VITUCCI INTEGRATED PLANNING

INVESTMENT MARKET COMMENTARY

Mid-Quarter Investment Market Commentary – 4th Quarter 2022

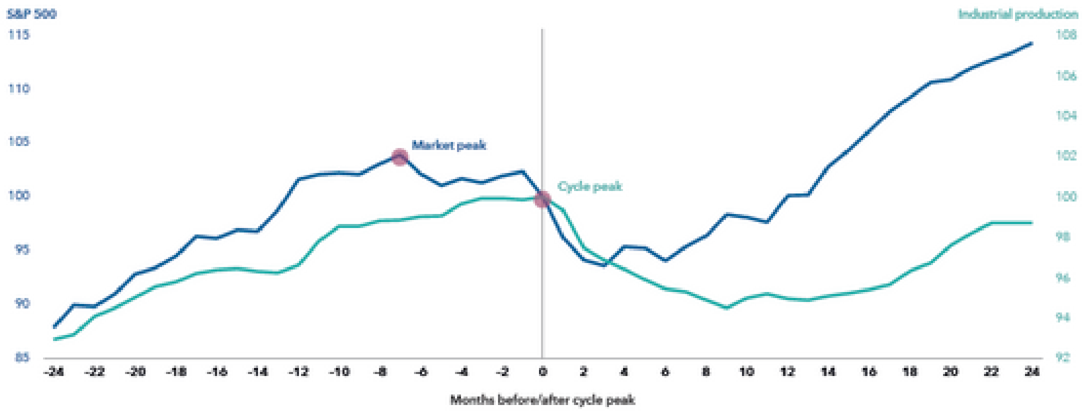
December 1, 2022

With the holiday season settling in, my mind tends to reflect on the coming end of the calendar year. 2022 has marked significant economic change from the impacts of higher than normal inflation to the onset of the current Bear Market for global investment markets. The back-and-forth of recent monthly market movement has elicited questions about a bottom or what's next—in other words in the investment journey "Are we there yet or can we expect further delays?"

The US and world economies had been enjoying a long, lazy Bull Market after the Financial Crisis of '07-'08. Then they were abruptly thrust onto a rough, poorly planned detour now known as the COVID Correction. After a lurching stop and restart, then the emergence of long-dormant Russian geo-political tensions, markets were more than vulnerable to tidal political and inflationary waves. While that Bull Market had been long and lazy, it was never loud and rowdy. It may just be that this Bear Market will be equally mindful of its manners. After all, it has already been eleven months in the making, and fulfilled all the basic requirements.

Keep in mind Bear Markets are not terminal events. In fact, they may be considered as bridges that connect Bull Markets. The reality is that financial markets—both Bull and Bear—are indeed a series of expanding and contracting events that are absolutely connected. One starts where the other ends. And fortunately for investors in equities, historically Bull Markets have consistently been more productive and have lasted far longer than the shorter connecting Bears. Which in turn begs that question again, “Are we there yet?"

Equities have typically peaked months before a recession, but can bounce back quickly



Sources: Capital Group, Federal Reserve Board, Haver Analytics, National Bureau of Economic Research, Standard & Poor's. Data reflects the average of completed cycles from 1950 to 2021, indexed to 100 at each cycle peak.

The favorite answer of parents, and the least favorite of children is, “You’ll know when we get there.” Which is actually how the beginnings and ends of Bull and Bear Markets are defined—in hindsight. Market reactions also tend to lead the business cycle, meaning market movement typically occurs prior to the start of a recession or recovery.

In client meetings throughout the 4th quarter, we have been spending time updating financial plans to test saving and spending plans given recent pullbacks in asset values. These stress tests continue to provide renewed confidence for clients as we move into 2023 and the potential turnover in the business & market cycle.

Markets don't move in straight lines; they take detours, but by sticking to the mapped-out-plan, the destination comes into view by monitoring course corrections along the way.

Have a wonderful Holiday Season. We are looking forward to seeing you in the New Year, but should you have any concerns in the interim or if you are ready to schedule your next review, please let us know.

Warm Regards,

Jason

Market Movement

Asset Class Performance Year to Date through December 1, 2022

	YTD
S&P 500 (US Large Cap)	-14.5%
MSCI EAFE (Developed International)	-14.6%
MSCI Emerging Markets	-20.6%
Barclays Agg Bond (US Corporate Bonds)	-11.7%
Crude Oil	+8.0%
Gold	-0.7%

Source: FactSet. All performance percentages are simple appreciation, which excludes the effect of dividends.

The views expressed herein are not meant as investment advice and are subject to change. Information contained herein is derived from sources we believe to be reliable, however, we do not represent if this information is complete or accurate and it should not be relied upon as such. All opinions expressed herein are subject to change without notice. This information is prepared for general information only. It does not have regard to specific investment objectives, financial situation, and the particular needs of any specific person who may receive this report. You should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed or recommended in this report and should understand that statements regarding future prospects may not be realized. You should know that security values may fluctuate and that each securities price or value may rise or fall. Accordingly, investors may receive back in less than originally invested. Past performance is not a guide to future performance.

Investing involves risk. This material does not constitute any representation as to the suitability or appropriateness of any security, financial product, or instrument. There is no guarantee that investment in any program or strategy discussed herein will be profitable I will not incur loss. Investors should seek financial advice regarding the appropriateness of investing in any security or investment strategy discussed or recommended in this report and should understand that statement regarding future prospects may not be realized. Investors should note that security values may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not a guide to future performance. Individual client accounts may vary. Investing in any security involves certain non-diversifiable risks, including, but not limited to, market risk, interest-rate risk, inflation risk, and event risk. These risks are in addition to any specific or diversifiable risk associated with particular investment styles or strategies.

International investing is an investment strategy where investors choose global investment instruments. International investing can be accomplished utilizing a variety of investment vehicles including, but not limited to, ETFs, American depository receipts, or direct investment foreign stock exchange. Diversifiable risk include, but are not limited to, political risk and currency risk.

Bonds are a type of debt instrument issued by the government or corporate entity for the fine period of time at a fixed interest rate. Bonds may be subject to unsystematic risk including, but not limited to, call risk and reinvestment risk. How are your bonds or junk bonds will be subject to an even greater degree of these risks as well as subject to the credit risk. Commodity insurance may be affected by changes in overall market movements, commodity index volatility, changes interest rates, or factors affecting particular industry or commodity, such as drought, floods, weather, livestock disease, embargo, tariffs, and international economic, political, and regulatory developments. Blackrock and capital group contributed to this commentary.

Please remember the diversification and asset allocation do not guarantee a profit nor protect against loss and a declining market. They are methods used to help manage risk.

Dow Jones real estate indices are part of the Dow Jones global indices family, a comprehensive yet investable index series that provides 95% market capitalization coverage of 51 countries. The S&P 500 is a market cap with an index composed of the common stocks of 500 leading companies and leading industries of the US economy. Big DXY is the US dollar index. The NASDAQ composite index as a market value weighted index of all common stocks listed on the NASDAQ stock exchange. The MSCI world index as a free float adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2007 the MSCI world index consisted of the following 23 developed market country in the seas: Australia, Austria, Belgium, Canada, *Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States. The MSCI emerging markets index is a free float adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The Russell 2000 is a market cap weighted index composed of 2000 US small cab common stocks. The MSCI small-cap index target 40% of the eligible small-cap universe within each industry group within each country. MSCI defines the small-cap universe has all the securities that have a market capitalization in the range of USD 200 to 1,500 million.*