Making **Sense**

Each month, **Chief Investment Officer, Brent Ciliano** and **Manager of Institutional Portfolio Strategy, Phillip Neuhart** help you make sense of the markets and the economy. Below you'll find a summary of their most recent update. Watch the full update **here**. Register for the next Making Sense webinar **here**.

WHAT'S COVERED ON THIS MONTH'S WEBINAR? (WATCH IT HERE.)

- **Economic update:**
  - US Economic Growth
  - **Interest Rates & Inflation**
- **Where do markets go from here?**

WHAT'S NEXT?

5 Steps to Kickstart Your Financial Plan: 2.9 - Register here.
The next Making Sense Webinar: 2.23 – Register here.

REVIEW OUR 2022 MARKET OUTLOOK

Historically, drawdowns of 20% or less haven't lasted for long.[i]

From 1928 through 2021 drawdowns of:

- **10% or less recovered fully inside 6 months**
- **10% to 15% recovered fully inside of 9 months**
- **10% to 20% effectively recovered within 12 months.**

Following the Great Financial Crisis, the recovery time was even shorter, with most drawdowns of 20% or less seeing a full recovery in 3 months![ii] While it can be very nerve-racking to see the value of your investments fall, understand that it usually doesn't last long. Reacting to sell-offs by moving out of stocks can be incredibly detrimental to the achievement of your goals and objectives.

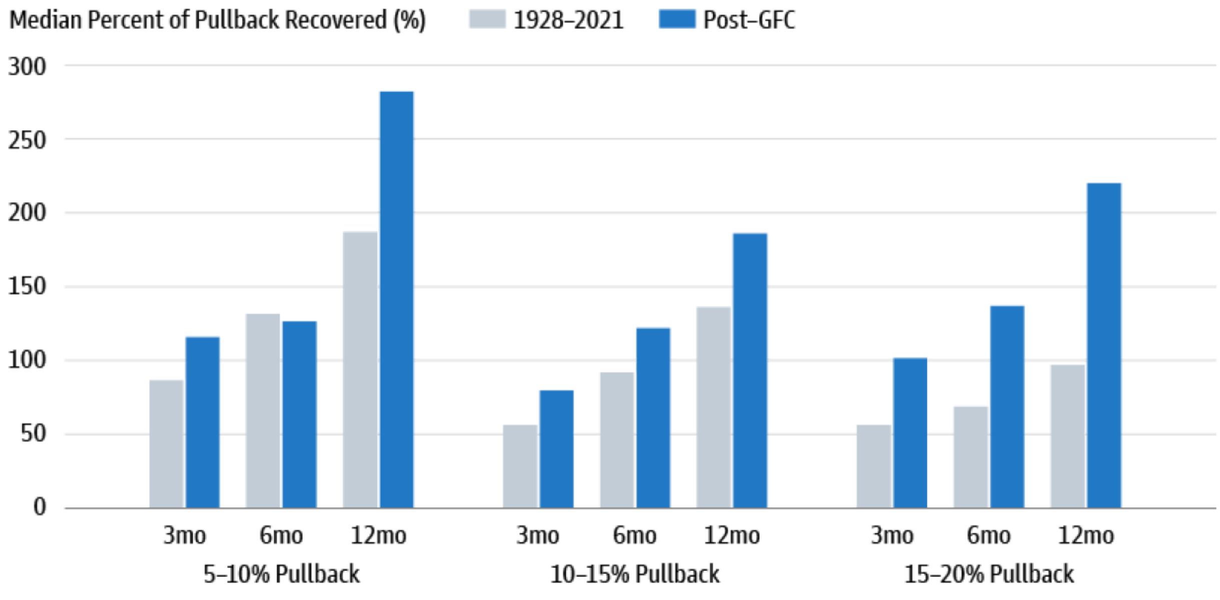

Figure 1- Source: Goldman Sachs

The bottom line for markets:

1. **Our year-end S&P 500 price target of 4,700 was achieved.** The S&P 500 ended 2021 at 4,766.18.[iii]
2. Wall Street consensus S&P 500 12-month forward price target **as of January 25th is 5,264.13 or 10.5% return from year-end 2021's close.**[iv]
3. **Our 2022 S&P 500 price target is 4,900 equating to ~+3% growth over 2021,** but we expect a much more volatile year.
4. **We believe the full market cycle can last through year-end 2023 and potentially reach 5,500 greater, but much can and will change along the way.**

Learn more about our thoughts on where the market goes from here and other topics on the full replay.

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[i] Bloomberg, Goldman Sachs Global Investment Research
[ii] Goldman Sachs Global Investment Research
[iii] Bloomberg
[iv] Bloomberg as of 1.25.2022