

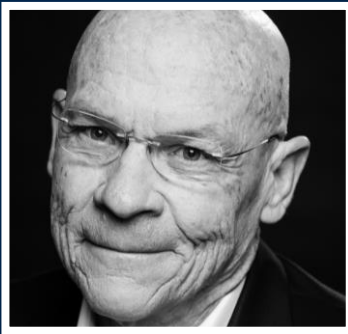
2022 MID-YEAR MARKET OUTLOOK



Navigating Market
Headwinds & Tradewinds



OUR SPEAKERS



PAUL HUGHES, ChFEBC, CEPA
Managing Partner
& Financial Advisor



SCOTT HUGHES, CFP®, MBA
Managing Partner
& Financial Advisor

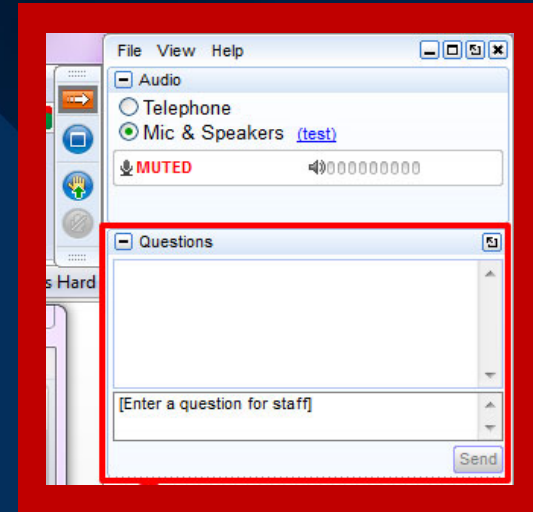


PATRICK HUGHES, CFP®
Managing Partner
& Financial Advisor

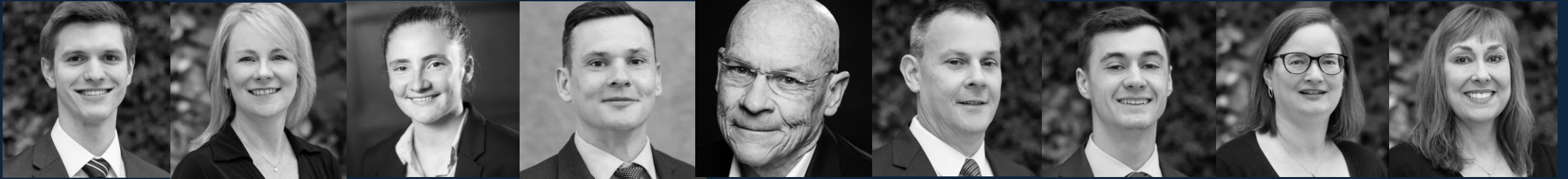


BERKELEY MEREDITH, CFP®, CDFA®
Financial Advisor

Q&A HAVE QUESTIONS?



ABOUT HUGHES FINANCIAL SERVICES



Independent
Registered
Investment
Advisor



Comprehensive
financial planning
and wealth
management



Fiduciary



Professional
certifications,
licenses, and
continuing
education



Over 100
years
combined
advisor
experience



HFS



RETIREMENT
PLANNING



INVESTMENTS



TAX
PLANNING



PROTECTION



ESTATE
PLANNING

5 KEY AREAS OF FINANCIAL PLANNING

“ The stock market
is a device for
transferring
money from the
impatient to the
patient. ”



| 2022 MID-YEAR MARKET OUTLOOK

U.S. Stock Market

Stock Market Performance

S&P 500 Index, recent period

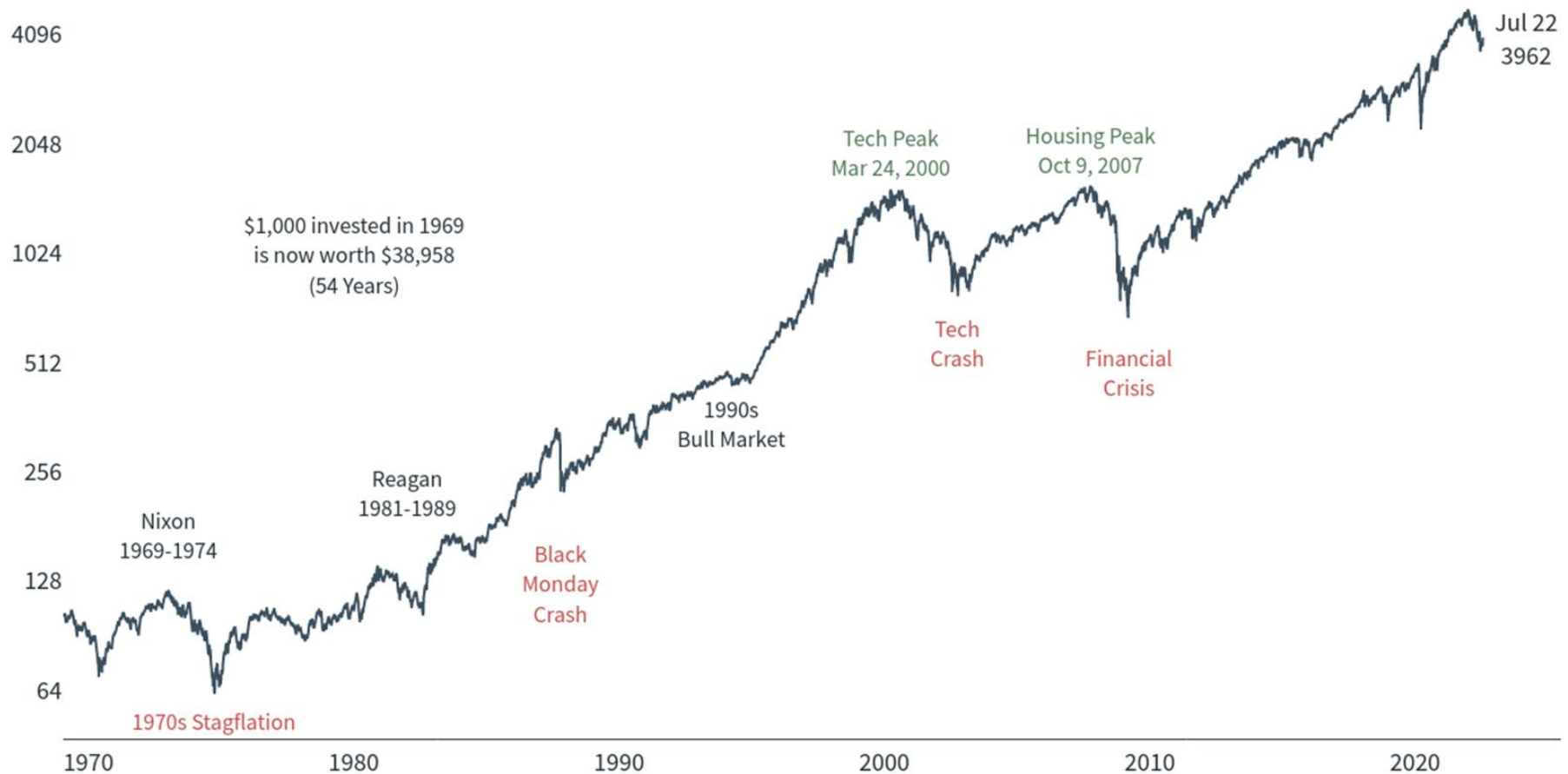


| 2022 MID-YEAR MARKET OUTLOOK



















U.S. Stock Market

Stock Market Cycles

S&P 500 Index over the past 50 years (Log Scale)



Long-Term Market Summary

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 YEAR	STOCKS				BONDS	
	-13.87%	-16.76%	-25.28%	-10.61%	-10.29%	-7.75%
						
5 YEARS						
	10.60%	2.66%	2.18%	2.79%	0.88%	1.30%
						
10 YEARS						
	12.57%	5.37%	3.06%	5.15%	1.54%	2.66%
						



Market Outlook

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GROWTH



JOBS



PROFITS



INFLATION



**INTEREST
RATES**



RISKS



**INVESTMENT
OPPORTUNITIES**

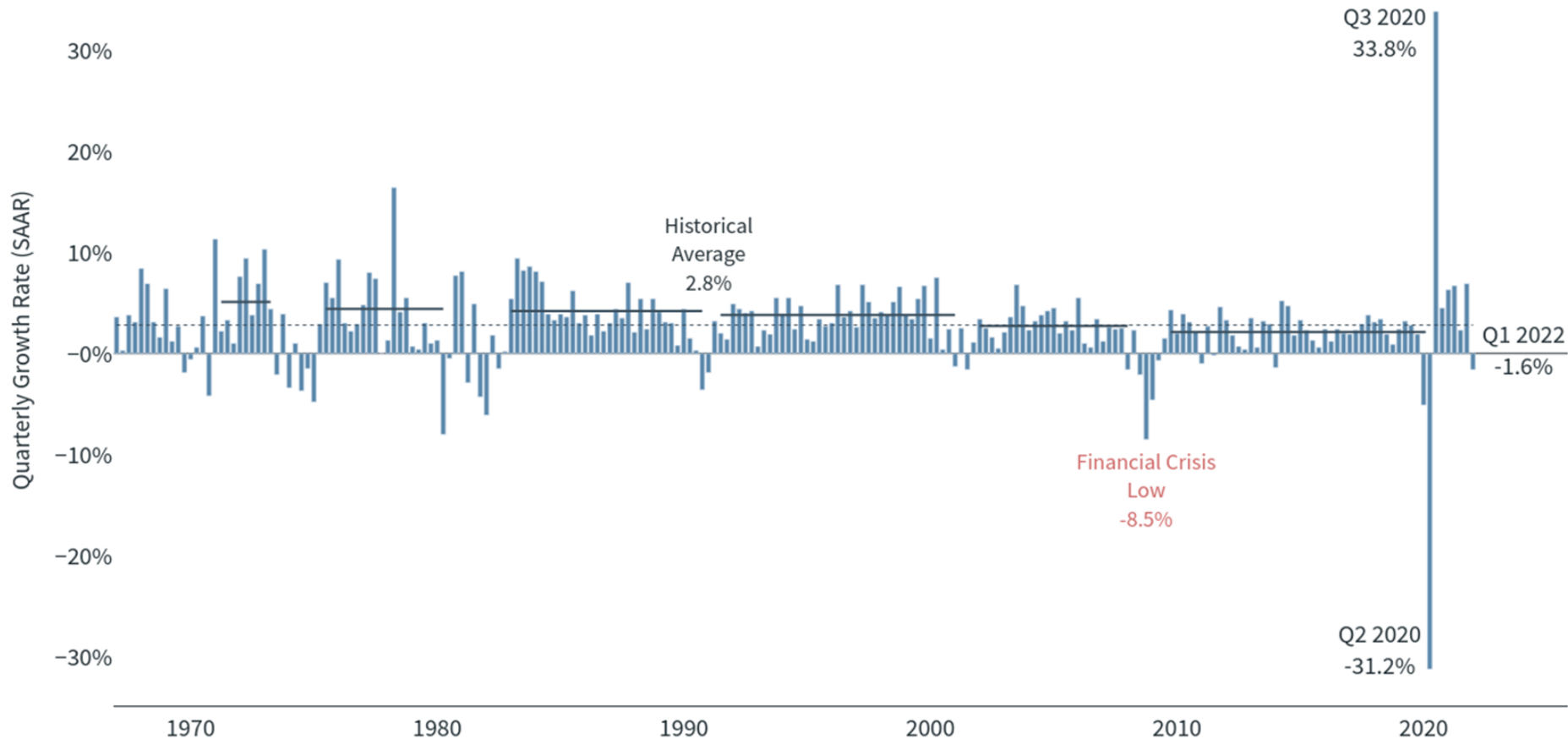
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GROWTH

U.S. Economy

U.S. Economic Growth

Quarterly GDP, year-over-year percentage change



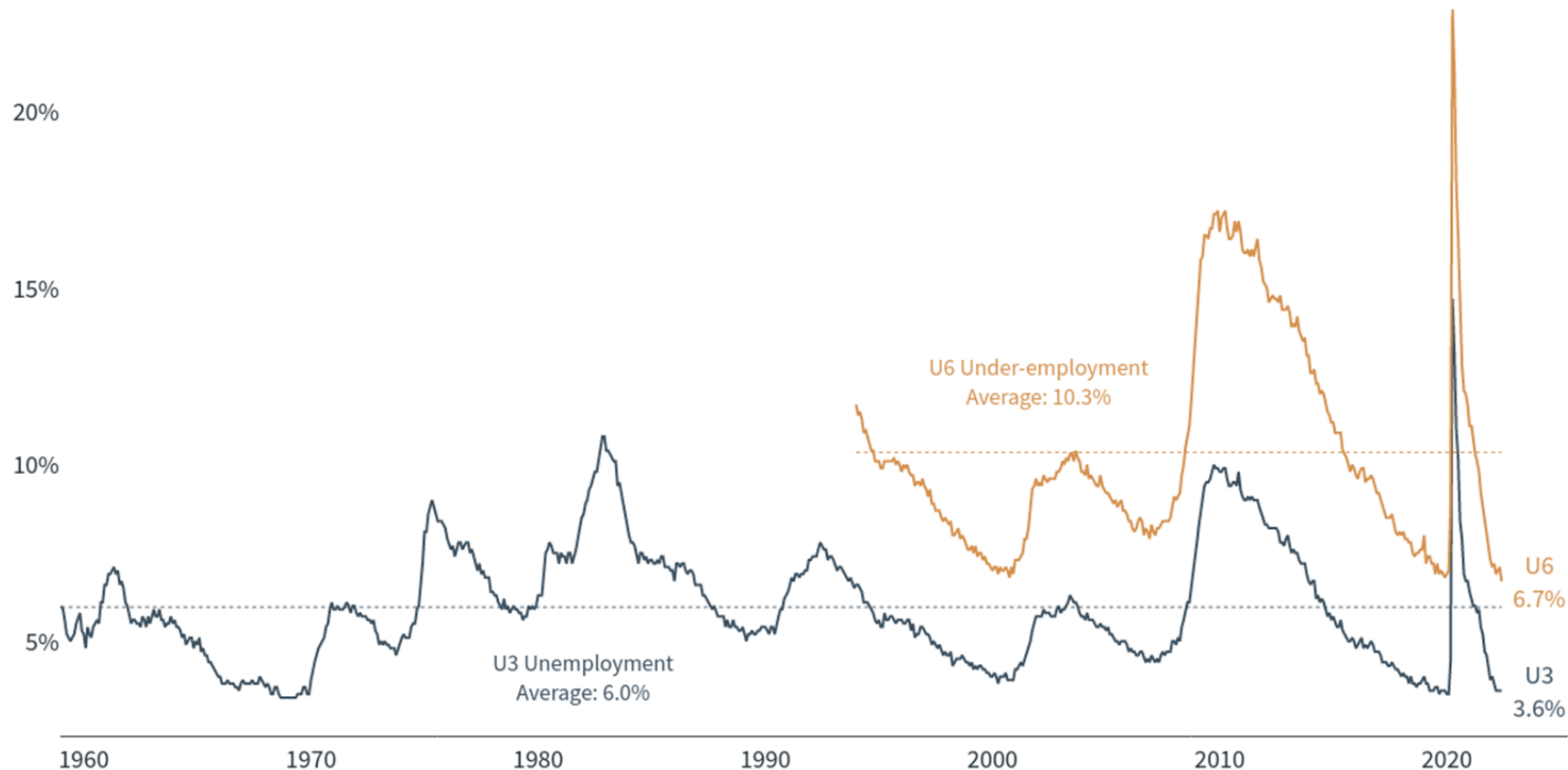
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JOBS

Labor Market

Unemployment Rates

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



Source: Bureau of Labor Statistics

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PROFITS

U.S. Stock Market

The Stock Market and Earnings

S&P 500 Index price and trailing earnings-per-share since 1990



Source: Refinitiv, Standard & Poor's



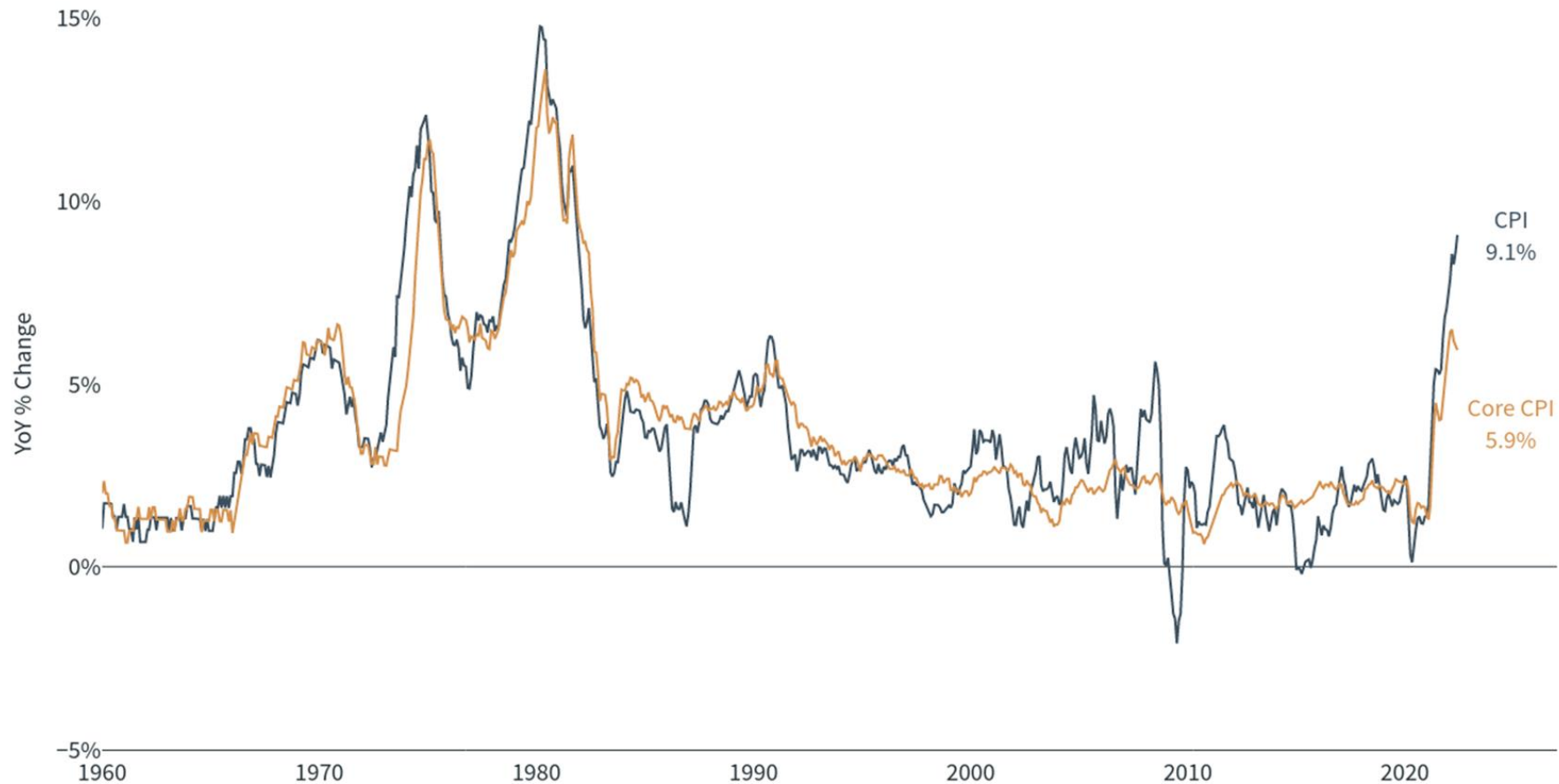
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INFLATION

Inflation

Consumer Price Index

CPI and Ex Food and Energy, YoY % Change



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INFLATION

How does it work?

When the rate of inflation gains steam too fast, the Federal Reserve raises the Federal Funds rate and reduces its bond holdings



Inflation

Supply and Demand Imbalance
Abundant Demand, Limited Goods



Fed's Defense:

Make it more expensive to borrow money. Reduce purchasing power thus slow spending.

The expected result is that the forward momentum of the inflation rate will slow down



Inflation

Desired Result

Supply/demand becomes more balanced, and the rate of inflation slows down.

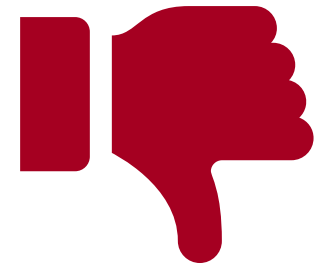
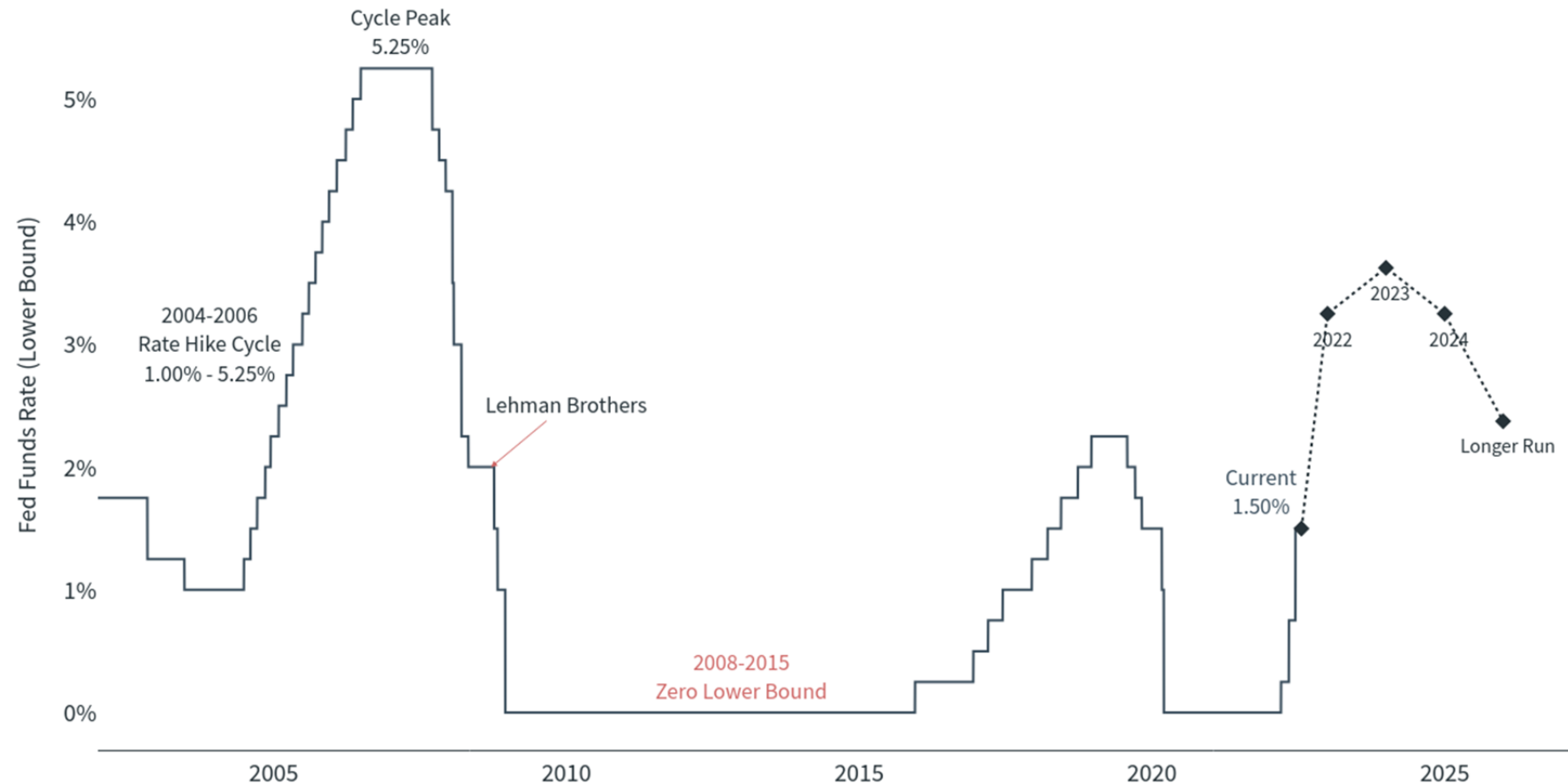
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INTEREST RATES

Central Banks

Federal Funds Rate

Target range lower limit

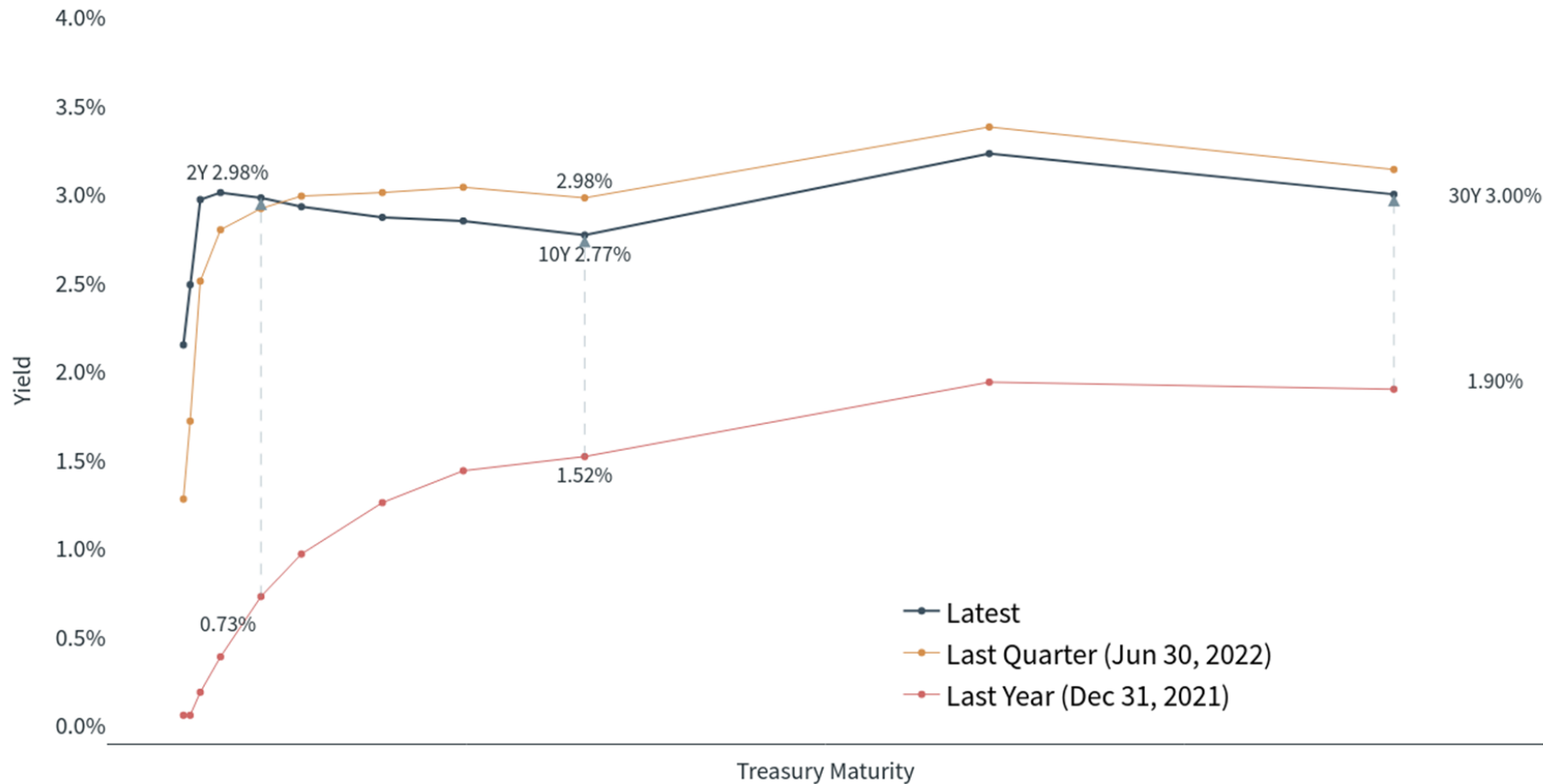


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INTEREST RATES

Treasury Yield Curve

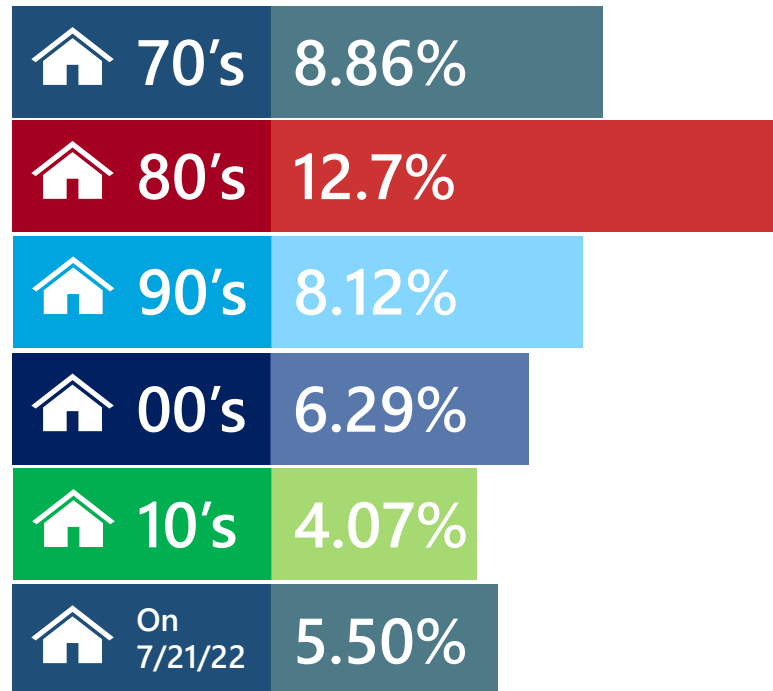
The shape of the U.S. Treasury curve last year versus today



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INTEREST RATES

Decade Averages on 30-Year Fixed Mortgage Rates Since the 1970's



FACT:

The interest rate on a mortgage in October 1981 was 18.45%!

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RISKS

Risk Concerns Moving Forward

- Continued Inflation
- Rising Interest Rates
- COVID-19
- Geopolitical Risk
- Economic Growth
- New Tax Laws



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 **GROWTH**



 **JOBS**



 **PROFITS**



 **INFLATION**



 **INTEREST
RATES**



 **RISKS**



 **INVESTMENT
OPPORTUNITIES**

**A SIMPLE RULE DICTATES MY BUYING: BE
FEARFUL WHEN OTHERS ARE GREEDY, BE
GREEDY WHEN OTHERS ARE FEARFUL.**

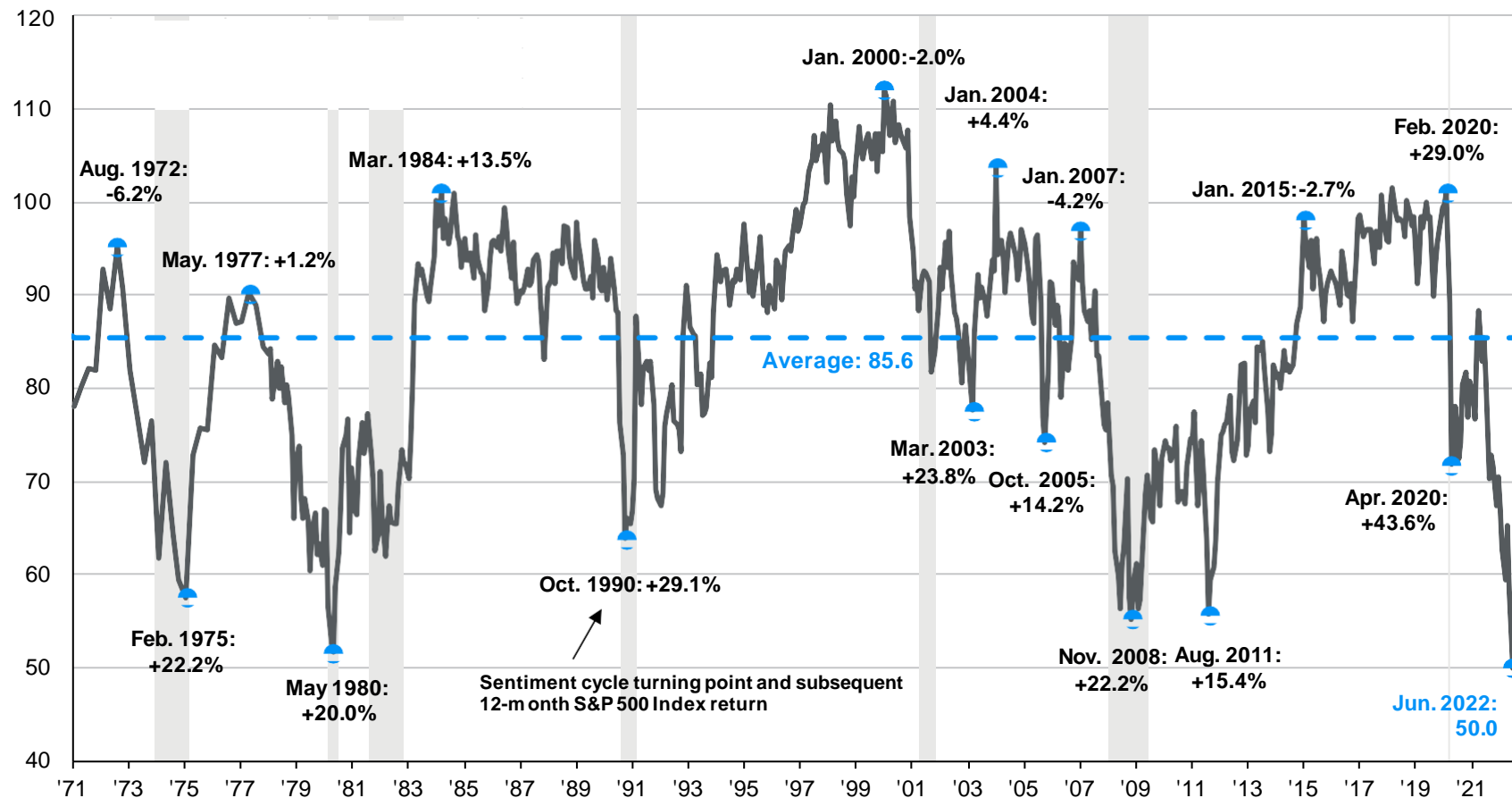
- WARREN BUFFETT -

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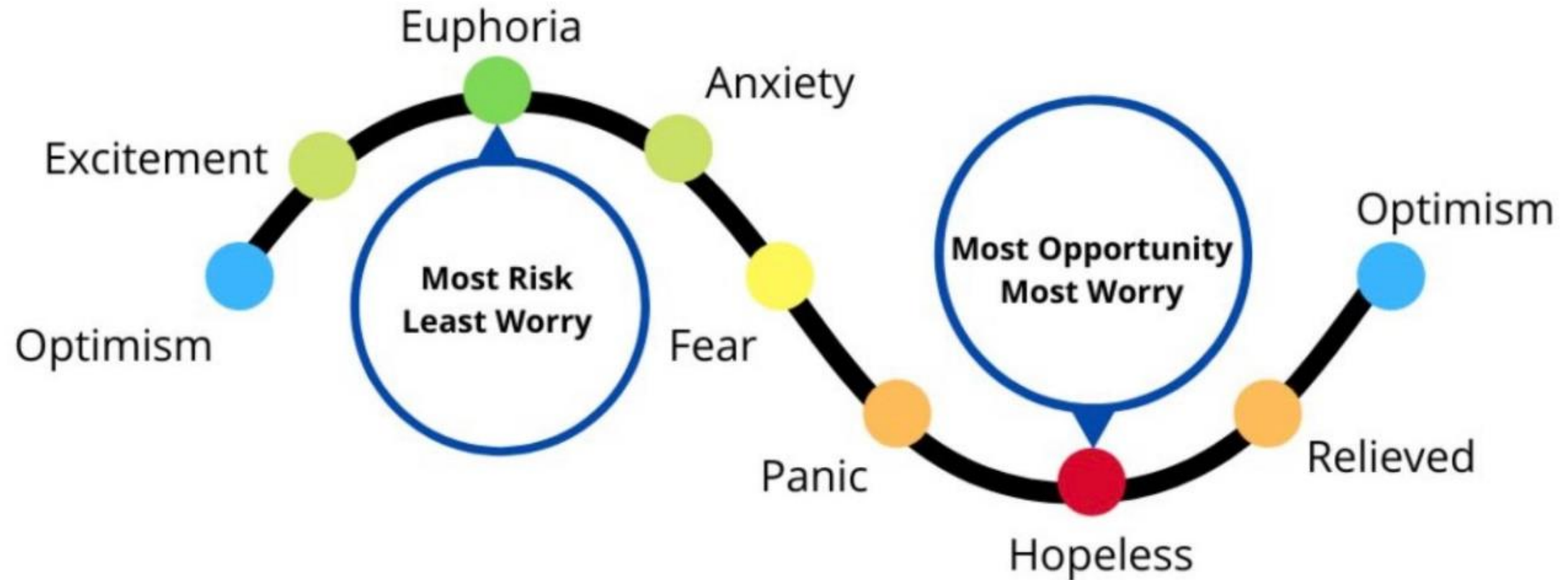
INVESTMENT OPPORTUNITIES

Consumer Confidence and the Stock Market

Consumer Sentiment Index and Subsequent 12-Month S&P 500 Returns



Cycle of Investor Emotions

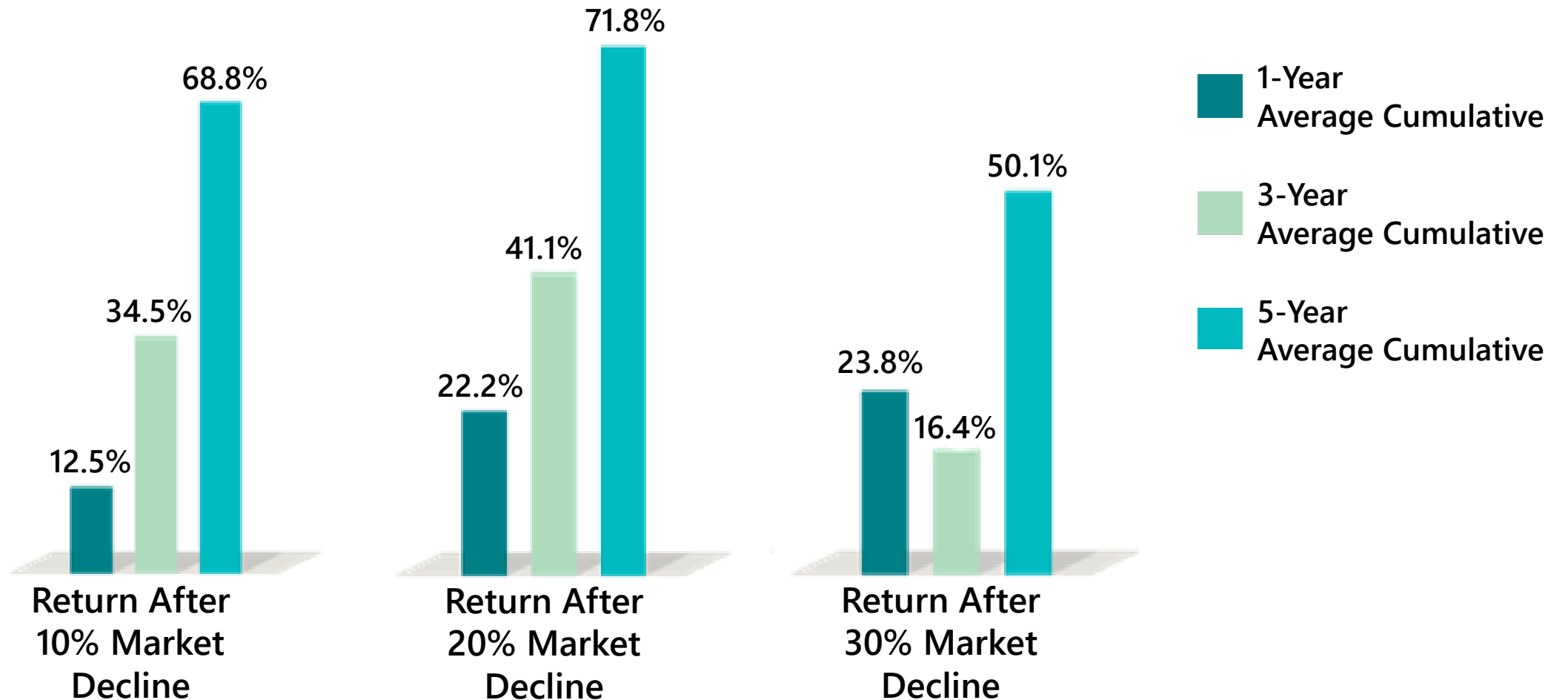


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INVESTMENT OPPORTUNITIES

Three Crucial Lessons for Weathering the Stock Market's Storm

Fama/French Total U.S. Market Research Index Returns



| INVESTOR | STRATEGIES

TAX LOSS HARVESTING



ROTH CONVERSIONS



PORTFOLIO REBALANCING



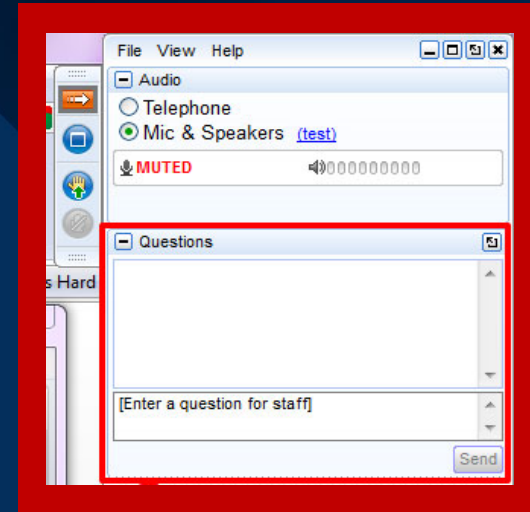
WHAT SHOULD I DO NEXT?

- ▶ Maintain liquidity for all near-term needs
- ▶ Avoid emotional investing
- ▶ Conduct a full review of your financial plan with us



An Educated Client is Our Best Client!

Q&A HAVE QUESTIONS?



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SOURCES: Dimensional Funds; Wall Street Journal; US Bureau of Economic Research; Clearanomics; Bloomberg; Ed Yardeni; Barron's; bankrate.com; FDIC; US BEA; NBER; Bureau of Labor Statistics; The Conference Board; Refinitiv; Standard & Poor's; Yardeni Research Inc.; APFA; Dr. David Kelly, J.P. Morgan Asset Management

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