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**Second Quarter 2022 Weather(ly) Report
July 2022**

At the start of 2022, the world was reemerging from a global pandemic with easy money policies, central bank bond buying and an ultra-low interest rate environment helping economies recover. After the US unemployment rate peaked at 14.7% in April 2020, it improved to 3.9% by year-end 2021 and declined further to 3.6% through June 2022. Supply chain issues elevated during the pandemic eased slightly as companies shifted from globalization to more localized solutions. The Russian invasion of Ukraine on February 24th, 2022 exacerbated supply chain constraints, further inflating prices in energy and food in particular.

As global central banks raised rates during Q2 to curb high inflation and concerns increased around slower growth, stocks and bonds sold off sharply, posting the worst first half results in 50 years. Many indices entered bear markets year-to-date, with the S&P at -19.97%, NASDAQ -29.22%, Dow -14.44%, and MSCI Global Index at -20.51%. Year-to-date, bonds have also posted negative returns, with the 1–3-year Treasury at -3.01%, U.S. aggregate -10.35%, high yield corporates -14.19% and investment grade corporates at -14.39%.

U.S. 10-year Treasury yields reached a high of nearly 3.50% in June and ended Q2 at 3.02%. The yield curve flattened with 2- and 5-year Treasury yields ending the quarter at 2.96% and 3.04%, respectively while 30-year mortgage rates ended at 5.8%, after reaching historical lows around 2.50% last year. Many existing homeowners and first-time homebuyers capitalized on the 2021 borrowing deal of the century with approximately 51% of mortgage holders having a sub 4% mortgage rate. Given the recent uptick in rates, new home sales started to slow, and many buyers are now considering adjustable-rate mortgages (ARMs) for their home purchases to keep monthly payments low.

The U.S. dollar surged as concerns mounted and drove a flight to safe havens. The Euro reached a 20-year low and came close to parity with the USD. The British Pound was one of the worst performers vs. the U.S. dollar, coupled with the recent announcement of the resignation of U.K. Prime Minister, Boris Johnson. Meanwhile, the Swiss Franc and Japanese Yen, normally viewed as safe haven currencies, stalled. Shocking and saddening news was released regarding former Japanese Prime Minister Shinzo Abe's death after a veteran shot him with a homemade gun at a campaign event.

Year-to-date sectors with resilience included select names in energy, defense, and healthcare. Higher risk assets such as investments in SPACs, meme stocks, IPOs and cryptocurrencies were decimated. Weatherly continued to focus on a hybrid approach to equities, incorporating both dividend-oriented and thematic names while limiting single company exposure. During the quarter, both high quality corporate bonds and tax-free municipals 2-4 years in maturity were added to portfolios to capture higher yields.

"Top Ten" Holdings *

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|-----------------------------|---------------------------|
| 1. Apple Inc. | 6. Costco Wholesale Corp. |
| 2. Microsoft Corp. | 7. SPDR S&P Biotech ETF |
| 3. Amazon Inc. | 8. Adobe Systems Inc. |
| 4. Invesco Global Water ETF | 9. Home Depot Inc. |
| 5. Waste Management Inc. | 10. Alphabet Inc. Class A |

While many continue to yearn for a Federal Reserve goal of a "soft landing," others are speculating the time and duration of a global recession. There is no doubt that stocks, bonds, and real estate returns over the last 3-5 years were highly above historical return norms. As demand destruction, low consumer sentiment and announcements of layoffs or hiring freezes propagate the news, we see a slowing global economy in motion.

We continue to work with clients both in person and via video conference. Dialogues have included liquidity needs, cybersecurity, updates to estate plans and gifting via donor advised funds or qualified charitable distributions from IRAs.

*Please see reverse side

-The Weatherly Crew

*** TOP TEN DISCLOSURE**

"Top Ten" holdings consist of Weatherly's largest stock positions as of quarter end. A full list of holdings is available upon request. It should not be assumed that any of the securities, transactions, or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings.

	<u>WAM</u> <u>Equity**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Equity</u> <u>(net fee)</u>	<u>S&P</u> <u>500t</u>	<u>MSCI ACWI</u> <u>(gross USD)</u>	<u>WAM</u> <u>Fixed**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Fixed (net</u> <u>fee)</u>	<u>Merrill</u> <u>Lynch 1-3</u> <u>year</u>	<u>WAM</u> <u>Balanced**</u> <u>(gross fee)</u>	<u>WAM</u> <u>Balanced</u> <u>(net fee)</u>	<u>Blended</u> <u>Benchmark</u>
2005	12.65%	11.65%	4.92%	11.37%	2.43%	1.93%	1.66%			
2006	16.21%	15.21%	15.78%	21.53%	4.94%	4.44%	3.95%			
2007	11.18%	10.18%	5.49%	12.18%	5.47%	4.97%	7.32%			
2008	-34.04%	-35.04%	-36.99%	-41.84%	-0.95%	-1.45%	6.61%			
2009	32.36%	31.36%	26.47%	35.41%	10.63%	10.13%	0.78%			
2010	11.93%	10.93%	15.06%	13.21%	6.77%	6.27%	2.35%			
2011	-5.58%	-6.85%	2.12%	-6.86%	4.37%	3.87%	1.55%			
2012	16.36%	15.36%	16.00%	16.80%	5.99%	5.49%	0.43%	11.84%	11.09%	8.18%
2013	28.20%	27.20%	32.41%	23.44%	-1.62%	-2.12%	0.36%	15.41%	14.66%	15.61%
2014	8.53%	7.53%	13.69%	4.71%	5.55%	5.05%	0.62%	7.43%	6.68%	7.01%
2015	4.86%	3.86%	1.38%	-1.84%	1.31%	0.81%	0.54%	3.55%	2.80%	1.09%
2016	8.70%	7.70%	11.95%	8.48%	2.79%	2.29%	0.88%	6.41%	5.66%	6.33%
2017	24.52%	23.52%	21.82%	24.62%	4.49%	3.99%	0.42%	17.01%	16.26%	10.75%
2018	-1.92%	-2.92%	-4.39%	-8.93%	0.61%	0.11%	1.59%	-0.80%	-1.55%	-1.06%
2019	32.54%	31.54%	31.48%	27.30%	7.05%	6.55%	3.55%	22.85%	22.10%	17.01%
2020	30.97%	29.97%	18.39%	16.82%	4.35%	3.85%	3.10%	21.36%	20.61%	12.08%
2021	20.55%	19.55%	28.68%	19.04%	0.69%	0.19%	-0.55%	14.34%	13.59%	13.45%
2nd Quarter 2022	-17.86%	-18.11%	-16.11%	-15.53%	-2.35%	-2.48%	-0.50	-13.35%	-13.54%	-8.31%
Year-to-Date 2022	-24.31%	-24.81%	-19.97%	-19.97%	-5.60%	-5.85%	-2.84%	-18.93%	-19.31%	-11.49%
5-Year Trailing (Ann.)	11.82%	10.82%	11.29%	7.53%	1.58%	1.08%	0.94%	8.28%	7.53%	6.60%
Since Inception (Ann.)	9.97%	8.97%	10.03%	7.42%	4.35%	3.85%	3.22%	8.91%	8.16%	7.21%

Please see footnotes

**** PERFORMANCE DISCLOSURE**

Please note, the Weatherly Asset Management (WAM) Equity performance is a mid- to large-cap value equity approach and the WAM Fixed Income performance is a high-quality intermediate-maturity investment approach. Performance numbers up to 12/31/05 are prepared in compliance with Association of Investment Management Research Performance Presentation Standards (AIMR PPS). Periods from 12/31/05 to 12/31/10 meet the requirements of the revised version of Global Investment Performance Standards (GIPS). Periods from 12/31/10 are calculated in a similar manner but GIPS standards no longer permit carve outs, therefore we no longer claim GIPS compliance. The gross of fee returns shown above are presented after deduction of all transaction costs, but prior to the deduction of advisory fees and such other possible expenses as custodial fees. The net of fee return is calculated by subtracting the advisory fees. Investment advisory fees are described in Part II of Weatherly's Form ADV. For the 2nd Quarter 2022, the maximum quarterly management fee is 0.25% for Weatherly's Equity Composite and 0.125% for the Fixed Income Composite.

Composite rates of return, since inception on an annualized basis after deduction of the maximum quarterly management fee is as follows for equity accounts for 1995, 32.41%, for 1995 and 1996 combined, 28.50%, for 1995-1997 combined, 30.24%, for 1995-1998 combined, 26.15%, for 1995-1999 combined, 25.06%, for 1995-2000 combined, 18.31%, for 1995-2001 combined, 12.70%, for 1995-2002 combined, 7.44%, for 1995-2003 combined, 9.53%, for 1995-2004 combined, 9.94%, for 1995-2005 combined, 10.05%, for 1995-2006 combined, 10.48%, for 1995-2007 combined, 10.46%, for 1995-2008 combined, 6.36%, for 1995-2009 combined 7.87%, for 1995-2010 combined, 8.06%, for 1995-2011 combined, 7.14%, for 1995-2012 combined, 7.58%, for 1995-2013 combined 8.57%, for 1995-2014 combined 8.54%, for 1995-2015 combined 8.31%, for 1995-2016 combined 8.29%, for 1995-2017 combined 8.91%, for 1995-2018 combined 8.39% for 1995-2019 combined 9.23%, for 1995-2020 combined, 9.96% and for 1995-2021 combined, 10.31%. For fixed income accounts 1995, 11.49%, for 1995-1996 combined, 8.35%, for 1995-1997 combined, 7.63%, for 1995-1998 combined, 7.58%, for 1995-1999 combined, 6.18%, for 1995-2000 combined, 6.50%, for 1995-2001 combined, 6.37%, for 1995-2002 combined 6.37%, for 1995-2003 combined, 5.92%, for 1995-2004 combined 5.68%, for 1995-2005 combined, 5.33%, for 1995-2006 combined, 5.25%, for 1995-2007 combined, 5.23%, for 1995-2008 combined, 4.74%, for 1995-2009 combined, 5.09%, for 1995-2010 combined, 5.17%, for 1995-2011 combined, 5.09%, for 1995-2012 combined, 5.11%, for 1995-2013 combined 4.72%, for 1995-2014 combined 4.73%, for 1995-2015 combined 4.54%, for 1995-2016 combined 4.44%, for 1995-2017 combined 4.42%, for 1995-2018 combined 4.23%, for 1995-2019 combined 4.32%, 1995-2020 combined, 4.31%, and for 1995-2021 combined, 4.15%.

Composite returns consist of all 100% discretionary accounts under management utilizing individual stock and bond holdings selected by WAM. Balanced portfolio segments have been included in single asset composites. Effective 1/1/06 to 12/31/10, cash and cash returns have been allocated to the segment returns according to the procedures outlined by Association of Investment Management Research (AIMR). Effective 1/1/16, equity and fixed composite returns no longer include cash or a weighting to cash. Dividends and interest received is generally not reinvested in the same security but is included in total return calculations. Effective 2010, Equity Composite performance excludes two related family groups which hold a concentrated position that due to tax considerations cannot be managed in the same manner as the overall equity composite. The composite performance represents the performance of an aggregate of the firm's managed accounts that align with a particular strategy. Individual account performance will vary, and some clients may have experienced returns significantly different from the composite. Investing entails risk and past performance is no guarantee of future performance.

These performance numbers are provided under the flash reports provision of these said standards. "As prospective and current clients have received past results that were in compliance with the required disclosures within a 12-month period, firms may present interim data and returns (i.e., "Flash numbers") without quarterly disclosures." A full presentation, including all required disclosures, is available upon request. The WAM Balanced Composite represents actual portfolios utilizing strategic asset allocation with both equity and fixed income components. The fixed income component for individual portfolios underlying the balanced composite have allocations tailored specifically for that account and client, and varies between 5% and 90%, whereas the Blended Benchmark is 50% S&P 500 Total Return and 50% Merrill Lynch 1-3 Year representing an average of a 50% Equity and 50% Fixed Income benchmark allocation in the Composite.