

VSMI
VANSANT MEWSHAW

REGISTERED INVESTMENT ADVISOR

Q1
Quarterly Market Review

Quarterly Market Review

First Quarter 2021

This report features world capital market performance and a timeline of events for the past 12 months. 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 our annual message.

We are pleased to announce a new addition to the VSM team; Creg Hill joins us as the Chief Operating Officer. Creg Hill, CRPC® was raised in Baltimore. He graduated from East Carolina University with a bachelor's degree in Applied Economics. He has been in the financial services industry for the previous ten years. Prior to joining Vansant Mewshaw, Creg was a Vice President at PNC in their Wealth Management division. During his career, Creg held various other positions in relationship management, portfolio management, operation management, private banking, financial planning and wealth management.

Creg joined Vansant Mewshaw in February of 2021. His responsibilities include designing and implementing business operations, establishing policies that promote company culture and vision, and overseeing operations of the company.

Overview:

Quarterly Topic: Think Investing Is a Game? Stop.

Quarterly Market Summary

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World Stock Market Performance

Impact of Diversification

Randomness Of Market Returns

Think Investing Is a Game? Stop.

David Booth Executive Chairman and Founder Dimensional

It's easy to view the stories of market speculation that have dominated the news recently as cautionary tales for individual investors. But we can also look at the current moment as an opportunity to welcome a new group of investors to the market: those who have been drawn in by all the high-stakes action, and yet may want a consistent, long-term investment solution that doesn't keep them up at night. This is probably a good time to mention that investing and gambling are not the same thing.

If you're not the type of person who feels comfortable betting your life savings on a long shot, the good news is that you don't have to find the next big stock to win in the stock market. Concentrating your whole investment on one or two companies means the stakes are high enough to expose you to unnecessary risk. Even if you manage to land a few big winners, our research has found that good luck is unlikely to repeat throughout a lifetime of investing. For every individual who got in and out of a hot stock at the right time, there's another who bought or sold at the wrong time. If you treat the market like a casino, not only do you have to pick the right stock, but also the right moment.

I've always believed you're better off betting with the whole market than on individual stocks, through a low-cost, highly diversified portfolio. Then let time and compounding do their work. Compounding is the investor's best friend: if an investment grows at a rate of 10% a year, that means a dollar invested has doubled every seven years. As a point of reference, the S&P 500 has grown at rate of 10.26% since 1926, though it's worth noting that **the path is rarely smooth.**

With all the options now available to investors, putting together a solid investment plan—one that you can stick with—is key. Markets have never been so accessible, and information has never been so widely available. And despite the fact that stories of stock market gambling keep making the news, many investors have managed to enjoy growth in their investments using low-cost, highly diversified strategies like index funds.





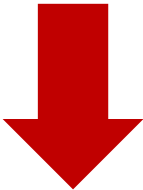

Indexing has turned out to be a good solution for many people. I was involved in the creation of one of the first index funds early in my career, and I've enjoyed watching the positive impact indexing has had on the industry. For those who want more customization and flexibility, there are ways to build on the strengths of indexing while correcting for some of its weaknesses. At Dimensional, we've been working on improving Please see the end of this document for important disclosures. Upon indexing for the past 40 years.

If you're looking to become a long-term investor, commit to a long-term strategy that takes your own personal goals, situation, and risk tolerance into account. (A financial advisor can help with this part.) And remember that although the US stock market has returned about 10% a year on average, returns for individual companies and individual years can vary wildly. (We call these uneven distributions "fat tails.") It's always important to look at the big picture. A huge win on a stock bet today doesn't mean much if you lose it tomorrow.

Investing is a lifelong journey. Making money slowly is much better than making—then losing—money quickly.

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
1Q 2021	STOCKS				BONDS	
	6.35%	4.04%	2.29%	6.22%	-3.37%	-1.90%
						

Since Jan. 2001						
Avg. Quarterly Return	2.4%	1.6%	3.0%	2.5%	1.1%	1.1%
Best Quarter	22.0%	25.9%	34.7%	32.3%	4.6%	4.6%
	2020 Q2	2009 Q2	2009 Q2	2009 Q3	2001 Q3	2008 Q4
Worst Quarter	-22.8%	-23.3%	-27.6%	-36.1%	-3.4%	-2.7%
	2008 Q4	2020 Q1	2008 Q4	2008 Q4	2021 Q1	2015 Q2

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 Barclays US Aggregate Bond Index), and Global Bond Market ex US (Bloomberg Barclays 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 Barclays data provided by Bloomberg.

Long-Term Market Summary

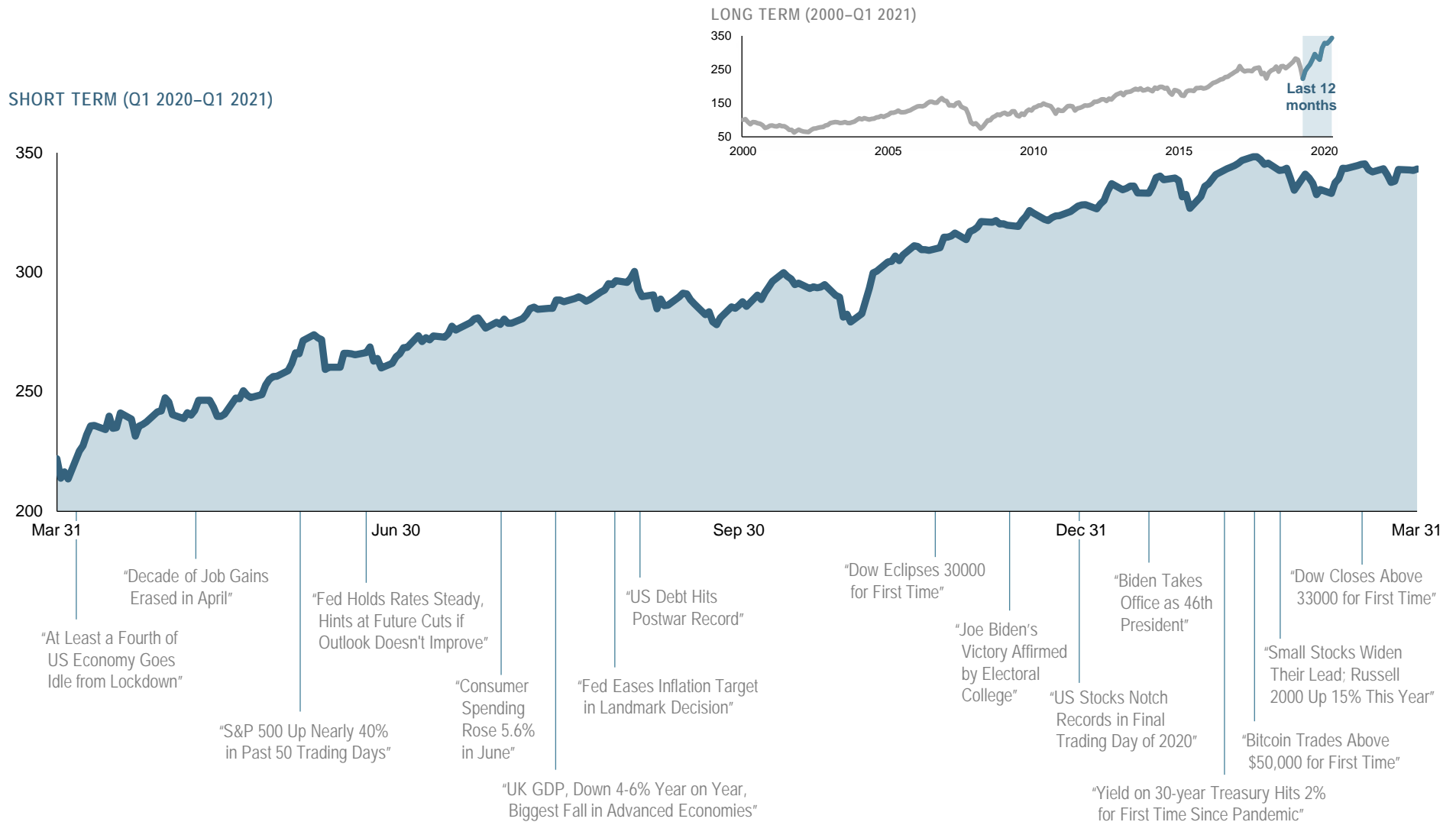
Index Returns as of March 31, 2021

	US Stock Market	International Developed Stocks	Emerging Markets Stocks	Global Real Estate	US Bond Market	Global Bond Market ex US
1 Year	STOCKS				BONDS	
	62.53%	45.86%	58.39%	36.05%	0.71%	1.45%
						
5 Years						
	16.64%	8.92%	12.07%	3.52%	3.10%	3.28%
						
10 Years						
	13.79%	5.21%	3.65%	6.23%	3.44%	4.22%
						

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World Stock Market Performance

MSCI All Country World Index with selected headlines from past 12 months



These headlines are not offered to explain market returns. Instead, they serve as a reminder that investors should view daily events from a long-term perspective and avoid making investment decisions based solely on the news.

Graph Source: MSCI ACWI Index [net div.]. MSCI data © MSCI 2021, all rights reserved.

It is not possible to invest directly in an index. Performance does not reflect the expenses associated with management of an actual portfolio. Past performance is not a guarantee of future results.

Impact of Diversification

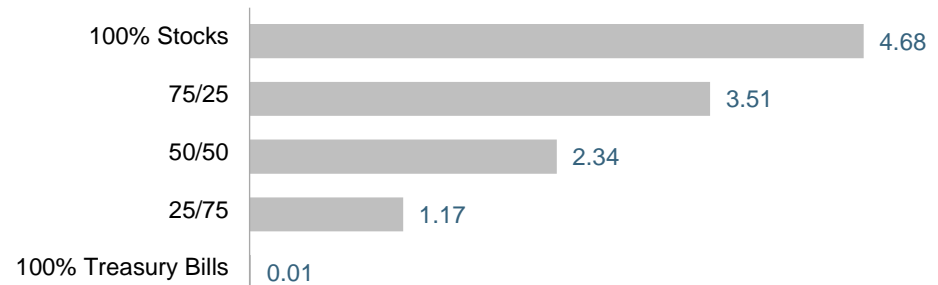
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These portfolios illustrate the performance of different global stock/bond mixes and highlight the benefits of diversification. Mixes with larger allocations to stocks are considered riskier but have higher expected returns over time.

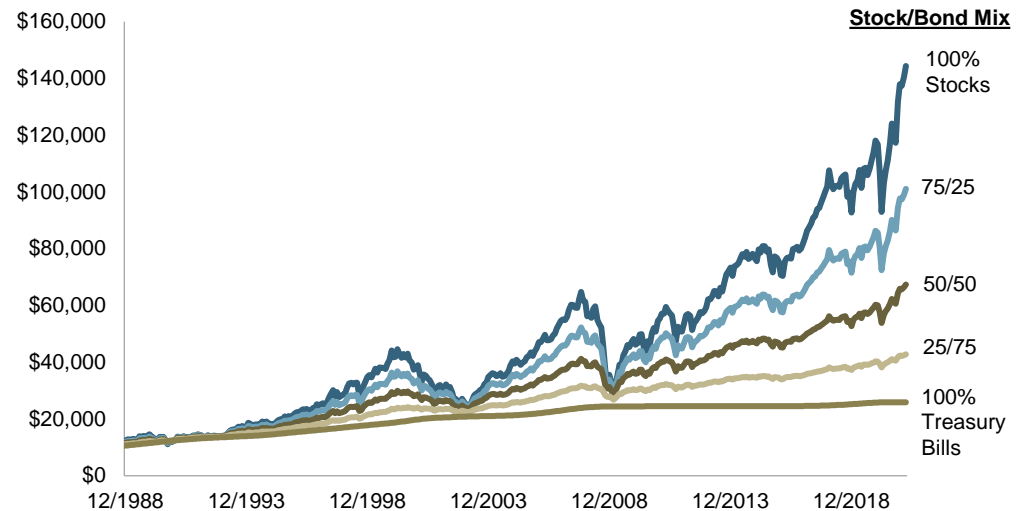
Period Returns (%)

Asset Class	* Annualized					
	YTD	1 Year	3 Years*	5 Years*	10 Years*	10-Year STDEV ¹
100% Stocks	4.68	55.31	12.66	13.81	9.73	14.07
75/25	3.51	39.64	10.05	10.71	7.57	10.55
50/50	2.34	25.27	7.29	7.55	5.31	7.03
25/75	1.17	12.11	4.38	4.33	2.97	3.51
100% Treasury Bills	0.01	0.08	1.35	1.07	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).

Randomness Of Market Returns

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Highest Return	Large Cap US 14.60%	Small Cap US 36.99%	US REIT 27.40%	US REIT 0.80%	Commodity 9.86%	Emerging Markets 34.35%	US Bonds 0.01%	Large Cap US 28.88%	Large Cap US 18.40%	Commodity 13.55%
	Global Allocation 13.05%	Large Cap US 29.60%	Large Cap US 11.40%	US Bonds 0.55%	US REIT 8.90%	International Developed 25.03%	Large Cap US -6.20%	US REIT 25.84%	Small Cap US 18.36%	Small Cap US 12.44%
	Small Cap US 13.00%	International Developed 22.77%	US Bonds 5.97%	Large Cap US -0.73%	US Bonds 5.31%	Large Cap US 19.40%	Global Allocation -6.41%	Small Cap US 23.72%	Emerging Markets 15.84%	US REIT 7.62%
	US REIT 11.60%	Global Allocation 15.97%	Global Allocation 3.71%	International Developed -0.81%	Emerging Markets 5.03%	Global Allocation 14.04%	US REIT -8.00%	International Developed 18.44%	Global Allocation 10.12%	Large Cap US 6.17%
	International Developed 10.08%	Commodity -1.22%	Small Cap US 3.50%	Global Allocation -1.74%	Global Allocation 9.16%	Small Cap US 13.10%	Small Cap US -12.20%	Global Allocation 18.17%	US Bonds 7.51%	Global Allocation 5.00%
	Emerging Markets 9.41%	US Bonds -2.02%	Emerging Markets -4.63%	Small Cap US -5.70%	Large Cap US 2.70%	Commodity 5.77%	International Developed -13.79%	Commodity 17.63%	International Developed 5.43%	International Developed 2.83%
	US Bonds 3.99%	US REIT -2.30%	International Developed -4.90%	Emerging Markets -16.96%	Small Cap US 1.40%	US Bonds 3.54%	Commodity -13.82%	Emerging Markets 15.42%	US REIT -9.32%	Emerging Markets 1.95%
Lowest Return	Commodity 3.47%	Emerging Markets -5.03%	Commodity -33.06%	Commodity -32.86%	International Developed -4.42%	US REIT -0.10%	Emerging Markets -16.64%	US Bonds 8.72%	Commodity -23.72%	US Bonds -3.37%

Large Cap US is defined as the S&P 500 Index, Small Cap US is defined as the Russel I 2000 Index, US Reit is defined as the Dow Jones US Select REIT Index, International Developed is defined as MSCI EAFE Index, Emerging Markets is defined as the MSCI Emerging Index, Commodity is defined as the S&P GSCI and US Bonds are Defined as the BarCap US Agg Bond Index. Indexes are not available for direct investment. Index performance does not reflect the expenses associated with the management of an actual portfolio. Past performance is not a guarantee of future results. Global Allocation is defined as the DFA 60/40 Global Allocation Fund Institutional Shares.