

2022 Economic Outlook

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WEALTH MANAGEMENT

Investment products are: • Not FDIC Insured • Not a Deposit • Not Insured by Any Federal Government Agency • Not Guaranteed by the Bank • May Lose Value

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An aerial photograph of a winding asphalt road through a dense forest of evergreen trees covered in snow. Two red cars are visible on the road, one in the upper left curve and one in the lower right curve. The scene is captured from a high angle, showing the road's path and the surrounding snowy landscape.

Our Wealth Advisors

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Our Wealth Advisors



John Gibb, CFA
Assistant Vice President,
Wealth Advisor

Damian Howard, CFA
Director,
Wealth Management

Brent Boyce, CFA
Assistant Vice President,
Wealth Advisor

An aerial photograph of a winding asphalt road through a dense forest of evergreen trees covered in a thick layer of snow. The road curves in a figure-eight pattern. A small red car is visible on the road, positioned in the upper right curve. The overall scene is bright and wintry.

The Current Economic Landscape

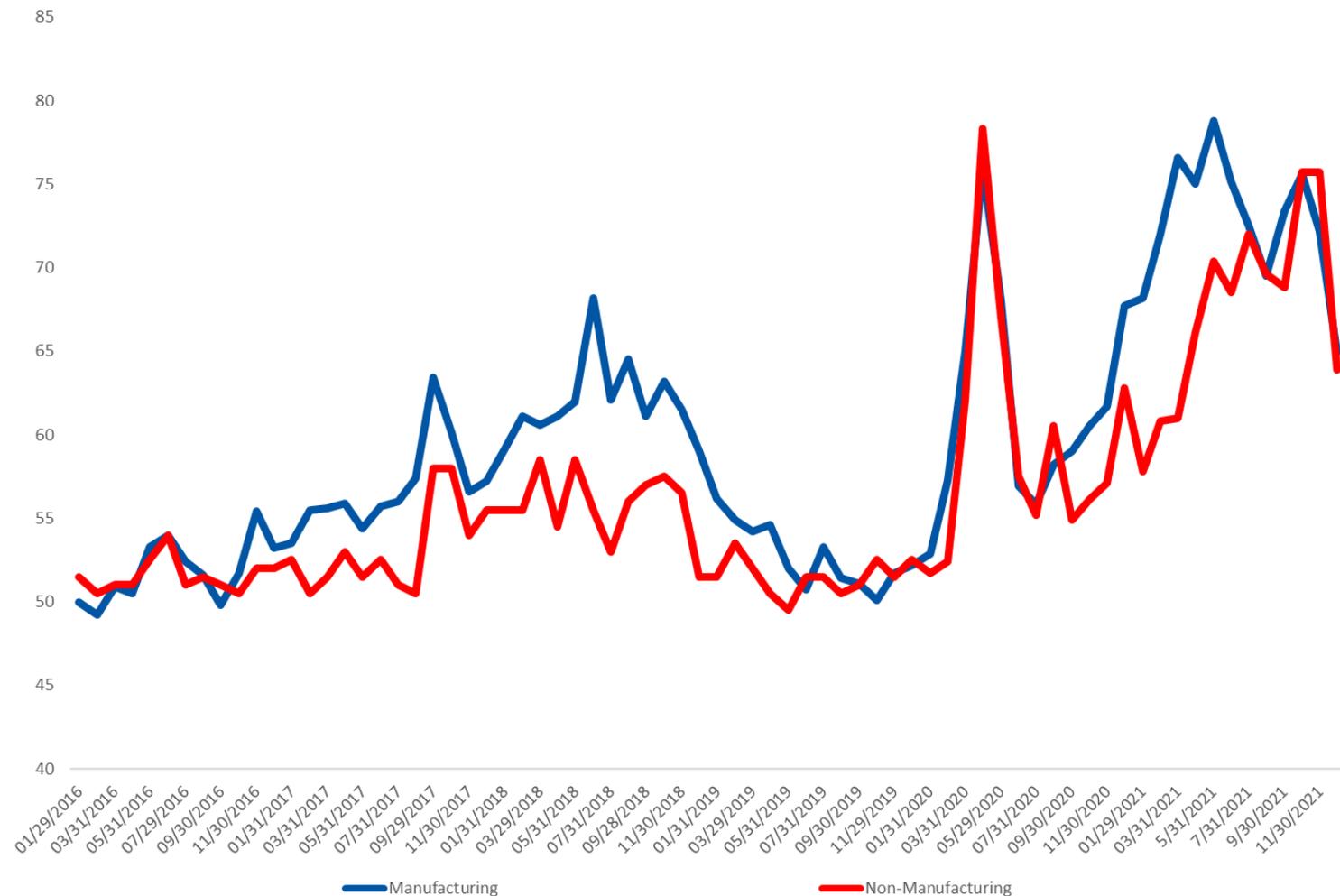
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Can't Find It

ISM Supplier Deliveries

Higher # = Slower Deliveries



Supply Chain appears to be improving.

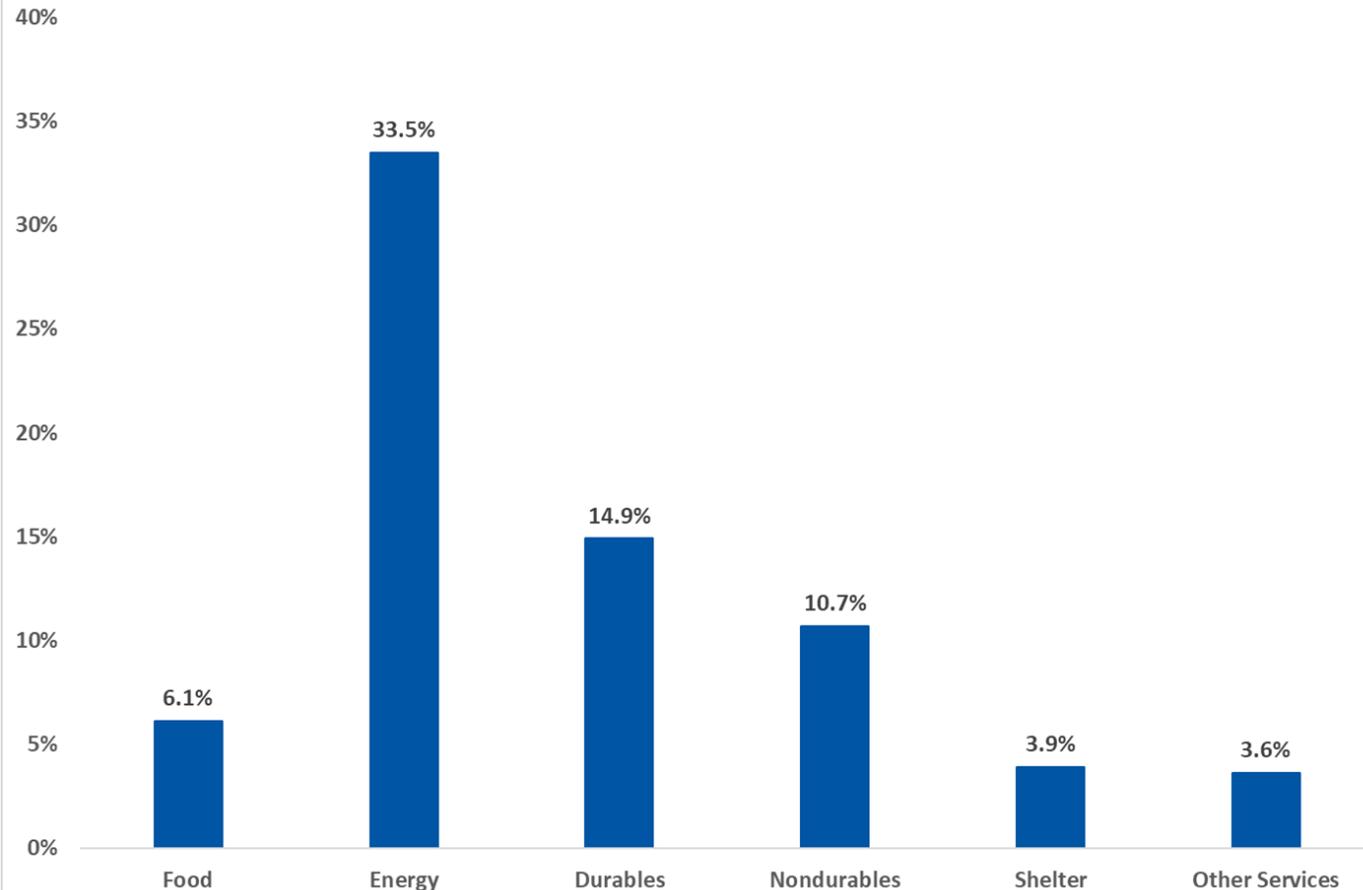
Omicron can still derail.

Input price pressures less intense.



Can't Afford It

Inflation
y/y Change



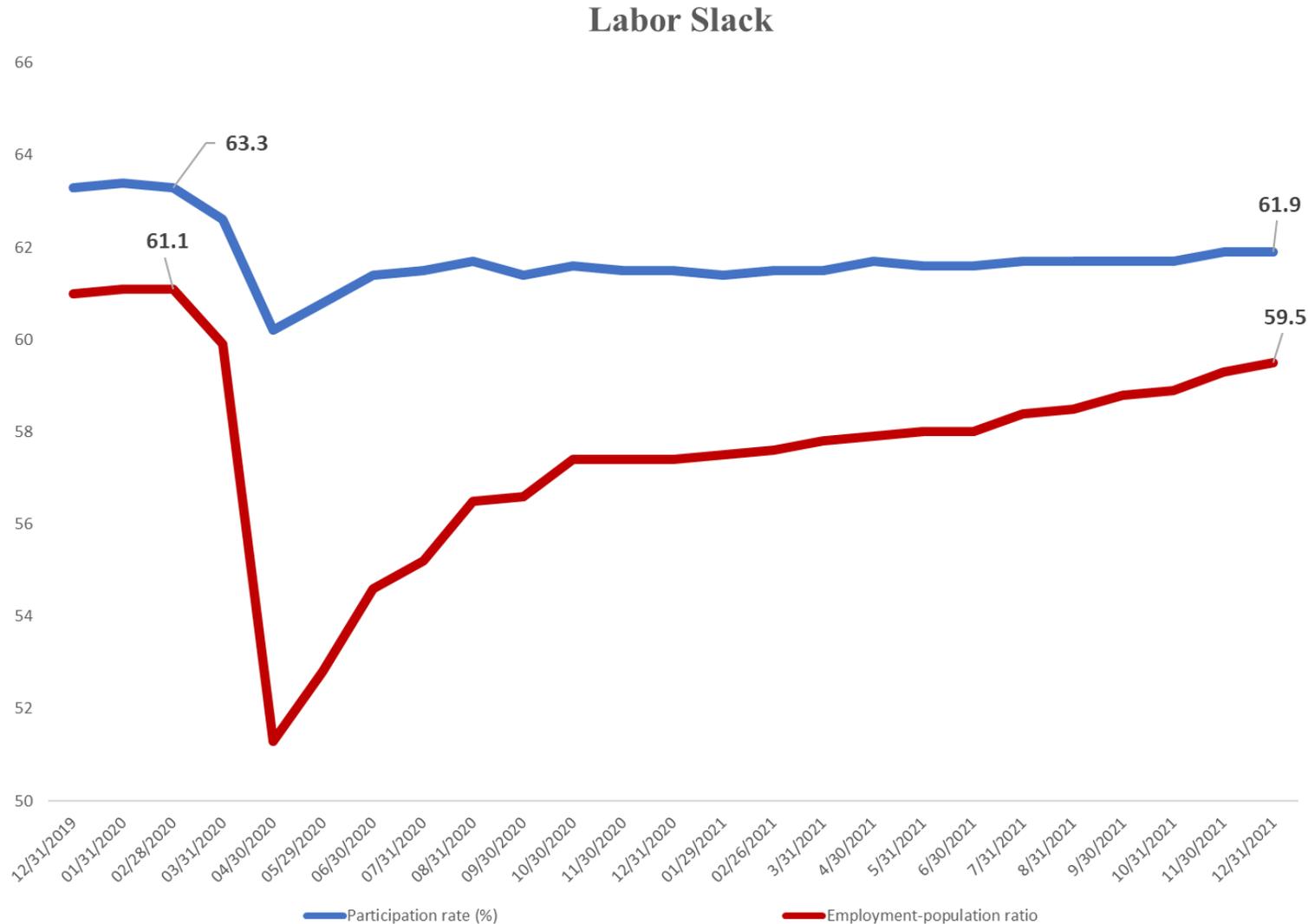
Inflation is at a generational high.

Fueled by too much money chasing too few goods.

7% y/y inflation highest since 1982.

M/M inflation peaked in Oct.

Labor Shortage



Economy remains 3-5 million workers below pre-pandemic.

Unemployment at 3.9% below the FRB's full employment hurdle.

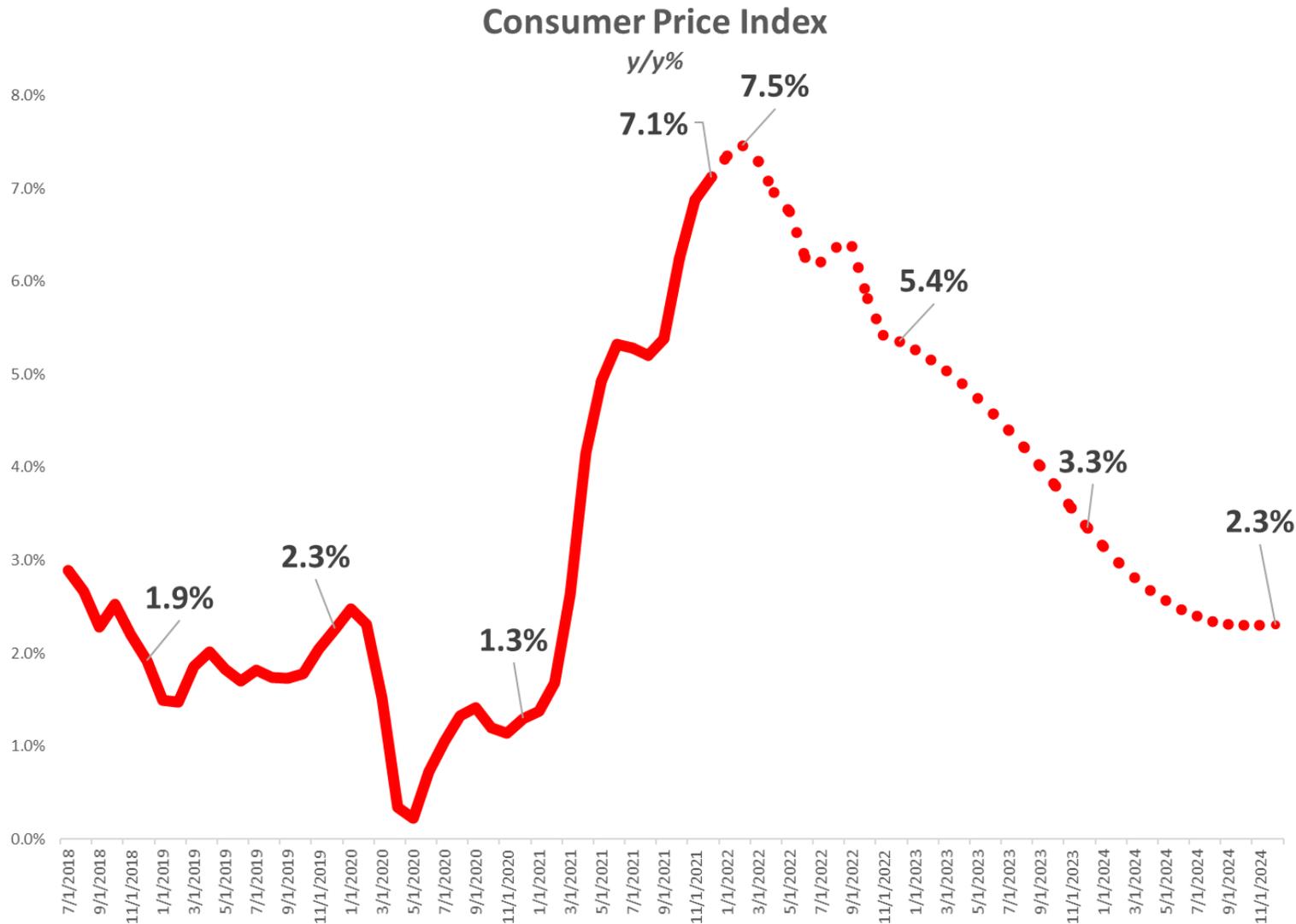
Wages are up 4.7% y/y.

The Way Forward

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Inflation



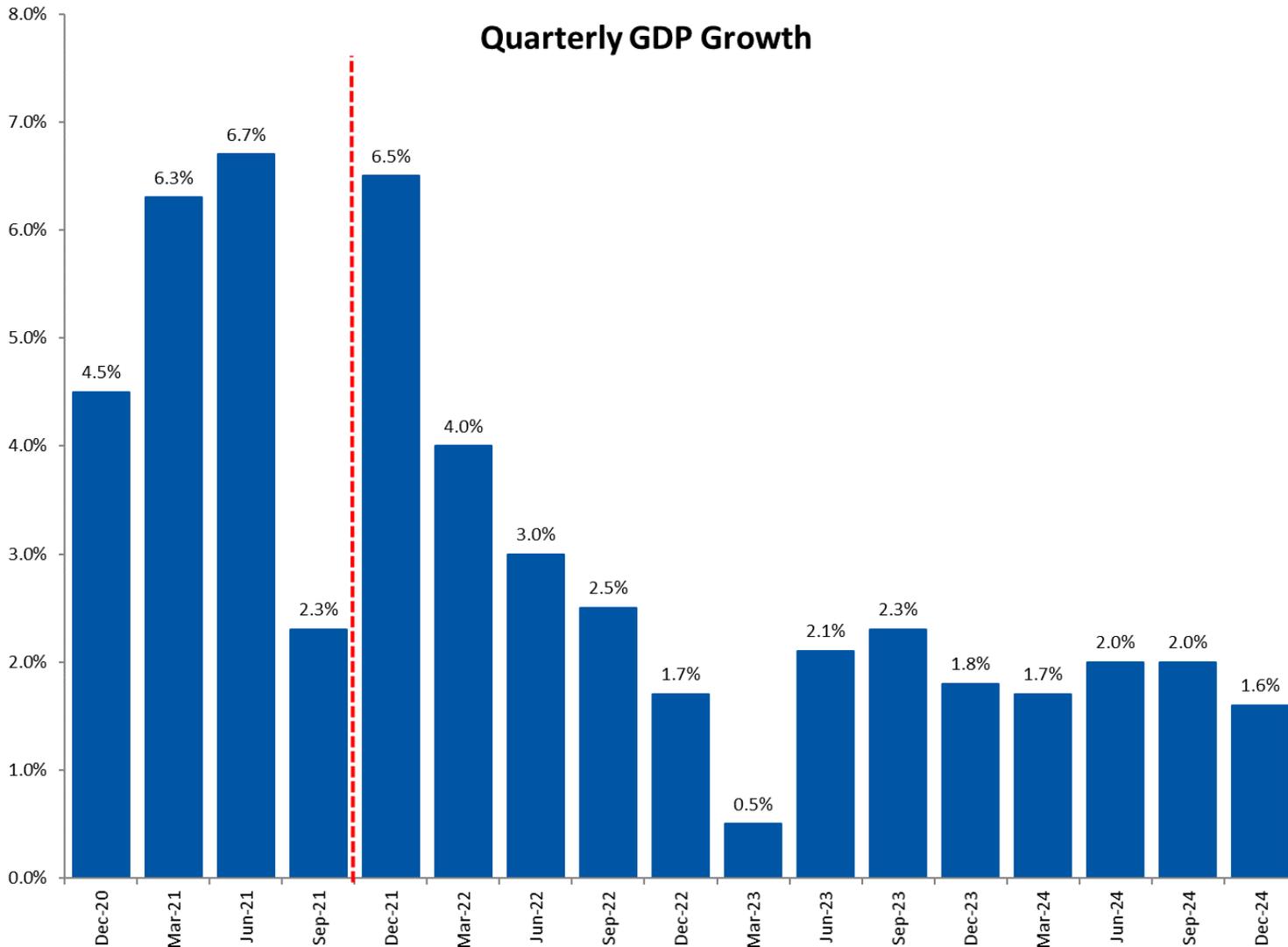
M/M inflation peaked in October.

Y/Y inflation will peak in February.

Yesterday's report slightly better than expected.

Inflation will remain high for next two years.

Economic Growth



The U.S. should enjoy three more quarters of rapid economic growth.

First quarter next year may see a slight inventory correction. Could trigger a correction.

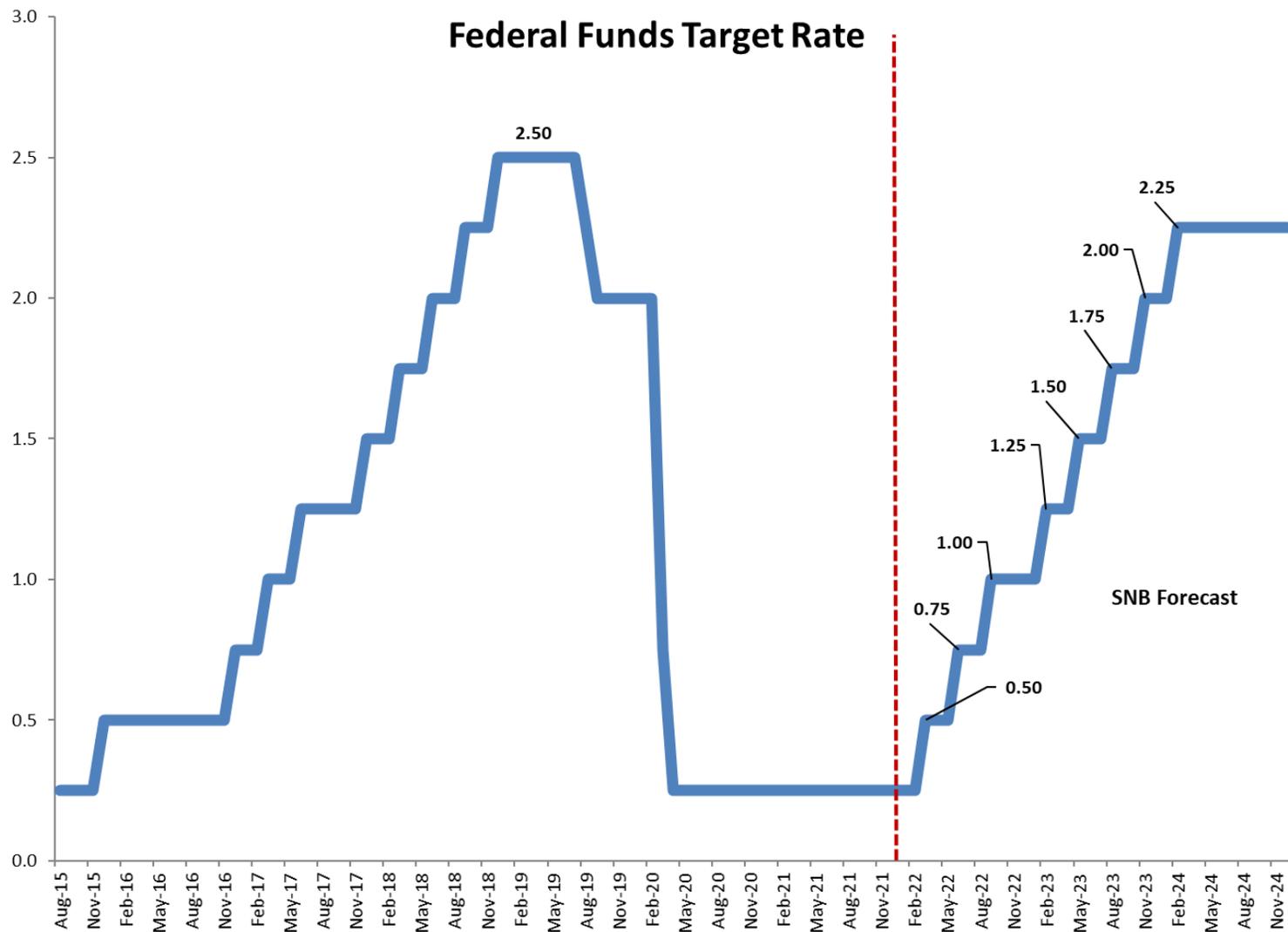
After that, the talk returns to the “New Normal”.

Pencil in a recession in 2025.

Strong nominal growth.

Interest Rates

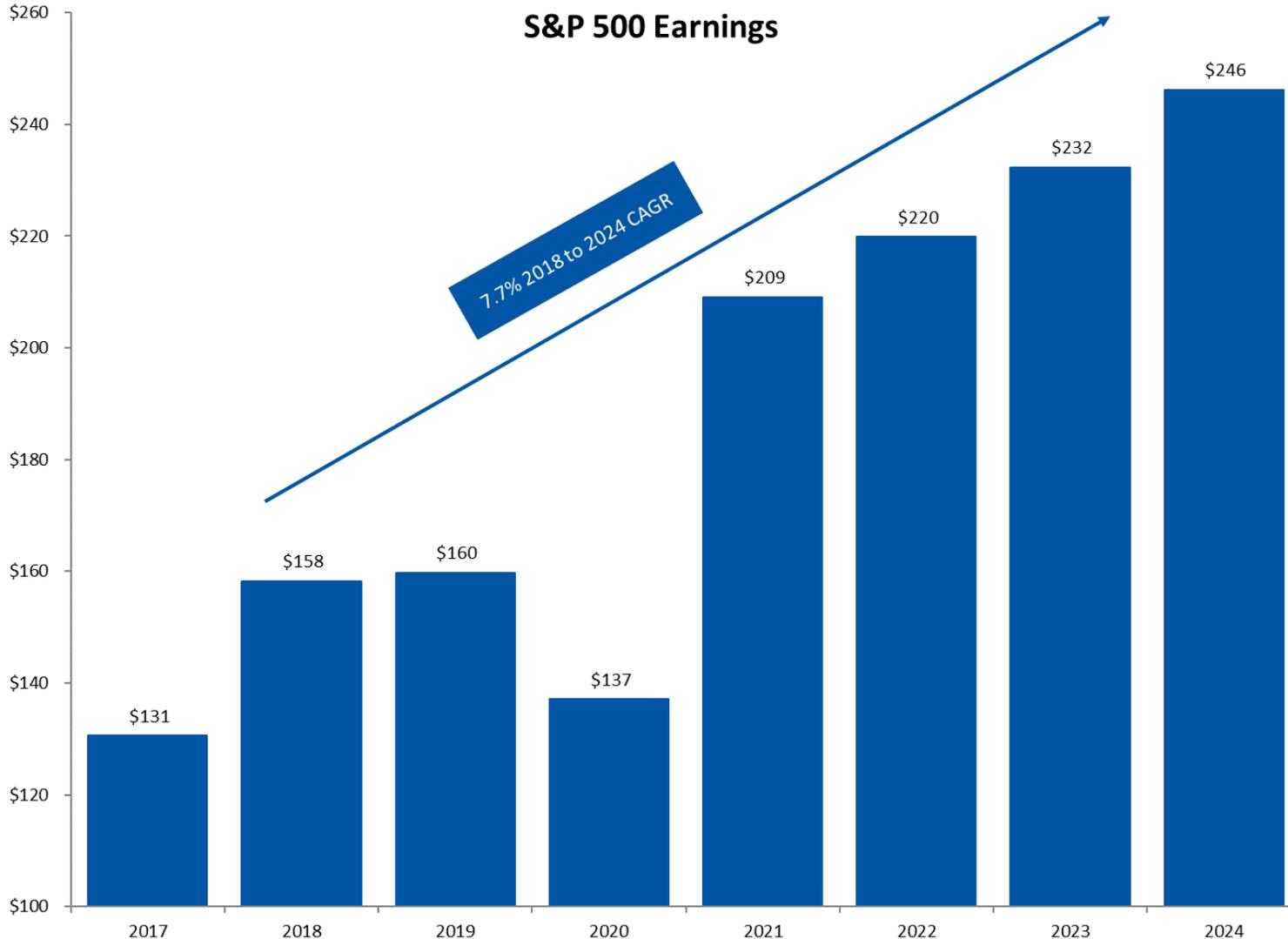
Federal Funds Target Rate



First hike in March with hikes to follow in June and September.

QT to follow in the November or December.

Corporate Earnings



Inflation will boost earnings growth.

Companies should retain pricing power this year.

We expect modest earnings growth as profit margins decline over time.

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Questions About Our Outlook

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How We Repositioned Our Portfolios

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Portfolio Changes During 2021

- **Reduced Fixed Income**
- **Added to Alternative Income Sources**
 - **Victory Market Neutral Income Fund**
 - **SPV Hair Road**
- **Within Fixed Income, shifted to Shorter Duration Bonds and High Yield Floating Rate Bank Notes**
- **Added to Global Infrastructure**
- **Invest only in companies that have earnings**



SPV Hair Road Farms LLLC



Quest for inflation hedge with current income led us to invest in a wheat farm in Washington State.

Accredited investors only.

7 to 10 year investment.

4% + annual yield.

Offering closed to investors.

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Our Performance

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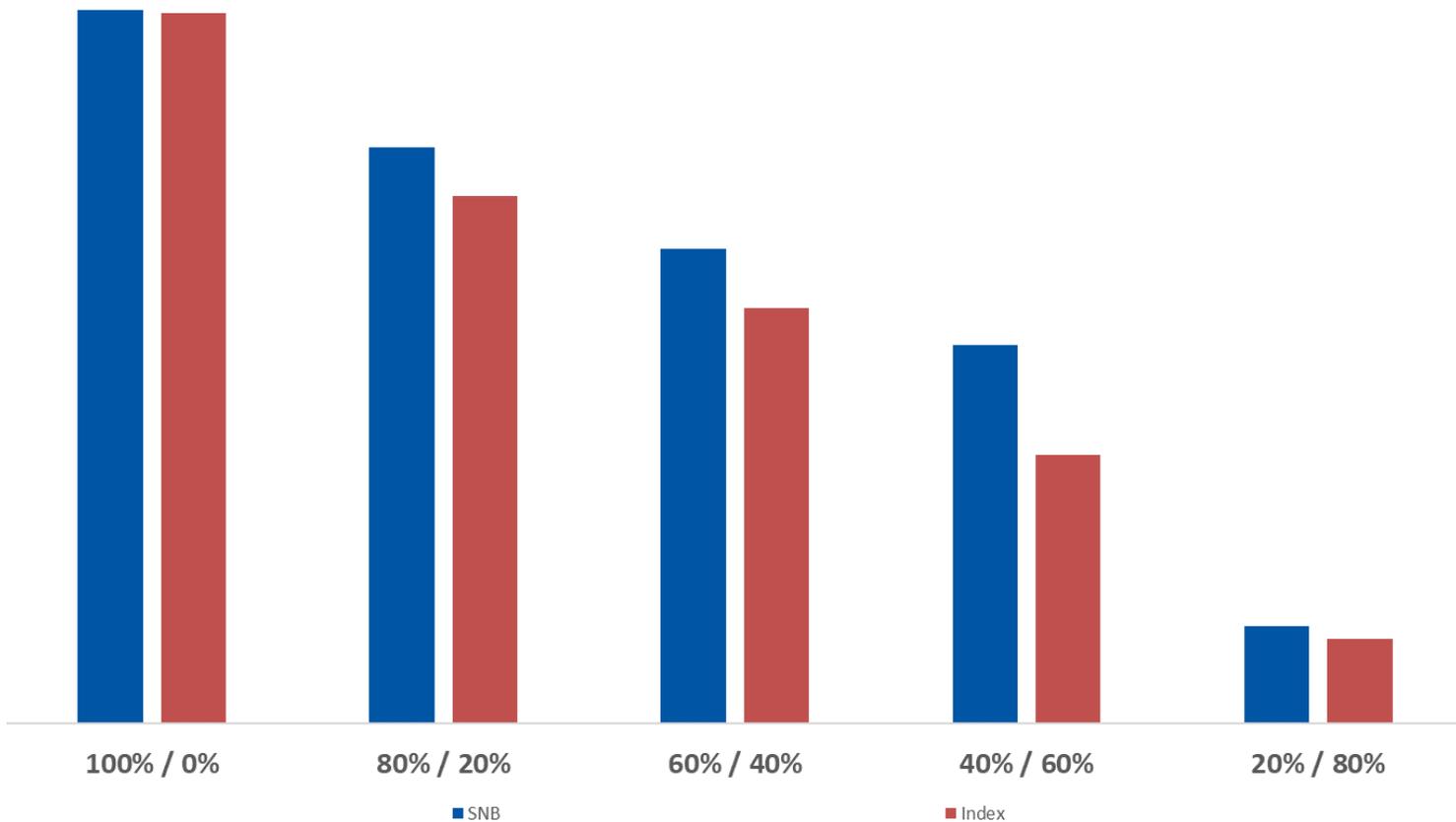
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Return Data

SNB Wealth Management Returns Compared to Index

One Year Ending December 31, 2021

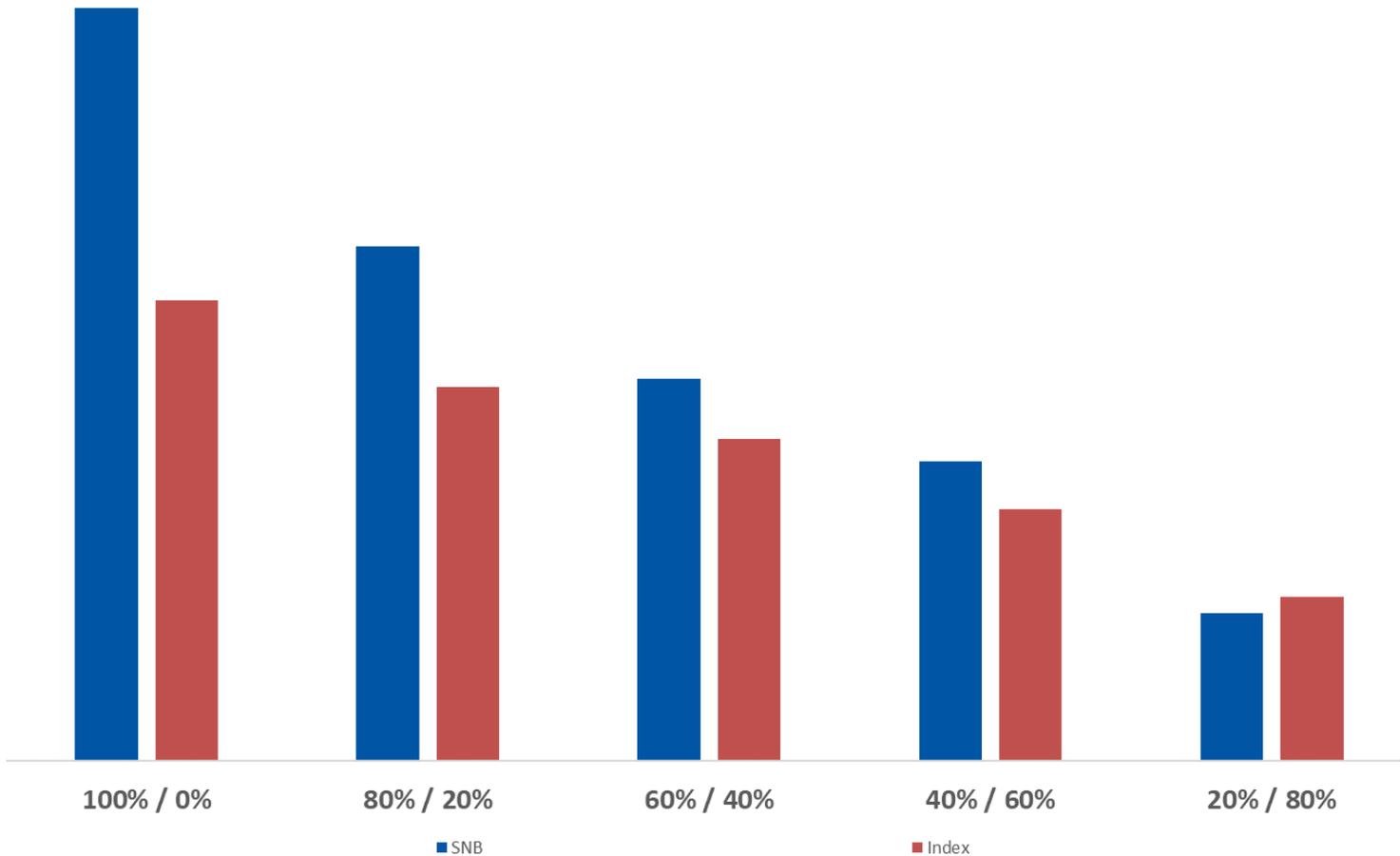
Our approach has proved to be successful through the pandemic.



Return Data

SNB Wealth Management Returns Compared to Index

7 Years ending December 31, 2021



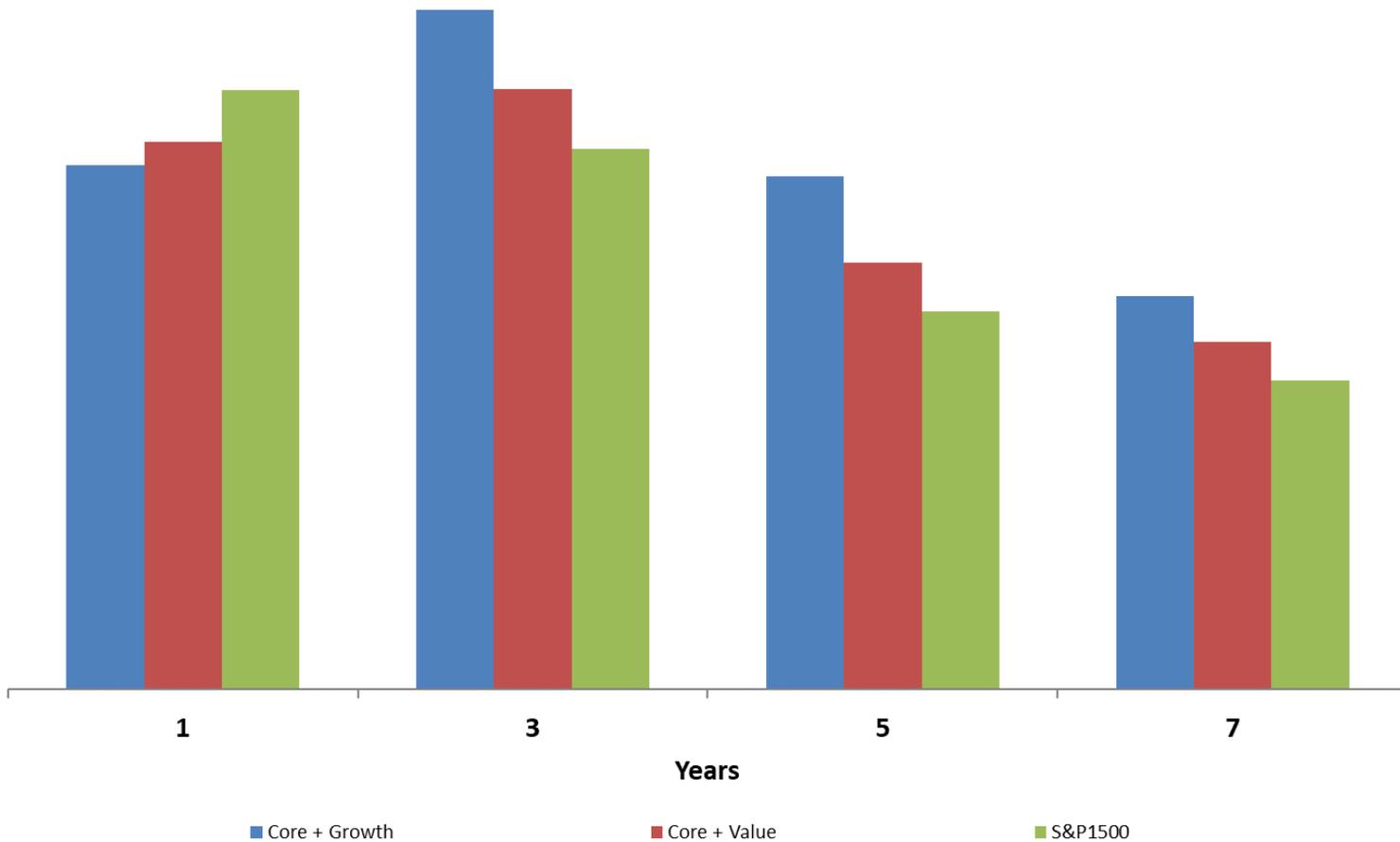
Our approach has proved to be successful over the long term.



Return Data

Equity Returns

as December 31, 2021



Our returns are led by superior stock returns

An aerial photograph of a winding asphalt road through a dense forest of evergreen trees covered in snow. The road curves in a figure-eight pattern. A small red car is visible on the road. At the top of the image, there is a solid blue horizontal banner with white text.

Additional Services

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Financial Planning

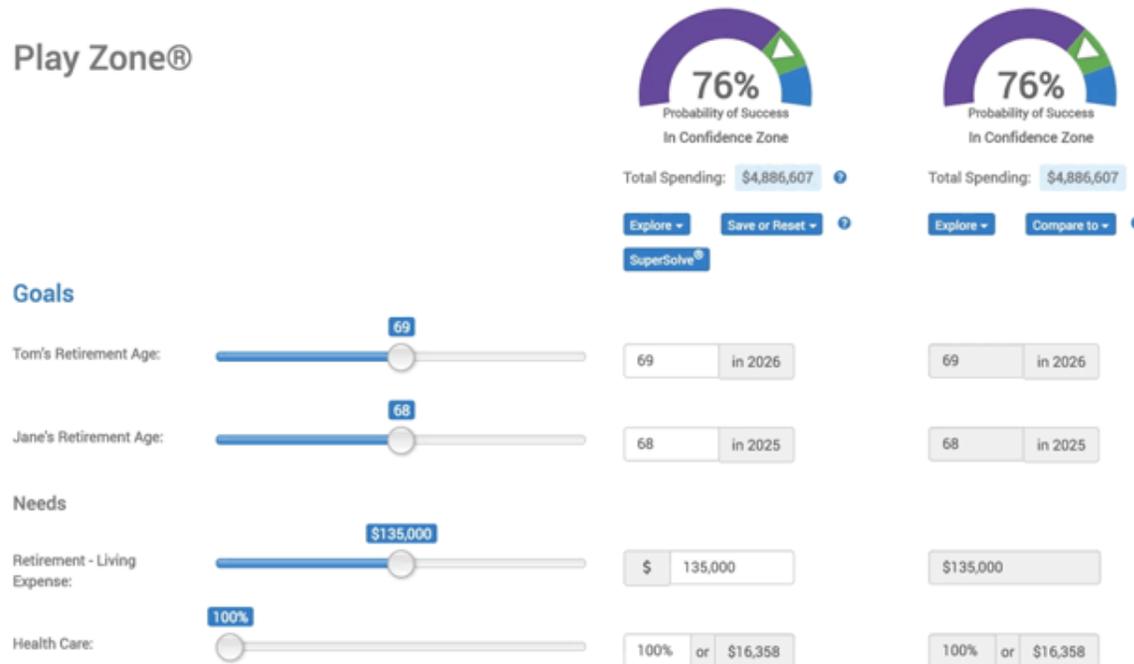
Successful investors create a financial plan

- Dynamic, goals-based approach
- Clarify Retirement Income approach
- Optimize Social Security strategy
- “What if” and Play Zone[®] scenario analysis

Everyone needs and deserves a quality financial plan.[®]

SNB Planning Process

1. Data Gathering & Client Input form
2. Goal planning and initial discussion
3. Plan creation
4. Review output and test scenarios
5. Update regularly according to review schedule



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