

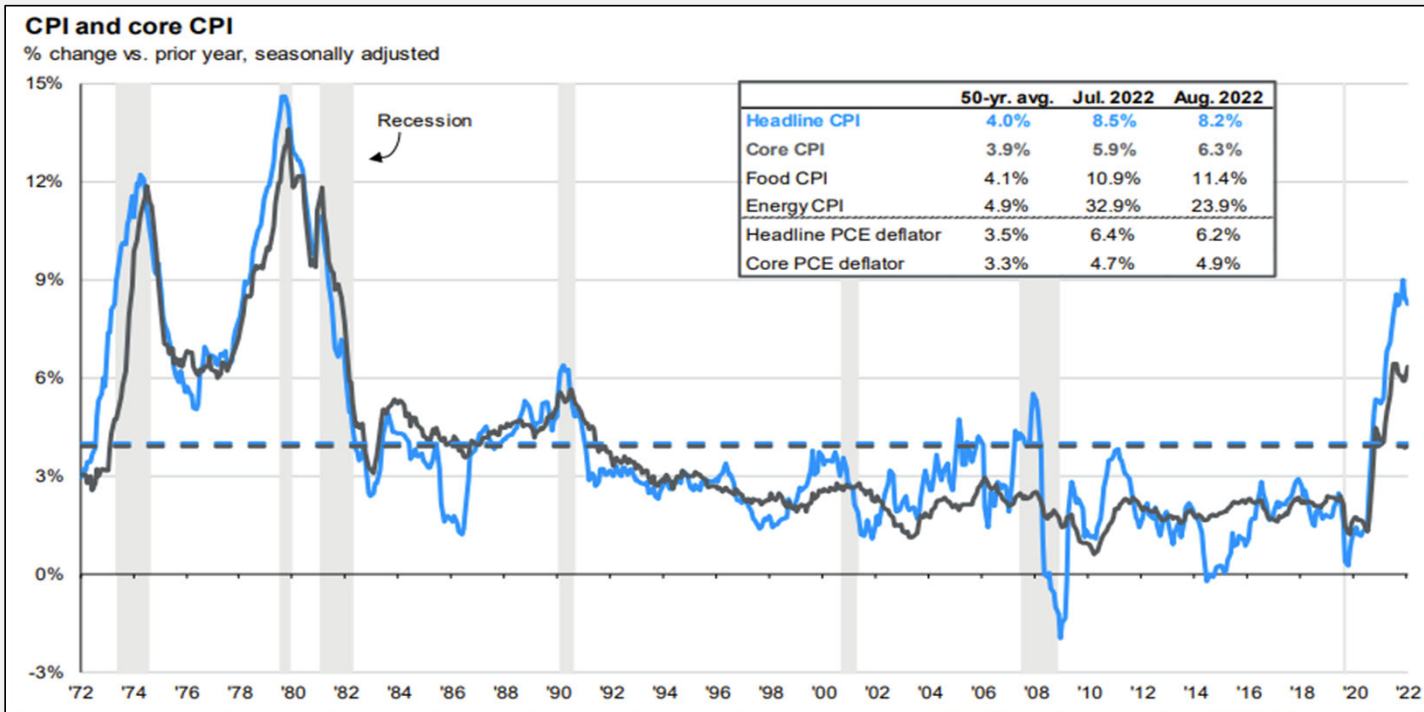
# FAS Wealth Partners Quarterly Update

Update On The Political Landscape  
With The Honorable Kevin Yoder



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# Inflation



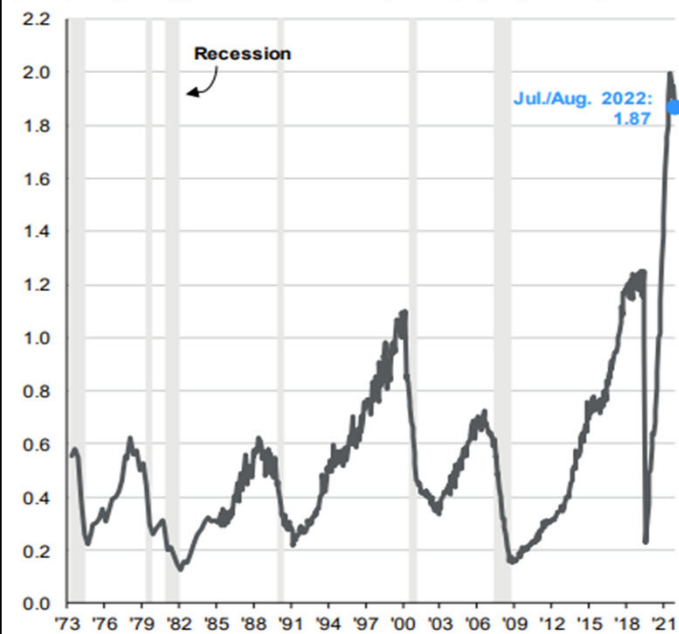
Source: BLS, FactSet, J.P. Morgan Asset Management.  
CPI used is CPI-U and values shown are % change vs. one year ago. Core CPI is defined as CPI excluding food and energy prices. The Personal Consumption Expenditure (PCE) deflator employs an evolving chain-weighted basket of consumer expenditures instead of the fixed-weight basket used in CPI calculations.  
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# Labor Demand

## Ratio of job openings to job seekers

Job openings\* lagged 1 month divided by unemployed persons, SA



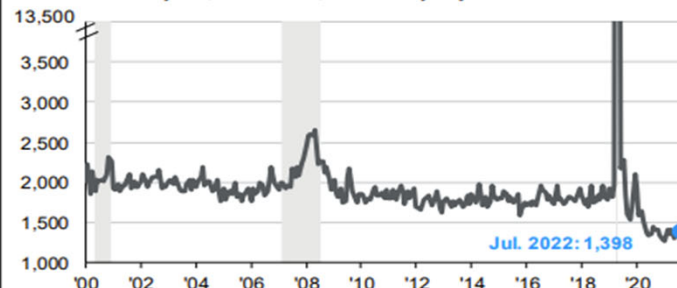
## JOLTS quits

Total nonfarm quits, thousands, seasonally adjusted



## JOLTS layoffs

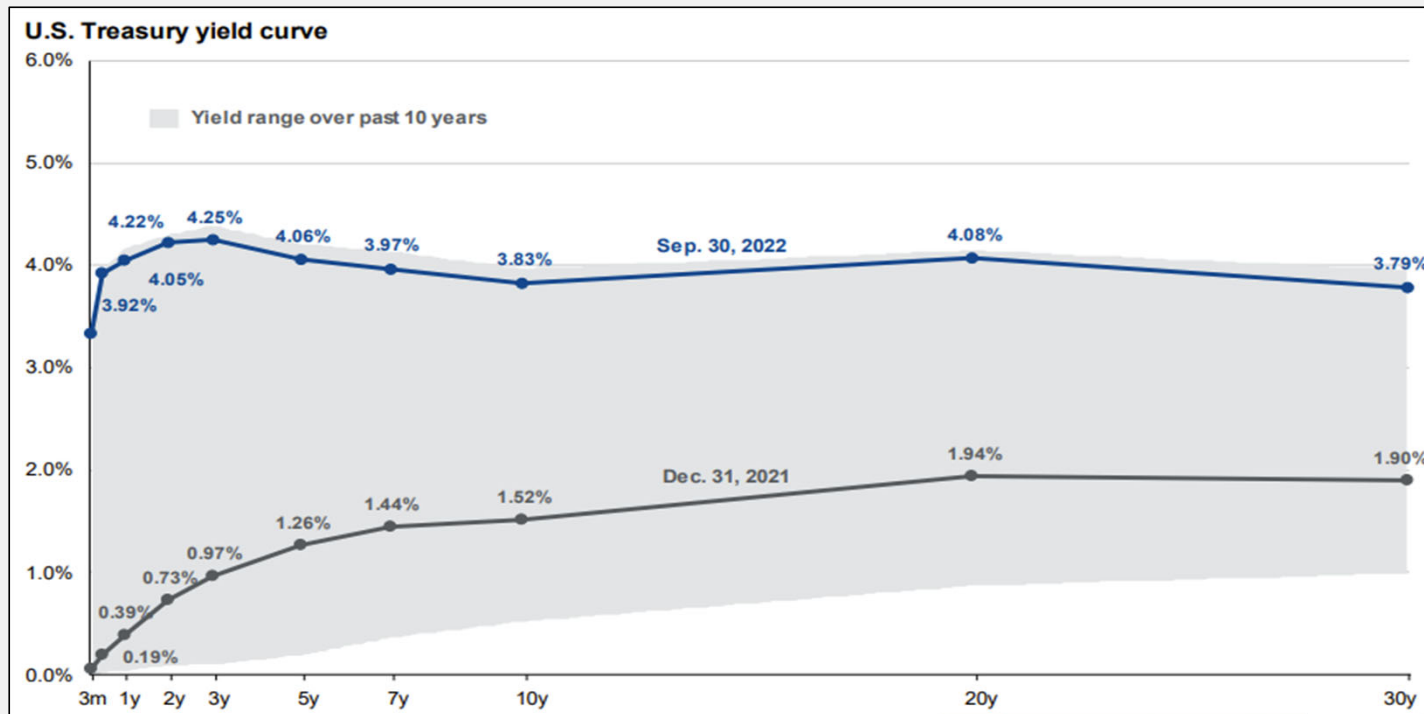
Total nonfarm layoffs, thousands, seasonally adjusted



Source: U.S. Department of Labor, J.P. Morgan Asset Management. \*JOLTS job openings from February 1974 to November 2000 are J.P. Morgan Asset Management estimates.  
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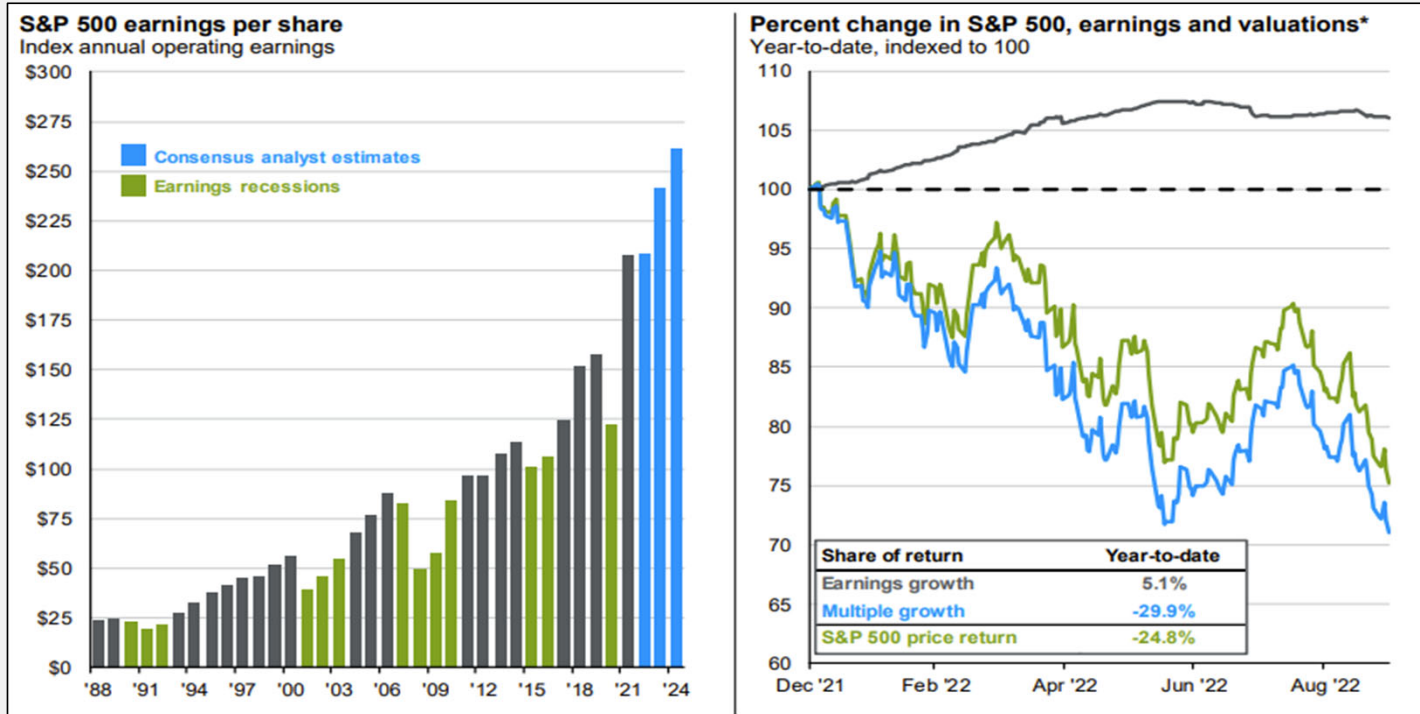
# Yield Curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.  
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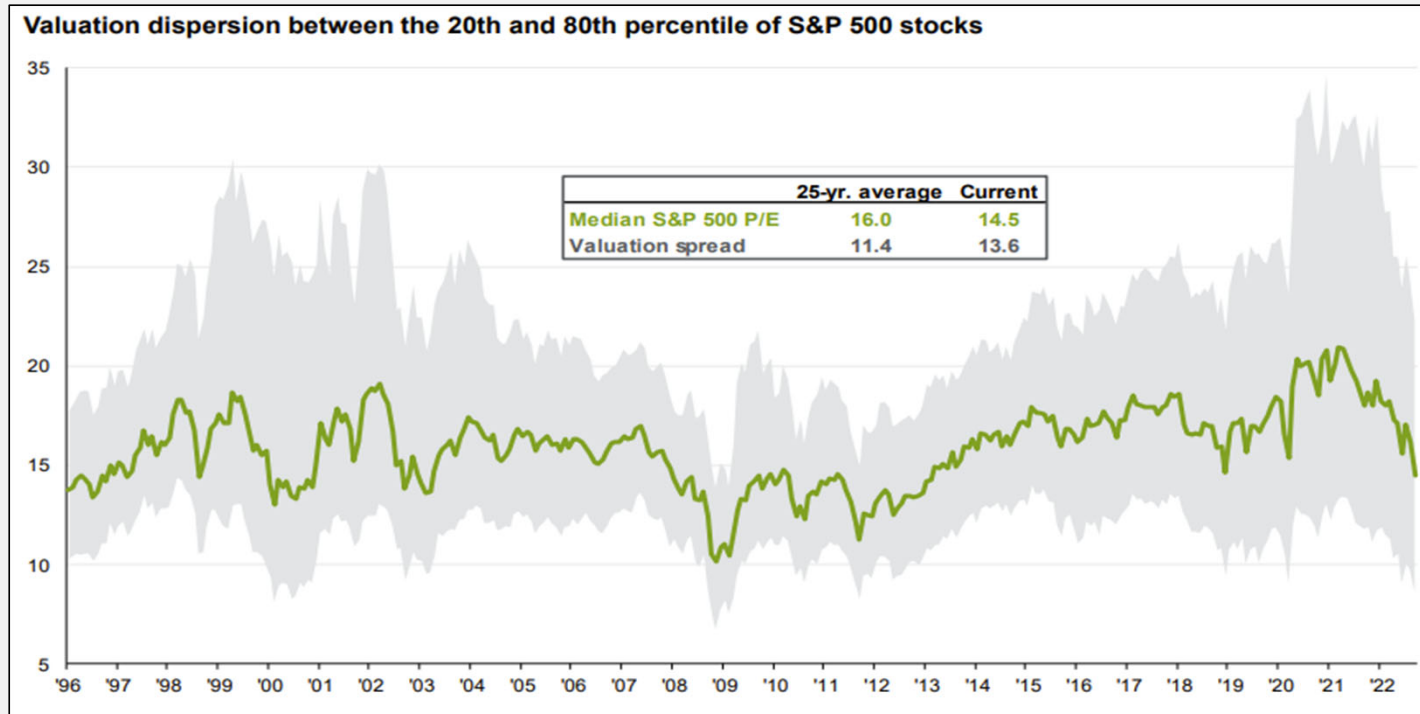
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# Corporate profits and sources of total return



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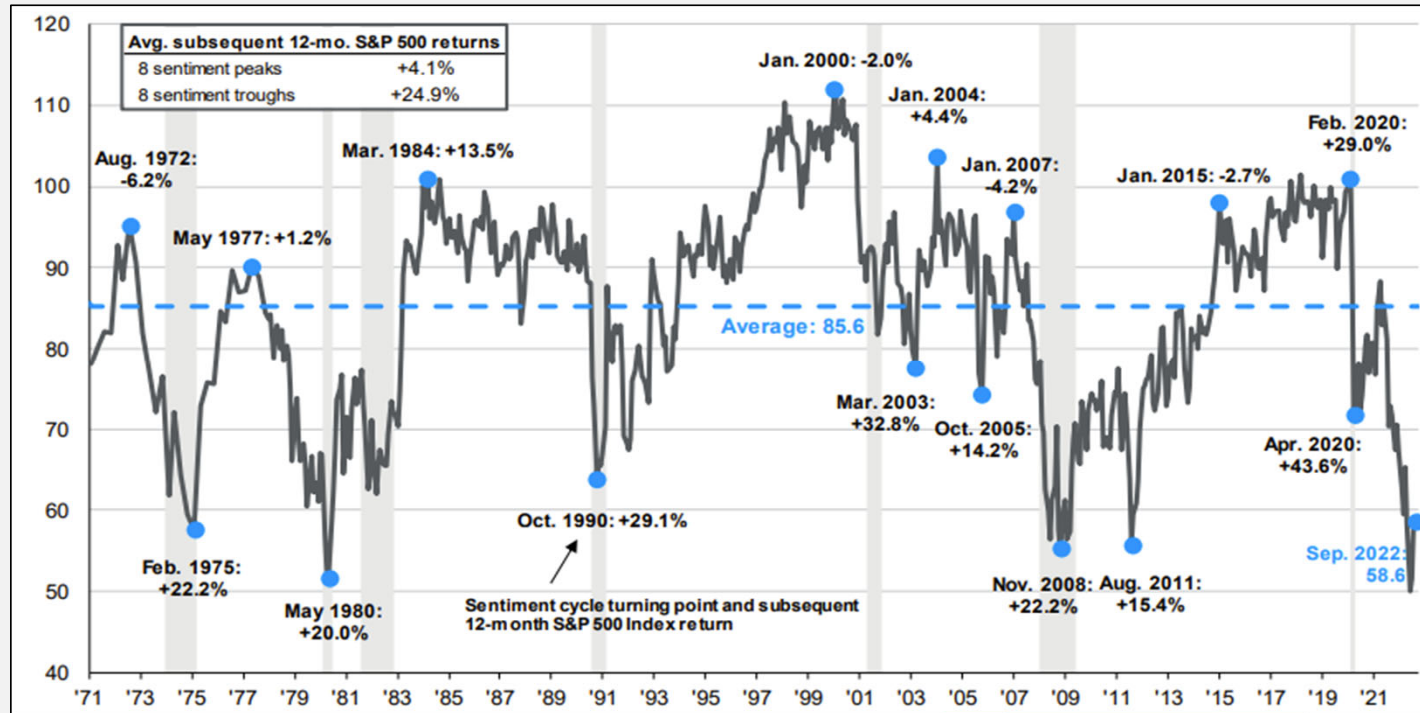
# S&P 500: Valuation dispersion



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management.  
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# Consumer confidence and the stock market

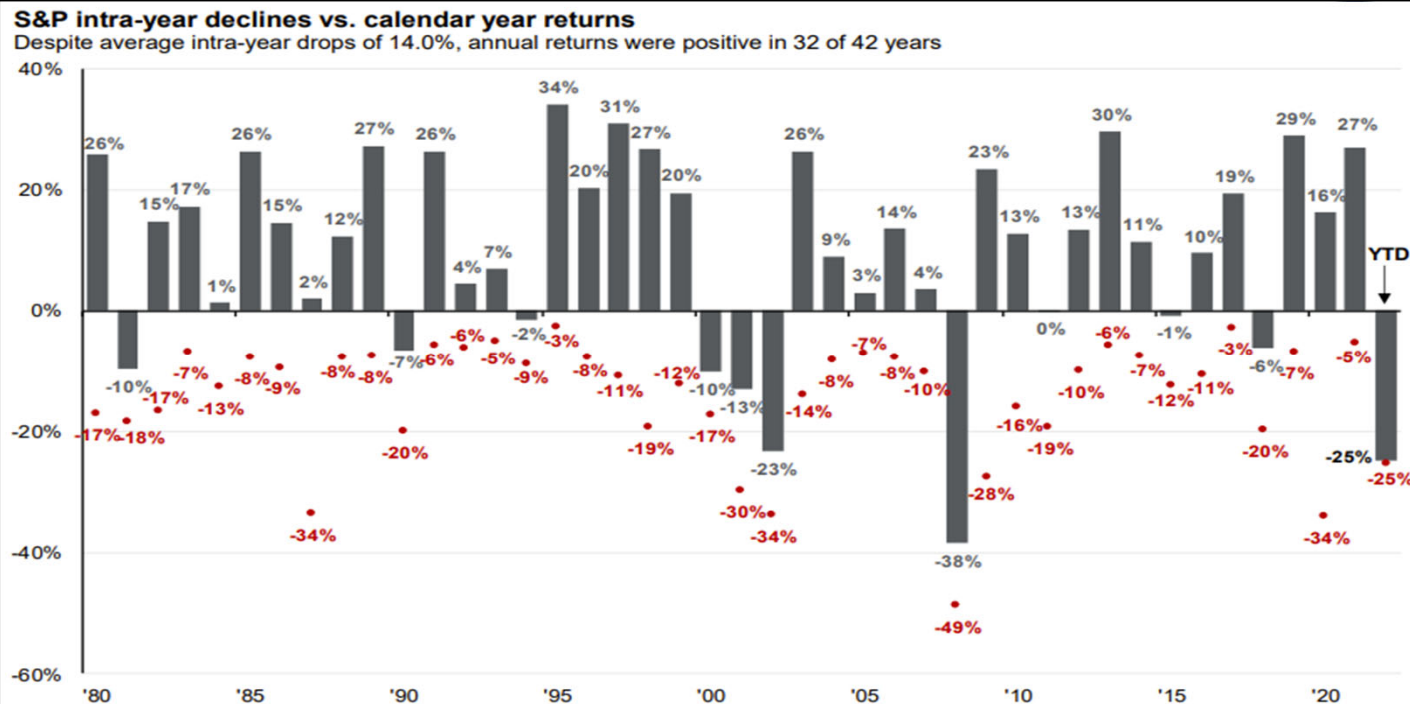


Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management.  
Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month S&P 500 returns are price returns only, which excludes dividends. Past performance is not a reliable indicator of current and future results.  
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# Annual returns & intra-year declines

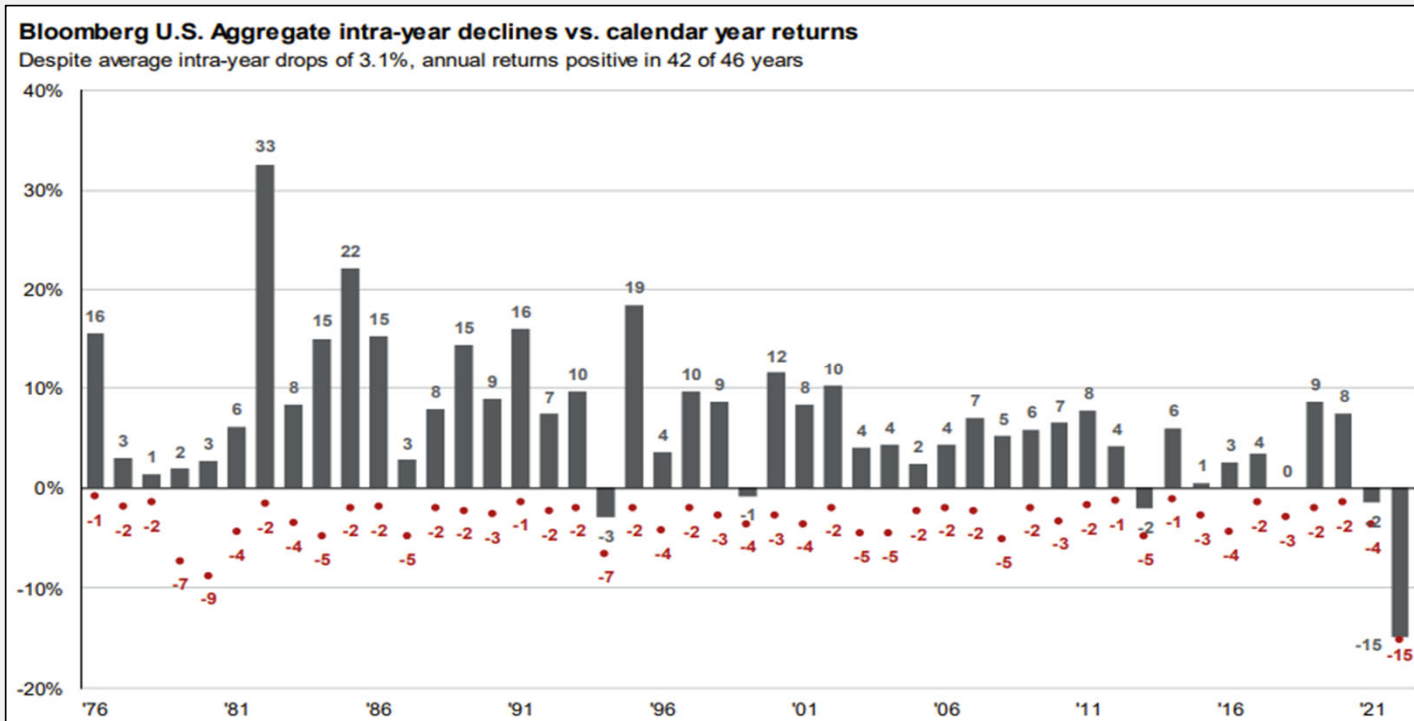


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.  
Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2021, over which time period the average annual return was 9.4%.  
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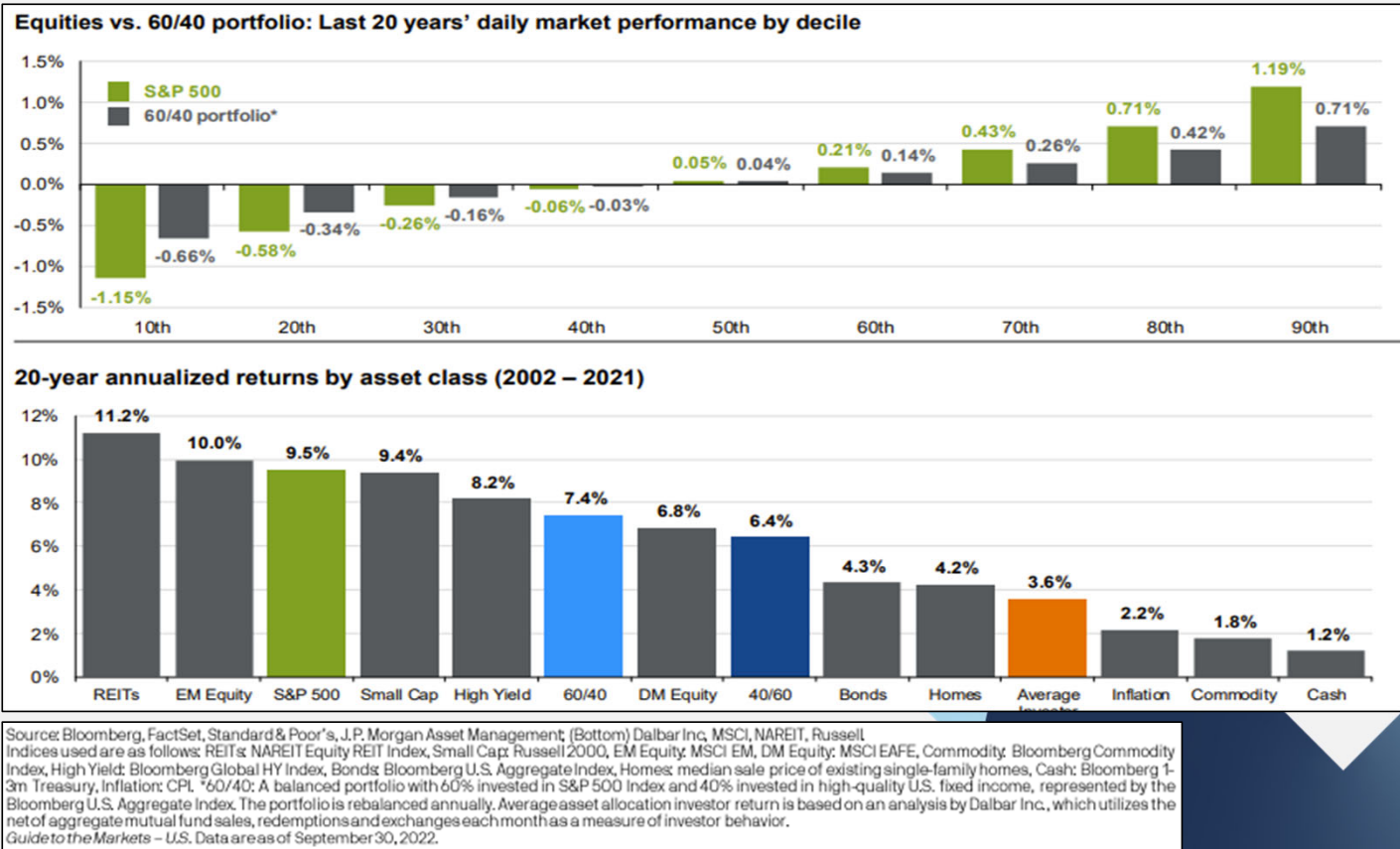
# Bloomberg U.S. Agg. annual returns and intra-year declines



Source: Bloomberg, FactSet, J.P. Morgan Asset Management.  
Returns are based on total return. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1976 to 2021, over which time period the average annual return was 7.1%. Returns from 1976 to 1989 are calculated on a monthly basis; daily data are used afterwards.  
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# Diversification and the average investor



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# Guest Speaker – Hon. Kevin Yoder

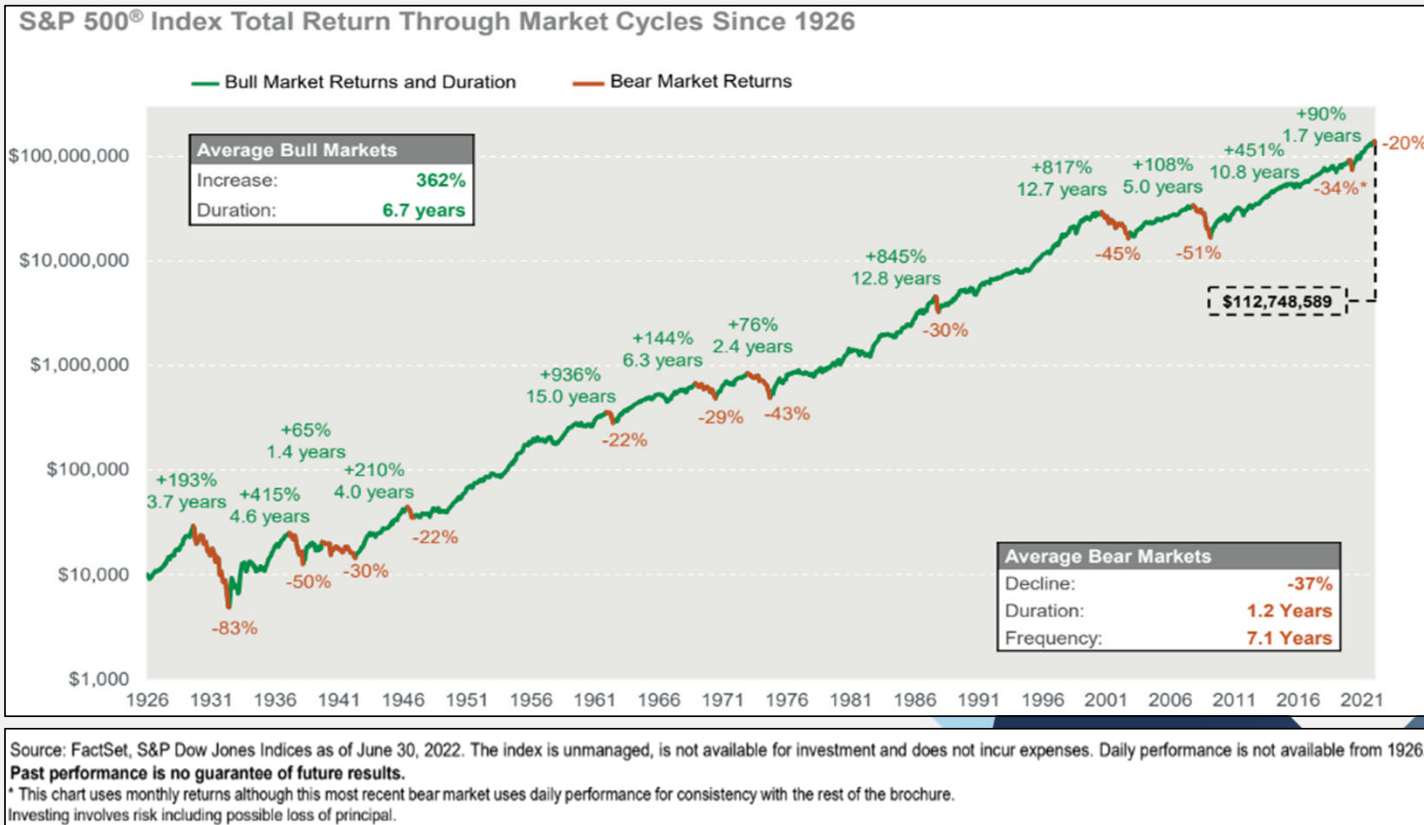


Kevin earned his reputation as an effective leader in Congress by advancing key priorities and building strong relationships on both sides of the aisle.

When he joined the U.S. House of Representatives in 2011, he became the youngest Republican appointed to the House Appropriations Committee and served until 2019.

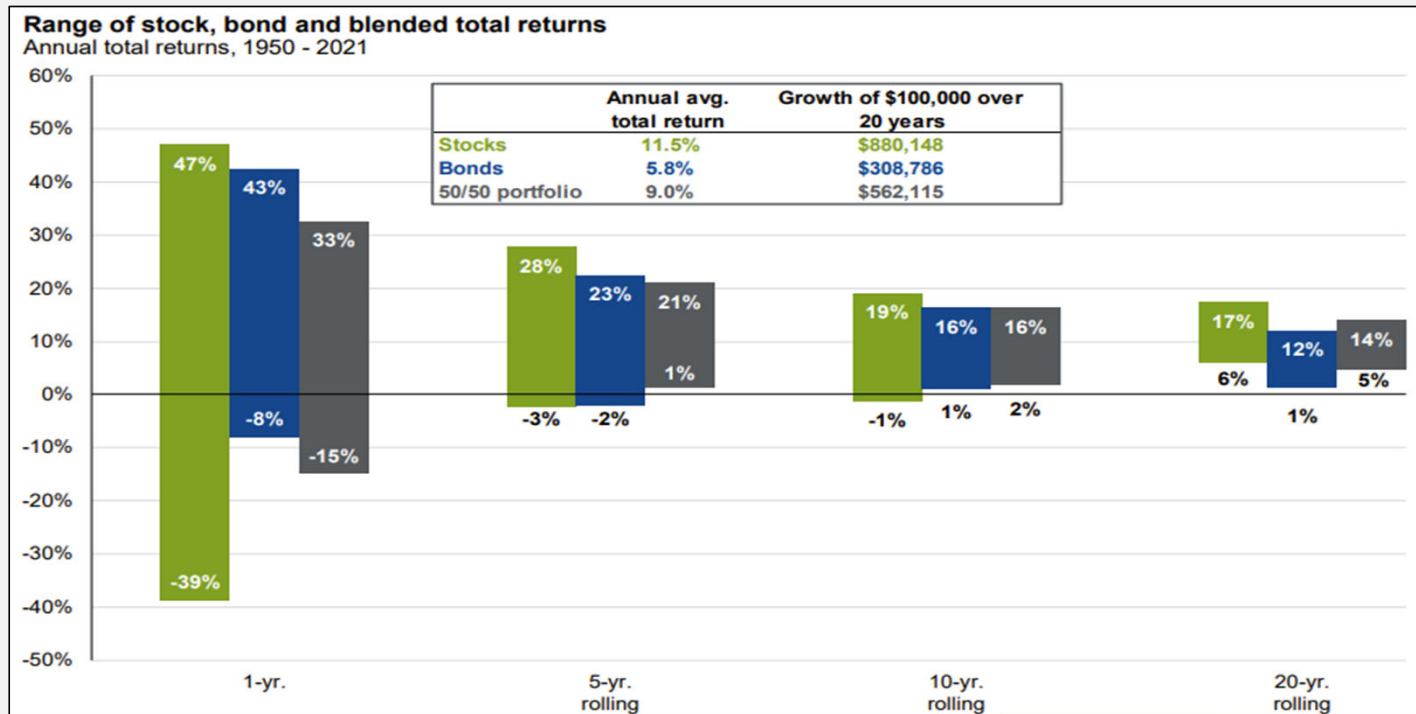
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# The Law of Market Cycles



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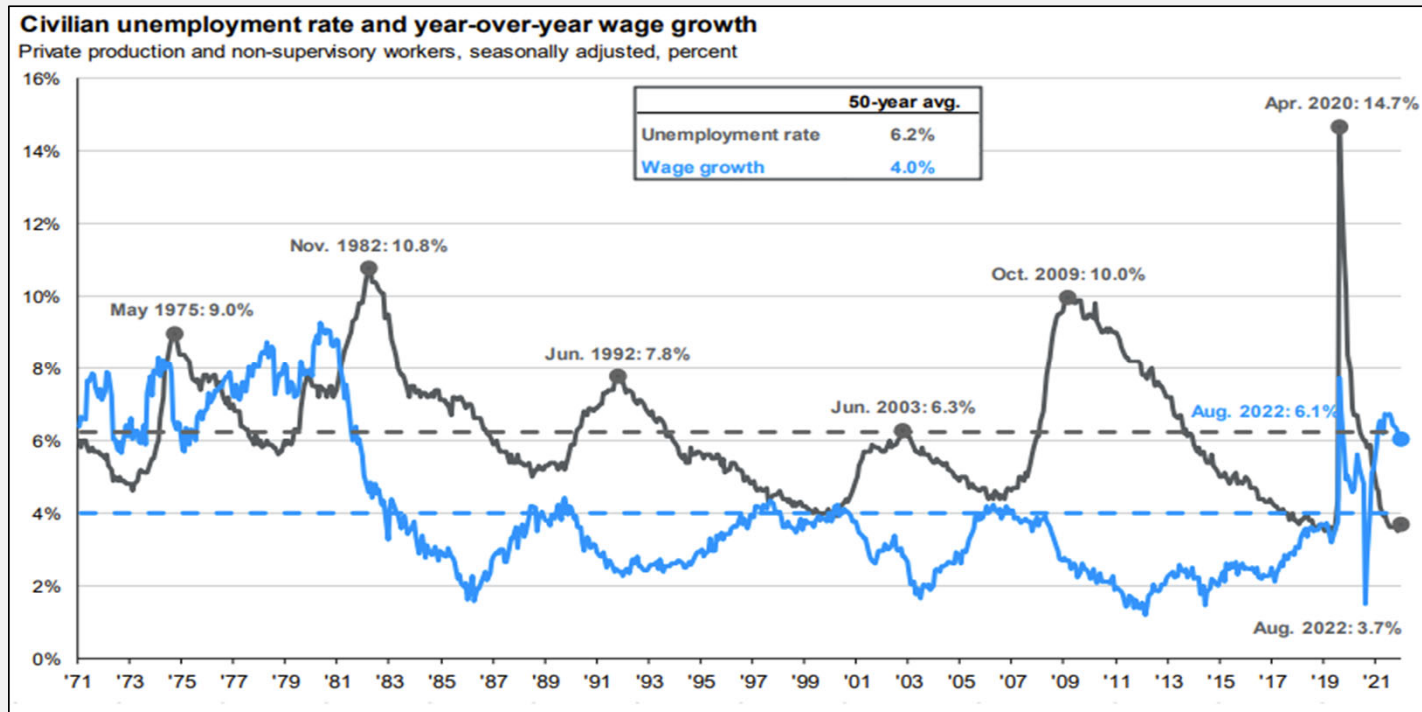
# Time, diversification and the volatility of returns



Source: Bloomberg, FactSet, Federal Reserve, Robert Shiller, Strategas/Ibbotson, J.P. Morgan Asset Management.  
Returns shown are based on calendar year returns from 1950 to 2021. Stocks represent the S&P 500 Shiller Composite and Bonds represent Strategas/Ibbotson for periods from 1950 to 2010 and Bloomberg Aggregate thereafter. Growth of \$100,000 is based on annual average total returns from 1950 to 2021.  
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# Unemployment and wages

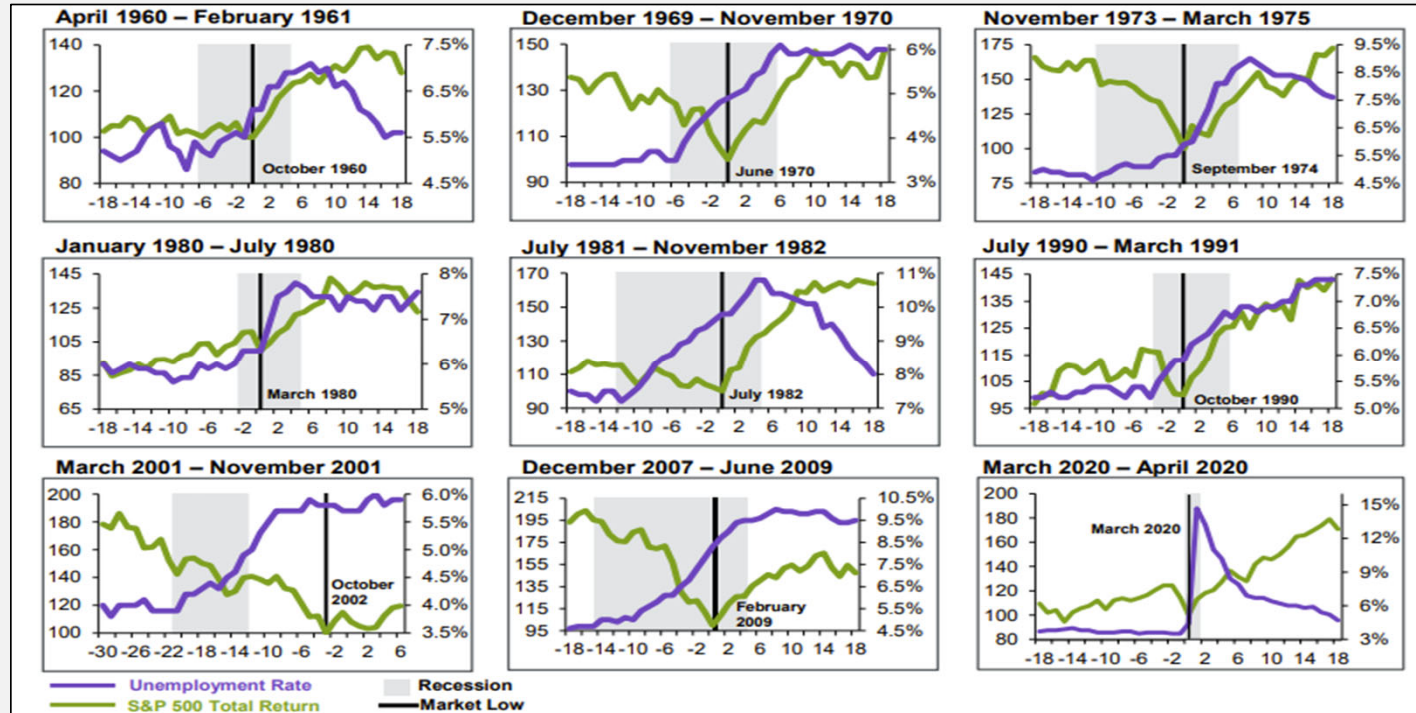


Source: BLS, FactSet, J.P. Morgan Asset Management.  
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# Market inflection points, recessions and the unemployment rate



Source: BLS, Ibbotson, J.P. Morgan Asset Management. Time zero represents the numeric low of the S&P 500 Total Return Index associated with the recessionary period defined by the shaded grey area; data shown in months. S&P 500 Index is rebased to 100 at time zero. *Guide to the Markets – U.S.* Data are as of September 30, 2022.

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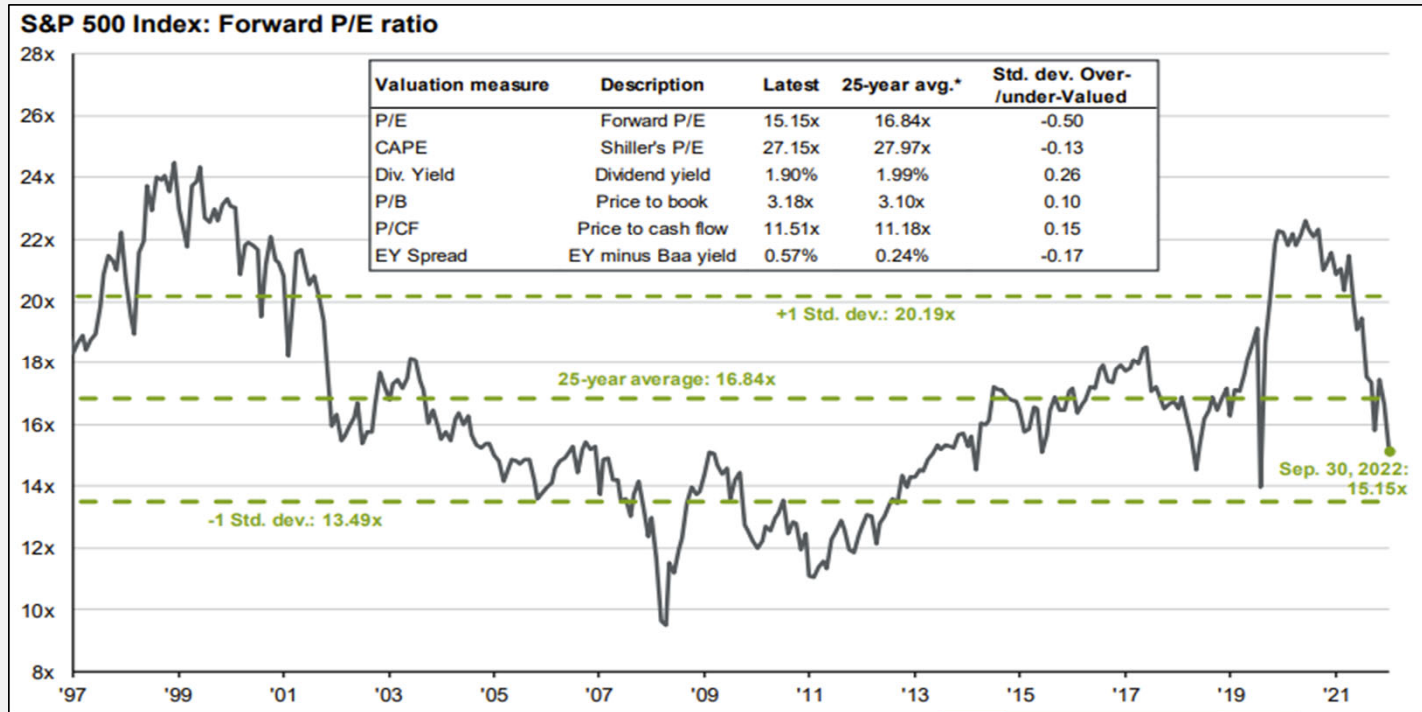
# Domestic equity returns by style

10-year annualized				YTD			
	Value	Blend	Growth		Value	Blend	Growth
Large	9.2%	11.7%	13.7%	Large	-17.8%	-23.9%	-30.7%
Mid	9.4%	10.3%	10.9%	Mid	-20.4%	-24.3%	-31.5%
Small	7.9%	8.6%	8.8%	Small	-21.1%	-25.1%	-29.3%
Since market peak (February 2020)				Since market low (March 2020)			
	Value	Blend	Growth		Value	Blend	Growth
Large	4.5%	10.4%	12.2%	Large	69.0%	66.8%	63.6%
Mid	5.4%	4.7%	-2.1%	Mid	86.4%	75.3%	52.3%
Small	8.1%	1.6%	-6.8%	Small	90.1%	71.2%	51.4%

Source: FactSet, Refinitiv Datastream, Russell Investment Group, Standard & Poor's, J.P. Morgan Asset Management. All calculations are cumulative total return, including dividends reinvested for the stated period. Since Market Peak represents period from February 19, 2020 to September 30, 2022. Since Market Low represents period from March 23, 2020 to September 30, 2022. Returns are cumulative returns, not annualized. For all time periods, total return is based on Russell style indices except for the large blend category, which is based on the S&P 500 Index. Past performance is not indicative of future returns. The price-to-earnings is a bottom-up calculation based on the most recent index price, divided by consensus estimates for earnings in the next 12 months (NTM) and is provided by FactSet Market Aggregates and J.P. Morgan Asset Management.  
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# S&P 500 valuation measures



Source: FactSet, FRB, Refinitiv Datastream, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since August 1997 and by FactSet since January 2022. Current next 12-months consensus earnings estimates are \$241. Average P/E and standard deviations are calculated using 25 years of history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Price-to-book ratio is the price divided by book value per share. Price-to-cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Moody's Baa seasoned corporate bond yield. Std. dev. over-/under-valued is calculated using the average and standard deviation over 25 years for each measure. \*P/CF is a 20-year average due to cash flow availability. *Guide to the Markets - U.S.* Data are as of September 30, 2022.

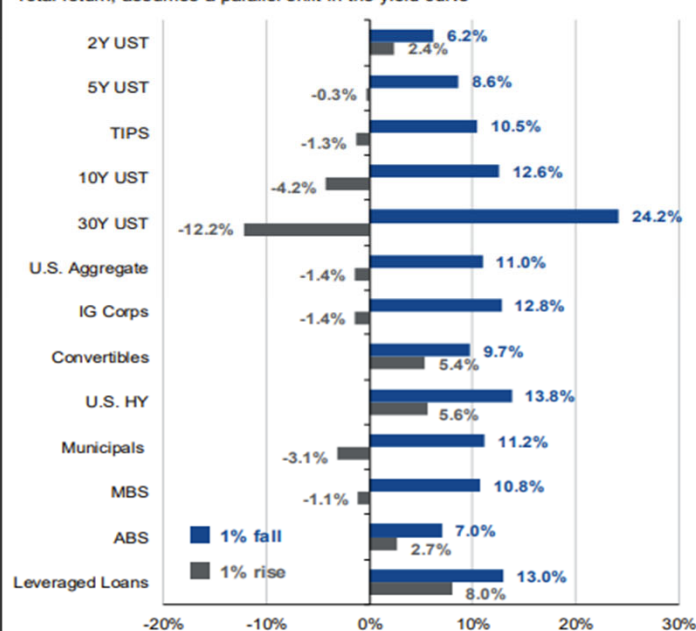
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# Fixed income market dynamics

U.S. Treasuries	Yield		Return			
	9/30/2022	12/31/2021	2022 YTD	Avg. Maturity	Correlation to 10-year	Correlation to S&P 500
2-Year	4.22%	0.73%	-4.59%	2 years	0.71	-0.25
5-Year	4.06%	1.26%	-10.79%	5	0.93	-0.21
TIPS	1.68%	-1.04%	-13.61%	10	0.61	0.30
10-Year	3.83%	1.52%	-16.85%	10	1.00	-0.19
30-Year	3.79%	1.90%	-31.49%	30	0.93	-0.20
Sector						
U.S. Aggregate	4.75%	1.75%	-14.61%	8.5	0.85	0.18
IG Corps	5.69%	2.33%	-18.72%	11.0	0.50	0.46
Convertibles	7.14%	3.66%	-19.85%	-	-0.20	0.87
U.S. HY	9.68%	4.21%	-14.74%	5.7	-0.14	0.75
Municipals	4.04%	1.11%	-12.13%	12.8	0.47	0.20
MBS	4.83%	1.98%	-13.66%	8.1	0.78	0.09
ABS	5.50%	1.96%	-3.66%	2.3	0.11	-0.03
Leveraged Loans	10.52%	4.60%	-2.66%	2.5	-0.04	0.24

## Impact of a 1% rise or fall in interest rates

Total return, assumes a parallel shift in the yield curve



Source: Bloomberg, FactSet, Standard & Poor's, U.S. Treasury, J.P. Morgan Asset Management. Sectors shown above are provided by Bloomberg unless otherwise noted and are represented by - U.S. Aggregate; MBS: U.S. Aggregate Securitized - MBS; ABS: J.P. Morgan ABS Index; Corporate: U.S. Corporates; Municipals: MuniBond; High Yield: Corporate High Yield; Leveraged Loans: J.P. Morgan Leveraged Loan Index; TIPS: Treasury Inflation-Protected Securities; Convertibles: U.S. Convertibles Composite. Convertibles yield is as of most recent month end and is based on U.S. portion of Bloomberg Global Convertibles Index. Yield and return information based on bellwethers for Treasury securities. Sector yields reflect yield-to-worst. Convertibles yield is based on U.S. portion of Bloomberg Global Convertibles. Correlations are based on 15-years of monthly returns for all sectors. Past performance is not indicative of future results. Guide to the Markets - U.S. Data as of September 30, 2022.

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