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INVESTMENT PARTNERS

Market Outlook

May 2022



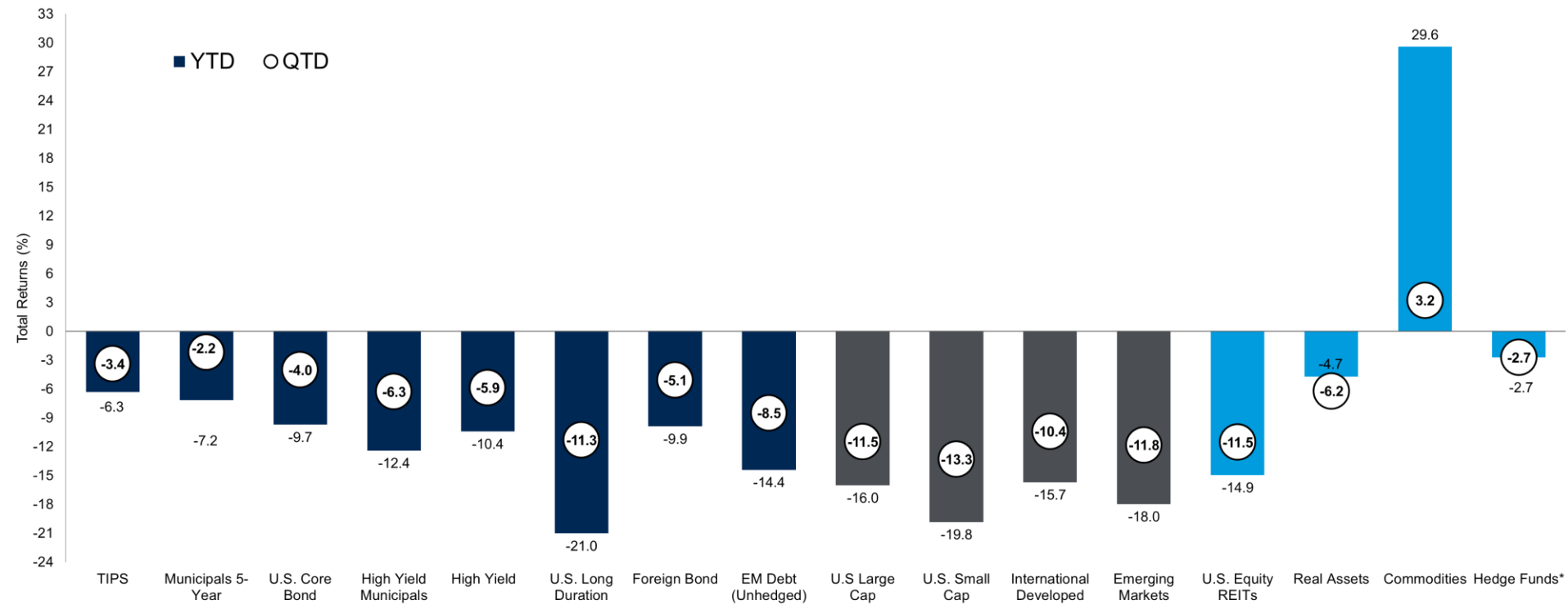
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Market Update



Asset Class Returns

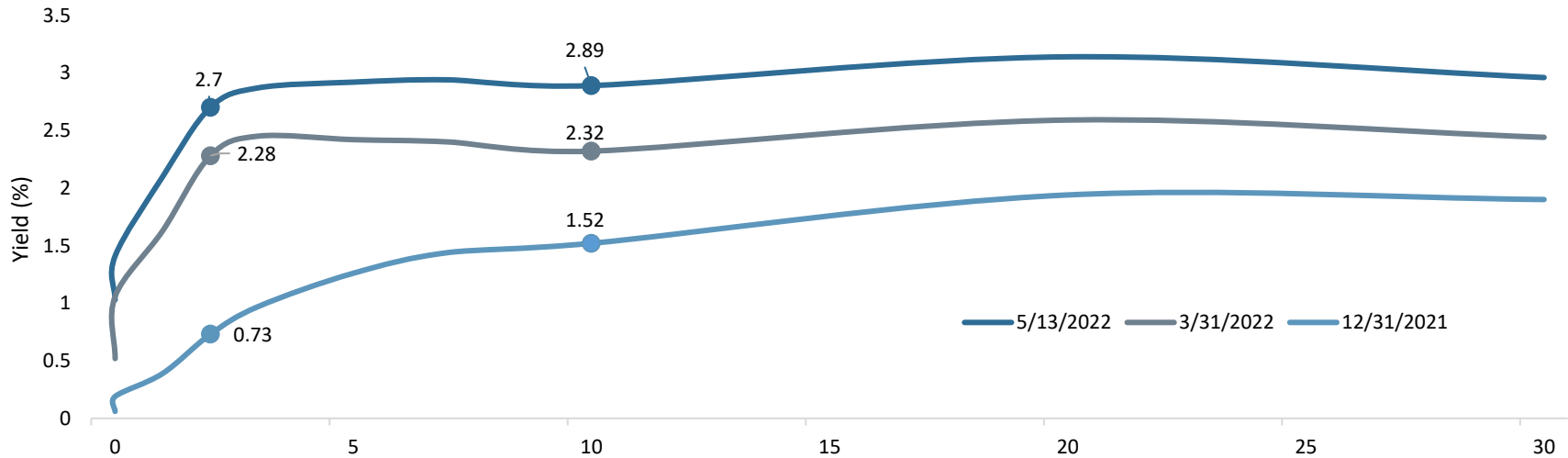


Source: Morningstar Direct. As of May 13, 2022. *Hedge fund returns as of March 31, 2022.

Fixed Income Market Update



U.S. Treasury Yield Curve



Source: FactSet. As of May 13, 2022.

Corporate Market Spreads – Trailing 5 Years



Source: FactSet. As of May 13, 2022.

Past performance does not indicate future performance and there is a possibility of a loss.

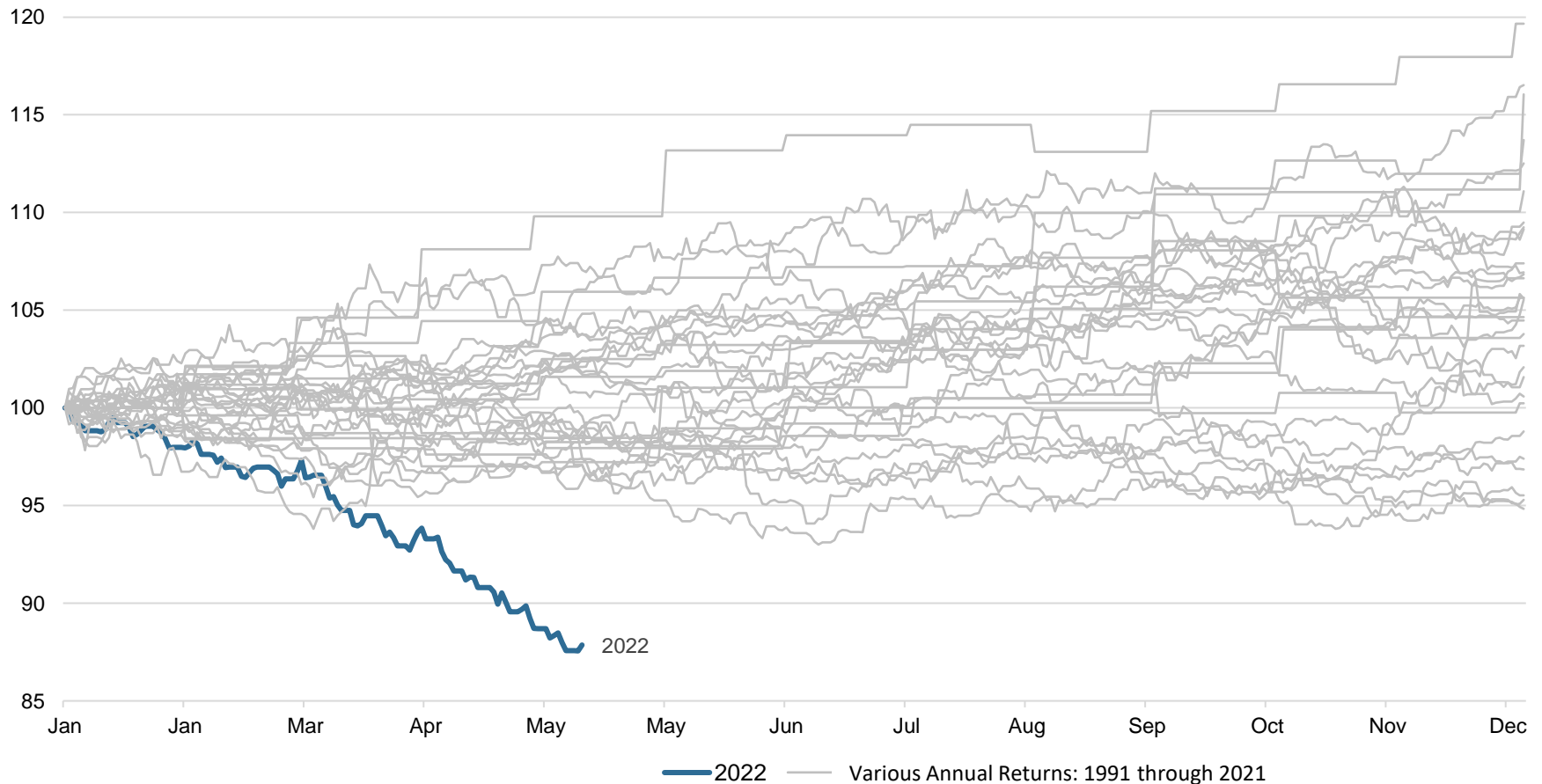
Fixed Income

Just How Bad of a Start?



Global Bonds are off to their worst start by a far margin in the last 30 years.

Annual Returns of the Global Aggregate Since 1991



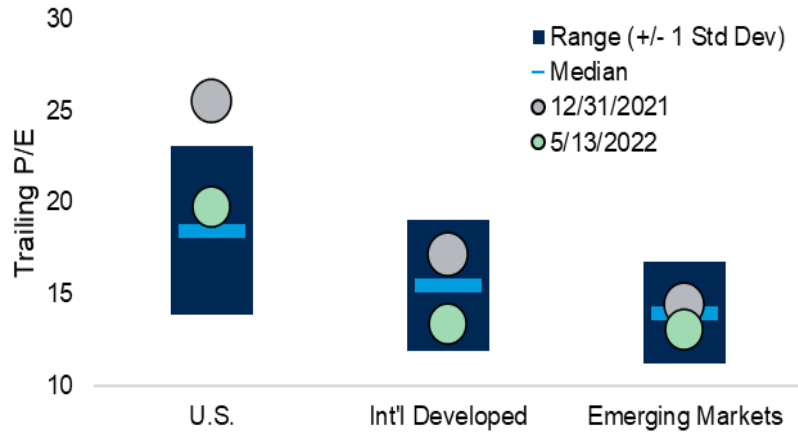
Source: FactSet April 2022

Past performance does not indicate future performance and there is a possibility of a loss.

Equity Market Update

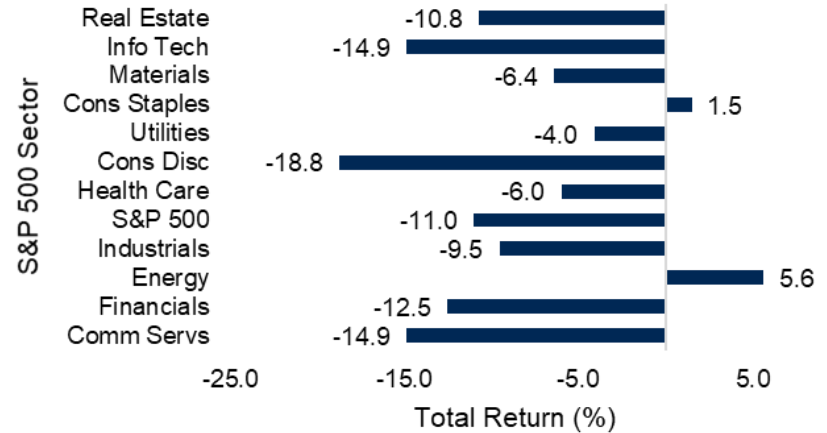


Equity Valuations (Trailing PE – Last 15 Years)



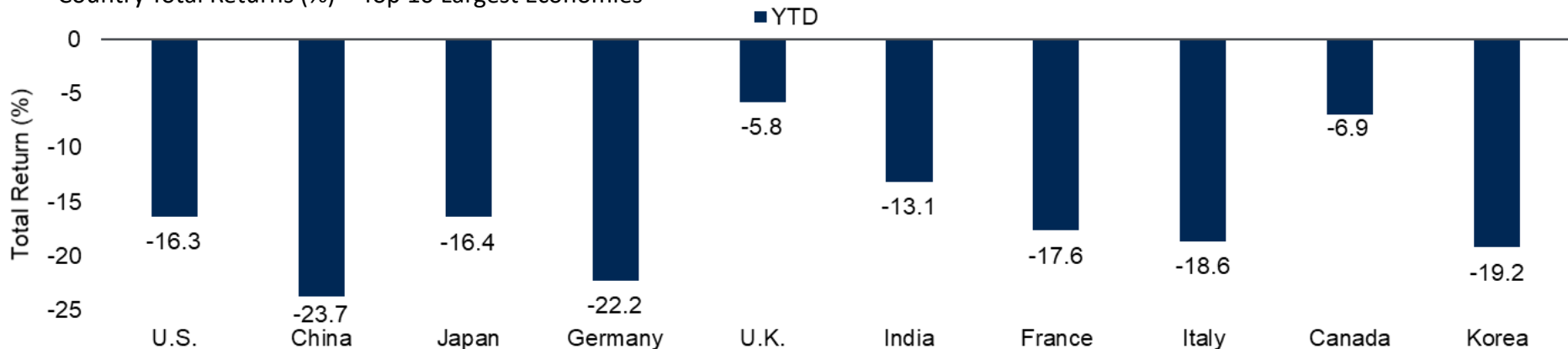
Source: FactSet. As of May 13, 2022.

U.S. Equities – Return by Sector (1Q 2022)



Source: Morningstar Direct. As of May 13, 2022.

Country Total Returns (%) – Top 10 Largest Economies

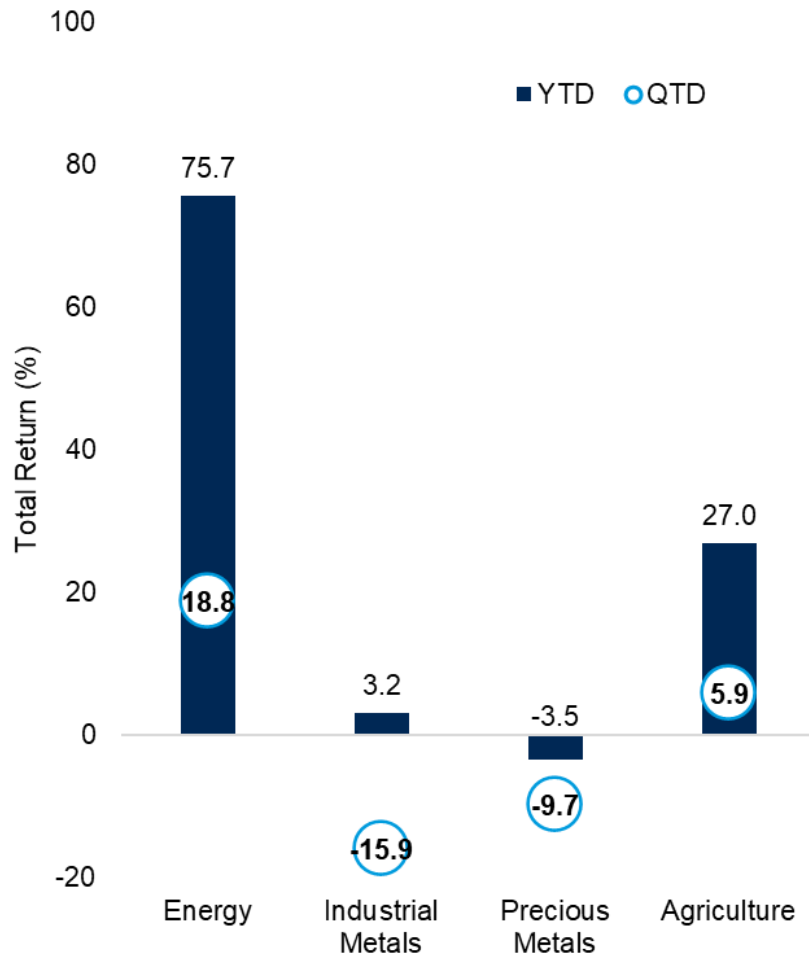


Source: Morningstar Direct. As of May 13, 2022.

Real Assets Market Update

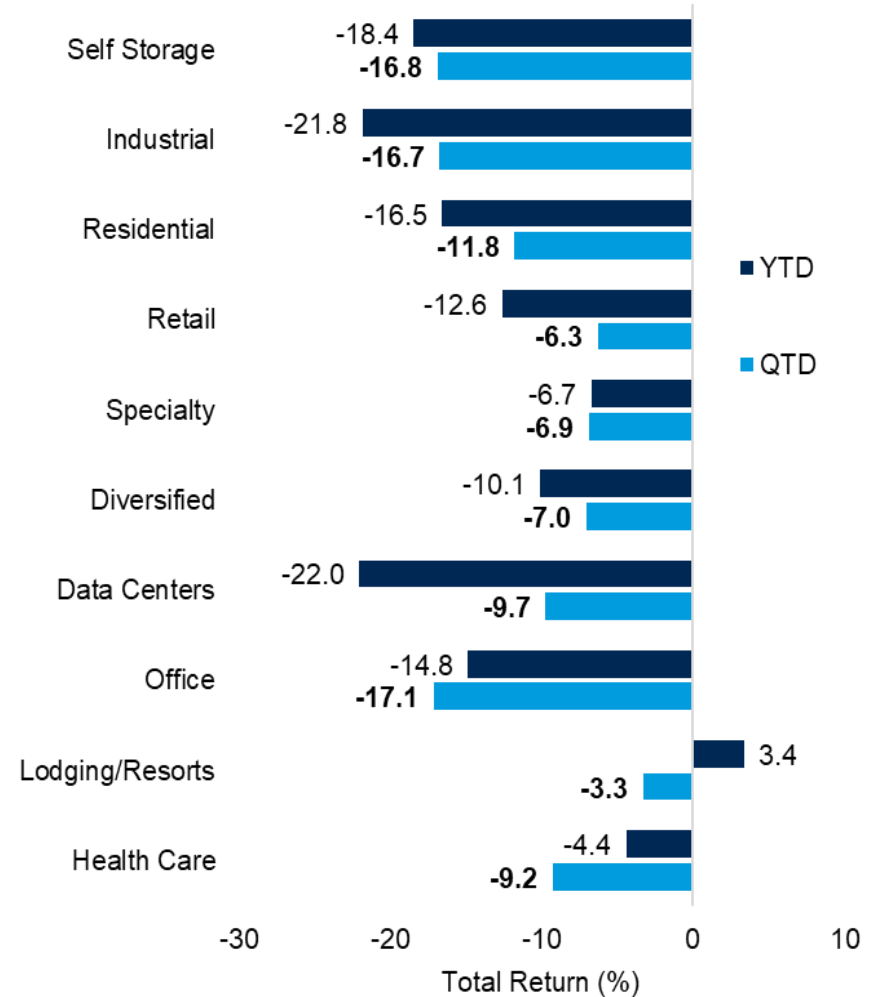


Commodity Performance



Source: Morningstar Direct. As of May 13, 2022.

REIT Sector Performance



Source: Morningstar Direct. As of May 13, 2022.

Themes

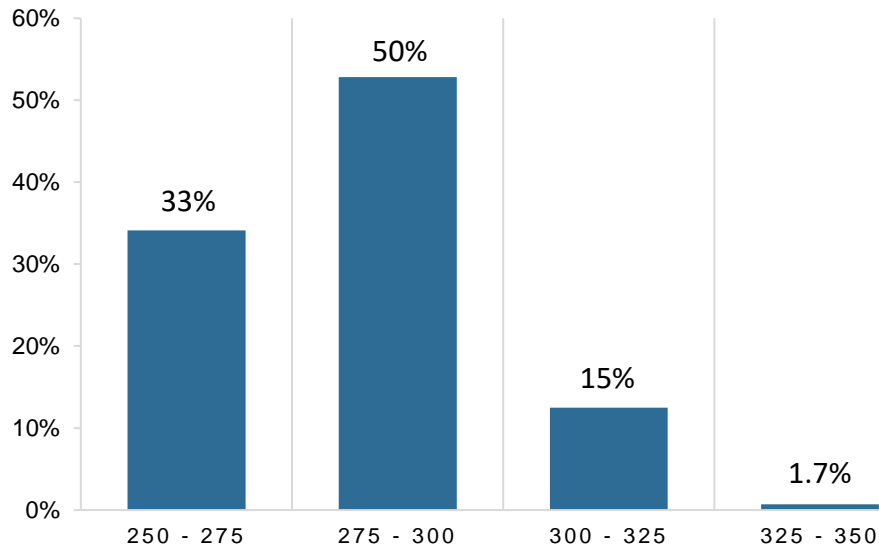


Policy Maker Tightrope

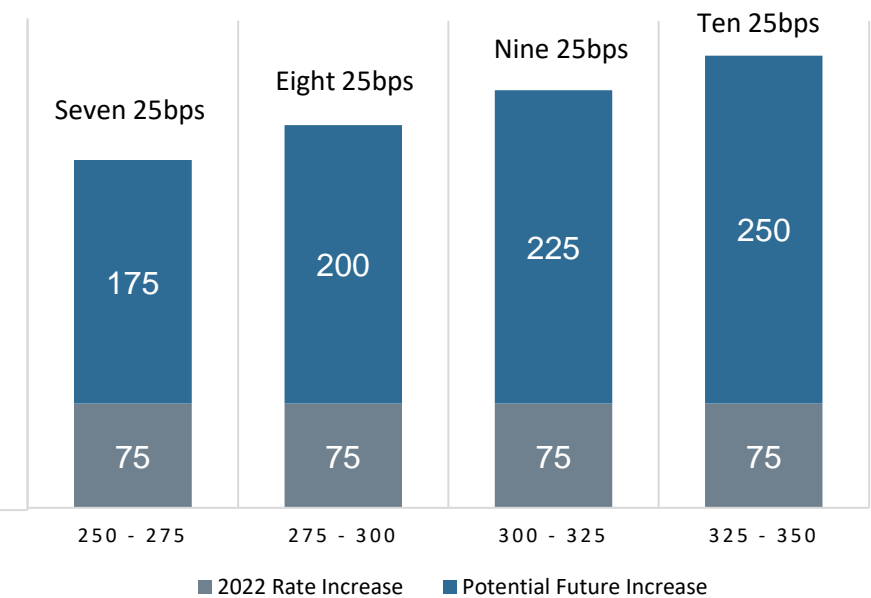


The Fed Fund's Rate is currently 75 - 100 basis points. Should predictions become reality, the majority of the Fed's action is ahead of us.

CME Group Fed Funds Rate Probabilities December 2022



Necessary Rate Increases in 2022 to Meet Ranges



Source: CME Group FedWatch as of May 17, 2022

Rates and Growth Stocks

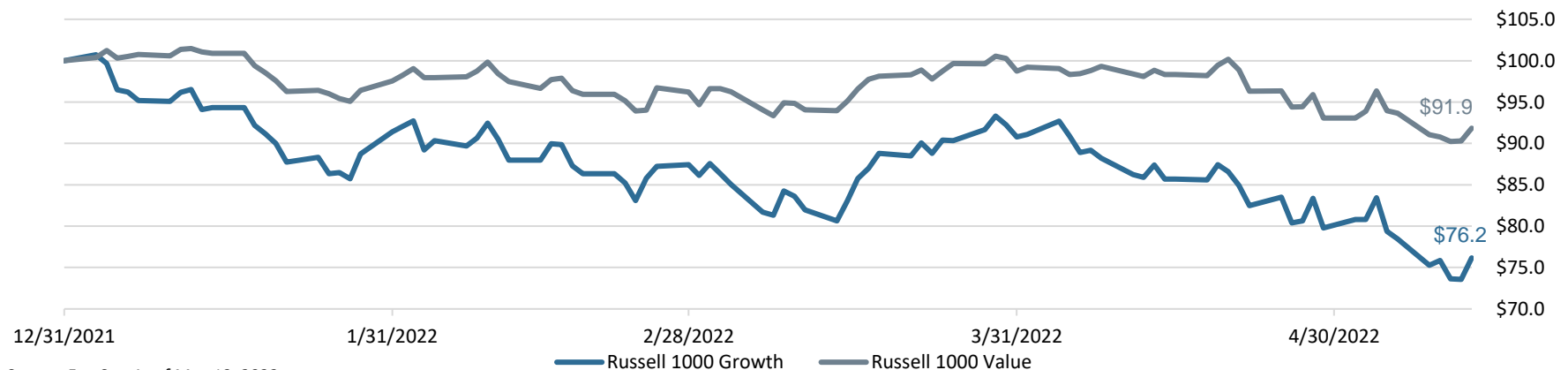


High costs stocks have felt the impact more. Here is why;

- Often when valuing a stock an investor will look at the future earnings power of a business.
- To value those future earnings in today's dollars they will use a discount rate.
- The Higher the discount rate, the lower the value of the stock.

More Expensive
↑
↓
Less Expensive

P/E Quintile	May Return	QTD Return	YTD Return
Quintile 1 (Highest)	-7.3%	-22.1%	-31.0%
Quintile 2	-3.5%	-11.5%	-17.5%
Quintile 3	-0.3%	-6.9%	-10.9%
Quintile 4	-0.9%	-6.5%	-5.7%
Quintile 5 (Lowest)	2.0%	-2.4%	2.7%



Source: FactSet. As of May 13, 2022.

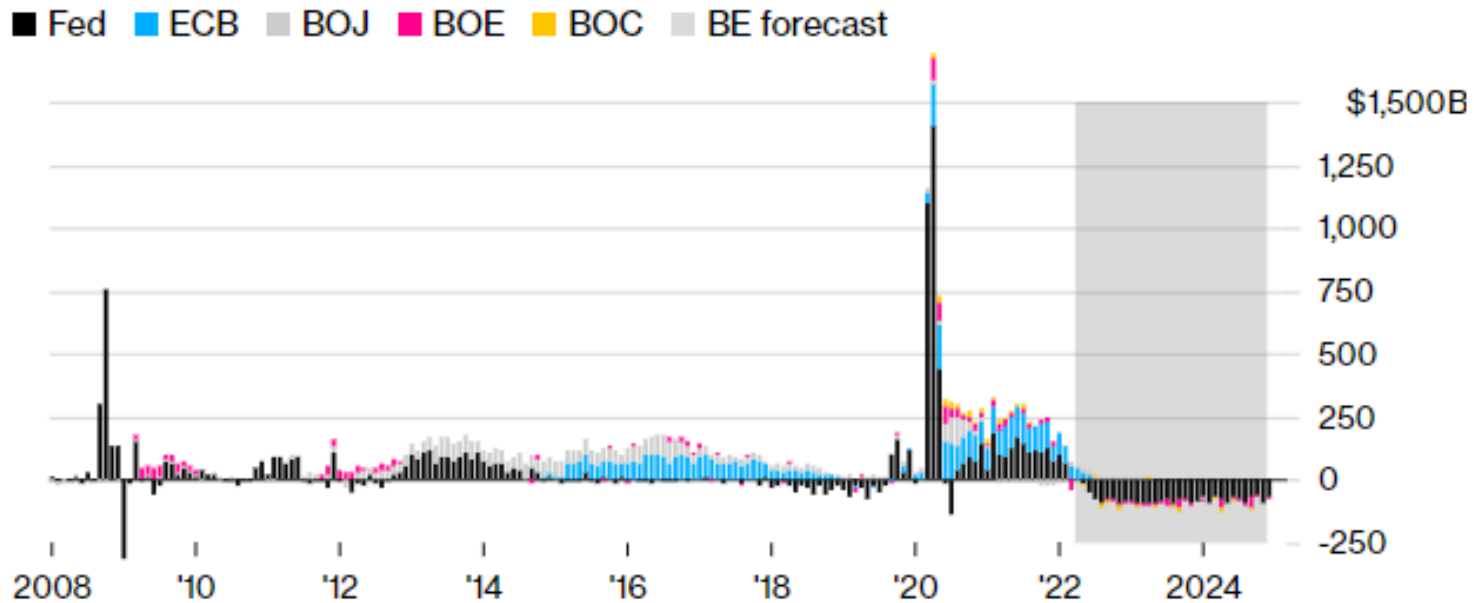
See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss.

Policy Maker Tightrope



Last year G-7 economies added \$2.8 trillion in assets to their balance sheets, bringing the total to \$8 trillion since COVID began. Governments will begin to shrink these balances and markets should prepare.

G-7 Central Bank Asset Purchases



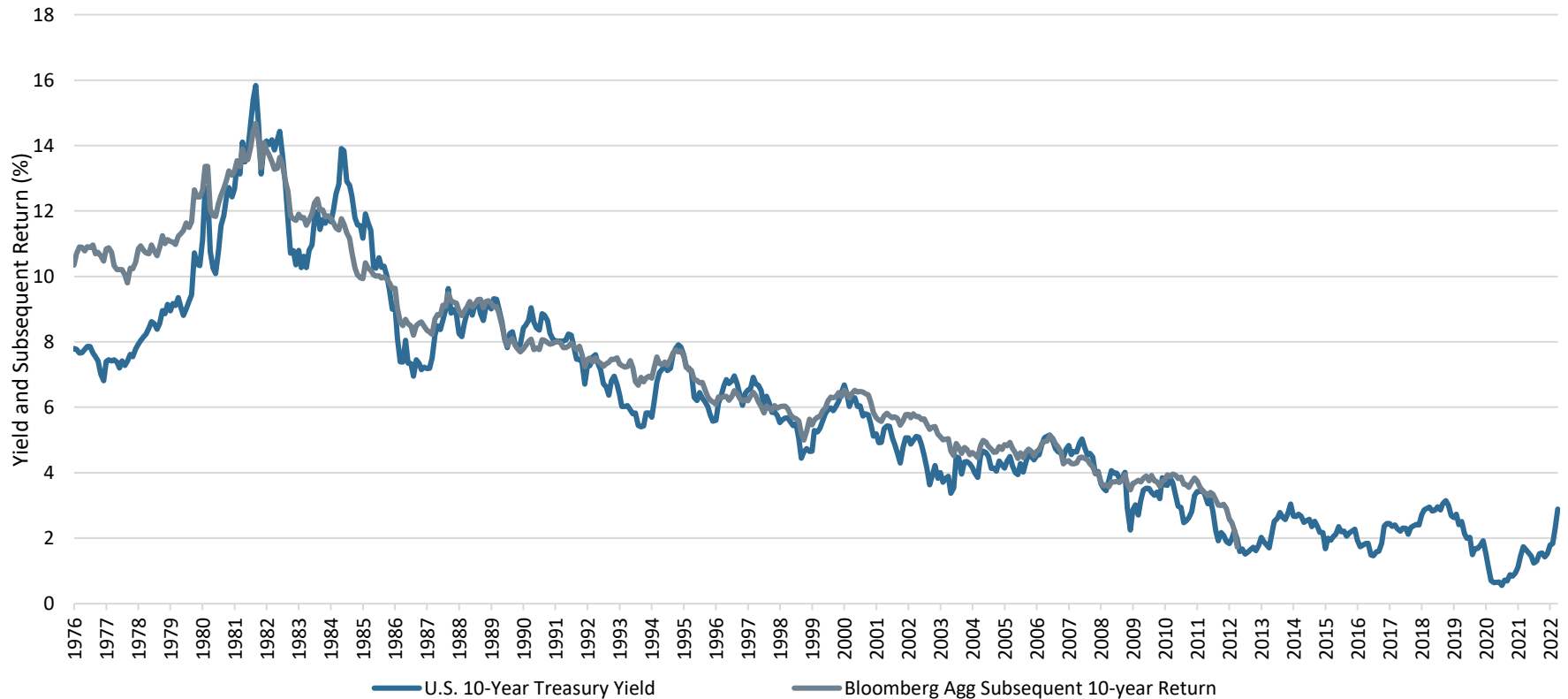
Source: Federal Reserve, ECB, BOJ, BOE, BOC, Bloomberg Economics. As of May 1, 2022.

Short-Term Pain, Long-Term Gain?



While painful in the short-term, over the long-term, higher yields in Treasuries have historically been a source of higher returns in fixed income.

Treasury Yields & Subsequent Fixed Income Performance

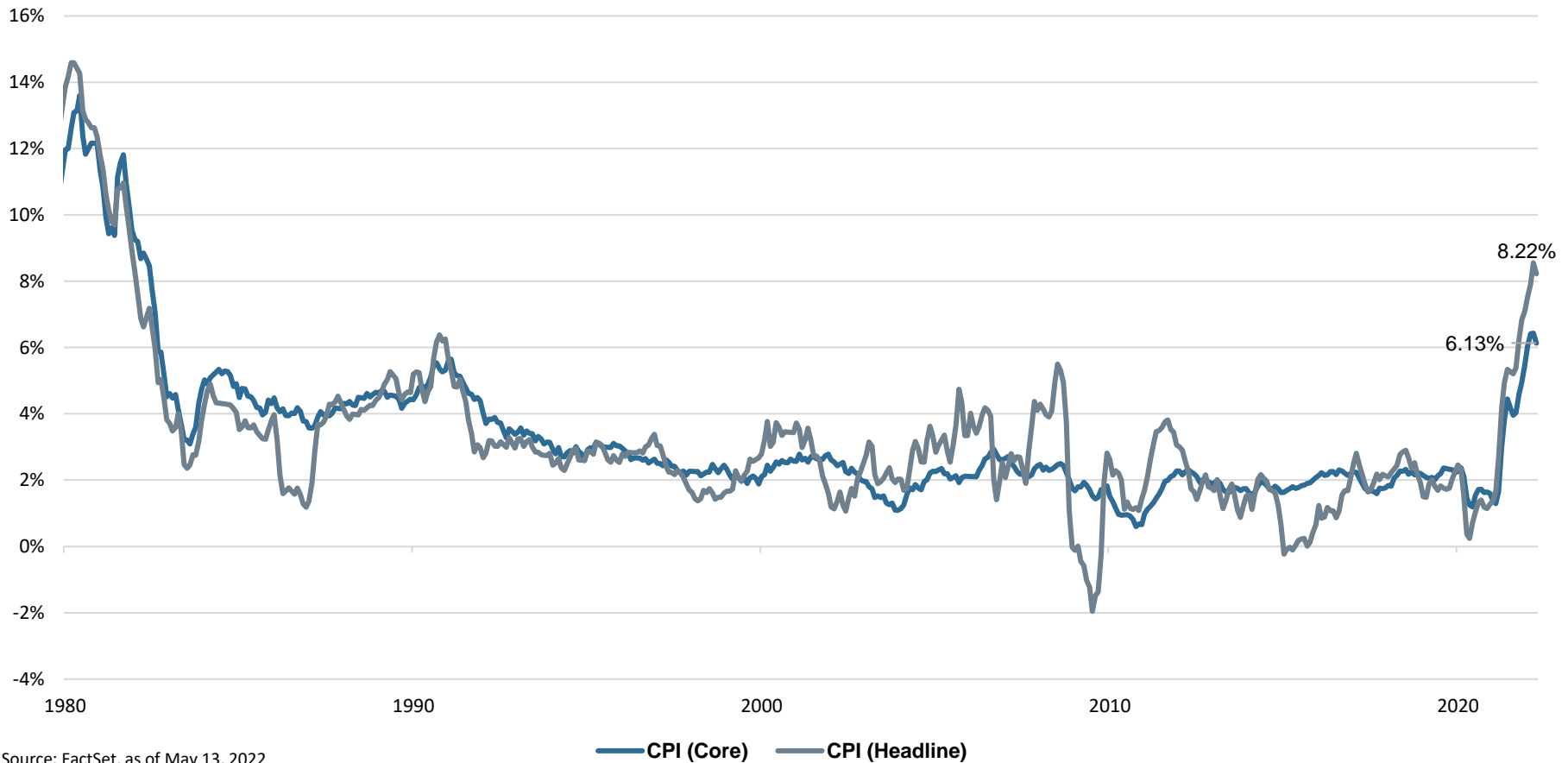


FactSet, Morningstar Direct, Fiducient Advisors. For the time period January 1, 1976 to April 30, 2022.

Inflation Still on the Move



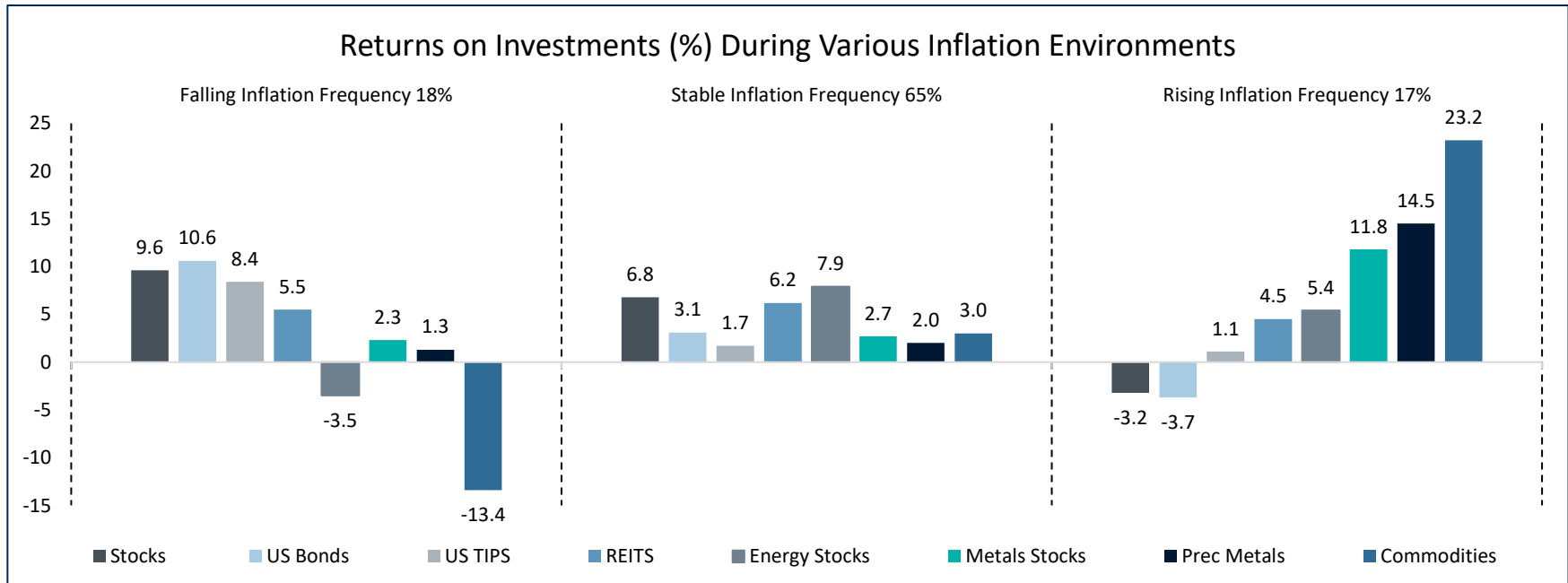
CPI remains near 40-year highs, however, April gave the first glimpse at potential moderation.



Diverse Sources of Inflation Protection



The drivers of inflation remain fluid. A narrow allocation to inflation-related assets may not protect as hoped during periods of change.



Period analyzed is January 1973 through December 2020. Real Estate: MSCI World Real Estate Index since January 1993 | Energy: MSCI World Energy Index since January 1995; DataStream World Energy Index from January 1973 to December 1994 | Metals & Mining: MSCI World Metals & Mining Index since January 1995; DataStream World Metals & Mining Index from January 1973 to December 1994 | Commodities: Equal Sector Weighted S&P Goldman Sachs Commodities Index | Precious Metals: 70% MSCI World Gold Mining Equity Index/30% S&P GSCI Precious Metals Commodities Total Return Index since January 2005; 70% DataStream World Gold Mining Index/30% S&P GSCI Precious Metals from January 1973 to December 2004 | Rising inflation: any month when Y/Y US CPI rose by +0.3% or more relative to the previous month; Stable inflation period is defined as any month when Y/Y US CPI was between -0.3% and +0.3% relative to the previous month; Falling inflation: any month when Y/Y US CPI fell by -0.3% or more relative to the previous month.

Past performance does not indicate future performance and there is a possibility of a loss.

Use of Indices and Benchmark Return Indices cannot be invested in directly. Index performance is reported gross of fees and expenses and assumes the reinvest dividends and capital gains. Past performance does not indicate future performance and there is a possibility of a loss. See disclosure page for indices representing each asset class.

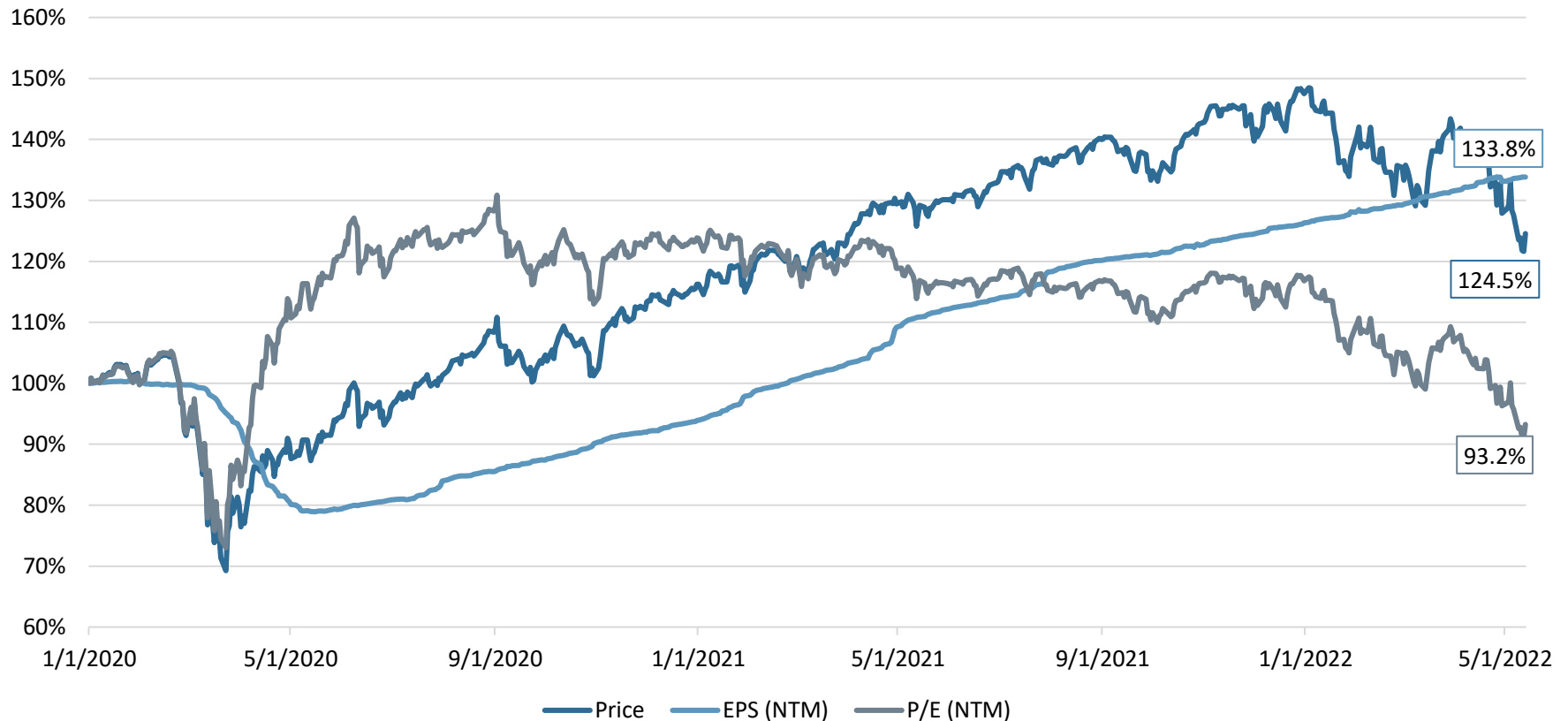
Market Volatility



Market Focused on Earnings



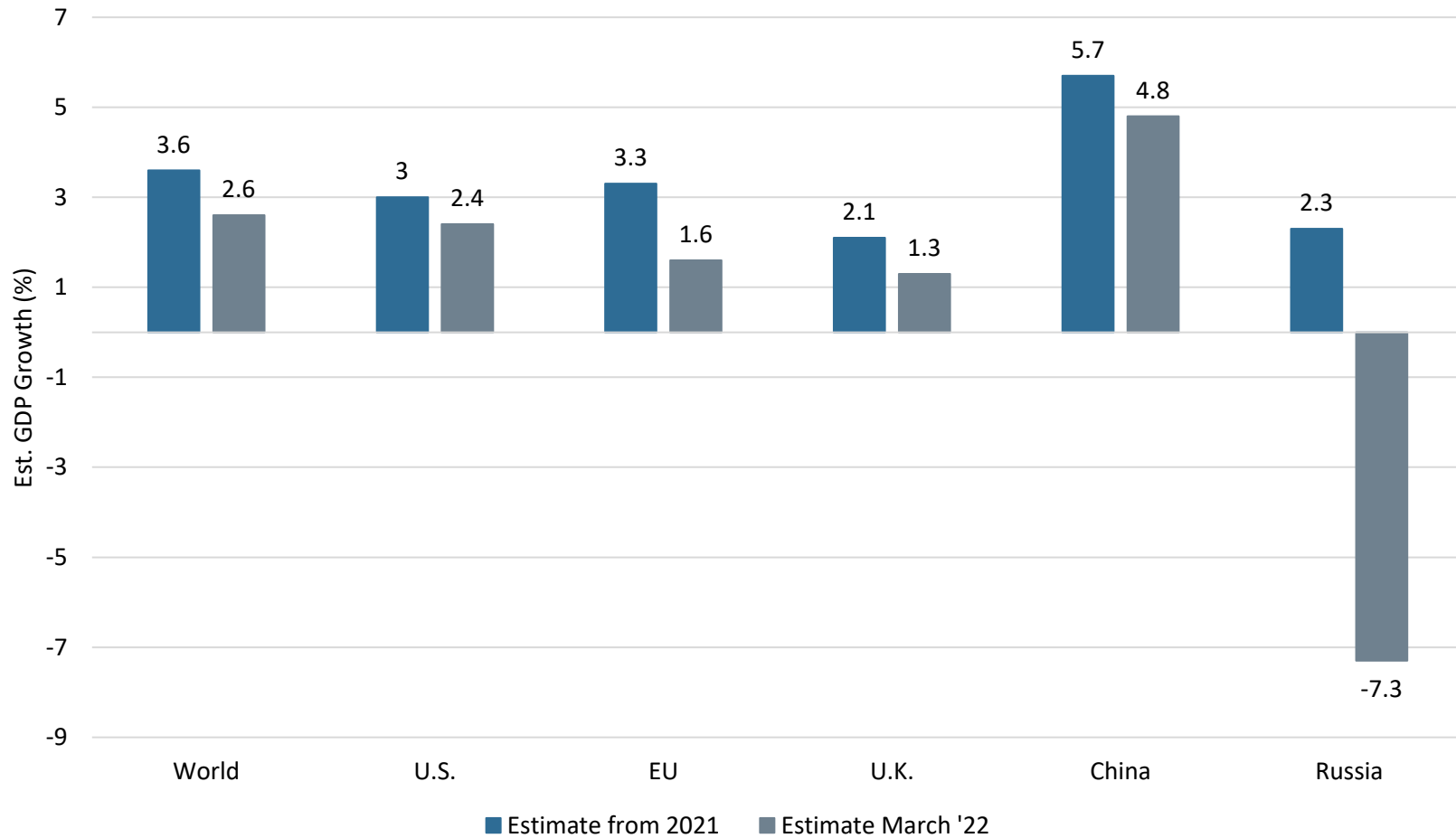
With multiples seemingly capped with the Fed increasing rates, the market is focused on earnings. Earnings remain positive overall, but misses are being penalized by the market.



Source: FactSet, as of May 13, 2022. Index S&P 500

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GDP Forecast



Source: UNCTAD Trade and Development Report, March 2022.

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Correction and Bear Markets



Since 1950 there have been 20 drawdowns of 10% or more. The most common by far (73%) are drawdowns between -10% and -20%. They occur on average every three years.

Drawdown	Approximate Frequency	Average Drawdown	Average Length (Months)
-10% and -20%	~ Every 3 Years	-14%	7
-20% to -40%	~Every 14 Years	-30%	9
-40% or worse	~Every 23 Years	-51%	23

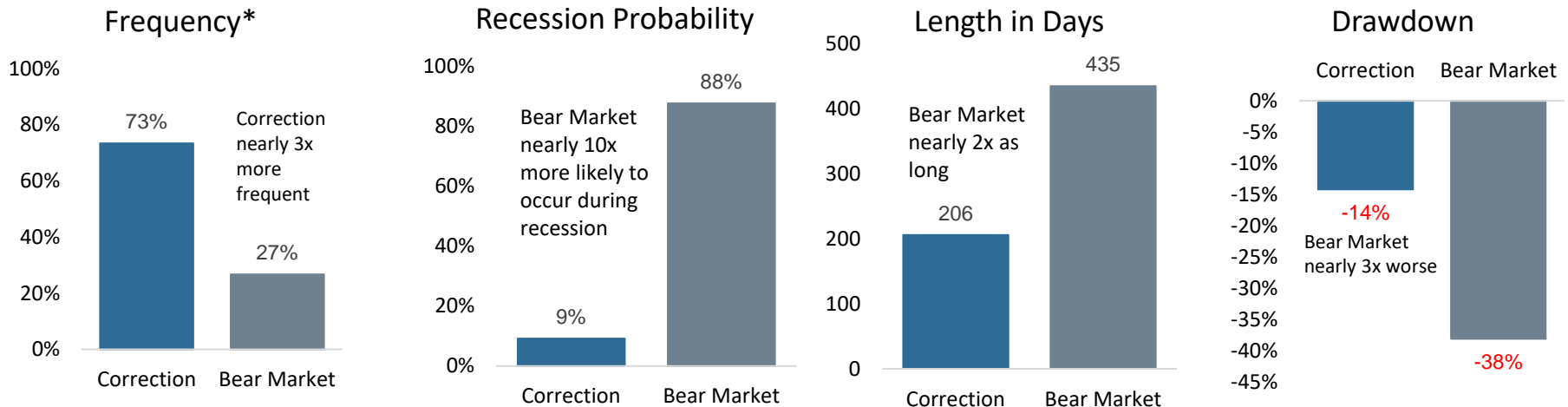
Source: Index S&P 500 since 1950 through December 2021

Correction and Bear Markets



Corrections (defined as a drawdown of -10% to -20%) are more frequent, shorter, and less likely to be accompanied by a recession than their more impactful cousin, the Bear Market (-20% or more).

Pullbacks of 10% or More Since 1950



Source: Index S&P 500 since 1950 through December 2021. Correction defined at a drawdown of more than 10% but less than 20%. Bear Market is a drawdown of more than 20%

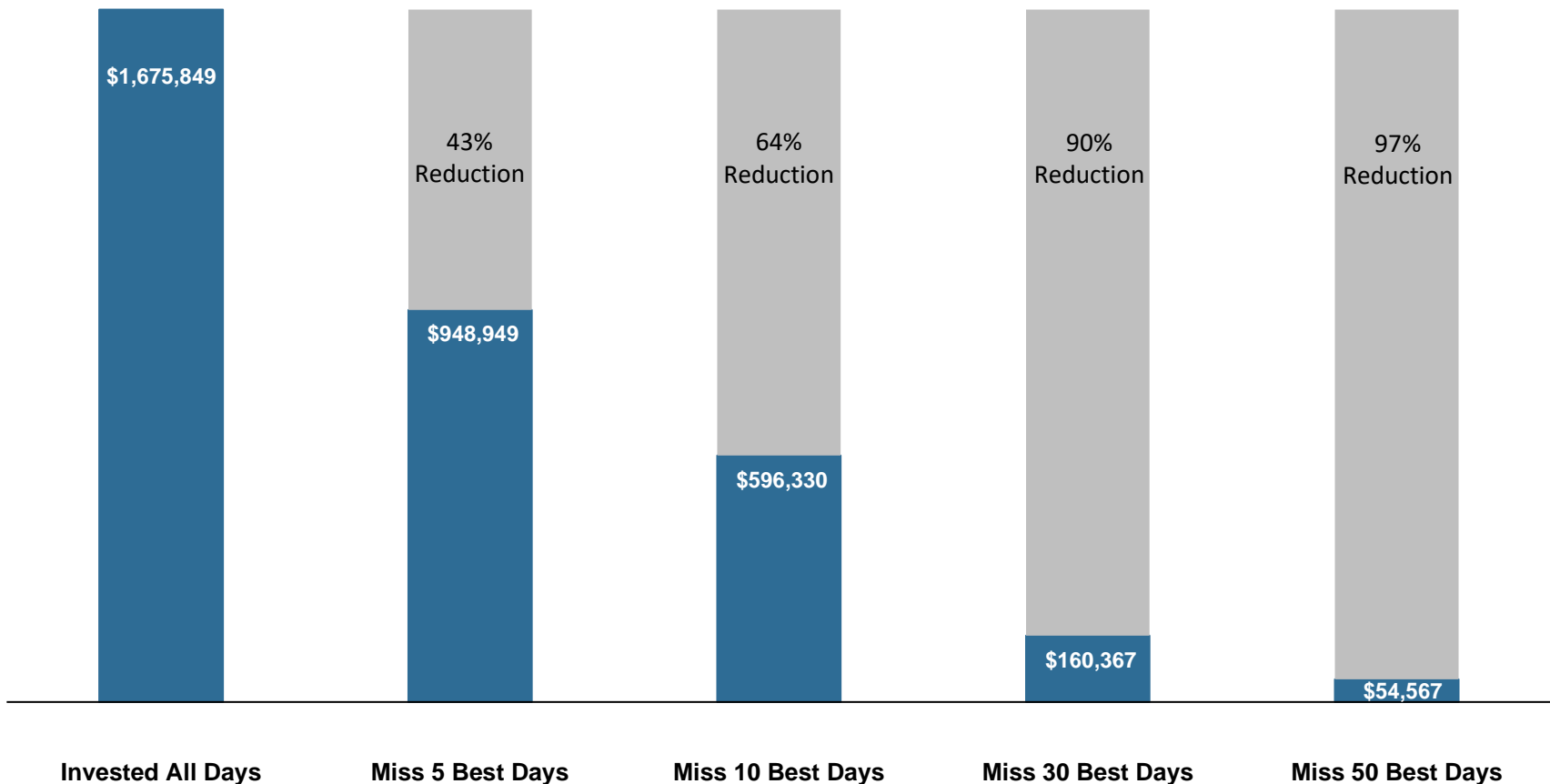
*Frequency refers to the percentage of all pullbacks that are 10% or more than are a correction vs a bear market since 1950

The Risk of Missing the Best Days in the Market



Since 1980, the S&P has had over 10,000 trading days. However, if you only miss a small fraction of the best days the impact can be material. Said another way, the cost of trying to time the market can be high.

Hypothetical Growth of \$10,000 Invested in the S&P 500 Index (TR) from January 1, 1980 to December 31, 2021



Source: Morningstar.

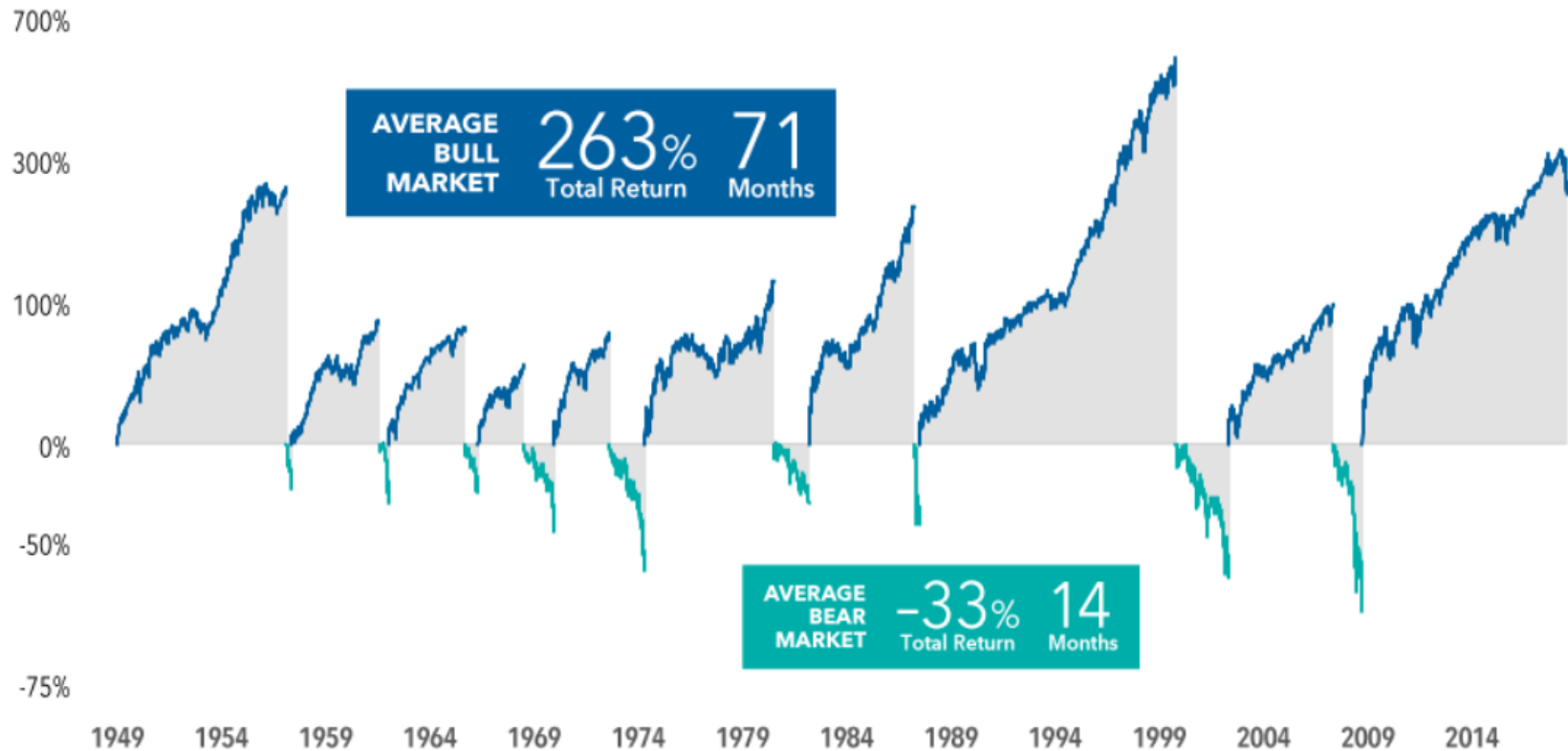
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Bear Versus Bull Lifespan



Bear markets tend to be points in time while Bull markets tend to be over time. Investors have been rewarded for having a long-term perspective.

Cumulative Price Return for Bull & Bear Markets



Source: Capital Group, RIMES, Standard & Poor's. As of December 31, 2018. Bear markets are peak-to-trough price declines of 20% or more in the S&P 500. Bull markets are all other periods. Returns shown on a logarithmic scale.

Outlook



- 1 Continued Potential for a Rocky Road Ahead
- 2 Fixed Income Outlook has Improved, but Not Without Risks
- 3 Inflation May Have Peaked, but It is Not Going Away
- 4 Now Is Not The Time to Change the Game Plan
- 5 Be Patient & Stay Diversified

Disclosures and Definitions



All material and information is intended for 3Chopt Investment Partners business only. Any use or public dissemination outside firm business is prohibited. Information is obtained from a variety of sources which are believed though not guaranteed to be accurate. Any forecast represents future expectations and actual returns, volatilities and correlations will differ from forecasts. Past performance does not indicate future performance. This presentation does not represent a specific investment recommendation. Please consult with your advisor, attorney and accountant, as appropriate, regarding specific advice.

Comparisons to any indices referenced herein are for illustrative purposes only and are not meant to imply that actual returns or volatility will be similar to the indices. Indices cannot be invested in directly. Unmanaged index returns assume reinvestment of any and all distributions and do not reflect our fees or expenses.

When referencing asset class returns or statistics, the following indices are used to represent those asset classes, unless otherwise notes. Each index is unmanaged, and investors can not actually invest directly into an index:

TIPS: Bloomberg Global Inflation-Linked: U.S. TIPS Total Return Index Unhedged
Municipals 5-Year: Bloomberg Municipal Bond 5 Year (4-6) Total Return Index Unhedged USD
Core Bond: Bloomberg US Aggregate Total Return Index USD
High Yield Municipals: Bloomberg Muni High Yield Total Return Index Value Unhedged USD
High Yield: Bloomberg US Corporate High Yield Total Return Index USD
U.S. Long Duration: Bloomberg US Aggregate Government & Credit - Long
Foreign Bond: Bloomberg Global Aggregate ex-USD Total Return Index Value USD
(50/50 blend of hedged and unhedged)
Real Assets: S&P Real Assets
U.S. Large Cap: Russell 1000 Total Return Index
U.S. Small Cap : Russell 2000 Total Return Index
International Developed: MSCI EAFE Net Total Return USD Index
Emerging Markets: MSCI Emerging Markets Net Total Return USD Index
U.S. Equity REITs: FTSE Nareit Equity REITs Total Return Index USD
Commodities: Bloomberg Commodity Total Return Index
Hedge Funds: Hedge Fund Research HFRI Fund of Funds Composite Index
Foreign Bond: Bloomberg Global Aggregate x USD Total Return Unhedged
U.S. Core Bond: Bloomberg U.S. Aggregate Total Return Index USD
U.S. High Yield: Bloomberg US Corporate High Yield Total Return Index USD
U.S. MBS: Bloomberg U.S. MBS (30Y) Total Return Index
U.S. All Cap: Russell 3000 Total Return Index
U.S. Large Cap: Russell 1000 Total Return Index
U.S. Small Cap: Russell 2000 Total Return Index
US Value: Russell 3000 Value Total Return Index
US Growth: Russell 3000 Growth Total Return Index