



# Wealth Strategies Team

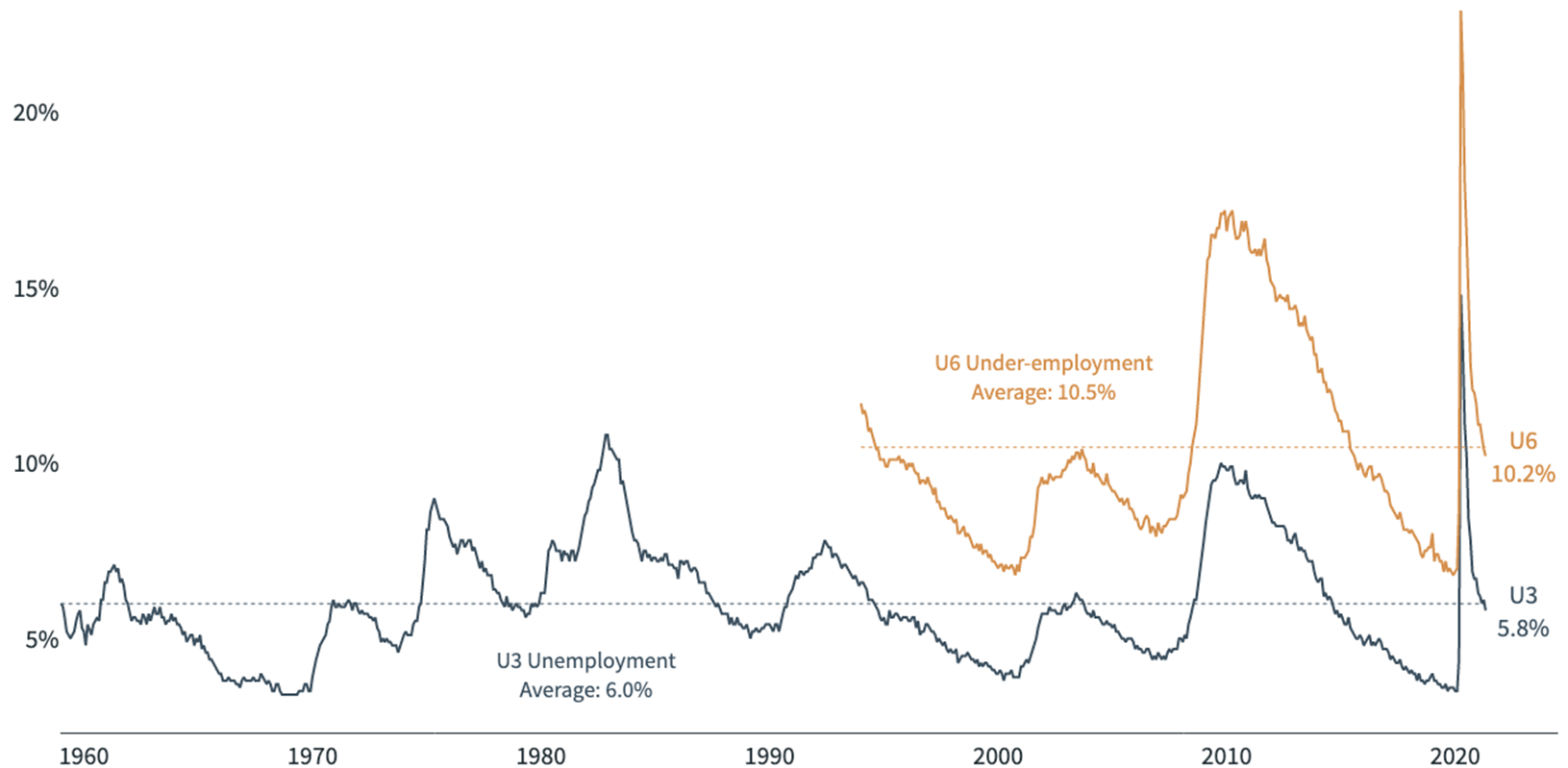
SUPPORTED BY OHANESIAN / LECOORS

**Since Last June - Chartbook**

Cliff Jarvis | Vice President - Investments | July 1, 2021

# Unemployment Rates

*U-3 unemployment and U-6 under-employment rates, since 1960*



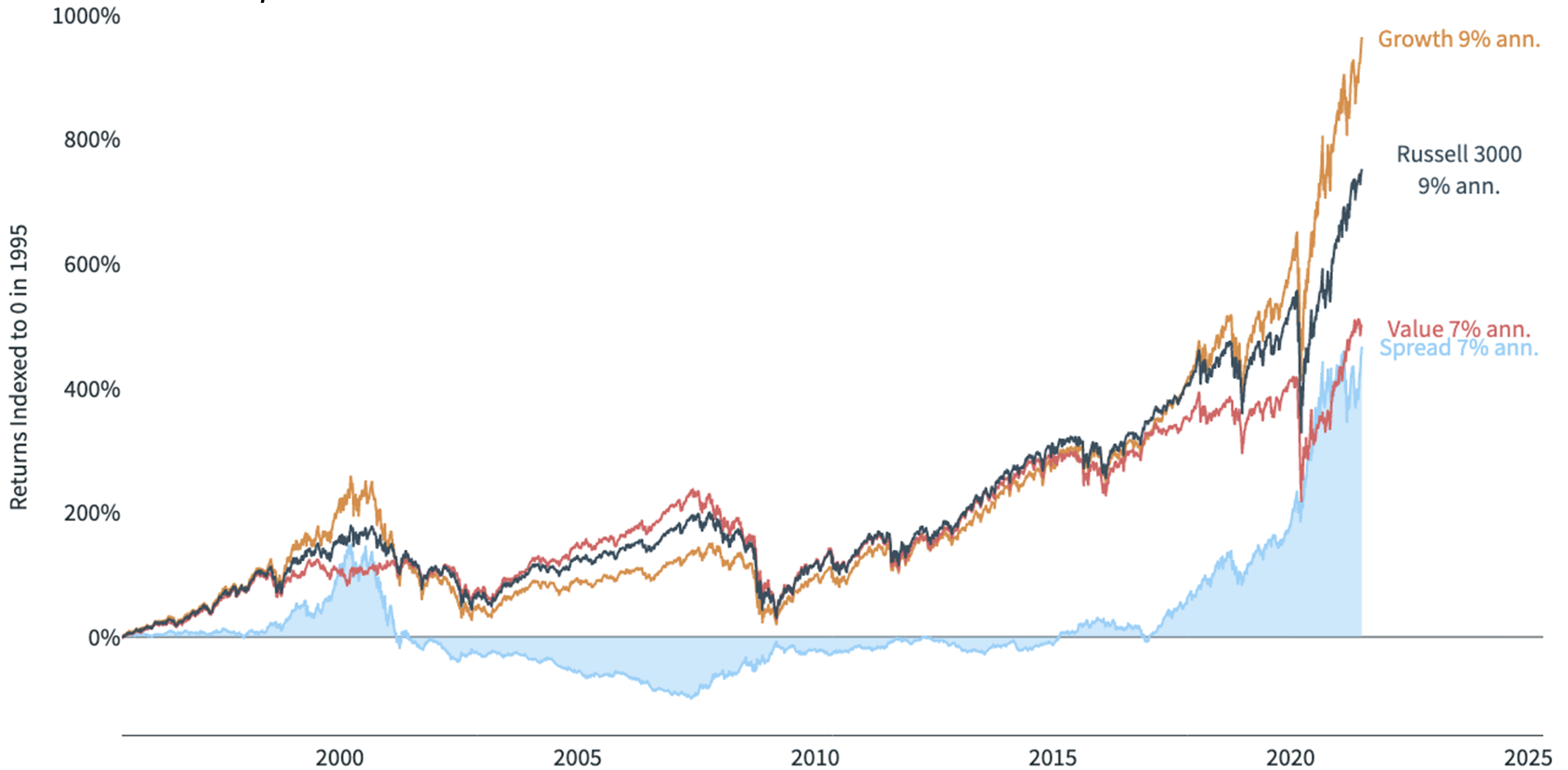
- Unemployment has improved significantly since the economic shutdowns over one year ago.
- Swift job gains have pushed down the unemployment rate closer to historical averages.
- However, under-employment is still elevated and many sectors are still experiencing high joblessness.

*Latest data point is May 2021*

Source: Bureau of Labor Statistics

# U.S. Growth vs Value Performance

*Russell 3000 Growth and Value price returns and performance spread*  
*Returns and spread are indexed to 0 in 1995*



Latest data point is Jun 30, 2021

- Growth stocks have outperformed Value stocks in recent years but this is now reversing.
- This is partly due to tech-led sectors which have changed the landscape of the economy.
- Growth and Value often trade off over the course of years and decades, as seen in the spread over time.

# Stock Market Performance

*S&P 500 Index, recent period*



- The stock market has rallied significantly over the past year.
- In addition to optimism about our economy, liquidity from government stimulus programs have been strong drivers of recent market returns.
- For long-term investors, it is important to maintain the proper perspective and look past short-term volatility.

*Latest data point is Jun 30, 2021*

Source: Standard & Poor's

© 2021 Clearnomics, Inc.

# Developed Market Recent Performance

MSCI EAFE Index (USD)



- Developed markets have recovered alongside many other regions since the pandemic-induced market crash.
- However, they still trail the U.S. market due to significant uncertainties from the dollar, rates and COVID-19.
- Many countries, especially those in Europe, continue to face challenges with vaccine rollouts.

Latest data point is Jun 30, 2021

Source: MSCI

© 2021 Clearnomics, Inc.

# Emerging Market Recent Performance

MSCI EM Index (USD)



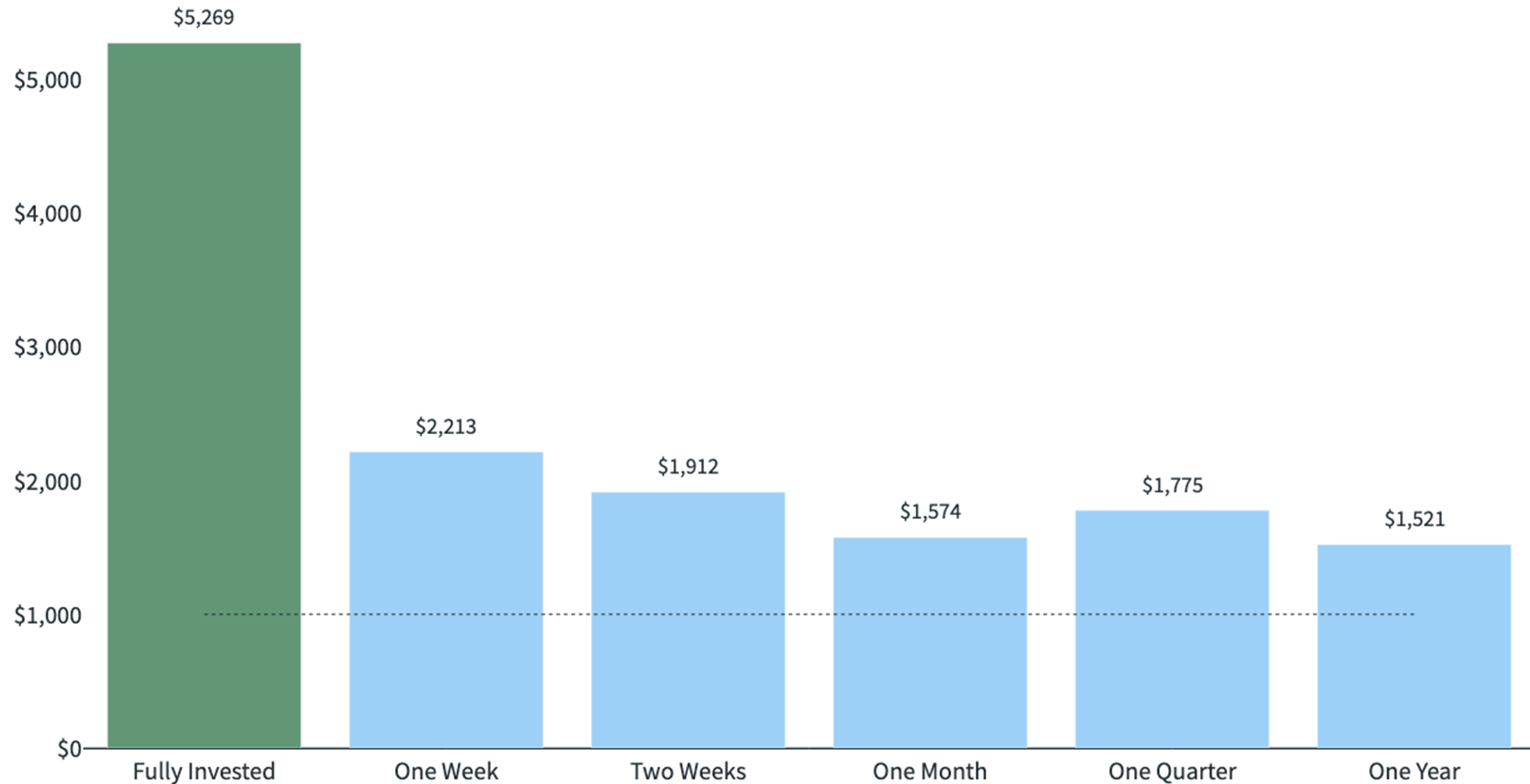
Latest data point is Jun 30, 2021

- Emerging markets are slowly recovering from the pandemic and catching up to other regions.
- Longer term, emerging markets still play a very important role in portfolio diversification despite recent uncertainty.

Source: MSCI

# Staying Invested: Timing the Market

Over the past 25 years, the effect of exiting the market the day after a -2% market move or worse, and staying out for each period of time shown. Based on an initial \$1,000 investment using S&P 500 returns before transaction costs



Latest data point is Jun 30, 2021

- Staying invested when markets become volatile is important to achieving long-term gains.
- Deciding when to re-enter is difficult and often results in worse performance than simply staying invested in the first place.

Source: Clearnomics, Standard & Poor's

# Definitions and Methodology

The **S&P 500** is a market capitalization-weighted index of large cap U.S. stocks. U.S. **mid cap** and **small cap** are the S&P 400 and S&P 600, respectively. **Value** and **growth** are the corresponding Standard and Poor's value and growth indices.

**MSCI EM** is an index of emerging market stocks. **MSCI EAFE** is an index of developed market stocks. **MSCI ACWI** is an index of global stocks.

The **forward P/E** is a ratio of the current market price of an index divided by an estimate of earnings over the next twelve months. The **Shiller P/E** is based on Robert Shiller's cyclically adjusted price-to-earnings ratio.

The **AAll Investor Sentiment** index is based on a weekly survey conducted by AAll.

Unless stated otherwise, **earnings** and **valuations** data are from Refinitiv indices.

The **LEI**, or Leading Economic Index, is produced monthly by the Conference Board.

**Consumer sentiment** indices are based on surveys conducted by the University of Michigan Surveys of Consumers.

## **Asset Class Performance and Asset Classes Relative to U.S.**

**Stocks charts:** The EM, EAFE, Small Cap, Fixed Income and Commodities are these indices, respectively: MSCI EM, MSCI EAFE, Russell 2000, iShares Core U.S. Bond Aggregate, Bloomberg Commodity Index.

**Fixed Income Performance:** All sectors are represented by the Bloomberg Barclays bond indices except for EMD USD and Local which are the JPMorgan EMBIG Diversified Index and JPMorgan GBI-EM Core Index, respectively.

The Balanced Portfolio is a hypothetical 60/40 portfolio consisting of 40% U.S. Large Cap, 5% Small Cap, 10% International Developed Equities, 5% Emerging Market Equities, 35% U.S. Bonds, and 5% Commodities.

The **Bloomberg Commodity Index** is a broadly diversified basket of physical commodities futures contracts.

The **DXY** is a U.S. dollar index based on a basket of currencies, including the Euro, Yen, Pound, Canadian Dollar, Swedish Krona and Swiss Franc.

**Portfolio Risk/Reward and Portfolio Drift Since 2009** charts: stocks and bonds are the S&P 500 and iShares Core U.S. Bond Aggregate, respectively. Each portfolio represents a hypothetical stock/bond asset allocation.

The **MSCI Factor** indices are created and maintained by MSCI to capture factor returns. They cover various factors including Quality, Size, Momentum, Volatility, Value and Yield. The Multi-Factor index tracks the performance of Value, Momentum, Quality and Size.

The **MSCI USA** index tracks large and mid cap U.S. stocks.



# Clearnomics Disclosures

Copyright (c) 2021 Clearnomics, Inc. All rights reserved. The information contained herein has been obtained from sources believed to be reliable, but is not necessarily complete and its accuracy cannot be guaranteed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness, or correctness of the information and opinions contained herein. The views and the other information provided are subject to change without notice. All reports posted on or via [www.clearnomics.com](http://www.clearnomics.com) or any affiliated websites, applications, or services are issued without regard to the specific investment objectives, financial situation, or particular needs of any specific recipient and are not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. Past performance is not necessarily a guide to future results. Company fundamentals and earnings may be mentioned occasionally, but should not be construed as a recommendation to buy, sell, or hold the company's stock. Predictions, forecasts, and estimates for any and all markets should not be construed as recommendations to buy, sell, or hold any security--including mutual funds, futures contracts, and exchange traded funds, or any similar instruments. The text, images, and other materials contained or displayed in this report are proprietary to Clearnomics, Inc. and constitute valuable intellectual property. All unauthorized reproduction or other use of material from Clearnomics, Inc. shall be deemed willful infringement(s) of this copyright and other proprietary and intellectual property rights, including but not limited to, rights of privacy. Clearnomics, Inc. expressly reserves all rights in connection with its intellectual property, including without limitation the right to block the transfer of its products and services and/or to track usage thereof, through electronic tracking technology, and all other lawful means, now known or hereafter devised. Clearnomics, Inc. reserves the right, without further notice, to pursue to the fullest extent allowed by the law any and all criminal and civil remedies for the violation of its rights.