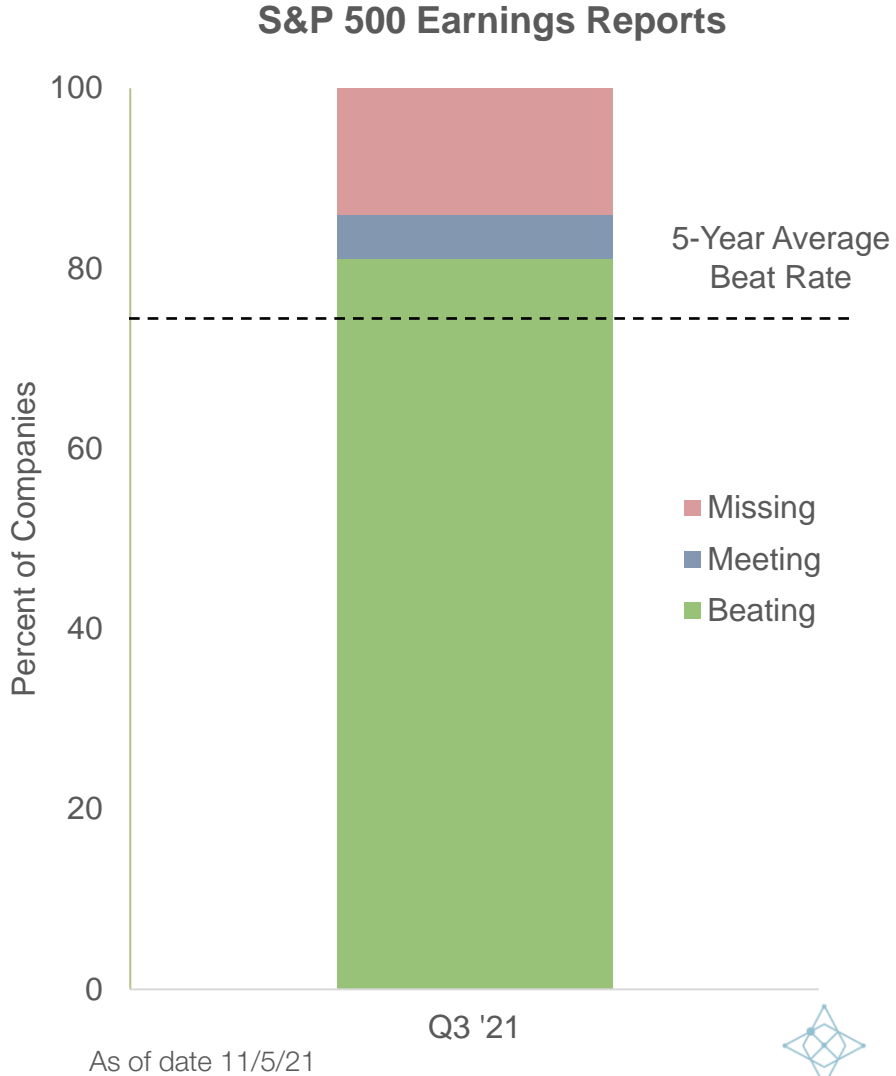
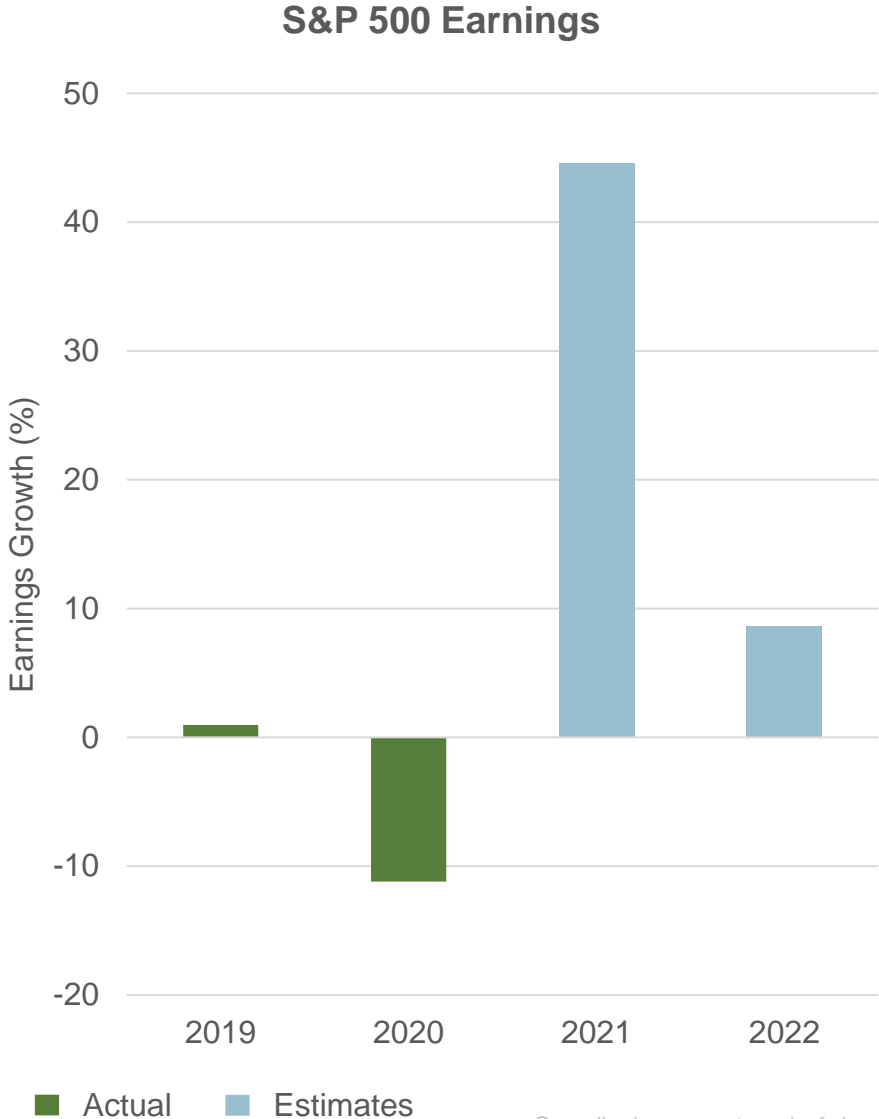


Spending on Services Fully Recovered
January 2020 – September 2021



See disclosures at end of document. Sources: St. Louis Federal Reserve, Altair Advisers

Company Profits Beating Expectations



See disclosures at end of document. Sources: FactSet, Altair Advisers



Port Backups Extend Supply-Chain Woes

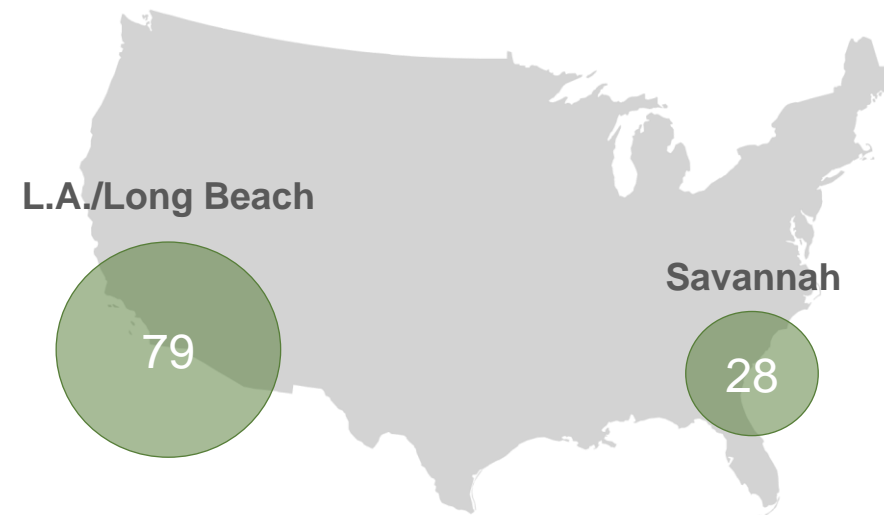
Port Congestion Number of Ships Waiting Off the Coast

Pre-Pandemic



“The normal number of container ships at anchor is zero to one.”
– *Executive Director of the Marine Exchange of Southern California*

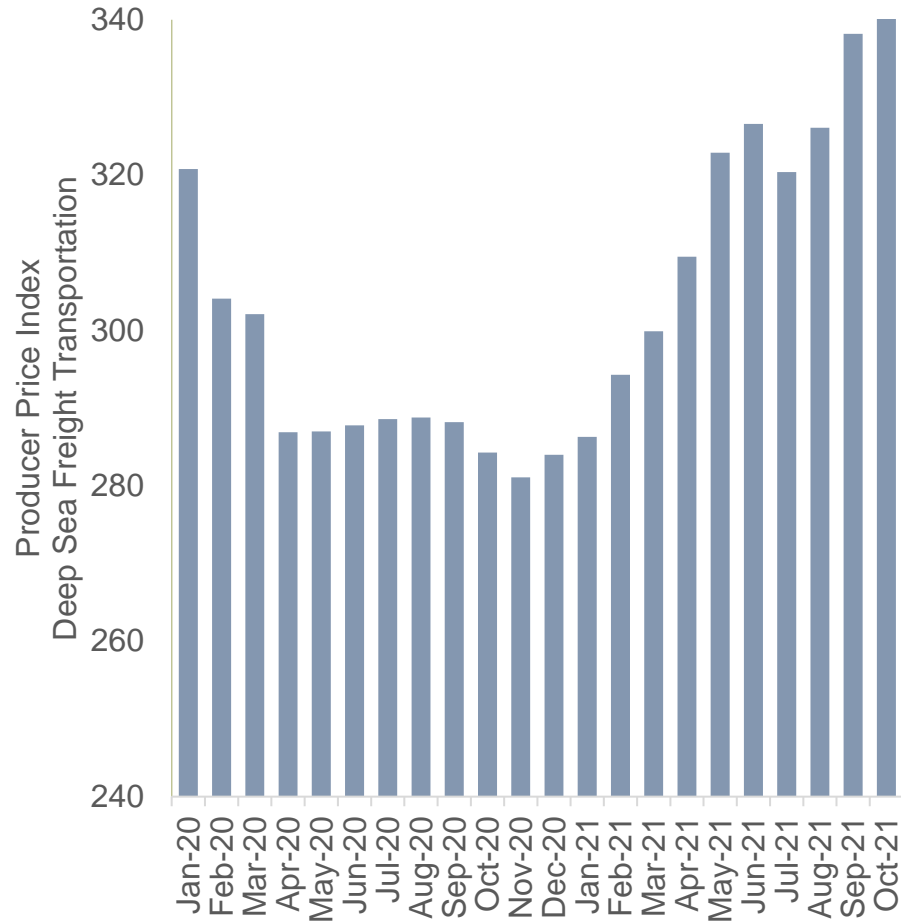
Current



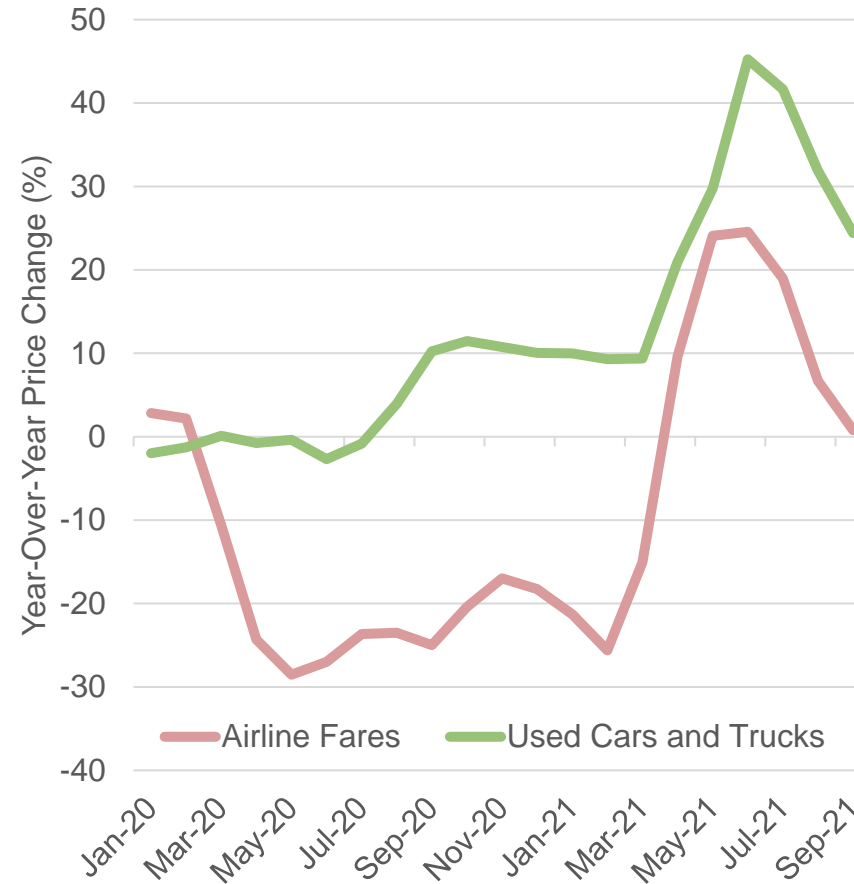
L.A./Long Beach data as of 11/1/21
Savannah data as of 10/27/21

Inflation's Surge Likely Not Long-Term

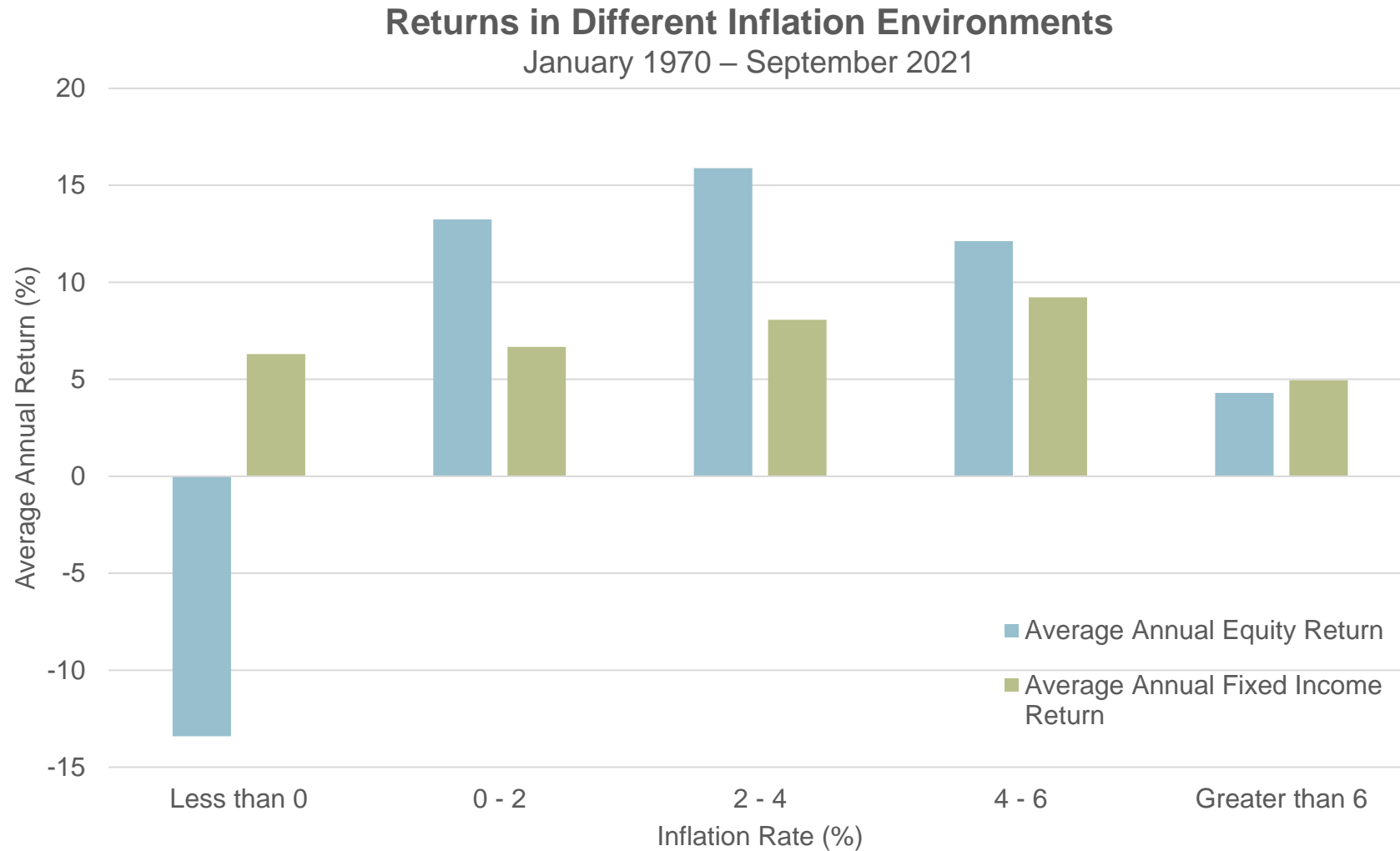
Shipping Costs Escalate
January 2020 – October 2021



Some Early Drivers Have Peaked
January 2020 – September 2021



Inflation Hurts Markets Only When Extreme



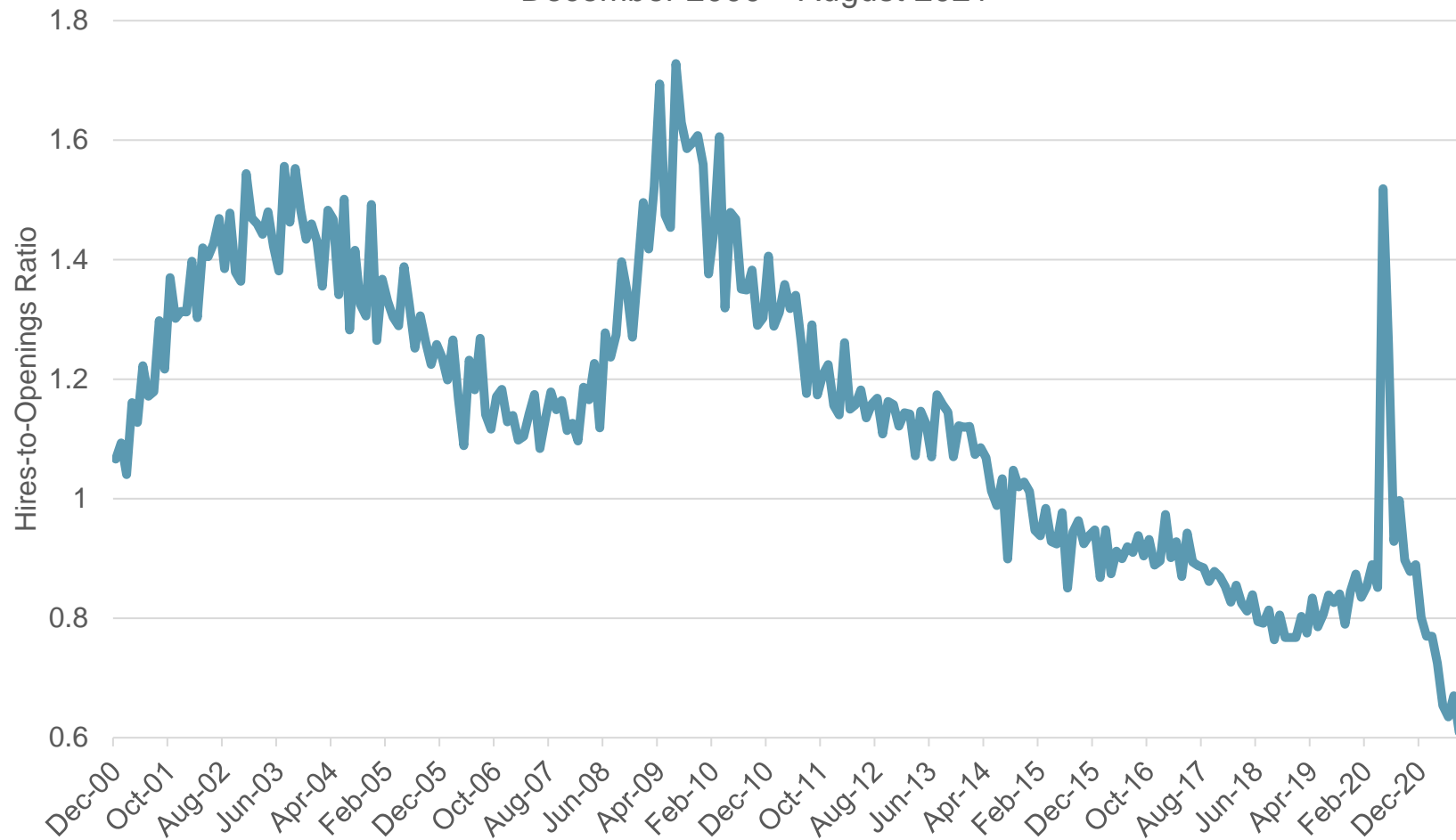
Equity returns are the S&P 500 index.
Fixed income returns are Ibbotson Associates SBBI US Intermediate-Term Government index from 1970 – 1975, and the Bloomberg US Aggregate Index for 1976 – 2021.

See disclosures at end of document. Sources: St. Louis Federal Reserve, Morningstar, Altair Advisers



Help Wanted

Jobs Plentiful, Workers Missing December 2000 – August 2021



See disclosures at end of document. Sources: St. Louis Federal Reserve, Altair Advisers

Disposable Income Slips Below Trend



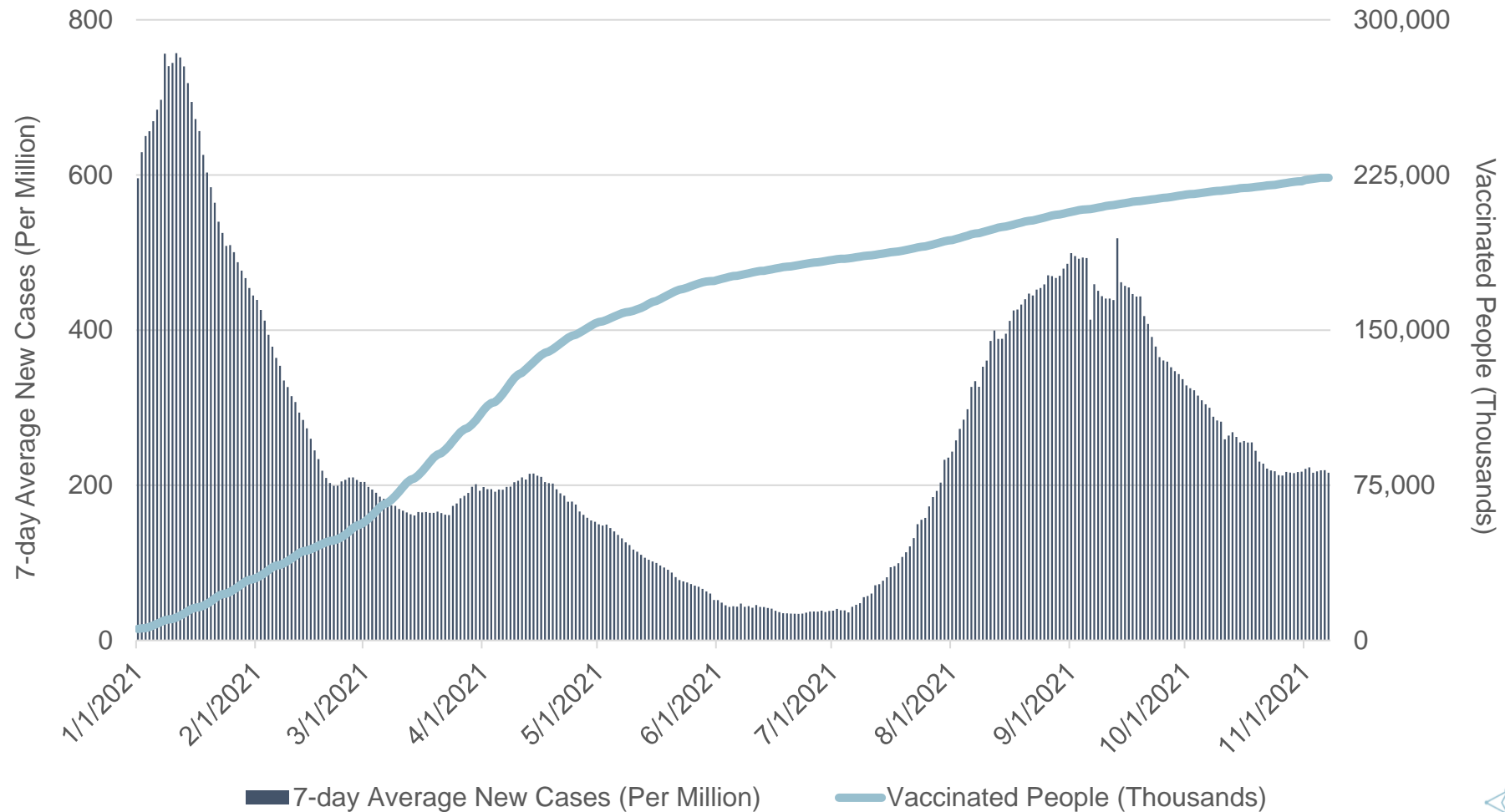
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Vaccinations Climb As Delta Abates

New Daily Cases and Vaccinations

January 1, 2021- November 7, 2021

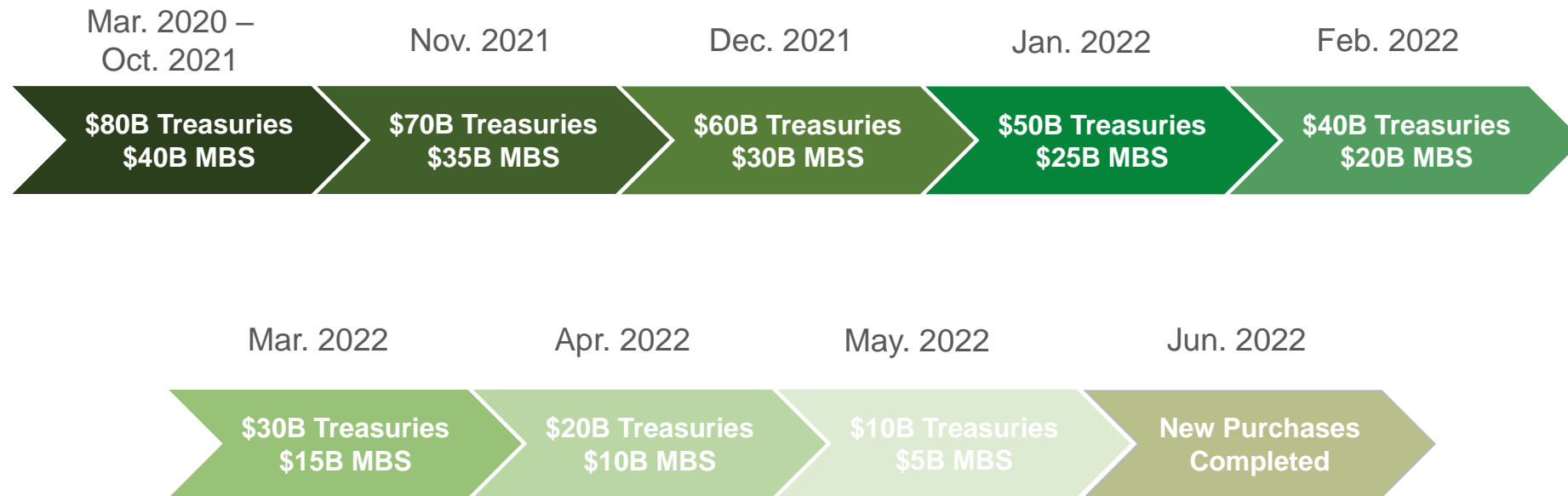


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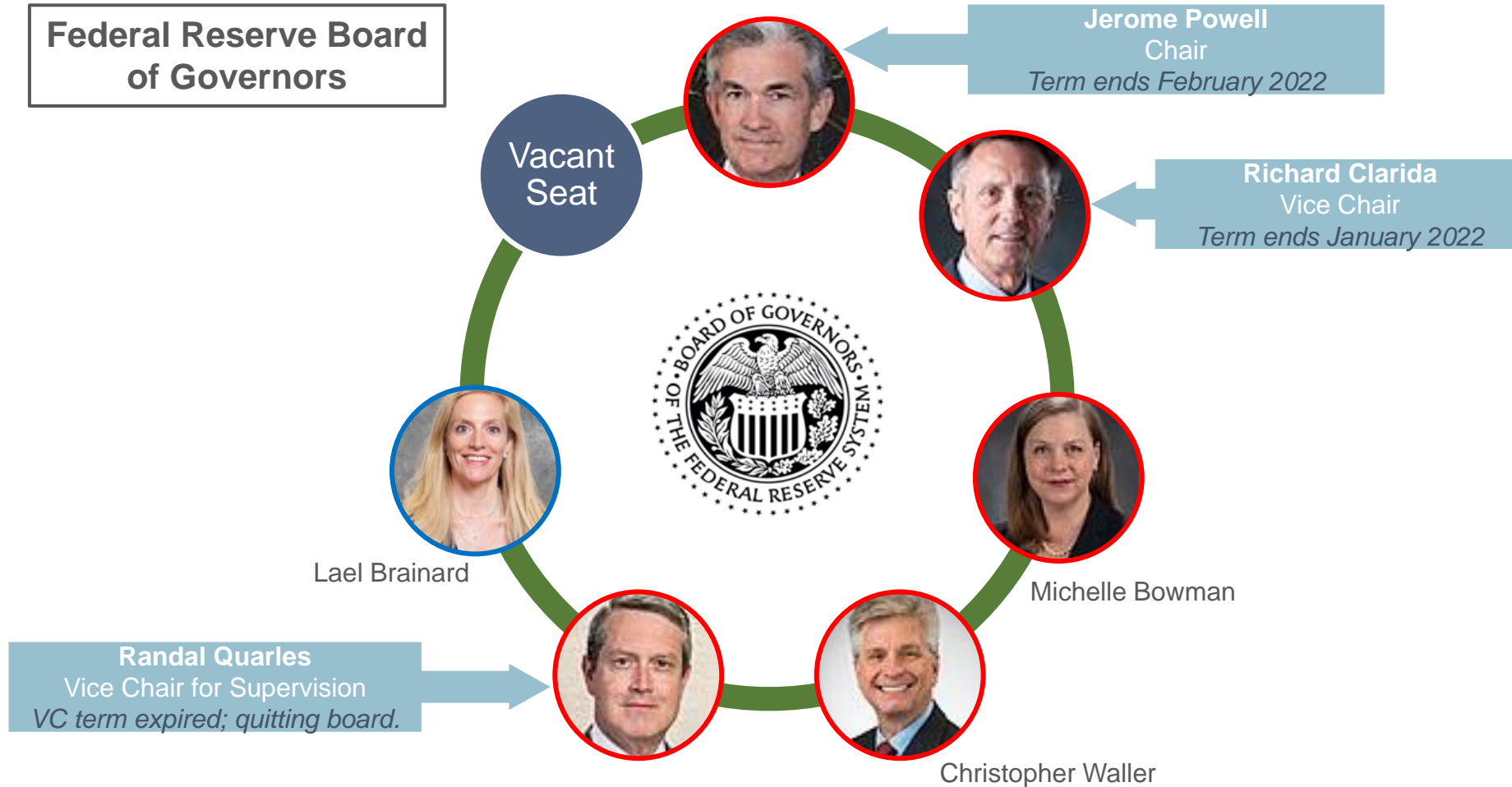


Fed Beginning Cautious Unwind

Balance-Sheet Tapering Plan New Purchases Completed Each Month



Fed Undergoing Makeover Next Year



To Recap

- U.S. companies and consumers have strengthened further recently as the economy recovers and COVID-19 fades.
- Supply-chain bottlenecks and elevated inflation continue to pose challenges but should abate in 2022 as port backups and other temporary inflationary factors ease.
- The labor market continues to lag its pre-pandemic level by some 4 million jobs but shows recent improvement in both the jobs added and a decline in the number filing for unemployment insurance.
- The Federal Reserve is beginning a measured wind-down of its emergency pandemic-era stimulus and appears likely to remain accommodative after a shakeup of its key decision-makers in 2022.
- We retain a positive outlook for the economy and markets in 2022, with companies poised for solid growth and consumers also well-positioned.

See disclosures at end of document.



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