

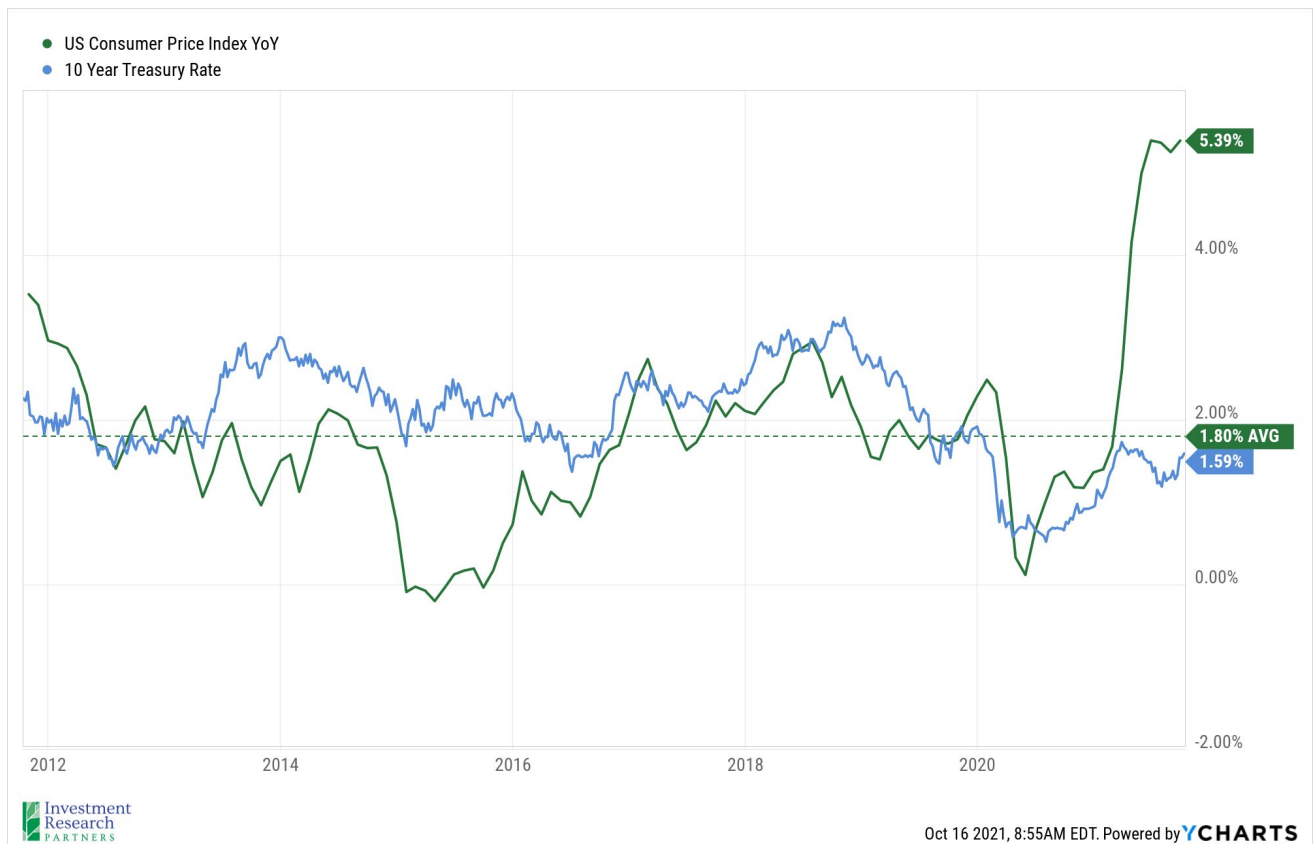
## Weekly Investment Update

October 18, 2021

Equity markets surged higher last week as earnings season got off to a great start. Several large banks reported strong earnings, which helped push equity markets higher. Goldman Sachs reported that their year-to-date revenue in 2021 is already the highest annual revenue recorded in firm history, and there is still a quarter of the year left.<sup>1</sup> The S&P 500 (a proxy for large-cap US stocks) was up 1.8% for the week and the MSCI ACWI index (a proxy for global large-cap stocks) jumped 2.2%.<sup>2</sup>

An important footnote to the strong bank earnings reports last week was the broad agreement by bank leadership that inflation, and wage inflation in particular, remains a concern. Goldman Sachs CEO David Solomon commented, “there’s real wage inflation across all aspects of the economy right now”.<sup>3</sup>

As one can see below, the US Consumer Price Index, a commonly used gauge of inflation, has risen to levels not seen in more than a decade. The Federal Reserve’s stance that inflation will be short-lived is being called into question more often recently, especially in areas like wage inflation.



<sup>1</sup> Source: [Goldman Traders Deliver Surprise Surge in Firm’s Best Year - Bloomberg](#)

<sup>2</sup> Source: YCharts

<sup>3</sup> Source: [Wage Inflation Is Spreading Through the Economy, Goldman Sachs CEO Says - Bloomberg](#)

### Prices & Interest Rates

Representative Index	Current	Year-End 2020
Crude Oil (US WTI)	\$82.00	\$48.52
Gold	\$1,767	\$1,893
US Dollar	93.95	89.94
2 Year Treasury	0.41%	0.13%
10 Year Treasury	1.59%	0.93%
30 Year Treasury	2.05%	1.65%

Source: Morningstar, YCharts, and US Treasury as of October 16, 2021

### Asset Class Returns

Category	Representative Index	YTD 2021	Full Year 2020
Global Equity	MSCI All-Country World	14.8%	16.3%
Global Equity	MSCI All-Country World ESG Leaders	16.4%	16.0%
US Large Cap Equity	S&P 500	20.4%	18.4%
US Large Cap Equity	Dow Jones Industrial Average	17.0%	9.7%
US Small Cap Equity	Russell 2000	15.6%	20.0%
Foreign Developed Equity	MSCI EAFE	10.4%	7.8%
Emerging Market Equity	MSCI Emerging Markets	1.2%	18.3%
US Fixed Income	Bloomberg Barclays Municipal Bond	0.7%	5.2%
US Fixed Income	Bloomberg Barclays US Agg Bond	-1.7%	7.5%
Global Fixed Income	Bloomberg Barclays Global Agg. Bond	-4.2%	9.2%

Source: YCharts as of October 16, 2021

*Past performance may not be representative of future results. All investments are subject to loss. Forecasts regarding the market or economy are subject to a wide range of possible outcomes. The views presented in this market update may prove to be inaccurate for a variety of factors. These views are as of the date listed above and are subject to change based on changes in fundamental economic or market-related data. Please contact your Advisor in order to complete an updated risk assessment to ensure that your investment allocation is appropriate.*