Global Market Investment Returns — September 30, 2021

		Sept 2021	YTD	1-Year	3-Years	5-Years	10-Years
U.S. Large Cap Equities	S&P 500	-4.65%	15.92%	30.00%	15.99%	16.90%	16.63%
U.S. Small Cap Equities	Russell 2000	-2.95%	12.41%	47.68%	10.54%	13.45%	14.63%
Energy Infrastructure Equities	Alerian U.S. Midstream Energy	5.23%	44.15%	86.20%	1.14%	1.30%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT	-5.52%	24.48%	40.56%	8.32%	5.68%	10.53%
Global Equities	MSCI All Country World Index	-4.13%	11.12%	27.44%	12.58%	13.20%	11.90%
International Developed Equities	MSCI EAFE	-2.90%	8.35%	25.73%	7.62%	8.81%	8.10%
Emerging Market Equities	MSCI Emerging Markets	-3.97%	-1.25%	18.20%	8.58%	9.23%	6.09%
U.S. Taxable Fixed Income	Bloomberg U.S. Aggregate	-0.87%	-1.55%	-0.90%	5.36%	2.94%	3.01%
U.S. Tax-Exempt Fixed Income	Bloomberg Municipal Aggregate	-0.72%	0.79%	2.63%	5.06%	3.26%	3.87%
High Yield Fixed Income	Bloomberg U.S. Corporate High Yield	-0.01%	4.53%	11.28%	6.91%	6.52%	7.42%
Floating Rate Loans	S&P/LSTA Leveraged Loan	0.64%	4.41%	8.39%	4.14%	4.58%	4.91%
International Fixed Income	Bloomberg Global Aggregate Ex-U.S.	-2.45%	-5.94%	-1.15%	3.17%	1.10%	0.90%

- September has historically served as the poorest month for global stock market returns, and September 2021 was no exception.
- Global equities declined 4.1%, led by U.S. equities that shed 4.7%; this was the worst monthly result since March 2020.
- Despite the negative returns, there was no meaningful step-up in volatility (U.S.), with the VIX Index average remaining well below the 20 volatility cap.
- Taking a look at the monthly equity dashboard, value stocks outperformed growth stocks by 2.5% in September, led by Energy that gained 14.8%.
    - Value stocks continued to offer more favorable relative pricing compared to growth stocks, with Forward P/Es at 16.0 and 28.9, respectively.
- Outside of the U.S., international developed and emerging markets equities held up relatively well, a result of increased small businesses reopening.
- Emerging Markets equities declined less than U.S. equities in September, but headwinds mounted during the month:
    - Increased demand for Chinese goods, coupled with an under-supportive infrastructure system, prompted broad energy usage restrictions.
    - Evergrande, a key Chinese real estate developer, missed two interest payments on U.S. dollar bonds, and carries $300 billion owed liabilities.
- Switching to bond markets, investment grade bond returns were negative, while yield spreads-to-worst remained at or near the 15-year lows.
- High yield bonds performed admirably considering the sector’s 0.73 correlation to the S&P 500 Index; floating rate loans outperformed.
- International fixed income declined in September amid a 1.7% strengthening of the U.S. dollar.

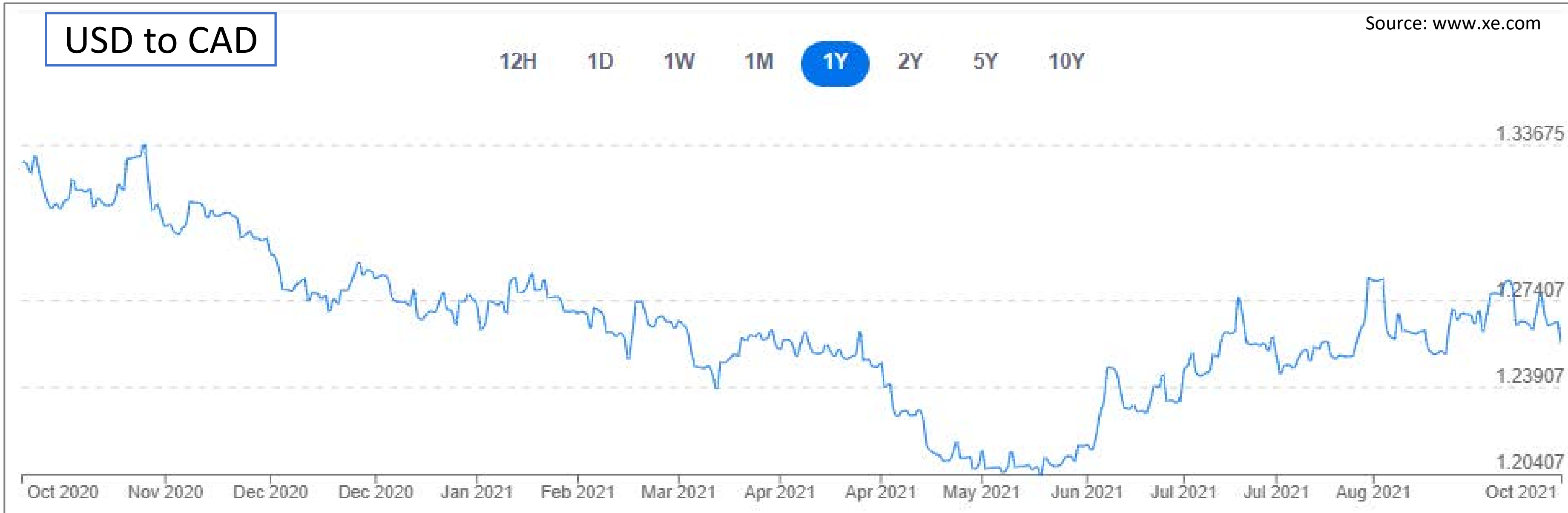
Sources: eVestment Analytics, JP Morgan *Guide to the Markets*, Macrotrends, New York Times

Independence Asset Advisors

Canadian Economic & Currency Update September 30, 2021

Economic Update

- The U.S. dollar strengthened 0.3% against the Canadian dollar in September, ending the month with an exchange rate of 1.2673.
- The Canadian economy appeared to have rebounded, with GDP on pace to grow 0.7% in August following a 0.1% contraction in July.
- The rebound emanated from a broad small-business reopening, which sent consumers back to restaurants and entertainment venues.
- The August growth comes after a weak housing market and supply chain disruptions drove the economy down 1.1% annualized in Q2.
- Looking ahead, the outlook for the Canadian economy remains weak, as persistent drought may continue to burden the Agricultural sector, and the Delta variant may hinder the recent rebound in retail and consumption spending.



Date Range	USD to CAD	+/-
YTD	1.2754-1.2673	-0.6%
1-Year	1.3323-1.2673	-4.9%
3-Years	1.2901-1.2673	-1.8%

$USD 1,000,000
=
$CAD 1,267,304

@ 1.2673
(9/30/2021)

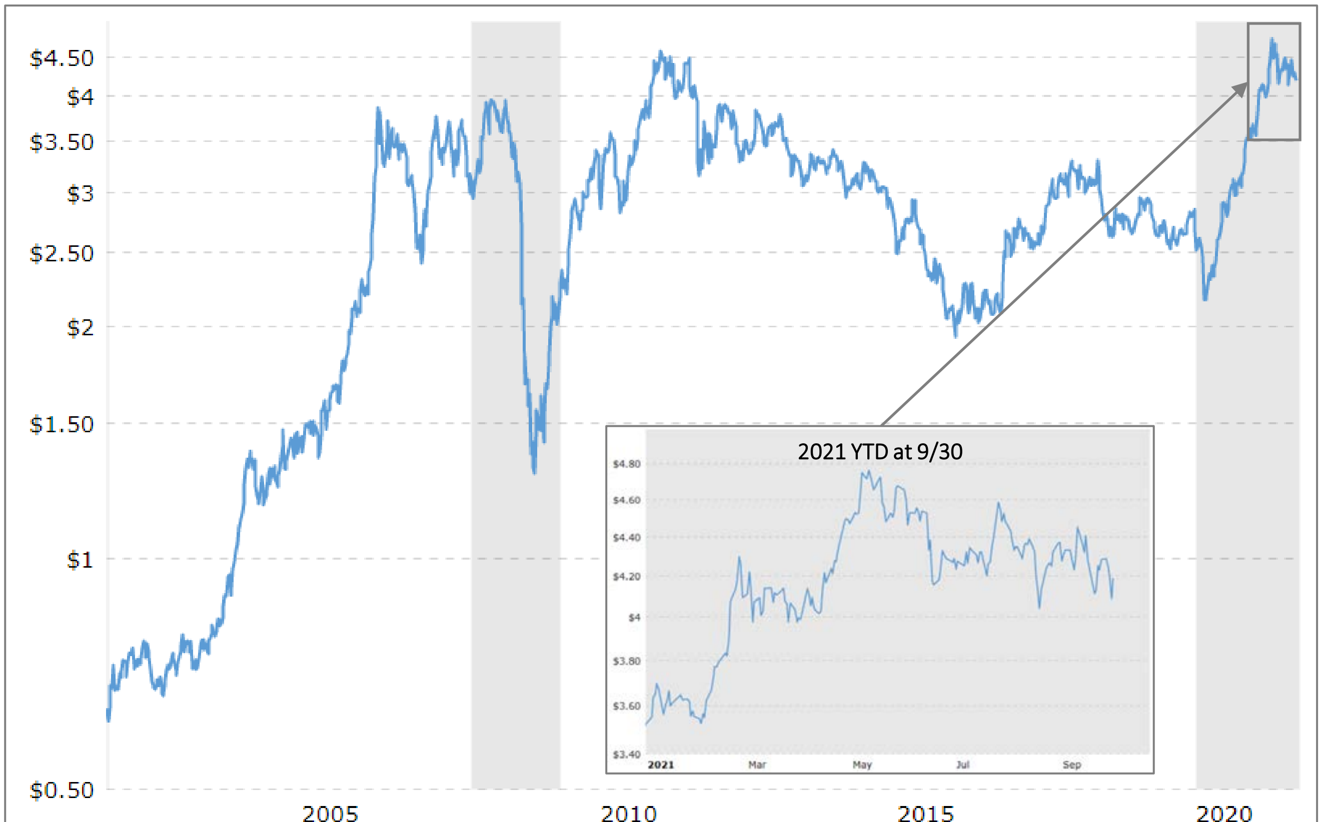
CAD Profile	
*Inflation Rate	4.1% (August 2021)
Interest Rate	0.25% (9/8/2021)
Information	http://www.bankofcanada.ca

*Total CPI Inflation
Sources: xe.com, Statistics Canada, bankofcanada.com, Reuters, Bloomberg

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides 20 years of price history as well as past recessions. The embedded chart provides a zoomed-in image of the 2021 calendar year copper price movement.

Copper prices were up $0.57 per pound year-to-date, or 16.2%.
Since the $2.10 low point on March 23, 2020, prices have risen $1.99 per pound, or 95%.

The price of copper was $4.09 per pound as of September 30, 2021.



Copper Price Outlook

Copper prices retreated from the all-time high set in May after declining $0.28 per pound in September, or 6%.

Copper prices continued to buckle under pressure emanating from China, as the country's economy has showed signs of contraction amid widespread power restrictions and the Evergrande developments.

China's manufacturing sector also showed considerable weakness in September, with the NBS Manufacturing PMI reporting its first contraction since the pandemic began.

With no end in sight to the sweeping power crunch that has emanated from a higher demand for Chinese goods and an underdeveloped infrastructure system, the fundamental outlook for copper prices remains weak.

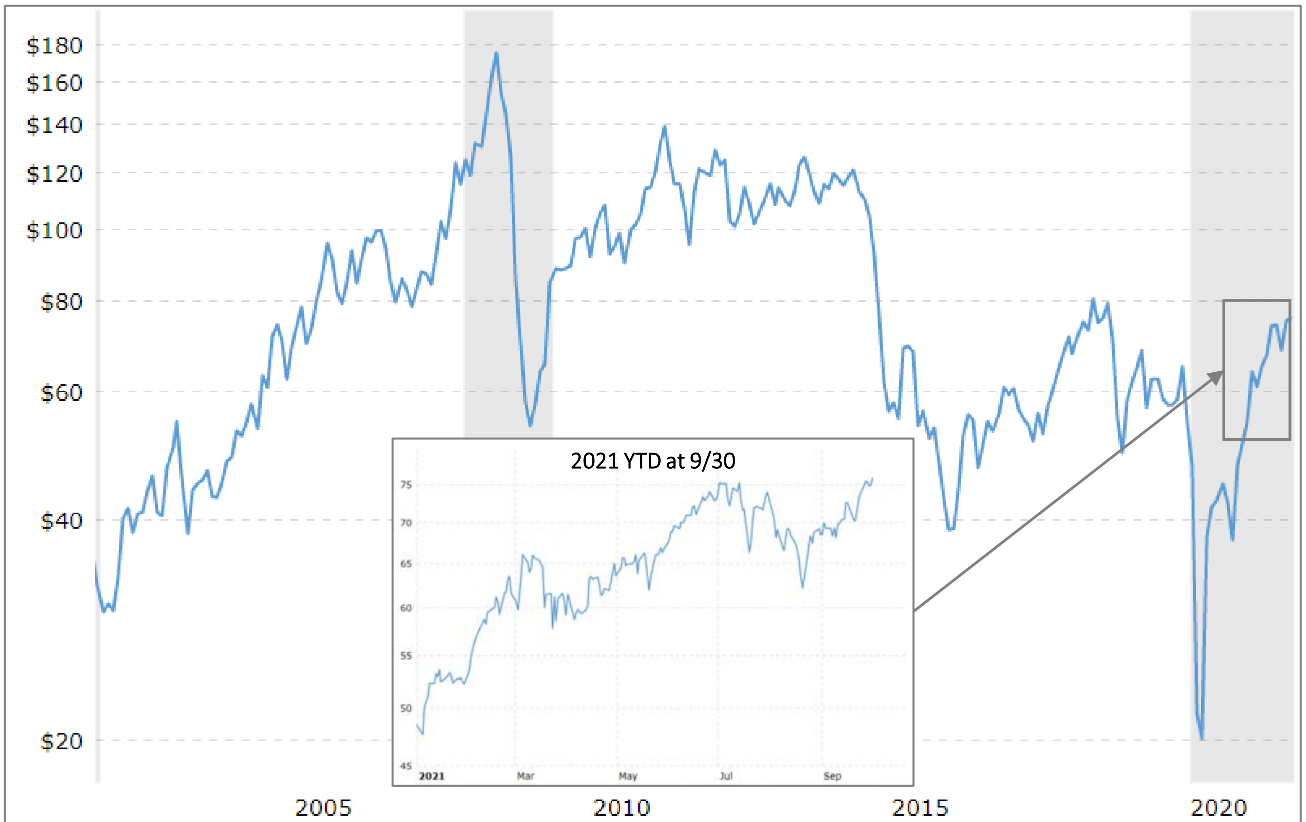
A slowing Chinese economy, coupled with a potential Evergrande default, could lead to lower copper prices in the months ahead.

Sources: Macrotrends, New York Times, DailyFX

The chart below shows the historical daily West Texas Intermediate (WTI or NYMEX) crude oil prices per barrel, displayed in U.S. dollars. The chart provides 20 years of price history and includes shaded columns to reflect past U.S. economic recessions.

Oil prices were up $26.51 per barrel year-to-date, or 55%.
Since the $11.26 low point on April 21, 2020, prices have risen $63.77 per barrel, or 566%.

The price of crude oil was $75.03 per barrel as of September 30, 2021.



Oil Price Outlook

Oil prices surged higher in September with less intra-month volatility. During the month, the cost of a barrel of crude oil increased 10%, or $6.53.

The top headline in September was China's publicly announced instruction to its state-owned energy companies to secure crude oil supplies at all costs, which sent prices higher. The rally cooled following Reuter's report that OPEC+ was considering increasing production at a higher rate than previously forecasted.

With oil prices at multi-year highs, Washington is expected to put pressure on OPEC and its allies to increase production at its October meeting, which could temporarily plateau or even decrease oil prices.

Regardless of OPEC+'s decision, supply disruptions in the U.S. Gulf of Mexico and sharply higher natural gas and coal prices are likely to push prices higher over the near-term.

Sources: Macrotrends, Bloomberg, Reuters