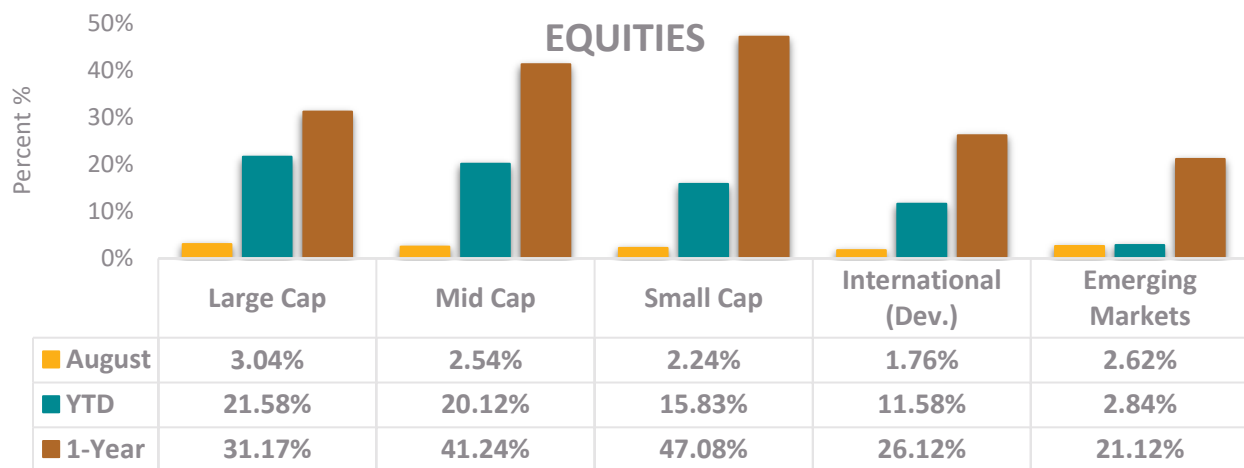


# Monthly Market Summary

## Market Update and Economic Developments

- The United States services sector lost steam in August due to the Delta variant’s increased impact on economic activity. Services in the U.S., which make up approximately 70% of GDP, continue to face intense labor shortages, particularly in the restaurant and transportation industries.
- Supply chain delays continue to impact global inflation, where increased consumer demand for goods is challenging suppliers to keep up. This bottleneck is causing increased freight costs, which are eventually passed on to consumers. The price to transport one freight container from Shanghai to Los Angeles has increased from \$1,500 to more than \$30,000, according to Craig Grossgart, SVP at SEKO Logistics during a press briefing last month.
- Large Cap equities led the way domestically for the second month in a row as the S&P 500 index returned 3.04%. Emerging markets made up some ground in August, returning 2.62%, as many undeveloped economies are recovering and learning to adapt to the recent uptick in COVID infections. The MSCI Emerging Markets Index remains positive 2.84% YTD.



Benchmark Indexes: Large Cap = S&P 500; Mid Cap = Russell Mid Cap; Small Cap = Russell 2000; International Developed = MSCI EAFE; Emerging Markets = MSCI EM.



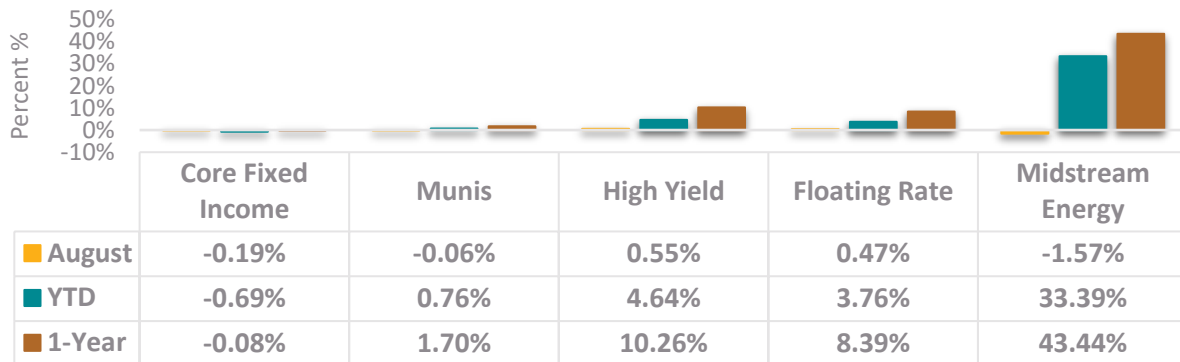
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# Monthly Market Summary

## Fixed Income Market Update and Other Assets

- On August 27, Federal Reserve Chair Jerome Powell spoke at the annual Jackson Hole Economic Symposium, confirming that the Fed may consider tapering the pace of its asset purchasing as early as the end of this year. The Fed chair doubled down on his conviction that inflation in the U.S. is transitory.
- Core fixed income continued to struggle in August as recovery uncertainty and the low interest rate environment persisted. The Bloomberg US Aggregate income returned -0.19% over the month, bringing its year-to-date return to -0.69%.
- Crude oil futures increased to nearly \$70 per barrel at the end of August after previously decreasing in July. Oil producers in the Gulf of Mexico were forced to pause operations due to Hurricane Ida. Refineries in Louisiana are expected to resume their operations over time as they assess the damage in the wake of the storm.

### FIXED INCOME AND OTHERS



Benchmark Indexes: Core Fixed Income = BBgBarc US Agg Bond; Municipal Bonds = BBgBarc Municipal 5Yr 4-6; High Yield = ICE BofA US High Yield; Floating Rate = S&P/LSTA Leverage Loan; Midstream Energy = Alerian Midstream Energy



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