

**THOUGHTS FROM OUR CHAIRMAN**

In this Spring issue of As We See It, Samuel Hallowell provides a useful overview of the markets since 1987. We are experiencing another serious market pullback. Events and policies, both here and abroad, are influencing economies and markets, and investors and traders are reacting to them in predictable ways.

The tragedy in the Ukraine currently involves two nations that, in the best of times, contribute only around 3% of the world GDP. Yet, the ripple effect of this war is having a negative impact on many. Some countries are restructuring their energy resources but, for most, these adjustments are likely to have a undesirable impact on their economies. Being a Putin energy customer was at one time good business but, in the end, is proving costly. Here in the US, both Congress and the Fed have focused on pumping cheap money into the economy. While the process has kept the economy steaming, we are reaping the unintended consequences - namely high inflation. Traders and investors are now speculating on the possibility of a upcoming recession and how it could impact their investment strategies. At Van Liew Trust Company we believe investors around the world will likely continue to put their money on, and in, the USA. Our economy might not be the best, but broadly it is stable and, in the end, may be a more reliable place to invest.

Alfred B. Van Liew

A Little History Lesson

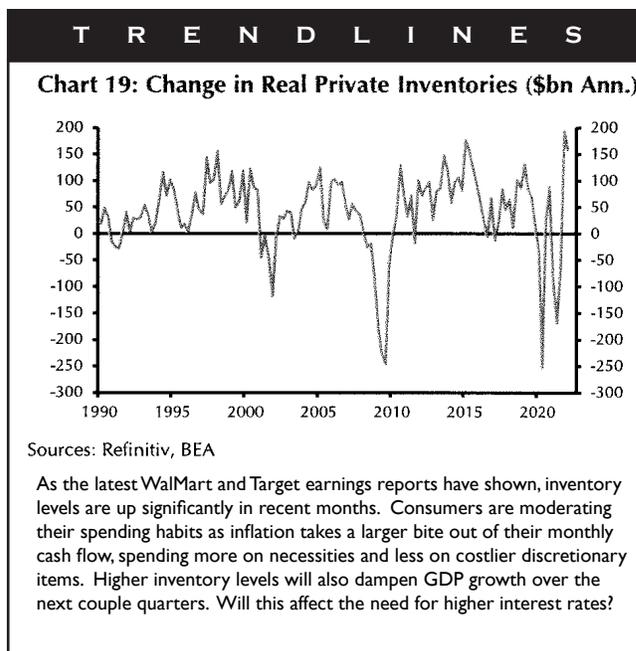
Samuel H. Hallowell, Jr.

We thought a little history lesson to start this newsletter might be worthwhile given the current volatile investment environment. On Monday, October 19, 1987, three years after Van Liew Trust Company opened, the S&P 500 Index fell 57.86 points or 20.46%, the largest single day percentage decline in history. Over the ensuing 34 years stock markets weathered many more contractions 16 of which resulted in drops of 10% or more. These included multi-year declines of 49.1% and 56.8%, the former caused by the popping of the tech bubble in 2000 and the latter by the 2007 financial loan crisis. Despite periods of negative results, the annual returns of the

S&P 500 Index were positive in 25 of those 34 years. Meanwhile, the value of the S&P 500 Index rose from 247.08 on 12/31/87 to 4,766.18 on 12/31/21. The point is that despite disruptions of varying magnitude history shows us that equity markets ultimately resume their historical path higher.

We have a formal investment meeting every Tuesday. We use the time to discuss current and possible future economic, business and financial conditions supplemented by detailed analytical input from several research firms. We review new investment opportunities as well as current holdings and customer

portfolios. Monthly presentations of charts mapping the performance of the US and several international stock markets as well as S&P 500 stock sectors supplement our analytical input. These are all key elements in our effort to interpret the future and rebalance customer accounts appropriately. We are constantly trying to gauge the long-term effects of the swirling, confusing mixtures of negative crosscurrents facing the investment markets and the world. As you can imagine the current focus is the future effects on stock and bond markets from rising interest rates, logistic logjams, high prices for food, energy and housing as well as China's economic weakness and the war in the Ukraine. While we recognize that many of these issues will dissipate given time, we caution customers to tune out these periods of price volatility they cause and focus on their long-term financial needs and investment objectives. We know that is difficult when flooded by an incessant barrage of negative news bites and conflicting economic rhetoric. However, history has shown us that being patient, staying invested, diversifying assets in a disciplined manner and not trying to time market gyrations can be rewarding.



We would be delighted to meet with you to share comments about this article, or to review your portfolio in detail.

PROVIDENCE

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NEWPORT

Ask for James Powell

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