

MARKET COMMENTARY: Q3 2021

Big Picture

Resurgent virus impacts, mounting fears of inflation, ongoing supply-chain disruptions, surging energy prices, risks of a slowdown in China's industrial and property sectors, and anticipation of a reduction in central bank liquidity provisions all weighed on markets this quarter.

Returns % as of 9/30/21

Index	1 Mo	3 Mo	YTD	1 YR	3 YR	5 YR	10 YR
US Equity							
S&P 500 TR USD	-4.65	0.58	15.92	30.00	15.99	16.90	16.63
DJ Industrial Average TR USD	-4.20	-1.46	12.12	24.15	11.00	15.68	14.72
NASDAQ Composite TR USD	-5.27	-0.23	12.66	30.26	22.67	23.37	20.93
International Developed Markets							
MSCI World ex USA NR USD	-2.87	-0.66	9.19	26.50	7.87	8.88	7.88
Emerging Markets Equity							
MSCI EM NR USD	-3.97	-8.09	-1.25	18.20	8.58	9.23	6.09
US Fixed Income							
BBgBarc US Agg Bond TR USD	-0.87	0.05	-1.55	-0.90	5.36	2.94	3.01
Global Fixed Income							
BBgBarc Global Aggregate TR USD	-1.78	-0.88	-4.06	-0.91	4.24	1.99	1.86

* Past performance does not guarantee future results. All data is from sources believed to be reliable but cannot be guaranteed or warranted. Please see important disclosure regarding index performance.

Equities

Global equities, challenged by a variety of headwinds, finished the quarter in mostly negative territory.

- **US stocks** finished the quarter with a turbulent September, erasing the gains of July and August.
- **International developed stocks** were mixed for most of the quarter, ending on a down note.
- **Emerging Market stocks** extended their cooldown from a year ago, with a rough quarter.¹

Fixed Income

Fixed income performance across most markets was mixed, as most bond indices fell the second half of the quarter.

- **The Bloomberg Barclays US Aggregate Bond Index**, or the "Agg", finished slightly positive on quarter.
- **The Bloomberg Barclays Global Aggregate Index**, representing bonds from both developed and emerging markets, ended down for the quarter.²

¹ Morningstar Direct, as of Oct 1, 2021

² Morningstar Direct, as of Oct 1, 2021

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Factors

Exposure to investment risk factors were a mixed bag for the quarter. In the US, Momentum was a positive contributor. In International Developed markets small caps continued to outperform. While in the Emerging Markets most factors held up a bit better than the general market on a relative basis (though all were down on an absolute basis).³

NEWS Impacting Markets

COVID-19

Fears over the surge in Delta coronavirus variant triggered falls across global markets at various points in the quarter. While global COVID-19 case counts have receded towards the end of the quarter, investor concern lingers over the potential for another rise in cases.

Economic Recovery

Pressures from supply chain-related constraints and subsequent inflation concerns are acting as headwinds for the global economy. This has been exacerbated by fears about a potential default of Chinese property giant Evergrande Group, and the impact reverberations might have on the Chinese economy in general.

Central banks around the world responded to the economic challenges presented by the pandemic with historic amounts of liquidity and market support. They currently account for a total of \$300bn of [monthly] bond buying. With central bankers preparing to rein in the pace of stimulus by reducing the pace of asset purchases (i.e. “taper”), market participants are positioning for potential stock market volatility that could arise in response to changes in stimulus.

Headline news will continue to be a potential catalyst to inject volatility into markets on a daily basis. For long-term investors, it’s best to keep in mind that markets tend to adjust and weather all manner of macro-economic environments while rewarding those who patiently stay the course.

As always, we at Symmetry Partners will continue to monitor current events, while staying focused on achieving investing success over the long-term.

³Morningstar Direct, as of Oct 1, 2021

MARKET COMMENTARY: Q3 2021 DISCLOSURE

Symmetry Partners, LLC, is an investment advisory firm registered with the Securities and Exchange Commission. All data is from sources believed to be reliable but cannot be guaranteed or warranted. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, product or any non-investment related content made reference to directly or indirectly in this commentary will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may not be reflective of current opinions or positions. Please note the material is provided for educational and background use only. Moreover, you should not assume that any discussion or information contained in this material serves as the receipt of, or as a substitute for, personalized investment advice.

Diversification seeks to improve performance by spreading your investment dollars into various asset classes to add balance to your portfolio. Using this methodology, however, does not guarantee a profit or protection from loss in a declining market. Past performance does not guarantee future results.

Index Disclosure and Definitions

All indexes have certain limitations. Investors cannot invest directly in an index. Indexes have no fees. Historical performance results for investment indexes generally do not reflect the deduction of transaction and/or custodial charges or the deduction of an investment management fee, the incurrence of which would have the effect of decreasing historical performance. Actual performance for client accounts may differ materially from the index portfolios.

S&P 500 Index represents the 500 leading U.S. companies, approximately 80% of the total U.S. market capitalization.

Dow Jones Industrial Average (DJIA) Is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange (NYSE) and the NASDAQ.

The Nasdaq Composite Index (NASDAQ) measures all Nasdaq domestic and international based common type stocks listed on The Nasdaq Stock Market, and includes over 2,500 companies.

MSCI World Ex USA GR USD Index captures large and mid cap representation across 22 of 23 developed markets countries, excluding the US. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets (as defined by MSCI). The index consists of the 25 emerging market country indexes.

Bloomberg Barclays US Aggregate Bond Index measures the performance of the U.S. investment grade bond market. The index invests in a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States – including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

Bloomberg Barclays Global Aggregate (USD Hedged) Index is a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging market issuers. Index is USD hedged.

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