

# August 2021 Market Update

U.S. Stocks picked up 2.9% in August for a total year-to-date gain of 20.6%. International stocks lagged, adding 1.5% for a YTD gain of 10.7%. Bonds dropped slightly and real estate added 2.2%, now up 29.5% on the year. U.S. stocks have closed at new all-time highs for 10 months in a row.

The economy was subdued as the coronavirus delta variant surged from about 85K cases per day at the beginning of the month to 160K by the end of the month. CPI rose 0.5% monthly and 5.4% annually while core CPI was up 0.3% monthly and 4.3% annually. July non-farm payrolls increased 943K, better than expected and the unemployment rate dropped to 5.4%. The FOMC is not considering tightening yet as they view inflation as “transitory”. Ten-year Treasury rates rose 6 bps to end at 1.30%.

**Table 1: Benchmark Index Performance as of August 31, 2021**

Benchmark Index	1 Mo	3 Mo	YTD	5 Yr Ann
U.S. Stocks	2.9%	7.2%	20.6%	18.0%
International Stocks	1.5%	0.0%	10.7%	10.1%
U.S. Bonds	-0.2%	1.7%	-0.8%	3.1%
U.S. Real Estate	2.2%	9.5%	29.5%	8.4%

**Table 2: Vanguard Asset Allocation Benchmarks as of August 31, 2021**

Vanguard Fund: % Stock/% Bond mix	1 Mo	3 Mo	YTD	5 Yr Ann
LifeStrategy Growth Fund: 80/20	1.9%	3.8%	12.8%	12.5%
LifeStrategy Moderate Growth Fund: 60/40	1.3%	3.3%	9.2%	10.2%
LifeStrategy Conservative Growth Fund: 40/60	0.8%	2.8%	5.9%	7.9%

**Chart 1: Year-to-Date Market Index Performance as of August 31, 2021**

