



**OAK STREET**  
INVESTMENTS, LLC

# Q3

Quarterly Market Review  
Third Quarter 2021



# Quarterly Market Review

Third Quarter 2021

This report features world capital market performance and a timeline of events for the past quarter. 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 a quarterly topic.

## Overview:

Market Summary

World Asset Classes

US Stocks

International Developed Stocks

Emerging Markets Stocks







Fixed Income

Impact of Diversification



# Quarterly Market Summary

## Index Returns

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate		US Bond Market	Global Bond Market ex US
<b>3Q 2021</b>	<b>STOCKS</b>					<b>BONDS</b>	
	<b>-0.10%</b> 	<b>-0.66%</b> 	<b>-8.09%</b> 	<b>-0.08%</b> 		<b>0.05%</b> 	<b>0.09%</b> 
<b>Since Jan. 2001</b>							
Avg. Quarterly Return	2.4%	1.7%	2.9%	2.5%		1.1%	1.1%
Best Quarter	22.0%	25.9%	34.7%	32.3%		4.6%	4.6%
	<b>2020 Q2</b>	<b>2009 Q2</b>	<b>2009 Q2</b>	<b>2009 Q3</b>		<b>2001 Q3</b>	<b>2008 Q4</b>
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%		-3.4%	-2.7%
	<b>2008 Q4</b>	<b>2020 Q1</b>	<b>2008 Q4</b>	<b>2008 Q4</b>		<b>2021 Q1</b>	<b>2015 Q2</b>

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 div.]), Emerging Markets (MSCI Emerging Markets Index [net div.]), Global Real Estate (S&P Global REIT Index [net div.]), 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 © 2021 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 2021, all rights reserved. Bloomberg data provided by Bloomberg.



# Long-Term Market Summary

Index Returns as of September 30, 2021

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
<b>1 Year</b>	<b>STOCKS</b>				<b>BONDS</b>	
	31.88% 	26.50% 	18.20% 	31.61% 	-0.90% 	-0.54% 
<b>5 Years</b>						
	16.85% 	8.88% 	9.23% 	4.65% 	2.94% 	2.71% 
<b>10 Years</b>						
	16.60% 	7.88% 	6.09% 	8.70% 	3.01% 	3.87% 

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# US Stocks

## Third Quarter 2021 Index Returns

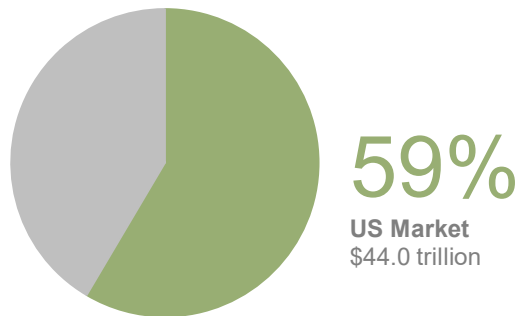
The US equity market was flat for the quarter and outperformed non-US developed markets and emerging markets.

Value underperformed growth in large cap stocks but outperformed growth in small cap stocks.

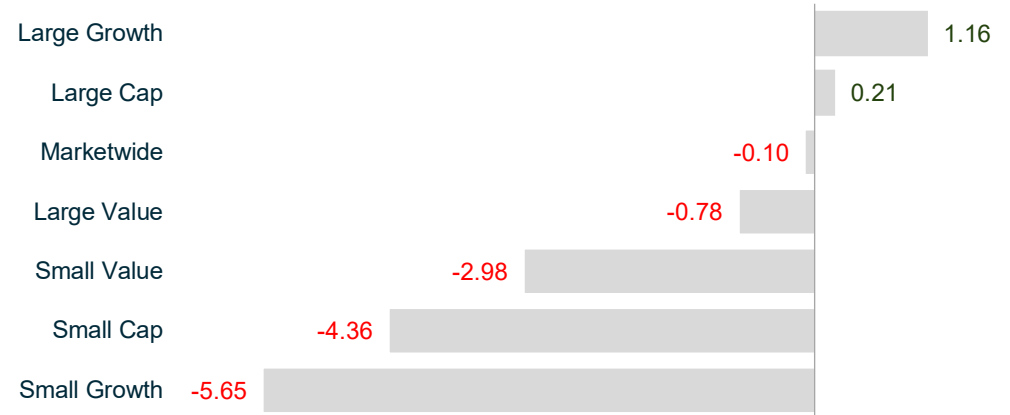
Small caps underperformed large caps.

REIT indices outperformed equity market indices.

### World Market Capitalization—US



### Ranked Returns (%)



Data Series	QTR	YTD	1 Year	* Annualized		
				3 Years	5 Years	10 Years
Large Growth	1.16	14.30	27.32	22.00	22.84	19.68
Large Cap	0.21	15.19	30.96	16.43	17.11	16.76
Marketwide	-0.10	14.99	31.88	16.00	16.85	16.60
Large Value	-0.78	16.14	35.01	10.07	10.94	13.51
Small Value	-2.98	22.92	63.92	8.58	11.03	13.22
Small Cap	-4.36	12.41	47.68	10.54	13.45	14.63
Small Growth	-5.65	2.82	33.27	11.70	15.34	15.74

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# International Developed Stocks

## Third Quarter 2021 Index Returns

Developed markets outside the US declined less than 1% for the quarter and underperformed US equities but outperformed emerging markets.

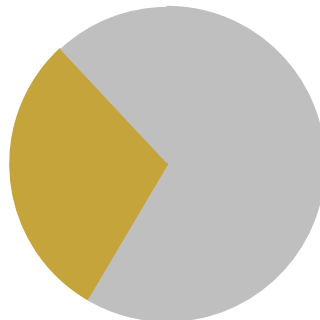
Value underperformed growth.

Small caps outperformed large caps.

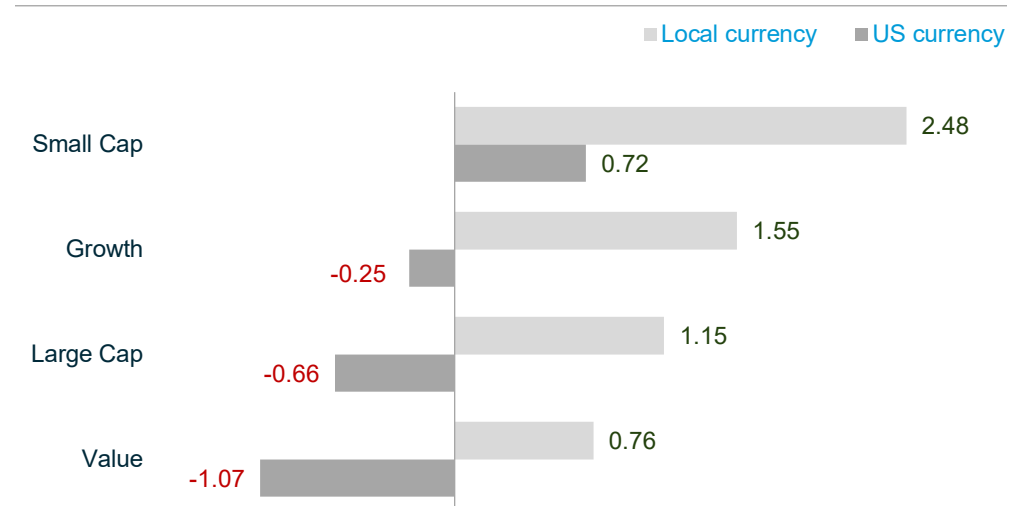
### World Market Capitalization—International Developed

30%

International  
Developed Market  
\$22.2 trillion



### Ranked Returns (%)



### Period Returns (%)

Asset Class	QTR	YTD	1 Year	3 Years*	5 Years*	10 Years*
Small Cap	0.72	10.71	30.14	9.50	10.33	10.03
Growth	-0.25	6.99	20.50	11.93	11.21	9.64
Large Cap	-0.66	9.19	26.50	7.87	8.88	7.88
Value	-1.07	11.15	32.60	3.45	6.25	5.95

\* Annualized

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# Emerging Markets Stocks

## Third Quarter 2021 Index Returns

Emerging markets posted negative returns for the quarter, underperforming the US and non-US developed equity markets.

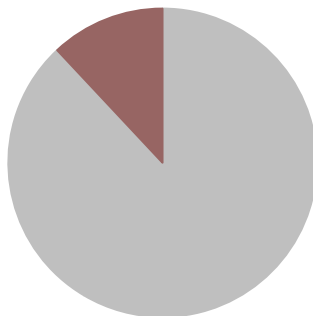
Value outperformed growth.

Small caps outperformed large caps.

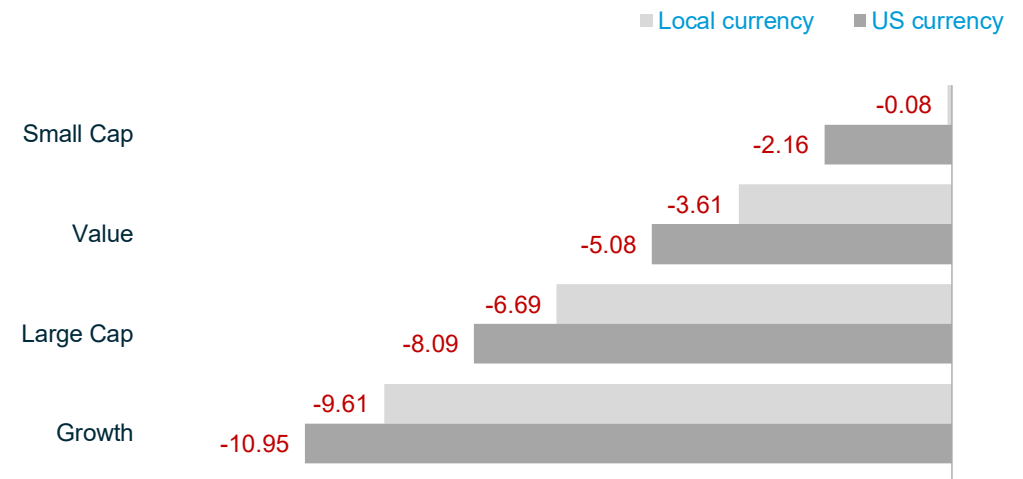
### World Market Capitalization—Emerging Markets

12%

Emerging Markets  
\$9.0 trillion



### Ranked Returns (%)



### Period Returns (%)

\* Annualized

Asset Class	QTR	YTD	1 Year	3 Years*	5 Years*	10 Years*
Small Cap	-2.16	17.20	43.24	13.11	9.75	7.21
Value	-5.08	4.43	28.43	4.77	6.87	3.79
Large Cap	-8.09	-1.25	18.20	8.58	9.23	6.09
Growth	-10.95	-6.46	9.28	12.15	11.36	8.23

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# Fixed Income

## Third Quarter 2021 Index Returns

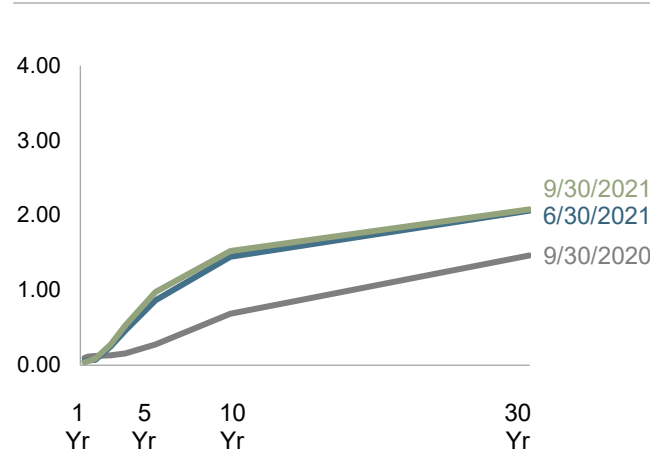
Interest rates in the US Treasury fixed income market generally increased during the third quarter. The yield on the 5-year Treasury note rose 12 basis points (bps), ending at 1.00%. The yield on the 10-year Treasury note increased 8 bps to 1.54%. The 30-year Treasury Bond yield rose 1 bp to finish at 2.05%.

On the short end of the curve, the 1-month Treasury bill yield increased 2 bps, ending at 0.07%, while the 1-year Treasury bill yield decreased 1 bp to 0.09%. The 2-year Treasury note yield increased 5 bps to 0.30%.

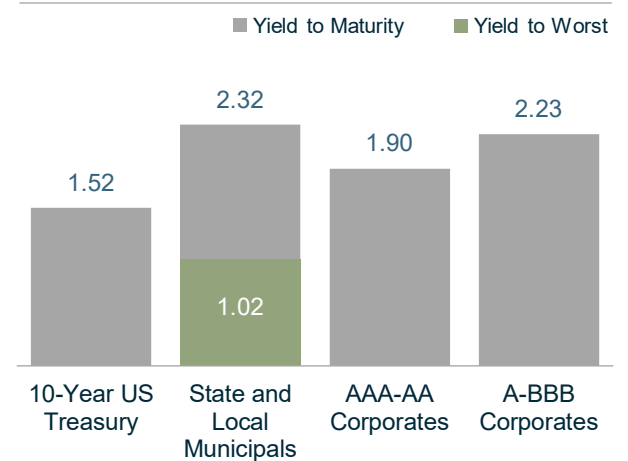
In terms of total returns, short-term corporate bonds returned 0.11%. Intermediate-term corporate bonds gained 0.08%.

The total return for short-term municipal bonds was 0.08%, while intermediate munis lost 0.04%. Revenue bonds performed in line with general obligation bonds for the quarter.

### US Treasury Yield Curve (%)



### Bond Yield across Issuers (%)



### Period Returns (%)

Asset Class	QTR	YTD	1 Year	3 Years*	5 Years*	10 Years*
Bloomberg US TIPS Index	1.75	3.51	5.19	7.45	4.34	3.12
Bloomberg US High Yield Corporate Bond Index	0.89	4.53	11.28	6.91	6.52	7.42
Bloomberg US Government Bond Index Long	0.46	-7.40	-10.13	9.17	3.34	4.40
Bloomberg US Aggregate Bond Index	0.05	-1.55	-0.90	5.36	2.94	3.01
FTSE World Government Bond Index 1-5 Years (hedged to USD)	0.02	-0.28	-0.11	2.77	1.90	1.75
ICE BofA 1-Year US Treasury Note Index	0.02	0.11	0.17	1.88	1.46	0.89
ICE BofA US 3-Month Treasury Bill Index	0.01	0.04	0.07	1.18	1.16	0.63
Bloomberg Municipal Bond Index	-0.27	0.79	2.63	5.06	3.26	3.87
FTSE World Government Bond Index 1-5 Years	-1.00	-3.06	-0.93	2.18	0.98	-0.21

\*Annualized

One basis point (bps) equals 0.01%. 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. Yield curve data from Federal Reserve. State and local bonds, and the Yield to Worst are from the S&P National AMT-Free Municipal Bond Index. AAA-AA Corporates represent the Bank of America Merrill Lynch US Corporates, AA-AAA rated. A-BBB Corporates represent the ICE BofA Corporates, BBB-A rated. Bloomberg data provided by Bloomberg. US long-term bonds, bills, inflation, and fixed income factor data © Stocks, Bonds, Bills, and Inflation (S&BBI) Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld). FTSE fixed income indices © 2021 FTSE Fixed Income LLC, all rights reserved. ICE BofA index data © 2021 ICE Data Indices, LLC. S&P data © 2021 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved.





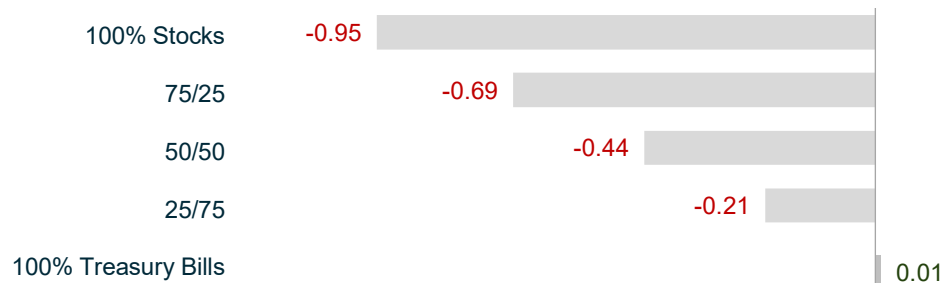
# Impact of Diversification

Third Quarter 2021

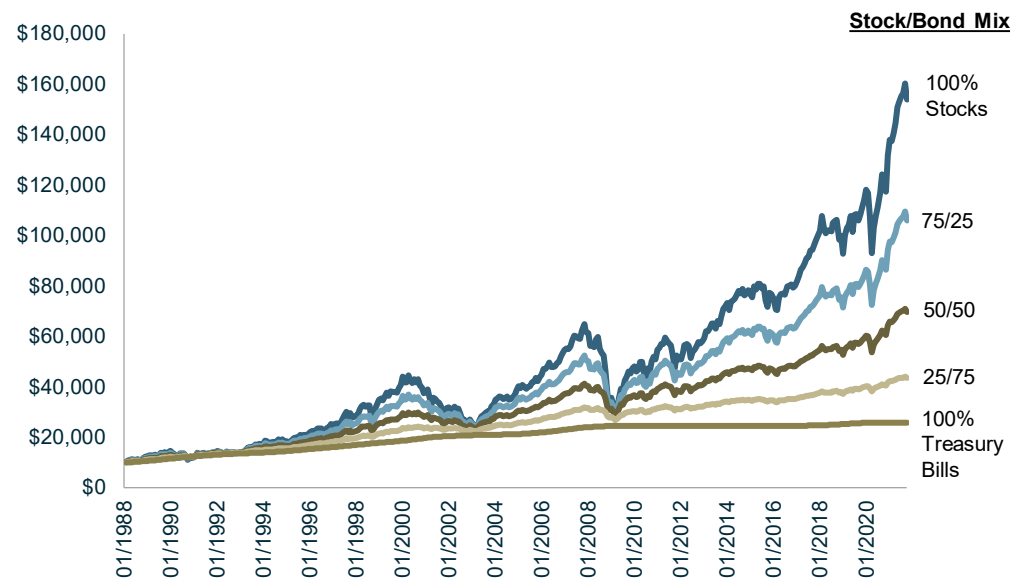
These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time

Period Returns (%)							* Annualized
Asset Class	YTD	1 Year	3 Years*	5 Years*	10 Years*	10-Year STDEV <sup>1</sup>	
100% Stocks	11.49	27.98	13.14	13.77	12.50	13.46	
75/25	8.57	20.59	10.34	10.68	9.58	10.09	
50/50	5.68	13.47	7.38	7.53	6.61	6.72	
25/75	2.83	6.62	4.28	4.31	3.60	3.35	
100% Treasury Bills	0.02	0.04	1.05	1.05	0.55	0.23	

## Ranked Returns (%)



## 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. **Past performance is not a guarantee of future results. Indices are not available for direct investment. Index performance does not reflect expenses associated with the management of an actual portfolio.** Asset allocations and the hypothetical index portfolio returns are for illustrative purposes only and do not represent actual performance. Global Stocks represented by MSCI All Country World Index (gross div.) and Treasury Bills represented by US One-Month Treasury Bills. Globally diversified allocations rebalanced monthly, no withdrawals. Data © MSCI 2021, all rights reserved. Treasury bills © Stocks, Bonds, Bills, and Inflation Yearbook™, Ibbotson Associates, Chicago (annually updated work by Roger G. Ibbotson and Rex A. Sinquefeld).