



# **THE CONCORD ADVISORY GROUP, LTD.**

*Institutional Investment Consulting Services*

## ***DECEMBER 2021 MARKET HIGHLIGHTS***

***“EXCEEDING EXPECTATIONS AGAIN”***

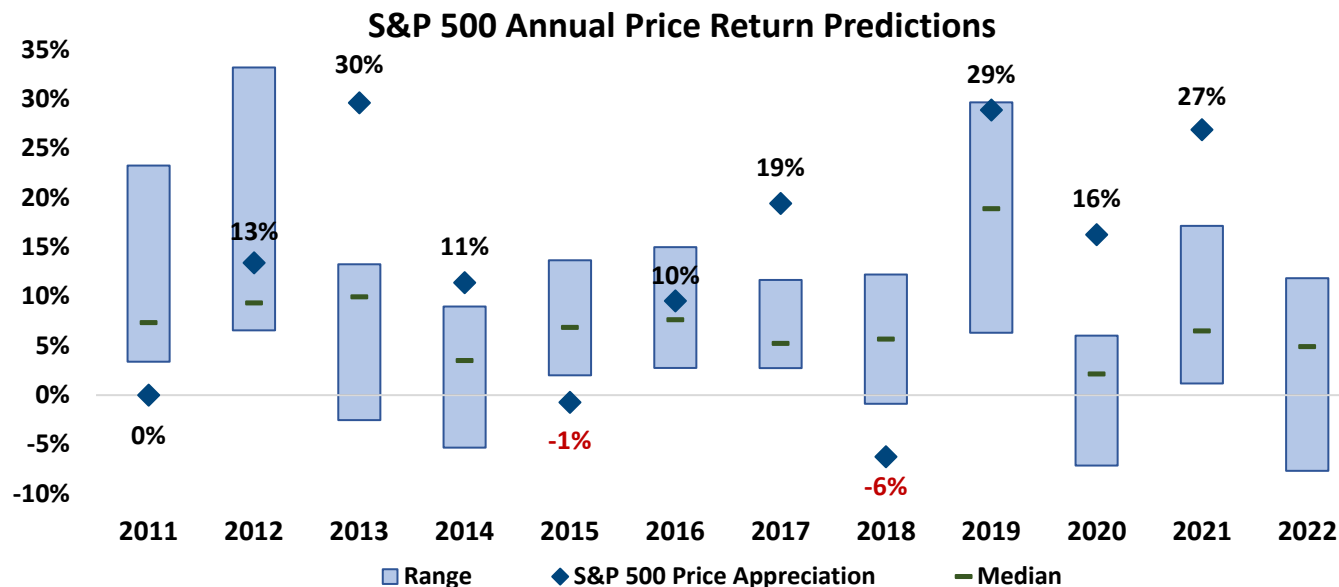
# THE CONCORD ADVISORY GROUP, LTD: DECEMBER 2021 MARKET HIGHLIGHTS

## COMMENTARY: “EXCEEDING EXPECTATIONS AGAIN”

Yogi Barra is credited with the phrase “It’s tough to make predictions, especially about the future.” Nowhere is this truer than in the stock market, where even the professionals struggle at forecasting next year’s performance. The chart shows Bloomberg’s survey of strategist’s S&P 500 year-end price predictions. The S&P 500’s actual closing price only fell within the range of the survey in three of the last eleven years.

In 2021, the S&P 500 had a total return of 29 percent, which far exceeded expectations. The gain is even more impressive when placed in the context that most of the news during the year was more negative than expected. The consensus opinions at the beginning of last year were that the vaccines would control Covid, inflation would be transitory, the Fed would continue to support markets, and life would return to normal. It turned out that Delta and Omicron variants kept Covid going, the supply chain issues are still unresolved, and inflation was the highest since 1982. Yet, even with all this negative news, the S&P 500’s performance well exceeded expectations.

For 2022, the strategists surveyed by Bloomberg predict a median closing price of 5,000 (+5%) with a range of 4,400 (-8%) to 5,330 (+12%). To again paraphrase Yogi Barra, market performance in 2022 could be “déjà vu all over again” and again defy expectations.

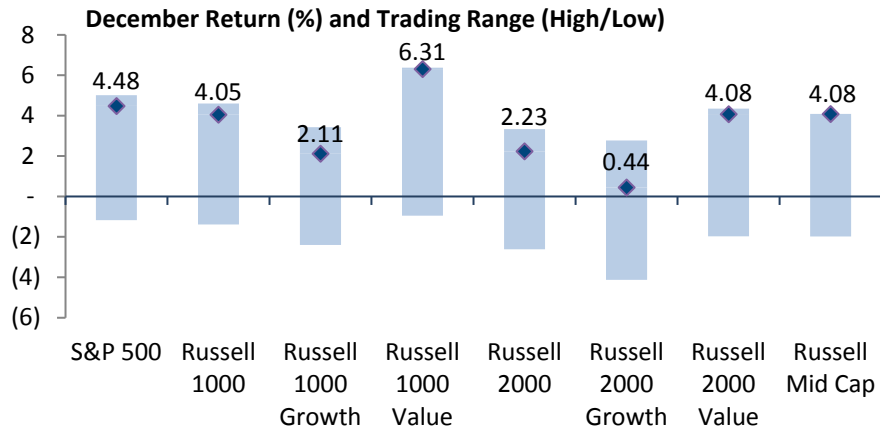


*Notes: “S&P 500 Price Appreciation” does not include dividends. Predictions converted to percentages for formatting purposes. Based on predictions supplied to Bloomberg in December of the preceding year.*

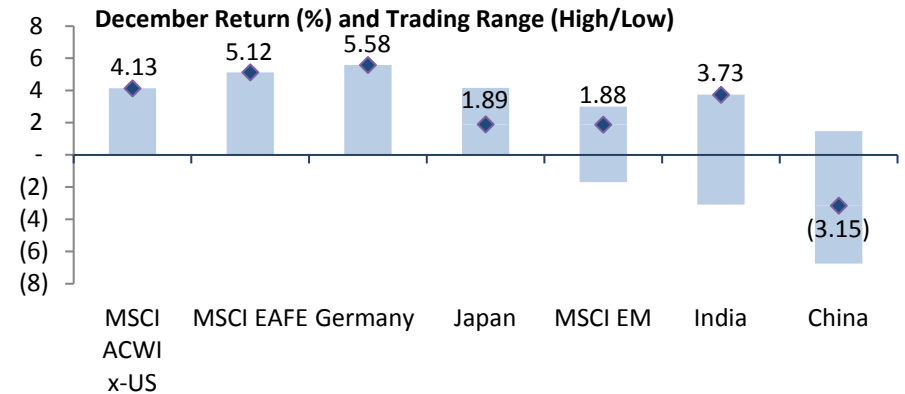
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## MONTHLY CHARTS

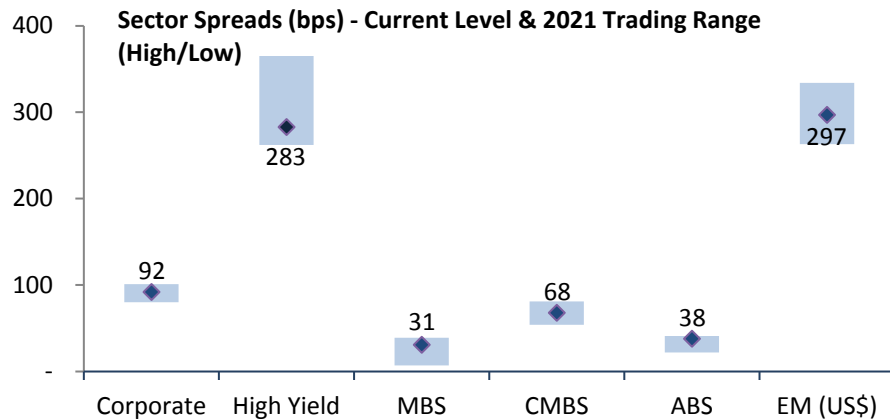
**U.S. Equities:** U.S. equities posted strong results in December, wrapping up a second consecutive calendar year of returns in excess of 20%.



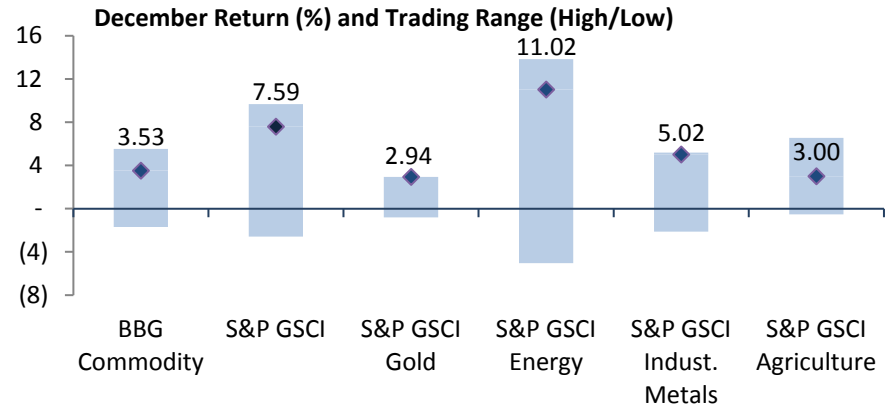
**International Equities:** Non-U.S. equities also ended the final month of 2021 with gains. However, emerging markets fared poorly over the balance of the year, held back by both China and Brazil.



**Fixed Income:** Low starting yields and a small increase in interest rates led to slightly negative returns for most bonds in December. Tighter credit spreads generated gains for high yield securities.



**Commodities:** Broad commodities prices gained in December and for the year, driven largely by the Energy sector.

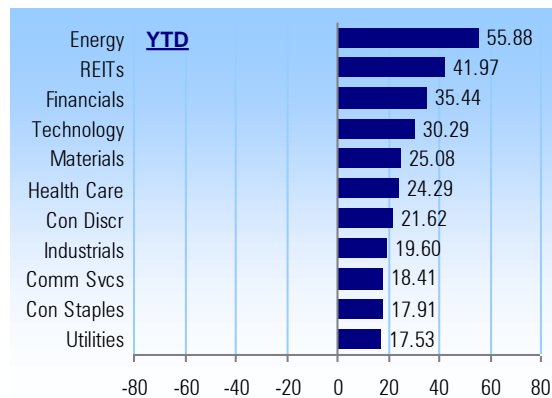
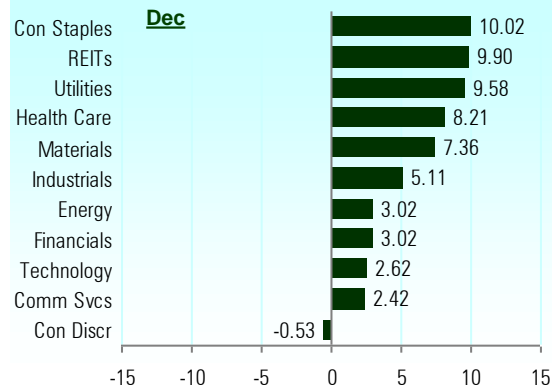


# Concord Advisory Group: December 2021 Market Performance

## Equity Markets

	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
S&P 500	4.48%	11.03%	28.71%	28.71%	26.07%	18.47%
Russell 1000	4.05%	9.78%	26.45%	26.45%	26.21%	18.43%
Russell 1000 Growth	2.11%	11.64%	27.60%	27.60%	34.08%	25.32%
Russell 1000 Value	6.31%	7.77%	25.16%	25.16%	17.65%	11.17%
Russell MidCap	4.08%	6.44%	22.58%	22.58%	23.29%	15.10%
Russell 2000	2.23%	2.14%	14.82%	14.82%	20.02%	12.02%
Russell 2000 Growth	0.44%	0.01%	2.83%	2.83%	21.17%	14.54%
Russell 2000 Value	4.08%	4.36%	28.27%	28.27%	17.99%	9.07%
MSCI ACWI	4.00%	6.68%	18.54%	18.54%	20.39%	14.40%
MSCI World	4.27%	7.77%	21.82%	21.82%	21.70%	15.03%
MSCI ACWI Ex-US	4.13%	1.82%	7.82%	7.82%	13.18%	9.61%
MSCI EAFE	5.12%	2.69%	11.26%	11.26%	13.54%	9.55%
MSCI EM	1.88%	-1.31%	-2.54%	-2.54%	10.95%	9.88%
Bloomberg Commodity	3.53%	-1.56%	27.11%	27.11%	9.86%	3.66%

## Equity Sector Returns (%)



## Equity Style Returns (%)

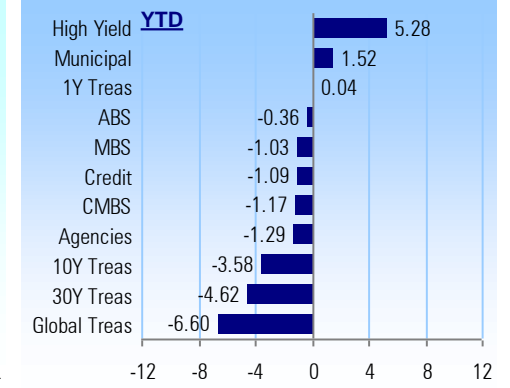
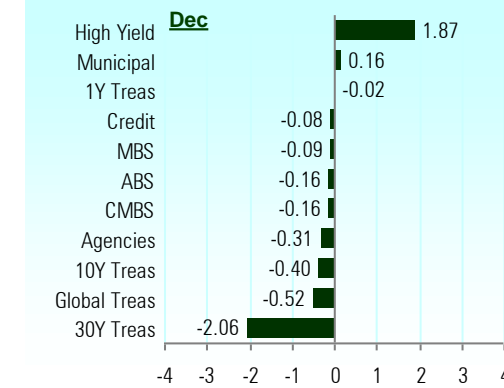
	Value	Core	Growth
Large	6.31	4.05	2.11
Mid	6.28	4.08	0.35
Small	4.08	2.23	0.44

	Value	Core	Growth
Large	25.16	26.45	27.60
Mid	28.34	22.58	12.73
Small	28.27	14.82	2.83

## Fixed Income Markets

	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
Bloomberg Aggregate	-0.26%	0.01%	-1.54%	-1.54%	4.79%	3.57%
Bloomberg Global Aggregate	-0.14%	-0.67%	-4.71%	-4.71%	3.59%	3.36%
Bloomberg Intermediate Aggregate	-0.12%	-0.51%	-1.29%	-1.29%	3.60%	2.79%
Bloomberg Universal	-0.07%	-0.03%	-1.10%	-1.10%	5.15%	3.84%
Bloomberg Government	-0.51%	0.15%	-2.28%	-2.28%	4.07%	3.07%
Bloomberg Credit	-0.08%	0.22%	-1.08%	-1.08%	7.18%	5.05%
Bloomberg Municipal	0.16%	0.72%	1.52%	1.52%	4.73%	4.18%
Bloomberg High Yield	1.87%	0.71%	5.28%	5.28%	8.83%	6.30%
Bloomberg Mortgage	-0.09%	-0.37%	-1.04%	-1.04%	3.01%	2.50%
Bloomberg 1-3 Yr Gov/Credit	-0.15%	-0.56%	-0.47%	-0.47%	2.28%	1.86%
FTSE 3-Month Treasury Bill	0.00%	0.01%	0.05%	0.05%	0.95%	1.11%
FTSE World Govt Bond	-0.62%	-1.10%	-6.97%	-6.97%	2.75%	2.95%
Bloomberg U.S. TIPS	0.32%	2.36%	5.96%	5.96%	8.45%	5.34%
BofAML Invest Grade Convertible	3.85%	5.07%	10.42%	10.42%	12.81%	12.42%

## Fixed Income Sector Returns (%)



## Treasury Yield Curve

