

# April 2022 Market Update

Asset values plunged across the board in April. U.S. stocks were the worst performers, down 9.1% in April and down 14.0% year-to-date. International stocks were not much better, down 6.5% in April and 12.0% YTD. Bonds failed to provide a haven for investors, down 3.8% in April and now down over 9% YTD. Real estate lost 4.1% on the month, 9.9% YTD.

The war in Ukraine entered its second month of fighting but the market is more focused on central bank action to tame inflation. March CPI was up 1.2% month-over-month and 8.4% year-over-year. The Fed's favorite inflation measure, PCE inflation, was up 0.9% m-o-m and 6.6% y-o-y. Two-year Treasuries rose from 2.28% to 2.70% in April and 10-Year Treasuries increased from 2.32% to 2.89%. The Fed has largely confirmed a 50 bp hike for their May 4<sup>th</sup> meeting and for additional 50 bps hikes on June 15 and July 27. 2022 Q1 GDP dropped 1.4%. We remain short duration vs. our bond benchmarks.

International stocks outperformed more expensive U.S. stocks despite dollar strength. In April the Euro went from \$1.109 to \$1.054 and the dollar went from 121.4 Yen to 129.8 Yen.

**Table 1: Benchmark Index ETF Performance as of April 30, 2022**

| Benchmark Index      | 1 Mo  | YTD    | 12 Mo  | 5 Yr Ann |
|----------------------|-------|--------|--------|----------|
| U.S. Stocks          | -9.1% | -14.0% | -3.5%  | 12.9%    |
| International Stocks | -6.5% | -12.0% | -10.7% | 4.9%     |
| U.S. Bonds           | -3.8% | -9.4%  | -8.6%  | 1.1%     |
| U.S. Real Estate     | -4.1% | -9.9%  | 7.9%   | 8.7%     |

**Table 2: Vanguard Asset Allocation Benchmarks as of April 30, 2022**

| Vanguard Fund: % Stock/% Bond mix            | 1 Mo  | YTD    | 12 Mo | 5 Yr Ann |
|--|-------|--------|-------|----------|
| LifeStrategy Growth Fund: 80/20              | -7.0% | -12.4% | -6.6% | 8.1%     |
| LifeStrategy Moderate Growth Fund: 60/40     | -6.2% | -11.5% | -6.9% | 6.5%     |
| LifeStrategy Conservative Growth Fund: 40/60 | -5.2% | -10.6% | -7.3% | 4.8%     |

**Chart 1: Year-to-Date Market Performance as of April 30, 2022**

