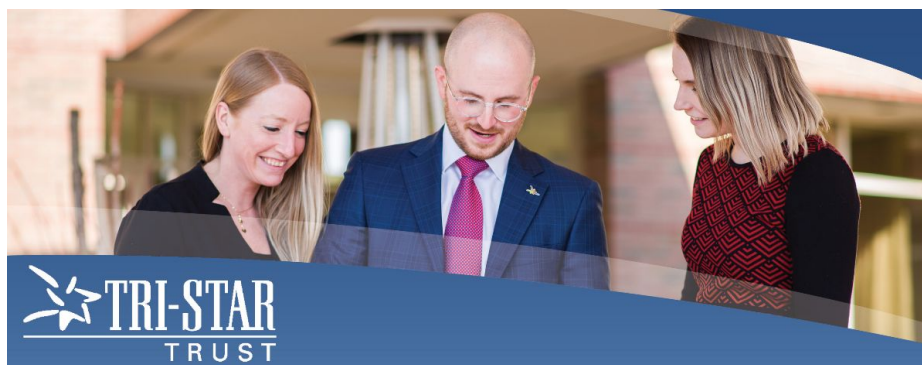


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## Market Update from Pavel Konency, CFO

Well...it has been an interesting couple of months in the markets, to say the least. The year started off slow due to concerns regarding inflationary pressures and the subsequent need by the Fed to raise short-term interest rates to slow down the economy. While this was expected, it was the degree of increases in rates that spooked the equity markets. Ironically, the 10-year Treasury rates, which are correlated with inflationary expectations, did not move much suggesting that the markets don't expect inflation to continue at the levels we are seeing today. Subsequently, we saw equity markets rebound towards the end of January.

The noise regarding Ukraine and Russia also spooked the markets earlier in the year. Well, today, it is not noise anymore, as Russia invaded Ukraine with the objective of throwing out their democratically elected government. Growing up in the Czech Republic, this scenario is all too familiar to me, and my opinions on the subject are strong, but my primary concern is protecting your investments.

It is my expectation that the equity markets will remain weak as this conflict continues, but I don't think that selling is the right move. Just like at the beginning of the pandemic, we were confident that the fundamentals of the economy were strong, and we expected markets to rebound. We feel the same way this time around. We just need time, and that's how we build our portfolios. The shorter the investment horizon, the more of your assets are in asset classes that provide protection. The opposite is true for the longer-term investment horizon. **We can withstand short-term fluctuations to benefit positive returns in the long run.**

When we build your portfolios, we focus on your ability to achieve your financial goals with as little risk as possible. We take into consideration and model these sorts of scenarios mentioned above and build your portfolio with them in mind. We then take a disciplined approach to rebalancing your portfolio frequently enough to take advantage of certain asset class weaknesses to ensure the risk

While there are some uncertainties in the short term, I am comfortable with the approach we are taking to managing your money. At this point, we need patience.

*Your partnership remains our top priority. Please reach out to your Relationships Manager with questions or concerns.*



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