6 MERIDIAN

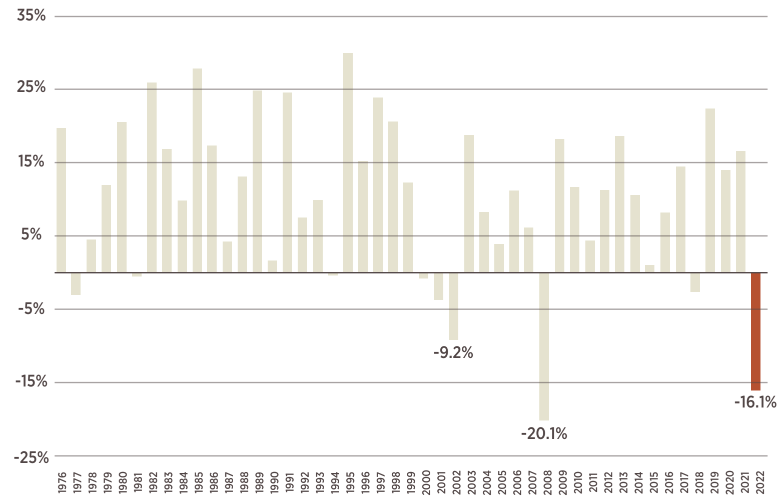
Viewpoint / January

Chart of the Month

The markets had a lot to digest in 2022, making you wonder how this period will be taught in retrospect 20-30 years from now. Will it be remembered the most for the bond market's record- breaking poor performance? That the inflationary environment was predicated by record-breaking fiscal and monetary stimulus? That the Federal Reserve undertook the fastest tightening cycle in its history? Will it mark the beginning of the end of the globalization movement? Check back with us in 20-30 years to find out!

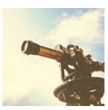
Nevertheless, 2022 was memorable. As the chart shows, investing in a traditional 60/40 portfolio would have made any diversified investor cringe. Equities (-18.1%) were not down as much as they were in 2008; the record poor performance from US bonds (-13%) resulted in the 60/40 portfolio being down a similar amount as in 2008. While it is rare to have consecutive years of negative performance for a diversified investor, it did occur in the early 2000s, a period known for having a significantly overvalued market. As we recently detailed in our **Market Insights,** we may not be out of the woods yet as the odds of a recession increase, and the market has yet to reflect such an event appropriately.

60/40 Calendar Year Return



Data Source: Bloomberg

Data Date: As of 12/31/2022 *60% Equities (S&P 500 Index) / 40% Fixed Income (US Aggregate Index)



Bad Money Habits to Break in the New Year

Five Behaviors Worth Changing

#1 Living without a budget. "No matter your financial status, not knowing how much you spend and where it all goes is the most fundamental bad habit, and we are all probably guilty of it to a point," says Wealth Advisor Tim Rozzell. In calculating a budget, you may find savings opportunities and detect wasteful spending.

#2 Emotional investing. During market volatility, it's common for investors to become nervous, and without a solid financial plan, many make investment decisions based on fear rather than sound advice. Wealth Advisor, Bryan Green, suggests, "Some investors too often think of a portfolio as a whole. They should instead think of it in different 'buckets,' i.e., short-term, medium-term, and long-term buckets. Reviewing each 'bucket' based on purpose can reduce anxiety during down markets." Visit **6meridian.com/compass** to learn more about our interactive financial planning tool that encompasses your entire financial picture.

#3 Saving too little too late. Good savers build emergency funds, have money to invest and compound, and leave the stress of living paycheck to paycheck behind. Wealth Advisor, Tim Lynch, shares, "The importance of saving, even if incremental, and the understanding of compound interest is key to creating a lasting savings fund. A local business owner shared with me that his former employees are retiring with $5M+ in their 401Ks after 30+ years of service because he encouraged them to save and educated them on the benefits of a company match."

#4 Inadequate financial literacy. Is the financial world boring? To many people, it can seem that way. The Wall Street Journal is not exactly Rolling Stone, and The Economist is hardly light reading. You don't have to start there, however. There are excellent, readable, and entertaining websites with valuable financial information. Visit the **Resources section** of our website for timely financial planning articles with clear takeaways. Reading articles daily from reputable resources could help you significantly increase your financial understanding.

#5 DIY retirement strategy. Those who save for retirement without the help of professionals may leave themselves open to abrupt, emotional investing mistakes and other oversights. Another common tendency is to underestimate the amount of money needed for the future vastly. Few people have the time to amass the knowledge and skill set possessed by a financial services professional with years of experience. Instead of flirting with trial and error, see a professional for insight.

	Source: Bloomberg 2022	December	YTD	2021	Benchmark
Stocks	United States	-5.8%	-18.1%	28.7%	S&P 500
	Intl Developed	0.1%	-14.5%	11.3%	MSCI EAFE
	Emerging Markets	-1.4%	-20.1%	-2.5%	MSCI Emerging Markets
Bonds	US Investment Grade	-0.5%	-13.0%	-1.5%	Barclays US Aggregate
	US Municipals	0.5%	-9.5%	1.9%	Barclays Municipal Bond 15y
	Intl Investment Grade	1.3%	-18.7%	-7.0%	Barclays Global Aggregate xUSD
	Global High Yield	0.7%	-12.7%	1.0%	Barclays Global High Yield
	Emerging Markets $	0.8%	-15.3%	-1.7%	Barclays Emerging Markets USD Aggregate
Other	Commodities	-2.4%	16.1%	27.1%	Bloomberg Commodity
	Gold	3.1%	-0.3%	-3.6%	Gold New York Spot ($/oz)
	Oil	-0.4%	6.7%	55.0%	Crude Oil WTI/Global Spot NYMEX

E / contact@6meridian.com • *P* / 316.776.4601 / 855.334.2110 • *F* / 316.776.4620

WWW.6MERIDIAN.COM • 8301 E 21st St N, #150, Wichita, KS 67206