

Q2 2022 Insights

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Q2 2022 Insights

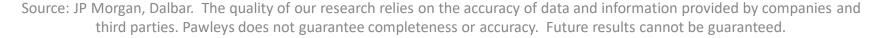


- 2022 Market Performance
- Key Economic Drivers
- Yield Curve
- Leading Economic Indicators
- Q2 earnings
- Pawleys Dividend and Pawleys Growth
- invest right, live rightTM

2022 Market Performance



- Rare event All three core asset classes down dramatically for the year:
 - S&P 500 is down -25%
 - Barclays US Government Intermediate Term −10.85%
 - Cash returns are negative when inflation exceeds money market rates, as is the case today
- Despite average S&P 500 intra-year decline of -14%, returns positive 75% of the time (1980-2021)
- Since 2002, average investor return is just +3.6% versus +9.5% for the S&P 500 due to jumping in and out of the market



Key Economic Drivers

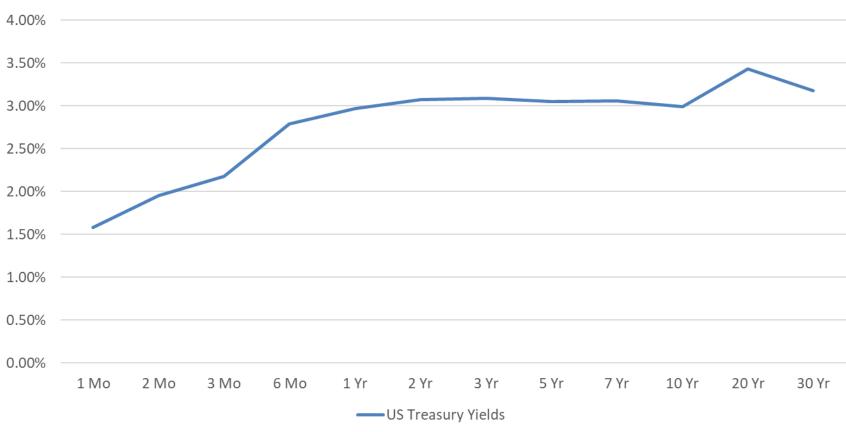


- Gloomy consumer sentiment & shrinking money supply
- Consensus of economists see only 25% probability of recession this year
- Earnings at all-time highs, yet rate of increases are slowing in some sectors
- Inventory gluts and slowing inflation (will slow Fed)
- Since 1921, average economic expansion lasted 47 months, while recessions last only 14 months – stay invested!

Yield Curve



US Treasury Yields

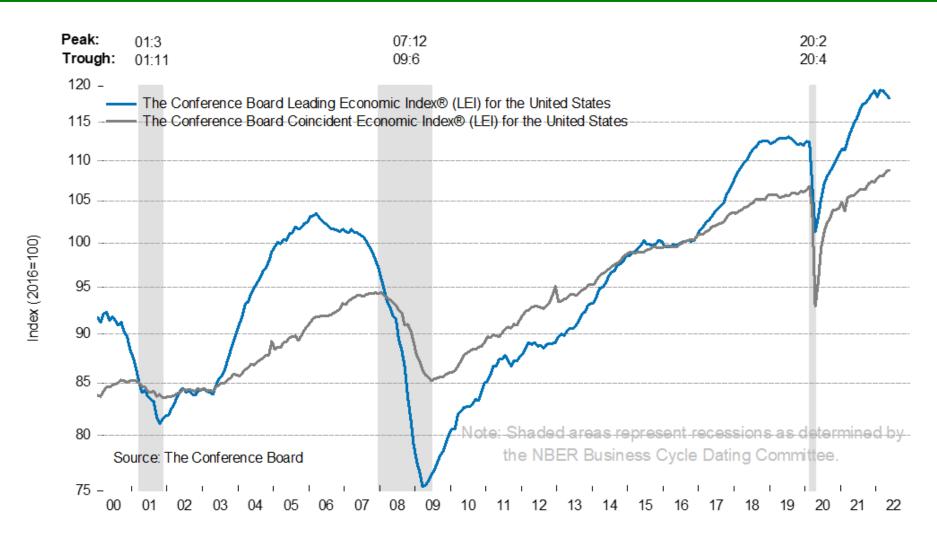


The quality of our research relies on the accuracy of data and information provided by companies and third parties. Pawleys does not guarantee completeness or accuracy. Future results cannot be guaranteed.



Leading Economic Indicators





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Q2 Earnings



- Corporate profits are at all-time record highs
- Average price:earning ratio of S&P 500 companies is 15.9x (source: JP Morgan)
- Reversal back to services from goods
- Stay high quality and short-term with fixed income in rising rate environment
- Periodic rebalancing



Pawleys Dividend



Pawleys Dividend Fund			\$:	1,000,000.00							e	5/30/2022					
Company	Symbol	Weight	Co	st Basis	1/	⁰³ /2022 px	shares	di	vidends	splits	curr	ent price	curr	ent mkt value	Tot	al Return	ytd TR
Activision Blizzard	ATVI	9.0%	\$	90,000.00	\$	66.44	1355	\$	636.66		\$	77.86	\$	105,469.60	\$	106,106.26	18%
Home Depot Inc	HD	10.0%	\$	100,000.00	\$	416.57	240	\$	912.21		\$	274.27	\$	65,840.07	\$	66,752.29	-33%
Estee Lauder Companies Inc	EL	8.0%	\$	80,000.00	\$	368.49	217	\$	260.52		\$	254.67	\$	55,289.42	\$	55,549.95	-31%
Phillips 66	PSX	5.0%	\$	50,000.00	\$	72.89	686	\$:	1,296.47		\$	81.99	\$	56,242.28	\$	57,538.76	15%
JPMorgan Chase & Co	JPM	7.0%	\$	70,000.00	\$	159.86	438	\$	875.77		\$	112.61	\$	49,310.02	\$	50,185.79	-28%
Bank of America Corp	BAC	7.0%	\$	70,000.00	\$	45.09	1552	\$	652.03		\$	31.13	\$	48,327.79	\$	48,979.82	-30%
Regeneron Pharmaceuticals Inc	REGN	7.0%	\$	70,000.00	\$	625.00	112	\$	-		\$	591.13	\$	66,206.56	\$	66,206.56	-5%
UnitedHealth Group Inc	UNH	7.0%	\$	70,000.00	\$	500.00	140	\$	434.00		\$	513.63	\$	71,908.20	\$	72,342.20	3%
Waste Management Inc	WM	9.0%	\$	90,000.00	\$	166.47	541	\$	702.83		\$	152.98	\$	82,706.79	\$	83,409.62	-7%
Lam Research Corp	LRCX	10.0%	\$	100,000.00	\$	721.13	139	\$	416.01		\$	426.15	\$	59,094.75	\$	59,510.77	-40%
Visa Inc	V	10.0%	\$	100,000.00	\$	217.52	460	\$	344.80		\$	196.89	\$	90,515.81	\$	90,860.61	-9%
Steel Dynamics Inc	STLD	4.0%	\$	40,000.00	\$	62.33	642	\$	436.39		\$	66.15	\$	42,451.47	\$	42,887.85	7%
Nextera Energy Inc	NEE	4.0%	\$	40,000.00	\$	93.42	428	\$	363.95		\$	77.46	\$	33,166.35	\$	33,530.29	-16%
	cash	3.0%	\$	30,000.00	\$	1.00	30000				\$	1.00	\$	30,000.00	\$	30,000.00	0%
		100.0%	\$:	1,000,000.00				\$	7,331.64				\$	856,529.13	\$	863,860.77	

Please check with Pawleys to see if these ideas fit within your existing portfolio.

No adjustments have been made to portfolio or benchmark for fees and taxes.

Past performance does not indicate future results.

Datasource: YAHOO! Finance, verified on Bigcharts.

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-13.61%

-14.44% DJIA

Pawleys +/- Index:

0.83%



Pawleys Growth



Pawleys Growth Fund	\$ 1,000,000.00								6/30/2022											
Company	Symbol	Weight	Cos	t Basis	1/0	4/2022 рх	shares	di	vidends	splits		curr	ent price	curr	ent mkt value	Tot	tal Return	yto	d TF	
Netflix	NFLX	5.0%	\$	50,000.00	\$	597.96	84	\$	-			\$	174.87	\$	14,622.22	\$	14,622.22	-	719	
Arista Networks Inc	ANET	5.0%	\$	50,000.00	\$	144.09	347	\$	-			\$	93.82	\$	32,556.04	\$	32,556.04	-3	35%	
Lennar Corp	LEN	5.0%	\$	50,000.00	\$	115.84	432	\$	323.72			\$	70.36	\$	30,369.48	\$	30,693.20	-3	39%	
TopBuild Corp	BLD	5.0%	\$	50,000.00	\$	275.79	181	\$	-			\$	167.59	\$	30,383.63	\$	30,383.63	-5	39%	
National Beverage Corp	FIZZ	4.0%	\$	40,000.00	\$	45.42	881	\$	-			\$	48.94	\$	43,099.96	\$	43,099.96		8%	
Ulta Beauty Inc	ULTA	4.0%	\$	40,000.00	\$	413.70	97	\$	=			\$	385.48	\$	37,271.45	\$	37,271.45		-7%	
Valero Energy Corp	VLO	4.0%	\$	40,000.00	\$	75.80	528	\$:	1,034.30			\$	106.46	\$	56,179.42	\$	57,213.72	2	43%	
MasterCard Inc	MA	4.0%	\$	40,000.00	\$	359.79	111	\$	108.95			\$	315.88	\$	35,118.26	\$	35,227.22	-:	12%	
Intercontinental Exchange Inc	ICE	4.0%	\$	40,000.00	\$	136.53	293	\$	222.66			\$	94.17	\$	27,589.54	\$	27,812.20	-3	30%	
Evercore Inc	EVR	4.0%	\$	40,000.00	\$	136.40	293	\$	410.56			\$	93.44	\$	27,401.76	\$	27,812.32	-3	30%	
Hologic, Inc	HOLX	6.0%	\$	60,000.00	\$	76.51	784	\$	-			\$	69.30	\$	54,345.84	\$	54,345.84		-9%	
Molina Healthcare, Inc	МОН	6.0%	\$	60,000.00	\$	315.38	190	\$				\$	278.13	\$	52,913.31	\$	52,913.31	-	12%	
Laboratory Corporation of America	LH	6.0%	\$	60,000.00	\$	313.10	192	\$	137.98			\$	234.92	\$	45,018.21	\$	45,156.18	-2	25%	
FTI Consulting	FCN	4.0%	\$	40,000.00	\$	154.25	259	\$	-			\$	180.17	\$	46,721.56	\$	46,721.56		17%	
Old Dominion Freight Line Inc	ODFL	4.0%	\$	40,000.00	\$	358.06	112	\$	67.03			\$	256.28	\$	28,629.84	\$	28,696.87	-3	28%	
Applied Materials Inc	AMAT	7.0%	\$	70,000.00	\$	157.74	444	\$	221.88			\$	90.98	\$	40,374.03	\$	40,595.92	-4	42%	
Zebra Technologies Corp	ZBRA	7.0%	\$	70,000.00	\$	592.08	118	\$	-			\$	293.95	\$	34,752.91	\$	34,752.91	-!	50%	
Logitech International	LOGI	7.0%	\$	70,000.00	\$	85.14	822	\$	-			\$	52.06	\$	42,802.44	\$	42,802.44	-3	39%	
Commercial Metals Company	CMC	3.0%	\$	30,000.00	\$	36.50	822	\$	345.21			\$	33.12	\$	27,221.92	\$	27,567.12		-8%	
Ameren Corp	AEE	3.0%	\$	30,000.00	\$	89.25	336	\$	396.64			\$	90.36	\$	30,373.11	\$	30,769.75		3%	
	cash	3.0%	\$	30,000.00	\$	1.00	30000	\$	-			\$	1.00	\$	30,000.00	\$	30,000.00		0%	
		100.0%	\$ 1	,000,000.00				\$:	3,268.93					\$	767,744.91	\$	771,013.83			

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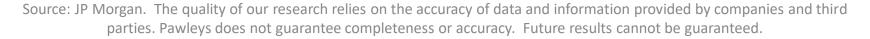
-22.90%

-19.96%

S&P 500

Pawleys +/- Index:

-2.94%





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"The stock market is a device for transferring money from the impatient to the patient."

- Warren Buffett



Pawleys Investment Advisors, LLC



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