



EQUITIES MARKETS HAVE HAD THEIR WORST YEARLY START SINCE 1934

US COMPANIES HAVE ANNOUNCED OVER \$400 BILLION IN SHARE BUYBACKS. BERKSHIRE HATHAWAY SPEND'S \$51.1 BILLION BUYING EQUITIES IN Q1, 2022.

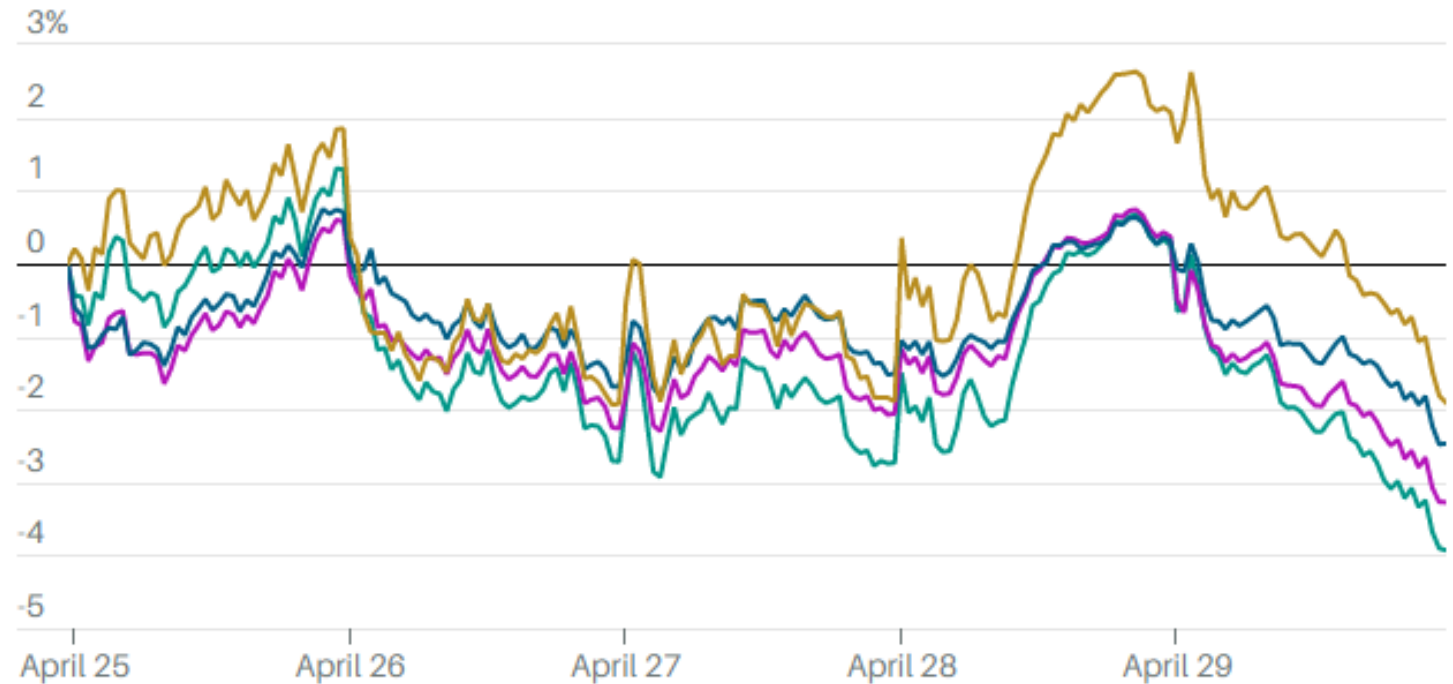


IT HAS BEEN THE
WORST FIRST
QUARTER OF THE
YEAR FOR EQUITIES
SINCE 1934

Equities Have Had A Poor Start To 2022

Market Performance

■ iShares Expanded Tech-Software Sector ETF ■ Dow industrials
■ S&P 500 ■ Nasdaq Composite



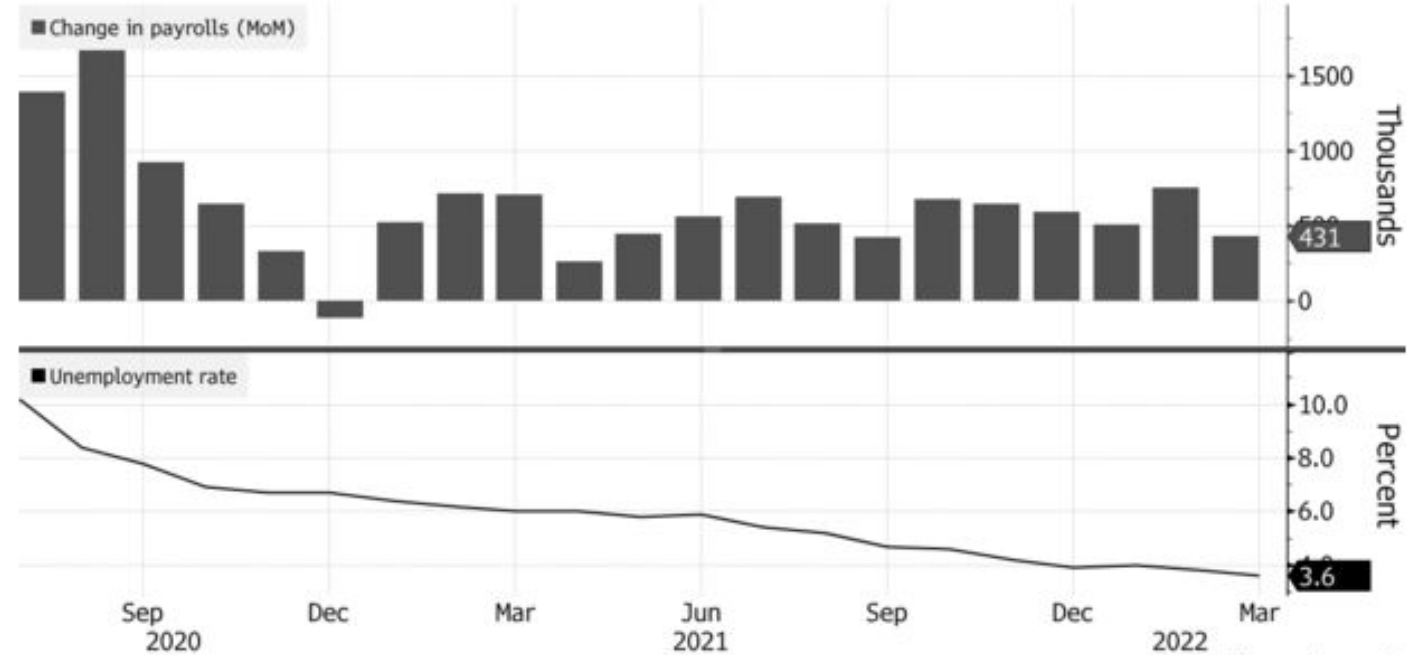
Source: FactSet

US JOB GROWTH
PROBABLY
REMAINED SOLID
IN APRIL 2022

Unemployment Is Low

Steady as She Goes

U.S. job growth probably remained solid in April, while unemployment stayed low



Source: Bureau of Labor Statistics

Bloomberg

Current Fed Dot Plot

THE US FEDERAL RESERVE USES THE DOT PLOT TO SIGNAL ITS OUTLOOK FOR INTEREST RATES. RATES WILL INCREASE AGAIN IN MAY 2022



- ✓ The Fed's Dot Plot Indicates interest rate increases are very likely in the short term over 2022.

SUPPLY CHAIN
ISSUES AND
CONSUMER
DEMAND HAVE
MADE THE
CONSUMER PRICE
INDEX JUMP

Shanghai Lockdowns Are Affecting Supply Chains

Inflation has exploded during the pandemic

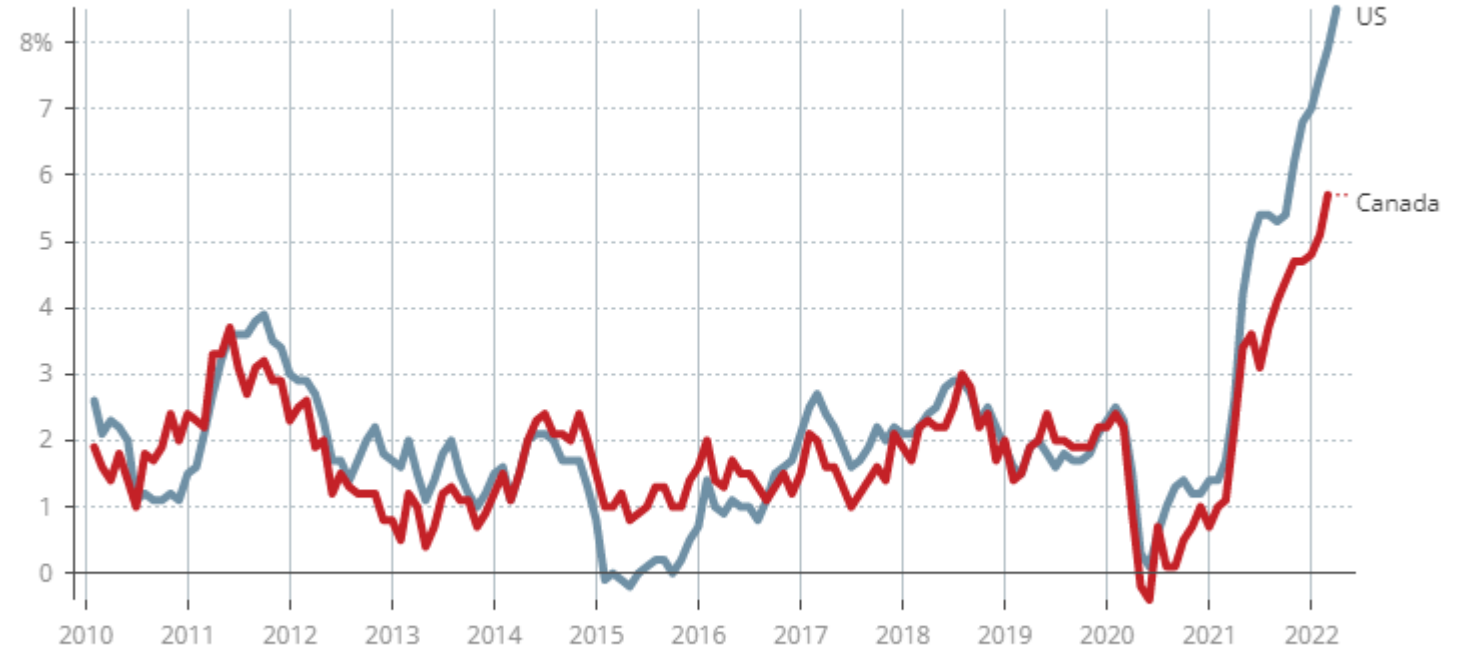
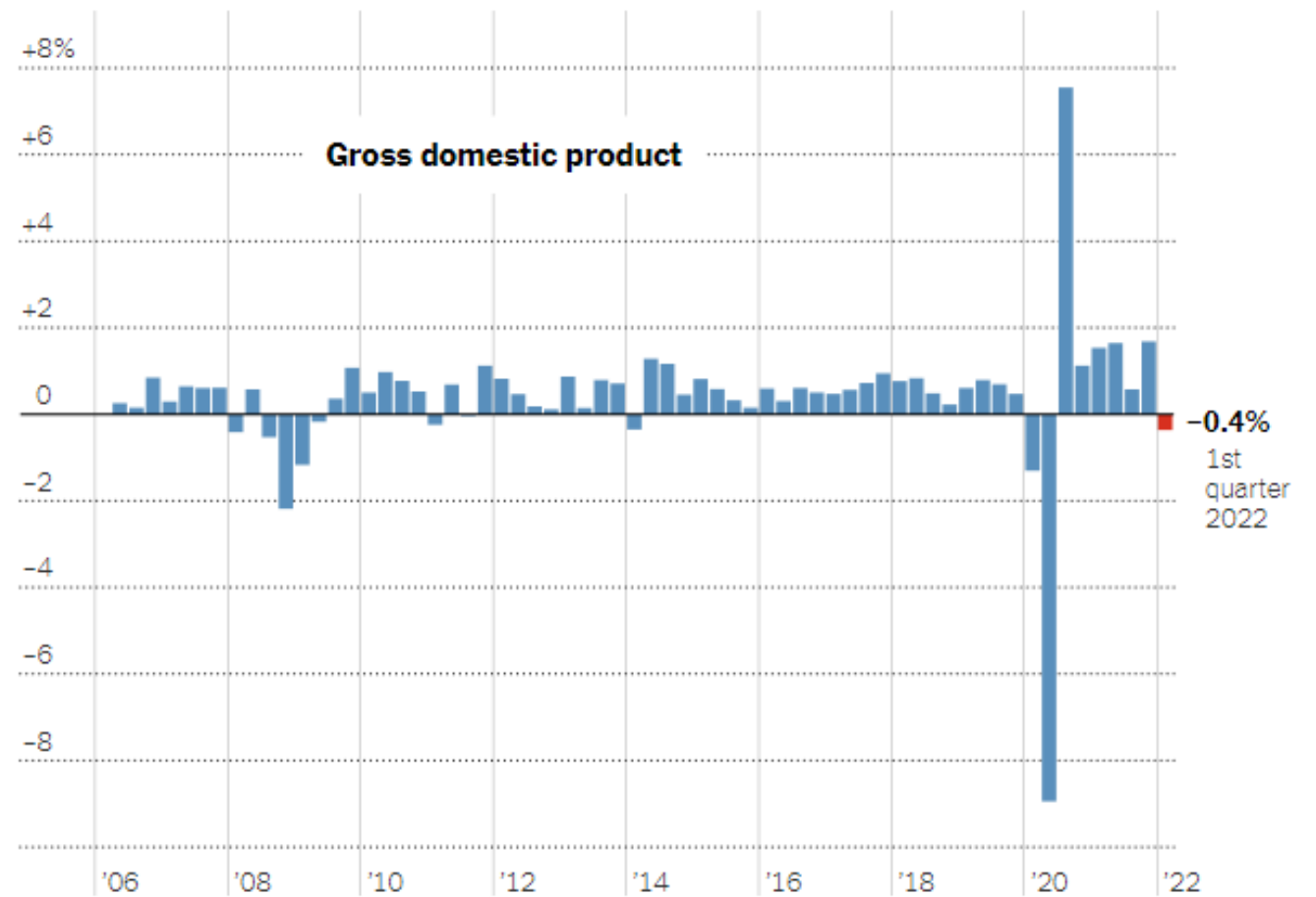


Chart: Pete Evans/CBC • Source: [U.S. Department of Labour](#)

CBC News

THE US ECONOMY
SHRANK IN Q1,
2022 BUT
UNDERLYING
MEASURES WERE
SOLID SUCH AS
CONSUMER
SPENDING



Quarterly changes in real gross domestic product • Source: Bureau of Economic Analysis • By The New York Times

SHARE BUYBACK
ANNOUNCEMENTS.
BERKSHIRE'S
ANNOUNCED
STOCK PURCHASE
WILL SHRINK CASH
TO \$106 BILLION.

- ✓ **Alphabet authorized \$70 billion** (2022) in share repurchases, a major step up from last year's authorization of \$50 billion and the authorization of \$25 billion in 2019
- ✓ **Apple extends share buyback by \$90 billion** and is raising its dividend 5% which was announced in Q1, 2022
- ✓ **Elon Musk to buy Twitter for \$44 billion.** Exxon triples share buyback to **\$30 billion** through end of 2023. Chevron said it repurchased a record **\$10 billion** of stock before the end of 2022. Facebook (Meta) announced \$50 billion in Q4, 2021. Cisco Systems announced \$15 billion buyback.
- ✓ **After complaining for years that high valuation were thwarting his stock-buying efforts, Berkshire Hathaway Inc. is back hoovering up other companies' shares. Berkshire Hathaway Inc. hasn't been this significant of a net buyer of common stocks in any quarter in data going back to 2008.**



US LISTED ETFS
HAD INFLOWS OF
\$900 BILLION IN
2021. US
COMPANIES HAVE
ALREADY
ANNOUNCED
OVER \$400
BILLION IN
BUYBACKS Q1,
2022

Net Flows (\$M)	2020 Net Flows (\$M)	2021 Net Flows (\$M)	Change (\$M)	Change (%)
U.S. Equity	165,377.22	461,921.12	296,543.90	179.31%
International Equity	72,407.92	210,700.74	138,292.82	190.99%
U.S. Fixed Income	186,387.38	175,287.83	-11,099.55	-5.96%
International Fixed Income	25,515.58	34,402.36	8,886.78	34.83%
Commodities	40,016.74	-4,207.33	-44,224.07	-110.51%
Currency	562.29	1,760.53	1,198.24	213.10%
Leveraged	394.29	5,414.20	5,019.91	1273.15%
Inverse	13,510.84	5,571.92	-7,938.92	-58.76%
Asset Allocation	2,911.88	6,023.95	3,112.07	106.87%
Alternatives	359.55	3,140.46	2,780.91	773.44%
Total	507,443.68	900,015.77	392,572.09	77.36%

S&P 500 Q4, 2021
BUYBACKS WERE
\$270.1 BILLION,
UP 15.1% FROM
THE RECORD SET
IN Q3, 2021

"Companies **continued their record-breaking buybacks in Q4 2021 and accelerated their expenditures** prior to the year-end ahead of any expected policy changes in 2022," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices. "The record expenditures led to one out of seven companies in the S&P 500 increasing their earnings-per-share by at least 4% thanks to their newly lowered share count, up from the one-in-thirteen in Q3 2021. While the EPS uplift remained well below the one in four rate of 2019, the direction is clear, with declared new programs setting the stage for increased buying in 2022."

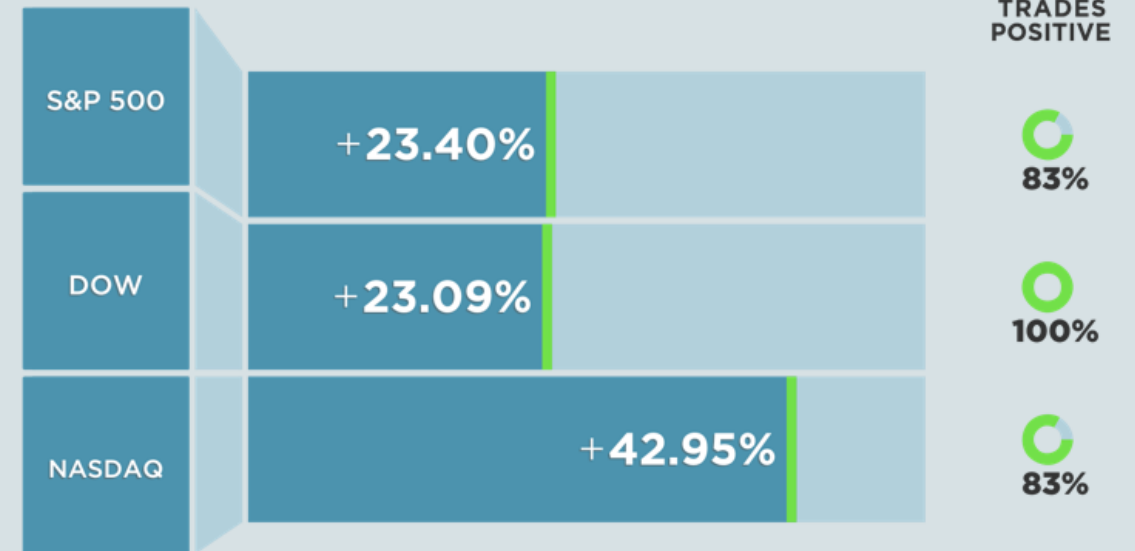
WHAT HAPPENS
DURING PERIODS
OF INCREASING
INTEREST RATES?
THERE WAS AN
AVERAGE POSITIVE
RETURN 6 TIMES
SINCE 1988

KENSHO
STATS BOX

Major periods of rising rates Average return | 6 times since 1988

BOUGHT
START
OF EVENT

SOLD
END
OF EVENT



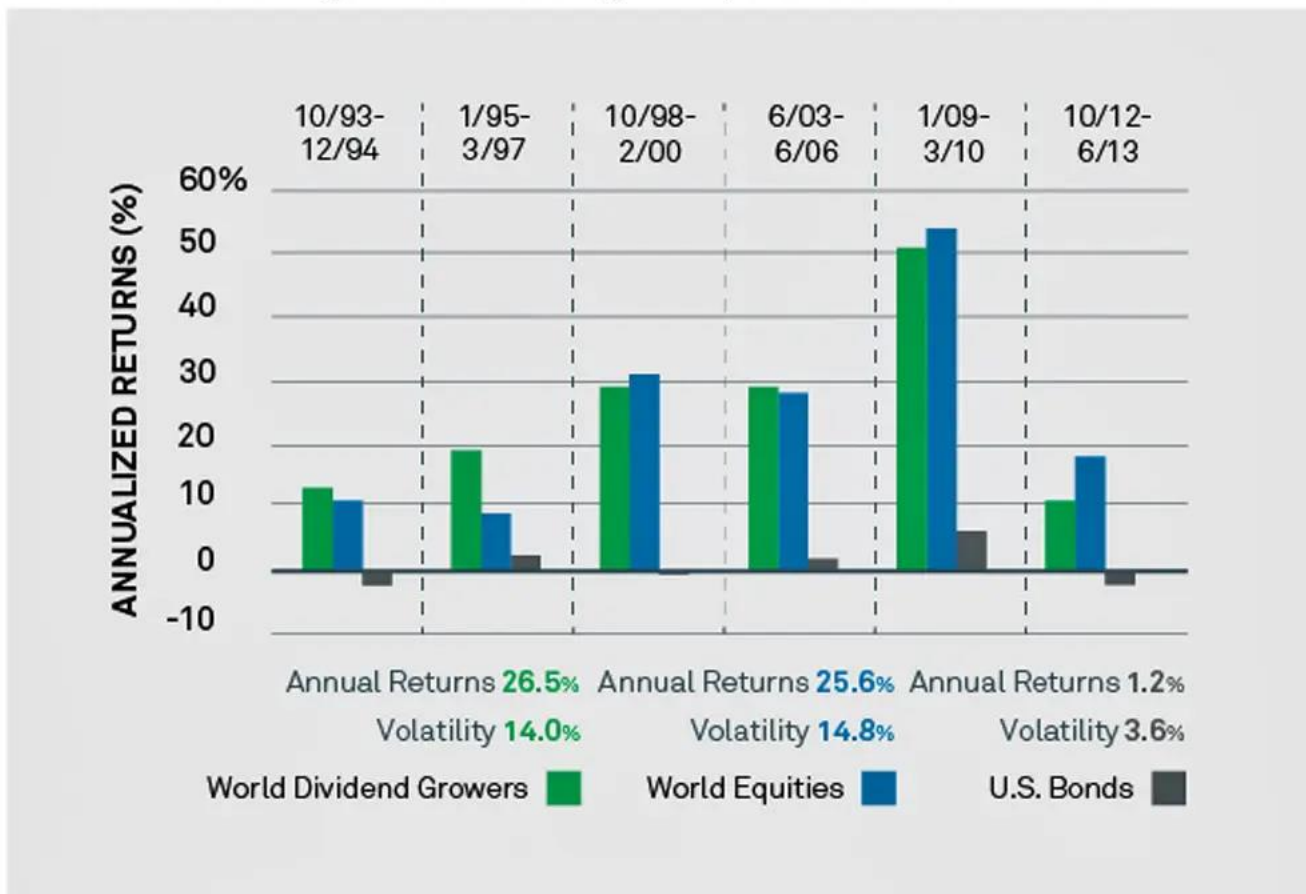
Study conducted on: Feb 8, 2018

CNBC

STOCKS ACTUALLY
OFFER
PROTECTION
DURING PERIODS
OF RISING
INTEREST RATES
(BLACKROCK)

STOCKS SEEK TO OFFER PROTECTION AMID RISING RATES

Performance During Periods of Rising Rates, October 1993–June 2013



Sources: Societe Generale, BlackRock, as of 6/30/13. World Dividend Growers represented by top quintile of dividend growers by five-year dividend growth across FTSE World Index; World Equities represented by entire FTSE World Index; U.S. Bonds represented by Barclays U.S. Aggregate Index. Volatility is measured by standard deviation. Past performance is no guarantee of future results. It is not possible to invest directly in an index. Index is shown for illustrative purposes only.

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