

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](#).

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.

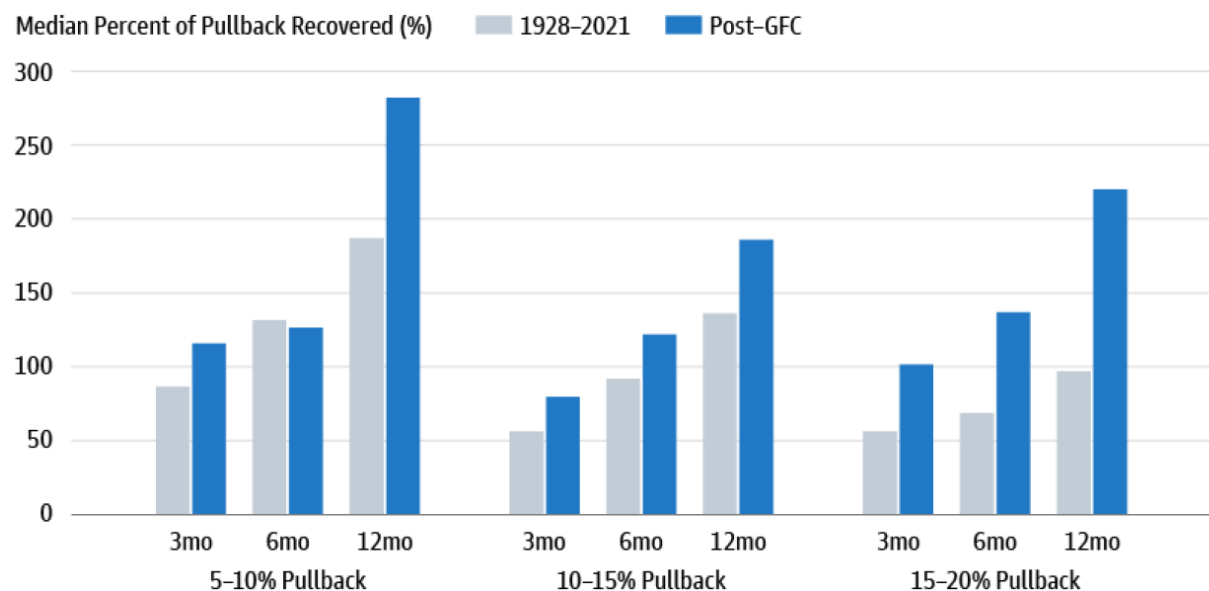


Figure 1- Source: Goldman Sachs

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](#).

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](#)

Capital Management Group | First Citizens Bank | 8510 Colonnade Center Drive | Raleigh, NC 27615
Brent Ciliano, CFA | SVP, Chief Investment Officer
brent.ciliano@firstcitizens.com | 919.716.2650

First Citizens Bank | 8510 Colonnade Center Drive | Raleigh, NC 27615
Phillip Neuhart | SVP, Manager of Institutional Portfolio Strategy
phillip.neuhart@firstcitizens.com | 919.716.2403

The views expressed are those of the author(s) at the time of writing and are subject to change without notice. First Citizens does not assume any liability for losses that may result from the information in this piece. This is intended for general educational and informational purposes only and should not be viewed as investment advice or recommendation for a security, investment product or personal investment advice.

Your investments in securities, annuities and insurance are not insured by the FDIC or any other federal government agency and may lose value. They are not a deposit or other obligation of, or guaranteed by any bank or bank affiliate and are subject to investment risks, including possible loss of the principal amount invested. Past performance does not guarantee future results.

First Citizens Wealth Management is a registered trademark of First Citizens BancShares, Inc. First Citizens Wealth Management products and services are offered by First-Citizens Bank & Trust Company, Member FDIC; First Citizens Investor Services, Inc., Member FINRA/SIPC, an SEC-registered broker-dealer and investment advisor; and First Citizens Asset Management, Inc., an SEC-registered investment advisor.

Brokerage and investment advisory services are offered through First Citizens Investor Services, Inc., Member FINRA/SIPC. First Citizens Asset Management, Inc. provides investment advisory services.

ⁱ Bloomberg, Goldman Sachs Global Investment Research

ⁱⁱ Goldman Sachs Global Investment Research

ⁱⁱⁱ Bloomberg

^{iv} Bloomberg as of 1.25.2022