

# North Woods Asset Management

Market Insights – 1<sup>st</sup> Quarter, 2022

# 2021: A Tale of Two Markets

January - August



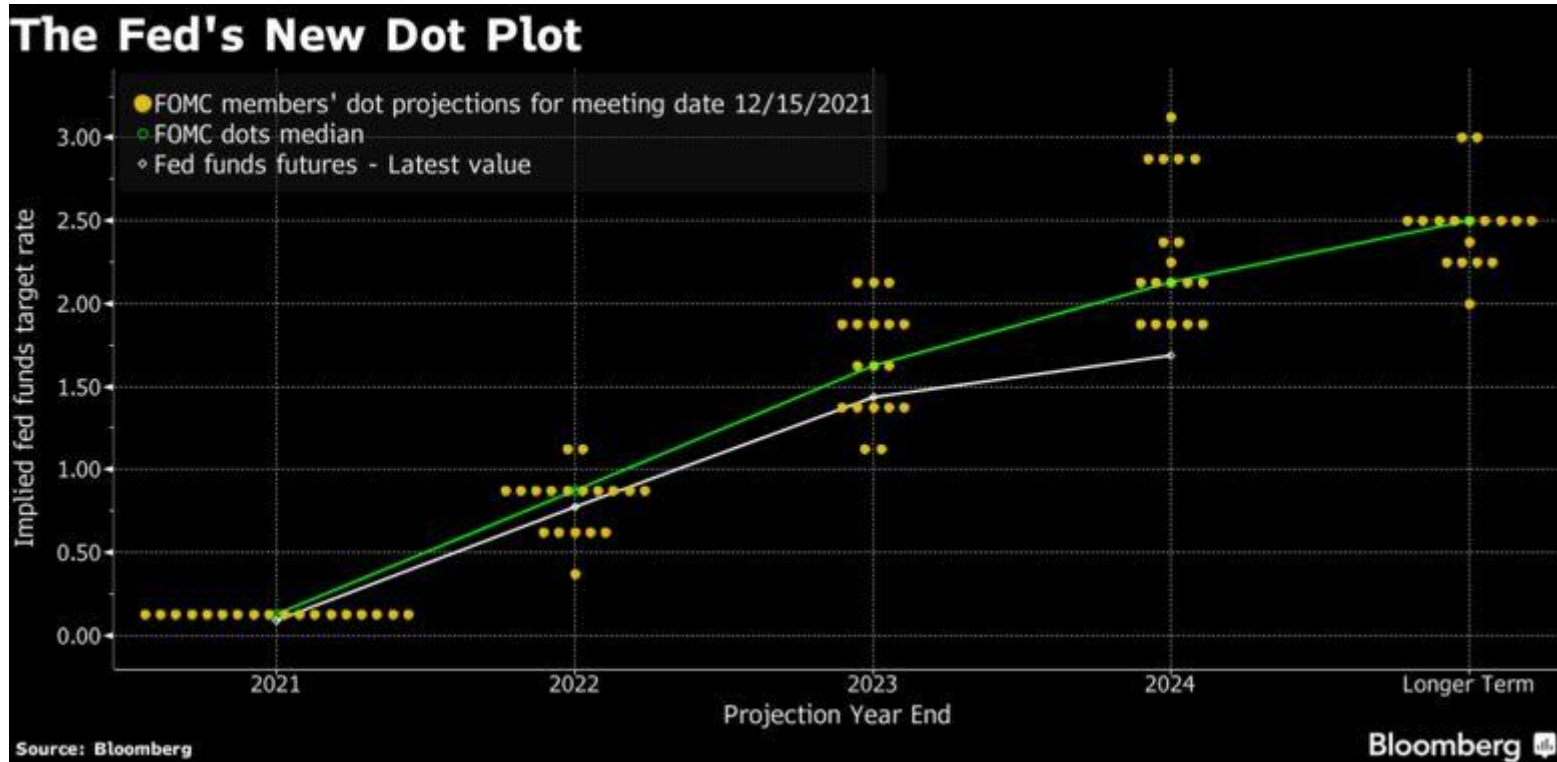
September - December



**The stars aligned to provide strong market growth through the end of the summer; however, higher than expected inflation numbers created a volatile, yet mostly flat, market for the remainder of the year.**

Source: Morningstar Investments; Charts showing the MSCI ACWI

# Understanding the Fed's Dot Plot



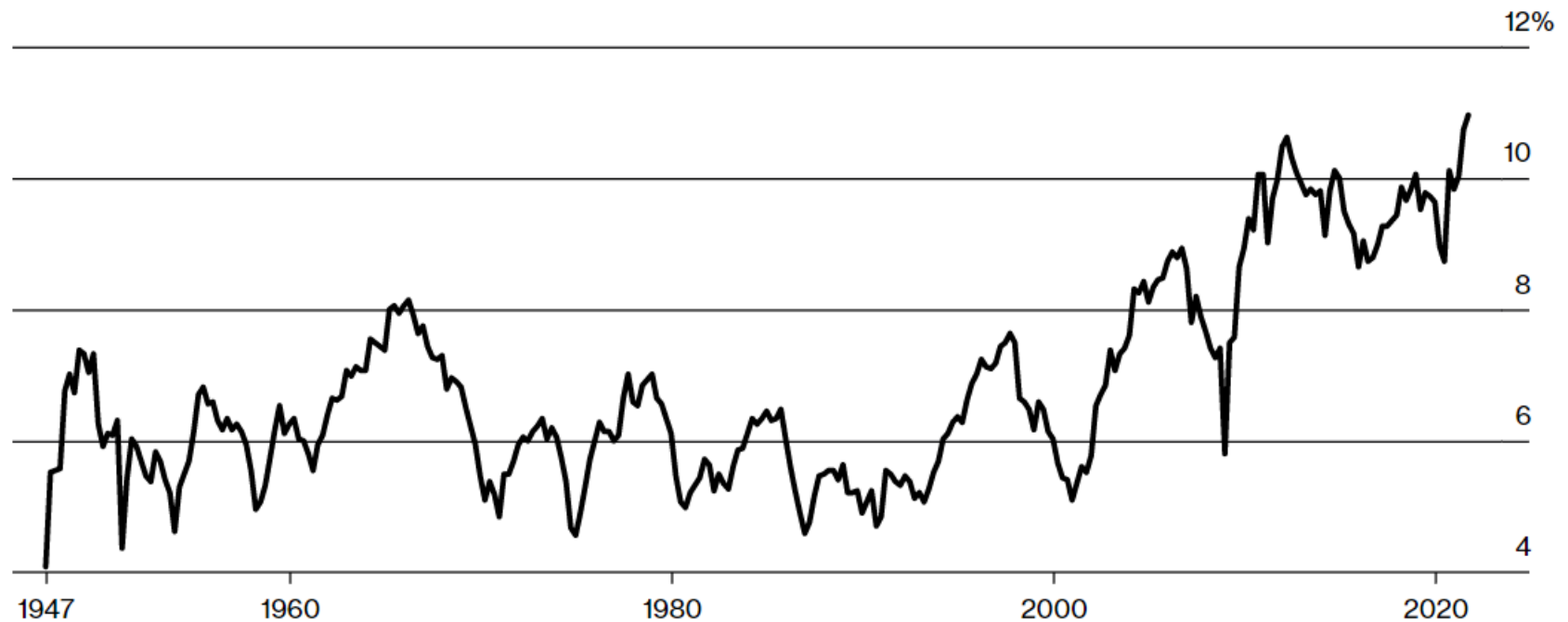
Focus on the Green line: it measures the median expectation among Federal Reserve officials for the future Risk-Free rate. As you can see, risk free interest rates are expected to increase above the 0% we have experienced since March 2020.

Source: Bloomberg

# Strong Corporate Profits

## After-Tax U.S. Corporate Profits

Share of gross domestic product



**Corporate profits are increasing; they continue to gather a larger share of a growing GDP.**

Source: Bloomberg