

April 2021 Market Update

April was yet another strong month for stocks. U.S. stocks have now set new all-time highs in each of the last 6 months. The U.S. stock market was up 5.2% in April and is up 12.5% year-to-date. International stocks were up 3.2% for the month and are up 7.1% for the year. U.S. stocks have rallied 27% since their pre-pandemic peak in February 2020 and international stocks are up 17% over the same time period.

Bonds finally caught a tailwind finishing up 0.8% for April but down 2.6% on the year. Real estate had a phenomenal month, up 8.0% in April and 17.5% YTD, the top performing of our 4 asset classes.

Rational analysis of investment markets concludes that nearly all investments are over-valued on a historical basis. Does that mean you should get out of stocks? Bonds with their paltry 1.5% yield are similarly over-valued when compared to stocks. Acronym-loving investors use the term TINA – There Is No Alternative – to describe the current investment landscape. We see little reason to alter long-term investment strategies given a playing field where all assets are similarly over-valued.

Table 1: Benchmark Index Performance as of April 30, 2021

Benchmark Index	1 Mo	YTD	12 Mo	5 Yr Ann
U.S. Stocks	5.2%	12.5%	47.9%	17.2%
International Stocks	3.2%	7.1%	44.9%	10.0%
U.S. Bonds	0.8%	-2.6%	-0.3%	3.2%
U.S. Real Estate	8.0%	17.5%	37.3%	7.3%

Table 2: Vanguard Asset Allocation Benchmarks as of April 30, 2021

Vanguard Fund: % Stock/% Bond mix	1 Mo	YTD	12 Mo	5 Yr Ann
LifeStrategy Growth Fund: 80/20	3.5%	7.3%	37.6%	12.4%
LifeStrategy Moderate Growth Fund: 60/40	2.7%	4.7%	27.2%	10.2%
LifeStrategy Conservative Growth Fund: 40/60	2.0%	2.2%	17.6%	7.9%
LifeStrategy Income Fund 20/80	1.2%	-0.3%	8.3%	5.5%

Chart 1: Year-to-Date Market Index Performance as of April 30, 2021

