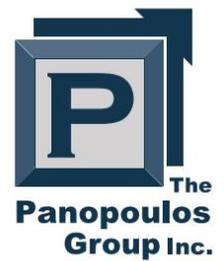


TPG Q3 Update

SEPTEMBER 30, 2021



Q3 2021 Market Performance Update:

S&P 500 +0.58%
DJIA -1.46%
Russell 2000 -4.36%
MSCI All-Country World -2.99%
MSCI Emerging Markets -8.03%

Observations on Q3 & Outlook for Q4:

Most of the drop for the U.S. came in the final month of the quarter, but had started earlier for other areas, mainly Emerging Markets. Financials performed the best in the U.S. in Q3 and Industrials performed the worst. The sector rotation continued with interest rates creating fear in growth stocks.

Earnings season kicks off in mid-October and while I will look for the sectors that respond to good news, I will also look toward a more protective stance on allocation with an eye on cash as king, if need be. The sectors that continue to show strong guidance for Q4 and Q1 2022 will be favored.

The S&P 500 finally had a 5% decline that took place in September, after 293 calendar days without one. Typically, we get two 5% declines and one 10% correction in a 12-month period during a bull market. While the sell-off may last a touch longer, I do not think it will turn into a bear market. Q4 is typically best for the S&P 500, and I do not expect it to be different this year. Once the wall of worry abates on higher interest rates, a government shutdown, and Covid derivatives slowing the economy, I feel the market will respond with gains surpassing September losses and ending the year at all time new highs.

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Q & A:

Q: The market seems to have lost its mojo, what's going on?

A: Fear of higher interest rates, inflation, politics, rising taxes all play a role in creating volatility when markets are at high valuations. During times like this I remind myself to make things as simple as possible. An over complicated strategy is rarely beneficial and will most likely lead to underperformance.

Q: What do you think of Bitcoin?

A: Bitcoin is the largest cryptocurrency. I believe a very small allocation makes sense in portfolios, 0.50-1.00%. A higher allocation may lead to unwanted volatility, with a trading strategy possibly more appropriate.

Q: What is a good investment right now?

A: A thing that is worth buying because it may be profitable or useful in the future. Investments are only useful to us if they make us money. If its not making us money, its not worth investing in it. Let someone else buy it, hold it, and not make money on it.

“Make things as simple as possible.”



S&P 500