

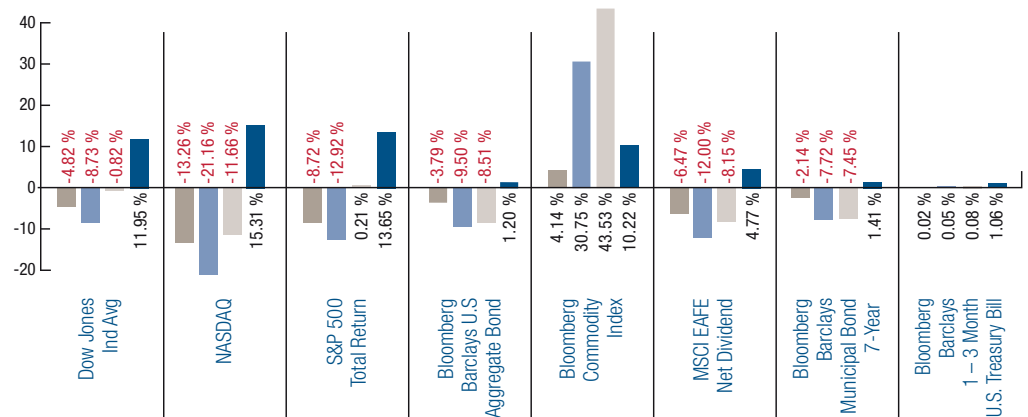
From the Office of Jeff Sgroi, CFP®



"Be fearful when others are greedy, and greedy when others are fearful."

— Warren Buffett

Asset Class Returns (as of April 30, 2022)



Market & Economic Synopsis

- A strong retail outlook, among other healthy economic data, bumps equity markets up, off recent lows.
- Fixed-income markets show signs of stabilization, as the 10-year U.S. Treasury yield dips well below 3.00%.
- High oil prices pinch drivers, as gasoline averages nearly \$5/gallon nationwide, exceeding \$7/gallon in many regions.
- Ukraine military faces ongoing challenges and equipment shortages as conflict with Russia runs into fourth month.
- Nation mourns deaths of 19 young students and two teachers in Texas elementary school shooting.

- Airfares increased by +18.6% in April 2022 on a "month-over-month" basis and were up +33.3% on a "year-over-year" basis, highlighting one of many industries impacted by rising prices.
- NASDAQ drop of 29% (through 05/20/22) from all-time highs in November 2021 put it well within bear market territory, while the S&P 500 toys with bear market status, down 18.7% from all-time high on 01/03/22.
- Edges come off hot housing market as pending home sales slide for sixth straight month in April.

Takeaways: Raymond James National Conference — Nashville 2022

For the first time since 2019, Raymond James held an in-person national conference. Zach (see next page for introduction) and I attended together and were thrilled with great speakers and dynamic content. Below is a synopsis of what we believe are relevant, timely, and reassuring in today's exceptionally volatile marketplace.

James Camp

Portfolio Manager, Eagle Asset Management

- We are in the cleanse process of an overstimulated economy.
- The Federal Reserve (Fed) has no good options, only tradeoffs. Due to high inflation, interest rates must be raised to create economic slowdown. The Fed is trying to reduce capital demand, which helps cool inflation.
- We are in the worst start of a bond market in recent history. However, rates are in a peaking process, which means price stabilization for bonds, and a good investment opportunity for holders of fixed income.
- Companies that have pricing power will do fine in this challenging market, especially those which are able to raise dividends to shareholders.
- COVID compressed time. Among other things, this includes exacerbated market movement.
- There has been poor liquidity in the muni bond market. Lower muni prices are not due to poor credit — municipalities have strong balance sheets. There is currently a generous tax-equivalent yield in the muni bond space, creating a fantastic buying opportunity.

The takeaway from James' presentation was that the significant repricing in fixed-income prices, and specifically in municipal bonds, has created strong buying opportunities for investors at current levels. Having followed James for the past two decades, his opinion and expertise is invaluable and taken with high regard.

Larry Adam

Chief Investment Officer, Raymond James

Ed Mills

Managing Director, Equity Research, Raymond James

Larry and Ed shared the stage at one of our general sessions. With Larry providing a very analytical market perspective, and Ed's expertise from a political and "What's happening in Washington, D.C." standpoint, there was healthy discussion and banter between the two.

- Both stocks and bonds are down for their worst start in 47 years. The closest comparison is to the 1994 market which, after bottoming out, provided significant upside (in both stocks and bonds) for investors for the next five years.
- There is little legislation likely to be passed in D.C. for the foreseeable future. No tax law changes on the horizon.
- The situation in Russia and Ukraine is still highly unpredictable and volatile. The markets expected it to be a short-lived conflict, which has proven to not be the case. Best-case scenario is if Putin is ousted or resigns and is replaced with a more reasonable president.
- There are significantly varied views on globalization. Onshoring and reshoring of manufacturing and production may result due to COVID and Russia's actions. Prices have undoubtedly been pressured. Others claim globalization is as strong as ever and solves many problems.
- Metrics show a recession is unlikely within the next 12 months. Additionally, the current environment will likely result in a strong showing for GOP candidates in November elections.
- Inflation has likely peaked. Inventory levels are high, so lower prices are likely to follow. For services, there is significant activity, including travel.

- The Fed is doing a good job, considering the task at hand. They learned much from the financial crisis of 2008/2009 and want to include low-income earners in the next economic rebound. In 2021, their challenge was slowing the economy and inflation, all the while there was substantial stimulus \$\$ coming out of Washington, and more proposed (think BBB — Build Back Better). It's analogous to stepping on the gas and pumping the brakes simultaneously.
- Top concerns for 2022 include a large-scale cyberattack, global food shortages, a move on Taiwan by China, and voting-integrity issues/questions in November's mid-term elections.

Phil Orlando

Senior Vice President, Chief Equity Strategist, Federated Investors

Phil has been a long-time favorite on a personal-level, and now a group- and colleague-level as well, based on the attendance in the conference room. As much as we appreciate the resources provided by Raymond James' professionals, it is incredibly beneficial to have perspective from outside the firm as well.

- Headwinds leading to increased market volatility in 2022 include soaring inflation, COVID-19, geopolitical risk, monetary policy uncertainty, and mid-term elections.
- Historically speaking, Q2 and Q3 of second-year presidential terms are weaker than overall averages. Average mid-term election-year corrections, though, have offered excellent buying opportunities in the past.
- Prices in agricultural products, materials, energy, and wages have seen unprecedented increases the past two years. There is a real question and concern whether prices in these areas will reset anywhere near pre-pandemic levels.

As Mr. Orlando has stated before, equity fundamentals drive long-term market movement, while other factors drive short-term. Expect continued volatility for the foreseeable future.

In conclusion, the conference was a welcome opportunity to reunite with long-time friends and make a few new ones. Despite the challenging start to 2022, there are many reasons to be optimistic. As we have noted in many recent conversations with clients, these are the times that investors make their money — we just won't realize it until a few years from now. As always, we thank you for your ongoing confidence and trust in our office. Please contact us directly if you would like to set up a call or meeting.

Have a happy and healthy summer 2022.

From the Officefront

We are excited to welcome Zach Mobilian as the newest member of our growing team.

Zach is a Roaring Fork Valley native with roots in the Basalt school system and AVSC snowboard team. After graduating from Claremont McKenna College in 2016, he spent approximately five years with BlackRock, working in roles across business strategy and data analytics out of BlackRock's New York City and Seattle offices.

As Zach becomes securities licensed, his role will develop and evolve to include investment strategy support, client risk assessment, trading responsibilities, and more.



In his free time, Zach loves the outdoors, snowboarding and mountaineering in the winter and mountain biking and climbing in the summer. He is thrilled to be returning to Aspen to help support our clients.

Zach joins Susan and Jeff in our Aspen office, Denise in our Casper office, and Alyssa (in Nashville), our Admin Extension associate. Please join us in welcoming Zach!

From the Homefront



It's been an incredibly eventful spring, by several measures. Recently, we wrapped up Lily's and Hannah's soccer and lacrosse seasons. Having coached the twin's soccer teams for the past four years, it's been incredibly rewarding to see the team's core evolve and develop into not only better athletes, but strong teammates.

Lacrosse season ended with a local tournament that hosted teams from Aspen, Steamboat, Telluride, Vail, Denver, and beyond. Lily excelled as a goalie, and Hannah, true to form, had a nose for the goal, scoring in most games this season.



Stella kept busy with a ballet recital and two concerts this month. She plays violin with the Aspen Music School, and clarinet in the Basalt Middle School 6th Grade Band. Her sixth-grade class went on an outdoor education trip to Dinosaur National Monument in early May.

I was fortunate to chaperone the group, along with one other dad and a handful of teachers and administrators. To my surprise, more than half of the kids had never been camping before, let alone set up a tent or roast s'mores over a campfire. On a personal note, it was a welcome adventure, breaking away from my daily routine, and delving into an entirely different universe as a middle school student.

On top of all the girls having May birthdays, school wraps up before Memorial Day weekend. Needless to say, the girls are in seventh heaven.



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