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July 8, 2022

Dear Client,

This letter contains news and views that I feel will be of interest to you. As always, please call us at your convenience to set up your quarterly investment meeting.

Contents:

Going, Sebastien, Fisher & Le Bouef, LLP News:

- GSF&L looks at various asset classes that may be suitable for clients' portfolios to add diversification (reduce risk). We offer Insurance-Linked Securities, Alternative Lending, Market Insurance, Diversified Alternatives, Realty, and Real Assets, so feel free to contact us for more details.
- The strategies have a low to moderate correlation to a Global Equities/Global Fixed Income mix; therefore, adding diversification to portfolios.
- Please make note of the above letterhead indicating our Lafayette office has moved to Kaliste Saloom Road. Should you need directions please contact our office.
- We are pleased to announce that we have admitted Amy Broussard Spellman, CPA and Kaleb Andrepont, CPA as associate partners to the firm. GSF&L welcomes all clients from Broussard and Broussard, CPA who are following Amy and are now part of our firm. We look forward to continuing to service your needs for many years to come.
- We are also pleased to announce the acquisition of the accounting practice of Dallas Fleming & Associates (DM&F). We welcome all of the DM&F clients and look forward to continuing to service your needs as Dallas was able to over the past many years.
- Darren recently attended the ENGAGE 2022 Conference hosted by the American Institute of Certified Public Accountants (AICPA). Sessions attended included Investing in a World of Uncertainty, Challenging Times – Charting the Economic Path of the U.S.

and Abroad, Investing in Times of Rising Rates, and Investment and Retirement Best Ideas Panel.

Investment Views:

- ***Market Watch - Through June 30, 2022 - Year-to-date returns –*** Dow Jones Industrial Average -15.31%, S&P 500 -20.58%, NASDAQ Composite Index -29.51%, Russell 2000 -23.93%, MSCI EAFE Index -20.77%, and S&P U.S. Aggregate Bond Index 9.64%.

- **Interest Rates (As of June 24, 2022 – Average National Rates) –**

Federal Funds Rate	1.58%	10-Year TIPS	0.59%
3-Month Treasury Bill	1.59%	10-Year Muni Bonds – Nat'l	2.90%
10-Year Treasury Note	3.09%	15-Year Mortgage Fixed	4.92%
30-Year Treasury Bond	3.21%	30-Year Mortgage Fixed	5.81%
Savings	0.08%	Money Market	0.09%
12-month CD	0.25%		

Sources: Federal Reserve, fms.bonds.com, Freddie Mac, FDIC

- ***Northern Trust – Weekly Economic Commentary – July 1, 2022 –*** Worries about inflation have lately given way to a new concern: Fear of an imminent recession, or even speculation that one is already underway. Persistently high food and energy prices are making consumers feel inflation with every routine purchase. A correction across financial assets has stung investors. Businesses still struggle to fill all available vacancies. Together, these factors are driving leading indicators and surveys of sentiment to new lows. However, grim survey responses don't account for hard data showing the economy is generally faring well. Labor markets are running hot, consumers continue to spend, and businesses continue to invest and rebuild their inventories. In sum, these trends suggest that the economy is not in a recession.

- ***Bureau of Economic Analysis – June 29, 2022 -*** Real Gross Domestic Product (GDP) – the value of goods and services produced by the nation's economy less the value of the goods and services used up in production decreased at an annual rate of 1.6% in the first quarter of 2022, according to the "third" estimate released by the Bureau. In the fourth quarter, real GDP increased 6.9%. Personal income increased 0.5% in May, which was the same as April.

- ***Bureau of Labor Statistics – June 10, 2022 –*** On a seasonally adjusted basis, the Consumer Price Index for All Urban Consumers (CPI-U) increased 1.0% in May after rising 0.3% in April. Over the last 12 months, the all items index increased 8.6% before seasonal adjustment. The increase was broad-based, with the indexes for shelter, gasoline, and food being the largest contributors. The energy index rose 3.9% over the month with the gasoline index rising 4.1%.

***C*raig's Thoughts and Views:**

Inflation, Recessions, and the Stock Market

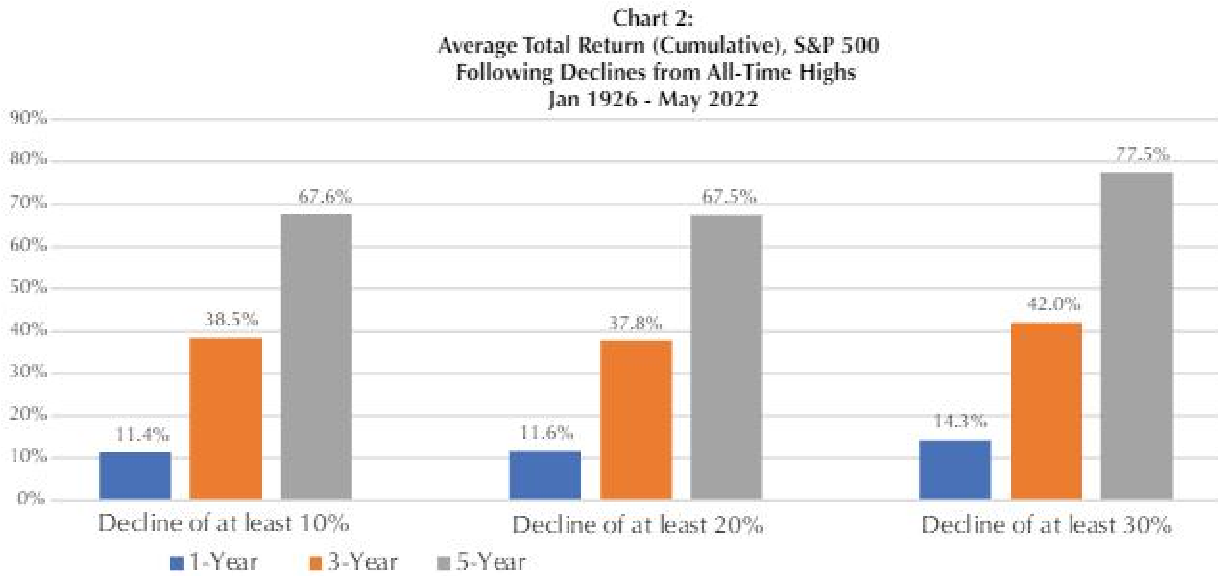
According to leading economic indicators, recession has grown more likely as compared to March 2022. The Fed has raised recessionary stakes by adopting a tighter monetary policy to stop inflation. The path to lower inflation and a continuing economic expansion appears to be lower than previously thought. The charts below may provide some assurance into the future.

Chart 1 below tracks the long-term growth of $100 invested in U.S. stocks, with recessions shaded in grey. The market has trended upward over time despite several recessions. A close look at the chart reveals that the market has generally fallen before the onset of recession and recovered before expansion resumed. The reason, the stock market is forward-looking while recessions are only apparent after the fact. Attempting to time the market around the business cycle can be very difficult.

Chart 1: Hypothetical Growth of $100
Invested S&P 500 (Total Return)
January 1926 - May 2022

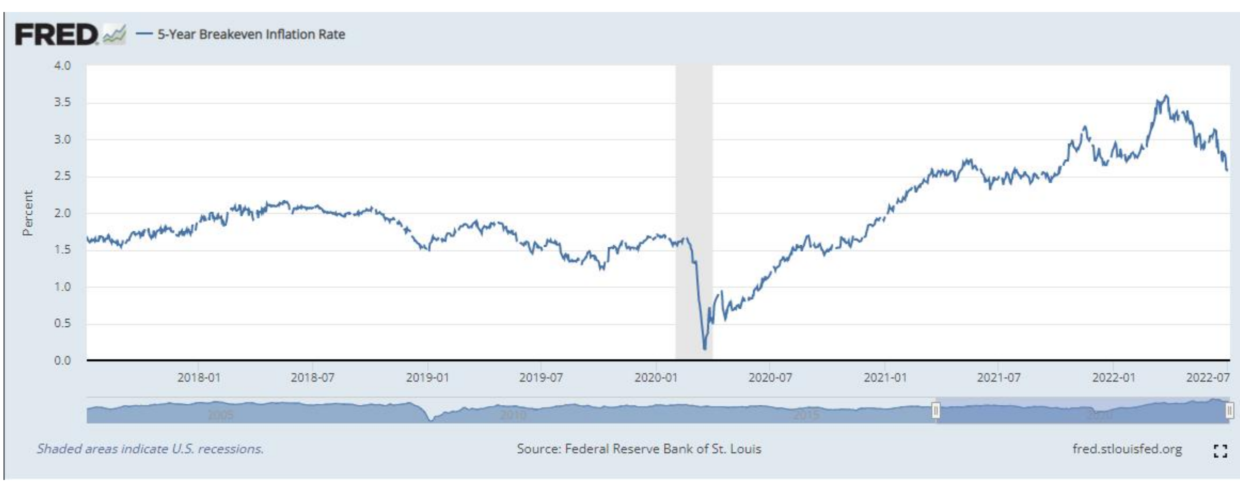
Sources: Recession data from NBER, FRED. S&P 500 total return includes dividends from DFA ReturnsWeb 2.0. See p. 48 for further information.

The market has on average provided strong returns following sharp declines as can be seen in Chart 2. For example, since 1926 there have been 394 (month-end) occurrences when the market was at least 10 percent below its all-time high. The average 1-year return following these 394 episodes was 11.4 percent. This is close to the average annual return across the entire time span of 96+ years.

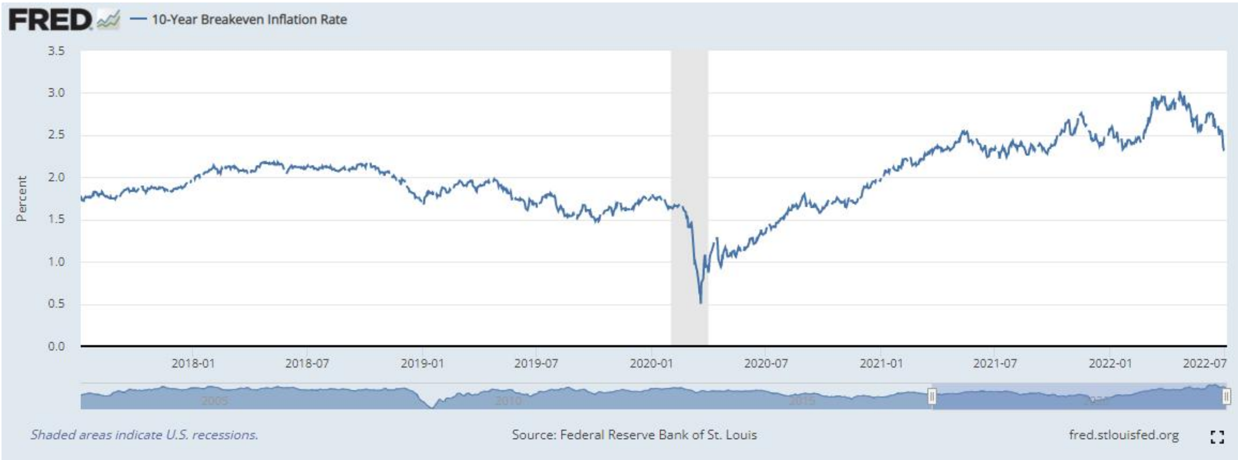


Inflation expectations are on the forefront of investors minds along with rising interest rates. Break-even inflation (BEI) is the difference between the nominal yield on a fixed-rate investment and the real yield (fixed rate) on an inflation-linked investment or similar maturity and credit quality. The break-even inflation rate suggests that over the next one, five, and ten years, annual inflation may subside. BEI over the next one year, according to Dimensional Advisors was 5.2 percent as of June 10, 2022 versus actual trailing inflation of 8.6 percent through May.

Federal Reserve Economic Data from the St. Louis Fed indicates the 5-year BEI to be about 2.51 percent as of July 5, 2022 (see below).



In addition, Federal Reserve Economic Data from the St. Louis Fed indicates the 10-year BEI to be about 2.34 percent as of July 5, 2022 (see below).



Series I Bonds

Inflation continues to dominate the news headlines, politics, and the average American's conversations. The trailing 12-month inflation through March reached 8.5 percent. U.S. citizens are feeling the effects of price increases at the gas pump, grocery store, building materials, etc. Many consumers have adjusted their spending habits in response.

Investors have asked about Series I Bonds (or I Bonds) because they have read the current composite rate is 9.62 percent through October 31, 2022. I Bonds are inflation-indexed savings bonds issued by the U.S. Treasury. These securities can offer some advantages that might appeal to long-term, risk-averse investors. Benefits offered: safety of principal, protection against price inflation, and well as some tax advantages. Currently, they are paying an attractive nominal yield relative to other securities as mentioned above.

Fundamentals

On May 1, the Treasury announced the composite rate for these bonds to be 9.62 percent. The fixed rate component on I Bonds has been zero percent since November 2019; this reflects the prevailing real interest rate. The inflation component, based on the trailing semiannual change in CPI-Urban between September and March, was 4.81 percent, or 9.62 percent on an annual basis. For example, an investor who pays $10,000 for a Series I Bond issued in May, will have the fixed rate portion of the bond paying 0 percent until the bond is redeemed. By November 1, 2022, the bond will have accrued $480, and at that time the Treasury will announce a new inflation adjustment that will apply to the bond over the next six months. This process will continue every six months for the life of the bond.

I Bonds will retain their value even during periods of price deflation. If inflation falls by 2 percent, the composite rate will simply reflect the fixed component. The redemption value will remain unchanged until prices increase again. Therefore, the value of the bond will never drop below the investor's original $10,000 investment. The inflation adjustment is announced for I Bonds twice per year (May 1 and November 1) regardless off the month in which any particular I Bond was issued.

Rules and Restrictions

I Bonds cannot be redeemed within 12 months of issue. Moreover, redemptions within the first five years are subject to a 3-month interest penalty. Therefore, these bonds may not be good for short-term investing. The Treasury limits I Bond purchases to $10,000 per person per year (though an additional $5,000 can be purchased if taxpayers elect to use their federal income tax refund for that purpose). Married couples, therefore, can purchase up to $2.000 per year directly from the Treasury. Denominations range from $25 to $10,000 in penny increments, allowing investors to purchase more precise amounts.

Educational Tax Exclusion

If certain requirements are met, interest used for qualified education expenses is tax-free. Bond features should be weighed carefully against alternative educational savings approaches. The inflation adjustment on I Bonds is based on the CPI; a price index that tracks a broad basket of goods and services. This may protect households from overall inflation, but it does not necessarily guard against rising college costs. Between 2009 and 2019, average tuition costs rose four times faster than CPI.

Requirements include: 1. Only individuals over age 24 can purchase I Bonds. 2. Educational costs must arise from the taxpayer, the taxpayer's spouse, or the taxpayer's dependent. All other individuals, such as grandchildren or nieces, are ineligible. 3. Interest must be used for qualified higher education expenses at an eligible institution. 4. Qualified expenses do not include those paid with tax-free scholarships, tax-free withdrawals from Education Savings Accounts and Qualified Tuition Programs, etc. 5. The exclusion phases out for 2022 when modified adjusted gross income is between $109,000-$129,000 for married filing joint filers, $68,000-$78,000 for single and head of household filers, and $0-$10,000 for married file separate filers.

What Else to Know

I Bonds may be attractive for those concerned about unexpected price inflation. But every investment has a limitation. I Bonds do not pay interest through coupon payments, so they may not be suitable for investors seeking a recurring income stream. There is no secondary market for I Bonds. Investors must purchase these bonds through the Treasury website (a payroll deposit option is available). After one year, the bonds can be redeemed at the investor's discretion. I Bonds are held separate from other investment accounts, such as taxable brokerage accounts, IRAs, or 401(k) accounts.

Should you need help in opening an account through Treasurydirect.gov, please let us know, we can help. To open an account, you will need to provide a taxpayer identification number, a U.S address of record, a checking or savings account (with account number and routing), an email address, and a web browser that supports 128-bit encryption. Begin by following the steps under the tab "Open an Account."

GSF&L, LLP Registered Investment Advisors:

We can never know what the future holds, but we can make informed decisions regarding investment strategies and portfolio allocations. We (GSF&L) make changes based on our perception of opportunities in the capital markets. We assimilate fundamental, technical, and economic information to make informed decisions. Of course, it is important to have long-term focus on portfolio management, but with a critical analysis of intermediate strategies.

Managing risks and opportunities are important to portfolios and reaching one's financial needs and goals. Having a complimentary understanding of investment horizon and attitude toward risk are equally important. Markets and economies do not always behave as we expect them to. That is the problem with investing! There is no luck to professional investing. You can no more have a successful, disciplined approach by luck or accident than you can win a chess tournament by luck or accident.

If you know of someone who may fit our financial and investment planning philosophy, please mention our name. We are a small organization and intend to remain so. A solid organization makes it possible for us to spend our time managing our business rather than each other. Because everyone has so much to do, much gets done. We will forego any growth opportunity that may detract from our ability to serve our clients as they have become accustomed to. We never expect to be among the biggest, but our attention to be among the best is not subject to compromise.

Regards,

Craig

Craig C. Le Bouef, MBA, CPA/PFS, CFP®

NASDAQ composite measures the performance of all issues listed in the NASDAQ Stock Market, except for rights, warrants, units, and convertible debentures. The S&P 500 is made up of 500 common stocks representing major U.S. industry sectors. The Dow Jones Industrial Average contains 30 stocks that trade on the New York Stock Exchange (NYSE) which reflect the performance of 30 large American companies. The Morgan Stanley Capital International Europe, Australia, and Far East Index (MSCI EAFE) is a market-weighted aggregate of 20 individual country indexes that collectively represent many of the major markets of the world, excluding Canada and the U.S. The Lehman Brothers U.S. Aggregate Bond Index tracks performance of debt instruments issued by corporations and the U.S. Government and its agencies. The returns for this index are total returns, which includes reinvestment of dividends. The Russell 2000 Index measures the performance of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

All indices are unmanaged. It is not possible to invest in an index.

Past performance is no guarantee of future results. Diversification does not assure against market loss.