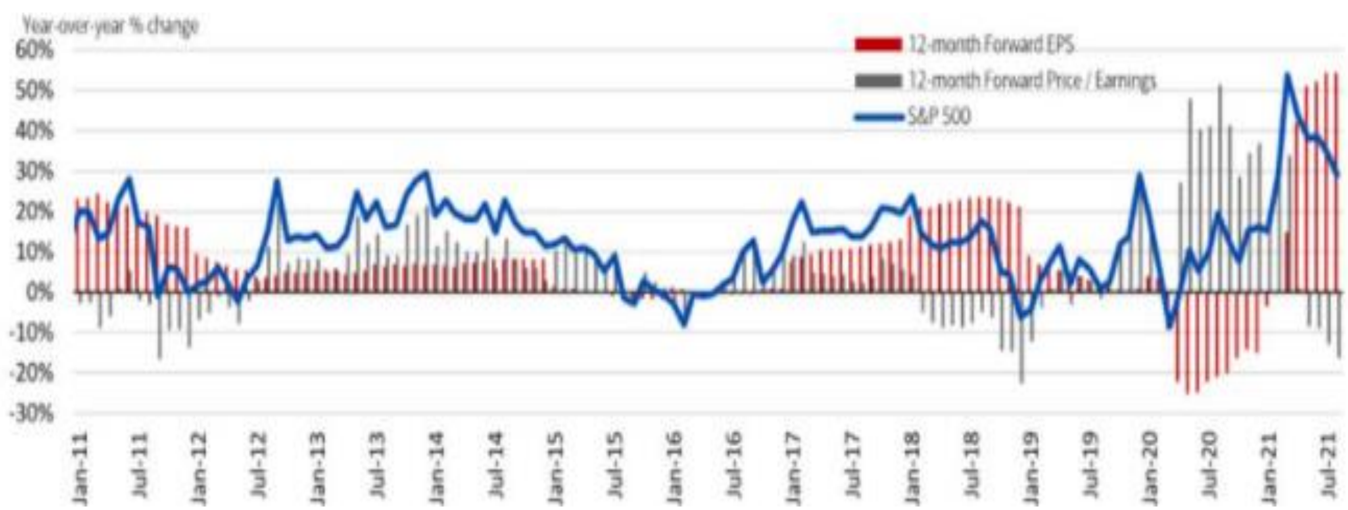
Index/ETF	1-Mo	YTD	1-Y
Equities			
US Small-Caps (SPSM)	-2.33%	20.00%	57.58%
International Developed Equities (IEFA)	-3.26%	8.99%	26.05%
US Value (IVE)	-3.30%	15.21%	31.99%
Broad-based Emerging Markets (EEM)	-3.87%	-2.07%	15.95%
US Mid-Caps (SPMD)	-3.96%	15.53%	43.64%
China (MCHI)	-4.61%	-16.42%	-8.05%
US Large-Caps (SPY)	-4.66%	15.91%	29.96%
US Growth (QQQ)	-5.68%	14.50%	29.53%
US Bonds			
High Yield Credit (HYG)	-0.37%	2.95%	8.92%
Municipal Bonds (MUB)	-0.70%	0.34%	2.13%
Treasury Inflation Protected Notes (TIP)	-0.78%	3.20%	4.88%
US Aggregate Bond Index (AGG)	-0.92%	-1.67%	-0.96%
Investment Grade Corporate Bonds (LQD)	-1.51%	-2.21%	1.11%
US Treasury 7-10 Year (IEF)	-1.60%	-3.44%	-4.68%
Commodities			
Crude Oil (USO)	9.41%	59.22%	85.79%
Broad-based Commodities (BCI)	5.29%	28.17%	41.97%
Gold (GLD)	-3.22%	-7.93%	-7.28%
Silver (SLV)	-7.32%	-16.48%	-5.18%

September Performance: Other than Japan (up 4.3%), all major equity regions posted negative returns in the month of September, ranging from -3% to -5%. The S&P 500 returned -4.7% marking its worst monthly performance since the early stages of the pandemic in March 2020. Rising inflation, increasing rates, and slowing growth are all likely to have contributed to the loss. All sectors were down for the month aside from Energy, which produced a notable return of +9%, markedly reducing its quarterly loss. High Yield Credits, Municipal Bonds, and Treasury Inflation Protected Securities outperformed given they were only down 0.4%, 0.7%, and 0.8% for the month, respectively. Relative to prevalent Developed and Emerging market currencies, the USD dollar appreciated. Volatility also heightened as VIX surpassed 23.

Congress & Budget Reconciliation Bill: Though constantly changing, some details regarding the Budget Reconciliation Bill were released earlier in the month. Regarding tax policies, proposed changes include increasing the top individual income tax rate to 39.6%, introducing a progressive corporate tax rate, investment tax increase to 25%, and a 3% surcharge for individuals that make over $5 million per year. Moreover, there are also rumored to be changes to high-balance IRAs and restrictions on Roth IRA conversions. There have also been conversations about lower estate tax exclusions, international tax adjustments, and more intense IRS enforcement. Given an impending debt ceiling, the Senate and House passed a bill on Wednesday, September 29th, successfully avoiding a government shutdown. However, the bill only ensures government funding through early December 3rd.

Exhibit 1

Strong Earnings Growth has been the Primary Driver of US Equity Returns so far this Year



Source: Bloomberg. Data as of September 7, 2021. Past performance is no guarantee of future results.

US Earnings

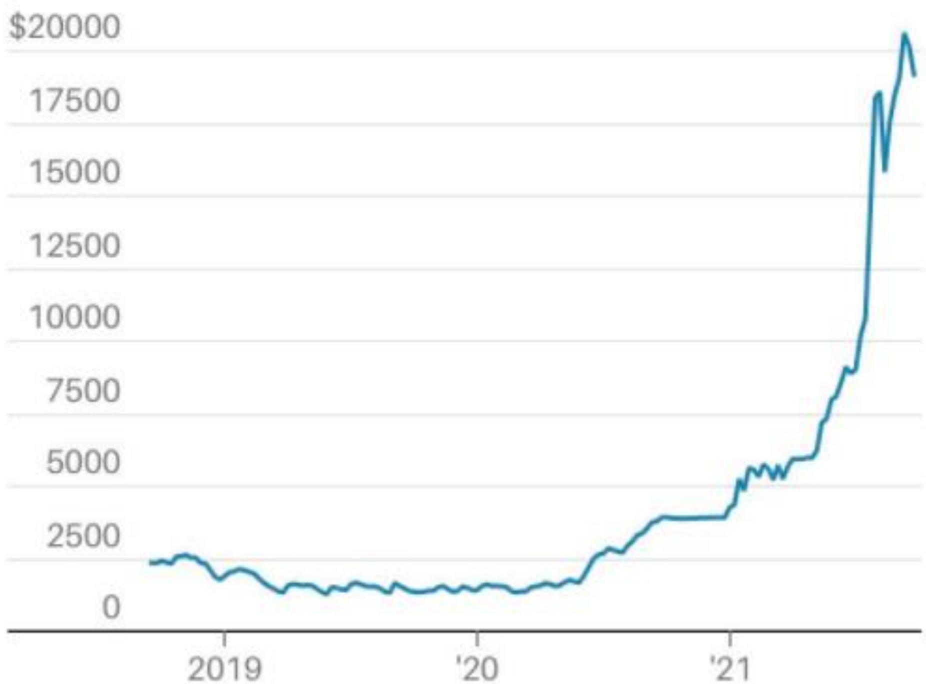
As indicated in Exhibit 1, a strong year of earnings has aided in driving the market higher.

Global Supply Chain Disruptions

Given global supply chains continue to suffer from Covid-19 related restrictions, supply shortages, increasing demand, and a limited number of workers, the cost to transport goods around the world has dramatically increased. As seen in the chart below, it costs close to $20,000 to ship a container from China to the West Coast, up to extreme levels from around $2,500 in 2020.

Exhibit 2

Cost of shipping a container from China to the West Coast



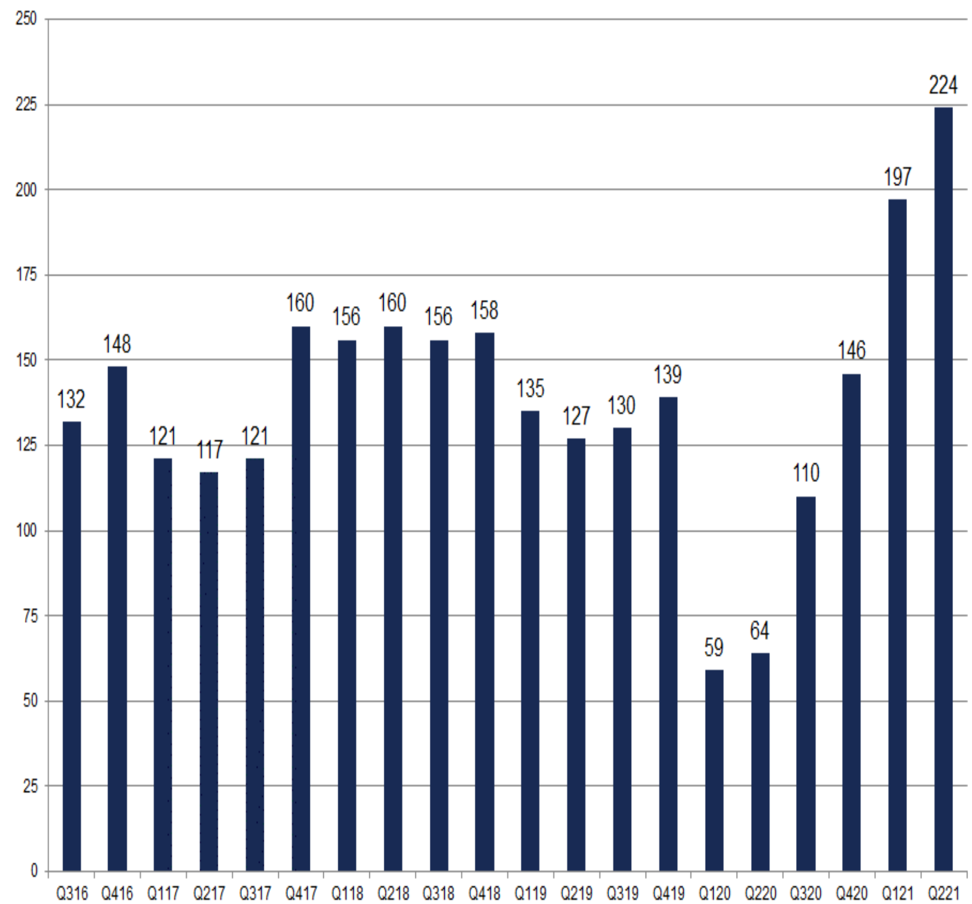
Source: Bloomberg, Barron's.

Inflation's Impact on Earnings

In the second quarter of 2021, an unprecedented number of companies cited "inflation" in their Q2 earnings calls as seen in the chart below. Owning a cross asset diversified portfolio of inflation sensitive assets continues to be an attractive risk/reward.

Exhibit 3

Number of S&P 500 Cos. Citing "inflation" on Earnings Calls: 5-Year



Source: FactSet.