

## INVESTMENT COMMITTEE - NOTES FROM OCTOBER 12, 2022

### US BANK PRIVATE WEALTH MANAGEMENT - - 10:00 AM

Present: Chuck, Dennis, Bill Heiting, Nathan Boebel, and Bill Rogalinski

Market value	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
	\$82.5M	\$87.9M	\$91.0M	\$95.6M	\$92.1M

- Net contributions/**Withdrawals**  
Quarter = **-\$1.8M** / \$3.2M Fiscal YTD
- Earnings, gains/**losses**  
Quarter = **-\$3.74M** / **-\$16.8M Fiscal YTD**
- Allocation – Equities 47.5%, Fixed 44.9%, Commodities 4.1%, Cash 3.5% - *PRIOR QTR at 51%, Fixed 44%, Commodities 3.0%, and Cash 2%*
- Equity Asset Allocation – Large Cap 63%, Mid Cap 17%, Small 4%, Developed Markets 16% - *PRIOR QTR Large Cap 63%, Mid Cap 17%, Small 4%, Developed Markets 16%*
- Bonds – Current Yield 3.04% (Effective Maturity 4.0 years/Average Quality “A”) vs. *prior QTR Current Yield 2.83%*

ROI	9 Month (Net of Fees)	Trailing 12 Months
Portfolio	-17.35% vs. benchmark -17.0%	-14.3% vs. benchmark -14.0%
Equities	-22.5%	-16.4%
Fixed	-9.5%	-10.2%
Commodities	-10.4	n/a

### MARKET VIEWS/ CONCERNS OF INVESTORS:

- Currently taking a defensive stance and overweight in cash which will provide a base when opportunities arise in the equity sector
- Inflationary pressures, higher interest rates, and elevated oil prices are creating a more defensive portfolio orientation emphasizing bonds and real assets (Infra-structure Funds), over equities in the short term
- Federal Reserve as well as other global central banks will continue increasing interest rates to curb inflation
  - Fed expected to increase 75 basis points on November 1<sup>st</sup>
  - Question is what they do at their December meeting
- Corporate earnings reports will be coming out over the next 3 weeks
- Estimates bear watching for the remaining 2022 and 2023 as they begin to decline over concerns that corporate and consumer spending will begin to slow
- Global markets are struggling with Europe in a recession and China output slowing
- Bank feels that if the U.S. enters into a recession, it will be short term and very shallow