



Outlook 2023

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Agenda

1 Review of 2022

2 Inflation and the Fed

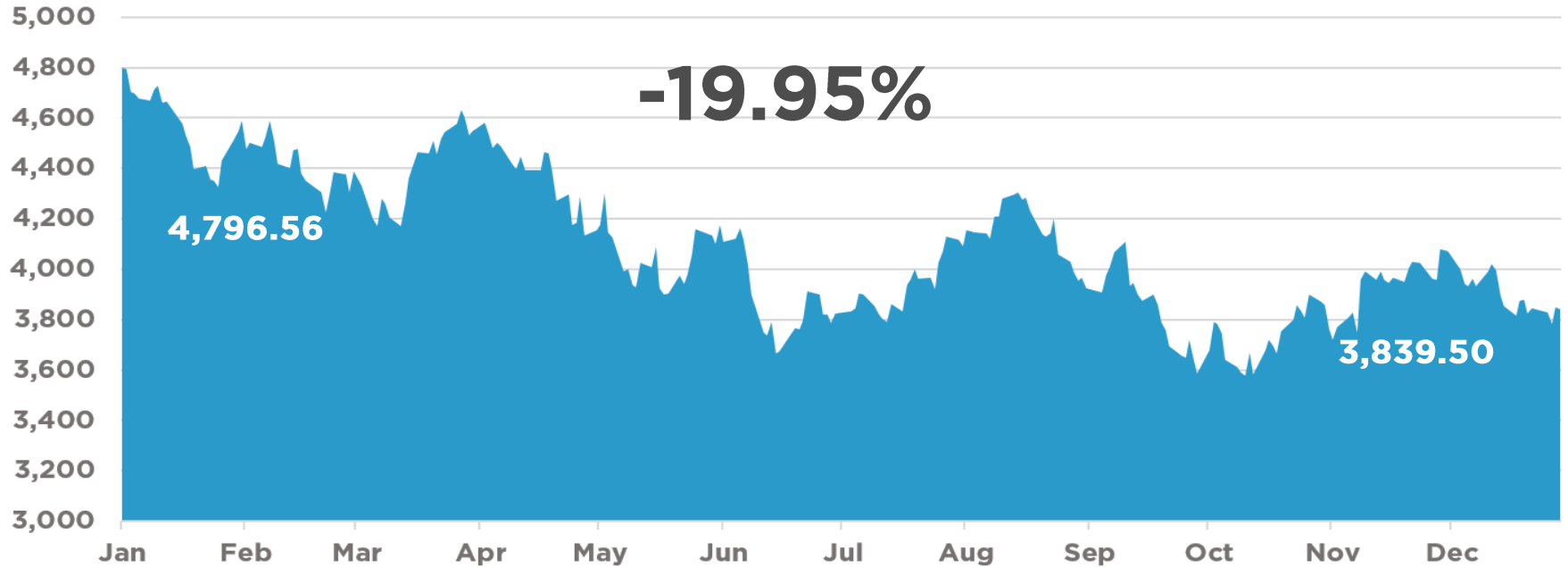
3 Recession and the Stock Market

4 The Consumer and the Dollar

5 Space and Emerging Tech

2022 US Stock Market Return

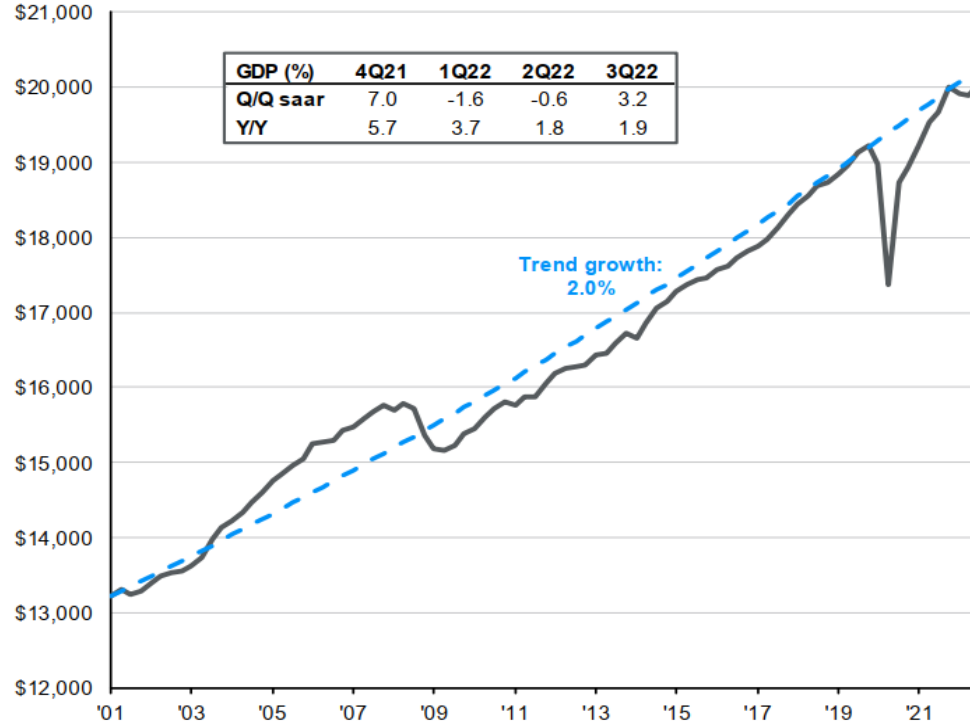
S&P 500



Economic Growth & Its Drivers

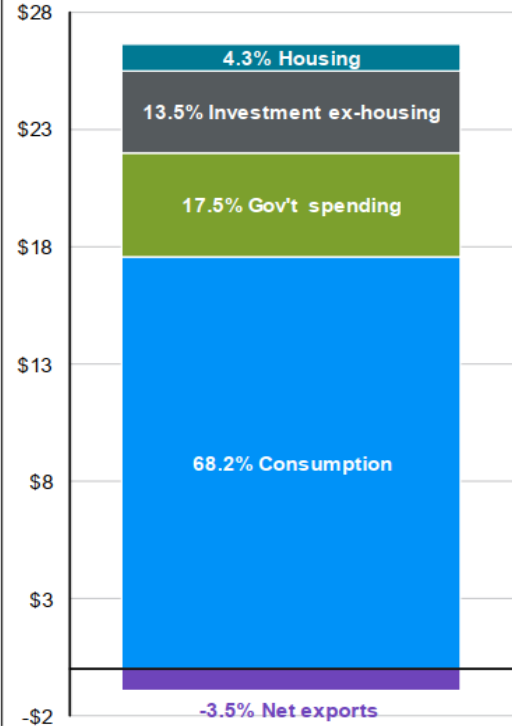
Real GDP

Billions of chained (2012) dollars, seasonally adjusted at annual rates



Components of GDP

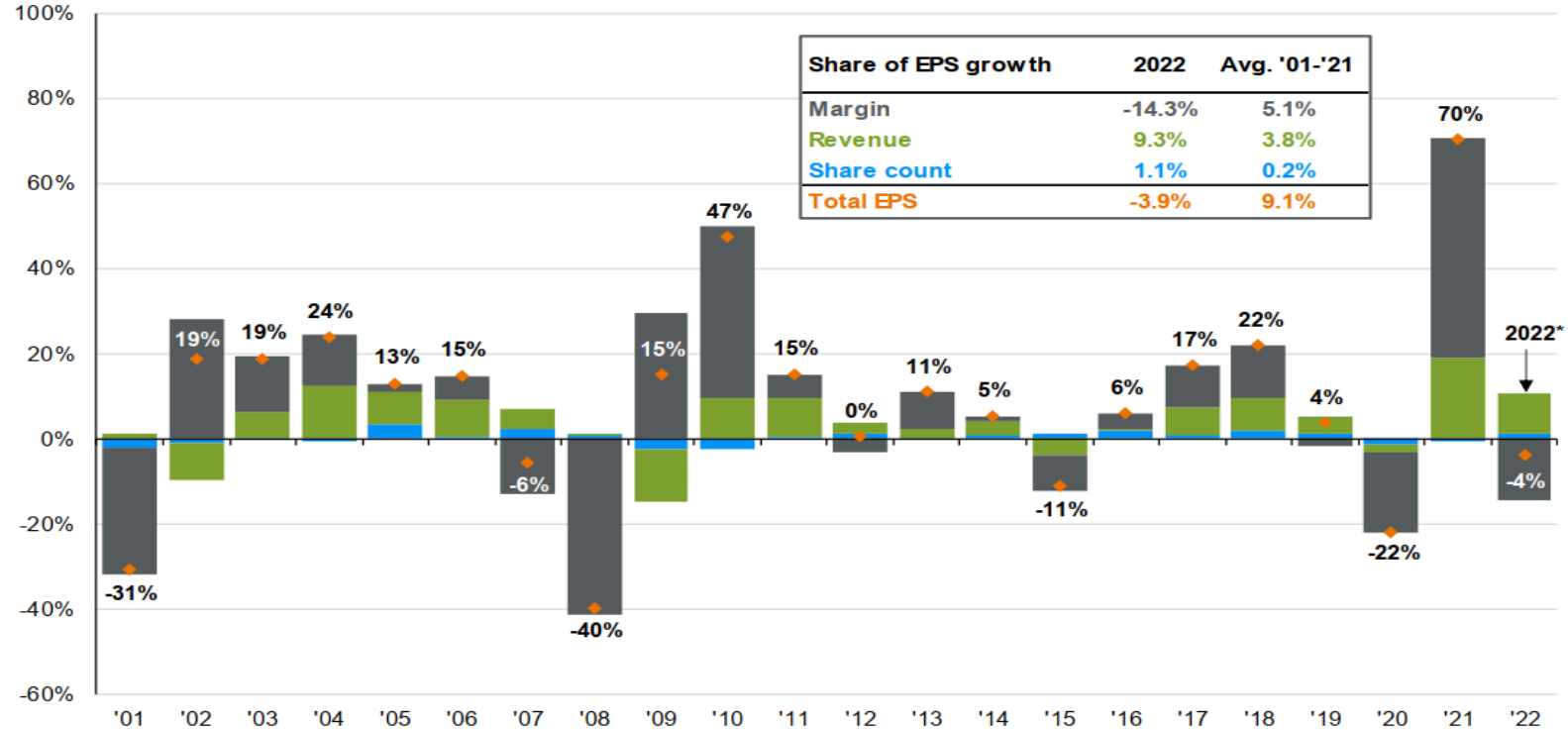
3Q22 nominal GDP, USD trillions



Corporate Earnings Growth

S&P 500 year-over-year operating EPS growth

Annual growth broken into revenue, changes in profit margin & changes in share count



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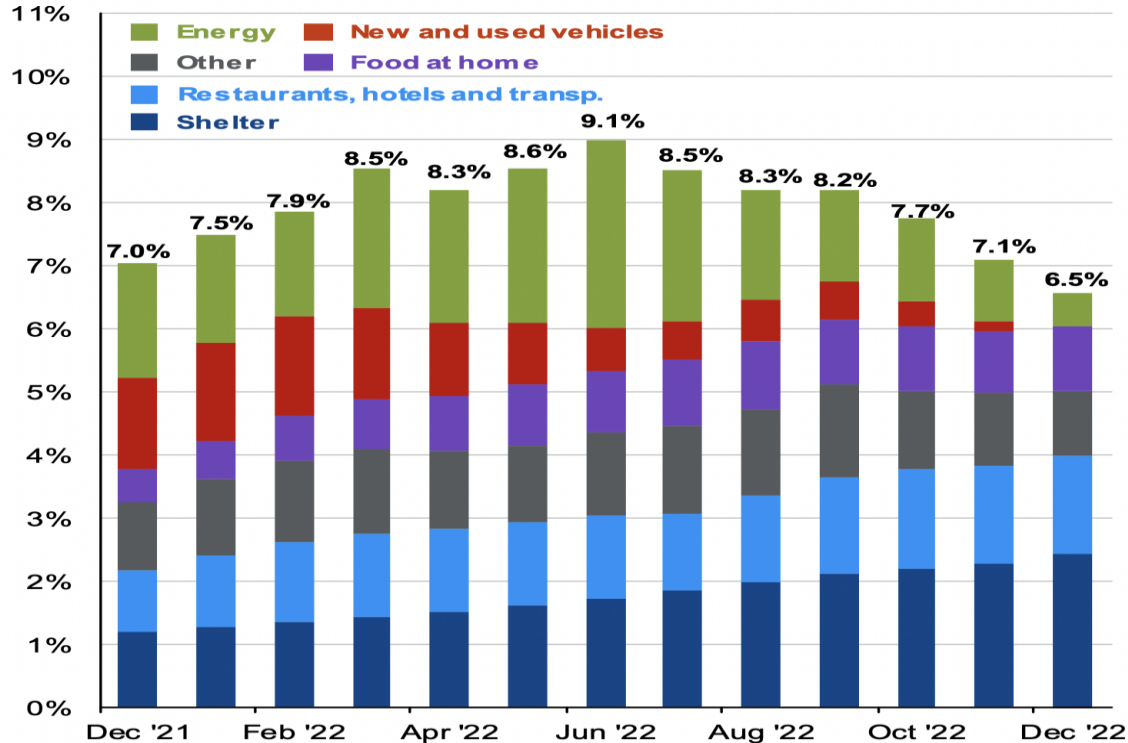
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Drivers of Inflation

Contributors to headline inflation

Contribution to y/y % change in CPI, not seasonally adjusted

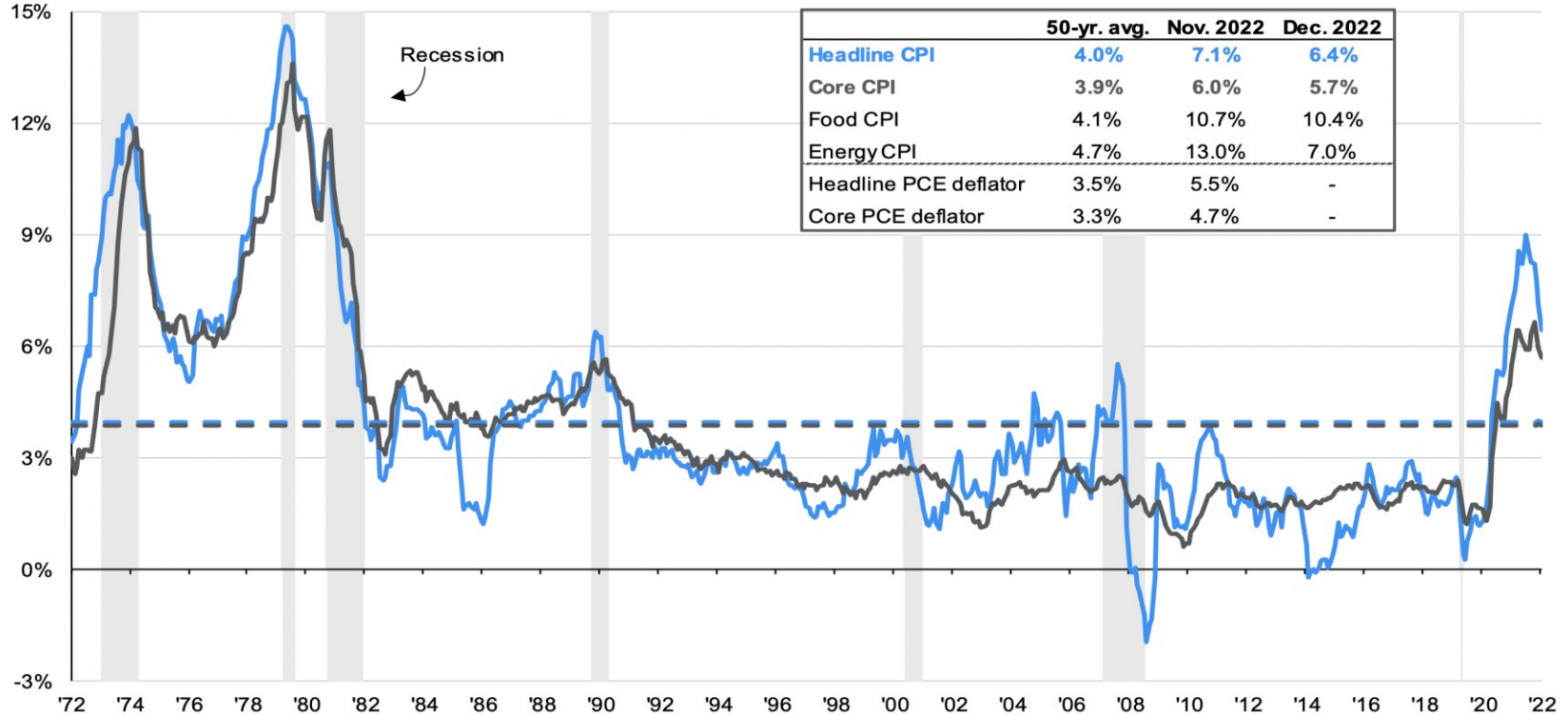


Source: Bureau of Labor Statistics, FactSet, Federal Reserve Bank of Philadelphia, University of Michigan, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owner's equivalent rent and rent of primary residence. "Other" primarily reflects household furnishings, apparel, education and communication services, medical care services and other personal services. *Reflects the latest daily 5yr/5yr breakevens, preliminary or final Consumer Sentiment survey, and the quarterly Survey of Professional Forecasters interpolated to a monthly series. The Survey of Professional Forecasters reflects the median estimate by professional forecasters of average CPI inflation over the next 5 years. The series has been adjusted by J.P. Morgan Asset Management to exclude realized inflation readings within the forecast window.

Inflation - The Last 50 Years

CPI and core CPI

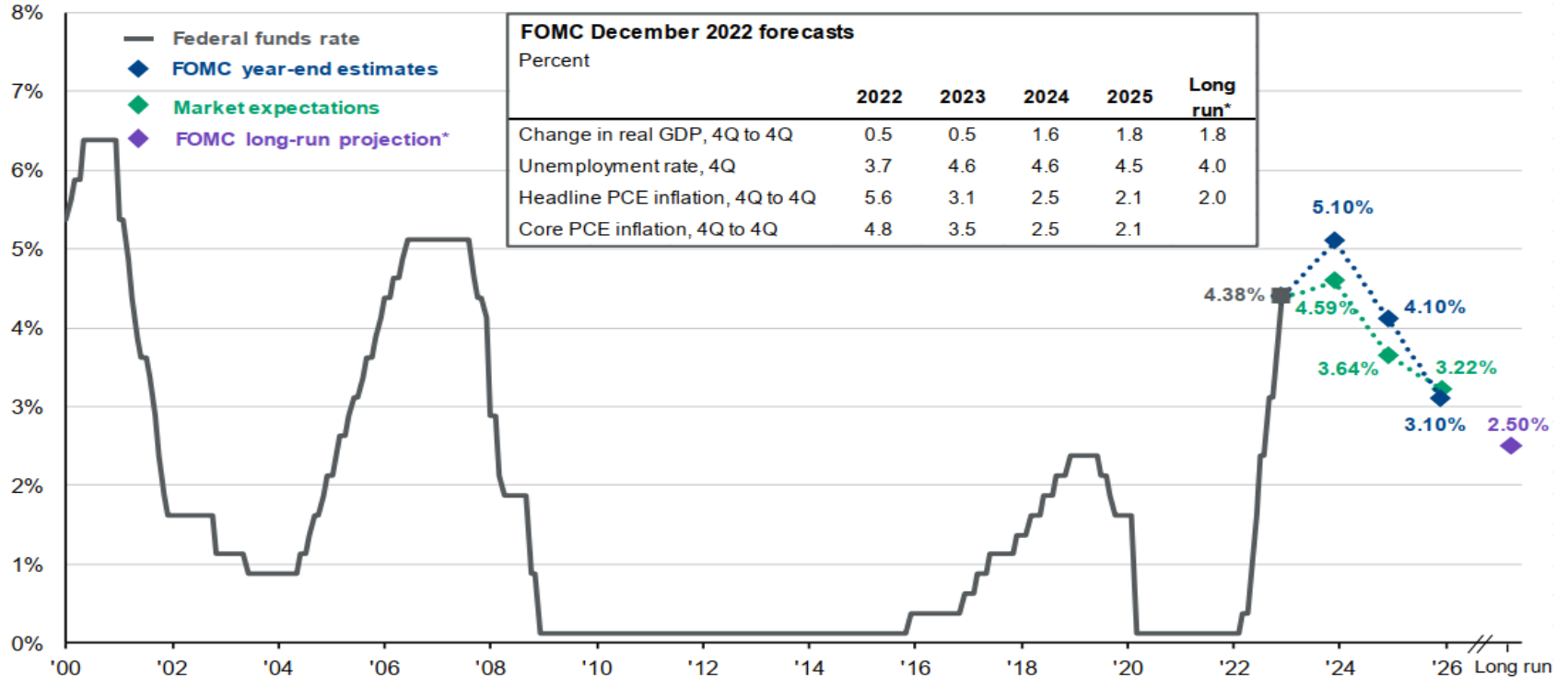
% change vs. prior year, seasonally adjusted



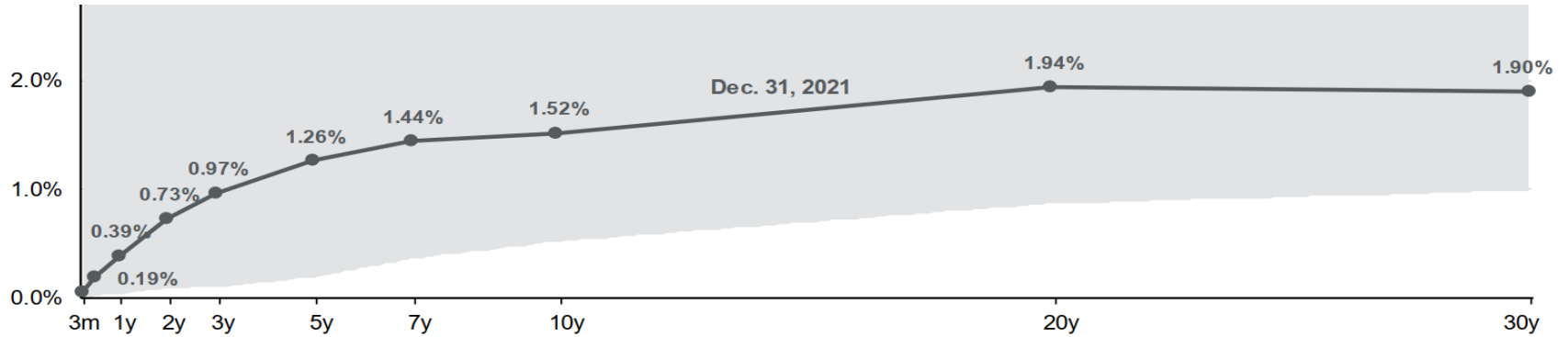
The Fed and Interest Rates

Federal funds rate expectations

FOMC and market expectations for the federal funds rate



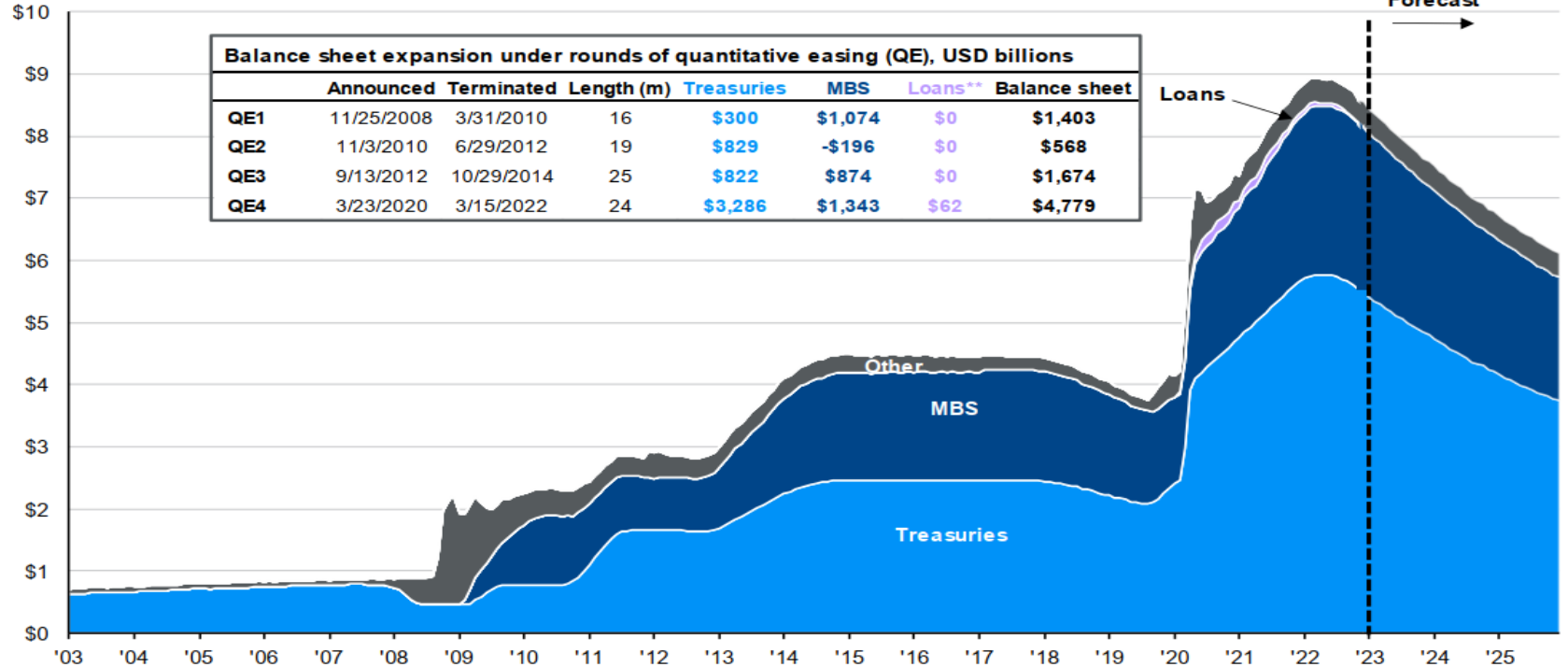
US Treasury Yield Curve



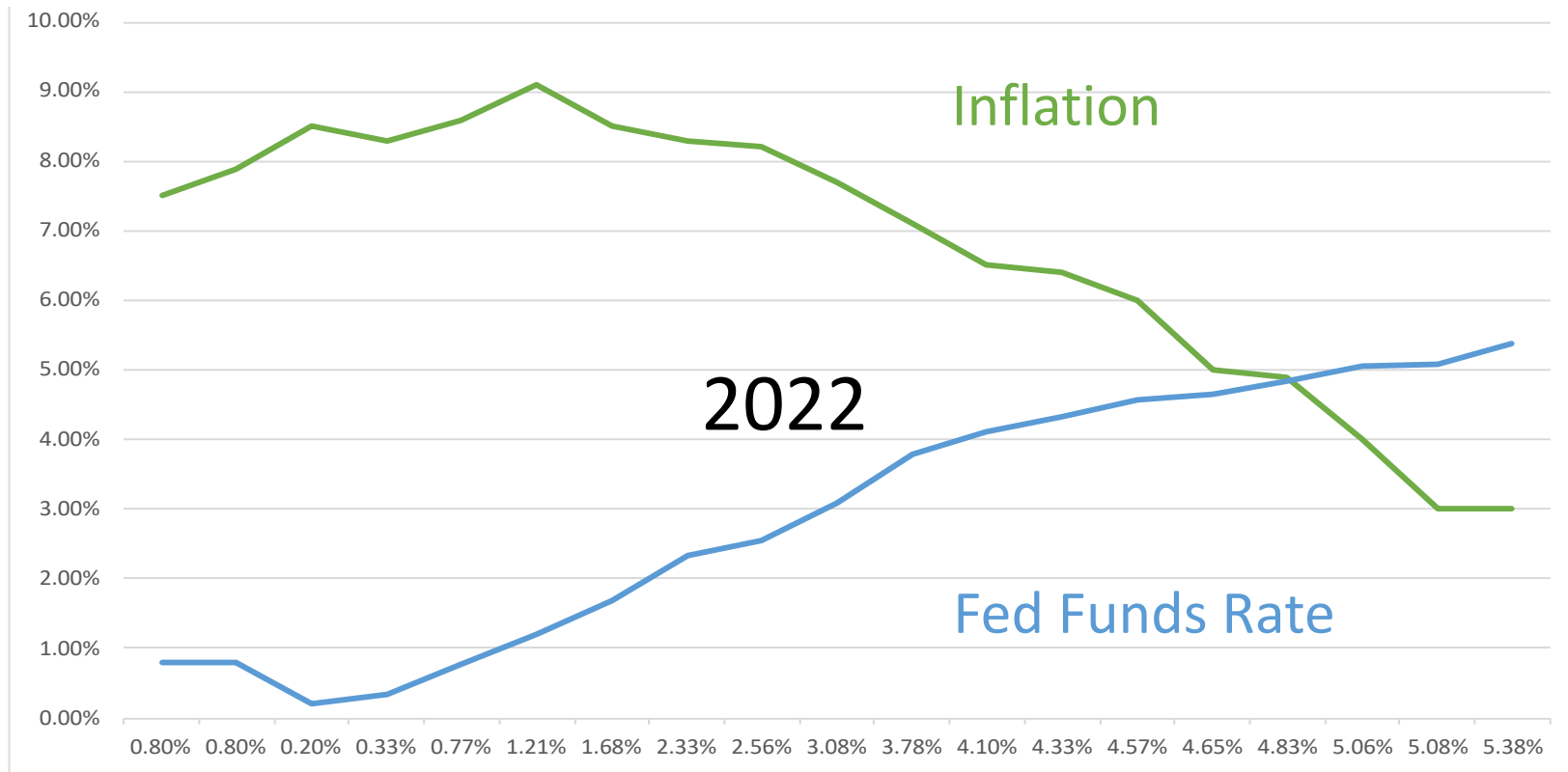
The Fed's Balance Sheet

The Federal Reserve balance sheet

USD trillions

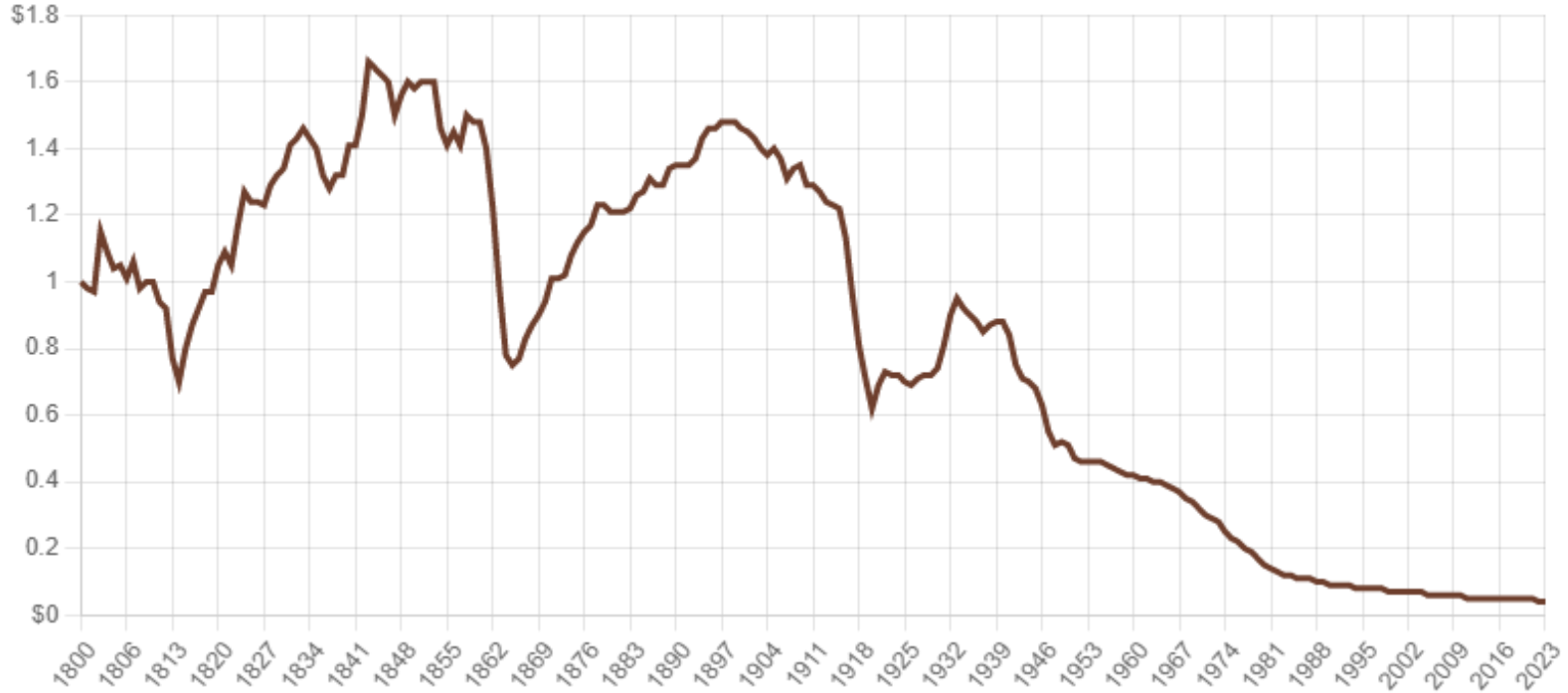


Inflation and Interest Rates



Buying Power of \$1 USD

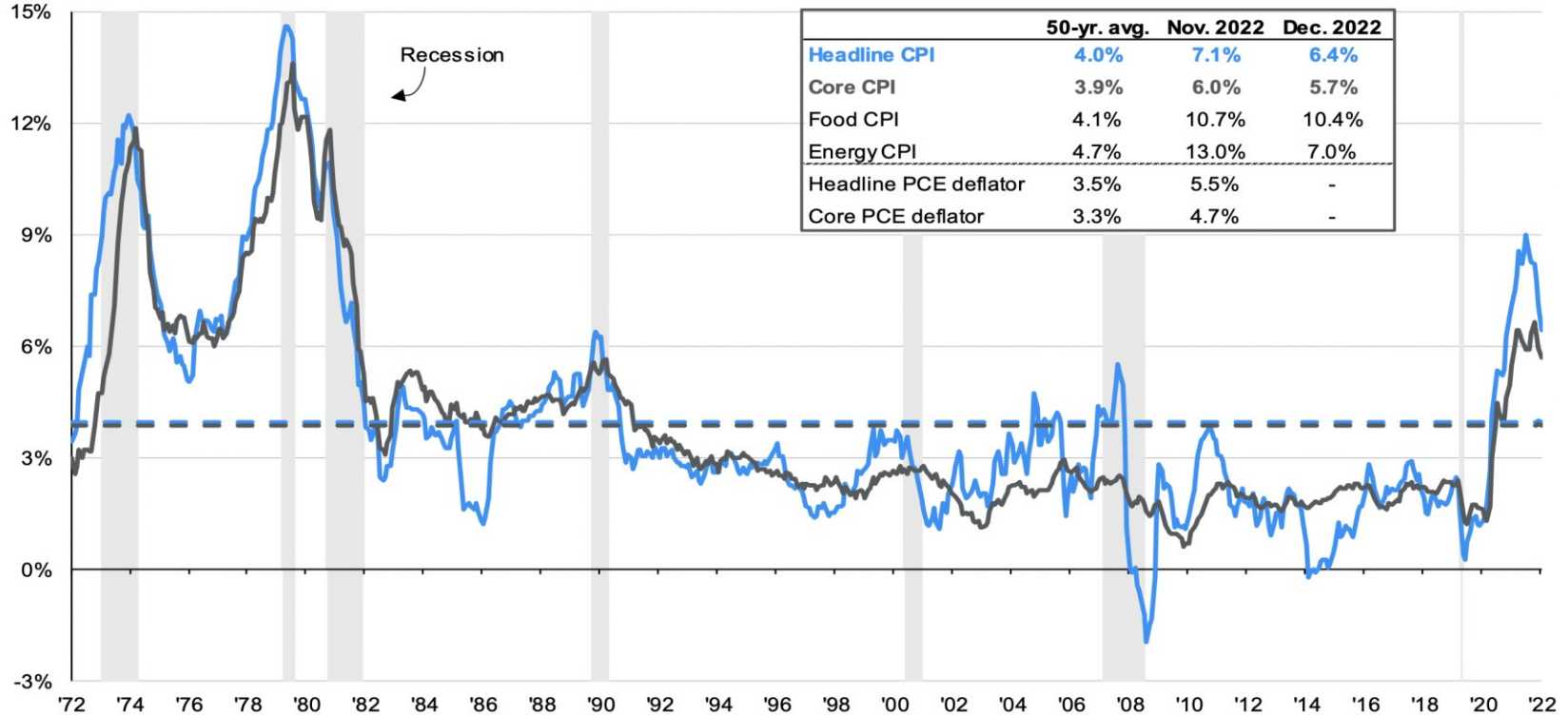
Buying power of \$1 over time, 1800-2023



Inflation - The Last 50 Years

CPI and core CPI

% change vs. prior year, seasonally adjusted



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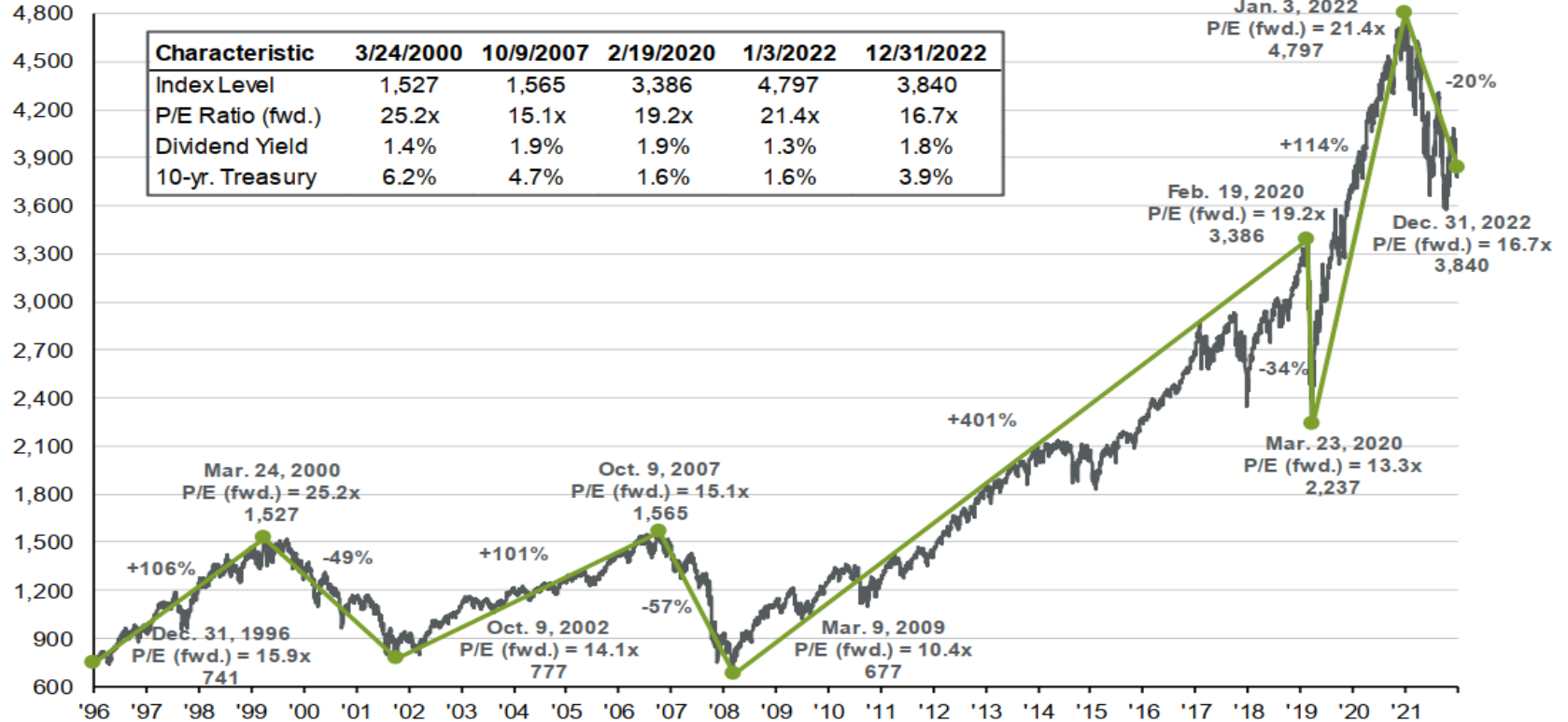
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S&P 500 At Inflection Points

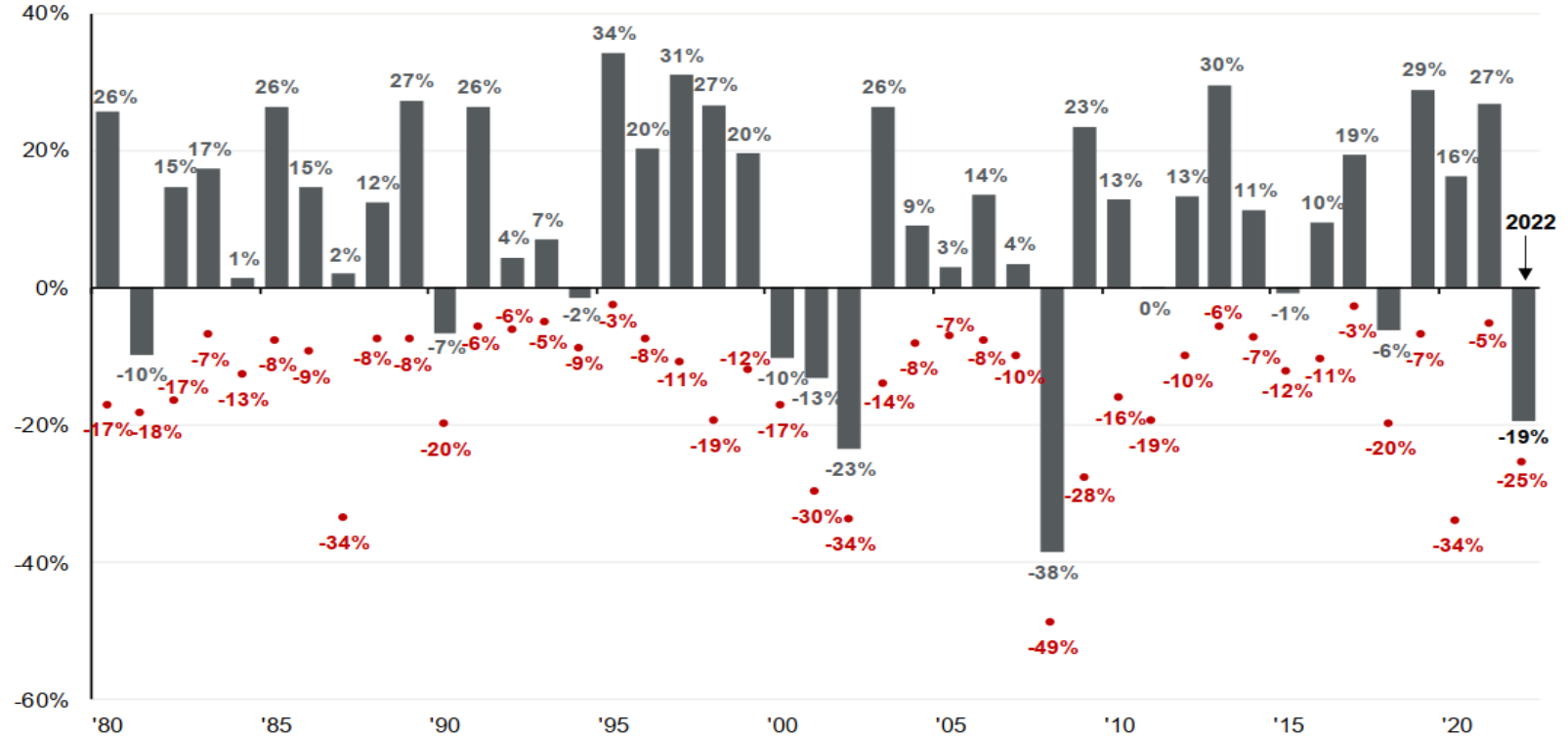
S&P 500 Price Index



Market Volatility

S&P intra-year declines vs. calendar year returns

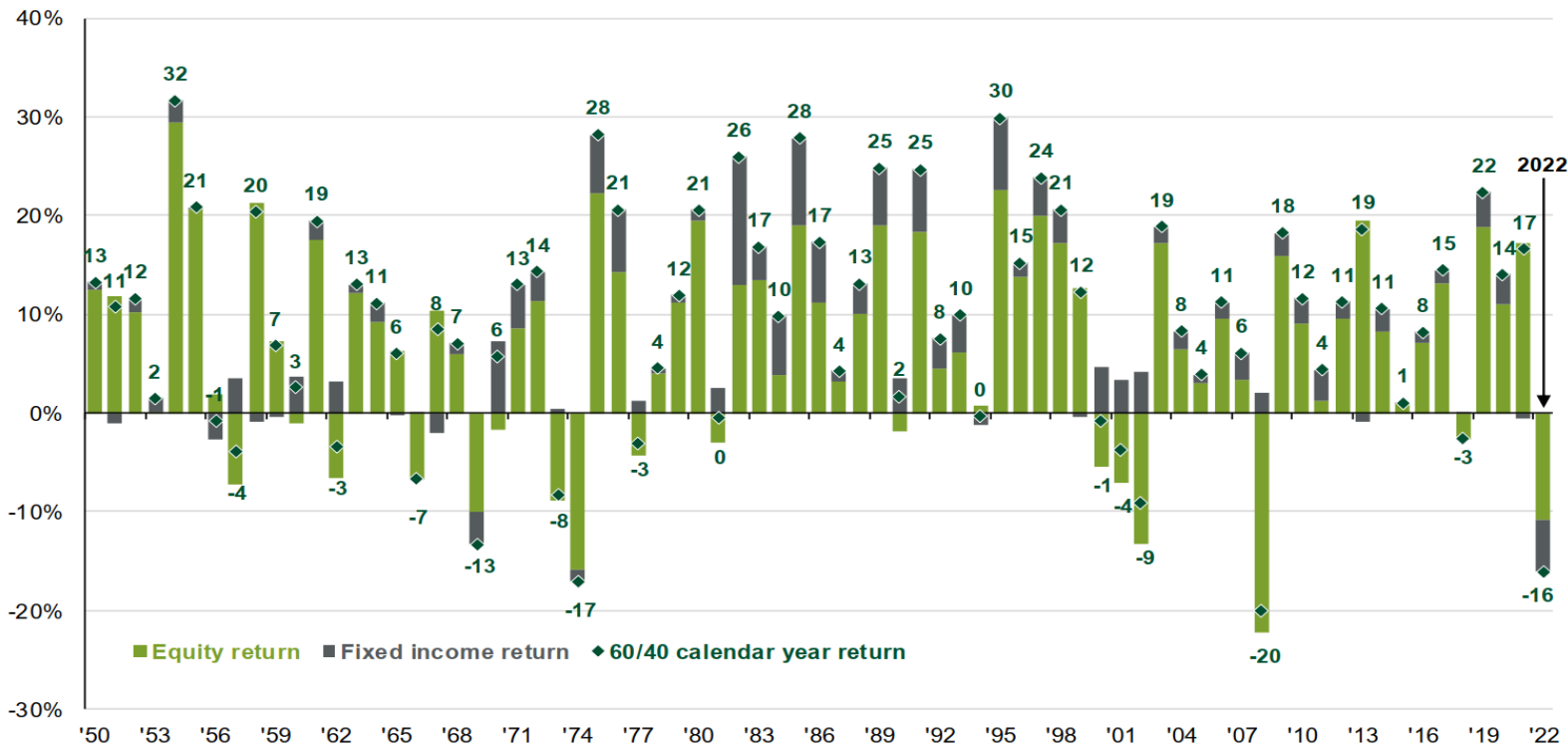
Despite average intra-year drops of 14.0%, annual returns were positive in 32 of 42 years



60/40 Annual Returns

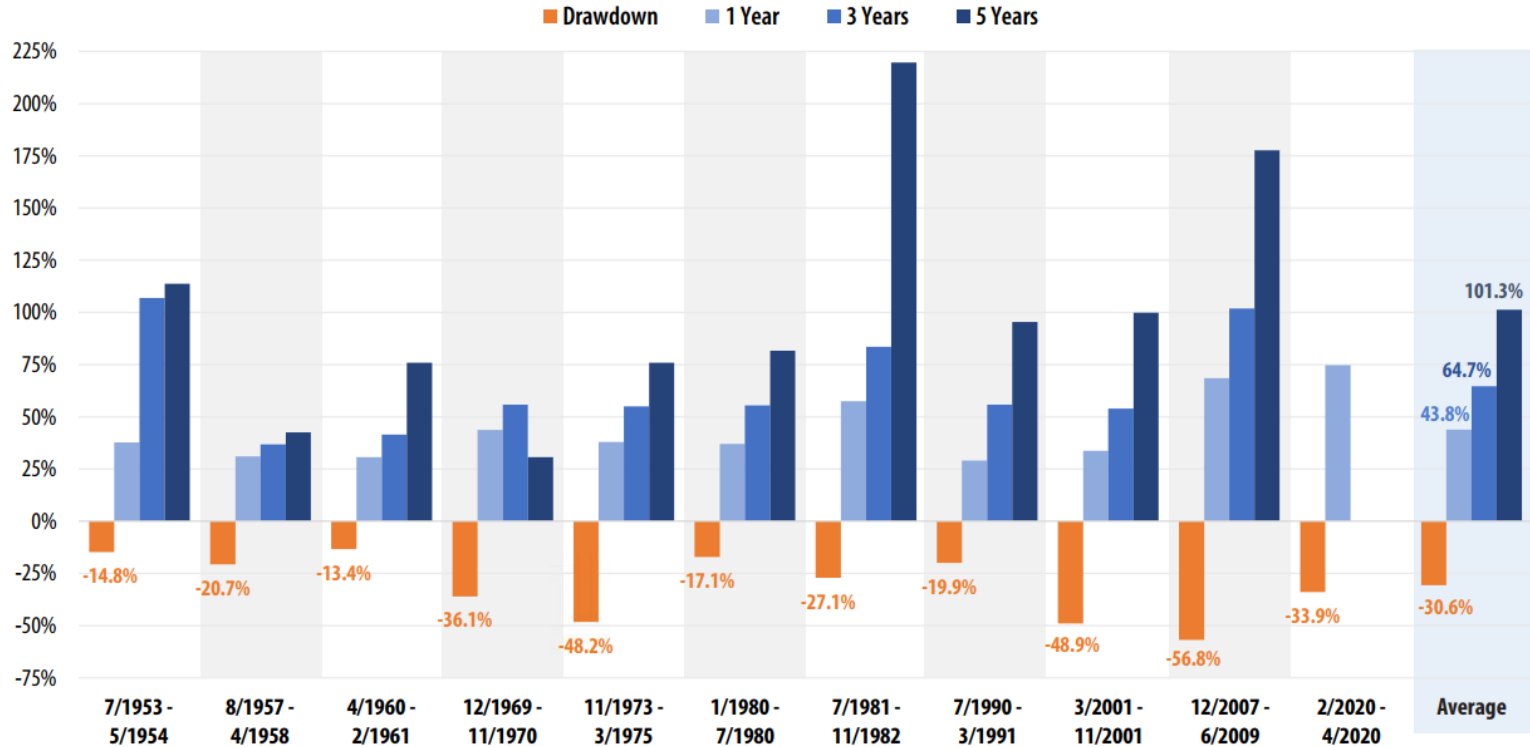
60/40 annual return decomposition

Total returns, 1950 – present

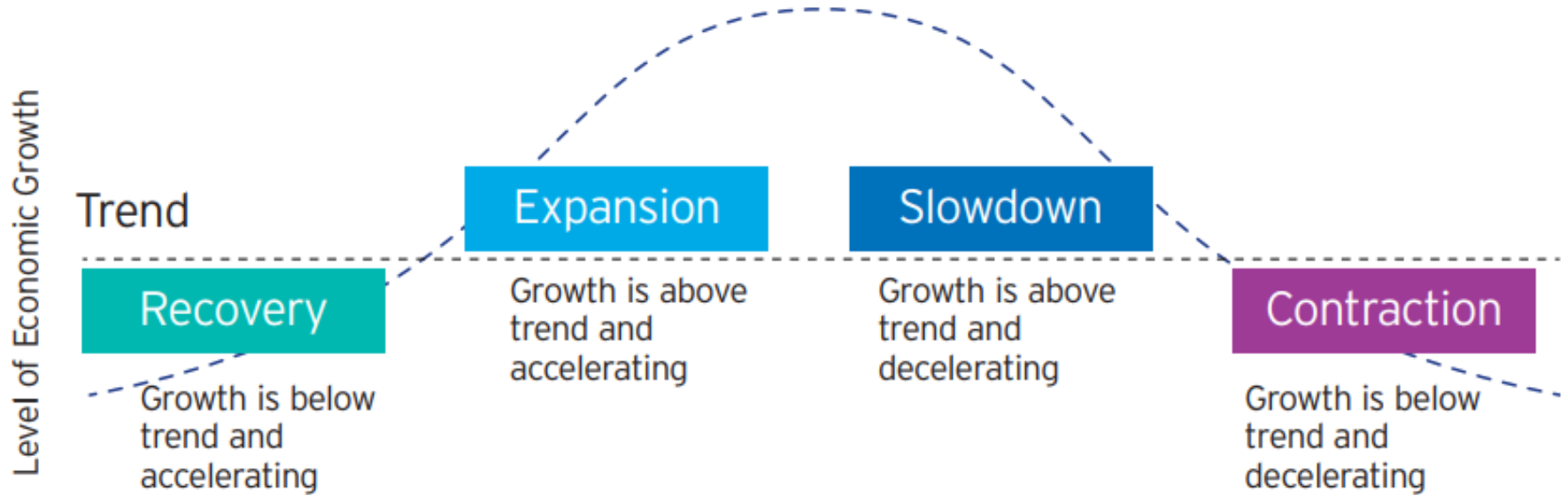


Bear Markets and Recoveries

S&P 500 INDEX: RECESSION DRAWDOWNS AND PRICE RETURNS FOR SUBSEQUENT YEARS



Stages of the Economic Cycle



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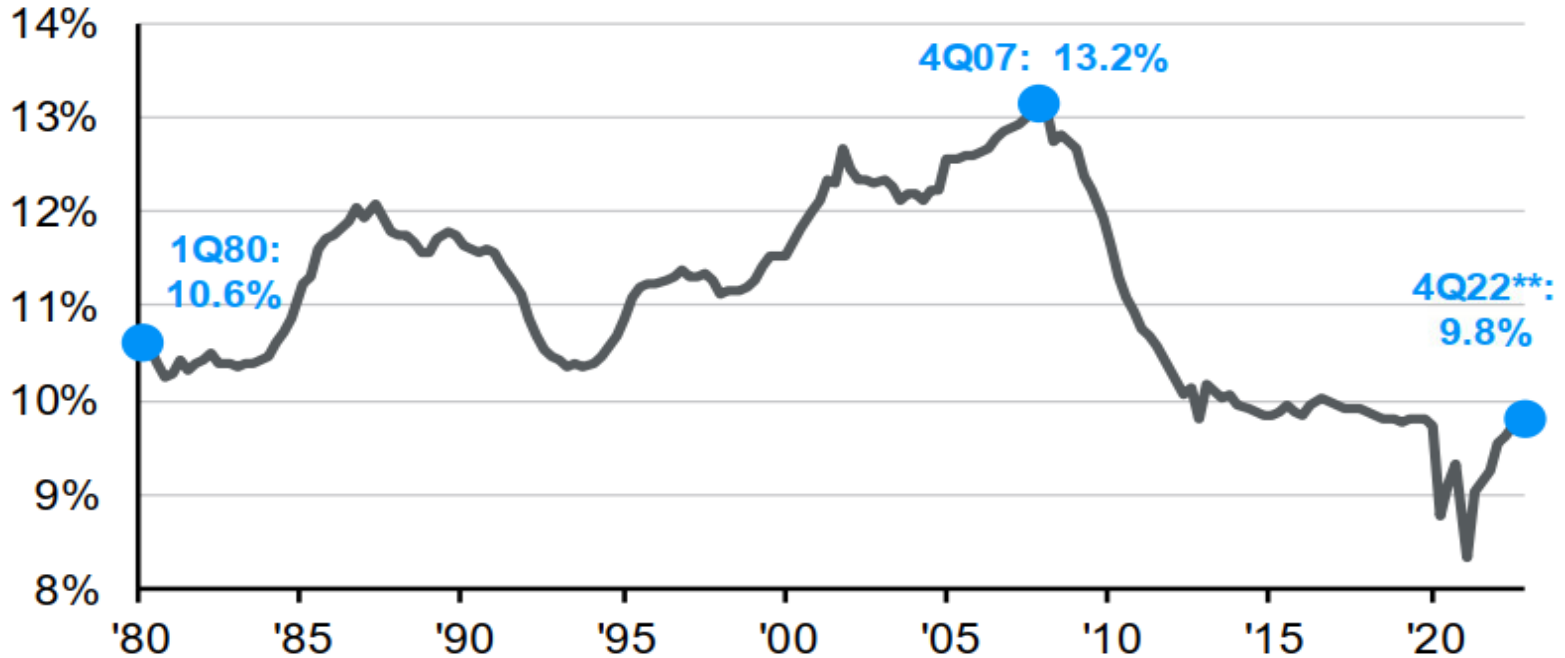
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Household Debt Service Ratio

Household debt service ratio

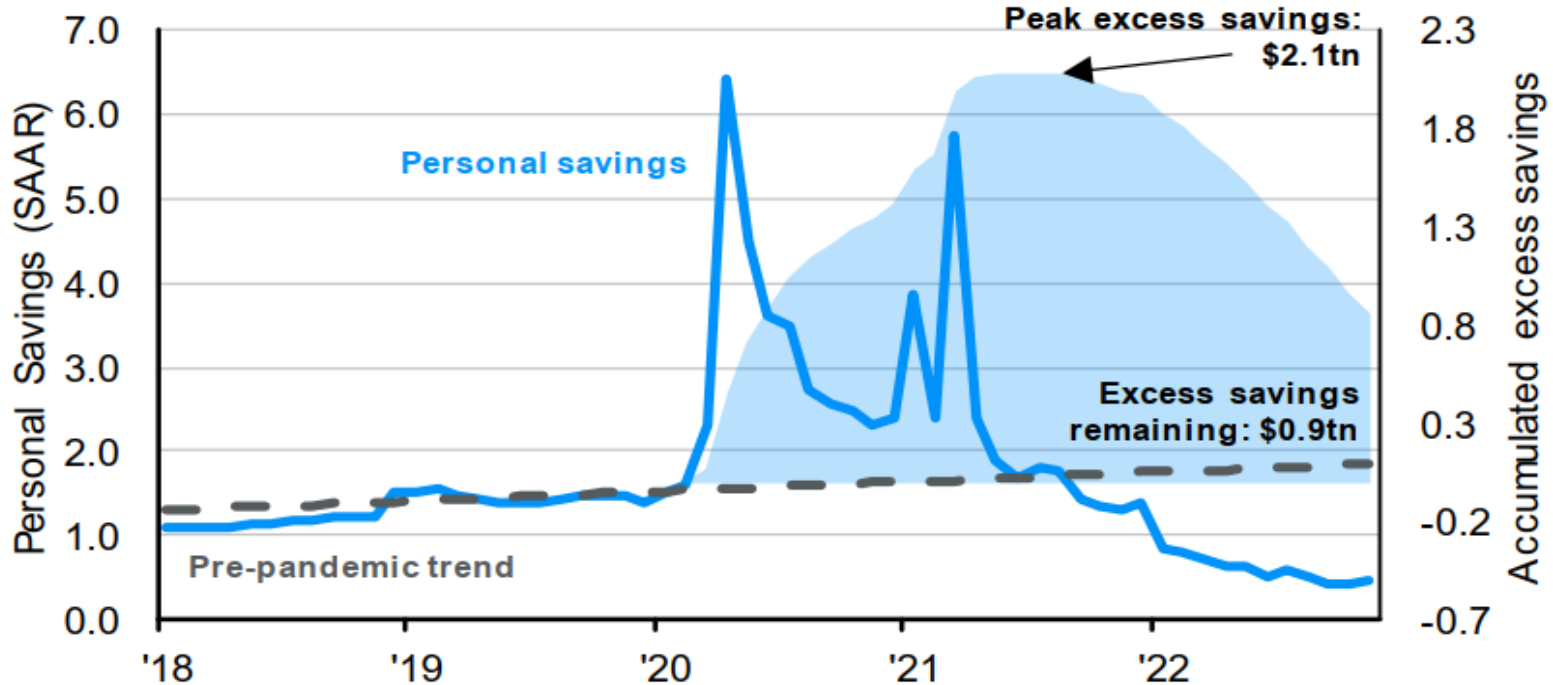
Debt payments as % of disposable personal income, SA



Excess Personal Savings

Household excess savings

Trillions of USD



5 Year History of the US Dollar



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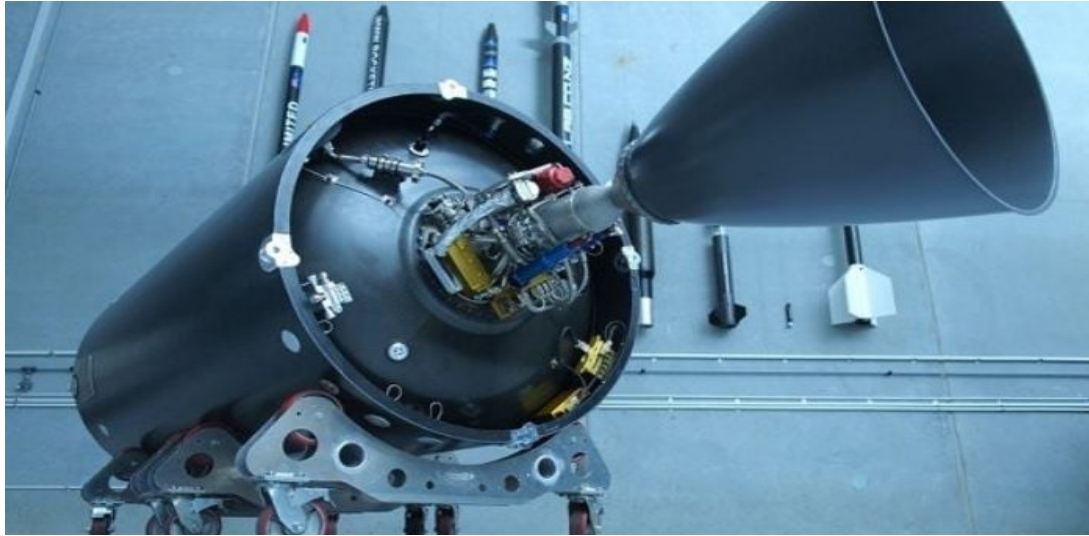
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Space Tourism



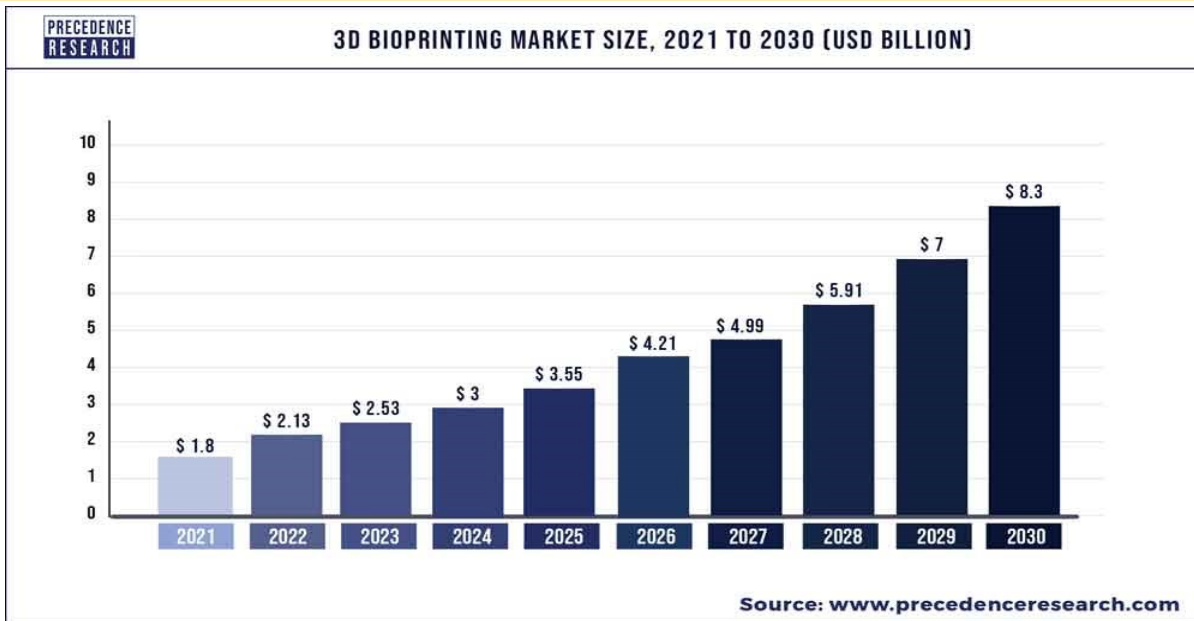
- The global Space Tourism Market is set to surpass \$3.62B by 2028, showing a CAGR of 37.1% during the forecast period 2022-2030
- Revenue forecast in 2030 is estimated to be \$8.67B
- Reusable rockets have cut the cost of space travel dramatically
 - \$54,500/kg cost of NASA space shuttles (pre-RR)
 - \$2,720/kg SpaceX's Falcon 9 (2010)
 - \$1,410/kg SpaceX's Falcon Heavy (2018)

3D Printed Rocket Engines



- 3D printing of rocket engines has been made possible by huge developments in 3D printing technology.
- It's more efficient to 3D print rocket engines than through traditional means.
- Government entities are giving grants to 3D printing companies to further develop the technology.

3D Bioprinting



- The global 3D bioprinting market accounted for \$2.13B USD in 2021 and is expected to grow to \$8.3B by 2030.
- Poised to grow at a compound annual growth rate (CAGR) of 18.51% during the 2022-2030 period.

In Summary

- 2023 is likely to be a difficult year for the stock market, but the bond market is expected to rebound.
- Risk management strategies have served us well.
- The Fed tightening cycle should end this year, leading to brighter days ahead.

In Summary

- Personal and corporate debt levels remain healthy.
- Public company cost cutting will lead to rising profits next year.
- There may be better entry points to acquire more stock later in the year.
- Our focus: high quality investments, proper diversification, and a disciplined process.

Closing Message

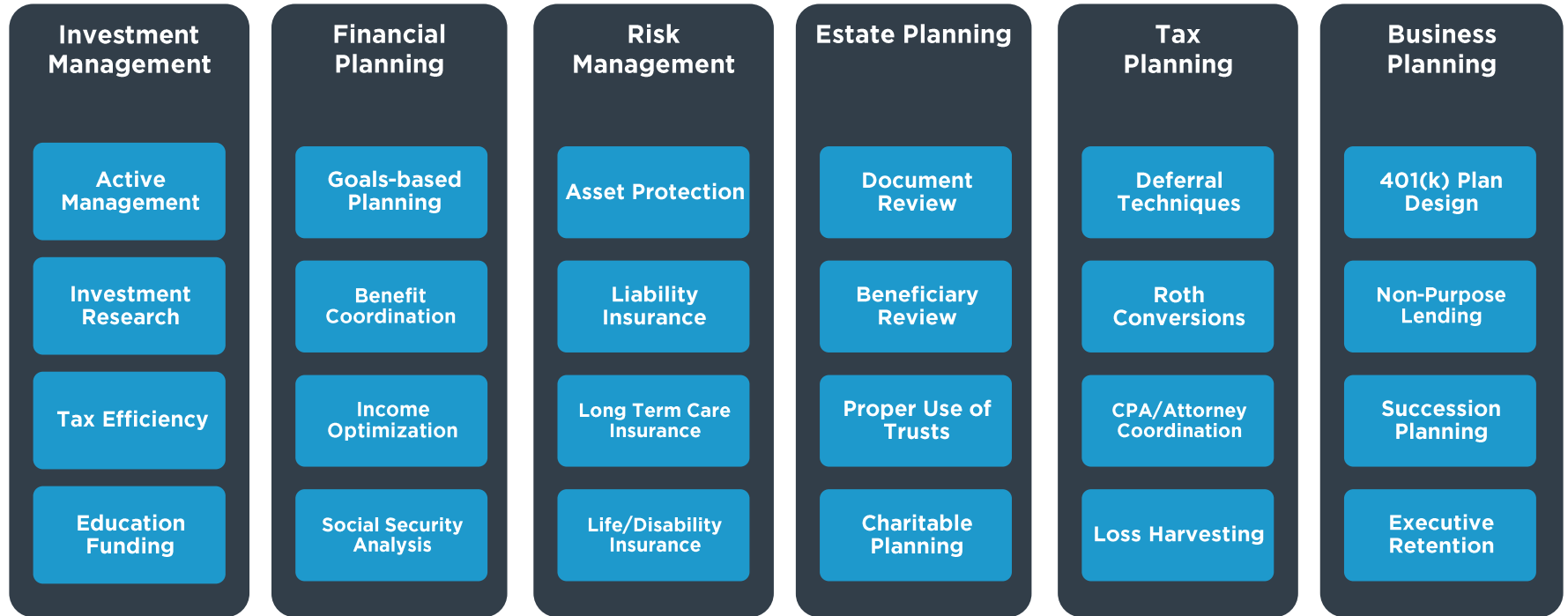
USA

Battered, but never broken.

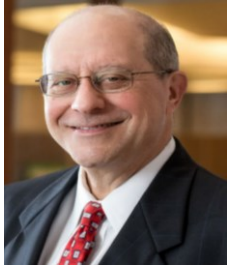


Still the envy of the world!

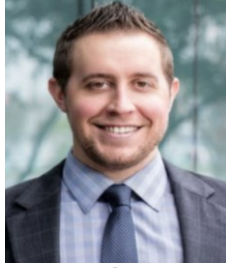
Aspect Wealth Management



Our Team!



**Michael
Clark****
CIMA®, CRC®



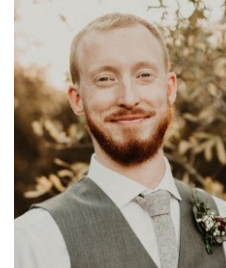
**Zachary
Clark****
CFP®



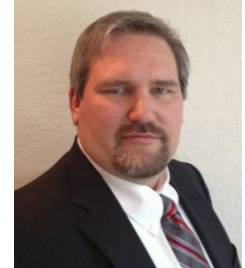
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Advisor



Chip Tencza
Operations
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**Jacqueline
Clark**
Event
Coordinator



**Ghilda
Rodriguez**
Office
Administrator



**Kima
Lewis**
Office
Administrator



**Evita
Hernandez**
Client Services



**Jalisa
Murphy**
Client Services



**Micah
Wakefield**
Portfolio
Consultant

Thank You!

