

September 2022 Market Update

September was a difficult month as all asset classes tumbled. U.S. stocks lost 9.2%, international stocks lost 9.9% and real estate lost 12.9%. Even bonds had a bad month losing 4.1% as 2-year Treasuries went from 3.45% to 4.22% and 10-year Treasuries went from 3.15% to 3.83%. Year to date losses are solidly in bear territory with U.S. stocks down 24.8% and bonds down 14.4%.

September's CPI release was higher than expected as headline CPI was up 0.1% vs an expected drop of 0.1% and core CPI was up 0.6% vs expectations of +0.3%. Year-over-year headline CPI is up 8.3% and core CPI is up 6.3%. On September 21st the FOMC raised rates 75bp to a range of 3.0% to 3.25% and they raised future guidance projecting 4.25% by December 31st and 4.625% by December 2023.

We view the new market lows as an opportunity for trading and we re-balanced nearly all portfolios including selling bonds and buying stocks.

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

<i>Benchmark Index</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
U.S. Stocks	-9.2%	-4.4%	-24.8%	8.6%
International Stocks	-9.9%	-10.8%	-26.6%	-0.7%
U.S. Bonds	-4.1%	-4.7%	-14.4%	-0.3%
U.S. Real Estate	-12.9%	-11.0%	-29.3%	3.1%

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

<i>Vanguard Fund: % Stock/% Bond mix</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
LifeStrategy Growth Fund: 80/20	-8.4%	-6.4%	-23.4%	3.9%
LifeStrategy Moderate Growth Fund: 60/40	-7.2%	-5.8%	-21.1%	3.0%
LifeStrategy Conservative Growth Fund: 40/60	-6.1%	-5.3%	-18.8%	2.1%

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

