

Quarterly Market Review

Third Quarter 2022



This report features world capital market performance and a timeline of events for the past 12 months. It begins with a global overview, then features the returns of stock and bond asset classes in the US and international markets.

The report also illustrates the impact of globally diversified portfolios and features our quarterly topic.

Required Minimum Distributions: Individuals with IRAs or 401(k)s who are over the age of 72 must take required minimum distributions (RMDs) each year.

Please notify our office if you are over 72 and have other qualified or IRA assets held outside of VSM purview. This will allow us to calculate the correct distribution. Account holders that have reached the age of 72 in 2022 must take an RMD by April 1, 2023. After an account holder takes the initial RMD, all future RMDs must be taken by December 31st.

Enclosed in client quarterly statements is a copy of our **Client Information Privacy Principles**.

Overview:

Quarterly Topic: How to Invest Better—and Live Better

Long Term Market Summary

World Stock Market Performance

Impact of Diversification

Randomness Of Market Returns

How to Invest Better—and Live Better



Third quarter 2022

David Booth, Executive Chairman and Founder

It can be challenging to start a conversation about investing. That's why I encourage having a conversation before the investing conversation—what I like to think of as a “preamble.” Connecting life principles to investment principles is a powerful way to ground abstract principles in reality, and to connect over universal experiences and feelings. It can also help make sense of investment concepts often dismissed as overly complex for those who aren't familiar with them.

Our lives are the cumulative result of the decisions we make every day. Just as in investing, the power of these decisions compounds over time. That's why it's so important to find a decision-making process that works for you—both in life and in investing. In my mind, this involves acknowledging that uncertainty can create both stress and opportunity, planning for what might happen rather than trying to predict what will happen, cultivating flexibility and adaptability, harnessing the power of compounding, and accepting your own limits. Embracing uncertainty by planning for the future can help you live life better now.

UNCERTAINTY

Given life's profound uncertainty, it's sometimes hard to feel like an optimist. Most of what happens in our lives is unpredictable, and it's impossible to forecast the future. But you can live your life fully

without knowing what's going to happen. And you can have a good investment experience without forecasting what the market is going to do, because you're not trying to guess which companies will succeed and when. You're investing in the ingenuity of people to solve problems and make their companies run better.

PLANNING

You don't have to predict, but you do have to plan. You can feel empowered by uncertainty instead of beaten down by it. Without uncertainty, there would be no opportunity. Think about all the unexpected turns your life has taken and the possibilities those turns opened up. While you couldn't have predicted the outcomes of decisions you made, you intuitively knew how to gauge your feelings about the risks and opportunities being presented to you. The same is true of investing in markets. People shrink away from investing because of uncertainty, but experience living life has given us the tools to deal with it. While you can't control markets, you can control how much risk you take. And you can control whether you have an investment professional in your corner for help making financial decisions you can live with.

How to Invest Better—and Live Better

(continued from page 3)

FLEXIBILITY

While it's important to have a plan, in both life and investing, the road will be easier if you cultivate flexibility. Think about someone you know who's successfully navigated major challenges. Were they rigid, or were they nimble?

COMPOUNDING

If you need motivation to stick to your plan and adapt accordingly, consider the power of compounding. And I'm not just talking about the financial benefits (although the market has returned an average of about 10% a year over the past 100 years or so). If you think about it, the life equivalent of compound interest is wisdom. Learning from the past helps you make better decisions in the future, and those lessons build on one another over time.

LIVE LIFE

Once you've done the best you can, go easy on yourself. Learn from

your disappointments and enjoy your successes. It's not the decisions you make, but how you make decisions. Approach other people with empathy. Investing, like life, is a process. If you've followed a solid plan to the best of your ability, you've put yourself in the best position to achieve success. Don't ruin your state of mind by obsessing after the fact.

I co-founded Dimensional Fund Advisors more than 40 years ago, at the beginning of a revolution in finance that transformed the investment business. Back then, I was excited about a strategy that focused on investing in human ingenuity rather than trying to find "mispriced" stocks. Today, I'm gratified to see so many people living better lives as a result. I'm proud of the role, however large or small, we played in that. But I'm even happier that we now live in a world where everybody can buy shares in a fund that reflects the broad market. That can help them make the most of the money they worked so hard to earn. And the first step on that journey is having an honest conversation about how life prepares you for investing and investing prepares you for life.

Long-Term Market Summary

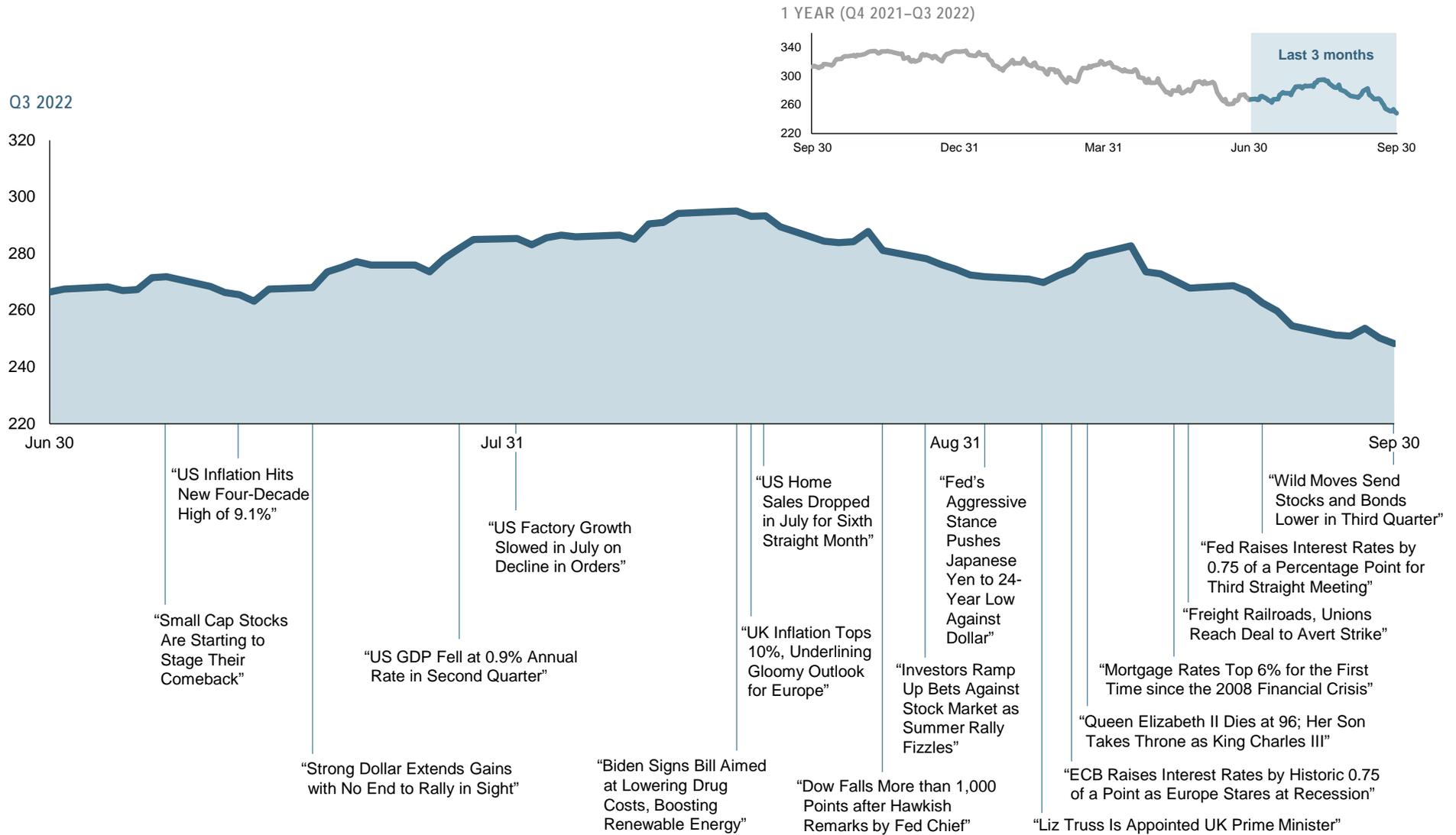
Index returns as of September 30, 2022

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	-17.63%	-23.91%	-28.11%	-20.49%	-14.60%	-9.86%
						
5 Years						
	8.62%	-0.39%	-1.81%	0.17%	-0.27%	0.71%
						
10 Years						
	11.39%	3.62%	1.05%	3.58%	0.89%	2.21%
						

Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Market segment (index representation) as follows: US Stock Market (Russell 3000 Index), International Developed Stocks (MSCI World ex USA Index [net dividends]), Emerging Markets (MSCI Emerging Markets Index [net dividends]), Global Real Estate (S&P Global REIT Index [net dividends]), US Bond Market (Bloomberg US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Global Aggregate ex-USD Bond Index [hedged to USD]). S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Frank Russell Company is the source and owner of the trademarks, service marks, and copyrights related to the Russell Indexes. MSCI data © MSCI 2022, all rights reserved. Bloomberg data provided by Bloomberg.

World Stock Market Performance

MSCI All Country World Index with selected headlines from Q3 2022



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index (net dividends). MSCI data © MSCI 2022, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

Impact of Diversification

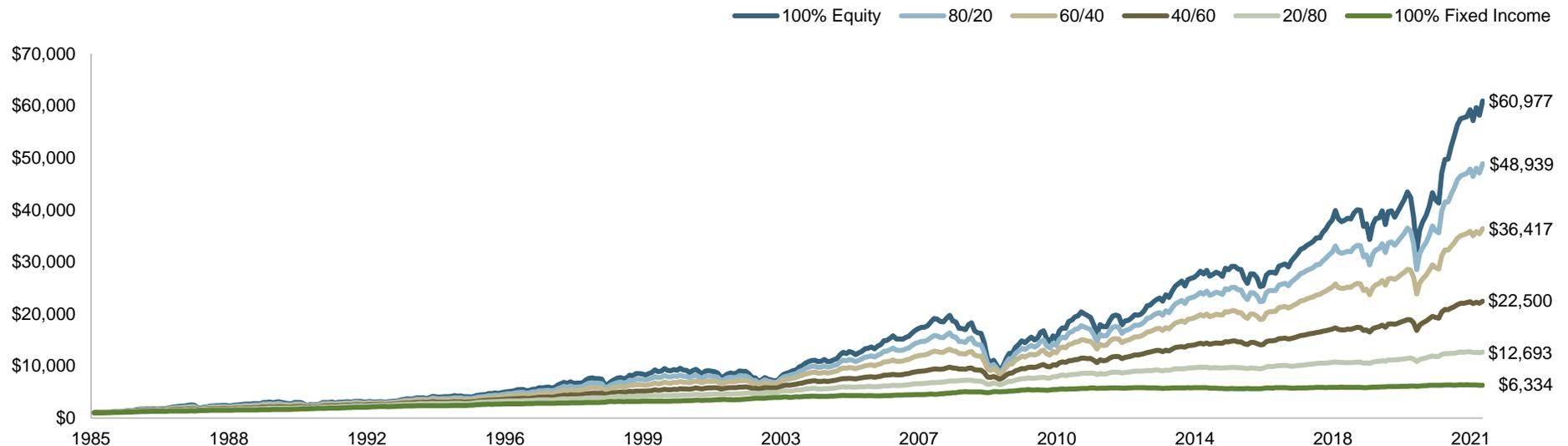
As of December 31, 2021

These indices illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

Period Returns (%)

Dimensional Core Plus Wealth Index Model	* Annualized					10-Year STDEV ¹
	3 Month	1 Year	3 Years*	5 Years*	10 Years*	
100% Equity	6.61	22.63	21.12	14.57	13.24	14.11
80/20	5.30	17.70	18.49	12.90	11.94	11.76
60/40	3.86	12.63	15.37	10.82	9.99	9.07
40/60	2.22	7.79	10.82	7.75	7.28	6.13
20/80	0.55	2.10	6.40	4.89	4.05	3.71
100% Fixed Income	-0.51	-0.93	2.20	1.98	0.97	1.73

Growth of Wealth: The Relationship Between Risk and Return



1. STDEV (standard deviation) is a measure of the variation or dispersion of a set of data points. Standard deviations are often used to quantify the historical return volatility of a security or portfolio.

Diversification does not eliminate the risk of market loss. For illustrative purposes only. Past performance is no guarantee of future results. The performance reflects the growth of a hypothetical \$1,000. Assumes all models have been rebalanced monthly. See appendix for allocation information. All performance results are based on performance of indexes with model/back-tested asset allocations; the performance was achieved with the benefit of hindsight; it does not represent actual investment strategies. The index models are unmanaged and the model's performance does not reflect advisory fees or other expenses associated with the management of an actual portfolio. In particular, Model performance may not reflect the impact that economic and market factors may have had on the advisor's decision making if the advisor were actually managing client money. The models are not recommendations for an actual allocation. Indices are not available for direct investment. Backtested performance results assume the reinvestment of dividends and capital gains. Sources: Dimensional Fund Advisors LP for Dimensional Indices. Copyright 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.

Randomness Of Market Returns

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<p>Highest Return</p>   <p>Lowest Return</p>	Small Cap US 36.99%	US REIT 27.40%	US REIT 0.80%	Commodity 9.86%	Emerging Markets 34.35%	US Bonds 0.01%	Large Cap US 28.88%	Large Cap US 18.40%	Commodity 40.35%	Commodity 21.80%
	Large Cap US 29.60%	Large Cap US 11.40%	US Bonds 0.55%	US REIT 8.90%	International Developed 25.03%	Large Cap US -6.20%	US REIT 25.84%	Small Cap US 18.36%	US REIT 35.55%	US Bonds -14.61%
	International Developed 22.77%	US Bonds 5.97%	Large Cap US -0.73%	US Bonds 5.31%	Large Cap US 19.40%	Global Allocation -6.41%	Small Cap US 23.72%	Emerging Markets 15.84%	Large Cap US 28.71%	Global Allocation -18.10%
	Global Allocation 15.97%	Global Allocation 3.71%	International Developed -0.81%	Emerging Markets 5.03%	Global Allocation 14.04%	US REIT -8.00%	International Developed 18.44%	Global Allocation 10.12%	Small Cap US 13.70%	Large Cap US -23.87%
	Commodity -1.22%	Small Cap US 3.50%	Global Allocation -1.74%	Global Allocation 9.16%	Small Cap US 13.10%	Small Cap US -12.20%	Global Allocation 18.17%	US Bonds 7.51%	Global Allocation 13.52%	Small Cap US -25.86%
	US Bonds -2.02%	Emerging Markets -4.63%	Small Cap US -5.70%	Large Cap US 2.70%	Commodity 5.77%	International Developed -13.79%	Commodity 17.63%	International Developed 5.43%	International Developed 8.78%	International Developed -28.88%
	US REIT -2.30%	International Developed -4.90%	Emerging Markets -16.96%	Small Cap US 1.40%	US Bonds 3.54%	Commodity -13.82%	Emerging Markets 15.42%	US REIT -9.32%	US Bonds -1.54%	Emerging Markets -28.91%
	Emerging Markets -5.03%	Commodity -33.06%	Commodity -32.86%	International Developed -4.42%	US REIT -0.10%	Emerging Markets -16.64%	US Bonds 8.72%	Commodity -23.72%	Emerging Markets -4.59%	US REIT -30.27%

Large Cap US is defined as the S&P 500 Index, Small Cap US is defined as the Russel I 2000 Index, US Reit is defined as the Dow Jones US Select REIT Index, International Developed is defined as MSCI EAFE Index, Emerging Markets is defined as the MSCI Emerging Index, Commodity is defined as the S&P GSCI and US Bonds are Defined as the BarCap US Agg Bond Index. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Global Allocation is defined as the DFA 60/40 Global Allocation Fund Institutional Shares.