



2022 Mid-Year Economic Outlook



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Our Wealth Advisors

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WEALTH MANAGEMENT

Our Wealth Advisors



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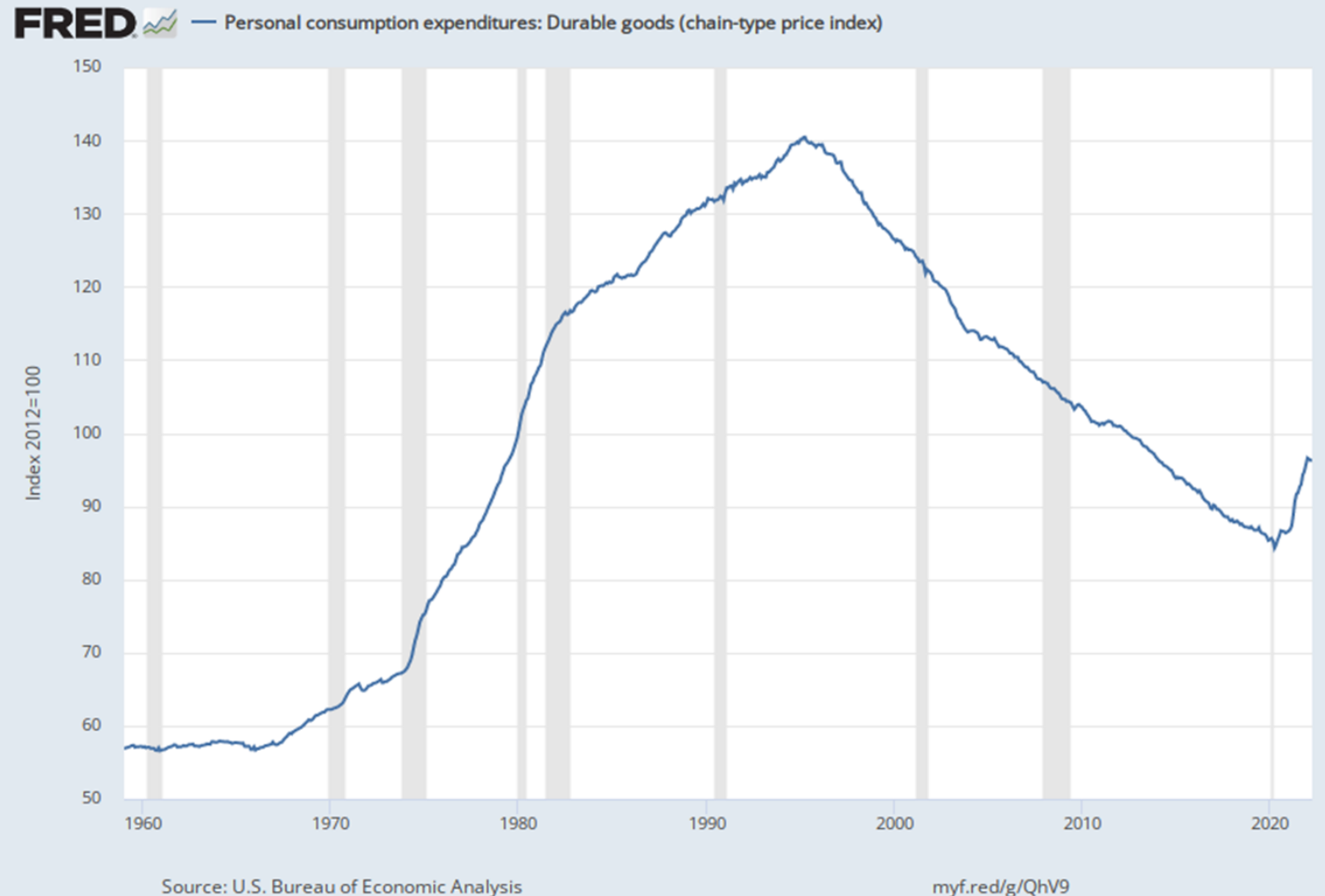


Our Biggest Concern

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Inflation



Great Moderation over

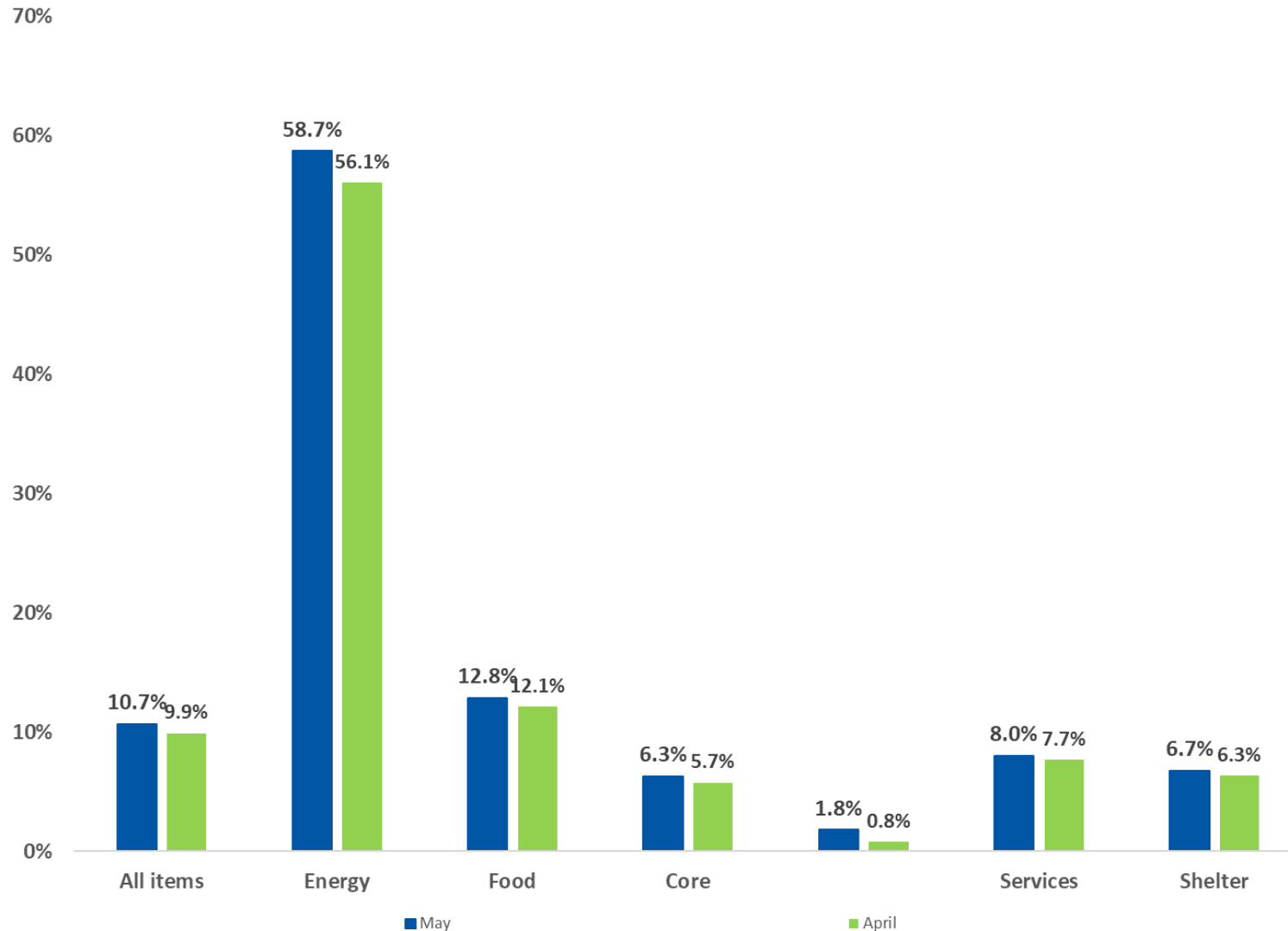
2% durables deflation prior to the pandemic

Decoupling from China

Commodity inflation to persist

Other deflationary forces will partially offset

Inflation

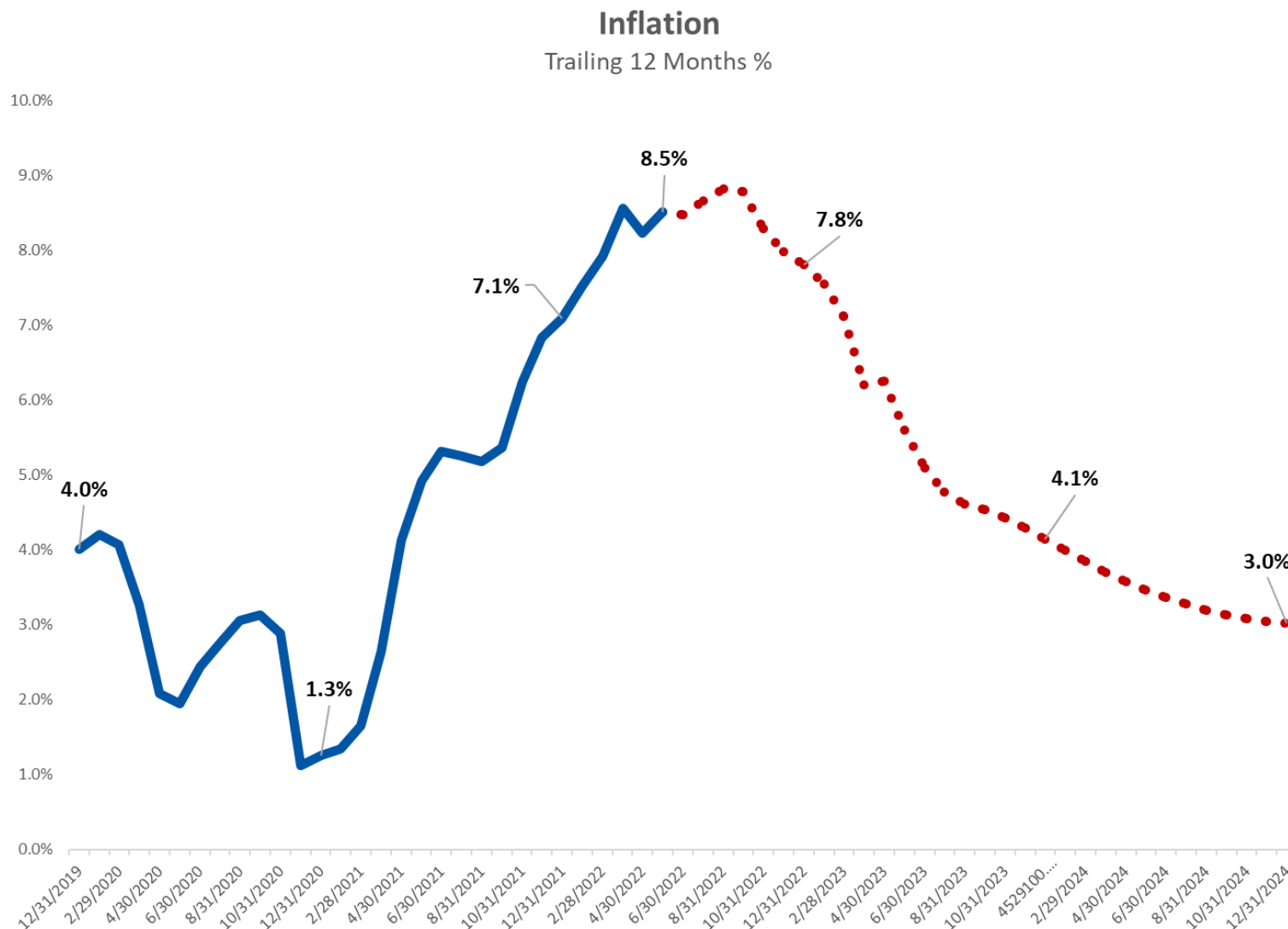


Energy, food, and shelter inflation remain at high levels.

Goods inflation controlled, may turn negative.

Likely near the peak but has not started the descent.

Inflation



Significant slowing of growth forecasted

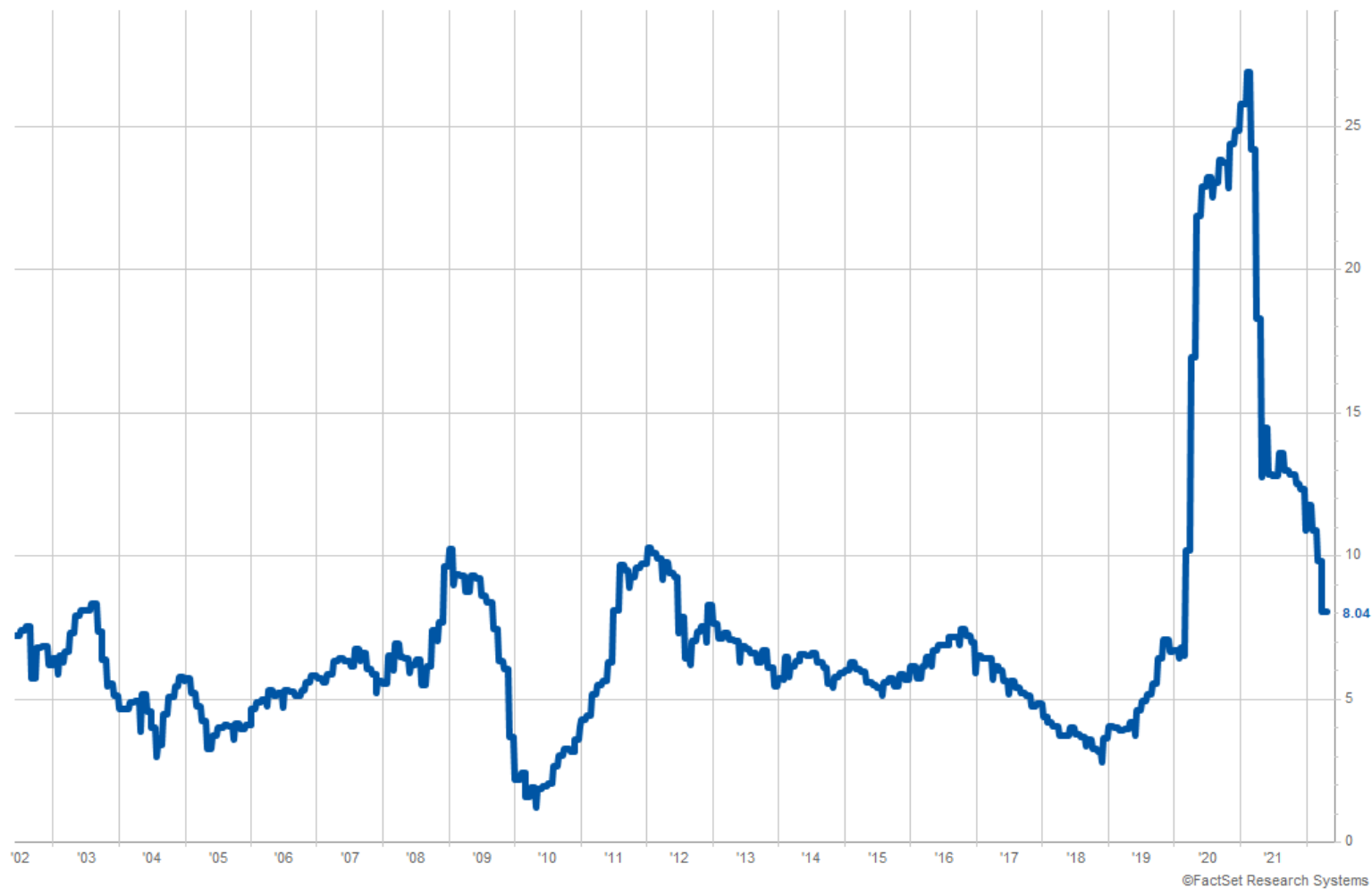
4Q2023 average 5%

4Q2024 average 3.5%

FRB is unlikely to achieve its 2% target – now 3%

Inflation surges likely over the next decade.

Inflation



Money supply growth
returning to sane levels

Will reduce 2023 and 2024
inflation



Our Response

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Portfolio Changes Due to Inflation

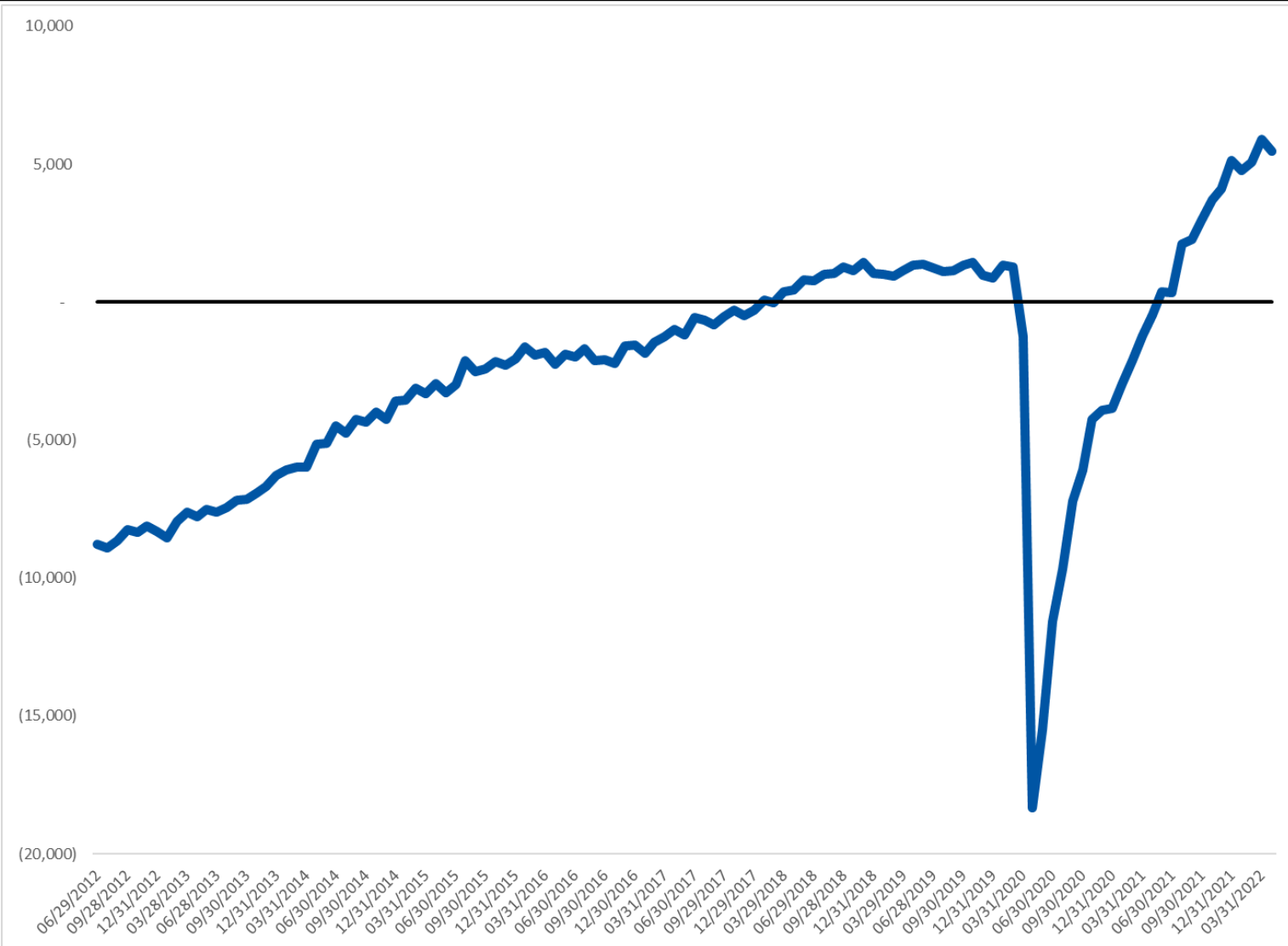
- **Added to Inflation Hedges**
 - **Market Neutral Income and Floating Rate Loan Funds**
 - **SPV Hair Road**
 - **Global Infrastructure and Global Resource Income Funds**
 - **Deere (DE), BHP (BHP), Pioneer Natural Resources (PXD)**
- **Reduced Fixed Income and its Duration**
- **Sold part of high P/E positions**
- **Invest only in companies that have earnings**
- **Reduced Consumer Discretionary**



Our Forecast

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Labor Market



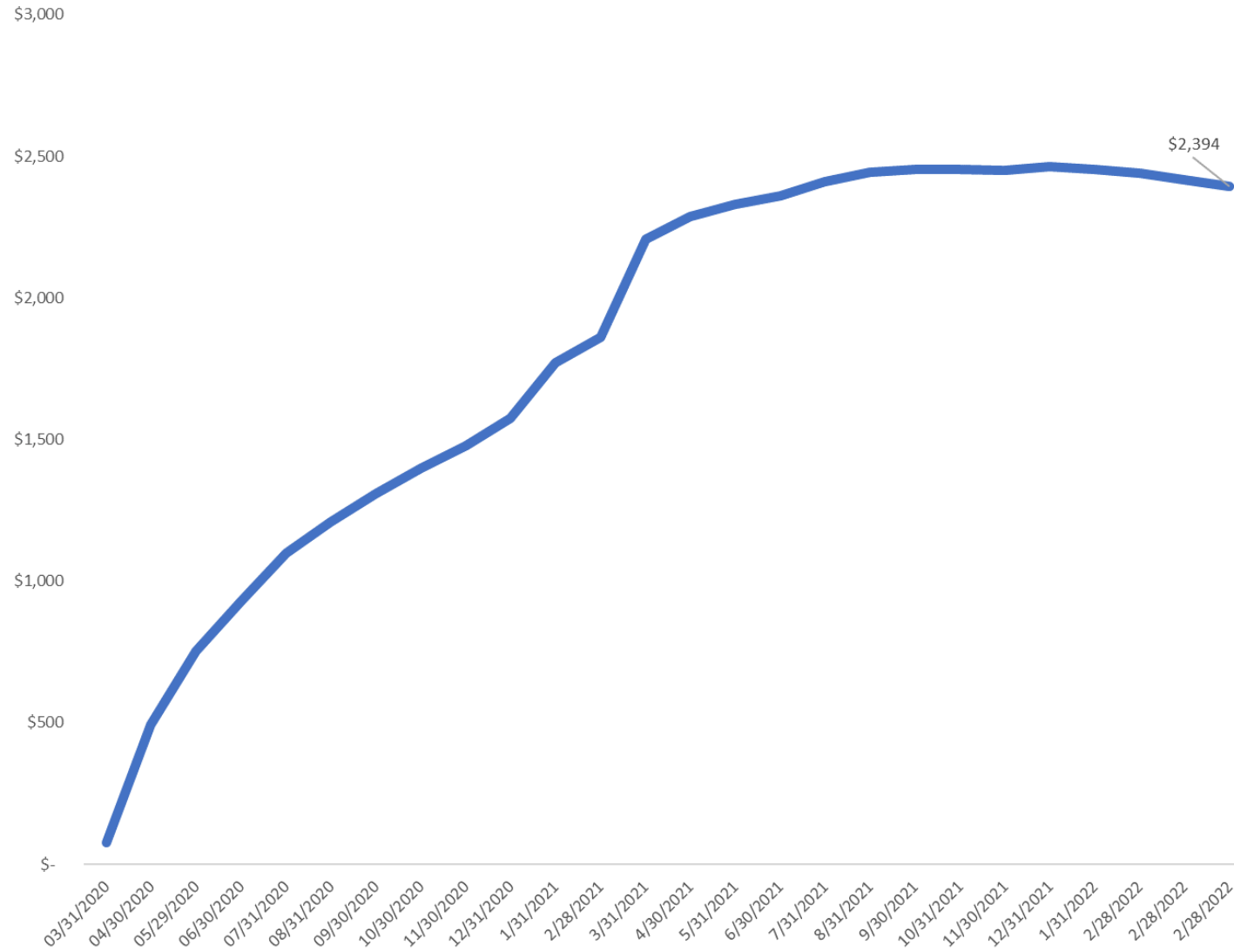
The labor market is exceptionally strong

Job openings exceed unemployment

Wage growth 3.8% last 4 months

Job hoarding diminishing

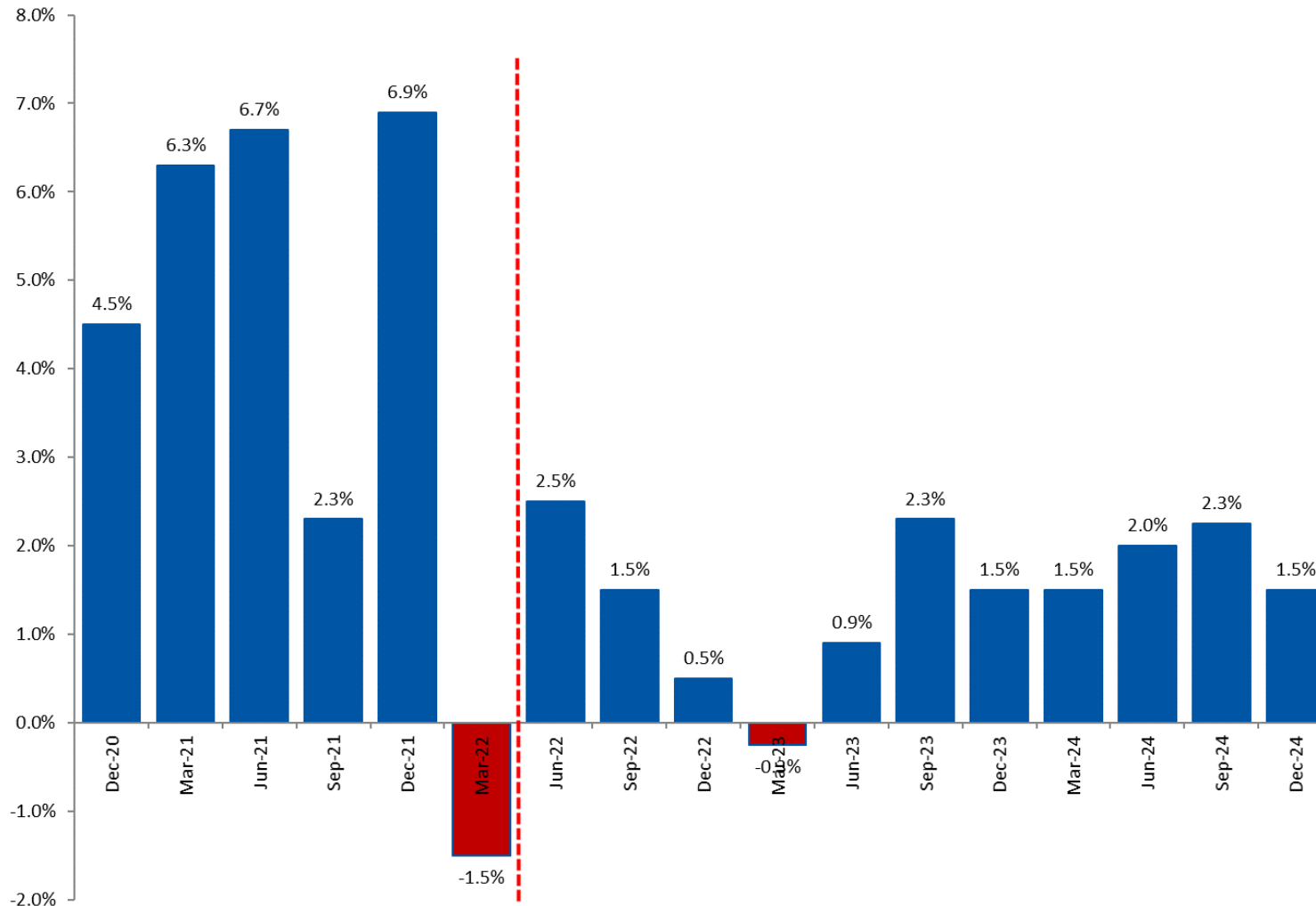
Consumer



Households with incomes less than \$50K are in trouble

Household balance sheets are in great shape. High cash balances, low debt burden, fixed-rate liabilities.

Economic Growth



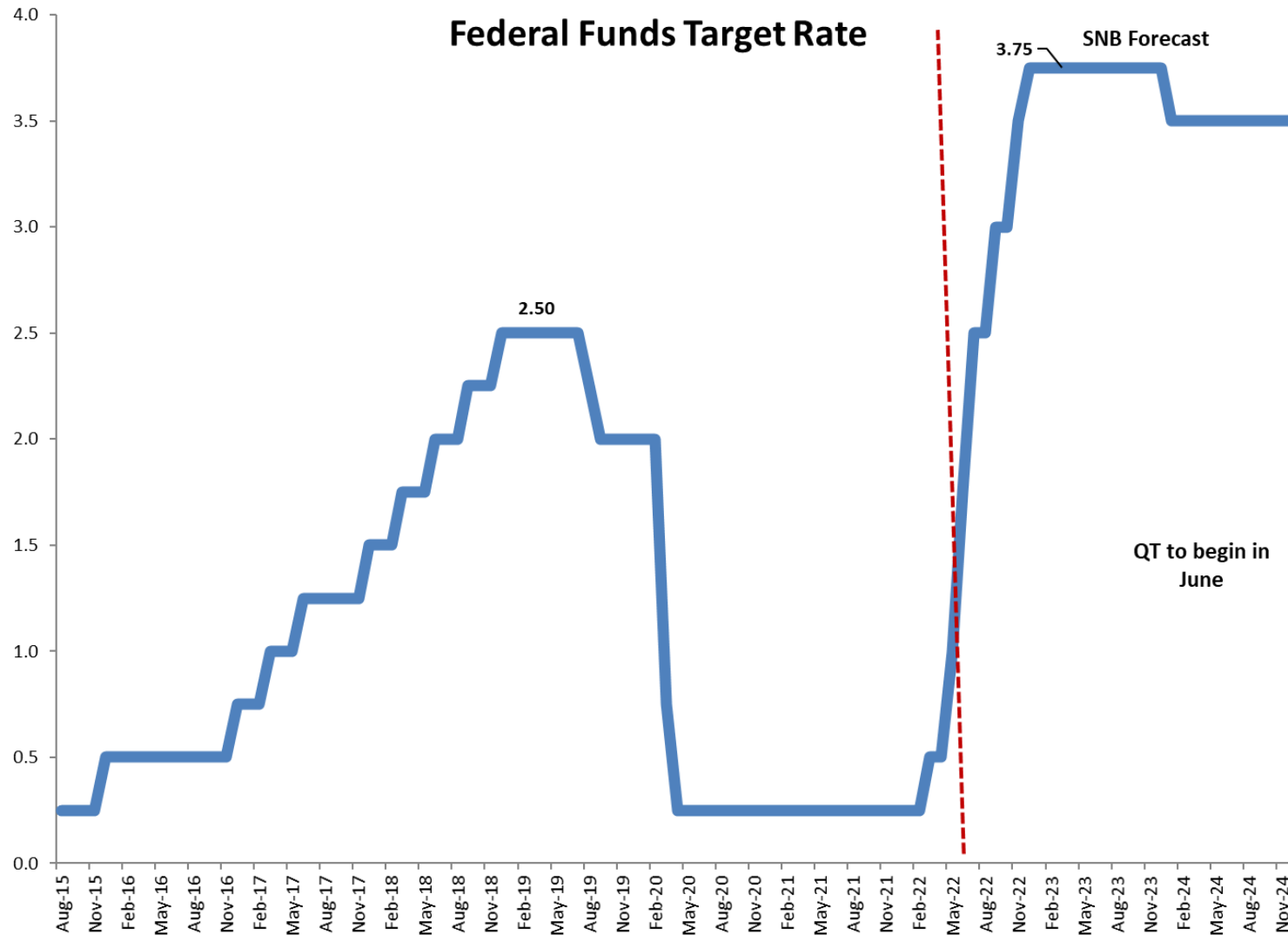
Last quarter's negative growth was trade-related. Underlying growth of 3.5%

Growth will slow to near stall

Strong labor market

Households earning less than \$50K are in recession-like conditions.

Interest Rates



0.75% rates hikes at the June and July meetings

0.50% at the September and November meetings

0.25% in December

High federal debt limits interest rate upside



Questions About Our Outlook

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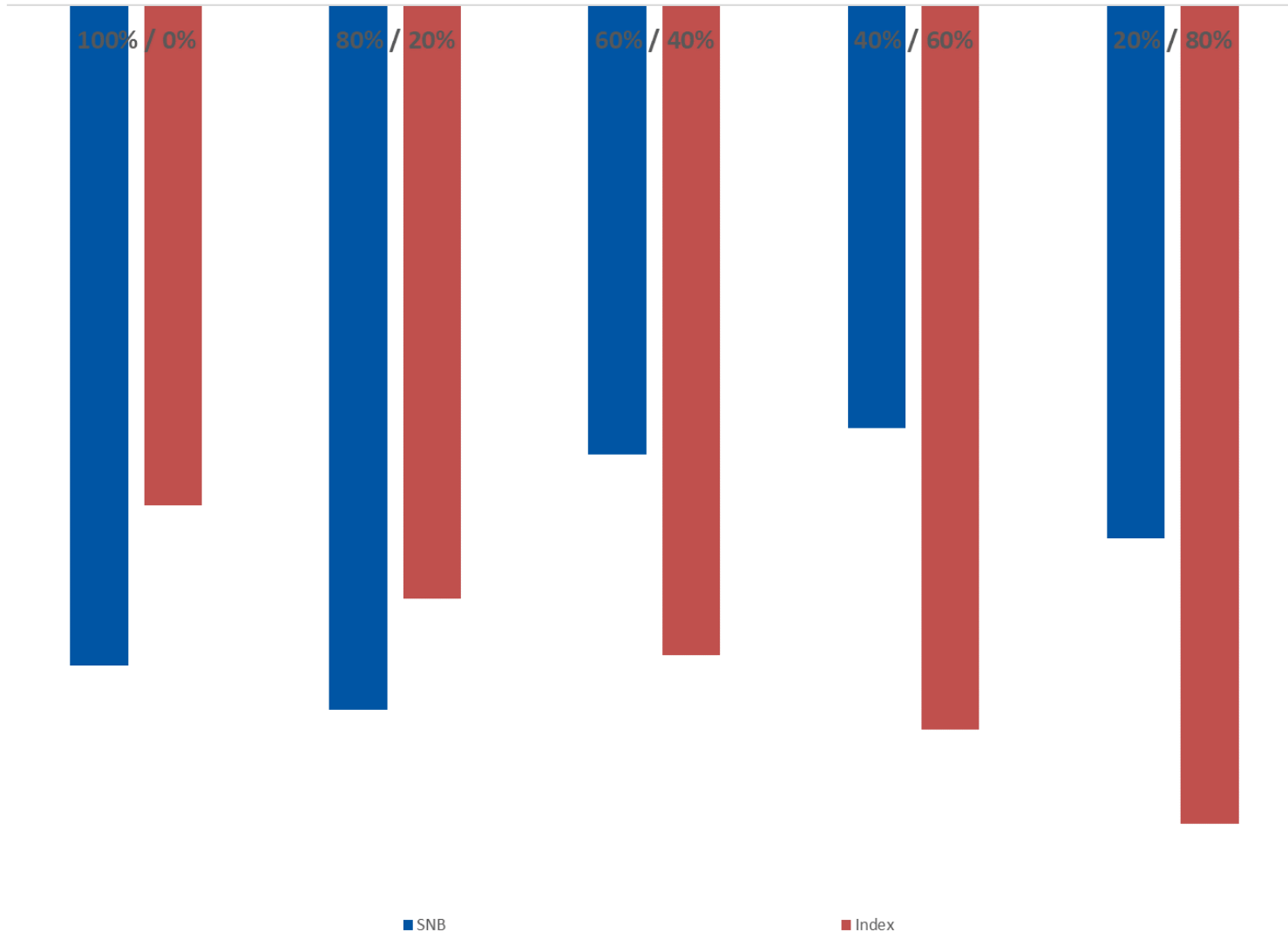
WEALTH MANAGEMENT



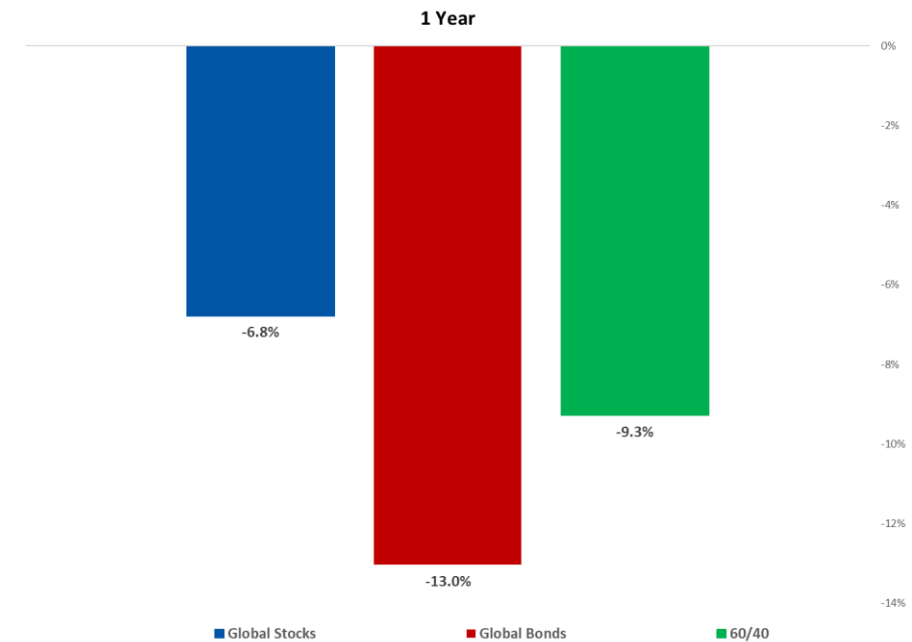
Our Performance

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Return Data

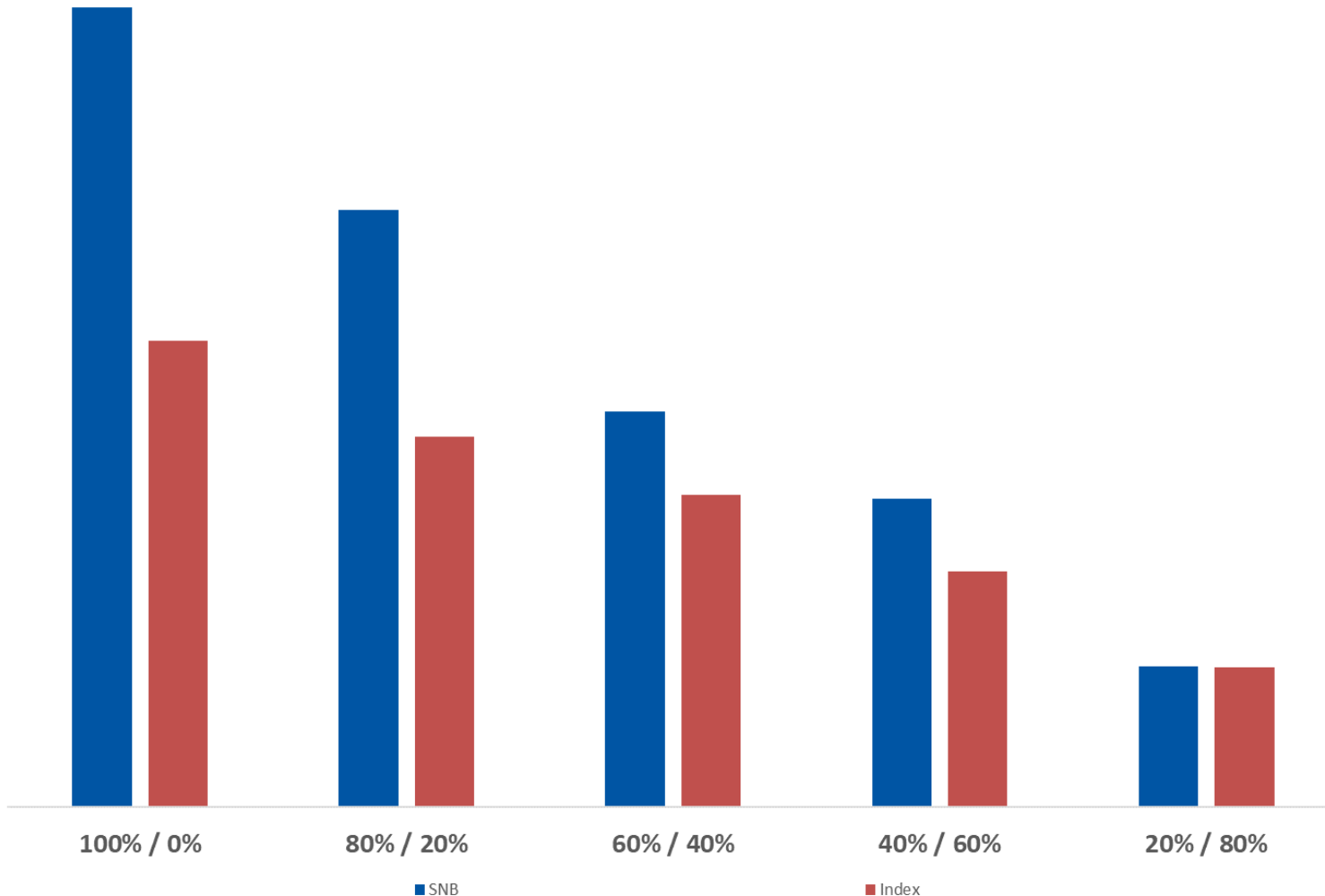


1-year returns as of May 2022



Return Data

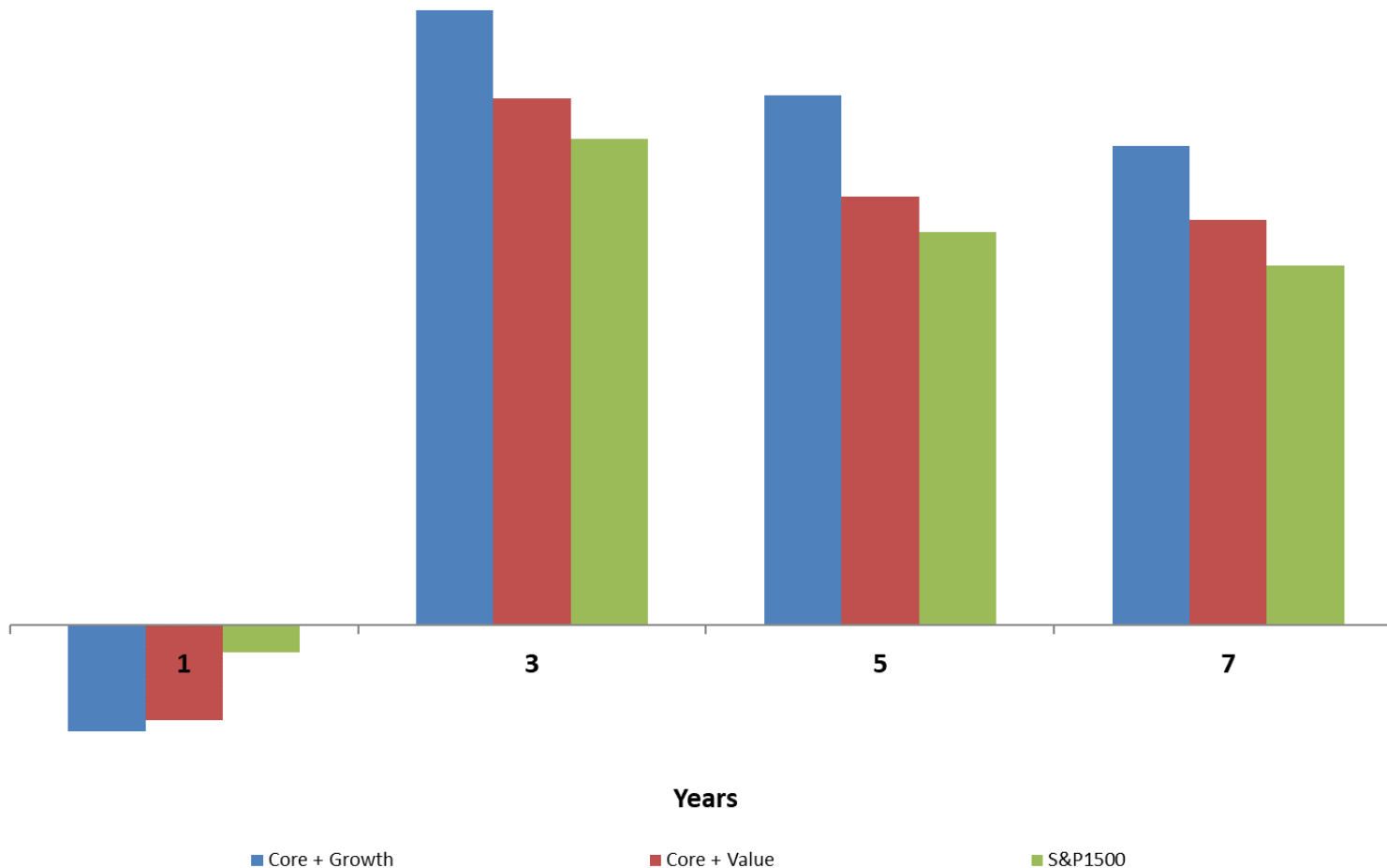
7-year returns as of May 2022



Return Data

Stock Portfolio Returns

Growth underperformed by 6.2%
last 12 months.





Additional Services

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Estate Planning

While SNB does not write your estate plan, we can give you free advice when reviewing and creating your estate plan.

Joe Borghoff, J.D., CTFA will give you an overview of how we work with our clients.



Financial Planning

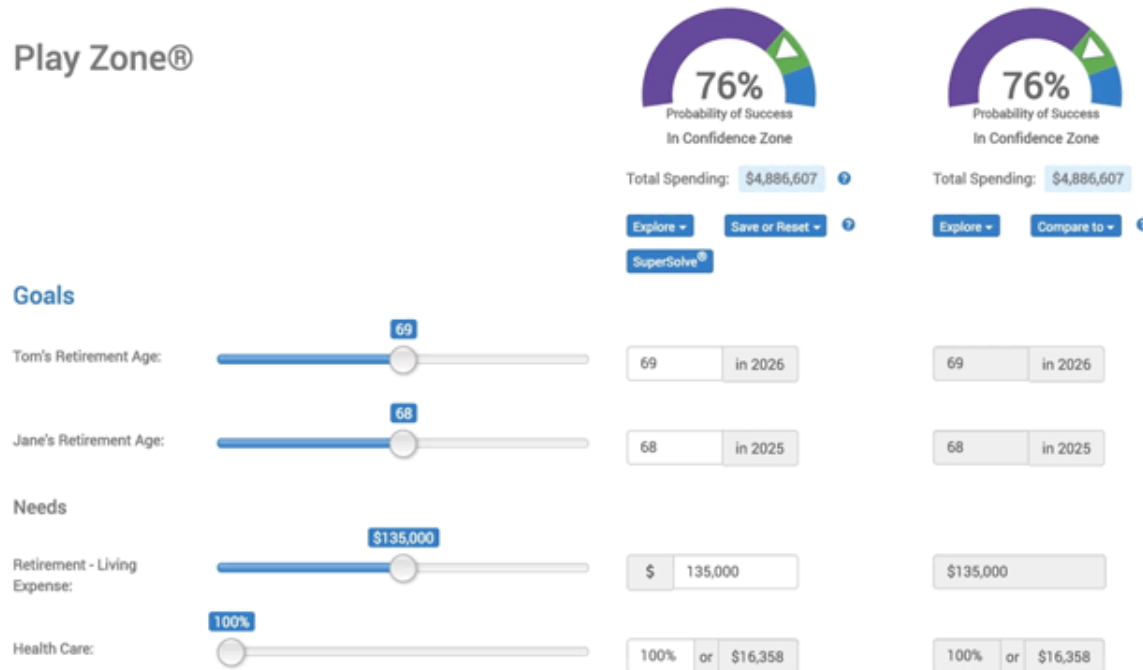
Successful investors create a financial plan

- 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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