



Dear Valued Client,

First, we want to acknowledge the tremendous damage and displacement caused by Hurricane Ian. Our thoughts are with those impacted by this devastating storm.

This has clearly been a challenging year for households. Stocks and bonds are both down significantly. Elevated food and gas prices continue to stretch budgets, and higher interest rates have increased borrowing costs. But we continue to see signs that the worst may be behind us. Gas prices are falling. Inflation pressures stemming from supply chain disruptions are easing. And the Federal Reserve (Fed) has taken these price increases seriously and is doing its job by raising short-term interest rates. While the Fed may still gradually increase rates throughout this year, it has already done a lot even as asset prices have come under increasing pressure.

As the third quarter comes to an end, it's admittedly difficult to be optimistic about stock and bond markets right now. The most recent quarter saw both stocks and bond prices fall in tandem again. The negative returns for both markets were the third consecutive quarterly declines for stocks and bonds. Of the 187 quarters since 1978, there has never been a period that has seen negative quarterly returns for both stocks and bonds three quarters in a row. Said another way, this is the longest period since 1978 that bonds haven't played the traditional role in portfolios by offsetting losses in the stock market.

So why own bonds at all? The value proposition for core bonds is that they tend to provide liquidity, diversification, and positive total returns to portfolios. Unfortunately, none of those values is 100% certain all the time. Like all markets, fixed income investing involves risks and, at times, negative returns. However, despite the historically poor start to the year, we think the value proposition for core bonds has actually improved recently. Investing is a forward-looking exercise and with the move higher in yields that has already taken place this year, we believe now could be as good as it's been in quite some time for core bonds. Starting yields on most fixed income asset classes are hovering around the highest yields we've seen in over a decade. So we don't think now is the time to abandon your existing allocation to bonds and in fact, it could be worth a look for those investors underinvested in bonds.

We acknowledge how difficult it is to stay invested during these bouts of market volatility. But markets have already priced in a lot of bad news, and we think we are closer to the end of this negative cycle than the beginning. Potential catalysts for a rebound in the near-term include third quarter earnings season, midterm elections, tailwinds from a seasonally strong fourth quarter historically, and the Fed possibly signaling a pause in rate hikes by year-end. While there may be continued volatility in the near-term, we believe the surest path forward remains to stay true to your existing financial plan.

Please contact me if you have any questions.

Sincerely,

Goodworth Wealth Management

At Goodworth Wealth Management, we pride ourselves in our experience, confidence, and integrity.



Call

[\(312\) 598-3510](tel:(312)598-3510)

Connect

paul.goodworth@lpl.com

Visit

120 South State Street 3rd
Floor Chicago, IL 60603

Stay Connected!



Important Information

This material is for general information only and is not intended to provide specific advice or recommendations for any individual. There is no assurance that the views or strategies discussed are suitable for all investors or will yield positive outcomes. Investing involves risks including possible loss of principal. Any economic forecasts set forth may not develop as predicted and are subject to change.

References to markets, asset classes, and sectors are generally regarding the corresponding market index. Indexes are unmanaged statistical composites and cannot be invested into directly. Index performance is not indicative of the performance of any investment and do not reflect fees, expenses, or sales charges. All performance referenced is historical and is no guarantee of future results.

All data is provided as of October 4, 2022.

Any company names noted herein are for educational purposes only and not an indication of trading intent or a solicitation of their products or services. LPL Financial doesn't provide research on individual equities.

All index data from FactSet.

The Standard & Poor's 500 Index (S&P500) is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

All information is believed to be from reliable sources; however, LPL Financial makes no representation as to its completeness or accuracy.

This Research material was prepared by LPL Financial, LLC. All information is believed to be from reliable sources; however LPL Financial makes no representation as to its completeness or accuracy.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

Past performance does not guarantee future results.

Asset allocation does not ensure a profit or protect against a loss.

For a list of descriptions of the indexes and economic terms referenced, please visit our website at lplresearch.com/definitions.

LPL Tracking #: 1-05334431

The information contained in this email message is being transmitted to and is intended for the use of only the individual(s) to whom it is addressed. If the reader of this message is not the intended recipient, you are hereby advised that any dissemination, distribution, or copying of this message or content is strictly prohibited. If you have received this message in error, please immediately delete.

[Privacy Policy](#) | [LPL.com](#)

Paul Goodworth is a Registered Representative with and Securities and Advisory Services offered through LPL Financial, a Registered Investment Advisor. Member [FINRA](#) & [SIPC](#).

The LPL Financial Registered Representatives associated with this site may only discuss and/or transact securities business with residents of the following states: AZ, CA, CO, DE, FL, GA, IL, IN, IA, MA, MI, MN, NJ, NC, OH, PA, RI, SC, TN, TX, WA, and WI.

Goodworth Wealth Management, 120 South State Street, 3rd Floor, Chicago, Illinois 60603

[Unsubscribe](#) [Manage preferences](#)