



CAPITAL FINANCIAL, LLC

FLEET RESERVE ASSOCIATION

April 22, 2022

Securities Offered Through Grove Point Investments, LLC *Member FINRA & SIPC*
Investment Advisory Services offered through Capital Financial LLC
Capital Financial LLC and Grove Point Investments, LLC are unaffiliated



2022 Economic Outlook

- **Continuation of Secular Bull Market.** 2022 S&P target of 5200 driven by continued economic growth/re-opening.
- **Mid-term Election Year** trends suggest a choppy first half of the year with heightened risk of a 10%-15% correction, then strong second half recovery.
- **Economy – Tailwind** from economic re-opening, inventory rebuilding, pent up demand for spending and surge in consumer net worth rebuilding.
- **Risks to outlook - COVID** variants, equity market valuations, Fed policy mistake, inflation pressures, geopolitical risks (China, Russia), and U.S. Mid-term elections.





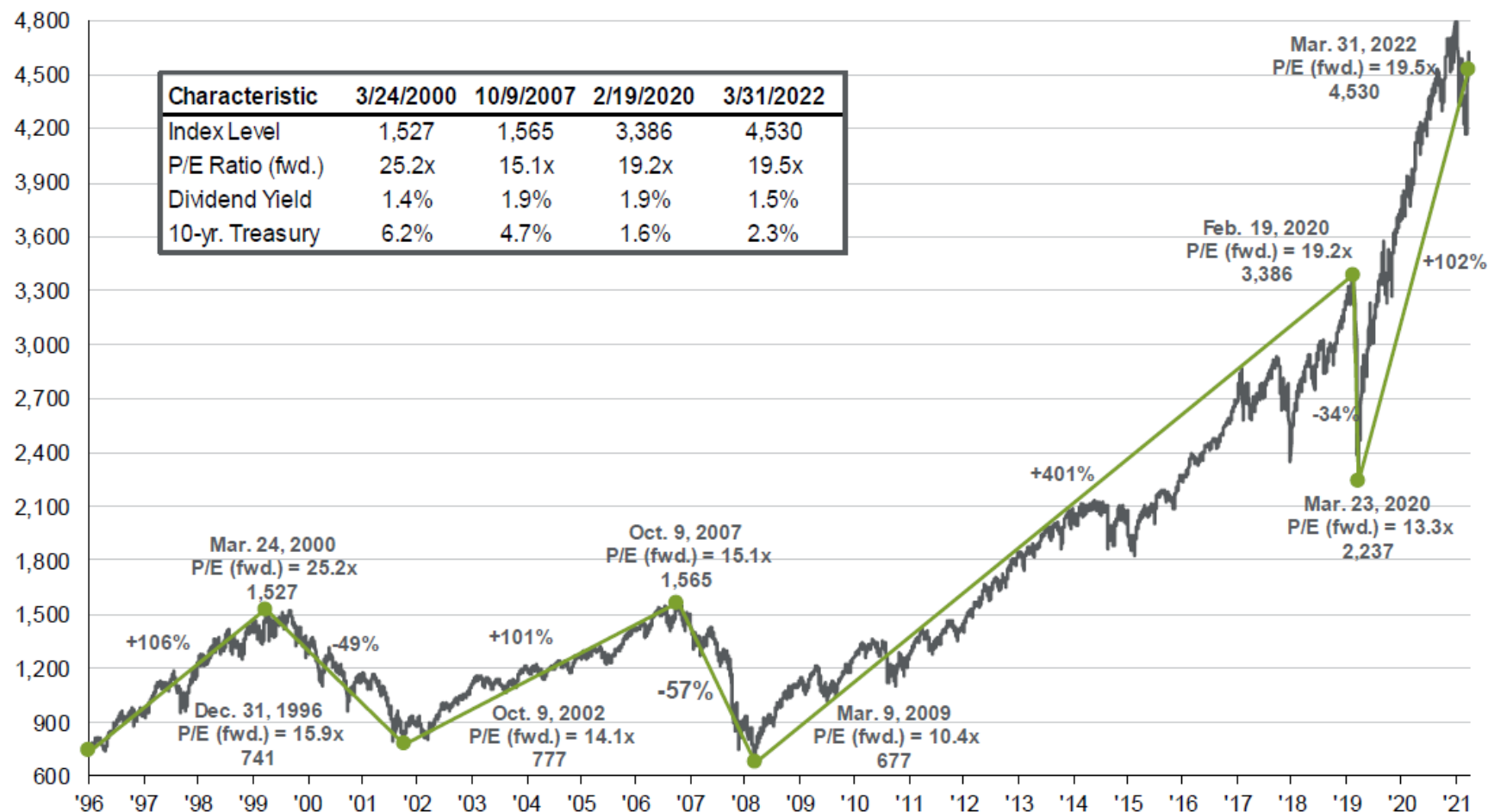
S&P 500 Index at inflection points

GTM

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S&P 500 Price Index



Source: Compustat, FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management. Dividend yield is calculated as consensus estimates of dividends for the next 12 months, divided by most recent price, as provided by Compustat. Forward price-to-earnings ratio is a bottom-up calculation based on IBES estimates and FactSet estimates since January 2022. Returns are cumulative and based on S&P 500 Index price movement only, and do not include the reinvestment of dividends. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of March 31, 2022.



Annual returns and intra-year declines

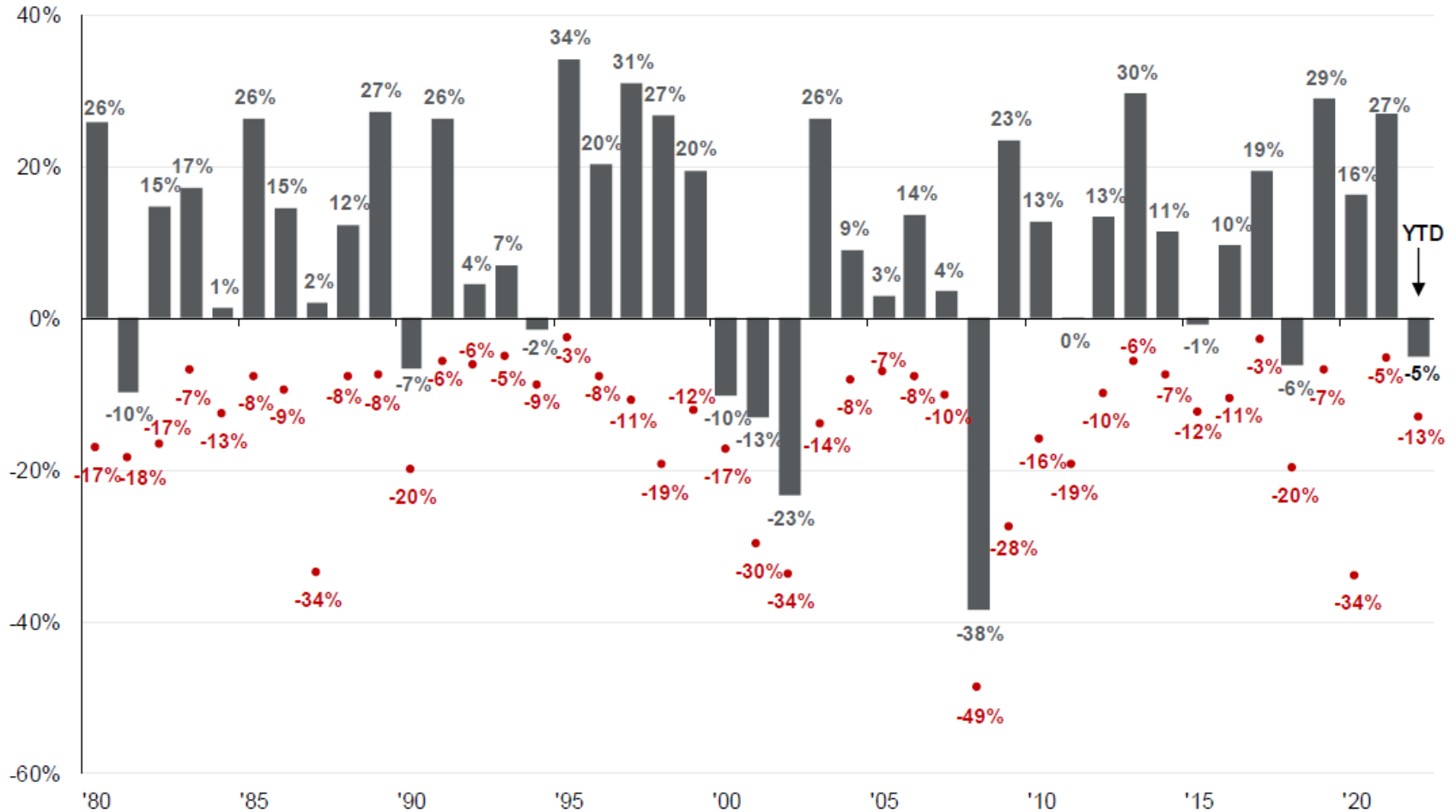
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S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.0%, annual returns were positive in 32 of 42 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2021, over which time period the average annual return was 9.4%.

Guide to the Markets – U.S. Data are as of March 31, 2022.



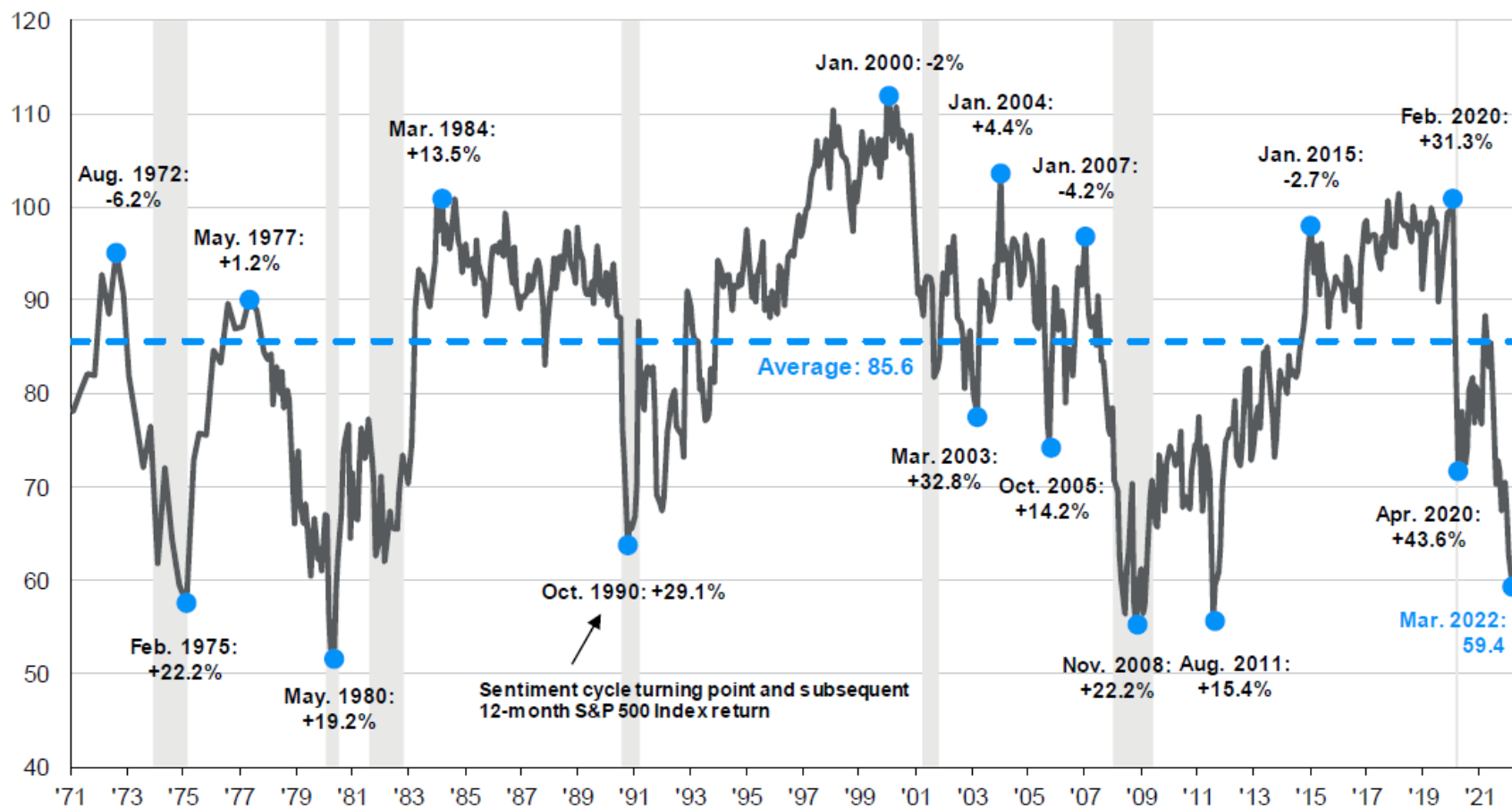
Consumer confidence and the stock market

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Consumer Sentiment Index and subsequent 12-month S&P 500 returns



Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management.

Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month S&P 500 returns are price returns only, which excludes dividends. Past performance is not a reliable indicator of current and future results.

Guide to the Markets – U.S. Data are as of March 31, 2022.



FLEET RESERVE ASSOCIATION

4/1/21 to 3/31/22



Disaster Relief
Experience Reserve
General Fund
Life Membership
Unused Leave
Standby Trust

1 Year

6.90%

1.22%

11.11%

4.45%

10.47%

6.05%





FLEET RESERVE ASSOCIATION

4/01/19 to 3/31/22



Disaster Relief
Experience Reserve
General Fund
Life Membership
Unused Leave
Standby Trust

3 Year

12.68%

2.01%

14.29%

9.69%

10.47%

12.34%

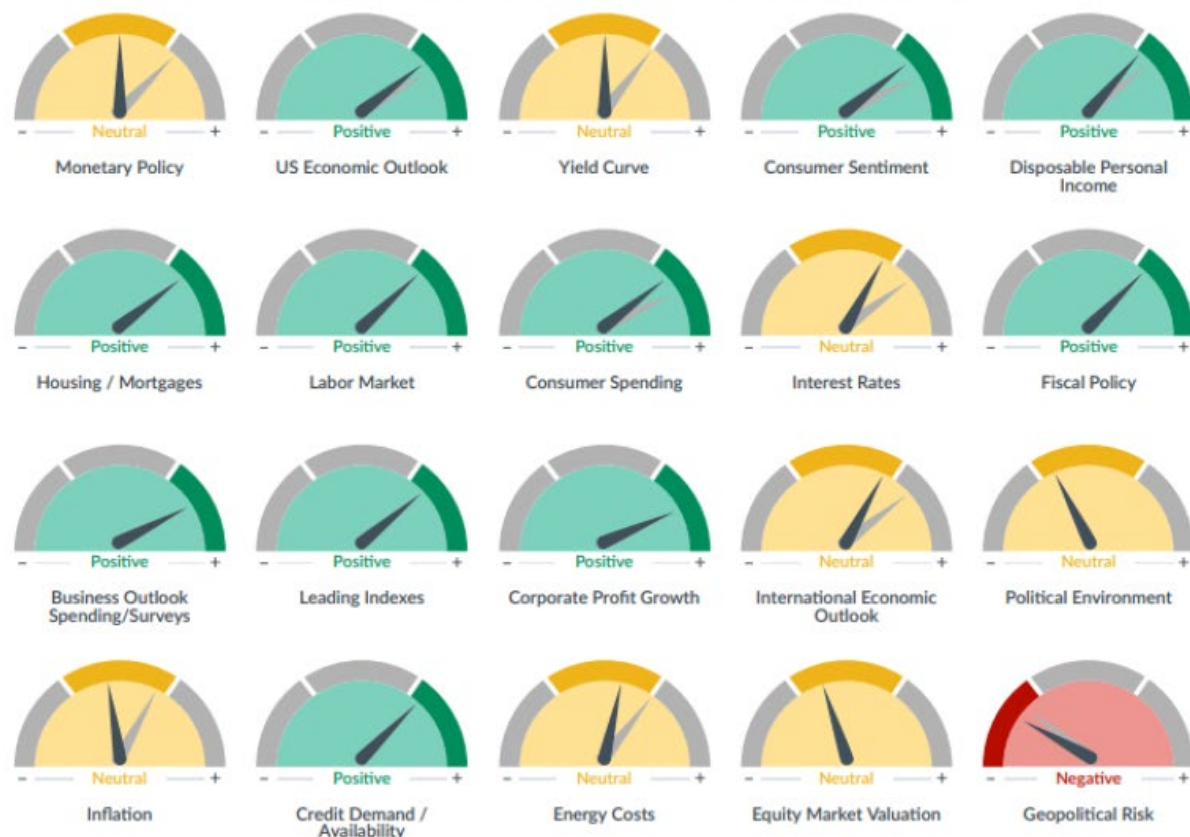


CNR Speedometers – April 2022

Economic & Financial Indicators That are Forward-Looking Six to Nine Months

- Have shifted speedometers to reflect higher inflation and more hawkish Fed policy.
- Believe secular strength in the US should offset cyclical inflation headwinds.
- Watching geopolitical events with a heightened degree of concern.

Impact on Economy and Financial Markets



Impact on investment: ■ Positive ■ Neutral ■ Negative

Timeframe: ■ Current ■ Change from Last month

Source: CNR Research as of April 2022





CAPITAL FINANCIAL, LLC