April 2022

JEMMA
FINANCIAL SERVICES

FOCUS ON THE LONG TERM DURING PERIODS OF SHORT-TERM MARKET VOLATILITY

The rocky start to the year continued in April as geopolitical tensions and uncertainties around surging inflation, rising rates and supply chain disruptions remained. In addition, there are also concerns about what effect tighter monetary policies might have on the economy.

For the month of April, the S&P 500, an index of the 500 largest companies in America, declined 8.7%. However, the decline did not impact all companies. Many defensive companies in areas such as food and beverage, personal care and energy, saw their prices rise while many cyclical stocks, including financial services and technology, fell in value in April.

So far this year, the S&P 500 has fallen nearly 13%--its worst January to April performance since 1939. The technology-heavy NASDAQ Index, which includes many headline growth stocks such as Apple, Netflix and Tesla, fell 21% year to date.

In April, the yield on the 10-year Treasury note increased to 2.90%, marking its biggest monthly increase since 2009.

From an economic perspective, GDP decreased at an annualized rate of 1.4% in the first quarter of 2022, its first contraction since the beginning of the pandemic in 2020. A widening trade deficit, the difference between what we import as a country versus what we export, contributed to this decline.

U.S. inflation rose at an annual rate of 8.5% in March, which continues to be the highest level in nearly 40 years. This was driven by higher energy and food costs, supply constraints and strong consumer demand. Groceries increased 10% on a year-on-year basis, which is the most since 1981.

We encourage investors to look past the barrage of negative headlines and instead focus on the underpinnings of a strong U.S. economy. The U.S. is currently experiencing low

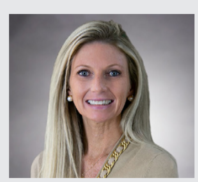
unemployment, widely available jobs, and increasing wages. As a result, the U.S. consumer remains strong. Consumer spending, which makes up 70% of the economic activity, increased 2.7%.

With the current bout of market volatility, it's understandable that investors may feel uneasy. However, making investment decisions based on short-term market disruptions caused by geopolitical and macro events has historically been unwise, as the market rebounds within a relatively short time period.

During volatile times, a wise investment strategy to consider is to dollar cost average into the market, which is the process of investing a fixed amount of money on a regular basis. This creates a systematic purchasing plan, setting up automatic, recurring deposits from your checking or savings account into your investment account. By purchasing shares on a regular basis regardless of the market's direction, you may remove the urge to make short-term, emotionally fueled decisions.

As always, Jemma Financial is here to help you stay informed and address any questions you may have so you can stay on track and accomplish your financial goals.

I'm Katie Dudley and that's our market update for April.



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