

September 2021 Market Update

U.S. Stocks fell 4.5% in September dropping their year-to-date gain to 15.2%. International stocks managed slightly better, dropping 3.5% on the month to a YTD gain of 6.8%. Bonds dropped 0.9% for the month and is down 1.7% on the year while real estate dropped 5.7% and is up 22.2% on the year. The 10-year Treasury rose from 1.32% to 1.50% in September.

Non-farm payrolls reported in early September rose only 235k, far short of the consensus of 733k. The unemployment rate fell to 5.2% and earnings rose 0.6%. Some of the payroll decrease was related to high COVID cases in August. New COVID cases dropped during September from 160k cases daily to 110k. CPI rose 0.3% month-over-month and 5.3% annually. The FOMC dot-plot indicated the possibility of one rate hike by the end of 2022 and the FOMC indicated that tapering may begin by the end of the year.

In international equities, Chinese real estate stocks continued to falter. China added substantial monetary stimulus to slow the spread of contagion from the Evergrande default.

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

Benchmark Index	1 Mo	3 Mo	YTD	5 Yr Ann
U.S. Stocks	-4.5%	0.0%	15.2%	16.9%
International Stocks	-3.5%	-3.1%	6.8%	9.0%
U.S. Bonds	-0.9%	0.0%	-1.7%	2.9%
U.S. Real Estate	-5.7%	0.6%	22.2%	7.5%

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

Vanguard Fund: % Stock/% Bond mix	1 Mo	3 Mo	YTD	5 Yr Ann
LifeStrategy Growth Fund: 80/20	-3.5%	-1.0%	8.9%	11.6%
LifeStrategy Moderate Growth Fund: 60/40	-2.8%	-0.7%	6.1%	9.5%
LifeStrategy Conservative Growth Fund: 40/60	-2.3%	-0.5%	3.5%	7.3%

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

